

# SCRUTINY COMMITTEE

– 4.11.21



# FINANCE AND COMMERCIAL - FINANCE

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## 2021/22 BUDGET BY SERVICE

The key controllable service area budgets for 2021/22 are as follows:

<b>Service Area</b>	<b>Expenditure Budget £m</b>	<b>Income Budget £m</b>	<b>Net Budget £m</b>
<b>Operational Finance</b>	<b>2.255</b>	<b>(0.210)</b>	<b>2.045</b>
<b>Strategic Finance</b>	<b>0.184</b>	<b>-</b>	<b>0.184</b>
<b>Commercial</b>	<b>1.132</b>	<b>-</b>	<b>1.132</b>
<b>Revenues, Benefits &amp; Charges</b>	<b>21.304</b>	<b>(19.074)</b>	<b>2.230</b>
	<b>24.875</b>	<b>(19.284)</b>	<b>5.591</b>

This is the budget figures as at Period 6 (Q2)

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## 2021/22 BUDGET PROGRESS

### 2021/22 Budget Progress

- Enhanced audit of the accounts is likely to lead to an underspend of circa £400k on the audit fee for this year
- Financing some Covid related expenditure through Covid grants of circa £340k will likewise contribute to savings
- The above savings are offset by staffing costs largely in revenues and benefits

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## 2021/22 KEY ISSUES

There are several key issues that the finance service is dealing with as regularly and fully reported to Council:

- Delivery of three set of accounts plus prior period adjustments for 2 further years
- Preparation of the Council's recovery and renewal plan
- Preparation of the Council's approach to asset sales
- Ensuring delivery of the budget savings in the March 2021 budget report
- Review of all companies
- Agresso system
- Leading on actions on the internal audit recommendations
- Resourcing and resolving the finance team skills, capacity etc
- Financial management improvements

In addition there is within revenues and benefits:

- A restructure is needed
- Customer service improvements are needed
- Limited self-service offer and automation of back office processes to be addressed
- Levels of outstanding debt to tackle

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## 2022/23 SAVINGS PROPOSALS

- It is anticipated by 2022/23 the service can confidently reduce the audit fee bass budget by circa £150k
- A proportion if the overall efficiency target of £100k will be allocated to this service and managed through vacancies and other budgets
- By reviewing the internal audit and procurement services a saving of £700k will be made
- Grant income of £300k is secured for 2022/23

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## **DEPARTMENTAL EMERGING PRESSURES LIKELY TO BE FACED IN 2022/23**

There will be several key issues that the finance service will be dealing in 2022/23:

- Delivery of one set of accounts
- Preparation of the Council's recovery and renewal plan
- Working with Place on the Council's asset sales
- Ensuring delivery of the budget savings for 2022/23 and options for the MTFs for 2023/34 onward
- Continuous review of all companies
- Agresso system
- Leading on actions on the internal audit recommendations
- Resourcing and resolving the finance team skills, capacity etc
- Financial management improvements

In addition there is within revenues and benefits:

- Recruitment and retention of staff is needed
- Delivery of new technology to drive service performance
  - Procurement
  - Implementation
  - Embedding and maintaining

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# BUDGET CONSULTATION

## Timeline

Progress on the budgeted savings for 2021/22 is on track and will be monitored through the monthly monitor going forward

The proposed 2022/23 savings are significantly dependent on the progress on the accounts which is expected to happen to time and quality

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