



**REVENUE BUDGET – SECOND QUARTER REVIEW 2016/17**

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**Mike Barker, Acting Chief Executive**

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**EXECUTIVE SUMMARY**

1. The purpose of this report is to inform of the latest monitoring position on the 2016/17 revenue budget at the end of the second quarter to 30 September 2016 and to recommend a budget virement in relation to Adult Social Care.
2. Council agreed the original revenue budget for 2016/17 on 23 February 2016 and this was set at £198.883m. Without any further action, the projected outturn for 2016/17 at 30 September 2016 is £202.232m compared to the estimate of £198.883m. There is an expected increase in funding from original budget of £0.048m and this results in a projected over spend of £3.397m. The projection for the year includes the use of £89.877m of reserves, including £3.847m from the General Reserve.
3. Key budget variances have been identified in the second quarter review in respect of the Social Work – Children and Families Service and Adult Social Care. Specific action plans have been prepared to address the areas of over spend and these will remain under review.
4. It is important that effective budget monitoring and action planning is in place to ensure that spending in 2016/17 is contained within approved budgets as this will contribute to a sustainable financial position for the Council.
5. A budget virement is required in order to re-align budgets relating to the delivery of the agreed saving of £3.300m for a Revised Demand Management Model for Adult Social Care.
6. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

**RECOMMENDATION**

7. It is recommended that Council:
  - i) Approves the budget virement in relation to the Adult Social Care saving as set out in paragraph 8 of the attached report.
  - ii) Notes the Council's revenue expenditure position at 30 September 2016 as set out in Appendix 1 of the attached report.