

Report to Resources Overview And Scrutiny Panel

Agenda
Item:
A.7
(a)

Meeting Date: 13th June 2017
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD.06/17
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2016/17
Report of: CHIEF FINANCE OFFICER
Report Number: RD03/17

Purpose / Summary: This report summarises the 2016/17 provisional outturn for the General Fund revenue budget considered by the Executive on 5 June 2017.

Questions for / input required from Scrutiny:

To scrutinise and provide feedback on the options available to the Council as set out in the report relating to the carry forward requests, noting the implications on Council Reserves and 2017/18 Directorate budgets.

Recommendations:

Members of the Resources Overview and Scrutiny Panel are asked to consider this report.

Tracking

Executive:	5 June 2017
Overview and Scrutiny:	ROSP 13 June 2017
Audit Committee:	14 July 2017
Council:	11 July 2017

Report to Executive

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Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2016/17
Report of: CHIEF FINANCE OFFICER
Report Number: RD 03/17

Purpose / Summary: This report summarises the 2016/17 provisional outturn for the General Fund revenue budget and gives reasons for the variances.

The outturn position shows a net underspend of £441,832 for Council services as at 31 March 2017, once items to be carried forward/transferred to reserves totalling £800,300 and accounting treatment changes of £1,202,906 are taken into account.

It should be noted that the information contained in this report is provisional, subject to the formal audit process. The Draft Statement of Accounts for 2016/17 will be presented to the Audit Committee on 14 July, with final approval of the audited accounts on 31 July.

Recommendations:

The Executive is asked to:

- (i) Note the net underspend as at 31 March 2017 of £441,832 after carry forwards as set out in (ii) below and net transfers to/from earmarked reserves as noted in (iii) below;
- (ii) Note the committed expenditure totalling £393,000 to be met in 2017/18 which has been approved by the Chief Finance Officer under delegated powers, and the release of £393,000 in 2017/18 from the General Fund Reserve, for recommendation to Council;
- (iii) Approve for recommendation to Council, the creation of new reserves and transfers into the new and existing reserves of £407,300 as detailed in paragraph 4.3 and 5.1 and Appendix C2 of the report;

- (iv) Approve for recommendation to Council, the creation of new reserves and transfers into the new reserves of £1,202,906 in relation to accounting treatment amendments as set out at paragraph 5.2.

Tracking

Executive:	5 June 2017
Overview and Scrutiny:	ROSP 13 June 2017
Audit Committee:	14 July 2017
Council:	11 July 2017

1. BACKGROUND

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Chief Finance Officer is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. Further details of virements processed can be found in **Appendix A**. It is the responsibility of individual Chief Officers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Chief Finance Officer.
- 1.2 This report shows the provisional outturn position for the General Fund Revenue budgets for 2016/17.
- 1.3 A summary of the overall position is shown in paragraph 2. Further details for each directorate are included in **Appendices B1 – B6** as follows:
- (i) A comparison of the outturn position against the budget.
 - (ii) An analysis of the major variances relating to both income and expenditure, with comments from the Chief Officer.
 - (iii) The items of carry forwards to cover committed expenditure to be expended in line with the original purpose. These requests follow the procedure agreed by Council with every form being signed off by the relevant Chief Officer after discussion with the Portfolio holder, and the Chief Finance Officer.
 - (iv) Reserves to be established and/or increased to support possible future funding obligations.
- 1.4 Members should note that the information contained in this report is provisional and subject to the formal audit process. The formal Statement of Accounts for 2016/17 will be presented to the Audit Committee on 14 July, with formal approval of the audited accounts on 31 July. Any significant changes required following the approval of the 2016/17 accounts will, if necessary, be reported to a future Executive meeting.
- 1.5 Please note that throughout this report:
- (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
 - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
 - (iii) the term 'overspend' includes both spending above budget and/or reduced income levels.

2. SUMMARY REVENUE OUTTURN 2016/17

- 2.1 The following table shows the revised 2016/17 budget for the General Fund:

2016/17 Revenue Budget	£
Approved Budget (Council resolution – February 2016)	13,091,300
Carry forward requests (2015/16 out-turn)	528,000
Council Resolution 2016/17	13,619,300
Non-Recurring Expenditure	
IT Renewals Reserve (Enterprise Licences & ICT Strategy)	287,800
Leisure Reserve (Market Engagement & Retender Advisor)	37,600
Economic Investment Reserve (Project officer, match funding & other project based work)	101,400
Cremator Replacement Reserve	(112,600)
Energy Efficiency Advice Reserve (Homelife)	42,000
General Carry Forward Reserve	124,400
Transformation Reserve (VR/ER costs)	197,900
Conservation Reserve (Emergency Works Central Plaza)	116,700
Car Park Enhancement Reserve (Ticket machine upgrades)	48,200
Carry forward request into 2017/18 (approved in year)	(97,000)
Updated Budget 2016/17	14,365,700

