
Meeting: Executive
Date: 19 August 2014
Subject: June 2014 – Quarter 1 Revenue Budget Monitoring Report
Report of: Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Resources
Summary: The report sets out the financial position for 2014/15 as at the end of June 2014. It sets out spend to date against the profiled budget and the forecast financial outturn. It excludes the Housing Revenue Account which is subject to a separate report.

Advising Officer: Charles Warboys, Chief Finance Officer
Contact Officer: Charles Warboys, Chief Finance Officer
Public/Exempt: Public
Wards Affected: All
Function of: Executive
Key Decision Yes
**Reason for urgency/
exemption from call-in
(if appropriate)** Not applicable

CORPORATE IMPLICATIONS

Council Priorities:

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 5 Council priorities.

Financial:

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

Legal:

2. None.

Risk Management:

3. None.

Staffing (including Trades Unions):

4. Any staffing reductions will be carried out in accordance with the Council's Managing Change Policy and in consultation with the Trades Unions.

Equalities/Human Rights:

5. Equality Impact Assessments were undertaken prior to the allocation of the 2014/15 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Public Health:

6. None.

Community Safety:

7. None.

Sustainability:

8. None.

Procurement:

9. None.

Overview and Scrutiny:

10. The June Quarter One Revenue Budget Monitoring report will be considered by the Corporate Resources Overview and Scrutiny Committee on 23 September 2014.

RECOMMENDATIONS:**The Executive is asked to:**

1. **consider the Revenue forecast position which is currently to overspend budget by £0.7m; and**
2. **request officers to continue with their efforts to achieve a minimum balanced outturn or an underspend.**

Reason for Recommendations: To facilitate effective financial management and planning.

Executive Summary

11. The report sets out the provisional financial position for 2014/15 based at the end of June 2014. Further explanations are set out in Appendices A - C. This report enables the Executive to review the overall financial outturn position of the Council, which is subject to audit.

EXECUTIVE SUMMARY

KEY HIGHLIGHTS (Directorate Budget Monitoring Detail in Appendix A)

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- The forecast outturn position as at June 2014 is an overspend of £0.7m.
 - The Year to Date (YTD) spend is £1.0m above budget of which £0.2m is within the Service directorates, with the remainder relating to schools and the HRA.
 - Risks and opportunities indicate a risk to forecast outturn of £3.4m (see Appendix C).
 - June non current debt (i.e. debt that is more than 14 days from date of invoice) excluding House sales and Grants is £7.9m (£8.1m in May). All debt is under active management (see Appendix C).

The table below details the YTD and Full Year variances by directorate:

Directorate	Year to Date - June P3			Full Year		
	Budget £m	Actual £m	Variance £m	Budget £m	Forecast Outturn £m	Variance £m
SCHH	15.8	16.1	0.4	62.9	63.4	0.5
Childrens Services	11.4	11.4	(0.0)	44.8	45.8	1.0
Community Services	8.9	8.9	0.0	36.7	36.5	(0.2)
Regeneration	0.4	0.6	0.2	5.1	5.1	0.0
Public Health	(1.0)	(1.0)	(0.1)	0.0	0.0	0.0
Improvement & Corporate Services	5.4	5.6	0.2	21.6	21.6	0.0
Corporate Resources	1.3	1.0	(0.2)	5.0	5.0	0.0
Corporate Costs	2.1	1.8	(0.3)	9.9	9.2	(0.7)
Total Exc HRA	44.2	44.4	0.2	186.0	186.7	0.7
Schools	0.0	0.2	0.2	0.0	0.0	0.0
HRA	0.0	0.6	0.6	0.0	0.0	0.0
Total	44.2	45.2	1.0	186.0	186.7	0.7

RESERVES POSITION

Earmarked Reserves (Appendix B)

13. The opening balance of General Fund Earmarked Reserves (EMR) is £24.7m (Excluding HRA and Schools). The current reported position proposes the planned use of £3.56m Earmarked reserves (used of offset expenditure) and proposed transfer to Earmarked reserves of £0.09m (budgeted), and the creation of a new proposed Business Rates Retention reserve for £0.5m as funding has been received that relates to costs that will be incurred in 2015/16. This would result in a forecast closing position of £21.74m. See Appendix B for details of which reserves have been used.

General Reserves

14. The opening position for 2014/15 is £15.1m (subject to audit). There are no further uses or contributions planned for 2014/15.

RISKS AND OPPORTUNITIES

15. Directorate risks & opportunities indicate a risk to the outturn of £3.4m

The main risks identified are:

- £1.0m SCHH 65+ placements and packages - increasing demand for services and increased complexity of care.
- £0.9m SCHH - under 65 Learning Disability placements and packages - additional transitions, more personalised support packages.
- £0.35m ICS Legal Services - Forecast Pressures around staff costs and court fees may not be able to be mitigated by savings in other parts of the service area.
- £0.25m Community Services – possible non achievement of parking income £0.43m Children's Services - agency staff efficiency at risk due to delay in permanent recruitment.

Opportunities :

- Minimum Revenue Provision might be lower than budget £0.2m (calculation subject to audit).

Total £0.2m

Appendices

Appendix A – Detailed Directorate Commentary

Appendix B – Earmarked Reserves

Appendix C – Debt Management