



PART A:	MATTERS DEALT WITH UNDER DELEGATED POWERS
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	25th JULY 2019
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) ANTON HODGE
TITLE OF REPORT:	BUDGET MONITORING – Q1 2019/20
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 The revenue budget for 2019-20 was approved by Council on 22 February 2019, this report and associated appendices present the financial performance as at 30th June 2019 against the budget.

2.0 RECOMMENDATION

- 2.1 It is recommended that:
Policy and Resources committee note the contents of the report;

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 To ensure that members are kept informed of performance against budget and that any budget exceptions are brought to the attention of the Committee in order to approve remedial action where necessary.

4.0 POLICY CONTEXT AND CONSULTATION

- 4.1 The financial position and performance against budget is fundamental to delivery of the Council's Plan, achieving value for money and ensuring financial stability.

REPORT

5.0 REPORT DETAILS

5.1 Summary

General Fund (Appendix A)

At the end of the first quarter, the General Fund forecast presents an outturn surplus of £17k. As it is early in the financial year, there are a number of year to date variances (positive & negative) which make the year to date deficit position of £1.4m, but it is expected that this is primarily in relation to timing of payments and income.

Capital (Appendix B)

As capital plans continue to be reviewed for the financial year, the programme will be updated to reflect the latest position. At the end of Quarter 1, there is an anticipated overspend on the capital programme of £46k, which reflects additional costs in relation to Property condition works (£101k) and expected underspends in IT Infrastructure strategy (£59k).

Capacity Monitoring

As part of the 2019-20 budget, £610k was approved for additional capacity across the Council. At this stage it is estimated that this will be fully spent in 2019-20. A further £100k was approved pending the outcome of the pay structure review following the NJC pay scale changes, this is still in progress with negotiations underway with UNISON/

Savings (Appendix C)

Planned savings and efficiencies of £528k for the year, identified as part of the 2019/20 budget setting process have already been built into the base budgets and are reflected in the numbers below and appendix A. Delivery of planned savings are on track for the year, but will be monitored as the year progresses.

The table below sets out the summary position, with details of forecast variances included in **Appendix A**.

General Fund Account – Q1 2019/20	Budget	Forecast	Variance
	£000's	£000's	£000's
Net Revenue Budget	8,197	8,197	0
Settlement Funding RSG/NDR	(3,926)	(3,943)	(17)
Amount to be met from Council Tax	4,271	4,254	(17)
Council Tax	(4,271)	(4,271)	0
Collection Fund Surpluses	0	0	0
Net Revenue Budget (Surplus) / Deficit	0	(17)	(17)

5.2 The main variances are:

Expenditure

- **All Employee-related costs (excluding consultants)** In total budgets were about on track by the end of Q1 with no forecast variances at this stage. A number of current vacancies are currently being managed by overtime and

additional hours. A recruitment campaign is currently being carried out to stabilise this position during Q2.

- **Supplies and Services** - Year to date position is mainly in relation to timing of payments and budget profiling, including £100k for election costs which will be settled in Q2
- **Vehicles and Transport** Year to date underspend is mainly attributable to delays in allocating fuel costs to vehicle accounts
- **Housing Benefit Payments** are lower than budgeted for by the end of Q1 (£262k), this is reflective of the reducing caseload and will be offset by a reduction in Subsidy income once in-year returns are submitted to DWP.
- **Premises related** - No known issues have been reported in relation to premises costs, underspend to date reflects timing of costs v budget profile

Income

- **Shares from the NNDR** pool will be reviewed once quarter 1 monitoring has been received from the Pool authorities.
- **Within fees & charges**, Q1 saw a shortfall of planning income (£50k) against budget and comparative figures in the previous 2 years. This could be a result of developers awaiting approval of the sites document, and will therefore be closely monitored in Q2
- **Income from Housing Benefit** - DWP make initial payments on estimates. A more reliable forecast can be estimated by the end of Q2, which will be linked to actual benefit payments made
- **Waste Collection & Recycling** – at the end of Quarter 1, the year to date variance was £293k shortfall against target. This however is most likely to be in relation to delays in invoices being raised and profiling of budget. Work is currently being carried out to assess the true position estimate the forecast for the year.

5.3 Capital Programme

At the end of Quarter 1, although limited progress has been made on in year plans, a forecast overspend of £46k is expected against the approved budget. The 2019/20 programme includes £2.97m carry forward due to slippage in 2018/19 and £191k approved for the purchase of the Railway Tavern. Further details can be found at Appendix B. Please note that this currently assumes that all funding set aside for the Public Services Hub will be spent in year – although this seems unlikely at this stage. When more details are known, future forecasts will be amended.

Capital Programme – 2019/20	Budget	Actual	Forecast	Variance
	£000's	£000's	£000's	£000's
Asset Management	3,460	53	3,506	46
Housing	1,262	35	1,262	0
Other Schemes	1,487	(4)	1,487	0
Total Programme	6,209	84	6,255	46

6.0 IMPLICATIONS

6.1 The following implications have been identified:

- a) Financial
Included in the body of the report.
- b) Legal
There are no legal implications identified as part of this report
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change, Crime & Disorder)
None arise from the contents of this report. Such implications are taken into account as part of the budget process and any variance will be reported as part of this report or when any remedial or other action is proposed which may have such implications.

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Background Papers:
None

Background Papers are available for inspection at:
N/A