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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>14 November 2017</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/88/17/AP/AE</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>2017/18 General Fund Revenue Budget as at 30 September 2017</b>		

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## 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 September 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 September 2017 the General Fund is projecting a £1.452 million underspend (excluding Health & Social Directorate) which represents 0.77% of the net Revenue Budget. This is mainly due to:

- Additional turnover savings achieved across all Directorates.(£206,000)
- Release of non-pay inflation not required.(£500,000)
- Increased income within Finance Services.(£115,000)
- 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 September 2017 expenditure totalled £1.612 million which equates to 22.5% of the planned spend in 2017/18. It can also be seen from Appendix 2 that at 30 September 2017 actual expenditure is 0.86% behind phased budget. Officers are currently undertaking a review of all reserves as part of the 2018/20 Revenue 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 £8.342 million which is £4.542 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 and latest projections.

2.6 A report elsewhere on the agenda provides the latest information in respect of the 2018/20 Revenue 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 review of the Council's earmarked reserves which is currently being undertaken by Officers.

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 SEPTEMBER 2017

5.1 It can be seen from Appendix 1 that as at 30 September 2017 the General Fund is projecting an underspend of £1.452 million which equates to 0.77% of the net General Revenue Fund Budget. 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 £623,000 (3.73%) mainly due to release of non-pay inflation contingency not required.

Environment & Regeneration – Projected underspend of £32,000 (0.16%) 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.

Education & Communities - £476,000 (0.57%) projected underspend mainly due to additional turnover savings, a projected underspend within Teachers employee costs and projected savings within contract cleaning, janitorial services and ASN transport.

Health & Social Care – Projected underspend of £15,000 (0.03%) 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 September 2017 the Council has spent £1.612 million against a phased budget target of £1.626 million. This represents slippage of 0.86% against target and spend equates to 22.5% 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 £8.342 million which is £4.542 million greater than the minimum recommended balance of £3.8 million. This position reflects the decisions taken at the Council budget meeting 16 February 2017 and the latest projections. At this meeting, the Council approved to allocate £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 an update is reported elsewhere on the agenda.

## 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 September 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	16,723	16,100	(623)	(3.73%)
Environment & Regeneration	21,397	20,217	20,185	(32)	(0.16%)
Education & Communities <b>(Note 1)</b>	90,127	83,762	83,286	(476)	(0.57%)
Health & Social Care	47,420	47,357	47,342	(15)	(0.03%)
<b>Committee Sub-Total</b>	<b>176,178</b>	<b>168,059</b>	<b>166,913</b>	<b>(1,146)</b>	<b>(0.68%)</b>
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 <b>(Note 2)</b>	(1,140)	(1,038)	(1,140)	(102)	0.00%
Contribution to / (from) Statutory Funds	(240)	(240)	(240)	0	0.00%
Earmarked Reserves	0	4,448	4,448	0	0.00%
<b>Total Expenditure</b>	<b>187,713</b>	<b>188,496</b>	<b>187,229</b>	<b>(1,267)</b>	<b>(0.67%)</b>
<b>Financed By:</b>					
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 - Increase in Reserves	0	0	15	15	100.00%
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>(1,452)</b>	<b>(1,452)</b>	

**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 September 2017</u>	<u>Actual Spend To 30 September 2017</u>	<u>Variance Actual to Phased Budget</u>	<u>Projected Spend 2017/18</u>	<u>Earmarked 2018/19 &amp; Beyond</u>	<u>2017/18 %age Spend Against Projected</u>	<u>2017/18 %age Over/(Under) Spend Against Phased Budget</u>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>		
Education & Communities	3,846	396	376	(20)	1,794	2,052	20.96%	(5.05%)
Health & Social Care	2,409	752	756	4	2,165	244	34.92%	0.53%
Regeneration & Environment	2,480	242	127	(115)	2,295	185	5.53%	(47.52%)
Policy & Resources	2,400	236	353	117	896	1,504	39.40%	49.58%
	11,135	1,626	1,612	(14)	7,150	3,985	22.55%	(0.86%)

**Actual Spend v Phased Budget      Underspend =    (£14k)                      (0.86%)**

**Appendix 3**

**GENERAL FUND RESERVE POSITION**  
**Position as at 30/09/17**

	<u>£000</u>	<u>£000</u>
Balance 31/03/17		12390
Projected Surplus/(Deficit) 2017/18	1452	
Contribution to/(from) General Fund Reserves <b>Note 1</b>	<u>(1140)</u>	
		312
Approved Use of Free Reserves (February 2017) <b>Note 2</b>		(5500)
Reduction to Use of Reserves 2017/18		1140
Projected Unallocated Balance 31/03/18		<u><u>8342</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>