

REPORT TO THE EXECUTIVE		Report No. 10
Date of Meeting	7 th February, 2008	
Title of Report	Revenue Budget Monitor 2007-08 - Month 9	
Portfolio	Leader's Responsibilities	
Link to Corporate Priorities	All	
Key Decision	Yes	
Executive Workplan Ref	A20	
Public Report	Yes	

<p>Summary of Report</p> <p>The report sets out the Revenue budget monitor for Month 9 of the 2007-08 financial year, showing the financial position at the end of December 2007 and setting out the 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 forecasting an under spend of £294k.</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 The main issues to bring out at M9 are discussed in 3.1.

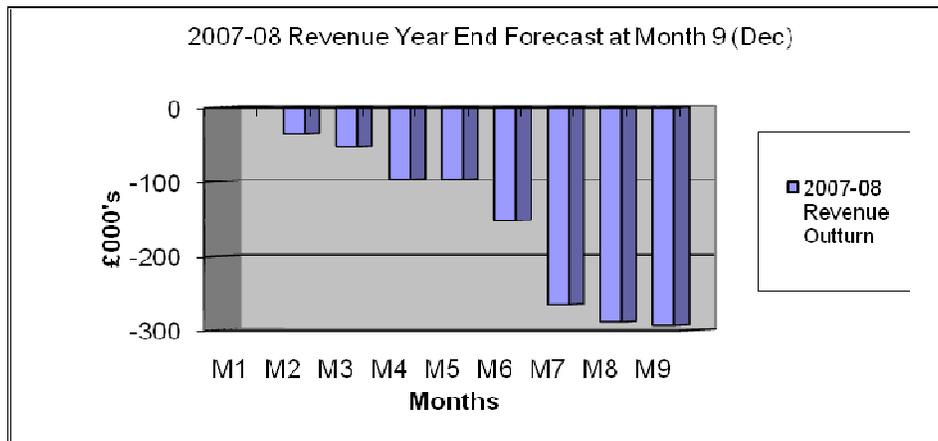
2 Options & Options Appraisal

- 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** - The projected Revenue forecast for the year, at Month 9, shows an under spend of £294k, an increase of £4.5k from the Month 8 position of £289.5k under spend. Annex 1 gives a full analysis against the revised budget.

Exhibit 1 - Graph showing 2007-08 forecast surplus/deficit, month by month, over the year



The following tables show variances by subjective analysis and by business area, tracking the risk performance for each:

Exhibit 2 – Table showing 2007-08 forecast over(+)/under(-) spend by “subjective & gross net” £000’s

Type of cost/income	Budget	Forecast for the year	Forecast Variance
Pay	14,107.3	13,981.8	-125.4
Premises	1,283.8	1,298.3	14.5
Transport	1,405.3	1,700.2	294.9
Supplies	5,542.8	5,750.0	207.2
Third Party	2,518.7	2,539.9	21.2
Transfer Payments	21,150.0	21,121.0	-29.0
Controllable Expenditure	46,008.0	46,391.3	383.3
Capital Financing	1,386.6	1,386.6	0.0
Recharges	10,354.3	10,354.3	0.0
Gross Expenditure	57,748.9	58,132.2	383.3
Income	-28,734.4	-29,135.6	-401.2
Recharges	-11,001.7	-11,001.7	0.0
Net Cost of Services	18,012.7	17,994.8	-17.9
Additional Financing Income		-276.0	-276.0
	18,012.7	17,718.8	-293.9

N.B. Transport costs include £200k provision for Concessionary Fares
Pay costs include £200k provision for Unitary transition costs

