

Cabinet	
26 February 2020	
Report of: Neville Murton, Corporate Director Resources	Classification: Unrestricted
Revenue and Capital Budget Monitoring Quarter 3 2019-20	

Lead Member	Councillor Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Tim Harlock – Chief Accountant
Wards affected	All wards
Key Decision?	No
Forward Plan Notice Published	23/12/2019
Reason for Key Decision	N/A
Strategic Plan Priority / Outcome	<p>1. People are aspirational, independent and have equal access to opportunities.</p> <p>2. A borough that our residents are proud of and love to live in.</p> <p>3. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.</p>

Executive Summary

This report introduces the budget monitoring report for Quarter 3. It includes details about General Fund revenue, Dedicated Schools Grant (DSG), Housing Revenue Account (HRA), capital programme and progress made against savings targets. It also includes capital change requests to approve changes to four existing schemes within the Council's capital programme.

Recommendations:

The Mayor and Cabinet are recommended to:

1. Note the Council's projected outturn position against General Fund, Dedicated Schools Budget, Housing Revenue Account and Capital Programme budgets agreed for 2019-20, based on information as at the end of December as detailed in the Appendices.
2. Note and approve the capital change notes, total of £12.6m to be added into the Council's capital programme, as detailed in Appendix 7.
3. Note that there are no equalities implications directly resulting from this report, as set out in Section 4.

1 REASONS FOR THE DECISIONS

- 1.1 The Council could choose to monitor its budgetary performance against an alternative timeframe but it is considered that the reporting schedule provides the appropriate balance to allow strategic oversight of the budget by members and to manage the Council's exposure to financial risk. More frequent monitoring is undertaken by officers and considered by individual service directors and the Council's Corporate Leadership Team (CLT) including approval of management action.
- 1.2 To the extent that there are options for managing the issues identified these are highlighted in the report in order to ensure that members have a full picture of the issues and proposed solutions as part of their decision making.

2 ALTERNATIVE OPTIONS

- 2.1 The regular reporting of Revenue and Capital Budget Monitoring information through the year and the preparation of the provisional outturn position after the year end provides detailed financial information to members, senior officers and other interested parties on the financial performance of the Council. It sets out the key variances being reported by budget holders and the management action being implemented to address the identified issues.
- 2.2 Further information across the Council's key financial activities is also included to ensure that CLT and Members have a full picture to inform their consideration of any financial decisions set out in this report and also their broader understanding of the Council's financial context when considering reports at the various Council Committees.
- 2.3 Set alongside relevant performance information it also informs decision making to ensure that Members' priorities are delivered within the agreed budget provision.
- 2.4 It is important that issues are addressed to remain within the approved budget

provision or where they cannot be contained by individual service management action, alternative proposals are developed and solutions proposed which address the financial impact; CLT and Members have a key role in approving such actions as they represent changes to the budget originally set and approved by them.

3 DETAILS OF THE REPORT

- 3.1 On 20 February 2019 the Council considered and agreed the Revenue Budget and Council Tax for 2019-20; and a capital programme showing resources available for investment in assets and infrastructure for ten years until 2028-29. The Council also agreed the Housing Revenue Account (HRA) budget from 2019-20 which includes rent setting and other charges.
- 3.2 The net budget requirement for 2019-20 has been set at £342.5m. The Medium Term Financial Plan (MTFP) indicates a balanced budget for 2019-20, which includes delivering savings of £25.1m (£14.8m for 2019-20, and £10.3m slippage from previous years).
- 3.3 The General Fund is projecting a forecast overspend of £10.8m after the application of reserves and corporate contingency. Directorates are implementing recovery plans to reduce this overspend and therefore reduce the requirement on General Fund reserves funding.
- 3.4 The Dedicated Schools Grant (DSG) is projecting a forecast overspend of £7.9m.
- 3.5 The HRA is projecting a forecast underspend of £2.6m.
- 3.6 There are four capital change notes for this quarter. Cabinet are recommended to approve the changes totalling £12.6m for inclusion in the Council's capital programme.
- 3.7 The schemes for which capital change approval are sought are:

Scheme	Nature of Request	Value £m
Community Hubs/Buildings	Revision of original estimate to reflect known costs	1.121
Aberfeldy WellOne	Develop integrated health and wellbeing centre	0.010
New Waste and Cleansing Fleet	Purchase emissions compliant waste and cleansing vehicles	10.000
London Square	The landscaping of parcel of land behind the London Hospital Site	1.490

- 3.8 Further information on each of the schemes, including its strategic priority and budget profile can be found in appendix 7

4 EQUALITIES IMPLICATIONS

4.1 There are no equality implications directly resulting from this report.

5 OTHER STATUTORY IMPLICATIONS

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

5.2 There are no other statutory implications contained in this report.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 The attached report is primarily financial in nature and the financial implications of the issues raised have been included in the main report.

7 COMMENTS OF LEGAL SERVICES

7.1 The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council's chief finance officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Cabinet to receive information about the revenue and capital budgets as set out in this report.

7.2 The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty and therefore this report complies with that legal duty.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

- A1 Budget Monitoring Report 2019-20 Q3
- A2 Revenue Control Budget 2019-20 Q3
- A3 Current Savings Performance 2019-22 Q3
- A4 Mayoral Priority Growth 2019-22 Q3
- A5 Action Plans

- A6 Capital Programme
- A7 New Capital Approvals

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE.

Officer contact details for documents: N/A