



Committee and Date

Cabinet  
6 June 2012

Audit Committee  
21 June 2012

Council  
19 July 2012

Item No

**6**

Public

## REVENUE OUTTURN 2011/12

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### 1. Summary

1.1 This report provides details of the revenue outturn position for Shropshire Council for 2011/12 and provides a summary of:

- The revenue outturn for each service area with a commentary on the main variations and an outline of how the position has changed since Period 11.
- The movements in the Council's general balance.
- The Council's reserves and provisions.

1.2 The Council's financial position for 2011/12 has improved when compared to projections made at Period 11, generating an underspend of £2.709m. This underspend is as a result of a number of variations across the majority of services and represents the continued efforts of senior managers to retain tight control over budgets in the final months of the financial year. The movement from Period 11 represents a variation of less than one third of a percent of the Council's gross revenue budget between February and final entries in the accounts in early May.

1.3 Management Action undertaken from Period 7 was anticipated to deliver £4.5m savings (£1.5m from a spending freeze and £3m from action undertaken by Group Managers). At period 11 it was reported that the spending freeze had delivered £0.673m and management action was anticipated to deliver £2.575m. Although the trajectory of spending suggested this position could be improved upon by year end, it was felt imprudent to assume this within projections at that time. The on-going impact of both the spending freeze and the management action put in place has significantly improved the overall position projected at Period 11. At year end, a review has identified that areas impacted by the spending freeze have underspent by almost £1.1m. In addition, management action has delivered additional one-off savings and exceeded the £3m target by approximately £1.5m. Additionally, recovery of rent allowance and council tax subsidy payments, and higher than anticipated levels of subsidy grant has delivered an addition £1m of one-off resources, which has been partly used to increase the bad debt provision for Housing Benefit Overpayments by £1.1m.

## **2. Recommendations**

### **2.1 Members are asked to:**

- A. Note that the Outturn for the Revenue Budget for 2011/12 is an underspend of £2,709,214, this represents 0.4% of the original gross budget of £661m.
- B. Note that the level of general balance stands at £7,637,881 (inclusive of New Homes Bonus of £2.021m due to be committed in 2012/13), an increase from the 2010/11 balance of £3.731m and within the Council's policy to hold between ½ and 2% of the gross revenue budget.
- C. Note that the level of school balances stand at £5,104,000 (2010/11 £6,239,000).
- D. Note that the Outturn for the Housing Revenue Account for 2011/12 is an underspend of £212,201 and the level of the Housing Revenue Account reserve stands at £997,739 (2010/11 £785,538).

## REPORT

### 3. Risk Assessment and Opportunities Appraisal

- 3.1 Details of the potential risks affecting the balances and financial health of the Council are detailed within the report. Each variation from budget is also RAG rated to confirm the level of risk to the Council's balances.

### 4. Financial Implications

- 4.1 This report is based on the financial outturn of the Council's budget for 2011/12 and therefore considers the effect that the underspend has on the Council's balances.

### 5. Background

- 5.1 Cabinet has received monthly monitoring reports on the revenue budget during the course of the year. This has meant that Service Areas have identified problem areas as they have arisen and management have been able to take the action necessary to deal with the issues arising.

### 6. Overall Position

- 6.1 The final outturn for 2011/12 shows overall net revenue expenditure of £222,181,665 and an underspend of £2,709,214. The overall position for Service areas and Schools' balances, is detailed below:

	<b>Council Budgets £000</b>
Original Budget	224,685
Prior year underspend set against 2011/12 budget	206
<b>Budget available to spend in 2011/12</b>	<b>224,891</b>
<b>Outturn for 2011/12</b>	<b>222,182</b>
<b>Underspend for 2011/12</b>	<b>(2,709)</b>

- 6.2 Changes to the budget have occurred since it was set in February 2011 and are summarised in the table below. They consist of approved budget virements (reflecting Government grant reductions) and the addition of 2010/11 carry forwards. There have been some minor budget virements since Period 11, which are detailed in Appendix 5.

**Table 1: 2011/12 Original & Revised Net Budget Analysed by Service Area (£'000) (Appendix 5)**

	<b>Original Net Budget £'000</b>	<b>Approved Budget Virements £'000</b>	<b>2010/11 Carry Forwards £'000</b>	<b>Revised Net Budget £'000</b>
<b>People</b>				
Care & Wellbeing	7,773	(70)	0	7,703
Assessment & Eligibility	59,230	(418)	0	58,812
Safeguarding	24,001	(556)	0	23,445
Public Protection & Enforcement	6,390	(494)	0	5,896
Learning & Skills	33,477	1,580	0	35,057
<b>Places</b>				
Customer Care & Community Involvement	3,864	(932)	0	2,932
Commissioning & Procurement	37	865	0	902
Business Growth & Prosperity	6,991	(169)	0	6,822
Facilities Management	3,733	112	0	3,845
Environment	34,768	(132)	0	34,636
<b>Locality Working</b>	<b>38,702</b>	<b>(213)</b>	<b>206</b>	<b>38,695</b>
<b>Corporate Heads</b>				
Strategic Management Board	1,027	305	0	1,332
Finance	1,581	(296)	0	1,285
Legal & Democratic	1,063	(213)	0	850
Strategic Planning	1,744	153	0	1,897
Business Improvement	1,948	(346)	0	1,602
Organisational Development	200	96	0	296
<b>Corporate Budgets</b>	<b>(1,844)</b>	<b>728</b>	<b>0</b>	<b>(1,116)</b>
<b>Total</b>	<b>224,685</b>	<b>0</b>	<b>206</b>	<b>224,891</b>

6.3 The 'variations' analysis distinguishes between overspends and underspends. The classification is:

- Overspends - Red (over +£301k), Amber (+£141k to +£300k),
- Acceptable - Green (range from +£140k to -£140k),
- Underspends - Blue (-£141k to -£300k), Yellow (over -£301k)

6.4 The main report will only comment on large variations (Red and Yellow items) which have arisen, and appear in Tables 2 & 4.

**Table 2: RAGBY Classification of 2011/12 Service Area Budget Variations**

Service Area	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
People	28	2	1	16	4	5
Places	24	3	3	12	3	3
Area Directors	7	1	0	3	1	2
Corporate	7	0	0	2	4	1
General Fund Balances	1	0	0	0	0	1
<b>Total</b>	<b>67</b>	<b>6</b>	<b>4</b>	<b>33</b>	<b>12</b>	<b>12</b>

- 6.5 Further details of the 18 budget areas with large variations (Red and Yellow) are provided in paragraph 7.
- 6.6 The underspend of £2,709,214 for 2011/12 is presented below by Service Area. End of year entries include items of non-controllable spend that are not included within service projections throughout the year. To enable comparison with previous monitoring reports, the non-controllable element of spend has been separately identified within this report where relevant. This allows a direct comparison to be made between controllable spend at year end, and projections made throughout the year.

**Table 3: 2011/12 Budget Variations Analysed by Service Area (£'000)**

Service Area	Revised Budget £'000	Forecast Outturn £'000	(Under) / Overspend £'000	Controllable (Under)/Over spend £'000	RAGBY	Non - Controllable (Under)/Over spend £'000
<b>People</b>						
Care & Wellbeing	7,703	7,145	(558)	(417)	Y	(141)
Assessment & Eligibility	58,812	59,096	284	1,192	R	(909)
Safeguarding	23,445	21,957	(1,488)	(1,056)	Y	(432)
Public Protection & Enforcement	5,896	5,495	(401)	(82)	G	(319)
Learning & Skills	35,057	43,563	8,506	(815)	Y	9,321
<b>Places</b>						
Customer Care & Community Involvement	2,932	2,467	(465)	(243)	B	(221)
Commissioning & Procurement	902	865	(37)	(77)	G	40
Business Growth & Prosperity	6,822	8,672	1,850	(150)	B	2,000
Facilities Management	3,845	3,945	100	482	R	(384)
Environment	34,636	34,629	(7)	(176)	B	169
<b>Locality Working</b>	<b>38,695</b>	<b>42,120</b>	<b>3,425</b>	<b>(181)</b>	<b>B</b>	<b>3,606</b>
<b>Corporate Heads</b>						
Strategic Management Board	1,332	1,359	27	13	G	14
Finance	1,285	1,123	(163)	(128)	G	(36)
Legal & Democratic	850	724	(126)	(212)	B	86
Strategic Planning	1,897	1,988	91	(154)	B	245
Business Improvement	1,602	1,960	358	(145)	B	504
Organisational Development	296	98	(198)	(152)	B	(46)
<b>Corporate Budgets</b>	<b>(1,116)</b>	<b>(15,023)</b>	<b>(13,898)</b>	<b>(410)</b>	<b>Y</b>	<b>(13,497)</b>
<b>TOTAL</b>	<b>224,891</b>	<b>222,182</b>	<b>(2,709)</b>	<b>(2,709)</b>		<b>0</b>

6.7 To complete the analysis, Table 4 below sets out the position by category of spend/income.

**Table 4: RAGBY Classification of Budget Variations Analysed by Expenditure & Income Category**

	Budget	Outturn	(Under)/ Overspend	Controllable (Under)/Over spend	RAGBY	Non - Controllable (Under)/Over spend
	£'000	£'000	£'000	£'000		£'000
<b>Expenditure</b>						
Employees	136,078	122,269	(9,808)	(104)	G	(9,704)
Premises	16,163	17,798	1,635	1,638	R	(3)
Transport	19,043	18,360	(683)	(682)	Y	(1)
Supplies and Services	60,776	60,994	217	170	A	48
Third Party Payments	125,992	130,345	4,353	4,317	R	35
Transfer Payments	75,520	80,114	4,594	4,594	R	0
Capital Financing	25,664	26,288	624	563	R	62
Recharges	24,785	37,355	12,570	4,171	R	8,401
Appropriations to Reserves/Provisions	5,876	12,738	6,862	6,862	R	0
Dedicated Schools Grant – Schools Expenditure	151,095	146,415	(4,680)	(4,680)	Y	0
	<b>640,991</b>	<b>656,677</b>	<b>15,684</b>	<b>16,848</b>		<b>(1,162)</b>
<b>Income</b>						
Dedicated Schools Grant – Schools Grants	(176,115) (127,496)	(171,450) (141,303)	4,665 (13,807)	4,665 (13,808)	R Y	0 0
Fees and Charges	(58,969)	(62,599)	(3,630)	(3,630)	Y	0
Rents	(8,385)	(8,446)	(61)	(61)	G	0
Interest & Investment Income	(404)	(1,173)	(769)	(769)	Y	0
Other Income	(8,263)	(8,655)	(392)	(392)	Y	0
Recharges	(36,466)	(37,640)	(1,172)	(2,436)	Y	1,266
Other Contingencies	0	(3,320)	(3,230)	(3,126)	Y	(104)
	<b>(416,100)</b>	<b>(434,495)</b>	<b>(18,395)</b>	<b>(19,557)</b>		<b>1,162</b>
<b>Net Budget</b>	<b>224,891</b>	<b>222,182</b>	<b>(2,709)</b>	<b>(2,709)</b>	<b>Y</b>	<b>0</b>

## 7. RAGBY Reporting and Other Issues

7.1 The Red and Yellow RAGBY issues that are the subject of corporate focus are:

### Business Area Reds

- 1. Assessment & Eligibility – Long Term Support (Appendix 2) - £2,192,274 overspend.** The overspend is due to a historic pressure on purchasing relating to long term clients, along with an in year increase in client numbers of 3.7% (approximately 100 clients). Income projections made throughout the year have been reviewed at year end and have been revised downwards resulting in a larger overspend in a larger overspend in long term support than estimated at Period 11. Grant funding of £4m has been applied to the purchasing pressure and where possible, throughout the year, holding vacancies and freezing expenditure has resulted in savings of approximately £830k. **Assessment & Eligibility – Developmental Support (Appendix 3) - £448,406 overspend.** The overspend relates to pressures on purchasing care support for people with mental health issues.

3. **Facilities Management – Property Services (Appendix 3) - £790,444 overspend.** The reduction in the capital programme and the general reduced settlement to schools has resulted in a reduction in income recharges from Property Services. Significant expenditure has also been incurred for dilapidation claims and civil engineering works associated with a blocked sewer. Action was taken to reduce all planned maintenance works and only carry out essential health and safety works.
4. **Environment – Highways & Transport, Off Street Car Parks (Appendix 3) £498,372 overspend.** The overspend has occurred due to a shortfall in income for car parking income, in line with the picture nationally. This has been reported throughout the year alongside the need to cover higher than budgeted business rates costs.
5. **Environment – Waste Services, Bereavement Services (Appendix 3) £435,559 overspend.** Bereavement services were outsourced on the 12 September 2011 to Co-operative Funeralcare. In the Cabinet report regarding this transaction, it was highlighted that it was unlikely the service would achieve a budget surplus through income if the service remained in house. The overspend for the year primarily relates to a significant shortfall in income which has been offset by savings made in expenditure.
6. **Area Directors – Leisure (Appendix 3) £547,257 overspend.** The projected overspend within Leisure Services reflect a projected shortfall in income and increased premises costs relating to Teme Leisure. There have also been additional costs relating to leisure facilities and costs relating to property maintenance and business rates.

#### **Business Area Yellows**

7. **Care & Wellbeing – Family Care & Wellbeing (Appendix 3) - £356,218 underspend.** This underspend has occurred due to a number of staff vacancies within the service and reductions in devolved budgets due to staffing capacity. There has also been an underspend on telephone charges,
8. **Assessment & Eligibility – Provider Support (Appendix 3) - £478,470 underspend.** Expenditure within Provider Support has been reduced by employing vacancy management in order to offset the pressure that has arisen within Long Term Support.
9. **Assessment & Eligibility – Short Term Support (Appendix 3) - £970,831 underspend.** Vacancy management and expenditure freeze have achieved in year savings which have been used to offset overspend within long term support.
10. **Safeguarding – Assessment and Looked After Children (Appendix 3) - £465,600 underspend.** There was a significant overspend of £718,000 in 2010/11 on Assessment and Case Management costs. Significant management action has been undertaken throughout the financial year to control costs within this volatile area of spend. This has included the careful management and commissioning of placements, action to retain key staff and control of staff vacancies.
11. **Learning & Skills – Schools/Business Support (Appendix 3) - £670,892 underspend.** This underspend has been generated through savings within Home to School Transport through route rationalisation, e-tendering and e-auction savings. A rates revaluation and variations to the inflation provision have also contributed to the underspend.

12. **Facilities Management – Estates & Facilities (Appendix 3) - £425,826 underspend.** This has arisen due to a reduction in the area headquarter staffing costs, and significant savings in energy costs at council properties.
13. **Environment – Highways & Transport (Excl Car Parks & Bus Stat) (Appendix 3) - £519,644 underspend.** The underspend has arisen due to additional income from Section 74 compensation payments for Street Works.
14. **Environment – Highways & Transport (Passenger Transport) (Appendix 3) - £652,594 underspend.** This underspend has arisen due to expenditure on Concessionary Travel being below budget and a reduction in the contract cost for Park and Ride.
15. **Locality Working – Libraries (Appendix 3) - £326,756 underspend.** An underspend of £130k has been generated against expenditure on the book fund. Libraries have also held a number of vacancies in order to prepare for the library restructure planned for 2012/13.
16. **Locality Working – Environmental Maintenance (Appendix 3) - £339,034 underspend.** The underspend has been generated through increased fees and charges income and through an underspend on Routine Maintenance costs.
17. **Corporate Budget (Appendix 3) - £422,535 underspend.** Treasury Management has outturned at an underspend of £495,000 due to lower debt charges as a result of the Council undertaking reduced borrowing. There has also been an underspend against Audit Commission fees. These have offset a shortfall in income for the West Mercia Supplies profit distribution.

#### **Subjective Area Reds**

18. **Premises - £1,638,000 overspend.** This overspend has occurred due to increased utility bills at establishments, repairs and maintenance costs at leisure facilities and higher than anticipated business rates at establishments.
19. **Third Party Payments - £4,317,000 overspend.** The overspend is due to on-going pressures on funded care packages within Assessment & Eligibility which is being offset by use of grant income and fees charged to clients.
20. **Transfer Payments - £4,594,000 overspend.** This overspend relates to an increase in the projection for Private Sector rent allowances. This has been offset by an equivalent increase in the grant received for these rent allowances.
21. **Capital Financing - £563,000 overspend.** Revenue contributions to capital schemes within Learning & Skills contributed to this overspend. However these were partially offset by reduced borrowing costs within treasury management.
22. **Recharges - £4,171,000 overspend.** IT recharges to service areas for equipment and consumables were greater than budgeted, however these have been offset by increased income.
23. **Appropriations to Reserves and Provisions - £6,862,000 overspend.** This represents the increased contributions to the General Fund Balance, the new People Service reserve, Severe Weather reserve and other earmarked reserves and provisions.
24. **Dedicated Schools Grant – Income - £4,665,000 overspend.** The reduced dedicated schools grant applied is offset by the reduced dedicated schools expenditure.

