

Leicester
City Council

**CABINET
SCRUTINY COMMITTEES**

**29th July 2002
August 2002**

REVENUE OUTTURN 2001/02

REPORT OF THE CHIEF FINANCIAL OFFICER

1. INTRODUCTION

- 1.1 The purpose of this report is to show the summary position comparing spending with the budget for all General Fund Services and the Housing Revenue Account (HRA).
- 1.2 This is the third and final report in the annual cycle of budget monitoring and shows the outturn position for the General Fund against the revised budget of £302.9m, and the HRA against a gross budget of £57.0m.
- 1.3 The Council's processes provide for reports on the budget to be prepared twice during the year. Previous reports have therefore been presented in November and February to Cabinet and Scrutiny Committees which have identified budgetary issues which have emerged during the year and the forecast outturn for the year end.
- 1.4 Each Scrutiny Committee will receive this covering report and an appendix (or appendices) which relate to its portfolio. The Finance Resources and Equal Opportunities Scrutiny Committee will receive this report, the appendices which relate to its portfolio and a summary report considering the overall position for the whole Council.
- 1.5 The Cabinet will receive this covering report and the overall position for the Council.
- 1.6 Members of the Cabinet or the Finance, Resources and Equal Opportunities Scrutiny Committee wishing to see the appendices relating to any portfolio not appended to the report should contact the report author.

2. SUMMARY OF THE REPORT

- 2.1 At the end of the year, the net general fund outturn was £302.1m against a budget of £302.9m. The element which relates to service departments (excluding schools) shows that they have overspent their budgets by £0.6m which represents 0.3% of the General Fund budget.

- 2.2 The position for the HRA is that the amount of HRA balances at 31 March 2002 is £2.689m, which compares to a forecast of £1.838m when the original budget was set and exceeds the minimum working balance of £1.5m.
- 2.3 The Council's general reserves position at the end 2001/02 financial year is forecast to be £5.2m which is £0.2m more than the recommended working balance of £5m.

3. RECOMMENDATIONS

- 3.1 Cabinet is recommended to:
- a) note the final outturn for 2001/02 for each department and the Council as a whole;
 - b) note the reasons for the variances between the 2001/02 budget and the final outturn;
 - c) note the position of the Council's uncommitted general reserve;
 - d) note the position in respect of other significant earmarked reserves;
 - e) to authorise the following in respect of earmarked reserves:
 - the establishment of new reserves in E & D (see para 10.11);
 - the drawdown of earmarked reserves in Education to meet the overspending in 2001/2002 (see para 6.3.1);
 - reclassification of Town Clerk's reserves (see para 10.8).
- 3.2 Scrutiny committees are asked to consider issues affecting their portfolio and make any observations to the Cabinet as they see fit.
- 3.3 The Finance, Resources and Equal Opportunities Scrutiny committee is asked to consider the overall position for the whole Council and make any observations it sees fit.

4. FINANCIAL IMPLICATIONS

- 4.1 The report is concerned solely with financial issues.

5. OTHER IMPLICATIONS

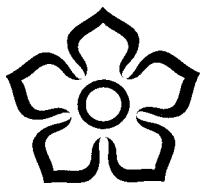
- 5.1 There are no equal opportunity, sustainable and environmental, crime and disorder or human rights implications.

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MARK NOBLE – CHIEF FINANCE OFFICER

DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)



