

Report to Cabinet

Title:	Q3 2017/18 Finance Monitoring Report
Date:	Monday 12 February 2018
Date can be implemented:	Friday 16 February 2018
Author:	Cabinet Member for Resources
Contact officer:	Jane Parker, Senior Accountant x2843
Local members affected:	All
Portfolio areas affected:	All

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



Purpose of the Report


This report provides information on the financial performance for the Council to the end of Quarter 3 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 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)
	Amber	Performance is below target (+0.1% to +1%) for financial performance

	Red	Performance is well below target (worse than +1%) for financial performance
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Recommendation

A. Narrative setting out the reasons for the decision

1. Revenue Budget outturn

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

Overall there is a £338k forecast underspend, however, there are overspends in Health & Wellbeing of £1.3m (1.0%) and Children's Services of £1.6m (2.4%) offset by a forecast underspend in Corporate Costs of £2.9m (1.0%).

In addition to the overspends reported above, £3.9m has been released from contingencies this quarter to Health and Wellbeing (£2.8m) and Children's Services (£1.1m).

The Health and Wellbeing forecast overspend is largely as a result of increased numbers of users, increased care packages of existing users and non-realisation of savings. Weekly budget meetings have been introduced to both review spend decisions & identify potential mitigations. The Children's Services forecast overspend of £1.6m is after the allocation of the £1.1m from contingency. The change from Q2 is due to an increase in the number of looked after children; both an increase in the number of children taken into care as well as increased unit costs. Since November there has been a steady increase in the number of children taken into care. The main increase has been in residential care placements with more complex cases attracting higher costs, as well as others in external fostering placements now being placed in residential care. The underspend on corporate costs has reduced this quarter as contingencies have been used to support Health and Wellbeing and Children's Service. However there remains a balance of £2.9m predominantly a result of risks not materialising for which other contingency has been set aside.

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. Furthermore, other portfolios have been asked to find ways of reducing their forecast spend to help the council's overall position.

There are, potentially, some favourable movements that require further clarification and these will be reported in due course.

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

Portfolio Area	Outturn	Budget	Variance	Variance
	£000	£000	£000	%
Leader	6,944	6,946	(2)	0.0%
Community Engagement	9,513	9,489	24	0.3%
Health & Wellbeing	132,328	131,028	1,300	1.0%
Children's Services	67,025	65,425	1,600	2.4%
Education & Skills	26,304	26,604	(300)	(1.1%)
Resources	24,306	24,345	(39)	(0.2%)
Planning & Environment	10,583	10,636	(53)	(0.5%)
Transportation	27,660	27,626	34	0.1%
Subtotal - Portfolios	304,663	302,099	2,564	0.8%
Corporate Costs (non Portfolio)	(305,001)	(302,099)	(2,902)	1.0%
Overall BCC	(338)	-	(338)	

2. Capital Budget outturn

- 2.1 The capital budgets are summarised in Table 2 below. There is an overall underspend / slippage of £20.1m (16%) of which £5.1m is the underspend on Orchard House and £1.7m relates to the third lift.
- 2.2 There is a total of £8.9m 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 (£6.6m) and Resources (£5.4m). These are detailed in the relevant Portfolio tables that follow.
- 2.4 The budget for Resources has increased this quarter to reflect the procurement of investment properties.

Table 2 - Capital Budget Table as at December 2017

Portfolio Area	Outturn	Budget	Variance	Variance
	£000	£000	£000	%
Leader	6,895	10,172	(3,277)	(32.2%)
Community Engagement	183	716	(533)	(74.4%)
Health & Wellbeing	0	1,450	(1,450)	(100.0%)
Children's Services	881	992	(111)	(11.1%)
Education & Skills	28,845	35,444	(6,599)	(18.6%)
Resources	43,086	48,492	(5,406)	(11.1%)
Planning & Environment	1,063	2,223	(1,160)	(52.2%)
Transportation	27,095	28,088	(994)	(3.5%)
Subtotal - Portfolios	108,047	127,577	(19,530)	(15.3%)
Corporate	0	561	(561)	(100.0%)
Overall BCC	108,047	128,138	(20,091)	(15.7%)

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 09 February 2018. This can be done by telephone (to 01296 382343), or e-mail to democracy@buckscc.gov.uk