

BUDGET PANEL

28 June 2016

Present: Councillor Asif Khan (Chair)
Councillor M Hofman (Vice-Chair)
Councillors D Barks, N Bell, P Kent, Ahsan Khan and G Saffery

Also present: Councillor Mark Watkin, Councillor Kareen Hastrick and
Councillor Anne Rindl

Officers: Head of Finance (Shared Services)
Committee and Scrutiny Support Officer
Finance Business Partner (Projects)

1 Training: Introduction to local government finance and the role of Budget Panel

The Head of Finance provided an overview of Local Government Finance, which explained how the Council was funded and the role of Budget Panel in its scrutiny.

During, and following, the presentation the Head of Finance responded to questions from members.

2 Apologies for Absence/Committee Membership

Apologies were received from Councillor Martins. No apologies had been received from Councillor Laird.

3 Disclosure of Interests (if any)

There were no disclosures of interest.

4 Minutes

The minutes of the meeting held on 13 January 2016 were submitted and signed.

Financial Outturn 2015/16 (Q4)

The Panel received the report of the Director of Finance. The report informed Budget Panel and Cabinet of the revenue and capital outturns for the financial year 2015/16.

The Head of Finance explained that the summary of financial outturn 2015/16 was different to the annual statement of accounts; it was a culmination of all the monitoring which had been undertaken during the year. The report had been reviewed by the council's leadership team, but it was for Budget Panel to decide whether it agreed with the recommendations to Cabinet set out in paragraph 2.

The Head of Finance reported that the financial outturn 2015/16 showed a revised net revenue budget of £16.522 million. The council outturn position at 31 March 2016 was £15.228 million, with a recommended carry forward of budgets from 2015/16 of £1.190 million. This gave a final outturn of £16.418 million, and a favourable variance of £0.104 million.

Reviewing the revised capital budget of £16.769 million, the Head of Finance reported that £9.125 million had been re-phased to later years in the Medium Term Financial Strategy. This had resulted in a revised in-year capital programme of £7.644 million. At 31 March 2016 the Council had spent £7.749 million giving an unfavourable variance of £0.105 million. This variance had been match-funded by additional grant and the use of earmarked reserves.

Budget Panel members noted that temporary housing represented a considerable area of overspend in the 2015/16 budget. The Head of Finance advised that the Head of Community and Customer Services, which included housing, had requested additional funds in anticipation of continuing high demand in 2016/17. Longer term solutions were being sought by the council, for example, with the purchase of a temporary housing unit in the Harrow area.

Members queried the capital outturn figures, and particularly the capital expenditure programme. The Chair reported that a breakdown of the figures had been considered by Audit Committee on 27 June. Copies of the relevant papers were available on the council's website. In addition, a review of capital spend had been included in Budget Panel's work programme (in November). The Head of Finance advised that this would improve profiling and highlight any need for re-phasing during the year.

The panel considered Appendix 4 detailing the council's reserves. There followed a wide ranging discussion, which included consideration of the council's capital receipts, its options for borrowing, contingency planning and the current

returns on its reserves. Members agreed that a review of this area should be included in Budget Panel's work programme.

The Chair raised the question of emerging risks. This had been discussed at Audit Committee and a paper was being prepared which would be shared with Budget Panel. Issues arising from current economic uncertainty following the EU referendum, as well as changes to government funding for local authorities, were pertinent to Budget Panel's discussions.

RESOLVED –

that Budget Panel agrees the recommendations to Cabinet as set out in the report.

6 **2016/17 Work Programme**

The panel received the 2016/17 work programme. It was explained that this had been agreed in discussions with the Head of Finance and the Chair.

Budget Panel members were invited to suggest any additional areas for discussion or investigation.

Following discussions on the outturn report 2015/16, it was suggested that two further areas of scrutiny by the panel should be included. These were: budget over and underspending; and the council's reserves and their utilisation.

RESOLVED –

that Budget Panel approves the work programme for 2016/17 with agreed additions.

ACTION – Committee and Scrutiny Support Officer

- add a discussion item to the 2016/17 work programme on budget over and underspending by services
- add a discussion item to the 2016/17 work programme on reserves and their utilisation.

7 **Dates of Next Meetings**

- 06 September 2016
- 29 November 2016

- 10 January 2017
- 21 February 2017

Chair

The Meeting started at 7.00 pm
and finished at 9.05 pm