

Area West Committee – 15th February 2012

12. Budget Monitoring Report for the Period Ending 31st December 2011

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Purpose of the Report

The purpose of this report is to update members on the current budgetary position of the Area West Committee as at the end of December 2011.

Public Interest

This report gives an update on the financial position of Area West Committee after nine months of the financial year 2011/12.

Recommendation

Members are recommended to review and comment on the financial position of Area West Budgets as at 31st December 2011.

REVENUE BUDGETS

Background

Full Council in February 2011 set the General Revenue Account Budgets for 2011/12 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 2011. This includes transfers to or from reserves.

	£
Approved base budget as at Feb 2011 (Original Budget)	381,650
General Fund to Community Justice Panel	10,000
Budget Carry forwards (£20,000 approved June 2011)	20,000
Chard Healthy Living Centre Business Rates	(2,470)
Revised Budget as at 31st December 2011	409,180

A summary of the revenue position as at 31st December 2011 is as follows:

Element	Original Budget	Revised Budget	Y/E Forecast	Favourable Variance	Adverse Variance	%
	£	£	£	£	£	
Development						
Expenditure	368,920	394,180	394,180	0	0	-
Income	(48,490)	(34,750)	(34,750)	0	0	-
Projects						
Expenditure	21,130	63,660	63,660	0	0	-
Income	(13,930)	(48,930)	(48,930)	0	0	-
Grants						
Expenditure	54,020	35,020	35,020	0	0	-
Income	0	0	0	0	0	-
Group Total						
Expenditure	444,070	492,860	492,860	0	0	-
Income	(62,420)	(83,680)	(83,680)	0	0	-
Net Expenditure	381,650	409,180	409,180	0	0	-

Area Development Manager's Comments

- (1) The higher (revised) budget for both Projects Expenditure and Income in the above table is due to adjustments made following decisions made about support for the Community Justice Panel project.
- (2) The lower (revised) budget for Grants Expenditure is due to an adjustment to allow for base budget savings targets agreed in previous years but funded from the Area Reserve to be achieved.

Budget Virements

Under the financial procedure rules the Strategic/Assistant Directors & Managers 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 Assistant Director Finance & Corporate Services 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)

As at 31st December 2011, the following virements had taken place since the last budget monitoring report.

Amount £	From	To	Details
2,470	Area West Projects	Finance re efficiencies savings	Business Rates budget efficiencies available

AREA RESERVE

The position on the Area West Reserve was as follows:

		£
Position as at 1st April 2011		54,960
Less amounts transferred for use in 2011/12:		0
Current balance in Reserve at 31st December 2011		54,960
Less amounts allocated but not yet transferred:		
Underwrite Community Grants	(40,500)	
Provision for Street Market improvements (some contribution agreed in principle – subject to detail)	(14,340)	
		(54,840)
Uncommitted balance remaining		120

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.

As at the end of December 2011 the estimated spend for the Area West programme was £28,750 all of which was profiled for 2011/12. In addition there was a provision of £5,660 for the current year (which would require further approval by committee) with a further £20,000 approved in principle for future years. There was also a balance of £109,949 that was unallocated (split over the current and future years) as detailed below.

There are the following reserve schemes within the programme:

Schemes	Provision 2011/12 £	Estimated Spend 2011/12 £	Future Spend £
Markets Improvement Group	5,660		
Ilminster Community Office			20,000
Unallocated Capital Reserve		14,840	95,109
TOTALS	5,660	14,840	115,109

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.

Area Development Manager's Comments

Members are reminded that it was agreed in January 2012 to allocate £70,000 towards a budget for the community grants programme. It is anticipated that the majority of this budget will be spent in 2012/13.

That decision reduced the unallocated capital reserve from £109,949 to £39,949.

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*