



**REPORT of  
DIRECTOR OF RESOURCES**

---

**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
12 JUNE 2018**

**FINANCIAL OUTTURN 2017/18**

**1. PURPOSE OF THE REPORT**

- 1.1 To provide Members of the Committee the indicative outturn position for the year ended 31 March 2018.
- 1.2 To inform Members of movements in relation to the Council's General Fund / Earmarked Reserves and Capital Commitments as at 31 March 2018.

**2. RECOMMENDATIONS**

- (i) That the estimated outturn position for the 2017 / 18 financial year be reviewed;
- (ii) That the movement in earmarked reserves be reviewed;
- (iii) That the capital commitment roll forwards be reviewed.

**3. SUMMARY OF KEY ISSUES**

**3.1 Performance against the net revenue budget**

**3.1.1 Outturn position**

3.1.1.1 The Draft Statement of Accounts is currently being prepared. These are still subject to finalisation and audit by the external auditors, and therefore figures may be subject to change.

3.1.1.2 The revised 2017 / 18 estimates of the Net Cost of Services is £9,301,000. The table overleaf provides an overview of the outturn position for 2017 / 18, comparing the estimated actual controllable expenditure and income to the revised budget estimates:

	<b>Revised Budgets</b>	<b>Actual</b>	<b>Salary Variance*</b>	<b>Statutory Adjustments</b>	<b>Committed Exp.</b>	<b>Variance</b>
<b>Directorate</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Chief Executive</b>						
Expenditure	1,032,000	1,058,567	804	(48,000)	5,250	(15,379)
Income	(26,800)	(26,964)		-		(164)
<b>Resources</b>						
Expenditure	2,882,900	2,873,064	43,814	(180,000)	39,844	(106,178)
Income	(97,800)	(101,067)		(139,355)		(3,267)
<b>Planning and Regulatory Services</b>						
Expenditure	3,391,900	3,472,286	98,823	(211,000)	(8,091)	(39,882)
Income	(1,181,100)	(1,250,901)		-	89,697	19,897
<b>Customers and Community</b>						
Expenditure	22,920,900	22,004,263	34,872	35,000	695,651	(151,113)
Income	(20,285,800)	(19,910,713)		-	(394,000)	(18,913)
<b>Other</b>						
Investment Property Income	(128,200)	(139,355)		-		(11,155)
Parks Trading Account	(25,700)	(13,092)		-		12,608
<b>Total</b>	<b>8,482,300</b>	<b>7,966,087</b>	<b>178,313</b>	<b>(404,000)</b>	<b>428,352</b>	<b>(313,548)</b>
<b>Capital Charges excluded from above</b>	818,300					
<b>Budget Book Total</b>	<b>9,300,600</b>					

\* Salary Variances are reported in **APPENDIX 1**

3.1.1.3 The statutory adjustments relate to Pension charges. The net cost of service is subject to charges that reflect the benefits accrued in that financial year, as opposed to the actual pension costs paid for the year. These are reversed out elsewhere in the accounts and therefore can be excluded from the variances. The committed expenditure is considered further in paragraph 3.4 below. After these adjustments the table above shows a direct service underspend of £313,548.

3.1.1.4 Taking the above into consideration, the indicative Net General Fund Position at 31 March 2018 is £3,226,000. The prior year's balance was £4,339,000 therefore the year end outturn was a £1,113,000 contribution from General Fund Reserves, against a budgeted outturn of £1,150,000 contribution.

3.1.1.5 The large committed expenditure adjustment under Customers and Community reflects a contribution to reserves made from the net variance in the Benefits subsidy outturn. This affects income and expenditure, and therefore the reserve adjustments have been made gross to both to accurately reflect in the variances.

### 3.2 Salaries

3.2.1 **APPENDIX 1** provides details of the salary budgets and actual expenditure as at the end of the 2017 / 18 financial year. This shows an underspend of £175,313 against a revised budget of £6,938,800.

3.2.2 The underspend relates to a number of vacancies during 2017/18, the largest savings are in the Planning and Regulatory Directorate which have had vacancies within Environmental Services Management, a Maternity vacancy and a Tree Officer vacancy within Development Control.

### 3.3 Major Sources of Income

3.3.1 The Council is dependent upon a number of large income sources in order to balance the budget. The table below details the main income budgets and income received for the 2017 / 18 financial year.

