

Report to Cabinet
11 September 2013
Report of Chief finance officer
Subject Revenue outturn 2012-13

Item

8

Purpose

To advise cabinet of the revenue outturn for the year 2012-13.

Recommendations

To note the revenue outturn for the year 2012/13, in summary that:

- (1) The general fund draft outturn is an underspend for the year of £2.148m
- (2) The housing revenue account draft outturn is an underspend for the year of £12.053m
- (3) Consequently, general fund and housing revenue account balances will remain in excess of the respective prudent minimum balances.

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 financial implications of this report are set out in the text.

Ward/s: All wards

Cabinet member: Councillor Waters – Deputy leader and resources

Contact officers

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

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Background documents

Working papers (held by LGSS Finance)

Report

1. Council approved budgets for the 2012-13 financial year on 21 February 2012.
2. The attached appendices show the unaudited 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

3. This report presents the revenue outturn, and is the final set of management accounts for the financial year. The statutory financial accounts recently submitted for audit reconcile to, but differ in presentation from, these management accounts, since they will contain many accounting adjustments (for example, the impact of pension fund assets and liabilities) which do not impact on the demand on council tax and council rents or count as services' spend for reporting purposes. Some accounting adjustments (such as depreciation) which do count as services' spend are included within the revenue outturn, but are "reversed out" by opposite entries so that they do not impact on the bottom line.
4. The outturn figures are shown in the "actual to date" column in the appendices, with the "forecast outturn" showing for comparison the last reported (period 12) forecast.

General fund

5. The budgets reported include the resources financing the council's net budget requirement, so that the net budget totals zero:

<i>Item</i>	<i>Approved Budget £000s</i>
Net budget requirement	20,745
Pooled non-domestic rates	(11,245)
Revenue support grant	(218)
Council tax precept	(9,282)
Total General Fund budget	0

6. The general fund shows a revenue outturn of an underspend of £2.148m.

7. Significant movements from the forecast to the outturn are detailed in the following table.

<i>Service</i>	<i>Period 13 Outturn £000s</i>	<i>Period 12 Forecast £000s</i>	<i>Outturn vs Forecast £000s</i>	<i>Commentary</i>
Finance	-26,602	-22,087	-4,515	Benefits increase in bad debt provision £946k, debt charges to HRA -£598k, pension liabilities £2,843k, reversal of capital charges and other accounting adjustments -£7,693k
Procurement and service improvement	77	576	-499	IT contract costs recharged to services
Chief executive and contingency	980	-307	1,287	Pooling of capital receipts and City Hall recharges for public spaces
Communications and culture	2,710	3,086	-376	Impairment charge credits on Norman Centre, various pension liabilities credits
City development	4,954	-855	5,809	Impairment charges on car parks and property assets
Citywide services	9,189	11,141	-1,952	Impairment charge credits and application of grant income on open spaces, impairment credits on cemeteries
Neighbourhood services	2,852	2,232	620	Impairment charges on community centres
Planning	1,216	1,489	-273	Pension liabilities credits
Property services	106	453	-348	City Hall balances recharged to services
Others	2,370	2,507	-136	
Total general fund	-2,148	-1,764	-384	

Housing revenue account

8. The budgets reported include the contribution of the net surplus/deficit to reserves, so that the net budget totals zero:

<i>Item</i>	<i>Approved Budget £000s</i>
Gross HRA expenditure	65,580
Gross HRA income	(66,538)
Contribution to HRA balance	958
Total net HRA budget	0

9. The housing revenue account shows a revenue outturn of an underspend of £12.053m.
10. Significant movements from the forecast to the outturn are detailed in the following table.

<i>Service</i>	<i>Period 13 Outturn £000s</i>	<i>Period 12 Forecast £000s</i>	<i>Outturn vs Forecast £000s</i>	<i>Commentary</i>
General management	8,661	9,279	-618	Pension liabilities credits
Special services	4,985	5,337	-352	Sheltered housing & NCAS savings
Depreciation and impairment	32,011	21,737	10,274	Impairment charges
Dwelling rents	-56,307	-55,838	-469	Adjustment for partial rent week across financial y/e
Adjustments and financing items	-6,194	4,833	-11,028	Reversal of capital charges
Others	4,791	5,125	-334	
Total HRA	-12,053	-9,526	-2,527	

Financial planning

11. Overall levels of overspend and underspend have an ongoing impact on the budget for following years and the size and urgency of savings requirements. The net underspends reported will be consolidated into the General fund and housing revenue account balances carried forward to 2013/14.
12. These balances will be reflected in periodic updates to the medium term financial strategy and housing revenue account business plan.

