

NOTICE OF KEY DECISION



Agenda
Item

MEETING: CABINET
OVERVIEW & SCRUTINY COMMITTEE

DATE: 2 SEPTEMBER 2015
13 OCTOBER 2015

SUBJECT: CORPORATE FINANCIAL MONITORING REPORT –
APRIL 2015 TO JUNE 2015

REPORT FROM: DEPUTY LEADER OF THE COUNCIL AND CABINET
MEMBER FOR FINANCE AND HOUSING

CONTACT OFFICER: STEVE KENYON, INTERIM EXECUTIVE DIRECTOR
OF RESOURCES & REGULATION

TYPE OF DECISION: CABINET (KEY DECISION)

FREEDOM OF INFORMATION/STATUS: This paper is within the public domain

SUMMARY: The report informs Members of the Council's financial position for the period April 2015 to June 2015 and projects the estimated outturn at the end of 2015/16.

The report also includes Prudential Indicators in accordance with CIPFA's Prudential Code.

OPTIONS & RECOMMENDED OPTION Members are asked to note the financial position of the Council as at 30 June 2015 and to approve the s151 officer's assessment of the minimum level of balances.

IMPLICATIONS:

Corporate Aims/Policy Framework:

Do the proposals accord with Policy Framework? Yes.

Statement by the s151 Officer:

The report has been prepared in accordance with all relevant Codes of Practice. There may be risks arising from remedial action taken to address the budget position; these will be identified by Directors at the

quarterly Star Chamber meetings.

Statement by Interim Executive Director of Resources & Regulation:

Successful budget monitoring provides early warning of potential major overspends or underspends against budgets which Members need to be aware of.

This report draws attention to the fact that, based on the most prudent of forecasts, several budget hotspots exist which will need remedial action.

Members and officers will be examining these areas in more detail at the Star Chambers.

This report is particularly significant as it informs Members of the baseline financial position from which the Council sets its 2016/17 budget.

Equality/Diversity implications:

No

Considered by Monitoring Officer:

Budget monitoring falls within the appropriate statutory duties and powers and is a requirement of the Council's Financial Regulations to which Financial Regulation B: Financial Planning 4.3. (Budget Monitoring and Control) relates. The report has been prepared in accordance with all relevant Codes of Practice.

Are there any legal implications?

Yes

Wards Affected:

All

Scrutiny Interest:

Overview & Scrutiny Committee

TRACKING/PROCESS

EXECUTIVE DIRECTOR: Steve Kenyon

Chief Executive/ Strategic Leadership Team	Cabinet	Overview & Scrutiny Committee	Council	Ward Members	Partners
10/08/15	02/09/15	13/10/15			

1.0 INTRODUCTION

- 1.1 This report informs Members of the forecast outturn for 2015/16 based upon current spend for the period 1 April 2015 to 30 June 2015 in respect of the revenue budget, capital budget and the Housing Revenue Account.
- 1.2 Projections are based on current trends, information, and professional judgement from service managers and finance staff.
- 1.3 The revenue budget projections highlight the fact that budget pressures do still exist in some key areas and it will be necessary to continue to examine options for improving the situation further.

2.0 BUDGET MONITORING PROCESSES

- 2.1 Reports will be presented quarterly to facilitate close monitoring of spend and implementation of action plans during the year.
- 2.2 Reports are also presented to the Strategic Leadership Team on a monthly basis and detailed monitoring information will also be discussed at Star Chamber meetings during the year.
- 2.3 It is intended that improvements will continue to be made to the budget monitoring process, building on the significant developments implemented over the past few years.

3.0 SUMMARY OF REVENUE BUDGET POSITION

- 3.1 The table below outlines the annual budget and forecast outturn based upon known factors and the professional views of service managers as at month 3:

Department	Budget £000	Forecast £000	Variance £000
Communities & Wellbeing	65,809	66,424	+615
Resources & Regulation	2,311	2,858	+547
Children, Young People & Culture	34,931	35,749	+818
DCN Residual	53	53	0
Non Service Specific	30,614	30,114	(500)
TOTAL	133,718	135,198	+1,480

