

Report to Business and Transformation Scrutiny Panel

Agenda
Item:

A.3 (a)

Meeting Date: 30 May 2019
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD.05/19
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2018/19
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 01/19

Purpose / Summary: This report summarises the 2018/19 provisional outturn for the General Fund revenue budget considered by the Executive on 29 May 2019.

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 2019/20 Directorate budgets.

Recommendations:

Members of the Business and Transformation Scrutiny Panel are asked to scrutinise this report.

Tracking

Executive:	29 May 2019
Scrutiny:	30 May 2019 (BTSP)
Audit Committee:	08 July 2019
Council:	16 July 2019

Report to Executive

Agenda
Item:

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Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2018/19
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 01/19

Purpose / Summary: This report summarises the 2018/19 provisional outturn for the General Fund revenue budget and gives reasons for the variances. The outturn position will require an additional use of General fund reserves of £41,000 (as set out in paragraph 5.3).

Requests are made to carry forward committed expenditure of £406,700, net transfers to/from reserves of £206,275 and transfer from the building control reserve of £32,637, which, if approved, will result in an overall net position of £631,660 on Council Services; however additional funding from Business Rates income of £558,000 has also been realised.

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 2018/19 will be presented to the Audit Committee on 8 July, with final approval of the audited accounts on 30 July.

Recommendations:

The Executive is asked to:

- (i) Note the net overspend of £18,685 for Council Services as at 31 March 2019;
- (ii) Consider the committed expenditure totalling £406,700, to be incurred in 2019/20 and funded by a release from the General Fund Reserve in 2019/20 as detailed in Appendix D1 of the report for recommendation to Council;
- (iii) Approve the creation of new reserves and transfers into and from the new and existing reserves of £206,275, in addition to the transfer from the building control

reserve of £32,637 as detailed in paragraphs 5.1 and 5.2 and Appendix D2 of the report for recommendation to Council;

- (iv) Approve, for recommendation to Council, the revised delegations for the release of the Building Control Reserve.

Tracking

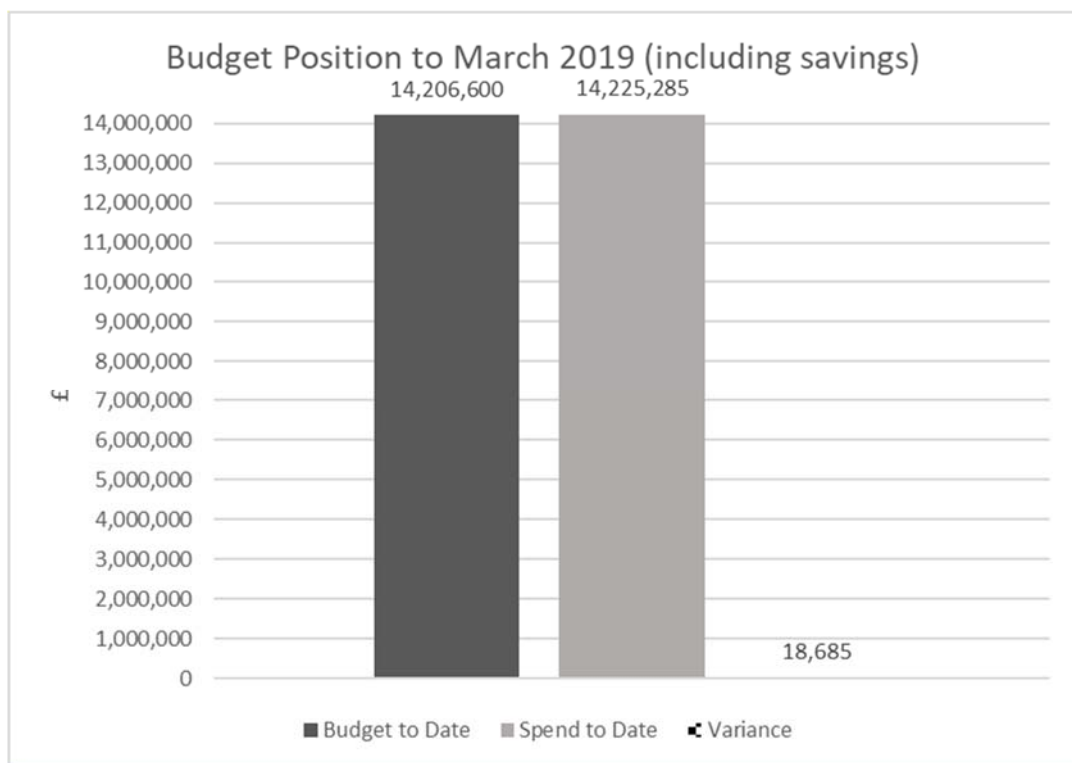
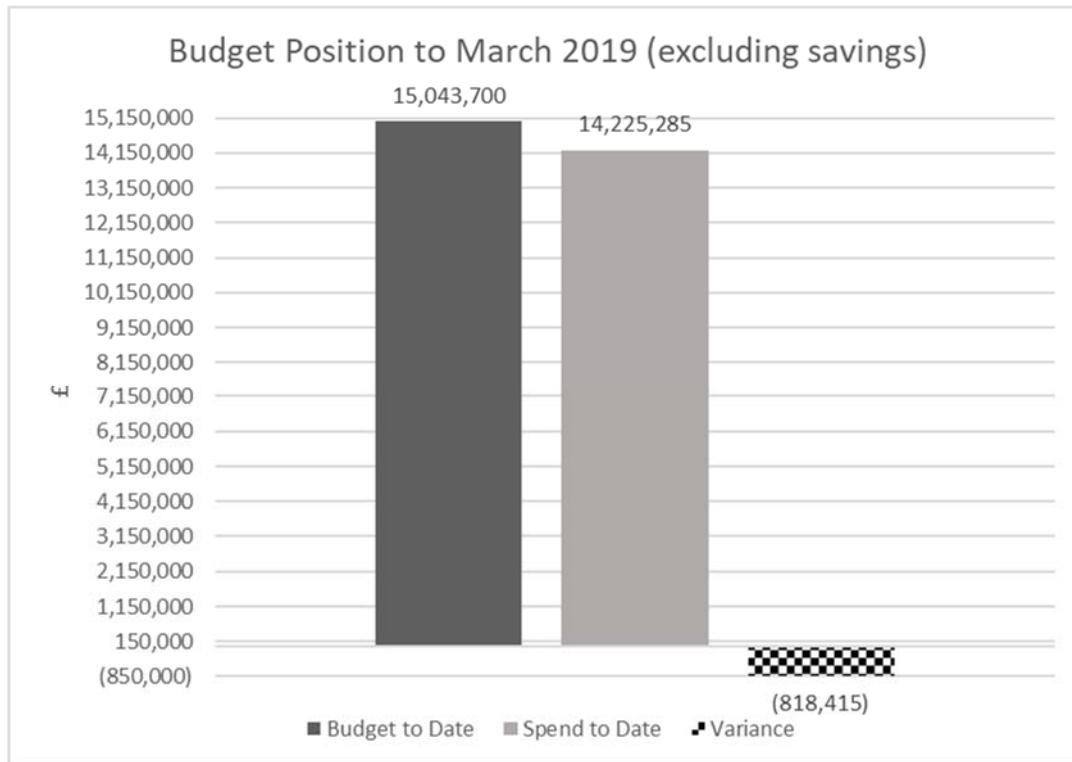
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1. BACKGROUND

