

WYRE FOREST DISTRICT COUNCIL

CABINET

MEETING ON 25TH AUGUST, 2005

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| COMMUNITY STRATEGY THEME | |
| CORPORATE PLAN THEME: | Improving Corporacy & Performance |
| KEY PRIORITY: | Financial and Asset Management |
| STRATEGY: | Financial Strategy |
| CABINET MEMBER: | Councillor John Campion |
| RESPONSIBLE OFFICER: | Head of Financial Services |
| CONTACT OFFICER: | Jane Kitchen, Ext. 2101 |
| APPENDIX 1 | Wyre Forest District Council General Fund Total Requirements - District Council Purposes |
| APPENDIX 2 | Budgetary Control Reports - Revenue |
| APPENDIX 3 | Budgetary Control Report – Final Capital Programme 2004/2005 |
| APPENDIX 4 | Budgetary Control Report – Capital Programme 2005/2006 |
| APPENDIX 5 | Prudential Indicators 2005/2008 |
| APPENDIX 6 | Budget Risk Matrix |
| AN OPEN ITEM | |

REPORT ON BUDGET MONITORING

1. PURPOSE OF REPORT

- 1.1 To monitor the Revenue Budget and Capital Programme in accordance with Local Government Act 2003 and Comprehensive Performance Assessment (CPA) guidelines.

2. RECOMMENDATIONS

- 1) that the projected budget variations and comments outlined within this report be noted. Any overspends or projected loss of income will be considered as supplementary estimates later in the financial year when the Cabinet considers the revised Budget prior to onward approval by Council;
- 2) that the Heads of Service continue to monitor closely the Revenue Budget and Capital Programme;
- 3) that the updated Capital Programme and Vehicle and Equipment Renewal Schedule 2005/2008, brought about by slippage and reassessment, be noted;
- 4) that the revised Prudential Indicators 2005/2008 be noted; and
- 5) that the revised Budget Risk Management Matrix be noted.

3. BACKGROUND

- 1 Council on 23rd February 2005 agreed the revised Revenue Budget and Capital Programme for the period 2004/2007.

4. KEY ISSUES

- 4.1 The Cabinet is responsible for overall revenue budget and capital programme performance and monitoring.
- 4.2 Head of Financial Services provides each Head of Service monthly financial statements to assist with budget monitoring.
- 4.3 Each Head of Service is responsible for the administration and monitoring of resources allocated to their Division.
- 4.4 The Cabinet are required to consider on a regular basis relevant financial information relating to Budget monitoring and take appropriate action where necessary.

5. FINANCIAL IMPLICATIONS - BUDGET MONITORING 1ST QUARTER 2005/2006

- 5.1 A copy of the Council's approved Revenue Budget is enclosed as Appendix 1 for Members information.
- 2 The Head of Financial Services, having consulted with other Heads of Service, has produced a schedule of significant budget variations and comments on key activities for the first quarter as Appendix 2.
- 3 A copy of the Council's Final Capital Programme for 2004/2005 is enclosed as Appendix 3.
- 4 An amended Capital Programme and Vehicle and Equipment Renewals Schedule for 2005/2006, including slippage from 2004/2005 Capital Programme is enclosed as Appendix 4.
- 5 In line with the approved protocol, for the reporting of changes to Council approved prudential indicators an amended set of Prudential Indicators 2005/2008 are attached in Appendix 5. Any changes principally reflect Capital Programme slippage's from 2004/2005.

6. LEGAL AND POLICY IMPLICATIONS

- 1 The Local Government Act 2003 (sections 25 – 29) placed new duties on Local Authorities on how they set and prioritise budgets.
- 2 Section 28 places a statutory duty on an authority to review its budget from time to time during the year. If the Budget Monitoring Report shows that there has been a deterioration in the Authority's financial position, the Authority must take such action as it concludes necessary. The Council currently reviews the Budget on a quarterly

basis.

- 3 The new CPA and guidelines place greater emphasis on Use of Resources made by Local Authorities. The Audit Commission will make a use of resources assessment based on the annual programme of external audit work. One of the Key Line of Enquiry (KLOE) will be how well the Council manages and uses its financial resources.

RISK MANAGEMENT

- 7.1 The Budget Risk Matrix has been revised to reflect the current assessment of risk. A copy of the Budget Risk Matrix is enclosed as Appendix 6 for information.

8. CONCLUSIONS/ACTION

- 1 The information contained within Appendices 2 and 4 provides Members with an overview of financial trends within the period to 30th June 2005, together with appropriate comments relative to key activities.
- 2 A further report identifying the six month position will be submitted to the Cabinet in November 2005.

Consultees

CMT

Background Papers

Cabinet 13th January 2005 CM.641