
Financial Performance 2017/18 - Month Four

Committee considering report:	Overview and Scrutiny Management Commission
Date of Committee:	17 October 2017
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	6 September 2017
Report Author:	Melanie Ellis

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 £949k 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 Month Four revenue forecast is an over spend of £949k against a net revenue budget of £117.4million, which is 0.8% of the net budget.

Directorate Summary	Current Net Budget	Forecast (under)/over spend		Change from Last Month
		Quarter One	Month Four	
	£000	£000	£000	£000
Communities	62,475	870	949	79
Economy and Environment	30,684	0	0	0
Resources	13,990	0	0	0
Capital Financing & Risk Management	10,261	0	0	0
Total	117,410	870	949	79

NB. Rounding differences may apply to nearest £k

- 5.2 The Communities Directorate is forecasting an over spend of £949k against a budget of £62m. Adult Social Care is forecasting an over spend of £949k due to increased complexity of client needs and upward cost pressures in commissioning services for both placements and homecare. The increase of £58k from Quarter One is mainly due to Great Western Hospital seeking fines for delayed transfers of care. All other services are forecasting on line.
- 5.1 The Economy and Environment Directorate is forecasting an on line position. Public Protection and Culture are forecasting an over spend of £95k due to a payment from Kennet School for Kennet Leisure Centre of £43k which is still in dispute and the Activity Team experiencing reduced income. Development and Planning are forecasting an under spend of £95k due to an increase in the number of large planning applications in the first four months. 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 reported quarterly. 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.
- 5.5 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.

- 5.6 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.

6. Conclusion

- 6.1 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 £949k 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 remains at year end, it will impact on our reserves.

7. Appendices

- 7.1 Appendix A – Supporting Information
- 7.2 Appendix B – Equalities Impact Assessment
- 7.3 Appendix C – Summary Revenue Forecast 2017/18