



To Executive Councillor for Finance and Resources

Report by Chief Executive, Director of Customer & Community Services,
Director of Environment and Director of Business Transformation

Relevant Scrutiny Strategy & Resources 14 July 2014
Committee

2013/14 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Customer Services & Resources Portfolio

Key Decision

1. Executive summary

- 1.1 This report presents a summary of the 2013/14 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 2014/15 and future years where relevant, 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 2013/14) members of this committee are asked to consider the proposals to carry forward budgets and make their views known to The Executive Councillor for Finance and Resources, 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 agree the carry forward requests totalling £180,520 as detailed in Appendix C, to be recommended to Council for approval.
- b) To seek approval from Council to carry forward capital resources to fund rephased net capital spending of £1,459,000 from 2013/14 into 2014/15 and future years where relevant, 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 2013/14 to the next financial year, 2014/15.
- 3.4 The overall revenue budget outturn position for the Customer Services & Resources portfolio is set out in the table below:

Customer Services & Resources Portfolio 2013/14 Revenue Summary	£
Final Budget	(5,546,160)
Outturn	(6,351,186)
(Under)/Overspend for the year	(805,026)
Carry Forward Requests	180,520
Net Variance	(624,506)

The net variance represents 11.3% of the overall portfolio budget for the 2013/14 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 £1,541,000 has arisen. £1,459,000 is due to slippage and rephasing of the capital programmes is required to transfer the budget into 2014/15. The remaining variance of £82,000 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 £180,520 from 2013/14 to the next financial year, 2014/15, would result in a decreased use of General Fund reserves of £624,506.
- 4.2 In relation to anticipated requests to carry forward revenue budgets into 2014/15, 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 2013/14
- Directors' Variance Explanations – March 2014
- Capital Monitoring Reports – March 2014
- Budgetary Control Reports to 31 March 2014

6. Appendices

- Appendix A - Revenue Budget 2013/14 - Outturn
- Appendix B - Revenue Budget 2013/14 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2013/14 - Carry Forward Requests
- Appendix D - Capital Budget 2013/14 - 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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Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget - 2013/14 Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn	Variation - Final Budget & Outturn Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Business Transformation						
Finance - General	(691,770)	(650,770)	(1,082,467)	(431,697)	0	(431,697)
General Properties and Grand Arcade	(7,069,170)	(7,212,340)	(7,294,315)	(81,975)	0	(81,975)
Procurement	0	0	(16,297)	(16,297)	0	(16,297)
Cashiers	0	0	(25,053)	(25,053)	0	(25,053)
Customer Service Centre	0	0	(43,820)	(43,820)	0	(43,820)
Central Post Scanning Facility	283,130	0	(1,921)	(1,921)	0	(1,921)
	(7,477,810)	(7,863,110)	(8,463,873)	(600,763)	0	(600,763)
Other IT Spend						
Flexible Working / IT Corporate Strategy / Document Image Processing	172,710	8,180	13,013	4,833	0	4,833
	172,710	8,180	13,013	4,833	0	4,833
Human Resources						
Employee Travel Plan	0	0	(1,001)	(1,001)	0	(1,001)
Childcare Voucher Scheme	0	0	4,068	4,068	0	4,068
GMB	0	0	(495)	(495)	0	(495)
Unison	0	0	(559)	(559)	0	(559)
Emergency Planning	0	0	(16,308)	(16,308)	0	(16,308)
Quality/Health and Safety Management - Indirect	0	0	6,279	6,279	0	6,279
	0	0	(8,016)	(8,016)	0	(8,016)
Chief Executive's						
Electoral Registration / Elections	242,520	214,410	207,122	(7,288)	0	(7,288)
Civic Affairs and Twinning	0	0	(10,068)	(10,068)	0	(10,068)
Members' Support	0	0	(18,286)	(18,286)	0	(18,286)
Committee Management	0	0	(3,496)	(3,496)	0	(3,496)
	242,520	214,410	175,272	(39,138)	0	(39,138)
Customer and Community						
Revenues and Benefits	2,002,940	1,950,760	1,827,947	(122,813)	129,520	6,707
Finance - Indirect	0	0	0	0	0	0
Mill Road Support Services	0	0	0	0	0	0
Repairs and Maintenance (General Fund)	273,040	273,040	273,040	0	0	0
	2,275,980	2,223,800	2,100,987	(122,813)	129,520	6,707
Environment						
Land Charges and Searches	(56,760)	(129,440)	(168,569)	(39,129)	35,000	(4,129)
	(56,760)	(129,440)	(168,569)	(39,129)	35,000	(4,129)
Direct Services Total	(4,843,360)	(5,546,160)	(6,351,186)	(805,026)	164,520	(640,506)
Support Services (net costs recharged to Departments)						
Accountancy and Support Services	1,536,410	1,563,810	1,564,589	779	0	779
Other Support Services	231,270	231,270	242,470	11,200	0	11,200
Internal Audit	368,050	339,650	303,337	(36,313)	0	(36,313)
Human Resources	915,310	968,570	903,488	(65,082)	16,000	(49,082)
IT	2,796,400	2,802,560	2,807,495	4,935	0	4,935
Legal Services	939,650	937,780	915,084	(22,696)	0	(22,696)
Property and Building Services (including Admin Buildings)	3,202,140	3,265,250	3,271,371	6,121	0	6,121
Architects	184,140	184,140	199,660	15,520	0	15,520
Support Services Total	10,173,370	10,293,030	10,207,494	(85,536)	16,000	(69,536)
Recharged to Departments	(10,173,370)	(10,293,030)	(10,207,494)	85,536	0	85,536
Support Services (net)	0	0	0	0	16,000	16,000
Total Net Budget	(4,843,360)	(5,546,160)	(6,351,186)	(805,026)	180,520	(624,506)

