

Revenue Budget 2018/19 Monitoring Update

Lead Officer: Peter Lewis, Director of Finance

Author: Peter Lewis, Director of Finance

Contact Details: 01823 359028

Cabinet Member: Cllr Mandy Chilcott, Cabinet Member for Resources

Division and Local Member: All

1. Summary

- 1.1. This report presents the projected revenue outturn for 2018/19 based upon actual spending to the end of August 2018 as adjusted for the proposals for change agreed by the Cabinet in September 2018 and assessed as to be delivered within this financial year. The resultant projected outturn is £3.320m over the available budget, while the contingency of £3.400m remains uncommitted at this time. This means that, should the contingency not be drawn upon, the budget would be balanced overall.

The Senior Leadership Team (SLT) is currently assessing the additional management action and mitigations required to further reduce this projected overspend.

This report is a brief summary highlighting the main differences between month 4 and month 5; more detail will be presented in the next quarterly report.

- 1.2. The Medium Term Financial Plan (MTFP) sets the funding for the County Vision and the use of those funds is then monitored, via this report, throughout the year to ensure delivery of Council objectives and actions within the resources available.

2. Issues for consideration / Recommendations

- 2.1. The Committee is asked to comment on the projected revenue outturn for 2018/19, whether there are any suggestions for additional management actions or alternative options that they would like to recommend to the Cabinet.
- 2.2. The Committee is asked to consider any issues or information they would like to be addressed or included in future reports.

3. Background

- 3.1. The Scrutiny meeting on 11 September and the Cabinet meeting on 12 September received a detailed report on the projected overspend for 2018/19 (£11.4m) along with proposed actions for dealing with that overspend. The Cabinet used this information to make decisions about the proposals for change that were put forward to reduce the spend or increase available funding in 2018/19.
- 3.2. This report shows that the projected overspend is now £3.320m, having applied £8.563m of proposals for change. This sum is reduced for any

proposals that are currently assessed as “at risk of non-delivery” at this time, but all others are assumed to be delivered at the maximum possible amount. More detail of the savings and their progress will be made available in the next, quarterly, monitoring report. The contingency of £3.400m is also unallocated at this time and cannot be released until later in the year when there will be more confidence in the delivery of the savings proposals and overall control of the budget.

4. Consultations undertaken

- 4.1. See Appendix 1.

5. Implications

- 5.1. There are significant financial implications and these are identified throughout the report in Appendix A.
- 5.2. There are no specific legal implications arising from this report.
- 5.3. There are no HR implications arising directly from this report, but remedial actions may have such implications. These will be dealt with in any subsequent reports.
- 5.4. Our corporate risk register recognises the risk to containing our spend within budget; this report details proposals to reduce spending and, if agreed, these will address the cumulative position also.

The Children’s Services budget is significantly overspent and is on an upward trend. This risk will be mitigated by an improved understanding of the budget, better and more timely monitoring information and improved control of expenditure within the service.

6. Background papers

- 6.1. Appendix 1 – Cabinet Decision Report, Revenue Budget 2018/19 Monitoring Update – 17th October 2018
- 6.2. Month 4 Revenue Budget Monitoring report to Cabinet – 12 September 2018.

<http://democracy.somerset.gov.uk/documents/s8012/Month%204%20Revenue%20Monitoring%20Report%20for%20Cabinet.pdf>