

FINANCIAL REPORT – PROVISIONAL OUTTURN FOR 2011/12**1 INTRODUCTION**

- 1.1 This report provides an early consideration of the 2011/12 projected outturn positions for the General Fund, Housing Revenue Account and Capital Programme.
- 1.2.1 The Council's statutory Statement of Accounts need to be completed and signed by the Responsible Financial (s151) Officer by 30 June and will be presented to Final Accounts Committee in September after external audit. Should there be any major variations from the figures presented in this report, they will be highlighted at the Committee.

2 BACKGROUND

- 2.1 A General Fund budget of £20.404 million for 2011/12 was agreed by Council in February 2011. This included a Net Service Requirement of Portfolio spending of £18.036 million.
- 2.2 A detailed summary of the projected outturn is set out in Appendix A.

3 PORTFOLIO BUDGET OUTTURN POSITION

- 3.1 The Net Service Requirement outturn position is £17.533 million which represents a lower level of spending of £503,000 and is summarised by Portfolio below.

	2011/12 Budget	2011/12 Provisional Outturn	2011/12 Variation
	£'000	£'000	£'000
Environment	7,089	6,812	277
Finance & Efficiency	5,250	5,080	170
General Purposes & Licensing	676	650	26
Health & Leisure	2,460	2,434	26
Housing & Communities	1,831	1,734	97
Leader's	770	813	-43
Planning & Transportation	390	143	247
Planning Development Control	1,176	1,350	-174
	19,642	19,016	626
Asset Rental Income	-1,606	-1,483	-123
NET SERVICE REQUIREMENT	18,036	17,533	503

4 OTHER GENERAL FUND OUTTURN VARIATIONS

- 4.1 Other non service variations totalled £1,533,000. In addition to those items previously reported to Cabinet they include the outcome of a successful VAT claim with regard to Refuse Collection from 1974 to 1996 (£722,000), a reduced Minimum Revenue Provision charge (£130,000), due to rephasings of capital purchases of vehicles and equipment, New Homes Bonus Grant (£58,000) received earlier than expected and additional interest earnings (£17,000). These additional positive variations were offset by additional net contributions of £47,000 to earmarked reserves relating principally to schemes committed in 11/12 but not completed at the year end.

5 CAPITAL EXPENDITURE

- 5.1 The revised capital programme reported to Cabinet in February forecast outturn expenditure of £19.189m. Provisional outturn expenditure is £16.769m, a reduction of £2.420m.
- 5.2 The main reason for the reduction is the rephasing into 12/13 of £2.026 million of expenditure, principally being vehicles (£381,000), ICT (£154,000), leisure equipment (£46,000), Ringwood Gateway (£479,000), Office Optimisation (£302,000), leisure dual use schemes (£213,000), Transportation Developers' Contributions schemes (£119,000), Coast Protection (£126,000) other coastal schemes (£126,000).

Net underspends on capital projects are £394,000, principally being £151,000 Housing Major Repairs, £72,000k Solar Panels, £98,000 vehicles and £76,000 leisure equipment, offset by £63,000 additional Leisure Developers' Contribution schemes.

- 5.3 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	+£159,000	+£291,000	+£451,000
2 Net Rephasings	- £34,000	+£2,060,000	+£2,026,000
3 Funding from Developers' Contributions or from other external sources	- £15,000	-£47,000	-£62,000
TOTAL CAPITAL VARIATIONS	+£110,000	+£2,310,000	+£2,420,000

6 HOUSING REVENUE ACCOUNT

- 6.1 The February Cabinet report predicted a deficit of £2.975m on the Housing Revenue Account for 2011/12. The provisional outturn figures show this deficit being reduced to £2.549m, a reduction of £426k for the

year. The main reasons for the reductions are:

NEW VARIATIONS	(£)
Reduced Revenue Contribution due principally to the capital programme underspend	+126,000
Reduced Supervision and Management costs	+244,000
Increased Housing Repairs costs	- 47,000
Additional Income	+46,000
Other	+57,000
TOTAL NEW HRA REDUCTIONS	+426,000

6.2 The provisional outturn position for the year would result in an HRA balance of £5.438m at 31 March 2012. The original budget for 2012/13 shows a deficit position of £1.000m which would reduce the projected balance at 31 March 2013 to £4.438m

7 CRIME AND DISORDER / EQUALITY AND DIVERSITY IMPLICATIONS

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

8 ENVIRONMENTAL IMPLICATIONS

8.1 There are no environmental implications arising from this report.

9 COMMENTS OF FINANCE AND EFFICIENTY PORTFOLIO HOLDER

It is pleasing to report that we have achieved on-going operational savings of £500,000. This is more than we planned for. In addition, we have achieved one-off benefits which will serve to strengthen our balance sheet as we continue to face up to the financial challenges ahead.

10 RECOMMENDATIONS

10.1 It is recommended that Cabinet: -

- a) Note the provisional General Fund outturn position..
- b) Note the provisional outturn position of the Capital Programme.
- c) Note the provisional outturn position of the Housing Revenue Account.

For Further Information Contact

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GENERAL FUND SUMMARY - PROVISIONAL OUTTURN 2011/12

	2011/12 Budget excluding depreciation £'000	2011/12 Provisional Outturn £'000	2011/12 Variation £'000	2011/12 Previously Reported £'000	2011/12 New Variations £'000
Environment	7089	6812	277	-20	297
Finance & Efficiency	5250	5080	170	-121	291
General Purposes & Licensing	676	650	26	-98	124
Health & Leisure	2460	2434	26	165	-139
Housing	1831	1734	97	2	95
Leader's	770	813	-43	-6	-37
Planning & Transportation	390	143	247	139	108
Planning Development Control	1176	1350	-174	-105	-69
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Asset Rental Income	19642	19016	626	-44	670
	-1606	-1483	-123	0	-123
NET SERVICE REQUIREMENT	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	18036	17533	503	-44	547
Capital Financing Provision	1011	1011	0	0	0
Minimum Revenue Provision	1942	1812	130	0	130
Interest	-300	-437	137	120	17
Grants	-285	-829	544	486	58
Other (vat refund)	0	-722	722	0	722
GENERAL FUND BUDGET REQUIREMENT	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	20404	18368	2036	562	1474
Contribution to Earmarked Reserves	0	151	-151	-46	-105
Contribution from Earmarked Reserves	0	-220	220	162	58
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	20404	18299	2105	678	1427