



**AGENDA ITEM:  
SUMMARY**

<b>Report for:</b>	<b>Housing and Community Overview and Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>16 March 2016</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Budget Monitoring Quarter 3 2015/16</b>
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance and Resources David Skinner, Assistant Director (Finance & Resources) Richard Baker, Group Manager (Financial Services)
Purpose of report:	To provide details of the projected outturn for 2015/16 as at Quarter 3 for the: <ul style="list-style-type: none"> <li>• General Fund</li> <li>• Housing Revenue Account</li> <li>• Capital Programme</li> </ul>
Recommendations	That Committee note the forecast outturn position.
Corporate objectives:	Dacorum Delivers
Implications:	Financial and Value for Money implications are included within the body of the report.
Risk Implications	Risk implications are included within the body of the report.
Equalities Implications	There are no equality implications.

Health And Safety Implications	There are no health and safety implications.
Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund HRA – Housing Revenue Account

## 1. Introduction

1.1 The purpose of this report is to outline the Council's forecast outturn for 2015/16 as at 31 December 2015. The report covers the following budgets:

- General Fund
- Housing Revenue Account (HRA)
- Capital Programme

## 2. General Fund Revenue Account

2.1 The General Fund revenue account records the income and expenditure associated with all Council functions except management of the Council's own housing stock, which is accounted for within the Housing Revenue Account (HRA) (see Section 4).

2.2 Appendix A provides an overview of the General Fund provisional outturn position, separating expenditure into controllable and non-controllable categories in order to focus scrutiny on those areas that officers are able to influence, i.e. the controllable.

2.3 The majority of non-controllable costs result from year-end accounting adjustments, e.g. depreciation charges. These are required to show the true value of resources used to provide the Council's services, but do not result in a cash charge to taxpayers.

2.4 The current budget is the original budget approved by Cabinet in February 2015, plus the following approved amendments:

Amendments	£000	Approved
<b>2015/16 Original budget</b>	<b>17,534</b>	
Grant Funded Staff Costs in Revenues and Benefits	70	Council September 2015
Office Accommodation	53	Council September 2015
Reserve Funded Staff Costs	(10)	Council September 2015
Local Development Framework	(50)	Council September 2015
Ambassadors' Programme	36	Council July 2015
Grant Funded Costs in Electoral Registration	42	Council January 2016
Reserve Funded Election Budget	(30)	Council January 2016
<b>2015/16 Current Budget</b>	<b>17,645</b>	

2.5 This report has been prepared using the newly aligned Scrutiny & Portfolio Holder roles and responsibilities, as approved by Cabinet on 24 November 2015.

2.6 The table below provides an overview by Scrutiny area of the current forecast outturn for controllable budgets within the General Fund.

	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Finance & Resources	7,365	7,341	(24)	-0.3%
Strategic Planning & Environment	7,748	7,999	251	3.2%
Housing & Community	2,532	2,538	6	0.2%
<b>Total</b>	<b>17,645</b>	<b>17,878</b>	<b>233</b>	<b>1.3%</b>

2.7 The following sections provide an analysis of the projected outturn and major budget variances shown by Scrutiny area.

### 3 Housing and Community

Housing & Community	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Employees	2,462	2,526	64	2.6%
Premises	436	471	35	8.0%
Transport	16	13	(3)	-18.5%
Supplies & Services	2,891	2,933	42	1.5%
Third Parties	823	814	(9)	-1.1%
Income	(4,096)	(4,219)	(123)	3.0%
	<b>2,532</b>	<b>2,538</b>	<b>6</b>	<b>0.2%</b>

#### 3.1 Employees - £64k over budget (2.6%)

Pressure of £64k – There is a pressure of £64k across services linked to the vacancy provision, particularly in areas such as the Adventure Playgrounds where staffing ratios need to be maintained, and at the Old Town Hall where sickness cover has been required to maintain the full programme of events.

