

Finance Monitoring Outturn 2018/19

Relevant Portfolio Holder	Councillor Brian Cooper, Portfolio Holder for Finance and Enabling Services
Relevant Head of Service	Jayne Pickering, Executive Director Finance and Corporate Resources
Non-Key Decision	

1. Purpose and Summary

To report to Cabinet on the Council's financial position for Revenue and Capital for the financial year April 2018 – June 2018.

2. Recommendations

That Cabinet recommend to Council:

2.4 Approval of an increase in the 2018-19 Capital Programme of £21k for S106 funding to be used for outdoor fitness equipment and artwork at sanders park. This is to join the existing budget already approved in 2017/18 and carried forward into 2018/19.

2.5 Approval for the virement of separate revenue budgets to be amalgamated on one budget line due to the renegotiation of the Housing contract with BDHT of £101k.

2.6 Approval for the virement of the Citizens Advice bureau (CAB) budget to be consolidated into one budget area of £41k.

3. Revenue budgets

3.1 This report provides details of the financial performance of the Council. The purpose of this report is to ensure officers and members have relevant information to consider the overall financial position of the Council. The report reflects the finances across all of the Strategic Purposes to enable Members to be aware of the level of funding attributed to each area and how this compares to budget. The summary at 3.4 shows the financial position for revenue funding for the year April – June 2018.

3.2 Financial reports are sent to budget holders on a monthly basis. As part of this process a detailed review is undertaken with support from the finance team to ensure that all issues are considered and significant savings or cost pressures are addressed. This report aims to focus on the key variances from budgets to ensure that these are addressed appropriately during the year.

3.4 The £10.988m original budget as included in the table below is made up of the budget approved in February 2018 of £10.583m which is then adjusted to reflect the transfers from reserves of £327k along with the community group funding £79k.

In addition the Latest Budget 2018/19 of £11.195m includes transfers to/from reserves of £207k which is shown in appendix 1.

**Revenue Budget summary
Financial Year 2017/18 – Overall Council**

Please note figures have been rounded

Strategic Purpose	Original Budget 2018/19 £'000	Revised budget 2018/19 £'000	Budget to date 2018/19 £'000	Actuals 2018/19 £'000	Variance 2018/19 £'000
Keep my place safe and looking good	4,406	4,515	460	329	-131
Help me run a successful business	-559	-559	-140	-125	15
Help me be financially independent	154	115	42	54	12
Help me to live my life independently	-8	-8	-184	-196	-11
Help me find somewhere to live in my locality	725	845	232	217	-15
Provide Good things for me to see, do and visit	660	679	160	154	-6
Enable others to work/do what they need to do (to meet their purpose)	5,609	5,609	1,306	1,327	21
Total	10,988	11,195	1,876	1,760	-116
Corporate Financing	-10,988	-11,195	-516	-596	-81
Grand Total	0	0	1,360	1,164	-197

Financial Commentary:

There are a number of variances across the strategic purposes. The summary above shows the overall position for the Council and the main variations are as a result of:

Keep my place safe and looking good

These budgets include those relating mainly to environmental services, planning, lifeline, CCTV and other activities to deliver against the purpose to ensuring an area is both safe and attractive for the community.

Having reviewed the variance position, the below explains the variances:

- Shortfall in planning application income of **£29k**. There have been a low number of applications approved in the first quarter of 2018/19.

- There are savings within strategic planning due to salary vacancies **£43k**.
- Core Waste have received additional income **£86k** due to new trade recycling service. The income budget will be reviewed for 2019/20 once service is established and resources implications have been fully reviewed.
- In addition there are a number of other savings totalling **£31k**.

Help me run a successful business

The budgets within the strategic purpose include economic development, car parking, all licenses and costs associated with the town and other centres within the District.

- There are no individual variances in the quarter 1 to report.

Help me be financially independent

The strategic purpose includes all costs relating to the support of benefits and the administration and delivery of Council Tax services in the District.

- There are no individual variances in the quarter 1 to report.

Help me to live my life independently

There are a number of budgets relating to the delivery of the strategic purpose including; Lifeline, Community Transport and Disabled facilities grants.

