



<u>Committee and Date</u> Audit Committee 21 June 2013 Council 18 July 2013

<u>Item</u> 7 <u>Public</u>
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REVENUE OUTTURN 2012/13

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1. Summary

1.1 This report provides details of the revenue outturn position for Shropshire Council for 2012/13 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 2012/13 has improved by £0.715m when compared to projections made at Period 11 resulting in a net overspend of £0.284m.

2. Recommendations

2.1 Members are asked to:

- A. Note that the Outturn for the Revenue Budget for 2012/13 is an overspend of £0.284m, this represents 0.04% of the original gross budget of £653m.
- B. Note that the level of general balance stands at £6.820m, which is above the anticipated level included within the Financial Strategy and is therefore 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 £4.953m (2011/12 £5.104m).
- D. Note that the Outturn for the Housing Revenue Account for 2012/13 is an underspend of £0.044m and the level of the Housing Revenue Account reserve stands at £1.041m (2011/12 £0.998m).

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 2012/13 and therefore considers the effect that the underspend has on the Council's balances.

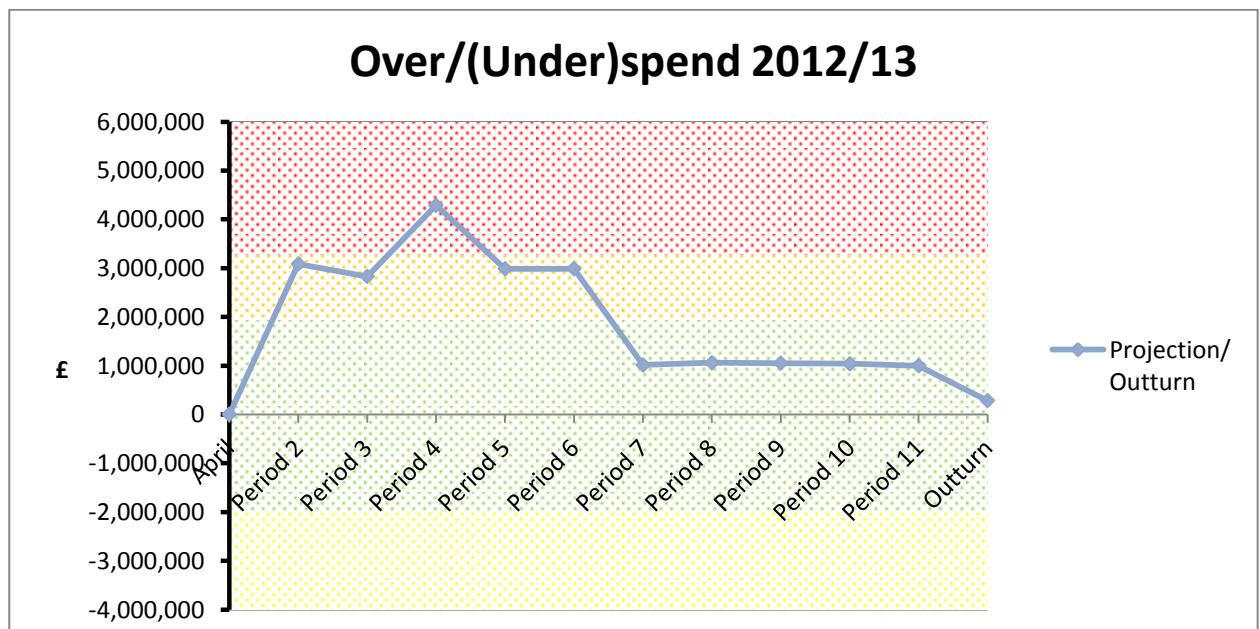
5. Background

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 2012/13 shows overall net revenue expenditure of £219.053m and an overspend of £0.284m. The overall position for Service areas and Schools' balances is detailed below:

	£000
Original Budget	218,769
Outturn for 2012/13	219,053
Overspend for 2012/13	284



6.2 The overspend of £0.284m for 2012/13 is presented below by Service Area (shaded column). End of year entries include items of non-controllable spend (e.g. depreciation) 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 1: 2012/13 Budget Variations Analysed by Service Area (£'000)

Service Area	Revised Budget	Outturn	(Under) / Overspend	Controllable (Under)/Over spend	RAGBY	Non - Controllable (Under)/Over spend
	£'000	£'000	£'000	£'000		£'000
People						
Care & Wellbeing	6,593	6,048	(545)	(959)	Y	414
Assessment & Eligibility	59,266	65,168	5,902	5,017	R	885
Safeguarding	22,415	21,798	(617)	(55)	G	(562)
Public Protection & Enforcement	6,140	5,662	(478)	(148)	G	(330)
Learning & Skills	33,058	39,627	6,569	(1,579)	Y	8,148
Places						
Customer Care & Community Involvement	3,231	2,576	(655)	(379)	Y	(276)
Business Growth & Prosperity	10,523	11,648	1,125	(108)	G	1,233
Facilities Management	31,227	37,007	5,780	619	R	5,161
Locality Working	45,041	46,585	1,544	(1,451)	Y	2,995
Corporate Heads						
Strategic Management Board	(60)	(70)	(10)	(10)	G	0
Finance	(30)	(146)	(116)	(115)	G	(1)
Commissioning & Procurement	1,291	947	(344)	(280)	B	(64)
Legal & Democratic	1,082	730	(352)	(325)	Y	(27)
Strategic Planning	2,038	2,301	263	(203)	B	466
Business Improvement	118	805	687	134	G	553
Organisational Development	177	51	(126)	(103)	G	(23)
Shared Services	106	271	165	234	A	(69)
Corporate Budgets	(3,447)	(21,955)	(18,508)	(5)	G	(18,503)
TOTAL	218,769	219,053	284	284		0

6.3. Significant variations will be reported on an exceptions basis depending on the total variance from budget, and the percentage change in outturn in any one period.

6.4 At outturn there are three service areas falling into the red zone which are detailed below in Table 2. Further details on the variances are provided in Appendix 2.

Table 2: Service Areas with Significant Variations

Service Area	Projected Variance	Brief Description
Service Areas with projected Variances of Over 2% or £100k		
Assessment & Eligibility	+ £5,017,307	Purchasing care pressure within long term support
Business Improvement	+ £133,745	Shortfall of income in Print Unit.
Shared Services	+ £233,836	Shortfall of income within Property Design Team.
Service Areas where variances differ from previous reported position by over 1% or £50k		
Care & Wellbeing	- £958,578	Additional vacant posts and application of grant monies.
Customer Care & Involvement	- £379,078	Increase in Discretionary Relief for NDR
Legal & Democratic	- £325,056	Reduced spend on legal disbursements, members allowances and Coroners
Strategic Planning	-£202,588	Reduced communications spend and training within Emergency Planning
Corporate	-£4,830	Additional interest from Lansdbanki investment and reduced external audit fees

7. General Fund Balance

- 7.1 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 2012/13 the minimum balance required is £3.27m. The general fund balance as at 31st March 2013 is shown in Table 3 below:

Table 3: General Fund Balance As At 31st March 2013 (£'000)

General Fund Balances as at 1 April 2012	7,638
Budgeted contribution to General Fund Balance	5,909
Repayment of Overspend (County Training Yr2)	286
Repayment of Earmarked Reserves	(100)
New Homes Bonus	(2,021)
Unallocated Savings from 2012/13	(4,064)
Transformation contribution including ip&e	(150)
Contribution to 2012/13 Pay Award	(500)
Ringfenced Fixed Penalty Notice Income	(168)
Assumed Council Tax Subsidy underspend	500
Release of earmarked reserves	128
Agreed Redundancies in 2013/14	(268)
PFI Rebate	8
Under-recovery of Insurance costs	(94)
2012/13 Revenue Outturn	(284)
General Fund Balance at 31 March 2013	6,820

8. School Balances

8.1 The movement in schools' balances is as follows:

	2011/12 £000	2012/13 £000	Increase/ (Decrease) £000
Schools:			
- Revenue Balances	3,298	2,789	(509)
- Invested Balances	1,806	1,630	(176)
- Extended Schools Grant Balance	0	534	534
Total	5,104	4,953	(1,135)

8.2 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 2012/13. Of the 155 schools, 126 schools have surplus balances, 18 have deficit balances, and 11 have zero balances due to the school closing or converting to Academy or Free status.

8.3 The Extended Schools Grant allocations for schools are paid over during 2011/12, however as the balance will not be fully committed until the end of the school academic year, these balances have been ringfenced to each individual school within School Balances.

