

COMMITTEE: EXECUTIVE REF NO: E/19/29
DATE: 3 SEPTEMBER 2019
SUBJECT: FINANCIAL MANAGEMENT AND CONTROL,
CORPORATE BUDGET MONITORING – 2019/20
QUARTER 1

PORTFOLIO HOLDER: COUNCILLOR M COOK

HEAD OF SERVICE: JOHN CHANCE

This report gives details of the forecast outturn position for 2019/20 on:

1. The General Fund Revenue Budget, General Balances, and the Council's Reserves;
2. The Housing Revenue Account; and
3. The Shared Revenues Partnership;
4. The Capital Programme, for this and future years.

Ward(s) affected: All

List of Appendices included in this report:

1. 2019/20 General Fund budget analysed by Service Area
2. Analysis of General Fund Budget Changes - Q1 (A)
3. General Fund Savings Programme 2019/20-2021/22
4. General Fund changes to projected outturn - Q1 (A)
5. Housing Revenue Account changes to projected outturn - Q1 (A)
6. Shared Revenues Partnership changes to projected outturn – Q2 (A)
7. Capital Programme for 2019/20 and future years
8. Payment Performance
9. Debt Collection: Aged Debt (A) and Debt Raised and Paid (B)
10. Risk Management Summary

This report has been prepared by Tom Minnican, Tel: 01473 433740,

Email: tom.minnican@ipswich.gov.uk

This report was prepared after consultation with:

Corporate Management Team

The following policies form a context to this report:

Building a Better Ipswich 2017

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

None

OTHER HELPFUL PAPERS

(papers which the report author considers might be helpful – this might include published material)

1. Executive Terms of Reference
2. Overview and Scrutiny Terms of Reference
3. Review of Constitution (Committee Ref E/13/86)
4. Medium Term Financial Plan 2019/20 (including Budget 2019/20) (Committee Ref C/18/20)
5. Financial Out-turn Report 2018-19 (Committee Ref E/19/03)

Executive Summary

On 27 February 2019, the Council agreed its revenue and capital budgets for the General Fund, the Housing Revenue Account, and the revenue budget for the Shared Revenues Partnership.

At the end of each month, officers prepare financial forecasts for each service showing forecast income and expenditure and the impact this will have on reserves and balances; this report is produced each quarter to ensure that Executive can participate fully in the financial management of the Council's budgets.

This is the Quarter 1 (Q1) report and is summarised below:

Revenue:

1. General Fund:
 - a. The Executive notes;
 - i. the forecast deficit of £0.803m compared to a net budget £1.073m deficit, on a gross budget of approx. £105m (net £21.994m), after movements to reserves (Table 1);
 - ii. that General Balances are forecast to be £9.143m at 31 March 2020, after taking into account the forecast General Fund position (Table 6).
2. Housing Revenue Account:
 - a. The Executive notes the forecast deficit of £2.793m compared to the revised net £2.626m budgeted deficit (Table 9);
3. Shared Revenues Partnership:
 - a. That Executive notes the forecast break-even position (Table 10).

Capital:

4. That Executive notes the position on the 2019/20 and future years' Capital Programme with, for 2019/20, an increase of £3.90m in the quarter consisting of £33.52m of carry forwards from 2018/19, with £0.67m of additions less £30.29m of net carry forwards to 2020/21 (Table 11).

Audit & Governance Committee will consider this report on 19 September 2019.

1. Introduction

- 1.1 This report summarises the Council's projected 2019/20 outturn financial position at Quarter 1 (Q1), the end of June 2019.

2. Background

- 2.1 Underpinning the planning framework is the Council's aim of setting a good and balanced budget:

- 2.2 A good budget means that:

- It has a medium term focus, supporting the Ipswich Corporate Plan;
- Resources are focused on the Corporate Plan and our priority outcomes;
- It is not driven by short term fixes;
- It demonstrates how the Council has listened to consultation with local people, employees and our partners;
- It is transparent and well scrutinised;
- It is integrated with the capital programme; and
- It maintains financial stability.

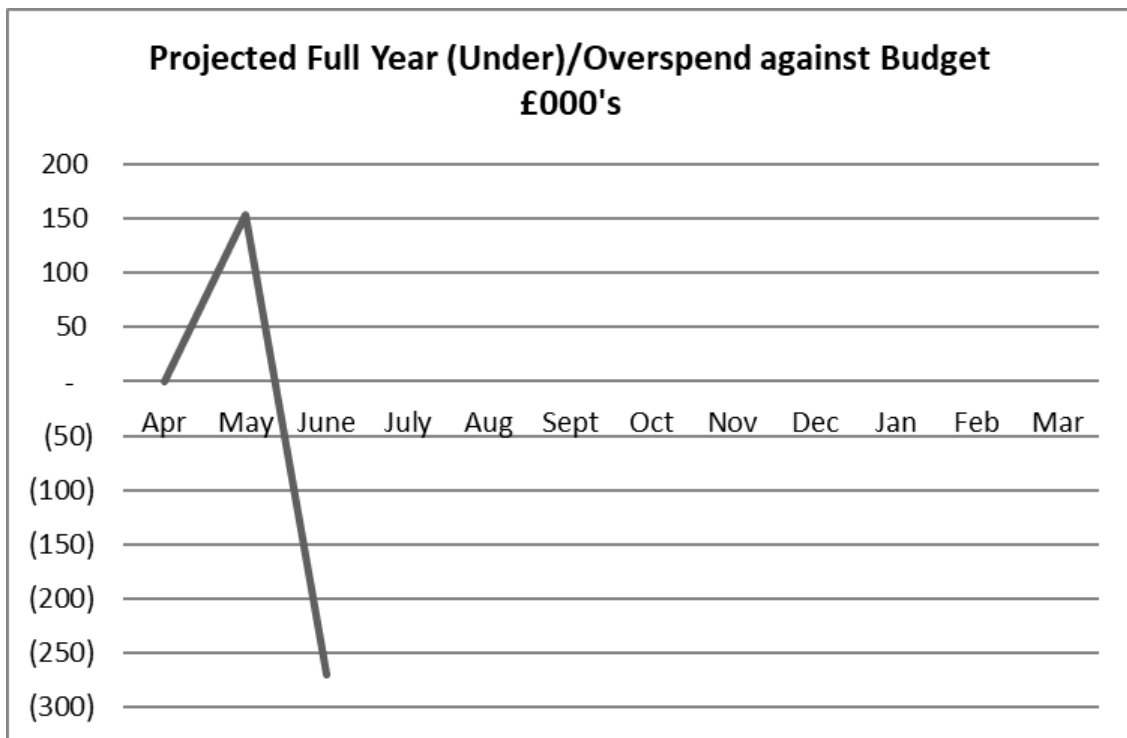
- 2.3 A balanced budget means that:

- Income equals expenditure;
- Cost reduction targets and investment proposals are credible and achievable;
- Key assumptions are "stress tested".

3. 2019/20 General Fund – Summary of forecast financial monitoring position

- 3.1 Through careful budget management, the General Fund is forecast to be within budget at the end of Q1 – on a gross budget of approx. £105m, there is a predicted underspend of £0.270m variance to budget (0.26%).
- 3.2 Further detail of where this full year variation lies can be found in Section 4 below.
- 3.3 Chart 1 shows the projected year-end position for the General Fund in 2019/20, and how the forecast outturn has changed each month (n.b. the first re-forecast took place at the end of May).

