

# Decision Pathway – Report



**PURPOSE:** For reference

**MEETING:** Cabinet

**DATE:** 04 December 2018

<b>TITLE</b>	<b>2018/19 Period 6 Forecast Outturn Report</b>		
<b>Ward(s)</b>	n/a		
<b>Author:</b> Michael Pilcher	<b>Job title:</b> Finance Business Partner		
<b>Cabinet lead:</b> Cllr Cheney	<b>Executive Director lead:</b> Mike Jackson		
<b>Proposal origin:</b> Other			
<b>Decision maker:</b> Cabinet Member			
<b>Decision forum:</b> Cabinet			
<p><b>Purpose of Report:</b> The report provides update on the Council’s financial performance and forecast use of resources during the financial year 2018/19. The Council budget for 2018/19 was agreed by Council on 20<sup>th</sup> February 2018 and this report focuses on the forecast position against that budget.</p> <p>The Council operates Directorate cash limited budgets and Executive Directors are responsible for ensuring that appropriate action is taken to contain both revenue and capital spending within the directorate’s overall budget limit. Budget holders forecasting a risk of overspend should in the first instance set out in-service options for mitigation. Where these are considered undeliverable or pressures cannot be contained across the directorate a request can be made for the Executive to consider granting a supplementary estimate redirecting funds from an alternative source. The Adults, Children’s and Education Directorate (ACE) has requested a supplementary estimate for 2018/19.</p>			
<p><b>Evidence Base:</b></p> <p>The Council’s overall annual revenue spend during 2018/19 is managed across a number of areas:</p> <ul style="list-style-type: none"> <li>• The General Fund with a net budget of £361.6m, providing revenue funding for the majority of the Council’s services;</li> </ul> <p>Ring Fenced Accounts:</p> <ul style="list-style-type: none"> <li>• The Housing Revenue Account (HRA) of £119.9m gross spend, is ring-fenced, money received in rent in order to plan and provide services to current and future tenants, and is managed within Communities Directorate;</li> <li>• The Dedicated Schools Grant (DSG) of £346.6m, which is a ring-fenced grant that must be used in support of the schools budget as defined in the School and Early Years Finance Regulations and can be used for any other purpose. The grant is managed within the Adults, Children’s and Education Directorate;</li> <li>• Public Health, a ring-fenced grant of £32.5m, must be spent to support the delivery of the Public Health Outcomes Framework exclusively for all ages and is managed within Adults, Children’s and Education Directorate.</li> </ul> <p>Full detail for each of these areas is provided in the main monitoring report, Appendix A.</p>			
<p><b>Cabinet Member / Officer Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. To note the reduction in revenue expenditure of £648k from P05 forecast position to an overspend against budget of £308k, although there is still significant pressures in Adult Social Care and Education. (Appendix A, section 1).</li> <li>2. To approve the additional budget totalling £12.3m to be allocated to the ACE directorate, (as per schedule in Table 2), funded by virements for £5.1m released from other ongoing budgets and £7.2m of one off income.</li> <li>3. To note the current forecast position with regard to the Housing Revenue Account and Public Health</li> </ol>			

<p>Accounts. (Appendices A5 and A7).</p> <p>4. To note the current forecast spend of £164m against the capital programme budget of £244m. (Appendix A, section 5).</p> <p>5. To note the forecast movement in reserves of £32m (Appendix A, Table 6)</p> <p>6. To approve the changes to the capital programme for 2018/19 as set out in Appendix A8.</p>
<p><b>Corporate Strategy alignment:</b> This report sets out progress against our budget, part of delivering the financial plan described in the Corporate Strategy 2018-23 (p4) and acting in line with our organisational priority to 'Be responsible financial managers' (p11).</p>
<p><b>City Benefits:</b> Cross priority report that covers whole of Council's business.</p>
<p><b>Consultation Details:</b> n/a</p>

<b>Revenue Cost</b>	<b>Net: £361.6m</b>	<b>Source of Revenue Funding</b>	Total approved revenue budget including ring-fenced accounts
<b>Capital Cost</b>	<b>£244.9m</b>	<b>Source of Capital Funding</b>	Total capital programme incl. HRA
<b>One off cost</b> <input type="checkbox"/>	<b>Ongoing cost</b> <input type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <input type="checkbox"/>

<b>Required information to be completed by Financial/Legal/ICT/ HR partners:</b>		
<b>1. Finance Advice:</b> The resource and financial implications are set out in the report.		
<b>Finance Business Partner:</b> Chris Holme 21/11/18		
<b>2. Legal Advice:</b> In relation to recommendation 2 Cabinet is asked to approve the supplementary estimate for Adults children and Education Directorate and resolve this by way of ongoing and one off virements. As these virements are not from reserves, the Finance Scheme of Delegation authorises Cabinet to make this decision. In relation to recommendation 5 Cabinet is asked to approve the revised Capital programme as set out in appendix 8. Any request to change the capital programme by adding or removing schemes, or by allocating additional items to an approved scheme outside of the annual budget setting process must be approved by Cabinet under the Finance Scheme of Delegation. More generally the report, including the detail in Appendix A, will assist the Cabinet to monitor the budget position with a view to meeting the Council's legal obligation to deliver a balanced budget.		
<b>Legal Team Leader:</b> Nancy Rollason, Head of Service, Legal 23/11/18		
<b>3. Implications on IT:</b> There are no IT implications arising from production of this report.		
<b>IT Team Leader :</b> Ian Gale, Head of IT 20/11/18		
<b>4. HR Advice:</b> Expenditure on staffing is monitored on a monthly basis by budget holders. Managers are required to manage expenditure within the agreed staffing budget that has been set for 2018/19.		
<b>HR Partner:</b> Mark Williams, Head of Human Resources 23/11/18		
<b>EDM Sign-off</b>	Mike Jackson	17/10/18
<b>Cabinet Member sign-off</b>	Cllr Cheney	26/11/18
<b>CLB Sign-off</b>	Mike Jackson	6/11/18
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	5/11/18

<b>Appendix A – Further essential background / detail on the proposal</b>	<b>YES</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>NO</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>NO</b>

<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>NO</b>
<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Combined Background papers</b>	<b>NO</b>
<b>Appendix J – Exempt Information</b>	<b>NO</b>
<b>Appendix K – HR advice</b>	<b>NO</b>
<b>Appendix L – ICT</b>	<b>NO</b>