Leicester
City Council

**CABINET
SCRUTINY COMMITTEES**

**29th July 2002
August 2002**

REVENUE OUTTURN 2001/02

SUPPORTING INFORMATION

1. INTRODUCTION AND SUMMARY

- 1.1 The purpose of this report is to summarise the Authority's final outturn position for all departments and corporate budgets.
- 1.2 2001/02 has been difficult, and has been characterised by a number of pressures which have given rise to diversion of resources. These include overspending pressures in Social Services, Persons from Abroad, and pressures in service departments which have led to use of previously earmarked reserves to balance budgets.
- 1.3 All Service Departments have achieved spending within their resources, other than Social Services which has overspent by £1.5m. The net position for all service departments is an overspend of £0.6m. This is a good achievement given the pressures all departments have faced.
- 1.4 Earlier monitoring reports have identified that the 2001/02 budget position was tight. In particular, the Social Services Department has faced significant pressure, reflecting a national trend in this area. This has been taken into consideration during the 2002/03 budget process whereby Social Services was identified as a key spending priority and one-off additional resources of £1.1m were included to support the budget. Further funds have been provided from the Neighbourhood Renewal Fund (NRF).
- 1.5 An influx of EU nationals has placed pressure on both the Social Services Department and the Education Department. As such, additional one-off funding for 2001/02 of £0.5m was approved by the Cabinet at its February meeting.
- 1.6 A number of departments were projecting overspending earlier in the

year, and have worked hard to restrain expenditure. However this has resulted in some areas having to draw on Departmental reserves to fund areas of overspend. This is a particular concern for Commercial Services who have faced difficult trading conditions during 2001/02, particularly in relation to relatively high pay awards and keenly priced contracts.

- 1.7 A predicted overspend on corporate budgets of £0.2m has materialised. This is due to the fall in interest rates during the course of the year. This was also taken into account when setting the 2002/03 budget.
- 1.8 The Housing Revenue Account (HRA) has achieved an outturn within its original budget, and balances exceed the agreed minimum balance of £1.5m. There has however, been a significant reduction in balances from the position forecast in February. The eventual position is an expected balance of £2.7m.
- 1.9 Schools have underspent their budgets by £1.6m, representing 1.4% of schools' aggregate budgets (a figure which is not out of line with that of service departments). These underspendings are retained by schools under "fair funding" legislation. Schools balances now stand at £7.9m. A small number of schools, however, have deficit balances. There are a variety of reasons why schools underspend, and this is a common trend nationally.
- 1.10 The Council's general reserves position at the end of the 2001/02 financial year is forecast to be £5.2m which is £0.2m more than the recommended working balance of £5m.
- 1.11 Under Finance Procedure rules, underspending Departments are allowed to carry-forward their underspends. Therefore, £0.9m will be carried forward to 2002/03. The Social Services Department overspending of £1.4m will be carried forward and will be set off against one off monies in the 2002/03 budget. Schools balances will increase by £1.6m.

2. FINANCIAL IMPLICATIONS

- 2.1 The report is solely concerned with financial issues.

3. BACKGROUND

- 3.1 The net general fund budget (which pays for all services other than Council Housing) is divided into two components:
 - (a) departments' service budgets, which are controlled by service directors and monitored by Scrutiny Committees;

- (b) Corporate budgets which are managed centrally rather than being controlled by service director.

All Directors are accountable to Cabinet for the use of their budgets.

- 3.2 Each Director is responsible for ensuring that the cost of service provision is contained within their department's budget, and for taking action (or recommending action to Cabinet) where it appears that a budget may overspend.
- 3.3 Under Finance Procedure Rules underspendings against a department's budget are carried forward by the department which generated the underspending. Commercial Services and Town Clerks departments also have trading services under the remit of the director. Trading organisations "sell" services to other departments. Finance Procedure rules allow departments to retain a proportion of their trading surplus, the balance being returned to the uncommitted general reserve.
- 3.4 Corporate budgets include:
 - (a) capital financing charges – these are essentially the costs of interest and principal on debt raised for previous years' capital schemes, offset by interest earned on invested cash balances;
 - (b) levies to other bodies, including the fire authority, magistrates courts and flood defence;
 - (c) Miscellaneous budgets, such as bank charges, District Audit fees and Best Value inspection costs;
 - (d) the net recharges budget which represents income earned by the general fund from other parts of the Council (such as the Housing Revenue Account and Direct Service Organisations)..

