



To Executive Councillor for Strategy & Transformation

Report by Head of Finance

Relevant Scrutiny Committee Strategy & Resources

13 July 2015

2014/15 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Strategy & Transformation Portfolio

Key Decision

1. Executive summary

1.1 This report presents a summary of the 2014/15 outturn position (actual income and expenditure) for services within the Strategy & Transformation 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 2015/16 are identified.

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 £18,620 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 £23,000 from 2014/15 into 2015/16 as detailed in Appendix D.

3. Background

Revenue Outturn

- 3.1 The outturn position for the Strategy & Transformation 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 service portfolio, for which approval is sought to carry forward unspent budget from 2014/15 to the next financial year, 2015/16.

- 3.4 The overall revenue budget outturn position for the Strategy & Transformation Portfolio is set out in the table below:

Strategy & Transformation Portfolio 2014/15 Revenue Summary	£
Final Budget	3,519,780
Outturn	2,673,877
Variation – (Under)/Overspend for the year	(845,903)
Carry Forward Requests	18,620
Net Variance	(827,283)

The net variance represents 23.5% of the overall portfolio budget for 2014/15.

Capital Outturn

- 3.5 Appendix D shows the outturn position for schemes and programmes within the Strategy & Transformation Portfolio, with explanations of variances.
- 3.6 An overall net underspend of £23,000 has arisen. This is due to slippage and rephasing of items in the capital plan is required to transfer the budget into 2015/16.

4. Implications

- 4.1 The net variance from the final budget, after approvals to carry forward budget of £18,620 from 2014/15 to the next financial year, 2015/16, would result in a reduced use of General Fund reserves of £827,283.
- 4.2 In relation to anticipated requests to carry forward revenue budgets into 2015/16, 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, equality and poverty, environmental, procurement, consultation and communication and/or community safety implications.

5. Background papers

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

- Closedown Working Files 2014/15
- Directors' Variance Explanations – March 2015
- Capital Monitoring Reports – March 2015
- Budgetary Control Reports to 31 March 2015

6. Appendices

- Appendix A - Revenue Budget 2014/15 - Outturn
- Appendix B - Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2014/15 - Carry Forward Requests
- Appendix D - Capital Budget 2014/15 - 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 & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2014/15 - Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn £	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Chief Executive						
Corporate Strategy	481,620	344,280	336,040	(8,240)	5,620	(2,620)
Democratic Services	306,540	311,840	286,510	(25,330)		(25,330)
Environment						
CCTV	151,760	103,200	92,338	(10,862)		(10,862)
Customer & Community Services						
Community Safety	122,220	177,240	162,173	(15,067)	13,000	(2,067)
Central Services						
Corporate & Democratic Services	2,388,060	2,296,550	2,174,338	(122,212)		(122,212)
Central Provisions and Centrally allocated costs	(162,100)	(342,600)	(958,065)	(615,465)		(615,465)
Pensions - Early Retirements and Past Deficit	80,140	629,270	580,543	(48,727)		(48,727)
Total Net Budget	3,368,240	3,519,780	2,673,877	(845,903)	18,620	(827,283)

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

Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2014/15 - Major Variances
from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Corporate Strategy	Minor variances. A carry forward of £5,620 is requested for New Burdens funding which was awarded to meet additional costs in meeting the requirements of the Transparency Code 2015, which came into effect from 1 April 2015.	(8,240)	Andrew Limb
Democratic Services	Electoral Registration: the Council received a central Government grant for electoral registration after our budgets had been set, and this has been used where possible instead of the allocated service budget. The grant was larger than anticipated, and this, coupled with the fact that the IER system is completely new, meaning we had to gauge our activities (and consequent spend) as our understanding of the process evolved over the year, contributed to the underspend.	(25,330)	Andrew Limb
CCTV	Minor variances	(10,862)	Paul Necus
Community Safety	Request for carry forward of £13k of which £5k is for volunteer training for Neighbourhood Resolution Panels and the remainder is for funds held in case of the need for a domestic abuse homicide review.	(15,067)	Lynda Kilkelly
Central Provisions, Centrally allocated costs and Corporate & Democratic Services	Balances on the Central and Support Services which report to other portfolios have been cleared to this portfolio ready for reallocation during final accounts closedown. So, whilst the variance amounts are shown here, where variances are significant they have been explained within the source portfolio so are therefore not reproduced here. In addition, unspent balances on central provisions which are held on this portfolio may be partly offset by variances reported within service budgets (such as temporary staff contract savings). So the major areas of variances include: net underspend of £122k on Corporate & Democratic Services, including £29k Finance General, £19k emergency planning, £31k Corporate Policy and £19k members' support	(737,677)	John Harvey
Pensions - Early Retirements and Past Deficit	underspends (reported as part of the Finance & Resources Portfolio) of £240k IT, £77k Admin and Buildings, £30k HR, £25k Internal Audit and £48k Legal, partly offset by an overspend on Architects of £31k. In addition net underspends of £123k central overheads (recharged from other services) and £30k central Maternity Fund. Includes the cost of capitalised pension payments that are to be spread over 5 years, which are now reducing as the payment periods for individual employees expires.	(48,727)	John Harvey
Total		(845,903)	

Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Revenue Budget 2014/15 - Carry Forward Requests

Request to Carry Forward Budgets from 2014/15 into 2015/16

Item	Reason for Carry Forward Request	Amount £	Contact
1	<p>Chief Executive</p> <p>Corporate Strategy: a carry forward is requested for New Burdens funding which was awarded to meet additional costs in meeting the requirements of the Transparency Code 2015, which came into effect from 1 April 2015</p>	5,620	David Kidston
2	<p>Director of Customer & Community Services</p> <p>Community Safety: £5k for volunteer training for Neighbourhood Resolution Panels and the remainder being for funds held in case of the need for a domestic abuse homicide review.</p>	13,000	Lynda Kilkelly
<p>Total Carry Forward Requests for Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee</p>		18,620	

Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

Capital Budget 2014/15 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2014/15 £000	Final Budget 2014/15 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC586	Wide Area Network	T Allen	167	167	160	(7)	7	0	Project is on target for completion in the 2015/16 financial year.
SC555	Siemens Maintenance Contract	J James	2	2	2	0	0	0	Scheme completed.
SC587	Telephone Payments Upgrade & Online Payments Content Management System (CMS)	J James	17	17	1	(16)	16	0	Online payments installation was completed in March 2014. Telephone payments upgrade is scheduled to be completed in the 2015/16 financial year.
SC429	Telephony System Upgrade	J Nightingale	50	50	50	0	0	0	Scheme completed.
SC593	Keep Cambridge Moving Fund Contribution	S Payne	700	0	0	0	0	0	Scheme deleted from the Capital Plan in January 2015 (Strategy & Resources Scrutiny Committee budget papers refer).
Total Projects			936	236	213	(23)	23	0	
Total for Strategy & Transformation Portfolio			936	236	213	(23)	23	0	

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