



Committee and Date

Cabinet
4 June 2014

Audit Committee
26 June 2014

Council
17 July 2014

Item

15

Public

REVENUE OUTTURN 2013/14

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1. Summary

1.1 This report provides details of the revenue outturn position for Shropshire Council for 2013/14 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 2013/14 has improved by £0.978m when compared to projections made at Period 11 resulting in a net underspend of £0.390m.

2. Recommendations

2.1 Members are asked to:

- A. Note that the Outturn for the Revenue Budget for 2013/14 is an underspend of £0.390m, this represents 0.06% of the original gross budget of £639m.
- B. Note that the level of general balance stands at £14.497m, which is above the anticipated level included within the Financial Strategy.
- C. Note that the level of school balances stand at £5.855m (2012/13 £4.953m).
- D. Note that the Outturn for the Housing Revenue Account for 2013/14 is an underspend of £1.426m and the level of the Housing Revenue Account reserve stands at £2.542m (2012/13 £1.041m).

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 2013/14 and therefore considers the effect that the underspend has on the Council's balances.

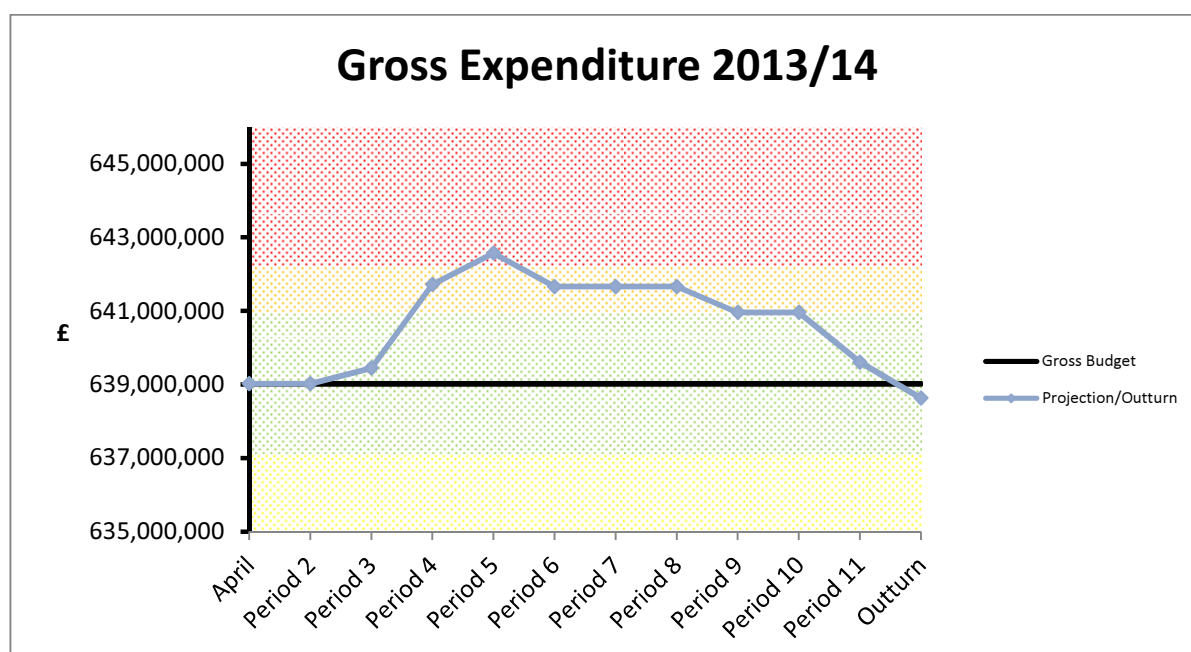
5. Background

- 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 2013/14 shows overall net revenue expenditure of £231.142m and an underspend of £0.390m. The overall position for Service areas and Schools' balances is detailed below:

	£000
Original Budget	231,532
Outturn for 2013/14	231,142
Underspend for 2013/14	(390)



- 6.2 The underspend of £0.390m for 2013/14 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: 2013/14 Budget Variations Analysed by Service Area (£'000)

