

### Key Financial Health Indicators to 30th September 2010

#### Revenue

<u>Financial Monitoring</u>	<u>2010/11</u> <u>Variance</u> <u>Projection</u>	<u>Current</u> <u>Budget</u>	<u>Projected</u> <u>Outturn</u>	<u>Quarter 2</u> <u>Variance</u> <u>Projection</u>	<u>Variance to</u> <u>2010/11</u> <u>Projection</u>	<u>Next</u> <u>Quarter</u> <u>Variance</u> <u>Target</u>	<u>Year end</u> <u>Variance</u> <u>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	181.2	185.1	3.9	3.9	0.0	0
Other Services	0.0	(26.44)	(26.44)	0	0.0	0.0	0
<b>Total</b>	<b>0.0</b>	<b>154.8</b>	<b>158.7</b>	<b>3.9</b>	<b>3.9</b>	<b>0.0</b>	<b>0</b>

#### Narrative:

All departments of the council are reporting budgetary pressures. Where action plans are in place to address these they are not projected as overspends. The current adverse position at the end of Quarter 2 is not considered irreversible and departments are actively managing the projected overspends. Full details of the September position is included in Section 3 within the main text of this report.

<u>Income Collection</u>	<u>Target</u> <u>Collection</u> <u>Rate</u>	<u>Cash</u> <u>Equivalent</u>	<u>Actual</u> <u>Collection</u> <u>Rate</u>	<u>Cash</u> <u>Equivalent</u>	<u>Variance to</u> <u>Target</u> <u>Rate</u>	<u>Cash</u> <u>Equivalent</u>	<u>Next Quarter Target</u>
Council Tax	56.00%	£28.822m	54.82%	£28.217m	-1.18%	-£606k	83.00%
NNDR	57.00%	£29.603m	56.11%	£29.143m	-0.89%	-£460k	80.00%
Ctax Arrears - prior years	10.00%	£1.230m	8.82%	£1.084m	-1.18%	-£146k	15.00%
Rent Collection	97.00%	£87.941m	95.84%	£86.888m	-1.16%	-£1.053m	97.00%

#### Narrative:

The collection rates for both Council Tax and NNDR at the end of Q2 although down against the more aggressive target are up against the same period for 2009-10 and still on target to hit our final outturn positions. Rent Collection at the end of Q2 stands at 95.84% and this is an improvement of 1.1% on the Period 4 outturn (this was the first 2010-11 report available).

### Key Financial Health Indicators to 30th September 2010

#### Investments

	<u>Average Investment Balances £m</u>	<u>Benchmark Return</u>	<u>Return to 30th Sept 2010</u>	<u>Variance against Benchmark</u>	<u>Total Interest Earned £m</u>
Council in House team	38.6	1.50%	1.12%	-0.38%	0.522
External Fund Manager (1)	28.1	1.50%	0.50%	-1.00%	0.140
External Fund Manager (2)	16.4	1.50%	0.54%	-0.96%	0.097
External Fund Manager (3)	15.0	1.50%	0.34%	-1.16%	0.057

Narrative:  
The above statistics show investment performance to the end of September 2010. Bank rates remain at 0.5% for the past 2 years and is predicted to remain so between now and the rest of the financial year as a result of the slow economic recovery in the UK and further government spending cuts. This continues to create a significantly bleaker outlook for investment income. However forecast from the Council's treasury advisers Sector Treasury Services indicate that the perception that bank rate will increase in 2011 is strong. Returns are currently expected to achieve the benchmark return.

#### Capital

<u>Capital Programme</u>	<u>Original Budget £m</u>	<u>Appraised Working Budget £m</u>	<u>Actual Spend @ Q2 £m</u>	<u>Projected Spend £m</u>	<u>%</u>	<u>Variance to Working Budget £m</u>
Capital Spend	72	124	53.8	108	12.90%	16

Narrative:  
Actual spend as at the end of September was £53.8m, which is 43% of the working budget. At this stage in the year, it is expected that the outturn will be £107.9m against the budget of £123.9m, however, this position will be subject to robust scrutiny to ensure that timetables and milestones can be adhered to, and that budgets are realistic.

**Key Financial Health Indicators to 30th September 2010**

**Capital**

<u>Prudential Indicators</u>	<u>Original Indicators @ 1/4/10</u>			<u>Revised Indicators @ 30/9/10</u>		
	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
<u>Indicators</u>						
<u>Capital</u>						
Capital Expenditure (£'000)	£160,032	£103,182	£117,528	£165,319	£110,014	£113,212
Financing Costs						
- Ratio of HRA Financing costs to Net Revenue Stream	15.06%	15.06%	15.06%	0.55%	0.55%	0.55%
- Ratio of General Fund Financing to Net Revenue Stream	4.53%	5.72%	6.66%	3.60%	5.40%	6.01%
Impact on Band 'D' Council Tax	£135.73	£171.37	£199.65	£108.97	£162.49	£182.48
Impact on Average Housing Rent	£0	£0	£0	£0	£0	£0
Capital Financing Requirement	£105,221	£126,721	£135,221	£68,721	£93,258	£94,515
<u>Treasury Management</u>						
Operational Limit on Borrowing	£115m	£130m	£135m	£115m	£130m	£135m
Authorised Limit	£200m	£200m	£200m	£200m	£200m	£200m

**Narrative:**

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 2, the projection is in line with budget.