

# P7 Revenue & Capital Monitoring - UPDATE

Audit Committee

16<sup>th</sup> December 2009

### **GENERAL FUND**

#### **KEY HEADLINES AT PERIOD 7 - 2009/10**

- Serious financial position facing the Council remains unchanged.
- The projected General Fund balance at 31<sup>st</sup> March 2010 is £7,022k which is below the agreed minimum level of £8m.
- The projected General Fund balance reflects the following items:
  - The predicted underspends
  - The likelihood that one particular high-risk saving is not delivered
  - The planned transfer to the VFM fund for spend-to-save initiatives

### **Projected General Fund balance at 31<sup>st</sup> March 2010**

- Balance brought forward           £ 7.678m
- P7 Forecast underspend           £ 2.197m
- Returned from earmarked reserves   £ 1.207m
- Planned use of earmarked reserves   £(1.000m)
- Potential non-delivery high risk saving£(1.500m)
- Transfer to Value for Money Fund   £(1.560m)
- **Estimated Balance at 31 March 2010 £ 7.022m**

## Notes on delivery of savings

- Based on P7 Cabinet discussions savings identified by directorates are not sufficient to cover all the underlying saving pressures (£3.5m) and the £7m savings target.
- The projected directorate positions now remove unachievable savings targets, but commitment by CLT to seek further savings wherever possible.
- Only £400k of further savings are realistically achievable.
- Of the savings identified to date, the delivery of one savings item of £1,500k within CYPs is high-risk.

### Housing Revenue Account (HRA)

- The P7 projected outturn position for the HRA shows an overspend of £2,765k. The main headlines include:
- £1,057k reduction in recharge to leaseholders,
- £1,792k increase in responsive repairs,
- £339k underspends on electricity, gas, cleaning etc

The data indicates that the HRA will have a balance on reserves of (£4,012k) surplus at 31<sup>st</sup> March 2010.

## CAPITAL

- Capital reporting changed at P7
- At the end of P7 the forecast outturn is £101m. This is an overspend against latest spend approval of £28m
- This arises due to a change in the process which will be resolved in P7 & P8 Capital Programme Update reports
- 99 schemes have a Green Status
- 19 schemes have been allocated an Amber Status
- Only 1 scheme is showing at Red Status – Junction 14