

WYRE FOREST DISTRICT COUNCIL**AUDIT COMMITTEE**
24TH JUNE 2013**Statement of Accounts 2012/13**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	Stronger Communities
CORPORATE PLAN PRIORITY:	Delivering Together with Less
CABINET MEMBER:	Councillor N J Desmond
DIRECTOR:	Director of Resources
CONTACT OFFICER:	Joanne Wagstaffe Ext. 2100 Joanne.wagstaffe@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 – Statement of Accounts Overview Appendix 2 – Explanation of Major Variances compared to Revised 2012/13 Budget

1. PURPOSE OF REPORT

- 1.1 To consider a pre-audit copy of the Council's Statement of Accounts for the financial year 2012-13.

2. RECOMMENDATION

The Audit Committee is asked to:-

- 2.1 **ENDORSE** the pre-audit Statement of Accounts approved by the Director of Resources.
- 2.2 **AUTHORISE** the Director of Resources to make minor changes to the copy of the Statement of Accounts endorsed in 2.1 above prior to the statutory pre-audit deadline of the 30th June, should this be necessary.

3. BACKGROUND

- 3.1 The Accounts and Audit Regulations 2011 have been incorporated into the Council's Financial Regulations. These regulations require that the Council's Statement of Accounts be produced and approved by the Director of Resources on or before 30th June, 2013. This is a change to previous regulations where the Audit Committee had the responsibility and this recognises the increased burden upon local authorities as a result of implementing the International Financial Reporting Standards which are fully adopted for the first time this year. The Audit Committee are therefore requested to endorse the Statement approved by the Director of Resources at this stage. A full copy of the draft Statement of Accounts will be made available on the Council's intranet for Member's perusal.

Agenda Item No. 9

- 3.2 On 18 June, Cabinet received the provisional outturn position in relation to the Final Accounts for 2012/13. This report recommended Cabinet to note the creation of additional reserves for £270,000 in relation to the future potential liability in relation to Municipal Mutual Insurance the Council's former insurers, £80,000 for the Economic Impact Reserve and a transfer of £300,000 into the Working Balance.
- 3.3 The Statement is then subject to audit. The Council's external auditor; Grant Thornton has until 30th September 2013 to complete the audit, after which the Statement will be published.
- 3.3 Should it be necessary for Grant Thornton to agree technical changes with the Director of Resources/Chief Financial Officer while the accounts are subject to audit, these will be made under delegated powers. All Members of the Council will be provided with a published copy of the Statement.
- 3.4 Members may wish to note that the Council's Accounts will be made available for public inspection as required by the Accounts and Audit (England) Regulations 2011, between 16th July 2013 and 12th August 2013. Grant Thornton will be available on the 13th August 2013, at the Accountancy Section, Wyre Forest House, if any local government elector for the area has any questions on the Accounts that they wish to raise with them. Appointments for any meetings with the Auditors must be made in advance, in writing.
- 3.4 The provisional revenue outturn position has identified savings of £300,260 (subject to audit and after the creation of the earmarked reserves for the Economic Impact and MMI) compared to the Revised Budget allowing £300,000 to be transferred to increase the Working Balance. Appendix 1 summarises major variations from the Revised Budget for Members' information.

4. KEY ISSUES

- 4.1 These remain challenging times for the Council as we come to grips with an environment where funds are reducing, exacerbated by the Local Government Resource Review, including the Localism of Council Tax Benefit and Business Rates Retention Scheme. The Financial Strategy 2013/16 approved by Council in February 2013, provides a stable financial platform to move forward. For the coming year, Council approved a freeze in Council Tax which released an additional grant from Government. However, in each of the following two years annual increases of 2% have been assumed, along with a 9.40% reduction in Government Grant in 2013/14, 16.16% reduction in 2014/15 and 5.20% in 2015/16. The 2013 Comprehensive Spending Review is likely to impose further funding reductions.
- 4.2 The Council has made further welcome progress in relation to the recovery of the Icelandic investments and as at 31st March 2013, just over £5.99m of the £9m had been repaid to the Council, with a further dividend received from Kaupthing Singer and Friedlander (KSF) of £150,000 on 6th June 2013 that is shown as a post balance sheet event in the Statement of Accounts 2012/13. Further dividend payments are expected during 2013/14 and beyond.
- 4.3 In addition, an update to the guidance for accounting for potential losses (impairment) from the Icelandic investments (update to LAAP Bulletin 82) was issued in May 2013. This statutory guidance results in improvements in the impairment position for two of our three investments.

