
Financial Performance 2017/18 Quarter One

Committee considering report:	Executive on 7 th September 2017
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	17 August 2017
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Forward Plan Ref:	EX3303

1. Purpose of the Report

- 1.1 To inform Members of the latest financial performance for 2017/18.

2. Recommendation

- 2.1 To ensure that Members are fully aware of the financial performance of the Council.

3. Implications

3.1 Financial:

The current financial forecast is an over spend of £870k against a net revenue budget of £117.4million. The forecast will have an impact on the level of the Council's reserves at year end if savings cannot be made to offset the over spend.

3.2 Policy: n/a

3.3 Personnel: n/a

3.4 Legal: n/a

3.5 Risk Management: n/a

3.6 Property: n/a

3.7 Other: n/a

4. Other options considered

- 4.1 N/a – factual report for information.

Executive Summary

5. Introduction / Background

- 5.1 This report presents the latest financial performance for the Council in respect of the 2017/18 financial year. The Quarter One revenue forecast is an over spend of £870k against a net revenue budget of £117.4million, which is 0.7% of the net budget.

Directorate Summary	Current Net Budget	Forecast (under)/over spend			
		Quarter One	Quarter Two	Quarter Three	Year End
	£000	£000	£000	£000	£000
Communities	62,005	870	0	0	0
Environment and Economy	30,661	0	0	0	0
Resources	14,110	0	0	0	0
Capital Financing & Risk Management	10,634	0	0	0	0
Total	117,410	870	0	0	0

NB. Rounding differences may apply to nearest £k

- 5.2 The Communities Directorate is forecasting an over spend of £870k against a budget of £62m. Adult Social Care is forecasting an over spend of £891k due to increased complexity of client needs and upward cost pressures in commissioning services for both placements and homecare. Education is forecasting an under spend of £21k as a result of savings on home to school transport, however, this position could change when the new school year starts in September. All other services are forecasting on line.
- 5.1 The Environment Directorate is forecasting an on line position. Public Protection and Culture are forecasting an over spend of £121k due to a forecast fall in income as a result of Activity Team and Duke of Edinburgh expecting to cease during the year. Development and Planning are forecasting an under spend of £121k due to an increase in the number of planning applications in Quarter One. Transport and Countryside are forecasting on line.
- 5.2 The Resources Directorate is forecasting an on line position in all services.
- 5.3 Capital Financing and Risk Management is forecasting an on line position.
- 5.4 The Council set a revenue budget of £117.4million for 2017/18. In-year budget changes may be approved and the approval limits are set out in the Council's Financial Regulations. Details of budget movements during 2017/18 are included in Appendix E.
- 5.5 The budget for 2017/18 was set with a savings and income generation programme of £4.712m. The programme is monitored on a monthly basis.
- 5.6 In response to the volatility of some of the Council's demand led budgets, a number of service specific risk reserves have been established. There are three service specific risk reserves, the levels of which are informed by the risks in the service

risk registers. The reserve levels are reviewed at budget board. The forecast position is before any use of these risk reserves.

5.7 The Council was awarded £1.37m in transition funding for 2017/18, which was allocated as £140k short breaks, £200k libraries and £30k Citizens Advice Bureau. The remaining £1m was used to create a Transformation Reserve in order to ensure that the Council has the resources to pursue transformation plans outlined in the MTFs and to invest in strategies that will bring future benefits to the organisation. To date, £299k has been allocated from this reserve.

5.8 Forecast capital spend in the year is currently £40.3million against a revised budget of £42.5 million, with 27.9% of the programme committed at Quarter One.

Directorate Summary	Original Budget	Revised Budget	Total Expenditure	Forecast spend in year	Forecast under/over spend in year
	£000	£000	£000	£000	£000
Communities	9,180	10,225	2,572	9,482	- 743
Environment & Economy	18,652	25,115	7,102	23,605	- 1,510
Resources	5,671	7,205	2,214	7,201	- 4
Total	33,503	42,545	11,888	40,288	- 2,257

5.9 There is a budgeted over spend on DSG as per the decision made by the Schools' Forum when the budget was set in March 2017, now adjusted by £80k for the better than expected carry forward of grant from 2016/17. This decision was taken after consideration of the three year position whereby it was forecast that the over spend can be paid back over two years assuming costs overall do not significantly increase and our DSG allocation remains at a similar level. There are currently no significant variances to budget, though it is not usually until the Autumn term when changes to high risk budgets such as high needs top ups and early years payments become apparent.

6. Proposal

6.1 To note the forecast position and to review the budget movements processed in year detailed in Appendix E.

7. Conclusion

7.1 The Council is faced with delivering a savings programme of £4.712m in 2017/18 as well as addressing in year pressures as they arise, which are currently forecast to be £870k against a net revenue budget of £117.4 million. The Council has invested in identified pressure points as part of the 2017/18 budget process and will continue to maintain financial discipline, to ensure that the agreed savings programme is monitored and to find ways to offset the revenue over spend currently forecast. The Council has an excellent track record of managing the savings programme and minimising budget over spends, but if the forecast over spend of £870k remains at year end, it will impact on our reserves.

8. Appendices

8.1 Appendix A – Supporting Information

- 8.2 Appendix B – Equalities Impact Assessment
- 8.3 Appendix C – Summary Revenue Forecast 2017/18
- 8.4 Appendix D – Summary Capital Forecast 2017/18
- 8.5 Appendix E – Summary of Revenue Budget Movements