

<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>17 JUNE 2010</b>
<b>TITLE OF REPORT:</b>	<b>FINAL REVENUE AND CAPITAL OUTTURN 2009/10</b>
<b>PORTFOLIO AREA:</b>	<b>RESOURCES</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide.

### **Purpose**

The purpose of this report is for Cabinet to consider and approve:

- a. The final outturn position for 2009/10.
- b. The creation of new reserves in the 2009/10 accounts.

### **Key Decision**

This is not a Key Decision.

### **Recommendation(s)**

**That Cabinet approves:**

- a) **The final outturn for 2009/10;**
- b) **The movements to new reserves outlined in the report;**
  - **Insurance Reserve**
  - **Pool Car Reserve**
  - **Local Development Framework**
  - **Area Based Grant**
- c) **The allocation of £1.5m from the capital programme for the maintenance and refurbishment of Hereford leisure pool; and**
- d) **The allocation of £0.25m for disabled facilities grants.**

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Further information on the subject of this report is available from  
Anne Phillips, Head of financial Services, on (01432) 383173

## Key Points Summary

- The Council delivered a balanced budget for 2009/10. The overall position includes the use of reserves and other central budgets.
- The capital outturn for 2009/10 totalled £69.7m.
- The Treasury Management update confirms a surplus of £644k largely due to savings in the cost of borrowing, due to slippage on the capital programme.
- Savings of £700k arising from Herefordshire Connects were delivered.

## Alternative Options

- 1 There are no alternative options.

## Reasons for Recommendations

- 2 Whilst work continues on the range of tasks necessary to prepare the council's statutory Statement of Accounts for 2009/10, it is sufficiently advanced for Cabinet to consider the final outturn for the revenue account.
- 3 On 29 June 2010 the full Statement of Accounts for 2009/10 will be presented to the Audit and Governance Committee for formal approval. This will ensure that the council meets the statutory deadline for the approval of accounts in advance of the external audit.

## Introduction and Background

- 4 The Council's revenue and capital position is reported to Cabinet quarterly throughout the year. The information provides an indication of the Council's performance against budgets and allows Cabinet to recommend remedial action and monitor recovery plans.
- 5 CIPFA best practice recommends Members are informed of Treasury Management activities on a regular basis. Cabinet receive an update every quarter.
- 6 It is confirmed that the Connects programme delivered to their £700k target, thus contributing to the delivery of an overall balanced budget.

## Key Considerations

- 7 Appendix A includes the budget outturn position for 2009/10.
- 8 The capital programme budget monitoring is provided at Appendix B. The capital outturn for 2009/10 totalled £69.7m.
- 9 A Treasury Management update is included at Appendix C, confirming a surplus of £644k from savings in the cost of borrowing, due to slippage on the capital programme.
- 10 Savings of £700k arising from Herefordshire Connects were delivered and a detailed report is included at Appendix D.

## **Capital Programme**

- 11 When the Medium Term Financial Strategy was published £2.7m available prudential borrowing was unallocated. Since then £1m has been allocated to highways to assist repairs following damage to roads caused by severe winter weather. A further £0.25m is allocated to disabled facilities grants.
- 12 The unallocated £1.5m of prudential borrowing will contribute towards refurbishment of Hereford Leisure Pool. Necessary routine maintenance work will be undertaken alongside a building extension to remedy a number of building non compliances such as Health and Safety and Disability Discrimination Act 1995. It will deliver lower CO2 output, remove DDA non compliances and replace outdated plant extending the life of facility for up to 15 years.
- 13 Following a review of the existing capital programme the scheme for Ross Library will proceed but it will be less extensive and a further assessment of the Ledbury Master's House project will also be carried out reflecting the need to carefully manage existing resources as the council moves into a more challenging environment.

## **Financial Implications**

- 14 These are contained in the report.

## **Legal Implications**

- 15 None.

## **Risk Management**

- 16 The Council is required to ensure the closure of accounts by 30<sup>th</sup> June 2010. Failure to do so carries a reputational risk for the council in relation to its corporate governance role.

## **Consultees**

- 17 The relevant officers have been consulted. No external consultation was considered necessary. This report will be presented at Overview and Scrutiny Committee. Individual Directorate reports are also presented to other Scrutiny Committees.

## **Appendices**

- 18 Appendix A - Budget Outturn Position 2009/10  
Appendix B - Capital Programme  
Appendix C - Treasury Management Update  
Appendix D - Herefordshire Connects

## **Background Papers**

- None identified.