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<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE (SPECIAL – FINAL ACCOUNTS)</b>	<b>AGENDA ITEM: 7</b>
<b>DATE OF MEETING:</b>	<b>28th JUNE 2012</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>CHIEF EXECUTIVE</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE CHIEF FINANCE OFFICER 01283 595811 <a href="mailto:Kevin.stackhouse@south-derbys.gov.uk">Kevin.stackhouse@south-derbys.gov.uk</a></b>	<b>DOC:</b> u/ks/final accounts 11 12/budget out turn reports/final out-turn/budget out-turn report 2012
<b>SUBJECT:</b>	<b>BUDGET OUT-TURN and FINANCIAL POSITION 2011/12</b>	<b>REF:</b>
<b>WARD (S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM 08</b>

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## **1.0 Recommendations**

1.1 To approve the out-turn position for:

- The General Fund Revenue Account 2011/12
- The Housing Revenue Account 2011/12
- Capital Expenditure and Financing 2011/12
- The Collection Fund 2011/12
- The Balance of Reserves and Provisions as at 31<sup>st</sup> March 2012.

## **2.0 Purpose of Report**

2.1 To detail the final out-turn position for 2011/12 on the Council's main revenue and capital accounts. The report also details the financial position on these accounts as at 31<sup>st</sup> March 2012 compared to that estimated in the Council's Medium-Term Financial Plan (MTFP).

2.2 This follows the provisional out-turn report considered by the Committee on 22<sup>nd</sup> May 2012, which detailed the Council's indicative position including detailed figures and financial commentary.

2.3 This report confirms final figures (prior to External Audit) and provides an update where applicable.

### **Context**

2.4 The Council's draft annual Accounts and Financial Statements (prior to Audit) will be signed off by the Chief Finance Officer for External Audit on 30<sup>th</sup> June 2012. In accordance with the Account and Audit Regulations, the accounts will be reported to the Committee after the audit has been completed.

- 2.5 The Auditor's detailed report will be considered by the Audit Committee on 26<sup>th</sup> September. The audited accounts along with the Auditor's Opinion will be reported at a meeting of the Committee on 27<sup>th</sup> September 2012.
- 2.6 This report details the performance in more detail against the Council's approved budgets on the General Fund, Housing Revenue and Capital Accounts. It also provides details of the Collection Fund position, together with details of reserves, provisions and balances.
- 2.7 As reported to the Committee on 22<sup>nd</sup> May, the Council's out-turn position was extremely favourable compared to that budgeted. This will have on-going implications for the Medium Term Financial Plan (MTFP).
- 2.8 Following the May report, the Committee approved a review of the base budget in lower spending areas and in activities where additional income had been generated compared to budget. This included both the General Fund and Housing Revenue Accounts.
- 2.9 As part of the Council's financial planning process, the MTFP (2012 to 2017) and overall financial strategy are currently subject to their usual periodic review including the impact of this out-turn. The updated position will be reported to the Committee in October ahead of the budget round for 2012/13.
- 2.10 This report is divided into the following sections:
- Section 3 – General Fund Revenue Account and Collection Fund
  - Section 4 – Housing Revenue Account
  - Section 5 – Capital Expenditure and Financing
  - Section 6 – Reserves, Balances and Provisions
  
  - Appendix 1 – Analysis of budget amendments to reflect internal charges
  - Appendix 2 - Environmental and Development Services Committee
  - Appendix 3 – Housing and Community Services Committee
  - Appendix 4 – Finance and Management Committee
  - Appendix 5 – Analysis of major Variances compared to Budget
  - Appendix 6 – Collection Fund
  - Appendix 7 – Capital Expenditure and Financing – all committees
  - Appendix 8 – List of Earmarked Reserves

