

CABINET

13 October 2015

Title: Budget Monitoring 2015/16 - April to August (Month 5)	
Report of the Cabinet Member for Finance	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Summary <p>This report provides Cabinet with an update of the Council's revenue and capital position for the five months to the end of August 2015, projected to the year end.</p> <p>There is a projected overspend of £6.3m on the 2015/16 budget. This is caused by an overspend on the Children's Services budget of £6.0m and programme costs of £1.0m, partially offset by a £0.7m underspend on treasury management. There are pressures in a number of other service areas but all are currently forecast to be managed.</p> <p>At Cabinet in September it was agreed that an Outline Business Case would be developed to provide solutions and address the ongoing budget pressure in Children's Services. The Outline Business Case is attached at Appendix E and presents initiatives which will potentially reduce costs by £11.6m on an ongoing basis.</p> <p>The total service expenditure for the full year is currently projected to be £157.7m against the budget of £151.4m. The projected year end overspend will reduce the General Fund balance to c£20m at year end and it may reduce further if future budget gaps are not closed. The Housing Revenue Account (HRA) is projected to break-even, leaving the HRA reserve at £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 budget stands at £137.0m, inclusive of the European Investment Bank (EIB) funded general fund housing schemes, with a forecast outturn of £138.7m (an overspend of £1.7m).</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <p>(i) Note the projected outturn position for 2015/16 of the Council's General Fund revenue budget at 31 August 2015, as detailed in paragraphs 2.1, 2.4 to 2.10 and Appendix A of the report;</p>	

- (ii) Note the progress against the agreed 2015/16 savings at 31 August 2015, as detailed in paragraph 2.11 and Appendix B of the report;
- (iii) Note the overall position for the HRA at 31 August 2015, as detailed in paragraph 2.12 and Appendix C of the report;
- (iv) Note the projected outturn position for 2015/16 of the Council's capital budget as at 31 August 2015, as detailed in paragraph 2.13 and Appendix D of the report;
- (v) Adopt the Children's Services Outline Business Case, as set out at Appendix E to the report, in order to address the current pressures in the service; and
- (vi) Approve expenditure of £1m over the next 18 months for programme costs to support the delivery of the Children's Services Outline Business Case, as set out in paragraph 2.5 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 report 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 2015/16 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 2015 provided for a target of £15.0m for the General Fund balance and the revenue outturn for 2014/15 led to a General Fund balance of £26.0m. Taking into account the currently projected overspend, together with the proposed use of the GF balance and other reserves to cover the implementation of savings proposals and budget gaps in 2015/16 and 2016/17, the remaining GF balance would be just above the target figure, as shown in the table below:

Projected Level of Reserves	£'000	£'000
Current GF balance		26,024
Other available reserves		7,127
Total available reserves		33,151
Calls on reserves:		
Implementation of savings proposals	(6,243)	
Budget Gap 2016/17	(5,170)	
Projected overspend	(6,288)	
		(17,701)
Projected remaining reserves		15,450

The actual cost of the implementation of savings proposals is being ascertained and this may impact positively on remaining reserves.

- 1.4 The additional level of reserves above the minimum level provides the Council with some flexibility in its future financial planning but, to take advantage of that, it is essential that services are delivered within the approved budget for the year. Overspends within directorate budgets will erode the available reserves and therefore limit the options that reserves could present in the medium term as the Council makes decisions on savings and service provision.

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.

Council Summary 2015/16	Net Budget £000	Full year forecast at end August 2015 £000	Over/(under) spend Forecast £000
Directorate Expenditure			
Adult and Community Services	51,250	51,250	0
Children's Services	62,858	68,833	5,975
CS Programme Costs	0	1,013	1,013
Housing (GF)	98	98	0
Environment	19,477	19,477	0
Chief Executive	17,870	17,870	0
Central Expenses	(109)	(809)	(700)
Total Service Expenditure	151,444	157,732	6,288

	Balance at 1 April 2015 £000	Forecast Balance at 31 March 2017 £000
General Fund	26,024	15,450*
Housing Revenue Account	8,736	8,736

*Includes the use of GF balances to implement savings proposals and cover potential budget gaps up to 2016/17 – see paragraph 1.3

2.2 Chief Finance Officer's comments

The current Directorate revenue projections indicate an overspend of £6.3m for the financial year, primarily due to the overspend in Children's Services. The vast majority of the overspend remains within Complex Needs and Social Care.