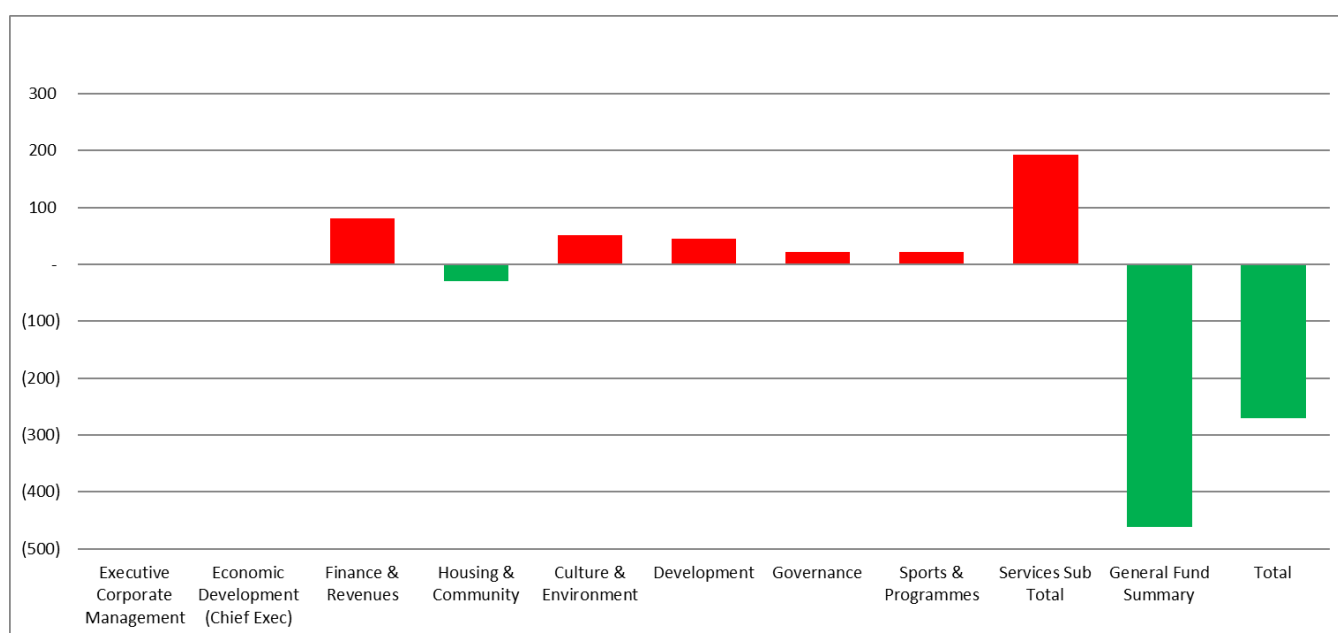
Chart 1: Projected General Fund (Under)/Overspend (£000's)



4. 2019/20 General Fund – revenue outturn: forecast over/underspends

- 4.1 Heads of Service have responsibility for managing their budgets within the amounts approved by the Council. They have been charged with reviewing all of their cost centres to ensure that where an overspend is identified action is taken to ensure that a balanced budget is achieved for the year.
- 4.2 The anticipated year-end position for the General Fund at Q1 is a net £0.270m surplus, after addressing known pressures, made up of a £192k deficit in Service Budgets and a £462 surplus in the General Fund Summary as shown below.

Chart 2: Projected Full Year (Under) / Overspend by Service Area (£000's) at Q1



- 4.3 Details of all projected under/overspends are shown in [Appendix 4](#), and are summarised in Table 1 below:

Table 1: Projected (Under)/Overspend by Service Area (£000's)

	Full Year Original Budget	Full Year Original Budget Reset	Full Year Current Budget	Full Year Forecast	Full year (Under) / Overspend	Change in Q1
	£000's	£000's	£000's	£000's	£000's	£000's
Executive Corporate Management	1,031	1,476	1,780	1,780	-	-
Economic Development (Chief Exec)	375	375	406	406	-	-
Finance & Revenues	4,473	3,435	3,355	3,436	81	81
Housing & Community	2,816	4,443	4,886	4,856	(30)	(30)
Culture & Environment	9,680	6,879	6,978	7,030	52	52
Development	376	376	317	362	45	45
Governance	3,515	2,226	2,325	2,347	22	22
Sports & Programmes	-	3,056	3,096	3,118	22	22
Services Sub Total	22,266	22,266	23,143	23,335	192	192
General Fund Summary	(21,193)	(21,193)	(22,070)	(22,532)	(462)	(462)
Total	1,073	1,073	1,073	803	(270)	(270)

4.4 The full year original budget has been re-presented to reflect the senior management structure review.

4.5 The headline figures for the net change in Q1 explained below:

4.6 General Fund Summary

There has been a reduction in treasury management costs resulting from slippage in the capital programme (financing costs are recognised in the year after the capital expenditure is incurred) and a reduced level of borrowing.

