

Report to Cabinet

Title:	Budget Monitoring Report – Outturn 2017/18
Date:	Monday 21 May 2018
Date can be implemented:	Tuesday 29 May 2018
Author:	Cabinet Member for Resources
Contact officer:	Jane Parker, Senior Accountant x2843
Local members affected:	
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 financial year 2017/18

Background

The financial information informs Cabinet of the 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)
---	--------------	---

	<p>Amber Performance is below target (+0.1% to +1%) for financial performance</p>
	<p>Red Performance is well below target (worse than +1%) for financial performance</p>

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**.

The overall revenue outturn is an **underspend of £2.89m**, comprising portfolio overspends of £0.82m offset by an underspend of £3.71m in Corporate Costs. This is a significant achievement given that the LGA Budget Submission in Autumn 2017 identified significant national funding pressures. In particular it recognises that children's services and adult social care are at tipping point.

As a result, the General Fund balance has increased to £27.4m. In April 2018, the County Council agreed to release £1.2m from the General Fund to finance plane and patch repairs to roads, giving a General Fund balance at the end of April 2018 of **£26.2m**.

Whilst most Portfolios have come close to break-even, there are significant variances within Children's Services and Planning & Environment.

Children's Services portfolio has overspent by £1.7m which is in line with the overspend forecast at the end of quarter 3. There has been pressure due to the increase in the number of looked after children in year as well as increased unit costs. 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. Nationally, Children's social care is being pushed to breaking point with 75% of councils overspending by more than £0.5m in 2015/16; collectively overspending their budgets by £605m.

The Planning & Environment Portfolio has achieved an underspend of £0.9m. The principal underspend is in Waste Management (£1.2m) relating primarily to EfW contract performance which is off-set by a shortfall of £0.4m in the delivery of historic savings targets and pressures around internal cost recoveries around business improvement and corporate overheads of £0.2m. The overachievement of Agricultural Estate income of £0.2m has contributed to the overall underspend.

Corporate Costs has delivered an underspend of £3.7m as a result of pressures relating to the National Living Wage and the risks of non-delivery of savings plans not being as significant in the current year as they may have been. The redundancy contingency has not been fully utilised this year and has a small underspend reported.

Table 1 – Summary of Council revenue budget outturn

Portfolio Area	Outturn £000	Budget £000	Variance £000	Variance %
Leader	6,937	6,955	(18)	(0.3%)
Community Engagement	9,509	9,490	19	0.2%
Health & Wellbeing	131,274	131,275	(1)	(0.0%)
Children's Services	67,326	65,618	1,708	2.6%
Education & Skills	26,638	26,750	(112)	(0.4%)
Resources	24,735	24,677	58	0.2%
Planning & Environment	9,769	10,637	(868)	(8.2%)
Transportation	27,549	27,516	33	0.1%
Subtotal - Portfolios	303,737	302,918	819	0.3%
Corporate Costs (non Portfolio)	(306,625)	(302,918)	(3,707)	1.2%
Overall BCC	(2,888)	-	(2,888)	

1.2 During the year an additional £6.1m of income was generated against a budget increase of £5.7m (7% over achievement). Performance against the targets for income generation in the year are covered in detail in Appendix 2.

2. Capital budget outturn

- 2.1 The capital budgets are summarised in Table 2 below. There is an overall underspend / slippage of **£23.9m** (18%) 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 £7.9m 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 (£8.5m) and Resources (£6.4m). These are detailed in the relevant Portfolio tables that follow.

Table 2 - Capital budget

Portfolio Area	Outturn £000	Budget £000	Variance £000	Variance %
Leader	10,574	13,998	(3,424)	(24.5%)
Community Engagement	167	716	(549)	(76.6%)
Health & Wellbeing	-	1,450	(1,450)	(100.0%)
Children's Services	743	992	(249)	(25.1%)
Education & Skills	26,645	35,138	(8,493)	(24.2%)
Resources	41,912	48,341	(6,429)	(13.3%)
Planning & Environment	1,239	2,277	(1,038)	(45.6%)
Transportation	26,938	28,665	(1,727)	(6.0%)
Subtotal - Portfolios	108,217	131,575	(23,358)	(17.8%)
Corporate	-	561	(561)	(100.0%)
Overall BCC	108,217	132,137	(23,919)	(18.1%)

Recommendation

Cabinet is asked to:

- 1. Note the year end outturn for revenue and capital budgets and discuss areas of concern.**
- 2. Recommend that portfolio overspends and underspends from 2017/18 financial year are not carried forward.**

A. Narrative setting out the reasons for the decision

A full analysis of the forecast outturn and financial performance for the Council for the financial year 2017/18 is contained in the attached appendices.

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. Financial Regulations state that all revenue overspends are to be carried forward and that 75% of Business Unit underspends are carried forward via a Business Unit specific reserve. However, given the County Council's overall financial position and the additional pressure that this would place on Children's Services, this report recommends that there is no carry forward of any underspends or overspends.

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

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