September's Cabinet was asked to note the cost of setting up of a temporary project team to prepare a Outline Business Case aimed at managing service demand and expenditure to deliver a balanced budget over the next two years. The ability of that plan to deliver savings, which will be monitored at a detailed level, will strongly influence any decisions on a spend freeze or other measures to reduce the in year overspend. The monitoring position is forecasting an increased overspend since the last report partially as a result of the inclusion of costs to support the development of the business plan and partly following a thorough review of the various pressures which are now set out in the Outline Business Case at Appendix E.

It is very unlikely that the Children's Services position can be brought back to budget by the end of the financial year, though it is anticipated that it can be significantly reduced, and, therefore, other actions will need to be identified to avoid a very large call on reserves in 2015/16. In the first instance, all Chief Officers have been instructed to contain any other pressures that have been identified within services and, as detailed within the later paragraphs of this report, that is currently expected to occur.

In addition to containing pressures, to ensure adequate reserves are maintained to not only provide the minimum advised buffer but also to enable investment in future programmes to deliver the Council's medium term financial strategy, further reductions in spend or extra income will be needed in all services including Children's Services. As Cabinet noted at its September meeting, it is estimated that the Children's Services programme can reduce spend levels by £11m by March 2017 and therefore consideration could be given to agreeing an overspend against budget for 2015/16 with the general fund balance replenished in 2016/17 to provide the funds for investment to deliver future savings. The full business plan for the delivery of the £11m will be needed before that can be reviewed as a potential option.

Whilst the current forecast overspend would result in a reduction in the Council's General Fund balance, with budget transfers it would still remain above the budgeted target of £15.0m. The Chief Finance Officer has a responsibility under statute to ensure that the Council maintains appropriate balances and the projected year end balance would be just above the target figure.

Looking forward, the revised MTFs approved in August includes additional funding for Children's Services and other demographic/service pressures which, along with the programme for Children's Services outlined above, would be expected to move towards a robust and deliverable budget in 2016/17.

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

Directorate Summary	2014/15 Outturn £000	2015/16 Budget £000	2015/16 Forecast £000
Net Expenditure	54,025	51,250	51,250
Projected over/(under)spend			0

The Adult and Community Services Directorate is forecast to breakeven by year end. There are a number of pressures within the directorate amounting to c£3.1m, which the department is actively working towards mitigating, as shown in the table below:

Main Pressures	£000
Purchase of Adult Social Care across all client groups	2,127
Pressures against 2015-16 savings targets (see savings tracker appendix for details)	341
Mental Health residential placement costs	431
Better Care fund performance penalty – target for reduced admissions unachieved	182
Impact of Youth Offending Service in year funding cuts	55
Total Pressures	3,136

The volatile Adult Social Care budget reflects an overall forecast pressure of £2.166m, an increase from last month's forecast of £1.808m. This is primarily due to an increase in the forecast spend for purchasing adult social care across all client groups (except mental health). The revised forecast based on current activity data indicates a pressure of £2.127m. This increased pressure is mainly attributed to a small number of high cost transition cases from Children's services and the outcome of re-assessments under the Care Act. The number of crisis intervention cases in the system has begun to decrease slightly but is still at a significantly higher run rate than 2014/15. The service is currently taking urgent action to review cases quickly and reduce numbers. These budgets will continue to be monitored closely throughout the year as activity levels fluctuate.

