

Report to Cabinet

Item

Report of Chief finance officer

Subject Provisional Revenue Outturn 2013/14

Purpose

To update Cabinet on the provisional revenue outturn for the year 2013/14, and the consequent provisional General Fund and Housing Revenue Account balances.

The provisional revenue outturn does not include accounting adjustments required by International Financial Reporting Standards (IFRS) to be included in the council's statutory financial accounts.

Recommendations

1. To note the provisional revenue outturn 2013/14;

Corporate and service priorities

The report helps to meet the corporate priority value for money services and the service plan priority to provide accurate, relevant and timely financial information.

Financial implications

The provisional revenue outturn for the General Fund for the year 2013/14 is a surplus of £2.819m, which after the planned contribution to reserves of £1.587m, gives rise to an underspend of £1.232m against budget.

The provisional revenue outturn for the Housing Revenue Account for the year 2013/14 is a deficit of £2.761m which after the planned use of reserves of £5.541m, gives rise to an underspend of £2.780m against budget.

The provisional balances on both funds will remain above the prudent minima.

Ward/s: All wards

Cabinet member: Councillor Waters – Deputy leader and resources

Contact officers

Caroline Ryba, Chief Finance Officer
Mark Smith, Finance Control Manager

01223 699292
01603 212561

Background documents

Budget Reports (Council 21 February 2012)

Report

1. Council approved budgets for the 2013/14 financial year on 19 February 2013.
2. The attached appendices show the provisional revenue outturn positions for the General Fund and the Housing Revenue Account:
 - [Appendix 1](#) shows the General Fund by Corporate Leadership Team responsibilities, and by Subjective Group
 - [Appendix 2](#) shows the Housing Revenue Account in (near) statutory format, and by Subjective Group
 - [Appendix 3](#) shows budget and expenditure for the year to date in graphical format
 - [Appendix 4 \[BMG only\]](#) shows budget info at service & cost centre level.
 - [Appendix 5 \[BMG only\]](#) shows budget information relating to Contingencies
 - [Appendix 6 \[BMG only\]](#) shows budget information for the Collection Fund
3. The amounts reported show both actual expenditure and income to date, and the forecast (provisional outturn) which includes entries not yet posted but for which budgets are included within the management accounts. These include:
 - Revenue financing for housing and non-housing capital programmes
 - Interest charges allocated from the General Fund to the Housing Revenue Account
 - Depreciation of assets (wear & tear)
 - Provision for Highways and HCA partnership surplus & deficit transfers
4. The financial accounts include adjustments required by IFRS which are not budgeted for and included in the provisional revenue outturn, including:
 - Provision for holiday & flexitime owed to/owed by employees
 - Provision for movement in pension fund assets & liabilities
 - Impairment of assets (loss of value)

General Fund

5. Budgets reported include the resources financing the council's net budget requirement (which includes a £1.587m contribution to balances as called for by the Medium Term Financial Strategy) so that the net budget totals zero:

<i>Item</i>	<i>Approved Budget £000s</i>
Net Budget Requirement	20,617
Non-Domestic Rates	(5,194)
Revenue Support Grant	(7,861)
Council Tax precept	(7,562)
Total General Fund budget	0

6. The General Fund provisional outturn of £2.819m represents a budget surplus of £1.232m:

<i>Item</i>	<i>2013/14 £000s</i>
General Fund Period 12	5,744
Outstanding budgeted entries	(8,563)
Provisional Outturn	(2,819)
Budgeted contribution to balances	1,587
Budget (surplus)/deficit	(1,232)

7. Estimated outstanding budgeted entries include:
- Housing Benefit & Subsidy (£1m)
 - Share of Business Rate Deficit & Levy £0.5m
 - Interest charge to HRA (£9m)
8. A summary of provisional variances (compared to the previous period) is set out below with brief commentary. Details are shown in [Appendix 1](#).

<i>General Fund Service</i>	<i>Forecast Variance P11 £000s</i>	<i>Provisional Outturn Variance £000s</i>	<i>Change £000s</i>	<i>Commentary</i>
Business Relationship Management	454	1,371	916	Unbudgeted Minimum Revenue Provision less LGSS shared services savings plus share of NNDR deficit & NNDR levy
Chief Executive & Corporate	(1,931)	(1,484)	447	Uncommitted GF Contingency & grants
Customers, Comms & Culture	(82)	(566)	(484)	£70k Halls works underspend, £120k unexpected grant income, £110 Riverside costs recovered
Operations:				
City Development	(249)	(571)	(322)	Surplus on parking income, underspends on integrated waste management budgets
Citywide Services	49	156	107	
Deputy Chief Executive	(8)	0	9	
Neighbourhood Housing	69	137	69	
Neighbourhood Services	(65)	19	84	
Planning	89	(190)	(278)	Income from Landscape & Conservation design fees charged to capital projects
Property Services	(17)	190	207	Overheads to be recharged to services
Strategy, People & Democracy	(269)	(296)	(26)	£100k pension recharges to be allocated to services, £150k Environmental Strategy recharge to services
Contribution to balances	-	(1,587)	(1,587)	As Medium Term Financial Strategy
Total General Fund	(1,961)	(2,819)	(858)	

Housing Revenue Account

9. The budgets reported include a £15m contribution from HRA balances towards the Housing capital programme 2013/14, and a £6m use of HRA balances, so that the net budget totals zero:

<i>Item</i>	<i>Approved Budget £000s</i>
Gross HRA Expenditure	61,881
Gross HRA Income	(55,715)
Contribution from HRA Balance	(6,166)
Total net HRA budget	0

10. The Housing Revenue Account provisional outturn shows, in summary, a budget surplus of £2.780m:

<i>Item</i>	<i>2013/14 £000s</i>
Housing Revenue Account Period 12	(35,770)
Outstanding budgeted entries	38,531
Provisional Outturn	2,761
Revised budgeted contribution from balances	(5,541)
Budget (surplus)/deficit	(2,780)

11. Estimated outstanding budgeted entries include:
- Interest on HRA Borrowing £9m
 - Depreciation £13m
 - Revenue Contribution to Capital £15m
 - Dwelling Rents £1m
12. A summary of provisional variances (compared to the previous period) are set out below with brief commentary. Details are shown in [Appendix 2](#).

