



Report to Cabinet

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

Date: 1 November 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 September 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.

Portfolio Area	Task	Original Target	Proposed Revised/New Target
Direct Service and Property	Implementation of new charging arrangements for trade waste customers	December 2007	April 2008
Direct Service and Property	Review of fleet Management arrangements and operations	October 2007	April 2008
Direct Service and Property	Review of joint refuse collection opportunities following outcomes of project with neighbouring district councils on cross boundary working with neighbours	April 2008	December 2008
Leisure Services	Development of the King George V Park, Arnold to provide enhanced community facilities.	March 2007	March 2009
Housing and Health	Implement on-line licensing	July 2007	March 2009
Leader	Commission and manage introduction of new performance management system, including links to Community Profiles	Live date - April 2008 (provisional)	March 2009
Finance and Information Technology	Implementation of Payroll/Personnel IT system to included web access for managers and employees (Phase II)	March 2008	March 2009
Finance and Information Technology	Review Base Maintenance budget as part of Corporate budget process	December 2007	March 2008

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 2007. The overall resource implications for the Council are: -
- The General Fund 2007/2008 Quarterly Budget Monitoring position shows that overall this leaves £106,600 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 £42,500 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 September 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 up to September 2007	(83,700)
The current approved budget for 2007/2008 is therefore	14,702,700
Up to the end of September 2007 expenditure less income totalled	6,934,500
In the remaining 6 months of year net of income we expect expenditure to be	7,745,300
Total net revenue spending for the year is currently expected to be	14,679,800
At the end of 2007/2008, therefore, we currently expect the revenue budget to be under spent against the current approved budget by.	(22,900)
Against the Cabinet's maximum budget for 2007/2008, we currently expect the revenue budget to be underspent by £106,600 and this will be added to the Council's balances. This is approximately 0.72% of the Council's maximum budget.	(106,600)

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 £22,900 anticipated under spend to be approved.

4.5 Housing Revenue Account Budget 2007/2008 - Change Analysis as at 30 September 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 up to September 2007	(33,900)
The Current Approved Budget for 2007/2008 is	(363,200)
Total net revenue spending for the year is currently expected to be	(371,800)
At the end of 2007/2008, therefore, we currently expect the Housing Revenue budget to be under spent against the current approved budget by.	(8,600)
Against the maximum budget for 2007/2008, we currently expect the Housing Revenue budget to be under spent by £42,500 and this will be added to the Council's HRA balances. This is approximately 12.9% of the Council's maximum budget.	(42,500)

Appendix 2 shows a summary of the changes for the Housing Revenue account that make up the £8,600 anticipated underspend, to be approved.

4.6 Overall budget monitoring shows that;

- General Fund Expenditure is likely to be £106,600 less than originally anticipated.
- Housing Revenue Account Expenditure is likely to be £42,500 less than originally anticipated.

4.7 Capital Budget 2007/2008 - Change Analysis at 30 September 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 2006/2007 approved by Council 20 June 07.	682,700
Changes approved by Cabinet and Personnel and Resources Committee, Quarter 1 2007/08	(2,272,800)
The current total approved budget for 2007/2008	8,265,100
<u>Proposed Quarter 2 Amendments to the 2007/08 Programme</u>	
<u>Schemes identified for deferral to 2008/2009</u>	
Remote Access for Officers	(23,800)
Total Schemes for Deferral	(23,800)
<u>Additions to schemes funded by external grants/contributions:</u>	
Home Insulation THAWS (contribution from Climate Energy)	52,700
Calverton Leisure Centre New Reception Entrance (contribution from Nottinghamshire County Council)	15,000
Calverton Leisure Centre New Reception Entrance (contribution from Colonel Frank Seely School)	10,000
<u>Other Changes</u>	
HIP - reallocation between schemes to reflect revised priorities (net effect nil).	101,200 (101,200)
Total Proposed Amendments To Capital Programme	53,900

Proposed Revised Capital Programme 2007/08	8,319,000
Actual Expenditure to Quarter 2 2007/08	2,352,600
Estimated Expenditure Quarter 3-4 2007/08	5,952,200
Projected Outturn 2007/08	8,304,800
Projected Capital Programme Underspend 2007/08	(14,200)

The £14,200 net underspend is made up of minor savings within the Housing Improvement Programme, and on Vehicle & Plant acquisitions within 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.

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

- Waste Management - integrated waste collection £185,800 matched by contributions from other bodies.
- Local Authority Business Growth Incentive – contributions to balances £304,500 matched by grant.

- Increased Investment Interest (£63,500)
- 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.
 - Home Insulation THAWS - £52,700 (met by contribution from Climate Energy)
 - HIP - £101,200 (reallocation between schemes - net effect nil).
- To note the capital programme schemes totalling £23,800 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.