



<u>Committee and Date</u>	<u>Item</u>	<u>Paper</u>
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REVENUE OUTTURN 2015/16

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1. Summary

1.1 This report provides details of the revenue outturn position for Shropshire Council for 2015/16 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 Quarter 3.
- The movements in the Council's general balance.
- The Council's reserves and provisions.

1.2 The Council's financial position for 2015/16 has improved by £3.219m when compared to projections made at Quarter 3 resulting in a net underspend of £2.816m.

2. Recommendations

2.1 Members are asked to:

- A. Note that the Outturn for the Revenue Budget for 2015/16 is an underspend of £2.816m, this represents 0.5% of the original gross budget of £594m.
- B. Note that the level of general balance stands at £18.370m, which is above the anticipated level included within the Financial Strategy.
- C. Note that the Outturn for the Housing Revenue Account for 2015/16 is an underspend of £1.031m and the level of the Housing Revenue Account reserve stands at £5.824m (2014/15 £3.076m).
- D. Note the increase in the level of Earmarked Reserves and Provisions (excluding delegated school balances) of £4.175m in 2015/16.
- E. Note that the level of school balances stand at £7.173m (2014/15 £3.957m).

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 2015/16 and therefore considers the effect that the underspend has on the Council’s balances.

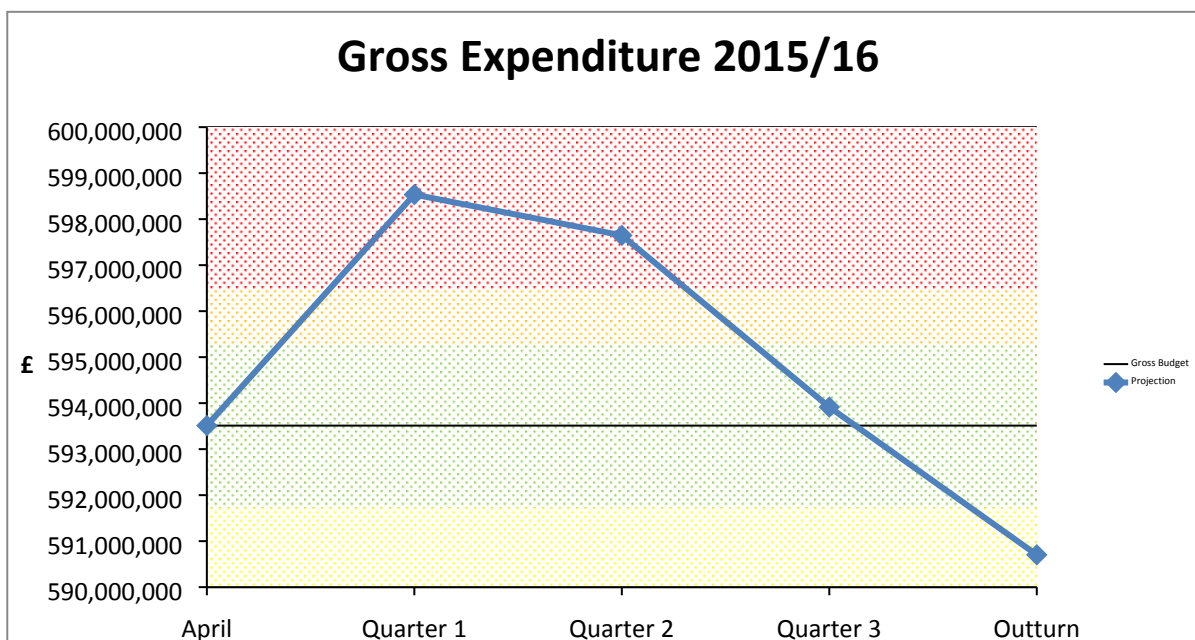
5. Background

5.1 Cabinet has received quarterly 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 2015/16 shows overall net revenue expenditure of £213.027m and an underspend of £2.816m. The overall position for Service areas and Schools’ balances is detailed below:

	£000
Original Budget	215,843
Outturn for 2015/16	213,027
Underspend for 2015/16	(2,816)



- 6.2 The underspend of £2.816m for 2015/16 is presented below by Service Area. 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 excluded from the figures presented below to enable a direct comparison to be made between controllable spend at year end, and projections made throughout the year.

