

REPORT TO EXECUTIVE



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PORTFOLIO	Resources & Performance Management
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2016/17 Final Outturn Position

PURPOSE

1. To report the final position on the Council's revenue and capital accounts for 2016/17
2. To report to Members on the performance of the 2016/17 capital investment programme and present the financing of capital expenditure incurred during 2016/17
3. To seek approval of a revised 2017/18 capital budget after incorporating net carry forward commitments (slippage) from 2016/17.

RECOMMENDATION

4. That the Executive Members are requested to recommend that Full Council approve:
 - a) The final position on the Council's revenue account for 2016/17 and the net overall surplus, compared with the revised budget of £377k as shown in the table in paragraph 8 which equates to approximately 2.5% of the net revenue budget.
 - b) The transfers to/from Earmarked Reserves totalling a net £1.059m to reserves (see Appendix 2).
 - c) The approval of additional revenue budget carry forward requests from Heads of Service totalling £201k (an increase of £141k) from those previously approved in February 2017 (see Appendix 3).
 - d) The final position on capital spending and financing of £6.790m for 2016/17 as shown in Appendices 4 & 5, which equates to 85% of the final resources position.
 - e) The revised capital budget for 2017/18 totalling £12.794m as outlined in Appendix 6, (including net carry forward of £0.727m).

REASONS FOR RECOMMENDATION

5. To conclude the revenue and capital budget monitoring process for 2016/17 and report the final outturn position as outlined in the Council's Statement of Accounts for 2016/17.
6. To increase the 2017/18 Council capital programme for amounts carried forward from 2016/17 and other budget adjustments as shown in Appendix 5.

SUMMARY OF KEY POINTS

Revenue Outturn position

Revenue Surplus

7. Members will recall that there were three quarterly budget monitoring reports to the Executive during 2016/17. These reports disclosed that there were anticipated variations in spending and income compared with the revised budget. The third and most recent in-year monitoring report to Full Council, in February 2017, estimated a surplus of £0.276m for the year on the revenue account.
8. The final position on the Council's revenue account for 2016/17 was a net overall surplus, compared with the revised budget, of £0.377m (see Appendix 1). A summary of the major variances is shown in the table below:

Summary of 2016/17 Major Variances		£'000
Underspends / Increased Income		
Treasury management expenses and income savings	(232)	
Additional Planning income	(71)	
Disabled renovations grant income increase	(43)	
Utility cost savings	(199)	
Reduced impairment allowance for general debtors	(66)	
Other net underspending in services	(128)	
Increased Expenditure / Reduced Income		
Increased provision for legal expenses	55	
Revenue contributions to capital schemes	88	
Employee redundancy costs	219	
Total Underspend	(377)	

9. Reserves Transfers
The Executive is asked to recommend to Full Council approval of the movements in earmarked reserves being a net overall increase in the year of £1.059m – see Appendix 2 – from £6.973m at the start of the year to an end position of £8.032m.

The overall increase is due mainly to the revenue surplus of £0.377m (to the transformation and growth reserves) and the contribution to the business rates volatility reserve of £0.759m which includes the Council share of the business rates pool benefit.

The balance of General Reserves has remained at £1.379m.

Capital Outturn position

Budget Changes and Expenditure Outturn Position:

10. After incorporating all the recommendations approved throughout the financial year, the original capital budget of £6.931m [approved at Full Council on 24 February 2016] was revised up to a final position of £7.501m per the cycle 3 capital monitoring report presented to the Executive on the 13 February 2017.
11. Appendix 4 shows the final resources and outturn position. Additional resources have been utilised in financing the outturn expenditure position totalling £452k split between:-
- £435k of brought-forward funding from 2017/18 ("reverse slippage"), utilising in advance, resources originally approved within the 2017/18 capital programme at Full Council on 22 February 2017. The two main schemes that are ahead of planned schedule are Vision Park, requiring £389k, and disabled facilities renovations which required £41k from the 2017/18 budget allocations.
 - £17k of other additional resources identified
12. Therefore, the final position available to finance capital expenditure in 2016/17 totalled £7.952m. The final outturn level of expenditure incurred for 2016/17 totalled £6.790m which gives a net underspend of £1.162m or 85% spend against the final resources position.
13. Appendix 5 lists the financing elements of each scheme within the 2016/17 capital programme spend, totalling £6.790m.
14. Carry Forward Requests (slippage)
Members are asked to note that a net £0.727m (£1.162m slippage less £0.435m reverse-slippage) is the total that has been recommended to be carried forward into 2017/18 – see Appendix 4. The following table shows the proposed financing of this slippage from 2016/17 to 2017/18:

Summary of Financing Elements of Slippage into 2017/18		£	£
Prudential Borrowing			11
Capital Receipts			111
VPI Receipts			59
Revenue Contributions to Capital Outlay			74
Grant Funding & Contributions			
Residual HMR Grant	344		
Homes & Communities Agency Grant	56		
Lancashire Enterprise Partnership	(107)		
Housing Capital Grant	66		
Disabled Facilities Grant	(41)		
3rd Party Contributions	154		
Total External Grant Funding & Contributions			472
Total Net Slippage			727

Revised Capital Budget for 2017/18

15. Members are asked to approve a revised capital budget for 2017/18 after incorporating the adjustments identified within this outturn report.
16. Appendix 6 details the 2017/18 capital programme financing elements along with incorporating the year end resources adjustments and brought-forward funding elements identified within this outturn report, and incorporating the carry forward requests. This results in a revised capital programme totalling £12.794m.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

17. As shown in the body of the report and appendices

POLICY IMPLICATIONS

18. The final outturn position is reflected in the Statement of Accounts which shows the spending by the Council in pursuit of declared objectives in that financial year and the reserves and balances available for future spending which was signed off by the Head of Finance on the 31 May 2017 (in advance of the statutory deadline of the 30 June 2017) and is to be reported to the Audit and Standards Committee on 26 July 2017.

DETAILS OF CONSULTATION

19. None.

BACKGROUND PAPERS

20. None

FURTHER INFORMATION

PLEASE CONTACT:

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ALSO: