

Corporate Resources Overview and Scrutiny Committee 29 July 2014

**Budget Monitoring
Full year outturn 2013/14
(subject to Audit)**

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Revenue – Corporate Resources Directorate

Key points to note (see full reports for details):

- The 2013/14 outturn is an underspend of £3.6m, after earmarked reserves and release of contingency.
- March outstanding debt (over 30 days) £0.6m.

Revenue Budget- Full Year Outturn

Quarter 4, 2013/14	Full Year				
£000's	Budget	Outturn	Variance	Net use of reserves	Variance after net use of reserves
Improvement and Corporate Services	23,843	22,206	-1,637	-157	-1,794
Chief Executive and Finance	5,188	3,829	-1,359	1,552	193
Corporate Costs	11,011	6,974	-4,037	2,033	-2,004
Total- Corporate Resources Directorate	40,042	33,009	-7,033	3,428	-3,605

- **Significant items contributing to variances:**
- ICS- Legal & Democratic Services £0.5m pressure largely as a result of Children's cases, -£0.3m additional income for planning work and Local Land Charges, -£0.1m savings against Members' costs and -£0.2m staff cost savings across the services.
- ICS- Assets -£1.7m underspend as a result of largely one off benefits within the Farms estate and additional income from the property portfolio.
- Finance £0.2m net pressure in Revenues & Benefits due to a pressure from Housing Benefit subsidy claw back partly mitigated by additional government grants. There has been an additional contribution of £0.3m to the insurance reserve and savings of £0.3m across the rest of Finance.

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Revenue Budget- Full Year Outturn

Significant items contributing to variances (continued):

- Corporate Costs- £2.0m underspend resulting from lower than budgeted interest payments and Minimum Revenue Provision (MRP) due to lower capital spend (-£0.7m), Public Health contribution to overheads, unbudgeted (-£0.6m), a net pressure of £0.2m in cross cutting efficiencies, the release of contingency (-£2.1m) and the creation of the Great Places reserve (£1.0m)

Capital Budget- Full Year Outturn

Variance for the year £25k overspend, with £3.8m proposed spend deferring into 14/15.

Significant proposed deferred spend:

Assets Rolling Programme	£0.6m	various schemes
Cattle Market, Leighton Buzzard	£0.6m	
Biggleswade Medical Centre	£1.0m	
IT Rolling Programme	£0.3m	various schemes
IT Infrastructure refresh	£0.3m	
Your Space 2	£0.2m	

	Full Year Budget	Outturn	Proposed deferral to 14/15	Variance
Service	£000's	£000's	£000's	£000's
Assets	8,753	6,060	2,493	-200
Info Tech (IT)	3,139	2,193	964	18
Others	2,511	2,391	327	207
Totals	14,403	10,644	3,784	25

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Provisional Outturn Report – Full Council 2013-14

2013-14 Provisional Outturn Revenue Position

Key points to note:

- The 2013/14 provisional revenue outturn is an under spend of £0.6m.
- Efficient management of the Council's finances has enabled additional contributions to general and earmarked reserves, which will facilitate the Council's response to future reductions in funding.
- The full year outturn for Directorates as at March, after proposed use of existing and creation of new reserves is a £0.6m underspend. The following are the key areas:
 - Social Care Health and Housing £0.07m above budget.
 - Children's Services £3.5m above budget.
 - Community Services £0.1m below budget.
 - Regeneration £0.4m below budget.
 - Improvement and Corporate Services £1.8m below budget.
 - Corporate Costs £1.8m below budget.

2013-14 Revenue provisional outturn

Table 3

Directorate	March P13 Provisional Outturn		
	Budget	Actual	Variance
	£m	£m	£m
SCHH	65.9	66.0	0.1
Childrens Services	39.2	42.7	3.5
Community Services	38.0	37.9	(0.1)
Regeneration	5.8	5.3	(0.5)
Public Health	0.0	0.0	0.0
Improvement & Corporate Services	23.8	22.0	(1.8)
Corporate Resources	5.2	4.9	(0.3)
Corporate Costs	11.0	9.5	(1.5)
Total Exc HRA	189.0	188.3	(0.6)

Note: Any minor rounding differences are due to linking to detailed appendices.

