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<u>Item</u>  <b>7</b>  Public
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## REVENUE OUTTURN 2014/15

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### 1. Summary

- 1.1 This report provides details of the revenue outturn position for Shropshire Council for 2014/15 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 2014/15 has improved by £0.672m when compared to projections made at Quarter 3 resulting in a net underspend of £0.300m.

### 2. Recommendations

- 2.1 Members are asked to:
- A. Note that the Outturn for the Revenue Budget for 2014/15 is an underspend of £0.300m, this represents 0.05% of the original gross budget of £578m.
  - B. Note that the level of general balance stands at £15.206m, which is above the anticipated level included within the Financial Strategy.
  - C. Note that the Outturn for the Housing Revenue Account for 2014/15 is an underspend of £0.763m and the level of the Housing Revenue Account reserve stands at £3.076m (2013/14 £2.542m).
  - D. Note the increase in the level of Earmarked Reserves and Provisions (excluding delegated school balances) of £17.939m in 2014/15.
  - E. Note that the level of school balances stand at £3.957m (2013/14 £5.523m).

## 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 2014/15 and therefore considers the effect that the underspend has on the Council's balances.

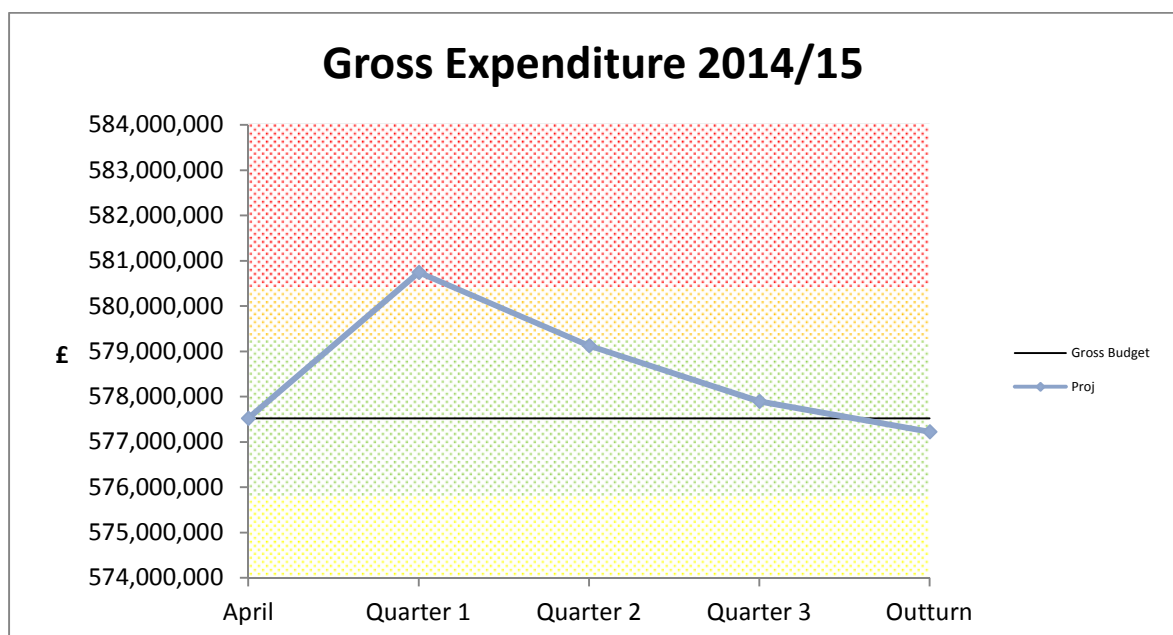
### 5. Background

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 2014/15 shows overall net revenue expenditure of £223.145m and an underspend of £0.300m. The overall position for Service areas and Schools' balances is detailed below:

	<b>£000</b>
Original Budget	223,445
Outturn for 2014/15	223,145
<b>Underspend for 2014/15</b>	<b>(300)</b>



- 6.2 The underspend of £0.300m for 2014/15 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: 2014/15 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
Adults Services	71,896	78,153	6,257	1,466	R	4,791
Children's Services	55,464	55,986	522	(44)	Y	566
Commissioning	84,085	85,105	1,020	1,396	Y	(376)
Public Health	2,273	2,070	(203)	(118)	Y	(85)
Resources & Support	7,950	18,325	10,375	11,147	Y	(772)
Corporate	1,777	(16,494)	(18,271)	(13,847)	Y	(4,424)
<b>TOTAL</b>	<b>223,445</b>	<b>223,145</b>	<b>(300)</b>	<b>0</b>		<b>(300)</b>

