

1. Introduction

- 1.1 This is the third quarter's report for the financial year 2013-14 i.e. for the period 1 April 2013 to 31 December 2013.
- 1.2 This report is designed to provide Members with an up to date financial position for the Council, along with an estimate of the expected outturn position (forecast).

2. Summary of Revenue Budget Position

- 2.1 The appendix to this report shows the current year actual expenditure against current budget, and forecasts that the Council will be transferring the sum of £510k to reserves, against a budget which proposed to utilise £1,473k from reserves. This represents an underspend against the original budget of £1,983k; the details for which can be seen in the appendix. A summary of the appendix is shown in the table below:

Corporate Plan Heading	Current Budget 2013/14 £'000	Forecast 2013/14 £'000	Variance £'000
Promoting Economic Growth & Job Creation	936	771	(165)
Protecting & Supporting Vulnerable People	1,343	1,462	119
Creating & Engaging with Healthy Vibrant Communities	6,714	7,555	841
Being an Enterprising & Ambitious Council	(1,950)	(2,140)	(190)
Support Services	5,774	5,686	(88)
Total Service Related Costs	12,817	13,334	517
Non Service Cost Items	(12,817)	(13,334)	(517)
Grand Total	0	0	0

- 2.2 The appendix shows the variances in detail but a summary of the main variances are listed below:

Cost/Income Heading	£'000
Net savings in direct employee related costs	(468)
Additional ongoing pension costs	91
Savings in IT contract	(183)
Uncommitted ESG grant expenditure	(1,740)
Net increase in other non pay costs	436
Reduced recharges to the HRA	175
Additional ESG grant	(280)
Increase in Income	(14)
Total	(1,983)

- 2.3 The more significant increase in non pay costs can be further analysed as increased running costs of operating Minerva House £118k, increased costs of temporary accommodation and bed and breakfast costs in the Homelessness budget £77k, GYBS Depot electrical and demolition works £66k, footway and street lighting energy costs £101k, neighbourhood management costs to be funded from earmarked reserves £113k less other adjustments of £39k to reconcile to the figure shown in the table above of £436k.

3. General Fund Capital Programme Monitoring 2013-14

Directorate	Original Approved Budget 2013-14	Total Revised Budget 2013-14	Actual Expenditure to 31st December 2013
	£'000	£'000	£'000
Housing & Neighbourhoods	1,900	5,632	1,744
Customer Services	954	1,721	916
Resources, Governance & Growth	2,827	13,304	1,938
Total	5,681	20,657	4,598

3.1 As at the end of Dec 2013, £4.598m had been spent against the third quarter budget of £15,493m (three quarters of total budget).

3.1.1 The difference between the Original Approved Budget and the Revised Budget is partly due to budgets being rolled over from 2012-13 for projects which were not complete by the year-end (£3.2m). The remaining increase (£11.8m) is due to additional budgets, which have been approved individually since the original budget was approved in February 2013. The largest of these are £3.5m for the refurbishment of the Marina Centre (included above under Housing & Neighbourhoods) and £8.1m for the construction of Industrial & Office units at Beacon Park (included above under Resources, Governance & Growth). A significant proportion of the Marina Centre & Beacon Park budgets relate to works that will not be carried out until after this financial year. These budgets have been re-profiled accordingly for the Revised 2013-14 Capital Programme and forward budgets, which will be taken for formal approval in February.

3.1.2 The Housing & Neighbourhoods budget includes £400k for the Homes 4 Health project which has had no expenditure to date as plans are still being formulated to commit the budget. This budget will be rolled over into 2014-15 as part of the revised budget exercise.

The Empty Homes Project is progressing well with work at Stonecutters Way mostly complete, however, as work is not expected to commence at Nelson Road until the beginning of 2014-15, most of the remaining £350k budget will be rolled over into the new financial year.

The rest of the variance can be explained by the Marina Centre budget as described above.

3.1.3 The Customer Services expenditure looks reasonable against budget for the year to date but it must be noted that the full £200k contribution to the coastal defences in Hopton has been made and new Pay & Display machines have been purchased. Many projects within this directorate have legitimately incurred little or no expenditure to date because works have only just commenced or will commence shortly. Examples of these include North Drive Lighting, Ravine Bridge Refurbishment and the extensions to North Drive and St Nicholas car parks but all these projects are expected to be complete by the end of March. Plans are still being formulated for the Esplanade Resurfacing budget so £100k of the £150k budget will be rolled over into 2014-15.

- 3.1.4 The Budget for Resources, Governance and Growth is made up predominantly of the Beacon Park and St Georges Theatre & Pavilion projects. Construction has now underway on the first Phases of office and industrial units and this is on-track to be complete by April 2014. Increased expenditure will therefore continue into quarter 4.

