

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

1. **PURPOSE OF REPORT**

1.1 To inform members of the revenue (General Fund and Housing) and capital outturn at the end of the third quarter of 2012/13 (31st December 2012)

2. **RECOMMENDATION**

2.1 That the select committee note the contents of the report and the associated financial positions

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 – 31st December 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 £510,159 of supplementary budgets/virements have been approved in line with the Councils financial procedure rules creating a latest budget for the Council of £12,237,159.

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	Main Explanations
	£000's Under spend/(Overspend)		
Housing (General Fund) – Rent Allowances	88	28	Additional income due from benefits overpayments raised in year.
Leisure & Environment – Recycling	166	232	Various under spends including (year end): <ul style="list-style-type: none"> ○ £20,000 savings on overtime and agency costs ○ £16,000 additional income from recycling sales due to increase in prices ○ £50,000 of additional recycling credits from the County Council due to increased volumes ○ £100,000 saving from deferral of food waste scheme

Leisure & Environment – Refuse	68	40	Timing variances include: <ul style="list-style-type: none"> £32,000 salaries and overtime under spend (£15,000 year end) £16,000 rebate from County Council (£14,000 forecast to year end)
Leisure & Environment – Street Cleansing	77	22	Timing variances include: <ul style="list-style-type: none"> £53,000 salaries savings. These will be reforecast to year end following conclusion of the departmental restructure £14,000 additional income from external cleaning and housing voids (£9,000 forecast to year end)
Planning – Development Control	274	140	Additional forecast income of up to £140,000 to reflect the receipt of large planning applications (e.g. Barwell SUE)
Planning - Economic Development	58	58	Savings represent internal costs incurred by the Council on the A5 expansion which will be funded by the Regional Growth Fund.
Planning – Planning Policy	98.5	98.5	Underspends on planning projects including Local Development Framework (£90,000) and Gypsy and Traveler Needs Assessment (£8,500)
Support Services Holding Account – Council Offices	63	119	Forecast additional rent of £27,000 for Florence House and £90,000 savings from delay of move to Hinckley Hub.
Support Services Holding Account – Legal and Admin	110	59	Timing variances include: <ul style="list-style-type: none"> £39,000 savings on salaries due to vacant posts £19,000 savings in postage costs following transfer of costs to revenues and benefits partnership (£18,000 to year end) £31,000 additional income from shared service working (£30,000 to year end)

3.5 Based on these forecasts, the Council is projecting that £697,668 will be taken from balances (with £67,770 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 **£368,312 will be taken to General Fund balances**, reflecting the under spends highlighted above.

Capital

3.6 £3,073,672 has been spent on capital schemes to the end of December 2012 against a budget for that period of £4,427,163. This is mainly due to slippages on schemes that will be deferred to 2013/2014. During quarter 4, service managers will be able to

submit requests for carry forwards of capital schemes, all of which will be reviewed by finance and presented to Council for approval.

Housing Revenue Account

3.7 At the present time it is anticipated that the HRA outturn surplus will be £251,903 against a budget of £388,097. This represents a total overspend of £136,194. 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. This is offset by a number of under spends on supervision and management including salary vacancies (£78,000) and savings following delay of the move to the Hinkley Hub.

3.8 On the basis of the above, it is forecast that the year end HRA balance will be £1,562,806

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	SK

	line with Financial Regulations to ensure they are required.	
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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

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