

# Bath & North East Somerset Council

MEETING:	<b>Cabinet</b>	
MEETING DATE:	<b>14<sup>th</sup> November 2012</b>	AGENDA ITEM NUMBER
TITLE:	<b>Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2012 to September 2012</b>	EXECUTIVE FORWARD PLAN REFERENCE: <b>E 2422</b>
WARD:	All	

## AN OPEN PUBLIC ITEM

### List of attachments to this report

**Appendix 1:** Revenue & Capital Monitoring Commentary

**Appendix 2:** Revenue Monitoring Statement: All Council Spending

**Appendix 3:** Capital Monitoring Statement: All Council Spending

**Appendices 4(i) & 4(ii):** Proposed Revenue Virements & Revised Revenue Cash Limits 2011/12

**Appendices 5(i) & 5(ii):** Capital Virements & Capital Programme by Portfolio 2012/13

## 1 THE ISSUE

1.1 This report presents the financial monitoring information for the Authority as a whole for the financial year 2012/13 to the end of September 2012.

## 2 RECOMMENDATION

The Cabinet agrees that:

2.1 The projected outturn position for 2012/13 and accompanying information provided in Appendix 1 is noted.

2.2 Strategic Directors should continue to work towards managing within budget in the current year for their respective service areas, and to manage below budget where possible by not committing unnecessary expenditure, through tight budgetary control.

2.3 The capital expenditure position for the Council in the financial year to the end of September and the year end projections detailed in Appendix 3 of this report are noted.

2.4 The revenue virements listed for approval in Appendix 4(i) are agreed.

2.5 The changes in the capital programme listed in Appendix 5(i) are noted.

## 3 FINANCIAL IMPLICATIONS

3.1 The financial implications are contained within the body of the report.

## **4 CORPORATE PRIORITIES**

4.1 The annual service and resource planning process allocates scarce resources across services with alignment of these resources towards our corporate improvement priorities as set out in the Corporate Plan. This report monitors how the Council is performing against the financial targets set in February 2012 through the Budget setting process.

## **5 THE REPORT**

5.1 The Budget Management Scheme requires that the Cabinet consider the revenue and capital monitoring position four times per year.

5.2 For revenue, where overspent, services are normally expected to seek compensating savings to try and bring budgets back to balance.

5.3 Appendix 1 highlights significant areas of forecast over and under spends in revenue budgets. Appendix 2 outlines the Council's current revenue financial position for the 2012/13 financial year to the end of September 2012 by Cabinet Portfolio. The current forecast outturn position is for an overspend of £531,000 which equates to 0.13% of gross budgeted spend (excluding Schools).

5.4 As previously reported to September Cabinet, the Chief Executive and Strategic Directors have put into place potential mitigations to offset the projected overspend and these continue to be subject to the on-going monitoring and consideration of the projected outturn position. Further details are set out in Appendix 1. Some of these have already been reflected in the decrease from the £1,609,000 forecast overspend reported to September Cabinet, with a number of actions still held to fully offset the current forecast overspend.

5.5 The Council's financial position, along with its financial management arrangements and controls, are fundamental to continuing to plan and provide services in a managed way, particularly in light of the medium term financial challenge. Close monitoring of the financial situation provides information on new risks and pressures in service areas, and appropriate management actions are then identified and agreed to manage and mitigate those risks.

5.6 Revenue budget virements which require cabinet approval are listed in Appendix 4(i). Technical budget adjustments are also shown in Appendix 4(i) for information purposes as required by the Budget Management Scheme.

5.7 Appendix 3 outlines the current position for the 2012/13 Capital budget of £59.89m (excluding contingency), with a current forecast spend of £55.61m which is £4.28m less than the budget.

5.8 Previously approved changes to the capital programme are listed in Appendix 5(i), while Appendix 5(ii) provides the updated capital programme allocated by Portfolio.

**6 RISK MANAGEMENT**

6.1 The substance of this report is part of the Council’s risk management process. The key risks in the Council’s budget are assessed annually by each Strategic Director, with these risks re-assessed on a monthly basis as part of the budget monitoring process.

**7 EQUALITIES**

7.1 This report provides information about the financial performance of the Council and therefore no specific equalities impact assessment has been carried out on the report.

**8 RATIONALE**

8.1 The report is presented as part of the reporting of financial management and budgetary control required by the Council.

**9 OTHER OPTIONS CONSIDERED**

9.1 None

**10 CONSULTATION**

10.1 Consultation has been carried out with the Cabinet Member for Community Resources, Strategic Directors, Section 151 Finance Officer, Chief Executive and Monitoring Officer.

**11 ISSUES TO CONSIDER IN REACHING THE DECISION**

11.1 This report deals with issues of a corporate nature.

**12 ADVICE SOUGHT**

12.1 The Council's Monitoring Officer (Council Solicitor) and Section 151 Officer have had the opportunity to input to this report and have cleared it for publication.

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<b>Background papers</b>	<i>Budget Management Scheme</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	