

Report to Cabinet

Title:	Q2 2017/18 Finance Monitoring Report
Date:	Monday 13 November 2017
Date can be implemented:	Tuesday 21 November 2017
Author:	Cabinet Member for Resources
Contact officer:	Jane Parker, Acting Financial Accountancy Manager x2843
Local members affected:	All
Portfolio areas affected:	All

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary


Purpose of the Report



This report provides information on the financial performance for the Council to the end of Quarter 2 of the financial year 2017/18.

Background

The financial information informs Cabinet of the forecast revenue and capital outturn position for the financial year 2017/18. A full analysis of the outturn of Portfolios and the Council as a whole is contained in the appendices to this report.

As well as narrative information, financial performance against target is shown visually as follows:

	Green	Performance is on or above target. (Revenue under spends against budget and overspends up to +0.1% are shown as green) (Capital slippages are shown as green)
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	Amber	Performance is below target (+0.1% to +1%) for financial performance
	Red	Performance is well below target (worse than +1%) for financial performance

Recommendation

Cabinet is asked to:

Note the forecast outturn position for revenue and capital budgets and discuss areas requiring attention.

A. Narrative setting out the reasons for the decision

1. Revenue Budget outturn

- 1.1. The revenue budget outturn is summarised in Table 1 on page 3. The key Portfolio variances are explained in **Appendix 1**.

Overall there is a £3m (0.9% of the Net Operating Budget) forecast underspend, however, there are overspends in Health & Wellbeing of £1.4m (1.1%) and Children's Services of £0.8m (1.3%) offset by a forecast underspend in Corporate Costs of £5m (1.7%).

In both adults and children's social care the position has been impacted by increases in the volume of demand since the report at the end of the first quarter. In children's social care there continue to be pressures in respect of legal costs associated with care proceedings and in agency staff required to maintain safe arrangements. The actions we are taking to manage these pressures are included at Appendix 1.

The position in respect of social care services needs to be put into the national context. The LGA Budget Submission Autumn 2017ⁱ identifies significant national funding pressures. In particular it recognises that children's services and adult social care are "at a tipping point". The LGA submission reports that in the case of children's social care 75% of councils are reported as overspending by more than £0.5m in 2015/16, collectively overspending their budgets by £605m. According to the same submission the national overspend on adult social care in 2016/17 was £366m and councils will have to make savings of £824m this year.

The underspend in corporate costs is predominantly a result of risks not as yet materialising for which contingency has been set aside. There is also a small improvement in the net cost of Treasury Management arrangements.

There are a range of generally more minor pressures arising in other portfolios, but to date it has been possible to mitigate these in order to stay broadly in line with budget.

Table 1 – Summary of Council revenue budget outturn as at September 2017

Portfolio Area	Outturn £000	Budget £000	Variance £000	Variance %
Leader	6,786	6,794	(8)	(0.1%)
Community Engagement	9,471	9,389	82	0.9%
Health & Wellbeing	126,359	124,959	1,400	1.1%
Children's Services	65,561	64,730	831	1.3%
Education & Skills	25,714	25,714	-	0.0%
Resources	24,100	24,271	(171)	(0.7%)
Planning & Environment	10,204	10,315	(111)	(1.1%)
Transportation	27,980	27,892	88	0.3%
Subtotal - Portfolios	296,175	294,064	2,111	0.7%
Corporate Costs (non Portfolio)	(299,129)	(294,064)	(5,065)	1.7%
Overall BCC	(2,954)	0	(2,954)	

2. Capital Budget outturn

- 2.1 The capital budgets are summarised in Table 2 below. There is an overall underspend / slippage of £13.7m (15%) of which £3.6m is the underspend on Orchard House
- 2.2 There is a total of £9.5m unreleased capital budget across the Authority, reflecting schemes which have yet to satisfy criteria for the release of funding.
- 2.3 The notable areas of underspend / slippage are Education & Skills (£4.6m) and Resources (£5.8m). These are detailed in the relevant Portfolio tables that follow.

Table 2 - Capital Budget Table as at September 2017

Portfolio Area	Outturn £000	Budget £000	Variance £000	Variance %
Leader	10,057	10,172	(115)	(1.1%)
Community Engagement	716	716	-	0.0%
Health & Wellbeing	0	1,450	(1,450)	(100.0%)
Children's Services	929	992	(63)	(6.4%)
Education & Skills	30,875	35,444	(4,569)	(12.9%)
Resources	5,968	11,752	(5,784)	(49.2%)
Planning & Environment	1,170	2,223	(1,053)	(47.4%)
Transportation	27,996	28,088	(92)	(0.3%)
Subtotal - Portfolios	77,711	90,837	(13,126)	(14.5%)
Corporate	0	561	(561)	(100.0%)
Overall BCC	77,711	91,398	(13,687)	

B. Other options available, and their pros and cons

None arising directly from this report.

C. Resource implications

Actions resulting from consideration of this report may influence future expenditure in areas of concern / interest.

D. Value for Money (VfM) Self Assessment

All decisions involving finances are scrutinised to ensure that the best value for money is achieved.

E. Legal implications

None arising directly from this report.

F. Property implications

None arising directly from this report.

G. Other implications/issues

None arising directly from this report.

H. Feedback from consultation, Local Area Forums and Local Member views

None arising directly from this report.

I. Communication issues

Quarterly budget monitoring reports are published on the Council's website.

J. Progress Monitoring

The budget monitoring report is updated on a monthly basis.

K. Review

Not applicable.

Background Papers

None

Your questions and views

If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.

If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Member Services Team by 5.00pm on Friday 10 November 2017. This can be done by telephone (to 01296 382343), or e-mail to democracy@buckscc.gov.uk

ⁱ https://www.local.gov.uk/sites/default/files/documents/5.20%20budget%20submission_06.pdf