

Area West Committee – 18th June 2008

10. Area West 2007/8 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 West Reserve;
- (3) carry forward the slippage of £54,611 to 2008-09 in the West Capital Programme. £46,840 on approved capital schemes and £7,771 to unallocated.

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 West now has delegated responsibility for the Area West development revenue budgets, which include revenue grants, regeneration and projects, the Area West Capital Programme and the Area West Reserve.

Financial Position

The table below shows the position of revenue budgets as at 31st March 2008.

| | £ |
|---|----------------|
| Approved base budget as at February 2007 | 483,590 |
| | |
| Budget Carry forwards approved DX December 2007 | 0 |
| Funding deficit on Healthy Living Centre (March 07 committee) | 12,000 |
| Funding of Community Plan support staff from Reserve | 21,850 |
| Salary Turnover Savings & Saving on April 07 pay award | (7,520) |
| Funding community Offices from Customer First | (11,390) |
| Funding Grants from Area West reserves including Forums | 41,460 |
| To Car parks from West Grants for Christmas free parking | (3,000) |
| Revised Budget as at 31st March 2008 | 536,990 |

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

| Element | Annual Budget | Actual Spend | Adverse + Favourable (-) Variation | Carry forward Requested |
|--------------------|----------------------|---------------------|---|--------------------------------|
| Development | | | | |
| Expenditure | 421,360 | 422,822 | 1,462 | 0 |
| Income | (35,510) | (29,835) | 5,675 | 0 |
| Projects | | | | |
| Expenditure | 116,210 | 127,083 | 10,873 | 0 |
| Income | (104,210) | (108,010) | (3,800) | 0 |
| Grants | | | | |
| Expenditure | 139,140 | 116,999 | (22,141) | 21,300 |
| Income | 0 | 0 | 0 | 0 |
| Total West | | | | |
| Expenditure | 676,710 | 666,904 | (9,806) | 21,300 |
| Income | (139,720) | (137,845) | 1,875 | 0 |
| Net Expenditure | 536,990 | 529,059 | (7,931) | 21,300 |

The Net position on the year is a favourable balance of £7,931. However as there was £21,300 of unpaid grants at the year-end the true position is a £13,369 over spend.

The reasons for significant variances are:

West Development. The reduced income is because markets income has reduced by £9,000. Crewkerne market income has been affected by supermarket construction and is down by about £3,000. The income in Chard is down by about £6,000.

Projects. The once off overspend on Healthy Living Centre due to compulsory redundancy costs being incurred at the end of a 5-year contract (almost £5,000).

Grants. Most of the grants were paid by the 31st March except for the balance on the Frontline Councillors Community Grant Scheme, which have now been paid in 2008/09. The £8,700 revenue grants allocated at the Ilminster Community Forum will also be paid in 2008-09. 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 |
|-------------|-------------------------------|---------------------|---|
| -3,000 | Area West Transport grants | Car Park Service | West funding free parking at Christmas. |
| 9,300 | Area West Reserve | Area West Grants | Funding grants approved by the Crewkerne Community Forum |

AREA RESERVE

The position on the Area West Reserve is as follows:

| | £ | £ |
|--|----------|---------------|
| Position as at 1 st April 2007 | | 161,870 |
| Less amounts transferred in 07-08 | | |
| Fund deficit re Healthy Living Centre | (12,000) | |
| Community Planning Admin Assistant | (21,850) | |
| Leader Plus – Blackdown Hills Partnership. £5,000 per annum until 07-08 | (5,000) | |
| Additional funding for Grants 07-08 | (2,160) | |
| Community Forum Projects Ilminster (£18,500 to Capital grants £6,500 Revenue grants) | (25,000) | |
| Community Forum Projects Crewkerne (to Capital) | (9,300) | |
| | | (75,310) |
| Current balance in Reserve at 31 st March 08 | | 86,560 |
| Less amounts allocated: | | |
| Community Speed Watch balance | (7,180) | |
| Community Forum Projects (Chard 07-08) | (40,700) | |
| | | (47,880) |
| Uncommitted balance remaining | | 38,680 |

Since the last report in February 2008, £9,300 has been allocated towards the grants awarded at the Crewkerne Community Forum.

The £3,000 allocated for free Christmas car parking has been transferred from the travel grants budget so does not need be funded from the reserve. The allocation for Community Speed Watch has been reduced from £9,480 to £7,180 as £2,300 was funded from revenue grants.

This will increase the uncommitted balance by £5,300 to £38,680 as shown in the table above.

CAPITAL PROGRAMME

The revised capital programme for this financial year and beyond is attached at pages 25-26, together with a progress report on each scheme either Area or District Wide that are current within Area West.

The actual spend in 2007/8 was £139,196 on an approved budget of £193,807. The balance remaining in the West Capital Programme is £200,738 of which £127,183 is committed to approved schemes and £73,555 remains unallocated.

It is recommended that the slippage of £54,611 on the 07/08 budgets be carried forward into 2008/09 but that the balances of £1,550 on West & Middle Chinnock VH & £221 on

Ilton & Broadway Scout Group and £6,000 of the HERS schemes be returned to the unallocated balance.

The unallocated balance includes:

| | | |
|---|---------|---|
| Unallocated Programme | £33,555 | This is a reducing balance, which includes the extra £25,000 approved by District Executive in February 08. (A further £7,771 may be added - see above) |
| Frontline Councillors' Community Grant Scheme | £20,000 | This scheme will be evaluated in June 2008 |
| Ilminster Community Office | £20,000 | This was allocated in 1996 but no detailed scheme has been proposed. |

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

Background Papers: *Financial Services Area West budget file.*