Underspends/overspends on corporate budgets are accounted for against the corporate reserves.

4. BUDGET 2001/02

- 4.1 The General fund budget for 2001/02 was originally set at £301,893,000. The budget has been adjusted by £336,200 reflecting a reduction in payments to recipients of Housing Benefit and Council Tax benefit. This is in accordance with Finance Procedure Rules.
- 4.2 Further adjustments have been made during the course of the year including additional funding of £500,000 to the Social Services and Education Departments towards the additional costs incurred as a result of an influx of EU nationals.

	Original Budget for 2001/2002	Approved Carry-Forwards	Approved Use of Reserves	Virements	Revised Budget for 2001/2002

Department	£000	£000	£000	£000	£000
Arts & Leisure	23,836.6	(60.4)	0.0	(5,545.5)	18,230.7
Chief Executives	2,717.0	425.0	0.0	(111.6)	3,030.4
Commercial	(648.7)	0.0	0.0	427.0	(221.7)
Education	141,725.3	409.2	150.0	5,717.3	148,001.8
Env & Dev	31,394.7	239.1	0.0	81.7	31,715.5
Housing	8,248.8	0.0	0.0	150.4	8,399.2
Social Services	62,845.2	(313.3)	350.0	99.4	62,981.3
T.Clerks & C.Res	18,178.0	199.6	0.0	(55.3)	18,322.3
Total Departments	288,296.9	899.2	500.0	763.4	290,459.5
Corporate Budgets					
Levies	6,846.0	0.0	0.0	0.0	6,846.0
Miscellaneous	1,447.0	0.0	0.0	(171.7)	1,275.3
Capital Financing	7,463.0	0.0	0.0	0.0	7,463.0
General Fund (Excl. Net Recharges)	304,052.9	899.2	500.0	591.7	306,043.8
Net Recharges	(2,496.1)	0.0	0.0	(591.7)	(3,087.8)
Net General Fund	301,556.8	899.2	500.0	0.0	302,956.0

5. SUMMARY OUTTURN

- 5.1 Appendix 1 sets out the final outturn position for the Council's General Fund.
- 5.2 Reasons for variations between Departments' budgets and actual expenditure will be set out in detail in the individual reports to Scrutiny Committees in the August/September cycle of meetings.
- 5.3 Section 6 of this report sets out the main issues arising from individual Departmental outturns and Appendix 2 identifies proposals for uses of underspends carried forward by Departments.

6. EXPLANATION OF VARIANCES – SERVICE DEPARTMENTS

6.1 Arts & Leisure Department (underspend of £9,600)

6.1.1 Although the Department is reporting an overall underspend of £9,600 without a substantial refund of NNDR (largely relating to St. Margarets Baths and Granby Halls), the Department would have been reporting an overspend.

6.1.2 A detailed analysis of the outturn is being undertaken within the Department to identify any underlying recurrent problems which have not already been addressed. Those areas that spent more than budget during the year are:

<i>overspends & one-off spending</i>	£'000
➔ Arts – costs for One Big Sunday and other property related issues	61
➔ Entertainments – shortfall in hall hires and additional staff costs partly offset by additional income	109
➔ Libraries – NNDR revaluation and underachievement of income	133
➔ Sports – one-off system replacement costs, equipment and building adaptations and lower income	142
➔ Cemeteries & Crematoria – down turn in death rate and urgent remedial works to grounds, drainage and pathways	308
➔ Corporate services – miscellaneous	40
<i>underspends</i>	
➔ Museums – staffing savings	(39)
➔ Parks – vacancies due to organisational review	(59)
➔ NNDR refund	<u>(705)</u>
Total	(10)

6.1.3 The Department has already identified additional pressures within the 2002/03 budget and proposes to carry forward the underspend to assist in achieving a balanced budget.

