

Explanations of Appendix B, C and D

1. General Comments

- This is the first report to be presented to Committees under the new budget monitoring format.
- Producing regular budget monitoring reports to Committees, as well as to all members monthly, will help the Council to achieve better Use of Resources scores from the Audit Commission in future years.
- Although a lot of work has been put into designing the reports, the whole process will be reviewed in September, taking account of comments from Members.
- Comments from Heads of Division (HoD's) responsible for each budget have been added to the reports, where these have been received in time,
- If HoD's have profiled budgets showing overspends or under recovery of income in excess of 10% for this Committee, they (or their Director) will be in attendance at the meeting to give further explanations.
- It will not be possible for HoDs to get all their budget profiles right at the first attempt so they will continue to refine them throughout the financial year.
- If members need to obtain further details about a particular overspend, they can use the drill down facility from the reports they have received direct for all service budgets.
- Not all budgets will appear with a "budget to date" if the budget profile from the HoD determines that there is no spending expected until later in the financial year, or even at the year end.
- It is anticipated that capital budget monitoring reports will be produced for the end of June quarter.

2. Appendix B

- Appendix B summarises the Community Committee's net costs, analysed for each service, for direct costs and direct income only. The 2008/09 Original agrees to the direct cost/income lines for each service budget. It has not been possible to reconcile back to the Budget Book because of issues of profiling recharges.

3. Appendix C

- This report will show the Total Direct Costs and Total Direct Income budgets together with the profiled budgets, actual to date and forecast Outturn.

4. Appendix D

- This report will show the Direct Costs and Direct Income budgets analysed as per the budget book into the sub headings such as staffing costs etc, which make up the total direct costs, (or direct income), together with the profiled budgets, actual to date and forecast Outturn.

Guidance notes on Budget Monitoring Statements

1. 2007/08 Actual

This column shows the latest position for the Council's Accounts for 2007/08. At the 2nd June when the report was run from the Financial Management System, the accounts had not yet been completed. At the next cycle of meetings the figures in this column will be final (subject to external audit).

2. 2008/09 Bud to Date

This is the profiled amount of the budget expected to be either spent to the end of May, or in respect of income, the amount expected to be received by the end of May. Heads of Division have looked at each budget and identified what is the spending/income pattern for the financial year.

3. 2008/09 Act to Date

This column shows the actual amount of either expenditure or income to the end of May.

4. Variance Act –Bud

This is the difference between columns 2 and 3 above and should be the column that members focus on.

To assist in the process each variance has been identified with a coloured symbol and/or coloured figures, which should assist members in identifying the budgets to look at. For example:

- **Figures In red with sad face.** This means that the overspend or lower income variance between actual and profiled budget (paragraph 4 above) is more than 10%. **Members should focus on these budgets which should all have an explanation from the responsible Head of Division.**
- **Figures in salmon.** This means that the variance is between 5% and 10%.
- **Figures in Purple with happy face.** These variances are in the Council's favour, either by profiled expenditure budgets being underspent or income received in excess of profiled budgets. **Members should be aware that it is very early in the financial year, and also there may only have been one month's invoices included in these reports.**

5. 2008/09 ORIGINAL

The total budget for either direct costs or direct income, as shown in the budget book for that service.

6. Projected Outturn

The amount that the budget is expected to be at the end of the financial year, based on 2 months actuals and 10 months profiled budgets. As highlighted above, not all payments for the first 2 months will have been posted to the FMS when the report was run.