

MEETING:	CABINET
DATE:	18 OCTOBER 2012
TITLE OF REPORT:	BUDGET MONITORING REPORT 2012/13
PORTFOLIO AREA:	CORPORATE STRATEGY & FINANCE

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To report the financial position for both Revenue and Capital to 30 September 2012. The Treasury Management position is also included.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT:

- (a) **Cabinet note the report and the forecast position;**
- (b) **Note that the Leadership Team have undertaken to deliver a further level of savings for 2012/13; and**
- (c) **Taking account of recommendation (b) Cabinet note the requirement that Directors deliver recovery plans to ensure a balanced revenue budget;**
- (d) **Note the mid-year Treasury Management report at Appendix C.**

Key Points Summary

- As at 30 September 2012 the overall budget position shows a projected overspend of £2.4m
- The council has a good record of delivering an overall balanced budget by the end of the year in order to protect its financial reserves.
- The Treasury Management mid year report indicates that the Council's approach to managing its investments and borrowing is in line with agreed policy.

Considerations

1. The detailed revenue budget monitoring report is at Appendix A. the budget reflects the overall savings of £10.8m required to meet the reduced funding levels from central government. There is continuing pressure on Adult Social Care budgets within the Peoples Services Directorate. Demographic pressure resulting in a growth for packages continues to put pressure on resources.
2. The Directorate is taking significant steps to identify savings such as reduced placement costs, vacancy management and using available capitalisation grant. The Directorate's overall position is assisted by identified savings within Children's Services where significant reductions in residential and agency placements have been identified.
3. The Places & Communities Directorate is projecting a relatively small overspend of £178k. Further savings opportunities are being identified to help offset the expenditure incurred by the adverse weather conditions in June and July. The council has registered a "Bellwin" claim for eligible expenditure but there is a threshold of £460k that must be met from existing budgets.
4. The overall position is mitigated by projected savings on borrowing and investments. The underspend is projected at £235k.
5. The Corporate Services Directorate has reviewed its budgets and put in actions to deliver a £741k contribution to mitigate the position.
6. Further mitigation is from the £1m revenue contingency agreed as part of the budget process.

Community Impact

7. Not applicable.

Financial Implications

8. These are contained in the report.

Risk Management

9. Effective financial reports, used to facilitate robust budget monitoring are an essential element in the management of risks and the delivery of the Council's priorities.

Legal Implications

10. None.

Alternative Options

- There are no Alternative Options.

Appendices

Appendix A – Revenue Budget Monitoring

Appendix B – Capital Monitoring

Appendix C – Treasury Management