As mentioned above, a large proportion of the £8.1m budget for Beacon Park will be rolled into 2014-15 and the Infrastructure budget will be reduced from £2.8m to £630k in the 2013-14 revised programme to reflect more realistic estimates of expenditure to the end of the year.

- 3.1.5 The St Georges Chapel and Pavilion are now complete, only minor landscaping works on site remain outstanding. For the rest of the year expenditure will consist of the balance due for highways works carried out by Norfolk County Council and grants to owners of properties on King Street.

4. Conclusions

- 4.1 The current income and expenditure of the Council indicates that the out-turn position should result in a much lower transfer from reserves than the budget as published. However, work will continue to be undertaken throughout the rest of the year with Group Managers to ensure the accuracy of the forecast.

GENERAL FUND BUDGET MONITORING TO PERIOD 9 - DECEMBER 2013

Service Code	Service	Actual YTD Net Exp	Budget YTD Total	Variance YTD Total	Budget Full Year	Forecast Full Year	Variance	Explanation re: Variances
		£	£	£	£	£	£	
Promoting Economic Growth and Job Creation								
BIDS	Business Improvement Districts	0	0	0	0	0	0	
RGED	Economic Development	136,086	207,968	(71,882)	286,011	209,939	(76,072)	-£50k GYDC budget no longer required; -£7.2k EU funding advice not required as not bidding for any funds; -£2.8k saving on events costs
RGEG	Enterprise GY	128,284	209,129	(80,845)	285,809	136,410	(149,399)	£-124k net saving with A4E employees TUPEd to GYBC, £-13k net saving as no Enterprise award in 2013/14; £7.5k R&M costs as budget too low; £10k reduction in income as meeting room now occupied by Construction Services; -£30k grant income from NCC
RGSP	Strategic Planning	156,022	270,972	(114,950)	380,153	356,681	(23,472)	Staff vacancies
RPPF	Factory Units	(45,958)	(59,523)	13,565	(87,859)	(82,171)	5,688	Void units at Sinclair Court
RPPM	Minerva House	85,669	(7,587)	93,256	(36,048)	82,377	118,425	£66.6k loss of rent and £59.3k rates charges as site vacant; £-7.6k saving on security and cleaning costs while empty
RPPS	Beacon Park	51,944	82,132	(30,188)	108,393	68,590	(39,803)	£-26.8k saving on tree belt work; £-10k service charge not included in budget
		512,046	703,091	(191,045)	936,459	771,826	(164,633)	
Protecting and Supporting Vulnerable People								
CCBE	Benefits	(535,748)	(580,417)	44,670	(648,053)	(748,498)	(100,445)	Increase in DWP funding
CEPC	Pest Control	37,047	34,380	2,667	47,530	44,653	(2,877)	GYB Services are now dealing with Pest Control
GHHN	Housing Needs	847,800	692,223	155,577	930,727	1,139,044	208,317	£-35k vacant posts, £-22k saving as no longer using Northgate computer software, £71k as no preventing homelessness grant, £119k temporary accommodation income down due to reduction in HB and occupancy, £33k increase in temporary accommodation lease payments as no RPI increase built into budget, £24k net increase for B&B usage, £20k R&M on temporary accommodation as no budget
GHHS	Housing Options & Strategy	69,601	54,330	15,271	74,916	90,925	16,009	Management fee and rates for Gapton Hall Travellers site
GNCC	CCTV	121,647	128,362	(6,715)	128,362	121,905	(6,457)	£-10k NCC contribution, £-5k rent recharge, £7k costs for Cobholm CCTV
GNGV	Grants to Voluntary Sector	96,800	95,635	1,165	159,179	160,379	1,200	
GNNM	Neighbourhood Management	352,180	348,704	3,476	421,594	445,395	23,801	£-24k savings on salaries due to 3 posts now being funded 50% by HRA, £-69k budget not needed, £113k to be funded through earmarked reserves
GWPS	Private Sector Housing	52,387	71,408	(19,021)	108,604	80,507	(28,097)	£-27k vacant post June to March, £-2k unpaid leave
GWSH	Safe at Home	61,861	74,611	(12,750)	119,896	127,763	7,867	Expression of interest taken May 13 not budgeted for
		1,103,575	919,235	184,340	1,342,755	1,462,073	119,318	
Creating and Engaging with Healthy Vibrant Communities								
CCDC	Depot Services	6,266	0	6,266	0	0	0	Purchase Order remaining. Once cleared, cost centre to be de-activated.
CEEH	Environmental Health	946,045	981,667	(35,622)	1,256,920	1,236,045	(20,875)	Salary savings
CGDC	GYBS Depot	101,976	0	101,976	0	65,671	65,671	Building works at depot. Electrical and demolition works unable to capitalise.
CGGM	Grounds Maintenance	693,400	703,648	(10,248)	702,639	928,938	226,299	Removal of GYBS saving
CGGP	Parks	360,855	359,686	1,169	445,524	445,524	0	
CGOS	Outdoor Sports	395,529	422,771	(27,241)	505,370	559,100	53,730	£54k GYBS savings taken out of CGOS and SUMX cost centres to net off to nil
CGPC	Public Toilets	419,454	397,087	22,368	407,556	511,053	103,497	Removal of GYBS saving
CGRM	Repairs and Maintenance	119,562	142,839	(23,277)	162,348	148,907	(13,441)	Special works budget removed saving £-25k removal of GYBS saving +£12k
CGSC	Street Cleansing	797,642	792,738	4,904	856,350	1,041,569	185,219	Removal of GYBS saving
CGSF	Footway & Street Lighting	340,371	275,660	64,711	367,545	468,220	100,675	Electricity budget added which should have been reflected in original estimates
CGWA	Waste Management	949,340	971,930	(22,590)	828,034	1,082,929	254,895	Removal of GYBS saving £159k, DCLG funding from previous year £69k, contaminated waste budget £60k. Savings and additional income - removal of Disposal Credits budget £17k increase in Green Waste collections £-20k