- 4.4 Included within Appendix 1 is the identification of the significant variances against the Revised Budget for 2012/13. These variances include:
- i) Pay, General Administration and Miscellaneous savings of £246k
These relate to various accounts across the whole of the Council which are then reallocated to front line services. It is clear that reductions have been made in expenditure across the Authority as spending decisions continue to be scrutinised closely.
 - ii) Benefit Payments, positive variance of £308k
The Council has been successful in the recovery of more overpayments than had been expected generating an extra £114k. In addition to this, it has been possible to release the earmarked reserve of £194k as the 2010/11 Benefit Claim has now been successfully signed off, as reported in Quarter 3.
 - iii) Property-related savings- positive variance of £163k
The Council manages the building maintenance position extremely carefully and has achieved significant savings in the last year. this also includes £69K in respect of dilapidation payments to the Council.
 - iv) Savings in relation to the Elections function of £23k
The Contingency built into the budget for by-elections and ethical investigations was not required and any future expenditure can be met from reserves.
 - v) Additional costs of an increase in the Bad Debt Provision of £113k
Due, in the main, to greater difficulty in collecting debts to the Council the value of the bad debt provision has had to be increased. These charges relate largely to Housing Benefit debt.
 - vi) Additional External Interest income received of £26k
This additional interest on investments has resulted from slightly longer durations and extremely robust treasury management of funds.
 - vii) Reduced income from Car Parking and Civil Enforcement £137k
The reduced income from the two parking activities of £137k has been offset as far as possible by reduced costs.
 - viii) Increased Council Tax and NNDR court action income of £41k
This income covers costs of recovery action (most of which are internal pay costs) and we have achieved additional income over the budget this year.
 - ix) Additional Cemetery Income and lower repairs and maintenance totalling £25k
The extra sale of plots at the old cemetery and reduced repairs and maintenance has resulted in this saving.
 - x) Planning Fee reduced income - adverse variance of £59k
This reduction in income is due to the prevailing local economy and the knock-on effect on the applications for building development.
 - xi) Additional earmarked reserves new for this year of £350k
The variance analysis includes expenditure to create two new earmarked reserves, firstly for this Council's potential future liability in relation to MMI our former insurers, and secondly for the Economic Impact Reserve.

- 4.5 It is clear that the future financial position for the Council will continue to be challenging, particularly in relation to the Comprehensive Spending Review 2013, which is likely to result in further funding reductions, and follows last year's fundamental changes to the way Central Government provides funding for local authorities, together with the continuing national budget deficit. The reduced level of funding for the Council in the future is being mitigated by a raft of transformational reviews led by the Wyre Forest Forward programme.
- 4.6 The draft position for 2012/13 demonstrates that through prudent financial management, additional resources of £650,260 were made available to fund additional earmarked reserves as set out in paragraph 4.8 and increase the Working Balance as set out in paragraph 4.9. For information, a further net contribution of £402k has been made to earmarked reserves.
- 4.7 As part of the 2011/14 Budget a transformation fund of £700k for one-off implementation costs was established to support the Wyre Forest Forward programme. This was increased by a further £100,000 in 2011/12 and the fund has been extremely successful in delivering the change programme. £368k remains from this fund at the end of 2012/13, with £194k being uncommitted.
- 4.8 The Audit Committee is asked to note the creation of two new significant earmarked reserves from the surplus in 2012/13. The first is £80,000 for the Economic Impact reserve; this is to mitigate the impact of local economic volatility due to continuing austerity measures and resultant risk to the income streams forecast in the base budget. The second is in relation to the potential liability in relation to the Council's former insurers Municipal Mutual Insurance of £270,000.
- 4.9 It should also be noted that, in accordance with the Council decision on 24th February 2013, the balance of the surplus of £300,000 has been transferred to supplement the Working Balance. This increases the Working Balance from £700,000 to £1m to reflect the significant financial risks faced by this Council as a result of the fundamental changes to the Government Funding Regime in 2012/13, further austerity measures expected and also the impending Welfare Reform changes.