Service Area	Revised Budget	Outturn	(Under) / Overspend	Non - Controllable (Under)/Overspend	RAGBY	Controllable (Under)/Over spend
	£'000	£'000	£'000	£'000		£'000
Commissioning	94,862	96,142	1,280	2,153	Y	(873)
Adults Services	69,355	72,190	2,835	(1,179)	R	4,014
Children's Services	60,709	59,493	(1,216)	(632)	Y	(584)
Public Health	1,545	1,214	(331)	(57)	Y	(274)
Resources & Support	5,061	2,103	(2,958)	(285)	Y	(2,673)
TOTAL	231,532	231,142	(390)	0		(390)

- 6.3. The outturn position has improved by £0.978m since Period 11 as a result of further underspends achieved within Resources & Support. The housing benefit overpayments original anticipated to be over the lower threshold, was kept below the threshold and so this cost pressure was not realised. Additional income and further savings within Resources & Support budgets also delivered further savings. 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 2013/14 the minimum balance required is £3.27m. The general fund balance as at 31st March 2014 is shown in Table 2 below:

Table 2: General Fund Balance As At 31st March 2014 (£'000)

General Fund Balances as at 1 April 2013	6,820
Budgeted contribution to General Fund Balance	5,909
Repayment of Overspend (County Training Yr3)	418
Repayment of Redundancies provided for in 2012/13	3
Release of earmarked reserves	864
Over-recovery of Insurance costs	68
Release of surplus grant balances	25
2013/14 Revenue Outturn	390
General Fund Balance at 31 March 2014	14,497

- 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 2013/14 which stands at £15.547m.
- 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 £14.497m now falls above this policy level. This is considered appropriate given the significant increase in the risk based general fund calculation for 2014/15 to £18.513m (as agreed by Council in February 2014) and the significant level of savings required in the budget strategy for 2014/15. The expectation is that the level of general fund balance will be brought in line with the risk based calculation over years 2 and 3 of the Council's Medium Term Financial Plan, on the basis that all savings targets are achieved. Unlike year 1, the risk based calculations in years 2 and 3 are in line with the Council's policy to hold between 0.5% and 2% of gross revenue budget.

8. School Balances

- 8.1 The movement in schools' balances is as follows:

	2012/13 £000	2013/14 £000	Increase/ (Decrease) £000
Schools:			
- Revenue Balances	2,789	3,927	1,138
- Invested Balances	1,630	1,550	(80)
- Extended Schools Grant Balance	534	378	(156)
Total	4,953	5,855	902

- 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 8% of the schools' funding for primary and special schools, and 5% for secondary schools. It has not been necessary to clawback any balances in 2013/14. Of the 152 schools, 129 schools have surplus balances, 14 have deficit balances, and 9 have zero balances due to the school converting to Academy or Free status.
- 8.3 The Extended Schools Grant allocations for schools are paid over during 2013/14, 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 2013/14 £214,960 of the £5,855,000 was being used in this way.
- 8.5 School balances have also been used to fund carbon efficiency measures within schools. At the end of 2013/14, £117,336 of the £5,855,000 was used for this purpose.

9. Housing Revenue Account (Appendix 2)

- 9.1 The Housing Revenue Account (HRA) outturn for 2013/14 shows an underspend of £1.426m against gross turnover (8.6%) which has mainly arisen due to increased rent income from faster turnaround on voids, reduction in corporate recharges to the HRA and less revenue contributions to capital due to slippage in the capital programme.
- 9.2 The underspend takes the closing balance on the HRA Reserve to £2.542m which represents a contingency of £618 per home.

10. Reserves and Provisions (Appendix 4)

- 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 2013/14, an extract from the Statement of Accounts 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 of Reserves and Provisions	£000
As at 31 March 2013	62,547
As at 31 March 2014	51,955
Increase/(Decrease)	(10,592)