4.7 The General Fund position by Portfolio Holder is shown below:

Chart 3: Projected Full Year (Under) / Overspend (£000's) at Q1

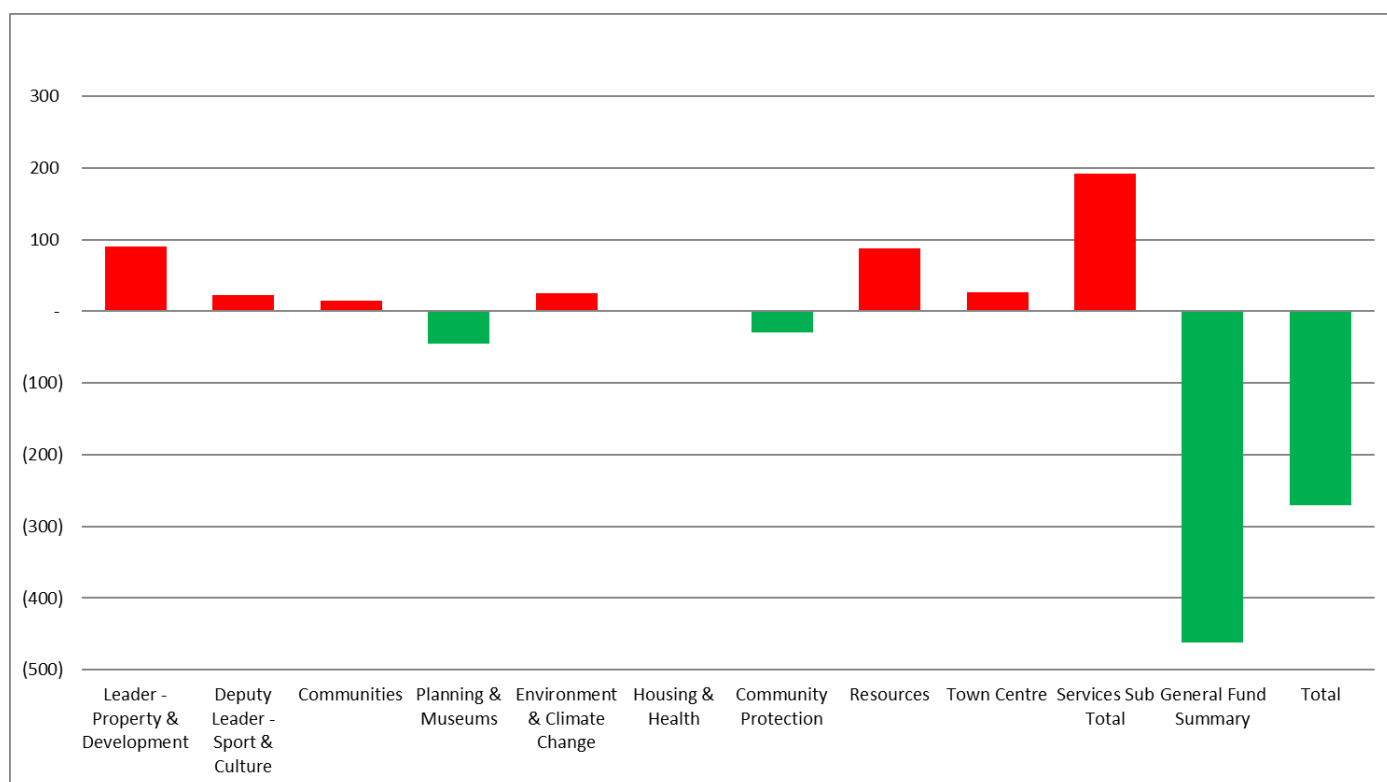


Table 2: Projected (Under)/Overspend by Portfolio Holder (£000's)

	Full Year Original Budget Reset £000's	Full Year Current Budget £000's	Full Year Forecast £000's	Full year (Under) / Overspend £000's	%	Last year overall (Under) / Overspend	Change in Q1 £000's
Leader - Property & Development	516	482	572	90	18.67	(33)	90
Deputy Leader - Sport & Culture	3,056	3,096	3,118	22	0.71	260	22
Communities	1,488	1,522	1,537	15	0.99	18	15
Planning & Museums	2,458	2,757	2,712	(45)	(1.63)	(196)	(45)
Environment & Climate Change	5,551	5,734	5,759	25	0.44	154	25
Housing & Health	1,928	2,018	2,018	-	-	(257)	-
Community Protection	2,515	2,867	2,837	(30)	(1.05)	(24)	(30)
Resources	4,617	4,633	4,721	88	1.90	(42)	88
Town Centre	135	34	61	27	79.41	357	27
Services Sub Total	22,266	23,143	23,335	192	0.83	237	192
General Fund Summary	(21,193)	(22,070)	(22,532)	(462)	(2.09)	(2,480)	(462)
Total	1,073	1,073	803	(270)	(25.16)	(2,243)	(270)

- 4.8 The reasons for the forecast for each portfolio are:
- a. Property & Development – this is an overspend on staffing costs caused by a delay in allocating staff time to capital projects. This forecast overspend is expected to be significantly reduced in Quarter 2.
 - b. Sport & Culture - The small predicted overspend in the Sport and Culture budget relates to unforeseen software and business rates costs
 - c. Communities – this is a small overspend against the Councillor Allowances budget caused by the unbudgeted implementation of the Councillors Allowances Scheme increase in April 2019.
 - d. Planning & Museums – this is an underspend in relation to storage costs for Planning and Building Control and a higher than expected contribution to Apprenticeship costs
 - e. Environment & Climate Change – this small overspend relates to arboriculture works in the parks and maintenance at the Cemeteries. Both are expected to be mitigated by year end.
 - f. Housing & Health is expected to be on budget at year end
 - g. Community Protection – the “underspend” is from higher levels of HEARS income than budgeted
 - h. Resources – the small overspend relates to the additional costs incurred as a result of delaying the implementation of the upgrade to the finance system. Work is ongoing to mitigate this and deliver a break-even by year end.
 - i. Town Centre – the small overspend relates to a Regent Theatre issue in 2018/19 which has to be dealt with in 2019/20. It is expected that this will be offset during the course of the year.

5. 2019/20 General Fund - agreed budget, changes and variations

- 5.1 The 2019/20 budget as agreed by Council on 27 February 2019 is summarised in [Appendix 1](#) and is made up of:
- a Net Expenditure budget of £21.994m, comprising net service expenditure of £22.266m (including service expenditure and income such as Fees & Charges and specific grants) and a net spend of £0.272m (including debt charges, investment income, savings targets);
 - Non-Service Income of £20.921m, mainly from Council Tax and Retained Business Rates.
- 5.2 Any difference between the two is either an addition to balances (when income is greater than expenditure), or a use of balances (where expenditure is greater than income). There was a budgeted £1.073m use of balances in the 2019/20 Medium Term Financial Plan (note: the projected underspend of £0.270m reported in Section 4 means that instead the Council is forecasting to use £0.803m of balances).
- 5.3 Since the budget was agreed by Council, budgets have been re-presented to reflect the new management structure and there also have been the following changes:

Table 3: 2019/20 original, original reset and revised net service budget (£000's)

	Original Budget	Original Budget Reset	Q1 Movement	Budget at end Q1
Executive Corporate Management	1,031	1,476	304	1,780
Economic Development (Chief Exec)	375	375	31	406
Finance & Revenues	4,473	3,435	(80)	3,355
Housing & Community	2,816	4,443	443	4,886
Culture & Environment	9,680	6,879	99	6,978
Development	376	376	(59)	317
Governance	3,515	2,226	99	2,325
Sports & Programmes	-	3,056	40	3,096
Services Total	22,266	22,266	877	23,143
General Fund Summary	(21,193)	(21,193)	(877)	(22,070)
Use of/(Transfer to) Balances	1,073	1,073	-	1,073

- 5.4 The Q1 budget changes are detailed in full in [Appendix 2](#) and are technical budget movements that don't affect the overall bottom line. In the quarter, there are a number of budget changes with an individual value above £100k;
- Transfer of Transitional Vacancy targets to General Fund Summary (£510k)
 - Recharge review (£561k cr)
 - Transfer from budget c/f reserve (526k)
 - Allocation of Pay Contingency (£591k)

6. 2019/20 General Fund - savings

6.1 In Q1 encouraging progress has been made against the overall Big Ticket target in 2019/20, with 20% of the full year savings requirement already identified. This is summarised in Table 4 below:

Table 4: Progress on delivering the Big Ticket savings 2019/20 (£000's)

	Opening Target	Q1 Savings	Outstanding / (Overachieved) Target
Return from Arms-Length Companies	200	-	200
Voluntary Severance/Redundancy	70	-	70
Customer Access & Agile Working	250	(100)	150
Investment Management	300	(50)	250
Service Efficiencies & Income	700	(152)	548
	<u>1,520</u>	<u>(302)</u>	<u>1,218</u>

6.2 The savings delivered against the current Big Ticket targets from 2019/20 to 2022/23 are detailed at [Appendix 3](#).

6.3 Big Ticket Savings identified in Q1 comprise of:

- Customer Access & Agile Working - £100k from a vacancy review/minor service restructure
- Investment Management - £50k from reduced borrowing
- Service Efficiencies & Income - £102k Zero Based Budgeting saving following a recharge review and minor service budget reductions and £50k following a review of Economic Development budgets

6.4 It is anticipated that further savings will be delivered in the coming months, particularly:

- Return from Arms-Length Companies: Ipswich Borough Assets are expecting to pay a dividend to IBC following their September board meeting – this will be reflected in the Quarter Two Budget Monitoring Report;
- Service Efficiencies & Income: Opportunities for delivering procurement savings in 2019/20 are being identified – in particular the focus in the first instance is on contracts for services in revenue budgets where savings can be readily identified. The team are also looking at where best to target resources to generate a financial return.

