

POLICY AND RESOURCES COMMITTEE – 2 NOVEMBER 2020

PART I - NOT DELEGATED

7. 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 2020-23 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

The Council's original net revenue budget for 2020/21 (as approved by Council on 25 February 2020) was £12.771 million. The latest budget including the impact of Covid 19 and the approved carry forward budgets from 2019/20 is £13.343 million. The forecast outturn at period 6 is estimated to be £13.534 million which gives an adverse variance of £191k compared to the latest budget. The table below shows how the forecast outturn has been constructed.

Net Revenue Budget 2020/21	£ million
Original Net Revenue Budget	12.771
Carry Forward from 2018/19	0.329
Variances Previously Approved-	0.243
Latest Approved Budget	13.343
Variances Reported This Period – Period 6 (<i>to be approved</i>)	0.191
Forecast Outturn	13.534

2.8 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

2.9 The original budget for 2020/21 (as approved by Council on 25 February 2020) was £9.624 million. The latest budget including the impact of Covid 19 (see paragraph 2)

and the approved rephasing budgets from 2019/20 is £10.521 million. Services have identified a variance of **(£1.146)** million, due to the rephasing, which has decreased the 2020/21 budget to £9.375 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	(0.707)
Latest Approved Budget (July 20)	10.521
Variances Reported This Period – Period 4(<i>to be approved</i>)	(1.146)
Forecast Outturn	9.375

2.10 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 at the end of Period 6. (September)

Variance	2020/21 £	2021/22 £	2022/23 £
Revenue - (Favourable)/ Unfavourable	191,000	4,352	(35,648)
Capital - Increase / (Decrease)	(1,145,500)	1,164,000	0

7. Risk Management Implications

- 7.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. The subject of this report is covered by the Finance Service plan and the Council's financial & budgetary risks are included in the attached report.

9. Recommendation

To Council:

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

Variance	2020/21 £	2021/22 £	2022/23 £
Revenue - (Favourable)/ Unfavourable	191,000	4,352	(35,648)
Capital - Increase / (Decrease)	(1,145,500)	1,164,000	0

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Background Papers

Budget setting recommendations - Council 25 February 2020.

Period 10 Budget Management report - Policy and Resources Committee 9 March 2020.

Outturn 2019/20 report - Policy and Resources Committee 15 June 2020.

Budget Monitoring report (Impact of Covid 19 Update) - Policy and Resources Committee 20 July 2020

Leisure Facilities Management Contract Covid Support report - Policy and Resources Committee 20 July 2020.

Period 4 Budget Management report - Policy and Resources Committee 7 September 2020.

ATTACHMENTS

Annex 1 – Budget Management 2020/21 Period 6