

POLICY AND RESOURCES COMMITTEE – 5 NOVEMBER 2018

PART I - NOT DELEGATED

11. 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 2018 - 2021 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 2018/19 (as approved by Council on 20 February 2018) was £11.540 million. The latest budget is £12.218 million. The forecast outturn at period 6 (September) is estimated to be £12.224 million which gives a variance compared to the latest budget of £0.006 million. The table below shows how the forecast outturn has been constructed.

Net Revenue Budget 2018/19	£ million
Original Net Revenue Budget	11.540
Carry Forward from 2017/18	0.461
Variances Previously Approved - Period 4 (July)	0.217
Latest Approved Budget	12.218
Variances Reported This Period – Period 6 (September) <i>to be approved</i>	0.006
Forecast Outturn	12.224

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 original direct revenue budget was set at **£9.749 million** and the latest budget is **£10.346 million**. The forecast outturn is now estimated to be **£10.457 million** which

results in an unfavourable variance of **£0.111 million**. The non-specific service variance is **£0.105 million**.

- 2.4 The document attached (Budget Management 2018/19 - 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 2018/19 (as approved by Council on 20 February 2018) was **£39.144 million**. The latest budget is **£41.220 million**. Services have identified a variance of **£7.523 million** which has reduced the 2018/19 budget to **£33.697 million**. The table below shows how the forecast outturn has been constructed.

Capital Investment Programme 2018/19	£ million
Original Budget	39.144
Rephasing from 2017/18	1.860
Variances Previously Approved - Period 4 (July)	0.216
Latest Approved Budget	41.220
Variances Reported This Period – Period 6 (September) <i>to be approved</i>	(7.523)
Forecast Outturn	33.697

- 2.6 The document attached (Budget Management 2018/19 - 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, Public Health, Customer Services Centre, Communications & Website, and Health & Safety 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 (end of September).

Variance	2018/19 £	2019/20 £	2020/21 £
Revenue - (Favourable)/ Unfavourable	6,380	(222,740)	(222,740)
Capital - Increase / (Decrease)	(7,523,120)	8,532,920	0

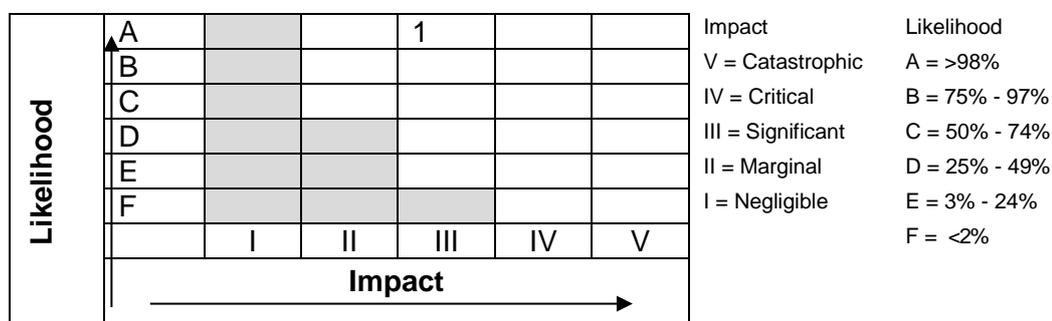
7. Risk Management Implications

7.1 There are no risks to the Council in agreeing the recommendations.

7.2 The following table gives the risks if the recommendations are rejected, together with a scored assessment of their impact and likelihood:

Description of Risk		Impact	Likelihood
1	The Council's Medium-Term Financial Plan would be out of date and officers would not have accurate budgets to work to.	III	A

7.3 The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan. The risk is managed within the Finance services service plan.



8. Recommendation

To Council:

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

Variance	2018/19 £	2019/20 £	2020/21 £
Revenue - (Favourable)/ Unfavourable	6,380	(222,740)	(222,740)
Capital - Increase / (Decrease)	(7,523,120)	8,532,920	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 20 February 2018.
Outturn 2017/18 - Policy and Resources Committee 18 June 2018.
Budget monitoring (Period 4 July) – Policy and Resources Committee 4 September
2018.

ATTACHMENTS

Annex 1 – Budget Management 2018/19 Period 6 (end of September 2018)