

Report to Business and Transformation Scrutiny Panel

Agenda
Item:

A.3(a)

Meeting Date: 31 May 2018
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD.01/18
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2017/18
Report of: CHIEF FINANCE OFFICER
Report Number: RD 03/18

Purpose / Summary: This report summarises the 2017/18 provisional outturn for the General Fund revenue budget considered by the Executive on 30 May 2018.

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 2018/19 Directorate budgets.

Recommendations:

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

Tracking

Executive:	30 May 2018
Overview and Scrutiny:	BTSP 31 May 2018
Audit Committee:	9 July 2018
Council:	17 July 2018

Report to Executive

Agenda
Item:

Meeting Date: 30th May 2018
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Within Policy and Budget Framework YES
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Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2017/18
Report of: CHIEF FINANCE OFFICER
Report Number: RD 03/18

Purpose / Summary: This report summarises the 2017/18 provisional outturn for the General Fund revenue budget and gives reasons for the variances. The outturn position shows a net underspend of £1,539,526 for Council Services as at 31 March 2018. Requests are made to carry forward committed expenditure of £663,800 and net transfers to reserves of £1,276,247 which, if approved, will result in an overspend of £400,521; however additional funding from Business Rates income of £1,336,000 has also been realised.

The overall impact of the provisional 2017/18 outturn position is an increase in General Fund Reserves of £513,000 as set out at paragraph 5.4; however Members should note that with the uncertainty regarding future funding for Local Government; the significant costs likely to be incurred from recent statutory emergency works (for which financial support is being requested from Central Government) and delivery of future transformation savings, it is financially prudent to hold reserves at a higher level than the current minimum level. This will be considered as part of the 2019/20 MTFP.

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 2017/18 will be presented to the Audit Committee on 9 July, with final approval of the audited accounts on 30 July.

Recommendations:

The Executive is asked to:

- (i) Note the net underspend of £1,539,526 for Council Services as at 31 March 2018;

- (ii) Consider the committed expenditure totalling £663,800, to be incurred in 2018/19 and funded by a release from the General Fund Reserve in 2018/19 as detailed in Appendix C1 of the report for recommendation to Council;
- (iii) Approve the creation of new reserves and transfers into the new and existing reserves of £1,276,247 as detailed in paragraph 5.1 and Appendix C2 of the report for recommendation to Council;
- (iv) Approve for recommendation to Council, the additional transfers to and from existing reserves as set out at paragraphs 5.2 and 5.3.

Tracking

Executive:	30 May 2018
Scrutiny:	BTSP 31 May 2018
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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 2017/18.
- 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 draft Statement of Accounts for 2017/18 will be presented to the Audit Committee on 9 July, with formal approval of the audited accounts on 30 July. Any significant changes required following the approval of the 2017/18 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 2017/18

2.1 The following table shows the revised 2017/18 budget for the General Fund:

2017/18 Revenue Budget	£
Approved Budget (Council resolution – February 2017)	11,038,000
Carry forward requests (2016/17 in-year)	97,000
Carry forward requests (2016/17 out-turn)	393,000
Council Resolution 2017/18	11,528,000
Non-Recurring Transfers to/(From) Reserves:	
IT Renewals Reserve (Enterprise Licences & IT Strategy)	214,200
Leisure Reserve	80,200
Revenue Grants Reserve	193,400
Cremator Replacement Reserve (Environmental Surcharge Income)	(94,400)
Building Control Reserve (Admin Support)	26,100
GLL Reserve	249,000
Promoting Carlisle Reserve	10,000
General Carry Forward Reserve	178,100
Carry forward request into 2018/19 (approved in year)	(47,000)
Transfer from Base Budget to Flood Expenditure	(76,400)
Updated Budget 2017/18	12,261,200

