

Appendix 'A'

Financial Position Quarter Three 2014/15

1. General Fund Revenue Budget

1.1 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.

2. Capital Programme

2.1 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.

3. Revenue Budget Position

3.1 At this point in the financial year, we would have expected to have spent approximately £7,055,956; we have actually spent £7,146,766. Therefore, as at the end of the third quarter, the general fund budget shows an adverse variance of £90,810.

3.2 The main reasons for the overall adverse variance to date are:

- a. The overtime budget is overspent as the changes required to deliver the 2014/15 target of £100k have only recently been agreed.
- b. Jubilee 2 is operating at a net overspend primarily due to income shortfall. This has got slightly worse due to the small pool closure for the repair to the floor lift mechanism.
- c. Kidsgrove Sports Centre is also operating at a net overspend due to income shortfall.

There are also a number of favourable variances, the main ones being:

- a. Additional planning fee income in respect of major planning applications.
- b. Saving on Elections due to the European Elections being held and costs shared with Central Government.
- c. Employee costs in respect of a number of vacant posts and flexible retirements that have taken place across the Council.

3.3 Any changes to inflationary rates have not had any effect on the Councils budget as at the end of quarter three.

4. Capital Programme Position

- 4.1 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.
- 4.2 £1,678,900 of the revised budget was expected to be spent by 31 December; the actual amount spent was £1,431,800 resulting in a variance as at the end of quarter three of £247,100.

5. Investment Counterparties

- 5.1 Investment counterparties with whom money is invested, as at 31 December 2014 are as follows (with the parent company shown in brackets, where applicable):

Nationwide Building Society
Halifax Bank of Scotland
Coventry Building Society
Lloyds Bank
Heritable Bank (*Landsbanki*)

- 5.2 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.