

WYRE FOREST DISTRICT COUNCIL

CABINET MEETING ON 16TH FEBRUARY, 2006

AN OPEN ITEM	
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 – Capital Programme 2005/2006
APPENDIX 4	Budget Risk Matrix

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

The Cabinet is asked to **DECIDE :-**

- 2.1 the projected budget variations and comments outlined within this report be noted;
- 2.2 the Heads of Service continue to monitor closely the Revenue Budget and Capital Programme;
- 2.3 the Head of Financial Services submit future report to the Cabinet on a quarterly basis;
- 2.4 the Revised Prudential Indicators 2006/2009 have been considered as part of the Treasury Management Policy and Strategy Report 2006/2007; and
- 2.5 the revised Budget Risk Management Matrix be noted.

3. BACKGROUND

- 3.1 Council on 23rd February 2005 agreed the Revenue Budget and Capital Programme for the period 2005/2008.
- 3.2 Cabinet on 22nd December 2005 approved the Revised Budget for the period 2005/2006.

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 3RD QUARTER 2005/2006

- 5.1 A copy of the Council's approved Revenue Budget is enclosed as Appendix 1 for Members information.
- 5.2 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, compared with Revised Budget, for the third quarter as Appendix 2.
- 5.3 An amended Capital Programme and Vehicle, Equipment and Systems Renewals Schedule for 2005/2006, including slippage from 2004/2005 Capital Programme is enclosed as Appendix 3.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Local Government Act 2003 (sections 25 – 29) placed new duties on Local Authorities on how they set and prioritise budgets.
- 6.2 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.
- 6.3 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.

7. RISK MANAGEMENT

- 7.1 The Budget Risk Matrix has been revised as part of the Budget process, to reflect the current assessment of risk. A copy of the Budget Risk Matrix is enclosed as Appendix 4 for information.

8. CONCLUSIONS

- 8.1 The information contained within Appendix 2 provides Members with an overview of financial trends within the period to 31st December 2005, together with appropriate comments relative to key activities.
- 8.2 A further report identifying the full year position will be submitted to the Cabinet in June 2006.

9. CONSULTEES

- 9.1 CMT.

10. BACKGROUND PAPERS

- 10.1 Cabinet 22nd December 2005.