

REPORT TO THE EXECUTIVE		Report No. 8
Date of Meeting	April 24, 2008	
Title of Report	Revenue Budget Monitor 2007-08 - Month 11 – February	
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 11 of the 2007-08 financial year, showing the financial position at the end of February 2008 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 style="text-align: center;">Note the report forecast under spend of £802k.</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

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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. They 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 10 are discussed in paragraph 3.1.

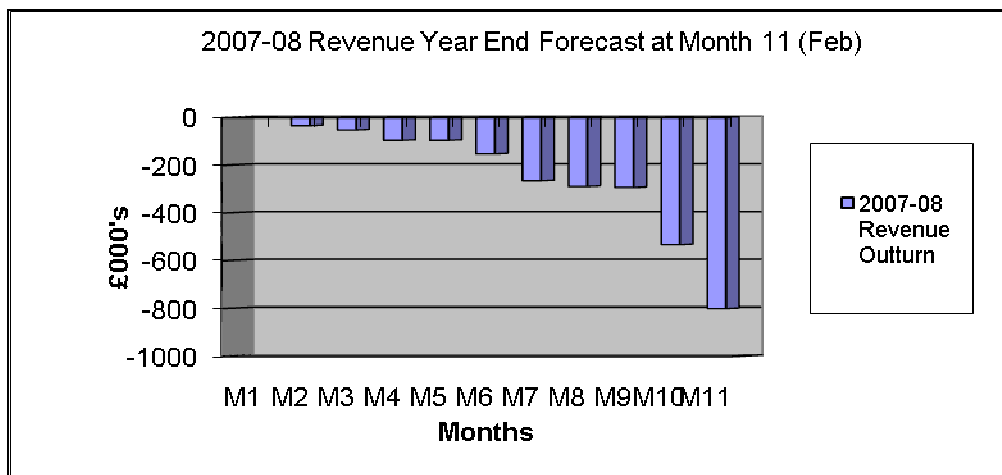
2 Options & Options Appraisal

- 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 11, shows an under spend of £802k, an increase of £268k from the Month 10 position of £534k under spend. Annex 1 gives a full analysis against the revised 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 £000's	Forecast for the year £000's	Forecast Variance £000's
Pay	14,107.3	13,917.8	-189.5
Premises	1,283.8	1,336.6	52.8
Transport	1,405.3	1,476.9	71.6
Supplies	5,542.8	5,616.4	73.5
Third Party	2,518.7	2,672.4	153.7
Transfer Payments	21,150.0	21,125.0	-25.0
Controllable Expenditure	46,008.0	46,145.2	137.2
Capital Financing	1,386.6	1,386.6	0.0
Recharges	10,354.3	10,354.3	0.0
Gross Expenditure	57,748.9	57,886.1	137.2
Income	-28,734.4	-29,397.6	-663.2
Recharges	-11,001.7	-11,001.7	0.0
Net Cost of Services	18,012.7	17,486.7	-526.0
<i>Additional Financing Income</i>		-276.0	-276.0
Total Underspend	18,012.7	17,210.7	-802.0

N.B. Pay costs include £100k provision for Unitary transition costs

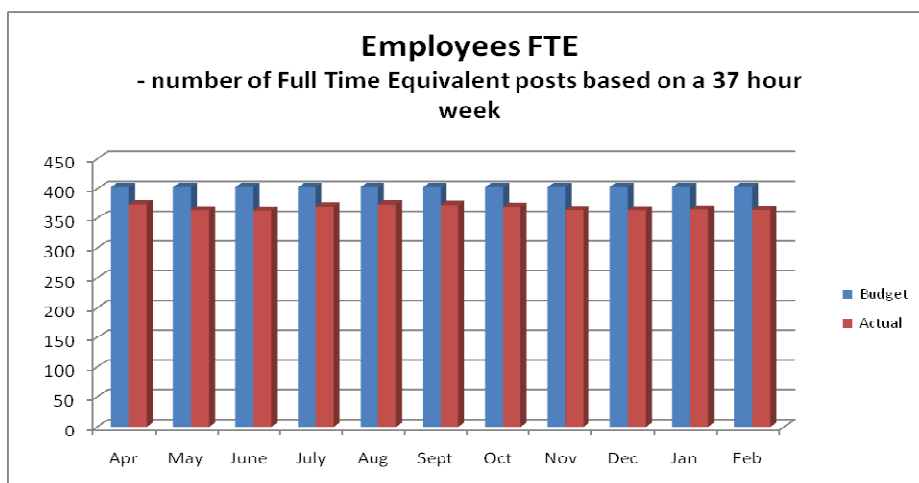
Exhibit 3 – Table showing 2007-08 forecast over(+)/under(-) spend by Business Area

Business Area	Net Budget £000's	Forecast for the year £000's	Forecast Variance £000's
Chief Executive	1,071.6	1,001.1	-70.5
Community Engagement	3,355.1	3,175.9	-179.2
Customer Relations	1,753.6	1,604.9	-148.8
Development Services	2,758.2	2,687.2	-71.0
Environmental Services	6,296.5	6,330.8	34.3
Finance & Resources	0.0	0.0	0.0
Governance	1,749.8	1,749.8	0.0
HR	63.3	85.3	22.0
ICT	0.0	-120.0	-120.0
Policy & Performance	674.1	744.2	70.1
PR	290.5	227.5	-63.0
Net Cost of Services	18,012.7	17,486.7	-526.0
<i>Additional Financing Income</i>		-276.0	-276.0
Total Underspend	18,012.7	17,210.7	-802.0

N.B. Policy & Performance - includes £100k provision for Unitary transition costs

The establishment started the year with 419.8 Full Time Equivalents (FTE's). There are 403 FTE's in the budget. In February there were 364 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 10 reported year end forecast			-534.0
Expenditure:			
<u>additional costs:</u>			
additional DC Leisure costs		+145	
Waste Collection employee costs		+20	
<u>additional savings:</u>			
unallocated inflation budget not needed		-71	
Concessionary Fares provision no longer needed		-200	
Development Services software		-15	
Local Land Charges payments to WCC		-13	
Environmental Health employee costs		-2	
Purchase of bins delayed		-15	
Reduction in anticipated transition costs		-50	
			-201
Income:			
<u>additional income:</u>			
Community Safety		-40	
caravan sites		-11	
Local Land charges, reduction in expected loss of income		-10	
Licence income		-3	
Green waste		-9	
Various Spatial Planning		-9	
<u>reduced income:</u>			
Planning Applications		+15	
			-67
Months change			-268
Month 11 reported year end forecast			-802

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

Business Area	January Forecast £000's	February Forecast £000's	Movement £000's
Chief Executive	1,072	1,001	-71
Community Engagement	3,216	3,176	-40
Customer Relations	1,805	1,605	-200
Development Services	2,576	2,687	111
Environmental Services	6,340	6,331	-9
Finance & Resources	0	0	0
Governance	1,750	1,750	0
HR	85	85	0
ICT	-120	-120	0
Policy & Performance	803	744	-59
PR	228	228	0
Net Cost of Services	17,755	17,487	-268
Additional Financing Income	-276	-276	0
	17,479	17,211	-268

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, if the under spend at Month 11 remains, 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		802
Predicted General Fund Reserves at March 2008		4,942

- 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:	<ul 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