

EXTRACT FROM MINUTE OF EXECUTIVE COMMITTEE OF 22 AUGUST 2018

2. MONITORING OF THE GENERAL FUND REVENUE BUDGET 2018/19

There had been circulated copies of a report by the Chief Financial Officer providing the budgetary control statements for the Council's General Fund based on actual expenditure and income to 30 June 2018 and explanations of the major variances between projected outturn expenditure/income and the current approved budget. The report explained that after the first quarter of 2018/19 the Council was projecting pressures in excess of budget of £1.36m. However, action had been identified to offset the projected variance and these measures allowed a projected balanced position at 31st March 2019 to be forecast. Full delivery of these measures would allow all known pressures to be managed within the Council's overall 2018/19 revenue budget. This balanced position was dependent on the management actions being delivered during the remainder of the financial year. The revenue monitoring process during 2017/18 continued to use the existing methodology of agreeing financial projections with managers due to delays in developing reporting functionality within Business World. As a result of further development of system functionality in 2018/19, a new budget forecasting tool had been developed and tested and was now being used by finance staff. Final adjustments were now being made to the forecasting modeller before it was fully rolled out to all budget managers. Real time financial reporting with drill-down functionality to individual transaction level within Business World was also now available to Budget Managers. This additional financial information would assist Managers with the process of effective budget management. As shown in Appendix 3 to the report, as at 30 June 2018, 56% (£9.182m) of the savings required by the approved budget had been delivered within the current year. A further 44% (£7.232m) was profiled to be delivered during the remainder of 2018/19. Emphasis during 2018/19 needed to be placed on delivering the savings permanently per the 2018/19 Financial Plan especially considering the scale of the full year savings required (£16.414m). Full details of pressures, risks and challenges and the significant majority of areas of the Council's operation where budget plans remained on track were detailed in Appendix 1 to the report. In response to a concern that 23% of savings were being made on a temporary basis the Chief Financial Officer reassured Members, that, although some savings had been slower than anticipated, permanent savings would be made. Councillor Weatherston highlighted the challenges faced in trying to balance the Health and Social Care Budget.

DECISION

AGREED to:-

- (a) note the projected corporate monitoring position reported at 30 June 2018, the pressures identified, the underlying cost drivers of this position and the identified areas of financial risk as reflected in Appendix 1;**
- (b) approve the virements detailed in Appendix 2 to the report;**
- (c) note the progress made in achieving Financial Plan savings in Appendix 3 to the report;**
- (d) ask the Corporate Management Team to ensure measures continued to be taken to deliver a balanced budget in the current year; and**
- (e) reiterate support for a culture of sound financial management in all council departments to ensure the ongoing sustainability of the Council.**