

# **Report to the Finance & Performance Management Scrutiny Panel**



**Date of meeting: 11 February 2008**

**Portfolio:** Finance, Performance Management and Corporate Support Services

**Subject: Quarterly Financial Monitoring**

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## **Recommendations:**

**That the Panel note the revenue and capital financial monitoring report for the third quarter of 2007/08;**

## **Report:**

1. The Panel has within its terms of reference to consider financial monitoring reports on key areas of income and expenditure for each portfolio. This is the third quarterly report for 2007/08 and covers the period from 1 April 2007 to 31 December 2007.

2. Salaries monitoring data is presented as well as it represents a large proportion of the authorities expenditure and is an area in which large under spends have been seen. The salaries data is held by Service rather than by portfolio, although there are clearly some services that are linked closely to particular portfolios.

## **Revenue Budgets (Annex 1 – 9)**

3. Comments are provided on the monitoring schedules but a few points are highlighted here as they are of particular significance. The salaries schedule (Annex 1) shows an underspend of £283,000. This is after the settlement of the 2007/08 pay award, and represents 2% of the budget. Most of this underspend relates to the General Fund. The position at Month 9 2007/08 is significantly better than at this time in 2006/07 when the budget was underspent by 4.5%.

4. Income budgets are generally looking more volatile than in 2006/07. Development Control income at Month 6 was £70,000 down on expectations however due to a number of larger schemes coming through during Months 8 and 9 the shortfall has reduced to £32,000 a little under the £40,000 included in the revised budget. Building Control shows an over achievement, this is due in part to extra income for work done on behalf of other authorities. Land Charge search income is also down by £41,000 compared to a revised prediction of £57,000. Although both Development Control and Land Charge income are performing better than the revised estimates it is possible that the position could worsen again.

5. Income from recycling credits is significantly higher than expected due to the recycling levels being achieved, however this is being balanced by higher expenditure.

6. Income from car parking is lower than expectations particularly relating to penalty charge notices. Bed and Breakfast charges are significantly down but this is because related expenditure is down as fewer people have been placed in Bed and Breakfast accommodation.

7. The Housing Repairs Fund also shows an underspend. Much of this is due to late invoicing by the gas servicing contractor.
8. The payments to Sports and Leisure Management Ltd are again lagging behind the profiled budget this is due to a dispute with the November invoice.
9. This report has been circulated to Portfolio-holders. An oral update will be provided to cover any additional comments or information received from Portfolio-holders.

#### **Capital Budgets (Annex 10-14)**

10. Tables for capital expenditure monitoring purposes (annex 10 -14) are included for the half year to 30 September. The tables show the major schemes separately with other more minor items being summarised. There is a brief commentary on each item highlighting the scheme progress.
11. The full year budget for comparison purposes is the revised budget as submitted to Cabinet on 8 October 2007 and approved by Council on 30 October 2007.
12. The process of profiling capital budgets has now been completed and all variations relate to differences between actual and expected spending patterns.

#### **Major Capital Schemes (Annex 15)**

13. An additional schedule is included that looks at progress on those schemes with total budget provision in excess of £1m. The schedule monitors the schemes in total rather than by financial year. The total cost figures shown in columns six and seven therefore relate to two or more financial years. The original anticipated start dates where applicable are also included and where this was not achieved a revised or actual start date is given. There is also some commentary on the schemes for information.

#### **Conclusion**

14. There is still a degree of concern over the lower than originally anticipated levels of income from Development Control and Land Charges. Comfort can be drawn from the fact that the revised estimate takes this into account and allows for these variances to be financed by the DDF. It is also worth noting that the CSB budget in total is also expected to underspend when compared to the original budget.
15. The panel is asked to note the position on both revenue and capital budgets as at Month 9 and the Major Capital Schemes monitoring schedule.