

## ANNEX C

### REVENUE BUDGET MONITORING

At the end of the first quarter the budgetary control reports for the General Fund reported a potential overspend of £0.282m. Details of individual variances are outlined in each department's Performance Management Report (PMR).

There are three main reasons for this projected overspend:

- The likelihood that the savings originally anticipated from the Travel Plan will not be achieved in full in 2008/09 following extended consultation and the implementation of the final scheme (£100,000).
- A funding dispute with the Primary Care Trust (PCT) relating to certain clients with learning disabilities. It had been anticipated that the PCT would fund £180,000, but if they are not liable this cost will have to be met by the Council.
- Income from land charge searches is significantly down on the same period last year, reflecting the current downturn in housing market. The full year effect could be a shortfall of up to £120,000.

Additional interest continues to be generated in part due to higher interest rates arising from the credit crunch and higher than expected cash balances arising from grant received in advance of expenditure. This additional income mitigates some of the pressures identified above.

At this early stage in the financial year there are still risks to the budget arising from the general downturn in the economy, rising inflation and the pay award which has yet to be settled.

It is anticipated that all of these risks can be managed and they will be monitored throughout the year with corrective action being taken, if necessary, to ensure that the Council spends within budget for the eleventh consecutive year.