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources 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 Directors to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 1.2 This report shows the provisional outturn position for the General Fund Revenue budgets for 2018/19.
- 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 Directors.
 - (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 Director after discussion with the Portfolio holder, and the Corporate Director of Finance and Resources.
 - (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 draft Statement of Accounts for 2018/19 will be presented to the Audit Committee on 8 July, with formal approval of the audited accounts on 30 July. Any significant changes required following the approval of the 2018/19 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 2018/19

2.1 The draft outturn position of the Council for 2018/19 is presented below:



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	Original Budget £	Net Updated Budget £	Net Spend to Date £	Variance £	Carry Forwards £	Reserves £	Adjusted Variance £
Community Services (B1)	7,603,800	9,357,900	9,626,091	268,191	61,700	25,123	355,014
Corporate Support (B2)	2,889,700	1,472,000	1,321,893	(150,107)	10,000	0	(140,107)
Economic Development (B3)	889,100	1,808,900	1,786,150	(22,750)	34,800	38,687	50,737
Finance & Resources (B4)	2,592,500	1,115,300	839,403	(275,897)	6,300	54,100	(215,497)
Governance & Regulatory Services (B5)	254,900	880,800	849,021	(31,779)	43,600	88,365	100,186
Corporate Management (B6)	(1,603,000)	408,800	(197,273)	(606,073)	250,300	0	(355,773)
Service Expenditure	12,627,000	15,043,700	14,225,285	(818,415)	406,700	206,275	(205,440)
Transformation & Base Budget Savings	(1,242,000)	(837,100)	0	837,100	0	0	837,100
Service Expenditure	11,385,000	14,206,600	14,225,285	18,685	406,700	206,275	631,660
Parish Precepts	613,100	613,100	613,051	(49)	0	0	(49)
Total	11,998,100	14,819,700	14,838,336	18,636	406,700	206,275	631,611
<u>Transfers to/(from) Reserves</u>							
Car Park Improvement Reserve	0	(106,600)	(106,600)	0	0	0	0
Building Control Reserve	0	(32,300)	(64,937)	(32,637)	0	0	(32,637)
City Centre Reserve	0	(32,800)	(32,800)	0	0	0	0
Cremator Replacement Reserve	0	113,500	113,507	7	0	0	7
Carry Forward Reserve	(235,000)	(415,100)	(415,100)	0	0	0	0
Promoting Carlisle Reserve	0	(10,000)	(10,000)	0	0	0	0
Revenue Grants Reserve	0	(918,800)	(918,933)	(133)	0	0	(133)
General Fund Reserve	817,800	(543,000)	28,862	571,862	(406,700)	(206,275)	(41,113)
Planning Services Reserve	0	121,600	121,600	0	0	0	0
Prosecution Fund	0	(15,300)	(15,300)	0	0	0	0
Total Transfer to/(from) Reserves	582,800	(1,838,800)	(1,299,701)	539,099	(406,700)	(206,275)	(73,876)
Financed by:							
Precept from Collection Fund	(7,600,700)	(7,600,700)	(7,600,643)	57	0	0	57
Business Rate Retention	(4,531,700)	(4,931,700)	(5,489,451)	(557,751)	0	0	(557,751)
Revenue Support Grant	(448,500)	(448,500)	(448,541)	(41)	0	0	(41)
Total Grants	(12,580,900)	(12,980,900)	(13,538,635)	(557,735)	0	0	(557,735)
Total	(11,998,100)	(14,819,700)	(14,838,336)	(18,636)	(406,700)	(206,275)	(631,611)

