

# North Tyneside Council

## Report to Cabinet

### Date: 9 June 2014

2013/14 Provisional Finance  
Outturn Report

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<b>Portfolios:</b> Elected Mayor Finance and Resources	<b>Cabinet Member:</b> Norma Redfearn Cllr Ray Glindon
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**Report from:** Finance and Commercial Services

**Responsible Officer:** Janice Gillespie, Senior Manager,  
Corporate Finance **Tel: 643 5701**

**Wards affected:** All

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## **PART 1**

### **1.1 Purpose:**

1.1.1 This report, and the supporting Annex 1 and its Appendices, set out details in respect of the provisional outturn for the General Fund, Housing Revenue Account, School balances position, the financial and delivery aspects of the Capital Plan and the delivery of the Treasury Management Strategy for the financial year 2013/14.

1.1.2 The purpose of this report is therefore to:

- (a) Advise Cabinet of the provisional 2013/14 outturn for the General Fund, Housing Revenue Account and Schools Finance (Annex 1, Sections 2, 3 and 4) together with a financial overview of the year (Annex 1, Section 1);
- (b) Advise Cabinet of decisions made under the Reserves and Balances Policy (Annex 1, Paragraphs 1.19 to 1.24, Table 1 and Appendix N);
- (c) Inform Cabinet of the Authority's Capital Plan spend during 2013/14, and the financing put in place (Annex 1, Section 5);
- (d) Seek Cabinet approval for approval of further reprogramming of £12.877m within the Capital Plan (Annex 1, Section 5, Paragraph 5.8 and Appendix F);
- (e) Advise Cabinet of the Council's Treasury Management performance (Annex 1, Section 6); and
- (f) Advise Cabinet of the performance of both Capital and Treasury Management Prudential Indicators (Annex 1 Section 7).

## 1.2 Recommendations:

It is recommended that Cabinet:

- (a) Notes the provisional 2013/14 outturn for the General Fund, Housing Revenue Account and Schools Finance (Annex 1, Sections 2, 3 and 4) together with a financial overview of the year (Annex 1, Section 1);
- (b) Notes the decisions made under the Reserves and Balances Policy (Annex 1, Paragraphs 1.19 to 1.24, Table 1 and Appendix N);
- (c) Notes the Authority's Capital Plan spend during 2013/14, and the financing put in place (Annex 1, Section 5);
- (d) Approves further reprogramming of £12.877m within the Capital Plan (Annex 1, Section 5, Paragraph 5.8 and Appendix F);
- (e) Notes the Council's Treasury Management performance (Annex 1, Section 6); and,
- (f) Notes the performance against the Capital and Treasury prudential indicators (Annex 1 Section 7).

## 1.3 Forward Plan

This report was included on the Forward Plan published on 14 April 2014.

## 1.4 Council plan and policy framework.

The Council Plan and Budget are key strands of the Council's Budget and Policy Framework.

## 1.5 Information - Executive Summary

1.5.1 Annex 1 to this report sets out the provisional outturn for 2013/14 for the General Fund, the Housing Revenue Account, Schools Finances and the Capital Plan. It also provides a summary position on the achievement of the Treasury Management Strategy during the year together with the associated Prudential Indicators for capital and treasury.

1.5.2 **General Fund Revenue Budget:** As at 31 March 2014 the provisional General Fund revenue outturn position is an under spend of £9.325m. This is an improvement on the £2.162m forecast outturn reported to Cabinet 10 March 2014. Services show an under spend of £1.271m (after accounting for utility costs centrally) at the 31 March 2014, an improvement of £1.364m against the year-end projections reported to Cabinet on 10 March 2014. Corporate and Non-delegated items showed an under spend against budget of £9.184m, this included £4.324m unused contingency budget and £1.796m Equal pay provision no longer required. Transfers to reserves (set out in Annex 1 paragraphs 1.19 to 1.23 and Table 1) of

£6.675m would result in a surplus of £2.650m to be carried forward into the Strategic Reserve Annex 1 (paragraph 1.24 and Table 1).

- 1.5.3 **Reserves, Balances and Provisions:** As part of the 2013/14 final accounts, amounts have been set aside as provision and reserves for known liabilities and uncertainties that still remain in future years.
- 1.5.4 **Housing Revenue Account:** The Housing Revenue Account has year-end balances of £2.854m, which is £1.148m above budget.
- 1.5.6 **School Finances:** School balances have increased from £6.054m to £6.647m, these balances include a significant amount of committed funds and the permitted carry forward of grants for the remainder of the academic year. School balances continue to be monitored closely.
- 1.5.7 **Capital Plan:** The final capital expenditure for the year was £50.354m, with a recommendation noted above for Cabinet to approve reprogramming of £12.878m into 2014/15.
- 1.5.8 **Treasury Management:** The Authority has acted prudently during the year, confirming that the security of the Authority's resources is of greater importance than returns on investments. The level of investments at 31 March 2014 was £18.000m. The level of borrowing (excluding PFI) was £446.815m.

