

Area North Committee – 22nd August 2007

11. Area North 2007/8 Budget Monitoring Report for the Period Ending 30th June 2007 (Executive Decision)

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Purpose of the Report

The purpose of this report is to update members on the current financial position of the Area North Committee as at the end of June 2007.

Recommendations

It is recommended that members:

- (1) review and comment on the current financial position of the Area North Budgets;
- (2) allocate a further £5,000 from the Area North Reserve for Small Business Development Grants;
- (3) review the revised Capital Programme for the current and future years.

REVENUE BUDGETS

Background

Full Council in February 2007 set the General Revenue Account Budgets for 2007/8 and delegated the monitoring of the budgets to the four Area Committees and District Executive. Area North now has delegated responsibility for the Area North development revenue budgets, which include revenue grants, regeneration and projects, the Area North Capital Programme and the Area North Reserve.

Financial Position

The table below shows the position of revenue budgets as at 30th June 2007.

	£
Approved base budget as at February 2007	358,140
Funding of Community worker from Reserve	2,140
Funding Business grants from Reserve	10,650
Revised Budget as at 30th June 2007	370,930

A summary of the revenue position as at 30th June 2007 is as follows:

Element	Budget to 30 th June	Actual to 30 th June	Variation 30 th June	Annual Budget	Expected by year end
Development					
Expenditure	81,545	74,732	(6,813)	326,180	326,180
Income	(9,000)	(15,003)	(6,003)	(9,000)	(9,000)
Projects					
Expenditure	43,483	39,934	(3,549)	94,420	94,420
Income	(92,280)	(112,611)	(20,371)	(92,280)	(92,280)
Grants					
Expenditure	12,903	8,824	(4,079)	51,610	51,610
Income	0	0	0	0	0
Total North					
Expenditure	137,930	123,489	(14,441)	472,210	472,210
Income	(101,280)	(127,654)	(26,374)	(101,280)	(101,280)
Net Expenditure	36,650	(4,164)	(40,814)	370,930	370,930

It is expected that the expenditure during the year will be within the adjusted budget for 30th June 07. The variations at 30th June are explained below.

North Development. The current underspend is caused by the introduction of £20,000 budgets to align services and Income from Rural Development Agency.

Projects. The extra income represents funds for Beacon and Somerset Waterlink, which will be required in next year (2008-09). This will be about £50,000. The contribution for Waterlink was received in July 07.

Grants. This includes members frontline community grants, which is only just becoming operational.

Budget Virements

Under the financial procedure rules the Heads of Service can authorise virements within each individual service of their responsibility (as defined by Appendix B of the Annual Budget Report) and up to a maximum of £25,000 between services within their responsibility providing that the Head of Finance has been notified in advance. All virements exceeding these limits need the approval of District Executive. All virements between different services, irrespective of value, need approving by District Executive. Area Committees can approve virements between their reserves and budgets up to a maximum of £25,000 per virement and £50,000 in any one financial year, provided that all such approvals are reported to the District Executive for noting. (In accordance with the constitution)

The following virements have taken place since the last report:

Amount £	From	To	Details
10,650	Area North Reserve	Regeneration budget	Funding extra officer time agreed at Feb 06 Committee.
2,140	Area North Reserve	Community Development	Funding extra officer time agreed at Feb 06 Committee

AREA RESERVE

The position on the Area North Reserve is as follows:

		£
Position as at 1 st April 2007		69,700
Less amounts transferred in 07-08		
Part time Community Development Worker, balance for 07-08	(2,140)	
Extra hours for Regeneration Officer 07/08	(10,650)	
		(12,790)
Current balance in Reserve at 30 th June 07		56,910
Less amounts allocated:		
Delegated budget for Community projects	(2,010)	
Somerset Waterways network study	(3,000)	
Extra hours for Regeneration Officer 08/09	(4,350)	
Small Business Development Grants	(7,730)	
Parrett Trail Study	(4,000)	
	Total allocated	(21,090)
Uncommitted balance remaining		35,820

In February 2006, £10,000 was allocated for Small Business Development Grants and £2,770 was paid last year. To date there have been 26 enquiries resulting in 11 applications and 10 grants approved. A further £1,500 has been paid this year with £3,732 allocated for outstanding grants. This leaves £1,997 available for small grants to continue the scheme. At the June committee a further £20,000 was allocated within the North Capital Programme to extend the scheme for up to 3 years for larger grants over £1,000.

It is recommended that a further allocation of £5,000 is made from the Reserve to continue the scheme for smaller grants.

CAPITAL PROGRAMME

The revised capital programme for this financial year and beyond is attached at Appendix A on pages 17-18 together with a progress report on each scheme either Area or District Wide that are current within Area North.

There is also an appendix on page 19 with details of the Youth & Play schemes, which includes the District Wide schemes within Area North. The reconvened Area North Play & Youth Facilities Steering Group will monitor these.

Following a review of the programme at the June Committee the Officers have also revised the profile of the programme over the next 4 years. The revised spend for 2007/8 is £295,598 with £284,134 in the following years. £267,000 has been allocated in principal for schemes to be reported back to Committee when detailed plans have been produced or grant claims received.

The unallocated balance within the programme is £32,134.

If members would like further details on any of the Area North budgets or services they should contact the relevant budget holder or responsible officer.

Background Papers – *Financial Services Area North budget file.*