

Report to: Executive Board 19th August 2002

**GENERAL FUND & HOUSING REVENUE ACCOUNT**  
**FINAL SPEND STATEMENT 2001/02**

<p><b>Report of: Strategic Director, Finance and Corporate Services</b></p> <p><b>Report Author: John Moyles, Tel (01865) 252294 Chief Accountant</b></p> <p><b>Lead Member Responsible: Cllr Hollingsworth</b></p> <p><b>Overview and Scrutiny Committee            Finance and Performance                                  Management Responsibility:</b></p> <p><b>Key Decision: NO</b></p>	<p><b>WARDS AFFECTED</b></p> <p>ALL</p>
<p><b>SUMMARY AND RECOMMENDATIONS</b></p> <p>The report sets out the Council's final spend position on the General Fund and Housing Revenue Account for 2001/02.</p> <p><b>RECOMMENDATIONS</b></p> <p>The Executive Board are recommended to note:-</p> <ol style="list-style-type: none"> <li>1) The final spending position and its consequence on balances;</li> <li>2) As previously reported, there are still outstanding finance issues on Benefit payments and the Private Hostel Initiative that may have a further impact on the Council's resources;</li> <li>3) That all the final figures and assumptions made are subject to Audit.</li> </ol>	

**1 INTRODUCTION**

This report shows the final spend position, by Business Unit, for 2001/02. It compares this to the equivalent position reported to the Executive Board on the 23<sup>rd</sup> April 2002.

## 2. OUTCOME

- 2.1 Attached at Appendix A is analysis of the year end position. From first glance, it will seem that most Business Units have large variances from that previously reported. From that regard, the Appendix is not very helpful in guiding the Executive Board on areas of change. We are looking at how we can better present this information for future monitoring reports. However, in order to comply with the Best Value Accounting Code of Practice, on which we are audited, we have had to put in a number of 'Corporate' type entries through the accounts. A number of major cost changes have taken place since April, these are:-
- a) Accounting for redundancy costs - These were previously shown in the Medium Term Financial Strategy. Although we knew these costs were to be charged to the General Fund at the end of the year, they have been treated separately as the financing of them came from balances. The majority of the variation shown against the Corporate and Democratic Business Unit are for those redundancy costs.;
  - b) Due to the redundancy and restructuring activities, some support service areas were making surpluses or losses in the year. This is against the Accounting Code of Practice and so these surplus or loss balances needed to be apportioned over all other Business Areas;
  - c) Capital Charging (Asset Rents) - These costs vary in the accounts to reflect changes in Asset value. The revised charging to reflect these changes in valuations can only take place once all the information is processed by the valuers and when the capital programme spend has been finalised in the old year as well. Capital spending on Assets has to be analysed for its likely impact on asset values to satisfy District Audit requirements.
  - d) Deferred Charges - Another Capital Programme item that can only be finally resolved once all the capital spending has been completed in the year. A deferred charge is where we have spent capital on assets we do not own e.g. renovation grants. When this happens we have to put some entries through the accounts that 'write off' that spending in the year it was incurred. This entry, like Asset Rents, is simply a book keeping entry that has no overall impact on the finances of the Authority.
- 2.2 Instead of looking at the variations at Business Unit level, the Executive Board are asked to focus their attentions on the overall change of approx £816,000.

The main reasons for this change are as follows:-

### INCREASED SPENDINGS

- i) due to the redundancy payments made that totaled £861,000 and which were to be funded from balances;
- ii) a sum set aside of £146,000 to cover adjustments to technical accounting issues on credit ceilings and such like. This is in readiness for the 'White Paper' changes on capital accounting and prudential borrowing and is in line

- with an expert review carried by external advisors;
- iii) additional costs of Housing Benefit (PHI) £144,000;
  - iv) of £112,000 of the Property Maintenance Programme and utility bills;
  - v) £100,000 being the net loss in backdated rent back on the Covered Market offset by a higher level of other commercial rent income.

#### REDUCED SPENDING or INCREASED INCOME

The increased spending shown above totals £1.4m. This is offset by a couple of items of reduced spending or additional income. These items, shown below, reduce the overspend figure down to the approx £816,000:-

- i) The savings of £340,000 that form the basis of the carried forward request agreed at the Exec Board of 8<sup>th</sup> July;
- ii) Outstanding Poll tax collected in the year totaled £90,533;
- iii) The sum total of all other minor variations amounts to approx. £116,000.

### 3. IMPACT ON BALANCES

- 3.1 The following table summarises the movement in the General Fund balance during the 2001/02 culminating in a figure of £3.962m as at the 31<sup>st</sup> March 2002. , This sum reduces to £3.122m as at July 2002 after taking in to account the carried forwards, £340k, and one off use of balances, £500k, both approved at the 8<sup>th</sup> July Executive Board.

	£000's
Balances available 1 <sup>st</sup> April 2001	970
<u>ADD</u>	
Funds transferred from Capital	5,907
City Works movements in balances	449
OBS movements in balances	184
<u>LESS</u>	
Collection Fund requirement	(300)
General Fund requirement	(3,248)
<b>Balance available 31<sup>st</sup> March 2002</b>	<b>3,962</b>
<u>8<sup>th</sup> July Exec Board, decisions taken</u>	
Approved sums carried forward from 2001/02	340
ONE OFF Revenue Bids approved at budget time	500
<b>REVISED BALANCES AVAILABLE July 2002</b>	<b>3,122</b>

4. **HRA OUTTURN**

- 4.1 The final HRA outturn position is shown at Appendix B. Final spend has increased by £1,785 from that reported to Executive Board on July 8<sup>th</sup>.

