

## ANNEX C

### REVENUE BUDGET MONITORING

At the end of the second quarter the budgetary control reports for the General Fund reported a potential overspend of £2.419m. As outlined above action has however been taken by Corporate Management Team to ensure that spending is brought back to within budget which is being reported separately to the Executive. The action taken comprises an in year savings package of £1.639m together with utilising £0.428m from the revenue budget contingency, representing the uncommitted balance. This action results in the projected overspend becoming £0.352m. Details will be reported to the Executive in December as part of overall budget package and will also be included in each department's Performance Management Report (PMR).

The main reasons for this projected overspend are:

- The cost of placements for Looked After Children is projected to overspend by £0.216m.
- The PCT routinely reviews individuals' eligibility for Continuing Health Care support and therefore funding. Since the start of the financial year, £0.230m of funding has been withdrawn and is therefore being reported as an over spending. There remains a risk to the budget of changes in individual circumstances which will be monitored closely.
- Electricity prices, predominantly for unmetered street lighting, have increased from their previously discounted rates - £0.241m
- The significant reduction in income as a consequence of the recession and credit crunch. Those income budgets experiencing the greatest pressure are:
  - Car parks (both cash sales and season tickets) - £0.261m
  - Easthampstead Park Conference Centre and Downshire Complex - £0.260m
  - Development control - £0.200m
  - Interest - £0.325m

At this stage in the financial year there remain significant risks to the budget arising principally from the credit crunch and the economic slowdown. Some of these risks are reported above and those budgets representing the greatest risk will continue to be scrutinised in detail as part of the Council's usual budget monitoring arrangements.

A projected overspend of £0.352m is considered manageable at this point in the financial year and there remains sufficient time to identify and take further corrective action between now and 31 March 2010 to bring spending in line with the budget.

Indeed, since starting to write the Council has had provisional notice of a £0.1m increase in the housing and planning delivery grant, reducing the project spending sown to £0.252m.