
BUDGET MONITORING REPORT TO END OF NOVEMBER 2012

To: **Cabinet – 22 January 2013**

Main Portfolio Area: **Financial Services**

By: **Financial Services Manager**

Classification: **Unrestricted**

Ward: **All**

Summary: **To inform Cabinet of the budget monitoring position against the General Fund, Housing Revenue Account and capital programme as at the end of November 2012.**

For Decision

1.0 Introduction

1.1 This report enables Cabinet to take an informed view of the likely financial out-turn on the General Fund, Housing Revenue Account and capital programme for 2012/13. The report summarises the main issues, with the detail being provided in the annexes.

2.0 Summary Outturn Position for the General Fund 2012/13

- 2.1 It was reported to Cabinet in November that an under-spend of £1.8k was projected, based on early monitoring returns.
- 2.2 Budget monitoring has now been undertaken to the end of November 2012. Based on this monitoring, an under-spend of £4.94k is now anticipated against the General Fund for 2012/13.
- 2.3 The significant changes from the position reported to Cabinet in November in relation to September monitoring have been identified below. Work is continuing to firm up the potential outturn position and therefore a revised report will be brought to Cabinet in March to keep Members fully informed

General Fund Outturn 2012/13

- 2.4 The table below shows the projected outturn for period ending 30 November 2012 for the General Fund Revenue Budget 2012/13:

	September Monitoring	November Monitoring
	000's	000's
East Kent Shared Services	0.0	0.0
East Kent Housing	0.0	0.0
Chief Executive & S151	(3.3)	0.0
Director of Operational Services	(27.3)	0.0
Director of Community Services	66.5	(4.94)
Director of Corporate Services & Transformation	(37.7)	0.0
Total	(1.8)	(4.94)

3.0 Detailed Variance Analysis

- 3.1 Operational Services, savings have been realised within this area over the course of this financial year, these savings have been earmarked to cover the one off staff costs associated with restructuring the Waste Service, as a result Operational Services is showing a breakeven position.
- 3.2 Community Services is projecting an under-spend of £4.94k. This is as a result of various underspends being targeted to deliver a breakeven position, eliminating the overspend previously forecast for the year. In the main these variances relate to realignment of costs associated with Homelessness and reduced costs associated with Community Development and Sports Development offset in part by an overspend on contract costs.
- 3.3 Corporate Services and Transformation is now showing a breakeven position for the year due to further scrutiny of Corporate budgets. These have allowed £25k to be earmarked towards the Pay and Reward Scheme as indicated in paragraph 4.2.

4.0 Summary Report by Senior Manager

- 4.1 Attached at **Annex 1** is a summary report per Senior Manager which provides details of budgets broken down over subjective analysis.
- 4.2 During the year vacancy savings have been optimised to provide flexibility around the pay and reward scheme and as a result these savings have not been reflected within the attached Annex or the summary provided above. Should there be a surplus at year end, this will be carried forward to provide additional flexibility moving forward.

5.0 Housing Revenue Account

- 5.1 A surplus of £414k is currently projected for the Housing Revenue Account. This is in respect of additional rental income due to better void management of £81k; increased rentals of £45k following the re-negotiation of aerial leases, £6k for shop rental income and £5k for parking space rental income. A saving of £26k has been achieved against the insurance charges to the HRA within the rents rates, taxes and other charges. This is off set by a reduction in contributions towards expenditure of insurance costs recovered of £20k, with extra income against the Leasehold Management fee leaving a net forecast for contributions towards expenditure of £14k. Potential savings of £11k have been identified against the Supervision and Management special costs being the end of a KCC contract; and projected savings of £254k against debt interest charges due to the budget being based on the initial HRA debt settlement figure rather than the final figure. A detailed breakdown is provided at **Annex 2**.
- 5.2 The HRA had a loan maturing in December 2012 of £515k and the overachieved savings have been utilised to pay off this loan, with the balance being taken from the existing surplus already budgeted for.

6.0 Capital Programme

- 6.1 The authority has been notified of an extra allocation of the Disabled Facilities Grant from Central of Government of £194k and this has been built into the current programme. It is likely that the works for Public Conveniences will slip by an additional £30k into next financial year (total slippage £92k). The funding required for the latest capital programme for 2012/13 for the General Fund is shown at **Annex 3**.
- 6.2 The latest capital programme for 2012/13 for the Housing Revenue Account is shown at **Annex 4**. Some virements have been requested to cover small overspends. The current forecast provided by East Kent Housing projects a forecast spend of £1.778m against a budget of £1.98m. We have been advised that these are due to works not being required and are likely to result in a saving of £207k. Final payments have been made by the authority for the New Build Project which resulted in 5 new build houses and shows a variance to budget of £10k. Overall the HRA capital programme is forecasting a £197k under-spend.

7.0 Corporate Implications

7.1 Financial

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

7.2 Legal

7.2.1 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 Chief Executive (S151 Officer), Sue McGonigal, and this report is helping to carry out that function.

7.3 Corporate

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

7.4 Equity and Equalities

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

8.0 Recommendations

8.1 That Cabinet notes the projected outturn position for 2012/13 for the General Fund.

8.2 That Cabinet notes the current Housing Revenue Account position and approves the virements as per the table in Annex 2 to cover the repayment of the loan due.

8.3 That Cabinet notes the General Fund and Housing Revenue Account Capital Programmes.

Annex 1	Summary Report by Director
Annex 2	Housing Revenue Account
Annex 3	Funding of Capital Programme
Annex 4	Housing Revenue Account Capital Programme

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