6.2 Environment & Development Department (underspend of £422,100)

6.2.1 The Department as a whole underspent by £422,100.

6.2.2 The Property Services budget underspent by £310,000 largely due to a high vacancy level, some of which is being maintained to support a temporary management structure. Miscellaneous premises costs such as repairs and maintenance also contributed to the overall figure. During the course of the year the division was able to establish a specific bad debt provision in order to mitigate the effect of expected write-off of some old debts.

6.2.3 Elsewhere in the Department an overspend of £470,000 was incurred. The key problem was on waste due to increased tonnage and price for waste disposal (notwithstanding a specific budget increase of £200,000 for increased waste), increased costs in recycling and the disposal of fridge/freezers (as a result of new legislation). Key variances were:

overspends	£'000
→ waste	470
→ energy management income deficit	85
→ advertising income underachievement due to a delay setting-up contracts	158
underspends	
→ additional planning application fees	(146)
→ additional licensing income	(135)
→ vacancies	(266)
→ grants to voluntary bodies due to project closures	(55)
→ local environmental works slippage	(200)
→ other miscellaneous	<u>(23)</u>
Total	(112)
Add: Property underspend	<u>(310)</u>
Total E & D	<u>(422)</u>

6.3 Education Department (Break-even)

6.3.1 The Education Department is reporting outturn at budget. There are a number of significant variances within the Department and an overspend was predicted. The underlying position at the year end was an overspend of £259,200. Earmarked funds have been drawn down to address this position and balance the outturn. The main causes of the underlying overspend were:

overspends	£'000
→ pressure on needs led budgets, increased salary costs and insurance premiums	303
→ additional costs due to influx of EU nationals	69
underspends	
→ PRC contingency budget	<u>(113)</u>
Total	259

6.4 Social Services (overspend of £1,482,000, excluding the Youth offending Team).

- 6.4.1 The Department has overspent by £1,069,000 in 2001/02, with a further overspend of £413,000 brought forward from 2000/01.
- 6.4.2 This was effectively due to pressure on the community care budget, which funds the commissioning of care packages from external providers. Although measures to restrict spending were taken during the year, the scale of demand meant an overspend could not be prevented. Pressure was also experienced within the Children and Family Divisions on the contract foster care and agency placements budget, although additional controls and NRF funding prevented an overspend.
- 6.4.3 In addition to the specific measures to control the Community Care and Children's budgets, tight spending restrictions and income generation measures were introduced across the Department to minimise the overall overspend. Taken together, net spending was reduced by around £1m.
- 6.4.4 There was a small underspend of £74,600 on the Youth Offending Team due to the time lag in utilising new funding. This will be required by the YOT in 2002/03.

6.5 Housing Department (underspend £93,800)

- 6.5.1 The Department has experienced considerable problems in implementing and operating the new Housing Benefits Verification Framework and with Document Image Processing. As a result, Housing Benefits Administration overspent by £349,000 as additional costs were incurred to process a backlog of claims.
- 6.5.2 Underspends in all other areas of the Department helped to offset this and enabled the Department to achieve an overall underspend of £93,800. These underspends include increased agency fee income, securing external funding, higher occupancy levels in hostels and difficulties in recruitment leading to salary savings.
- 6.5.3 The outturn for the Housing Benefit payments budget is still being finalised. The latest position is a predicted underspend of £336,200, which has been anticipated during the course of the year. This budget is defined as demand-led under the Finance Procedure Rules. Any variances in this budget are met from or returned to corporate reserves. Therefore the budget for this item has been adjusted to equal current predicted spending.

6.6 Town Clerk's & Corporate Resources Department (underspend of £226,800)

6.6.1 During the course of the year the Department experienced a number of areas with budgetary pressures. Steps were taken to effectively contain these within the Department's overall budget. The pressures included:

- ➔ the coroners service where the costs of pathology testing are effectively non-controllable as they are wholly dependant on external factors
- ➔ Centrally Located Administrative Buildings (CLAB's) where energy costs are determined by weather conditions
- ➔ Weekly Benefit Savings penalties which were exacerbated by the computer problems in the Housing Department
- ➔ the review of the payroll service is on-going and therefore additional staffing costs continue to be incurred
- ➔ Legal Services division where a reduction in income has been experienced.
- ➔ additional costs arising from the review of members allowances.

6.6.2 The steps taken by the Department to contain the overspend included placing a freeze on non-essential expenditure and instigating a review of Legal Services. As a result of these measures and combined with some additional grant and other income, the Department achieved an underspend of £226,800 which represents 1% of the available budget.

6.7 Chief Executive's Office (underspend £89,200)

6.7.1 A number of small underspends contribute to the overall position. These are mainly savings on supplies and services, employee costs, consultants and printing costs and savings in Link costs.

6.8 Commercial Services Department (break-even)

6.8.1 Overall the Department is reporting a break-even position. However, the underlying outturn shows an overspend (or under-recovery) of £770,800. The Department budgets to make a contribution to the General Fund of £221,700. The year end position showed a deficit of £549,100.

6.8.2 The Department has had to fund the loss from earmarked reserves, being the Departmental Development Fund and the Asset Replacement Fund. The main losses are as follows:

	£'000
Architects & Engineering Services	288.2
- included £90k of bad debts written off during the year, fees not accepted £60k	
Creativity Works	410.8
- insufficient income to cover additional photocopying and printing costs and low charge rates	
Citywide Cleaning	142.7
- keenly priced contract, where prices cannot be increased to meet costs.	

7. CORPORATE BUDGETS

- 7.1 Corporate budgets represent areas of expenditure which are not the responsibility of any service Department. The outturn position is an overspend of £182,700. This is as predicted in February and is largely in the area of capital financing. An overspend was expected due to the fall in interest rates below levels forecast when the budget was set.
- 7.2 Other areas of overspend include bank charges due to the change of authority's bankers (which is one-off) and increased legal charges.

8. SCHOOLS BALANCES

8.1 Revenue balances

8.1.1 Under fair funding legislation, schools have delegated budgets under their own control and can draw from their own balances to support expenditure. Underspendings are added to schools' balances. During 2001/2002, 6 schools have drawn on balances, 28 schools underspent by up to 5% of their budgets, 45 schools underspent by between 5% and 10% of their budgets and 34 schools underspent by over 10% of their budgets.

8.1.2 The result is that schools balances have increased overall by £1.6m during 2001/02. The total balances held by schools now stands at £7.9m. The following table shows the overall position on schools' balances:-

	No.
Schools in deficit	6
Schools with reserves < 5% of their annual budget	29
Schools with reserves between 5% and 10% of their annual budget	45
Schools with reserves > 10% of their annual budget	33

8.1.3 The main reasons for schools holding a surplus balance fall into the following categories:

- building works
- staffing support (mainly to cover temporary staff costs)
- curriculum needs
- external improvements and security

8.2 Capital balances

8.2.1 Schools currently hold £2m of capital reserves. The total value of £2m reflects the amount of funding currently being carried forward by schools in relation to the Standards Fund allocation for Formula Capital. The fund was delegated to schools in 2001/02, as per instructions issued by the Department for Education and Skills. However, schools have a period of up to three years to use the funds and can carry unspent balances forward to the following financial year.

9. GENERAL RESERVES

9.1 The table below shows the effect of the outturn on the Council's general reserves:-

	Amount £m
Opening balance at 1.4.01	6.363
<u>Less:</u>	
One-off contribution towards additional costs incurred as a result of the arrival of persons from abroad	(0.500)
Loan to Education re. the former International Youth House	(0.250)
Overspend on Corporate budgets	(0.183)
Contribution to capital programme (Cultural Quarter)	(0.500)
Other adjustments	(0.028)
<u>Add:</u>	
Housing benefits underspend (provisional)	<u>0.336</u>
 Closing balance at 31.3.02	 <u>5.238</u>

9.2 The items in the above table may be further explained:

- a) the Education & Lifelong learning department now manage the building which was formerly the International Youth House. This arrangement entailed a loan from the general reserve fund, to be repaid over an agreed schedule;
- b) the requirement for initial investment in the development of the cultural quarter has been recognised in previous reserve forecasts.

