

Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	13th July 2011	AGENDA ITEM NUMBER
TITLE:	Revenue & Capital Outturn 2010/11	EXECUTIVE FORWARD PLAN REFERENCE: E 2270
WARD:	All	

AN OPEN PUBLIC ITEM

List of attachments to this report:

- Appendix 1:** Revenue & Capital Outturn 2010/11 information
- Appendix 2:** Provisional Revenue Outturn by Portfolio 2010/11
- Appendix 3:** Reasons for Revenue Budget Variances 2010/11
- Appendix 4:** Revenue Budget Items to be considered for carry forward/write-off
- Appendix 5:** Corporate Earmarked Reserves at 31/3/11
- Appendix 6:** Revenue Virements 2010/11 & 2011/12
- Appendix 7:** Provisional Capital Outturn by Portfolio 2010/11
- Appendix 8:** Detailed Capital Variance & Rephasing Requests 2010/11
- Appendix 9:** Capital Programme 2011/12 Approvals
- Appendix 10:** Capital Programme by Portfolio 2010/11 & 2011/12
- Appendix 11:** Capital Virements 2010/11 to 2015/16

1 THE ISSUE

1.1 The report presents the provisional revenue and capital outturn for 2010/11.

1.2 The report refers to requests to carry forward specific revenue budget items to 2011/12, transfers to earmarked reserves and to write-off revenue overspends where recovery in future years would have an adverse impact on continuing service delivery.

1.3 The report also refers to requests to rephase specific capital budget items and to write off net capital underspends in 2010/11 and to approve specific capital budget items in the 2011/12 capital programme.

2 RECOMMENDATIONS

The Cabinet agrees that:

- 2.1 The provisional revenue budget outturn for 2010/11 as set out in Appendix 2 is noted.
- 2.2 The revenue carry forward proposals and write-off requests listed in the tables in Appendix 4 as exceptions to the Budget Management Scheme are approved.
- 2.3 The revenue Budget Contingency is increased by £65k.
- 2.4 The revenue virements for 2010/11 and 2011/12 as listed in Appendix 6(i) & 6(iii) are approved.
- 2.5 The resulting reserves position shown in Appendix 1 paragraph 1.14 is noted and that unearmarked reserves remain at the target level of £10.5m
- 2.6 The provisional outturn of the 2010/11 capital programme in Appendix 7, and the funding as laid out in the table in Appendix 1 Paragraph 1.24, is noted.
- 2.7 The capital rephasing and write-off of net underspends as listed in Appendix 8 are approved.
- 2.8 The capital programme 2011/12 items as detailed in Appendix 9 are approved.
- 2.9 The adjustments to the 2010/11 to 2015/16 capital programme as detailed in Appendix 11, and the final capital programme for 2010/11 in Appendix 10 are noted.

3 FINANCIAL IMPLICATIONS

- 3.1 These are contained throughout the Report and Appendices.

4 CORPORATE PRIORITIES

- 4.1 The Medium Term Finance & Planning process allocates scarce resources across services with alignment of these resources towards our corporate improvement priorities as set out in the Corporate Plan. This report monitors how the Council has performed against the financial targets set in February 2010 through the budget setting report.

5 THE REPORT

- 5.1 This report provides information about the Council's financial performance against its revenue and capital budgets in 2010/11.
- 5.2 This report enables Cabinet to review:
- Requests for write-off of overspends
 - Requests for carry forward of underspends
 - Suggested earmarking of reserves
- 5.3 The report identifies that before any carry forwards or transfers to reserves, the Council underspent by £445,000, equating to 0.1% of the Council's gross revenue budget (excluding DSG) for 2010/11. This represents a significant achievement in the context of the government's public sector deficit recovery plan which resulted in an in year cut of £1.8m per annum to the Councils revenue funding during 2010/11.
- 5.4 The capital spend in 2010/11 was £51.5m against a budget of £64.8m excluding corporate capital contingency given a variance of £13.2m. Of this variance, £12.6m (including £4.2m for Combe Down Stone Mines) is requested for carry forward to 2011/12 to cover re-phased costs of capital projects, with the balance of £0.6m relating to net capital project underspends which will be written off.
- 5.5 Details of and commentary on the outturn position for the revenue and capital budgets are provided in Appendices 1-11.
- 5.6 The Corporate Audit Committee will approve the audited statutory final accounts of the Council. This report presents the provisional 2010/11 outturn in the form that is routinely reported throughout the year as part of budget monitoring.
- 5.7 The Cabinet received financial reports throughout the year highlighting the known pressure areas, and identifying those actions that could be taken to reduce these to manageable proportions.
- 5.8 A Budget Management Scheme (BMS) is in force, which specifies how over and under spending should be treated in any year.
- 5.9 Under the Budget Management Scheme all revenue overspends should be carried forward, subject to a proposal from the service to recover them. At least 60% of any revenue underspends can also be carried forward providing that the management of all overspendings have been agreed within Strategic Directors' service areas and also providing these underspends were reported at January 2011. If not reported by then, they are considered "windfall" and should not be carried forward unless the Cabinet expressly approves.

6 RISK MANAGEMENT

- 6.1 The substance of this report is part of the Council's risk management process. The key risks in the Council's budget are assessed annually by each Strategic

Director, with these risks re-assessed on a monthly basis as part of the budget monitoring process.

7 EQUALITIES

7.1 This report provides information about the financial performance of the Council and therefore no specific equalities impact assessment has been carried out on the report.

8 RATIONALE

8.1 The recommendations made are based upon the Budget Management Scheme and a consideration of the Council's latest financial position and reserves strategy.

9 OTHER OPTIONS CONSIDERED

9.1 Appendix 4 lists all options that can be considered in making a decision on carry forwards and write offs from 2010/11 to 2011/12.

10 CONSULTATION

10.1 Consultation has been carried out with the Cabinet Member for Sustainable Resources, Strategic Directors, Section 151 Finance Officer, Chief Executive and Monitoring Officer.

10.2 The provisional outturn position has been discussed at Strategic Directors' Group and Divisional Directors' Group during June.

11 ISSUES TO CONSIDER IN REACHING THE DECISION

11.1 This report deals with issues of a corporate nature.

12 ADVICE SOUGHT

12.1 The Council's Monitoring Officer (Council Solicitor), Section 151 Officer (Strategic Director – Resources & Support Services), Strategic Directors' Group & Divisional Directors' Group have had the opportunity to input to this report and have cleared it for publication.

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Background papers	<i>2010/11 Budget Monitoring reports to the Cabinet; Budget Management Scheme</i>
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