- 2.2 The provisional outturn position for the General Fund is summarised below and explanations for the main variances are provided in the appendices. The significant variances and key issues are highlighted in paragraph 3:

Directorate / Appendix	Annual Net Budget (£)	Total Spend (£)	Net Variance at 31/03/17 (£)	Carry Forwards (£)	Reserves (£)	Adjusted Variance (£)
Community Services B1	8,932,200	8,447,559	(484,641)	42,400	288,800	(153,441)
Corporate Support & Resources B2	3,589,900	3,094,037	(495,863)	0	0	(495,863)
Economic Development B3	1,345,600	1,354,025	8,425	8,100	36,000	52,525
Governance & Regulatory Services B4	434,200	352,653	(81,547)	148,800	82,500	149,753
Corporate Management (excl flood settlements) ⁽¹⁾ B5	63,800	(350,536)	(414,336)	193,700	0	(220,636)
Sub Total	14,365,700	12,897,738	(1,467,962)	393,000	407,300	(667,662)
DRF Flood Settlements	2,644,700	1,937,246	(707,454)	713,500	0	6,046
Flood Expenditure (net) (2) B6	(2,644,700)	(1,711,416)	933,284	(713,500)	0	219,784
Net position on Flood	0	225,830	225,830	0	0	225,830
Net position on Revenue Fund	14,365,700	13,123,568	(1,242,132)	393,000	407,300	(441,832)

2.3 The above table details the net Council budget. The Council's original gross budget for 2016/17 was £59.06m and although there are many individual variances as detailed by directorates in **Appendices B1 – B6**, the net underspend equates to 0.76% of this budget.

3. EXPLANATION OF SIGNIFICANT VARIANCES & KEY ISSUES

3.1 The provisional outturn position for 2016/17 is an underspend of £441,832 after taking into account carry forward requests of £393,000 as set out in paragraph 4, transfers to earmarked reserves totalling £407,300, as set out in paragraph 5 and transfers to earmarked reserves due to changes in accounting treatment of £1,202,906 as set out in paragraph 5.

3.2 Some of the **significant** service expenditure and income variances are set out below. Many of these have been reported throughout the year in budget monitoring reports and further explanations are provided in the appendices.

Under achieved Income

- Shortfall on Development Control income of £70,600.

- Shortfall on income from Tourist Information Centre of £50,900 (partly offset by underspends on expenditure of £38,700).
- Shortfall on income from Lanes of £415,200. £269,700 relating to a head rent adjustment for 2015/16 after completion of the detailed reconciliation of Head Rent calculation for 2015/16. This was received too late to be included within the outturn position for 2015/16. Revised Head Rent Projections for 2016/17 have been estimated at a further shortfall of £145,500.
- Underachieved income of £61,800 due to the change in accounting treatment and duplication of the Homelessness Prevention Grant.

Over achieved Income/Grants & Contributions

- Improved levels of income from property rent reviews of £148,800. These are in advance of the £1m additional income from the Council's assets to be achieved from 2018/19 onwards.
- Improved levels of income across the Industrial Estates, mainly from a further backdated rent review of £77,500 (this is non-recurring).
- Improved Crematorium income of £125,400.
- Improved income levels from Garden Waste of £51,800 and Plastic & Card Recycling of £36,900.
- Improved income levels from Off Street Parking of £56,000. This is partly offset by increased costs.
- Improved levels of Building Control income of £48,500.
- Net underspend in Revenues and Benefits of £136,200.

Under budget Expenditure

- Underspend on Minimum Revenue Provision of £156,700 due to a lower Capital Financing Requirement (CFR) at 31st March 2016.
- Additional salary turnover saving achieved of £114,700.
- Savings on previous year inflation of £57,900.
- Additional transformation savings of £66,400.
- Net underspend on Building & Facilities of £242,600, including under budget expenditure at Civic Centre of £110,400 mainly from credits for previous year energy costs.

Over budget Expenditure

- Overspend of £76,500 in relation to NNDR payments for properties earmarked for demolition. The demolition has now been completed so there is no further NNDR liability going forward.