Table 1: 2015/16 Budget Variations Analysed by Service Area (£'000)

Service Area	Revised Budget £'000	Controllable Outturn £'000	Controllable (Under)/Over spend £'000	RAGBY
Adults Services	72,435	77,281	4,846	R
Children's Services	53,859	53,892	32	G
Commissioning	82,917	81,238	(1,679)	Y
Public Health	2,013	1,993	(20)	Y
Resources & Support	7,375	5,072	(2,303)	Y
Corporate	(2,756)	(6,448)	(3,692)	Y
TOTAL	215,843	213,027	(2,816)	Y

- 6.3. The outturn position has improved by £3.219m since Quarter 3 as a result of further underspends achieved across all service areas within the Council. The most significant changes were in the following areas:
- projected overspend in Adult Services reduced by £0.6m due to a pressure on transport costs not being realised and savings being achieved that had previously been categorised as amber.
 - The overspend projected relating to County Training within Learning & Skills has been funded during closedown from a contribution from deferred grant balances.
 - Levels of waste sent to landfill during the year reduced resulting in a reduction in the year end waste contract payments.
 - Overspends projected within Highways and Transport for Concessionary Travel did not materialise to the level projected.
 - Savings in Corporate budgets including external audit fees and treasury management budgets were identified during the final quarter of the year,

Further analysis of the variations to budgets for all service areas is provided within Appendix 1.

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 2015/16 the minimum balance required is £2.968m. The general fund balance as at 31st March 2016 is shown in Table 2 below:

Table 2: General Fund Balance As At 31st March 2016 (£'000)

General Fund Balances as at 1 April 2015	15,206
Budgeted contribution to General Fund Balance	409
Under recovery of insurance costs	(61)
2015/16 Revenue Outturn	2,816
General Fund Balance at 31 March 2016	18,370

7.2 The General Fund Balance at 31 March is above the level anticipated within the Financial Strategy, however it still lies below the risk based target for 2015/16 which stands at £23.374m.

7.3 The council's policy is to hold general fund balances of between ½ and 2% of the gross revenue budget, however the balance of £18.370m now falls above this policy level. This is considered appropriate given the significant increase in the risk based general fund calculation for 2016/17 to £28.196m (as agreed by Council in February 2016) and the significant level of savings required in the budget strategy for 2016/17 and in future years. At this time, there is insufficient available funding to provide additional contributions into the General Fund Balance to ensure the Council achieves the risk based target in 2016/17 and in the following 2 years. Therefore the risk arising from this will need to be tolerated with mitigating actions and the potential gap between the Risk Based Target and Projected General Fund balance will be closely monitored and reported through to Cabinet if it becomes apparent that the projected balance is insufficient.

8. Housing Revenue Account (Appendix 2)

8.1 The Housing Revenue Account (HRA) outturn for 2015/16 shows an underspend of £1.031m against gross turnover (5.7%) which has mainly arisen due to increased rent income from faster turnaround on voids, an underspend on planned repairs to the HRA properties and a reduced contribution to the bad debt provision for the year due to improved collection rate of rents.

8.2 The underspend takes the closing balance on the HRA Reserve to £5.824m which represents a contingency of £1,416 per home.

8.3 The HRA also holds the Major Repairs Reserve which is an earmarked reserve required to meet the costs of major repairs on the Council's housing stock. The reserve has increased in 2015/16 to £2.803m which reflects the lower level of capital expenditure during the year.

9. Reserves and Provisions (Appendix 4)

9.1 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.

9.2 The overall position for reserves and provisions is set out in the Statement of Accounts 2015/16, however a detailed breakdown of the balances is contained at Appendix 4, with an explanation of each reserve and provision. These figures may be subject to change before the Council's final Statement of Accounts is produced. The change in revenue reserves and provisions is as follows:

Balance Held	Reserves £000	Provisions £000	Bad Debt Provisions £000	Total Reserves & Provisions £000
As at 31 March 2015	55,027	11,485	4,628	71,140
As at 31 March 2016	60,841	11,677	6,013	78,531
Increase/(Decrease)	5,814	192	1,385	7,391
Delegated School Balances Movement	3,216	0	0	3,216
Increase/(Decrease) (excluding Delegated School Balances)	2,598	192	1,385	4,175

9.3. Delegated School Balances

9.3.1 The movement in delegated schools' balances is as follows:

	2014/15 £000	2015/16 £000	Increase/ (Decrease) £000
Schools:			
- Revenue Balances	2,564	5,511	2,947
- Invested Balances	1,188	1,136	(52)
- Extended Schools Grant Balance	473	749	276
Sub Total within Schools	4,225	7,396	3,171
Purchasing IT equipment	(172)	(155)	17
Carbon efficiency measures	(96)	(68)	28
Total Delegated School Balances	3,957	7,173	3,216

9.3.2 Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion. Of the 127 schools, 119 schools have surplus balances and 8 have deficit balances.

9.3.3 The Extended Schools Grant allocations for schools are paid over during 2015/16, 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.

- 9.3.4 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 2015/16 £155,443 of the £7,396,000 was being used in this way.
- 9.3.5 School balances have also been used to fund carbon efficiency measures within schools. At the end of 2015/16, £68,102 of the £7,396,000 was used for this purpose.

