



# East Northamptonshire Council

## Finance Sub Committee - 29 June 2009

### Revenue Outturn Report 2008/09

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#### Summary

The purpose of this report is provide Members with details of how our actual spend on revenue items compared with the original budgets. The report also seeks approval for revenue budgets to be carried forward into 2009/10 and our use of revenue reserves.

#### Attachment(s)

Appendix 1 – Budget Summary 2008/09 Year End

Appendix 2 – Service Expenditure Summary 2008/09

Appendix 3 - Summary of Budget Variations 2008/09

Appendix 4 – Salary Budgets Monitoring Report

Appendix 5 - Summary of Appropriations to and from Reserves 2008/09

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#### 1.0 Introduction

- 1.1. This report provides Members with a detailed explanation of the Council's financial outturn for the financial year ended 31 March 2009. Whereas the Statement of Accounts provides the actual figures for 2008/09 and allows for comparison with the previous year, the purpose of this report is to present our actual spend and income for the year against the budget. This comparison provides a more detailed assessment of our financial performance than can be gleaned from just the Statement of Accounts.
- 1.2. Members should note that, although Appendices 1 and 2 are in the same format as the Income and Expenditure Account as shown in the Statement of Accounts and accompanying notes, the figures are not directly comparable as certain items of expenditure, such as capital charges and internal recharges, are excluded from the monitoring reports but included in the final accounts.

#### 2.0 Revenue Spend – Actual v Budget

- 2.1. Appendix 1 provides the overall summary of our net expenditure against the budget. Appendix 2 provides a breakdown of under or over spending analysed by service area and significant variances are cross referenced to an explanation provided in Appendix 3. Appendix 4 provides a summary of salary costs against budget.
- 2.2. The final outturn was not as severe as previously thought with a final over spend against budget of £227,533 against a predicted over spend of £292,650. Section 2.5. of this report provides an explanation for this variance.
- 2.3. The table below provides a summary of the actual spend compared to the approved budget. This is also summarised in Appendix 1 with a further breakdown in Appendix 2.

	<b>Budget 2008/09</b>	<b>Projected Outturn</b>	<b>Actual</b>	<b>Variance Budget- Actual</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Corporate & Democratic Core	451,050	502,608	515,687	64,637
Central Services	433,510	552,328	493,951	60,441
Cultural Environmental & Planning Services	4,754,889	4,837,053	4,781,314	26,425
Departmental & Support Services	5,610,720	5,452,399	5,370,809	(239,911)
Housing Services	245,123	203,983	81,923	(163,200)
Highways Roads & Transport Services	375,898	408,965	430,937	55,039
Unapportionable Central Overheads	(358,490)	(159,811)	50,802	409,292
<b>Total Services</b>	<b>11,512,700</b>	<b>11,797,525</b>	<b>11,725,424</b>	<b>212,724</b>
Investment Income	(1,157,825)	(1,150,000)	(1,143,016)	14,809
<b>Total Budget</b>	<b>10,354,875</b>	<b>10,647,525</b>	<b>10,582,408</b>	<b>227,533</b>

- 2.4. Appendix 3 provides a breakdown of the reasons for all variances in excess of £10,000. The main variances are though summarised below.

<b>Under Spend £'000</b>	<b>Over Spend £'000</b>	<b>Reason/Area of Variance</b>
	254	Reduced Planning Income
	109	Reduced Land Charges Income
	75	Reduced Building Control Income
	125	Planning Consultants
	24	Planning appeal solicitor costs
153		Additional Housing and Planning Delivery Grant
29		Planned Maintenance – reduced spend requirement
	95	Increased cost of concessionary bus pass scheme.
	65	Increased Democratic Representation expenses
54		Growth Items
221		Salary Savings
	15	Investment income
45		Reduction in bad debt provision for overpaid housing benefits
32		Higher level of costs awarded for Council Tax
	3	Other Variations (net figure)
<b>534</b>	<b>761</b>	<b>Total</b>

Members will note from Appendix 2 that there is also a significant variance on the Unapportionable Central Overheads line. This is not a real variance but arises from the fact that we budget for items such as salary and efficiency savings and contingencies under this budget head but the actual savings or expenditure appear on the relevant budget head from where they arise.

- 2.5. When the quarter 3 position was reported in February 2009, the anticipated outcome was for budgets to be over spent by £292,650. The actual variance was £227,533 and the main reasons for the variance between the forecast and actual figure are:

Amount £'000	Reason
32	Higher level of costs awarded for Council Tax
45	Reduction in bad debt provision for overpaid housing benefits
(52)	Anticipated salary savings not materialising
36	Cost Savings from decision to consolidate local plan documents
4	Minor other variances (net)
<b>65</b>	<b>Total</b>

### 3.0 Budget Carry Forward

3.1. The Council received an additional £7,500 in homelessness grants than budgeted for. It has not been possible to use this additional funding and it has been requested that it is carried forward into 2009/10 for the purpose of funding the pilot private sector leasing scheme.

