

additional papers 1

Executive Committee

Wed 10 Jun
2009
7.00 pm

Committee Room 2
Town Hall
Redditch



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<p>7. Capital Programme - Outturn 2008/09</p> <p>(Pages 164 - 177)</p> <p>Head of Financial Revenues and Benefit Services</p>	<p>To consider the actual expenditure on the Capital Programme compared to the final revised estimate for 2008/09.</p> <p>(Report attached)</p> <p>(No Specific Ward Relevance)</p>
<p>8. Consolidated Revenue Outturn 2008/09</p> <p>(Pages 178 - 195)</p> <p>Head of Financial Revenues and Benefit Services</p>	<p>To consider the Council's overall revenue outturn for the 2008/09 financial year.</p> <p>(Report attached)</p> <p>(No Specific Ward Relevance)</p>



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No Specific Ward Relevance

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CAPITAL PROGRAMME OUTTURN 2008/09

(Report of the Head of Financial, Revenues and Benefits Services)

1. Summary of Proposals

To report on the actual expenditure and funding of the capital programme for 2008/09.

The figures included in this report will be subject to examination by the Audit Commission as part of the final accounts audit.

2. Recommendations

The Committee is asked to RESOLVE that

subject to any comments, the report be noted.

3. Financial, Legal, Policy, Risk and Sustainability Implications

Financial

3.1 The financial implications are detailed within the report.

Legal

3.2 Under Section 151 of the Local Government Act 1972 the Local Authority must make arrangements for the proper administration of its financial affairs.

3.3. The main definition of capital expenditure is set out in the Local Government Act 1989.

Policy

3.4 There are no specific policy implications

Risk

- 3.5 It is important for the outturn position to be reported publicly for budgetary control purposes.

Sustainability / Environmental

- 3.6 There are no specific sustainability/environmental implications

4. Background

- 4.1 The approved Capital Programme for 2008/09 totalled £14.2 million. The Programme includes a number of schemes that span more than one financial year and it is necessary during the year to profile the budget according to the actual progress made during the year.

5. Key Issues

- 5.1 The detail included at Appendix 1 shows actual expenditure of £11.9 million, of which £1.4 million is work in progress. The appendix also shows the variances between the budget and actual spend. Appendix 1 also contains comments regarding the status of each scheme. For some schemes, such as, C1009 Purchase of Ex-Council Houses the balance remaining will be transferred to 2009/10 because the scheme has not finished. The current expenditure on this scheme is being treated as complete because it represents the acquisition of assets which will be included on the balance sheet. The same treatment is applied to other schemes where the expenditure relates to discrete areas of work, e.g. works to public buildings.
- 5.2 The appendix shows an overspend on C1222 Equipment and Adaptations this is due to two jobs that cost significantly more than originally anticipated. One job has to be rectified due to poor workmanship on the part of a contractor. The other job was very complex and consequently expensive. The additional costs on this scheme will be met from the HRA. Both matter are subject of internal audit investigations.
- 5.3 Further funds will be required to continue the Redevelopment of Church Hill (C1120) as the actual spend is already over budget. A further report will be prepared on this scheme.

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5.4 Financing of the Capital Programme

The 2008/09 Capital Programme has been funded as detailed in the following table:

Funding Source	£
Major Repairs Reserve (HRA)	3,719,873
Prudential Borrowing	
- HRA	3,361,404
- General Fund	1,446,820
Capital Receipts	988,570
Grants	475,210
Section 106 Monies	469,450
Total	10,461,327

5.5 Capital Grants

Grants and contributions from third parties are an important source of capital finance. In 2008/09 a total of £475,210 in terms of grants were utilised to fund the capital programme. The table below details the sources of grant and their use:

Grants	£	Details
Disabled Facilities Grants (DFGs)	240,000	Government support for DFGs
Regional Housing Pot	115,840	Government support for Decent Homes including Repairs Grants and Houses in Multiple Occupation Grants and Licensing
Big Lottery Fund – Children’s Play	45,500	Risky play equipment
Youth Capital Fund	35,500	Contribution from County Council
Implementing Electronic Government (IEG)	25,598	IT equipment and software
DWP	12,772	IT equipment and software
Total	475,210	

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5.6 Capital Receipts

Since the pooling of housing capital receipts was introduced on the 1st April 2004 and the downturn in the housing market the level of capital receipts has diminished. In 2008/09 the Council sold 6 dwellings under the Right to Buy (RTB) scheme this compares to 246 in 2003/04. Capital receipts of £10,000 or less are treated as revenue income.

5,7 A further report will be brought to Members on the balances to be carried over 2009/10.