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

Revenue & Capital Budget 2013/14

Financial Rules

Revenue Monitoring Report – Period 3 2013/14

Revenue Monitoring Report – Period 4 2013/14

Revenue Monitoring Report – Period 5 2013/14

Revenue Monitoring Report – Period 6 2013/14

Revenue Monitoring Report – Period 9 2013/14

Revenue Monitoring Report – Period 10 2013/14

Revenue Monitoring Report – Period 11 2013/14

Cabinet Member

All

Local Member

All

Appendices

App 1 – Service Area Outturn and Actions

App 2 – Housing Revenue Account 2013/14

App 3 – Amendments to Original Budget

App 4 – Reserves and Provisions

Service Area Outturn and Actions 2013/14**Summary**

	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
Commissioning	94,861,750	96,141,934	1,280,184	2,152,606	(872,422)	Y
Adult Services	69,355,320	72,190,422	2,835,102	(1,178,417)	4,013,519	R
Children Services	60,709,300	59,493,020	(1,216,280)	(631,838)	(584,442)	Y
Public Health	1,544,970	1,213,964	(331,006)	(57,063)	(273,943)	Y
Resources & Support	5,060,850	2,102,894	(2,957,956)	(285,288)	(2,672,668)	Y
Total	231,532,190	231,142,234	(389,956)	0	(389,956)	

Detail

COMMISSIONING	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
Total	94,861,750	96,141,934	1,280,184	2,152,606	(872,422)	

Director of Commissioning	690,250	707,851	17,601	(6,210)	23,812	G
Includes £0.025m one-off grant payment not budgeted for within Commissioning.						
Director of Commissioning Total	690,250	707,851	17,601	(6,210)	23,812	

Local Commissioning	508,620	508,060	(560)	(15,040)	14,480	G
Minor variation projected from budget as at outturn.						
Local Commissioning Total	508,620	508,060	(560)	(15,040)	14,480	

Area Commissioner North – Positive Activities	1,195,400	1,254,141	58,741	34,276	24,465	G
In Activities for Young People there has been a projected overspend on premises costs and redundancy costs not budgeted for.						
Area Commissioner North – Community Action	1,593,060	1,475,645	(117,415)	(36,781)	(80,634)	Y
Vacancy management savings incurred in Community Working and in Broadplaces, and savings on supplies and services within Community Working. Also includes savings within the local joint committee budgets.						

Service Area Outturn and Actions 2013/14

COMMISSIONING	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
Area Commissioner North - Libraries	4,169,010	3,921,133	(247,877)	(171,794)	(76,083)	Y
Underspends on supplies and services, transport and employee costs at most libraries, together with the freezing of the budget and centrally held IT and equipment budgets has resulted in Libraries' in year savings target being met.						
Area Commissioner North - Markets	121,010	100,141	(20,869)	(53,538)	32,669	G
Staff costs and various premises related costs exceeding service budgets. Significant one-off repairs and maintenance costs incurred this year.						
Area Commissioner North - Waste	26,610,020	26,312,668	(297,352)	42,395	(339,747)	Y
The provision set aside for the year end contract reconciliation payment has reduced further at outturn, in line with Veolia's forecast of the annual reconciliation payment due.						
Area Commissioner North	247,950	238,514	(9,436)	(8,420)	(1,016)	Y
Minor variation from budget as at outturn.						
Area Commissioner North Total	33,936,450	33,302,241	(634,209)	(193,862)	(440,348)	Y
Area Commissioner South – Environmental Maintenance	25,341,350	28,557,181	3,215,831	917,553	2,298,278	R
The cleansing exercise of Shropshire Council's 'Confirm' system and reconciliation with 'Ringway' systems has resulted in a number of payments in 2013/14 which relate to previous years. The overspend position therefore includes £1m as a consequence of reconciling jobs between IT systems and clearing the backlog of payments. In addition, there are a number of transactions that were originally coded to capital. The review of expenditure has now been completed and a total of £2.435m has been charged to revenue. This has been partially funded by releasing a revenue contribution to capital of £0.900m and the winter maintenance budget is projected to absorb £0.829m of these costs, leaving a potential overspend pressure of £0.706m. Costs of the recent storm damage have been incurred in this financial year to the value of £0.5m.						
Area Commissioner South – Highways & Transport	6,070,930	5,492,536	(578,394)	(154,086)	(424,308)	Y
Reduced costs on 'Transport Initiatives' (Local Public Transport and Concessionary Transport) and additional income from road closures.						
Area Commissioner South – Passenger Transport	659,160	600,552	(58,608)	(58,608)	0	G
No variation from budget as at outturn.						
Area Commissioner South – Arts	267,370	257,883	(9,487)	(8,046)	(1,441)	Y
Minor variation from budget as at outturn.						
Area Commissioner South – Sports	356,400	318,072	(38,328)	(31,959)	(6,369)	Y
Minor variation from budget as at outturn.						
Area Commissioner South – Leisure	4,482,570	3,763,125	(719,445)	(408,728)	(310,717)	Y
Underspends have been realised against repairs and maintenance, grounds maintenance and furniture and equipment budgets across the facilities portfolio this year due to the spending freeze as well as savings on rates bills for joint use facilities.						
Area Commissioner South	364,160	352,291	(11,869)	(9,711)	(2,157)	Y
Minor variation from budget as at outturn.						
Area Commissioner South Total	37,541,940	39,341,641	1,799,701	246,415	1,553,286	

