

**BUDGET SCRUTINY TASK GROUP
14 JULY 2008**

**CABINET
22 JULY 2008**

**REVENUE BUDGET AND SERVICE STANDARD MONITORING –
MAY 2008**

Executive Summary

There is no projected annual variance on the 2008-09 revenue budget based on expenditure to May 2008.

Available general balances are estimated to be £8.144 million at 31 March 2009.

Proposal

Cabinet is asked to:

- (a) note that there is no projected variation on the 2008-09 revenue budget.
- (b) note the estimated level of balances of £8.144 million as at 31 March 2009.
- (c) approve the virements requested in paragraph 10 of this report.

Reasons For Proposal

To inform the Cabinet of the current 2008-09 budget position service standards and the implications for the general fund balances.

SANDRA FARRINGTON
Chief Financial Officer

REVENUE BUDGET AND SERVICE STANDARD MONITORING – MAY 2008

Purpose of the Report

1. To inform Cabinet of the current revenue budget monitoring position for May 2008.
2. To ask Cabinet to approve the virements requested in paragraph 10 of this report.

Main Considerations for the Cabinet

Revenue Budget

Department for Children and Education

3. The Department for Children and Education has no variation on the 2008-09 revenue budget as at 31 May 2008. The placements budgets are showing an overspend of £0.321 million due to an increase in demand for placements. This has been highlighted within the Service Standards as shown in Appendix 2. It is anticipated that measures within the commissioning plan will address the overspend and bring expenditure in line with the budget by the end of the financial year.

Department of Community Services

4. This month the Department of Community Services is reporting the Older Peoples budget and the Physically Impaired budget together. These budgets will be reported on separately from June 2008.
5. The Department of Community Services has no variation on the 2008-09 revenue budget as at 31 May 2008. There are however some variances within each of the budgets as detailed below.
6. Within the Older People and Physically Impaired budgets the Department is reporting an underspend of £0.473 million. These savings and those within Learning Disabilities are dependant on commissioning savings targets and additional continuing health care savings. These will be closely monitored through the year.
7. The Mental Health budget shows an overspend of £0.723 million due to significant increases in forecast client numbers (from 525 to 586 in Older People - Placements and from 118 to 131 in Adults of Working Age). Three of the four service standards are also projecting increases in unit costs (Appendix 2).

Environmental Services Department

8. The Environmental Services Department has no variation on the 2008-09 revenue budget as at 31 May 2008.
9. There has been a delay in the commencement of the Lakeside contract to divert further waste from Landfill. This is due to the plant not yet being fully operational. The position is being kept under review and a full assessment of the financial impact of the delay in the current year and possibly in 2009-10 will be made as soon as is possible. An early assessment has concluded that a saving of £0.500 million could be achieved in 2008-09.

Resources Department

10. The Resources Department has no variation on the 2008-09 revenue budget as at 31 May 2008.

Virements for Consideration

11. Cabinet are asked to consider the following virement requests:

From	To	Amount	Reason
Resources	Children & Education	£455,068	Pay Reform 2008-09. Reallocation of an approved central provision.
Resources	Children & Education	£112,000	Additional costs due to transfer of Finance staff to resources
Resources	Environmental Services	£368,000	Additional office accommodation cost due to MECH office refurbishment.
Environmental Services	Resources	£94,500	Budget for Ordnance Survey Licences transferred to Resources
Environmental Services	Resources	£17,200	Additional budget movement relating to the Corporate Procurement Unit being transferred to Resources

General Balances

12. Estimated year end balances of £8.144 million as shown in Appendix 3.

Risk Assessment

13. These are explicit in the report.

Equalities Impact of the Proposal

14. None have been identified as arising directly from this report.

Financial Implications

15. These are explicit within this report.

Legal Implications

16. None have been identified as arising directly from this report.

Proposals

17. Cabinet is asked to:

- a) note that there is no projected variation on the 2008-09 revenue budget.
- b) note the level of balances of £8.144 million.
- c) approve the virements requested in paragraph 10 of the report.

Conclusion

18. There is currently no projected variation on the 2008-09 revenue budget. The level of balances on the general fund are estimated to be £8.144 million as at 31 May 2009.

Sandra Farrington
Chief Financial Officer

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Unpublished documents relied upon in the preparation of this report: NONE
Environmental impact of the recommendations contained in this report: NONE

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