

CABINET

DATE OF MEETING: 7 MARCH 2019

TITLE OF REPORT: 2018-19 BUDGET MONITORING – TO END OF DECEMBER 2018

Report of: Head of Corporate Services

Cabinet Member: Councillor David Neighbour, Leader and Finance

I PURPOSE OF REPORT

1.1 To advise Members of the position on revenue and capital expenditure at the end of December. Overview and Scrutiny Committee considered this report at its meeting on 19 February 2019.

2 OFFICER RECOMMENDATION

2.1 That the revised projections and reasons for the main variations shown in Appendix I and Paragraph 4 below be noted, and that the current spending position on the Capital Programme shown in Appendix 2 be also noted.

3 COMMENTARY

3.1 It is important that regular monitoring of budgets is undertaken to ensure financial targets being set by the Council are being met and to make any necessary changes to approved budgets.

4 REVENUE BUDGET MONITORING

4.1 The revenue budget for 2018/19 was approved allowing for a contribution to reserves of £27k. Based on the figures currently available it is possible that a contribution to reserves of £391k will be made.

The main reasons for the current financial position are:

- Waste contract savings and additional income -£446k
- Car Parking Vacancies -£80k
- Additional DWP grant -£38k
- Appointment of a Data Protection Officer +£41k

5 CAPITAL EXPENDITURE MONITORING

5.1 There has been capital expenditure of £3.173m by 31 December.

6 MANAGEMENT OF RISK

- 6.1 The monthly budget monitoring process examines all income and expenditure against budgets so that that significant variances are highlighted immediately and to identify areas where expenditure is being incurred but where insufficient or no budgetary provision exists. This allows officers to take corrective action to maintain overall expenditure within budgets.

7 ACTION

- 7.1 At this stage no further action is required as it is still early in the budget monitoring process.

