

CABINET

17 September 2019

Title: 2019/20 Budget Monitoring (April to July - Month 4) and Capital Programme Monitoring (April to June - Q1)	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision Yes
Wards Affected: All	Key Decision: Yes
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Accountable Director: Helen Seechurn, Interim Finance Director	
Accountable Strategic Director: Claire Symonds - Chief Operating Officer	
Summary <p>This report provides a high-level overview of the key financial risks and issues faced by the Council in this financial year. At the beginning of the financial year there is a high level of uncertainty in the position – especially around demand and cost increase pressures and so the position may change. However, there are clearly significant pressures. The report describes the potential impact in high level terms and the forecasts have been made on a prudent (pessimistic) basis. The position may therefore be overstated, However the scale of the challenge means that there is no room for complacency.</p> <p>The forecast expenditure in the General Fund is £158.352m against a budget of £148.820m. This equates to a gross General Fund overspend of £9.5m, before Collection Fund and Business rates surpluses are added which then puts the overall variance in the region of £7m (see Appendix A)</p> <p>As at the end of 2018/19 the budget support reserve stands at £12m. £4m of this however has been earmarked to fund Transformation programmes. This would mean that this year’s overspend could be covered from this reserve. However, this would deplete this reserve leaving only the unearmarked General Fund reserve of £17m to cover future overspends.</p> <p>Although the reduction in reserves in 2019/20 is foreseen and can be managed, it is not desirable and will limit our future ability to respond to unforeseen events or invest in the borough. If this level of expenditure continues into next year it would exceed the funding plans set out in our Medium Term Financial Strategy (MTFS) and so would require the identification of further savings or income in order to set a balanced budget. For these two reasons the overspend must not be allowed to continue to grow and serious consideration needs to be given to possible remedial measures.</p> <p>Directors and Strategic Directors have been tasked with identifying any possible measures within their own spheres to mitigate the position as a matter of urgency. This is likely to include short term management action such as delaying recruitment or</p>	

procurements, bringing forward planned savings and maximisation of income. The results of this work will be brought back to Cabinet in October or November. The potential impact on the future years if the position is not recovered would be a requirement to determine additional saving programmes for 2020/21 in the order of £7m, although this figure is expected to come down following the completion of the detailed budget review and more robust forecasting.

This report also includes the first quarterly Capital Programme report for completeness. The overall general fund capital programme is £169.356m. This excludes HRA and Transformation, to be reported at October Cabinet. Forecast spend against the total general fund programme is £156.161 resulting in a forecast underspend of £12.207m (after net slippage/acceleration of £0.988m is applied).

Recommendations

The Cabinet is recommended to:

- (i) Note the projected revenue outturn for Council services as set out in sections 2 and 3 to 11 and Appendix A to the report;
- (ii) Note the forecast outturn on the Dedicated Schools Budget as set out in section 12 of the report;
- (iii) Note the reprofiled Capital Programme and the forecast outturn as set out in section 14 and appendices B and C to the report;
- (iv) Approve the following additions to the 2019/20 Capital Programme, as detailed in section 16 of the report:
 - An additional £30,000 for further, unforeseen repairs work to Woodlands (Registry Office),
 - An additional £7,614,989 to fully fund the Fleet Replacement capital programme, bringing the total revised allocation to £10,689,989.
- (v) Note the need to identify in-year remedial action in relation to General Fund revenue expenditure and that a further report shall be presented to Cabinet in October/November, as set out in section 2.5 of the report.

Reason(s)

As a matter of good financial practice, the Cabinet should be informed about the Council's spending performance and its financial position. This will assist the Cabinet in holding officers to account and in making future financial decisions.

1 Introduction and Background

- 1.1 The final outturn for 2018/19 was an overall overspend of just under £3m (after transfers to and from reserves were taken into account). This was the net position after collection fund surpluses and there was an underlying overspend of £7m in service expenditure budgets. In addition, it must be remembered that last year the budget setting approach was that as far as possible services would be expected to contain their own growth. Only a limited amount of additional funding was identified, and this was applied in the most part to Care and Support Services. This reduced the gap for budget setting purposes and meant that additional savings proposals were not required to be identified so 2018/19 could be a “consolidation” year.
- 1.2 However, the expectation that services could contain their own growth is a challenge for many. The small amount of growth funding that could be identified was used both to deal with some specific issues in the budget and then to provide additional care and support funding. However, the sums available for this purpose (£1m for Children’s, £1.3m for Disabilities) were lower than the 2018/19 pressures. This means that those services with existing pressures are likely to continue to overspend into 2019/20.