Service Area Outturn and Actions 2013/14

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

Public Protection & Enforcement - Healthier People and Communities	1,623,620	1,459,295	(164,325)	(110,115)	(54,211)	Y
Savings resulting from restructure of service and VR savings. There has also been an increase in income from trader registration and animal health licenses plus additional spending freeze implementation.						
Public Protection & Enforcement - Healthier and Sustainable Environment	1,149,510	950,860	(198,650)	(70,531)	(128,120)	Y
Savings resulting from restructure of service and VR savings. There has also been an increase in projected Penalty Charge Notice income plus additional spending freeze implementation.						
Public Protection & Enforcement - Safer and Stronger Communities	1,109,620	883,390	(226,230)	(80,351)	(145,878)	Y
Savings resulting from restructure of service and VR savings. Increase in taxi license income plus additional spending freeze implementation.						
Public Protection & Enforcement – Public Protection Management	1,074,920	1,262,553	187,633	(42,884)	230,517	R
Managed overspend within supplies and services and meeting redundancy costs within the service in order to realise savings for 2014/15.						
Public Protection & Enforcement – Housing Health	6,826,830	6,110,954	(715,876)	(26,182)	(689,694)	Y
Significant underspend generated from staffing budgets due to vacancies held open within a number of services and additional savings within the Homelessness budget..						
Public Protection & Enforcement Total	11,784,500	10,667,052	(1,117,448)	(330,063)	(787,385)	Y

Business Growth & Prosperity - Enterprise & Business	1,048,560	1,465,049	416,489	598,327	(181,838)	Y
Planned vacancies within the service and reduced expenditure on development activities in order to mitigate additional costs and reduced income in 'Infrastructure and Growth' (please see below).						
Business Growth & Prosperity - Visitor Economy	2,264,730	3,447,303	1,182,573	1,147,552	35,021	G
Small overspend pressure within property budgets including rates and utilities.						
Business Growth & Prosperity - Outdoor Recreation	2,590,150	2,514,897	(75,253)	218,874	(294,127)	Y
Net staffing savings and release of grant income attributable to the service.						
Business Growth & Prosperity - Theatre Severn	627,840	549,673	(78,167)	(60,620)	(17,548)	Y
Minor variation projected from budget as at outturn.						
Business Growth & Prosperity - Infrastructure & Growth	(24,640)	240,090	264,730	109,094	155,636	R
Combined effect of increased expenditure on Repair and Maintenance items and reduced income from lettings. This is mitigated by planned savings in 'Enterprise and Business' (please see above).						
Business Growth & Prosperity - Sustainability	1,620,720	1,543,119	(77,601)	(48,877)	(28,724)	Y
This includes abortive capital costs of £0.089m partially offset by staff savings, reduced expenditure, spending freeze implementation and increased income and grant income.						

Service Area Outturn and Actions 2013/14

COMMISSIONING	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
Business Growth & Prosperity - Development Management	708,250	(372,172)	(1,080,422)	(218,597)	(861,825)	Y
Increased Planning Application fee income (increased activity).						
Business Growth & Prosperity – Planning Policy	799,250	1,476,305	677,055	713,490	(36,436)	Y
Staffing savings generated.						
Business Growth & Prosperity - Management	765,130	750,826	(14,304)	(7,879)	(6,425)	Y
Minor variation from budget as at outturn.						
Business Growth & Prosperity Total	10,399,990	11,615,088	1,215,098	2,451,365	(1,236,267)	Y

ADULT SERVICES	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
Total	69,355,320	72,190,422	2,835,102	(1,178,417)	4,013,519	