- c) Corporate budgets reflect the total overspend described in paragraph 7 of this report.

9.3 It is essential that the Council holds some funds in reserve in order to meet unexpected events and the corporate budget strategy recommends a minimum of £5m. The level of the uncommitted general reserve at outturn is consistent with this strategy.

10. OTHER SIGNIFICANT EARMARKED RESERVES

10.1 This section of the report provides an overview of other significant sums of revenue money, which are held in reserves after taking account of transfers during the year. These reserves are 'earmarked' for specific purposes, and are separate from the Council's "uncommitted" reserves.

10.2 Schools Balances (revenue) – The amount of money held in this reserve has increased from £6.3m to £7.8m following this year's outturn. This reflects the overall underspend of schools budgets for the year and, by law, all such amounts must be retained by the schools (see section 8.1).

10.3 Schools Balances (capital) - £2.0m is held reflecting the delegation of Standards Fund to schools (see section 8.2).

10.4 Strategic Review Reserve – This is a one-off fund controlled by the Education department to provide for the implementation of the OFSTED identified strategic reviews. The balance on this reserve at the end of the year is £0.2m.

10.5 Insurance Fund – The Council's self-insured insurance fund stands at £4.7m. A recent actuarial review suggests this is inadequate and a strategy to replenish it over three years will be prepared.

10.6 IT Fund (Town Clerk's & Corporate Resources) - The Town Clerk's & Corporate Resources department holds an IT fund which stands at £0.9m. IT development expenditure cannot be spent in equal annual amounts, and the fund smoothes out the peaks and the troughs. The fund is held for various departmental and corporate IT developments which include the purchase of new software (e.g. anti-virus) and hardware (e.g. SUN server), fire suppression equipment and costs relating to the on-going (Business Continuity Project) BCP improvement programme.

10.7 Central Maintenance Fund (Town Clerk's & Corporate Resources) – The fund is maintained to hold monies earmarked for repairs and maintenance of operational buildings. It is 'topped-up' with additional funds each year by means of a contribution from the budget. This reflects the fact that work is undertaken on a programme basis rather than an annual basis. The fund balance is currently £0.1m.

10.8 Other Town Clerk's & Corporate Resources reserves – separate reserves are held for the relocation of the Registration Office, cost of elections and other Departmental developments. The balance on these reserves totals £0.6m. Due to a change in legislation, it is no longer necessary to provide a single dedicated building for registration purposes. It is therefore proposed that the balance of £0.37m remaining in the relocation reserve be redirected as follows:

- local election reserve (May 2003 elections) £150,100
- legal case management system £ 85,000
- Departmental investment reserve £134,100
(to deal with 2002/03 budget pressures)

10.9 On-Street Parking reserve – this reserve is held by the Environment & Development Department. In accordance with the Road Traffic Regulation Act 1984, such a fund can only be used for transport related objectives. The current balance is £0.6m and is proposed to be spent on the funding of local bus services (£0.4m), the introduction to resident's parking (£0.1m) and network ticketing (£0.1m).

10.10 There are various other individual departments' reserves established in accordance with the Finance Procedure rules. The figure stands at £1.6m.

10.11 The Environment & Development Department have requested permission to establish three new earmarked reserves. The purpose of these is as follows:

- Strategic planning reserve – to fund the cost of running the local plan inquiry
- Traffic reserve – to fund future costs associated with traffic policy and projects
- departmental reserve – for budget issues (2002/03 include dilapidation costs at the Ark, equality training and computer purchase).

The Department has transferred £23,000, £120,000 and £62,500 respectively to these funds during 2001/02.

