

15 December 2009

Cabinet member: Councillor Fleur de Rhé-Philippe - Finance, Performance and Risk

Revenue Budget Monitoring: April to October 2009

Executive Summary

The delivery of Departmental Action Plans, have managed the previously reported financial pressures of £2.220 down to £1.539 million. As reported Action Plans are in place to manage the £1.539 million of pressures. In addition, commitment and budget allocations in the Department of Community Services and Department of Resources are being reviewed. The outcome of these reviews will be incorporated in the next budget monitoring report.

Proposal

The Cabinet is asked to note the report.

Reasons For Proposals

That members are aware of the Council's budgetary pressures.

MARTIN DONOVAN
Chief Finance Officer

CABINET

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Revenue Budget Monitoring: April to October 2009

Purpose of Report

1. To advise Cabinet of the latest position regarding the revenue budget monitoring for 2009-10.

Background

2. Last month, the implementation of action plans ensured that financial pressures had been managed down to £2.220 million from the original forecast pressures of £3.864 million. The £2.220 million included newly identified pressures of £0.634 million within the Department of Children and Education. Departmental action plans were presented to manage the £2.220 million and ensure the Council's outturn for 2009-10 is within budget.
3. During the last month, progression of the action plans has reduced the financial pressures to £1.539 million. The detailed revenue budget monitoring statement is attached at Appendix 1. Departmental Action Plans to manage the £1.539 million are shown in Appendix 2.

Department of Transport, Environment and Leisure

4. Last month, financial pressures of £230,000 were reported. There is no variation in this projection. The actions described in Appendix 2 are in place to manage the financial pressures.

Department of Economic Development, Planning & Housing

5. Last month, financial pressures of £386,000 were reported. Subsequently, key actions have been delivered and there is an improved position with regard to income forecasts. As a consequence, this month the Department is projecting an underspend of £35,000 at the year end. Although no further Action Plan is necessary at this stage, the budget will continue to be closely monitored.

Department of Community Services

6. The department is continuing to implement the previously reported Action Plan to manage financial pressures of £0.470m. The Action Plan is detailed in Appendix 2.

7. In addition as a result of the demand led nature of certain budgets for example Domiciliary Care and the Elderly, particularly at this time of year, a thorough review is being undertaken to confirm the level of commitment associated with these budgets. The outcome of this review will be incorporated as part of next month's monitoring.

Department of Children and Education

8. Last month, additional financial pressures of £634,000 were identified over and above the previous month's pressures of £625,000 for which action plans were in place. This month the financial pressures of £634,000 have been managed down to £374,000. This improvement is mainly as a result of a reduction in the project demand for SEN transport. Further actions are being prepared in respect of this outstanding £374,000. The departmental action plan is shown in Appendix 2. Placements are a volatile budget area. However at present stringent efforts are in hand to manage relevant expenditure and ensure it remains within budget.

Department of Resources

9. Last month financial pressures of £500,000 were reported in relation to the ICT budget. Ongoing actions to address this are shown in Appendix 2.
10. As a result of the Transition process, it has always been assumed that costs associated with the Competency Centre and Shared Services would be funded as budgets followed staff moving across departmental areas. A review is currently in hand to confirm this. The outcome of the review will be incorporated into the next monitoring report. Efforts have been ongoing to centralise Communication and Media budgets. Work commenced on this during 2009-10 with a view that the financial benefits would be fully realised in 2010-11. A review is in hand to confirm saving assumptions for 2009-10. The outcome of this review will form part of the next budget monitoring report.

Main Considerations for the Council

11. To note the current budget monitoring report

Environmental Impact of the Proposal

12. None have been identified as arising directly from this report.

Equality and Diversity Impact of the Proposal

13. No equality and diversity issues have been identified as arising from this report.

Legal Implications

14. None have been identified as arising directly from this report

Risk Assessment

15. SAP provides the Council's new financial management system. Work is progressing in terms of confirming the integrity of SAP's financial reporting. Volatility in budget areas caused by the demand led nature of some services within Department of Community Services and the Department of Children and Education, together with the impact of the recession across the Council are being closely monitored on a monthly basis. A review is also in hand to ensure that the budget associated with staff moves during Transition are fully accounted for.

Financial Implications

16. Previously, financial pressures of £2.220 were reported, mainly as the net result of decreased income due to the recession. Actions already taken have reduced these pressures down to £1.539 million. Actions are in place to address these residual pressures. In the case of the Department of Children and Education, actions are still being developed to address £374,000 of pressures. This is the balance of £634,000 of financial pressures that were newly identified last month.

MARTIN DONOVAN

Chief Finance Officer

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Unpublished documents relied upon in the preparation of this report: NONE
Environmental impact of the recommendations contained in this report: NONE

Appendices :

Appendix 1 – detailed revenue budget monitoring statement.
Appendix 2 – departmental action plans.