

Borough Council of
King's Lynn &
West Norfolk



The Budget 2021/2022

Monitoring Report

January 2022

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Section 151 Officer

The Budget 2021/2022

Monitoring Report – January 2022

Summary

The budget for 2021/2022 was presented to Cabinet on 2nd February 2021 and approved by Council on 25th February 2021 in accordance with the process for approving the financial plan 2020-2025.

Whilst the Government has removed all Covid response legislation relating to social and business restrictions from 24 February 2022, the lasting effects on the local economy, the council, its residents and businesses have remained uncertain. This budgetary control monitoring summary report has been prepared and provides a summarised update of any variances against the original budget for 2021/2022.

The amount that is currently estimated to be transferred to the General Fund Reserve balance at 31st March 2022 is £943,730, an increase from October 2021 monitoring report of £782,630.

	Original Budget 2021/22 £	Forecast 31 October 2021 £	Forecast 31 January 2022 £	Variance £
Borough Spend	21,467,800	21,562,090	20,779,460	(782,630)
Financing	(21,723,190)	(21,723,190)	(21,723,190)	0
Contributions to/(from) General Fund Balance	255,390	161,100	943,730	(782,630)

The estimated favourable movement from October of (£782,630) is largely as a result of the following:-

- Higher than budgeted income from Planning Fees and Land Charges (£80k).
- Net increase in income from Trade and Garden Waste and Recycling detailed in operations and Commercial (£458k).
- Reduction in budget required for Insurance (£88k) following award of new contract.
- Budget amendment to reflect in year Refuse and Recycling Contract (£128k).
- Whilst the Turnover Savings Target of (£552,210) has been achieved this has already included in the budget and target savings have been exceeded by (£21,590). Details included in section 2.3 of this report.

The Capital Programme 2020/2025 was updated at Council on 23rd February 2022. Section 7 includes details of the Capital Programme for 2021/2022.

Appendix 1 provides notes of the cash limit rules which apply to all budgets.

If further information relating to any budget highlighted within this report is required, please do not hesitate to contact Michelle Drewery on Ext. 6432

1. Introduction

- 1.1 This report covers the period to 31 January 2022.
- 1.2 Budget monitoring has been undertaken and revisions made to forecast taking account of variations to date as reported in section 2 of this report. This has resulted in a favourable movement in the estimated contribution to reserves of £782,630, which is now forecast to be a contribution to reserves of £943,730 compared to that reported in the October Monitoring Report of £161,600.
- 1.3 The favourable movement is primarily the net impact of achieved turnover savings of (£275,000) across the whole authority as detailed in paragraph 2.3.1. Along with a favourable movement of (£487,400) for Operations and Commercial arising from increased a net increase in income of (£383,610) and movement on expenditure budgets of (£99,530) as explained in the table at 2.4.1 below.
- 1.4 The Council has incurred additional expenditure and identified reductions in income, which are attributable to the continuing impact of the pandemic, more detail is provided in paragraphs 2.2.1 and 2.2.2 below. As such, further financial pressures may still emerge as a result of the pandemic. The longer lasting impacts may not yet be fully apparent and will continue to be closely monitored, scrutinised and reported accordingly.
- 1.5 Central Government continued the Sales, Fees and Charges Pandemic Compensation scheme for the first quarter of 2021/2022 only. A claim has been submitted for the first quarter for £114,610 of compensation towards the estimated income loss of £224,345 in the same period. In addition, other funding streams have been made available to support various Covid related workstreams (see paragraph 2.2.4).

2. Revenue Budget 2021/2022

2.1 Budget Summary

- 2.1.1 A summary of the budget position as at 31 January 2022 is shown below.

	Budget Agreed by Council 25 February 2021	October Budgetary Control Monitoring Report 2021/2022	January Budgetary Control Monitoring Report 2021/2022	Report Variance (October to January)
	£	£	£	£
Central Services	2,909,310	2,872,810	2,815,140	(57,670)
Community and Partnerships	329,710	318,510	304,360	(14,150)
Companies and Housing Delivery	285,880	293,600	329,070	35,470
Environment and Planning	2,117,340	1,799,340	1,795,560	(3,780)
Operations and Commercial	1,293,770	1,224,480	443,520	(780,960)
Property and Projects	(1,584,540)	(1,558,300)	(1,545,600)	12,700
Regeneration Housing & Place	884,030	890,280	873,240	(17,040)

