

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
3 September 2013

Subject: 2013/14 QUARTER 1 REVENUE MONITORING REPORT

**All Wards
Cabinet Member for Support Services and
Economic Development: Councillor P R Wilkinson**

1.0 PURPOSE AND BACKGROUND:

- 1.1 The purpose of this report is to update Members on the revenue budget position of the Council (revenue and reserve funds) at the end of June 2013.
- 1.2 The Quarter 1 monitoring for the capital programme and treasury management position is contained in a separate report on this Cabinet agenda.
- 1.3 This report focuses on three key areas:-
(a) The changes to the revenue budget;
(b) Additional Grant income received;
(c) Reserve Funds.

2.0 REVENUE BUDGET

- 2.1 The Council set its budget on 12 February 2013 for 2013/14 at £7,691,460 in line with the approved Financial Strategy.
- 2.2 The approved budget in accordance to the Council themes at the time was as follows:-

	£
Corporate Services	1,205,310
Customer Services	632,870
Housing & Planning	3,695,810
Leisure & Health	960,390
Resources	1,120,220
Drainage Board levies	76,860
Net Revenue Expenditure	<u>7,691,460</u>

- 2.4 Subsequent to this, with the appointment of the new cabinet in May 2013 and the revision of the Council Portfolio Themes, the current budget is split accordingly:-

	£
Customer services & Asset Management	1,621,390
Housing, Planning & Waste Management	2,827,140
Leisure & Health	530,320
Support Services & Economic Development	2,635,750
Drainage Board levies	76,860
Net Revenue Expenditure	<u>7,691,460</u>

3.0 **BUDGET POSITION TO JUNE 2013:**

3.1 Since the budget for 2013/14 was set in February 2013, adjustments to the budget outlook have occurred. The table details the changes that have been approved through separate reports to Cabinet and also those that have been identified and are recommended to cabinet for approval:-

	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
Latest Budget Outlook approved 12 February 2013	7,691,460	7,995,289	8,155,195	8,318,299	8,484,665
Changes approved to date at Cabinet:					
Replacement of Waste Vehicles - 12/06/12 Cabinet	-	141,534	-	-	-
Energy Savings - 11/12/12 Cabinet	-7,000	-24,500	-	-	-
Enhanced Kerbside Collection - 22/01/13 Cabinet	-45,380	-49,540	-	-	-
Changes to be approved by this Cabinet:					
Housing, Planning & Waste Management	30,000	-	-	-	-
Leisure & Health	70,000	-	-	-	-
Support Services & Economic Development	-62,150	-	-	-	-
Budget Outlook Q1	7,676,930	8,062,783	8,155,195	8,318,299	8,484,665

3.2 The recommended changes to the budget outlook in Q1 total an increase to the budget of £37,850 and are a £30,000 reduction in planning applications resulting in a fall in income received, a £70,000 reduction in Leisure income and an increase in income of £62,150 relating to discretionary business rate relief. These budget changes are one-off and affect 2013/14 only.

3.3 Further to the adjustments recommended above, supplementary analysis of the budget has resulted in a further reduction of the 2013/14 budget by £244,110. This analysis was carried out due to the Leader instructing Officers to review the budget for additional savings of £250,000. This is as a result of the further reduction in Local Authority funding announced in the Government's Comprehensive Spending Review on 26 June 2013 and the strain this will have going forwards on the Council's Financial Strategy.

3.4 In addition, the Council's actual outturn position compared to the budget for the last couple of years has shown an under spend of around £600,000. This under spend is not shown to be recurring in the same areas but does highlight that further budget reduction can be made. The table below shows the further budget reduction recommendations of £244,110 in 2013/14 on the revised budget outlook subject to Cabinet approval at Quarter 1:

	2013/14 £
Revised Budget Outlook Q1	7,676,930
Further Budget Reduction Recommendations	
Customer services & Asset Management	-22,290
Housing, Planning & Waste Management	-47,620
Leisure & Health	11,000
Support Services & Economic Development	-160,200
Specific Portfolio Reduction Sub Total	7,457,820
Business Rate Adjustments	-25,000
Final Revised Budget Outlook Q1	7,432,820

3.5 The revised changes to the budget at Quarter 1 listed above are detailed in the recommendations section of this report for approval by Cabinet and Council.

