

Report to: Budget Panel

Date of Meeting: 14 March 2011

Report of: Head of Strategic Finance

Title: Finance Digest January 2011 (Month 10)

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**1. SUMMARY**

- 1.1. This report provides an update of the latest Revenue Budget forecast out turn for 2010/11 as at 31<sup>st</sup> January 2011 and includes the Finance Digest at Appendix A.

**2. RECOMMENDATIONS**

- 2.1 That Budget Panel considers the revenue forecast for 2010/11 outturn as at 31<sup>st</sup> January 2011

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### **3. GENERAL FUND REVENUE EXPENDITURE**

- 3.1 The forecast outturn net expenditure for 2010/11 as at 31<sup>st</sup> January 2011 is predicted to show an overspend of £334k and has increased from the situation at Period 9. The causes of this increase have been detailed within the attached Digest.
- 3.2 The Budget process and Medium Term Financial Strategy for 2011/2012 has assumed a forecast overspend in 2010/2011 of £300k and this appears to be borne out through the budget monitor. Action has been taken to restrict recruitment to vacancies and to reduce volume purchases of supplies and services wherever possible. It is hoped that the current overspend can be reduced by year end.
- 3.3 Detailed information is provided within the attached Finance Digest.

### **4 IMPLICATIONS**

#### **4.1 Financial**

Budget variations are identified throughout the Finance Digest attached. A failure to address the forecast overspend will result in the Council's Working Balance or specific general reserves having to be utilised to cover the deficit.

#### **4.2 Legal Issues (Monitoring Officer)**

None

#### **4.3. Potential Risks**

Budget projections can be volatile and a number of risk areas require monitoring by Heads of Services.

#### Background papers:

The following background papers were used in the preparation of this report

Budget Setting 2010/11

Financial Management System

Medium Term Financial Strategy 2010/11 – 2014/15

*If you wish to inspect or take copies of background papers please contact the officer named on the front page of the report.*