

## CABINET

8 April 2014

<b>Title:</b> Budget Monitoring 2013/14 - April 2013 to January 2014 (Month 10)	
<b>Report of the Cabinet Member for Finance</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> No
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<b>Accountable Director:</b> Jonathan Bunt, Chief Finance Officer	
<b>Summary</b> <p>This report provides Cabinet with an update of the Council's revenue and capital position for the ten months to the end of January 2014, projected to the year end.</p> <p>The Council began the current year in a better financial position than the previous year with a General Fund (GF) balance of £17.5m.</p> <p>The Council's approved budget of £178.3m for 2013/14 includes a budgeted surplus of £5.2m, agreed by Assembly in February 2013. The budgeted surplus is earmarked to address the funding issues of 2014/15.</p> <p>At the end of January 2014 (Month 10), the projected in-year surplus is £3.2m, the same as at the end of December.</p> <p>The total service expenditure for the full year is projected to be £169.9m against the budget of £178.3m. The in-year surplus of £3.2m combined with the budgeted surplus of £5.2m results in a projected surplus of £8.4m. The projected year end surplus will increase General Fund balances to £25.9m at the year end.</p> <p>The Housing Revenue Account (HRA) is projected to make an in-year surplus of £0.2m, increasing the HRA reserve to £8.7m. The HRA is a ring-fenced account and cannot make or receive contributions to/from the General Fund.</p> <p>The Capital Programme has been updated to reflect changes approved at Cabinet, including roll forwards and re-profiles. The capital budget at 31 January stands at £138.2m. Capital budgets cannot contribute to the General Fund revenue position although officers ensure that all appropriate capitalisations occur.</p>	

## **Recommendation(s)**

The Cabinet is recommended to:

- (i) Note the projected outturn position for 2013/14 of the Council's General Fund revenue budget at 31 January 2014, as detailed in paragraphs 2.4 to 2.9 and Appendix A of the report;
- (ii) Note the progress against the 2013/14 savings targets at 31 January 2014, as detailed in paragraph 2.10 and Appendix B of the report;
- (iii) Note the position for the HRA at 31 January 2014, as detailed in paragraph 2.11 and Appendix C of the report; and
- (iv) Note the projected outturn position for 2013/14 of the Council's capital budget 31 January 2014, as detailed in paragraph 2.12 and Appendix D of the report.

## **Reason(s)**

As a matter of good financial practice, the Cabinet should be regularly updated with the position on spend against the Council's budget. In particular, this paper alerts Members to particular efforts to reduce in-year expenditure in order to manage the financial position effectively.

## **1 Introduction and Background**

- 1.1 This report provides a summary of the Council's General Fund and HRA revenue and capital positions. It also provides an update on progress made to date in the delivery of the agreed savings targets built into the 2013/14 budget setting out risks to anticipated savings and action plans to mitigate these risks.
- 1.2 It is important that the Council regularly monitors its revenue and capital budgets to ensure good financial management. This is achieved within the Council by monitoring the financial results on a monthly basis through briefings to the Cabinet Member for Finance and reports to Cabinet. This ensures Members are regularly updated on the Council's overall financial position and enables the Cabinet to make relevant financial and operational decisions to meet its budgets.
- 1.3 The Budget report to Assembly in February 2013 provided for a target of £15.0m of General Fund balance, plus a planned surplus of £5.2m to be carried forward into 2014/15. The Outturn for 2012/13 led to a General Fund balance of £17.5m. The current projected position keeps the Council on track to deliver a balanced budget and maintain the minimum general fund balance of £15.0m.

## **2 Current Overall Position**

- 2.1 The following tables summarise the spend position and the forecast position of the General Fund and Housing Revenue Account (HRA) balances.

<b>Council Summary</b>	<b>Net Budget</b>	<b>Full year forecast at end January 2014</b>	<b>Over/(under) spend Forecast</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Directorate Expenditure</b>			
Adult and Community Services	57,235	57,235	-
Children's Services	66,387	66,387	-
Housing and Environment	25,418	25,418	-
Chief Executive	22,473	22,078	(395)
Central Expenses	1,586	(1,214)	(2,800)
	<b>173,099</b>	<b>169,904</b>	<b>(3,195)</b>
Budget Surplus (Agreed MTFS)	5,234	-	(5,234)
<b>Total Service Expenditure</b>	<b>178,333</b>	<b>169,904</b>	<b>(8,429)</b>