2.2 The provisional outturn position for the General Fund (excluding any flood related expenditure) 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 31/03/18	Carry Forwards	Reserves	Adjusted Variance
		(£)	(£)	(£)	(£)	(£)	(£)
Community Services	B1	9,220,800	9,037,978	(182,822)	79,000	114,900	11,078
Corporate Support & Resources	B2	2,854,000	2,826,103	(27,897)	7,100	0	(20,797)
Economic Development	B3	1,292,700	797,960	(494,740)	142,600	327,548	(24,592)
Governance & Regulatory Services	B4	262,400	(747,605)	(1,010,005)	136,000	833,799	(40,206)
Corporate Management (excl flood settlements) ⁽¹⁾	B5	(707,200)	(1,311,337)	(604,137)	299,100	0	(305,037)
Sub Total		12,922,700	10,603,099	(2,319,601)	663,800	1,276,247	(379,554)
DRF - Waste Minimisation		0	118,575	118,575	0	0	118,575
Sub Total		12,922,700	10,721,674	(2,201,026)	663,800	1,276,247	(260,979)
Transformation & Base Budget Savings		(661,500)	0	661,500	0	0	661,500
Revised Total		12,261,200	10,721,674	(1,539,526)	663,800	1,276,247	400,521

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

- 2.3 The above table details the net Council budget. The Council's original gross budget for 2017/18 was £56.25m and although there are many individual variances as detailed by directorates in **Appendices B1 – B6**, the net overspend equates to 0.71% of this budget.
- 2.4 The table below shows the position of flood related expenditure incurred to date which leaves an available balance of £1,013,779 which can be used towards any remaining flood expenditure in 2018/19 and towards the Civic Centre and Bitts Park reinstatement projects. There has been no requirement to utilise any of the flood reserve to fund expenditure in 2017/18 so this is also still available.

Directorate / Appendix	Annual Net Budget	Total Spend	Net Variance at 31/03/18	Carry Forwards	Reserves	Adjusted Variance
	(£)	(£)	(£)	(£)	(£)	(£)
DRF Flood Settlements	3,072,500	3,070,049	(2,451)	0	0	(2,451)
Flood Expenditure (net) B6	(2,996,100)	(4,007,428)	(1,011,328)	0	0	(1,011,328)
Total	76,400	(937,379)	(1,013,779)	0	0	(1,013,779)

3. EXPLANATION OF SIGNIFICANT VARIANCES & KEY ISSUES

3.1 The provisional outturn position for 2017/18 is an overspend of £400,521 after taking into account carry forward requests of £663,800 as set out in paragraph 4, and transfers to earmarked reserves totalling £1,276,247, 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.

- Improved Crematorium income of £84,555.
- Net underspend on Municipal Elections of £52,387 due to there being no City Election in 2017/18.
- Net overspend on Strategic Asset Investment of £102,076 in relation to costs associated with the disposal of assets. This is offset by a net underspend of £101,662 on Industrial Estates which is due to an NNDR refund.
- A net underspend of £103,791 on Recycling & Waste Management which includes additional in year savings from Rethinking Waste of £152,800 which it is proposed are used (up to the value required) to fund the purchase of waste receptacles in the capital programme via a Direct Revenue Financing (DRF) contribution.
- A net underspend on Development Control of £76,470 due to overachieved income. This is being used to cover various committed expenditure within the Directorate in 2017/18.
- Underspend on Minimum Revenue Provision of £39,600 due to a lower Capital Financing Requirement (CFR) at 31st March 2017.
- Additional salary turnover saving achieved of £218,500.
- An overspend of £108,938 in relation to the retender of the Leisure contract. The Leisure Contract was retendered part way through 2017/18 which resulted in a revised expenditure profile that is higher in the early years but

producing savings in later years. The recurring budgets from 2018/19 onwards are reflected in the approved 2018/19 budget resolution.

- Shortfall on Base Budget Review Savings of £108,100 against an annual target of £403,000
- Shortfall on recurring transformation savings mainly in relation to Rethinking Waste (£400,000) and VR/ER savings.

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	15,614,800	15,135,165	(479,635)
Premises Related	3,877,300	3,774,275	(103,025)
Transport Related	1,321,700	1,284,631	(37,069)
Supplies and Services	5,912,500	5,904,227	(8,273)
Third Party Payments	3,182,300	3,482,035	299,735
Other e.g. Housing Benefits	28,364,400	28,275,937	(88,463)
Total Expenditure	58,273,000	57,856,270	(416,730)
Grants and Contributions	(5,612,400)	(7,130,752)	(1,518,352)
Specific Grants e.g. Housing Benefits	(27,650,300)	(27,827,412)	(177,112)
Customer & Client Receipts	(11,793,000)	(12,037,504)	(244,504)
Other Income	(294,600)	(257,503)	37,097
Total Income	(45,350,300)	(47,253,171)	(1,902,871)
Total	12,922,700	10,603,099	(2,319,601)

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 2018/19 budget.

