

## **OVERVIEW AND SCRUTINY COMMITTEE**

**DATE OF MEETING: 17 NOVEMBER 2020**

**TITLE OF REPORT: 2020-21 BUDGET MONITORING – TO END OF SEPTEMBER**

**Report of: Head of Corporate Services**

**Cabinet Member: Councillor James Radley**

### **1 PURPOSE OF REPORT**

- 1.1 To advise Members of the position on revenue and capital expenditure at the end of September. Cabinet will consider this report at its meeting on 3<sup>rd</sup> December 2020.
- 1.2 At its September meeting, the Council agreed a revised balanced budget. Full details of variances to the end of September are shown in the attached appendix. At the point the variance analysis was carried no variances were considered to be of undue concern, however this will be revisited in the light of the second wave of Covid-19.

### **2 OFFICER RECOMMENDATION**

- 2.1 To note the revised projections and reasons for the main revenue variations shown in Appendix 1 and Paragraph 4 below.
- 2.2 To note the current spending position for Capital shown in Appendix 2.

### **3 BACKGROUND**

- 3.1 This report covers the period from 1 April to 30 September 2020.
- 3.2 It is important that regular monitoring of budgets is undertaken to ensure financial targets being set by the Council are being met and to make any necessary changes to approved budgets.

### **4 REVENUE BUDGET MONITORING**

- 4.1 The revenue budget for 2020/21 was approved and is a balanced budget for 2020/21.

This position will be closely monitored for the remainder of the financial year and any variance from this position will be reported at the quarterly updates.

The significant variances this period are:

Pressures

- Closure of Leisure Centre – Loss of Income £315k
- Waste Contract – Invoices of £1.5m not yet raised to BDBC.
- Reduced Car Parking Income - £205k
- Unbudgeted Planning Policy Costs of £29k to date

- Additional IT Costs of £98k Savings
- Staff vacancy savings of £138k

## **5 CAPITAL EXPENDITURE MONITORING**

5.1 Capital expenditure at the 30<sup>th</sup> September 2020 was £120k.

5.2 The estimate out turn for capital is unchanged from the original budget. There is a risk that the Fleet Pond Green Corridor Engineering Project will slip into the 2021/2022 financial year. The planning application is due to be submitted for review in December after which the tender process can begin.

Assuming no delays, the work will commence in late Q4 20.

Total variances of £445k for the financial year up to September 2020 of which the main ones are as follows: -

### Pressures

- IT Upgrades – cost relating to unbudgeted expenditure of £45k.
- £16k cost relating to unbudgeted expenditure at Edenbrook Skate/Bike Park.

### Deferred Expenditure

- £15k saving as no expenditure incurred to date in Private Sector Renewals.
- £13k saving as reduced expenditure incurred to date in Mill Corner (Drainage Project).
- £117k saving as reduced expenditure to date in Fleet Pond Green Corridor Engineering
- Disabled Facilities Grant - £255k savings to date due to scheduled work being delayed by Covid 19.

## **6 MANAGEMENT OF RISK**

6.1 The monthly budget monitoring process examines all income and expenditure against budgets in order that significant variances are highlighted immediately and to identify areas where expenditure is being incurred but where insufficient or no budgetary provision exists. This allows officers to take corrective action to maintain overall expenditure within budgets.

## **7 CONCLUSION**

7.1 The budget remains on course to achieve the Council's financial objectives in 2020/21.

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## **APPENDICES**

Appendix I Revenue and Capital Variance Commentary