

## Financial Position Quarter Two 2013/14

### General Fund Revenue Budget

The Council approved a General Fund Revenue Budget of £14,118,640 on 27 February 2013. 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 £7,963,400, covering the two years 2012/13 to 2013/14, was approved at the same Council meeting. Of this total, £5,352,500 was estimated to be spent in 2013/14.

### Revenue Budget Position

At this point in the financial year, we would have expected to have spent approximately £5.011m; we have actually spent £5.005m. Therefore, as at the end of the second quarter, the general fund budget shows a favourable variance of £6,000.

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

- Commercial rents continue to yield less compared to what we would, in the past, have expected to receive up to 30 September.
- Kidsgrove Sports Centre is operating at a significant net overspend as at 30 September, primarily due to income received.
- There have also been a number of income sources whereby income has exceeded what we would have expected to receive up to 30 September; these include licensing, planning application fees and the recovery of housing benefit overpayments.
- 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 outturn.

In relation to the Member interest in respect of outstanding monies from Gatedale regarding The Square. It is pleasing to report that a payment of £420k was received on 18 July.

### Capital Programme Position

The Capital Programme approved by Council in February 2013 has been updated to take account of slippage in 2012/13. Where planned expenditure did not occur last year, this has been added to the budget for 2013/14 (apart from any cases where costs have been reduced or expenditure will no longer be

incurred). The revised budget for capital projects in 2013/14 totals £5,352,500.

£1,564,900 of the revised budget was expected to be spent by 30 September. Actual spending was £1,356,500. The variance of £208,400 is mainly attributable to Section 106 Works at Lowlands Road, Disabled Facility Grants, Replacement/Repair of Play Equipment and Town Centre Public Works.

### **Investment Counterparties**

Investment counterparties with whom money is invested, as at 30 September 2013 are as follows (with the parent company shown in brackets, where applicable):

- Royal Bank of Scotland
- Halifax Bank of Scotland
- 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.