

Report to the Finance & Performance Management Standing Panel



SCRUTINY

 **Epping Forest District Council**

Date of meeting: 12 February 2007

Portfolio: Finance & Performance Management

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 2006/07;

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 2006/07 and covers the period from 1 April 2006 to 31 December 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.

Revenue Budgets (Annex 1 – 11)

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 under spend of some £625,000 (4.5% of budget) of this around 40% relates to the HRA. Having seen a reduction in the level of vacancies at the end of September 2006 the position at 31 December 2006 shows a slight increase again and is beginning to look more in line with the position at this time last year. The area with the highest monetary underspend is Planning Services. There continue to be problems with recruitment in this area particularly Building Control.
4. Income budgets are generally in line with expectations. Income from Land Charge searches are slightly above expected levels. Income from recycling credits is well up on that originally expected and reflects the significant increase in recycling that is now taking place across the District. Both these variances have been reflected in the Revised estimate.
5. The budget shown for the Waste Management Service now includes the Supplementary estimates agreed during 2006/07. Actual expenditure however is lagging behind the profiled budget as some items claimed by the contractor under the contract are being verified prior to payment. Expenditure relating to the alteration to the Local Plan, which falls under Forward Planning, shows a marked underspend. This is DDF money, and much of this underspend has now been rephased into 2007/08.
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. The payments to Sports and Leisure Management Ltd are still lagging behind expectations, indeed November's payment due in December was not paid until January.
8. There has been an increase in the number of homeless persons that have been placed in Bed and Breakfast Accommodation recently, however this is thought to be a one off situation and expenditure is expected to return to levels seen in 2005/06 over the next year or so.
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 12-16)

10. Tables for capital expenditure monitoring purposes (annex 12-16) are included for the nine months to 31 December. 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 and where there is potentially for slippage to occur.
11. 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 17)

12. 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 budget 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

13. 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.