



Title of meeting: Resources Portfolio

Subject: Monitoring of the First Quarter 2016/17 Revenue Cash Limits and Capital Programme

Date of meeting: 13th October 2016

Report by: Director of Finance and Information services

Wards affected: ALL

1. Introduction

- 1.1 This report compares the forecast revenue outturn 2016/17 with the cash limited budget for that year and the forecast capital expenditure with the approved capital programme and provides information to enable an understanding of the reason for variances. It also lists the action to be taken to mitigate the effect of forecast overspends.

2. Purpose of report

- 2.1 To inform the Cabinet Member and Opposition Spokespersons of:
- The forecast revenue expenditure for the year compared with the cash limited budget.
 - The forecast capital expenditure against the revised capital programme for the Resources portfolio.

3. Recommendations

- 3.1 The content of this report be noted.

4. Background

4.1 Cash Limit 2016/17

	£000's
Net Requirement	22,453
Less;	
Capital Charges	2,786
Net Insurance Costs	118

FRS17	859
Employee Benefit Accruals	468
Controllable Cash Limit 2016/17	<u><u>18,222</u></u>

4.1 Forecast Outturn 2015/17

	£000's	% of Budget
Controllable Cash Limit 2016/17	18,222	
Total Forecast Controllable Expenditure 2016/17	18,088	99.26%
Variance - (Under)/Overspend	<u><u>(134)</u></u>	0.74%

4.2 Appendices

4.3 Analysis of this portfolio's variations from the revenue cash limit is attached at Appendix A.

4.4 Analysis of the portfolio's capital expenditure for 2016/17 is attached at Appendix B.

5. Revenue Expenditure

(Please read in conjunction with the attached Appendix A)

5.1 The provisional forecast outturn for the portfolio compared to the cash limit indicates a net underspend of £133,800.

5.2 Within the portfolio there are services whose budgets are deemed 'windfall' budgets by the City Council. These services are Spinnaker Tower, Rent Allowances, Rent Rebates, Land Charges and District Audit Fees (within Corporate Management). These 'windfall' budgets represent income and expenditure which is demand led and largely out of the control of budget managers. Consequently any under or overspending is absorbed corporately. There are no windfall variances currently forecast so the overall net underspend remains at £133,800 i.e. 0.73%

5.3 Item 1 HR Miscellaneous Expenses - underspend £35,300

A saving of £15,000 is anticipated due to lower utilisation of the Trade Union Secondment budget. A further underspending of £12,500 is currently forecast against the Feasibility Studies as there are no known commitments at this stage.

5.4 Item 4 Customer & Community Service - underspend £31,700

The City Helpdesk is to undergo a staffing restructure to meet future year's saving requirements. The timetable for implementation should allow a saving to accrue in the current financial year.

5.5 Item 6 Financial Services - underspend £51,300

This underspend arises from an increased demand from the Housing service for financial services and recovery of costs from Public Health, which are in turn funded via central government grant arrangements.

6. Summary

6.1 The overall forecast outturn position on the portfolio is a net underspend of £133,800 representing 0.73% of the total cash limited budget. Within this net position there are various other less significant under and overspendings as shown in Appendix A.

6.2 Since 2013/14 portfolio underspends have been retained in a portfolio specific earmarked reserve. This reserve is to be used initially to cover future year end overspendings, budget pressures, contingent items and spend to save schemes. Once these instances have been satisfied, the reserve may be used for other developments or initiatives. The portfolio holder is responsible for approving any releases from the earmarked reserve in consultation with the Director of Finance and Information Services & S151 Officer.

6.3 The following application has been approved from the portfolio reserve in the current year;

	£
Landlord's Maintenance- refurbishment works to Carnegie Library first floor to enable use of office space	113,000

6.4 To date the uncommitted balance on the reserve is £487,050

7. Capital Programme

(Please read in conjunction with the attached Appendix B)

7.1 The capital programme has been updated to reflect the impact of new schemes, further approved amendments, re-phasing of expenditure and the removal of completed schemes.

7.2	<u>Forecast Outturn 2016/17</u>	£000's	£000's
	Total Revised Budget 2016/17		10,203

Actual Net Expenditure 1 Apr 2016 to 30 Jun 2016	894
Forecast Net Expenditure 1 Jul 2016 to 31 Mar 2017	<u>9,309</u>
Total Forecast Expenditure 2016/17	10,203
Forecast Variance - (Under) / Overspend	<u><u>(0)</u></u>

- 7.3 There have been no additions to the capital programme since the start of the financial year.
- 7.4 The forecast outturn for the portfolio capital programme compared to the approved budget is a net breakeven position.
- 7.5 No significant changes have occurred within the overall programme since the start of the financial year.

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Signed: Director of Finance and Information services

Appendices:

- A Revenue Outturn Statement**
B Capital Monitoring Statement

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Service Budget monitoring files	CRS Accountancy team