# BUSINESS SUPPORT
# OVERVIEW AND SCRUTINY COMMITTEE

## 4 APRIL 2019

# REVENUE BUDGET MONITORING 2018/19 – QUARTER 3


Report from: Phil Watts, Chief Finance Officer

Author: Katey Durkin, Head of Finance Strategy



**Summary**

This report presents the results of the Council's revenue budget monitoring for Quarter 3 of the 2018/19 financial year.


**1. Budget and Policy Framework**

1.1 Cabinet are responsible for ensuring that income and expenditure remain within the budget approved by Council.

**2. Background**

2.1 At its meeting on 22 February 2018, the Council set a budget requirement of £290.677million for 2018/19. The budget was based on a total Council Tax increase of 5.994% which comprises 2.994%, just below the referendum limit imposed by Central Government, plus an additional 3% allowable under new arrangements to address adult social care pressures. Since then, the Council has agreed to increase the revenue budget by £422,500 to fund development of a master plan for the Innovation Park Medway and £750,000 to finalise the Housing Infrastructure Fund bid. Additional government funding for Social Care of £998,000 and an increase in the DSG High Needs Block of £677,000 have also been announced. However, an increase in the proportion of DSG paid directly to providers has meant that the Council's revenue budget has reduced overall to £290.826million.

2.2 This report presents the results of the Quarter 3 revenue budget monitoring, summarising reports that have been considered by Directorate Management Teams based on returns submitted by individual budget managers. This report is the third produced under the revised monitoring process and presents forecasts jointly agreed by service managers and accountants. The report seeks to provide a clear picture of the activity driving the variances and the measures in place and proposed management action to mitigate them. In preparing these forecasts, budget managers have taken account of last year's outturn, items of growth or savings agreed as part of the budget build, actual income and expenditure for the year to date and, most importantly, their knowledge of commitments and service requirements anticipated for the remainder of the financial year.

2.3 Table 1 represents a summary of the forecast position reflecting the individual directorate monitoring summaries attached at Appendices 1 – 4 of the report. The narrative below seeks to explain the pressures being faced and the corrective management action proposed by directorate management teams.

## 3. Summary Revenue Budget Position 2018/19

3.1 It can be seen from Table 1 that, after proposed management action, the forecast outturn for 2018/19 represents an adverse variance of £2.921million. Management action plans are being formulated by directorate management teams and it is anticipated that this figure will be reduced further as the year progresses.

***Table 1: Monitoring Summary***

| Directorate | Budget 2018/19 £000's | Q2 Forecast Variance £000's | Q3 Forecast Variance £000's | Q3 Proposed Action £000's | Q3 Adjusted Variance £000's |
|---|---|---|---|---|---|
| Children and Adult Services: | 203,879 | 2,852 | 2,781 | 0 | 2,781 |
| Public Health | 13,690 | 0 | 0 | 0 | 0 |
| Regeneration, Culture, Environment and Transformation | 55,153 | 1,226 | 1,872 | (760) | 1,112 |
| Business Support Department | 7,735 | (447) | (1,052) | 0 | (1,052) |
| Interest & Financing | 9,371 | 0 | (110) | 0 | (110) |
| Levies | 1,260 | 226 | 178 | 0 | 178 |
| Medway Norse Joint Venture | (263) | 0 | 12 | 0 | 12 |
| **Budget Requirement** | **290,826** | **3,856** | **3,681** | **(760)** | **2,921** |
| *Funded by:* | | | | | |
| Dedicated Schools Grant | (84,291) | 0 | 0 | 0 | 0 |
| Other School Specific Grants | (4,476) | 0 | 0 | 0 | 0 |
| Education Services Grant | 0 | 0 | 0 | 0 | 0 |
| Revenue Support Grant | 0 | 0 | 0 | 0 | 0 |
| Business Rate Share | (60,094) | 0 | 0 | 0 | 0 |
| New Homes Bonus | (2,512) | 0 | 0 | 0 | 0 |
| Council Tax | (114,663) | 0 | 0 | 0 | 0 |
| Public Health Grant | (17,217) | 0 | 0 | 0 | 0 |
| Specific Grants | (6,773) | 0 | 0 | 0 | 0 |
| Use of Reserves | (800) | 0 | 0 | 0 | 0 |
| **Total Available Funding** | **(290,826)** | **0** | **0** | **0** | **0** |
| **Net Forecast Variance** | **0** | **3,856** | **3,681** | **(760)** | **2,921** |

