

Committee: Finance and Administration Committee

Agenda Item

Date: 25th September 2008

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Title: Budget Monitoring 2008/09

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Item for
Information

Summary

- This is the second Budget Monitoring report to this Committee for the financial year 2008/09.
- Performance Select Committee, at its meeting on 29th April 2008 agreed the process for members to separately receive monthly budget monitoring information direct.
- Attached as Appendix One is the Finance and Administration Committee budget at service level.
- Attached as Appendix Two is the Environment Committee budget at service level.
- Attached as Appendix Three is the Development Control Committee budget at service level.
- Attached as Appendix Four is the Community Committee budget at service level.
- Attached as Appendix Five is the Licensing Committee budget at service level.

Recommendations

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

Background Papers

- Reports from the Financial Management System
- Members monthly budget monitoring reports

Impact

Communication/Consultation	None
Community Safety	None
Equalities	None
Finance	The report sets out budget monitoring information for this Committee to the end of

	August 2008. Further reports will be submitted to future meetings.
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 have recently received detailed budget monitoring information for all the Council's services up to the end of August.
- 2 Members should note that some of the budgets will be showing only 4 months spending, (due to delays in the receipt and payment of invoices), although salaries and income received are included for 5 months.
- 3 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.
- 4 Performance Select Committee will monitor all budgets exceeding 10% of their variance from the profiled budget, and receive written explanations from HoDs.
- 5 Appendix One shows that overall, this Committee's net spending to the end of August is underspent by £157,810 against the profiled budgets for the same period.
- 6 The staff/service savings target has been included in the budget for the first time this month. This has pushed a number of budgets into the red.
- 7 The highest variations from profiled budgets showing spend in excess of 10% of the profiled budget, or income 10% lower than profiled budget, are set out below:
 - Land Charges – A general downturn in the housing market and use of private agents will see a shortfall against budget of around £39,000 for the year.
 - Financial Services – With no staff turnover the target has pushed the budget into the red. The savings target will be met from the vacant Head of ICT & Finance post.

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- Information Technology – The savings target being introduced has caused the red figure. The target will be met from staff savings by the end of the financial year.
 - Committee Administration – With no staff turnover the target has pushed the budget into the red.
 - Internal Audit – With no staff turnover the target has pushed the budget into the red.
- 8 Members have received earlier on the agenda an update to the Medium Term Financial Strategy (MTFS) which highlights a significant number of areas of concern which will have an impact on this Committee's budget.
- 9 Despite paragraph 5 showing that this Committee is underspent by £157,810 there is a requirement for Heads of Division to produce proposals to find the funding for the shortfalls in paragraph 7 from within their existing budgets. **This Council still has severe financial problems and cannot afford for budgets to be overspent or income levels not being achieved.**
- 10 Appendices two to five show the position for the other Committees. These Committees have received the budget monitoring report for their Committee and explanations for overspent budgets as follows:

Environment

- Building Surveying – There is a slowdown in the current number of applications which may be associated with the 'credit crunch' and the problems with borrowing to fund improvements.
- Planning Policy – A virement is required from another budget to fund the additional planning officer post charged to this budget.
- Waste Management – A number of issues have arisen (see point 8 below) again related to current market conditions.

Development Control

- Enforcement – A residual spend needs to be moved to the central enforcement head to match the available budget.

Community

- Port Health – An invoice was raised later than planned. The full costs of running the service are recovered from the Health Protection Agency.
- Community Safety – The expenditure relates to the Safer Stronger Communities Fund matching income will be received in due course.
- Pest Control – There have been no vacancies in this financial year and therefore the savings target has not been met. Income from charging for services is also slightly down on expected.
- Environmental Management – This budget head is being closed and split up this year to provide separate support to Environmental Health and Street Services. Once this is achieved the staff allocation will be met within budget.

Licensing

- The reason for the increase in income is due to an unexpected increase in the number of taxi drivers.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Members do not carry out budget monitoring as recommended by the external auditor.	1	4	A process is now in place to ensure all members receive monthly budget monitoring reports.
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 do not properly manage their budgets	2	4	HoDs will have to provide written explanations or attend Performance Select Committee to explain variances over 10% of profiled budgets.