

DECISION-MAKER:	COUNCIL
SUBJECT:	GENERAL FUND REVENUE OUTTURN 2010/11
DATE OF DECISION:	13 JULY 2011
REPORT OF:	CABINET MEMBER FOR RESOURCES, LEISURE AND CULTURE PORTFOLIO
STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	

BRIEF SUMMARY

The purpose of this report is to summarise the overall General Fund revenue outturn for 2010/11. It compares actual spending against the revised budget approved at Council in February 2011, adjusted for approved changes throughout the year.

The report also considers any requests for carry forwards and the allocation of funds for corporate purposes or other additional expenditure.

The overall position on the General Fund shows that Portfolios had a net under spend of £2.5M against the working budget. After taking into account the outturn on other spending items and approved movements from balances, there was an overall favourable variance of £4.7M for the year. This report seeks to commit £0.6M of carry forwards to be funded from the surplus, together with other provisions totalling £4.1M

The level of General Fund balances at 31 March 2011 after taking into account the outturn on the revenue account, the capital programme and movements from the Strategic Reserve is £17.4M, which reduces to £4.5M over the medium term after taking into account the commitments outlined in this report and previously approved decisions.

RECOMMENDATIONS:

It is recommended that Council:

- (i) Notes the final outturn for 2010/11 detailed in Appendix 1.
- (ii) Notes the performance of individual Portfolios in managing their budgets as set out in paragraph 9 of this report and notes the major variances in Appendix 2.
- (iii) Approves the addition to the Revenue Development Fund of £100,000 as set out in paragraph 15.
- (iv) Approves the carry forward requests totalling £629,000 (of which £158,000 relates to central repairs and maintenance) as outlined in paragraph 18 and set out in detail in Appendix 3.
- (v) Approves the use of £3,986,600 of the 2010/11 under spend to maintain the Organisational Development Reserve as set out in paragraph 19.

REASONS FOR REPORT RECOMMENDATIONS

1. The reporting of the outturn for 2010/11 forms part of the approval of the statutory accounts.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. The final accounts have been prepared in accordance with statutory accounting principles.

DETAIL (Including consultation carried out)

CONSULTATION

3. Not applicable.

GENERAL FUND REVENUE BUDGET

4. The original budget as approved by Council on 17 February 2010 was revised by Council in February 2011. The revised budget remains fixed however, the working budget is amended throughout the year and takes account of various budget adjustments and virements which managers can make under delegated powers as well as those that go to Cabinet for approval. Each Portfolio within the General Fund is responsible for monitoring net controllable spend against the working budget through out the financial year.
5. Whilst there are significant numbers of under and over spends highlighted in this report (Appendix 2), many of these have already been reported to Cabinet and Scrutiny as part of the corporate financial monitoring process throughout the year. In general terms, Portfolios are required to manage their budgets "within the bottom line" and where there are potential problems identified, Executive Directors have prepared action plans to bring spending back in line.
6. This report covers the outturn position for 2010/11 and analyses the spending against the working budget and identifies where applicable, where any under spend has been requested to be carried forward into 2011/12.

OVERALL GENERAL FUND REVENUE POSITION

7. The overall year end position on under and over spends is summarised below

	(Under) / Over Spend £000's
Portfolio Total	(2,485)
Levies & Contributions	69
Capital Asset Management	(1,652)
Revenue Development Fund	(235)
Other Income & Expenditure	(142)
Unspent Contingencies	(211)
NET GF SPENDING	(4,656)

8. This summarises the key reasons for the total net under spend during the year. Further details can be found in Appendix 1. It should be noted that the format of the accounts in Appendix 1 is different from the Comprehensive Income and Expenditure Account in the Statement of Accounts as the Comprehensive Income and Expenditure Account format is prescribed in Codes of Practice. It should also be noted that Appendix 1 does not take account of requests for carry forwards detailed in this report.
9. As shown in the above table, the Portfolio revenue outturn is an under spend of £2.5M and this is analysed below:

Portfolio	(Under) / Over Spend	
	£000's	%
Adult Social Care & Health	264.9	0.5
Children's Services	259.9	0.8
Environment & Transport	(1,619.9)	6.3
Housing Portfolio	(245.0)	13.2
Leader's Portfolio	(665.0)	9.1
Leisure, Culture & Heritage	(46.9)	0.6
Local Services & Community Safety	(2.0)	0.0
Resources & Workforce Planning	(765.4)	1.9
Net Controllable Spend Total	(2,819.5)	1.6
Non-Controllable Portfolio Costs	276.8	
Environment Trading Areas	(64.1)	
Risk Fund	122.3	
Portfolio Total	2,484.5	1.2

