



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

Meeting of	Date	Ward(s)
Executive	7 February 2019	All

Delete as appropriate	Exempt	Non-exempt
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FINANCIAL MONITORING 2018-19 MONTH 9

1. SYNOPSIS

- 1.1 This report presents the forecast outturn position for 2018-19 as at 31 December 2018. Overall, there is a forecast gross General Fund underspend of £0.5m.
- 1.2 The Housing Revenue Account (HRA) is forecast to break-even over the year.
- 1.3 It is forecast that £107.9m 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 underspend of £0.5m. (**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 £107.9m 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 9 Forecast

	Forecast Over/(Under) Spend £000
<u>GENERAL FUND</u>	
Resources	(136)
Chief Executive's Department	(230)
Children's, Employment and Skills (excluding DSG)	(595)
Environment and Regeneration	500
Housing and Adult Social Services	38
Public Health	0
DIRECTORATE TOTAL	(423)
Corporate Items	(37)
GROSS OVER/(UNDER) SPEND	(460)
<u>HOUSING REVENUE ACCOUNT</u>	
NET (SURPLUS)/DEFICIT	0

4. GENERAL FUND

Resources Department (-£0.1m)

- 4.1. The Resources Department is forecasting an underspend of (-£0.1m) over the financial year with the key variances detailed in **Appendix 1**.

Chief Executive's Department (-£0.2m)

- 4.2. The Chief Executive's Department is forecasting an underspend of (-£0.2m) with key variances set out in **Appendix 1**.

Children's, Employment and Skills - General Fund (-£0.6m), Schools (-£0.6m)

- 4.3. The Children's, Employment and Skills directorate is forecasting an underspend of (-£0.6m) with key variances set out in **Appendix 1**.
- 4.4. The Dedicated Schools Grant (DSG) is forecasting an underspend of (-£0.6m or -0.4%), mainly in relation to prior-year balances being managed on behalf of the Schools Forum.

Environment and Regeneration (+£0.5m)

- 4.5. The Environment and Regeneration Department is forecasting a (+£0.5m) 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, summarised at **Appendix 2**.

6. CAPITAL PROGRAMME

- 6.1. It is forecast that £107.9m 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 9 Forecast

Directorate	2018-19 Revised Capital Budget	2018-19 Capital Forecast	Forecast Re-profiling (to)/from Future Years
	£000	£000	£000
Children's, Employment and Skills	18,665	14,937	(3,728)
Environment and Regeneration	18,480	20,051	1,571
Housing and Adult Social Services	76,002	72,900	(3,102)
Total	113,147	107,888	(5,259)

The 2018-19 revised capital budget now incorporates the forecast re-profiling between financial years agreed in the previous month.

Children's, Employment and Skills

- 6.2. The Children's, Employment and Skills capital programme remains on time and on budget and the forecast reflects latest project milestones and cash flows.

Environment and Regeneration

- 6.3. The Environment and Regeneration forecast includes unbudgeted costs of significant capital projects that will be funded from corporate capital contingency at the end of the financial year.

Housing and Adult Social Services

- 6.4. The Housing and Adult Social Services capital forecast reflects further forecast slippage of £3.1m on the 2018-19 revised new homes programme budget of £45.0m.
- 6.5. It is challenging to accurately forecast the profile of expenditure on new build schemes at this point in the programme as many schemes are at the feasibility stage where we are still discovering issues.
- 6.6. Feasibility is the most difficult stage for forecasting because of potential unknowns. This includes additional consultation at the request of residents and councillors and scheme design changes, and recent schemes have uncovered anomalies such as plague pits, asbestos and other obstructions in the ground.
- 6.7. Planning remains the biggest dependency for the new build programme, and the new build and planning teams are working together proactively to reduce programme slippage.

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:		25 January 2019
	Executive Member for Finance, Performance and Community Safety	Date

Responsible Officer:

Alan Layton

Service Director Financial and Asset Management

Report Authors:

Martin Houston, Strategic Financial Advisor

Tony Watts, Head of Financial Planning

Legal Implications Author:

Peter Fehler, Acting Director of Law and Governance