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

Revenue & Capital Budget 2015/16

Financial Rules

Revenue Monitoring Report – Quarter 1 2015/16

Revenue Monitoring Report – Quarter 2 2015/16

Revenue Monitoring Report – Quarter 3 2015/16

Cabinet Member

All

Local Member

All

Appendices

App 1 – Service Area Outturn and Actions

App 2 – Housing Revenue Account 2015/16

App 3 – Amendments to Original Budget

App 4 – Reserves and Provisions

Service Area Outturn and Actions 2015/16Summary

	Full year			RAGBY	FOR INFO ONLY		
	Budget	Controllable Outturn	Controllable Variation		Outturn (incl. Non Controllable items*)	Non Controllable Variation	Total Variation
	£	£	£		£		£
Adult Services	72,434,690	77,280,967	4,846,277	R	77,388,115	107,148	4,953,425
Children Services	53,859,220	53,891,384	32,164	G	53,912,596	21,212	53,376
Commissioning	82,916,640	81,237,805	(1,678,835)	Y	83,358,404	2,120,600	441,764
Public Health	2,013,000	1,992,857	(20,143)	Y	1,988,760	(4,097)	(24,240)
Resources & Support	7,374,830	5,071,613	(2,303,217)	Y	21,685,131	16,613,518	14,310,301
Corporate	(2,755,820)	(6,447,644)	(3,691,824)	Y	(25,306,024)	(18,858,381)	(22,550,204)
Total	215,842,560	213,026,982	(2,815,578)	Y	213,026,982	0	(2,815,578)

*The non controllable items included in the table above include items such as depreciation, impairment of assets, other capital charges and IAS19 (pension costs) that are not included within service projections throughout the year. These charges are produced at the year-end as they are calculated as part of the closedown procedures. The budgets for the year are set in the February of the preceding financial year, and rather than reallocate these budgets at the year end to match where the accounting entries are processed, we allow variations from budget to be reported instead. The net effect of these variations across the Council will always be zero, as any overspends within non controllable budgets for service areas will be offset by a Corporate underspend which reflects the statutory requirement that any variations in these budgets should impact on the Council Tax Payer and ultimately the Council Tax that we charge.

Detail On Controllable Outturn and Variations

ADULT SERVICES	Full year			RAGBY
	Budget	Controllable Outturn	Controllable Variation	
	£	£	£	
Total	72,434,690	77,280,967	4,846,277	R

Adult Business Support & Development	Portfolio Holder Adult Services	2,714,040	1,948,557	(765,483)	Y
Underspend within staffing, training and grant income held here to offset pressures in the purchasing budgets.					
Contracts & Provider	Portfolio Holder Adult Services	7,135,820	6,482,140	(653,680)	Y
The underspends in internally provided services are kept under continual review and used flexibly as in house services are redesigned and recommissioned to meet the changing needs of users.					
Social Care Operations	Portfolio Holder Adult Services	55,977,140	62,299,630	6,322,490	R

Service Area Outturn and Actions 2015/16

ADULT SERVICES		Full year			RAGBY
		Budget	Controllable Outturn	Controllable Variation	
		£	£	£	
<p>The purchasing element of this budget is overspending by £6.4m after the application of the ILF grant. Period 12 has seen £0.322m of new gross pressure added by 17 new clients. A total of 1,403 clients have been added since the beginning of 2015/16 adding £10m gross expenditure to the in-year projection. The full year impact of this new demand is potentially significantly greater creating pressures for next year. 25% of this cost added relates to Hospital Discharge activity. 23% for reasons of general frailty and 12% from Capital reduction. These continue to the main pressure themes. An intensive work programme is underway in finance to develop datasets that will help us to better forecast future cost as well as understand historic cost patterns.</p>					
Adult Services Management	Portfolio Holder Adult Services	2,293,860	2,236,810	(57,050)	Y
No significant variance to report					
Housing Health & Wellbeing	Portfolio Holder Planning, Housing, Regulatory Services and Environment	4,313,830	4,313,830	0	G
No variance to report					

CHILDREN'S SERVICES		Full year			RAGBY
		Budget	Controllable Outturn	Controllable Variation	
		£	£	£	
Total		53,859,220	53,891,384	32,164	G

Learning & Skills	Portfolio Holder Children and Young People	24,081,990	24,073,948	(8,042)	Y
<p>A deficit of £0.375m was incurred in County Training. The Service faced extremely difficult trading conditions in year with reduced Apprenticeship recruitment and significantly reduced numbers of clients on Welfare to Work programmes. Measures to combat these funding reductions included 2 staffing restructures and a review of the occupation of premises. Although substantial savings were achieved through the staff restructures, the deficit caused by Income reductions and unachieved savings in premises costs was not entirely mitigated.</p> <p>The remainder of Learning and Skills was projected to outturn £0.143m underspent, which would have resulted in an overspend of £0.240m for Learning and Skills as a whole including the County Training deficit, however a decision was made to offset this £0.240m overspend with deferred grant balances within the Children's Services Directorate.</p> <p>The £0.143m underspend mentioned above resulted from underspends across a few service areas. Home to</p>					

