

**Committee:** Finance & Administration

**Agenda Item**

**Date:** 16 September 2010

**10**

**Title:** 2010/11 Budget Monitoring  
(Finance & Administration Committee)

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Item for decision

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## Summary

1. The Committee is responsible for overseeing various General Fund Service Budgets and Capital Programme Schemes.
2. The report sets out financial performance for the period April to July 2010 and a forecast outturn to the end of the financial year.
3. The Committee's General Fund expenditure is forecasted to end the year with a net favourable variance of £135,000. IT Costs of £90,000 are to be funded from the Planning Development Reserve, so after allowing for this, the net favourable variance is £225,000.
4. Capital schemes are forecasted to end the year with a net adverse variance of £20,000, due to the need to invest additional monies in the e-procurement system.
5. The information in this report has been collated into a report covering the Council's corporate financial position to be received by the Committee later on today's agenda.
6. The Committee will receive an update on its budgets in January.

## Recommendations

7. The Committee is recommended to note and approve this report.

## Financial Implications

8. There are no direct financial implications arising from the recommendations.

## Background Papers

[2010/11 Budget Book](#)

## Impact

Communication/Consultation	The forecasts in the report have been provided by budget holders and scheme managers
Community Safety	None

Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## **Finance & Administration Committee General Fund - Summary**

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**Net favourable variance is forecast**

Overall, the Committee's expenditure is forecasted to underspend the budget by £135,000.

Included in this figure is £90,000 of planned expenditure, to be funded from the Planning Development Reserve, to invest in IT & software for the building control, enforcement and development control teams, as detailed in a report elsewhere on today's agenda.

After allowing for the reserves funding, the underlying underspend is £225,000.

Details are Appendix A.

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**Overspending areas**

The ICT budget is forecasting unbudgeted expenditure of £90,000 to be funded from reserves as detailed above.

£35,000 - Interim Change Manager.

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**Underspending areas**

£80,000 – Staff pay award budget not expected to be required as no pay offer is likely.

£56,000 – Saffron Walden Offices Rates Refund.

£46,000 – Director salary saving.

£31,000 – additional Government funding for Benefits Administration.

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## Finance & Administration Committee Capital Programme - Summary

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### **Net adverse variance is forecast**

An overall net overspend of £20,000 is forecasted.

This is due to additional investment required to develop the e-procurement system.

No other variances from budget are anticipated at this stage.

Details are in Appendix B.

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### **Risk Analysis**

Risk	Likelihood	Impact	Mitigating actions
Actual income and expenditure will vary from forecast, requiring adjustments to budget and/or service delivery	2 – some variability is inevitable	2 – budget will be closely monitored and prompt action taken to deal with variances	Budgetary control framework

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

**APPENDIX A**

**FINANCE & ADMINISTRATION COMMITTEE – GENERAL FUND BUDGET**

£000	April to July			2010/11 Financial Year			
	Current Budget April to July	Actual April to July	Variance April to July	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Benefit Administration	460	237	-223	-228	-228	-283	-55
Business Improvement & Performance Team	69	68	-1	200	200	200	0
Central Services	60	54	-6	174	174	170	-4
Committee Administration	35	30	-5	95	108	103	-5
Communications	45	45	0	161	162	161	-1
Conducting Elections	2	18	16	2	2	1	-1
Corporate Management	252	228	-24	989	992	885	-107
Council Tax Benefits	1,306	1,436	130	7	7	81	74
Customer Services Centre	116	99	-17	347	306	307	1
Democratic Representation	138	123	-15	367	367	359	-8
Electoral Registration	35	27	-8	111	97	92	-5
Enforcement	59	48	-11	167	167	156	-11
Financial Services	400	369	-31	882	1,024	1,025	1
Housing Benefits	86	25	-61	202	202	143	-59
Human Resources	64	83	19	161	202	199	-3
Information Technology	437	428	-9	927	927	1,016	89
Internal Audit	39	39	0	117	117	118	1
Land Charges	33	39	6	113	113	118	5
Legal Services	43	32	-11	145	145	126	-19
Local Tax Collection	0	0	0	-118	-118	-118	0
Non Domestic Rates	0	0	0	-93	-93	-93	0
Office Services	25	25	0	74	74	76	2
Offices Dunmow	27	26	-1	24	24	33	9
Offices Saffron Walden	174	107	-67	270	270	214	-56
Resources Miscellaneous	18	20	2	-52	-52	-59	-7
Revenues Administration	288	314	26	887	865	889	24
<b>Committee Total</b>	<b>4,211</b>	<b>3,920</b>	<b>-291</b>	<b>5,931</b>	<b>6,054</b>	<b>5,919</b>	<b>-135</b>

**APPENDIX B**

**FINANCE & ADMINISTRATION COMMITTEE CAPITAL PROGRAMME**

£000	Actual April to July	Original Budget	Slippage from 2009/10	Updated Budget	Forecast Outturn	Forecast Variance
<b>Finance &amp; Administration</b>						
<u>Capital I.T</u>						
Information Technology - A Webb Budgets	68	685	82	767	767	0
Information Technology - Disaster Recovery	0	30	0	30	30	0
Information Technology - E-Procurement	0	0	0	0	25	25
Information Technology - FMS Project	13	0	18	18	13	-5
<u>Capital Works</u>						
Saffron Walden Office - Glass Atrium	4	0	100	100	100	0
Saffron Walden Office - New Boiler	0	40	0	40	40	0
<b>Total - Finance &amp; Administration</b>	<b>85</b>	<b>755</b>	<b>200</b>	<b>955</b>	<b>975</b>	<b>20</b>