

<b>CABINET</b>	<b>AGENDA ITEM No. 8</b>
<b>20 NOVEMBER 2017</b>	<b>PUBLIC REPORT</b>

Report of:	Marion Kelly, Interim Corporate Director Resources	
Cabinet Member(s) responsible:	Councillor Seaton, Cabinet Member for Resources	
Contact Officer(s):	Marion Kelly, Interim Corporate Director Resources Peter Carpenter, Service Director Financial Services	Tel. 452520 384564

## **BUDGET CONTROL REPORT SEPTEMBER 2017**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> Interim Corporate Director Resources	<b>Deadline date:</b> N/A
It is recommended that Cabinet notes the current financial year budgetary control position, as at September 2017 and the continuing work by CMT to deliver a balanced budget.	

### **1. ORIGIN OF THE REPORT**

- 1.1. This report is submitted to Cabinet following discussion by the Corporate Management Team (CMT) and Cabinet Policy Forum.

### **2. PURPOSE AND REASON FOR REPORT**

- 2.1. This report comes to Cabinet as part of the Council's agreed process within the Budget and Policy framework that requires Cabinet to initiate and consider financial strategy and budget proposals in order to set a balanced budget for the forthcoming financial year.
- 2.2. This report provides Cabinet with the detailed September 2017 Budgetary Control position.
- 2.3. This report is for Cabinet to consider under its Terms of Reference No. 3.2.1 'To take collective responsibility for the delivery of all strategic Executive functions within the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to deliver excellent services'.

### **3. TIMESCALE**

Is this a Major Policy Item/ Statutory Plan	<b>YES</b>	If yes, date for Cabinet meeting	<b>20 Nov 2017</b>
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### **4. SEPTEMBER BUDGETARY CONTROL – REVENUE**

- 4.1. The revenue budget for 2017/18, agreed at Full Council on 8th March, was approved at £146m. The revised budget is now £152m due to the additional Adult Social Care money of

£3.5m announced after the budget had been approved, and the one-off drawdown of reserves.

	<b>£000</b>
Approved Budget 2017/18	145,771
Additional ASC money	3,524
Drawdown of reserves	2,952
Revised Budget at Sep 17	152,245

4.2. The year-end outturn, based on reported departmental information as at end of September 2017, is currently forecast to be a £1.3m over spend. This reflects £3m of pressures on People and Communities over half of which relates to homelessness costs. This is offset by Growth and Regeneration and Resources savings and to be funded from reserves and balances.

4.3. The summary position is outlined in the following table:

	Budget 2017/18	Cont. from reserve	Revised Budget 2017/18	Forecast Spend 2017/18	Cont. to reserve	Forecast Variance 2017/18	Forecast Variance 2017/18
Directorate	£000	£000	£000	£000	£000	£000	%
Chief Executives	1,619	217	1,836	1,796	0	(40)	-2%
Governance	4,336	115	4,451	4,464	0	13	0%
Growth & Regeneration	24,886	281	25,167	24,226	180	(761)	-3%
People & Communities	82,009	107	82,116	85,092	0	2,976	3%
Public Health	207	0	207	206	0	(1)	-1%
Resources	36,236	2,232	38,468	37,596	0	(872)	-2 %
<b>Total Expenditure</b>	<b>149,293</b>	<b>2,952</b>	<b>152,245</b>	<b>153,380</b>	<b>180</b>	<b>1,315</b>	<b>1%</b>

\* A figure in brackets represents a surplus position

4.4 It needs to be noted that the Resources Directorate is carrying a significant risk. The revenue budget assumes that £12.7m of capital receipts will be generated which Members agreed in the Budget to use to reduce the debt charges for capital (known as minimum revenue provision). The projected outturn assumes that the £12.7m of receipts is fully achieved, based on a risk assessment. However there remains the possibility that the receipts will fall short by £7.2m. If this were to happen, the difference would need to be funded from reserves and balances. However if the disposals were achieved later than 31 March 2018 and therefore received in 2018/19 the receipts could be used to replenish reserves.

4.5 Further information is provided in the following appendices.

## **5. REASON FOR RECOMMENDATION**

- 5.1 The Council must set a lawful and balanced budget every year. This report sets out spending against budget for the first six months of the 2017/18 financial year to ensure it is within the financial remit agreed at budget setting time.

## **6. ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 The Council should review its financial position on a periodic basis throughout the financial year. The next monitoring report will be presented to Cabinet in January 2018. The alternative of not providing any report would result in stakeholders not fully understanding the Council's financial position.

## **7. IMPLICATIONS**

- 7.1 The financial, legal and equalities implications are set out in the body of the report.

## **8. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985.

- 8.1 None.

## **9. APPENDICES**

- 9.1 Appendix A - Detailed Revenue Budgetary Control position and explanation of key variances
- 9.2 Appendix B - Risks Identified
- 9.3 Appendix C - Reserves position
- 9.4 Appendix D - Asset Investment and Treasury Budget Report

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