Service Area Outturn and Actions 2015/16

CHILDREN'S SERVICES		Full year			RAGBY
		Budget	Controllable Outturn	Controllable Variation	
		£	£	£	
School Transport achieved an underspend of £0.292m. Service Managers have strived to minimise costs in this area through robust procurement and a continued focus on route optimisation. The Education Psychology Service achieved an underspend of £0.184m through part year Vacancy Management Savings combined with an overachievement of Income. The Education Improvement Service also generated an underspend of £0.126m as a major staff restructure overachieved against the 2015/16 Savings target in order to achieve part of a 2016/17 Savings target early. These underspends were largely offset by a one-off budget pressure resulting from a reduction in Education Services Grant.					
Children's Safeguarding	Portfolio Holder Children and Young People	28,882,790	28,914,700	31,910	G
An ongoing budget pressure within Case Management caused by Agency Staffing costs resulted in an overspend of £0.745m. In addition to this there was an overspend relating to Leaving Care Allowances within the 16+ Team of £0.330m. These have been offset by one off contributions from Public Health (£0.486m) and savings on LAC placements including adoption and social work training totalling £0.416m. Further to this, an underspend of £0.141m was achieved by Vacancy management savings across the whole Service Area.					
Children's Services Management	Portfolio Holder Children and Young People	894,440	902,736	8,296	G
A small overspend was incurred as a result of insufficient budget for Postage recharges. The budget will be re-aligned across Children's Services in 2016/17 to address this.					

COMMISSIONING		Full year			RAGBY
		Budget	Controllable Outturn	Controllable Variation	
		£	£	£	
Total		82,916,640	81,242,000	(1,674,640)	Y

Director of Commissioning	Portfolio Holder Leisure and Culture	686,100	682,927	(3,173)	Y
Minor variations.					
Director of Commissioning Total		686,100	682,927	(3,173)	Y

Local Commissioning	Portfolio Holder Rural Services and Communities	337,780	327,697	(10,083)	Y
Minor variations.					
Community Working	Portfolio Holder Rural Services and	864,570	860,508	(4,062)	Y

Service Area Outturn and Actions 2015/16

COMMISSIONING		Full year			RAGBY
		Budget	Controllable Outturn	Controllable Variation	
		£	£	£	
Communities					
Minor variations.					
Procurement	Portfolio Holder Corporate Support	144,920	105,834	(39,086)	Y
Efficiency savings achieved across a range of employee and supplies and services subjectives.					
Community Support	Portfolio Holder Rural Services and Communities	282,640	109,883	(172,757)	Y
Creation of the Commissioning Support Unit, by bringing together roles from across directorates into a re-designed function, deleting several posts as appropriate, has resulted in an ongoing base budget saving of £0.200m.					
Local Commissioning Total		1,629,910	1,403,922	(225,988)	Y

Area Commissioner North – Positive Activities	Portfolio Holder Children and Young People	404,930	377,939	(26,991)	Y
The recharge for youth buildings costs was less than budgeted for, and contributions from other organisations have been received in year, more than offsetting interim delivery costs.					
Area Commissioner North – Libraries	Portfolio Holder Leisure and Culture	4,121,270	4,162,483	41,213	G
Although 2015/16 savings have been achieved, one-off legal costs have been incurred in year.					
Area Commissioner North - Waste	Portfolio Holder Planning, Housing, Regulatory Services and Environment	26,829,270	26,520,804	(308,466)	Y
A higher proportion of waste was suitable for incineration than forecast, and consequently the volume of waste sent to landfill was approximately 3,000 tonnes less than budgeted for.					
Area Commissioner North	Portfolio Holder Planning, Housing, Regulatory Services and Environment	235,520	143,575	(91,945)	Y
Variance on employee costs due to the postholder's secondment.					
Area Commissioner North Total		31,590,990	31,204,801	(386,189)	Y

Area Commissioner South – Environmental Maintenance	Portfolio Holder Highways and Transportation	27,259,360	27,203,268	(56,092)	Y
The exceptionally mild winter resulted in less precautionary and reactive work required. No drawdown from the severe weather reserve was required in order to balance expenditure to budget.					
Area Commissioner South – Highways & Transport	Portfolio Holder Highways and Transportation	5,131,290	5,128,375	(2,915)	Y

