
Revenue Budget Monitoring Forecast Outturn June 2016 (Q1)

Report of **Cllr Richard Wenham, Executive Member for Corporate Resources** (cllr.richard.wenham@centralbedfordshire.gov.uk)

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This report relates to a Non Key Decision

Purpose of this report : The report sets out the provisional outturn financial position for 2016/17 as at the end of June 2016. 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.

This report enables the Executive to consider the overall financial position of the Council.

RECOMMENDATIONS

The Executive is asked to:

1. **note the forecast revenue outturn position which is an overspend of £1.9M and**
2. **request that officers continue to look for compensatory savings in order to deliver a balanced budget.**

Issues

1. The forecast outturn position as at June 2016 is £1.9M over budget (£2.5M over last year). The year to date spend is £1.0M below budget and so the rest of year spend is effectively over budget by £2.9M.
2. The Social Care Health & Housing forecast overspend is £1.9M. This forecast overspend is mainly due to flowthrough of overspends from 2015/16 and unachievable efficiencies against Care Act funding (£0.75M) and Care Packages (£0.7M).
3. Children's Services are over by £0.3M which relates to Children with Disability numbers being higher than budget.
4. Community Services are under by £0.2M which is spread across a number of cost centres.

5. Regeneration are slightly under (£0.1M) due to salary underspends. All other Directorates are forecasting to achieve budget at present.
6. Overall debt is £10.6M compared to £12.6M in May. Debt over 61 days is £4.3M (41%). May was £5.1M (41%). Work is continuing to analyse the debt and ensure effective and efficient recovery procedures are followed. See Appendix C.
7. The Table below details the full year variances by directorate:

Directorate	Year to Date - June P3			Full Year		
	Budget	Actual	Variance	Budget	Forecast	Variance
	£m	£m	£m	£m	£m	£m
SCHH	17.0	17.0	0.1	67.9	69.8	1.9
Childrens Services	9.1	9.1	(0.0)	36.4	36.7	0.3
Community Services	12.0	11.5	(0.5)	47.4	47.2	(0.2)
Regeneration	1.0	0.5	(0.5)	5.1	5.1	(0.1)
Public Health	0.0	0.1	0.1	0.0	0.0	0.0
Improvement & Corporate Services	3.8	3.8	0.0	15.2	15.2	0.0
Corporate Resources	1.1	1.0	(0.1)	4.9	4.9	0.0
Corporate Costs	2.2	2.2	(0.0)	12.2	12.2	0.0
Total Excl Landlord Business	46.2	45.3	(1.0)	189.2	191.1	1.9
Schools	0.0	0.0	0.0	0.0	0.0	0.0
Landlord Business	0.0	0.0	0.0	0.0	0.0	0.0
Total	46.2	45.3	(1.0)	189.2	191.1	1.9

RESERVES POSITION

8. The general fund full year forecast position includes a net £3.2M increase in reserves (excluding Schools).
9. In terms of use of general fund earmarked reserves, SCHH are forecast to use £0.2M, Children's Services £0.4M, Community Services £0.9M, Public Health £0.2M, ICS £0.2M and Regeneration £0.2M. Note that these reserves are being used for the purpose for which they were set aside last year.
10. This is offset by the creation of a £4.7M EMR for the New Homes Bonus (NHB) which we will receive 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.

11. There is also a budgeted transfer to EMR of £500k to top up the Redundancy Reserve.
12. See Appendix B for details of which EMR have been used (note that Corporate Costs shows a number of reserves that are reflected in the Directorate outturns, for example the use of the redundancy reserve).

General Reserves

13. The opening position for 2016/17 is £15.5M. There are no further uses or contributions planned this year.

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