### 4.0 Appropriation to Reserves

4.1. Appendix 5 details the use of revenue reserves and the reason for the appropriation. By way of summary, we have utilised our reserves in accordance with previous decisions as set out in the budget and the Medium Term Financial Strategy. In addition to this, balances in excess of outstanding commitments on the A4E Reserve, Computerisation of Planning Files Reserve, Planning Delivery Grant Reserve and Re-organisation Reserve have been transferred back to the general fund reserve. This action has been taken to ensure that we have sufficient in this reserve to meet any current or future commitments from it.

### 5. Recommendations

5.1. It is recommended that the:

- revenue out turn for 2008/09 be noted;
- proposed appropriations to and from reserves be approved; and
- proposed carry forward of budgets as detailed in 3.1. be approved.

Implications:		
<b>Corporate Outcomes or Other Policy/Priority/Strategy</b>		
Good Quality of Life	<input type="checkbox"/>	Good Reputation <input type="checkbox"/>
Good Value for Money	<input checked="" type="checkbox"/>	High Quality Service Delivery <input type="checkbox"/>
Effective Partnership Working	<input type="checkbox"/>	Strong Community Leadership <input type="checkbox"/>
Effective Management	<input checked="" type="checkbox"/>	Knowledge of our Customers and Communities <input type="checkbox"/>
Employees and Members with the Right Knowledge, Skills and Behaviours		<input checked="" type="checkbox"/>
<b>Other:</b>		<input type="checkbox"/>
Decision(s) would be outside the budget or policy framework and require full Council approval		<input type="checkbox"/>
<b>Financial</b>	There are no financial implications at this stage	<input checked="" type="checkbox"/>
	There will be financial implications – see paragraph	<input type="checkbox"/>
	There is provision within existing budget	<input type="checkbox"/>
	Decisions may give rise to additional expenditure at a later date	<input type="checkbox"/>
	Decisions may have potential for income generation	<input type="checkbox"/>
<b>Risk Management</b>	An assessment has been carried out and there are no material risks	<input type="checkbox"/>
	Material risks exist and these are recorded at Risk Register Reference – 55, 60, 214 inherent risk score - Contingency residual risk score - Contingency	<input checked="" type="checkbox"/>
<b>Staff</b>	There are no additional staffing implications	<input checked="" type="checkbox"/>
	Additional staff will be required – see paragraph	<input type="checkbox"/>

<b>Equalities and Human Rights</b>	There will be no impact on equality (race, age, gender, disability, religion/belief, sexual orientation) or human rights implications <input checked="" type="checkbox"/>				
	There will be an impact on equality (see categories above) or human rights implications – see paragraph <input type="checkbox"/>				
<b>Legal</b>	Power: Local Government Act 2003				
	Other considerations:				
<b>Background Papers:</b> Various office files					
<b>Person Originating Report:</b> Robert Austin, Head of Resources					
<b>Date:</b> 1 June 2009					
<b>CFO</b>		<b>MO</b>		<b>CX</b>	

(Committee Report Normal Rev. 19)

# Budget Summary - 2008/09 Year End

	Current Budget* 2008/09	Projected Outturn	Actual Expenditure	Variance Budget v Actual
	(1)	(2)	(3)	(1) - (3)
General Fund	£	£	£	£
Corporate & Democratic Core	451,050	502,608	515,687	64,637
Central Services to the Public	433,510	552,328	493,951	60,441
Cultural Environmental & Planning	4,754,889	4,837,053	4,781,314	26,425
Departmental, Central & Support Services	5,610,720	5,452,399	5,370,809	(239,911)
Housing Services	245,123	203,983	81,923	(163,200)
Highways Roads & Transport	375,898	408,965	430,937	55,039
Unapportionable Central Overheads	(358,490)	(159,811)	50,802	409,292
<b>Total</b>	<b>11,512,700</b>	<b>11,797,525</b>	<b>11,725,424</b>	<b>212,724</b>

