

CABINET

21 July 2015

REVENUE AND CAPITAL OUTTURN 2014/15**Report of the Director for Resources**

Strategic Aim:	<i>Delivering Council Services within the Medium Term Financial Plan</i>	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor Terry King, Portfolio Holder for Resources	
Contact Officer(s):	Debbie Mogg, Director for Resources	Tel: 01572 758358 dmogg@rutland.gov.uk
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Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Cabinet:

1. Note the 2014/15 revenue and capital outturn position and general fund position at 31 March 2015.
2. Approve the revenue budget carry forwards of £446k as outlined in Appendix 1, para 1.25.
3. Approve the use of £432k from earmarked reserves to meet additional costs in 2015/16 as set out in Appendix 1, para 1.33.
4. Approve the use of £25k of General Fund to meet the additional cost of Insurance in 2015/16 as set out in Appendix 1, para 4.5;
5. Recommend to Council that ceilings be set for each earmarked reserves as set out in Appendix 1, para 1.31.
6. Recommend to Council the contribution of £1m to earmarked reserves from under spends in 2014/15 as set out in Appendix 1, para 1.22.
7. Recommend to Council the establishment of a new earmarked reserve for Insurance and Legal costs with a ceiling of £100k as set out in 1.23.
8. Approve the capital budget carry forward of £50k for Disabled Facilities grants as explained in Appendix 1, para 2.2.

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| <ol style="list-style-type: none">9. Note the updated 2015/16 budget (taking into account carry forwards and decisions made by Cabinet/Council since the budget was approved in February) set out in Appendix 1, para 4.2.10. Note the further potential savings and pressures on the 2015/16 budget as set out in Appendix 1, para 4.5.11. Approve the removal of the increased car parking charge for market days on a trial basis for 6 months.12. Note that the MTFP will be updated when further funding announcements are made by Government. |
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1. PURPOSE OF THE REPORT

- 1.1 To inform Cabinet of the draft outturn figures (subject to audit) for the financial year 2014/15 and provide an update on the status of the 2015/16 budget. In reporting the outturn, Cabinet and where necessary Council is being asked to carry forward some budgets to 2015/16, approve some additional requests for funding for 2015/16 and agree ceilings for earmarked reserves.

2. BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 The Council approved its 2014/15 budget in February 2014. Throughout the year, Cabinet and Scrutiny Panels have received quarterly updates on progress against the budget. Cabinet and Council have also made some changes to the approved budget which are itemised in each quarterly report.
- 2.2 The end of year provisional revenue position is favourable in that the Council is under its revenue budget by c£600k. A full explanation of the year end revenue position is covered in Appendix 1, Section 1 to this report. This position is provisional for two reasons:
 - The position is subject to external audit by KPMG LLP;
 - In arriving at the overall position, officers are making some requests for funds to be carried forward or put into earmarked reserves. These are decisions that must be approved by either Cabinet and/or Council.
- 2.3 Whilst the overall position is favourable, the Council's financial context remains challenging with significant savings required over the medium term.
- 2.4 The revenue budget for 2015/16 has already been set. As is usually the case, issues often emerge after the budget has been approved. Officers have reviewed the 2015/16 budget in the context of the 2014/15 outturn. Appendix 1, Section 4 gives an update on the 2015/16 budget including a list of areas under review. In addition, officers are requesting use of earmarked reserves to cover some emerging 2015/16 pressures.

3. CONSULTATION

- 3.1 Formal consultation is not required for any decisions being sought in this report. Internal consultation has been undertaken with officers to assess the impact of the outturn on the budget for 2015/16.

4. ALTERNATIVE OPTIONS

- 4.1 Cabinet are requested to make decisions about carrying forward unused budgets to 2015/16. In many cases, officers have already committed such budgets (i.e. work has been started but not finished) or plan to do so for service delivery in 2015/16. Cabinet can choose to approve the carry forwards or could request that budget managers assess whether such expenditure can be absorbed within existing budgets or savings made elsewhere. Where this is not possible, there may be budget pressures later in the year.
- 4.2 Cabinet are also requested to use existing earmarked reserves or general fund balances to fund some 2015/16 pressures. Cabinet can choose to approve the requests and request that budget managers assess whether such expenditure can be absorbed within existing budgets thereby deferring any decision until later in the year when more information is known.
- 4.3 In addition, Members are being asked to make additional contributions to earmarked reserves, set reserve ceilings in line with the new Financial Procedure Rules (FPRs) and set up a new Insurance and legal reserve. Members could choose to retain all funds in the General Fund Reserve rather than create or use earmarked reserves. The former is not the preferred option for the reason that the establishment of earmarked reserves recognises that funds are likely to be needed for a specific cause. Retaining such funds in a General Reserve could give the impression that the Council's financial health is better than what is actually the case.

5. FINANCIAL IMPLICATIONS

- 5.1 The report highlights the impact of the outturn on the MTFP. General Fund balances will increase by c£590k above that budgeted for.
- 5.2 The report requests that £446k is carried forward to 2015/16 from under spends, a further £432k of 2015/16 pressures are funded from earmarked reserves and £25k from the General Fund.

6. LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 The FPRs allow Cabinet to approve budget carry forwards from one period to the next and use earmarked reserves. The FPRs allow Council to establish a new reserve and set ceilings for earmarked reserves.
- 6.2 There are no legal implications arising from this report.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 Equality Impact Assessment (EqIA) screening has been completed. No adverse or other significant issues were found.

8. COMMUNITY SAFETY IMPLICATIONS

- 8.1 There are no community safety implications.

9. HEALTH AND WELLBEING IMPLICATIONS

- 9.1 There are no health and wellbeing implications.

10. CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 10.1 As the Council is required to make savings over the medium term, the outturn position is positive. The approval of budget carry forwards will allow the 2015/16 budget to be updated to reflect spending plans.

11. BACKGROUND PAPERS

None

12. APPENDICES

Appendix 1: Q4 Finance and Budget Outturn Report

Appendix 2: Summary Revenue Position

Appendix 3: People Directorate

Appendix 4: Places Directorate

Appendix 5: Resources Directorate

Appendix 6: Capital Outturn

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.