

Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Date of meeting: 19 June 2006

Portfolio: Finance and Performance Management

Subject: Provisional Revenue Outturn 2005/06.

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Recommendations/Decisions Required:

- (1) That the overall 2005/06 revenue out-turn for the General Fund and Housing Revenue Accounts be noted.**
- (2) That as detailed in Appendix B, the carry forward of £575,000 District Development Fund expenditure be approved; and**

Introduction:

1. This report provides an overall summary of the revenue outturn for the financial year 2005/06.

General Fund

2. The table below summarises the revenue outturn for the General Fund and the consequential movement in balances for 2005/06.

	Original Estimate £000	Revised Estimate £000	Actual Expend £000	Variance from Original £000	Variance from Revised £000
General Fund					
Net Expenditure after Adjustments	14,255	13,955	13,316	(939)	(639)
Government Grants and Local Taxation	14,284	14,284	14,284	-	-
(Contribution to) Balances	(29)	(329)	(968)	(939)	(639)
Opening Balances – 1/4/05	(5,488)	(5,488)	(5,488)	-	-
(Contribution to) Balances	(29)	(329)	(968)	(939)	(639)
Closing Balances – 31/3/06	(5,517)	(5,817)	(6,456)	(939)	(639)

3. Net expenditure for 2005/06 totalled £13.316 million, which was £939,000 (6.6%) below the original estimate and £639,000 (4.5%) below the revised. When compared to a gross expenditure budget of approximately £60 million, the variances can be restated as 1.6% and 1.1% respectively.

4. 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	14,156	13,687	13,323	(833)	(364)
In Year Growth	495	808	701	206	(107)
In Year Savings	(491)	(690)	(858)	(367)	(168)
Total Continuing Services Budget	14,160	13,805	13,166	(994)	(639)
DDF – Expenditure	1,613	2,450	1,693	80	(757)
DDF – One Off Savings	(691)	(2,235)	(2,188)	(1,884)	(340)
Total DDF	922	215	(495)	(1,417)	(710)
Appropriations	(827)	(65)	645	1,472	710
Net Expenditure	14,255	13,955	13,316	(939)	(639)

Continuing Services Budget

5. CSB expenditure was £994,000 lower than the original estimate and £639,000 lower than the revised. The variances have arisen on both the opening CSB, £364,000 lower than the revised estimate and the in year figures, £275,000 lower than the revised estimate.
6. The savings on the opening CSB relate to staff savings due to vacancies. Actual salary spending for the authority in total, including agency costs, was some £18.8 million compared against an original estimate of £19.4 million. Other notable savings included Non HRA Rent Rebates probably due to the work of the Homeless prevention officers and the Fresh Start Scheme. The increase to the Bad Debt provision was less than expected due to improved sundry debt collection. There were also a number of other areas where savings or extra income occurred such as Environmental Co-ordination, Youth Strategy and Depots.
7. The saving on the in year CSB arose in a number of areas. Court costs arising from the non payment of NNDR and Council tax was higher than expected. There were savings over and above that anticipated on the leased car scheme. Recruiting staff after the ICT restructure has proved more difficult than expected and the charges from the County council in relation to Land Charges work was not as high as expected. Full details of items within the CSB growth figures can be found at appendix A.

District Development Fund

8. Net DDF expenditure was £1,417,000 below the original estimate and £710,000 below the revised. There are requests for carry forwards totalling £575,000 and therefore the variation actually equates to a £135,000 net under spend on the DDF items undertaken. 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 position.
9. The DDF increased between the Original and Revised position by some £388,000, this was due to a mixture of items brought forward from 2004/05 and new items identified during 2005/06. There was also three items of income to the General Fund totalling

£1,095,000 which have then been appropriated to the DDF (see other items on appendix A)

10. Four Portfolios saw underspends in excess of £100,000 on their DDF when compared to the revised estimate. Much of this is slippage, for example unspent Planning Delivery Grant and local plan work. Full details are shown on appendix B.

11. The appropriation of additional income items and the large under spend mean the balance on the DDF has increased to £3 million. Although some of this is committed to financing the present programme there is some £1.02 million DDF monies that are at this time unallocated.

Appropriations

12. The only variation on appropriations arise from the underspend on the DDF.

Housing Revenue Account

13. The table below summarises the revenue outturn for the Housing Revenue Account.

Housing Revenue Account	Original Estimate £000	Revised Estimate £000	Actual Expend £000	Variance from Original £000	Variance from Revised £000
Revenue Expenditure	12,013	11,867	11,786	(227)	(81)
HRA Subsidy Payable	7,746	7,746	7,749	3	3
Asset Rentals	27,966	30,204	27,048	(918)	(3,156)
Total Expenditure	47,725	49,817	46,583	(1,142)	(3,234)
Gross Dwelling Rents	20,727	21,216	21,201	(474)	15
Other Rents and Charges	4,082	4,089	4,236	(154)	(147)
Total Income	24,809	25,305	25,437	(628)	(132)
Net Cost of Service	22,916	24,512	21,146	(1,770)	(3,366)
Interest and Other Transfers	1,536	1,474	1,560	(24)	(86)
Reversal of Asset Rentals	23,377	25,615	22,459	918	3,156
Net Operating Income	(1,997)	(2,577)	(2,873)	(876)	(296)
Appropriations					
Capital Expenditure	1,600	2,000	2,000	400	-
Charged to Revenue					
Other	154	169	108	(46)	(61)
Surplus for Year	(243)	(408)	(765)	(522)	(357)
Opening Balance – 1/4/05	(4,834)	(4,834)	(4,834)	-	-
Surplus for year	(243)	(408)	(765)	(522)	(357)
Closing Balance – 31/3/06	(5,077)	(5,242)	(5,599)	(522)	(357)

14. The surplus within the HRA was £522,000 greater than its original revenue budget, and some £357,000 greater than the revised estimate. The main differences between the actual figures and the revised estimates were the additional income from other charges and interest of £233,000 and a saving on Management and Maintenance costs of £81,000. The latter relating in the main to employee related costs.

15. The asset rentals charged to the HRA and the associated “below the line” reversal are based on the value of the dwellings and as a result any change in dwelling values has a direct impact on these charges. The actual charge was some £1 million lower than the original estimate, and £3.2 million lower than the revised. However as can be seen above the variation has no net impact on the HRA.

Statement in support of recommended action:

16. To note the provisional revenue outturn.

Options for action:

17. No other options available.

Consultation undertaken:

18. None

Resource implications:

Budget provision: As set out in report

Personnel: Existing

Land: None

Community Plan/BVPP reference:

Relevant statutory powers:

Background papers:

Environmental/Human Rights Act/Crime and Disorder Act Implications:

Key Decision reference (if required):