
REVENUE BUDGET MANAGEMENT
MONTHLY MONITORING REPORT – JANUARY 2006

Responsible Cabinet Member(s) - Councillor Don Bristow,
Resource Management Portfolio

Responsible Director(s) - Paul Wildsmith, Director of Corporate Services

Purpose of Report

1. To present Director's projections of income and expenditure for the year compared with approved budgets for consideration of the Council's overall revenue budget position for 2005/06.

Information and Analysis

2. Departmental and corporate budgets and projected outturns are summarised in **Appendix 1** and detailed in **Appendix 2**. These latest projections remain in line with those used in the MTFP review report approved by Council on 9th March 2006.
3. The Council's projected reserves at 31st March 2006 are summarised in **Appendix 3**. The projected General Fund Reserve at the end of 2005-06 is £11.789M which is £0.140M better than the MTFP report presented to Council on 9th March 2006.
4. Departmental projected balances at 31st March 2006 are shown separately in Appendix 3. These total £0.540M surplus, which is £0.071M above the MTFP report presented to Council on 9th March 2006.
5. There is a projected underspend of £0.567M on Financing Costs due to reduced interest and principal repayments on debt and increased investment income, which is £0.140M better than the revised MTFP.
6. The projected year-end balance on the Housing Revenue Account is £0.507M. - **Appendix 4**. It is suggested that rather than build up a large working balance, amounts over £0.500M be used towards capital expenditure. This would allow a substantial saving to be made on interest payments, now and in future years. Consequently, assuming this proposal is approved, the projected year-end balance is £0.822M less than budgeted and £0.847M is shown as being set aside to contribute to capital expenditure.
7. Projected Efficiency Gains are compared with the planned gains that were submitted to ODPM in April on the 2005-06 Annual Efficiency Statement (AES) in **Appendix 5**. The majority of planned gains are incorporated into the 2005-06 revenue budget and are on line to be achieved. Sickness Absence is now projected to be lower in 2005/06 and is included as

a £0.144M efficiency gain. Processes are in place to capture additional gains made during the year; five such gains are shown. Current projections show an increase of £0.050M compared with the AES and cumulative gains are 3.3% compared with the required 2.5%.

Legal Implications

8. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members.

Section 17 of the Crime and Disorder Act 1998

9. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

10. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

Outcome of Consultation

11. No formal consultation was undertaken in the production of this report.

Decision Deadline

12. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

Conclusion

13. Appendix 3 shows the projected General Fund Reserve at 31st March 2006 is now £11.789M. This is £0.140M better than the revised MTFP and is consistent with the Council's policy on balances.
14. Departmental balances are projected to be in surplus by £0.540M at 31st March 2006, which is £0.071M above the MTFP report presented to Council on 9th March 2006.

Recommendation

15. It is recommended that: -
 - (a) The attached 2005/06 revenue budget projections be noted;
 - (b) Further budget management and AES monitoring reports be presented regularly to Cabinet.
 - (c) Approval be given to using HRA balances in excess of £0.500M for capital purposes.

Reasons

16. The recommendations are supported to ensure that robust revenue budget management procedures are maintained and efficiency gains are monitored regularly.

Paul Wildsmith
Director of Corporate Services

Background Papers

Revenue budget 2005/06

David Hall : Extension 2303