



Report to Cabinet

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

Date: 2 August 2007

Author: Senior Management Team

1. PURPOSE OF THE REPORT

- To update Cabinet on the likely outturn of the Revenue and Capital Budgets for the 2007/2008 financial year. The budgets include all carried forward amounts from the 2006/2007 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 2007/2008 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 2007, 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.

Changes to Tasks

Portfolio Area	Task	Original Target	Proposed Revised/New Target
Finance and IT	Implementing outcomes from option appraisal for CRM	Phased programme over 2007 - 2009	Project delayed as a response to the GTP. Recommend project deferred 1 year.
Finance and IT	Support Departments in the corporate rollout of EDRMS, including technical advise and process re-engineering to achieve organisational efficiencies and savings	March 2008	Project delayed as a response to the GTP. Recommend project deferred 1 year.
Direct Services and Property	Decriminalisation of Parking - work with County Council	November 2007	County have not submitted details to Government of Proposed Scheme now likely to commence May 08, need to revise target date

The following new tasks and indicators are recommended to be introduced to enable more effective performance management.

New Tasks

Portfolio Area	Task	Original Target	Proposed Revised/New Target
Finance and IT	Implementation of changes to NNDR Empty Property Rate Relief	Not applicable	March 2008
Finance and IT	Implementation of Local Housing Allowance Scheme	Not applicable	March 2008

New Performance Indicators

Reference	Performance Indicator	Proposed Target
Local 006b	Average time taken to process homelessness applications	23 days
Reason for change	The local measure 006a (Proportion of homelessness applications on which the authority makes a decision and issues written notification to the applicant within 33 working days) is increasingly not seen as a reliable measure of performance in dealing with homelessness applications, as it is easily skewed by individual cases involving matters outside the Council's control. A better measure, used by neighbouring authorities is of the average time taken and it is therefore proposed that this additional measure be added with targets as outlined.	

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 June 2007. The overall resource implications for the Council are: -
- The General Fund 2007/2008 Quarterly Budget Monitoring position shows that overall this leaves £68,700 available for managing the budget within the Council approved cash limit.

- The Housing Revenue Account 2007/2008 Quarterly Budget Monitoring position shows that overall this leaves £33,900 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 2007/2008 – Change Analysis at 30 June 2007**

	£
The original 2007/2008 budget approved by Council on 1 March 2007.	14,291,700
On 16 May 2007 Council approved a contribution from balances (Additional LABGI grant 2006/2007) to fund the Weekly Summer Refuse Collection.	45,000
On 20 June 2007 Council approved carry forward schemes which had slipped from the 2006/2007 Revenue Programme.	449,700
Cabinets Maximum Budget	14,786,400
Approved changes between April and June 2007	(7000)
The current approved budget for 2007/2008 is therefore	14,779,400
Up to the end of June 2007 expenditure less income totalled	3,050,329
In the remaining 9 months of year net of income we expect net expenditure to be	11,667,371
Total net revenue spending for the year is currently expected to be	14,717,700
At the end of 2007/2008, therefore, we currently expect the revenue budget to be under spent against the current approved budget by.	(61,700)
Against the Cabinet's maximum budget for 2007/2008, we currently expect the revenue budget to be underspent by £68,700 and this will be added to the Council's balances. This is approximately 0.46% of the Council's maximum budget.	(68,700)

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 £61,700 anticipated under spend to be approved.

4.5 Housing Revenue Account Budget 2007/2008 - Change Analysis as at 30 June 2007

	£
The original 2007/2008 budget approved by Council on 1 March 2007.	(654,400)
On 14 June 2006 Council approved carry forward schemes which had slipped from the 2006/2007 Housing Revenue Programme	325,100
Housing Revenue Account Maximum Budget	(329,300)
Approved Changes between April & June	0
The Current Approved Budget for 2007/2008 is	(329,300)
Total net revenue spending for the year is currently expected to be	(363,200)
At the end of 2007/2008, therefore, we currently expect the Housing Revenue budget to be under spent against the current approved budget by.	(33,900)
Against the maximum budget for 2007/2008, we currently expect the Housing Revenue budget to be under spent by £33,900 and this will be added to the Council's HRA balances. This is approximately 10.29% of the Council's maximum budget.	(33,900)

Appendix 2 shows a summary of the changes for the Housing Revenue account that make up the £33,900 anticipated underspend, to be approved

4.6 Overall budget monitoring shows that;

- General Fund Expenditure is likely to be £68,700 less than originally anticipated.
- Housing Revenue Account Expenditure is likely to be £33,900 less than originally anticipated.