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Social Care, Health and Housing

The general fund position for the directorate at outturn is an overspend of £0.065m (0.1%) as at the end of March after the use of existing and new proposed earmarked reserves (EMR). The outturn result includes new proposed EMR of £0.8m relating to Deprivation of Liberty Safeguards and also £0.5m to contribute to the costs of bringing the BUPA Care Homes back in house.

Month: March 2014					
Director	Budget	Actual b/f Use of Reserves	Net Use of Reserves	Total Act inc Net of Reserves	Variance
	£000	£000	£000	£001	£000
Social Care Health and Housing					
Director of Social Care, Health, Housing	190	230	-	230	40
Housing Management (GF)	1,516	1,047	-	1,047	(469)
Adult Social Care	59,356	59,438	1,393	60,831	1,475
Commissioning	12,424	11,767	264	12,031	(393)
Business and Performance	(7,585)	(8,140)	(33)	(8,173)	(588)
Total Social Care and Health	65,901	64,342	1,624	65,966	65

Children's Services

Children's Services provisional outturn position (after use of and proposed transfer to reserves) is £3.5m overspend. Quarter three reported a forecast overspend of £2.622m, so there is an increase to overspend of £878k.

This is mainly due to earmarked reserves of £1.230m (Fostering Fee Scheme £998k and Children Centres £232k) set aside to address pressures raised in the MTFP for 2014/15 and 2015/16, and a £200k reserve for the Children's and Families Act development. This has been offset by further savings from within the directorate of £552k. Had the pressure for the Directorate not been managed in year by reserves set aside from the 2012/13 financial year the total overspend would be £7.9m.

Month: March 2014					
Director	Budget	Actual b/f Use of Reserves	Net Use of Reserves	Total Act inc Net of Reserves	Variance
	£000	£000	£000	£001	£000
Children's Services				-	
Director of Children's Services	193	255	94	349	156
Children's Services Operations	28,866	32,614	(1,349)	31,265	2,399
Commissioning & Partnerships	4,432	3,818	77	3,895	(537)
Joint School Commissioning Service (Transport)	7,012	7,664	(50)	7,614	602
Partnerships	610	627	(27)	600	(10)
School Improvement (incl Music)	1,218	(590)	1,725	1,135	(83)
Total Children's Services (ex Schools / Overheads)	42,331	44,388	470	44,858	2,527
DSG Contribution to Central Support	(1,567)	(718)	-	(718)	849
ESG Contribution to Central Support	(1,558)	(1,434)	-	(1,434)	124
Total Children's Services (excluding Schools)	39,206	42,236	470	42,706	3,500

Community Services

Community Services' overall financial position was £104k underspend after the use of earmarked reserves of £133k for one-off specific projects.

Month: March 2014					
Director	Budget	Actual b/f Use of Reserves	Net Use of Reserves	Total Act inc Net of Reserves	Variance
	£000	£000	£000	£001	£000
Community Services				-	
Community Services Director	251	186	-	186	(65)
Highways Transportation	13,658	13,511	287	13,798	140
Environmental Services	24,071	24,312	(420)	23,892	(179)
Total Community Services	37,980	38,009	(133)	37,876	(104)

Regeneration and Business Support

Regeneration and Business Support were underspent by £441k (7.6%) after the use of and new proposed EMR of £113k. The majority of this is due to the work on strategic planning documents within Development Housing being deferred to 2014/15. Underspends relating to ring-fenced Adult Skills grants are proposed to be carried forward as spend will be incurred in 2014/15.

Month: March 2014					
Director	Budget	Actual b/f Use of Reserves	Net Use of Reserves	Total Act inc Net of Reserves	Variance
	£000	£000	£000	£001	£000
Regeneration and Business Support				-	
Director	536	506	-	506	(30)
Business Support & Skills	936	1,350	(402)	948	12
Planning	4,135	3,266	563	3,829	(306)
Programme Delivery	228	159	(48)	111	(117)
Total Regeneration and Business Support	5,835	5,281	113	5,394	(441)

Public Health

Public Health achieved budget after accounting for grant funding carried forward to 2014/15 and a contribution from Public Health to offset the Council's overheads.

An allowable element of the Public Health funding was used to make a contribution to offset the cost of relevant Council overheads. As this was unbudgeted it shows up as a forecast underspend (shown within Corporate Costs).

