

Policy Committee – 9th July 2013

OUTTURN REVENUE BUDGET MONITORING REPORT - 2012/2013



Report of the Corporate Head of Financial Management

Ward(s) affected: All

1. Purpose of Report

- 1.1 To advise members of the final revenue budget position of the Council, (subject to audit) of income and expenditure to the end of March 2013.

2. Recommendations

- 2.1 Members to note the outturn revenue budget monitoring position as at 31 March 2013.
- 2.3 Members note the transfers to earmarked reserves.

3. Background Information

- 3.1 On 22 February 2012 the Council approved its Revenue Budget at £6,894k for 2012/13.

4. Financial Performance

- 4.1 Based on the unaudited accounts the Council's performance against budget was an underspend of £216k for the full financial year. This is an increase of £67k over the interim figure of £149k reported to the meeting of Policy Committee on 21st May 2013.
- 4.2 Financial performance at the end of March compared to the interim report is shown in Appendix A1 and summarised in Table 1 below.
- 4.3 The formal audited Statement of Accounts will be presented to the Audit and Governance Committee on 24 September 2013.

Table 1: Summary Of Outturn Position As At 31 March 2013

	Interim Outturn 2012/13 £	Actual Outturn 2012/13 £	Variance 2012/13 £
Total Service Related Costs	5,784,197	5,662,178	(122,019)
<u>Corporate Costs</u>			
Investment Income	(69,520)	(69,520)	0
Interest Payable	302,470	295,115	(7,355)
MRP for Capital Financing	321,870	321,870	0
Capital Reserves Adjustments	0	12,000	12,000
Total Revenue Budget Outturn 2012/13	6,339,017	6,209,643	(117,374)

Service Related Costs

- 4.4 Services showed a favourable outturn variance of £122k. Details of the main variances compared to are set out in Appendix B.

Main Risk Areas

- 4.5 The 2012/13 Revenue Budget report highlighted the main risk areas to the Council as sustaining income levels in the current economic climate, and implementing the savings that have been built into the budget. These risks will continue in to 2013/14 and beyond.
- 4.6 Income streams from Parking fell short of budget by £69k (5%) whilst the shortfall on Development Control service income was £32k (12%) and Building Control £29k (16%) and this has been reflected in the budget income targets for 2013/14.
- 4.7 Budget monitoring clinics are held with budget holders on a quarterly basis. Statistics showing performance against income and salary budgets are also presented to CLT on a monthly basis.

5. Financial Position

- 5.1 The Council had a General Fund unallocated balance of £1,030k at 31 March 2012. This balance has not been utilised during 2012/13 and remains at that level.
- 5.2 The Council's policy is to increase the General Fund Balance to a prudent level. This is essential in order to mitigate against the risk of unplanned movements from budgeted net expenditure levels and to cover for day to day cash flow variances. Moreover, a robust level of reserves will help the Council mitigate against the risks of ongoing funding cuts.

- 5.3 The 2013/14 revenue budget is not without pressures, and as a consequence the contingency was set at £67k. The savings have enabled a contribution of £33k of the 2012/13 surplus to be added to this to increase it to £100k in accordance with the proposal contained in the interim report. This is held in a carry forward reserve.
- 5.4 During 2013/14 the Council made its planned contributions to its Planning, Enabling & Efficiencies and New Homes Bonus Reserves. In addition the year end surplus has enabled £183k to be contributed to the Building Maintenance, IT Development & Replacement and Vehicle Fleet Replacement reserves. Table 2 summarises this information.

