

**MINUTE EXTRACT
CABINET
26 NOVEMBER 2018**

35 QUARTER 2 BUDGET MONITORING REPORT – REVENUE



Councillor Janette Williamson, Cabinet Member for Finance and Resources, said:

“The Council set a balanced, sustainable and fair budget in March 2018, despite significant government cuts and increasing demand for costly, specialist children’s social care services. No additional funding from government has been forthcoming to support this national crisis. Setting the budget for 2018/19 under such difficult circumstances was tough but we continued to protect those services most important to our most vulnerable and target our resources to the areas that matters most to our communities.

Already during Quarter 2 we are feeling the extent of our reduced funding with pressures already mounting in some areas as demand continues to rise. This is early and while cautious it is prudent to ensure we forecast a realistic representation, I am confident the plans and restrictions we have in place will once again enable us to deliver a balanced budget for the coming year”.

Councillor Janette Williamson introduced a report which set out the projected revenue position for 2018/19 as at the end of Quarter 2. (30 September 2018).

The Cabinet noted that the forecast outturn position as at the end of Quarter 2 was a potential overspend of £0.907m. It was anticipated that mitigating savings could be identified to offset the potential overspend, however as these were yet to be formalised, it was prudent to report an overspend position.

Since the 2018/19 the budget was set in March 2018, there were several areas of significant pressure across the Council as a result of increasing demand and there was a robust mitigation programme in place to ensure these pressures did not materialise.

The report provided an update on the achievement of savings proposals for 2018/19, some of which were currently not being realised, however the Cabinet noted that areas to offset these via other means were being explored so that the total savings target could be met by the end of the year.

The Cabinet was made aware that in addition to its formal Quarterly report, the budget position was reported monthly at Directorate Management Team meetings and at Strategic Leadership Team meetings. This was to ensure that any early warning highlighting pressures could be collectively resolved. The outcome of the quarterly monitoring and any medium to long term effects was fed into the Medium Term Finance Strategy to ensure the impact could be assessed against the Council's future financial sustainability.

This was a key decision which affected all Wards within the Borough.

RESOLVED: That

- (1) the Quarter 2 forecast to the year-end of a £0.907m overspend which incorporated a number of adverse variances across the range of directorates, be noted;**
- (2) officers be requested to continue to identify actions and take measures to effectively manage the overall budget and reduce the impact of any adverse projected pressures that may result in overspends; and**
- (3) the change to the bottom line net budget in paragraph 3.2.2 of the report and as follows be referred to the Council for approval:**

‘There has been a change relating to the bottom line of the budget that requires approval at quarter two. This is:

Original Budget: £300.520 million
Change requesting approval at Quarter 2:

- Capital Receipts funding for Children’s Services Transformation Programme brought forward from 2017/18 £1,100,000.’

Table 1: 2018/19 Net Budget by Directorate

	£000
Economic & Housing Growth	25,01
Business Management	10,95
Strategy & Partnerships	18,27
Delivery Services	65,55
Children’s Services	88,16
Adult Care & Health	93,66
Total Net Budget	301,62