
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 1 JUNE 2012

EX.058/12 PROVISIONAL GENERAL FUND REVENUE OUTTURN 2011/12
(Key Decision – KD.005/12)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder presented report RD.11/12 concerning the outturn for the 2011/12 General Fund Revenue Budget. He informed Members that the outturn position showed that the net underspend for Council services as at 31 March 2012, once committed expenditure totalling £357,500 was taken into account, was £261,459.

The table at Section 2.1 of the report showed that the Council's revised budget for 2011/12 was a total of £15,601,700. A summary of the expenditure for individual Directorates and an explanation of the major variances in those budgets were provided. Also itemised were the budget headings which had achieved savings and provided increased income.

Turning to the key issues, the Finance, Governance and Resources Portfolio Holder set out details of a request to transfer £250,000 to the Transformation Reserve to part fund ongoing redundancy costs which, if approved, would result in a final underspend to the Council in 2011/12 of £11,459. He further recommended (subject to Council approval) the establishment of a Cremator Reserve, as set out in the Charges Report 2011/12 (CS.28/10) and detailed at paragraph 4.2 of the current report, adding that approximately £70,000 would be transferred to the reserve as part of the year end process.

The recession continued to cause significant income shortfalls in Bereavement Services, Development and Building Control, Parking and The Lanes. In addition, inflation and other factors had led to higher fuel and energy prices. In anticipation of those pressures some budgets had again been adjusted during 2011/12 to reflect revised spending and income trends (Report RD.70/11 referred). The Council's bad debt provision had been increased in respect of housing benefit overpayments and penalty charge notices, but reduced for sundry debtors, and that had been allocated directly to the services.

He also circulated details of the carry forward requests which had been submitted by Directorates adding that, if Members were minded to approve the carry forward requests, a recommendation would need to be submitted to the City Council.

The Finance, Governance and Resources Portfolio Holder advised that, due to the level of underspend identified within the report after all carry forward requests were approved, approximately £11,500 would be returned to the Projects Reserve. That would replenish the usable revenue balances by 31 March 2017 to the minimum required, however there would still be a projected shortfall against that minimum reserve from 2012/13 to 2016/17.

In accordance with revised Capital Finance Regulations, costs associated with asset disposal totalling £17,221 which were included in the revenue outturn, could be funded from the capital receipt generated. That would result in an increase to revenue balances at 31 March 2012.

The Finance, Governance and Resources Portfolio Holder further pointed out that the information contained within the report was provisional and subject to the formal audit process.

In conclusion, the Finance, Governance and Resources Portfolio Holder moved the recommendations, which were duly seconded by the Environment and Transport Portfolio Holder.

Summary of options rejected None

DECISION

That the Executive:

- (i) Noted the net underspend as at 31 March 2012 of £261,459 after committed carry forwards;
- (ii) Noted the committed expenditure totalling £357,500 in 2012/13, which had been approved by the Director of Resources under delegated powers, and the release of £357,500 from the General Fund Reserve in 2012/13, for recommendation to Council.
- (iii) Recommended that the City Council approve the transfer of £250,000 to the Transformation Reserve to part fund ongoing redundancy costs, as detailed in paragraph 4.1 of Report RD.11/12, reducing the year end underspend to £11,459.
- (iv) Recommended that the City Council approve the establishment of the Cremator Reserve, as set out in the Charges Report 2011/12 (CS.28/10), and detailed in paragraph 4.2, noting that approximately £70,000 would be transferred to the reserve as part of the year end process.

Reasons for Decision

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