

**Cabinet – 26 October 2005**

Title: **Financial Monitoring 2005-06**

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

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

Key Decision: **No**

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**1 Purpose**

To inform members of the Council's financial position for the period ending 30 September 2005.

**2 Financial Performance**

***Capital Expenditure***

- The revised Capital Programme for 2005-06 stands at £6.334m
- Slippage to future years of £0.827m has been identified mainly in respect of social housing schemes
- The profiled gross budget to 30 September 2005 is £2.344m
- Gross spend to 30 September as £1.739m, compared to the profiled budget the under-spend is £0.605m
- 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 30 September 2005:

- Average Amount Invested                      £ 12,961,497
- Total Return    £ 294,316
- Rate of Return    4.53%
- Average 7 day notice rate                      4.61%
- Total investment income received to date is £294k. 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 30 September for the General Fund is £ 5.517m
- Compared to the profiled budget the under-spend is £0.539m. The main reason being outstanding contract payments on waste collection and recycling.

### **Projected General Fund Out-turn**

The projected out-turn on the General Fund was £12.435m 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 after some rent reviews should generate an additional rental income of £55k*
- Additional staffing to carry out boundary review will incur costs of £20k
- Consultancy fees in legal requires further £20k to cover locum charges
- *The cost of legal services will be £89k higher this year*
- *The cost of undertaking the review of recruitment and retention will be £20k less this year*
- *Additional PDG of £37k has been received*
- *Additional fee income for the new licensing regime will generate an additional £30k this year*
- *Council tax court cost income will increase by £40k because of revised fees*
- 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	
*Legal services	89	
Constitution	20	
Pensions	25	
Register of electors canvass	10	
Grounds central contract	7	
Environmental health review	<u>14</u>	
		526

Savings:

Investment Interest	(120)	
<i>Commercial property income</i>	(55)	
<i>*Recruitment &amp; retention</i>	(20)	
<i>*Planning delivery grant</i>	(37)	
<i>Licence fees</i>	(30)	
<i>Court costs</i>	(40)	
Contribution from reserves	<u>(171)</u>	(473)

Projected Out-turn	<u>12.435</u>
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**The projected year end shortfall is £53k.**

Corporate Management Team has agreed a recovery plan to deal with the changes to management arrangements in legal services. This should limit expenditure this year and prevent a reoccurrence in future years. The financial consequences, which are marked \* in the report, are summarised as follows;

	£k
Legal services total additional costs	137
Less Contingency fund	<u>(48)</u>
	89
Less savings:	
Recruitment & retention	(20)
Planning delivery grant	<u>(37)</u>
	<u>(57)</u>
Net additional cost	32

The overall position is being closely monitored and regular reports will be presented to Corporate Management Team, Cabinet and Scrutiny. Options to address the shortfall are being developed as part of the Service and Resource Planning 2006/07 budget. Some savings have been identified and others are being sought.

***Contingency Fund***

The position on the contingency fund is:

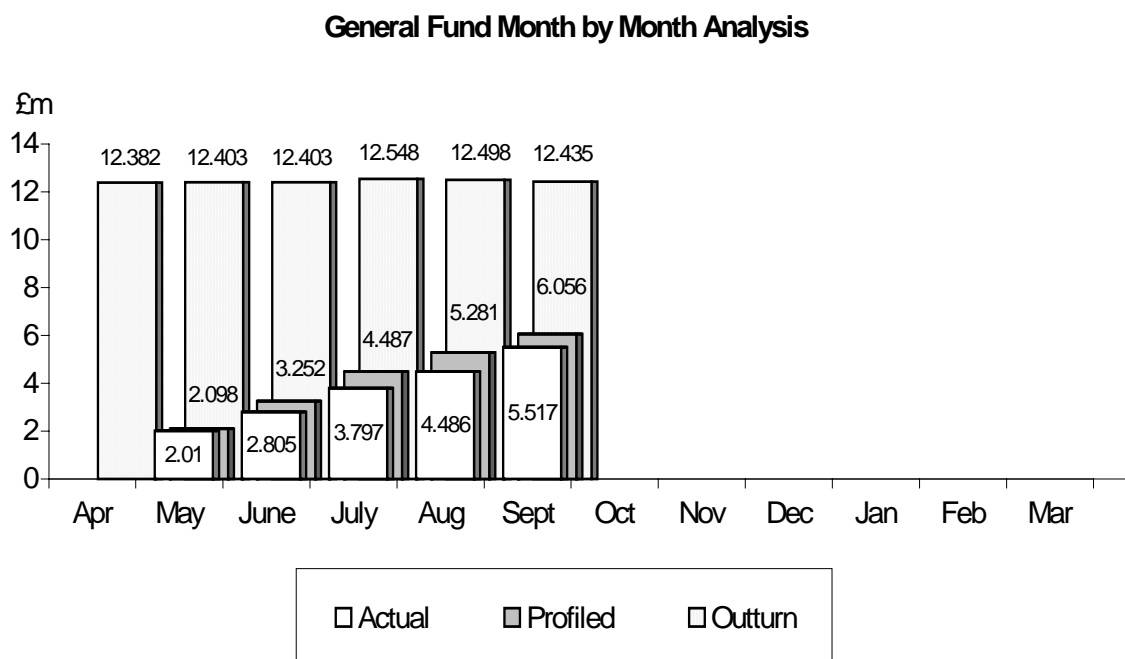
	£k
Base Budget	100
Allocated	
Leisure contract payment	35
*Legal Services	48
Balance	<u>17</u>

Additional payments have been made to the contractor for loss of income due to Christie Miller Sports Centre being closed for repairs and will be made for the closure of Bradford pool. CMT have agreed to fund some of the one-off cost of legal services from the contingency fund.

### ***Projected General Fund Out-turn***

The projected out-turn on the General Fund is £12.435m.

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

12 October 2005

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Financial Monitoring Report.doc

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