

# GOSPORT BOROUGH COUNCIL

## BUDGET MONITOR

MARCH 2014

### SUMMARY OF REPORT AND RECOMMENDATIONS

To report to members on forecast expenditure compared to the latest budget for 2014/15.

#### Recommendations

This report is for information only.

#### 1.0 PURPOSE AND BACKGROUND

1.1 This is the final Budget Monitor to be issued for 2014/15. It reflects variances against the revised budget

1.2 **Issues identified in the report are:**

- o **General Fund revenue account is forecast for an underspend of £76,000 (section 2 and Appendix A)**
- o **Housing Revenue Account – no material over or underspend (section 3)**
- o **Capital Programme – forecast variations and slippage (section 4 and Appendix B)**

#### 2.0 GENERAL FUND REVENUE

2.1 An examination of the revenue budgets for 2014/15 has revealed the material variations listed in Appendix A, indicating a net underspend of £76,000 in comparison to the revised budgets for 2014/15. Any budgetary net underspend arising from final accounts will be contributed to the Revenue Financing Reserve (RFR).

2.2 General Fund Reserves are adequate

- o The Working Balance is being maintained at £890,000
- o The Revenue Financing Reserve (RFR) is used to ensure that fluctuations in annual maintenance requirements can be met, to underwrite uninsured risks and for funding spend-to-save revenue and capital initiatives. The RFR is forecast to be 101,610 at year end.
- o The Stability and Resilience Reserve (SRR) will cover the significant risk and volatility within the Business Rate Retention and Council Tax Support Schemes together with the uncertainties in future levels of Revenue Support Grant. The SRR is forecast to be £291,440 at year end.

#### 3.0 HOUSING REVENUE ACCOUNT (HRA)

3.1 There are no major variations forecast for the HRA.

#### **4.0 CAPITAL PROGRAMME**

4.1 The capital programme for 2014/15 has been reviewed and an update is included at Appendix B which shows the latest scheme positions and an indication of slippage into 2015/16, together with brief comments.

4.2 A slippage list will be compiled as part of final accounts.

#### **5.0 WRITE OFFS**

5.1 Under Financial Regulations, the Borough Treasurer has delegated authority to approve write offs up to £20,000. These are summarised in Appendix C showing the financial year to 17 March 2015.

#### **6.0 RISK ASSESSMENT**

6.1 The Council's budget report for 2014/15 highlighted budget headings identified as particular risk areas. These areas have been examined as part of this budget monitoring exercise and, where applicable, are included in section 2 above.

6.2 Budgets are kept under review to identify further savings and efficiencies in order to minimise any effect on council tax levels.

*Any questions regarding this monitor or comments on the content and presentation should be directed to either Julian Bowcher or John Norman.*

## VARIATIONS IN GF REVISED REVENUE BUDGETS

	VARIANCE # £
Parking - parking charges	(5,800)
Parking - permits	(4,300)
Parking - fines	(2,000)
Land Charges - income	8,100
Development Services - income	(2,000)
Salaries including severance payments	(70,000)
<b>Additional contribution to RFR</b>	<b>(76,000)</b>

