

CABINET	AGENDA ITEM No. 6
3 February 2020	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr David Seaton, Cabinet Member for Finance	
Contact Officer(s):	Peter Carpenter, Acting Director of Corporate Resources Kirsty Nutton, Head of Corporate Finance	Tel. 452520 Tel. 384590

BUDGET CONTROL REPORT NOVEMBER 2019

RECOMMENDATIONS	
FROM: Corporate Director: Resources	Deadline date: N/A
It is recommended that Cabinet notes:	
<ol style="list-style-type: none"> 1. The Budgetary Control position for 2019/20 at November 2019 includes a forecast overspend of £4.412m against budget. 2. The key variance analysis and explanations are contained in Appendix A. 3. The estimated reserves position for 2019/20 at November 2019 outlined in Appendix B. 4. The Asset Investment and Treasury Budget Report is contained in Appendix C. 	

1. ORIGIN OF THE REPORT

- 1.1. This report is submitted to Cabinet following discussion by the Corporate Management Team (CMT).

2. PURPOSE AND REASON FOR REPORT

- 2.1. This report is for Cabinet to consider under its Terms of Reference No. 3.2.7 'To be responsible for the Council's overall budget and determine action required to ensure that the overall budget remains within the total cash limit'.
- 2.2. This report provides Cabinet with the forecast for 2019/20 as at November 2019 budgetary control position.

3. TIMESCALE

Is this a Major Policy Item/ Statutory Plan	Yes	If yes, date for Cabinet meeting	3 February 2020
Date for relevant Council meeting	N/A	Date for submission to Government Dept.	N/A

4. NOVEMBER 2019 BUDGETARY CONTROL- REVENUE

4.1. The revenue budget for 2019/20, agreed at Full Council on 6 March 2019, was approved at £150.768m.

	£m
Approved Budget 2019/20	150.768
Use of reserves per MTFS	3.084
Revised Budget 2019/20	153.852
Drawdown of reserves during 2019/20	3.919
NNDR Timing Issue	(1.030)
Revised Budget 2019/20	156.771

4.2. The 2019/20 year-end outturn position is currently forecast to be overspent by £4.412m, which will need to be met from the Capacity Building Reserve. This is based on reported departmental information as at the end of November 2019, taking account of the newly identified pressures and the delivery against the in-year savings targets, identified as part of the Budget Re-profiling completed earlier in the year.

4.3. The following table outlines a summary of the budgetary control position, in comparison to the previous month, highlighting an improvement of the position by £1.780m.

	Revised Budget 2019/20	Forecast Spend 2019/20	Cont. to reserve	Forecast Variance 2019/20	Forecast Variance 2019/20	Previous Month Variance	Movement
Directorate	£000	£000	£000	£000	%	£000	£000
Chief Executives	1,561	1,455	0	(106)	-7%	(0)	(106)
Governance	4,312	4,308	0	(4)	0%	55	(59)
Place & Economy	19,134	19,598	0	464	2%	686	(222)
People & Communities	83,928	88,009	0	4,081	5%	4,645	(563)
Public Health	201	238	0	37	19%	31	6
Resources	39,044	37,412	1,077	(555)	-1%	236	(791)
Customer & Digital Services	7,609	8,154	0	545	7%	592	(47)
Business Improvement	981	932	0	(49)	-5%	(52)	2
Total Expenditure	156,771	160,106	1,077	4,412	3%	6,192	(1,780)
Financing	(156,771)	(156,771)	0	0	0%	0	0
Net	0	3,335	1,077	4,412	0	6,192	(1,780)

4.4. The following changes in position have contributed towards this improved position:

- Additional capital receipts worth £0.680m received as a result of disposals;
- Additional ESPO (Eastern Shires Purchasing Organisation) dividend income received over and above the budget £0.133m;
- Reduction in care placement costs of £0.250m;
- Staffing savings across the Council totalling £0.200m;

However, there are additional pressures reported:

- Additional costs of providing the school Special Educational Needs (SEN) transport provision, taking forecast overspend to £0.270m from £0.170m;
- Additional costs of £0.168m associated with purchasing and leasing houses, in order to provide suitable accommodation to families and individuals presenting themselves as homeless.

Further details regarding these pressures are outlined within Appendix A of this Report.

5. APPENDICES

5.1. Further information is provided in the following appendices:

- Appendix A – Detailed 2019/20 revenue budgetary control position at November 2019 and explanation of Key variances.
- Appendix B – Reserves position
- Appendix C – Asset Investment and Treasury Budget Report

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