- 6.3. The outturn position has improved by £0.672m since Quarter 3 as a result of further underspends achieved across the Council but particularly within Resources & Support. The most significant change was realised in Finance, Governance and Assurance, specifically in relation to costs of collection for the Revenues Team and additional grant income received. 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 2014/15 the minimum balance required is £2.861m. The general fund balance as at 31<sup>st</sup> March 2015 is shown in Table 2 below:

**Table 2: General Fund Balance As At 31<sup>st</sup> March 2015 (£'000)**

General Fund Balances as at 1 April 2014	14,497
Budgeted contribution to General Fund Balance	409
2014/15 Revenue Outturn	300
<b>General Fund Balance at 31 March 2015</b>	<b>15,206</b>

- 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 2014/15 which stands at £18.513m.

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 £15.206m now falls above this policy level. This is considered appropriate given the significant increase in the risk based general fund calculation for 2015/16 to £15.86m (as agreed by Council in February 2015) and the significant level of savings required in the budget strategy for 2015/16. 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. As a result, the budgeted contribution to the general fund balance has been removed from 2016/17 onwards. 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. Housing Revenue Account (Appendix 2)**

8.1 The Housing Revenue Account (HRA) outturn for 2014/15 shows an underspend of £0.763m against gross turnover (4.3%) 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 £3.076m which represents a contingency of £744 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 decreased in 2014/15 to £1.635m which reflects the increased 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 2014/15, 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:

<b>Balance Held</b>	<b>Reserves</b>	<b>Provisions</b>	<b>Bad Debt Provisions</b>	<b>Total Reserves &amp; Provisions</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
As at 31 March 2014	40,640	9,393	4,731	54,764
As at 31 March 2015	55,026	11,484	4,628	71,138
<b>Increase/(Decrease)</b>	<b>14,386</b>	<b>2,091</b>	<b>(103)</b>	<b>16,374</b>
Delegated School Balances Movement	(1,565)	0	0	(1,565)
<b>Increase/(Decrease) (excluding Delegated School Balances)</b>	<b>15,951</b>	<b>2,091</b>	<b>(103)</b>	<b>17,939</b>

### 9.3. Delegated School Balances

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

	<b>2013/14</b>	<b>2014/15</b>	<b>Increase/ (Decrease)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Schools:</b>			
- Revenue Balances	3,927	2,564	(1,363)
- Invested Balances	1,550	1,188	(362)
- Extended Schools Grant Balance	378	473	95
<b>Sub Total within Schools</b>	<b>5,855</b>	<b>4,225</b>	<b>(1,630)</b>
Purchasing IT equipment	(215)	(172)	43
Carbon efficiency measures	(118)	(96)	22
<b>Total Delegated School Balances</b>	<b>5,522</b>	<b>3,957</b>	<b>(1,565)</b>

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 133 schools, 122 schools have surplus balances and 11 have deficit balances.

9.3.3 The Extended Schools Grant allocations for schools are paid over during 2014/15, 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 2014/15 £171,761 of the £4,225,000 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 2014/15, £96,165 of the £4,225,000 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 2014/15

Financial Rules

Revenue Monitoring Report – Quarter 1 2014/15

Revenue Monitoring Report – Quarter 2 2014/15

Revenue Monitoring Report – Quarter 3 2014/15

**Cabinet Member**

All

**Local Member**

All

**Appendices**

App 1 – Service Area Outturn and Actions

App 2 – Housing Revenue Account 2014/15

App 3 – Amendments to Original Budget

App 4 – Reserves and Provisions

**Service Area Outturn and Actions 2014/15****Summary**

	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
Adult Services	71,895,780	78,153,101	6,257,321	1,465,727	4,791,594	R
Children Services	55,464,517	55,986,068	521,551	(43,673)	565,224	A
Commissioning	84,085,030	85,105,053	1,020,023	1,395,695	(375,672)	Y
Public Health	2,273,000	2,069,551	(203,449)	(117,896)	(85,553)	Y
Resources & Support	7,950,290	18,324,903	10,374,613	11,146,506	(771,893)	Y
Corporate	1,776,333	(16,494,121)	(18,270,454)	(13,846,359)	(4,424,095)	Y
Total	223,444,950	223,144,555	(300,395)	0	(300,395)	

**Detail**

ADULT SERVICES	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
<b>Total</b>	<b>71,895,780</b>	<b>78,153,101</b>	6,257,321	1,465,727	4,791,594	<b>R</b>

