

REPORT TO	SCRUTINY COMMITTEE CORPORATE
Date of Meeting:	22 March 2018
Report of:	Chief Finance Officer
Title:	Budget Monitoring Report - Quarter 3

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

This report advises Members of any material differences to the revised budget in respect of Corporate Committee.

2. Recommendations:

That Members of Scrutiny Committee – Corporate note the content of this report in order to be satisfied that prudent steps are being taken to address the key areas of budgetary pressure highlighted in this report.

3. Reasons for the recommendation:

Local authorities have a statutory duty to set and monitor their budgets during the year and to take any actions necessary because of potential overspending or potential shortfalls in income. Members are therefore presented with a quarterly financial update in respect of Corporate.

4. What are the resource implications including non-financial resources

The financial resources required to deliver Corporate Services during 2017-18 are set out in the body of this report.

5. Section 151 Officer comments:

This report has been prepared on behalf of the Section 151 Officer to set out the projected financial position of Corporate Services as at 31 March 2018.

6. What are the legal aspects?

Part 2 of the Local Government Act 2003 provides the legislative framework for the process of setting and managing budgets. In particular, Section 28 of the 2003 Act requires local authorities to monitor their budgets during the financial year.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report Details:

Corporate Budget Monitoring – Quarter 3

8.1 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will decrease from the revised budget by a total of £294,280 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 3.73% from the revised budget. This includes supplementary budgets of £573,430 already agreed previously.

8.2 The significant variations (by management unit) are as follows:

MU Code	Management Unit	Over / (Underspend)	Detail
83C5	Corporate Property - Assets	(156,090)	<ul style="list-style-type: none"> An underspend is anticipated on Property Maintenance Fund Budgets.
86A3	Corporate	48,000	<ul style="list-style-type: none"> Additional expenditure of £31,000 is predicted to be incurred on Treasury Management fees – this is offset by additional interest earned which is reported to this committee elsewhere on this agenda; Expenditure relating to legal fees and corporate subscriptions has been incurred which exceeds the budget, totalling some £17,000.
86A6	Grants/Central Support/Consultation	(85,000)	<ul style="list-style-type: none"> This underspend is mainly a result of the consolidation of Comms & Marketing budgets during 2017/18. A temporary structure exists to support the new processes, and a full restructure reflective of corporate priority will be going to Executive in March. A request to carry forward the underspend will be made (through the appropriate process), as a one-off supplement to support the permanent structure and new aligned priorities.
86A7	Unapportionable Overheads	(90,000)	<ul style="list-style-type: none"> This potential underspend relates to Superannuation and is based upon known departures as at this date.
86B3	Human Resources	(48,440)	<ul style="list-style-type: none"> An underspend is anticipated on pay due to a vacant post and a reduction of hours. A request to carry forward the underspend will be made as a one off supplemental to support an interim structure whilst a review of the HR service is undertaken.
86B4	Legal Services	30,240	<ul style="list-style-type: none"> The income from external legal fees is expected to be less than the annual budget.
86B7	Strategic Management	(72,000)	<ul style="list-style-type: none"> An underspend is anticipated on the cost of employee budgets mainly due to: vacancies; a reduction of hours, and recharges to the Housing Revenue Account.

9. How does the decision contribute to the Council's Corporate Plan?

Corporate budgets contribute to 3 key purposes, as set out in the Corporate Plan; maintain the assets of our city, well run Council and customer access to help me with my housing and financial problem.

10. What risks are there and how can they be reduced?

An action plan addressing the key areas of budgetary risks within Corporate will be included if and when they arise.

- 11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

No impact

- 12. Are there any other options?**

No

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Local Government (Access to Information) Act 1972 (as amended)
Background papers used in compiling this report:

None

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