Social Care Operations	53,554,310	56,313,994	2,759,684	(386,590)	3,146,274	R
The purchasing pressures identified during the year came out less than anticipated at outturn and so generated an underspend compared to the position reported at Period 11.						
Social Care Efficiency & Approval	13,946,800	13,866,709	(80,091)	(742,176)	662,085	R
Income received has been lower than originally anticipated at outturn as confirmation of funding sources and grants was determined. This has had an adverse impact within provider services.						
Adult Services Management	1,854,210	2,009,719	155,509	(49,651)	205,160	R
Overspend on staffing budgets and costs of legal advice relating to the judicial review						

Service Area Outturn and Actions 2013/14

CHILDREN'S SERVICES	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
Total	60,709,300	59,493,020	(1,216,280)	(631,838)	(584,442)	

Learning & Skills	33,865,490	32,891,766	(973,724)	(234,207)	(739,517)	Y
Further transport recharges were processed in period 12 which reduced the available savings to £0.35m. Other savings have been realised due to the spending freeze, vacancy management and voluntary redundancy savings of £0.4m.						
Children's Safeguarding	26,843,810	26,601,254	(242,556)	(397,631)	155,075	Y
Overspend of £2.6m mainly in relation to placement costs is being offset by the allocation of Early Intervention Grant carry forward of £1.5m, £0.215m Youth Offending Service reserve, £0.5m Adoption Reform Grant and spending freeze implementation savings. Additional grant income has been applied where possible to reduce the budget pressure.						

PUBLIC HEALTH	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
Total	1,544,970	1,213,964	(331,006)	(57,063)	(273,943)	

Public Health	1,544,970	1,213,964	(331,006)	(57,063)	(273,943)	Y
Savings have been realised within Public Health due to rephasing of the delivery of public health projects. Savings have also been identified from services not within the ring-fenced grant funding including; Emergency planning, with in year efficiencies of £0.054m; Registrars with increased registration fees contributing to £0.095m underspend; and Coroners making efficiencies within salaries and expenses contributing to a £0.063m underspend.						

Service Area Outturn and Actions 2013/14

RESOURCES & SUPPORT	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
Total	5,060,850	2,102,894	(2,957,956)	(285,288)	(2,672,668)	

Commercial Services	3,076,950	4,582,029	1,505,079	734,179	770,900	R
Property Services had a £0.45m savings target which they did not achieve. This was partially offset by voluntary redundancy savings of £0.289m in the service. Other overspends were realised on Shirehall running costs. A further pressure of £0.2m was incurred in relation to accommodation rationalisation which cannot be achieved in 2013/14. Following final capital works, income has reduced by £0.03m within Design and £0.15m on Surveyors. Savings have been identified on building maintenance costs.						
Customer Involvement	2,051,480	599,084	(1,452,396)	(6,719)	(1,445,677)	Y
The underspend within Customer Involvement has arisen primarily within Benefits, where there was an underspend on the subsidy return and benefit overpayments remained within the Government thresholds and so the service had a further underspend at outturn. Also discretionary relief on Non Domestic Rates is now a collection fund cost rather than a charge to the general fund, therefore a saving has been realised within Customer Involvement of £0.341m. Savings have been realised on staffing in Customer Care of £0.198m (unfilled vacancies and VR), Business Design of £0.041m, Communications of £0.018m and £0.043m from the Web Team due to the VR programme. Other small savings across all teams on general items such as travel and equipment Overspend on Print Unit reduced due to service restructure which was £0.179m. There is an overspend within IT due to the agreement to provide funding for one year to offset the costs of the schools broadband service (£0.25m), additional spend on Microsoft licences (£0.189m) Citrix Renewal (£0.07m) and VMWare (£0.069m).						
Finance, Governance & Assurance	2,174,520	1,276,634	(897,886)	(169,668)	(728,218)	Y
Staffing and voluntary redundancy savings of £0.433m have been delivered across Finance, Procurement, Audit and the PA Team. Staff transferred from Customer Involvement had not previously been projected within this service and show an additional spend of £0.1m in Finance, Governance and Assurance and an equivalent saving in Customer Involvement. Additional income has been received over that projected for recovery of costs in Revenues.						
Human Resources & Development	(23,380)	(249,380)	(226,000)	(12,144)	(213,856)	Y
Staffing savings have been achieved which includes those from the voluntary redundancy programme and a restructure of HR services. Spending freeze implementation has delivered additional saving from across all the budgets. Schools income is less than expected due to reduced buyback of services, but this has been offset by additional savings in corporate training, postage costs, and additional voluntary redundancies.						
Legal, Democratic & Strategy	1,794,610	1,067,974	(726,636)	(39,155)	(687,481)	Y
Staffing savings including those from the voluntary redundancy programme, have delivered savings of £0.125m against the budget. Elections have also generated savings against the budget (£0.33m). The spending freeze delivered additional savings from across all the budgets in Legal, Democratic & Strategy. Additional income (£0.049m) has been received within the services due to employee secondments. These underspends were offset by an overspend in Legal Services relating to legal disbursements of £0.146m.						
Strategic Management Board	0	(58,874)	(58,874)	1,737	(60,611)	Y
Following reallocation of budgets and staffing, savings have been identified on salary costs.						
Corporate Budgets	(4,013,330)	(5,114,573)	(1,101,243)	(793,518)	(307,725)	Y
Savings relate to the corporate budgets set aside for transformation and increased savings from Treasury Management.						

