



---

To Executive Councillor for Customer Services & Resources  
Report by Chief Executive, Director of Customer & Community Services, Director of Environment and Director of Resources  
Relevant Scrutiny Committee Strategy & Resources 8 July 2013

**2012/13 Revenue and Capital Outturn, Carry Forwards and Significant Variances**

**Not a Key Decision**

**1. Executive summary**

- 1.1 This report presents a summary of the 2012/13 outturn position (actual income and expenditure) for services within the Customer Services & Resources portfolio, compared to the final budget for the year. The position for revenue and capital is reported and variances from budgets are highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2013/14 (and for capital later years) are identified.
- 1.2 It should be noted that outturn reports being presented in this Committee cycle reflect the reporting structures in place prior to the recent changes in Executive portfolios. In light of those changes (together with the requirement to report outturn on the basis of portfolios in place during 2012/13) members of this committee are asked to consider the proposals to carry forward budgets and make their views known to The Leader, for consideration at Strategy & Resources Scrutiny Committee prior to his recommendations to Council.

**2. Recommendations**

Members of the Scrutiny Committee are asked to consider and make known their views on the following proposals:

- a) To carry forward £105,170 of revenue budgets from 2012/13 to 2013/14, as detailed in Appendix C.

- b) To carry forward capital resources to fund re-phased net capital spending of £881,000 from 2012/13 into 2013/14 and future years, as detailed in Appendix D.

### 3. Background

#### Revenue Outturn

- 3.1 The outturn position for the Customer Services & Resources portfolio, compared to the final revenue budget, is presented in detail in Appendix A.
- 3.2 Appendix B to this report provides explanations of the main variances.
- 3.3 Appendix C sets out the final list of items, for this portfolio, for which approval is sought to carry forward unspent budget from 2012/13 to the next financial year, 2013/14.
- 3.4 The overall revenue budget outturn position for the Customer Services & Resources portfolio is set out in the table below:

<b>Customer Services &amp; Resources Portfolio 2012/13 Revenue Summary</b>	<b>£</b>
Final Budget	(5,308,410)
Outturn	(5,452,450)
Variation – (Under)/Overspend for the year	(144,040)
<b>Carry Forward Requests:</b>	
Revenue and Benefit Services	41,910
Human Resources	63,260
<b>Total Carry Forward Requests</b>	<b>105,170</b>
<b>Net Variance</b>	<b>(38,870)</b>

The variance represents 0.7% of the overall portfolio budget for the 2012/13 financial year.

## **Capital Outturn**

- 3.5 Appendix D shows the outturn position for schemes and programmes within the Customer Services & Resources portfolio, with explanations of variances.
- 3.6 An overall underspend of £1,427,000 has arisen. £881,000 is due to slippage and re-phasing of the capital programmes is required to transfer the budget into 2013/14 and future years. The remaining variance of £546,000 is a result of net underspends on individual capital schemes and programmes.

## **4. Implications**

- 4.1 The net variance from the final budget, after approvals to carry forward budget of £105,170 from 2012/13 to the next financial year, 2013/14, would result in a reduced use of General Fund reserves of £38,870.
- 4.2 In relation to anticipated requests to carry forward revenue budgets into 2013/14, the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equal opportunities, environmental and/or community safety implications.

## **5. Background papers**

These background papers were used in the preparation of this report:

- Closedown Working Files 2012/13
- Directors' Variance Explanations – March 2013
- Capital Monitoring Reports – March 2013
- Budgetary Control Reports to 31 March 2013

## **6. Appendices**

- Appendix A - Revenue Budget 2012/13 - Outturn
- Appendix B - Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2012/13 - Carry Forward Requests
- Appendix D - Capital Budget 2012/13 - Outturn

## 7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Authors' Names:	Linda Thompson; John Harvey
Authors' Phone Numbers:	Telephone: 01223 - 458144; 01223 - 458143
Authors' Email:	<a href="mailto:linda.thompson@cambridge.gov.uk">linda.thompson@cambridge.gov.uk</a> <a href="mailto:john.harvey@cambridge.gov.uk">john.harvey@cambridge.gov.uk</a>

