

# Report to Council

Agenda  
Item:

**20(i)**

Meeting Date: 7<sup>th</sup> March 2017  
Portfolio: Finance, Governance and Resources  
Key Decision: No  
Within Policy and Budget Framework YES  
Public / Private Public

Title: REVENUE BUDGET OVERVIEW & MONITORING REPORT:  
APRIL TO DECEMBER 2016  
Report of: CHIEF FINANCE OFFICER  
Report Number: RD 54/16

**Purpose / Summary:** This report provides an overview of the Council's overall budgetary position for the period April to December 2016 for revenue schemes only. The revenue report includes details of balance sheet management issues, high-risk budgets and performance management. Progress against the transformation savings is also provided.

## Recommendations:

Council is asked to:

- (i) approve reprofiling of £97,000 as detailed in paragraph 4 from 2016/17 into 2017/18.

## Tracking

Executive:	13 <sup>th</sup> February 2017
Overview and Scrutiny:	23 <sup>rd</sup> February 2017
Council:	7 <sup>th</sup> March 2017

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## Recommendations:

The Executive is asked to:

- (ii) Note the budgetary performance position of the Council to December 2016;
- (iii) Note the potential forecast year end commitments as detailed in paragraph 4;
- (iv) Note the action by the Chief Finance Officer to write-off bad debts as detailed in paragraph 6;
- (v) Make recommendations to Council to approve reprofiling of £97,000 as detailed in paragraph 4 from 2016/17 into 2017/18.

## Tracking

Executive:	13 <sup>th</sup> February 2017
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## **1. BACKGROUND INFORMATION AND OPTIONS**

- 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 Directors 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 All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision making process.
- 1.3 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. REVENUE BUDGET OVERVIEW**

- 2.1 The following statement shows the total annual revenue budget as at December 2016:

<b>2016/17 Revenue Budget</b>	<b>£</b>
Approved Budget (Council resolution – February 2016)	13,091,300
Carry forward requests (2015/16 out-turn)	528,000
<b>Council Resolution 2016/17</b>	<b>13,619,300</b>
Non-Recurring :	
Enterprise Licences (IT Renewals Reserve)	48,000
Market Engagement (Leisure Reserve)	26,900
Project Officer (Economic Investment Reserve)	13,400
Environmental Surcharge Income (Cremator Replacement Reserve)	(66,000)
Homelife (Energy Efficiency Advice Reserve)	42,000
General Carry Forward Reserve	87,600
VR/ER costs (Transformation Reserve)	197,900
<b>Updated Budget 2016/17</b>	<b>13,969,100</b>

### 3. 2016/17 BUDGET MONITORING

3.1 The summarised budgetary position as at December 2016 is shown below:

<b>Directorate / Appendix</b>		<b>Annual Net Budget</b>	<b>Net Budget to date</b>	<b>Net Spend to date</b>	<b>Adjusted Variance</b>
		<b>(£)</b>	<b>(£)</b>	<b>(£)</b>	<b>(£)</b>
Community Services	B1	9,049,000	7,073,046	6,765,544	(307,502)
Corporate Support & Resource	B2	1,600,600	350,051	154,014	(196,037)
Economic Development	B3	1,241,100	927,295	987,940	60,645
Governance & Regulatory	B4	438,000	(100,249)	(71,466)	28,783
Corporate <sup>(1)</sup>	B5	3,655,900	(389,407)	(561,879)	(172,472)
<b>Sub Total</b>		<b>15,984,600</b>	<b>7,860,736</b>	<b>7,274,153</b>	<b>(586,583)</b>
Flood Expenditure (net) <sup>(2)</sup>	B6	(2,015,500)	(94,800)	104,269	199,069
<b>Total</b>		<b>13,969,100</b>	<b>7,765,936</b>	<b>7,378,422</b>	<b>(387,514)</b>

Note 1: Corporate underspends include Salary Turnover Savings, Budget Savings, Inflation Savings, Direct Revenue Financing, Non-Distributed (Pension) costs and corporate management costs (which include bank and audit charges).

