

# AGENDA ITEM 10

## POLICY, FINANCE & ADMINISTRATION COMMITTEE

26 SEPTEMBER 2017

### REPORT OF CORPORATE DIRECTOR

#### BUDGET MONITORING APRIL TO JUNE 2017

#### 1.0 PURPOSE OF THE REPORT

1.1 To provide information on actual expenditure and income incurred on this Committee's services compared to the latest approved budget for the period 1<sup>st</sup> April 2017 to 30<sup>th</sup> June 2017.

#### 2.0 RECOMMENDATION

2.1 It is recommended that the financial position on each of this Committee's services 30<sup>th</sup> June 2017 be noted along with the year end forecast.

#### 3.0 KEY ISSUES

3.1 As part of the Council's budget monitoring procedures all budget holders are asked on a quarterly basis to provide details of service and financial performance. Copies of the budget holders' returns are available for further information.

#### Overall Position

3.2 A summary of income and expenditure for all of this Committee's services is attached at Appendix A. This information has previously been circulated to Members as part of the Members' Newsletter.

	Approved Budget at June '17 £	April to June Budget £	April to June Net Exp £	Variance (Under)/over spend £	Year End Forecast £	Year End Variance (Under) / overspend £
<b>General Expenses</b>	<b>6,014,860</b>	1,680,939	1,172,365	(508,574)	<b>6,093,020</b>	<b>78,160</b>
<b>Special Expenses</b>	<b>645,750</b>	136,107	96,601	(39,506)	<b>642,800</b>	<b>(2,950)</b>
<b>HRA Total Expenditure</b>	<b>8,005,020</b>	1,130,502	524,272	(605,780)	<b>8,029,020</b>	<b>24,000</b>
<b>HRA Total Income</b>	<b>7,945,110</b>	1,977,076	1,987,822	(10,746)	<b>7,991,110</b>	<b>(46,000)</b>

#### Key Service Areas

3.3 The Key Service Areas report as at the end of July 2017 for all services is attached at Appendix B. This report is presented to the Management Team on a monthly basis and highlights the high risk budgets that were identified as part of the Council's budget protocols. These budgets are reviewed with budget holders monthly. Those budgets which are more complex in nature are supported by more detailed analysis of the service usage that drives the costs.

3.4 The overall position on the Key Service Areas shows a potential shortfall of £78,020.

- 3.5 There are also a number of other budget variances identified on the budget action list, including those relating to Key Service Areas above, which are considered by the Council's Strategic Management Team on a monthly basis. As such the overall current predicted position, as at 31<sup>st</sup> July 2017, when taking into account all known variances and unused budget reduction money, shows a net underspend of £46,210.
- 3.6 A summary for all of this Committee's services is attached at Appendix C.
- 3.7 A summary of the income and expenditure for this Committee's services compared to the approved budget at June 2017 is as follows:

	<b>Approved Budget at June 17</b>	April to June Budget	April to June Net Expenditure	Variance (Under)/over spend	<b>Year End Forecast</b>	<b>Year End Variance (Under) / overspend</b>
	£	£	£	£	£	£
<b>General Expenses</b>	<b>1,760,540</b>	504,429	498,527	(5,902)	<b>1,693,250</b>	<b>(67,290)</b>

### **Budget Variance Exception Reporting +/- £10k**

- 3.8 As part of the budget monitoring process, variances are being promptly and proactively managed, facilitating more detailed reporting. Details of the more significant year end forecast variations +/-£10k (as shown in Appendix A) are also set out below:

#### Overspends

##### King Street £11,220

Shortfall in income due to the ground floor lettable space being vacant, refurbishment works need to be completed before the new tenant can start occupation; this is currently anticipated to be November.

##### Parkside £78,000

Shortfall in income of £70k due to LPT vacating Parkside in April, the budget was set assuming they would continue occupation at a reduced rate of rent and service charge. This shortfall is based on no new tenants during 2017-18. Also additional £8k one off costs arising from the Property restructure.

#### Underspends

##### My and My Learning £12,730

Budget for IT maintenance support no longer required.

##### Central Services £40,560/ Corporate Management Team £47,250

Forecast underspends arising as a result of the vacancies within the senior management restructure, the long term position for which is still under review.

##### Communications £50,140

Forecast underspends arising as a result of vacancies within the senior management restructure £21k and Business Analyst vacancy savings £29k, this saving will contribute towards the transformation savings budget within Customer Services, the long term position for which is still under review.

#### **4.0 POLICY AND CORPORATE IMPLICATIONS**

4.1 Policy and corporate implications were addressed in setting the current year's budget. There are no further policy and corporate implications arising from this report.

#### **5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

5.1 The main financial and resource implications have been addressed within section 3.

#### **6.0 LEGAL IMPLICATIONS/POWERS**

6.1 Legal implications/powers were addressed in setting the current year's budget. There are no further legal implications arising from this report.

#### **7.0 COMMUNITY SAFETY**

7.1 Community safety issues were addressed in setting the current year's budget. There are no further community safety issues arising from this report.

#### **8.0 EQUALITIES**

8.1 Equalities issues were addressed in setting the current year's budget. There are no further equalities issues arising from this report.

#### **9.0 RISKS**

9.1 The regularity of budget monitoring for each specific budget is based on the level of risk attributed to that budget. This is determined at the start of the financial year and is reported to members as part of the Council Tax setting report.

#### **10.0 CLIMATE CHANGE**

10.1 There are no climate change issues arising from this report.

#### **11.0 CONSULTATION**

11.1 Budget Holders and the Service Accountant discuss the financial performance of the service accounts at budget monitoring meetings arranged with reference to current budget monitoring protocols.

#### **12.0 WARDS AFFECTED**

12.1 All wards are affected.

Contact Officer: Claire Burgess

Date: 18<sup>th</sup> August 2017

Appendices: Appendix A – Summary of Income & Expenditure- All Committees  
Appendix B – Budget Monitoring – Key Service Areas  
Appendix C – Summary of Income & Expenditure- PFA

Background Papers: Oracle Financial Reports  
Budget Holder Comments on Performance

Reference: X:/Cttee, Council & Sub Cttees/PFA/2017-18/260917/Budget Monitoring April to June 2017