The remaining pressure of £39k is the net impact of pressure arising from the Maples savings target ACS/SAV/06a which will be partly delivered estimated as £91k and offset by underspends arising from in year vacancies within the Adult Social Care teams of £52k. There are also pressures within the mental health residential placements budget of £431k.

Commissioning and Partnership as a whole reflects an overall pressure of £127k. This is as a result of the estimated £182k Better Care Fund (BCF) performance penalty i.e. a pooled budget managed by LBBD and the Clinical Commissioning Group (CCG) and a £55k in year grant cut in the Youth Offending Service (YOS) being imposed by the Ministry of Justice following the Chancellor's Emergency budget. These pressures are being offset by a £110k in year underspend against the extra care services budgets assuming maximum hours are not utilised.

Of the pressures against savings targets, there is a risk of £0.250m within Culture and Sport in respect of delays to the leisure and cultural services Trust proposal as

a result of a corporate stop and think review currently underway. The proposal includes a further £0.750m savings target in 2016/17 and further dependant Library savings which could also be at risk depending on decisions arising from the review.

The Department holds the funding for Public Health which transferred over to the Council in April 2013. The service is wholly grant funded with a grant of £14.213m in 2015/16. At the end of the last financial year there was a £978k underspend which as a ring-fenced grant has been carried-forward into the current financial year. It was announced that there will be a £200m non-NHS health budget cut in year which will impact the Public Health budget in the region of c£1m. The service is currently reviewing its service plans to manage the implications of the recurring funding cuts. It should be noted that these reductions will impact on services across the council

2.5 Children's Services

Directorate Summary	2014/15 Outturn £000	2015/16 Budget £000	2015/16 Forecast £000
Net Expenditure	67,359	62,858	68,833
Programme Costs		1,013	1,013
Projected over/(under)spend			6,988

Significant demand pressures within the Complex Needs and Social Care (CNSC) division have continued from 2014/15 and high demand continues into the current financial year.

Additional funding of £3m has now been included within the Children's Service base budget for 2015/16 in support of the social care demand pressures. The allocation within the department is £2.85m to social care and £0.15m to safeguarding and commissioning. This additional budget was prioritised by Children's Service for staffing to ensure reasonable caseloads (of 1:20) could be delivered. In support of the Children's and Families Bill (meeting the needs of disabled children) an additional £1.250m has also been built into the budget.

September's Cabinet (Recommendation v) agreed to the setting up of a temporary project team, including recruitment specialists, to prepare an Outline Business Case aimed at managing service demand and expenditure to deliver a balanced budget over the next two years. The monitoring position is forecasting an overspend of £6.0m and programme delivery costs of £1.0m in 2015/16. Further details are set out in the Outline Business Case at Appendix E. This work will also feed into the Ambition 2020 project.

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 2015/16 DSG allocation is £231.1m, covering Individual Schools Budgets, High Needs and Early Years services.

2.7 Housing General Fund

Directorate Summary	2014/15 Outturn £000	2015/16 Budget £000	2015/16 Forecast £000
Net Expenditure	3,417	98	98
Projected over/(under)spend			0

Housing General Fund

Current projections indicate that the service will outturn on budget in 2015/16.

The primary risks to the position are the level of Bed and Breakfast placements and managing arrears. Significant savings are expected to be delivered through a reduction in temporary accommodation placements within Bed and Breakfast accommodation together with the renegotiation of Bed and Breakfast nightly rates.

The number of Bed and Breakfast placements stood at 72 at the end of August which is slightly above the budgeted average of 68. However, despite peaking briefly at 81 in May, average numbers over the whole of the first 5 months of the year stand at 59. The projected average number of placements per month for the year is now estimated to be 58. The resulting underspend is being used to fund additional payments to private sector lease providers in order to ensure a continuous supply of properties, security and reception improvement works at several of the Council's hostels, payments to the East London Housing Partnership and to manage the revised income profile due to the rescheduling of the opening of Butler Court.