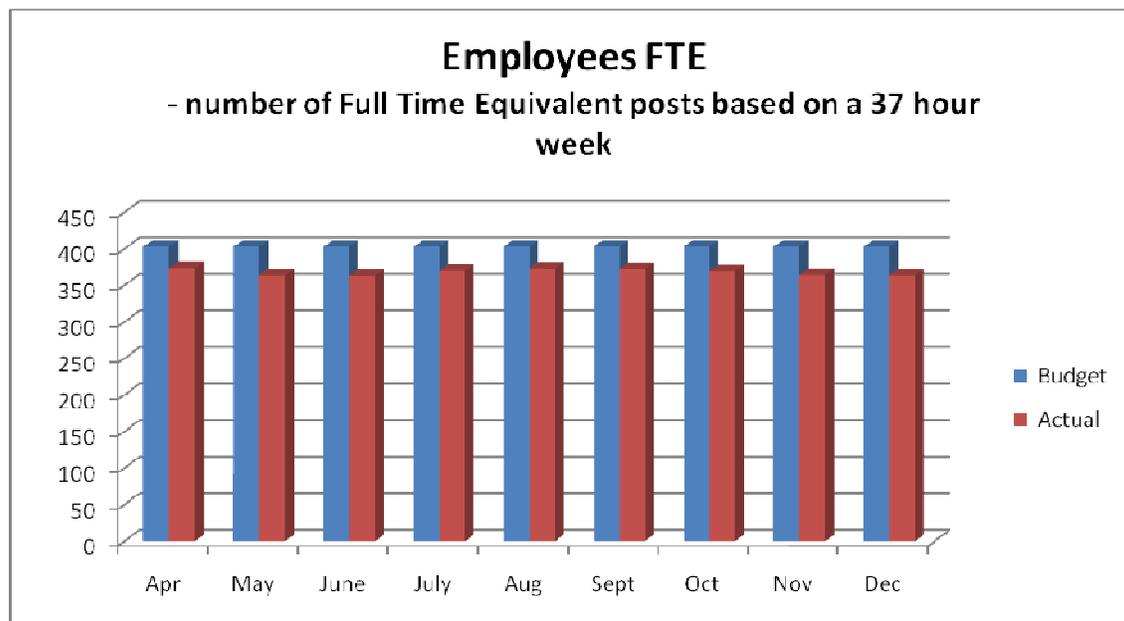
Exhibit 3 – Table showing 2007-08 forecast over(+)/under(-) spend by Business Area £000’s

Business Area	Net Budget	Forecast for the year	Forecast Variance
Chief Executive	1,071.6	1,071.6	0.0
Community Engagement	3,355.1	3,275.6	-79.5
Customer Relations	1,753.6	1,739.9	-13.8
Development Services	2,758.2	2,673.8	-84.4
Environmental Services	6,296.5	6,362.2	65.7
Finance & Resources	-	45.0	45.0
Governance	1,749.8	1,759.8	10.0
HR	63.3	88.3	25.0
ICT	-	-120.0	-120.0
Policy & Performance	674.1	853.1	179.0
PR	290.5	245.5	-45.0
Net Cost of Services	18,012.7	17,994.8	-17.9
Additional Financing Income		-276.0	-276.0
	18,012.7	17,718.8	-293.9

N.B. Customer Relations - includes £200k provision for Concessionary Fares
Policy & Performance - includes £200k provision for Unitary transition costs

The establishment started the year with 419.8 Full Time Equivalents (FTE's). There are 403 FTE's in the budget. In November there were 364 FTE's employed.

Exhibit 4 - Graph showing budgeted and actual Full Time Equivalent employees



3.2 **Change in month.** Analysis of monthly movement by major area and Business Area from the previous month. The main detail is now shown in exhibit 5.

