

MINUTE EXTRACT

CABINET

2 SEPTEMBER 2019

26 REVENUE AND CAPITAL COMBINED MONITORING 2019-20 QUARTER 1

In the absence of Councillor Janette Williamson, the Leader of the Council introduced a report which provided a summary of the projected year-end revenue position as at Quarter 1, Month 3 (June 2019). The year-end forecast recorded as part of June's financial monitoring activity represented an adverse variance to budget of £4.327m. Plans were, in some cases, in place to mitigate the overspend whereas in other areas these were still being developed.

There were a number of areas with particular pressures, including Children's Services and the Look After Children budget; delivery services where sport and recreation income and the implementation of savings was causing budget challenges; highways and streetscene where there were challenges with car parking charges income and waste collection income. At the end of 2019/20 73% of programmed savings were or were expected to be achieved, 8% were partly achieved or required further work to be achieved and 6% were at risk of not being delivered, relating to Children's Services and Business Support and the Floral and Golf projects.

Due to the Council's financial position, an adverse budget variance was not viable and Corporate Directors would be supported to ensure that a balanced budget would be achieved by year-end. The report also provided an update on the Medium Term Financial Strategy (MTFS) and budget gap pressures. The anticipated budget gap for 2020/21 was £40m with £16m of savings for 2020/21 reducing the initial assessment of pressures which totalled £56m.

The report also provided progress on the Capital Programme 2019/20 at the end of June 2019. It recommended that Cabinet agreed the 2019/20 Capital Programme of £88.7 million which took account of re-profiling, additional funding requirements for Eastham Youth Hub and the Eureka project and grant variations identified since February.

On a motion by Councillor Anita Leech, seconded by Councillor Tony Jones, it was –

Resolved – That,

Revenue

- (1) the Year-end forecast position at Quarter 1 of £4.327 million Adverse, be noted;**
- (2) the level of achievement of savings proposed for 2019-20, be noted;**

- (3) the revisions to the Medium Term Financial Strategy (MTFS) 2020-2025, be noted;**

Capital

- (4) the expenditure at Quarter 1 of £2.9 million, be noted;**
- (5) Cabinet recommends to Council the approval of additional funding for the schemes referred to in paragraph 3.7 of the report, i.e. Eureka Project, Seacombe (£200,000) and Eastham Youth Hub (£442,000);**
- (6) Cabinet recommends to Council the approval of the revised Capital Programme of £88.7 million (Table 2 of the report) for 2019-20.**

Reasons for decision: Regular monitoring and reporting of the Revenue Budgets, savings achievements, MTFS position and Capital Programme enable decisions to be taken faster which may produce revenue benefits and will improve financial control in Wirral Council.