



Report to Cabinet

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

Date: 3 August 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 2006/2007 financial year. The budgets include all carried forward amounts from the 2005/2006 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 2006/2007 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 June 2006, 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
Finance	Impact assessment of replacement financial systems - Agresso/Northgate	June 2006	December 2006
Finance	Staffing review post IBS and document management system implementation	Sept 2006	December 2006
Housing	Produce a revised Homelessness Strategy, submit to GOEM and implement	Sept 2006	December 2006
Leisure	Development of the King George V Park, Arnold to provide enhanced community facilities.	March 2007	March 2008
Leisure	Provide procurement options for the future management of the Borough's leisure centres.	December 2006	September 2007
Leader	Achievement of liP Accreditation	June 2006	November 2006
Direct Services	Review Building Cleaning Service	June 2006	March 2007
Direct Services	Development of new strategy/policy for building services related functions (including caretaking)	July 2006	March 2007
Development and Economic Regeneration	Core Strategy	November 2007	July 2008

- 3.10 It is also proposed to add a new task, to support the introduction of pilot Neighbourhood Policing initiative in the Borough, arising from Ch Supt Peter Moyes recent presentation to Cabinet. This will form part of the Agenda 21, Crime and Community Development portfolio service plan and be co-ordinated through the Cabinet Office.

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 30th June 2006.

4.3 The overall resource implications for the Council are: -

- The General Fund 2006/2007 Quarterly Budget Monitoring position shows that overall this leaves £43,700 available for managing the budget within the Council approved cash limit.
- The Housing Revenue Account 2006/2007 Quarterly Budget Monitoring position shows that overall this leaves £9,900 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 2006/2007 – Change Analysis at 30 June 2006**

	£
The original 2006/2007 budget approved by Council on 1 March 2006.	13,400,400
On 14 June 2006 Council approved carry forward schemes which had slipped from the 2005/2006 Revenue Programme	301,800
Cabinets Maximum Budget	13,702,200
Approved changes between April and June 2006	0
The current approved budget for 2006/2007 is therefore	13,702,200
Up to the end of June 2006 expenditure less income totalled	3,051,345
In the remaining 9 months of year net of income we expect to spend	10,607,155
Total net revenue spending for the year is currently expected to be	13,658,500
At the end of 2006/2007, therefore, we currently expect the revenue budget to be under spent against the current approved budget by.	43,700
Against the Cabinet's maximum budget for 2006/2007, we currently expect the revenue budget to be underspent by £43,700 and this will be added to the Council's balances. This is approximately 0.32% of the Council's maximum budget.	43,700

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 £43,700 anticipated saving to be approved.

4.6 **Housing Revenue Account Budget 2006/2007 - Change Analysis as at 30 June 2006**

	£
The original 2006/2007 budget approved by Council on 1 March 2006.	(215,800)
On 14 June 2006 Council approved carry forward schemes which had slipped from the 2005/2006 Housing Revenue Programme	113,700
Housing Revenue Account Maximum Budget	(102,100)
Approved changes between April and June 2006	0
The current approved budget for 2006/2007 is therefore	(102,100)
Total net revenue spending for the year is currently expected to be	(112,000)
At the end of 2006/2007, therefore, we currently expect the Housing Revenue budget to be under spent against the current approved budget by.	9,900
Against the maximum budget for 2006/2007, we currently expect the Housing Revenue budget to be under spent by £9,900 and this will be added to the Council's balances. This is approximately 9.7% of the Council's maximum budget	9,900

Appendix 3 shows a summary of the changes for the Housing Revenue account that make up the £9,900 anticipated under spend, to be approved

- 4.7 Overall budget monitoring shows that General Fund Expenditure is likely to be £43,700 less than anticipated by Council when the 2006/2007 budget was set. The Housing Revenue Account expenditure is expected to be £9,900 less than originally anticipated.

4.8 Capital Budget 2006/2007 - Change Analysis at 30 June 2006

	£
<u>Approved Capital Programme 2006/07</u>	
Original 2006/07 budget approved by Council on 1 March 2006.	7,071,200
Schemes approved for deferral from 2005/06 to 2006/07 by Personnel and Resources Committee, during quarter 3 of the 2005/06 budget monitoring process.	1,318,900
Capital Carry Forwards from 2005/06 approved by Council on 14 June 2006.	1,160,000
The current total approved budget for 2006/2007	<u>9,550,100</u>
<u>Proposed Quarter 1 Amendments to the 2006/07 Programme</u>	
<u>Schemes identified for deferral:</u>	
Car Park Charging	(140,000)
HRA – Gedling Move On Temp Homeless Accommodation	(80,000)
<u>Additions to schemes funded by external grants/contributions:</u>	
HORDS CCTV Project (Home Office Grant)	42,000
Standhill Rec Youth Facilities (Members Pot Contribution)	3,000
Redhill LC – Replace Fencing All Weather Pitch (Notts County Council Contribution)	30,000
Private Sector Improvement Grants (Regional Housing Board Grant)	104,000
<u>Other Amendments</u>	
Killisick Court – Temp Accommodation for Families – to be funded from housing capital receipts (Cabinet Report 16 March 2006 – Low Demand Accommodation Review)	98,900
Total Proposed Amendments To Capital Programme	<u>57,900</u>
Proposed Revised Capital Programme 2006/07	<u>9,608,000</u>
Actual Expenditure Quarter 1 2006/07	836,200
Estimated Expenditure Quarter 2-4 2006/07	<u>8,766,500</u>
Projected Outturn 2006/07	<u>9,602,700</u>
Projected Capital Programme Underspend 2006/07	<u>(5,300)</u>
The £5,300 net underspend is made up of savings of £6,500 achieved on the replacement of the plan printer offset by £1,200 overspend on the replacement cash receipting system. A Capital Programme monitoring summary is attached at Appendix 2.	

4.9 There is currently sufficient funding available in 2006/2007 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 capital programme schemes proposed for deferral as detailed in paragraph 4.8 and refer it to Personnel and Resources Committee for approval.
- To approve the changes to Improvement Task targets as detailed in paragraphs 3.9 and 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.