<i>HRA Division of Service</i>	<i>Forecast Variance P11 £000s</i>	<i>Provisional Outturn Variance £000s</i>	<i>Change £000s</i>	<i>Commentary</i>
Repairs & Maintenance	(938)	(985)	(47)	Savings on responsive repairs & voids
Rents, Rates, & Other Property Costs	(353)	(60)	293	Provision for outstanding water rates
General Management	(697)	(1,319)	(622)	Underspends against HRA Contingency, Hardship Fund, leasehold property insurance, and corporate overheads
Special Services	(432)	(499)	(67)	Savings & Supporting People income in excess of budget
Depreciation & Impairment	(727)	(695)	32	Receipts from sales (removed below)
Provision for Bad Debts	-	(745)	(745)	Arrears increase less than budgeted

<i>HRA Division of Service</i>	<i>Forecast Variance P11 £000s</i>	<i>Provisional Outturn Variance £000s</i>	<i>Change £000s</i>	<i>Commentary</i>
Dwelling Rents	(18)	(15)	3	
Garage & Other Property Rents	(18)	41	59	
Service Charges - General	932	718	(214)	Lower costs passed on to tenants & leaseholders
Miscellaneous Income	(44)	(45)	(2)	
Adjustments & Financing Items	612	675	63	Removal of receipts from sales (as above)
Interest Received	-	150	150	Awaiting calculation
Contribution from balances	0	5,541	5,541	As HRA 30-Year Business Plan
Total Housing Revenue Account	(1,682)	2,761	4,444	

Financial Planning

13. Overall levels of overspend and underspend will have an ongoing impact on the budget for following years and the size and urgency of savings requirements
14. Net overspends and underspends will be consolidated into the General Fund and Housing Revenue Account balances carried forward to 2014/15.
15. These are reflected in periodic updates to the Medium Term Financial Strategy and Housing Revenue Account Business Plan.

Impact on Balances

16. The prudent minimum level of General Fund reserves has been assessed as £4.496m for 2014/15. The provisional outturn position is as follows:

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2013	(5,195)
Budgeted contribution to balances 2013/14	(1,587)
Provisional budget deficit/(surplus) 2013/14	(1,232)
= Provisional balance at 31 March 2014	(8,014)

17. The General Fund balance is therefore expected to continue to exceed the prudent minimum.
18. The Medium Term Financial Strategy calls for General Fund balances to increase in early years in order to provide resources to “smooth” savings requirements in later years, and the level of provisional balance shown above is consistent with that requirement.
19. The prudent minimum level of HRA reserves has been assessed as £3.067m for 2014/15. The provisional outturn position is as follows:

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2013	(27,788)
Budgeted use of balances 2013/14	5,541
Provisional budget deficit/(surplus) 2013/14	(2,780)
= Provisional balance at 31 March 2014	(25,027)

20. The Housing Revenue Account balance is therefore expected to continue to exceed the prudent minimum.
21. The Housing Revenue Account Business Plan utilises HRA balances to support housing capital expenditure in the medium term, and the level of provisional balance shown above is consistent with that requirement.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	Error! Reference source not found.
Head of service:	Chief Finance Officer
Report subject:	Provisional Revenue Outturn 2013/14
Date assessed:	21 May 2014
Description:	This is the integrated impact assessment for the provisional revenue outturn 2013/14 report to cabinet

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report shows that the council monitors its budgets, considers risks to achieving its budget objectives, reviews its balances position, and is therefore able to maintain its financial standing
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report demonstrates that the council is aware of and monitors risks to the achievement of its financial strategy, including emerging risks such as from the localisation of Business Rates.

Recommendations from impact assessment

Positive

None

Negative

None

Neutral

None

Issues

The council should continue to monitor its budget performance in the context of the financial risk environment within which it operates.

Budget Monitoring Summary

Year: 2013/14

Period: 12 (Mar)

GENERAL FUND SERVICE SUMMARY

Approved Budget	Current Budget		Budget To Date	Actual To Date	Variance To Date	Provisional Outturn	Provisional Variance
Business Relationship Management							
2,597,949	2,614,897	Business Relationship Management	2,614,897	2,950,874	335,977	2,673,674	58,777
(23,602,085)	(23,599,085)	Finance	(23,599,085)	(9,744,741)	13,854,344	(22,280,767)	1,318,318
(3,997)	11,035	Procurement & Service Improvement	11,035	4,537	(6,498)	4,537	(6,498)
(21,008,133)	(20,973,153)	Total Business Relationship Management	(20,973,153)	(6,789,331)	14,183,822	(19,602,556)	1,370,597
Chief Executive & Corporate							
(140)	(140)	Chief Executive	(140)	144	284	144	284
2,467,131	1,902,330	Corporate Management	1,902,330	(1,168,920)	(3,071,250)	(1,168,920)	(3,071,250)
2,466,991	1,902,190	Total Chief Executive & Corporate	1,902,190	(1,168,776)	(3,070,966)	(1,168,776)	(3,070,966)
Customers, Comms & Culture							
2,484,221	2,572,176	Communications & Culture	2,572,176	1,799,550	(772,626)	2,077,758	(494,418)
(101,033)	20,689	Customer Contact	20,689	(50,874)	(71,563)	(50,874)	(71,563)
2,383,188	2,592,865	Total Customers, Comms & Culture	2,592,865	1,748,677	(844,188)	2,026,884	(565,981)
Operations							
(446,178)	(422,040)	City Development	(422,040)	(3,111,208)	(2,689,168)	(992,806)	(570,766)
9,635,875	9,622,116	Citywide Services	9,622,116	8,939,437	(682,679)	9,778,536	156,420
(140)	(140)	Deputy Chief Executive	(140)	144	284	144	284
2,322,140	2,333,347	Neighbourhood Housing	2,333,347	1,871,679	(461,668)	2,470,764	137,417
2,406,508	2,382,801	Neighbourhood Services	2,382,801	2,262,770	(120,031)	2,401,725	18,924
1,726,030	1,742,661	Planning	1,742,661	1,549,978	(192,683)	1,553,076	(189,585)
109,732	333,799	Property Services	333,799	247,731	(86,068)	524,146	190,347
15,753,967	15,992,544	Total Operations	15,992,544	11,760,531	(4,232,013)	15,735,585	(256,959)
Strategy, People & Democracy							
242,457	262,134	Democratic Services	262,134	404,339	142,205	284,339	22,205
15,608	32,398	Human Resources	32,398	(97,977)	(130,375)	(97,977)	(130,375)
145,922	191,022	Strategy & Programme Management	191,022	(113,334)	(304,356)	3,491	(187,531)
403,987	485,554	Total Strategy, People & Democracy	485,554	193,028	(292,526)	189,852	(295,702)
0	0	Total General Fund	0	5,744,128	5,744,128	(2,819,011)	(2,819,011)

