

Report to Overview & Scrutiny Committee
21 March 2019
Financial Monitoring 2018/19 Month 10

1. Purpose of Report

To summarise the overall position for 2018/19 and future years as at Month 10.

2. Information provided to Executive Management Team

- Appendix Ai - Report on Month 10 revenue monitoring position for 2018/19
- Appendix Aii - Summary of Month 10 Directorate Savings Templates
- Annex 1 – Uses of Reserves already approved at Month 9
- Appendix B - Report on Month 10 Capital Revenue monitoring position for 2018/19
- Appendix C – Treasury Management Month 10 Report

3. Summary of Key Issues

- Appendix A covers revenue monitoring. An underspend of £3.2m is forecast at Month 10.
- This is made up of forecast £11.5m underspend on base budget, £9.7m of savings not deliverable in 2018/19, and partially accelerated achievement of £1.4m of the efficiency target of £5.7m. Meetings have been held with Councillor Chatfield and Directorates to discuss the current budgetary position. The overspend in respect of schools has reduced by £4.7m to £0.4m.
- Note that the forecast underspend shown above does not reflect potential further net pressures of £3.4m for Place Directorate (including £2.4m for the Homeless Service). At the end of January, consideration was being given to the extent to which this could be mitigated before the end of the year.
- Please also note that any financial impact of industrial action within the Waste Collection service is not currently factored within the latest financial forecast. As at the end of January (the position now being reported) there was no clarity on the likely length and costs of the industrial action.
- Further work and investigation is ongoing to gain a better understanding around the homelessness position, the implications of the Waste Strike and the overall position on the Adult Social Care and Health budget. Since 31st January the costs associated with the Waste Strike have been calculated. Further information on costs has now been incorporated into the report to the Cabinet meeting on 15th March 2019.
- In future years, there are forecast savings that are not fully deliverable of £8.8m in 2019/20, reducing to £7.0m in 2021/22. These have been fully reflected in the Financial Plan 2019-2023.
- Appendix B covers capital monitoring. The capital budget has increased by £701.1m since Period 9 to £3,916.9m primarily in relation to the approval of new capital projects approved within the Financial Plan 2019+. The forecast has also been revised to take account of forecast slippage totalling £(122.2)m primarily linked to BMHT Redevelopment (£35.9m), Commonwealth Games Village (£29.8m), Waste Management Depot Redevelopments (£5.0m), Enterprise Zone projects (£7.7m) and slippage of £(11.0)m on Clean Air & Hydrogen Buses. The forecast also shows various over and underspends which are explained in detail in Appendix B6 and reflected in the Financial Plan 2019-2023.
- Appendix C monitors Treasury Management, which is on track.

Signatures

Date

Corporate Director – Finance & Governance

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Leader of the Council

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