Use of Capital Receipts	£'000
Balance as at 1 April 2008	2,146
Amounts received in year	533
less payment of RTB receipts to central government	123
Funding of 2008/09 capital expenditure	989
Total	1,567

6. Other Implications

Asset Management - None directly

Community Safety - None directly

Human Resources - None directly

Social Exclusion - None directly

7. Lessons Learnt

More work needs to be done on the profiling of capital budgets.

8. Background Papers

Records held on CEDAR accounting system.

Spreadsheets maintained within Financial Services.

Various Council minutes approving the schemes within the Capital Programme.

9. Consultation

This report has been prepared in consultation with relevant Borough Council Officers.

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10. Author of Report

The author of this report is Teresa Kristunas (Head of Financial, Revenues and Benefits Services), who can be contacted on extension 3295 (e-mail:teresa.kristunas@redditchbc.gov.uk) for more information.

11. Appendices

Appendix 1 – Capital Programme 2008/09

CAPITAL PROGRAMME 2008/09

APPENDIX 1

Corporate Priority

Leisure & Tourism

Job	Description	Budget	Actuals	Variance	%	Comments
C0003	Play Area Enhancements	55,520.00	54,063.68	1,456.32	2.6%	Works complete.
C0008	Abbey Stad & Hewell Rd Pool	19,900.00	19,985.60	-85.60	-0.4%	Works complete.
C0031	Arrow Vale - Changing Rooms	28,750.00	29,708.53	-958.53	-3.3%	Works completed within budget, including anticipated OMS charges. Additional OMS charges have been applied which has resulted in an overspend, slightly in excess of budget.
C0034	Hewell Road Changing Rooms	25,000.00	25,000.00	0.00	0.0%	Works complete.
C0035	Hammer Cage & High Jump Bed	32,000.00	29,203.64	2,796.36	8.7%	Works complete.
C0039	Replace Floor/Ceiling Tiles - Kingsley	22,000.00	18,552.33	3,447.67	15.7%	Works complete.
C0040	Play Funds	45,500.00	45,500.00	0.00	0.0%	Works complete.
C0041	Youth Capital Fund	35,500.00	35,500.00	0.00	0.0%	Works complete.
C0103	Public Youth Arts	17,000.00	16,905.00	95.00	0.6%	Works complete.
C0105	Catering Facility At Forge Mill/Bords	27,500.00	27,726.19	-226.19	-0.8%	Works complete.
Various	Minor Schemes - £10k or less	33,650.00	26,691.12	6,958.88	20.7%	
Total Leisure & Tourism		342,320.00	328,836.09	13,483.91	3.9%	

Well Managed Organisation

Job	Description	Budget	Actuals	Balance	%	Comments
C0202	It Replacement Programme	60,500.00	38,879.43	21,620.57	35.7%	£15k reprofiled to 2009/10. Ongoing scheme further budget 2009/10
C0214	Benefits Replacement System	59,600.00	12,772.65	46,827.35	78.6%	Complete by end of 2009/10. Balance of original tender sum used to develop system. Interface required to CEDAR system for refunds.
C0216	Minutes Replacement System	17,900.00	9,500.00	8,400.00	46.9%	Complete.
C0221	Internal Service Challenge	14,920.00	10,221.12	4,698.88	31.5%	IEG Funding
C1006	Energy Manage/Measure	15,000.00	3,765.00	11,235.00	74.9%	Ongoing.
C1010	Purchase Book & Candle Freehold	600,000.00	578,352.75	21,647.25	3.6%	Purchase complete.
C1102	Enhancements-Housing Estates	84,400.00	84,363.07	36.93	0.0%	Work completed.
C1110	Public Building	182,150.00	182,153.85	-3.85	0.0%	Work completed. New budget 2009/10.
C1118	Crossgates - Pedestrian Alterations	43,300.00	43,293.00	7.00	0.0%	Work complete, no significant variance
C1119	Air Conditioning Unit - IT Section	38,000.00	38,000.00	0.00	0.0%	Work complete.
C1122	Crossgate Depot - Fuel Pump	13,500.00	12,772.20	727.80	5.4%	Work complete.
C1123	Town Hall Fire Alarm	70,000.00	70,958.85	-958.85	-1.4%	Project complete. Additional OMS charges have been applied which has resulted in a nominal overspend, very slightly in excess of budget - possibly due to double booking of staff time.
C2231	Replacements Of Cremulator	30,000.00	25,033.00	4,967.00	16.6%	Work complete.
C2233	St John The Baptist Church Feckenham	11,220.00	11,222.00	-2.00	0.0%	This has been completed and the money transferred to St Johns
Various	Minor Schemes - £10k or less	22,150.00	18,697.34	3,452.66	15.6%	
Total Well Managed Organisation		1,262,640.00	1,139,984.26	122,655.74	9.7%	