2 2019/20 Budget Monitoring Position - Summary

- 2.1 This has led to a high level of overspend forecast. Across the Council there are known budget pressures of up to **£15.1m, with some underspends of £5.6m forecast centrally giving rise to a forecast net spend position of £9.5m**. It should be noted that this forecast has been made on a prudent basis and so there is potential for further reduction. In addition, the budget monitoring to date has focussed on high risk spend areas so as a result there may be some emerging underspends yet to be reported.
- 2.2 As in previous years there is an expected underspend within Central Expenses. The £2m provision for non-delivery of savings put into the budget in 2018/19 is still there. There are other contingency budgets such as the Redundancy budget (£1.3m of which half is currently assumed in the forecast) and the Council consistently over-achieves on gainshare against its budget (c£1.5m). Finally, additional costs are now forecast of £0.1m in respect of Domestic Violence Commission. In addition, there is an expectation to receive £3m in dividends from the companies giving us a total forecasted **underspend of £5.6m** on central budgets. This is an improvement from last month by £0.6m due to higher than expected Gainshare income and a lower forecast on the redundancy budgets.
- 2.3 There are at outturn additional Collection Fund surpluses and business rates via the London pool have been included as **£2.5m additional income**. Overall the net overspends forecast at end of July is now expected to be £7m, a £630k improvement from period 3.

DEPARTMENT	ADJUSTED BUDGET	FORECAST	VARIANCE	Movement
P&R Commissioning	8,345,510	8,245,510	(100,000)	(100,000)
Core	6,226,000	6,418,000	192,000	192,000
Central	35,099,327	29,530,327	(5,569,000)	(569,000)
Education, Youth & Childcare	3,909,800	3,909,800	0	0
Law, Governance & HR	(638,206)	(638,206)	0	0
Policy * Participation	2,800,380	3,211,458	411,078	171,434
Care & Support	71,104,978	83,778,978	12,674,000	480,000
Inclusive Growth	994,880	994,880	0	0
Community Solutions	9,746,030	9,746,030	0	0
My Place	6,292,391	7,165,832	873,441	(191,559)
Contracted Services	4,938,920	5,988,920	1,050,000	350,000
Total General Fund Budget	148,820,010	158,351,529	9,531,519	332,875
Corporate Funding	(148,820,010)	(151,282,385)	(2,462,375)	(962,375)
NET GENERAL FUND POSITION	0	7,069,144	7,069,144	(629,500)

- 2.4 More information about the key areas of risk are given below. The overall impact on reserves will be a drawdown of around £7m from the Budget Support Reserve. This is manageable as there is sufficient funding to do this but it would restrict our ability to respond to future unforeseen events and to invest in the borough. If this level of spending continues it could also put at risk our Medium Term Financial plans, requiring the identification of future savings.
- 2.5 It is therefore necessary to identify both short and medium remedial actions to bring spending nearer to the budget. Directors and Strategic Directors have been tasked with identifying any possible measures within their own spheres to mitigate the position as a matter of urgency. This is likely to include short term management action such as delaying recruitment or procurements, bringing forward planned savings and maximisation of income. The results of this work will be brought back to Cabinet in October or November.

3. Care and Support/ People and Resilience

- 3.1 The overall budget for People and Resilience (exec Education) in 2019/20 is £81.810m. The total expenditure forecast (main case) for these services 2019/20 is £94.484m which would result in an overall budget pressure of £12.674m. This would be a growth in expenditure since the previous financial year of £6.795m. These forecasts largely do not include the impact of the savings programmes across the service – if these are successful then this would decrease the variance. Currently however, the savings are contributing to the budget gap.

3.2 Further information on the specific services is given below.

People & Resilience Group	19/20 Budget £000	Main Forecast £000	Variance £000	Period Movement £000	Change since 2018/19 £000
Adults Care & Support	19,474	23,424	3,950	300	1,939
Adults Commissioning	5,756	5,856	100	0	241
Disabilities Service	18,403	21,441	3,038	180	1,521
Children's Care & Support	34,490	40,176	5,686	0	2,807
Children's Commissioning	4,387	4,287	-100	0	287
Public Health	(700)	(700)	0	0	0
Group Total	81,810	94,484	12,674	480	6,795

4. Adults' Care and Support

4.1 The total forecast for Adults Care and Support is £23.4m which is an increase of £1.9m since the previous year and would result in a budget overspend of £3.95m. The Adults budget is effectively unchanged but there continues to be upwards growth in expenditure and demand.

