

## General Fund Revenue Budget 2015/16

### Introduction

The budget has been prepared in line with the management structure that came into effect from 1 April 2014. The savings that occurred when the structure was put into place will now have been allocated to the correct places the allocations in the Original Budget for 2014/15 has already been completed when the restructure was agreed.

Further detail of the services are shown on the appropriate budget page. Where there are movements in the DDF and CSB budget these are shown on the lists that accompany the main budget report elsewhere on the agenda.

### Depreciation

Where a service employs fixed assets in service delivery, depreciation on those assets is charged to the relevant service. This however does not impact on the level of Council Tax, these charges are reversed out in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

### Pension costs

The budget shows the current service cost element of the pension scheme relating to those employees currently in service. These figures have increased however in calculating the amount to charge against the Council Tax an amount is reversed out in the budget summary to bring the figures back to the Councils contributions to the Fund.

### Revenue Expenditure funded from Capital under statute

Some expenditure incurred by the authority is of a capital nature but does not relate to fixed assets of the Authority. In this situation the expenditure is classified as revenue but can be funded from capital resources the funding side of the transaction like the depreciation reversals is shown in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

### Compliance with accounting guidance

The 2015/16 budget has been prepared in accordance with the latest guidance, in particular the Service Reporting Code of Practice for Local Authorities (SeRCOP). The code provides guidance relating to the classification of costs in terms of the service headings that should be reported on and the analysis of the types of cost contained therein. It is expected that members of CIPFA will comply with all the requirements of the Code as it defines best professional practice in terms of financial reporting. The only divergence from the code in these budget papers occurs where the Directorate service groupings differ from those required by the Code of Practice. The Directorate groupings are given precedence in these papers.

In order to increase the degree of consistency across all sectors of the economy when presenting financial information, central government has adopted International Financial Reporting Standards (IFRS). Local Authorities have adopted this for financial years beginning on 1 April 2010. IFRS is more concerned with the presentation of financial information in the Statutory Statement, but there is a minor impact on the budget figures.

### Budget format

The papers have been presented in a slightly different form than previously as they have been generated directly from the Councils finance system rather than the spreadsheets previously used. It has however meant that the 2014/15 Original Estimates quoted on the pages are in fact an updated estimate as they include the DDF carry forwards from 2013/14 agreed at this committee in June 2014.