

Executive – 21 June 2011

- Present:** Councillor Williams (Chairman)
Councillors Mrs Adkins, Hayward, Mrs Herbert, Mrs Stock-Williams and Mrs Warmington
- Officers:** Shirlene Adam (Strategic Director), Maggie Hammond (Strategic Finance Officer), Dan Webb (Client and Performance Lead), Mark Leeman (Strategy Lead), Paul Fitzgerald (Financial Services Manager), Tracey Healy (Principal Accountant), Tonya Meers (Legal and Democratic Services Manager) and Richard Bryant (Democratic Services Manager)
- Also present:** Councillors Gaines, Horsley, Ms Lisgo, Morrell, Prior-Sankey, Ross and A Wedderkopp.
Steve Read, Somerset Waste Partnership

(The meeting commenced at 6.15 pm.)

52. Apologies

Councillors Cavill and Edwards.

53. Public Question Time

Councillor Morrell asked the following question:-

“Please could the Executive inform me of the Gross National Product indexes within Taunton Deane for Social Housing occupants vis-a-vie Private Housing Sector occupants. I would be grateful for specific data relating to economic productivity produced for the local economy, even if the figures include negative sums.”

The Chairman, Councillor John Williams, stated that he would contact the appropriate officers as to obtaining the information that Councillor Morrell was seeking.

54. Windfall Value Added Tax (VAT) Receipt

Considered report previously circulated, concerning a one off windfall VAT receipt of £577,364.23.

Some time ago, a national claim had been made to HM Revenue and Customs on the basis that the United Kingdom had interpreted the European VAT Regulations incorrectly in respect of tuition fees at Leisure Centres.

The claim had been upheld and, as a result, Pricewaterhouse Coopers had again been engaged on a “no win no fee” basis to recover the overpaid VAT.

The amount received was £325,698 with interest of £396,005.23 making a total receipt of £721,703.23.

The charge made by Pricewaterhouse Coopers for this work was £144,339 resulting in a net receipt of £577,364.23.

This receipt was a one off receipt that had been accounted for in 2010/2011 and could not be used in respect of ongoing budget issues. It was therefore recommended that this receipt should be moved into the General Fund Reserves

Resolved that Full Council be recommended to approve the transfer of the one off receipt of £577,364.23 to the General Fund Reserves in 2010/2011.

55. **Performance Monitoring – Outturn Report 2010/2011**

Considered report previously circulated, which outlined the final performance data of the Council for the 2010/2011 Financial Year.

The monitoring of the Corporate Strategy, service delivery, performance indicators and budgets was an important part of the overall performance management framework.

Reported that a high level summary of key successes and/or improvements in 2010/2011 included:-

- Council Tax and National Non Domestic Rate debit collection rates achieved the 2010/2011 target and the outturn results were an improvement on the same period last year;
- 99.4% of calls to the Customer Contact Centre were resolved at the first point of contact;
- The speed of processing Benefits claims (new claims) achieved the 2010/2011 target and was an improvement on last year;
- Landlord services – the latest survey result showed 99% satisfaction with repairs;
- The Environment Health service achieved its key targets for the year, with some significant improvements from last year;
- ‘Investors in People’ accreditation was successfully achieved; and
- 96% of all staff had a ‘Performance Review and Employee Development’ (appraisal) in the year (compared to only 76% in the previous year).

Areas either off course or where objectives were not being met included:-

- Levels of deprivation within Taunton Deane were worsening (according to the Index of Multiple Deprivation 2010) with pockets of deepening deprivation in North Taunton and Taunton East;
- The 10% Carbon savings target had not been achieved;
- Procurement benefits were behind the original forecast;
- The Local Development Framework/Core Strategy had not met the planned timetable for publication and adoption;
- The recycling and residual household waste targets had not been met;
- ‘Major’ planning applications – the target for speed of processing had not been met; and
- Equality Action Plans and Equality Impact Assessments were not yet fully

embedded into the Council's procedures.

Members sought detailed information as to what measures were in place to address those objectives which were shown on the Performance Scorecard as "red alerts".

Where the information could not be provided, the Client and Performance Lead, Dan Webb, undertook to circulate the information outside of the meeting.

Resolved that the report be noted.

(Councillor Ross, as one of the Council's representatives on the Somerset Waste Board, declared a personal interest during the discussion of the above item.)

56. **2010/2011 Budget Outturn Report**

Considered report previously circulated, on the outturn position of the Council on revenue and capital expenditure for the General Fund, Housing Revenue Account and trading services for 2010/2011.

A key feature of well-regarded Councils was their ability to manage performance effectively. Effective financial management therefore formed an important part of the Council's overall performance management framework

The outturn position reported for the Housing Revenue Account (HRA) and General Fund (GF) contained some estimated figures for Government subsidies on Housing and Council Tax Benefit. The final figures for these would not be available in time for the final accounts to be produced.

