

**POLICY AND RESOURCES COMMITTEE REVENUE EXPENDITURE 1999/2000**

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**1. Purpose**

- 1.1 To inform the Committee of the latest position in respect of the current financial year up to the end of July 1999.
- 1.2 To inform the Committee of any major variances forecast for the financial year 1999/2000.

**2. Summary**

The outturn position to the 31 July compared with the profiled budget shows an underspend of £74,800 and a number of variations have been identified which will affect the finances of this Committee during 1999/2000.

**3. Background**

- 3.1 Budgets are being monitored by officers on a monthly basis and a report taken to the Directorate Management Team and the Leader of the Council.

**4. Issues and Choices**

- 4.1 We are now three months into the financial year and a number of issues have been identified. The vacancy target of 3% has been allocated over budget heads therefore employee costs for each division are shown net of this target. Any saving proposals agreed at the Policy and Resources Committee on 13 July have been reflected in the outturn position. The position to date is shown at the **Annex**.

The main variations within the Policy and Resources budgets are outline below.

- 4.2 Treasurer's Department: Bailiff fees are running slightly under budget. The majority of the underspend relates to vacancies. All staff savings in Council Tax area will contribute to the PFI costs.
- 4.3 A new server to support the upgrade of the financial systems was required for which there is no budget provision. It is therefore anticipated that the financial systems budget will overrun by approximately £7,000.
- 4.4 Corporate Administration: Land Charges income is running £19,000 ahead of profile.
- 4.5 Information Technology: The budget now shows the additional funds agreed at Policy and Resources in July to cover the cost of contractors so is now running approximately to profile.

- 4.6 Human Resources: Underspend of £7,500 on Staff budgets with the balance mainly on supplies and services.
- 4.7 When the budget the H.R. budget for this year was constructed it was anticipated that charges would be made for police checks for some areas of recruitment. A decision was taken at Policy and Resources not to make these changes so there will be a shortfall of £6,920 in this area.
- 4.8 Democratic Services: The Member's refreshment budget is overspent by £3,200.
- 4.9 Corporate and Democratic Core: Small overspend in this area relating to Millennium I.T. costs which we may not be able to capitalise.
- 4.10 Administrative Buildings: Overspend consists of additional rates incurred as a result of a rating review on Civic Offices and Saxon Court (under appeal) and no budget provision for subsidy on staff drinks. It is anticipated that the over spend will be in the region of £10,000 for the subsidy.
- 4.11 The administrative buildings security contract is currently being tendered. It is possible that the cost of the new contract will exceed the current budget provision, adding additional pressures to this budget.
- 4.12 Salary and Wages Overhead: Savings include Childcare (£4,500), first aid and fire employee allowances (£3,200) with the balance on supplies and services.
- 4.13 The additional pensions budget to BCC is insufficient to meet the projected cost this year. Now that we are two years into the new authority we have full details of the payments required for staff who have retired early. This amounts to around £40,000 for ex BCC (non schools) staff and £6,000 for ex MKC/MKBC staff. In addition to this contractual inflation was not applied to this budget as part of the budget process last year. This has led to a further short fall of £12,000. The short fall for this area is approximately £58,000 total.

## 5. **Implications**

### 5.1 Environmental/Equalities

None

### 5.2 Financial

The report concerns itself with the Policy and Resources overall financial position. There are no direct implications.

### 5.3 Legal

None

5.4 Staff and Accommodation

None

6. **Conclusion**

6.1 Whilst the Policy and Resources Committee is showing an overall underspend at present there is a number of pressures which are currently not provided for. This may result an overspend at the year end of up to £85,000, although all efforts will be made to try to keep within the original spending

## ANNEX TO ITEM f

	<b>1999/2000 REVISED BUDGET £</b>	<b>Results to 31 July 99 £</b>	<b>Profile Budget to 31 July 99 £</b>	<b>Results Vs Profiled Budget £</b>
<b><u>RESOURCES COMMITTEE</u></b>				
Chief Executive's Office	24,280	213,444	218,954	(5,510)
Director and Support Costs	(8,960)	124,142.19	127,883	(3,741)
Treasurer's Department	1,261,460	1,002,233	1,020,068	(17,835)
Corporate Administration	(834,820)	(44,082)	(24,941)	(19,141)
Information Technology	1,337,960	1,442,237	1,442,065	171
Legal and Property	(35,310)	426,016	446,560	(20,544)
Human Resources	(46,940)	525,281	536,703	(11,423)
Democratic Services	406,350	132,725	131,202	1,523
Corporate & Democratic Core	3,163,440	94,580	89,165	5,415
Externally Provided Services	(5,000)	712,061	718,266	(6,205)
Central Administration Buildings	98,930	1,347,483	1,335,915	11,568
Corporate Property Holding	276,030	(115,518)	(118,606)	3,088
Discretionary Rate Relief	225,000	0	0	0
Neighbourhood Councils & Parish Initiatives	458,510	189,133	188,705	428
Training	0	11,259	11,587	(328)
Salary & Wages Overhead	45,320	73,533	85,822	(12,289)
Additional Pensions ex MKBC & BCC	438,140	(0)	0	(0)
Further Savings to be Achieved	(20,000)	(20,000)	(20,000)	0
	<u>6,784,390</u>	<u>6,114,525</u>	<u>6,189,349</u>	<u>(74,824)</u>