



**Service Delivery
Committee**

8 July 2014

Information

Title: **Provisional Committee Budget Outturn Report –
2013/14**

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1 Introduction

This report provides Members with details of the committee's provisional outturn position for capital and revenue for 2013/14 along with the outturn for the Housing Revenue Account (HRA). The Council's full outturn position will be reported to the Policy, Finance and Development Committee on 22 July 2014.

2 Recommendations

That Members:

- (1) Note the reported outturn positions.
- (2) Note the requested revenue and capital carry forwards as set out in Appendix 5.

3 Information

The outturn position is still only provisional because at the time of writing, the Council's Statement of Accounts had neither been fully completed nor scrutinised by the Council's external auditors. As a result of audit, some technical adjustments may be necessary.

General Fund

In February 2013, the Council approved a 2013/14 General Fund budget for this committee of £3.571 million. These estimates were later revised to £3.458 million which were approved at Council in February 2014. The provisional outturn position for 2013/14 is £3.450 million which represents a £8,000 under spend for the financial year as compared to the revised estimate. The variances for each service are detailed in Appendix 1.

The provisional outturn position figures shown in the attached appendices have been adjusted to remove those technical accounting adjustments such as depreciation and impairment that would normally be shown in the statutory year end Statement of Accounts, which do not affect the balance

on the General Fund. This makes the figures comparable to the approved budgets for the year.

The headline reasons for the variance are explained below.

- Continued adjustment and re-alignment of organisational structures led to a reduction in establishment cost of £129,000 across the committee. However, to compensate for some of these vacancies there was an increase in costs of £68,000 as a result of the use of hired staff and others being transferred into services.
- Due to market fluctuations recycling disposal income was below that anticipated for the year. Some recyclates such as paper and glass performed well bringing in respectively £26,000 and £25,000 more income than expected. In the case of card and plastics a depressed market led to lower than expected income of £30,000 and £54,000 respectively.

Other headline variances (Over £5,000) are shown in Appendix 2 of this report.

Housing Revenue Account

In February 2014 the revised forecast for the HRA was that a contribution would be required from balances of £86,700 leaving a balance of £939,914 at 31 March 2014. However, the provisional outturn position has been influenced by the following main issues.

Firstly, it has been necessary to reschedule the commencement of major Housing capital schemes due to external challenge on the award of contract to the chosen tenderer. Whilst it is too early in the programme to predict potential changes to the work schedules, there have now been more vacancies than anticipated together with certain cost savings, which will make it possible for the contract to now be a three block programme. This would enable the contractor to take advantage of good weather and move the programme forward to catch up on the delays already experienced. However, as a result of the delay, £717,000 of budgeted revenue funding set aside for these works in 2013/14 was not required which has contributed to a provisional saving in year for the Housing Revenue Account. This funding will now be required in 2014/15 and will be carried forward in balances.

The other major saving in the year relates to revenue repairs and maintenance. It was identified that a number of works that would normally be covered by Planned Maintenance could usefully be covered by the current "Whole Unit" capital refurbishment contracts enabling an efficiency saving of £132,000 on the revenue budget. Future, Planned Maintenance budgets are also to be reviewed. Additionally, some of the adaptations work was moved to the capital programme creating a further saving of £41,000.

Finally, a variance of £455,000 for depreciation which is a required technical accounting entry is adjusted for elsewhere within the Housing Revenue Account resulting in a neutral effect on balances.

All of the above major variances result in a surplus of £870,658 for the year with a closing balance of £1,897,272. This represents a £957,358 under spend against the revised budget.

Full details of the HRA provisional outturn position are given at Appendix 3.

Capital Programmes (Housing and Non-housing)

The revised capital programme for this committee included Housing schemes with a budgeted cost of £1,571,590 and General Fund schemes of £1,207,613. The total budgeted programme is £2,779,203. The provisional outturn for Housing is £646,186, an under spend of £925,404, and for the General Fund £1,014,315 which represents an under spend of £193,298. The total under spend on the programme is £1,118,702

The major under spends, primarily within Housing schemes, in the year were either as a result of considered re-scheduling of works within rolling contracts that cover a number of years or because of external contractual challenge which delayed the programmes. More detail is provided within a further report included on the agenda of this committee.

The reasons for these variances are given in Appendix 4.

Carry Forwards

Details of requested carry forward budgets for both revenue and capital have been included at Appendix 5. These will be reported to the Policy, Finance and Development Committee on 22 July for approval.

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Background Papers: Report to Council on 21 February 2013 – Budget Proposals and Associated Strategies
Report to Council on 25 February 2014 – Budget Proposals 2014/15

Implications	
Financial (PL)	Incorporated within the body of the report
Risk	CR1 Decreasing Financial Resources CR9 Economy
Equalities (KG)	Not applicable
Legal (KG)	No significant implications