<b>Adult Business Support &amp; Development</b>	1,531,260	1,037,232	(494,028)	(73,223)	(420,795)	<b>Y</b>
Underspend due to one off external funding allocations being applied, along with one off savings on Client Property and Contract Savings.						
<b>Contracts &amp; Provider</b>	7,051,250	8,719,077	1,667,827	2,079,109	(411,282)	<b>Y</b>
One off in year savings achieved in Day Services along with the delivery of 2015-16 savings early.						
<b>Social Care Operations</b>	54,466,370	59,827,009	5,360,639	(558,989)	5,919,628	<b>R</b>
Purchasing budgets faced considerable pressure throughout 2014/15. The year saw an additional pressure of £5.8m added as a result of new clients entering the system. 21% of the new pressure came as a result of capital reduction, 19% from Hospital Discharge, 11% from transition, 6% from carer breakdown as well as a number of other sources. The significant new pressure areas sit outside the scope of the New Operating Model. The overall pressure in purchasing has been offset by underspends elsewhere in the system generated through savings programme successes and effective management of existing purchasing commitments. A high level review of funding agreements between 13/14 and 14/15 shows an overall reduction in both the number of funding agreements entered into and their cost between the two years.						

## Appendix 1

**Service Area Outturn and Actions 2014/15**

ADULT SERVICES	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
<b>Adult Services Management</b>	2,924,420	2,389,394	(535,026)	(58,212)	(476,814)	<b>Y</b>
£0.454m of underspend as a result of early achievement of 2015-16 savings.						
<b>Housing Health &amp; Wellbeing</b>	5,922,480	6,180,389	257,909	77,052	180,857	<b>R</b>
Overspend as a result of underachieved stretch savings target applied to 2014-15. Plans to achieve this saving in 2015-16 are in place and being worked through.						

CHILDREN'S SERVICES	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
<b>Total</b>	<b>55,464,517</b>	<b>55,986,068</b>	<b>521,551</b>	<b>(43,673)</b>	<b>565,224</b>	<b>A</b>

<b>Learning &amp; Skills</b>	27,719,247	28,115,135	395,888	507,305	(111,417)	<b>Y</b>
Unachieved savings in 2014/15 of £1.644m have been offset by a one off contributions from reserves of £1.100m, one off revenue savings, re-structuring of teams and spending freeze totalling £0.655m.						
<b>Children's Safeguarding</b>	27,745,270	27,870,933	125,663	(550,978)	676,641	<b>R</b>
Growth in 'Looked After children' numbers has resulted in an overall pressure of £1.100m within placements which is mainly reflected within external fostering as we move to reduce the number of children placed in residential care settings. This pressure has been partly offset by savings achieved through restructures, vacancies and a spending freeze of £0.170m and a one off allocation from reserves of £0.250m.						



**Service Area Outturn and Actions 2014/15**

COMMISSIONING	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
<b>Total</b>	<b>84,085,030</b>	<b>85,105,053</b>	<b>1,020,023</b>	<b>1,395,695</b>	<b>(375,672)</b>	<b>Y</b>
<b>Director of Commissioning</b>	745,710	736,038	(9,672)	(8,830)	(842)	<b>Y</b>
Minor variations.						
<b>Director of Commissioning Total</b>	<b>745,710</b>	<b>736,038</b>	<b>(9,672)</b>	<b>(8,830)</b>	<b>(842)</b>	<b>Y</b>
<b>Local Commissioning</b>	346,790	322,249	(24,541)	(18,752)	(5,789)	<b>Y</b>
Minor variations.						
<b>Community Action</b>	883,520	871,014	(12,506)	58,049	(70,555)	<b>Y</b>
Vacancy management and significant efficiency savings, plus specific budget for redundancies not required this year.						
<b>Local Commissioning Total</b>	<b>1,230,310</b>	<b>1,193,263</b>	<b>(37,047)</b>	<b>39,297</b>	<b>(76,344)</b>	<b>Y</b>
<b>Area Commissioner North – Positive Activities</b>	1,079,030	1,069,960	(9,070)	2,499	(11,569)	<b>Y</b>
Minor variations						
<b>Area Commissioner North – Libraries</b>	4,121,300	3,640,009	(481,291)	(590,620)	109,329	<b>R</b>
Virtually all required 2014/15 savings were achieved in year, although approximately £0.050m of the required savings were achieved on a one-off basis through freezing IT and other supplies and services budgets. An improved position in Commissioning as a directorate allowed £0.100m to be transferred to reserves to fund self-service provision in 2015/16.						
<b>Area Commissioner North – Markets</b>	66,200	999,360	933,160	921,486	11,675	<b>G</b>
Minor variations.						
<b>Area Commissioner North - Waste</b>	26,804,840	26,611,387	(193,453)	(254,725)	61,272	<b>G</b>
All savings RAG rated red have been achieved this year on a one-off basis. The scale of in year-savings from transferring waste to waste treatment facilities rather than to landfill, including to the new facility at Battlefield (which is in its commissioning phase), has almost offset the in-year payment to Veolia for repayment of energy recovery facility planning appeal costs.						
<b>Area Commissioner North – Shrewsbury BID</b>	0	(10,300)	(10,300)	0	(10,300)	<b>Y</b>
Minor variations.						
<b>Area Commissioner North</b>	240,260	220,781	(19,479)	(8,951)	(10,528)	<b>Y</b>
Minor variations.						
<b>Area Commissioner North Total</b>	<b>32,311,630</b>	<b>32,531,197</b>	<b>219,567</b>	<b>69,689</b>	<b>149,879</b>	<b>G</b>