	<b>Balance at 1 April 2013</b>	<b>Forecast Balance at 31 March 2014</b>	<b>Budgeted Combined Balance at 31 March 2014*</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
General Fund	17,456	25,885	20,234
Housing Revenue Account (including Rent Reserve)	8,461	8,658	8,461

\*Budget Combined Balance for General Fund comprises a target balance of £15.0m plus budgeted surplus of £5.2m

2.2 The current Directorate revenue projections indicate a surplus of £8.4m for the end of the financial year, made up as follows:

- £0.4m underspend in the Chief Executive department as a result of shared arrangements with Thurrock Council and vacancies within Legal and Democratic services;
- £2.8m surplus in Central Expenses arising from interest budgets and a one off grant windfall from the Department of Education (DfE); and
- £5.2m surplus as planned and agreed in the Medium Term Financial Strategy 2013/14.

The forecast of an £8.4m underspend would result in the Council's General Fund balance remaining above the budgeted target of £15.0m. The Chief Finance Officer has a responsibility under statute to ensure that the Council maintains appropriate balances.

The Chief Finance Officer, after consideration of the factors outlined in the CIPFA guidance on Local Authority Reserves and Balances 2003 and the other financial provisions and contingency budgets held by the Council, set a target GF reserves level of £15.0m. The General Fund balance at 31 March 2013 was £17.5m and the

current forecast combined balance for the end of the financial year is £25.9m. If maintained, this position will provide added flexibility for the Council to address the forthcoming significant further reductions in funding from the government. This compares with a budgeted combined General Fund balance of £15.0m plus a planned surplus of £5.2m within the two year 2013-15 strategy.

At the end of December 2013, the HRA is forecasting an in-year surplus of £0.2m, increasing the HRA reserve to £8.7m.

### 2.3 Directorate Performance Summaries

The key areas of risk which might lead to a potential overspend are outlined in the paragraphs below.

### 2.4 Adult and Community Services

<b>Directorate Summary</b>	<b>2012/13 Outturn £000</b>	<b>2013/14 Budget £000</b>	<b>2013/14 Forecast £000</b>
Net Expenditure	60,701	<b>57,235</b>	<b>57,235</b>
Projected over/(under)spend			-

The Adult and Community Services directorate is forecasting a balanced budget position for 2013/14. This reported position is after containing a number of pressures within the service, particularly for Mental Health (£0.4m) and non-residential care budgets for older people and learning disabilities clients. These pressures are being managed by management actions within the service and draw down from funding set aside to offset anticipated service pressures. The net budget includes the full allocation of £3.268m social care funding transfer from NHS England; this is allocated by local Section 256 agreement taken to the Health and Wellbeing Board (H&WBB). Final submission has been made to NHS London office and payment is expected by February 2014.

Proposals for use of Reablement monies totalling £0.7m were agreed by H&WBB in September 2013 to improve Reablement services and outcomes for residents. The directorate has also been successful in negotiating Winter Pressures funding. £0.4m has been agreed for Barking and Dagenham, which amongst other pressures provides funding for 7-day social care working.

A challenging savings target of £4.324m is built into the 2013/14 budget. These have largely all been delivered and any shortfalls are being covered within the relevant division.

The Adult and Community Services budget includes Public Health, responsibilities for which transferred over to the Council in April 2013. The service is wholly grant funded, and the grant for 2013/14 is £12.921m. The grant income is ring-fenced and contributes towards the Council's preventative agenda by promoting healthy outcomes for adults and children.

The future funding regime is going to become increasingly challenging with a number of existing funding streams being rolled up into a single grant that the local authority will have to agree with NHS England following local agreement at H&WBB.

This comes at the same time as the planned implementation of the Care and Support Bill with significant costs for local authorities.

From April 2015 existing funding streams will be pooled in to the Better Care Fund (BCF), which will include the NHS social care funding transfer, CCG funding for Reablement, capital grants for Disabled Facilities and social care, as well as other CCG funding streams. Draft two-year plans for the BCF have been taken to H&WBB for review and discussion and will be finalised and presented again at the March H&WBB ahead of final submission to NHS England on 4 April.

## 2.5 Children's Services

<b>Directorate Summary</b>	2012/13 Outturn £000	2013/14 Budget £000	2013/14 Forecast £000
Net Expenditure	69,448	<b>66,387</b>	<b>66,387</b>
Projected over/(under)spend			-

The Children's Service delivered a balanced budget for 2012/13 but it was reported that this financial position was masking significant demand pressures within the Complex Needs and Social Care division.