## 4. Children and Adults Services (Appendix 1)

4.1 The directorate is forecasting an adverse variance of £2.781million.

*Table 2: C&A Summary*

| | Budget 2018/19 | Q2 forecast variance | Q3 forecast variance | Q3 proposed action | Q3 adjusted variance |
|---|---|---|---|---|---|
| | £000's | £000's | £000's | £000's | £000's |
| Adult Social Care | 63,312 | 575 | 531 | | 531 |
| Children's Services | 64,716 | 1,842 | 1,949 | | 1,949 |
| Director | 2,128 | 368 | 288 | | 288 |
| Directorate Management Team | 567 | 1 | 42 | | 42 |
| Partnership Commissioning | 29,183 | 161 | 135 | | 135 |
| Schools Retained Funding and Grants | 43,973 | (96) | (164) | | (164) |
| **Children and Adult Services Total** | **203,879** | **2,852** | **2,781** | **0** | **2,781** |

### 4.2 Adult Social Care – adverse variance of £531,000

4.2.1 The service is reporting a slight improvement in the forecast position since Q2. The overall overspend is principally as a result of increased demographic pressures, and a shortfall in the delivery of service savings targets. The demographic pressures are being driven primarily by increased spend on disability services, and also as a result of the ongoing work to maintain Medway's strong performance in relation to Delayed Transfers of Care (DTOC). The Council has continued to support the hospital with timely discharges, and as a result we have delivered better than target level performance each month in 2018/19 to date; with performance ranging from 1.3–1.8 cases per 100,000 population Delayed Transfers of Care attributable to social care, compared to a target of 4 cases per 100,000. This work to support quicker discharges from hospital has created additional spending pressures, and is expected to continue to represent a pressure for the Council over the winter period.

4.2.2 The level of savings forecast to be delivered through the Adult Social Care Improvement Programme has improved since Q2 as management actions included in that report have been delivered and further actions identified. The level of savings from targeted reviews and the other areas of the Adults Improvement programme remain the same as at Q2.

4.2.3 Unbudgeted payments to WALT and wHoo Cares represent a pressure of £83,000. This is a reduction of £50,000 from Q2 based on the level of dividends likely to be payable in the current financial year based on latest information. An evaluation to understand the potential/delivered impact is planned in the coming months.

4.2.4 There was £214,000 of uncommitted iBCF funding to offset additional and continued placement expenditure that was identified as management action in Q1 which continues to show as an underspend.

4.2.5 The overall increase in Disability Services spend is driving an adverse variance of £818,000, an increase of £224,000 from Q2:

- Although there has been a reduction in the number of Residential/Nursing packages and management action to step down placements into less expensive shared lives or supported living placements throughout the year, the Q3 forecast is now a £369,000 underspend, an increase of £35,000 from Q2.
- In addition to new supported living packages resulting from the step down activity above, a general increase in the number of supported living packages combined result in a forecast overspend of £351,000, an increase of £49,000 from Q2.
- While the number of homecare packages has reduced, an increase in the average weekly cost results in a worsening of the forecast by £26,000 since Q2, with the forecast position now an underspend of £156,000.
- Although there has been a slight decrease in the number of daycare packages since Q2 an increase in average costs results in a forecast overspend of £255,000, an increase of £39,000 from Q2.
- As numbers of clients receiving Direct Payments increases, the spend on Direct Payments has increased by £62,000 since Q2 resulting in an overspend £615,000.

4.2.6 Mental Health Services are forecasting an overall overspend of £76,000, which represents an improvement in the forecast of £56,000 from Q2, while the number of residential placements has remained static and is reporting an underspend of £52,000. A forecast overspend on supported living placements of £122,000 has been driven by an increase in numbers of packages and an increase in the average weekly cost, there has however been a decrease in number of packages from Q2 resulting in a decrease of £48,000 from Q2.

