
REVENUE BUDGET MANAGEMENT
MONTHLY MONITORING REPORT – SEPTEMBER 2004

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 2004/05.

Information and Analysis

2. The Education Department has continued to monitor and review expenditure in what is turning out to be a particularly volatile year for budgets. The July Budget Management Report that was presented to Cabinet on 21st September 2004, anticipated a projected overspend of £194k, of which £150k was planned as part of the original 2004/05 Medium Term Financial Plan, in order to support Eastbourne Comprehensive School in coming out of "special measures". The remaining £44k was the outstanding resources required due to the cost of an SEN tribunal case. However due to a variety of factors, the department is now able to demonstrate that it will bring its resources back on line by the end of the 2004/05 financial year by identifying under spends in the following areas:

(a) *School Delegated*

The recent closure/amalgamation of some schools has produced in-year savings of £112k. It was not possible to predict when the medium term financial plan was initially approved that these savings would be achieved, and ordinarily these funds would be recycled within the delegated budget, therefore it appears reasonable to use these savings to off-set the advance of resource allocation of £150k required for Eastbourne Comprehensive.

(b) *Nursery Education Grant*

The nursery education grant is a grant that we pay to private, voluntary and independent nursery providers in order that they provide "free" early years education to 3 & 4 year olds. Funding is dependant upon the number of children accessing these types of provision, and a termly headcount is undertaken in order to allocate funding. Following the April and September headcount, in-year savings have been identified

amounting to £62k. New provision being created across the town will continue to mean that this budget is likely to remain unpredictable until the sustainability and popularity of new provision can be measured and planned for.

(c) *Other Areas*

Continued difficulties in recruiting staff in the Pupil Support Service and Information team have meant that there has been some slippage in resources set aside to fund staffing. Total saving £20k.

Summary

Budget Heading	Details	(Under)/Over £000
Delegated	Schools clousures/amalgamations	(112)
Nursery Education Grant	Take-up less than anticipated	(62)
Pupil Support & Information	Staff Recruitment	(20)
SEN Out of Borough	SEN Tribunal	44
Advance of 05/06 Resources	Eastbourne Comprehensive	150
NET TOTAL		(0)

Members are asked to note the financial position of the department, and that the planned advance of resources from 2005/06 can now be accommodated within 2004/05 resource allocation.

3. When the Youth Service transferred to Community Services in July a decision was made to assess the current position and integrate the service into the Leisure and Arts Division. The under spend of £100k is due to vacant posts in the section which are in the process of being recruited to and projects that are currently being costed , however it is unlikely they will come to fruition this financial year.
4. All other departmental projections are very close to the approved MTFP.
5. There is a projected underspend of £938,000 on Financing Costs. A full explanation on Prudential Indicators and Treasury Management in an update report is elsewhere on the agenda.
6. Departmental and corporate budgets and projected outturns are summarised in **Appendix 1** and detailed in **Appendix 2**. The attached figures compare projected out-turns with the MTFP approved by Council on 10th March 2004, updated to include 2003-04 outturn.
7. Corporate and departmental projected balances at 31st March 2005 are shown separately in **Appendix 3**. The projected General Fund balance at the end of 2004-05 is £5.13M. After adjusting for the equal pay provision, projected corporate balances at 31st March 2005 are £1.3M better than MTFP. The total departmental balances projection at 31st March 2005 is £161,000 surplus, compared with £95,000 deficit in the approved MTFP.

8. The projected year-end balance on the Housing Revenue Account remains satisfactory at 4.4%.

Legal Implications

9. 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

10. 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

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

Outcome of Consultation

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

Decision Deadline

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

Conclusion

14. Appendix 1 shows the projected General Fund balance at 31st March 2005 is now £5.13M. This is consistent with the Council's policy on balances and is an improvement of £1.3M compared with the approved MTFP, taking account of the Equal Pay settlement provision.
15. Departmental balances are projected to be in surplus by £161,000 at 31st March 2005, which is £256,000 better than the MTFP.

Recommendation

16. It is recommended that: -
 - (a) The attached 2004/05 revenue budget projections be noted;
 - (b) Further budget management reports be presented regularly to Cabinet.

Reasons

17. The recommendations are supported to ensure that robust revenue budget management procedures are maintained.

Paul Wildsmith
Director of Corporate Services

Background Papers

Revenue budget 2004/05

David Hall : Extension 2303
PB