GENERAL FUND SUBJECTIVE SUMMARY

Approved Budget	Current Budget		Budget To Date	Actual To Date	Variance To Date	Provisional Outturn	Provisional Variance
17,944,197	17,054,552	Employees	17,054,552	16,808,758	(245,794)	16,808,758	(245,794)
9,004,053	8,504,501	Premises	8,504,501	8,620,986	116,485	8,738,360	233,859
304,809	304,809	Transport	304,809	215,756	(89,053)	215,756	(89,053)
14,580,752	16,329,517	Supplies & Services	16,329,517	15,481,229	(848,288)	15,631,352	(698,165)
8,125,351	7,982,002	Third Party Payments	7,982,002	6,631,828	(1,350,174)	6,631,828	(1,350,174)
63,260,654	95,737,508	Transfer Payments	95,737,508	91,952,935	(3,784,573)	91,395,461	(4,342,047)
3,271,443	3,271,443	Capital Financing	3,271,443	11,000,756	7,729,313	2,416,985	(854,458)
(22,298,418)	(22,240,229)	Receipts	(22,240,229)	(22,191,567)	48,662	(22,007,215)	233,014
(87,934,587)	(120,706,541)	Government Grants	(120,706,541)	(117,036,618)	3,669,923	(116,943,438)	3,763,103
1,551,696	1,551,696	Centrally Managed	1,551,696	1,516,229	(35,467)	1,317,719	(233,977)
16,315,252	17,108,013	Recharge Expenditure	17,108,013	14,732,632	(2,375,381)	15,475,282	(1,632,731)
(24,125,202)	(24,897,271)	Recharge Income	(24,897,271)	(21,988,795)	2,908,476	(22,499,858)	2,397,413
0	0	Total General Fund	0	5,744,128	5,744,128	(2,819,011)	(2,819,011)

Budget Monitoring Report

Year: 2013/14

Period: 12 (Mar)

HOUSING REVENUE ACCOUNT STATUTORY SUMMARY

<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Provisional Outturn</i>	<i>Provisional Variance</i>
15,384,339	15,084,110	Repairs & Maintenance	15,084,110	14,098,810	(985,300)	14,098,810	(985,300)
6,655,661	6,555,617	Rents, Rates, & Other Property Costs	6,555,617	6,495,206	(60,411)	6,495,206	(60,411)
11,285,925	11,114,002	General Management	11,114,002	9,804,944	(1,309,058)	9,794,933	(1,319,069)
5,536,370	5,486,457	Special Services	5,486,457	4,987,705	(498,752)	4,987,705	(498,752)
22,077,640	22,077,640	Depreciation & Impairment	22,077,640	(591,917)	(22,669,557)	21,383,083	(694,557)
941,000	941,000	Provision for Bad Debts	941,000	195,811	(745,189)	195,811	(745,189)
(58,596,560)	(58,596,560)	Dwelling Rents	(58,596,560)	(59,571,308)	(974,748)	(58,611,859)	(15,299)
(2,193,735)	(2,193,735)	Garage & Other Property Rents	(2,193,735)	(2,152,680)	41,055	(2,152,680)	41,055
(10,026,307)	(10,026,307)	Service Charges - General	(10,026,307)	(9,308,159)	718,148	(9,308,159)	718,148
0	0	Miscellaneous Income	0	(45,464)	(45,464)	(45,464)	(45,464)
9,817,561	10,439,671	Adjustments & Financing Items	10,439,671	732,305	(9,707,366)	16,655,305	6,215,634
(731,895)	(731,895)	Amenities shared by whole community	(731,895)	(415,318)	316,577	(731,418)	477
(150,000)	(150,000)	Interest Received	(150,000)	0	150,000	0	150,000
(1)	0	Total Housing Revenue Account	0	(35,770,064)	(35,770,064)	2,761,273	2,761,273

