

**FINANCIAL REPORT – PROVISIONAL OUTTURN FOR 2010/11****1. INTRODUCTION**

- 1.1 This report provides an early consideration of the 2010/11 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 Following changes in the Accounts and Audit Regulations, the Council's statutory Statement of Accounts now need to be presented to Final Accounts Committee in September, rather than in June, as was the case in previous years. The Accounts do however still need to be completed and signed by the Responsible Financial (s151) Officer by 30 June.

**2. GENERAL FUND OUTTURN PROJECTION**

- 2.1 A General Fund budget of £23.104 million for 2010/11 was agreed by Council in February 2010, which has since been amended to £22.638m in line with the items previously reported to Cabinet. This represented a decrease of £499k for the year to date from the original budget after allowing for net transfers from reserves of £33k. As £200k of the total is due to changes in the revenue contribution to capital the net savings generated in revenue budgets reported by February was **£299k**.
- 2.2 The table on the following page updates the previously reported position and summarises the currently projected positive General Fund variations at year end, highlighting specifically the impact on income and expenditure and showing if the variation is due to:

**Income –**

- A – Improvements
- B – Reduced Performance

**Expenditure –**

- A – New Expenditure
- B – Expenditure Savings

The table shows a net general fund revenue budget saving of £147k (previously £299k). This includes a number of variations the most significant of which is Concessionary Travel where a provision of £415,000 has been provided to allow for the likely outstanding costs resulting from 2010/11 appeals and the potential of additional capacity cost claims that may go back to 2007/08. The amount provided is based upon advice received from the county wide consultant.

The outturn also identifies a reduction in car parking income, which is understood to be reflected in other areas of the County and additional one off income from a change in VAT arrangements at the Health & Leisure Centres.

The final outturn position will be reported to the Final Accounts Committee within the Annual Statement Accounts for 2010/11.

	<b>Previously Reported £000s</b>	<b>Forecast Outturn £000s</b>
<b><u>INCOME VARIANCES</u></b>		
<b>Improvement</b>		
Project Integra	155	215
Building Control	50	24
Health & Leisure Centres	10	43
Licensing	-	50
VAT Refund	-	168
Special Grant (Land Charges)	-	35
	<b>215</b>	<b>535</b>
<b>Reduced Performance</b>		
Special Grants	-530	-530
Interest Earnings	-250	-225
Planning	-100	-
Dibden Golf Centre	-50	-100
Land Charges	-30	-14
Car Parking	-	-170
	<b>-960</b>	<b>-1,039</b>
<b><i>Net Income Reduction</i></b>	<b>-745</b>	<b>-504</b>
<b><u>EXPENDITURE VARIANCES</u></b>		
<b>New Expenditure</b>		
Concessionary Travel	-100	-550
Fuel	-110	-110
	<b>-210</b>	<b>-660</b>
<b>Expenditure Savings</b>		
Pay Award	270	270
Special Grant Related	250	250
Health & Leisure Centres	242	445
Public Lighting (PFI)	77	77
Other Portfolio Savings (Net)	415	269
	<b>1,254</b>	<b>1,311</b>
<b><i>Net Expenditure Saving</i></b>	<b>1,044</b>	<b>651</b>
<b>NET OVERALL SAVING</b>	<b>299</b>	<b>147</b>

### 3. CAPITAL EXPENDITURE

- 3.1 The revised capital programme reported to Cabinet in February forecast outturn expenditure of £15.339m. Provisional outturn expenditure is £12.144m, a reduction of £3.195m.
- 3.2 The main reason for the reduction is the rephasing into 11/12 of £1.870m of Housing expenditure at North Milton Estate and Howards's Mead. Other rephasings into 11/12 amount to £955k, principally being £404k Transportation Developers' Contributions schemes, £284k Leisure schemes, £179k ICT Work Programme and £75k Vehicles and Plant.

Net underspends on capital projects are £370k, principally being £253k Housing Major Repairs, £100k Social Housing Grant and £141k Improvement/Disabled Facilities Grants offset by £60k additional Coast Protection Expenditure funded by Government Grant, £32k additional Leisure Developers' Contribution schemes and £34k Housing Environmental Enhancements.

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

#### IMPACT ON CAPITAL RESOURCES

	HOUSING RESOURCES	OTHER RESOURCES	TOTAL
1 Variations affecting the Council's Capital Resources	-£367,000	-£2,000	-£369,000
2 Net Rephasings	-£1,870,000	-£955,000	-£2,825,000
3 Funding from Developers' Contributions or from other external sources	-£93,000	+£92,000	-£1,000
<b>TOTAL CAPITAL VARIATIONS</b>	<b>-£2,330,000</b>	<b>-£865,000</b>	<b>-£3,195,000</b>

### 4. HOUSING REVENUE ACCOUNT

- 4.1 The February Cabinet report predicted a deficit of £1.990m on the Housing Revenue Account for 2010/11. The provisional outturn figures show this deficit removed and an overall breakeven position for the year. The main reasons for the reductions are:

NEW VARIATIONS	(£)
Reduced Revenue Contribution due to the capital programme underspend	1,489,000
Reduced Supervision and Management costs	370,000
Reduced Housing Repairs costs	100,000
Other	31,000
<b>TOTAL NEW HRA REDUCTIONS</b>	<b>1,990,000</b>

- 4.2 The estimated breakeven position for the year will result in the HRA balance remaining at £7.810m at 31 March 2011. The original budget for 2011/12 shows a deficit position of £1.705m but this will increase by £1.270m due to the rephasing of the capital projects at North Milton Estate and Howards Mead, reducing the projected HRA balance at 31 March 2012 to £4.835m

## **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. PORTFOLIO HOLDER COMMENTS**

- 7.1 The Finance & Efficiency Portfolio Holder is pleased overall that during a challenging year the Council has delivered the outturn within budget. However, he notes that the outturn now reported is marginally below that previously expected, but he is satisfied that the full provision has been made for all liabilities.

## **8. RECOMMENDATIONS**

- 8.1 It is recommended that Cabinet:-
- a) Note the provisional General Fund outturn position;
  - b) Note the provisional outturn position of the Capital Programme; and
  - c) Note the provisional outturn position of the Housing Revenue Account.

### **For Further Information Please Contact:**

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### **Background Papers:**