



Report to Cabinet

Subject: Quarterly Budget Monitoring, Performance Digest & Virement Report

Date: 5 February 2009

Author: Senior Management Team

1. PURPOSE OF THE REPORT

- To update Cabinet on the likely outturn of the Revenue and Capital Budgets for the 2008/2009 financial year. The budgets include all carried forward amounts from the 2007/2008 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 2008/2009 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 2008, 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 |
|---------------------------------------|--|------------------------|------------------------------------|
| Customer Services and Efficiency | Devise and implement a training and capacity building programme for members | Mar 09 | Mar 10 |
| Direct Services and Property | Review of joint refuse collection opportunities – Phase 1 | Dec 08 | June 09 |
| Direct Services and Property | Review of Taxi Plating Service, including use of contractor | Mar 09 | June 09 |
| Direct Services and Property | Review Building services | Mar 09 | June 09 |
| Leisure and Youth | Review Leisure department's roles, responsibilities and resource requirements following the findings of the transformation process | Mar 09 | July 09 |
| Housing and Health | Produce a revised Housing Strategy, submit to GOEM and implement | Dec 08 | Autumn 09 |
| Housing and Health | Provision of an electronic end-to - end licensing system | Mar 09 | July 09 |
| Development and Economic Regeneration | Develop S106 Monitoring | Mar 09 | June 09 |
| Development and Economic Regeneration | Complete and review the implementation of total land charges system | Sept 08 | Oct 09 |

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 Financial Services by the relevant spending officers as at 31 December 2008. The overall resource implications for the Council are: -

- The General Fund 2008/2009 Quarterly Budget Monitoring position shows that overall this leaves £268,300 available for managing the budget within the Council approved cash limit.
- The Housing Revenue Account 2008/2009 is currently being finalised following Stock Transfer & final figures have not yet been produced. These will be reported to Cabinet as soon as they are available. However, it is not anticipated at this moment in time, that there will be any significant variances to what has been assumed in the medium term financial plan.

- 4.3 The tables below identify the effect on balances of the current expected Outturn

General Fund Revenue Budget 2008/2009 – Change Analysis at 31 December 2008

| | £ |
|--|-------------------|
| The original 2008/09 budget approved by Council on 5 March 2008 | 15,139,900 |
| On 18 June 2008 Council approved carry forward schemes that had slipped from the 2007/2008 Revenue Programme | 441,800 |
| On 3 September Council approved an increase to the Cabinets maximum budget as submitted in the first quarter Budget Monitoring and Performance Digest Report | 498,200 |
| Cabinets Maximum Budget | 16,079,900 |
| Approved changes up to December 2008 | (54,700) |
| The current approved budget for 2008/2009 is | 16,025,200 |
| Up to the end of December 2008 expenditure less income totalled | 11,832,413 |
| In the remaining 3 months of year net of income we expect expenditure to be | 3,979,187 |
| Total net revenue spend for the year is currently expected to be | 15,811,600 |
| At the end of 2008/2009, therefore, we currently expect the revenue budget to be underspent against the current approved budget by | 213,600 |
| Against the Cabinet's maximum budget for 2008/2009, we currently expect the revenue budget to be underspent by | 268,300 |
| This is approximately 1.67 % of the Council's maximum budget. | |

- 4.4 Overall budget monitoring shows that General Fund Expenditure is likely to be £213,600 less than the Current Approved Budget.

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 £213,600 anticipated underspend.

4.5 Capital Budget 2008/2009 - Change Analysis at 31 December 2008

| | £ | £ |
|--|---|------------------|
| <u>Approved Capital Programme 2008/09</u> | | |
| Original 2008/09 budget approved by Council 5 March 2008 | | 7,133,600 |
| Schemes approved for deferral from 2007/08 to 2008/09 by Personnel and Resources Committee, during Quarter 3 of the 2007/08 budget monitoring process. | | 1,210,500 |
| Capital Carry Forwards from 2007/08 approved by Council on 18 June 2008. | | 641,700 |
| Adjustments to Housing Investment Programme to reflect transfer to Gedling Homes 3 November 2008 | | (936,600) |
| Replacement grave digger funded by insurance fund | | 32,100 |
| Changes approved from quarter 1 2008/09 | | (526,100) |
| Changes approved from quarter 2 2008/09 | | (1,925,000) |
| The current total approved budget for 2008/2009 | | 5,630,200 |

Proposed Quarter 3 Amendments to the 2008/09 Programme

Schemes identified for deferral to 2009/2010

| | | |
|--|-----------|------------------|
| Private Sector Improvement Grants | (59,500) | |
| Strategic Land Sales Review | (50,000) | |
| Reinstate King George V Arnold | (72,300) | |
| Bigwood School Community Sports Facility | (102,500) | |
| Salop Street Youth Facility | (65,000) | |
| Cemeteries Land Purchases | (10,000) | |
| Honeywood Gardens Community Centre | (19,100) | |
| Gedling School New Leisure | (11,400) | |
| Total Schemes for deferral | | (389,800) |

Additions and extensions to schemes funded by external grants & contributions:

| | |
|---|--------|
| Jackie Bell's Field Facilities Refurbishment (funded by Nottinghamshire County Council Play Builder) | 43,200 |
| CCTV Development (funded by contributions from Section 106, Nottinghamshire Police and NCC) | 33,500 |

Extensions to schemes funded by Revenue Contributions

| | |
|--|--------|
| Arnot Hill Park replace Bowls Pavilion disabled access | 8,000 |
| CCTV Development | 31,500 |
| Housing Investment Programme(various schemes) | 92,300 |

Total Additional / Extension to Schemes **208,500**

Savings on other Capital Schemes

| | |
|---|----------|
| Savings identified within Private Sector Improvement grants | (65,000) |
| Savings identified within Disabled Access | (13,100) |
| Net savings across several Leisure schemes | (5,900) |
| Net savings identified within vehicle replacement programme | (15,500) |

Total Scheme Savings **(99,500)**

Total Amendments To Capital Programme **(280,800)**

Proposed Revised Capital Programme 2008/09 **5,349,400**

Capital Summary

| | |
|---|------------------|
| Actual Expenditure to Quarter 3 2008/09 | 3,430,900 |
| Estimated Expenditure Quarter 4 2008/09 | 1,918,500 |
| Projected Outturn 2008/09 | 5,349,400 |

A Capital Programme monitoring summary is attached at Appendix 3.

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 budget changes up to £50,000 in the General Fund as detailed at Appendix 1.
- To note the budget changes above £50,000 as detailed in Appendix 1 and listed below, and refer them to Personnel and Resources Committee for approval.
 - Home Improvement Agency-agreement discontinued (£70,000)
 - Section 106 contribution -Emerys Road & Brooklands Ave (£94,100)
 - Section 106 Contribution transferred to balance sheet £94,100
 - Carlton Forum Income £61,000
 - Benefits - Council Tax, Rent Allowances, Rent Rebates £5,859,300
 - Benefits Subsidy (£6,002,200)
- To approve the budget changes in the capital programme of £50,000 & below, as detailed in paragraph 4.5 and Appendix 3.
- To note the capital programme schemes totalling £389,800 proposed for deferral into 2009/2010 as detailed in paragraph 4.5 and refer them to Personnel and Resources Committee for approval.
- To note the budget changes in the capital programme of above £50,000 as detailed in paragraph 4.5, Appendix 3 & listed below and refer them to Personnel & Resources Committee for approval.
 - Private Sector Improvement Grants (£65,000)
- 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.