Service Area	19/20 Budget £000	Forecast £000	Variance £000	Period Movement £000
Adult packages	8,157	10,457	2,300	(200)
Adult teams	3,735	3,735	0	0
Adult homes and centres	2,025	2,375	350	0
Mental Health	4,567	5,867	1300	500
Adults Other (Support services)	990	990	0	0
Directorate Total	19,474	23,424	3,950	300

4.2 The main area of increase and budget pressure is in the Adults' Care Packages. This forecast includes provision for the expected care fee increases (which will be funded from the IBCF) and assumes a continuation of the clear upwards trends in demand. This means that if demand growth slows or ceases the position may improve. There are no further savings targets within Adults. However, the brought forward savings shortfall from previous years is a significant part of the current overspend.

4.3 The main areas of pressure in this area are spread across the range of provision:

- £2m in Homecare: this is the bulk of the pressure where the service is witnessing an increase in homecare hours. The service has been reviewing crisis packages and we are likely to see a reduction during the year. Finance are working closely with the service in monitoring activity and further analysis is being carried out to establish a more accurate forecast going forward.

- £500k overspend in Direct Payments which is consistent with last year's outturn position in this area.
- £1.3m overspend in Residential and Nursing due to the volatility in this area further work is being carried out to review package costs.
- The above is partially offset by a £1.6m forecast on direct payment refunds, this is a conservative projection and there is room to increase this projection if it can be justified with accurate data.
- The forecast also includes £913k of winter pressures money which we expect to receive in December.

- 4.4 The pressures in the Homes and Centres group includes an income shortfall at Kallar Lodge and at Relish Café. Resolution of these issues would also reduce the overspend and options for Relish are being considered. The savings targets for these services together amount to £0.415m but this is unlikely to be achieved this year. Recruitment of staff for the expanded offer at Kallar is nearing completion but take up of the spaces has not yet happened. A best case estimate for this year might be £0.2m.
- 4.5 Mental Health - £1.3m overspend the bulk of which is on supported living, this is due to 14 new service users in 19/20, as well as several packages have been reviewed and uplifted. Younger Mental Health homecare is the other major contributor to this overspend. Historically there has not been much spend in this area and therefore there has been no budget; however, there is a projected £240k spend in this area for 19/20 contributing to the overspend position within mental health.
- 4.6 The position has had an adverse movement of £300k from last period. The main reason for this is in mental health which has seen the overspend increase by £500k; this is due to 14 new service users in 19/20 costing an approx. £350k and 26 clients having package reviews leading to an increase in costs of approx. £150k. This overspend has been partly mitigated by an increase of £200k to the DP refunds forecast which was forecasted prudently last month and the service are confident of achieving more.
- 4.7 The changes to the Charging Policy are expected to produce some level of savings, the current estimate for the in-year effect is £0.4m. This is not yet certain (medium risk rated) so is not included in the main forecast. Another initiative that is expected to make further savings is the MH Supported Living Review which may make a saving of up to £0.271m. However, this will need to be reviewed in the light of the pressures in the MH service.
- 4.8 If there is no further growth above that allowed for (approx. 3% on the previous year) and the initiatives listed above have effect (£0.4k charging, £0.27m MH SL, £0.2m Kallar/Relish) then a best case forecast would be in the region of £2.75m overspend.

5. Disabilities Care and Support

5.1 The total forecast for Disabilities Care and Support is £21.441m which is an increase of £1.521m since the previous year and would result in a budget overspend of £3.038m. The budget including IBCF transferred from Adults has increased by £1.9m; however, this has effectively been matched by upwards growth in expenditure leaving the variance at around the same level as 2018/19.

Service Area	19/20 Budget £000	Main Forecast £000	Variance £000	Period Movement £000
Adults Care Packages (inc Equipment)	9,284	10,497	1,213	-206
Children's Care Costs	1,074	1,926	852	66
SEND transport	2,619	2,919	300	300
Centres and Care Provision	1,756	2,012	256	20
Staffing/Care Management	3,670	4,087	417	0
Directorate Total	18,403	21,441	3,038	180

5.2 The main increases/budget variances are on the demand-led budgets for care provision especially:

- £1.2m overspend on Learning Disabilities Adults across Direct Payments, Homecare, day care and residential care;
- £852k Overspend on Children with Disabilities across Direct Payments, Respite packages and legal / court costs;
- £673k overspend on Teams and Centres, made up of pressures within the education psychology service, 80 Gascoigne Road and Life Planning; and
- £300k overspend on SEND Transport, due to existing pressure in the cost of the routes- the growth that was given to meet this pressure doesn't fully cover it.

