

REPORT TO THE EXECUTIVE		Report No. 7
Date of Meeting	15 May 2008	
Title of Report	Revenue Budget Monitor 2007-08 - Month 12 – March	
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 12 of the 2007-08 financial year, showing the financial position at the end of March 2008 (prior to any necessary year end adjustments) 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 forecast under spend of £921k.</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

Contact Officer	Stuart McGregor 01249 706219	Head of Finance & Resources smcgregor@northwiltshire.gov.uk
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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. It has been decided for 2007-08 to continue to March (M12), to provide current figures before the final outturn report. The budget monitors 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 month 12 are discussed in 3.1.

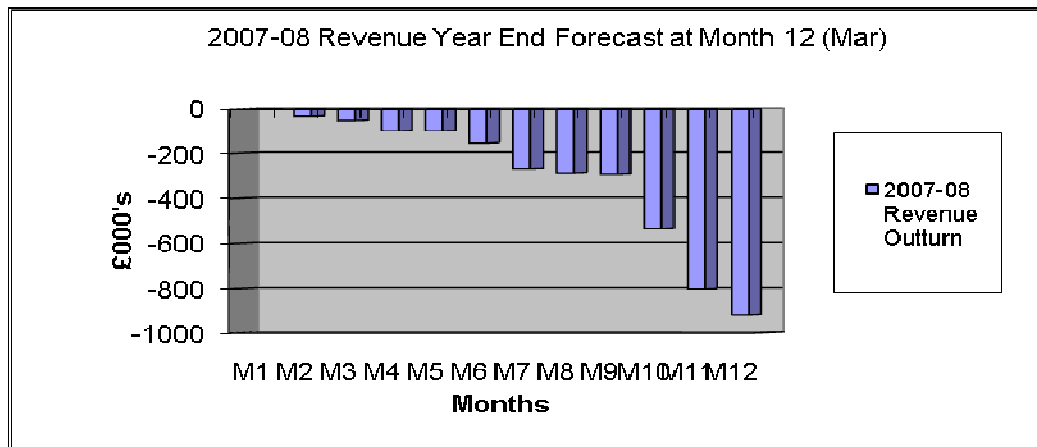
2 Options & Options Appraisal

- 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 12, shows an under spend of £921k, an increase of £119k from the Month 11 position of £802k under spend. Annex 1 gives a full analysis against the 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”

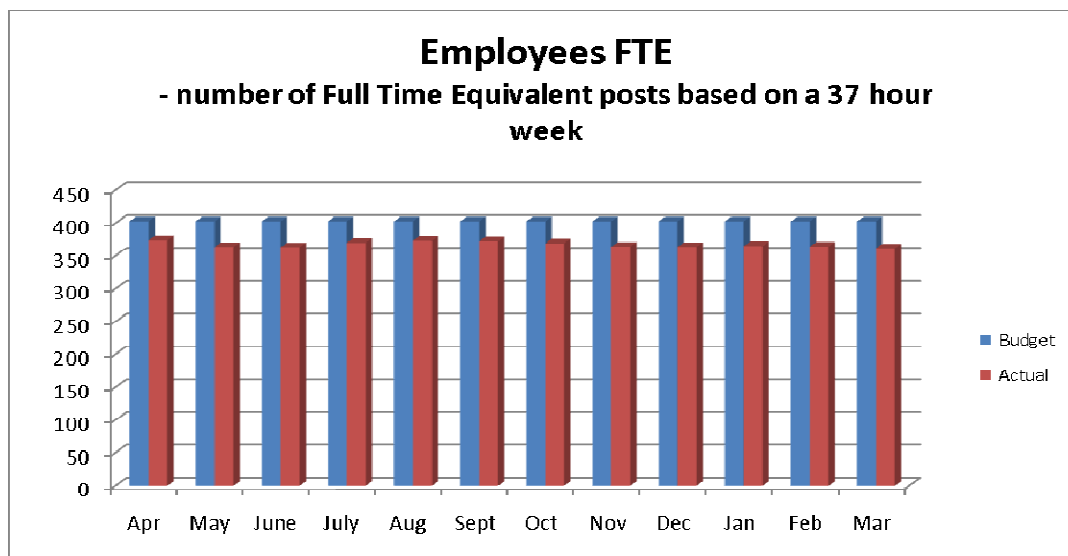
Type of cost/income	Budget	Forecast for the year	Forecast Variance
Pay	14,107.3	13,738.6	-368.6
Premises	1,283.8	1,439.3	155.5
Transport	1,405.3	1,445.9	40.6
Supplies	5,542.8	5,470.7	-72.2
Third Party	2,518.7	2,748.9	230.2
Transfer Payments	21,150.0	21,236.0	86.0
Controllable Expenditure	46,008.0	46,079.4	71.5
Capital Financing	1,386.6	1,386.6	0.0
Recharges	10,354.3	10,354.3	0.0
Gross Expenditure	57,748.9	57,820.3	71.5
Income	-28,734.4	-29,451.1	-716.7
Recharges	-11,001.7	-11,001.7	0.0
Net Cost of Services	18,012.7	17,367.5	-645.2
<i>Additional Financing Income</i>		-276.0	-276.0
Total Underspend	18,012.7	17,091.5	-921.2