8.4 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 2012/13 £144,200 of the £4,953,000 was being used in this way.

9. Housing Revenue Account (Appendix 4)

9.1 The Housing Revenue Account (HRA) outturn for 2012/13 shows an underspend of £0.044m against gross turnover (0.3%) which has mainly arisen due to savings in staff cost and payments to contractors engaged on responsive Repairs and Maintenance.

9.2 The underspend takes the closing balance on the HRA Reserve to £1.041m which represents a contingency of £249 per home.

10. Reserves and Provisions (Appendix 6)

10.1 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.

- 10.2 The overall position for reserves and provisions is set out in the Statement of Accounts 2012/13, an extract from the Statement of Accounts is contained at Appendix 5, with an explanation of each reserve and provision. The overall change in revenue reserves and provisions is as follows:

Balance of Reserves and Provisions	£000
As at 31 March 2012	51,169
As at 31 March 2013	63,022
Increase/(Decrease)	11,853

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

Revenue & Capital Budget 2012/13

Financial Rules

Revenue Monitoring Report – Period 3 2012/13

Revenue Monitoring Report – Period 4 2012/13

Revenue Monitoring Report – Period 5 2012/13

Revenue Monitoring Report – Period 6 2012/13

Revenue Monitoring Report – Period 7 2012/13

Revenue Monitoring Report – Period 8 2012/13

Revenue Monitoring Report – Period 9 2012/13

Revenue Monitoring Report – Period 10 2012/13

Revenue Monitoring Report – Period 11 2012/13

Cabinet Member

All

Local Member

All

Appendices

App 1 – Service Area Outturn and Actions

App 2 – Service Area Variances

App 3 – Housing Revenue Account 2012/13

App 4 – Amendments to Original Budget

App 5 – Reserves and Provisions

Service Area Outturn and Actions 2012/13**Summary**

	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
People	127,472,580	138,303,992	10,831,412	2,276,974	8,554,438	
Places	44,981,505	51,231,317	6,249,812	131,976	6,117,836	G
Area Director	45,041,075	46,584,803	1,543,728	(1,450,982)	2,994,711	Y
Corporate Heads	1,274,340	(17,066,968)	(18,341,308)	(674,324)	(17,666,985)	Y
Total	218,769,500	219,053,144	283,644	283,644	0	

Detail

PEOPLE	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
Total	127,472,580	138,303,992	10,831,412	2,276,974	8,554,438	

Care & Wellbeing - Health & Social Care Integration	244,290	73,054	(171,236)	(164,866)	(6,370)	B
Vacant posts not filled and plans for new posts not gone ahead.						
Care & Wellbeing - Housing Health	7,086,410	6,400,293	(686,117)	(598,226)	(87,891)	Y
Recruitment delay to filling agreed new posts, plans are in place to now recruit to them in the new financial year.						
Care & Wellbeing - Family Care & Wellbeing	(831,330)	(590,205)	241,125	(284,287)	525,412	B
Vacancy Management and application of £0.211m grant funding.						
Care & Wellbeing - Management	94,110	165,281	71,171	88,801	(17,630)	G
Redundancy cost of Group Manager's post and cost of PA post, contribution to Corporate.						
Care & Wellbeing Total	6,593,480	6,048,423	(545,057)	(958,578)	413,521	Y

Service Area Outturn and Actions 2012/13

PEOPLE	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
Assessment & Eligibility - Long Term Support	36,868,640	42,707,139	5,838,499	5,776,340	62,159	R
Increasing demand on this service and a reduction in Continuing Health Care funding has resulted in an increasing cost pressure.						
Assessment & Eligibility - Provider Services	8,662,410	9,368,068	705,658	(604,582)	1,310,241	Y
Vacancy Management and team re-structures mainly in relation to Day Services have produced a saving of £0.604m. Of which £0.202m relates to a new Block Contract at Crowmoor and costs are reported within Long Term Support.						
Assessment & Eligibility - Developmental Support	6,116,580	5,976,029	(140,551)	54,559	(195,110)	G
An overspend in purchasing of £0.232m relates to the care for people with mental health issues. The Emergency Duty Team has experienced increasing demand which has resulted in an overspend of £0.054m. These overspends have been partly offset by a vacancy management savings of £0.229m.						
Assessment & Eligibility - Short Term Support	6,283,440	5,701,316	(582,124)	(306,204)	(275,920)	Y
Budgets in relation to the new short-term pathway have not been fully aligned hence resulting on an overspend of £0.150m. This has been offset by Vacancy Management savings of £0.450m.						
Assessment & Eligibility - Group Manager	1,335,210	1,416,075	80,865	97,195	(16,330)	G
The overspend includes senior management restructure costs £0.015m, Adderley Road Rates £0.014m, Legal Costs £0.048m and Improvement Agency Audit of Service £0.013m.						
Assessment & Eligibility Total	59,266,280	65,168,627	5,902,347	5,017,307	885,040	

Public Protection & Enforcement - Healthier People and Communities	1,839,420	1,693,107	(146,313)	(22,067)	(124,246)	G
Non- Budgeted FSA income received for works carried out £0.036m, general staffing costs increased slightly due to staff movement in the restructure.						
Public Protection & Enforcement - Healthier and Sustainable Environment	1,161,750	984,987	(176,763)	(101,693)	(75,070)	G
General staffing reduction due to restructure, with additional income for land fill contract £0.008m, PCN income						

Service Area Outturn and Actions 2012/13

PEOPLE	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
£0.029m, and waiving fees £0.013m. £0.063m reduction in pest fees due to wasp call outs partially offset by reduction in expenditure.						
Public Protection & Enforcement - Safer and Stronger Communities	1,680,080	1,533,688	(146,392)	(68,840)	(77,552)	G
£0.249m increase in taxi licence fees partially offset by additional expenditure of £0.043m on CCTV maintenance and additional Supplies and Services expenditure in Licensing and Community Safety.						
Public Protection & Enforcement - Management Support	1,458,830	1,449,674	(9,156)	44,376	(53,532)	G
Redundancy costs of £0.355m partially offset by reduction in salary costs and reduced expenditure in this area.						
Public Protection & Enforcement Total	6,140,080	5,661,456	(478,624)	(148,224)	(330,400)	B

Safeguarding						
Children's Placement Service & Adoption	10,184,450	10,800,777	616,327	781,720	(165,393)	R
Overspend on independent fostering of £0.566m, due to increased numbers. Internal fostering was £0.068m underspent, due to a number of carers retiring or resigning. External residential placements overspent by £0.296m and internal children's homes £0.065m underspent, due to staff changes in year. Adoption service was £0.055m overspent due to increased numbers and loss of income from sale of placements.						
Service Specialist Children	699,330	650,132	(49,198)	(9,958)	(39,240)	G
Training backfill not allocated to teams.						
Service Specialist Adults	326,520	290,477	(36,043)	(25,933)	(10,110)	G
Staff vacancies and additional income generated.						
Assessment & Early Help	1,592,600	1,381,475	(211,125)	(150,475)	(60,650)	B
Vacancies across all teams which are covering overspends in other areas.						
Assessment & Case Management	5,751,480	4,699,779	(1,051,701)	(831,881)	(219,820)	Y
£0.113m underspend re vacancies across all teams, contingency of £0.537m applied, prevention and support savings of £0.079m and 16+ team and allowances £0.103m underspent due to lower numbers and staff vacancies.						
Looked After Children -	394,090	356,225	(37,865)	(29,355)	(8,510)	G

Service Area Outturn and Actions 2012/13

PEOPLE	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
Education						
Vacancies and no Looked After Children celebrations in year.						
Support Services	2,672,950	2,504,424	(168,526)	(116,836)	(51,690)	G
£0.007m staff vacancies and £0.110m underspend of Early Intervention Grant.						
Central Support Costs	793,340	1,114,985	321,645	328,200	(6,555)	R
£0.082m overspend due to continued spend on asylum seekers, that have now reached 18 and Home Office funding has ceased. Premises overspend of £0.165m and £0.081m due to unachieved sickness savings and other staff costs.						
Total Safeguarding	22,414,760	21,798,273	(616,487)	(54,519)	(561,968)	G

Learning & Skills						
Learning Employment & Training Services	564,410	207,031	(357,379)	(313)	(357,066)	G
Included within the figures shown here, County Training finished the trading year with a surplus of £286,774 which has been repaid against the previously accrued deficit. This was achieved following the re-focus and reshape of programmes of delivery through the year including the award of new contract volumes both for Work Based Learning and Adult Employability programmes.						
Education Improvement – LA funded	1,465,610	1,039,512	(426,098)	(331,530)	(94,568)	Y
Part of the Early Intervention Grant in Early Years was originally earmarked for activities within Nursery settings on a claimed basis however a significant reduction in the claims has resulted in a projected underspend. Additional income has been generated by the Education Improvement Service.						
Education Improvement – DSG funded	0	0	0	0	0	
Learning and Skills Education Improvement function, the majority of which relates to Early Years provision, has a gross budget of £6.3m funded wholly by centrally retained Dedicated Schools Grant giving a net budget of nil. Any over or underspend on these functions will be carried forward and will impact schools in 13/14. There is therefore no impact to the revenue account.						
Business Support – LA funded	26,792,210	34,266,913	7,474,703	(1,049,706)	8,524,409	Y
Rates revaluations are projected to generate a net surplus of £0.348m which is currently offsetting overspends elsewhere due to redundancy costs and reduced trading income. Home to school transport is generating a surplus of £0.511m due to route rationalisation and e-auctions. General efficiency savings and cost reductions across all services is expected to deliver £0.049m.						

