

Title: **Financial Monitoring 2005-06**

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

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

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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***

<b>Capital Programme</b>	<b>£m</b>
Slippage from 2004/05	1.746
Capital Programme 2005/06	4.090
Additional Schemes	498
Total approved programme	6.334
Less slippage to 2006/07	(826)
Capital budget 2005/06	5.508
Profiled budget to 31 October 2005	2.680
Gross expenditure to 31 October 2005	1.927
Underspend to date	753

- Expenditure is lower than profiled due to the second phase rollout of Green Bins being later than originally planned.
- 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 detailed position is given at appendix A.

### ***Investment Income***

The performance of the Council's investments to 30 September 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.

		Note	£k	£m
	Base Budget			12.382
Out-turn report	Constitution revision	1	30	
	Consultancy depot	2	30	
	Consultancy legal	3	50	
	Health promotion	4	26	
	Maintenance review	5	25	
	Land charges	6	10	
	Grounds central contract	8	7	
	Environmental Health review	9	14	
	Contribution from reserves	7	(171)	21
				<hr/> 12,403
May	Land charges income	10	100	
	Car parks excess charges	11	(20)	
	Investment interest	12	(50)	
	Commercial property income	13	(30)	0
				<hr/> 12,403
July	Land charges income	10	50	
	Boundary review	14	20	
	Legal locum	15	20	
	Constitution revision	16	20	
	Pensions	17	25	
	Register of electors canvass	18	10	
	Investment interest	12	(20)	
	Car parks excess charges	11	20	145
				<hr/> 12,548
August	Investment interest	12		(50)
				<hr/> 12,498
September	Legal services	19	89	
	Commercial property income	13	(25)	
	Recruitment & retention	20	(20)	
	Planning delivery grant	21	(37)	
	Licence fees	22	(30)	
	Court costs	23	(40)	(63)
				<hr/> 12,435

October	Boundary review	14	(10)	
	Pension fund contribution	24	(40)	
	Housing benefit subsidy	25	(50)	
	Replenish contingency fund	26	50	(50)
				<hr/> 12,385

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

The notes to the changes are given at Appendix B

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:

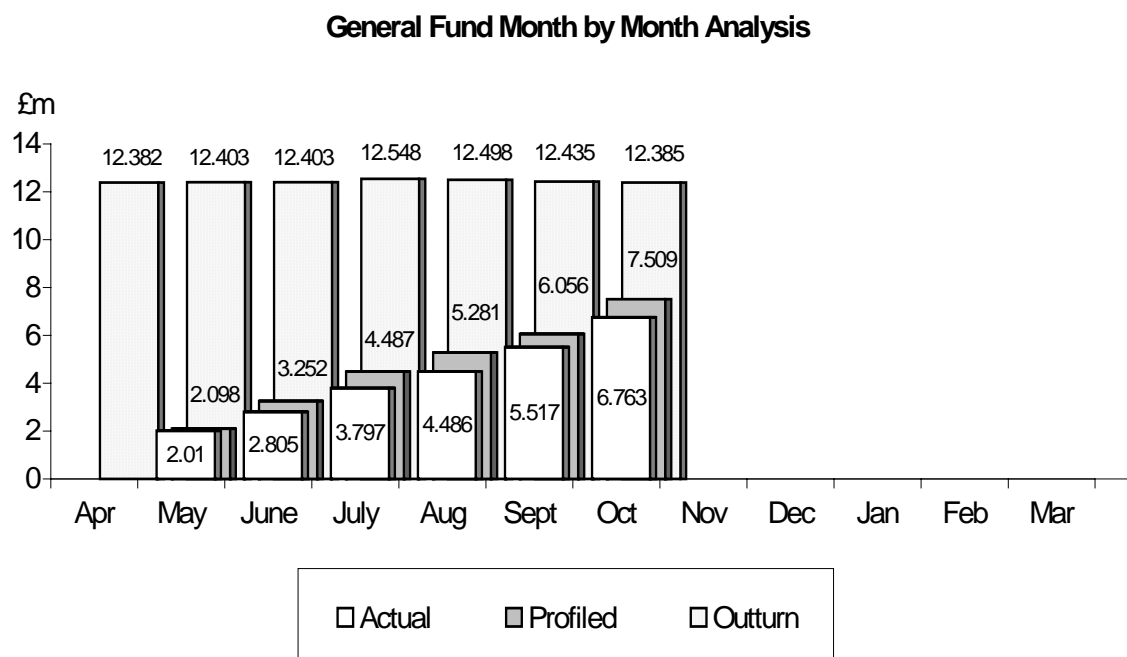
		£k
Base Budget		100
Allocated		
Leisure contract payment	35	
Legal Services	<u>48</u>	83
Contribution from savings		(50)
Balance		67

- 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 (see note 19).
- 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

Members note the report.

 Plain English guidance given

10 November 2005

File ref. N:\Cabinet Reports\Scrutiny\2005-06\30 November\Financial  
Monitoring Report to 31 October.doc  
File location: Financial Services room F33

**Detailed Notes of Changes**

1. The constitution is to be re-written by an external consultant.
2. The vacant post Commercial Services Manager is to be covered by a consultant on an interim basis.
3. Legal locums and consultants have been used to address the backlog of work.
4. The transfer of health promotion required some funding and there were also some residual costs.
5. The conditions survey on our property needs to be updated so that a strategic overview of property can be taken and maintenance budgets can be determined correctly.
6. The data registration for the Total Land Charges computer system will take longer to implement than previously expected.
7. 'One-off' pressures to be funded from the 2004/05 underspend that was added to the General Fund balance.
8. The negotiated extension of the ground maintenance contract required additional payments of £7k pa.
9. The review of Environmental Health Services recruitment gave rise to additional employees' costs of £14k pa.
10. Land charges income is below budgeted levels and is not expected to recover giving a shortfall of £150k
11. Excess charge income is ahead of expectations, however overall the income is only expected to break even.
12. Investment income will be £120k higher because of additional income and slippage in the capital programme
13. Commercial property has high occupancy levels and after some rent reviews should generate an additional rental income of £55k
14. Additional staffing to carry out boundary review was estimated to incur costs of £20k, however it is now anticipated that this will only cost £10k
15. Consultancy fees in legal requires a further £20k to cover locum charges
16. Additional legal fees to cover constitution revision £20k
17. Pension costs on wages was underbudgeted by £25k because of incorrect information provided by WCC.
18. Register of electors canvass to cost an additional £10k
19. 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 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

20. The cost of undertaking the review of recruitment and retention will be £20k less this year

21. Additional Planning Delivery Grant of £37k has been received
22. Additional fee income for the new licensing regime will generate an additional £30k this year
23. Council tax court cost income will increase by £40k because of revised fees
24. Vacancies will reduce the contribution to the pension fund by £40k
25. 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.
26. CMT have agreed the £56k of savings will be used to replenish the contingency fund