

BUDGET AND PERFORMANCE

Corporate Financial Monitoring Report Period 10 (January)

4TH April 2006

Report of the Head of Financial Services

PURPOSE OF REPORT			
To present corporate financial monitoring information up to the end of January 2006.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>
Date Included in Forward Plan		N/A	
This report is public.			

RECOMMENDATIONS

- 1) That the Panel considers the corporate financial monitoring information and indicates whether any further action be taken, in addition to those points already identified in the report.
- 2) That the Panel note that a further analysis of variances from the Revised Estimates is being undertaken at Outturn and the reasons for significant variances be reported to Members.

1. Introduction

The monitoring report attached at **Appendix A** updates Members on the corporate financial position as at the end of January. The overall position shows that there are currently net underspends on General Fund and the Housing Revenue Account (HRA) of £26,000 and £40,000 respectively. The General Fund underspend is projected to increase to £48,000 for the full year, after taking into account further anticipated variances that are detailed in the appendix.

The main points arising from the latest monitoring exercise are set out overleaf; any relating to the HRA are incorporated into the attachment.

2. Main Points:

These can be summarised as follows:

- At the end of January there are salary savings of £47,000, and these are anticipated to increase to £80,000 by the end of the March.
- The Local Authority Business Growth Incentive grant was anticipated to be £200,000, however the actual final amount awarded was only £145,000; this includes a secondary award to correct an error in the initial allocation. Officers have still raised a number of queries with the ODPM relating to the assumptions made for allocating the grant, as the model originally provided by them showed that the Council would have been entitled to approximately £200,000.
- Search fee costs and income still continue to be affected by a downturn in the housing market which has led to fewer applications than expected. Despite a significant reduction in the budget at the revised estimate stage there is a further shortfall of £21,000, which is anticipated to increase to £30,000 by the end of the year.
- At the end of January, there is a shortfall of £48,791 for planning application fee income. This was not anticipated at the revised estimate stage, however major application numbers have since reduced on those received in the previous year. This will be looked at again more closely as part of Period 11 monitoring to determine the expected final position at outturn. In the meantime, the Head of Planning & Building Control has confirmed that any shortfall in 2005/06 will be met from Planning Delivery Grant (PDG). This will also need to be taken into account when the 2006/07 PDG award is allocated.
- Off street car parking is currently down by £42,000, and is anticipated to worsen by a further £7,000 by the end of March. The budget has suffered from a particularly bad month in November when income was down by 10%, and it is anticipated that February will be down by 5.5%. This is partly due to the loss of Charter House Car Park.

It should be noted that the above points focus on the main variances; the attached Appendix provides a more detailed analysis.

3. Proposal Details

As reflected in the recommendations.

4. Details of Consultation

Not applicable.

5. Options and Options Analysis (including risk assessment)

There are no alternative options put forward. Should Members require any further significant work to be undertaken, the details of this would either be reported separately by the relevant Officer or be incorporated in to a future monitoring report from the Head of Financial Services.

6. Officer Preferred Option and Comments

Not applicable.

7. Conclusion

At the end of January there are net underspends on both General Fund and Council Housing revenue budgets. The position will be updated and reported back to members as part of the February Corporate Monitoring process.

RELATIONSHIP TO POLICY FRAMEWORK The Corporate Financial Monitoring Process supports the Budget and Policy Framework.	
CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability etc) No implications directly arising.	
FINANCIAL IMPLICATIONS As contained within the body of the report.	
DEPUTY SECTION 151 OFFICER'S COMMENTS This report forms part of the Section 151 Officer's statutory responsibilities.	
LEGAL IMPLICATIONS Legal Services have been consulted and have no comments to add.	
MONITORING OFFICER'S COMMENTS The Monitoring Officer has been consulted and has no comments to add.	
BACKGROUND PAPERS Corporate Financial Monitoring Report Period 10	Contact Officer: Andrew Clarke Telephone: 582138 E-mail: aclarke@lancaster.gov.uk Ref: HFS/ADC