

Meeting: EXECUTIVE
Portfolio Area: Resources
Date: 10 JULY 2019



4th QUARTER MONITORING REPORT GENERAL FUND AND HOUSING REVENUE ACCOUNT

KEY DECISION

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1. PURPOSE

- 1.1 To update Members on the 2018/19 outturn positions for the General Fund and Housing Revenue Account (HRA) and to seek approval for revisions to 2019/20 revenue budgets, subject to completion of the 2018/19 audit of accounts.
- 1.2 To update Members on the Council's reserves and balances available to support revenue expenditure.

2. RECOMMENDATIONS

2.1 General Fund

- 2.1.1 That the 2018/19 actual net expenditure on the General Fund of £9,263,688 be noted, subject to the 2018/19 audit of the Statement of Accounts.
- 2.1.2 That new carry forward requests totalling £591,770 be approved for the General Fund (paragraph 4.3.1).
- 2.1.3 That the ongoing pressure from 2019/20 of £15,800 on the General Fund be approved.
- 2.1.4 That the 2019/20 one year only saving of £26,790 on the General Fund be approved.

2.2 Housing Revenue Account

- 2.2.1 That the 2018/19 actual in year deficit on the HRA of £2,812,606 be noted, subject to the 2018/19 audit of the Statement of Accounts.
- 2.2.2 That new carry forward requests totalling £35,740 be approved for the HRA (paragraph 4.7.7).

- 2.2.3 That the ongoing saving of £30,730 on the HRA be approved, this will contribute towards the Council's Financial Security objectives for 2019/20.

3. BACKGROUND

- 3.1 The Accounts and Audit Regulations which contain provisions on financial management, annual accounts and audit procedures were amended with effect from 1 April 2015. The main change to the regulations is now in force with the requirement to publish the Statement of Accounts before the 31 May and complete the external audit report by the end of July. This statutory change to the Statement of Accounts has been successfully implemented and the Statement of Accounts was published on 31 May 2019.
- 3.2 Within the amended regulations there is still no requirement for Member approval of the Statement of Accounts prior to the completion of the external audit and only the Responsible Financial Officer must certify the presentation of the pre audit annual accounts, no later than the 30 June 2019 for financial year end of 31 March 2019.
- 3.3 The Council's external auditors have notified the Council that they are unable to meet the end of July deadline for completing of the audit. Consequently the 2018/19 audited accounts will be presented and approved by Members (Audit and Statement of Accounts Committee) on 26 September. The financial figures for the General Fund and HRA contained within this report are subject to external audit and may change.
- 3.4 This report sets out the 2018/19 financial position but this may change on completion of the 2018/19 audit of accounts.

3.5 General Fund

- 3.5.1 The Council's original 2018/19 General Fund net revenue budget of £9,107,740 was approved at Council on 28 February 2018. Subsequently Members have approved net budget increases of £874,870 (including carry forwards totalling £743,100) giving a 2018/19 working budget of £9,982,610.

3.6 Housing Revenue Account (HRA)

- 3.6.1 The Council's HRA revenue budget of £2,756,630 (deficit) was approved at Council 30 January 2018. Subsequently Members have approved budget decreases of £338,260 giving a 2018/19 working budget of £3,094,890 (deficit).

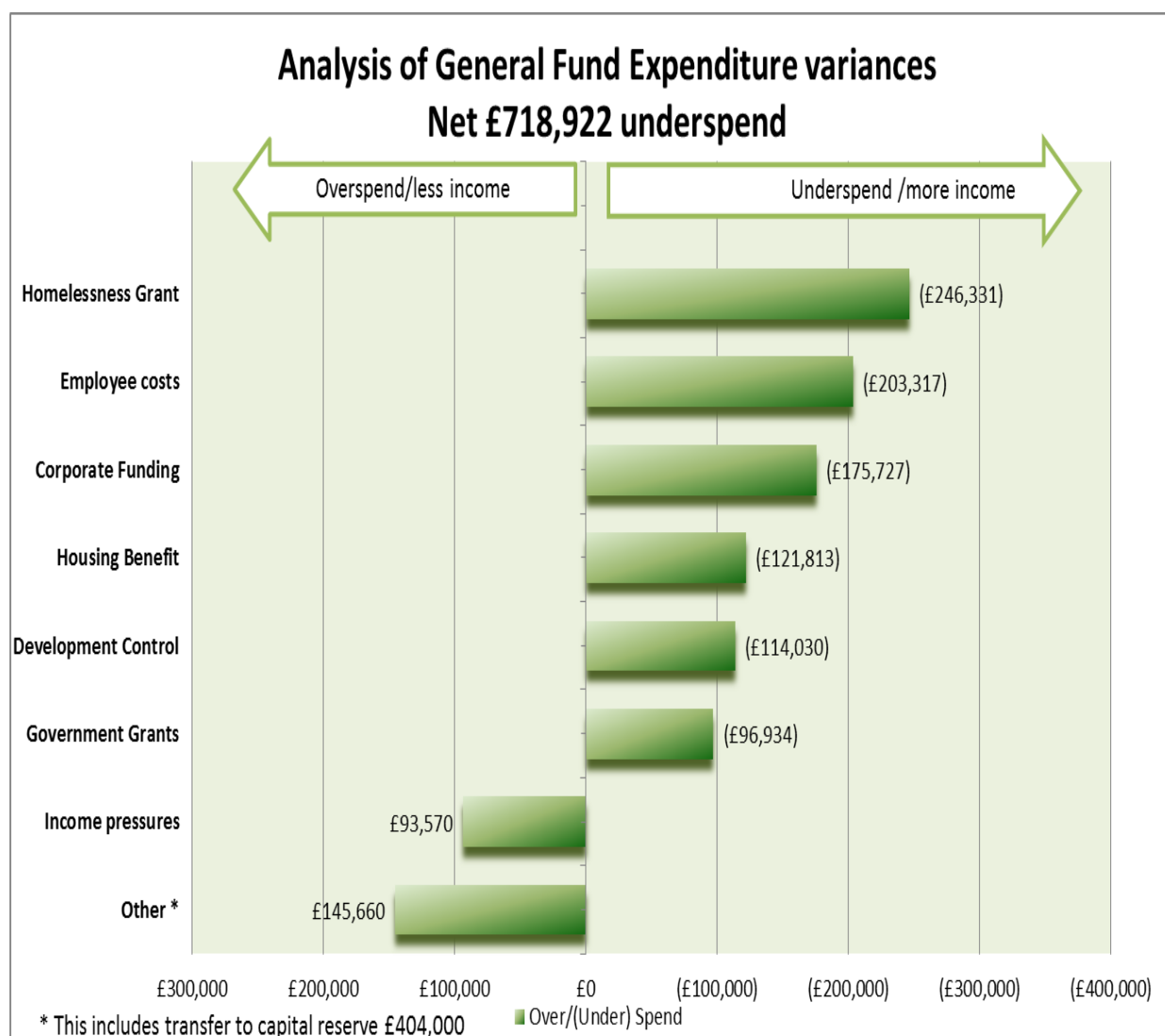
4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 General Fund 2018/19 outturn