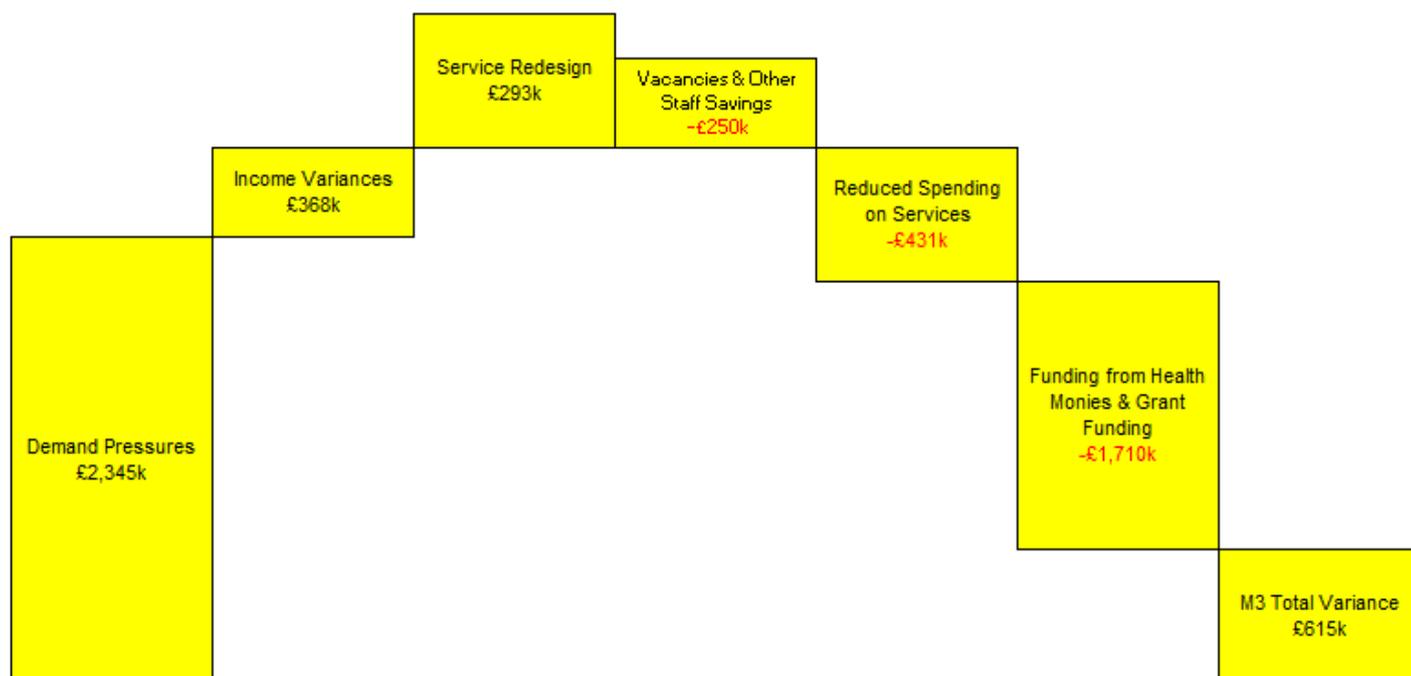
- 3.2 The projected overspend of **£1.480m** represents approximately **1.11%** of the total net budget of £133.718m.
- 3.3 Members need to be aware that financial reporting involves an element of judgement, and this particularly applies to the treatment of budget pressures. Often an area of overspending identified at this point in the year will resolve itself before the end of the year following appropriate remedial action.
- 3.4 However it is felt appropriate to alert Members to potential problems at this stage so that they can monitor the situation and take ownership of the necessary remedial action and this is the basis on which the report is written.

4.0 SERVICE SPECIFIC FINANCIAL MONITORING

4.1 COMMUNITIES AND WELLBEING

4.1.1 The current projected overspend for Communities and Wellbeing is **£0.615m**, which is 0.93% of the Department's net budget of £65.809m

4.1.2 Reasons for major variations are illustrated in the chart overleaf;



4.1.3 Further details by service area are outlined below, along with remedial action being taken.

Theme	Variance £'000	Reason	Action Being Taken
Demand Pressures	+2,345	Care in the Community budgets particularly around Domiciliary Care, Residential Care and Self Directed Support Budgets - £1,994k. Killelea House and Care Management Staffing Budget - £197k (Reason-Staffing Cost Pressures).	A range of preventative strategies continue to be introduced to manage this demand, such as reablement, triage, improved screening, 'signposting', and crisis response as well as a programme of training for front line staff around efficient support package planning. In addition, all existing high & medium cost care packages are kept under regular review. This overspend is more than offset by a number of underspending budgets within the Operations service area. However senior management will continue to review and