Impact on balances

13. The prudent minimum level of general fund reserves for 2012/13 was assessed as £4.517m. The general fund year-end balance, incorporating the revenue outturn, is as follows:

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2012	(3,803)
Outturn 2012/13	(2,148)
= Balance at 31 March 2013	(5,951)

14. The prudent minimum level of general fund reserves for 2013/14 was assessed as £4.352m. The general fund balance is therefore expected to continue to exceed the prudent minimum.
15. The prudent minimum level of HRA reserves for 2012/13 was assessed as £2.927m. The housing revenue account year-end balance, incorporating the revenue outturn, is as follows:

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2012	(14,725)
Outturn 2012/13	(12,053)
= Balance at 31 March 2013	(26,779)

16. The prudent minimum level of housing revenue account reserves for 2013/14 was assessed as £2.967m. The HRA balance is therefore expected to continue to exceed the prudent minimum.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	11 September 2013
Head of service:	Chief Finance Officer
Report subject:	Revenue Outturn 2012/13
Date assessed:	5 July 2013
Description:	This is the integrated impact assessment for the Revenue Outturn 2012/13 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
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment
Positive
None
Negative
None
Neutral
None
Issues
None

Budget Monitoring Summary

Year: 2012/13

Period: 13 (EOY)

GENERAL FUND SERVICE 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>Forecast Outturn</i>	<i>Forecast Variance</i>
Business Relationship Management							
0	1	Business Relationship Management	1	0	(1)	195	194
(19,440,102)	(19,411,578)	Finance	(19,411,578)	(26,602,006)	(7,190,428)	(22,086,814)	(2,675,236)
103	762,331	Procurement & Service Improvement	762,331	76,942	(685,389)	575,615	(186,716)
(19,439,999)	(18,649,246)	Total Business Relationship	(18,649,246)	(26,525,064)	(7,875,818)	(21,511,004)	(2,861,758)
Chief Executive							
(486,495)	330,822	Chief Executive	330,822	979,665	648,843	(307,215)	(638,037)
754	(1)	Law & Governance	(1)	0	1	(19,445)	(19,444)
(485,741)	330,821	Total Chief Executive	330,821	979,665	648,844	(326,661)	(657,482)
Customers, Comms & Culture							
2,605,935	2,595,110	Communications & Culture	2,595,110	2,710,022	114,912	3,086,172	491,062
(164,079)	(46,031)	Customer Contact	(46,031)	(80,980)	(34,949)	53,303	99,334
2,441,856	2,549,079	Total Customers, Comms & Culture	2,549,079	2,629,041	79,962	3,139,475	590,396
Operations							
748,174	(291,692)	City Development	(291,692)	4,953,653	5,245,345	(855,021)	(563,329)
9,381,074	9,359,171	Citywide Services	9,359,171	9,188,791	(170,380)	11,140,960	1,781,789
10	1	Deputy Chief Executive	1	6,242	6,241	6,560	6,559
2,681,479	2,290,630	Neighbourhood Housing	2,290,630	2,144,092	(146,538)	2,011,379	(279,251)
2,431,779	2,342,163	Neighbourhood Services	2,342,163	2,852,146	509,983	2,232,082	(110,082)
1,519,178	1,360,699	Planning	1,360,699	1,216,093	(144,606)	1,489,400	128,701
266,695	229,678	Property Services	229,678	105,898	(123,780)	453,470	223,792
17,028,389	15,290,650	Total Operations	15,290,650	20,466,915	5,176,265	16,478,830	1,188,180
Strategy, People & Democracy							
338,434	359,684	Democratic Services	359,684	158,860	(200,824)	296,941	(62,743)
(54)	1	Human Resources	1	3,612	3,611	664	663
117,115	119,011	Strategy & Programme Management	119,011	138,971	19,960	157,462	38,451
455,495	478,696	Total Strategy, People & Democracy	478,696	301,442	(177,254)	455,066	(23,630)
0	0	Total General Fund	0	(2,148,001)	(2,148,001)	(1,764,293)	(1,764,293)