2.3 The table above details the net Council budget. The Council's original gross budget for 2018/19 was £55.07m and although there are many individual variances

as detailed by directorates in **Appendices B1 – B6**, the net overspend equates to 1.15% of this budget.

3. EXPLANATION OF SIGNIFICANT VARIANCES & KEY ISSUES

- 3.1 The provisional outturn position for 2018/19 is an overspend of £631,660 after taking into account carry forward requests of £406,700 as set out in paragraph 4, and transfers to/from earmarked reserves totalling £206,275, 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.
- Additional expenditure of £73,703 on Arts and Museums contracts due to payment of IT services to Tullie House.
 - Additional requirement of £125,463 in Recycling and Waste Management mainly due to a shortfall in income from recycling and garden waste.
 - Net additional expenditure of £80,476 in Garage Services mainly due to staffing resource pressures and therefore also a reduced level of job recharges income.
 - An underspend of £165,783 on Direct Revenue Funding of the Capital Programme. This relates to funding for schemes that are no longer progressing.
 - Additional salary turnover savings of £103,600.
 - Additional costs of £127,782 in relation to Insurance claims in excess of the estimated provision.
 - Additional government grants received of £101,510.
 - An underspend of £84,000 on the corporate inflation allocation.
 - A net underspend of £93,906 on ICT Services mainly in relation to reduced software and maintenance costs.
 - An underspend of £85,938 in Revenues and Benefits mainly in relation to Grants.
 - Additional expenditure of £81,088 in relation to the running costs of the Business Interaction Centre.
 - A saving of £91,400 on the Council's Minimum Revenue Provision (as a direct result of the capital expenditure underspend in 2017/18). This is partly offset by a shortfall in investment income of £25,186.
 - A net underspend of £139,287 in Benefits Overpayments and Subsidy.
 - A net overspend of £113,879 in Homeless Accommodation in the main due to a shortfall in income of £143,311.
 - A shortfall in Lanes Rental of £145,032.

- Additional expenditure on the Market Hall of £102,770 as a result of backdated head rent calculations.
- Additional income of £275,000 for a dilapidation settlement at Castle Street.
- A net underspend of £80,146 on Regulatory Services due to additional income received.

3.3 A subjective analysis of the summarised outturn position is shown in **Appendix C**.

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 cost 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 Business and Transformation 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 2019/20 budget. However, some pressures may have an ongoing impact which must be addressed during the forthcoming 2020/21 budget process.

3.6 During the 2019/20 budget process, a budget pressure was recognised totalling £837,000 mainly due to shortfalls of income in three key areas; The Lanes, Development Control and Recycling. There were also other items of anticipated additional expenditure identified where base budgets were not deemed sufficient. It was therefore agreed that a base budget review be carried out during 2019/20 to identify alternative savings to address these pressures as well as working with budget holders to assess the likelihood of the pressures occurring on a recurring basis. The impact of these shortfalls of income have been reported during the year as part of the quarterly budget monitoring procedures and as can be seen from the table below has added £463,150 as a budget shortfall for 2018/19.

	2019/20 Pressure identified £	2018/19 Net Variance £
City Centre Property rental income	23,000	37,311
Lances rental income	275,000	145,052
Rental income from other properties	96,000	128,338
Land Charges income	30,000	(24,753)
Reduced income from recyclates	164,000	133,283
Income from advertising	17,000	14,500
Development Control income	102,000	(7,220)
Local Plan monitoring fee	8,000	8,000
Loss of DWP funding	9,000	9,100
Asset valuations	10,000	10,200
Youth exchange	18,000	9,406
Revenue financing of capital	25,000	0
Increased Garden Waste tipping charges	60,000	(67)
	837,000	463,150

3.7 The Council also had to achieve £1.237million of transformation savings in the year of which £400,000 was vired from additional income generated from Business Rates (RD29/18 refers). This left £837,100 to be found, on a non-recurring basis, from the 2018/19 base budget although it was recognised that temporary use of reserves may be required to fund any shortfall (RD29/18 refers). Until the impact of the Fair Funding Review, the Comprehensive Spending Review and the Business Rate Retention scheme were clarified for 2020/21 and beyond, any savings and shortfalls of income were to be found on a non-recurring basis but which could also necessitate the temporary use of reserves (RD29/18 refers).

3.8 As can be seen from this provisional outturn report, the temporary use of additional general fund reserves is required; however, this, totalling £41,000, has been kept to a minimum whilst allowing transformation savings targets and income shortfalls to be met. This ensures that reserves are retained at above minimum levels in the medium term ensuring that all requested carry forwards are funded.

