

REPORT TO	DATE OF MEETING
Governance Committee	21st September 2016



SUBJECT	PORTFOLIO	AUTHOR	ITEM
2016/17 Budget Monitoring Statement (as at July 2016)	Finance & Resources	Susan Guinness/ Jane Blundell	8

SUMMARY AND LINK TO CORPORATE PRIORITIES

This report provides an update on the Council's overall financial position compared to the financial plan for the first four months of the 2016/17 financial year. The following items have been included:

- Revenue Income and Expenditure (Appendix One).
- Progress in respect of the Efficiency Programme (Appendix Two).
- Capital Expenditure (Appendix Three)

RECOMMENDATIONS

1. That the Governance Committee review, note and comment on the report and appendices.

DETAILS AND REASONING

The financial position as at 31st July 2016 indicates that a potential budget overspend could be incurred at the end of the year. This is attributable to the Efficiency Targets programme within the approved budget. Positive action could be taken between now and the end of the year, however, this will not achieve a full year impact. The year-end position is based on a number of assumptions made with regard to expected spending patterns and levels of income received to the end of July. With regard to the recovery of the budget savings targets it has been assumed that current staff vacancies levels will remain constant to the end of the year. The main impact being on the budget setting process for 2017/18 which will need to address the achievement of these targets on recurring basis by means of a detailed and robust Medium Term Financial Strategy.

Income levels have improved overall, particularly in relation to investment interest achieved by Shared Financial Services within the framework of the Treasury Strategy, property rentals and planning applications. With the exception of Building Control, other key income budgets are broadly on target.

Also with regard to the current financial forecasts, this should be considered in the context of the continued budget gap contained within the Council's Medium Term Financial Strategy to 2018/19 and the uncertainty of future levels of funding including potential changes to New Homes Bonus

funding and the Business Rates Retention core funding regime. The current position is being closely monitored with particular regard to volatile budgets that are subject to fluctuation and therefore present a higher risk, with updates being reported during the course of the year.

The Capital Programme spend is detailed in Appendix Three by project and shows spend to date, forecasted spend to be achieved by the end of the year and projects that will be re-phased into future years.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these.

FINANCIAL	The financial implications are contained within the report and attached appendices.		
LEGAL	None.		
RISK	Risk is identified in the report. The main risk area is the inclusion of assumptions with regard to spend profiles and external influences that will impact on the equivalent performance (that is, out-turn performance) against the full year budget. Therefore any conclusions drawn from the contents of the report should be treated with some caution at this stage of the year.		
THE IMPACT ON EQUALITY	This report is not considered to have any adverse impact on equality.		
OTHER (see below)			
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

Budget Report and Medium Term Financial Strategy – Cabinet 10 February 2016