

29 MARCH 2000**REVENUE BUDGET MONITORING 1999/2000 AND EFFECT ON LATER YEARS**

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1. **Purpose**

1.1 To report on the latest outturn forecast against budget for the current financial year and the implications for later year's budgets.

2. **Summary**

2.1 An overspend of just under £400,000 is projected for 1999/2000. It is, however, anticipated that the outturn will balance to the approved budget by the time the accounts are closed.

2.2 Spending pressures have been identified against the budget for 2000/2001 but it is anticipated that these can be accommodated within existing budgets.

3. **Recommendations**

3.1 The Committee is recommended to:

(a) note the report; and

(b) instruct officers to consider options for bridging any shortfall from projected capital receipts in the funding of capital and revenue budgets.

4. **Background**

- 4.1 This is a scheduled regular update report on the Council's forecast outturn against budget for the current year and the implications for future year's budgets. While the report is being presented practically at the end of the financial year the formal reporting processes on which it is based have relied on actual data up to the end of February. There is, therefore, some scope for the final outturn to be different from that forecast here.

5. **Issues and Choices**

- 5.1 A revised statement of budget and resources forecasts is **Annex** to the report. This forecasts a £392,000 overspend against the latest approved budget for 1999/2000. Positive action is being undertaken, however, to contain spending in the last few weeks of the financial year and it is expected that outturn will balance to the approved budget by the time the accounts are closed.

5.2 Waste Contracts

- (a) Although an interim 6 month waste contract has now been agreed, it will not be possible to take a comprehensive view on the impact on the 2000/01 revenue budget until the results of the tendering exercise for the 7 year contract are known at the end of May. However, current indications are that, to remain within the budget, some form of service reductions would be required. The approximate shortfall is estimated to be £100,000, assuming that boundary collection and single refuse/recycling vehicle operation are implemented in October.
- (b) The potential shortfall in the waste contract budgets could be recovered by introducing further reductions already agreed in principle by Policy and Resources Committee, such as the removal of the bulk skips service. The earlier these are introduced the greater the likelihood of achieving the budget target, although it may not be necessary to implement them until the second half of the financial year if tenders for the substantive contract are within the benchmark prices. The Environment Committee has deferred consideration of this matter until the results of the tendering exercise are known. The assumption, therefore, is that there will be no impact on the budget for 2000/2001.

5.3 Property Disposals

- (a) The 2000/2001 capital and revenue budgets have been predicated on the receipt of some £5.5m from disposals of surplus Council Assets. Decisions have yet to be made on a number of the assets that are subject to other considerations and the Children's and Youth Committee has resolved that no Youth properties be disposed of pending the formulation of strategy towards the new "Connexions Service". Equally the issue of timing and final value of the receipts cannot be resolved in total at this stage.

- (b) For these reasons it is proposed that officers be instructed to consider options for bridging any shortfall from projected capital receipts in the funding of the capital and revenue budgets.

5.4 It will be necessary to provide for one-off project costs for the new Homecare IT system in 2000/2001. This system is required to deliver the service and the budgeted savings next year and the costs have, therefore, been built into the projections.

6. **Implications**

6.1 Environmental

None.

6.2 Equalities

None.

6.3 Financial

The report sets out the latest budget monitoring position for the Council as it moves towards the end of the 1999/2000 financial year.

6.4 Legal

None.

6.5 Staff and Accommodation

None.

7. **Conclusions**

7.1 An overspend of just under £400,000 is projected for 1999/2000. It is, however, anticipated that the outturn will balance to the approved budget by the time the accounts are closed.

7.2 Spending pressures have been identified against the budget for 2000/2001 but it is anticipated that these can be accommodated within existing budgets.

Background Papers: None