- 3.3 A subjective analysis of the summarised outturn position excluding flood related items is shown below:

Subjective Analysis	Annual Budget (£)	Actual to date (£)	Adjusted Variance (£)
Employee Related	15,404,400	15,044,200	(360,200)
Premises Related	3,862,300	3,883,481	21,181
Transport Related	1,319,900	1,252,471	(67,429)
Supplies and Services	5,741,600	6,835,676	1,094,076
Third Party Payments	3,255,200	3,320,905	65,705
Other e.g. Housing Benefits	30,232,500	29,886,774	(345,726)
Total Expenditure	59,815,900	60,223,507	407,607
Grants and Contributions	(5,509,200)	(7,238,430)	(1,729,230)
Specific Grants e.g. Housing Benefits	(28,388,800)	(28,456,314)	(67,514)
Customer & Client Receipts	(11,280,400)	(11,317,651)	(37,251)
Other Income	(271,800)	(313,374)	(41,574)
Total Income	(45,450,200)	(47,325,769)	(1,875,569)
Total	14,365,700	12,897,738	(1,467,962)

- 3.4 The reallocation of central departments' balances to service areas still has to be carried out, which explains many of the small balances held on some management and support service centres. This reallocation will be completed before the Statement of Accounts is prepared, but has no impact on the overall out-turn position.
- 3.5 Members are regularly updated on the budget position throughout the year, with quarterly reports being considered by the Executive and scrutinised by Resources Overview and Scrutiny Panel. Many of the variances shown in the Appendices have previously been reported with any necessary steps to mitigate the impact on the future budget position dealt with as part of the 2017/18 budget. However, some pressures may have an ongoing impact which must be addressed during the forthcoming 2018/19 budget process.

4. CARRY FORWARD REQUESTS

- 4.1 In accordance with the Council's Constitution, any net underspending/savings on service estimates under the control of the Chief Officer may be carried forward. This is to facilitate the achievement of more strategic five year budgeting which requires

greater flexibility of budgets between years as set out in the Medium Term Financial Plan. Approval of carry forwards is subject to the following as contained in the Council's Constitution:

- *the authorisation of the Chief Finance Officer where the request relates to a specific committed item of expenditure where, due to external or other factors, the Chief Officer has been unable to spend the approved budget by 31 March. The use of the resource will be restricted to the purpose for which the estimate was originally intended. The carry forward will only be approved by the Chief Finance Officer if the expenditure is within both the Directorate's and the Authority's budget as approved for that year. Any carry forward which would result in an over-spend for the Authority will require authorisation by the Council.*
- *any overspending on service estimates in total on budgets under the control of the Chief Officer must be carried forward to the following year, and will constitute the first call on service budgets in the following year, unless the Council determines otherwise by way of a supplementary estimate. The Chief Finance Officer will report the extent of overspending carried forward to the Executive, Resources Overview and Scrutiny Panel and to the Council.*

The delegated power applies only in so far as the carry forwards do not take the Council into an overspend position.

- 4.2 Details of the carry forward requests, which itemise committed expenditure, are contained within **Appendix C1**. The requests have been subject to the scrutiny of the relevant Chief Officer and Portfolio Holder prior to formal consideration by SMT and the Chief Finance Officer, who is satisfied that budgets of £393,000 should be carried forward into 2017/18. Although some Directorates have expended in excess of their budgets, or have suffered reduced income as detailed in the individual appendices, once the committed expenditure is taken into account there is an overall underspend across the whole authority. These amounts have therefore been included in the carry forward. The relevant Chief Officer will be able to give further details of carry forward requests if required at the meeting.
- 4.3 As well as requests of £393,000 to be carried forward a further £151,700 of requests were also submitted (see table at paragraph 5.1). Given there is a net underspend position and that many of the additional requests are uncommitted or have existing budgets in 2017/18, it is again proposed to hold the budgets for these requests centrally in a general carry forward reserve which will only be released once evidence has been provided that expenditure is to be incurred in line with the original request **and** the 2017/18 base budgets would be overspent. This list of

requests will be monitored as part of the quarterly budget monitoring throughout 2017/18.

- 4.4 For information, the table below provides details of the outturn position (excluding funding) and level of carry forward requests over the last five years for illustrative purposes:

	2016/17 Provisional £	2015/16 £	2014/15 £	2013/14 £	2012/13 £
Variance at 31 March	(1,242,132)	(2,612,443)	(3,517,344)	(1,331,125)	(1,021,350)
Carry forward requests	393,000	593,900	671,600	767,600	696,400
Final Variance	(849,132)	(2,018,543)	(2,845,744)	(563,525)	(324,950)
Less Transfers	<u>407,300</u>	<u>1,993,500</u>	<u>1,411,000</u>	<u>480,943</u>	<u>249,703</u>
Service Expenditure variance	(441,832)	(25,043)	(1,434,744)	(82,582)	(75,247)
Percentage variance on service expenditure of original gross budget	(0.76)%	(0.04)%	(2.39)%	(0.14)%	(0.11)%

5. RESERVES AND PROVISIONS

- 5.1 Details of transfers into new/existing reserves and provisions requested as part of the outturn process are contained within **Appendix C2** and are summarised below.

