

REVENUE BUDGET – SUMMARY MONITORING REPORT 2010/11 (Period 8 to 30 November 2010)

EXECUTIVE MEMBER: Cllr E Woodburn, Leader
LEAD OFFICER: Joanne Wagstaffe, Corporate Director of Resources and Transformation

REPORT AUTHOR: Paul Robson, Management Accountant

Summary:

This report indicates the management year end forecast against the current approved 2010/11 revenue budget, based on the financial position for the 8 month period to 30 November 2010.

Recommendations:

The Executive is asked to;

- (i) note the projected year-end underspend of £423,647, against the current approved revenue budget of £16,164,560.

1 INTRODUCTION

- 1.1 In accordance with Council's Financial Regulations, the Chief Finance Officer (Corporate Director of Resources and Transformation) is required to report to the Executive on the overall budget position, and, the monitoring and control of expenditure against budget allocations. It is the responsibility of Senior Leadership Team and individual budget managers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the CFO.
- 1.2 Full reports are produced quarterly and reported to Executive. This report is based on a new system of reporting significant variances that are identified between monthly budget monitoring reports, with a summary of the key budget figures. This will ensure that Members are kept informed on a timely basis of all significant financial issues affecting the Council.

- 1.3 Budget monitoring arrangements have recently changed to improve the overall process to ensure accuracy and completeness. These improvements will benefit not only finance and budget managers, but will improve the overall decision making process.
- 1.4 This will ensure that Members are kept informed on a timely basis of all significant financial issues affecting the Council.
- 1.5 Based on the latest financial position for the 8 month period to 30 November 2010, the year end forecast of £15,740,913 indicates an under spend £423,647 against the current approved revenue budget of £16,164,560.
- 1.6 This projected year-end under spend position of £423,647 against current approved budget shows an increase of £38,812 from the £384,835 reported in Period 7.

2 DETAILS

- 2.1 Table 1 below summarises the current budget position by department.

Department	Original Budget	Current Approved Budget	Year-end Projection	Variance between Year-end Projection and Current Approved Budget	Period 7 Executive Reported Projected Variance to Current Approved Budget	Movement in Variance between Periods 7 and 8
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	1,646	1,741	1,516	(225)	(233)	8
Customer Services	865	806	732	(74)	48	(122)
Finance	1,612	1,610	1,595	(15)	71	(86)
Legal & Democratic Services	885	901	935	34	43	(9)
Policy & Performance	1,122	1,066	980	(86)	(78)	(8)
Development Strategy	2,853	3,364	3,079	(285)	(95)	(190)
Development Operations	2,450	2,502	2,545	43	(13)	56
Leisure & Environmental Services	4,692	4,424	4,358	(66)	(128)	62
Sub-total	16,125	16,414	15,740	(674)	(385)	(289)
Vacancy Management	(250)	(250)	0	250	0	250
Total	15,875	16,164	15,740	(424)	(385)	(39)

- 2.2 Movements from those reported to Period 7 are commented on in the following paragraphs. Comments made in both the Quarter 2 and Period 7 revenue monitoring reports are still relevant.

2.3 The significant reasons for the change in this position are as follows:

- Within Customer Services;
 - The budget for redundancies within the Revenues and Benefits Shared Service will not be required in full and the majority of the budget provision of £119k will be returned to reserves.
- Within the Finance area;
 - Interest returns have improved by £18k, due an increase in the level of resources available for investments due to slippage in the capital programme and revenue budget savings.
 - A forecast £10k has been recharged to Managing Radioactive Waste Safely which is fully funded by DECC.
- Within Development Strategy;
 - Forecast spending on the Local Development Framework within Planning Policy has dropped by £88k to reflect the decision to use in-house staff rather than consultants to deliver the project and general slippage on the project. Overall £300k will need to be carried forward to 2011/12 within earmarked reserves to reduce the budget requirement to deliver the project in future years.
 - Spending on homelessness is forecasted to be underspent by £25k due to the use of two rented properties rather than bed and breakfast accommodation. The current economic climate makes this area volatile to demand changes and will therefore be closely monitored to the year-end.
 - The empty shops programme is forecasted to under-spend by £27k due to slippage in the programme.
 - The Community Development Team is forecasting an underspend of £16k due to programme slippage.
- Within Development Operations;
 - Forecast spending on the provision of new gallery facilities at the Beacon of £105k has been included for the first time. Funding for this project is from the Beacon Sinking Fund and so there is no impact on general fund balances.
 - Running costs for the Beacon and Tourism Information Centre are forecasted to reduce in total by £23k.
 - Development Control is forecasting further savings of £11k in legal and professional services and other supply based costs.

