

**HERTFORDSHIRE COUNTY COUNCIL
RESOURCES, PROSPERITY, PARTNERSHIP
AND CONSULTATION SCRUTINY COMMITTEE
THURSDAY 31 OCTOBER 2002 at 10.30 a.m.**

Agenda Item No

5

BUDGET MONITORING 2002/03

Report of the Finance Director

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1. Purpose of the Report

To provide members with the latest available position on the 2002/03 budget monitor.

2. Monthly monitor to 31st July 2002

A copy of the latest budget monitor (to 31st July 2002) is attached at appendix A.

A summary of the overall revenue position shown in that monitor is set out in table 1 below:

Table 1

Summary revenue outturn position as at 31st July 2002

	<u>£000s</u>
Latest approved budget	855,878
<u>Forecast outturn</u>	<u>856,880</u>
Forecast net overspend	1,002

Table 2

Summary capital outturn position as at 31st July 2002

	<u>£000s</u>
Latest approved budget	97,959
<u>Forecast outturn</u>	<u>97,930</u>
Forecast net underspend	(29)

Briefing Note
Monthly Budget Monitor
To 31st July 2002

1. Revenue Monitor

The attached report shows the projected revenue outturn position as at 31ST July 2002 as follows:

Net overspend	£1,002,000
Estimated final outturn	£856,880,000

This is a decrease of £1,580,000 from the forecast outturn overspend of £2,482,000 reported in the June 2002 monitor, £1,700,000 of which is due to the allocation against the special contingency for the Out County Placements budget in CSF.

A summary of the changes are given in Table 1, with details in Appendix A overleaf.

2. Capital monitor

The projected underspend on the capital budget has been reduced by £51,000 to £29,000 since the June 2002 monitor. Details of this and other changes can be found at Appendix B.

**Consolidated monthly budget monitor
report**

**Details
as at 31st July 2002**

1. Revenue Budget		£'000s	
Original budget		853,868	
Latest Approved Budget		855,878	
Forecast outturn at 31 st July 2002		856,880	
Variance- overspend/(underspend)		1,002	
Change from previous monitor		(1,480)	
Previous monitor 30th June 2002			
Forecast outturn from previous monitor		858,360	
Variance- overspend/(underspend)		2,482	
Details of variances (previous monitor variances in italics)		@31/7/02	@30/6/02
		2	
Adult Care Services		430	370
Children		456	2,156
Schools&Families			
Community Information		160	
Precepts		(44)	(44)
Net variance		1,002	2,482
Change from previous monitor			
Reasons for change			
ACS	Elderly Residential,NursingHomes	(20)	
	LD Residential & Day Care	200	
	MH Residential & Day Care	80	
	MH Staffing Budgets	(200)	
CSF	Out County Placements (Note 1)	(1700)	
CID	Shortfall on income budgets	160	
	Total change from previous monitor	(1,480)	

Note 1

CSF

£1.7m of the special contingency for uncertainties is allocated to cover this issue. This reflects the ongoing nature of this pressure, but CFS will seek to reduce the pressure and identify savings to reduce the call on the special contingency.

2. Capital Budget

Original budget	89,227
Latest Approved Budget at 31/07/02	97,959
Forecast outturn	97,930
Variance- overspend/(underspend)	(29)

Change from previous monitor	51
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Previous monitor <i>30th June 2002</i>	
<i>Latest Approved Budget at 30/06/02</i>	97,535
<i>Forecast outturn from previous monitor</i>	97,455
<i>Variance- overspend/(underspend)</i>	<i>(80)</i>

Details of variances (previous monitor variances in italics)	@31/07/0	@30/06/0
	2	1
Children	(80)	(80)
Schools&Families		
Adult Care Services	51	(0)
Environment	(0)	(0)
Community Information	(0)	(0)
Protection	(0)	(0)
Corp Services	(0)	(0)
Magistrates Courts	0	0
Net variance	(29)	(80)

Material Changes (over £75,000)
to Revenue Variances July 2002

Adult Care Services

LD Residential and Day Care - £200,000 overspend

Based on commitments as at 31 July 2002, the budget for independent sector placements is projected to underspend. However, as new clients are placed throughout the remainder of the financial year a balanced budget is being forecast. For in house services a projected overspend of £200,000 is being forecast and this is mainly due to the large numbers of more expensive agency staff that need to be employed to meet staff / client ratios - this is a £200,000 increase on last month's monitor.

The total net budget for residential and day care is £36.171m.

MH Residential and Day Care - £80,000 overspend

Based on commitments as at 31 July 2002, this budget is projected to overspend by around £80,000 since new clients tend to cost more than those previously receiving these services do. In addition, more new clients being placed than clients leaving. This is an increase of £80,000 compared with last month.

The total net budget for residential and day care is £3.375m.

MH staffing budgets - £200,00 underspend

At the moment there is a large number of vacancies within MH locality teams and only some of these posts are covered by agency staff. The current underspend is over £200,000.

Children, Schools & Families (CSF)

Out of County Placements

Cabinet on 16th September 2002 agreed to allocate £1.7m of the special contingency against the projected overspend on this budget at 30th June 2002.

This reflects the ongoing nature of this pressure, but CFS will seek to reduce the pressure and identify savings to reduce the call on the special contingency.

Community Information

Income Budgets - £160,000 Shortfall

There is a projected shortfall of £160,000 against income targets. The trend of increasing numbers of video loans now appears to have reversed, and this is an anticipated shortfall of £70,000 against budgeted video income. Income from fines and reservations is currently projected to be £90,000 short of the budgeted figure. This results from a combination of slowly declining borrowings and the introduction of automated loan-renewal methods.

The position on these income budgets will continue to be closely monitored and every effort will be made to contain this pressure within the overall budget for Community Information.

The impact in future years of the income shortfall will need to be considered as part of the 2003/04 budget process.

**Material changes (over £75,000)
to Capital monitor July 2002**

Corporate Services

The capital budget now includes a virement of £150,000 from Land Purchase Contingency budget to Environment for the purchase of land at Dark Lane Household Waste Site.

Environment

No overall variance is projected, but under urgency procedures a virement of £100,000 has taken place from the budget for the repairs to the Aldenham Dam to the budget for the purchase of the household waste site at Harpenden.

There has also been a virement from Corporate Services in respect of Dark Lane Household Waste Site. (See 1 above)