

Report to Business & Transformation Scrutiny Panel

Agenda
Item:
A.3

Meeting Date: 29 November 2018
Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and Budget Framework YES
Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:
APRIL TO SEPTEMBER 2018
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 25/18

Purpose / Summary: This report provides an overview of the Council's General Fund revenue budgetary position for the period April to September 2018 which was considered by the Executive on 12 November 2018.

Questions for / input required from Scrutiny:

Members are asked to note the variances contained within this report.

Recommendations:

Members of the Business & Transformation Scrutiny Panel are asked to note the overall budgetary position for the period April to September 2018.

Tracking

Executive:	12 November 2018
Scrutiny:	29 November 2018
Council:	n/a

Report to Executive

Agenda
Item:

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Portfolio: Finance, Governance and Resources
Key Decision: No
Within Policy and
Budget Framework YES
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Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:
APRIL TO SEPTEMBER 2018
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 25/18

Purpose / Summary: This report provides an overview of the Council's overall budgetary position for the period April to September 2018 for revenue schemes only. The revenue report includes details of balance sheet management issues, bad debts written off in the period and progress against the transformation savings is also provided.

Recommendations:

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to September 2018;
- (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
- (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A.

Tracking

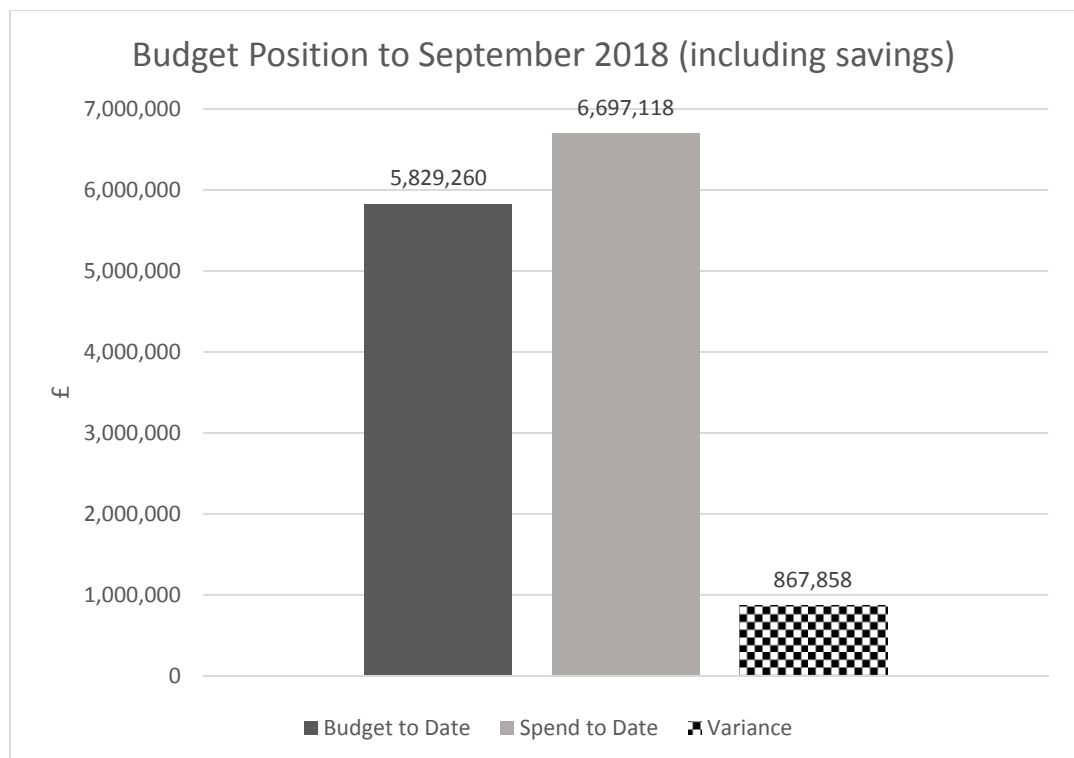
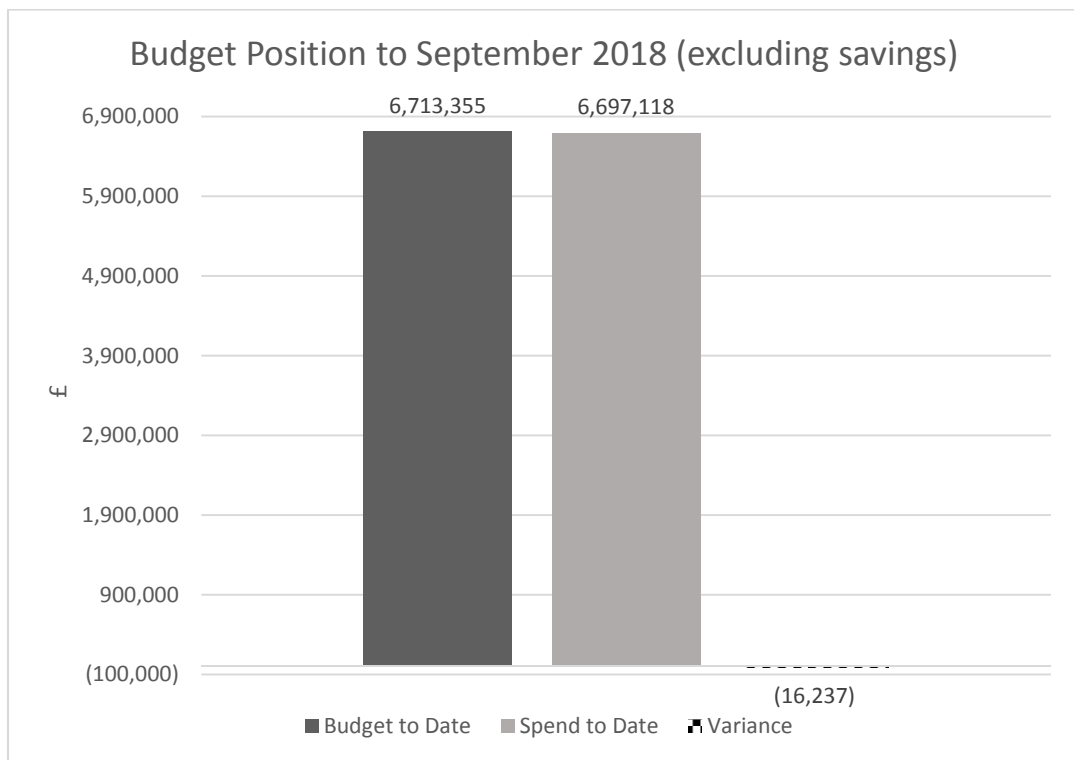
Executive:	12 November 2018
Scrutiny:	29 November 2018
Council:	n/a