7. 2019/20 General Fund – General Balances and Contingencies

General Balances

- 7.1 On 27 February 2019, Council agreed the recommendation from the Section 151 Officer that a minimum level of General Balances of £2.000m be held in 2019/20. The following table sets out the plan agreed at Council for this year:

Table 5: General balances agreed by Council

	£m
General Balances 27 Feb 2019 – Budget Assumption	9.103
Planned use 2019/20	(1.073)
Forecast General Balances at 31 March 2020	8.030

- 7.2 The Council had planned to use £1.073m of balances in 2019/20. The projected underspend of £0.270m reported in Section 4 means that instead the Council is forecasting to use £0.803m of balances. In addition, the 2018/19 financial out-turn report (E/18/02) identified a net £0.843m increase in General Balances, which gives a current forecast General Balance of £9.143m at 31 March 2020:

Table 6: Forecast General balances

	£m
Forecast General Balances from Table 5 above	8.030
Added to General Balances from 2018/19 out-turn report	0.843
Revised forecast General Balances at 31 March 2020	8.873

Projected under/(over)spend in year 2019/20	0.270
Current forecast General Balances at 31 March 2020	9.143

General Service Contingency

- 7.3 The General Service Contingency provides potential funding for budget pressures outside the service groups' control and thereby reduces the pressure on the Additional Commitments Contingency and is administered by CMT.
- 7.4 Table 7 below shows the opening balance together with the transfers to/(from) the contingency in Q1:

Table 7: General Service Contingency balance

2019/20 Opening Balance £000's	Net transfers to / (from) Contingency £000's				Balance at Q1 £000's
	Q1	Q2	Q3	Q4	
800	(79)	-	-	-	721

7.5 The Q1 movements shown in Table 7 consist of:

Transfers Out:

- £10k to extend the Community House project
- £49k to fund the Plastics Project Manager post
- £10k to fund body cameras in Environmental Protection
- £10k to cover Unison Branch Secretary costs

Additional Commitments Contingency

7.6 There are no requests for Supplementary Estimates this quarter.

Earmarked reserves levels and forecasts

7.7 A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.

7.8 The General Fund reserves are detailed in Table 8 below. The plan for 2019/20 deliberately minimises usage in the light of heightened future uncertainty.

Table 8: Budget and forecast reserves £000's

	Estimated position @ April 2019 (per MTFP Feb 2019) £000's	Actual position @ April 2019 £000's	Actual Transfers to / from(-) £000's	Further Planned Movement £000's	Forecast March 2020 £000's
Business Rates Reserve	3,026	3,839	-	(329)	3,510
Revenue Grants Reserve	624	808	(42)	-	766
Service Based Reserves	1,822	5,084	-	(2,516)	2,568
Repair & Renewal	465	488	(1)	21	508
Insurance Reserve	970	898	-	-	898
S106 Reserve	495	495	-	(114)	381
Other Reserves	342	340	-	-	340
	<u>7,744</u>	<u>11,952</u>	<u>(43)</u>	<u>(2,938)</u>	<u>8,971</u>

7.9 The 'further planned movement' above represents what was agreed as part of the 2019/20 Medium Term Financial Plan (C/18/20), with the addition of a recommended £2.426m transfer from the Budget Carry Forward Reserve, which was established as part of the Financial Out-turn Report 2018-19 (E/19/03) to cover expenditure deferred from 2018/19.

7.10 In the quarter, £42k has been transferred from the Revenue Grants Reserve to cover service expenditure.

Nb Table 8 above only shows revenue reserves so does not include those elements of reserves shown in the MTFP relating to capital. Therefore, numbers will differ between the two documents.

8. 2019/20 Housing Revenue Account - Financial Performance

8.1 The anticipated year-end position for the Housing Revenue Account at Q1 is a £2.793m deficit, which represents an overspend against budget of £0.167m in the quarter:

Table 9: HRA projected year end

	Full Year Original Budget	Full Year Current Budget	Full Year Forecast	Full year (Under) / Overspend	Change in Q1
	£000's	£000's	£000's	£000's	£000's
Housing Revenue Account	2,162	2,626	2,793	167	167

8.2 Details of all projected under and overspends are shown in [Appendix 5](#).

9. 2019/20 Shared Revenues Partnership - Financial Performance

9.1 The anticipated year-end position of the Shared Revenues Partnership at Q1 is break-even – the expenditure budget is offset in full by income generated so is net nil as shown below:

Table 10: SRP projected year end

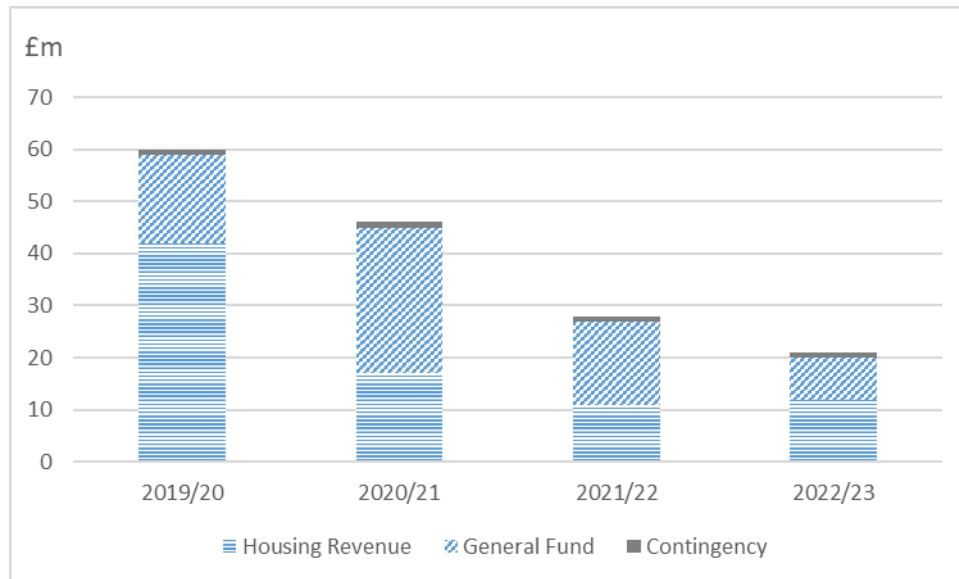
	Full Year Current Budget	Full Year Forecast	Full year (Under) / Overspend	Change in Q1
	£000's	£000's	£000's	£000's
Shared Revenues Partnership	-	-	-	-

9.2 There are no projected under or overspends this Quarter.

10. Capital Programme - Approved 2019/20 and future years

10.1 The Capital Programme for 2019/20 and future years forms part of the Medium Term Financial Plan which was approved by Council on 27 February 2019. This is shown in Chart 4 below:

Chart 4: Original Capital Programme 2019-23



10.2 Proposed changes to the 2019/20 capital programme during Q1 result in a net £3.90m increase in forecast spend in 2019/20 compared to budget, as shown in Table 11 and Chart 5 below.

