

CABINET	AGENDA ITEM No. 5
25 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 DECEMBER 2019

R E C O M M E N D A T I O N S	
FROM: Corporate Director: Resources	Deadline date: N/A
<p>It is recommended that Cabinet notes:</p> <ol style="list-style-type: none"> 1. The Budgetary Control position for 2019/20 at December 2019 includes a forecast overspend of £4m against budget. 2. The key variance analysis and explanations are contained in Appendix A. 3. The estimated reserves position for 2019/20 at December 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 December 2019 budgetary control position.

3. TIMESCALE

Is this a Major Policy Item/ Statutory Plan	Yes	If yes, date for Cabinet meeting	24 February 2020
Date for relevant Council meeting	N/A	Date for submission to Government Dept.	N/A

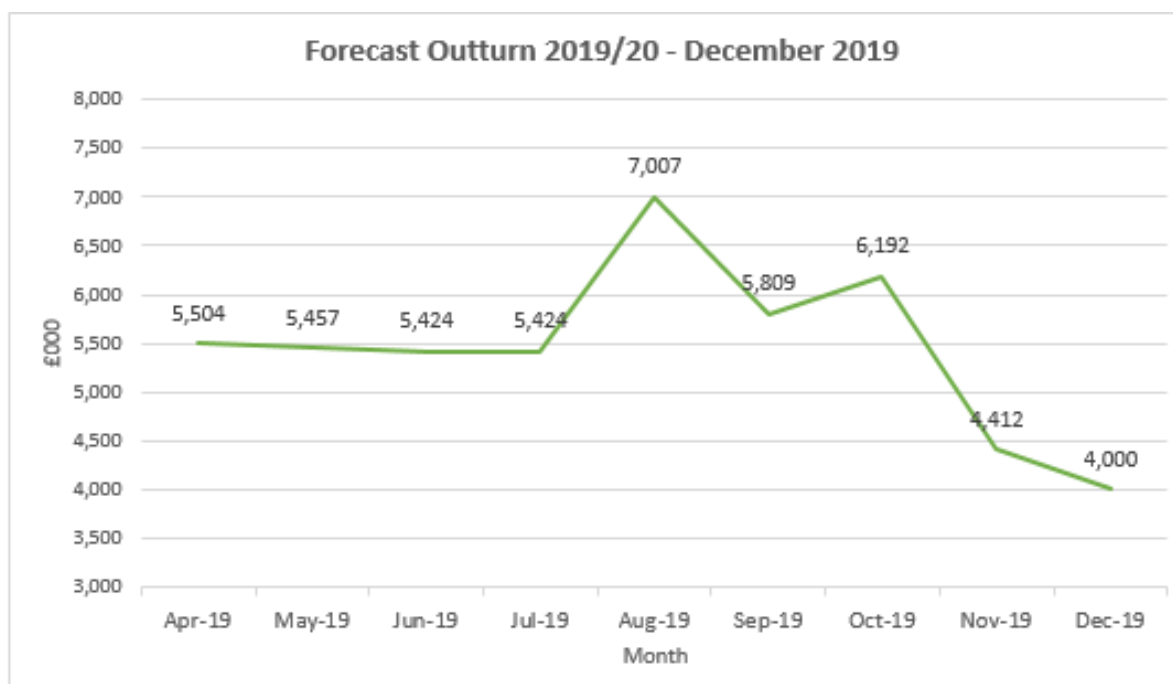
4. DECEMBER 2019 BUDGETARY CONTROL- REVENUE

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	3.808
NNDR Timing Issue	(0.889)
Revised Budget 2019/20	156.771

4.2. The 2019/20 year-end outturn position is currently forecast to be overspent by £4m, which will need to be met from the Capacity Building Reserve. The Council has made significant progress over recent months to bring expenditure back within the revised budget. This has included implementing a number of additional financial and recruitment controls, increased communication and engagement with staff to raise awareness of the financial position and the delivery of CMT led Financial Improvement Programme, for the current and future years.

4.3. The following chart outlines the trend of the forecast outturn position, demonstrating that the forecast trajectory is moving in the right direction. These control measures and proactive management actions will continue to reduce the £4m overspend as close to nil as possible before the 31 March 2020.



4.4. The following table outlines a summary of the budgetary control position, in comparison to the previous month, highlighting an improvement of the position by £0.412m.

	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%	(106)	(0)
Governance	4,312	4,277	0	(35)	-1%	(4)	(31)
Place & Economy	19,134	19,357	0	223	1.2%	464	(241)
People & Communities	83,824	87,781	0	3,957	5%	4,081	(124)
Public Health*	201	245	0	44	22%	37	7
Resources	39,044	37,500	1,077	(467)	-1%	(555)	(88)
Customer & Digital Services	7,713	8,142	0	429	6%	545	(116)
Business Improvement	981	937	0	(44)	-5%	(49)	5
Total Expenditure	156,771	159,694	1,077	4,000	3%	4,412	(412)
Financing	(156,771)	(156,771)	0	0	0%	0	0
Net	0	2,923	1,077	4,000	0	4,412	(412)

*Public Health budget is netted down, due to the inclusion of the £10.6m grant, being off-set against expenditure at this level. Therefore, if the variance was compared to the total expenditure it would only equate to 0.4%, not 22%, as shown in the table above.

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

- Additional Income generation within Legal Services £0.124m;
- Savings in Highways £0.109m;
- Further staffing savings £0.123m;

However there has been some additional forecast pressures such as:

- Shortfall in Planning Fee income £0.132m
- Additional costs of £0.153m associated with the transfer of the Fostering and Adoption teams from TACT.

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 December 2019 and explanation of Key variances.
- Appendix B – Reserves position
- Appendix C – Asset Investment and Treasury Budget Report

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