However, some pressures may have an ongoing impact which must be addressed during the forthcoming 2019/20 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, 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 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; however, given the projected overspend on Council Services of £400,521, the Chief Finance Officer 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 (£400,521 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' 2018/19 budgets, which would reduce the amount available to support 2018/19 services.

Members should review these requests and the net outturn position in the context of the overall Reserves position which have increased as a result of the increased income from Business Rates (paragraphs 5.4 and 7.5 refers). The table at paragraph 5.4 below shows the impact on Reserves if all of the carry forward and net transfers to reserves are approved. The overall impact indicates an increase in General Fund Reserves of £513,000 as a result of the 2017/18 net outturn position.

The relevant Chief Officer 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:

	2017/18 Provisional £	2016/17 £	2015/16 £	2014/15 £	2013/14 £
Variance at 31 March	(1,539,526)	(1,242,132)	(2,612,443)	(3,517,344)	(1,331,125)
Carry forward requests	663,800	393,000	593,900	671,600	767,600
Final Variance	(875,726)	(849,132)	(2,018,543)	(2,845,744)	(563,525)
Less Transfers	<u>1,276,247</u>	<u>407,300</u>	<u>1,993,500</u>	<u>1,411,000</u>	<u>480,943</u>
Service Expenditure variance	400,521	(441,832)	(25,043)	(1,434,744)	(82,582)
Percentage variance on service expenditure of original gross budget	0.71%	(0.75)%	(0.04)%	(2.39)%	(0.14)%

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 £
Planning Services Reserve (new)	27,600
Revenue Grants Reserve	1,248,647
Total Additional Transfers to Reserves	1,276,247

The creation of the Planning Services Reserve is to hold income generated by the 20% uplift on planning fees that is required by statute to be ring-fenced for improvements to the Planning Service.

5.2 Further transfers to and from existing reserves are requested as follows:

	Approval Requested £
Prosecution Fund	20,000
Flood Reserve	1,514,000
Volatility Reserve	(109,336)
Total Additional Transfers to/(from) Reserves	1,424,664

It is recommended that the existing Prosecution Fund be increased by £20,000 and that this be funded by an appropriation from the General Fund Reserve; an additional £500,000, on top of the £1,014,000 (rounded) balance of the insurance settlement, be added to the existing £500,000 Flood Reserve so this will stand at £2,014,000 as at 31st March 2018 for use in 2018/19; the Volatility Reserve be released back into the General Fund Reserve.

5.3 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 2017/18 the required amount to be transferred from the Building Control Reserve is £11,128. This is in addition to £26,100 released during 2017/18 to fund eligible costs.

5.4 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, approximately £513,000 will be returned to the General Fund Reserve.

	31/03/2018 £'000s	31/03/2019 £'000s	31/03/2020 £'000s	31/03/2021 £'000s	31/03/2022 £'000s	31/03/2023 £'000s
Prudent Level of Reserves	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Council Resolution General Fund Reserve	(3,526)	(4,344)	(4,343)	(4,375)	(4,546)	(4,452)
Underspend position returned to Reserves	(2,553)	0	0	0	0	0
Additional Funding from Business Rates	(1,336)					
Transfer (from)/to earmarked reserves & provisions: ⁽¹⁾						
- see paragraph 5.1	1,276					
- see paragraph 5.2	1,425					
- see paragraph 5.3	11					
Committed Carry Forwards	(47)	47				
Committed Carry Forwards	0	664	0	0	0	0
Revised Reserves Balance	(4,750)	(4,857)	(4,856)	(4,888)	(5,059)	(4,965)

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.

5.5 Although prudent reserves are currently set at £2million, given the uncertainty over 100% Business Rate Retention from 2020/21 and the significant costs likely to be incurred from recent statutory emergency works (for which financial support is being requested from Central Government), it will be necessary and financially prudent to revise the Reserves levels and to increase these beyond the current level. This will be considered as part of the 2019/20 MTFP.

