



**REPORT of
DIRECTOR OF RESOURCES**

**to
FINANCE AND CORPORATE SERVICES COMMITTEE
13 JUNE 2017**

FINANCIAL OUTTURN 2016 / 17

1. PURPOSE OF THE REPORT

- 1.1 To provide Members with information in relation to the indicative outturn position for the 2016/17 financial year.
- 1.2 To inform Members of movements in relation to the Council's General Fund / Earmarked Reserves and Capital Commitments as at 31 March 2017.

2. RECOMMENDATION

That the information in relation to the estimated outturn position for the 2016 / 17 financial year be noted, including movement in general / earmarked reserves and capital commitments.

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 are currently being prepared. These are still subject to finalisation, review by Section 151 (S151) and audit by the external auditors, so some figures may be subject to change.

3.1.1.2 The revised 2016 / 17 estimates for Net Cost of Services totalled in the region of £9,952,000 with an additional supplementary estimate approved in April of £12,000. The table overleaf provides an overview of the outturn position for the 2016/17, comparing the estimated actual controllable expenditure and income to the revised budget estimates:

	Revised Budgets	Actual	Committed Exp	Variance
Directorate	£000's	£000's	£000's	£000's
Chief Executive				
Expenditure	906,200	821,529	61,700	(22,971)
Income	(6,200)	(19,787)		(13,587)
Resources				
Expenditure	2,941,200	2,773,673	75,800	(91,727)
Income	(74,600)	(79,917)		(5,317)
Planning and Regulatory Services				
Expenditure	3,849,200	3,779,954	31,900	(37,346)
Income	(1,180,600)	(1,777,433)		(596,833)
Customers and Community				
Expenditure	23,148,500	22,335,042	130,367	(683,091)
Income	(20,629,100)	(20,817,181)		(188,081)
Other				
Investment Property Income	(146,000)	(167,414)		(21,414)
Parks Trading Account	(3,100)	(30,581)		(27,481)
Total	8,805,500	6,817,883	299,767	(1,687,850)
Capital Charges excluded from above	1,158,400			
Budget Book Total	9,963,900			

3.1.1.3 This shows an indicative service underspend of £1,687,000. However includes new burden grants within planning of £219,000 and S31 grants within revenues and benefits of £420,000 budgeted for centrally.

3.1.1.4 Taking the above into consideration and necessary accounting adjustments for capital grant income used to fund revenue also shown in the above figures, the indicative Net General Fund Position at 31 March 2017 is £4,353,000, an underspend of £610,000. This is against a budgeted outturn of £46,000 contribution from General Fund Reserves. This underspend will be transferred to General Fund balances, and earmarked reserves to support specific projects in future years.

3.1.2 Salaries

3.1.2.1 **APPENDIX 1** provides details of the salary budgets and actual expenditure as at the end of the 2016 / 17 financial year. This shows an underspend of £109,800 which exceeds the original budget vacancy allowance of £81,000.

3.1.2.2 The underspend relates to a number of vacancies during 2016/17.

3.1.3 Major Sources of Income

3.1.3.1 The Council is dependent upon a number of large income sources in order to balance the budget. The table overleaf details the main income budgets and income received for the 2016 / 17 financial year.

Budget Heading	2016 / 17	2016 / 17	2016 / 17	2015 / 16
	Budget	Actual	Variance	Actual
	£	£	£	£
Land Charges	154,500	128,824	25,676	147,116
Development Control	534,200	381,407	152,793	723,757
Pre Application Advice	27,800	31,991	(4,191)	30,516
Building Control	182,000	169,213	12,787	199,566
Investment Income	192,000	210,178	(18,178)	188,317
Town Centre Car Parks	657,400	666,872	(9,472)	560,983
Prom Car Parks	362,200	375,444	(13,244)	294,290
Splash Park	128,900	128,925	(25)	66,867
TOTAL	2,239,000	2,092,854	146,146	2,211,412

3.1.3.2 Actual income has fallen below budgeted estimations by just over £146,000 (equivalent to 6.5%). 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.

