

BODY: SCRUTINY COMMITTEE

DATE: 4TH July 2011

SUBJECT: Finance Matters –Outturn 2010/11

REPORT OF: Chief Finance Officer

Ward(s): All

Purpose: To seek members views on the outturn report following its consideration by Cabinet on 8 June 2011. .

Contact: Alan Osborne, Chief Finance Officer,
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Recommendations: Members are asked for their views on the report set out below (updated for final outturn) following its consideration by Cabinet at its meeting on 8 June 2011.

1.0 Introduction

- 1.1 This report provides members with the outturn results for the general fund, the housing revenue account (HRA) and Capital programme for 2010/11. The original report was submitted to Cabinet on 8 June with provisional outturn figures. The accounts have now been completed and all figures have been updated to reflect the final outturn position.
- 1.3 Variances are shown in (brackets) if they are favourable and without if they are adverse.

2.0 General Fund Revenue Account

- 2.1 The table at **Appendix 1** shows the Councils outturn compared to the agreed budget at departmental at service level. A more detailed breakdown at code or transactional level is available from Financial Services.

2.2 There was a net under spend on service expenditure of £794,897 for the year, analysed over services as follows:

Table 1 General Fund Service Outturn 2010/11

| | Original Budget | Revised Budget | Actual | Variance |
|--|-------------------|-------------------|-------------------|---------------|
| Corporate Services | 6,599,600 | 6,822,100 | 6,931,424 | 109,324 |
| Community Services | 1,119,100 | 1,064,850 | 158,881 | (905,969) |
| Environmental Services | 6,867,700 | 7,324,300 | 7,193,490 | (130,810) |
| Tourism and Leisure | 2,759,250 | 3,239,400 | 3,326,579 | 87,179 |
| Other operating expenditure and income | 589,650 | 334,450 | 379,829 | 45,379 |
| Net Service Expenditure | 17,935,300 | 18,785,100 | 17,990,203 | (794,897) |
| Net Interest and Capital Financing | 754,000 | 384,800 | 309,105 | (75,695) |
| Contributions to/from Earmarked Reserves | 0 | (480,600) | (480,632) | (32) |
| Transfer to/from General Fund Reserve | (267,000) | (267,000) | 619,716 | 886,716 |
| Budget Requirement | 18,422,300 | 18,422,300 | 18,438,391 | 16,091 |

2.3 This is an improvement compared to the December monitoring due mainly to the improvement achieved from the Housing Benefit subsidy and overpayments budget as mentioned in the Quarter 3 report, plus a one-off adjustment for £126,000 relating prior years' subsidy claims.

2.4 The Corporate Services outturn absorbs some £250,000 of one off costs which previously had been earmarked to be financed from the repairs and maintenance reserve.

2.5 The implications arising from the increased performance in the Housing Benefits area and the savings achieved on the Insurance contract have been reflected in the budget for 2011/12.

3.0 Non-Earmarked Revenue Reserves

3.1 The effect of the under spend in the outturn as resulted in the following balances on non-earmarked usable Revenue Reserves:

Table 2 General Revenue Reserves as at 31.3.2011

| | |
|---------------------------|------------------|
| Reserve | 31.3.11 £'000 |
| Strategic Change Reserve | 999 |
| Capital Programme Reserve | 803 |
| General Earmarked Reserve | 496 |
| General Fund | 5,267 |

4.0 Housing Revenue Account

- 4.1 The table at **Appendix 2** summaries the HRA performance for 2010/11 and shows a surplus of £325,289. This represents a variance of £213,539 against a revised budget of £112,000.
- 4.2 The principal reasons for the variance are a reduction in the level of bad debt provision required and a saving on council tax from void properties and tenants water rates recovered.

5.0 Capital Programme

- 5.1 A summary of capital expenditure for the year is shown in **Appendix 3**.
- 5.2 The revised capital for 2010/11 was £20.432m. The outturn of £19.131m represents a General Fund variance of (4%) and Housing variance of (9.%) from forecast. This gives an overall variance of 6%.

6.0 Implications

- 6.1 There are no other relevant implications for this report.

7.0 Conclusions

- 7.1 The Council has improved its base reserves position and this will be reflected in the next update of the Medium Term Financial Strategy.
- 7.2 The Council continues to have general balances in excess of the declared minimum and these balances can therefore be used to invest in corporate plan priorities over the medium term as well as providing funding for invest to save schemes.
- 7.3 The Councils 2010/11 capital programme was substantially delivered in line with the resources allocated.

Alan Osborne
Chief Finance Officer

Background Papers:

Final Account 2010/11 working papers.

To inspect or obtain copies of background papers please refer to the contact officer listed above.