

Title of Report:	2004/2005 Budget Update	Item 7
Report to be considered by:	Executive	
Forward Plan Ref:	EX0713	

Corporate Plan Priority: This item supports all the Council's Corporate Plan Priorities
The proposals contained in this report will help to achieve the above Corporate Plan priority by:
Ensuring that the Council's available resources are managed effectively to enable delivery of its priorities.

Purpose of Report:	To Update Members on the 2004/2005 budget monitoring position and to approve a number of in year budget revisions.
Recommended Action:	To approve the use of resources to meet in year one off items.
Reason for decision to be taken:	N/A
List of other options considered:	N/A
Key background documentation:	<ul style="list-style-type: none"> • Papers held by Accountancy

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Implications

Financial: As detailed

Supporting Information

1. Background

- 1.1 Regular budget monitoring is carried out across all service units on a monthly basis. The information from this process, including the service Highlights reports, is reported to the Corporate Board after the monthly cycle is concluded, normally within 4 weeks of the closure of the period and in line with the annual monitoring timetable.
- 1.2 The timetable includes the requirement to update members on the position on a regular basis and this report is the second update for the 2004/2005 financial year. It represents the monitoring exercise carried out to the end September 2004 ie as at quarter 2. Further updates will be reported after closing quarters 3 and 4.
- 1.3 The Service Grouping summary shown at Appendix 7 indicates that the latest forecast position to 31st March 2005 anticipates the total net service expenditure to be £149,586,449 before use of balances and this compares against a Revised Budget (see Section 2) of £149,911,240. Based upon this budget level a potential underspend of £324,791 after meeting the requirements of the Medium Term Financial Strategy (MTFS) as reported to the Executive on 15th July 2004. It is proposed that this forecast underspend will fund the Additional Expenditure Budgets (AEB's) already approved by the Executive as detailed in section 2.3 below, leaving a current year forecast budget saving of £24,791.

2. Key Issues

- 2.1 Currently there are a number of in year issues that have been identified following completion of the 2004/05 budget process. There is a need to commit expenditure in the current year to address these issues and as such the Revised Budget in the Appendix has been updated to reflect them.
- 2.2 Within the monitoring process the Corporate Director E&PP has highlighted the need to increase the performance of the Council in its CPA assessment and a critical area in the achievement of this will be to reflect improvements to the districts roads and public transport information. Both issues fall under the Environment and Public Protection service grouping. It is estimated that the costs in year, on a one off basis will be in the region of £330,000. The current forecast indicates that the service grouping is managing its budgets tightly giving the scope within the service grouping itself to meet this financial requirement in addition to having contributed £456,000 to the MTFS target already in 2004/05. The Revised Budget therefore includes the additional expenditure on Highways and Engineering to meet the need to improve the CPA BVPI's and has been supported in previous discussions at the Corporate Board.
- 2.3 In accordance with the previous reports to and the recommendations of the Executive approving AEB's, a contribution to the Berkshire pension fund of approximately £300,000 for early retirement costs needs to be made in this financial year. This will be funded from the forecast underspend shown in Appendix 7.

3. Recommendations

- 3.1 The Executive is asked to approve the Revised Budget for 2004/05 to address the budget issues highlighted in section 2 above. This recommendation is made in light of the resources already contributed to corporate balances as planned within the MTFS and against the recommendations approved previously by the Executive in relation to the costs of early retirements.

Appendices

Appendix 7 - Period 6 Budget monitoring statement.

Consultation Responses

Local Stakeholders:	None
Officers Consulted:	Corporate Board
Trade Union:	N/A