

**FINANCIAL MONITORING – REVENUE BUDGET
(Report by the Head of Financial Services)**

1. 2007/08 Budget – As at September 2007

- 1.1 Cabinet received a report on the latest position of the 2007/08 revenue budget at its meeting on 19 July which, at that early stage of the year only identified one saving. This report provides the latest forecast.
- 1.2 It is now expected that the outturn will be £1,314k less than the budget resulting in £251k rather than £1,565k having to be funded from general revenue reserves, thus increasing the Council's financial flexibility in future years. The main variations are summarised in Annex A and the following paragraph highlights the main issues.

2 Variations

- 2.1 **LABGI.** In September 2007 the Government notified the Council of an additional grant of £400k which relates to 2005/06 and 2006/07. The External Auditor required the 2006/07 accounts to be adjusted to include this income. However, from a budgetary control viewpoint, it is being included as additional income in this year. The Government has not yet announced the grant entitlement for 2007/08.
- 2.2 **Deferred schemes.** The adjustments include £480k on projects which will not now be spent in the current year and will need to be carried forward to next year creating a temporary cash flow benefit.
- 2.3 **Planned savings not achieved.** There are 3 schemes where the anticipated savings will not be found in the current year. The impact is to increase spending by £103k.
- 2.4 **Savings to be found.** The budget assumed £136k of general savings which remained to be identified and this is shown in Annex A as offsetting the identified variations. These savings generally relate to 2007/08 only.
- 2.5 **Pathfinder House maintenance.** The budget for Pathfinder House includes a sum for maintenance of £122k of which only £4k has been spent to date. The need for the whole of this budget in the current year is being reviewed.
- 2.6 **Contingencies.**
- a) It has been assumed that the general contingency of £140k will not be spent.
 - b) The budget assumed that £153k of additional employee costs will be charged to capital. This saving to revenue has been found and in addition, £60k will be charged to capital.

- c) Turnover allowance. There is built-in assumption in the budget that there will be savings of £414k due to staff vacancies, appointment of new staff and performance pay. It is too early to know if the whole of this saving will be found, but it is assumed that it will be.

3. Amounts collected and debts written off

- 3.1 The report as at 21 September 2007 is shown in Annex B

4 Recommendation

- 4.1 It is recommended that the Cabinet note the spending variations.

ACCESS TO INFORMATION ACT 1985

Source Documents:

- 1. Cabinet and Council Reports
- 2. Budgetary control files.

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Annex A

REVENUE	Expenditure	Income	Recharge to capital	Net expenditure
	£000	£000	£000	£000
Approved budget	64,110	-43,611	-965	19,534
Delayed projects brought forward from 2006/07	564			564
	64,674	-43,611	-965	20,098
Less benefits reimbursed by Government	-26,853	26,853		0
Adjusted total	37,821	-16,758	-965	20,098
Items previously reported - housing benefits grant		-60		-60
	37,821	-16,818	-965	20,038
Variations				
Recharge to capital (net of assumed increase)			-60	
LABGI for 2005/6 and 2006/7		-400		
Investment income		-150		
Leisure centres - increased net income		-100		
Planning delivery grant and assumed use of	217	-217		
Land charges - reduced income offset by reduced costs	-17	100		
Licence fees - additional income	-33			
Concessionary fares - additional costs relating to 2006/07	19			
Internal drainage precepts	-22			
Car parks - reduced income and extra employee costs	33	45		
Offices - reduction in NNDR	-61			
Refuse collection - saving on vehicle maintenance	-77			
Public Conveniences - reduced maintenance and APC costs	-27			
Markets - consultant costs	16			
Markets - reduced income from cancelled market		8		
Street cleaning - extra staff costs	15			
Homelessness - grant		-42		
Deferred expenditure to 2008/09				
Land Development Framework enquiry	-160			
Smokefree legislation costs	-20			
Schemes to be funded from PDG	-300			
Savings not achieved				
Rescheduling of refuse/recycling collection	28			
Car parking strategy	50			
Replacement of St Ivo shooting range	25			
Other variations	-120			
General contingency	-140			
Savings contingency	136			
	-438	-748	-60	-1,254
Forecast net spending	37,383	-17,574	-1,025	18,784
total variations	-438	-816	-60	-1,314
	-1.2%	-4.8%		-6.5%

Funding	
Government support	-11,649
Collection fund adjustment	-7
Council tax	-6,313
Delayed projects reserve	-564
	-18,533
Deficit Funded from General Reserve	-251

CONTINGENCIES INCLUDED IN THE BUDGET	Budget	Estimated outturn	Variations included in this report	
	£000	£000	£000	
General contingencies	140	0	-140	This is included as a forecast saving
Turnover	-414	-414	0	It is too early in the year to know whether or not the whole of this contingency will be met. For the time being it is assumed that it will be
Additional savings	-136	0	136	This has been set-off against the savings shown above
Pathfinder House repairs	122	122	0	Whilst it is expected that not all of this budget will be spent, none has been declared as a saving at this stage
Employee costs recharged to capital	-153	-213	-60	The transfer of costs to capital has been exceeded
	-441	-505	-64	

AMOUNTS COLLECTED AND DEBTS WRITTEN OFF

	April to 21 September 2007			
	Collected	Amounts written off		
		up to £4k	over £4k	TOTAL
Type of Debt	£000	£000	£000	£000
Council Tax	40,451	65.8	0.0	65.8
NNDR	29,680	30.5	70.2	100.7
Sundry Debtors	3,060	24.8	0.0	24.8
Excess Charges	68	2.4	0.0	2.4

Collected

The total amount of payments received, less customer refunds and transfers to other debts.

Amounts written off

Whilst these amounts have been written-off in this financial year, much of the original debt would have been raised in previous financial years.

Authority to write off debts

The Head of Revenue Services is authorised to write-off debts of up to £4,000, or more after consultation with the Executive Councillor for Finance, if she is satisfied that the debts are irrecoverable or cannot be recovered without incurring disproportionate costs. The Head of Financial Services deputises in her absence.