

**EXECUTIVE
COMMITTEE**

24th July 2012

CONSOLIDATED REVENUE OUTTURN – FINANCIAL YEAR 2011/12

Relevant Portfolio Holder	Councillor Phil Mould, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	
Relevant Head of Service	Teresa Kristunas, Head of Finance and Resources
Wards Affected	All Wards
Ward Councillor Consulted	
Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 For Members to note the Council's overall financial outturn for the 2011/12 financial year.
- 1.2 The report shows the actual income and expenditure for 2011/12 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 Members' Comments, the report be noted.**

3. KEY ISSUES

- 3.1 The Budget monitoring Report has been presented to Members on a quarterly basis during 2011/12. This report presents a summary of the final financial position for the financial year.
- 3.2 The formal Statement of Accounts will be signed by the S151 officer by 30th June; following the annual audit these will then be approved by Members on 26th September.
- 3.3 During the financial year there have been quarterly financial reports presented to Executive and Overview and Scrutiny. In addition monthly reports are reviewed by individual managers and Heads of Service to ensure any areas of concern are addressed.

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3.4 The 2011/12 summary position for the General Fund is:

	Approved Budget 2011/12 £000	Actual 2011/12 £000	Variance £000
Chief Executive	136	15	(121)
Finance & Resources	2,027	1,739	(288)
Policy, Performance & Partnership	168	228	60
Leisure, Environmental & Community	7,561	7,370	(191)
Planning, Regeneration, Reg & Housing	1,743	1,509	(234)
Net Directorate Expenditure	11,635	10,861	(774)
Non Service Specific Expenditure			
Transfer to/(from) reserves/provisions	(348)	(7)	341
Prior Year Adjustment (VAT)	(231)	-	231
Superannuation	1,467	1,591	124
Financing costs	(51)	22	73
MRP	417	471	54
Net other Changes	(1,713)	(1,623)	90
Total General Fund Expenditure	11,176	11,315	139
Income from Grants and Local Taxation	(10,786)	(10,824)	(38)
Contribution From General Fund Balances	390	491	101

3.5 There is a significant underspend of £774k in relation to the general services revenue expenditure. This is due to a number of reasons to include:

- a) Underspends in staffing costs of £1.5 million. This is due to the number of posts held vacant whilst awaiting the shared service review to ensure redeployment opportunities are available.
- b) Credit from Housing Revenue Account in relation to subsidy limitation £271k.
- c) Increases in subsidy re Housing Benefit £128K.
- d) Additional surplus from Regulatory Shared Service £135k.
- e) Renegotiated CCTV & Lifeline contract £31k.

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- f) Additional income achieved by Palace Theatre £73k.
- 3.6 The £774k includes a number of grants received that are due to be spent on projects in future years. These have been transferred to reserves. The grants relate to;
- A CCG Grant £156K
 - B Homeless Grant £55K
 - C DCLG Research and Development Grant £1K
- 3.7 There are a number of non service specific budgets within the above table which have offset the underspend relating to the general services. The net effect of the 2011/12 financial position is an increase in the requirement from balances of £101k to fund the overspend to budget.
- 3.8 There are a number of reasons for the net overspend (additional requirement from balances). These include;
- a) An increase in superannuation costs payable from prior year restructures.
 - b) The shortfall in income of £231k that was expected to be received in relation to prior year VAT refunds. Officers are continuing to monitor this refund with the aim to receive in 2012/13.
 - c) Financing costs have increased by £73K. This is due to an increase in the cost of borrowing short term funds.
- 3.9 There is an impact on the General Fund Revenue balances as a result of the increase in requirement for 2011/12.

General Fund Balance		
	£'000	£'000
Balance as at 1 st April 2011	1,565	
Contribution from balances	(491)	
Balance as at 31 st March 2012		1,074
Proposed use of balances 2012/13	(192)	
Estimated Balances 31 st March 2013		882

The recommended level of balances is £750K.

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Housing Revenue Account

- 3.10 2011/12 financial position resulted in an overspend of £100,787 against the approved budget of £304k. This has reduced the HRA balances to £918k.
- 3.11 The main variations are due to :
- a) Supervision & Management - Savings are from the Home Support Service following their restructure and salary saving on the Tenant Participation Team. (155K)
 - b) There was an increase in the cost of financing due to the arrangement fee for the PWLB loan, and an increase in the interest payments on borrowing. (102K)
 - c) Subsidy Limitation (paid to General Fund) this represents an amount of £146,413 for 2010/11 and £124,843 for 2011/12 which has to be paid to the General Fund when the average rent figure is higher than the Government set limit rent (budget £120K). This will be rectified at the end of the rent restructuring period. (151K)
 - d) Housing Services commenced their transformation work in October 2011 and currently have 4 interventions underway these being, Repairs & Maintenance, Tenancy/Rent & Welfare, Housing Options and Equipment & Adaptations. The trials taking place have already demonstrated the improvement in the service delivery to the customer one example of this is that repairs are now being completed end to end time of 32.2 hours with an upper control limit of 158 hours in comparison to previous end to end times of 26 days with upper limit of 75 days.

To enable this work to have commenced we recruited the services of one of the Vanguard consultants whose expertise has shown officers how to work under the vanguard method, this has been invaluable as we now have officers who are providing services against our purpose which is realigned against the strategic purpose of the council. There is a cost to this however there will be longer term savings and customer satisfaction.

The Homes Support Service has been reviewed to ensure it operates in line with the changes made to the Supporting People contract which finances the service, savings have been made by not recruiting to posts when vacant, the service has just been awarded an "A" star rating from Supporting People for the service.

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Financial Implications

Impact on Medium Term Financial Plan

- 3.12 The additional requirement from balances for 2011/12 will reduce the level available for future funding but remains within the recommended level.

Legal Implications

- 3.13 There are no specific Legal Implications.

Service/Operational Implications

- 3.14 The Statement of Accounts for the year 2011/12 will be signed by the Section 151 Officer on 29th June 2012.
- 3.15 The Audit Commission will be commencing their formal examination of the accounts on 30th July 2012.

Customer / Equalities and Diversity Implications

- 3.16 The Council needs to regularly monitor budgets against actual expenditure; this is to ensure it maintains a well managed organisation. All budget holders have been consulted in this report.

4. RISK MANAGEMENT

There are no specific risks associated with the details included in this report.

5. APPENDICES

None

6. BACKGROUND PAPERS

Available from Financial Services Manager.

AUTHOR OF REPORT

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