

Report to: Finance, Resources and Corporate Committee

Date: 6 January 2022

Subject: **Financial Reporting**

Director: Angela Taylor, Director, Corporate and Commercial Services

Author: Celia Yang, Finance Manager

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 To provide an update on the 2021/22 revenue budget financial position as at 31/10/2021.

2. Information

- 2.1 A summary of the 2021/22 current revenue spend to original budget as at October 2021 is attached at **Appendix 1**. A brief narrative and RAG rating is included to help identify those budget lines that are emerging as a concern.
- 2.2 Overall, there are few variances to cause concern at this stage of the year and any variances noted have been taken into account in reforecasting the year end position as part of the budget work. Concessionary travel payments are expected to be lower than budget and as part of the budget work it is proposed that any savings made will be ringfenced to mitigate the expected pressures on bus services next year.
- 2.3 There are a few 'amber' variances to highlight on the Supplies & Services and Operational Income lines. These relate to timing issues around the invoicing for election costs and incomes within Economic Services where the profiles do not generally follow a straight-line basis. There are also 'ambers' on Financing

Charges and EZ Receipts, again which are timing issues rather than genuine variances. Tendered services spend is slightly ahead of the profiled budget, which is expected due to additional costs around Covid-19.

- 2.4 The overall forecast – as reported in September – was at £2.5m savings. This position will continue to be monitored throughout the year. The savings are mainly accruing in salary budgets and bus operator payments and are therefore not expected to recur in future years.
- 2.5 Regular forecasts continue to be undertaken and key matters brought to future meetings. At present the key risk remains the impact of the pandemic, and in particular the way in which this impacts on bus recovery. It is still unclear what government funding is available to support this into the new year and how any funding will be distributed as well as how the bus industry will respond to the changing situation.
- 2.6 An update on the 2021/22 capital expenditure budgets will be provided to a future meeting, as quarter three claims from partners are still being processed at the time of writing.

3. Tackling the Climate Emergency Implications

- 3.1 There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

- 4.1 There are no inclusive growth implications directly arising from this report.

5. Equality and Diversity Implications

- 5.1 There are no equality and diversity implications directly arising from this report.

6. Financial Implications

- 6.1 These are contained in the main body of the report.

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the Committee notes the financial position as reported.

11. Background Documents

11.1 There are no background documents referenced in this report.

12. Appendices

Appendix 1 – 2021/22 Revenue Budget as at October 2021