

**Cabinet – 23 November 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 31 October 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 where we have been successful in obtaining match funding from the Housing Corporation
- The profiled gross budget to 31 October 2005 is £2.680m
- Gross spend to 31 October as £1.927m, compared to the profiled budget the under-spend is £0.753m
- Expenditure is lower than profiled mainly 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 October 2005:

- Average Amount Invested                      £ 13,026,308
- Total Return    £ 349,544
- Rate of Return    4.58%
- Average 7 day notice rate                      4.59%
- Total investment income received to date is £350k. 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 October for the General Fund is £ 6.763m
- Compared to the profiled budget the under-spend is £0.746m. 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 £12.385m 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
- *The additional staffing to carry out the boundary review this year will now only cost £10k instead 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
- *Vacancies are reducing the contributions to the pension fund by £40k*
- *The clawback to fund authorities losing from the changes in housing benefit subsidy introduced in 2004/05 will be less severe, giving £50k additional subsidy. This will be used to replenish the contingency fund.*

The main changes are:

	£m
Base Budget	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	
	<i>Replenish contingency fund</i>	50	
	Grounds central contract	7	
	Environmental health review	<u>14</u>	
			576
Savings:			
	Investment Interest	(120)	
	Commercial property income	(55)	
	Recruitment & retention	(20)	
	Planning delivery grant	(37)	
	Licence fees	(30)	
	Court costs	(40)	
	<i>Pension fund contribution</i>	(40)	
	<i>Housing benefit subsidy</i>	(50)	
	<i>Boundary review</i>	(10)	
	Contribution from reserves	<u>(171)</u>	(573)
Projected Out-turn			<u>12.385</u>

**The projected year end shortfall is £3k.**

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

### ***Contingency Fund***

The position on the contingency fund is:

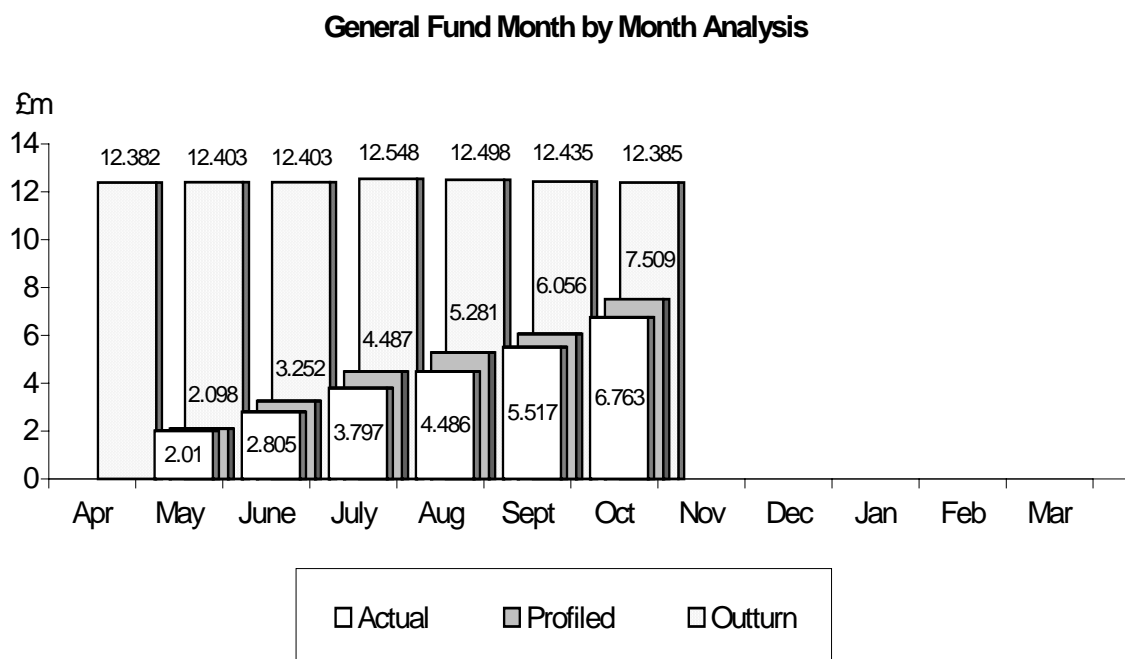
		£k
Base Budget		100
Allocated		
Leisure contract payment	35	
Legal Services	<u>48</u>	83
Contribution from savings		(50)
Balance		<u>67</u>

- 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.
- CMT agreed the replenishment of £50k from savings

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

The projected out-turn on the General Fund is £12.385m.

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

That Cabinet note the report.

 Plain English guidance given

7 November 2005

File ref. N:\Monthly budget monitoring\General Fund 2005-06\07 to end October 2005 Financial Monitoring Report.doc

File location: Financial Services room F33