

FINANCIAL REPORT – PROVISIONAL OUTTURN FOR 2009/10**1. INTRODUCTION**

- 1.1 This report provides an early consideration of the 2009/10 projected outturn positions for the General Fund, Housing Revenue Account and Capital Programme.
- 1.2 While most of the Portfolio/Committee element of closedown is now complete, further work is required to finalise figures for Housing Benefits and Council Tax Benefits and to complete the Housing Revenue Account. This work should be completed before the final copy of this report is released.
- 1.3 The Council's statutory Statement of Accounts will be presented to Final Accounts Committee on 18 June.

2. GENERAL FUND OUTTURN PROJECTION

- 2.1 In February 2009 the Council approved a General Fund net expenditure budget requirement of £22.668 million for 2009/10. A financial report presented to Cabinet in July 2009 identified efficiency savings of £978,000 for the year that offset the need to use reserves of £975,000 identified in the original budget. In line with the Council's financial strategy work has continued to identify further savings and efficiencies. The provisional outturn now presented identifies that the Council's net expenditure will be £20.244 million. This represents a further saving of £1.446 million for the year and supports the Council's Medium Term Financial plan.
- 2.2 The main contributions towards this overall savings are approximately £500,000 from income improvements in Building Control, Land Charges, Health and Leisure Centres and Interest earning. In addition the Health and Leisure Services review has brought forward savings of over £300,000 in 2009/10, earlier than originally anticipated. The control on vacancies which was instigated has delivered savings across all service areas in excess of £200,000. Other savings and one off benefits have been generated which have enabled a special loan repayment to be made which reconciles the Council's capital equipment and vehicle account.
- 2.3 Full details of budget savings and variations will be reported to the Final Accounts Committee on 18th June 2010 on completion of the Statement of Accounts.

2.4 A Portfolio / Committee summary for the year is set out as follows:

PORTFOLIO / COMMITTEE BASED ANALYSIS OF VARIATIONS

(-) = Underspends (+) = Overspends	ALREADY REPORTED	REPORTED AT OUTTURN	TOTAL
Crime and Disorder	-£30,000	-£46,000	-£76,000
Employment, Health & Wellbeing	+£33,000	-£145,000	-£112,000
Environment	+£86,000	-£109,000	-£23,000
Finance & Efficiency	+£33,000	-£198,000	-£165,000
General Purposes & Licensing	-£8,000	-£29,000	-£37,000
Housing	+£53,000	-£150,000	-£97,000
Leisure, Culture & Youth Matters (LCYM)	-£356,000	+£159,000	-£197,000
Planning Development Control	+£27,000	-£64,000	-£37,000
Planning & Transportation	-£182,000	-£337,000	-£519,000
Other Variations:			
Additional Grants & Subsidies	-£368,000		-£368,000
Capital Financing Provision	+£11,000	+£9,000	+£20,000
Interest Earnings	-£50,000	-£28,000	-£78,000
Special repayment of loan		+£243,000	+£243,000
TOTAL BUDGET UNDERSPEND	-£751,000	-£695,000	-£1,446,000

2.5 In July 2009, Cabinet approved the transfer of £975,000 to a savings and efficiency reserve. After allowing for efficiency costs incurred in 2009/10 which have already been charged to services it is now proposed that only £500,000 is transferred to the reserve and the additional savings are transferred to the Capital Programme Reserve, to support the council's financial strategy set out within the Medium Term Financial Plan.

3. CAPITAL EXPENDITURE

3.1 Previously reported variations of £746,000 resulted in a forecast capital outturn of £12.244m. The projected capital outturn for the year is £10.846m, variations reported now amount to £1.398m mainly resulting from a rephasing of the programme.

3.2 Full details of all variations, together with outturn variations will be reported to the Final Accounts Committee on 18th June 2010 on completion of the Statement of Accounts.

3.3 An overview by Portfolio/Committee is provided in the table below:

PORTFOLIO / COMMITTEE BASED ANALYSIS OF VARIATIONS

	ALREADY REPORTED	REPORTED AT OUTTURN	TOTAL
Crime and Disorder	0	-£28,000	-£28,000
Employment, Health & Wellbeing	0	+£47,000	+£47,000
Environment	-£34,000	-£57,000	-£91,000
Environment – Coastal Protection	+£58,000	-£287,000	-£229,000
Finance & Efficiency	+£66,000	-£340,000	-£274,000
Leisure, Culture & Youth Matters (LCYM)	-£252,000	-£305,000	-£557,000
LCYM – Developers Contributions Schemes	+£180,000	-£135,000	+£45,000
Planning & Transportation	0	-£78,000	-£78,000
Housing – Private Sector	-£764,000	-£92,000	-£856,000
Housing – Public Sector	0	-£123,000	-£123,000
TOTAL CAPITAL VARIATIONS	-£746,000	-£1,398,000	-£2,144,000

3.4 The following table provides an overview of the funding implications of all the variations reported to date.

IMPACT ON CAPITAL RESOURCES

	ALREADY REPORTED	REPORTED AT OUTTURN	TOTAL
1 Variations affecting the Council's Capital Resources	-£729,000	-£200,000	-£929,000
2 Net Rephasings	-£336,000	-£1,283,000	-£1,619,000
3 Funding from Developers' Contributions or from other external sources	+£319,000	+£85,000	+£404,000
TOTAL CAPITAL VARIATIONS	-£746,000	-£1,398,000	-£2,144,000

4. HOUSING REVENUE ACCOUNT

4.1 The estimated outturn surplus for the year on the Housing Revenue Account is £416,000. This compares to an original budgeted surplus of £173,000, but is a reduction in net costs of £476,000 from the figures reported to Cabinet in February. The main reasons for the new variations are:

NEW VARIATIONS	(£)
Increased Sheltered Housing Service Charge Income	136,000
Reduced revenue contribution to capital costs to match underspend in Housing Capital expenditure	123,000
Lower than estimated redemption premiums on loans repaid	67,000
Savings in utility account costs in Sheltered Housing	91,000
Savings in Supplies and Services costs	107,000
Savings in employee and other business unit costs	25,000
Other miscellaneous variations	30,000
....partly offset by:	
Reduced interest earnings	-40,000
Reduced income from garage rents	-63,000
TOTAL NEW HRA VARIATIONS	476,000

4.2 The surplus for the year will be added to the HRA balance, which will result in an estimated balance of £7.9m at 31 March 2010. The original budget for 2010/11 assumes that the balance will reduce by £2.2m in 2010/11.

5. CRIME AND DISORDER / EQUALITY AND DIVERSITY IMPLICATIONS

5.1 There are no crime and disorder or equality and diversity implications arising directly from this report.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no environmental implications arising from this report.

7. RECOMMENDATIONS

7.1 It is recommended that Cabinet:-

- (a) Note the provisional General Fund outturn position and approve the reduced transfer of £500,000 to the savings and efficiency reserve and the balance of the final actual General Fund underspend to the Capital Programme Reserve;
- (b) Note the provisional outturn position of the Capital Programme; and
- (c) Note the provisional outturn position of the Housing Revenue Account.

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Background Papers: