

Joint Area Committee - West – 18th February 2009

10. Area West 2008/9 Budget Monitoring Report for the Period Ending 31st December 2008 (Executive Decision) (Excepted Business)

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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 West Committee as at the end of December 2008.

Recommendations

Members are recommended: -

- (1) to review and comment on the current financial position of the Area West Budgets;
- (2) that the balance of £1,020 unused funding for free Christmas car parking is returned to the uncommitted Area Reserve;
- (3) that the remaining amount of £791 in respect of the Merriott Flood Relief Scheme is returned to unallocated capital balance and the same amount is allocated within the Area Reserve;
- (4) that £870 is allocated from the unallocated capital balance to fund the balance of capital grants from the 2007 Community Forums.

REVENUE BUDGETS

Background

Full Council in February 2008 set the General Revenue Account Budgets for 2008/9 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 and regeneration, the Area West Capital Programme and the Area West Reserve.

Financial Position

The table below shows the position of revenue budgets as at 31st December 2008. This includes transfers to or from reserves

	£
Approved base budget as at February 2008	480,740
Carry forwards approved at DX June 2008	21,300
Revision of salary budget due to Job Evaluation (JE) results	19,930
Revision of salary budget due to staff turnover savings	(5,710)
Community Forums 07/08 contribution from Area Reserve	26,540
Transfer of training budget to Services	1,000
Crewkerne Conservation Area Appraisal funding from Area Reserve	200
Revised Budget as at 31st December 2008	544,000

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

Element	Original Budget £	Revised Budget £	Y/E Forecast £	Favourable Variance £	Adverse Variance £	%
Development						
Expenditure	441,510	478,170	497,440	-	19,270	3.9
Income	(36,110)	(36,110)	(36,110)	-		
Projects						
Expenditure	69,380	56,310	56,310	-		
Income	(69,380)	(56,310)	(56,310)	-		
Grants						
Expenditure	75,340	102,440	102,440	-		
Income	0	(500)	(500)	-		
Group Total						
Expenditure	586,230	636,920	636,920	-		
Income	(105,490)	(92,920)	(92,920)	-		
Net Expenditure	480,740	544,000	563,270	-		

The expenditure overspend within Development is due to redundancy costs.

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
200	Area West Reserve	Area West Budgets	Funding for advertising for Crewkerne Community Conservation Area Appraisal
8,470	Job Evaluation Budget	Area West Budgets	Revision of salary budget due to JE results
5,710	Area West Admin Budget	Finance	Staff turnover savings – Community Development Officer
1,000	Strategic Management	Area West Admin Budget	Allocation of training budgets

AREA RESERVE

The position on the Area West Reserve is as follows:

		£
Position as at 1st April 2008		86,560
Less amounts transferred in 2008-09	0	
Current balance in Reserve at 30 th June 2008		86,560
Less amounts allocated:		
Community Forum Projects 2007/08	(26,540)	
Community Forum Projects 2008/09	(25,000)	
Christmas Free Car Parking	(3,000)	
Advertising for Crewkerne Conservation Area Appraisal	(200)	
Uncommitted balance remaining		31,820

Since the previous committee report dated 17th December 2008 the balance has not changed.

The funding required to cover the loss of income as a result of providing free Saturday car parking in Area West for the two Saturdays before Christmas amounted to £1,980. The remaining balance of £1,020 which had been set aside can be returned to the uncommitted balance. This would increase the uncommitted balance to £32,840.

CAPITAL PROGRAMME

The revised capital programme for this financial year and beyond is attached following this report (pages 14-15), together with a progress report on each scheme either Area or District Wide that are current within Area West. The estimated spend on the West Capital programme in 2008/9 is £180,830 and a further £47,722 for future years. In addition there is £32,500 that has been approved in principle for future years and a balance of £12,326 that is unallocated.

Payment of all capital grants awarded at the 2007 Community Forums have now been completed. In total £870 more has been paid than the initial funding allocation. It is recommended that the balance of £870 is funded from the unallocated capital balance.

The small balances of £5 (frontline Councillors Community Scheme 07/08) and £1 (Pavilion Improvements Winsham Recreation Ground) will be returned to the unallocated Capital Reserve.

An allocated balance of £791 remains in respect of the Merriott Flood Relief Scheme. This balance is related to settlement of compensation payments that need legal agreements to be signed. It is recommended that it is returned to the unallocated capital balance and a provision is made for the same amount within the Area Reserve until such time that the scheme is completed.

Following these adjustments the unallocated Capital Reserve balance will be £12,253 and the Revenue Reserve balance will be £32,050.

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The details of the reserve schemes are as follows:

Schemes	Estimated Spend 2008/9 £	Future Spend £
Iminster Community Office	0	20,000
Merriott Sports Pavilion & Tennis Court		12,500
Unallocated Capital Reserve	0	12,826
TOTALS	0	44,826

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.*