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

Business Area	Net Budget	Forecast for the year	Forecast Variance
Chief Executive	1,071.6	1,001.1	-70.5
Community Engagement	3,355.1	3,214.5	-140.6
Customer Relations	1,753.6	1,731.2	-22.5
Development Services	2,758.2	2,761.5	3.3
Environmental Services	6,296.5	6,355.7	59.2
Finance & Resources	0.0	0.0	0.0
Governance	1,749.8	1,737.9	-11.9
HR	63.3	-21.2	-84.5
ICT	0.0	-288.2	-288.2
Policy & Performance	674.1	656.5	-17.6
PR	290.5	218.5	-72.0
Net Cost of Services	18,012.7	17,367.5	-645.2
<i>Additional Financing Income</i>		-276.0	-276.0
Total Underspend	18,012.7	17,091.5	-921.2

The establishment started the year with 419.8 Full Time Equivalents (FTE's). There are 403 FTE's in the budget. In March there were 362 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 11 reported year end forecast		-802.0
Expenditure:		
<u>additional costs:</u>		
reduced predicted savings Community Development		+3.2
reduced predicted savings Community Safety		+19.0
reduced predicted savings short term lets strategic housing/Staying Put		+15.8
temporary accommodation		+4.3
employee costs HB Team		+4.5
SX3 costs		+14.5
employee costs Customer Contact		+10.0
software/printing/stationery Customer Contact		+30.5
car parks security & NNDR increase		+13.3
Council Tax collection		+18.5
bus pass transfer payments		+3.0
Leisure Trust		+117.0
increased bad debt provision town centre development		+111.0
depot costs – security & possible water leak		+14.0
sandbagging		+23.0
reduced predicted savings PCs		+5.0
employee costs waste collection		+16.1
transport costs IT		+17.0
		+1.0
<u>additional savings:</u>		
PR projects		-9.0
homelessness initiatives		-19.0
HB Investigations team		-2.0
insurance Customer Relations		-7.0

tokens concessionary fares		-47.0	
employee costs car parks		-31.5	
Community Development Leisure Strategy & marketing		-21.0	
reduced overspend agency staff Design & Estates		-5.1	
Development Control advertising		-7.0	
employee costs street cleaning		-3.0	
non-purchase of bins		-4.2	
employee costs CAMS		-7.0	
supplies and services CAMS		-4.0	
various savings Legal		-0.9	
job evaluation		-57.0	
marketing & publicity		-19.5	
employee costs HR		-30.0	
employee costs IT		-57.0	
supplies & services IT (prepayments)		-117.0	
reduced expected transition costs		-85.0	
spatial planning		-2.7	
			-95.3
Income:			
<u>additional income:</u>			
Building Control inspections		-10.0	
industrial premises		-19.7	
pest control		-3.0	
licence income		-8.0	
parks		-1.0	
waste collection		-17.0	
<u>reduced income:</u>			
temporary accommodation		+11.0	
car parks		+7.0	
Development Control		+12.0	
IT		+4.8	
			-23.9
Months change			-119.2
Month 12 reported year end forecast			-921.2

Exhibit 6 – Table showing monthly movement in the year end forecast by Business Area

Business Area	February Forecast £000's	March Forecast £000's	Movement £000's
Chief Executive	1,001	1,001	0
Community Engagement	3,176	3,214	39
Customer Relations	1,605	1,731	126
Development Services	2,687	2,762	74
Environmental Services	6,331	6,356	25
Finance & Resources	0	0	0
Governance	1,750	1,738	-12
HR	85	-21	-107
ICT	-120	-288	-168
Policy & Performance	744	657	-88
PR	228	219	-9
Net Cost of Services	17,487	17,367	-119
Additional Financing Income	-276	-276	0
	17,211	17,091	-119

3.3 Council Tax write-offs

Separate reports have been taken to the Executive previously, and a number of write-offs have been approved. There is no impact on revenue, as these will be against the bad debt provision.