HOUSING REVENUE ACCOUNT SUBJECTIVE SUMMARY

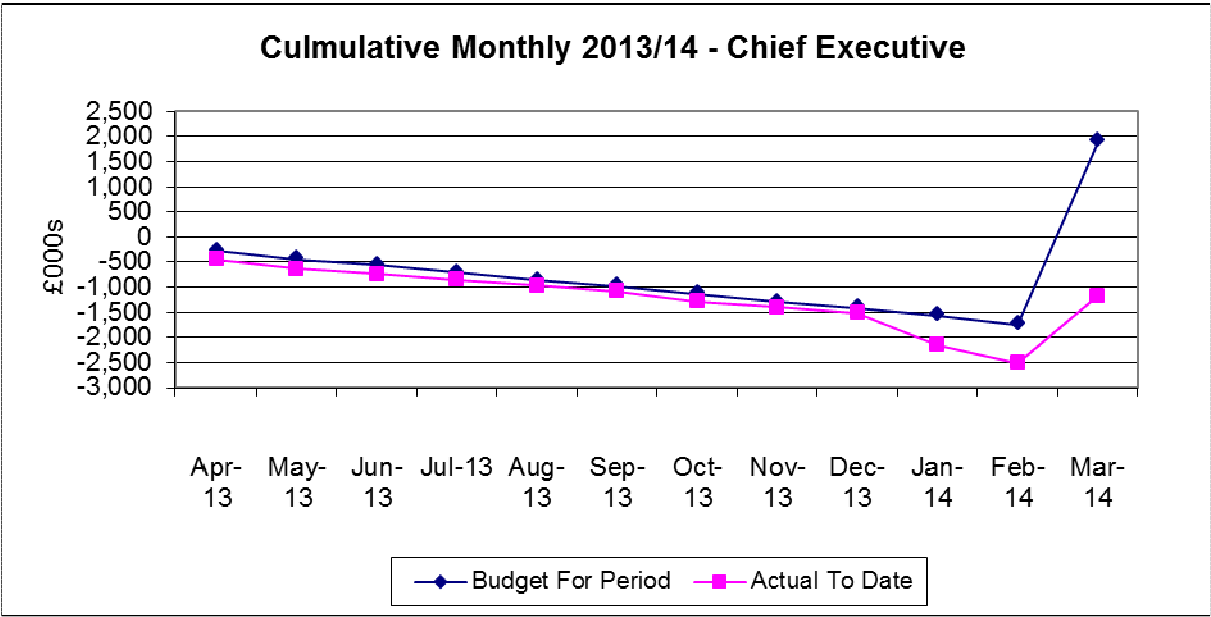
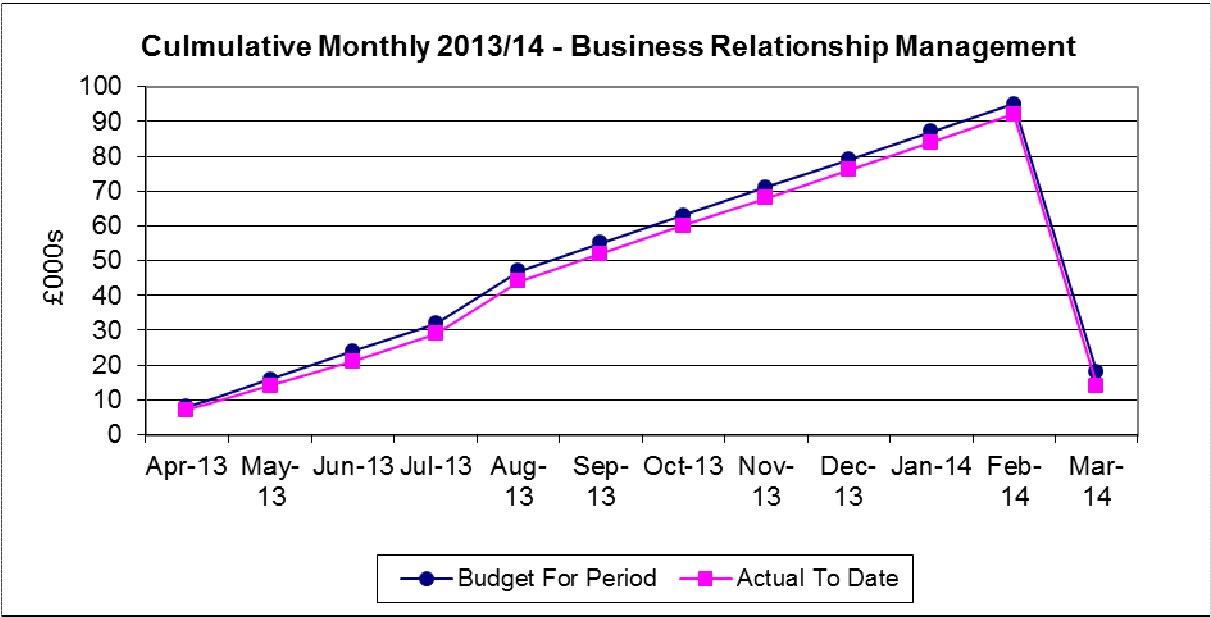
<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Provisional Outturn</i>	<i>Provisional Variance</i>
6,280,077	6,333,477	Employees	6,333,477	6,084,830	(248,647)	6,084,830	(248,647)
26,425,447	24,582,247	Premises	24,582,247	22,890,628	(1,691,619)	22,890,628	(1,691,619)
117,214	118,474	Transport	118,474	145,085	26,611	145,085	26,611
4,166,356	4,075,491	Supplies & Services	4,075,491	2,441,755	(1,633,736)	2,441,755	(1,633,736)
347,169	347,169	Third Party Payments	347,169	111,866	(235,303)	315,366	(31,803)
5,350,612	5,538,671	Recharge Expenditure	5,538,671	5,699,619	160,948	5,720,174	181,503
3,628,341	3,346,041	Capital Financing	3,346,041	204,961	(3,141,080)	9,131,961	5,785,920
(72,041,452)	(72,041,452)	Receipts	(72,041,452)	(72,341,653)	(300,201)	(71,382,205)	659,247
(239,476)	(239,476)	Government Grants	(239,476)	(542,065)	(302,589)	(542,065)	(302,589)
(2,101,429)	(1,032,192)	Recharge Income	(1,032,192)	(465,090)	567,102	(1,015,256)	16,936
15,019,000	15,923,410	Rev Contribs to Capital	15,923,410	0	(15,923,410)	15,923,000	(410)
13,048,140	13,048,140	Capital Financing	13,048,140	0	(13,048,140)	13,048,000	(140)
(1)	0	Total Housing Revenue Account	0	(35,770,064)	(35,770,064)	2,761,273	2,761,273

Budget & Expenditure – Monthly by Service Graphs

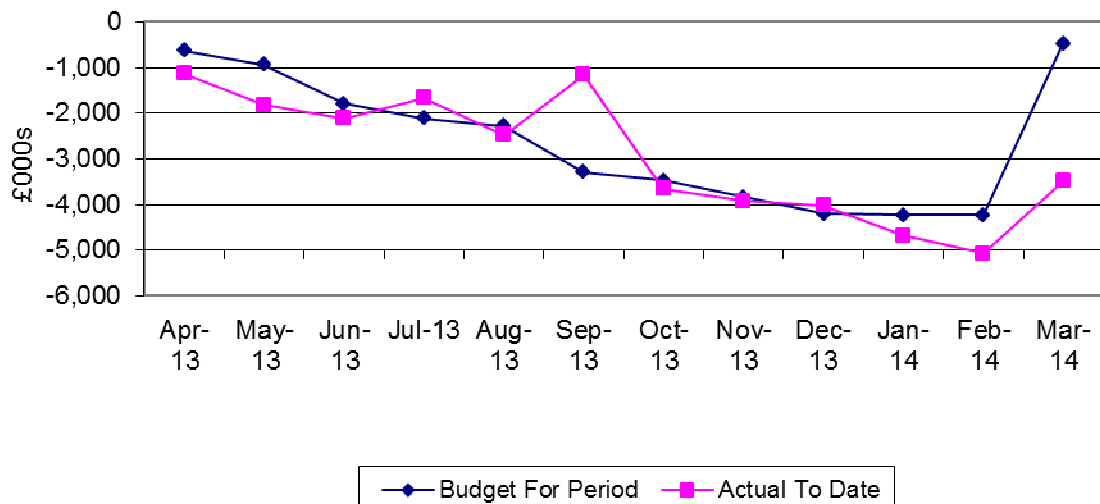
The following graphs show the monthly budget profile and income/expenditure to date for each service (both General Fund and Housing Revenue Account) for the financial year.

The actual income/expenditure reported is influenced by accrual provisions brought forward from the previous financial year, and by any delays in invoicing and/or payment.

