

Decision Pathway – Report

PURPOSE: Key decision

MEETING: Cabinet

DATE: 03 March 2020

TITLE	2019/20 Period 10 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			
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 10. The Council’s budget for 2019/20 was agreed by Council on 26 February 2019 and this report focuses on the forecast position against the latest budget.			
Evidence Base:			
The Council’s overall annual revenue spend for 2019/20 covers a number of areas:			
<ul style="list-style-type: none">• The General Fund net budget of £376.3m, with a forecast overspend of £6.6m at P10, providing revenue funding for the majority of the Council services.			
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.			
The budget report 2020/21 to Full Council includes recommendation to drawdown up to £6.1m from general reserves to balance the 2019/20 position (repaid by one-off income next financial year). Comparing to the forecast P10 position, this represents an additional £0.5m gap. Mitigations must be found to close this additional gap before year-end, and it is for each of these Directorates where variation had occurred to find mitigations and to contain the additional overspend within the 2019/20 budget.			
Ring Fenced Accounts:			
<ul style="list-style-type: none">• The Housing Revenue Account (HRA) of £160.0m gross spend (£2m underspend forecast at P10), 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.• Dedicated Schools Grant (DSG) 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 a £1.1m in year overspend against this approved budget (consists of £0.1m underspend in Early Years, £1.5m overspend in High Needs and a £0.2m underspend in the Schools Block), this net overspend is proposed to be managed through the ring-fenced reserves.• Public Health, a ring-fenced grant of £31.6m (with a forecast variation of £0.1m at P10 to be met from PH			

reserve), must be spent to support the delivery of the Public Health Outcomes Framework exclusively for all ages and is managed within the People Directorate.

Full detail for each of these areas is provided in the main monitoring report, Appendix A.

Capital Programme:

- Revised capital Programme budget of £159.5m, with a forecast breakeven position at P10, fully funded through the use of external funding, capital receipts and borrowing.

Recommendations:

That Cabinet note,

- A risk of overspend on General fund services of £6.6m for 19/20 representing 1.8% of the approved budget (Appendix A), supplementary estimates requests will be expected to balance the 2019/20 in-year position.
- A forecast £2m underspend position with regard to the Housing Revenue Account and any underspend at year-end will be carried forward and built into the future programme.
- A forecast £1.1m overspend for the Dedicated Schools Grant against approved budget.
- Risks of £0.1m overspend to be covered by ring-fenced reserves on Public health, which is being monitored.
- The Sundry Debt position of £21.6m over 90 days as at Period 10, increased from £20.8m since P9. 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: 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

EDM Sign-off	Denise Murray	24/02/2020
Cabinet Member sign-off	Cllr Cheney	24/02/2020
For Key Decisions - Mayor's Office sign-off	Mayor's Office	24/02/2020

Appendix A – P10 Revenue Budget Monitoring Report	YES
Appendix B – P10 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