### 3.0 GENERAL FUND REVENUE ACCOUNT

- 3.1 **Appendices 2 to 4** detail net spending at cost centre level across the 3 main Policy Committees. The appendices show the approved budget (as amended) compared to the actual out-turn for 2011/12.
- 3.2 These are effectively the figures reported in May, updated for internal recharges for support services, transport and capital charges. The budget has also been adjusted to convert the management accounts to the financial accounts. This is for comparison purposes in order that they comply with statutory requirements for external reporting.
- 3.3 Although these recharges and adjustments change individual cost centres and service expenditure, overall, they have a neutral impact on the General Fund; they are either balanced out or reversed/capitalised in the consolidated accounts of the Council.
- 3.4 These are technical adjustments and ensure that charges for depreciation for example, have no effect on the council tax payer. **Appendix 1** shows the changes at cost centre level and a summary is provided in the following table.

	£
Approved Budget	11,515,015
Support Service Charges	0
Transport Charges	-48,549
Absences Adjustment	-86,000
Bad Debts Provision	30,000
Pensions Adjustment	216,000
Capital Charges	4,050,547
<b>Amended Budget</b>	<b>15,677,013</b>

- 3.5 The adjustment for support services has a completely neutral effect in the net cost of services as the central accounts are cleared and charged into service accounts. The overall decrease in transport charges reflects the budget for Housing vehicles transferred to the HRA.
- 3.6 The Absences Adjustment reflects the difference between the cost of accrued annual and other leave owing to employees between 2010/11 and 2011/12. This is reversed out later in the accounts. The Bad Debts Provision reflects the budget carried as a contingent sum being matched to the actual amount in the income and expenditure account. The Pensions Adjustment reflects the valuation of pensions on an accounting basis, but again this is reversed out.
- 3.7 The capital charges reflect depreciation, impairment and other capital accounting adjustments required for statutory purposes. Again, this amount is reversed out of the revenue account.
- 3.8 Having amended the budget, this can then be compared with the actual income and expenditure, including the adjustments, for the year.

3.9 **Appendices 2 to 4** provide a detailed breakdown, with an analysis of the major variances at cost centre level. A summary is provided in the following tables.

<b>Summary by Policy Committee</b>	<b>Budget £</b>	<b>Actual £</b>	<b>Variance £</b>
Environmental and Development Services	5,133,173	4,818,872	(314,301)
Housing and Community Services	3,269,286	3,242,943	(26,343)
Finance and Management	7,274,554	6,890,419	(384,135)
<b>TOTAL</b>	<b>15,677,013</b>	<b>14,952,234</b>	<b>(724,779)</b>

<b>Summary by Main Service Area</b>	<b>Budget £</b>	<b>Actual £</b>	<b>Variance £</b>
Economic Regeneration	303,836	280,208	(23,628)
Environmental Health	858,093	715,480	(142,613)
Highways	21,058	14,200	(6,858)
Licensing and Land Charges	48,799	69,521	20,722
Planning	881,558	816,536	(65,022)
Town Centre	60,424	66,286	5,862
Waste Collection and Street Cleansing	2,828,652	2,723,573	(105,079)
Environmental Education	130,753	133,068	2,315
Transport Account	-	-	-
Leisure and Recreational Activities	193,680	187,506	(6,174)
Leisure Centres and Community Facilities	765,807	843,366	77,559
Parks and Open Spaces	1,285,650	1,214,386	(71,264)
Private Sector Housing	600,147	589,234	(10,913)
Community and Development Support	424,002	408,451	(15,551)
Central and Departmental Accounts	-	-	-
Concessionary Travel	6,163	(2,020)	(8,183)
Corporate and Democratic Costs	4,946,967	4,941,758	(5,209)
Electoral Registration	234,961	199,948	(35,013)
Pensions, Interest Payments and Receipts	915,742	749,191	(166,551)
Caretaking and Office Cleaning	-	-	-
Payments to Parish Councils	307,787	303,233	(4,554)
Property and Estate Management	(144,334)	(157,257)	(12,923)
Revenues and Benefits	1,007,268	855,566	(151,702)
<b>TOTAL - Net Expenditure (after fees / charges)</b>	<b>15,677,013</b>	<b>14,952,234</b>	<b>(724,779)</b>

## Overview of Service Spending

- 3.10 The above table shows that the overall reduction in net expenditure for the year was £724,779. This includes the budget adjustments previously detailed to match actual expenditure and is slightly lower than the provisional figure reported in May of approximately £769,000.
- 3.11 Overall, the variances and financial commentary reported in May remains unchanged. Final adjustments were made to specific figures and these are summarised in the following table.