5. FINANCIAL IMPLICATIONS

- 5.1 The positive variance of £650,260, compared to the Revised Budget, reducing to a minimal £260, following the creation of additional earmarked reserves and transfer to the Working Balance is noted. These reserves will be reconsidered in accordance with the Council's Finance Strategy, as part of the budget process for 2014 onwards. This is greater than reported at Quarter 3 budget monitoring. However, a number of events and decisions in the last quarter coupled with year end transactions has led to the increase in the savings. This saving represents around 1% of total gross revenue expenditure of £65m.
- 5.2 These remain extremely challenging times for this Council given the changed landscape of the Government's funding regime, with 2013/14 being the first full year of these changes when the forecast impacts of decisions during the last budget process can be measured. The saving on outturn is welcomed and has been utilised to earmark funds to meet potential liabilities and also to increase the Working Balance to mitigate the potential future impact of funding volatility.

6. LEGAL AND POLICY IMPLICATIONS

6.1 None.

7. RISK MANAGEMENT

7.1 The principal risk to the Council is non-achievement of the Accounts and Audit (England) Regulations 2011 deadline, in respect of production and approval of the Statement of Accounts before 30th June 2013, and qualification of the Accounts by the Council's External Auditors.

7.2 Further updates on the continued return of the Icelandic investments will be provided to Council and Cabinet as part of Quarterly Budget Monitoring and the Leader's Update Reports to Council.

8. EQUALITY IMPACT ASSESSMENT

8.1 This is a financial report and there is no requirement to undertake an Equality Impact Assessment.

9. CONCLUSION

9.1 This report details the outturn position as at 31st March 2013 and provides information on the creation of further significant earmarked reserves.

10. CONSULTEES

10.1 CMT/Cabinet.

11. BACKGROUND PAPERS

11.1 Accounts and Audit (England) Regulations 2011.
Financial Strategy 2013/16.
Code of Practice of Local Government Accounting 2012/13.
Cabinet 18 June 2013 – Report on Final Accounts 2012/13.

WYRE FOREST DISTRICT COUNCIL

STATEMENT OF ACCOUNTS 2012/13 – OVERVIEW

1. INTRODUCTION

Each year the Council has to produce a set of accounts just like any other organisation. The formal document is the Statement of Accounts (Statement) which sets out the financial aspects of the Council's activities and draws attention to the main characteristics of the Council's financial position. The full Audited Statement will be published on the Council's web-site by 30th September 2013. The purpose of this overview document is to provide a summary of key aspects of the more detailed Statement to aid understanding and assist with the scrutiny process.

2. APPROVAL PROCESS

The deadline for approval of the 2012/13 Statement of Accounts is 30th June 2013 in accordance with the Accounts and Audit Regulations.

This Council's timetable for approval is as follows:

- : Cabinet – 18th June 2013 (Major Variations only); and then
- : Director of Resources approval/Audit Committee – 24th June 2013
- : Audit Committee – 23rd September 2013 (revised version)

The Accounts are audited by Grant Thornton who are the Council's external auditors. Regulations require that the Statement of Accounts is published by 30th September 2013.

3. BASIS OF ACCOUNTS

The Chief Financial Officer, the Director of Resources, Joanne Wagstaffe, is responsible for the preparation of the Statement in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13. This includes full compliance with the International Financial Reporting Standards (IFRS).

The Accounts present a true and fair view of the financial position of Wyre Forest District Council for the year ended 31st March 2013. Up to date and proper accounting records have been maintained in accordance with the accounting policies outlined in the detailed Statement. In addition, the Chief Executive and Leader of the Council are required to confirm the Council's Governance arrangements can be relied upon to produce an accurate Statement of Accounts; again this is contained within the Annual Governance Statement.

