



Report to Cabinet

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

Date: 17 November 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 2005/2006 financial year. The budgets include all carried forward amounts from the 2004/2005 financial year.
- To seek Cabinet approval where required for budget changes outlined in this report at Appendices 1, 2 and 3.
- To inform Cabinet of the position against Key Tasks and Performance Indicators in the 2005/2006 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 September 2005, as set out in Appendix 4.

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 and are now embedded in the way the Council works.
- 2.3 Previously separate reports to Cabinet on budget and performance monitoring have also been brought together.

- 2.4 In addition, performance reports now 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 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.
- 3.6 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.
- 3.7 Explanations are included for any tasks or indicators assessed at Amber or Red.

- 3.8 Where Cabinet has previously agreed an amendment to a target date, progress will be assessed against the amended date rather than the original date.
- 3.9 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.

Portfolio Area	Task	Original Target	Proposed Revised/New Target
e-government /Members	Establish an overarching ICT strategy which provides a direction for future investments in ICT taking account of external requirements and internal needs	October 2005	December 2005
Development and Economic Regeneration	Continue investigation of service delivery for Building Control in partnership with Conurbation Districts and City	June 2005	June 2006

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 30 September 2005
- 4.3 The overall resource implications for the Council are: -
- The General Fund 2005/2006 Quarterly Budget Monitoring position shows that overall this leaves £3,100 available for managing the budget within the Council approved cash limit.

- The Housing Revenue Account 2005/2006 Quarterly Budget Monitoring position shows that overall this leaves £1,800 available for managing the budget within the Council approved cash limit.

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

4.5 **General Fund Revenue Budget 2005/2006 – Change Analysis at 30 September 2005**

	£
The original 2005/2006 budget approved by Council on 2 March 2005.	12,030,800
On 22 June 2005 Council approved carry forward schemes which had slipped from the 2004/2005 Revenue Programme	<u>475,500</u>
Cabinets Maximum Budget	12,506,300
Quarter one changes approved by Cabinet on 4 August 2005	<u>(2200)</u>
The current total budget for 2005/2006 is therefore	<u>12,504,100</u>
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Up to the end of September 2005 expenditure less income totalled	<u>4,715,000</u>
In the remaining 6 months of year net of income we expect to spend	7,788,200
Total net revenue spending for the year is currently expected to be	12,503,200
At the end of 2005/2006, therefore, we currently expect the revenue budget to be under spent against the total budget by.	<u>900</u>
Against the Cabinet's maximum budget for 2005/2006, we currently expect the revenue budget to be underspent by £3,100 and this will be added to the Council's balances. This is approximately 0.025 of the Council's maximum budget.	<u>3,100</u>

Appendix 1 outlines how the revenue budget and expected net expenditure is divided between the Portfolio areas of the Council and the summary of the changes that make up £900 anticipated saving to be approved.

4.6 **Housing Revenue Account Budget 2005/2006 - Change Analysis as at 30 September 2005**

	£
The original 2005/2006 budget approved by Council on 2 March	93,000

2005.

On 22 June 2005 Council approved carry forward schemes which had slipped from the 2004/2005 Housing Revenue Programme	39,100
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Housing Revenue Account Maximum Budget	132,100
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Quarter one changes approved by Cabinet on the 4 August 2005	(7,500)
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The current total budget for 2005/2006 is therefore	124,600
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Total net revenue spending for the year is currently expected to be	130,300
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At the end of 2005/2006, therefore, we currently expect the Housing Revenue budget to be over spent against the total budget by.	5,700
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Against the maximum budget for 2005/2006, we currently expect the Housing Revenue budget to be underspent by £1800 and this will be added to the Council's balances. This is approximately 1.3% of the Council's maximum budget	1,800
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Appendix 3 shows a summary of the changes for the Housing Revenue account that make up the £5700 anticipated overspend, to be approved

- 4.7 Overall budget monitoring shows that General Fund Expenditure is likely to be £3,100 less than anticipated by Council when the 2005/2006 budget was set. The Housing Revenue Account expenditure is expected to be £1800 less than originally anticipated.

4.8 Capital Budget 2005/2006 - Change Analysis at 30 September 2005

	£
The original 2005/2006 budget approved by Council on 2 March 2005.	7,455,700
On 22 June 2005 Council approved carry forward schemes which had slipped from the 2004/2005 Capital Programme.	3,058,100
Adjustments to the budgets (earmarked contributions)	
Contaminated land Netherfield	12,300
Adjustments to the budgets (revenue contributions)	
Fitness Room Equipment Redhill Leisure Centre	45,000
E-Government Expenditure – End to End Planning Project, Document Management and GIS.	65,700
Adjustments to the budgets (brought forward from 2006/2007)	
Replacement of Legacy Systems	328,100
Adjustments to the budgets (slippage to 2006/2007)	
Slippage approved by Personnel & Resources Committee on 5 September 2005.	(1,157,400)
The current total budget for 2005/2006 is	<u>9,807,500</u>
Up to the end of September expenditure was	<u>1,949,800</u>
In the remaining 6 months of the year we expect to spend	<u>7,852,300</u>
Total net spending for the year is currently expected to be	<u>9,802,100</u>
At the end of 2005/2006 we currently expect the capital budget to be underspent by	(5,400)
The £5,400 underspend is made up of the following schemes	
Contaminated Land Netherfield	4,700
Netherfield Lagoons	(32,000)
Replacement of Photocopying Equipment	(6,100)
HORDS CCTV Project	28,000
	<u>(5,400)</u>

Subject to the approval of the budget changes, as shown in Appendix 2, it is proposed that the change to the Contaminated Land in Netherfield scheme is met from £4,700 borrowing, to be funded by additional Revenue Support Grant.

The £32,000 reduction in the Netherfield Lagoons budget is due to the payment of the £32,000 UK Coal contribution direct to the Gedling Conservation Trust.

The underspend on the replacement of photocopying equipment will increase available capital receipts by £6,100.

The HORDS CCTV project will be financed by a £28,000 grant from GOEM.

- 4.9 There is currently sufficient funding available in 2005/2006 to finance the changes to the Capital Programme as outlined in paragraph 4.8.

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 budget changes in the Housing Revenue Account as detailed at Appendix 3;
- To approve the budget changes in the capital programme as detailed in paragraph 4.8 and Appendix 2;
- 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 4.