



Cabinet Meeting

23 July 2014

Report title	Revenue Budget Outturn 2013/14	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Roger Lawrence Leader of the Council	Councillor Andrew Johnson Resources
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Simon Warren, Chief Executive Sarah Norman, Community Keith Ireland, Delivery Tim Johnson, Education and Enterprise	
Originating service	Strategic Finance	
Accountable employee(s)	Mark Taylor Tel Email	Assistant Director Finance 01902 556609 mark.taylor@wolverhampton.gov.uk
Report to be/has been considered by	Confident, Capable Council Scrutiny Panel	10 September 2014

Recommendations for noting:

The Cabinet is asked to note:

- The revenue outturn position for 2013/14 for the General Fund, which is a net overspend of £2.3 million after taking account of redundancy costs amounting to £4.6 million.
- That this outturn position takes into account a number of proposed transfers to and from reserves and provisions, for which approval is sought in the Reserves, Provisions and Balances 2013/14 report to be presented at this meeting.
- That the outturn against the Collection Fund for 2013/14 is a £1.3 million surplus.
- That schools' balances reduced by £1.4 million during 2013/14.

1.0 Purpose

- 1.1 To inform Cabinet of the Council's revenue outturn position for 2013/14 compared with approved budgets and targets.

2.0 Executive Summary

- 2.1 Overall a net overspend of £2.3 million (0.91%) was incurred against the General Fund net budget requirement of £255.6 million, after taking account of the cost of redundancy during the year totalling £4.6 million. This overspend was met by a transfer from the General Fund balance.
- 2.2 The net overspend position takes into account transfers to and from reserves and provisions, including the budgeted use of £3.7 million of the General Fund balance, which was included in the 2013/14 approved budget. Further details regarding reserve transfers are included in another report, 'Reserves, Provisions and Balances 2013/14', that is being reported to this meeting.
- 2.3 The final General Fund outturn position for 2013/14 was considerably better than projected in the 'Revenue Budget Monitoring 2013/14 – Quarter Three' report, largely as a result of the success of achieving the agreed strategy to stop all but essential spend in 2013/14 as approved by Cabinet on 8 January 2014, in addition to drawing upon specific reserve and grant funding.
- 2.4 Whilst the outturn position is a very positive outcome, the projected financial challenge facing the council and the strategy for dealing with it is unaffected. The 2013/14 revenue outturn provides more one-off funding that ultimately has ensured that the £10 million minimum General Fund Balance will not be breached, as was anticipated when the latest 2015/16 budget projections were reported to Cabinet on 25 June 2014.
- 2.5 The Collection Fund outturned with a £1.3 million surplus during 2013/14; this resulted in an overall surplus of £700,000 to be carried forward, after taking account of the deficit of £600,000 from previous years.
- 2.6 In relation to Schools balances, £1.4 million of schools reserves were used during 2013/14. This is a more favourable position when compared to the projected use of £3.8 million of reserves anticipated for 2013/14.

3.0 Revenue Budget Outturn – General Fund Summary

- 3.1 An analysis of the Council's outturn position against general fund revenue budgets for 2013/14 is detailed in table 1 below. Further detailed analysis for each Directorate can be found in Appendices A to E.

Table 1 – 2013/14 Revenue Budget Outturn Summary

Service	2013/14 Net Controllable Budget £000	2013/14 Net Controllable Outturn £000	Variation Over/(Under) £000
Community Delivery	150,049	151,222	1,173
Education and Enterprise	53,118	51,824	(1,294)
Office of the Chief Executive	19,895	19,223	(672)
Corporate Budgets (including redundancy costs)	2,490	2,479	(11)
	30,078	33,835	3,757
Net Budget Requirement	255,630	258,583	2,953
Government Grant (General)	(178,406)	(179,027)	(621)
Council Tax	(73,297)	(73,297)	-
Collection Fund Surplus	(211)	(211)	-
Total Resources	(251,914)	(252,535)	(621)
Budgeted Use of Reserves	(3,716)	(3,716)	-
Net Budget (Surplus)/Deficit	-	2,332	2,332

- 3.2 Overall a net overspend of £2.3 million (0.91%) was incurred against the General Fund net budget requirement of £255.6 million, after taking account of the cost of redundancy during the year totalling £4.6 million. This overspend was met by a transfer from the General Fund balance.
- 3.3 The net overspend position takes into account transfers to and from reserves, including the budgeted use of £3.7 million of the General Fund balance, which was included in the 2013/14 approved budget.
- 3.4 The final General Fund outturn position for 2013/14 was considerably better than projected in the 'Revenue Budget Monitoring 2013/14 – Quarter Three' report, largely as a result of the success of achieving the agreed strategy to stop all but essential spend in 2013/14 as approved by Cabinet on 8 January 2014, in addition to drawing upon specific reserve and grant funding.
- 3.5 Whilst the outturn position is a very positive outcome, the projected financial challenge facing the council and the strategy for dealing with it is unaffected. The 2013/14 revenue outturn provides more one-off funding that ultimately has ensured that the £10 million minimum General Fund Balance will not be breached, as was anticipated when the latest 2015/16 budget projections were reported to Cabinet on 25 June 2014.

4.0 Revenue Budget Analysis per Directorate

Community

- 4.1 A summary of the 2013/14 outturn against the Community net controllable revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix B.