	Budget Agreed by Council 25 February 2021	October Budgetary Control Monitoring Report 2021/2022	January Budgetary Control Monitoring Report 2021/2022	Report Variance (October to January)
Resources	7,559,920	8,162,580	8,286,290	123,710
Chief Executive	304,860	304,860	310,530	5,670
Leisure and Community Facilities	2,573,860	2,573,860	2,487,280	(86,580)
Financing Adjustment	1,903,940	1,790,350	1,790,350	0
Internal Drainage Boards	2,868,510	2,868,510	2,868,510	0
Council Tax Support to Parishes	21,210	21,210	21,210	0
Borough Spend	21,467,800	21,562,090	20,779,460	(782,630)
Contributions to/(from) General Fund Balance	255,390	161,100	943,730	782,630
Borough Requirement	21,723,190	21,723,190	21,723,190	0
Revenue Support Grant	(627,670)	(627,670)	(627,670)	0
Rural Service Delivery Grant	(485,690)	(485,690)	(485,690)	0
New Homes Bonus	(837,670)	(837,670)	(837,670)	0
Other Government Grants	(1,309,230)	(1,309,230)	(1,309,230)	0
Taxation				
Business Rates Retention Baseline Funding	(5,491,230)	(5,491,230)	(5,491,230)	0
Business Rates Retention Additional Funding	(2,350,120)	(2,350,120)	(2,350,120)	
Business Rates Funding from Growth	(1,101,870)	(1,101,870)	(1,101,870)	0
Business Rates Renewable Energy	(2,500,000)	(2,500,000)	(2,500,000)	0
Council Tax	(7,019,710)	(7,019,710)	(7,019,710)	0
Funding Position	0	0	0	0

2.2 Impact of pandemic

2.2.1 A review of the latest forecast expenditure due to COVID has resulted in an estimated cost of £610,000 to the council since 1 April 2021. These costs are summarised below:

Additional Expenditure	October Budgetary Control Monitoring Report 2021/2022 £	Movement to 31 January 2022 £	Total £
Homelessness Accommodation – supported by Grant	220,000	117,000	337,000
Additional Provision of Refuse and Recycling Services	13,000	4,000	17,000
ICT Support (Remote Working/Virtual Meetings)	42,000	15,000	57,000
Covid Compliance and Enforcement – funded by Contained Outbreak Management Fund (COMF) contributions.	80,000	0	80,000
Lockdown Compliance and Reopening Support	2,000	0	2,000
Public Health – Testing, contact tracing and outbreak	66,000	36,000	102,000
Elections – equipment to meet covid safe measures	15,000	0	15,000
Total Expenditure	438,000	172,000	610,000

2.2.2 The following summarises the latest update on loss of income due to COVID which is currently estimated at £391,000 since 1 April 2021:

Estimated loss of income	October Budgetary Control Monitoring Report 2021/2022 £	Movement to 31 January 2022 £	Total £
Events and Bookings	40,000	8000	48,000
Management Fee/Service Level Agreement (AWN)	151,000	0	151,000
Printing Services	6,000	0	6,000
Rental Income from Commercial Properties	120,000	(74,000)	46,000
Food Waste income	73,000	6,000	79,000
Car Parking Fees	61,000	0	61,000
Total Income	451,000	(60,000)	391,000

2.2.3 In respect of the estimated loss of income the Council have submitted a claim covering the period April 2021 to June 2021 for £114k of eligible compensation towards this. It is likely that

this is the final eligible period for Sales, Fees and Charges compensation, although this has not yet been confirmed by the Department for Levelling Up, Housing and Communities.

2.2.4 The council received support in respect of a number of Covid related funds from Government in 2020/2021. An unspent balance of £617,303 from the Contain Outbreak Management Fund (COMF) has been placed in reserves and is assigned for use in 2021/2022. The Council also have a further allocation of COMF in 2021/2022, of £238,077.

2.2.5 In addition to the funding above, the council has also received the following funds in support of various Covid related workstreams. These were announced as part of the Local Government Funding Settlement and are included in the budget already:

Funding	Total £	Purpose
Covid 19 Expenditure Pressures grant (un-ringfenced)	922,550	Awarded in 2021/22 settlement towards supporting Covid related costs.
Local Council Tax Support Grant	152,760	In recognition of the increased costs of providing local council tax support and other help to economically vulnerable households following the pandemic.
Lower Tier Services Grant (un-ringfenced)	233,860	A one-off national settlement grant to support the Council's core spending power, following cessation of other revenue grants.
Total Grant	1,309,170	

2.3 Turnover Savings

2.3.1 An original target for savings from staff turnover of £552,210 was set for 2021/2022. At 31 January 2022 turnover savings of £573,800 had been achieved, thereby exceeding the original target by £21,590. The target for 2021/2022 was set at 3% of estimated salary costs attributed to each service. A favourable movement of (£275,000) from the October Monitoring Report.

