

Quarterly Budget Monitoring

2019-20 Quarter 2

Overview & Scrutiny Committee

25 November 2019

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Quarter 2 Revenue Summary

- £13.8m forecast overspend on General Fund.
- Departments have 'Recovery Plans' in place, however they are not sufficient to balance the budget this year.
- Therefore officers are taking action now including an agency staffing panel and a review of all non-essential expenditure in an attempt to bring the budget back into balance.

Quarter 2 Revenue Forecasts by Directorate

£m	2019-20 Forecast Outturn Variance			2019-20 Annual Figures	
	Estimated impact on General Fund GF/ DSG/ HRA	Variance before reserve adjustments	Contribution to /(from) Reserves	Current Budget ⁽¹⁾	Forecast Outturn Position
Children & Culture (GF)	11.6	12.2	(0.6)	98.3	109.9
Resources	2.1	10.1	(8.0)	15.2	17.3
HA&C	4.1	4.8	(0.7)	106.7	110.8
Place	-	-	-	70.0	70.0
Governance	-	0.8	(0.8)	15.4	16.2
Corporate	(4.0)	(4.0)	-	2.8	(3.7)
General Fund	13.8	23.9	(10.1)	308.4	320.5
Ring-fenced Items					
Children's (DSG)	-	7.7	(7.7)	-	7.7
Public Health	-	-	-	34.1	34.1
HRA	-	(3.1)	3.1	36.7	33.6
Overall Position	13.8	28.5	(14.7)	379.2	395.9

Key areas of overspend - General Fund

- Children's £11.6m
 - Social Care £2.9m; SEND transport £2.6m; Contract Services £1.7m, and unachievable savings in Early Years £2.4m; (DSG £7.7m)
- HAC £4.1m
 - increased demand for care services and slipped savings
- Resources £2.1m – Customer Access and Business Support
- Place and Governance – on target (HRA £3.1 u/s)

Corporate Costs and Financing

- £4m forecast underspend due to:-
 - £3.4m contractual inflation
 - £3.1m corporate contingency
 - £2.5m overspend pressure from slippage in cross-directorate savings

Savings by directorate

£m	Saving Target	19-20 Target	Prior Year Slippage	Forecast Savings	Slippage	Under Recovery	Over recovery
	A = B + C	B	C	(D = E + F + G) = A ✓	E x	F x	G ✓
Children and Culture	5.0	3.4	1.6	0.7	1.0	3.3	-
HA&C	3.4	2.7	0.7	2.6	0.8	-	-
Place	3.0	2.5	0.5	2.5	0.4	0.1	-
Governance	0.1	0.1	-	0.1	-	-	-
Resources	2.8	0.5	2.3	2.1	0.7	-	-
All	10.8	5.6	5.2	6.1	4.7	-	-
Total	25.1	14.8	10.3	14.1	7.6	3.4	-

Capital expenditure

Capital expenditure: **Table 5.1**

	Forecast (under)/ over spend for year	Spent to date vs Budget		This year's fig (£m)		
		This year (Q2)	Last year (Q2)	Projection for year	Annual budget	Spent to date
		£m A = D - E	% B = F/E	% C	£m D	£m E
Housing Revenue Account	(63.5)	13%	6%	44.5	108.0	14.0
Corporate	(1.5)	24%	11%	39.8	41.3	10.1
Children and Culture	(26.7)	12%	19%	31.9	58.6	6.8
Place	11.1	49%	38%	107.9	96.7	47.1
Health, Adult, Communities	(7.4)	0%	0%	6.1	13.5	0.05
Resources	(5.4)	9%	0%	1.1	6.5	0.6
Total	(93.3)	24%	19%	231.3	324.7	78.7

Reserves

- The 2018-19 financial accounts are still under audit and adjustments will change the reserves position.
- A revised 2018-19 final outturn report will be prepared and this will include the final reserves position

Reserves – draft position

	Balance at 31 March 2018	Draft Balance at 31 March 2019	Contribution (to) / from Reserve	Projected Balance 31 March 2020
	£m	£m	£m	£m
General Fund Reserve	33.3	21.2	13.8	7.4
Housing Revenue Account (HRA)	47.6	54.6	(3.1)	57.7
Schools' Balances (DSG)	23.4	23.4	-	23.4
Earmarked Reserves	118.5	116.9	10.1	106.8
Total Usable Reserves	222.8	216.1	20.8	195.3

Questions and discussion