4 Emerging Issues in month

4.1 There are no emerging issues to report.

5. Financial Implications

5.1 The effect on the Council's Reserves, based on the under spend at Month 12, is as set out below.

Exhibit 7 - 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		921
Predicted General Fund Reserves at March 2008		5,061

- 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:	<ol style="list-style-type: none"> 1. Summary Monitoring Table 2. Headcount & FTEs, 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	C95(a)
Revenue Monitor – Framework for Improvements	Executive - June 7, 2007	E10
Revenue Monitor 2007-08 – Month 2 May	Executive July 12, 2007	E34
Revenue Monitor 2007-08 – Month 3 June	Executive August 30, 2007	E51
Revenue Monitor 2007-08 – Month 4 July	Executive October 04, 2007	E77
Revenue Monitor 2007-08 – Month 6 Sept	Executive November 01, 2007	E97
Revenue Monitor 2007-08 – Month 7 Oct	Executive December 06, 2007	E122
Revenue Monitor 2007-08 – Month 8 Nov	Executive January 17, 2008	E147
Revenue Monitor 2007-08 – Month 9 Dec	Executive February 7, 2008	E176
Revenue Monitor 2007-08 – Month 10 Jan	Executive March 13, 2008	E192
Revenue Monitor 2007-08 – Month 11 Feb	Executive April 24, 2008	(not yet available)

Corporate Management Board

2007/08 Summary Financial Monitoring Statement
For The 12 Months Ended 31st March 2008

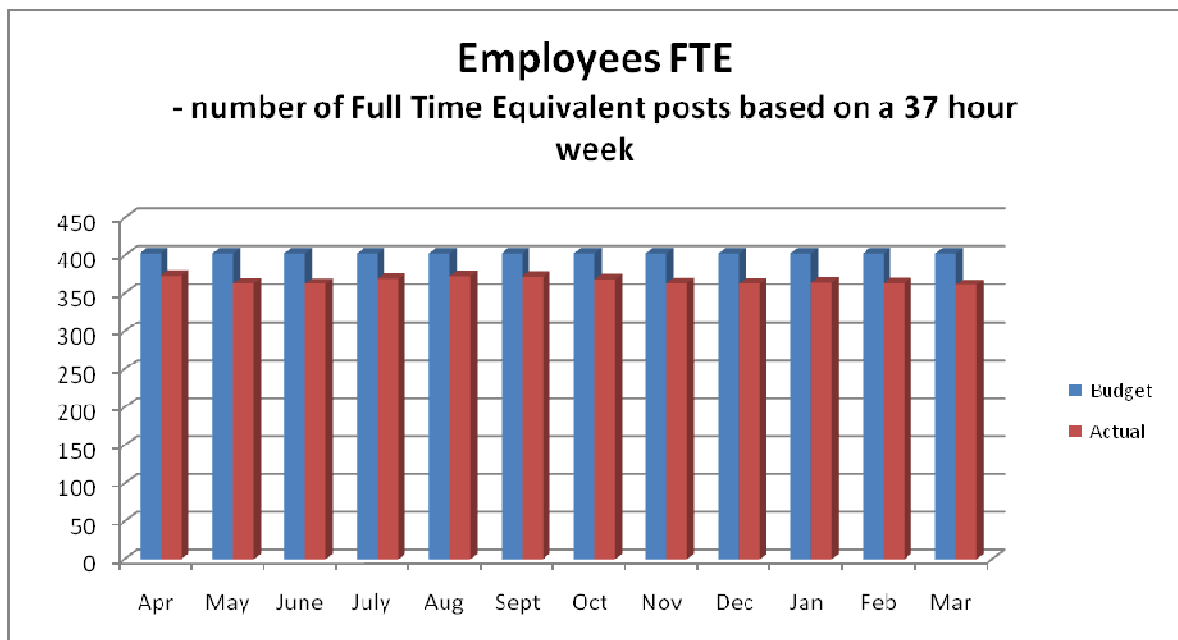
	Note	Original 2007/08 Net Budget	Budget Adjs Taken Into Report	Adjusted 2007/08 Net Budget	Forecast Net Exp. For Year	Forecast Variance For Year
		£000's	£000's	£000's	£000's	£000's
Business Areas						
CEO			1,116.1	1,116.1	1,045.6	(70.5)
<i>Exceptional - Balance of inflation</i>			77.0	77.0	77.0	0.0
<i>Exceptional - Restructuring Savings</i>			(250.0)	(250.0)	(250.0)	0.0
<i>Exceptional - Restructuring Costs</i>			128.5	128.5	128.5	0.0
Community Engagement			3,355.0	3,355.0	3,193.5	(161.6)
Customer Relations			1,753.6	1,753.6	1,731.2	(22.5)
Development Services			2,508.2	2,508.2	2,532.5	24.3
<i>Exceptional - NWLL Additional Support</i>			50.0	50.0	50.0	0.0
<i>Exceptional - Closure & on-going costs</i>			200.0	200.0	200.0	0.0
<i>Exceptional - DCL set up & running costs</i>				0.0	0.0	0.0
Environmental Services			6,296.6	6,296.6	6,355.8	59.2
Finance & Resources			(0.1)	(0.1)	(0.1)	0.0
Governance			1,749.8	1,749.8	1,737.9	(11.9)
HR			63.3	63.3	(21.2)	(84.5)
ICT			0.0	0.0	(288.2)	(288.2)
Policy & Performance			674.1	674.1	656.5	(17.6)
PR			290.5	290.5	218.5	(72.0)
		20,145.8	(20,145.8)	0.0		
Net Cost of Services		20,145.8	(2,133.1)	18,012.7	17,367.5	(645.2)
Parish Precepts		4,241.0		4,241.0	4,241.0	0.0
Other Operating Income & Costs						
Asset Management Revenue Account		(4,311.8)	2,744.9	(1,566.8)	(1,566.8)	0.0
Interest & Investment Income		(1,573.2)		(1,573.2)	(1,851.2)	(278.0)
Finance Related Expenses		179.2		179.2	181.2	2.0
Growth Bids Reallocated				0.0	0.0	0.0
Transfers To/(From) Reserves						
Equalisation Fund		65.0		65.0	65.0	0.0
Commutation Adjustment		(65.0)		(65.0)	(65.0)	0.0
Equipment Fund		500.0		500.0	500.0	0.0
Net Expenditure		19,181.1	611.9	19,792.9	18,871.7	(921.2)
Financed by						
Revenue Support Grant		(1,149.0)		(1,149.0)	(1,149.0)	0.0
Non-Domestic Rates (NNDR Pool)		(6,843.0)		(6,843.0)	(6,843.0)	0.0
Council Tax		(10,645.0)		(10,645.0)	(10,645.0)	0.0
From General Reserves		(3.1)	(611.8)	(614.9)	(614.9)	0.0
From Elections Fund				0.0	0.0	0.0
Collection Fund Surplus		(231.0)		(231.0)	(231.0)	0.0
LABGI		(310.0)		(310.0)	(310.0)	0.0
Total Finance		(19,181.1)	(611.8)	(19,792.9)	(19,792.9)	0.0
Variiances		(0.0)	0.1	0.0	(921.2)	(921.2)

