
Report To:	Policy & Resources Committee	Date:	22 May, 2018
Report By:	Chief Financial Officer	Report No:	FIN/48/18/AP
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Revenue Budget Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to update the Committee on the approved 2018/19 Budget and to seek decisions regarding the progression of the 2019/20 and beyond Budget.

2.0 SUMMARY

- 2.1 The Council approved a one year Revenue Budget for 2018/19 and a 3 Year Capital Programme for 2018/21 on 15 March, 2018. The 2018/19 Revenue Budget did not require the use of reserves in order to achieve a balanced position. Appendix 1 summarises the approved 2018/19 Budget and reflects the application of the approved savings and spending increases plus the projected Free Reserves position at 1 April, 2018.
- 2.2 The Members' Budget Working Group (MBWG) last met on 26 February 2018 and agreed to reconvene post the setting of the budget in March 2018. In this regard a high level draft timescale covering the main tasks/decision dates is outlined in Appendix 2.
- 2.3 Early indications from the Scottish Government are that Councils may not receive details of their 2019/20 funding settlement until the week before Christmas in 2018. There is no indication at this point that the settlement will cover more than one year.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the initial 2018/19 Budget and Free Reserves position.
- 3.2 It is recommended that the Committee notes that the MBWG will be reconvened to support the forthcoming budget process and notes the initial high level timeline shown in Appendix 2.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Council approved a one year Revenue Budget for 2018/19 and a 3 Year Capital Programme for 2018/21 on 15 March, 2018. The 2018/19 Revenue Budget did not require the use of reserves in order to achieve a balanced position.
- 4.2 The Council has operated a successful Members' Budget Working Group (MBWG) since late 2014 which has helped shape budget proposals and provides feedback to officers on savings and investment options. The MBWG consists of 7 Members and is supported by the CMT.
- 4.3 Early indications from the Scottish Government are that Councils may not receive details of their 2019/20 funding settlement until the week before Christmas in 2018. There is no indication at this point that the settlement will cover more than one year.
- 4.4 As part of the last Budget Strategy, the Council agreed in principle to viewing the budget over the period of this Council ie; the period up to and including setting the 2022/23 Budget. Such an approach will help manage the Council's finances in a strategic manner and reflects the advice of Audit Scotland.

5.0 CURRENT POSITION – 2018/19 REVENUE BUDGET

- 5.1 Appendix 1 summarises the approved 2018/19 Budget and reflects the application of the approved savings and spending increases plus the latest projected Free Reserves position.
- 5.2 Within the Policy & Resources budget there are the centrally held allocations for the pay award and non-pay inflation, these will be allocated once pay awards and contractual increases are agreed.
- 5.3 On 20 March, the Integration Joint Board (IJB) approved the Council's contribution for 2018/19. The contribution following the Council budget approval was £47.795 million. Additional sums to cover pay and further non-pay inflation will be allocated during 2018/19 once these are formally agreed. As has been the case in previous years, any over/underspend on the Council element of the IJB Budget will be addressed by the IJB through their own Reserves.
- 5.4 The first Budget Monitoring cycle will cover the period to 30 June and will be reported to Committees in August/September.

6.0 LOOKING AHEAD

- 6.1 Members will be aware that the MBWG last met on 26 February 2018 and agreed to meet again following the budget meeting in March 2018. On this basis a high level draft timescale covering the main tasks/decision dates is outlined in Appendix 2. It is intended that this timeline would be discussed at the first reconvened meeting of the MBWG and refined further as time goes on.

7.0 IMPLICATIONS

7.1 Finance

There are no financial implications over and above those outlined in the report.

One off Costs

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

Annually Recurring Costs/ (Savings)

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

7.2 Legal

There are no legal implications other than those outlined in the report.

7.3 Human Resources

There are no HR implications arising from this report.

7.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

7.5 Repopulation

There are no repopulation implications arising from this report.

8.0 CONSULTATIONS

8.1 The proposals regarding the continuation of the MBWG are fully supported by the Corporate Management Team.

9.0 LIST OF BACKGROUND PAPERS

9.1 None

Policy & Resources Committee
Revenue Budget Monitoring Report
Budget Position 2018/19

Committee	Approved Budget 2018/2019	Projected Out-turn 2018/2019	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	
Policy & Resources	19,348	19,348	0	0.00%
Environment & Regeneration	20,682	20,682	0	0.00%
Education & Communities	85,472	85,472	0	0.00%
Health & Social Care	47,794	47,794	0	0.00%
Committee Sub-Total	173,296	173,296	0	0.00%
Loan Charges (Including SEMP)	17,228	17,228	0	0.00%
Identified Savings (Note 1)	95	95	0	0.00%
Contribution to / (from) Statutory Funds	(240)	(240)	0	0.00%
Total Expenditure	190,379	190,379	0	0.00%
Financed By:				
General Revenue Grant/Non Domestic Rates	(160,030)	(160,030)	0	0.00%
General Revenue Grant Redetermination	(523)	(523)	0	0.00%
Council Tax	(29,826)	(29,826)	0	0.00%
Net Expenditure	0	0	0	

Note 1 - Minor savings identified since budget setting process

Budget 2018/19
Free Reserves Position
31-Mar-18

	£m
Projected Balance 31.03.18	10.23
<u>Less Approved to Date:</u>	
LED lighting (14.11.17 P&R)	0.62
Continuing Care (21.12.17)	0.50
Investment Proposals Approved (15.03.18)	8.86
Balance Available	0.25

Note: Figures exclude the 2% (£3.8m) minimum reserves.

2019/20 and Beyond Budget
High Level Timeline

Early June ↓ September	Members Budget Working Group reconvenes and agree work plan plus overall planned approach to the budget.
September	Policy & Resources Committee approve Budget Strategy, initial adjustments plus proposals from the MBWG.
September ↓ December	Members Budget Working Group consider various reports relating to the Delivery Differently programme plus other budget related matters.
December	Financial Strategy 2018/26 considered by the Council.
W/C 17 th December	Expected timescale for Draft Local Government Grant settlement.
January ↓ February	a) Reports to Committee regarding Budget proposals. b) MBWG finalise proposals to balance the budget. c) Scottish Parliament approves the final Grant Settlement.
Late February	Council Tax approved and Budget approved.

AP/LA
5/4/18