

## WYRE FOREST DISTRICT COUNCIL

**CABINET MEETING**  
**22<sup>ND</sup> FEBRUARY, 2007**

### Report on Budget Monitoring - Third Quarter 2006/2007

<b>AN OPEN ITEM</b>	
<b>COMMUNITY STRATEGY THEME</b>	
<b>CORPORATE PLAN THEME:</b>	-
<b>KEY PRIORITY:</b>	Financial and Asset Management
<b>STRATEGY:</b>	Financial Strategy
<b>CABINET MEMBER:</b>	Councillor John Campion
<b>RESPONSIBLE OFFICER:</b>	Head of Financial Services
<b>CONTACT OFFICER:</b>	Keith Bannister, Ext. 2100
<b>APPENDIX 1</b>	Wyre Forest District Council General Fund Total Requirements - District Council Purposes
<b>APPENDIX 2</b>	Budgetary Control Report - Revenue
<b>APPENDIX 3</b>	Budgetary Control Report – Capital Programme 2006/2007
<b>APPENDIX 4</b>	Budget Risk Matrix
<b>APPENDIX 5</b>	Supplementary Estimate/Virement Report 2006/2007

#### **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 updated Capital Programme and Vehicle, Equipment and Systems Renewal Schedule 2006/2007, brought about by slippage and reassessment, as detailed in Appendix 3 of the Cabinet report, be noted.

**RECOMMENDATIONS** (continued)

- 2.4 It be noted that the Revised Prudential Indicators 2007/2010 will be considered as part of the Treasury Management Policy and Strategy Report 2007/2008.
- 2.5 The Budget Risk Management Matrix, at Appendix 4 of the Cabinet report, be noted.
- 2.6 The Supplementary Estimate/Virement Report, at Appendix 5 of the Cabinet report, be noted.

**3. BACKGROUND**

- 3.1 Council on 1<sup>st</sup> March 2006 agreed the revised Revenue Budget and Capital Programme for the period 2006/2009.

**4. KEY ISSUES**

- 4.1 The Cabinet is responsible for the 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 3<sup>RD</sup> QUARTER 2006/2007**

- 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 on key activities for the second quarter as Appendix 2.
- 5.3 An amended Capital Programme and Vehicle and Equipment Renewals Schedule for 2006/2007, including slippage from 2005/2006 Capital Programme is enclosed as Appendix 3.

- 5.4 A copy of the Supplementary Estimate/Virement Schedule is enclosed as Appendix 5.

/continued.....

## **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 Lines 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 to reflect the current assessment of risk. A copy of the Budget Risk Matrix is enclosed as Appendix 4 for information.

## **8. CONCLUSIONS/ACTION**

- 8.1 The information contained within Appendices 2 and 3 provides Members with an overview of financial trends within the period to 31<sup>st</sup> December 2006, 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 2007.

## **9. CONSULTEES**

- 9.1 CMT

## **10. BACKGROUND PAPERS**

- 10.1 Council 1<sup>st</sup> March 2006 C.107