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## BUDGET MONITORING REPORT 2014/15

To: **Cabinet – 31 July 2014**

Main Portfolio Area: **Financial Services**

By: **Corporate Finance Manager**

Classification: **Unrestricted**

Ward: **All**

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**Summary:** **To inform Cabinet of the latest budget monitoring position against the General Fund, Housing Revenue Account and capital programme for 2014/15.**

### For Decision

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#### **1.0 Introduction**

1.1 This report enables Cabinet to take an informed view of the likely financial out-turn for the General Fund, as well as the likely outturn on the Housing Revenue Account and capital programme for 2014/15. The report summarises the main issues, with the detail being provided in the annexes.

#### **2.0 Summary Outturn Position for the General Fund 2014/15**

2.1 Monitoring has now been undertaken for the first quarter to 30 June of the financial year 2014/15 and a breakeven position is anticipated. However, in achieving a breakeven position emerging pressures such as the on-going delivery of savings factored in as part of the 2014/15 Budget Build and the restructuring of Front Line Services have been assumed to be containable within existing resources. A more detailed budget monitoring report will be brought to Cabinet for Qtr 2 in November covering the period to the end of September 2014.

2.2 As indicated above savings factored in as part of the 2014/15 Budget Build will need to be carefully monitored in order to ensure that they are delivered as expected. Between now and September, Financial Services will work with Managers to ensure that this piece of work happens and that the impact if any, is monitored managed and reported. This will include supporting the on-going change programme within Frontline Services to deliver the new look Recycling and Waste Service. This will include the use of agency staff and overtime payments.

2.3 With only three months monitoring data it is too early to know with certainty the outturn position, however the current position will be carefully monitored over the coming months and corrective action will be taken if necessary to bring it back to a balanced budget position.

2.4 The table attached at **Annex 1** shows the projected outturn for Quarter 1 to 30 June 2014 for the General Fund Revenue Budget 2014/15

### **3.0 Reserve Movements**

- 3.1 It is proposed that £3,000 be drawn down from Priority Improvement Reserve to support the implementation of changes resulting from the mobile phone review undertaken by the Strategic Procurement Manager. This will facilitate ongoing savings and achieve a two year payback in terms of contract savings.
- 3.2 It is proposed that £10,000 be drawn down from the New Homes Bonus Reserve to support the "Great British Seaside Festival" in Ramsgate, Margate and Broadstairs. Phase 1 would see £5,000 being released for the Ramsgate element of the event. Phase 2 would be a proposal in relation to Broadstairs and Margate and on satisfactory completion of the relevant Council criteria the additional £5,000 would be released.
- 3.3 It is proposed that £20,000 be drawn down from the Unringfenced Grants Reserve in order to pay a grant alongside the HRA monies mentioned in section 4 below to the Citizens Advice Bureau towards the cost of relocation.

### **4.0 Housing Revenue Account**

- 4.1 There are no major variances within the HRA Revenue Account to report.
- 4.2 It is proposed that along with the £20k mentioned in 3.3 above, to pay £30k from the HRA to the Citizens Advice Bureau towards the cost of relocation.

### **5.0 Capital Programme**

- 5.1 A report on the General Fund and HRA Capital programme is detailed in **Annex 2**.
- 5.2 General Fund property receipts for Q1 2014/15 are £10k for the TDC share of sale of 20 Ozengell Place, Eurokent.
- 5.3 There have been no Housing capital receipts in Q1 2014/15 apart from Right to Buy.
- 5.4 Members are asked to agree the budget virements detailed as per **Annex 3** for the General Fund capital programme.
- 5.5 Within the Capital Programme is the Waste Collection Fleet Replacement, the balance of which is currently £590k. It is now appropriate to start replacement of the Cleansing fleet, but to facilitate phase 1 urgent replacements; we will be required to transfer £461k from Waste to a new Cleansing Fleet programme. A detailed bid will be drawn up as per the Capital Protocol to cover the replacement of vehicles not deemed urgent under phase 1 with those discussed and agreed at Strategic Programme Board on 15/07/2014 progressed through the above funds.

### **6.0 Corporate Implications**

#### **6.1 Financial**

- 6.1.1 The financial implications have been reflected within the body of the report.

## 6.2 Legal

6.2.1 Section 151 of the 1972 Local Government Act requires a suitably qualified named officer to keep control of the Council's finances. For this Council, it is the Director of Corporate Resources, Paul Cook, and this report is helping to carry out that function.

## 6.3 Corporate

6.3.1 Corporate priorities can only be delivered with robust finances and this report gives Members the opportunity to review the Council's current position.

## 6.4 Equity and Equalities

6.4.1 There are no equity or equalities issues arising from this report.

## 7.0 Recommendations

7.1 That Cabinet notes the projected outturn position for 2014/15 for the General Fund;

7.2 That Cabinet agrees the reserve movements detailed in 3.1 and 3.3 of this report;

7.3 That Cabinet notes the current Housing Revenue Account position;

7.4 That Cabinet approves the grant to the Citizens Advice Bureau as mentioned in 3.3 and 4.2 of the report;

7.5 That Cabinet notes the General Fund and Housing Revenue Account Capital Programmes and agree the budget virements detailed as per Annex 3 for the General Fund capital programme.

## Annex List

<b>Annex 1</b>	General Fund Outturn position
<b>Annex 2</b>	General Fund/HRA Capital Programme report
<b>Annex 3</b>	General Fund Capital Programme

## Background Papers

none

## Corporate Consultation Undertaken

Finance	Matthew Sanham – Corporate Finance Manager
Legal	n/a

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