

REPORT TO THE EXECUTIVE		Report No. 7
Date of Meeting	4 December 2008	
Title of Report	Revenue Budget Monitor 2008-09 - Month 7 – October	
Portfolio	Policy	
Link to Corporate Priorities	All	
Key Decision	No	
Executive Workplan Ref	A20	
Public Report	Yes	

<p>Summary of Report</p> <p>The report sets out a high level Revenue budget monitor for Month 7 (October) of the 2008-09 financial year, highlighting material known or anticipated variations in income and expenditure that could affect the Council by the end of the financial year.</p>
<p>Officer Recommendations</p> <p>That the Executive:</p> <p>1. Note the report forecast under spend of circa £468k.</p>

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.				
Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
Yes	No	No	No	No

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1. Introduction

- 1.1 Revenue budget monitors are produced to report on May (M2) to February (M11) of each financial year. They track progress against the agreed budget decisions, forecast any anticipated significant variances to the budget, and enable corrective action to be taken.
- 1.2 Since the beginning of the year, various budget virements have been carried out in order to make the budgets more realistic, and to reflect any service changes that may have occurred. For example, the income budget has been increased to reflect price increases such as trade waste and green bins, and the Environmental Services budgets as a whole have seen a number of changes to ensure the budget reflects the service more accurately.
- 1.3 The 2008-09 budgets are split by Business Area and by Subjective as follows:

Exhibit 1 – 2008-09 Budget Split by Business Area

Business Area	Original Budget 2008-09	Adjusted Budget 2008-09	Virement
Chief Executive Officer	1,643,564	1,383,961	-259,603
Communications, PR & Media	247,367	247,367	0
Community Engagement	2,399,803	2,354,803	-45,000
Customer Relations	1,050,637	1,050,637	0
Development Services	4,233,964	4,386,484	152,520
Environmental Services	5,289,941	5,167,979	-121,962
Finance & Resources	575,270	850,255	274,985
Governance	1,371,243	1,371,243	0
Human Resources	691,945	691,945	0
ICT	1,356,801	1,356,801	0
Policy & Performance	348,983	348,043	-940
Grand Total	19,209,518	19,209,518	0

Exhibit 2 – 2008-09 Budget Split By Subjective

Subjective	Original Budget 2008-09	Adjusted Budget 2008-09	Virement
Employees Direct	13,141,242	13,214,090	72,848
Employees Indirect	592,270	574,110	-18,160
Premises	1,428,341	1,430,401	2,060
Transport	1,161,862	1,376,716	214,854
Supplies & Services	2,642,987	2,772,562	129,575
Third Party Payments	3,915,185	3,558,687	-356,498
Transfer Payments	23,556,670	23,670,450	113,780
Controllable Expenditure	46,438,557	46,597,016	158,459
Capital Financing Costs	1,386,641	1,385,701	-940
Gross Expenditure	47,825,198	47,982,717	157,519
Customer/Client Receipts	-28,615,680	-28,773,199	-157,519
Grand Total	19,209,518	19,209,518	0

- 1.4 The main issues to bring out at month 7 are discussed in section 3.
- 1.5 The forecast at period 6 reflected an underspend of £698k. At the end of period 7 this has now reduced to £468k as a result of combined salaries and agency forecast costs increasing by approximately £90k, and reduced Development Control forecast income of £140k due to a small number of large applications that may not proceed.

2 Options & Options Appraisal

- 2.1 Option 1: To agree the recommendations
- 2.2 Option 2: To not approve the recommendations. If this were the case, the Executive would need to offer alternative recommendations.

3 Background Information

- 3.1 Overall position – at Month 7 there are a number of issues that may affect the final outturn position for 2008-09, contributing to an overall forecast under spend of circa £468k.