Table 2: Summary of Contribution to Reserves

<u>Reserve</u>	Opening Balance £'000	Net Contribution £'000	Closing Balance £'000
Enabling & Efficiencies	217	206	423
Planning	310	50	360
New Homes Bonus	253	367	620
Building Maintenance	0	50	50
IT Development & Replacement	0	83	50
Vehicle Fleet Replacement	0	50	50
Carry Forward	0	33	33

6. Summary

- 6.1 The impact of the economy on the Council's income streams and their volatility is a risk to the Council and will need to be managed closely going forward.
- 6.2 The General Fund Revenue Balance currently stands at £1,030k. This will assist in mitigating against the risk of unplanned movements from budgeted net expenditure levels, as well as the impact of changes in local government funding.
- 6.3 The Council has managed its budget within 2012/13 and generated savings for its budget targets in 2013/14 and beyond.

7. Implications

7.1 Financial and Value for Money Implications

All financial implications are contained in the body of the report.

7.2 Legal implications

None as a direct result of this report. The Council set a balanced budget for 2012/13, and going forward it is a further requirement that the budget is balanced.

7.3 Contribution to Council Priorities

The delivery of a balanced and managed budget is critical to the well being of the Authority.

7.4 Risk Management

Failure to achieve a balanced budget in the financial year would have had serious consequences for the Council.

7.5 Equality Impact Assessment

The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

8. Consultations with Others

None

9. Access to Information : Background Documents

None

10. Author of the Report

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11. Appendices

Appendix A – Analysis of final outturn to interim report
Appendix B – Reasons for Variance

Summary of Final Outturn Position As At 31 March 2013

	Approved Budget 2012/13 £	Expected Outturn 2012/13 At 21/05/13 £	Actual Accounts 2012/13 Pre-Audit £	Movement Actual vs Expected Outturn £
<u>Services</u>				
Chief Executive/Director Of Services	1,911,581	1,893,975	1,840,050	(53,925)
Resources Department	1,836,126	1,769,861	1,727,346	(42,515)
Community Department	2,155,758	2,120,361	2,094,782	(25,579)
Total Services Related Costs	5,903,465	5,784,197	5,662,178	(122,019)
<u>Corporate Costs</u>				
Investment Income	(20,940)	(69,520)	(69,520)	0
Interest Payable	302,000	302,470	295,115	(7,355)
MRP for Capital Financing	320,950	321,870	321,870	0
Recharges To Capital	(25,000)	0	0	0
Corporate Contingency	7,247	0	0	0
Transfers to Capital Reserves	0	0	12,000	12,000
Total Revenue Budget 2012/13	6,487,722	6,339,017	6,221,643	(117,374)

Reasons for Revenue Budget Variances Interim Outturn to Actual Outturn 2012/13

Description	Variance £'000	Reason
<u>Chief Executives / Director of Services</u>		
Customer Services	(8)	Qtr 4 overstated franking machine costs estimate
Information Services	(11)	Additional Income received From Selby
Revenues & Benefits Service	(29)	Additional Housing Benefit Overpayments Income (After Bad Debt Provision)
Business Support	(6)	Additional External Income
Total Chief Executives / Director of Services	(54)	
<u>Resources</u>		
Legal Services	(17)	Prior Year Savings/Over accrual for external Legal costs incurred in case against London Mutual Insurance Society
Assets & Projects Service Unit	(3)	Savings in Estates Consultancy Costs (Property Disposals)
Car Parks	(22)	Interim estimate of accrual for car parking income lower than actual.
Total Resources	(42)	
<u>Community</u>		
Housing	(23)	Additional Rental Income Aireview House following Final Reconciliation
Waste	38	Proceeds From Sale of Vehicles recognised after qtr 4 Accounts produced (£6k) offset by increased prior year fuel usage cost £25k & additional costs for parts £19k
Planning	(55)	Local Development Framework-Budgeted Contribution to Reserve included in Qtr4 service costs (£50k) and saving in external services costs (£5k)
Environmental Health Services	7	Stock Adjustment for dog bags use not accounted for in Qtr 4 Accounts
Breavement Services	4	Additional Cost of Gas -Bereavement Services
Cultural	3	Redundancy Cost not included in Qtr 4 Accounts-Museums
	(26)	
Total Variance	(122)	