

OXFORD CITY COUNCIL
Executive Board
May 9th 2005

Report of: Business Manager, Financial and Asset Management

Title: Year End Expenditure 2004/5 and Carryforward Report

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Key Decision: No

Lead Member: Leader of the Council

Scrutiny Responsibility: Finance

RECOMMENDATIONS

That the Executive Board:

1. Notes the year end expenditure figures
2. Approves the specific carryforwards requested
3. Notes that there is insufficient funding for the automatic carryforward process

1. Summary

1.1 This report provides Executive Board with an early outturn position for the General Fund, the HRA and the Capital Programme. The report requests approval of carryforwards that maintains balances at/above the minimum level. All figures and detailed explanation will be published in the March "Blue Book" prior to the Executive Board meeting.

2. Probable Outturn

2.1 Figures for all funds are shown in the appendices as follows:

General Fund	Appendix A
HRA	Appendix B
Capital	Appendix C

2.2 HRA figures are shown for information. Executive Board do not make any decisions on the HRA.

- 2.3 The General Fund shows an outturn figure of £1,006,032 underspend, this compares to £566,100 reported in the 3rd Quarter monitoring report.
- 2.4 The key changes from that reported in February excluding changes in capital charges and support service charges are:
- Financial and Asset Management – additional rent income and a lower contribution to the bad debt provision as a result of more debt being collected.
 - City Works – revised internal transport and support costs, offset by reduced spend in other Business Units and up-front leasing costs that had been expected in April 05.
 - Business Systems – redundancy costs. In quarter3 these were reported as being funded from underspends in supplies and services but these underspends have not happened.
 - Parks and Leisure – additional income in Parks, some projects delayed (Cemeteries requested as a carryforward) and reduced internal transport charges (increase in City Works).
 - Planning – underspend on planning delivery grant not reported in quarter 3. This has been previously approved as a carryforward.
- 2.4 The HRA shows an underspend figure of £537,733 underspend compared to the quarter 3 monitoring that projected no variance. The main areas of reduced spend are Stock Condition Monitoring (requested as a carryforward), lower support service and motor transport charges, and increased income from recharge of the Major Project team to capital
- 2.5 The Capital programme shows spend of £18.8m against a revised budget of £19.5m. This is 80% delivery compared to the original budget for 2004/5. In 2003/4, just 62% of the original budget was delivered. The HRA capital spend exceeded budget and this has helped to mask the 63% delivery (against original budget) on the General Fund.
- 2.6 The incidence of spend has implications for future years of the capital programme. A full review of the detailed variances, a reprofile of spend and the impact on funding especially prudential borrowing in the HRA will commence shortly.

Issues that require further work

- 3.1 The accounts are being produced to a much tighter deadline (this report went to Executive Board on 28th June last year) and as such more estimation is necessary to complete the figures on time. There are three entries to the accounts that may not prove necessary once work has been completed. However, at this early stage it is prudent to allow for their occurrence not least because the automatic carryforward process agreed at Council in February depends on the minimum level of balances being available. To ignore these entries could result in balances falling below the minimum should it be necessary to fund these entries later.
- 3.2 The Council's VAT partial exemption figure is not yet finalised and checked off by Customs and Excise. The full budget allowance of £353,000 has therefore been assumed as needed at this point in time.
- 3.3 District Audit are finalising the 2003/4 Benefits claim. Each year, errors are found from sample checks, the latest position from the District Audit suggests that the Council may have overclaimed Benefit subsidy by £150,000 (an error rate of 0.4%). The outturn figures presented in Appendix A assume this as the likely outcome.
- 3.4 Debt is managed within the General Fund for all areas of the Council. The calculation of the debt charge to the HRA appears to be leading to an increased cost to the General Fund of £400,000 arising from capital financing regulation changes introduced in April 2004. The General Fund outturn figures assume the £400,000 cost at this stage. This requires further investigation to substantiate the impact on both the HRA and General Fund.
- 3.5 Executive Board will be updated verbally if there is any progress to report on these items.

3. Level of Balances

- 4.1 The Table below shows the level of projected balances for year end. The figures indicate that after maintaining the minimum level of balances, £581,000 is available for General Fund carryforwards and £584,000 for HRA carryforwards.

