

Financial Position Quarter Three 2019/20

1. General Fund Revenue Budget

- 1.1 The Council approved a General Fund Revenue Budget of £13,050,020 on 20 February 2019. The actual position compared to this budget is continuously monitored by managers, EMT and Portfolio Holders in order to detect any significant variances of expenditure or income from the approved amounts contained in the budget.

2. Capital Programme

- 2.1 A Capital Programme totalling £5,606,298 was approved for 2019/20. Of this total £3,606,298 relates to the total cost of new schemes for 2019/20 together with £1,000,000 for schemes funded by external sources (Disabled Facilities Grants), £1,000,000 contingency. In addition £1,326,573 was brought forward from the 2018/19 Capital Programme, resulting in a total Capital Programme of £6,947,871 for 2019/20.

3. Revenue Budget Position

- 3.1 At this point in the financial year, we would have expected to have spent £14,634,540; we have actually spent £15,119,287. Therefore, as at the end of the third quarter, the general fund budget shows an adverse variance of £484,747.

- 3.2 The main reasons for the overall adverse variance to date are:

- a. Jubilee 2 is operating at a net overspend. This is predominately in relation to high levels of staff sickness which are required to be covered for and a shortfall in income received by the centre.
- b. Income from car parking is below the budgeted amount, this is due to a drop in off street parking.
- c. Income from planning application fees is below the budgeted amount, this is due to the number of major planning applications received to date– this may fluctuate during the final quarter of the financial year.
- d. The provision of temporary cover for Senior Management posts.

- 3.3 An action plan to address the adverse variance incurred to date has been devised and will continue to be implemented over the next three months. It is forecast that the actions identified will reduce the adverse variance to a balanced year end outturn. These actions include:

- a. Use of additional forecast windfall from the Staffordshire and Stoke-on-Trent Business Rates Pilot.
- b. Savings from restructures within the Resources and Support Services Directorate.
- c. Appeals relating to the Rateable Value of disused or demolished Council Assets.

- d. The implementation of an action plan to reduce the Jubilee 2 operating deficit.
- e. Grants have been received for a number of areas including Brexit and Air Quality to which significant staff time spent in these areas can be allocated.
- f. A review of expenditure currently allocated to the Repairs and Renewals fund is being undertaken to identify items that can be capitalised.
- g. It should be noted that the Waste and Recycling service is forecast to outturn a balanced year end position.

4. Capital Programme Position

- 4.1 The Capital Programme approved by Council in February 2019 has been updated to take account of amounts brought forward from 2018/19 where planned expenditure did not occur. This has been added to the budget for 2019/20 (apart from cases where costs have been reduced or expenditure will no longer be incurred). The revised budget for capital projects in 2019/20 totals £6,947,871.
- 4.2 The Capital Funding required for the 2019/20 programme includes £3,508,298 of capital receipts. These receipts are still expected however it is anticipated that there will be a delay in one of the asset sales which amounts to around £1,000,000. This is due to the Property Team re-advertising the site and achieving a greater value than originally expected. In addition 'Right to Buy' sales have slowed down this year and it is expected that the target will not be reached for 2019/20 and continues to be monitored.
- 4.3 £1,847,500 of the revised budget was expected to be spent by 31 December; the actual amount spent was £1,927,610 resulting in an adverse variance at the end of the third quarter of £80,110 This overspend relates to mainly to two projects, which are the defects work on Castle House and some essential repair works on Knutton Lane Bridge. Funding of this shortfall will partly be covered by slippage of in year projects and it is assumed that £49,000 will be recovered from Kier which covers the consequential loss of use of the multi-function rooms in Castle House.

5. Borough Growth Fund

As part of the 2019/20 budget a 'Borough Growth' fund of £304,000 has been established, which will be used to enable investment in the Council's priorities via initiatives that are forecast to generate on-going revenue savings through reducing the costs of service delivery or through the generation of additional income. It is intended that the 'Borough Growth' fund will be invested in further as part of the 2020/21 budget setting process. Progress on the utilisation of the 'Borough Growth' fund is as follows:

Project	Description	Funding Requirement (£)		
		2019/20	2020/21	2021/22
A town centre for all - Car Parking Strategy	39 upgraded parking machines are required at £6,000 each. The capital programme allows for the replacement of 6 machines during 2019/20, it is proposed that 5 are also funded via the Borough Growth fund for each of the following 3 years. Work around income and potential changes to pricing structures is currently ongoing.	30,000	30,000	30,000
A town centre for all - CCTV	Contribution towards upgrading and the supply and installation of cameras in the Town Centres.	30,000		
A town centre for all - Town Centre Officer	Proportion of salary and on costs for 6 months net of restructure saving re. Economic Regeneration will be a further commitment from the fund in 2020/21. Post has been appointed to.	12,500	25,000	25,000
A town centre for all - Markets	Cabinet agreed to progress a programme of market improvement arising from the National Association of British Market Authorities review of the market, elements of this programme may be funded from the Borough Growth Fund including relocation of the stalls to reduce the market size/enhance trading locations (£5,000), purchase of gazebos for hire (£2,500) and the provision of electricity to the stalls (£10-15,000)	20,000		
Total Requirement		92,500	55,000	55,000
Funding Available		104,000	75,000	75,000
Council transformation - Digital Delivery Apprentices	3 Apprentice posts agreed for 2 year period at a cost of £52,000 per annum split 1/3's between ICT, Human Resources and Borough Growth Fund. Assumed 6 months for 2019/20 with further commitment from the fund in 2020/21 and 2021/22 (final 6 months)	8,667	17,333	8,667

Council transformation - JADU	Potential costs re. completion of forms and interface that will communicate with CIVICA APP (Environmental Health software)	15,000		
Council transformation - Environmental Health Integration				
Council transformation - Digital Business Manager	Salary and on costs for 6 months following restructure of Resources and Support Services, will be a further commitment from the fund on an ongoing basis. Post has been appointed to.	30,000	60,000	60,000
Council transformation - Project Management Resources	Work currently being undertaken on potential project management resources - it has not yet been finalised.	45,000		
Total Requirement		98,667	77,333	68,667
Funding Available		100,000	100,000	100,000
Building for the future - Commercial investment advisors	Tender for advisors produced by Property Section, estimate of £50,000 per annum plus potential commission on advice. Expression of interest received.	50,000	50,000	50,000
Total Requirement		50,000	50,000	50,000
Funding Available		100,000	75,000	75,000