
REVENUE BUDGET MANAGEMENT
MONTHLY MONITORING REPORT - MAY 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. At this early stage in the year, no significant variances from the approved budget have been identified. 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 Medium Term Financial Plan approved by Council on 10th March, 2004, updated to include 2003-04 outturn.
3. In a separate report on today's agenda, the Council's results for 2003-04 are reported and Members are asked to approve the carry forward of departmental balances. Subject to that decision, the Council's projected balances at 31st March 2005 are summarised in **Appendix 3**.
4. A provision of £3.2M for settlement of the Equal Pay claims was made in 2003-04 and a further £0.8M should be earmarked for the same purpose in 2004-05. Assuming that no calls are made on the 2004-05 budgeted headroom, £0.3M will need to be taken from balances. Members will also recall that when the revised Members Allowances scheme was approved in October 2003 it was agreed that pension costs, which were unknown at that time, would need to be funded in 2004-05. These are now known to be £16,000 per annum and the release of additional resources to meet these is requested. There is a projected underspend of £128,000 on Financing Costs due to increased investment income being achieved. Taking all these items into account, the projected General Fund balance at the end of 2004-05 is £4.3M.
5. Departmental projected balances at 31st March 2005 are shown separately in Appendix 3. Subject to Cabinet approval of resources brought forward from 2003-04, these total £7,000 deficit.

6. The projected year-end balance on the Housing Revenue Account is 7.2%, which equates to £120 per dwelling.

Legal Implications

7. 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

8. 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

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

Outcome of Consultation

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

Decision Deadline

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

Conclusion

12. Appendix 1 shows the projected General Fund balance at 31st March 2005 is now £4.3M. This is consistent with the Council's policy on balances and is an improvement of £0.5M compared with the approved MTFP, taking account of the Equal Pay settlement provision.
13. Departmental balances are projected to be in deficit by £7,000 at 31st March 2005, which is £88,000 better than the MTFP.

Recommendation

14. It is recommended that: -
 - (a) The attached 2004/05 revenue budget projections be noted;
 - (b) £16,000 be released to meet the cost of Members' pensions;
 - (c) Further budget management reports be presented regularly to Cabinet.

Reasons

15. 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