

Budget Scrutiny

Revised Budgets 2019/20

General Fund



This is the 2019/20 part of the table that usually shows the position of general fund for all years.

	19/20 Original Budget £000	19/20 Current Budget £000	19/20 Revised Budget £000
Budget Shortfall – MTFP Feb 2019	83	83	83
Efficiencies identified + removed from budget (includes council tax)	0	(344)	(344)
Current Budget Shortfall/(surplus)	83	(261)	(261)

From shortfall to surplus – Q1 and Q2

- Savings made between the February 2019 report and the Q2 monitoring report.

	£'000
2019/20 council tax increase	(112)
Q1 vacancies	(93)
Transformation items	(139)
c/f to next slide	(344)

From shortfall to surplus – Revised Budgets

- Changes to reflect the revised calculations and forecasts.

	£'000
Savings already made b/f	(344)
Debt charges/investment income	(167)
Q2 vacancies + savings from changes to salary budgets	(127)
Extra income from planning fees and new external grants	(153)
Miscellaneous extra costs	29
c/f to next slide	(762)

From shortfall to surplus – Revised Budgets continued

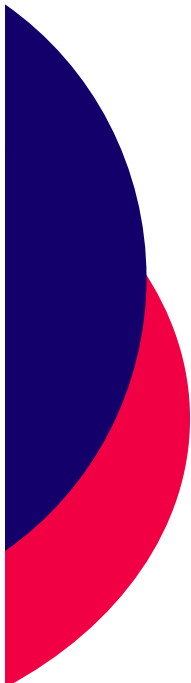
- Savings we've made help to prepare us for the future.

	£'000
Savings already made b/f	(762)
Net transfer to NNDR growth protection reserve	168
T/f to reserves to finance future capital expenditure	50
T/f to transformation reserve	200
	(344)

Housing Revenue Account (HRA)

	19/20 Original Budget £000	19/20 Current Budget £000	19/20 Revised Budget £000
Expenditure	15,407	15,671	15,476
Income	(21,168)	(21,167)	(21,163)
Net Cost of Service	(5,761)	(5,496)	(5,687)
Depreciation	3,200	3,200	3,200
Net t/f to reserves	2,538	2,273	2,333
	(0.023)	(0.023)	(0.154)

HRA main changes for Revised Budgets

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The main variances on the HRA are:	£'000
Net reduction to salaries	(171)
Reduction in payments to sub contractors	(67)
Reduction to utility budgets linked to Safe + Warm capital scheme	(38)
Increase to income from Travis Perkins profit share	(25)
Reduction in heating charges income from tenants linked to Safe + Warm capital scheme	69
Increase to HRA balance in preparation for pension costs	132
T/f to reserves	76

Extra pension costs

- The Council participates in the Local Government Pension Scheme, administered by DCC.
- Every 3 years the fund is valued and is compared against the current and future pensions it will have to pay to pensioners.
- There is a shortfall in the fund and every year we pay towards this.
- The fund has been valued in 19/20 and we are awaiting the results.
- The extra cost will be payable from 2020/21 onwards.
- After the last valuation costs increased by around 1%, this is roughly £80k for GF and £33k for HRA.
- In preparation for an extra cost it is proposed we put the surplus for GF £261k and HRA £132k into balances to finance future years.

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Capital Programme

- As part of the revised budget process the capital projects have been reviewed to estimate what level of spend will occur in 2019/20.
- Where projects are unlikely to spend in 2019/20, the capital expenditure and matching financing will be moved to 2020/21 to avoid large under spends at 31st March.
- The detailed capital programme will be available in January.

Reserves and Balances

- The opening and closing position on the main useable reserves are:

	Opening Balance £'000	Closing Balance £'000
General Fund balance	(2,000)	(2,261)
Housing Revenue Account balance	(2,000)	(2,132)
Transformation Reserve (uncommitted amount)	(5,998)	(2,178)
NNDR Growth Protection Reserve	(3,317)	(3,485)
HRA New Build Reserve	(1,545)	(1,545)

Summary

- For 2019/20 the revised budgets for general fund and housing revenue account, estimate we will achieve a surplus for both.
- The level of reserves is considered to be adequate to fund planned expenditure and potential issues/risks that we face.
- The capital programme for 2019/20 is fully financed and does not include any borrowing where MRP is payable.
- Developments by MHCLG on Business rates and the Fair Funding Review are what we need to watch.