

# CABINET MINUTES

## 22 JUNE 2011

<b>Chairman:</b>	* Councillor Bill Stephenson	
<b>Councillors:</b>	* Bob Currie	* Graham Henson
	* Margaret Davine	Thaya Idaikkadar
	* Keith Ferry	* Phillip O'Dell
	* Brian Gate	† David Perry
	* Mitzi Green	
<b>In attendance: (Councillors)</b>	Kam Chana	Minute 229
	Susan Hall	Minute 229
	Paul Osborn	Minute 229

- \* Denotes Member present
- † Denotes apologies received

### RECOMMENDED ITEMS

#### 233. Key Decision: Revenue and Capital Outturn 2010/11

Cabinet received a report of the Corporate Director of Finance, which set out the Council's revenue and capital outturn position for 2010/11.

The Leader of the Council welcomed the report, a 'good news' item, noting that the majority of the Directorates had achieved an underspend. He added that as a result, the level of reserves to be held by the Council would rise from £6.3m to £7m in addition to the current Contingency Fund. The administration would also be in a position to set up a Transformation and Priority Initiatives Fund.

In relation to Capital, the Leader stated that although a considerable potential overspend had been identified last year, this had now been considerably reduced. The Housing Revenue Account (HRA) was also showing an improvement from previous years. There has also been a favourable variance

of over £1 million in Treasury Management. Additionally, the Council Tax collection rate had been favourable during difficult times. He commended the current management team, the former Corporate Director of Finance and the Portfolio Holders for their achievements in ensuring many positive outcomes in what had been a challenging year.

The Leader added that the administration had faced several challenges when it came into power in May 2010, such as various pressures in the Children's Services Directorate where a potential overspend of approximately £2m had been identified, a dysfunctional Housing Revenue Account (HRA) and an IT system that needed upgrading. The situation had been compounded by government settlements and the disappointing news that the Local Area Agreement Reward Grant would no longer be available due to government policy changes. However, the administration had made a good start but would continue to face many challenges.

The Leader added that the recommendations would require amending, which the Interim Director of Finance would allude to.

The Interim Director of Finance noted that a correction to the text in the 'Introduction' to the report, which should read as follows: "The total reported revenue outturn for the Council is **£170.550m** which represents an underspend of £1.135m, a **0.7%** variation to budget". As the Council's Section 151 officer, she was pleased that the reserves held by the Council would be increased, and clarified the position in relation to the money received from the Primary Care Trust (PCT) that would be used for the purposes of the adult social care budget, as a result of which one of the recommendations in the report would require amending to make it absolutely clear how the money was being treated.

**Resolved to RECOMMEND:** (to Council) That

- (1) the allocation of the net £2.1m received from the Primary Care Trust (PCT) in 2011/12 to the Adult Social Care Budget be approved;
- (2) the transfer of £2.1m of funding previously allocated by the Council to the Adult Social Care Budget to the Transformation and Priority Initiatives Fund be approved;
- (3) the addition of £1.0m to the 2011/12 capital budget to fund disabled adaptations to housing in Harrow be approved, with the proviso that overall spend on the Council's general fund capital budget in 2011/12 does not exceed the previously agreed amount.

**Reason for Decision:** To confirm the financial position as at 31 March 2011.