Housing

Job	Description	Budget	Actuals	Balance	%	Comments
C1009	Purchase Ex-Council Hses	500,000.00	184,288.50	315,711.50	63.1%	Further purchase completed 14th April.
C1201	Catch Up Rep-Bath Replacemts	1,141,400.00	1,132,171.55	9,228.45	0.8%	All under/overspends on the 2009 Capital Budgets will be carried over to the 3rd year of the Five Year Decent Homes programme 2009/10, which will return the programme back on target to be completed by 2012.
C1202	Catch Up Rep-Kitchen Upgrades	1,941,100.00	1,551,018.35	390,081.65	20.1%	
C1203	Catch Up Repairs	656,900.00	663,923.90	-7,023.90	-1.1%	
C1204	Asbestos General	441,700.00	436,016.32	5,683.68	1.3%	
C1205	Structural Repairs	367,600.00	367,050.99	549.01	0.1%	
C1206	General Roofing	140,500.00	126,863.11	13,636.89	9.7%	
C1207	Rewiring	1,075,900.00	1,058,273.92	17,626.08	1.6%	
C1209	Upgrade Of Ch Systems	794,400.00	788,911.07	5,488.93	0.7%	
C1210	Window Replacements	132,300.00	132,047.11	252.89	0.2%	
C1216	Roof Works - C/Hill & Wood	57,800.00	17,636.36	40,163.64	69.5%	
C1219	Est Enhancement-Woodrow	94,900.00	35,731.15	59,168.85	62.3%	Asset Maintenance works completed and accounts paid. The gating works are ongoing and currently under review to assess if the total scheme, as recommended by the Police Crime Risk Manager, will be implemented. This will have an impact on total spend however it is anticipated that the entire budget will be utilised.
C1220	Est. Enhancement-Winyates	269,600.00	31,780.41	237,819.59	88.2%	The soft landscape work has been completed and the initial assessment of the civil engineering works has been quantified. The next stage will be to prioritise the work in accordance with the budget. It is anticipated that the total budget will be utilised however completion is dependent on the availability of Asset Maintenance engineers. This scheme which was scheduled to commence in 2008/9 has been deferred to 2009/10 due to other priorities. The balances shown are thus nominal initial payments and the remainder of the budget is expected to be drawn down during 2009/10. Anticipated completion June 2009. Minor retention monies due to be paid in 2010/11 following completion of works and Defects Correction Period.
C1222	Disabled Adaptations	575,000.00	627,251.49	-52,251.49	-9.1%	See 5.2. of main report.
C1225	St Davids Hse-Fac Upgrade	40,200.00	38,249.52	1,950.48	4.9%	Completion early 2009/10
C1226	St Davids Hse-New Furnishings	34,000.00	33,106.13	893.87	2.6%	Completion early 2009/10

CAPITAL PROGRAMME 2008/09

APPENDIX 1

C1229	Comnty Alarm Modernisation	50,200.00	49,077.83	1,122.17	2.2%	Complete.
C1237	Redditch Lifeline - Software Upgrade	52,000.00	42,243.87	9,756.13	18.8%	Work cpmplete.
C2000	Home Repairs Grant(Over 60'S)	246,700.00	162,277.50	84,422.50	34.2%	Ongoing.
C2001	Disabled Facilities Grant	458,900.00	457,517.35	1,382.65	0.3%	Ongoing.
C2301	Hmo Grants	43,000.00	34,018.52	8,981.48	20.9%	This is dependent on takeup. Take up is starting to pick up this year.
C2304	Hmo Licensing Scheme	28,650.00	28,621.10	28.90	0.1%	Ongoing.Grant funded
C4004	Tenants Cash Incentive Sch.	173,300.00	173,300.00	0.00	0.0%	Complete
Various	Minor Schemes - £10k or less	4,800.00	3,316.20	1,483.80	30.9%	
	Total Housing	9,320,850.00	8,174,692.25	1,146,157.75	12.3%	

Community Safety

Job	Description	Budget	Actuals	Balance	%	Comments
C2222	Memorial Safety	15,600.00	11,791.00	3,809.00	24.4%	Ongoing. Revenue contributions allowing further works.
C1236	CCTV Audio Points	24,800.00	9,292.84	15,507.16	62.5%	Retained for the commissioning of the 3 extra cameras currently being installed. The budget will also cover the moving of the audit point in the town centre if required as the current position was temporary whilst the town centre refurbishments were carried out.
Total Community Safety		40,400.00	21,083.84	19,316.16	47.8%	