11. HOUSING REVENUE ACCOUNT

11.1 The Housing Revenue Account achieved a surplus for the year of £206,000 which has resulted in a balance on the HRA reserves of £2.7m. This is an increase of £0.9m compared to the budget of £1.8m, although is below that forecast in February.

A brief summary of the overs and underspends is detailed below:

	£'000
<p>➔ Landlord services This relates to a number of areas including central administrative costs, rubbish removal from flats and additional computer equipment for Neighbourhood Housing offices</p>	797
<p>➔ Repairs and Maintenance This has been a result of relatively small increased costs over a number of schemes</p>	221
<p>➔ Contribution to Bad Debts Provision Due to the backlog in Housing Benefits claims, current tenant arrears have arisen from £2.2m to £5.4m. An increase in the amount provided for bad debts is prudent notwithstanding that these arrears overstate the true position.</p>	535
<p>➔ Additional income This is mainly due to extra district heating charges and additional interest due to changes in capital financing arrangements.</p>	(140)
<p>➔ Shortfall in Housing Benefit Reimbursement An additional £1m subsidy was anticipated in January 2002, and has now been confirmed. This figure includes a further £443k subsidy arising from the calculation of the detailed HB claim for 2001/02.</p>	(1,586)

11.2 HRA balances exceed the approved minimum level of £1.5m. Proposed use of other balances is shown on Appendix 2.

12. HOUSING REPAIRS TRADING SERVICE

12.1 The original forecast surplus for 2001/2002 was £200,000 and the actual surplus of £108,000 represents an adverse variance of £92,000. However, it should be noted that on a turnover of £18.037m this represents only 0.5%. It is largely accounted for by a reduction in turnover as a result of the continuing difficulty in recruitment and retention of staff.

13. SPECIFIC PROGRAMMES

13.1 Neighbourhood Renewal Fund

13.1.1 In addition to the General Fund budget, departments are responsible for £4.2m of NRF expenditure. The actual spend against this was £2.6m. Year one of NRF was a relatively short year in terms of the time available to develop and deliver a package of measures. Whilst the funding regime technically commenced on April 1st 2001, the Government did not release the guidelines for funding until September of that year. Because of this fact, the Government has allowed the

Authority to carry forward upto 50% of year one funding into year two. The Authority did very well in a relatively short period of time and achieved a spend of 60%.

13.2 Single Regeneration Budget (SRB)

13.2.1 The authority currently has four successful SRB bids in operation. The total revenue spend across all SRB programmes in 2001/02 was £3.9m. Capital spend was £3.4m and therefore total SRB expenditure for the year was £7.3m. For this spend, the achievements include:

- establishment of three £1m education projects
- two new UK online centres
- development of furniture recycling centre
- establishment of a health improvement fund
- domestic abuse addressing
- development of a garden centre in Braunstone
- support to Braunstone on-line employment service
- Peepul centre development work

14. OTHER IMPLICATIONS

Other implications	Yes/No	Paragraph referred
Equal Opportunities	No	-
Sustainable & Environmental	No	-
Crime & Disorder	No	-
Human Rights Act	No	-
Elderly/People on low income	No	-

15. CONSULTATION

15.1 All Departments have been consulted in the preparation of this report.

16. BACKGROUND PAPERS

16.1 2001/02 outturn working papers held in the Accountancy section.