5.3 The forecast is based on known commitments and has not been adjusted for future placement growth. The assumption is that the care package review activity, improved life planning and increased CHC will be enough to contain the costs of growth. If these initiatives produce greater benefits, then this would reduce the forecast.

5.4 Including this year's savings, the service has a cumulative total of £0.835m undelivered savings built into its budget which is contributing to the pressure. There are two MTFs savings initiatives in 2019/20 – the expansion of Shared Lives and new provision at 80 Gascoigne. Work to deliver these is in hand but the financial impact is uncertain. If fully delivered in year these would reduce the forecast by up to £200k but this is considered high risk.

5.5 Due to the high levels of growth in this forecast – which is largely outside the services control then this forecast is a reasonable main case. The potential best case is perhaps a potential reduction of £0.7m from other savings activities relating to package reviews and maximisation of CHC income.

6. Children's Care and Support

- 6.1 The total forecast for Children's Care and Support is £40.7m which is an increase of £2.8m in net expenditure from 2018/19. The in-year position has worsened by £239k since the previous period and would result in a budget overspend of £5.686m.
- 6.2 The third year of MTFS savings of £1.126m has been taken from the Looked After Children and Placements budget. The service does have plans to achieve these savings, but the forecast does not currently assume them. When these savings are achieved and start to feed through this will potentially decrease the forecast by between £0.6 (assuming all low risk savings are achieved) up to £1.4m (assuming all savings are achieved.)

Service Area	19/20 Budget £000	Main Forecast £000	Variance £000	Period Movement £000
Care Management	5,230	6,862	1,632	0
Looked After Children	20,884	25,946	5,062	0
Assessment Teams	3,473	4,843	1,370	0
Youth Offending Service	1,296	1,465	168	0
Other/Central	3,607	1,061	-2,545	0
Directorate Total	34,490	40,177	5,686	0

- 6.3 The additional costs of the Children's TOM can be met from budget available within the growth funding. This is currently held centrally but will be vired across the service in line with the new TOM implementation. However, there are staffing pressures on the service in addition to this. Currently there are posts above the TOM establishment in the forecast – additional staff in Rapid Response and staff to support the probationary period of the social workers recruited from overseas. The usage of agency is around 39% which is excess the budgeted ratio of 15%. These costs together are adding around £2m to the staffing forecast; however, it is possible that successful implementation of the Children's' TOM will mean that this reduces over time during the year.
- 6.4 Most of the pressure, however, relates to the cost of Looked After Children as follows:
- £2.2m overspend on Residential Homes
 - £925k overspend in the Leaving Care Service
 - £450k overspend Family Assessment Units
 - £435k overspend on Adoption Placements
 - £416k overspend in Specialist Agency Fostering
 - £249k overspend on Secure Units
 - £221k overspend in the Leaving Care Team
- 6.5 There has been no change to report from last month.
- 6.6 Although the overspend in Residential Homes is the largest component this represents only a small group of children (26). Most children are in foster care (circa 302) which has a much lower cost provision.

7. My Place – £873k Forecast Overspend

7.1 There is a forecast overspend on My Place of £873k. This consists of a forecast overspend of £1.188m within Public Realm which is offset by a £315k underspend, attributable to vacant posts within Business Development within My Place. The pressures within Public Realm relate to staffing costs and additional costs to support the aged fleet.

7.2 The main areas of overspend within Public Realm are shown below:

Service	Annual Budget £000	Forecast at M4 £000	Forecast Variance £000	Movement £000
Operational Management	96	194	97	0
Refuse	2,932	3,700	768	(34)
Cleansing	3,321	3,926	605	(119)
Caretaking	342	(42)	(384)	16
Total Operations	6,691	7,777	1,086	(137)
Parks and Environment	2,177	2,451	274	(41)
ELWA	(34)	(34)	0	0
Public Realm & Core Commercial	(259)	(366)	(108)	(19)
Transport & Asset Management Transport	(183)	(246)	(63)	6
Passenger Transport Services	25	25	0	0
Grand Total	8,418	9,606	1,188	(191)

7.3 The overspend within Cleansing includes the non-achievement of the £0.439m saving that was taken from the budget in 2018/19. The staffing budget is overspent as a result of pay awards, a high level of agency staff and posts above the funded establishment. The assessment of the management is that reducing staffing costs would be likely to result in a reduction in levels of service performance.

