



Finance and Performance Sub-Committee 25 June 2018

Budget Monitoring to 31 May 2018 (high level review only)

Purpose of report

To provide an overview on the forecast revenue position against the approved budgets for the period ended 31 May 2018 in financial year 2018/19.

1. Introduction

- 1.1. This report provides an overview of the council's forecast revenue position up to 31 May 2018 against the approved budget 2018/19. It highlights any significant under or overspending and identifies its impact on the year end position.
- 1.2. The draft outturn report for 2017/18 was presented to Finance Sub Committee on 30 April 2018.
- 1.3. As officers have been heavily involved in the closedown process, the budget monitoring process for 2018/19 has not yet fully begun. Therefore, this report is limited to informing Members of high-level variations that are currently known which have a potential significant impact on the overall financial position of the council.

2. Overview

2.1. Revenue Overview

- 2.2. Council approved a total budget requirement of £12,230,878 for 2018/19 which included a council tax requirement of £4,346,400, as well as parish precepts and a number of technical accounting entries and adjustments. For monitoring purposes, the Finance Sub Committee is focussed on the collectable income and expenditure of this council. The original revenue budget for the net cost of services, before such adjustments and items, was £10,210,822.
- 2.3. Since the budget setting in March 2018, the total budget has been revised to £10,192,431. This change in budget relates to net interest receivable and carry forwards from 2017/18 totalling £71,609 (net) approved during the year, as shown in **Table 1** below:

Table 1

Original Budget	£10,210,822
Treasury Management	(£90,000)
New	£0
B/Fwd from 2017/18	£71,609
	£10,192,431

2.4. Revenue Update

- 2.5. The estimated outturn for services for the year is an overspend of £92.9k. This is due to efficiency savings not realised from ICT transformation, additional Exchange Online licences not budgeted (required for additional email accounts) and VMWare

licences also not budgeted these are required in the short term whilst we migrate to the data centre that was expected to have been completed prior to 2018/19.

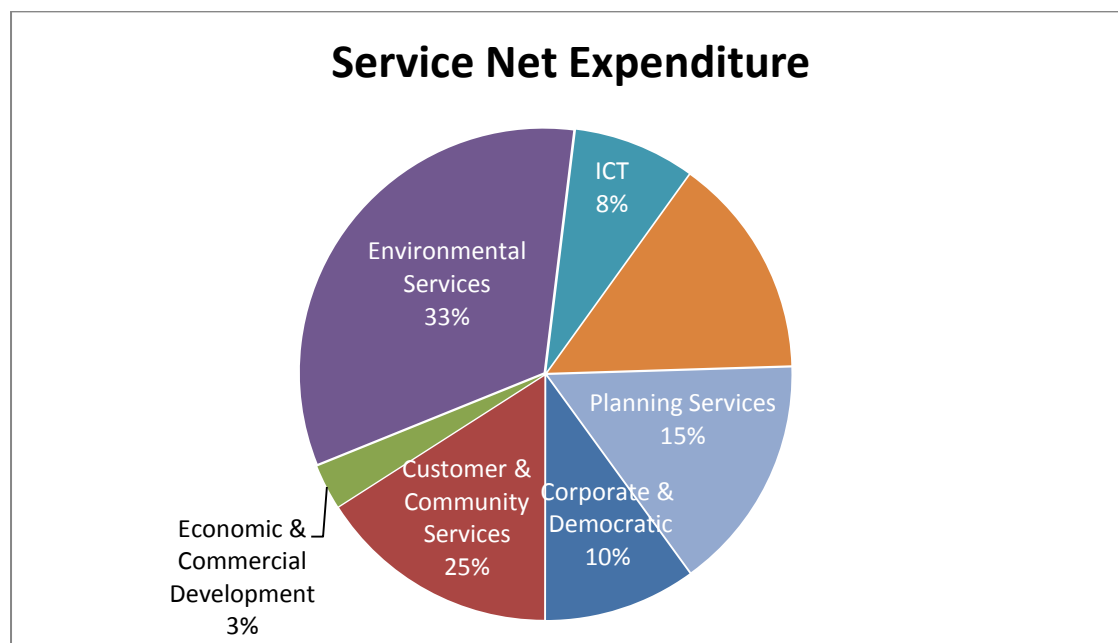
2.6. **Table 2** below shows the actual expenditure to date against budget, and the estimated out-turn for year with the variance against budget.