THIS REPORT HAS BEEN SEEN AND APPROVED BY:

Cllr. Hollingsworth, Portfolio Holder  
Mark Luntley Strategic Director

**Background papers:**

- Revenue Budget 2001/02 Outturn, 23<sup>rd</sup> April 2002
- HRA Outturn & Financial Prospects 2002/3, 8<sup>th</sup> July 2002

**Outturn Position for 2001/02  
(Subject to Audit)**

Appendix A

Business Unit	Previously	Latest	Variance
	Reported Position	Position	( neg = under spend)
	£	£	£
Strategic Policy and Research	699,714	607,171	-92,543
Corporate Strategy	-68,663	-70,462	-1,799
Human Resources	110,383	41,348	-69,035
Modernisation	445,643	177,250	-268,393
Chief Executives	103,274	53,392	-49,882
Corporate and Democratic	3,358,152	4,601,031	1,242,879
Financial Management	-16,564,912	-16,243,851	321,061
Revenues and Benefits	5,649,837	5,630,297	-19,541
Legal Services	-173,587	-217,084	-43,497
Internal Audit	7,493	-5,081	-12,574
Information Systems	-3,904	49,755	53,659
Property Investment	-84,915	770,626	855,541
Facilities Management	741,875	409,145	-332,730
Housing Management	5,294,458	3,530,906	-1,763,552
Customer Services	332,311	118,554	-213,757
Homelessness	4,093,333	4,063,059	-30,274
Neighbourhood renewal	4,230,918	4,672,354	441,436
Environmental Health	1,442,900	1,361,627	-81,273
Built Environment	197,300	272,109	74,809
City Works	4,401,600	4,287,297	-114,303
Planning	2,023,600	1,892,269	-131,331
City Centre Management	265,300	248,688	-16,612
Transport and Parking	2,053,400	1,771,915	-281,485
Leisure and Culture	2,990,200	3,045,498	55,298
Parks and Green Spaces	3,173,900	3,163,821	-10,079
Administration	82,445	-22,859	-105,304
Highways Holding	458,400	1,958,536	1,500,136
Agency	1,734	1,734	-0
<b>TOTAL</b>	<b>25,262,189</b>	<b>26,169,044</b>	<b>906,855</b>
Resources account	-22,830,720	-22,921,253	-90,533
Call on Balances	2,431,469	3,247,791	816,322

<u>Main variances</u>	£000's	£000's
Redundancy	861	
Credit Ceiling, per consultants	146	
Additional costs of benefits	144	
Property Maint prog and utilities	112	
Backdated covered market rent	100	
Underspends re carry forwards	-340	
Poll Tax collected	-91	
Other minor variations	-116	
		816

**Estimated General Fund Balance 31st March 2002**

	£000's
Balance 31st March 2001	970
Call on balances	-3,248
City Works movement on balances	449
OBS Movement on balances	184
To fund Collection Fund Deficit	-300
Transfer out of capital	5,907
<u>Estimated General Fund Balance 31/03/02</u>	<u>3,962</u>
<u>Funds required 2002/03</u>	
Revenue Bids	-500
Carry Forwards	-340
<u>(Estimated) Running Balance July 2002</u>	<u>3,122</u>

<u>Carry Forwards approved</u>	£
Planning	67,860
Recycling	50,000
MT trading, Lease charges	102,600
Refurb St. Aldate's (committed)	2,500
Domestic Alarms	4,500
Admin fees, housing new build, unspent sum	22,800
Modernisation	35,000
Property	<u>55,000</u>
Total	340,260

HRA PROBABLE OUTTURN		Exec Board		Variation	
		8.07.02	19.08.02		
BU	Approved budget	£	£	£	
B01	Strategic Policy & Research	48,383	30,449	30,449	0
B20	Financial Management	112,013	20,061	20,061	-
B40	Housing Management	- 7,009,561	- 6,680,773	- 6,678,988	1,785 debt charges, local service shops
B41	Customer Services	105,055	91,209	91,209	-
B42	Homelessness	319,285	233,658	233,658	-
B43	Oxford Building Solutions	6,874,659	6,711,202	6,711,202	-
B44	Neighbourhood Renewal	585,141	557,664	557,664	-
B80	Administration	- 25,220	- 55,545	- 55,545	-
	MRA	-	- 4,941,833	- 4,941,833	-
	Capital Charges - Interest		31,170,532	31,170,532	-
	Capital Charges - depreciation		12,713,386	12,713,386	-
	AMRA	-	- 38,942,085	-38,942,085	-
		<b>1,009,755</b>	<b>907,926</b>	<b>909,711</b>	<b>1,785</b>
	Balances as at 1st April 2001		2,487,452	2,487,452	
	Adjustments in Year				
	Overrun Provision	-	124,403	- 124,403	
	Housing Subsidy Claim adjustments		44,281	44,281	
	<b>Revised balances</b>		<b>2,407,330</b>	<b>2,407,330</b>	
	Spend 01/02		907,926	909,711	
	<b>Estimated Balances 31st March 2002</b>		<b>1,499,404</b>	<b>1,497,619</b>	
	Planned Maintenance work ongoing commitments		360,500	360,500	
	Requested Carryforwards		270,100	270,100	
	Estimated Balances Available		868,804	867,019	

Notes:

Includes best estimate for Housing Subsidy, Rent Rebates & Debt Charges. All subject to change  
Balances may increase by £280,000 if reimbursement of Repairs Centre upheld in Capital Funding Review.

Carryforwards Requested	£
OFTA and Tenant Association Grants 2001/2	13,000
BME report	7,000
Stock Condition Survey committed spend	10,800
Gas Servicing contract	49,000
Forums	190,300
Total	270,100