

Title: **Financial Monitoring 2008-09**  
 Portfolio Holder: **Cllr While – Finance Portfolio Holder**  
 Reporting Officer: **Andy Brown – Finance Service Manager**

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**Purpose**

To inform members of the Council’s financial position for the period ending 31 December 2008.

**Financial Performance**

**Capital Expenditure**

<b>Capital Programme</b>	<b>£m</b>
Capital Programme 2008/09	1.937
Slippage from 2007/08	0.700
Additions	0.466
Deletions	(0.476)
Total approved programme	<u>2.627</u>
Forecast Capital spend 2008/09	<u>2.266</u>
Surplus against approved programme	(0.361)
Analysed by:	
Slippage of schemes into 2009/10	(0.357)
Underspend on schemes	(0.004)
Profiled budget to 31 December 2008	1.540
Gross expenditure to 31 December 2008	<u>1.419</u>
Spend (above)/below profile to date	<u>0.121</u>

- Expenditure is slightly behind expectations.
- The detailed position is given at appendix B.
- The forecast surplus now means that the capital programme can be financed within existing resources and borrowing will not be required.

**Investment Income**

The performance of the Council’s investments to 31 December 2008:

- Average amount invested £9,738,642
- Total return £386,170
- Rate of return 5.26%
- Average 7 day notice rate 4.56%
- Total investment income received to date is £386k.
- The net investment budget for the year is £461k.
- The forecast for the year is on budget, although this position is likely to come under pressure with the recent falls in interest rates.

## General Fund Spend to Date

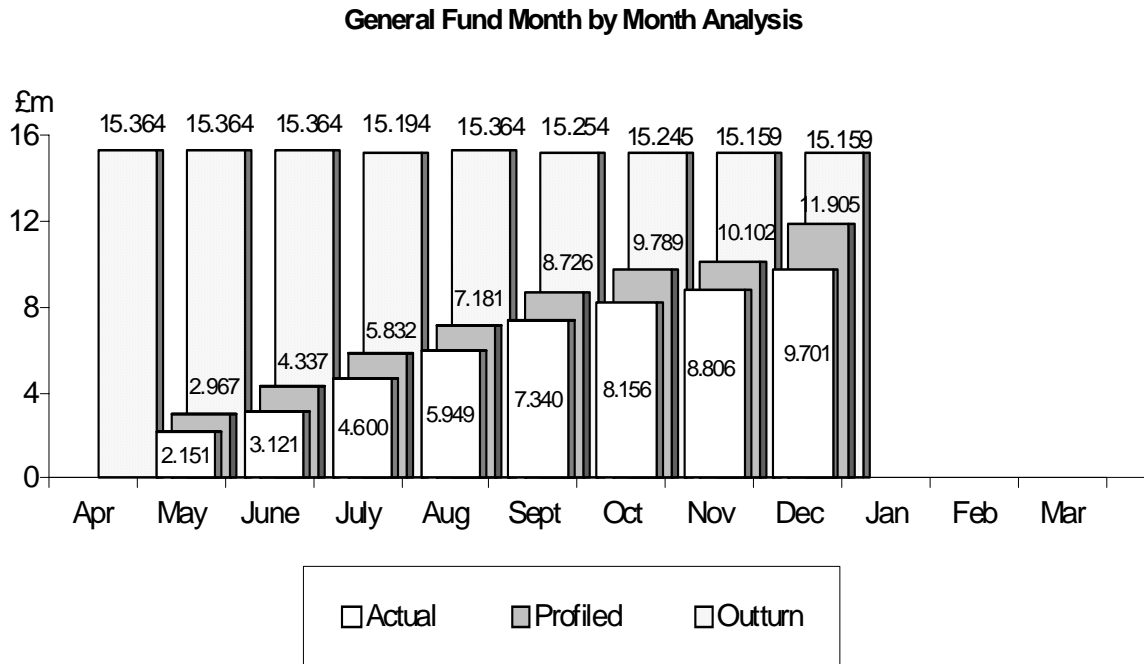
- The base budget for 2008/09 is £15.364 million.
- Expenditure to 31 December 2008 for the General Fund is £9.701 million.
- Compared to the profiled budget the underspend is £1.455 million, the main reason being outstanding contract payments on waste collection, street scene and other timing differences.

