

Date of Meeting	31 st August 2006
Title of Report	Revenue Budget Monitor June 2006
Portfolio	Leader
Link to Corporate Priorities	The report covers budget implications for all the Council's priorities
Key Decision	NO
Executive Workplan Ref	Not applicable
Public Report	YES

Summary of Report

The report sets out the first revenue budget monitor for the 2006/07 financial year, showing the financial position at the end of June 2006.

Officer Recommendations

That the Executive note and accept the report.

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

Contact Officer	David Ashton, Interim Chief Accountant, 01249 706219 dashton@northwiltshire.gov.uk
------------------------	---

1. Introduction

- 1.1 Revenue budget monitor reports are produced every month from June to February inclusive in each financial year, to track progress against the agreed budget decisions over the year and forecast any anticipated significant variances to the budget.
- 1.2 It has been agreed that each revenue monitor report will come forward to the Executive.

2. Options and Options Appraisal

- 2.1 Option 1: To note and accept the revenue budget monitor.
This is the preferred option.
- 2.2 Option 2: To not accept the revenue budget monitor report.

3. Background Information

- 3.1 This is the first Revenue Monitor Report for 2006/07. The report summarises the Council's financial position compared to the Budget, which assumes that £256,000 will be taken from General Fund balances. Some of the disposition of this sum has been recently approved, but has not been reflected in this Report. The required updates will be reflected in future Reports.
- 3.2 At the time of preparation there are no major variances from the Budget that have been identified, other than those listed at Appendix 2; although as the period covered is only for the first three months of the year it may just be that it is too early for any other significant changes to have become apparent.
- 3.3 As has been the previous custom and practice, the Year to Date Budget has been almost entirely taken as the relevant number of 12ths applicable (3). It is recognised that for the vast majority of items this treatment will be best practice, but not necessarily for areas where there are seasonal or other variations, such as in some areas of Planning.
- 3.4 As the Budget was prepared on a single 'Total Year' basis, to make any changes to the profile methodology would require significant work, for which the Finance team is not resourced. It is proposed, however, to address the most significant areas where not to address the situation would give misleading signs through the year.
- 3.5 The second column in the Reports ('Budget Adjustments') has been introduced in order to track the adjustments to the Original Budget that have been approved since the setting of that Budget. The effects are shown against the individual activities and the sources of funding are shown as appropriate in the lower section of Appendix 1. The adjustments are also listed for reference at the foot of the relevant column of Appendix 1.
- 3.6 It is assumed that the year's charges for Office Accommodation and Capital Charges will be made to Business Areas in accordance with the Budget, and these are included in the projections. Recharges for Corporate Support Costs will be made in a transparent way - such that managers can see what they have been charged for eg. ICT or Finance, and it is also assumed that these will be levied as per the Budget, and are included in the projections.

3.7 As has been custom and practice, the preparation and charging of Internal Recharges, eg for Support Services, and certain other items, is assumed to be only carried out once a year, at the year end. This means that the 'Actual' costs will be a zero spend until the end of the year; although the Budget profiles will be based on an even spread across the year. In reality this does not matter much as has no effect on the projections of the end of year results - but does reflect the two differing ways of recording the Budget and Actual data.

3.8 Again, as in previous budget monitor reports, a separate list has been prepared of any Variations, for which it is felt that mention needs to be made, at this stage, because of their particular circumstances or magnitude. Current indications point to an overall £270k overspend against Budgets, of which about half (£137k) relates to the HB/CTB reorganisation, with a further £100k shortfall re Parking receipts.

4. Financial Implications

4.1 The financial implications are set out in the body of the report and in the appendices.

5. Risk Analysis

5.1 When the budget was set by Council in February 2006, a risk assessment for the revenue budget was prepared. This risk assessment has been updated and is attached as Appendix 3 to this report.

Appendices:	<ul style="list-style-type: none"> • 1. Summary Monitoring Table June 2006 • 2. Major Budget Variances: June 2006 • 3. Updated Revenue Budget Risk Assessment for 2006/07
Background Documents Used in the Preparation of this Report:	<ul style="list-style-type: none"> • Budget monitoring reports for Teams across the Council

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference
Budget Proposals 2006/2007	Council – 21 February 2006	C92.