

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 22 January 2019

TITLE	2018/19 Period 7 Forecast Outturn Report		
Ward(s)	n/a		
Author: Michael Pilcher	Job title: Finance Business Partner		
Cabinet lead: Cllr Cheney	Statutory Officer lead: Denise Murray		
Proposal origin: Other			
Decision maker: Cabinet Member			
Decision forum: Cabinet			
<p>Purpose of Report: The report provides update on the Council’s financial performance and forecast use of resources during the financial year 2018/19 and seeks approval to reallocate specifies budgets and a transfer of earmarked reserves.</p> <p>The Council budget for 2018/19 was agreed by Council on 20th 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) requested a supplementary estimate for 2018/19, which was approved by Cabinet on 4th December 2018. Cabinet also approved a revised capital programme to re-profile project budgets in line with the anticipated delivery for 2018/19.</p>			
<p>Evidence Base:</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"> The General Fund with a net budget of £361.8m, providing revenue funding for the majority of the Council’s services; <p>Ring Fenced Accounts:</p> <ul style="list-style-type: none"> 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; 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 cannot be used for any other purpose. The grant is managed within the ACE Directorate; 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 ACE Directorate. <p>Full detail for each of these areas is provided in the main monitoring report, Appendix A.</p> <p>The position has improved due to reductions in borrowing costs due to re-profiling of the capital programme - the recently announced social care grant for 18/19 and various improvements across services, details of which are provided in Appendix A.</p>			
Cabinet Member / Officer Recommendations:			

That Cabinet

- Notes at P7, the overall forecast outturn position for general funded services is an underspend of (£0.4m), with Directorates now forecasting to be within budget when Communities budgets are transferred to other Directorates following the restructure. (Appendix A, para 1).
- Notes the re-allocation of £0.5m corporate recharging budget to permanently address the identified need to enable the delivery of core services. (Appendix A, Table 3)
- Notes the current forecast position with regard to the Housing Revenue Account, Dedicated Schools Grant and Public Health Accounts. (Appendices A5, A6 and A7).
- Notes the current forecast spend of £160.3m against the capital programme budget of £162.6m. (Appendix A, section 5 and Directorate Appendices A2 to A5).
- Notes the forecast movement in reserves of £21.6m (Appendix A, Table 8).

Approvals

- Approves the utilisation of up to £0.25m of the forecast underspend to support urgent Brexit preparation work (Appendix A, para.1.3).
- Approves the re-allocation of the 2018/19 budgeted fees and charges savings as agreed by Full Council to services as set out in Appendix A, Table 2.
- Approves the transfer £5.021m of ear-marked reserves no longer required for the purpose intended to general reserves for reallocation as part of the 2019/20 budget process (Appendix A, Table 7).

Corporate Strategy alignment: 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).

City Benefits: Cross priority report that covers whole of Council's business.

Consultation Details: n/a

Revenue Cost	Net: £361.8m	Source of Revenue Funding	Total approved revenue budget including ring-fenced accounts
Capital Cost	£162.6m	Source of Capital Funding	Total capital programme incl. HRA
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: The resource and financial implications are set out in the report.

Finance Business Partner: Chris Holme

2. Legal Advice: There are no direct legal implications in this report. The report, including the detail in Appendix A, assists the Cabinet to monitor the budget position with a view to meeting the Council's legal obligation to deliver a balanced budget.

Legal Team Leader: Nancy Rollason, Head of Legal Service,

3. Implications on IT: There are no IT implications arising from production of this report.

IT Team Leader : Ian Gale, Head of IT

4. HR Advice: 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.

HR Partner: Mark Williams, Head of Human Resources

EDM Sign-off	Mike Jackson	
Cabinet Member sign-off	Cllr Cheney	
CLB Sign-off	Mike Jackson	
For Key Decisions - Mayor's Office sign-off	n/a	

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	NO
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Combined Background papers	NO
Appendix J – Exempt Information	NO
Appendix K – HR advice	NO
Appendix L – ICT	NO