## 1.5 Decision options:

### Option 1

Cabinet can agree the recommendations as set out in Section 1.2 of this report.

### Option 2

Cabinet can disagree with all or some of the individual recommendations set out in section 1.2 of the report.

Option 1 is the recommended option.

## 1.7 Reasons for recommended option:

Cabinet is recommended to agree the proposals set out in section 1.2 of this report as it is important that Cabinet continues to monitor performance against the Council Plan and Budget. Reprogramming of the Capital Plan will ensure that the delivery and financing of the Plan is balanced over the medium term.

## 1.8 Appendices:

Annex 1	2013/14 Provisional Finance Outturn Report
Appendix A	Business and Economy
Appendix B	Chief Executive's Office
Appendix C	Finance and Commercial Services
Appendix D	Law and Governance
Appendix E	Public Health

Appendix F	Adult Social Care
Appendix G	Children, Young People and Learning
Appendix H	Commissioning and Fair Access
Appendix I	Deputy Chief Executive Central Costs
Appendix I	Environment and Leisure
Appendix I	Housing General Fund
Appendix J	Corporate Items
Appendix K	Housing Revenue Account
Appendix L	Capital Financing Summary
Appendix M	Capital Plan summary of variances
Appendix N	Earmarked reserves and balances at 31 March
Appendix O	Glossary of Terms

## 1.9 Contact officers:

Janice Gillespie - Corporate Finance matters - Tel 643 5701

Margaret Keith - Treasury Management matters - Tel 643 5747

Cathy Davison – Capital Plan (financing) matters - Tel 643 5727

Alison Campbell – Finance Business Manager - Tel 643 7038

Darrell Campbell - Housing Revenue Account matters - Tel 643 7052

Anthony Gollings – Finance Business Manager - Tel 643 8071

## 1.10 Background information:

The following background papers and research reports have been used in the compilation of this report and are available at the offices of the author:

- (a) Revenue Budget 2013/14(P).  
[http://www.northtyneside.gov.uk/pls/portal/NTC\\_PSCM.PSCM\\_Web.download?p\\_ID=543798](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=543798)
- (b) Approved Capital Plan 2013-23 (P).  
[http://www.northtyneside.gov.uk/pls/portal/NTC\\_PSCM.PSCM\\_Web.download?p\\_ID=542997](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=542997)
- (c) Council Reserves and Balances Policy (P).  
[http://www.northtyneside.gov.uk/pls/portal/NTC\\_PSCM.PSCM\\_Web.download?p\\_ID=542084](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=542084)
- (d) Treasury Management Strategy Statement and Annual Investment Strategy 2013/14(P)  
[http://www.northtyneside.gov.uk/pls/portal/NTC\\_PSCM.PSCM\\_Web.download?p\\_ID=542073](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=542073)
- (e) The CIPFA Code of Practice 2013/14  
Can be inspected at the Authority's offices.

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

As this is a financial report, implications are covered in the body of the report and Annex 1. This report will also be presented to the Authority's Finance Sub-Committee at its meeting on 18 June 2014.

### **2.2 Legal**

The Council has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on an authority to monitor its budgets during the year and consider what action to take if a potential deterioration is identified.

### **2.3 Consultation/community engagement**

#### **Internal consultation**

- 2.3.1 Relevant officers across the authority have been consulted on this report and Senior Leadership Team received and commented on a draft version of this report, as have the Elected Mayor and Cabinet Member for Finance and Resources.

#### **Community engagement**

- 2.3.1 The initial Budget and Council Plan were based upon the engagement that Cabinet Members had with residents, the results of the Residents' Survey, statistical needs analysis and regional and national priorities; details are set out in the agenda papers for the Council meeting of 2 February 2012.

### **2.4 Human rights**

The proposals within this report do not have direct implications in respect of the Human Rights Act 1998.

### **2.5 Equalities and diversity**

There are direct no equalities and diversity implications arising from this report.

### **2.6 Risk management**

Potential future financial pressures against the Council are covered in this report and registered through the Council's risk management process.

### **2.7 Crime and disorder**

There are no direct crime and disorder implications arising from this report.

### **2.8 Environment and sustainability**

There are no direct environmental and sustainability implications arising from this report.

**PART 3 - SIGN OFF**

- Deputy Chief Executive  x
- Head of Service  x
- Mayor/Cabinet Member(s)  x
- Chief Finance Officer  x
- Monitoring Officer  x
- Strategic Manager –  
Strategic Services  x