Service Area Outturn and Actions 2015/16

COMMISSIONING		Full year			RAGBY
		Budget	Controllable Outturn	Controllable Variation	
		£	£	£	
Minor variations.					
Area Commissioner South – Passenger Transport	Portfolio Holder Highways and Transportation	841,520	722,048	(119,472)	Y
As part of the closing accounting entries, additional (out of county) recharge income was identified and there was an adjusting (credit) from the bad debt provision.					
Area Commissioner South – Leisure	Portfolio Holder Leisure and Culture	3,419,510	3,384,882	(34,628)	Y
Contributions from partner service areas and underspends on central budgets have more than offset one-off pressures at commissioned facilities.					
Area Commissioner South	Portfolio Holder Highways and Transportation	316,520	316,339	(181)	Y
Minor variations.					
Area Commissioner South Total		36,968,200	36,754,912	(213,288)	Y
Business Growth & Prosperity - Arts	Portfolio Holder Leisure and Culture	204,330	193,202	(11,128)	Y
Minor variations					
Business Growth & Prosperity – Economic Growth	Portfolio Holder Business and Economy	954,200	937,291	(16,909)	Y
Minor variations					
Business Growth & Prosperity - Visitor Economy	Portfolio Holder Leisure and Culture	1,850,180	1,868,399	18,219	G
There are a number of variations resulting from minor delays in implementing savings plans and new income generation, the greatest challenge has been for Acton Scott.					
Business Growth & Prosperity - Outdoor Recreation	Portfolio Holder Leisure and Culture	1,676,360	1,644,865	(31,495)	Y
As part of the final closing entries, there were a few items of expenditure identified that were financed from earmarked reserves.					
Business Growth & Prosperity - Theatre Severn	Portfolio Holder Leisure and Culture	599,780	195,118	(404,662)	Y
The Theatre continues to grow and develop, with the aim of generating a surplus for the council. Income for 2015/16 has been exceptional.					
Business Growth & Prosperity - Infrastructure & Growth	Portfolio Holder Business and Economy	227,330	273,271	45,941	G

Service Area Outturn and Actions 2015/16

COMMISSIONING		Full year			RAGBY
		Budget	Controllable Outturn	Controllable Variation	
		£	£	£	
Income from lettings remains challenging and, as part of the closing entries, the provision for bad debts has been increased.					
Business Growth & Prosperity – Strategic Planning	Portfolio Holder Planning, Housing, Regulatory Services and Environment	812,890	542,576	(270,314)	Y
The variance is as a result of staffing vacancies and a substantial increase in Section 106 & CIL receipts (admin element).					
Business Growth & Prosperity – Regulatory Services	Portfolio Holder Planning, Housing, Regulatory Services and Environment	5,213,080	5,046,038	(167,042)	Y
Vacancy management savings have been achieved within the commissioning team, and penalty charge notice income has been significantly over-achieved. In accordance with the Regulatory Services contract, the over-achievement of this income stream was retained within the council rather than transferred to ip&e.					
Business Growth & Prosperity - Management	Portfolio Holder Leisure and Culture	503,290	490,483	(12,807)	Y
A small variance resulting from staffing restructure.					
Business Growth & Prosperity Total		12,041,440	11,191,243	(850,197)	Y

PUBLIC HEALTH		Full year			RAGBY
		Budget	Controllable Outturn	Controllable Variation	
		£	£	£	
Total		2,013,000	1,992,857	(20,143)	Y

Public Health	Portfolio Holder Health & Wellbeing	2,013,000	1,992,857	(20,143)	Y
No significant variance to report.					

Service Area Outturn and Actions 2015/16

RESOURCES & SUPPORT	Full year			RAGBY
	Budget	Controllable Outturn	Controllable Variation	
	£	£	£	
Total	7,374,830	5,071,613	(2,303,217)	Y