Table 2 – 2013/14 Revenue Budget Outturn – Community

Service	2013/14 Net Controllable Budget £000	2013/14 Net Controllable Outturn £000	Variation Over/(Under) £000
Community	150,049	151,222	1,173

- 4.2 The key reasons for the variation from budget are set out below, it is important to note that overall the overspend was minimised largely due to the use of £3.9 million of reserves and grant balances. This is reflected in the figures below:
- Children, Young People and Families** – There was a net controllable overspend of £5.2 million against the approved budget for Looked After Children resulting from the continued increase in the number of placements.
 - Older People & Personalisation** – There was a net controllable underspend of £2 million across the Assistant Directorate resulting from various factors including: a reduction in training costs of £650,000 and drawdown of one-off grant funding totalling £400,000 for the Workforce Development Service; early achievement of savings targets in relation to Warstones Resource Centre within the Older People Provider Management Service; and underspends against staffing budgets.
 - Health, Wellbeing and Disabilities** – There was a net controllable underspend of £1.3 million across the Assistant Directorate resulting from various factors including: a £630,000 underspend within the Disabilities In-house Provision arising due to underspends against staffing, supplies and services and third party payment budgets; a £566,000 underspend within the Disabilities Commissioning Service due to additional income and service contributions from other public bodies; and a £291,000 underspend on the Housing Support and Social Inclusion Service due to an underspend against a third party payment budget and the early achievement of a 2014/15 saving.

Delivery

- 4.3 A summary of the 2013/14 outturn against the Delivery net controllable revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix C.

Table 3 – 2013/14 Revenue Budget Outturn - Delivery

Service	2013/14 Net Controllable Budget £000	2013/14 Net Controllable Outturn £000	Variation Over/(Under) £000
Delivery	53,118	51,824	(1,294)

- 4.4 The key reasons for the variation from budget are as follows:
- Environmental Services** – There was a net controllable underspend of £1.2 million against the approved budget for Environmental Services which arose as a result: a £990,000 underspend within Grounds Maintenance and Street Scene delivered by deferring programmes of work as a direct response to the budget challenge and the strategy agreed by Cabinet on 8 January 2014; a £650,000 underspend within Highways Maintenance due to reduced winter maintenance and street lighting costs in addition to deferral of surfacing work; and a £430,000 overspend within Parking Services resulting from under achievement of income and increased costs of the contract for decriminalised parking – issues have been addressed within the 2014/15 budget.
 - Financial Services** – There was a net controllable overspend of £210,000 against the approved budget for Financial Services; this was as a result of a £237,000 overspend within Procurement which arose primarily as a result of reduced levels of income from retrospective discounts within the service. This issue has been addressed in the 2014/15 budget. There were net underspends across other service areas within Financial Services as a result of ceasing non-essential spend in response to the approved budget strategy to address the financial challenge faced by the Council.
 - Central Services** – There was a net controllable underspend of £157,000 against the approved budget for Central Services which was a result of various factors. A net underspend against the Corporate Landlord budget of £513,000 as a result of a reduction in employee costs and the achievement of additional income by Property Services were significant contributing factors to the Central Services underspend, however the underspend was in part offset by an overspend against Multifunctional Devices (MFD) because unachievable MFD savings targets were inherited by ICTS.

Education and Enterprise

- 4.5 A summary of the 2013/14 outturn against the Education and Enterprise net controllable revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix D.

Table 4 – 2013/14 Revenue Budget Outturn – Education and Enterprise

Service	2013/14 Net Controllable Budget £000	2013/14 Net Controllable Outturn £000	Variation Over/(Under) £000
Education and Enterprise	19,895	19,223	(672)

- 4.6 The key reasons for the variation from budget are as follows:
- Regeneration** – There was a net controllable underspend of £1.2 million across the Assistant Directorate resulting from various factors including: a £386,000 underspend against the Transport Service resulting from staffing vacancies and reduced project costs; an underspend of £342,000 against the Regulatory Service budget arising from staffing vacancies, in addition to a targeted approach to the approved budget strategy to cease all non-essential spend as approved by Cabinet on 8 January 2014.
 - Schools, Skills and Learning** – There was a net controllable overspend of £405,000 against the approved budget for Schools, Skills and Learning. This was primarily due to an overspend of £576,000 against the Building Schools for the Future budget.
 - Partnerships, Economy and Culture** – There was a net controllable underspend of £142,000 across the Assistant Directorate. This was a result of small underspends against various services.

Office of the Chief Executive

- 4.7 A summary of the 2013/14 outturn against the Office of the Chief Executive net controllable revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix E.

Table 5 – 2013/14 Revenue Budget Outturn – Office of the Chief Executive

Service	2013/14 Net Controllable Budget £000	2013/14 Net Controllable Outturn £000	Variation Over/(Under) £000
Office of the Chief Executive	2,490	2,479	(11)

- 4.8 There are no significant variations to report for the Office of the Chief Executive.

Corporate Budgets

- 4.9 A summary of the 2013/14 outturn against the Corporate Budgets net controllable revenue budget is provided in the table below, whilst a detailed analysis is provided in Appendix F.

