

Title:	Financial Monitoring 2008-09
Portfolio Holder:	Cllr While (Finance)
Reporting Officer:	Andy Brown (Finance Service Manager)
Key Decision:	No

Purpose

To inform Cabinet of the Council's financial position for the period ending 30 September 2008.

Background

Capital Expenditure

Summary

- The approved capital programme for 2008-09 was set at £1.937 million gross.
- Slippage from previous years is £0.700 million gross.
- A reduction in the capital programme of £0.148 million gross was approved by Cabinet at its meeting on 3 September 2008 and Council on 22 October 2008.
- New play areas funded by S106 contributions of £53,000 has been added to the programme.
- The revised capital programme now stands at £2.542 million gross.

Monitoring

- The profiled budget to 30 September is £1.266 million.
- Gross spend to 30 September is £1.244 million, which is £22,000 lower than forecast.
- The programme will continue to be monitored and reviewed by CMT throughout the financial year.

The estimated shortfall in resources to finance the capital programme is £266,000. There are a number of options to close the gap: - borrowing, revenue contribution, additional capital receipts and reduced capital programme. The situation is being closely monitored and is unlikely to be finalised until the year end.

Investment Income

The performance of the Council's investments to 30 September 2008:

- Average amount invested £ 9,502,650
- Total return £ 255,996
- Rate of return 5.37%
- Average 7 day notice rate 5.02%
- The investment income base budget for the year is £461k
- Total investment income received to date is £256k.
- The current year end projection is on budget, although this position is likely to come under pressure as interest rates begin to fall. Further detailed work is being carried out following the review of the capital programme and the recent turmoil in the financial markets.

General Fund Spend to Date

- The base budget for 2008/09 is £15.552m.
- Expenditure to 30 September for the General Fund is £7.340 million
- Expenditure is £1.386 million less than the profiled budget, the main reason being outstanding refuse contract payments and other timing differences.

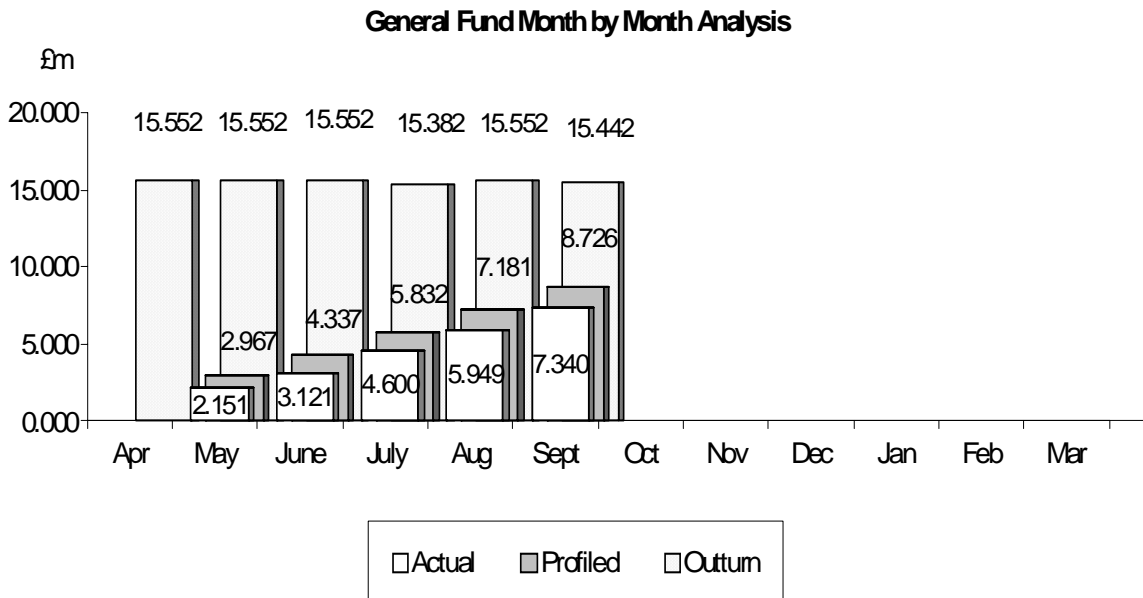
Projected General Fund Out-turn

- The projected out-turn on the General Fund is £15.542m.
- The lean fundamentals review of processes within the revenues & benefits service has generated on-going savings of £40k.
- Net savings of £70k are forecast on employee costs. This is mainly due to permanent employees being replaced by agency and temporary staff or vacant positions not being backfilled.

