

Report of	Meeting	Date
Chief Executive (Introduced by the Executive Member for Resources)	Executive Cabinet	26 March 2015

## **REVENUE AND CAPITAL BUDGET MONITORING 2014/15 REPORT 3 (END OF FEBRUARY 2015)**

### **PURPOSE OF REPORT**

1. This report sets out the provisional revenue and capital outturn figures for the Council as compared against the budgets and efficiency savings targets set for the financial year 2014/15.

### **RECOMMENDATION(S)**

2. Note the full year forecast position for the 2014/15 revenue budget and capital investment programme.
3. Request Council approve the set aside of around £100,000 of additional forecast revenue income from Council Tax Summons and Liability Order charges in 2014/15 to offset any future increased liability in bad debts as a result of these charges. Details are outlined in paragraph 36.
4. Request Council approve the use of £40,000 from in-year revenue underspends to fund additional temporary staffing resources required in the Single Front Office.
5. Note the forecast position on the Council's reserves.
6. Request Council approve the following additions to the capital budget all externally funded from Section 106 receipts:
  - £35k for the improvement and equipping of the existing trim trail in Carr Brook;
  - £9.6k play and open space contribution on the Union Street, Whittle-le-Woods play area;
  - £12.4k for play and open space provision at Coronation Recreation Ground.
7. Request the addition to the capital budget of £8.5k subsidy to Adactus Housing to be funded from the Regional Housing Pot.
8. Request approval for the transfer of budgets within the capital programme to better reflect budget requirements.
9. Request approval for the transfer of budgets between the capital and revenue budgets to better reflect future delivery of schemes – for further information see paragraph 58.
10. Request Council approve the proposed re-profiling of the Capital Programme to better reflect delivery in 2014/15.

11. Note the addition to the capital programme of £3.365 million investment projects approved at Council on 3rd March 2015.

## EXECUTIVE SUMMARY OF REPORT

12. The projected revenue outturn currently shows a forecast underspend of £146,000 against budget excluding the following special items:
- Any underspends on committed items which are expected to be carried forward into 2015/16.
  - Investment items added to the budget in 2014/15.
  - Additional net income generated from Market Walk.
  - Any surplus/deficit relating to Business Rates Retention.

As the latest forecast indicates an underspend against the approved budget for 2014/15, no action is required at this stage in the year.

13. It has previously been agreed that £30,000 of in-year underspends would be used to fund design and appraisal of the Extra Care scheme at Fleet Street. Budget provision has now been identified from the Town Centre Masterplan investment budget which has generated savings through the use of in-house resources.
14. In the 2014/15 budget the expected net income from Market Walk is £570k. The latest projection – after taking into consideration £190k reserved to fund feasibility costs of the proposed extension and £100k transferred to fund further Town Centre Investment – is £712k. The proposed surplus of £142k will be transferred to reserves, allocated 80:20 between the change management reserve and the Market Walk income equalisation reserve. This will bring Market Walk reserves to £194k by 31<sup>st</sup> March 2015.
15. The forecast of capital expenditure in 2014/15 is £5.383m.
16. The Council expected to make overall target savings of £130k in 2014/15 from management of the establishment. As previously reported, the full savings target for 2014/15 has been achieved.
17. The Council's Medium Term Financial Strategy proposed that working balances were to be maintained at a level no lower than £2.0m due to the financial risks facing the Council. The current forecast to the end of February shows that the General Fund balance could be around £2.295m.

<b>Confidential report</b> Please bold as appropriate	Yes	<b>No</b>
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<b>Key Decision?</b> Please bold as appropriate	<b>Yes</b>	<b>No</b>
<b>Reason</b> Please bold as appropriate	<b>1, a change in service provision that impacts upon the service revenue budget by £100,000 or more</b>	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

## REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

18. To ensure the Council's budgetary targets are achieved.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

19. None.

## CORPORATE PRIORITIES

20. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	√
Clean, safe and healthy communities		An ambitious council that does more to meet the needs of residents and the local area	√

Ensuring cash targets are met maintains the Council's financial standing.

## BACKGROUND

21. The Council's current net revenue budget is £16.392m.

22. Set out in Appendix 1 is the provisional outturn position for the Council based upon actual spend in the first ten months of the financial year and adjusted for future spend based upon assumptions regarding vacancies and service delivery.

23. The Council's approved revenue budget for 2014/15 included target savings of £130,000 from management of the staffing establishment.

