

FINANCE, AUDIT & PERFORMANCE SELECT COMMITTEE – 12 DECEMBER 2011

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

RE: REVENUE AND CAPITAL OUTTURN 2nd QUARTER 2011/12

1. **PURPOSE OF REPORT**

To inform members of the revenue and capital outturn at the end of the second quarter 2011/12

2. **RECOMMENDATION**

That the Select Committee notes the report

3. **BACKGROUND TO THE REPORT**

Attached to this report are detailed schedules showing a comparison of actual and budgeted income and expenditure for the quarter ended 30 September 2011.

General Fund

When the budget was approved by Council in February 2011 it was anticipated that £202,960 would be taken from balances and £400,000 taken from Reserves. Since that date £41,014 of supplementary budgets and adjustments for known underspends have been approved (£128,720 of which relates to carry forwards of budget from 2010/11 approved by Council on 28 June 2011 due to expenditure in that year being unavoidably delayed and £58,730 will be financed from reserves). Provision was made in the budget for a Pay Award and incremental advancement of employees in 2011/12, neither of these events occurred and this has resulted in a saving of £226,310. Other estimated savings totalling £831,000 have been identified and the major items are detailed below. It is suggested that £124,000 of the saving be transferred to reserves to meet future specific expenditure needs and £97,000 of the projected amount to be taken from balanced not be used which would leave £588,000 to be transferred to General Balances.

Major variations (+ve = saving –ve, = additional cost)	£'000
Salary Savings	302
Additional Recovery of Benefit overpayments	170
Recycling – deferment of food waste scheme and additional	
Income from bin rental	169
Reduced cost of Borough Election	25
Building Control income higher than expected	30

Additional Planning Fee Income	50
Barwell and Earl Shilton SUE project expenditure Now deferred to 2012/13 (funded from LDF Reserve)	67
Rental Income from Florence House	40
ICT Support – various savings	32
Ill Health Retirement Insurance	27

Capital

Variations in the Capital Programme mainly result from timing issues in that expenditure is not being incurred when it was anticipated in the phased budget. At the present time it is not anticipated that there will be a significant variation at outturn except in the case of the work at Richmond Park which is awaiting the outcome of a grant application to the Football Association before proceeding and it is unlikely the work will commence before the spring of 2012 and the expenditure carried forward to 2012/13.

Housing Revenue Account

At the present time it is anticipated that the HRA outturn deficit will be £147,000 as against the latest approved budget of £214,000. This reflects a net underspend of £67,000. Details of the variations are included on the attached schedule

4. **FINANCIAL IMPLICATIONS [DB]**

There are none arising directly from the report

5. **LEGAL IMPLICATIONS [AB]**

There are none arising directly from the report

6. **CORPORATE PLAN IMPLICATIONS**

None

7. **CONSULTATION**

None

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
None		

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

There are none arising from the report

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 Authority Financials reports

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