- There are no individual variances in the quarter 1 to report.

Help me find somewhere to live in my locality

The costs associated with homeless prevention, housing strategy and land charges are all included in the strategic purpose.

- Additional land charge income received for the first quarter it is assumed this will be on profile at the end of the financial year.

Provide Good things for me to see, do and visit

The majority of budgets within this purpose relate to Leisure and Culture services.

- There are no individual variances in the quarter 1 to report.

Enable others to work/do what they need to do (to meet their purpose)

All support services and corporate overheads are held within the enabling purpose. These include; IT, HR, Finance, Management team and other support costs.

- There is an underspend of **£38k** within Legal services due to staff vacancies.
- There are a number of unallocated savings that sit within the corporate / enabling service **£122k**

at quarter 1. It is anticipated that these will be offset by service savings during the year as detailed with savings monitoring at point 4 below.

Corporate Financing

- The variance shown **£81k** is due to receiving a discount for making an advance payment on pensions.

4. Savings Monitoring

4.1 The medium term financial plan included £580k of savings identified to be delivered during 2018/19. The breakdown of these savings is attached at appendix 2. To quarter 1 £145k has been realised against the budgeted April to June savings of £145k. In addition there are £454k of unidentified savings for 2018/19 which sit within the corporate / enabling service as highlighted in the table above. To date £1k has been identified against these unidentified savings.

5. Cash Management

5.1 The financial position in relation to borrowing at the start of the financial year and year to date positions is shown in the table below:

Date	£m	Position
As at 31 st March 2018 (Actual)	13.0	Borrowing
As at 30 th June 2018	13.0	Borrowing

Borrowing

Outstanding as at the 30th June 2018 are £13m in short term borrowing with associated borrowing costs within the quarter of £13k.

An interest payable budget has been set of £71k for 2018/19 due to expenditure relating to current capital projects.

Investments

At 30th June 2018 there were £2.5m investments held.

6. Capital Budgets

<p>Capital Budget summary Financial Year 2018/19 – Overall Council</p>

Please note figures have been rounded

Strategic Purpose	Original Budget 2018/19 £'000	Revised budget 2018/19 £'000	Budget to date 2018/19 £'000	Actuals 2018/19 £'000	Variance 2018/19 £'000
Keep my place safe and looking good	1,660	1,660	425	107	-318
Help me to live my life independently	1,006	1,006	224	222	-2
Provide good things for me to see, do and visit	100	100	25	0	-25
Enable others to work/do what they need to do (to meet their purpose)	10	10	4	4	0
Totals	2,776	2,776	678	333	-345

Finance commentary:

Keep my place safe and looking good

The variance for quarter 1 mainly relates to the fleet replacement budget. Discussions are now being made to agree specifications with a plan to place orders for the autumn.

Help me to live my life independently

There are no significant individual variances in the quarter 1 to report.

Provide Good things for me to see, do and visit

The project within this strategic purpose, providing £100k towards refurbishment of the Hagley Scouts headquarters, is in the process of being completed and is expected to be within the second quarter of 2018/19.

Enable others to work/do what they need to do (to meet their purpose)

There are no significant individual variances in the quarter 1 to report.

7. Earmarked Reserves

7.1 The position as at 30th June 2018/19 is shown in Appendix 1.

8. General Fund Balances

9.1 The General Fund Balance as at the 31th March 2018 is £4.789m. A balanced budget was approved in February 2018 to include identified savings which have been built into individual budget allocations. This also included a planned use of balances for 2018/19 of £9k.

9. Legal Implications

10.1 No Legal implications have been identified.

10. Service/Operational Implications

11.1 Managers meet with finance officers on a monthly basis to consider the current financial position and to ensure actions are in place to mitigate any overspends.

11. Risk Management

12.1 The report includes the risks associated with the delivery of the savings within the efficiency plan.

APPENDICES

Appendix 1 - Earmarked Reserves 2018/19
Appendix 2 - Savings Monitoring 2018/19
Appendix 3 – Strategic Purposes detail 2018/19

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