



Report to Cabinet

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

Date: 2 November 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 September 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 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
Direct Services	Work with County Council on decriminalisation of parking	March 2007	September 2007
Finance	Further develop integrated revenues system	Sept 2006	December 2006
Housing	Produce a revised Homelessness Strategy, submit to GOEM and implement	December 2006	Preventative elements – March 2007 Full strategy – December 2007
Housing	Produce a revised Housing Strategy, submit to GOEM and implement	March 2007	September 2007
e-government	Implement disaster recovery framework	September 2006	September 2007
e-government	Support Departments in the corporate rollout of EDRMS	March 2007	March 2008
Non-executive	Enforcement arrangements for the Licensing Act 2003	May 2006	December 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 30th September 2006. The overall resource implications for the Council are: -

- The General Fund 2006/2007 Quarterly Budget Monitoring position shows that overall this leaves £38,600 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 £42,600 available for managing the budget within the Council approved cash limit.

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

4.4 **General Fund Revenue Budget 2006/2007 – Change Analysis at 30 September 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 September 2006	(44,400)
The current approved budget for 2006/2007 is therefore	13,657,800
Up to the end of September 2006 expenditure less income totalled	8,760,681
In the remaining 6 months of year net of income we expect to spend	4,902,919
Total net revenue spending for the year is currently expected to be	13,663,600
At the end of 2006/2007, therefore, we currently expect the revenue budget to be over spent against the current approved budget by.	5,800
Against the Cabinet's maximum budget for 2006/2007, we currently expect the revenue budget to be underspent by £38,600 and this will be added to the Council's balances. This is approximately 0.28% of the Council's maximum budget.	38,600

Appendix 1 outlines how the General Fund Revenue budget and expected net expenditure is divided between the Portfolio areas of the Council and the summary of the changes that make up £5,800 anticipated over spend to be approved.

4.5 Housing Revenue Account Budget 2006/2007 - Change Analysis as at 30 September 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 September 2006	(9,900)
The current approved budget for 2006/2007 is therefore	(112,000)

Total net revenue spending for the year is currently expected to be **(144,700)**

At the end of 2006/2007, therefore, we currently expect the Housing Revenue budget to be under spent against the current approved budget by. **32,700**

Against the maximum budget for 2006/2007, we currently expect the Housing Revenue budget to be under spent by £42,600 and this will be added to the Council's balances. This is approximately 41.72% of the Council's maximum budget **42,600**

Appendix 2 shows a summary of the changes for the Housing Revenue account that make up the £32,700 anticipated under spend, to be approved

- 4.6 Overall budget monitoring shows that General Fund Expenditure is likely to be £38,600 less than anticipated by Council when the 2006/2007 budget was set. The Housing Revenue Account expenditure is expected to be £42,600 less than originally anticipated.

4.7 Capital Budget 2006/2007 - Change Analysis at 30 September 2006

£

Approved Capital Programme 2006/07

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
Quarter 1 budget changes approved by Cabinet on 3 August 2006.	57,900
The current total approved budget for 2006/2007	9,608,000

Proposed Quarter 2 Amendments to the 2006/07 Programme

Schemes identified for deferral:

Document Management	(171,900)
Citizen Access Facilities	(14,500)
Environmental Improvements - Cycleways/Conservation	(50,000)
CAPS Development - Local Development Framework Module	(12,000)

Additions to schemes funded by external grants/contributions:

Richard Herrod Pavilion (Football Foundation Grant)	145,000
Richard Herrod Pavilion (Netherfield Boys and Girls Football Club)	10,000
Redhill LC – Refurbishment of Changing Rooms (Notts County Council Contribution)	10,000
HORDS CCTV Project - (revenue contribution to capital funded through Home Office Grant)	36,600
Rushcliffe Payroll Implementation - (Rushcliffe Borough Council contribution)	75,000

Other Amendments

Killisick Court – Temp Accommodation for Families – additional costs to be funded from housing capital receipts (Cabinet Report 16 March 2006 – Low Demand Accommodation Review)	52,300
Replacement of Plan Printer - savings	(6,500)
DDA Works to Car Parks - savings	(7,000)

Total Proposed Amendments To Capital Programme	67,000
Proposed Revised Capital Programme 2006/07	9,675,000

Actual Expenditure to Quarter 2 2006/07	2,285,800
Estimated Expenditure Quarter 3-4 2006/07	7,385,000
Projected Outturn 2006/07	9,670,800

Projected Capital Programme Underspend 2006/07 (4,200)

The £4,200 net underspend is made up of £5,400 of small net savings achieved across a number of Direct Services and Leisure Schemes, offset by £1,200 overspend on the replacement cash receipting system. A Capital Programme monitoring summary is attached at Appendix 3.

4.8 There is currently sufficient funding available in 2006/2007 to finance the changes to the Capital Programme as outlined in paragraph 4.7.

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 below £50,000, in the General Fund Portfolios as detailed at Appendix 1.
- To approve the budget changes below £50,000, in the Housing Revenue Account as detailed at Appendix 2.
- To note the Revenue Budgets of £50,000 & above included within Appendices 1 & 2 & also listed below & refer them to the Personnel & Resources Committee for approval.

General Fund

CCTV Operatives £51.5K (met from transfer from Employee Expenses £45k & Supplies & Services £6.5k)

Planning Fees Income (£50K)

LABGI Grant (£101.9K)

LABGI Contribution to General Fund Balances £101.9K

Civic Centre NNDR £62.4K

Waste Management Employee Expenses £118.1K

Waste Management Income (£88.4K)

Housing Revenue Account

Housing Subsidy (£100K)

Fees & Charges £56.6K

- To approve the budget changes in the capital programme under £50,000 as detailed in paragraph 4.7 and Appendix 3.
- To note the budget changes in the capital programme over £50,000 as detailed in paragraph 4.7 and appendix 3, and listed below, and refer them to Personnel and Resources Committee for approval.
 - Richard Herrod Pavilion (£155k)
 - Killisick Court - Temporary Accommodation for Families (£52.3k)
 - Rushcliffe Payroll Implementation (£75k)
- To note the capital programme schemes proposed for deferral as detailed in paragraph 4.7 and refer them to Personnel and Resources Committee for approval.
- To approve the changes to Improvement Task targets as detailed in paragraph 3.9 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.