Theme	Variance £'000	Reason	Action Being Taken
		<p>Home Support Scheme - £23k (Reason- Overspend not material, the net result of a small number of overspends).</p> <p>Finance - £33k (Reason- Overspend not material, the net result of a small number of overspends).</p> <p>Grounds Maintenance - £80k (Reason - savings not achievable as grass cutting is still required as specified by members.</p> <p>Parks - £18k (Reason - spending pressures on Health & Safety Work, rates and metered water supply).</p>	<p>act accordingly regarding staffing pressure within Killelea and Care Management budgets.</p> <p>This budget will continue to be monitored closely with the aim of steering the overspend back in line with 2015/16 budget provision.</p> <p>This budget will continue to be monitored closely with the aim of steering the overspend back in line with 2015/16 budget provision.</p> <p>Prudent spending is to be exercised on all discretionary budgets.</p> <p>Prudent spending is to be exercised on all discretionary budgets.</p>
Service redesign	+293	<p>A number of Budgets have yet to achieve savings target against specific schemes. As a consequence this is partly / wholly the reason for the overspends below:</p> <p>Falcon & Griffin Care Home - £38k (Reason - Savings not identified).</p> <p>Community Equipment Store - £100k (Reason - Savings not identified and overspend on equipment budgets).</p> <p>Urban Renewal Holding Account - £85k (Reason - Savings not identified).</p>	<p>An Action plan is being developed by senior management for each of the service areas, ensuring the savings targets are achieved.</p> <p>New community equipment contract may generate additional income to partly offset overspend.</p> <p>An Action plan is being developed by senior management for each of the service areas, ensuring the savings targets are achieved.</p>

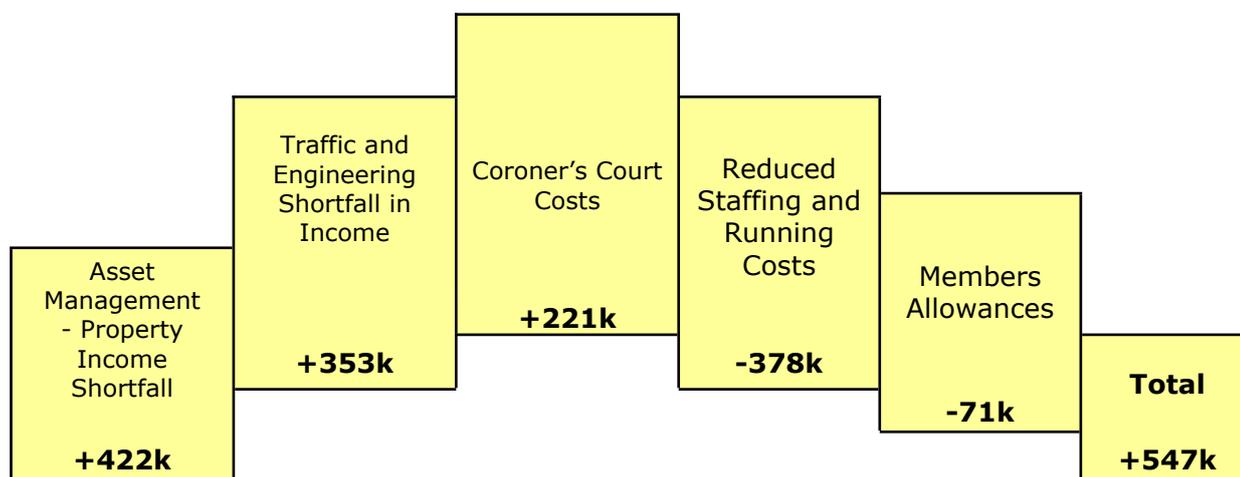
Theme	Variance £'000	Reason	Action Being Taken
		<p>Sports Development - £30k (Reason - savings not identified).</p> <p>Beverage, Cafes & Vending - £40k (Reason - Difficulty in meeting beverage service/café income target).</p>	<p>Offset by underspends if possible or use other savings transferred to reserves to offset cost pressure in short term.</p> <p>Service review has been undertaken and a restructure /actions identified to reduce costs.</p>
Income Variances	+368	<p>Workforce Development – (45k) - (Reason -Largely the result of Homes for people income budget forecast to exceed budget provision.</p> <p>Preventing Homelessness – £153k (Reason - Shortfall in income expectations).</p> <p>Civic Halls - £130k (Reason - Difficulties in achieving income targets).</p> <p>Leisure - £160k (Reason - income not meeting targets, delay in the opening of the temporary pool at Radcliffe and budget cuts).</p> <p>Transport Services (£150k) - (Reason - income forecast to exceed budget).</p> <p>Trade Waste - £120k (Reason - Shortfall on trade waste income due to reduced pricing, increased recycling requires additional bins).</p>	<p>This is a good news story for CWB and the hope is that further income can be generated from increased activity.</p> <p>Income recovery action plan is being developed by senior management team.</p> <p>Approval has been given to appoint a Marketing Events Officer to promote the service.</p> <p>Further development of the growth & implementation plan is required.</p> <p>Use to offset other overspends.</p> <p>Offset by underspends elsewhere in the service, budgets to be reviewed.</p>
Reduced Spend on Services	-431	<p>Carers services budget – £100k) - (Reason - Underspending on Carers personal budgets).</p> <p>Older People Fieldwork Team – (£82k) - (Reason - result of action to meet savings target).</p> <p>Mental Health service – (£173k) - (Reason - result of action to meet savings target).</p>	<p>Forecast underspends may be used to offset pressure within other areas of adult care service budgets.</p>