24. It was recommended in the June budget monitoring report that £100k of additional income from Market Walk be transferred to invest in the Town Centre Grants Programme and that any surplus additional income, currently forecast to be around £142k, be divided on a 80:20 basis between two reserves: the equalisation reserve to smooth any fall in forecast income from Market Walk in future years; and the change management reserve which would assist in funding future organisational change.

25. The latest forecast of capital expenditure in 2014/15 is £5.383m. Explanations for the changes to the previously reported position to Cabinet in November 2014 are expanded on in Section B of this report. The latest three year capital programme is shown in Appendix 5 based upon actual and committed expenditure during the first half of the financial year and adjusted for future spending based upon the latest timescales for project delivery.

## SECTION A: CURRENT FORECAST POSITION – REVENUE

26. The projected outturn shown in Appendix 1 forecasts an underspend compared to budget of around £146,000 (excluding any additional net income from Market Walk). The significant variances from the last monitoring report to Executive are shown in the table below. Further details are contained in the service unit analysis available in the members' room.

## ANALYSIS OF MOVEMENTS

**Table 1 – Significant Variations from the last monitoring report**

Note: Savings/underspends are shown as ( ).

	£'000	£'000
<b>Expenditure:</b>		
Elections (Combined Elections 2014)	(20)	
Electoral Registration (IER)	15	
Chorley Local Plan	(11)	
Property Searches Legal Settlement	20	
Leisure Services Contract	<u>20</u>	24
<b>Income:</b>		
Sale of Land at Ackhurst Road	(50)	
Cemetery Income	(19)	
Rental Income – Investment Portfolio	(10)	
Planning Income	<u>25</u>	(54)
<b>Other:</b>		
Housing & Council Tax Benefits	(29)	
Net Financing (MRP)	19	
Other minor variances	<u>8</u>	(2)
<b>Net Movement (excluding slippage items)</b>		<b>(32)</b>

27. In 2014, combined Borough and European Elections were held with the costs of the European Election being reimbursed to the Council by the Cabinet Office. With the elections being combined, certain costs were shared and as a result, a revenue budget saving of around £20,000 is anticipated for 2014/15. This is likely to be offset however, by increases in costs for Electoral Registration as a result of the implementation of Individual Electoral Registration (IER). Despite additional Government funding being made available for 2014/15, forecasts earlier in the year had predicted a potential overspend of around £6,000 but costs incurred over the last few weeks have increased this to around £21,000.
28. One issue highlighted in the previous monitoring report was the legal costs associated with the site allocation for Gypsy and Traveller and Travelling Showpeople under the Chorley Local Plan 2012-26. Following the re-opening of the examination hearing, initial estimates for legal costs were around £42,000 required to cover potential costs of the Programme Officer, Inspector and Barrister. Although there is no change to the overall estimate of costs at this stage, it is now likely that a proportion of the work will only be carried out in the new financial year. As a result, the revised forecast for current year costs has been reduced by £11,000.
29. In the September monitoring report, a reduction of £20,000 in the Council's leisure centre's contract was anticipated following recent negotiations with Active Nation, particularly as the ongoing monthly charges had already been reduced to reflect this reduction. However, the revised contract had still to be signed off and following further review it has now been determined that the reduction was valid for 2013/14 only and the original charges for 2014/15 were correct without any further reduction.

30. At the Executive Cabinet meeting of 22 January, authorisation was granted to proceed with the sale of the freehold for land at Ackhurst Road, Common Bank to H & A Prestige Bottling Limited in the sum of £550,000. This receipt includes an amount of £50,000 relating to a backdated increase in rent from September 2010. This is additional revenue income which otherwise may not have been received and this has now been included in the forecast outturn for 2014/15.
31. Income received from funeral directors for burial and interment fees has seen a significant increase over recent months compared to budget. The revised forecast based on income to the end of January, is for an additional £19,000 income compared to forecasts reported previously.
32. Additional revenue has also been generated from the Council's investment portfolio through rental income on its commercial properties. All the units on Chorley North Industrial Estate are now occupied with new leases being signed off in the last few months. This, together with additional income generated on garage rents over the last quarter, has increased the forecast income by £10,000 for 2014/15.
33. One area where income levels have fallen in recent months is for Planning Application fees. Income received for the third quarter is significantly lower when compared to previous years and this has resulted in a revised income forecast of £25,000 below budget for the current year. It should be noted however that income from planning fees can fluctuate greatly from month to month and the forecast deficit could still be reversed by the end of the year.
34. As outlined in previous monitoring reports, one budget that could have a significant impact on the Council's year-end position is the budget for housing benefit payments. Figures for the third quarter continue to show an increase in the level of costs recovered as a result of pro-active investigation work. As a result, the revised forecast is for a further additional income sum of around £29,000 against the 2014/15 budget.
35. The forecast for Net Financing has been updated to take into account changes in the Capital Programme and estimates on interest receivable from investments. Re-phasing of the Capital Programme has resulted in a reduction in MRP but this has been offset by a forecast reduction in interest receivable due to lower interest rates over recent months. The net effect of these changes is a shortfall against budget of around £19,000.
36. One area excluded from the forecast figures detailed in Appendix 1 is the additional income generated in 2014/15 from the recovery of Council Tax Summons and Liability Orders. On issue of a summons for non-payment of Council Tax, a charge of £53.50 is added to the council tax payer's account. For cases that are not paid in full or are withdrawn by the court hearing date, a liability order is granted and a further £39.00 costs are charged. These costs have remained unchanged since April 2011 but a major increase in caseloads has resulted in a significant increase in income.

