

PROVISIONAL OUTTURN 2012/13 AND CARRY FORWARD REQUESTS

Finance and Resources Advisory Committee – 4 June 2013

Report of the: Chief Executive Designate

Status: For Decision

Also considered by: Cabinet – 6 June 2013

Key Decision: No

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr. Ramsay

Head of Service Group Manager – Financial Services – Adrian Rowbotham

Recommendation to Finance and Resources Advisory Committee: It be recommended to Cabinet that:

- (a) The Revenue ‘carry forward’ requests totalling £35,066 as set out in paragraph 13 of the report be approved; and
- (b) The capital carry forward requests totalling £572,102 as set out in paragraph 15 of the report also be approved.

Introduction

- 1 Provisional Financial Outturn figures for 2012/13 are attached at Appendix A. These results will be presented to Cabinet at its meeting on 6 June 2013.
- 2 The report also sets out the requests to carry forward unspent budgets into 2013/14 for Revenue and Asset Maintenance items. In practice any items agreed for carry forward will be set aside in an Earmarked Reserve to be used to finance those costs in 2013/14.
- 3 2012/13 was the second year of a four-year savings plan, which set out to achieve savings of £4 million over that period. It is pleasing to report to Members that a provisional favourable variance of £294,000 has been achieved. Revenue carry forwards of £35,000 have been requested; if these are approved the favourable variance will reduce to £259,000
- 4 At the end of February the forecast outturn (which took account of likely carry forward requests) was a favourable variance of £136,000. Since then, a review of the cost sharing arrangements for the Revenues and Benefits partnership has taken place leading to an increased contribution from Dartford Council. The provisional outturn position is £123,000 better than the February forecast.

- 5 The figures above all take into account the supplementary budget of £15,000 approved during the year for Christmas car parking.
- 6 It was approved by Cabinet on 7 February 2013 that any favourable variance achieved on the 2012/13 budget be put to the Budget Stabilisation Reserve.

High Level Analysis of Results

- 7 **Partnership Income:** Reviews of the cost sharing arrangements for the Dartford Environmental Health, and Revenues and Benefits partnerships have taken place. This has led to an increased share of the cost of Revenues and Benefits being paid by Dartford.
- 8 **Pay costs (£183,000 underspent):** Actual expenditure is below budget due to some vacancies and staffing restructures following the departure of senior managers.
- 9 **Income from fees and charges (£330,000 unfavourable on major income sources):** Development Control, Building Control, Land Charges and Car Parking income budgets showed adverse variances during 2012/13, and these remain risk areas for 2013/14. During the year, the operators of the Swanley and Sevenoaks markets went into voluntary liquidation leaving two months rent unpaid. The unpaid rent has not been included as income for 2012/13. The market continued to operate but with a reduced weekly payment from the interim operator.
- 10 **Direct Service Trading Accounts** show a surplus of £73,000 at the year end, which is £9,000 better than the budgeted surplus.
- 11 **Interest and Investment Income** was £117,000 better than budget. This was due to the Council holding higher balances than budgeted, which has increased investment income.
- 12 The latest information from CIPFA regarding the £1m Landsbanki investment is that authorities should now account for a 100% return although this will continue to be reviewed.

Revenue Carry Forward Items

- 13 There are two Revenue carry forward requests. Further details including the implications of not carrying forward these budgets are set out at the end of this report.

No.	ITEM	HEAD OF SERVICE/SERVICE MANAGER	£
A1	Asset Maintenance – Argyle Road Dormers	ICT	27,813

A2	Licensing Partnership IT – Online forms	ICT	7,253
	Total		35,066

- 14 The Asset Maintenance budgets for Argyle Road was underspent by £27,813 because a part completed project was delayed due to bad weather in March. Prior to 2011/12, any unspent budgets for Asset maintenance would have been returned to the Asset maintenance fund. From 2011/12 onwards there is no longer a separate fund. It is requested that the unspent balance for this specific project be approved for carry forward to 2013/14.

Capital Programme

- 15 The following capital scheme was underspent at the year end. This relates to a partially completed previously approved project.

No.	SCHEME	HEAD OF SERVICE/SERVICE MANAGER	AMOUNT £
C1	Vehicle replacement programme	Environmental and Operations	£572,102
	Total		£572,102

Key Implications

Financial

- 16 All financial implications are covered elsewhere in the report.

Community Impact and Outcomes

- 17 None

Legal, Human Rights etc

- 18 None

Equality Impacts

19

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	No	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		

Conclusions

- 20 Both Members and Officers were fully aware that 2012/13 would be an extremely challenging year. However, in light of the financial pressures arising during the year it is pleasing to report to Members a positive year end position.
- 21 The outturn position could not have been achieved without the commitment and hard work of both Members and Officers, in particular the Heads of Service and the Finance Advisory Group, who have played an essential challenge, advisory and scrutiny role reviewing not only the budget but also the corrective action planning.
- 22 The 2013/14 budget includes savings totalling £0.4m. Achieving this continuing level of savings whilst managing the financial risks will require continued close and proactive financial management during 2013/14.

Risk Assessment Statement

- 23 The approval of these carry forward requests should reduce the risk of the Council exceeding its planned expenditure in 2013/14.
- 24 These results are provisional and may change due to issues arising from the closure of the Council's accounts, which will be completed by 30 June 2013.

Appendices

Appendix A – Budget Carry Forward Requests

Appendix B - Provisional Outturn Summary

Appendix C – Explanation of variances

Background Papers:

Provisional Outturn results 31 March 2013

Carry Forward Requests

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