- 4.1.1 The 2018/19 outturn position on the General Fund was a net expenditure of £9,263,688. The overall reduction to the working budget before the transfer to the capital reserve was £1,122,922. The transfer to the capital reserve was £404,000 resulting in a net underspend of £718,922. However, included within this underspend figure are carry forward requests of £591,770 (see paragraph 4.3.1).

4.2 General Fund Underspends

The underlying underspend has been analysed by category and is shown in the following chart.



4.2.1 Homelessness Grants – underspend £246,331. The Council received homelessness support grant in 2018/19 of £290,221. These funds were applied in year to provide caseworker and coordination resources in order to tackle homelessness cases and provide interventions to prevent people from becoming homeless. This is the second year of grant funding in an anticipated three year programme and officers are requesting to carry forward £246,770 to fund the current programme of work over this and future years.

4.2.2 Employee Costs – underspend £203,317. The underspend on employee costs includes carry forward requests of £243,600, due to the timing of time limited and grant funded posts. The remaining underspend (before the pension lump sum pressure of £75,908) of £35,625 is a result of Business Units decisions to wait to fill some vacant posts until Business Unit Reviews have been completed. The

pension lump sum pressure of £75,908 is due to a switch in amount between the General Fund and the HRA and there is no overall impact to the Council.

4.2.3 Corporate Funding – underspend £175,727. These funds were to facilitate pump priming for Business Units during 2018/19. The unused balance has been returned to general balances.

4.2.4 Housing benefit – net underspend of £121,813. The underspend comprises of two main elements:

- The reduction in the debt provision of £21,799
- The remainder of £101,014 represents 0.3% of the 2018/19 DWP Grant of £30,587,583. 2018/19 saw reducing caseloads with an overall reduction of 410 cases from the start of the year (as seen in the table below). Whilst caseloads came down the level of post has increased and the overall complexity of cases has also increased.

HRA Rent Rebates - Caseload 2018/19												
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Rent Rebates	4096	4095	4089	4087	4078	4066	4041	4007	3895	3846	3796	3686
Monthly movement		(1)	(6)	(2)	(9)	(12)	(25)	(34)	(112)	(49)	(50)	(110)
Cumulative movement		(1)	(7)	(9)	(18)	(30)	(55)	(89)	(201)	(250)	(300)	(410)

4.2.5 Development Control – increased income £114,030. This relates to demand led Planning income and is in two areas

- Planning fees £68,628
- Pre application advice £45,405

As part of the Financial Security reviews currently under way for the 2020/21 budget setting process, officers will project achievable demand led income in this area.

4.2.6 Government Grants – increased income £96,934. This is grant income some of which was received late in the financial year or unused Grant Funding, and includes:

- Park Improvements Grant £18,910 of which £13,770 has been requested to carry forward
- Brownfields Grant - £12,793 of which £3,690 has been requested to carry forward
- Parliamentary Elections – additional income £47,747 is the remaining claimable expenditure from the Elections Claims Unit in respect of the UK Parliamentary Election held on 8 June 2017.

4.2.7 Income Pressures – less income £93,570. There are two income pressures included within this category:

- Investment Property Income - £46,960. The original budget for 2018/19 had a target of £200,000 net revenue contribution to Financial Security from the rent associated with Investment Properties. This was reduced to £75,000 (Executive 14th March in the Quarter 3 Revenue Monitoring Report). Currently Essex House is the only investment property owned by the Council and at Quarter 3 there was an assumption that another property could be purchased before the end of the financial year but this did not materialise. Officers are still actively pursuing commercial properties to invest in.

- Recovered Legal Fees - £46,610. Income from recovery of Council Tax court action was lower than forecast. The total amount received from summons costs for 2018/19 was £272,140 this is £46,200 lower than the earlier 3 years average. This is because fewer Liability Orders were issued (Liability Orders Issued - 2018/19 3,575 / 2017/18 3,841/ 2016/17 4,790). The reason why there are fewer orders is a result of a proactive approach to encouraging customers to pay on arrangement, including a new online Arrangement Manager Module. The Shared Revenues and Benefits Service will be promoting payment by direct debit during 2019/20 and officers will monitor this in conjunction with the potential to reduce the debt provision.

4.2.8 Non Domestic Rate (NDR)

There was an NDR net pressure £4,025 as shown in the following table.

NDR element	2018/19 £	2020/21 £
Levy	42,146	
Repayable to the Collection Fund		25,314
Additional S31 grant	(38,121)	
Total	4,025	25,314

The NDR variances have arisen due to timing differences for levy (recognised in 2018/19), and reduction of NDR income (recognised in 2020/21) following the final 2018/19 NDR outturn figures.

