

## Revenue Outturn 2018-19 Budget Monitoring

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Cabinet Member: Mandy Chilcott, Cabinet Member for Resources

Division and Local Member: All

### 1. Summary

- 1.1.** The Councils final revenue budget outturn position is an underspend of £5.909m (see 2018/19 Cabinet Revenue Budget Outturn Report - table 1) against a net budget of £317.882m (-1.86%).
- 1.2.** This has been achieved through a tighter financial grip on spending, difficult decisions to make budget reductions and a determination to significantly rebuild resilience through reserves. That all of this has been achieved is tribute to staff, managers and all County Councillors who have contributed to a turnaround that places the Council in an improving and more resilient position. However, it remains imperative that this tighter financial grip is maintained whilst the Council further strengthens its financial foundations.
- 1.3.** In recognition of the need for services to manage service delivery across financial years, it may be sensible to carry forward funding to 2019/20 where specific individual rationale is clearly set out (see section 4 and appendix B and details within section 3 and appendix A of the Cabinet outturn report). Total requests for carry forwards are £0.417m and it is recommended that Cabinet approve these.
- 1.4.** The movement of -£18.024m from the early forecast outturn position (month 2) to actual outturn position reflects a combination of several factors:
  - Additional Grants: £0.931m
  - Additional Funding: £2.839m
  - Additional in-year savings (agreed in Sept 2018): £9.396m
  - Technical Adjustment (MRP Saving): £4.178m
  - Various in-service movements: £0.680m.

In addition to this during the year, the Council has improved the reserves position significantly by £16.628m through:

- Reduction of negative balances: £2.107m
  - New earmarked reserves set up in 2018-19: £9.020m
  - Contributions to the General Fund Reserve of £5.501m.
- 1.5.** To further strengthen the Councils financial resilience, it is proposed that the service's net underspend (including the unused Corporate Contingency) is

applied as follows:

- to consider carry forward requests submitted by Services and detailed in section 4 (of the Cabinet report) and appendix B;
- to eliminate the deficit balance on the Repairs & Maintenance (R&M) and Buildings Maintenance Indemnity Scheme (BMIS) reserves, and;
- To create an earmarked reserve of £2.556m to enable the Council to support ongoing priorities with delegated authority to be given to the Leader, Cabinet Member for Resources, Chief Executive and Chief Finance Officer.

Table 1 below shows the planned use of the overall underspend in 2018/19:

**Table 1 – Planned application of revenue budget underspend 2018/19**

<b>Proposals for Underspend</b>	<b>£m</b>
Service outturn underspend	£3.965
Unused Corporate Contingency	£1.944
Total outturn underspend	<b>£5.909</b>
<i>Proposed use:</i>	
Carry forward requests (as detailed in appendix B)	£0.417
Elimination of Repairs & Maintenance (inc BMIS) deficit Reserves	£2.936
Creation of a new Priorities reserve	£2.556
	<b>£5.909</b>

## **2. Issues for consideration / Recommendations**

- 2.1.** The Committee is asked to comment on the revenue outturn report for 2018/19.
- 2.2.** The Committee is asked to consider any issues or information they would like to be addressed or included in revenue budget monitoring reports in 2019/20.

## **3. Background**

- 3.1.** The Cabinet outturn report (Table 2) shows that there is an underspend of £5.909m for 2019/18, compared to the month 10 projected underspend of £1.385m.
- 3.2.** The Cabinet outturn report at appendix A provides further detail on the outturn positions at service level for comment by Scrutiny Members.

#### **4. Consultations undertaken**

**4.1.** See 2018/19 Revenue Budget Outturn Report to Cabinet 10<sup>th</sup> June 2019.

#### **5. Implications**

**5.1.** There are significant financial implications, and these are identified throughout the Cabinet report and in Table 2.

**5.2.** There are no specific legal implications arising from this report.

#### **6. Background papers**

**6.1.** Appendix 1 – 2018/19 Revenue Budget Outturn Report to Cabinet 10<sup>th</sup> June 2019.

Appendix A – Service Return Outturn Variances

Appendix B – Service Carry Forwards

Appendix C – All Earmarked Reserves

Appendix D – Outturn Aged Debt Position

**Note;** For sight of individual background papers please contact the report author