3.1.3.3 Investment income has continued to increase following the decision to invest in the Local Authorities Properties Fund managed by the CCLA (Churches, Charities and Local Authorities).

3.2 Movement in Earmarked Reserves

3.2.1 Indicative Earmarked Reserves balances as at 31 March 2017 totalled £2,653,000.

3.2.2 **APPENDIX 2** provides information in relation to the purposes of the various Earmarked Reserves and the movements in 2016 / 17.

3.2.3 During the 2016/17 financial year, the main use of Earmarked Reserves has been to finance previous year's identified committed expenditure and some specific projects including the Waste Contract Mobilisation and Local Plan Development.

3.2.4 Revenue commitments as at 31 March 2017 total nearly £300,000. 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 commitment balances are shown in the table within section 3.1.1.2.

3.2.5 Under the Business Rate Retention scheme, the Council is able to retain 100% of business rates sourced from Renewable Energy; in 2016/17 this income totalled just over £538,000. The Council has set aside £33,000 of the receipts in past years in the Localisation of Council Tax and Business Rates reserve. This reserve exists to mitigate against the impact of risk and changes brought about through the new Business Rate Retention and Council Tax Localisation schemes. The Agreement is being reviewed by County and this addition to the reserve will help towards any uncertainties going forward.

3.3 Capital Commitments

3.3.1 After taking in account carried over commitments from 2016 / 17 and supplementary estimates, the Council's capital programme totalled £2,419,000 in 2016 / 17. The largest defined projects in the year related to the demolition of St Cedds and creation of car park that has now been completed, and the new service Kiosk on the prom that has been carried forward as per the below table.

3.3.2 As at 31 March 2017, a number of capital projects were still on-going and the following budget amounts were requested to be carried over into 2017 / 18:

Capital Project	2016 / 17 Budget	2016 / 17 Expenditure	Budget to carry forward
	£	£	£
New leisure centre contract	295,000.00	178,485.82	116,514
New Service Kiosk Prom	160,000.00	0.00	160,000
Leisure Centre Planned Maintenance Prog	111,000.00	79,570.15	31,430
Tip Road Adj Prom	80,000.00	0.00	80,000
Burnham Cemetery Roadway	57,000.00	0.00	57,000
CRM Project	53,000.00	0.00	53,000
Prom Road Repairs 15/16	50,000.00	0.00	50,000
IT Project Officer	50,000.00	0.00	50,000
Sharepoint Phase 2	40,000.00	0.00	40,000
CCTV High St & Car Park system upgrade	30,000.00	0.00	30,000
I Dox Application	22,000.00	19,624.06	2,300
Riverside Park Info Boards 15/16	20,000.00	0.00	20,000
Parks Vehicles & Mowers	20,000.00	0.00	20,000
Coastal and Communities Fund	18,000.00	0.00	18,000
Prom Depot Electronic Gates	15,000.00	0.00	15,000
CCTV - Prom Upgrade	14,000.00	4,990.00	9,010
Rangers Vehicle	14,000.00	10,109.80	3,890
Purchase of Waste Van	12,000.00	0.00	12,000
Sea Wall Path Resurfacing	11,000.00	0.00	11,000
Prom Park Entrance Refurbishments	10,000.00	0.00	10,000
Winter Car Parking Prom	10,000.00	0.00	10,000
Riverside Park Footpaths	9,000.00	0.00	9,000
Park and TIC Network Upgrade	8,000.00	6,586.02	1,400
Telephony Review/Upgrade	5,000.00	0.00	5,000
TOTAL	1,114,000	299,366	814,544

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 reduced income and contributions. Some underspends have been moved into Earmarked Reserves to help support specific projects in future years.

4.2 The salary underspends have arisen due to a number of vacancies across various departments of the Council; these savings exceed the 1% vacancy saving built into the 2016 / 17 original budget.

4.3 A number of capital projects have been completed in year, however, some projects have slipped and budgets haven't 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 are no corporate risk issues associated with this report.
- (iv) **Impact on Resources (financial)** – The outturn position will have a favourable impact upon the level of reserves available in the future.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

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