The NDR gross yield was £3,435,302 lower than the estimate mainly due to prior year adjustments and with reliefs have increased £577,006 (see following table). However, the actual NDR net income for 2018/19 was only £63,284 lower than estimated. The impact on Stevenage will be to repay £25,314. The additional **levy payment of £42,146** is paid in 2018/19, however due to the complexities of the business rate scheme the loss of £25,314 will not be repaid to the Collection Fund until 2020/21.

Following the announcement of new retail relief take up has been successful and more reliefs have been granted than estimated. SBC is reimbursed for these reliefs through the **S31 grant (£38,121)**.

	OR Estimate £	Rev Estimate January 2018	Actual £	Variance to Original Budget £
Gross Yield	(52,567,628)	(49,653,038)	(49,132,326)	3,435,302
Reliefs Mandatory/discretionary	5,080,817	5,458,711	5,657,823	577,006
Other S31 reliefs	51,659	47,031	52,224	565
Bad Debt	800,000	100,000	(195,937)	(995,937)
Cost of Collection	107,068	107,068	107,068	0
Appeals	2,820,000	232,144	(133,652)	(2,953,652)
Total NDR Net Surplus before distribution	(43,708,084)	(43,708,084)	(43,644,800)	63,284
SBC Share	(17,483,234)	(17,483,234)	(17,457,920)	25,314
Tariff (17/18 impact)	14,944,085	14,944,085	14,944,085	0
SBC Retained Share (19/20 impact)	(2,539,149)	(2,539,149)	(2,513,835)	25,314
S31 Grants (in the General Fund)	(686,220)	(686,220)	(724,341)	(38,121)
Baseline	2,474,490	2,474,490	2,474,490	0
Gains	(750,879)	(750,879)	(763,476)	(12,597)
Levy	303,713	303,713	345,859	42,146
SBC Retained Share	(2,921,656)	(2,921,656)	(2,892,317)	29,339

4.2.9 Other £145,660

- The bad debt provision has reduced by £73,529 is primarily due to a proactive approach being taken on debtor arrears.
- Members have approved an annual contribution from under spends of up to £500,000 to the General Fund Capital Reserve. Based on the 2018/19 underspend after carry forward requests, a contribution of £404,000 has been made to the Capital Reserve.
- Provisions no longer required have been returned to General Fund balances £116,572
- An adjustment required to the NDR Tariff is an underspend of £102,224. This was budgeted for in Core Resources, below the line but was accounted for in the net actual expenditure 2018/19.
- Other small variances, net pressure £33,985

4.3 General Fund carry-forward requests

4.3.1 Carry forward request of £591,770, and detailed in the table below, were identified at year end to fund projects that are due for completion in 2019/20.

Service Area	Reason for Carry Forward Request	Carry Forward to 2019/20
		£
Funding for temporary posts		
Children's Services	To fund interim safeguarding structure	12,170
Community Services	To fund a post to assist with the review of Community buildings	11,350
Community Safety	To help fund the No More Project and Domestic Abuse to March 2020	64,760
SDS	To fund the following posts - Digital Systems, Project Officer and assist with the Interim Logistic and Commercial Manager	99,430
Garages	To fund Garage Disposal Surveyor post	35,000
HR	To the Interim HR structure in 2019/20.	20,890
		243,600
Grant Funding		
Street Scene	Park Improvement Grant received late March 2019 to be used in 2019/20	13,770
Planning	Brownfield Register Grant to be used in 2019/20	3,690
Housing Options	Flexible Housing Support Grant - unused	246,770
		264,230
Other		
HR	To fund new Health and Safety software	11,630
Apprentices	To fund the final tranche of New Homes Bonus funded apprentices.	22,390
Customer Service Centre (CSC)	To provide a partial refurbishment of the CSC and to provide a workforce management system.	27,300
Digital Transformation	To fund membership of a new Business Portal to provide support, news and attract new investment for small and new businesses.	5,780
Business Improvement	To develop InPhase the Councils performance management tool.	16,840
		83,940
TOTAL (General Fund Carry Forward Requests)		591,770

4.4 2018/19 – General Fund Out-turn Position and Core resources

- 4.4.1 The 2018/19 net spend required a **contribution from balances of £671,056**. The impact of the 2018/19 outturn position versus budget is summarised as follows:

GENERAL FUND RESERVES:	2018/19 Original Budget £	2018/19 Working Budget £	2018/19 Actual £	Variance to Working £
General Fund Balance 1 April	(5,465,117)	(5,465,117)	(5,465,117)	0
Net Budget (incl S31 Grant & NDR levy)	9,107,740	9,982,610	9,263,688	(718,922)
Council Tax	(5,532,344)	(5,532,344)	(5,532,344)	0
Retained Business Rates	(2,235,436)	(2,539,149)	(2,539,149)	0
Government Support	(351,230)	(351,230)	(351,230)	0
Transfers to/from collection fund	(169,909)	(169,909)	(169,909)	
Total Core resources	(8,288,919)	(8,592,632)	(8,592,632)	0
Net Contribution from/ (to) balances	818,821	1,389,978	671,056	(718,922)
General Fund Balance 31 March	(4,646,296)	(4,075,139)	(4,794,061)	(718,922)

- 4.4.2 Core resources are based on estimates and remain unchanged for the year. Any projected changes in council tax and NDR are adjusted for in future years' accounts. However any levy due on the NDR surplus in year is accounted for in the actual year and is shown in the net cost of services.