Month: March 2014					
Director	Budget	Actual b/f Use of Reserves	Net Use of Reserves	Total Act inc Net of Reserves	Variance
	£000	£000	£000	£001	£000
Public Health				-	
Director of Public Health	(8,643)	(8,862)	219	(8,643)	-
Assistant Director of Public Health	8,643	8,000	643	8,643	-
Total Public Health (Excl overheads)	-	(862)	862	-	-
Contribution to Central Support	-	-	-	-	-
Total Public Health	-	(862)	862	-	-

Improvement and Corporate Services

Improvement & Corporate Services (ICS) underspent by £1.8m after movement to and from earmarked reserves.

Month: March 2014					
Director	Budget	Actual b/f Use of Reserves	Net Use of Reserves	Total Act inc Net of Reserves	Variance
	£000	£000	£000	£001	£000
Improvement and Corporate Services				-	
Improvement and Corporate Services Leadership	204	354	(73)	281	77
Communications	887	855	150	1,005	118
Customer Services	1,924	2,070	-	2,070	146
Programme and Performance	550	550	(13)	537	(13)
Policy & strategy	165	134	-	134	(31)
Procurement	371	309	(10)	299	(72)
People	2,674	2,522	144	2,666	(8)
Information Assets	7,036	6,977	(57)	6,920	(116)
Legal & Democratic Services	3,807	3,613	61	3,674	(133)
Assets	6,225	4,822	(359)	4,463	(1,762)
Total Improvement and Corporate Services	23,843	22,206	(157)	22,049	(1,794)

Within Assets, the outturn position is an underspend of £1.8m. This is largely resulting from £1.0m additional income from the Farms Estate and £0.7m for rental & recharges. There were savings of £0.2m for Facilities and Maintenance services across the portfolio and a further £0.3m for the management of surplus properties.

The benefit of this increased income has been reduced by pressures of £0.3m for transformation and agency costs, and £0.1m for an unachievable efficiency & staff costs with the Capital Team operation.

Corporate Resources and Costs

Month: March 2014					
Director	Budget	Actual b/f Use of Reserves	Net Use of Reserves	Total Act inc Net of Reserves	Variance
	£000	£000	£000	£001	£000
Corporate Resources				-	
Chief Executive	299	304	-	304	5
Finance	5,301	3,454	1,552	5,006	(295)
Housing Benefit Subsidy	(412)	71	-	71	483
Total Corporate Resources	5,188	3,829	1,552	5,381	193
Corporate Costs				-	
Debt Management	11,710	10,988	-	10,988	(722)
Premature Retirement Costs	2,954	2,866	15	2,881	(73)
Corporate Public Health Recharges	-	(605)	-	(605)	(605)
Corporate HRA Recharges	(90)	(120)	-	(120)	(30)
Efficiencies	(329)	(97)	-	(97)	232
Contingency and Reserves*	(3,234)	(6,058)	2,018	(4,040)	(806)
Total Corporate Costs	11,011	6,974	2,033	9,007	(2,004)
Total Corporate Resources and Costs	16,199	10,803	3,585	14,388	(1,811)

In Corporate Costs there was a reduction of interest payable (-£0.4m), as a result of borrowing levels being lower than budgeted. There was also a reduction of Minimum Revenue Provision (MRP) of (-£0.3m). This is due to a lower than budgeted spend on the Authority's Capital Programme in 2012/13 (MRP is adjusted a year in arrears).

Corporate Resources and Costs (Cont)

Also within Corporate costs was a contribution to overheads from Public Health £0.6m

A movement in Contingency and Reserve items has resulted in an underspend of £0.8m. This is made up of:

- A pressure of £0.1m as a result of Vacant Property Review carried out to optimise future years' New Homes Bonus.
- Creation of a £1.0m earmarked reserve for future costs relating to "Great Places" in Central Bedfordshire.
- An increase of £0.5m to the Insurance reserve.
- Release of unused contingency of £2.1m and an unbudgeted grant (Capital Provision Redistribution Grant) of £0.2m received late in year.