Table 6 – 2013/14 Revenue Budget Outturn – Corporate Budgets

Service	2013/14 Net Controllable Budget £000	2013/14 Net Controllable Outturn £000	Variation Over/(Under) £000
Corporate Budgets	30,078	29,280	(798)
Redundancy Payments	-	4,555	4,555
Total	30,078	33,835	3,757

- 4.10 The key reasons for the variation from budget are as follows:
- a. **Redundancy Payments** – In order to identify budget savings and help to balance the budget over the medium term, the Council sought volunteers for redundancy during 2013/14. Net redundancy payments totalling £4.6 million were incurred against the corporate budget during 2013/14 – this includes a provision for those employees whose redundancy had been approved at 31 March 2014 but will not leave the Council until 2014/15.
 - b. **Treasury Management** - There was a net saving delivered through effective treasury management activity in accordance with the approved strategy.
 - c. **Cross-cutting Savings Proposals** – There was a net overspend against cross-cutting savings proposals held within the corporate budget during 2013/14. The savings related to projects that were not specifically attributable to individual directorates when the budget was set for 2013/14. Whilst those savings have been made on the whole, double counting has resulted in the savings being reflected in directorate budgets. These issues were addressed when setting the 2014/15 budget.
 - d. **Underlying Budget Issues** – Work was carried out during 2013/14 to identify controllable/non-controllable budget issues that have arisen historically, and identified a £2.8 million budget issue. This budget issue has been collated within the corporate budget during 2013/14 and has been addressed in the 2014/15 budget.
 - e. **Special Dividend** - A special dividend was paid by Birmingham Airport in December 2013 with the Council's share of this being approximately £3.3 million. This additional income helped to offset the budget pressures identified above.

- f. **FutureWorks Reserve** – A one-off benefit to the General Fund from the FutureWorks Reserve was reflected during 2013/14 as a result of capitalisation of FutureWorks expenditure. This one-off transfer was actioned in order to assist with the projected overspend.

5.0 Reserves, Provisions and Balances

- 5.1 A report detailing the Council's reserves, provisions and balances as at 31 March 2014 will be received at this meeting. The report, titled 'Reserves, Provisions and Balances 2013/14', will seek approval for transfers to and from reserves, provisions and balances.
- 5.2 The movement on the General Fund balance is detailed in the table below.

Table 7 – General Fund Balance 2013/14

	£000	£000
Balance at 1 April 2013		(15,928)
Transfers Approved During 2013/14 From:		
Specific Reserves	(7,120)	
Minimum Revenue Provision	(10,000)	(17,120)
Movements During the Year:		
Budgeted Use in 2013/14	3,716	
2013/14 Deficit	2,332	6,048
Balance at 31 March 2014		(27,000)

- 5.3 Due to the projected financial challenges facing the Council over the medium term, £17.1 million was transferred into the General Fund balance during 2013/14. This was a combination of funding previously earmarked for a specific purpose that was no longer deemed to be required and therefore available to general fund balances, as approved by Full Council in November 2013, in addition to a one-off benefit to the General Fund arising from an adjustment to the value of variable E in the annual provision for the redemption of debt formula, as set out in the Council's Annual Minimum Revenue Provision (MRP) Statement and approved by Council on 6 November 2013.
- 5.4 The final General Fund outturn position for 2013/14 was considerably better than projected in the 'Revenue Budget Monitoring 2013/14 – Quarter Three' report, largely as a result of the success of achieving the agreed strategy to stop all but essential spend in 2013/14, in addition to drawing upon specific reserve and grant funding.
- 5.5 Whilst the outturn position is a very positive outcome, the projected financial challenge facing the council and the strategy for dealing with it is unaffected. The 2013/14 revenue outturn provides more one-off funding that ultimately has ensured that the £10 million

minimum General Fund Balance will not be breached, as was anticipated when the latest 2015/16 budget projections were reported to Cabinet on 25 June 2014.

6.0 Outturn on Schools' Budgets

6.1 Schools used £1.4 million of reserves during 2013/14, a favourable variance of £2.2 million compared to the budgeted use of £3.8 million of reserves for 2013/14. A detailed analysis of the outturn on schools budgets is provided in Appendix G.

7.0 Financial implications

7.1 The financial implications are detailed in the body of the report.
[MH/14072014/I]

8.0 Legal implications

8.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.
[TS/11072014/W]

9.0 Equalities implications

9.1 Under the Equality Act 2010, the Council has a statutory duty to pay due regard to the impact of how it carries out its business on different groups of people. This is designed to help the Council identify the particular needs of different groups and reduce the likelihood of discrimination, the nine protected characteristics covered in the legislation are:

- Age;
- Disability;
- Gender reassignment;
- Pregnancy and Maternity;
- Religion or Belief;
- Sexual Orientation;
- Race;
- Sex,
- Marriage and Civil Partnership.

9.2 Any consideration given to the use of reserves and/or balances could have direct or indirect equality implications: these will need to be considered as and when a decision is made as to sums that are to be allocated from reserves and/or balances, whereby an initial screening will be conducted.

10.0 Environmental implications

- 10.1 The Council's annual budget and medium term financial strategy support a range of programmes designed to both improve environmental conditions across the city and promote economic and community development.

11.0 Schedule of background papers

- 11.1 Reserves, Provisions and Balances 2013/14, report to Cabinet, 23 July 2014.
Revenue Budget Monitoring 2013/14 – Quarter Three, report to Cabinet, 11 March 2014.
5 Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19, report to Cabinet, 8 January 2014.
5 Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19, report to Council, 6 November 2013.

APPENDIX A

Analysis of Variations against General Fund Budget

The following table analyses total variations against the General Fund budget, including variations arising on non-controllable budgets (see note below). This differs from table 1, where non-controllable variations have been excluded in order to restrict that analysis to actual expenditure and income over which budget holders have control. It should be noted that Appendices B to F have been prepared in order to be consistent with this appendix, and not tables 2 to 6.