Arrears have increased by £211k since the start of the financial year, although this is partly due to a backlog in processing Housing Benefit claims. The current level of bad debt provision is expected to be sufficient based upon current assumptions.

The opening of Butler Court Hostel has been rescheduled to facilitate the provision of additional units. The facility was initially expected to open in October with 69 units, however, now that full access has been obtained, it has been established that a further 11 units can be provided. The facility is now expected to open in February with 80 units. The enhanced refurbishment of the hostel will be funded from corporate budgets and will result in a higher level of ongoing income.

The combination of additional hostel units at Butler Court and 50 Waking Road alongside active placement management is expected to deliver a breakeven position and enable the service to deliver its savings target. There are, however, significant risks in this area if the forecast reduction in Bed and Breakfast numbers is not achieved, the available supply of PSL properties does not meet demand or the amount of bad debt increases substantially above the current provision.

2.8 Environment

Directorate Summary	2014/15 Outturn £000	2015/16 Budget £000	2015/16 Forecast £000
Net Expenditure	19,687	19,477	19,477
Projected over/(under)spend			0

Pressure of just under £3m is expected to be contained within Environmental Services (see table below):

Main Pressures	£000
Parking Services - Impact of De-regulation bill and existing pressures.	1,795
Pressures against 2015-16 savings targets (see savings tracker appendix for details)	326
Pressures against income targets in Environmental services	568
Stour Road buildings	90
Total Pressures	2,779

Environmental Services currently has a challenging pressure of c£2.8m which it is expected to contain. The most significant element of the £2.8m pressure is £1.795m against the Parking account as a result of the De-Regulation Act 2015 which came into effect in April 2015 having gained ministerial approval in late March 2015. The service continues to apply various enforcement strategies to mitigate the pressure. The service also has a historic pressure due to delays in determining the future use of 2 and 90 Stour Road this pressure is currently estimated as £0.09m. There are also a number of risks against income targets within the service which need to be closely monitored. The service is currently working to ensure that the pressure is mitigated.

A challenging savings target of £1.710m is built into the 2015/16 budget. These are largely in the process of being delivered or already implemented. However, current forecasts indicate under delivery of £0.326m (see savings tracker for further details). Where under delivery has been identified, the Department is actively managing the resulting pressure.

The Department is working to ensure pressures are managed, income opportunities reviewed, posts held vacant, recharges and income collection up to date and expenditure managed across the department.

2.9 Chief Executive's Directorate

Directorate Summary	2014/15 Outturn £000	2015/16 Budget £000	2015/16 Forecast £000
Net Expenditure	18,716	17,870	17,870
Projected over/(under)spend			0

Chief Executive's Directorate is currently on target to spend to budget this year though that is dependent on a number of pressures being contained within services.

There are over £2.5m of savings relating to Elevate services for 2015/16 including large individual savings relating to the transformation of ICT and Customer Services and the automation of other services. These are being monitored through joint programme boards with Elevate and Agilisys with the highest risk on parts of the automation proposals. There is also substantial ongoing demand pressures on the benefits services with high numbers of new claims and changes in circumstances that are having to be managed within existing resources.

There are pressures totalling £0.215m within Human Resources through the under-recovery of some school buybacks and underachievement of income on the Learning and Development budget. These pressures are being mitigated through reducing expenditure on Learning and Development budgets, and reducing the cost of training venues.

At the end of August, Legal and Democratic Services have already achieved their income target for the year, in addition to delivering against their savings target. If the level of trading activity continues, this is likely to generate significant surplus income.

The Asset Strategy team are currently carrying out a series of rent reviews which will result in the generation of additional rental income. It is expected that the income generated will be re-invested into the commercial properties portfolio to protect or increase future revenues. Any income not invested will generate an overachievement of the income budget in the Asset Strategy team.

At the end of August, the Directorate is reporting a breakeven position and will be mitigating the pressures.

