

# Cabinet

6 June 2018

Item  
**11(i)**

<b>Report of</b>	<b>Assistant Director – Policy and Corporate</b>	<b>Author</b>	<b>Sean Plummer</b>
<b>Title</b>	<b>Budget Position</b>		<b>☎ 282347</b>
<b>Wards affected</b>	n/a		

## 1. Executive Summary

- 1.1 This report sets out a brief summary of the key revenue resources available to the Council following the end of year revenue outturn.
- 1.2 Detailed budgetary proposals to support a delivery plan for the coming year will be brought forward to Cabinet later this year.

## 2. Recommended Decision

- 2.1 To note:-
  - i. the summary end of year revenue position and resulting impact on balances.
  - ii. the draft business rates pool gain for last year
  - iii. the current unallocated budget from the New Homes Bonus
- 2.2. To note that an action plan for the coming year is being produced and that proposals to allocate funding will be brought forward to a future Cabinet meeting.

## 3. Reasons for Recommended Decision

- 3.1 To provide Cabinet with a high level end of year revenue budget position and to identify funds that could be available to support emerging proposals to deliver change through investment this year.

## 4. Alternative Options

- 4.1 The recommendation in this report are simply to note the position. When proposals are brought forward to Cabinet alternative options will be provided.

## 5. Supporting Information

### *End of Year Outturn*

- 5.1 The end of year revenue outturn will be reported to scrutiny Panel on 12<sup>th</sup> June 2018. Whilst Cabinet will need to consider the full detailed position at the next meeting there are some specific points to highlight at this stage.

- 5.2. The end of year General Fund revenue account shows an underspend after proposed budget carry forwards of £79k. When the 18/19 budget was set, it had been assumed for planning purposes that the end of year position could *potentially* be an overspend of £200k. The outturn therefore improves our balances position. The following table sets out that in total the outturn results in balances being £520k above our recommended level:-

	£'000	Note
Uncommitted / unallocated balances above 'prudent' level	441	Position before end of year revenue changes
Outturn position	79	Position to be reported to Scrutiny Panel
Balances above prudent level	520	

#### *Essex Business Rates Pool*

- 5.3 The provisional Essex business rate pool outturn shows a gain of £834k for 2017/18 which is being carried forward into 2018/19. We do not budget for this gain although we have commented during the year that we were assuming a gain of c£0.5m. The 2019/20 budget already assumes that we will use £200k from this to support next year's (2019/20) budget and therefore this leaves a balance of £634k.

#### *2018/19 Budget – New Homes Bonus*

- 5.4. The Council is due to receive £3.4m in NHB in 18/19. Of this, £2.38m has been allocated to support the base budget and specific proposals such as supporting the Northern Gateway sports project. It was agreed in the budget that the balance of £1.063m would be used to help deliver projects which support strategic plan priorities and also those which can deliver income to assist with managing future budget pressures. No specific proposals to use this have yet been made.

#### *Summary*

- 5.5. Following the completion of end of year accounts it can be shown that there is in the region of £2.2m available for the Council to consider new spending proposals:-

	£'000	Para
Uncommitted / unallocated balances above 'prudent' level	520	5.2
Business Rates pool gain	634	5.3.
2018/19 New Homes Bonus	1,063	5.4
<b>Total</b>	<b>2,217</b>	

- 5.6. When the Cabinet consider proposals on how some or all of the above funds are used it is important that it is done in light of the overall budget position for the current and future years. For example, the Medium Term Financial Forecast (MTFF) shows a budget gap over the period 2019/20 to 2021/22 of £2.6m. Steps are being taken to close this gap, without drawing on the £2.2M of 'one-off' funds identified above. Consideration will be given to how such funds might be needed to fund existing or new items in the current year as well as the option of using the funding to support the annual budget in the next 2 to 3 years.
- 5.7. Full Council agreed the Strategic Plan for the Council for the period 2018 - 2021. As part of this it was agreed to ask officers to start to prepare an action plan to achieve its aims and priorities. Work is well underway to produce a plan for the coming year which reflects the agreed aims set out in the Strategic Plan and the new priorities of the administration.

The aim is that proposals will be made in the coming weeks for agreement by Cabinet and this will include the use of the funding referred to in this report where proposed.

## **6. Strategic Plan References**

- 6.1 The 2018/19 budget and the Medium Term Financial Forecast is underpinned by the Strategic Plan priorities and will seek to preserve and shift resources where needed to these priorities.

## **7. Equality, Diversity and Human Rights Implications**

- 7.1 No implications can be identified at this stage.

## **8. Community Safety Implications**

- 8.1. No implications can be identified at this stage.

## **9. Health and Safety Implications**

- 9.1 No implications identified at this stage.

## **10. Risk Management Implications**

- 10.1 No specific issues have been identified at this stage

## **11. Consultation and Publicity**

- 11.1 It is intended to publicise a plan for the coming year and to report progress in due course.