



## Overview & Scrutiny Board

1 October 2015

### Budget Monitoring August 2015 – Period 5

#### **Purpose of the report:**

This report provides the budget monitoring of the council's capital and revenue budgets for the 2015/16 financial year to 31 August 2015. There are two annexes attached: the first being the council's budget monitoring report that was presented to the cabinet on 22 September; and the second being a supplementary detailed budget monitoring information for Business Services, Chief Executive's Office and Central Income and Expenditure.

#### **Background:**

1. The council set its revenue and capital budgets at their meeting in February 2015. The cabinet monitor these budgets on a monthly basis, with the first report being in June 2015 for the year to the end of May. The Council Overview Board will receive the budget monitoring on a quarterly basis, with the first report being for the year to the end of August. The Cabinet considered this report on 22 September, and is attached as annex 1.
2. In addition, annex 2 provides further details to the Board on the budget monitoring of the three areas for which it provides scrutiny; these are Business Services, Chief Executive's, and Central Income & Expenditure.

### **Council budget monitoring**

3. Surrey County Council set its gross expenditure budget for the 2015/16 financial year at £1,671m. A key objective of MTFP 2015-20 is to increase the council's overall financial resilience. As part of this, the council plans to make efficiencies totalling £67.4.
4. As at 31 August 2015, services forecast to overspend by +£3.4m and achieve £66.3m efficiencies at year end. The overspend is due to several offsetting variances among services, including: +£2.8m additional demand for Adult Social Care services; +£1.8m children's services' costs due to higher volumes of children in need; offset by -£1.7m more income from business rates than expected. Service managers are taking and agreeing actions to manage this to an overall balanced budget. Nearly all services forecast to achieve their planned efficiencies.
5. As at 31 August 2015, services forecast £169.3m capital spending against the current 2015/16 budget of £174.1m and total forecast capital expenditure including long term investments is £188.4m (paragraphs **Error! Reference source not found.** to **Error! Reference source not found.**). As part of increasing the council's overall financial resilience, it plans to invest £19m in long term capital investment assets in 2015/16 to add to the £48m invested up to March 2015.
6. Annex 1 provides the full report with further details on the significant budget variances.

### **Service budget monitoring**

7. The Council Overview Board provides scrutiny for three budget areas. These are Business Services, Chief Executive's Office and Central Income & Expenditure.
8. Within Business Services the forecast is for a revenue budget underspending of £630,000. This is largely due to underspendings in staffing and vacancies being held in Finance and HR&OD.
9. For the Chief Executive's Office, there is an underspending forecast of £422,000. This underspending is across most budget areas.
10. The Central Income & Expenditure budget provides for items of income and expenditure that are not directly related to service provision, or as a result of past decisions. This budget includes the income from council tax, business rates and government grants. For the current year, the business rates income is likely to be £1.6m more than was originally forecast.
11. Annex 2 provides further details on these three budget areas.

---

**Report contact:**

Susan Smyth, Strategic Finance Manager

Kevin Kilburn, Deputy Head of Finance



This page is intentionally left blank