

## Bath & North East Somerset Council

MEETING:	<b>Cabinet</b>	
MEETING DATE:	<b>21<sup>st</sup> July 2010</b>	AGENDA ITEM NUMBER <b>15</b>
TITLE:	<b>Revenue &amp; Capital Outturn 2009/10</b>	EXECUTIVE FORWARD PLAN REFERENCE: <b>E 2125</b>
WARD:	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b> <b>Appendix 1:</b> Revenue & Capital Outturn 2009/10 information <b>Appendix 2:</b> Provisional Revenue Outturn by Portfolio 2009/10 <b>Appendix 3:</b> Reasons for Revenue Budget Variances 2009/10 <b>Appendix 4:</b> Revenue Budget Items to be considered for carry forward/write-off <b>Appendix 5:</b> Revenue Virements 2009/10 & 2010/11 <b>Appendix 6:</b> Provisional Capital Outturn by Portfolio 2009/10 <b>Appendix 7:</b> Detailed Capital Variance & Rephasing Requests 2009/10 <b>Appendix 8:</b> Capital Programme 2010/11 Approvals <b>Appendix 9:</b> Capital Programme by Portfolio 2009/10 & 2010/11 <b>Appendix 10:</b> Capital Virements 2009/10 to 2013/14		

### 1 THE ISSUE

1.1 The report presents the provisional revenue and capital outturn for 2009/10.

1.2 The report refers to requests to carry forward specific revenue budget items to 2010/11, 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 rephrase specific capital budget items and to write off capital underspends in 2009/10 and to approve specific capital budget items in the 2010/11 capital programme.

## **2 RECOMMENDATIONS**

The Cabinet agrees that:

- 2.1 The provisional revenue budget outturn for 2009/10 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 £2.290m and that earmarked reserves totalling £214k related to the Carbon Management and Procurement Programmes as detailed in Appendix 1 paragraph 1.13 are created.
- 2.4 The revenue virements for 2009/10 and 2010/11 as listed in Appendix 5(i) & 5(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 2009/10 capital programme in Appendix 6, and the funding as laid out in the table in Appendix 1 Paragraph 1.24, is noted.
- 2.7 The capital rephasing as listed in Appendix 7 is approved.
- 2.8 The capital programme 2010/11 items as detailed in Appendix 8 are approved.
- 2.9 The adjustments to the 2009/10 to 2013/14 capital programme as detailed in Appendix 10, and the final capital programme for 2009/10 in Appendix 9 are noted.
- 2.10 The use of growth points funding in 2009/10 is noted, and the proposed approach for 2010/11 as set out in Appendix 1 paragraph 1.27, is agreed.
- 2.11 The efficiencies achieved during 2009/10 as described in 5.9 below 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 is performing against the financial targets set in February 2009 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 2009/10.

5.2 This report enables Cabinet to review:

- Requests for write-off of overspends
- Requests for carry forward of underspends
- Suggested earmarking of reserves

These issues need to be considered in the context of the reserves strategy, with reserves already at target levels, and the risks emerging in light of the emerging national public sector financial position, recent announcements specifying cuts to local government grants in 2010/11, and the further potential financial impacts likely in the Chancellor's budget which will be announced in June 2010.

5.3 The report identifies that before any carry forwards or transfers to reserves, the Council underspent by £1,805,000, equating to 0.6% of the Council's gross revenue budget (excluding DSG) for 2009/10. This represents a significant achievement in the context of the current public sector financial climate and will reinforce the prudent financial approach being taken by the Council.

5.4 Details of and commentary on the outturn position for the revenue and capital budgets are provided in Appendices 1-10.

5.5 The Corporate Audit Committee will approve the statutory final accounts of the Council. This report presents the provisional 2009/10 outturn in the form that is routinely reported throughout the year as part of budget monitoring.

5.6 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.

5.7 A Budget Management Scheme (BMS) is in force, which specifies how over and under spending should be treated in any year.

5.8 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 2010. If not reported by then, they are considered "windfall" and should not be carried forward unless the Cabinet expressly approves.

5.9 The Council is required to report its ongoing cashable efficiencies achieved each year for National Indication 179: Value for Money. The cumulative target for 2008/09 & 2009/10 was £9.774m (or 6.1% of the revenue & capital baseline). The actual efficiencies achieved as at the end of 2009/10 was £10.452m (6.5%).

## 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 2009/10 to 2010/11.

## 10 CONSULTATION

10.1 Consultation has been carried out with the Deputy Leader of The Council & Cabinet Member for Resources, Strategic Directors, Section 151 Finance Officer, Chief Executive and Monitoring Officer.

10.2 The provisional outturn report 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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<b>Sponsoring Cabinet Member</b>	<i>Councillor Malcolm Hanney</i>
<b>Background papers</b>	<i>2009/10 Budget Monitoring reports to the Cabinet; Budget Management Scheme</i>
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