Budget Heading	2017 / 18 Budget	2017 / 18 Actual	2017 / 18 Variance	2016 / 17 Actual
	£	£	£	£
Land Charges	119,400	115,100	4,300	128,824
Planning Development Fees	586,200	506,837	79,363	406,707
Pre Application Advice	44,200	69,382	(25,182)	31,991
Building Control	135,300	149,696	(14,396)	169,212
Investment Income	215,895	237,138	(21,243)	210,178
Town Centre Car Parks	702,200	700,804	1,396	698,985
Prom Car Parks	374,200	371,034	3,166	379,326
Splash Park	94,200	94,955	(755)	128,925
<b>TOTAL</b>	<b>2,271,595</b>	<b>2,244,946</b>	<b>26,649</b>	<b>2,154,148</b>

3.3.2 Actual income has fallen below budgeted estimations by £26,649 (equivalent to 1.2%). This is largely due to a significant drop in Development Control income year on year and major planning applications that had been budgeted for but have not yet commenced planning proceedings, although this has been partly offset with the increase in pre-application advice which has performed better than expected.

3.3.3 Investment income has continued to increase following the decision to invest in the Investec Diversified income Fund.

3.3.4 Under the Business Rate Retention scheme, the Council is able to retain 100% of business rates sourced from Renewable Energy; in 2017 / 18 this income totalled £755,000.

### 3.4 Movement in Earmarked Reserves

3.4.1 Indicative Earmarked Reserves balances as at 31 March 2018 are £3,490,000.

3.4.2 **APPENDIX 2** provides information in relation to the purposes of the various Earmarked Reserves and the movements in 2017 / 18.

- 3.4.3 During the 2017/18 financial year, the main use of Earmarked Reserves has been to fund the previous year's identified committed expenditure.
- 3.4.4 Revenue commitments as at 31 March 2018 total £134,000. This reserve recognises that there are timing differences between monies being earmarked to fund expenditure from the annual revenue budget and the expenditure actually being incurred. These form part of the commitment balances shown in the table within section 3.1.1.2.
- 3.4.5 Two new reserves have been set up for 2017 / 18. The Business Rates equalisation reserve recognises that there are timing differences between cash received from government for the reliefs offered to businesses and the effect of these reliefs on the net rates receivable.
- 3.4.6 The Pensions reserve has been set up to build up funds to enable the Council to forward fund the three year pension deficit in 2020/21 and therefore benefit from the revenue savings that this offers.

### 3.5 Capital Commitments

- 3.5.1 The Council's approved capital programme was £1,378,000 in 2017 / 18. This includes the prior year programme roll forwards, and supplementary estimates. The largest projects in the year related to resurfacing works, the refurbishment of Wood Road, and the email replacement project. Over three quarters (79%) of the capital programme was completed at year end.
- 3.5.2 As at 31 March 2018, a number of capital projects were still on-going and the following budget amounts were requested to be carried over into 2018 / 19:

Capital Project	2017/18 Budget	2017 / 18 Expenditure	2017/18 Balance	Amount requested to carry forward
	£	£		£
Winter Car Parking	130,000	31,800	98,200	98,200
Prom Park Road Repairs	55,000	54,249	751	751
Waste Contract Purchase of Bins	69,000	14,640	54,360	22,412
Replacement Polling Booths	25,000	0	25,000	25,000
Riverside Park Information boards	20,000	0	20,000	20,000
CCTV High St. & Car Park upgrade 16/17	30,000	0	30,000	30,000
CCTV Prom Upgrade	9,000	0	9,000	9,000
Superfast Broadband	30,000	0	30,000	30,000
Email Replacement Project - Office 360 Rollout & Contingency	60,000	42,500	17,500	17,500
<b>TOTAL</b>	<b>428,000</b>	<b>143,189</b>	<b>284,811</b>	<b>252,863</b>

#### 4. CONCLUSIONS

- 4.1 Income and expenditure levels came in under the revised budget. This was as a result of salary savings, goods and services underspends and improved income and contributions.
- 4.2 The net outturn position is in line with that forecast in the Medium Term Financial Strategy.
- 4.3 A number of capital projects have been completed in year, however, some projects were unable to be completed by 31 March 2018 and budgets have therefore been committed at year end accordingly.

#### 5. IMPACT ON CORPORATE GOALS

- 5.1 This report links to the corporate goal of ‘delivering good quality, cost effective and valued services’.

#### 6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risks** – There is a Corporate risk on the delivery of a balanced budget. The actual outturn position is in line with the approved budget approved by the Council in January 2018, therefore no impact on the risk.
- (iv) **Impact on Resources (financial)** – The net outturn position is in line with the budget forecast therefore the financial impact is in line with the medium term financial strategy.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Carrie Cox, Finance Manager, (Tel: 01621 875799).