Note 2: Net Flooding expenditure relates to costs incurred as a result of the flood, some of which will be able to be claimed back through insurance claims. Non-insured costs will be funded from the £500,000 flood reserve unless the expenditure can be funded from underspends on base budgets. The overspend to date reflects the current funding required from the flood reserve.

3.2 Further details for each directorate can be found in **Appendices B1 – B6**. Each appendix shows a breakdown of the variance for the Directorate, with comments and a note of any performance issues.

3.3 The main income and expenditure variances are summarised below:

Under achieved Income

- Shortfall on Development Control income of £64,900.
- Shortfall on income from Tourist Information Centre of £50,300 (partly offset by underspends on expenditure of £30,600).
- Shortfall on income from Lanes of £ 515,200. £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 £245,500.

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 £68,400 (this is non-recurring).
- Improved Crematorium income of £77,000.
- Improved income levels from Garden Waste of £64,600 and Plastic & Card Recycling of £23,300. These are offset by increased employee expenditure as a result of an ongoing restructure and service review.
- Improved income levels from Off Street Parking of £56,700. This is partly offset by increased NNDR costs.
- Improved levels of Building Control income of £48,400.
- Improved income levels of £66,700 at John Street Men's Accommodation due to provision now made for the level of income that can be recovered as part of our insurance claim.

Under budget Expenditure

- Underspend on Councillors' small scale community schemes of £26,600.
- Underspend on Minimum Revenue Provision of £156,700 due to a lower CFR at 31<sup>st</sup> March 2016.
- Net underspend position of £61,200 on Revenues and Benefits.
- Additional salary turnover saving achieved of £107,000.
- Savings on previous year inflation of £57,900.

- Under budget expenditure at Civic Centre of £84,600 mainly from credits for previous year energy costs

#### Over budget Expenditure

- Overspend of £91,400 in relation to NNDR payments for properties earmarked for demolition. The demolition has been delayed due to the December 2015 flood with the scope of work now being specified following the completion of necessary survey work.
- Net overspend of £108,700 on DIS expenditure mainly in relation to the implementation of DIS Digital Strategy (IT reserves still to be released and profiled once the outturn position is known).

3.4 A subjective analysis of the summarised budgetary position as at December 2016 excluding flood related items is shown below:

Subjective Analysis	Annual Budget	Budget to date	Actual to date	Adjusted Variance
	(£)	(£)	(£)	(£)
Employee Related	15,236,000	11,493,363	11,448,599	(44,764)
Premises Related	3,804,900	3,088,181	3,159,022	70,841
Transport Related	1,345,800	986,681	943,532	(43,149)
Supplies and Services	5,220,000	3,942,564	4,045,632	103,068
Third Party Payments	3,160,700	2,257,723	2,397,522	139,799
Other e.g. Housing Benefits	33,084,900	21,319,805	21,198,891	(120,914)
<b>Total Expenditure</b>	<b>61,852,300</b>	<b>43,088,317</b>	<b>43,193,198</b>	<b>104,881</b>
Grants and Contributions	(5,206,800)	(4,140,124)	(4,853,313)	(713,189)
Specific Grants e.g. Housing Benefits	(29,399,400)	(22,142,192)	(22,154,342)	(12,150)
Customer & Client Receipts	(10,989,700)	(8,737,863)	(8,673,901)	63,962
Other Income	(271,800)	(207,402)	(237,489)	(30,087)
<b>Total Income</b>	<b>(45,867,700)</b>	<b>(35,227,581)</b>	<b>(35,919,045)</b>	<b>(691,464)</b>
<b>Total</b>	<b>15,984,600</b>	<b>7,860,736</b>	<b>7,274,153</b>	<b>(586,583)</b>

3.5 The following table shows the position as at December 2016 of savings achieved against the transformation savings targets to date.