Theme	Variance £'000	Reason	Action Being Taken
		Day Centres for under 65s – (£42k) - (Reason - Transport costs within service reduced / small salary savings). Training Budget – (£10k) - (Reason - Training budget not expected to be spent in full). Other – (£24k).	
Vacancies and Other Staff Cost Savings	-250	Commissioning & Procurement – (£59k) - (Reason – Head of Service Vacant Post). Reablement Service – (£170k) - (Reason – Staffing Vacancies). Older Peoples Day Care – (£16k) - (Reason – Staffing Vacancies). Other – (5k).	Forecast underspend will be used to offset pressure within other areas of adult care service budgets
Funding from Health Monies & Grant Funding	-1,710	Funding to support the demand pressures of the Care in the Community budgets (£1,710k).	Utilisation of historic underspends from Adult Care Specific Grants and a contribution of the Health monies towards the demand pressures within Community Care.
	+615		

4.2 RESOURCES AND REGULATION

4.2.1 The Resources & Regulation Department is forecasting an overall overspend of **£0.547m**, or 23.66% of a net budget of £2.311m.

4.2.2 Reasons for major variations are illustrated in the chart below;



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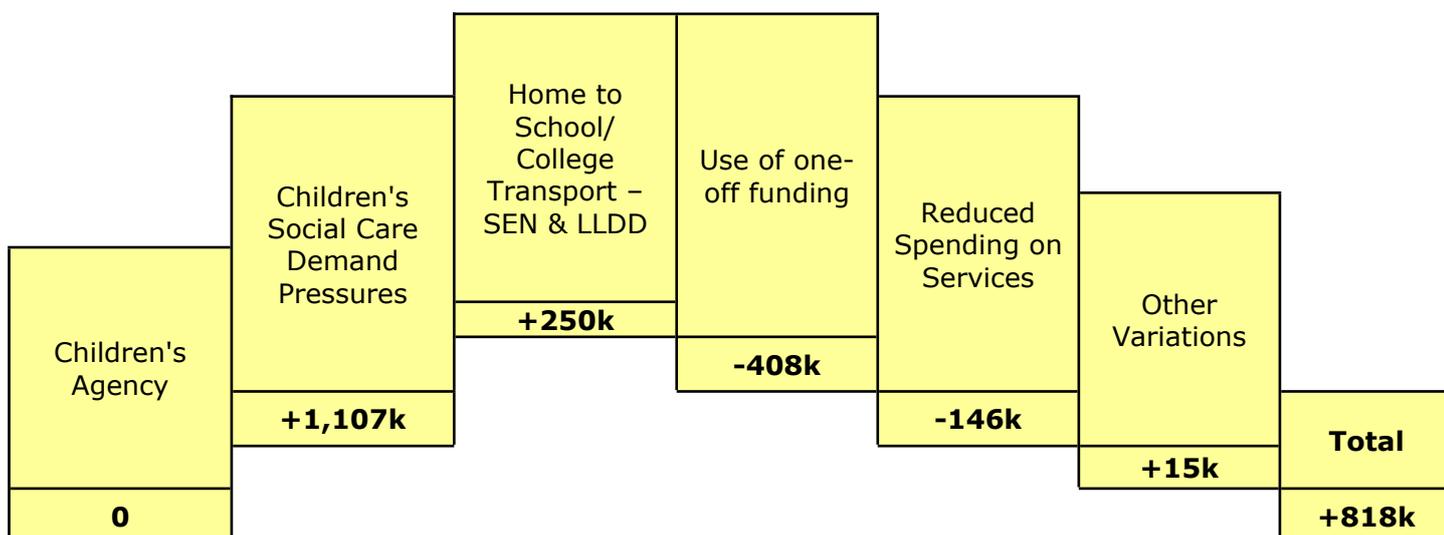
Activity	Variance £'000	Reason	Action Being Taken
Property Services	+422	<p>Shortfall in income due to reduced occupancy levels.</p> <p>Should all of the properties within the non-operational property portfolio be let, the level of current market rents is such that the income budgets would still not be achieved.</p>	<p>Although most of the units at Bradley Fold that were vacated in 2011/12 have now been re-let, rents are significantly lower than what were achieved before the economic downturn. A number of units which were previously let have now been demolished owing to their poor condition. and business cases are being looked at for redevelopment viability.</p> <p>The accounts for the Mill Gate Centre have been scrutinised in detail to ensure that all monies properly due to the Council are being paid and this will be an ongoing process.</p> <p>A report was approved by Cabinet on 3rd September 2014 which proposed the acquisition of secure property investments and the disposal of poorly performing assets. This would increase revenue income to the Council and achieve greater returns than monies currently held in other investments.</p>
Traffic & Engineering	+353	<p>Estimated shortfalls in income relating to on and off-street parking and parking fines (+£224k), Greater Manchester Road Activities Permit Scheme (GMRAPS) (+£82k), bus lane enforcement (+£47k).</p>	<p>Monitor income levels, adjust expenditure and targets where possible and review staff resources allocated to GMRAPS.</p> <p>Severance pay and management restructure delayed savings are one-offs to achieve planned savings longer term.</p>