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

and are detailed and approved:

- in the January committee cycle (as part of the Budget Setting Report)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Mid-Year Financial Review, MFR)
- via technical adjustments/virements throughout the year

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2013/14 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Business Transformation Finance - General	The main variance relates to credits reflecting a reduction in the impairments previously assessed on the Council's deposits with Heritable Bank and LBI. These result from an increase in the recovery percentage for Heritable and the likelihood of recovery of monies over a shorter period in respect of LBI.	(431,697)	Charity Main
General Properties and Grand Arcade	The underspend is mainly due to the receipt of backdated rental income following the completion of rent reviews and audits during the latter stages of the 2013/14 financial year.	(81,975)	Dave Prinsep
Cashiers	The variance relates to minor underspends on staffing and supplies and services costs. Ongoing savings have been built into the budgets from the 2014/15 financial year onwards.	(25,053)	Jonathan James
Customer Service Centre	The variance relates to minor underspends across a number of supplies and services budgets and a small underspend on employee costs due to staff turnover.	(43,820)	Jonathan James
Customer and Community Revenues and Benefits	The main variance is due to unspent Homelessness Prevention Funding of (£129,520) for which a carry forward of budget is requested (see Appendix C).	(122,813)	Alison Cole
Environment Land Charges and Searches	Increased income over and above revised budget set, due to buoyant market conditions; Land Charge requests for Full Search up by 23% on last year. A carry forward request to transfer £35,000 to top up the existing ringfenced reserve to assist with the future repayment of fees and charges related to the on-going litigation by Personal Search Companies is included in Appendix C.	(39,129)	Paul Boucher
Support Services Internal Audit	The temporary/agency staff costs that were incurred pending recruitment to the Senior Auditor vacant post were less than originally forecast.	(36,313)	Steve Crabtree
Human Resources	The underspend includes the balance of the organisational change budget of £21,190, which has been allocated to the Managers' Skills programme. The Managers' Skills programme has now been implemented and will be completed by the end of August 2014. A carry forward of budget of £16,000 is requested to complete the programme (see Appendix C). The remaining variance relates to minor supplies and services underspends.	(65,082)	Deborah Simpson
Legal Services	Income recovery from third parties was higher than target.	(22,696)	Simon Pugh

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

Revenue Budget 2013/14 - Carry Forward Requests

Request to Carry Forward Budgets from 2013/14 into 2014/15

Item	Reason for carry forward request	Carry Forward Requests £	Contact
1	<p>Revenues and Benefits Request to carry forward unspent Homelessness Prevention funding of £129,520 to support Discretionary Housing Payments as outlined within the report to Strategy & Resources Scrutiny Committee on 17 March 2014.</p>	129,520	Alison Cole
2	<p>Land Charges Transfer of over-achieved fee income to top up existing earmarked reserve (existing balance £34,000) - to offset on-going litigation claim by Personal Search companies.</p>	35,000	Paul Boucher
3	<p>Human Resources 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 £16,000 of the remaining budget of £21,190 to complete the programme. The Managers' Skills programme has been implemented and will be completed by the end of August 2014.</p>	16,000	Deborah Simpson
Total Carry Forward Requests for Customer Services & Resources Portfolio		180,520	

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2013/14 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2013/14	Final Budget 2013/14	Outturn	Variance - Outturn compared to Final Budget	Rephase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC586	Wide Area Network Project	T Allen	0	36	7	(29)	29	0	Project is on target for completion by the end of the 2014/15 financial year.
SC579	Office Accommodation Strategy	F Barratt	0	231	124	(107)	107	0	Budget of £107k needs to be re-phased to the 2014/15 financial year to reflect the adjusted schedule for refurbishment of the Guildhall reception and Mandela House training room. Project overall remains on target to vacate Lion House at the termination of the Lease on 5 September 2014. The separation works required to facilitate the letting of the Annexe at the Guildhall are estimated to start towards the end of 2014 with rental income coming on stream as scheduled in 2016/17.
SC580	Electoral Services Software	G Clift	0	25	0	(25)	0	(25)	Scheme completed. Following a procurement agreement with Fenland District Council, a decision has been made to retain the existing software provider. There is no need for the initial capital outlay required when changing supplier.
SC508	E-Benefits	A Cole	0	5	2	(3)	0	(3)	Scheme completed. There will be no further expenditure on this scheme.
SC552	Localisation of Council Tax - Implementation Costs	A Cole	0	11	1	(10)	10	0	The project is now scheduled to be completed in the 2014/15 financial year. The remaining budget of £10k is required for final project management/support costs.
SC391	La Mimosa Punting Station	P Doggett	0	10	8	(2)	2	0	Final installation of the pontoon was delayed for a number of external reasons. Installation is due to take place during June/July 2014 when the balancing sum of £2k will be paid.

