

Eden District Council
Executive
5 February 2019
Scrutiny Co-ordinating Board
4 April 2019

Budget Monitoring: 1 April 2018 to 31 December 2018

Portfolio:	Resources
Report from:	Director of Finance
Wards:	All Wards
OPEN PUBLIC ITEM	

1 Purpose

- 1.1 To present the quarterly budget monitoring report. Monitoring is against the revised revenue estimates agreed by Executive on 11 December 2018 and the revised capital estimates agreed by Executive on 11 December 2018.

2 Recommendation

That the report is noted.

3 Report Details

- 3.1 It is an important financial control that the Council regularly monitors both its revenue and capital spend.
- 3.2 Revenue spend against budget is monitored monthly by the Resources Portfolio Holder and Management Team. Capital spend is monitored quarterly, given the small scale of the programme.
- 3.3 The purpose of the report is to ensure that the Council's actual income and expenditure is in line with budget, any variations identified and any impact on service performance assessed.
- 3.4 In 2018-2019, the Council has gross revenue spending of £22.2m and income of £13.8m, giving a net revenue budget of £8.4m, and a Capital Programme of £3.2m.
- 3.5 Appendix 1 sets out a summary revenue budget monitoring report. This focuses on the major budgets and areas of financial risk. Risk here is used in the sense of where a budget, such as interest receipts, can be subject to external events, which can rapidly put pressure on a budget. This is not a comprehensive report covering all budgets. It is appropriate that senior management's and Members' attention focuses on the higher level items. All budget holders monitor the detailed budgets they are responsible for on a regular basis. A monthly budget monitoring reminder goes out from Financial Services to all budget holders. An overall code-by-code budget review is undertaken every quarter by the Director of Finance.
- 3.6 Appendix 2 sets out a summary capital budget monitoring report.
- 3.7 The 2018-2019 budgets, shown in Appendices 1 and 2, are the revenue estimates agreed by Executive on 11 December 2018 and the revised capital estimates agreed by Executive on 11 December 2018.

- 3.8 Historically, the Council has not had budgetary control problems.
- 3.9 Revenue
- 3.9.1 Appendix 1 identifies a number of variances and gives appropriate explanations.
- 3.9.2 The largest single element relates to housing benefits where there is a variance of £82k lower net expenditure than budgeted. This relates to recovery of overpaid housing benefit. This is subject to the rate of recovering debts as well as the final housing benefit subsidy claim and so is difficult to accurately project. It will continue to be monitored throughout the year.
- 3.9.3 In addition the homelessness service is showing a variance of £49k lower net expenditure than budgeted. Costs for this service are largely demand led.
- 3.10 Capital
- 3.10.1 Appendix 2 sets out spend against the agreed Capital Programme. There is a brief description of what each scheme is. There is also a note on progress on the scheme.
- 3.10.2 Capital spend does not occur evenly during the year. Most budgets have been re-profiled as part of the 2019/20 budget exercise. The remaining variances are mainly to do with timing of spend rather than true under or overspends. The single largest area of variance relates to Disabled Facilities Grants. These are both demand led and funded from a ring fenced grant. Any unspent budget will automatically be rolled forward to the next financial year as part of the out-turn process.

4 Policy Framework

- 4.1 The Council has four corporate priorities which are:

- Decent Homes for All;
- Strong Economy, Rich Environment;
- Thriving Communities; and
- Quality Council.

- 4.2 This report meets the Quality Council corporate priority.

5 Consultation

- 5.1 The Resources Portfolio Holder reviews budgets at her monthly meeting.

6 Implications

6.1 Financial and Resources

- 6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2015-2019, as agreed at Council on 17 September 2015.
- 6.1.2 See section 3 of the report, and the Appendices, for detailed financial implications.

6.2 Legal

- 6.2.1 There are no Legal implications.

6.3 Human Resources

- 6.3.1 There are no Human Resources implications.

6.4 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	There are no implications
Health, Social Environmental and Economic Impact	There are no implications
Crime and Disorder	There are no implications
Children and Safeguarding	There are no implications

6.5 Risk Management

Risk	Consequence	Controls Required
The budget is exceeded	The Council has to re-state its budget and/or use reserves to meet excess. Cuts in other services may also be required	Regular Management and Member monitoring reports presented
The outcomes from expenditure are not what was planned	Poor resource management and public or External Auditor criticism	As above

7 Other Options Considered

7.1 None.

8 Reasons for the Decision/Recommendation

8.1 To ensure the Council effectively manages and monitors its revenue and capital Budgets.

Tracking Information

Governance Check	Date Considered
Chief Finance Officer (or Deputy)	22 January 2019
Monitoring Officer (or Deputy)	25 January 2019
Assistant Director	Not Applicable