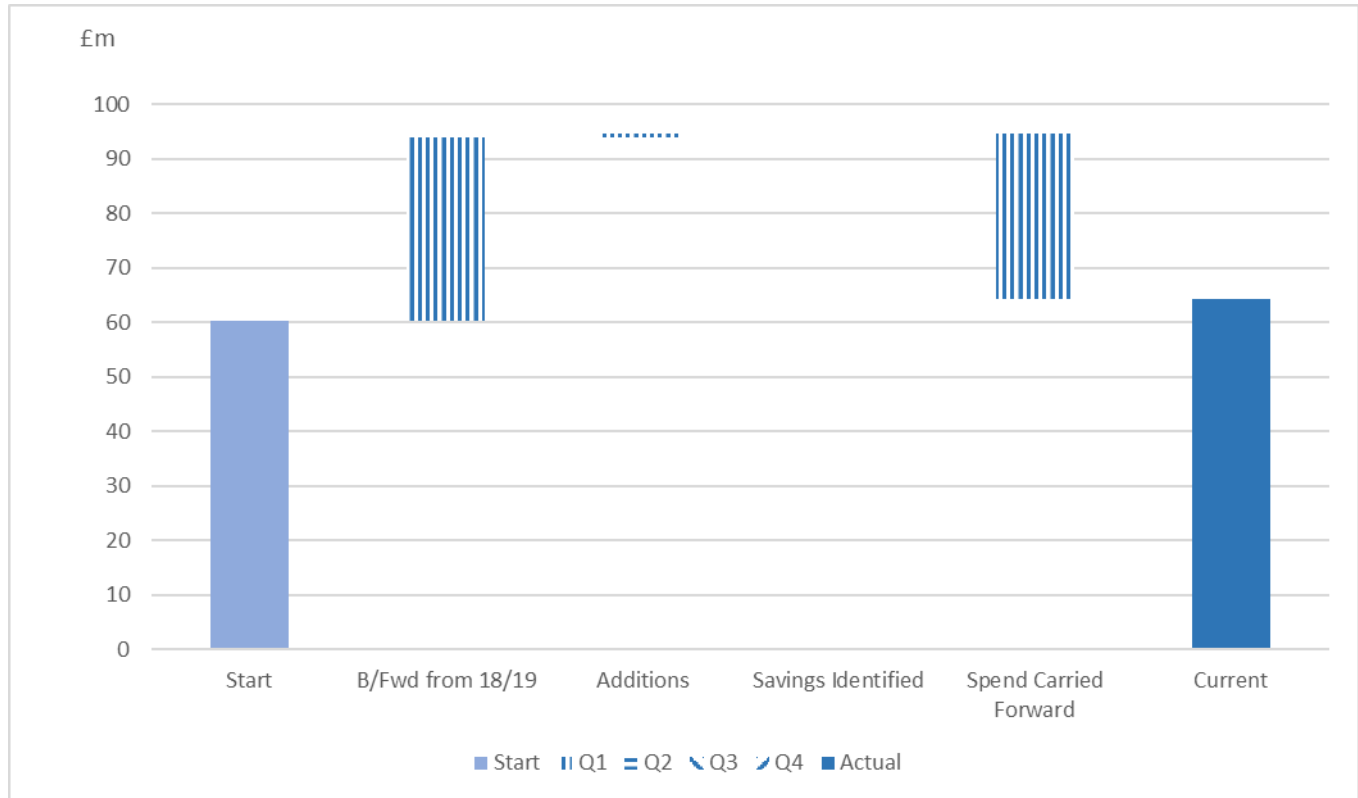
10.3 The £3.90m increase is made up of £33.52m brought forward from 2018/19, £0.67m proposed new additions, detailed in Table 13 at paragraph 10.6 and a net £30.29m of carry forwards to future years, identified by Project Managers and detailed in Table 14 at paragraph 10.7.

Table 11: Changes to 2019/20 Capital Programme

Changes to Capital Programme (£m)	Q1
Original Budget	60.35
Plus B/Fwd	33.52
	<hr/> 93.87
New Additions	0.67
Less Savings Identified	0.00
Less Spend C/Fwd	-30.29
Forecast Spend at end of Quarter	64.25

10.4 Chart 5 shows the total change to the capital programme, broken down by quarter:

Chart 5: Changes to 2019/20 Capital Programme



10.5 A summary of the 2019/20 position at Q1, which incorporates the recommended changes, is set out in Table 12 below, with more detail at [Appendix 7](#):

Table 12: Split of 2019/20 Capital Programme (£m)

Scheme	Original Programme	Q1 Position
HRA Programme	42.486	34.874
GF Programme	17.860	28.879
Total	60.346	63.753
Loans to Companies	0.000	0.494
Total Programme	60.346	64.247

10.6 As shown in paragraph 10.3 above, it is recommended that £0.666m is added to the 2019/20 capital programme in Q1. These additions are detailed in Table 13 below:-

Table 13: Increases in the 2019/20 Capital Programme Q1

Scheme	Type of addition	Amount
Capitalised Repairs – Grafton House	Revenue contribution to capital outlay (from the Green Travel Plan for Electric Vehicle charging points)	£0.040m
Various IBC outstations	For the provision of Electric Vehicle charging points	£0.050m
Ipswich Buses Ltd	Loan to Council Company	£0.494m
HRA – various ‘Maintaining Property’ schemes	Revenue contribution to capital outlay (to cover additional recharge costs)	£0.082m
Total		£0.666m

10.7 As well as the additions above, Executive are asked to approve the re-profiling of the following schemes:

Table 14: Re-profiling of the 2019/20 Capital Programme Q1

Scheme		Amount
Eastern Gateway	Budget b/fwd from future yrs	£3.571m
Play Area Equipment	Budget b/fwd from 2022/23	£0.200m
Town Centre Public Realm Improvements	Budget c/fwd to 2020/21	£0.800m
NW GP Surgery	Budget c/fwd to 2020/21	£0.300m
Headway Centre	Budget c/fwd to 2020/21	£0.300m
Regent Theatre Customer Improvements	Budget c/fwd to 2020/21	£0.500m
Museum Project	Budget c/fwd to 2020/21	£2.000m
Princes St Area Multi Storey car park	Budget c/fwd to 2020/21	£0.700m
HRA Planned Maintenance	Budget c/fwd to 2020/21	£3.459m
HRA – Ravenswood	Budget c/fwd to 2020/21	£6.000m
HRA – Increased Housing Provision	Budget c/fwd to 2020/21	£20.000m
Net budget re-profiled to future years		£30.288m

- 10.8 There are currently two capital schemes in the programme relating to the Regent Theatre, 'Regent Front of House, ticket office etc' and 'Regent Theatre Customer Experience'. It is recommended that these schemes are merged as 'Regent Theatre Customer Improvements'.
- 10.9 Report E/11/63 (Procurement of Vehicles) considered by Executive 5 March 2019, recommended that Executive received quarterly updates on the vehicle replacement programme as part of the quarterly budget monitoring report.

Orders have been placed for 34 vehicles totalling £1.6m, comprising:

- 11 x Electric pool cars that have been delivered and are operational
- 2 x replacement vans for the HEARS service that have been delivered and are operational
- 15 x 3.5 tonne tipper chassis for use in Parks & Waste
- 6 x Refuse Collection Vehicles for use in Waste.

11. Capital Programme - Actual Spend and Progress

- 11.1 Total expenditure on the 2020/21 capital programme to the end of June was £5.154m (excluding loans to council companies). By comparison, the Council had spent £2.048m by the end of June 2018.

12. 2019/20 Payment performance, debt collection and VAT

- 12.1 Payment Performance – detailed at [Appendix 8](#)
- 12.2 Debt Collection – detailed at [Appendix 9](#)
- 12.3 VAT rules and regulations are subject to revision by central government that could adversely affect the Council's partial exemption limit. For example, a recent VAT ruling on sports centres has led to a review of the calculation.