NB - Variiances shown in () are favourable

As all figures are rounded, some additions may appear not to equal the totals shown

Annex 2a Employee Headcount and FTE

		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Average
Employees FTE	Budget	403	403	403	403	403	403	403	403	403	403	403	403	403.00
	Actual	373.60	363.90	363.50	370.10	373.10	372.30	369.20	364.27	363.88	365.14	364.50	361.79	367.11
	Variance	-29.40	-39.10	-39.50	-32.90	-29.90	-30.70	-33.80	-38.73	-39.12	-37.86	-38.50	-41.21	-35.89
Employees Headcount	Actual	414	399	401	407	411	408	403	398	397	398	397	394	402



Annex 2b Agency Staff Analysis

Cost Centre Description	Mar YTD	Year end adj	Year
Built Environment Team Total	£187,442	£4,907	£192,349
Corp Admin & Memb Supp (CAMS) Total	£20,470	£0	£20,470
Human Resources/Payroll Team Total	£8,789	£0	£8,789
Financial Advice & Control Total	£242,414	£0	£242,414
Internal Audit Section Total	£39,478	£0	£39,478
Customer Contact Total	£43,719	£0	£43,719
Investigations Total	£18,888	£0	£18,888
Housing Benefit Team Total	£27,548	£0	£27,548
Council Tax Recovery Total	£50,230	£0	£50,231
Public Relations Total	£5,145	£0	£5,145
Committee Servicing Total	£33,682	£0	£33,682
Transitional Unitary Planning	£4,795	£0	£4,795
Community Safety Total	£24,628	£0	£24,628
Community Development Total	£3,509	£0	£3,509
Refuse Collection Total	£215,131	£2,000	£217,131
Street Cleaning Total	£42,488	£0	£42,488
Recycling Total	£30,007	£0	£30,007
Strategic Housing Costs Total	£148,642	£0	£148,642
Development Control Total	£3,245	£0	£3,245
Spatial Planning Total	£9,026	£0	£9,026
Bus Pass Scheme Total	£1,144	£0	£1,144
Customer Focus	£823	£0	£823
	£1,161,241	£6,907	£1,168,149