Service	2013/14 Net Budget £000	2013/14 Net Outturn £000	Variation Over/(Under)		
			Total £000	Controllable £000	Non-Controllable £000
Community	157,591	159,510	1,919	1,173	746
Delivery	40,223	32,174	(8,049)	(1,294)	(6,755)
Education and Enterprise	25,802	33,452	7,650	(672)	8,322
Office of the Chief Executive	2,054	1,773	(281)	(11)	(270)
Corporate Budgets (including redundancy costs)	29,960	31,674	1,714	3,757	(2,043)
Budget Requirement	255,630	258,583	2,953	2,953	-
Funding:					
Government Grant	(178,406)	(179,027)	(621)	(621)	-
Council Tax	(73,297)	(73,297)	-	-	-
Collection Fund Surplus	(211)	(211)	-	-	-
Budgeted Use of Reserves	(3,716)	(3,716)	-	-	-
Total Funding	(255,630)	(256,251)	(621)	(621)	-
Budget (Surplus)/Deficit	-	2,332	2,332	2,332	-

Note on Non-Controllable Budgets

It is important to note that the key columns in this table and subsequent appendices are *Controllable Variation from Budget* and *Transfer to/from Earmarked Reserves*. The first of these reports the impact of actual spending and income against budgets, unlike the *Non-Controllable Variation from Budget* column which reports the impact of various items that are outside the control of budget managers. In the main these are accounting adjustments, e.g. capital charges and IAS19 (an accounting standard partly concerning the cost of pensions taking account of notional surpluses/deficits on the pension fund).

Since the introduction of International Financial Reporting Standards (IFRS) in 2010/11, there has been an increase in the number of such items, which now also include accruals for untaken employee leave, adjustments for certain types of lease arrangements, and adjustments for Government grant income. These items are often described as 'below the line'. Although such entries are necessary from a technical accounting perspective they should be ignored when assessing the reasons for variation against budget that managers could influence or control.

Revenue Budget Outturn 2013/14 – Community

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Older People & Personalisation						
Directorate		207	137	(70)	(55)	(15)
Assistant Director - Older People & Personalisation		215	153	(62)	(58)	(4)
Carers Support Team	Individual variations below £100,000.	1,418	1,298	(120)	(120)	-
ILS & Telecare & Adaptations	Underspend on staffing of £138,000 due to vacancies. Additional income of £150,000 received for equipment.	2,438	2,273	(165)	(169)	4
Older People Assessment & Care Management	Overspend on staffing due to agency costs and one off weekend enhancement payment (£211,000). Overspend across care purchasing budgets, offset in part by additional income.	17,627	18,340	713	709	4
Older People Provider Management	Early achievement of savings target in relation to the closure of Warstones Resource Centre (£204,000). Under spend of £176,000 on staffing due to vacancies across the service.	10,321	9,949	(372)	(421)	49

Revenue Budget Outturn 2013/14 – Community

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Welfare Rights & Financial Assessment	Underspend on staffing of £248,000 due to vacancies and early implementation of the financial assessment staffing restructure (included in the 2014/15 savings programme).	1,958	1,668	(290)	(301)	11
Workforce Development	Reduction in training costs of £650,000, and draw down of one-off grant funding of £400,000.	992	(45)	(1,037)	(1,042)	5
Housing	Under spend due to revised formula for apportioning costs of services shared by the General Fund and HRA (early achievement of 2014/15 saving).	1,790	1,283	(507)	(537)	30
Sub Total Older People & Personalisation		36,966	35,056	(1,910)	(1,994)	84

Revenue Budget Outturn 2013/14 – Community

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Health, Wellbeing & Disabilities						
Assistant Director - Health Wellbeing & Disabilities		159	148	(11)	(22)	11
Children's Disabilities Commissioning		117	123	6	(30)	36
Disabilities In-House Provision	Staffing underspend of £100,000 due to vacancies across the service, and a reduction in expenditure across various supplies and services, and third party payments totalling £397,000.	10,930	10,279	(651)	(630)	(21)
Emergency Duty Team		97	106	9	10	(1)
Housing Support & Social Inclusion	Underspend of £187,000 on third party payment; early achievement of 2014/15 saving.	7,128	6,836	(292)	(291)	(1)
Mental Health Care Management & Provider		5,404	5,368	(36)	(38)	2
Short Breaks		604	694	90	85	5
Children with Disabilities	Additional staffing costs of £104,000 as a result of Ofsted inspection.	907	1,038	131	110	21

Revenue Budget Outturn 2013/14 – Community

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Learning Disabilities Assessment & Care Management		19,324	18,314	(1,010)	(1,010)	-
Physical Disabilities Assessment & Care Management	Over spend in care purchasing of £1.1 million due to increase in volume and complexity of young people in transition and adult demographic pressures.	4,970	6,022	1,052	1,077	(25)
Disabilities Commissioning	Additional income for Joint Commissioning Team of £224,000, and service contributions from other public bodies of £291,000.	1,281	697	(584)	(566)	(18)
Families In Focus		200	200	-	-	-
SEN		33	22	(11)	(32)	21
Sub Total Health, Wellbeing & Disabilities		51,154	49,847	(1,307)	(1,337)	30

Revenue Budget Outturn 2013/14 – Community

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Children, Young People and Families						
Assistant Director - Children's	£157,000 saving as a result of single status budget allocation being higher than actual costs, along with a reduction in forecast expenditure of £86,000, offset by savings targets not achieved of £189,000 (2010/11 savings targets following the disaggregation of the former Children & Young People Directorate).	1,757	913	(844)	(80)	(764)
Children's Centres	£272,000 saving from staffing vacancies, along with reduction in forecast expenditure of £1.3 million which is matched by a reduction in grants and contributions of £1.3 million.	7,204	7,033	(171)	(187)	16

