
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 18 NOVEMBER 2019

**EX.111/19 REVENUE BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO
SEPTEMBER 2019**
(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted the Revenue Budget Overview and Monitoring Report (RD.33/19) for the period April to September 2019. Outlined within the report were the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement. Details of the balance sheet management issues and action taken by the Corporate Director of Finance and Resources to write-off bad debts were also provided.

Set out at paragraph 2.2 was the updated Budget figure for 2019/20 of £15,226,900 together with the summarised budgetary position as at September 2019; the main variances were as summarised at paragraph 2.4. The table at paragraph 2.7 showed the position as at September 2019 of savings achieved against the transformation savings targets to date.

Also identified at paragraph 2.8 were the anticipated benefits from Business Rate Growth from being part of the Cumbria Business Rates Pool, together with the proposal that any over achievement of retained rating income should be vired to offset the outstanding savings required for 2019/20 (£734,100).

The Council's financial position, which was affected by a number of external factors which had a financial impact during the course of the year and ultimately at the year end, would continue to be closely monitored and reported more fully in a future monitoring report. It would be important to maintain a prudent approach so as to ensure a sustainable budget position for future years to avoid any significant variance at the year end.

Information on the main variances in the Directorates' Budgets and the forecast outturn position for 2019/20 was provided.

On the issue of balance sheet management, there may be a significant impact on the cash flow of the Council if outstanding debts were not received. Any debts deemed to be irrecoverable were written off against a bad debt provision set up specifically for that purpose. Other significant debts related to Council Tax, NNDR and Housing Benefit overpayments.

The Council's VAT partial exemption calculation for the period ending September 2018 had been calculated and, at 2.66%, was well below the 5% limit set by HMRC. However, that would increase

as expenditure was incurred on the capital programme especially on VAT exempt activities i.e. Civic Centre reinstatement.

The Deputy Leader concluded by moving the report, which was seconded by the Leader.

Summary of options rejected none

DECISION

That the Executive:

1. Noted the budgetary performance position of the Council to September 2019;
2. Noted the action by the Corporate Director of Finance and Resources to write off bad debts as detailed in paragraph 6 of Report RD.33/19;
3. Noted the release of reserves as set out in the table at paragraph 2.2, and noted the virements approved as detailed in Appendix A to the report.
4. Made recommendations to Council to approve a virement of £734,100 from Business Rates Retention as a contribution towards Transformation Savings.

Reasons for Decision

To show that the Executive had been informed of the Council's actual financial position compared with the budgeted position, and to bring to their attention any areas of concern