

# Budget Management Update

**Cabinet**

**Date: 26<sup>th</sup> April 2017**

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Authors:	Cabinet Member for Finance and Corporate Services and Corporate Director for Resources and Transformation
Wards:	All
Locality Affected:	All
Parishes Affected:	All

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## **1. Purpose and Reasons**

- 1.1 This report presents the 2016/17 Revenue Budget forecast out-turn and a capital programme update.
- 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 to:

- 2.1 Note the projected Revenue Budget out-turn position for 2016/17 set out in Table 1 and Appendix 1.
- 2.2 Approve the additional capital expenditure at Waterside as set out in paragraph 3.6.

## **3. Detail**

2016/17 Projected Revenue Out-turn

- 3.1 It is forecast that the Council's overall budget will be balanced for the financial year. This reflects the impact of the revised approach for the repayment of debt, approved by Council in February 2017, which will improve the in-year position by £5.5m (Council Minute 87, 2016/17 refers).
- 3.2 The other significant changes since the last report to Cabinet are:
  - 3.2.1 An improvement of the forecast within Communities and Place of £106k, reflecting a favourable movement across a number of services;
  - 3.2.2 Additional income of £97k within Economy.

# Budget Management Update

Cabinet

Date: 26<sup>th</sup> April 2017

- 3.3 The budget and projected out-turn by Department is set out in Table 1 below, with a more detailed analysis is set out in Appendix 1.

Table 1 – Projected Out-turn By Department

Department	Budget 2016/17 £'000	Full-Year Projected Outturn £'000	Projected Variance £'000	Movement since last report £'000
Adult Services	72,594	77,269	4,675	13
Children Services	26,391	28,162	1,771	(38)
Communities and Place	28,137	32,032	3,895	(106)
Economy	(871)	(736)	135	(99)
Chief Executive	4,226	4,142	(84)	(1)
Resources	20,037	18,825	(1,212)	(92)
Corporate	(15,288)	(24,468)	(8,739)	(5,500)
<b>Total General Fund (before one-off resources)</b>	<b>135,226</b>	<b>135,667</b>	<b>441</b>	<b>(5,823)</b>

## Budget Risks

- 3.4 The previous report to Cabinet highlighted the continuing pressures within Adult Social Care. The final position on the budget will form part of the assessments undertaken to close the Council's accounts, particularly around the allocation of costs and income with partner organisations.
- 3.5 Based on the position above it is currently anticipated that under £0.5m of the £2.6m one-off resources approved by Cabinet in July 2016 will be needed to support the 2016/17 budget (Cabinet Minute 26, 2016/17 refers).

## Capital Programme Update

- 3.6 At its meeting on 16 June 2016, Cabinet approved £1m for improvement and drainage works at Waterside Park. The extent of the improvement works and poor condition of the drainage system is far worse than originally thought. The work needs to be carried out urgently to ensure that the Council operates within the Environment Agency licence and Thames Water Discharge license. An additional £900k capital investment is required to complete these works. Cabinet approved the use of 2015/16 and 2016/17 Community Infrastructure Levy receipts to help fund the programme of works at Waterside depot (Cabinet Minute 87(g), 2016/17 refers) and a total of £306k has been received to date (£32k in 15/16 and £274k 16/17). In addition, a section 106 contribution of £203k can be utilised to support this scheme. The balance, amounting to £391k, would need to be met from borrowing.

# Budget Management Update

Cabinet

Date: 26<sup>th</sup> April 2017

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## 4. Alternative Options

- 4.1 Cabinet could choose not to proceed with the drainage works at Waterside, or seek to fund the work by stopping or reducing spending elsewhere within the approved capital programme.

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

### Financial and Procurement Implications

- 5.1 The revenue cost of borrowing associated with the additional capital expenditure at Waterside is £31k per annum. There is sufficient allowance within the existing treasury budget to accommodate this additional charge.

### 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.

### 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 affect service delivery.

### Risk Management

- 5.5 None other than those highlighted in the body of the report. Individual schemes will have individual Risk Assessments and DIAs.

## 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 Out-turn by Directorate 2016/17

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**9. Key Decision/Decision in Cabinet Work Programme and Forward Plan**

- 9.1 This is not a key decision and is included in the Cabinet Work Programme and Forward Plan for April 2017.