

Central Bedfordshire Council

EXECUTIVE

2 April 2019

Revenue Budget Monitoring December (Q3) 2018

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

Advising Officers: Charles Warboys, Director of Resources & S151 Officer (charles.warboys@centralbedfordshire.gov.uk)

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 December 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 £1.9M (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 £0.2M.**
- 3. request that officers continue to look for compensatory savings in order to deliver a balanced budget (before contingency).**
- 4. delegate authority to approve the 2018/19 revenue, capital and HRA provisional financial outturn positions, subject to audit, to the Chief Executive and the Director of Resources (s.151 Officer) in consultation with the Leader and the Deputy Leader and Executive Member for Corporate Resources. The requirement for the delegation is set out in paragraphs 1 – 3 below the recommendation section; and**
- 5. this delegation is subject to the final outturn position not being more than 1% over/under net budget.**

Delegated Authority

Provisional Financial Outturn 2018/19 (subject to audit)

1. The timescale for the year end close is compulsory and the Council must close the Statement of Accounts (SoA) by the end of May 2019.
2. The schedule for Executive meetings does not match this requirement, with 2 April 2019 being too early for the results to be made available and 11 June 2019 being too late to meet the required sign off of the SoA.
3. The Recommendation is therefore that delegated authority is given to the Chief Executive and Director of Resources (s.151 Officer), in consultation with the Leader and Executive Member for Corporate Resources to agree the provisional financial outturns for revenue, capital and HRA accounts. There will still be a report to Executive in June 2019 on the outturn position, thus bringing the figures into the public domain.

Issues

4. The forecast outturn position as at December 2018 is £1.9M over budget. 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 £0.2M.
5. Year to Date (YTD) is £0.1M above budget. However, Regeneration have received grant funding, for which costs will be incurred during the Rest of the Year (ROY). Normally this is not matched and so the profile is typical for this Directorate. Community Services are also below profile on Highways, Leisure and Waste which is expected to catch up during ROY.
6. SCHH is forecasting an overspend of £1.1M which relates to increased Homecare and Learning Disability/Mental Health costs, and non achievement of Procurement efficiencies.
7. Community Services is forecasting an overspend of £0.6M which mainly relates to Schools Transport (£1.3M), Waste (£0.6M) and IT (£0.4M). This is partly offset by a large underspend on Highways (£0.9M).
8. Children's Services is forecasting an overspend of £1.4M. This is due to overspends on Looked After Children placements (Fostering & Adoption) and Safeguarding/Early Help.
9. Regeneration is forecast £0.4M below budget.
10. Resources is on budget.
11. Chief Executive Office (£0.1M), Public Health (£0.1M) and Corporate costs (£0.8M) are all below budget.

12. The table below details the full year variances by directorate:

Directorate	Year to Date - December P09			Full Year		
	Budget	Actual	Variance	Budget	Forecast	Variance
	£m	£m	£m	£m	£m	£m
SCHH	56.2	56.9	0.7	75.1	76.2	1.1
Childrens Services	27.1	28.2	1.1	35.6	37.1	1.4
Community Services	38.2	37.9	(0.4)	50.9	51.6	0.6
Regeneration	3.7	3.0	(0.7)	5.5	5.1	(0.4)
Public Health	0.1	0.1	0.0	0.1	0.0	(0.1)
Chief Executive's	1.0	1.0	(0.0)	1.4	1.3	(0.1)
Resources	9.4	9.3	(0.0)	12.6	12.6	(0.0)
Corporate Costs	4.2	3.6	(0.6)	8.5	7.7	(0.8)
Total Excl Landlord Business	139.9	140.0	0.1	189.7	191.6	1.9

Reserves Position

Earmarked Reserves

13. The table below shows the forecast net movement in earmarked reserves during 2018/19. All reserves were used for the purposes for which they were created.

	£M	£M
Opening 2018/19		50.7
Net Use of Reserves		
SCHH	(2.6)	
Children's Services	(1.0)	
Community Services	(4.8)	
Regeneration	0.1	
Public Health	0.3	
CEO	(0.1)	
Resources	(0.4)	
	<u> </u>	(8.5)
Receipts in Advance & Technical Adjustments		
New Homes Bonus	1.1	
S31 Grant to offset NNDR Discounts	2.2	
Other	0.0	
	<u> </u>	3.2
Closing Balance 2018/19		<u>45.4</u>

General Reserves

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

Council Priorities

15. 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

16. None.

Financial Implications

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

Equalities Implications

18. 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