

WYRE FOREST DISTRICT COUNCIL

CABINET
21ST AUGUST, 2008

Report On Budget Monitoring – First Quarter 2008/2009

OPEN	
COMMUNITY STRATEGY THEME:	Stronger Communities
CORPORATE PLAN THEME:	A Well-Run and Responsive Council
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APPENDIX 1	Wyre Forest District Council General Fund Total Requirements - District Council Purposes
APPENDIX 2	Budgetary Control Reports - Revenue
APPENDIX 3	Income Generation Projection Report
APPENDIX 4	Budgetary Control Report – Final Capital Programme 2007/2008
APPENDIX 5	Budgetary Control Report – Capital Programme 2008/2009
APPENDIX 6	Budget Risk Matrix

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 That the projected budget variations and comments outlined within this report be noted. An action plan to address any overspends or projected loss of income be considered at the September Cabinet in conjunction with revised Budget proposals prior to approval by Council;
- 2.2 That the Income Generation Projection 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 2008/2009, brought about by slippage and reassessment, be noted;
- 2.5 That the revised Budget Risk Matrix be noted; and

2.6 To note that no Supplementary Estimates/Virements have been reported at this stage.

3. BACKGROUND

3.1 Council on 27th February 2008 agreed the revised Revenue Budget and Capital Programme for the period 2008/2011.

4. KEY ISSUES

4.1 The Cabinet is responsible for overall revenue budget and capital programme performance and monitoring.

4.2 The 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 is 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 2008/2009

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 revenue budget variations and comments on key activities for the first quarter as Appendix 2.

5.3 A copy of the Income Generation Projection Report for the first quarter is enclosed as Appendix 3. This additional report is to enable Members to consider and focus on key income generation areas which impact on the overall revenue budget. Income variations are included together with expenditure items in Appendix 2.

5.4 A copy of the Council's Final Capital Programme and Vehicle, Equipment and Systems Renewal Schedule for 2007/2008 is enclosed as Appendix 4.

5.5 An amended Capital Programme and Vehicle, Equipment and Systems Renewal Schedule for 2008/2009, including slippage from 2007/2008 Capital Programme is enclosed as Appendix 5.

5.6 No Supplementary Estimates/Virements have been reported at this stage.

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 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 6 for information.

8. EFFICIENCY SAVINGS (“CSR07” REQUIREMENTS)

- 8.1 The financial year 2008/2009 is the first year of the new Comprehensive Spending Review (CSR) 07 replacing the former “Gershon” regime. The Budget Review Panel is to adopt a revised approach to reviewing efficiency plans during the 2009/2010 budget considerations. Attention will be concentrated upon division’s individual plans in relation to efficiency and detailed working papers/evidence must be provided in order for savings to be treated as efficiency gains.

9. CONCLUSIONS/ACTION

- 9.1 The information contained within Appendices 2, 3 and 5 provides Members with an overview of financial trends within the period to 30th June 2008, together with appropriate comments relative to key activities.
- 9.2 A further report identifying the six month position will be submitted to the Cabinet in November 2008.

10. CONSULTEES

CMT

11. BACKGROUND PAPERS

Council 27th February 2008 C.82.

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