
BUDGET MONITORING REPORT

Committee: Corporate Governance and Finance Committee

Date: 28th July 2016

Author: Ian Smith

[R67]

1. **ISSUE**

1.1 This report provides Members with budget monitoring information for services under the Corporate Governance and Finance Committee and then, as part of its corporate remit, for the Council as a whole.

2. **RECOMMENDATION(S)**

2.1 Members are requested to note that this Committee has a projected yearend underspend of £90,000 compared to its approved revenue budget of £2,491,526.

2.2 Members are requested to note that overall the Council has a projected yearend underspend of £232,824 compared to its approved revenue budget of £10,186,843.

2.3 Members are also requested to note that this Committee has no specific capital schemes linked to it; however the overall position for the Council on Capital is a projected capital outturn underspend of £1,257,589.

3. **BACKGROUND/OPTIONS**

3.1 This is the first report for the 2016-17 financial year and details actual expenditure incurred as at 30th June 2016 and projections as to yearend position at this time. (Because it is the first report of the year, there are no comparison figures with previous reports, this information will be reintroduced in the next round of reports.)

3.2 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.

3.3 Appendix 1 details the overall revenue position for both this Committee and the Council overall. In appendix 1 the budgets under the stewardship of this Committee are shown in detail, with then the position for the other committees shown in summary.

3.4 The detailed revenue budget position for the other committees – namely the Regulatory and Support Services Committee and the Commercial Services

Committee – are shown in appendices 2 and 3. Reports explaining these variances in more detail will be presented to these committees at their next meeting.

- 3.5 In summary however, the Regulatory and Support Services Committee is currently predicting a yearend underspend of £130,824. This is made up of a number of items, the most significant being a forecast underspend on Housing Benefits of £200,000, where the latest forecast of claims expenditure is lower than that anticipated when the budget was prepared; £150,000 additional Planning Fees income and recently approved costs in relation to the Transformation Programme £270,000 (this reflecting the £410,000 maximum cost, less £140,000 funded from earmarked reserves) where the expectation is that these will be matched against underspends elsewhere in the Committee, not least Housing Benefits as has already been identified.
- 3.6 There is projected to be an underspend of £12,000 in relation to the Commercial Services Committee, this in relation to anticipated savings on public conveniences.
- 3.7 Explanations for the variances reported for this Committee are detailed in the below table:

Service	Variance £	Explanation
Corporate Management	(100,000)	Projected savings in staff costs, mainly from the Corporate Management restructure undertaken in April 2016
Finance	10,000	As a consequence of the restructure within Finance Team, staff vacancies have needed to be filled on a temporary basis by agency staff. This and redundancy costs will result in an overspend this year.

4. ARGUMENTS/CONCLUSIONS

- 4.1 The projected net revenue expenditure for the Council is forecast to be £9,954,019 in 2016/17. This would give an underspend of £232,824 compared to the Council's approved budget.
- 4.2 The forecast underspend detailed in this report, will be transferred to the "Surplus Savings Reserve" at yearend, and will be available to fund some of the required savings in future years.
- 4.3 The projected capital Outturn for the Council stands at £8,396,943; which is an underspend of £1,257,589 compared to the revised budget for the year. The revised budget includes slippage brought forward from 2015-16, an increase in disabled facilities spending as a result of additional grant and inclusion of costs associated with the Leisure Centre.

5 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

5.1 There is a revenue underspend of £232,824 compared to this Council's approved budget.

5.2 Equality Impact Assessment (INRA) not required.

6 APPENDICES

6.1 Appendix 1 – Summary Budget Monitoring – June 2016

Appendix 2 – Regulatory & Support Services Budget Monitoring – June 2016

Appendix 3 – Commercial Services Budget Monitoring – June 2016

Appendix 4 – Summary Capital Programme – June 2016

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Council Budget as approved by Council 25 th February 2016	Room 206 The Grange Ely	Ian Smith Principal Accountant Tel: (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk