

Wiltshire Council

Cabinet

17 June 2014

Subject: Revenue Outturn 2013/2014

**Cabinet Member: Councillor Dick Tonge
Finance, Performance, Risk, Procurement and Welfare
Reform**

Key Decision: No

Executive Summary

To advise Cabinet of the final unaudited revenue outturn position as at 31 March 2014 for the financial year 2013/2014. The year end position is an underspend of £0.397 million. This is an improvement from the forecast position at period 9, and in line with the projections of the Section 151 Officer.

Proposal

That Cabinet note the report showing an outturn underspend of £0.397 million, and appropriate transfers to General Fund and Earmarked reserves as set out in Sections 18-24 of this report.

Reasons for Proposals

That Cabinet approve the final outturn for 2013/2014.

Michael Hudson

Associate Director – Finance, Revenues & Benefits and Pensions (Section 151 Officer)

Wiltshire Council

Cabinet

17 June 2014

Subject: Revenue Outturn 2013/2014

Cabinet Member: Councillor Dick Tonge
Finance, Performance, Risk, Procurement and Welfare Reform

Key Decision: No

PURPOSE OF REPORT

1. To advise Cabinet of the unaudited revenue outturn position for financial year 2013/2014.

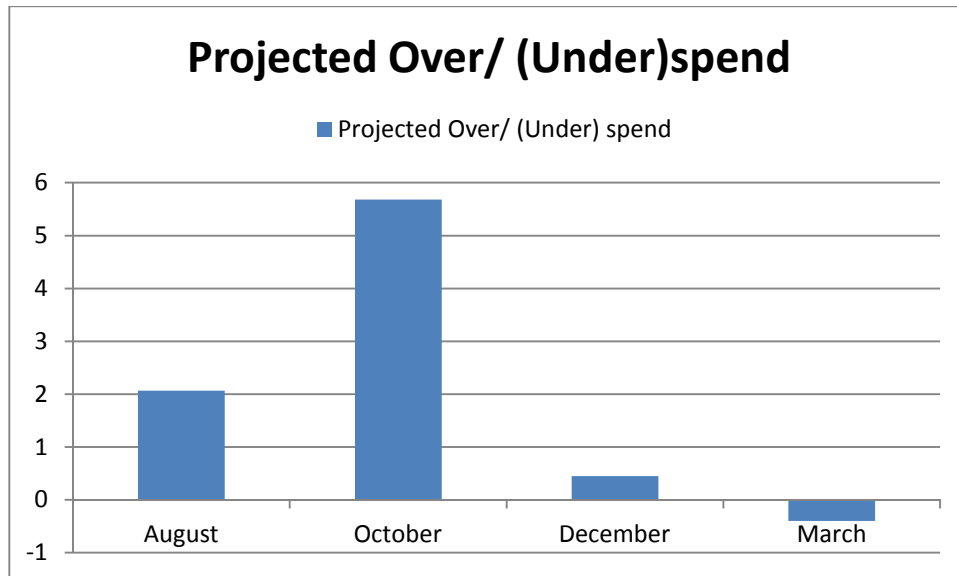
SUMMARY

2. The final outturn position is as follows:

| | Revised Budget £ million | Outturn Position for Year £ million | Overspend/ (Underspend) for Year £ million | Overspend/ (Underspend) reported at period 9 £ million | Movement since period 9 £ million |
|-------------------------|-----------------------------|--|--|--|--------------------------------------|
| General Fund Total | 340.518 | 340.121 | (0.397) | 0.449 | (0.846) |
| Housing Revenue Account | (0.631) | (0.631) | (2.667) | (2.000) | (0.667) |

3. The final unaudited outturn position on the general fund is an underspend of £0.397 million. This represents an improvement of £0.846 million on the budget monitoring position reported to Members for period 9, and is in line with the forecast reported by the Section 151 Officer to Council in February 2014. The main change relates to additional government grant received at the year end, including flood related grants.
4. This is summarised and tied back to the period 9 monitoring report in Appendix C and more detailed reasons are noted in the following sections.

- The graph below shows how the forecast outturn position has improved during budget monitoring reports to Cabinet this year. The graph shows a clear improvement in the position towards the end of the financial year, following strong financial management throughout the Council.



- This outturn shows an improvement on figures in the financial plan. The financial plan will be updated to reflect this during budget setting 2015/2016.

GENERAL FUND MONITORING DETAILS

- The overall outturn position by service areas is set out in Appendix C.
- A summary of the Service Area movements from period 9 monitoring is set out in Appendix D. As with reports during the year, this report targets service areas with large variances at year end.

Adult Social Care Operations (Including Older People, Other Vulnerable Adults and Mental Health) £0.004 million net underspend

- Adult Social Care Operations (excluding Learning Disabilities) underspent by £0.004m across the three service areas, this is an improvement of £1.308m from the forecast at month 9. The main reasons for the improvement are recovery actions taken within Adult Social Care Operations, underspends against contracts and final agreement with the CCG on the use of transferred health funding for specific activities and packages of care.

Disabilities £3.851 million overspend

10. Disabilities services cover two areas; services to adults with learning disabilities and the 0-25 Service for children and young people with SEN and disabilities. Services for Adults with LD overspent by £3.340m. This overspend had been projected throughout the year and reflects the cost of care packages. The 0-25 Service is overspent by £0.511m also due to costs of care packages, again this had been projected through the year. A full review of costs across all age groups is currently underway to fully understand and project the costs associated with this client group.

Children's Social Care £1.290 million overspend

11. Children's Social Care budgets overspent by £1.290 million, an improvement of £0.362m compared with the forecast at period 9. This takes in to account a transfer from reserves of £1.4 million as previously agreed. The improvement results from recovery actions taken within Children's Services and a reduction in the cost of placements compared with the forecast.

Development Services £0.721 million net underspend

12. Development Services final outturn was an underspend of £0.721 million. This compares to a forecast at month 9 of £0.503 million. This is largely due to overachievement of additional Planning income, in particular, one off large planning application for £250k.

Waste £1.023 million net underspend

13. The majority of the underspend for waste management relates to landfill tax, in particular the landfill tax payable in respect of the residues from the MBT plant which go to landfill. This was added to by the fact that the total tonnage on which landfill tax was paid was less than projected when the budget was agreed (by 5,400 tonnes).

Leisure £0.731 million net underspend

14. The main reason for the underspend in this area is additional income received throughout the year. Income at Leisure Centres had been expected to reduce, particularly during periods of closure and disruption, however this reduction did not occur and income targets were exceeded. Income was also higher than expected at Salisbury City Hall.

Transformation Programme (including Transformation Programme and Information Services £1.311 million net underspend

15. The final outturn position of £1.311 million underspend is in line with a £1.3 million underspend forecast at month 9. A joint review was undertaken of this area with ICT and finance to review the most cost effective way of financing the IT acquisitions.

Corporate £1.673 million net overspend

16. Corporate as a whole is reporting an overspend of £1.673 million. There are significant over and underspends on other lines within corporate but they balance with each other.
- There is an underspend of £2.395 million on Capital Financing due to increased capital reprogramming into 2014/2015. This is higher than the £2 million previously reported at period 9 due to further reprogramming of the capital programme. The capital outturn report is also on this agenda.
 - There is a net savings totalling £3.4 million on Corporate Items that has arisen due to additional council tax collection, and capitalisation of redundancies. As a result a planned £3.4 million technical draw from reserves was not undertaken due these saving identified elsewhere.
 - Central Government Grants showed extra income of £1.827 million. This is due to extra grants received, including Local Services Support Grant, Local Reform and Community voices and Flooding Grants.

HOUSING REVENUE ACCOUNT

17. The HRA is reporting an underspend of £2.667 million. This is primarily caused by an rescheduling of repairs and maintenance which has been caused by performance issues with the contractors appointed to undertake works. Discussions have taken place with contractors and recovery plans are in place to ensure this issue does not reoccur in 2014/2015.