4. KEY COMPONENTS

The Council's accounts for the financial year ended 31st March 2013 mainly comprise:-

(a) **The Comprehensive Income and Expenditure Statement**

This account brings together income and expenditure relating to all of the Council's functions. It excludes Capital, accounted for separately. Many of the activity descriptions are similar to those in the budget book, but are grouped into Standard Expenditure Analysis Areas for inter-authority comparisons. Income from the Council's precept on the Collection Fund is included in this account. It represents the gains and losses that contribute to the changes in financial resources and is the accounting position rather than the bottom-line to taxpayers.

(b) **The Movement in Reserves Statement**

This account shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (those that can be applied to fund expenditure or reduce local taxation) and other reserves.

(c) **The Collection Fund Income and Expenditure Account**

This reflects the statutory requirement to maintain a separate Collection Fund. This account records income received from the Council Tax and Business Rates. It also shows the distribution of that income to precepting authorities, such as Worcestershire County Council, West Mercia Police Authority (The Office of the Police and Crime Commissioner for West Mercia with effect from 2013/14) and The Hereford and Worcester Fire and Rescue Authority, along with the payment to the National Non Domestic Rate pool.

(d) **The Balance Sheet**

This relates to the Council's year end financial position, covering both Capital and Revenue. It shows the balances and reserves at the Council's disposal, summarised information on the fixed assets held, the current assets employed in its operations and its long term indebtedness.

(e) **The Cash Flow Statement**

This statement summarises major movements of the Council Funds over the period of the financial year.

5. FINANCE STRATEGY

The Council continues to implement the three year Finance Strategy, endeavouring to balance service priorities against resources available. The increasing needs of the Community were recognised within the Strategy by taking advantage of Council Tax Freeze Grant for a third year in 2013/14, then setting a target Council Tax increase for the District of 2% per annum thereafter and by undertaking a Budget Consultation exercise. The Corporate Plan sets out the three priorities for 2011 to 2014 as reflected in the Finance Strategy. The Strategy also supported these corporate priorities for 2012/13 being securing the economic prosperity of the district, delivering together, with less and improving community well-being.

6. SUMMARY OF THE COMPREHENSIVE INCOME AND EXPENDITURE ACCOUNT, MOVEMENT IN RESERVES STATEMENT

2011/12 Net Expenditure/ (Income) £000's	Service Area	2012/13 Net Expenditure/ (Income) £000's
1,397	Central Services to the Public	1,396
3,832	Cultural and Related Services	3,795
4,065	Environment and Regulatory Services	2,890
1,038	Planning Services	933
335	Highways and Transport Services	397
1,471	Housing Services	1,678
2,160	Corporate and Democratic Core	2,320
474	Non Distributed Costs	623
14,772	Net Cost of Services	14,032
459	Parish Precepts	464
121	Other Net Operating (Income)/Expenditure	(113)
(318)	Net Investment Income	(164)
(714)	Other Accounting Adjustments*	(1,164)
14,320	Amount to be met by Government Grant/Council Tax	13,055
	Funded by:	
(4,769)	NNDR Re-distribution	(5,459)
(1,474)	Revenue Support Grant	(106)
(7,455)	Council Tax	(7,480)
(293)	Local Services Support Grant	(109)
<u>329</u>	Movement in Revenue Fund Balance	<u>(99)</u>

* This takes into account entries required to reflect issues including depreciation, reduction in market value of assets and the position of this Council's Pension assets and liabilities administered in the County Council Pension Fund

7. OVERALL BUDGET VARIATIONS

Major revenue variations between the revised budget and actual were shown in Appendix 1 to the main report to Cabinet on 18th June 2013. This demonstrated a de minimis saving compared to the revised budget after the creation of two new significant reserves, the first for £270,000 for potential future liabilities in relation to the Council's former insurers Municipal Mutual Insurance and the second £80,000 for a new Economic Impact Reserve. The Working Balance was also increased by £300,000 to £1m in accordance with the Council Decision in February.