Environment & Transport

Job	Description	Budget	Actuals	Balance	%	Comments
C2109	Vehicle Purchase Refuse Collection	340,585.00	260,897.00	79,688.00	23.4%	It has been assessed that better VFM will be obtained through leasing RCVs. The capital will be used to purchase mechanical sweepers/small plant for which there would have been a separate capital bid for this year. A report will go to Members re RCV funding via leasing/revenue.
C2202	L'Scape Imp Programme	157,900.00	140,953.79	16,946.21	10.7%	The works will continue as a rolling programme for the next five years.
C2208	Town Centre Landscape Scheme	399,100.00	334,579.92	64,520.08	16.2%	The budget has been agreed as part of a capital bid for this year and next and any funding allocated to Church Green will be utilised and, possibly increased depending on a Members decision later in the year as a result of the upcoming Town Centre Strategy.
C2207	Wheeled Bins-Fortnightly Coll	38,100.00	26,662.58	11,437.42	30.0%	Part of 100% project which is ongoing. Hope to finish end of this financial year.
C2232	Bridge Street Allot Security Fencing	27,000.00	27,080.52	-80.52	-0.3%	This work has been completed and invoices paid.
Various	Minor Schemes - £10k or less	16,700.00	6,556.50	10,143.50	60.7%	
Total Environment & Transport		979,385.00	796,730.31	182,654.69	18.6%	
TOTAL		11,945,595.00	10,461,326.75	1,484,268.25	12.4%	

Note - Schemes of £10k or less have been amalgamated under each priority. Details are available on request.

WORK IN PROGRESS AT YEAR END

Leisure & Tourism

Job	Description	Budget	Actuals	Balance	Comments
C0012	Abbey Stadium Consultation	371,300.00	244,956.89	126,343.11	Ongoing work to identify major maintenance works/capital refurbishment of Hewell Road Pool/Abbey Stadium buildings and the cost of providing a new build stand alone pool only facility at Abbey Stadium. Member decision then required on way forward.
C0026	Birchensale Playing Fields	65,250.00	36,471.57	28,778.43	Contracts let and in mid delivery. Project will be completed this financial year. There will be no balance to return to the Capital Programme.
C0036	Car Park Arrow Valley Park	115,000.00	1,366.00	113,634.00	Works in progress and payments pending or to be authorised on completed. No savings/overspends anticipated. Completion 2009/10.

Well Managed Organisation

Job	Description	Budget	Actuals	Balance	Comments
C0215	Finance Replacement System	158,900.00	136,267.33	22,632.67	E-procurement and time recording modules still to be implemented.
C0217	Income Replacement System	16,400.00	4,722.10	11,677.90	Complete early 2009/10
C0220	E-Shop Crm Software	21,700.00	16,570.00	5,130.00	Complete early 2009/10
C0222	Edms Housing And Asset Man	44,800.00	17,550.00	27,250.00	Total capital budget was £72,800 and has been spent with either actuals or commitments, however, the final invoice for scanners will be £4k lower than previously priced. Therefore there will be an overall saving of £1k.
C0223	Job Evaluation Software	40,500.00	9,829.14	30,670.86	
C1120	Redevelopment Of Churchill Centre	20,000.00	20,994.24	-994.24	See 5.3. of main report.
C1121	Batchley Brook	427,100.00	357,428.65	69,671.35	Main works complete. Awaiting completion of other associated minor items and final account - anticipate completion within budget. Completion of minor associated landscape works due Sept 2009.
C2234	Drainage Works Cemetery	74,900.00	25,874.00	49,026.00	Further works planned

Housing

Job	Description	Budget	Actuals	Balance	Comments
C1218	Est Enhancement-Lodgepark	100,000.00	10,274.00	89,726.00	This is the last of the three sites included within the first phase of the EEP and it is anticipated that the allocated budget will be utilised. There is still assessment and quantitative work to do at this site and it is dependent to some extent on the progress at Winyates.
C1239	Housing Stock Improvements	520,000.00	441,814.10	78,185.90	Late start on Fire and Aerial works.



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No Specific Ward Relevance

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CONSOLIDATED REVENUE OUTTURN – FINANCIAL YEAR 2008/09

(Report of the Head of Financial, Revenue and Benefit Services)

1. **Summary of Proposals**

For Member's to note the Council's overall financial outturn for the 2008/09 financial year.
 The report shows the actual income and expenditure for 2008/09 financial year and compares this to the budget for General Fund Services and the Housing Revenue Account.

2. **Recommendations**

The Committee is asked to RESOLVE that

subject to Member's Comments, the report be noted.

3. **Financial, Legal, Policy, Risk and Sustainability Implications**

Financial

3.1 There are no specific financial implications. The report brings a summary of financial information to Members' attention for the previous financial year.

