

## INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	22 NOVEMBER 2021	11
<b>GENERAL FUND REVENUE BUDGET MONITORING REPORT 2021/22 - POSITION AS AT 30<sup>th</sup> SEPTEMBER 2021</b>			

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY OF INFORMATION

The purpose of this report is to provide an update on the General Fund Revenue Budget of the Council as at 30<sup>th</sup> September 2021 and specifically for those areas under the remit of the Committee.

### SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the financial ledger system of the Council for the period to 30<sup>th</sup> September 2021 and feedback received from budget holders.

### LINK TO INFORMATION

General Fund Revenue Budget monitoring Report to 30<sup>th</sup> September 2021:

<http://www.fylde.gov.uk/council/finance/budget-monitoring/>

### WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

This information is provided to enable the committee to consider and scrutinise periodic revenue budget monitoring reports for those areas under the remit of the Committee.

### FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

Tel 01253 658566 e-mail: [paul.o'donoghue@fylde.gov.uk](mailto:paul.o'donoghue@fylde.gov.uk)

# GENERAL FUND REVENUE BUDGET MONITORING REPORT 2021/22

## POSITION AS AT 30<sup>TH</sup> SEPTEMBER 2021

### Summary

The purpose of this report is to provide an update on the General Fund Revenue Budget of the Council as at 30<sup>th</sup> September 2021. The report includes a narrative description of the most significant variances from the profiled latest budget and details any actions required to address these. Appendix A to this report shows the value of the most significant variances for all of the Council services by Committee and provides a brief explanation for each variance. In addition to the budget areas identified in the supporting Appendix of the report the Council has separately received funding from the Contain Outbreak Management Fund and a progress update report will be presented to the Environment Health & Housing Committee later in the year as delivery against the scheme continues.

### 1. Background

- 1.1 The Council operates a system of Revenue Budget Monitoring which revolves around the production of detailed monthly monitoring reports for budget holders. Significant variances from the expected budget position at the point of monitoring, both for expenditure and income, are summarised in monitoring reports which are periodically reported to each Programme Committee for information purposes. This report therefore details the findings and issues emerging from budget monitoring carried out to 30<sup>th</sup> September 2021.
- 1.2 It should be noted that work continues on improving budget profiling across the Council in order that budget profiles more accurately reflect the spending pattern of individual budgets across the financial year. This serves to enhance budget monitoring and focus attention on true variances rather than budget profiling issues. This is a continuous process with budget holders so that the improved profiling continues to refine the budget monitoring system.
- 1.3 Council approved the 2021/22 budget at its meeting on 4<sup>th</sup> March 2021. Subsequently on 29<sup>th</sup> July 2021 the Finance and Democracy Committee approved the financial outturn position for 2020/21. The impact of those approvals, including savings and growth items approved at the Council budget meeting, along with slippage from 2020/21 as approved by the Finance and Democracy Committee, are now reflected in the financial ledger. Therefore, this report monitors expenditure and income against the updated approved budgets for 2021/22.

### 2. Budget Rightsizing Exercise

- 2.1 For a number of years the Council has carried out an annual budget rightsizing exercise to analyse underspends which have occurred over the last 3 financial years and to adjust current and future year budgets to better reflect the level of resource requirement in the context of current financial constraints. This process will be repeated during 2021/22 and the resulting changes to budgets will be reflected in later updates to the Councils Financial Forecast.

### 3. Conclusions

Last year and this year has seen particular volatility in expenditure and income levels as the impact of the covid restriction measures on the financial position of the Council for 2021/22 and possibly beyond, together with the potential for future general reductions in central government funding from 2021/22 onwards, requires that the Council continue the approach to continually seek opportunities to achieve savings and efficiencies to enable a balanced budget position and financial stability.

Regular budget monitoring reports are an integral part of the Council's financial monitoring framework and these reports will be available on the Councils website.

External pressures outside the Council's control are impacting on all local authorities. Instructions remain in place that officers should not commit to any unnecessary expenditure and should seek to maximise efficiencies wherever possible.

Finance staff work continuously with budget holders across the Council and are heavily reliant upon budget-holders to be able to understand and quantify the potential impact of in-year hotspot variances within their areas of responsibility.

We are at the mid-point of the 2021/22 financial year and much uncertainty exists with respect to the remainder of the year. Therefore, it is not possible to draw any firm conclusions on the in-year financial position. The financial risks facing the Council, as set out in the MTFS to Council in March 2021 remain alongside the significant addition risks presented by the pandemic. Instructions issued by Management Team that budget holders remain prudent are still in place, and the overall financial position of the council will be captured in the next update of the financial forecast in the Medium Term Financial Strategy which will be presented to members in the forthcoming committee cycle.