



Title of meeting: Resources Portfolio

Subject: Monitoring of the First Quarter 2017/18 Revenue Cash Limits and Capital Programme

Date of meeting: 12th October 2017

Report by: Director of Finance and Information Technology

Wards affected: ALL

1. Requested by

The Cabinet member for Resources Portfolio

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. Information Requested

4.1 Cash Limit 2017/18

	£000's
Net Requirement	22,491
Less;	
Capital Charges	2,786
Net Insurance Costs	131
FRS17	859
Employee Benefit Accruals	468
Controllable Cash Limit 2016/17	<u>18,247</u>

4.1	<u>Forecast Outturn 2017/18</u>		
		£000's	% of Budget
	Controllable Cash Limit 2017/18	18,247	
	Total Forecast Controllable Expenditure 2017/18	17,913	98.17%
	Variance - (Under)/Overspend	<u>(334)</u>	1.83%

4.2 Appendices

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

Analysis of the portfolio's capital expenditure for 2017/18 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 £333,500.

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. The overall net underspend including windfall items is £349,800 i.e. 1.92%

5.3 Item 2 HR & Legal - underspend £44,400

This underspend arises mainly from the additional income being generated in HR and Internal Audit and vacant posts that are not yet filled.

5.4 Item 5 Grants & Support to the Voluntary Sector - underspend £29,500

This underspend arises from grants awarded to the Voluntary Sector being renegotiated in preparation for future saving requirements.

5.5 Item 6 Financial Services - underspend £185,800

This underspend is due to vacancies being held in order to prepare for future savings. The payroll service is also generating additional income as a result of managing the payroll for external organisations.

5.6 Item 7 Information Technology - overspend £45,500

The overspend within Information Technology is due to increased costs for the Microsoft Enterprise Agreement. There has also been a one-off server migration to assist with technical delivery.

5.7 Item 8 Procurement & PFI - £142,500

The underspend is due to a number of vacant posts within the PFI team waiting to be recruited. A new PFI Manager (John Neves) has recently been appointed.

6. Summary

6.1 The overall forecast outturn position on the portfolio is a net underspend of £333,500 representing 1.83% 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 To date the uncommitted balance on the reserve is £592,700

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 2017/18</u>	£000's	£000's
	Total Revised Budget 2017/18		6,397
	Actual Net Expenditure 1 Apr 2017 to 30 Jun 2017	760	
	Forecast Net Expenditure 1 Jul 2017 to 31 Mar 2018	<u>5,637</u>	
	Total Forecast Expenditure 2017/18		6,397
	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