

## CABINET

Thursday, 18th February, 2010

### 68 QUARTERLY BUDGET MONITORING, PERFORMANCE DIGEST & VIREMENT REPORT

The Senior Management Team submitted a report to inform Cabinet of the position against Improvement Actions and Performance Indicators in the 2009/2010 Council Plan and an update on the likely outturn of the Revenue and Capital Budgets for the 2009/2010 financial year. Appendix 1-3 set out details of the summary financial and performance position in each portfolio area.

The General Fund 2009/2010 Quarterly Budget Monitoring position showed that there was £166,200 available for managing the budget within the Council's approved cash limit. This took into account the shortfall identified at second quarter monitoring of £56,200 and had been achieved through further salary savings and reduced fuel costs.

Since the transfer of the Council's Housing stock, efforts to resolve contractor disputes had identified an additional £53,400 budget requirement within the Housing Revenue Account. This was to be funded from HRA balances. The final closing HRA balance was anticipated to be in the region of £1,468,000. At 31 March 2010 this would transfer to General Fund Balances.

Appendix 2 detailed the current approved budget, the expected net expenditure and listed the changes required to the General Fund and the HRA. Appendix 4 detailed virements approved by Portfolio Holders.

#### RESOLVED:

1. To approve the changes to Improvement Action targets as detailed in paragraph 3.10 of the report, as an amendment to the agreed Council Plan.
2. To note the General Fund Revenue Budget at paragraph 4.3 and the changes included within Appendix 2.
3. To approve the budget changes of £50,000 & below.
4. To note the budget changes in the General Fund above £50,000 as listed below, and refer them to Council for approval
  - Connecting Communities Grant received from DCLG (£75,000) (net nil - matched by expenditure)
  - Safer & Stronger Communities Grant to be administered by Broxtowe Borough Council £88,300 (net nil - matched by expenditure)
  - Additional Planning Delivery Grant (£74,600)
  - Anticipated costs of Planning Appeal £60,000
5. To note the position of the Housing Revenue Account at paragraph 4.2, the

changes included within Appendix 2, and refer them to Council for approval.

6. To note the capital schemes proposed for deferral, the capital savings identified, and the additions to budgets as detailed in paragraph 4.4, and to refer those changes in excess of £50,000 to Council for approval.

7. To note the virements as detailed in Appendix 4.

8. To include details of budget and performance monitoring in a quarterly performance digest, to be published on the Council's website and Intranet; in line with the recommendations of Performance Review Scrutiny Committee.

9. To forward the Quarterly Budget Monitoring Information to the Personnel and Resources Committee.

## **70 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2010/2011**

The Head of Corporate Services sought Members' approval of the Council's Treasury Management Policy Statement, Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy (AIS) for 2010/11, and the adoption of the revised CIPFA Code of Practice.

RESOLVED:

To recommend to Council:-

1 The formal adoption of the revised CIPFA Code of Practice, and the revised Treasury Management Policy Statement as set out in the report.

2. The delegation to Cabinet of responsibility for the implementation and regular monitoring of the Council's treasury management policies and practices, and the delegation to the Head of Corporate Services of responsibility for the execution and administration of treasury management decisions in accordance with the organisation's policy statement, TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

3. The delegation to the Audit Committee of responsibility for ensuring effective scrutiny of the treasury management strategy and policies.

4 The approval of the Treasury Management Strategy Statement and Annual Investment Strategy (TMSS and AIS) for 2010/11 to 2012/13 as detailed in the report.

## **71 MINIMUM REVENUE PROVISION POLICY STATEMENT 2010/11**

The Head of Corporate Services reported that each local authority was required to charge a Minimum Revenue Provision (MRP) to its revenue accounts in each financial year, to provide for the repayment of borrowing undertaken in respect of its capital expenditure. The MRP Policy Statement

proposed for 2010/11 was detailed at paragraph 3 of the report.

RESOLVED:

To recommend that Council adopt the MRP Policy Statement for 2010/11 as detailed in paragraph 3 of the report.

## **72 CAPITAL PROGRAMME 2010/11**

The Head of Corporate Services submitted a report to summarise the Council's capital programme for 2010/11 and future years in the light of the Council's priorities and the resources available.

The detailed capital programme proposals were shown in Appendix 1 to the report.

RESOLVED:

1. To recommend to Council that:

- i) The capital financing available for 2010/11 be noted;
- ii) The likely resources available for 2011/12 and 2012/13 be noted;
- iii) The Capital Programme for 2010/11 at Appendix 1 be approved.

2. To formally agree the list of Public Realms Works schemes for 2010/11 at Appendix 3 as previously reported, and to authorise the Head of Strategy and Performance to determine the final schemes for delivery from that list, up to a maximum budget of £550,000.

## **73 COUNCIL PLAN 2010/11 (INCLUDING GENERAL FUND REVENUE BUDGET AND SERVICE PLAN)**

The Senior Management Team on behalf of the Leader of the Council submitted a report that presented the Council Plan 2010/11 (including General Fund Revenue Budget and Service Plan) for approval.

The Cabinet had made its final service plan and budget proposals after consideration of the comments made by the Policy Review Scrutiny Committee in respect of the draft service plan and budget. Details of statutory consultation undertaken was detailed in the report.

The final Budget and Service Plan proposals determined by Cabinet would be considered at the Council Budget meeting on 3 March 2010.

As in 2009/10, the Council Plan had been built around delivery of the five Borough priorities set out in the Sustainable Community Strategy, along with a further priority for Gedling to be a Top Performing Council, derived from the Council's recently agreed Operational Vision and Strategy. The Plan effectively represents the Borough Council's contribution to delivery of the Community Strategy themes. The Community Strategy Vision and Priorities

were attached for reference at Appendix 1 to the report.

The Service Planning elements of the Council Plan are attached at Appendix 2. The report highlighted the main areas of budget variances and base budget reductions.

The report also summarised the proposed General Fund Budget for 2010/11. The detailed budgets were presented at Appendix 4. The major variances between the original estimate for 2009/10 and the estimate for 2010/11 were analysed by Portfolio at Appendix 5.

In light of the overall financial position and the need to reduce net revenue expenditure significantly in order to achieve a balanced budget over time, there were no Revenue Resource Developments included in the budget proposal for 2009/10. The Medium Term Financial Plan (MTFP), at paragraph 5 of the report, also assumed no future ongoing revenue development bids. The report also detailed the Medium Term Financial Plan and the Financial Risk Issues.

After consideration it was: -

RESOLVED:

To recommend to Council on 3 March 2010:

- i. a Council Tax increase of 2% in order to balance the financing of a Net Budget Requirement of £14,703,400 in 2010/11.
- ii. the approval of the detailed budgets and service plans for 2010/11.