#### **Subjective Area Yellows**

25. **Transport - £682,000 underspend.** The underspend has resulted from a reduction in the projected costs of Home to School Transport from improved procurement procedures and reducing projected expenditure to offset pressures within third party payments for care packages.



26. **Dedicated Schools Grant - Expenditure - £4,680,000 underspend.** The reduced dedicated schools expenditure is offset by reduced application of the Dedicated Schools Grant.
27. **Grants - £13,808,000 underspend.** The ASC Social Care Reform Grant from 2010/11 has now been utilised. The effect of these grants is to offset pressures within Third Party Payments for care packages. This also includes an increase in the grant for private sector rent allowances and the New Homes Bonus Grant.
28. **Fees and Charges - £3,631,000 over achievement.** The over achievement relates primarily to the recovery of benefit overpayments within Customer Care & Involvement.
29. **Interest and Investment Income - £769,000 over achievement.** This represents the income generated on the Shropshire Waste Partnership balances. This is then paid over to the SWP reserve in line with the contract.
30. **Other Income - £392,000 over achievement.** Represents additional income received within Safeguarding and Learning and Skills.
31. **Recharges - £2,436,000 over achievement.** Increased recharge income within IT has been generated to offset higher expenditure on equipment and consumables as detailed above.
32. **Other Contingencies - £3,126,000 underspend.** The majority of this represents the schools' revenue balances that are carried forward.

## 8. General Fund Balance

- 8.1 The effect on the Council's Reserves is detailed below. The Council's policy on balances is to have a general fund balance (excluding schools balances) of between ½% and 2% of the gross revenue budget. For 2011/12 the minimum balance required is £3,302,980. The general fund balance as at 31<sup>st</sup> March 2012 is shown in Table 5 below:

**Table 5: General Fund Balance As At 31<sup>st</sup> March 2012 (£'000)**

General Fund Balances as at 1 April 2011		3,907
Budgeted contribution to General Fund Balance	909	
Release of Earmarked Reserves	1,084	
Repayment of Overspends from 2010/11	872	
County Training repayment	432	
Spending Freeze – delivered	673	
Additional Management Review Savings	23	
Uncommitted New Homes Bonus	1,792	
Shortfall in Savings	(2,568)	
Redundancy Costs	(3,099)	118
		4,025

Balance Sheet Review of Provisions	240	
New Homes Bonus 2012/13 (First instalment)	229	
Corporate savings from borrowing repayments	325	
Ringfenced Penalty Notice Income	168	
Under-recovery of Insurance costs	(58)	904
		4,929
2011/12 Revenue Outturn		2,709
General Fund Balance at 31 March 2012		7,638

## 9. School Balances

9.1 The movement in schools' balances is as follows:

	2010/11 £000	2011/12 £000	Increase/ (Decrease) £000
<b>Schools:</b>			
- Revenue Balances	4,287	3,298	(989)
- Invested Balances	1,857	1,806	(51)
- Foundation Schools' external balances*	95	0	(95)
<b>Total</b>	<b>6,239</b>	<b>5,104</b>	<b>(1,135)</b>

\* Foundation Schools' 2011/12 external balances is no longer reported as this school is now an Academy.

9.2 Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion. The Council does employ a policy of clawback for school balances where the balance is greater than 5% of the schools' funding for primary schools, and 8% for secondary schools. It has not been necessary to clawback any balances in 2011/12. Of the 157 schools, 142 schools have surplus balances, and 15 have deficit balances.

9.3 Following consultation with the school's forum and head teachers, the school balances have been used to purchase IT equipment for schools, the cost of this equipment is then recharged to schools over the life of that equipment, effectively operating as an internal leasing arrangement. At the end of 2011/12 £125,500 of the £5,104,000 was being used in this way.

## 10. Housing Revenue Account (Appendix 4)

10.1 The Housing Revenue Account (HRA) outturn for 2011/12 shows an underspend of £212,200 against gross turnover (1.2%) which has mainly arisen due to savings in staff cost and payments to contractors engaged on responsive Repairs and Maintenance.

10.2 The underspend takes the closing balance on the HRA Reserve to £997,739 which represents a contingency of £237 per home.

## 11. Reserves and Provisions (Appendix 6)

- 11.1 The Council has created a number of specific reserves and provisions to provide for known or anticipated future liabilities and to assist in protecting essential services. Earmarked reserves are balances held for specific items that will occur in the future. Provisions are held to meet expenses that will occur as a result of past events and where a reliable estimate can be made of the obligation.
- 11.2 The overall position for reserves and provisions is set out in the Statement of Accounts 2011/12, an extract from the Statement of Accounts is contained at Appendix 6, with an explanation of each reserve and provision. The overall change in revenue reserves and provisions is as follows:

<b>Balance of Reserves and Provisions</b>	<b>£000</b>
As at 31 March 2011	44,469
As at 31 March 2012	51,189
<b>Increase/(Decrease)</b>	<b>6,720</b>

