
Report To:	Policy & Resources Committee	Date:	6 February 2018
Report By:	Chief Financial Officer	Report No:	FIN/18/18/AP/AE
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	2017/18 General Fund Revenue Budget as at 30 November 2017		

1.0 PURPOSE

1.1 The purpose of this report is to advise the Committee of the position of the General Fund Revenue Budget as at 30 November 2017 and to update the Committee in respect of the position of the General Fund Reserves and Earmarked Reserves.

2.0 SUMMARY

2.1 The Council approved the 2017/18 Revenue Budget in February 2017 and at this meeting the Council agreed to set aside £4.630 million from free reserves to help fund the estimated 2017/19 budget gap. The budgeted deficit for 2017/18 is £1.140 million.

2.2 It can be seen from Appendix 1 that as at 30 November 2017 the General Fund is projecting a £1.698 million underspend (excluding Health & Social Directorate) which represents 0.9% of the net Revenue Budget and is an increase in the underspend of £0.246 million from the 30 September 2017 position. This is mainly due to:

- Additional turnover savings achieved across all Directorates (£676,000)
- Release of non-pay inflation not required (£550,000)
- Increased income within Finance Services (£135,000)
- Increased Council Tax Income due to increase in the Council Tax Base and a reduction in demand from the Council Tax Reduction Scheme in line with prior year's outturn (£200,000)

2.3 From Appendix 1 it can be seen that all four Service Committees are currently projecting underspends. The Health and Social Care Partnership is currently projecting an underspend, however, any resulting underspend will be retained by the Integration Joint Board.

2.4 Appendix 2 shows the latest position in respect of Earmarked Reserves, excluding those relating to Asset Plans and Funding Models, it can be seen that as at 30 November 2017 expenditure totalled £2.830 million which equates to 39.25% of the planned spend in 2017/18. It can also be seen from Appendix 2 that at 30 November 2017 actual expenditure is 11.07% ahead of phased budget. Officers undertook a review of all reserves as part of the 2018/20 Revenue Budget and identified reserves available for write back. An amount of £2.294 million was approved by the Council on 21 December 2017 for write back; this has been reflected in appendix 3 and will be reflected in the period 9 Service Committee reports.

2.5 Appendix 3 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31 March 2018 is £9.742 million which is £5.942 million greater than the minimum recommended balance of £3.8 million. This position reflects the decisions taken at the Council budget meeting on 21 December 2017 and decisions in respect of the use of the Free Reserves will be taken as part of the 2018/20 Budget.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the latest position of the 2017/18 Revenue Budget and General Fund Reserves.
- 3.2 It is recommended that the Committee note that the use of any Free Reserves will be considered as part of the 2018/20 Budget on 15 March 2018.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 The Council approved the 2017/18 Revenue Budget in February 2017 and at this meeting the Council agreed to fund the 2017/18 budget deficit of £1.140 million from reserves. Overall, the Council set aside £4.63 million from reserves to help close the estimated 2017/19 budget gap.

5.0 POSITION AS AT 30 NOVEMBER 2017

5.1 It can be seen from Appendix 1 that as at 30 November 2017 the General Fund is projecting an underspend of £1.698 million which equates to 0.9% of the net General Revenue Fund Budget and is an increase of £0.246 million from the position as at 30 September 2017. Based on this projection there will be no contribution required from Reserves for 2017/18.

5.2 Appendix 1 shows that all four Service Committees are currently projecting an underspend.

5.3 In summary the main issues relating to the four Service Committees are as follows:-

Policy & Resources Committee – Projected underspend of £827,000 (5.15%) mainly due to release of non-pay inflation contingency not required and extra income within Finance Services.

Environment & Regeneration – Projected underspend of £146,000 (0.71%) mainly due to excess turnover savings projected. This has been offset in part by a projected shortfall in development control income, industrial & commercial rent income and Planning Building Standards income. A projected underspend is being reported on the residual waste and MRF contracts, which has been offset in part by overspends on composting and Non Contract Waste disposal.

Education & Communities - £342,000 (0.41%) projected underspend mainly due to additional turnover savings, a projected underspend within Teachers employee costs and projected savings within contract cleaning and janitorial services.

Health & Social Care – Projected underspend of £104,000 (0.22%) mainly due to additional turnover savings projected offset by an increase in client support packages within Learning Disability and Physical Disability services. The Committee underspend will be retained by the Integration Joint Board.

5.4 Appendix 2 shows the latest position in respect of the Earmarked Reserves and provides information on performance against phased budget. The Committee is asked to note that the phasing will not be amended during the year and provides a useful benchmark for Officers and Members to monitor performance against originally envisaged targets. The Earmarked Reserve statement excludes those funds that relate to Assets Plans or Funding Models.

5.5 As at 30 November 2017 the Council has spent £2.830 million against a phased budget target of £2.548 million. This represents 11.07% ahead of the target and spend equates to 39.25% of the projected spend for 2017/18. Performance in respect of Earmarked Reserves is reviewed by the Corporate Management Team and reported in detail to each Service Committee. At the meeting on 21 December 2017, the Council approved write back of earmarked reserves of £2.294 million. This has been reflected in appendix 3 and will be reported in the Service Committee reports for period 9.