	Approval Requested £
Carry Forward Reserve (para 4.3):	
Community Services	83,700
Economic Development	6,000
Governance & Regulatory Services	62,000
Total Transfer to Carry Forward Reserve	151,700
Prosecution Reserve Fund (new)	20,500
Promoting Carlisle Reserve (new)	30,000
Cremator Reserve	163,100
Car Parking Reserve	42,000
Total Transfers to Reserves (Outturn)	407,300

- 5.2 As a result of a change in accounting treatment and in order to recognise income in the correct accounting period, it has been necessary to establish further reserves totalling £1,202,906. This relates to income received both in 2016/17 and in prior years which has been accounted for as either Income in Advance of other Provisions. Currently contained within the 'total spend' figure for each Directorate, the income should be recognised on the balance sheet as a Reserve rather than a provision/income in advance and it is therefore recommended to set up specific reserves and transfer balances into these reserves as detailed in the table below and Appendix C2. The use of this reserve will be subject to the approval of the Chief Finance Officer in consultation with the relevant Chief Officer.

	Approval Requested £
Revenues and Benefits Reserve	338,385
Revenue Grants Reserve	864,521
Total Transfers to Reserves (Outturn)	1,202,906

- 5.3 The outturn position includes some uninsured flood costs such that are not covered by insurance or other external funding sources. As part of the 2015/16 outturn, a Flood Reserve was established and a balance of £500,000 transferred in; however, it is proposed to fund the balance of uninsured flood costs (£225,830) from the general revenue underspend and leave the full balance in the Flood Reserve to cover any further costs that are not recoverable from insurers in future years.
- 5.4 In accordance with statutory requirements any surplus generated by the Building Control function is required to be held as an identified earmarked reserve and can only be utilised for Building Control. In 2016/17 the required amount to be transferred to the Building Control Reserve is £49,961.
- 5.5 The level of Council reserves was approved by Council in February. Due to the level of underspend identified within this report after all carry forward requests are approved and transfers to/from earmarked reserves, approximately £1,029,000 will be returned to the General Fund Reserve.

	31/03/2017 £'000s	31/03/2018 £'000s	31/03/2019 £'000s	31/03/2020 £'000s	31/03/2021 £'000s	31/03/2022 £'000s
Prudent Level of Reserves	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Council Resolution General Fund Reserve	(1,570)	(1,997)	(2,395)	(2,469)	(2,927)	(2,943)
Underspend position returned to Reserves	(1,242)	0	0	0	0	0
Additional Funding from Business Rates	(637)					
Transfer (from)/to earmarked reserves & provisions: ⁽¹⁾						
- see paragraph 5.1	407					
- see paragraph 5.4	50					
Committed Carry Forwards	0	393	0	0	0	0
Revised Reserves Balance	(2,992)	(3,026)	(3,424)	(3,498)	(3,956)	(3,972)

Note 1: Transfers to/(from) earmarked reserves subject to approval

- 5.6 The Carry Forward Reserve is retained as a general reserve rather than an earmarked reserve as budgets will be released back into the General Fund Reserve if the expenditure incurred in line with the original requests can be met from within base budgets.

6. BAD DEBT PROVISION

- 6.1 The Council's bad debt provision has been increased in respect of housing benefit overpayments and sundry debtors, and reduced in respect of penalty charge notices, and this has been allocated directly to the services. Further details can be found in report RD06/17 elsewhere on the agenda.

7. BALANCE SHEET

- 7.1 In line with suggested best practice, information relating to significant items on the Council's balance sheet has been reported regularly to Members during the course of the year. The Council's balance sheet as at 31 March 2017 forms part of the annual Statement of Accounts that will be considered by the Audit Committee on 14 July, with final approval of the audited accounts on 31 July.
- 7.2 The VAT partial exemption calculation has been finalised for 2016/17 resulting in 2.97% for the year which is well below the 5% limit set by HMRC.
- 7.3 The 2016/17 Council Tax Collection Fund projected surplus has increased from £1,242,496 to £1,708,288 (Council share increased from £159,180 to £217,388).

- 7.4 2016/17 is the fourth year of the Business Rate Retention Scheme and new Collection Fund Accounting Regulations and the third year the Council has participated in the Cumbria Pooling arrangement.
- 7.5 The detailed figures for Business rates are considered elsewhere on the agenda in report RD06/17. The Council budgeted for additional income of £660,000, and the outturn shows that an additional £637,000 has been achieved in 2016/17. This surplus on the budget will be an additional contribution to General Fund Reserves.

