

POLICY AND RESOURCES COMMITTEE – 8 MARCH 2021

PART I - NOT DELEGATED

10. BUDGET MONITORING – MONTH 10 (January) (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 2020 - 2024 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 2020/21 was £12.771 million. The latest is **£13.203 million**. The forecast outturn at period 10 is estimated to be **£13.054 million** which gives a variance compared to the latest budget of **(£0.149 million)**. The table below shows how the forecast outturn has been constructed.

| Net Revenue Budget 2020/21 | £ million |
|----------------------------------------------------------------------|---------------|
| Original Net Revenue Budget | 12.771 |
| Variances Previously Approved | 0.432 |
| Latest Approved Budget (Council February 2021) | 13.203 |
| Variances Reported This Period – Period 10 (<i>to be approved</i>) | (0.149) |
| Forecast Outturn | 13.054 |

2.3 The document attached (Budget Management 2020/21 - Annex 1) contains detailed information on the variance and the impact on the Council's medium term financial plan.

Capital

2.4 The original budget for 2020/21 was £9.624 million. The latest budget is **£8.959 million**. Services have identified a variance of **£1.714 million** which has increased the 2020/21 forecast outturn to **£10.673 million**. The table below shows how the forecast outturn has been constructed.

| Capital Investment Programme 2020/21 | £ million |
|----------------------------------------------------------------------|----------------------|
| Original Budget | 9.624 |
| Rephasing from 2019/20 | 1.604 |
| Variances Previously Approved | (2.269) |
| Latest Approved Budget (Council February 2021) | 8.959 |
| Variances Reported This Period – Period 10 (<i>to be approved</i>) | 1.714 |
| Forecast Outturn | 10.673 |

2.5 The document attached (Budget Management 2020/21 - 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 10.

| Variance | 2020/21 £ | 2021/22 £ | 2022/23 £ | 2023/24 £ |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Revenue - (Favourable)/ Unfavourable | (148,868) | (100,000) | (100,000) | (100,000) |
| Capital - Increase / (Decrease) | 1,714,175 | 839,230 | 0 | 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.

9. Recommendation

To Council:

- 9.1 That the revenue and capital budget variations as shown in the table at paragraph 6.1 be approved and incorporated into the three-year medium-term financial plan.

Report prepared by: Temi Opeyemi - Finance Manager Financial Planning & Analysis

Checked by: Nigel Pollard – Finance Section Head

Background Papers

Budget setting recommendations - Council 23 February 2021.

ATTACHMENTS

Annex 1 – Budget Management 2020/21 Period 10