

Report to Overview & Scrutiny Committee
13 December 2018

Financial Monitoring 2018/19 Month 07

1. Purpose of Report

To summarise the overall position for 2018/19 and future years as at Month 7.

2. Information provided to Executive Management Team meeting 2 October 2018

- Appendix Ai - Report on Month 7 revenue monitoring position for 2018/19
- Appendix Aii - Summary of Month 7 Directorate Savings Templates
- Annex 1 – Uses of Reserves already approved at Month 6
- Annex 2 – Summary of Reserves requested at Month 7
- Appendix B - Report on Month 7 Capital Revenue monitoring position for 2018/19
- Appendix C – Treasury Management Month 7 Report

3. Summary of Key Issues

- Appendix A covers revenue monitoring. An overspend of £8.8m was forecast at Month 7.
- This was made up of forecast balanced base budget and £10.2m of savings not deliverable in 2018/19 offset by partially accelerated achievement of £1.4m of the efficiency target of £5.7m.
- In future years, there were forecast savings that were not fully deliverable of £8.9m in 2019/20, reducing to £7.6m in 2021/22.
- Appendix B covers capital monitoring. The capital budget has increased by £8.9m since month 6 to £3,386.5m primarily in relation to the Gateway/Grand Central Residual Costs (£6.4m) and approved revisions to the Transportation & Highways Funding Strategy (£1.5m). The forecast has also been revised to take account of forecast slippage totalling £48.1m primarily linked to BMHT Redevelopment (£24.2m), Housing Development (Regeneration) (£8.0m), Redevelopment Clearance Programme (£4.8m), Waste Management Depot Redevelopments (£3.9m) and Paradise Circus (£2.7m). The forecast shows an underspend of £213.6m against the revised budget primarily in relation to the removal of the budget for InReach to purchase void properties from the Housing Revenue Account. This will now be reviewed in light of recent Secretary of State approval to the land sales.
- Appendix C monitors Treasury Management, which is on track. Please note the delegated decision to borrow £0.6m interest free from Salix for works to 12 schools, as part of the School Energy Efficiency Loan Scheme.