	Note	This Quarter £m	Previously Reported £m	Year to date £m	£m
Base Budget					15.364
<b>Income</b>					
<u>Increases</u>					
Planning income	1		(0.050)	(0.050)	
Court costs	2		(0.050)	(0.050)	
HPDG	3	(0.010)	(0.282)	(0.292)	
Car parking income	4	(0.030)	(0.030)	(0.060)	
Hostel rental income	5		(0.026)	(0.026)	
Area based grant	6	(0.022)	-	(0.022)	
		(0.062)	(0.438)	(0.500)	
<u>Reductions</u>					
Land Charges income	7	0.070	0.056	0.126	
		0.070	0.056	0.126	(0.374)
<b>Expenditure</b>					
<u>Reductions</u>					
Leisure contract	8		(0.100)	(0.100)	
Net employee costs	9	(0.050)	(0.070)	(0.120)	
Lean fundamentals review	10	(0.46)	(0.040)	(0.086)	
LGR corporate budget	11	(0.020)	-	(0.020)	
Audit commission fee	12	(0.017)	-	(0.017)	
Insurance contract	13	(0.010)	-	(0.010)	
HR staffing – training	14	(0.010)	-	(0.010)	
Postages	15	(0.010)	-	(0.010)	
		(0.163)	(0.210)	(0.373)	
<u>Increases</u>					
Planning appeals	16		0.150	0.150	
Waste contract	17		0.087	0.087	
NNDR Discretionary Relief	8		0.050	0.050	
Legal Staffing	18		0.025	0.025	
Travel Allowances	19	0.040	-	0.040	
		0.040	0.312	0.352	(0.021)
Additional investment identified	20	0.20	0.170	0.190	0.190
<b>Projected out-turn</b>					<b>15.159</b>

- The detailed notes are given in Appendix A

**The projected year-end surplus is £205,000.**

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



### Contingency Fund

The position on the contingency fund is:

	£m
Base Budget	0.100
Allocated:	0
Balance	0.100

### Effect on strategies and codes

None

### Risk management implications

None

### Finance and performance Implications

These are contained in the report

### Legal and human rights implications

None

### Recommendation

Members review the report and raise any areas of concern.

### Background papers:

Budget monitoring papers December 2008 in Financial Services room F35

## Appendix A

1. Inflationary increase in planning income was higher than budgeted and is expected to exceed budget by £50k.
2. Court costs should generate an extra £50k.
3. Unexpected Housing and Planning Development Grant has now been received by the authority for £292k.
4. Car parking income is projected to exceed the budget by £60k.
5. After resolving spend pressures there is a net saving of £26k from the hostels budget due to actual rent receivable.
6. A further allocation of £22k for area based grant has been notified.
7. Land charges income is now forecast to be at least £126k less than budgeted due to the current downturn in the housing market.
8. Discretionary business rate relief for leisure centres costing £50k, offset by £100k representing 50% of the value of the approved relief for business rates on leisure sites, resulting in a reduction in the leisure contract payments.
9. Net savings of £120k are forecast on employee costs. This is mainly due to permanent employees being replaced by agency and temporary staff or vacant positions not being backfilled.
10. The lean fundamentals review of processes within the revenues and benefits service has generated on-going savings of £86k.
11. A budget held for corporate costs arising from LGR is no longer required.
12. The Audit Commission fee has been reduced by £17k.
13. Insurance renewal was £10k lower than budget.
14. The departure of the training officer within Human Resources has created a £10k saving.
15. Overall postages have reduced by £10k, due to greater use of 2<sup>nd</sup> class and sizing.
16. Costs associated with planning appeals estimated at £150k.
17. Bin reduction campaign to reduce pressures on the waste contract in collecting multiple bins from households £87k.
18. Additional legal costs approved by CMT to resource during LGR £25k.
19. Travel Allowances are predicted to increase by £40k due to LGR.
20. Additional investment as identified in the July 2008 financial monitoring report at Cabinet 3 September.