

## Bath & North East Somerset Council

MEETING:	<b>Cabinet</b>	
MEETING DATE:	<b>9<sup>th</sup> November 2011</b>	AGENDA ITEM NUMBER
TITLE:	<b>Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2011 to September 2011</b>	EXECUTIVE FORWARD PLAN REFERENCE: <b>E 2306</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 2011/12

## 1 THE ISSUE

1.1 This report presents the financial monitoring information for the Authority as a whole for the financial year 2011/12 to the end of September 2011.

## 2 RECOMMENDATION

The Cabinet agrees that:

2.1 Strategic Directors should continue to work with Portfolio Holders towards managing within budgets 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.

2.2 This year's revenue budget position as shown in Appendix 2 is noted.

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 2011 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 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 2011/12 financial year to the end of September 2011 by Cabinet Portfolio. The current Service forecast outturn position is for an overspend of £120,000 which equates to 0.03% of gross budgeted spend (excluding Schools).

5.4 In addition, there is also a forecast one-off underspend on three items, which have been moved to the Medium Term Financial Challenge Reserve, and are subsequently excluded from the figures in this report.

These items are £436,000 relating to the provision in the budget for the historic downsizing costs now not being required, as these costs were fully absorbed in the 2010/11 outturn, £360,000 provision for pay, and £611,000 income from the New Homes Bonus Grant.

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 2011/12 Capital budget of £68.3m (excluding contingency), with a current forecast spend of £61.9m which is £6.5m less than the budget. As the year progresses more certainty over forecasts will be established.

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.

<b>Contact person</b>	<i>Tim Richens - 01225 477468 ; Jamie Whittard - 01225 477213</i> <a href="mailto:Tim_Richens@bathnes.gov.uk">Tim_Richens@bathnes.gov.uk</a> <a href="mailto:Jamie_Whittard@bathnes.gov.uk">Jamie_Whittard@bathnes.gov.uk</a>
<b>Sponsoring Cabinet Member</b>	<i>Cllr David Bellotti</i>
<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>	