



To Executive Councillor for Strategy

Report by Chief Executive, 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 Strategy (previously “& Climate Change”) 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 future 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 £33,700 of revenue budgets, as detailed in Appendix C.
- b) To seek approval from Council to carry forward capital resources to fund rephased net capital spending of £33,000 from 2012/13 into 2013/14 as detailed in Appendix D.

3. Background

Revenue Outturn

- 3.1 The outturn position for the Strategy (previously “& Climate Change”) 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 Strategy (previously “& Climate Change”) portfolio is set out in the table below:

Strategy (previously “& Climate Change”) 2012/13 Revenue Summary	£
Final Budget	(3,697,520)
Outturn	(3,389,191)
Variation – (Under)/Overspend for the year	(308,330)
Carry Forward Requests:	33,700
Net Variance	(274,630)

The variance represents 7.4% 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 Strategy (previously “& Climate Change”) portfolio, with explanations of variances.
- 3.6 An overall net underspend of £30,000 has arisen. £33,000 is due to slippage and rephasing of the capital programmes is required to transfer the budget into 2013/14.

4. Implications

- 4.1 The net variance from the final budget, after approvals to carry forward budget of £33,700 from 2012/13 to the next financial year, 2013/14, would result in a reduced use of General Fund reserves of £274,630.
- 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:

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Strategy Portfolio / Strategy & 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 £
Chief Executive						
Corporate Strategy	398,960	487,100	462,010	(25,090)		(25,090)
Environment						
CCTV	178,870	157,000	135,439	(21,561)	9,000	(12,561)
Customer & Community Services						
Community Safety	121,240	120,430	58,366	(62,064)	24,700	(37,364)
Central Services						
Corporate & Democratic Services	2,290,890	2,328,750	2,292,256	(36,494)		(36,494)
Central Provisions and Centrally allocated costs	(30,250)	413,130	254,599	(158,532)		(158,532)
Pensions - Early Retirements capitalised costs	138,140	191,110	186,521	(4,589)		(4,589)
Total Strategy Services Net Budget	3,097,850	3,697,520	3,389,191	(308,330)	33,700	(274,630)

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

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

and are detailed and approved:

- in the June 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

Strategy Portfolio / Strategy & Resources Scrutiny Committee

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

Service Grouping	Reason for Variance	Amount £	Contact
Corporate Strategy	A number of small underspends on various budget heads	(25,090)	A Limb
CCTV	Underspend on salaries of £10k and final work on repairs after Control room flood - there is a carry forward request for £9k to cover the cost.	(21,561)	M Beaumont
Community Safety	Underspending in Community Safety resulted predominantly from a combination of delays in recruiting to the role of Neighbourhood Resolution Panel Co-Ordinator (£14,300) and under-spending in Safer City grants during 2012/13 (£41,100). Carry forwards requests are made in respect of the salary costs of the above post and for the proportion of grants where commitments were given in 2012/13, but grants were not actually paid.,	(62,064)	L Kilkelly
	Major variances include underspends of:		
	£109k IT due to a larger than usual number of IT development days being charged to capital for infrastructure projects so overall there is a net underspending on the revenue budgets provided for development days.		
	£48k Pensions - early retirements costs were less than the service budget provision		
	£50k Central Overheads - the majority of which, £27k, relates to a reduction in expenditure on external audit fees following transfer from Audit Commission to the new regional contract provider, Ernst & Young.		John Harvey
Central Provisions, Centrally allocated costs and Corporate & Democratic Services	£185k relating to a number of services which clear their balances to this centre and the main reasons were reported to CS&R (namely £103k Human Resources, £27k Accountancy and Support Services, £44k IT due to minor underspends on IT Contract costs).	(195,025)	
	and overspends of:		
	£33k Maternity Fund - by its very nature expenditure is difficult to forecast and this budget has overspent. The base budget provision of £164k was supplemented by £80k in the Budget-Setting Report.		
	£59k Fleet - an under-recovery of costs which should be offset by underspends on service transport budgets		
	In addition £77k relates to the anticipated saving in temporary and agency staff costs under the Comensura contract that was budgeted for centrally, so effectively shows as an apparent overspend here, but to offset this the saving should therefore show as underspends across the authority.		

Appendix C

Strategy Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2012/13 - Carry Forward Requests

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

Item		Amount £	Contact
1	Director of Environment Carry forward request for £9k to cover the cost of the final work on repairs after Control room flood.	9,000	M Beaumont
2	Director of Customer & Community Services A carry forward is requested in respect of the salary for the Neighbourhood Resolution Panel Co-Ordinator, where recruitment to the role funded for a 2 year period took longer than anticipated (£14,300) and in Safer City and Community Safety Grants (£10,400), to meet commitments identified, but not fulfilled during 2012/13.	24,700	L Kilkelly
	Total Carry Forward Requests for Strategy Portfolio / Strategy & Resources Scrutiny Committee	33,700	

Strategy Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2012/13 - Outturn

Capital Ref	Description	Lead Officer	Original Budget	Final Budget	Outturn	Variance - Outturn compared to Final Budget	Re-phase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC542	Solar Thermal Panels/Energy efficiency measures on non-hsg properties	D Kidston	140	140	143	3	0	0	
SC543	Voltage Optimisation Roll-out	D Kidston	33	33	0	(33)	0	33	Mandela House: installation was scheduled for 23 March, but was delayed due to essential IT systems work in preparation for changes to Revenues and Benefits service as a result of new guidance from Department for Work and Pensions. Installation was successfully completed on 13 April 2013. Mill Road depot: Proposed installation at Mill Road: Not being progressed because the feasibility study revealed that the business case was not viable. Officers have established that there is a viable business case for installation of the technology at Grafton East car park, which is scheduled for 10 June 2013.
Total for Strategy Portfolio			173	173	143	(30)	0	33	

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

- re-phased capital spend from the previous financial year
- re-phased capital spend into future financial periods
- approval of new capital programmes and projects

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)