2.10 Central Expenses

Directorate Summary	2014/15 Outturn	2015/16 Budget	2015/16 Forecast
	£000	£000	£000
Net Expenditure	2,186	(109)	(809)
Projected over(under)spend			700

This budget covers treasury management costs (interest paid on loans and received on investments), budgets to cover the costs of redundancy and doubtful debts and a small contingency to cover any unforeseen pressures.

Currently expenditure and income is forecast to be below budget as a result of the work of the Treasury team to achieve good returns on the Council's cash deposits without a significant increase in the risk taken, in a low interest environment.

2.11 In Year Savings Targets – General Fund

The delivery of the 2015/16 budget is dependent on meeting a savings target of £23.5m. 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.

Directorate Summary of Savings Targets	Target £000	Forecast £000	Shortfall £000
Adult and Community Services	4,145	3,804	341
Children's Services	2,065	1,845	220
Housing (GF)	1,005	1,005	-
Chief Executive	14,595	13,751	844
Environment & Enforcement	1,710	1,384	326
Total	23,520	21,789	1,731

2.12 Housing Revenue Account (HRA)

The HRA is currently forecast to breakeven. More detailed monitoring information is given in Appendix C.

Income

Income is expected to be ahead of budget by £1.914m. This is due to an increase in the number of HRA Decants being used for Temporary Accommodation generating £1.2m additional income to the HRA than originally budgeted (£2.2m) and increased water charges (£0.6m) as notified by the water provider after Council budgets were agreed. There is a net nil impact to the HRA of the increased water charges as these are collected by the council and passed through to the water company.

The main risk to the income position is collection performance and stock movements. The current performance on rent collection is 97.97% compared to the target of 99.24%. This creates a shortfall in cash collected of £0.962m. Changes in government policy around repeat claims for Discretionary Housing Payments (DHP) have also impacted the allocation of DHP towards housing rents. Additional proactive work is being undertaken to mitigate the shortfall in income collection through rent campaigns and other proactive work. The housing service has been working with Capita to produce useful and valuable data which will assist in developing intervention models which will lead to improved rent collection levels and reductions in rent arrears. The position will be monitored closely throughout the year and it is expected that the shortfall will be recovered towards the end of the year. However, if the position isn't recovered there will be increasing pressure on the bad debt provision due to increasing arrears and the likelihood of additional bad debts being written off.

Stock movements are monitored as an increasing level of Right to Buy activity and higher than budgeted void levels may adversely impact rental income. Although there have been fewer Right to Buy sales year to date (85) compared to a budget profile of 92, however, due to demand fluctuations over the course of a year, current projections continue to assume 220 sales.

Provision has been made within the HRA through increased bad debt provision plus the availability of discretionary housing payments to mitigate any impact of welfare reform.

Expenditure

Expenditure is expected to be over budget by £1.914m. This is partly due to the increase in water charges payable to the water company as explained above.

In order to achieve a breakeven position, the Housing service will need to manage cost pressures within the year. The most significant risk area is Repairs and Maintenance which is reporting an overspend of £1m. The forecast position is dependant on a number of management actions including the greater use of in-house workforce over sub contractors and the implementation of a revised repairs policy.

Existing pressures include restructure and efficiency savings not delivered in 2014/15, pressures on staffing budgets and pressure on sub-contractor spend due to the high levels of responsive repairs carried out by external contractors. Action to address the position includes establishing further productivity improvements, the introduction of a revised repairs policy to manage the workload run rate and the increased utilisation of in-house staff on capital schemes and responsive jobs in place of external sub-contractors

The additional income raised from HRA decants units for temporary accommodation is currently offsetting projected overspends in Repairs and Maintenance. The forecast revenue contribution to capital is expected to be £0.2m higher than budget.

HRA Balance

It is expected that HRA balances will remain at £8.7m.

