

## 1. Introduction

- 1.1 This is the third report for the financial year 2013-14.
- 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 table below shows the current year actual expenditure against current budget, and forecasts that the Council will be utilising £995k from reserves, against a budget which proposed to utilise £1,473k from reserves. This represents an underspend against the original budget of £478k, which is explained in more detail below.

	ACTUAL YTD	BUDGET YTD	FULL YEAR BUDGET	FORE- CAST	YTD ACTUAL - BUDGET	FORE- CAST - FULL YEAR BUDGET
	£000s	£000s	£000s	£000s	£000s	£000s
CREMATORIUM & CEMETERIES	(679)	(698)	(1,396)	(1,418)	20	(22)
CAR PARKING	(1,341)	(1,057)	(2,114)	(2,204)	(284)	(90)
LICENSING	(228)	(248)	(301)	(314)	20	(13)
MARKET	(221)	(226)	(394)	(358)	6	36
CORPORATE ESTATE	(1,506)	(1,470)	(2,635)	(2,584)	(36)	51
OTHER INCOME	(3,008)	(2,352)	(5,479)	(6,032)	(656)	(553)
<b>INCOME</b>	<b>(6,983)</b>	<b>(6,052)</b>	<b>(12,319)</b>	<b>(12,911)</b>	<b>(931)</b>	<b>(592)</b>
SALARIES	4,600	4,856	9,967	9,476	(256)	(492)
SALARIES UNDERSPEND	-	(28)	(56)	(56)	28	-
<b>NET SALARIES</b>	<b>4,600</b>	<b>4,828</b>	<b>9,911</b>	<b>9,419</b>	<b>(228)</b>	<b>(492)</b>
INSURANCE	141	170	324	324	(29)	(1)
GAS & ELECTRICITY	134	116	232	243	18	11
RATES	672	423	608	669	249	60
WATER & SEWERAGE	46	41	85	87	5	2
R&M	293	293	631	671	0	40
GYBS	3,199	3,199	5,634	5,634	-	-
BENEFITS	(338)	(260)	(520)	(541)	(78)	(20)
OTHER GENERAL FUND	4,140	4,554	11,273	11,993	(414)	720
RECHARGES	5	-	(1,435)	(1,435)	5	-
CAPITAL CHARGES	-	(2)	(4)	(4)	2	-
CONTINGENCY	-	-	1,931	1,931	-	-
EARMARKED RESERVES	97	(22)	36	(172)	119	(208)
FORMULA GRANT & CTAX	(8,388)	(8,388)	(14,913)	(14,913)	-	-
	<b>(2,384)</b>	<b>(1,103)</b>	<b>1,473</b>	<b>995</b>	<b>(1,281)</b>	<b>(478)</b>
GF RESERVE TRANSFER	-	-	(1,473)	(995)	-	478

<b>(2,384)</b>	<b>(1,103)</b>	<b>(0)</b>	<b>(0)</b>	<b>(1,281)</b>	<b>-</b>
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### 3. Income

- 3.1 Income for the year is forecast to be £592k higher than the original budget. However, this partly offsets the expenditure variance highlighted in the table in section 5.1. The table below shows the actual to budget variances for the year to date which are caused by profile variances for the budget against actual or for grants received where expenditure will be incurred later in the year:

<b>INCOME ANALYSIS</b>	<b>YTD £000s</b>	<b>FY £000s</b>
CREMATORIUM & CEMETERIES	20	(22)
CAR PARKING	(284)	(90)
LICENSING	20	(13)
MARKET	6	36
CORPORATE ESTATE	(36)	51
OTHER INCOME:		
BENEFITS	(63)	(63)
ENVIRONMENTAL HEALTH	(14)	(64)
OUTDOOR SPORTS	(18)	-
REVENUES	(51)	(45)
ELECTIONS	(46)	(104)
GRANTS TO VOLUNTARY BODIES	(36)	(36)
HOUSING NEEDS	89	125
ECONOMIC DEVELOPMENT	(203)	(200)
TOURISM	(31)	15
DEVELOPMENT CONTROL	(47)	(6)
WASTE MANAGEMENT	(210)	(261)
OTHER (BALANCING FIGURE)	(28)	83
<b>TOTAL</b>	<b>(931)</b>	<b>(592)</b>

### 4. Salaries

- 4.1 Salaries are forecast to be £492k lower than budget, based on the savings year to date and allowing for current vacancies to be filled throughout the year.

### 5. Non Pay Expenditure

- 5.1 The non pay expenditure is currently forecast to be £813k over spent. Variances year to date are primarily due to the profiling of budgets. The table below shows the breakdown for the forecast outturn variance:

<b>EXPENDITURE ANALYSIS</b>	<b>YTD £000s</b>	<b>FY £000s</b>
INSURANCE	(29)	(1)
GAS & ELECTRICITY	18	11
RATES	249	60
WATER & SEWERAGE	5	2
R&M	0	40
GYBS	-	-
BENEFITS	(78)	(20)
OTHER GENERAL FUND	(414)	*720
RECHARGES	5	-
CAPITAL CHARGES	2	-
CONTINGENCY	-	-
<b>TOTAL</b>	<b>(241)</b>	<b>813</b>

\*includes Housing Needs bed & breakfast costs £75k partly offset by additional income, Economic Development coastal communities expenditure £193k offset by government grant income and Waste Management costs of purchasing new refuse vehicle to be re-classified as capital expenditure £147k. This leaves a balance of £305k which can be attributed to variances on a number of service areas.

## 6. General Fund Capital Programme Monitoring 2013-14

Directorate	Original Approved Budget 2013-14	Total Revised Budget 2013-14	Actual Expenditure to 30 <sup>th</sup> September 2013
	£'000	£'000	£'000
Housing & Neighbourhoods	1,900	5,632	537
Customer Services	954	1,721	711
Resources, Governance & Growth	2,827	13,304	1,250
<b>Total</b>	<b>5,681</b>	<b>20,657</b>	<b>2,498</b>

- 6.1 As at the end of Sept 2013, £2.498m had been spent against the second quarter budget of £10.329m (one half of total budget).
- 6.2 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 will relate to works that will not be carried out until after this financial year; we are currently waiting for information from contractors, which when received, will enable us to profile the budgets accordingly.
- 6.3 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.
- 6.4 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 need to be rolled over into the new financial year. The rest of the variance can be explained by the Marina Centre budget as described above.
- 6.5 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 are planned for later on in the year. Examples of these include North Drive Lighting, Esplanade Resurfacing, Ravine Bridge Refurbishment and the extensions to North Drive and St Nicholas car parks.
- 6.6 The Budget for Resources, Governance and Growth is made up predominantly of the Beacon Park and St Georges Theatre & Pavilion projects. Only a relatively small amount of expenditure has been incurred on Beacon Park to date, however, construction has now commenced on the first Phase of office and industrial units and is expected to be complete by April 2014, therefore expenditure will increase significantly over the next two quarters.

- 6.7 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.

**7. Conclusions**

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