

**Finance Monitoring Quarter 1 2019/20**

<b>Relevant Portfolio Holder</b>	Councillor David Thain, Portfolio Holder for Portfolio Holder for Corporate Management
<b>Relevant Head of Service</b>	Jayne Pickering, Executive Director Finance and Corporate Resources
<b>Non Key Decision</b>	

**1. Purpose and summary**

To report to Cabinet on the Council's financial position for Revenue and Capital for the financial period April 2019 – June 2019.

**2. Recommendations**

**The Executive Committee is asked to resolve**

- 2.1 The current financial position in relation to revenue and capital budgets for the period April – June 2019 as detailed in the report.

**3. Revenue budgets**

- 3.1 This report provides details of the financial performance of the Council. The purpose of this report is to ensure officers and members have relevant information to consider the overall financial position of the Council. The report reflects the finances across all of the Strategic Purposes to enable Members to be aware of the level of funding attributed to each area and how this compares to budget. The summary at 3.4 shows the financial position for revenue funding for the period April – June 2019.
- 3.2 Financial reports are sent to budget holders on a monthly basis. As part of this process a detailed review is undertaken with support from the finance team to ensure that all issues are considered and significant savings or cost pressures are addressed. This report explains the key variances to budget for 2019/20.
- 3.3 The £9.804m original budget as included in the table below is made up of the budget approved in February 2019 of £9.543m, which is then adjusted to reflect the approved transfers from reserves of £262k held in Corporate Financing.

In addition the Latest Budget 2019/20 of £10.148m includes transfers from reserves of £345k which is shown in appendix 2.

3.4

**Revenue Budget Summary – Overall Council  
Financial Year 2019/20**

Please note figures have been rounded

Strategic Purpose	Original Budget 2019/20	Revised budget 2019/20	Budget to date 2019/20	Actuals to date 2019/20	Variance to date 2019/20
	£'000	£'000	£'000	£'000	£'000
Keep my place safe and looking good	4,044	4,324	1,256	1,147	<b>-109</b>
Help me run a successful business	560	592	259	288	29
Help me be financially independent	406	415	196	231	36
Help me to live my life independently	134	134	<b>-269</b>	<b>-266</b>	3
Help me find somewhere to live in my locality	859	859	208	195	<b>-13</b>
Provide Good things for me to see, do and visit	576	663	157	128	<b>-29</b>
Enable others to work/do what they need to do (to meet their purpose)	3,224	3,161	2,746	2,653	<b>-93</b>
<b>Totals</b>	<b>9,804</b>	<b>10,148</b>	<b>4,553</b>	<b>4,377</b>	<b>-176</b>
<b>Corporate Financing</b>	<b>-9,804</b>	<b>-10,148</b>	<b>-8,113</b>	<b>-8,148</b>	<b>-35</b>
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>-3,560</b>	<b>-3,771</b>	<b>-211</b>

**Financial Commentary:**

There are a number of variances across the strategic purposes. The summary above shows the overall 2019/20 revenue position for the Council and the main variations are as a result of:

**Keep my place safe and looking good (£109k underspend)**

These budgets include those relating mainly to Environmental Services, Planning, CCTV and other activities to deliver against the purpose to ensuring an area is a safe and attractive place for the community.

The variances to report are :

- There is a saving within Community safety budgets due to salary vacancies which are being addressed in a service review. The underspend, however, will be offset against the overhead recharge to the HRA (shown in enabling services) due to the service being 100% attributable to the HRA of **£24k**.
- There is variance within planning policy due to some additional clean up grant being received and underspends in the first quarter on general supplies and services **£16k**.
- There are some salary savings due to vacancies of **£36k** within Place teams and Trees & woodland management mainly due to a pending services delivery review.

**Help me run a successful business (£29k underspend)**

The budgets within the strategic purpose include economic development, all licenses and costs associated with the town and other Properties within the Borough.

- There are no individual variances in the quarter 1 to report.

**Help me be financially independent (£36k overspend)**

The strategic purpose includes all costs relating to the support of benefits and the administration and delivery of Council Tax services in the Borough.

- The slight overspend within revenues is due to some additional printing costs and costs in relation to revaluations on council tax and NNDR **£22k**

**Help me to live my life independently (£3k overspend)**

There are a number of budgets relating to the delivery of the strategic purpose including; Lifeline and Community Transport.

- There are no individual variances in the quarter 1 to report.

**Help me find somewhere to live in my locality (£13k underspend)**

The costs associated with homeless prevention, housing strategy and land charges are all included in this strategic purpose. It is worth noting that these costs solely relate to those charged to the General Fund not the Housing Revenue Account

- The variance shown in this strategic purpose is due to some salary savings due to reduced hours and also increased income from Houses in Multiple occupation following changes in regulations **£9k**.

**Provide Good things for me to see, do and visit (£29k underspend)**

The majority of budgets within this purpose relate to Leisure and Culture services.

- There is a variance within Business development – Cultural services due to a saving on the Christmas lights budget, some additional income on the civic suite and staff vacancies.