A further analysis of actual compared to the original budget used for 2012/13 is contained in the full Statement.

8. WHAT DO WE OWN (NUMBER OF ASSETS)?

Civic & Administrative Buildings	5
Car Parks	29
Asset under Construction	1
Trading Estates & Enterprise Centres	5
Public Conveniences	13
Leisure Centres (leasehold interest in Bewdley Leisure Centre)	3
Museums	1
Farms	2
Sports, Social Clubs, Fields & Parks	20
Nature Reserves	4
Other Land & Buildings	34
Vehicles	74
Heritage Assets	Various
Play Equipment /Systems Software/Open Spaces Equipment	Various
Note: The Council also owns a number of assets below the de minimis level of £10,000 which are not shown in these figures	

9. SIMPLIFIED BALANCE SHEET

31/03/12 £000's	What the Council owns and is owed	31/03/13 £000's
	What we own:	
51,121	Buildings, Land, Vehicles and Equipment	53,675
88	Inventories	78
9,109	Cash Invested	8,506
3,835	Money owed to the Council	3,671
	What we owe:	
(4,361)	Money owed by the Council	(7,460)
(46,309)	Pension Fund Liability	(53,110)
13,483	Total Value of what we own	5,360
	Financing:	
	Usable Reserves	
5,484	Capital Expenditure Reserve	2,139
4,003	Earmarked Reserves	4,396
3,096	General Reserves	3,152
796	Capital Grants Unapplied	719
	Unusable Reserves	
46,550	Capital Financing Reserves	48,155
(46,309)	Pensions Reserve	(53,110)
(137)	Short-term Accumulated Absences Account	(91)
13,483		5,360
Notes:		
General Reserves include a Collection Fund deficit of £16,000 in 2012/13, £27,000 surplus in 2011/12. The Collection Fund is 'ring fenced' and is not available for General Fund purposes.		

10. WHAT ARE OUR RESERVES?

31/03/12 £000's	General Fund Reserves:	31/03/13 £000's
3,398	At beginning of the year	3069
(329)	Movement in Revenue Fund Balance	99
3,069	Balance at the end of the year	3,168
<p>The Council has a duty in law to keep an appropriate (prudent) level of General Reserves. It has been our policy to keep a minimum working balance of £700,000; this has been increased to £1m at the end of 2012/13 in accordance with the February Council Decision. The approved budget has agreed to use £524,300 in our budget for 2013/14, to use £636,070 for 2014/15 and £665,860 for 2015/16.</p>		

	Capital Expenditure Reserve and other Reserves and Capital Contributions set aside for the future:	
	The savings and money set aside for the future are :-	
5,484	Capital Expenditure Reserve	2,139
4,003	Earmarked Reserves	4,396
796	Capital Contributions Unapplied (Grants)	719
10,283	Total Reserves and Provisions	7,254

11. HOW WELL HAVE WE PERFORMED?

Finances:

Borrowing Money – the Council took out 2 loans during 2012/13 at the following rates: £2m @ 0.75% for 18 months
£1m @ 2.62% for 9 years
Investing Money - average interest rate 0.73%

Payment of what we owe:

Prompt Payment – we paid 96.48% of all invoices within 30 days

Collection of what is owed to us:

Council Tax - we collected 97.29%

Performance against national and local measures:

Over the last 12 months the Council has focused greatly on developing leading and lagging measures as part of its Wyre Forest Forward Programme to underpin the delivery of the systems thinking methodology rather than relying on traditional PIs or Targets. The dashboard of measures which support our purposes are customer focused to ensure improvements or change respond to the customer’s experience.

The measures will continue to evolve over time however it is important that they are not treated like PIs or targets which often imply that once they are met then no further work is needed. We have been supported with this particular piece of performance work by the Head of Business and Transformation from Rugby Borough Council funded as part of an LGA Productivity grant we were awarded to support our systems thinking work. This officer has shared his learning and experiences with us which has supported the development of our Covalent system for capturing relevant and timely data as well as ensuring the data is presented in a way which enables its effective monitoring and reporting. His work has also included positively challenging the council’s organisational approach to cultural and behavioural change.