7.4 It should be noted that this forecast assumes a general reduction in vehicle lease costs from September 2019 on the basis that the fleet replacement programme commences from this date. It has been assumed that other transport-related costs will reduce from September, for example fuel and repairs and maintenance. If there is any slippage to this timeline, then the reduction in costs will be less and the forecast will need to be updated.

7.5 The fleet replacement will be funded through capital borrowing to be repaid from revenue budgets. Existing vehicle leasing budgets will be relinquished to cover the cost of capital repayment plus a financing (interest) charge.

8. Contracted Services - £1.050m forecast overspend

8.1 The overspend is largely due to a forecast overspend of £934k on B&D direct. Over the past two years savings of £0.7m have been taken for the Customer Experience and Digital Programme that have not yet been achieved in cashable terms. This is currently being assumed will be a net overspend on the budget at the end of the year. It may be possible to realise around £0.2m but this has not yet been included in the forecast. In addition, ICT are forecast to overspend by £126k.

9. Policy and Participation - £411k forecast overspend

- 9.1 There is a combined forecast pressure of £223k on Eastbury Manor and Valence House budgets. Improved management control and monitoring is expected to reduce the overspend. A contributing factor is the shortfall on establishment budgets.
- 9.2 There is currently a forecast overspend of £150k on the Film Office. The service has ambitious income targets and currently income is below the required level. The service will continue to work to identify opportunities and so there is scope for performance to improve.

10. Core - £192k forecast overspend

- 10.1 There is a forecast overspend of £192k on the Elevate client team. This is attributable to additional staffing costs of £104k plus an income loss of £68k.

11. Community Solutions – nil variance at present

- 11.1 Although there is no overspend forecast for Community Solutions it should be noted that there are significant risks to this budget. The service is working to reduce numbers of households in Temporary Accommodation and has attributed around £0.4m savings to this budget line. The reduction in the first three months of the year has been delivered somewhat ahead of target but it will be challenging to sustain this. It should also be noted that there are some costs involved in reducing TA including the payment of rent deposits.
- 11.2 The assessment of the finance team is that there are potential risks of around £0.4m to £0.5m, including possible slippage of savings in Adult college. However, the service management has identified a range of mitigating actions including use of DHP/HRA funding, use of reserves and stricter control on Rent Deposits.

12. Dedicated Schools Grant

- 12.1 The Dedicated Schools Grant is a ringfenced funding stream with a separate reserve. Variances on this grant do not form part of the General Fund overspend but are part of the overall financial performance of the Council and so should be reported to the management team.
- 12.2 At the end of the first quarter there are significant pressures on the High Needs Block. The total funding available is £28.913m and spend to date to July was £10.8m. Based on a mixture of known commissioning intentions and extrapolation from current spend, the finance projection for the year would be total spend of £31.2m equating to an overspend of £4.7m. The overspend is made up of additional special school places planned from September resulting in £3.03m overspend and approx. £1.1m pressure on Top Ups and ARPS partially offset by underspends from delaying preventative projects and language support.
- 12.3 It should be noted that this is prudent estimate. The Commissioning Director for Education is working with the Schools Forum and others to develop an action plan to mitigate these pressures and these actions should reduce the final overspend.

13. Housing Revenue Account

- 13.1 At the end of quarter one, the forecast position on the Housing Revenue Account is a balanced position on budget. However, there are known pressures on the Repairs and Maintenance which was overspent last year and where there is a high level of savings built into the budget. There is a need to strengthen the information flows and so the monitoring and control of this budget in order to ensure that the overspend is not repeated.
- 13.2 However, the underspend in My Place will produce some benefits for the Supervision and Management service of the HRA which will offset the other pressures to some extent.
- 13.3 A fuller monitoring on the HRA to include the Capital Programme will be provided in the next month's report.

14. Capital Programme

- 14.1 The overall general fund capital programme is £161.807m. This excludes HRA and Transformation, to be reported at October Cabinet and doesn't yet include the net acceleration which is being requested for approval (see Appendix B).
- 14.2 Forecast spend against the total general fund programme is £161.061 resulting in a forecast underspend of £0.746m (before net acceleration of £0.988m is applied).