- The forecast for running costs of administrative buildings has risen by £10k due to increased utility costs and reduced income at Cleator Moor Area Office.
- Within Leisure and Environmental Services;
 - In the Waste budget the forecasted income for the year has been reduced by £50k due to a reduction in the tonnage of waste collected that contributes to the generation of recycling credits.
- Corporately, the vacancy management budget of £250k has been deducted from the forecast as salary savings in excess of this figure have been recorded against individual service areas, rather than against the corporate provision.

3 IMPACT OF NEW REPORTING PROCESS

- 3.1 Reporting more frequently to Members will improve members understanding of the financial position of the council and will enable more timely discussions to be undertaken.
- 3.2 This is a new process for the Council which strives to provide better financial information through improved relationships between budget holders and the finance team. The primary objectives are to ensure that information is accurate and up to date.
- 3.3 This new process may take a number of months to bed in and during that time there may be some movement in year-end projections due to the complexity of predicting year end positions for our complex budgets.

4 CONCLUSION

The overall position is projecting a year-end underspend of £423,647 against the current approved revenue budget of £16,164,560.

All under-spends will be transferred to General Fund balances once realised at financial year end, and will only be transferred to ear-marked reserves for future use based on the current exercise being carried out by Corporate Leadership Team to identify future requirements.

5 FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

- 5.1 The summary report sets out the current revenue budget for 2010/11 and the forecast year end position and this is summarised in section 2.

6 PROJECT AND RISK MANAGEMENT

- 6.1 The budget monitoring process is carried out on a monthly basis. Management and finance staff work together to ensure financial reports are accurate and timely to assist the decision making process of the Council as a whole.
- 6.2 Budgets are monitored during the year with exceptions reported through Corporate Leadership Team and Executive during the year now on a monthly basis, with a more detailed monitoring report produced on a quarterly basis. At the year- end, the draft outturn prior to the external audit process must be reported formally. It is also good financial practice to report the year-end position on revenue reserves as a consequence of the outturn.

7 IMPACT ON CORPORATE PLAN

- 7.1 The budget and monitoring process is fully integrated into the planning process of the Council embracing all the objectives of the Council.

List of Appendices

Appendix A – Approved Current Budget 2010/11

List of Background Documents

2010/11 Period 7 Management Accounts Reports

Revenue Budget Reports 2010/11

List of Consultees

Senior Leadership Team, Budget Managers

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	None
Impact on Sustainability	None
Impact on Rural Proofing	None
Health and Safety Implications	None
Impact on Equality and Diversity Issues	None
Children and Young Persons Implications	None
Human Rights Act Implications	None
Section 151 Officer Comments	None
Monitoring Officer Comments	None

