

Report to the Finance & Performance Management Standing Panel

Date of meeting: 15 August 2006

Portfolio: Finance & Performance Management

Subject: Quarterly Financial Monitoring

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Recommendations:

- 1. That the Panel note the financial monitoring report for the First quarter of 2006/07;**
- 2. As this is the first panel meeting of the financial year members are invited to re-affirm that monitoring should continue on a quarterly basis and in this format.**

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 first quarterly report for 2006/07 and covers the period from 1 April 2006 to 30 June 2006.
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.

Main Variances:

3. 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 £242,000 (5.1% of budget) and reflects the fact that staff vacancies are running at a high level. The report regarding vacancies elsewhere on the agenda has more detail on this particular issue.
4. Income sources such as Local Land Charges and Car Parking show a small overachievement and Building Control and Development Control a small underachievement. Small Variances like this are always likely and therefore give little cause for concern as long as cumulatively they do not become significant.
5. Expenditure relating to the alteration to the Local Plan which falls under Forward Planning shows a marked underspend. This is DDF money, which is expected to be spent later in the year.
6. The Housing Repairs Fund also shows an underspend. Much of this is due to the cyclical maintenance contracts, which did not commence until July.
7. As at 30 June 2006 no payments had been made to Sports and Leisure Management Ltd. The negative entry shown was cleared in July when the payments relating to 2005/06 were made. Since month three April has also been paid and May and June are expected to be paid shortly.

8. Off Street Car Parking shows an overspend but this is due to maintenance work occurring earlier than originally anticipated. Also Land and Property and Refuse Collection income show an adverse variance but in both cases this is due to income relating to 2005/06 not being received by the end of June 2006.

9. It is proposed that the tables for each portfolio be reported to the relevant portfolio holder for their comment beginning with the second quarters monitoring schedules.

Capital Monitoring

10. The Cabinet of 4 September will receive the updated Capital Programme which will revise the spending profile of the existing programme and introduce new items agreed since the last update in June 2006. It is therefore proposed that from the second quarters monitoring onward capital monitoring of specific capital schemes be included within this report. The schemes to be included in the monitoring report will be put forward within the next report and members will then have a chance to comment on those schemes and whether there are others it is felt should be included.

Conclusion

11. The committee is asked to note the position as at Month 3 and re-affirm that quarterly monitoring is adequate and should continue in this format.