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. Further details of virements processed can be found in **Appendix A**. It is the responsibility of individual Chief Officers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 1.2 All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.
- 1.3 Please note that throughout this report:
- (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
 - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
 - (iii) the term 'overspend' includes both spending above budget and/or shortfall in income.

2. 2018/19 REVENUE BUDGET MONITORING

2.1 The budget position of the Council as at September 2018 is presented below:

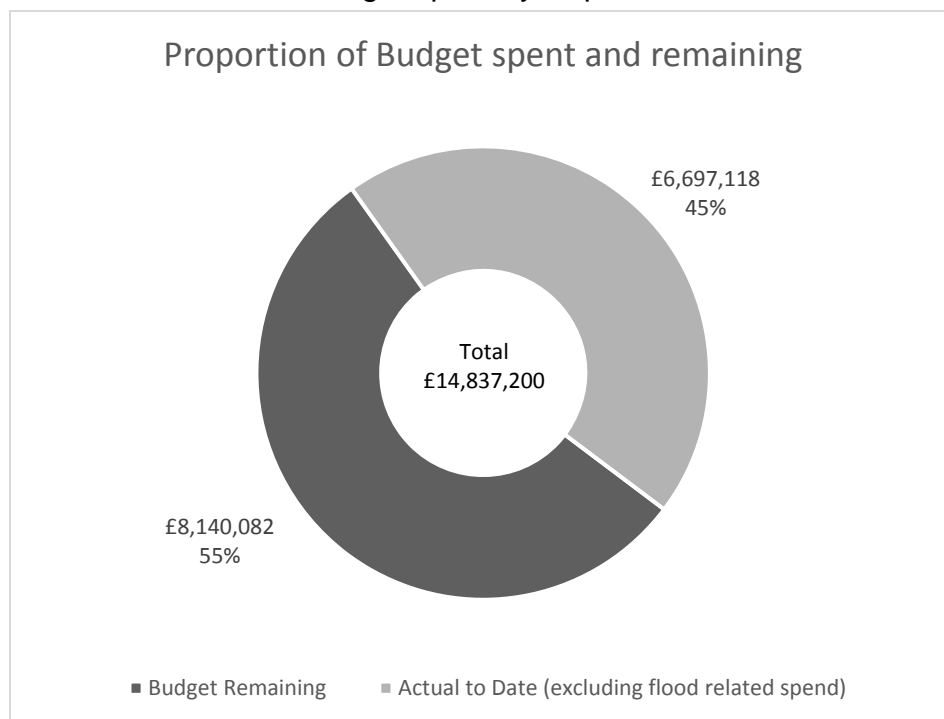


2.2 The summarised revenue budgetary position as at September 2018 is shown below:

		Original Budget £	Updated Budget £	Net Budget to Date £	Net Spend to Date £	Variance £
Community Services	B1	7,603,800	9,381,800	4,209,808	4,264,339	54,531
Corporate Support	B2	5,482,200	1,591,300	499,180	474,967	(24,213)
Economic Development	B3	889,100	1,754,500	957,667	1,072,976	115,309
Finance and Resources	B4	0	1,168,200	396,250	321,068	(75,182)
Governance & Regulatory Services	B5	254,900	900,600	200,662	262,019	61,357
Corporate Management	B6	(1,603,000)	40,800	449,788	301,749	(148,039)
Service Expenditure		12,627,000	14,837,200	6,713,355	6,697,118	(16,237)
Transformation & Base Budget Savings		(1,242,000)	(1,237,100)	(884,095)	0	884,095
Service Expenditure		11,385,000	13,600,100	5,829,260	6,697,118	867,858
Parish Precepts		613,100	613,100	613,100	612,818	(282)
Total		11,998,100	14,213,200	6,442,360	7,309,936	867,576
Transfers to/(from) Reserves						
Car Park Improvement Reserve		0	(106,600)			
Building Control Reserve		0	(34,900)			
Cremator Replacement Reserve		0	43,400			
Carry Forward Reserve		(235,000)	(290,000)			
Promoting Carlisle Reserve		0	(10,000)			
Revenue Grants Reserve		0	(701,200)			
General Fund Reserve		817,800	(543,000)			
Planning Services Reserve		0	58,100			
Prosecution Fund		0	(15,300)			
City Centre Reserve		0	(32,800)			
Total Transfer to/(from) Reserves		582,800	(1,632,300)	(142,940)	(620,796)	(477,856)
Financed by:						
Precept from Collection Fund		(7,600,700)	(7,600,700)	(3,800,350)	(3,800,322)	28
Business Rate Retention		(4,531,700)	(4,531,700)	(2,265,850)	(2,655,577)	(389,727)
Revenue Support Grant		(448,500)	(448,500)	(233,220)	(233,241)	(21)
Total Grants		(12,580,900)	(12,580,900)	(6,299,420)	(6,689,140)	(389,720)
Total		(11,998,100)	(14,213,200)	(6,442,360)	(7,309,936)	(867,576)

		Original Budget £	Updated Budget £	Net Budget to Date £	Net Spend to Date £	Variance £
Flood Expenditure (net)	B7	0	0	0	78,631	78,631
Total		0	0	0	78,631	78,631

2.3 The amount of the overall budget spent by September is as follows:



2.4 Further details for each directorate can be found in **Appendices B1 – B7**. Each appendix shows a breakdown of the variances for the Directorate, with comments and a note of any performance issues. The main variances are also summarised in the table below.