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 RD06/18 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 2018 forms part of the

annual Statement of Accounts that will be considered by the Audit Committee on 9 July, with final approval of the audited accounts on 30 July.

- 7.2 The VAT partial exemption calculation has been finalised for 2017/18 resulting in 1.56% 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 2017/18 Council Tax Collection Fund projected surplus has decreased from £1,708,288 to £937,227 (Council share decreased from £217,388 to £117,885).
- 7.4 2017/18 is the fifth year of the Business Rate Retention Scheme and new Collection Fund Accounting Regulations and the fourth 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 RD06/18. The Council budgeted for additional income of £1,200,000, and the outturn shows that an additional £1,336,000 on top of this has been achieved in 2017/18. 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 (RD06/18).

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 31 May 2018.

10. CONCLUSION AND REASONS FOR RECOMMENDATIONS

10.1 The Executive is asked to:

- (i) Note the net underspend of £1,539,526 for Council Services as at 31 March 2018;
- (ii) Consider the committed expenditure totalling £663,800, to be incurred in 2018/19 and funded by a release from the General Fund Reserve in 2018/19 as detailed in Appendix C1 of the report for recommendation to Council;
- (iii) Approve the creation of new reserves and transfers into the new and existing reserves of £1,276,247 as detailed in paragraph 5.1 and Appendix C2 of the report for recommendation to Council;
- (iv) Approve for recommendation to Council, the additional transfers to and from existing reserves as set out at paragraphs 5.2 and 5.3.

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 2017/18 outturn shows the delivery of these priorities within budget.

Contact Officer: Emma Gillespie

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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:

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 2017/18

VIREMENTS PROCESSED FOR PERIOD JANUARY TO MARCH 2018

Date	Virement Details	Recurring/ Non- Recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
30/01/2018	Revenue contribution to vehicle purchases	Non-recurring	28,600	Revenues and Benefits Operations Manager
Various	Release of funding from General Carry Forward Reserve	Non-recurring	67,100	Chief Finance Officer
Various	Release of funding held in Revenue Grants Reserve	Non-recurring	89,000	Chief Finance Officer
11/04/2018	Revenue contribution to vehicle purchases	Non-recurring	6,200	Neighbourhoods & Green Spaces Manager
12/04/2018	Revenue contribution to Pools rewiring from revenue maintenance budgets	Non-recurring	71,700	Senior Estates Surveyor
20/03/2018	Revenue contribution to capital works at Bitts Park Garden of Memories	Non-recurring	7,500	Neighbourhoods & Green Spaces Manager
28/03/2018	Revenue contribution to Castle Way capital project	Non-recurring	4,400	City Engineer
19/04/2018	Revenue contribution to Green Gym at Bitts Park	Non-recurring	21,400	Neighbourhoods & Green Spaces Manager
Approved by Executive (£35,000 to £70,000)				
Approved by Council (over £70,000)				
24/04/2018	Carry forward from 2017/18 to 2018/19 to fund car park improvements	Non-recurring	47,000	Council

REVENUE BUDGET MONITORING 2017/18

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Total
Position as at 31st March 2018	£	£	£	£	£	£
Annual Budget	18,037,500	(6,156,800)	(2,659,900)			9,220,800
Budget to date	18,037,500	(6,156,800)	(2,659,900)			9,220,800
Total Actual	17,937,158	(6,249,303)	(2,649,877)			9,037,978
Variance	(100,342)	(92,503)	10,023			(182,822)
Carry Forwards/Reserves & Provisions				79,000	114,900	193,900
Adjusted Variance	(100,342)	(92,503)	10,023	79,000	114,900	11,078

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions (A)	Adjusted Variance
Service	Note	£	£	£	£	£	£
Arts and Museums Contracts	1	54,518	(23,738)	0	0	19,000	49,780
Bereavement Services	2	(13,144)	(88,540)	(0)	0	0	(101,684)
One Public Estate	3	0	(87,500)	0	0	87,500	0
Leisure Contracts	4	129,626	(1,483)	0	0	0	128,144
Waste Services	5	(146,813)	43,037	0	0	0	(103,775)
Environmental Services	6	(71,316)	0	0	71,300	0	(16)
Miscellaneous	7	(53,213)	65,720	10,023	7,700	8,400	38,630
Total Variance to date		(100,342)	(92,503)	10,023	79,000	114,900	11,078

