

TEESDALE DISTRICT COUNCIL

**Report To: EXECUTIVE COMMITTEE
16 June 2008**

From: Lead Member for Resources: Councillor GK Robinson

Ward Member: All

Subject: FINANCIAL POSITION OVERVIEW

1.0 SUMMARY

1.1 The purpose of this report is to update members on the position of the Medium Term Financial Plan to 30 April 2008.

2.0 RECOMMENDATION(S)

2.1 It is recommended that

2.1.1 The current position in respect of the Medium Term Financial Plan is noted.

3.0 LINK TO CORPORATE OBJECTIVES/KEY PRIORITIES

3.1 Objective: Maximising Resources

3.2 Priority: Improvement Programme

3.3 Outcome: Members are fully informed of the medium term financial position and budgetary pressures.

4.0 BACKGROUND

4.1 The Medium Term Financial Plan (MTFP) provides an overview of the Council's financial position for the current financial year, and also the predicted financial position for future years.

4.2 As part of the budgetary and performance management process, an up-to-date version of the MTFP is being presented to members on a monthly basis in addition to the quarterly budget monitoring reports that are received by the Improvement and Performance Board. The updated MTFP includes variances identified through the budget monitoring process and other changes to expectations included in the budget.

5.0 FINANCIAL POSITION OVERVIEW

- 5.1 The expected position identified through budget monitoring as at 30 April for 2008/09 is a deficit of £440,081 a projected underspend of £25,250 against the approved budget deficit of £465,331. It should be noted that the closure of the accounts for 2007/08 is not yet complete and the reported position at Appendix A has not been amended from the May report. An update on the outturn position will be provided to members verbally at the meeting, and the final position will be included in the next financial position update.
- 5.4 The updated MTFP at Appendix A contains details of the major variances contributing to the current monitoring position.
- 5.3 There was one vacancy contributing towards the vacancy factor in year as at 30 April. The saving achieved from the vacancy was £17,773. For members' information, the overall budget for the vacancy factor for 2008/09 is £86,121.

6.0 STATUTORY CONSIDERATIONS

- 6.1 Financial Implications:
Any in-year deficit or surplus will result in an equivalent reduction or increase respectively in unallocated reserves as shown on the MTFP.
- 6.2 Risk:

Risk	Category	Implications
The Council does not have accurate and timely financial information when determining future strategy	Service delivery, reputational, financial, Legal	Failure to take into account relevant financial information increases the risk of poor decision-making

- 6.3 Equality and Diversity: None
- 6.4 Human Resources: None
- 6.5 Community Safety: None
- 6.6 Legal Issues: None

Background papers:

1. Budget Setting Report – Executive 11 February 2008

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