#### 3.2 Income - £123k over budget (3%)

Surplus of £45k – There is a surplus of £45k forecast on income from The Elms homeless hostel. The Council entered into a contract with DENS to manage The Elms from May 2015, but the income from this contract had not previously been budgeted. This income has been factored in to the budget for 2016/17.

Surplus of £30k – There is a surplus of £30k on income from Garages where the level of voids has been lower than anticipated.

#### 4 Housing Revenue Account (HRA)

4.1 The HRA is a ring-fenced account relating to the Council's Landlord functions. A guiding principle of the HRA is that revenue raised from rents and service charges must be sufficient to fund expenditure incurred. The forecast outturn position for the HRA is shown at Appendix B.

4.2 The projected HRA balance at the end of 2015/16 is broadly in line with the budgeted balance of £2.9m.

4.3 The table below provides an overview of the forecast outturn position for the HRA:

Housing Revenue Account	Current Budget £000	Projected Outturn £000	Variance	
			£000	%
Total Income	(57,765)	(58,021)	(256)	0.4%
Total Expenditure	57,765	57,971	206	0.4%
<b>HRA Deficit / (Surplus)</b>	<b>0</b>	<b>(50)</b>	<b>(50)</b>	
<b>Housing Revenue Account Balance:</b>				
Opening Balance at 1 April 2015	(2,900)	(2,846)	54	
Deficit / (Surplus) for year	0	(50)	(50)	
Proposed Contributions to Reserves	0	0	0	
<b>Closing Balance at 31 March 2016</b>	<b>(2,900)</b>	<b>(2,896)</b>	<b>4</b>	

#### 4.4 Dwelling Rent - £130k over-achievement of income (0.2%)

This overachievement is as a result of the number of void properties being lower than anticipated. The budgeted level was 1%, but void properties are currently running at 0.5%.

#### 4.5 Tenant Charges - £49k over-achievement of income (17.9%)

Unbudgeted grant funding is being received from Herts County Council to contribute towards the Evelyn Sharp Scheme for extra care.

#### 4.6 Interest and Investment Income - £70k over-achievement of income (61.4%)

This over-achievement is as a result of higher than anticipated receipts from the sale of Right to Buy properties. An amount of £3.4m was estimated in the budget, however already this financial year £5.4m has been received.

#### 4.7 Supervision and Management - £206k over budget (1.8%)

Pressure of £160k – This relates to properties owned by the General Fund being used by the HRA for social rent. The £160k is a net figure of estimated rent less repairs costs.

Pressure of £40k – A pressure of £40k has arisen due to an over-accrual at year end 2014/15 of legal costs recoverable.

## 5. Capital Programme

5.1 Appendix C shows the projected capital outturn in detail by scheme.

The table below summarises the overall capital outturn position by Scrutiny area.

The 'Rephasing' column refers to those projects where expenditure is still expected to be incurred, but it will now be in 2016/17 rather than 2015/16, or conversely, where expenditure planned initially for 2016/17 will now be in 2015/16.

The 'Variance' column refers to those projects which are now complete, but have come in under or over budget and those projects which are no longer required.

	Current Budget £000	Projected Outturn £000	Rephasing £000	Variance	
				£000	%
Housing & Community	1,855	1,759	(101)	5	0.3%
<b>G F Total</b>	<b>1,855</b>	<b>1,759</b>	<b>(101)</b>	<b>5</b>	<b>0.3%</b>
<b>HRA Total</b>	<b>32,062</b>	<b>32,062</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>33,917</b>	<b>33,821</b>	<b>(101)</b>	<b>5</b>	<b>0.0%</b>

## 5.2 General Fund Major Variances

There is an overall projected underspend of £96k on the General Fund within year 2015/16. This is a combination of forecast overspending of £5k and slippage of £101k into 2016/17.

The projected rephasing to future years of £101k includes:

- Line 130: slippage of £90k on Youth Centre Provision. This budget is being used for the new Cycle Hub and for youth facilities at the Adventure Playgrounds. To avoid the works impacting on the Adventure Playgrounds during the Easter holidays, it was necessary to slip the £90k in to 2016/17.