**Service Area Outturn and Actions 2014/15**

COMMISSIONING	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
<b>Area Commissioner South – Environmental Maintenance</b>	26,443,250	28,892,747	2,449,497	1,249,503	1,199,994	<b>R</b>
Due to an improved position for Commissioning as a directorate overall, the decision was taken not to draw from the 'Severe Weather' reserve, leaving the balance intact for future years. This overspend is deliberately covered by underspends elsewhere in the Directorate.						
<b>Area Commissioner South – Highways &amp; Transport</b>	5,117,970	5,200,746	82,776	(34,186)	116,961	<b>R</b>
Additional costs for 'Local Bus Subsidies' and 'Concessionary Fares' partially offset by additional 'Street Works income'.						
<b>Area Commissioner South – Passenger Transport</b>	778,300	774,653	(3,647)	(13,090)	9,443	<b>G</b>
Minor variations						
<b>Area Commissioner South – Leisure</b>	4,064,370	3,782,639	(281,731)	(11,105)	(270,626)	<b>Y</b>
The unachieved Shropshire Community Leisure Trust contract saving, plus the one-off payment to transfer a facility to an educational establishment during the year, have been offset by efficiency savings across the portfolio, including an improving position at the facilities operated in-house. There has also been a contribution from Public Health of over £0.200m towards sports development and provision of swimming facilities.						
<b>Area Commissioner South</b>	326,240	315,595	(10,645)	(12,021)	1,376	<b>G</b>
Minor variations.						
<b>Area Commissioner South Total</b>	<b>36,730,130</b>	<b>38,966,379</b>	<b>2,236,249</b>	<b>1,179,101</b>	<b>1,057,148</b>	<b>R</b>

<b>Public Protection &amp; Enforcement - Healthier People and Communities</b>	1,416,520	1,232,113	(184,407)	(80,787)	(103,620)	<b>Y</b>
Significant underspends on salaries, through vacancy management and redesign in preparation for the service area transferring to Fulcrum.						
<b>Public Protection &amp; Enforcement - Healthier and Sustainable Environment</b>	1,243,780	1,085,251	(158,529)	(84,497)	(74,032)	<b>Y</b>
Salary underspends and overachievement of penalty charge notice income have helped to offset reductions in income relating to private water supplies and pest control.						
<b>Public Protection &amp; Enforcement - Safer and Stronger Communities</b>	(145,320)	(236,856)	(91,536)	(19,084)	(72,452)	<b>Y</b>
2014/15 has been a particularly good year for taxi licence income, which has achieved an improvement on budget of over £0.100m. This has been partially offset by a reduction in income relating to premises licences.						

**Service Area Outturn and Actions 2014/15**

COMMISSIONING	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
<b>Public Protection &amp; Enforcement – Public Protection Management</b>	1,077,890	1,056,139	(21,751)	(42,820)	21,069	<b>G</b>
£0.172m savings were applied to the management cost centre, and although the majority of savings have been made here, some of the savings have been made within Healthier People and Communities.						
<b>Public Protection &amp; Enforcement Total</b>	<b>3,592,870</b>	<b>3,136,647</b>	<b>(456,223)</b>	<b>(227,188)</b>	<b>(229,035)</b>	<b>Y</b>

