

29 October 2003

REPORT

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Cllr Mrs Warrander : Cabinet Member for Resources

REVENUE AND CAPITAL MONITORING 2003/2004 (Month 6)

1. Report Summary

- 1.1 The purpose of the report is to inform Members of the Cabinet of the Council's revenue and capital position as at 30 September 2003 (month 6) as compared to the approved budgets.

2. Policy Considerations

- 2.1 The Council's objective is to conform to best accounting practices and the effective monitoring of the Council's revenue and capital budget is an essential part of this process.

3. Financial Implications

3.1. Revenue Monitoring Month 6 2003/2004

Appendix A is the overall summary of the General Fund revenue outturn for Month 6. Appendix B contains the individual Portfolio 2003/2004 Revenue Monitoring. The attached statements show the following:

- (a) the actual outturn for 2002/2003 for information;
 - (b) the original budget for 2003/04;
 - (c) the revised budget at month 3;
 - (d) the revised budget at month 6;
 - (e) the actual spend to 30 September 2003; and
 - (f) the forecast outturn for the year.
- 3.2 Details of main variations to the latest approved budget are attached as supplementary notes to the Revenue Monitoring Statements.
- 3.3 As a result of the rigorous revenue monitoring procedures in place, we have identified a number of areas which we should like to draw to Members attention as follows:

Revenue

- Salaries: Work is continuing to allocate salary realignment due to salary increments during 2003/2004. This should be complete by month 9. If any large variances are discovered during this process, it will be necessary to highlight them to Cabinet as part of the budget setting process.
 - Job Advertising: This budget of £73,000 has already be spent by the end of month 6. This will need to be reviewed and any addressed in the budget setting process.
 - Asset rentals have been increased due to revaluations of the asset base. This results in an equal and opposite entry within the Resources Portfolio and has therefore no effect on the overall finances of the Council.
 - Churchfields Depot: This reflects the usage of the depot. A review of the occupancy rates is currently being undertaken, and the budget will need to be reviewed in line with the outcomes. Initial finding show a budget deficit in the area of about £70,000. This will need to be addressed in the budget setting process.
 - Economic Development: There is a significant underspend projected in this area at present, due to changing priorities. This area will continue to be reviewed and any impact will be built into the budget setting process.
 - SCS/ Environmental Health: Service development growth for 2003/2004 has now been incorporated in the budget and the part year effect indicates that there is no predicted overall deficit in the current year. The area will be regularly reviewed to ensure that budgets fully cover projected expenditure in the future.
 - Interest Rate have been lower than forecast in the year to date which has meant interest received is predicted to be £55,000 lower than budget. However, insurance premiums are not expected to rise by as much as estimated, also by £55,000. As these two variances compensate, a virement between these two budget areas is recommended.
- 3.4 Officers will continue to scrutinise the revenue budgets throughout the financial year so that variations can be brought to Members' attention at the earliest opportunity. Any variations in relation to the above or other areas will be incorporated into the month 9 revised budget for 2003/2004 and reported to Members.
- 3.5 Members will appreciate that it is essential to continue proper revenue budgetary control and to ensure that the projected outturn for 2003/2004 is not exceeded.

3.6 Capital Monitoring 2003/2004 (Month 6)

Set out at Appendix C is the overall Summary 2003/2004 Capital Monitoring Statements for Month 3. Individual Portfolio statements are included in Appendix D. The attached statements show the following:

- (a) the approved programme for 2003/2004;
- (b) the revised estimate at month 3;
- (c) the revised estimate at month 6;
- (d) the actual spend to 30 September 2003 (month 6);

- 3.7 As a result of the rigorous capital monitoring procedures in place, we have identified a number of areas which we should like to draw to Members attention as follows:

Capital

Superannuation Backfunding

Will not be effected until 31.03.04 to maximise investment income to the Council.

Housing Revenue Account

Refurbishment and modernisation of Council housing. The planned Maintenance programme last year introduced Partnership contracts to the majority of work being undertaken. These require far more set up preparation than conventional competitive tendering contracts and therefore the start on site dates were delayed, causing an underspend at this point in time.

4. Recommendation:

- 4.1 That the revenue and capital monitoring position for 2003/2004 (month 6) be noted.

5. Background Papers:

- 5.1 2003/04 Budget Book
Revenue and Capital Monitoring 2003/04 – detailed working papers.
Capital Strategy
Revenue and Capital Monitoring 2003/2004 (Month 3)

6. Implications:

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| ▪ Financial | : Contained within the report. |
| ▪ Legal | : None for the purposes of this report. |
| ▪ Human Rights | : None for the purposes of this report. |
| ▪ Personnel | : None for the purposes of this report. |
| ▪ Community Safety | : None for the purposes of this report. |
| ▪ Environmental | : None for the purposes of this report. |
| ▪ Council's Core Values | : The Revenue and Capital budgets are the financial expressions of the Council's aims and objectives, underpinned by the Council's core values. |
| ▪ Wards Affected | : All Wards. |