

Central Bedfordshire Council

EXECUTIVE

20 June 2017

Revenue Budget Monitoring Provisional Outturn March 2017 (subject to audit)

Report of: Cllr Richard Wenham, Deputy Leader and Executive Member for Corporate Resources

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Responsible Director: Charles Warboys, Director of Resources & S151 Officer

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This report relates to a non key decision

Purpose of this report

1. The report sets out the provisional outturn financial position for 2016/17 as at the end of March 2017 (subject to audit). It sets out spend against the approved budget and it excludes the Housing Revenue Account which is subject to a separate report. Explanations for the variances are set out below in Appendix A.
2. This report enables the Executive to consider the overall provisional outturn financial position of the Council (subject to audit).

RECOMMENDATIONS

The Executive is asked to:

1. **consider the current provisional revenue outturn position (subject to audit) which is an underspend of £0.052M;**
2. **note that the provisional outturn position and new proposed earmarked reserves were approved by the Leader, Deputy Leader, Chief Executive and Director of Resources under a delegated approval granted by the Executive on 4 April 2017;**
3. **note that the budget included £2.1M of contingency costs which were not used; and**
4. **note the proposed new earmarked reserves at Table 2.**

Issues

3. The provisional outturn position (subject to audit) as at March 2017 is £0.052M under budget.
4. A full explanation of the variance to budget is contained in Appendix A.
5. Table 1 below summarises the full year variances by directorate:

Provisional Outturn March 2017			
Directorate	Budget £m	Actual £m	Variance £m
SCHH	69.3	69.8	0.5
Childrens Services	36.6	36.1	(0.6)
Community Services	46.7	46.5	(0.2)
Regeneration	5.9	5.7	(0.2)
Public Health	0.0	0.0	0.0
Chief Executive's	7.5	8.0	0.6
Resources	11.7	10.9	(0.8)
Corporate Costs	11.5	12.1	0.7
Total Excl Landlord Business	189.2	189.1	(0.1)
Schools	0.0	0.0	0.0
Landlord Business	0.0	0.0	(0.0)
Total	189.2	189.1	(0.1)

DEBT

6. Overall debt in March is £11.6M compared to February at £9.8M, £13.0M last year. Within that £4.2M is under 30 days (44%). Debt over 61 days is £4.6M (40%) compared to £4.5M (46%) in February 2017 and £5.4M last year. Work is continuing to analyse the debt and ensure effective and efficient recovery procedures are followed.

RESERVES POSITION

7. The general fund full year provisional outturn position includes a net £12.2M increase in earmarked reserves (EMR) - excluding Schools and HRA.

8. There was a use of (£4.2M) EMR by the Directorates, used for the purposes they were created.
9. This is offset by the creation of a £4.7M EMR for the New Homes Bonus (NHB) received in 2016/17. This was a conscious decision within the MTFP to both reduce reliance on NHB and to build a fund for investment. This leaves the NHB reserve at £6.8M including carry forward from 2015/16. There is also a release of (£2.5M) s31 Grant to offset discounts applied to NNDR, and an addition of £1.7M to release in 2017/18, both budgeted within the MTFP.
10. £8.8M of New Proposed Earmarked Reserves were created to carry into 2017/18 (see Table 2 below).
11. In addition, there is also a budgeted transfer to EMR of £0.5M to top up the Redundancy Reserve and £0.3M to top up the Insurance reserve. Public Health also contributed £0.2M to their reserves due to the ringfence on over/underspends. There is also an increase of £2.7M due to Grants received in advance with conditions attached.
12. See Appendix B for details of which EMR have been used.

Table 2 - 2016/17 Proposed New earmarked Reserves

Directorate	Earmarked Reserve	£K
Corporate Costs	Transformation	900
Corporate Costs	SEN Transport	250
Corporate Costs	Financing Charges and Capital Options	1,219
Childrens Services	Locality Options	200
Community Services	Civil Enforcement Officers	140
Community Services	Community Integration	100
Community Services	Construction Related projects	150
Community Services	Highways/Street Scene	1,300
Community Services	Legal	3,500
Regeneration	Sustainable Transport Bids	50
Regeneration	Employment Skills	100
CEO	IT Cloud Transition	900
		8,809
<u>Funded by</u>		
MRP Policy Change		(4,719)
Release of Contingency		(2,150)
Underlying Underspend		(1,940)
		(8,809)

General Reserves

13. The opening position for 2016/17 is £15.5M. There will be a further contribution of £0.05M in 2016/17 (in year underspend).

Council Priorities

14. 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

15. None.

Financial Implications

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

Equalities Implications

17. Equality Impact Assessments were undertaken prior to the allocation of the 2016/17 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