### **List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Revenue & Capital Budget 2011/12

Financial Rules

Revenue Monitoring Report – Period 3 2011/12

Revenue Monitoring Report – Period 4 2011/12

Revenue Monitoring Report – Period 5 2011/12

Revenue Monitoring Report – Period 6 2011/12

Revenue Monitoring Report – Period 7 2011/12

Revenue Monitoring Report – Period 8 2011/12

Revenue Monitoring Report – Period 9 2011/12

Revenue Monitoring Report – Period 10 2011/12

Revenue Monitoring Report – Period 11 2011/12

#### **Cabinet Member**

All

#### **Local Member**

All

#### **Appendices**

App 1 – Budget Information in Detail

App 2 – Service Area Outturn and Actions

App 3 – Movement since Period 11

App 4 – Housing Revenue Account 2011/12

App 5 – Amendments to Original Budget

App 6 – Reserves and Provisions

**Budget Information in Detail**

	TOTAL						People					Places					Locality Working					Corporate Heads				
	Budget	Forecast	(Under)/	R A G B Y	Controllable	Non	Budget	Forecast	(Under)/	Controllable	Non	Budget	Forecast	(Under)/	Controllable	Non	Budget	Forecast	(Under)/	Controllable	Non	Budget	Forecast	(Under)/	Controllable	Non
	Outturn	Overspend	£'000		(Under)/	Overspend	Controllable	Outturn	Overspend	(Under)/	Overspend	Controllable	Outturn	Overspend	(Under)/	Overspend	Controllable	Outturn	Overspend	(Under)/	Overspend	Controllable	Outturn	Overspend	(Under)/	Overspend
	£'000	£'000	£'000		£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>																										
Employees	136,078	126,269	-9,808	G	-104	-9,704	66,315	59,635	-6,681	-423	-6,258	34,498	32,397	-2,101	458	-2,559	3,699	13,073	-626	260	-886	2,566	21,165	-401	-400	-1
Premises	16,163	17,798	1,635	R	1,638	-3	3,728	4,718	990	993	-3	8,807	8,547	-260	-259	0	3,284	4,193	909	909	0	344	339	-5	-5	0
Transport	19,043	18,360	-683	Y	-682	-1	16,115	15,047	-1,069	-1,067	-1	772	832	60	60	0	1,926	2,250	324	324	0	230	231	1	1	0
Supplies and Services	60,776	60,994	217	A	170	48	23,478	20,883	-2,595	-2,635	40	27,117	29,414	2,297	2,285	11	3,847	4,664	817	798	19	3,334	6,032	-302	-279	-23
Third Party Payments	125,992	130,345	4,353	R	4,317	35	87,153	94,850	7,697	7,696	0	25,491	25,332	-159	-194	35	9,875	6,810	-3,065	-3,065	0	3,473	3,353	-120	-120	0
Transfer Payments	75,520	80,114	4,594	R	4,594	0	1,329	903	-425	-425	0	74,159	79,181	5,022	5,022	0	2	0	-2	-2	0	30	30	0	0	0
Capital Financing	25,664	26,288	624	R	563	62	12,669	27,752	15,083	1,342	13,741	5,291	9,243	3,952	245	3,707	1,406	15,906	4,501	-69	4,570	-3,702	-26,613	-22,911	-955	-21,956
Recharges	24,785	37,355	12,570	R	4,171	8,401	6,292	6,455	163	163	0	9,687	8,737	-950	-949	0	1,573	2,752	1,179	1,179	0	7,232	19,411	12,179	3,779	8,401
Appropriations to Reserves/Provisions	5,876	12,738	6,862	R	6,862	0	1,350	3,230	1,880	1,880	0	2,667	3,473	806	806	0	0	1,205	1,205	1,205	0	1,859	4,830	2,971	2,971	0
Dedicated Schools Grant - Schools' Expenditure	151,095	146,415	-4,680	Y	-4,680	0	151,095	146,415	-4,680	-4,680	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>640,991</b>	<b>656,677</b>	<b>15,684</b>		<b>16,848</b>	<b>-1,162</b>	<b>369,525</b>	<b>379,888</b>	<b>10,363</b>	<b>2,843</b>	<b>7,520</b>	<b>188,489</b>	<b>197,157</b>	<b>8,668</b>	<b>7,473</b>	<b>1,194</b>	<b>45,611</b>	<b>50,854</b>	<b>5,243</b>	<b>1,540</b>	<b>3,703</b>	<b>37,366</b>	<b>28,778</b>	<b>-8,588</b>	<b>4,992</b>	<b>-13,579</b>
<b>Income</b>																										
Dedicated Schools Grant - Schools	-176,115	-171,450	4,665	R	4,665	0	-176,115	-171,450	4,665	4,665	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants	-127,496	-141,303	-13,807	Y	-13,808	0	-30,953	-37,214	-6,260	-6,260	0	-90,682	-95,201	-4,519	-4,519	0	-935	-1,896	-961	-961	0	-926	-6,994	-2,068	-2,068	0
Fees and Charges	-58,969	-62,599	-3,630	Y	-3,631	0	-21,914	-21,506	408	408	0	-25,886	-30,338	-4,451	-4,452	0	4,394	-4,323	71	71	0	-6,775	-6,432	343	343	0
Rents	-8,385	-8,446	-61	G	-61	0	-956	-1,178	-223	-223	0	-7,218	-7,032	186	186	0	-98	-124	-25	-25	0	-113	-112	1	1	0
Interest & Investment Income	-404	-1,173	-769	Y	-769	0	-4	-72	-68	-68	0	0	0	0	0	0	0	0	0	0	0	-400	-1,101	-701	-701	0
Other Income	-8,263	-8,655	-392	Y	-392	0	-8,179	-8,523	-344	-344	0	-84	-133	-48	-48	0	0	0	0	0	0	0	0	0	0	0
Recharges	-36,466	-37,640	-1,172	Y	-2,436	1,266	-492	-487	4	4	0	-15,481	-13,214	2,268	1,858	410	1,487	-2,027	-540	-545	6	-19,007	-21,910	-2,903	-3,754	851
Other Contingencies	0	-3,230	-3,230	Y	-3,126	-104	0	-2,204	-2,204	-2,204	0	0	-661	-661	-660	0	0	-365	-365	-261	-104	0	0	0	0	0
	<b>-416,100</b>	<b>-434,495</b>	<b>-18,395</b>		<b>-19,557</b>	<b>1,162</b>	<b>-238,612</b>	<b>-242,634</b>	<b>-4,021</b>	<b>-4,021</b>	<b>0</b>	<b>-139,352</b>	<b>-146,578</b>	<b>-7,226</b>	<b>-7,636</b>	<b>410</b>	<b>-6,915</b>	<b>-8,734</b>	<b>-1,819</b>	<b>-1,721</b>	<b>-98</b>	<b>-1,221</b>	<b>-36,549</b>	<b>-5,328</b>	<b>-6,179</b>	<b>851</b>
<b>Net Budget</b>	<b>224,891</b>	<b>222,182</b>	<b>-2,709</b>	<b>Y</b>	<b>-2,709</b>	<b>0</b>	<b>130,913</b>	<b>137,255</b>	<b>6,342</b>	<b>-1,178</b>	<b>7,520</b>	<b>49,137</b>	<b>50,578</b>	<b>1,441</b>	<b>-163</b>	<b>1,603</b>	<b>38,695</b>	<b>42,120</b>	<b>3,424</b>	<b>-181</b>	<b>3,606</b>	<b>6,145</b>	<b>-7,771</b>	<b>-13,916</b>	<b>-1,187</b>	<b>-12,728</b>

**Service Area Outturn and Actions 2011/12****Summary**

	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
People	130,913,441	137,255,274	6,341,833	(1,177,837)	7,519,670	Y
Places	49,137,208	50,577,972	1,440,764	(162,552)	1,603,316	B
Locality Working	38,695,380	42,119,911	3,424,531	(181,140)	3,605,671	B
Corporate	6,144,850	(7,771,491)	(13,916,341)	(1,187,684)	(12,728,657)	Y
Total	224,890,879	222,181,666	(2,709,213)	(2,709,213)	0	Y

**Detail**

PEOPLE	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
<b>Total</b>	<b>130,913,441</b>	<b>137,255,274</b>	<b>6,341,833</b>	<b>(1,177,837)</b>	<b>7,519,670</b>	<b>Y</b>

<b>Care &amp; Wellbeing - Health &amp; Social Care Integration</b>	286,390	274,580	(11,810)	(500)	(11,310)	<b>G</b>
The controllable variance is due to a block contract slightly underspending.						
<b>Care &amp; Wellbeing - Housing Health</b>	7,328,409	7,206,925	(121,484)	(60,165)	(61,319)	<b>G</b>
The controllable variance is due to additional income that was not anticipated, due to a new system, Capita. The income was only allocated at year end. This underspend has been requested as a future provision for major works to Housing accommodation in order to comply with the Decent Homes Standards.						
<b>Care &amp; Wellbeing - Housing Landlord</b>	0	0	0	0	0	<b>G</b>
No variations.						
<b>Care &amp; Wellbeing - Family Care &amp; Wellbeing</b>	88,280	(324,948)	(413,228)	(356,218)	(57,010)	<b>Y</b>
The controllable underspend is due to a number of staff vacancies and reduction in hours on various posts, a						

**Service Area Outturn and Actions 2011/12**

PEOPLE	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
reduction of devolved budgets due to staffing capacity and an underspend on telephone charges.						
<b>Care &amp; Wellbeing - Management</b>	0	(11,860)	(11,860)	0	(11,860)	<b>G</b>
No variations from budget projected as at Month 11, variance is non-controllable items.						
<b>Care &amp; Wellbeing Total</b>	<b>7,703,079</b>	<b>7,144,697</b>	<b>(558,382)</b>	<b>(416,883)</b>	<b>(141,499)</b>	<b>Y</b>

<b>Assessment &amp; Eligibility - Long Term Support</b>	38,089,356	41,144,743	2,055,387	2,192,274	(136,887)	<b>R</b>
The overspend is due to a historic pressure on purchasing relating to long term clients, along with an in year increase in client numbers of 3.7% (approx 100 clients). In addition income budgets were increased by 8.6%, when increases were capped at 4.6% as per the national benefits increase. Income projections made throughout the year have been reviewed at year end and have been revised downwards resulting in a larger overspend in long term support than estimated at Period 11. Grant funding of £4m has been applied to the purchasing pressure and where possible, throughout the year, holding vacancies and freezing expenditure has resulted in savings of approx £830k. <i>N.B. Budgets within long and short term support have been re-mapped in 12/13 to account for the new customer pathway.</i>						
<b>Assessment &amp; Eligibility - Provider Services</b>	8,648,178	7,635,301	(1,012,877)	(478,470)	(534,406)	<b>Y</b>
Underspend due to vacancy management being used to offset pressure within long term support.						
<b>Assessment &amp; Eligibility - Developmental Support</b>	5,620,240	6,058,202	437,962	448,406	(10,444)	<b>R</b>
The overspend relates to pressures on purchasing care for people with mental health issues.						
<b>Assessment &amp; Eligibility - Short Term Support</b>	5,317,164	4,119,884	(1,197,280)	(970,831)	(226,449)	<b>Y</b>
Vacancy management and expenditure freeze have achieved in year savings which have been used to offset overspend within long term support. <i>N.B. Budgets within long and short term support have been re-mapped in 12/13 to account for the new customer pathway.</i>						
<b>Assessment &amp; Eligibility - Group Manager</b>	137,190	137,555	365	725	(360)	<b>G</b>
Minor variations.						
<b>Assessment &amp; Eligibility Total</b>	<b>58,812,128</b>	<b>59,095,686</b>	<b>283,558</b>	<b>1,192,104</b>	<b>(908,546)</b>	<b>R</b>