Note	Community Services - Comments
1.	Increased costs in relation to services provided to Tullie House.
2.	Various minor underspends including energy costs; increased cremation fee income.
3.	Government Grant received in respect of One Public Estate project to be spent in 2018/19.
4.	Overspend in relation to the new Leisure Contract awarded in December 2017. Recurring budgets were revised in the 2018/19 Budget.
5.	Savings achieved in advance of target; shortfall in income from sale of recyclates. Savings achieved in advance are being used to fund purchase of waste receptacles in the capital programme.
6.	Budget required to provide funding for Apprenticeships which continue into 2018/19.
7.	Various minor underspends & shortfall in income across the service.

REVENUE BUDGET MONITORING 2017/18

CORPORATE SUPPORT AND RESOURCE	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2018	£	£	£	£	£	£
Annual Budget	38,456,100	(29,044,500)	(6,557,600)			2,854,000
Budget to date	38,456,100	(29,044,500)	(6,557,600)			2,854,000
Total Actual	38,742,997	(29,358,023)	(6,558,871)			2,826,103
Variance	286,897	(313,523)	(1,271)			(27,897)
Carry Forwards/Reserves & Provisions				7,100	0	7,100
Adjusted Variance	286,897	(313,523)	(1,271)	7,100	0	(20,797)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
ICT Services	1	38,611	(1,809)	(3,143)	0	0	33,659
Treasury and Debt Management	2	(41,392)	38,729	1,811	0	0	(852)
Revenues & Benefits	3	139,535	(171,105)	0	0	0	(31,569)
Miscellaneous	4	150,143	(179,339)	61	7,100	0	(22,035)
Total Variance to date		286,897	(313,523)	(1,271)	7,100	0	(20,797)

Note	Corporate Support & Resources - Comments
1.	Overspend in relation to ICT Support & Strategy expenditure.
2.	Under budget on Minimum Revenue Provision, under achieved market deposit investment interest.
3.	Overspend in relation to S31 Flood Grants matched by increased income; additional grant income & court cost income received to date.
4.	Various minor overspends across the service, offset by additional income received.

REVENUE BUDGET MONITORING 2017/18

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2018	£	£	£	£	£	£
Annual Budget	3,648,600	(1,895,000)	(460,900)			1,292,700
Budget to date	3,648,600	(1,895,000)	(460,900)			1,292,700
Total Actual	3,699,989	(2,441,129)	(460,900)			797,960
Variance	51,389	(546,129)	0			(494,740)
Carry Forwards/Reserves & Provisions				142,600	327,548	470,148
Adjusted Variance	51,389	(546,129)	0	142,600	327,548	(24,592)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Development Control	1	(4,041)	(206,329)	0	106,300	27,600	(76,470)
Building Control	2	(8,053)	(12,239)	0	0	0	(20,293)
Investment & Policy	3	8,697	(297,807)	0	36,300	297,526	44,717
Miscellaneous	4	54,786	(29,754)	0	0	2,422	27,454
Total Variance to date		51,389	(546,129)	0	142,600	327,548	(24,592)

Note	Economic Development - Comments
1.	Various minor underspends, improved levels of income from fees and charges which is being used to fund various expenditure within the Directorate.
2.	Various minor underspends; surplus fee income received to date.
3.	External funding received for various projects to be transferred to the Revenue Grants Reserve for use in a future year.
4.	Various net minor overspends and surplus income across the service.

