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## **EXCERPT FROM THE MINUTES OF THE RESOURCES OVERVIEW AND SCRUTINY PANEL HELD ON 16 JUNE 2011**

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### **ROSP.38/11 2010/11 PROVISIONAL OUTTURN REPORTS**

The Financial Services Manager (Miss Taylor) submitted report RD.12/11 on the outturn for the 2010/11 General Fund Revenue Budget. She informed the Panel that since the publication of the Report there had been some amendments. She explained that included in the Outturns, were estimates of anticipated grant claims for the Roman Gateway and debtors for the claims had been included in the Revenue and Capital reports.

The quarter 4 claim had been finalised and it had become apparent that there had been some miscoding of expenditure included as Revenue should have been Capital. The expenditure totalled £78,780.36, and funding streams had also been altered and reflected in the net position. The amended figures showed a carry forward of £18,200.

She 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. She 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.

Miss Taylor 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. She added that the balance on the reserve at the end of 2012/13 for Job Evaluation would be £430,309 after taking account of any on-going commitments and it was recommended that it be returned to the Transformation Reserve to fund any one off costs associated with the Transformation Process in 2011/12.

Miss Taylor informed the Panel of the advice received from DEFRA regarding changes to the statutory regulations for the charges made for personal searches of the local land register. A request had been made for a provision of £74,400 to be set up in 2010/11, £40,000 from under spent survey costs and the balance from Government grants, to cover the potential refunds arising from these charges.

In considering the report Members raised the following questions and comments:

- A Member highlighted the income shortfall from the Lanes and understood that the shortfall was a reflection of the current economy and that it may need to be changed to

recurring in the future. He was concerned about the amount of the shortfall and suggested that the matter may be a good subject for a Task and Finish Group.

Miss Taylor was aware of the history of the Lanes income and informed the Panel that, in certain circumstances, the agents for the Lanes offered discounts in the rental for units to avoid them remaining vacant. She explained that there was some reduction in the income but she felt that it would be useful to have better dialogue with the agents so that their 5 year business plan could be incorporated into the Council's budget projections. She added that the shortfall in income was also a risk that the Council had taken when the agreement moved from guaranteed income to equity rent.

Dr Gooding commented that there was a significant investment and significant impact on the Council's revenue budget but it may be more appropriate for scrutiny by the Environment and Economy Panel.

A Member suggested that the matter of a possible joint Task and Finish Group with the Environment and Economy Panel be discussed further at the Panel's Development Session as there was obvious concern about the impact on the Council's revenue.

The Governance and Resources Portfolio Holder added that the change to the agreement had been written in the original agreement and the Council had received a good income in the first year but it was a risk that the Authority agreed to take at the time of the development.

The Community Engagement Portfolio Holder commented that the Council's investment in the Lanes should be subject to the same tests as all of their assets to ensure a good return; the Council had the option of removing their stake from the Lanes.

Dr Gooding added that the Lanes had been included in the Asset Business Plan as a symbolic asset not just an investment asset and showed that the Council had confidence in the City Centre.

- There was a large sum in the non recurring figures for obsolete stock and shop income shortfall from Tullie House and shortfall on sales at the Tourist Information Centre, it was felt that this was an area that could be investigated further and improved on.

Miss Taylor explained that the Tullie House figures were historic figure from and had been written off in 2010/11 before the transfer to a Trust. There was, however, an opportunity to look at the Tourist Information Centre further.

**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 at their Development Session on whether it would be an appropriate subject for a joint Task and Finish Group.

**ROSP.39/11 PROVISIONAL CAPITAL OUTTURN 2010/11 AND  
REVISED CAPITAL PROGRAMME 2011/12**

The Financial Services Manager (Miss Taylor) submitted report RD.11/11 on the Provisional Outturn for the Council's Capital Budget, together with details of the revised Capital Programme for 2011/12. She informed Members that the Outturn showed that the net underspend for Council services as at 31 March 2011 once committed expenditure totalling £1,093,600 was taken into account was £464. She added that a request had been made for a carry forward for a new item of expenditure which would change the underspend to an overspend of £11,636.

She set out the position with regard to carry forward requests on the Capital Programme. She also identified for Members the resources which had been used to fund the 2010/11 Capital Programme and detailed the 5 year Capital Programme for the period 2011/12 to 2015/16.

Miss Taylor stated that it had been recognised that the carry forwards from 2010/11 had increased the 2011/12 capital programme and a further review was recommended to ensure that the Council had the capacity to deliver that level of capital programme. To that end, the 2011/12 programme needed to be reviewed by Project Officers to ensure that schemes could be completed in line with both the projected budget and projected timescales. She advised that one further possibility was the setting up of specific earmarked reserves for schemes not yet started so that schemes did not sit in the Capital Programme and be reported as underspends at the year end.

In considering the report Members raised the following comments and questions:

- A Member asked for clarification with regard to the difference in figures for the carry forward in 2009/10 and 2011/12.

Miss Taylor explained that during 2010/11 there had been a review of the capital programme to ensure that the profiling was correct and £4m had been profiled in the correct years for the future.

- The Roman Frontier had a negative carry forward of £135,200 how had this happened and who had approved it?

Dr Gooding explained that he had approved it but it was not an overspend. The project had been reprofiled and as a result some of the expenditure had moved between financial years, however, the project was for a period of three years and over all had not overspent.

The Community Engagement Portfolio Holder commended the staff that had been involved in the project for completing the project on time and remaining within the necessary deadlines to ensure funding.

- Members asked for an update on the Insurance claim for the additional cost incurred for the Sub Regional Employment Site scheme.

Miss Taylor informed the Panel that the Council was in negotiations with the company and although it had looked favourable there was no feedback from the company to date.

- Had the Projects Assurance Group made any impact on the budget profiling?

Dr Gooding confirmed that the reprofiling of the capital programme had been part of the Group's work and had resulted in a much more realistic programme instead of an aspirational programme.

RESOLVED – That the Panel welcome report RD.11/11.

#### **ROSP.40/11 TREASURY MANAGEMENT OUTTURN 2010/11**

The Financial Services Manager (Miss Taylor) presented report RD.13/11 providing the annual report on Treasury Management, as required under both the Financial Procedure Rules and the CIPFA Code of Practice on Treasury Management. She also submitted the regular report on Treasury Transactions for the period 1 January 2011 to 31 March 2011.

Members discussed the stock issue and the repayment rates and options for the Council in the future. Dr Gooding explained that there were several options open to the Council for when the loan matured and the options would be explored when appropriate.

Members agreed to discuss the frequency of Treasury Management Reports to the Panel at their Development Session.

RESOLVED – That the treasury Management Outturn 2010/11 report RD.13/11 be noted.