

REPORT FOR: **CABINET**

Date:	18 March 2010
Subject:	Budget Update
Key Decision:	No
Responsible Officer:	Myfanwy Barrett, Corporate Director of Finance
Portfolio Holder:	Councillor David Ashton Leader and Portfolio Holder for Strategy, Partnership and Finance
Exempt:	No
Decision subject to Call-in:	No. A Delay in authorising the expenditure indicated in this report would significantly effect implementation. In the case of highways repairs it would extend the period in which there is a safety risk. In the case of the transformation programme it would delay the realisation of benefits.
Enclosures:	None

Section 1 – Summary and Recommendations

This report sets out proposals to transfer funds between budgets to enable investment in service priorities.

Recommendations:

That Cabinet approves the virements set out in paragraph 10.

Reason: To enable investment in service priorities.

Section 2 – Report

Introductory paragraph

1. This report sets out proposals to transfer funds between budgets to enable investment in service priorities.

Options considered

Pot holes

2. The extremely bad weather during the winter has caused considerable damage to the borough's roads and pavements. This is a key concern of residents. Investment to repair some of the damage is now urgently required.
3. It is therefore proposed that £150k is transferred from a number of budgets within the Community and Environment Directorate, where an underspend is currently forecast, to invest in highways.
4. This amount would help alleviate the current acute situation, giving the opportunity to fully assess the extent of the past two winters' damage. In real terms this money could repair up to 2000 of the most critical potholes.

Transformation Programme

5. In July 2009, Cabinet received a report on the Better Deal for Residents programme. This programme is the Council's response to the need to meet the rising expectations of residents whilst recognising the constraints on public funds. The programme has five workstreams:
 - Cross Council Efficiency Review
 - Better Together
 - Future Operating Model
 - Service Efficiency Programme
 - Place Shaping and Property
6. The programme is progressing well, and is now entering the next phase, which includes, for instance, the development of business cases for some of the Council's back office functions. The intention is to be in a position to give advice and a range of options to the incoming administration after the local elections in May.
7. Funding is required to develop and support the programme, including professional fees and specialist advice. The sum of £200k has been identified from the creditors control account on the Council's balance sheet – essentially this account holds sums where purchase orders have been raised but not fully utilised, and the account is cleared down at regular intervals as part of the council's financial control environment.

Free Personal Care

8. Cabinet is also reminded that, as part of the third quarter monitoring report received in February, it was recommended that a new earmarked reserve of £250k should be created for free Adult personal care, to cover the additional costs in 2010-11 which the Council believes have been left unfunded by central government.
9. Formal decisions on the use of underspends in the current year will be built into the outturn report to June cabinet.
10. In the meantime, Cabinet is asked to approve the following virements:

From	To	£000
Various budgets in Community and Environment	Highways (pot holes)	150
Creditors control account	Transformation programme	200
Total		350

Financial Implications

11. Financial matters are integral to the report.

Performance Issues

12. The work on pot holes will impact two key national indicators.
13. NI 168 Principal roads where maintenance should be considered has a current target for this year of 6% where values of less than 6% represent top quartile
14. NI 169 Non-principal roads where maintenance should be considered has a current target of 7% where values of less than 10% represent top quartile
15. Delivery of the Better Deal for Residents Programme will be critical to maintaining the current rate of improvement in Council performance

Environmental Impact

12. There are no direct environmental implications.

Risk Management Implications

13. The repairs to pot holes may reduce the risk of trips, damage to vehicles and insurance claims.

Corporate Priorities

14. The repairs to pot holes support the Council's priority for cleaner and safer streets. The transformation programme covers all aspects of the Council's services and its relationship with partners.

Section 3 - Statutory Officer Clearance

Name: Myfanwy Barrett	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 8 March 2010		
Name: Hugh Peart	<input checked="" type="checkbox"/>	Monitoring Officer
Date: 8 March 2010		

Section 4 – Performance Officer Clearance

Name: Tom Whiting	<input checked="" type="checkbox"/>	Assistant Chief Executive
Date: 8 March 2010		

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director (Environmental Services)
Date: 8 March 2010		

Section 6 - Contact Details and Background Papers

Contact: Myfanwy Barrett, Tel 02084209269

Background Papers: NONE

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

YES

*(for completion by Democratic
Services staff only)*