

Report to the Finance & Performance Management Scrutiny Panel



Date of meeting: 13 November 2007



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 second 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 second quarterly report for 2007/08 and covers the period from 1 April 2007 to 30 September 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 under spend of some £402,000 (4.2% of budget, this is after allowing for the virement approved by cabinet on 8 October from Works unit salaries to sub contractors). Of this 2.5% relates to the pay award which has just been agreed slightly below the level included in the budget. The remaining underspend is primarily related to the General fund. Although the total variance appears the same as at month 6 in 2006/07 (4.2% of budget) given that 2.5% of the variance at September 2007 is related to the pay award the actual position is an improvement.

4. Income budgets are generally looking more volatile than in 2006/07. Development Control shows an under achievement, this is due to a lack of larger schemes which attract a proportionately larger fee. There are a number of larger schemes in the pipeline which may produce fee income in 2007/08. If three or four of these schemes materialise then the income levels in the original budget should be achievable. 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 though this is mitigated to a degree by a reduction in charges from the county council.

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 Parking contractors billing is lagging one month behind the expected one month in arrears.

8. The Housing Repairs Fund also shows an underspend. Much of this is due to late invoicing by the gas servicing contractor.

9. The payments to Sports and Leisure Management Ltd are now in line with the profiled budget and therefore no significant variation is shown.

10. 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)

11. 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.

12. 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. Underspends from 2006/07 were originally slipped to 2007/08 by Council on 24 July. However the report to Council on 30 October was a complete review of the programme.

13. 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)

14. 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

15. There is a degree of concern over the lower than anticipated levels of income from Development Control and Land Charges. At this stage no compensating or corrective action is proposed but income from these areas will be closely monitored.

16. The panel is asked to note the position on both revenue and capital budgets as at Month 6 and the Major Capital Schemes monitoring schedule.