



## **Report to Cabinet**

**Subject:** Quarterly Budget Monitoring Report & Performance Digest and Virement Report

**Date:** 10 February 2005

**Author:** Senior Management Team

### **1. PURPOSE OF THE REPORT**

- To update Cabinet on the likely outturn of the Revenue and Capital Budgets for the 2004/2005 financial year. The budgets include all carried forward amounts from the 2003/2004 financial year.
- To seek Cabinet approval where required for budget changes outlined in this report at Appendices 1, 2 and 4.
- To inform Cabinet of the position against Key Tasks and Performance Indicators in the 2004/2005 Plan.
- To seek Cabinet approval for changes to Improvement Task targets as set out in Section 3.
- To inform Cabinet of virements approved during quarter ended December 2004, as set out in Appendix 5.

### **2. BACKGROUND**

- 2.1 The Council has made a commitment to more closely align budget and performance management. This is in line with accepted good practice.
- 2.2 To deliver this commitment, systems to monitor performance against revenue and capital budgets, Improvement Tasks and Performance Indicators have been brought together.
- 2.3 Previously separate reports to Cabinet on budget and performance monitoring have also been brought together.
- 2.4 In addition, changes have been made to the format of performance reports to focus more directly on the Council's priorities and offer an "early warning" system of instance where targets may not be secured.

### 3. **PROGRESS BY PORTFOLIO AREA**

- 3.1 Appendix 1 sets out details of the summary financial and performance position in each portfolio area.
- 3.2 The Financial Information section includes details of variances for the year to date against the originally approved budget. Cabinet is recommended to approve these changes.
- 3.3 A summary setting out the implications of these changes for the overall financial position for the Council is set out in section 4 below.
- 3.4 The Performance Information section includes details of progress against Improvement Tasks and Performance Indicators suitable for quarterly monitoring.
- 3.5 Each task and indicator has been allocated a priority weighting of 1,2 or 3, where: -
- 1 = A task or indicator central to delivery of the Council's three priorities and/or central to the CPA Improvement Plan.
  - 2 = A task or indicator that measures the overall "health" of the Council, such as council tax collection, sickness rates, planning applications etc.
  - 3 = All other tasks and indicators.
- 3.6 Progress against each task and indicator is measured by a "traffic light" system (the "Status" column on the forms). This uses the letters (R)ed, (A)MBER and (G)reen to assess progress where: -
- G = Task or indicator is on target.
  - A = There is slight slippage against the target for the task or indicator but it is expected that the target will be secured for the full year, with appropriate minor adjustments to resourcing as required.
  - R = There is significant slippage against the task or target and it is unlikely that the original target will be secured without a shift in resources. In some cases, the target may need to be changed.
- 3.7 To be assessed as Green: -
- An Improvement Task must be on target compared with where it should be at this stage of the year, as set out in its Project Plan.
  - A performance indicator must be in line with its profiled performance at this stage of the year.

- 3.8 Explanations are included for any tasks or indicators assessed at Amber or Red.
- 3.9 Where Cabinet has previously agreed an amendment to a target date, progress will be assessed against the amended date rather than the original date.
- 3.10 For those assessed as Red, recommendations for changes to targets are also included where these are felt to be necessary. Reasons are included in Appendix 1 alongside the recommendations - the recommendations are also set out below for members' consideration.

<b>Portfolio Area</b>	<b>Task</b>	<b>Original Target</b>	<b>Proposed Revised Target</b>
Housing	Introduce effective schemes aimed at Homelessness prevention	March 2005	June 2005
Housing	Undertake Private Sector Stock Condition survey either in partnership or in consultation with neighbouring authorities	March 2005	March 2006
Housing	Determine future stock option for the Housing service	September 2004	July 2005
E-government and Members	Establish over-arching ICT Strategy to provide a direction for future investments in ICT taking into account external requirements and internal needs	September 2004	March 2005
Leisure	Carry out SureStart development at Killisick Community Centre	May 2004, revised to Jan 2005	June 2005
Agenda 21, Crime and Community Development	Develop Community Profiles (including audit of deprivation)	December 2004	Summer 2005
Leader	Review Corporate Communications Strategy	End 2004, revised to Mar 2005	July 2005
Leader	Delivery of actions arising from Business Continuity Plan	Dependent on adoption of Plan	Summer 2004
Finance	Review of Financial Strategies including Capital Strategy, Asset Management Plan and Housing Revenue Account Business Plan	December 2004	Capital during 2005/06 (rest completed)

3.11 Members may note that this represents a rather longer list of tasks than has been reported in previous quarterly reports this year. However, it should be noted that, in many cases, delays in progress are a result of external factors beyond the control of the Council. Appendix 1 shows that the vast majority of Improvement Tasks are on target for completion or have already been completed.

#### 4. **OVERALL FINANCIAL POSITION**

4.1 The following summary brings together the overall financial position of the General Fund and the Housing Revenue Account. It also shows the expected total spend for the year.

