

Supplementary Papers

Cabinet

This will be a virtual, online meeting.
on Wednesday 17 March 2021 at 5.00 pm

Open to the public including the press

8. **Budget monitoring** (Pages 2 - 6)
To consider the interim head of finance's report.

Cabinet Report



Report of Head of Finance

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To: CABINET

Date: 17 March 2021

Budget monitoring April 2020 – January 2021

Recommendation

Cabinet is recommended to note the contents of the report

Purpose of Report

1. To report the revenue and capital expenditure against budget for the period April 2020 to January 2021 and the latest year end outturns forecast by heads of service.

Corporate Objectives

2. The allocation of financial resources within the revenue and capital budgets needs to match the objectives agreed by the council. The budget monitoring report shows how these resources have been allocated during the first ten months of the financial year.

Background

3. This report reviews the council's revenue and capital expenditure performance to the end of month ten (January). Year-end outturn forecasts were worked on during February and early March and based on heads of service's best knowledge at this time.

Revenue budget monitoring

- On 12 February 2020, Council agreed a net revenue budget for 2020/21 of £15.878 million. This has subsequently increased to £17.458 million. This reflects the revised budget agreed by Council on 7 October 2020, and the carry forward of unspent one-off project budgets from 2019/20.
- Table 1 below shows, summarised at service level, both the revenue position as at the end of January 2021 and the forecast position at year end.

Table 1: Revenue budget monitoring position as at January 2021

| Service | Working budget year to date £000 | Spend to Date £000 | Variance £000 | Working budget full year £000 | Forecast spend for year £000 | Variance £000 |
|------------------------------|----------------------------------|--------------------|---------------|-------------------------------|------------------------------|----------------|
| Strategic management team | 764 | 595 | (169) | 917 | 732 | (185) |
| Corporate services | 3,288 | 3,491 | 203 | 3,896 | 3,614 | (282) |
| Development and regeneration | 771 | 1,973 | 1,202 | 1,041 | 1,763 | 722 |
| Finance | 720 | 731 | 12 | 475 | 665 | 190 |
| Housing and environment | 5,501 | 5,351 | (150) | 7,146 | 6,615 | (531) |
| Legal and democratic | 910 | 799 | (111) | 1,092 | 947 | (145) |
| Partnerships | 2,845 | 2,174 | (671) | 3,414 | 3,049 | (365) |
| Planning | 1,572 | 839 | (733) | 1,886 | 1,149 | (737) |
| Policy and programmes | 560 | 534 | (26) | 672 | 622 | (50) |
| Contingency | (2,152) | (1,360) | 791 | (3,081) | (3,415) | (334) |
| Total | 14,779 | 15,127 | 348 | 17,458 | 15,741 | (1,717) |

- Of the £1.717 million forecast underspend, £1.510 million represents underspends against one-off budgets that will be the subject of carry forward requests. Further detail on the forecast variance is shown in the appendices as follows:
 - Appendix 1 provides a summary of the key forecast year end variances
 - Appendix 2 details those budgets that will be the subject of carry forward requests
 - Appendix 3 provides a service-based analysis of current and forecast variances
- Officers propose to earmark the year end underspend after carry-forwards to fund further potential losses arising from the Coronavirus pandemic.

Capital budget monitoring

- On 12 February 2020, Council agreed a capital programme for 2020/21 of £10.500 million.
- At the end of January 2021, the capital programme had increased to £12.725 million, reflecting slippage of schemes from the previous year. However, as a result of officers prioritising the council's response to the pandemic, total capital expenditure to the end of January totalled just over £236,000. There will therefore be significant slippage of this year's capital programme to 2021/22.

Financial, legal and any other implications

- The financial implications are as set out in the body of the report. There are no other implications of this report.

Conclusion

11. At this stage of the financial year, for revenue a small underspend is forecast once the projected carry forward of one-off budgets is taken account of. In capital, due to other priorities very little spend has taken place and projects that have not progressed will be slipped into 2021/22.

Appendices

- 1) Revenue budget monitoring - summary
- 2) Revenue budget monitoring – carry forwards
- 3) Revenue budget monitoring – service-based analysis

Background Papers

- Budget papers for 2020/21
- Revised 2020/21 budget

| Summary | £ |
|--------------------------------------|--------------------|
| Working budget | 17,457,759 |
| Forecast outturn | 15,740,207 |
| Variance | (1,717,552) |
| Of which: | |
| Carry forwards (see appendix 3) | 1,509,533 |
| Variance after carry forwards | (208,019) |

Explanation of remaining variance**All services**

| | |
|--------------------------------------|------------------|
| Employee cost variances | |
| Planning policy | (293,000) |
| Development management | (127,000) |
| Other services | (190,088) |
| Total employee cost variances | (610,088) |

| | |
|------------------------|------------------|
| Other variances | 402,069 |
| Total | (208,019) |

VALE revenue budget monitoring - January 2021**Appendix 2**

| Proposed carry forwards | £ |
|--|------------------|
| Strategic management team | |
| Trasformation budget | 250,000 |
| Development and housing | |
| Accelerated housing | 66,480 |
| Great Western Park district centre - developer contributic | 142,000 |
| Housing development | 118,990 |
| Housing and environment | |
| Homelessness grant funding | 189,414 |
| Land drainage - moorings project | 38,470 |
| Partnerships | |
| Science Vale | 256,322 |
| Growth deal | 92,358 |
| Planning | |
| Local plan | 250,000 |
| Policy and programmes | |
| Climate change | 105,499 |
| Total carry forwards | 1,509,533 |