

**CABINET REPORT  
15 JULY 2009**

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**Budget Monitoring 2009 - 2010**

Purpose of Report

1. To represent the latest budget monitoring report for 2009-10.

Background

2. The new SAP financial system was introduced on 1<sup>st</sup> April 2009. The new system potentially provides a very powerful tool in respect of ensuring a robust and up to date budget monitoring. Protocols are being developed that will ensure this potential is maximised.

Budget Monitoring

3. A service by service budget analysis along with projected outturn is shown in Appendix 1. Future budget monitoring reports will also provide details of actual expenditure and committed expenditure.
4. One of the major benefits of SAP is that it ensures budget managers are fully involved in forecasting of the outturn position. Outturn projections prepared on a monthly basis will be available in future budget monitoring reports.

Key Budgetary Issues 2009-2010

5. The key budgetary issues are summarised on a service by service basis in Appendix 1. However, it is worth noting that it was previously reported that in the Department for Children and Education (DCE), an overspend of £193,000 on the Dedicated Schools Grant from 2008-09 would need to be rolled forward into 2009-10. This would place pressure on school budgets. However, the Dedicated School Grant for 2009-10 has now been finalised and is over £800,000, better than anticipated for 2009-10. This will alleviate the direct pressures on school budgets and any indirect consequential pressure on department budgets as a result of the previously forecast overspend. The Dedicated School Grant is ring-fenced.
6. Other budget pressures identified in Appendix 1 are being managed to ensure Departments outturn within allocated resources.

Main Consideration

7. The report is for noting.

### Environmental Impact of the Report

8. No environmental issues have been identified arising from this report.

### Equality of Diversity Impact of the Report

9. No issues have been identified arising from this report.

### Risk Assessment

10. A number of budget and financial issues have been identified in 2009-10.  
Robust budget monitoring will ensure these are effectively managed.

### Financial Implications

11. Regular budget monitoring will identify financial implications on an on-going basis.

### Legal Implications

12. There are no legal issues arising from this report.

### Conclusions

13. Budgetary issues identified to date are all forecast to be managed within allocated resources. The budget monitoring protocols will continue to ensure effective financial management of the Council's resources.

### Proposals

14. The Cabinet is required to note the report.

REPORT AUTHOR  
MARTIN DONOVAN – CHIEF FINANCE OFFICER

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The following unpublished documents have been relied on in the preparation of this report:

None