Based on charges raised to the end of January, a forecast increase of around £100,000 is anticipated for 2014/15. It is difficult to determine the exact cause of the increase in caseloads but one possible explanation is the introduction of Council Tax Support and the recent technical reform changes. It should be noted that raising these charges is no guarantee that these costs will actually be recovered and an allowance will need to be made for non-payment. It is unclear at this stage as to the level of recovery as this can take place over a number of years. As a result, it is recommended that the surplus income in 2014/15 is set aside to offset any future increased liability in bad debts as a result of these charges. Members will be updated on this position in future monitoring reports.

37. As previously outlined in the report to Executive Cabinet on 28 August 2014, legislation introduced by central government and subsequently repealed in relation to property search fees has given rise to a legal claim against the Government and local authorities for restitution from property search companies. Bevan Brittan Solicitors were appointed by the Local Government Association (LGA) to act on Chorley's behalf along with 369 other English and Welsh local authorities in a claim for refunds of property search fees.

The latest briefing note from Bevan Brittan was received in December and confirmed that moves towards final settlement appear to be proceeding fairly smoothly and estimates the Council's liability to be around £90,000. Agreement on Chorley's contribution to the claimants' solicitors costs would be deferred until after settlement of the claims for refunds of search fees but early indications are that costs could be around £30,000 giving a total liability to the Council of £120,000. Should this prove to be the case, this would represent an increase of £20,000 over previous forecasts.

38. Concerns have recently been raised over telephone waiting times when contacting the Single Front Office, resulting in proposals being made to allocate additional temporary resources to address the issue. The service is currently undergoing a transitional period whereby customers are being encouraged to access online and automated channels to deal with their enquiries. To assist with this difficult phase, it is recommended that a sum of £40,000 is allocated from in-year revenue underspends to fund an increase in working hours for experienced staff for a 12 month period.
39. In January 2014, Council approved the use of funds held on the Council's balance sheet, in the Council's role as trustee of The Avondale Library Trust, to contribute £24,000 to the Home-Start Children's Play Area. There had been an initial delay in getting the play area installed but the scheme is now close to completion and the Council's contribution has now been paid over.

## **COMMITTED ITEMS/SLIPPAGE REQUESTS**

40. Each year the Council commits itself to expenditure that may not always be incurred in the financial year. It is customary to allow directorates that have a budget underspend to carry forward these resources to pay for specific items in the following year. This is an important part of the budget management process as it allows officers to commit earmarked resources to specific projects particularly towards the end of the financial year.
41. A schedule of the anticipated budget carry forward (slippage) requests for 2014/15 is outlined in Appendix 2.

## **MARKET WALK**

42. The budgeted net rental income from the Market Walk in 2014/15 is £570k. This is an increase of £27k from the budget reported at November Executive Cabinet. The £27k budget for the Landlord's 50% contribution to marketing and promotion has been transferred to the council's Policy and Communications team as the work has been brought in-house.
43. The latest forecasts estimate the Council will receive an additional £432k. This improved position is due to the letting of three units over the summer, a temporary let over Christmas and savings to operational costs and reduced costs of financing the acquisition.

44. Of the additional income forecast £190k is to be used to fund design, planning and feasibility costs in relation to the extension to Market Walk and £100k has been transferred to finance further investment in the Town Centre through the Town Centre Grants Programme, continuing the Council's support of new local businesses through the award of shop front and shop floor grants.

