

REPORT TO EXECUTIVE



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PORTFOLIO	Resources & Performance Management
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Statement of Accounts 2012/13 – Outturn Position

PURPOSE

1. To report the final position on the Council's revenue and capital accounts for 2012/13
2. To seek approval of recommended budget carry forwards from 2012/13 to 2013/14
3. To report to Members on the performance of the 2012/13 capital investment programme and present the financing of capital expenditure incurred during 2012/13
4. To seek approval of a revised 2013/14 capital budget after incorporating net carry forward commitments from 2012/13.

RECOMMENDATION

5. Members are requested to recommend to Full Council:
 - a) approval of the final position on the Council's revenue account for 2012/13 and the net overall surplus, compared with the revised budget, of £899k as shown in Appendix 1.
 - b) approval of the carrying forward of £402k of unspent revenue budgets from 2012/13 to 2013/14 as detailed in Appendix 2, to be funded from the Modernisation Reserve in 2013/14.
 - c) approval of the transfers to/from Earmarked Reserves totalling a net £367k increase in reserves (see Appendix 3).
 - d) approval of the final position on capital spending and financing of £8,132,704 for 2012/13 as shown in Appendix 5, which is 96% of the final budget.
 - e) approval of a revised capital budget for 2013/14 totalling £28,519,395 as outlined in Appendix 6, (including carry forward of £369k).

REASONS FOR RECOMMENDATION

6. To conclude the revenue and capital budget monitoring process for 2012/13 and report the final outturn position as outlined in the Council's Statement of Accounts for 2012/13.
7. To provide provision within the 2013/14 revenue budget and capital programme, for amounts carried forward and other budget adjustments as shown in Appendix 2 & Appendix 6.

SUMMARY OF KEY POINTS

Revenue Outturn position

Revenue Surplus

8. Members will recall that there were four regular budget monitoring reports to the Executive during 2012/13. These reports disclosed that there were anticipated variations in spending and income compared with the revised budget. The fourth and most recent in-year monitoring report to the Executive in April 2013, which was based upon actual spending and income up to the end of February 2013, estimated a surplus of £1m for the year on the revenue account.
9. The final position on the Council's revenue account for 2012/13 was a net overall surplus, compared with the revised budget, of £899k (see Appendix 1). Members will recall the decision of Council in February 2013, to transfer £279k of this underspend to General Reserves. This leaves a balance of £620k which will be transferred to the Modernisation Reserve.

Statement of Accounts Disclosures

10. For 2012/13 there was an operating surplus on the Consolidated Income and Expenditure Statement before adjustments and transfers from reserves of £3.176m. This figure includes technical accounting adjustments for asset values and pensions which do not affect the Council Tax or the Council's financial reserves.
11. These adjustments for items such as depreciation and the gains and losses on the sale of assets are made in the Movement in Reserves Statement and are known as "Adjustments between Accounting Basis and Funding Basis under Regulations". After allowing for these adjustments there was a net operating surplus on a normal service provision basis amounting to £899k before the transfer of funds to and from earmarked reserves. This is the figure referred to in paragraph 9 above.

Reserves Transfers

12. Included within the Statement of Accounts are transfers to and from earmarked reserves. As at Cycle 4 monitoring it was estimated that £634k of earmarked reserves would be required to support spending. The final accounts position shows that this requirement reduced to £253k. However, £620k of the final surplus on the revenue account (see paragraph 9 above) has been transferred into Earmarked Reserves. This produces an overall increase in Earmarked Reserves in 2012/13 of £367k. The Executive is asked to recommend to Full Council the approval of the movements in reserves which shows a net overall increase of £367k – see Appendix 3.

13. Requests totalling £401,999 have been made by Heads of Service to carry forward unspent budget provision from 2012/13 into 2013/14. It is proposed to increase the 2013/14 revenue budget by £401,999 to be funded from the Modernisation reserve.
14. As referred to in paragraph 9 above, the Council has previously approved an increase in the level of General Reserves. The Statement of Accounts therefore shows that the balance of General Reserves has increased from £1.1m to £1.379m.

Capital Outturn position

Budget Changes and Expenditure Outturn Position:

15. After incorporating all the recommendations approved throughout the financial year, the original capital budget of £11,155,166 [approved at Full Council on 23rd February 2012] was revised down to a final position of £8,326,080 per the cycle 4 capital monitoring report presented to the Executive on the 2nd April 2013.
16. Additional resources have been utilised in financing the outturn expenditure position totalling £189,886, split between;
 - £98,575 of additional resources identified
 - £91,311 of “reverse slippage” utilising in advance resources originally approved within the 2013/14 capital programme at Full Council on 28th February 2013.
17. Resources approved within the capital budget totalling £2,401 were no longer required as a result of some schemes having been delivered by the end of the year and within budget. After taking into account the additional resources and resources no longer required the final budget position available to finance capital expenditure totalled **£8,513,565**. The final outturn level of expenditure incurred for 2012/13 totalled **£8,132,704** which is 96% spend against the final budget position of £8,513,565.
18. Appendix 4 to this report shows the resources adjustments identified above, in more detail as well as listing the final capital outturn position for both resources and expenditure incurred for each individual capital scheme approved within the 2012/13 capital programme. The table also identifies the areas of under/overspending, as a percentage.

Carry Forward Requests

19. Members are asked to note, of the £380,861 budget remaining undelivered [being the difference between the final budget position of £8,513,565 and the expenditure outturn position of £8,132,704]; a total of £369,168 has been requested to be carried forward into 2013/14 – see Appendix 6.

Revised Capital Budget for 2013/14

20. Members are asked to approve a revised capital budget for 2013/14 after incorporating the adjustments identified within this outturn report.
21. Appendix 6 details the 2013/14 capital programme financing elements [as at May 28th 2013 Executive meeting] along with incorporating the year end resources adjustments and reverse slippage elements identified within this outturn report, and incorporating the carry forward requests. This results in a revised capital programme totalling £28,519,395.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

22. As shown in the body of the report and appendices

POLICY IMPLICATIONS

23. The Statement of Accounts shows the spending by the Council in pursuit of declared objectives in that financial year and the reserves and balances available for future spending.

DETAILS OF CONSULTATION

24. None.

BACKGROUND PAPERS

25. None.

FURTHER INFORMATION

PLEASE CONTACT:

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ALSO:

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