**LOWESTOFT TOWN COUNCIL**

**FINANCE AND GOVERNANCE COMMITTEE**

Tuesday 28 November 2017

**BUDGET monitoring OCTOBER 2017**

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**1. Purpose of Report**

1.1 The purpose of this report is to present the Budget Monitoring position for the council as at 31 October 2017.

**2. Budget Monitoring – Report Format**

2.1 The following notes provide some brief information on the columns shown in the budget monitoring report.

2.2 2017/18 Budget – This is the detail of the budget set by Waveney DC for the council’s precept.

2.3 2017/18 Budget Year To Date (YTD) – This is the budget for the year to date profiled according to the anticipated pattern of expenditure or income where this is known. Examples of the profiles used are one-off payments early in the year for business rates, and the profiles for payments to Waveney Norse which are based on the schedules in the Partnership Agreement. Profiles for areas such as staffing costs will generally be monthly. For a number of budgets, particularly those areas of expenditure new to the council, information on patterns of expenditure is limited or unknown and profiles will need to be developed over time.

2.4 2017/18 Actual Year To Date (YTD) – As referred to in previous reports, whilst the council’s financial arrangements have been in the process of being established, Waveney DC has paid invoices and collected income on the council’s behalf, and these will subsequently be recharged / paid over to the council. Some invoices have now been paid to WDC in respect of this, and these figures are shown in this column, together with any income and expenditure that has been transacted directly through the Council’s bank account.

2.5 2017/18 WDC Commitments – In this budget monitoring report, this column shows expenditure and income that WDC has incurred or collected on the council’s behalf. Invoices for this will subsequently be raised by WDC. The invoices for expenditure from April to July are in the process of being re-issued to ensure that they are compliant with the Council’s first VAT claim submitted in respect of the April – September period.

2.6 2017/18 Commitments – This new column shows estimated figures for expenditure that the council is effectively committed to for the rest of the year.

2.7 2017/18 Variance Year To Date (YTD) – This column shows the variance between the Budget YTD and the total of the Actual YTD and the WDC Commitments. This column will become more meaningful as the council’s ongoing budget monitoring develops.

2.8 2017/18 Forecast – This column represents an estimate of the likely actual end of year position, based on actual expenditure and income to date and the most up to date information. This Forecast can be regarded as the council’s “Revised Budget” for the year, and it may be that this is the terminology that the council wants to use as its budget monitoring develops. Forecast figures will be continually revised and updated during the course of the year.

**3. Summary and Balances**

3.1 Brief notes on some of the key aspects, issues, and trends for each service area are shown on the relevant page of the Budget Monitoring Report. Net expenditure figures for each service (expenditure less income) are taken to an overall Summary for the council, which shows total net expenditure compared with the council’s precept, with the estimated difference being transfers to or from the council’s balances. The Summary shows the forecast Balances position for the council. The brought forward balance is that inherited from the Lowestoft Charter Trustees, which has been split between the council and Oulton Broad PC on the basis of electorate. The current Forecast position indicates that the council should be able to significantly increase its balances at the year end.

**RECOMMENDATIONS**

To recommend that:

1. the Budget Monitoring Report for October 2017 be noted.

**APPENDICES**

**Appendix A** Lowestoft Town Council Budget Monitoring Report October 2017