Service Area Outturn and Actions 2012/13

PEOPLE	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
Schools/Business Support – DSG funded	0	1,310	1,310	0	1,310	G
Learning and Skills Business Support function has a gross budget of £7.6m funded wholly by centrally retained Dedicated Schools Grant giving a net budget of nil. Any over or underspend on these functions will be carried forward and will impact schools in 13/14. There is therefore no impact to the revenue account.						
SEN/Behaviour Support – LA funded	2,234,180	2,429,444	195,264	(70,521)	265,785	G
SEN Bus Escorts on Home to School Transport saving of £0.037m plus general efficiency savings across a number of areas of £0.032m. Education Psychology through a Joint Arrangement with Telford & Wrekin is now within budget. Education Welfare has generated additional income of £0.028m.						
SEN/Behaviour Support – DSG funded	(33,750)	(62,710)	(28,960)	0	(28,960)	G
Learning and Skills SEN & Behaviour Support function, including out County placements, has a gross budget of £11.7m funded wholly by centrally retained Dedicated Schools Grant giving a net budget of nil. Any over or underspend on these functions will be carried forward and will impact schools in 13/14. There is therefore no impact to the revenue account.						
Lifelong Learning	1,919,880	1,636,528	(283,352)	(123,502)	(159,850)	G
Income generation within Information, Advice and Guidance has achieved £0.102m more than budgeted. Enable and Social Care training are underspending by £0.010m each and costs within Information, Advice and Guidance have been reduced by £0.029m.						
Group Manager - Learning & Skills	115,440	109,186	(6,254)	(2,964)	(3,290)	G
Small underspend due to efficiency savings.						
Dedicated Schools Grant - Schools Only	0	0	0	0	0	G
Individual Schools budgets have a gross budget of £159,140,380 funded wholly by Dedicated Schools Grant, Pupil Premium and YPLA funding giving a net budget of nil. Any over or underspend on these functions will be carried forward and will impact schools in 13/14. There is therefore no impact to the revenue account.						
Total Learning & Skills	33,057,980	39,627,213	6,569,233	(1,579,012)	8,148,245	Y

Appendix 1

Service Area Outturn and Actions 2012/13

PLACES	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
Total	44,981,505	51,231,317	6,249,812	131,976	6,117,836	

Customer Care & Involvement - Customer Services	70,220	(399,453)	(469,673)	(477,200)	7,527	Y
Underspend due to vacant posts within the structure, including savings from absorbing additional work within existing resources. Other underspends have also been realised in supplies and services expenditure.						
Customer Care & Involvement - Benefits	451,680	416,141	(35,539)	94,191	(129,730)	G
The net overspend position reflects the additional costs of Non Domestic Rates Discretionary Relief. This has been partially offset by vacancy savings within the team.						
Customer Care & Involvement - Revenues	2,371,540	2,159,521	(212,019)	(132,509)	(79,510)	G
Additional income has been received through recovery of court costs in relation to Council Tax and NDR collection.						
Customer Care & Involvement - Group Manager	3,350	(6)	(3,356)	3,984	(7,340)	G
Minor variation from budget as at outturn.						
Customer Care & Involvement - Business Support	(31,360)	108,483	139,843	164,253	(24,410)	A
£0.145m required to purchase new servers to run upgraded software, as a result of the forthcoming localisation of Business Rates and Council Tax Benefits. This has been partially offset by a recharge to DWP. The remaining change is from holding current vacancies to contribute towards the additional savings targets.						
Customer Care & Involvement - Registrars	365,630	291,752	(73,878)	(31,798)	(42,080)	G
Vacancy management savings and over-achievement of income target.						
Customer Care & Involvement Total	3,231,060	2,576,438	(654,622)	(379,079)	(275,543)	Y

Business Growth & Prosperity - Enterprise & Business	1,393,130	2,583,336	1,190,206	(126,755)	1,316,961	G
This is primarily a staff based budget together with specific, targeted expenditure to promote economic regeneration within the area. There are some additional costs associated with projects which will be covered						

Service Area Outturn and Actions 2012/13

PLACES	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
by grant income. In addition there are some staff savings (net) and some development activities will be delayed in order to generate savings and mitigate reduced income in 'Infrastructure and Growth' (see below).						
Business Growth & Prosperity - Visitor Economy	2,754,520	2,720,732	(33,788)	(574)	(33,213)	G
Minor variation from budget as at outturn.						
Business Growth & Prosperity - Outdoor Recreation	2,771,280	2,731,326	(39,954)	(25,345)	(14,609)	G
Vacancy management savings.						
Business Growth & Prosperity - Theatre Severn	708,030	640,260	(67,770)	(19,038)	(48,732)	G
Minor variation from budget as at outturn.						
Business Growth & Prosperity - Infrastructure & Growth	(142,330)	176,406	318,736	116,187	202,549	G
The Council operates a number of industrial units, workshops and areas of land for business enterprise. There is a net reduction in income expected. Savings in 'Enterprise & Business' will offset this position (see above).						
Business Growth & Prosperity - Sustainability	1,586,640	1,543,634	(43,006)	(71,779)	28,773	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 some additional costs associated with projects which are offset by grant income. In addition there are some expenditure savings and additional income generated.						
Business Growth & Prosperity - Development Management	1,452,160	1,252,105	(200,055)	18,985	(219,040)	G
This service includes Land Charges (Searches on properties), Building Control and Development Control (Planning Applications). Income for this service is extremely volatile. During the year, Planning Applications and Building Control income have been lower than the budget (attributable to the economic climate). To mitigate this position savings have been maximised wherever possible.						
Business Growth & Prosperity Total	10,523,430	11,647,800	1,124,370	(108,319)	1,232,688	G
Facilities Management - Passenger Transport	733,890	578,994	(154,896)	(34,076)	(120,820)	G

Service Area Outturn and Actions 2012/13

PLACES	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
There is a number of vacancies that are producing an underspend of £0.095. The Entitlement Scheme is seeing a decline and as such there is a reduction in income of £0.022.						
Facilities Management - Shire Services	649,505	315,312	(334,193)	0	(334,193)	G
Shire Services outturned with a net surplus of £0.143m which was a result of additional income in Cleaning due to more 'one off' cleans being completed and potential redundancy costs that had originally been planned in 2012/13 is now unlikely to materialise until 2013/14. The surplus has been contributed to the Shire Catering and Cleaning Efficiency Reserve.						
Facilities Management - Estates & Facilities	1,797,056	7,465,366	5,668,310	171,550	5,496,760	A
Overspend in relation to repairs and maintenance costs on Corporate buildings, and increased energy costs.						
Facilities Management - Property Services	917,944	1,064,381	146,437	180,091	(33,654)	A
The savings plan for accommodation has been affected by time delays in negotiating a lease with a key partner which requires regional approval. Progress has been made on this but the saving has not been fully achieved this year. Actions that were taken to address this included further sales on non-core buildings to reduce running costs, maintenance contract re-negotiations and a review of the planned repair and maintenance programme to limit this to essential health and safety works.						
Facilities Management - Health & Safety	87,640	101,589	13,949	12,299	1,650	G
Minor variation from budget as at outturn.						
Facilities Management - Waste Service Manager						
Waste Management	27,138,080	27,602,552	464,472	305,555	158,917	R
A recalculation has been carried out and various indices compared to the PFI Contract in particular the Landfill Tax and the Landfill Gate Fee. The service has carried out a restructure which has generated a saving, and a contribution will be required to fund Vanguard Way. There has also been an increase in tonnage and additional collections which have contributed to the overspend position.						
Bereavement Services	(97,100)	(121,115)	(24,015)	(16,045)	(7,970)	G
No significant variance, only movement is in the actual SLA with Shrewsbury Town Council.						
Facilities Management Total	31,227,015	37,007,079	5,780,064	619,373	5,160,691	R