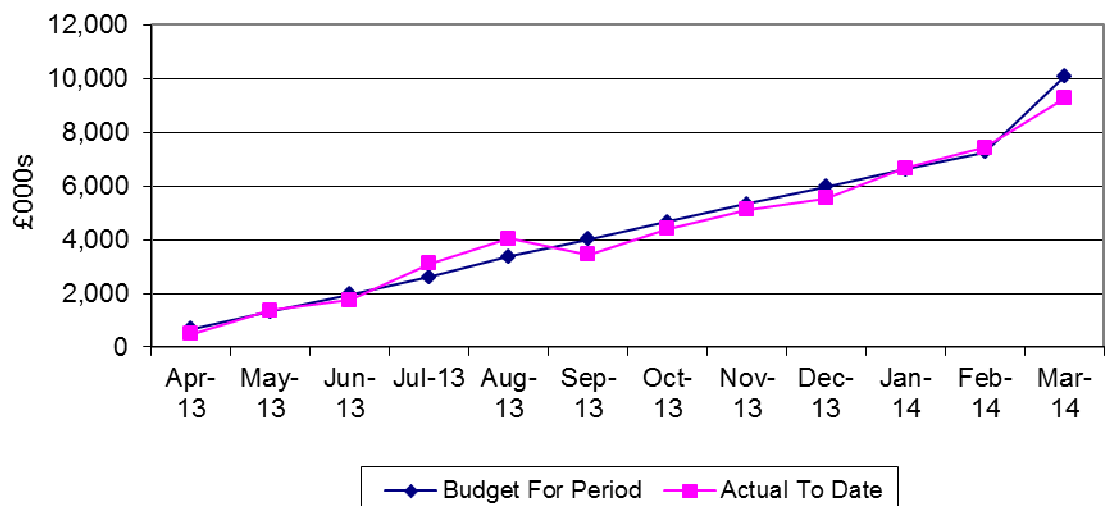
Budgets are profiled to show the expected pattern of income & expenditure, and will be refined and improved during the course of the financial year.



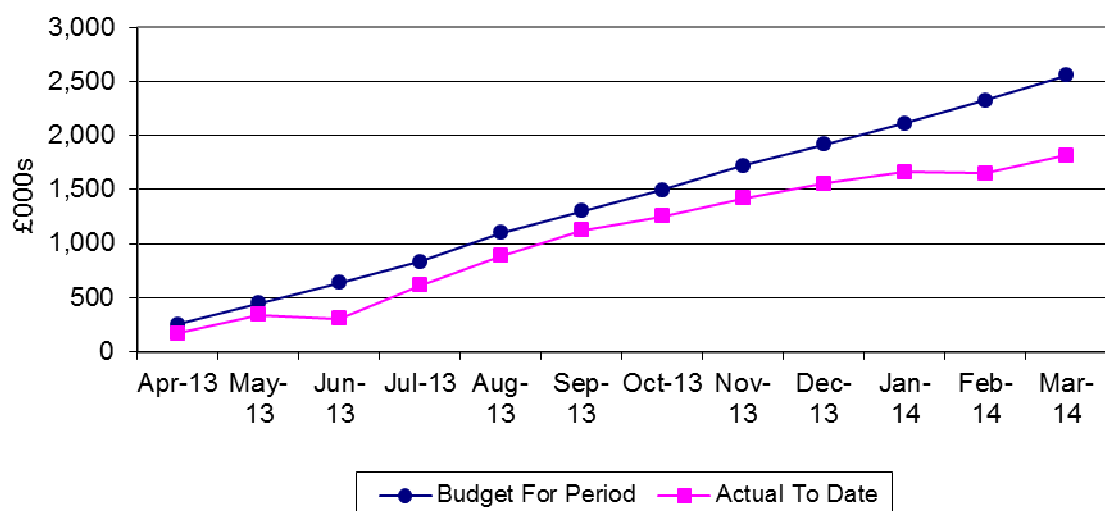
Culmulative Monthly 2013/14 - City Development



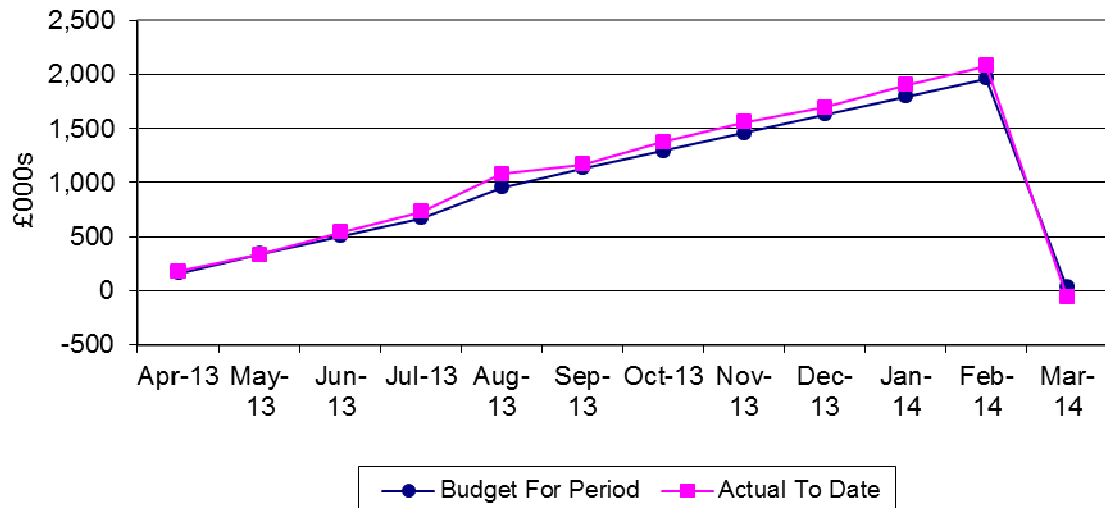
Culmulative Monthly 2013/14 - Citywide Services