The Council Tax and NNDR Provisional outturn report provides further details and is considered elsewhere on the agenda (RD06/17).

8. CONSULTATION

- 8.1 Consultation to date.
Portfolio Holders and SMT have considered the issues raised in this report.
- 8.2 Consultation Proposed.
Resources Overview and Scrutiny Panel will consider the report on 13 June 2017.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 9.1 The Executive is asked to:
- (i) Note the net underspend as at 31 March 2017 of £441,832 after carry forwards as set out in (ii) below and net transfers to/from earmarked reserves as noted in (iii) below;
 - (ii) Note the committed expenditure totalling £393,000 to be met in 2017/18 which has been approved by the Chief Finance Officer under delegated powers, and the release of £393,000 in 2017/18 from the General Fund Reserve, for recommendation to Council;
 - (iii) Approve for recommendation to Council, the creation of new reserves and transfers into the new and existing reserves of £407,300 as detailed in paragraph 4.3 and 5.1 and Appendix C2 of the report;
 - (iv) Approve for recommendation to Council, the creation of new reserves and transfers into the new reserves of £1,202,906 in relation to accounting treatment amendments as set out at paragraph 5.2.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 10.1 The Council's budget is set in accordance with the priorities of the Carlisle Plan and the 2016/17 outturn shows the delivery of these priorities within budget.

Contact Officer: Emma Gillespie

Ext: 7289

Appendices A, B1 to B6 and C1 to C2.
attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS/RISKS: SMT and JMT have been involved in the preparation of this report. Risks to future years' budget and development of ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.

Community Services – N/A

Corporate Support & Resources – Financial implications are contained within the main body of the report.

Economic Development – N/A

Governance & Regulatory Services – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the outturn figures is part of this process. Approval of full Council is required for the additional use of revenue reserves to fund expenditure commitments as set out in the report.

REVENUE BUDGET MONITORING 2016/17

VIREMENTS PROCESSED FOR PERIOD JANUARY TO MARCH 2017

Date	Virement Details	Permanent/ Temporary	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
10/01/2017	Appointment of Leisure Contract Retender Advisor (up to £125,000)	Temporary	19,700	OD 184/15 Deputy Chief Executive
20/02/2017	Release of funds from Carry Forward Reserve to fund security gate installation at Bousteads Grassing.	Temporary	30,000	Chief Finance Officer 20/02/17
13/02/2017	Funding to commence work on CIL from Economic Investment Reserve	Temporary	15,000	OD 37/17 Chief Executive
01/03/2017	Funding Local Plan Examination costs from General Carry Forward Reserve	Temporary	6,800	Director of Resources (email 01/09/16)
31/03/2017	Provision of budget from Community centres to part fund increased Community Centre ICT costs	Permanent	3,300	Deputy Chief Executive
31/03/2017	Funding Citadel/English Street Feasibility Appraisal from Economic Investment & Policy Reserve	Temporary	23,000	OD 053/17 Chief Executive
31/03/2017	To provide match funding to support delivery of ERDF 2014-20 Business Start-Up support & Cumbria Growth Hub programmes from the Economic Investment Reserve	Temporary	50,000	OD 050/17 Chief Executive
Approved by Executive (£35,000 to £70,000)				
31/03/2017	Release of budget from the Repair & Renewals Reserve to fund ICT Strategy implementation	Temporary	198,900	RD57/15 Executive 08/02/16
Approved by Council (over £70,000)				
	Increase salary grades for Corporate Directors	Permanent	6,100	CE11/16 Council 08/11/16

REVENUE BUDGET MONITORING 2016/17

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Total
Position as at 31st March 2017	£	£	£	£	£	£
Annual Budget	17,284,100	(5,595,400)	(2,756,500)			8,932,200
Budget to date	17,284,100	(5,595,400)	(2,756,500)			8,932,200
Total Actual	17,172,169	(6,020,575)	(2,704,035)			8,447,559
Variance	(111,931)	(425,175)	52,465			(484,641)
Carry Forwards/Reserves & Provisions				42,400	288,800	331,200
Adjusted Variance	(111,931)	(425,175)	52,465	42,400	288,800	(153,441)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions (A)	Adjusted Variance
Service	Note	£	£	£	£	£	£
Bereavement Services	1	(22,294)	(140,827)	(38)	0	163,100	(58)
Garage Services	2	(19,167)	(7,968)	49,532	0	0	22,397
Green Spaces	3	(17,403)	(44,737)	0	0	7,500	(54,640)
Parking	4	38,464	(81,567)	(0)	0	30,300	(12,804)
Tourist Information Centres	5	(38,656)	50,903	0	0	0	12,246
Waste Services	6	(43,035)	(85,485)	0	33,200	41,000	(54,321)
Miscellaneous	7	(9,839)	(115,493)	2,971	9,200	46,900	(66,262)
Total Variance to date		(111,931)	(425,175)	52,465	42,400	288,800	(153,441)