Turnover savings as at 31 January 2022 were as follows:

Service Area	October Budgetary Control Monitoring Report 2021/2022 £	Movement to 31 January 2022 £	Amount £
Central Services	(39,000)	(60,330)	(99,330)
Community & Partnerships	(11,200)	43,100	31,900
Companies and Housing Delivery	4,000	38,020	42,020
Environment and Planning	(68,000)	155,720	87,720
Operations & Commercial	(152,000)	(293,560)	(445,560)
Property & Projects	(45,000)	(37,530)	(82,530)
Regeneration Housing & Place	(33,600)	(17,040)	(50,640)
Chief Executive	0	5,670	5,670

Service Area	October Budgetary Control Monitoring Report 2021/2022 £	Movement to 31 January 2022 £	Amount £
Leisure & Community Facilities	0	(26,200)	(26,200)
Resources	46,000	(82,850)	(36,850)
Amount unachieved as at Oct now fully estimated to be fully achieved and exceeded.	(253,410)	253,410	0
Total	(552,210)	(21,590)	(573,800)

2.3.2 It should be noted that the increase in turnover savings can be attributable to holding numerous vacancies across the council during the pandemic. It is expected that these vacancies will be filled as service demand progresses towards pre-pandemic levels.

2.4 Budget Monitoring variances

2.4.1 The following table details the movement in variances between October 2021 and January 2022 for each Assistant Director area.

	£	£
Central Services		
Cost of cleaning the print room moved from Industrial Estates budget to Communications - £2,660		
Favourable movement between October and January for savings from staff turnover achieved – (£60,330)	(57,670)	
Total Central Services		(57,670)
Community & Partnerships		
Current year reduction in staff travel budgets in Community Safety due to less visits during the pandemic – (£10,680).		
Additional spend on tools, equipment and clothing for new members of the Community Safety team - £4,400.		
Lower than budgeted spend on financial assistance and drainage works in Community Safety service as not required in 2021/22 due to covid – (£15,100).		
New fixed penalty notice income budget based on new legislation for Fly-tipping identified by		

	£	£
<p>Community Safety and Neighbourhood Nuisance Officers – estimated income (£5,000).</p> <p>Early Help Hub Co-Ordinator post has been moved from Housing to Community Safety. The salary budgets have been transferred but the income associated with the post (from NCC and the CCG) was not budgeted for under Housing. This is the income budget to be held under Community Safety - £(30,000).</p> <p>Financial Assistance for Community Projects– one service level agreement (£1,500) not paid due impact of covid on events. Increase in fee due towards third party following increase in size of fund to be administered - £10,400.</p> <p>West Norfolk Wins licence fee to be reduced plus adjustment in budget for expected prize wins based on actual usage to date – (£9,770).</p> <p>Movement between October and January reducing the forecast achievement of target savings from staff turnover - £43,100</p>	(14,150)	
Total Community & Partnerships		(14,150)
Companies & Housing Delivery		
<p>Impact of new Insurance contract from 1 January 2022 on insurance recharges applied in January – net saving of (£2,550).</p> <p>Movement between October and January reducing the forecast achievement of target savings from staff turnover - £38,020</p>	35,470	
Total Companies & Housing Delivery		35,470
Environment & Planning		
<p>Impact of new Insurance contract from 1 January 2022 on insurance recharges – net saving of (£1,010).</p> <p>Revenue Budget for purchase of franking machine postponed from 2021/22 until 2025/26 – (£9,000).</p> <p>Adjustment to Community Infrastructure Levy (CIL) budgets - £5,920 towards the administrative costs in support of higher than</p>		

