

FINANCIAL MONITORING REPORT (based on Performance to September 2017)

1. INTRODUCTION

- 1.1 This report provides an update on the 2017/18 budget, adjusting for any budget changes required (on a Portfolio and Committee basis), taking into account the financial performance of the Council between April – September.

2. BACKGROUND

- 2.1 The Council's financial strategy of a continuous review of activities and services to identify opportunities for savings in expenditure alongside opportunities to generate income has been successful in addressing the significant reductions in government funding whilst at the same time maintaining key service levels. Budget monitoring reports form an important part of this process and support the ongoing development of the Medium Term Financial Plan (MTFP).

3. GENERAL FUND REVISED PROJECTION

- 3.1 A General Fund budget of **£16.587m** for 2017/18 was agreed by Council in February 2017. Net positive variations reported to Cabinet in August amounted to £82,000 (£499,000 savings/income and £417,000 new requirements) and a reduced updated budget total for 2017/18 of £16.505m.
- 3.2 This report identifies new savings / additional income totalling **£392,000**, new requirements of **£25,000** and rephasing of **£416,000** (transferred to earmarked reserves). These changes result in an updated General Fund budget of **£16.138m**. Table 1 provides an overview of the variations and full details are provided in paragraphs 3.3 to 3.5.

Table 1	Para.	Savings £'000	New Req. £'000	Rephasing £'000	Total £'000
Original Budget April 2017/18					16,587
Variations agreed in August	3.1	-499	567	1,146	1,214
Transfer from Reserves in August	3.1		-150	-1,146	-1,296
Updated Budget August 2017/18		-499	417	0	16,505
Portfolio / Committee Items	3.3	-392	25		-367
Asset Maintenance / Replacement	3.4			-167	-167
Business Development / Third Party	3.5			-249	-249
Total Budget Variations This Period		-392	25	-416	-783
Transfer to Reserves This Period				416	416
Updated Budget November 2017/18		-891	442	0	16,138

3.3 PORTFOLIO/COMMITTEE ITEMS

Savings; £392k

Savings occurring in 2017/18 that have been allowed for within the latest MTFP as ongoing savings (predominantly in staffing) total £172k:

- £82k – Tax and Benefits (F&E)
- £45k – Environmental Health (ENV)
- £30k – Information Offices (F&E)
- £15k – Finance (F&E)

One-off savings that have occurred in 2017/18 equate to £220k:

- £70k – Registration of Electors (G P&L)
- £70k – Benefits admin grants (F&E)
- £40k – Streetscene (ENV)
- £25k – Fleet Replacement (F&E)
- £15k – Internal Health & Safety (F&E)

New Requirements; £25k

- £25k – Cemeteries income shortfall (ENV)

3.4 ASSET MAINTENANCE & REPLACEMENT

Rephasings; £167k (split between General Fund and HRA)

Projects that were initially due to take place in 2017/18 that will now form part of the development of the 2018/19 budget:

- £104k – Marsh Lane Depot Roof Replacement (F&E)
 - £71k to General Fund
 - £33k to HRA
- £96k – Health & Leisure Centres Various (H&L)

3.5 BUSINESS DEVELOPMENT/THIRD PARTY GRANTS

Rephasings; £249k

Projects that were initially due to take place in 2017/18 that will now form part of the development of the 2018/19 budget:

- £249k – The ICT programme budget for 2017/18 includes one-off projects specific to service development (£247k), and the first tranche of the 3 year 'Protect and Maintain Frontline Services' funding (£500k). The level of spend in 2017/18 is now anticipated to be lower in both areas (by £137k and £112k respectively) due to the level of instability in the existing systems, leading to the ICT Service's focus being on sustaining 'business as usual' and preventing major outages. (F&E)

4. CAPITAL EXPENDITURE (General Fund and Housing Revenue Account)

- 4.1 The Capital Programme agreed in February amounted to **£21.266m**. This was increased to a revised capital budget of **£23.002m** in August to reflect net budget reductions of **£156,000** and rephasings of schemes from 2016/17 (**£1.892m**).
- 4.2 At this point, there are no significant variations to report on this previously revised budget.

5. HOUSING REVENUE ACCOUNT

- 5.1 A break-even HRA budget for 2017/18 was agreed in February 2017. The table below summarises the current position, taking into the account the reported variations (detailed in paragraph 5.2);

	Original Budget	New Variations (Para. 5.2)
	£'000	£'000
Income	-27,919	-90
Revenue Maintenance	4,961	
Supervision & Management	5,122	-63
Rents, Rates, Taxes & Other Charges	11	
Provision for Bad Debt	150	
Capital Financing Costs	8,584	
Contribution to Capital	9,091	
	27,919	-153

5.2 A one-off insurance claim receipt, a minor saving in Planned Maintenance staffing, and a rephrasing of the roof replacement project at Marsh Lane Depot result in a favourable variation of £153k.

6. CRIME AND DISORDER / EQUALITY AND DIVERSITY/ENVIRONMENTAL IMPLICATIONS

6.1 There are no Crime & Disorder, Equality & Diversity or Environmental implications arising directly from this report.

7. PORTFOLIO HOLDER COMMENTS

7.1 I am pleased to note that we are continuing to make steady progress.

8. RECOMMENDATIONS

8.1 It is recommended that Cabinet notes the latest budget forecasts of the General Fund (para 3.2), Capital (para 4.1) and HRA (para 5.1).

For Further Information Please Contact:

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