Savings Target	Target (£)	Achieved (£)	(Overachieved) /Outstanding (£)
Up to & including 2014/15		44,400	(44,400)
2015/16		(83,400)	83,400
2016/17 Target	1,201,000	1,339,700	(138,700)
<b>Net Position 2016/17</b>	<b>1,201,000</b>	<b>1,300,700</b>	<b>(99,700)</b>
2017/18 Current Target	795,000	289,800	505,200
2018/19 Current Target	1,479,000	434,700	1,044,300
<b>Net Recurring position</b>	<b>3,475,000</b>	<b>2,025,200</b>	<b>1,449,800</b>

Note: A non-recurring budget reduction of £135,500 for 2017/18 has been submitted as part of the 2017/18 budget process for savings achieved in advance

#### 4. FORECAST OUTTURN POSITION 2016/17

4.1 The Council's financial position is affected by a number of external factors that have a financial impact during the course of the year and ultimately at the year end. These include:

- The general effect of local economic activity on the Council's income streams e.g. car parking, tourism and leisure activities.
- Fuel prices, energy costs and other inflationary issues.
- The effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control.

4.2 The Council's financial position will continue to be closely monitored and will be reported fully at outturn. Some of the significant service and income variances estimated for the year end are set out below.

##### Income

- Projected over achievement in investment income of £15,000
- Projected shortfall on rental income from The Lanes of £515,200.
- Projected surplus income from other Property rents of £200,000 due to rent reviews and back dated rent collected.
- Projected shortfall on Development Control income of £70,000.

##### Expenditure

- Projected underspend on Minimum Revenue Provision of £156,700.
- Projected over achievement of salary turnover savings of £125,000.
- Projected savings on inflation of £57,900.
- Projected transformation savings achieved early of target of £66,400.

- Projected underspend of £100,000 on Civic Centre energy and equipment costs.

4.3 Members are also asked to note that a full review of the profiling of budgets continue to be undertaken to allow better year end forecasting to be incorporated into the budget monitoring process.

**Members are asked to make recommendations to Council to approve the reprofiling of £97,000 of Direct Revenue Financing from 2016/17 into 2017/18 due to known slippage in the capital programme (as detailed in RD55/16 elsewhere on this agenda).**

4.4 Carry forward requests will be considered in line with the Council's Constitution as part of the year end process. However, a more robust and stringent approach will be taken where carry forwards will be strictly limited to those where there is evidence of contractual commitments to expenditure.

## 5. BALANCE SHEET MANAGEMENT

5.1 In line with CIPFA guidance and good practice, information relating to significant items on the Council's balance sheet is shown below. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis.

Balance Sheet item	Balance at 31/03/2016	Balance at Dec 2016	Note
Investments	£16.1m	£25.2m	(i)
Loans	£15.0m	£15.0m	(ii)
Debtors	£0.09m	£1.16m	(iii)
Creditors	£0.02m	£0.50m	

- (i) The anticipated return on these investments is estimated at £255,700 for 2016/17 with current forecasts anticipated to be slightly in excess of these projections.
- (ii) The cost of managing this debt, in terms of interest payable, is budgeted at £1,319,600 in 2016/17 with costs currently on target.
- (iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose. Other significant debts relate to Council Tax, NNDR, and Housing Benefit overpayments.



- (iv) The Council's VAT partial exemption calculation for the period ending December 2016 has been calculated and at 2.7% is well below the 5% limit set by HMRC.

## 6. BAD DEBT WRITE-OFFS

- 6.1 The Chief Finance Officer has delegated authority for the write-off of outstanding debts for NNDR (not available at the time of writing this report), Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £74,374.69 have been written off during Quarter 3 to the end of December 2016. A summary of bad debts is given in Table 1, **Appendix C** of this report and these costs will fall against the following:

	£
General Fund	67,059.53
Council Tax (Collection Fund)	7,315.16
NNDR	0.00
Total Write-offs	74,374.69

- 6.2 The "write-ons" itemised in Table 2, **Appendix C**, totalling £4,908.88, are in respect of balances originally written off that have since been paid for the Quarter 3 to the end of December 2016. The write-ons will be credited as follows:

	£
General Fund	0.43
Council Tax (Collection Fund)	4,908.45
NNDR	0.00
Total Write-ons	4,908.88

- 6.3 In the case of the General Fund, the write-offs will be charged against provisions for bad debts. However VAT, which has been identified separately, will be recouped in future VAT returns. HRA debts and provisions have transferred to the General Fund and any write-off/write-on of Council Tax will fall against the pool provisions within these accounts. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.
- 6.4 At this stage of the year, the level of bad debts is broadly in line with expectations and at this level will be within the scope of the current provisions to fund the bad debts. However, this situation is continuously under review and any major deviations will be the subject of future reports.