Table 1: Level of balances

	General Fund	HRA
	£	£
Closing Balances at 31 st March 2004	(5,218,803)	(4,179,189)
Balances used/(returned to balances) in 2004-5 budget	1,967,361	(1,336,400)
2004/05 Outturn	(1,006,032)	(537,733)
Closing balance @ 31 st March 2005	(4,257,474)	(6,053,322)
Balances used in 2005-06 Budget	675,753	3,469,000
Revised balances	(3,581,721)	(2,584,322)
Recommended level of balances	(3,000,000)	(2,000,000)
Available for carry forwards	(581,721)	(584,322)

Note: HRA will contribute £3,469,000 as revenue funding to capital in 2005/6

4. Carryforwards

5.1 The carryforward process agreed at Council in February prioritised carryforwards in the following order:

- a) Area Committees automatic approval
- b) Specific projects
- c) Automatic 2% carryforward (based on controllable budgets). This was introduced to give Business Managers flexibility between financial years.

5.2 Appendix D lists the Area Committee and project carryforwards. The carryforwards are split between those approved already by Council and those that require approval. If all £529,276 are approved this will leave just £52,000 for the automatic carryforward process. Only those carryforwards highlighted require approval by Executive Board this time.

5.3 Executive Board are asked to approve the project carryforwards highlighted.

5.4 Executive Board are asked to note that, at this stage, there is insufficient funding to implement either the automatic 2% carryforward or a pro-rata process. It is proposed that the Director of Finance and Corporate Services will implement the automatic carryforward process if further work on the accounts demonstrates there is sufficient in balances to support this.

THIS REPORT HAS BEEN SEEN AND APPROVED BY:

Portfolio Holder: (Leader – Cllr. Alex Hollingsworth)
 Strategic Director: (Finance and Corporate Services – Mark Luntley)
 Legal and Democratic Services: (All reports - name of Officer)
 Financial Management: (Claire Reid, David Higgins)
 Human Resources: (None)

Monitoring Report at 31st March 2005 (provisional outturn)

General Fund	2004/2005	2004/05	Expenditure				Income				Total
	Original	Current	Gross budget	Actual to date	Variance		Gross budget	Actual to date	Variance		Variance
	Approved Net Budget	Approved Net Budget	£	£	£	%	£	£	£	%	£
Strategy & Review	1,031,028	1,410,820	2,277,169	2,782,587	505,418	22	866,349	1,411,993	(545,644)	(63)	(40,226)
Human Resources	694,720	(9,725)	1,325,965	1,351,014	25,049	2	1,335,690	1,335,343	347	0	25,396
Chief Executive	331,918	633,057	1,295,522	1,606,831	311,309	24	662,465	750,445	(87,980)	(13)	223,329
Corporate & Democratic Core	3,512,857	3,439,767	3,439,767	3,305,287	(134,480)	(4)	0	47,823	(47,823)	0	(182,303)
Financial & Asset Management	(1,251,827)	(1,260,039)	7,658,394	7,688,588	30,194	0	8,918,433	9,145,626	(227,193)	(3)	(196,999)
Revenues & Benefits (running costs)	2,738,542	2,534,383	4,078,660	4,499,833	421,173	10	1,544,277	1,843,269	(298,992)	(19)	122,181
Revenues & Benefits (Benefit payments)	0	373,000	54,373,000	48,600,825	(5,772,175)	(11)	54,000,000	48,327,193	5,672,807	11	(99,368)
Legal & Democratic Services	(29,016)	195,402	2,633,825	2,616,729	(17,096)	(1)	2,438,423	2,364,486	73,937	3	56,841
Audit & Risk	105,825	52,842	623,142	606,246	(16,896)	(3)	570,300	629,081	(58,781)	(10)	(75,677)
Business Systems	43,518	(22,700)	1,723,932	1,822,580	98,648	6	1,746,632	1,749,321	(2,689)	(0)	95,959
Facilities Management	195,911	818,794	2,526,888	2,545,470	18,582	1	1,708,094	1,779,615	(71,521)	(4)	(52,939)
Customer Services	298,869	311,218	1,366,838	1,347,310	(19,528)	(1)	1,055,620	1,055,620	0	0	(19,528)
Oxford Building Solutions	0	0	12,896,000	14,277,920	1,381,920	11	12,896,000	14,277,979	(1,381,979)	(11)	(59)
Neighbourhood Renewal	4,494,916	4,711,582	6,444,289	6,962,666	518,377	8	1,732,707	1,867,007	(134,300)	(8)	384,077
Environmental Health	1,286,721	1,985,191	2,357,866	2,380,292	22,426	1	372,675	381,670	(8,995)	(2)	13,431
Housing Services	8,689,223	4,687,147	6,815,147	6,696,126	(119,021)	(2)	2,128,000	1,859,220	268,780	13	149,759
Built Environment	361,897	876,886	3,315,076	3,213,793	(101,283)	(3)	2,438,190	2,405,841	32,349	1	(68,934)
City Works	5,172,161	5,184,237	12,649,285	14,007,752	1,358,467	11	7,465,048	8,424,018	(958,970)	(13)	399,497
Planning	1,635,006	1,743,388	2,790,955	2,957,535	166,580	6	1,047,568	1,041,016	6,552	1	173,132
Transport & Parking	1,043,083	732,639	5,969,662	5,702,030	(267,632)	(4)	5,237,023	5,442,636	(205,613)	(4)	(473,245)
Leisure & Parks	6,488,364	7,283,623	10,758,787	10,809,273	50,486	0	3,475,164	3,846,061	(370,897)	(11)	(320,411)
Highways Holding	1,092,439	16,271	16,271	286,270	269,999	1,659	0	0	0	0	269,999
VAT Liability	360,000	353,000	353,000	353,000	0	0	0	0	0	0	0
Asset Management Revenue											
Account/Appropriations	(14,290,487)	(11,117,303)			0	0	11,117,303	12,425,508	(1,308,205)	(12)	(1,308,205)
Unallocated	(259,700)	81,739	81,739	0	(81,739)	(100)			0	0	(81,739)
Total	23,745,968	25,015,219	147,771,179	146,419,957	(1,351,222)	(1)	122,755,961	122,410,771	345,190	0	(1,006,032)