Budget Area		Underspend £	Overspend £
Recycling & Waste Management Income	B1	0	44,731
Bereavement Services	B1	(32,493)	0
Councillor's Small Scale Community Schemes	B1	(22,610)	0
Arts and Museums Contracts	B1	0	45,065
Green Spaces	B1	(52,666)	0
Leisure contracts	B1	0	27,360
Revenues and Benefits	B2	(61,853)	0
Business Interaction Centre	B3	0	58,391
Development Control Fee Income	B3	0	54,565
Minimum Revenue Provision	B4	(91,400)	0
Investment Interest	B4	0	42,047
Homeless Accommodation Income	B5	0	103,309
Lanes Rent	B5	0	131,475
Dilapidations Settlement Castle Street	B5	(275,000)	0
Chancerygate	B5	0	120,429
Salary Turnover Savings	B6	(50,727)	0
General Inflation	B6	(84,000)	0

- 2.5 A subjective analysis of the summarised budgetary position excluding flood related items as at September is shown in **Appendix C**.
- 2.6 The following table shows the position as at September 2018 of savings achieved against the transformation savings targets to date.

Savings Target	Target (£)	Achieved (£)	(Overachieved) /Outstanding (£)
Up to & including 2016/17		(23,000)	23,000
Previous Year Target	795,000	395,000	400,000
Current Year Target	1,479,000	772,700	706,300
Net Recurring Position	2,274,000	1,144,700	1,129,300
Base Budget Review	403,000	295,200	107,800
Net Recurring position	2,677,000	1,439,900	1,237,100

- 2.7 Based upon current projections, and as discussed further in this report at paragraph 4.3, the Council is expecting to benefit from Business Rate growth from being part of the Cumbria Business Rates Pool. The outturn position for 2018/19 is estimated to be £389,727 greater than the budgeted figure which may be used to support the savings target as detailed above. Savings of £772,700 have been achieved to date in respect of the target for the current year; from the leisure service grant, income associated with asset sales/rent reviews and from vacancy management. The balance still to be achieved, including the balance from the base budget review, will continue to be monitored closely during the year.

3. FORECAST OUTTURN POSITION 2018/19

- 3.1 The Council's financial position is affected by a number of external factors that have a financial impact during the course of the year and ultimately at the year end. These include:
- The general effect of local economic activity on the Council's income streams e.g. car parking, tourism and leisure activities.
 - Fuel prices, energy costs and other inflationary issues.
 - The effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control.
- 3.2 The Council's financial position will continue to be closely monitored and likely year end position will be reported more fully in the Quarter 3 report to the end of December 2018. It will be important to maintain a prudent approach to ensure a sustainable budget position for future years to avoid any significant variance at year end.
- 3.3 The areas of significant variance noted in this report will also be scrutinised fully and incorporated into the 2019/20 budget process if the position is deemed to be recurring in nature.

