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To The Chairman and Members of the Cabinet  
All other Members of the Council – for information

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Date 01 May 2012

Dear Sir/Madam,

## **CABINET - TUESDAY 8 MAY 2012**

I refer to the agenda for the above-mentioned meeting and enclose the following items:

<b>Item No</b>	<b>Report Title</b>	<b>Page Nos</b>
8.	<b><u>Revenue Out-turn 2011/12</u></b> Report of Michael Wassell, Executive Member for Finance & Democratic Services.	105 - 109
14.	<b><u>Reference from the Overview and Scrutiny Commission</u></b> To consider references from the meeting of the Overview and Scrutiny Commission held on 26 April 2012.	110

Yours faithfully

*Julie Britton*

Senior Committee Officer

**Item No**    **Report Title**

**Page Nos**

**BRECKLAND DISTRICT COUNCIL****Report of Michael Wassell, Executive Member for Finance and Democratic Services****To: Cabinet 8 May 2012****(Author: Mark Finch – Assistant Director Finance)****Subject: Revenue Out-turn 2011-12****Purpose: To provide details of the expected revenue out-turn against budget for 2011-12 and to consider the budget carry overs into 2012-13 and recommend approval to Full Council****Recommendations:**

- To note the revenue out-turn against budget for 2011-12 at **Appendix A**
- To approve the budget carry overs at **Appendix B**
- Recommend to Full Council that any balance remains in the General Fund

**1. BACKGROUND**

Throughout the year quarterly monitoring reports have been completed forecasting the expected year end out-turn against the budgets. This report details the final expected year end out-turn and also requests approval to carry forward budget into next year where projects have over-run or been delayed for various reasons or windfall income has been received and will be utilised in 2012-13.

The actual year end out turn may vary from that reported, as changes may be made to the accounts at any time up to 30 June 2012, however due to the timings of committee meetings this is the latest possible Cabinet before 30 June in order to get Full Council approval. The final out-turn will be reported to Audit Committee along with the Statement of Accounts by the end of June.

During the year various changes have been made to the approved budget in order to make the best use of the Council's resources (for example virements, funding to/from reserves, etc) and this report details the out-turn position against this "working" budget.

**Appendix A** details the year end out-turn position and the reasons for the main variances.

**Appendix B** details the requests to carry budget over into 2012-13 and the reasons for these requests.

**2. OPTIONS**

- To note the out-turn position and approve the budget carry overs at Appendix B and recommend to Full Council that any balance remains in the General Fund
- To note the out-turn position and make changes to the budget carry overs at Appendix B and/or make changes to the recommendation to Full Council that any balance remains in the General Fund

### **3. REASONS FOR RECOMMENDATION**

To make the best use of the Council's resources.

### **4. EXPECTED BENEFITS**

The final out-turn position represents how well the Council has managed its spend against budget for the year and therefore there is no expected benefit from this in the future.

The carry over requests allows the council to make the best use of its limited funding.

### **5. IMPLICATIONS**

#### **5.1 Legal - None**

#### **5.2 Risks –** if the budget carry over requests are not approved, these projects may not be able to be delivered as there would be insufficient funding to complete them.

#### **5.3 Financial –** this report is of a financial nature and the financial issues are raised in the report and appendices.

#### **5.4 Timescales –** The out-turn relates to financial performance against budget for 2011-12 and is therefore retrospective. Any carry over requests into 2012-13 will form part of the approved "working" 2012-13 budget and will be monitored through the 2012-13 financial performance reporting process.

#### **5.5 Equality and Diversity – N/A**

#### **5.6 Stakeholders / Consultation –** Budget holders have been consulted on their out-turn against budgets and the reasons behind any major variances and also for any requests relating to carry over requests.

#### **5.7 Contracts – N/A**

#### **5.8 Section 17, Crime & Disorder Act 1998: - N/A**

### **6. WARDS/COMMUNITIES AFFECTED**

This report is an internal performance report and therefore does not affect any wards/communities directly.

Background papers:- None

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#### **Key Decision – No**

#### **Appendices attached to this report:**

Appendix A – Year End out-turn position

Appendix B – Budget carry over requests

## 2011-12 Revenue Out-turn

	Budget	Actual	Over/ (Under) Spend	Over/ (Under) Spend
	£'000	£'000	£'000	%
Place and Governance	3,503	3,389	(114)	(3.3)
Commissioning	10,662	10,548	(114)	(1.1)
<b>Sub Total</b>	<b>14,165</b>	<b>13,937</b>	<b>(228)</b>	<b>(1.6)</b>
Housing Benefit	6	(402)	(408)	
<b>Total</b>	<b>14,171</b>	<b>13,535</b>	<b>(636)</b>	<b>(4.5)</b>

The table above details the year end under spend of £636k (4.5%). It is recommended that the under spend balance is retained in the General Fund, subject to any other accounting changes identified after the accounts process has been completed.

The main variances which contribute to this out-turn position are detailed below:

*Place and Governance*

- Policy & Communication (£25k) – below budget salaries and marketing & promotion spend due to spend being kept to a minimum during the year.
- Member Services (£30k) – below budget salaries costs and reduced claims for Members travel and subsistence.
- Corporate Management (46k) – below budget spend within hired services and early retirement costs relating to the shared management with SHDC.
- Corporate Efficiencies (£78k) – above budget efficiencies achieved in various areas within base budgets and from reviews of services.
- Insurance £41k – Above budget insurance costs mainly resulting from increased lease car insurance costs and increase industrial property insurance costs. The industrial property increase is offset by income received within the Commercial Property account, which reduces the net increase to £20k.
- Community Safety £13k – above budget salary costs resulting from a temporary post being extended beyond its budgeted end date.