Background Papers: Revenue Estimates 2019-2020 Draft Budget Proposals (Report F85/18)

Capital Programme 2018-2023 Draft Budget Proposals (Report F84/18)

Appendices: Appendix 1: Summary Budget Monitoring Report

Appendix 2: Capital Monitoring Statement

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Summary Budget Report - 1 April 2018 to 31 December 2018

Expenditure Head	Budget* to Date £'000	Actual to Date £'000	To Date £'000	Reason/Note
Salaries	4,030	4,002	28	Small number of vacancies above expected level built in.
Interest	-273	-272	-1	
Development Control Fees	-337	-322	-15	
Building Control Fees	-188	-177	-11	
Leisure Contract	92	90	2	
Blue Collar Contract	1,337	1,322	15	
Land Charges Fees	-96	-83	-13	
Benefits Paid (Net Cost: annual projection)	-49	-131	82	Relates to recovery of overpaid benefits, subject to final benefits claim
Car Parking Income	-225	-239	14	
Recycling Net Cost (done quarterly)	71	73	-2	
Homelessness	152	103	49	Demand led
Building Maintenance	147	149	-2	
Industrial Estate Income	-86	-87	1	
Penrith New Squares	-614	-614	0	
			147	

NB: For budget and actual Minus = income. For variance Minus = overspend

Salary Monitoring: 1 April 2018 to 31 December 2018

Section Code	Description	Budget to Date £	Spend £	Variance - = Overspend £	%	Explanation
Finance						
00100	Director of Finance	102160	102000	160	0.2	
00101	Financial Services	183790	182778	1012	0.6	
00106	Revenues and Benefits	546076	545050	1026	0.2	
00202	Customer Services	305068	298528	6540	2.1	
		<u>1137094</u>	<u>1128356</u>	<u>8739</u>	<u>0.8</u>	
Chief Executive						
00050	Chief Executive	113919	113727	192	0.2	
00207	Organisational Development and Human Resources	111407	110436	971	0.9	
		<u>225326</u>	<u>224163</u>	<u>1163</u>	<u>0.5</u>	
Deputy Chief Executive						
00216	Deputy Chief Executive	88584	88917	-333	-0.4	
00201	Legal, Electoral and Members' Services and Information Governance	416385	404365	12020	2.9	Vacancy
00231	Technical Services	477199	477670	-472	-0.1	
00309	Commercial Services	211580	207589	3991	1.9	
00303	Environmental Services	703396	667483	35913	5.1	Vacancies
00308	Building Control	175211	174610	601	0.3	
00304	Planning Services and Development Management	458173	451385	6788	1.5	
00311	Planning Policy	123865	122158	1707	1.4	
		<u>2654393</u>	<u>2594176</u>	<u>60217</u>	<u>2.3</u>	
Summary						
Department						
Finance		1137094	1128356	8739	0.8	
Chief Executive's		225326	224163	1163	0.5	
Deputy Chief Executive		2654393	2594176	60217	2.3	
Less: 2.3 % vacancy		29436		29436		
		<u>4046249</u>	<u>3946695</u>	<u>99554</u>	<u>2.5</u>	

Capital Monitoring Statement - April to December 2018

	Estimate approved by Council 11 Dec18 £'000	Expenditure to 30-Sept-18 31 Dec 18 £'000	Scheme Description
Services Portfolio			
Footway Lighting	0	22	
	0	22	
Housing and Health Portfolio			
Mandatory Renovation Grants	751	212	Grant provision to correct sub-standard housing for disabled customers
Discretionary Renovation Grants	50	0	Grant provision to correct sub-standard housing
Affordable Housing Innovation Fund	358	0	Loans scheme for Registered Social Landlords
	1,159	212	
Communities Portfolio			
Penrith Leisure Centre	22	0	Correction of water ingress to Sports Hall roof
Bolton Play Area	65	0	Replacement of play equipment
	87	0	
Resources Portfolio			
Depot Refurbishment	134	58	Refurbishment of Depot site
Single Site Accommodation	15	0	Scheme approved by Council, 19 April 2018
	149	58	
Leader Portfolio			
Heart of Cumbria - Equity	1,000	1,000	Equity funding for Company
Heart of Cumbria - Loan	290	50	Loan funding for Company
	1,290	1,050	
Total Capital Programme	2,685	1,342	
Repairs and Renewals Fund	492	55	Various items of plant and equipment
Total Capital Programme	3,177	1,397	