	£
Reduction in Net Expenditure (as reported in May)	-769,155
Less - Increase in Bad Debts Provision	33,418
Less - Increase in Provision for Benefit Subsidy (as reported in May)	46,604
Less - Community Projects financed from Earmarked Reserves	68,977
Add - Housing Benefit Overpayments Recovered	-104,623
<b>Final Reduction in Net Expenditure 2011/12</b>	<b>-724,779</b>

- 3.12 The adjustments mainly relate to the finalisation of the Housing Benefit Subsidy claim (prior to Audit) for 2011/12. Although an increase in the bad debts provision was required, together with an increase in the provision required to cover a potential claw back of subsidy for 2010/11, these were more than offset by the amount of overpayments recovered in the year.
- 3.13 The reasons for the provisional reduction in net expenditure of £769,155 were reported in detail to the Committee in May. A summary of all final variances, including the above adjustments, is shown in **Appendix 5**.
- 3.14 In summary, the final net reduction of just under £725,000 was made up of:
- Lower Costs - £370,000
  - Additional Income - £355,000

## Financing

- 3.15 After adjusting for capital items, bringing into account financing from government grant and earmarked reserves, together with the impact of contingency and provisional sums, the overall position is summarised in the following table.

	Budget £	Actual £	Variance £
<b>SUMMARY GENERAL FUND 2011 /12</b>			
Net Expenditure on Services	15,677,013	14,952,234	-724,779
Minimum Revenue Provision	274,000	274,000	0
<b>Reverse Items not impacting on Reserves</b>			
Depreciation, Impairment and Capital Charges	-4,645,419	-4,608,278	37,141
Pensions (accounting Adjustment)	-216,000	-216,000	0
Accumulated Absences Adjustment	86,000	69,004	-16,996
<b>Provisions</b>			
Contingent Sums	245,222	0	-245,222
<b>Overall Net Revenue Expenditure</b>	<b>11,420,816</b>	<b>10,470,960</b>	<b>-949,856</b>
<b>Less - Financing</b>			
General Government Grant	-5,960,805	-5,960,805	0
New Homes Bonus	-382,710	-382,769	-59
Council Tax Freeze Grant	-119,456	-119,655	-199
Council Tax Payers	-4,786,102	-4,786,102	0
Collection Fund Surplus	-102,000	-102,000	0
Earmarked Reserves	-93,300	-129,970	-36,670
<b>Total Financing</b>	<b>-11,444,373</b>	<b>-11,481,301</b>	<b>-36,928</b>
<b>Revenue Surplus for the Year</b>	<b>-23,557</b>	<b>-1,010,341</b>	<b>-986,784</b>

3.16 The above summary shows that the overall surplus for the year on the General Fund for 2011/12 is **£1,010,341**, £986,000 greater than estimated. After reversing and accounting for the final adjustments, this is slightly above the provisional figure reported in May of £982,332.

3.17 As reported in May, there was no requirement to use any of the contingent sums for pay and grading, inflation and growth. The increase in the use of earmarked reserves from the provisional figure reflects the financing of community projects shown in the table at 3.11

3.18 The effect of the out-turn figures on Reserves is detailed in **Section 6**.

## THE COLLECTION FUND

3.19 The Council is required to maintain a separate income and expenditure account, showing the transactions relating to the collection of business rates and council tax. This account also illustrates how this money has been distributed to preceptors, the Government and into the Council's General Fund.

3.20 In principle, the Fund should balance. In respect of business rates, actual income collected is paid over to the National Pool and the impact of any arrears is adjusted accordingly. However, over time, not all council tax is collected due mainly to a buildup of arrears and household's individual circumstances changing during a year which can affect the amount of tax collected compared to that set in the Budget.

