



REVENUE AND CAPITAL OUTTURN – 2ND QUARTER 2013/2014
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 2013/2014

2. **RECOMMENDATION**

2.1 That the committee notes the report

3. **BACKGROUND TO THE REPORT**

3.1 Attached to this report are the monthly outturn reports including the following information for the period 1st April– 30th September 2013:

- General Fund budget monitoring summary
- General Fund detailed variance analysis
- Outturn for the Groundcare DSO
- Capital Programme outturn by scheme
- Outturn position for the Housing Revenue and Housing Repairs accounts

General Fund

3.2 When the budget was approved by Council in February 2013 it was anticipated that £267,372 would be taken **from** balances and a net £230,641 transferred **to** earmarked reserves. Since that date, £252,476 of supplementary budgets have been approved in line with financial procedure rules.

3.3 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 £50,000 have be summarised as follows:

	Timing Differences	Outturn variances	Explanation
	£000's Under spend/(Overspend)		
Council Tax /NNDR	-	58	Additional legal fees income from recovery activity forecast to be received to year end (£33k as at September 2013)
Rent Allowances	64	-	Additional overpayment income received to September 2013 compared to profile.
Recycling	77	95	Various savings identified following a full review of budgets in this year. Key variances include £25k savings on fuel expenditure and £15k of agency fees.
Car Parks	54	59	Additional car parking income arising from a delay in closing Brunel Road

			car park and receipt of season ticket income from Leicestershire County Council.
Council Offices	(65)	(40)	Variance includes £22k less income from Florence House rental and additional electricity costs for the Middlefield depot of £18k
Various	-	164	Salary savings identified across all service areas

3.4 Taking into account these variances, £413,479 of positive variances against budget are forecast to the year end. In considering this position it should be noted that a transfer of £568,000 from balances to reserves was approved by Council in June 2013. Taking this into account, a net under spend of £406,903 is forecast to year end as indicated below leaving closing General Fund balances of £1,352,531:

	Transfer to/(from) Balances
	£
Original Estimate	-267,372
Approved transfer to reserves	-568,000
Forecast position	-835,372
Forecast outturn position (Sept '13)	-428,469
(Under)/over spend	-406,903

3.5 It should be noted that of the under spends identified, it is expected that up to £149,000 will be spent to year end following approval of a grant to the Hinckley Squash Club (£49,000) and in anticipation of payments for planning appeals (circa £100,000).

Capital

3.6 £2,921,746 has been spent on capital schemes to the end of September 2013 against a budget for that period of £4,076,815. This represents an under-spend of £1,156,034. The major variations in excess of £50,000 are as follows:

Scheme	£000's Under spend/ (Overspend)	Explanation
Green Deal Fuel Poverty	381	These funds are held on behalf of all Leicestershire Districts. Under spend reflects delays in completion of works across the County. Of this variance, £246k was committed to be spent as at September 2013. All monies must be spent by the year end and therefore no forecast variance is expected.
Housing Repairs	615	Difference represents the value of "Work in Progress" (WIP) currently sat within the Council's Orchard system. This will be transferred to the financial ledger following completion of works. The value of this WIP is being monitored on a periodic basis to ensure that the outturn on these budgets is accurately

		forecast. Taking into account this balance as at 30 th June 2013, the total over commitment on the Housing Repairs capital budgets is forecast to be circa £17k. Any shortfall will be met by the contingency budget which is currently under-spent.
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Housing Revenue Account

3.8 At the present time it is anticipated that the HRA outturn deficit will be £1,174,588 as against an approved budget of £1,101,153. This reflects a net over spend of £73,435 which relates to the reversal of accounting entries at the start of the financial year. Use of the HRA regeneration reserve was considered in the revised HRA Investment Plan by Council during July 2013 and any approved schemes will be reflected in the Capital Programme for 2014/15 onwards.

4. FINANCIAL IMPLICATIONS (KP)

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

The budget impacts on all areas of the Corporate Plan

7. CONSULTATION

All budget holders have been consulted in collating the information for this report. This information has previously been reported to Executive Briefing.

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

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: Sanjiv Kohli, Deputy Chief Executive (Corporate Direction) ext
5607
Katherine Plummer, Head of Finance ext 5609

Executive Member: Cllr KWP Lynch