

<b>CABINET</b>	<b>AGENDA ITEM No. 8</b>
<b>26 MARCH 2018</b>	<b>PUBLIC REPORT</b>

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

## BUDGET CONTROL REPORT JANUARY 2018

RECOMMENDATIONS	
FROM: Corporate Director: Resources	Deadline date:
<p>It is recommended that Cabinet notes:</p> <ol style="list-style-type: none"> <li>1. The Budgetary Control position for 2017/18 at January includes an underspend of £3.466m for Revenue.</li> <li>2. A contribution to the capacity reserve of £3.466m, which relates to the 2017/18 underspend as reflected in Appendix A.</li> <li>3. The estimated reserves position for 2017/18 outlined in Appendix C</li> <li>4. The Asset Investment and Treasury Budget position outlined in Appendix D.</li> </ol> <p>It is recommended that Cabinet approves:</p> <ol style="list-style-type: none"> <li>5. The virement of a capital budget of £0.310m for further investment in to the day opportunities service, as outlined in Appendix D, from the People and Communities budget.</li> </ol>	

### 1. ORIGIN OF THE REPORT

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

### 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 January 2018 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' and 3.2.5 'To review and recommend to Council changes to the Council's Constitution, protocols and procedure rules'.

### 3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	<b>YES</b>	If yes, date for Cabinet meeting	<b>26/03/2018</b>
Date for relevant Council meeting	<b>18/04/2018</b>	Date for submission to Government Dept.	<b>N/A</b>

### 4. JANUARY BUDGETARY CONTROL- REVENUE

4.1. The revenue budget for 2017/18, agreed at Full Council on 8 March 2017, 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>Revised Budget 2017/18</b>	<b>£000</b>
Approved Budget 2017/18	145,771
Additional Adult Social Care money	3,524
Drawdown of reserves	2,743
Revised Budget at January 2018	152,038

4.2 The forecast year-end outturn is based on reported departmental information as at the end of January 2018. The outturn is forecast to be a £3.466m under spend after allowing for departmental contributions to reserves, this will be transferred to the Capacity Reserve to support the budget in future years. The position reflects £1.4m of pressures on People and Communities, the largest overspend is homelessness costs. The People and Communities pressure 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 Month Variance	Movement
	£000	£000	£000	£000	£000	£000	%	£000	£000
Chief Executives	1,633	217	1,850	1,559	0	(291)	-16%	(173)	(118)
Governance	4,498	115	4,613	4,609	0	(4)	0%	(17)	13
Growth & Regeneration	24,887	220	25,107	23,304	255	(1,548)	-6%	(1,015)	(533)
People & Communities	81,835	173	82,008	83,432	0	1,424	2%	1,817	(393)
Public Health	206	0	206	39	0	(167)	-81%	(168)	1
Resources	36,236	2,018	38,254	34,776	511	(2,967)	-8%	(3,037)	70
<b>Total Expenditure</b>	<b>149,294</b>	<b>2,744</b>	<b>152,038</b>	<b>147,719</b>	<b>766</b>	<b>(3,553)</b>	<b>-2%</b>	<b>(2,593)</b>	<b>(960)</b>
Financing	(149,294)	(2,744)	(152,038)	(151,951)	0	87	(0)	87	0
Contribution to	0		0	0	3,466	3,466	0%	2,506	960

<b>Capacity reserve</b>									
<b>Net</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(4,232)</b>	<b>4,232</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</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 therefore received in 2018/19 the reserves could be used, and would then need to be replenished. The Cabinet Member will update Members on the position verbally at the Cabinet meeting on the 26 March 2018.

4.5 Further information is provided in the following appendices:

- Appendix A- Detailed Revenue Budgetary Control position and explanation of Key variances
- Appendix B- Risks Identified
- Appendix C- Reserves position
- Appendix D- Asset Investment and Treasury Budget Report

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