4.7 Capital Budget 2007/2008 - Change Analysis at 30 June 2007

	£
<u>Approved Capital Programme 2007/08</u>	
Original 2007/08 budget approved by Council on 1 March 2007.	8,682,500
Schemes approved for deferral from 2006/07 to 2007/08 by Personnel and Resources Committee, during Quarter 3 of the 2006/07 budget monitoring process.	1,172,700
Capital Carry Forwards from 2006/07 approved by Council on 20 June 2007.	682,700
The current total approved budget for 2007/2008	10,537,900
<u>Proposed Quarter 1 Amendments to the 2007/08 Programme</u>	
<u>Schemes identified for deferral to 2008/2009</u>	
Document Management	(269,400)
Citizen Access Facilities	(14,500)
Customer Relations Management	(220,000)
Relocation of Shopmobility	(50,000)
End to End Licensing System	(16,000)
Caps Development-Local Development Framework	(19,000)
Relocation of Teal Close Football Facilities	(1,640,000)
Reinstate King George V Arnold	(95,400)
A614 Football Pitch Construction(Arnold Town FC)	(50,000)
 Total Schemes for deferral	 (2,374,300)
<u>Additions to schemes funded by external grants/contributions:</u>	
Heat Street Scheme	50,000
Renovation Grants	52,000
Warm Front Surveys	21,500
Flooding Works	10,000
<u>Other Changes</u>	
Richard Herrod L.C. Changing Pavilion completed in 2006/2007	(70,000)
Rushcliffe Payroll Implementation-met from Revenue	(12,000)
Strategic Land Sales Review	50,000
 Total Proposed Amendments To Capital Programme	 <u>(2,272,800)</u>

Proposed Revised Capital Programme 2007/08	8,265,100
Actual Expenditure to Quarter 1 2007/08	479,078
Estimated Expenditure Quarter 2-4 2007/08	7,778,122
Projected Outturn 2007/08	8,257,200
Projected Capital Programme Underspend 2007/08	(7,900)

The £7,900 net underspend is made up of a minor savings on Vehicle & Plant acquisitions within the Direct Services Portfolio. A Capital Programme monitoring summary is attached at Appendix 3.

4.8 There is currently sufficient funding available in 2007/2008 to finance the changes to the Capital Programme as outlined in paragraph 4.7. The original estimates assumed Regional Housing Board Grant of £199,000 which has now increased following supplementary approvals to £322,500, an additional £123,500. A capital Flood recovery Grant has also been awarded. Subject to approval these will be used to finance the 3 Housing schemes & Flooding Works as noted 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 of £50,000 & below, in the General Fund Revenue Portfolios as detailed at Appendix 1.
- To approve the budget changes of £50,000 & below, in the Housing Revenue Account as detailed at Appendix 2.
- To note the Revenue Budgets above £50,000 included within Appendices 1 & 2 & also listed below & refer them to the Personnel & Resources Committee for approval.

- General Fund

Temporary Wardens £55,500(matched by NCC contribution)

Safer & Stronger Communities Grant £69,000(matched by reduction in expenditure)

Document Management & Customer Relationship Management (£60,300)

Direct Services Energy Costs (£65,100)

Carlton Forum Income £60,000

Leisure Services Energy Costs (£189,300)

Leisure Services Contribution from fuel provision £58,300

Insurance Discount (£89,200) matched by contribution to Insurance Reserve

Local Housing Allowance Grant (£99,200) matched by additional expenditure

DWP Grant (£63,300) matched by additional expenditure

- Housing Revenue Account

Energy Costs (£91,800)

- To approve the budget changes in the capital programme of £50,000 & below, as detailed in paragraph 4.7 and Appendix 3.
- To note the budget changes in the capital programme above £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 (£70,000)
 - Renovation Grants £52,000 (met by Regional Housing Board Grant)
- To note the capital programme schemes totalling £2,374,300 proposed for deferral into 2008/2009 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.