- 4.4.3 **Collection Fund - Council Tax:** In setting the 2018/19 budget an estimate is made on expected income from council tax on forecasted property growth in Stevenage. The tax base is converted to Band D equivalents In setting the 2019/20 budget an SBC surplus of £55,621, for 2018/19, was estimated, the actual surplus was £50,062, a reduction of £5,559 that will be repaid in 2020/21. (**NDR** variances are explained in para 4.2.8)

4.5 General Fund 2019/20 Budget

- 4.5.1 The impact on the 2019/20 General Fund budget of the savings, pressures and carry forwards identified at year end is summarised in the table below and will be incorporated in the General Fund Medium Term Financial Strategy (MTFS) update reported to September 2019 Executive.

GENERAL FUND NET BUDGET:	2019/20 Budget £
Original Budget	8,802,520
Quarter 3 approved net changes	118,420
Quarter 3 carry forwards requests	80,000
Approved 2019/20 budget to date	9,000,940
Quarter 4 ongoing net changes	15,800
Quarter 4 in year change	(26,790)
Quarter 4 carry forwards requests	591,770
General Fund Working Budget	9,581,720

4.5.2 The net ongoing pressure on the General Fund £15,800 consist of:

- Income from third party organisations has slowly ceased due to licence restrictions of 25,000 tonnes per annum and the changes made for our waste to go through the Transfer Station instead of tipping in Watford £49,000 (reduction in income)

This is offset by:

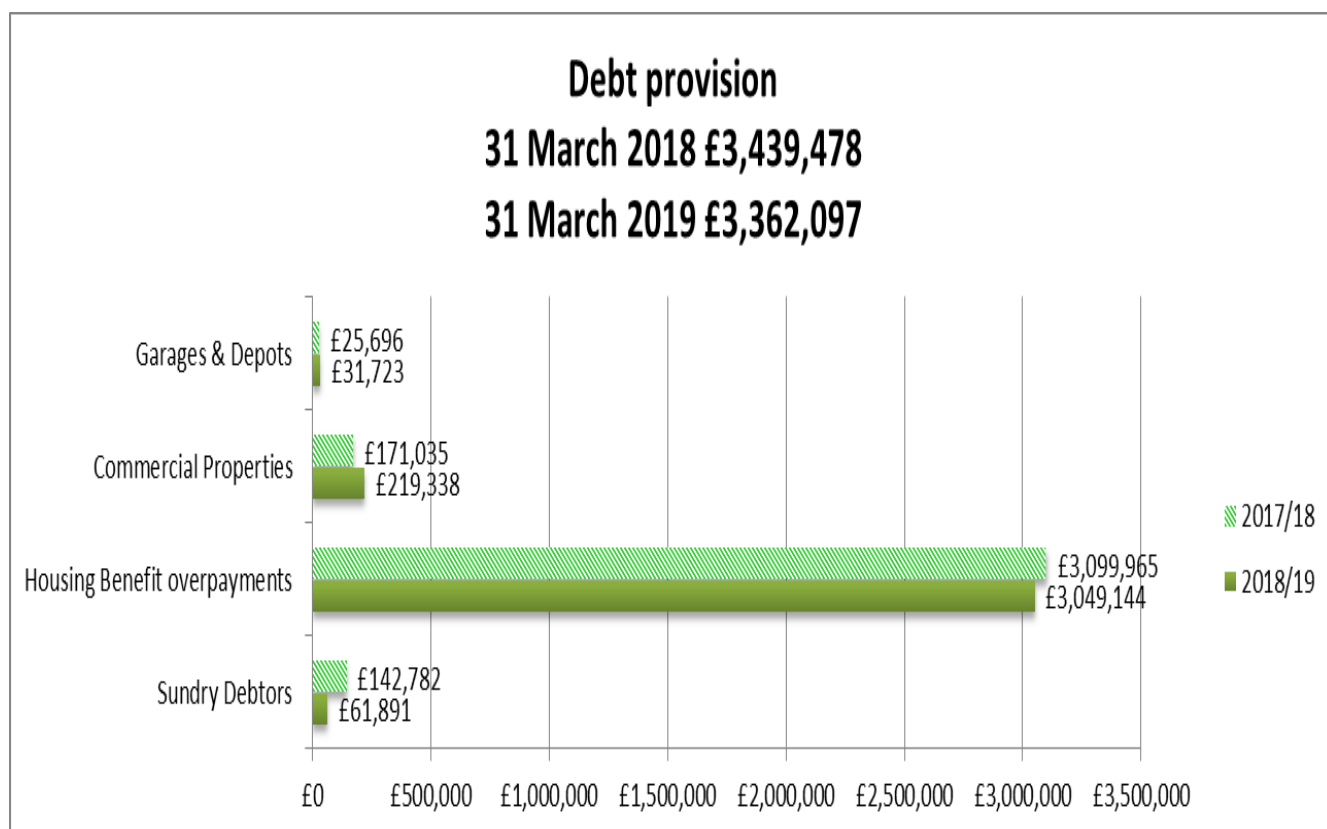
- Increase in cemetery income £9,000 saving
- Housing General Fund grants to voluntary organisations £15,000 saving
- Bank charge costs £5,000 saving
- Subscriptions £3,200 saving
- Training £1,000 saving

4.5.3 The one year only additional income from Commercial Property rent reviews £26,790 saving. As part of the Financial Security reviews currently under way for the 2020/21 budget setting process, officers will project achievable Commercial Property income.

