

Area North Committee – 25th June 2008

10. Area North 2007/08 Outturn Report (Executive Decision)

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Purpose of the Report

To inform Members of the actual spend against budgets for 2007/8 of the services over which this Committee exercised financial control.

Recommendations

Members are recommended to:

- (1) Review and comment on the outturn position and explanation of variances from budgets for the financial year 2007/8
- (2) Note the position of the Area North Reserve and agree to reduce the outstanding commitments from £26,090 to £11,990 as set out in the report.
- (3) Carry forward the slippage of £199,045 on approved capital schemes of which £522 will be to unallocated capital programme.

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 31st March 2008.

	£
Approved base budget as at February 2007	358,140
Funding of Community worker from Reserve	2,140
Funding Regeneration Officer from Reserve	10,650
Funding community Offices from Customer First	-3,770
Salary Turnover Savings & Saving on April 07 pay award	-1,590
Additional training from corporate allocation	770
Revised Budget as at 31st March 2008	366,340

A summary of the revenue position as at 31st March 2008 is as follows:

Element	Annual Budget	Actual Spend	Adverse + Favourable (0) Variation	Carry forward Requested
Development				
Expenditure	342,520	322,146	(20,374)	20,000
Income	(27,790)	(28,753)	(963)	0
Projects				
Expenditure	92,280	96,426	4,146	0
Income	(92,280)	(97,017)	(4,737)	0
Grants				
Expenditure	51,610	38,616	(12,994)	12,980
Income	0	0	0	0
Total North				
Expenditure	486,410	457,189	(29,222)	32,980
Income	(120,070)	(125,770)	(5,700)	0
Net Expenditure	366,340	331,418	(34,922)	32,980

The Net position on the year is a favourable balance of £34,922. However, as there are carry forward requests of £32,980 at the year-end the true position is an £1,941 under spend.

The reasons for significant variances are:

North Development. The £20,000 allocated for service enhancement was committed to supporting Young People (January 08) and supporting Older People (February 08) but the costs were not incurred in 07-08. District Executive is being requested to carry the budget forward for these projects to be paid in 2008-09.

Projects. There was extra income generated from the Beacon project, which allowed additional expenditure.

Grants. Most of the grants were paid within the year except for a balance on Frontline Councillors Community Scheme, which was allocated during the second half of the year (£7,660) and a grant for Somerset Levels & Moors (£5,320). District Executive is being requested to carry the budget forward for these grants to be paid in 2008-09.

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
770	Strategic Management Team	Community Work & Admin	Additional training funded from the corporate allocation.

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 31 st March 08		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	(12,730)	
Parrett Trail Study	(4,000)	
Total allocated		(26,090)
Uncommitted balance remaining		30,820

It is recommended that:-

1. The £4,000 allocated for the Parrett trail study be deleted, as the grant was funded from North revenue grants in 2007-08.
2. The £3,000 allocated for Somerset Waterways be deleted, as SCC/Sedgemoor DC not now require this funding.
3. That the £12,730 allocation for small business development grants be reduced by £5,090 to £7,640, as £5,090 for grants was paid from the revenue budget in 07/08.
4. The £2,010 allocated for Community projects be deleted, as should be sufficient revenue grants budget in 2008-09.

If the above recommendations are agreed the position on the reserve will be: -

Current balance in Reserve at 31 st March 08		56,910
Less amounts allocated:		
Extra hours for Regeneration Officer 08/09. (Feb 06)	(4,350)	
Small Business Development Grants. (Aug 07)	(7,640)	
Total allocated		(11,990)
Uncommitted balance remaining		44,920

CAPITAL PROGRAMME

The revised capital programme for this financial year and beyond is attached at Appendix A, together with a progress report on each scheme either Area or District Wide that are current within Area North. Also attached at Appendix B are details of the Youth & Play schemes included within the North Programme.

The actual spend in 2007/8 was £116,223 on an approved budget of £315,268. The balance remaining in the North Capital Programme is £327,558 of which £44,177 is committed to approved schemes and £283,381 remains unallocated or approved in principle.

It is recommended that the slippage of £199,045 on the 07/08 budgets is carried forward into 2008/09. But that the balances of £564 on Aller recreation ground less the £42 extra on Norton Youth facilities be returned to the unallocated balance.

The unallocated balance include:

Unallocated Programme	£59,008	This is a reducing balance, which includes the extra £25,000 approved by District Executive in February 08. (A further £522 may be added see above)
Frontline Councillors' Community Scheme	£16,250	This scheme will be evaluated in June 2008

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*
