

Key Financial Health Indicators to 31st December 2009Revenue

<u>Financial Monitoring</u>	<u>2009/10 Variance Projection</u>	<u>Current Budget</u>	<u>Projected Outturn</u>	<u>Quarter 3 Variance Projection</u>	<u>Variance to 2009/10 Projection</u>	<u>Next Quarter Variance Target</u>	<u>Year end Variance Target</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Service Departments	0.0	148.4	149.1	0.7	0.7	0.0	0
Other Services	0.0	2.8	3.5	0.7	0.7	0.0	0
Total	0.0	151.2	152.6	1.4	1.4	0.0	0

Narrative:

Two departments of the council are reporting budgetary pressures, one break-even and the fourth a small net underspend. A number of action plans have been implemented to ensure that the Council achieves a balanced budget by the year end. Full details of the December position is included in Section 3 within the main text of this report.

Key Financial Health Indicators to 31st December 2009

Revenue

<u>Income Collection</u>	<u>Target Collection Rate</u>	<u>Cash Equivalent</u>	<u>Actual Collection Rate</u>	<u>Cash Equivalent</u>	<u>Variance to Target Rate</u>	<u>Cash Equivalent</u>	<u>Next Quarter Target</u>
Council Tax*	81.30%	£41.396m	81.19%	£41.338m	(0.11%)	(£83)k	94.00%
NNDR*	77.00%	£38.989m	78.63%	£39.812m	1.63%	£824K	97.00%
Ctax Arrears*							
• prior years	25.50%	£2.805m	13.27%	£1.459m	(12.23%)	(£1.345m)	27.00%
Rent Collection(as at end of Oct 09)	95.00%	£71.520m	96.82%	£73.067m	1.82%	£1.373m	95.00%

Narrative:

Council Tax collection was 0.11% below the target for quarter 3 and the focus is now on improving collection in quarter 4 by increasing the performance of the bailiff companies along with getting reducing any backlogs. This will also include implementing a range of new processes over the coming months that will deliver a more efficient service delivery model. The collection of Council Tax arrears remains a challenge and is 12.23% lower than target for the quarter. The focus has been on containing in year collection but plans are being put in place to improve in this area. NNDR collection is 1.63% above target, however, the challenge will be in retaining this level of performance when dealing with the anticipated increase in correspondence levels due to the forthcoming Revaluation Process. In relation to Housing Rents we are unable to report on this currently due to problems with the new HMP System. This has been escalated and we are awaiting confirmation of a resolution timescale.

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Investments

	<u>Average Investment Balances</u> <u>£m</u>	<u>Benchmark Return</u>	<u>Actual Return @ Q3</u>	<u>Variance at Q 3</u>	<u>Projected Year End Variation</u> <u>£'000</u>
Council in House team	26.6	2.00%	2.83%	0.83%	0
External Fund Manager (1)	37.9	2.00%	1.19%	-0.81%	0
External Fund Manager (2)	18.7	2.00%	3.07%	1.07%	0
External Fund Manager (3)	15.0	2.00%	3.09%	1.09%	0

Narrative:
The above statistics show investment performance to the end of December 2009. Bank rates remain at an all time low of 0.5% and is predicted to remain so between now and Q2 of 2010/11 as a result of the slow economic recovery in the UK. This continue to create a significantly bleaker outlook for investment income. Sufficient allowance has been made in the budget to account for this both in 2009/10 and 2010/11. Challenging benchmarks have been set for both the Council's Investment managers and internal team who continue to lock into good investments rates as the opportunity arises. Returns are currently expected to achieve the benchmark return.

Capital

<u>Capital Programme</u>	<u>Original Budget</u> <u>£m</u>	<u>Working Budget</u> <u>£m</u>	<u>Actual Spend @ Q3</u> <u>£m</u>	<u>Projected Spend</u> <u>£m</u>	<u>Variance to Working Budget</u>	
					<u>%</u>	<u>£m</u>
Capital Spend	72	124	53.8	108	12.90%	16

Narrative:
Actual spend as at the end of December was £53.8 m, which is 43.39% of the working budget. At this stage in the year, it is expected that the outturn will £107.7m against the budget of £124m, however, this position will be subject to robust scrutiny to ensure that timetables and milestones can be adhered to, and that budgets are realistic.

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Capital

<u>Prudential Indicators</u>	<u>Original Indicators @ 1/4/09</u>			<u>Revised Indicators @ 31/12/09</u>		
	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
<u>Indicators</u>	<u>£0</u>	<u>£0</u>	<u>£0</u>	<u>£0</u>	<u>£0</u>	<u>£0</u>
<u>Capital</u>						
Capital Expenditure (£'000)	£99,867	£122,852	£91,028	£136,458	£135,125	£88,650
Financing Costs						
- Ratio of HRA Financing costs to Net Revenue Stream	15.70%	15.50%	15.50%	0.57%	0.57%	0.57%
- Ratio of General Fund Financing costs to Net Revenue Stream	1.53%	4.03%	5.26%	2.03%	3.97%	4.97%
Impact on Band 'D' Council Tax	£45.00	£121.00	£160.00	£59.61	£119.27	£151.21
Impact on Average Housing Rent	£0	£0	£0	£0	£0	£0
Capital Financing Requirement	£70,532	£100,046	£111,136	£68,272	£104,498	£114,658
<u>Treasury Management</u>						
Operational Limit on Borrowing	£90m	£115m	£120m	£90m	£115m	£120m
Authorised Limit	£200m	£200m	£200m	£200m	£200m	£200m
<u>Narrative:</u>	<p>The capital expenditure indicator is showing an increase in the capital programme budget as a result of schemes being successfully appraised through the CPMO process. The remaining capital indicators look at the affordability of the capital programme, and at this stage of the year, there are no signs that this affordability will be different from that which was projected at the beginning of the year. The Treasury indicators look at the level of borrowing required to finance capital expenditure. As at the end of quarter 3, the projection is in line with budget.</p>					