Note:

- Variance shown in () is favourable

Monitoring Report at 31st March 2005 (provisional outturn)

Housing Revenue Account			Approved Budget		Expenditure				Income				Variance
			Original	Revised	Budget	Actual	Variance		Budget	Actual	Variance		Total
			2004/05	2004/05	to date	to date	£	%	to date	to date	£	%	£
B46	Dwellings	Rental/Service Charge	(24,912,414)	(25,192,500)					(25,192,500)	(25,021,420)	171,080	1	171,080
		Notional Surplus - To Pool	12,472,986	11,778,000					11,778,000	11,586,878	(191,122)	2	(191,122)
		Leaseholders Service Charge	(143,000)	(140,000)					(140,000)	(196,785)	(56,785)	(41)	(56,785)
		Other Property Rental/Service Charge	(1,644,816)	(1,546,855)					(1,546,855)	(1,486,342)	60,513	4	60,513
		Discretionary & Homeless Services	(848,260)	(1,290,715)					(1,290,715)	(1,098,101)	192,614	15	192,614
		Income from GF for Homeless Services	0	0					0	0	0		0
		Warden Services	(1,093,007)	(1,006,638)					(1,006,638)	(919,305)	87,333	9	87,333
		Warden Services Supporting People	0	(125,964)					(125,964)	(99,727)	26,237	21	26,237
		Homeless Supporting People	0	(170,042)					(170,042)	(170,043)	(1)	(0)	(1)
		Interest	(128,689)	(205,285)					(205,285)	(242,636)	(37,351)	(18)	(37,351)
	Overheads	Local Housing Teams	1,067,794	1,542,309	1,542,309	1,530,452	(11,857)	(1)					(11,857)
		Local Area Budgets	351,363	250,855	250,855	381,864	131,009	52					131,009
		Elderly and Warden Services	1,229,005	1,124,902	1,124,902	1,093,096	(31,806)	(3)					(31,806)
		Housing Services Management	126,782	83,439	83,439	157,435	73,996	89					73,996
		Tower Blocks / Shops Services	316,619	248,773	248,773	291,841	43,068	17					43,068
		Rent Admin / Subsidies General	1,271,815	1,827,983	1,827,983	1,500,032	(327,951)	(18)					(327,951)
		Homeless Admin Management	1,090,468	735,274	735,274	787,402	52,128	7					52,128
		Garden Scheme	60,500	61,795	61,795	61,795	0	0					0
		Appropriations - HRA	67,412	67,412	67,412	67,412	0	0					0
	Item 8 Interest		1,687,633	1,464,283	1,464,283	1,381,906	(82,377)	(6)					(82,377)
		Sub-Total B46	(9,095,221)	(10,492,974)	7,407,025	7,253,235	(153,790)	(2)	(17,899,999)	(17,647,481)	252,518	1	98,728
B43	Day to Day Repairs		2,796,546	2,830,611	2,830,611	2,980,429	149,818	5					149,818
		Planned Maintenance	2,874,461	2,882,396	2,882,396	2,654,241	(228,155)	(8)					(228,155)
		Contact Centre	842,680	644,644	644,644	441,991	(202,653)	(31)					(202,653)
		General and Fleet Contributions	638,764	788,409	788,409	713,388	(75,021)	(10)					(75,021)
		Caretaking Services	643,045	510,572	510,572	537,565	26,993	5					26,993
		Target Hardening		13,899	13,899	20,546	6,647	48					6,647
		Grounds Maintenance	115,000	115,090	115,090	116,887	1,797	2					1,797
		Housing Cleansing Team	66,127	68,552	68,552	50,147	(18,405)	(27)					(18,405)
		Major Projects Team	199,912	152,675	984,588	1,035,332	50,744	5	(831,913)	(970,780)	(138,867)	(17)	(88,123)
		Stock Condition Survey - Monitoring	50,200	263,648	263,648	138,496	(125,152)	(47)					(125,152)
		Sub-Total B43	8,226,735	8,270,496	9,102,409	8,689,021	(413,388)	(5)	(831,913)	(970,780)	(138,867)	(17)	(552,255)
B01	Strategy and Review		258,824	258,726	258,726	243,242	(15,484)	(6)					(15,484)
B03	Training		42,196	241	241	(9,666)	(9,907)	(4,111)					(9,907)
B08	Corporate and Democratic Core		118,938	145,928	145,928	148,077	2,149	1					2,149
B41	Customer Services		297,995	298,353	298,353	282,239	(16,114)	(5)					(16,114)
B44	Neighbourhood Renewal		196,933	229,230	229,230	214,799	(14,431)	(6)					(14,431)
		Sub-Total Others	914,886	932,478	932,478	878,691	(53,787)	(6)					(53,787)
		Total HRA	46,400	(1,290,000)	17,441,912	16,820,948	(620,964)	(4)	(18,731,912)	(18,618,261)	113,651	1	(507,313)

