



REVENUE AND CAPITAL OUTTURN –3RD 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 position at the end of the third 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 following outturn reports for the period 1st April– 31st December 2013:

- General Fund budget monitoring summary
- General Fund detailed variance analysis
- Outturn for 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 £166,199 would be taken **from** balances and a net £129,478 transferred **to** earmarked reserves. Since that date, £269,028 of supplementary budgets have been approved in line with financial procedure rules.

3.3 Explanations for timing and outturn variances have been detailed in the monthly outturn reports appended. The major service variations in excess of £50,000 have be summarised as follows:

	Timing variances	Outturn variances	Explanation
	£000's Under spend/(Overspend)		
Council Tax /NNDR	88	88	Additional legal fees forecast to be recovered to year end.
Rent Allowances	-	(64)	Estimated reduction in subsidy income forecast to year end. This amount fluctuates during the year and will be confirmed at year end as part of the benefit subsidy claim.
Recycling	70	87.5	Various savings identified following a full review of budgets. Key variances include £25k savings on fuel expenditure and £15k on agency fees.
Planning Policy	129	-	Current under spends on documents required for the Local Development Framework. These budgets will be carried

			forward within the LDF reserve for 2014/2015 to meet the new requirements of the Local Plan. On this basis there is no outturn variance forecast.
Council Offices	(62)	(36)	Variance includes £22k less income from Florence House rental and £14k additional NNDR costs. Appeals have been lodged against the NNDR valuation. These cases are expected to be heard in 2014/2015.
Various	-	193	Salary savings identified across all service areas

3.4 Taking into account these variances, the Council is forecasting that £366,443 will be taken **from** balances 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 £367,756 is forecast to year end as indicated below:

	Transfer to/(from) Balances
	£
Original Estimate	-166,199
Approved transfer to reserves	-568,000
Forecast position	-734,199
Forecast outturn position (Dec '13)	-366,443
(Under)/over spend	-367,756

3.5 It should be noted, £50,454 of supplementary budgets were been approved in January 2014, including £27,150 relating to planning appeal costs.

Capital

3.6 £4,614,435 has been spent on capital schemes to the end of December 2013 against a budget for that period of £6,492,685. This represents an under-spend of £1,878,249. The major variations in excess of £50,000 are as follows:

Scheme	£000's Under spend/ (Overspend)	Explanation
Disabled Facilities Grants	218	Under spend due to the profile of applications for disabled facilities works. There is currently £269k of works committed and a variance of £132k is forecast to the year end. The budget has therefore been reduced to reflect this activity.
Regional Growth Fund Works	832	These budgets are held for the works performed on the A5 and sub station site at MIRA. The current under spends are due to the timing of procuring the main contractor for the infrastructure works for the project. This process was delayed whilst awaiting the outcome of Pinchpoint funding for the Highways Agency. All funding must be spent by 31 st March 2015 and

		therefore these budgets will be re-profiled to reflect the revised programme.
Council office relocation	61	This represents an under spend on this scheme which will be carried forward to 2014/2015 to complete essential masonry and roofing repairs at Ashby Road Cemetery
Florence House dilapidations	67	Timing difference. Payment for this work was made in January 2014.
Housing Repairs	Various	The position on the Housing Repairs capital budgets as at 31 st December 2013 reflects the increase in deficit on the Housing Repairs trading account. A number of virements were approved by Council in Feb 2014 to cover any under recovery and therefore the net impact on the Capital Programme is nil.

Housing Revenue Account

3.7 As at 31st December 2013 it is anticipated that the HRA outturn deficit will be £1,103,013 as against a latest budget of £1,187,013. This reflects a net under spend of £84,000 which relates to the reversal of accounting entries at the start of the financial year.

4. FINANCIAL IMPLICATIONS (KP)

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

5. LEGAL IMPLICATIONS (MR)

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

<p>That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget</p>	<p>A budget strategy is produced to ensure that the objectives of the budget exercise are known throughout the organisation.</p> <p>The budget is scrutinised on an ongoing basis to ensure that assumptions are robust and reflective of financial performance.</p> <p>Sufficient levels of reserves and balances are maintained to ensure financial resilience</p>	<p>S. Kohli</p>
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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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