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<b>PART A:</b>	<b>MATTERS DEALT WITH UNDER DELEGATED POWERS</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>4 DECEMBER 2014</b>
<b>REPORT OF THE:</b>	<b>FINANCE MANAGER (s151) PETER JOHNSON</b>
<b>TITLE OF REPORT:</b>	<b>REVENUE BUDGET MONITORING</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

1.1 To present to members a revenue budget monitoring report for 2014/15.

### **2.0 RECOMMENDATION**

2.1 It is recommended that members note the content of the report.

### **3.0 REASON FOR RECOMMENDATION**

3.1 To ensure members are kept informed of the Council's financial position (in year).

### **4.0 SIGNIFICANT RISKS**

4.1 There are no significant risks in receiving this report.

### **5.0 POLICY CONTEXT AND CONSULTATION**

5.1 This report is in line with existing policies. No further consultation has taken place on the content of this report.

## **REPORT**

### **6.0 REPORT DETAILS**

6.1 Members regularly receive in year monitoring of the Council's financial position. This is important as part of the budget monitoring process and also allows members to be aware of potential issues in setting subsequent budgets. This report provides an in year position as at the 30 September 2014.

6.2 Attached at Annex A is a summary of the significant variances within the Council's

revenue accounts in the current year, 2014/15. This report is predominately derived from the information contained within the Financial Management Information (FMI) reports plus additional significant budgets within the Authority. FMI reports are considered at each Resources Working Party meeting and are also available to view through Covalent.

- 6.3 Members will see that there is a projected surplus for the Revenue Budget of £65k for the full year. The favourable variance is due to a number of key factors which are shown in detail in Annex A and referred to in para.6.4. The overall impact on the closing balances of the Council's Reserves is shown in Annex A lines 23 to 26.
- 6.4 The following are additional comments on the Annex:
- (i) Expenditure on salaries is forecast to outturn at budgeted levels, the cost of the pay award will reduce the current favourable variance from December onwards;
  - (ii) The council has now borrowed £1.75m of the £2.07m required to fund the A64 Brambling fields interchange contribution. Borrowing took place in November following advice from Treasury consultants. We will save £85k against the current year budget provision as a result of borrowing later in the year;
  - (iii) Planning consultancy and associated legal costs will exceed budget as a result of a recent significant planning appeal and potential Judicial Review, officers have calculated an estimate of the associated costs. It is likely that any award of costs against the council will need to be funded through reserves;
  - (iv) Overall, actual income levels are performing well against target, however the Ryecare Lifeline service has lost 2 significant contracts during the year, the full effect of these losses will not be felt until 2015/16 as one of the contracts does not terminate until February 2015. Officers are working on measures to mitigate the loss of these contracts.
- 6.5 Retained Business Rates income is likely to be below target as a result of successful in year appeals. In line with regulations, any deficit in business rates in 2014/15 will be a charge against the 2015/16 budget. The forecast shortfall will be need to be met from reserves.

## **7.0 IMPLICATIONS**

- 7.1 The following implications have been identified:
- a) Financial  
There are no financial implications arising out of this report.
  - b) Legal  
There are no new legal issues arising out of this report.
  - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
There are no significant issues arising out of this report.

**Peter Johnson**

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**Background Papers:**None.