

## CABINET

22 May 2018

### REVENUE AND CAPITAL OUTTURN 2017/18

#### Report of the Director for Resources

Strategic Aim:	Sound Financial Planning	
Key Decision: Yes	Forward Plan Reference: FP150318	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor Gordon Brown, Portfolio Holder for Regulatory Services, Waste Management, Property Services, Culture & Leisure, Finance.	
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Ward Councillors	N/A	

#### DECISION RECOMMENDATIONS

That Cabinet:

- a) Notes the provisional outturn on the revenue budget and updated capital programme
- b) Approve the transfer of £1.025m from 17/18 underspends to earmarked reserves for future use of which £60k relates to the ring fenced budgets, £400k for business rates and £315k for social care
- c) Approve the revenue budget carry forwards of £821k as outlined in Appendix A para 1.3.3
- d) Notes that the MTFP in Appendix F reflects the outturn position but assumptions are currently under review

#### 1 PURPOSE OF THE REPORT

- 1.1 To inform Cabinet of the provisional outturn figures (subject to audit) for the financial year 2017/18. In reporting the outturn, Cabinet is being asked to carry forward some

budgets to 2018/19 and put aside some additional funding in earmarked reserves.

## **2 BACKGROUND AND MAIN CONSIDERATIONS**

### **2.1 Revenue outturn 2017/18**

2.1.1 The Council approved its 2017/18 budget in February 2017. Throughout the year, Cabinet and Scrutiny Panels have received quarterly updates on progress against the budget. Cabinet and Council have also made some changes to the approved budget which are itemised in each quarterly report.

2.1.2 The end of year provisional revenue position is that the Council has over spent its revenue budget by £169k which equates to an over spend of 0.5% when compared to the Net Operating Expenditure. A full explanation of the year end revenue position is covered in Appendix A, Section 1 to this report.

2.1.3 This position is provisional for two reasons:

- The position is subject to external audit by KPMG LLP; and
- In arriving at the overall position for 17/18, officers are making requests for budget carry forwards of £821k to be used in 2018/19 and for £1.025m to be transferred to existing earmarked reserves (Appendix A para 1.3.2). These are decisions that must be approved by Cabinet.
- With the overall position being a deficit, the Council's financial context remains challenging with significant savings required over the medium term.

### **2.2 Capital update**

2.2.1 The Council spent £4.199m on the capital programme in 17/18. Since the 18/19 budget was set, Cabinet have approved further budget changes, detailed in Appendix A para 2.2.1, and an additional amount of £24k has been received for Disabled Facilities grant. A full list of approved schemes is shown in Appendix E.

### **2.3 MTFP**

2.3.1 The Medium Term Financial Plan has been updated to reflect the provisional year end revenue position and is attached at Appendix F.

2.3.2 The assumptions used are currently being reviewed and any changes will be reported as part of the Quarter 1 report.

## **3 CONSULTATION**

3.1 Formal consultation is not required for any decisions being sought in this report. Internal consultation has been undertaken with officers to assess the impact of the outturn on the budget for 2018/19.

## **4 ALTERNATIVE OPTIONS**

4.1 Cabinet are requested to make decisions about whether unspent budgets should be carried forward to 2018/19. In many cases, it should be noted that officers may have already committed such budgets (i.e. work may have been started but not finished)

or plan to do so for service delivery in 2018/19. Cabinet can choose to approve the carry forwards or could still request that budget managers assess whether such expenditure can be absorbed within existing budgets or savings made elsewhere. Where this is not possible, there may be budget pressures later in the year.

- 4.2 Members are also being asked to make additional contributions to earmarked reserves. Members could choose to retain all funds in the General Fund Reserve rather than to prop up earmarked reserves. The former is not the preferred option for the reason that the establishment of earmarked reserves recognises that funds are likely to be needed for a specific cause. Retaining such funds in a General Reserve could give the impression that the Council's financial health is better than what is actually the case.

## **5 FINANCIAL IMPLICATIONS**

- 5.1 The report highlights the impact of the outturn on the MTFP. General Fund balances will decrease by £169k from that budgeted for if all recommendations are approved.

## **6 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 6.1 The FPRs allow Cabinet to approve budget carry forwards from one period to the next and put additional funds in earmarked reserves up to the approved ceiling value. The FPRs allow Council to establish a new reserve and set ceilings for earmarked reserves.
- 6.2 There are no legal implications arising from this report.

## **7 EQUALITY IMPACT ASSESSMENT**

- 7.1 An Equality Impact Assessment (EqIA) has not been completed because there are no service, policy or organisational changes being proposed.

## **8 COMMUNITY SAFETY IMPLICATIONS**

- 8.1 There are no community safety implications.

## **9 HEALTH AND WELLBEING IMPLICATIONS**

- 9.1 There are no health and wellbeing implications.

## **10 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 10.1 As the Council is required to make savings over the medium term, the outturn position is positive compared to Quarter 3. The approval of budget carry forwards will allow the 2018/19 budget to be updated to reflect spending plans.

## **11 BACKGROUND PAPERS**

- 11.1 None

## **12 APPENDICES – UPDATE**

Appendix A: Outturn 2017/18

Appendix B: People Budget Monitoring Summary

Appendix C: Places Budget Monitoring Summary  
Appendix D: Resources Budget Monitoring Summary  
Appendix E: Capital Outturn  
Appendix F: Medium Term Financial Plan

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.