

<b>REPORT TO</b>	<b>CORPORATE SCRUTINY COMMITTEE</b>
<b>Date of Meeting:</b>	<b>28 JUNE 2018</b>
<b>Report of:</b>	<b>Chief Finance Officer</b>
<b>Title:</b>	<b>2017/18 Budget Monitoring Report – Outturn</b>

**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, by management unit, between the approved budget and the outturn for the financial year up to 31 March 2018 in respect of Corporate Scrutiny Committee.

**2. Recommendations:**

**That Members of Corporate Scrutiny Committee note the content of this report in order to be satisfied that prudent steps have been taken during the year to address any areas with significant variances, as highlighted in this report, and note the actual cost of delivering services for this Committee in the 2017/18 financial year.**

**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 Scrutiny Committee and this is the final report for 2017-18.

**4. What are the resource implications including non-financial Corporate**

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:**

The surplus of £0.886m in respect of Corporate Scrutiny Committee has largely contributed to an overall underspend of £1.223 million across all Council services. Taking into account all other income and expenditure, the transfer from the working balance is £0.964 million lower than budget, leaving the working balance at £4.692 million.

**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:**

**Revenue Final Accounts to 31 March 2018**

**8.1 Key Variations from Budget**

The final outturn has been calculated and the report below highlights the major differences by management unit from the approved annual budget after adjusting for supplementary budgets.

The total variance for the year shows a surplus of £962,348 after transfers from reserves, as detailed in Appendix 1. This represents a variation of 12.37% from the revised budget. This includes supplementary budgets of £573,430 already agreed by Council.

8.2 The significant variations (by management unit) are:

MU Code	Management Unit	Q3 Forecast Variance (Under)/ Overspend	Actual Budget Variance (Under)/ Overspend	Explanation of Actual Budget Variance
83A1	Corporate Property – Estates	13,150	(165,695)	<ul style="list-style-type: none"> <li>Rental income and service recharges exceeded the budget by £99,500</li> <li>The budget for consultancy costs regarding South Street was not fully spent in 2017/18; a supplementary budget for the remaining £46,000 will be requested for 2018/19</li> <li>There was an underspend of £57,000 on property maintenance budgets.</li> <li>Additional income of £10,000 arose from fees and solar panels</li> <li>Compensation of £55,000 was paid for the termination of a lease.</li> </ul>
83C5	Corporate Property - Assets	(156,090)	(315,040)	<ul style="list-style-type: none"> <li>A £348,000 underspend arose on Property Maintenance Fund Budgets. Supplementary budgets of £307,500 have been requested for 2018/19 to cover contractual commitments as at 31 March 2018 for which accruals could not be made as works had not been completed (£282,000), and also to fund the refurbishment of the Corn Exchange performers' changing and shower facilities (£25,000).</li> <li>Payments amounting to £40,500 have been made in respect of an Employers' Liability claim.</li> </ul>
86A2	Elections and Electoral Registration	(6,420)	(40,706)	<ul style="list-style-type: none"> <li>The income for the 2017 County Council and Parliamentary elections exceeded the direct costs by £45,000.</li> <li>A late settlement of £14,000 was received in respect of the 2016 Police &amp; Crime Commissioner election.</li> <li>This was offset by the cost of City Council by-elections which amounted to £20,000.</li> </ul>
86A3	Corporate	48,000	47,566	<ul style="list-style-type: none"> <li>Additional expenditure of £31,000 was incurred on Treasury Management fees – this is offset by additional interest earned which is reported to this committee elsewhere on this agenda;</li> <li>Other points in this area are: additional expenditure relating to legal</li> </ul>

MU Code	Management Unit	Q3 Forecast Variance (Under)/ Overspend	Actual Budget Variance (Under)/ Overspend	Explanation of Actual Budget Variance
				fees of £10,000, and corporate subscriptions of £6,000.
86A6	Grants/Central Support/ Consultation	(85,000)	(98,798)	<p>This underspend is mainly a result of:</p> <ul style="list-style-type: none"> <li>the consolidation of Comms &amp; Marketing budgets during 2017/18. A temporary structure exists to support the new processes, and a full restructure reflective of corporate priority went to Executive in March, and will go again in June. A request to carry forward the underspend of £68,000 is now made, as a one-off supplement to support the permanent structure and new aligned priorities;</li> <li>an underspend on the grants budget of £43,000;</li> <li>a transfer from reserves of £34,500 to fund the Ward Grants – this transfer happens below the line and is not included in these figures – therefore the Ward Grants show as an “overspend” in these figures;</li> <li>an underspend of £22,200 within Executive Support Unit and Digital Services due to vacancies and staff transfers throughout the year.</li> </ul>
86A7	Unapportionable Overheads	(90,000)	(228,314)	<ul style="list-style-type: none"> <li>Reflects savings in employer pension scheme costs and adjustments from year-end reconciliations.</li> </ul>
86B3	Human Resources	(48,440)	(43,312)	<ul style="list-style-type: none"> <li>A £33,000 underspend arose on pay due to vacant posts across the service, and a reduction of hours. A request to carry forward the underspend relating to the Human Resources service (£20,000) has been made to support an interim structure pending a review of the service.</li> <li>Spending on staff training was £19,000 less than the budget.</li> <li>These underspends were partially offset by a £5,000 reduction in recharges to other services and various small overspends.</li> </ul>
86B4	Legal Services	30,240	(6,415)	<ul style="list-style-type: none"> <li>Internal recharges exceeded the budget by £29,000.</li> </ul>

<b>MU Code</b>	<b>Management Unit</b>	<b>Q3 Forecast Variance (Under)/ Overspend</b>	<b>Actual Budget Variance (Under)/ Overspend</b>	<b>Explanation of Actual Budget Variance</b>
				<ul style="list-style-type: none"> <li>Income from external legal fees was £23,000 less than the annual budget.</li> </ul>
86B6	IT Services	26,000	(92,846)	<ul style="list-style-type: none"> <li>Savings from Strata for 2017/18 were £203,000, an increase of £113,000.</li> <li>Additional costs relating to employer pension costs of £21,000 offset the additional savings.</li> </ul>
86B7	Strategic Management	(72,000)	60,982	<ul style="list-style-type: none"> <li>An overspend on the Deputy Chief Executive's budget of £43,000 relating to Transport Policy costs is matched by an underspend in the Transportation and Planning budgets (in Place) where the budget was held for 2017/18;</li> <li>An overspend due to Compensation for Loss of Office for the Deputy Chief Executive of £76,000;</li> <li>An underspend of £17,000 due to a reduction in hours in the Deputy Chief Executive's budget area;</li> <li>An underspend on employee costs within the Strategic Directors and Personal Assistants budget of £51,000;</li> <li>Minor overspends totalling £10,000 relating to supplies and services.</li> </ul>

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

Corporate Committee contributes 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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