Exhibit 3 – 2008-09 forecast variance over(+)/under(-) budget by subjective grouping

Subjective	Adjusted Budget 2008-09	Forecast 2008-09	Forecast Variance 2008-09
Employees Direct	13,214,090	11,424,343	-1,789,747
Employees Indirect	574,110	1,801,846	1,227,736
Premises	1,430,401	1,393,152	-37,249
Transport	1,376,716	1,329,716	-47,000
Supplies & Services	2,772,562	2,798,657	26,095
Third Party Payments	3,558,687	3,881,537	322,850
Transfer Payments	23,670,450	23,670,450	0
Controllable Expenditure	46,597,016	46,299,701	-297,315
Capital Financing Costs	1,385,701	1,385,701	0
Gross Expenditure	47,982,717	47,685,402	-297,315
Customer/Client Receipts	-28,773,199	-28,724,026	49,173
Additional Investment Income	0	-220,000	-220,000
Grand Total	19,209,518	18,741,376	-468,142

Exhibit 2 – 2008-09 forecast variance over(+)/under(-) budget by Business Area

Business Area	Adjusted Budget 2008-09	Forecast 2008-09	Forecast Variance 2008-09
Chief Executive Officer	1,383,961	1,331,686	-52,275
Communications, PR & Media	247,367	247,678	311
Community Engagement	2,354,803	2,320,614	-34,189
Customer Relations	1,050,637	996,622	-54,015
Development Services	4,386,484	4,722,751	336,267
Environmental Services	5,167,979	4,945,283	-222,696
Finance & Resources	850,255	730,214	-120,041
Governance	1,371,243	1,265,821	-105,422
Human Resources	691,945	741,077	49,132
ICT	1,356,801	1,304,076	-52,725
Policy & Performance	348,043	355,554	7,511
Total	19,209,518	18,961,376	-248,142
Additional Investment Income			-220,000
Grand Total	19,209,518	18,961,376	-468,142

3.2 Employee costs – at the current levels of employment, direct employee costs are forecast to be approximately £1.790m below budget. Indirect employee costs are currently forecast to be in the region of £1.228m over budget. This gives a net forecast position of circa £562k underspend on total employee costs.

At the end of month 7 there were 391 members of staff (361.17 FTEs), including 8 members of staff seconded to Wiltshire County Council and 9 members of staff on maternity leave. In addition, there are currently approximately 40 members of staff being employed through agencies. There are 421.7 FTEs included in the budget.

3.3 Forecast income is currently £49k under budget, due to the following income streams:

- reduced expected Development Control income due to a small number of large applications that may not go ahead
- reduced Car Park income due to changed tariffs and removal of charges at Dunns Lane
- no rental income from letting 3rd floor of Monkton Park
- planned rent review for commercial properties not going ahead
- reduced planning charges income due to economic downturn

This is offset against additional Government Grants received in respect of the Bus Pass Scheme, although there are additional third party costs in relation to the scheme. Licence income, Building Control charges, mobile home rents, and Legal fees recovered are all currently forecast above budget.

3.4 Premises costs are currently forecast as £37k under budget. This is largely due to depot charges that are no longer being charged to Environmental Services, however offset against this are repairs to car parks, land drainage and industrial premises which are currently forecast as over budget.

3.5 Supplies and Services costs are currently forecast as £26k over budget. The main factors are SX3 software maintenance costs for Housing Benefits, Lean consultants and training for Council Tax, increased numbers of planning appeals and associated

costs, Legal books, and consultancy costs for Leisure capital works. . However, there is a corresponding underspend on the Leisure contingency budget that is unlikely to be needed.

- 3.6 Third Party payment budgets are currently forecast to be £323k over budget. The main contributors being an expected increase in the charge levied by Jarvis for the Monkton Park building, additional spend on play areas, and contributions to be made to Wiltshire County Council for the Bus Pass Scheme which are offset against the additional Government Grant received. Conversely, Tourism costs have reduced against budget due to the service level agreement with Chippenham TIC coming to an end, and Local Land Charges payments to Wiltshire County Council are lower than budgeted due to a reduced number of search requests received.
- 3.7 Transport costs are currently forecast to be £47k under budget, due in the main to a forecast underspend on concessionary fare tokens, as the stock still held from last year is being consumed.
- 3.8 Investment income is currently forecast as £220k higher than budgeted. This revised amount takes into account the increased risk to the Council's investments due to the economic downturn.

4 Emerging Issues in month

- 4.1 During early November the Planning Delivery Grant income was received. This income is held in a reserve, with £150k included in the 2008-09 revenue budget.

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference
Budget Proposals 2008-09	Council – February 26, 2008	C83
Revenue Budget Monitor 2008-09 Month 2	Executive – July 24, 2008	E34
Revenue Budget Monitor 2008-09 Month 4	Executive – September 4, 2008	E50
Revenue Budget Monitor 2008-09 Month 6	Executive – November 6, 2008	E74