REVENUE BUDGET MONITORING 2017/18

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2018	£	£	£	£	£	£
Annual Budget	9,681,700	(6,339,500)	(3,079,800)			262,400
Budget to date	9,681,700	(6,339,500)	(3,079,800)			262,400
Total Actual	9,600,515	(7,269,648)	(3,078,472)			(747,605)
Variance	(81,185)	(930,148)	1,328			(1,010,005)
Carry Forwards/Reserves & Provisions				136,000	833,799	969,799
Adjusted Variance	(81,185)	(930,148)	1,328	136,000	833,799	(40,206)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Homeless Accommodation	1	(26,345)	(253,820)	0	81,500	202,869	4,204
Homeless Prevention & Welfare	2	(104,197)	(488,344)	0	0	595,337	2,797
Industrial Estates	3	(102,897)	1,235	0	0	0	(101,662)
Strategic Asset Investment	4	113,054	(10,978)	0	0	0	102,076
Municipal Elections	5	81,396	(183,783)	0	50,000	0	(52,387)
Miscellaneous	6	(42,197)	5,541	1,328	4,500	35,593	4,766
Total Variance to date		(81,185)	(930,148)	1,328	136,000	833,799	(40,206)

Note	Governance & Regulatory Services - Comments
1.	Lower expenditure levels & increased income from grants which are to be transferred to the Revenue Grants Reserve.
2.	Underspend on homeless grants and grant funded expenditure; increased income from grants which are to be transferred to the Revenue Grants Reserve.
3.	Underspend due to refund of NNDR in relation to properties previously demolished.
4.	Overspend in relation to Asset Disposal Costs; additional income from rent reviews.
5.	Underspend on City Elections, however showing an overspend on expenditure due to there being no budgets input for Parliamentary Elections to gross up the expenditure and income.
6.	Various net minor underspends and shortfall in income across the service.

REVENUE BUDGET MONITORING 2017/18

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2018	£	£	£	£	£	£
Annual Budget	1,547,300	(2,254,500)	0			(707,200)
Budget to date	1,547,300	(2,254,500)	0			(707,200)
Total Actual	963,565	(2,274,902)	0			(1,311,337)
Variance	(583,735)	(20,402)	0			(604,137)
Carry Forwards/Reserves & Provisions				299,100	0	299,100
Adjusted Variance	(583,735)	(20,402)	0	299,100	0	(305,037)

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	(299,011)	0	0	299,100	0	89
Other Financial Costs	2	(248,998)	(20,401)	0	0	0	(269,399)
Miscellaneous	3	(35,726)	(1)	0	0	0	(35,727)
Total Variance to date		(583,735)	(20,402)	0	299,100	0	(305,037)

Note	Corporate - Comments
1.	Carry forward to fund continuing capital schemes.
2.	Improvements in savings for Salary Turnover (£218,500) & Inflation savings (£17,500); additional grant income received.
3.	Various minor underspends.

REVENUE BUDGET MONITORING 2017/18

REVENUE FLOOD RECOVERY	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31st March 2018	£	£	£	£	£	£
Annual Budget	2,423,300	(2,346,900)	0			76,400
Budget to date	2,423,300	(2,346,900)	0			76,400
Total Actual	6,284,391	(7,221,770)	0			(937,379)
Variance	3,861,091	(4,874,870)	0			(1,013,779)
Carry Forwards/Reserves & Provisions				0	0	0
Adjusted Variance	3,861,091	(4,874,870)	0	0	0	(1,013,779)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Flood Damage Recovery	1	1,010,683	(2,022,011)	0	0	0	(1,011,328)
Flood Government Grant	2	2,852,859	(2,852,859)	0	0	0	0
Direct Revenue Financing (Flood)	3	(2,451)	0	0	0	0	(2,451)
Total Variance to date		3,861,091	(4,874,870)	0	0	0	(1,013,779)

Note	Flood - Comments
1.	Costs incurred as a result of the floods which are fully funded in 2017/18.
2.	Flood grants paid out; fully recoverable through government grants.
3.	Revenue funding of flood related capital reinstatement work.

