

Report to the Finance & Performance Management Scrutiny Panel



**Epping Forest
District Council**

Portfolio: Finance & Performance Management

Subject: Quarterly Financial Monitoring

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Recommendations/Decisions Required:

That the Panel note the financial monitoring report for the Third quarter of 2005/06.

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 second quarterly report presented and covers the period from 1 April 2005 to 31 December 2005.
2. The panel received the first monitoring report for the period 1 April 2005 to 30 September 2005 at its meeting on 8 November 2005. At that meeting it was agreed that the report presented was in the format that the panel required.
3. 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.

Main Variances:

4. Comments are provided on the monitoring schedules but a few points are highlighted here as they are of particular significance. The salaries schedule shows an under spend of some £681,000 (4.6% of budget) and reflects the fact that staff vacancies are running at a high level. Revised estimates have been adjusted to reflect the ongoing difficulties with recruitment and retention.
5. There is currently a shortfall in income for Land Charges of £75,000, and Development Control of £21,000 although this is more than balanced by higher than anticipated income for Off-Street Parking (£30,000) and the North Weald Centre (£93,000).
6. Expenditure relating to the alteration to the Local Plan which falls under Forward planning shows a marked underspend this however is DDF money and much has been rephrased into 2006/07 as part of the revised estimate process.
7. The Housing Repairs Fund also shows an underspend, however expenditure tends to be heaviest in the final quarter and in fact an overspend is expected by the year end. The revised estimate takes this into account and both the Repairs Fund and the Housing Revenue Account have significant balances to draw upon to finance this expected overspend.
8. There are two overspends to bring to Members attention the first is on Concessionary Fares. This is due to the popularity of the amended Transport for London scheme. A

supplementary estimate of £68,000 has been agreed for this. The second relates to Waste Management where due to the delay in the wheelie bin roll out and the substantial increases in oil prices, black sack costs have exceeded the original