# Note : the figures in brackets denote an underspending or additional income compared to the latest budget

Item	CAPITAL PROGRAMME 2014/15	REVISED 2014/15 £	Expenditure 10-Mar-15 £	Forecast 2014/15 £	Forecast Variance £	Slippage £	Notes / Comments
<b>COMMUNITY BOARD - HOUSING (HRA)</b>							
1	LA Tenants Disabled Persons Grant	50,000	0	50,000	0	0	
2	Improvements to Housing Stock	3,435,000	2,078,104	3,435,000	0	0	
		<b>3,485,000</b>	<b>2,078,104</b>	<b>3,485,000</b>	<b>0</b>	<b>0</b>	
<b>COMMUNITY BOARD - HOUSING (GENERAL FUND)</b>							
1	Disabled Facilities	423,000	194,121	194,121	(228,879)	228,880	Slippage into 2015/16
2	Housing Renewal	98,000	47,135	47,135	(50,865)	51,040	Slippage into 2015/16 (Parity Trust)
		<b>521,000</b>	<b>241,309</b>	<b>241,257</b>	<b>(279,743)</b>	<b>279,920</b>	
<b>COMMUNITY BOARD - NON HOUSING</b>							
1	Alver Valley Country Park	162,000	21,351	21,351	(140,649)	140,650	Work has progressed on the Western and Eastern Gateways and planning applications are expected shortly.
2	River Hamble to Portchester. CFERM Strategy	200,000	152,467	200,000	0		
3	Waste Recycling - Project Integra Contribution	8,000	3,784	3,784	(4,216)		Provision made in 15/16 revenue only as Recycle for Hampshire project fund ceased.
4	Car Park resurfacing & upgrading	104,000	15,471	15,471	(88,529)	88,530	Late direction for improvement works at Pebble Beach and Elmore Car Parks, estimates being sought initial indications of Pebble Beach alone £65-70K. Budget will be required to be carried forward into order to complete works into next financial year.
5	Provide lighting to pathways within Leisure Parks, Gardens & Open Spaces	175,000	1,170	1,170	(173,830)	173,830	Applications with Planning
6	Privett Park - Replacement 2nd Pavilion & paths (this scheme is subject to both S.106 developer contribution and equivalent match funding [each £350k] being identified - the capital programme funding projections currently assume that this will be the case or the scheme will not proceed )	700,000	0	0	(700,000)	700,000	
7	Leesland Skatepark - MUGA & skatepark improvements	10,000	0	0	(10,000)	10,000	Meeting to be arrange with Skate Provider as Youth would prefer improvements rather than a MUGA - Quote to be obtained for end units only
8	Lee Promenade resurfacing	45,000	0	0	(45,000)	45,000	Site visit to be undertaken

Item	CAPITAL PROGRAMME 2014/15	REVISED 2014/15 £	Expenditure 10-Mar-15 £	Forecast 2014/15 £	Forecast Variance £	Slippage £	Notes / Comments
9	Public Conveniences refurbishment	141,000	68,861	68,861	(72,139)	72,140	Delays in completing works due to cold weather, therefore delay in issuing next toilet refurbishment. Any works not completed in the current financial year will need to be carried over to next.
10	Transfer of Play Areas at Priddys Hard	9,000	1,515	1,515	(7,485)	7,490	
11	Privett Park-Provision of High Protective Fence & Multi Use Games Facility	10,000	0	0	(10,000)	10,000	
12	Replacement Car Park machines	40,000	6,664	40,000	0		Working to go live date at end of February, system to be implemented and completed by 31.3.15.
13	Cocklepond refurbishment	134,000	283,939	283,939	149,939		More mud to be excavated. Final volume will only be ascertained once work complete and assessment of the amount to be excavated agreed with the statutory authority. Possible Natural England contribution.
14	Playgrounds - improvements to existing facilities	50,000	13,032	13,032	(36,968)	36,970	Quotes being obtained for improvements various sites (Gosport Park / Elson Rec - St Nicholas Ave and Alver Valley)
15	Kerbside & Glass Collection service	0	(1,866)	0	0		No kerbside glass collections to be implemented at this time.
16	Essential Paving Improvements & Upgrades	50,000	0	0	(50,000)	50,000	Site visits to be undertaken
17	Relay Tarmac to Rowner Green Bowling Club Car Park	25,000	18,348	18,348	(6,652)		Complete - projected project cost £18,350
18	Remove Paving Slabs at Anglesey Gardens Bowling Club and Replace with Tarmac	11,000	13,992	13,992	2,992		Works underway, projected project cost £14,000
19	Stokes Bay - Wet & Dry Play Area	82,000	35,848	35,848	(46,152)	46,150	Progressing
20	Install permanent vehicle deterrents at various locations	33,000	0	0	(33,000)	33,000	Planning application to be undertaken
21	Falklands Gardens fountain - refurbish & replace pumps	15,000	10,252	10,252	(4,748)		Completed
22	Foster Gardens - refurbish pond & boundaries	15,000	13,347	13,347	(1,653)		Completed
23	Gosport Park - replace bowling green hedge with fencing	21,000	0	15,000	(6,000)		Works commencing late Feb 2015 - projected project cost £15,000
24	Stanley Park - phased refurbishment	38,000	4,085	4,085	(33,915)	34,820	On going Seats and Bins to be installed
25	Renew interpretation boards across the Borough	20,000	0	0	(20,000)	20,000	Not started
26	Privett Park Enclosure irrigation	37,000	37,138	37,138	138		Completed
27	Ice Rink refurbishment & improvement	100,000	0	0	(100,000)	100,000	Assumed slippage
28	Enclosure Football Pitch - relaying	82,000	81,970	81,970	(30)		Completed
29	Enclosure Football Pitch - automatic watering system	10,000	2,306	2,306	(7,694)	7,700	
30	Crown House - conversion to two flats	85,000	6,574	0	(85,000)		Project on hold
31	Stokes Bay Golf Club - drainage works	35,000	0	0	(35,000)	35,000	