<b>Business Growth &amp; Prosperity - Arts</b>	224,260	216,582	(7,678)	(724)	(6,954)	<b>Y</b>
Minor variations						
<b>Business Growth &amp; Prosperity - Enterprise &amp; Business</b>	964,630	1,034,274	69,644	129,914	(60,270)	<b>Y</b>
A number of deliberate savings in this area (essentially staffing and reduced expenditure on development items) to offset additional costs in 'Infrastructure and Growth' (please see below).						
<b>Business Growth &amp; Prosperity - Visitor Economy</b>	1,876,510	1,504,658	(371,852)	(366,636)	(5,216)	<b>Y</b>
Minor variations.						
<b>Business Growth &amp; Prosperity - Outdoor Recreation</b>	2,530,280	2,294,171	(236,109)	(147,098)	(89,011)	<b>Y</b>
There are a number of underspends within this this service, the majority being on staffing, essentially through vacant posts.						
<b>Business Growth &amp; Prosperity - Theatre Severn</b>	599,040	516,640	(82,400)	37,936	(120,336)	<b>Y</b>
Theatre Severn continues to grow and develop, with the aim of increasing income and reducing overall net costs. Admissions income has increased significantly in 2014/15.						
<b>Business Growth &amp; Prosperity - Infrastructure &amp; Growth</b>	314,390	625,782	311,392	284,260	27,132	<b>G</b>
Income from lettings remains challenging, with some additional development expenditure. This is offset by staffing savings and savings in 'Enterprise and Business', as above.						
<b>Business Growth &amp; Prosperity - Development Management</b>	2,486,540	1,877,574	(608,966)	413,436	(1,022,402)	<b>Y</b>
2014/15 was an exceptional year for receipt of income for planning applications, with income £1m greater than budgeted for.						
<b>Business Growth &amp; Prosperity - Management</b>	478,730	471,849	(6,881)	(7,462)	581	<b>G</b>
Minor variations						
<b>Business Growth &amp; Prosperity Total</b>	<b>9,474,380</b>	<b>8,541,529</b>	<b>(932,851)</b>	<b>343,626</b>	<b>(1,276,478)</b>	<b>Y</b>

**Service Area Outturn and Actions 2014/15**

PUBLIC HEALTH	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
<b>Total</b>	<b>2,273,000</b>	<b>2,069,551</b>	<b>(203,449)</b>	<b>(117,896)</b>	<b>(85,553)</b>	<b>Y</b>

<b>Public Health</b>	2,273,000	2,069,551	(203,449)	(117,896)	(85,553)	<b>Y</b>
Underspend is on areas of Public Health not ring-fenced by the DoH Grant, but previous Council Services that have transferred into Public Health such as Coroners and Registrars.						

RESOURCES & SUPPORT	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
<b>Total</b>	<b>7,950,290</b>	<b>18,324,903</b>	<b>10,374,613</b>	<b>11,146,506</b>	<b>(771,893)</b>	<b>Y</b>

<b>Commercial Services</b>	4,253,870	15,708,893	11,455,113	11,447,765	7,348	<b>G</b>
For Commercial Services (excluding Shire Services) the costs of dilapidations across premises in this financial year resulted in a one-off cost of £0.200m. A further overspend of £0.296m relates to property savings. These were identified as Red and Amber flagged savings targets, and can only be realised on disposal of assets, which is beyond our control and necessarily subject to market forces. Efficiencies have been identified in various areas within Commercial Services to offset these savings pressures in 2014/15 only.						
<b>Customer Involvement</b>	816,230	1,408,600	592,370	(58,582)	650,952	<b>R</b>
The year-end overspend has resulted from the budget pressures which were identified in year relating to the costs for software £0.270m and the delays in the rollout of Lync £0.200m. There was also a reduction in external income relating to the contract for services provided to ST&RH of £0.143m, and replacement of this income is currently being investigated. As forecast the Print Unit made a year end loss of £0.300m. There were unachievable savings targets of £0.139m across the Customers Service Centre and Face to Face, these have been offset by savings on staff restructures across the service and other teams in Benefit Options, Complaints/SLA's and Digital Services.						
<b>Finance, Governance &amp; Assurance</b>	1,128,190	373,768	(754,422)	(184,959)	(569,463)	<b>Y</b>
Additional grants of £0.100m have been received in relation to new burdens which have been placed on the Local Authority by Central Government in relation to Revenues and Benefits administration. Funds above the value forecast have been collected in relation to the recovery of costs for Council Tax and Business rates an additional £0.187m has been recovered above the value which was forecast. Additional savings of £0.186m have been realised in Financial Management and Transaction Services across staffing, software and maintenance and printing costs.						
<b>Human Resources &amp;</b>	134,280	28,918	(105,362)	(22,151)	(83,211)	<b>Y</b>

