

<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>14 JUNE 2012</b>
<b>TITLE OF REPORT:</b>	<b>FINAL OUT-TURN REPORT 2011/12</b>
<b>PORTFOLIO AREA:</b>	<b>CORPORATE SERVICES</b>

**CLASSIFICATION:** Open

## **Wards Affected**

County-wide

## **Purpose**

To consider and approve the final revenue and capital outturn position for 2011/12.

## **Key Decision**

This is not a Key Decision.

## **Recommendation**

**THAT Cabinet :**

- (a) approves the final outturn for 2011/12;**
- (b) approves the movements to new reserves outlined in paragraph 11 of Appendix A; and**
- (c) recommends that Full Council approves the Treasury Management out-turn report.**

## **Key Points Summary**

- Appendix A shows that the revenue budget overspent by £236k compared to an anticipated £634k overspend as at the end of February 2012. The £236k will be met by a transfer from the general fund working balance. Repayment will be factored into future years' budgets.
- The general reserve balance as at 31st March 2012 was £6.1m and the council held £13.4m of earmarked reserves, which are detailed in Appendix A.
- Appendix B shows the capital programme outturn. It shows that in 2011/12 the final outturn was £49.4m, £9.3m less than forecast in February. The main reason for this decrease is as a result of capital schemes slipping into future years.
- Appendix C includes the formal treasury management outturn report in line with the CIPFA Code of Practice on Treasury Management, which is required to be approved by Full Council. The Treasury Management out-turn was an under spend of £1.18m on borrowing costs and £226k on interest received.

## **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 2011/12, it is sufficiently advanced for Cabinet to consider the final outturn for the year.

## **Introduction and Background**

3. Throughout 2011/12 the council's revenue and capital position has been reported to Cabinet. The reporting is a discrete part of the performance reporting regime and ensured Cabinet was informed of the council's financial position.
4. The reports also conformed to best practice by informing Cabinet of Treasury Management activities.

## **Key Considerations**

5. The detailed report at Appendix A shows that the revenue budget overspent by £236k compared to an anticipated £634k overspend as at the end of February 2012.
6. The most significant overspend related to commissioning of adult services. This had been anticipated and included in budget monitoring reports throughout the year. The final figures on adult social care were an overspend of £5.54m. Even so the directorate managed to make a considerable level of savings as part of its overall recovery plan. The position was mitigated by savings within other services, resulting in an over spend within Directorate budgets of £2.9m.
7. A significant contribution was made from corporate budgets. The Treasury Management out-turn was an under spend of £1.18m on borrowing costs and £226k on interest received. The savings on loan charges are due to slippage on the capital programme, lower borrowing rates than forecast and the timing of taking out loans. Additional interest earned is due to both higher cash balances and improved returns through investing in longer term deposits in the first half of the year. In accordance with accounting policy the council capitalised interest costs totalling around £113k in the year. Appendix C includes a detailed analysis and the formal treasury management out-turn report in line with the CIPFA Code of Practice on Treasury Management.
8. During the year a detailed review of "central" budgets identified areas where a contribution could be made to offset the projected overspend. The final position on these budgets was as follows:

	<b>£,000</b>
Redundancy capitalisation	508
Contract savings	722
Inflation savings	284
Waste disposal contingency	575
Unallocated contingency budget	155
Other central budgets	35
Procurement	(1,727)
<b>Net underspend</b>	<b>552</b>

- 5 The general reserve balance as at 31st March 2012 was £6.1m, after funding the £236k overspend and the council held £13.4m of earmarked reserves, which are detailed in Appendix A. One new reserve has been created relating to the Three Elms Industrial Estate, as detailed in paragraph 11 of Appendix A.
- 6 Appendix B includes the position on the capital programme for 2011/12. It shows that in 2011/12 the final outturn was £49.4m, £9.3m less than forecast in February. The main reason for this decrease is as a result of schemes' forecast spend slipping into future years.
- 7 Appendix C includes the formal treasury management out-turn report in line with the CIPFA Code of Practice on Treasury Management, which is required to be approved by Full Council. The Treasury Management out-turn was an under spend of £1.18m on borrowing costs and £226k on interest received.

## **Community Impact**

- 8 Not applicable

## **Equality and Human Rights**

- 9 The recommendations do not have equality implications

## **Financial Implications**

- 10 These are contained in the report

## **Legal Implications**

- 11 None

## **Risk Management**

12. The council is required to ensure the closure of 2011/12 accounts by 30<sup>th</sup> June 2012 including signing off of the statutory statements by the Council's Chief Finance Officer. Failure to do so carries a reputational risk for the council in relation to its corporate governance role.

## **Consultees**

13. None

## **Appendices**

Appendix A – Revenue Budget Monitoring

Appendix B – Capital Monitoring

Appendix C – Treasury Management

## **Background Papers**

None