CPBC	Building Control	40	(2,006)	2,046	8,950	(6,144)	(15,094)	Increase in general building activity
CPCP	Coast Protection	267,171	69,072	198,099	91,730	93,802	2,072	
CPDC	Development Control	(75,715)	65,467	(141,181)	105,808	38,853	(66,955)	Increase in income from New Build
CPLC	Land Charges	(62,217)	(55,991)	(6,226)	(50,668)	(25,063)	25,605	Decrease in income due to increase in fees to NCC
GNCL	Culture and Leisure	232,471	190,947	41,525	260,561	321,781	61,220	£57k remaining of the St George's Building Capacity budget which was not c/fwd from 2012/13, £3k St George's building insurance, £2k Seachange SLA RPI increase
GNMP	Marina/Phoenix Pool	489,789	512,518	(22,728)	583,313	561,737	(21,576)	£-35k panel replacement works are now part of capital works and £12k increase in GYS< management fee not budgeted for
ROEL	Elections	98,989	124,114	(25,125)	152,630	70,345	(82,285)	£-13k vacancy saving; £11.7k additional postage; -£80.1k election costs recovery from NCC not included in budget
ROLI	Licencing	(227,272)	(215,856)	(11,417)	(199,521)	(208,289)	(8,768)	Vacant post
RPCC	Community Centres	4,560	29,058	(24,498)	33,316	14,043	(19,273)	-£8.4k R&M as nothing planned; -£8.9k rates saving as budget too high
RPCO	Conservation	146,976	148,090	(1,114)	196,030	206,876	10,846	£20k less chargeable work in year; -£11.5k on historic building grants
		6,005,234	5,913,437	91,797	6,714,435	7,555,897	841,462	
Being an Enterprising and Ambitious Council								
CCCE	Cemeteries	124,399	44,322	80,077	65,502	76,058	10,556	Cemetery walls
CCCG	Car Parking	(482,155)	(308,932)	(173,223)	(477,348)	(536,897)	(59,549)	Saving in rates -£23k and salaries -£27k plus additional Car Parking income -£9k
CCCL	Car Parking SNC	(10,892)	0	(10,892)	0	(4,180)	(4,180)	
CCCN	Civil Enforcement	(65,547)	(71,914)	6,366	(82,879)	(114,700)	(31,821)	Income off set by recharges
CCCO	On Street	(28,043)	5	(28,047)	0	(1,000)	(1,000)	
CCCC	Car Park Palmers	(81,758)	(92,079)	10,321	(99,680)	(96,856)	2,824	Palmers owe us money from previous year.
CCCR	Crematorium	(455,023)	(354,738)	(100,285)	(742,824)	(656,359)	86,465	Payroll Savings -£5.5k, GYBS savings removed +£71k and other crematoriums used +£16k whilst ours were out of action
CCCT	Car Park Trust	(2,856)	(711)	(2,145)	(950)	(1,810)	(860)	
CTCP	Civic and Portering Services	83,411	69,871	13,541	94,161	102,817	8,656	Original budget incorrect for salaries. Shift allowance excluded from establishment 2013-2014
CTTO	Tourism	350,019	400,015	(49,996)	546,634	512,924	(33,710)	Salary virement required to cover salary overspends in other Tourism & Marketing Services
CTVE	Weddings and Functions	9,252	0	9,252	0	12,200	12,200	New cost centre - no original budget
RPGY	GY Development Company	1,649	0	1,649	0	0	0	
RPMA	Markets	(76,724)	(135,885)	59,161	(156,445)	(101,231)	55,214	£4k overtime costs of additional events and Fayres; £5k net cost of bags and gazebos; £2.8k Christmas Fayre costs to be reimbursed; £22.1k loss on 6 day market as 2 stalls empty and payment insensitive to move to D/D
RPPB	Bretts	(15,573)	(12,747)	(2,826)	(49,836)	(38,884)	10,952	£22k running costs £6.5k caretaker costs and £5k profit share to Benjamin Foundation; -£20k income for multi-use areas
RPPC	Courts	(5,802)	(6,961)	1,159	(12,769)	(19,743)	(6,974)	£3.9k utility costs not put in budget but recovered through service charge; -£10.8k service charge income due
RPPG	Corporate Estate	(1,774,173)	(1,809,365)	35,192	(2,197,419)	(2,160,248)	37,171	£2.5k stamp duty costs for BCS sale; £3.6k additional paving costs for Almond Rd; £3.9k insurance costs as includes Winter Gardens; £15.4k additional insurance costs as all seafront concessions coded here now; £5.7k income loss as boating lake closed for DDA improvements; £5k reduction in income as Ocean Rooms rent increase less than expected
RPPO	Onians	0	6,965	(6,965)	6,965	2,915	(4,050)	Rent free period
RPPP	Property Services	230,272	324,310	(94,039)	457,196	337,630	(119,566)	£-85k vacancies, although now fully staffed; £-17k agency staff savings as all posts filled
RPPW	Waterways	42,737	42,504	233	56,602	56,602	0	
RRRE	Revenues	175,178	361,096	(185,918)	643,002	490,716	(152,286)	£-61k net establishment savings due to vacancies; £-40k additional summons income as more court cases; £-71k NCC funding for council tax reform
		(1,981,628)	(1,544,243)	(437,386)	(1,950,088)	(2,140,046)	(189,958)	
Support Services								
CCCS	Customer Services	395,790	352,630	43,160	492,393	528,238	35,845	NDL Universal Integration Platform purchase
CCIC	IT	52,999	36,864	16,135	1,204,069	1,021,493	(182,576)	Correction to IT Service Contract
CCSS	Support Services	216,694	218,110	(1,415)	314,549	308,416	(6,133)	Savings used to help cover NDL Universal Integration Platform purchase
CTCO	Communications	43,894	61,485	(17,591)	83,251	81,620	(1,631)	
CTMA	Mayor	15,759	16,463	(704)	21,950	19,850	(2,100)	
CTRE	Print and Design	84,688	109,258	(24,570)	147,409	163,053	15,644	Salary costs incorrect - virement required from Tourism
EXTE	Executive Team	358,023	358,362	(339)	475,083	487,098	12,015	Director pay increases and 2 employees worked to 7/4/13 but there was no budetary provision for this
ROCS	Corporate Strategy	143,245	141,449	1,796	194,787	195,699	912	

