
BUDGET MONITORING REPORT

Committee: Corporate Governance and Finance Committee

Date: 3rd December 2015

Author: Andy Radford, Chief Financial Officer

[Q138]

1. **ISSUE**

- 1.1 This report provides Members of Committee with an up-date on the financial position of the Council for the 2015/16 financial year, based on current projections for both revenue and capital expenditure.

2. **RECOMMENDATION (S)**

- 2.1 Members are requested to note that there is currently a projected revenue underspend of £524,814 identified across the Council's services compared to its approved budget of £8,481,178.

3. **BACKGROUND / OPTIONS**

- 3.1 Under Financial Regulations each Service Committee is required to consider projections of financial performance against budget on a quarterly basis, with this Committee considering the overall Council position. This report therefore includes summary details for the Regulatory & Support Services Committee and the Commercial Services Committee, as well as a more detailed analysis of the budgets under the stewardship of this Committee.
- 3.2 Appendix 1 details the overall revenue position. This report is based on each Committee's controllable budget, after removing internal recharges, depreciation and those expenditure budgets which will be funded from monies already set aside in earmarked reserves. The purpose of this report is to review and report to Members any variances on these controllable budgets.
- 3.4 The revenue budgets for each of the Committee's services have been reviewed with all variances reported in appendices 1 to 3.
- 3.5 Explanations for the variances reported for the Committee are detailed in the below table:

Service	Variance £	Explanation
Emergency Planning	5,000	Overspend due to contribution to Local Resilience Forum.
Corporate Management	(167)	Saving on the LGA fee.
Total this Committee	4,833	Overspend

Commercial Services	(64,479)	See separate report, as appendix 3
Regulatory & Support Services	34,832	See separate report, as appendix 2
Salary Savings	(500,000)	
Total all Committees	(524,814)	Underspend

- 3.6 Salaries are monitored corporately against the salary savings target detailed in the budget. However, proactive management of staff costs have delivered savings which are already considerably higher than the target and as such this additional saving has been shown in this report.
- 3.7 Work is in hand in preparing the draft budgets for FY 2016/17. This work has included reviewing the likely income from council tax and business rates. Both are projecting to overachieve against the assumed level of income in the budget. These surpluses have yet to be fully quantified and are not shown in this report. The surpluses will transfer into the Surplus Savings Reserve.
- 3.8 Spend on Capital projects has also been reviewed and the variances identified detailed in appendix 4. The main projected underspend at this time relates to the Commuter Car Park, where the full cost of the project remains unclear as further design options are considered to minimise costs. The additional allocation to fund the next phase of the Leisure Centre project, as agreed by full Council at its meeting in October 2015, has been added to the capital programme

4 ARGUMENTS / CONCLUSIONS

- 4.1 The projected net revenue expenditure for the Council is forecast to be £7,956,364 in 2015/16. This would give an underspend of £524,814 compared to the Council's approved budget.
- 4.2 In the Council's Medium Term Financial Plan the projection was for a balanced budget in 2016/17, with then £1,971,375 of savings needing to be found in 2017/18. The forecast underspend being reported in this report will be transferred to the "Surplus Savings Reserve" at yearend, and will then be available to fund some of the required savings in 2017/18. Where these savings are permanent, they will compound up, to reduce the savings target further.

5 FINANCIAL IMPLICATIONS / EQUALITY IMPACT ASSESSMENT

- 5.1 This whole report relates to the financial position of the Council.
- 5.2 Equality Impact Assessment (INRA) not required.

6 APPENDICES

- 6.1 Appendix 1 – Summary Budget Projections 2015/16.
Appendix 2 – Regulatory & Support Services Budget Projections 2015/16.
Appendix 3 – Commercial Services Budget Projections 2015/16.
Appendix 4 – Summary Capital Programme 2015/16.

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Budget Monitoring Report Preparation Documents	Room 203 The Grange Ely	Andy Radford Chief Financial Officer (01353) 616269 E-mail: andy.radford@eastcambs.gov.uk