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 Director 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 Corporate Director of Finance and Resources where the request relates to a specific committed item of expenditure where, due to external or other factors, the Director 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 Corporate Director of Finance and Resources 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 Director 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 Corporate Director of Finance and Resources will report the extent of overspending carried forward to the Executive, Business and Transformation 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 D1**. The requests have been subject to the scrutiny of the relevant Director and Portfolio Holder prior to formal consideration by SMT and the Corporate Director of Finance and Resources; however, given the projected overspend on Council Services of £631,660, the Corporate Director of Finance and Resources does not have the delegated authority to approve all of the requests and two options are therefore available to the Executive:

- The Executive can approve the carry forward requests for recommendation to Council as a supplementary estimate (£631,660 if all requests were approved). This would have an impact on the revenue reserves, or
- The Executive could decide not to approve the carry forward requests or limit the request to the level of budget available. This would result in any carry forward request refused being a first call on Directorates' 2019/20 budgets, which would reduce the amount available to support 2019/20 services.

Members should review these requests and the net outturn position in the context of the overall Reserves position. The increased income from Business Rates (paragraphs 5.3 and 7.5 refers) has been added to the General Fund Reserve with

the table at paragraph 5.4 below showing the impact on Reserves if all of the carry forward and net transfers to reserves are approved. The overall impact indicates a reduction in General Fund Reserves of £41,000 as a result of the 2018/19 net outturn position.

The relevant Director will be able to give further details of carry forward requests if required at the meeting.

- 4.3 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:

	2018/19 Provisional £	2017/18 £	2016/17 £	2015/16 £	2014/15 £
Variance at 31 March	18,685	(1,539,526)	(1,242,132)	(2,612,443)	(3,517,344)
Carry forward requests	406,700	663,800	393,000	593,900	671,600
Final Variance	425,385	(875,726)	(849,132)	(2,018,543)	(2,845,744)
Less Transfers	206,275	1,276,247	407,300	1,993,500	1,411,000
Service Expenditure variance	631,660	400,521	(441,832)	(25,043)	(1,434,744)
Percentage variance on service expenditure of original gross budget	1.15%	0.71%	(0.75)%	(0.04)%	(2.39)%

5. RESERVES AND PROVISIONS

- 5.1 Details of transfers into and from new/existing reserves and provisions requested as part of the outturn process are contained within **Appendix D2** and are summarised below.

	Net Approval Requested £
Apprentice Infrastructure (new)	54,100
Prosecution Reserve	10,000
Revenue Grants Reserve	142,175
Total Additional Transfers to Reserves	206,275

The creation of the Apprentice Infrastructure Reserve is to hold allocated budgets for Apprentice posts that is committed but will not be required until future years.

- 5.2 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 2018/19 the required amount to be transferred from the Building Control Reserve is £32,637. This is in addition to £32,300 released during 2018/19 to fund eligible costs.

It is recommended that the delegations for the release of this reserve are amended to allow the Corporate Director of Economic Development to authorise release of the reserve through an Officer Decision Notice. The reserve is ring-fenced by statute to support improvements to the Building Control Service and is not available for general use by the Council and any release will be in line with this condition.

- 5.3 The level of Council reserves was approved by Council in February. Due to the level of underspend identified within this report and if all of the carry forward requests and transfers to/from earmarked reserves are approved, an additional £41,000 will be required from the General Fund Reserve.

	31/03/2019 £'000s	31/03/2020 £'000s	31/03/2021 £'000s	31/03/2022 £'000s	31/03/2023 £'000s	31/03/2024 £'000s
Prudent Level of Reserves	(3,300)	(3,300)	(3,300)	(3,300)	(3,300)	(3,300)
Council Resolution General Fund Reserve	(4,867)	(4,354)	(3,327)	(3,655)	(3,861)	(4,248)
Overspend position to be taken from Reserves	19	0	0	0	0	0
Additional Funding from Business Rates	(558)					
Transfer (from)/to earmarked reserves & provisions: ⁽¹⁾						
- see paragraph 5.1	206					
- see paragraph 5.2	(33)					
Committed Carry Forwards	0	407	0	0	0	0
Revised Reserves Balance	(5,233)	(4,313)	(3,286)	(3,614)	(3,820)	(4,207)

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

Note 2: The Final Reserves Balance will be dependent on additional transfer as part of the Statement of Accounts including the final position on Business Rates.

- 5.4 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 sundry debtors and penalty charge notices, and reduced in respect of housing benefit overpayments, and this has been allocated directly to the services. Further details can be found in report RD04/19 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 2019 forms part of the annual Statement of Accounts that will be considered by the Audit Committee on 8 July, with final approval of the audited accounts on 30 July.
- 7.2 The VAT partial exemption calculation has been finalised for 2018/19 resulting in 3.33% for the year which is well below the 5% limit set by HMRC. However, this will increase as expenditure is incurred on the capital programme especially on VAT exempt activities i.e. Civic Centre reinstatement.
- 7.3 The 2018/19 Council Tax Collection Fund projected surplus has decreased from £937,227 to £542,709 (Council share decreased from £117,885 to £66,944).
- 7.4 2018/19 is the sixth year of the Business Rate Retention Scheme and the Collection Fund Accounting Regulations and the fifth 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 RD04/19. The Council budgeted for additional income of £1,650,000, and the outturn shows that an additional £558,000 on top of this has been achieved in 2018/19. 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 (RD04/19).

