

HERITAGE, CULTURE AND LEISURE COMMITTEE

5 September 2017

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

First Quarter Budget Monitoring 2017/18

Final Decision-Maker	Heritage, Culture & Leisure Committee
Lead Head of Service	Director of Finance and Business Improvement
Lead Officer and Report Author	Mark Green – Director of Finance and Business Improvement (Lead Officer) Paul Holland - Senior Finance Manager Client Accountancy (Report Officer)
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

That the revenue position at the end of the first quarter and the actions being taken or proposed to improve the position where significant variances have been identified be noted.

This report relates to the following corporate priorities:

The budget is a statement, in financial terms, of the priorities set out in the strategic plan. It reflects the Council's decisions on the allocation of resources to all objectives of the strategic plan. The issues raised in this report identify areas where financial performance is at variance with priority outcomes.

Timetable

Meeting	Date
Heritage, Culture and Leisure Committee	5 September 2017
Policy & Resources Committee	20 September 2017

First Quarter Budget Monitoring 2017/18

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides the committee with an overview of the revenue budget and outturn for the first quarter of 2017/18, and highlights financial matters which may have a material impact on the Medium Term Financial Strategy or the Balance Sheet.
 - 1.2 As at the 30 June 2017, this Committee was showing an overall positive variance of £33,401. The individual variances for each service area are detailed within **Appendix I**.
 - 1.3 The position for the Council as a whole at the end of the first quarter shows a positive variance but there are still a number of underlying pressures across all the Committees that need to be addressed to ensure that this position continues throughout the year.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The Director of Finance & Business Improvement is the Responsible Financial Officer, and has overall responsibility for budgetary control and financial management. However in practice, day to day budgetary control is delegated to service managers, with assistance and advice from their director and the finance section.
- 2.2 The Medium Term Financial Strategy for 2017/18 onwards was agreed by full Council on 1 March 2017. This report advises and updates the Committee on the current position with regards to revenue expenditure against the approved budgets.
- 2.3 Attached at **Appendix I** is a table detailing the current budget and expenditure position for this Committee's services in relation to the first quarter of 2017/18, to June 2017. The appendix details the net budget per cost centre for this Committee. Actual expenditure is shown to the end of June 2017 and includes accruals for goods and services received but not yet paid for.
- 2.4 The columns of the table in the Appendix show the following detail:
 - a) The cost centre description;
 - b) The value of the total budget for the year;
 - c) The amount of the budget expected to be spent by the end of June 2017;
 - d) The actual spend to that date;
 - e) The variance between expected and actual spend;
 - f) The forecast spend to year end; and
 - g) The expected significant variances at 31 March 2018.

- 2.5 **Appendix I** shows that of a net annual expenditure budget of £4,793,510 it was expected that £1,027,379 would be spent up until the end of June. These totals include internal recharges. At this point in time the budget is reporting an under spend of £33,401, and the current forecast indicates that the outturn position for this committee will increase slightly to an under spend of £55,000.
- 2.6 Explanations for variances within individual cost centres which exceed or are expected to exceed £30,000 have been provided in accordance with the Council's constitution.

Heritage, Culture & Leisure Committee	Positive Variance Q1 £000	Adverse Variance Q1 £000	Year End Forecast Variance £000
Bereavement Services – Income is currently ahead of budget, but there are likely to be additional repairs and maintenance costs incurred during the remainder of the year that will reduce the current variance.	46		30

3 AVAILABLE OPTIONS

- 2.7 In considering the current position on the revenue budget at the end of June 2017 the committee can choose to note those actions or it could choose to take further action.

4 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 2.8 The committee is requested to note the content of the report and agree on any necessary action to be taken in relation to the budget position.

5 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 2.9 This report is not expected to lead to any consultation.

6 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 2.10 The first quarter budget monitoring reports will be considered by the relevant Service Committees in September 2017, culminating in a full report to Policy and Resources committee on 20 September.

2.11 Details of the actions taken by service committees to manage the pressures in their budgets will be reported to Policy and Resources committee if appropriate.

7 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>This report monitors actual activity against the revenue budget and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's Medium Term Financial Strategy which is linked to the strategic plan and corporate priorities.</p>	Director of Finance & Business Improvement
Risk Management	<p>The Council has produced a balanced budget for both capital and revenue expenditure and income for 2017/18. This budget is set against a backdrop of limited resources and a difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives this committee the best opportunity to take actions to mitigate such risks.</p> <p>The issues set out in this report do not exhibit the level of potential risk identified in previous years.</p>	Director of Finance & Business Improvement
Financial	<p>Financial implications are the focus of this report through high level budget monitoring. The process of budget monitoring ensures that services can react quickly to potential resource problems. The process ensures that the Council is not faced by corporate financial problems</p>	Director of Finance & Business Improvement

	that may prejudice the delivery of strategic priorities.	
Staffing	The budget for staffing represents approximately 50% of the direct spend of the council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.	Director of Finance & Business Improvement
Legal	The Council has a statutory obligation to maintain a balanced budget this monitoring process enables the committee to remain aware of issues and the process to be taken to maintain a balanced budget for the year.	[Legal Team]
Equality Impact Needs Assessment	The budget ensures the focus of resources into areas of need as identified in the Council's strategic priorities. This monitoring report ensures that the budget is delivering services to meet those needs.	Director of Finance & Business Improvement
Environmental/Sustainable Development	No specific issues arise.	Director of Finance & Business Improvement
Community Safety	No specific issues arise.	Director of Finance & Business Improvement
Human Rights Act	No specific issues arise.	Director of Finance & Business Improvement
Procurement	No specific issues arise.	Director of Finance & Business Improvement
Asset Management	Resources available for asset management are contained within both revenue and capital budgets and do not represent a significant problem at this time.	Director of Finance & Business Improvement

8 REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix I: First Quarter 2017/18 Revenue Monitoring – Heritage, Culture & Leisure
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9 BACKGROUND PAPERS

None