4.2 This information has been compiled using the best information made available to the Finance Department by the relevant spending officers as at 31<sup>st</sup> December 2004.

4.3 The overall resource implications for the Council are: -

- The General Fund 2004/2005 Quarterly Budget Monitoring position shows that overall this leaves a headroom available of £100,700 for managing the budget within the Council approved cash limit.
- The Housing Revenue Account Quarterly Budget Monitoring Position shows that there will be a projected surplus of £27,300 by the end of 2004/2005. This, when added to the balance brought forward from 2003/2004 gives a working balance of £569,300.

4.4 The tables below identify the effects on balances of the current expected outturn.

#### 4.5. Revenue Budget 2004/2005 – Change Analysis at 31<sup>st</sup> December 2004

	£
The original 2004/2005 budget approved by Council on 10 March 2004 was	11,255,800
On 23 June Cabinet recommended Council to carry forward schemes which had slipped from the 2003/2004 Revenue Programme	263,000
<b>Cabinets Maximum Budget</b>	<b>11,518,800</b>
Quarter 1 changes approved by Cabinet on the 5 August 2004	(17,500)
Approved changes between quarter 1 & quarter 2	(600)
Quarter 2 changes approved by Cabinet on 4 <sup>th</sup> November 2004	13,400
<b>The current total budget for 2004/2005 is therefore</b>	<b>11,514,100</b>
Up to the end of December 2004 expenditure less income totalled	4,516,600
In the remaining 3 months of year net of income we expect to spend	6,901,500
<b>Total net revenue spending for the year is currently expected to be</b>	<b>11,418,100</b>
At the end of 2004/2005, therefore, we currently expect the revenue budget to be under spent against the total budget reported to Cabinet on 4 November 2004 plus approved changes.	(96,000)
Against the Cabinet's maximum budget for 2004/2005, we currently expect the revenue budget to be underspent by £100,700 and this will be added to the Council's balances. This is approximately 0.9% of the Council's maximum budget.	<b>(100,700)</b>

- 4.6. Appendix 1 outlines how the revenue budget and expected net expenditure is divided between the Portfolio areas of the Council showing a breakdown of income and expenditure changes. This resulted in a net decrease in expenditure of £96,000 when compared to that previously accepted by Cabinet.

4.7. Overall budget monitoring shows that general fund expenditure is likely to be some £100,700 less than anticipated by Council when the 2004/2005 budget was set. The Housing Revenue Account expenditure is expected to be £109,500 less than originally anticipated (Appendix 4).

4.8 **Capital Budget 2004/2005 - Change Analysis at 31<sup>st</sup> December 2004**

	£
The original 2004/2005 budget approved by Council on 10 March 2004 was	6,757,000
On 23 June Cabinet recommended Council to carry forward schemes which had slipped from the 2003/2004 Capital Programme	1,855,900
Quarter 1 changes approved by Cabinet 5 on the 5 <sup>th</sup> August 2004	174,100
Approved changes between quarter 1 & quarter 2	61,700
Quarter 2 changes approved by Cabinet on the 4 <sup>th</sup> November 2004	79,900
Approved changes since last quarters report	
Burton Joyce PC Skateboard Park	8,000
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The current total budget for 2004/2005 is	8,936,600
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Up to the end of December expenditure was	3,366,700
In the remaining 3 months of the year we expect to spend	3,917,800
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Total net spending for the year is currently expected to be	7,284,500
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At the end of 2004/2005 we currently expect the capital budget to be under spent	<b>(1652,100)</b>
The £1,652,100 under spend is made up of the following schemes	
Schemes likely to be subject to carry forward requests (See Appendix 3)	(1,692,500)
Carlton Forum Boiler upgrade (Brought forward from 2005-2006)	35,000
Minor schemes (net)	5400
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	<b>(1,652,100)</b>
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Subject to the approval of the above budget changes it is proposed that the upgrade of the Carlton Forum boiler is financed from capital receipts and that the overspending on minor schemes be met from future savings in the capital programme.

A summary of the capital programme and financing is shown at Appendix 2.

## 5. **RESOURCE IMPLICATIONS**

5.1 The nature of the report is such that it has significant resource implications across the Council. The report itself demonstrates how resources are being managed.

## 6. **RECOMMENDATIONS**

Members are **recommended**:

- To approve the budget changes across the General Fund Portfolios as detailed at Appendix 1;
- To approve the capital budget changes and financing as set out in paragraph 4.8 and Appendix 2, and to note the likely Budget carry forwards as shown in Appendix 3.
- To approve the budget changes in the Housing Revenue Account as detailed at Appendix 4;
- To approve the changes to Improvement Task targets as detailed in paragraph 3.10 of the report, as an amendment to the Council's agreed Budget/Service Plan.
- To forward the Quarterly Budget Monitoring Information to the Personnel and Resources Committee;
- To include details of budget and performance monitoring in a quarterly performance digest, for circulation to all members and for publication on the Council's website and Intranet;
- To note the virements as detailed in Appendix 5.