

Committee:	Finance and Administration Committee	Agenda Item
Date:	26 June 2008	11
Title:	Budget Monitoring 2008/09	
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Summary

- This is the first Budget Monitoring report to this Committee for the financial year 2008/09.
- Performance Select Committee, at its meeting on 29 April 2008 agreed the process for members to separately receive budget monitoring information direct.
- Reports are attached at Appendices A, B, C and D in the following structure:
 - Appendix A is a briefing note explaining where the figures come from, the principles of profiling budgets, and a guide to the various warning signs via the “faces”.
 - Profiled budget monitoring information at Committee level excluding recharges is set out at Appendix B
 - Appendix C shows the Direct Costs and Direct Income for each service within the Committee (together with comments from the Heads of Divisions (HoD’s) responsible for each service). These are reconciled to the relevant page in the Budget Book. However the prints in Appendix C are in code order and do not exactly match the page order.
 - Appendix D shows a more detailed breakdown for each service. Because of the large number of pages, a printed copy of these detailed prints has been placed in the Members Room.

Recommendations

- Members note the content of this report.
- A further Budgetary Control Monitoring report will be submitted to the next meeting of this Committee.

Background Papers

- Reports from the Financial Management System

Impact

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Communication/Consultation	None
Community Safety	None
Equalities	None
Finance	The report sets out budget monitoring information for this Committee to the end of May 2008.
Human Rights	None
Legal implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	The report includes budgets and actual spending for employees

Situation

- 1 Members will have recently received detailed budget monitoring information for all the Council's services.
- 2 The Appendices in this report only relate to the "Finance and Administration" Committee.
- 3 Members should note that it is still very early in the financial year, and more meaningful monitoring figures will be produced as the year progresses.
- 4 In addition to the information being sent on services to all Councillors, a report on high profile budgets across the Council is submitted to the regular meetings between the Strategic Management Board and the political administration.
- 5 Performance Select Committee will monitor all budgets exceeding 10% of their variance from the profiled budget, and receive explanations from HoDs.
- 6 Appendix B shows that overall, the Committee's net spending to the end of May is underspent by £181,685 against the profiled budgets for the same period

Risk Analysis

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Risk	Likelihood	Impact	Mitigating actions
Members do not carry out budget monitoring as highlighted by the external auditor.	1	4	A process is now in place to ensure all members receive monthly reports
HoD's do not monitor their budgets on a regular basis	2	4	Members do require explanations where profiling has shown overspends/lower income
No corrective action takes place to offset overspends or lower income	2	4	Members can monitor monthly reports to see if corrective action is taking place.
Further pressure is placed on reserves	2	4	Finance Committee will receive regular reports for the whole of the Council's budget
HoD's are not accountable for their budgets	2	4	HoD's will have to attend Performance Select Committee to explain variances over 10% of profiled budgets.