2013/14 Housing Revenue Account

Outturn (pre Audit)	Budget £	Outturn £	Variance Adverse/ (Favourable) £
<u>Income</u>			
Dwellings Rent	(16,120,490)	(16,653,021)	(532,531)
Garage Rent	(195,600)	(184,189)	11,411
Other Rent	(60,380)	(52,238)	8,142
Charges for Services	(115,250)	(167,186)	(51,936)
Other Income	(58,160)	(170,886)	(112,726)
Total Income	(16,549,880)	(17,227,519)	(677,639)
<u>Expenditure</u>			
ALMO Management Fee	7,172,300	7,172,300	0
Supplies and Services	198,350	879,807	681,457
Capital Charges - Dwelling Depreciation	4,171,900	4,171,900	0
Capital Charges - Depreciation Other	69,810	43,030	(26,780)
Capital Charges - Cost of Capital	4,079,290	3,240,840	(838,450)
Increase in Bad Debt Provision	200,000	70,000	(130,000)
Corporate & Democratic Core	603,120 #	178,250	(424,870)
Total Expenditure	16,494,770	15,756,126	(738,644)
Net Cost of Services	(55,110)	(1,471,393)	(1,416,283)
PWLB Premium amortised	560	560	0
Interest on Balances	(20,000)	(29,678)	(9,678)
Net Operating Expenditure	(74,550)	(1,500,511)	(1,425,961)
Net Cost of Service	(74,550)	(1,500,511)	(1,425,961)
<u>HRA Reserve</u>			
B/fwd 1 April	1,041,350	1,041,350	
Surplus/(Deficit) for year	74,550	1,500,511	
Carried Forward 31 March	1,115,900	2,541,863	

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

Amendments to Original Budget 2013/14

	Total £'000	Commiss ioning £'000	Adult Services £'000	Childrens Services £'000	Public Health £'000	Resources & Support £'000
Original Budget as agreed by Council	231,532	97,626	63,278	61,933	427	8,268
<u>Period 3</u> In Year Savings	0	(2,336)	5,777	(556)	(10)	(2,875)
<u>Period 4</u> Minor budget variations	0	2	0	(10)	0	8
<u>Period 5</u> Minor budget variations including structure changes	0	107	330	(302)	(11)	(123)
<u>Period 6</u> Structure Change	0	240	0	0	0	(240)
<u>Period 9</u> Structure Change	0	150	0	0	0	(150)
<u>Period 10</u> No changes	0	0	0	0	0	0
<u>Period 11</u> Structure Change	0	(145)	99	120	869	(943)
<u>Period 12</u> Internal Market Virements	0	(640)	(141)	(365)	270	876
Structure Changes	0	115	342	(413)	(11)	(33)
Revised Budget	231,532	94,862	69,355	60,709	1,545	5,061

