

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 6 APRIL 2005

REPORT OF THE FINANCIAL SERVICES MANAGER

This matter is the responsibility of Executive Councillor Williams (Leader of the Council)

BUDGET MONITORING 2004/05 – USE OF EXPECTED UNDERSPEND

EXECUTIVE SUMMARY

At the end of December 2004 the expected outturn position for the General Fund is an underspend against the original approved budget of £51,580. Executive Councillors wish to use this underspend within the following services:

Residents Parking - £5k

Brewhouse - One Off Grant £25k

BIDs scheme - £5k

Crisp & Clean - £17k

1 Purpose

1.1 To formally consider the use of the expected underspend arising in 2004/05

2 Background

2.1 The Q3 Performance Report to the Review Board on 24 February identified an underspend within the General Fund of £51,580. The report also indicated the service areas where the Executive wished to use this underspend. This is set out below:

Service	Amount £	Comments
On Street Car Parking	5,000	To progress further locations where the residents parking scheme is in operation
Brewhouse Grant	25,000	A one off grant to assist the Brewhouse manage an agreed phased reduction in ongoing funding over the next 3 years
Economic Development	5,000	To assist with the development of a Business Improvement District
Various	16,580	To assist services with the “Crisp & Clean” agenda
Total	51,580	

2.2 At the Review Board meetings on both 24 February and on 23 March there was considerable debate concerning the use of the underspend, in particular the £25,000 allocated to the Brewhouse.

2.3 Financial Regulations allow virements of up to £25,000 to be dealt with as an Executive Councillor decision. However in the interests of openness, and to

further the debate, Councillor Williams has requested that the use of the underspend is formally considered by the Executive at this meeting. If the Executive agree the recommendation, due to the amounts involved, there will be no need for Full Council to consider this item further.

3 Further Information – Residents Parking

- 3.1 It is expected that the £5,000 identified above for residents parking will be used to create a zone within the Haines Hill area of Taunton.

4 Further Information – Brewhouse

- 4.1 As Members will be aware, through the budget process the annual grant to the Brewhouse for 2005/06 has been reduced from £180,000 to £168,000. The Chief Executive has been negotiating with the Brewhouse a phased reduction of the Council's annual grant over the medium term. This work is now complete and the proposed level of grant for the next three years is as follows:

2005/06	£168,000
2006/07	£152,000
2007/08	£137,000

- 4.2 As part of the negotiations mentioned above, the Executive wish to provide the Brewhouse with a one off grant, from the 2004/05 underspend, of £25,000. This will be used to enable the Brewhouse to both build up working capital and to finance a re-structure.
- 4.3 Agreement of the Brewhouse towards both the £25,000 one off grant and the reduction in annual funding has recently been received. Payment of the £25,000 will not be made until this item has been agreed by the Executive.

5 Impact on Corporate Priorities

- 5.1 The proposed use of the underspend cuts across all corporate priorities.

6 Recommendation

- 6.1 The Executive is asked to approve the use of the 2004/05 expected General Fund underspend in the following ways:

1. Residents Parking - £5,000
2. Brewhouse - One Off Grant £25,000
3. BIDs scheme - £5,000
4. Crisp & Clean - £16,580

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