Revenue Budget Outturn 2013/14 – Community

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Children in Need	One-off saving of £1.1 million due to use of Early Intervention Grant brought forward from previous financial years, offset by over spends in the following areas: £427,000 agency expenditure (over and above savings from staffing vacancies), £111,000 Contact Contract, £200,000 Section 17, £559,000 legal fees, volunteer drivers £56,000 and interpreters' fees £18,000, all of which are associated with increased caseloads and demands for services.	7,613	8,918	1,305	238	1,067
Children's Commissioning	£126,000 under spend on staffing, offset by increased expenditure and grants and special projects of £32,000, along with a reduction in contributions from special reserves of £41,000. In addition, there was a one-off repayment of £116,000 from Prospects for redundancy costs built into their expenditure plan over a number of years for which no provision has arisen or is expected to arise.	828	690	(138)	(161)	23

Revenue Budget Outturn 2013/14 – Community

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Looked-After Children	Continued increase in placements amounted to a £7.2 million over spend, partially offset by additional external income from Wolverhampton CCG of £617,000, and £389,000 from the Special Education Needs budget, as well as a £495,000 under spend on staffing. There were £870,000 increased costs associated with adoption and guardianship allowances, partially offset by a saving on inter-agency placement fees of £236,000 and a £827,000 underspend on fostering allowances.	24,498	29,888	5,390	5,226	164
Social Inclusion and Play	£232,000 staffing underspend, offset by a savings target yet to be achieved of £233,000.	4,186	3,957	(229)	(260)	31

Revenue Budget Outturn 2013/14 – Community

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Youth Offending Team	£227,000 staffing under spend due to vacant posts and a reduction in the number of agency and sessional staff used following the restructuring of the service. £88,000 reduction in expenditure against supplies and services, along with additional income of £64,000.	1,432	1,078	(354)	(345)	(9)
Sub Total Children, Young People & Families		47,518	52,477	4,959	4,431	528
Safeguarding, Business Support & Community Services						
Assistant Director - Leisure Communities & Safeguarding		143	155	12	6	6
Sport & Leisure Trust		3,035	3,095	60	69	(9)
Business Support	Under spend due to planned reduction in repairs and maintenance budgets.	6,088	5,871	(217)	(191)	(26)

Revenue Budget Outturn 2013/14 – Community

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Community Centres	Staffing under spend of £208,000 due to vacancies within the service and the early transfer of the Sports Development Team to Public Health (2014/15 savings).	1,367	1,115	(252)	(231)	(21)
Community Initiatives	Over spend is matched by planned use of reserves.	2,987	2,951	(36)	(16)	(20)
Libraries	Under spend on supplies and services of £126,000, mainly due to reduction in book fund purchases.	3,592	3,435	(157)	(115)	(42)
Parks		586	548	(38)	(33)	(5)
Safeguarding	Individual variations below £100,000.	2,193	2,146	(47)	(157)	110
Youth & Play		2,814	2,813	(1)	(111)	110
Sub Total Safeguarding, Business Support & Community Services		22,805	22,129	(676)	(779)	103
Local Discretionary Grant Scheme		-	-	-	-	-
Public Health	Planned transfer to earmarked reserves to fund Public Health projects in 2014/15.	-	-	-	-	-

Revenue Budget Outturn 2013/14 – Community

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Savings to be Identified	Unidentified savings, removed from subsequent years' budgets.	(852)	1	853	852	1
Total Community		157,591	159,510	1,919	1,173	746

Revenue Budget Outturn 2013/14 – Delivery

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Delivery Directorate		246	263	17	9	8
Resources						
Assistant Director (Resources)	There is an underspend in 2013/14 due to the Assistant Director working on FutureWorks.	119	7	(112)	(119)	7
Financial Services						
Assistant Director (Finance)		142	141	(1)	(1)	-
Corporate Programmes		161	164	3	(15)	18
Corporate Procurement	An overspend is due to reduced levels of income from retrospective discounts. This has been addressed in the 2014/15 budget.	54	(56)	(110)	237	(347)
Strategic Financial Services		(229)	(44)	185	(24)	209
Operational Finance		(80)	(55)	25	7	18
Payroll Services		93	50	(43)	14	(57)

Revenue Budget Outturn 2013/14 – Delivery

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Risk Management & Insurance		(46)	-	46	44	2
Revenues, Benefits and Local Taxes		4,153	2,775	(1,378)	(52)	(1,326)
Sub Total Financial Services		4,248	2,975	(1,273)	210	(1,483)
Human Resources	The underspend is mainly due to a reduction in employee costs due to vacant posts.	298	9	(289)	(234)	(55)
Audit Services	The underspend is mainly due to a reduction in employee costs due to vacant posts.	12	(3)	(15)	(119)	104
Corporate						
Other Accounts	A significant element of the net underspend relates to Compensatory Added Years due to higher than anticipated turnover (£230,000). In addition external audit fees were £160,000 lower than anticipated in 2013/14.	8,574	45	(8,529)	(525)	(8,004)

Revenue Budget Outturn 2013/14 – Delivery

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Contribution to Reserve	Contribution to the transformation reserve.	-	900	900	900	
Sub Total Corporate		8,574	945	(7,629)	375	(8,004)
Legal Services						
Legal Services		9	70	61	(21)	82
Local Land Charges		(49)	(72)	(23)	(36)	13
Sub Total Legal Services		(40)	(2)	38	(57)	95
Central Services						
Assistant Director		-	84	84	7	77
Health & Safety	The underspend is due to the deferral in implementation of the Lone Worker System which is being implemented in June 2014.	300	193	(107)	(116)	9
Emergency Planning		192	265	73	91	(18)
Civic & Other Catering		11	32	21	19	2
Schools & Welfare Catering	The underspend is due to cost efficiencies and an increase in the number of school meals sold.	(440)	(411)	29	(104)	133