Legal

3.2 A statutory framework exists to ensure that local authorities set a balanced budget. The annual budget brings together the Council's expenditure plans and the ways in which income is to be raised to finance that spending

Policy

3.3 The report has been prepared in accordance with existing Council policy.

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Risk

- 3.4 It is important for the outturn position to be reported publicly because of the potential impact on future service provision
Sustainability / Environmental
- 3.5 No Sustainability or Environmental implications have been identified.

Report

4. Background

- 4.1 A revision of all budgets was undertaken during the third quarter of the financial year and was reported to Council on the 23rd February 2009.
- 4.2 The Statement of Accounts for the year 2008/09 will be presented to the Audit Committee on 30th June 2009.
- 4.3 The Audit Commission will be commencing their formal examination of the accounts during August 2009.
5. Key Issues
- 5.1 The report details the overall outturn position for the Council's Services including the General Fund and Housing Revenue Account.
- 5.2 The Revenue outturn position for General Fund Services in 2008/09 is summarised below.

Summary of Spending on Services in 2008/09			
	Outturn Budget £000	Actual £000	Variation £000
Net Expenditure on Services	13,291.9	12,917.3	(374.6)

- 5.3 The major variations are summarised in the table following paragraph 5.5. This is shown at cost centre service level and includes details for all variances in excess of £20,000; Appendix A is at Service level. Details of individual costs centres are available in full from Financial Services as required. The savings are equivalent to 3% of net expenditure or 0.8% of gross expenditure.
- 5.4 The base budget includes a sum of £200k for outturn savings. A number of the exceptions detailed in the table that follows contribute towards this budgeted sum.

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5.5 The majority of the additional outturn savings can be accounted for as follows:

	£
Corporate Activities - year end accounting adjustment to reserves	36,468
Concessionary Travel - demand led, outturn uncertain. First year of new scheme	132,437
Housing Benefit Subsidy - savings not clarified until last week of March 2009	100,000
Crematorium - additional income due to closure of Oakley Wood Crematorium and increased demand during last quarter	65,658
Total	334,443

The above savings would not have been foreseen at the time of revised estimates.

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Major Variances between Outturn Budget and Actual for 2008/09				
Service	Outturn Budget £	Actual £	Variance £	Commentary
Deputy Chief Executive				
Chief Executive				
Corporate Activities	48,490	12,022	(36,468)	Reserves made in previous years for contingent liabilities relating to the 'Ambition Retail' and 'Construct IT' schemes have not been required. Year end accounting adjustment.
Note: No impact on 2009/10.				
Benefits				
Housing & Council Tax Benefit	398,280	255,297	(142,983)	An additional £100,000 in subsidy was generated through improved administration of Local Authority error overpayments. Not achieved until the last week of March. The remaining saving is due to an increase in the percentage of subsidy received for HRA Housing Benefit Claims relating to the convergence of the Council's actual average rent for the year and the guideline rent set by central government.
Note: £40k saving included for 2009/10, £100k for 2010/11.				
Council Tax				
Council Tax Collection	429,240	404,666	(24,574)	Additional income for Court Costs. Also a grant received towards the cost of providing information to the Government.
Note: No impact on 2009/10 unless income levels maintained.				
Democratic Services				
Members Services	277,160	237,873	(39,287)	A saving on Members Allowances and also on Members individual budgets.
Note: Members budgets reduced for 2009/10.				

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Property Management					
Property Services	266,360	244,923	(21,437)		The savings are due to a member of staff being on maternity leave and a reduction in supplies and services.
Business Centres	(12,900)	9,215	22,115		The utility bills were higher than budgeted, there was also an increase in the number of vacant units.
Note: There will be no impact on 2009/10 of the Property Services savings. The position regarding vacant units at the business centre is uncertain, dependant upon the economic climate.					
Corporate Strategy					
Concessionary Fares	£1,098,950	966,513	(132,437)		A provision for anticipated legal costs was not required (£16k). Payments to bus operators were less than estimated.
Note: Demand led service. Position for 2009/10 difficult to accurately forecast.					

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Service	Outturn Budget £	Actual £	Variance £	Commentary
Director of Environment & Planning				
Manager Taxi Licensing				
Hackney Carriage & Private Hire Vehicles	(2,530)	(40,786)	(38,256)	Savings are due to staff vacancies during the year, savings on materials and mechanics time. There was also higher than anticipated income.
Note: Budget position being reviewed by manager for 2009/10.				
Print Unit				
Print & Reprographic Unit	0	91,766	91,766	Under recovery on print unit. A service review was undertaken in 2008/09, full year savings expected in 2009/10.
Note: Savings reflected in 2009/10.				
Manager Bereavement Services				
Crematorium	(172,520)	(238,058)	(65,538)	Surplus is due to additional cremations following the closure of another local crematorium for a time and an outbreak of influenza in the fourth quarter.
Note: No impact on 2009/10				
Manager Waste Collection				
Waste Collection Team	1,390,250	1,429,834	39,584	An invoice was raised in error; the income expected from this was reflected in the outturn budget.
Note: No impact on 2009/10.				
Market				
Market	34,270	63,780	29,510	The income was lower than projected.
Note: Will need to monitor the position in 2009/10.				
Economic Development				
Economic Development	76,650	56,743	(19,907)	Part year saving from EDU Managers post.
Note: No impact anticipated on 2009/10.				

