

Background

- 1.1 In line with good practice budget monitoring is undertaken on a monthly basis within the Council. The revenue and capital position is reported monthly to the Corporate Management Team and formally to the Executive on a quarterly basis. This is the Q4 provisional outturn report for financial year 2012/2013.

Monitoring Compliance with Constitutional Procedure Rules

- 1.2 It is important that any breaches of standing orders, financial procedural rules and the scheme of delegation are identified and appropriate action taken. In the fourth quarter of this year there have been no breaches of the constitution that the statutory officers (monitoring officer – Head of Law and Governance, and s151 officer – Director of Resources) are aware of that have not been appropriately rectified or reported to members. In quarters one to three there were also no breaches that the statutory officers were aware of meaning there have been no breaches throughout the entire year.

General Fund Revenue Budget

- 1.3 The draft General Fund Revenue budget is shown below.

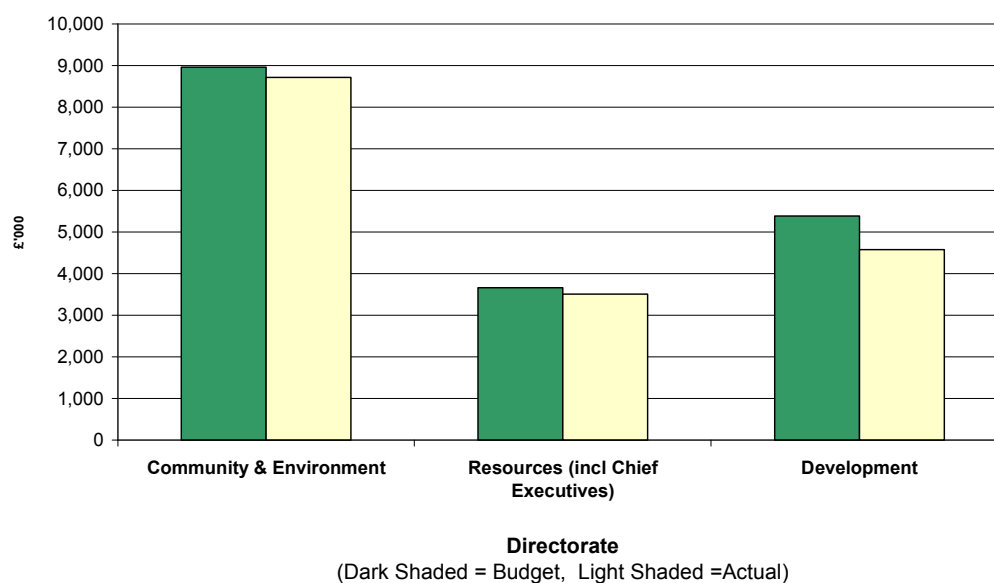
SERVICE EXPENDITURE	Adjusted Budget 2012- 13	Draft Outturn 2012-13	Variance	%
	£,000	£,000	£,000	
Services				
Community & Environment	8,956	8,711	(245)	2.74%
Resources	3,660	3,508	(152)	4.14%
Development	5,385	4,574	(811)	15.06%
Services Total	18,001	16,793	(1,208)	5.00%
Capital Charges Reversed	(3,323)	(3,323)	0	0.00%
Net Expenditure Services	14,678	13,470	(1,208)	8.23%
Reserves and Provisions	569	420	(149)	26.21%
	15,247	13,890	(1,357)	8.90%
Investment Income	(439)	(863)	(424)	100.00%
Government Grant	(7,622)	(7,777)	(155)	2.00%
Collection Fund	(139)	(139)	0	0.00%
Council Tax	(6,458)	(6,458)	0	0.00%
Carry Forwards	(589)	(589)	0	
New Homes Bonus	0	(646)	(646)	
	(15,247)	(16,472)	(1,225)	8.00%
Budget Carry forwards - Service Budgets			978	
Budget Carry forwards - IFRS Grants			310	

Budget Carry forwards - New Homes Bonus EMR	646	
Budget Carry forwards - LGRR EMR	155	
Budget Carry forwards - Capital reserves replenishment	424	
	2,513	
Provisional Outturn	(69)	(0.45%)
Transfer to/from General Fund	69	
Outturn	0	0.00%

- **The Provisional Quarter 4 report gave a budget prediction of £424k additional investment income and transferring £1,021k from service budgets into Reserves.** (Also transferred to reserves is New Homes Bonus of £646k).

1.4 There is an underspend within Service Expenditure of £1,208k before budget and grant carry forward requests – this is shown in detail in the chart below and corresponding table at 1.7.

