

Area Committee West – 17th February 2010

6. Budget Monitoring Report for the Period Ending 31st December 2009 (Executive Decision)

Chief Executive: Phil Dolan, Chief Executive
 Assistant Director: Donna Parham, Assistant Director – Finance & Corporate Services
 Service Manager: Amanda Card, Finance Manager
 Lead Officer: Catherine Hood, Management Accountant
 Contact Details: catherine.hood@southsomerset.gov.uk or (01395) 462157

Purpose of the Report

The purpose of this report is to update members on the budgetary position of the Area West Committee as at the end of December 2009.

Public Interest

This report gives an update on the financial position of Area West Committee after nine months of the financial year 2009/10.

Recommendations:

Members are recommended to:

- (1) Review and comment on the current financial position of Area West Budgets;
- (2) Approve the return of £25,000 currently allocated to the 2008/09 Community Forum Projects to the unallocated balance in the Area Reserve.

REVENUE BUDGETS

Background

Full Council in February 2009 set the General Revenue Account Budgets for 2009/10 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, 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 2009. This includes transfers to or from reserves. It also includes the carry forwards agreed by District Executive in June 2009:

	£
Approved base budget as at Feb 2009 (Original Budget)	505,140
Budget Carry forwards approved DX June 2009	33,340
Community Forum 08/09 Contribution from Area Reserve	9,650
Equalities and Diversity budget transferred to Assistant Director - Communities following restructure	(52,630)
Reduction in salary budgets following pay award decision	(4,180)
Revised Budget as at 31st December 2009	491,320

A summary of the revenue position as at 31st December 2009 is as follows:

Element	Original Budget £	Revised Budget £	Y/E Forecast £	Favourable Variance £	Adverse Variance £	%
Development						
Expenditure	471,230	436,330	436,330	-	-	
Income	(37,560)	(37,560)	(27,560)	-	10,000	26.6
Projects						
Expenditure	63,510	106,470	106,470	-	-	
Income	(56,310)	(99,270)	(99,270)	-	-	
Grants						
Expenditure	64,270	85,350	85,350	-	-	
Income	0	0	0	-	-	
Group Total						
Expenditure	599,010	628,150	628,150	-	-	
Income	(93,870)	(136,830)	(126,830)	-	-	
Net Expenditure	505,140	491,320	501,320	-	10,000	2.04

Area Development Manager's Comments

The adverse variance of £10,000 for the year is due to a fall in market income reported earlier this year.

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.

The following virements have taken place since the last report:

Amount £	From	To	Details
4,870	Area West Reserve	Area West Capital Budgets	Funding of 08/09 Community Forums
52,630	Area West development budgets	Assistant Director - Communities	Transfer of Equalities and Diversity budget following restructure
4,180	Area West salary budgets	Finance	Salary amendments following reduction of pay budget by 1% to match 2009/10 pay award

AREA RESERVE

The position on the Area West Reserve is as follows:

		£
Position as at 1st April 2009		57,840
Less amounts transferred for use in 2009/10:		
Community Forum Projects 2008/09	(9,650)*	
		(9,650)
Current balance in Reserve at 31st December 2009		48,190
Less amounts allocated:		
Community Forum Projects 2008/09	(15,350)*	
Merriott Flood Relief Scheme	(790)	
Alcohol Consumption in Public Place Order-Crewkerne	(1,500)	
		(17,640)
Uncommitted balance remaining		30,550

Area Development Manager's Comments

It is recommended that the £25,000 funding currently allocated to the 2008/09 Community Forum Projects be returned to the Area Reserve.

In June 2008 the Area West Committee approved arrangements for future Opportunity Events, including the financial implications that the £90,000 budget needed to fund local improvement schemes agreed through the three Opportunity events would be found from the Better Aligning Services budget, the Area Reserve, and the Area Capital programme (unallocated balances).

Pending a full Council decision on a 2009/10 Better Aligning Services budget allocation as part of the annual budget setting process, a total of £25,000* was allocated from the Area reserve so that the opportunity events could be planned. The last of the three events was held in April 2009 and a total of £93,174 was allocated towards local improvements and service enhancement.

In terms of overall budget management, it is sensible to "de-allocate" the £25,000 so it is once again available in the Area Reserve as this expenditure can be met from balances in the Better Aligning Services budget.

If members agree to return the £25,000 funding currently allocated to the 2008/09 Community Forum Projects the uncommitted balance in the Area Reserve will increase to £55,500.

CAPITAL PROGRAMME

The revised capital programme for this financial year and beyond is attached following this report 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 2009/10 is £81,314 and a further £12,187 for future years. In addition there is £20,000 that has been approved in principle for future years. There is also a balance of £60,358 that is unallocated. Please note that this does not take account of the recent decision by Area West Committee to offer further financial support to the Neroche Project.

The details of the reserve schemes are as follows:

Schemes	Estimated Spend 2009/10 £	Future Spend £
Ilminster Community Office		20,000
Unallocated Capital Reserve	22,000	38,358
TOTALS	22,000	58,358

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.

Corporate Priority Implications

The budget is closely linked to the Corporate Plan.

Carbon Emissions & Adapting to Climate Change Implications (NI188)

There are no implications currently in approving this report.

Equality and Diversity Implications

When the Area West budget was set any savings made included an assessment of the impact on equalities as part of that exercise.

Background Papers *Financial Services Area West budget file
Proposed Arrangements for Future Opportunity Events
(Area West Committee 18th June 2008)*