During 2013/14, referral activity has increased consistently, suggesting more of a trend rather than a 'spike' in demand. This has required additional resourcing to ensure that risks are manageable. The number of assessments carried out has increased by 21% in the year to date, compared to the same period in 2012/13.

A report on the Complex Needs and Social Care division has been prepared detailing the ongoing problems with recruitment and retention of staff, high caseloads and increased demands placed upon the service. For 2014/15, current levels of social care need would lead to a budget pressure of £6.0m as numbers of children in the borough increase. Despite the increase in numbers of Looked After Children subject to plans we remain below our statistical neighbour rates per 10,000 for Looked After Children. Caseloads, whilst moving to acceptable levels, remain well above the Munro recommendation and lead to recruitment challenges.

Children's Services started the year with a significant savings target of £2.7m. The majority of these savings have been successfully met. The shortfall of £0.345m relating to the Complex Needs service has been identified as part of the recent Social Care report due to the ongoing rapid growth of numbers of children and high case work loads. This has been managed within the existing Children's Services budget.

The position is being managed in 2013/14 through flexible use of government grants. For example, the change from Local Authority Central Spend Equivalent Grant to Education Support Grant and the changes to the funding of statutory services to two year olds from General Fund to the Dedicated Schools Grant have released £2.7m of ongoing funding to invest in social care demand pressures. Grant flexibility of £0.6m is also available in 2013/14 to manage pressures.

Finally, to balance the budget a drawdown of £2.7m is being taken from the CS Reserve for 2013/14.

## 2.6 Dedicated School Grant (DSG)

The DSG is a ring fenced grant to support the education of school-age pupils within the borough. The grant is allocated between the Schools and Centrally Retained budget in agreement with the Schools Forum. The 2013/14 DSG allocation is £218.0m which is inclusive of pupil premium and sixth form funding.

## 2.7 Housing and Environment

<b>Directorate Summary</b>	2012/13 Outturn £000	2013/14 Budget £000	2013/14 Forecast £000
Net Expenditure	24,040	<b>25,418</b>	<b>25,418</b>
Projected over/(under)spend			-

The projection to year end is to break even. Potential pressures have been identified within these budgets during the year, however, it is expected that they will be managed within the service.

The Environment Service is forecast to breakeven at year end, however, there are pressures of £0.2m to be managed. Pressures are primarily within Direct Services, including Refuse Collection, Cleansing, Grounds Maintenance and Localities. The pressure is a result of shortfalls in achieving income targets, additional staff costs and increased vehicle costs. Some of these pressures are being mitigated through vacant posts and prudent use of other budgets across the division. An action plan has been developed to ensure a breakeven position is delivered at year end and has partly mitigated the position reported in December.

The service has absorbed pressure in the region of £0.3m due to external factors within Parking including the closure of the Axe Street car park, removal of CPZs on six roads and additional cost of cash collection.

Delivery of the action plan is essential to achieving a breakeven position at year end and includes introducing spending restraints across the service, reducing overtime, and ensuring recharges and income collection are up to date.

Housing General Fund is forecast to breakeven at the year end. The main risk to this position is the level of temporary accommodation placements, and in particular, the number within Bed and Breakfast.

There were 99 Bed and Breakfast placements in January, an improved position on the peak of 129 in November. This is a positive step as an increasing trend would significantly impact the services ability to continue managing this risk. These placements are a significant cost to the council due to the cap on benefits on this type of accommodation. The service has mitigated pressure through the use of alternative accommodation where possible, however, this action is limited and the impact of welfare reform provides further risk to this position.

The service is managing pressure of £0.7m in respect of lower than expected Housing Benefit contributions for Bed and Breakfast placements. It was anticipated that outstanding contributions were to be received in year, however, following a

thorough casework investigation and discussion with the DWP, it has been established that the contributions will now not be received. The primary reason for the under recovery is that reduced entitlement is being received for some claimants in order to offset inaccuracies on other claimants entitlement. This is an issue as it distorts contributions received for individuals. This is to be mitigated in 2014/15 by strengthening system and process controls associated with the Capita Housing system.

