

REPORT TO: Executive Board Sub Committee
DATE: 6 November 2008
REPORTING OFFICER: Operational Director – Financial Services
SUBJECT: 2008/09 Half Year Spending
WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To report the Council's overall revenue and capital spending position as at 30th September 2008.

2.0 RECOMMENDED: That the report be noted.

3.0 SUPPORTING INFORMATION

Revenue Spending

3.1 Appendix 1 presents a summary of spending against the revenue budget for each Department, up to 30th September 2008. In overall terms, revenue expenditure is below the budget profile.

3.2 However, the budget profile is only a guide to eventual spending. The 2008 Pay Award has not yet been settled, however, agreement has recently been reached nationally to make an interim payment of the employers' final offer. In addition, some elements of the Pay and Grading Review have not yet been finalised and spending is historically higher in the latter part of the financial year. It is therefore important that budget managers continue to closely monitor and control spending to ensure that overall spending remains in line with budget by year-end.

3.3 In overall terms staffing expenditure is below budget due to vacant posts within a number of Departments. However, expenditure and income in some areas are showing signs of inflationary pressures and the results of the global "credit crunch", particularly in terms of fuel, energy and food costs.

3.4 Expenditure on Childrens' Residential Placements is marginally above the budget profile, however, this is a heavily demand led budget and current projections indicate that expenditure may exceed budget by year-end. Spending on Adult Community Care and the Adults with Learning Difficulties pooled budget are also higher than the budget profile due to increased demand for services. These budgets are expected to continue to be under pressure throughout the second half of the year.

- 3.5 Income is below budget profile in a number of areas including; Trade and Bulky Waste Collection, School Meals, Planning Fees, Building Control Fees, Land Search Fees, Market Rents and Industrial Estate Rents.
- 3.6 Investment returns are currently better than expected despite the volatility in the financial markets. As a result investment income is expected to exceed the budget target by year-end.
- 3.7 There have been a considerable number of equal pay claims as part of the national single status agreement. These are being considered by our legal advisers and will result in a significant cost falling on the Council.

Capital Spending

- 3.8 A summary of capital spending is shown in Appendix 2. Capital spending to 30th September 2008 totalled £17.8m, which is 77% of the planned spending of £23.2m at this stage. However, this represents only 36% the total capital programme of £49.5m.
- 3.9 Although historically capital expenditure is significantly higher in the latter part of the financial year, it is important that project managers maintain pressure to keep projects and spending on schedule and in particular to ensure that all external funding is maximised.

4.0 POLICY AND OTHER IMPLICATIONS

- 4.1 None.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 5.1 There are no direct implications, however, the revenue budget and capital programme support the delivery and achievement of all the Council's priorities.

6.0 RISK ANALYSIS

- 6.1 The Council must have internal controls and processes in place to ensure that spending remains in line with budget.

7.0 EQUALITY AND DIVERSITY ISSUES

- 7.1 None.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1072

- 8.1 There are no background papers under the meaning of the Act.

APPENDIX 1

Revenue Expenditure to 30th September 2008

	Annual Budget	Budget To Date	Actual Spend	Variance To Date	Actual Including Committed
	£'000	£'000	£'000	£'000	£'000
Specialist Services	12,428	4,295	4,191	104	5,430
Business Planning & Commissioning	5,273	-3,686	-4,006	320	-3,979
Universal & Learning Services	2,362	873	767	106	773
Preventative Services	7,691	2,400	2,326	74	2,354
Children and Young People Directorate	27,754	3,882	3,278	604	4,578
Environmental Health & Regulatory	12,248	6,648	6,427	221	6,515
Highways & Transportation	13,774	3,785	3,098	687	4,513
Major Projects	796	94	94	0	95
Regeneration	1,504	469	469	0	523
Stadium, Catering & Cleaning	1,858	882	1,164	(282)	1,164
Environment Directorate	30,180	11,878	11,252	626	12,810
Legal, HR & Organisation Development	1,895	2,015	2,031	(16)	2,212
Policy & Performance	3,478	1,067	994	73	1,125
Exchequer & Customer Services	5,080	9,401	9,246	155	9,168
Financial Services	0	700	658	42	660
ICT Services	57	1,648	1,662	(14)	2,465
Property Services	70	2,521	3,400	(879)	6,142
Financial Arrangements	-10,109	478	297	181	297
Corporate and Policy Directorate	471	17,830	18,288	(458)	22,069
Culture & Leisure Services	12,432	2,280	2,262	18	3,809
Adult Services	13,672	4,336	4,714	(378)	5,064
Health & Partnerships	2,765	620	535	85	773
Older People	14,479	5,179	4,703	476	5,299
Health and Community Directorate	43,490	6,599	6,613	(14)	8,080
	101,895	40,189	39,431	758	47,537

APPENDIX 2

Capital Expenditure to 30th September 2008

	Capital Allocation	Allocation Profile To Date	Actual Expenditure	Total Remaining Allocation
	£'000	£'000	£'000	£'000
Children & Young People Directorate				
Universal & Learning Services	5,313	3,181	2,126	3,187
Environment Directorate				
Environmental & Regulatory	905	235	140	765
Highways & Transportation	21,234	10,555	9,747	11,487
Major Projects	13,023	5,690	3,021	10,002
Stadium	58	35	42	16
Health & Community Directorate				
Culture & Leisure	1,874	141	113	1,761
Health and Partnerships	2,856	1,318	724	2,132
Older People	172	0	0	172
Adult Services	59	0	0	59
Corporate & Policy Directorate				
Policy & Performance	120	50	0	120
ICT Services	2,323	1,070	830	1,493
Property Services	1,532	921	1,102	430
	49,469	23,196	17,845	31,624