

BUDGET MONITORING REPORT 1999/2000 AND LATER YEARS

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1. **Purpose**

1.1 To report on the latest forecast outturn against the 1999/2000 budget and the anticipated budget and resources for 2000/01 and 2001/02.

2. **Summary**

2.1 The report updates the three year budget forecast and notes that the level of predicted reserves as at 31 March 2000 has improved by £606,000 from the level reported at the July meeting of the committee but notes that there are identified budget pressures building in the Children's placement budgets which may offset this.

3. **Recommendations**

3.1 The Committee is recommended to note:

- (a) the updated forecast, **Annexed** to the report; and
- (b) that a further report will be made to a forthcoming special meeting of the Committee.

4. **Background**

- 4.1 This is a regular report to the Committee to update the three year forecast of the continuation budget against likely resources.

5. **Issues and Choices**

- 5.1 The updated three year forecast is **Annexed** to the report. The changes to the forecast which improve the reserves position by £606,000, since the report to Committee in July, now included are as follows:

- (a) on reorganisation, the County Council had an outstanding court case with UNISON relating to the payment of car allowances. If the case had gone against the County Council the cost would have been over £2 million. Following best financial practice the County set this sum aside in their accounts which meant Milton Keynes share of the County's reserves was reduced. The County has successfully defended the case and, since UNISON is now out of time for appeal, has released the sum back into its general reserves. As part of the finance protocol it was agreed that Milton Keynes Council would receive its share of the reserve, plus interest, when the case was settled. This sum, totalling £579,480 has now been received from the County and effectively increases the reserves; and
- (b) the report dealing with the Statement of Accounts reports that the amendments to the outturn for 1998/99 will see an additional £26,000 returned to reserves by 31 March 2000.

- 5.2 Initial work in preparing the updated budget forecasts suggests that there may be pressure building on the children's placement budget in the current financial year. It has not been possible to quantify this sum to date but future reports will update the Committee as to the commitments that are being built up.

- 5.3 There are still risks associated with the Theatre construction programme which have yet to be quantified which will be reported to Committee in due course.

6. **Implications**

6.1 Environmental

An integral part of the budget process.

6.2 Equalities

Equalities issues are mainstreamed and part of the budget process.

6.3 Financial

The report updates the three year financial forecast of expenditure and resources and the effect on the reserves position.

6.4 Legal

None.

6.5 Staff and Accommodation

None.

7. **Conclusions**

This report is a part of a series of monitoring statements and is the pre-cursor to the planned special meeting of the Committee in the Autumn. It shows that the financial position has improved since the last report by £606,000 but that there continue to be significant pressures in the current and later years and that further proposals need to be made to protect reserves in future years.

Background Papers: None