

REVENUE BUDGET MONITORING 2003/04

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

20TH NOVEMBER, 2003

Wards Affected

County-wide

Purpose

To note the position with regard to revenue budget monitoring for Programme Areas in 2003/04.

Key Decision

This is not a Key Decision

Recommendation

THAT the report be noted.

Reasons

Reports are presented to Cabinet as part of the Council's Performance Management arrangements. Cabinet Members will discuss the individual Programme Area figures with their Directors and Departmental Managers as appropriate.

Considerations

1. Appendix 1 shows the details of the spending as at 30th September 2003 for each Programme Area, together with the projected outturn for 2003/04.
2. The budgets shown for 2003/04 include the final carry forwards from 2002/03.

Education

3. A very large proportion of the Education budget is delegated to schools. Any underspendings, or indeed overspendings should they occur, in the schools budgets will automatically be carried forward into next year under the statutory arrangements for delegation to schools.
4. As far as the non-schools budgets are concerned, there is a carry-forward of £927,000 from 2002/03. However, the carry-forward is already committed to 2003/04 expenditure on the Whitecross PFI scheme, and the LEA contribution to those Standards Funds and elements of National Grid for Learning that were brought forward from 2002-03.

Further information on the subject of this report is available from David Keetch, Assistant County Treasurer on (01432) 260227

5. It is anticipated that expenditure will be contained within the overall budget. Some transfers between schools and central education budgets have been necessary largely to reflect additional information received since the budgets were constructed and approved. The amount delegated to schools is being increased by £200,000 to take account of the newly delegated banded funding for pupils with SEN in primary schools. Other budget changes are being made, for example, to cover the increased cost of SEN placements in independent schools. All changes are being contained within the overall budget.

Policy and Finance General

6. At this stage in the year no significant overspendings or underspendings have been identified for Policy and Finance General with the exception of Land Charges, which is mentioned below, as previously reported. This anticipates that the budget carry forwards of £1,232,000 from 2002/03 will be fully spent during 2003/04. There are significant commitments against this sum, including the Corporate Development Fund and the Treasurer's investment in new systems for payroll, cash receipting and housing benefit as well as new software for processing BACS payments.
7. It is clear that there will be a significant shortfall of income from Land Charges due to the increasing use of private firms to carry out personal searches. The shortfall of income of £95,000 in 2002/03 was met from reserves. The shortfall is now estimated at £90,000 for 2003/04. In addition following the non – achievement of the BVPI in relation to dealing with search requests, the Environment Directorate has taken on extra staff which are to be paid for from search income. The cost of additional staff (£50,000) potentially increases the deficit to £140,000, which will need to be met from the Council's general reserves.
8. Spending on E.Modernisation is low compared to the budget at present but it is expected that this situation will be rectified during the second half of the year.
9. Members' expenses will be overspent by approximately £37,000 because of the need to fund the cost of the I.T support costs for members P.C links and laptops.
10. It has been assumed that the additional costs of job evaluation, estimated at £120,000 for the year, will be met from reserves and the externalisation of Commercial Services (£109,000) from mobilisation payments received as a result of the transfer.
11. There have been indications that the Combined Fire Authority might issue a supplementary levy for 2003/04 of £68,000 but a decision is not expected until February. Any additional costs would be met from reserves.

Policy and Finance Property

12. The projected overspend on Property has reduced to £742,000 including £524,000 brought forward from 2002/03. £379,000 of this overspend is the deficit on the Markets and Fairs budget. The rent reviews at the Cattle and Butter markets have reduced income levels so this deficit is expected to rise to £420,000 this year. The capital investment in creating new car parking provision, should increase income in total by between £80,000 and £100,000 p.a in future years although the income being received each month is only just beginning to build up.

13. In addition, the deficit on income from the Industrial Estate is expected to rise from of Industrial Units becoming vacant and the sale of leases resulting in lower income. Income from shops transferred from Housing following the stock transfer will, however, produce a surplus of £100,000 in 2003/04.

Environment General

14. Spending is generally in line with the budget. An overspending on the Waste Collection contract is expected because of the high cost of indexing the contract but this is entirely offset by additional Trade Waste charges. The Travellers budget is likely to be overspent by around £50,000 although rental income is coming in more steadily this year. The income for Cemeteries and the Crematorium has been above budget during the first half of the year.

Environment Regulatory

15. Spending on Environment Regulatory is very much in line with the budget at present. Budget pressures are increasing in respect of Landfill and Contaminated Land and Licencing but it is expected at this stage that these potential overspendings will be contained within the overall budget.

Planning

16. The main variation is additional fee income of £50,000 received in the first half year. The report anticipates that the Planning Development Grant of £320,000 will be spent during 2003/04.

Social Care

17. The position at the end of September is a continued improvement on the overspend. This is now showing £376,000 compared to the £582,000 brought forward..
18. The objective remains to balance the budget overall (including the 2002/03 overspend). The current position shows progress against this objective.
19. There are risks in the children's services area from lack of capacity in the foster parents resource and the need to find other placements. There is also the imperative to improve the performance on delays for older people and intensive home care, which will remain challenging in terms of budget management. Financial risks of Free Nursing Care income and potential loss of income from Fairer Charging remain.

Strategic Housing

20. The projected year-end position is an underspend of £98,000 as a result of staff vacancies and current underspend on the Housing Agency Agreement. The risk area is spend on homelessness, which although currently underspending remains volatile in nature.

Social Development

21. The only significant budget issue remaining is the expected overspend in 2003/04 of £140,000 on Parks and Countryside. This has been assisted by meeting the overspending brought forward from 2002/03 out of the sums held in respect of open spaces commuted sums.

Leisure Contracts

22. It is expected that the deficit will fall, to at most £120,000, during 2003/04 with the balance being eliminated over the next few years through negotiations with HALO.

Economic Development

23. Spending on Economic Development is within budget at present and no major variances are currently predicted. The carry-forward from 2002/03 of £150,000 included significant amounts for 2003/04 projects.

24. Financial Transactions

Investment interest received and debit interest paid is currently expected to underspend by some £100,000 as a result of the timing of individual projects. Any delays in progressing the capital programme would increase investment income further.

Conclusion

The projected overspending is £1,313,000, which is within the Council limit of 1%. The improved position reflects reductions in the expected overspendings for Social Care, Social Development and Property together with a projected underspending on Strategic Housing.

Alternative Options

There are no alternative options.

Consultees

None identified.

Background Papers

None identified.