

Report of the Head of Democratic Services

Report to Scrutiny Board (Strategy and Resources)

Date: 20 January 2020

Subject: Financial Health Monitoring 2019/20 – Month 7 (October)

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 The purpose of this report is to provide members of the Scrutiny Board (Strategy and Resources) with information regarding the projected 2019/20 financial health position of those service areas that fall within the Board's remit at Month 7 (October).

2. Background information

- 2.1 The net revenue budget for the general fund for 2019/20 was set at £516.7m.
- 2.2 Following the closure of the 2018/19 accounts, the Council's general fund reserve stands at £28.0m. The 2019/20 budget assumes a further contribution of £4.5m to this reserve during the current financial year, which will contribute towards ensuring that the Council continues to be financially resilient and sustainable.
- 2.3 Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. This risk-based approach has again been reinforced through specific project management based support and reporting around the achievement of the key budget actions plans.

3. Main issues

- 3.1 Details of the Council's overall projected 2019/20 financial health position at Month 7 (October) was reported to the Executive Board at its meeting on 7 January 2020. The Executive Board report is attached at Appendix A for the Board's consideration.
- 3.2 The Board will also consider the initial budget proposals for 2020/21 at the meeting, which are presented elsewhere on the agenda.
- 3.3 Appropriate senior officers have been invited to attend the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Council's financial health monitoring is a factual report and is not subject to consultation.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The Council's revenue budget for 2019/20 was subject to Equality Impact Assessments where appropriate and provided as part of the papers presented to Council on 27 February 2019.

4.3 Council policies and the Best Council Plan

- 4.3.1 The 2019/20 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. The attached Executive Board report comments on the financial performance against the agreed budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

Climate Emergency

- 4.3.2 As a factual report detailing the Council's financial position for 2019/20 there are no specific climate implications identified in the attached Executive Board report.

4.4 Resources, procurement and value for money

- 4.4.1 All resources, procurement and value for money implications are detailed in the main body of the attached Executive Board report.

4.5 Legal implications, access to information, and call-in

- 4.5.1 There are no legal implications arising from the attached Executive Board report.

4.6 Risk management

- 4.6.1 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To

reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget actions plans was in place for 2019/20.

5. Conclusions

- 5.1 The attached Executive Board presents the Council's overall projected 2019/20 financial health position at Month 7 (October). The Executive Board report also reiterates that there is a risk that not all of the assumed capital receipts will be receivable in 2019/20. Savings to date identified by directorates to address this risk are incorporated into the position outlined in the Executive Board report.

6. Recommendations

- 6.1 That the Scrutiny Board considers the relevant information within the attached Executive Board report and agrees any specific scrutiny actions that may be appropriate.

7. Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.