

REPORT TO EXECUTIVE



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PORTFOLIO	Resources & Performance Management
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2017/18 Final Outturn Position

PURPOSE

1. To report the final position on the Council's revenue and capital accounts for 2017/18.
2. To report to Members on the performance of the 2017/18 capital investment programme and present the financing of capital expenditure incurred during 2017/18.
3. To seek approval of a revised 2018/19 capital budget after incorporating net carry forward commitments (slippage) from 2017/18.

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 2017/18 and the net overall surplus, compared with the revised budget, of £0.092m as shown in the table in paragraph 8 which equates to approximately 0.6% of the net revenue budget.
 - b) The transfers to/from Earmarked Reserves totalling a net £1.254m from reserves (see Appendix 2).
 - c) The approval of additional revenue budget carry forward requests from Heads of Service totalling £0.042m (see Appendix 3).
 - d) The final position on capital spending and financing of £9.982m for 2017/18 as shown in Appendices 4 & 5, which equates to 88% of the final resources position.
 - e) The revised capital budget for 2018/19 totalling £11.451m as outlined in Appendix 6, (including net carry forward of £1.310m).

REASONS FOR RECOMMENDATION

- To conclude the revenue and capital budget monitoring process for 2017/18 and report the final outturn position as outlined in the Council's Statement of Accounts for 2017/18.
- To increase the 2018/19 Council capital programme for amounts carried forward from 2017/18 and other budget adjustments as shown in Appendix 5.

SUMMARY OF KEY POINTS

Revenue Outturn position

Revenue Surplus

- Members will recall that there were three quarterly budget monitoring reports to the Executive during 2017/18. 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 2018, estimated a surplus of £0.098m for the year on the revenue account.
- The final position on the Council's revenue account for 2017/18 was a net overall surplus, compared with the revised budget, of £0.092m (see Appendix 1). A summary of the major variances is shown in the table below:

	Major Variances £'000s
Underspends / Increased Income	
Efficiency savings – CCTV Shared Service	(50)
Salaries underspending	(59)
Pension cost savings	(88)
Utility / Non-Domestic Rate savings	(92)
Insurance savings	(76)
Strategic Partnership – Income sharing saving	(133)
VAT refund	(120)
Net increase in income (various services)	(61)
Other net underspending in services – below £20k	(255)
Increased Expenditure / Reduced Income	
Net increase in provisions	297
Workforce planning costs	360
Increased revenue contributions to capital	90
Business Support Programme – increase in expenditure	95
Total Underspend	(92)

- Reserves Transfers
The Executive is asked to recommend to Full Council approval of the movements in earmarked reserves being a net overall decrease in the year of £1.254m – see Appendix 2 – from £8.032m at the start of the year to an end position of £6.778m.

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 £12.068m (approved at Full Council on 22nd February 2017) was revised to a final position of £11.418m per the cycle 3 capital monitoring report presented to the Executive on the 12th February 2018.
11. Appendix 4 shows the final resources and outturn position. Additional resources have been utilised in financing the outturn expenditure position totalling £0.125m split between:
- £0.018m of brought-forward funding from 2018/19 (“reverse slippage”), utilising in advance, resources originally approved within the 2018/19 capital programme at Full Council on 21st February 2018. One scheme, being NW Burnley Growth Corridor that is ahead of planned schedule, requiring £0.010m, and CCTV Infrastructure which required £0.008m from the 2018/19 budget allocations.
 - £0.107m of other additional resources identified.
12. Resources of £0.233m were no longer required due to the schemes being completed within budget. A breakdown of these schemes is shown within Appendix 4.
13. Therefore, the final position available to finance capital expenditure in 2017/18 totalled £11.310m. The final outturn level of expenditure incurred for 2017/18 totalled £9.982m which gives a net underspend of £1.328m or 88% spend against the final resources position.
14. Appendix 5 lists the financing elements of each scheme within the 2017/18 capital programme spend, totalling £9.982m.

Carry Forward Requests (slippage)

15. Members are asked to note that a net £1.310m (£1.328m slippage less £0.018m reverse slippage) is the total that has been recommended to be carried forward into 2018/19 – see Appendix 4. The following table shows the proposed financing of this slippage from 2017/18 to 2018/19:

Summary of Financing Elements of slippage into 2018/19	£000s	£000s
Prudential Borrowing		222
Capital Receipts		225
Revenue Contributions to Capital Outlay		510
Grant Funding & Contributions		
Heritage Lottery Fund	230	
Homes & Communities Agency Grant	52	
Lancashire Enterprise Partnership	29	
Third Party Contributions	42	
Total external grant funding & contributions		353
Total Slippage		1,310

Revised Capital Budget for 2018/19

16. Members are asked to approve a revised capital budget for 2018/19 after incorporating the adjustments identified within this outturn report.
17. Appendix 6 details the 2018/19 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 £11.451m.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

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

POLICY IMPLICATIONS

19. 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 and Property Services on the 25 May 2018 and is to be reported to the Audit and Standards Committee on 19 July 2018.

DETAILS OF CONSULTATION

20. Management Team.

BACKGROUND PAPERS

21. None.

FURTHER INFORMATION

PLEASE CONTACT:

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