Exhibit 5 – Table showing major monthly movements in the year end forecast £000's

	Note		
Month 8 reported year end forecast			-289.5
Expenditure:			
<u>additional costs:</u>			
repairs to caravan plots/properties		+22.0	
septic tank disposal		+10.0	
<u>additional savings:</u>			
salary costs		-24.0	
agency staff costs		-29.0	
reduced Development Control public inquiries		-25.0	
Grants to voluntary orgs		-2.0	-48.0
Income:			
<u>additional income:</u>			
town centre rental income		-9.0	
environmental licence income		-7.5	
<u>reduced income:</u>			
increased Bad Debt Provision – misc properties & Bumpers Farm		+10.0	
Local Land Charges		+50.0	+43.5
Months change			-4.5
Month 9 reported year end forecast			-294.0

Exhibit 6 – Table showing monthly movement in the year end forecast by Business Area, £000's

Business Area	November Forecast	December Forecast	Movement
Chief Executive	1,071.6	1,071.6	0.0
Community Engagement	3,281.4	3,275.6	-6.0
Customer Relations	1,739.9	1,739.9	0.0
Development Services	2,652.9	2,673.8	21.0
Environmental Services	6,359.7	6,362.2	2.5
Finance & Resources	64.0	45.0	-19.0
Governance	1,759.8	1,759.8	0.0
HR	88.3	88.3	0.0
ICT	-120.0	-120.0	0.0
Policy & Performance	856.1	853.1	-3.0
PR	245.5	245.5	0.0
Net Cost of Services	17,999.2	17,994.8	-4.5
Additional Financing Income	-276.0	-276.0	0
	17,723.2	17,718.8	-4.5

N.B. £27k saving on Leisure Strategy study has been moved from Community Engagement to Development Services

3.3 Council Tax write-offs

A separate report is on this agenda seeking approval for a number of write-offs, clearing the case-load from a number of years. There is no impact on Revenue in year, as the write-offs will be charged against the Bad Debt Provision, which is held on the Balance Sheet.

Exhibit 7 – Table showing Write-Offs - None so far

4 Emerging Issues in month

4.1 Salary payments from December 2007 are now made at the uplifted rate, as per the annual pay award for 2007-08. The back-dated pay increase to April 2007 was also included in the December salary payment.

4.2 During December, the posts of Management Accountant and Chief Management Accountant were filled on a secondment basis, by Nikki Pryce from Wiltshire County Council, and Crystal Thomas from Kennet District Council.

On 28th January, the Chief Financial Accountant post will be filled on a permanent basis by Nick Hatton from Swindon Borough Council.

4.3 The Finance section have begun work with Cyberscience on the Forte financial system, in order to improve the quality and reliability of information produced.

5. Financial Implications

5.1 The effect on the Council's Reserves, if the under spend at Month 9 remains, is as set out below.

Exhibit 8 - Table Analysis of movement in general reserves during the year £000's

General Fund Reserves at March 2007		4,240
2007-08 Budgeted reduction		0
Subtotal		4,240
October 12 Executive – Spend to Save, Revenues		-100
Subtotal		4,140
This report – predicted outturn – under spend		294
Predicted General Fund Reserves at March 2008		4,434

- Minimum level of Reserves of £3.5m, agreed by the Council for 2007/8 on February 22nd 2007

6 Risk Analysis

6.1 Risks are assessed as part of the monthly budget reporting process. General Reserves are maintained to cover any risks that arise.

Annexes:	<ul style="list-style-type: none"> 1. Summary Monitoring Table 2a. Headcount & FTEs 2b. Agency Staff analysis
Background Documents Used in the Preparation of this Report:	<ul style="list-style-type: none"> • Budget monitoring reports for Teams across the Council • Minutes of relevant Member meetings

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference
Budget Proposals 2007-08	Council – February 22, 2007	
Revenue Monitor – Framework for Improvements	Executive - June 7, 2007	
Revenue Monitor 2007-08 – Month 2 May	Executive July 12, 2007	
Revenue Monitor 2007-08 – Month 3 June	Executive August 30, 2007	
Revenue Monitor 2007-08 – Month 4 July	Executive October 04, 2007	
Revenue Monitor 2007-08 – Month 6 Sept	Executive November 01, 2007	
Revenue Monitor 2007-08 – Month 7 Oct	Executive December 06, 2007	
Revenue Monitor 2007-08 – Month 8 Nov	Executive January 17, 2008	