



## CABINET REPORT

<b>Report Title</b>	<b>Finance Monitoring to 30 November 2018</b>
---------------------	---

**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	16 January 2019
<b>Key Decision:</b>	YES
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Directorate:</b>	Management Board
<b>Accountable Cabinet Member:</b>	Cllr B Eldred
<b>Ward(s)</b>	N/A

### 1 Purpose

---

- 1.1 Financial monitoring reports will be presented to Cabinet on a bi-monthly basis and will include:
- Revenue – any significant issues requiring action and details of the actions being taken.
  - Budget Risks, including any unachievable savings.
  - Budget Changes and Corrections
  - Capital – progress on key projects
  - Capital appraisals and variations requiring approval or approved under delegation.

### 2 Recommendations

---

- 2.1 That Cabinet notes the contents of the report and notes that future reports will set out the actions being taken by Corporate Management Board to address issues arising.

- 2.2 That Cabinet note the capital appraisals approved under delegation as set out in Appendix 1.

### 3 Issues and Choices

---

#### 3.1 Report Background

- 3.1.1 As the end of the financial year approaches, there are a number of issues to be addressed in relation to the General Fund revenue budget. These are detailed below.

#### 3.2 Key Financial Indicators

Dashboard Indicator Description	Variation from Budget	
	General Fund	Housing Revenue Account
	£m	£m
Controllable Budgets	2.308	(0.160)
Debt Financing and Recharges	(0.247)	0.000
Total	2.061	(0.160)

#### 3.3 General Fund Revenue Budget (Red)

- 3.3.1 The overall General Fund revenue budget is currently forecasting an overspend of £2.061m. This is £0.623m worse than the £1.438m forecast overspend as at the end of period 6 when this was last reported to Cabinet. The two main areas of pressure that are contributing to this overspend are Homelessness and Communities.
- 3.3.2 Homelessness - The combined current forecast overspend on Housing and Benefits as a result of increased homelessness is £1.548m. High levels of homelessness, together with the severe shortage of affordable rented housing, have resulted in a sharp increase in the Council's use of temporary accommodation and the amount of time that homeless households are required to wait until they are offered settled housing.
- 3.3.3 The issues and the overall pressure remains broadly the same as when it was last reported to cabinet as part of the period 6 monitoring position.
- 3.3.4 Communities – A forecast pressure of £0.538m is being forecast in the Communities part of the Customers & Communities Head of Service area. This is mainly due to the mobilisation costs associated with the new Environmental Services contract, and issues with the funding of the old contract being carried into 2018/19.
- 3.3.5 Other – Other currently reported variances (including debt financing and recharges) amount to a net underspend of £0.025m.
- 3.3.6 Corporate Management Board are actively seeking options and actions to manage and mitigate the impact of the risk of an overspend in 2018/19.

#### 3.4 HRA Revenue Budget (Green)

- 3.4.1 There is currently an overall underspend of £0.160m being forecast, which is due to be transferred to HRA reserves.

### **3.5 Capital Programme**

#### **3.5.1 General Fund Capital Programme**

3.5.1.1 The General Fund capital programme is currently forecast to spend up to the latest budget of £26.60m. This includes the carry forwards approved by Cabinet in September and the schedule of in-year changes as shown in Appendix 1. There has been a small increase of £40k due to the introduction of a new scheme for Additional Play Equipment at Hardingstone Recreation Area.

3.5.1.2 Any further additions to the capital programme, including any strategic property purchases, will be subject to the development of a robust business case. In line with Financial Regulations, any proposed additions to the programme greater than £0.25m and/or requiring additional funding from Council resources, will be brought to Cabinet for approval.

#### **3.6 HRA Capital Programme**

3.6.1.1 The approved HRA Capital Programme for 2018/19 stands at £25.694m. The forecasts to date show no significant underspends or overspends.

### **3.7 Choices (Options)**

3.7.1 Cabinet is asked to note the reported financial position and agree the recommendations. There are no alternative options, other than not to agree the recommendations.

## **4 Implications (including financial)**

---

### **4.1 Policy**

4.1.1 The Council agreed a balanced budget for the Capital Programme and Revenue Budgets for both the General Fund and the HRA in February 2018. Delivery of the budget is monitored through the budget monitoring framework.

### **4.2 Resources and Risk**

4.2.1 This report informs the Cabinet of the forecast outturn positions for capital and revenue, for both the General Fund and HRA, as at the end of November 2018. It also highlights the key risks identified to date in delivering those budgets.

4.2.2 All schemes included in the capital programme, or put forward for approval, are fully funded, either through borrowing, internal resources or external funding arrangements.

### **4.3 Legal**

4.3.1 There are no direct legal implications arising from this report.

### **4.4 Equality and Health**

4.4.1 There are no direct equalities implications arising from this report.

4.4.2 A full Community/Equalities Impact Analysis has been completed for the 2018/19 Budget and is available on the Council website.

#### **4.5 Consultees (Internal and External)**

4.5.1 Heads of Service, Budget Managers and Management Board are consulted as part of the budget monitoring process on a monthly basis.

#### **4.6 How the Proposals Deliver Priority Outcomes**

4.6.1 Regular financial monitoring is a key control mechanism and contributes directly to the priorities of sustaining “effective and prudent financial management” and being “an agile, transparent organisation with good governance”.

#### **4.7 Other Implications**

4.1.1 There are no other implications arising from this report.

### **5 Background Papers**

---

5.1 Cabinet and Council Budget and Capital Programme Reports February 2018.

Stuart McGregor, Section 151 Officer, 01604 838347

## Appendix 1

### General Fund Capital Budget Change November 2018

Reference	Scheme Title	2018/19 £	Comments
BA645	Play Equipment Hardingstone Play Area	40,000	