The impact of welfare reform continues to be monitored. Temporary Accommodation arrears have increased within the year indicating a potential increase in bad debt provision of c£0.5m to ensure appropriate coverage. Discussions are ongoing with the Housing Service and Revenues & Benefits Service to ensure welfare reform impact is monitored and mitigated where possible.

The department started the year with a savings target of £1.67m. A high proportion of the savings will be fully delivered but there is currently an overall pressure of £44k. This is mainly due to the pressures facing the Environmental Services budget, but is being managed within the service.

## 2.8 Chief Executive's Department

<b>Directorate Summary</b>	2012/13 Outturn	2013/14 Budget	2013/14 Forecast
	£000	£000	£000
Net Expenditure	19,059	<b>22,473</b>	<b>22,078</b>
Projected (under)spend			<b>(395)</b>

The Chief Executive (CEX) department is still on target to underspend against its revised budget by £0.4m at year end.

The movement from last month's projection is mainly due to a reduction in the subscription charges funded within the Strategy & Communications team and as a result of reduction in agency staff within the Legal team.

There are in year vacancies which have arisen across the divisions, there are also savings from treasury management contracts, additional training income generated and tighter controls on expenditure against supplies budgets.

## 2.9 Central Expenses

<b>Directorate Summary</b>	2012/13 Outturn	2013/14 Budget	2013/14 Forecast
	£000	£000	£000
Net Expenditure	1,021	<b>1,586</b>	<b>(1,214)</b>
Projected (under)spend			<b>(2,800)</b>
Budget Surplus (Assembly agreed MTFs)		<b>5,234</b>	-
Projected Surplus			<b>(5,234)</b>

There is a £1.4m surplus expected due to the management of our cash balances enabling a lower than budgeted interest cost to be charged to the General Fund in 2013/14.

The Council has also received a windfall from the Department for Education (DfE) of £1.4m. This relates to the Academy Top Slice applied to the Council's Revenue Support Grant in 2012/13. Due to changes in how Academies are funded, previously top sliced sums are being returned to Local Authorities nationally. This one off payment increases the overall surplus on Central Expenses to £2.8m.

As planned within the MTFs a budget surplus of £5.2m has been built into the base budget and the current position is projected to meet this target.

## 2.10 In Year Savings Targets – General Fund

The delivery of the 2013/14 budget is dependent on meeting a savings target of £16.6m. Directorate Management Teams are monitoring their targets and providing a monthly update of progress which is summarised in the table below. Where there are shortfalls, these will be managed within existing budgets and do not affect the monitoring positions shown above.

A detailed breakdown of savings and explanations for variances is provided in Appendix B.

<b>Directorate Summary of Savings Targets</b>	<b>Target £000</b>	<b>Forecast £000</b>	<b>Shortfall £000</b>
Adult and Community Services	4,324	4,285	<b>39</b>
Children's Services	2,708	2,363	<b>345</b>
Housing and Environment	1,665	1,621	<b>44</b>
Chief Executive	2,733	2,583	<b>150</b>
Central Expenses	5,199	5,199	-
<b>Total</b>	<b>16,629</b>	<b>16,051</b>	<b>578</b>

## 2.11 Housing Revenue Account (HRA)

The HRA is currently forecast to make a surplus of £0.2m in 2013/14

### **Income**

Income is expected to exceed budget by £1.0m. This is primarily through the recognition of an extra week's rent this year due to the rent week profile; additional leaseholder service charge income following the actualisation of charges; additional income through the collection of water charges and additional interest received on HRA balances. Leaseholder service charges are initially based on estimated cost and subsequently revised in line with actual cost. This results in an adjusted income position.

### **Expenditure**

Expenditure is expected to exceed budget by £0.8m. This is primarily due to an increase in charges for water, which is predominantly offset by the collection of additional income stated above; increased spend of arboriculture following recent adverse weather conditions; increased spend on support provided to Council



tenants in order to assist them into employment following the introduction of welfare reforms and increased pressure within the Repairs & Maintenance (R&M) service due to higher than expected bonus payments.

The position includes the first payment required to equalise TUPE transferred R&M staff within the Councils pension fund. Confirmation of the amount required has now been received through the actuarial valuation and included in the HRA Business Plan. It is proposed to fund this over a 3 year period with a £2m contribution per year starting in 2013/14.

As with the General Fund, the introduction of welfare reform is expected to increase pressure on the HRA with the combination of the bedroom tax, benefit cap and Universal Credit impacting on income levels. Some provision has been made within the budget through increased bad debt provision plus the availability of discretionary housing payments. The position is being monitored closely.

