
Meeting: Executive
Date: 23rd June 2009
Subject: Final Outturn – Bedfordshire County Council
Report of: Portfolio Holder for Corporate Resources
Summary: The report informs the Executive of Bedfordshire County Council's revenue and capital outturn position for 2008-09, including reserves, provision and debt and treasury management performance.

Advising Officer: Director of Corporate Resources

Contact Officer: Matt Bowmer

Public/Exempt: Public

Wards Affected: All

Function of: Executive

Key Decision Yes

Reason for urgency/
exemption from call- Not applicable
in
(if appropriate)

RECOMMENDATIONS:

1. that the

- (a) Outturn position for Bedfordshire County Council is noted**
- (b) Proposed transfer to earmarked reserves are agreed**
- (c) The slippage on the capital programme is noted**
- (d) Overall level of General Reserves are noted**
- (e) Financial implications for Central Bedfordshire are considered**

Reason for Recommendations : *To review Bedfordshire County Council's Final Outturn position, agree the transfer to earmarked reserves and note the overall level of general reserves and consider any implications this may have for Central Bedfordshire's financial position for 2009/10 and beyond.*

Revenue Position

1. Overall the Revenue Outturn position for Bedfordshire County Council is a total spend of £243.8m against a total approved budget of £244.7m. This represents an under spend of £0.9m (0.36% of the budget.) A summary position is shown in the table below and a breakdown by service area is shown at Appendix A1. Commentary on the variances is shown at Appendix A2.
2. Table 1: Summary Outturn position 2008/09

	£m	£m
Original Budget 2008/09	236.1	
Add Planned use of Reserves and Carry forwards	<u>8.6</u>	
Total Approved Budget		244.7
Actual spend	237.2	
Add Non discretionary carry forwards	3.5	
Add Transfers to Reserves	<u>3.0</u>	
Less Total revenue spend 2008/09		<u>243.7</u>
Final Revenue Variance (under)/overspend		(0.9)

3. The overall revenue position has been kept within budget by robust monitoring throughout the year and by members and senior officers adopting a corporate approach whilst ensuring Council Priorities have been delivered. Directorates have held forecast under spend positions where possible to offset overspends in high risk and volatile areas and manage financial risks.

This bears well for the successor authorities as there has been no use of general reserves and the planned contribution to general reserves of £0.650m has been achieved. Additionally, extra costs that have been incurred by Bedfordshire County Council as a result of the transition to Unitary status have been absorbed within this outturn.

Most service areas has delivered an under spend through prudence and diligence when considering expenditure, the exception being Community Services which has experienced significant increased costs in Learning Disabilities provision.

Detailed explanations to the service areas variances are shown at Appendix A2.

Capital Position

- The overall capital position is a £27.2m under spend. This can be analysed into an under spend on payments of £7.8m and increased grants and contributions of £19.4m. The summary position is shown in the table below and by service area at Appendix B1
- Table 2: Capital Summary Position

	<u>Outturn Variance (under)/overspend £m</u>
Payments	(7.844)
Grants and Contributions	(19.401)
Total Variance	(27.245)

More detailed explanations of the service payments variances is at Appendix B2.

The increased grants and contributions is largely due to £6.1m receipt from the NHS for the campus closure scheme which has slipped to next year, £6.3m formula capital grant for schools which is for a 3 year rolling programme and will fund expenditure next year and £1.1m LPSA reward grant that was not budgeted for.

Details of the slipped schemes are shown at Appendix B3. The successor Authorities will need to consider these schemes for inclusion in their 2009/10 capital programme as appropriate. The Executive is requested to consider the Central Bedfordshire schemes for inclusion into their capital programme.

Reserves

- A thorough review of earmarked reserves was considered by Bedfordshire County Council's Executive in December at the Third Quarter Close report. Only significant and essential earmarked reserves have been retained and a similar rigorous criterion has been applied in the creation on new ones. This ensures general reserves are maximised to allow greater flexibility for the successor authorities in support of their budget strategies.

Total earmarked reserves stand at £16.541m, excluding schools, and school reserves are £13.838m. General reserves stand at £14.126m, after taking account of the planned contribution of £650k, £1.0 transfer to the Building Schools for the Future earmarked reserve and the final revenue outturn of the County Council. The following table summarises the reserves position:

	1 April 2008 £m	31 March 2009 £m
General Reserves	12.723	14.266
Earmarked Reserves	20.520	16.709
School Reserves	12.067	13.838
Provisions	9.381	8.684

Details of the earmarked reserves are shown at Appendix C and the Executive are requested to approve both the level of earmarked and general reserves for later distribution to the successor authorities.

Efficiencies

7. The Council identified and set a notional efficiency target of £7.240m which represents 3% against the baseline budget. Planned efficiencies in the 2008/09 budget amounted to £7.7m

In October £6.025m was reported and now the final outturn is at £5.926m, the slight reduction being due to delays in the implementation of the revised recycling contract.

The following table shows a summary position of Efficiencies and Appendix D provides a detail analysis of efficiencies by directorate:

	Target £'000	Reported to CLG Oct 08 £'000	Green £'000	Amber £'000	Red £'000	Q4 Update £'000
Assistant Chief						
Executive	76	76	76	0	0	76
Children's Services	1,537	1,233	1,437	0	100	1,437
Community Services	1,106	781	606	0	500	606
Customer						
Engagement	301	70	0	0	0	0
Environment	1,114	1,205	1,089	0	760	1,089
Human & Financial						
Resources	191	188	254	0	238	254
Business						
Improvement	750	0	0	0	750	0
Inflation	1,717	1,717	1,717	0	0	1,717
Interest on Capital						
Receipts	253	55	47	0	206	47
Increments	700	700	700	0	0	700
Total	7,745	6,025	5,926	0	2,554	5,926
Carry Forward of CSR2007		1,798				1,798
Total Efficiencies Reported		7,823				7,724

Other Indicators

8. The following table summarises the outturn position for other financial indicators used to monitor the financial health of the Council. A full breakdown of the debt outstanding is shown at Appendix E and the Treasury Management report is shown at Appendix F.

	As at 31 March
Total Debt Outstanding	£5.594m
BVPI 8 Performance for the year	93.2%
Total Borrowing for capital	£270m
At average cost	4.53%
Rate of investments	5.36%
Benchmark rate	3.57%

Debt outstanding has reduced by £3.4m since the Third Quarter Report at December which reflects diligence in debt monitoring and recovery to minimise the impact on successor authorities.

Prompt payment of invoices performance has increased since last quarter's performance and investment rates have reduced reflecting market conditions.

CORPORATE IMPLICATIONS

Council Priorities:

N/A

Financial:

Covered in the Report

Legal:

None

Risk Management:

None

Staffing (including Trades Unions):

None

Equalities/Human Rights:

None

Community Safety:

None

Sustainability:

None

Appendices:

Appendix A1 – Revenue Outturn Summary by Service Area
Appendix A2 - Details of revenue variances by service areas
Appendix B1 – Capital Outturn Summary by Service Area
Appendix B2 – Details of capital variances by service areas
Appendix B3 –Slipped Capital schemes as at 31st March.
Appendix C – Reserves and Provisions
Appendix D – Efficiencies
Appendix E – Debt Monitoring
Appendix F – Treasury Management Report

Background Papers (open to public inspection):

Executive Budget Monitoring Reports, June and December 2008

Location of papers: Borough Hall, Bedford