Reserves

18. The tables below shows the year end outturn position on the general fund balance and estimated earmarked reserves held by the council.
19. There is an overall improvement in the outturn position from that reported at period 9.
20. The set up of this reserve has been reflected in the figures in this report.

| General Fund Reserve | £ million | £ million |
|---|------------------|------------------|
| Balance as at 1 April 2013 | | (12.642) |
| Underspend at year end | (0.397) | |
| Draw from reserves per period 9 monitoring report for looked after children | 1.400 | |
| Extra funding grant from central government | (0.226) | |
| Total movement in year | | 0.777 |
| Forecast Balance 31 March 2014 | | (11.865) |

21. The final position shows General Fund Reserves at the year end of £11.865 million, compared to £11.240 million in the financial plan reported to Council in February 2014. The report "Wiltshire Council's Financial Plan Update 2014/15" that went to Cabinet on 11 February 2014 gives full details of the risk assessment of General Fund Reserves.
22. In addition to General Fund Reserves, the Council also has some ring fenced earmarked reserves. These are held for specific reasons. Earmarked Reserves are reviewed regularly as part of closedown process.
23. All requests for earmarked reserves this year have rolled into a new Business Plan Priority Funding Reserve. This is will be used for controlled by corporate Directors and funds allocate to the priorities in the Business Plan on a business case basis.

24. Below is a list of current Earmarked Reserves:

| Earmarked Reserves | Opening Balance 01-Apr-13 | Drawdown/ (Deposits) | Closing Balance 31-Mar-14 |
|---|--------------------------------------|---------------------------------|--------------------------------------|
| Schools PFI Reserve | (4.661) | 0.161 | (4.500) |
| Insurance Reserve | (4.450) | 0.300 | (4.150) |
| Schools Balances | (9.268) | (0.772) | (10.040) |
| Transformation Reserve | (0.228) | | (0.228) |
| Housing Reserve | (0.042) | | (0.042) |
| Criminal Records Bureau System Reserve | (0.008) | | (0.008) |
| Elections Reserve | (0.600) | 0.435 | (0.165) |
| Street Lighting Reserve | (0.100) | | (0.100) |
| Area Board Reserve | (0.035) | (0.150) | (0.185) |
| Energy Efficiency Reserve | (0.039) | | (0.039) |
| Digital Inclusion Reserve | (0.183) | | (0.183) |
| Housing PFI Reserve | (1.588) | (1.598) | (3.186) |
| Action 4 Wiltshire Reserve | (0.180) | | (0.180) |
| Young People's Support Service (YPSS) Reserve | (0.313) | 0.313 | 0.000 |
| Transformation Reserve | (1.336) | | (1.336) |
| Business Plan Priority Funding Reserve | | (0.860) | (0.860) |
| Revenue Grants Reserve | (5.130) | (3.899) | (9.029) |
| Forecast Balance 31 March 2014 | (28.161) | (6.070) | (34.231) |

Main Consideration for the Council

25. To note the unaudited outturn for 2013/14 and consider the Council's reserve position.

Environmental Implications

26. None have been identified as arising directly from this report.

Equality & Diversity Implications

27. No equality and diversity issues have been identified or arising from this report.

Legal Implications

28. None have been identified as arising directly from this report.

Risk Assessment

29. During the year, the Council has faced significant service financial pressures. Actions to manage these pressures have been agreed previously and work has been undertaken to manage the financial position.
30. The Council has identified in its corporate risk register various elements which have been covered in previous monitoring reports, most notably the impact the current economic climate has on the Council's finances.

Financial Implications

31. These have been examined and are implicit throughout the report.

Proposals

32. That Cabinet can approve the final outturn for 2013/2014, and appropriate transfers to General Fund and Earmarked reserves as set out in Section 18-24 of this report.

Background Papers and Consultation

2013-2017 Business Plan
Wiltshire Council's Financial Plan Update 2013/2014 Cabinet 12 February 2012
Budget Monitoring Cabinet Period 5 24 September 2013
Budget Monitoring Cabinet Period 7 17 December 2013
Budget Monitoring Cabinet Period 9 11 February 2014

Contact Name:

Michael Hudson, Associate Director Finance, ext 713601
michael.hudson@Wiltshire.gov.uk

Report author: Matthew Tiller, Chief Accountant

Appendices:

Appendix A: Revenue Budget Movements 2013/2014
Appendix B: Service Area Movements 2013/2014
Appendix C: Detailed Service Area Budget Statements
Appendix D: Outturn Variance Movements