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2013/14 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2013/14	Final Budget 2013/14	Outturn	Variance - Outturn compared to Final Budget	Rephase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC335	Customer Access Strategy - IT Workstream	J James	0	20	0	(20)	0	(20)	Scheme completed. There will be no further expenditure on this scheme.
SC538	Information Kiosks to be Installed in Local Area	J James	0	25	26	1	0	1	Scheme completed. Minor overspend of £1k has been financed from the Customer Service Centre's repairs and renewals fund.
SC555	Siemens Maintenance Contract	J James	0	67	33	(34)	2	(32)	Budget of £2k is required for final scheme costs. The remaining budget of £32k is not required as the switchboard replacement element of the project will not take place due to software incompatibility issues.
SC587	Telephone Payments Upgrade and Online Payments Content Management System (CMS)	J James	0	27	10	(17)	17	0	Online payments installation was completed in March 2014. Telephone payments upgrade is scheduled to take place during June/July 2014.
SC559	CBid Software	K Jay	0	3	0	(3)	0	(3)	Scheme completed. There will be no further expenditure on this scheme.
SC429	Telephony System Upgrade	J Nightingale	35	0	0	0	0	0	Budget of £35k has been re-phased to the 2014/15 financial year.
SC541	Corporate PC Replacement Programme	J Nightingale	0	116	116	0	0	0	Scheme completed.

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2013/14 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2013/14	Final Budget 2013/14	Outturn	Variance - Outturn compared to Final Budget	Rephase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
SC362	Lighting and Power in Committee Rooms	J Stocker	0	14	0	(14)	14	0	Lighting design has been completed. However, the type of lighting fittings that have been suggested do not meet the Listing Officer's requirement for bronze coloured lighting fittings. When the bronze coloured lighting fittings have been sourced, Members' approval will need to be obtained before commencement of the installation.
Total Projects			35	590	327	(263)	181	(82)	
PV554	Development of Land at Clay Farm	A Carter	1,502	783	303	(480)	480	0	The costs incurred are in respect of the Collaboration Agreement with Countryside Properties. Rate of invoices from Countryside Properties relate directly to rate of house-building which is variable and beyond our control. Target completion date is long stop date in Development Agreement and equates to four years from estimated planning approval.
PV192	Development Land on the North Side of Kings Hedges Road	P Doggett	176	124	128	4	(4)	0	Expenditure for the 2013/14 financial year was marginally higher than the estimate supplied by the managing agent.

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2013/14 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2013/14	Final Budget 2013/14	Outturn	Variance - Outturn compared to Final Budget	Rephase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
PV221b	Lion Yard - Contribution to Works - Phase 2	P Doggett	617	617	167	(450)	450	0	This is a scheme whereby we contribute 25% of the overall cost of the capital works at Lion Yard. The Phase 2 capital works were not completed during the 2013/14 financial year. The remaining budget therefore needs to be re-phased to the 2014/15 financial year.
PV329	Corporate Document Management (DIP & EDM)	J Nightingale	362	50	33	(17)	17	0	Delays in work being completed by a third party supplier means that some project activities will now be finalised during the 2014/15 financial year.
Total Provisions			2,657	1,574	631	(943)	943	0	
PR023	Admin Buildings Asset Replacement Programme	W Barfield	40	164	96	(68)	68	0	The Admin Buildings Asset Replacement work programme will be reviewed during the 2014/15 financial year following completion of new condition surveys.
PR024	Commercial Properties Asset Replacement Programme	W Barfield	432	82	111	29	(29)	0	The Commercial Properties Asset Replacement work programme will be reviewed during the 2014/15 financial year following completion of new condition surveys.

Customer Services & Resources Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2013/14 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2013/14	Final Budget 2013/14	Outturn	Variance - Outturn compared to Final Budget	Rephase Spend	Over / (Under) Spend	Variance Explanation / Comments
			£000	£000	£000	£000	£000	£000	
PR020	ICT Infrastructure Programme	J Nightingale	211	556	260	(296)	296	0	A major part of the programme has suffered from delays from third party suppliers and is being re-planned. The planned work was not completed by the end of March 2014, so a carry forward of budget of £296k to the 2014/15 financial year is requested.
Total Programmes			683	802	467	(335)	335	0	
Total for Customer Services & Resources Portfolio			3,375	2,966	1,425	(1,541)	1,459	(82)	

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

- rephased capital spend from the previous financial year
- rephased 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 Mid-Year Financial Review, MFR)
- in the January committee cycle (as part of the Budget Setting Report, BSR)
- via technical adjustments/virements throughout the year