

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	MEETING OF THE EXECUTIVE
DATE:	9 JUNE 2014
SUBJECT:	REVENUE BUDGET 2013/14 – PROVISIONAL OUTTURN
PORTFOLIO HOLDER(S):	COUNCILLOR H E JONES
HEAD OF SERVICE:	RICHARD MICKLEWRIGHT
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LOCAL MEMBERS:	

A - Recommendation/s and reason/s

Spending against service and corporate budgets has been monitored throughout the year and reported to Members on a quarterly basis. These reports have included details of both the position to date and projections to the end of the financial year. The accounts for 2013/14 are now being finalised and the Statement of Accounts prepared.

B - What other options did you consider and why did you reject them and/or opt for this option?

The purpose of this report is to give an indication of the final position on revenue spending in the Council Fund, although it should be noted that the figures remain provisional at this stage.

C - Why is this a decision for the Executive?

To enable the Executive Committee to be responsible for monitoring the budget at a corporate level.

CH - Is this decision consistent with policy approved by the full Council?

The Net Revenue budget for 2013/14 was set at £129m. The most recent year end projections were contained in Quarter 3 Monitoring Reports presented to the Executive on the 10th February 2014, in which it was indicated that there would be a projected overspend of £474k.

The provisional outturn position now shows a service underspend of £846k representing a total change of £1.3m from the Qtr 3 position. This is due, predominantly, to adjustments in accounting treatment made to ensure that the Council keeps current with technical accounting requirements, and, to a lesser extent, to adjustments flowing from the first year of the new ledger system. In addition to this there are a number of movements across all headings, which have cumulatively produced the remainder of the change.

Decisions are still required to be made by the Chief Financial Officer in respect of potential increases in provisions, the main provision is that of the Penhesgyn Waste Site as well as the bad debt provision, which has been changed this year in order to meet the required accounting treatment.

A review of balances was undertaken in the final accounting quarter of the result of this review was that £636k was no longer required to be repaid to the originator of the grants meaning that the amounts held in reserves has been released to the revenue accounts.

Individual service lines are shown in Appendix A. It is stressed again that the figures shown remain provisional and will remain so until the accounts are finalised. The Statement of Accounts need to be presented for audit by the end of June and the audit will be completed and the accounts approved by the end of September.

D - Is this decision within the budget approved by the Council?		
<p>The provisional outturn for the Council Fund (excluding the HRA) for 2013/14 is an overall underspend of £846k. However, at this stage there may be technical adjustments in this figure appertaining to increases in provisions. HRA shows a surplus of £1.416m.</p> <p>Beyond this, there is a consistent pattern of better than expected financial performance across most services. This partly reflects the relative caution shown in making the previous year-end projections, but also shows the results of the efforts that have been made, over the closing months of the year, to constrain spending generally.</p> <p>The impact on the level of general reserves will not be known until further decisions have been made, in respect of appropriations to service and specific reserves and the levels of provisions required and, beyond this, final confirmation cannot be given until the completion of the audit and the approval of the accounts. Nonetheless, it seems to be probable that the final outturn position will show an improvement of the Council's underlying financial position and allow for increased flexibility in managing the transformation of services and the phasing of spending reductions.</p>		
DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	
E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
F - Appendices:		
<p>Appendix 1: Considerations Appendix A: Financial Performance Outturn Figures 2013/14.</p>		
FF - Background papers (please contact the author of the Report for any further information):		

RICHARD G JONES
PROJECT ACCOUNTANT

22 MAY 2014

CONSIDERATIONS

Comments in respect of individual service areas are as follows. Please note, individual service areas are gross of the adjustments for bad debt provision and grant adjustments.

Education

There is a net underspend on Central Education of £118k. Within the Service there are a number of areas which are overspent whilst other service areas are below budget. These can be summarised as follows:-

Pupil Transport

Cost of transport for pupils to schools and colleges was overspent by £177k and included all sectors i.e. Primary, Secondary, Special as well as Further Education establishments.

Combined School Meals

Overspend of £172k and this was partly attributable to a greater take up of free school meals and primary schools meal income has underachieved against the budget target.

Central Education Administration

This budget was overspent by £126k. This overspend is spread over a number of areas including supplies and services, but has also been offset by underspending on energy costs and over achievement of income/contributions.

Cynnal

Overspent by £135k – this was mainly as a result of unbudgeted costs for service level agreement with Cynnal – the service included IT support, Curriculum support and admin management.