- 3.21 These circumstances ultimately produce a balance on the Fund over time and this can vary from year to year. With a turnover of over £47m in council tax in 2011/12, even a very small variation can affect the amount collected.
- 3.22 Any surplus balance on the Fund (which has traditionally been the case for the Council over many years) can be transferred to the General Fund as an additional financing element, with any deficit having to be made good. However, approximately 90% of any balance is attributed to other authorities, mainly the County Council, as the main preceptors of council tax.
- 3.23 The Council's Account for 2011/12 is summarised in **Appendix 6**. This shows that the Fund performed in accordance with that estimated. The overall surplus for the year was slightly lower than estimated, with approximately £13,000 attributable to the Council compared to an estimate of £20,000.
- 3.24 This amount will be included in formulating the budget proposals for 2012/13.

#### **4.0 HOUSING REVENUE ACCOUNT**

- 4.1 The Council is required to account separately for income and expenditure in providing Council Housing. 2011/12 was the last financial year under the national subsidy system.
- 4.2 The approved HRA Budget included drawing down HRA Reserves of £605,196 to finance an estimated budget deficit. The updated position at the 3<sup>rd</sup> quarter in the year was that the deficit was projected to be lower by approximately £140,000 at £465,000.
- 4.3 This was due to additional rent, lower management costs and that the contingent sum for inflation (similar to the General Fund) was unlikely to be called upon. In addition, expenditure on housing repairs was lower than estimated, although this was subject to the level of spending over the winter period.

#### **Provisional Out-turn**

- 4.4 The provisional out-turn reported in May, indicated a much lower deficit of approximately £124,000. This was due to additional income of approximately £76,000, lower housing repairs equating to £212,000, contingent sums not required of £110,000, together with a net reduction in other costs of around £81,000.
- 4.5 The final out-turn following the adjustment for capital and transport charges is shown in the following table.

<b>Housing Revenue Account - Final Out-turn 2011 / 12</b>	<b>Approved Budget £</b>	<b>Actual £</b>	<b>Variance £</b>
Rent from Dwellings and Garages	10,245,001	10,279,634	-34,633
Rechargeable Repairs	15,600	15,206	394
Supporting People Grant	371,696	414,037	-42,341
<b>Total Income</b>	<b>10,632,297</b>	<b>10,708,877</b>	<b>-76,580</b>
Housing Repairs and Planned Maintenance	3,012,107	2,775,608	-236,499
General Management	1,294,540	1,203,951	-90,589
Managing Tenancies	19,286	10,275	-9,011
Sheltered and Other Services	827,484	743,675	-83,809
Provision for Bad Debts	20,000	44,695	24,695
Interest Recharged from the General Fund	37,365	48,974	11,609
Negative Subsidy Payment	4,011,683	4,072,036	60,353
Major Repairs Allowance (Depreciation)	1,925,343	1,925,329	-14
Professional Fees - PWLB Arrangement Fee	20,300	21,098	798
Professional Fees - Treasury Management	8,000	12,700	4,700
Provision for Pensions / Pay & Grading	22,390	0	-22,390
Provision for inflation	87,549	0	-87,549
<b>Total Expenditure</b>	<b>11,286,047</b>	<b>10,858,341</b>	<b>-427,706</b>
<b>Net Deficit</b>	<b>653,750</b>	<b>149,464</b>	<b>-504,286</b>

4.6 The approved budget was updated to reflect transport costs recharged from the General Fund as detailed in 3.4 and 3.5. The above table shows a final deficit of £149,464. The only change from the provisional position was additional repairs expenditure of £24,787. This related to final accruals identified during the final accounting and reconciliation process.

4.7 All other variances remain as reported in May and the reasons are summarised below.

### **Additional Income**

4.8 The additional rent was projected earlier in the year due to lower voids, together with “re-lets” being increased to Formula Rent level in accordance with approved policy. It was anticipated that there would be a reduction in Supporting People Grant in 2011/12 and the Budget was set to reflect this. Although this was the case, the amount reduced by approximately £60,000 compared to an estimate of £100,000.

### **Lower Spending on Housing Repairs**

4.9 A lower level of repairs was required during the year. However, around £100,000 of this underspend relates to the fitting of carbon monoxide protectors in sheltered accommodation. This was approved by the Committee in February 2012; the cost of these works will now fall into 2012/13.



## Reduction in Service and Management Costs

4.10 The main variances (compared to Budget) are as follows:

Support Service Recharges	£84,000	HRA's share of reduction in central and overhead costs as detailed in the General Fund.
Employee Costs	£47,000	As projected, final savings, mainly on wardens, arising from an approved restructure of the Sheltered Housing Service in 2011.
Utility Costs	£29,000	Savings in sheltered accommodation. This level of saving was also achieved in 2010/11 and suggests that the Budget should be reviewed.
Council Tax Refunds	£23,000	As projected; properties demolished in 2010/11 as part of the Extra Care Project/Village in Swadlincote.

## Bad Debts Provision

4.11 An additional contribution was required to the Provision for Bad Debts. This was due to an increase in arrears during 2011/12 from £136,000 to £157,000. This was after writing off bad debts in the year amounting to £23,000

## Interest Recharged and Negative Subsidy Payment

4.12 Overall, the payment to the Government Pool (negative Subsidy) increased compared to that estimated. This is due to the interest rate on assumed debt in the subsidy system being slightly lower than estimated, i.e. 1.12% compared to 1.2%. It also includes an adjustment relating to 2010/11 of £56,000.

4.13 The interest recharged from the General Fund includes 3 days interest on the loan taken on under self-financing. This transaction took place before 1<sup>st</sup> April 2012 as planned. However, this has been reimbursed through Subsidy.

## Contingent Sums for Inflation and Pay/Grading

4.14 Similar to the General Fund, no call was made against these sums.

## **5.0 CAPITAL EXPENDITURE and FINANCING 2011/12**

5.1 The final out-turn is detailed in **Appendix 7** with a summary in the following table.

<b>Capital Expenditure 2011/12</b>	<b>Budget £</b>	<b>Actual £</b>	<b>Variance £</b>
Council House Improvements	2,981,919	2,583,809	-398,110
Private Sector Housing Renewal	479,314	487,307	7,993
Leisure and Community Schemes	1,015,561	696,662	-318,899
Environmental and Development Schemes	187,646	157,646	-30,000
Property and Other Assets	413,139	306,345	-106,794
<b>Total Expenditure</b>	<b>5,077,579</b>	<b>4,231,769</b>	<b>-845,810</b>

5.2 The table highlights that expenditure on schemes of approximately £845,000 is still to be incurred. Once all schemes are completed, there will be no major under or over spends; outstanding budgets will be carried forward into 2012/13 to complete schemes.

5.3 An analysis of the main variances is detailed in the following sections.

### **Council House Improvements (balance remaining £398,110)**

5.4 The main variance (£307,000) relates to the completion of environmental and other works at Sheltered Accommodation. The scheme is currently subject to a competitive tendering exercise and the money will now be spent in 2012/13.

5.5 In addition, it was anticipated that some works (although committed in principle) would not be undertaken until 2012/13. This included demolition works associated with a property in Church Gresley.

### **Leisure and Community Schemes (balance remaining £318,899)**

5.6 The main scheme still to be completed the extension to Hilton Village Hall (£116,000). This has been subject to detailed review of the specification which delayed works commencing. It is anticipated that this will now be completed in 2012/13.

5.7 In addition, an amount of approximately £42,000 remains uncommitted in respect of small capital grants awarded to voluntary and local organisations, i.e. the Community Partnerships Scheme. Proposals to utilise this balance were reported to the Housing and Community Services Committee on 14<sup>th</sup> June 2012.