Coroners Court Costs	+221	There are legislative changes around deaths occurring under Deprivation of Liberty Orders (DoL's) that are driving a significant increase in the volume of cases and thus costs.	Meetings being held between Coroner's Court and with DoL's Coordinators from Rochdale, Oldham and Bury Councils to assess the issue in more detail.
Reduced Staffing and Running Costs	-378	Vacant posts not filled and tightening of controllable expenditure across the department. Salaries savings in Finance & Efficiency (£143k) from Internal Audit, Accountancy and Procurement, Customer Support & Collections (£99k), Democratic Services restructure (£46k), HR (£14k), Press & Media (£27k), Licensing (£13k) Trading Standards (£30k), and minor underspends (£6k).	To be used to assist in reducing the estimated overspend within the department in 2014/15 and part included within the 2015/16 savings.
Members Allowances	-71	Reductions in the level of Special Responsibility Allowances paid to Members continue to result in this forecasted underspend.	To be used to assist in reducing the estimated overspend within the department.

4.3 CHILDREN'S, YOUNG PEOPLE AND CULTURE

4.3.1 The overall Children's, Young People & Culture budget is currently projecting an overspend of **£0.818m**, or 2.34% based on net budget of £34.931m.

4.3.2 Reasons for major variations are illustrated in the chart below;



4.3.3 Further details of the major variations are provided in the table below:

Activity	Variance £'000	Reason	Action Being Taken
Demand pressures – Children’s Agency Placements	0	Continuing increased demand	<p>Agresso has been reconciled with the agency placements database and projected end dates have been adjusted for Young People (mostly school leavers) who are leaving this budget.</p> <p>Mth3 Active placement comparison:- 2015/16 - 70; 2014/15 - 93; 2013/14 - 82.</p> <p>Young People who leave this budget sometimes return home or to an in-house foster placement, are placed for adoption or move into the leaving care budget.</p> <p>Prompt and regular reviews via the Complex Care Panel has led to securing better funding splits across education, Health and Social Care, further reducing the burden on this budget.</p>
Children’s Social Care Demand Pressures Leaving Care	+1,107k Made up of: +597	Spending on housing and further education of 19+ students who have now left our care	<p>This budget is likely to overspend significantly on housing as the service continues to support a number of young people in high cost placements who were previously accommodated within the Children's Agency Budget. This is as a direct result of initiatives put in place and the new placements are a significant saving to the authority.</p>