4. FUNDING

- 4.1 The main sources of funding for the Council are Council Tax Income, Revenue Support Grant and Business Rates income. Council Tax income and Revenue Support Grant do not vary across the year from the amounts set at the budget, with any variation in Council Tax income received being adjusted for in the Collection Fund Surplus/Deficit calculation for the following year's budget.
- 4.2 Business Rates Income is largely prescribed by the amounts submitted to MHCLG on the NNDR1 form which estimates Business Rate Income for the year when calculated in January, however, there are two elements of this income that can vary throughout the year, namely, section 31 grants paid by government for business rates reliefs granted, and the levy and pooling calculations to the Cumbria Pool.
- 4.3 The current estimates of Business Rates income for the quarter to the end of September compared to initial estimates submitted in January are shown in **Appendix D**.

The figures show that based on current estimates, the Council will receive an extra £389,727 in business rates income over and above what it has budgeted for. However, this position could change throughout the year depending upon the

performance of other authorities in the Cumbria Pool and the amount of reliefs granted during the year that are subject to Section 31 Grant reimbursement.

5. BALANCE SHEET MANAGEMENT

- 5.1 In line with CIPFA guidance and good practice, information relating to significant items on the Council's balance sheet is shown below. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis.

Balance Sheet item	Balance at 31/03/2018	Balance at Sept 2018	Note
Investments	£11.1m	£22.8m	(i)
Loans	£15.0m	£15.0m	(ii)
Debtors System	£1.05m	£1.76m	(iii)
Creditors System	£0.004m	£0.208m	

- (i) The anticipated annual return on these investments is estimated at £346,400 for 2018/19 with current forecasts anticipated to be below these projections. Further details on the overall Treasury Management performance can be found elsewhere on the agenda.
- (ii) The cost of managing this debt, in terms of interest payable, is budgeted at £1,319,600 in 2018/19 with costs currently on target.
- (iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose. Other significant debts relate to Council Tax, NNDR, and Housing Benefit overpayments.
- (iv) The Council's VAT partial exemption calculation for the period ending September 2018 has been calculated and, at 2.28%, is well below the 5% limit set by HMRC. However, this will increase as expenditure is incurred on the capital programme especially on VAT exempt activities i.e. Civic Centre reinstatement.

6. BAD DEBT WRITE-OFFS

- 6.1 The Corporate Director of Finance and Resources has delegated authority for the write-off of outstanding debts for NNDR, Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £105,720.42 have been written off during Quarter 2 to the end of

September 2018. A summary of bad debts is given in Table 1 in **Appendix E** of this report and these costs will fall against the following:

	£
General Fund	19,832.56
Council Tax (Collection Fund)	26,425.25
NNDR	59,462.61
Total Write-offs	105,720.42

- 6.2 The “write-ons” itemised in Table 2 in **Appendix E**, totalling £2,321.06, are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

	£
General Fund	0.04
Council Tax (Collection Fund)	1,948.85
NNDR	372.17
Total Write-ons	2,321.06

- 6.3 In the case of the General Fund, the write-offs will be charged against provisions for bad debts. However VAT, which has been identified separately, will be recouped in future VAT returns. Any write-off/write-on of Council Tax/NNDR will fall against the provisions within the Collection Fund. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.
- 6.4 At this stage of the year, the level of bad debts is broadly in line with expectations and at this level will be within the scope of the current provisions to fund the bad debts. However, this situation is continuously under review and any major deviations will be the subject of future reports.

7. RISKS

- 7.1 The ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.

8. CONSULTATION

- 8.1 Consultation to date.
SMT and JMT have considered the issues raised in this report.
- 8.2 Consultation Proposed
Business and Transformation Scrutiny Panel will consider the report on 29th November 2018.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

9.1 The Executive is asked to:

- (i) Note the budgetary performance position of the Council to September 2018;
- (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
- (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

10.1 The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the second quarter of 2018/19 shows the delivery of these priorities within budget.

Contact Officer: Emma Gillespie

Ext: 7289

Appendices A, B1 to B7, C to E.
attached to report:

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the budget monitoring is part of this process.

FINANCE – Financial implications are contained within the main body of the report.

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty.

INFORMATION GOVERNANCE – There are no information governance implications.