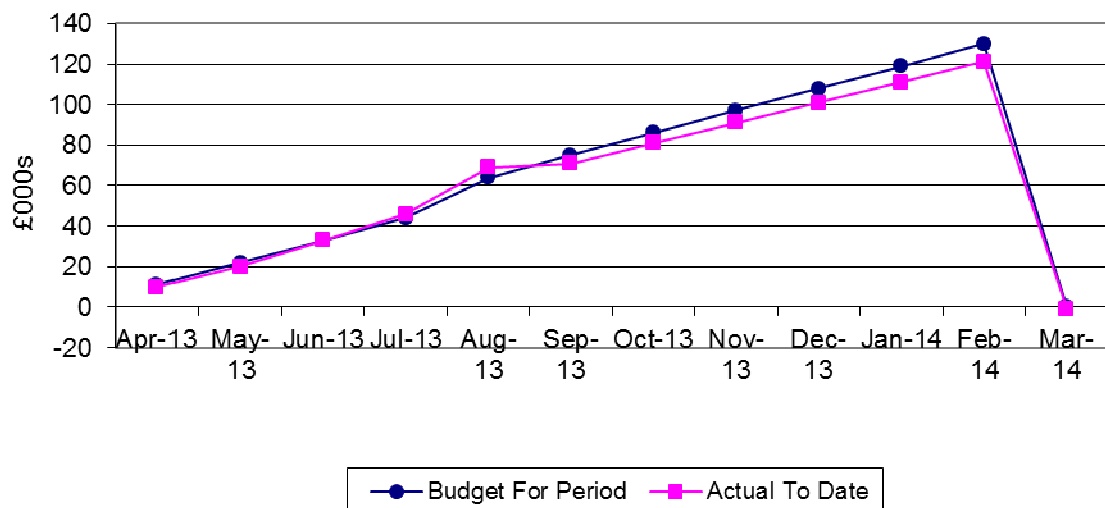
Culmulative Monthly 2013/14 - Communications & Culture



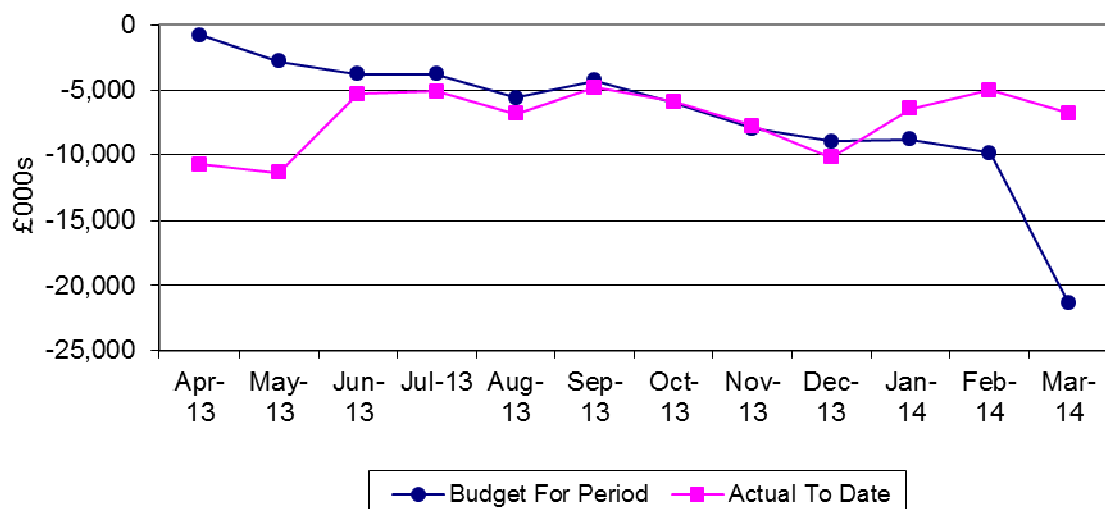
Culmulative Monthly 2013/14 - Customer Contact



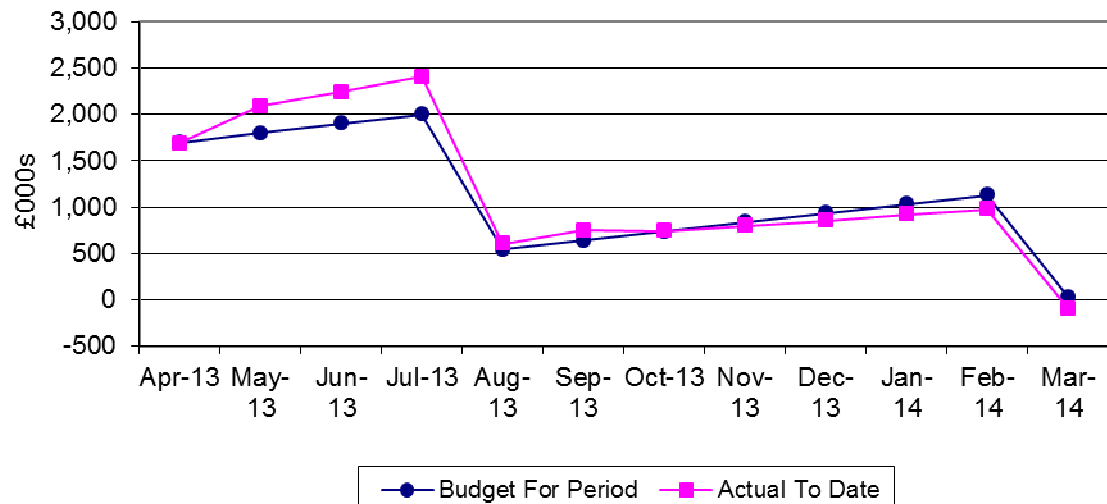
Culmulative Monthly 2013/14 - Deputy Chief Executive