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0	Bus Shelters	4,000	0	0	(4,000)	4,000	Works order placed awaiting completion.
0	Stokes Bay Promenade - maintenance of promenade	4,000	0	0	(4,000)	4,000	Site visit to be under taken
0	Kings Road Playscheme	1,000	0	0	(1,000)	1,000	Goal post end to be provided.
		<b>2,456,000</b>	<b>741,245</b>	<b>881,409</b>	<b>(1,574,591)</b>	<b>1,620,280</b>	
	<b>ECONOMIC DEVELOPMENT BOARD</b>						
1	Waterfront Masterplanning	72,000	0	0	(72,000)	72,000	
2	Pumping Stations upgrade	15,000	0	14,000	(1,000)		Order placed, projected project cost £14,000
3	High Street Improvements	176,000	175,205	176,000	0		Complete (will be £176k)
		<b>263,000</b>	<b>175,205</b>	<b>190,000</b>	<b>(73,000)</b>	<b>72,000</b>	
	<b>POLICY &amp; ORGANISATION BOARD</b>						
1	CCTV - Replacement & Upgrades	15,000	15,605	15,605	605		Orders placed
2	Hampshire High Speed Broadband Project	30,000	30,000	30,000	0		2013/14 paid in 2014/15, 2014/15 to come
3	Mobile Home Park - underground pipe renewal	58,000	59,138	59,138	1,138	0	Complete
4	Mobile Home Park - flooding alleviation	51,000	52,438	52,438	1,438	0	Complete
5	IT - PC Replacement Programme	112,000	115,513	115,513	3,513		Maybe some slippage
6	IT - Server Replacement	70,000	46,466	70,000	0		Maybe some slippage
7	IT - Microsoft Licence	50,000	0	50,000	0		On course
8	IT - System Upgrades	146,000	75,523	75,523	(70,477)	70,480	Likely slippage on Land Charges, replacement PBX handsets, Housing IBS upgrade
9	Town Hall Major Repairs - Electrics	64,500	0	0	(64,500)	64,500	It is believed that adequate capital budget provision has been
10	Town Hall Major Repairs - Internal Decorations	25,000	0	0	(25,000)	25,000	included within the programme although the detailed programming will not be finalised until the Police
11	Town Hall Major Repairs - Health & Safety	25,000	0	0	(25,000)	25,000	accommodation requirements are clarified
12	Town Hall Major Repairs - Adaptions	118,000	20,145	20,145	(97,855)	97,860	
13	Reprographics Equipment - replacement	48,000	46,835	46,835	(1,165)		Complete
0	Forton Lake Opening Bridge - major repairs	2,000	897	897	(1,103)		Complete
0	Upgrade GBC radio system	3,000	3,160	3,160	160		
		<b>817,500</b>	<b>465,721</b>	<b>539,255</b>	<b>(278,245)</b>	<b>282,840</b>	
		<b>7,542,500</b>	<b>3,701,584</b>	<b>5,336,920</b>	<b>(2,205,580)</b>	<b>2,255,040</b>	

**CUMULATIVE WRITE OFFS UNDER DELEGATED AUTHORITY**

		<b>2013/14</b>	<b>2014/15</b>
		<b>£</b>	<b>17-Mar-15</b>
		<b>£</b>	<b>£</b>
Council Tax		68,474	36,892
NNDR		155,227	-
Housing	HRA	37,976	20,627
	GF	95,832	78,712
Sundry Debtors		3,395	2,407
Housing Benefits		77,989	17,472
		<b>438,893</b>	<b>156,109</b>