\* Current Budget equals original budget plus approved variations

	Current Budget 2008/09	Estimated Outturn	Actual	Variance Actual v Budget	Note
<b>Central Services to the Public</b>					
Elections	£42,500	£42,940	£44,124	£1,624	
Emergency Planning	£26,090	£26,710	£27,547	£1,457	
Grants Bequests & Donations	£158,130	£158,130	£155,620	(£2,510)	
Local Land Charges	(£112,820)	(£10,970)	(£19,224)	£93,596	1
Local Tax Collection	£319,610	£335,518	£285,884	(£33,726)	2
	<b>£433,510</b>	<b>£552,328</b>	<b>£493,951</b>	<b>£60,441</b>	
<b>Cultural, Environmental and Planning Services</b>					
Culture & Heritage	£17,400	£17,390	£16,190	(£1,210)	
Recreation and Sport	£723,640	£654,530	£642,056	(£81,584)	3
Tourism	£133,300	£114,211	£136,884	£3,584	
Open Spaces	£93,432	£93,549	£102,252	£8,820	
Safety Services	£50,000	£75,000	£76,469	£26,469	4
Environmental Health	£585,917	£571,786	£572,785	(£13,132)	5
Flood Defence & Land Drainage	£9,150	£10,950	£11,379	£2,229	
Street Cleansing	£971,460	£967,610	£963,982	(£7,478)	
Waste Collection	£1,254,980	£1,296,155	£1,284,421	£29,441	6
Crime Reduction	£158,750	£146,750	£122,842	(£35,908)	7
Building Control	(£70,460)	(£6,730)	(£19,871)	£50,589	8
Development Control	(£2,300)	£281,800	£300,584	£302,884	9
Planning Policy	£440,010	£300,290	£257,322	(£182,688)	10
Environmental Initiatives	£71,400	£71,400	£71,057	(£343)	
Economic Development	£138,330	£89,582	£82,979	(£55,351)	11
Community Development	£179,880	£152,780	£159,984	(£19,896)	12
	<b>£4,754,889</b>	<b>£4,837,053</b>	<b>£4,781,314</b>	<b>£26,425</b>	
<b>Departmental Central Support Services</b>					
SMT	£456,350	£442,920	£431,558	(£24,792)	13
Offices	£548,010	£509,625	£521,594	(£26,416)	14
Revenue and Benefit Services	£161,850	£154,870	£144,823	(£17,027)	15
Resources	£1,197,500	£1,211,793	£1,212,301	£14,801	16
Organisational Development	£448,850	£441,620	£445,055	(£3,795)	
Environmental Services	£335,530	£337,788	£311,321	(£24,209)	17
Customer Services	£379,570	£382,842	£378,708	(£862)	
Policy and Community Development	£704,950	£670,662	£658,792	(£46,158)	18
ICT	£1,089,600	£1,008,099	£974,528	(£115,072)	19
Planning Services	£288,510	£292,180	£292,131	£3,621	
	<b>£5,610,720</b>	<b>£5,452,399</b>	<b>£5,370,809</b>	<b>(£239,911)</b>	
<b>Housing Services</b>					
Housing Strategy	£92,593	£80,190	£75,261	(£17,332)	20
Housing Advice	£14,210	£18,000	£13,860	(£350)	
Housing Advances	(£1,000)	£0	£0	£1,000	
Private Sector Housing Renewal	£1,710	£1,710	(£11,588)	(£13,298)	21
Homelessness	£200,060	£193,870	£183,299	(£16,761)	22
Housing Benefits Payments	(£62,450)	(£89,787)	(£178,909)	(£116,459)	23
	<b>£245,123</b>	<b>£203,983</b>	<b>£81,923</b>	<b>(£163,200)</b>	
<b>Highways Roads &amp; Transport Services</b>					
Environmental Safety Routine Maintenance	£13,350	£11,465	£12,024	(£1,326)	
Parking Services	£81,638	£83,220	£86,596	£4,958	
Public Transport	£280,910	£314,280	£332,317	£51,407	24
	<b>£375,898</b>	<b>£408,965</b>	<b>£430,937</b>	<b>£55,039</b>	
<b>Corporate and Democratic Core</b>					
Democratic Representation & Management	£285,050	£328,808	£336,211	£51,161	25
Corporate Management	£166,000	£173,800	£179,476	£13,476	26
	<b>£451,050</b>	<b>£502,608</b>	<b>£515,687</b>	<b>£64,637</b>	
<b>Non-Distributable Costs</b>					
Unapportionable Central Overheads	(£358,490)	(£159,811)	£50,802	£409,292	27
	<b>(£358,490)</b>	<b>(£159,811)</b>	<b>£50,802</b>	<b>£409,292</b>	
<b>Total</b>	<b>11,512,700</b>	<b>11,797,525</b>	<b>11,725,424</b>	<b>212,724</b>	