REVENUE BUDGET MONITORING 2018/19

VIREMENTS PROCESSED FOR PERIOD JULY TO SEPTEMBER 2018

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
20/07/2018	Transfer of vehicle diesel budgets to fund annual Webaspx in-cab system license costs.	Recurring	27,500	Neighbourhood Services Manager
31/07/2018	Release of funding held in Prosecution Reserve to fund Legal costs	Non-recurring	15,300	OD.077/18 Corporate Director of Governance and Regulatory Services
03/08/2018;	Release of funding from Revenue Grant Reserve for Domestic Abuse Victim Support	Non-recurring	12,200	Chief Finance Officer
08/10/2018	Release of funding from Revenue Grant Reserve for Homelife	Non-recurring	2,900	Chief Finance Officer
03/08/2018;	Release of funding from Revenue Grant Reserve for Carlisle South Garden Village	Non-recurring	87,600	Chief Finance Officer
06/09/2018;	Release of funding from Revenue Grant Reserve for Rogue Landlord Officer & Flood Recovery Officer	Non-recurring	11,200	Chief Finance Officer
03/08/2018;	Release of funding from Revenue Grant Reserve for Local Plans	Non-recurring	4,900	Chief Finance Officer
06/09/2018;	Release of funding from Revenue Grant Reserve for Sugar Smart	Non-recurring	2,700	Chief Finance Officer
08/10/2018	Release of funding from Revenue Grant Reserve for Healthy Cities	Non-recurring	22,700	Chief Finance Officer
20/08/2018	Release of funding from Revenue Grant Reserve for Grazing Land Management	Non-recurring	35,000	Chief Finance Officer
05/09/2018	Revenue contribution to capital Play Areas budget	Non-recurring	6,100	Green Spaces and Bereavement Services Manager
26/09/2018	Transfer of budgets to provide funding for Festive Lighting.	Recurring	33,000	Contracts & Community Services Manager
08/10/2018	Release of funding from Revenue Grant Reserve for Infrastructure Capacity Fund	Non-recurring	13,800	Chief Finance Officer
Approved by Executive (£35,000 to £70,000 or delegated authority)				
23/07/2018	Revenue contribution to provide funding for a property acquisition	Non-recurring	50,000	GD51/18 Executive 23/07/18
20/08/2018	Release of funds from Revenue Carry Forward Reserve and virement into Harraby Cycletrack capital project	Non-recurring	38,000	CS30/18 Executive 20/08/18
Approved by Council (over £70,000)				
17/07/2018	Use of General Fund Reserve to fund emergency works on the former Central Plaza building	Non-recurring	650,000	ED23/18 Council 17/07/18

REVENUE BUDGET MONITORING 2018/19

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 30th September 2018	£	£	£	£
Annual Budget	17,841,600	(5,727,600)	(2,732,200)	9,381,800
Budget to date	8,762,005	(3,175,923)	(1,376,274)	4,209,808
Total Actual	8,744,484	(3,150,127)	(1,330,018)	4,264,339
Variance	(17,521)	25,796	46,256	54,531
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(17,521)	25,796	46,256	54,531

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Arts & Museums Contracts	1	37,085	7,981	0	45,065
Bereavement Services	2	(11,745)	(20,807)	58	(32,493)
Small Scale Community Schemes	3	(22,613)	0	0	(22,613)
Green Spaces	4	(26,923)	(25,837)	95	(52,666)
Leisure Contracts	5	29,487	(2,126)	0	27,360
Waste Services	6	(24,302)	44,731	142	20,571
Miscellaneous	7	1,491	21,855	45,961	69,306
Total Variance to date		(17,521)	25,796	46,256	54,531

Note	Community Services - Comments
1.	Additional contract payments made in respect of IT services.
2.	Various minor underspends including premises related costs; increased income from cemeteries and cremations.
3.	Underspend on Councillors' small scale community schemes with allocated amounts not being spent yet.
4.	Various minor underspends including premises & transport related costs and supplies & services; increased income from sales and fees & charges in relation to Talkin Tarn.
5.	Payment made for equipment in relation to the previous Leisure Contract. If subsidy payments on Golf do not continue this over spend will reduce.
6.	
	Underspend on transport costs; shortfall income from recyclates due to market prices for plastics and card being reduced.
7.	Various minor overspends & shortfalls in income across the service.

REVENUE BUDGET MONITORING 2018/19

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th September 2018	£	£	£	£
Annual Budget	6,598,200	(1,465,400)	(3,541,500)	1,591,300
Budget to date	3,385,071	(1,114,439)	(1,771,452)	499,180
Total Actual	3,420,616	(1,174,899)	(1,770,750)	474,967
Variance	35,545	(60,460)	702	(24,213)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	35,545	(60,460)	702	(24,213)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Revenues and Benefits	1	(9,237)	(52,708)	91	(61,853)
Miscellaneous	2	44,782	(7,752)	611	37,640
Total Variance to date		35,545	(60,460)	702	(24,213)

Note	Corporate Support - Comments
1.	Various minor underspends; additional grant income received on Discretionary Housing payments and Universal Credit.
2.	Overspend in relation to employee costs that are non-recurring, and increased levels of income.

REVENUE BUDGET MONITORING 2018/19

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th September 2018	£	£	£	£
Annual Budget	4,367,600	(2,137,100)	(476,000)	1,754,500
Budget to date	2,017,836	(822,075)	(238,094)	957,667
Total Actual	2,074,379	(763,403)	(238,000)	1,072,976
Variance	56,543	58,672	94	115,309
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	56,543	58,672	94	115,309

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Business Interaction Centre	1	47,071	11,320	0	58,391
Development Control	2	2,922	54,565	0	57,487
Miscellaneous	3	6,550	(7,213)	94	(569)
Total Variance to date		56,543	58,672	94	115,309

Note	Economic Development - Comments
1.	Overspend on monthly running costs which do not have budgets identified; shortfall in income due to long leasehold that has now expired
2.	Shortfall in income from planning fees.
3.	Various net minor overspends and surplus income across the service.

