

BUDGET SCRUTINY TASK GROUP
22 January 2007

CABINET
23 January 2007

REVENUE BUDGET MONITORING

Executive Summary

The projected variation to 1 April 2007 for 2006-07 is an underspend of £0.412 million.

Available general balances at 1 April 2007 are estimated to be £6.346 million.

Proposal

The Cabinet is asked to:

Note the projected revenue budget underspend of £0.412 million.

Note projected level of balances at 1 April 2007 of £6.346 million.

Reasons For Proposals

To inform the Cabinet of the current budget position, spending pressures and the implications for general balances.

Allen Gales
Interim Head of Finance

Purpose of the Report

1. Before assessing spending plans for 2007-08, the report reflects on management of the budget for the current year and specifically considers: -
 - projected spending for 2006-07
 - rollover into 2007-08

Background

2. Revenue budget monitoring has been dominated by the projected overspend in the Department of Adult and Community Services (DACS), that faced a potential £11 million shortfall. The corporate recovery plan called for the department to achieve savings of £7 million, and the organisation as a whole to find the remaining £4 million.
3. The recovery actions have been successfully implemented and the budget now shows an underspend.

Main Considerations for the Cabinet

4. The projected underspend based on spending to the end of November 2006 is £0.412 million as shown in Appendix 1, against the approved budget of £221.342 million.
5. The underspend has increased by £0.032 million from that projected at the end of October, due to a reduction in the overspend predicted by Libraries and Heritage.
6. Cabinet has already agreed that a net underspend of £0.147 million can be rolled forward to the 2007-08 budget, as shown in Appendix 1. It is anticipated that departments will be required to roll over any overspend to be met from the 2007-08 budget. A summary of the current over and underspend is shown below, together with the proposed actions for each:

	Variation £ million	Proposed Action
Children & Education	0.353	To be met from DSG funding in 2007-08
Central & Library Services		
- Central & Other Services	0.035	To be written off to balances
- ICT	-0.500	To be rolled forward to 2007-08
- Flood Levy	0.002	To be written off to balances
- Capital Financing	-0.300	Transfer to Capital Fund
Total Underspend	-0.412	

Balances

7. Balances and their appropriate levels are considered in the report on Robustness of Estimates and Adequacy of Reserves – Revenue Budget 2007-08, found later on this agenda.
8. At the start of the year balances stood at £7.632 million. After taking into account the spending in 2006-07 and the rollovers into 2007-08 this will result in general balances of £6.346 million on the 1 April 2007, as shown in Appendix 2.

Risk Assessment

9. As we approach the year-end the estimates of projected spending should become clearer and more certain, although the opportunity to find savings reduces. Managers in all departments are monitoring their budgets very closely to ensure that the recovery actions that have been put in place deliver the savings expected.

Financial Implications

10. These are explicit in the report.

Conclusion

11. The recovery actions within DACS and other corporate actions have brought the budget into balance within the current financial year.

Reasons for Proposals

12. The proposals consider the impact of the overspending on both general balances and the budget for 2007-08.

Proposals

13. Cabinet is asked to note: -
 - a) The projected underspend of the revenue budget by £0.412 million.
 - b) The projected level of balances at 1 April 2007 is £6.346 million.

Allen Gales
Interim Head of Finance

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Unpublished documents relied upon in the preparation of this report: NONE

CONSOLIDATED BUDGET MONITORING STATEMENT

30-Nov-06

	<i>Net Approved Budget 2006-07 £m</i>	<i>Actual Spending to 30/11/2006 £m</i>	<i>Projected Outturn for Year £m</i>	<i>Projected Variation for Year £m</i>
<u>Children and Education</u>				
Funding Schools *	0.000	4.612	0.000	-
Vulnerable Children	22.512	14.865	22.512	0.000
Special Needs & Disability	9.751	4.981	9.751	-
Strategic Services	3.326	2.783	3.326	-
Early Years *	0.228	-0.438	0.228	-
School Support *	3.060	11.281	3.060	-
Youth Development	3.166	1.497	3.166	-
School Buildings & Places	0.638	0.420	0.638	-
Recovery Plans	-0.116	0.000	-0.116	-
DSG support to central services *	-2.170	-1.387	-2.170	0.000
Total before Roll Over	40.394	38.613	40.394	0.000
Roll Over Already Agreed	-0.353			0.353
Sub Total	40.041	38.613	40.394	0.353
<u>Adult and Community Services</u>				
Older People	36.100	24.253	37.106	1.006
Learning Difficulties	23.159	16.657	23.462	0.303
Mental Health	11.942	7.704	14.503	2.561
Central Services	5.631	3.187	5.721	0.090
Miscellaneous	0.689	0.204	0.689	-
Supporting People	0.000	0.037	0.000	-
Total before transfer from RBCR	77.520	52.042	81.481	3.961
From RBCR	3.961			-3.961
Sub Total	81.481	52.042	81.481	0.000
<u>Environmental Services</u>				
Highways	16.440	9.634	16.440	-
Passenger Transport	12.604	6.709	12.604	-
Waste Management	14.786	9.337	14.786	-
Planning & Environment	2.291	1.430	2.291	-
Trading Standards	1.216	0.710	1.216	-
Other	6.655	5.316	6.655	-
Recovery Plans	-0.500		-0.500	-
Sub Total	53.492	33.136	53.492	0.000
<u>Central and Library Services</u>				
Central & Other Services	14.036	9.890	14.070	0.035
Libraries & Heritage	6.548	3.980	6.548	-
ICT/BPR/Customer Investment	10.109	6.038	10.109	-
Flood	0.460	0.462	0.462	0.002
Capital Financing **	14.753	-0.703	14.453	-0.300
Total before Roll Over	45.907	19.667	45.642	-0.264
Roll Over Already Agreed	0.500			-0.500
Sub Total	46.407	19.667	45.642	-0.764
Amending Report	-0.079		-0.079	-
GRAND TOTAL	221.342	143.458	220.931	-0.412

Underspend		-0.412
To be repaid in 07-08	-0.353	
To be advanced in 07-08	0.500	0.147
IMPACT ON BALANCES - See Appendix 2		-0.265

* The DSG income has not yet been matched to spending in Schools, Schools Support and Early Years service areas.

** The actual costs associated with the capital financing are not allocated until the end of the year the figure shown represents the extra income received from short term investments.

Statement of General Balances as at 30 November 2006

	£m
Balances at start of 2006-07	7.632
Increases to Balances	
Add Contribution to balances from budget 2006-07	0.679
Add Projected net underspend for 2006-07	0.412
Use of Balances	
Less Rollovers allowed from 2005-06	-1.551
Less Balances used in 2006-07 for services	-0.679
Less Rollovers allowed into 2007-08	-0.500
Recovery of overspends	
Add DSG to be paid back in 2007-08	0.353
Available balances at start of 2007-08	6.346

Revenue Budget Contingency Reserve as at 30 November 2006

	£m
Balances at start of 2006-07	0.366
Add Transferred from departmental budgets	0.000
Less Transfer to corporate services	-0.366
Available balances at start of 2007-08	0.000

Total of Balances and Contingency Reserve as at 1 April 2006	7.998
Total of Balances and Contingency Reserve as at 1 April 2007	6.346