

MEETING:	CABINET
DATE:	26 NOVEMBER 2009
TITLE OF REPORT:	BUDGET MONITORING REPORT 2009
PORTFOLIO AREA:	RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide.

Purpose

To report September's budget monitoring information and provide an indication of estimated outturn for both revenue and capital. To report on treasury management activities in the first six months of 2009/10.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT Cabinet note the report.

Key Points Summary

- The overall position on the revenue budget shows a projected overspend of £566k. This total is 0.4% of the council's £137.718m net revenue budget (excluding Dedicated Schools Grant).
- The overall position on the capital programme is a forecast expenditure of £80.7m after allowing for additional funding and slippage brought forward.
- To note that 47 debts totalling £127k are being written off.

Alternative Options

1. There are no alternative options.

Reasons for Recommendations

2. To ensure Cabinet is informed of the forecast outturn for 2009/10.

Further information on the subject of this report is available from
Phillips, Head of Financial Services on 01432 383173

3. To ensure that Cabinet is kept informed of treasury management activities in accordance with CIPFA recommended best practice.

Introduction and Background

4. The Council's revenue and capital position is reported to Cabinet regularly throughout the year. The information provides an indication of the Council's performance against budgets.
5. CIPFA issued an interim Treasury Management guidance document in March 2009, highlighting Best Practice recommendations for Local Authorities to follow. The document suggests that members should be informed of Treasury Management activities at least twice a year.

Key Considerations

6. Details of the forecast of revenue and capital outturn for 2009/10 based on service and financial performance information as at 30 September are attached in summary and then further detail is given by directorate.
7. Appendix A includes the detailed revenue budget report. The key areas of concern are Integrated Commissioning Directorate, with a projected £2.1m overspend and the Children and Young People's Directorate, with a £945k projected overspend.
8. Both directorates have produced recovery plans and Cabinet should note the actions detailed in Appendix A and ensure they are effectively monitored over the coming months.
9. 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 revenue account must be funded. The report at Appendix A indicates that general balances could reduce to £4.8m and use all of the social care contingency reserve based on current projections.
10. The capital programme budget monitoring is at Appendix B.
11. Appendix C includes the Treasury Management Report. It is anticipated that at the end of the year there will be a budget deficit on interest earned in the region of £22,000 offset by a budget surplus (or underspend) on borrowing in the region of £480,000. Because of the low return on invested funds, and the limited number of good quality counterparties, it is currently council policy to postpone further borrowing as long as possible and reduce the level of its investments. However, this policy will be kept under review and may change, particularly if PWLB rates show the beginning of an upward trend.
12. The Council's Financial Procedure Rules, require that the number and amounts written off for individual debts exceeding £1,000 is reported to Cabinet twice a year for information purposes. This information for the period 01/04/09 to 30/09/09 is detailed below:

Income Type	April – September 2009		2008/9 (Full year)	
	No. of cases	Amount	No. of cases	Amount
Council Tax	17	£29,607.58	9	£14,661.12
Business Rates	13	£62,193.50	33	£158,687.53
Benefit Overpayments	10	£23,182.96	8	£18,069.87
Debtors	7	£12,377.26	49	£123,496.52

Community Impact

13. Not applicable.

Financial Implications

14. These are contained in the report.

Legal Implications

15. None.

Risk Management

16. 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.

Consultees

17. None.

Appendices

18 Appendix A – 2009/10 Revenue Budget Monitoring
Appendix B – Capital
Appendix C – Treasury Management Report Background Papers

Background Papers

- None identified.