4.0 OTHER MATTERS – GRANTS:

4.1 The following grants have been allocated to the Council and paid into the One-Off Fund Reserve since the budget was approved in February 2013:-

Description	Amount £
Department for Communities and Local Government - New Burdens Grant - Community Rights to Challenge	8,547
Department for Communities and Local Government -New Burdens Grant - Community Rights to Bid	7,855
Department for Communities and Local Government - Council Tax Transition Grant	9,122
Department for Communities and Local Government - New Burdens Grant - Localising Council Tax	40,609
Department for Communities and Local Government - Homelessness Prevention	71,067
Department for Work & Pensions - Housing Benefit New Burden	13,306
Department for Work & Pensions - Benefit Capitalisation - PIP ETD Atlas 7-6	15,325
Cabinet Office - Individual Electoral Registration	6,276
Non National Domestic rate Determination - Homelessness Prevention	71,607
Total	243,714

5.0 SENSITIVITY ANALYSIS:

5.1 Further to the recommendations for changes to the budget in this Quarter 1 monitoring report, this report also highlights where there are areas of budget uncertainty. This can give Members early warning of possible issues in the future. All areas will be monitored closely and an update provided at Quarter 2 as at this time there is too much uncertainty surrounding these figures to included them as an adjustment to the budget. Annex A attached details the sensitivity analysis.

6.0 RESERVE FUNDING:

6.1 The movement on Reserves was in the One-Off Fund which increased from £2,258,240 to £2,359,674.

6.2 Income of £243,714 received into the one-off fund can be seen in paragraph 4.2 above, which are the grants received after the budget was set in February 2013 for the 2013/14 financial year.

6.3 The expenditure allocated from the one-off fund totals £142,280. This is split into 4 different requests, where three have already been approved by Cabinet:-

Allocated Expenditure 2013/14 from One-Off Fund	Amount	Cabinet Approval
Homelessness Prevention	71,000	Cabinet 19/03/13
Ings Lane Traveller Site	25,000	Cabinet 16/04/13
Tour de France	40,000	Cabinet 11/06/13

6.4 The Council has also received grant income of £6,276 from the Government Cabinet Office – Individual Electoral Registration. This grant is not ring fenced and can be used however the Council chooses. However, it is suggested that it is in the best interest of the Council to use this grant for expenditure to which it relates. Approval is sought at the end of this report.

7.0 LINK TO COUNCIL PRIORITIES:

7.1 The monitoring of the financial budget throughout the year and reporting the financial year end position assists in ensuring the Council's service requirements are met and contributes to the achievement of the priorities set out in the Council Plan.

8.0 RISK ASSESSMENT:

8.1 There are no major risks associated with this report.

9.0 FINANCIAL IMPLICATIONS:

9.1 The financial implications are dealt with in the body of the report.

10.0 LEGAL IMPLICATIONS:

10.1 It is a legal requirement under S25 of the Local Government Act 2003 to set a balance budget and monitor the financial position throughout the year.

11.0 EQUALITY/DIVERSITY ISSUES:

11.1 Equality and Diversity issues have been considered and there are none to report.

12.0 RECOMMENDATIONS:

12.1 It is recommended that Cabinet approve to Council that:-

- (1) the budget adjustments at paragraph 3.2 which total a budget reduction of £37,850 to £7,676,930 in 2013/14 be approved;
- (2) the further budget reduction of £244,110, detailed at paragraph 3.4, to £7,432,820 be approved; and
- (3) the £6,276 Individual Electoral Registration Grants as detailed in paragraph 6.4 is approved to be used from the One-Off Fund.

JUSTIN IVES

Background papers: Budget Monitoring Q1 working papers
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Budget 2013/14 Sensitivity Analysis – potential savings/costs

Portfolio Area	Area of Sensitivity	Commentary
Support Services & Economic Development	Housing Benefits Transfer to Reserve	Reserve transfer no longer required
	Interest & Investment Interest	Anticipated increase in investment interest
	Workspace Management	Anticipated increase in fees and rents due to increased occupancy
Leisure & Health	Bedale Leisure Centre	Historical unrealistic budget setting and a downturn in usage. Expenditure saving initiatives are being considered to help off-set loss of income.
Customer Services & Asset Management	Customer Services - Employees	Currently not at full establishment since repatriation with RDC - in process of recruiting
	Customer Services - Supplies and Services	Reduction in security collection costs
	CCTV - Employees	Reduced Overtime
	CCTV - Supplies and Services	Equipment reduced
	Public Transport	No activity in this budget area
Housing, Planning & Waste Management	Waste Collection	Additional Income streams for charging new properties for Wheeled bins. These budget have not been achieved top date.
	Recycling	Additional Income streams for charging for Commercial Recycling Bins. No income has been received to date