

Agenda Item

Executive Board

7 February 2007

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Revenue & Capital Monitoring Report 2006/07 – Month Nine

Summary

This report gives a summary of the Council's overall financial position for 2006/07. 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 December 2007 to 31 December 2007.

Recommendation that

the variances identified as part of the Revenue and Capital Monitoring process for month nine of 2006/07 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**

The overall general fund position shows an underspend of £351,840. However, this situation will continue to be monitored 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 2006/07 – Month Nine

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 nine 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 month nine and any remedial action that has been proposed. It should be noted that this monitoring process has not high lighted any material budget variances which require corrective action.

2. Month Nine Position.

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

2.2 General Fund

	£	£
Budget Requirement (set 22/2/06)		13,616,670
Month 9 predicted Net underspend to Year End	(440,210)	
Supplementary estimates	88,370	<u>(351,840)</u>
Predicted Budget Requirement		<u>£13,264,830</u>

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

2.2.1 This position has deteriorated by £40,060 since that reported at month eight to the Executive Board (17/1/07). In the main this is due to a payment made to the District Valuer in relation to the LED transfer (£10k) and recent compensation payments in Development Control (£22k).

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

	£
General Fund Balance (1/4/06)	(1,821,890)
Less items already committed	720,000
Variances identified above	(351,840)
VAT error (2005/06)	<u>61,000</u>
Predicted G.F. Balance (31/3/07)	<u>(£1,392,730)</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 2006/07	Income received at Month 9	Predicted Outturn Position	Predicted (deficit) or surplus for year
Car Park Charges	£2,414,410	£1,965,000	£2,564,410	£150,000
Land Charges	£345,000	£386,650	£425,000	£80,000
Building Control Fees	£571,200	£413,000	£541,200	(£30,000)
Planning Application Fees	£803,000	£569,540	£748,000	(£55,000)
Investment Income	£1,060,000	£791,250	£1,060,000	Nil
Total	£5,193,610		£5,338,610	£145,000

3. Housing Revenue Account

	£	£
Budget Requirement (set 22/2/06)		(165,020)
Month 9 predicted net overspend to year end	117,950	
Supplementary estimates approved	<u>0</u>	117,950
Predicted Budget Requirement		<u>(£47,070)</u>

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

- 3.1 This position has improved by £70,940 since month eight, mainly as a result of the decision made by Full Council to finance the disabled adaptations direct from the housing capital programme.

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

	£
Housing Revenue Account Balance (1/4/06)	(1,575,180)
Transfer to reserves (set 22/2/06)	(165,020)
Variances identified above	117,950
Predicted HRA Balance (31/3/07)	<u>(£1,622,250)</u>

4. Capital Budget

4.1 The position on the capital programme remains unchanged from that reported to the Executive Board at its meeting on the 17/1/07.

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
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