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## December 2015 Quarter 3 Revenue Budget Monitoring

Report of Cllr Richard Wenham, Executive Member for Corporate Resources  
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**This report relates to a Non Key Decision**

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### Purpose of this report

1. The report sets out the financial position for 2015/16 as at the end of December 2015. It sets out spend to date against the profiled budget and the forecast financial outturn. Explanations for the variances are set out below in Appendix A. This report enables the Executive to consider the overall financial position of the Council and agree any further actions.

### RECOMMENDATIONS

The Executive is asked to:

1. **note that the revenue forecast position is to underspend by £0.1M (over budget by £0.9M in November, £1.1M over last year) and request officers to continue to take the necessary action to maintain an underspend; and**
2. **note that the budget includes £2.1M of contingency costs which are currently forecast to be used. There is no call on this contingency at present.**

### Issues

2. Forecast outturn position as at December 2015 is under budget by £0.1M (£0.9M over budget in November).
3. This is mainly due to the transfer of £0.75M Care Act budget to Social Care, Health & Housing (SCHH), thus reducing the forecast overspend in this area. Previously this was reported in Corporate Costs and was forecast to be spent, although there were no costs arising in that area. and £0.2M additional Section 38 income within Community Services.

4. SCHH forecast overspend is £0.5M (£1.2M in November) due to the demand for care packages for residential and non residential nursing placements and people with learning disabilities. The decrease is due to the inclusion of £0.75M Care Act provision funding mentioned above. This is the purpose for which the provision was made.
5. Children's Services have increased their forecast overspend to £1.4M (£1.3M in November). This is mainly due to additional Asylum support costs, additional support for a young person at St Christopher's and 2 new leaving care placements. A full explanation of the full year overspend is contained in Appendix A.
6. Community Services have increased their forecast underspend to £1.3M (£0.9M in November) this is due to; £0.2M additional forecast Section 38 income, £0.05M savings due to the temporary closure of Biggleswade Household Waste Recycling Centre and £0.15M savings within Leisure. A full explanation of the full year underspend is contained in Appendix A.
7. The underspends in Information and Corporate Services and Corporate Resources are due to an increase in forecast Housing Revenue Account (HRA) recharges as well as a delay in recruitment to the Local Land Charges Manager post. There are several changes since last month; savings due to Programme/Project Manager vacancy, reduction in the forecast for agency staff within People and savings within Legal and Democratic Services.
8. The underspend in Corporate Costs is a result of less than budgeted interest charges which offsets the unachievable Customer First efficiency.
9. We are holding a contingency of £2.1M against which no call has yet been made. If this contingency is released then this results in an underspend of £2.2M.
10. Overall debt is £10M compared to £11M in November. Debt over 61 days is £5.9M (60%). November £6.1M (56%).
11. The table below details the Year to Date (YTD) and Full Year variances by directorate:

Directorate	Year to Date - December P9			Full Year		
	Budget £m	Actual £m	Variance £m	Budget £m	Forecast Outturn £m	Variance £m
SCHH	48.5	48.5	(0.0)	64.6	65.1	0.5
Childrens Services	27.7	28.4	0.7	36.7	38.2	1.4
Community Services	36.3	34.6	(1.7)	48.6	47.3	(1.3)
Regeneration	3.4	2.7	(0.7)	4.8	4.8	(0.1)
Public Health	0.0	0.2	0.2	0.0	0.0	0.0
Improvement & Corporate Services	11.8	10.8	(1.0)	15.9	15.6	(0.3)
Corporate Resources	3.3	3.1	(0.1)	4.7	4.6	(0.1)
Corporate Costs	6.3	5.8	(0.6)	11.0	10.8	(0.2)
<b>Total Excl Landlord Business</b>	<b>137.3</b>	<b>134.2</b>	<b>(3.1)</b>	<b>186.5</b>	<b>186.4</b>	<b>(0.1)</b>
Schools	0.0	0.0	0.0	0.0	0.0	0.0
Landlord Business	(0.1)	(0.1)	(0.0)	0.0	0.0	0.0
<b>Total</b>	<b>137.2</b>	<b>134.0</b>	<b>(3.2)</b>	<b>186.5</b>	<b>186.4</b>	<b>(0.1)</b>

## RESERVES POSITION

12. The general fund full year forecast position includes a net £3.7M movement in reserves.
13. In terms of use of general fund earmarked reserves, SCHH are forecast to use £1.7M, Children's Services £1.6M, Public Health £0.5M, Regeneration £0.2M, Community Services £1.3M, ICS £0.2M and Corporate Costs £0.6M. Total use is £6.1M.
14. This is offset by the creation of a £2M Earmarked Reserves (EMR) for the New Homes Bonus (NHB) which we will receive in 2015/16. This was a conscious decision within the MTFP to both reduce reliance on NHB and to build a fund for investment. There is also a budgeted transfer to EMR of £500k to top up the Redundancy Reserve and £400k to top up the Insurance Reserve and £0.2M which are Elections related. In addition, Government announced a 6.2% in year reduction to Public Health reserves as part of the Emergency Budget in July 2015. For CBC this was a reduction of £746K. Total proposed transfer to reserves is £2.4M.
15. See Appendix B for details of which EMR have been used (note that Corporate Costs shows a number of reserves that are reflected in Directorate forecasts).

## **General Reserves**

16. The opening position for 2015/16 is £15.2M. There are no further uses or contributions planned this year.

## **Council Priorities**

17. Sound financial management contributes to the Council's Value for Money and enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to all 6 Council priorities.

## **Corporate Implications**

### **Legal Implications**

18. None

### **Financial Implications**

19. The financial implications are set out in the report.

### **Equalities Implications**

20. Equality Impact Assessments were undertaken prior to the allocation of the 2015/16 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

## **Appendices**

Appendix A – Detailed Directorate Commentary  
Appendix B – Earmarked Reserves.  
Appendix C – Debt Management  
Appendix D – Treasury Management