

Agenda Item

Executive Board

1 August 2007

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Revenue & Capital Monitoring Report 2007/08 – Month 3

Summary

This report gives a summary of the Council's overall financial position for 2007/08. Members attention is drawn to Appendix A which details identified budget variations within the month, together with an assessment on how these variations will continue to the end of the financial year, and importantly states the effect on the Council's overall Reserves and Balances.

Within the year, revised or supplementary estimates are agreed. These revisions are shown in appendix C to this report.

In compiling this report we have looked at all large, high risk and volatile budgets areas. Predicted spending patterns have been linked to operational activity and all material budgets have been subject to thorough risk assessments by operational managers and finance staff. Any continuing variances in spending patterns will then be considered as part of the medium term financial strategy.

Members' attention is also drawn to remedial measures that have been suggested by officers to counteract many of the material variances.

The report details all budgets for the period 1 April 2007 to 30 June 2007.

Recommendation that

the variances identified as part of the Revenue and Capital Monitoring process for the first three months of 2007/08 be noted, including the effect on the Councils Reserves and Balances.

a) Reasons for Recommendation

The report updates Members on the overall financial position of the Authority following the end of each month and includes recommendations where corrective action is required for the remainder of the financial year.

b) Alternative Options

To not agree with the recommended action proposed.

To propose alternative action.

c) Risk Considerations

Current monitoring indicates that the Council's balances and reserves are being maintained at the adopted levels.

The General Fund position shows a predicted deficit at year end of £39,180. Monitoring of the situation will continue on a monthly basis.

d) Policy and Budgetary Considerations

This report highlights all budgetary variances and then comments on the level and adequacy of Reserves.

e) Date for Review of Decision

Not applicable.

Revenue & Capital Monitoring Report 2007/08 – Month Three

1. Introduction

- 1.1 The purpose of this monitoring report is to update Members of the Executive Board on the overall financial position of the Authority following the end of month three and to report on areas that may require corrective action during the remainder of the financial year.
- 1.2 Attached to this report is Appendix A, which shows the variations to budgets identified for the period up to month three and any remedial action that has been proposed.

2. Month Three Position.

- 2.1 Below is the overall financial position as determined at the end of month three for the General Fund, Housing Revenue Account and for Capital:

2.2 General Fund

	£	£
Budget Requirement (set 21/2/07)		14,005,620
Month 3 predicted net overspend to Year End	39,180	
Supplementary estimates	170,000	<u>209,180</u>
Predicted Budget Requirement		<u>£14,214,800</u>

(A summary of the predicted net over and underspends to year end are shown in Appendix A).

- 2.3 These variations will have the following overall effect on the Council's General Fund Balance.

	£
General Fund Balance (1/4/07)	(2,266,960)
Less items already committed	170,000
Variiances identified above	<u>39,180</u>
Predicted G.F. Balance (31/3/08)	<u>(£2,057,780)</u>

- 2.4 Due to the growing reliance the Council now has to place on revenue from fees and charges and the volatility in their receipt over the past few years, a table is included below which gives a quick summary of the position on our major income sources.

Table 1 – Estimated Outturn Position on Major Income Sources

Fees & Charges	Annual Budget for 2007/08	Income received at Month 3	Predicted Outturn Position	Predicted (deficit) or surplus for year
Car Park Charges	£2,691,480	£899,240	£2,691,480	Nil
Land Charges	£425,000	£135,430	£465,000	£40,000
Building Control Fees	£572,000	£159,040	£572,000	Nil
Planning Application Fees	£803,000	£182,150	£803,000	Nil
Investment Income	£1,305,740	£326,440	£1,305,740	Nil
Total	£5,797,220		£5,837,220	£40,000

3. Housing Revenue Account

	£	£
Budget Requirement (set 21/2/07)		273,140
Month 3 predicted net underspend to year end	(10,000)	
Supplementary estimates approved	<u>0</u>	(10,000)
Predicted Budget Requirement		<u>£263,140</u>

(A summary of the predicted Net underspend to Year End is shown in Appendix B).

- 3.1 These variations will have the following effect on the Housing Revenue Account Balance.

	£
Housing Revenue Account Balance (1/4/07)	(1,682,680)
Transfer from reserves (set 21/2/07)	273,140
Variiances identified above	(10,000)
Predicted HRA Balance (31/3/08)	<u>(£1,419,540)</u>

4. Capital Budget

4.1

	£	£
Net Capital Budget (Exec Board 21/2/07)		3,675,000
Variations reported in Outturn report 6/6/06	1,429,000	
Month 3 revisions to Budget	26,000	
Predicted Budget Requirement		<u>£5,130,000</u>

	£	£
<u>Financing Capital Budget</u>		5,130,000
In Year Usable Capital Receipts	(986,000)	
Capital Receipts Brought Forward	(1,997,000)	
HRA Contribution	(250,000)	
Loan for Recycling & Refuse contract	(1,150,000)	
Section 106 agreement – affordable housing	(80,000)	
General Fund contribution required to balance	(667,000)	
The programme ⁽¹⁾		
Total		5,130,000

Note (1) – It is currently anticipated that the shortfall of funding on the programme will need to be met from the General reserve. However, it is more likely that additional income from sales or scheme slippage will result in this figure not being required.

4.2 This will leave the General Reserve Balance unchanged at £12.191m.

Legal Implications

No legal implications have been identified.

Financial Implications

The financial implications are detailed in this report.

Consultation on Reports to the Executive

Nil.

Background Papers

Financial Services - Accountancy Section Working Papers.

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Executive Board
1 August 2007