

# Decision Pathway – Report



**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 03 December 2019

<b>TITLE</b>	<b>2019/20 Period 7 Forecast Outturn Report</b>		
<b>Ward(s)</b>	n/a		
<b>Author:</b> Tian Ze Hao	<b>Job title:</b> Senior Finance Business Partner		
<b>Cabinet lead:</b> Cllr Craig Cheney	<b>Statutory Officer lead:</b> Denise Murray		
<b>Proposal origin:</b> Other			
<b>Decision maker:</b> Cabinet Member			
<b>Decision forum:</b> Cabinet			
<p><b>Purpose of Report:</b> This report provides the update on the Council’s financial performance and forecast use of resources for the financial year 2019/20 at Period 6. The Council’s budget for 2019/20 was agreed by Council on 26<sup>th</sup> 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><b>Evidence Base:</b></p> <p>The Council’s overall annual revenue spend for 2019/20 covers a number of areas:</p> <ul style="list-style-type: none"> <li>• The General Fund net budget of £376.3m (a forecast variation at P7 of £4.3m), providing revenue funding for the majority of the Council services.</li> </ul> <p>Ring Fenced Accounts:</p> <ul style="list-style-type: none"> <li>• The Housing Revenue Account (HRA) of £160.0m gross spend (£1.7m underspend forecast at P7), is ring-fenced, money received in rent in order to plan and provide services to current and future tenants, and the balanced will be managed through the HRA ring fenced reserves.</li> <li>• DGS is a ring-fenced grant that must be used in support of the schools budget and is managed within the People Directorate. The total Dedicated Schools Grant (DSG) budget, including amounts recouped by the Education and Skills Funding Agency for Academies is £357.1m for 2019/20 and this includes accelerated funding of £ 2.407m from 2020/21. The DSG is currently forecasting an £1.1m in year overspend against this approved budget (consists of £0.6m underspend in Early Years and £1.7 overspend in High Needs), this net overspend is proposed to be managed through the ring-fenced reserves.</li> <li>• Public Health, a ring-fenced grant of £31.6m (with a forecast variation of £0.13m at P7), must be spent to support the delivery of the Public Health Outcomes Framework exclusively for all ages and is managed within the People Directorate.</li> </ul> <p>Full detail for each of these areas is provided in the main monitoring report, Appendix A.</p>			

Capital Programme:

- Revised capital Programme budget of £170.9m fully funded through the use of external funding, capital receipts and borrowing.

**Recommendations:**

**That Cabinet to approve,**

1. Additional Capital programme budget added since P6 (£0.7m in total, individual schemes less than £0.5m, details listed under Appendix B).

**That Cabinet note,**

2. A risk of overspend on General fund services of £4.3m for 19/20 representing 1.1% of the approved budget (Appendix A).
3. A forecast £1.7m underspend position with regard to the Housing Revenue Account.
4. A forecasted £1.1m overspend for the Dedicated Schools Grant against approved budget.
5. A risk of overspend of £0.13m for Public health, which is being monitored.
6. The Sundry Debt position of £20.9m over 90days as at Period 7, reduced from £24.2m since P6. 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

<b>Revenue Cost</b>	<b>See Above</b>	<b>Source of Revenue Funding</b>	Various
<b>Capital Cost</b>	<b>See Above</b>	<b>Source of Capital Funding</b>	Various
<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"/>

**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 :** Simon Oliver, ICT

**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

<b>EDM Sign-off</b>	Denise Murray	23/09/2019
<b>Cabinet Member sign-off</b>	Cllr Cheney	23/09/2019
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	23/09/2019

<b>Appendix A – P6 Revenue Budget Monitoring Report</b>	<b>YES</b>
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<b>Appendix B – P6 Capital Budget Monitoring Report</b>	<b>YES</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>