13. Risk Management

- 13.1 The table setting out the risks is at [Appendix 10](#). The overall level of risk is acceptable.

14. Environmental Impact Assessment

- 14.1 These are identified on a scheme-by-scheme basis.

15. Equalities and Diversity Implications

- 15.1 The primary objective of this report is to monitor service area performance against allocated budgets and to consider variances to the budget figure in the light of current circumstances. A screening of the proposed recommendations indicates that the recommendations are neutral in terms of their likely impact on people with protected characteristics.
- 15.2 Careful budgetary control throughout the year ensures that resources are applied as planned, fulfilling the goals and aims of "Building a Better Ipswich". Budgetary control is applied in a consistent manner across all budget heads, and individual decisions to be taken during the financial year are reviewed for impact on a case by case basis before they are taken, so that any identified impact can be considered and taken into account at the appropriate time.

16. Legal Considerations

- 16.1 Heads of Service are required by Financial Standing Orders to undertake a proper review of their Service Group's financial position in order to complete a Monthly Monitoring Return, which includes a certification that each Head of Service has reviewed their service group budgets and have identified any variances. These reports contribute to the Council's primary evidence of proper financial control.
- 16.2 This report has been based upon analysis of the Month 3 monthly monitoring returns, completed by Heads of Service, in conjunction with Operational/Project Managers, advised by their Business Support Accountant.
- 16.3 As part of its terms of reference, Executive is responsible for the management of the Council's resources. Audit & Governance Committee assists with the process by also giving consideration to budget monitoring reports and identifying appropriate action.
- 16.4 The Local Government Act 2003 places duties on the Chief Financial Officer and the Council to carry out robust budget monitoring.
- 16.5 This report is presented to facilitate the discharge of these responsibilities.

17. Financial Considerations

- 17.1 There are no supplementary estimates or write-offs to be considered this quarter.

18. Conclusion

- 18.1 The content of this budget monitoring report is designed to enable Councillors and Senior Officers to see the financial position of the Council as a whole, as required by the Local Government Act 2003.

19. Recommendations

19.1 That Executive notes service budget performance and the future year effects and approves resulting budget changes made for the General Fund.

Reason: to facilitate effective budgetary control and forecasting.

19.2 That Executive approves the transfers from reserves (paragraph 7.9)

Reason: to facilitate effective budgetary control and forecasting.

19.3 That Executive notes service budget performance and the future year effects and approves resulting budget changes made for the Housing Revenue Account.

Reason: to facilitate effective budgetary control and forecasting.

19.4 That Executive notes service budget performance and the future year effects and approves resulting budget changes made for the Shared Revenues Partnership (SRP).

Reason: to facilitate effective budgetary control.

19.5 That Executive notes the position on the 2019/20 and future years Capital Programme and approves the changes to the capital programme identified in paragraphs 10.6, 10.7 and 10.8.

Reason: to facilitate effective budgetary control

Appendices

Appendix 1 - Approved 2019/20 budget analysed by Service Area

<i>Analysis by service - Net Budget</i>	£
Executive Corporate Management	1,030,710
Economic Development (Chief Exec)	375,460
Finance & Revenues	4,472,790
Housing & Community	2,815,750
Culture & Environment	9,680,210
Development	376,230
People & Governance	3,514,820
Net Service expenditure	22,265,970

Contingencies	1,093,990
Savings	- 1,520,000
Capital Financing/Treasury Management	154,100
Net Expenditure	21,994,060

Funded by	
Council Tax	13,879,060
Collection Fund	89,000
Business Rate Retention	5,437,000
Enterprise Zones	230,000
New Homes Bonus	774,000
Use of Reserves	512,340
Total	20,921,400

Use of General Fund Working Balance	1,072,660
--	------------------

Appendix 2

A - General Fund Q1 Budget Changes

	Saving Adj ¹ £000's	Service Tfrs ² £000's	Reserves /Contingencies ³ £000's	Misc ⁴ £000's	Total £000's
Executive Corporate Management	-	7	297	-	304
Economic Development (Chief Exec)	(31)	(25)	87	-	31
Finance & Revenues	(123)	(7)	50	-	(80)
Housing & Community	112	5	326	-	443
Culture & Environment	(112)	(17)	228	-	99
Development	56	(44)	79	(150)	(59)
Governance	(99)	-	48	150	99
Sports & Programmes	(137)	81	96	-	40
Services Total	(334)	-	1,211	-	877
General Fund Summary	334	-	(1,211)	-	(877)
Use of/(Transfer To) Balances	-	-	-	-	-

1. Savings Adj

Economic Development (Chief Exec)	19 Staff Turnover Target reported as part of GF Summary (50) Big Ticket saving (Service Efficiencies - Economic Dev)
Finance & Revenues	12 Staff Turnover Target reported as part of GF Summary (135) Big Ticket saving (ZBB - recharge review)
Housing & Community	143 Staff Turnover Target reported as part of GF Summary (44) Big Ticket saving (Customer Access & Agile Working) (50) Staff Turnover saving 66 Big Ticket adj (ZBB - recharge review) (3) Big Ticket adj (ZBB - minor adj)
Culture & Environment	71 Staff Turnover Target reported as part of GF Summary (32) Staff Turnover saving (Service Efficiencies - ZBB) (55) Staff Turnover saving (96) Big Ticket adj (ZBB - recharge review)
Development	137 Staff Turnover Target reported as part of GF Summary (12) Big Ticket saving (Customer Access & Agile Working) (69) Big Ticket adj (ZBB - recharge review)
Governance	75 Staff Turnover Target reported as part of GF Summary (17) Staff Turnover saving (157) Big Ticket adj (ZBB - recharge review)
Sports & Programmes	53 Staff Turnover Target reported as part of GF Summary (10) Staff Turnover saving (4) Big Ticket saving (Customer Access & Agile Working) (6) Big Ticket saving (Service Efficiencies - Economic Dev) (170) Big Ticket adj (ZBB - recharge review)

2. Service Transfers

Executive Corporate Management	1	Honorary budget transferred from Finance
	6	Staffing budget transferred from Finance
Economic Development (Chief Exec)	(25)	Transfer to Culture & Env (Cornhill events)
Finance & Revenues	(1)	Honorary budget transferred to CMT
	(6)	Staffing budget transferred to Governance (HR)
Housing & Community	(5)	Cash grant reallocation
	10	Emergency standby budget transferred from Culture & Env
	1	R&M allocation
	(1)	Grounds Mtce adj
Culture & Environment	(79)	Grounds Mtce adj
	25	Transfer from Economic Dev (Cornhill events)
	37	R&M allocation
Development	(65)	R&M allocation
	5	Cash grant reallocation
	16	Grounds Mtce adj
Sports & Programmes	27	R&M allocation
	(10)	Emergency standby budget transferred to Emergency Planning
	64	Grounds Mtce adj

