

| Bath & North East Somerset Council  |   |                                   |
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| MEETING:  | Cabinet   |                                   |
| MEETING DATE:   | 4 <sup>th</sup> November 2015   | EXECUTIVE FORWARD PLAN REFERENCE: |
|   |   | E 2764                            |
| TITLE:  | Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2015 to September 2015 |                                   |
| WARD:   | All   |                                   |
| AN OPEN PUBLIC ITEM   |   |                                   |
| List of attachments to this report  |   |                                   |
| Appendix 1: Revenue & Capital Monitoring Commentary                                       |   |                                   |
| Appendix 2: Revenue Monitoring Statement: All Council Spending                            |   |                                   |
| Appendix 3: Capital Monitoring Statement: All Council Spending                            |   |                                   |
| Appendices 4(i) & 4(ii): Proposed Revenue Virements & Revised Revenue Cash Limits 2015/16 |   |                                   |
| Appendices 5(i) & 5(ii): Capital Virements & Capital Programme by Portfolio 2015/16       |   |                                   |

## **1 THE ISSUE**

- 1.1 This report presents the financial monitoring information for the Authority as a whole for the financial year 2015/16 to the end of September 2015.

## **2 RECOMMENDATION**

The Cabinet agrees that:

- 2.1 Strategic Directors should continue to work towards managing within budget in the current year for their respective service areas, and to manage below budget where possible by not committing unnecessary expenditure, through tight budgetary control.
- 2.2 This year's revenue budget position as shown in Appendix 2 is noted.
- 2.3 The capital expenditure position for the Council in the financial year to the end of September and the year end projections detailed in Appendix 3 of this report are noted.
- 2.4 The revenue virements listed for approval in Appendix 4(i) are agreed.
- 2.5 The changes in the capital programme listed in Appendix 5(i) are noted.

## **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 The financial implications are contained within the body of the report.

## **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 The annual medium term financial planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council is performing against the financial targets set in February 2015 through the Budget setting process.

## **5 THE REPORT**

- 5.1 The Budget Management Scheme requires that the Cabinet consider the revenue and capital monitoring position four times per year.
- 5.2 For revenue budgets which are forecast to be overspent, the service Directors are normally expected to seek compensating savings to try and bring budgets back to balance.
- 5.3 Appendix 1 highlights significant areas of forecast over and under spends in revenue budgets. Appendix 2 outlines the Council's current revenue financial position for the 2015/16 financial year to the end of September 2015 by Cabinet Portfolio. The current forecast outturn position is for an underspend of £8,000 which equates to 0.01% of gross budgeted spend (excluding Schools).
- 5.4 In addition, uncommitted New Care Act burdens funding will be transferred to revenue reserves at year end, currently estimated to be £750,000.
- 5.5 Strategic Directors will work to manage their budgets within the overall allocations approved by the Council, and this will include the development of appropriate mitigating actions as the financial year progresses.
- 5.6 The forecast outturn position includes the requirement for the delivery of £9.73m savings as part of the approved budget for 2015/16.
- 5.7 The Council's financial position, along with its financial management arrangements and controls, are fundamental to continuing to plan and provide services in a managed way, particularly in light of the medium term financial challenge. Close monitoring of the financial situation provides information on new risks and pressures in service areas, and appropriate management actions are then identified and agreed to manage and mitigate those risks.
- 5.8 Revenue budget virements which require Cabinet approval are listed in Appendix 4(i). Technical budget adjustments are also shown in Appendix 4(i) for information purposes as required by the Budget Management Scheme.
- 5.9 Appendix 3 outlines the current position for the 2015/16 Capital budget of £79.065m (excluding contingency), with a current forecast spend of £62.41m which is £16.665m less than the budget.
- 5.10 Previously approved changes to the capital programme are listed in Appendix 5(i), while Appendix 5(ii) provides the updated capital programme allocated by Portfolio.

## 6 RATIONALE

6.1 The report is presented as part of the reporting of financial management and budgetary control required by the Council.

## 7 OTHER OPTIONS CONSIDERED

7.1 None

## 8 CONSULTATION

8.1 Consultation has been carried out with the Cabinet Member for Community Resources, Strategic Directors, Section 151 Finance Officer, Chief Executive and Monitoring Officer.

## 9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

9.2 The substance of this report is part of the Council's risk management process. The key risks in the Council's budget are assessed annually by each Strategic Director, with these risks re-assessed on a monthly basis as part of the budget monitoring process.

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| <b>Background papers</b>   | <i>Budget Management Scheme</i>  |
| <b>Please contact the report author if you need to access this report in an alternative format</b> |  |