**Table 2: Market Walk Income Forecast (January 2015)**

	2014/15 Budget	2014/15 Jan-15 Forecast	2014/15 Variance
<b>Income Budget</b>			
Gross Income	(1,759,827)	(1,798,108)	(38,282)
<b>Expenditure Budget</b>			
Operational costs and financing	1,189,630	795,869	(393,761)
	(570,197)	(1,002,240)	(432,043)
<b>Commitments</b>			
Market Walk Extension - design / feasibility costs	0	190,000	190,000
Transfer to Reserve for Town Centre Investment	0	100,000	100,000
Net Income	(570,197)	(712,240)	(142,043)
<b>Transfer to reserve as per 2014/15 Budget Report</b>			
Equalisation Reserve (annual contribution)	50,000	50,000	0
Asset Management re Market Walk	50,000	50,000	0
Revised Net Income	(470,197)	(612,240)	(142,043)

45. The approved budget made provision for a £50k transfer to reserve to fund asset maintenance costs outside of the service charge agreement and a £50k transfer to an equalisation account to build up a reserve to fund any future reduction to income levels. The current forecasts indicate that the revised net income will exceed budgeted estimates by £142k in 2014/15.
46. It is proposed that the additional income of £142k is transferred to reserves, allocated on the 80:20 basis in line with previous allocations, between the Market Walk income equalisation reserve and the change management reserve.

## GENERAL FUND RESOURCES AND BALANCES

47. With regard to working balances, and as per Appendix 1, we started the year with a balance of £2.189m. The approved MTFs proposes that working balances are to be no lower than £2.0m given the budgetary challenges facing the Council. The current forecast to the end of January (after taking requests for slippage into account) shows that the General Fund closing balance will be around £2.295m as detailed in the table below.

**Table 3 – Movement in General Fund Balance**

General Balances	£m
Opening Balance 2014/15	2.189
Additional resources for Single Front Office	(0.040)
Provisional revenue budget underspend	0.146
<b>Forecast General Fund Balance 2014/15</b>	<b>2.295</b>

48. Appendix 3 provides further information about the specific earmarked reserves and provisions available for use throughout 2014/15.

## RETAINED BUSINESS RATES

49. The Business Rates Retention (BRR) scheme was introduced in April 2013. It provides a direct link between business rates growth or decline, and the amount of money the council has to spend on local people and local services. The Council is able to keep a proportion of business rates revenue, as well as growth generated on that revenue, within their local area. Conversely any decline in Business Rates revenue levels reduces the income received by the Council. An explanation of how retained rates income is calculated was presented to Council on 13 January 2015. A detailed calculation of the budgeted rates income for 2014/15 was presented as Appendix D to the report on the Council Tax Base and Local Council Tax Support Scheme 2015/16. Appendix 4 to this report presents the forecast outturn for 2014/15, and the estimate for 2015/16, both based on the NNDR1 2015/16 return submitted to the DCLG at the end of January.
50. A comparison between the 2014/15 budget and the latest forecast for retained business rates and associated Government grant is presented in Table 4 below.

**Table 4 – Business Rates Income Projection**

	<b>Budget 2014/15 £000</b>	<b>January Forecast 2014/15 £000</b>	<b>Variance £000</b>	
Net Rate Yield (after deducting reliefs, cost of collection and appeals)	26,992	27,202	210	Gross rates growth and small reduction in reliefs (mirrored by reduction in section 31 grant below)
<i>Calculation of Chorley retained income:</i>				
Retained by Chorley (before tariff/levy)	10,797	10,881	84	CBC retain initial 40% of net rate income collected before further deductions
Surplus in year transferrable in following year	0	(84)	(84)	Reduces deficit transferrable in 2015/16 from £442k to £358k
Tariff to Central Government	(7,646)	(7,646)	0	Fixed deduction to Central Government
Levy to Central Government	(620)	(626)	(6)	Reduction calculated against excess collected over base funding level
<b>Retained Business Rates net of tariff &amp; levy</b>	<b>2,531</b>	<b>2,525</b>	<b>(6)</b>	<b>Forecast outturn based on NNDR1 2015/16</b>
Section 31 Grant	753	630	(123)	S31 grant compensates councils for extended doubling of SBRR and Autumn Statement reliefs. Take-up of the latter has been less than estimated.
<b>Retained Rates and Section 31 Grant</b>	<b>3,284</b>	<b>3,155</b>	<b>(129)</b>	<b>Net reduction in rates-related income</b>