2.13 Capital Programme 2015/16

The Capital Programme forecast against budget as at the end of August 2015 is as follows:

	2015/16 Current Budget £'000	Actual Spend to Date £'000	2015/16 Forecast £'000	Variance against Budget £'000
Adult & Community Services	2,682	678	2,682	0
Children's Services	33,474	8,385	32,803	(671)
Environmental Services	4,215	1,064	4,205	(10)
Chief Executive Directorate	12,437	2,079	12,385	(52)
General Fund Housing (EIB)	6,222	770	6,222	0
Subtotal - GF	59,030	12,976	58,297	(733)
HRA	77,987	35,778	80,362	2,375
Total	137,017	48,754	138,660	1,642

Summary

The 2015/16 capital programme, with the inclusion of the General Fund Housing EIB schemes, stands at a revised budget of £137.0m, and Directorates are anticipating an overall Overspend of £1.642m.

New Capital Schemes

There are no new schemes this month.

Adult & Community Services (ACS)

Adult & Community Services has a current budget for 2015/16 of £2.682m and is currently not projecting any over or under spends across the Directorate.

Children's Services (CHS)

Children's Services has a budget of £33.4m, and is currently expecting to underspend by £0.671m overall. This is a net position and results from a number of individual scheme variances. Schemes with (under) or over spends of £0.1m or more include:

Eastbury Primary	(£0.238m)
Warren/Furze Expansion	(£0.241m)
Village Infants	£0.238m
Jo Richardson Expansion	£0.666m
Barking Riverside Free School	(£1.100m)

Under and overspends are returned to and drawn from the total Basic Need funding allocation, some of which is budgeted for future years. Officers will continue to ensure that the overall programme is delivered within budget across all years and that all schools are completed in time for the required new intake deadlines.

Environmental Services (ES)

Environmental Services has a current capital programme of £4.2m and is currently projecting an underspend of £0.010m, which is specifically in relation to the Road Safety Improvement Scheme.

Chief Executive (CEO)

The Directorate has a current budget of £12.4m and is currently projecting an underspend of £0.52m across the Directorate. This is a net position and results from a number of individual scheme variances. Schemes with (under) or over spends of £0.1m or more include:

The Barking Bath House / Cambridge Road Development	(£0.300m)
Shopping Parade Enhancements	(£0.121m)
The Merry Fiddler Junction Improvements	£0.170m

The projected overspend on the Merry Fiddlers scheme will be funded by additional Section 106 money.

Housing Revenue Account (HRA)

The HRA has a budget of £77.987m, and is currently forecasting an overall overspend of £2.375m, as set out below:

Investment in Stock

This area has a budget of £43.2m and is projecting an overall break-even position. Although there are some offsetting variances within this position, including under and overspends of £0.9m against Decent Homes South and Fire Safety works respectively.

Estate Renewal

This area has a current budget of £6.4m, and projecting to spend £9.7m in this financial year as a result of being ahead of schedule and incurring accelerated spend. This overspend will be funded by bringing forward future year Estate Renewal budgets (of which there is currently £6.0m in each of the following two financial years).

New Build Programme

The New Build Programme has a budget of £28.2 and is projecting to underspend by £0.955m. New build schemes with (under) or over spends of £0.1m or more include:

Lawns & Wood Lane Development	(£0.100)
Abbey Road	(£0.163)
The Leys (including phase 2)	(£0.166)
Goresbrook Village	£0.347
Ilchester Road	(£0.478)
North Street	(0.395)

The Lawns & Wood Lane, Abbey Road, and Goresbrook Village schemes are now complete, with only final retentions to be released. The Leys phase 1 is progressing, and phase 2 is expected to start on site late 2015/early 2016. The Ilchester Road and North Street schemes have both been delayed due to prolonged planning processes. Individual scheme variances will be drawn from / returned to the overall five-year HRA business plan.

The detailed scheme breakdown is shown in Appendix D.

2.14 **Financial Control**

At the end of August, 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. 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
- **Appendix E** – Outline Business Case for the Social Care Ambition and Financial Efficiency (SAFE) Programme