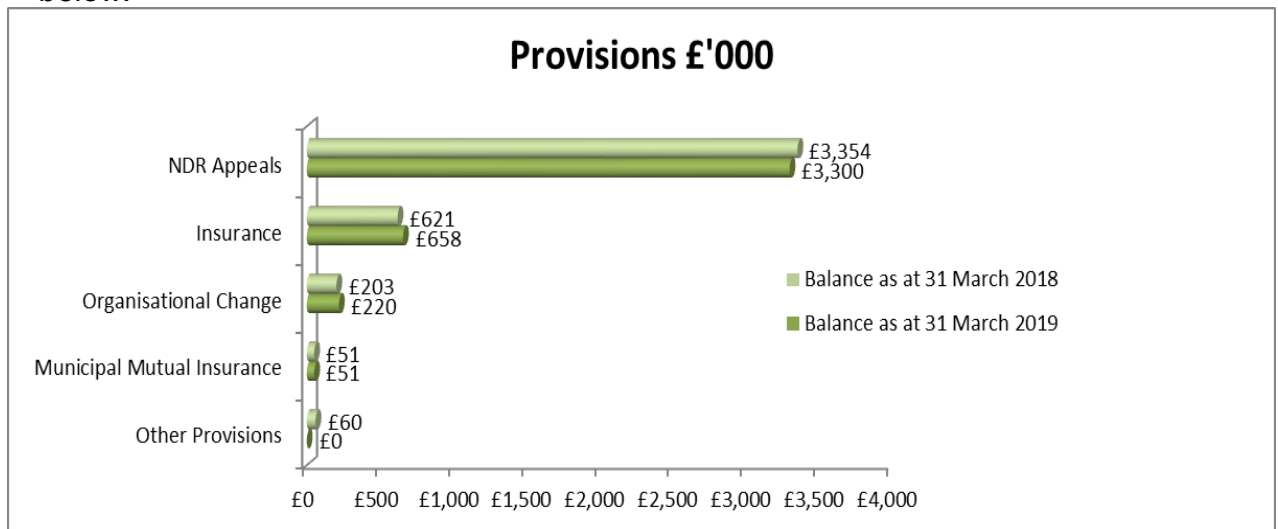
4.6 Balance Sheet 31 March 2019 year end Position

4.6.1 The Council's General Fund and HRA balance sheet is reviewed quarterly and reported annually in the Council's Statement of Accounts in its entirety. The following accounting adjustments were made to the balance sheet as at 31 March 2019.

4.6.2 **Bad Debt Provision** – The bad debt provision for the Council's debtors (excluding Council Tax and NDR) as at 31 March 2019 is £3,343,265. The specific bad debt provision for housing benefit overpayments accounts for most of this provision (91%), as detailed in the following chart.

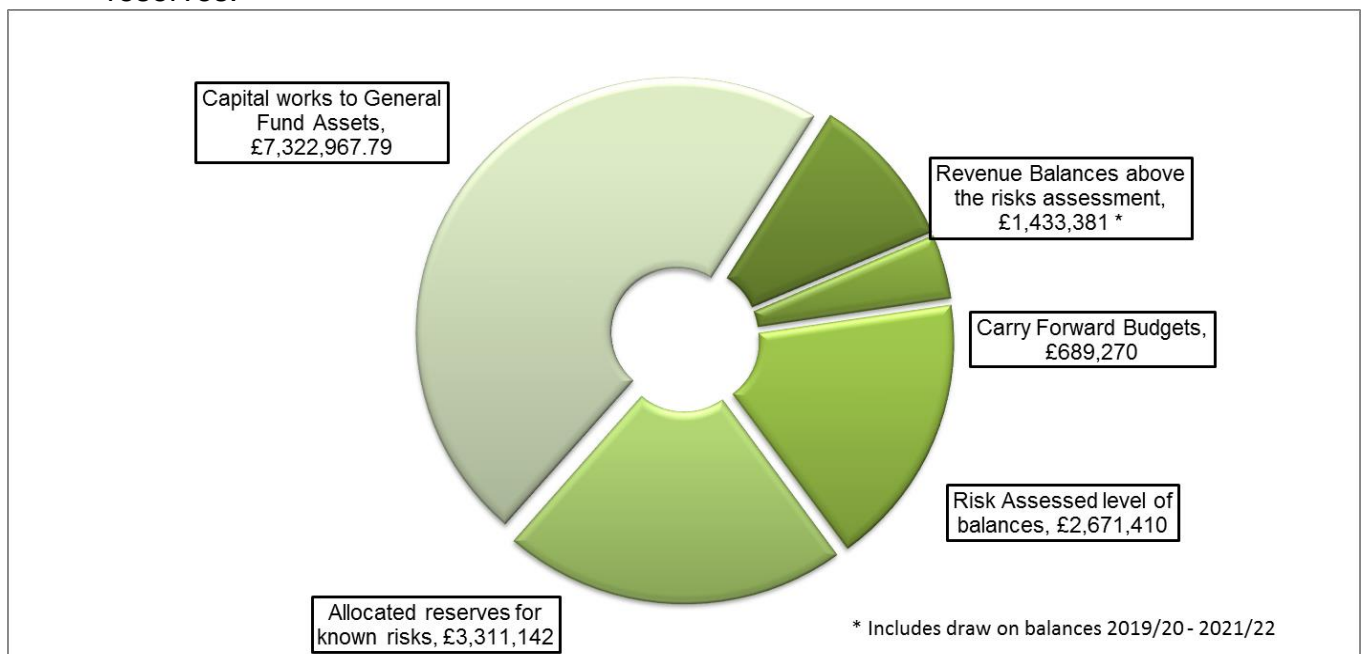


4.6.3 Provisions - As at the 31 March 2019 the Council's total provisions (funded from the General Fund and HRA) were £4.228Million and these are shown in the chart below.