4.2.7 The Older Persons Service is currently forecasting a favourable variance of £53,000, which is £214,000 worse than at Q2. The forecasts suggests that the strategy to support more clients in the home environment wherever possible, rather than in residential settings is impacting on these forecasts.

- The Residential and Nursing forecasts combined have moved adversely by £303,000, resulting in an underspend of £360,000. Although there has been a reduction in the number of placements from original budgeted levels which has resulted in the overall underspend, there has been an increase in forecast expenditure from Q2 due to increases in the average weekly unit costs.
- The Homecare forecast has decreased by £119,000 from Q2, with the forecast now an overspend of £351,000 due to additional income. An increase in the number of home care packages being provided has increased spend, combined with the cost of invoices received relating to 2017/18 which were not known at year end. The level of income is above budgeted levels in part due to the additional number of packages and also due to increased average client charges.

4.2.8 There is a combined forecast underspend on staffing of £58,000. This is a reduction of £58,000 from the Q2 forecast. The management action that was included in Q2 has been exceeded through a combination of action to reduce the number of agency staff covering vacant posts, by both recruiting to vacant posts and reviewing ways of working to free up staff time to reduce the need for agency cover.

4.2.9 On 17 October, the Department of Health and Social Care announced the allocation of Adult Social Care Winter Funding for 2018/19. The £997,871 funding is aimed at supporting the NHS to cope with the effect of winter pressures. The Council has already invested significant resource in reducing delayed transfers of care, ensuring excellent performance in this area, but resulting in demographic pressures against the social care budget. Consequently, the additional funding will be used to meet the cost pressures already being forecast and experienced by the Council and the grant continues to be reflected in the forecast position in Table 1.

4.3 **Children's Services – adverse variance of £1.949million**

4.3.1 There is an £852,000 overspend forecast on placements including the Independent Fostering Agency (IFA), special guardianship, residential, internal and external placements; this broadly in line with the Q2 monitoring. While a review of placements has delivered savings of £270,000, this has been offset by an increase in the number of new placements with unit costs higher than the existing packages.

4.3.2 There is a £530,000 overspend forecast on preventative measures to avoid children being brought into care. £385,000 is forecast to be spent on no recourse to public funds and £145,000 on section 17 payments, this is broadly in line with the Q2 forecast. Analysis shows one child on one of these preventive schemes is approximately half the cost Medway would pay if the child had to be taken into care.

4.3.3 Earlier in 2018/19 at a meeting of the Children and Adults Delivery Board, it was agreed by the Chief Executive in consultation with the Portfolio Holder for Children Services (Lead Member), the Leader of the Council that the directorate could recruit to 10 additional social worker posts above the existing staffing structure; as no additional funding was identified this decision effectively endorsed an overspend to fund those posts – estimated at £700,000. The forecast now includes the creation of a project team consisting of 6 agency social workers employed until December and the recruitment to the 10 social worker posts from January 2019. As such, there is a £279,000 adverse variance on staffing compared to budget, however this is within the 'anticipated' additional cost. The staffing forecast also includes £520,000 of staffing resources to ensure the directorate is ready for Ofsted. This has been funded by the use of the drawdown of the adults social care grant (£624,000) in its entirety which is also included in the forecast.

4.3.4 Special Educational Needs (SEN) is forecasting additional expenditure on packages in excess of budget by a further £1.362million, an increase of £1.560million compared to Q2. However, on 16 December 2018 the government announced an additional £250 million of funding for high needs, across the two financial years 2018/19 and 2019/20. Medway Council's additional allocation for 2018/19 is £677,199. This has been reflected in the forecasts as an increase in the Psychology and SEN budget. In addition, management action included within the forecast assumes that the SEN overspend will be charged to the High Needs Dedicated Schools Grant (DSG) Reserve and is therefore not shown as a cost to the General

Fund. There are 180 new pupils receiving a top up or Education, Health and Care Plan (ECHP) at a cost of £882,000, 38 children have had their package of support increased costing £271,000 and 61 children have either seen their package of support reduce or stop saving £449,000. The forecast also includes £750,000 of expenditure anticipated to be incurred in respect of new pupils forecasted between December 2018 and March 2019.

