



Title of meeting: Resources Portfolio

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

Date of meeting: Thursday 8th March 2018

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	22,457
Less;	
Capital Charges	2,786
Net Insurance Costs	131
FRS17	859
Employee Benefit Accruals	468
Controllable Cash Limit 2017/18	<u>18,213</u>

4.1 Forecast Outturn 2017/18

	£000's	% of Budget
Controllable Cash Limit 2017/18	18,213	
Total Forecast Controllable Expenditure 2017/18	17,588	96.57%
Variance - (Under)/Overspend	<u>(625)</u>	3.43%

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 £624,900.

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 excluding windfall items is £208,400 i.e. 1.14%

5.3 Item 2 HR - underspend £99,000

The small under-recovery in the Internal Agency is offset by additional income being generated in HR and Internal Audit and an underspend arising from 3 vacant posts in the service.

5.4 Item 9 PFI - underspend £59,100

The underspend in PFI is due to a number of posts that have been vacant for part of the year. All posts are now filled apart from one full time vacancy remaining within the team.

5.5 Item 10 Design and Maintenance - overspend £98,500

A delay in establishing an energy services company has resulted in anticipated savings of £60,000, linked to staff secondments, not being realised. There is also £30,000 of abortive fee work which could not be capitalised in this year.

5.6 Item 21 Corporate Management - underspend £106,200

Additional income in Strategy has resulted in a £68,700 underspend. District Audit is reporting £30,900 underspend which relates to lower external audit fees and one off rebate being received.

5.7 Item 23 Welfare Burials - overspend £77,900

The reported overspend is due to unrecovered costs of burials from prior and current years.

6. **Summary**

6.1 The overall forecast outturn position on the portfolio is a net underspend of £624,900 representing 3.43% 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 £632,600

7. **Capital Programme**

(Please read in conjunction with the attached Appendix B)

7.1 The capital programme 2018/19 to 2022/23 was approved at full council meeting on Tuesday 13th February 2018. It has been updated to reflect new schemes, 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		7,947
	Actual Net Expenditure 1 Apr 2017 to 31 Dec 2017	4,894	
	Forecast Net Expenditure 1 Oct 2017 to 31 Mar 2018	<u>3,053</u>	
	Total Forecast Expenditure 2017/18		7,947
	Forecast Variance - (Under) / Overspend		<u><u>(0)</u></u>
7.3	The additions to this portfolio's capital programme since the start of the financial year have been as follows:		
			£000's
	MMD Capital Loans (item 4) (from Port Regeneration Scheme)		950
	Guildhall Capital Works (item 14) (RCCO)		312
	Bi Hardware and Implementation (item 28) (RCCO)		30
	Council Chamber Modernisation (item 34) (RCCO)		91
	Guildhall Square Electrical Upgrade (New scheme) (RCCO)		33
	Kingston Lodge North Renovation (New scheme) (RCCO)		130
	Landlords Maintenance (item 2) (CorpRsv) (Approved at Council)		2,395
	Total Additions		3,941
7.4	The forecast outturn for the portfolio capital programme compared to the approved budget is a net breakeven position.		
7.5	The following schemes have been added to the capital programme as part of the 2018/19 budget approved by Full Council on the 13 th February 2018.		
7.6	<u>Item 34 - Channel Shift Phase 2 approved £582,500</u> This project will build on the initial Channel Shift programme to provide 24/7 accessible online Council Services. It constitutes a substantial programme of work to continue to transform the council's customer contact arrangements by moving more customer contacts online, further streamlining back office processes.		
7.7	<u>Item 35 - Windows 10 Upgrade and Hardware Refresh £1,800,000</u> The project will update ageing IT equipment. The project involves replacing laptops and upgrading to Windows 10 Operating System from Windows 7.		

.....
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