

Area West Committee – 15th June 2011

12. Area West 2010/11 Outturn Report (Executive Decision)

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Purpose of the Report

To inform members of the actual spend against budgets for 2010/11 of the services over which this Committee exercised financial control.

Public Interest

This report gives an update on the Area West Committee's financial outturn for the twelve months ended 31st March 2011.

Recommendations

Members are recommended to:

- (1) review and comment on the outturn position and explanation of variances from budgets for the financial year 2010/11;
- (2) note the position of the Area West Reserve;
- (3) carry forward the slippage of £5,001 on the Area West capital programme and £17,000 of unallocated capital funds;
- (4) return £120 being the balance of funding for the Area West Christmas parking to uncommitted balances.

REVENUE BUDGETS

Background

Full Council in February 2010 set the General Revenue Account Budgets for 2010/11 and delegated the monitoring of the budgets to the four Area Committees and District Executive. Area West has delegated responsibility for the Area West development, project and grant revenue budgets, the Area West Capital Programme and the Area West Reserve.

Financial Position

The table below shows the position of revenue budgets as at 31st March 2011. This includes transfers to or from reserves.

| | |
|--|----------------|
| | £ |
| Approved base budget as at Feb 2010 (Original Budget) | 446,580 |
| Carry forwards approved July 2010 | 20,680 |
| Staff turnover savings | (7,580) |
| Training Budget | 210 |
| Printer funding transferred to Finance | (2,390) |
| Revised Budget as at 31st March 2011 | 457,500 |

A summary of the revenue position as at 31st March 2011 is as follows:

| Element | Outturn Budget £ | Actual Spend/ (Income) £ | Carry Forwards* | Actual + Carry Forwards | Variance £ | % |
|------------------------|---------------------|--------------------------------|-----------------|----------------------------|-----------------|--------------|
| Development | | | | | | |
| Expenditure | 421,900 | 379,068 | 20,000 | 399,068 | (22,832) | |
| Income | (32,050) | (42,646) | | (42,646) | (10,596) | |
| Projects | | | | | | |
| Expenditure | 153,400 | 180,766 | | 180,766 | 27,366 | |
| Income | (146,200) | (177,429) | | (177,429) | (31,229) | |
| Grants | | | | | | |
| Expenditure | 60,450 | 52,959 | | 52,959 | (7,491) | |
| Income | 0 | 0 | | 0 | 0 | |
| Group Total | | | | | | |
| Expenditure | 635,750 | 612,793 | 20,000 | 632,793 | (2,957) | (0.5) |
| Income | (178,250) | (220,075) | | (220,075) | (41,825) | (23.5) |
| Net Expenditure | 457,500 | 392,718 | 20,000 | 412,718 | (44,782) | (9.8) |

* Proposed carry forwards to be agreed by District Executive Committee on 2nd June 2011.

Area Development Manager's Comments

The underspend of £64,782 in 2010-11 is the result of a number of strategic decisions taken at both Corporate and Area level during the year. These are explained below.

A Council wide freeze on external recruitment meant that the Area West Community Development Officer post remained vacant for most of the financial year, following the departure of Claire Littlejohn.

An Area West instigated review resulted in securing a significantly higher rental income from Holyrood Lace Mill than in previous years.

In November 2010, Area West Committee deferred consideration of a proposal to allocate £50,000 from revenue budgets to support local service enhancements, to be agreed through community forum participatory budgeting events, pending the outcome of the Government's Localism Bill and knowledge of the potential impact of the Somerset County Council budget cuts on South Somerset. The committee asked all the Area Chairs to discuss a way forward. The Area Chairs recommended that consideration be given to carrying forward the remaining Area Committee Service Enhancement Budgets to 2011-12. Management Board recommended that £20,000 should be carried forward

and this figure is shown in the table above. This figure added to the variance of £44,782 gives the underspend of £64,782.

Given the financial impact of these decisions, overall spending was as expected.

Budget Virements

Under the Financial Procedure Rules the Strategic/Assistant Directors and Managers can authorise virements within each individual service of their responsibility (as defined by Appendix B of the Annual Budget Report) and up to a maximum of £25,000 between services within their responsibility providing that the Assistant Director (Finance & Corporate Services) has been notified in advance. All virements exceeding these limits need the approval of District Executive. All virements between different services, irrespective of value, need approving by District Executive. Area Committees can approve virements between their reserves and budgets up to a maximum of £25,000 per virement and £50,000 in any one financial year, provided that all such approvals are reported to the District Executive for noting. (In accordance with the constitution).

The following virements have taken place since the last report.

| Amount £ | From | To | Details |
|-------------|----------------------|-----------------|--|
| 2,390 | Area West Admin | Finance | Lease for MFD printer to be treated as finance lease. Costs & funding transferred to Finance |
| 210 | Strategic Management | Area West Admin | Funding of training from corporate budget |

AREA RESERVE

The position on the Area West Reserve is as follows:

| | £ | £ |
|--|----------|---------------|
| Position as at 1st April 2010 | | 57,840 |
| Less amounts transferred for use in 2010/11: | | |
| Christmas town centre parking | (2,880) | |
| | | |
| Current balance in Reserve at 31st March 2011 | | 54,960 |
| Less amounts allocated: | | |
| Underwrite Community Grants | (40,500) | |
| Christmas town centre parking | (120) | |
| Provision for Street Market improvements (some contribution agreed in principle – subject to detail) | (14,340) | |
| | | (54,960) |
| Uncommitted balance remaining | | 0 |

CAPITAL PROGRAMME

The revised capital programme for this financial year and beyond is attached following this report together with a progress report on each scheme either Area or District Wide that are current within Area West.

In summary the actual spending to 31st March 2011 was £19,612 on an approved 2010/11 Area West capital programme of £24,613 leaving a balance of £5,001 slippage to be carried forward to 2011/12. In addition £17,000 of the unallocated capital programme for 2010/11 was unused. It is recommended that both of these amounts be carried forward to 2011/12.

The slippage and future spend includes £119,608 allocated to the reserve schemes as detailed in the table below:-

| Schemes | Provision 2011/12 £ | Future Spend £ |
|-----------------------------|--------------------------------|---------------------------|
| Market Improvement Group | 5,660 | |
| Ilminster Community Office | | 20,000 |
| Unallocated Capital Reserve | | 93,948 |
| TOTALS | 5,660 | 113,948 |

If members would like further details on any of the Area West budgets or services they should contact the relevant budget holder or responsible officer.

Corporate Priority Implications

The budget is closely linked to the Corporate Plan.

Carbon Emissions & Adapting to Climate Change Implications (NI188)

There are no implications currently in approving this report.

Equality and Diversity Implications

When the Area West budget was set any savings made included an assessment of the impact on equalities as part of that exercise.

Background Papers – *Financial Services Area West budget file*