4.3.5 The SEN forecast overspend will be moved into the High Needs DSG reserve, putting it into a deficit of £2.664million. The Education and Skills Funding Agency (ESFA) have indicated that from 2019/20 they will be restricting Local Authority use of this reserve, with technical consultation due by the end of the current calendar year. What has already been announced is that from March 2019, the ESFA will require authorities with an overall reserve deficit of more than 1% to produce a report that sets out plans to bring the reserve into balance and these plans must be discussed with the Schools Forum. Because our deficit represents more than 1%, it will now be necessary for the recovery plan to be prepared to bring the reserve out of the deficit position.

4.3.6 **Director – adverse variance of £288,000** – This relates to the safeguarding and Quality Assurance service operating with staffing levels above the appointed structure. However, the position is an improvement of £80,000 compared to Q2, due to additional income expected from the school improvement service.

### 4.4 Partnership Commissioning – adverse variance of £135,000

4.4.1 This is principally due to the overspend on SEN Transport which is a small reduction when compared to the Q2 forecast. Medway are transporting 1,010 pupils and a further 126 pupils are receiving personal travel budgets.

### 4.5 School Retained Funding and Grants

4.5.1 This division is forecasting to underspend by £164,000 principally due to the underspend on the school pension and redundancy centralised costs. This underspend has increased by £70,000 when compared to the Q2 forecast as one planned school reorganisation costs are lower than anticipated.

4.5.2 The Children and Adults Directorate Management Team have continues to hold bi-weekly meetings focused on developing and delivering action plans across the service to reduce the adverse variance.

## 5. Public Health (Appendix 2)

5.1 Total grant received as advised by the Department of Health is £17.217million; this is broken down as shown below:

*Table 3: Public Health Grant*

| | |
|---|---|
| **Children and Adults** | £1,871,000 |
| **Regeneration, Culture, Environment and Transformation** | £910,300 |
| **Business Support Directorate** | £745,400 |
| **Public Health** | £13,690,200 |
| | **£17,216,900** |

5.2 Public Health are forecasting to budget. As the grant is ring-fenced, any under/over spend is offset by contributions to / from the Public Health Reserve.

## 6. Regeneration, Culture, Environment and Transformation (Appendix 3)

6.1 The directorate is forecasting an adverse variance of £1.112million.

***Table 4: RCET Summary***

| | Budget 2018/19 | Q2 forecast variance | Q3 forecast variance | Q3 proposed action | Q3 adjusted variance |
|---|---|---|---|---|---|
| | £000's | £000's | £000's | £000's | £000's |
| Directors Office | 694 | (64) | (72) | | (72) |
| Front Line Services | 35,786 | 413 | 784 | (384) | 400 |
| Physical & Cultural Regeneration | 14,926 | 667 | 775 | (126) | 649 |
| Transformation | 4,145 | 89 | 254 | (250) | 4 |
| Corn Exchange | 10 | 105 | 115 | | 115 |
| Deangate Golf | 49 | 0 | 0 | | 0 |
| MCG Services | (456) | 16 | 16 | | 16 |
| **Regeneration, Culture, Environment & Transformation Total** | **55,154** | **1,226** | **1,872** | **(760)** | **1,112** |

### 6.2 Front Line Services – adverse variance of £400,000

6.2.1 Parking Services are forecasting an adverse variance of £1.506million. The income budget from the Full Council approved new on-street controlled parking zones of £500,000 will not be achieved as implementation has been postponed indefinitely by Members. Penalty charge notices are forecast to underachieve their income budget by £394,000. Off-street pay and display income is forecast to underachieve by £329,000 (compared to a variance of £270,000 at Q2) and there is also a pressure of £110,000 for security costs and a pressure of £90,000 in respect of Business Rates. Parking Administration is forecasting an adverse variance of £43,000 (compared to a favourable variance of £39,000 reported at Q2) due to supplies and services pressure of £77,000 and an increased use of agency staff.

6.2.2 Highways Services are forecasting a favourable variance of £910,000 as Q1 management action to draw down £328,000 of commuted sums, £312,500 of highways reserve and £119,000 and of National Productivity Investment Funding are reflected in the forecast for Q3. The winter maintenance budget of £297,000 is currently shown as forecasting a favourable variance of £86,000.

