

Committee: Finance & Administration

Agenda Item

Date: 27 January 2011

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Title: 2010/11 Budget Monitoring
Finance & Administration Committee
budgets

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Item for decision

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 November 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 £375,000.
4. Capital schemes are forecasted to end the year with a net favourable variance of £523,000.
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.

Recommendations

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

Financial Implications

7. 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

Net favourable variance is forecast	<p>Overall, the Committee's expenditure is forecasted to underspend the budget by £375,000.</p> <p>Details are Appendix A.</p>
Overspending areas	<p>£87,000 – Benefits – a revised forecast of Government subsidy based on caseload and performance.</p> <p>£75,000 – Corporate Team established to implement savings. Funded from the Change Management Reserve.</p> <p>£35,000 – Benefits administration – investment in training funded from increase in DWP admin grant.</p> <p>£35,000 – Interim Change Manager.</p> <p>No other significant overspends anticipated.</p>
Underspending areas	<p>£154,000 – Land Charges – income can be retained by the Council following clarification of legal position.</p> <p>£80,000 – Staff pay award budget not expected to be required as no pay offer is likely.</p> <p>£60,000 – Saffron Walden Offices Rates Refund.</p> <p>£55,000 – increase in benefits administration grant.</p> <p>£35,000 to be spent this year, balance transferred to Benefits Reserve.</p> <p>£51,000 – ICT service salary savings.</p> <p>£46,000 – Director salary saving.</p> <p>£24,000 – savings in the Business Improvement Team arising from vacant posts not being filled</p> <p>£20,000 – salary saving arising from maternity leave in the Legal Services team</p> <p>£20,000 – salary saving arising from staff being replaced at a lower salary in the Customer Services Centre</p> <p>No other significant underspends anticipated.</p>

Finance & Administration Committee Capital Programme - Summary

Net favourable variance is forecast

An overall net underspend of £523,000 is forecasted.

IT projects totalling £523,000 are not expected to take place until 2011/12, due to reviews and uncertainties in some services; this includes the replacement of the Revenues & Benefits system.

A saving of £40,000 has been achieved by repairing the SW office boiler instead of replacing it.

There are unbudgeted costs of £20,000 on the SW Office capital works budget due to the opportunity being taken to carry out some essential repair work while scaffolding and contractors are on site.

Unbudgeted costs of £20,000 have arisen in connection with development of e-procurement solutions.

Details are in Appendix B.

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 November			2010/11 Financial Year				Comments
	Current Budget April to Nov	Actual April to Nov	Variance April to Nov	Original Budget	Current Budget	Forecast Outturn	Forecast Variance	
Benefit Administration	0	0	0	-228	-227	-282	-55	Temporarily unable to report year-to date figures.
Business Improvement & Performance Team	135	123	-12	200	200	170	-30	Salary savings, vacant posts not being filled
Central Services	115	109	-6	174	174	168	-6	
Committee Administration	80	65	-15	95	108	103	-5	
Communications	104	90	-14	161	163	148	-15	
Conducting Elections	2	21	19	2	2	1	-1	
Corporate Management	472	418	-54	989	992	959	-33	Director & pay award savings / change mgt costs
Council Tax Benefits	0	0	0	7	7	81	74	Temporarily unable to report year-to date figures.
Customer Services Centre	214	199	-15	347	319	299	-20	Salary saving, staff replaced at lower salary
Democratic Representation	258	226	-32	367	367	357	-10	
Electoral Registration	63	55	-8	111	97	94	-3	
Enforcement	113	100	-13	167	167	166	-1	
Financial Services	525	489	-36	882	1,024	1,007	-17	
Housing Benefits	0	0	0	202	202	215	13	Temporarily unable to report year-to date figures.
Human Resources	142	156	14	161	199	189	-10	
Information Technology	765	695	-70	927	1,017	966	-51	Salary savings, service head on secondment
Internal Audit	78	78	0	117	117	118	1	
Land Charges	67	-55	-122	113	113	-41	-154	Land charge fees can now be retained by UDC
Legal Services	95	75	-20	145	145	125	-20	Salary saving (maternity leave)
Local Tax Collection	0	0	0	-118	-118	-118	0	
Non Domestic Rates	0	0	0	-93	-93	-93	0	
Office Services	49	50	1	74	74	75	1	
Offices Dunmow	26	23	-3	24	24	23	-1	
Offices Saffron Walden	230	142	-88	270	270	210	-60	Business rates refund
Resources Miscellaneous	-26	-30	-4	-52	-52	-59	-7	
Revenues Administration	567	617	50	887	865	900	35	Training & development, paid for by DWP grant
Committee Total	4,074	3,646	-428	5,931	6,156	5,781	-375	

FINANCE & ADMINISTRATION COMMITTEE – CAPITAL PROGRAMME

£000	Actual April to November	2010/11 Financial Year					Updated Budget	Forecast Outturn	Forecast Variance
		Original Budget	Slippage from 2009/10	Additional External Funding in Year	Other Budget Adjustments				
Finance & Administration									
<u>Capital I.T</u>									
Information Technology - A Webb Budgets	95	685	82	0	0	767	244	-523	
Information Technology - Disaster Recovery	26	30	0	0	0	30	30	0	
Information Technology - E-Procurement	11	0	0	0	0	0	25	25	
Information Technology - FMS Project	12	0	18	0	0	18	13	-5	
<u>Capital Works</u>									
Saffron Walden Office - Glass Atrium	57	0	100	0	0	100	120	20	
Saffron Walden Office - New Boiler	0	40	0	0	0	40	0	-40	
Total - Finance & Administration	201	755	200	0	0	955	432	-523	