

WYRE FOREST DISTRICT COUNCIL

CABINET
21ST FEBRUARY 2008

REPORT ON BUDGET MONITORING – THIRD QUARTER 2007/2008

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| COMMUNITY STRATEGY THEME | |
| CORPORATE PLAN THEME: | - |
| KEY PRIORITY: | Financial and Asset Management |
| STRATEGY: | Financial Strategy |
| CABINET MEMBER: | Councillor John Campion |
| RESPONSIBLE OFFICER: | Head of Financial Services |
| CONTACT OFFICER: | Keith Bannister, Ext. 2100 |
| APPENDIX 1 | Wyre Forest District Council General Fund Total Requirements - District Council Purposes |
| APPENDIX 2 | Budgetary Control Report - Revenue |
| APPENDIX 3 | Income Generation Report |
| APPENDIX 4 | Budgetary Control Report - Capital - Programme 2007/2008 |
| APPENDIX 5 | Budget Risk Matrix |
| APPENDIX 6 | Supplementary Estimate/Virement Report 2007/2008 |
| APPENDIX 7 | Efficiency Gains Report |
| AN OPEN ITEM | |

1. PURPOSE OF REPORT

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

2. RECOMMENDATIONS

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

- 2.1 that the projected budget variations and comments outlined within this report be noted.
- 2.2 that the Income Generation Report be noted;
- 2.3 that the Heads of Service continue to monitor closely the Revenue Budget and Capital Programme;
- 2.4 that the updated Capital Programme and Vehicle, Equipment and Systems Renewal Schedule 2007/2008, brought about by slippage and reassessment as detailed in Appendix 4 of the Cabinet report, be noted;

- 2.5 that the **Budget Risk Management Matrix, at Appendix 5 of the Cabinet report be noted;**
- 2.6 that the **Supplementary Estimate/Virement report, at Appendix 6 of the Cabinet Report be noted; and**
- 2.7 that the **Efficiency Gains report, at Appendix 7 of the Cabinet report be noted.**

3. **BACKGROUND**

- 3.1 Cabinet on 20th December 2007 agreed the revised Revenue Budget and Capital Programme for the period 2007/2011.

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 3RD QUARTER 2007/2008**

- 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 third quarter as Appendix 2.
- 5.3 A copy of the Income Generation Projection Report for the third quarter is enclosed as Appendix 3. Income variations are included together with expenditure items in Appendix 2. This additional report is to enable Members to consider and focus on key income generation areas which impact on the overall revenue budget.
- 5.4 An amended Capital Programme and Vehicle and Equipment Renewals Schedule for 2007/2008, including slippage from 2006/2007 Capital Programme is enclosed as Appendix 4.
- 5.5 A copy of the Supplementary Estimate/Virement Schedule is enclosed as Appendix 6.
- 5.6 A copy of the Efficiency Gains report is enclosed as Appendix 7.

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 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 5 for information.

8. CONCLUSIONS/ACTION

- 8.1 The information contained within Appendices 2, 3 and 4 provides Members with an overview of financial trends within the period to 31st December 2007, 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 2008.

Consultees

CMT

Background Papers

Council 28th February 2007 C.97