

<b>MEETING:</b>	<b>CABINET– Cllr Anthony Johnson</b>
<b>MEETING DATE:</b>	<b>13 MARCH 2014</b>
<b>TITLE OF REPORT:</b>	<b>BUDGET MONITORING REPORT – JANUARY 2014</b>
<b>REPORT BY:</b>	<b>CHIEF FINANCIAL OFFICER</b>

## **1. Classification**

Open

## **2. Key Decision**

This is not a key decision

## **3. Wards Affected**

County-wide

## **4. Purpose**

To provide Cabinet with an updated position on the projected out-turn for 2013/14 and to propose the arrangements for future budget monitoring.

## **5. Recommendations**

**THAT:**

- (a) Cabinet notes the council is projected to spend on budget, an improvement of £2.4m on the October position; and**
- (b) Cabinet agrees the proposed arrangements for future budget monitoring**

## **6. Alternative Options**

6.1 There are no alternative options.

## **7. Reasons for Recommendations**

7.1 The forecast outturn for the year, based on spend to the end of January, is a break-even position. The overall position in Directorates has remained broadly the same but the forecast position has improved due to two areas:

- The successful bid for a capitalisation direction on one-off expenditure on

transformation. The bid has been referred to in previous monitoring reports and the council learnt of its success in January. This has meant that £1m of one-off costs, previously included in the forecast have now been capitalised.

- The integration of the Public Health Service within the council has led to successful joint working with resultant efficiencies in Public Health, Adults and Childrens Wellbeing. A number of these initiatives, planned for 2014/15, have been accelerated by the Director of Public Health into 2013/14, generating efficiencies of an additional £1m not previously forecast for the current year.

## 8. Key Considerations

- 8.1 This report sets out the forecast out-turn position based on information as at the end of January 2014;

Service	Budget Exp.	Budget (Income)	Net Budget	January Forecast Outturn	Projected (Over)/ under spend
	£'000	£'000	£'000	£'000	£'000
Adults Wellbeing	70,170	(15,169)	55,001	58,001	(3,000)
Children's Wellbeing	43,181	(14,673)	28,508	27,813	695
Economy, Communities and Corporate	111,853	(67,439)	44,414	44,309	105
Chief Executive and Organisational Development	8,033	(707)	7,326	7,268	58
Public Health	7,941	(7,753)	188	188	0
<b>Total Directorates</b>	<b>241,178</b>	<b>(105,741)</b>	<b>135,437</b>	<b>137,579</b>	<b>(2,142)</b>
Treasury Management	15,239	(259)	14,980	14,730	250
Change management*	1,311		1,311	311	1,000
Government grants		(3,534)	(3,534)	(4,634)	1,100
Contingency	773		773	773	0
Other central budgets	280	(951)	(671)	(436)	(235)
Transfer to general balances	2,000		2,000	2,000	0
<b>Total Budget</b>	<b>260,781</b>	<b>(110,485)</b>	<b>150,296</b>	<b>150,323</b>	<b>(27)</b>

\* Change management budget after allocations to directorates

- 8.2 Further details of the Directorate figures are shown in Appendix A

- 8.3 As previously reported, the 13/14 budget includes an additional £2m to increase reserve levels, which has now been set aside for unbudgeted costs, including pending court cases.

## **Future Budget Monitoring Arrangements**

- 8.4 It is proposed that after the January budget monitoring report, there are no further formal reports for 2013/14 until the out-turn position is reported in July 2014.

### **2014/15 Budget**

- 8.5 The proposed cycle of reporting to Cabinet for the financial year 2014/15 is set out below;

<b>Reporting period</b>	<b>Cabinet meeting</b>
May 2014	July 2014
August 2014	October 2014
October 2014	December 2014
December 2014	February 2015
March 2015 – Final Position	July 2015

- 8.6 Budgets will continue to be monitored on a monthly basis and in addition to the formal reporting out-lined above it is proposed to produce monthly summaries reported to Leaders' Briefing, subsequently circulated to Group Leaders and General Overview and Scrutiny Committee. This has the advantage of slicker, more timely reporting as well as reducing the amount of officer time involved in producing reports.

### **Exception Reporting**

- 8.7 If a significant issue or variance against the budget plan arises then a report will be presented to Cabinet on that specific item.

## **9. Community Impact**

- 9.1 None.

## **10. Equality and Human Rights**

The recommendations do not have any equality implications

## **11. Financial Implications**

- 11.1 These are contained within the report.

## **12. Legal Implications**

- 12.1 The Local Government Finance Act 1988 makes it a legal requirement that the council's expenditure (and proposed expenditure) in each financial year must not exceed the resources (including sums borrowed) available to the authority. If this principle is likely to be breached, the Chief Financial Officer is under a statutory duty to make a formal report to Members.

### **13. Risk Management**

- 13.1 Monthly reporting gives the Chief Finance Officer assurance on the robustness of budget control and monitoring, highlighting key risks and identifying any mitigation to reduce the impact of pressures on the council's overall position.

### **14. Consultees**

- 14.1 None

### **15. Appendices**

- 15.1 Appendix A – Directorates Budget Monitoring

### **16. Background Papers**

- 16.1 None identified.