

<b>CABINET</b>	<b>Paper No.</b>
<b>Meeting date: 12<sup>th</sup> June 2007</b>	
<b>From: Deputy Leader, and Acting Chief Executive</b>	

## **PROVISIONAL OUTTURN: MARCH 2007**

### **SECTION A:** **RECOMMENDATION OF CABINET MEMBER**

#### **1.0 EXECUTIVE SUMMARY**

- 1.1 *This report provides Members with an early draft of the 2006/7 outturn. Overall spend and commitments were £6.5 million less than budgeted, largely as a result of the successful rescheduling of long term debt and achievement of one off savings. The spend is very much in line with forecasts in recent budget monitoring reports*
- 1.2 *It is proposed to increase the earmarked reserve for equal pay by £6.5 million, increasing the reserve from £15.3 million to £21.8 million.*
- 1.3 *The report also details requests for carry forwards for Member consideration.*
- 1.4 *Assuming carry forwards are approved, General Reserves would stand at £6.5 million in April 2007 and are forecast to fall to £6 million by March 2008.*
- 1.5 *A fuller paper will be prepared for Council as work is continuing on the 2006/7 final accounts.*

## **2.0 POLICY POSITION, BUDGETARY IMPLICATIONS, AND LINKS TO COUNCIL PLAN**

- 2.1 *This report links to Theme A of the Council Plan – Improving Performance, as effective management of financial resources is a pre-requisite for making informed decisions when planning and delivering Council services.*

## **3.0 RECOMMENDATION**

- 3.1 *Members are asked to note the report, agree the £6.5 million increase in the earmarked reserve for equal pay, and determine whether requests for carry forward should be approved.*

Joan Stocker,  
Deputy Leader

## **SECTION B:** **ADVICE OF ACTING CHIEF EXECUTIVE**

### **4.0 BACKGROUND**

- 4.1 This report provides the provisional outturn of the Council's financial performance for the financial year ended 31 March 2007.
- 4.2 The Budget Requirement for the financial year was £284.4 million reflecting the changed treatment of school funding by Government. Total approved Net Expenditure was £290.3 million based on agreed transfers from General Reserves of £0.6 million and allocations from Earmarked Reserves of £5.1 million.
- 4.3 Actual Net Expenditure for the year including commitments was £283.7 million, a variance of £6.5 million. The primary reason for the variance is due to exceptional gains from debt restructuring and investment activities undertaken within the Treasury Section. This has been reported in previous monthly monitoring reports. The increase in the variance from £5.9 million in the February monitoring report to £6.5 million is largely due to the successful grant application by Client Services to reimburse costs relating to the disposal of electrical goods. This amounted to £0.7 million.
- 4.4 The impact of this variance is to increase the General Reserve to £13.0 million – £7.0 million above the minimum safety level of £6.0 million. As

mentioned in previous monitoring reports, an ordinary dividend of £0.5 million was received from Cumbria Waste Management. It had been anticipated that this amount would be received in the 2007/08 financial year to meet approved expenditures. This amount should remain as part of the General Reserve. The remaining £6.5 million is available to be added to the Earmarked Reserve for Equal Pay. This would leave the balance on the General Reserve at the minimum recommended level of £6m.

4.5 Movements on the General reserve are summarised below:

	£m
Balance at 1 <sup>st</sup> April 2007	6.6
Net contribution in 2006-07	6.4
Less contribution to Equal Pay reserve	-6.5
To support 2007-08 budget (CWM dividend)	-0.5
<b>BALANCE at 31 March 2008</b>	<b>6.0</b>