5.6

OXFORD CITY COUNCIL
CAPITAL PROGRAMME
2004-2005

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March 2005	CODE	Original Estimate 2004/2005 £'000	Carry Fwd Over/Under Spends 2004/05 £'000	Adjustments and new approvals 2004/05 £'000	Revised Estimate 2004/05 £'000	Actual Spend to date 2004/05 £'000	Current Actual as % of estimate £'000
Expenditure at as 31st March 2005							
Summary Report							
Business Unit							
Built Environment	B60	2,354.8	246.7	(1,378.3)	1,223.2	945.7	77%
Business Systems	B24	239.6	246.3	208.3	694.2	839.2	121%
Chief Executive	B06	680.7	168.2	(583.4)	265.5	205.0	77%
City Works	B61	0.0	75.6	441.4	517.0	517.2	100%
Customer Services	B41	25.0	51.9	0.0	76.9	33.3	43%
Environmental Health	B45	1,000.0	316.3	(216.3)	1,100.0	884.0	80%
Facilities Management	B26	0.0	0.0	0.0	0.0	0.0	0.0
Legal & Democratic Core	B22	0.0	0.0	21.7	21.7	19.9	92%
Leisure & Parks	B65	5,495.0	128.4	(1,338.6)	4,284.8	3,932.1	92%
Neighbourhood Renewal - SRB	B44	182.0	4.9	0.0	186.9	(3.3)	-2%
Neighbourhood Renewal	B44	1,721.9	80.8	(1,055.6)	747.1	774.5	104%
Planning	B62	782.3	50.6	(337.2)	495.7	344.5	70%
Strategy & Review	B01	0.0	(13.7)	0.0	(13.7)	0.0	0%
Transport & Parking	B64	902.3	12.2	(862.7)	51.8	31.0	60%
SUB TOTAL GENERAL FUND		13,383.6	1,368.1	(5,100.7)	9,651.0	8,523.3	88%
OBS	B43	9,702.3	489.5	(599.3)	9,592.5	10,105.5	105%
Neighbourhood Renewal - HRA	B44	225.0	67.0	(63.0)	229.0	163.9	72%
SUB TOTAL HRA		9,927.3	556.5	(662.3)	9,821.5	10,269.4	105%
GRAND TOTAL GROSS EXPENDITURE		23,310.9	1,924.7	(5,763.0)	19,472.6	18,792.7	97%