	£	£
<p>anticipated CIL income, along with an increase in the amount of funds for the council to allocate. Payments to parishes have also increased in line with the number of parishes due to receive CIL payments.</p> <p>Development Control: Increase in professional fees budgets due to an increasing number of larger and more complex cases - £30,780. Increase in both Planning and Pre-Application fees as planning income continues to rise as the market recovers – (£60,000).</p> <p>Transfer from 20% Planning Fee reserve to fund corresponding increase in estimated spend (£90,051), small projects budget not required in current and future years (£21,340).</p> <p>Planning Control - amendments to travel budgets due to covid, plus increase in legal fees due to more complex cases. Reduction in postages budget and small increase in printing budgets - £16,130.</p> <p>Estimated reduction in fees requiring recovery from enforcement direct action fees – (£5,000)</p> <p>Emergency planning – miscellaneous budget no longer required – (£2,460).</p> <p>Food Hygiene – travel budget reduced due to less visits during covid plus duplication of one travel budget. Plus amendment to professional fees budget due to need for external support along with a grant received for staffing, of which any unspent will be utilised in 2022/2023. Export licence fees have also increased, which was not anticipated due to Brexit – (£62,050).</p> <p>Increase in receipts from Land Charges but also an increase in the fee charged for searches by NCC – (£20,430).</p> <p>Licensing – Net decrease in budgeted income £45,350. There has been an increase in home boarding licenses and temporary events notice income during respite from covid. Some licensing income is lower than originally budgeted, such as those for transitional premises, driver's plate renewal and driver's licence fees. The budget for miscellaneous licenses removed as no longer required and some licence fee budgets not originally included as income is not annual, but cyclical.</p>		

	£	£
<p>Air Quality budget amendments include increase in professional fees for additional work undertaken with no revenue support, and a reduction in the Schedule B regulation fees as actual income lower than anticipated - £15,550.</p> <p>Scrap metal income not as high as budgeted - £2,500.</p> <p>Small increase in Street Naming and Numbering income – (£1,000).</p> <p>Small amendments to Health and safety budgets due to increase in income and amendments of miscellaneous income budget – (£3,380).</p> <p>Movement between October and January reducing the forecast achievement of target savings from staff turnover - £155,720</p>	(3,780)	
Total Environment & Planning		(3,780)
Operations & Commercial		
<p>Impact of new Insurance contract from 1 January 2022 on insurance recharges – net saving of (£11,410).</p> <p>Crematorium and Cemeteries adjustment for recharges to Grounds Maintenance and removal of budget for recharges to open cemeteries - £32,620.</p> <p>Creation of a separate repairs budget for local churches and grounds to fund the recurring costs identified from actual spend since 2019/2020 - £20,000.</p> <p>Decline in crematorium income as a result of alternative providers nearby - £44,000.</p> <p>General Markets – no income from market tolls in 2020/2021 or 2021/2022 - £13,700.</p> <p>Refuse and Recycling: Budget amendments to reflect in-year reduction in cost of new contract – (£128,280). Income levels from trade waste and costs have increased reflecting a move towards pre-pandemic levels – net movement (£56,000)</p> <p>Estimated increase in income for services as follows:-</p>		

	£	£
<ul style="list-style-type: none"> - bulky waste collection services– (£10,000). - garden waste bin sales are ahead of schedule and extra material collected for treatment – (£273,310). - school waste collection – (£8,000). - trade recycling post Covid – (£60,000). - Resort leisure activities - (£7,500). <p>Net impact of reduced Food Waste Collections under Covid restrictions (£15,260)</p> <p>Waste processing cost budget removed for trade recycling as included in dry box collection scheme costs – (£26,740).</p> <p>Other savings amounting to – (£1,220).</p> <p>Favourable movement between October and January for savings from staff turnover achieved – (£293,560).</p>	(780,960)	
Total Operations & Commercial		(780,960)
Property & Projects		
<p>Impact of new Insurance contract from 1 January 2022 on insurance recharges – net saving of (£7,110).</p> <p>Demolition costs of two industrial units not anticipated at budget setting - £2,420.</p> <p>Estimated reduction in rental income reflects changes in occupancy - £50,480 and cost of business rates on vacant properties £11,200.</p> <p>Movement of cleaning print room to Central Services budget – (£2,660).</p> <p>Reduction in sewage cost at St Johns Business Park, due to adoption of site by Anglian Water – (£4,100).</p> <p>Favourable movement between October and January for savings from staff turnover achieved – (£37,530).</p>	£12,700	
Total Property & Projects		12,700
Regeneration, Housing & Place		
<p>Favourable movement between October and January for savings from staff turnover achieved – (£17,040)</p>	(17,040)	