### **HRA Balance**

The forecast underspend of £0.2m will increase the HRA reserve from £8.5m to £8.7m. There is a budgeted contribution to capital resources of £34.5m; however, this may be reviewed in line with forecast assumptions.

### **2.12 Capital Programme 2013-14**

The Capital Programme (2013-14) forecast against budget as at 31 January is as follows:

	2013/14 Revised Budget £'000	Actual Spend to Date £'000	2013/14 Forecast £'000	Variance against Budget £'000
Adult & Community Services (ACS)	7,703	4,266	5,241	(2,463)
Children's Services (CHS)	34,740	21,889	32,936	(1,804)
Housing & Environment (H&E)	4,816	3,109	4,596	(220)
Chief Executive (CEO)	10,316	4,531	10,287	(29)
<b>General Fund subtotal</b>	<b>57,575</b>	<b>33,795</b>	<b>53,059</b>	<b>(4,515)</b>
Housing Revenue Account (HRA)	80,587	49,956	73,094	(7,493)
<b>Total</b>	<b>138,162</b>	<b>83,751</b>	<b>126,153</b>	<b>(12,009)</b>

The detail for schemes is in Appendix D.

### **Summary**

The total approved capital programme currently stands at £138.2 million. Against this budget, Directorates are currently projecting to spend £126.2 million, representing an overall variance of £12.0 million.

The year-to-date capital expenditure total is £83.7 million, meaning that £42.4 million (or 33% of the annual forecast) is still expected to be spent in the remaining two months of the year. The high level of expenditure remaining represents a risk that parts of the programme will not be delivered in this financial year as currently anticipated and further slippage into 2014/15 will occur. For example, by taking the spend to date and extrapolating it forward on a straight line basis, it would result in a total spend for the year of £100.5 million (excluding creditors).

Finance will continue to monitor this position closely in conjunction with service Project Managers and Sponsors, and will report updated variances accordingly. Cabinet approval will be sought in June 2014 in order to roll forward the individual scheme variances into the 2014/15 budget, where those variances relate to slippage (i.e. delays in completing works).

### **Adult & Community Services (ACS)**

The Directorate has a revised capital programme budget of £7.7m for 2013-14, and is forecasting a year-end underspend of £2.7m. This is mostly due to slippage of £2.5 million on the Barking Leisure Centre, where works have been delayed due to unforeseen archaeological work, and slippage of £0.481m on the Community Capacity Grant.

The HRA funded Disabled Adaptations project is projecting to overspend by £0.25m due to high demand. As this scheme is HRA funded, the additional spend of £0.250 million will also be funded by the HRA. The Barking Park Restoration project is also expected to overspend by £0.3m due to additional contractor fees.

### **Children's Services (CHS)**

The Directorate has a revised budget for 2013/14 of £34.7 million, and is currently anticipating to spend £32.9 million, an in-year underspend of £1.8 million.

This variance is partly comprised of a number of small under spends on school expansion projects. The variances will be rolled forward into the 2014/15 budget, if approved by Cabinet at year end. These expansion projects are due for the September 2014 school intake and Project Managers are confident that schemes will be completed for this deadline.

There is also an in year underspend of £0.6m on the Barking Abbey Artificial Football Pitch scheme, which will now be delivered in 2014/15; and a projected underspend of £0.5m on the early implementation of education for two-year olds. Applications for both of these budgets to be rolled forward into 2014/15 will be made to Cabinet.

### **Housing & Environment (H&E)**

#### **HRA Programme**

The HRA has a funded investment programme for 2013/14 totalling £81.1 million, £0.5 million of which is managed by and shown within the ACS budget total. For the HRA managed schemes there is a forecast underspend for 2013/14 of £7.5 million. Combined with the £0.25m overspend on the ACS managed scheme, there is

currently a net underspend of £7.25m against HRA funding. Year to date spend is almost £50 million, therefore project managers are still expecting significant spend (£23m) to be incurred within the last two months of the year.

*New Build:* There is a projected in-year underspend of £3.4m, largely as a result of slippage on Abbey Road (£1.4m), Goresbrook (£1.0m) and the Lawns and Wood Lane development (£0.6m).

