

Cabinet - 11 January

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 30 November 2005.

2 Financial Performance

Capital Expenditure

The revised Capital Programme for 2005-06 stood at £6.334m gross, but the following schemes have now been added:

- Provision of £100K for infrastructure costs on a gypsy site, as outlined in an earlier agenda item.
- The requirement to purchase £65K of grounds maintenance vehicles and plant following the extension of the English Landscapes contract as per the cabinet report of the 28 September 2005.
- An increase in disabled facilities grants subsidy of £15K.
- Infrastructure costs at Trowbridge cemetery of £35K, as outlined in the report to cabinet on 23 November 2005.
- Housing PFI set up costs of £80K as approved at council.
- Other minor amendments within the programme with a net reduction of £32K. The projects affected have been marked on the attached appendix A.

The current capital programme, as detailed in appendix A, now stands at £6.523m gross reduced to £4.834m net after external funding.

- Slippage to future years of £0.862m has been identified mainly in respect of social housing schemes.
- The profiled gross budget to 30 November 2005 is £2.606m.
- Gross spend to 30 November is £2.087m, compared to the profiled budget the under-spend is £0.519m.
- 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 30 November 2005:

- Average Amount Invested £ 13,195,652
 - Total Return £ 402,608
 - Rate of Return 4.56%
 - Average 7 day notice rate 4.57%
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- Total investment income received to date is £402k. 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 to increase by a further £50k to £475k.

General Fund Spend to Date

- The base budget for 2005/06 is £12.382
- Expenditure to 30 November for the General Fund is £7.575m
- Compared to the profiled budget the under-spend is £0.809m. 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 £12.392m 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 £50k higher than previously reported because of additional income and slippage in the capital programme giving a total increase of £170k.*
- 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 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 the changes in housing benefit changes introduced in 2004/05 will be less severe, giving £50k additional subsidy. This will be used to replenish the contingency fund.
- *Defending the affordable housing policy in the Frogmore House planning inquiry cost £42k*
- *The legal costs associated with the enforcement action on the illegal gypsy encampment were £15k.*

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	
Replenish contingency fund	50	
<i>Frogmore House inquiry</i>	<i>42</i>	
<i>Legal costs – enforcement</i>	<i>15</i>	
Grounds central contract	7	
Environmental health review	<u>14</u>	
		633
Savings:		
<i>Investment Interest</i>	<i>(170)</i>	
Commercial property income	(55)	
Recruitment & retention	(20)	
Planning delivery grant	(37)	
Licence fees	(30)	
Court costs	(40)	
Pension fund contribution	(40)	
Housing benefit subsidy	(50)	
Boundary review	(10)	
Contribution from reserves	<u>(171)</u>	(623)
Projected Out-turn		<u>12.392</u>

The projected year end shortfall is £10k.

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:

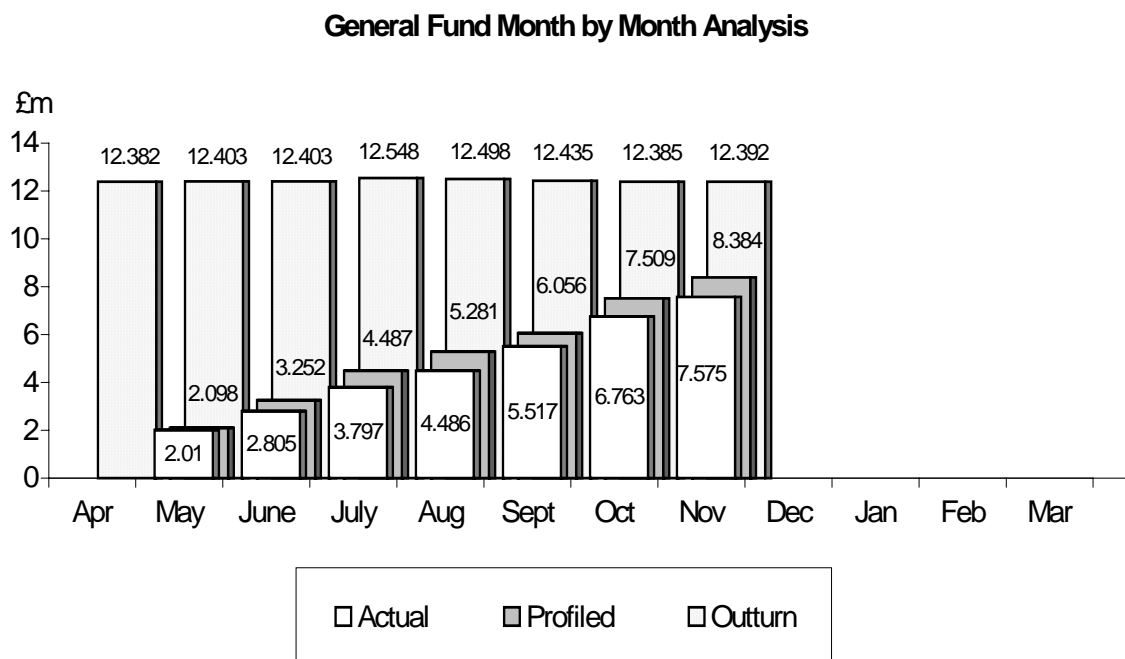
		£k
Base Budget		100
Allocated		
Leisure contract payment	35	
Legal Services	<u>48</u>	83
Contribution from savings		(50)
Balance		<u>67</u>

- 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 to the replenishment of £50k from savings.
- *Costs have been awarded against the council on a planning appeal at Staverton. The amount is, as yet, unknown and could be a future charge on the fund.*

Projected General Fund Out-turn

The projected out-turn on the General Fund is £12.392m.

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

- a) Note the current position
- b) Recommend the increased capital programme to the Council.

 Plain English guidance given

21 December 2005

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2005 Financial Monitoring Report.doc

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