GENERAL FUND 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>Forecast Outturn</i>	<i>Forecast Variance</i>
20,015,830	17,108,966	Employees	17,108,966	17,363,631	254,665	18,230,212	1,121,246
7,567,299	8,018,074	Premises	8,018,074	9,171,899	1,153,825	9,349,793	1,331,719
301,681	280,755	Transport	280,755	243,372	(37,383)	274,432	(6,323)
19,186,146	14,521,612	Supplies & Services	14,521,612	12,113,267	(2,408,345)	12,201,360	(2,320,252)
563,603	7,124,938	Third Party Payments	7,124,938	7,042,940	(81,998)	7,040,721	(84,217)
67,218,863	74,547,490	Transfer Payments	74,547,490	71,566,111	(2,981,379)	70,896,017	(3,651,473)
3,695,466	4,457,797	Capital Financing	4,457,797	2,020,633	(2,437,164)	1,779,107	(2,678,690)
0	0	Rev Contris to Capital	0	1,347	1,347	1,347	1,347
67,084	0	Savings Proposals	0	0	0	0	0
(21,515,795)	(21,759,733)	Receipts	(21,759,733)	(21,445,048)	314,686	(21,839,895)	(80,162)
(92,379,992)	(100,058,065)	Government Grants	(100,058,065)	(96,448,721)	3,609,344	(95,961,552)	4,096,513
1,505,332	1,505,332	Centrally Managed	1,505,332	1,338,672	(166,660)	1,808,535	303,203
21,604,340	18,113,189	Recharge Expenditure	18,113,189	18,776,877	663,688	17,296,381	(816,808)
(27,829,857)	(23,860,355)	Recharge Income	(23,860,355)	(23,892,981)	(32,626)	(22,840,752)	1,019,603
0	0	Total General Fund	0	(2,148,001)	(2,148,001)	(1,764,293)	(1,764,293)

Budget monitoring report

Year: 2012/13

Period: 13 (EOY)

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>Forecast Outturn</i>	<i>Forecast Variance</i>
15,560,639	15,555,599	Repairs & Maintenance	15,555,599	10,803,092	(4,752,507)	11,008,238	(4,547,361)
6,144,214	6,143,814	Rents, Rates, & Other Property Costs	6,143,814	6,450,563	306,749	6,465,464	321,650
10,753,613	11,143,196	General Management	11,143,196	8,660,748	(2,482,448)	9,278,917	(1,864,279)
5,696,238	5,681,765	Special Services	5,681,765	4,984,911	(696,854)	5,337,253	(344,512)
27,215,640	26,882,390	Depreciation & Impairment	26,882,390	32,011,494	5,129,104	21,737,176	(5,145,214)
215,000	215,000	Provision for Bad Debts	215,000	176,898	(38,102)	228,861	13,861
(55,298,270)	(55,298,310)	Dwelling Rents	(55,298,310)	(56,307,479)	(1,009,169)	(55,838,481)	(540,171)
(2,383,135)	(2,384,925)	Garage & Other Property Rents	(2,384,925)	(2,318,964)	65,961	(2,312,248)	72,677
20	0	Housing Subsidy	0	8,121	8,121	8,121	8,121
(9,785,488)	(9,801,518)	Service Charges - General	(9,801,518)	(9,439,767)	361,751	(9,429,781)	371,737
10	0	Miscellaneous Income	0	(41,154)	(41,154)	(41,154)	(41,154)
2,766,239	2,747,709	Adjustments & Financing Items	2,747,709	(6,194,162)	(8,941,871)	4,833,489	2,085,780
(734,720)	(734,720)	Amenities shared by whole community	(734,720)	(714,606)	20,114	(652,220)	82,500
(150,000)	(150,000)	Interest Received	(150,000)	(132,812)	17,188	(150,000)	0
0	0	Total Housing Revenue Account	0	(12,053,117)	(12,053,117)	(9,526,365)	(9,526,365)

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>Forecast Outturn</i>	<i>Forecast Variance</i>
7,546,466	7,517,509	Employees	7,517,509	7,781,045	263,536	8,244,248	726,739
24,436,463	24,436,463	Premises	24,436,463	20,778,375	(3,658,088)	21,000,625	(3,435,838)
169,460	168,782	Transport	168,782	193,320	24,538	194,884	26,102
3,894,458	3,808,363	Supplies & Services	3,808,363	2,524,782	(1,283,581)	2,540,097	(1,268,266)
259,000	355,096	Third Party Payments	355,096	340,869	(14,227)	340,869	(14,227)
4,768,776	5,140,190	Recharge Expenditure	5,140,190	4,275,034	(865,156)	4,000,015	(1,140,175)
15,638,489	15,638,489	Capital Financing	15,638,489	10,714,899	(4,923,590)	10,605,845	(5,032,644)
(68,726,073)	(68,744,603)	Receipts	(68,744,603)	(69,298,883)	(554,280)	(68,957,586)	(212,983)
(239,476)	(239,476)	Government Grants	(239,476)	(222,789)	16,687	(222,789)	16,687
(2,122,703)	(2,122,703)	Recharge Income	(2,122,703)	(2,971,267)	(848,564)	(3,151,668)	(1,028,965)
1,327,000	1,327,000	Rev Contribs to Capital	1,327,000	1,327,000	0	1,327,000	0
13,048,140	12,714,890	Capital Financing	12,714,890	12,504,498	(210,392)	14,552,096	1,837,206
0	0	Total Housing Revenue Account	0	(12,053,117)	(12,053,117)	(9,526,365)	(9,526,365)