

## Finance & Resources Scrutiny Committee 2<sup>nd</sup> November 2021

<b>Report Title</b>	<b>Revenue Budget Monitoring Period 5</b>
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### List of Appendices

#### **Appendix 1 – Budget Forecast 2021/22 as at Period 5 – Executive 30<sup>th</sup> September 2021**

#### **1. Purpose of Report**

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- 1.1. To inform Members of the forecast outturn position for 2021/22 as at Period 5 (month ending August) 2021.

#### **2. Executive Summary**

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- 2.1 Attached at Appendix 1 is the Period 5 monitoring report presented to Executive at its meeting on 30<sup>th</sup> September 2021. The monitoring report sets out the material financial issues identified since the 2021/22 budget was set in February 2021, based on the income and expenditure as at end of August 2021 and the views of the budget managers on the anticipated outturn for the year.
- 2.2 The Period 5 forecast position for the General Fund is showing an overspend of £73k which is an adverse movement of £339k since last month where an underspend of £266k was forecast

#### **3. Recommendations**

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- 3.1 It is recommended that the Finance Scrutiny Committee:
- a) Note and comment on the Budget Monitoring Report as at Period 5 presented to Executive at its meeting in September and attached as Appendix 1.

Reason for Recommendations – to enable Scrutiny to review the financial position of the Council.

## 4. Report Background

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- 4.1 Each month the budget position is reviewed to ascertain the likely forecast outturn based on the activity to date and the forecast to the end of the financial year. The report sets out the material financial changes since the 2021/22 budget was set in February 2021, based on the income and expenditure as at end of August 2021 (Period 5).
- 4.2 The Period 5 forecast position for the General Fund is showing an overspend of £73k which is an adverse movement of £339k since last month where an underspend of £266k was forecast. The detail of the movements is set out in the report to Executive attached as Appendix 1
- 4.3 The Period 5 forecast for the Housing Revenue Account is unchanged to that reported in Period 4 and continues to show a minor overspend of £74k.
- 4.4 However, as noted within the report, at this stage in the financial year coupled with being a new Unitary Council, there are a number of areas which may present a risk to the position and continue to be actively reviewed, with mitigations sought as necessary. The Council also maintains an in-year contingency budget and has reserves which can be called upon if necessary.

## 5. Issues and Choices

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- 5.1 The main variations from the approved budget are set out in the monitoring report attached. In summary, the variance to date is set out in the paragraphs below:

### **Adults, Communities & Wellbeing Services - £250k Underspend**

- 5.2 The main variations are underspends in Adults, Communities and Wellbeing Services of £250k of which there is a forecast underspend of £0.5m across ASC services and a pressure of £250k in housing and community services, the latter related to housing (£100k) and the net impact on leisure services (£150k) which have lost income due to the restrictions on visitor number.

### **Place and Economy - £599k Underspend**

- 5.3 An underspend in Place and Economy Services of £599k mainly due to underspending on concessionary fares (£236k) and the disaggregation of concessionary fares (£600k), waste and recycling activity (£316k) and Commercial income being £200k better than budget. This is offset in part by pressures on car parking (£443k) as a result of changes brought in during COVID-19, a reduction in planning income and building control income (£236k) together with a number of smaller pressures including bus services (£30k) additional temporary toilet provision (£28k) and markets (£16k).

### **Enabling and Support Services - £0.922m Overspend**

- 5.4 There is an overspend of £0.922m in Enabling Services, which are predominantly due to changes in income assumptions related to Treasury Management (£463k) and the Revenues and Benefits Service (£94k net) and

an ICT pressure of £75k. There is also unachievable budgeted savings of £300k relating to unidentified efficiency savings from the former LGSS Business Systems Projects and Change Management Programme Team. There are also minor movements which result in a net underspend to offset of £10k.

### **Children's and Education Services – Balanced Position**

- 5.5 Children's and Education Services is anticipating a balanced position. Whilst there are some pressure areas within the Children's Trust these are reported to be mitigated in-year.

#### **Savings**

- 5.6 The Council has a savings requirement of £19.161m (including income proposals) within its 2021/22 budget. The deliverability of these proposals is being monitored by each accountable service lead, budget manager and senior officer up to Service Director level. These are summarised in the report attached (with details in Appendix A to the report). It is recognised that the continuing numbers of COVID-19 cases may put some savings at risk particularly with regard to Adult Social Care. Where there is concern regarding the achievement of savings mitigations are being sought.
- 5.7 In the main, a significant proportion of the Council's budgets are based on the disaggregation principles and amounts that were agreed as part of the budget setting process to distribute the County Council's budget requirement between North Northamptonshire and West Northamptonshire. These budgets, alongside those aggregated from the sovereign District and Borough Councils, will ultimately need to be rebased in line with the activity data and assessment of needs specific for the Unitary including the achievement of the Council's priorities.
- 5.8 In summary a significant amount of work has been undertaken to establish the budgets and undertake the monitoring and reporting processes, however, risks still remain as set out in the report attached at Appendix 1.

## **6. Implications (including financial implications)**

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### **6.1 Resources and Financial**

- 6.1.1 The report attached at Appendix 1 sets out the in-year monitoring position for the budget.

### **6.2 Legal**

- 6.2.1 None specific to this report

### **6.3 Risk**

- 6.3.1 Risks are set out within the attached report.

## **6.4 Consultation**

6.4.1 This report is for information.

## **6.5 Consideration by Scrutiny**

6.5.1 The report is for consideration by the Finance and Resources Committee.

## **6.6 Climate Impact**

6.6.1 As set out in the attached report.

## **6.7 Community Impact**

6.7.1 As set out in the attached report.

## **7. Background Papers**

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7.1 North Northamptonshire Final Budget 2021/22 and Medium-Term Financial Plans presented to the Shadow Authority at its meeting on 25th February 2021.

<https://northnorthants.moderngov.co.uk/CeListDocuments.aspx?Committeed=138&MeetingId=109&DF=25/02/2021&Ver=2>