**Service Area Outturn and Actions 2011/12**

PEOPLE	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	

<b>Public Protection &amp; Enforcement - Environmental Health</b>	2,534,340	2,342,051	(192,289)	(26,180)	(166,109)	<b>G</b>
Unachievable income targets set for 2011/12 but changes in software used for licensing and increased out of county taxi applications have helped offset the overspend.						
<b>Public Protection &amp; Enforcement - Community Welfare</b>	1,100,302	1,057,776	(42,526)	(9,188)	(33,338)	<b>G</b>
The overspend made up of Driver Improvement Scheme, Hackney Cab & Private Hire and Driver Assessment for which there was no budget and Bikeability Grant being reduced as the target of 2000 children trained has not been reached has been offset by additional income from Licensing for the Hackney Cab and Private Hire Assessments and additional funding from the LSTF for Road safety.						
<b>Public Protection &amp; Enforcement -Trading Standards</b>	1,206,770	1,104,529	(102,241)	(58,831)	(43,411)	<b>G</b>
Vacancy savings and reduced spending on supplies & services.						
<b>Public Protection &amp; Enforcement - Environmental Enforcement</b>	1,054,690	990,506	(64,184)	12,055	(76,239)	<b>G</b>
Overspend due to premium payments, work has been undertaken to change rotas to combat this overspend going forward, also contribution budgeted from T&W not received has been offset by additional PCN income for 11/12.						
<b>Public Protection &amp; Enforcement Total</b>	<b>5,896,102</b>	<b>5,494,861</b>	<b>(401,241)</b>	<b>(82,144)</b>	<b>(319,097)</b>	<b>G</b>

<b>Safeguarding</b>						
<b>Children's Placement Service &amp; Adoption</b>	10,350,970	10,163,589	(187,381)	(187,381)	0	<b>B</b>
External children and young people's social care residential placement budgets, including foster care, were overspent in 2010/11 by over £500,000. A combination of proactive management of placements, and a reduction in the number of placements, has led to a significant reduction in expenditure.						

**Service Area Outturn and Actions 2011/12**

PEOPLE	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
<b>Safeguarding &amp; Review</b>	798,430	748,083	(50,347)	(50,347)	0	<b>G</b>
Lower than expected expenditure for assessments, legal fees and training staff.						
<b>Assessment &amp; Looked After Children</b>	4,020,900	3,555,300	(465,600)	(465,600)	0	<b>Y</b>
There was a significant overspend of £718,000 in 2010/11 on Assessment and Case Management costs. This was mainly due to urgent agency contracts required to ensure that child protection risks were adequately covered whilst difficulties in recruitment and retention of social work staff were overcome. The main agency contract was discontinued in September 2010, and current staffing projections are within budgets available for 2011/12. £360k underspend has arisen from unallocated growth monies and the rest from staff vacancies.						
<b>Looked After Children - Education</b>	282,850	248,040	(34,810)	(34,810)	0	<b>G</b>
Underspend due to staff vacancies and lower expenditure than expected on LAC celebrations.						
<b>Support Services</b>	2,906,730	2,723,897	(182,833)	(182,833)	0	<b>B</b>
Underspend due to staff vacancies across all teams in the division and some delay in appointment of newly created teams.						
<b>Disability 0 - 25</b>	2,753,000	2,591,078	(161,922)	(161,922)	0	<b>B</b>
Underspend due to lower contract values being negotiated and vacancies.						
<b>Central Support Costs</b>	1,874,310	1,901,275	26,965	26,965	0	<b>G</b>
Underspend due to lower contract values being negotiated, offset by unaccompanied asylum seeking children overspend.						
<b>Other Safeguarding Budgets</b>	458,090	25,600	(432,490)	0	(432,490)	<b>G</b>
Budget covers Asset Rentals and FRS17 charges. Insurance charges higher than budget available.						
<b>Total Safeguarding</b>	<b>23,445,280</b>	<b>21,956,862</b>	<b>(1,488,418)</b>	<b>(1,055,928)</b>	<b>(432,490)</b>	<b>Y</b>

Learning & Skills						
<b>Learning Employment &amp; Training Services</b>	596,010	320,077	(275,933)	0	(275,933)	<b>G</b>
The County Training Trading Account was overspent by £1.135m in 2010/11. A net £432K has been repaid in 11/12 leaving £703K to be repaid in 2012/13.						



**Service Area Outturn and Actions 2011/12**

PEOPLE	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
<b>Education Improvement</b>	8,185,000	8,085,472	(99,528)	(205,420)	105,891	<b>B</b>
Savings through vacancy management, reductions in expenditure and increases in income within Schools Library Service, Early Years and Education Improvement Service.						
<b>Schools/Business Support</b>	36,142,640	45,069,897	8,927,257	(670,892)	9,598,151	<b>Y</b>
Expenditure reductions have been achieved within Home to School Transport through route rationalisations, e-tendering and e-auctions. These along with variation on contract awards and inflation provision are currently resulting in an underspend. Rates revaluations have also generated a surplus. These are offsetting an overspend on Premature retirement, reduced sales and stock revaluations.						
<b>SEN/Behaviour Support</b>	12,507,600	12,674,290	166,690	146,999	19,691	<b>A</b>
Out of county education placements budgets were overspent in 2010/11 by £515,000. Additional budget funding was allocated in 2011/12 to adjust the base budget, but there have been continued pressures in this area. There is partial offset of base budget overspend from underspendings elsewhere within SEN/Behaviour Support services.						
<b>Dedicated Schools Grant - Central Expenditure</b>	(24,511,308)	(24,511,308)	0	0	0	<b>G</b>
This is wholly government grant income, providing 100% support to eligible central expenditure within the Schools' Budget. An overspend of £372K has been carried forward against 12/13 Dedicated Schools Grant.						
<b>Lifelong Learning</b>	2,136,910	1,924,740	(212,170)	(85,673)	(126,498)	<b>G</b>
Savings generated through vacancy management and reduced expenditure with 14-19 and Information, Advice & Guidance.						
<b>Total Learning &amp; Skills</b>	<b>35,056,852</b>	<b>43,563,168</b>	<b>8,506,316</b>	<b>(814,986)</b>	<b>9,321,302</b>	<b>Y</b>

**Service Area Outturn and Actions 2011/12**

PLACES	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
<b>Total</b>	<b>49,137,208</b>	<b>50,577,972</b>	<b>1,440,764</b>	<b>(162,552)</b>	<b>1,603,316</b>	<b>B</b>

<b>Customer Care &amp; Involvement - Customer Services</b>	428,920	280,007	(148,913)	(139,981)	(8,931)	<b>G</b>
Budgets have been corrected within Customer Care. Underspend mainly relates to staff cost.						
<b>Customer Care &amp; Involvement - Benefits</b>	1,239,808	1,183,183	(56,625)	84,175	(140,800)	<b>G</b>
Action undertaken in the final month of the year to ensure prompt processing of overpayment claims for Rent Allowances and Council Tax Benefit ensured that the authority remained under overpayment thresholds in all areas. This, in line with high levels of overpayment recovery, has led to a significant underspend. This underspend has been used to increase the bad debt provision relating to Housing Benefit Overpayments.						
<b>Customer Care &amp; Involvement - Revenues</b>	842,660	655,107	(187,553)	(95,560)	(91,993)	<b>G</b>
IT cost now included in Business Support.						
<b>Customer Care &amp; Involvement - Group Manager</b>	(700)	1,394	2,094	2,124	(30)	<b>G</b>
No significant variance.						
<b>Customer Care &amp; Involvement - Business Support</b>	195,210	278,723	83,513	61,054	22,458	<b>G</b>
IT cost previously included in Revenues. The overspend is off-set by saving in Revenues.						
<b>Customer Care &amp; Involvement - Registrars</b>	226,110	68,552	(157,558)	(155,298)	(2,260)	<b>B</b>
Income target has been exceeded by £152,000 for 2011/12.						
<b>Customer Care &amp; Involvement Total</b>	<b>2,932,008</b>	<b>2,466,966</b>	<b>(465,042)</b>	<b>(243,486)</b>	<b>(221,556)</b>	<b>B</b>

<b>Commissioning &amp; Procurement Total</b>	<b>901,882</b>	<b>865,228</b>	<b>(36,654)</b>	<b>(76,902)</b>	<b>40,247</b>	<b>G</b>
'The underspend is mainly attributable to saving in staff cost.						