REVENUE BUDGET MONITORING 2016/17

Note	Community Services - Comments
1.	Various minor underspends including energy costs; increased cremation fee income. Balance requested to be transferred into Cremator Replacement Reserve.
2.	Under budget employee costs; shortfall on job recharges partly offset by increased external income.
3.	Various minor underspends & additional income across the service.
4.	Over budget NNDR costs; offset by additional permit income, rental income and PCN income. Transfer to Car Parking Reserve requested for future improvements.
5.	Under budget employee costs offset by shortfall in income from sale of goods & accommodation bookings.
6.	Under budget employee costs, transport costs & supplies & services; surplus income from Garden Waste & Plastics and Card Recycling.
7.	Various minor underspends & additional income across the service.

REVENUE BUDGET MONITORING 2016/17

CORPORATE SUPPORT AND RESOURCE	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2017	£	£	£	£	£	£
Annual Budget	39,366,000	(29,740,300)	(6,035,800)			3,589,900
Budget to date	39,366,000	(29,740,300)	(6,035,800)			3,589,900
Total Actual	40,311,368	(31,173,705)	(6,043,626)			3,094,037
Variance	945,368	(1,433,405)	(7,826)			(495,863)
Carry Forwards/Reserves & Provisions				0	0	0
Adjusted Variance	945,368	(1,433,405)	(7,826)	0	0	(495,863)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Treasury and Debt Management	1	(160,085)	(15,969)	3,749	0	0	(172,305)
Revenues and Benefits	2	1,213,025	(1,349,198)	0	0	0	(136,173)
Miscellaneous	3	(107,572)	(68,238)	(11,575)	0	0	(187,385)
Total Variance to date		945,368	(1,433,405)	(7,826)	0	0	(495,863)

Note	Corporate Support & Resources - Comments
1.	Under budget on Minimum Revenue Provision, over achieved market deposit investment interest.
2.	Overspend in relation to S31 Flood Grants matched by increased income.
3.	Various minor underspends, and increased levels of income.

REVENUE BUDGET MONITORING 2016/17

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2017	£	£	£	£	£	£
Annual Budget	3,150,100	(1,402,500)	(393,900)			1,353,700
Budget to date	3,142,000	(1,402,500)	(393,900)			1,345,600
Total Actual	3,273,864	(1,525,939)	(393,900)			1,354,025
Variance	131,864	(123,439)	0			8,425
Carry Forwards/Reserves & Provisions				8,100	36,000	44,100
Adjusted Variance	131,864	(123,439)	0	8,100	36,000	52,525

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Development Control	1	(2,161)	70,621	0	0	6,000	74,460
Building Control	2	(49,343)	(48,577)	0	0	0	(97,920)
Miscellaneous	3	183,368	(145,483)	0	8,100	30,000	75,985
Total Variance to date		131,864	(123,439)	0	8,100	36,000	52,525

Note	Economic Development - Comments
1.	Shortfall in income from fees and charges.
2.	Underspend on employee costs; surplus fee income received to date.
3.	Various net minor overspends and surplus income across the service.

REVENUE BUDGET MONITORING 2016/17

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2017	£	£	£	£	£	£
Annual Budget	10,449,300	(6,592,800)	(3,273,500)			583,000
Budget to date	10,300,500	(6,592,800)	(3,273,500)			434,200
Total Actual	10,351,179	(6,689,315)	(3,309,211)			352,653
Variance	50,679	(96,515)	(35,711)			(81,547)
Carry Forwards/Reserves & Provisions				148,800	82,500	231,300
Adjusted Variance	50,679	(96,515)	(35,711)	148,800	82,500	149,753

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Buildings and Facilities	1	(74,802)	(2,421)	(31,869)	0	0	(109,091)
Civic Centre	2	(110,449)	(23,102)	0	0	30,500	(103,050)
Municipal Elections	3	153,575	(169,279)	0	0	0	(15,704)
Homeless Accommodation	4	(77,376)	(8,141)	0	85,500	0	(16)
Homeless Prevention & Welfare	5	156,020	(143,616)	0	63,300	0	75,705
Industrial Estates	6	105,830	(77,536)	0	0	13,100	41,394
The Lanes	7	(6,466)	415,225	0	0	0	408,759
Asset Review Income	8	(148,800)	0	0	0	0	(148,800)
Property Services	9	93,295	(4,360)	(0)	0	0	88,935
Miscellaneous	11	(40,150)	(83,286)	(3,842)	0	38,900	(88,378)
Total Variance to date		50,679	(96,515)	(35,711)	148,800	82,500	149,753

