
REVENUE BUDGET MONITORING 2016-17 – QUARTER 1

Responsible Cabinet Member - Councillor Stephen Harker
Efficiency and Resources Portfolio

Responsible Director - Paul Wildsmith,
Director of Neighbourhood Services and Resources

SUMMARY REPORT

Purpose of the Report

1. To provide an early forecast of the 2016-17 revenue budget outturn as part of the Council's continuous financial management process.
2. To inform Cabinet of the budget rebasing exercise carried out following the 2015-16 outturn results.

Summary

3. This is the first revenue budget management report to Cabinet for 2016-17. The latest projections following a rebasing exercise show an overall improvement of £1.588M, of which £1.510M relates to balances carried forward from the 2015-16 outturn. The rebasing exercise has returned £0.228M to general reserves whilst there is a forecast over spend of £0.150M within the **People Group** that is referred to later in this report.

Recommendation

4. It is recommended that :-
 - (a) The forecast revenue outturn for 2016-17 be noted
 - (b) Further regular reports be made to monitor progress and take prompt action if necessary.

Reasons

5. The recommendations are supported by the following reasons :-

(a) To continue effective management of resources.

(b) To continue to deliver services to agreed levels.

Paul Wildsmith
Director of Neighbourhood Services and Resources

Background Papers

No Background papers were used in the preparation of this report.

Elizabeth Davison: Extension 2601

S17 Crime and Disorder	There are no specific crime and disorder implications in this report.
Health and Well Being	There are no issues relating to health and well being which this report needs to address.
Carbon Impact	There are no specific carbon impact issues in this report.
Diversity	The report does not contain any proposals that impact on diversity issues.
Wards Affected	All wards are affected.
Groups Affected	No specific groups are particularly affected.
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework.
Key Decision	The report does not require a key decision.
Urgent Decision	The report does not require an urgent decision.
One Darlington: Perfectly Placed	The subject matter of the report, the Councils financial standing and financial management, is critical to delivery of the SCS, but this report does not contain new proposals.
Efficiency	The report contains updated information regarding efficiency savings contained in the MTFP.

MAIN REPORT

Information and Analysis

6. This is the first revenue budget management report to Cabinet for 2016-17 and provides an early forecast of the 2016-17 revenue position as part of the Council's continuous financial management process.
7. To enable timely information to be presented to Cabinet and in accordance with the report publication requirements, this report has been completed before the end of the first quarter. As the Council operates frequent, regular and predictive budget management processes, including quarterly reports to Cabinet, changes in projected outturn, which are inevitable in a large and complex organisation, will be reported to future meetings.
8. The information for this report has been taken from the financial records for April and managers' projections for the remainder of the year, using their knowledge of events affecting the service they manage.
9. As has been the case in the last few years a detailed review of the 2016-17 budgets has been undertaken during April and May and managers have been proactive in scrutinising their budgets in light of the 2015-16 outturn position. In total managers have identified £0.228M of on-going savings which can be removed from budgets into reserves without impacting on service delivery and are shown in **Appendix 5**.
10. Overall the projected General Fund reserves position at 31st March 2017 is £14.673M, which is a very welcome £1.588M improvement on the planned balances in the 2016-20 MTFP. Of this, the improvement in the Council's 2015-16 financial results is £1.510M, £0.228M is being returned to reserves as a result of the rebasing exercise and the Departmental Resources are forecasting an over spend of £0.150M.

Departmental Resources

11. Departmental Resource projections are summarised in **Appendix 3** and detailed in **Appendices 3(a) to 3(d)**. It is difficult for managers to predict year end positions at this early stage and, with the exception of the People Group, management projections indicate all other budgets are on line to be achieved.
12. The **People Group** is forecasting an over spend of £0.150M due to ongoing costs associated with the improvement plan, this is anticipated to be a one off cost and should not impact on future years.
13. The School balances and allocations are shown in **Appendix 3e**. Information on projected closing school balances is not yet available but will be included in future reports to Cabinet.

Council Wide and Corporately Managed Resources

14. The improvement in Corporately Managed Resources is £0.228M relating to the budget rebasing exercise and is shown in **Appendix 5**.

Housing Revenue Account

15. HRA projections are shown in **Appendix 4**. The HRA remains in a stable position.

Collection Fund

16. The Collection Fund account reflects the statutory requirements for the Council to maintain a separate Fund in relation to the operation of Council Tax and Business Rates Retention Scheme (BRRS). The Fund records all of the transactions for billing in respect of Non Domestic Rates (NDR) and Council Tax, exemptions and discounts granted, provision for bad debts and appeals and payments made to the Council's General Fund, the Police and Fire & Rescue precept authorities and Central Government. At this stage in the year, no surplus or deficit is forecast.

Conclusion

17. The Council's projected revenue reserves at the end of 2016-17 are £14.673M, which is £1.588M better than the initial 2016-20 MTFP position and include a brought forward amount of £1.510M from 2015-16. Departmental resources are forecast to be over spent by £0.150M and corporately managed resources are forecast to be under spent by £0.228M.

18. Of the £14.673M projected reserves, we have a risk reserve balance of £4.330M, leaving £10.343M one off funding to further support the general fund moving forward. Members may recall that £6.132M is already planned for usage in 2016-17 and included above.

19. Whilst the improved position is helpful it does not change the financial context in which the Council is currently planning.

Outcome of Consultation

20. No external consultation has been carried out in preparing this report.