4.6 The table below summarises the Council's budgetary position on a Directorate basis:

DIRECTORATE	£000's					
	ACTUAL	APPROVED CARRY FORWARDS	INSURANCE & SEA FISHERIES	REVISED ACTUAL	BUDGET	VARIANCE
Childrens Services	66,302	0	0	66,302	66,437	-135
Adult Social Care	97,755	60	0	97,815	97,786	29
EC & E	15,977	220	0	16,197	16,276	-79
Client Services	27,507	483	0	27,990	28,729	-739
Public Protection	22,821	302	0	23,123	23,249	-126
Strategy & Performance	6,634	120	0	6,754	6,791	-37
Finance	12,658	128	0	12,786	12,659	127
Local Committees	16,215	1,269	0	17,484	17,484	0
Centrally Held	12,361	2,345	600	15,307	20,938	-5,631
	<b>278,230</b>	<b>4,928</b>	<b>600</b>	<b>283,758</b>	<b>290,349</b>	<b>-6,591</b>
Transfers to / (from) General Reserves	0	7,014	-600	6,414	-758	7,172
Transfers to / (from) Earmarked Reserves	0	-5,770	0	-5,770	-5,189	-581
	<b>278,230</b>	<b>6,172</b>	<b>0</b>	<b>284,402</b>	<b>284,402</b>	<b>-0</b>
Income	<b>284,402</b>	<b>0</b>	<b>0</b>	<b>284,402</b>	<b>284,402</b>	<b>-0</b>

4.7 The table below summarises the position on Earmarked Reserves:

EARMARKED RESERVES							
£000's							
Directorate	Earmarked Reserve	Earmarked	Capital Fund	Insurance Reserve	Schools	TOTAL	Comment
Education	Standards Fund				7,229	7,229	Ring fenced to schools
	Insurance			25		25	Ring fenced to schools
	Delegated Funds - Schools				11,741	11,741	Ring fenced to schools
	Delegated Funds - Community Development Centres				232	232	Ring fenced to schools
Adult Services	Cumbria Care Modernisation	60				60	Carry forward request
Economy, Community & Environment	New Vision	46				46	Carry forward request
	Made in Cumbria	50				50	Carry forward request
	Transport Services	170				170	Carry forward request
Local Committees		1,269				1,269	Carry forward request
Public Protection	Ill Health Retirements	107				107	Carry forward request
	Trading Standards Restructuring	157				157	Carry forward request
	Community Safety Policy Officer	27				27	Carry forward request
	Emergency Planning Unit Head of Service	11				11	Carry forward request
Strategy & Performance	Corporate HR	168				168	Carry forward request
	Support for Rural Services (£120k previously approved)	120				120	Carry forward request
Finance & Central Services	CIS reserves b/f to be used on Agilysis Project	250				250	Carry forward request
	Legal Services	128				128	Carry forward request
Client Services	Windermere Ferry	33				33	Carry forward request
	LATS	168				168	Carry forward request
	Winter Maintenance Programme	315				315	Carry forward request
Centrally Managed	LPSA	2,345				2,345	Carry forward request
	Elections	213				213	Carry forward request
	Sea Fisheries Boat Fund	307				307	Carry forward request
	Capital Fund		1,410			1,410	Carry forward request
	Insurance			3,351		3,351	Carry forward request
	Equal Pay Reserve	15,295				15,295	Recommend further £6.5 million
		<b>21,239</b>	<b>1,410</b>	<b>3,376</b>	<b>19,202</b>	<b>45,228</b>	

4.8 Appendix 1 provides a schedule of carry forward requests totalling £6m. These are listed in various categories – those approved in the 2007/8 budget; carry forwards from previous years; planned contributions in 2006/7 and requests for carry forwards in light of underspends in 2006/7. With the exception of two items in Media and Policy which were received after the first run outturn figures, all requests have been incorporated in the draft outturn figures.

**Simon Smith**  
**Head of Financial Strategy and Acting Section 151 Officer**  
**June 2007**  
**cf.40.07**

## **APPENDICES**

Appendix 1: Request for carry forwards

### **IMPLICATIONS**

Staffing: None  
Financial: Equal pay earmarked reserves to be increased by £6.5m; Carry forward request of £6m  
Electoral Division(s): None

Executive Decision

Yes	
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Key Decision

	No*
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If a Key Decision, is the proposal published in the current Forward Plan?

		N/A*
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Is the decision exempt from call-in on grounds of urgency?

	No*
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If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?

		N/A*
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### **PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS**

### **BACKGROUND PAPERS**

#### **RESPONSIBLE CABINET MEMBER**

*\*Joan Stocker Deputy Leader of the Council*

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