RESERVES POSITION

The opening balance of General Fund Earmarked Reserves (EMR) is £20.580m (Excluding HRA and Schools DSG). The current reported position proposes the planned use of £6.585m Earmarked reserves (used of offset expenditure), release of £0.065m (no longer required) and proposed transfer to Earmarked reserves of £0.25m (budgeted). In addition £5.161m of Grants received late in 2013/14 and £5.363m of new proposed EMR are reflected in the outturn position.

This results in a proposed closing position of £23.675m Earmarked reserves at year end an increase of £3.095m year on year

The opening General Fund Reserves position for 2013/14 is £14.2m with a budgeted closing position of £13.8m. The provisional outturn underspend means that the budgeted draw down of £0.4m was not required and along with the underspend referred to previously results in a further £0.6m increase in General Fund reserves bringing the closing balance for 2013/14 to £14.8m (subject to Audit).

2013-14 Capital Provisional Outturn

The capital budget for 2013/14 excluding HRA is £94.6m (£45.0m net). The main issues to note are:

Provisional outturn is a spend £72.3m, £27.2m proposed deferred spend to 2014/15 and an overspend of £4.9m (gross).

This primarily relates to Section 278 schemes due to income timing differences and technical adjustments . The underspend is £3.5m (net).

£60.6m (64%) of the gross budget relates to the 20 top value schemes. £42.4m (59%) of the gross spend relates to these schemes.

Capital receipts out turned at £2.65m compared to budget of £6.7m.

2013-14 Provisional Capital Outturn

Table 2

Directorate	Gross Budget £m	Gross Actual £m	Gross Variance £m	Net Budget £m	Net Actual £m	Net Variance £m
Children's Services	27.4	22.5	(4.9)	0.7	0.4	(0.3)
Community Services	37.4	32.6	(4.7)	24.3	11.4	(12.9)
Improvement & Corporate Improvement	14.4	10.8	(3.6)	14.4	10.6	(3.8)
Regeneration	5.1	1.0	(4.1)	2.7	1.0	(1.7)
SCHH	10.3	5.3	(4.9)	3.0	1.8	(1.2)
Total Exc HRA	94.6	72.3	(22.3)	45.0	25.2	(19.9)

This gross position reflects the level of activity to deliver the Councils capital programme.

Note: Any minor rounding differences are due to linking to detailed appendices

Provisional Outturn HRA Revenue

	2013/14 Original Budget	2013/14 Revised Position (February Council)	2013/14 Provisional Outturn	Variance Provisional Outturn to Original Budget	Variance Provisional Outturn to Revised Budget Position
	£m	£m	£m	£m	£m
Total Income	(27.378)	(27.825)	(27.722)	(0.344)	0.103
Housing Management	4.152	4.130	3.969	(0.183)	(0.161)
Financial Inclusion	0.200	0.160	0.161	(0.039)	0.001
Asset Management	0.965	0.961	0.913	(0.052)	(0.048)
Corporate Resources	1.320	1.410	1.607	0.287	0.197
Maintenance	4.528	4.418	4.413	(0.115)	(0.005)
Debt related costs	0.119	0.156	0.148	0.029	(0.008)
Direct Revenue Financing	6.570	5.700	5.775	(0.795)	0.075
Efficiency Programme	(0.190)	(0.190)	(0.190)	0	0
Interest repayment	4.908	3.968	3.968	(0.940)	0
Principal repayment	0	0	0	0	0
TOTAL Expenditure	22.572	20.713	20.764	(1.808)	0.051
Surplus	(4.806)	(7.112)	(6.958)	(2.152)	0.154
Contribution to / (from) reserves	4.806	7.112	6.958	2.152	(0.154)
Net Expenditure	0	0	0	0	0

Provisional Outturn HRA Capital

- Capital outturn - £7.597m (Revised Budget £7.7m).
- £1.622m spent at Priory View (Revised Budget £1.8m) - funded by Extra Care Development Reserve.
- Rest of programme funded by revenue (£5.775m) and capital receipts (£0.2m).
- 30 Right To Buy sales (19 in 2012/13) have yielded a total of £1.889m (Revised Budget £1.5m) of retained capital receipts.
- Year end balance of unapplied capital receipts £2.346m.

Landlord Services Business Plan

- Provisional revenue surplus of £6.958m (Revised Budget £7.112m).
- Year end reserves of £20.710m (Revised Budget £20.686m) excluding unapplied capital receipts.