**Service Area Outturn and Actions 2011/12**

PLACES	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
<b>Business Growth &amp; Prosperity - Enterprise &amp; Business</b>	1,236,180	1,832,616	596,436	(221,926)	818,362	<b>B</b>
This is primarily a staff based budget together with specific, targeted expenditure to promote economic regeneration within the area. There are a number of budgets where expenditure was frozen/reduced and additional income generated in order to help 'mitigate' reductions in income/additional expenditure in 'Infrastructure & Growth' (please see below).						
<b>Business Growth &amp; Prosperity - Visitor Economy</b>	3,064,800	2,942,546	(122,254)	(253,636)	131,382	<b>B</b>
Underspend attributable to savings on Museum Development Fund, Shrewsbury Museums, Acton Scott and Destination Shrewsbury.						
<b>Business Growth &amp; Prosperity - Outdoor Recreation</b>	2,489,550	2,858,341	368,791	(72,795)	441,586	<b>G</b>
Underspend is due to operational savings (e.g. Staff savings whilst Restructure was being implemented) and additional income at Boathouse Restaurant.						
<b>Business Growth &amp; Prosperity - Theatre Severn</b>	492,320	672,801	180,481	209,376	(28,895)	<b>A</b>
The outturn position has been affected by a shortfall of income against targets.						
<b>Business Growth &amp; Prosperity - Infrastructure &amp; Growth</b>	(460,880)	365,847	826,727	189,453	637,274	<b>A</b>
The Council operates a number of industrial units, workshops and areas of land for business enterprise (including the new 'Food Enterprise Centre'). Rental yields remain 'fragile' in the current economic climate. AWM (one of the partners in 'The Gateway') has exercised a right to sell the building resulting in lost income and an 'operating share' to be paid. Income from lettings at the Food Enterprise Centre are down compared to the budget and the sale of a number of shop units at auction has had an impact on revenue income. Reduced expenditure in 'Enterprise & Business' will mitigate these reductions.						
<b>Business Growth &amp; Prosperity Total</b>	<b>6,821,970</b>	<b>8,672,151</b>	<b>1,850,181</b>	<b>(149,528)</b>	<b>1,999,709</b>	<b>B</b>
<b>Facilities Management - Passenger Transport</b>	823,770	703,427	(120,343)	67,831	(188,174)	<b>G</b>
The Passenger Transport Section was restructured in 2011/12 and one-off implications of this have resulted in an overspend in 2011/12.						

**Service Area Outturn and Actions 2011/12**

PLACES	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
<b>Facilities Management - Shire Services</b>	223,510	(71,249)	(294,759)	66,891	(361,650)	<b>G</b>
<p>The overspend is partly due to £45k savings that had been anticipated from the introduction of cashless payments in schools which were not introduced in 2011/12 due to other constraints. Another contributing factor is the costs of the additional 3 days leave pro rata for 2011/12 that the majority of Shire Services staff have received and the 2 days leave at Christmas which has an expected cost of £46K due to the new Terms and Conditions. There has been a drop in income in the Worcester area due to the loss of contracts but Shire services are working hard to gain new contracts. There has also been a drop in income in the Non Statutory area due to a reduction in income in the Shirehall Restaurant and Coffee Shop with a £58K reduction in income on last year, but costs are being monitored to reduce the net effect. The overspend has been partially offset by a contribution from the Shire Services Efficiency Reserve.</p>						
<b>Facilities Management - Estates &amp; Facilities</b>	1,547,498	1,303,568	(243,930)	(425,826)	181,896	<b>Y</b>
<p>Area HQ Managers' costs halved during year. Savings in Energy Costs even after paying loan charges. Service Charges from tenants at Area HQ's have been identified and charged.</p>						
<b>Facilities Management - Property Services</b>	1,271,020	2,045,447	774,427	790,444	(16,017)	<b>R</b>
<p>Reduction in the capital programme, coupled with the general reduced settlement to schools have resulted in significant shrinkage in capital works which have in turn reduced the income from recharges to capital schemes.</p> <p>Significant expenditure has been incurred on dilapidation claims and civil engineering works associated with a blocked sewer at Kempfield. Budgets have been reduced in response to spending freeze and to make a contribution towards shared service transitional costs. Actions taken to reduce expenditure include reducing staff costs where possible, ceasing expenditure on planned maintenance works associated with repairs and maintenance budgets and a lockdown on all expenditure with the exception of health and safety work.</p>						
<b>Facilities Management - Health &amp; Safety</b>	(20,242)	(36,088)	(15,846)	(16,136)	290	<b>G</b>
<p>Small variance.</p>						
<b>Facilities Management Total</b>	<b>3,845,556</b>	<b>3,945,105</b>	<b>99,549</b>	<b>483,204</b>	<b>(383,655)</b>	<b>R</b>

**Service Area Outturn and Actions 2011/12**

PLACES	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
<b>Environment - Highways &amp; Transport</b>						
Highways & Transport (Exc Car Parks & Bus Stat)	2,806,190	2,367,598	(438,592)	(351,525)	(87,067)	Y
This budget contains a number of different services areas. The underspend arises mainly from additional income received from Street Works.						
Passenger Transport (inc Local Bus, Concessionary Fares, Park & Ride & ShropshireLink)	6,262,160	5,609,566	(652,594)	(652,594)	0	Y
The underspend arises from savings on the concessionary travel scheme and reduction on the contract cost for Park and Ride.						
Off Street Car Parks	(3,143,300)	(3,453,258)	(309,958)	498,372	(808,330)	R
Off street parking did not achieve income targets and cost was affected by higher NNDR.						
<b>Environment - Sustainability</b>	1,627,002	1,588,683	(38,319)	(33,642)	(4,677)	G
This is primarily a staff based budget promoting sustainability objectives and protecting and managing the historic and natural environment (including the 'Area of Outstanding Natural Beauty' team). There are no significant variations to report.						
<b>Environment - Development Management</b>	1,931,230	1,813,466	(117,764)	(77,598)	(40,166)	G
This service includes Land Charges (Searches on properties), Building Control and Development Control (Planning applications). Income for this service is extremely volatile, however, both Development Control and Land Charges finished the year with a good couple of months.						
<b>Environment - Waste Service Manager</b>						
Waste Management	25,541,870	26,657,949	1,116,079	5,589	1,110,490	G
An underspend arisen due to minor contract variations						
Bereavement Services	(389,360)	44,519	433,879	435,559	(1,680)	R
Bereavement service were outsourced on the 12th September 2011 to Co-operative Funeralcare as per the cabinet report of 3rd August 2011. The overspend for the year primarily relates to lower levels of income.						
<b>Environment Total</b>	<b>34,635,792</b>	<b>34,628,523</b>	<b>(7,269)</b>	<b>(175,839)</b>	<b>168,570</b>	<b>B</b>

**Service Area Outturn and Actions 2011/12**

LOCALITY WORKING	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
<b>Total</b>	<b>38,695,380</b>	<b>42,119,911</b>	<b>3,424,531</b>	<b>(181,140)</b>	<b>3,605,671</b>	

<b>Locality Working - Leisure</b>	5,280,585	7,181,639	1,901,054	547,257	1,353,797	<b>R</b>
<p>£212k underachievement in Fees &amp; Charges, improved since P11 projections, but as a result employee costs increased as additional casual staff required. Premises costs have increased as a result of closure for repairs at Market Drayton at the beginning of March. £164k pressure on Teme Leisure increased since period 11 due to increased premises costs. £70k pressure on Rates at new Oswestry Leisure Centre based on estimate provided by Estates. £125.5k cost of outsourcing leisure this financial year. £43k underspend on Positive Activities.</p>						
<b>Locality Working - Libraries</b>	4,857,225	4,486,566	(370,659)	(326,756)	(43,903)	<b>Y</b>
<p>£130k underspend on the book fund. A number of vacancies due to the mobile libraries being taken off the road early (Planned as 12-13 savings) and a number of back office vacancies that have been kept vacant ready for the library restructure which is taking place from April 12 onwards. £41k pressure on fees and charges. A large rates refund was received at Ludlow Library dating back to 2005.</p>						
<b>Locality Working - Environmental Maintenance</b>						
<b>Street Scene</b>	5,048,320	5,112,186	63,866	86,336	(22,470)	<b>G</b>
<p>Projected overspend due to saving on service review of dog warden (Street Scene - Central) not being achieved.</p>						
<b>Highways Maintenance (Exc Winter Maintenance)</b>	18,158,350	20,221,680	2,063,330	(339,034)	2,402,364	<b>Y</b>
<p>Fees &amp; Charges income exceeded budget £135k &amp; underspend on routine maintenance.</p>						
<b>Winter Maintenance</b>	2,462,160	2,462,160	0	0	0	<b>G</b>
<p>This includes a contribution to the Severe Weather Reserve.</p>						
<b>Environmental Maintenance Locality Working (Other)</b>	28,445	21,607	(6,838)	(6,838)	0	<b>G</b>
<p>Organisation Development have underspent due to staffing savings from vacant posts and maternity leave and lower than budgeted costs on the Corporate Training Programme.</p>						

**Service Area Outturn and Actions 2011/12**

LOCALITY WORKING	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
<b>Locality Working - Community Action</b>	2,860,295	2,634,073	(226,222)	(142,105)	(84,117)	<b>B</b>
<p>£121k underspend in Community Working due to maternity leave vacancies and delays in appointing staff as well as delaying in replacing equipment until 1st April in order to contribute to overall overspends. £53k underspend in Sports Development which includes the early transfer of the Football Development Team to the County FA and grant income drawn in. £34k overspend in Arts due to the delayed management restructure.</p>						

