
Revenue Budget Monitoring June (Q1) 2018

Report of Cllr Richard Wenham, Deputy Leader and Executive Member for Corporate Resources (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 forecast outturn financial position for 2018/19 as at the end of June 2018. 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

Executive is asked to:

- 1. note the current revenue forecast outturn position for 2018/19 which is an overspend of £0.8M;**
- 2. note that the budget includes £2.1M of contingency costs against which no call has yet been made. If this contingency is released then this results in an underspend of £1.3M; and**
- 3. 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 2018 is £0.8M over budget (£0.2M under budget June 2017).

2. Community Services is forecasting an overspend of £0.8M which mainly relates to the changes in the market for recycle materials. Previously we sold recycle materials and gained an income, but this is now a cost to dispose. Market conditions are fluctuating so this will need careful monitoring throughout the year.
3. SCHH are forecasting £0.25M over budget which relates to increased mental health package costs.
4. All other service directorates are forecasting to budget.
5. Corporate costs is under by £0.4M due to lower than budgeted pensions costs and reduced interest costs.
6. 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 £1.3M.
7. The table below details the full year variances by directorate:

Directorate	Year to Date - June P03			Full Year		
	Budget £m	Actual £m	Variance £m	Budget £m	Forecast Outturn £m	Variance £m
SCHH	18.8	19.2	0.5	75.0	75.2	0.3
Childrens Services	8.8	8.9	0.1	35.4	35.4	0.0
Community Services	13.5	13.9	0.4	50.9	51.7	0.8
Regeneration	0.6	0.1	(0.4)	5.3	5.3	0.0
Public Health	0.0	0.0	(0.0)	0.1	0.1	0.0
Chief Executive's	0.3	0.4	0.0	1.3	1.3	(0.1)
Resources	3.1	3.2	0.1	12.4	12.5	0.1
Corporate Costs	1.2	1.1	(0.1)	9.3	8.9	(0.4)
Total Excl Landlord Business	46.2	46.9	0.6	189.8	190.5	0.8

Reserves Position

8. The table below shows the forecast net movement in earmarked reserves during 2018/19. All movements were budgeted in the MTFP.

	£M	£M
Opening 2018/19		51.0
Use of Reserves		
SCHH	(1.4)	
Children's Services	0.0	
Community Services	(3.3)	
Regeneration	0.0	
Corporate Costs	(0.4)	
		(5.1)
Receipts in Advance & Technical Adjustments		
New Homes Bonus	2.0	
S31 Grant to offset NNDR Discounts	2.2	
Increase to Redundancy	0.5	
		4.7
Closing Balance 2018/19		50.6

General Reserves

9. The opening position for 2018/19 is £15.7M. There are no further planned additions.

Council Priorities

10. 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

11. None.

Financial Implications

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

Equalities Implications

13. Equality Impact Assessments were undertaken prior to the allocation of the 2018/19 budgets and Members were advised of significant equality implications relating to the budget proposals when setting the Council's Budget in February 2018.

Appendices

Appendix A – Detailed Directorate Commentary

Appendix B - Debt Management

Appendix C – Treasury Management