

<b>CABINET</b>	<b>AGENDA ITEM No. 7</b>
<b>15 JANUARY 2018</b>	<b>PUBLIC REPORT</b>

Report of:	Marion Kelly, Interim Director of Resources	
Cabinet Member(s) responsible:	Councillor David Seaton, Cabinet Member for Resources	
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## **NOVEMBER 2017 BUDGET CONTROL REPORT**

<b>RECOMMENDATIONS</b>	
<b>FROM: Cabinet Member for Resources</b>	<b>Deadline date: N/A</b>
It is recommended that Cabinet notes the Budget Control Position for 2017/18 set out in the report.	

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

- 1.1 This report is submitted to Cabinet following discussion by the Corporate Management Team (CMT), Cabinet Policy Forum, and the cross-party Budget Working Group.

### **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 an update of the November 2017 Budgetary Control.
- 2.3 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' and 3.2.5 'To review and recommend to Council changes to the Council's Constitution, protocols and procedure rules'.

### **3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	<b>15 JAN 18</b>
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#### 4. NOVEMBER BUDGETARY CONTROL

- 4.1 The revenue budget for 2017/18, agreed at Full Council on 8th March 2017, was approved at £146m. The revised budget is now £152m due to the additional Adult Social Care funding 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 2017/18 Adult Social Care funding	3,524
Drawdown of reserves	2,783
Revised Budget at Nov 17	152,078

- 4.2 The year-end outturn, based on reported departmental information as at end of November 2017, is currently forecast to be a £1.125m underspend. The underspend will be transferred to the Capacity reserve to support the budget in future years. The position reflects £3.179m of pressures on People and Communities, over half of which relates to homelessness costs. The People and Communities position is offset by savings within Growth and Regeneration, Resources and Capital Financing.

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

Directorate	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	Previous Variance	Movement
	£000	£000	£000	£000	£000	£000	%	£000	£000
Chief Executives	1,633	217	1,850	1,775	0	(75)	-4%	(40)	(35)
Governance	4,497	115	4,612	4,654	0	42	1%	13	29
Growth & Regeneration	24,887	220	25,107	23,910	255	(942)	-4%	(761)	(181)
People & Communities	81,835	173	82,008	85,187	0	3,179	4%	2,976	203
Public Health	206	0	206	39	0	(167)	-81%	(1)	(166)
Resources	36,237	2,058	38,295	35,133	0	(3,162)	-8%	(872)	(2,290)
<b>Total Expenditure</b>	<b>149,295</b>	<b>2,783</b>	<b>152,078</b>	<b>150,698</b>	<b>255</b>	<b>(1,125)</b>	<b>-1%</b>	<b>1,315</b>	<b>(2,440)</b>
Financing	(149,295)	(2,783)	(152,078)	(152,078)	1,125	1,125	-1%	0	1,125
<b>Net</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,380)</b>	<b>1,380</b>	<b>0</b>	<b>-1%</b>	<b>1,315</b>	<b>(1,315)</b>

- 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 a possibility that the receipts will fall short of the total. 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 received in 2018/19 the receipts could be used to replenish the reserves.

- 4.5 Further information is provided in the following appendices:  
 Appendix 1 - Detailed Revenue Budgetary Control position and explanation of Key variance  
 Appendix 2 - Risks Identified  
 Appendix 3 - Reserves position  
 Appendix 4 - Asset Investment and Treasury Budget Report