## **7. CONSULTATION**

### **7.1 Consultation to date.**

SMT and JMT have considered the issues raised in this report.

### **7.2 Consultation Proposed**

Resources Overview and Scrutiny Panel will consider the report on 23 February 2017.

## **8. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

### **8.1 The Executive is asked to:**

- (i) Note the budgetary performance position of the Council to December 2016;
- (ii) Note the potential forecast year end commitments as detailed in paragraph 4;
- (iii) Note the action by the Chief Finance Officer to write-off bad debts as detailed in paragraph 6;
- (iv) Make recommendations to Council to approve reprofiling of £97,000 as detailed in paragraph 4 from 2016/17 into 2017/18.

## **9. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

### **9.1 The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the third quarter of 2016/17 shows the delivery of these priorities within budget.**

**Contact Officer: Emma Gillespie**

**Ext: 7289**

**Appendices A, B1 to B6 and C.**  
**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 budgets and development of ongoing impact of issues identified are monitored carefully and appropriate action taken.

**Chief Executive's – N/A**

**Deputy Chief Executive's – N/A**

**Economic Development – N/A**

**Governance** – The Council has a fiduciary duty to manage its finances properly and the proper reporting of budget monitoring is part of this process.

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

## REVENUE BUDGET MONITORING 2016/17

## VIREMENTS PROCESSED FOR PERIOD OCTOBER TO DECEMBER 2016

Date	Virement Details	Permanent/ Temporary	Value	Authorised By	
<b>Requested by Officers (under £35,000 or delegated authority)</b>					
21/12/2015	Appointment of Leisure Contract Retender Advisor (up to £125,000)	Temporary	1,900	OD 184/15 Deputy Chief Executive Chief Executive 02/12/16, Released by Executive RD32/16 Executive 21/11/16.	
21/11/2016	Provide budgets for costs relating to VR/ER accepted posts	Temporary	197,900		
<b>Approved by Executive (£35,000 to £70,000)</b>					
<b>Approved by Council (over £70,000)</b>					
08/11/2016	Provide funding for increased insurance premiums incurred as a result of the December 2015 flood from budget provision earmarked for inflation which is no longer required.	Permanent	196,000	RD19/16 Council 08/11/16	

## REVENUE BUDGET MONITORING 2016/17

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 30th December 2016	£	£	£	£
Annual Budget	17,201,800	(5,396,300)	(2,756,500)	<b>9,049,000</b>
Budget to date	13,364,719	(4,224,006)	(2,067,667)	<b>7,073,046</b>
Total Actual	13,386,826	(4,592,790)	(2,028,492)	<b>6,765,544</b>
<b>Variance</b>	<b>22,107</b>	<b>(368,784)</b>	<b>39,175</b>	<b>(307,502)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>22,107</b>	<b>(368,784)</b>	<b>39,175</b>	<b>(307,502)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Bereavement Services	1	(16,995)	(81,076)	0	<b>(98,071)</b>
Small Scale Community Schemes	2	(26,604)	0	0	<b>(26,604)</b>
Garage Services	3	(22,469)	(4,473)	37,219	<b>10,277</b>
Green Spaces	4	(23,063)	(61,071)	43	<b>(84,091)</b>
Parking	5	24,530	(87,526)	8	<b>(62,987)</b>
Tourist Information Centres	6	(30,572)	50,352	0	<b>19,780</b>
Waste Services	7	85,351	(76,283)	64	<b>9,132</b>
Miscellaneous	8	31,930	(108,707)	1,841	<b>(74,937)</b>
<b>Total Variance to date</b>		<b>22,107</b>	<b>(368,784)</b>	<b>39,175</b>	<b>(307,502)</b>

