

CABINET RESPONSE TO COUNCIL OVERVIEW AND SCRUTINY COMMITTEE

FINANCE AND BUDGET MONITORING REPORT FOR AUGUST 2014
(considered by COSC on 2 October 2014)

COMMITTEE RECOMMENDATION:

The Committee recommends that the full risk contingency budget of £5m contained within the Central Income & Expenditure budget be carried forward to 2015 / 2016.

RESPONSE:

The council takes a multi-year approach to its budget management, which has served it well in meeting and managing the budget pressures it has faced. As a part of this approach, the council has successfully balanced its budget each year and been able to carry forward the risk contingency each year. The council has achieved this by considering the use of reserves and balances, along with the carry forward of budgets, as a part of a coordinated approach to budget planning. In doing so, the council is aware that the use of carry forwards and reserves are only a one-off measure, and that ultimately, the council must achieve a sustainable budget through achieving on-going savings and, or increases in income.

The budget monitoring for the end of September 2014, which is on the agenda for today's meeting, is forecasting that the council will have a balanced budget for the current financial year. The forecast is for an overspending of £400,000. While this is positive and welcome, there are still risks ahead.

The option of carrying forward the risk contingency budget to help off-set pressures in the next financial year is only achievable if revenue budget does not overspend. Officers are working on plans to achieve a balanced budget and the Chief Executive and the Director of Finance are continuing their supportive challenge sessions with budget managers to ensure the Medium Term Financial Plan is delivered. If successful, the council can look to carry forward the risk contingency budget to be used as the motion recommends when it considers the budget outturn.

David Hodge
Leader of the Council
21 October 2014

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