

Report for: Overview & Scrutiny Committee 15 October 2019

Item number: 9

Title: Quarter 1 (Period 3) Budget Monitoring for 2019/20

Report

authorised by: Jon Warlow – Director of Finance & Section 151 Officer

Lead Officer: Frances Palopoli - Head of Corporate Financial Strategy & Monitoring

Ward(s) affected: All

Report for Key/

Non Key Decision: N/A

1. Describe the issue under consideration

- 1.1 This budget monitoring report covers the position at Quarter 1 (Period 3) of the 2019/20 financial year including General Fund (GF) Revenue, Capital, Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) budgets. The report focuses on significant budget variances including those arising as a result of the forecast non-achievement of Cabinet approved MTFs savings.
- 1.2. The 2019/20 Budget/Medium Term Financial Strategy (MTFS) 2019/20-2023/24 report agreed by Cabinet and subsequently Full Council in February 2019 took actions to de-risk the base budget position. This mainly focussed on addressing the budget pressures in the two People related services. When including new grants, additional council funding and write off of some previous savings proposals, an additional £7m for Adults and £7.6m for Children's was built in before application of the newly proposed budget reduction proposals.
- 1.3 These actions were intended to provide greater confidence of managing within the agreed budget as well as delivering agreed budget reduction proposals.
- 1.4 The GF revenue forecast presented now still forecasts a budget pressure of £5.2m but compared to the same period in 2018/19 which was forecasting £13.4m, demonstrates that this approach has had the intended impact.
- 1.5 The Live Budgeting agenda is also being progressed and is most apparent in the capital programme where a number of budget adjustments, virements and rephasing to the capital programme have been proposed to enable the authority to take advantage of opportunities that have arisen and react to changes outside our control. This has the advantage of improving multi-year capital programming and supports more accurate budgeting for MRP and interest costs both in-year and for the MTFs period.

2. **Cabinet Member Introduction**

N/A

3. **Recommendations**

Overview & Scrutiny are recommended to note the contents of the report attached in Appendix 1 and consider how this can be used to inform future scrutiny work and overview of the financial monitoring and planning process during 2019/20.

4. **Reasons for decision**

This report is for information only.

5. **Alternative options considered**

N/A

6. **Background information**

One of the critical roles of the Overview and Scrutiny Committee and their panels is in reviewing and scrutinising the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas. It should then be able to question members of the Cabinet and chief officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects. Also, the Committee can assist the Council and the Cabinet in the development of its budget and policy framework by in-depth analysis of policy issues.

The scrutiny of the Quarter 1 Budget Monitoring report for 2019/20 presented to Cabinet on 10th September 2019 and attached as Appendix 1 provides the Committee with an important opportunity to discharge their responsibilities in relation to scrutinising financial performance, planning and the budgetary framework.

7. **Contribution to strategic outcomes**

- 7.1 Adherence to strong and effective financial management will enable the Council to deliver all of its stated objectives and priorities.

8. **Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

Finance

There are no additional financial implications not already included in the report attached as Appendix 1.

Procurement

There are no additional procurement implications not already included in the report attached as Appendix 1.

Legal

There are no additional equalities implications not already included in the report attached as Appendix 1.

Equality

There are no additional equalities implications not already included in the report attached as Appendix 1.

9. Use of Appendices

Appendix 1 - Quarter 1 Budget Monitoring report for 2019/20 presented to Cabinet on 10th September 2019

10. Local Government (Access to Information) Act 1985