



**REVENUE AND CAPITAL OUTTURN – 2ND 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 second 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 September 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 £188,634 transferred from earmarked reserves.

3.3 Since that date, the budget has been increased by £301,122 (Appendix 1), representing supplementary budgets that have been approved in line with financial procedures rules. On 21st July 2014 Council approved that £100,128 (Appendix 2) of unspent budgets from 2014/15 could be carried forward to 2015/16. These have been included 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)		
General Grants	87	630	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 order to be prudent, this income is placed into the Business Rates reserve pending any notification.

Refuse Collection	23	74	There is additional trade waste income, and savings on fuel, staff overtime and vehicle leasing, but offset to some extent by additional LCC disposal costs.
Planning Policy	25	132	Local Plan 2026 Plus is funded from reserves. The Retail Capacity Study has been committed for 15/16. All the other schemes have now been scheduled for future years. This balance will now be used in in 2016/17 and 20017/18 for sport, recreation and transport studies.
Development Control		210	Additional planning fees received/forecast in year, but this is dependent on planning applications received and approved.

3.5 Based on these forecasts the current 2015/16 outturn shows **£11,868,892** being spent on services with **£ 33,365** net being transferred **from** earmarked reserves and **£188,634** being transferred to General Fund balances. On this basis a net under spend of £29,178 is forecast to year end.

Capital

3.6 £8,112,889 has been spent on capital schemes to the end of September 2015 against a budget for that period of £13,764,145. This represents an under-spend of £5,651,256. The major service variations in excess of £50,000 have be summarised as follows:

Scheme	£000's Under spend/ (Overspend)	Explanation
Regional Growth Fund	(508)	Scheme will be funded from unspent grants received in previous year. The carry forward of income was approved by Council in July 2015 and has been reflected in the 2 nd quarter monitoring.
Council Office Relocation	(104)	Awaiting final invoice from contractor for works performed. No further spend anticipated. CCTV budget to be separated and profiled.
Channel Shift	82	Budget has been split into schemes, but requires reprofiling to reflect the separate schemes agreed. All Transformation Challenge Funding must be spent by 31 st March 2016
New Squash Facility	(140)	Scheme will be funded by carry forwards of underspend from 2014/15. These were approved by Council in July 2015 and have been 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)	471	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 September 2015, a small under spend is forecast to year end.
Affordable Housing	1,498	An indicative budget allocation was included in the 2015/16 budget pending approval of particular schemes. A five year development plan is currently being produced which will inform how this budget will be spent.

Housing Revenue Account

- 3.7 As 30th Sept 2015 it is anticipated that the HRA outturn deficit will be £310,987 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 which is a deficit of £102,124.

4. **FINANCIAL IMPLICATIONS (AW)**

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

5. **LEGAL IMPLICATIONS (MM)**

No legal implications.

6. **CORPORATE PLAN IMPLICATIONS**

The budget ultimately addresses 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

Author: Ashley Wilson, Interim Head of Finance, ext 5609

Executive Member: Cllr M Surtees