Reports are considered by CMT and Cabinet/CMT on a monthly basis where they monitor the leading measures whilst quarterly reports are considered by the Overview and Scrutiny Committee where both leading and lagging measures are

reported. We continue to publish our 'Year in Pictures' Performance Summary to ensure we effectively communicate a summary of our key service delivery performance from the previous financial year to the community.

12. SUMMARY

This Overview gives a summary of the Statement of Accounts, which is a snapshot of this Council's finances as at 31st March 2013, showing:-

- How we raised income during the year
- How we spent money during the year
- How we performed against our budget
- How we performed in looking after the money
- How much money we have at 31st March 2013 (reserves)
- How the money is invested at 31st March 2013 (buildings, equipment and cash)

13. FINANCIAL TERMS EXPLAINED

We have tried to avoid using too many financial terms in this Overview, but here are a few of them explained for you:-

Assets: Buildings, land, vehicles and money in the bank.

Borrowing: Money we have borrowed to pay for fixed assets and are repaying over a number of years.

Capital Expenditure: Spending on new assets and the refurbishment of old ones like buildings and vehicles.

Capital Expenditure Reserve: Allocated usable capital receipts.

Capital Financing Reserve: Capital accounting reserve "backed" or balanced within balance sheet by fixed assets - not a funding resource available to spend.

Creditors: Those to whom we owe money.

Debtors: People or organisations who owe us money.

Depreciation: Some assets lose their value as they get older; this is called depreciation.

Earmarked Reserves: Savings or money set aside for the future for a specific purpose.

Fixed Assets: Things that will last more than one year.

International Financial Reporting Standards (IFRS): an international framework to ensure common approach to the production of Statement of Accounts across the world.

Inventories: Things we have bought but have not yet used.

Reserves: Savings or money set aside for the future.

Revenue Expenditure: Spending (and income) on day to day running costs, for example, employees. day to day running expenses including items like premises costs and supplies and services.

14. DIRECTOR OF RESOURCES ENDORSEMENT

The purpose of this overview is to help with the overall understanding of the Council finances and accounts. This is an on-going process; if you have any comments in relation to how we can improve this understanding please let me know.

The Council continues to meet the significant challenges of reduced government funding and following a complex budget process set a forward-looking budget, including a Council Tax freeze, a new Council Tax Localisation Scheme from April 2013 and continued investment in the key priority of Economic and Regeneration initiatives. We also joined the Worcestershire Business Rates Pool to mitigate the risk of financial loss due to the introduction of the Business Rates Retention Scheme from 1st April 2013. The most significant issue facing the Council remains its financial position. Our net revenue budget will have reduced from £16.4m in 2009-10 to £11.8m in 2015-16 on current plans. This represents a fall of over 25% in absolute terms, and more in real terms. Alongside this significant reduction, the Council is overseeing its most significant capital investment programme in many years, including a new cemetery, Wyre Forest House and new leisure centre as well as major injections of finance into its key priority of securing the economic prosperity of the district. But there is much more to do.

The level of Government funding will have reduced by 45% in four years. We know that it will fall further in future, and the Comprehensive Spending Review on 26th June will announce figures for the period to March 2016. The Council Budget decision on the 24th February 2013, included approval that Final Accounts savings arising from this year's accounts, over and above the target allowed for in the Council's Financial Strategy, together with surplus earmarked reserves, be allocated to the Working Balance. The Outturn position allowed for an increase of £300,000 to the Working Balance that now stands at £1m. This is a welcome addition to this reserve to reflect the significant financial risks faced by this Council as a result of the fundamental changes to the Government Funding Regime this year and further austerity measures expected, including the impending Welfare Reform changes.

To ensure that the Council is ready to meet future challenges, a number of initiatives continue to be undertaken including Wyre Forest Forward, the Corporate Plan, significant service review and transformation work. We have been in Wyre Forest House since October and this has successfully brought together the many diverse service teams, providing the catalyst for the release of further synergies that will help delivery of further efficiency savings.

