

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting14th July 2011

1. Title of Item/Report

Finance Outturn Report 2010/11

2. Record of the Decision

Members considered a report that outlined the Council's financial position at the end of the 2010/11 financial year in respect of the Council's General Fund, Housing Revenue Account and Capital position

Cabinet was provided with details of the current Medium Term Financial Plan and noted the difficult financial position facing the Council. Officers continued to carefully consider expenditure in all areas with particular focus on areas where funding was known to be reducing or services which were in the process of an EIT Review.

Details of any movement within each directorate was provided.

Members noted that there had been an improvement in the general fund balance which meant a further £2.2million was available. The main reasons for the improvement were detailed.

Following the successful transfer of the Council's Housing Stock the Council would be closing the Housing Revenue Account at the end of 2011/12. It was noted that there would be £2million to transfer to the General Fund and would be available for one off expenditure during 2012/13.

Members were provided with details of the Council's capital position for 2010/11.

It was explained that although there were a number of positive indications within this report the Council still faced a potential funding gap of £6.3m by 2014/15. There was also a significant number of uncertainties currently facing the Council which could impact on the Council's position:

- Review of Local Government Finance
- Universal Benefits
- Localisation of Council Tax Benefit and funding reduction of 10%

- Changes in Health and in particular transfer of Public Health responsibilities to local Authority
- A range of service specific changes (e.g. Munro Review).
- Uncertainty surrounding Education Capital funding following the James review.

Work was ongoing to reassess the Council's MTFP to develop plans to address the estimated budget gap and this would be constantly reviewed and adapted to reflect decisions on the above areas.

Members noted that the MTFP incorporated a range of savings associated with EIT reviews. The Council had either implemented or is in the process of implementing recommendations for Year 1 and 2 EIT reviews and was embarking on the Year 3 reviews. The position for Years 1 and 2 was extremely positive and all areas had or were on target to achieve savings with the exception of the FACS review and Child Placement review.

It was explained that one off resources of £1.3m (Capital) and £2.2m (surplus balances) were available. A report outlining the results of the consultation process in respect of Stockton Town Centre had been considered by members previously on this Agenda, and there would be a further report outlining the programme and funding plan. In advance of this report and in order to commence infrastructure work in pursuit of the Town Centre prospectus and Masterplan, it was recommended the Council earmarks £2m to this initiative from the one off resources, with any expenditure from this budget delegated to Corporate Director of Development and Neighbourhood Services in consultation with the Cabinet Member for Regeneration.

RECOMMENDED to Council that

1. the updated Medium Term Financial Plan (MTFP) be approved.
2. In order to support the infrastructure work in pursuit of the Town Centre Prospectus and Masterplan, Members approve the allocation of £2million of one-off resources (£1.3million capital and £700,000 from corporate balances), and authorise the Corporate Director of Development & Neighbourhood Services in conjunction with the Cabinet Member for Regeneration, to allocate this to individual schemes.
3. Reasons for the Decision

To update Members on the Council's financial position

4. Alternative Options Considered and Rejected
None
5. Declared (Cabinet Member) Conflicts of Interest
None
6. Details of any Dispensations
Not applicable
7. Date and Time by which Call In must be executed
Not applicable

Proper Officer
18 July 2011