

DEACS Summary**Outturn 2013/14**

This overview provides the key results of the outturn review for 2013/14

Approved Budget

The Approved budget for the directorate is £78.9m, made up as follows:

	Annual Budget	Actual	Actual Variance
	£'000	£'000	£'000
Employee Costs	84,407	84,424	17
Running Costs	70,446	100,158	29,712
Gross Expenditure	154,853	184,582	29,729
Income	-75,922	-106,772	-30,850
Net Expenditure	78,931	77,810	-1,121

Year End Underspend

The outturn shows a net underspend of	-1,121
	-1.4%

Directorate Commentary on outturn

The outturn for the 13/14 financial year is an underspend of £1,121K (which is 1.4% of the net budget). Adult services delivered against planned financial targets; there were some demographic service pressures which were partly covered by non recurrent funding, but overall delivered a small underspend. The Education service finished the year with a slight overspend due to pressures in home to school transport flowing from an increase in children with special educational needs requiring this service and also more generally levels of services that schools buy from the Council are lower than anticipated. Children's Services had a pressure for residential placements, together with an increase in agency spend, partly due to covering maternity leave. There were some off setting underspends from the youth service, grants and CATS which have now brought the Directorate in with a slight underspend.

In Commissioning and Procurement the underspend reflects the reshaping that has taken place in the service together with the in year reductions in training. To support unexpected increases in client demand across Adult and Children Social Care, the Directorate has a strategic reserve budget of £1.4m. The aim is to use the reserve on a non re-current basis to meet pressures across the Directorate. In 2013/14 the overall pressure across all services reduced and there was no call on this reserve budget and this will carry forward into 2014/15 as part of the overall arrangements for operating the strategic reserve.

Significant Budget Variations - Service & Explanation of Year End Position (>£100k)	Underspend (-)/ Overspend (+) £000
Children's Service	-410
Adult Services	-659
Education & Early Years	430
Commissioning & Improvement	-398
Sundry Other	-84
Total Underspend	-1,121

This overview provides the details of the 2013/14 Final Outturn

Approved Budget

The approved budget for the directorate as shown is £27.637m, made up as follows:

		Annual Budget	Year End Outturn	Variance to Budget
		£'000	£'000	£'000
Employee Costs		28,626	29,102	476
Running Costs		41,194	47,979	6,785
Gross Expenditure		69,820	77,081	7,261
Income		-42,184	-46,816	-4,632
Net Expenditure		27,636	30,265	2,629

Summary of Year end Position

The outturn shows a net overspend of	2,629
	9.5%

Directorate Commentary on Year End Outturn

The Directorate has experienced significant grant-funded projects during the year, such as LSTF. As separate budgets were not established to spend grant income streams as they were not fully known about when the original budget was set, there are variances in running costs and gross expenditure between budget and outturn in the table above. However, such grant income was broadly matched by expenditure and therefore was effectively budget neutral. The net overspend at year end is principally due to significant income shortfall across many service areas, including New Directions, Culture, Leisure, Planning, and Building Control either as result of continued economic downturn or the setting of over optimistic income targets across Culture and Leisure services. Where these over optimistic income targets were identified during 2013/14, budgets have been re-based going forward into 2014/15.

Budget Variations by Head of Service	Underspend (-)/ Overspend (+) £000
Transport & Streetcare - over achievement of Bus Lane Enforcement income along with other savings, including LSTF salaries recharge. This was used to off-set the cost of RTPI, additional pothole scheme, pressure in refuse collection and waste disposal, clean and tidy project, amongst other things.	-506
Planning, Development & Regulatory Services - income shortfalls within Planning and Building Control and additional cost of Coroners Service and FM, partially offset by additional Licensing income and vacancy savings.	590
Housing & Neighbourhood Services - underspend on Short term Lets offset by high B&B costs, savings in Housing Advice and income shortfalls in Libraries	-192
Economic & Cultural Development - income shortfalls against budget for Leisure, Town Hall, Arts Venues and New Directions.	2,614
Cross Directorate - unfunded 1% pay award offset by vacancy and other small savings.	123
Total Underspend	2,629

