

## **BRECKLAND DISTRICT COUNCIL**

**Report of:** Ellen Jolly, Executive Member for Finance and Democratic Services

**To:** Cabinet: 3 December 2013  
Council: 19 December 2013

**(Author:** Mark Finch, Assistant Director Finance)

**Subject:** Financial Performance Quarter 2 2013-14

**Purpose:** This report provides information on the forecast full year financial position of the Council as at 30 September 2013

### **Recommendation(s):**

- 1) That the report and appendix be noted
- 2) That the virements detailed in Table 4 of Section 1 of the appendix be approved
- 3) Recommend to Full Council that the additional housing benefit subsidy income of £112,320 is vired to efficiencies
- 4) Approve the capital budget carry overs of £6,147,562 to 2014-15 detailed in section 2 of the appendix

## **1. BACKGROUND**

This report provides information on the forecast full year financial performance for 3 separate areas.

- Revenue
  - Forecast actuals against budget and significant variances
  - Progress against efficiency targets
  - Virement decisions
  - Un-allocated reserve levels
- Capital
  - Forecast actuals against budget and significant variances
  - Available capital funding (Capital Financing Requirement or CFR)
- Treasury
  - Security of investments
  - Liquidity levels
  - Yield levels

Where actions or decisions are required, these are detailed at the end of each section with options.

### **Revenue and Efficiencies**

The revenue budgets are showing a forecast underspend of £123k (0.95%) and additional efficiencies of £593k, giving overall savings of £716k. Full details of major variances are shown in table 2.

The retained business rates scheme is currently forecasting above budget income, of which Breckland's share would be an additional £263k. However this forecast will be adjusted throughout the rest of the year for all appeals, new charitable reliefs as well as new properties, so could rise or fall before the end of the year. Any additional/reduced income would not be accounted for until 2014-15 due to the expected accounting rules.

The Council Tax base has increased by 276 compared to forecasts and this could generate around £19k of additional income for the Council if the increase is maintained for a full year.

There is currently a shortfall in the achievement of identified budgeted efficiencies (as shown in table 3). However progress is being made to identify additional efficiencies to close the budget gap in future years and to date circa £593k has been achieved. The transformation programme has identified additional projects which will be included here once achieved.

The contingency amount of £303,910 for 2013-14 will increase the Council's General Fund and therefore be available for future years as a one off funding contribution if the timing of efficiencies is delayed.

Recommendations on the use of the additional efficiencies and contingency amount will form part of the budget report and therefore there are no recommendations within this report.

### **Capital**

Certain projects within the capital programme are requested to be carried over into 2014-15, as detailed in section 2 of the report.

### **Treasury**

Investments continue to be made as short term only due to the current financial climate.

## **2. OPTIONS**

To note the report and approve the virements detailed within table 4 of section 1 of the appendix and recommend to Full Council that the additional housing benefit subsidy income of £112,320 is vired to efficiencies and approve the capital budget carry overs of £6,147,562 to 2014-15 as detailed in section 2 of the appendix.

To note the report and not approve the virements detailed within table 4 of section 1 of the appendix and not make the recommendation to Full Council and not approve the capital budget carry overs in section 2 of the appendix.

## **3. REASONS FOR RECOMMENDATION(S)**

To provide timely information to Members on the overall finances of the Council and to make the best use of resources available.

### **EXPECTED BENEFITS AND TIMELINES**

To ensure that Members are updated regularly on the overall Council financial position and to act on any budget amendments required to reflect the latest forecasts of spend and income.

## **4. IMPLICATIONS**

4.1 **Carbon Footprint & Environmental Issues** - None

4.2 **Constitution & Legal** - None

4.3 **Contracts** - None

4.4 **Corporate Plan** - None

4.5 **Crime and Disorder** - None

4.6 **Equality and Diversity & Human Rights** - None

- 4.7 **Financial** - The report is of a financial nature and financial details are included within the appendix.
- 4.8 **Risk Management** – Risks are highlighted within the appendix
- 4.9 **Staffing** - None
- 4.10 **Stakeholders / Consultation** - None
- 4.11 **Other** - None
- 5. WARDS/COMMUNITIES AFFECTED**

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Background papers:- None

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**Key Decision – No**

**Appendices attached to this report:**

Appendix 1 = Quarter 2 financial performance report 2013-14