

REPORT TO THE EXECUTIVE		Report No. 7
Date of Meeting	24 th July, 2008	
Title of Report	Revenue Budget Monitor 2008-09 - Month 2 – May	
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 a high level Revenue budget monitor for Month 2 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>Note the report forecast under spend of circa £500k.</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	None	None	None	None

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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 2008-09 budgets are split by Business Area and by Subjective as follows:

Exhibit 1 – 2008-09 Budget Split By Business Area

Business Area	Budget 2008-09
Chief Executive Officer	1,643,564
Communications, PR & Media	247,367
Community Engagement	2,399,803
Customer Relations	1,050,637
Development Services	4,233,964
Environmental Services	5,289,941
Finance & Resources	575,270
Governance	1,371,243
Human Resources	691,945
ICT	1,356,801
Policy & Performance	348,983
Grand Total	19,209,518

Exhibit 2 – 2008-09 Budget Split By Subjective

Subjective	Budget 2008-09
Employees Direct	13,141,242
Employees Indirect	592,270
Premises	1,428,341
Transport	1,161,862
Supplies & Services	2,642,987
Third Party Payments	3,915,185
Transfer Payments	23,556,670
Controllable Expenditure	46,438,557
Capital Financing Costs	1,386,641
Gross Expenditure	47,825,198
Customer/Client Receipts	-28,615,680
Grand Total	19,209,518

- 1.3 Due to year end work commitments and limited financial information available being available at this early stage, a "light touch" revenue monitor has been carried out for month 2, highlighting only major known variances against budget.

1.4 The main issues to bring out at month 2 are discussed in 3.1.

2. Options & Options Appraisal

2.1 Option 1: To agree the recommendation.

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

3. Background Information

3.1 Overall position – at Month 2 there are a small number of material issues that may affect the final outturn position for 2008-09.

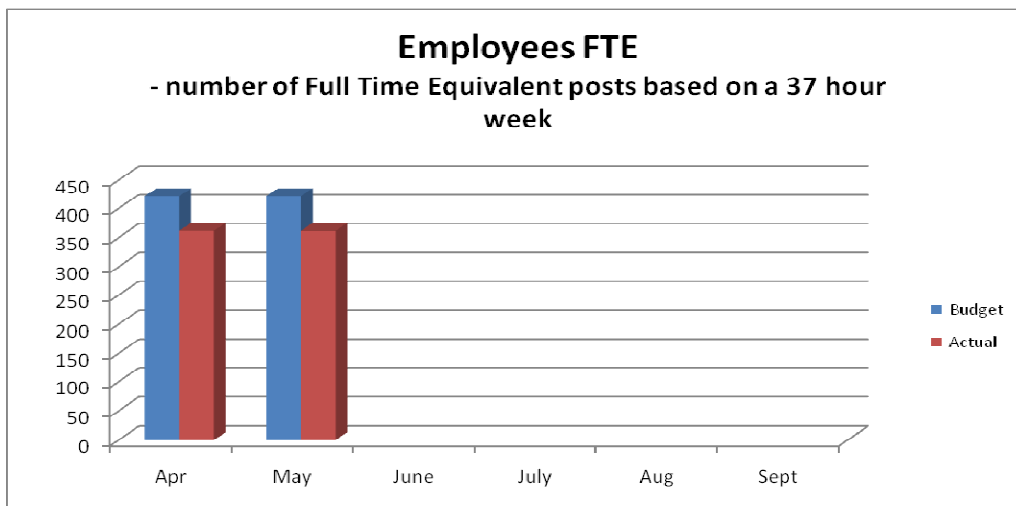
3.2 Employee costs – at the current levels of employment, direct employee costs are forecast to be approximately £1.5m below budget. Indirect employee costs are currently forecast to be in the region of £1m over budget. This gives a net forecast position of circa £500k underspend on total employee costs.

3.3 Cleansing and Amenities – after the budget setting process for 2008-09 was complete, a new pricing structure for some services was created, which has increased the expected income for the service. An additional £174k is expected due to the Trade Waste price increase, and an additional £121k is expected from increased take-up of the green waste service.

The Cleansing and Amenities budgets are currently being reworked, and some of this increased income may be re-invested as part of the on-going service improvements, however a surplus against budget is expected. An estimate of the levels of savings achievable will be included in the June monitor, taking into account hyper inflation in respect of fuel.

3.4 There are 421.7 FTE's in the budget. In May there were 361.3 FTE's employed.

Exhibit 3 - Graph showing budgeted and actual Full Time Equivalent employees



4 Emerging Issues in month

4.1 All issues emerging in month have been commented on in section 3 of this report.

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference
Budget Proposals 2008-09	Council – February 26, 2008	C83