

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 December 2005.

## **2 Financial Performance**

### ***Capital Expenditure***

- The current capital programme now stands at £6.523m.
- Slippage to future years of £0.862m 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 December is £3.725m.
- Gross spend to 31 December is £2.239m, compared to the profiled budget the under-spend is £1.486m.
- Expenditure is lower than profiled due to the second phase rollout of Green Bins being later than originally planned and payments on social housing schemes, which should be drawn down in January.

### ***Investment Income***

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

- Average Amount Invested                      £ 13,263,196
- Total Return    £ 455,576
- Rate of Return    4.56%
- Average 7 day notice rate                      4.57%
- Total investment income received to date is £456k. 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 £475k.

## ***General Fund Spend to Date***

- The base budget for 2005/06 is £12.382.
- Expenditure to 31 December 2005 for the General Fund is £8.772m
- Compared to the profiled budget the under-spend is £0.901m. 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 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 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 to date 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	
	Frogmore House inquiry	42	
	Legal costs – enforcement	15	
	Grounds central contract	7	
	Environmental health review	<u>14</u>	
			633
Savings:			
	Investment Interest	(170)	
	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)
			<u>12.392</u>
Projected Out-turn			

**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>

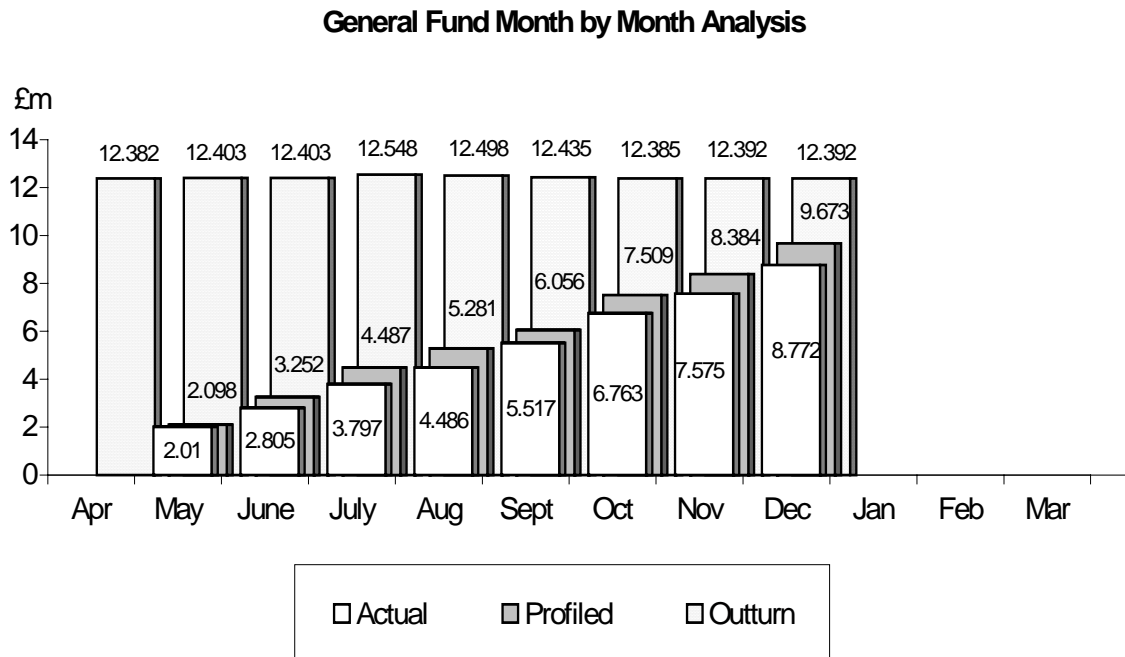
- Additional payments have been made to the contractor for loss of income due to Christie Miller Sports Centre being closed for repairs and will be made for the closure of Bradford pool.
- CMT have agreed to fund some of the one-off cost of legal services from the contingency fund.
- CMT agreed to the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