
**EXCERPT FROM THE MINUTES OF THE
CORPORATE RESOURCES OVERVIEW AND SCRUTINY
COMMITTEE
HELD ON 7 SEPTEMBER 2006**

**CROS.94/06 BUDGET OVERVIEW AND MONITORING REPORT – APRIL TO
JULY 2006**

The Director of Corporate Services, Mrs Brown, presented report FS.40/06 providing an overview of the Council's overall budgetary position for the period April to July 2006 for revenue and capital budgets, and including details of balance sheet management issues, high-risk budgets, performance management, and progress against the Gershon efficiency statement.

Members' attention was particularly drawn to the budgetary position as at July 2006. The revenue budgets were underspent by £940,871, of which £623,019 could be attributed to the insurance settlement in advance of flood recovery work being completed. A full report on flood recovery would be submitted to a future meeting.

The capital budgets showed slippage of £1,318,512 of which £1,131,000 had been identified to be carried forward into 2007/08. There had been two meetings of the Capital Projects Board, part of their remit being to review progress of capital projects, which would assist in improved budget monitoring information over time.

The Executive had considered the report on 29 August 2006 and approved the virement of £32,000 for the implementation of the replacement HR and Payroll System which would be funded from salary savings and the Risk Management Budget (EX.196/06 refers).

In considering the report Members raised the following questions and observations:

- (i) A Member referred to the small font size used in the appendices to the report which made them very difficult to read and asked that that issue be addressed for the future.

Mrs Brown apologised and undertook to take that point on board.

- (ii) In response to a request for background information on the need for the virement of £32,000 for the replacement HR and Payroll System, the Deputy Chief Executive explained that when the project was originally established a bid had been put forward as part of the Budget process but had failed. It had subsequently become apparent that insufficient funding was available to implement the project, and a request for the virement had been made to and approved by the Executive on 29 August 2006.

- (iii) Potential carry forwards to 2007/08 for revenue schemes had been estimated at £107,000 to date as part of ongoing work by Officers to better profile spending.
- (iv) There was serious concern at the Council's ability to achieve income levels set in the revenue budgets, particularly in areas such as Car Parking where car park ticket sales were already struggling to achieve budget for the year. Members wished to know what was being done to address those shortfalls and when that would be reported to them.

Dr Gooding replied that a number of high risk budgets had been identified, including car parking and the implementation of Job Evaluation. Officers were now considering the Budget for 2007/08 and work required to be undertaken and a clear plan put in place over a fixed period to manage those risks. The Committee would be involved via the Budget reporting process.

- (v) Dr Gooding undertook to provide a written response to a question on why there was no budget provision for the Pirelli rally which was apparently £20,000 overspent.
- (vi) The potential for a recurring shortfall of approximately £137,000 on Concessionary Fares due to increased ridership had recently been identified. Negotiations were ongoing with the Bus Company and a report would be submitted to the next meeting of the Executive.
- (vii) Members would welcome the inclusion of tables within the report setting out figures for high risk budgets which would assist them in understanding the seriousness of the position.
- (viii) Members were disappointed to note that Senior Officers were not in attendance at the meeting to respond to questions within their respective service areas which clearly the Director of Corporate Services could not be expected to answer.

The Review of Overview and Scrutiny undertaken by Dr Stephanie Snape had highlighted such issues.

Dr Gooding reported that he had raised that issue at Senior Management Team requesting that Corporate Directors ensure that they, or their representatives, were in attendance at appropriate Committee meetings.

Members considered the position to be unacceptable and that a formal request be made to the Overview and Scrutiny Management Committee to ensure that Senior Officers were in attendance, as appropriate, at future meetings of the Committee.

Members also recorded their appreciation of the Finance and Performance Management Portfolio Holder's attendance at the meeting.

The Portfolio Holder replied that he wished to be present to hear what Members had to say and believed that questions should be answered by Senior Officers.

- (ix) It was agreed that if Members of the Committee wished to submit questions in writing to the Committee they would contact the Chairman or Overview and Scrutiny Support Officer.

RESOLVED – (1) That, subject to the Committee’s observations being taken on board as detailed above, the overall budgetary position for the period April to July 2006 be noted.

(2) That the Committee’s concerns, as detailed at (viii) above, be conveyed to the Overview and Scrutiny Management Committee with the request that action be taken to ensure the attendance of Senior Officers as appropriate at future meetings of the Committee.