## Appendix 1

**Service Area Outturn and Actions 2014/15**

RESOURCES & SUPPORT	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
<b>Development</b>						
<p>A one-off budget pressure totalling £0.035m occurred resulting from two invoices paid to Teacher Pensions Association for Employer Pensions Contributions arrears with compound interest. The Payroll Team are seeking to mitigate the risk of future invoices by going through systems to ensure all teachers that should have been opted in have been dealt with correctly. Additional pressures resulted from reduced income totalling £0.012m from Occupational Health and first aid training courses, however this overspend was offset by in-year vacancy management savings in these teams. Additional unforeseen annual systems costs were also incurred. This pressure was more than offset by in-year vacancy management savings totalling £0.171m across Employment Services and HR Advice teams plus reduced spending on corporate training of £0.025m</p>						
<b>Legal, Democratic &amp; Strategy</b>	617,720	(35,545)	(653,265)	(33,256)	(620,009)	<b>Y</b>
<p>There have been savings realised on Corporate Subscriptions of £0.060m, reduced printing and postage costs in Election Services of £0.050m, alongside additional income received of £0.055k for parish elections. Savings have also been achieved of £0.158m across member's services in relation to member allowances, and reduced costs for printing. Committee services had achieved savings of £0.114m from a combination of reducing staffing and printing costs.</p>						
<b>Strategic Management Board</b>	1,000,000	840,179	(159,821)	(2,311)	(157,510)	<b>Y</b>
<p>There have been savings on staffing in the PA team of £0.074m, additional income from external client's has been received of £0.030m, the balance of the underspend has occurred across various budget heading and is a result of the reduced spending on stationary, training, printing and related budgets.</p>						

CORPORATE	Full year					RAGBY
	Budget	Outturn	Total Variation	Non Controllable Variation	Controllable Variation	
	£	£	£	£	£	
<b>Total</b>	<b>1,776,333</b>	<b>(16,494,121)</b>	<b>(18,270,454)</b>	<b>(13,846,359)</b>	<b>(4,424,095)</b>	<b>Y</b>

<b>Corporate Budgets</b>	1,776,333	(16,494,121)	(18,270,454)	(13,846,359)	(4,424,095)	<b>Y</b>
<p>The Council's Medium Term Financial Plan took account of a number of assumptions in Council Tax Freeze Grant, Section 31 grants (relating to, for example small business rate relief) and Business Rate appeals provision. While the longer term implications of these elements remain uncertain (for example whether they will be rolled transparently into future RSG allocations) it was identified that £10.386m had been budgeted for, but was uncommitted in 2014/15.</p> <p>As a result, the underspend has been contributed towards earmarked reserves during the year end process. The balance of uncommitted balances within Corporate Budgets has been used as a one-off to offset a large proportion of the year-end pressures identified.</p>						

**Appendix 2****Housing Revenue Account 2014/15**

<b>Outturn (pre Audit)</b>	<b>Budget £</b>	<b>Outturn £</b>	<b>Variance Adverse/ (Favourable) £</b>
<b>Income</b>			
Dwellings Rent	(16,959,450)	(17,197,625)	(238,175)
Garage Rent	(185,240)	(175,346)	9,894
Other Rent	(22,090)	(27,200)	(5,110)
Charges for Services	<u>(216,660)</u>	<u>(329,303)</u>	<u>(112,643)</u>
<b>Total Income</b>	<b>(17,383,440)</b>	<b>(17,729,474)</b>	<b>(346,034)</b>
<b>Expenditure</b>			
ALMO Management Fee	7,312,710	7,312,714	4
Supplies and Services	324,700	397,185	72,485
Capital Charges - Dwelling Depreciation	4,262,170	4,262,170	0
Capital Charges - Depreciation Other	69,810	43,030	(26,780)
Interest Paid	2,995,110	2,994,856	(254)
Repairs charged to revenue	533,560	417,706	(115,854)
Revenue Financing Capital Expenditure	1,650,000	1,650,000	0
Increase in Bad Debt Provision	310,000	(23,620)	(333,620)
Corporate & Democratic Core	<u>181,180</u>	<u>184,815</u>	<u>3,635</u>
<b>Total Expenditure</b>	<b>17,639,240</b>	<b>17,238,856</b>	<b>(400,384)</b>
<b>Net Cost of Services</b>	<b>255,800</b>	<b>(490,618)</b>	<b>(746,418)</b>
Interest on Balances	<u>(23,000)</u>	<u>(39,267)</u>	<u>(16,267)</u>
<b>Net Operating Expenditure</b>	<b>232,800</b>	<b>(529,885)</b>	<b>(762,685)</b>
<b>Net Cost of Service</b>	<b>232,800</b>	<b>(529,885)</b>	<b>(762,685)</b>
<b>HRA Reserve</b>			
B/fwd 1 April	2,546,067	2,546,067	
Surplus/(Deficit) for year	(232,800)	529,885	
Carried Forward 31 March	2,313,267	3,075,952	

