

FOR PUBLICATION

GENERAL FUND BUDGET UPDATE 2013/14 & 2014/15

MEETING: OVERVIEW AND PERFORMANCE SCRUTINY FORUM
DATE: 3 APRIL 2014
REPORT BY: HEAD OF FINANCE
WARD: ALL
FORUM ALL

FOR PUBLICATION
BACKGROUND PAPERS: None

1. PURPOSE OF REPORT

- 1.1 To provide an update on the budget forecasts for 2013/14 and 2014/15.

2. RECOMMENDATION

- 2.1 That the Forum notes and comments on the budget update.

3. BACKGROUND

- 3.1 The full Council approved the revised budget for 2013/14 and the original budget for 2014/15 just a few weeks ago on 27th February 2014.

4. 2013/14 UPDATE

- 4.1 At this stage, with the financial year-end process just beginning, it is difficult to give a firm indication of what the outturn position is likely to be. However, the revised budget which was approved at the end of February indicated a deficit of £111k. Budget monitoring has continued over recent weeks, the most significant include:

- The favourable variances include car parking income (£40k), summons costs income (£24k) and reduced energy costs at the Market Hall (£20k); but
- There are adverse variances due to a potential write-off of rental income (£70k) due to the occupier going into administration and an adjustment to the Liquor Licensing fee income budget (£43k).

When numerous other relatively minor variances are included the overall variance is an under-spend or saving of £17k, which reduces the forecast deficit for the year to £94k.

- 4.2 General Fund Capital Programme - the key risk highlighted in the revised budget report was securing the £871k of planned capital

receipts by 31st March. To date £501k of the planned receipts have been secured, with the two remaining disposals now likely to complete in 2014/15.

5. 2014/15 BUDGET

5.1 The key issues to monitor throughout 2014/15 will include:

- The implementation of the approved budget savings targets.
- Business rates income and appeals outcomes.
- Key income sources – car parking income, rents, etc
- Key expenditure budgets – e.g. vacant post savings, homelessness expenditure, etc.
- General Fund Capital Programme – expenditure on schemes and sources of funding particularly capital receipts.

5.2 Whilst it is too early at this stage to be able to report on many of the issues above, an update is provided in Appendix A on the progress of implementing the budget saving proposals. The comments in Appendix A show that good progress is being made.

6. FINANCIAL IMPLICATIONS

6.1 The financial implications are included in the sections above.

7. LEGAL IMPLICATIONS

7.1 There is a statutory requirement for local authorities to review their budget calculations from time to time throughout the year and take such action, if any, as it considers necessary to deal with any deterioration in its financial position.

8. RISK MANAGEMENT

8.1 Full details of the budget risks were included in Appendix I of the Budget report to the Council in February. The key budget risks align with the key budget monitoring areas listed in para 4.1 above.

9. RECOMMENDATION

9.1 That the Forum notes and comments on the budget update.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To keep the Forum updated on the budget position.

B. DAWSON, HEAD OF FINANCE