**GENERAL PUBLIC SERVICES AND COMMUNITY SAFETY COMMITTEE**

**1 DECEMBER 2016**

**PART I - NOT DELEGATED**

**6. BUDGET MONITORING – MONTH 6 (SEPTEMBER)**

(DoF)

1. **Summary**

1.1 The 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 2016 - 2019 medium-term financial plan.

1. **Details**

2.1 Service Heads must provide a valid reason for any growth, and in the first instance, try to mitigate any overspend by identifying compensatory savings in their service area.

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. Virements between Service Committees must be approved by Council along with proposals for the use of ‘windfall’ income.

**Revenue**

2.2 The latest revenue budget for 2016/17 totalling £2,255,030 was approved by Policy and Resources Committee on 6 October 2016 (Minute No. PR53/16) and by Council on 18 October 2016. The forecast outturn is £2,239,500 which gives a favourable variance of (£15,530) for this period (end of September).

As at 30 September 2016, the services had spent £767,818 which represents 34.05% of the latest Revenue budget.

2.3 The main reasons for the variance are;

* (£40,000) Increased income from greater take up of the garden waste scheme, this totals 21,293 participants at the end of September
* £29,160 Increase in Trade Waste disposal costs by Herts County Council
  1. Appendix 1 shows the Committee’s medium term revenue budget 2016 – 2019.

2.5 Appendix 2 shows the revenue variances for period 6 (September).

2.6 Appendix 3 shows the revenue variances reported prior to period 6 (September).

**Capital**

2.7 The latest capital budget for 2016/17 totalling £972,720 was approved by Policy & Resources Committee on 6 October 2016 (Minute No. PR53/16) and by Council on 18 October 2016. The forecast outturn is £972,720 and therefore there is no variance reported for this period (end of September).

2.8 Appendix 4 shows the Committee’s medium term capital investment programme 2016 -2019 together with comments by Officers on the progress of each scheme.

2.9 Capital spend up to 30 September was £322,408 which represents 33.1% of the latest budget (14.6% end of July). Progress on all the schemes is shown in Appendix 4.

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 recommendation is accepted, this will amend the Council’s revenue budget.

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**

6.1The following revenue variances have been identified for period 6 (September 2016).

|  |  |  |  |
| --- | --- | --- | --- |
| Change to Revenue Surplus / Deficit for Year | 2016/17  £ | 2017/18  £ | 2018/19  £ |
| Overspend/(Underspend) at Period 6 | (15,530) | (11,530) | (11,710) |

7. **Risk Management and Health and Safety 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 service plan.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Likelihood** | A |  |  | 1 |  |  | Impact | Likelihood |
| B |  |  |  |  |  | V= Catastrophic | A = >98% |
| C |  |  |  |  |  | IV = Critical | B = 75% - 97% |
| D |  |  |  |  |  | III = Significant | C = 50% - 74% |
| E |  |  |  |  |  | II = Marginal | D = 25% - 49% |
| F |  |  |  |  |  | I = Negligible | E = 3% - 24% |
|  | I | II | III | IV | V |  | F = <2% |
| **Impact** | | | | | |  |  |

8. **Recommendation**

To Council:

8.1 That the following General Public Services and Community Safety Committee’s revenue budget variations be approved and incorporated into the three-year medium-term financial plan:-

|  |  |  |  |
| --- | --- | --- | --- |
| **Revenue** | 2016/17  £ | 2017/18  £ | 2018/19  £ |
| Overspend/(Underspend) at Period 6 | (15,530) | (11,530) | (11,710) |

Report prepared by: Stephen Exton – Finance Manager

**Data Quality**

Data sources:

Financial Information System

Data checked by: Nigel Pollard – Section Head – Accountancy

Data rating:

|  |  |  |
| --- | --- | --- |
| 1 | Poor |  |
| 2 | Sufficient |  |
| 3 | High | 🗸 |

**Background Papers**

None

**APPENDICES / ATTACHMENTS**

Appendix 1 – Medium Term Revenue Budget 2016 - 2019

Appendix 2 – Revenue Variances for Period 6 (September)

Appendix 3 – Revenue Variances Previously Reported During the Year

Appendix 4 – Medium Term Capital Investment Programme 2016 -2019







