

REPORT TO THE EXECUTIVE MEETING OF 19th December 2011

Status: Paragraph 2.1 and 2.2 – Decision
Paragraph 2.3 – Recommendation

Title: Revenue Budget & Capital Programme Monitoring to 30 September 2011

Originator: Kamal Mehta, Deputy Chief Executive

Where from:

Where to next: Not applicable

1 Purpose of the Report

1.1 To provide information on actual expenditure and income against the 2010/11 Approved Revenue Budget for the quarter to 30 September 2011.

1.2 To advise Members of changes to Budgets during the quarter and obtain approval where needed.

1.3 To update the Executive on the progress of schemes within the Capital Programme to 30 September 2011.

2 Recommendations:

2.1 To note the financial position against budget as at 30 September 2011.

2.2 To note Capital Programme scheme progress.

R 2.3 To recommend to Council to vary the Capital Programme as in paragraph 3.2.

3 Summary of Reasons for the Recommendations

3.1 The Revenue budget at 30 September 2011 against phased budget is showing an underspend of £177k. There are a number of variations and comments against cost centres are shown in Appendix A. Further work on budget savings is being undertaken by budget managers and the position against each saving initiative is to be monitored at the Performance and Programme group meeting each month.

3.2 Variations to the Capital Programme must be approved by Council. The table below summarises those variations to the programme which have arisen during the second quarter of this financial year.

	Expenditure Budget Increase / (Decrease) £
S.106 Grants (i)	317,200
S.106 Grant (ii)	10,000
Website / Internet Upgrade	3,900
Upgrade CCTV Systems	(3,900)
Total Increase / (Decrease)	327,200

The reasons for the overall increase in capital expenditure budgets are summarised below:

- S106 grants (i) to Harborough District Council, Parish Councils & Community Organisations, recommended by the Grants Panel and approved by the Executive on 26 September 2011.
- S106 grant (ii) to Fleckney Parish Council to purchase land for recreational purposes. This is a follow up grant to one approved in 2010/11 for the purchase of play equipment.
- Website / Internet Upgrade – due to unforeseen technical failures with the hosted Google Mini Disc a new Google appliance and associated configuration was required at an additional cost of £3,900. The Deputy Chief Executive authorised the expenditure with the cost to be met from savings elsewhere within the capital programme.
- Upgrade CCTV Systems – Upgrades to the CCTV system have been completed with a budget under-spend of £5,365. It is proposed to vire £3,900 of this under-spend to the Website project to cover the purchase of a new Mini Disc.

4 Impact on Communities

4.1 None

5 Key Facts

5.1 The revenue budget for 2010/11 was approved by Council on 25 February 2010. Budget monitoring is undertaken during the year against the working budget which represents the original approved budget adjusted for budgets carried forward from the previous financial year, virements and supplementary approvals.

5.2 Monitoring of actual capital expenditure against the approved budget is undertaken on a monthly basis with Budget Managers and reported to the Management Board on a quarterly basis. Members also have access to quarterly capital monitoring reports via the TEN Performance Management System.

- 5.3 The original Capital Programme for 2011/12 totalled £450,500 and was approved by the Council on 24 February 2011. Members agreed carry forwards from 2010/11 of £926,700 and additional variations of £1,299,400 on 19 September 2011.
- 5.4 Appendix B gives details of the spending against budget for all schemes in the approved 2011/12 Capital Programme for the period 1 April 2011 to 30 September 2011.
- 5.5 Actual expenditure and commitments to the end of September 2011 total £1,685,318 against the full year budget of £3,003,800, representing a variance of £1,318,482. Appendix B provides a scheme by scheme analysis of expenditure against the budget including explanations of any variances.
- 5.6 Expenditure to date on schemes either completed or currently underway is generally in line with expectations with no significant areas of concern.

6 Legal Issues

- 6.1 Any legal implications arising from new schemes will have been addressed as part of the capital project appraisal process.

7 Resource Issues

- 7.1 Estimated capital resources required to support the Capital Programme are shown in Appendix B. Over £505k of capital expenditure is planned to be financed by unsupported borrowing, with £605k from Section 106 contributions.
- 7.2 There have been no Capital Receipts this financial year from Council owned asset sales, however receipts are being generated through the Right to Buy scheme administered by Seven Locks. At 30 September 2011 these receipts totalled £31k.
- 7.3 The final funding decisions for capital expenditure are taken at the year end in the light of the actual amounts of funds available from the various sources so that the Council's position is optimised.

8 Equality Impact Assessment Implications/Outcomes

- 8.1 None arising directly from this report.

9 Impact on the Organisation

- 9.1 A robust budget monitoring procedure is integral to ensuring that the Council's financial standing is safeguarded and that financial procedure rules are adhered to.

9.2 Corporate implications of new schemes are also addressed during the capital project appraisal process.

10 Community Safety Implications

10.1 There are none arising directly from this report

11. Carbon Management Implications

11.1 There are none arising directly from this report

12. Risk Management Implications

12.1 It is important to monitor the position against budget regularly in order to ensure any issues can be addressed appropriately.

13 Consultation

13.1 Budget holders and service accountants discuss the financial performance against budgets at monthly budget monitoring meetings. Quarterly performance is discussed at Management Board as part of the reporting process to Members.

13.1.1 Comments regarding progress against capital schemes included in Appendix B have been provided by service managers in discussion with Finance Services. Progress against schemes is also reported to the Management Board and any comments arising from those meetings are incorporated in the Capital Monitoring Reports.

14 Options Considered

14.1 None

15 Background Papers

15.1 Budget monitoring reports held by Finance Services.

15.2 Capital Project Appraisal Forms.

Previous report(s): None

Information Issued Under Sensitive Issue Procedure: No

Ward Members Informed: Not applicable

Appendices:

- A. Revenue Budget report**
- B. Capital Monitoring report**