

**EXECUTIVE MEMBER FOR GOVERNANCE & ORGANISATIONAL
DEVELOPMENT ACCOUNTS 2013/14**

MEETING: (1) CABINET
(2) EXECUTIVE MEMBER

DATE: (1) 17th June 2014
(2) 10th June 2014

REPORT BY: HEAD OF BUSINESS TRANSFORMATION
HEAD OF FINANCE
HEAD OF GOVERNANCE

WARD: ALL

COMMUNITY FORUM: ALL

KEY DECISION
REFERENCE: 400(3)

FOR PUBLICATION

BACKGROUND PAPERS: NONE

1.0 PURPOSE OF REPORT

- 1.1 To report on the Revenue Outturn for 2013/14 and to provide explanations for significant variations from the Revised Estimates approved at Cabinet on 18th February 2014.
- 1.2 To report on the Capital Outturn for 2013/14.

2.0 RECOMMENDATION

- 2.1 That the report be noted

3.0 REVENUE OUTTURN

- 3.1 The revenue outturn for 2013/14 is as follows:

| | <u>£'000</u> |
|-----------------|--------------|
| Original Budget | 3,491 |
| Revised Budget | 3,656 |
| Outturn | 3,156 |

3.2 The main variations from the Original to the Revised budget (an increase of £165k) are summarised in the table below:

| Description | Increase / (Decrease) £'000 |
|---|-----------------------------------|
| <u>Changes to controllable budgets:</u> | |
| Employee expenses | (81) |
| Pension cost (added years & shortfalls) | 209 |
| Approved Training carry forward | 24 |
| Utilities | (17) |
| Decrease in Premises renewals | (14) |
| Decrease in Electoral Registration | (15) |
| Decrease in software licences | (12) |
| Removal of Community forum allowances | (36) |
| External Audit fees | (14) |
| Slippage on Invest to Save bids | 21 |
| Slippage on Invest to Save payback | 7 |
| Other Minor variations | 19 |
| Changes to controllable budget | 91 |
| Changes to asset charges | (3) |
| Change in support service recharges | 77 |
| Overall Increase | 165 |

3.3 The Revenue Outturn of £3,156k represents:

- A decrease of £335,106 or 9.6% against the Original Budget; and
- A decrease of £500,116 or 13.7% against the Revised Budget.

3.4 The table below sets out the variations between the revised budget and the actual outturn separating items that are not controllable (Capital Charges and Support Service Recharges). The table highlights an under-spend of £883k or 15.3% on controllable expenditure.

Controllable and Non-Controllable Expenditure

| | Original Estimate £'000 | Revised Estimate £ '000 | Actual Outturn £'000 | Variance over / (under) £ '000 | % |
|---------------------------------|----------------------------|----------------------------|-------------------------|--------------------------------------|----------------|
| Capital Charges | 134 | 131 | 124 | (7) | (5.3)% |
| Support Services | (2,308) | (2,231) | (1,841) | 390 | (17.5)% |
| Non Controllable Expenditure | (2,174) | (2,100) | (1,717) | 383 | (18.2)% |
| Controllable Expenditure | 5,665 | 5,756 | 4,873 | (883) | (15.3)% |
| Portfolio Total | 3,491 | 3,656 | 3,156 | (500) | (13.7)% |

A more detailed analysis of controllable and non-controllable expenditure by Programme Area is shown at **Annexe 1B**.

- 3.5 A detailed analysis of the variances from the revised budget to the outturn is shown in Annexe 4 but the most significant variances are summarised below:

| Variances Revised to Outturn 2013/14 | Increase / (Decrease) £'000 |
|---|-----------------------------------|
| Employee expenses | (37) |
| Pensions adjustment | 137 |
| Occupational Health | 9 |
| Underspend on Training to be carried forward | (32) |
| Software | (9) |
| Pensions & FRS17 adjustment – £321k offset in support service recharges | (927) |
| Minor Variations | (24) |
| * Changes to Controllable Budget | (883) |
| Changes to asset charges | (7) |
| Change in support service recharges | 390 |
| Overall Decrease | (500) |

* Changes to controllable excluding pension adjustment (1,020k)

- 3.6 Recurring Variances – There will be a recurring variance on Occupational Health (£9k), this is due to the funding of physiotherapist costs, which will be explained further in the future report for the new Occupational Health contract.

3.7 The following information is attached:

Annexe 1 Summary by Programme Area

Annexe 2 Detailed by Programme Area and Cost Centre

Annexe 3 Subjective Analysis

Annexe 4 Variations – Revised Budget to Actual 2013/14

Annexe 5 Capital Outturn

4.0 CARRY FORWARD REQUESTS

4.1 Carry Forwards – There are no new carry forwards requests in this report but it was agreed previously (18th February) that the unspent balance on the training budget could be carried forward to 2014/15, this equates to £32k, £24k of this is already funded through the Budget Risk Reserve & The Service Improvement Reserve.

5.0 CAPITAL OUTTURN

5.1 **Annexe 5** provides a summary of expenditure on the capital schemes within this portfolio.

6.0 RECOMMENDATION

6.1 That the report be noted.

7.0 REASONS FOR RECOMMENDATION

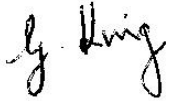
7.1 To enable the portfolios Revenue Outturn to be included in the Council's overall Statement of Accounts.

MARK EVANS – HEAD OF BUSINESS TRANSFORMATION

BARRY DAWSON – HEAD OF FINANCE

SARA GOODWIN – HEAD OF GOVERNANCE

Officer recommendation supported/not supported/modified as below or Executive Member's recommendation/comments if no officer recommendation.



Signed

Executive Member

Date 10.6.14

Consultee Assistant Executive Member comments (if applicable)
/declaration of interests:

Further information on this report can be obtained from
Paula Clayton, Accountancy Services (ext. 5457)