

## CARRY FORWARD REQUESTS 2016/17

Cabinet - 20 April 2017

Report of: Chief Finance Officer

Status: For recommendation to Cabinet

Also considered by: Finance Advisory Committee - 28 March 2017

Key Decision: No

---

**This report supports the Key Aim of Effective Management of Council Resources**

**Portfolio Holder** Cllr. John Scholey

**Contact Officer** Head of Finance - Helen Martin ext 7483

---

**Recommendation to Finance Advisory Committee** that the recommendations below to Cabinet, be endorsed

**Recommendation to Cabinet:** It be resolved that

- (a) the Revenue 'carry forward' requests totalling up to £108,800 as set out in paragraph 5 of the report be approved, subject to any amendments suggested by the Finance Advisory Committee;
- (b) any variance arising from the 2016/17 budget is transferred to/from the Budget Stabilisation Reserve;
- (c) the Capital carry forward request totalling £3,715 as set out in paragraph 6 of the report be approved, subject to any amendments suggested by the Finance Advisory Committee;
- (d) A new Reserve, the Community Housing Reserve, be established to hold money received under the Community Housing Programme.

---

### Introduction

- 1 The latest forecast outturn based on the January position is provided as an Appendix to Item 8. The latest forecast outturn is an unfavourable variance of £37,000 but that figure is still subject to change.
- 2 In preparation for a shorter final accounts process these requests for specific unspent budgets to be placed in an earmarked reserve for spending in a subsequent year (the 'carry forward' reserve) have been brought to this meeting rather than waiting until the final outturn results are available.

- 3 In previous years it has been agreed that any variances at year end are transferred to the Budget Stabilisation Reserve and it is recommended that any variance in the 2016/17 budget is put into or absorbed by this Reserve.
- 4 There are two requests totalling up to £108,800 to transfer unspent revenue budgets to earmarked reserves.

#### Revenue Carry Forward Items

- 5 There are two specific Revenue carry forward requests. Further details including the implications of not carrying forward these budgets are set out in the Appendix at the end of this report.

No.	ITEM	CHIEF OFFICER	AMOUNT £
A1	Kent Resource Partnership Communications Fund Grant	Environmental & Operations	£11,800
A2	Revenues and Benefits	Finance	Up to £97,000
	<b>SUB TOTAL</b>		<b>£108,800</b>

#### Capital Programme

- 6 The following capital scheme was underspent at the year end and the unspent budget is recommended for carry forward.

No.	SCHEME	CHIEF OFFICER	AMOUNT
C1	Dunbrik Depot Vehicle Workshop	Environment & Operations	£3,715
	<b>Total</b>		<b>£3,715</b>

#### Other Transfers to Reserves - Community Housing Fund

- 7 We have received an advance from DCLG under the Community Housing Programme. This programme is intended to support local authorities in building capacity within local groups to offer advice, business planning and providing staff to review local housing needs. Funding in the following years must be used to deliver housing on the ground for local people.



**Chief Officer:** Adrian Rowbotham

**Budget description:** Revenues and Benefits

**Type of expenditure:** Revenue

**Cost Centre code:** FSLTHSB, XBAF

**Budget forecast to be unspent at 31/3/17:** £97,000 (up to)

**Amount requested for carry forward:** £97,000 (up to)

**Reason for request, including the benefits of this expenditure, why the budget was not spent in 2016/17 and timescales for expenditure in 2017/18:**

The following grants were received in 2016/17:

- KCC - Counter Fraud work to Council Tax £46,490
- DWP - Benefits Cap £19,781
- DWP New Burdens - Welfare Reform £14,365
- DWP New Burdens - Single Fraud Investigation Service £1,694
- DWP - Fraud & Error Reduction Incentive Scheme (FERIS) £7,891
- DWP - others £6,863

With welfare reform changes continuing to occur following the Local Council Tax Support Scheme replacing Council Tax Benefit from 2013/14, several grants have been received.

The largest item above is from Kent County Council for fraud work. As the largest recipient of Council Tax, it is in their best interests for as much Council Tax to be collected as possible and therefore they have provided funding for the Counter Fraud Team to help achieve this. Sevenoaks and Dartford (as a shared service) were the first council's in Kent to get this agreement in place and to start to receive this extra funding.