5.7

Summary of 2004-05 General Fund specific Carryforward requests

Appendix D

Approved Carryforwards

Business unit	Project name/description	Budget £	Spend £	Underspend £	Amount of Carryforward £	Reason for carryforward	Approved
Chief Executive's	Area Committee	130,230	58,564	71,666	71,666	Projects commissioned that were not completed in 2004-05.	Council 14/02/05
Financial & Asset Management	Asbestos Survey	20,000	0	20,000	20,000	To fund consultant fees for ongoing asbestos survey	Council 14/02/05
Customer Services	Public access channel review	36,000	28,000	8,000	8,000	Spend and appointment of consultants agreed by SMB to review customer facing service provision coporately and recommend priorities for modernisation. Project sponsor is HHC Strategic Director and is on target. Completion and report due early May 05.	Council 16/12/04
Planning	Planning Delivery Grant	372,659	231,931	140,728	140,728	Underspent 2004-05 Planning Delivery Grant to be carried forward to 2005-06. Council of 26 July 2004 resolved to spend wholly on the Planning Service. The reason for the underspend is in part due to an anticipated carry forward as reported to Council for the new fixed-contract posts, the delay during the year in appointing to some of the new posts agreed by Council, and delays in a few IT and consultants studies. The carry forward was planned and will also assist in helping the service meet its base budget pressures.	Council 26/07/04 & 16/12/04
Transport & Parking	Employees	709,744	657,974	51,770	40,000	Underspend on staffing due to vacancies approved to be carried forward to fund savings target staff pressure in 2005/06	Council 16/12/04 & 14/02/05
Total Approved Carryforwards					280,394		

Other project carryforwards

Business unit	Project name/description	Budget £	Spend £	Underspend £	Amount of Carryforward £	Reason for carryforward	Approved
Financial & Asset Management	Agresso system upgrade	12,500	6,000	6,500	6,500	Stage 1 (financials) complete, stage 2 (payroll) due for completion 31/7/05. £3,300 committed.	
Facilities Management	Virement agreed for the refurbishment of TH toilets	20,000	0	20,000	20,000	Virement agreed Feb 2004. It was not possible to complete all works by year end.	
Customer Services	System Training	14,000	0	14,000	14,000	Corporate Customer Relationship Management System being piloted by Customer Services BU. Funds required to pay for key staff systems training prior to go live in early June 05.	
Housing Services	Housing Advice Contract	121,211	33,957	87,254	87,254	The budget under spend is required to fund research, development and implementation of new technology in association with Turpin Miller & Higgins to help improve access to the Housing Advice Service in 2005-06.	
	Iworld Allocation Project	35,727	13,978	21,749	21,749	The I World project is something Housing Options has wanted to introduce in 2004/05. Customer Services systems team recommend implementation of the software at the same time as the main Iworld project. As the implementation of Iworld has been delayed again until Sept/Oct 2005, we therefore need this funding to be carry over into 2005/06.	
Neighbourhood Renewal	Scheme Admin Fees	21,860	16,076	5,784	5,784	for works at Daisy Bank, Abingdon due to start May 2005	
	Small Grants/Contingency	25,418	24,292	1,186	1,186	required for unexpected small grants 2005/06	
	Partnership Grants	808,157	807,703	454	454	required for unexpected small grants 2005/06	
	New Deal	5,889	4,601	1,288	1,288	ring fenced for community related activities	
Built Environment	Architectural Lighting	20,000	8,333	11,667	11,667	One off funding . Consultants have only recently completed design for lighting. Negotiations now needed with building owners to erect lights and obtain listed building / conservation area consents etc. Work to be completed through 2005/06	
Transport & Parking	Health & Safety	8,000	0	8,000	8,000	Delay in undertaking Health & Safety work at Oxpens Car park, Peartree, Seacourt and Redbridge	
Leisure & Parks	Memorial inspections (cemeteries)	71,000	0	71,000	71,000	Budget allocated from 04/05 budget to undertake one-off project but delay in gaining faculty from diocese. Approval to undertake work at Executive Board 4-April-2005.	Exec Board 04/04/05
Total other project Carryforwards					248,882		

Total General Fund Specific Carryforward requests

529,276

5.8