10. Potential pressures that arose during 2010/11 relating to volatile areas of expenditure and income have been managed through the Risk Fund. A net sum of £3.9M was included in the revised budget to cover these pressures, to be released during the year if additional expenditure against the specific items was identified. The final draw on the Risk Fund totalled £4.1M, being £122,300 higher than estimated.
11. Details of corporate issues and significant variations in net controllable spending on Portfolios, including those which take into account amounts held in the Risk Fund for specific service areas, are given in Appendix 2.
12. Whilst many of these explanations refer to 'over spends', the majority of the major variations were reported throughout the year and these spending pressures within Portfolios were effectively managed through the use of the Risk Fund. The main areas are shown in the table below:

Portfolio	Service Activity	£000's
Children's Services	Multi Agency Resource Panel and Out of City	728.6
Environment & Transport	Income impacted by the economic climate – Off Street Car Parking	1,771.0
Environment & Transport	Income impacted by the economic climate – Development Control	424.0
Environment & Transport	Income impacted by the economic climate – Bus Shelter Contract	350.0
Environment & Transport	Bereavement Services	723.0
Local Services & Community Safety	Fuel Inflation – Open Spaces	62.0
Portfolio Draw From Risk Fund		4,058.6

NON-PORTFOLIO VARIANCES

13. Levies and Contributions (£68,600) – The variance on Levies and Contributions relates primarily to charges from the Coroners service, and is due to the higher than expected use of the Mortuary, Medical Practitioners Fees and Special Analyses & Examinations.
14. Capital Asset Management (£1,651,600) – In order to balance the fall in investment income a conscious decision was taken to switch to short term debt which is currently available at lower rates than long term debt due to the depressed market. This policy has been maintained and as a result the average rate for repayment of debt, (the Consolidated Loan & Investment Account Rate – CLIA), has remained at a lower rate for 2010/11 than originally estimated as rates have continued to be maintained at historically low levels. The CLIA was 2.99% in 2010/11 which has resulted in a reduction in net interest paid compared to the estimated amount which assumed a CLIA of 3.17%. In addition, re-phasing within the Capital Programme reducing the in year level of borrowing from that estimated.
15. Revenue Development Fund (£235,200) – In recognition of the fact that there are uncertainties in relation to timing and speed of progress of complex and strategic projects, the funding for these projects has been placed into a Revenue Development Fund from 2010/11 to enable the Council to retain flexibility in funding. The outstanding funding at the end of 2010/11 is £235,200 and it is proposed that £100,000 of this under spend is carried into 2011/12 and added to the Revenue Development Fund.
16. Other Income and Expenditure (£142,900) – The major element of this relates to Net Housing Benefit Payments and is due to increased income from recovery of overpayments and a reduced contribution to the bad debt provision.
17. Unspent Contingency (£210,500) – The remaining general contingency of £210,500 was not required in 2010/11.

CARRY FORWARD REQUESTS AND OTHER NEW SPENDING

18. Carry forward requests totalling £471,000 have been put forward by officers and details of the requests are given in Appendix 3. Council is asked to approve the carry forwards which would then be incurred in 2011/12 and be funded from balances. In addition there is an under spend of £158,000 on the central repairs and maintenance budget which Council has agreed to automatically carry forward subject to the overall financial position of the Authority.
19. Funding of £3,986,600 is also requested from Council in order to maintain the Organisational Development Reserve. Every year as part of the outturn position officers review the funding within the strategic reserve to deal with organisational change. It is proposed this year given the overall under spend to contribute an additional £4.0M into the Organisational Development Reserve which is used for restructuring, re-training, redeployment and redundancy costs in future years.
20. The table below shows the position for balances after taking into account the commitments outlined in this report and the funding required for the current capital programme.

	2010/11	2011/12	2012/13	2013/14	2014/15
	£000's	£000's	£000's	£000's	£000's
Opening Balance	19,849.5	17,393.9	9,760.1	5,223.8	4,458.3
Draw (from) / to Revenue	2,369.2	249.0			
Draw to Support Capital	(499.6)	(145.0)			
Draw for Strategic Schemes	(4,325.2)	(7,737.8)	(4,536.3)	(765.5)	42.3
Closing Balance	17,393.9	9,760.1	5,223.8	4,458.3	4,500.6

21. The uncommitted value of balances totals £4.5M which is in line with the minimum level recommended by the Chief Financial Officer following a risk assessment the required level to be maintained.

RESOURCE IMPLICATIONS

Capital/Revenue

22. As set out in the report details.

Property/Other

23. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

24. The Council's accounts must be approved by Council in accordance with the Accounts and Audit Regulations 2011.

Other Legal Implications:

25. None

POLICY FRAMEWORK IMPLICATIONS

26. The proposals contained in the report are in accordance with the Council's Policy Framework Plan.

AUTHOR:	Name:	Alison Chard	Tel:	023 8083 4897
	E-mail:	Alison Chard@southampton.gov.uk		

KEY DECISION? Yes/No

WARDS/COMMUNITIES AFFECTED:

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	General Fund Revenue Outturn 2010/11
2.	Main Variances on Portfolio Spending
3.	Carry Forward Requests

Documents In Members' Rooms

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Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	Yes/No
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Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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