

# Budget Management Update

**Cabinet**

**Date: 14<sup>th</sup> March 2018**

---

Author: Cabinet Member for Finance and Commercialisation  
Corporate Director of Resources and Growth/Director of Finance

Wards: All

Parishes Affected: All

---

## **1. Purpose and Reasons**

- 1.1 This report updates the position in relation to the 2017/18 forecast outturn.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.
- 1.3 Responsible budget management underpins the Council's strategic objective of consistently making the best use of all available resources as well as providing focus for the Council's transformation programme.

## **2. Recommendations**

Cabinet is recommended:

- 2.1 To note the in-year forecast outturn position for 2017/18.
- 2.2 To request that the Chief Executive communicate Cabinet's appreciation to all staff for the work that has been undertaken to reduce a projected deficit of £2.45m in September to just £48k.

## **3. Detail**

Projected Outturn 2017/18

- 3.1 The forecast as at the end of January 2018 is an overspend of £48k, which is 98% reduction in the projected overspend since September 2017.
- 3.2 The budget and projected outturn by Department is set out in Table 1 below and a more detailed analysis is set out in Appendix 1.

## Budget Management Update

Cabinet

Date: 14<sup>th</sup> March 2018

Table 1 – Projected Outturn 2017/18

Department	Budget 2017/18 £'000	Full-Year Projected Outturn £'000	Projected Variance £'000	Movement since last report £'000
Adult Services	82,162	81,942	(220)	(132)
Children Services	29,155	32,970	3,815	(149)
Communities and Housing	28,225	28,460	235	(136)
Economy	(3,174)	(3,219)	(45)	(19)
Resources	23,035	22,508	(527)	(7)
Corporate	(22,940)	(26,150)	(3,210)	0
<b>Total General Fund</b>	<b>136,463</b>	<b>136,511</b>	<b>48</b>	<b>(443)</b>

3.3 The projected outturn forecast has improved by £443k since the report to Cabinet in December 2017. The main changes being:

3.3.1 A reduction in the projected Adult placement costs as a result of the work being supported by Newton Europe.

3.3.2 A reduction in the projected overspend for Children's as a result of some placements being at a lower cost than previously anticipated and contributions to placements from Education.

3.3.3 Reduced staffing costs and a net improvement in income projections across Streetsmart and Highways services.

3.4 Based on the current forecast outturn and the continuation of work by budget managers across the council to manage the current position, it is expected that the 2017/18 outturn will be delivered on budget.

### Housing Revenue Account (HRA)

3.5 The HRA forecast overspend for January is £356k, an improvement of £49k on the previous month. This overspend is primarily the result of a higher capital financing costs driven by increasing capital spend and higher property values. However, it has been partly mitigated by changes during the last month that include:

## Budget Management Update

Cabinet

Date: 14<sup>th</sup> March 2018

---

- 3.5.1 Further savings on staff vacancies in Supervision and Management that have lessened the impact of void rental losses.
- 3.5.2 Staff vacancies and reductions in utility costs in the sheltered schemes that have released further savings.
- 3.5.3 The expected underspend in repairs has reduced due to additional costs associated with the grounds maintenance team in support of the wider repairs programme.

### Dedicated Schools Grant

- 3.6 The forecast position for the Dedicated Schools Grant is an overspend of £127k. The projected outturn forecast has improved by £238k since the last report. The main changes are:
  - 3.6.1 Savings in the pupil growth budget following the final growth payments to schools and academies.
  - 3.6.2 A reduction in the projected placement costs for Post 16 pupils due to fewer places being taken up than planned.
  - 3.6.3 A reduction in demand for home tutors and salary savings in an alternative provision service.

## **4. Alternative Options**

- 4.1 This report is for information only. It does not include any proposals requiring a decision and therefore there are no alternative options to be considered.

## **5. Implications, Diversity Impact Assessment and Risk Management**

### Financial and Procurement Implications

- 5.1 The projected overspend in the current financial year is £48k. Management action aimed at managing the overall position will continue and, based on the current position, confidence is high that the 2017-18 outturn will be delivered on budget. However should that not be the case, any residual overspend will be a call on the Council's reserves.

### Legal and Human Rights Implications

- 5.2 All legal and human rights considerations have been taken fully into account in compiling this report. It is considered that the recommendations of this report are compatible with Convention rights.

## Budget Management Update

**Cabinet**

**Date: 14<sup>th</sup> March 2018**

---

### All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 There are no such direct implications.

### Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment (DIA) has not been done as this report does not make any new recommendations that would have a detrimental impact on services.

### Risk Management

- 5.5 None other than those highlighted in the body of the report.

## **6. Consultees**

- 6.1 The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

## **7. Background Papers**

- 7.1 None

## **8. Appendices**

- 8.1 Appendix 1: Forecast Outturn by Directorate 2017/18

## **9. Key Decision/Decision in Cabinet Work Programme**

- 9.1 This is not a Key Decision and is included in the Cabinet Work Programme for March 2018.