REVENUE BUDGET MONITORING 2018/19

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th September 2018	£	£	£	£
Annual Budget	29,122,100	(24,781,000)	(3,172,900)	1,168,200
Budget to date	15,022,977	(12,655,299)	(1,971,428)	396,250
Total Actual	14,915,535	(12,616,713)	(1,977,754)	321,068
Variance	(107,442)	38,586	(6,326)	(75,182)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(107,442)	38,586	(6,326)	(75,182)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Treasury and Debt Management	1	(90,814)	42,047	0	(48,767)
Miscellaneous	2	(16,628)	(3,461)	(6,326)	(26,415)
Total Variance to date		(107,442)	38,586	(6,326)	(75,182)

Note	Finance and Resources - Comments
1.	Underspend on Minimum Revenue Provision; under achieved market deposit investment interest.
2.	Various minor underspends, and increased levels of income associated with HR and Organisational Development

REVENUE BUDGET MONITORING 2018/19

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th September 2018	£	£	£	£
Annual Budget	9,885,800	(5,796,700)	(3,188,500)	900,600
Budget to date	5,033,780	(3,238,268)	(1,594,850)	200,662
Total Actual	5,191,477	(3,351,725)	(1,577,733)	262,019
Variance	157,697	(113,457)	17,117	61,357
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	157,697	(113,457)	17,117	61,357

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Homeless Accommodation	1	30,378	103,309	0	133,687
The Lanes	2	(2)	131,400	0	131,398
Other Rental Properties	3	5,995	(248,519)	0	(242,524)
Chancerygate	4	120,429	0	0	120,429
Licensing	5	(1,119)	(21,396)	0	(22,515)
Miscellaneous	6	2,016	(78,252)	17,117	(59,119)
Total Variance to date		157,697	(113,457)	17,117	61,357

Note	Governance & Regulatory Services - Comments
1.	Various minor overspends; shortfall in income due to units being out of service pending refurbishment.
2.	Shortfall in rent income for 2018/19. Annual deficit expected to be around £175,300.
3.	Minor overspends; Additional income generated mainly from a dilapidations settlement for premises on Castle Street.
4.	Overspend on Chancerygate costs. Expenditure is to be capitalised subject to an Officer Decision Notice by the Corporate Director of Governance & Regulatory Services to release an earmarked capital receipt that was allocated as part of the 2017/18 outturn.
5.	Additional licence income generated.
6.	Various net minor underspends and surplus income across the service.

REVENUE BUDGET MONITORING 2018/19

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th September 2018	£	£	£	£
Annual Budget	1,911,700	(1,870,900)	0	40,800
Budget to date	1,385,256	(935,468)	0	449,788
Total Actual	1,241,454	(939,705)	0	301,749
Variance	(143,802)	(4,237)	0	(148,039)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(143,802)	(4,237)	0	(148,039)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Other Financial Costs	1	(137,634)	(4,237)	0	(141,871)
Miscellaneous	2	(6,168)	0	0	(6,168)
Total Variance to date		(143,802)	(4,237)	0	(148,039)