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Service	Outturn Budget £	Actual £	Variance £	Commentary
Director of Housing, Leisure & Customer Services				
Control Centre Manager				
CCTV Operating Costs	453,570	431,013	(22,557)	Savings are due to a reduction in staff overtime and lower than anticipated repairs and maintenance costs. The maintenance contract was awarded from 1 st Feb with significant savings. Some savings were anticipated and these were taken into account in the revised estimates.
Note: There will be savings to reflect in the 2009/10 budget.				
Leisure Facilities				
Hewell Road Swimming Pool	242,650	283,482	40,832	The overspend is due to overtime paid to cover vacancies. Also a loss in income due to a closure for changing room refurbishment
Kingsley Sports Centre	211,430	250,499	39,069	The overspend is due to covering long term sickness (£20k). There were also 2 closures in January/February for emergency structural and electrical works. Reduction in income due to decline in general swimming (£7k). Also Kingsley College now receive income for school pool hire (£5k).
Note: Neither of the above overspends should impact on 2009/10.				
REDI				
REDI Centre	189,670	169,466	(20,204)	This is due to vacant posts (£3.8k) and over achieved income (£10.5k from Learnirect which could not have been anticipated at revised estimates plus other small balances from completed projects).
Note: The nature of these savings means that they will not impact on 2009/10.				

5.6 The table overleaf summaries the General fund non-service specific Expenditure below. This also shows the contribution to General Fund balances for 2008/09.

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General Fund Outturn – 2008/09

	Approved Budget 2008/09 £000	Actual 2008/09 £000	Variance £000
Net Directorate Expenditure (Appendix 1) ¹⁾	13,291.9	12,917.3	(374.6)
<u>Non Service Specific Expenditure</u>			
FRS17 adjustment (pensions)	197.6	197.6	0.0
Bad debt provision	35.0	35.0	0.0
Capital Charges (reversal of)	(1385.2)	(1,379.6)	5.6
Parish Precept	8.0	8.0	0.0
Transfer to/(from) reserves/provisions	0.0	269.9	269.9
Superannuation	258.0	258.8	0.8
Corporate employee costs	45.1	61.0	15.9
Pay Award Provision	68.5	0.0	(68.5)
Financing costs	(274.0)	(544.6)	(270.6)
Prior year adjustment	(228.7)	(279.1)	(50.4)
LAGBI	(457.3)	(457.3)	0.0
Vehicle Adjustment	(38.0)	0.0	38.0
Planning Delivery Grant	(160.2)	(160.2)	0.0
Budget Savings	(62.0)	0.0	62.0
MRP	100.0	100.0	0.0
Unapportioned Overheads	0.0	26.1	26.1
Other contributions	0.0	(17.4)	(17.4)
Total General Fund Expenditure	11,398.7	11,035.5	(363.2)
Income from Grants and Local Taxation	(11,706.1)	(11,706.1)	0.0
Contribution to General Fund Balances	(307.4)	(670.6)	(363.2)

5.7. General Fund Balances

The impact on the General Fund balances brought forward is as follows:

General Fund Balance	
	£'000
Balance as at 1st April 2008	1,461.0
Contribution to balances	670.6
Balance as at 31 st March 2009	2,131.6

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Housing Revenue Account

- 5.8. The Housing Revenue Account (HRA) has prepared in line with the current Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice.
- 5.9. There is a deficit of £196,880 against the approved budget for 2008/09. This has resulted in HRA balances as at 31 March 2009 of £583,385.
- 5.10. The significant variations between the outturn budget and the actual expenditure are shown in the table below

Major Variances between Outturn Budget and Actual for 2008/09				
Service	Outturn Budget £	Actual £	Variance £	Commentary
Housing Revenue Account				
Supervision & Management	5,379.5	5,294.6	(84.9)	There are savings of £84,900 on this element of the HRA - £55,840 is due to a lower than anticipated contribution to the General Fund for Supporting People Services, and £29,060 is due to post vacancies in the Tenant Participation and Tenancy Teams
Repairs & Maintenance	3,934.0	4,221.0	287.0	There is a separate report (see appendix 3) detailing the overspend of £287,000. Gas Servicing Contract - An invoice (£70k) relating to the beginning of 2007/08 was not billed until 2008/09, complicated by the long term absence of a member of staff. Also increased usage of more expensive components. Roofing - high level of unavoidable repairs due to wet weather last summer and winter. Some work reduced or postponed but others essential.
Note: Gas Servicing Contract being assessed at each quarter during 2009/10. Capital and R&M Team working together to utilise budgets jointly. Looking at small scale roofing programme where in very poor condition.				

