

WYRE FOREST DISTRICT COUNCIL

CABINET
21ST DECEMBER 2006

BASE BUDGET VARIATIONS

AN OPEN ITEM	
COMMUNITY STRATEGY THEME:	-
CORPORATE THEME:	Improving Corporacy & Performance
KEY PRIORITY:	Financial & Asset Management
STRATEGY:	Budget & Policy Framework
CABINET MEMBER:	Councillor John Campion
RESPONSIBLE OFFICER:	Head of Financial Services
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APPENDIX 1	Budget Variations - Original to Revised 2006/2007
APPENDIX 2	Budget Variations - Revised Budget 2006/2007 to Base 2007/2008

1. PURPOSE OF REPORT

- 1.1 To monitor the Budget Variations between Original and Revised Budgets 2006/2007 and between the Revised Budget 2006/2007 and the Base Budget for 2007/2008.

2. RECOMMENDATIONS

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

- 2.1 The Cabinet consider the Budget Variations in arriving at their Budget Strategy 2007/2010.
- 2.2 Heads of Service continue to monitor closely the Budget and the Head of Financial Services continues to report to the Cabinet on a quarterly basis.

3. BACKGROUND

- 3.1 Council on 1st March 2006 agreed the Revenue Budget and Capital Programme for the period 2006/2009.
- 3.2 The Cabinet is responsible for overall Revenue Budget and Capital Programme performance and monitoring.
- 3.3 The Head of Financial Services provides each Head of Service monthly financial statements to assist with budget monitoring.

- 3.4 Each Head of Service is responsible for the administration and monitoring of resources allocated to their Division.
- 3.5 The Cabinet are required under the Local Government Act 2003 (S.28) to consider on a regular basis relevant financial information relating to Budget monitoring and take appropriate action where necessary.

4. KEY ISSUES

- 4.1 Appendix 1 shows a reduced net expenditure of £548,660 when Original Budget 2006/2007 is compared with Revised Budget 2006/2007. Appendix 2 shows a reduced net expenditure of £126,750 for 2007/2008 Base Budget when compared with Revised Budget 2006/2007. The cumulative Base Budget expenditure reduction of £675,410 over the two financial years 2006/2007 and 2007/2008 will be taken into account when Cabinet formulate their budget strategy.

5. BUDGET VARIATIONS

- 5.1 A Schedule of Budget Variations between the Original Budget 2006/2007 and Revised Budget 2006/2007 is enclosed as Appendix 1 for Members Information.
- 5.2 A Schedule of the Budget Variations between the Revised Budget 2006/2007 and the 2007/2008 Base Budget is enclosed as Appendix 2 to explain the reduction in next years new Base Budget.

6. FINANCIAL IMPLICATIONS

- 6.1 The Cabinet will consider the Budget Variations in arriving at their Budget Strategy 2007/2010.

7. LEGAL AND POLICY IMPLICATIONS

- 7.1 The Local Government Act 2003 imposed duties on Local Authorities designed to ensure they make prudent allowance for risk and uncertainties in their budget and that they regularly monitor their finances during the course of the year.
- 7.2 Section 25 of the Act deals with budget calculations and requires the statutory Finance Officer to report on the robustness of estimates and reserves.

8. RISK MANAGEMENT

- 8.1 The Cabinet needs to ensure all known budget variations are taken into account in arriving at their Budget Strategy 2007/2010.

8.2 The Accounts and Audit Regulations 2003 require Local Authorities to fully consider and manage risk as part of the budget process. A separate report is presented to this meeting of the Cabinet.

9. CONCLUSION

9.1 The information contained within Appendices 1 and 2 provides Members with key information to assist with their deliberations in formulating the new Budget Strategy 2007/2010.

10. CONSULTEES

10.1 CMT.

11. BACKGROUND PAPERS

11.1 Council 1st March 2006 Minute C.107.

11.2 Reports to Cabinet 23rd November 2006 and 24th August 2006 on Budget Monitoring.