3. Reserves/Contingencies

Executive Corporate Management	15	Allocation of Pay Contingency (Additional Commitments)
	148	Transfer from budget c/f reserve
	59	£10k Community House Project, £49k Plastics Project manager (General Service Contingency)
	75	Sports Review (Invest to Save)
Economic Development (Chief Exec)	3	Allocation of Pay Contingency (Additional Commitments)
	66	Transfer from budget c/f reserve
	18	EU funding from Revenue Grants Reserve
Finance & Revenues	25	Allocation of Pay Contingency (Additional Commitments)
	10	Union Secretary costs (General Service Contingency)
	15	Transfer from budget c/f reserve
Housing & Community	140	Allocation of Pay Contingency (Additional Commitments)
	138	Transfer from budget c/f reserve
	38	Borrowing costs adj (Additional Commitments)
	10	Protective equipment (General Service Contingency)
Culture & Environment	204	Allocation of Pay Contingency (Additional Commitments)
	24	Community Clean Up funding from Revenue Grants Reserve
Development	105	Allocation of Pay Contingency (Additional Commitments)
	114	Transfer from budget c/f reserve
	(40)	Transfer Green Travel Plan funding to capital
	(100)	Recharge target allocated from Additional Commitments
Governance	33	Allocation of Pay Contingency (Additional Commitments)
	15	Transfer from budget c/f reserve
Sports & Programmes	66	Allocation of Pay Contingency (Additional Commitments)
	30	Transfer from budget c/f reserve

4. Misc

Development	(150)	Unified Comms adj (grossing up service budgets (Exec report E-18-36)
Governance	150	Unified Comms adj (grossing up service budgets (Exec report E-18-36)

Appendix 3 - General Fund Savings Programme 2019/20-2022/23

The detailed position on the current savings programme is as follows:

	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000
Returns from Arms-Length Companies				
Target Saving	200	350	400	450
Actual Saving	0	0	0	0
Shortfall/Surplus(-)	200	350	400	450
Voluntary Severance/Redundancy				
Target Saving	70	100	100	100
Actual Saving	0	0	0	0
Shortfall/Surplus(-)	70	100	100	100
Customer Access & Agile Working				
Target Saving	250	300	350	400
Actual Saving	100	100	100	100
Shortfall/Surplus(-)	150	200	250	300
Investment Management				
Target Saving	300	500	850	1,000
Actual Saving	50	50	50	50
Shortfall/Surplus(-)	250	450	800	950
Service Efficiencies & Income				
Target Saving	700	900	1,000	1,000
Actual Saving	152	190	190	190
Shortfall/Surplus(-)	548	710	810	810
Overall				
Target Saving	1,520	2,150	2,700	2,950
Actual Saving	302	340	340	340
Shortfall/Surplus(-)	1,218	1,810	2,360	2,610
% achieved	20%	16%	13%	12%

Appendix 4

A: General Fund changes to projected outturn – Q1

	£000's
Executive Corporate Management	
No Changes Identified	<u>-</u>
Economic Development	
No Changes Identified	<u>-</u>
Finance & Revenues	
Finance - software licences	25 base (1)
Finance - Finance system project costs	56 one-off
	<u>81</u>
Housing & Community	
Community Support - HEARS income	(30) one-off
	<u>(30)</u>
Culture & Environment	
Museums - Business rates	11 base
Museums - room hire	(11) one-off
Commercial Development - costs recovered	12 base
Commercial Development - Regent Trading (18/19)	15 one-off
Parks & Cemeteries - Cem & Crem equipment mtce	7 one-off
Parks & Cemeteries - Arboriculture Costs	18 one-off
	<u>52</u>
Development	
Planning & Development - storage costs	(15) base
Planning & Development - apprentice contribution	(15) one-off
Property Services - rental income	150 one-off
Property Services - business rates	11 base
Property Services - misc income	(28) one-off
Property Services - Corporate Property Income	(124) base (2)
Property Services - staffing costs	80 base
Building Control - storage costs	(14) base
	<u>45</u>
Governance	
Audit Partnership - costs recovered	7 base
Legal & Democratic - councillor allowances	15 base (3)
	<u>22</u>
Sports & Programmes	
Corporate Support - software licence	10 base
Sports & Leisure - business rates	3 base
Sports & Leisure - software costs	9 base (4)
	<u>22</u>
General Fund Summary	
Capital Financing costs	(462) one-off
	<u>(462)</u>
1) base for 2 years 19/20 and 20/21	3) base figure of £7k
2) base figure of £110k pa	4) base figure of £6k

Appendix 5

A: Housing Revenue Account changes to projected outturn – Q1

	£000's
Mtce & Contracts - void property clearance	10 base
Mtce & Contracts - vehicle servicing	20 base
Mtce & Contracts - gas servicing	(31) base (1)
Tenancy Services - legal costs	19 base
Tenancy Services - grounds maintenance charges	81 base
Tenancy Services - cleaning charges	12 base
HRA Summary - recharges review	<u>56 base</u>
	<u>167</u>

1) base figure of £61k pa

Appendix 6

A: Shared Revenues Partnership changes to projected outturn – Q1

Nothing to report

Appendix 7 - Capital Programme for 2019/20 and future years

	2019/20 Original Budget	2019/20 Latest Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget
	£	£	£	£	£
Housing Revenue Account	42,485,570	34,874,080	46,486,140	10,884,460	11,502,925
Maintaining Properties	10,451,870	7,546,320	12,579,840	8,782,460	8,810,140
IT	297,850	297,850	0	0	0
House Building - Handford Homes	9,250,000	5,286,850	10,500,000	0	0
House Building - Other	22,485,850	21,743,060	23,406,300	2,102,000	2,692,785
General Fund - Annual Core Investments	7,888,440	10,804,270	4,649,014	6,409,014	2,829,014
Capitalised Repairs	500,000	662,330	500,000	500,000	500,000
Disabled Facilities Grants	1,599,014	1,908,374	799,014	799,014	799,014
Improvement Grants	200,000	200,000	200,000	200,000	200,000
IT	879,426	923,936	250,000	230,000	230,000
Play Areas	200,000	643,730	0	0	0
Property Purchases	3,410,000	6,377,900	1,000,000	3,580,000	1,000,000
Resurfacing Car Parks	100,000	88,000	100,000	100,000	100,000
Town Centre Public Realm Improvements	1,000,000	0	1,800,000	1,000,000	0
General Fund - Major Capital Projects	7,281,680	12,984,420	25,894,250	9,259,650	1,328,880
General Fund - Contingency and Other Items	2,690,000	5,090,360	2,690,000	660,000	600,000
Any Other items	2,190,000	4,590,360	2,190,000	160,000	100,000
Contingency	500,000	500,000	500,000	500,000	500,000
Total Programme (excluding Council Companies)	60,345,690	63,753,130	79,719,404	27,213,124	16,260,819
General Fund - Loans to Council Companies	0	494,000	0	0	0
Overall Total Capital Programme	60,345,690	64,247,130	79,719,404	27,213,124	16,260,819

The above programme reflects the proposed changes identified within the report.

