

REPORT TO	ON
Governance Committee	13 <sup>th</sup> September 2017

September 2017



TITLE	REPORT OF
2017/18 Quarter 1 Budget Management Statement (as at June 2017)	Acting Chief Finance Officer (s151)

Is this report confidential?	No
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### 1. PURPOSE OF THE REPORT

This report provides an update on the Council's overall financial position compared to the financial plan for the first quarter 2017/18 financial year. The following items have been included:

- Budget Management Report (Appendix One).
- Capital Expenditure (Appendix Two)

### 2. RECOMMENDATIONS

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

### 3. CORPORATE PRIORITIES

The report relates to the following corporate priorities

Clean, green and safe		Strong and healthy communities	
Strong South Ribble in the heart of prosperous Lancashire		Efficient, effective and exceptional council	✓

### 4. DETAILS

The financial position as at 30<sup>th</sup> June 2017 has been set out in accordance with the year-end Statement of Accounts, that is, over Directorate rather than on a cost type (subjective analysis basis). The report also shows an initial projected out-turn where budget variances are known to be permanent. At this stage in the year it is expected that the out-turn will be positive but at a non-material level with regard to recurring budget variations. It should be noted, however, that this is based on a number of forecasting assumptions with regard to future spend remaining in line with the original budget set. Therefore any proposals and policy changes adopted by Council that have an impact on the Council's budget will result in the assumptions having to be changed which will invariably change the current forecasted out-turn position. Of the £104k forecasted underspend £70k has been set aside to fund the Business Transformation project.

The financial performance to date shows that the Council is performing well and that the financial risk profile in respect of Business Rates Retention has currently moved in a favourable direction. Presently there is greater confidence that the Lancashire Pooling Agreement will continue,

however, this also assumes that the outstanding BRR appeals totals do not undergo significant change during the remainder of the year. These two factors are being monitored closely.

The Capital Programme spend is detailed in Appendix Two by project and shows spend to date, forecasted spend to be achieved by the end of the year and projects that may be re-phased into future years. The re-phasing of the Capital Programme will be reviewed when future investment in ICT has been mapped as part of the work currently been done as part of the Business Transformational change programme and as part of setting the budget for 2018/19 that will support the Corporate Plan and Priorities.

It is also expected that the next Budget Management Report will be able to update members on the outcome of the City Deal Resource Review.

## **7. WIDER IMPLICATIONS AND BACKGROUND DOCUMENTATION**

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.

### **7.1 Comments of the Statutory Finance Officer**

The financial implications are contained within the report and attached appendices.

### **7.2 Comments of the Monitoring Officer**

The report is clearly in accordance with good practice.

There are no direct legal implications arising from it.

<p><b>Other implications:</b></p> <ul style="list-style-type: none"><li>▶ <b>Risk</b></li><li>▶ <b>Equality &amp; Diversity</b></li><li>▶ <b>HR &amp; Organisational Development</b></li><li>▶ <b>Property &amp; Asset Management</b></li><li>▶ <b>ICT / Technology</b></li></ul>	<p>Risk is identified in the report and appendices. 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.</p> <p>This report is not considered to have any adverse impact on equality.</p>
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## **8. BACKGROUND DOCUMENTS (or there are no background papers to this report)**

Budget Report and Medium Term Financial Strategy – Cabinet 20 February 2017

**SMT Member's Name: Susan Guinness CPFA**

**Job Title: Acting Chief Finance Officer (s151)**

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