	£	£
Total Regeneration, Housing & Place		(17,040)
Resources		
Impact of new Insurance contract from 1 January 2022 on insurance recharges – net savings of (£46,850). Favourable movement between October and January for savings from staff turnover achieved – (£82,850) within resources. The accounting movement is £170,560 between October and January to reflect the allocation of Turnover Savings across other services.	123,710	
Total Resources		123,710
Chief Executive		
Movement between October and January reducing the forecast achievement of target savings from staff turnover.	5,670	
Total Chief Executive		5,670
Leisure & Community Facilities		
Impact of new Insurance contract from 1 January 2022 on insurance recharges – net saving of (£19,380). Community Centres – increase in hiring fees income due to one centre being used for covid testing and another being used for theory testing – (£70,000). Increase in repairs and maintenance budget to:- - Stories and Town House, make safe windows and perform electrical testing £14k. - Repairs and re-varnish of Assembly Room £6k. - Painting and remedial works at Fairstead Community Centre £9,000. Favourable movement between October and January for savings from staff turnover achieved – (£26,200).	(86,580)	
Total Leisure & Community Facilities		(86,580)
Grand Total		(782,630)

3. Movement on Balances

- 3.1 As reported to Council in February 2021, the budget set out an estimated contribution to the General Fund Reserve of £255,390. The estimated contribution has now increased to £943,730 as a result of the changes set out in this report. The revised impact on balances is detailed in the table below.

Projected Movements in General Fund Balances	2021/22 £
Balance brought forward 1st April 2021	8,998,382
Estimated contribution to/(from) Balances (Monitoring - October)	943,730
Projected General Fund Balance 31st March 2022	9,942,112

- 3.2 The projected balance for 2021/2022 remains above the minimum level of £1,086,160 required of the Council. However, it should be noted that the audit for the financial statements of 2019/2020 and 2020/2021 are still not concluded and a possible outcome could result in a financial adjustment to the accounts which require further drawdown from the general fund balance
- 3.3 The General Fund Balance is held at a higher level than it might normally be to provide for a planned and measured response to the reduction in grant funding that will occur in the medium term. Significant draws from the general funding balance remain necessary in future years of the medium-term financial plan in order to set a balanced budget.

4. Cost Reduction Target

- 4.1 The uncertainty and the impact from the pandemic during 2020/21 and 2021/22 on service demand and use of resources impeded the Council's planned progress towards the cost reduction target. A detailed review of cost reduction and income generation initiatives has been undertaken in the process for preparing the estimates and Financial Plan for 2021/2026.
- 4.2 The refreshed plans will take account of existing initiatives that are deemed to remain viable as well as any newly identified cost saving or income generating initiatives in order to address an estimated budget gap in 2024/2025.

5. Fees and Charges

- 5.1 The Council has delegated authority to the Executive Director of the appropriate services (in consultation with the relevant portfolio holder and the Leader) to vary charges having regard to market conditions and the Council's policy framework. The 2021/2022 fees and charges were originally detailed in the Financial Plan 2020/2025 and submitted to Cabinet on 2nd February 2021 and approved by Council on 25th February 2021.
- 5.2 No additional changes to fees and charges are being reported in January 2022. However, a full review has been undertaken in preparation of the 2021/2026 Financial Plan as reported to Council on 23rd February 2022 for implementation from 1st April 2022.

6. Treasury Management 2021/2022

- 6.1 The “Treasury Management Strategy Statement and Annual Investment Strategy 2021/2022” was approved by Council on 25th February 2021. The Council’s Treasury Management Strategy will be updated as appropriate for any changes made to the code of practice by CIPFA.
- 6.2 The monitoring report includes prudential indicators, updates on movements in borrowing and investments during the period, together with the credit rating changes of counter parties and average rate of return on investments.

Prudential Indicators

Indicator	Original Limit 2021/2022	Actual Borrowing 31 st January 2022
Operational Boundary (Limit of borrowing)	£53m	£10m
Short-term and variable rates borrowing limits	40%	0%

Loans

Institution	Principal £	Rate %
Short Term borrowing	0	
Total Short Term	0	
Barclays	5,000,000	3.810%
Barclays	5,000,000	3.810%
Total Long Term	10,000,000	
Total Borrowing	10,000,000	

Investments

Institution	Principal £	Rate %
Aberdeen Standard - MMF	4,000,000	0.103%
BNP (Banque Nationale de Paris) – MMF	4,000,000	0.132%
Federated PR – MMF	4,000,000	0.047%
HSBC Sterling – MMF	4,000,000	0.100%
LGIM - MMF	4,000,000	0.046%
Total Money Market Fund Investment	20,000,000	
Blackpool Borough Council	4,000,000	0.040%
Goldman Sachs	4,000,000	0.160%
Handlesbanken	4,000,000	0.050%
National Bank of Kuwait (UK)	4,000,000	0.240%
Santander	4,000,000	0.450%
SMBC Bank International plc	4,000,000	0.630%
Total Other Investments	24,000,000	
Overall Investments	44,000,000	

6.3 Council treasury investment decisions are made in accordance with the Treasury Strategy and additional support and guidance is provided by the Council's treasury advisors, Link Asset Services.