Note	Governance & Regulatory Services - Comments
1.	Underspend on employee, transport, supplies & services & third party payments; surplus income from job recharges.
2.	Underspend on energy costs due to credit for previous year.
3.	Increased expenditure offset by additional income for election costs.
4.	Lower expenditure levels due to temporary closure of John Street.
5.	Underspend on supplies & services, overspend due to Domestic Abuse grant payments to partners; underachieved income due to the change in accounting treatment and duplication of the Homelessness Prevention Grant.
6.	Overspend on NNDR in relation to properties earmarked for demolition; surplus rent income due to rent reviews and backdated rent income.
7.	Underspend on third party payments; underachieved rent income due to a head rent adjustment relating to 2015/16 & estimated shortfall for 2016/17.
8.	Additional income generated from rent reviews being set aside as savings in advance of a future year's saving target.
9.	Overspend on premises costs at John Street Resource Centre & in relation to asset disposal costs & Chancerygate costs.
10.	Various net minor overspends and surplus income across the service.

REVENUE BUDGET MONITORING 2016/17

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2017	£	£	£	£	£	£
Annual Budget	2,522,600	(2,458,800)	0			63,800
Budget to date	2,522,600	(2,458,800)	0			63,800
Total Actual	2,121,892	(2,472,428)	0			(350,536)
Variance	(400,708)	(13,628)	0			(414,336)
Carry Forwards/Reserves & Provisions				193,700	0	193,700
Adjusted Variance	(400,708)	(13,628)	0	193,700	0	(220,636)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Direct Revenue Financing (excluding Flood)	1	(197,934)	0	0	193,700	0	(4,234)
Non Distributed Costs	2	51,194	0	0	0	0	51,194
Other Financial Costs	3	(252,240)	(13,627)	0	0	0	(265,867)
Miscellaneous	4	(1,728)	(1)	0	0	0	(1,729)
Total Variance to date		(400,708)	(13,628)	0	193,700	0	(220,636)

Note	Corporate - Comments
1.	Underspend on RBS ICT Upgrades, property improvements, Market Hall Roof & DIS Strategy. Carry forward to fund continuing capital schemes.
2.	Overspend on shared service pension costs.
3.	Improvements in savings for Salary Turnover (£114,700), Inflation savings (£57,900) & transformation savings (£66,400); additional grant income received.
4.	Various minor underspends.

REVENUE BUDGET MONITORING 2016/17

REVENUE FLOOD RECOVERY	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2017	£	£	£	£	£	£
Annual Budget	2,662,300	(2,662,300)	0			0
Budget to date	2,662,300	(2,662,300)	0			0
Total Actual	5,239,416	(5,013,586)	0			225,830
Variance	2,577,116	(2,351,286)	0			225,830
Carry Forwards/Reserves & Provisions				0	0	0
Adjusted Variance	2,577,116	(2,351,286)	0	0	0	225,830

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Flood Damage Recovery	1	868,791	66,124	0	(713,500)	0	221,415
Flood Government Grant	2	2,401,125	(2,401,125)	0	0	0	0
Bellwin Scheme	3	14,654	(16,284)	0	0	0	(1,630)
Direct Revenue Financing (Flood Related)	4	(707,454)	0	0	713,500	0	6,046
Total Variance to date		2,577,116	(2,351,286)	0	0	0	225,830

Note	Flood - Comments
1.	Additional costs incurred as a result of the floods which will be recoverable through Insurance in full or in part. Variance shown is the balance required to be funded from revenue reserves as this is not covered by insurance.
2.	Flood grants paid out; fully recoverable through government grants.
3.	Initial response expenditure fully recoverable by Bellwin Claim.
4.	Direct Revenue Financing from Insurance settlements to fund capitalised flood reinstatement costs .

