

## POLICY AND RESOURCES COMMITTEE – 4 NOVEMBER 2019

### PART I - NOT DELEGATED

#### 6. BUDGET MONITORING – MONTH 6 (SEPTEMBER) (DoF)

##### 1 Summary

1.1 Budget monitoring report is a key tool in scrutinising the Council's financial performance. It is designed to provide an overview to all relevant stakeholders. It is essential that the council monitors its budgets throughout the year to ensure that it is meeting its strategic objectives and that corrective action is taken where necessary.

1.2 This report seeks approval to a change in the Committee's 2019 - 2022 medium-term revenue financial plan. The report shows the Council's overall consolidated medium term financial plan for both revenue and capital.

##### 2 Details

2.1 An overall increase in the Council's budgets requiring the use of balances must be approved by Council. Virements between cost centres within each service are approved by each committee.

##### **Revenue**

2.2 The Council's original net revenue budget for 2019/20 (as approved by Council on 26 February 2019) was £12.433 million. The latest is **£13.080 million**. The forecast outturn at period 6 is estimated to be **£13.032 million** which gives a favourable variance compared to the latest budget of **(£0.048) million**. The table below shows how the forecast outturn has been constructed.

Net Revenue Budget 2019/20	£ million
<b>Original Net Revenue Budget</b>	<b>12.433</b>
Carry Forward from 2018/19	0.706
Variances previously reported (at Period 4)	(0.059)
<b>Latest Approved Budget (Council October 2019)</b>	<b>13.080</b>
Variances Reported This Period – Period 6 ( <i>to be approved</i> )	(0.098)
<b>Forecast Outturn</b>	<b>12.982</b>

##### **Service Budgets**

2.3 After removing the budgets for non-specific service costs (parish precepts, interest earned/paid and reserve transfers), which are treated as corporate costs, the net latest direct revenue budget is **£11.267 million**. The forecast outturn is now estimated to be **£11.211 million** which results in a favourable variance of **(£0.056) million**.

2.4 The document attached (Budget Management 2019/20 - Annex 1) contains detailed information on the variance and the impact on the Council's medium term financial plan.

## **Capital**

- 2.5 The original budget for 2019/20 (as approved by Council on 26 February 2019) was £14.624 million. The latest budget is **£18.380 million**. Services have identified a variance of **(£0.679) million** which has decreased the 2019/20 budget to **£17.701 million**. The table below shows how the forecast outturn has been constructed.

<b>Capital Investment Programme 2019/20</b>	<b>£ million</b>
<b>Original Budget</b>	<b>14.624</b>
Rephasing from 2018/19	3.696
Variances previously reported (at Period 4)	0.06
<b>Latest Approved Budget</b> (Council July 2019)	<b>18.380</b>
Variances Reported This Period – Period 6 ( <i>to be approved</i> )	(0.679)
<b>Forecast Outturn</b>	<b>17.701</b>

- 2.6 The document attached (Budget Management 2019/20 - Annex 1) contains detailed information on the variance and the impact on the Council's medium term financial plan.

### **3. Options/Reasons for Recommendation**

- 3.1 The recommendations below enable the Committee to make recommendations to Council concerning their budget.

### **4. Policy / Budget Reference and Implications**

- 4.1 In accordance with the Council's financial procedure rules, if the recommendations are accepted, this will amend the Council's budgets.

- 4.2 There are no substantial changes to Council policy resulting from this report.

### **5. Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Customer Services Centre, Communications, Health & Safety & Website Implications**

- 5.1 None specific.

### **6. Financial Implications**

- 6.1 The following revenue and capital variations have been identified for all service committees for Period 6.

<b>Variance</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
<b>Revenue</b> - (Favourable)/ Unfavourable	(97,730)	8,440	42,080
<b>Capital</b> - Increase / (Decrease)	(678,810)	724,130	0

### **7. Risk Management Implications**

- 7.1 The Council has agreed its risk management strategy.
- 7.2 In the officers' opinion none of the risks above, in isolation, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks that will be included and managed via the Corporate Services Service Plan. The effectiveness of treatment plans are reviewed by the Audit Committee.

## 8. Write Offs

- 8.1 This report also requests Members to consider agreeing to a change in delegation to the Council's constitution relating to the authority to write-off individual 'car parking' debts.
- 8.2 Currently the Section 151 officer is authorised to write-off of debts between £501 and £3,000 per individual account, for council tax, business rates, housing benefit overpayment and sundry debts with the Head of Revenues and Benefits is authorised to write off debts up to £500 per individual account, for council tax, business rates, housing benefit overpayment and sundry debts.
- 8.3 Car parking debts are not strictly sundry debts as no invoice is raised, therefore for transparency and expediency, it is proposed to delegate to the Head of Regulatory Services the authority to write- off debts up to £500 per individual account, for specific car parking debts. This will bring into line the same authorisation limit as the Head of Revenues & Benefits. Car parking debts above this threshold and up to £3,000 will continue to be authorised by the Section 151 Officer.

## 9. Recommendation

To Council:

- 9.1 That the following revenue and capital budget variations be approved and incorporated into the three-year medium-term financial plan:-

<b>Variance</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
<b>Revenue</b> - (Favourable)/ Unfavourable	(97,730)	8,440	42,080
<b>Capital</b> - Increase / (Decrease)	(678,810)	724,130	0

- 9.2 Approves to the change to the financial regulations of the Council's constitution relating to write offs of car parking debts as detailed at paragraph 8.0.

Report prepared by: Temi Opeyemi – Finance Manager  
Nigel Pollard – Section Head - Financial Planning & Analysis

Checked by: Alison Scott – Head of Finance

### Background Papers

Budget setting recommendations - Council 26 February 2019.  
Outturn 2018/19 - Policy and Resources Committee 17 June 2019.  
Period 4 Budget Management report - Policy and Resources Committee 2 September 2019.

### ATTACHMENTS

Annex 1 – Budget Management 2019/20 Period 6