

## Budget Monitoring Report 2016-17

Cabinet	<b>08 September 2016</b>
Report Author	<b>Matthew Sanham, Corporate Finance Manager</b>
Portfolio Holder	<b>Cllr John Townend, Portfolio Holder for Financial Services and Estates</b>
Status	<b>For Decision</b>
Classification:	<b>Unrestricted</b>
Key Decision	<b>No</b>
Ward:	<b>All Wards</b>

### Executive Summary:

Monitoring has now been undertaken covering the period ending 30 June of the financial year 2016-17 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 2016-17 Budget Build and the restructuring of Operational 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 2015.

### Recommendation(s):

1. That Cabinet notes the forecast position for 2016-17 for the General Fund;
2. That Cabinet notes the current Housing Revenue Account position;
3. That Cabinet notes the General Fund and Housing Revenue Account Capital Programmes and agree the budget changes detailed as per **Annex 1** and **Annex 2** for the General Fund capital and HRA.

### CORPORATE IMPLICATIONS

<b>Financial and Value for Money</b>	The financial implications have been reflected within the body of the report.
<b>Legal</b>	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 (S151 Officer), and this report is helping to carry out that function.
<b>Corporate</b>	Corporate priorities can only be delivered with robust finances and this report gives Members the opportunity to review the Council's current position.
<b>Equalities Act</b>	Members are reminded of the requirement, under the Public Sector

<b>2010 &amp; Public Sector Equality Duty</b>	<p>Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy &amp; maternity. Only aim (i) of the Duty applies to Marriage &amp; civil partnership.</p> <table border="1"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td> </tr> <tr> <td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td> <td></td> </tr> <tr> <td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td> <td></td> </tr> <tr> <td>Foster good relations between people who share a protected characteristic and people who do not share it.</td> <td></td> </tr> </table> <p>There are no equity and equalities implications arising directly from this report, but the Council needs to retain a strong focus and understanding on issues of diversity amongst the local community and ensure service delivery matches these.</p> <p>It is important to be aware of the Council's responsibility under the Public Sector Equality Duty (PSED) and show evidence that due consideration had been given to the equalities impact that may be brought upon communities by the decisions made by Council.</p>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,		Advance equality of opportunity between people who share a protected characteristic and people who do not share it		Foster good relations between people who share a protected characteristic and people who do not share it.	
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<b>CORPORATE PRIORITIES (tick those relevant)✓</b>	
A clean and welcoming Environment	✓
Promoting inward investment and job creation	✓
Supporting neighbourhoods	✓

<b>CORPORATE VALUES (tick those relevant)✓</b>	
Delivering value for money	✓
Supporting the Workforce	
Promoting open communications	

## 1.0 Introduction and Background

- 1.1 The 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 (HRA) and HRA Capital Programme for 2016-17. The report summarises the main issues, with the detail being provided in the annexes.

## 2.0 Summary Outturn Position for the General Fund 2016-17

- 2.1 Monitoring has now been undertaken covering the period ending 30 June of the financial year 2016-17 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 2016-17 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 2015.

- 2.2 As indicated above savings factored in as part of the 2016-17 Budget Build will need to be carefully monitored in order to ensure that they are delivered as expected. 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
- 2.3 In terms of liabilities, the Council is exposed to the outcome of the Health and Safety Executive report with regard to some employees and a potential grant repayment.

### **3.0 General Fund Detail By Directorate:**

#### **Chief Executive**

- 3.1 There are no major variances to report at this time.

#### **Operational Services**

- 3.2 There are no major variances to report at this time, however:

- There remains pressure to deliver the new look Frontline Service and work is continuing to ensure that this remains within budget.

#### **Community Services**

- 3.3 There are no major variances to report at this time although, as indicated above there remains pressure to deliver savings factored in as part of the 2016-17 Budget Build.

#### **Corporate Resource**

- 3.4 There is a pressure of £100K in relation to Budget savings set against the Asset Management Plan, it is anticipated that this will continue to be managed as part of the overall monitoring position for Corporate Resources.

