

**1st Quarter Budget Monitoring 2018/19**

<b>Final Decision-Maker</b>	Policy & Resources Committee
<b>Lead Head of Service/Lead Director</b>	Mark Green, Director of Finance & Business Improvement
<b>Lead Officer and Report Author</b>	Ellie Dunnet, Head of Finance
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

This report sets out the financial position for the Council at the end of Quarter 1 2018/19 against the revenue and capital budgets, and provides updates on the position with Reserves and Balances, Council Tax and Business Rates, Treasury Management and Maidstone Property Holdings Ltd.

We are expecting to remain within the agreed overall budget for this financial year. At the end of the first quarter there was an underspend against the revenue budget of £0.831m, which is projected to decrease by the end of this financial year.

Capital expenditure totalling £1.671m had been incurred between 1 April and 30 June.

The balance on the general fund is forecast to decrease to £8m by 31 March 2019.

Collection Rates were exceeded for Business Rates, but narrowly missed for Council Tax. Uncollectible business rates totalling £0.15m are proposed for write off.

Growth in business rates measured against the Council's baseline is £1.9m against a forecast of £2.2m.

The Council held investments totalling £23.9m at 30 June 2018.

**This report makes the following recommendations to this Committee:**

1. That the revenue position at the end of the first quarter and the actions being taken or proposed to improve the position, where significant variances have been identified, be noted.
2. That the capital position at the end of the first quarter is noted.

3. That the performance of the collection fund and the estimated level of balances at the year-end is noted.
4. That the write-off of unpaid business rates as set out in **Appendix 1** is approved.
5. That the performance in relation to the treasury management strategy for the first quarter of 2018/19 is noted.

<b>Timetable</b>	
<b><i>Meeting</i></b>	<b><i>Date</i></b>
Policy & Resources Committee	19 September 2018

# 1st Quarter Budget Monitoring 2018/19

## 1. INTRODUCTION AND BACKGROUND

- 1.1 The Medium Term Financial Strategy for 2018/19 onwards was agreed by full Council on 7 March 2018. This report provides the Committee with an overview of the capital and revenue budget and outturn for the first quarter of 2018/19, and highlights other financial matters that may have a material impact on the Medium term Financial Strategy or the balance sheet.
  - 1.2 The Director of Finance & Business Improvement is the Responsible Financial Officer, and has overall responsibility for budgetary control and financial management. However in practice, day to day budgetary control is delegated to service managers, with assistance and advice from their director and the finance section.
  - 1.3 Attached at **Appendix 1** is a report detailing the position for the revenue and capital budgets at the end of the June 2018, along with updates on a number of the relevant areas. This is a new format from that used in previous years, designed to bring together all the relevant information in a single report that can also be used as a stand-alone document. It includes all the information that Members have previously seen in budget monitoring reports.
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## 2. AVAILABLE OPTIONS

- 2.1 There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported here.
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## 3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 In considering the strategic position on the revenue budget and the capital programme at the end of June 2018 the committee can choose to note this information or it could choose to take further action.
  - 3.2 The committee is requested to note the content of the report and agree on any necessary action to be taken in relation to the budget position.
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## 4. RISK

- 4.1 This report is presented for information only and has no risk management implications.
- 4.2 The Council has produced a balanced budget for both capital and revenue expenditure and income for 2018/19. This budget is set against a backdrop of limited resources and a difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early

warning of significant issues that may place the Council at financial risk. This gives this committee the best opportunity to take actions to mitigate such risks.

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## 5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 No consultation has been undertaken in relation to this report.

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## 6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 The first quarter budget monitoring reports are being considered by the relevant Service Committees throughout September, including this full report to Policy & Resources Committee on 19 September 2018.

6.2 Details of the discussions which take place at service committees regarding budget management will be reported to Policy and Resources Committee where appropriate.

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## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	This report monitors actual activity against the revenue budget and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's Medium Term Financial Strategy which is linked to the strategic plan and corporate priorities.	Head of Finance
<b>Risk Management</b>	This has been addressed in section 4 of the report.	Head of Finance
<b>Financial</b>	Financial implications are the focus of this report through high level budget monitoring. The process of budget monitoring ensures that services can react quickly to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.	Head of Finance

<b>Staffing</b>	The budget for staffing represents a significant proportion of the direct spend of the council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.	Head of Finance
<b>Legal</b>	The Council has a statutory obligation to maintain a balanced budget and this monitoring process enables the committee to remain aware of issues and the process to be taken to maintain a balanced budget for the year.	Mid Kent Legal
<b>Privacy and Data Protection</b>	No specific issues arise.	Head of Finance
<b>Equalities</b>	The budget ensures the focus of resources into areas of need as identified in the Council's strategic priorities. This monitoring report ensures that the budget is delivering services to meet those needs.	Head of Finance
<b>Crime and Disorder</b>	No specific issues arise.	Head of Finance
<b>Procurement</b>	No specific issues arise.	Head of Finance

## **8. REPORT APPENDICES**

The following documents are to be published with this report and form part of the report:

Appendix 1: First Quarter 2018/19 Revenue and Capital Monitoring – Policy & Resources

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## **9. BACKGROUND PAPERS**

None