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APPENDICES

- Appendix 1 Revenue Monitoring
Appendix 2 Capital Monitoring

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REVENUE BUDGET OUTTURN 2018/2019 PERIOD 09 DECEMBER					
	Full Year Budget	Year to Date Actuals	Full Year Forecast Outturn	Year End Variance	Forecast Commentary
CORPORATE SERVICES					
Civic Function & Chairman	8,990	6,432	9,054	64	
Corporate - Apprentices	43,470	41,974	54,887	11,417	Budget for 3.5fte, actual 4.0fte
Corporate Communication	180,540	136,038	173,647	-6,893	Saving due to the printing dates of Hart News being changed (£11k). Superannuation saving as opted out of pension (£3k). Open University Degree £7k.
Leadership Team	621,400	447,451	597,721	-23,679	New Post General Data Protection Register £41k. Training £2k. Project Manager Saving (£47k). Consultancy Saving (£20k).
Corporate Performance Team	60,940	42,753	57,312	-3,628	
External Audit	66,660	20,734	70,000	3,340	
Non Distributed Costs	0	0	0	0	
Hart Development	45,850	41,502	56,235	10,385	Scanning Projects - Funded from EMR
New Settlement	50,000	51,494	67,419	17,419	Staffing as detailed at November Cabinet £17k
Neighbourhood Planning	0	1,800	0	0	
Strategy & Policy	27,850	20,603	27,561	-289	
Hart Lottery	0	-9,509	0	0	
Customer Services Contract	192,950	84,149	195,031	2,081	
IT Contract	0	0	0	0	
HR Contract	0	-53,550	0	0	
Internal Audit	100,540	61,948	102,712	2,172	
Legal Services	303,870	128,096	305,131	1,261	Estimated SLA Recharge from BDBC £5k. Legal Fee Income income to date higher (£3k).
Customer Services Client	57,910	34,671	48,489	-9,421	Direct Postage Costs to date are lower than budget (£9k)
IT Client	180,170	212,210	260,198	80,028	Unbudgeted additional works for Office 365 and GDPR £5k. Unbudgeted licence fees from the delay of the IT Refresh project £69k. Accrual differences for Capita Contract £11k. Saving in Hardware and mobile purchases (£5k).
HR Client	28,940	8,654	13,688	-15,252	Corporate Training Delivery saving (£15k).
5 Council Contract - Lot 1	2,416,000	936,668	2,423,090	7,090	Estimated refund of licence fees extended after delays in the IT Refresh (£25k). Professional Fees for 5C's revised percentage baselines £30k.
5 Council Contract - Lot 2	0	-252,150	0	0	
Planning Policy	695,100	328,518	664,171	-30,929	One off Self Build and Custom Build Grant (£30k)
	5,081,180	2,290,486	5,126,346	45,166	
Rechargeable Elections	0	-5,917	-4,888	-4,888	Accrual difference for HCC Elections 17/18
Register Of Electors	111,640	120,561	140,764	29,124	Postage £12k, new tablets used for Conversing £26k and Conversing costs £12K off set by a saving in Printing (£9k).
Election Expenses	200,920	188,501	218,237	17,317	Printing 7K, Postage saving (£17k) and Election Expenses £26k.
Support To Elected Bodies	327,320	242,069	324,868	-2,452	
	639,880	545,214	678,981	39,101	
Revs & Bens Contractor Costs	0	-4,896	0	0	
Revs & Bens Client Costs	-287,560	-209,057	-357,610	-70,050	Unbudgeted Income Recharges to Capita (£22k). Estimated additional DWP Grant receipts in year (£38k). Court Costs saving (£9k).
Housing/Council Tax Benefits	-40,000	622,504	-112,000	-72,000	Savings in Sundry Debtor Overpayments (£50k) and Rent Rebates (£22k).
Meals On Wheels	0	0	0	0	
Housing Act & Housing Ass. Adv.	0	0	0	0	
Bank Charges	53,000	48,178	68,000	15,000	Budget income from Credit Card Charges no longer due to changes in the law £7k. Capita Service Charge Contract increased not budget for £8k.
Finance Client	115,610	97,698	129,810	14,200	Unbudgeted charges for Asset Valuations £8k. Sale of Annual Leave £3k.
Finance Contract	0	0	0	0	
	-158,950	554,427	-271,800	-112,850	
Leisure Centre Contract	-789,750	-616,341	-821,790	-32,040	Additional RPI owing on the EA Contract Fee Income (£32k).
Leisure Centre Client	56,490	38,934	54,296	-2,194	
Leisure Centre Buildings	1,266,530	1,135,529	1,276,734	10,204	Additional Utilities due as Demolition of the Old Leisure Centre has been delayed £7k. Property Insurance increase £5k. Contractor saving (£3k).
	533,270	558,122	509,240	-24,030	
COMMUNITY SERVICES					
Community Safety - Shared Service	164,810	46,243	169,731	4,921	
Private Sector Housing	148,610	99,223	131,805	-16,805	Agency staff funded from Housing Initiatives £4k. Supplies and Services (£2k). Additional Income due after legal changes to HMO Licence's (£17k). Travel & Subsistence (£2k).
Strategic Housing Services	150,790	101,099	133,333	-17,457	Vacancy Saving and return to contracted hours saving (£17k).
Housing Needs Service	491,150	318,025	467,910	-23,240	Agency staff funded from Housing Initiatives (£4k). Vacancy Saving Homelessness Officer (£7k). Rent Deposit & rental income recovery higher than budget (£51k). Increased usage of B&B after legislation changes £14k. Abrisas Licence fee higher than budget £2k. Bad Debts written off £20k.
Help for Single Homelessness	0	12,000	0	0	
Domestic Abuse	0	-453,727	0	0	
Homelessness Trailblazer	150,510	70,530	150,510	0	
Flexible Homelessness	0	-128,278	0	0	
	1,105,870	65,116	1,053,289	-52,581	
REGULATORY SERVICES					
Dog Warden	47,890	35,633	50,389	2,499	
Pest Control	910	3,534	4,385	3,475	
Env Health Pollution	0	0	0	0	

