

Financial Position Quarter One 2017/18

1. General Fund Revenue Budget

1.1 The Council approved a General Fund Revenue Budget of £13,825,060 on 22 February 2017. 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.

2. Capital Programme

2.1 A Capital Programme totalling £3,047,000 was approved at the same Council meeting. Of this total, £1,500,000 relates to the total cost of new schemes for 2017/18 together with £1,547,000 for schemes brought forward from the original 2016/17 Capital Programme. In addition £2,937,616 slippage was incurred in 2016/17, resulting in a total Capital Programme of £5,984,616 for 2017/18.

3. Revenue Budget Position

3.1 At this point in the financial year, we would have expected to have spent approximately £2,494,961; we have actually spent £2,499,181. Therefore, as at the end of the first quarter, the general fund budget shows an adverse variance of £4,220.

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

- a. Kidsgrove Sports Centre operated at a net overspend due to overtime, casual salaries and income shortfall prior to its closure.
- b. Income from waste services and car parking is below the amount budgeted for. Waste Services income is expected to increase due to an increase in material prices and a review of car parking income is underway.

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

- a. Employee costs in respect of a number of vacant posts and flexible retirements that have taken place across the Council.

4. Capital Programme Position

4.1 The Capital Programme approved by Council in February 2017 has been updated to take account of slippage in 2016/17. Where planned expenditure did not occur last year, this has been added to the budget for 2017/18 (apart from any cases where costs have been reduced or expenditure will no longer be incurred). The revised budget for capital projects in 2017/18 totals £5,984,616.

4.2 £1,578,772 of the revised budget was expected to be spent by 30 June; the actual amount spent was £1,581,005 resulting in a variance at the end of quarter one of £2,233.

5. Investment Counterparties

5.1 As at 30 June 2017 the Council had no funds to invest.

5.2 With regard to the Council's frozen investment in Heritable Bank the total amount repaid now totals £2,457,623, which is 98% of the total that was frozen.