



REVENUE AND CAPITAL OUTTURN – 2ND QUARTER 2012/3
REPORT OF DEPUTY CHIEF EXECUTIVE – (CORPORATE DIRECTION)

1. **PURPOSE OF REPORT**

1.1 To inform members of the revenue and capital outturn at the end of the second quarter of 2012/13

2. **RECOMMENDATION**

2.1 That the committee notes the report

3. **BACKGROUND TO THE REPORT**

3.1 Attached to this report are detailed schedules showing a comparison of actual and budgeted income and expenditure for 1st April – 30th September 2012.

General Fund

3.2 When the budget was approved by Council in February 2012 it was anticipated that £452,616 would be taken from balances (with an additional £57,600 from special expenses) and a net £364,450 transferred to Reserves.

3.3 Since that date £386,319 of supplementary budgets have been approved. In addition to this, budget managers requested that the under spend in their budget(s) be carried forward to 2012/13. Requests totaling a net £136,093 were approved by Council in September 2012.

3.4 Explanations for variances against both profiled budget and estimated outturn have been detailed in the monthly outturn reports appended. The major service variations in excess of £50k have be summarised as follows:

	Variation to date	Outturn variances	Explanation
	£000's Under spend/(Overspend)		
Housing (General Fund) – Rent Allowances	70	10	Timing difference due to additional income received from benefit overpayments (£58,000) and discretionary housing payments (£12,000)
Leisure & Environment – Recycling	84	71	Various under spends including (year end): <ul style="list-style-type: none"> o £13,000 saving on fuel due to price reductions o £40,000 saving from deferral of food waste scheme
Leisure & Environment – Refuse	51	19	Timing variances include: <ul style="list-style-type: none"> o £20,000 salaries under spend o £16,000 saving on fuel due to price reductions (£13,000 forecast to year end)

			<ul style="list-style-type: none"> ○ £15,000 rebate from County Council (£5,000 forecast to year end)
Planning – Development Control	204	100	Additional income of £100,000 forecast to year end to reflect the receipt of large applications (e.g. Barwell SUE)
Support Services – Holding Account – Legal and Admin	60	31	Timing variances include: <ul style="list-style-type: none"> ○ £27,000 savings on salaries due to vacant posts ○ £21,000 additional income from shared service working

- 3.5 Based on these forecasts, the Council is projecting that £869,595 will be taken from balances (with £82,770 from special expenses). However, this movement reflects the £1,066,000 that was approved by Council to be transferred from balances to reserves in September 2012. On this basis the “true” estimated position is that **£196,405 will be taken to General Fund balances**, reflecting the under spends highlighted above.

Capital

- 3.6 £1,429,660 has been spent on capital schemes to the end of September 2012 against a budget for that period of £3,267,227. This is mainly due to slippages on schemes that will be deferred to later in the year. A full review of the Capital Programme has been performed as part of the budget setting process for 2013/14, the results of which are detailed in the Capital Programme contained on this meeting’s agenda.

Housing Revenue Account

- 3.7 At the present time it is anticipated that the HRA outturn surplus will be £1,720,325 as against a profiled budget of £1,729,448. Following the clarification of the Councils position under self financing it is forecast that £240,000 more interest will be due in year to reflect the profile of the loans. In addition, Council approved that an additional £114,280 will be taken from the HRA to the HRA Regeneration Reserve in year to provide funding for future affordable housing plans.

4. FINANCIAL IMPLICATIONS (KB)

The financial implications on the Council’s budget position are outlined in the report.

5. LEGAL IMPLICATIONS (AB)

None raised directly by this report

6. CORPORATE PLAN IMPLICATIONS

None

7. CONSULTATION

All budget holders have been consulted in collating the information for this report.

8. RISK IMPLICATIONS

It is the Council’s policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
S.11 - Failure to successfully deliver the Medium Term Financial Strategy	The Councils budget position is reviewed on a monthly basis and reforecast to ascertain any impact on the Medium Term Financial Strategy. All additional budget requests (supplementary budgets) are scrutinised and authorised in line with Financial Regulations to ensure they are required.	SK

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

None

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background Papers: Civica Financial Files

Author: Katherine Bennett Accountancy Manager ext 5609

Executive Member: Councillor KWP Lynch