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REVENUE BUDGET OUTTURN 2018/2019 PERIOD 09 DECEMBER					
	Full Year Budget	Year to Date Actuals	Full Year Forecast Outturn	Year End Variance	Forecast Commentary
Env Health Commercial	151,160	124,542	158,618	7,458	Use of Agency to cover change in hours £4k. Licence & Software Charges £3k)
Environmental Protection	161,340	148,245	167,827	6,487	Use of Agency to cover busy spring period £5k. Vacancy Advertising £2k. Consultants (£2k).
Churchyards	7,500	-3,394	7,500	0	
Out Of Hours Noise Service	23,580	12,466	16,153	-7,427	Estimated saving from Callouts (£7k).
Health & Safety	29,220	46,120	28,488	-732	
Licences	-6,750	46,686	-6,740	10	
Hackney Carriages	-19,220	-77,660	-18,988	232	
Health & Policy	51,080	38,651	53,739	2,659	
Business Support Unit	384,990	262,387	343,830	-41,160	Vacancy saving and contract changes to working hours saving (£25k). Printing and stationery saving of (£18k).
Business Support Non Staff	188,640	247,582	247,582	58,942	Pressure due to disputed overpayment with Idox and set up costs of Arcus.
Print Room & Photocopying	40,300	33,564	41,484	1,184	
Local Land Charges	-159,000	-159,961	-152,464	6,536	Actuals lower than budget on NLIS-HUB Charges (£12k). Reduction in income as charges have been reduced from (approx £160 reducing to £105) £18k
Admin Bldgs - R & M	410,460	273,397	408,443	-2,017	Variance from unbudgeted rental income for the Civic Offices (£17k). Staff changes in pension contributions £6k. Unbudgeted Fleet Bid levy payments £8k.
	1,312,100	1,031,790	1,350,246	38,146	
Planning Development	-358,890	-190,466	-114,032	244,858	Estimated vacancy saving for staffing (£20k). Reduction in Planning Applications, S106 monitoring fee income and Pre Application Charges £250k. Staff training pressure £10k. Court Costs awarded £4k.
Building Control - Fee Earning	-93,490	-131,749	-93,474	16	
Building Control - Non-Fee	97,860	49,807	98,076	216	
Street Naming & Numbering	-2,890	-6,651	-3,568	-678	
	-357,410	-279,059	-112,998	244,412	
TECHNICAL & ENVIRONMENTAL MAINT.					
Emergency Planning	41,510	34,564	39,723	-1,787	
Waste Client Team	-748,950	-799,349	-1,116,014	-367,064	Bin purchases included in Core Contract (£13k). Increased estimated sale of containers due to increased GW Clients (£27k). Garden Waste Collection fee income above budget as customers now exceed 11,600 and many now have more than 1 subcription (£107k). Recycling credit additional income estimate & accrual variance (£178k). Additional payment, recognition of waste contract works £5k. Additional Agency and staffing support for 6 weeks £41k. Additional Client Income contribution from BDBC for their share of extra mobilisation costs (£50k). Sale of bin stocks to SERCO (£30k).
Waste Contract Split Orders	0	116,169	0	0	
Hart Drainage	84,670	48,452	81,072	-3,598	Saving from the Ad-hoc drainage works budget (£4k).
Waste Contract	1,754,640	1,232,354	1,692,934	-61,706	Estimated Saving against Budget for the new waste contract commencing with Serco in October 2018 (£61k).
Waste Education & Comms	27,300	5,975	27,300	0	
Grounds Mtn Contract	292,990	198,677	295,090	2,100	
Street Cleaning	573,470	394,629	529,170	-44,300	Vacancy saving highlighted in the revised estimates provided by BDBC for the Street Cleaning SLA (£44k).
Clinical and Bulky	-7,730	-15,945	-24,823	-17,093	Estimated Saving against Budget for the new waste contract commencing with Serco in October 2018 (£5k) and increased usage of the service (£14k).
Basingstoke Waste Contract	0	199,733	0	0	
Street Furniture	10,810	4,887	6,751	-4,059	Street Signage (£2k). Street furniture licence income (£2k).
Highways Traffic Management	32,600	12,139	27,516	-5,084	Pressure from HCC Agency Agreement confirmation for 18/19 lower than budget £15k. Year to date saving on TM Consultants (£7k). Road closure advertising income (£6k). Use of consultants (£5k).
Highways Agency - Development	19,620	15,163	18,908	-712	
Estates/Asset Management	62,100	12,075	66,494	4,394	Anticipated income from small land sale Hornbeam Close (£11k). Additional fee for the Professional Property Service Contract agreed £5k. Civic Office Works 3rd Floor £10k
Off Street Enforcement	-492,190	-357,490	-514,946	-22,756	Allocation of licence fees for parking £4k. Car park and ticket machine maintenance £21k. Shortfall in Penalty Notice Income £14k. Off Street fee income (£25k). Year to date vacancy saving realised (£38k). Fleet Bid Levy £2k.
On Street Enforcement	100,880	17,056	44,085	-56,795	Allocation of licence fees for parking (£9k). Year to date vacancy saving realised (£42k). Additional Penalty Notice Income (£7k) Contractor saving on street lining (£5k). Ticket Machine Maintenance £4k.
CCTV	176,940	91,419	174,446	-2,494	
Climate Change	15,370	10,025	15,370	0	
Fair Trade	5,000	0	5,000	0	
	1,949,030	1,220,533	1,368,076	-580,954	
Land Repossessions	4,480	2,345	4,480	0	
Fleet Pond	22,870	14,938	21,282	-1,588	
Commons	18,850	7,857	18,562	-288	
Odiham Common	7,470	8,777	14,018	6,548	Additional common works falling due now after previous years delays.
Elvetham Heath Nature Reserve	11,140	9,796	12,355	1,215	
Edenbrook Country Park	31,410	9,673	2,728	-28,682	Maintenance and equipment saving as site not yet adopted (£28k).
QE II Fields	5,040	386	6,022	982	
Biodiversity	27,480	42,941	29,931	2,451	Biodiversity funded from EMR SANG's
Bramshot Farm	0	0	0	0	
Landscape & Conservation	1,340	261	1,233	-107	