Revenue Budget Outturn 2013/14 – Delivery

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Cleaning of Buildings		192	277	85	94	(9)
Corporate Landlord	The underspend is mainly due to a reduction in employee costs due to vacant posts and the income achieved was higher than anticipated.	(1,578)	325	1,903	(513)	2,416
Public Conveniences		469	454	(15)	(17)	2
Wholly Owned Company	An unachievable saving which has been addressed in the 2014/15 budget	(500)	-	500	500	-
ICTS	The underspend is mainly due to a reduction in employee costs due to vacant posts.	(2,512)	(1,987)	525	(112)	637
Multifunctional Devices	An inherited unachievable savings target; this has been realigned in the 2014/15 budget.	(185)	144	329	329	-
Customer Services		243	80	(163)	(58)	(105)
Democratic Services		460	392	(68)	(53)	(15)

Revenue Budget Outturn 2013/14 – Delivery

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Elections	There were no elections held in 2013/14 which resulted in an underspend.	697	341	(356)	(240)	(116)
Councillors Expenses		3,498	3,271	(227)	(13)	(214)
Mayoral		348	360	12	29	(17)
Sub Total Central Services		1,195	3,820	2,625	(157)	2,782
Environmental Services						
Highways Maintenance	The underspend is due to reduced winter maintenance costs of £240,000; a reduction in expenditure on street lighting of £190,000 and deferral of surfacing work of £235,000 as a direct response to the budget challenge.	8,883	8,310	(573)	(651)	78
School Crossing Patrols		460	413	(47)	(34)	(13)
Grounds Maintenance and Street Scene	The underspend has been delivered by deferring programmes of work as a direct response to the budget challenge.	6,481	5,365	(1,116)	(993)	(123)

Revenue Budget Outturn 2013/14 – Delivery

Service	Reason for Variation/ Comments	Approved Budget	Outturn	Variance	Controllable	Non-controllable
		£000	£000	£000	£000	£000
Landscape & Ecology	There was a higher than anticipated level of income.	27	(73)	(100)	(100)	-
Fleet Services	An overspend is due to increased costs of tyres, sub contractors and hire of vehicles and reduced external income. Work is in progress to address these issues.	(2,668)	(2,046)	622	404	218
Passenger Transport	An unachievable saving which has been addressed in the 2014/15 budget	(159)	-	159	159	-
Bereavement Services	The underspend is due to both an increase in the numbers of cremations and burials and an increase in the level of fees charged.	(164)	(534)	(370)	(318)	(52)
Parking Services	An overspend is due to the under achievement of income and increased costs of the contract for decriminlaised parking. This has been addressed in the 2014/15 budget.	(1,271)	(1,000)	271	432	(161)
Markets		(436)	(432)	4	39	(35)
Waste Services	There was a reduction in costs as a result of historic under utililition of the waste incenerator.	14,418	14,157	(261)	(140)	(121)
Sub Total Environmental Services		25,571	24,160	(1,411)	(1,202)	(209)
Total Delivery		40,223	32,174	(8,049)	(1,294)	(6,755)

Revenue Budget Outturn 2013/14 – Education and Enterprise

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Schools, Skills & Learning						
Assistant Director		464	432	(32)	(72)	40
Skill Development		2,181	2,161	(20)	(46)	26
Adult Education		161	149	(12)	(29)	17
Equality & Enrichment		301	305	4	8	(4)
School Funding & Financial Planning		224	260	36	23	13
School Challenge Support & Intervention		1,397	1,261	(136)	(86)	(50)
School & Pupil Services	Savings to be identified for Outdoor Education centres of £207,000 in total were not fully achieved. Kingswood Outdoor Centre had a net controllable overspend of £137,000	7,966	7,618	(348)	148	(496)

Revenue Budget Outturn 2013/14 – Education and Enterprise

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
School Organisation & Development	BSF Programme Team total controllable overspend of £576,000. Anticipated revenue contribution from LEP to the Tettenhall Wood Centre of £600,000 which was accrued for in 12/13 has been adjusted from Design and Build capital payments so created a pressure on revenue budgets for 2013/14	1,310	1,510	200	554	(354)
Net schools related budgets		(5,453)	(5,461)	(8)	(8)	-
Total Schools, Skills & Learning		8,551	8,235	(316)	492	(808)
Partnerships, Economy & Culture						
Partnerships		216	124	(92)	(61)	(31)
Economic Partnerships and Investment		1,368	1,374	6	(25)	31
Neighbourhood Services		1,832	1,757	(75)	(38)	(37)

Revenue Budget Outturn 2013/14 – Education and Enterprise

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Entertainments and Events		1,640	1,497	(143)	2	(145)
Culture, Arts and Heritage		2,204	2,138	(66)	(14)	(52)
Community Safety		482	542	60	(7)	67
Assistant Director		-	65	65	1	63
Total Partnerships, Economy & Culture		7,742	7,497	(245)	(142)	(104)
Regeneration						
Assistant Director	Previously unallocated savings held at this level have now been regularised by allocating the targets to specific areas of service. This variance is therefore offset by favourable variations across other Regeneration service areas	(225)	53	278	282	(4)
Physical Regeneration	Controllable income on Southside offset by non-controllable expenditure and staff vacancies.	(690)	51	741	(73)	814

