

CABINET

27 JULY 2015

42 REVENUE MONITORING 2015/16 - QUARTER 1 (APRIL - JUNE 2015)

Councillor Phil Davies introduced a report by the Acting Section 151 Officer that set out the projected revenue position for 2015/16 as at the end of June 2015. The 2015/16 revenue budget included a savings programme of £38 million. The Cabinet noted that progress had been regularly reviewed and had identified that whilst over £28 million had been deliverable in year, some slippage had been identified. It was recommended that the 2015/16 budget was adjusted to reflect this through the use of Reserves and an element of the sum set aside in General Fund balances. This led to a forecast overspend of £2.9 million primarily due to early indications of demand pressures on which further work would be undertaken to confirm and to seek mitigation. Also, there would be a review of reserves in order to restore the General Fund balances to the required level.

Appended to the report at Annex 1 was the General Fund Revenue Budget 2015/16 which had been agreed by the Council on 24 February 2015.

Councillor Phil Davies informed that there would be some challenges in revenue monitoring and in respect of the £2.0 million overspend; measures were now in place to address the situation. He also informed that in-year cuts were difficult to manage and the £2.4 million cut in Public Health Grant made it impossible to manage. Councillor Phil Davies reported that he had written to the Secretary of State for Health informing him of the Cabinet's opposition to this cut. He raised concerns that there may be more cuts as a result of the forthcoming Public Spending Review.

Councillor Phil Davies was aware that Officers did the best they could to manage a difficult situation but at the recent Annual Local Government Conference in Harrogate delegates had been told to plan for an additional 5% cut. Consequently, it would be a difficult year for the Council and it would need to work creatively and with its partners to try to obtain the best value it could for every £ it spent.

RESOLVED: That:

- (1) the Revenue Budget 2015/16 be amended to reflect the re-profiling of the delivery of the savings programme with this funded through contributions from the Families and Wellbeing Reserve, Remodelling Reserve and General Fund balances and referred to the Council for its approval;
- (2) Officers be requested to identify actions to reduce the projected overspend of £2.9 million, to mitigate against any in-year funding reductions for Public Health and to replenish General Fund balances; and
- (3) the Financial Monitoring report be presented to Cabinet after the end of each quarter which is in line with Performance Management monitoring arrangements.