

Title: **Financial Monitoring 2006-07**

Portfolio Holder: **Cllr Carbin – Finance Portfolio Holder**

Reporting Officer: **Steve Harding – Management Accountant**

Key Decision: **No**

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### **Purpose**

To inform members of the Council's financial position for the period ending 31 August 2006.

### **Background**

#### ***Capital Expenditure***

- The approved capital programme for 2006-07 was set at £3.271million gross.
- Slippage from previous years of £1.952million gross has been approved.
- Additional schemes costing £0.227million have been added to the 2006/07 programme and one scheme estimated at £0.100 million has been removed, giving a total gross budget of £5.350million.
- The profiled gross budget to 31 August is £1.477million.
- Gross spend to 31 August is £1.190million. Compared to the profiled budget the under spend is £0.287m, the main reason being the delay on the Kingsbury Square refurbishment.

#### ***Investment Income***

The performance of the Council's investments to 31 August 2006:

- Average amount invested £ 10,403,883
- Total return £ 202,061
- Rate of return 4.633%
- Average 7 day notice rate 4.753%
- Total investment income received to date is £202k. The net investment budget for the year is £424k. The forecast income for the year will be adjusted following the review of the profiling of capital expenditure and to reflect the recent increase in the base rate.

### General Fund Spend to Date

- The base budget for 2006/07 is £13.968m.
- Expenditure to 31 August 2006 for the General Fund is £5.105m.
- Compared to the profiled budget the under-spend is £0.738m, the main reasons being outstanding contract payments on waste collection and other timing differences.

### Projected General Fund Out-turn

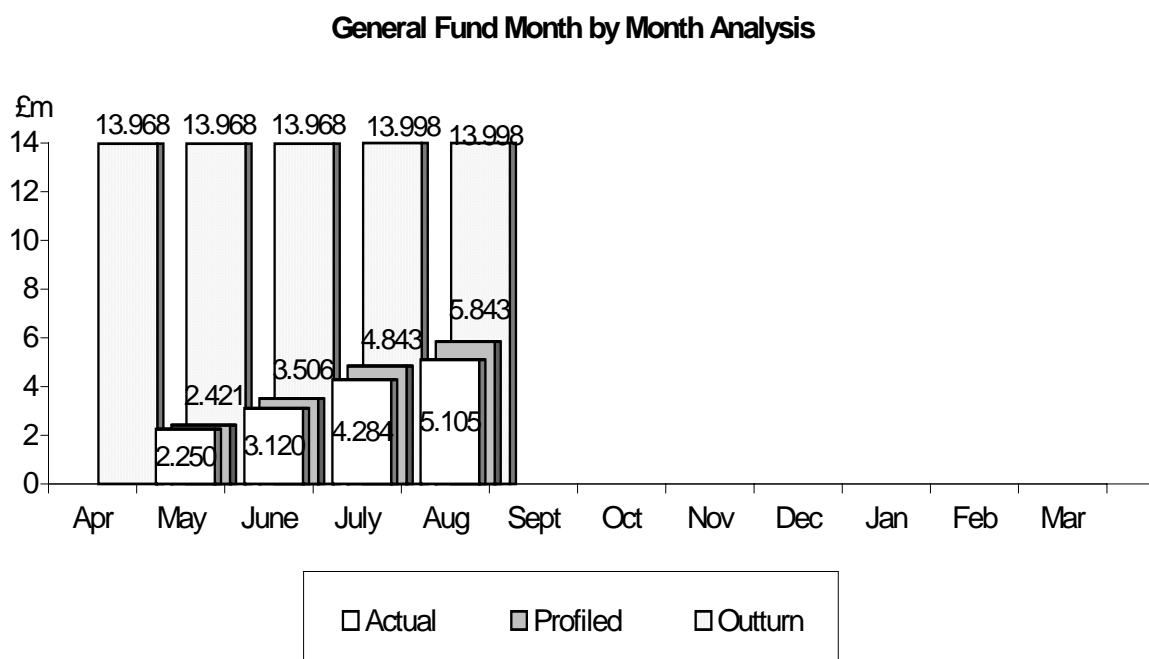
- The projected out-turn on the General Fund is £13.998m.
- Costs associated with defending planning appeals are £15k greater than anticipated.
- The Council received rate refunds totalling £57k in 2003/04 and 2004/05, however the consultants who handled that appeal are now due fees of £15k under their agreement.

The main changes are:

	£m
Base Budget	13.968
	£k
Planning appeals	15
Rating appeals	<u>15</u>
	30
Projected Out-turn	<u>13.998</u>

### The projected year-end shortfall is £ 30K

A graph showing the month by month changes is given below:



## **Contingency Fund**

The position on the contingency fund is:

	£k
Base Budget	100
Allocated	
Planning appeal costs	(32)
Balance	<u>68</u>

- Corporate Management Team agreed to the use of the contingency fund to meet the cost of defending the Council's affordable housing policy at a planning appeal.

### **Key Issues**

- Officers are currently seeking to establish if any of the current underspends are likely to continue through to year-end with a view to reporting a firm half-year position at the end of September.
- There are substantial costs on major planning appeals that the Council has lost that will have to be funded this year. It is hoped the detail will be available to be reported in September. The contingency fund will initially be used to cover this unforeseen expenditure with any balance falling to the general fund.

### **Effect on strategies and codes**

None

### **Risk management implications**

None

### **Finance and performance Implications**

These are contained in the report

### **Legal and human rights implications**

None

### **Next steps**

The overall position is being monitored and regular reports will be presented to Corporate Management Team, Cabinet, Audit Committee and Scrutiny Committee.

### **Recommendation**

That Audit Committee notes the current financial position and the likely out-turn.

**Background papers:**

Budget monitoring papers August 2006 in Financial Services room F33