

AGENDA ITEM: 5

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Meeting	Cabinet Resources Committee
Date	23 September 2004
Subject	Revenue Monitoring 2004/05
Report of	Cabinet Member for Resources
Summary	To consider a report on revenue monitoring in the current year and instruct officers to take appropriate action.

Officer Contributors	Borough Treasurer
Status (public or exempt)	Public
Wards affected	N/A
Enclosures	Appendix A – 2004/05 Forecast Outturn Appendix B – Savings Implementation Monitor
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Clive Medlam 020 8359 7110.

1 RECOMMENDATIONS

- 1.1 That the General Fund and Housing Revenue Account budget monitoring position be noted.**
- 1.2 That the sum of £150,000 be added to the central contingency in respect of the Highways Service's Street Lighting PFI.**
- 1.3 That Heads of Service be instructed to take appropriate management action to achieve the budgeted savings, contain emerging budget pressures and identify further savings to achieve the target of £5m balances by 31 March 2005.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Council 2 March 2004 and Cabinet Resources 28th July 2004.

3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 Robust revenue monitoring is essential to ensure that resources support the Council's priorities as set out in the Corporate Plan.

4 RISK MANAGEMENT ISSUES

- 4.1 The risks posed by budget pressures are addressed in Section 7 below. Management action is being taken to address budget pressures. Failure to contain these pressures will impact on the council's available balances.

5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 The 2003/4 Outturn report presented to this committee on 28 July 2004 advised that General Fund balances at 31 March 2004 amounted to £0.93m. The 2004/5 budget included a contribution to balances of £3m which brings the total of General Fund balances to £3.93m, before considering the effects of monitoring during the year. Further comments are contained in Section 7.

6 COMMENTS, IF ANY, OF THE COUNCIL'S STATUTORY OFFICERS (Head of Paid Service, Chief Finance Officer, Monitoring Officer)

- 6.1 None.

7 BACKGROUND INFORMATION

- 7.1 Variances previously considered and approved by Cabinet Resources Committee in July combined to reduce balances to £3.6m at 31 March 2005. The position summarised in Appendix A shows that balances are now forecast to be £2.54m at 31 March 2005.

- 7.2 This figure excludes any redundancy costs that may arise during the year, for which a capitalisation Direction will again be sought from the ODPM.
- 7.3 Work is ongoing to finalise the impact on the General Fund of the creation of Barnet Homes. Any variation on the current contingency provision of £400,000 will be reported to a future meeting.
- 7.4 Work is also ongoing to update outturn forecasts for interest on balances, debt charges and housing/council tax benefit subsidy. All three items are particularly volatile budgets.
- 7.5 The debt charges budget is based upon the assumption that all planned capital receipts will be completed before 31 March 2005. If any are not achieved this will require additional prudential borrowing to be undertaken. The later this situation arises in the year, the less flexibility the council will have in undertaking this capital borrowing which may be at higher interest rates than anticipated.
- 7.6 The 2003/04 central contingency provision (£150,000) to assist in delivering the Street Lighting PFI was not used and fell into balances. The committee is now being asked to approve this being added to the 2004/05 central contingency and taken back from General Fund balances.
- 7.7 The traffic light monitor on budgeted savings is attached at Appendix B. The forecast variations shown in this monitor are repeated in Appendix A.
- 7.8 Cabinet Members are aware of the impact that non-achievement of budgeted savings and new emerging pressures could have on balances, and are working with Heads of Service to contain these costs.
- 7.9 There are no significant budget variations in the Housing Revenue Account.

8 LIST OF BACKGROUND PAPERS

- 8.1 None

MO: JEL

BT: CM