

## **Cabinet (Extraordinary Meeting)**

**29 May 2018**

**Present:** N Redfearn (Elected Mayor) (in the Chair)  
Councillors G Bell, C Burdis, S Cox, S Day, P Earley,  
M Hall, C Johnson and CB Pickard

### **CAB01/05/18 Apologies**

Apologies were received from Councillor R Glindon, R Layton (North Tyneside Joint Trade Union Committee) and the North Tyneside Clinical Commissioning Group.

### **CAB02/05/18 Declarations of Interest and Dispensations**

There were no declarations of interest or dispensations reported.

### **CAB03/05/18 2017/18 Provisional Financial Outturn Report (All Wards)**

Cabinet received a report which 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 Investment Plan and the delivery of the Treasury Management Strategy for the financial year 2017/18.

Cabinet also received a presentation on the Investment Programme Board end of year report 2017/18, which outlined projects that had been completed, projects in progress and priorities for the 2018/19 Strategic Investment Plan.

The budget for 2017/18 had been approved by full Council at its meeting on 16 February 2017. The net General Fund revenue budget had been set at £152.360m including 'Creating a Brighter Future' savings of £18.338m. The monitoring report up to 31 January 2018 had projected an underspend of £0.628m and the final position was an underspend of £0.722m. It was proposed that £0.200m be transferred to the General Fund balance and £0.522m to the Strategic Reserve. After the final transfer, the General Fund Revenue Account showed spend on budget for 2017/18.

As part of the 2017/18 final accounts, amounts had been set aside as provision and reserves for known liabilities and uncertainties that still remained in future years.

The Housing Revenue Account had year-end balances of £6.082m, which was £3.2211m above budget. This change was as a result of an in-year improvement against budget of £1.882m (this represented 1.4% of the gross budget) and an increase in brought forward balances of £1.339m.

School balances had decreased from £4.987m to £3.357m, these balances included a significant amount of committed funds and the permitted carry forward of grants for the remainder of the academic year. Whilst some schools had seen their individual balances increase, the value of individual school deficits overall had increased which

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contributed to the £1.630m reduction in balances. Overall the position had improved from projected overall deficit balances of £2.228m (excluding Seaton Burn College).

The initial approved Investment Plan for 2017/18 was £106.952m. Variations and reprogramming of £23.082m credit had been approved by Cabinet during 2017/18 to give a revised Investment Plan of £83.870m. Capital expenditure for the year was £76.687m (91.4% of the revised plan), a variation of £7.183m (credit). This outturn included further reprogramming of £8.130m (credit) The final capital expenditure for the year was £76.687m, with a recommendation to approve reprogramming of £8.130m into 2018/19. The level of spend was the highest achieved by the Authority during the last 7 years.

In terms of Treasury Management the Authority had acted prudently during the year, in line with the agreed strategy that the security of the Authority's resources was of greater importance than returns on investments. The level of investments at 31 March 2018 was £16.400m. The level of borrowing (excluding PFI) was £461.155m which was well within the capital financing requirement agreed as part of budget setting. This was primarily due to continued level of internal borrowing.

The financial year had seen the Authority continue to manage its finances despite ongoing funding reductions and continuing cost pressures in respect of Adult and Children's social care services. Despite these challenges the proactive management of the General Fund budget throughout the year had led to a year-end surplus of £0.722m.

Whilst statutorily the Authority's budget and Accounts must be prepared by individual financial years, the pressures and opportunities that the Authority faced often extended across several accounting years. Decisions taken in one year would be felt in subsequent periods. One of the benefits of the Authority's regular budget monitoring process was that issues could be identified early in the year and action taken to address them. The outcomes of these actions could then inform both budget setting and final accounts preparation. Budget setting, budget management and final accounts could therefore be seen as related parts of a continuous process of financial management by the Authority.

Overall, 2017/18 had been typical of recent years in that several strategic concerns had overlaid the management of the approved budget. The Council had been able to manage these issues through its forward planning process and by pro-active management of in-year issues. Financially that management action had been underpinned by the Services closely managing spend, and by taking advantage of short term borrowing rates to achieve interest savings. However, because such strategic pressures were a feature of the current local authority environment there would always be an element of risk moving forward into each new financial year. The experience of 2017/18 once again reinforced the importance of forward planning, a strong balance sheet, close management of the core budget, a regular monitoring and reporting process and a flexible approach to managing.

Cabinet considered the following decision options:

Option 1 - agree the recommendations as set out in Section 1.2 of the report.

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Option 2 - disagree with all or some of the individual recommendations set out in section 1.2 of the report.

The Elected Mayor thanked everyone for achieving the provisional outturn position.

**RESOLVED** that (1) the provisional 2017/18 outturn for the General Fund, Housing Revenue Account and Schools Finance, together with a financial overview of the year, as set out in the report, be noted;

(2) the decisions made under the Reserves and Balances Policy be noted;

(3) the Authority's Investment Plan spend during 2017/18, and the financing put in place be noted;

(4) further reprogramming of £8.130m within the Investment Plan be approved;

(5) the Council's Treasury Management performance be noted; and

(6) the performance against the Capital and Treasury prudential indicators be noted.

(Reasons for decision: The proposals set out in section 1.2 of the report form part of the 2017/18 Final Accounts process. Reprogramming of the Investment Plan will ensure successful delivery of projects included within the Investment Plan).

#### **CAB04/05/18 Date and Time of Next Meeting**

Monday 25 June 2018 at 6.00pm.

**Minutes published on Friday 1 June 2018.**