8. RISKS

- 8.1 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.

9. CONSULTATION

- 9.1 Consultation to date.

Portfolio Holders and SMT have considered the issues raised in this report.

9.2 Consultation Proposed.

Business and Transformation Scrutiny Panel will consider the report on 30 May 2019.

10. CONCLUSION AND REASONS FOR RECOMMENDATIONS

10.1 The Executive is asked to:

- (i) Note the net overspend of £18,685 for Council Services as at 31 March 2019;
- (ii) Consider the committed expenditure totalling £406,700, to be incurred in 2019/20 and funded by a release from the General Fund Reserve in 2019/20 as detailed in Appendix D1 of the report for recommendation to Council;
- (iii) Approve the creation of new reserves and transfers into and from the new and existing reserves of £206,275, in addition to the transfer from the building control reserve of £32,637 as detailed in paragraphs 5.1 and 5.2 and Appendix D2 of the report for recommendation to Council;
- (iv) Approve, for recommendation to Council, the revised delegations for the release of the Building Control Reserve.

11. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

11.1 The Council's budget is set in accordance with the priorities of the Carlisle Plan and the 2018/19 outturn shows the delivery of these priorities within budget.

Contact Officer: Emma Gillespie

Ext: 7289

Appendices A, B1 to B6, C and D1 to D2.
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:

LEGAL – 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 use of revenue reserves to fund expenditure commitments as set out in the report.

FINANCE – Financial implications are contained within the main body of the report.

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty.

INFORMATION GOVERNANCE – There are no information governance implications.

REVENUE BUDGET MONITORING 2018/19

VIREMENTS PROCESSED FOR PERIOD JANUARY TO MARCH 2019

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
07/02/2019;	Transfer of revenue from sale of waste receptacles to	Non-recurring	4,100	Neighbourhood Services Manager
08/03/2019	cover purchases in capital programme			
25/02/2019	Transfer of budgets from ICT back to Neighbourhood Services	Recurring	46,100	Neighbourhood Services Manager/ ICT Services Manager
27/02/2019; 0	Revenue contribution towards Green Gym at Harraby Community Centre	Non-recurring	32,500	Health and Wellbeing Manager
27/02/2019	Revenue contribution towards Skate Park	Non-recurring	1,000	Health and Wellbeing Manager
07/03/2019	Revenue contribution towards Car Park Improvements	Non-recurring	16,000	Neighbourhood Services Manager
07/03/2019; 1	Release of funding from Revenue Grant Reserve for Carlisle South Garden Village	Non-recurring	25,900	Corporate Director of Finance and Resources
08/03/2019	Revenue contribution towards Green Gym at Yewdale Community Centre	Non-recurring	6,300	Health and Wellbeing Manager
11/03/2019	Release of funding from Revenue Grant Reserve for One Public Estate	Non-recurring	13,000	Corporate Director of Finance and Resources
11/03/2019	Release of funding from Revenue Grant Reserve for Cycle Track Development	Non-recurring	5,100	Corporate Director of Finance and Resources
01/04/2019	Release of funding from Revenue Grant Reserve for Revenues and Benefits	Non-recurring	27,400	Corporate Director of Finance and Resources
01/04/2019	Transfer of budgets from Revenues and Benefits to provide funding for actuarial strain which are paid for corporately	Non-recurring	25,700	Revenues and Benefits Operations Manager
17/04/2019	Transfer of budgets from Civil Enforcement to provide funding for actuarial strain which are paid for corporately	Non-recurring	24,100	Neighbourhood Services Manager
25/04/2019	Revenue contribution towards capital works resulting from condition surveys on Council properties	Non-recurring	34,100	Corporate Director of Governance and Regulatory Services
26/04/2019	Release of carry forward reserve to fund capital works resulting from condition surveys on Council properties	Non-recurring	87,100	Corporate Director of Finance and Resources
30/04/2019	Transfer of Revenues and Benefits IT budgets from IT back into Revenues and Benefits	Non-recurring	13,500	Revenues and Benefits Operations Manager/ ICT Services Manager
Approved by Executive (£35,000 to £70,000 or delegated authority)				
Approved by Council (over £70,000)				
20/02/2019	Use of additional Business Rates Pooling to fund transformation savings unachieved	Non-recurring	400,000	2019/20 Budget - Council 20/02/19

REVENUE BUDGET MONITORING 2018/19

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Total
Position as at 31st March 2019	£	£	£	£	£	£
Annual Budget	18,319,900	(6,228,300)	(2,733,700)			9,357,900
Budget to date	18,319,900	(6,228,300)	(2,733,700)			9,357,900
Total Actual	18,267,996	(6,013,064)	(2,628,841)			9,626,091
Variance	(51,904)	215,236	104,859			268,191
Carry Forwards/Reserves & Provisions				61,700	25,123	86,823
Adjusted Variance	(51,904)	215,236	104,859	61,700	25,123	355,014

