

Leicester
City Council

RESOURCES AND CORPORATE ISSUES SCRUTINY COMMITTEE	11 January 2007
HIGHWAYS & TRANSPORTATION SCRUTINY COMMITTEE	17 January 2007
ENVIRONMENT AND CULTURE SCRUTINY COMMITTEE	31 January 2007
ECONOMIC DEVELOPMENT & PLANNING SCRUTINY COMMITTEE	18 January 2007
CABINET	15 January 2007

REVENUE BUDGET MONITORING 2006/07– PERIOD 7

REPORT OF THE CHIEF FINANCE OFFICER

1.0 INTRODUCTION

- 1.1 The purpose of this report is to show a summary position comparing spending with the budget. The report is the second in the regular cycle of reports for the 2006/2007 financial year showing budget issues that have arisen so far.
- 1.2 Each Scrutiny Committee will receive only this covering report and the appendix (or appendices) which relate to its portfolio. The Resources and Corporate Issues Scrutiny Committee will receive the appendices that relate to its portfolio and a summary report considering the overall position.
- 1.3 The Cabinet will receive this covering report and the overall position for the Council.
- 1.4 Members of the Cabinet or the Resources and Corporate Issues Scrutiny Committee wishing to see the appendices relating to any portfolio not appended to the report should please contact the report author.

2. SUMMARY

- 2.1 The General Fund budget set for the financial year 2006/2007 was £232.5m. Together with the sums carried forward by service departments from 2005/2006 of £0.2m, the revised budget is now £232.7m. After 7 months of the year, 69% of the revised budgets of departments have been spent.
- 2.2 Departments continue to be working under significant budgetary constraints. The departments where this is most felt include Adults and Community Services, Housing and Resources, who are forecasting that they will need to draw on departmental reserves or capitalisation in order to achieve a balanced outturn.

3. RECOMMENDATIONS TO CABINET

3.1 The Cabinet is recommended to:

- a) Note the changes made to the original approved budget for 2006/07;
- b) Note the expenditure to date and the budgetary issues which have emerged so far this year;
- c) Note the proposals put forward to ensure that spending is contained within the Departments' budgets;
- d) Approve the establishment of an earmarked reserve for the capital financing costs associated with the Building Schools for the Future programme as outlined in paragraph 6.3;
- e) Note the budget transfers outlined in paragraph 3.4.

3.2 Scrutiny Committees are asked to consider issues affecting their portfolio and make any observations to the Cabinet as they see fit.

3.3 The Resources and Corporate Issues Scrutiny Committee is asked to consider the overall position for the whole Council and make any observations it sees fit.

4. FINANCIAL IMPLICATIONS

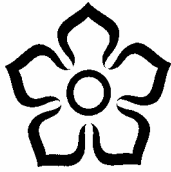
The report is solely concerned with financial issues.

5. LEGAL IMPLICATIONS

There are no direct legal implications in this report. Peter Nicholls, the Head of Legal Services has been consulted in the preparation of this report.

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Senior Accountant

MARK NOBLE
CHIEF FINANCE OFFICER



Leicester
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Highways & Transportation Scrutiny Committee
Environment and Culture Scrutiny Committee
Economic Development & Planning Scrutiny Committee

17 January 2007
31 January 2007
18 January 2007

BUDGET MONITORING 2006/2007 – PERIOD 7 REGENERATION AND CULTURE DEPARTMENT

REPORT OF THE DIRECTOR OF REGENERATION AND CULTURE

SUPPORTING INFORMATION

1. PURPOSE OF REPORT

This report provides an analysis of the Department's budget performance after the first 7 months of the financial year, and shows the forecast outturn position.

2. SUMMARY

2.1 After 7 months of the year, 61.8% of the revised budget of the Regeneration and Culture Department has been spent.

2.2 We are forecasting a balanced out-turn.

3. REPORT

3.1 The updated budget for the Regeneration and Culture Department is £60.6m. The table below shows the department's original budget (now in four divisions) and an analysis of changes that have occurred as a result of internal re-alignment of budgets.

SERVICE AREA	Original Budget 2006/2007	C/fwd from 2005/2006	Virements	Revised budget 2005/2006
	£'000	£'000	£'000	£'000
Culture Services	9,502.9	-	4,892.4	14,395.3
Street Scene	22,433.5	-	119.6	22,553.1
Planning and Policy	7,264.4	6.9	250.7	7,522.0
Regeneration ,Highways & Transportation	16,865.3	-	(740.6)	16,124.7
TOTAL	56,066.1	6.9	4,522.1	60,595.1

Details of significant virements across departments include:

£

Transfer of Libraries from C&YP	4,521.6
Transfer of Advice services to A&CS	(821.8)
Transfer of Community Safety to A&CS	(822.4)
Crime & Disorder Growth	360.0
Others including energy price increases	<u>1,284.7</u>
	<u>£4,522.1</u>

3.2 Comparison of revised budget to expenditure

The revised budget and the actual position for the first three months of the financial year are summarised here:

Budget for the year	£60,595k
Spending to date	£37,495k
Percentage spent	61.8%

The details are shown in the following table:

SERVICE AREA	Budget for 2006/2007	Actual spend as at 31 October 06	Percentage of budget spent at 31 October 2006	Forecast Variance
	£'000	£'000	%	£'000
Culture Services	14,395.3	9,102.1	63.2	0
Street Scene	22,553.1	13,513.4	59.9	0
Planning and Policy	7,522.1	3,468.4	46.1	0
Regeneration, Highways & Transportation	16,124.6	8,308.6	51.5	0
Sub Total Non-Trading Services	£60,595.1	£34,392.5	56.8	0
Trading Services	-	3,102.3	N/A	0
TOTAL	£60,595.1	£37,494.8	61.8	0

3.3 Projected outcome

3.3.1 The department is forecasting a balanced outcome.

3.3.2 The organisation review started later than anticipated, however the revised structure will be in place from 1 December.

3.3.3 A combination of savings made through vacant posts not being filled across the Department and a contingency fund specifically for any delays in completing the review means that the Department will achieve its budgeted review savings.

- 3.3.4 The most significant area of risk for the Department remains the achievement of budgeted income, and in particular the income from DeMontfort Hall shows, Planning fee income and the income from Bereavement, Parks and Landscape Services. We are currently on target, but monitoring the situation closely as there is a seasonal effect (Bereavement Services and the Christmas shows at DeMontfort Hall for example), which means that any shortfalls in the coming months would have a disproportionate impact on the Department.
- 3.3.5 All other cost pressures are being managed within the Divisions themselves.
- 3.3.6 The Department's four traded services (Fleet Transport, Operational Transport, City Highways and Catering) are all forecasting a break-even position.

3.4 Growth items

The budget includes a number of growth items which total £795k, these are all forecast to spend to budget.

4. CONSULTATION

All cost centre managers within the Regeneration and Culture department have been consulted in the preparation of this report.

5. FINANCIAL, LEGAL and OTHER IMPLICATIONS

5.1 This report is concerned solely with financial issues

5.2 Other Implications

Other implications	Yes/No	Paragraph referred
Equal Opportunities Policy	No	-
Sustainable & Environmental	No	-
Crime & Disorder	No	-
Human Rights Act	No	-
Elderly/People on low income	No	-

6. BACKGROUND PAPERS

Budget Book 2006/7
Budget monitoring papers.

7. Report Author/Officer to contact:

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ANDY KEELING

ACTING CORPORATE DIRECTOR OF REGENERATION AND CULTURE