Commercial Services	Portfolio Holder Corporate Support	4,127,760	3,341,737	(786,023)	Y
<p>An income stream was identified in the Sustainability budget which has resulted in £0.074m additional income from Solar Panels Installed on School Buildings. Budgets were set aside in relation to Carbon Credits have been confirmed as not committed in year and have been released as a one off in year saving of £0.372m. Other savings were identified in Assets and Estates around vacancy management and staffing efficiencies totalling £0.216m. Savings of £0.129m in relation to commissioning budgets were realised, these have been taken in 2016/17. Property services overachieved their income by £0.172m due to chasing old outstanding debt, and interim invoices raised for large projects, generating a surplus. An underspend was also identified in Facilities Management through vacancy management (£0.082m) and increased income on PAT testing (£0.010m). Following the setting up of the Corporate Landlord Model an overspend of £0.078m was identified. Within the corporate landlord, savings were realised on the disposal or vacation of surplus assets in the region of £0.498m. Overspends identified came from increased expenditure on Repairs and Maintenance of buildings (£0.156m) and a backdated rent review on a car park caused an £0.098m overspend.</p>					
Customer Involvement	Portfolio Holder Corporate Support	542,360	210,573	(331,787)	Y
<p>Underspends of £0.548m were realised across Fairer Charging, Assessment, Benefits options, Digital Services, Marketing & Engagement, Service Management, and the SLA teams from staffing reductions and vacancy management, some of these posts have been taken as savings in 2016/17. Additional income was also received within the SLA team of £0.013m, and reduced spending on systems development resulted in a one off underspend of £0.055m. An overspend relating to the Customer Service Centre and the contract for services provided to ST&RH, this generated an overspend of £0.164m, however this was partly offset by staff turnover and vacancy management throughout the year resulting in savings of £0.103m. IT Services had delayed savings of £0.372m in relation to the rollout of Lync, telecoms, and the implementation of Equitrak. Additional budget pressures in relation to the dual running of the WAN contract and other identified budget pressures relating to the Council's licensing have been funded in 2015/16 with a contribution from the Resources Efficiency Reserve (£1.470m) which included specific money set aside for IT development. There is an historic overspend in Print and Mail services due to MFD recharges (£0.115m), this was partly offset by additional income received relating to corporate printing services of £0.093m, and staffing reductions and vacancy management savings of £0.049m within post services.</p>					
Finance, Governance & Assurance	Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan	1,608,340	1,328,141	(280,199)	Y
<p>Savings were identified across various teams within FG&A and these came from vacancy management (£0.156m). An overspend in postage costs was recognised within Finance Transactions of £0.036m which was offset by in year savings outlined above. Other underspends came from various expenditure lines creating a further £0.040m of savings. Further efficiencies of £0.073m were identified from budgets not required in 15/16, and £0.047m of these have been removed in 2016/17. Overspends were identified within the Benefits teams due to agency staff spend, partly offset by overachievement of Housing Benefit income and vacancy management in the revenues team, this created a total underspend across Revenues and Benefits as a whole of £0.047m. The forecast overspend resulting partly from grant reductions was resolved in year by the reallocation of base budget of £0.170m no longer considered to be required and overachievement of Housing Benefit income.</p>					
Human Resources & Development	Portfolio Holder Corporate Support	87,600	(123,533)	(211,133)	Y

Appendix 1

Service Area Outturn and Actions 2015/16

RESOURCES & SUPPORT		Full year			RAGBY
		Budget	Controllable Outturn	Controllable Variation	
		£	£	£	
There was an overachievement of income within HR Advice (£0.033m), HR Team (£0.042m) and First Aid (£0.037m). Further savings were realised through in-year monitoring savings on postage and printing of £0.024m and an underspend on Corporate Training of (£0.034m).					
Legal, Democratic & Strategy	Portfolio Holder Corporate Support	515,520	15,700	(499,820)	Y
A total underspend of £0.500m was achieved within Legal and Democratic Services. Underspends within Members Services £0.051m (mainly from savings achieved on Telephone Rentals £0.020m, printing and advertising £0.021m), further savings identified within members allowances of -£0.091. Total underspend realised within Committee Services of £0.112m partly due to additional income £0.030m alongside in-year vacancy management savings. Additional income within Legal Services to include -£0.057 arising from Section 106 agreement work, offset by some in-year overspends on Legal Disbursements £0.037m plus additional underspend on Childcare Court Costs of -£0.163m.					
Strategic Management Board	Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan	493,250	298,995	(194,255)	Y
The underspend relates to an additional income stream of £0.094m that was identified following the budget setting process. The remaining underspends relate to in-year vacancy management savings across SMB.					

CORPORATE		Full year			RAGBY
		Budget	Controllable Outturn	Controllable Variation	
		£	£	£	
Total		(2,755,820)	(6,447,644)	(3,691,824)	Y

Corporate Budgets	Portfolio Holder Strategy, Financial Strategy, Budget and Business Plan	(2,755,820)	(6,447,644)	(3,691,824)	Y
There were £1.160m of unachieved savings in 2015/16, these are planned to be achieved in 2016/17 and they were temporarily funded by identifying alternative corporate budgets that were held but could be uncommitted in 2015/16. There was a predicted overspend in corporate budgets in relation to the QICS PFI contract costing more than budget resulting in an overspend of £0.115m. Savings of £0.564m were identified on a one-off basis in 15/16 from MRP in relation to an underspend on the capital programme. Savings were identified on a one-off basis in 15/16 from interest receivable within Treasury Management due to increased interest from external lending and interest on other deposits. Total savings in Treasury Management are £2.536m. There was £0.131m increased income from central purchasing and £0.078m saving identified on graduate costs, no longer recruiting. A further £0.201m was identified from 2015/16 External Audit Fee costs. Other underspend of £0.933m were realised across Corporate budgets, these were from a combination of					

