

<i>TITLE OF REPORT</i>	<b>REVENUE BUDGET MONITORING – JULY 2007 BUSINESS SUPPORT DEPARTMENT</b>
RESPONSIBLE OFFICER	Neil Davies, Chief Executive

## 1. Purpose

- 1.1 This report is the July budget monitoring report for the 2007-08 financial year and is based on the budget manager returns for July 2007.
- 1.2 Department Management Team are requested to review this report to ensure:
- That it fairly reflects the financial position of the services within their remit.
  - That any necessary action is identified and taken to ensure that the department operates within its approved budget
  - That this report is amended as necessary to reflect such proposed action before onward consideration by members.

## 2. Background

- 2.1 The initial direct income and expenditure budget allocation for the department is £7.203m and this includes one off funding of £350,000 for the cost of the local election. This report does not include the recharges budget of £5.846m.
- 2.2 Budget monitoring reports are now only to be presented to members in Cabinet cycles this report is due to Cabinet on 25 September 2007.

## 3. Current Forecast Position

- 3.1 The current managers forecast is an overspend of £436,000. The following table shows the forecast variance by assistant director.

<b>Assistant Director</b>	<b>Current Budget £000</b>	<b>Current Forecast £000</b>	<b>Forecast Variance £000</b>	<b>Change in variance £000</b>
Central Finance	6,072	6,502	430	66
Legal Property & Procurement	(1,338)	(1,181)	156	(47)
Communications & Improvement	4	(16)	(19)	4
CF, Democracy & Governance	2,888	2,860	(28)	(52)
Organisational Services	(424)	(526)	(102)	47
<b>TOTAL</b>	<b>7,203</b>	<b>7,639</b>	<b>436</b>	<b>18</b>

**3.2** Details of the cost centres with major over/underspends are shown in the table below:

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>Current Budget £000</b>	<b>Current Forecast £000</b>	<b>Forecast Variance £000</b>
4C204	Land Charges	(366)	(285)	81
4C542	Benefit Payments	(313)	(67)	245
4C099	Contingencies	(167)	0	167
4R302	Commercial Property	(777)	(843)	(66)
4E850	Licensing	(64)	(7)	57
4C270	Lifeline/CCTV	282	298	16
4R202	ICT Computer services	(203)	(286)	(83)
4R666	Directorate Support	16	(49)	(66)
4C246	Reprographics	(172)	(128)	44

**3.3** The reasons for the forecast variances are as follows:

**3.4** Land Charges (£81,000 potential overspend).

This year has seen the introduction of revised methods of charging for land charges, with an emphasis on cost recovery only. As in previous years the forecast overspend is due to not achieving the income target set and is based on the amounts recovered in 2006-07.

**3.5** Benefit Payments (£245,000 potential overspend).

This is due to a reduction in the level of overpayments recovered compared to the income target.

**3.6** Contingencies (£167,000 potential overspend).

This is the unallocated savings target that the directorate has to find in 2007-08.

**3.7** Commercial Property (£66,000 potential underspend).

This is due to forecast increase in rental income.

**3.8** Licensing (£57,000 forecast overspend)

This is due to non-achievement of the income target. This has increased by £13,000 from the June return.

**3.9** Lifeline and CCTV (£16,000 potential overspend).

The forecast is in line with previous year's outturns and is due to increased staffing and equipment costs. It has reduced from the previous return due to an additional allocation of PTG money for monitoring of Telecare units. 2007/08 is the last year for which PTG money has been confirmed and so alternative sources of income will need to be found to cover the costs of monitoring the units supplied using this grant. Community Services managers will need to be consulted as to the continued payment of the monitoring costs for their clients after 31 March 2008.

**3.10** ICT Computer Services (£83,000 potential underspend)

The forecast saving is due to staff vacancies and network savings.

**3.11** Directorate Finance Support (£65,000 potential underspend)

The forecast saving is due to staff vacancies.

**3.12** Reprographics (£44,000 potential overspend)

The current level of activity for the reprographics team is indicating a considerable overspend due to non achievement of the income target. Measures have been taken to try and reduce expenditure by reducing staffing and equipment costs. Activity may increase with the requirement for new stationery in line with the civic HQ move but this is not an ongoing income stream for future years. Please see appendix 2 for details.

**3.13** Levies (£37,000 forecast overspend).

This is due to an increase of 24% in the internal drainage levy for 2007/08.

**4. Management Action**

- 4.1** Additional savings need to be identified within the directorate to fund the forecast overspend, for example a reduction in the training commitments. We have received in excess of £400,000 rebate as a result of appeals against previous years' NNDR charges, and although this is partially offset with surveyor fees, the balance can be used to cover the forecast overspend. However, these are one off savings and on going efficiencies must be identified for the longer term.