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REVENUE BUDGET OUTTURN 2018/2019 PERIOD 09 DECEMBER					
	Full Year Budget	Year to Date Actuals	Full Year Forecast Outturn	Year End Variance	Forecast Commentary
Environmental Promotion - Stra	388,770	216,443	364,657	-24,113	Vacancy saving Wildlife Range and Trainee (£19k). Contractor spend lower than budget (£3k). Training saving due to vacancies (£2k).
Tree Preservation Orders	149,890	99,553	155,641	5,751	Unbudgeted essential tree works £11k part funded in savings in Equipment (£4k).
	668,740	412,971	630,909	-37,831	
ACCOUNTING TREATMENT					
Parish Council Precepts	2,969,040	3,108,595	3,108,590	139,550	Contract Parish Precepts
Other Operating Costs - Income	212,330	52,238	212,330	0	
Grants And Taxes	-13,086,170	-13,883,365	-13,225,720	-139,550	Contract Parish Precepts
MIRS Appropriations	0	0	0	0	
MIRS Capital & Pensions	0	0	0	0	
MIRS Transfers From Reserves	-1,725,090	255,499	-1,666,921	58,169	Transfer to reserve, historic drawdowns for Small SANG's
Interest	-101,360	-136,180	-232,652	-131,292	Increased estimate for interest earned on investments
	-11,731,250	-10,603,213	-11,804,373	-73,123	
Total excluding Accounting Treatment	10,773,710	6,399,600	10,332,289	-441,421	
Grand Total	-957,540	-4,203,613	-1,472,084	-514,544	
NON CONTROLLABLE COSTS					
Support Service Recharges	0	18	0	0	
Depreciation	0	0	0	0	
Annual/Flexi Costs/MIRS	0	42,380	45,829	45,829	Interest Reserve added to S106
Capital & Pensions	539,920	617,172	617,172	77,252	
Grants & Taxes	0	0	0	0	
Collection Fund Surplus Deficit	390,010	761,898	390,010	0	
	929,930	1,421,469	1,053,011	123,081	
Grand Total	-27,610	-2,782,144	-419,073	-391,463	

