

## POLICY AND RESOURCES COMMITTEE – 1 NOVEMBER 2021

### PART I - NOT DELEGATED

#### 6. BUDGET MONITORING – QUARTER 2 (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 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 the approved carry forward budgets from 2020/21 is £13.240 million. The forecast outturn at quarter 2 is estimated to be £13.465 million which gives an unfavourable variance compared to the latest budget of **£0.133 million**.

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

Net Revenue Budget 2021/22	£ million
<b>Original Net Revenue Budget</b>	<b>12.759</b>
Carry Forward from 2020/21	0.448
Variances Previously Approved	0.033
<b>Latest Approved Budget (June 2021)</b>	<b>13.240</b>
Variances Reported at Quarter 2 – <i>(to be approved)</i>	0.225
<b>Forecast Outturn</b>	<b>13.465</b>

2.3 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.

## 2.4 **Capital**

The original budget for 2021/22 was £4.408 million. The latest budget is £6.612 million. Services have identified a variance of (£0.465) million, due to rephrasing, which has decreased the 2021/22 budget to £6.147 million.

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

<b>Capital Investment Programme 2021/22</b>	<b>£ million</b>
<b>Original Budget</b>	<b>4.408</b>
Rephrasing from 2020/21	1.365
Variances Previously Approved	0.839
<b>Latest Approved Budget (June 2021)</b>	<b>6.612</b>
Variances Reported at Quarter 2 ( <i>to be approved</i> )	(0.465)
<b>Forecast Outturn</b>	<b>6.147</b>

2.5 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 2.

<b>Variance</b>	<b>2021/22 £</b>	<b>2022/23 £</b>	<b>2023/24 £</b>
<b>Revenue</b> - (Favourable)/ Unfavourable	225,131	57,470	69,690
<b>Capital</b> - Increase / (Decrease)	(464,583)	424,583	(20,000)

## **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.

## **8. Recommendation**

To Council:

- 8.1 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: Sally Riley - Finance Manager, Financial Planning & Analysis

Checked by: Hannah Doney – Head of Finance

### **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.  
Quarter 1 Budget Management Report – Policy and Resources Committee 13.  
September 2021.

### **ATTACHMENTS**

Annex 1 – Budget Management 2021/22 Quarter 2