

EXECUTIVE COMMITTEE

13th September 2011

BUDGET MONITORING –APRIL – JUNE 2011

Relevant Portfolio Holder	Councillor Michael Braley, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	
Relevant Head of Service	Teresa Kristunas, Head of Finance and Resources
Wards Affected	All Wards
Ward Councillor Consulted	
Non-Key Decision	

1. SUMMARY OF PROPOSALS

The report provides the Executive Committee with an overview of the General Fund Budget including the achievement of approved savings for the period April – June 2011.

2. RECOMMENDATIONS

The Committee is asked to RESOLVE that

- 1) subject to any comments, the report be noted; and**
- 2) Officers be requested to show the budgets at service level and reflect variations against the service budgets in future reports.**

3. KEY ISSUES

Financial Implications

- 3.1 As Members are aware, the Central Government funding of Local Government is becoming more limited over the current year and future years. It is therefore important to monitor the financial position of the Council on a regular basis to ensure Officers and Members can take any necessary action on areas of expenditure or income that may result in further pressures having to be addressed in the future.
- 3.2 The Council set its budget for 2011/12 in February 2011. The net position of £11.250m included savings of £1.211m to be realised during this period. Savings included those realised from the sharing of services with Bromsgrove District Council £577k and savings from efficiencies and vacant posts £350k.
- 3.3 Service Managers receive monthly reports to consider the financial position on their operational areas and meet regularly with Finance

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Officers to discuss actions that may be required to address any overspends.

- 3.4 In using the period April – June 2011 (Quarter 1) it is estimated that the year end financial position will result in an overall under spend for the Councils General Fund services of £173k. Appendix 1 details the material variances for this estimated under spend which include;
- a) Savings on Business Rate (NNDR) valuations and extension to implementation of small business rate relief - £97k.
 - b) Grant income received from the County Council in relation to waste management funding arrangement - £100k (relates to 2010/11 & 2011/12).
 - c) Savings from vacant posts - £21k.
- 3.6 The under spend relating to vacant posts is based on the first quarter. If posts remain vacant further savings will be realised.
- 3.7 Included in Appendix 1 is the projected position for the Housing Revenue Account of £56k, mainly as a result of staffing vacancies.
- 3.8 A review of any variances to the anticipated levels of expenditure and income is undertaken each month. This enables Service Managers to address any areas of concern by putting actions in place to mitigate any overspends over the future months.
- 3.9 The quarterly monitoring reports will reflect changes in the anticipated financial position and actions in place to address concerns.

Legal Implications

- 3.10 Under section 151 of the Local Government Act 1972, every Local Authority has a duty to make arrangements for the proper administration of their financial affairs.

Service/Operational Implications

- 3.11 These are included within the Financial Implications.

Customer / Equalities and Diversity Implications

- 3.12 There are no specific implications.

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4. RISK MANAGEMENT

- 4.1 Without adequate budget monitoring procedures, the Council will not achieve its objectives. The Council needs to monitor its financial performance in order that corrective action may be taken to minimise risks to the organisation.
- 4.2 There is also a risk that the Council will overspend its budget if action is not taken to monitor the delivery of planned savings during the year.

5. APPENDICES

Appendix 1 - Explanations for projected variances.

6. BACKGROUND PAPERS

These are available from Financial Services.

AUTHOR OF REPORT

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