**Service Area Outturn and Actions 2011/12**

CORPORATE HEADS	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
<b>Total</b>	<b>6,144,850</b>	<b>(7,771,491)</b>	<b>(13,916,341)</b>	<b>(1,187,684)</b>	<b>(12,728,657)</b>	
<b>Strategic Management Board</b>	1,331,510	1,359,215	27,705	13,425	14,280	<b>G</b>
Strategic Management Board have outturned at £13,000 overspent due to additional costs of subscriptions and printing.						
<b>Finance</b>	1,285,120	1,122,625	(162,495)	(127,744)	(36,001)	<b>G</b>
Financial Advice have outturned at £60,000 under budget due to maternity leave and vacant posts within the team. Payments Team have underspent by £79,000 due to vacant posts. Financial Management have outturned at £21,000 under budget due to staffing savings and savings on printing. These underspends are offsetting interim staffing costs for the Head of Finance.						
<b>Legal &amp; Democratic Services</b>	850,050	723,968	(126,082)	(211,733)	85,651	<b>B</b>
Legal and Committee Services have outturned at £46,000 under budget mainly due to vacant posts and reduced hours within the team. A number of redundancy costs have been incurred within these sections and they have been funded from their existing budget. Members Services have underspent by £88,000 as a result of the 5% reduction to members allowances and lower than budgeted costs against expenses. Coroners have outturned at £34,000 under budget as a result of lower than budgeted case expenses.						
<b>Strategic Planning</b>	1,896,860	1,988,059	91,199	(154,026)	245,225	<b>B</b>
Strategic Planning have underspent due to vacant posts within Policy and Information and Research, lower than budgeted expenditure on training within Emergency Planning and lower than budgeted expenditure on Marketing within Communications.						
<b>Business Improvement</b>	1,601,570	1,959,812	358,242	(145,261)	503,503	<b>B</b>
Business Improvement have outturned under budget as a result of staffing savings and lower than budgeted licence costs within IT Services and staffing savings within Audit & Consultancy. These underspends have offset the overspend within Print Services due to the shortfall in income. Implementation and Architecture and Technology Services.						
<b>Organisation Development</b>	296,190	97,707	(198,483)	(152,598)	(45,885)	<b>B</b>
Organisation Development have underspent due to staffing savings from vacant posts and maternity leave and lower than budgeted costs on the Corporate Training Programme.						



**Service Area Outturn and Actions 2011/12**

CORPORATE HEADS	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
<b>Corporate Budget</b>	(1,116,450)	(15,022,877)	(13,906,427)	(409,747)	(13,496,680)	<b>Y</b>
<p>Treasury Management outturning at £495,000 underspent mainly due to lower debt charges due to lower than budgeted borrowing and an underspend of £55,000 for Audit Commission Fees due to an additional rebate received in 2011/12. These underspends are offsetting a shortfall in income of £126,000 as a result of a lower than budgeted distribution of surplus from WMS.</p>						

**Movement Since Period 11**

	<b>Controllable Variance at Outturn</b>	<b>Period 11 Variance</b>	<b>Difference</b>
	£	£	£
<b>Total</b>	<b>(2,709,213)</b>	<b>(490,608)</b>	<b>(2,218,605)</b>
<b>Assessment &amp; Eligibility</b>	1,192,104	611,477	580,627
<i>Spend against the A&amp;E budget is volatile and subject to the largest movement in variance from month to month. This movement at year end is due to a number of contributory factors including variation from income collection and care package estimates generated by feeder systems. Overall expenditure remains within 0.5% of budget.</i>			
<b>Learning &amp; Skills</b>	(814,986)	(502,408)	(312,578)
<i>The movement in underspend is mainly due to a reduction in projected expenditure within Home to School transport and an increase in rates revaluations in our favour. A number of small savings within many areas as a result of continued vacancy management and expenditure control have also contributed to the overall increase.</i>			
<b>Safeguarding</b>	(1,055,928)	(1,058,278)	2,350
<i>Minor changes since Period 11.</i>			
<b>Care &amp; Wellbeing</b>	(416,883)	(250,000)	(166,883)
<i>The difference is mainly due to a further £0.105m saving on Children's Centres and £0.06m on Housing Health due to additional income that was not anticipated. This was due to a change of system (now Capita) and the income being allocated at year end.</i>			
<b>Public Protection</b>	(82,144)	(2,874)	(79,270)
<i>The improvement in underspend is due to the impact of continuous spending reductions undertaken in the final months of the year and the identification of additional funding streams within Community Welfare.</i>			
<b>Leisure, Libraries &amp; Community Action</b>	78,396	124,518	(46,122)
<i>Small variations across a number of service areas have delivered an improvement against the projected overspend. Libraries includes a refund on Broadband costs from BT and higher than anticipated fees and charges, Leisure costs increased due to the closure of Market Drayton Swim Centre at the beginning of March for repairs and Community Action improved due to lower than anticipated casual staff costs.</i>			
<b>Environmental Maintenance</b>	(259,536)	32,890	(292,426)
<i>At year end fees and charges across a number of areas exceeded projections delivering an underspend of approximately £0.14m. In addition, a year end analysis of routine maintenance costs identified a further unanticipated underspend.</i>			
<b>Customer Care &amp; Involvement</b>	(243,487)	(107,396)	(136,091)
<i>Action undertaken in the final month of the year to ensure prompt processing of overpayment claims for Rent Allowances and Council Tax Benefit ensured that the authority remained under overpayment thresholds in all areas. This, in line with high levels of overpayment recovery, has led to a significant underspend. As a result of the increase in overpayments identified, it was agreed that the underspend within Revenues &amp; Benefits should be used to increase the bad debt provision. Therefore this was increased by £1.1m. In addition, higher levels of income in the registrars service and freezing of expenditure has delivered a significant underspend.</i>			

**Movement Since Period 11**

	<b>Controllable Variance at Outturn</b>	<b>Period 11 Variance</b>	<b>Difference</b>
	£	£	£
<b>Commissioning &amp; Procurement</b>	(76,902)	(47,795)	(29,107)
<i>A number of minor variations at year end including the application of RIEP Grant.</i>			
<b>Business Growth &amp; Prosperity</b>	(149,528)	(91,828)	(57,700)
<i>A review of spending delivered a larger underspend on Visitor Economy (Destination Shrewsbury, Archives, Acton Scott, Information Management) than previously forecast.</i>			
<b>Facilities Management</b>	483,204	826,105	(342,901)
<i>A review at year end identified additional income across a number of areas compared to projected levels and higher than anticipated savings on energy costs.</i>			
<b>Environment</b>	(175,839)	376,399	(552,238)
<i>Final analysis of concessionary fares payments has identified an improvement of £0.15m at year end. Streetworks income has been recovered over the year and alongside reductions in expenditure in a number of areas has delivered a significant underspend, offsetting known pressures within Bereavement Services and Car Parks.</i>			
<b>SMB</b>	13,425	5,719	7,706
<i>The difference is due to additional printing costs incurred at the end of the year.</i>			
<b>Finance &amp; Commerce</b>	(127,744)	(100,702)	(27,042)
<i>The difference is due to additional income within Financial Management</i>			
<b>Business Improvement</b>	(145,261)	15,427	(160,688)
<i>The difference is due to underspends within Technology Services due to lower than budgeted software costs, additional income within Audit &amp; Consultancy and additional staffing savings.</i>			
<b>Organisation Development</b>	(152,598)	(64,117)	(88,481)
<i>The underspend has increased since Period 11 due to lower than budgeted expenditure on the Corporate Training Programme and additional staffing savings.</i>			
<b>Strategic Planning</b>	(154,026)	(83,193)	(70,833)
<i>The difference since Period 11 is mainly due an underspend within Communications on Marketing</i>			
<b>Legal &amp; Democratic</b>	(211,733)	(99,552)	(112,181)
<i>The underspend has increased since Period 11 due to additional income within Legal Services, an underspend within Coroners Services in relation to case expenses and an underspend within Electoral Registration due to lower than expected costs for canvassing.</i>			
<b>Corporate</b>	(409,747)	(75,000)	(334,747)
<i>The difference is due to lower bank charges within Treasury Management, additional interest income from the HRA and lower than budgeted debt management expenses.</i>			

