

HUNTINGDONSHIRE DISTRICT COUNCIL

Title: Budget Monitoring 2014/15 (Revenue and Capital)

Meeting/Date: Cabinet
17 July 2014

Executive Portfolio: Resources: Councillor J A Gray

Report by: Head of Resources

Ward(s) affected: All Wards

Executive Summary:

Revenue

The net revenue budget approved in February 2014 was £20.870m. The variations forecast so far this year total a saving of £0.355m. This includes £0.125m of staff related savings and £0.120m of transport related savings.

	£m
Approved Budget	20.870
Forecast Variation	(0.355)
Forecast	20.515

Monitoring of savings, including those associated with “Facing the Future” will commence from the second quarter of 2014/15.

Capital

The net capital budget approved in February 2014 was £4.691m, in addition to this £1.945m of slippage from 2013/14 was carried forward to 2014/15. Resulting in a total updated budget of £6.636m.

At this early stage in the year 3 forecast variations have been reported totalling £0.046m of net additional expenditure. This includes £0.050m overspend on the Huntingdon Multi-Storey Car Park, which has resulted from addition requirements being added to the project specification as the build progressed.

	£m
Approved Budget	4.691
Slippage from 2013/14	1.945
Forecast Variation	0.046
Forecast	6.682

New Homes Bonus

Actual and band D equivalent new build are up against the profiled targets suggesting a gain of £168,000 on receipts in 2015/16. However growth for May was unusually high against the average and may not be sustained.

Recommendation(s):

To note the forecast variation to the approved budgets detailed in this report.

1. PURPOSE

- 1.1 To update members on any emerging variations to the 2014/15 approved revenue and capital budgets.

2. BACKGROUND

Approved Budget

- 2.1 In February 2014 the Council approved the following 2014/15 net expenditure budgets of:

- £20.870m for revenue, and
- £4.691m for capital.

- 2.2 In respect of:

- revenue, the Budget Requirement was £19.865m which required a £1.005m contribution from General Reserves that gave an estimated General Fund Balance of £9.027m at the 31st March 2015
- capital, this was to be financed from a mix of capital receipts, capital reserves and working capital.

3. REVENUE MONITORING 2014/15

- 3.1 Only limited revenue budget monitoring takes place in April and May due to the priority to complete the final accounts, the need to wait for adjustments for debtors and creditors to be dealt with in the new financial year and the difficulty of making assumptions on very limited evidence.
- 3.2 This first monitoring therefore concentrates on the impact of items that occurred last year plus a few significant ones that are already emerging in the current year and these are illustrated in the table below.

REVENUE BUDGETARY CONTROL 2014/15	Original Budget	Forecast outturn	Variation
	£000	£000	£000
Approved budget	20,870	20,870	0
Delayed spending from previous years	512	246	(266)
Delayed spending to 2014/15	(512)	(246)	266
Variations			
Environmental Health Staff Redundancy		(65)	(65)
Other Staff Savings, street cleaning, engineers etc		(46)	(46)
Pensions Increase Act on-going savings		(14)	(14)
Operations - Transport Savings (based on historic underspending)		(120)	(120)
Additional Grant Receipts		(21)	(21)
Lower Cash Collection Costs – Car Parks		(20)	(20)
Lower Offices & Depots NDR Charges		(34)	(34)
Land Charges: volume change		(6)	(6)
Licence Fees: volume change		(9)	(9)
Other variations (each less than £9,000)		(20)	(20)
Total variations		(355)	(355)
Forecast net spending	20,870	20,515	(355)

	£000	£000	£000
Financed from			
Government support	(12,205)	(12,205)	0
Collection fund adjustment	(21)	(21)	0
Council tax	(7,639)	(7,639)	0
General Reserves			
Contribution to delayed projects reserve	(512)	246	(266)
Use of delayed projects reserve	512	(246)	266
General reserves	(1,005)	(650)	(355)
Total use of reserves	(1,005)	(650)	(355)
Total	(20,870)	(20,515)	(355)

3.3 The monitoring of both MTP savings and those associated with “Facing the Future” will commence from the second quarter of 2014/15; further the first 2014/15 Financial Dashboard will be distributed during July.

4. CAPITAL MONITORING 2014/15

4.1 Only limited capital budget monitoring takes place in April and May due to the priority to complete the final accounts, the need to wait for adjustments for debtors and creditors to be dealt with in the new financial year and the difficulty of making assumptions on very limited evidence.