Please say if this report will require the making of a Key Decision YES/NO

	Original Approved Budget	Current Approved Budget 2010/11	Year End Projection	Variance	Period 7 Reported Variance to Current Approved Budget	Movement in Variance between periods 7 and 8	Note
	£	£	£	£	£	£	
<u>Chief Executives</u>							
Chief Executive	193,085	193,710	189,189	(4,521)			
Corporate Management	224,524	373,333	240,300	(133,033)			
Corporate Initiatives	151,182	90,411	83,811	(6,600)			
Community Partnerships (LSP, etc)	8,302	3,805	1,316	(2,489)			
Corporate Director of People & Places	103,690	102,179	109,583	7,404			
Management Information Systems	571,505	572,244	522,997	(49,247)			
Corporate Director of Resources and Transformation	103,347	102,361	121,368	19,007			
Nuclear	290,330	352,627	247,015	(105,612)			
	1,645,965	1,790,670	1,515,579	(275,091)	(232,842)	(42,249)	2.2
<u>Customer Services</u>							
Customer Services	605,956	577,954	594,809	16,855			
Revenues & Benefits	259,366	228,373	137,030	(91,343)			
	865,322	806,327	731,839	(74,488)	48,540	(123,028)	2.2
<u>Finance</u>							
Accountancy Services	572,680	528,904	550,368	21,464			
Concessionary Fares	645,915	645,915	591,479	(54,436)			
Corporate Treasury Management	(17,812)	(15,072)	159,931	175,003			
Corporate Insurance	283,867	283,867	194,496	(89,371)			
Audit & Fraud Prevention	126,925	126,141	98,490	(27,651)			
	1,611,575	1,569,755	1,594,764	25,009	71,103	(46,094)	2.2
<u>Legal & Democratic Services</u>							
Democractic Services	354,623	350,623	398,750	48,127			
Elections	51,972	51,073	38,476	(12,597)			
Land Charges	(57,619)	(45,619)	(46,746)	(1,127)			
Legal Services	645,137	633,508	648,756	15,248			
Licensing	(109,066)	(109,066)	(104,066)	5,000			
	885,047	880,519	935,170	54,651	42,964	11,687	2.2
<u>Policy & Performance</u>							
Communications	104,936	109,674	118,671	8,997			
Human Resources	620,709	568,936	474,117	(94,819)			
Policy & Performance Team	160,389	160,302	155,603	(4,699)			
Process Improvement Team	236,137	227,584	231,755	4,171			
	1,122,171	1,066,496	980,146	(86,350)	(78,286)	(8,064)	2.2
<u>Development Strategy</u>							
Housing and Homelessness	502,385	531,214	509,528	(21,686)			
Economic Development	279,005	621,751	618,530	(3,221)			
Planning Policy	535,220	604,214	303,476	(300,738)			
WNF/Regeneration Delivery Plan	1,310,270	1,281,838	1,275,942	(5,896)			
Sustainability	55,496	43,000	45,507	2,507			
Development Strategy (including HoS)	170,360	232,178	326,359	94,181			
	2,852,736	3,314,195	3,079,342	(234,853)	(95,213)	(139,640)	2.2
<u>Development Operations</u>							
Head of Development Operations	80,446	78,382	40,048	(38,334)			
Admin Buildings	1,081,575	1,081,575	1,096,706	15,131			
Beacon & TIC	437,545	434,832	513,952	79,120			
Building Control	102,889	112,670	142,306	29,636			
Planning	176,731	160,944	116,652	(44,292)			
Property	242,604	240,034	222,737	(17,297)			
Public Buildings	287,116	392,316	374,394	(17,922)			
Procurement	41,529	41,363	38,965	(2,398)			
	2,450,435	2,542,116	2,545,760	3,644	(13,020)	16,664	2.2
<u>Leisure & Environmental Services</u>							
Cultural Services	968,045	947,908	947,898	(10)			
Emergency Planning	20,114	20,114	20,114	0			
Enforcement	(71,904)	(80,752)	(104,585)	(23,833)			
Environmental Health	714,743	710,422	701,805	(8,617)			
Leisure & Environmental Services Management	257,247	222,738	221,920	(818)			
Open Spaces	930,749	772,508	775,108	2,600			
Waste Services	1,872,907	1,851,544	1,796,053	(55,491)			
	4,691,901	4,444,482	4,358,313	(86,169)	(128,081)	41,912	2.2
<u>Sub-Total</u>	16,125,152	16,414,560	15,740,913	(673,647)	(384,835)	(288,812)	
deduct Vacancy Management	(250,000)	(250,000)	0	250,000	0	250,000	2.2
NET EXPENDITURE	15,875,152	16,164,560	15,740,913	(423,647)	(384,835)	(38,812)	