

REPORT TO **CORPORATE SCRUTINY COMMITTEE**
Date of Meeting: **22 NOVEMBER 2018**
Report of: **Chief Finance Officer**
Title: **2018/19 Budget Monitoring Report – Quarter 2**

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 2018/19 approved budget and the current outturn forecast in respect of Corporate Scrutiny Committee.

2. Recommendations:

That Members of Corporate Scrutiny Committee assure themselves that satisfactory actions are being undertaken by Officers to address the key areas of budgetary pressure, as 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 Scrutiny Committee and this is the first report for 2018-19.

4. What are the resource implications including non financial resources

The financial resources required to deliver Corporate Services during 2018-19 are set out in the body of this report.

5. Section 151 Officer comments:

There is a small underspend on the Committee at Quarter 2. Given the Council's overall financial position however, efforts still need to be made across the Council to maintain a strong financial discipline and to identify opportunities to manage in-year expenditure. The overall position is much improved from quarter 1, but still requires care to be taken

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 rises no issues for the Monitoring Officer.

8. Report Details:

Budget Monitoring – Quarter 2

8.1 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will reduce from the revised budget by a total of £24,500 after transfers to and from reserves, as detailed in Appendix 1. This

represents a favourable variation of 0.31% from the revised budget, which includes supplementary budgets of £587,590 already agreed by Council.

- 8.2 Members may wish to note that, because of the often-large sums involved in individual corporate transactions, many quarterly variances are simply 'administrative' and are naturally resolved in-year. Areas of genuine budgetary risk are addressed as explained in paragraph 10 below.
- 8.3 The significant variations (+/- £30,000) by management unit are:

Forecast Budget Variances by Management Unit:		
Budget Heading	Forecast Outturn Budget Variance at Quarter 1	Forecast Outturn Budget Variance at Quarter 2
	(Under)/Overspend	(Under)/Overspend
86A5 Democratic Representation	(£0)	(£35,000)
<p>Responsible Officer: Corporate Manager Democratic and Civic Support</p> <p>Members Allowances are expected to be £20,000 less than the budget due to some members undertaking more than one role whilst taking only one allowance.</p> <p>Income is being generated by sharing Member Services officers with Teignbridge District Council; this arrangement is expected to generate additional income of £15,000 in the current year.</p>		
83A5 Corporate Support	(£0)	(£35,000)
<p>Responsible Officer: Corporate Manager Democratic and Civic Support</p> <p>Postage costs are expected to be £20,000 less than the budget.</p> <p>£22,000 rental income will be generated from leasing part of the Civic Centre to the Police.</p> <p>The cost of utilities and other premises costs in the Civic Centre is expected to exceed the budget by £10,000</p>		

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. Members are reminded of the general risk that, unless otherwise noted, the current outturn forecast expects Services to achieve and deliver the savings included in the budget set in February.

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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