



Report to Cabinet

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

Date: 16 February 2006

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 December 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
Leader	Delivery of actions arising from the Business Continuity Plan	Test by March 06 (Cabinet Aug 05)	Test by March 07
Finance	Carry out financial review of Capital Strategy	Dec 2005	Dec 2006
Leader	Review Base Maintenance Budgets as part of corporate budget process	December 2005	Dec 2006
Leader	Establish a process by which the Council can learn and share success and failures for future improvements	March 05 (revised to Oct 05 – Cabinet Jul 05)	July 2006
Housing	Implement the outcomes of the Stock Option Appraisal for the Housing Service	March 2006	July 2006
Housing	Development of partnership for procurement of planned and reactive maintenance	March 2006	Planned Repairs - June 06, Responsive Repairs - March 07
Housing	Undertake Supporting People review of Sheltered Housing Service in accordance with the Quality Assessment Framework to include Accreditation to the Code of Practice for Sheltered Housing Services and the development of a Confidentiality Policy	March 2006	June 2006
Housing	Upgrade the Housing Management IT system to browser based version and procure, develop and implement a stock condition module	March 06	Target date dependant on supplier's ability to deliver which is currently unclear.
Housing	Produce revised Housing Strategy, submit to GOEM and implement	March 06	December 06
Housing	Implement the changes brought in by the Housing Act 2005 re HMO Licensing, Health and Safety Rating System and Enforcement	Sept 05	April 06
Direct Services/Property	Joint working with neighbouring authorities on: Trade Waste (recycling), and Medical Waste	Aug 05	June 06 if viable

Direct Services/Property	Implement new communications and vehicle tracking/navigation system in all vehicles	01/10/2004 (revised to October 05 (Cabinet 11 July 05)	March 06
Development and Economic Regeneration	Complete development of Town Centres Action Plans and ensure their delivery	As set out in Action Plans	Mapperley and Carlton Hill plans - June 2006
Non-executive function	Achieve Level 2 of the Equality Standards	March 06	March 07

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 31st December 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 £101,000 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 £5,200 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 31 December 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	(2,200)
Quarter two changes approved by cabinet on 23 rd November 2005	<u>(900)</u>
The current total budget for 2005/2006 is therefore	12,503,200
Up to the end of December 2005 expenditure less income totalled	7,966,200
In the remaining 3 months of year net of income we expect to spend	<u>4,439,100</u>
Total net revenue spending for the year is currently expected to be	12,405,300
At the end of 2005/2006, therefore, we currently expect the revenue budget to be under spent against the total budget by.	<u>97,900</u>
Against the Cabinet's maximum budget for 2005/2006, we currently expect the revenue budget to be underspent by £101,000 and this will be added to the Council's balances. This is approximately 0.81% of the Council's maximum budget.	<u>101,000</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 £97,900 anticipated saving to be approved.

4.6 Housing Revenue Account Budget 2005/2006 - Change Analysis as at 31 December 2005

	£
The original 2005/2006 budget approved by Council on 2 March 2005.	93,000
On 22 June 2005 Council approved carry forward schemes which had slipped from the 2004/2005 Housing Revenue Programme	39,100
Housing Revenue Account Maximum Budget	132,100
Quarter one changes approved by Cabinet on the 4 August 2005	(7,500)
Quarter two changes approved by Cabinet on the 17 November 2005	5,700
The current total budget for 2005/2006 is therefore	130,300
Total net revenue spending for the year is currently expected to be	126,900
At the end of 2005/2006, therefore, we currently expect the Housing Revenue budget to be under spent against the total budget by.	3,400
Against the maximum budget for 2005/2006, we currently expect the Housing Revenue budget to be underspent by £5,200 and this will be added to the Council's balances. This is approximately 4% of the Council's maximum budget	5,200

Appendix 3 shows a summary of the changes for the Housing Revenue account that make up the £3,400 anticipated underspend, to be approved

- 4.7 Overall budget monitoring shows that General Fund Expenditure is likely to be £101,000 less than anticipated by Council when the 2005/2006 budget was set. The Housing Revenue Account expenditure is expected to be £5,200 less than originally anticipated.

4.8 Capital Budget 2005/2006 - Change Analysis at 31 December 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
Adjustment to budget - Contaminated Land Netherfield	12,300
Adjustment to budget - End to End Planning Project, Document Management and GIS	65,700
Quarter one changes approved by Cabinet on 4 August 2005	373,100
Quarter two changes approved by Cabinet on 17 November 2005	(5,400)
Schemes deferred by Personnel & Resources Committee on 5 September 2005.	(1,157,400)
The current total approved budget for 2005/2006 is	<hr/> 9,802,100
Less schemes identified for slippage (Appendix 5)	(1,318,900)
Capital programme excluding proposed slippage	<hr/> 8,483,200
Up to the end of December expenditure was	3,649,200
In the remaining 3 months of the year we expect to spend	4,861,900
Total net spending for the year is currently expected to be	<hr/> <hr/> 8,511,100
At the end of 2005/2006 we currently expect the capital budget to be overspent by	<hr/> <hr/> 27,900
The £90,900 overspend is made up of the following schemes:	
Replace Photocopying Equipment	3,700
Jubilee House Alterations	300
Garden Waste	48,100
Second Wheelie Bin Scheme	17,300
Carlton Forum All Weather Perimeter Fencing	10,000
Outdoor Provision for Young People	1,000
Cash Receipting System	(15,000)
Housing - Electronic Records Document Management	(37,500)
	<hr/> <hr/> 27,900

Subject to the approval of the budget changes, as shown in Appendix 2, it is proposed that the overspends of £3,700 on the Replacement of Photocopying Equipment scheme and £300 on the Jubilee House Alteration scheme are met from capital receipts.

The £48,100 additional cost of the Garden Waste scheme will be funded from a revenue contribution to capital.

The £17,300 additional funding required for the Second Wheelie Bin scheme is due to the schedule for rolling out the scheme being accelerated. This will be met from capital receipts in 2005/06, and will reduce the budget required to complete the roll-out in 2006/07.

A £10,000 contribution has been received from Nottinghamshire County Council for the additional cost of Carlton Forum All Weather Perimeter Fencing.

The £1,000 increase to funding for Outdoor Provision for Young People will be met by a Member's Pot contribution from revenue.

An underspend on the Cash Receipting System has been identified, which will increase available capital receipts by £15,000.

The Housing - Electronic Records Document Management scheme will no longer go ahead due to the possibility of a future Large Scale Voluntary Transfer of the housing stock. This will release £37,500 of capital receipts.

Slippage to the capital programme has been identified totalling £1,318,900. A detailed description of all schemes to be slipped is attached at Appendix 5.

- 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 note the slippage to the capital programme as detailed in paragraph 4.8 and Appendices 2 and 5, and refer it to Personnel and Resources Committee for approval.
- 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.