

POLICY AND RESOURCES COMMITTEE – 13 SEPTEMBER 2021

PART I - NOT DELEGATED

11. BUDGET MONITORING – Quarter 1 (June) (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 Council's 2021 - 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 2021/22 (as approved by Council on 23 February 2021) was £12.759 million. The latest budget including variances reported in March (Period 10 2020/21) and the approved carry forward budgets from 2020/21 is £13.107 million. The forecast outturn at quarter 1 is estimated to be £13.240 million which gives an unfavourable variance compared to the latest budget of **£0.133 million**.

2.3 The table below shows how the forecast outturn has been constructed.

Net Revenue Budget 2021/22	£ million
Original Net Revenue Budget	12.759
Carry Forward from 2020/21 (Outturn report June 2021)	0.448
Variances Previously Approved- March 2021 (Period 10)	(0.100)
Latest Approved Budget	13.107
Variances Reported at Quarter 1 – <i>(to be approved)</i>	0.133
Forecast Outturn	13.240

2.4 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

- 2.5 The original budget for 2021/22 was £4.408 million. The latest budget including variances reported in March (Period 10 - 2020/21) and approved rephasings from the 2020/21 outturn report (June 2021) is £6.612 million. The forecast outturn at quarter 1 is estimated to be £6.612 million and therefore a **zero** variance is reported at this time.

The table below shows how the forecast outturn has been constructed.

Capital Investment Programme 2021/22	£ million
Original Budget	4.408
Rephasing from 2020/21	1.365
Variances Previously Approved- March 2021 (Period 10)	0.839
Latest Approved Budget (Council February 2021)	6.612
Variances Reported at Quarter 1 (<i>to be approved</i>)	0
Forecast Outturn	6.612

- 2.6 The document attached (Budget Management 2021/22 - 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 at Quarter 1.

Variance	2021/22 £	2022/23 £	2023/24 £
Revenue - (Favourable)/ Unfavourable	132,951	305,800	288,800
Capital - Increase / (Decrease)	0	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 Corporate 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:

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Checked by:

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Background Papers

Budget setting recommendations - Council 23 February 2021.

Period 10 Budget Management report - Policy and Resources Committee 8 March 2021.

Outturn 2020/21 report - Policy and Resources Committee 14 June 2021

ATTACHMENTS

Annex 1 – Budget Management 2021/22 Quarter 1