

Classification: NULBC UNCLASSIFIED

## Financial Position Quarter One 2014/15

### General Fund Revenue Budget

The Council approved a General Fund Revenue Budget of £14,893,770 on 26 February 2014. The actual position compared to this budget is continuously monitored by managers, EMT and Portfolio Holders in order to detect any significant variances of expenditure or income from the approved amounts contained in the budget. Regular reports are made available to members by the Portfolio Holder for Finance and Resources informing them of the current position, highlighting any significant factors giving rise to variances.

### Capital Programme

A Capital Programme totalling £7,242,300, covering the two years 2013/14 to 2014/15, was approved at the same Council meeting. Of this total, £2,238,000 was estimated to be spent in 2014/15.

### Revenue Budget Position

At this point in the financial year, we would have expected to have spent approximately £2.295m; we have actually spent £2.290m. Therefore, as at the end of the first quarter, the general fund budget shows a favourable variance of £5,000.

However there are a number of both favourable and adverse variances to bring to your attention:

- Jubilee 2 is operating at a net overspend as at 30 June, primarily due to income shortfall.
- Kidsgrove Sports Centre is also operating at a net overspend as at 30 June, due to income shortfall.
- Commercial rents continue to yield less compared to what we would, in the past, have expected to receive up to 30 June.
- Overtime budget is overspent as no changes have yet been implemented to deliver the 2014/15 savings target of £100k.
- Additionally a number of service under spends have occurred.

There are also a number of smaller variances, both positive and negative, that contribute to the overall position.

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### **Capital Programme Position**

The Capital Programme approved by Council in February 2014 has been updated to take account of slippage in 2013/14. Where planned expenditure did not occur last year, this has been added to the budget for 2014/15 (apart from any cases where costs have been reduced or expenditure will no longer be incurred). The revised budget for capital projects in 2014/15 totals £4,067,100.

£1,015,450 of the revised budget was expected to be spent by 30 June; the actual amount spent was £905,061 resulting in a variance as at the end of quarter 1 of £110,389.

### **Investment Counterparties**

Investment counterparties with whom money is invested, as at 30 June 2014 are as follows (with the parent company shown in brackets, where applicable):

Debt Management Account – Deposit Facility  
Nationwide Building Society  
Barclays Bank  
Heritable Bank (*Landsbanki*)

With regard to the Council's frozen investment in Heritable Bank, the total amount repaid now amounts to some £2,357,691, which is 94% of the total that was frozen. The Administrators current prediction is that no further repayments will be made.