Should the final figures differ significantly from those used in closing down the accounts for 2010/2011, a further report would be presented to Members giving the updated position on subsidy and the implications for the Council's reserves.

The following outturn figures were provisional at this stage. The final outturn, once confirmed, would be used to prepare the Council's Statement of Accounts, which were due to be approved by the Section 151 Officer on 30 June 2011.

There had been a number of significant challenges faced by the Council this year, and these had had an impact on the overall financial position for the authority. These included:-

- The continuing general economic climate and the recession in the United Kingdom, which had been the worst seen in this country for over 60 years;
- The Emergency Budget implemented by the new Coalition Government in June 2010.
- The continued work on management and collection of debt, and impairment of historic debts no longer considered collectable.

Despite these challenges the Council had been in a position to improve the General Reserves position. There had also been significant items of 'good news' in the form of a VAT Refund windfall, cost efficiency savings arising from the continued roll out

of Sort It Plus and surplus earmarked reserves which have been returned to General Reserves.

Overall, net spending had been contained below budget on the General Fund. Although the Housing Revenue Account (HRA) was reporting a deficit in the year, largely due to the final subsidy estimates exceeding the amount provided in the budget, the working balance for the HRA remained healthy.

Regular budget monitoring information had been presented to Members, with quarterly performance reports submitted to the Executive and the Corporate Scrutiny Committee during the year.

Noted however, that the Council had continued to operate within the framework of its Budget Strategy and the overall financial standing at the end of the financial year was sound.

The following provided a summary of the 2010/2011 outturn and reserves position for GF and HRA services:-

- (1) The 2010/2011 Provisional GF Revenue Outturn was an underspend of £492,000 against the Final Budget for the year. The Final Budget included a transfer to General Fund Reserves of £1,110,000 and, combined with the underspend for the year, the General Fund Reserves as at 31 March 2011 stood at £3,166,000 (subject to audit). This was above the minimum reserves expectation within the Council's Budget Strategy;
- (2) The 2010/2011 GF Capital Programme total expenditure for the year amounted to £4,884,000, which was £2,146,000 below the total budget for the year. Taking into account slippage of project expenditure of £2,179,000, the 'real' position was a small overspend of just £33,000. The Council had made good use of external funding to support its capital investment, not least related to Project Taunton. A budget carry forward of £2,179,000 related to committed expenditure was recommended;
- (3) The HRA Outturn for 2010/2011 had resulted in an overspend on final budget of £758,000. This was largely due to negative subsidy being much higher than Budgeted, as previously reported. The final budget included a transfer from working balances of £296,000 and, combined with the overspend, the HRA Reserves position (or "working balance") carried forward into 2011/2012 was a credit balance of £1,593,000 (subject to audit);
- (4) HRA Capital Programme total expenditure in 2010/2011 totalled £6,653,000 related largely to the Council's continued investment in maintaining the Decent Homes standard of the housing stock. This outturn resulted in an overspend against the HRA Capital Programme budget of £195,000, which had been funded from HRA Earmarked Capital Reserves.
- (5) The Deane DLO had reported an overall trading surplus of £74,895. The budgeted contribution of £73,500 had been made to the GF with the residual balance being transferred to the Trading Account Reserve which now stood at £570,000; and

- (6) The Deane Helpline had made a net deficit of £120,000 which was an overspend of £98,000 against the Final Budget. This was higher than previously anticipated largely due to support service recharges being above the original budget. Other reasons for the shortfall were outlined in the report.

The reported outturn position remained subject to external audit as part of the annual audit of the Statement of Accounts.

Resolved that:-

- (a) the draft outturn position for General Fund and Housing Revenue Account revenue and capital budgets for 2010/2011 be noted; and

(b) Full Council be recommended to approve:-

- (i) the transfer of the net underspend on the General Fund Revenue Account to General Fund Reserves and the transfer of the net overspend on the Housing Revenue Account to HRA Working Balance Reserves;
- (ii) the net transfer of £431,000 from earmarked reserves for use on General Fund services and capital financing and £956,000 from earmarked reserves for use on Housing Revenue Account services and capital financing, as set out in the report; and
- (iii) the Carry Forward of the General Fund Capital Programme Budget totalling £2,179,000 for slippage into 2011/2012 as set out in the report.

57. **Executive Forward Plan**

Submitted for information the Forward Plan of the Executive over the next few months. It was noted that the Halcon Regeneration would now come before the Executive in September 2011, rather than August.

Resolved that the Forward Plan be noted.

(The meeting ended at 8.14 pm.)