

Report to: **Executive**
Date: **16th January 2007**
Report of: **Executive Member for Resources**
Subject: **General Fund/Housing Revenue - 2006/2007 Monitoring Statement**
Ward: **All**

1.0 Purpose of Report

1.1 To advise members on the financial position for the period 1st April 2006 to 30th November 2006.

2.0 Consultation

2.1 Consultation has taken place with the Director of Finance and Corporate Services and through the process, Budget Holders. The Management Team has considered the report.

3.0 Process

3.1 Budget holders are required to carry out a monthly exercise of examining their spending and the attached appendices/statements reflect the forecasted position to the 31st March 2007.

4.0 Revised Forecast Position - General Fund

4.1 Appendix 1 shows the projected position on a directorate basis. Reasons for variations are contained in the footnotes.

4.2 Members will recall that at the time we were agreeing 2006/7 budget we identified 2 major areas of uncertainty.

- Arrangements for the implementation of changes to the countywide concessionary fares scheme were not finalised.
- The review of the service level agreements between the Council and East Durham Homes was incomplete putting at risk a significant amount of income.

4.3 The detail around these issues has been highlighted in previous reports but importantly provisions were made in the accounts to manage both situations.

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4.4 Taking account of the above the general fund is showing a surplus estimated at £224,590 at the 30th November, around 1.3% of budget and at this stage the budget seems fairly stable. This has increased by around £153,000 since the last report.

4.5 Appendix 1 /2 shows that the improvement is attributable to Directorate budgets where in that element of the budget the position has moved from an estimated overspend of just under £103,000 to a slight under-spend £5.500.

4.6 The main changes since the last report are attributable to:

- Increased investment income of around £62k following recent increases in the interest rates.
- Savings from vacant posts – Regeneration and Development (£78k)

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- Increased income from Land charges and miscellaneous savings in Democratic Services.(£30k).

4.7 In addition to the above we have addressed a number of issues in year as outlined below the estimated costs of which are £166,110.

- Coastal Rangers - £60,110
- Amateur Swimming Association – Everyday swim – £28,000
- Additional resources for the Contact Centre - £50,000.
- Youth Forum Officer (not included in budgets) - £28,000.

4.6 Taking the above into account the overall budget is broadly on target.

4.7 At this stage support services are showing an estimated over-spend of £27,510 (appendix2). The position will continue to be monitored.

4.8 General Fund Balance

4.8.1 Appendix 3 illustrates the effects of the above on the reserve position. Having reviewed the commitments against the year-end position of £5.85m the revised position at the end of November is estimated at £4.37m.

4.8.2 Given the above the Director of Finance and Corporate Services is confident the position will not worsen over the last 3 to 4 months and therefore the return can be used to firm up the 2007/8 budget.

5.0 **Housing Revenue Account (HRA)**

5.1 The summarised position for the HRA is set out in Appendix 4 and 4/1

5.2 Although there have been changes to individual budget headings there are no fundamental changes since the last statement and the overall budget position is still in line with the original budget projection.

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5.3 At the time of writing the report we had not received the final Housing Subsidy Settlement for 2007/8. Early indications are that the settlement is reasonable on face value with uplifts of around 4 - 5% on management and maintenance and major repairs allowances. The guideline percentage rent increase for Easington is around 5%.

5.4 Clearly the position has to be commuted into the budget calculations and we must remember the other side of the coin in terms of stock reductions, which of course reduces rent income.

5.5 If there is no change between the provisional and final subsidy settlement we should be able to present a balanced budget next February.

6.0 **Implications**

6.1 **Policy**
None

6.2 **Financial**
Any financial implications are included above but broadly the report is for information.

6.3 **Legal**

None

6.4 **Risk**
None, existing systems are controlling the overall budget position.

6.5 **Communications**
None

6.6 **Corporate Implications**
None

6.7 **E Government**
None

6.8 **Procurement**
None.

6.9 **Equality and Diversity**
None

7.0 Recommendation

7.1 The Committee is asked to note the position.

Background Papers

Budget/Cost tabulations - Financial Management System.
Statements from Budget Holders
Final Accounts Information 2005/6 - Working Papers
Budget Report - Council Extraordinary Meeting 25/02/2006
Report to District Council - Use of General Fund Reserves – 5/11/2005

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