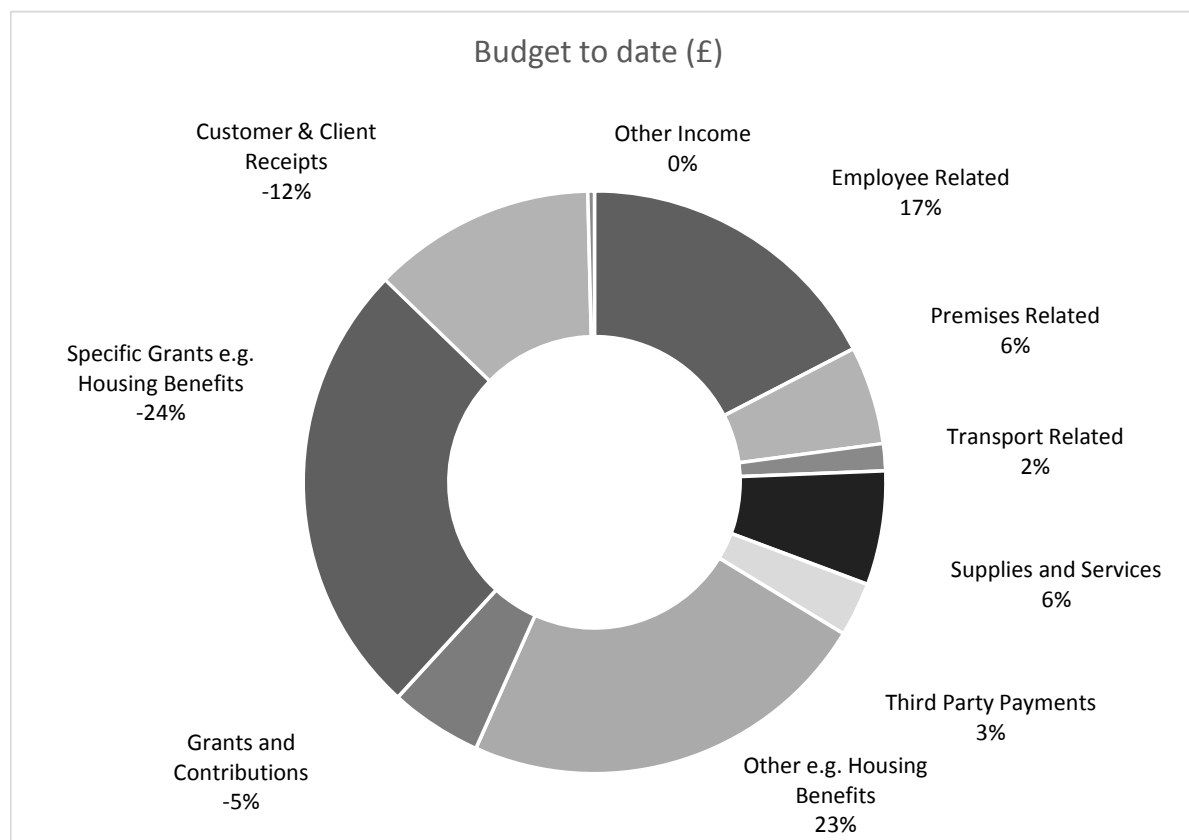
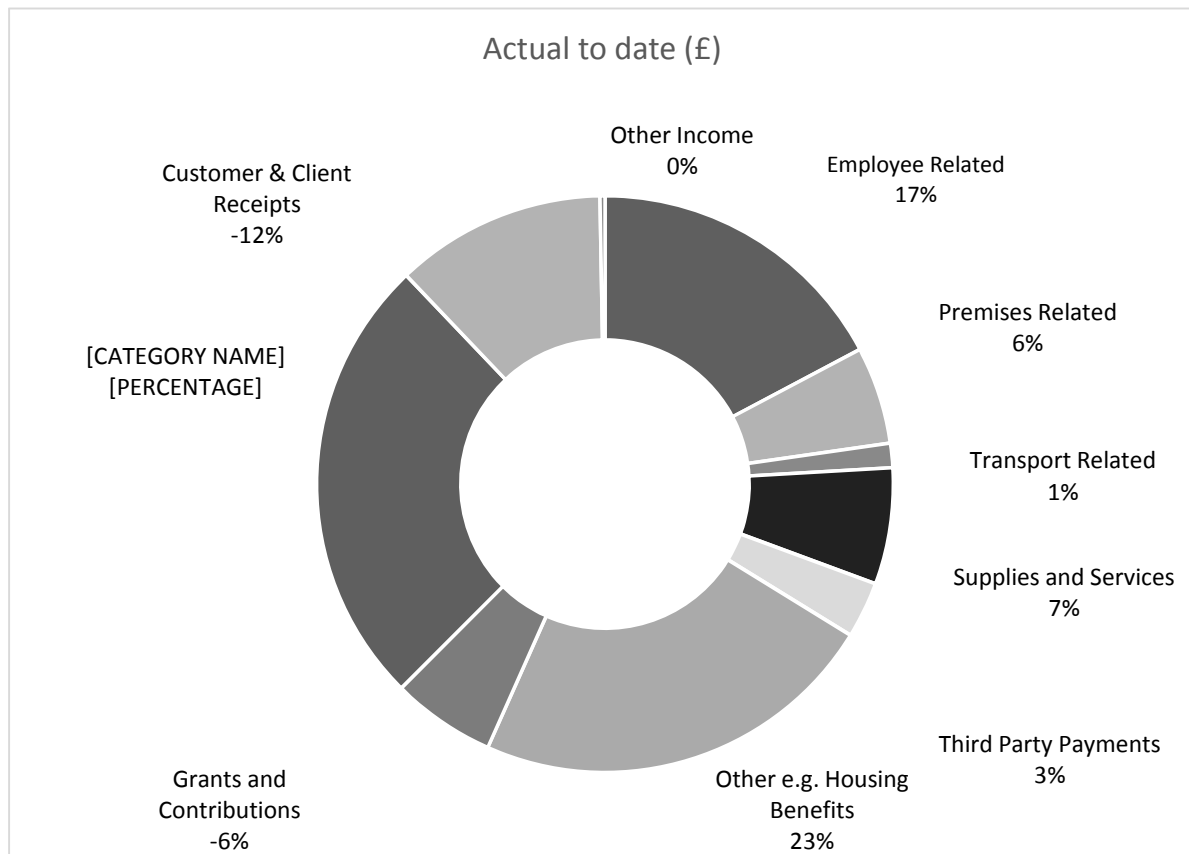
Note	Corporate - Comments
1.	Improvements in savings for Salary Turnover (£50,700) & Inflation savings (£84,000).
2.	Various minor underspends.

REVENUE BUDGET MONITORING 2018/19

REVENUE FLOOD RECOVERY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th September 2018	£	£	£	£
Annual Budget	0	0	0	0
Budget to date	0	0	0	0
Total Actual	81,481	(2,850)	0	78,631
Variance	81,481	(2,850)	0	78,631
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	81,481	(2,850)	0	78,631

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Flood Damage Recovery	1	81,481	(2,850)	0	78,631
Total Variance to date		81,481	(2,850)	0	78,631

Note	Flood - Comments
1.	Additional costs incurred as a result of the floods which will be recoverable through Insurance in full or in part. Variance shown is the balance required to be funded from revenue reserves as this is not covered by insurance.

