

## 2019/20 Revenue Budget Monitoring Report – Quarter 2 (Month 6)

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Cabinet Member: Cllr Mandy Chilcott – Cabinet Member for Resources  
Division and Local Member: All

### 1. Summary

- 1.1.** The Cabinet report sets out the Quarter 2 (month 6) forecast outturn position for 2019/20 for the net Revenue Budget of £327.967m. It highlights variances to service budgets, as well as emerging issues, risks, areas of concern and proposed actions to resolve them. The Council's Medium-Term Financial Plan (2019-22) sets out proposals to further develop its financial resilience over the long-term whilst also supporting the delivery of the Council's key priorities.
- 1.2.** The report shows an overall projected **balanced position** for the Council, with the main adverse movement from month 5 being within Children's Services. Section 5 of the cabinet report details the management actions underway to mitigate these pressures with an aim to end the year within approved budgets. Until these management actions are more fully developed and fully implemented, these variances are included in the detail of the report and a proportion of the corporate contingency 'notionally' allocated to off-set the variances. This leaves £6.127m of the Corporate Contingency budget currently unallocated and therefore potentially available to further improve the Council's financial resilience in the medium term. This position is improved from month 5. A decision regarding use of the contingency will be considered later in the year once the end of year position is firmer.
- 1.3.** As the Cabinet report is a more detailed quarterly report, it includes more detail on aged debt, reserves, use of capital receipts flexibilities and an up-date on the Improving Lives Programme than would be the case for the intervening monthly reports. This confirms the positive direction of travel to continue to strengthen the reserves position through taking appropriate opportunities to replenish reserves were sensible.
- 1.4.** The budget for 2019/20 includes a savings target of £21.547m and this report confirms forecast delivery of £21.316m.

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

- 2.1. The Committee is asked to comment on the projected revenue outturn for 2019/20, 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 Cabinet report (Annex A) is the second quarterly revenue budget monitoring for 2019/20 and remains an early forecast of the potential end of year position.
- 3.2. Nevertheless, it is encouraging that the forecast continues to show confidence that the more robust approach to budget planning for 2019/20 onwards has ensured that the budget assumptions are realistic, and deliverable with a relatively small adverse variance seen in Service forecasts of £0.423m. This is being off-set by a 'notional' allocation from Corporate Contingency while firm management actions to correct variances are being implemented.
- 3.3. The Council is evidencing a sustained tighter financial grip going forwards through the budget monitoring forecast and through its approach to MTFP for 2020-2023. To further support this there will be a continuation of formal monthly monitoring report to Cabinet and to Scrutiny for Policies and Place and iterative improvements to the format, content and layout of the reports to aid effective review and scrutiny. Alongside this internal tracking and budget monitoring processes continue to be given close attention by the Senior Leadership Team.

## **4. Consultations undertaken**

- 4.1. See Annex A

## **5. Implications**

- 5.1. See Annex A

## **6. Background papers**

- 6.1.
  - 2019/20 Revenue Budget Monitoring Report (month 5) to Scrutiny Place – 4<sup>th</sup> November 2019
  - Revenue Budget – Medium Term Financial Plan 2019-22 to Full Council – 20 February 2019

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