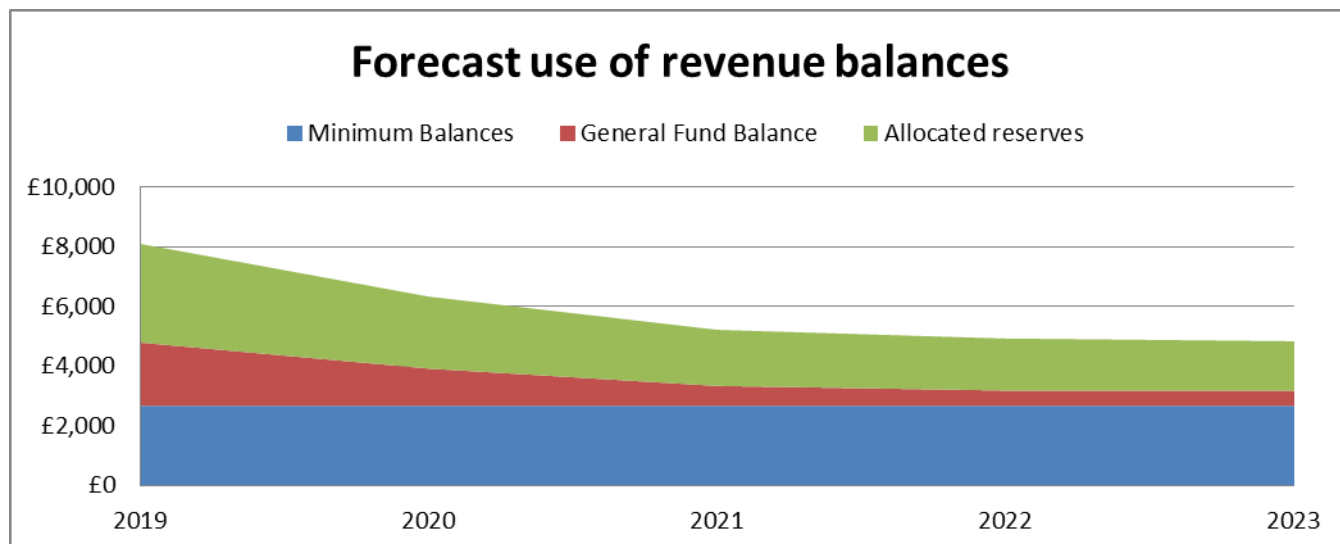


- **NDR Appeals (SBC share only)** – This provision is to fund any successful business rate appeals approved by the Valuation Office Agency (VOA). If an appeal is successful the Council business rates. The total provision for NDR appeals as at 31 March 2019 is £8.2Million, which SBC holds for the Council, HCC and the government.
- **Organisation Change-** This provision represents an assumption of costs associated as part of business unit reviews. Costs are due to be paid in 2019/20 as a result of consultation started in 2018/19. Actual costs were lower (due to redeployment and staff leavers) than estimated and £3,000 has been returned to balances.

4.6.4 Usable reserves – General Fund As at the 31 March 2019 the General Fund had **useable reserves of £15.428Million**, (£8.105Million for revenue purposes and £7,323Million for capital spend). The revenue balances include the year end General Fund balance of £4,794,061, and includes £689,270 of approved carry forward requests due to be spent in 2019/20 and £3.1Million ring fenced for regeneration projects. The following pie chart details the General Fund usable reserves.



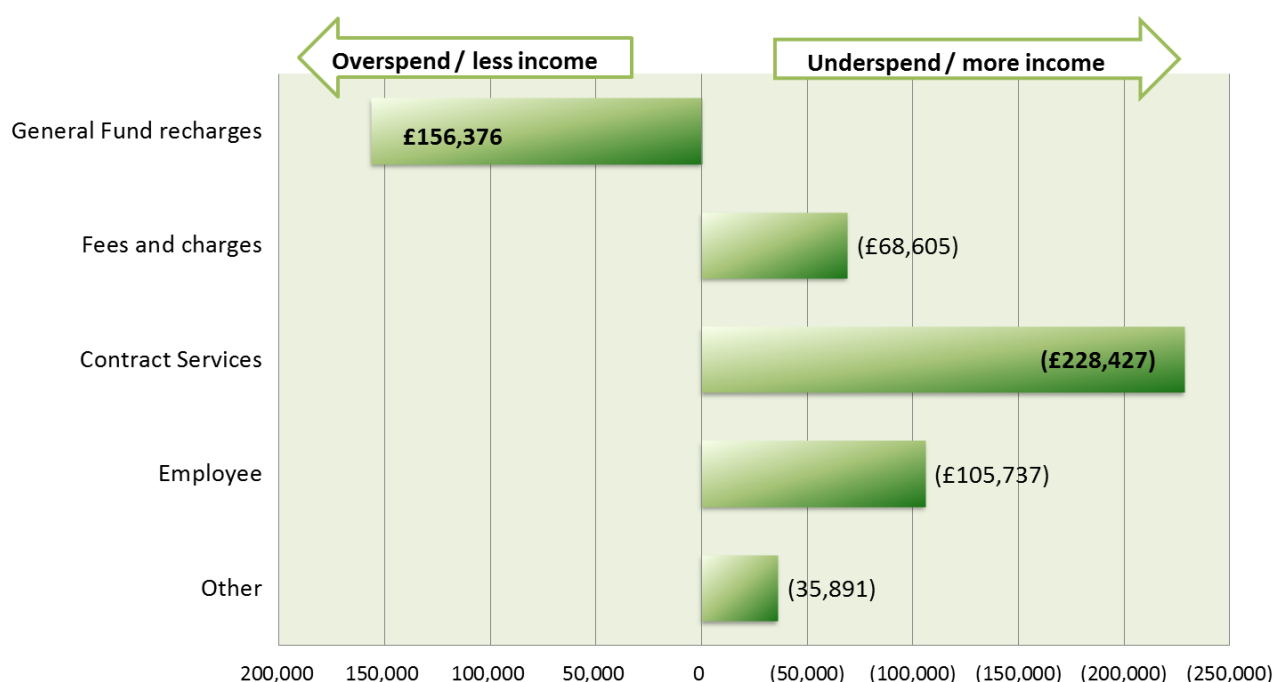
- 4.6.5 The Medium Term Financial Strategy (MTFS) identifies that there is a need to draw down on balances in the next few years and does not anticipate a contribution to balances until 2022/23. This is with a requirement to find ongoing Financial Security options.
- 4.6.6 The General Fund also has reserves it can use to fund works to assets such as buildings and plant (capital). This money cannot be spent on running services and the majority of the cash resources have been allocated to specific capital projects. As at 31 March 2019 the General Fund had capital resources of £7,322,968 all of which is estimated to be spent by 2020/21.
- 4.6.7 **Allocated Reserves** - Some balances are 'ring fenced' and have been set aside for specific purposes. The total value of (revenue) allocated reserves available for the Council to spend as at 31 March 2019 is **£3,311,142**, (31 March 2018, £2,849,582). Reserve balances have increased by £1,055,560, however the majority of the allocated reserves have already been allocated to regeneration projects and new build projects.
- 4.6.8 The General Fund also has a specific reserve for capital projects funded from unbudgeted underspends at year end (£594,000). The capital reserve is used to finance part the General Fund capital programme.
- 4.6.9 Below is the current projection showing how reserve balances will reduce as they are spent over the next four years:



4.7 Housing Revenue Account (HRA)

- 4.7.1 The 2018/19 outturn position on the HRA was an in year deficit of £2,812,606, a £282,284 decrease from the budgeted deficit of £3,094,890 shown in the current working budget. The main variances to the working budget are highlighted below.

Analysis of HRA variances - Net £282,284 underspend



4.7.2 General Fund Recharges – overspend £156,376. The recharges to the HRA from the General Fund have been subject to recalculation due to organisational restructures. Staff have moved between the funds the budgets and recharges have had to be adjusted throughout the year and the final position has led to a negative variance of £156,376. The largest variance of £104,986 relates to charges from the Property and Design team and is a result of more joint working on HRA projects during the year, as this area now falls under the Housing and Investment management team. The remaining balance of the overspend is made up of several positive and negative movements as the final recharges were recalculated to reflect the new staff structures.

4.7.3 Fees and Charges – more income £68,605. The majority of fees and charges were in line with the working budget. However, the Housing Development Team generated an additional £47,000 of fees for project work with Housing Associations. The variance occurred as this income stream is difficult to forecast due to the timing of scheme completions. There was also an additional £7,800 of income relating to RTB sales. This is an amount allowed per property sold to offset the administration costs of running the service and is dependent on the number of sales in the year. The rest of the difference was made up from several smaller variances to the budget.

4.7.4 Contract Services – underspend £228,427. This category covers the majority of the revenue maintenance costs of repairing properties and the largest underspends relate to these budgets.

- Responsive repairs were £132,175 less than budgeted, but this was on an annual budget of £2Million and is demand led.

- Rechargeable repairs were also lower than budgeted by £50,087 and relates directly to activity.
- Void repairs were also £64,765 lower than the budget due to the number of properties that became void in the year and the type of work needed to re-let them.
- The budget for fire alarm testing was higher than the working budget by £17,741 and this related to higher levels of activity and minor repairs in this area ahead of the Government's review on fire safety.

4.7.5 **Employee Costs – underspend £105,737.** The underspend on employee costs was due to vacant posts in the HRA over the expected vacancy allowance. Some of the vacancies related to staff structure reviews, where posts were left vacant pending the outcome of the process. The remaining vacancies were due to timing differences on recruitment between staff leaving and new recruits joining the Council.

4.7.6 **Other variances – net underspend £35,891.** There was a net total underspend of £35,891 on other small variances across the HRA account.

4.7.7 As part of Quarter 4 monitoring carry forwards of £35,740 were identified and listed below.

Service Area	Reason for Carry Forward Request	Carry Forward to 2019/20
Housing Revenue Account		£
Housing Development	Specialist consultants for the Kenilworth redevelopment required in 2019/20, due to the timing of the project	40,000
Housing Transformation Project	A reduction in the earlier request to reflect the outturn position and to complete the 3 year project	(2,260)
Flat Block Infestation	A one off budget of £50,000 was agreed to tackle infestation in one of the flat blocks. There are still outstanding items to be met on this budget head	10,000
Electrical Works Contract	A reduction in the Quarter 3 carry forward request to reflect work carried out in 2018/19	(37,000)
New Mortgage and Loan System	Project delayed due to contract negotiations. Due to be complete in 2019/20	25,000
TOTAL		35,740

4.7.8 In addition ongoing efficiency savings of £30,730 have been identified and will contribute towards the savings target required in the HRA business plan.

4.8 2018/19 – HRA Out-turn Position

4.8.1 The 2018/19 outturn position on the HRA included in this report and its impact on reserves are summarised in the table below.

HRA RESERVES	2018/19 Original Budget £	2018/19 Working Budget £	2018/19 Actual £	Variance to Working £
HRA Balance 1 April	(24,114,664)	(24,114,664)	(24,114,664)	
In Year (Surplus) / Deficit	2,756,630	3,094,890	2,812,606	(282,284)
HRA Balance 31 March	(21,358,034)	(21,019,774)	(21,302,058)	(282,284)

4.8.2 The impact on the 2019/20 HRA budget is shown in the table below:

HRA NET BUDGET:	2019/20 Budget £
Original Budget	9,076,320
Quarter 3 approved net changes	17,000
Quarter 3 carry forwards requests	507,470
Approved 2019/20 budget to date	9,600,790
Quarter 4 ongoing net changes	(30,730)
Quarter 4 carry forwards requests (para 4.7.7)	35,740
HRA Working Budget	9,605,800