Appendix 8 - Payment performance

Undisputed invoices paid within 30 days of receipt;

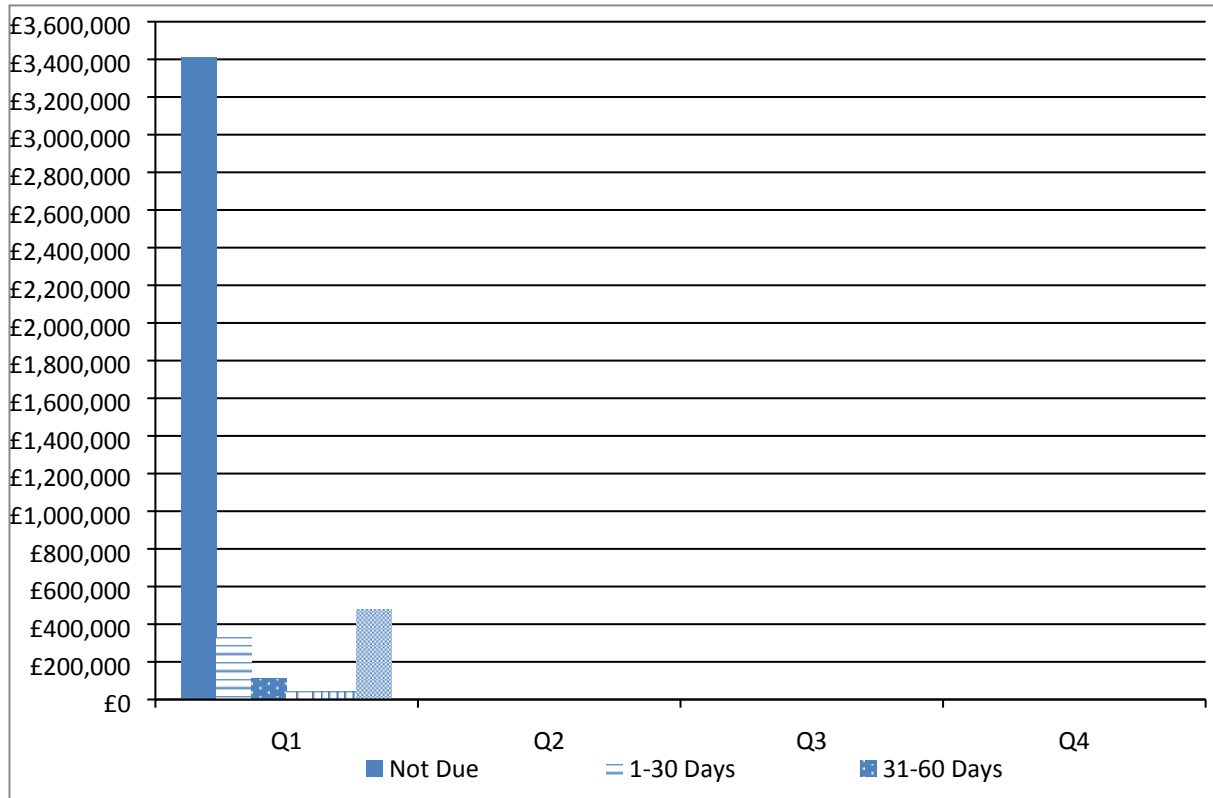
Qtr 1	86.7%
Qtr 2	
Qtr 3	
Qtr 4	
Year to Date	

Following staff transition and the bedding in of new processes, officers are confident of improved payment performance going forward.

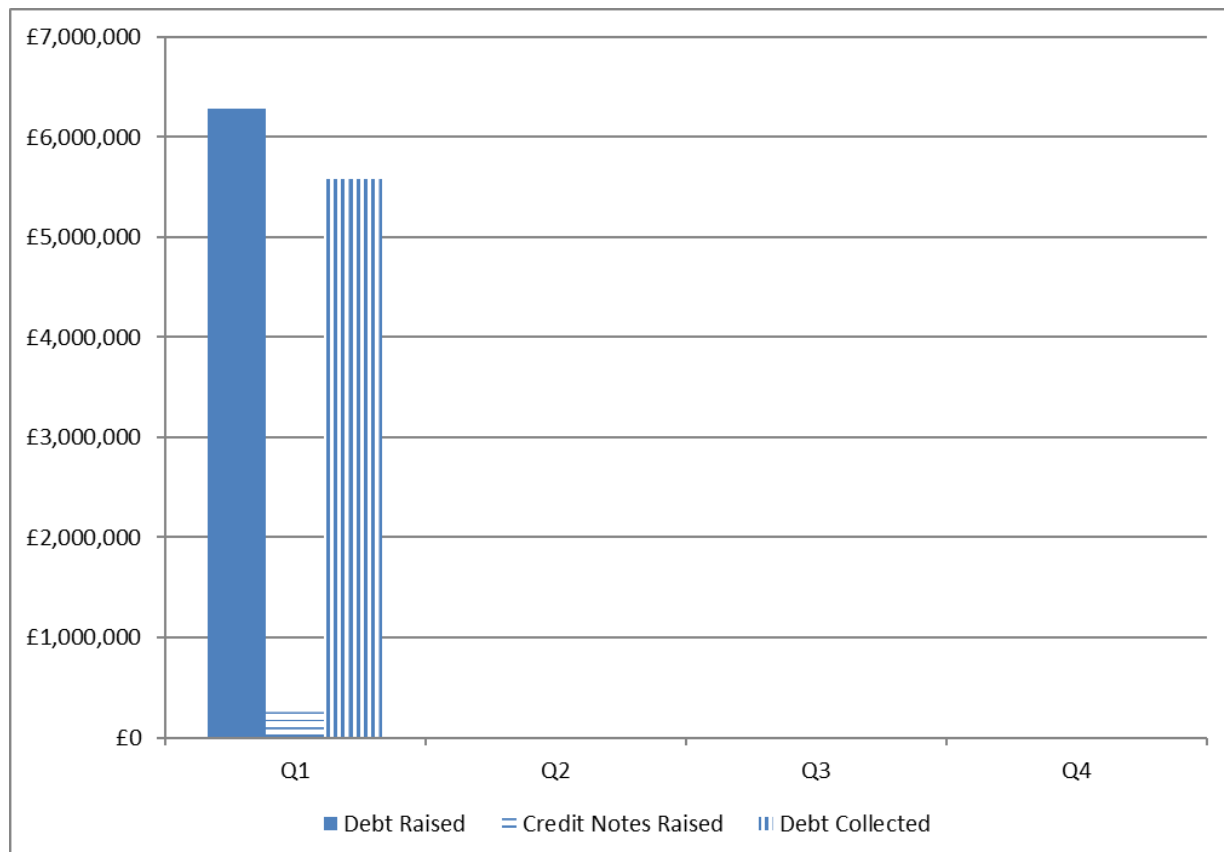
Note: it is not currently possible to accurately report on disputed invoices, the number is fixed at 1% of our total transactions for the purpose of producing these statistics.

Appendix 9 - Debt collection

A: Aged Debt



B: Debt Raised and Paid



Appendix 10 - Risk Management Summary

Risk Description	Consequence of risk	Risk Controls	Probability of risk occurring taking account of controls (scale 1-6) 1 – almost impossible 6 – very high	Impact of risk, if it occurred taking account of actions (scale 1 – negligible; 4 – catastrophic)	Actions to mitigate risk
1. Variances not reported	Lack of budgetary control	Monthly Monitoring Returns	2	3	Duty of Heads of Service to ensure that all budgets are monitored and variances reported promptly
2. Areas of concern not identified	Lack of budgetary control	Monthly Monitoring Returns	2	3	Major Budgets identified
3. Impact of legislative changes not identified	Financial implications unknown		4	2	Updates to legislation distributed quarterly
4. Limited availability of Capital Receipts	Increased borrowing requirement	Updated forecast from Property	3	2	As far as possible using only capital receipts in hand to fund the capital programme
5. Changes in availability of Capital Receipts	Change in borrowing requirement	Updated forecast from Property	3	2	Updated forecast four times a year
6. Capital schemes not being delivered due to lack of funding, planning problems, third party delays etc	Failure to deliver programme	Projects Team/Corporate Dashboard	3	2	Regular monitoring and if necessary rescheduling of the Capital Programme