
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 27 JUNE 2011

EX.060/11 PROVISIONAL GENERAL FUND REVENUE OUTTURN 2010/11 (Key Decision)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, the Mayor has agreed that call-in procedures should not be applied to this item)

Portfolio Governance and Resources

Subject Matter

The Assistant Director (Resources) submitted report RD.12/11 (Amended) on the outturn for the 2010/11 General Fund Revenue Budget. He informed Members that the outturn showed that the net underspend for Council services as at 31 March 2011, once committed expenditure totalling £1,758,700 was taken into account, was £245,697. He set out details of requests to carry forward £119,200 in respect of new items of expenditure which, if approved, would result in a final underspend to the Council in 2010/11 of £126,497.

Members' attention was drawn to the table at Section 2.1 of the report which showed that the Council's revised budget for 2010/11 was a total of £21,331,100. He summarised the expenditure for individual Directorates and provided an explanation of the major variances in those budgets. He also itemised the budget headings which had achieved savings and provided increased income.

The Assistant Director (Resources) reminded Members that the recession continued to lead to significant income shortfalls in Bereavement Services, Development Control, Parking, The Lanes and returns from investment, and some budgets had again been adjusted during 2010/11 to reflect revised 'post recession' income trends (Report RD.54/10 refers). He added that the Council had increased its bad debt provision in respect of sundry debtors and housing benefit overpayments, and that had been allocated directly to the services.

He also circulated details of the carry forward requests which had been submitted by Directorates and added that if Members were minded to approve the carry forward requests a recommendation would need to be submitted to the City Council. He added that, due to the level of underspend identified within the report, and if all carry forward requests were approved, approximately £0.127 million would be returned to the Projects Reserve. That would replenish the usable revenue balances by 31 March 2015 to the minimum required, however there would still be a projected shortfall against that minimum reserve from 2011/12 to 2013/14.

The Assistant Director (Resources) then commented on the efficiency savings and the Annual Efficiency Statement, and highlighted changes to the Efficiency Programme during 2010/11, which illustrated that the Council had exceeded the 10.3% efficiency target by 0.4% or £140,000 approximately which was a significant achievement during a period of continuous change throughout the organisation. Those results would be submitted to the DCLG in July as National Indicator 179.

The Resources Overview and Scrutiny Panel had on 16 June 2011 (Minute RO.SP.38/11) considered the matter and resolved:

"That the Panel was concerned by the shortfall in income from the Lanes and referred the matter to the Environment and Economy Overview and Scrutiny Panel for their detailed consideration on whether it would be an appropriate subject for a joint Task and Finish Group."

A copy of the Minute Excerpt had been circulated.

The Chairman of the Resources Overview and Scrutiny Panel was present at the meeting, but had nothing further to add to the comments set out in the Minutes of the meeting.

The Governance and Resources Portfolio Holder indicated that he was quite comfortable with the level of underspend referred to in what had been a very difficult year financially speaking. Accordingly, he moved the recommendations set out in the Assistant Director's report.

Summary of options rejected None

DECISION

That the Executive:

- (1) Noted the net underspend as at 31 March 2011 of £245,697 after committed expenditure totalling £1,758,700 (£991,500 to be met in 2011/12; £644,100 in 2012/13; and £123,100 in 2013/14) which had been approved by the Assistant Director (Resources) under delegated powers.
- (2) Endorsed the carry forward requests for new items of expenditure totalling £119,200 (noted as Category 'B' in Appendix B, of which £116,700 to be met in 2011/12 and £2,500 in 2012/13) and recommended that the City Council on 19 July 2011 approve those requests as set out in Report RD.12/11 (Amended).
- (3) Recommended that the City Council approve the transfer of the Job Evaluation Reserve into the Transformation Reserve, as detailed in paragraph 3.3 of the report.

- (4) Recommended that the City Council approve the provision of £74,400 set aside to cover potential refunds of personal search fees as detailed in paragraph 3.4 of the report.

Reasons for Decision

To receive the Report on the General Fund Revenue Outturn and make recommendations to the City Council.