4.2 This first monitoring therefore concentrates on the impact of items that occurred last year plus a few significant ones that are already emerging in the current year and these are illustrated in the table below.

CAPITAL BUDGETARY CONTROL 2014/15	Original Budget	Forecast outturn	Variation
	£000	£000	£000
Approved budget	4,691	4,691	0
Delayed spending from previous year	0	1,945	1,945
Variations			
Multi-Storey Car Park		50	50
Changes to specification to increase the usability of the car park including installing LED lighting			
CCTV Camera Replacements		3	3
Amended monitor specification			
Geographical Information System		(7)	(7)
Slippage no longer required			
Total variations		46	46
Forecast net spending	4,691	6,682	1,991

	£000	£000	£000
Financed from			
Capital Receipts	(800)	(800)	0
Borrowing	(3,891)	(5,882)	1,991
Total	(4,691)	(6,682)	(1,991)

5. NEW HOMES BONUS

5.1 The government introduced the new homes bonus scheme (NHB) as a way of rewarding councils for residential development (or redevelopment) within their administrative boundaries. The grant received is based on actual increases in building to the previous September.

5.2 The Council has eight month's new-build information; based on this:

- "actual" build, at this point this is up 9% against the profiled target.
- "band D equivalent", at this point new build is up 40% against the profiled target; this would equate to a gain on 2015/16 NHB receipts of £168,000. However, the growth for for May was unusually high at 129 band D equivalent properties, compared to a mean for October to April of 52 band D properties per month, and may not be sustained.

Detailed analysis is shown in Annex A.

6. LEGAL IMPLICATIONS

6.1 No direct, material legal implications arise out of this report.

7. RESOURCE IMPLICATIONS

7.1 The resource implications are noted within this report.

LIST OF APPENDICES INCLUDED


Annex A

BACKGROUND PAPERS

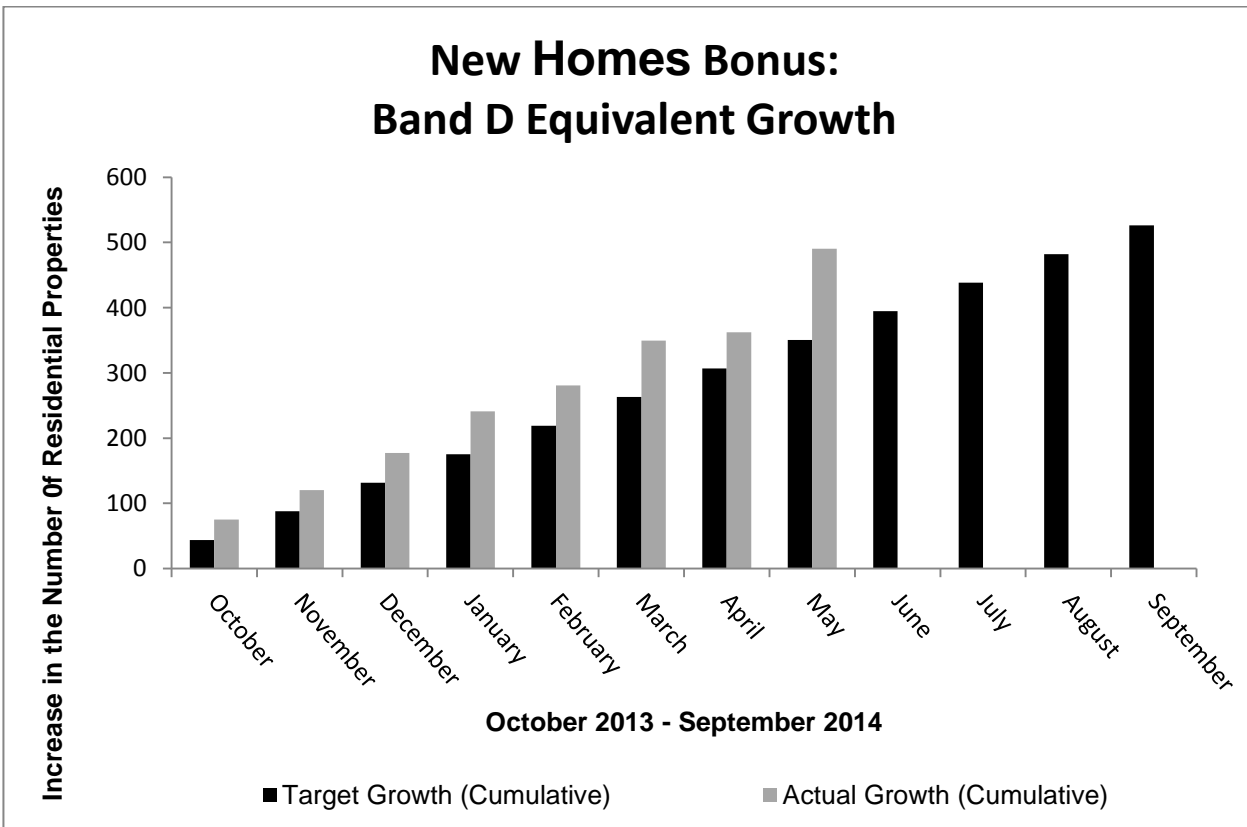
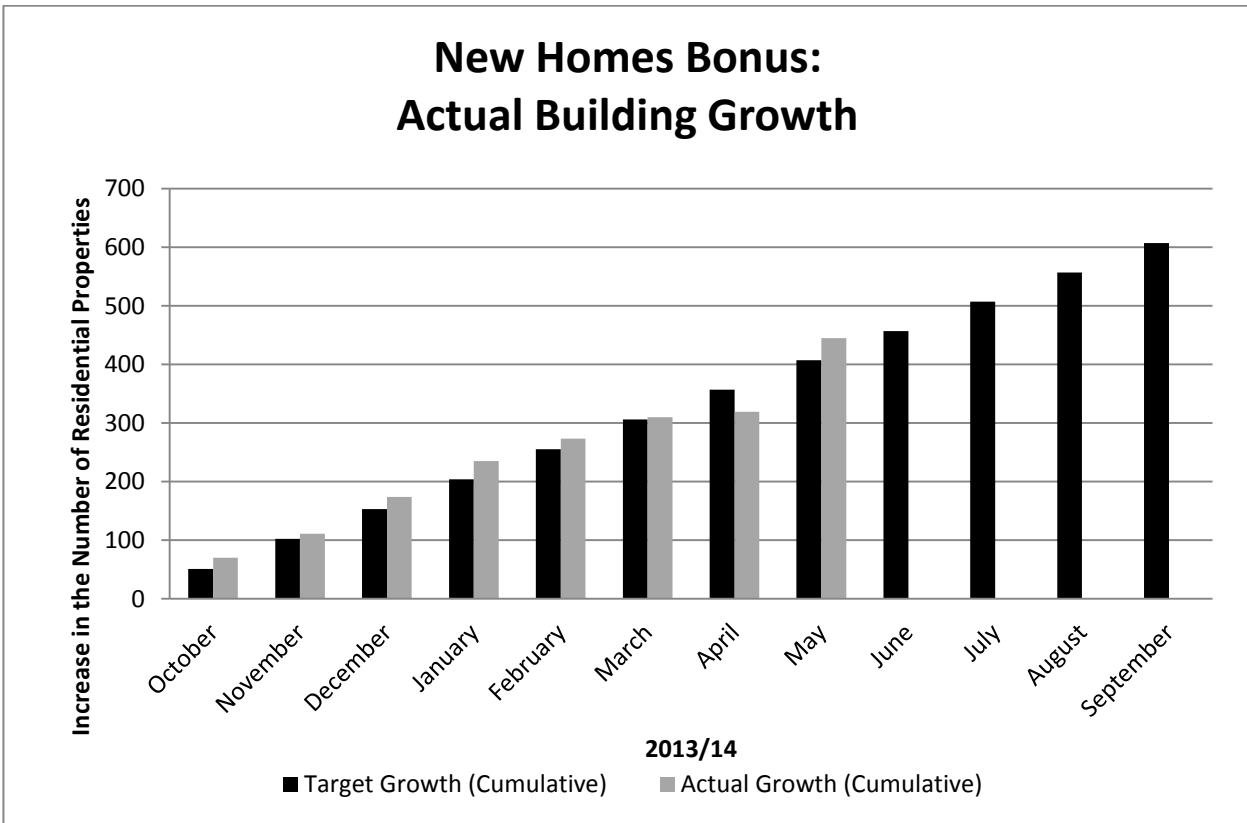
Working papers in Financial Services

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ANNEX A: NEW HOMES BONUS DETAILED ANALYSIS



Cash Impact of NHB Growth