Service Area Outturn and Actions 2012/13

AREA DIRECTOR	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
Total	45,041,075	46,584,803	1,543,728	(1,450,982)	2,994,711	Y

Area Director - Leisure	5,161,105	7,234,431	2,073,326	304,444	1,768,882	R
<p>The majority of the overspend relates to a £0.232m pressure on the five centres being outsourced which transferred on 1 August. This includes £0.089m associated costs for external legal advice for the outsourcing project and £0.116m for capital works at the five centres. In addition, there was a £0.022m reduction in equipment budgets, £0.037m projected underspend on Monkmoor due to transfer of operations to the Town Council and a £0.040m reduction in planned maintenance in order to contribute to the Councils overspends. Income has been affected in Quarter 3 due to the heavy rain and cold temps forcing some pitch closures particularly at the Golf club which has been closed 24 days in Quarter 3 due to weather and Christmas closures.</p>						
Area Director - Libraries	4,703,710	4,405,780	(297,930)	(261,988)	(35,943)	B
<p>The outturn position includes a planned underspend on the book fund to contribute to Council Overspends in addition to a number of salary underspends due to delays in appointing people. There have also been reductions in the IT maintenance contracts costs compared to previous years.</p>						
Area Director - Environmental Maintenance						
Street Scene	6,120,310	5,949,932	(170,378)	(20,897)	(149,482)	G
<p>There has been an underspend in relation to the Ringway contract in 2012/13 which is due to delays in works being carried out within the contract. This has been offset by a provision for an anticipated payment that is yet to be agreed with Ringway.</p>						
Highways Maintenance (Exc Winter Maintenance)	16,834,820	17,540,303	705,483	(531,571)	1,237,055	Y
<p>The underspend on Highway Maintenance reflects that schemes were not completed in March due to adverse weather conditions. This is in addition to underspends for vacant posts within Environmental Maintenance.</p>						
Winter Maintenance	2,671,940	2,669,295	(2,645)	(2,645)	0	G
<p>Minor variation from budget as at outturn.</p>						
Environmental Maintenance Area Director (Other)	68,490	63,322	(5,168)	(1,288)	(3,880)	G
<p>Minor variation from budget as at outturn.</p>						
Area Director - Community	3,440,170	3,285,104	(155,006)	(347,006)	191,940	Y

Service Area Outturn and Actions 2012/13

AREA DIRECTOR	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
Action						
<p>Staff savings due to maternity leave and a reduction in grant payable to Community Council. Savings projected on equipment/stationary budgets to contribute to pressures elsewhere in Area Directors/Council. Also additional income from recharging of staff to externally funded projects. Brought forward 13-14 savings including the two vacant posts. Spend on operational budgets is low as the areas have a number of grants which they can utilise for required spend.</p>						
Area Director - Highways & Transport						
Highways & Transport (Exc Car Parks & Bus Stat)	2,249,640	2,182,196	(67,444)	(22,937)	(44,508)	G
Minor variation from budget as at outturn.						
Passenger Transport (inc Local Bus, Concessionary Fares, Park & Ride & ShropshireLink)	6,405,640	5,507,976	(897,664)	(897,664)	0	Y
<p>A combination of Operator Reimbursements, Card Production and National Travel Tokens has resulted in a projected reduction of £0.396m in Concessionary Fares budget. A constant review of Local Bus Services Contracts have estimated that there will be a projected underspend of £0.565m. Local Sustainable Transport Funding £0.073m has been applied.</p>						
Off Street Car Parks	(2,614,750)	(2,253,536)	361,214	330,568	30,646	R
<p>A review of Off Street Car Parking Income in line with projected trends has resulted in a lower projected income. This includes the 'Review of Car Parking Tariffs and Charging Structure' paper. Estimated cost of Rights of Access has added £0.054m, Electricity has added £0.044m, a payment to Mouchel has added £0.020m and the actual cost of Rates has added £0.053m. Other savings have been realised against expenditure to minimise the impact of the reduced income.</p>						

Appendix 1

Service Area Outturn and Actions 2012/13

CORPORATE HEADS	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
Total	1,274,340	(17,066,968)	(18,341,308)	(674,324)	(17,666,985)	Y
Strategic Management Board	(60,390)	(70,199)	(9,809)	(10,399)	590	G
Strategic Management Board have outturned at a £0.010m underspend due to vacant posts within the Admin Team.						
Finance	(29,740)	(146,579)	(116,839)	(115,497)	(1,342)	G
Financial Advice have outturned at £0.115m under budget due to vacant posts and maternity leave within Financial Advice and reduced printing costs and additional income within Financial Management. Printing costs are projecting an underspend as a result of a reduced number of copies of Budget Books and Statement of Accounts being produced.						
Commissioning & Procurement	1,291,030	947,425	(343,605)	(280,075)	(63,530)	B
The underspend against budget is due to vacancies that have been held within the team during 2012/13. The underspend increased marginally since Period 11 due to additional income relating to the WMS sale.						
Legal & Democratic Services	1,082,070	730,134	(351,936)	(325,056)	(26,880)	Y
Legal and Committee Services have outturned with an underspend of £0.154m due to vacant posts and reduced hours within the team. Democratic Representation have outturned with an underspend of £0.134m due to savings within Member Services.						
Strategic Planning	2,037,500	2,300,932	263,432	(202,588)	466,020	B
Vacant posts within the Policy Team, Information and Research and Emergency Planning are contributing to the underspend within Strategic Planning. Communications are underspent due to lower than budgeted expenditure on marketing.						
Business Improvement	118,180	804,457	686,277	133,745	552,532	G
A shortfall in income for Print Services and additional one-off costs in relation to the contract change for the Wide Area Network has resulted in an overspend for Business Improvement. Print Unit has outturned at £0.351m over budget due to lower demand for the service resulting in monthly income for the service reducing to an average of £0.033m. The service is currently under review to reduce costs and increase external income generation to offset this shortfall. The overspend has been partially offset by additional income and vacant posts within Policy & Performance and an underspend on software licences within IT Services.						
Organisation Development	176,440	51,370	(125,070)	(103,460)	(21,610)	G
Underspend due to part year vacancies and maternity leave across Organisation Development. Reduced licence costs and general underspends on supplies and services are contributing towards the overall underspend.						

Appendix 1

Service Area Outturn and Actions 2012/13

CORPORATE HEADS	Full year					RAGBY
	Budget	Outturn	Total Variation	Controllable Variation	Non Controllable Variation	
	£	£	£	£	£	
Shared Services	106,200	270,596	164,396	233,836	(69,440)	G
<p>Shared Services are outturned over budget as a result of an under recovery of income for the Property Design team. The Property Design Team are overspent by £0.602m, £0.590m of this is due to reduced income as a result of the Capital Programme Slippage. Underspends elsewhere within Shared Services as a result of vacant posts and lower than budgeted expenditure within Smallholdings are reducing the overall overspend.</p>						
Corporate Budget	(3,446,950)	(21,955,474)	(18,508,524)	(4,830)	(18,503,694)	G
<p>Corporate Budgets are underspent due to Treasury Management. Interest Payable is underspent by £0.561m due to lower borrowing requirements to fund the capital programme. MRP is underspent by £0.360m due to retaining the balance of capital receipts set aside as approved in the 2011/12 Capital Outturn Report. Interest receivable is underspent by £0.716m as a result of interest generated from two long term investments and higher than budgeted balances available for investment. These underspends are offsetting an overspend due to the underachievement of Procurement savings.</p>						