Reserves and Provision 2013/14

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2013/14 (£'000)	Income in 2013/14 (£'000)	Balance Carried Forward (£'000)
Reserves					
Council Elections	Was established to meet the periodic cost of Council Elections which take place every four years, however this is now built into the budget strategy so no need to hold this reserve.	43	(43)	0	0
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	280	0	111	391
Education – Staff Sickness Insurance	Schools' self help insurance for staff sickness with premiums met from delegated budgets.	568	(481)	2	89
Education – Theft Insurance	Schools' self help insurance scheme to cover equipment damage and losses.	183	(100)	4	87
Fire Liability	Required to meet the cost of excesses on all council properties.	1,857	0	30	1,887
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. This scheme no longer operates and so the reserve has been closed in 2013/14.	0	0	0	0
Legal Disbursements	Required to meet extraordinary legal costs incurred by service directorates over and above budgets.	50	(50)	0	0
Local Joint Committees	Was used to carry forward any balance of funding remaining within Local Joint Committees in each financial year. This was the final year of LJC grants, therefore this reserve is not required anymore.	209	(209)	0	0
Major Planning Inquiries	Required to meet the one-off costs of major planning inquiries, and is a corporate reserve.	482	(70)	150	562
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	1,402	(2,599)	4,920	3,723
Motor Insurance	An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.	727	(1)	65	791
New Homes Bonus	Established from unapplied New Homes Bonus Grant balances.	4,435	(1,009)	0	3,426
People Services	Reserve established to safeguard the council against pressures within Assessment & Eligibility and external children's placements given the service areas volatility.	107	(107)	0	0
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.	12	(7)	0	5

Reserves and Provision 2013/14

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2013/14 (£'000)	Income in 2013/14 (£'000)	Balance Carried Forward (£'000)
Public Health Reserve	This reserve includes balances committed to specific public health projects.	793	(178)	615	1,230
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.	465	(11,429)	23,902	12,938
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.	834	(314)	81	601
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.	2,211	(1,719)	53	545
Revenue Commitments from Unringfenced Revenue Grants	Established from unapplied unringfenced Grant balances. Commitments have been made against these balances in 2014/15.	3,394	(2,192)	1,684	2,886
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.	1,323	(221)	342	1,444
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. Includes additional grant received for recent storm damage.	710	0	2,129	2,839
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.	143	(12)	0	131
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 This increase has now been included within the 2014/15 budget strategy to cover the annual increase therefore the bulk of this reserve has been released in 2013/14.	20,258	(20,828)	1,193	623
Theatre Severn R&M	Established from underspends within culture and leisure, the reserve is earmarked towards future capital and revenue	29	0	0	29

Reserves and Provision 2013/14

	Purpose of Balance	Balance Brought Forward (£'000)	Expenditure in 2013/14 (£'000)	Income in 2013/14 (£'000)	Balance Carried Forward (£'000)
	expenditure on repairs, maintenance and replacement of essential equipment at the Theatre.				
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	2,012	(1,170)	198	1,040
Transformation	Required to fund invest to save projects in order to deliver the service transformation programme.	1,867	(7)	1,455	3,315
Total Reserves		44,394	(42,746)	37,192	38,840
Provisions					
Liability Insurance	Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability	3,926	(585)	0	3,341
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.	4,467	(4,467)	3,217	3,217
General Fund Bad Debts	Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.	3,450	(303)	1,122	4,269
HRA Bad Debts	Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.	443	(51)	0	392
Redundancy Provision	Provides for redundancy costs that the Council is committed to from issuing redundancy notices prior to 31 st March 2014.	165	(165)	947	947
CRC Provision	This provides for the council's liability in relation to the Carbon Reduction Commitment for carbon emissions from the Council's properties.	324	(324)	320	320
Highways Provision	Provided for potential outstanding claims against the Highways budget. The liability no longer exists and so the provision has been released in 2013/14.	130	(130)	0	0
Tenancy Deposit Clawbacks	This represents deposits held for the economic development workshops that may be repaid at some point in the future.	62	(3)	11	70
Streetscene Provision	This was created for a potential contract payment in Streetscene and has been committed in 2013/14.	865	(865)	0	0
Other Provisions	Includes a number of small provisions including S106 Accrued Interest and Profit share agreements.	573	(109)	95	559
Total Provisions		14,405	(7,002)	5,712	13,115