Revenue Budget Outturn 2013/14 – Education and Enterprise

Service	Reason for Variation/ Comments	Approved Budget	Outturn	Variance	Controllable	Non-controllable
		£000	£000	£000	£000	£000
Housing	Additional work undertaken on Housing Capital programme schemes	1,183	1,794	611	(373)	984
Performance and Service Support	Staff vacancies	53	-	(53)	(174)	121
Planning	Planning appeals legal costs	2,080	1,722	(358)	(105)	(253)
Regulatory Services	Staff vacancies	4,035	3,537	(498)	(342)	(156)
Transport	Various underspends. Key variances are staff vacancies, costs associated with specific projects including Interchange and Surface Water Management Plan, rechargeable work where controllable income is offset by non-controllable expenditure and underspend on UTC budgets.	3,073	10,563	7,490	(236)	7,726
Total Regeneration		9,509	17,720	8,211	(1,021)	9,232
Total Education & Enterprise		25,802	33,452	7,650	(671)	8,320

Revenue Budget Outturn 2013/14 – Office of the Chief Executive

Service	Reason for Variation/ Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non- controllable £000
Office of the Chief Executive						
Chief Executive		233	217	(16)	(13)	(3)
Black Country Transport		-	-	-	-	-
Communications		332	-	(332)	(38)	(294)
Policy Team		1,379	1,442	63	41	22
Political Assistants		110	114	4	(1)	5
Total Office of the Chief Executive		2,054	1,773	(281)	(11)	(270)

Revenue Budget Outturn 2013/14 – Corporate Budgets

Service	Reason for Variation/Comments	Approved Budget	Outturn	Variance	Controllable	Non-controllable
		£000	£000	£000	£000	£000
West Midlands Transport Authority Levy		13,269	13,269	(0)	-	-
Environment Agency Levy		78	67	(11)	(11)	-
Provision for Bad Debts		475	543	68	68	-
Treasury Management	There was a net saving delivered through effective treasury management activity in accordance with the approved strategy.	22,709	21,495	(1,214)	(1,214)	
Special Dividend	A special dividend of £70 million was paid by Birmingham Airport in December 2013. The council's share of this was £3.3 million.	-	(3,279)	(3,279)	(3,279)	-
Birmingham Airport - Rent		(69)	(78)	(9)	(9)	-
Central Provision for increased Pension Costs	A central budget provision was created for the change in pension costs during 2013/14, however no call was made on this budget during the year.	674	-	(674)	(674)	-

Revenue Budget Outturn 2013/14 – Corporate Budgets

Service	Reason for Variation/Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non-controllable £000
Cross Cutting Savings Proposals	Cross-cutting Savings Proposals removed from the 2014/15 budget as savings have been used within directorates to offset other budget pressures.	(2,240)	-	2,240	2,240	-
Local Services Grant		(86)	(84)	2	2	-
Miscellaneous Income		(17)	(27)	(10)	(10)	-
Minor Property Disposals		50	106	56	56	-
Redundancy Costs	Redundancy payments during 2013/14 arose primarily as a result of the Voluntary Redundancy Programme. The net outturn against Corporate Budgets includes a provision, totalling £1.8 million, for redundancies agreed but not due to occur until 2014/15 in addition to a capitalisation application of £1.3 million as approved by the Department for Communities and Local Government.	-	4,555	4,555	4,555	-

Revenue Budget Outturn 2013/14 – Corporate Budgets

Service	Reason for Variation/Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non-controllable £000
Underlying Budget Issues	Underlying controllable/non-controllable issues that have been identified during 2013/14 and addressed in the 2014/15 budget.	(2,811)	-	2,811	2,811	-
NNDR Discretionary Relief		410	-	(410)	(410)	-
VAT Repayable		-	(93)	(93)	(93)	-
Single Status inc. cost of Pay Protection		(2,619)	-	2,619	2,619	-
Contribution from the Single Status Reserve to cover the cost of Single Status	Drawdown from the Single Status Reserve to cover the cost of Single Status.	-	(2,619)	(2,619)	(2,619)	-
Contribution from the Single Status Reserve	Transfer of uncommitted funds from the Single Status Reserve to the Efficiency Reserve and the Budget Contingency Reserve.	-	(1,221)	(1,221)	(1,221)	-
Contribution to Efficiency Reserve	Contribution to Efficiency Reserve to ensure some funds are available for future invest to save projects.	1,000	2,721	1,721	1,721	-

Revenue Budget Outturn 2013/14 – Corporate Budgets

Service	Reason for Variation/Comments	Approved Budget	Outturn	Variance	Controllable	Non-controllable
		£000	£000	£000	£000	£000
Contribution to the Budget Contingency Reserve	Transfer of available funds from the Single Status Reserve to the Budget Contingency Reserve.	-	500	500	500	-
Contribution from Reserve (South Side - Treasury Costs)		(745)	(745)	-	-	-
Contribution from the Regeneration Reserve	Transfer of available funds from the Regeneration Reserve to the Blocks 10 & 11 Treasury Management Reserve.	-	(739)	(739)	(739)	-
Contribution to the Blocks 10 & 11 Treasury Management Reserve	Transfer of available funds to the Blocks 10 & 11 Treasury Management Reserve from the Regeneration Reserve.		766	766	766	-
Contribution from Reserve (Fuel Tank - Treasury Costs)		-	(32)	(32)	(32)	-
Contribution to the Preventing Homelessness Reserve		-	171	171	171	-