Service Area Variances

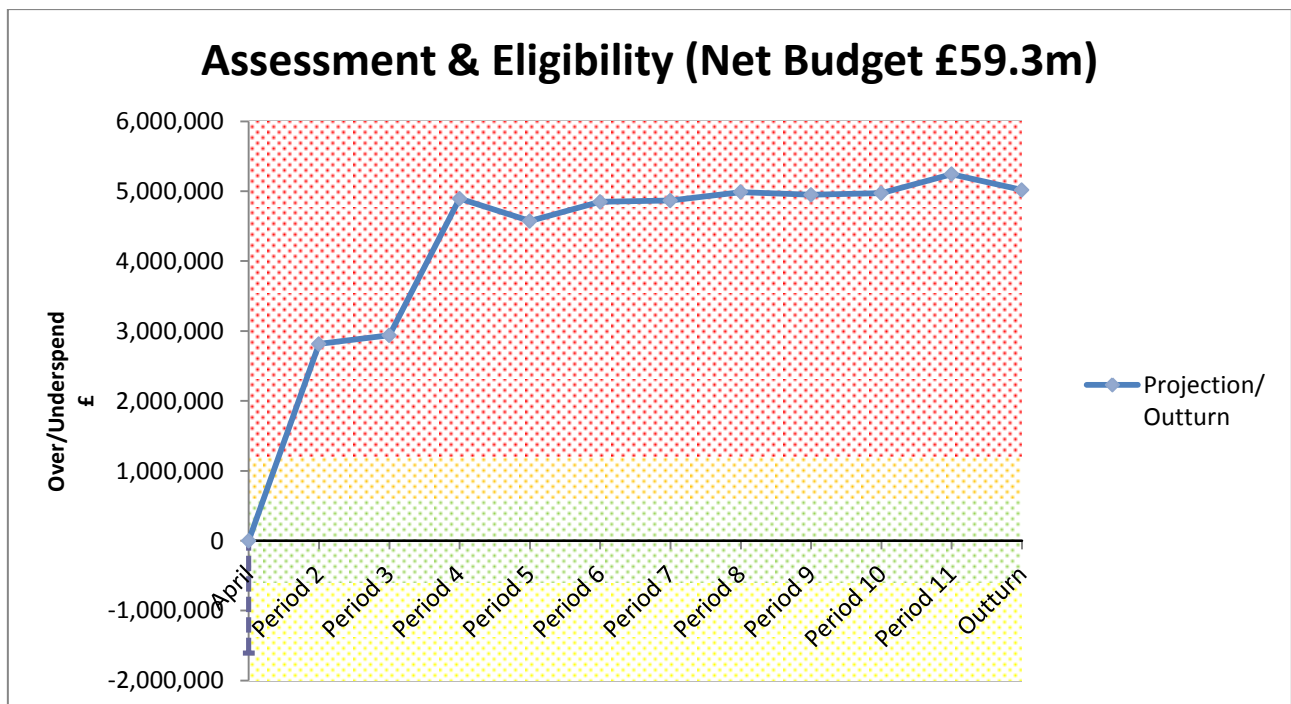
Variances have been categorised as follows:

	GREEN Acceptable Variance (Not Reported)	AMBER Variance Reported in Month Identified Only	RED Reported Every Period	YELLOW Variance Reported in Month Identified Only
Net Budget less than £5m	+/- £50k	£50k - £100k	Over £100k	Under £50k
Net Budget greater than £5m	+/- 1%	1% - 2%	Over 2%	Under 1%

Variances will also be highlighted where there has been a swing of greater than 1% or £50k from the position that has previously been reported.

Service Variances

Assessment & Eligibility - RED

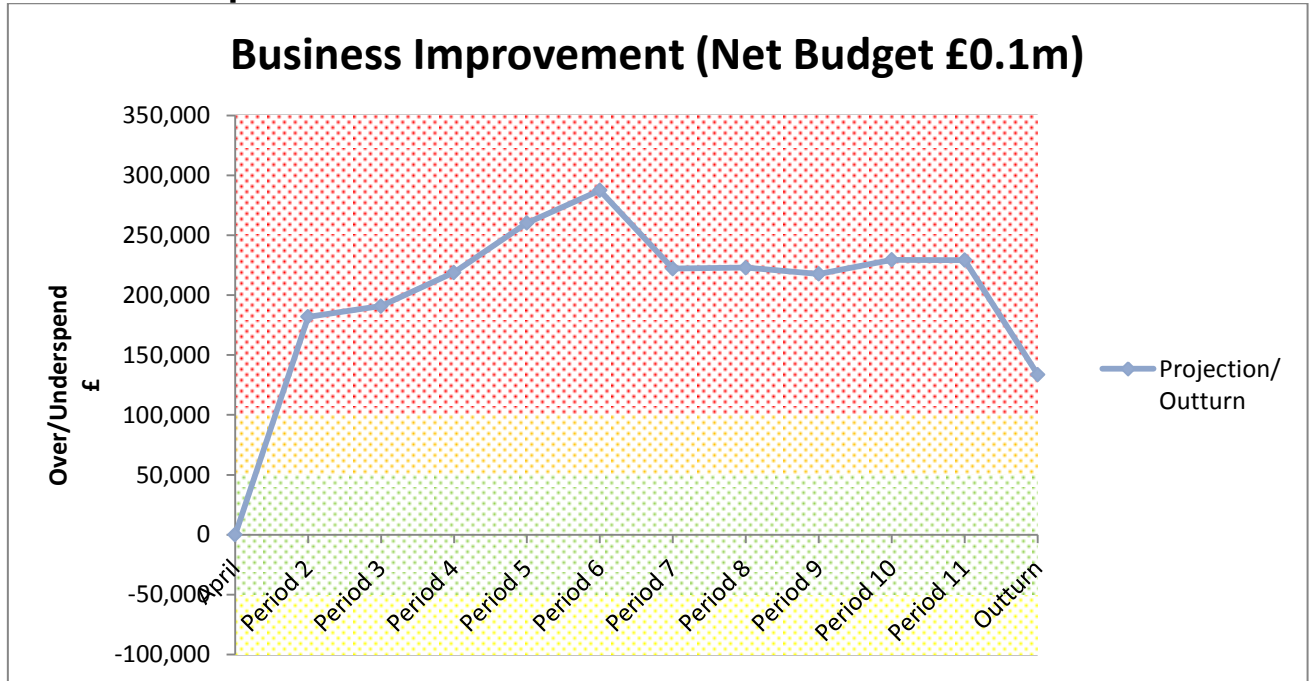


Assessment & Eligibility have a year end overspend of £5.017m.

The position improved marginally at the year end due to direct payment refunds that reduced the expenditure pressures in Long Term Support.

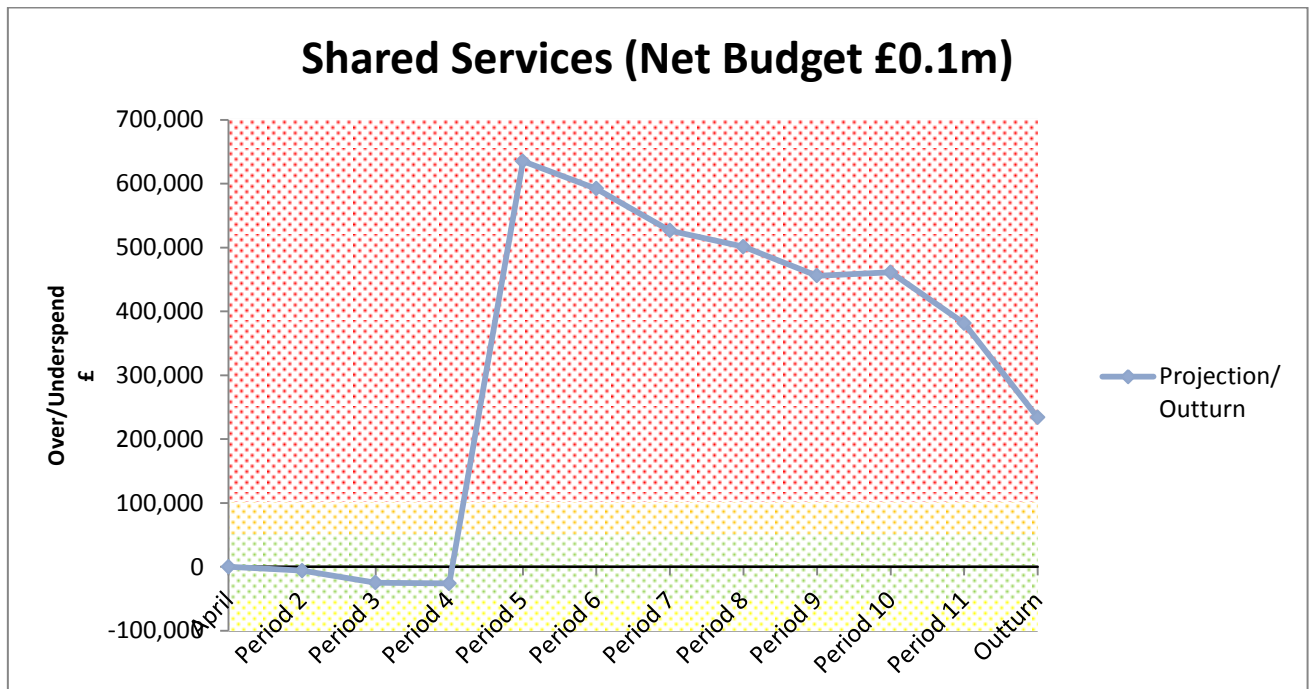
Service Area Variances

Business Improvement - RED



Business Improvement have an outturn of £0.134m. This has improved since the Period 11 position reported due to additional income received within Policy & Performance which the service had planned to spend prior to the year end. There have also been minor savings on IT software costs at the year end and reduced agency costs in Audit Services.

