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## Revenue Budget Monitoring September (Q2) 2018

Report of Cllr Richard Wenham, Deputy Leader and Executive Member for Corporate Resources ([richard.wenham@centralbedfordshire.gov.uk](mailto:richard.wenham@centralbedfordshire.gov.uk))

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### This report relates to a Non Key Decision

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#### Purpose of this report

The report sets out the forecast outturn financial position for 2018/19 as at the end of September 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 £1.6M (before the release of the contingency);**
- 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 £0.5M; 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 September 2018 is £1.6M over budget (before the release of the contingency).
2. SCHH is forecasting an overspend of £1.0M which relates to increased Homecare costs (including the full year effect of the new contract arrangements from last year), increased Respite and Residential package costs and also increased mental health costs.

3. 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.
4. Children's Services is forecasting an overspend of £0.5M. This is due to increases in Independent Fostering and Adoption and additional costs in residential care.
5. Regeneration are forecasting £0.3M below budget mainly relating to pay underspends.
6. The Chief Executive Directorate is under by £0.1M and Public Health is on budget.
7. Resources is forecasting an overspend of £0.3M due mainly to increased Legal costs incurred across the Council.
8. Corporate costs is under by £0.7M due to lower than budgeted pensions costs and reduced interest costs.
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 £0.5M.
10. The table below details the full year variances by directorate:

Directorate	Year to Date - September P06			Full Year		
	Budget	Actual	Variance	Budget	Forecast	Variance
	£m	£m	£m	£m	£m	£m
SCHH	37.6	37.8	0.2	75.3	76.3	1.0
Childrens Services	18.1	18.4	0.3	35.7	36.2	0.5
Community Services	25.8	26.8	1.0	51.2	52.0	0.8
Regeneration	2.0	1.8	(0.2)	5.5	5.2	(0.3)
Public Health	0.0	0.0	0.0	0.1	0.1	0.0
Chief Executive's	0.7	0.7	(0.0)	1.4	1.3	(0.1)
Resources	6.3	6.3	(0.0)	12.6	12.9	0.3
Corporate Costs	2.5	2.3	(0.3)	8.0	7.4	(0.7)
<b>Total Excl Landlord Business</b>	<b>93.1</b>	<b>94.1</b>	<b>1.1</b>	<b>189.7</b>	<b>191.3</b>	<b>1.6</b>

## Reserves Position

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

	£M	£M
<b>Opening 2018/19</b>		<b>51.0</b>
<b>Use of Reserves</b>		
SCHH	(1.4)	
Children's Services	(1.0)	
Community Services	(3.8)	
Regeneration	(0.2)	
Public Health	(0.2)	
Corporate Costs	0.0	
		(6.6)
<b>Receipts in Advance &amp; Technical Adjustments</b>		
New Homes Bonus	2.0	
S31 Grant to offset NNDR Discounts	2.2	
Other	0.3	
		4.5
<b>Closing Balance 2018/19</b>		<b>49.0</b>

## General Reserves

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

## Council Priorities

13. 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

14. None.

## Financial Implications

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

## **Equalities Implications**

16. 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