51. The latest forecast of the income yield – net of costs for reliefs, cost of collection, bad debt losses, and estimated appeals – is an increase in Chorley's share of retained rates of £84k. However, the benefit of this is not achieved until 2015/16, when it reduces the deficit transferable to the General Fund from £442k to £358k. (This deficit arose as a result of performance in 2013/14 being worse than budgeted, mainly as a result of having to create the provision for the estimated cost of backdated appeals.) Another effect of improved performance in 2014/15 is that the levy payable to Government increases, and Section 31 grant receivable reduces. Overall in 2014/15 there is an estimated reduction in rates-related resources of £129k.



52. Actual figures for 2014/15 will be confirmed to DCLG on the NNDR3 return (during May 2015). The local share of net rate yield retained by this Council will not vary, and neither will the tariff. However, the levy payable and Section 31 grant receivable could still vary from the forecast outturn. The impact of any variance could be managed by adjusting the transfer to the Business Rates Retention Reserve. Any variance from the forecast surplus for 2014/15 will have no direct effect in 2015/16, but will be taken into account in the surplus or deficit transferable to the General Fund in 2016/17.

## **SECTION B: CURRENT FORECAST POSITION – CAPITAL**

53. The Capital Budget for 2014/15 to 2016/17 as approved at Special Council in February and taking into account amendments reported to the Executive in June, August and November is as follows:
- 2014/15: £5.767m
  - 2015/16: £4.997m
  - 2016/17: £5.378m
54. Capital expenditure and commitments raised as of 31<sup>st</sup> January 2015 are £3.892m. This represents 72% delivery against the latest forecast for 2014/15.

### ***Amendments***

55. The regeneration programme is forecast to exceed the current estimated budget by £76k. This is due to the two schemes below. It is requested that the under spend of £56k on Leisure Centre improvements, which is now not required, is transferred to use here and that the remaining £17k is added to the programme.
- car park resurfacing work (£53k) – additional work was carried out to the entrance of the car park and the adjacent Home Start play area, and
  - Market Street refurbishment (£23k).
56. The Cotswold House improvement expenditure is forecasted to reach another £171k over and above that previously estimated. This is due to works being brought forward to avoid further disruption to the site in the near future. The additional work that has been carried out earlier includes: works to flooring, including removal of asbestos floor tiles; wall plastering works; redecoration of toilets and new LED lighting which is less susceptible to damage. To fund this additional expenditure it is requested that the £65k budget still available in 2014/15 within the Asset Improvement Programme is added to £100k accelerated from 2015/16 within the Asset Improvement Programme. In addition, there are also two small capital budgets that have been carried forward from previous years, each of £3k which are no longer required (Home Energy Repair Grants and Unified Intelligent Desktop) it is also requested that these are transferred to cover the work brought forward.
57. Executive Cabinet is asked to approve the following additions to the capital budget:
- 57.1. Addition to the Affordable Housing budget for a subsidy payable to Adactus Housing in order to convert a shared ownership property to rented on Chapel Lane, Coppull with a budget of £8.5k to be transferred from the Regional Housing Pot (RHP).

57.2. Permission is sought to allocate £35k (£15k in 2014/15 and £20k in 2015/16) of the £118k Radburn Works, Carr Brook Section 106 receipt. The allocation will finance Streetscene seasonal staff to carry out works within the agreement, namely the improvement and equipping of the existing trim trail.

57.3. Permission is sought to add the following schemes to the capital programme. Both are funded by specific Section 106 receipts:

- Commuted sum for the refurbishment or provision of new equipment on the Union Street, Whittle-le-Woods Play area - £9.6k
- Provision / improvement of public open space and playing fields at Coronation Rec Ground Devonshire Rec Ground - £12.4k

58. Executive Cabinet is asked to approve the following budget transfers between the capital and revenue budget to better reflect delivery:

58.1. The expenditure on the new Chorley Market gazebos was to be funded through a transfer from revenue of additional market income. The expenditure will now be transferred to revenue and will be funded in the same way.

58.2. Revenue funds totalling £47k earmarked for playground facilities are to be transferred to the capital programme for Jubilee recreation ground (Adlington).

59. Executive Cabinet is asked to approve the following changes to the phasing of the budget between financial years:

60. The recycling receptacle budget has been accelerated by £45k to reflect an increase in demand during 2014/15. Future budgets will be monitored closely to evaluate if the current level of activity is continued and whether the budget needs to be re-assessed accordingly.