5.8 The amount outstanding for Youth and Play facilities (£121,000) is dependent upon external finance being generated to fund identified schemes.

5.9 The refurbishment works at Green Bank Leisure Centre were completed with a small overspend of around £3,000 on total scheme costs of £320,000. This amount can be funded from capital reserves.

## **Environmental and Development Services (balance remaining £30,000)**

5.10 The balance outstanding relates to works associated with renovating buildings in conservation areas. Costs are funded through grants from other agencies.

## **Improvements to Swadlincote Town Centre**

5.11 The main scheme in 2011/12 was the completion of improvements to Swadlincote Town Centre and in particular the Delph. This scheme was spread over two financial years with total project costs of approximately £2.5m, substantially funded externally through Growth Point and the Derbyshire Economic Partnership.

5.12 Although the Council contributed to some of the total cost, this was mainly through use of Section 106 contributions and Housing/Planning Delivery Grant.

5.13 The provisional out-turn reported in May detailed that final accounts and grant claims had been completed and this had identified an unfinanced shortfall of approximately £90,000.

5.14 Following a detailed review, this identified some costs still to be reclaimed from funding bodies, with some expenditure being attributable to another project. This has all been corrected and reflected in the final figures.

## **Property and Other Assets (balance outstanding £106,794)**

5.15 As approved, the remaining Planned Maintenance Budget (£58,000) for capital works to Council owned buildings continues to be held as a contingency pending any major risks or equipment failures, etc. Revenue budgets continue to fund day to day maintenance requirements.

5.16 The balance remaining for improvements to village halls and community buildings (£48,000) will be subject to a separate report later in the year. This will update and consider alternative proposals for utilisation of this funding.

## **Financing Capital Expenditure**

5.17 After taking into account the small overspend on Green Bank Leisure Centre, all expenditure was financed as planned. This is summarised in the following table.

<b>Capital Financing 2011/12</b>	<b>Budget £</b>	<b>Actual £</b>	<b>Variance £</b>
Government Grants	2,330,097	2,315,922	-14,175
External Contributions	1,201,698	826,328	-375,370
Section 106 Contributions	0	49,162	49,162
SDDC- Revenue / Earmarked Reserves	353,056	305,110	-47,946
SDDC - Capital Reserves	307,709	0	-307,709
SDDC - Capital Receipts	885,019	735,247	-149,772
<b>TOTAL - FINANCING</b>	<b>5,077,579</b>	<b>4,231,769</b>	<b>-845,810</b>

5.18 The variance reflects expenditure outstanding and this will be drawn down as schemes are completed in 2012/13. Government Grants and External Contributions (which mainly relate to Growth Point funding) remain secured. The SDDC Capital Reserve relates to the money set-aside for Sheltered Accommodation.

## **6.0 RESERVES, BALANCES AND PROVISIONS**

### **PROVISIONS**

- 6.1 The Council made a provision of £158,500 in the Accounts for 2010/11 to cover a potential claw back of housing benefit subsidy. This followed External Audit's testing of the Council's Subsidy Claim for 2009/10.
- 6.2 As reported in February 2012, the Council has been able to demonstrate that the original claim was substantially correct and the final liability will only be around £7,500. The Council did incur additional costs in providing further evidence to the DWP and this led to some additional testing and audit fees of approximately £33,000.
- 6.3 External Audit has recently completed their testing of the Claim for 2010/11 and this has identified a potential claw back of approximately £205,100. Therefore, as approved in May, the Council has made a further provision for this amount, less the amount already provided, i.e. £46,600 (£205,100 less 158,500). This was included in the final income and expenditure of the General Fund for 2011/12.
- 6.4 The Council will now be required to undertake further testing to demonstrate the validity of this year's Claim.

### **GENERAL FUND RESERVE**

- 6.5 Following the out-turn figures as detailed in [Section 3](#), the final position on the General Fund Reserve Balance is summarised in the following table.

