

CABINET

14 December 2005

PRINCIPAL SCRUTINY COMMITTEE

5 December 2005

BUDGET MONITORING OVERVIEW TO OCTOBER 2005

REPORT OF DIRECTOR OF FINANCE

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RECENT REFERENCES:

CAB973 Budget and Council Tax 2005/05 15 December 2004
CAB1099 Financial Strategy 2006/07 to 2010/11 26 July 2005
CAB1126 Corporate Strategy and Revenue Budget 2006/09 12 October 2005

EXECUTIVE SUMMARY:

This report gives a summary of the Council's revenue and capital budgets compared with its expenditure and income for the period 1 April 2005 to 31 October 2005 for General Fund and Housing Revenue Account services. Detailed budget monitoring summaries by service and subjective analysis have been considered by the Scrutiny Panels at their October meetings.

RECOMMENDATIONS:

To Principal Scrutiny Committee:

That Principal Scrutiny Committee considers whether any matters need to be drawn to the attention of Cabinet or the relevant Portfolio Holder.

To Cabinet:

That Cabinet consider any comments raised by Principal Scrutiny Committee and any other issues arising from discussion of the report.

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Report of Director of Finance

1 Introduction

- 1.1 This is the first overview report for the current financial year and gives a summary of the Council's revenue and capital budgets compared with its expenditure and income for the period 1 April 2005 to 31 October 2005 for General Fund and Housing Revenue Account services.
- 1.2 All Directors receive a budget monitoring report each month. Budget and performance monitoring reports were considered by each of the Scrutiny Panels at their scheduled meetings in October.

2 2005/06 Working Budget

- 2.1 Council at the meeting on 24 February 2005 approved the revenue budget for 2005/06 at £11,675,110.
- 2.2 Variances of actual expenditure against working budget for the period are shown in Appendices 1 and 2. The overall position is showing an overspend to the end of September of 2% against the General Fund net cost budget. A major component of this overspend is the Inspectors charge for the Local Plan Inquiry which will be met from the growth for this purpose allowed in 2006/07 and now brought forward (CAB1128) and the Local Plan Reserve. It is expected that at the end of the financial year there will be no significant variation from the service budgets.
- 2.3 The underspend on the Housing Revenue Account budget is due primarily to the repairs spend being less than the profiled programme – this will be back on target for the rest of the year.

3 Capital Programme Budget

- 3.1 The capital programme is now set out in Scrutiny Panel order.
- 3.2 Performance against the capital programme budget as approved by Cabinet in July (CAB1089) is shown in Appendix 3. To the end of October £5m had been spent or committed against a total programme budget of £11.9m (42%). Comments on the individual programme elements are included in Appendix 3 but some items warrant specific comment here.
- 3.3 The provision for Social Housing Grants (£0.938m) is funded from the capital receipts derived from 'right to buy' sales. This expenditure is dependent on the level of RTB sales, if this expenditure is not made then the capital receipts will be paid to the Government as part of the pooling requirement. RTB sales are lower than expected so spend on this budget may be less than originally anticipated.
- 3.4 Expenditure on the Guildhall Community Facilities is on hold awaiting further decisions about the use of the Bapsy Bequest in the context of a wider scheme for the Guildhall and possible replacement Council offices on the adjacent site. A report updating Members on the City Offices project and the use of the Bapsy Bequest is due to be presented to Cabinet on 7 February 2006.

- 3.5 The budget for ICT e-government is currently under review and will be reported to Cabinet in the budget process.
- 3.6 The budget for purchase of Non-operational properties was included in the capital programme to cover opportunity purchases that may arise during the course of the year.

OTHER CONSIDERATIONS:

4 CORPORATE STRATEGY (RELEVANCE TO):

Monitoring of financial performance is an integral part of the corporate and financial policy to enhance performance management.

5 RESOURCE IMPLICATIONS:

None directly

BACKGROUND DOCUMENTS:

Working papers held in Finance and other departments

APPENDICES:

- Appendix 1 Budget monitoring service summary
Appendix 2 Budget monitoring subjective summary
Appendix 3 Capital Programme monitoring summary