61. The asset improvement budget has been brought forward from 2015/16 and re-profiled into 2014/15 in the sum of £100k to enable improvement works at Cotswold House to be completed in the same tranche. This approach is more cost effective than a two phased approach on the same site.

62. The budget for the Chorley East Health Centre is to be re-profiled to reflect the latest timetable of delivery. The estimated cost is £7.036m and this will be split with approximately one quarter costs in 2015/16, half the cost in 2016/17 and one quarter cost in 2017/18. This is an increase in the cost budget previously reported of £386k although it should be noted that the scheme will be cost neutral to the Council as all costs will be recouped. Progress is being made in relation to the health centre development. At present the CCG is out to consultation in respect of the scheme. There is still further work to do with regard to the agreeing the structure of any deal between ourselves as financiers and the health sector. The final agreement will also be subject to change pending the outcome of funding bids that are currently being considered by NHS England. Therefore the budget contains the maximum total borrowing costs which will of course be cost neutral in revenue terms. Once further progress is made about the structure of the final financing arrangements they will be brought back to members for approval.

63. The purchase of the Leigh Arms public House as the site for the Chorley Youth Zone has taken place in 2014-15 however demolition will likely take place during 2015-16 and the element of budget relating to this will be re-phased accordingly.

64. The 115k set aside in 2014/15 as the Council's contribution to the changes to the site at Bengal Street following the lease to Recycling Lives has been re-phased to 2015/16 following delays with signing the lease.

65. A small element of the Cotswold House Improvement budget (£31k) will be re-phased into 2015/16 to cover retention payments on the work which will become payable a period after completion. This is to be funded through the asset improvement budget.
66. The work to extend Clayton Brook Village Hall will now take place after the forthcoming elections as it is used as a polling station, as such the remaining budget will be re-phased into 2015/16.
67. Works to be funded from developer contributions on both the Buckshaw Village rail station and the Puffin crossing at Collingwood will now be carried out during 2015/16.
68. The programme of works in Astley Hall and Park is ongoing with good progress made to date; an element of the budget already agreed will be carried forward for continued use in completing the scheduled programme of works. The funding carried forward into 2015/16 totals £357k for works on Astley Hall; green stage in the walled garden; events car parking; woodland paths and footsteps and footpath lighting. This work will also use the £218k investment budget already approved for next year.
69. In conjunction with the transfer of £357k from 2014/15 to 2015/16 for Astley Hall and Park development there is £100k that is requested to be reallocated from 2015/16 to 2014/15. This budget is from the three year recurring budget (£300k in total) approved as part of the Play & Open Space Strategy. It was agreed at November Executive Cabinet that the full allocation of £300k was added to the capital programme and reserved for schemes to improve play provision at parks. Of this allocation £100k was set aside for use in Astley Park. The budget was initially added in to 2015/16; however its likely use is for the destination play area which is due for completion during 2014/15.
70. If all the recommendations above are approved the revised capital programme will be as summarised below and as presented in Appendix 5. This includes the capital investment items agreed by Council on 3<sup>rd</sup> March 2015:
- 2014/15: £5.383m
  - 2015/16: £9.255m
  - 2016/17: £3.991m

### *Capital Financing*

71. The capital programme is financed using different sources of funding. The table below shows the latest proposed financing based on the forecast of expenditure in 2014/15. This in line with budget and will be reviewed at year-end to best manage the Council's own resources.

**Table 5: Capital Financing as at 31<sup>st</sup> January 2015**

<b>Fund</b>	<b>Quarter 2 2014/15 £'000</b>	<b>Quarter 3 2014/15 £'000</b>
External Contribution	2,507	2,541
Government Grant	929	842
New Homes Bonus	424	446
Revenue	498	509
Capital Receipts	159	211
Borrowing	1,250	834
<b>Capital Financing 2014/15</b>	<b>5,767</b>	<b>5,383</b>

## IMPLICATIONS OF REPORT

72. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal	✓	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

## COMMENTS OF THE STATUTORY FINANCE OFFICER

73. The financial implications are detailed in the body of the report.

## COMMENTS OF THE MONITORING OFFICER

74. The Monitoring Officer has no comments.

GARY HALL  
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Dave Bond/Hanne Harland	5488/5028	03/03/15	Revenue and Capital Budget Monitoring 2014-15 Report 3