Credit Ratings

The Council uses independent ratings (Fitch) to derive part of its counterparty criteria, in accordance with the currently adopted Treasury Management Practices.

The BCKLWN minimum ratings for banks are:

Short term Rating F1	Viability Rating BB+	Support Rating 3	Long Term Rating A
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F1 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

Have an added "+" to denote any exceptionally strong credit feature.

B = A strong bank. There are no major concerns regarding the bank. Characteristics may include strong profitability and balance sheet integrity, franchise, management, operating environment or prospects.

3 = A bank, for which support from a state or from an institutional owner is likely but not certain.

A = A low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. There may be some vulnerability to changes in circumstances or in economic conditions than is the case for higher ratings.

8. Capital Programme 2021/2022

8.1 The Capital Programme 2021/2022 was updated at Council on 23rd February 2022 and a summary position is shown in the table below.

	Estimates Setting Budgets	Amended Budget January Monitoring	Spend to 31st January 2022	January Spend Percentage
	£	£	£	%
Major Projects	27,784,100	10,504,700	7,139,413	67.96
Community and Partnerships	2,694,810	2,694,810	1,815,705	67.38
Resources (S151 Officer)	281,250	131,250	49,210	37.49
Property and Projects	66,000	66,000	2,825	4.28
Operational and Commercial Services	1,358,000	555,630	539,938	97.18
Leisure and Community Facilities	93,900	90,900	14,573	16.03
Total	32,278,060	14,043,290	9,561,664	68.09
Exempt Corporate Schemes	11,604,660	8,269,870	4,670,571	56.48
Total Capital Programme	43,882,720	22,313,160	14,232,235	63.78

8.2 The recent preparation of the Capital Programme 2021/2026 includes the January 2021 Monitoring Report data to reprofile projects into future years based 2021 actual and forecasted project spend. The majority of additional movements in budgets occur in the major projects and exempt corporate schemes. These are mostly due to the major housing projects being reprofiled including £5.3m Alexander Road; 10.9m on Parkway Gaywood and £4.2m in exempt projects.

Appendix 1

Cash Limits

In all cases the Budget Cash Limit will be seen to be the 'bottom line' of a service cost centre as presented in the Financial Plan 2020/2025 and the financial ledger.

It will be the responsibility of the Assistant Director to make sure that any anticipated overspending in a cost centre, as a first option, is compensated by a reduction in the same service area. In the event that this is not possible the Assistant Director must as a second option look for compensating reductions within another service area under their responsibility. (It is accepted that this may mean changes across Portfolios).

If this is not possible then the Assistant Director must report the circumstances to the Management Team requesting the forecast overspend to be met from corporate resources.

The decision on how to meet the shortfall will be made by Management Team in consultation with the Portfolio Holder for Resources, before the overspending is authorised.

These cash limits rules will not apply to elements of the budget that are 'outside' of the control of the service manager. These will include;

- rent and rates
- insurances
- benefit payments
- support service charges
- capital financing
- asset rentals
- interest on capital receipts

Where there are increase/reductions in the above, it will be necessary for the Assistant Director to report to Management Team and complete the appropriate Exercise of Delegated Authority (EDA) form or Cabinet report.

In all other cases the cash limits rules will apply although Management Team, in consultation with the portfolio holder for Resources, will consider exceptions in particular cases. (As an example, this may be the case where the pressure comes from reduced levels of income from 'demand led' services).

In all cases Financial Regulations require the Assistant Director to gain Portfolio Holder(s) approval for them to complete the EDA form. A copy of the form must be sent to the Financial Services Manager for adjustments to be made to the budget records in the financial ledger.

Any budget transfer with a value of £500,000 or above is a 'key decision' and must be subject of a report to Cabinet.

In dealing with the overspending it will be the responsibility of the Executive Director to identify compensating reductions within one month of the issue being identified. This will form part of the Monthly Monitoring Report.

As a reminder, the Financial Regulations state;

- transfers must not be made into permanent staffing budgets;
- savings in non-recurring expenditure or income should not be used to finance additional recurring expenditure

Michelle Drewery

Assistant Director Resources (s151 Officer)