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Service	Outturn Budget £	Actual £	Variance £	Commentary
Item 8 Debit	3,938.6	3,911.6	(27.0)	The under spend of £27,000 is due to a reduction in the consolidated rate of interest.
Provision for Bad Debts	125.0	93.2	(31.8)	£93,200 worth of debts was written off the HRA in 2008/09 which was £31,800 lower than the original budgeted figure.
Interest Receivable	(77.0)	(42.8)	34.2	This element covers the notional interest calculation on both the income & expenditure of the HRA. The amount was lower than anticipated by £34,200 due to low interest rates on temporary borrowing

5.11 Impact on Medium Term Financial Plan

It is forecast that over the next 3 years the Council will need to make further savings of £685,8k as shown in the table below.

	2009/10	2010/11	2011/12
Budget Savings Required	£'000	£'000	£'000
Savings Agreed	793.3	1,640.6	1,854.3
Balance	815.0	1,340.3	1,447.1
	(21.7)	300.3	407.2

	£'000
Overall deficit over 3 years	685.8
Outturn Variance 2008/09	(363.2)
Benefit subsidy - earlier realisation of savings.	(60.0)
Balance	262.6

5.12 It may be prudent to consider using the outturn savings of £363.2k to make provision for any unexpected claim from bus operators in respect of Concessionary Travel, to increase the provision in respect of Job Evaluation or to consider making a Minimum Revenue Provision in respect of any borrowing that may be required for the Redevelopment of Abbey Stadium.

5.13 Specific Reserves

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The Council's current position regarding its specific reserves is as follows:-

	Balance at 31 March 2009 £'000
Housing Major repairs	526
Earmarked reserves:-	
Third party insurance	61
Community development	33
Car loan scheme	7
Hemming Road Enterprise Centre	45
Environmental Health	3
Taxi Licensing	22
Public donations	84
Mercury emissions	180
Capital expenditure (General fund)	333
Concessionary fares	43
Job evaluation	400
Capital expenditure (HRA)	4,450
	6187

6. Other Implications

Asset Management	-	None
Community Safety	-	None
Human Resources	-	None
Social Exclusion	-	None

7. **Lessons Learnt**

Further work could be done to improve the budget preparation process.

Budget holders need to prepare separate reports on any emerging budget pressures during the year.

8. **Background Papers**

Estimate working papers are available from Financial Services

9. **Consultation**

This report has been prepared in consultation with relevant Borough Council Officers.

10. **Author of Report**

The author of this report is Sam Morgan (Financial Services Manager), who can be contacted on extension 3790 (e-mail: sam.morgan@redditchbc.gov.uk) for more information.

11. **Appendices**

Appendix 1 – Service Head Outturn Summary (General Fund)
Appendix 2 – Housing Revenue Account Outturn Summary
Appendix 3 - Housing Repairs Account

Service Head Outturn Summary

Head of Service	Revised Budget	YTD Actuals	Variance
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Chief Executive

Corporate Management

Chief Executive	665,600	643,588.11	-22,011.89
Head of Service total	665,600	643,588.11	-22,011.89

Head Of Financial Revs & Bens

Benefits	402,636	261,884.55	-140,751.75
Council Tax	512,540	480,654.66	-31,885.34
Financial Services	-126	-126.30	0.00
Head of Service total	915,050	742,412.91	-172,637.09

Head Of Legal, Demo & Prop

Democratic Services	632,820	562,137.84	-70,682.16
Property Management	-461,990	-451,260.47	10,729.53
Head of Service total	170,830	110,877.37	-59,952.63

Head Of Strategy & Partnership

Corporate Strategy	1,567,040	1,426,319.90	-140,720.10
Head of Service total	1,567,040	1,426,319.90	-140,720.10

Directorate total	3,318,520	2,923,198.29	-395,321.71
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Service Head Outturn Summary

Head of Service	Revised Budget	YTD Actuals	Variance
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Environment & Planning

Head Of Environment

Environmental Health	735,650	726,278.33	-9,371.67
Environmental Services	35,200	26,658.24	-8,541.76
Manager Lands. & Cleansing	1,127,440	1,125,784.92	-1,655.08
Manager Taxi Licensing	24,220	-19,781.17	-44,001.17
Manager Waste Management	898,060	892,924.09	-5,135.91
Head of Service total	2,820,570	2,751,864.41	-68,705.59