**Earmarked Reserves for the HRA**

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2014/15 (£'000)</b>	<b>Income in 2014/15 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
<b>HRA Earmarked Reserves</b>					
Major Repairs Reserve	Required to meet the costs of major repairs to be undertaken on the Council's housing stock.	3,722	(6,392)	4,305	1,635
		<b>3,722</b>	<b>(6,392)</b>	<b>4,305</b>	<b>1,635</b>

**Amendments to Original Budget 2014/15**

	<b>Total £'000</b>	<b>Adult Services £'000</b>	<b>Children's Services £'000</b>	<b>Commissi oning £'000</b>	<b>Public Health £'000</b>	<b>Resources &amp; Support £'000</b>	<b>Corporate £000</b>
Original Budget as agreed by Council	<b>223,445</b>	64,555	55,902	90,356	1,470	5,127	6,035
<u>Quarter 1</u>							
Professional Development Unit transferred from Children's Services to Adult Services	<b>0</b>	130	(130)	0	0	0	0
Grant funding re shortfall in ESG Funding to Develop University Plans	<b>0</b>	0	416	0	0	0	(416)
Cost of dual running of the WAN contract	<b>0</b>	0	0	0	0	1,000	(1,000)
Financial pressures within the Property Services Design Team	<b>0</b>	0	0	0	0	490	(490)
	<b>0</b>	0	0	0	0	428	(428)
<u>Quarter 2</u>							
Minor budget variations	<b>0</b>	0	(3)	(1)		4	
Structure change	<b>0</b>	0		(22)		22	
Sustainability transfer	<b>0</b>	0		(163)		163	
Restructure of IT budgets held corporately	<b>0</b>	0				337	(337)
Transfer of corporate funding for redesign projects in Resources & Support:							
- Mail room	<b>0</b>	0	0	0	0	300	(300)
- Printing	<b>0</b>	0	0	0	0	200	(200)
- EDRMS	<b>0</b>	0	0	0	0	412	(412)
- CSC	<b>0</b>	0	0	0	0	250	(250)
- Mobile working	<b>0</b>	0	0	0	0	280	(280)
- Revs & Bens	<b>0</b>	0	0	0	0	238	(238)
- Business Design	<b>0</b>	0	0	0	0	120	(120)
<u>Quarter 3</u>							
Structure change – Housing Health	<b>0</b>	5,746	0	(5,746)	0	0	0
Temne Neighbourhood Life	<b>0</b>	0	0	5	(5)	0	0
Structure change – Community Safety	<b>0</b>	0	0	(288)	288	0	0
Housing staff transfer	<b>0</b>	148	0	(148)	0	0	0
Benefits fraud transfer	<b>0</b>	0	0	(133)	0	133	0
Blue Badge transfer	<b>0</b>	(114)	0	114	0	0	0
Structure change – Lifelong Learn	<b>0</b>	818	(818)	0	0	0	0
Structure change – CIS SSA	<b>0</b>	0	178	0	0	(178)	0
<u>Outturn</u>							
Internal Market	<b>0</b>	613	408	120	279	(1,292)	(128)
Structure change – Public Health	<b>0</b>	0	(150)	0	242	(92)	0
Structure change - Other	<b>0</b>	0	11	(9)	(1)	8	(9)
ESG Grant	<b>0</b>	0	(349)	0	0	0	349
<b>Revised Budget</b>	<b>223,445</b>	<b>71,896</b>	<b>55,465</b>	<b>84,085</b>	<b>2,273</b>	<b>7,950</b>	<b>1,776</b>

**Reserves and Provision 2014/15**

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2014/15 (£'000)</b>	<b>Income in 2014/15 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
<b>Reserves</b>					
<b>Sums set aside for major schemes, such as capital developments, or to fund major reorganisations</b>					
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.	13,201	(2,671)	73	10,603
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.	545	(336)	818	1,027
Transformation	Required to fund invest to save projects in order to deliver the service transformation programme.	3,315	(128)	2,866	6,053
University	Required to meet the revenue costs arising from the setup of the university project and student accommodation development.	0	0	1,810	1,810
		<b>17,061</b>	<b>(3,135)</b>	<b>5,567</b>	<b>19,493</b>
<b>Insurance Reserves</b>					
Fire Liability	Required to meet the cost of excesses on all council properties.	1,887	0	248	2,135
Motor Insurance	An internally operated self-insurance reserve to meet costs not covered by the Council's Motor Insurance Policy.	791	0	76	867
		<b>2,678</b>	<b>0</b>	<b>324</b>	<b>3,002</b>
<b>Reserves of trading and business units</b>					
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.	131	0	169	300
		<b>131</b>	<b>0</b>	<b>169</b>	<b>300</b>
<b>Reserves retained for service departmental use</b>					
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.	0	0	1,316	1,316
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	391	(45)	39	385
Highways Development & Innovation Fund	Set aside funds for pump priming the Development and Innovation programme agreed within the Ringway Contract.	0	0	437	437
Major Planning Inquiries	Required to meet the one-off costs of major planning inquiries, and is a corporate reserve.	562	0	30	592