Budget Monitoring Overview for the Period: March 2014

This overview provides the details of the 2013/14 Final Outturn

Approved Budget

The Approved budget for the directorate is £14.1m, made up as follows:

	Annual Budget	Year End Outturn	Variance To Budget
	£'000	£'000	£'000
Employee Costs	15,847	16,122	275
Running Costs	11,985	15,782	3,797
Gross Expenditure	27,832	31,904	4,072
Income	-14,045	-19,392	-5,347
Net Expenditure	13,787	12,512	-1,275

Summary of Year end Position

The outturn shows a net underspend of	-1,275
	-9.2%

Directorate Commentary on Year End Outturn

In the Directorate's £1.275m under spend, the largest single variance arose within Legal Services, where the Joint Berkshire Childcare Legal Team expenditure was broadly in line with budget, as had been anticipated, but there were £370k additional charges to other authorities, and a broadly matching reduced usage of the team as Reading's caseload fell to an unprecedented low level.

Virtually all other areas of the directorate had a year end underspend arising from careful vacancy management and control over costs, together with additional income. Notable income sources included land charges (£65k better than budget) and better than forecast recovery of costs from defaulting council taxpayers (£63k). At outturn further positive year end variances included Finance (£85k), HR (£104k), Registration (£64k) Policy (£81k) & Business Improvement (£37k). These added to a forecast general underspend of pay costs across the Directorate in the year of up to £200k, as reported during the year. Within Customer Services despite growth in caseload we have been able to contain pressures in Entitlement & Assessment (Benefits), though various new burdens grants.

The Public health budget which is grant funded is also managed with Corporate Support Services. Some of the contract costs funded within the budget are variable depending upon demand, and the outturn currently shows 92% of the grant was spent in year. Unspent grant carries forward to future years.

Budget Variations by Head of Service	Underspend (-)/ Overspend (+) £000
Customer Services	-467
Legal Services	-521
HR & Payroll Services	-164
Finance	-95
Other Variations	-29
Total Underspend	-1,275

Budget Monitoring Overview for the Period: March 2014

This overview provides the key results of the budget monitoring exercise undertaken during March 2014

Approved Budget

The Approved budget is £40.8m, made up as follows:

	Annual Budget	Year End Outturn	Variance to Budget
	£'000	£'000	£'000
Employee Costs	2,843	2,679	-164
Running Costs	14,060	13,210	-850
Total Supervision & Management	16,903	15,889	-1,014
Repairs	12,245	10,480	-1,765
Capital Financing	11,160	11,165	5
Gross Expenditure	40,308	37,334	-2,974
Income	-40,308	-39,890	418
Net Expenditure	0	-2,356	-2,356
Summary Projection of Year end Position			
The outturn shows a net underspend of			£-2356k

Summary Projection of Year end Position

The 'Supervision & Management' heading covers all tenancy services/housing management budgets - totalling almost £17m. There is a total underspend of £1,014 in this area due to ongoing vacant posts, on costs reviewed for numbers not staying in Superannuation scheme, training underspends due to the moratorium on training and agency budget underspends. In addition there is a £-587K underspend in the PFI area and a number of relatively small under and overspends against running costs. Three vacancies have been or are being filled. One will be filled but a project has been deferred to next year. Others are being held pending an imminent review of structure under the Council's reshape programme.

At year end there is a small overspend in capital financing costs, and owing to RTB disposals as well as the impact of taking properties out of the HRA to facilitate the Dee Park regeneration and the "bedroom tax" reform, rent income is below budget by £418K.

The Repairs budget is showing an underspend which is made up of slippage of works to 2014/15 and use of contingency budget of £400k not being required in 2013/14.

Service & Explanation of Year End Position (>£100k)	Overspend £000	Underspend £000
Supervision & Management		1,014
repairs		1,765
Capital Financing	5	
income	418	
Total	423	2,779
Forecast Net Position (over/-underspend)		-2,356