

REPORT TO	DATE OF MEETING
Governance Committee	30 th January 2013

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
Budget Monitoring Statement – 3rd Quarter 2012/13	Finance & Resources	Susan Guinness	4

SUMMARY AND LINK TO CORPORATE PRIORITIES

This report provides an update on the Council's overall financial position compared to the financial strategy for the first six months of the financial year 2012/13 as at 31 December 2012. The following items have been included:

- Revenue income and expenditure;
- Progress in respect of the efficiency programme contained in the Medium Term Financial Strategy;
- Capital expenditure.

Details are set out in the attached Appendices 1 and 2 respectively.

RECOMMENDATIONS

1. That the Governance Committee note, review and comment on report and appendices.

DETAILS AND REASONING

The approved revenue budget for 2012/13 is £13.570m less a £0.437m transfer from general reserves resulting in a net budget requirement of £13.133m. The report compares the original 2012/13 budget with the latest projected outturn for 2012/13, which shows a forecast net underspending at the end of the year of £0.679m.

With regard to managing risk in the budget management process the main income streams are reported in detail as these budget heads are subject to variations caused by circumstances outside the direct control of the Council. At this stage in the year the Council's main income streams are performing well and have in some cases exceeded the levels anticipated. This is particularly the case with Planning Fee Income. This is reflected in the projected outturn forecasts.

The revenue budget approved in the Medium Term Financial Strategy includes an efficiency saving programme totalling £0.644m. It is pleasing to report that none of the budget savings items remain as a target to be achieved, all have now been fully allocated and accommodated in the budget.

In summary, the financial position at the end of the third quarter 2012/13 shows the Council is performing well against its profiled budget, however, it is important to note that this is based on a number of assumptions made in the budget with regard to expected spending patterns and levels of income received to the end of the final quarter.

It should be noted that budgetary savings achieved to date should be considered in the context of the funding shortfalls contained in the Council's Medium Term Financial Strategy and the subsequent budget gap in the coming years that are not insignificant. Additionally there still remains a uncertainty on the future funding of the Council in the immediate future and the full

effects of the implementation of the Local Retention of Business Rates regime which comes into effect from 2013/14.

In summary, projected performance against budget to the end of the year is positive but should be treated with caution at this stage of the year. The current position continues to be closely monitored with particular regard to budgets that are subject to fluctuation and therefore present a higher risk. Updates will be reported during the course of the year.

Details of the Council's capital spending by each project are contained in Appendix 2. The projected spend is compared to the full year budget accompanied by an explanatory note where applicable. The total full year budget is £5.307m with £3.001m spent and committed as at 31 December 2012. It is expected that the total spend at year end will be £3.686m with £1.249m being planned to be spent in future years and the forecast in-year saving of £0.372m. Similarly to revenue budget monitoring, however, the statement set out in Appendix 2 contains assumptions in respect of spending to the end of the year and will continue to be closely monitored.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

FINANCIAL	The financial implications are contained within the report and attached appendices.		
LEGAL	None.		
RISK	Risk is identified in the report. The main risk area is the inclusion of assumptions. Assumptions have been made with regard to estimating future costs and external influences that will affect projections in future months. Therefore any conclusions drawn from the contents of the report should be treated with some caution at this stage of the year.		
THE IMPACT ON EQUALITY	This report is not considered to have any adverse impact on equality.		
OTHER (see below)			
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS - Budget Report and Medium Term Financial Strategy – Cabinet February 2012.