In addition to the transformation programme and service reviews mentioned above the Council has also been seeking the recovery of the deposits with “Icelandic Banks”. The Council had £9m invested in these banks and has been working over the last three and half years to secure their recovery. Full details are provided within the Financial Instruments section of these statements, however, as at 31st March over £5.99m had been recovered and the Council is confident of improved overall returns.

As highlighted above, these remain extremely challenging times for the Council as we come to grips with an environment where funds will be reducing. The Financial Strategy 2013/16 approved by Council in February 2013 provides a stable financial platform to move forward with. For the coming year, Council approved a freeze in Council Tax which released an additional one-off grant from Government, however, in each of the following two years annual increases of 2% have been assumed, along with a 45% reduction in Government Grant since 2011.

If you have any questions or would like further explanation of our financial position, please contact either myself, or a member of the Accountancy team.

A full copy of the Statement of Accounts will be published on the Council’s website by the 30th of September 2013.

APPENDIX 2

**MAJOR VARIATIONS BETWEEN REVISED BUDGET
AND ACTUAL NET EXPENDITURE FOR 2012/13**

Total Revised Budget 2012/13	13,076,950
Less Release of Star Chamber Ear marked Reserves	(142,720)
Sub Total	12,934,230
Actual Net Expenditure	12,633,970
SAVINGS COMPARED TO 2012/13 REVISED BUDGET	(300,260)
Note: Year end Transfer to Working Balance as per February Council Report	300,000

Description of Estimated Major Variances	Extra Costs/ Reduced Income £	Savings/ Additional Income £
Chief Executive		
1.		
Community Assets and Localism		
1. Admin Building & Industrial Estates - Running Costs		(13,900)
2. Community Right to Bid/Challenge Government Funding to fall into general Balances		(13,500)
3. Dilapidation receipts - RAFA £50k, £19k Comberton Place		(69,000)
4. Elections - savings including cost of by-Elections not required		(23,100)
Community Well Being and Environment		
1. Leisure Centres - Maintenance of Buildings, Ground and Plant Replacement		(31,000)
2. Cemetery - Reduced expenditure on repairs and additional income from forward sale of plots		(25,500)
3. Repairs and Maintenance including Grounds Maintenance		(37,400)
4. Contract Cleaning - savings on supplies and services for Car Parks and Parks and Green Spaces		(42,700)
5. Security Services for cash collection primarily for car parking		(21,000)
6. HUB - Additional contribution from Worcestershire County Council to Pay Costs		(18,400)
7. Parking Fees Income this is substantially offset by reductions in expenditure shown above	136,700	
8. Waste -pressure as a result of Agency Contracts, partly offset by budget savings on supplies and services	40,100	
Economic Prosperity and Place		
1. Planning Application Fees	59,200	
2. NNDR Rate Relief - Discretionary Element		(13,100)
3. Regulatory Services Refund Received for 2012/13		(27,300)
4. Homelessness Costs Saving		(18,000)
5. Building Control - Shared Service Income Shortfall for 2012/13	10,000	
Resources		
1. Audit Fee savings due to rebate and reduction in grant claim certification costs		(23,900)
2. Benefits release of 2011/12 earmarked reserve now 2010/11 Grant Claim confirmed		(194,000)
3. Benefits additional recovery of overpayments		(113,700)
4. Additional income from Council Tax & NNDR Court Action		(41,100)
Capital Account		
1. Interest on investments		(26,100)
Corporate Variations		
1. Corporate Pension Costs		(29,800)
2. Pay Costs (including Agency)		(33,700)
3. Admin Expenses		(99,700)
4. VAT Reserve no longer required		(20,000)
5. Increase in Bad Debt Provision (mostly in relation to Housing Benefits)	113,500	
6. Municipal Mutual Insurance - Creation of ear-marked reserve	270,000	
7. Economic Impact Reserve - Creation of ear-marked reserve	80,000	
8. Miscellaneous Savings		(73,860)
	709,500	(1,009,760)
REDUCED NET EXPENDITURE ON YEAR 2012/13		(300,260)