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				Capital Programme Budget Monitoring 2018/19						
				Original Budget 2018/19	Carried Forward 2017/18	In Year Budget Additions 2018/19	Current Available Budget 2018/19	Actual To Date 2018/19	Forecast Expenditure 2018/19	Variance 2018/19
Capital resources available as at 1st April 2018										
Receipts in year										
Corporate Services	Capital Code	Revenue Code		0	534	0	534	1	37	(497)
Regulatory				0	0	0	0	0	0	0
Housing & Customer Services				530	0	360	890	600	1,106	216
Leisure				0	238	0	238	21	14	(224)
Environmental Promotion				161	2,068	293	2,522	479	366	(2,156)
Technical Services				872	1,780	0	2,652	2,072	2,302	(350)
TOTAL CAPITAL PROGRAMME				1,563	4,620	653	6,836	3,173	3,824	(3,012)
Capital Resources available as at 1st April 2019										
Service Area	Scheme			Original Budget 2018/19	Carried Forward 2017/18	In Year Budget Additions 2018/19	Current Available Budget	Actual To Date	Forecast Expenditure	Variance
Corporate Services	CCTV-Rushmoor	YY16	A419	0	34	0	34	(2)	34	0
	Upgrade to IT infrastructure	YT07	C781	0	500	0	500	3	3	(497)
				0	534	0	534	1	37	(497)
Regulatory	Dog Warden Van									
				0	0	0	0	0	0	0
Housing & Customer Services	Private Sector Renewal - Minor Works Grants(Home trust)	YR03	H612	30	0	0	30	3	6	(24)
	Grants for Social Rent Dwellings	YR04	H611	0	0	360	360	0	360	0
	Disabled Facilities Grants	YR05	H612	500	0	0	500	597	740	240
				530	0	360	890	600	1,106	216
	Leisure Centre SCAPE project appraisal	YL34	L308	0	0	0	0	0	0	0
	Strategic Leisure	YL35	L308	0	0	0	0	0	0	0
	Leisure Centre Pre Construction Stage	YL47	L308	0	35	0	35	9	3	(32)
	Frogmore leisure Re-Development	YL30	L310	0	5	0	5	4	4	(1)
	Leisure Centre Construction	YL52	L308	0	160	0	160	7	7	(153)
	Leisure Centre Consultants & Fees	YL53	L308	0	38	0	38	0	0	(38)
	Sports Hall - <i>Transfer to revenue</i>	YL68	L301	0	0	0	0	0	0	0
					0	238	0	238	21	14
	Fleet pond Nature Reserve Visitor Strategy (S106)	YL29	L302	0	12	0	12	0	0	(12)
	Odiham Common (S106)	YL32	L304	5	1	0	6	0	0	(6)
	S106 Leisure Parish Funded Projects	YF09	L301	0	2	258	260	272	2	(258)
	Fleet Pond Access Track	YL54	L302	0	141	0	141	0	0	(141)
	Fleet Pond Visitor Enhancements	YL55	L302	106	(39)	0	67	0	0	(67)
	Hazeley Heath Grazing Project	YL56	L303	0	80	0	80	0	0	(80)
	Hazeley Heath Notice Boards	YL57	L303	0	15	0	15	0	0	(15)
	Hazeley Heath Access Improvements	YL58	L303	0	77	0	77	0	0	(77)
	HW Central Common Enhancement	YL59	L303	0	17	0	17	0	0	(17)
	HW Central Common Access Improvements	YL60	L303	0	80	0	80	0	0	(80)
	HW QEII Fields Improvements	YL61	L326	0	35	0	35	0	0	(35)
	Edenbrook CP Play Tree	YL62	L325	30	0	0	30	0	0	(30)
	Edenbrook CP History Walk	YL63	L325	20	0	0	20	0	0	(20)
	Cricket Hill Pond Phase 2	YL64	L301	0	8	0	8	4	8	0
	Service Vehicles	YL65	25% E	0	72	0	72	0	72	0
	Bramshot Farm	YL67	L328	0	1,567	0	1,567	203	249	(1,318)
	Edenbrook CP - Skate/Bike Park	YL69	L325	0	0	0	0	0	0	0
	Edenbrook CP - Teen Health	YL70	L325	0	0	0	0	0	0	0
	Edenbrook CP - Visitor Improvements	YL71	L325	0	0	0	0	0	0	0
	Fleet Pond Fencing	YL72	L302	0	0	35	35	0	35	0
				161	2,068	293	2,522	479	366	(2,156)
	S106 NEHTS Parish	YT14	T416	0	3	0	3	0	3	0
	Church Road Improvements	YT18	T501	0	333	0	333	297	337	4
	Post Payment Parking	YT19	T501	0	0	0	0	0	0	0
	Phoenix Green, Hartley Wintney	YT10	T117	0	22	0	22	7	12	(10)
	Mill Corner, North Warnborough	YT11	T117	13	22	0	35	0	0	(35)
	Kingsway Flood Alleviation Scheme	YT20	T117	99	0	0	99	26	26	(73)
	Refuse Vehicles	YT21	T200	760	1,400	0	2,160	1,742	1,924	(236)
					872	1,780	0	2,652	2,072	2,302
TOTAL CAPITAL PROGRAMME				1,563	4,620	653	6,836	3,173	3,824	(3,012)
Capital Funding										
Disabled Facilities Grant				500	0	0	500	597	740	240
Environment Agency				112	44	0	156	33	38	(118)
S106 Receipts Housing				0	0	360	360	0	360	0
S106 Receipts Leisure District/Parish				161	429	258	848	276	10	(838)
S106 Receipts Leisure Centre				0	0	0	0	0	0	0
S106 Receipts NHTS				0	3	0	3	0	3	0
SANG				0	0	0	0	0	0	0
Capital Receipts Housing				30	0	0	30	3	6	(24)
Internal Borrowing				760	4,144	35	4,939	2,264	2,667	(2,272)
TOTAL CAPITAL PROGRAMME				1,563	4,620	653	6,836	3,173	3,824	(3,012)