



Policy, Finance and Development Committee	Tuesday, 18 September 2018	Matter for Information
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Report Title: **Financial Outturn Report (Q1 2018/19)**

Report Author(s): **Chris Raymakers (Head of Finance, Revenues and Benefits)**

Purpose of Report:	This report gives a summary of the overall Council position for the financial year 2018/19 after the first quarter.
Report Summary:	This is the first budget monitoring report of this financial year. The Council faces significant challenges and funding pressures brought about by the impact of the government's austerity programme. The Council is making significant progress in transforming key services in order to deal with these pressures. In order to support and demonstrate the progress of transformation the budget has been restated to reflect the key service departments. The forecast position for the year is for £232,000 to be made in savings and efficiencies to drive the Council towards a balanced outturn.
Recommendation(s):	That the contents of the report and appendix be noted.
Responsible Strategic Director, Head of Service and Officer Contact(s):	Stephen Hinds (Director of Finance & Transformation) (0116) 257 2681 stephen.hinds@oadby-wigston.gov.uk Chris Raymakers (Head of Finance, Revenues and Benefits) (0116) 257 2891 chris.raymakers@oadby-wigston.gov.uk
Corporate Priorities:	An Inclusive and Engaged Borough (CP1) Effective Service Provision (CP2) Balanced Economic Development (CP3) Green & Safe Places (CP4) Wellbeing for All (CP5)
Vision and Values:	"A Strong Borough Together" (Vision)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	The implications are as set out in the report.
Corporate Risk Management:	Decreasing Financial Resources (CR1) Reputation Damage (CR4) Economy/Regeneration (CR9)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable.
Human Rights:	There are no implications arising from this report.

Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Deputy Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	Report entitled 'Medium Term Financial Strategy 2018/19 and 2019/20' to Full Council, 22 February 2018 Report entitled 'Medium Term Financial Strategy Update' to the Policy Finance and Development Committee, 17 July 2018
Appendices:	1. Capital Programme 2018/19

1. Introduction

- 1.1 In February 2018, the Council approved a General Fund Budget for 2018/19 of £6,399,000. This would leave a Balance of £615,000 which is slightly under the minimum level recommended in the Council's Medium Term Financial Strategy (MTFS) of 10% of the budget.

2. General Fund

- 2.1 A summary of the overall General Fund Budget is outlined in the table below. This includes Budgets from 2017/18 approved to be carried forward by this Committee on 17 July 2018.
- 2.2 As reported to Council, the set budget contained £232,500 of contingency items to be made in year and £202,000 of funding from the use of reserves. Considerable progress has been made towards mitigating both these costs through the implementation the garden waste scheme, transformation of the refuse and recycling service and a review of Senior Management. The Council is still anticipating drawing down on the reserves but officers are working hard to minimise this.

Service	Budget 2018/19	Actual 30 June	Revised Forecast 2018/19	Variance + / (-)
Finance Revenues and Benefits	552,500	255,682	552,500	0
Corporate Services	282,600	90,230	295,600	13,000
Customer Services and Transformation	1,242,400	283,986	1,242,400	0
Planning, Regeneration and Development	1,571,900	411,148	1,571,900	0
Operations and Street Scene	1,535,900	71,789	1,347,600	(188,300)
Leisure and Well Being	290,400	193,657	295,400	5,000
Law and Governance	634,100	227,659	634,100	0
Senior Management Team	423,800	81,547	333,800	(90,000)
Recharges to HRA	(552,700)	(138,175)	(552,700)	0
Contingency	(232,500)	0	0	232,500
Net Cost of Services	5,748,400	1,477,523	5,720,600	(27,800)
Capital Financing Charges	852,600	213,150	852,600	0
	6,601,000	1,690,673	6,573,200	(27,800)
Use of Earmarked Reserves	(202,000)	0	(174,200)	27,800
Net Expenditure	6,399,000	1,690,673	6,399,000	0

- 2.3 The first quarter of the financial year continues to predict a revised forecast position of £6,399,000, however this is after the contingent savings have been met and a reduced allocation reserves needed. An explanation of the principal variations is given below.

3. Main Variances

3.1 Operations and Street Scene (Saving £188,300)

- 3.1.□1 For 2018/19 the Council commenced charging for the collection of garden waste. This has proved a great success with in the region of 10,000 customers signing up for the service. By the end of June 2018 the Council had received £363,000 in income from this service.
- 3.1.□2 This area has also seen considerable transformation in the way it collects recycling from residents. Wheeled bins are now being used for recycling collections across the Borough which allowed a complete review of the workforce and route optimisation studies to be carried out. Although a prudent approach to potential savings is required savings of around £60,000 should be made.
- 3.1.□3 Further reviews of working practices are being undertaken across Domestic Refuse, Street Cleansing and Grounds maintenance in order to ascertain if further efficiencies are possible and these will be reported as appropriate at the half year review.

3.2 Senior Management Team (SMT) (saving £90,000)

- 3.2.□1 A review of the way SMT operates has been carried out and it has been restructured to move forward without the role of Director of Services being filled making savings of approximately £90,000.

4. Capital Programme

- 4.1 The 2018/19 Capital programme was set at Full Council on 22 February 2018, after year end schemes from 2017/18 which had not completed were added to the programme. Two further schemes have since been added:

- Purchase of Recycling Bins as part of the service redesign totalling £500,000;
- Horwell Lane Pavilion is now budgeted at £996,700 and an increase of £336,700 has been allocated;
- New CCTV cameras were purchased using the former CROW fund to aid the fight against anti-social behaviour which cost £29,000;
- Software modules required to make Council systems GDPR compliant cost £20,000; and
- Adult Gym Equipment purchased for Uplands Road Park cost £20,000.

- 4.2 The complete programme for 2018/19 split between General Fund and HRA is as follows

Service	Original Budget	c/f from 2017/18	Additional Allocations	Total Programme
	£	£	£	£
General Fund	344,900	2,721,906	905,594	3,972,400
HRA	1,273,000	609,000	0	1,882,000
	1,617,900	3,330,906	905,594	5,854,400

- 4.3 A breakdown of the capital programme with expenditure to 30 June at **Appendix 1**.

5. Housing Revenue Account (HRA)

- 5.1 The Council's Housing Revenue Account budget was set in February 2018 with the view of breaking even during the year. This meant that the minimum balance of £300,000 which the business plan dictates would continue to be kept.

	Original Budget 202018/19	c/f budgets from 2017/18	Increases/ Decreases in Budgets	Estimated Outturn 2018/19
	£	£	£	£
Net Costs of Services on the HRA	(625,600)	8,500		(617,100)
Capital Charges	573,500			573,500
Revenue Contributions to Capital	0		335,000	335,000
Appropriation to Earmarked HRA reserve	52,100	(8,500)		43,600
Increase in Year	0	0	335,000	335,000
Actual Balance b/f on Housing Revenue Account	(635,000)			(635,000)
Budgeted Deficit in Year	0	0	335,000	335,000
Balance c/f on Housing Revenue Account	(635,000)	0	335,000	(300,000)

- 5.2 However the final outturn for the year showed an improved position leaving £635,000 in the HRA reserve. It is likely that this extra surplus can be utilised to save on borrowing to fund the carried forward capital projects from 2017/18. There are currently no further revisions to the HRA budget for 2018/19.