

Report to Cabinet

Subject: Quarterly Budget Monitoring, Performance Digest & Virement Report

Date: 30 July 2015

Author: Senior Leadership Team

Wards Affected

Borough-wide

Purpose

- To update Cabinet on the likely outturn of the Revenue and Capital Budgets for the 2015/2016 financial year. The budgets include all carried forward amounts from the 2014/2015 financial year.
- To seek Cabinet approval for budget changes outlined in this report.

Key Decision

This is a Key Decision

Background

- 1.1 The Council has made a commitment to closely align budget and performance management. This is in line with accepted good practice.
- 1.2 To deliver this commitment, systems to monitor performance against revenue and capital budgets, improvement activity and performance indicators have been brought together and are now embedded in the way the Council works.
- 1.3 In addition, performance reports now focus more directly on the Council's priorities and offer an "early warning" system of instance where targets may not be secured.

Proposal

2. Quarterly Progress Report

2.1 Performance Information

Unfortunately due to the tight timescales between the end of quarter 1 and despatch of the agenda for this Cabinet meeting, the quarter 1 performance information cannot be included in this report. However the quarter 1 progress will be reported to Cabinet at the next scheduled meeting on 24 September 2015.

2.2 Financial Information

2.2.1 Appendices 1 and 2 set out details of the current financial position on the Council's General Fund Revenue Budget and the Capital Programme 2015/16.

2.2.2 General Fund Revenue Budget

Appendix 1 outlines how the General Fund Revenue budget is divided between the Portfolio areas of the Council and includes a detailed variance analysis identifying the current proposed changes for the year against the approved budget for each Portfolio area. Cabinet is recommended to approve these changes.

Included in Appendix 3 is a list of all the virements carried out in Quarter 1 following approval from Portfolio holders.

Included in Appendix 4 is a list of all transfers to/from Earmarked Reserves and Revenue Budget Funds following approval from Chief Financial Officer and Corporate Director.

The following table summarises the overall financial position of the General Fund Revenue Budget and the expected total spend for the year. This information has been compiled using the best information made available to Financial Services by the relevant spending officers as at 30 June 2015. The overall resource implication for the Council's General Fund is a predicted under-spend of £4,400.

General Fund Revenue Budget 2015/2016 – Change Analysis

	£
The original 2015/16 budget approved by Council on 3 March 2015	12,877,800
Revenue Carry Forwards from 2014/15 approved under delegation arrangements by the Chief Financial Officer	97,800
The current total approved budget for 2015/2016 and Cabinet's Maximum Budget is:	12,975,600
Up to the end of June 2015 expenditure less income totalled	2,829,902

In the remaining 9 months of year we expect net expenditure less income to be	10,141,298
Total net revenue spend for the year is currently expected to be	12,971,200
Projected Revenue Underspend 2015/16	(4,400)

2.2.3 Capital Programme

Appendix 2 details the current projected position on the Capital Programme and its' financing for 2015/16, analysed by Portfolio, and this is summarised in the table below. Cabinet is recommended to approve these changes.

Capital Budget 2015/2016 - Change Analysis

	£
Original 2015/16 budget approved by Council on 3 March 2015	3,227,400
Capital Carry Forwards from 2014/15 approved under delegation arrangements by the Chief Finance Officer	589,100
Additional Budget for Repair and Renewal Flood Grant Scheme funded by DCLG Grant (Portfolio Holder approval 19/05/15)	50,000
The current total approved budget for 2015/16	3,866,500
<u>Proposed Quarter 1 Amendments to the 2015/16 Programme:</u>	
<u>(a) Schemes identified for deferral to 2016/17</u>	
Swingo Sweeper replacement (extending useful life)	(70,000)
<u>(b) Additional Scheme for Approval</u>	
Bestwood Parish Council Skate Park funded by S106	55,000
Total Proposed Amendments To Capital Programme	(15,000)
Proposed Revised Capital Programme 2015/16	3,851,500
Actual Expenditure to Quarter 1 2015/16	504,761
Estimated Expenditure Quarter 2-4 2015/16	3,346,739
Projected Outturn 2015/16	3,851,500

There is currently sufficient funding available in 2015/2016 to finance the Capital Programme as outlined above.

Alternative Options

- 3 Option – Not to amend the original Council approved budgets during the year to reflect the latest projected outturn position.

Advantages:

- The final outturn position of the Council can be easily compared to its original intentions when the budget was set and areas of budget risk identified.

Disadvantages:

- Budgets not aligned to current budget pressures resulting in increased likelihood of budget overspend and emerging Council priorities not being addressed.
- Restrict the effectiveness of medium term planning process and preparation of the forward budget if pressures and areas of efficiency are not readily identifiable during budget preparation.
- Budget not reflective of latest performance information.

Reason for rejection – Not likely to result in the best outcomes in financial management or support delivery of priorities.

Financial Implications

- 4 The nature of the report is such that it has significant resource implications across the Council. The report itself demonstrates how resources are being managed.

Appendices

- 5 Appendix 1 – General Fund Revenue Budget 2015/16 – Budgetary Control Report
Appendix 2 - Capital Programme 2015/16 – Budgetary Control Report
Appendix 3 – Virements approved by Portfolio Holders
Appendix 4 – Transfers to/from Earmarked Reserves and Revenue Budget Funds.

Background Papers

6 Detailed Quarterly Budgetary Control Exception Reports

Recommendation

Members are **recommended**:

- a) To approve the General Fund Revenue Budget virements included within Appendix 1;
- b) To approve the changes to the Capital Programme included in paragraph 2.2.3;
- c) To note the virements and transfers to/from reserves and funds during the last quarter as detailed in appendices 3 and 4.

Reasons for Recommendations

7 To align the budgets to the current pressures and priorities and ensure the delivery of Council objectives is supported.