6.2.3 Environmental Services is reporting a favourable variance of £349,000 (compared to a favourable variance of £181,000 at Q2). Waste Services are currently forecasting a further reduction in waste disposal than reported at Q2. A budget for the procurement of a new contract is reported as a saving as this is unlikely to be used in 2018/19. Management action to control exercise is forecasted to deliver £40,000.

6.2.4 Integrated Transport is forecasting an adverse variance of £148,000 (compared to £257,000 reported at Q2) due mainly to a shortfall of income in Traffic Management of £391,000. Subsidised bus services are forecasting to cost £186,000 in excess of the budget. In prior years, under-utilised evening bus services have been funded by Section106 funding; this funding is not available this year. These pressures are partly offset by a range of savings totaling £182,000.

6.2.5 Owing to £200,000 of management action to draw down £200,000 of commuted sums, Greenspaces are reporting a favourable variance of £102,000.

6.2.6 Frontline Services Support is forecasting to underspend by £120,000 mainly due to Q1 management action to capitalise salary costs.

6.3 **Physical and Cultural Regeneration – adverse variance of £649,000**

6.3.1 Sports, Leisure, Tourism and Heritage are forecasting an adverse variance of £590,000. Medway Leisure are forecasting a pressure of £586,000 resulting from a shortfall in income of £638,000. Forecasted income for 2018/19 is £131,000 higher than actual income received in 2017/18 of £3,606,000. Additional staff and supplies and services savings have helped to offset the Medway Leisure pressure by £52,000 since Q1. However, there are additional pressures of £77,000 due to loss of income from Rochester Castle as the site was closed for urgent repair works and also an underachievement of income of £43,000 from sales at Eastgate House. These pressures are partly offset by savings of £47,000 from Medway Sport, £44,000 from Archives and £26,000 from Tourism.

6.3.2 Festivals, Arts, Theatres and Events are forecasting an adverse variance of £384,000 which is broadly consistent with the position reported at Q2.

6.3.3 These are partially mitigated by favourable variances forecast in Planning Services of £186,000 and in Strategic Housing of £70,000.

6.4 **Transformation – adverse variance of £4,000**

6.4.1 Communications and Marketing are currently forecasting an adverse variance of £99,000 due to historic pressures relating to staffing above establishment and an overspend on Medway Matters, including the production of an additional edition.

6.4.2 Customer and Business Support is forecasting an adverse variance of £337,000 as Transformation savings have been achieved but with a part year effect.

6.4.3 The Assistant Director’s support budget is forecasting a favourable variance of £74,000, mainly due to vacancy savings across the division.

6.4.4 ICT Development is forecasting a favourable variance of £204,000, compared to a favourable variance of £152,000 at Q2, primarily due to exercises carried out to rationalise contracts and control spend.

6.4.5 Organisational Services are forecasting a favourable variance of £102,000. Income from schools traded services is forecast to underachieve by £343,000, due to the declining number of schools deciding to buy back services. This is offset by savings from the centralised training budget and from vacant posts.

## 6.5 Regeneration, Culture, Environmental and Transformation Directorate Support

6.5.1 There is a forecast favourable variance of £72,000 due to a range of savings measures and a vacant post.

## 6.6 Deangate Golf Course

6.6.1 Following the closure of Deangate Golf Course in April 2018, a range of costs are arising relating to the preparation of the site for future use including site security, demolition of buildings, Business Rates and the buyout of the golf buggy lease. While there is no budgetary provision, these costs will be met from the future capital receipt.

## 6.7 Corn Exchange

6.7.1 Corn Exchange is forecasting a shortfall in income of £115,000. Plans for the future sustainability of the Corn Exchange are currently being formulated.

## 6.8 MCG Ltd

6.8.1 The Temp Agency was transferred to MCG Ltd (trading as Ocelot People Solutions) during 2017/18. However, during the transfer process, many of the agency staff were offered permanent contracts and this reduced the levels of income accordingly, leaving a pressure of £270,000. The Managing Director has also reported a shortfall against the CCTV Centre business plan projections, but proposes to cover these costs with a one-off receipt from the development and disposal of Aburound House.