Revenue Outturn



- 1.5 At the start of the financial year members made it clear that as well as addressing the financial deficit for future years, expenditure in the current year should be reduced where possible in order to replenish general fund balances and provide further one-off funds to deliver future savings as part of the medium term financial strategy.
- 1.6 The underspend against budget has arisen through a variety of reasons. The key drivers are detailed on a Directorate level in Table 1.6 below. The underspend in services of £1,208k is split between directorates as follows:

Table 1.6

Directorate	2012/13 Budget	2012/13 Projected Outturn	Variance	Variance %
COMMUNITY & ENVIRONMENT	8,956	8,711	(245)	2.7%
Significant Variances: (£73k) Safer Communities: (£33k) salary vacancies, (£10k) on CDC funded grants issued from external grant funds, (£21k) various small underspends within Safer Communities. (£47k) Brighter Futures grant underspend to be transferred to EMR (see Appendix 5). £75k Facilities: £50k Bicester & Ploughley Sports Centre loss of income accrual, £19k utilities benchmarking accrual, £10k feed-in tariff underachieved, £7k Woodgreen Leisure Centre contributions fell short and £8k various other, (£12k) Cooper income, (£7k) North Oxfordshire Academy landscape as haven't cleaned pitch due to weather and equipment. £40k Vehicle Maintenance: £25k day works income underachieved due to one-sided budget adjustment, £18k MOT income underachieved, £3k staff overtime, (£6k) fuel savings.				

Directorate	2012/13 Budget	2012/13 Projected Outturn	Variance	Variance %
DEVELOPMENT	3,660	3,508	(152)	4.1%
Significant over achievement on income in Development Control (£418k) greater achievement on income. Advice has a saving on consultancy of (£36K) and a salary saving of (£6.4K). Appeals have (£42.6K) underspend due to low spend on professional fees. Licensing underspend of (£49k) to be ear marked as per licensing regulations see Appendix 5. Castle Quay additional rental income received due to recognition of five quarters within one year (£149k) plus grants received which are to be moved to balance sheet accounts until drawn upon (see appendix 5).				

Directorate	2012/13 Budget	2012/13 Projected Outturn	Variance	Variance %
RESOURCES	5,385	4,574	(811)	15.0%
Overspend in IT £45k due to additional telephony costs as reported in year. Significant underspends in Human Resources (£35k) due to planned training being moved to 14/15 financial year. Legal Team (£47k) underspend mainly due to External Legal fees being under spent by (£19k) & Counsel fees by (£5k). There has been an over achievement on income in Land Charges (£72k) largely due to increased search fees.				

	2012/13 Budget	2012/13 Projected Outturn	Variance	Variance %
TOTAL SERVICES	18,001	16,793	(1,208)	5.0%

1.7 The variance within reserves and provisions can be summarised as follows:-

Balance on specific and general risk provisions

(554)	Created as element of 2012/13 budget – not all required in 2012/13 (see appendix 5 for requests to create Ear Marked Reserves for budget carry forwards)
228	Net movements in reserves within the financial period 2012/13.
167	Creation of a reserve for incremental pay rises.
10	compensatory Pensions Payment
(149)	TOTAL

1.8 As projected, there has been an overall net increase in interest receivable of £424K which is related primarily to our Medium Term Financial Strategy and principle of not relying on investment income to fund Council services. This income is to be used to replenish reserves.

Budget Carry forwards

1.9 Budgets to be carried forward to 2013/14 from underspends arising from the 2012/13 outturn position are to be moved into Ear Marked Reserves and are detailed in Appendix 5. Any budgets moved into Ear Marked Reserves must be approved by Executive if they represent more than 10% of the budget but are under £50k or by Full Council if more than 10% of the budget but over £50k.

Budget Mitigations

1.10 The increased focus on budget monitoring and introduction of the “dashboard” has enabled more efficient use of the Council’s resources and enabled action to be taken to promptly identify and mitigate against economic issues.

Summary

1.11 The variances on the revenue are within the Council’s stated tolerances of between 2% and (5%) of budget after moves to Ear Marked Reserves.

1.12 The Council continues to make excellent progress on delivering against its revenue budget. Our financial performance in terms of revenue performance; in the context of the one of the most challenging economic climates of our times is an area we can be proud of. Our performance demonstrates our ability to be nimble in responding to changing circumstances, improved capacity to deliver sizeable capital programmes and effective financial management.

1.13 The information in this report is in the format used for budget monitoring purposes and as reported to the Executive quarterly. It does reflect the various accounting adjustments required for IFRS but not those required to

comply with the Statement of Recommended Practice (for example the various pension adjustments required by Financial Reporting Standard 17) nor is it in the same format as the statutory Financial Statement.

- 1.14 There are no direct resource requirements flowing from this report. This report is informing members of the provisional actual spend against budget on the General Fund and makes recommendations on the carrying forward of certain budgets and proposals for finalising the 2012/13 financial statements.
- 1.15 These statements will be adopted by the Accounts, Audit and Risk Committee in June 2013 and then subsequently approved after audit clearance in September 2013. A detailed analysis of income and expenditure will be included within these accounts.