

POLICY AND RESOURCES COMMITTEE – 14 MARCH 2022

PART I - NOT DELEGATED

14. BUDGET MONITORING – PERIOD 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 Council's 2021 - 2025 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 was £12.759 million. The latest is £13.335 million. The forecast outturn at Period 10 is estimated to be £13.360 million which gives an unfavourable variance compared to the latest budget of **£0.025 million**.

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

Net Revenue Budget 2021/22	£ million
Original Net Revenue Budget	12.759
Variances Previously Approved	0.576
Latest Approved Budget (Council February 2022)	13.335
Variances Reported at Period 10 – <i>(to be approved)</i>	0.025
Forecast Outturn	13.360

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 £15.400 million. Services have identified a variance of (£0.557) million, due to rephrasing, which has decreased the 2021/22 budget to £14.843 million.

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

Capital Investment Programme 2021/22	£ million
Original Budget	4.408
Variances Previously Approved	10.992
Latest Approved Budget (Council February 2022)	15.400
Variances Reported at Period 10 (<i>to be approved</i>)	(0.557)
Forecast Outturn	14.843

2.6 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 Period 10.

Variance	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Revenue - (Favourable)/ Unfavourable	25,195	0	0	0
Capital - Increase / (Decrease)	(557,098)	1,064,353	5,000	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 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.

9. Recommendation

To Council:

- 9.1 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 22 February 2022

ATTACHMENTS

Annex 1 – Budget Management 2021/22 Period 10