5.6 Appendix 3 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31 March 2018 is £9.742 million which is £5.942 million greater than the minimum recommended balance of £3.8 million. This position reflects the decisions taken at the Council budget meetings on 16 February 2017 and 21

December 2017. At the meeting in 16 February 2017, the Council approved the allocation £4.63 million of free reserves to fund the budget deficit. £1.14 million of this was allocated for 2017/18 Revenue budget and the current projection indicates that this will not be required.

6.0 OTHER FINANCIAL MATTERS

6.1 Work is ongoing in respect of the 2018/20 Revenue Budget and decisions will be taken at a special meeting of the Council on 15 March 2018.

7.0 CONSULTATION

7.1 This report has been produced utilising the detailed budget reports to each Committee.

8.0 IMPLICATIONS

8.1 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

Annually Recurring Costs

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

8.2 Legal

None

8.3 Human Resources

None

8.4 Equalities

None

8.5 Repopulation

None

9.0 BACKGROUND PAPERS

9.1 None

Policy & Resources Committee
Revenue Budget Monitoring Report
Position as at 30th November 2017

Committee	Approved Budget 2017/2018	Revised Budget 2017/2018	Projected Out-turn 2017/2018	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	17,234	16,056	15,229	(827)	(5.15%)
Environment & Regeneration	21,397	20,569	20,423	(146)	(0.71%)
Education & Communities (Note 1)	90,127	83,789	83,447	(342)	(0.41%)
Health & Social Care	47,420	47,362	47,258	(104)	(0.22%)
Committee Sub-Total	176,178	167,776	166,357	(1,419)	(0.85%)
Loan Charges (Including SEMP)	12,896	17,248	17,248	0	0.00%
Unallocated Savings	19	19	0	(19)	0.00%
Contribution to / (from) General Fund Reserve (Note 2)	(1,140)	(1,038)	(1,140)	(102)	0.00%
Contribution to / (from) Statutory Funds	(240)	(240)	(240)	0	0.00%
Earmarked Reserves	0	4,670	4,670	0	0.00%
Total Expenditure	187,713	188,435	186,895	(1,540)	(0.82%)
Financed By:					
General Revenue Grant/Non Domestic Rates	(158,947)	(159,669)	(159,731)	(62)	0.04%
Council Tax	(28,766)	(28,766)	(28,966)	(200)	0.70%
Integration Joint Board - Increase in Reserves	0	0	104	104	100.00%
Net Expenditure	0	0	(1,698)	(1,698)	

Note 1 - Reduction reflects loans charges and earmarked reserves.

Note 2 - One off contribution to reserves arising from approved budget adjustments removed from Service Committee budgets.

Earmarked Reserves Position Statement

Appendix 2

Summary

<u>Committee</u>	<u>Total Funding 2017/18</u>	<u>Phased Budget to 30 November 2017</u>	<u>Actual Spend To 30 November 2017</u>	<u>Variance Actual to Phased Budget</u>	<u>Projected Spend 2017/18</u>	<u>Earmarked 2018/19 & Beyond</u>	<u>2017/18 %age Spend Against Projected</u>	<u>2017/18 %age Over/(Under) Spend Against Phased Budget</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>		
Education & Communities	3,796	548	425	(123)	1,944	1,852	21.86%	(22.45%)
Health & Social Care	2,409	1,058	1,516	458	2,122	287	71.44%	43.29%
Regeneration & Environment	2,480	538	284	(254)	2,302	178	12.34%	(47.21%)
Policy & Resources	2,531	404	605	201	843	1,688	71.77%	49.75%
	11,216	2,548	2,830	282	7,211	4,005	39.25%	11.07%

Actual Spend v Phased Budget Underspend = £282k 11.07%

Appendix 3

GENERAL FUND RESERVE POSITION
Position as at 30/11/17

	<u>£000</u>	<u>£000</u>
Balance 31/03/17		11250
Projected Surplus/(Deficit) 2017/18	1698	
Contribution to/(from) General Fund Reserves Note 1	<u>(1140)</u>	
		558
Approved Use of Free Reserves (February 2017) Note 2		(5500)
Reduction to Use of Reserves 2017/18		1140
Approved Write Back of Earmarked Reserves P&R 21/12/17 Note 3		2294
Projected Unallocated Balance 31/03/18		<u><u>9742</u></u>

Minimum Reserve required is £3.8 million

Note 1 £4.63 million free reserves approved to close 2017/19 budget gap. £1.140 million required in 2017/18.

Note 2 (Use of Reserves)

Town & Village Centres	2500
Employability/Apprenticeships	500
Early Retiral/Voluntary Severance	2000
Autism Friendly Community	150
Anti Poverty Fund	200
Grants to Voluntary Organisations	150
	<u><u>5500</u></u>

Note 3 (Write back EMR)

a) Developing Young Persons Workforce	22
b) Rankin Park Bike Track Programme	43
c) Primary School Swimming	15
d) 2017 Summer Playschemes	18
e) Schools Credit Union Pilot	7
f) Equal Pay Contingency Review	1790
g) TS Queen Mary Loan	30
h) 2018 Power Boat Grand Prix	108
i) AMP Depots Contingency Release	250
j) Welfare Reforms Operation	11
	<u><u>2294</u></u>