Head Of Human Resources & Comm

Communications	100,230	95,823.95	-4,406.05
Human Resources	104,610	108,781.83	4,171.83
Print Unit	0	91,766.16	91,766.16
Head of Service total	204,840	296,371.94	91,531.94

Head Of Operations

Dial A Ride	336,190	327,409.91	-8,780.09
Manager Bereavement Services	-172,520	-238,057.63	-65,537.63
Manager Waste Collection	1,522,170	1,561,743.70	39,573.70
Market	34,270	63,779.82	29,509.82
Head of Service total	1,720,110	1,714,875.80	-5,234.20

Head Of Planning & Build Contr

Building Control	103,940	105,536.90	1,596.90
Economic Development	76,650	56,743.24	-19,906.76
Planning Policy	754,480	753,829.31	-650.69
Head of Service total	935,070	916,109.45	-18,960.55

Directorate total	5,680,590	5,679,221.60	-1,368.40
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Service Head Outturn Summary

Head of Service	Revised Budget	YTD Actuals	Variance
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Housing Services

Head Of Asset & Maintenance

Asset Maint	284,350	293,218.17	8,868.17
Manager Care & Repair	68,240	67,372.54	-867.46
Head of Service total	352,590	360,590.71	8,000.71

Head Of Housing & Community

Control Centre Manager	491,960	455,816.19	-36,143.81
Housing Options Officer	20,250	9,914.35	-10,335.65
Housing Services Misc	117,870	110,992.09	-6,877.91
Manager St David'S House	0	0.00	0.00
Team Leader Wardens North	14,800	5,913.38	-8,886.62
Head of Service total	644,880	582,636.01	-62,243.99

Directorate total	997,470	943,226.72	-54,243.28
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Service Head Outturn Summary

Head of Service	Revised Budget	YTD Actuals	Variance
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Leisure Customer & Bus Sup

Head Of Cust & It

Customer Support Services	54,210	53,709.10	-500.90
Head of Service total	54,210	53,709.10	-500.90

Head Of Leisure & Arts

Arts Services	62,910	65,231.16	2,321.16
Community Centres	339,940	321,507.48	-18,432.52
Leisure Facilities	1,987,600	2,111,932.10	124,332.10
Palace Theatre Management	420,120	409,027.28	-11,092.72
Project Development Manager	41,220	41,244.16	24.16
Redi	189,670	169,465.61	-20,204.39
Sports Development Manager	199,600	199,559.65	-40.35
Head of Service total	3,241,060	3,317,967.44	76,907.44

Directorate total	3,295,270	3,371,676.54	76,406.54
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General Fund total	13,291,850	12,917,323.15	-374,526.85
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Housing Revenue Account Outturn Summary
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	Revised budget	YTD Actuals	Variance
Hra Expenditure			
Depreciation & Item 8 Debit	3,938,540	3,911,589.00	-26,951.00
Hra Repairs & Maint	3,934,010	4,220,970.58	286,960.58
Neg Subsidy Transfer To Dclg	5,834,620	5,834,619.00	-1.00
Provision For Bad Debts	125,000	93,237.23	-31,762.77
Rents, Rates, Taxes & Oth Chgs	220,610	218,198.71	-2,411.29
Supervision And Management	5,379,580	5,294,586.69	-84,993.31
Hra Expenditure	19,432,360	19,573,201.21	140,841.21
Hra Income			
Dwelling Rents	-18,730,340	-18,723,261.54	7,078.46
Non Dwelling Rents	-567,010	-551,586.05	15,423.95
Services & Facilities	-178,930	-179,607.73	-677.73
Hra Income	-19,476,280	-19,454,455.32	21,824.68
Hra Interest Receivable			
Interest Receivable	-77,000	-42,783.00	34,217.00
Hra Interest Receivable	-77,000	-42,783.00	34,217.00
(Surplus)/Deficit on service	-120,920	75,962.89	196,882.89

Housing Repairs Account Outturn Summary
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	Revised budget	YTD Actuals	Variance
Hra Repairs Expenditure			
Administration	297,430	297,425.00	-5.00
Programmed Maintenance	706,000	899,261.08	193,261.08
Projects	150,000	148,469.27	-1,530.73
Rechargeable Works	0	-73,474.47	-73,474.47
Response Maintenance	1,930,750	2,075,518.50	144,768.50
Voids	849,830	873,771.20	23,941.20
Hra Repairs Expenditure	3,934,010	4,220,970.58	286,960.58
Hra Repairs Income			
Contribution From Hra	-3,934,010	-4,220,970.58	-286,960.58
Hra Repairs Income	-3,934,010	-4,220,970.58	-286,960.58
Balance at 31 March 2009	0	0.00	0.00