

PART A

Report to: Budget Panel
Date of meeting: 25th October 2011
Report of: Head of Strategic Finance
Title: Finance Digest 2011/2012: Period 6 (end of September)

1.0 SUMMARY

1.1 This report informs the Budget Panel of the reported budgetary variances as at end of September 2011 and reflects the half year position.

2.0 RECOMMENDATIONS

2.1 To consider the Finance Digest as at the end of period 6.

Contact Officer:

For further information on this report please contact Bernard Clarke, Head of Strategic Finance, telephone extension 8189, email bernard.clarke@watford.gov.uk

3.0 INTRODUCTION

3.1 The Finance Digest monitors the Council's expenditure and income throughout the financial year. Whilst it has been remarkably effective in highlighting major variances throughout the year, it has been less effective in identifying minor changes to budget profiles. This period 6 Digest has been produced after a series of 'Star Chambers' have been held with most Heads of Service to seek to ensure that all variations are identified. It is anticipated that this approach will continue during the year.

4.0 SUMMARY OF REVENUE FORECAST

4.1 The attached Digest indicates a forecast overspend of £83k when compared to the Original Revenue Budget. The largest adverse variation relates to the cost of bed and breakfast for homeless families (£150k) and which has been reported within earlier editions of the Digest. Had this not occurred then the forecast outturn would have indicated a minor underspend.

4.2 Earlier on the Agenda of the Budget Panel (Item 6) is the half year review of service prioritisation efficiency savings required to be delivered in 2011/2012. Not all of the variations identified at Agenda item 6 have been reflected within the Finance Digest. The Period 7 budget monitor will however ensure that all service prioritisation variations are incorporated into the overall budget forecast.

5.0 CAPITAL OUTTURN FORECAST

5.1 The Finance Digest also includes at pages 19 to 22 the Council's Capital Programme, the key features include:

- a four year capital programme anticipated to invest £29,782k on improving the environment and asset base of the Council.
- major projects within the programme include the Colosseum refurbishment, Health Campus regeneration development, and initiatives relating to the Cultural Quarter/ Offer.
- the Programme also includes £6,814k of Section 106 funded projects which will deliver the Council's green spaces strategy.
- at the completion of this comprehensive development programme (March 2015), the Council is forecast to have a residual balance of £2,746k of available capital receipts. It is important therefore that future asset disposals are generated if investment in the Town is to continue.

6.0 FINANCIAL IMPLICATIONS

6.1 These have been included within the report.

7.0 LEGAL IMPLICATIONS

7.1 There are no legal implications arising out of this report..

8.0 POTENTIAL RISKS

Potential Risk	Likelihood	Impact	Overall Score
That the Council's Budget is overspent at year end and the use of unplanned reserves is the consequence	2	3	6

9.0 EQUALITIES

9.1 There are no equality implications arising out of the period 4 Finance Digest.

Appendices

Finance Digest Period 6 (end of September)