2017/18 REVENUE CARRY FORWARD REQUESTS

APPENDIX C1

Directorate/Section	Description	Requests into			Total
		2018/19 £	2019/20 £	2020/21 £	
<u>Corporate Support & Resource</u>					
Internal Audit	To fund the costs of the CIPFA External Quality Assessment currently underway and due to be completed at end of April 2018.	7,100			7,100
					0
		7,100	0	0	7,100
<u>Corporate Management</u>					
Direct Revenue Financing	Budgets allocated to fund capital programme where expenditure has slipped into 2018/19 and resources are required to be carried forward	299,100			299,100
					0
		299,100	0	0	299,100
<u>Community Services</u>					
Small Scale Community Projects	To purchase and install alleygates which cannot be implemented until the legal process is completed.	1,700			1,700
Healthy Communities and Older People	Funding required for fixed term employment contract.	6,000			6,000
Environmental Support	This is an ongoing budget to pay for the Apprenticeship Scheme that is in place within Neighbourhood Services which needs to be carried forward until the end of the contract for the apprentices.	71,300			71,300
		79,000	0	0	79,000
<u>Economic Development</u>					
Development Management	To retain additional income generated during 2017/18 to fund a number of committed projects within the Economic Development Directorate in 2018/19.	106,300			106,300
Community Infrastructure Levy	Project was unable to progress during 2017/18 as anticipated. Following the publication in March 2018 of proposed changes by the Government to the CIL Regulations, sufficient certainty now exists to take the project forward.	36,300			36,300
					0
		142,600	0	0	142,600
<u>Governance & Regulatory</u>					
Homeless Accomodation	To fund cost pressures in 2018/19 and reinstatement costs to redecorate, refloor, repair and refurnish dispersed temporary accomodation units.	81,500			81,500
Municipal Elections	The City Council is currently undergoing a Local Government Boundary Review and this carry forward would be used to meet the costs to the Electoral Section in 2018/19 and the costs of administering all our elections in 2019/20.	50,000			50,000
Legal Services	To fund external solicitor fees to deal with debt recovery high court matter and construction dispute.	4,500			4,500
		136,000	0	0	136,000
Total General Fund Carry Forward Requests		663,800	0	0	663,800

2017/18 REVENUE RESERVE REQUESTS

APPENDIX C2

Reserve/Provision	Purpose	Management of the Reserve	Approval to Release Funds	2018/19 £	Total £
NEW Planning Services Reserve	To establish a reserve for the 20% uplift on the new planning fees which are to be spent on the planning service to improve performance.	Management of the Reserve Rests with the Corporate Director of Eeconomic Development	Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Chief Executive in consultation with the Corporate Director of Economic Development, Portfolio Holder & Chief Finance Officer.	27,600	27,600
Revenue Grants Reserve	A reserve to hold revenue grant funds received by the Council which have not yet been utilised.	Management of the Reserve rests 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.		1,248,647
Governance & Regulatory Services	Regulatory Services: Flood Case Worker			10,609	
Governance & Regulatory Services	Regulatory Services: Rogue Landlords			21,044	
Governance & Regulatory Services	Regulatory Services: Gas Safe 2017/18			3,940	
Governance & Regulatory Services	Homeless Prevention and Accomodation: Flexible Homelessness Support & Prevention Grant			97,713	
Governance & Regulatory Services	Homeless Prevention and Accomodation: No Second Night Out			5,978	
Governance & Regulatory Services	Homeless Prevention and Accomodation: HALO			5,416	
Governance & Regulatory Services	Homeless Prevention and Accomodation: Domestic Abuse			377,830	
Governance & Regulatory Services	Homeless Prevention and Accomodation: Supporting People (various grants)			202,869	
Governance & Regulatory Services	Homeless Prevention and Accomodation: Homeless Prevention Services			108,400	
Community Services	Deputy Chief Executive: One Public Estate			87,500	
Community Services	Contracts & Community: Art Centre - Arts Council Funding			19,000	
Community Services	Contracts & Community: Go Ride			5,200	
Community Services	Partnerships: Healthy City Fees			400	
Community Services	Partnerships: Food City			100	
Community Services	Partnerships: Sugar Smart			2,700	
Economic Development	Regeneration: Heritage Lottery Fund - Cracker Packer			2,422	
Economic Development	Investment & Policy: St Cuthberts Garden Village			251,361	
Economic Development	Investment & Policy: Brownfield Register Burden Funding Year 2			5,485	
Economic Development	Investment & Policy: Self/Custom Build Assistance Grant Year 2			30,000	
Economic Development	Investment & Policy: Dalston Neighbourhood Plan Residual Stage 2			10,680	
	TOTAL RESERVE REQUESTS			1,276,247	1,276,247
	TOTAL REQUESTS FOR RESERVES			1,276,247	1,276,247