

# Report to the Finance and Performance Management Scrutiny Panel



**Date of meeting: 11 June 2013**

**Portfolio: Finance and Technology**

**Subject: Provisional General Fund Revenue Outturn 2012/13.**

**Responsible Officer: Peter Maddock (01992 564602)**

**Democratic Services Officer: Adrian Hendry (01992 564246).**

## Recommendations/Decisions Required:

- (1) That the overall 2012/13 revenue out-turn for the General Fund be noted;**
- (2) That as detailed in Appendix D, the carry forward of £836,000 District Development Fund expenditure be noted ; and**

## Executive Summary

This report provides an overall summary of the revenue outturn for the financial year 2012/13.

## Reasons for proposed decision:

To note the provisional revenue outturn.

## Other options for action:

No other options available.

## General Fund

1. The table below summarises the revenue outturn for the Continuing Services Budget (CSB) of the General Fund and the consequential movement in balances for 2012/13.

General Fund	Original Estimate £000	Revised Estimate £000	Actual Expend £000	Variance from Original £000	Variance from Revised £000
Net Expenditure after Adjustments (CSB)	14,735	14,777	14,316	(419)	(461)
Government Grants and Local Taxation	14,748	14,748	14,748	-	-
<b>(Contribution to)/from Balances</b>	<b>(13)</b>	<b>29</b>	<b>(432)</b>	<b>(419)</b>	<b>(461)</b>
Opening Balances – 1/4/12	(9,201)	(9,201)	(9,201)	-	-
<b>(Contribution to)/from Balances</b>	<b>(13)</b>	<b>29</b>	<b>(432)</b>	<b>(419)</b>	<b>(461)</b>

General Fund	Original Estimate £000	Revised Estimate £000	Actual Expend £000	Variance from Original £000	Variance from Revised £000
<b>Closing Balances – 31/3/13</b>	<b>(9,214)</b>	<b>(9,172)</b>	<b>(9,633)</b>	<b>(419)</b>	<b>(461)</b>

- Net expenditure for 2012/13 totalled £14.316 million, which was £419,000 (2.8%) below the original estimate and £461,000 (3.1%) below the revised. When compared to a gross expenditure budget of approximately £83 million, the variances can be restated as 0.5% and under 0.6% respectively.
- An analysis of the changes between Continuing Services Budget (CSB) and District Development Fund (DDF) expenditure illustrates where the main variances in revenue expenditure have occurred.

General Fund	Original Estimate £000	Revised Estimate £000	Actual Expend £000	Variance from Original £000	Variance from Revised £000
Opening CSB	15,968	16,180	15,706	(262)	(474)
In Year Growth	233	365	514	281	149
In Year Savings	(1,466)	(1,768)	(1,904)	(438)	(136)
<b>Total Continuing Services Budget</b>	<b>14,735</b>	<b>14,777</b>	<b>14,316</b>	<b>(419)</b>	<b>(461)</b>
DDF – Expenditure	1,924	2,610	1,610	(314)	(1,000)
DDF – One Off Savings	(807)	(2,140)	(1,773)	(966)	367
<b>Total DDF</b>	<b>1,117</b>	<b>470</b>	<b>(163)</b>	<b>(1,280)</b>	<b>(633)</b>
<b>Total Net Expenditure</b>	<b>15,852</b>	<b>15,247</b>	<b>14,153</b>	<b>(1,699)</b>	<b>(1,094)</b>

#### Continuing Services Budget

- CSB expenditure was £419,000 below the original estimate and £461,000 lower than the revised. Variances have arisen on both the opening CSB, £680,000 lower than the revised estimate and the in year figures, The Variance compared to the opening CSB is £474,000 lower than the revised estimate and the in year figures, £13,000 higher than the revised estimate.
- In common with recent years salary savings make up a proportion of this saving. Actual salary spending for the authority in total, including agency costs, was some £19.092 million compared against an original estimate of £19.526 million. Much of the saving of £434,000 was attributable to Housing Services, Finance & ICT and Environment and Street Scene. The largest monetary saving relates to Housing so broadly half of the overall saving fell on the Housing Revenue Account (HRA) or Housing Repairs Fund rather than on the General Fund. The saving was lower than in 2011/12 (2.2% compared to 4.8%) however a sizeable amount of this saving was built into the Probable Outturn. The saving over and above the revised estimate amounted to £127,000,(0.7%).
- There were a number of other CSB savings when compared to the revised, these include:
  - Some unspent monies relating to the corporate improvement budget (£34,000)
  - Building Maintenance (£58,000)
  - Various savings on recruitment advertising, postage and stationery within directorate admin budgets. (£35,000).

(d) A significant number of other budgets showing underspends of between £6,000 and £12,000.

7. The original in year CSB savings figure of £1,233,000 became an in year savings figure of £1,403,000. The main reasons related to the savings on the waste management contract and the inclusion of the New Homes Bonus but this was offset to a degree by the decision to build the whole of the pension deficit payments into the CSB. Given that the capitalisation direction applied for in 2011/12 was refused this was considered the appropriate prudent step to take in the circumstances. In the event savings were slightly lower than the probable outturn at £1,390,000, full details of items within the CSB growth figures can be found at appendix A.

#### District Development Fund

8. Net DDF expenditure was expected to be £1,117,000 in the original estimate and £470,000 in the revised estimate. In the event the DDF showed net income of £163,000. This is £1,280,000 below the original and £633,000 below the revised. There are requests for carry forwards totalling £836,000 these are detailed on Appendix D. These one-off projects are akin to capital, in that there is regular slippage and carry forward of budgetary provision. Therefore the only reasonable variance analysis that can be done is against the revised estimate.
9. The DDF reduced between the Original and Revised position by some £647,000, this was due to a mixture of items brought forward, rephased into future years and new items identified during 2012/13, the largest item introduced into the revised estimates was a credit of £237,000 for interest on a compensation payment relating to the construction of the M25 on council owned land. This has been ongoing since 1992 and due to the complex legal issues involved has only just been resolved.
10. Planning and Economic Development saw the largest reduction being £406,000 below the revised estimate, three quarters of this underspend is within the Local Plan budget. This is by far the largest budget within the DDF and there have been significant delays in each of the last three years leading to the need for substantial carry forward. Variations in excess of £100,000 on their DDF when compared to the probable outturn were recorded within Corporate Support Services and The Office of the Chief Executive. In Corporate Support Services the main variation related to the issue surrounding personal search charges within Local Land Charges. This is still ongoing and the allowance within the DDF is requested for carry forward. In The Office of the Chief Executive the large variation relates to the Local Land and Property Gazette, much of this should be spent during the second and third quarter of 2013/14. There are also significant variances of just under £100,000 in both the Deputy Chief Executive and Finance and ICT.
11. Appendix D lists the DDF items requested for carry forward.

#### **Consultation undertaken:**

None

#### **Resource implications:**

As set out in report, it is clear that the Cabinet priority to maintain a sound financial position has been achieved.

#### **Legal and Governance Implications:**

Reporting on the financial outturn for the previous financial year is recognised as a key element of the Council's Governance Framework.

### **Safer, Cleaner, Greener Implications:**

The Council's revenue budgets contain spending related to the Safer, Cleaner, Greener initiative.

### **Background Papers:**

Final Accounts working papers held in Accountancy.

### **Impact Assessments:**

#### Risk Management

This report is a key part in managing the financial risks faced by the Council.

#### Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? No

What equality implications were identified through the Equality Impact Assessment process?  
None

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?  
N/A

.