

**REPORT TO: SCRUTINY COMMITTEE RESOURCES**  
**Date of Meeting: 1 JULY 2015**  
**Report of: Assistant Director Finance**  
**Title: Resources Final Accounts 2014-15**

**Is this a Key Decision?**

No

**Is this an Executive or Council Function?**

No

**1. What is the report about?**

To advise Members of any major differences, by management unit, between the approved budget and the outturn for the financial year up to 31 March 2015 in respect of Resources Committee.

**2. Recommendations:**

**That Members of Scrutiny Committee – Resources assure themselves that Officers review areas with significant variances and undertake the necessary actions to address the issues that the variances may cause.**

**3. Reasons for the recommendation:**

Local authorities have a statutory duty to set and monitor their budgets during the year and to take any actions necessary because of potential overspending or potential shortfalls in income. Members are therefore presented with a quarterly financial update in respect of Community Services and this is the final report for 2014-15.

**4. What are the resource implications including non financial resources**

The financial resources required to deliver Resources Services during 2014-15 are set out in the body of this report.

**5. Section 151 Officer comments:**

This report has been prepared on behalf of the Section 151 Officer to set out the financial position of Resources Committee, as at 31 March 2015, ahead of inclusion in the Council's annual Statement of Accounts.

**6. What are the legal aspects?**

Part 2 of the Local Government Act 2003 provides the legislative framework for the process of setting and managing budgets. In particular, Section 28 of the 2003 Act requires local authorities to monitor their budgets during the financial year.

**7. Monitoring Officer's comments:**

This report raises no issues for the Monitoring Officer.

**8. Report Details:**

**Resources Committee Final Accounts to 31 March 2015**

**8.1 Key Variations from Budget**

The final actual outturn has now been calculated and the report below highlights the major differences by management unit from the approved annual budget after adjusting for supplementary budgets.

The total variance for the year shows a surplus of £471,523 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 8.42% from the revised budget.

8.2 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
86A1	Revenue Collection/Benefits	(384,492)	<ul style="list-style-type: none"> <li>Recovery of overpayments has been higher than anticipated</li> </ul>
86A5	Democratic Representation	(67,110)	<ul style="list-style-type: none"> <li>Underspend on pay budgets</li> <li>Support Service Recharge in respect of Legal less than budget</li> </ul>
86A6	Grants/Cent Supp/Consultation	(102,905)	<ul style="list-style-type: none"> <li>Expenditure on Exeter Citizen and Software Licences less than budget</li> <li>Underspend on pay budgets</li> <li>Additional grant income</li> </ul>
86A7	Unapportionable Overheads	109,091	<ul style="list-style-type: none"> <li>The overspend reflects the additional cost of pension strain payments made in respect of employees retired early due to redundancy</li> </ul>
<b>CENTRAL SUPPORT SERVICE ACCOUNTS</b>			<p><b>The management units listed below are recharged out across the whole of the Council and are either brought back to zero cost or have balances left that are transferred to management unit 86A7 above. Before this took place the variances that occurred are noted below:</b></p>
86B1	Financial Services	(37,963)	<ul style="list-style-type: none"> <li>Underspend on pay budgets</li> <li>Additional expenditure on consultants fees and software licences</li> </ul>
86B3	Human Resources	(48,706)	<ul style="list-style-type: none"> <li>Underspend mainly on training – request for a supplementary budget of £37,000 to complete ongoing programmes</li> </ul>
86B4	Legal Services	(37,879)	<ul style="list-style-type: none"> <li>Pay underspend due to vacancies</li> <li>Additional expenditure on consultancy fees</li> <li>Additional income from Legal fees</li> </ul>
86B5	Corporate Customer Services	(166,979)	<ul style="list-style-type: none"> <li>Underspend on Civic Centre reactive repairs, service and maintenance, equipment and utilities budgets.</li> <li>Saving on Postage due to change of supplier.</li> <li>Additional income from Civic Centre rental spaces and solar panel income above budget</li> <li>Pay budget overspent due to redundancy payment, transfer from earmarked reserve</li> </ul>
86B6	IT Services	(123,964)	<ul style="list-style-type: none"> <li>Underspend due to vacancies prior to the handover of IT Services to Strata Service Solutions</li> </ul>

**8. How does the decision contribute to the Council's Corporate Plan?**

Resources Committee contributes to 3 key purposes, as set out in the Corporate Plan; maintain the assets of our city; well run Council and customer access to help me with my housing and financial problem.

**9. What risks are there and how can they be reduced?**

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates. An action plan to address the key areas of budgetary risks within Resources was reported in March 2015 and is attached as Appendix 2, for reference only.

**10. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

No impact

**11. Are there any other options?**

No

**Nicola Morley, Principal Accountant - Corporate**  
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**Local Government (Access to Information) Act 1972 (as amended)**

**Background papers used in compiling this report:**

None

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