<b>Reference</b>	<b>Service Area</b>	<b>Variance Outturn-Budget</b>
<b>1</b>	Local Land Charges	Less Income than budgeted due to the economic recession and an increase in the number of personal searches and changes brought about by the introduction of Home Information Packs (HIPs). The outturn variance was smaller than previously thought because of additional salary savings.
<b>2</b>	Local Tax Collection	Variance due to higher level of costs being awarded than originally planned.
<b>3</b>	Recreation & Sport	CCP Contract payments £55k less than budgeted figure as a result of error in setting original budget. There are further savings on planned maintenance (£14k) and minor other budgets
<b>4</b>	Safety Services	Overspend of £26k due to increased demand for ad hoc grants. This budget is funded by a grant spanning five years and any overspend reduces the provision for future years.
<b>5</b>	Environmental Health	Variance due to salary savings
<b>6</b>	Waste Collection	Variance primarily due to a reduction in trade waste income.
<b>7</b>	Crime Reduction	Variance made up from salary savings and savings on maintenance costs of CCTV.
<b>8</b>	Building Control	Variance primarily due to a reduction in fee earning work as a result of the recession.
<b>9</b>	Development Control	Variance due to £254k reduction in planning fee income, £103k additional cost of consultants to cover staff shortages and appeal hearings (offset by employee cost savings of £55k) and £24k in solicitors costs to defend appeals.
<b>10</b>	Planning Policy	Variance primarily as a result of £153k additional HPDG income and salary savings.
<b>11</b>	Economic Development	Primary reason for variance was salary savings of £44k
<b>12</b>	Community Development	Primary reason for variance was salary savings of £29k
<b>13</b>	SMT	Primary reason for variance was salary savings
<b>14</b>	Offices	Variance mainly as a result of planned maintenance expenditure less than budget.
<b>15</b>	Revenue and Benefits	Variance due to minor variance on cash collection costs and mileage allowances.
<b>16</b>	Resources	Variance mainly as a result of compensation payment for loss of benefits as a result of job evaluation and redundancy payment stemming from the creation of the shared service.
<b>17</b>	Environmental Services	Variance as a result of salary savings (£12k) and under spend on mileage allowances (£10k).
<b>18</b>	Policy and Community Development	Variance as a result of salary savings
<b>19</b>	ICT	Following the Shared Service being established with Wellingborough savings have been generated on salaries, car allowances, and software expenditure.

	<b>Service Area</b>	<b>Variance Outturn-Budget</b>
<b>20</b>	Housing Strategy	Variance as a result of minor variance on salaries, contract payments and additional income.
<b>21</b>	Private Sector Housing Renewal	Variance as a result of receipt of Housing Defects Grant which was expected to have ended in 2007/08.
<b>22</b>	Homelessness	Variance as a result of grants received not being spent. A request to carry forward £7,500 of additional grant received this year is recommended elsewhere in this report.
<b>23</b>	Housing Benefits	Variance primarily as a result of £20k salary savings, £45k additional collection of overpaid benefits and £45k credited back due to a reduction in bad debt provision.
<b>24</b>	Public Transport	Increase in take up of new free bus passes offset by a reduction in travel tokens issued.
<b>25</b>	Democratic Representation and Management	Increased costs of new members allowance scheme.
<b>26</b>	Corporate Management	Variance as a result of increased external audit costs.
<b>27</b>	Unapportionable Central Overheads	The variance on this head is because of the way savings, efficiencies and contingencies are budgeted for. At the start of the year the budget is set on this code, however, actual savings appear on the other budget codes reported above. As such the negative variance on this code is offset by positive variances on the codes above.



## Salary Budget Monitoring Report - 2008/09

### Summary - All Departments

Directorate	(1) Current Budget 2008/09	(2) Projected Outturn	(3) Actual Spend	(1-3) Variance Budget v Actual
Chief Executive Dept	£ 188,530	192,620	£ 195,918	£ -7,388
ED & CFO	3,320,050	3,238,661	3,249,274	70,776
ED & MO	3,680,860	3,485,140	3,523,623	157,237
<b>Totals</b>	<b>7,189,440</b>	<b>6,916,421</b>	<b>6,968,816</b>	<b>220,624</b>

## Appropriations to and from Reserves 2008/09

Reserve	Appropriations From Reserve		Appropriations to Reserve		Closing Balance
	£	Reason	£	Reason	
A4E Reserve	195,819	This reflect the cost of the A4E programme during 2008/09 plus the transfer of amounts in excess of outstanding obligations in 2009/10			54,181
Asset Management R & R Reserves	62,698	To fund repairs and maintenance to land and property			3,575,676
Community Safety Fund Reserve	76,428	To fund various Community safety initiatives			56,494
Reorganisation Reserve	185,537	Balance transferred back to the general fund balance			0
Planning Delivery Grant Reserve	416,296	To fund various approved schemes. With the exception of outstanding commitments against this reserve the remaining balance has been transferred back to the general fund balance			35,370
Computerisation of Planning Files	174,340	Reflects spend during the year on this project and the transfer of the remaining balance back to the general fund reserve			0
Regeneration Reserve	13,586	To fund the cost of the Area Based Initiatives	29,175	LABGI grant received during the year	519,154
Contingency Fund	35,690	Cost of items approved to be funded from contingency	35,690	Restoring fund to agreed level	100,000
Youth Projects Reserve	91,936	To fund various youth projects	67,982	Income received from NCC towards youth projects	24,987