## 6.9 Housing Revenue Account

6.9.1 The Housing Revenue Account (HRA) forecasts a surplus of £386,000 for Q3, which is £196,000 above the approved budgeted surplus of £191,000. The anticipated bad debt provision requirement at the end of the current financial year will be £532,000.

# 7. Business Support (Appendix 4)

7.1 The directorate is forecasting a favourable variance of £1.052million.

***Table 5: BSD Summary***

| | Budget 2018/19 £000's | Q2 forecast variance £000's | Q3 forecast variance £000's | Q3 proposed action £000's | Q3 adjusted variance £000's |
|---|---|---|---|---|---|
| Central Finance | 2,571 | (591) | (805) | | (805) |
| Corporate Management | 1,811 | 12 | 28 | | 28 |
| Democracy and Governance | 2,136 | (57) | (23) | | (23) |
| Legal, Contracts and Property | 1,218 | 188 | (252) | | (252) |
| **Business Support Total** | **7,736** | **(447)** | **(1,052)** | **0** | **(1,052)** |

7.2 **Central Finance** – the service is forecasting a favourable variance of £805,000. One strand of the Corporate Debt Project – Direct Earnings Attachments in respect of the collection of Housing Benefit overpayment debt has allowed a review of the provision for bad debt. This has resulted in a forecasted increase in revenue of £460,000. In addition, a number of staff vacancies within Finance Strategy and Revenues and Benefits contributed to this favourable variance.

7.2.1 **Democracy and Governance** – the service is forecasting a favourable variance of £23,000 due to staff vacancies.

7.2.2 **Legal, Contracts & Property** – the service is currently forecasting a favourable variance of £252,000, compared to a forecasted adverse variance of £188,000 at Q2. The principal drivers are:

7.2.3 A thorough re-evaluation of Education income forecasts led to a projected increase in income of £320,000 for Capital Projects, resulting in an overall favourable variance of £366,000.

7.2.4 Valuation and Asset Management (VAM) is forecasting a favourable variance of £32,000. Britton Farm Street pressure of £105,000 is offset by one-off income of £150,000 from the re-gearing of the Tesco site at the Market Hall car park.

7.2.5 Category Management is forecasting an adverse variance of £64,000 compared to a favourable variance of £24,000 reported at Q2, as a number of schemes are now either not progressing or are slipping into 2019/20; this has reduced income projections by £76,000 in 2018/19.

7.2.6 Legal Services, Land Charging and Licensing are forecasting a favourable variance of £38,000 compared to an adverse variance of £149,000 reported at Q2. There is a £113,000 Legal (non-shared) Service pressure due to the costs of agency staff and the cost of staff above establishment employed to deal with complex SEN cases and other C&A Counsel fees.

## 8. Centralised budgets

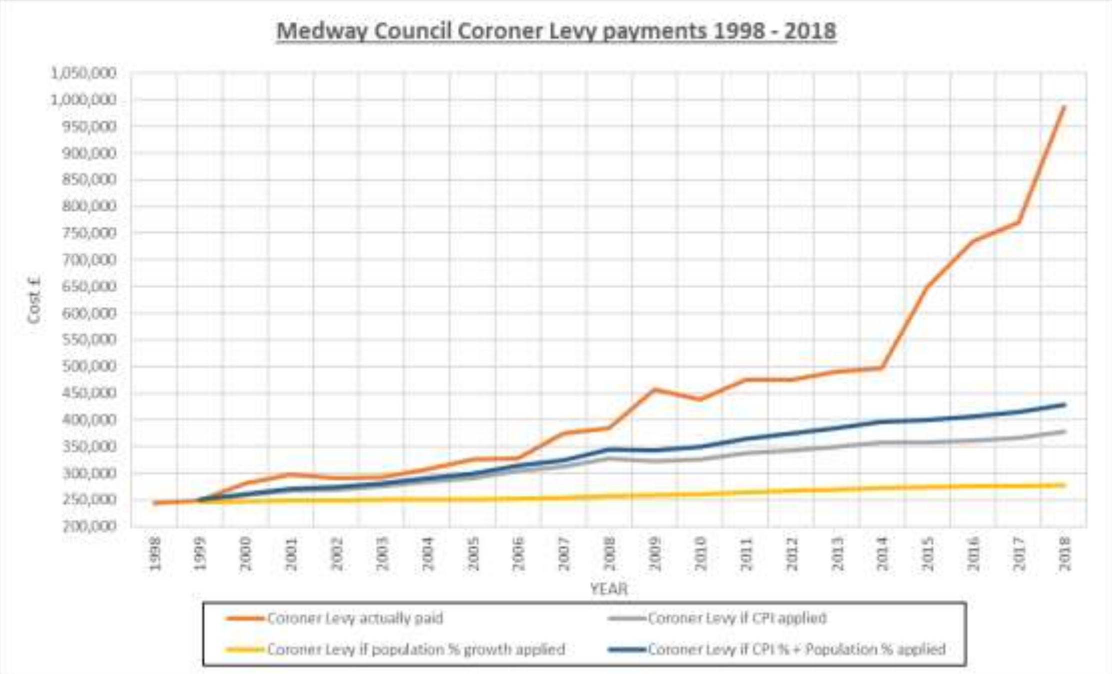
***Table 6: Centralised Costs Summary***