**Reserves and Provision 2014/15**

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2014/15 (£'000)</b>	<b>Income in 2014/15 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
New Homes Bonus	Established from unapplied New Homes Bonus Grant balances.	3,426	(4,508)	5,758	4,676
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.	4	0	0	4
Planning Reserve	Set aside funds for investment in planning application processes.	0	0	1,285	1,285
Public Health Reserve	This reserve includes balances committed to specific public health projects. The increase in the reserve in 2014/15 relates to the delay in a number of programmes progressing until the transfer of Help2Change to ip&e was completed. These programmes will now go ahead in 2015/16.	1,230	(120)	1,602	2,712
Repairs & Maintenance Reserve	Set aside for known repairs and maintenance required to Council owned properties.	0	0	1,350	1,350
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.	601	(189)	4,993	5,405
Revenue Commitments from Unringfenced Revenue Grants	Established from unapplied unringfenced Grant balances. Commitments have been made against these balances in 2015/16.	2,885	(157)	1,336	4,064
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	0	2,839
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.	623	(21)	0	602
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

**Reserves and Provision 2014/15**

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2014/15 (£'000)</b>	<b>Income in 2014/15 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	1,040	(434)	37	643
		<b>13,630</b>	<b>(5,474)</b>	<b>18,183</b>	<b>26,339</b>
<b>School Balances</b>					
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.	5,522	(5,491)	3,926	3,957
Education – Staff Sickness Insurance	Schools' self help insurance for staff sickness with premiums met from delegated budgets.	89	0	73	162
Education – Theft Insurance	Schools' self help insurance scheme to cover equipment damage and losses.	86	0	10	96
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.	1,443	(21)	255	1,677
		<b>7,140</b>	<b>(5,512)</b>	<b>4,264</b>	<b>5,892</b>
<b>Total Reserves</b>		<b>40,640</b>	<b>(14,121)</b>	<b>28,507</b>	<b>55,026</b>
<b>Provisions</b>					
<b>Short Term Provisions</b>					
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.	3,217	(3,217)	3,211	3,211
Redundancy Provision	Provides for redundancy costs that the Council is committed to from issuing redundancy notices prior to 31 <sup>st</sup> March 2015.	932	(777)	68	223
CRC Provision	This provides for the council's liability in relation to the Carbon Reduction Commitment for carbon emissions from the Council's properties.	320	(320)	0	0
Other Provisions	Includes a number of small provisions including Ringway materials and a leisure liability.	23	0	129	152
		<b>4,492</b>	<b>(4,314)</b>	<b>3,408</b>	<b>3,586</b>
<b>Long Term Provisions</b>					
Liability Insurance	Provision to meet the estimated actuarial valuation of claims for public liability and employers' liability	3,509	(25)	111	3,595
NDR Appeals Provision	Represents the Council's share of the provision held for successful appeals against business rates.	787	(5,119)	8,122	3,790

**Reserves and Provision 2014/15**

	<b>Purpose of Balance</b>	<b>Balance Brought Forward (£'000)</b>	<b>Expenditure in 2014/15 (£'000)</b>	<b>Income in 2014/15 (£'000)</b>	<b>Balance Carried Forward (£'000)</b>
Tenancy Deposit Clawbacks	This represents deposits held for the economic development workshops that may be repaid at some point in the future.	70	(1)	52	121
Other Provisions	Includes a number of small provisions including S106 Accrued Interest and Profit share agreements.	535	(143)	0	392
		<b>4,901</b>	<b>(5,288)</b>	<b>8,285</b>	<b>7,898</b>
<b>Total Provisions</b>		<b>9,393</b>	<b>(9,602)</b>	<b>11,693</b>	<b>11,484</b>
<b>Bad Debt Provisions</b>					
General Fund Bad Debts	Held for potential write offs of debtor balances for General Fund Services including Housing Benefits.	4,269	(837)	879	4,311
HRA Bad Debts	Held for potential write offs of debtor balances for Housing Revenue Account rents and other debtor balances.	462	(145)	0	317
		<b>4,731</b>	<b>(982)</b>	<b>879</b>	<b>4,628</b>
<b>Total Provisions including Bad Debt Provisions</b>		<b>14,124</b>	<b>(10,584)</b>	<b>12,572</b>	<b>16,112</b>