
Report To:	Policy & Resources Committee	Date:	19 September 2017
Report By:	Chief Financial Officer	Report No:	FIN/58/17/AP/AE
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	2017/18 General Fund Revenue Budget as at 31 July 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 31 July 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 31 July 2017 the General Fund is projecting a £0.848 million underspend (excluding Health & Social Directorate) which represents 0.45% of the net Revenue Budget. This is mainly due to:

- Additional turnover savings achieved across all Directorates.
- Release of non-pay inflation not required.
- Increased income within Finance Services.
- 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.

2.3 From Appendix 1 it can be seen that three Service Committees are currently projecting underspends. The Health and Social Care Partnership is currently projecting an overspend, however, any resulting overspend will be funded 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 31 July 2017 expenditure totalled £1.184 million which equates to 15.6% of the planned spend in 2017/18. It can also be seen from Appendix 2 that at 31 July 2017 actual expenditure is 13.95% behind phased budget.

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 £6.623 million which is £2.823 million greater than the minimum recommended balance of £3.8 million. This position reflects the decisions taken at the Council budget meeting on 16 February 2017.

2.6 A comprehensive report on the 2018/20 Revenue Budget is to be considered at the Council meeting on 28 September 2017.

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 review of the Council's earmarked reserves recommended as part of the recent Best Value Audit.

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 31 JULY 2017

5.1 It can be seen from Appendix 1 that as at 31 July 2017 the General Fund is projecting an underspend of £0.848 million which equates to 0.45% of the net General Revenue Fund Budget.

5.2 Appendix 1 shows that three 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 £182,000 (1.07%) mainly due to release of non-pay inflation contingency not required.

Environment & Regeneration – Projected underspend of £110,000 (0.54%) mainly due to excess turnover savings projected. This has been offset in part by a projected shortfall in development control income and industrial & commercial rent income.

Education & Communities - £272,000 (0.36%) projected underspend mainly due to additional turnover savings projected, a projected underspend within Teachers employee costs and projected savings within contract cleaning and janitorial services.

Health & Social Care – Projected overspend of £123,000 (0.26%) mainly due an increase in client support packages within Learning Disability and Physical Disability services. Any overspend will be met by the Integration Joint Board from IJB reserves.

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 31 July 2017 the Council has spent £1.184 million against a phased budget target of £1.376 million. This represents slippage of 13.95% against target and spend equates to 15.6% 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.

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 £6.623 million which is £2.823 million greater than the minimum recommended balance of £3.8 million. This position reflects the decisions taken at the Council budget meeting on 16 February 2017.

6.0 OTHER FINANCIAL MATTERS

6.1 Work is ongoing in respect of the 2018/20 Revenue Budget and a detailed update will be presented to the 28 September Council meeting.

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 31st July 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	17,034	16,852	(182)	(1.07%)
Environment & Regeneration	21,397	20,200	20,090	(110)	(0.54%)
Education & Communities (Note 1)	90,127	83,671	83,334	(337)	(0.40%)
Health & Social Care	47,420	47,420	47,543	123	0.26%
Committee Sub-Total	176,178	168,325	167,819	(506)	(0.30%)
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	(1,140)	(1,140)	(1,140)	0	0.00%
Contribution to / (from) Statutory Funds	(240)	(240)	(240)	0	0.00%
Earmarked Reserves	0	4,284	4,284	0	0.00%
Total Expenditure	187,713	188,496	187,971	(525)	(0.28%)
Financed By:					
General Revenue Grant/Non Domestic Rates	(158,947)	(159,730)	(159,730)	0	0.00%
Council Tax	(28,766)	(28,766)	(28,966)	(200)	0.70%
Integration Joint Board - Deficit Funding	0	0	(123)	(123)	100.00%
Net Expenditure	0	0	(848)	(848)	

Note 1 - Reduction reflects loans charges and earmarked reserves.

Earmarked Reserves Position Statement

Appendix 2

Summary

<u>Committee</u>	<u>Total Funding 2017/18</u>	<u>Phased Budget to 31 July 2017</u>	<u>Actual Spend To 31 July 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>
	£000	£000	£000	£000	£000	£000		
Education & Communities	3,796	268	268	0	1,867	1,929	14.35%	0.00%
Health & Social Care	2,629	696	697	1	2,423	206	28.77%	0.14%
Regeneration & Environment	2,480	191	39	(152)	2,420	60	1.61%	(79.58%)
Policy & Resources	2,365	221	180	(41)	880	1,485	20.45%	(18.55%)
	11,270	1,376	1,184	(192)	7,590	3,680	15.60%	(13.95%)

Actual Spend v Phased Budget Underspend = (£192k) (13.95%)

Appendix 3

GENERAL FUND RESERVE POSITION
Position as at 31/07/17

	<u>£000</u>	<u>£000</u>
Projected Balance 31/03/17		12415
Projected Surplus/(Deficit) 2017/18	848	
Contribution to/(from) General Fund Reserves Note 1	<u>(1140)</u>	(292)
Approved Use of Free Reserves (February 2017) Note 2		(5500)
Projected Unallocated Balance 31/03/18		<u><u>6623</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>