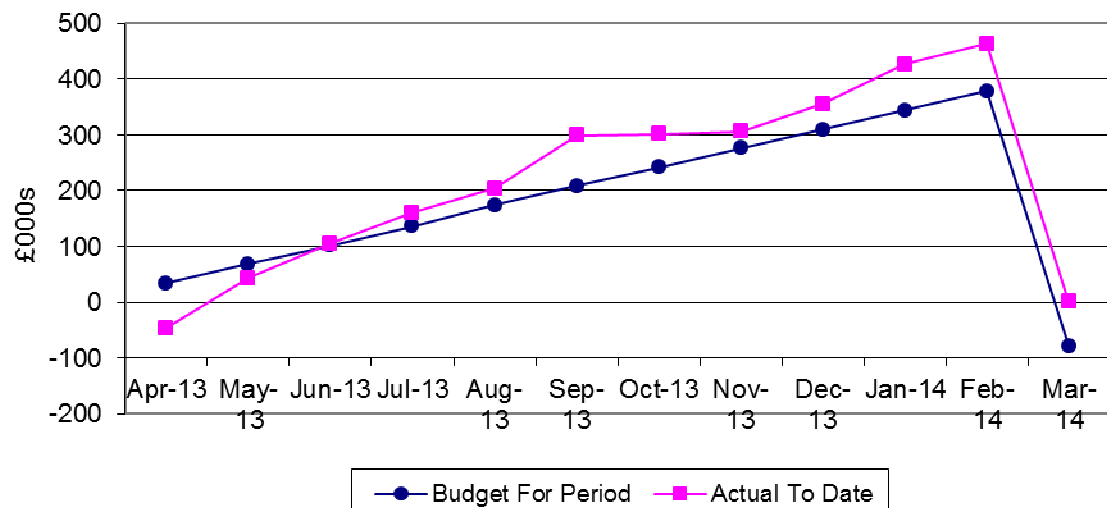
Culmulative Monthly 2013/14 - Finance



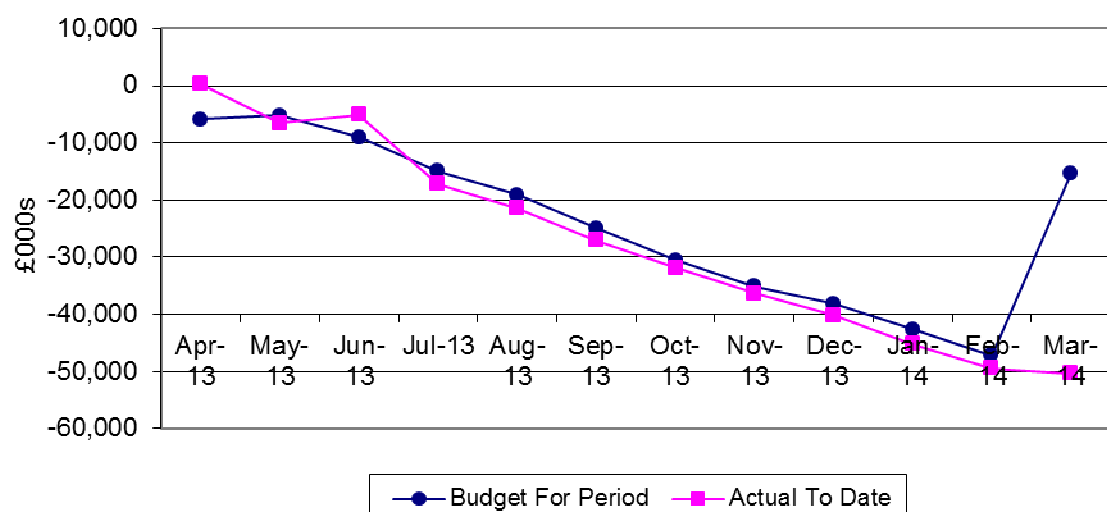
Culmulative Monthly 2013/14 - HR & Learning



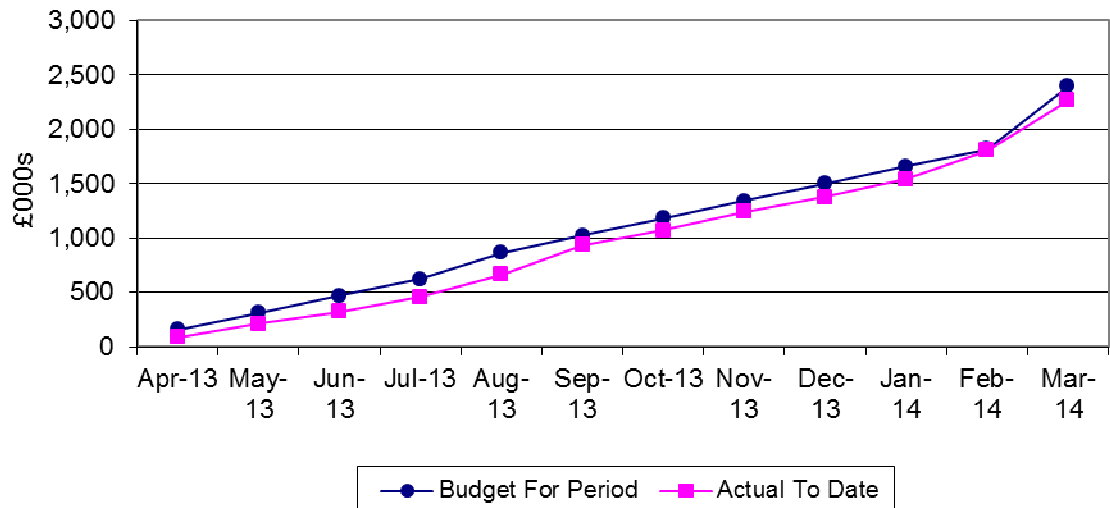
Culmulative Monthly 2013/14 - Legal Services



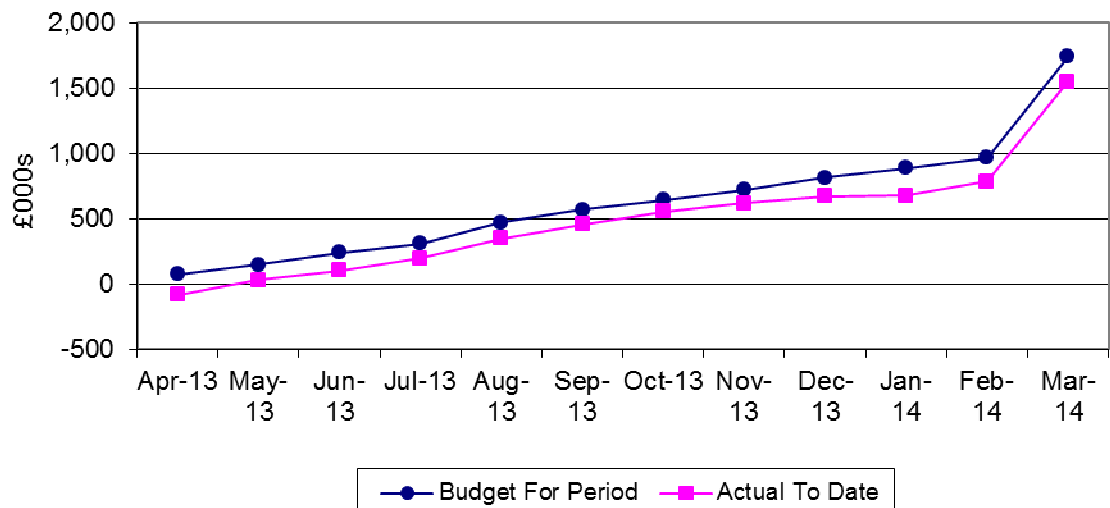
Culmulative Monthly 2013/14 - Neighbourhood Housing