O:\accounts\Committee Reports & Papers\Strategy & Resources from July 2007\2013 June\Final\CS&R\S&R (CS&R) Final Outturn 2012-13 Report.doc

## Customer Services &amp; Resources Portfolio / Strategy &amp; Resources Scrutiny Committee

## Revenue Budget - 2012/13 Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
<b>Resources</b>						
Finance - General	(536,530)	(727,000)	(632,456)	94,544	0	94,544
General Properties and Grand Arcade	(7,261,180)	(7,240,190)	(7,270,945)	(30,755)	0	(30,755)
Procurement	0	0	(5,742)	(5,742)	0	(5,742)
Finance - Indirect	0	0	(14,797)	(14,797)	0	(14,797)
Systems Support - Indirect	0	0	1,004	1,004	0	1,004
Mill Road Support Services	0	0	(28,663)	(28,663)	0	(28,663)
Repairs and Maintenance (General Fund)	0	267,690	267,690	0	0	0
	<b>(7,797,710)</b>	<b>(7,699,500)</b>	<b>(7,683,909)</b>	<b>15,591</b>	<b>0</b>	<b>15,591</b>
<b>Other IT Spend</b>						
Flexible Working / IT Corporate Strategy / Document Image Processing	222,980	170,000	170,305	305	0	305
	<b>222,980</b>	<b>170,000</b>	<b>170,305</b>	<b>305</b>	<b>0</b>	<b>305</b>
<b>Human Resources</b>						
Employee Travel Plan	0	0	204	204	0	204
Childcare Voucher Scheme	0	0	10,943	10,943	0	10,943
GMB	0	0	931	931	0	931
Unison	0	0	(1,405)	(1,405)	0	(1,405)
Emergency Planning	0	0	(6,858)	(6,858)	0	(6,858)
Quality/Health and Safety Management - Indirect	0	0	(9,317)	(9,317)	0	(9,317)
	<b>0</b>	<b>0</b>	<b>(5,502)</b>	<b>(5,502)</b>	<b>0</b>	<b>(5,502)</b>
<b>Chief Executive's</b>						
Democratic Services	297,110	297,460	301,392	3,932	0	3,932
	<b>297,110</b>	<b>297,460</b>	<b>301,392</b>	<b>3,932</b>	<b>0</b>	<b>3,932</b>
<b>Customer and Community</b>						
Cashiers	0	0	(2,094)	(2,094)	0	(2,094)
Customer Access Strategy - Set Up / Implementation	0	0	0	0	0	0
Customer Service Centre	0	0	(1,693)	(1,693)	0	(1,693)
Central Post Scanning Facility	314,880	271,940	262,791	(9,149)	0	(9,149)
Revenue and Benefit Services	1,982,110	1,775,900	1,647,197	(128,703)	41,910	(86,793)
	<b>2,296,990</b>	<b>2,047,840</b>	<b>1,906,201</b>	<b>(141,639)</b>	<b>41,910</b>	<b>(99,729)</b>
<b>Environment</b>						
Land Charges and Searches	(63,770)	(73,570)	(98,137)	(24,567)	0	(24,567)
Tourism	106,790	133,370	163,605	30,235	0	30,235
City Centre Management	131,050	146,800	143,921	(2,879)	0	(2,879)
Markets	(332,920)	(330,810)	(350,326)	(19,516)	0	(19,516)
Control of Street Trading	2,660	0	0	0	0	0
	<b>(156,190)</b>	<b>(124,210)</b>	<b>(140,937)</b>	<b>(16,727)</b>	<b>0</b>	<b>(16,727)</b>
<b>Direct Services Total</b>	<b>(5,136,820)</b>	<b>(5,308,410)</b>	<b>(5,452,450)</b>	<b>(144,040)</b>	<b>41,910</b>	<b>(102,130)</b>
<b>Support Services (net costs recharged to Departments)</b>						
Accountancy and Support Services	1,360,470	1,531,630	1,504,410	(27,220)	0	(27,220)
Other Support Services	255,590	234,580	225,968	(8,612)	0	(8,612)
Internal Audit	371,790	321,900	313,814	(8,086)	0	(8,086)
Human Resources	955,690	1,025,010	921,396	(103,614)	63,260	(40,354)
IT	2,865,460	2,689,490	2,640,862	(48,628)	0	(48,628)
Legal Services	930,890	923,800	926,274	2,474	0	2,474
Property and Building Services (including Admin Buildings)	3,907,480	3,192,890	3,195,598	2,708	0	2,708
Architects	198,210	190,730	196,513	5,783	0	5,783
	<b>10,845,580</b>	<b>10,110,030</b>	<b>9,924,835</b>	<b>(185,195)</b>	<b>63,260</b>	<b>(121,935)</b>
Recharged to Departments	(10,845,580)	(10,110,030)	(9,924,835)	185,195	0	185,195
<b>Support Services (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63,260</b>	<b>63,260</b>
<b>Total Net Budget</b>	<b>(5,136,820)</b>	<b>(5,308,410)</b>	<b>(5,452,450)</b>	<b>(144,040)</b>	<b>105,170</b>	<b>(38,870)</b>

**Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee**

**Revenue Budget - 2012/13 Outturn**

---

Changes between original and revised budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to capital accounting
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted for

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)
  
- and via technical adjustments/virements throughout the year

## Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

### Revenue Budget 2012/13 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
<b>Resources</b>			
Finance - General	Of this overall variance £66k relates to impairment of Icelandic Bank deposits, as a consequence of changes in the expected profile of repayments. (The overall percentages which the Council expects to recover remain unchanged.) Of the remaining variance the majority, £30k, reflects a larger proportion of investment interest receipts being attributable to the Housing Revenue Account as a result of higher than anticipated HRA balances.	94,544	Julia Minns
General Properties and Grand Arcade	The variance is primarily due to the receipt of one-off additional rental income of £39,884 following the completion of the rent audit for the Grand Arcade shopping centre during the latter stages of the 2012/13 financial year.	(30,755)	Philip Doggett
Mill Road Support Services	The variance is largely due to the delay in recruiting to vacant posts following the Support Services restructure.	(28,663)	Althea Mejias
<b>Customer and Community</b>			
Revenue and Benefit Services	The main variances are due to unspent Homelessness Prevention Funding of (£41,910) for which a carry forward of budget is requested (see Appendix C), higher than forecast recovery of benefit overpayments from claimants no longer claiming benefits of (£11,581), higher than forecast recovery of Local Taxation legal costs of (£16,887) and higher than forecast Local Taxation Court costs recovered of (£46,739) - £280,009 collected against forecast of £233,270 (a one-off increase of £46,739).	(128,703)	Alison Cole
<b>Environment</b>			
Land Charges and Searches	Over achievement of fee income as a result of an increase in the number of Land Charge requests over the last 2 quarters.	(24,567)	Paul Boucher
Tourism	Commercial and Guided Tours income was lower than the same period last year. This was due to a 25% reduction in footfall as a result of very poor weather and the Olympics having a negative effect on local tourism. The final outturn position was reduced through the introduction of daily monitoring of income performance from the beginning of January 2013. This will now continue moving forward. The service is reviewing all its income generating activity and identifying opportunities to both increase footfall to the TIC, whilst also reducing dependency on income through the TIC. In light of the challenge with the Tourism service, other cost centres within the service were equally closely monitored, resulting in a net £8k overspend across the Tourism and City Centre Management service as a whole.	30,235	Emma Thornton

**Customer Services & Resources Portfolio /  
Strategy & Resources Scrutiny Committee**

**Revenue Budget 2012/13 - Major Variances  
from Final Revenue Budgets**

Service Grouping	Reason for Variance	Amount £	Contact
<b>Support Services</b> Accountancy and Support Services	Net underspending for the year predominantly relates to employee budget underspending of £13,620 reflecting an overprovision for employer pension fund contributions, combined with an underspending of the budget for recruitment. The balance relates to net underspending of various supplies and services budgets.	(27,220)	Julia Minns
Human Resources	The underspend includes the balance of the organisational change budget of £63,260, which has been allocated to the Managers' Skills programme. The Managers' Skills programme has now been implemented and will be completed by August 2014. A carry forward of budget of £63,260 will be required to complete the programme (see Appendix C). The remaining variance relates to minor employee cost and supplies and services underspends.	(103,614)	Deborah Simpson
IT	The variance is mainly due to minor underspends on IT Contract costs.	(48,628)	James Nightingale



