



**REVENUE AND CAPITAL OUTTURN – 1ST QUARTER 2015/16
REPORT OF DEPUTY CHIEF EXECUTIVE – (CORPORATE DIRECTION)** *A Borough to be proud of*

1. **PURPOSE OF REPORT**

1.1 To inform members of the revenue and capital outturn at the end of the first quarter of 2015/16

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 quarter ending 30th June 2015:

- General Fund budget monitoring summary
- General Fund detailed variance analysis
- 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 2015 it was anticipated that £159,456 would be taken to General Fund balances and a net £223,951 transferred from earmarked reserves.

3.3 Since that date, the budget has been increased by £283,244, representing supplementary budgets that have been approved in line with financial procedures rules. On 21st July 2014 Council approved that £100,128 of unspent budgets from 2014/15 could be carried forward to 2015/16. These will therefore appear in the 2nd quarter outturn report.

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 £50,000 have been summarised as follows:

	Timing Differences	Outturn variances	Explanation
	£000's Under spend/(Overspend)		
Local Land Charges	70	70	Provision made for land charges litigation in 2014/15 that is no longer required following the final settlement.
General Grants	158	520	The Council has been awarded a "section 31 grant" in 2014/15 and 2015/16 to reimburse the cost of offering a number of business rate exemptions. The level of this grant that may be retained depends on the business

			rates outturn at 31 st March each year. Therefore in in order to be prudent, this income is placed into the Business Rates reserve pending any notification.
Development Control	92	200	Additional planning fees received/forecast in year
Economic Development	477	0	Regional Growth Funding received in advance. All funding will be spent on the MIRA project by year end

3.5 Based on these forecasts the current 2015/16 outturn shows **£11,312,278** being spent on services with **£ 170,049** net being transferred to earmarked reserves and **£287,212** being transferred to General Fund balances. On this basis a net under spend of £127,756 is forecast to year end.

Capital

3.6 £2,886,696 has been spent on capital schemes to the end of June 2015 against a budget for that period of £4,009,875. This represents an under-spend of £1,123,179. The major service variations in excess of £50,000 have be summarised as follows:

Scheme	£000's Under spend/ (Overspend)	Explanation
Regional Growth Fund	-245	Scheme will be funded from unspent grants received in previous year. The carry forward of income was approved by Council in July 2015 and therefore will be reflected in the 2 nd quarter monitoring.
Council Office Relocation	86	Awaiting final invoice from contractor for works performed. No further spend anticipated.
Channel Shift	157	Budget requires reprofiling to reflect the schemes agreed. All Transformation Challenge Funding must be spent by 31 st March 2016
New Squash Facility	-278	Scheme will be funded by carry forwards of underspend from 2014/15. These were approved by Council in July 2015 and therefore will be reflected in the 2 nd quarter monitoring. Works are progressing in line with plan. Total scheme is a fixed price and therefore risks of overspends are eliminated.
Housing Repairs (Cumulative repairs schemes)	398	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 2016 a small under spend is forecast to year end.
Affordable Housing	742	An indicative budget allocation was included in the 2015/16 budget pending approval of

		particular schemes. A 5 year development plan is currently being produced which will inform how this budget will be spent.
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Housing Revenue Account

- 3.7 As 30th June 2015 it is anticipated that the HRA outturn deficit will be £88,573 against a latest budget showing the same position.
- 3.8 The Housing Repairs Account, is currently forecasting to be spent in line with budget for 2015/16.

4. **FINANCIAL IMPLICATIONS (KP)**

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

5. **LEGAL IMPLICATIONS (JB)**

None arising directly from this report.

6. **CORPORATE PLAN IMPLICATIONS**

The budget ultimately address all Corporate Plan objectives.

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

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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