Service Area Outturn and Actions 2015/16

CORPORATE	Full year			RAGBY
	Budget	Controllable Outturn	Controllable Variation	
	£	£	£	
<p>grants, reductions in costs of contracts, staffing commitments and spending efficiencies.</p> <p>The Council currently holds a number of corporate budgets in relation to funding changes received in the Final Budget Settlement for 2015/16, Council Tax Freeze Grant, Section 31 grants (relating to, for example small business rate relief) and Business Rate appeals provision that were not committed. These balances were contributed to the Financial Strategy Reserve to assist with delivery of the 2016/17 budget.</p>				

Appendix 2**Housing Revenue Account 2015/16**

Outturn (pre Audit)	Budget £	Outturn £	Variance Adverse/ (Favourable) £
Income			
Dwellings Rent	(17,580,620)	(17,963,955)	(383,335)
Garage Rent	(160,600)	(159,247)	1,353
Other Rent	(22,090)	(22,150)	(60)
Charges for Services	(278,700)	(321,275)	(42,575)
Total Income	(18,042,010)	(18,466,628)	(424,618)
Expenditure			
ALMO Management Fee	7,452,610	7,452,606	(4)
Supplies and Services	253,670	239,759	(13,911)
Capital Charges - Dwelling Depreciation	4,400,340	4,400,340	0
Capital Charges - Depreciation Other	48,210	40,030	(8,180)
Interest Paid	2,996,380	2,993,944	(2,436)
Repairs charged to revenue	535,000	323,918	(211,082)
New development feasibility	120,000	54,196	(65,804)
Increase in Bad Debt Provision	351,600	63,000	(288,600)
Corporate & Democratic Core	190,520	193,757	3,237
Total Expenditure	16,348,330	15,761,550	(586,780)
Net Cost of Services	(1,693,680)	(2,705,078)	(1,011,398)
Interest on Balances	(23,000)	(42,995)	(19,995)
Net Operating Expenditure	(1,716,680)	(2,748,073)	(1,031,393)
Net Cost of Service	(1,716,680)	(2,748,073)	(1,031,393)
HRA Reserve			
B/fwd 1 April	3,075,951	3,075,951	
Surplus/(Deficit) for year	1,716,680	2,748,073	
Carried Forward 31 March	4,792,631	5,824,024	

Earmarked Reserves for the HRA

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2015/16 (£'000)	Income in 2015/16 (£'000)	Balance Carried Forward (£'000)
HRA Earmarked Reserves					
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	1,636	(3,273)	4,440	2,803
Total		1,636	(3,273)	4,440	2,803

Appendix 3**Amendments to Original Budget 2014/15**

	Total £'000	Adult Services £'000	Children's Services £'000	Commissi oning £'000	Public Health £'000	Resources & Support £'000	Corporate £'000
Original Budget as agreed by Council	215,843	70,410	54,893	82,190	1,934	7,766	(1,350)
<u>Quarter 1</u>							
Youth Centre Facility budgets	0	0	0	(267)	0	267	0
Other minor structure changes	0	0	29	0	39	(68)	0
IT post to Regulatory Services	0	0	0	40	0	(40)	0
Shrewsbury Town Council Contract Budget	0	0	0	29	0	0	(29)
<u>Quarter 2</u>							
Internal market reallocation	0	458	(1,053)	376	69	(381)	531
Other minor structure changes	0	0	93	(95)	0	2	0
<u>Quarter 3</u>							
Complaints	0	0	0	474	0	(474)	0
Commissioning Support	0	0	(87)	109	0	(22)	0
Financial Assessments	0	384	0	0	0	(384)	0
Women's Refuge	0	(199)	0	0	199	0	0
Adult Services Growth	0	1,382	0	0			(1,382)
Bereavement Services	0	0	0	217	(217)	0	0
PAYP	0	0	0	(266)	0	266	0
Other minor structure changes	0	0	(24)	112	(11)	243	(320)
<u>Quarter 4</u>							
Benefits	0	0	0	0	0	170	(170)
Pension Fund Recharges	0	0	0	0	0	36	(36)
Other minor structure changes	0	0	8	(3)	0	(6)	1
Revised Budget	215,843	72,435	53,859	82,917	2,013	7,375	(2,776)