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Garage Services	1	(35,699)	8,695	107,480	0	0	80,476
Healthy City	2	78,655	28,417	0	2,000	(19,000)	90,072
Waste Services	3	(79,882)	151,593	(0)	47,900	5,854	125,465
Special Events	4	14,880	26,728	0	0	0	41,608
Miscellaneous	5	(29,859)	(197)	(2,621)	11,800	38,269	17,393
Total Variance to date		(51,904)	215,236	104,859	61,700	25,123	355,014

Note	Community Services - Comments
1.	Various minor underspends including employee related expenses and contract costs; shortfall in trading income.
2.	Additional contract payments made to Tullie House in respect of IT services, payment made in relation to previous Leisure Contract.
3.	Underspend on employee and transport related costs; shortfall in income from recyclates due to market prices for plastics and card being reduced.
4.	Overspend on running costs of events; shortfall in income from lamppost advertising.
5.	Various minor underspends and surplus in income across the service.

REVENUE BUDGET MONITORING 2018/19

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2019	£	£	£	£	£	£
Annual Budget	6,550,600	(1,537,100)	(3,541,500)			1,472,000
Budget to date	6,550,600	(1,537,100)	(3,541,500)			1,472,000
Total Actual	6,508,396	(1,636,848)	(3,549,655)			1,321,893
Variance	(42,204)	(99,748)	(8,155)			(150,107)
Carry Forwards/Reserves & Provisions				10,000	0	10,000
Adjusted Variance	(42,204)	(99,748)	(8,155)	10,000	0	(140,107)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Revenues and Benefits	1	1,607	(87,545)	(0)	0	0	(85,938)
ICT Services	2	(76,532)	(19,220)	(8,155)	10,000	0	(93,906)
Miscellaneous	3	32,721	7,017	0	0	0	39,737
Total Variance to date		(42,204)	(99,748)	(8,155)	10,000	0	(140,107)

Note	Corporate Support - Comments
1.	Various minor overspends; additional government grants received.
2.	Underspend on supplies and services due to reduced software maintenance; additional grant income received.
3.	Various minor overspends and reduced levels of income across the service.

REVENUE BUDGET MONITORING 2018/19

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2019	£	£	£	£	£	£
Annual Budget	4,548,500	(2,263,600)	(476,000)			1,808,900
Budget to date	4,548,500	(2,263,600)	(476,000)			1,808,900
Total Actual	4,374,556	(2,112,406)	(476,000)			1,786,150
Variance	(173,944)	151,194	0			(22,750)
Carry Forwards/Reserves & Provisions				34,800	38,687	73,487
Adjusted Variance	(173,944)	151,194	0	34,800	38,687	50,737

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Business Interaction Centre	1	64,104	16,984	0	0	0	81,088
Miscellaneous	2	(238,048)	134,210	0	34,800	38,687	(30,351)
Total Variance to date		(173,944)	151,194	0	34,800	38,687	50,737

Note	Economic Development - Comments
1.	Overspend on monthly running costs which do not have budgets identified; shortfall in income.
2.	Various net underspends and shortfall in income across the service.

REVENUE BUDGET MONITORING 2018/19

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2019	£	£	£	£	£	£
Annual Budget	30,235,400	(25,945,500)	(3,174,600)			1,115,300
Budget to date	30,235,400	(25,945,500)	(3,174,600)			1,115,300
Total Actual	30,172,740	(26,156,602)	(3,176,735)			839,403
Variance	(62,660)	(211,102)	(2,135)			(275,897)
Carry Forwards/Reserves & Provisions				6,300	54,100	60,400
Adjusted Variance	(62,660)	(211,102)	(2,135)	6,300	54,100	(215,497)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Treasury and Debt Management	1	(91,343)	25,186	3,079	0	0	(63,079)
Benefits Payments and Subsidy	2	80,392	(219,679)	0	0	0	(139,287)
Miscellaneous	3	(51,709)	(16,609)	(5,214)	6,300	54,100	(13,131)
Total Variance to date		(62,660)	(211,102)	(2,135)	6,300	54,100	(215,497)

Note	Finance and Resources - Comments
1.	Underspend on Minimum Revenue Provision; under achieved market deposit investment interest.
2.	Surplus on Housing Benefit Overpayments following subsidy finalisation & increase to bad debt provision.
3.	Various minor underspends and increased levels of income.

REVENUE BUDGET MONITORING 2018/19

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2019	£	£	£	£	£	£
Annual Budget	9,962,200	(5,892,900)	(3,188,500)			880,800
Budget to date	9,962,200	(5,892,900)	(3,188,500)			880,800
Total Actual	10,222,246	(6,212,388)	(3,160,837)			849,021
Variance	260,046	(319,488)	27,663			(31,779)
Carry Forwards/Reserves & Provisions				43,600	88,365	131,965
Adjusted Variance	260,046	(319,488)	27,663	43,600	88,365	100,186