Revenue Budget Outturn 2013/14 – Corporate Budgets

Service	Reason for Variation/Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non-controllable £000
FutureWorks Capitalisation	One-off benefit from the capitalisation of FutureWorks spend - funds to be released from the FutureWorks Reserve.		(1,450)	(1,450)	(1,450)	-
Adjustment to Variable E of Provision for the Redemption of Debt	Council approved on 6 November that for the purposes of calculating the council's provision for the redemption of debt in 2013/14, the value of variable E shall be minus £10 million.	-	(10,000)	(10,000)	(10,000)	-
Transfer of Additional Provision for the Redemption of Debt to the General Fund Balance	The resulting £10 million one-off benefit, from adjusting the value of variable E, to the general fund budget in 2013/14 was transferred into general balances.	-	10,000	10,000	10,000	-
SLA Income		17	-	(17)	-	(17)
Total Corporate Budgets		30,095	33,826	3,731	3,748	(17)

Revenue Budget Outturn 2013/14 – Corporate Budgets

Service	Reason for Variation/Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non-controllable £000
Corporate Adjustments						
IAS19 Charges	Accounting entries in accordance with International Accounting Standard 19.	(134)	8,094	8,228	-	8,228
Premiums and Discounts Adjustment		-	(23)	(23)	(23)	-
Stepped Loan Interest Charges		-	31	31	31	-
Recharge to Vehicles		-	(209)	(209)	-	(209)
Loss in Value of Investment Assets		-	(15)	(15)	-	(15)
Deferred Charges		-	(10,031)	(10,031)	-	(10,031)
Total Corporate Budgets & Adjustments		29,961	31,674	1,713	3,756	(2,044)

Revenue Budget Outturn 2013/14 – Corporate Budgets

Service	Reason for Variation/Comments	Approved Budget £000	Outturn £000	Variance £000	Controllable £000	Non-controllable £000
Corporate Resources						
General Government Grant		(178,406)	(179,029)	(623)	(623)	-
Council Tax		(73,297)	(73,297)	-	-	-
Collection Fund Surplus		(211)	(211)	-	-	-
Budeted Use of General Fund Reserves	Overall deficit after the cost of redundancy totalling £4.6 million, funded by General Fund Reserves.	(3,716)	(6,048)	(2,332)	(2,332)	-
TOTAL	TOTAL	(225,669)	(226,911)	(1,242)	801	(2,044)

Outturn on Schools' Budgets

Schools started the 2013/14 financial year with accumulated reserves of £19.4 million (Including Pupil Referral Units). During 2013/14 eight schools converted to academy status during the financial year and these settings held balances of £2.2 million at the beginning of the financial year. For those schools that have remained in the local authority control, governing bodies approved and submitted budget plans that forecast the use of £3.8 million of reserves in the financial year. As at 31 March 2014 schools revenue balances were £15.9 million. Overall schools that have remained maintained used reserves of £ 1.4 million during 2013/14.

The main reasons for the favourable variation were:

- a. 2013/14 Primary schools received a late increase in Pupil Premium allocations from £900 per pupil to £953 per eligible pupil. This attracted a further £415,000 to the city. Overall increase to the city through this funding stream has increased by £3.8 million when compared to 2012/13 This income is in addition to the schools budget funded by the Dedicated Schools Grant (DSG). Schools are still developing strategies to use the funds to support some of the most vulnerable children in the city.
- b. Use of reserves earmarked for repair and maintenance costs, was not at the level anticipated provided for.
- c. Savings across staffing posts.

Schools have, been largely protected from the cuts other public services have faced, but they and their governing bodies are mindful of the following pressures that they will face whilst working within the constraints of a "cash flat per pupil" increase for the remainder of this parliament. A recent announcement has postponed the introduction of the national funding formula that had been expected in 2015/16. It is expected that when introduced this will bring significant turbulence in the school funding system and to schools funding settlements. Schools will remain cautious with their spending plans until the impact of the national formula is better understood.

During 2014/15 the Local Authority will have a sharper focus on schools balances and will be meeting with schools to agree plans for the use of balances to ensure that they are being used to best effect to improve outcomes for the pupils in the city's schools.

It is important to note that, as any variances against schools' delegated budgets are transferred either to or from schools accumulated reserves, their outturn position is financially neutral to the Council's General Fund. The table below shows schools balances at the start and end of the financial year.

Table 8 – Analysis of Schools Balances 2012/13 and 2013/14

	Actual Balances at 1 April 2013 Surplus £m	Planned Use of Balances In 2013/14 £m	Actual Use of Balances in 2013/14 £m	Schools Balances at 31st March 2014 Surplus £m
Infant	0.7	(0.1)	(0.1)	0.6
Junior	0.5	(0.1)	(0.0)	0.5
Primary	9.8	(2.8)	(0.8)	9.0
Secondary	2.8	(0.7)	(1.3)	1.5
Special	2.7	(1.1)	(0.2)	2.9
Nursery	0.8	(0.2)	(0.3)	0.5
PRU	0.7	0.4	0.2	0.9
Total	18.1	(4.6)	(2.5)	15.9

Schools in a Deficit Position

The table below shows that the number of schools in deficit has remained stable.

Table 9 – Number of Schools in a Deficit Position

Sector	2012/13	2013/14
Primary	2	2
Secondary	4	3
Nursery	0	1

Where schools end the financial year in a deficit position they are required to seek the approval of the Local Authority, deficit applications remain outstanding for three schools in a deficit position. A further report on these will be brought to Cabinet (Resources) Panel on a future date.