

Cabinet - 28 September 2005

Title: **Financial Monitoring 2005-06**

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

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

Key Decision: **No**

1 Purpose

To inform members of the Council's financial position for the period ending 31 August 2005.

2 Financial Performance

Capital Expenditure

- The revised Capital Programme for 2005-06 stands at £6.334m
- Slippage to future years of £0.787m has been identified mainly in respect of social housing schemes
- The profiled gross budget to 31 August 2005 is £2.088m
- Gross spend to 31 August as £1.507m, compared to the profiled budget the under-spend is £0.581m
- Expenditure is lower than profiled due to the second phase rollout of Green Bins being later than originally planned.

Investment Income

The performance of the Council's investments to 31 August 2005:

- Average Amount Invested £ 12,641,137
- Total Return £ 239,720
- Rate of Return 4.52%
- Average 7 day notice rate 4.63%
- Total investment income received to date is £240k. The net investment budget for the year is £305k. Net income for the year will exceed this because of slippage in the capital programme and additional income and is forecast at £425k.

General Fund Spend to Date

- The base budget for 2005/06 is £12.382
- Expenditure to 31 August for the General Fund is £ 4.486m
- Compared to the profiled budget the under-spend is £0.795m. The main reason being outstanding contract payments on waste collection

Projected General Fund Out-turn

The projected out-turn on the General Fund was £12.498m taking into account:

- 'One-off' pressures to be funded from the 2004/05 underspend that was added to the General Fund balance
- Land charges income is below budgeted levels and is not expected to recover giving a shortfall of £150k
- Investment income will be £120k higher because of additional income and slippage in the capital programme
- Commercial property has high occupancy levels and should generate and additional rental income of £30k
- Additional staffing to carry out boundary review will incur costs of £20k
- Consultancy fees in legal requires further £20k to cover locum charges
- Additional legal fees to cover constitution revision £20k
- Pension costs on wages underbudgeted by £25k
- Register of electors canvass to cost an additional £10k

The main changes are:

Base Budget		£m
		12.382
	£k	
Additional costs:		
'One-off' pressures	171	
Land charges income	150	
Boundary review	20	
Legal locum	20	
Constitution	20	
Pensions	25	
Register of electors canvass	10	
Grounds central contract	7	
Environmental health review	<u>14</u>	
		437
Savings:		
<i>Investment Interest</i>	(120)	
Commercial property income	(30)	
Contribution from reserves	<u>(171)</u>	(321)
Projected Out-turn		<u>12.498</u>

The projected year end shortfall is £116k. The changes to management arrangements in Legal Services are currently being reviewed. This is likely to increase the projected year end overspend. The detail will be reported to the October Cabinet meeting.

The position is being closely monitored and regular reports will be presented to Corporate Management Team, Cabinet and Scrutiny. Options to address the shortfall will be considered in the early stages of the Service and Resource Planning process for the 2006/07 budget.

Contingency Fund

The position on the contingency fund is:

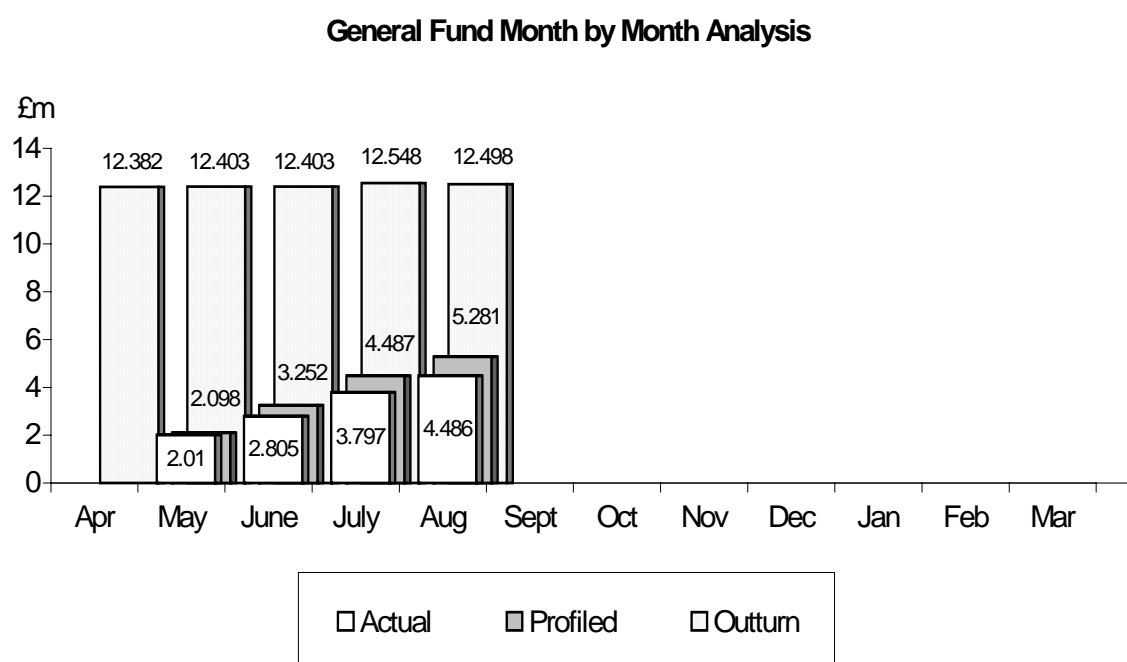
	£k	
Base Budget	100	
Allocated		
Leisure contract payment	23	
Balance	<u>77</u>	-

Additional payments have been made to the contractor for loss of income due to Christie Miller Sports Centre being closed for repairs. Three payments have been made with the balance being paid in August.

Projected General Fund Out-turn

The projected out-turn on the General Fund is £12.548m.

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




Legal Implications: There are no legal implications arising from this report.

Human Rights Implications: The Human Rights implications of the actions recommended in this report have been considered and are acceptable and the checklist has been addressed.

3 Recommendation

Members note the report.

 Plain English guidance given

16 September 2005

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2005 Financial Monitoring Report.doc

File location: Financial Services room F33