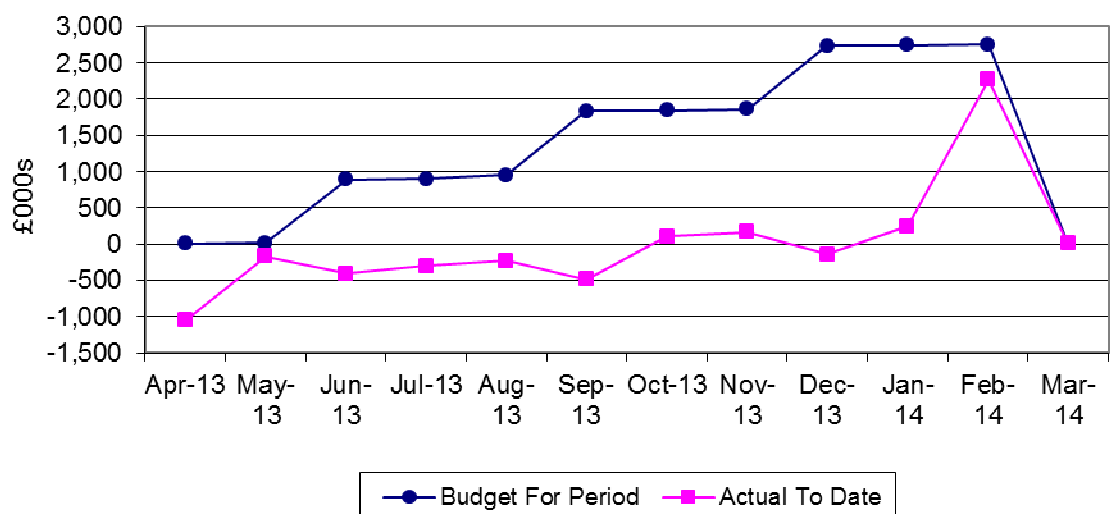
Culmulative Monthly 2013/14 - Neighbourhood Services



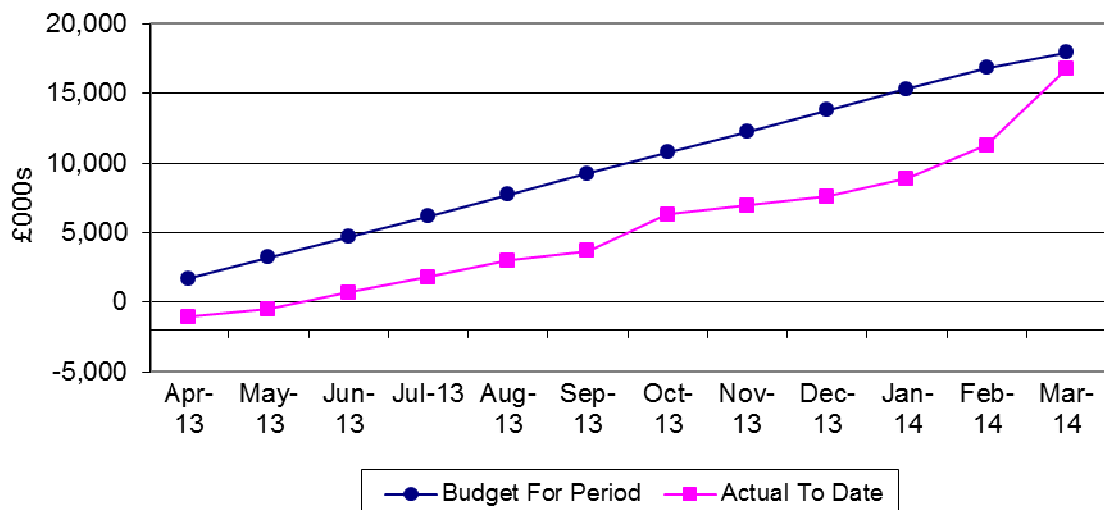
Culmulative Monthly 2013/14 - Planning



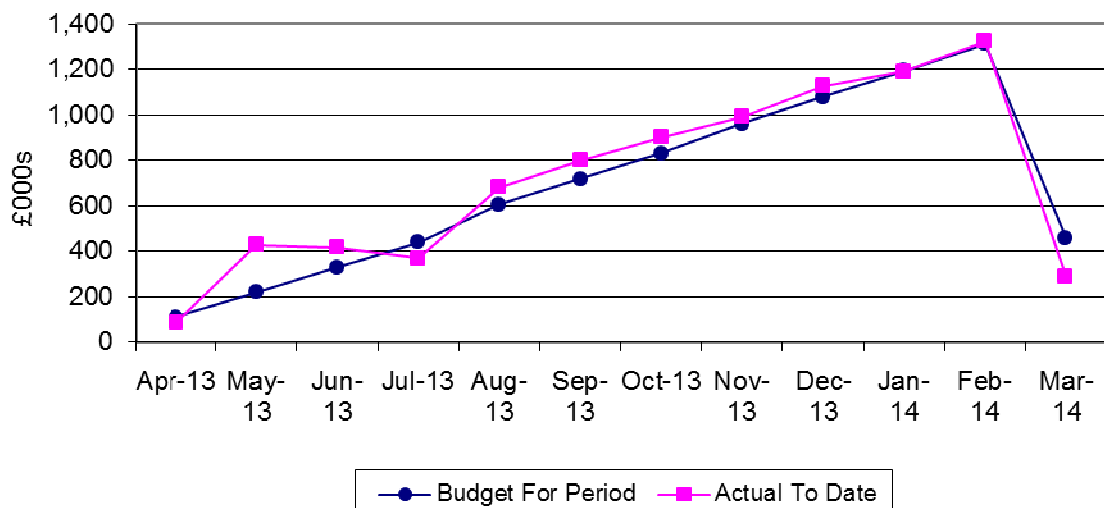
Culmulative Monthly 2013/14 - Procurement & Systems



Culmulative Monthly 2013/14 - Property Services (NPS)



Culmulative Monthly 2013/14 - Strategy, People & Democracy



Culmulative Monthly 2013/14 Norwich City Council (Revenue)

