



PART A:	MATTERS DEALT WITH UNDER DELEGATED POWERS
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	24 NOVEMBER 2016
REPORT OF THE:	FINANCE MANAGER (s151) PETER JOHNSON
TITLE OF REPORT:	REVENUE BUDGET MONITORING
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 To present to members a revenue budget monitoring report for 2016/17.

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 2016.

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

revenue accounts in the current year, 2016/17. 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 At the July meeting of Council Members approved a number of transfers between reserves to facilitate the initial costs associated with the T2020 efficiency programme. The transfers are highlighted below:

- The transfer of £778k from the New Homes Bonus Reserve to the Restructure Reserve to contribute towards redundancy and pension strain costs.
- The transfer of £330k to the Improvement, Contingency and Emergency Fund, made up of a transfer of £150k from the General Reserve and £180k from the New Homes Bonus Reserve. The funding to be used towards the cost of transformation.

6.4 Members will see that there is a projected deficit for the Revenue Budget of £90k for the full year. The adverse variance is due to a number of key factors which are shown in detail in Annex A and referred to in para.6.5. The overall impact on the closing balances of the Council's Reserves is shown in Annex A lines 21 to 25.

6.5 The following are additional comments on the Annex:

- (i) Expenditure on salaries is forecast to outturn at budgeted levels;
- (ii) The cost of the current round of redundancies is estimated to be £1.2m, this will be funded from the Restructure Reserve. A more accurate estimate should be available in the new year;
- (iii) Members agreed the use of £400k to fund the initial cost of transformation to be funded through the Improvement, Contingency and Emergency Fund;
- (iv) Planning consultancy and associated legal costs are forecast to significantly exceed budget largely as a result of the cost of appeals;
- (v) Overall, actual income levels are performing well against target, however income from Planning fees and trade waste are currently below budgeted levels.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

- a) Financial
Financial implications are highlighted in the 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.

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Background Papers: None.