Note	Community Services - Comments
1.	Various minor underspends including energy costs; increased cremation fee income.
2.	Under budget on Councillors' small scale community schemes.
3.	Under budget employee costs; shortfall on job recharges partly offset by increased external income.
4.	Under budget on transport costs; additional fees and charges income.
5.	Over budget NNDR costs; offset by additional permit income, rental income and PCN income.
6.	Under budget employee costs offset by shortfall in income from sale of goods & accommodation bookings.
7.	Over budget employee costs relating to restructure expenditure; surplus income from Garden Waste & Plastics and Card Recycling.
8.	Various minor overspends & additional income across the service.

## REVENUE BUDGET MONITORING 2016/17

CORPORATE SUPPORT AND RESOURCE	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th December 2016	£	£	£	£
Annual Budget	38,339,200	(30,703,900)	(6,034,700)	<b>1,600,600</b>
Budget to date	28,275,191	(23,239,462)	(4,685,678)	<b>350,051</b>
Total Actual	28,140,257	(23,299,516)	(4,686,727)	<b>154,014</b>
<b>Variance</b>	<b>(134,934)</b>	<b>(60,054)</b>	<b>(1,049)</b>	<b>(196,037)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(134,934)</b>	<b>(60,054)</b>	<b>(1,049)</b>	<b>(196,037)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Digital Information Services	1	111,712	(3,131)	158	<b>108,739</b>
Treasury and Debt Management	2	(161,386)	(23,050)	0	<b>(184,436)</b>
Revenues and Benefits	3	(42,133)	(19,076)	0	<b>(61,209)</b>
Miscellaneous	4	(43,127)	(14,797)	(1,207)	<b>(59,131)</b>
<b>Total Variance to date</b>		<b>(134,934)</b>	<b>(60,054)</b>	<b>(1,049)</b>	<b>(196,037)</b>

Note	Resources - Comments
1.	Over budget in relation to communications and DIS Strategy expenditure. Budgets still to be provided from reserve based on revised Strategy considered elsewhere on this agenda.
2.	Under budget on Minimum Revenue Provision, over achieved market deposit investment interest.
3.	Under budget supplies and services; additional grant income received.
4.	Various minor underspends, and increased levels of income.

## REVENUE BUDGET MONITORING 2016/17

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th December 2016	£	£	£	£
Annual Budget	3,037,500	(1,402,500)	(393,900)	<b>1,241,100</b>
Budget to date	2,173,584	(950,822)	(295,467)	<b>927,295</b>
Total Actual	2,361,384	(1,078,019)	(295,425)	<b>987,940</b>
<b>Variance</b>	<b>187,800</b>	<b>(127,197)</b>	<b>42</b>	<b>60,645</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>187,800</b>	<b>(127,197)</b>	<b>42</b>	<b>60,645</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Development Control	1	1,741	64,861	0	<b>66,602</b>
Building Control	2	(84)	(51,305)	0	<b>(51,389)</b>
Miscellaneous	3	186,143	(140,754)	42	<b>45,432</b>
<b>Total Variance to date</b>		<b>187,800</b>	<b>(127,197)</b>	<b>42</b>	<b>60,645</b>