2.7.

	Budget	Actual + Commitment	P2 Forecast	P1 Forecast	Variance P2 to Budget
Corporate & Democratic	£1,030,080	£0	£1,030,080	£1,030,080	£0
Customer & Community Services	£1,637,501	£0	£1,637,501	£1,637,501	£0
Economic & Commercial Development	£303,460	£0	£303,460	£303,460	£0
Environmental Services	£3,399,784	£0	£3,399,784	£3,399,784	£0
ICT	£728,702	£0	£821,598	£728,702	£92,896
Resources & Org Development	£1,499,800	£0	£1,499,800	£1,499,800	£0
Planning Services	£1,593,104	£0	£1,593,104	£1,593,104	£0
	£10,192,431	£0	£10,285,327	£10,192,431	£92,896

NB: Corporate Services includes Chief Executive, Executive Director and Chief Finance Officer reporting

2.8. The chart below shows the net service expenditure as a percentage of the total estimated outturn position for 2018/19.



2.9. CMT have recently reviewed their service areas for budgets which will require a monthly review. This is classified internally as 'High Risk' monitoring whereas the usual monitoring process for all budgets is carried out on a quarterly basis. High risk monitoring will include items where the budget is in excess of £100k or other sensitive areas of spend. The following are set to be included in the list of high risk budgets:

- Housing Benefits
- Council Tax and Business Rates
- Legal Services
- Development and Building Control

- Waste Services (including Street Cleansing and Grounds Maintenance)
- Electoral Registration
- Homelessness
- ICT
- Vacancy Savings Budget
- Treasury Management
- Eaton Walk

For 2018/19 the high risk capital projects and other key projects identified for monitoring as part of the high risk reporting are as follows:

- Disabled Facilities Grants
- Recycling Receptacles
- Stanwick Lakes - Visitor Centre
- Telephone system
- ICT Transformation - Capital Projects
- Revs & Bens EDRMS Solution
- Enterprise Centre Raunds

2.10. Treasury Management

- 2.11. Due to the high level nature of this report, the update on Treasury Management will be covered by a separate report to the Committee on this occasion. It will be included as usual for the next detailed report in September 2018.

3. Capital Overview

3.1. Capital Expenditure 2018/19

- 3.2. The Capital Programme was approved by Full Council on 26 February 2018. It was agreed that, due to declining capital resources and recent significant changes to the capital programme, the approval would be subject to a review of the programme by Members of the Finance Sub Committee and CMT. This review has been completed and is covered under a separate report to Finance Sub Committee on 30 April 2018
- 3.3. There have been no changes identified in the monitoring process on capital expenditure during 2018/19. A detailed report will be prepared for the next Committee meeting on 10 September 2018 which will include more focus around the Disabled Facilities Grant with more detail being reported around different stages of commitment to projects.

4. Equality and Diversity Implications

- 4.1. There are no known equalities issues arising from this report.

5. Legal Implications

- 5.1. There are no known legal implications arising from this report.

6. Risk Management

- 6.1. This risks arising from this report are recorded in the council's Risk Register. The risks are subject to regular review and update.

7. Resource and Financial Implications

7.1. This report is of a financial nature and the implications are set out within the report.

8. Constitutional Implications

8.1. This report is of a financial nature. There are currently no direct implications impacting on the Constitution.

9. Customer Service Implications

9.1. This report is of a financial nature. There are no direct implications impacting on customer services.

10. Corporate Outcomes

10.1. This report links to the following Corporate Outcomes:

- **Effective Management**

Budget monitoring allows the council to manage and review its financial performance, contributing to the effective management of the council

- **Good Value for Money**

This report demonstrates the cost of services provided which contributes to this corporate outcome

11. Recommendations

12.1 The Finance and Performance Sub-Committee is asked to:

a) note the latest estimate on the revenue position for 2018/19

(Reason: This is for information / monitoring purposes)

Legal	Power: Local Government Act 2003				
	Other considerations:				
Background Papers:					
Person Originating Report: Sandie Williams, Finance Manager ☎ 01832 742280 ✉ swilliams@east-northamptonshire.gov.uk					
Date: 14/06/2018					
CFO		MO		CX	