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PROVISIONAL OUTTURN 2001/02

	Adjusted Budget	Actual Spend	Contrib. to/(from) Reserve	Total Outturn	Variance	(Under)/ Overspent	C/fwd Permitted	Charge to Reserve
	£'000	£'000	£'000	£'000	£'000	%age	£'000	£'000
Depts. Excl. Schools								
Arts & Leisure	18,230.7	18,309.7	(88.6)	18,221.1	(9.6)	-0.05%	(9.6)	
Chief Execs	3,030.4	2,841.2	100.0	2,941.2	(89.2)	-2.94%	(89.2)	
Commercial Services	(221.7)	564.3	(786.0)	(221.7)	0.0		0.0	
Education	36,421.2	36,648.9	(227.7)	36,421.2	0.0	0.00%	0.0	
Environment & Development	31,715.5	30,921.0	372.4	31,293.4	(422.1)	-1.33%	(422.1)	
Housing	8,399.2	8,244.1	61.3	8,305.4	(93.8)	-1.12%	(93.8)	
Social Services	62,258.0	63,740.0	0.0	63,740.0	1,482.0	2.38%	1,482.0	
- Youth Offending Team	723.3	648.7	0.0	648.7	(74.6)	-10.31%	(74.6)	
Town Clerks & Corp. Res.	18,322.3	18,162.1	(66.6)	18,095.5	(226.8)	-1.24%	(226.8)	
Total	178,878.9	180,080.0	(635.2)	179,444.8	565.9	0.32%	565.9	0.0
Schools	111,580.6	109,993.9	0.0	109,993.9	(1,586.7)	-1.42%	(1,586.7)	
Sub-Total	290,459.5	290,073.9	(635.2)	289,438.7	(1,020.8)	-0.35%	(1,020.8)	0.0
Corporate Budgets								
Levies	6,846.0	6,839.1	0.0	6,839.1	(6.9)			(6.9)
Miscellaneous	1,275.3	1,493.5	(175.0)	1,318.5	43.2			43.2
Capital Financing	7,463.0	7,573.0	0.0	7,573.0	110.0			110.0
Net Recharges	(3,087.8)	(3,051.4)	n/a	(3,051.4)	36.4			36.4
TOTAL	302,956.0	302,928.1	(810.2)	302,117.9	(838.1)	-0.28%	(1020.8)	182.7

Service Committee's Underspending, 2001/2002
Proposed use of Carry Forwards

Town Clerk's and Corporate Resources

	£'000
<u>To meet budgetary pressures in 2002/03</u>	
1. The financial services division has several one-off pressures on 2002/03, including the costs of the payroll service which will be addressed as part of the Best Value review which will be completed during the Year.	112
2. There are a number of corporate developments within the Human Resources and equalities division, including Job evaluation and associated consultancy work. It is intended that the bulk of the costs of these schemes will be shared by all Departments. The Department needs to meet its share and to contribute to the initial start-up costs.	31
<u>To fund Departmental and Corporate priorities 2002/03</u>	
3. Each Department will need to contribute towards the cost of a new e-mail system. The cost to this Department is estimated to be around £40k	40
4. The enhancement of the facilities provided by the Customer Services Centre is a priority for the authority. The costs and benefits will be brought into account and addressed as part of the Department's revenue budget strategy for 2003/04, but in the meantime it is proposed to increase the staffing level within the centre to cope with the growth in demand. It is proposed to meet the cost of this in 2002/03 from the carry forward reserve	45
Total	228

Housing

	£'000
<u>To meet budgetary pressures in 2002/2003</u>	
1. To meet the predicted Housing Benefits overspend in 2002/03. The predicted overspend is due to staffing costs associated with clearing the backlog of claims.	93

Arts and Leisure

	£000
1. To meet budgetary pressures in 2002/2003	10

Environment and Development

	£000
1. Expenditure on Local Environmental Works	112
2. Utilisation of the Property Division underspend is subject to further consideration between Corporate Directors as a result of the revitalising neighbourhoods initiative.	310
	<hr/>
Total	422 <hr/>

Social Services – Youth Offending Team

	£000
1. To fund additional pressures expected in 2002/03	75

Housing Revenue Account

	£000
1. Additional HRA balances to be earmarked for future opportunities including:	861
• supporting people initiative	
• automation of the window manufacturing unit	
• introduction of GPS within the Housing Trading Services	
• rent restructuring	

Chief Executive's Office

	£000
1. To meet departmental budget pressures and towards corporate priorities and initiatives	89