

Budget Monitoring: Quarter I 2019/20

Name of Committee	Audit and Scrutiny Committee
Date	26 July 2019
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Purpose of Report	To inform Members of performance against budget for the first quarter of 2019/20
List of Enclosures	Enclosure 1: Budget Monitoring Summary to 30/6/2019 Enclosure 2: SI06 and Affordable Housing to 25/06/19 Enclosure 3: Project Scorecard Q1 and outturn
Recommendation	a) That Members note the report

I.1 Introduction

For the first quarter of 2018/19, 49% of the total budget has been spent and committed. Overall this is close to the projected position at this time of the financial year. There are a number of large multi-year projects where there are long-term commitments (purchase orders), a number of projects funded by an internal transfer from reserves at the year end and several larger schemes where grant is received some time in arrears (Gunpowder Works and Black Mountains Land Use Partnership).

Quarterly figures for each department are summarised below:

Department	Full Year Budget (Net) 2019/20	Actual to end Q1 2019/20	Committed 2019/20	Net Budget remaining 2019/20	Net Budget Spent and Committed	%
	£000	£000	£000	£000		
Chief Executive's Office	1,076	345	107	624		42
Delivery core	1,935	452	107	1,376		29
Delivery projects	382	223	240	-80		121
Planning core	741	198	10	533		28
Planning projects	59	-2	21	40		21
Capital projects (net revenue funding)	65	-1	231	-165		354
Other (including transfers to and from earmarked reserves)	-312	-4	0	-308		1
Total	3,946	1,211	716	2,019		49
Revenue Grant and Levies	-3,769	-912	0	-2,783		26
Transfer from General Reserve	-179	0	0	-179		0

1.2 Principal Budget Variances

Chief Executives Office

Pool vehicle three year orders increase commitments in the year – these will not all fall due for payment in the year. There are two electric pool cars which are due to be re-coded to the Green Growth-funded initiatives project and will be classed as capital assets in the Authority's balance sheet at the year end. These account for some £51,000 of expenditure.

A significant payment in advance for the Webcasting facility which will be accrued to future years over the life of the lease at the year-end has increased the apparent expenditure on Democratic Representation as at the end of the quarter. Other CEO cost centres where expenditure appears high are also due to timing rather than additional cost.

Delivery

The Black Mountains Partnership project appears overspent due to a large order for bracken cutting and project evaluations over the whole life of the project; grant claims are now being processed and paid in a more timely manner by the funder.

The IT budget is now reported within Delivery to reflect the new management structure.

The Geopark Atlantic Isles EU-funded project appears over spent as the grant claim process has been delayed by the funders. No project grant has yet been received by any of the project partners.

The SDF budget requires adjustment to reflect the carry-over of some £67,000 of grant funding commitments from 2018/19.

Other variances relate to the timing of grant receipts and are detailed in the enclosure.

Planning

Planning Department expenditure and income is in line with the budget; there are no significant variances at this stage. Further financial information on the current status of the S106 and Affordable housing funds received and held is provided in Enclosure 2.

Capital Schemes

See the projects scorecard for an overview of project spend and financial progress.

The Gunpowder Works project commitment includes the woodland management part of the project which will be completed this financial year. Grant is due for 2018/19 but has not yet been received, creating an apparent overspend.

Work is continuing on access projects in the Llyn y Fan Fach area and environmental improvements on Waun Figen Felen. Funding has been received in advance – creating an apparent underspend. The project will continue into 2020/21.

Other

This section of the budget includes filming fees received, interest income and transfers to and from Earmarked Reserves. Planned transfers include the use of Welsh Government funding (provided in advance and set aside in reserves) for a range of projects. The funding received in March 2019 has not yet been built into the estimate.

1.3 Conclusion

At the end of the first quarter, the differences between budget and actual mainly arise from the timing of funding receipts and long-term commitments. Grant receipts are in general coming in more promptly but there is a potential issue with Atlantic Isles, where there have been major delays in the acceptance of claims by the EU grant administrators.

RECOMMENDATION:

- a) **That Members note the report and enclosures.**