**Customer Services & Resources Portfolio /  
Strategy & Resources Scrutiny Committee**

**Revenue Budget 2012/13 - Carry Forward Requests**

Request to Carry Forward Budgets from 2012/13 into 2013/14

Item	Reason for carry forward request	Carry Forward Requests £	Contact
1	<p><b>Revenue and Benefit Services</b> Request to carry forward unspent Homelessness Prevention funding of £41,910 to support Discretionary Housing Payments as outlined within the report to Strategy &amp; Resources Scrutiny Committee on 9 April 2013.</p>	41,910	Alison Cole
2	<p><b>Human Resources</b> The HR service underspend includes the balance of a corporate budget earmarked to support organisational change and allocated to the Managers' Skills Programme. There is a request to carry forward the balance of £63,260 to complete the programme. The Managers' Skills programme has been implemented and will be completed by August 2014.</p>	63,260	Deborah Simpson
	<b>Total Carry Forward Requests for Customer Services &amp; Resources Portfolio</b>	<b>105,170</b>	

## Customer Services &amp; Resources Portfolio / Strategy &amp; Resources Scrutiny Committee

## Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13	Final Budget 2012/13	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC335	Customer Access Strategy - IT Workstream	C Bolton	0	76	56	(20)	20	0	Project is nearing completion. Remaining budget is required for final project management/IT costs.
SC537	Additional Desks and Interview Room in Customer Service Centre	C Bolton	25	25	28	3	0	3	Scheme completed. Overspend of £3k has been financed from repairs and renewals funding.
SC538	Information Kiosks to be Installed in Local Area	C Bolton	25	25	0	(25)	25	0	Contract has been awarded. Kiosks to be installed by end of August 2013.
SC555	Siemens Maintenance Contract	C Bolton	0	75	8	(67)	67	0	Contract has been awarded. Project will be completed in the 2013/14 financial year.
SC508	E-Benefits	A Cole	0	5	0	(5)	5	0	Remaining budget is required for final project support/IT costs.
SC552	Localisation of Council Tax - Implementation Costs	A Cole	0	84	73	(11)	11	0	Software purchased. The remaining budget is required for project support/IT costs.
SC391	La Mimosa Punting Station	P Doggett	0	10	0	(10)	10	0	Investigating possible match funding by punt operators for a combined pontoon with storage facility.
SC559	CBbid Software	K Jay	0	20	17	(3)	3	0	Remaining budget is required for final project support/IT costs.
SC429	Telephony System Upgrade	J Nightingale	50	15	0	(15)	15	0	Project now planned for the 2013/14 financial year. (There is existing budget provision of £35k in the 2013/14 financial year.)
SC541	Corporate PC Replacement Programme	J Nightingale	350	350	234	(116)	116	0	Due to supplier delays, procurement of laptops was not completed in March as planned. Procurement is now underway.
SC550	Cambridge Future City Feasibility Study	J Nightingale	0	50	47	(3)	0	(3)	Scheme completed.
SC312	Automated Energy Monitoring System	J Stocker	0	23	0	(23)	0	(23)	Capital budget no longer required. Currently negotiating with existing gas shipper for the installation of Automatic Meter Reading (AMR) meters. There will be an ongoing annual revenue expenditure commitment for data collection.