Shared Services



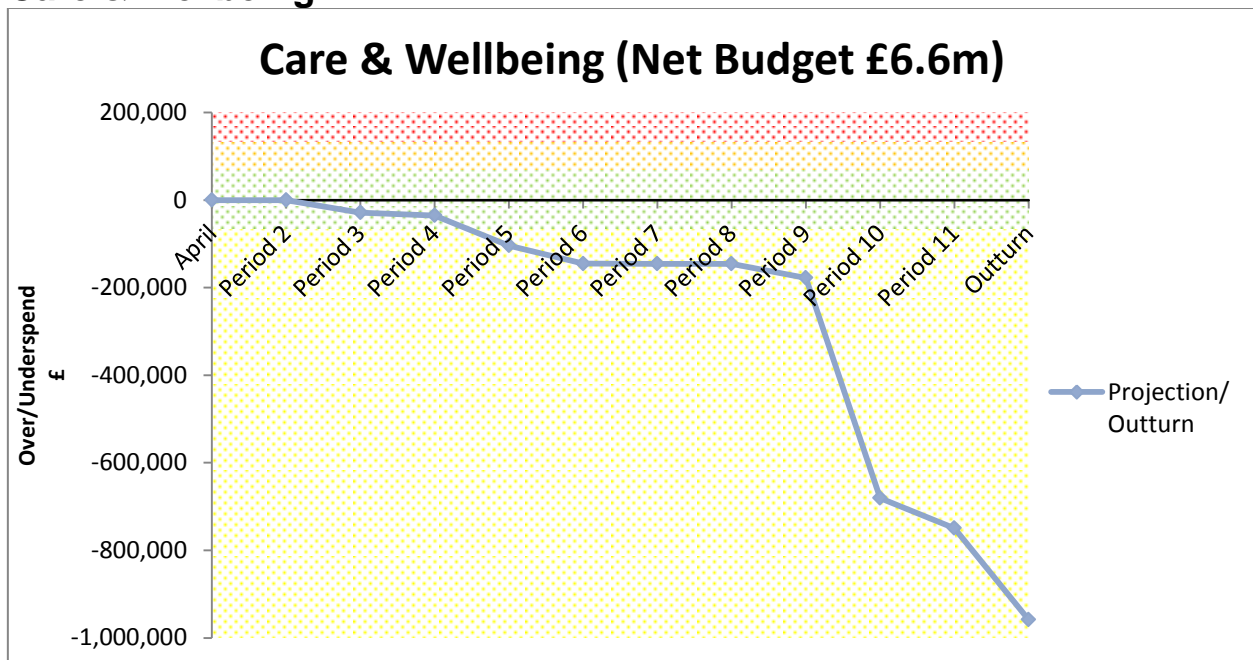
Service Area Variances

Shared Services have outturned with an overspend of £0.234m.

There has been an improvement since the Period reported at Period 11 due to lower than projected costs on maintenance of Smallholding properties and additional income within Traded Services in IT.

Variances differ from previous reported position by greater than 1% or £50k.

Care & Wellbeing

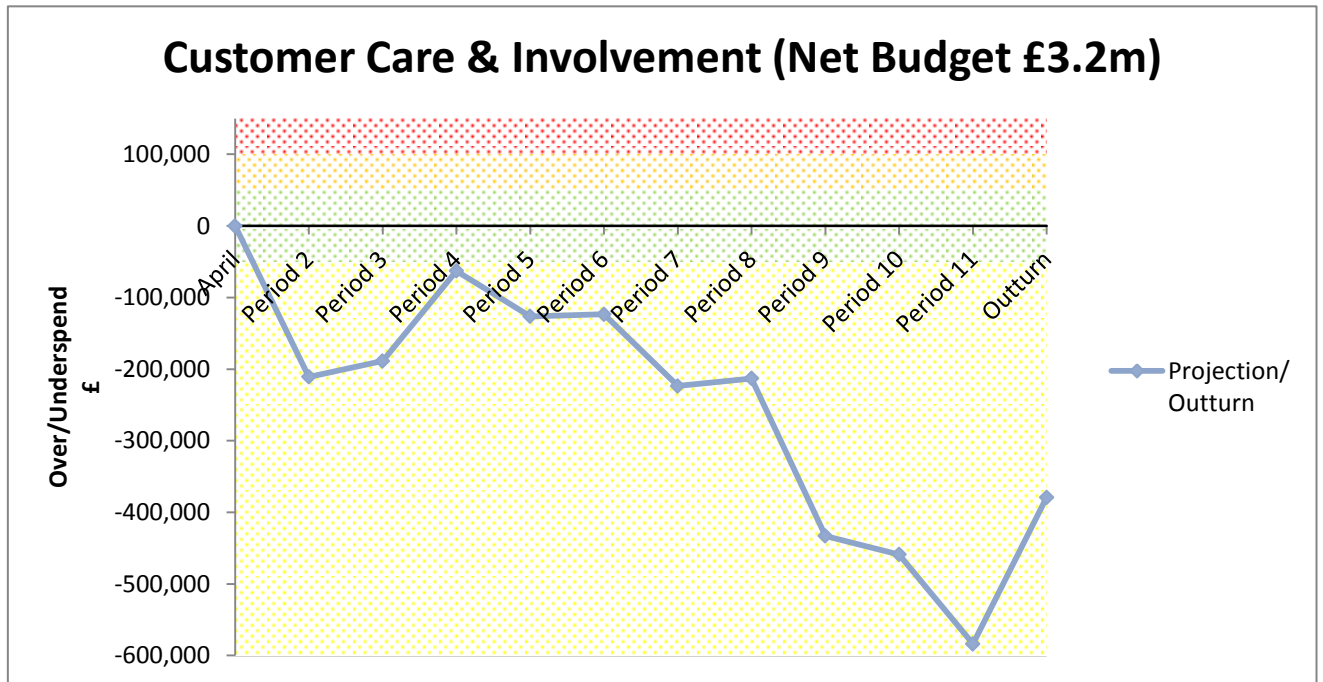


Care & Wellbeing have outturned with an underspend of £0.960m. At Period 10, it was reported that the projected underspend would be £0.681m, showing a swing of £0.278m.

This is due to additional savings being delivered in vacant posts that were not filled as had been originally planned and full application of grant monies that had been received during the year.