Advice & Assessment	+389		Early indications are that this budget will significantly overspend on social worker salaries pending the virement of budgets to cover the additional social workers recruited towards the end of the last financial year.
Emergency Duty Team	+31		Early indications are that this budget will overspend due to staff cover arrangements for two social workers with long term health issues.
Looked After Children	+27		The service will overspend as two agency social workers are covering vacancies; the posts have been recruited to with start dates not yet determined.
Strategic Lead	+63		The budget is under pressure as the interim Strategic Lead post is being covered by agency staff and also M Nugent has been brought back in, the increase in costs will be partially offset by a vacant post.
Home to School/College Transport – SEN & LLDD	+250	Continuing increased demand	For the past 2 financial years demand for these services has been well above the current budget level and is expected to continue. A much clearer position will be known once the academic years begin in September.
Use of External Funding	-408		Prior year grant balances being used to offset overspending elsewhere within the department.

Activity	Variance £'000	Reason	Action Being Taken
Reduced Spending on Services	-146k Made Up of:		
Legal Fees	-60		Reductions in court costs
Management & Administration	-86		Vacancies in Finance and HR pending restructuring of the 2 sections
Other	+15		Mainly additional spending on developing shared services, which will provide efficiencies and budget management savings in the future

4.4 COMMUNITIES AND NEIGHBOURHOODS - RESIDUAL

4.4.1 The £53,000 budget relates to staffing costs, will be reallocated to services and is expected to break even.

4.5 NON-SERVICE SPECIFIC

4.5.1 There is a forecast net underspend of **£0.500m**, or 1.63% based on net budget of £30.614m. This relates primarily to the Council's Treasury Management activity (see Section 8.0, page 16 for further details).

5.0 CAPITAL BUDGET

5.1 Capital Programme

5.1.1 The revised estimated budget for the Capital Programme 2015/16 at the end of June is shown in the table below:

2015/16	£m
Original Capital Programme	25.690
Approved Slippage from 2014/15	16.546
In year adjustments and contributions	(0.946)
Revised Capital Allocation at Quarter 1	41.290
Estimated re-profiled projects into 2016/17	(9.272)
Revised working budget for Year at Qtr 1	32.018

5.1.2 The expenditure and funding profile for the Capital Programme together with a detailed breakdown of the Original Approved Programme, the Revised Estimate, Forecast Outturn, Actual Spend up to end of Month 3, and the estimated under/over-spend of the capital programme for 2015/16 is shown in Appendix A.

5.1.3 Members should note that given the complexity and size of some of the larger schemes currently in the Council's Capital Programme the information received from budget holders can vary significantly from one quarterly report to the next and should be read in this context.

5.1.4 At the end of Quarter1, a total of **£9.272m** of the 2015/16 budget has been identified for re-profiling to 2016/17. Most of this amount is attributed to Children Services Projects where the schemes are funded mainly by grants from Department of Education to a total of £6.485million.

The remainder is attributable to Highways Traffic Calming schemes with a total of £0.190m and a further £2.000m on the A56 Prestwich Village Corridor Improvements.

5.2 Expenditure

5.2.1 The Forecast Outturn as at Month 3 is indicated to be **£31.999m** and Budget Managers have reported that they expect to spend up to this amount by 31 March 2016.

5.2.2 The actual expenditure after accruals realised by the end of Month 3 totals **£3.508m**.

5.2.3 The main areas to record expenditure in the first quarter are:

• Property Redevelopment Schemes	£0.326m
• Children's, Young People and Culture	£0.909m
• Leisure Schemes	£0.732m
• Housing Public Sector	£0.710m

5.3 Variances

5.3.1 Appendix A provides details of variances for each scheme based on latest available information received from budget managers and at Month 3 it shows a projected underspend for the Programme of £0.019m. This amount is the balance of several larger schemes in the programme that are in the process to finalise details and not material in relation to the size of the programme. The schemes that are forecasted to overspend are monitored and analysed by budget managers. Remedial action if required will be taken as soon as the schemes' details for expenditure and funding availability are finalised.

5.3.2 Brief reasons for all variances are provided in Appendix A attached with this report.

5.4 Funding

5.4.1 The funding profile included in Appendix A shows the resources available to cover the capital programme during 2015/16.