Other Central

Performance management budget was underspent by £92k and was partly due to underspending on contract costs. The home tuition and sickness budget was also underspent by £96k, mainly due to underspend on staffing. There was also a smaller underspend on Appetite for Life of £24k.

Highways and Transportation

The Service is showing a net overspend of £191k. The main variances are as follows:-

Works budget (Traffic, Lighting and Maintenance)

Combined overspend of £198k. This is mainly accounted for by the need to respond to additional emergency works during the winter period.

Development Control Management

Underspend by £82k. This was mainly as a result of not achieving budgeted income.

Other

School crossing patrol was underspent by £24k. This was mainly due to a significant number of schools crossing posts remaining vacant during the year. Car park income was under budget by £36k. This was due to a combination of reduced expenditure on contract payments and additional income over and above budget.

Social Care

The Social Care outturn position is an overspend of £180k.

Services for the Elderly

This area is showing an underspend of £230k. This is partly due to vacant posts within the Service of £84k. However, the Service is also seeing a reduction in spend as a result of a strategy to move away from residential care to home care.

Learning Disability

This area is showing an overspend of £124k. This is mainly as a result of unforeseen demand for adult placement in residential care.

Physical Disability

These show a service underspend of £90k. This is mainly as a result of the tightened eligibility criteria for adaptations for the home.

Mental Health

This show an overspend of £275k and is as a result of combination of issues relating to a combination of budget pressures relating to residential care.

Children and Young People Service

The Service is showing a net underspend of £216k and includes underspend in Family support of £99k. Likewise, Children with Disability budget is underspent by £73k. However, there are also overspends in other parts of the budget; this includes overspending in legal costs of £32k and out of county placements of £106k.

Deputy Chief Executive

ICT

This Service is underspent by £167k. The majority of this related to staffing budget being underspent as a result of vacancies.

Legal and Administration

This Service is underspent by £174k and is as a result of a combination of various service elements within the budget. Committee Services are underspent by £42k. Legal Services are underspent on staffing due to vacant solicitor post. The underspend in staffing, net of agency cost and SLA, is £44k.

Non HRA Housing

This Service is showing a net underspend of £248k. Within the Service there has been an additional bad debt provision of £161k. However, the Service is also in receipt of a gain of £610k relating to grant reserves monies that have been released from reserves.

Housing – HRA

The HRA budget for the year was a surplus of £488k with an outturn of a surplus of £1.416m.

Principal reasons were that:-

- i) the call on revenue contributions by the capital programme was £1.2m less than anticipated;
- ii) rental receipts were buoyant and performed £500k better than anticipated;
- iii) £300k higher than anticipated cuts were incurred on a new computer system implementation;
- iv) Upgrades to lifts, fire alarms and sewage facilities came in £200k higher than anticipated;
- v) Revenue Repairs and Maintenance £200k higher than anticipated.

FINANCIAL PERFORMANCE OUTTURN 2013/14

Directorate	Outturn 2013/14 £'000	Budget For Year £'000	Projected Variance For Year £'000
Lifelong Learning			
Delegated Schools Budget	43,354	43,354	0
Central Education	7,986	8,104	-118
	51,340	51,458	-118
Communities			
Social Care	30,411	30,231	180
Housing	1,043	1,291	-248
	31,454	31,522	-68
Sustainable Development			
Economic Development	1,428	1,602	-174
Maritime	300	259	41
Highways	10,819	10,628	191
Planning & Public Protection	3,301	3,088	213
Property	565	561	4
Rechargeable Works	0	0	0
Directorate Management	60	57	3
Leisure and Culture	4,438	4,713	-275
Waste	8,326	8,587	-261
	29,236	29,495	-258
Deputy Chief Executive			
Corporate- Other Services	2,148	2,016	132
Corporate And Democratic Costs	2,091	2,154	-63
Corporate Management	1,171	985	186
Audit	2	0	2
Finance - Excl Benefits Granted	891	966	-75
Finance - Benefits Granted	5,415	5,313	102
Human Resources	-66	0	-66
ICT	-167	0	-167
Legal and Administration	263	437	-174
Policy	58	0	58
Corporate Finance	4,907	4,907	0
	16,713	16,778	-65
TOTAL	128,743	129,253	-510

FUNDED BY	Out-turn	Budget for Year	Variance for year
Council Tax Income	28,176	28,023	-153
Special Grant	458	458	0
Outcome Agreement Grant	726	545	-181
Revenue Support Grant	22,024	22,024	0
National Non-Domestic Rate Pool	78,203	78,203	0
	129,587	129,253	-334