Note	Economic Development - Comments
1.	Shortfall in income from fees and charges.
2.	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	Adjusted Total
Position as at 30th December 2016	£	£	£	£
Annual Budget	9,987,400	(6,275,900)	(3,273,500)	<b>438,000</b>
Budget to date	7,561,502	(5,204,811)	(2,456,940)	<b>(100,249)</b>
Total Actual	7,735,902	(5,328,636)	(2,478,732)	<b>(71,466)</b>
<b>Variance</b>	<b>174,400</b>	<b>(123,825)</b>	<b>(21,792)</b>	<b>28,783</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>174,400</b>	<b>(123,825)</b>	<b>(21,792)</b>	<b>28,783</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Buildings and Facilities	1	(43,153)	1,886	(21,537)	<b>(62,805)</b>
Civic Centre	2	(84,598)	(80)	67	<b>(84,611)</b>
City Engineers Highways	3	(21,796)	(450)	14	<b>(22,232)</b>
Municipal Elections	4	329,014	(360,024)	0	<b>(31,011)</b>
Homeless Accommodation	5	4,725	(109,891)	0	<b>(105,166)</b>
Industrial Estates	6	99,823	(79,712)	0	<b>20,111</b>
Legal Services	7	(3,772)	(34,098)	51	<b>(37,819)</b>
The Lanes	8	(4,869)	515,225	0	<b>510,355</b>
Asset Review Income	9	(148,800)	0	0	<b>(148,800)</b>
Property Services	10	41,528	6,976	54	<b>48,559</b>
Miscellaneous	11	6,298	(63,655)	(441)	<b>(57,798)</b>
<b>Total Variance to date</b>		<b>174,400</b>	<b>(123,825)</b>	<b>(21,792)</b>	<b>28,783</b>

Note	Governance and Regulatory- Comments
1.	Underspend on employee and equipment costs, overspend on premises costs; surplus income from job recharges.
2.	Underspend on energy costs due to credit for previous year.
3.	Underspend on lighting costs.
4.	Additional income for election costs; budgets will be allocated once all costs are paid and income has been received.
5.	Minor net overspend; additional rental income due to loss of income calculation for flood damage.
6.	Overspend on NNDR in relation to properties earmarked for demolition; surplus rent income due to rent reviews and backdated rent income.
7.	Additional legal services fee income and additional land charges income.
8.	Underspend on supplies and services; underachieved rent income due to a head rent adjustment relating to 2015/16 & estimated shortfall for 2016/17.
9.	Additional income generated from rent reviews being set aside as savings in advance of a future year's saving target.
10.	Overspend on premises costs at John Street Resource Centre & overspend in relation to asset disposal costs.
11.	Various net minor overspends and surplus income across the service.



## REVENUE BUDGET MONITORING 2016/17

CORPORATE	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th December 2016	£	£	£	£
Annual Budget	6,106,300	(2,450,400)	0	<b>3,655,900</b>
Budget to date	1,490,156	(1,879,563)	0	<b>(389,407)</b>
Total Actual	1,337,325	(1,899,204)	0	<b>(561,879)</b>
<b>Variance</b>	<b>(152,831)</b>	<b>(19,641)</b>	<b>0</b>	<b>(172,472)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(152,831)</b>	<b>(19,641)</b>	<b>0</b>	<b>(172,472)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Non Distributed Costs	1	19,237	0	0	<b>19,237</b>
Other Financial Costs	2	(171,870)	(19,641)	0	<b>(191,511)</b>
Miscellaneous	3	(198)	0	0	<b>(198)</b>
<b>Total Variance to date</b>		<b>(152,831)</b>	<b>(19,641)</b>	<b>0</b>	<b>(172,472)</b>

Note	Resources - Comments
1.	Overspend on shared service pension costs.
2.	Improvements in savings for Salary Turnover (£106,983) & Inflation savings (£57,900); additional grant income received.
3.	Various minor underspends.

## REVENUE BUDGET MONITORING 2016/17

REVENUE FLOOD RECOVERY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30th December 2016	£	£	£	£
Annual Budget	2,000	(2,017,500)	0	<b>(2,015,500)</b>
Budget to date	1,502	(96,302)	0	<b>(94,800)</b>
Total Actual	2,546,466	(2,442,197)	0	<b>104,269</b>
<b>Variance</b>	<b>2,544,964</b>	<b>(2,345,895)</b>	<b>0</b>	<b>199,069</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>2,544,964</b>	<b>(2,345,895)</b>	<b>0</b>	<b>199,069</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Flood Damage Recovery	1	865,382	(664,683)	0	<b>200,699</b>
Flood Government Grant	2	1,664,928	(1,664,928)	0	<b>0</b>
Bellwin Scheme	3	14,654	(16,284)	0	<b>(1,630)</b>
<b>Total Variance to date</b>		<b>2,544,964</b>	<b>(2,345,895)</b>	<b>0</b>	<b>199,069</b>

Note	Resources - 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 taken from the Flood Reserve to date.
2.	Flood grants paid out; fully recoverable through government grants.
3.	Initial response expenditure fully recoverable by Bellwin Claim.

