

Meeting date: 29th November 2018
Report to: Cabinet Member for Transport and Highways



Subject/report title: **REVENUE AND CAPITAL MONITORING 2018/19 AS AT 30TH SEPTEMBER 2018**

Report from: Director of Managed Growth and Communities and Director of Resources and Deputy Chief Executive

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Wards affected:

All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege

Public/private report: Public

Exempt by virtue of paragraph: N/A

1. Purpose of Report

- 1.1 To inform the Cabinet Member of the Portfolio's latest forecast financial position as at the 30th September 2018 against Revenue and Capital budgets as summarised below and detailed in the attached Appendix A.
- 1.2 To inform the Cabinet Member of the Portfolio's progress against the latest 3 year savings targets in the Medium Term Financial Strategy (MTFS) summarised below and detailed in Appendix A.
- 1.3 To inform the Cabinet Member of the Portfolio's future pressures and mitigations detailed in Appendix B.

2. Decision(s) recommended

The Cabinet Member is asked to:

- 2.1 Consider and endorse the 2018/19 revenue and capital financial monitoring forecast as at 30th September 2018;
- 2.2 Consider the Portfolio's progress against the latest 3 year savings targets in the Medium Term Financial Strategy (MTFS) as at 30th September 2018;
- 2.3 Approve the £1.161m addition to the capital programme per paragraph 3.7

3. What is the issue?

- 3.1 Throughout the financial year, information will be provided on a quarterly basis to the Cabinet Portfolio Holder and Full Cabinet.
- 3.2 The cash limited discipline at Solihull means that Directorates need to balance their budget forecast position first and the Portfolio's position flows from that. As a result, this cabinet is specifically taken into account across the Managed Growth and Communities Directorate.
- 3.3 The revenue and capital financial position, the savings position for 2018/19 to 2020/21, the key risks and opportunities and required approvals are outlined in Appendix A.
- 3.4 The overall Council position is reported to Full Cabinet together with any planned actions; any variances are then considered inline with Council priorities and Financial Regulations.

Revenue Budget 2018/19

- 3.5 The latest approved revenue budget for the portfolio is £5.648m. The Forecast outturn expenditure for this year is giving an adverse variance of £3,000 – explanations can be found in Appendix A.

Capital Budget 2018/19

- 3.6 The latest approved capital programme for this portfolio is £7.556m. The forecast outturn expenditure for the year is a favourable variance of (£214,000). Full Cabinet approval will be sought for all capital re-phasing.
- 3.7 The Autumn Statement budget announced a new £420m capital pot for “highway authorities to tackle potholes, repair damaged roads, and invest in keeping bridges open and safe”. The Councils’ allocation of this is £1.161m that is required to be spent by the 31st March 2019. As a result approval is sought to add this amount to the capital programme for the 2018/19 financial year.

Budget Strategy Savings 2018/19 to 2020/21

- 3.8 For 2018/19 the total savings target is £317,000, all of which is rated as green
- 3.9 For 2019/20 the total savings target is £548,000, of which £243,000 are RAG rated as Amber (44%) and £305,000 as green (56%)
- 3.10 For 2020/21 the total savings target is £571,000, of which £221,000 are Amber (39%) and £350,000 as Green (61%)

Future Pressures and Mitigations

- 3.11 The latest three year budget position was approved as part of the overall MTFS by

Full Council on the 1st March 2018. In addition, on the 21st June 2018 as part of the 2017/18 Final Accounts report, Full Cabinet approved a number of one-off funding allocations to a number of portfolio budgets over the MTFS period with the agreement that the on-going funding implications beyond this period would be established through the normal MTFS process for 2021/22 and beyond.

- 3.12 In order to keep a 'live' picture of the Cabinet portfolio's financial position each Cabinet portfolio holder will, as part of their individual financial monitoring reports receive a schedule of any emerging portfolio pressures and proposed mitigations against the latest MTFS period 2018/19 to 2020/21. These schedules were first presented as part of the 2018/19 budget process to the Budget Strategy Group and went on to form part of the budget papers for Full Cabinet.
- 3.13 These schedules will then inform the starting point of the budget discussions for the new MTFS 2019/20 to 2021/22 for the Budget Strategy Group. This portfolio's pressures and mitigations schedule and the associated narrative detail is contained within Appendix B

4. What options have been considered and what is the evidence telling us about them?

4.1 N/A

5. Reasons for recommending preferred option

5.1 N/A

6. Implications and Considerations

6.1 Delivery of key themes in the Council Plan:

How will the options/proposals in this report contribute to the delivery of the key themes in the Council Plan?

Improve Health and Wellbeing -

Managed Growth -

Build Stronger Communities -

Deliver Value –

- Make use of our resources by aligning them to our Purpose, Ambition and Priorities, and
- Deliver maximum value to the customer through the Solihull Way

6.2 Implications for children and young people, vulnerable groups and particular communities:

6.2.1 None

6.3 Consultation and Scrutiny:

6.3.1 None

6.4 Financial implications:

Financial monitoring is undertaken throughout the year by individual budget managers. Key income and expenditure risk areas are also monitored monthly by the Finance Team. Any significant risks identified are reported to both DLT (Directorate Leadership Team) and CLT (Corporate Leadership Team) to ensure that net expenditure is managed within approved budgets

6.5 Legal implications:

None

6.6 Risk implications:

The budget monitoring report takes account of forecast variances. In addition there may be pressures which are currently being monitored and managed by budget managers which could affect the final outturn position for 2018/19.

6.7 Statutory Equality Duty:

None

7. List of appendices referred to

Appendix A – Quarter 2 Financial Position

Appendix B – Future Pressures and Mitigations

8. Background papers used to compile this report

8.1 N/A

9. List of other relevant documents

9.1 N/A