

BODY: CABINET

DATE: 14^h May 2014

SUBJECT: Supplementary Report - Corporate Performance – Provisional Outturn 2013/14

REPORT OF: Deputy Chief Executive

Ward(s): All

Purpose: To inform Cabinet of the Council's provisional financial outturn for 2013/14.

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Recommendations: Members are asked to:

- i) Agree the provisional general fund outturn on services expenditure for 2013/14 of £14.593m, a net over spend of £25,000 against the revised budget.
- ii) Agree the transfers to and from reserves as set out at Appendix 3.
- iii) Agree the provisional balances on non-earmarked revenue reserves as at 31.3.14 as shown in paragraph 3.1
- iv) Agree the provisional housing revenue account surplus for 2013/14 of (£274,000).
- v) Agree the final Capital Programme and outturn for 2013/14 of £16.2m, a variance of 3.7% against the final programme.

1.0 Introduction

1.1 This report provides cabinet with the provisional outturn results for the general fund, the housing revenue account (HRA) and capital programme for 2013/14.

1.2 Although service accounts have now been closed, other balance sheet and suspense accounts have yet to be finalised and a change in the accounting policy for valuing the provision for bad debts is implemented. So it is possible that there could be some further adjustments that may marginally affect the figures in this report.

1.3 The final outturn will form part of the statement of accounts that will be reported to the Audit and Governance Committee at the end of June and the next Cabinet meeting in July.

2.0 General Fund Revenue Account

2.1 The table at **Appendix 1** shows the Council's provision financial outturn compared to the agreed budget at service level. A more detailed breakdown at code or transactional level is available from Financial Services.

2.2 There was a net spend on service expenditure of £14.593m for the year analysed over services as follows:

Table 1 – General Fund Service Provision Outturn

	Original Budget	Revised Budget	Actual	Variance
	£'000	£'000	£'000	£'000
Corporate Services	11,737	11,367	11,305	(62)
Community Services	(146)	247	(129)	(376)
Tourism & Leisure Services	2,832	3,169	3,417	248
Service Total	14,423	14,783	14,593	(190)
Contingencies	194	362	-	(362)
Capital Financing Costs	1,650	1,924	1,924	-
Transfer to/(from) reserves	1,123	544	1,121	577
Total	17,390	17,613	17,638	25

2.3 The provision outturn variance of £25,000 shows an movement of £65,000 compared to the December projected variance of (£40,000)

2.4 Service expenditure for the year is a variance of £(190,000) mainly as a result of:

- Catering Service £182k
- Grounds Maintenance settlement of disputed sum £122k
- Housing Benefits Administration £77k
- Dotto Train £71k
- Settlement of Land Charges Claims 48k

These have been offset principally by the following favourable variances:

- Housing Benefit Subsidy and recovery of HB Overpayments (290k)
- Refuse Collection Contract (£154k)
- Savings and additional income in Bereavement Service (£130k)
- Bed and Breakfast (69K)
- Downlands income and grant (61k)

2.5 The General Fund Summary figures include the transfers to and from reserves as shown in **Appendix 2**. In many cases these transfers reflect

items previously agreed, or at the very least where the principle of a transfer from reserves had been established as part of the overall budget strategy. The figures that have been applied take into account more up-to-date information and anticipated circumstances.

3.0 General Fund Reserves

3.1 The effect of the over spend in the outturn and the application of reserves to fund expenditure has resulted in the following balances on the useable revenue reserves:

Table 2 – Provisional General Revenue Reserves as at 31.3.14

Reserve	31.3.14 £'000
General Fund	3,576
Earmarked Reserves	514
Strategic Change Reserve	1,212
Regeneration Reserve	431

3.2 The details of other reserves will be reported as part of the statement of accounts.

4.0 Housing Revenue Account

4.1 The table at **Appendix 3** summarises the HRA performance for 2013/14 and shows a surplus of (£274,000). This represents a variance of £41,000 against the revised budget of (£314,000).

4.2 The principle reason for this variance is due to a reduction in income from rents and services changes due to the delay in the expected completion of the sheltered accommodation remodelling schemes, offset by expected savings in the provision for Bad Debts

4.3 The difference between the budget figure for depreciation based on the 30 year Business Plan and the actual calculated amount of £545,000 is transferred into the Housing Regeneration and Investment reserves in line with the Budget Strategy to provide flexibility for funding future major projects or the repayment of debt.

4.4 The HRA balance at 31.3.14 is expected to be £2.453m.

5.0 Capital Programme

5.1 A summary of capital expenditure for the year is shown in **Appendix 4**.

5.2 The revised capital programme for 2013/14 was £16.2m and the outturn £15.6m, representing a variance of £597,072 or 3.7%.

- 5.3 A detailed reason for the variance against each scheme is shown at **Appendix 4.**
- 5.4 The capital programme for 2014/15 will be updated to reflect the re-profiling changes required as a result of the 2013/14 outturn.

6.0 Consultation

- 6.1 Not applicable

7.0 Implications

- 7.1 There are no significant implications of this report.

8.0 Conclusions

- 8.1 Revenue expenditure is in line with budget monitoring predictions and the outturn variance represents less than 0.14% of net budgeted expenditure. There is still some work to be done on balance sheet, suspense and control accounts which may marginally impact on the final outturn.
- 8.2 The council continues to have general balances in excess of the declared minimum which provides flexibility for future investment in corporate plan priorities over the medium term as well as providing funding for invest to save schemes and asset management requirements.
- 8.3 The Housing Revenue Account outturn delivered a surplus representing 1.8% over turnover. The HRA balance is in line with expectations and is sufficiently robust to support the housing self-financing 30 year business plan.
- 8.4 96% of the capital programme was deliver in year and in line with resources allocated
- 8.5 Work is still continuing in finalising the council accounts and the final statement of accounts will be reported to the Audit and Governance Committee at the end of June and Cabinet in July.

Pauline Adams
Financial Services Manager

Background Papers:

The Background Papers used in compiling this report were as follows:

Quarters 1, 2 and 3 monitoring to Cabinet September, December and February
To inspect or obtain copies of background papers please refer to the contact officer listed above.