| | Budget 2018/19 £000's | Q2 forecast variance £000's | Q3 forecast variance £000's | Q3 proposed action £000's | Q3 adjusted variance £000's |
|---|---|---|---|---|---|
| Interest and Financing | 9,371 | 0 | (110) | | (110) |
| Levies | 1,260 | 226 | 178 | | 178 |
| Medway Norse Profit Share | (263) | 0 | 12 | | 12 |
| **Centralised Budgets Total** | **10,368** | **226** | **80** | **0** | **80** |

8.1 **Interest and Financing –** Interest and Financing is forecasting a favourable variance of £110,000 compared to a forecast to budget at Q2. There is a £418,000 overspend on interest paid (compared to £549,000 at Q2) and a further £42,000 overspend for the cost of brokers fees (compared to £54,000 at Q2). However, these pressures are offset by a review of the life of infrastructure assets as part of the MRP calculation and thereby resulting in a saving of £439,000. There is an additional £72,000 saving from interest earned and a £59,000 saving from fees payable for internal debt charges.

8.2 **Levies –** The forecast for the Coroner's levy is an adverse variance of £175,000, a reduction of £50,000 compared to the Q2 forecast as the cost of the Medical Examiners Service will now be met by the NHS. An analysis of the cost of the Coroner's Service over the past twenty years compared to CPI and population increases (Table 7 below) shows that costs have risen disproportionately. Discussions with other local authorities suggests that this is a national issue and it is suggested this be a focus for lobbying of government to introduce New Burden funding to meet this pressure.

***Table 7: Coroner's Costs Summary***




8.3 **Medway Norse Profit Share** – Norse is expecting to deliver the budgeted profit share in the current financial year, however the accrued contribution from 2017/18 will be underachieved by £12,000.

## 9. Planned Use of Reserves

9.1 The agreed budget uses £800,000 to fund various revenue and capital projects.

## 10. Conclusions

10.1 The second quarter's monitoring forecasts an overspend position **of £2.921million** after management action.

## 11. Financial, risk management and legal implications

11.1. The financial implications are set out in the body of the report. There are no legal implications within this report. The Council's revenue monitoring process is designed to help mitigate the risk of overspending against the agreed budget at year-end; this report sets out the areas of potential overspend forecast and the actions identified by management and Members to mitigate these

## 12. Recommendation

12.1 The Committee are requested to note the result of the third quarter of revenue monitoring for 2018/19 and to also note that Cabinet has instructed officers to identify further management action to ensure a breakeven position is achieved by year end.

**Lead officer contact**
Katey Durkin, Head of Finance Strategy, Gun Wharf
Katey.Durkin@medway.gov.uk

**Appendices**
Appendix 1 – Children and Adults Services
Appendix 2 – Public Health
Appendix 3 – Regeneration, Culture, Environment and Transformation
Appendix 4 – Business Support

**Background Papers**
Revenue budget approved by Council 22 February 2018
https://democracy.medway.gov.uk/mgAi.aspx?ID=18048#mgDocuments