*Commissioning*

- ICT (£121k) – mainly due to below budget software support and licences resulting from the zero based budgeting approach adopted when the service was brought back in house.
- Forward Planning (£23k) – below budget spend within the LDF base budget.
- Land Charges (£58k) – above budget income from search fees.
- Public Lighting (£51k) – below budget spend due to the contract being re-tendered and only re-active works taking place. This will result in a reduced charge/special expense to the relevant Town Councils.
- PFI (£42k) – Credits received relating to service deductions from the contractor.
- Advice & Homelessness (£20k) – Above budget Bed & Breakfast (B&B) income due to increased collection rates and reduced B&B spend resulting from fewer applicants utilising B&B.
- Building Control £55k – below budget income resulting from the current economic conditions and above budget spends within supplies and services and salaries.

- Development Control £139k – below budget income resulting from the current market conditions particularly affecting small developments. Major applications have increased but this income is largely offset by additional contract payments.

#### *Housing Benefit*

- Housing Benefit (£408k) – Due to the performance within the year, the Council will receive additional subsidy which would have been withheld if overpayments had breached a prescribed threshold percentage. This performance was not known at the end of quarter 3, so the forecast out-turn assumed a prudent approach and did not include this additional income. In addition to this, the bad debt provision is less than budgeted as collection rates are expected to increase as a result of employing 2 additional overpayment officers.

The figures above are not final and include assumptions relating to Icelandic bank deposits interest based on prior year accounting treatment. Further guidance will be issued by CIPFA shortly, with the final out-turn being reported to Audit Committee along with the Statement of Accounts by the end of June.

#### **Major Income Areas**

The following table details the out-turn against the major areas of income within the Council.

<b>Major Income Area</b>	<b>Budget</b>	<b>Actual</b>	<b>(Above)/ Below Income</b>	<b>(Above)/ Below Income</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
Land Charges income	160	218	(58)	(36.3)
Development Control income	1,086	1,012	74	6.8
Commercial Property rental income	2,368	2,326	42	1.8
Building Control income	409	367	42	10.3
Bed & Breakfast income	25	37	(12)	(48.0)
Offices Rental & Service Charges	640	550	90	14.1
Garden Waste Scheme	570	570	-	-
Licensing income	151	151	-	-

- Land Charges income should reflect the current market conditions, so the income received is higher than expected due to increased searches.
- Development Control and Building Control income are below budget due to the current market conditions within the construction industry.
- Bed & Breakfast income is higher than budgeted due to an increase in the collection rate, as a result of improved collection protocols.
- Office rental & service charges income is below budget due to reduced spend within service charges leading to reduced income, in addition to a small reduction in lettings within the year.

## Budget Carry Overs and Expenditure in 2012-13

Description	Amount (up to)	Reasons for request
Preventing Repossessions Fund (PRF)	£32,835	This one off non-ring fenced grant was announced in mid February 2012 and was received late in 2011-12, which did not give sufficient time to utilise it in 2011-12. This request is to carry over the full amount for use by the Advice & Homelessness department to target the preventing of mortgage repossessions.
Community Development Grants	£3,346	The Community Development department have awarded grants to groups from their 2011-12 budgets, however some of these groups are yet to claim the funding & accounting rules do not allow us to charge these amounts in 2011-12. Therefore these amounts are requested to be held in reserves to be paid in 2012-13 when the groups claim them, therefore not impacting on the budget available in 2012-13.
Retention Payments (revenue)	£1,037	The Asset and Commercial Property department have some minor retention payments funded from revenue budgets, where the work has been completed in 2011-12, but the retention is not due for a further 12 months and accounting rules do not allow us to charge these amounts in 2011-12. Therefore these amounts are requested to be held in reserves to be used in 12-13 when the retention payments become due.

The following requests are for projects/spend which are 100% funded from income receivable and are not asking for any carry overs or additional funding.

However the Council's constitution requires Cabinet approval where income exceeds the approved budget by £500 or more (excluding grant funding) and therefore these projects require Cabinet approval for the gross spend and income.

Description	Amount (up to)	Reasons for request
Breckland Book Festival	£30,000 <u>(£30,000)</u> £Nil	Gross expenditure of £30,000 can be 100% funded from Sponsorship (£4,000), Arts Council Funding (£10,000), Pride Funding (£10,000) and Box Office income (£6,000). This project has already been approved in principle, but it requires Cabinet approval to use the income to fund the project

**BRECKLAND COUNCIL**

**Report of the Director of Commissioning to the  
CABINET – 8 May 2012**

**REFERENCES FROM OVERVIEW & SCRUTINY COMMISSION**

**1. Purpose of Report**

- 1.1 Cabinet is asked to consider the following reference from the meeting of the Overview & Scrutiny Commission held on 26 April 2012 in respect of the Policy for the Provision of Wheeled Bins for New Property.

**2. Policy for the Provision of Wheeled Bins for New Property**

- 2.1 The Commission was asked to endorse the introduction of a policy to charge for the provision of wheeled bins (black and green) for new properties.
- 2.2 Several concerns were raised by one Member including the potential for health & safety issues if residents refused to purchase bins.
- 2.3 The question of extant planning permissions was also discussed, with regard to requiring developers to take on the responsibility of providing bins to new properties. However, Members acknowledged the need for the Council to generate income and therefore supported the proposal.
- 2.4 It was clarified that:
- the proposal only related to the purchase of bins for new properties and did not include residents having to purchase replacements for lost or damaged bins;
  - the bins would belong to the Council and would remain with the property if residents moved on.
- 2.4 A proposal was made to require a more detailed breakdown of costings in the report, but that proposal was not supported.

It was **RESOLVED** to **RECOMMEND TO CABINET** that Members endorsed the introduction of a policy to charge for the provision of wheeled bins (black and green) for new properties.