Service Code	Service	Actual YTD Net Exp	Budget YTD Total	Variance YTD Total	Budget Full Year	Forecast Full Year	Variance	Explanation re: Variances
		£	£	£	£	£	£	
ROLE	Legal	134,465	148,860	(14,395)	188,487	176,655	(11,832)	Share of NPLaw surplus
ROMS	Member Services	410,433	461,555	(51,122)	623,416	574,348	(49,068)	-£18.4k establishment savings with vacant posts; £10.4k monthly iPad and broadband costs; -£40.9k reduction in PCCFG expenditure
RPCS	Construction Services	558,650	591,000	(32,350)	666,532	702,053	35,521	£-9k salary saving as no honorariums anymore and part time post budgeted full time; £49k loss of income as building part of General Fund now
RPMT	Modernisation Team	65,158	68,886	(3,728)	94,440	96,321	1,881	
RRFI	Finance	492,184	494,746	(2,562)	872,702	876,011	3,309	
RRHR	Human Resources	259,127	285,338	(26,211)	395,037	454,920	59,883	£65.8k redundancy costs; £15k agency cover for vacancies; -£15.7k saving on training costs; -£7.3k saving as less occupational health referrals
		3,231,111	3,345,005	(113,895)	5,774,105	5,685,775	(88,330)	
Total Service Related Costs		8,870,338	9,336,526	(466,188)	12,817,666	13,335,525	517,859	
SUMX	Non Service Cost Items	(2,019,608)	(12,711,886)	10,692,278	(11,382,631)	(12,075,845)	(693,214)	£-755k GYBS savings reflected in services above, MRP savings of £-32k, additional ongoing pension costs £91k, Council Tax Support grants to Parish Councils not budgeted for £40k, additional ESG grant £-280, ESG expenditure savings £-1,740 and a net transfer to reserves of £1,983
SUMX	Recharges to Housing Revenue Account (HRA)	0	0	0	(1,435,035)	(1,259,680)	175,355	Reduction in recharges to the HRA
Grand Total		6,850,730	(3,375,360)	10,226,090	0	0	0	