

# BUDGET MONITORING 2008/09

## PORTFOLIO RESPONSIBILITY:RESOURCES

**CABINET**

**20 NOVEMBER 2008**

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### **Wards Affected**

County-wide.

### **Purpose**

To report to Cabinet on the Council's performance against revenue and capital budgets as at 30 September 2008 and provide an indication of the estimated outturn for the 2008/09 financial year.

The report also includes the numbers and amounts written off for individual debts exceeding £1,000 for the period 1 April to 30 September 2008.

### **Key Decision**

This is not a Key Decision.

### **Recommendation(s)**

**THAT the report be noted.**

### **Reasons**

The Council's revenue and capital 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 forecast of revenue and capital outturn for 2008/09 based on service and financial performance information as at 30 September are attached in summary and then further detail is given by directorate.
2. The overall position shows a projected overspend of £1.292m. This total is just under 1% of the Council's £131.778m net revenue budget (excluding Dedicated Schools Grant).
3. The key areas of concern are the Adult & Community Services Directorate, with a projected £300k overspend; the Environment & Culture Directorate, with a £626k projected overspend; and the Regeneration Directorate where a £340k overspend is projected and the Deputy Chief Executive Directorate's £220k overspend. The Chief Executive has set an expectation that Directorates produce management proposals to bring expenditure back to balance at the end of the financial year.
4. Appendix A includes the detailed revenue budget report. The report indicates the

position for the new directorate structure. It is clear that whilst the position is more favourable than at this time the previous year some key factors need to be considered. The 2007/08 final year end position saw an underspend of £591k. This was largely the result of the performance of central budgets including £804k additional interest from our investments; this cannot be guaranteed in 2008/09. As a result directorates must continue to manage their 2008/09 cash limited budgets appropriately especially given the emerging pressures around inflation as we go forward into the next budget setting period.

5. The Council's overall financial performance has a direct bearing on the level of general fund balance at year end as any overspend on the account must be funded. The report at Appendix A indicates that this could reduce to £5.436m by the end of the financial year based on current projections.
6. The capital programme budget monitoring is at Appendix B. The overall position is forecast expenditure of £64.3m after allowing for additional grant funding and slippage brought forward. The increase is fully funded and includes all sources of finance including grants.
7. Appendix C provides details of write offs in excess of £1,000 for the first 6 months of 2008/09.

## **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**

## **Background Papers**

None.