- There are further savings within Park & Events and Sports & Arts development to do with temporary salary savings due to the change of service delivery and new staff structure implementation - these posts have now been filled going into 2019/20.

**Enable others to work/do what they need to do (to meet their purpose) (£93k underspent)**

All support services and corporate overheads are held within the enabling purpose. These include; IT, HR, Finance, Management team and other support costs.

- The underspend variance within Asset & Property Management is mainly due to vacant posts – a service review is taking place **£28k**
- There are also further salary savings in Customer service support and Financial services due to vacant posts. Some of these are expected to be filled going into 2019/20 **£80k**.

**Corporate Financing (£35k saving)**

- There is a variance in corporate financing due to borrowing costs not being as much as expected due to the spending profile of the capital programme in the first quarter of the year

**4. Savings Monitoring**

4.1 The e medium term financial plan included £1,127k of savings identified to be delivered during 2019/20 the breakdown of these savings is attached at appendix 3. £206k of these identified savings is in relation to a vacancy factor and £181k saving is in relation to transformational redesign.

To quarter 1 £273k of the £1,127k identified savings have been realised against the budgeted April to June savings of £281k

Officers are working through the vacancy savings and the transformational savings to enable these to be shown from quarter 2 in addition to any further savings that can be delivered.

**5. Cash Management**

5.1 The cash position of this Council at the start of the financial year and the expected end of year cash positions for the coming financial years is shown in the table below

<b>Date</b>	<b>£m</b>	<b>Position</b>
As at 31 <sup>st</sup> March 2019 (Actual)	6.0	Borrowing
As at 30 <sup>th</sup> June 2019	nil	Borrowing

**5.2 Borrowing**

As at the 30<sup>th</sup> June 2019 there are no short term borrowings and £103.929m in long term borrowing with associated costs in the quarter of £888k. All long term borrowing costs relate to the HRA.

An interest payable budget has been set of £158k for 2019/20 due to expenditure relating to current capital projects.

**5.3 Investments**

At 30<sup>th</sup> June 2019 there were £4m investments held.

**6. Capital Budgets**

**Capital Budget Summary – Overall Council  
Financial Year 2019/20**

Please note figures have been rounded

Strategic Purpose	Original Budget 2019/20 £'000	Revised budget 2019/20 £'000	Budget to date 2019/20 £'000	Actuals to date 2019/20 £'000	Variance to date 2019/20 £'000
<b>Keep my place safe and looking good</b>	1,672	1,672	418	56	-362
<b>Help me to live my life independently</b>	860	860	314	312	-2
<b>Provide Good things for me to see, do and visit</b>	1,057	1,057	221	0	-221
<b>Totals</b>	<b>3,879</b>	<b>3,879</b>	<b>997</b>	<b>373</b>	<b>-625</b>

**Financial Commentary:**

- ***Please note capital carry forwards from 2018/19 are not included in the above figures – please see appendix 4 – these budgets now approved will be loaded for quarter 2 monitoring.***

**Keep my place safe and looking good**

The main variances for this strategic purpose relate to the following projects;

- Improved parking scheme – whilst the scheme is progressing well other Locality Schemes have been delayed as still awaiting approvals form the County Council. Hopefully, these will be forthcoming shortly in 2019/20.
- Vehicle replacement budget - Meetings to be held with all service areas to see if their vehicles need to be replaced this year and has their specification requirements changed. Finance will be informed

by the end of quarter 2 of all the vehicles planned to be rolled forward into future years. The procurement process for the remaining vehicles will start at the end of August.

**Help me to live my life independently**

- Projects have commenced in the first quarter and therefore there are no significant individual variances in the quarter 1 to report.

**Provide Good things for me to see, do and visit**

- The projects are all in relation to s106 projects and expected to commence within the second quarter of the financial year 2019/20.

**7. Housing Revenue Account**

Appendix 1 details the financial position for the Housing Revenue Account (HRA) for the period April – June 2019.

**8. Earmarked Reserves**

The position as at 30th June 2019/20 is shown in Appendix 2.

**9. General Fund Balances**

The General Fund Balance as at the 31st March 2019 is £1.223m. A balanced budget was approved in February 2019 to include identified savings which have been built into individual budget allocations. This also included a planned use of balances for 2019/20 of £211k. The current level of balances will therefore reduce to £1.012m with recommended level of balances of £750k.

**10. Legal Implications**

No Legal implications have been identified.

**11. Service/Operational Implications**

Managers meet with finance officers on a monthly basis to consider the current financial position and to ensure actions are in place to mitigate any overspends.

**12. Customer / Equalities and Diversity Implications**

No direct implications as a result of this report.

**13. Risk Management**

The financial monitoring is included in the corporate risk register for the authority.

**APPENDICES**

Appendix 1 – HRA Monitoring April – June 2019/20

Appendix 2 – Earmarked Reserves 2019/20

Appendix 3 – Savings Monitoring 2019/20

Appendix 4 - Capital carry forwards 2018/19

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