5.4.2 The principal source of funding for Capital schemes approved for the 2015/16 programme is made of external resources together with resources unspent and carried forward from previous years. The Council and Cabinet have also approved

allocations towards the Prestwich Village schemes supported by the Council's own resources of **£2.000m** for the year.

5.4.3 The position of the capital receipts and borrowing as at the end of Month 3 is reported below. The figures in the table show the total funding requirement for the revised estimated capital programme inclusive of potential slippage into 2016/17 and the expected resources to be supported by the Council as at the end of Quarter 1 of the year.

2015/16 Use of Council Resources for Capital Investment	£m
Revised Capital Programme allocation for the year	32.018
Use of external funding and contributions	(28.438)
Balance of programme relying on Council resources	3.580
Use of Capital receipts and earmarked reserves	3.280
Use of Prudential Borrowing (2015/16 approved schemes)	0
Use of Prudential Borrowing (2014/15 schemes brought forward)	0.298
Total Council Resources used to support the Capital Budget for Year	3.578

5.5 Capital Programme Monitoring

5.5.1 The programme will be monitored closely during the year by Capital Programme Monitoring Group and Management Accountancy with an aim to deliver schemes on cost and time with minimum potential slippage into 2016/17.

6.0 HOUSING REVENUE ACCOUNT

6.1 The Housing Revenue Account (HRA) relates to the operation of the Council's housing stock and can be viewed as a landlord account. It is required by statute to be accounted for separately within the General Fund and is therefore effectively ring-fenced.

6.2 The latest estimates show a projected surplus (working balance carried forward) of £1.000m at the end of 2015/16. The projected outturn shows a working balance carried forward of £1.031m. See Appendix B.

6.3 There are a number of variations that contribute to the projected outturn position however there are no areas where the variance exceeds 10% and £50k.

6.4 The two main impacts on the HRA year-end balance are normally **void levels** and the **level of rent arrears**, but levels of **Right to Buy sales** can also be a major influence on the resources available.

Voids:

The rent loss due to voids for April to June was on average 1.8% which is in line with the void target level set in the original budget. If this performance continues for the rest of the year there will be no impact from void loss on the projection of rental income in Appendix B.

Six Town Housing continues to review the voids processes and the various factors affecting demand.

Arrears:

Six Town Housing have purchased and implemented a new computerised Housing Management System which went 'live' in May 2015; data extraction and reporting from this system is currently under development therefore the arrears information which follows is based on currently available data which may be subject to change once reporting has been refined and tested.

The rent arrears at the end of June totalled £1.047m, an increase of 10.6% since the end of March. Of this total £0.427m relates to former tenants and £0.620m relates to current tenants. The increase in the number of Universal Credit cases will account for a large part of the increase in arrears.

The Council is required to make a provision for potential bad debts. The contribution for the year is calculated with reference to the type of arrear, the amount outstanding on each individual case and the balance remaining in the provision following write off of debts.

Based on the performance to the end of June, projected for the full year, this provision would require an additional contribution of £0.307m to be made.

The 2015/16 HRA estimates allow for additional contributions to the provision totalling £0.488m, £0.183m for uncollectable debts and £0.305m to reflect the potential impact that welfare benefit changes could have on the level of rent arrears. Therefore there is a potential underspend of £0.183m. The projected outturn has not been amended to reflect this as the impact of increased numbers of Universal Credit cases coupled with further benefit changes needs to be assessed.

Right to Buy Sales:

From April 2012 the maximum Right to Buy discount increased from £26,000 to £75,000.

This has resulted in an increase in the number of applications and ultimately sales. There were 40 sales in 2013/14 and this increased to 41 sales last year.

The forecast for 2015/16 was set at 50, this being an increase of 7 on the level of sales assumed for Bury in the Government's self-financing valuation.

From July 2014 the maximum Right to Buy discount increased from £75,000 to £77,000 and the maximum percentage discount on houses increased from 60% to 70% (in line with the discounts allowed on flats). The maximum discount increased in April 2015 to £77,900.

From 26th May 2015 the qualifying period for Right to Buy has been reduced from 5 years to 3 years.

These changes may increase the number of applications and sales but it is too early after the changes to quantify this.

The number of sales has a direct effect on the resources available to the HRA – the average full year rent loss for each dwelling sold is around £3,800.

