
BUDGET MONITORING REPORT 2013/14

To: **Cabinet – 12 September 2013**

Main Portfolio Area: **Financial Services**

By: **Financial Services Manager**

Classification: **Unrestricted**

Ward: **All**

Summary: To inform Cabinet of the latest budget monitoring position against the General Fund, Housing Revenue Account and capital programme for 2013/14.

For Decision

1.0 Introduction

1.1 This report enables Cabinet to take an informed view of the likely financial impact of the current restriction on non-essential spending on the projected out-turn for the General Fund, as well as the likely outturn on the Housing Revenue Account and capital programme for 2013/14. The report summarises the main issues, with the detail being provided in the annexes.

2.0 Summary Outturn Position for the General Fund 2013/14

2.1 Budget monitoring has now been undertaken for the period ending 31 July of the financial year. Although it is too early in the year to project the outturn with any degree of accuracy, based on the monitoring to date, it is anticipated that the budget shortfall as a result of Transeuropa ceasing operations can be covered from service underspends.

2.2 Following Transeuropa ceasing operations, an exercise was undertaken to assess the impact of the loss of the Transeuropa income and to review the running costs of the Port and Harbour. After terminating contracts wherever possible and cutting back on running costs, the Council is left with circa £836k worth of savings being required to balance the 2013/14 monitoring position. This assumes that there will be no other major variations in income or expenditure for the remainder of the year.

2.3 In order to close the above gap, a restriction has been imposed on non-essential spending. Wherever possible, managers have been tasked with reducing day-to-day spending or delaying spend. To date, managers have identified savings in the region of £256k towards covering the projected deficit however; there is a shortfall in fee income associated with Building Control that offsets this by £76k. If Managers continue spending in a prudent way and this savings pattern continues, the Council would be able to cover not only the Transeuropa shortfall but Building control also. This assumes that there will be no major deviations from fee income or unforeseen expenditure.

2.4 Members are asked to agree a realignment of budgets to reflect the savings already identified which will facilitate more accurate monitoring moving forward. The current projection can then be carefully monitored over the coming months and corrective action taken if necessary to bring the budget back to a balanced budget position.

3.0 Housing Revenue Account

3.1 The HRA has no major variances to report from the position reported to Cabinet in August, this reflected the request to utilise £100k of HRA balances in respect of a revenue contribution for the buy back scheme approved in the same report, as well as slippage against the 2012/13 Margate Intervention and Ramsgate Empty Homes programme for which a revenue contribution of £1.8m was approved. This revenue contribution will now slip to 2013/14. As a result of the above, the revenue contribution to the capital programme now shows a £1.9m variance. A detailed breakdown of the HRA is attached at **Annex 1**.

4.0 Capital Programme

4.1 There is an anticipated shortfall of £700k on the capital receipts required to support the capital programme. Consequently it is proposed that a number of projects within the programme are slipped to 2014/15 or are funded from drawdowns from reserves. These are shown in the table overleaf:

Project	Current budget	Proposed slippage	Comment
	£	£	
Community Services			
Disabled Facilities Grants – TDC contribution	899,507	41,000	It is proposed to slip £41k into 2014/15
Swimming Pool/Sports Hall Essential Capital Repairs	50,000	50,000	This is currently unallocated so it is proposed to slip this to 2014/15
Operational Services			
Broadstairs Town Centre Properties	42,500	42,500	This is the agreed contribution to Pierremont Park project. The project is likely to slip to 2014/15
Dane Valley Estate - Fencing	25,032	25,032	This site is currently being reviewed by the Estates team. It is proposed to slip the project to 2014/15
Margate Cemetery Extension	140,000	100,000	It is proposed to slip part of this project relating to the car park extension to 2014/15 and review the associated funding
Public Conveniences	142,000	100,000	A review of toilet provision and condition is underway in advance of developing a structured investment programme for improvements. On this basis a proportion of the funding is being moved into the capital budget for 2014/15.
Ramsgate Marina Eastern Pontoons	125,000	125,000	The spend is still required in 2013/14 but will now be funded from the Maritime Reserve rather than capital receipts
Waste Transfer Station	216,522	216,522	This project is a DEFRA requirement but there is now a much wider review of waste depot provision being undertaken. It is therefore proposed to slip this to 2014/15. There is a sum of £28k within the capital project reserve to cover the re-build of the wall
	1,640,561	700,054	

5.0 Corporate Implications

5.1 Financial

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

5.2 Legal

5.2.1 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.

5.3 Corporate

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

5.4 Equity and Equalities

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

6.0 Recommendations

6.1 That Cabinet notes the projected outturn position for 2013/14 for the General Fund.

6.2 That Cabinet agree to the budget realignments identified in 2.5 above.

6.3 That Cabinet notes the current Housing Revenue Account position.

6.4 That Cabinet approves the variations to the Capital Programme identified in the table at paragraph 4.1 above.

Future Meeting if applicable: None	Date:
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Contact Officer:	Matthew Sanham Finance Manager (GF), Nicola Walker Finance Manager (HRA and Capital)
Reporting to:	Sarah Martin, Financial Services Manager and Deputy S.151 Officer

Annex List

Annex 1	Housing Revenue Account
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Background Papers

Title	Details of where to access copy
None	

Corporate Consultation Undertaken

Finance	Sarah Martin, Financial Service Manager
Legal	N/A