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
The Lanes	1	(0)	144,977	0	0	0	144,977
Other Rental Properties	2	124,736	(222,408)	0	0	(65,559)	(163,232)
Homeless Accommodation	3	(29,432)	143,311	0	0	0	113,879
Homeless Prevention and Welfare	4	(24,355)	(108,128)	0	28,600	104,035	152
Regulatory Services	5	19,248	(148,365)	(919)	0	49,889	(80,146)
Miscellaneous	6	169,848	(128,874)	28,582	15,000	0	84,556
Total Variance to date		260,046	(319,488)	27,663	43,600	88,365	100,186

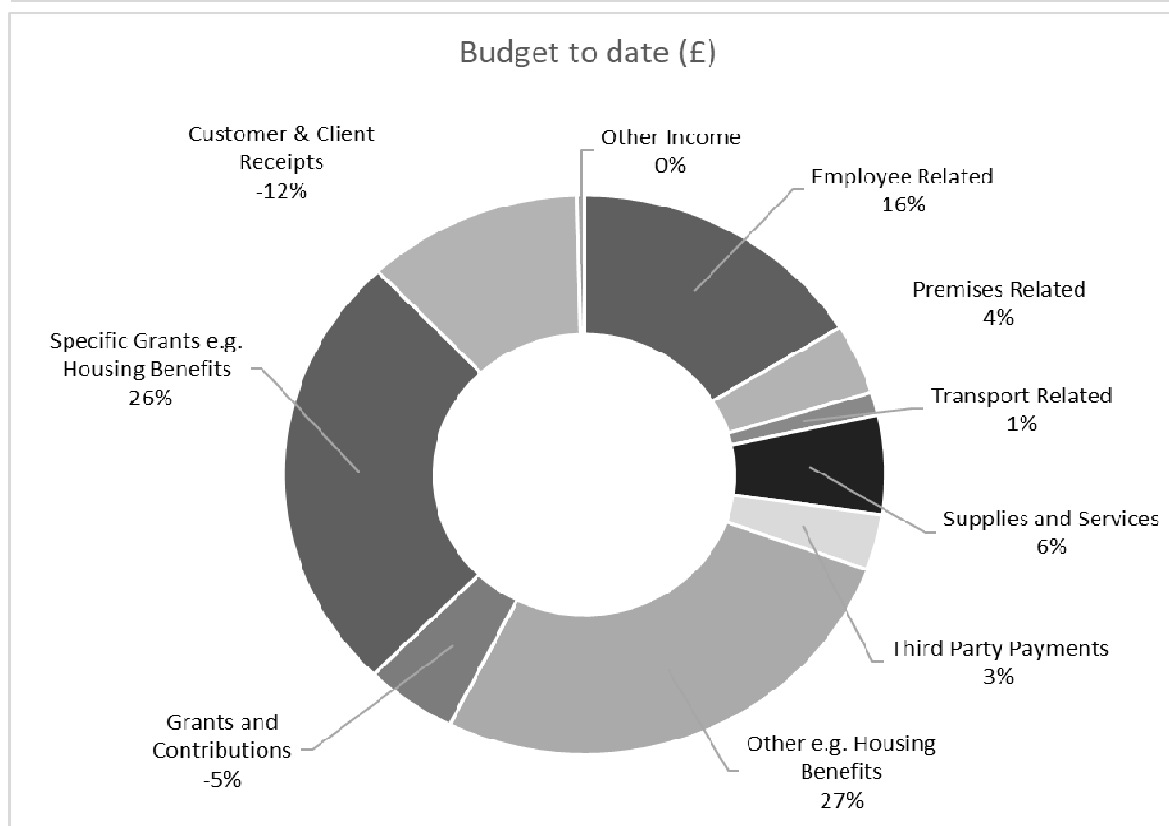
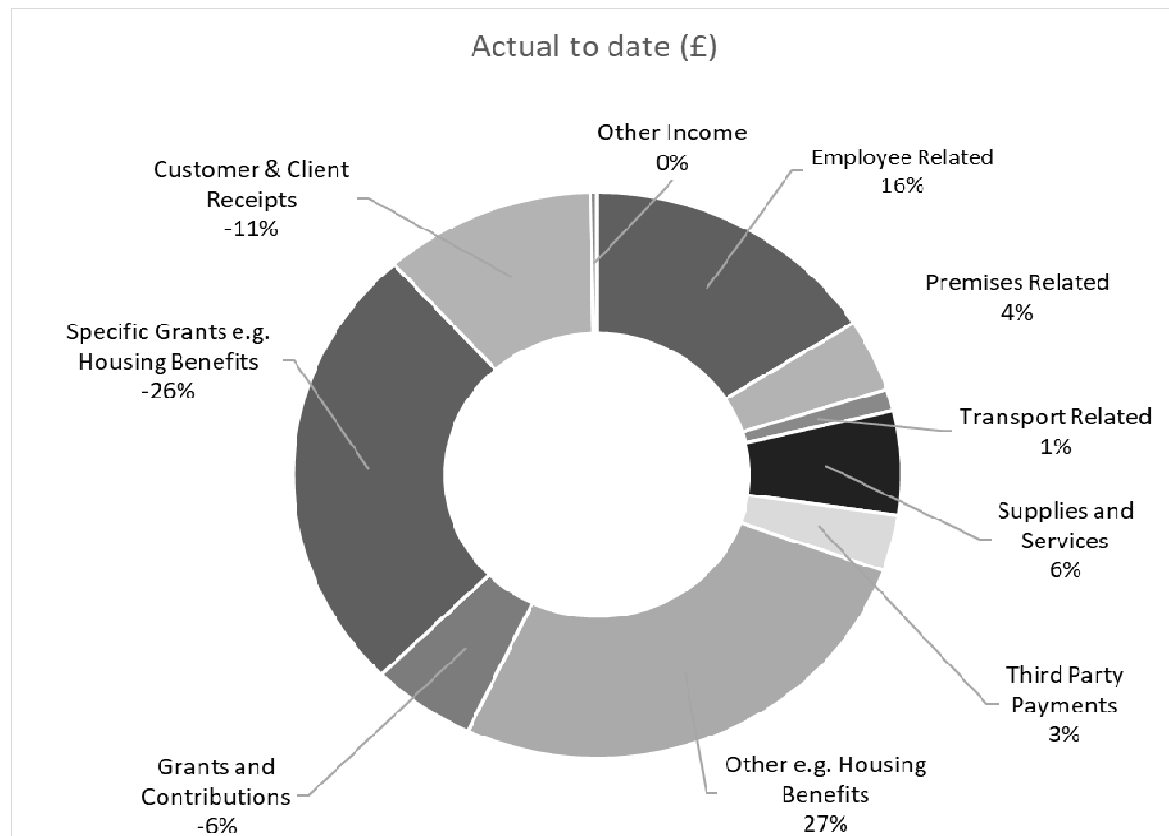
Note	Governance & Regulatory Services - Comments
1.	Shortfall in rent income for 2018/19.
2.	Overspend in relation to backdated head rent; Additional income generated mainly from a dilapidations settlement for premises on Castle Street.
3.	Underspend on premises maintenance; shortfall in income due to units being out of service during refurbishment.
4.	Underspend on supplies and services; additional government grants received.
5.	Minor overspends offset by additional fee income and government grants.
6.	Various overspends and surplus income across the service.