Appendix 4**Reserves and Provision 2015/16**

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2015/16 (£'000)	Income in 2015/16 (£'000)	Balance Carried Forward (£'000)
Reserves					
Sums set aside for major schemes, such as capital developments, or to fund major reorganisations					
Redundancy	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.	10,604	(3,631)	0	6,973
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.	1,027	(663)	282	646
Transformation	Required to fund invest to save projects in order to deliver the service transformation programme.	6,054	(1,260)	1,381	6,175
University	Required to meet the revenue costs arising from the setup of the university project and student accommodation development.	1,810	(1,566)	0	244
Total		19,495	(7,120)	1,663	14,038
Insurance Reserves					
Fire Liability	Required to meet the cost of excesses on all council properties.	2,135	0	299	2,434
Motor Insurance	An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.	867	0	110	977
Total		3,002	0	409	3,411
Reserves of trading and business units					
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.	300	0	307	607
Total		300	0	307	607
Reserves retained for service departmental use					
Care Act Reserve	Required to fund the costs of implementing the Care Act requirements within the Council. This will be committed to the costs of one off posts required to implement the changes and training costs for staff within Adult Services.	1,316	(816)	0	500
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	385	(25)	20	380
Financial Strategy Reserve	Established specifically to provide one off funding for savings proposals in the Financial Strategy	0	0	9,805	9,805
Highways Development & Innovation Fund	Set aside funds for pump priming the Development and Innovation programme	437	(35)	90	492

Appendix 4**Reserves and Provision 2015/16**

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2015/16 (£'000)	Income in 2015/16 (£'000)	Balance Carried Forward (£'000)
	agreed within the Ringway and Mouchel Contract.				
Major Planning Inquiries	Required to meet the one-off costs of major planning inquiries, and is a corporate reserve.	592	(118)	30	504
New Homes Bonus	Established from unapplied New Homes Bonus Grant balances.	4,675	(6,481)	7,353	5,547
PFI Buildings Equipment Replacement	Established in 2007/08 to fund replacement equipment in PFI buildings. This reserve has now been fully spent and is no longer required.	4	(4)	0	0
Planning Reserve	Set aside funds for investment in planning application processes.	1,285	(238)	100	1,147
Public Health Reserve	This reserve includes balances committed and ringfenced to specific public health projects.	2,712	(560)	0	2,152
Repairs & Maintenance Reserve	Set aside for known repairs and maintenance required to Council owned properties.	1,350	0	71	1,421
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.	5,404	(2,334)	592	3,662
Revenue Commitments from Unringfenced Revenue Grants	Established from unapplied unringfenced Grant balances. Commitments have been made against these balances in 2016/17.	4,064	(1,695)	1,394	3,763
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.	2,839	0	312	3,151
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.	602	(213)	0	389
Theatre Severn R&M	Established from underspends within culture and leisure, the reserve is earmarked towards future capital and revenue expenditure on repairs, maintenance and replacement of essential equipment at the Theatre.	29	0	0	29
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	642	(5)	0	637

Appendix 4**Reserves and Provision 2015/16**

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2015/16 (£'000)	Income in 2015/16 (£'000)	Balance Carried Forward (£'000)
Total		26,336	(12,525)	19,767	33,578
School Balances					
Balances held by schools under a scheme of delegation	Schools' balances have to be ringfenced for use by schools and schools have the right to spend those balances at their discretion.	3,957	(3,991)	7,207	7,173
Education – Staff Sickness Insurance	Schools' self help insurance for staff sickness with premiums met from delegated budgets.	162	0	25	187
Education – Theft Insurance	Schools' self help insurance scheme to cover equipment damage and losses.	97	0	1	98
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.	1,678	0	71	1,749
Total		5,894	(3,991)	7,304	9,207
Total Reserves		55,027	(23,170)	29,450	60,841
Provisions					
Short Term Provisions					
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.	3,211	(3,211)	2,165	2,165
Redundancy Provision	Provides for redundancy costs that the Council is committed to from issuing redundancy notices prior to 31 st March 2016.	222	(206)	127	143
Other Provisions	Includes a number of small provisions including NNDR liability on car parks and a liability within Planning Services	152	(152)	400	401
Total		3,585	(3,569)	2,692	2,708
Long Term Provisions					
Liability Insurance	Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability	3,596	(2)	335	3,929
NDR Appeals Provision	Represents the Council's share of the provision held for successful appeals against business rates.	3,790	(3,071)	3,852	4,571
Tenancy Deposit Clawbacks	This represents deposits held for the economic development workshops that may be repaid at some point in the future.	121	(2)	6	125
Other Provisions	Includes a number of small provisions including S106 Accrued Interest and Profit share agreements.	393	(49)	0	344

Appendix 4**Reserves and Provision 2015/16**

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2015/16 (£'000)	Income in 2015/16 (£'000)	Balance Carried Forward (£'000)
Total		7,900	(3,124)	4,193	8,969
Total Provisions		11,485	(6,693)	6,885	11,677
Bad Debt Provisions					
General Fund Bad Debts	Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.	4,311	(523)	1,818	5,606
HRA Bad Debts	Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.	317	(27)	63	353
Total		4,628	(550)	1,881	5,959
Total Provisions including Bad Debt Provisions		16,113	(7,189)	8,766	17,690