

APPENDIX E
Agenda Item No. 8

QUARTERLY DIGEST – 1 APRIL 2004 TO 30 JUNE 2004 Head of Finance

0.1 Purpose

This report presents the Quarterly Digest covering the period from the 1 April 2004 to 30 June 2004 for consideration by the Scrutiny Committee.

2.0 Recommendation/For decision

Members are requested to consider the digest and its content.

3.0 Supporting Information

3.1 This report presents the digest covering the period from 1 April 2004 to 30 June 2004 for members' consideration. The digest has previously been circulated.

3.2 This is the first Digest for the new financial year and as only 3 months has passed only a few budgetary issues, which are likely to have an impact on the year end position, have been identified.

3.3 The digest presents spend compared to budget position for each service the Council operates and includes an explanation for all significant variances. The analysis is also split between the main functions of the Council and includes separate sections for the General Fund, Housing Revenue Account and Capital budgets. Performance indicator information is also included in order to give some context to the budgetary information.

3.4 Because of the range of topics covered by the digest and the difficulty in ensuring that the appropriate officer is on hand to answer questions it is proposed that only those detailed questions notified to the Chairman in advance of the meeting, using the tear off sheet at the back of the digest, will be dealt with.

3.5 At the time of writing this report two questions had been received. These were;

“The table on page 16 [reserves and provisions] is difficult to understand. What is the message and how can Members judge whether the information is good or bad?” It has also highlighted that this table does not add up correctly and a revised version is therefore attached for Member's information.

“On page 15 [Special Expenses – Fairford Leys] the table shows spend £10,902 higher than the budget for Horticultural Maintenance. What is the current situation re the pitches; they are not being used so why the extra cost? If this is to do with corrective work why is it being charged to the Special Expenses revenue account, shouldn't it be met by the contractor or from the original budget provision for the facility?”

3.6 In response and in order that they were asked. The Reserves and Provisions statement is provided in order that Members know how much the Authority is holding in reserves and therefore have the full position.

3.7 The comment as to whether this is good or bad is duly noted. Unfortunately, the nature of reserves is such that we are providing for an event which we believe is likely to happen, but we are not sure when or how much it will cost. It is therefore difficult to say whether we have sufficient in the reserves and as a consequence, whether this is good or bad.

3.8 However, in order to assist members we will endeavour to develop a target range of values for each reserve, between which represents a reasonable level of provision. Members will then be able to measure the actual level of the reserve against the target in order to determine whether the current provision is under or over stated.

3.9 In addition, in compliance with best accounting practice, an annual review of reserves and balances is undertaken and published as part of the budget setting process.

3.10 The overspending on Fairford Leys Sports Ground is the as result of invoices for grass cutting being received earlier than assumed in the budget. Since this Digest was published the budget has been changed to reflect the revised pattern of billing by the contractor as this has reduced the variance to negligible levels. Overall the budget is still expected to be on target.

3.11 The repair work is being carried out and the cost is being charged to capital. The cost is to be met from the sum paid by the developer and will not appear as a charge to Special Expenses.

4.0 Options Considered

4.1 The report deals with issues of factual reporting and so options are not appropriate.

5.0 Reasons for Recommendation

5.1 The Scrutiny Committee has the digest included on its forward plan for consideration as a regular item and this report presents it for consideration.

6.0 Resource Implications

6.1 The resource implications are as detailed within the digest. The digest represents the main forum for reporting budget performance to members.

7.0 Response to Key Aims

7.1 The digest covers all budgets and the statutory performance indicators of the Council and therefore provides valuable information as to the progress in delivering all strategic objectives.

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Background Documents: The Quarterly Digest – April 2004 to June 2004
The approved budgets as contained within the Revenue and Capital Estimate Book –
2004/5

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