<b>General Fund Reserve as at 31st March 2012</b>	<b>Budget £</b>	<b>Actual £</b>
Balance b/fwd (1st April 2011)	3,008,966	3,008,966
Add: Surplus for the Year	23,557	1,010,341
Add: Other Earmarked Reserves transferred in	82,414	82,414
<b>Balance before Approved Appropriations</b>	<b>3,114,937</b>	<b>4,101,721</b>
Less: Contribution to the IT Reserve	0	-60,000
Less: Contribution to the Innovation Fund	0	-24,525
Less: Contribution to Vehicle Renewals Fund	-20,000	-20,000
Less: Carry Forwards (Earmarked Reserve)	0	-145,000
<b>Closing Balance as at 31st March 2012</b>	<b>3,094,937</b>	<b>3,852,196</b>

6.6 The table shows that the level of general reserves at March 2012 (after appropriations approved by the Committee in May) is significantly greater than estimated (around £760,000). Clearly, this is due to the better out-turn position as detailed in Section 3 and is approximately £20,000 higher than the provisional reported in May. This is due to the effect of the final adjustments detailed in the table in 3.11.

### **HOUSING REVENUE ACCOUNT RESERVE**

6.7 Section 4 detailed the out-turn on the HRA and this highlighted an overall underspend of approximately £504,000 in 2011/12 compared to the Budget. The HRA reserve balance now totals **£2,385,226** as at 31<sup>st</sup> March 2012, compared to an estimate of £1,927,179.

### **CAPITAL RECEIPTS RESERVE**

6.8 Appendix 7 highlights that this reserve is £178,515 greater as at 31<sup>st</sup> March 2012 compared to that estimated. However, as Section 5 highlighted, amounts for the Community Partnerships Scheme (£42,000) and property maintenance (£107,000) were not utilised and remain, at this stage, a commitment on the Capital Reserve

6.9 After allowing for these schemes, £28,743 remains. This amount is effectively the additional receipts generated in the year. This was due to 2 further council house sales in the year (four in total) which netted an additional £25,150 after pooling compared to that estimated. There was also a further small land sale.

6.10 As at 31<sup>st</sup> March 2012, general capital reserves totalled **£3,137,956** (including the proceeds from the sale of Bretby Crematorium) with an additional **£310,819** set-aside to complete the Sheltered Housing Vision in 2012/13.

### **MAJOR REPAIRS RESERVE**

6.11 This is used to finance capital expenditure on council housing. The transactions for the year are summarised in the following table.

<b>Major Repairs Reserve 2011/12</b>	<b>£</b>
Balance as at 1st April 2011	-105,152
Major Repairs Allowance received 2011/12	-1,925,329
Capital Grant received for new Heating System	-175,000
Capital Expenditure in the Year	2,191,306
<b>Balance as at 31st March 2012</b>	<b>-14,175</b>

## **OTHER EARMARKED RESERVES**

6.12 Apart from general and capital reserves, the Council maintains other earmarked reserves that are held for specific purposes.

6.13 They are provided to meet future and known commitments and in some cases, to spread expenditure over a number of years. A detailed analysis is shown in **Appendix 8**, with a summary in the following table.

Summary of Earmarked Reserves 2011/12	Balance 1/4/11 £	Used 2011/12 £	Funds in 2011/12 £	Balance 31/3/12 £
Earmarked Reserves	2,934,610	-1,117,729	955,120	2,772,001
Specific Grants in Advance	1,852,953	-248,651	118,614	1,722,916
<b>Total - Earmarked Reserves</b>	<b>4,787,563</b>	<b>-1,366,380</b>	<b>1,073,734</b>	<b>4,494,917</b>

### **7.0 Financial Implications**

7.1 As set out and detailed in the report.

### **8.0 Corporate Implications**

8.1 As detailed in the report.

### **9.0 Community Implications**

9.1 The production of financial information is an important part of stewardship and accountability for public resources. It aims to give electors, those subject to locally levied taxes and charges, members of the Authority, employees and other interested parties clearer information about the Council's finances and its financial standing.

### **10.0 Background Papers**

10.1 None