

**Report of: Executive Member for Finance, Performance and Community
Safety**

Meeting of:	Date	Ward(s)
Executive	29 November 2018	All

FINANCIAL MONITORING 2018-19 MONTH 6

1. SYNOPSIS

- 1.1 This report presents the forecast outturn position for 2018-19 as at 30th September 2018. Overall, there is a forecast gross General Fund overspend of £0.6m, before taking into account the ongoing corporate contingency budget of £2m.
- 1.2 The Housing Revenue Account (HRA) is forecast to break-even over the year.
- 1.3 It is forecast that £154.9m of capital expenditure will be delivered in 2018-19.

2. RECOMMENDATIONS

- 2.1 To note the forecast revenue outturn for the General Fund (**Table 1**) of a gross overspend of £0.6m, before taking into account the ongoing corporate contingency budget of £2m (**Paragraph 3.1**).
- 2.2 To note the breakdown of the forecast General Fund outturn by individual variance at **Appendix 1** and by service area at **Appendix 2**.
- 2.3 To note that the HRA forecast is a net break-even position. (**Section 5, Table 1**)
- 2.4 To note the latest capital position with forecast capital expenditure of £154.9m in 2018-19. (**Section 6, Table 2, and Appendix 3**)

3. **REVENUE POSITION: SUMMARY**

- 3.1. A summary position of the General Fund and HRA is shown in **Table 1**, a breakdown by individual General Fund variance in **Appendix 1** and a breakdown by General Fund and HRA service area in **Appendix 2**.

Table 1: 2018-19 General Fund and HRA Month 6 Forecast

	Forecast Over/(Under) Spend (£000)
<u>GENERAL FUND</u>	
Resources	(422)
Chief Executive's Department	(123)
Children's, Employment and Skills (excluding DSG)	(452)
Environment and Regeneration	1,565
Housing and Adult Social Services	38
Public Health	0
DIRECTORATE TOTAL	606
Corporate Items	(37)
GROSS OVER/(UNDER) SPEND	569
<u>HOUSING REVENUE ACCOUNT</u>	
NET (SURPLUS)/DEFICIT	0

4. **GENERAL FUND**

Resources Department (-£0.4m)

- 4.1. The Resources Department is forecasting an underspend of (-£0.4m) over the financial year with the key variances detailed in **Appendix 1**.

Chief Executive's Department (-£0.1m)

- 4.2. The Chief Executive's Department is forecasting an underspend of (-£0.1m) with key variances set out in **Appendix 1**.

Children's, Employment and Skills - General Fund (-£0.5m), Schools (-£0.5m)

- 4.3. The Children's, Employment and Skills directorate is forecasting an underspend of (-£0.5m) with key variances set out in **Appendix 1**.
- 4.4. The Dedicated Schools Grant (DSG) is forecasting an underspend of (-£0.5m or 0.4%), mainly in relation to prior-year balances being managed on behalf of the Schools Forum.

Environment and Regeneration (+£1.6m)

- 4.5. The Environment and Regeneration Department is forecasting a (+£1.6m) overspend. The key variances behind this net overspend are set out in **Appendix 1**.
- 4.6. The management actions being taken to control these pressures are:
 - 4.6.1. Regular monitoring of spend and income trends across the department to enable effective decisions to be taken;
 - 4.6.2. Extensive work being undertaken within Street Environmental Services to control and monitor staff related spend and HR data;
 - 4.6.3. Vacancy and recruitment management to control and reduce costs; and
 - 4.6.4. Ongoing work to drive through service changes to deliver delayed savings.

Housing and Adult Social Services (Break-Even)

- 4.7. Housing and Adult Social Services is forecasting a break-even position with key variances set out in **Appendix 1**.

Public Health (Break-Even)

- 4.8. Public Health is funded via a ring-fenced grant and forecast to break-even.

Corporate Items (Break-Even)

- 4.9. The forecast for corporate items, before any call on corporate contingency budgets, is a break-even position with key variances set out in **Appendix 1**.

5. HOUSING REVENUE ACCOUNT

- 5.1. The forecast net variance for the Housing Revenue Account is a break-even position.

6. CAPITAL PROGRAMME

- 6.1. It is forecast that £154.9m of capital investment will be delivered in 2018-19. This is set out by directorate in **Table 2** below and detailed in **Appendix 3**.

Table 2: 2018-19 Capital Programme Month 6 Forecast

Directorate	2018-19 Capital Budget	2018-19 Capital Forecast	Forecast Re-profiling (to) Future Years
	£m	£m	£m
Children's, Employment and Skills	20.8	15.2	(5.6)
Environment and Regeneration	19.5	23.0	3.5
Housing and Adult Social Services	116.7	116.7	0.0
Total	157.0	154.9	(2.1)

- 6.2. Under the Council's financial regulations, the re-profiling of capital budgets between financial years over £1m on an individual capital scheme is a function of the Executive.
- 6.3. The capital forecast for the Children's, Employment and Skills directorate reflects a re-profiling of the budget from 2018-19 to future years to match latest project milestones and cash flows. The Children's, Employment and Skills capital programme remains on time and on budget.
- 6.4. The Environment and Regeneration forecast capital position includes unbudgeted costs of significant capital projects that will be funded from corporate capital contingency at the end of the financial year.

7. IMPLICATIONS

Financial Implications

- 7.1. These are included in the main body of the report.

Legal Implications

- 7.2. The law requires that the Council must plan to balance its spending plans against resources to avoid a deficit occurring in any year. Members need to be reasonably satisfied that expenditure is being contained within budget and that the savings for the financial year will be achieved, to ensure that income and expenditure balance.

Environmental Implications

- 7.3. This report does not have any direct environmental implications.

Resident Impact Assessment

- 7.4. The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in

public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

- 7.5. A resident impact assessment (RIA) was carried out for the 2018-19 Budget Report approved by Full Council. This report notes the financial performance to date but does not have direct policy implications, so a separate RIA is not required for this report.

Appendices:

Appendix 1 – General Fund Revenue Monitoring by Individual Variance

Appendix 2 – Revenue Monitoring by Service Area

Appendix 3 – Capital Monitoring

Background papers: None

Final report clearance:

Signed by:		21 November 2018
	Executive Member for Finance, Performance and Community Safety	Date

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