4.8.3 These changes will be incorporated into the updated HRA Business Plan to be presented to the September Executive.

4.8.4 The ongoing net changes £30,730 saving consist of:

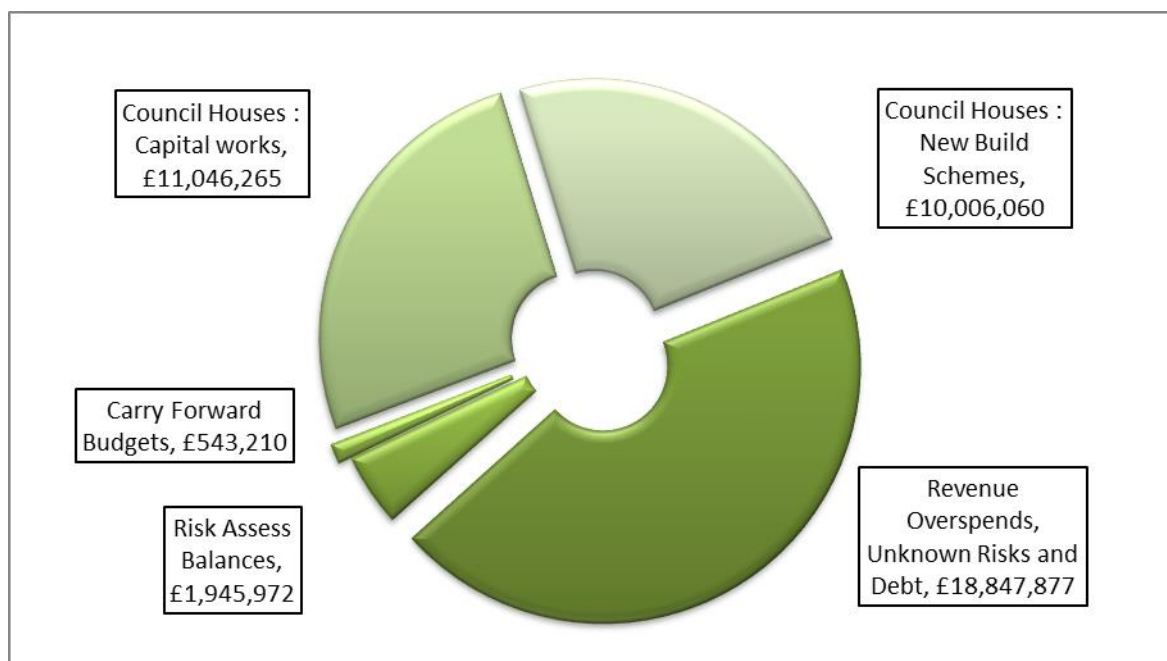
- Subscriptions £12,020 saving
- Repairs and Voids mobile telephones £7,010 saving
- Relocation incentives £5,000 saving
- Redecoration voucher savings £6,000

4.9 Usable reserves – Housing Revenue Account

4.9.1 The Reserves which can be used to support the Housing Revenue Account (HRA) total £42,354,384 of which £10,006,060 is restricted to fund the provision of new social housing and £11,046,265 is restricted to capital investment in the stock and repayment of debt. The reserves earmarked for new housing provision come from the proceeds of house sales under the Right to Buy scheme and must have 70% match funding from the Council and be spent within three years. If unspent, the receipt must be returned to government, with an interest penalty calculated at 4% above the Bank of England base rate.

4.9.2 The level of HRA balances/revenue reserves risk assessed for 2019/20 is £1,945,972 - with the remainder available to cover future debt repayments and unforeseen risks including carry forward requests of £543,210.

4.9.3 Usable HRA balances are shown in the following pie chart:



4.10 Investments and Loans

4.10.1 Council's actual **investments** as at year end were **£54.1Million**, £5.5Million lower than the forecast of £59.6Million. The Council's investment portfolio is detailed in appendix A.

4.10.2 The cash balances held by the Council relate to the provisions held (including those held for the collection funds), capital receipts (for which some have restrictions over their use and may have to be returned), and timing issues between when the council receives the money and when it is to be paid out.

4.10.3 As at the 31 March 2019 the Council had loans of £205.483Million all loans are with the Public Works Loan Board (PWLb). £0.263Million of General Fund borrowing and £1.241Million of HRA borrowing was repaid in year. The Council identified the need for short term prudential borrowing of £155K to fund the 2018/19 General Fund capital programme and £1,810K to fund the 2018/19 HRA capital programme. The 2018/19 borrowing requirement has yet to be taken externally and is currently covered by internal borrowing.

5. IMPLICATIONS

5.1 Financial Implications

5.1.1 This report is financial in nature and consequently financial implications are included above.

5.2 Legal Implications

None identified at this time.

5.3 Risk Implications

5.3.1 A risk based assessment of General Fund balances is undertaken and reported to Council as part of the General Fund Budget setting process. The required level of

2019/20 General Fund balances were calculated at a minimum level of balances of £2,671,410 should be maintained, whilst the uncertainty around further Government funding remains high. This report forecasts General Fund balances in excess of this and these projections have been included in the Council's updated Medium Term Financial Strategy to be reported to Members at the September 2019 Executive.

5.3.2 The HRA balances are higher than the minimum level of balances required for the year (£1,945,972). In addition balances will be needed to repay the HRA loans (as at 31 March 2019, the HRA had loans of £203Million) of which most related to a one off payment to the Government as a result of the self-financing settlement on the 28 March 2012.

5.4 Policy Implications

The budget framework represents a development of a policy led budgeting approach across Council services and the overall Medium Term Financial Strategy.

5.5 Equalities and Diversity Implications

This report is of a technical nature reflecting the actual spend for the year for the General Fund and HRA. The identified ongoing budget changes reported have arisen through efficiencies and do not change any existing equalities and diversity policies, nor will they impact on any groups covered by statutory equalities duties.

BACKGROUND DOCUMENTS

- BD1 - 3rd Quarterly monitoring report General Fund and Housing Revenue Account
- BD2 – 2019/20 Council Tax and General Fund Budget

APPENDICES

- Appendix A - Investment and Loans Portfolio