**2011/12 Housing Revenue Account**

<b>Outturn (pre Audit)</b>	<b>Budget £</b>	<b>Outturn £</b>	<b>Variance Adverse/ (Favourable) £</b>
<u>Income</u>			
Dwellings Rent	(14,634,260)	(14,635,045)	(785)
Garage Rent	(206,770)	(185,268)	21,502
Other Rent	(39,730)	(45,360)	(5,630)
Charges for Services	(181,840)	(159,348)	22,492
Supporting People	(547,920)	(547,697)	223
Subsidy Received - Major Repairs Allowance	(2,608,970)	(2,608,971)	(1)
<b>Total Income</b>	<b>(18,219,490)</b>	<b>(18,181,689)</b>	<b>37,801</b>
<u>Expenditure</u>			
Repairs & Maintenance	4,117,580 #	3,839,573	(278,007)
Supervision & Management - Special	1,162,250 #	1,156,845	(5,405)
Supervision & Management - General	1,866,140 #	1,927,923	61,783
Taxes & Rates	0	11,941	11,941
Subsidy Payable Gross	7,940,850	7,844,332	(96,518)
Capital Charges - Dwelling Depreciation	2,608,970	2,608,970	0
Capital Charges - Depreciation Other	73,130	86,164	13,034
Capital Charges - Cost of Capital	59,120	131,319	72,199
Increase in Bad Debt Provision	40,000	40,000	0
Corporate & Democratic Core	370,700 #	370,700	0
<b>Total Expenditure</b>	<b>18,238,740</b>	<b>18,017,767</b>	<b>0</b>
<b>Net Cost of Services</b>	<b>19,250</b>	<b>(163,922)</b>	<b>(183,172)</b>
PWLB Premium amortised	68,580	68,580	0
Interest on Balances	(14,700)	(30,695)	(15,995)
<b>Net Operating Expenditure</b>	<b>73,130</b>	<b>(126,037)</b>	<b>(199,167)</b>
<u>Appropriations</u>			
Capital Financing Reserve	(73,130)	(86,164)	(13,034)
<b>Net Cost of Service</b>	<b>0</b>	<b>(212,201)</b>	<b>(212,201)</b>
<u>HRA Reserve</u>			
B/fwd 1 April	785,538	785,538	
Surplus/(Deficit) for year	0	212,201	
Carried Forward 31 March	785,538	997,739	

# Central Recharge Budget re-allocated to Operational Areas except Corporate Democratic Charge.



**Reserves and Provision 2011/12**

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2011/12 (£'000)</b>	<b>Income in 2011/12 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
<b>Reserves</b>					
Connexions Legacy	Established from the process of liquidating the old external Connexions Company with effect from 31 March 2007. The balance has been fully applied in 2011/12.	204	220	16	0
Council Elections	Established to meet the periodic cost of Council Elections which take place every four years.	190	190	43	43
Craven Arms Auction Yard	Established to cover the expected future costs associated with maintaining the new development at the former Craven Arms Auction Yard site.	70	70	0	0
CYPS Directorate	Established from overall directorate underspends in 2004/05. Balance remains for known commitments.	291	208	0	83
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	190	0	42	232
Education – Staff Sickness Insurance	Schools' self help insurance for staff sickness with premiums met from delegated budgets.	283	0	167	450
Education – Theft Insurance	Schools' self help insurance scheme to cover equipment damage and losses.	55	0	21	76
Fire Liability	Required to meet the cost of excesses on all council properties.	1,806	500	140	1,446
Landfill Allowance Trading Scheme	Set up to recognise the notional surplus generated because the council's liability for waste disposal tonnage since 2005/06 has been less than the allowances allocated by DEFRA. As this represents a notional surplus it <b>cannot</b> be spent.	221	0	7	228
Legal Disbursements	Required to meet extraordinary legal costs incurred by service directorates over and above budgets.	100	100	50	50
Local Authority Business Growth Incentive	Established using grant from the Department for Communities and Local Government. This has been fully committed in 2011/12.	43	43	0	0
Local Joint Committees	Balance of funding remaining within Local Joint Committees in each financial year which will be spent on commitments in the next financial year.	206	206	61	61

**Reserves and Provision 2011/12**

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2011/12 (£'000)</b>	<b>Income in 2011/12 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
Local Support Services Grant	Established from unapplied Local Support Services Grant balances.	275	196	205	284
Major Planning Enquiries	Required to meet the one-off costs of major planning inquiries, and is a corporate reserve.	434	0	63	497
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	2,204	4,899	2,695	0
Motor Insurance	An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.	307	14	368	661
People Services	Reserve established to safeguard the council against pressures within Assessment & Eligibility and external children's placements given the service areas volatility.	0	0	1,607	1,607
PFI Buildings Equipment Replacement	Established in 2007/08 to fund replacement equipment in PFI buildings. This relates to items of equipment not covered by the PFI contract, that the council are responsible for maintaining.	286	227	0	59
Resources Efficiency	Established for investment in new developments, particularly information technology, that service area would not be expected to meet from their internal service level agreements for support services.	417	258	156	315
Revenue Commitments for Future Capital Expenditure	Comprises of underspends against budgeted revenue contributions available for capital schemes. The underspends have arisen due to slippage in capital schemes or because other funding streams were utilised during the year so as to maximise time limited grants.	2,693	1,644	1,365	2,414
Schools Building Maintenance Insurance	The schools building maintenance insurance scheme is a service provided by Property Services for schools. In return for an annual sum all structural repairs and maintenance responsibilities previously identified as the "authority's responsibility" are carried out at no additional charge to the school.	376	0	305	681
Severe Weather	Required to meet unbudgeted costs arising from the damage caused by severe weather. The policy of the Council is to budget	0	0	600	600

**Reserves and Provision 2011/12**

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2011/12 (£'000)</b>	<b>Income in 2011/12 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
	for an average year's expenditure in the revenue accounts and transfer any underspend to the reserve or fund any overspend from the reserve.				
Shire Catering and Cleaning Efficiency	Built up from trading surpluses to invest in new initiatives, to meet exceptional unbudgeted costs or cover any trading deficits.	234	611	377	0
Shropshire Waste Partnership (Smoothing)	The PFI smoothing reserve reflects the budgeted contributions in the early years of the Waste PFI contract that will be used to smooth the step up in the Unitary Charge once additional facilities come on line. The PFI smoothing reserve will ensure that the Shropshire Waste Partnership does not pay for services in advance of receiving them but that once costs are increased in line with the contract money is available to meet those costs.	13,850	123	2,675	16,402
Shropshire Waste Partnership (General)	The general reserve arises from SWP underspends and this will be earmarked towards future capital and revenue pressures in the budget. Also includes notional entries relating to prepayments relevant to IFRS accounting treatment.	5,720	0	693	6,413
Theatre Severn R&M	Established from underspends within culture and leisure, the reserve will be earmarked towards future capital and revenue expenditure on repairs, maintenance and replacement of essential equipment at the Theatre.	0	0	20	20
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	1,313	28	490	1,775
Transformation	Required to fund invest to save projects in order to deliver the service transformation programme.	213	19	873	1,067
Voluntary Early Retirement/Severance	Required to meet one-off costs arising from approved staffing reductions, allowing the full approved savings in salaries or wages to reach the revenue account.	1,077	3,482	3,626	1,221
<b>Total Reserves</b>		<b>33,058</b>	<b>13,038</b>	<b>16,665</b>	<b>36,685</b>



**Reserves and Provision 2011/12**

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2011/12 (£'000)</b>	<b>Income in 2011/12 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
<b>Provisions</b>					
Liability Insurance	Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability	3,903	117	190	3,976
Accumulated Absences Account	Provision to cover potential future payments of employee benefits not taken as at the end of the year. This is required under IFRS accounting regulations.	4,560	4,560	4,626	4,626
General Fund Bad Debts	Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.	2,211	741	1,659	3,129
HRA Bad Debts	Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.	434	182	40	292
Redundancy Provision	Provides for redundancy costs that the Council is committed to from issuing redundancy notices prior to 31 <sup>st</sup> March 2012.	0	0	1,266	1,266
CRC Provision	This provides for the council's liability in relation to the Carbon Reduction Commitment for carbon emissions from the Council's properties.	0	0	440	440
Highways Provision	Provides for potential outstanding claims against the Highways budget.	0	0	200	200
Tenancy Deposit Clawbacks	This represents deposits held for the economic development workshops that may be repaid at some point in the future.	51	0	7	58
Contract Retention	Established by Oswestry Borough Council to fund contract retentions agreed for Housing improvement relating to the housing stock in Oswestry.	101	101	0	0
Other Provisions	Includes a number of small provisions including S106 Accrued Interest and Profit share agreements.	151	48	414	517
<b>Total Provisions</b>		<b>11,411</b>	<b>5,749</b>	<b>8,842</b>	<b>14,504</b>