*Investment in own stock :* There is a net in-year underspend of £3.8m, mostly due to delays / slippage into 2014/15. Slippage is due to delays in external enveloping (£1.2m), roof replacement (£1.1m), central heating installation (£0.7m), rewiring (£0.4m) and the door entry project (£0.3m). There is also an underspend of £0.6m relating to completed schemes, and the balances will be transferred back into the HRA available funding. There is also some accelerated spend brought forward from future years (approx £0.4m) on high rise fire surveys and asbestos removal, which will be funded through re-profiling future year budgets.

*Street Purchase and Environmental Improvement:*

Overall, there is a forecast underspend of £0.017 million. This includes the overspend of £0.250 million on the Disabled Adaptations scheme, which is managed within ACS. As this scheme is HRA funded, this will require additional HRA funds through the reallocation of budget from other existing HRA schemes. The overspend is currently being offset by other underspends on the Housing Adaptations and Older People Housing Strategy schemes.

#### Environmental Services

Environmental Services has a revised 2013/14 capital budget of £4.8 million, and is currently reflecting an overall underspend of £0.2m. The variance is a result of slippage against the Parking schemes including Parkmap (Traffic Management Orders), Controlled Parking Zones (CPZ's) and Parking Modernisation due to delays in initiating the projects. The Quaker Burial Ground scheme is also expected to slip as the scheme was delayed due to winter maintenance work.

#### Chief Executive (CEO)

The Directorate is currently reflecting an overall variance position of £0.03m. This position is made up of slippage of £0.5m, offset by accelerated spend from future years of £0.2m and overspends of £0.3m.

#### Regeneration

The Economic Development Growth fund / Bath house project is expected to slip by £0.2m as a result of delays in acquiring planning permission. The Creekmouth Arts & Heritage Trail scheme is also expected to slip this year by £0.1m due to delays in acquiring access to the land to build the footpath.

There are also pressures included in the Regeneration forecast, and these include an additional £0.1m approved by TFL for the Mayesbrook Area Improvements / Becontree DIY Streets, it is anticipated that this additional funding will be utilised in this financial year. The Thames Road corridor improvement scheme also shows a £0.1m variance, relating to further work required to bring the roads to a safe standard, which will be funded from S106 monies.

## ICT

The ICT schemes reflect a pressure of £0.3m. This includes £0.2m on the Modernisation & Improvement scheme, which is fully committed towards the replacement of the Windows XP operating system. It is proposed that this will be funded by bringing forward budget from 2014/15, and a reprofile request will accordingly be made to Cabinet for approval.

The Oracle R12 Joint Services scheme, which covers the implementation a new shared system for finance, procurement, HR and payroll in partnership with other London Boroughs, has experienced a delay in the “go live” date. The financial impact of the delay has been modelled and it is estimated that there would be additional project costs of £0.3m. A pressure of £0.1m has been reflected this year, which would be funded from existing revenue budgets.

## Asset Strategy

Within the Asset schemes, the project to implement the Corporate Accommodation Strategy is expected to slip by £0.1m due to protracted landlord negotiations.

Roll-forwards and re-profile requests will be submitted to Cabinet for approval as part of the year end process. Officers are working to ensure all external funding is drawn down from funding bodies and projects run according to schedule.

## 2.13 **Financial Control**

At the end of January, the majority of key reconciliations have been prepared and reviewed. Where they are outstanding, an action plan has been put in place to ensure that they are completed by the end of the financial year.

## **3 Options Appraisal**

- 3.1 The report provides a summary of the projected financial position at the relevant year end and as such no other option is applicable for appraisal or review.

## **4 Consultation**

- 4.1 The relevant elements of the report have been circulated to appropriate Divisional Directors for review and comment.
- 4.2 Individual Directorate elements have been subject to scrutiny and discussion at their respective Directorate Management Team meetings.

## **5 Financial Implications**

- 5.1 This report details the financial position of the Council.

## **6 Legal Issues**

- 6.1 Local authorities are required by law to set a balanced budget for each financial year. During the year there is an ongoing responsibility to monitor spending and ensure the finances continue to be sound. This does mean as a legal requirement there must be frequent reviews of spending and obligation trends so that timely intervention can be made ensuring the annual budgeting targets are met.

**Background Papers Used in the Preparation of the Report:**  
Oracle monitoring reports

**List of Appendices**

- **Appendix A** – General Fund expenditure by Directorate
- **Appendix B** – Savings Targets by Directorate
- **Appendix C** – Housing Revenue Account Expenditure
- **Appendix D** – Capital Programme