

**REVENUE MONITORING REPORT FOR THE 9-MONTH PERIOD 1 APRIL TO 31  
DECEMBER 2006**

**EXECUTIVE MEMBER:** Cllr Elaine Woodburn  
**LEAD OFFICER:** Sue Borwick, Head of Finance and Business Development  
**REPORT AUTHOR:** Paul Robson, Accountant  
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**Summary:** This report informs Members in detail of the variations in actual and expected revenue based expenditure and income over or under £10,000 of budget, for the 9 month period 1<sup>st</sup> April to 31<sup>st</sup> December 2006.

**Recommendation:**

That Members note the report and pay particular attention to the significant variances listed in Append B

**Financial and human resource implications:** On a quarterly basis, all revenue budgets, including holding accounts, will continue to be monitored and reported to members on an exception basis.

**Impact on delivering Corporate Plan Objectives** Ensure financial control to ensure resources are used efficiently, economically, and effectively in service delivery.

**Impact on other statutory objectives:**

**Project and risk management controls** Revenue monitoring is rigorously carried out each month, and reported to management within 10 working days for control and decision making purposes. Budget holders feed into the process by providing Finance with any financial information to be included in the latest set of monitoring statements. This ensures that the financial information is up to date and accurate for the reporting period.

**Key Decision Status:**

- Financial: YES

- Ward: NO

**Other Ward Implications:**

## **1.0 INTRODUCTION**

- 1.1 It is important that any overspend or under spending on revenue activities are identified as soon as possible so that any action required may be taken promptly. Managers receive detailed monitoring statements monthly to enable them to take appropriate courses of action, with financial advice being given by suitably qualified finance staff.
- 1.2 The purpose of this report is to identify any major variations from profiled budget for the 9-month period up to 31<sup>st</sup> December 2006, and to recommend any appropriate action necessary.
- 1.3 The report will highlight any areas that have a significant over or under spend and also the areas where there is likely to be more volatility. It is these areas that are, or could potentially be volatile, where more close financial management needs to be taken to ensure that emerging problems are identified as soon as possible and that remedial action can be taken before a problem occurs.
- 1.4 The over and under spends highlighted in the report cover only those areas where there is a true variance. It is sometimes the case that a budget is over or under spent due to the way it has been profiled (split over the year). In many cases, budgets are profiled equally throughout the year, e.g. a twelfth of the budget is apportioned to each month. However, in a lot of cases, profiling is irrelevant as expenditure is only incurred as and when required.
- 1.5 As part of Accountancy's bid to improve these reports after comments made by Members, this report is concentrating on the details within key areas where there could be corrective action required and those areas that are seen to be of a higher risk. It is hoped that these reports can continue to be developed throughout the coming year and any comments Members have would be welcomed.

## **2.0 FINDINGS**

- 2.1 Actual net expenditure of £3,678,700 for Period 9 to 31 December is showing an underspend of £79,200 against profiled budget of £3,757,900.
- 2.2 Projections indicate that an overall saving of circa £50,000 will be available for use for 2007/08..

## **3.0 MAIN OVER AND UNDER SPENDS**

- 2.1 Appendix A shows the summary financial position of each Budget Page.
- 2.2 Details of the main areas of over and under spends are given in Appendix B. These show the main variances of either over £10,000 for those budget heads that are considered to be quite high volatility, i.e. those that are high profile areas and those that would have a significant financial impact on the performance of the Council.
- 2.3 Key high profile areas include Enforcement, which is currently showing an overspend against budget of £133,505. The financial position of Enforcement was subject to a

separate Executive report on 21 November 2006. Projected overspend has improved by £9,000 from that reported in November.

2.4 Despite Admin Buildings reporting an underspend at this stage of the year, the cost of providing subsidised staff car parking is showing that we are not recovering the costs paid to APCOA. The Head of Nuclear and Sustainability is looking into options to redress this position.

2.3 The top volatile detailed expenditure heads are shown in Appendix C

#### 4.0 CONTINGENCIES

3.1 The level of Contingencies as at 8<sup>th</sup> January 2007 was £23,585. So far in 2006/07 there have been requests for contingencies totalling £235,233. A full list of how Contingencies has been allocated is given in the Appendix D.

3.2 This does not take account of a separate report on this agenda requesting £5k use of contingencies for health and safety purposes

#### 5.0 FURTHER CONSIDERATIONS

4.1 As part of Accountancy's bid to improve reporting, included below are some Balance Sheet Items which impact on the level of income received by the Council, that Members may find of use. It is hoped that Members can give some feedback as to whether they find this additional information useful.

- Council Tax Collection Rates
- NNDR Collection Rates

#### 4.2 Collection Rates

	Qtr3		Qtr3		Full Year Target
Council Tax Collection Rates	<b>Target</b>	86.91%	<b>Actual</b>	86.3%	98.40%
NNDR Collection Rates	<b>Target</b>	89.15%	<b>Actual</b>	88.4%	98.90%

Based on the actual position to date, it is expected at this stage that the full year targets for both Council Tax and NNDR will be achieved.

Appendices: [Appendix A Summary Qtr 3](#)  
[Appendix B Significant Variances Qtr 3](#)  
[Appendix C - Top volatile detailed expenditure heads Qtr 3](#)  
[Appendix D - Contingencies Qtr 3](#)

**List of Background Documents:** Budget Monitoring Files (December 2006/07)

**List of Consultees:** Leader  
Corporate Team