

BUDGET MONITORING REPORT

Committee: Corporate Governance and Finance Committee

Date: 30th January 2017

Author: Principal Accountant

[R190]

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 £93,000 compared to its approved revenue budget of £3,660,876.
- 2.2 Members are requested to note that overall the Council has a projected yearend underspend of £437,500 compared to its approved revenue budget of £10,436,843.
- 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 £2,945,705.

3. **BACKGROUND/OPTIONS**

- 3.1 This is the third report for the 2016-17 financial year and details actual expenditure incurred as at 31st December 2016 and projections as to the yearend position at this time.
- 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 detail have been presented to these committees during the current round of meetings.

- 3.5 In summary however, the Regulatory and Support Services Committee is currently predicting a yearend underspend of £303,000. This is chiefly made up from increased income for Planning and Building Control, £57,000 from Land Charges, which is money that had been provisionally set aside relating to a national legal case which has now been resolved at lower cost than expected. And £55,000 from Homelessness relating to Salary Savings and non use of hotel rooms.
- 3.6 There is projected to be an underspend of £41,500 in relation to the Commercial Services Committee, this in relation to salary savings within the general gang and the sports and recreation budget and a £10,000 saving against the compensation provision for Paradise Pool which is not now expected to be needed this year.
- 3.7 As the Council is part of the countywide pilot for business rates, we are able to retain 100% of new growth. The additional income is projected to be £288,290 in the current financial year. There is an element of uncertainty, so it is not shown as an underspend at this time. The final additional income will transfer to a specific reserve, and may be drawn on in future years to support Economic Development work, as discussed previously at this Committee.
- 3.8 Explanations for the variances reported for this Committee are detailed in the below table:

Service	Variance £	Explanation
Interest and Financial Transactions	(30,000)	Interest receipts against investments have been greater than anticipated
Housing Benefits	(10,000)	Expenditure and grant income has further reduced in this quarter and a further underspend is predicted of £10,000, taking the annual forecast saving to £137,000.
Council Tax Accounting	120,000	The recovery of court costs in relation to Council Tax recovery was overstated in the 2015/16 accounts and so an adjustment is needed to the 2016/17 accounts to rectify this.
Forecast Outturn Project at the end of Quarter 2	(173,000)	
Total	(93,000)	

4. ARGUMENTS/CONCLUSIONS

- 4.1 The projected net revenue expenditure for the Council is forecast to be £9,999,343 in 2016/17. This would give an underspend of £437,500 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 the budget in future years. The underspend value has been included in the MTFS figures in the budget report also on the Committee's agenda.
- 4.3 The projected capital Outturn for the Council stands at £6,708,827; which is an underspend of £2,945,705 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.
- 4.4 It should be noted that while the capital budget is underspending in 2016-17, this is a timing issue, rather than the projects costing less than budgeted. The underspend will therefore need to be carried forward to fund the costs of the schemes that slip into 2016-17.

5 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 5.1 There is a revenue underspend of £437,500 compared to this Council's approved budget, which will be transferred to the Surplus savings reserve at yearend and then become available to fund expenditure in future years.
- 5.2 Equality Impact Assessment (INRA) not required.

6 APPENDICES

- 6.1 Appendix 1 – Summary Budget Monitoring – December 2016
Appendix 2 – Regulatory & Support Services Budget Monitoring – December 2016
Appendix 3 – Commercial Services Budget Monitoring – December 2016
Appendix 4 – Summary Capital Programme – December 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
Budget Monitoring Report to Regulatory & Support Services Committee 23 rd January 2017		
Budget Monitoring Report to Commercial Services Committee 17 th January 2017		