SUBJECTIVE ANALYSIS

BUSINESS RATES INCOME

	2017/18 Outturn	2018/19 NNDR1	2018/19 Q2
Local Share of Income (Per NNDR1)	(16,483,128)	(16,305,689)	(16,305,689)
Renewables (Per NNDR1)	(83,705)	(264,957)	(264,957)
Renewables Bfwd (NNDR3 Previous Year)	(26,453)	(250,585)	(250,585)
Enterprise Zone (Per NNDR1)	(73,700)	0	0
Tariff (Per Final Settlement)	11,737,641	12,090,274	12,090,274
Section 31 Grants (reimbursement of funded reliefs)	(1,378,516)	(1,612,526)	(1,648,738)
Estimated Collection Fund Deficit per NNDR1	98,985	835,515	835,515
Levy Payable to Pool	1,242,974	1,091,672	1,142,753
Pool Redistribution	(683,934)	(490,000)	(520,000)
Total Income	(5,649,837)	(4,906,296)	(4,921,427)
Budget			
Baseline Funding	(3,114,600)	(3,281,700)	(3,281,700)
Additional Rates Income - Pooling/Growth	(1,200,000)	(1,250,000)	(1,250,000)
Total Budget	(4,314,600)	(4,531,700)	(4,531,700)
Additional Income retained	(1,335,237)	(374,596)	(389,727)

BAD DEBT PROVISION

TABLE 1		Write-Offs June 2018		
Type of Debt	No.	£	Comments	
NNDR (General)	11	59,462.61	01/07/18 to 30/09/18	
Council Tax	53	26,425.25	01/07/18 to 30/09/18	
Debtors:				
Private Tenants	0	0.00	01/07/18 to 30/09/18	
Housing Benefit Overpayments	56	17,807.55	01/07/18 to 30/09/18	
General Fund	8	1,023.55	01/07/18 to 30/09/18	
Penalty Charge Notices:				
On Street	1	28.46	01/07/18 to 30/09/18	
Off Street	11	973.00	01/07/18 to 30/09/18	
TOTAL	140	105,720.42		
TABLE 2		Write-Ons June 2018		
Type of Debt		£	Comments	
NNDR (General)	10	372.17	01/07/18 to 30/09/18	
Council Tax	15	1,948.85	01/07/18 to 30/09/18	
Debtors:				
Private Tenants	0	0.00	01/07/18 to 30/09/18	
Housing Benefit Overpayments	0	0.00	01/07/18 to 30/09/18	
General Fund	3	0.04	01/07/18 to 30/09/18	
TOTAL	28	2,321.06		

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 12 NOVEMBER 2018

**EX.112/18 REVENUE BUDGET OVERVIEW AND MONITORING REPORT: APRIL
TO SEPTEMBER 2018**
(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder submitted the Revenue Budget Overview and Monitoring Report (RD.25/18) for the period April to September 2018, which included greater use of graphics to aide understanding. Outlined within the report were the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement. Details of the balance sheet management issues and action taken by the Corporate Director of Finance and Resources to write-off bad debts were also provided.

The Deputy Leader highlighted the updated Budget figure for 2018/19 of £14,213,200 together with the summarised budgetary position as at September 2018; and main variances summarised at paragraph 2.4. The table at paragraph 2.6 showed the position as at September 2018 of savings achieved against the transformation savings targets to date.

The Council's financial position, which was affected by a number of external factors which had a financial impact during the course of the year and ultimately at the year end, would continue to be closely monitored and reported more fully in the Quarter 3 monitoring report to the end of December 2018. It would be important to maintain a prudent approach so as to ensure a sustainable budget position for future years to avoid any significant variance at the year end.

The Deputy Leader further pointed out that the main variances in the Directorates' Budgets were also set out in the report and he gave an overview of the forecast outturn position for 2018/19.

On the issue of balance sheet management, he added that there may be a significant impact on the cash flow of the Council if outstanding debts were not received. Any debts deemed to be irrecoverable were written off against a bad debt provision set up specifically for that purpose. Other significant debts related to Council Tax, NNDR and Housing Benefit overpayments.

The Council's VAT partial exemption calculation for the period ending September 2018 had been calculated and, at 2.28%, was well below the 5% limit set by HMRC. However, that would increase as expenditure was incurred on the capital programme especially on VAT exempt activities i.e. Civic Centre reinstatement.

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder concluded by formally moving the report, which was formally seconded by the Leader.

Summary of options rejected none

DECISION

That the Executive:

1. Noted the budgetary performance position of the Council to September 2018;
2. Noted the action by the Corporate Director of Finance and Resources to write off bad debts as detailed in paragraph 6 of Report RD.25/18; and
3. Noted the release of reserves as set out in the table at paragraph 2.2, and noted the virements approved as detailed in Appendix A to the report.

Reasons for Decision

To show that the Executive had been informed of the Council's actual financial position compared with the budgeted position, and to bring to their attention any areas of concern