

Revenue Budget Monitoring 2005/06

1. Purpose of Report

To inform the Executive of the Council's forecast outturn position, based on its income and expenditure to the end of February 2006.

2. Recommendations

2.1 That the report be noted.

3. Links to the Corporate Business Plan

3.1 Effective financial monitoring underpins delivery of all of the Council's work.

4. Monitoring 2005/06

4.1 The Executive has previously received information on the Council's revenue finances as part of the overall performance monitoring report, presented at its non- public meetings with the Corporate Management Board. The Finance and Performance Sub Committee also receives regular revenue and capital monitoring reports. However the external auditors have recommended that the Executive considers regular and detailed Financial monitoring reports. This is the first of these monitoring reports and future reports will be included in the Executive's workplan for the coming year.

4.2 The attached Appendix 1 summarises the actual net revenue spending by Business Areas at the end of February in comparison with the original and the revised budget which was approved at the Executive's meeting on 10th November. The revised budget makes a call on balances of £776,000.

4.3 The projected outturn is an overspend of £71,000 against the revised budget and hence a net call on balances of £847,000. The Executive has approved drawing on balances for one-off projects in two Business Areas, and this accounts for £150,000 of the call on balances. This is a marginal worsening of the position reported to the Finance and Performance Sub Committee's February meeting, which projected small underspend against the revised budget. However it is an improvement on the position reported in December when the overspend was forecast at £284,000.

4.4 Throughout the year managers have been working to meet the 3% vacancy factor and to achieve savings in order to keep within the overall budget. Positive steps have been taken to maximise the returns on investments, within the approved treasury guidelines, and this has meant investment income is forecast to exceed the revised estimate by £174,000.

- The projected underspend by Corporate Services has increased to £171k owing to savings in HR and recruitment, IT software costs – largely due to the timing of ICE projects - and other budgets.
- The largest area of overspend is Customer Services (now £363k overspent), of which £127k relates to authorised additional staffing costs being met from balances. The forecast allows for updated information on errors in Benefits cases where less than 100% subsidy is payable, thereby increasing the net cost to the Council.

- The projected position of Cleansing and Amenities continues to improve, resulting from savings and increased income across the service. There are expected to be substantial savings against employee and Refuse budgets, whilst the shortfall in car parks income is lower than was forecast earlier this year. The Community and Environment business area is now projecting a lower overspend, as a result of management action.

4.4 The revenue monitor is regularly reported to, and reviewed by, the Corporate Management Board (CMB).

4.5 Further information on the major variations between budgets and the forecast outturn is given in Appendix 2.

5. Financial Implications

5.1 Robust monitoring is a key element of the Council's financial management processes. The forecast outturn is marginally above the revised budget, partly reflecting the approved one-off projects to be funded from balances.

5.2 The updated revenue risk assessment is attached as Appendix 3.

6. Community & Environmental Implications

6.1 None .

7. Equal Opportunities Implications

7.1 None.

8. Human Resources Implications

8.1 None .

9. Legal Implications

9.1 None.

REPORT OF THE FINANCE TEAM LEADER TO THE EXECUTIVE – 20TH APRIL 2006

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