- 6.5 There have been 9 sales in the period April to June. At this stage the total number of sales is not expected to differ significantly from the forecast therefore rental income projections have not been adjusted.
- 6.6 The recently published Welfare Reform and Work Bill contains provision for a 1% reduction in social housing rents for 4 years from 2016/17 which will have a significant impact on future HRA resources; the impact of this and of other changes expected in the upcoming Housing Bill will be assessed as information becomes available.

7.0 PRUDENTIAL INDICATOR MONITORING

- 7.1 It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". The authority's approved Prudential Indicators (affordability limits) for 2015/16 is outlined in the approved Treasury Management Strategy Statement.
- 7.2 The authority continues to monitor the Prudential Indicators on a quarterly basis and Appendix C shows the original estimates for 2015/16 (approved by Council on 25 February 2015) with the revised projections as at 30 June 2015. The variances can be seen in the Appendix together with explanatory notes. The Prudential Indicators were not breached during the first three months of 2015/16.

8.0 TREASURY MANAGEMENT

8.1 Investments:

- 8.1.1 At the 30th June 2015 the Council's investments totalled £47.6 million and comprised:-

Type of Investment	£ Million
Call Investments (Cash equivalents)	17.6
Fixed Investments (Short term investments)	30.0
Total	47.6

- 8.1.2 All investments were made in line with Sector's suggested credit worthiness matrices and the approved limits within the Annual Investment Strategy were not breached during the first quarter of 2015/16.
- 8.1.3 The Council has earned the following return on investments:
Quarter 1 0.64%
- 8.1.4 This figure is higher than Sector's suggested budgeted investment earnings rate for returns on investments, placed for periods up to three months in 2015/16, of 0.50%

8.2 Borrowing:

- 8.2.1 No external borrowing was undertaken in the quarter to 30th June 2015.
- 8.2.2 At 30th June 2015 the Council's debts totalled £201.364 million and comprised:-

		30th June 2015		
		Principal		Avg. Rate
		£000	£000	
Fixed rate funding				
	PWLB Bury	140,553		
	PWLB Airport	3,308		
	Market Bury	57,500	201,361	
Variable rate funding				
	PWLB Bury	0		
	Market Bury	0	0	
Temporary Loans / Bonds		3	3	
Total Debt			201,364	3.92%

8.2.3 The overall strategy for 2015/16 is to finance capital expenditure by running down cash/investment balances and taking shorter term borrowing rather than more expensive longer term loans. With the reduction of cash balances the level of short term investments will fall. Given that investment returns are likely to remain low for the financial year 2015/16, then savings will be made by running down investments and taking shorter term loans rather than more expensive long term borrowing.

8.2.4 It is anticipated that further borrowing will be undertaken during this financial year.

9.0 MINIMUM LEVEL OF BALANCES

9.1 The actual position on the General Fund balance is shown in the following table:

	£m
General Fund Balance 31 March 2015 per Accounts	10.487
Less : Minimum balances to be retained in 2015/16	-4.500
Less : Contribution towards cost of Equal Pay	-1.500
Less : Forecast overspend	-1.480
Available balances at 1 April 2015	3.007

9.2 Based on the information contained in this report, on the risk assessments that have been made at both corporate and strategic level, on the outturn position for 2015/16 and using information currently to hand on the likely achievement of savings options, it is clear that there is no reason to take the minimum level of balances above the existing level of £4.500m.

9.3 In light of the above assessment it is recommended that the minimum level of balances be retained at **£4.500m**.

9.4 Members are advised that using available balances to fund ongoing expenditure would be a breach of the Council's Golden Rules. Likewise, Members are advised that the Authority faces significant funding reductions in the future, and balances are likely to be required to fund one-off costs of service transformation.

10.0 EQUALITY AND DIVERSITY

10.1 There are no specific equality and diversity implications.

11.0 FUTURE ACTIONS

- 11.1 Budget monitoring reports will continue to be presented to the Strategic Leadership Team on a monthly basis and on a quarterly basis to the Cabinet, Overview & Scrutiny Committee, and Audit Committee.
- 11.2 Star Chambers have been diarised for Quarters 1, 2 & 3 with Q1 meetings scheduled to take place in August and September 2015.

Councillor Rishi Shori, Deputy Leader of the Council and Cabinet Member for Finance and Housing

List of Background Papers:-

Finance Working Papers, 2015/16 held by the Interim Executive Director of Resources & Regulation.

Contact Details:-

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