

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 03 September 2019

TITLE	2019/20 Period 3/ 4 Forecast Outturn Report		
Ward(s)	n/a		
Author: Tian Ze Hao	Job title: Senior Finance Business Partner		
Cabinet lead: Cllr Craig Cheney	Statutory Officer lead: Denise Murray		
Proposal origin: Other			
Decision maker: Cabinet Member			
Decision forum: Cabinet			
<p>Purpose of Report: This report provides the update on the Council’s financial performance and forecast use of resources for the financial year 2019/20 and includes forecast movement encompassing Period 3 & 4. The Council’s budget for 2019/20 was agreed by Council on 26th February 2019 and this report focuses on the forecast position against the latest 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 the budget scrutiny process will be triggered and a request may be made for the Executive to consider granting a supplementary estimate redirecting funds from an alternative source.</p> <p>At this stage of the year Directors are anticipating that a range of management actions being proposed will enable key service requirements to be delivered and a balance budget position achieved. This position and proposed mitigations will be closely monitored and reported.</p>			
<p>Evidence Base:</p> <p>The Council’s overall annual revenue spend for 2019/20 covers a number of areas:</p> <ul style="list-style-type: none"> • The General Fund net budget of £376.3m (a forecast variation at P4 of £2.8m), providing revenue funding for the majority of the Council services. <p>Ring Fenced Accounts:</p> <ul style="list-style-type: none"> • The Housing Revenue Account (HRA) of £160.0m gross spend (no forecast variation at P4), is ring-fenced, money received in rent in order to plan and provide services to current and future tenants, and is managed within Growth and Regeneration Directorate. • The Dedicated Schools Grant (DSG) of £356.9m (no forecast variation at P4 but with an proposed draw-down of £1.7m from Reserves), 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 People Directorate; • Public Health, a ring-fenced grant of £31.6m (with a forecast variation of £0.7m at P4), must be spent to support the delivery of the Public Health Outcomes Framework exclusively for all ages and is managed within the People Directorate. <p>Full detail for each of these areas is provided in the main monitoring report, Appendix A.</p> <p>Capital Programme:</p>			

- Revised capital Programme of £251.0m for 2019/20 (forecast variation at P4 £33.2m), fully funded through the use of external funding, capital receipts and borrowing.

Reserves:

- General Reserve - £20.0m (forecast movement at P4 £3.2m reallocated to one-off strategic spend)
- Earmarked Reserve - £78.7m (forecast movement at P4 £2.5m – comparing to £81.2m in prior period)

Recommendations:

That Cabinet approve,

- The allocation of general reserves and reallocation of earmarked reserves to those areas as set out in Appendix A Figure 5-7.
- The addition, removal and re-profile of a list of schemes under the capital programme, details set out in Appendix B Figure 2.

That Cabinet note,

- A risk of overspend on General fund services of £2.8m for 19/20 representing 0.8% of the approved budget (Appendix A).
- A forecasted balanced position with regard to the Housing Revenue Account.
- A forecasted balanced position for the Dedicated Schools Grant taking into account the planned draw-down from reserves at £1.7m.
- The latest available DSG funding allocations from ESFA, which include an additional £0.7m in the High Needs block and a reduction of £0.17m for the Early Years block.
- A risk of overspend of £0.7m for Public health, which is being monitored.
- A forecast £33.2m underspend on the capital programme, albeit run-rate is more than 50% behind the curve.
- a list of change requests under the savings programme Appendix A Figure 4
- The Sundry Debt position of £19.2m over 90days as at Period 4. Individual directorate detail included under Appendix A1-6.

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	See Above	Source of Revenue Funding	Various
Capital Cost	See Above	Source of Capital Funding	Various
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: Michael Pilcher (Chief Accountant)

2. Legal Advice: There are no direct legal implications arising from this report.

The report, including the detail in the appendices will assist 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 22nd August 2019

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 2019/20.

HR Partner: Mark Williams, Head of Human Resources		
EDM Sign-off	Denise Murray	
Cabinet Member sign-off	CLlr Cheney	
CLB Sign-off	20 th August 2019	
For Key Decisions - Mayor's Office sign-off	n/a	

Appendix A – P4 Revenue Budget Monitoring Report	YES
Appendix B – P4 Capital Budget Monitoring Report	YES
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