#### **Corporate Governance**

- 3.5 There are no major variances to report at this time

#### **General**

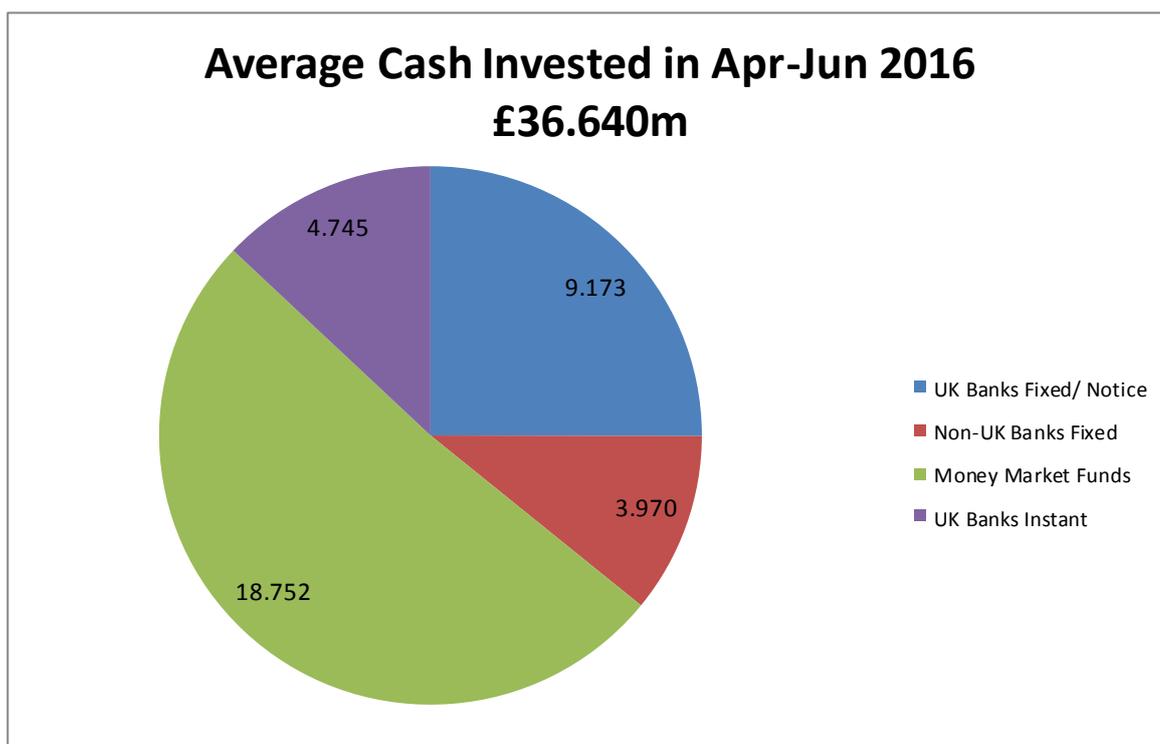
- 3.6 Between now and September, Financial Services will continue to work with Managers to ensure that they are on target to deliver balanced budgets and that the impact if any, is monitored managed and reported. This will include supporting the on-going change programme of savings factored in as part of the Medium Term Financial Strategy.

### **4.0 Treasury Management for Period ending June 2016**

#### **Key Highlights**

- The average Apr-Jun cash balance invested was £36.640m, ranging from £31.950m to £43.943m. The cash balance invested at the end of Jun was £35.397m.
- Investment interest income for the three months to the end of Jun was £0.054m, at an average rate of 0.59%.

- The following graph depicts the average cash invested Apr-Jun 2016:



## 5.0 HRA

5.1 There are no major variances within the HRA Revenue Account to report.

## 6.0 Capital Programme

6.1 Reports on the General Fund and HRA capital programmes are detailed in **Annex 1** and **Annex 2** respectively.

6.2 General Fund property receipts for the three months to the end of June 2016 are as detailed below.

Property	Amount £
Ramsgate Swimming Pool	250,000
College Road land rights	17,875
Sandwich Road foreshore land easement	26,151
<b>Capital receipts balance</b>	<b>294,026</b>

### 6.3 General Fund Capital Investment

The general fund capital investment programme includes the following major works:

- Dreamland Heritage Park (including Sunshine Café)
- Disabled Facilities Grants
- Dalby Square Grants
- Ramsgate Port – Berth 4/5 Replacement
- Vehicle Replacement Programme

The TDC funded element (£163,706.53) of the Disabled Facilities Grant programme has been removed. It is anticipated that the externally funded element (£1,277,000) of this programme will be sufficient to meet identified need.

The Dalby Square THI scheme is split between capital and revenue over the duration of the scheme. The reduction in the capital programme budget is only to reflect the revised split between capital and revenue expenditure (-£407,858).

The increase in budget for Regional Housing Board is to reflect the increased amount returned to the authority (+£134,429) in relation to repayable grants and an additional amount has been allocated to the authority for Winter Warmth Grants (+£44,498).

The remaining budget on the 19 Hawley Square Refurbishment project (£292.43) has been eliminated following completion of this project. Budgets are also no longer required for the Broadstairs Community Centre (£42,500) and Warre Rec Car Park (£119,220).

The Ramsgate Harbour Smart Metering project was built in to the Capital programme on the basis of funding bids being approved. As these were subsequently not approved the budget for the project has been removed (-£168,000).

### 6.4 HRA Capital

- There is currently no roofing contract in place to carry out any major roof replacements. Procurement is due to commence this financial year.
- There have been a number of payments made in this financial year that relate to last financial year's programme of works and a transfer from the 2016/17 budgets has been authorised to cover expenditure within the 2015/16 programme of works as detailed below:
  - Kitchen and Bathroom Replacement
  - Electrical Wiring
  - Windows & Doors
  - Thermal Insulation
  - Rainwater Goods
  - Estate Improvements
  - Repointing

- Lift Refurbishments
- The redevelopments at 69-73 King Street, Ramsgate and 93 Westcliff Road, Ramsgate are complete and will be advertised for let as affordable homes in July 2016.

## 7.0 Recommendations

- 7.1 That Cabinet notes the projected outturn position for 2016-17 for the General Fund.
- 7.2 That Cabinet notes the current Housing Revenue Account position.
- 7.3 That Cabinet notes the General Fund and Housing Revenue Account Capital Programmes and agrees the budget changes detailed as per **Annex 1** and **Annex 2** for the General Fund capital and HRA.

Contact Officer:	Matthew Sanham Corporate Finance Manager
Reporting to:	Tim Willis Director of Corporate Resources and S151

### Annex List

Annex 1	General Fund Capital Programme
Annex 2	HRA Capital Programme

### Background Papers

Title	Details of where to access copy
2015/16 Budget and Medium Term Financial Plan.	Full Council Agenda 5 <sup>th</sup> February 2015

### Corporate Consultation

<b>Finance</b>	Tim Willis Director of Corporate Resources and S151
<b>Legal</b>	Ciara Feeney Head of Legal Services