

POLICY AND RESOURCES COMMITTEE – 9 MARCH 2020

PART I - NOT DELEGATED

7. BUDGET MONITORING – MONTH 10 (January) (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 2019 - 2023 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 2019/20 (as approved by Council on 26 February 2019) was £12.433 million. The latest is **£12.562 million**. The forecast outturn at period 10 is estimated to be **£12.449 million** which gives a favourable variance compared to the latest budget of **(£0.112) million**. The table below shows how the forecast outturn has been constructed.

Net Revenue Budget 2019/20	£ million
Original Net Revenue Budget	12.433
Carry Forward from 2018/19	0.706
Variances Previously Approved	(0.578)
Latest Approved Budget (Council February 2020)	12.561
Variances Reported This Period – Period 10 (<i>to be approved</i>)	(0.112)
Forecast Outturn	12.449

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 latest direct revenue budget is **£10.834 million**. The forecast outturn is now estimated to be **£10.722 million** which results in a favourable variance of **(£0.112) million**.

2.4 The document attached (Budget Management 2019/20 - 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 2019/20 (as approved by Council on 26 February 2019) was £14.624 million. The latest budget is **£15.879 million**. Services have identified a variance of **(£2.563) million** which has decreased the 2019/20 budget to **£13.316 million**. The table below shows how the forecast outturn has been constructed.

Capital Investment Programme 2019/20	£ million
Original Budget	14.624
Rephasing from 2018/19	3.696
Variances Previously Approved	(2.441)
Latest Approved Budget (Council February 2020)	15.879
Variances Reported This Period – Period 10 (<i>to be approved</i>)	(2.563)
Forecast Outturn	13.316

- 2.6 The document attached (Budget Management 2019/20 - 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 for Period 10.

Variance	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Revenue - (Favourable)/ Unfavourable	(112,370)	0	0	0
Capital - Increase / (Decrease)	(2,562,815)	2,401,445	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 Strategic 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 following revenue and capital budget variations be approved and incorporated into the three-year medium-term financial plan:-

Variance	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Revenue - (Favourable)/ Unfavourable	(112,370)	0	0	0
Capital - Increase / (Decrease)	(2,562,815)	2,401,445	0	0

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Background Papers

Budget setting recommendations - Council 26 February 2019.
 Outturn 2018/19 - Policy and Resources Committee 17 June 2019.
 Period 4 Budget Management report - Policy and Resources Committee 2 September 2019.
 Period 6 Budget Management report- Policy and Resources Committee 4 November 2019
 Period 8 Budget Setting Report- Full Council- 25 February 2020

ATTACHMENTS

Annex 1 – Budget Management 2019/20 Period 10