Capital Programme	Budget £000	Forecast £000	Over / Underspend (Slippage) £000
Approved Capital Budget – Feb MTFS	152,227		
Approved in-year Additional Capital Schemes	1,340		
DFG Grant allocation confirmed for 2019/20	1,636		
CPZ budget approved May 19	902		
External funding from Football Foundation - 3G Football Pitches, Parsloes Park, approved June 2018	5,950		
Additional works for expanded schools - Budget Returned	(250)		
Revised 19-20 Approved Capital Budget	161,806	161,061	(746)
Net Slippage (To be Approved)		988	988
Net Forecasted Outturn Position	161,806	162,049	242
New Capital Schemes – Awaiting Approval (details below)	7,645	7,645	0
Revised 19-20 Outturn Position	169,451	169,694	242

15. Slippage/ Acceleration

- 15.1 In June 2019, Cabinet were requested to approve carry forward of the overall net slippage of £37.559m, of this only £0.988 is now being requested. There is an intention to re-profile several budgets in the service as many programmes were underspending at year end. In some cases, these will be carried forward and in other cases like the investment strategy budgets need to be realigned.

- 15.2 Cabinet is requested to approve accelerated spend for Robert Clack and Lymington Fields of £6.492m. This is as a result of the project progressing ahead of schedule and in its defects liability period. These will be funded by Basic Needs Grant allocation as approved by the ESFA.
- 15.3 Cabinet is requested to approve the slippage of £5.045m on Gascoigne (Greatfields) due to delays in tenant/leaseholder decant and unforeseen ground conditions and site availability. This is funded by Schools Modernisation Grant (renamed from Schools Condition Allocation), Basic Needs Grant allocation and the Free Schools Academy Programme.
- 15.4 Cabinet is requested to approve £4.208m acceleration on Barking Abbey expansion due to Be First delivering the project ahead of schedule and in its defect's liability period. Barking Abbey school was very accommodating with Neilcott builders. This will be funded by Basic Needs Grant allocation as approved by the ESFA.
- 15.5 Cabinet is requested to approve net acceleration on the General Fund capital programme of £0.988m (see Appendix C).

16. New Capital Programme schemes for 2019-20

- 16.1 The Capital Programme for 2019-20 was approved in February 2019 as part of the Medium Term Financial Strategy.
- 16.2 Cabinet approved £176,400 two years ago for necessary repairs work to Woodlands (Registry Office). **Approval for a further £30,000** is requested for unforeseen works once parts of the building are stripped back and a small contingency. Tender for the work has been awarded to BD Management Barking & Dagenham Managed Services. (BDMS), which is a part of B&D Trading Services. This will be funded by capital borrowings.
- 16.3 Cabinet is requested to **approve an increase of £7,614,989** to the Fleet Replacement capital programme within Public Realm. Cabinet approved a procurement strategy paper in July 2018 to acquire new vehicles. The procurement exercise included an options appraisal as to whether the vehicles should be leased or owned outright. The most beneficial proposal was to buy these vehicles outright which means the definition of capital expenditure. This will be funded through capital borrowing to be repaid from revenue budgets. Existing vehicle leasing budgets will be relinquished to cover the cost of capital repayment plus a financing (interest) charge. The existing allocation is £3,075,000 for Capital so the total revised allocation will be £10,689,989. This will enable the authority's aging and costly fleet to be replaced by more modern and efficient vehicles.

17. Reserves Drawdown

- 17.1 As shown in Appendix One £1.226m has been drawn down from reserves into this year's budget. These are approved carry forward amounts from last year but are listed below for information.

Description	Reserve	Amount	Classification	Department
Brexit Preparation Grant carry forward from 18/19	Budget Support	104,984.00	c/f from pfy	Central
Business Rates Levy Surplus 18/19	Budget Support	871,010.00	c/f from pfy	Central
Inclusive Growth carry forward from 18/19	Budget Support	250,000.00	c/f from pfy	Inclusive Growth

18 Financial Implications

Implications completed by Katherine Heffernan, Group Manager – Service Finance.

18.1 This report details the financial position of the Council.

19. Legal Implications

Implications completed by: Dr Paul Feild

19.1 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

Public Background Papers Used in the Preparation of the Report: None.

List of Appendices

- Appendix A – General Fund Revenue budgets and forecasts.
- Appendix B – Changes to the Cabinet Programme
- Appendix C – Five Year Capital Programme