## Customer Services &amp; Resources Portfolio / Strategy &amp; Resources Scrutiny Committee

## Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13	Final Budget 2012/13	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC362	Lighting and Power in Committee Rooms	J Stocker	15	15	1	(14)	14	0	Lighting design has been completed. Members' approval will need to be sought before completion of installation.
SC558	Boiler Replacement at Mill Road Admin Block	J Stocker	0	30	33	3	0	3	Scheme completed. Overspend of £3k has been financed from repairs and renewals funding.
SC507	Visit Cambridge Website	E Thornton	0	10	8	(2)	2	0	Carry forward of £2k requested which will be used towards the development of a mobile version of the Visit Cambridge website. This formed part of the original project specification. This has been delayed due to reduced staff resource due to maternity leave but will be delivered in the first half of next year.
SC539	Metered System for the Supply of Electricity on the Market	A White	50	0	0	0	0	0	Scheme re-phased to the 2013/14 financial year.
SC540	Electronic Market Management Software	A White	22	22	8	(14)	14	0	New system has gone live and is in final stages of testing integration with Oracle. Payment is in stages with final stage three months after successful implementation.
<b>Total Projects</b>			<b>537</b>	<b>835</b>	<b>513</b>	<b>(322)</b>	<b>302</b>	<b>(20)</b>	

## Customer Services &amp; Resources Portfolio / Strategy &amp; Resources Scrutiny Committee

## Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13	Final Budget 2012/13	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC554	Development of Land at Clay Farm	A Carter	0	2,113	1,752	(361)	361	0	The costs incurred are in respect of the Collaboration Agreement with Countryside. Rate of invoices from Countryside relate directly to rate of house-building which is variable and beyond our control. Target completion date is long stop date in draft Development Agreement and equates to four years from estimated planning approval. Budget of £361k needs to be re-phased to the 2016/17 financial year.
SC192	Development Land on the North Side of Kings Hedges Road	P Doggett	182	80	36	(44)	44	0	A contractor for the remaining Stage 2 infrastructure works has now been appointed. Following receipt of revised estimates from the managing agent, budget of £44k needs to be re-phased to the 2014/15 financial year.
SC221b	Lion Yard - Contribution to Works - Phase 2	P Doggett	1,793	1,200	679	(521)	0	(521)	This is a scheme whereby we contribute 25% of the overall cost of the capital works at Lion Yard. Further costs are due to be paid in the 2013/14 financial year.  Following receipt of forecast cost information from the Lion Yard managing agent, the 2013/14 capital budget of £617k is deemed to be sufficient to fund the final scheme costs. The remaining 2012/13 capital budget of £521k does not therefore need to be carried forward to the 2013/14 financial year.
SC329	Corporate Document Management (DIP & EDM)	J Nightingale	350	73	37	(36)	36	0	Following roll-out to services directly relating to the customer services centre bids are being sought from other services against the remaining balance. An updated position is scheduled to be reported in September 2013 including recommendations on the level of funding to be retained.
<b>Total Provisions</b>			<b>2,325</b>	<b>3,466</b>	<b>2,504</b>	<b>(962)</b>	<b>441</b>	<b>(521)</b>	

## Customer Services &amp; Resources Portfolio / Strategy &amp; Resources Scrutiny Committee

## Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2012/13	Final Budget 2012/13	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
PR023	Admin Buildings Asset Replacement Programme	W Barfield	98	121	78	(43)	43	0	The Admin Buildings Asset Replacement work programme will be reviewed during the 2013/14 financial year following completion of new condition surveys.
PR024	Commercial Properties Asset Replacement Programme	W Barfield	77	44	34	(10)	10	0	The Commercial Properties Asset Replacement work programme will be reviewed during the 2013/14 financial year following completion of new condition surveys.
PR020	ICT Infrastructure Programme	J Nightingale	525	1,029	944	(85)	85	0	Slippage on several projects resulted in work not being completed to the original timescales. The relevant projects should be completed by end June/early July 2013.
PR003	City Centre Management Programme	E Thornton	20	20	15	(5)	0	(5)	Scheme will continue to be promoted through the Cambridge BID and the city centre business community in general.
<b>Total Programmes</b>			<b>720</b>	<b>1,214</b>	<b>1,071</b>	<b>(143)</b>	<b>138</b>	<b>(5)</b>	
<b>Total for Customer Services &amp; Resources Portfolio</b>			<b>3,582</b>	<b>5,515</b>	<b>4,088</b>	<b>(1,427)</b>	<b>881</b>	<b>(546)</b>	