**BAD DEBT PROVISION**

TABLE 1	Write-Offs December 2016		
Type of Debt	No.	£	Comments
NNDR (General)			
NNDR (PSCT)			
Council Tax	23	7,315.16	01/10/16 to 31/12/16
Debtors:			
Private Tenants			
Housing Benefit Overpayments	84	25,504.31	01/10/16 to 31/12/16
General Fund	20	720.31	01/10/16 to 31/12/16
Penalty Charge Notices:			
On Street	265	38,755.49	01/10/16 to 31/12/16
Off Street	25	2,079.42	01/10/16 to 31/12/16
Ex FTA Benefit			
TOTAL	417	74,374.69	
TABLE 2	Write-Ons December 2016		
Type of Debt		£	Comments
NNDR (General)			
Council Tax	18	4,908.45	01/10/16 to 31/12/16
Debtors:			
Private Tenants			
Housing Benefit Overpayments			
General Fund	3	0.43	01/10/16 to 31/12/16
Ex FTA Benefit			
TOTAL	21	4,908.88	

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## **EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 13 FEBRUARY 2017**

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**EX.17/17      \*\*REVENUE BUDGET OVERVIEW AND MONITORING REPORT –  
APRIL TO DECEMBER 2016  
(Non Key Decision)**

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, the Mayor had agreed that call-in procedures should not be applied to this item)

**Portfolio**      Finance, Governance and Resources

**Relevant Overview and Scrutiny Panel**      Resources

**Subject Matter**

The Deputy Leader, and Finance, Governance and Resources Portfolio Holder submitted the Revenue Budget Overview and Monitoring Report for the period April to December 2016 (RD.54/16). He outlined the overall budgetary position and the monitoring and control of expenditure against budget allocations, together with the exercise of virement.

Details of the main variances in the Directorates' budgets; together with a subjective analysis of the summarised budgetary position as at December 2016 excluding flood related items were provided at tables 3.1 and 3.4 to the report.

In terms of the forecast outturn position 2016/17, the report recorded that the Council's financial position was affected by a number of external factors (including the general effect of local economic activity on the Council's income streams; fuel prices, energy costs and other inflationary issues; and the effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control).

The Deputy Leader commented that the Council's financial position would continue to be closely monitored and would be reported fully at the outturn. A full review of the profiling of budgets continued to be undertaken to allow better year end forecasting to be incorporated into the budget monitoring process.

Members were asked to make recommendations to Council to approve the re-profiling of £97,000 of Direct Revenue Financing from 2016/17 into 2017/18 due to known slippage in the capital programme (as detailed in Report RD.55/16 elsewhere on the Executive Agenda).

Also set out within the report were an explanation of balance sheet management issues and action taken to write off bad debts.

The Deputy Leader wished to place on record once again thanks to the Financial Services Team for their work in relation to the Budget.

In conclusion the Deputy Leader, and Finance, Governance and Resources Portfolio Holder moved the recommendations which were seconded by the Leader.

**Summary of options rejected**    None

## **DECISION**

That the Executive:

- (i)      Noted the budgetary performance position of the Council to December 2016;
- (ii)     Noted the potential forecast year end commitments as detailed in paragraph 4 of Report RD.54/16;
- (iii)    Noted the action by the Chief Finance Officer to write-off bad debts as detailed in paragraph 6.
- (iv)    Made recommendations to Council to approve re-profiling of £97,000 as detailed in paragraph 4 from 2016/17 into 2017/18.

## **Reasons for Decision**

To show that the Executive had been informed of the Council's actual financial position compared with the budgeted position, and to bring to their attention any areas of concern