2016/17 REVENUE CARRY FORWARD REQUESTS

APPENDIX C1

Directorate/Section	Description	Requests into			Total
		2017/18 £	2018/19 £	2019/20 £	
<u>Corporate Support & Resource</u>					0
		0	0	0	0
<u>Corporate Management</u>					
Direct Revenue Financing	Budgets allocated to fund capital programme where expenditure has slipped into 2017/18 and resources are required to be carried forward	193,700			193,700
					0
		193,700	0	0	193,700
<u>Community Services</u>					
Apprenticeships	To fund the appointment of 5 apprentices for 2 years which covers 3 financial years (Jun 17 to Jun 19)	33,200			33,200
Small Scale Community Projects	Project to install alleygates in Denton Holme is ongoing and cannot be completed until after a consultation period.	3,000			3,000
Downagate Community Centre grant	Executive members agreed to consolidated the grant payment for the next 3 years into a single payment in 2017/18.	6,200			6,200
		42,400	0	0	42,400
<u>Economic Development</u>					
Community Infrastructure Levy	Balance of £15,000 released from the Economic Investment Reserve. Spend has been delayed to ensure a clearer indication of the Government's intentions for a new approach for developer contributions is achieved.	8,100			8,100
		8,100	0	0	8,100
<u>Governance & Regulatory</u>					
John Street Refurbishment	To provide budget to cover additional refurbishment costs at John Street that are not covered by insurance.	85,500			85,500
Homelessness Prevention Funding	Homelessness prevention grant to deliver and support Homeless Prevention Services in line with legislative/strategic requirements and objectives.	63,300			63,300
		148,800	0	0	148,800
<u>Flood</u>					
Flood Insurance Settlements	Negative carry forward to match capital and balance off against when insurance settlements received, OR debtor lists to be input to increase the debtors to the contract values (contract values are the budget values)	(713,500)			(713,500)
Direct Revenue Financing	Budgets allocated to fund capital programme where expenditure has slipped into 2017/18 and resources are required to be carried forward	713,500			713,500
					0
		0	0	0	0
Total General Fund Carry Forward Requests		393,000	0	0	393,000

2016/17 REVENUE RESERVE REQUESTS

APPENDIX C2

Reserve/Provision	Purpose	Management of the Reserve	Approval to Release Funds	2017/18 £	Total £
NEW					
Prosecution Fund	To establish a reserve for future anticipated Barrister & legal fees in 2017/18 funded from surplus in Food Safety budget	Management of the Reserve rest with the Corporate Director of Governance & Regulatory Services	Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Corporate Director of Governance & Regulatory Services in consultation with the Chief Executive, Portfolio Holder & Chief Finance Officer.	20,500	20,500
Promoting Carlisle	Promoting Carlisle / Economic Development Initiatives	Management of the Reserve rest with the Corporate Director of Economic Development	Approval to release funds from the reserve can only be given by a Portfolio Holder Decision Notice by the Leader in consultation with the Corporate Director of Economic Development & Chief Finance Officer.	30,000	30,000
EXISTING					
Car Parking Reserve	To provide additional funding into the Car Parking Reserve for future car park improvements from surplus income received in Pedestrianisation & car parking	Management of the Reserve rests with Deputy Chief Executive	Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Chief Executive in consultation with the Deputy Chief Executive, Portfolio Holder & Chief Finance Officer.	42,000	42,000
Cremator Reserve	To build up resources to replace cremators when required.	Management of the Reserve rests with Deputy Chief Executive	Approval to release funds from the reserve can only be given by the Executive of the Council	163,100	163,100
General Carry Forward Reserve	A reserve to hold carry forward budgets. Any expenditure in relation to a carry forward listed below will if possible be funded from base budgets, but can be called from this reserve if the section is likely to be in an overspend position at year end.	Management of the Reserve rests with Chief Finance Officer	Approval to release funds from the reserve only be given by the Chief Finance Officer.		151,700
Community Services	Neighbourhood Services: Webaspx In-cab purchases			41,000	
Community Services	Grounds: To improve security to all Grounds Maintenance stores at Bousteads			7,500	
Community Services	Events: To provide budget for 2017/18 Food Event			7,000	
Community Services	Policy & Communications: To provide budget to assist the implementation of SharePoint			2,400	
Community Services	Tullie House: Planned & Reactive Maintenance			25,800	
Economic Development	Development Control: To retain additional funds generated through the Planning Performance Agreement for the National Infrastructure Project			6,000	
Governance & Regulatory Services	Municipal Maintenance: Planned & Reactive Maintenance			48,900	
Governance & Regulatory Services	Industrial Estates: For major repairs/improvements that will be required in future for our roads and estate infrastructure			13,100	
TOTAL RESERVE REQUESTS				407,300	407,300
Revenues & Benefits Reserve	To hold funds received by the Council from DCLG and DWP which have not yet been utilised to assist the Council in meeting its costs for future changes to Revenues and Benefits Services.	Management of the Reserve rest with the Chief Executive	Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Chief Executive in consultation with the Portfolio Holder & Chief Finance Officer.	338,385	338,385
Revenues Grants Reserve	To hold grant funds received by the Council which have not yet been utilised.	Management of the Reserve rest with the Chief Finance Officer	Approval to release funds from the reserve only be given by the Chief Finance Officer in consultation with the relevant Chief Officer.	864,521	864,521
TOTAL RESERVE REQUESTS DUE TO ACCOUNTING TREATMENT CHANGES				1,202,906	1,202,906