

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 01 October 2019

TITLE	2019/20 Period 5 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 at Period 5. 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>			
Evidence Base:			
<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 P5 of £3.1m), 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 P5), 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 £357.1m (no forecast variation at P5 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 P5), 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> <ul style="list-style-type: none"> Revised capital Programme of £251.0m for 2019/20 (forecast variation at P5 £39.7m), fully funded through 			

the use of external funding, capital receipts and borrowing.

Recommendations:

That Cabinet approves,

1. the submission of a funding bid to the Local Highways Maintenance Challenge fund of up to £4m for 2019/20 and note a further report will come back to Cabinet for approval to spend with match funding from within current approved capital programme.
2. the submission of an expression of interest to the Local Highways Maintenance Challenge fund of up to £20m for 2020/21 funding and note a further report will come back to Cabinet for approval to spend which will detail any source of required match funding.
3. the 2019/20 capital budget is revised to £211.6m and the £39.7m underspend as per appendix B for 2019/20 is re-profiled to future periods.

That Cabinet note,

4. A risk of overspend on General fund services of £3.1m for 19/20 representing 0.8% of the approved budget (Appendix A).
5. A forecasted balanced position with regard to the Housing Revenue Account.
6. A forecasted balanced position for the Dedicated Schools Grant taking into account the planned contribution to reserves of £0.6m.
7. A risk of overspend of £0.7m for Public health, which is being monitored.
8. A forecast £39.7m underspend on the capital programme, albeit run-rate is more than 50% behind the curve.
9. The Sundry Debt position of £18.9m over 90days as at Period 5. Individual directorate detail included under Appendix A1-6.
10. £0.4m of S.106 resources is added to the Capital Programme as detailed in appendix B.

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: The report, including the detail in Appendix A&B, 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

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	23/09/2019
Cabinet Member sign-off	Cllr Cheney	23/09/2019

For Key Decisions - Mayor's Office sign-off	Mayor's Office	23/09/2019
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Appendix A – P5 Revenue Budget Monitoring Report	YES
Appendix B – P5 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