REVENUE BUDGET MONITORING 2018/19

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2019	£	£	£	£	£	£
Annual Budget	2,288,700	(1,879,900)	0			408,800
Budget to date	2,288,700	(1,879,900)	0			408,800
Total Actual	1,786,637	(1,983,910)	0			(197,273)
Variance	(502,063)	(104,010)	0			(606,073)
Carry Forwards/Reserves & Provisions				250,300	0	250,300
Adjusted Variance	(502,063)	(104,010)	0	250,300	0	(355,773)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Other Financial Costs	1	(72,190)	(104,009)	0	0	0	(176,199)
Direct Revenue Financing	2	(416,083)	0	0	250,300	0	(165,783)
Miscellaneous	3	(13,790)	(1)	0	0	0	(13,791)
Total Variance to date		(502,063)	(104,010)	0	250,300	0	(355,773)

Note	Corporate - Comments
1.	Improvements in savings for Salary Turnover (£103,600) & Inflation savings (£84,000). Overspend in relation to insurance claims in excess of the estimated provision. Additional government grants received.
2.	Carry forward to fund continuing capital schemes. Underspend due to schemes no longer progressing.
3.	Various minor underspends.

SUBJECTIVE ANALYSIS

2018/19 REVENUE CARRY FORWARD REQUESTS

APPENDIX D1

Directorate/Section	Description	Requests into			Total
		2019/20 £	2020/21 £	2021/22 £	
<u>Corporate Support</u>					
ICT	For the provision of new card payment devices and associated software to enable point-to-point encryption which is crucial to ensuring the Council can comply with the Payment Card Industry Data Security Standard).	10,000			10,000
		10,000	0	0	10,000
<u>Finance and Resources</u>					
Internal Audit	To provide dedicated support of a specialist IT auditor due to be undertaken in April/May 2019.	6,300			6,300
		6,300	0	0	6,300
<u>Corporate Management</u>					
Direct Revenue Financing	Budgets allocated to fund capital programme where expenditure has slipped into 2019/20 and resources are required to be carried forward	250,300			250,300
		250,300	0	0	250,300
<u>Community Services</u>					
Policy & Communications	Two year fixed term Apprentice appointed (OSA044-18/19), part funded from Apprentice Infrastructure Fund and part from own budgets.	11,800			11,800
Neighbourhood Services	To ensure continuation of the apprentice scheme for approved posts in Neighbourhood Services	47,900			47,900
Small Scale Community Projects	Agreed contribution from 2018/19 allocation to Cowans Sheldon Art Project which is due to be paid across in 2019/20.	2,000			2,000
		61,700	0	0	61,700
<u>Economic Development</u>					
Community Infrastructure Levy	Project was unable to progress during 2018/19 as anticipated.	34,800			34,800
		34,800	0	0	34,800
<u>Governance & Regulatory</u>					
Homelessness Prevention Funding	To support Homeless Prevention Services in line with legislative/strategic requirements and objectives.	28,600			28,600
Electoral Registration	Income received to cover the additional costs of Individual Electoral Registration (EIR) however it is anticipated that it will instead be required in 2019/20.	15,000			15,000
		43,600	0	0	43,600
Total General Fund Carry Forward Requests		406,700	0	0	406,700