

BUDGET MONITORING 2007/08

PORTFOLIO RESPONSIBILITY: RESOURCES

CABINET

21 FEBRUARY 2008

Wards Affected

County-wide

Purpose

To report on the Council's performance against revenue capital budgets as at 31 January 2008 and provide an update of the corporate risk register. The report provides details of the remedial action being taken to address areas of underperformance.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT Financial performance to the end of January 2008 be considered.

Reasons

The Council's revenue, capital and risk management position is reported to Cabinet every second month. The information provides an indication of the Council's performance against budgets.

Considerations

1. Details of the revenue budget, capital budget and risk management position are attached in summary and then further detail is given by directorate.
2. The overall position shows a projected overspend of £698k compared with the projected overspend of £1.005m at the end of November 2007. This total is 0.6% of the Council's £122.371m net revenue budget (excluding Dedicated Schools Grant). The projected position is after allowing for the use of the £1.3m Social Care contingency, an estimated £2.8m underspend on modernisation funding for social care services, additional Local Authority Business Growth Incentive (LABGI) grant of £600k and additional interest from cash transactions.
3. The key areas of concern are the Adult & Community Services Directorate, with a projected £3.9m overspend; the Children & Young People's Directorate, with a £1.03m projected overspend; and the Corporate & Customer Services Directorate where a £1.195m overspend is projected. Underspends of £357k and £16k are projected for the Environment Directorate and Resources Directorates respectively. It should be noted that the Adult & Community Services Directorate and Children & Young

Further information on the subject of this report is available from
David Powell, Head of Financial Services on (01432) 373173

People's Services Directorate overspends are before the application of the centrally held social care contingency and unused spend to save allocations.

4. Appendix A includes a section on the July floods that caused significant damage to council assets. The estimate total cost of the damage is £3.012m with a claim for £2.392m submitted in January 2008.
5. The capital programme budget monitoring is at Appendix B. The overall position is forecast expenditure of £53.418m compared with the original budget of £65.462m. This slight increase on November's position is caused by the purchase of property for the Edgar Street Grid.
6. The latest corporate risk register is included at Appendix C.

Financial Implications

These are contained in the report.

Risk Management

Effective financial reports and their follow up are an essential element in the management of risks and the delivery of the Council's and Herefordshire Partnership's priorities.

Alternative Options

None.

Consultees

None.

Appendices

Financial Report for January 2008.

Background Papers

None.