

### General Fund Qtr2 Monitoring

#### 1. General Fund

1.1. General Fund performance of the quarter is shown in the table below:

2019/20	Full Year Budget	Profiled Budget	Actual to 30th Sept 2019	Variance to date	Forecast Full Year Variances	Indicative Revised Budget
SUMMARY	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Services	5,451	2,719	2,866	147	(0)	5,451
Contingency Provision	1,600	800	0	(800)	0	1,600
Service Delivery	8,558	4,183	4,672	489	478	9,036
Regeneration, Planning & Assets	431	365	852	487	618	1,049
Tourism & Enterprise Services	439	207	323	116	174	613
Housing Revenue Account	(3,235)	0	0	0	(300)	(3,535)
<b>Total Service Expenditure</b>	<b>13,244</b>	<b>8,274</b>	<b>8,712</b>	<b>439</b>	<b>969</b>	<b>14,213</b>
Efficiency Savings	(750)	(375)	(180)	195	30	(720)
Capital Financing and Interest	0	(90)	(20)	70	150	150
Contributions to/(from) Reserves	964	450	(150)	0	(0)	964
<b>Net Expenditure</b>	<b>13,458</b>	<b>8,259</b>	<b>8,362</b>	<b>704</b>	<b>1,149</b>	<b>14,607</b>
<b>Forecast Increase on Original Full Year Budget</b>						<b>1,149</b>

1.2. The above table shows that the variance at the end of September was £0.704M, which is an increase of £0.651M from the £53K reported at Qtr1.

1.3. The variance is forecast to increase to £1.149M by year end. This takes into account the anticipated additional impact of the economic slowdown and the significant increase in demand for housing and housing related costs.

1.4. This is being managed by the use of the contingency budget (£1.6M) which was established to cover such circumstances, and will therefore ensure that the overall budget position remains balanced.

1.5. The reasons for the major variances are set out below:

- **£478K Service Delivery**

The updated mid-year estimate for Housing Benefit Subsidy has resulted in an additional cost increase of £506K which is now in line with the outturn position for 2018/19.

There are additional housing costs of £192K of which £100K relates to increase in Private Sector Leasing payments to landlords and £79K increased shared service staffing costs.

Waste and Recycling costs have also increased by £68K as a result of increased fuel costs following the changeover from electric vehicles to HGV.

Partially offsetting these cost increases is a reallocation of additional funding of £240K.

- **£618K Regeneration, Planning & Assets**

The most significant variance relates to the Corporate Landlord budget, which has seen reductions in investment property income of £214K, in addition to increased operating costs of £353K across the estate for utilities, repair and maintenance and professional fees.

Planning costs are also anticipated to increase by £205K as a result of additional shared service staffing costs.

These increases have partially been offset by a saving of £152K in respect of the Newhaven Enterprise Zone which is now budgeted to be funded from reserves.

- **£174K Tourism & Enterprise**

£114K of this variance relates to the Lewes Tourism service which now more accurately reflects the employee costs associated with this service, in addition to the cost of events and associated consultancy work.

This is offset by efficiency savings achieved elsewhere within the budget.

A further £60K increased cost relates to additional repairs at Newhaven Fort.

- **(£300K) Housing Revenue Account**

There is an increased service provision to HRA for additional services and resourcing requirements to meet the delivery of the Business Plan.

- **£150K Capital Financing an Interest**

Investment interest forecasts have been revised reflecting the latest interest rate forecasts which has resulting in a reduction in income.

## 2. Housing Revenue Account

2.1. The position at the end of September shows a variance in expenditure of £383K.

	<b>Current Budget</b>	<b>Profiled Budget</b>	<b>Actual to 30 Sept 2019</b>	<b>Variance to date</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>HRA</b>				-
Income	(16,021)	(8,010)	(8,010)	
Expenditure	14,183	6,418	6,801	383
Capital Financing & Interest	2,170	910	910	-
<b>Total HRA</b>	<b>(29)</b>	<b>(682)</b>	<b>(299)</b>	<b>383</b>

2.2. The repairs figures are still based on estimates provided by Mears as the issue associated with invoicing is still to be resolved.

### 3. Capital Programme

3.1. The capital programme for 2019/20 totals £55.4M with £1.229M still awaiting approval for Community Infrastructure (£1.2M) and Parks and Pavilions remedial works (£29K). The programme would then total £56.7M.

3.2. Current spend totals £9.131M, leaving a balance of £47.7M still to spend in the last half of the year.