The table below shows the movement on the projected general fund outturn.

	£m	£m
Base Budget		15.552
Additional Costs:		
Previously reported	0.368	
Net cost of additional investment [see appendix A]	0.170	
Movements since last report	-	0.538
Savings:		
Previously reported	(0.538)	
Movements since last report		
Lean fundamentals review	(0.040)	
Net employee costs	(0.070)	(0.648)
Projected Outturn		15.442
Projected year end surplus/(deficit)		0.110

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



Identified Pressures

Pressures of £289k were identified following the year end financial results report. Funding was allocated from the general fund reserve to address these pressures. Appendix A provides a listing of the items identified, the funding allocated against them and the current position, which shows a saving of £20k on the original request.

General Fund Reserve

The balance and movement on the general fund reserve is shown below.

	£m	£m
Opening Balance		1.526
Resource used for 2008-09 budget	(0.188)	
Resource used for contingency	(0.100)	
Identified pressures	(0.289)	
Identified pressures not required	0.020	
Resource used for additional investment	(0.040)	
Projected closing balance to transfer to new authority 1 April 2009		0.929

Contingency Fund

The position on the contingency fund is:

	£m
Base Budget	0.100
Allocated:	0
Balance	<hr/> 0.100

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 and Scrutiny Committee.
- The report will be forwarded to WCC as part of the agreed operating arrangements for 2008/09.

Recommendation

That Cabinet:

- Notes the current financial position and the projected likely out-turn.

Background papers:

Budget monitoring papers September 2008 in Financial Services room F35.

Appendix A

Identified Pressures	Approved Cabinet	Amount £k	Committed Ordered £k	Spend to Date £k	Balance £k	Comment
Section 106 Arrangements	2 July 2008	40	12	8	20	Balance reallocated for additional investment
Development control:						
Agency Planners	2 July 2008	60	-	60	-	
Professional fees re PFI	2 July 2008	20	15	5	-	Consultants have been engaged
Consultants re appeals	2 July 2008	20	20	-	-	
Improving Streetscene:						
Black Box Participation Survey	2 July 2008	30	30	-	-	Order raised for works to be undertaken
Gum Clearance	2 July 2008	11	-	11	-	
Planting Schemes	2 July 2008	44	35	-	9	£35k committed to date (orders placed or quotes requested), balance to be spent by Christmas
Recycling Advertising	2 July 2008	15	7	3	5	Remainder should be spent by Christmas
Transforming Trowbridge	2 July 2008	30	2	8	20	Consultancy support for St Stephens / Castle Place. Anticipated to be spent by Feb 2009
Legal Staffing Cover	2 July 2008	12	-	12	-	Temp staffing cover in place
Biss Meadow Path / Bridge	2 July 2008	7	7	-	-	Work delayed due to weather conditions
		289	128	107	54	

Additional Investment	Approved Cabinet	Amount £k	Committed Ordered £k	Spend to Date £k	Balance £k	Comment
Play Areas – repairs	3 Sept 2008	95	95	-	-	Quotes requested for work, no contractual commitments made to date
Play Areas – new equipment	3 Sept 2008	25	25	-	-	
Multi-Storey Car Park	3 Sept 2008	20	11	9	-	Security firm hired to undertake extra security
Tree Surgery	3 Sept 2008	10	10	-	-	
Signage at Recycling Bring Sites	3 Sept 2008	5	5	-	-	Around £4k of spend/commitments. Project is in progress, awaiting sign-off of artwork from WCC
Building Control (certification)	3 Sept 2008	25	25	-	-	Short-term post employed with these funds
Public Conveniences	3 Sept 2008	5	-	-	5	
Leisure Energy Saving	3 Sept 2008	20	20	-	-	DC Leisure contractor is obtaining quotes for work (estimate is at least £20k)
Litter Picking	3 Sept 2008	25	25	-	-	Orders placed
		230	216	9	5	