



CABINET: 13th March 2018

EXECUTIVE OVERVIEW AND
SCRUTINY: 29th March 2018

Report of: Borough Treasurer

Relevant Portfolio Holder: Councillor A. Yates

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SUBJECT: GENERAL REVENUE ACCOUNT BUDGET MONITORING

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To provide a projection of the financial position on the General Revenue Account (GRA) to the end of the financial year.

2.0 RECOMMENDATIONS TO CABINET

2.1 That the financial position of the GRA be noted including the position on reserves and balances.

2.2 That call in is not appropriate for this item as the report is being submitted to the next meeting of the Executive Overview and Scrutiny Committee on 29th March 2018.

3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE

3.1 That the financial position of the GRA be noted.

4.0 BACKGROUND

- 4.1 In February 2017 the Council approved budgets for the GRA for the 2017-2018 financial year. It is good practice that monitoring reports are produced on a regular basis to ensure that Members are kept informed of the financial position of this account. This is the third quarter monitoring report and is based on information available in January 2018.

5.0 GENERAL REVENUE ACCOUNT

- 5.1 The Council has set a revenue budget of £12.927m for the financial year. The mid-year monitoring position projected an overall favourable variance of £90,000 or 0.7% against this budget. The latest third quarter monitoring figures now project an improvement of £85,000 on this position, and forecast an updated total budget variance of £175,000, which is 1.4% of the budget.
- 5.2 At its meeting in February, Council agreed to use this favourable variance to provide financial support for the budget for 2018-19 as part of the Budget Requirement Report. This means that this budget variance has now been fully allocated.
- 5.3 The projections have been calculated on a prudent basis, and consequently it can be confidently expected that the Council will achieve these budget figures. This will continue our strong track record of managing our financial performance to ensure that the outturn position is in line with the budget. Within this total position, each Directorate and Service is also expected to have a favourable budget variance.
- 5.4 Employee costs form a significant proportion of the Council's total budget and consequently are very important from a budget management perspective. The budget contains a corporate target for staff efficiency savings of £280,000 per year, and the active management of staffing levels will mean that this target should be achieved and exceeded by the year end.
- 5.5 The external income that the Council generates can be one of the most volatile areas of the budget, with income going up and down due to factors outside our direct control. This year income levels are generally in line or performing better than the budget targets.
- 5.6 Primarily through the Policy Options process a range of measures have been agreed to deliver savings and generate additional income in the 2017-18 financial year, and the total value of these measures is just under £1.2m. In general good performance has been made in delivering these initiatives and the overall target should be exceeded. The most significant measure was the introduction of garden waste charging, and the income performance in this area has exceeded the budget target. To reflect this position the income budget for garden waste charging has been increased from £500,000 in the current year to £640,000 in 2018-19. Where relevant the budget targets for other initiatives have also been adjusted as part of the budget setting process for 2018-19.

6.0 RESERVES AND BALANCES

- 6.1 The Council agreed an updated Reserves Policy at its meeting in February. This Policy has taken various factors into account including the difficult medium term financial position facing the Council as a result of an ongoing series of reductions in its grant funding. Consequently the GRA will continue to have an adequate level of reserves in place that should enable it to deal with its financial challenges effectively.

7.0 SUSTAINABILITY IMPLICATIONS

- 7.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

8.0 RISK ASSESSMENT

- 8.1 The formal reporting of performance on the General Revenue Account is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Minute of Cabinet held on 13 March 2018 (Executive Overview and Scrutiny Committee only) – *to follow*