A service review of Revenues and Benefits has taken place to see how improvements and efficiencies can be made. This will result in one off items of expenditure that will help to facilitate these changes and the grants received could be used to fund these items.

The costs of Revenues and Benefits are shared with Dartford BC. When the partnership accounts for the year are confirmed between the two partners, it is expected that most of the above funding will not have been used in the year.

It is requested that any unspent grant funding is carried forward to 2017/18. Once the improvements from the service review are in place, any unused funding will be reviewed to see if it is required for Revenues and Benefits. Any changes will be included in the Review of Reserves that is completed as part of the annual budget setting process.

**Implications of not carrying forward this budget (e.g. impact on achievement of performance targets, etc):**

It will reduce the funding available to deliver the improvements and efficiencies recommended by the service review.

**Chief Officer:** Richard Wilson

**Budget description:** Balance of Kent Resource Partnership Communications Fund Grant

**Type of expenditure:** Revenue

**Cost Centre code:** DSREFRE

**Budget forecast to be unspent at 31/3/17:** £11,800

**Amount requested for carry forward:** £12,250 or lesser unspent balance remaining

**Reason for request, including the benefits of this expenditure, why the budget was not spent in 2016/17 and timescales for expenditure in 2017/18:**

It was agreed to carry over remaining KRP grant funds from 2015/16 (£20,620.90) into 2016/17, due to delays in 2015/16 related to the Waste Regulations for England and Wales Necessity and TEEP tests and the subsequent March 2016 waste and recycling audit conducted by the KRP.

A portion of those funds (approx. £10,000) was intended for the provision of a District recycling application (App) for smartphones and tablets. The App, due originally in year two of the KRP grant, was rolled over into 2016/17 so that it could be linked to the Council's new website, which has capabilities required by an App then due to be launched sometime in 2016/17.

But with the new Council website launch held back until late March 2017, the App portion of the KRP funds has not yet been spent. Our intention is to secure the App very soon after the SDC website is fully up and running and with the advanced features that the App requires. Although the cost of the App was originally quote to be circa £10,000, due to delay we have allowed for a 10% cost increase, hence the budget forecast to be unspent at 31/3/17 above of circa £11,800.

**Implications of not carrying forward this budget (e.g. impact on achievement of performance targets, etc.):**

The impact of not carrying this remaining budget forward will be the inability to launch the recycling App, and failure to meet a commitment to the KRP to do so. The intention of the App is to aid the Council towards an overall increase in the capture and quality of household recycling resulting to improve our recycling rate and meet KRP targets.

**Chief Officer: Richard Wilson**

**Budget description: Building works - Dunbrik Depot Vehicle Workshop**

**Type of expenditure: Capital**

**Cost Centre code: YLLQ**

**Budget forecast to be unspent at 31/3/17: £3,715**

**Amount requested for carry forward: £3,715 or lesser unspent balance remaining**

**Reason for request, including the benefits of this expenditure, why the budget was not spent in 2016/17 and timescales for expenditure in 2017/18:**

Council agreed a capital budget of £234,000 to undertake MOT test centre improvement works and building alterations during 2015/16. The MOT improvements and required upgrade of the workshop electrical installation were completed but unfortunately the tender opportunity to undertake roof height alterations and other minor building works, advertised at the end of 2015, did not attract any tender returns.

A carry forward of the remaining capital budget together with an additional £20,000 capital budget was agreed for 2016/17. The tender for the roof height alterations was re-advertised and a contractor appointed but delays in starting meant contract works were not substantially completed until February 2017. The contract has provision for the retention of 2.5% of the certified contract payments upon substantial completion for the duration of the six month maintenance period. Payment of this retention sum amounting to £3,215.52 will become due upon expiry of the maintenance period in August 2017.

The JCT form of contract for the roof alterations was administered on the Council's behalf by experienced consultancy firm Pierce Hill Project Services (PHPS). A final payment to PHPS for contract administrative services, expected to be in the sum of £500, will also become due in August 2017.

Approval is sought to carry forward remaining unspent capital budget into the 2017/18 financial year to cover or substantially cover payment of the contract payment retention and final contract administrative services fee.

**Implications of not carrying forward this budget (e.g. impact on achievement of performance targets, etc):**

The impact of not carrying this remaining budget forward will be a reduction in the 2017/18 asset maintenance budget required for essential depot maintenance works such as fixed wiring installation test compliance measures.