


<b>Cabinet</b>  31 October 2018	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Zena Cooke, Corporate Director, Finance	<b>Classification:</b> Unrestricted
<b>Revenue and Capital Monitoring 2018-19 Quarter 2 – September 2018</b>	

<b>Lead Member</b>	<b>Councillor Candida Ronald, Cabinet Member for Resources and the Voluntary Sector</b>
<b>Originating Officer(s)</b>	Kevin Miles – Chief Accountant
<b>Wards affected</b>	All
<b>Key Decision?</b>	No
<b>Forward Plan Notice Published</b>	September
<b>Reason for Key Decision</b>	N/A
<b>Strategic Plan Priority / Outcome</b>	Supports all strategic priorities in ensuring resources are in place.

### **Executive Summary**

This report introduces the Quarterly Budgetary monitoring report for Quarter 2 (September 2018). It includes details of the Capital and Revenue outturn position, the projected position of the Housing revenue account and outlines progress made against Savings targets.

### **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Note the Council's projected outturn position against General Fund, Dedicated Schools Budget and Housing Revenue Account budgets agreed for 2018-19, based on information as at the end of September as detailed in the Appendices.
2. Note the summary savings position.

#### ***In respect of the new capital scheme proposals (Annex 1-3)***

3. Cabinet are recommended to approve the following changes to the current capital programme
  - Approve the additional resource requirement of £22.691m for the 6 existing capital schemes detailed in Annex 1
  - Approve the 14 new capital projects, totaling £4.363m that need to

be delivered in 2018/19, as detailed in Annex 2. This includes the design phase of the South Dock Bridge Project.

- Approve the allocation of £50k from the feasibility pot in the approved programme to carry out new cycle route design and options
4. To authorise the Corporate Director (Place), after consultation with the Corporate Director (Governance), to acquire leasehold interests on identified council-owned development sites to enable the delivery of Phase 2 of the pipeline programme.

## **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 the 21st of February 2018 the council considered and agreed the Revenue Budget and Council Tax for 2018-19; and a capital programme showing resources available for investment in assets and infrastructure for ten years until 2027-28. The Council also agreed the Housing Revenue Account (HRA) budget from 2018-19 which includes the rent setting and other charges.
- 3.2. The net budget requirement for 2018-19 has been set at 343.7m. The MTFP indicates a balanced budget for 2018-19, which includes delivering savings of £23.8 (£18.3m for 2018-19, and £5.5m slippage from previous years) and anticipates the Council will still need to deliver further annual savings of £14.7m and £9.0m in 2019-20 and 2020-21 respectively.
- 3.3. The General Fund is projected to show an overspend £0.5m after the application of reserves and corporate contingency. The HRA is projecting an underspend of £0.9m. Full details are included in the attached report and appendices.

### **4. EQUALITIES IMPLICATIONS**

- 4.1. There are no equality implications in the 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.

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 the Cabinet to receive information about the revenue and capital budgets as set out in this report.

7.2 There are no specific equalities issues arising from this report

## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None

### **Appendices**

Appendix 1 – Directorate Summary Report

Appendix 2 – Revenue and Capital Control Budget

Appendix 3 – Savings Tracker Summary and Detail

Appendix 4 – Mayoral Priorities

Appendix 5 – Capital Monitoring - Detail

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

- None

### **Officer contact details for documents:**

- N/A