	<p>Meeting of the Budget Panel 21st November 2006</p> <p>Report from the Director of Finance and Corporate Resources</p>
For information	Wards Affected: All
<p>Budget trends</p>	

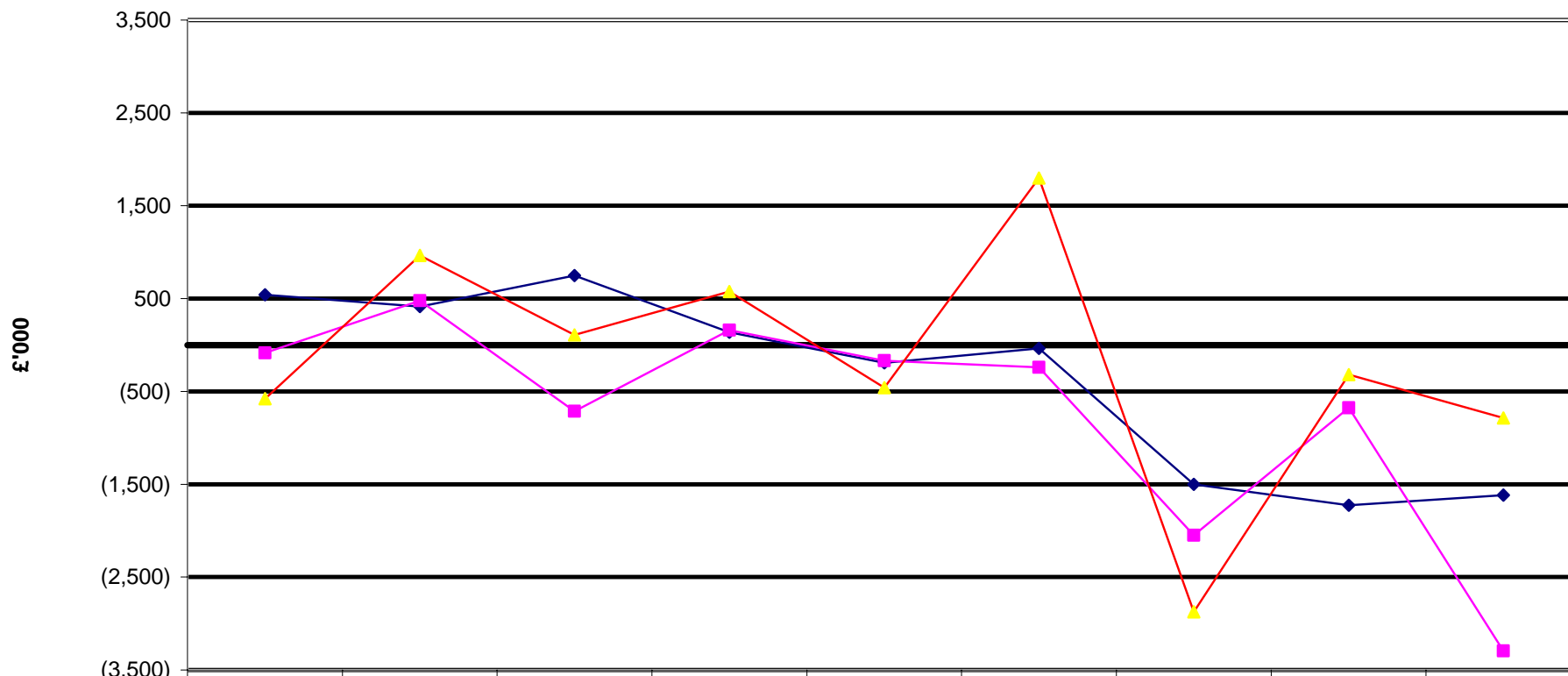
1. This report has been prepared in response to the request at the Panel meeting on 26th October that details be provided on spending over the past three years to identify whether there are any patterns of overspending/underspending within individual council services.
2. Appendix A provides a graph on under- and over-spends for individual service areas between 2003/04 and 2005/06. There is a consistent pattern of overspends on Children's Services and underspends on capital financing charges and to a lesser extent housing over the three year period. There is less consistency in other areas: Adult Social Care and Environment and Culture spent in line with budget in 2003/04 and 2004/05 but overspent in 2005/06 (in Adult Social Care's case significantly); corporate units and Education (non-schools) have overspent in some years and underspent in others.
3. The net effect of underspends and overspends in each of the three years was an overall underspend in the council which meant contributions to balances were greater than budgeted for – although the additional contribution was less in 2005/06 than previous years.
4. Appendix B shows total outturn spending for each service area. This shows trends in overall spending on individual services. The figures have been adjusted for transfers between service areas including the transfer of the One Stop Shop from central units to Housing and the transfer of libraries from Education to Environment and Culture in 2005/06. The chart shows the largest growth in actual spending to be in Environment and Culture and Children's Services.
5. Some of the figures in Appendix B are affected by funding changes which have impacted on individual service areas. The two areas most affected are:
 - F&CR/central units, where a change in funding arrangements for benefits in 2004/05 reduced the council's contribution to benefit costs by around £4m per annum. Without that, spending on F&CR/central units would have appeared broadly stable, rather than reducing as the chart seems to imply;

- Adult Social Care, where the increase was higher than appears largely as a result of the government allocating additional specific grants.
6. The charts in Appendices A and B provide some additional contextual information for members. They also should inform the Budget Panel's consideration of issues that will impact on the robustness of the 2007/08 budget.

Contact Officer

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Analysis of (Under)/Overspends 2003/04 - 2005/06



	F&CR and Central Units	Children's Services	Education - Non Schools	Environment & Culture	Housing	Adult Social Care	Capital Financing	Other Central Items	Contribution (to)/from balances
◆ 2003/04	541	413	749	136	(192)	(35)	(1,502)	(1,726)	(1,616)
■ 2004/05	(84)	478	(714)	161	(170)	(241)	(2,050)	(675)	(3,295)
▲ 2005/06	(577)	965	107	574	(461)	1,799	(2,873)	(319)	(785)

Analysis of Outturn 2003/04 - 2005/06

