

**Report to:** Budget Panel  
**Date of meeting:** 11<sup>th</sup> January 2012  
**Report of:** Head of Strategic Finance  
**Title:** Finance Digest 2011/ 2012: Period 8 (end of November)

## **1.0 SUMMARY**

1.1 This report informs the Budget Panel of the reported budgetary variances as at end of November 2011.

## **2.0 RECOMMENDATIONS**

2.1 To consider the Finance Digest as at the end of period 8.

### **Contact Officer:**

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## **3.0 INTRODUCTION**

3.1 The Finance Digest monitors the Council's expenditure and income throughout the financial year. The position as at Period 8 includes detailed monitoring of all the Council's major income and expenditure cost centres.

## **4.0 SUMMARY OF REVENUE FORECAST**

4.1 The attached Digest includes a comprehensive review of the Council's income from commercial property (adverse) as well as its performance in managing the Revenues and Benefits cost centres (a good performance in financial terms). The Digest indicates that circa £706k will need to be drawn down from the Economic Impact Reserve to mainly cover a shortfall in commercial rent income; additional costs of homelessness; and decisions taken not to implement in full the proposed service prioritisation savings scheduled for 2011/2012.

4.2 The forecast within the Digest is not unexpected and is due to the recessionary effects being felt across the national economy. The fact that all service prioritisation savings have not been achieved in full has been reported on an earlier Budget Panel agenda and indicates a degree of pragmatism shown by Cabinet in accepting circumstances will change during a period of global slowdown.

4.3 The deterioration in the Council's Budgets during 2011/2012 has reinforced the wisdom of the Council keeping a reasonable level of reserves for a 'rainy day'. It is certainly the case that sunshine is unlikely to break out any time soon. Consideration of the 2012/ 2013 Revenue Budget needs to be acutely aware that a number of key risks need to be factored in when arriving at final decisions.

## 5.0 FINANCIAL IMPLICATIONS

5.1 These have been included within the report.

## 6.0 LEGAL IMPLICATIONS

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

## 7.0 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

## 8.0 EQUALITIES

8.1 There are no equality implications arising out of the period 8 Finance Digest.

## Appendices

Finance Digest Period 8 (end of November)