Service Area Variances

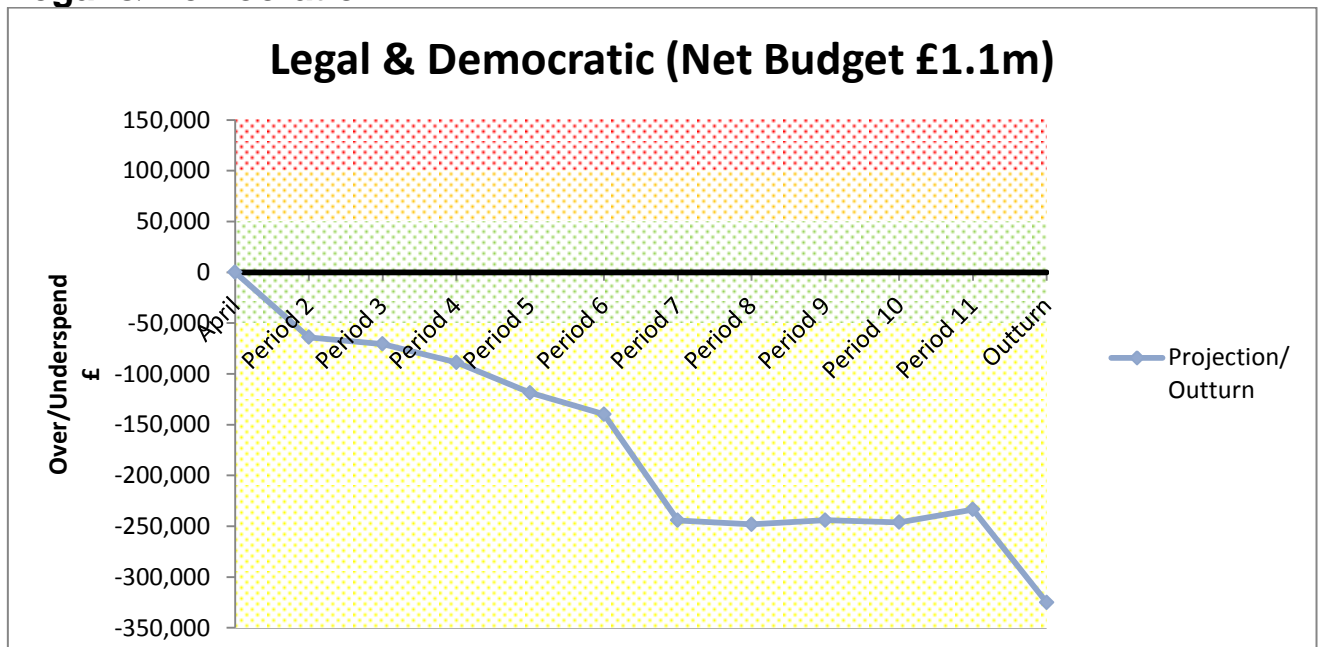
Customer Care & Involvement



Customer Care & Involvement outturned with an underspend of £0.379m. At Period 11, it was reported that the projected underspend would be £0.583m, showing a swing of £0.204m.

The main reason for the increase in spend is the level of discretionary relief processed on Non Domestic Rates during the year. This represents the change in policy to open discretionary rate relief to social enterprises and charity shops and also the change in relief relating to the transfer of the five leisure centres.

Legal & Democratic

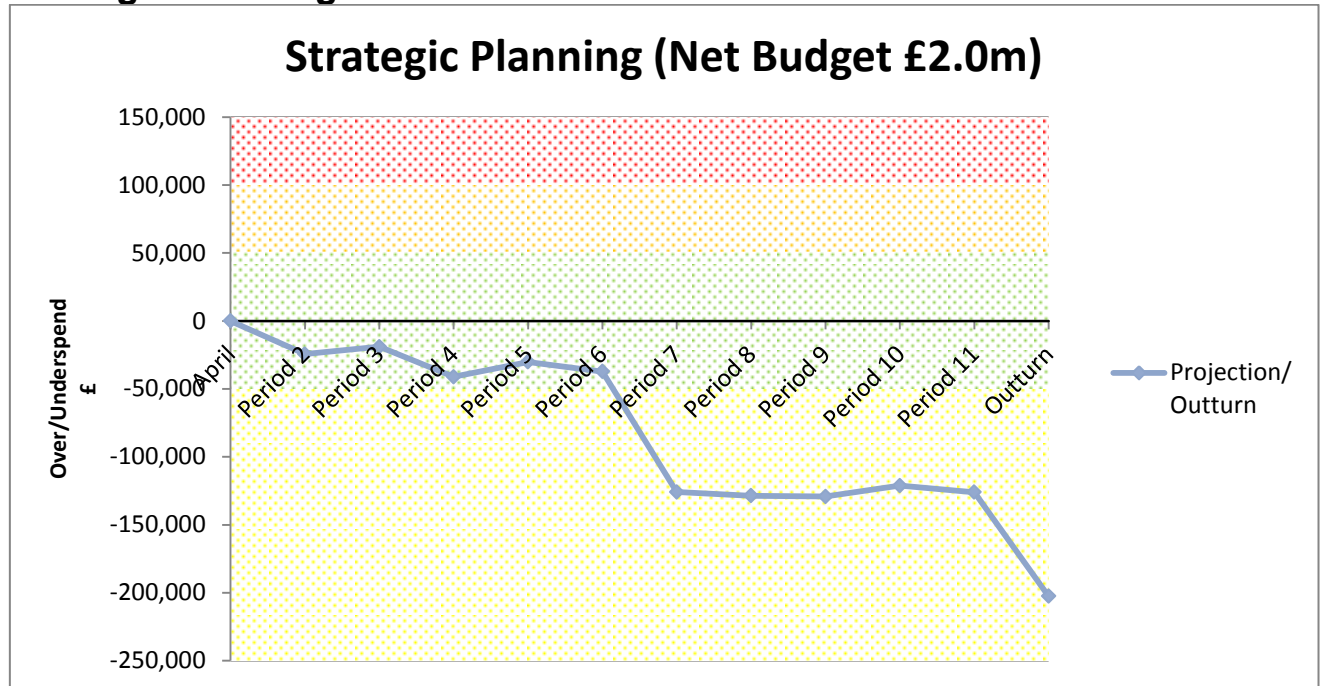


Service Area Variances

Legal & Democratic have outturned with an underspend of £0.325m. At Period 7, it was reported that the projected underspend would be £0.244m, showing a swing of £0.081m.

The main reason for the additional underspend at the year end was savings on legal disbursements, members allowances and lower than projected costs for the Coroners Service.

Strategic Planning

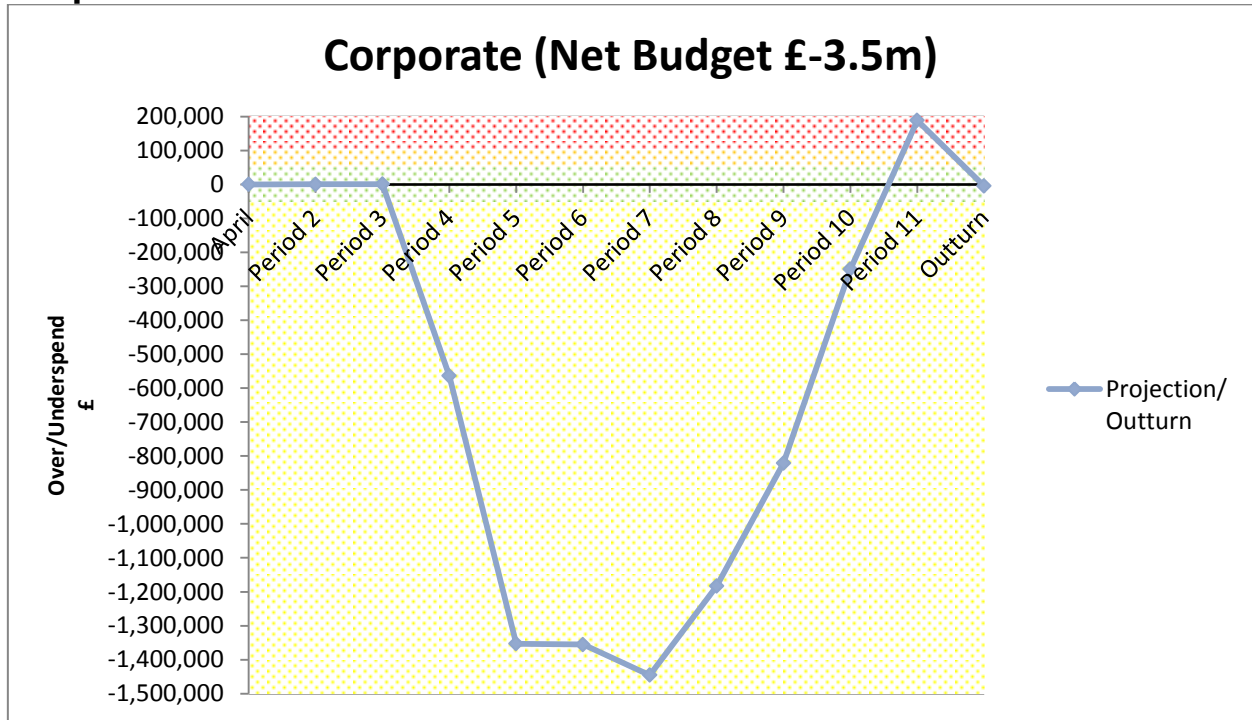


Strategic Planning have an outturn of £0.203m under budget. It was reported at Period 7 that the likely underspend would be £0.126m.

Since Period 7 there have been additional savings in Communications spend, and lower than anticipated training costs within Emergency Planning.

Service Area Variances

Corporate



Corporate Budgets have outturned with an underspend of £0.005m. At Period 11, it was reported that there would be a projected overspend of £0.189m, showing a swing of £0.194m.

This is due to additional interest due from the recovery of the Lansdbanki investment and reduced external audit fees on the Council’s grant claims.

2012/13 Housing Revenue Account

Outturn (pre Audit)	Budget £	Outturn £	Variance Adverse/ (Favourable) £
<u>Income</u>			
Dwellings Rent	(15,389,670)	(15,618,197)	(228,527)
Garage Rent	(179,170)	(194,264)	(15,094)
Other Rent	(37,600)	(14,684)	22,916
Charges for Services	(209,645)	(261,360)	(51,715)
Supporting People	(760,828)	(759,843)	985
Total Income	(16,576,913)	(16,848,348)	(271,435)
<u>Expenditure</u>			
Repairs & Maintenance	3,570,060 #	4,368,675	798,615
Supervision & Management - Special	1,326,955 #	1,332,574	5,619
Supervision & Management - General	2,582,171 #	2,111,938	(470,233)
Subsidy Payable Gross	0	(15,687)	(15,687)
Capital Charges - Dwelling Depreciation	2,718,570	4,038,380	1,319,810
Capital Charges - Depreciation Other	72,450	69,810	(2,640)
Capital Charges - Cost of Capital	5,777,920	4,388,419	(1,389,501)
Increase in Bad Debt Provision	200,000	200,000	0
Corporate & Democratic Core	265,380 #	265,380	0
Total Expenditure	16,513,506	16,759,489	245,983
Net Cost of Services	(63,407)	(88,859)	(25,452)
PWLB Premium amortised	68,580	68,580	0
Interest on Balances	(14,700)	(23,333)	(8,633)
Net Operating Expenditure	(9,527)	(43,612)	(34,085)
Net Cost of Service	(9,527)	(43,612)	(34,085)
<u>HRA Reserve</u>			
B/fwd 1 April	997,738	997,738	
Surplus/(Deficit) for year	9,527	43,612	
Carried Forward 31 March	1,007,265	1,041,350	

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

Appendix 4**Amendments to Original Budget 2012/13**

	Total	PEOPLE					PLACES					AREA	CORPORATE HEADS						SS	CORPORATE
		Care & Wellbeing	Assessment & Eligibility	Safeguarding	Public Protection & Enforcement	Learning & Skills	Customer Care & Community Involvement	Commissioning & Procurement	Business Growth & Prosperity	Facilities Management	Environment	Area Directors	Strategic Management Board	Finance	Legal & Democratic	Strategic Planning	Business Improvement	Organisational Development	Shared Services	Corporate Budgets
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Original Budget as agreed by Council	218,769	6,737	59,092	22,386	6,117	32,964	3,378	1,197	7,075	3,839	36,193	39,073	-27	0	1,073	1,888	50	121	156	-2,540
Period 3																				
June 2012 Restructure																				
Commissioning & Procurement	0							-1,197						1,197						
Sustainability	0								1,578		-1,578									
Development Management	0								1,241		-1,241									
Highways & Transport	0										-6,325	6,325								
Waste	0									27,049	-27,049									
Period 4																				
Shrews Library & Archives Rates	0								13			-13								
Shelton	0								17			-17								
Rockspring Centre	0								-29			29								
Correct Internal Market - Ludlow Parking	0								199			-199								
Period 5																				
Staff transfer from Housing Health to Commissioning & Procurement	0	-161												161						
Electronic homecare budget	0		58											-58						
Records Management	0								60		-60									
Schools Insurance income	0													18						-18
Period 6																				
Social Enterprise Project	0									-10							10			
Building Design external advice budget	0										-40									40
Closed Churchyards DLO	0										-12	12								
PA budget	0												24	-24						
Period 7																				
Corporate Training Budget	0																		50	-50
SALC budget	0											-10				10				
Period 8																				
Client side budgets transferred from Shared Services to Property	0										110									-110
Customer Services staff to Communications	0							-139							139					
Benefits staff to Shared Services	0							-42												42
Play Inspections	0									48		-48								
Period 9																				
1% Pay Award	0	18	103	41	23	59	34		45	47		73	5	14	10	10	11	6	45	-542
Play Inspections	0								20			-20								
Youth Parliament transfer	0											7				-7				
Social Enterprise Project	0													-47			47			
Period 10																				
Grounds maintenance	0								227			-227								
Period 11																				
Noirements processed	0																			
Period 12																				
CRC liability	0	0	13	1	1	5			16	-93		52								5
Shrewsbury BID	0											16								-16
Property income	0									300										-300
Bourne House	0									88										-88
Senior Management Restructure	0								24					-62					1	37
Youth	0			-13		29						-13								-3
Revised Budget	218,770	6,593	59,266	22,415	6,141	33,058	3,231	0	10,524	31,227	0	45,041	-60	1,261	1,082	2,038	119	176	106	-3,447

Reserves and Provision 2012/13

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2012/13 (£'000)	Income in 2012/13 (£'000)	Balance Carried Forward (£'000)
Reserves					
Council Elections	Established to meet the periodic cost of Council Elections which take place every four years.	43	0	0	43
CYPS Directorate	Reserve no longer held as all remaining balances held were released in 2012/13.	83	(83)	0	0
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	232	0	48	280
Education – Staff Sickness Insurance	Schools' self help insurance for staff sickness with premiums met from delegated budgets.	450	0	118	568
Education – Theft Insurance	Schools' self help insurance scheme to cover equipment damage and losses.	76	0	106	182
Fire Liability	Required to meet the cost of excesses on all council properties.	1,446	0	411	1,857
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. 2013/14 is the final year of the LATS scheme, which explains the write down of the values held.	228	(228)	0	0
Legal Disbursements	Required to meet extraordinary legal costs incurred by service directorates over and above budgets.	50	0	0	50
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.	61	(22)	170	209
Local Support Services Grant	Established from unapplied Local Support Services Grant and Local Authority Central Spend Equivalent Grant balances.	284	(230)	1,610	1,664
Major Planning Inquiries	Required to meet the one-off costs of major planning inquiries, and is a corporate reserve.	497	(45)	30	482
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	0	(3,906)	5,308	1,402
Motor Insurance	An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.	661	0	66	727
New Homes Bonus	Established from unapplied New Homes Bonus Grant balances.	0	(186)	4,621	4,435
People Services	Reserve established to safeguard the council against pressures within Assessment & Eligibility and external children's placements given the service areas volatility.	1,607	(1,600)	100	107

Reserves and Provision 2011/12

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2012/13 (£'000)	Income in 2012/13 (£'000)	Balance Carried Forward (£'000)
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.	59	(66)	19	12
Public Health Reserve	New reserve created in 2012/13 which has been set aside from income transferred to cover residual costs of Public Health that are still to be invoiced.	0	0	793	793
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.	315	(29)	548	834
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.	2,414	(1,325)	1,123	2,211
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.	681	(151)	793	1,323
Severe Weather	Required to meet unbudgeted costs arising from the damage caused by severe weather. The policy of the Council is to budget for an average year's expenditure in the revenue accounts and transfer any underspend to the reserve or fund any overspend from the reserve.	600	0	110	710
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.	0	0	143	143
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	16,402	0	3,291	19,693

Reserves and Provision 2011/12

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2012/13 (£'000)	Income in 2012/13 (£'000)	Balance Carried Forward (£'000)
	contract money is available to meet those costs.				
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.	6,413	0	107	6,520
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.	20	0	9	29
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	1,775	(257)	494	2,012
Transformation	Required to fund invest to save projects in order to deliver the service transformation programme.	1,067	(980)	1,780	1,867
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.	1,221	(1,263)	507	465
Total Reserves		36,685	(10,371)	22,305	48,618
Provisions					
Liability Insurance	Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability	3,976	(116)	66	3,926
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.	4,626	(4,626)	4,467	4,467
General Fund Bad Debts	Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.	3,129	(339)	659	3,449
HRA Bad Debts	Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.	292	(74)	225	443
Redundancy Provision	Provides for redundancy costs that the Council is committed to from issuing redundancy notices prior to 31 st March 2013.	1,266	(1,254)	153	165
CRC Provision	This provides for the council's liability in relation to the Carbon Reduction Commitment for carbon emissions from the Council's properties.	440	(440)	324	324

Reserves and Provision 2011/12

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2012/13 (£'000)	Income in 2012/13 (£'000)	Balance Carried Forward (£'000)
Highways Provision	Provides for potential outstanding claims against the Highways budget.	200	(70)	0	130
Tenancy Deposit Clawbacks	This represents deposits held for the economic development workshops that may be repaid at some point in the future.	58	(5)	9	62
Streetscene Provision	New provision in 2012/13 created for a potential contract payment to be determined in Streetscene.	0	0	865	865
Other Provisions	Includes a number of small provisions including S106 Accrued Interest and Profit share agreements.	497	(55)	131	573
Total Provisions					
		14,484	(6,979)	6,899	14,404