

## **PROVISIONAL OUTTURN 2017/18**

**Cabinet - 7 June 2018**

Report of: Chief Finance Officer

Status: For recommendation to Cabinet

Also considered by: Finance Advisory Committee - 5 June 2018

Key Decision: No

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

**Portfolio Holder** Cllr. John Scholey

**Contact Officer** Alan Mitchell, Ext 7483

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**Recommendation to Finance Advisory Committee:** That the provisional outturn report for 2017/18 be noted;

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**Recommendation to Cabinet:** The report be noted

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### **Introduction**

- 1 Provisional Financial Outturn figures for 2017/18 are attached at Appendix A.
- 2 A favourable variance of £617,000 has been achieved. A summary of this variance, which represents is 4.2% of the net service expenditure budget, is given at Appendix A.
- 3 It was approved by Council on 21 February 2018 that any favourable variances achieved on the 2017/18 budget be put into the Budget Stabilisation Reserve.
- 4 Carry forward requests were considered at the previous meeting of this Advisory Committee and were approved by Cabinet.
- 5 The main reasons for the year end variances are given in the following paragraphs and detailed explanations are provided at Appendix B.

## **High Level Analysis of Variances**

### **Communities and Business**

- 6 Economic Development & Property has commissioned a number of feasibility studies and other preparatory work for property investment projects leading to an unfavourable variance of £46,000, however this has been offset by vacancies and other savings throughout Communities & Business.

### **Corporate Services**

- 7 Land charges has proven to be a difficult area this year has previously reported and achieving the challenging income target has not been possible, leading to an unfavourable variance of £93,000. The reduction of the income target is a growth area already approved by Council for the 2018/19 budget.
- 8 Register of Electors has seen a number of factors, including unscheduled elections that has led to delays in recruitment and other planned works resulting in a favourable variance of £42,000.
- 9 Human Resources - Administrative expenses and Support are showing a unfavourable variance of £60,000 and £29,000 respectively due to an overspend on external advice and spend on Corporate Training initiatives.

### **Environmental & Operational Services**

- 10 Car Park income has exceeded the budget by £11,000 however essential expenditure on the car parks, such as repairs and maintenance, purchase of equipment, winter gritting as well as an increase in rates has led to an overall unfavourable variance of £217,000.
- 11 Estates Management - Building and Grounds are showing overspends of £36,000 and £17,000 respectively due to rates paid for the Meeting Point Building in Swanley and also additional expenditure incurred for essential tree maintenance.
- 12 Refuse collection is showing an unfavourable variance of £100,000 due to the current low prices received for recyclates and additional costs being incurred for refuse bags due to the increase in the price and the number of properties.
- 13 The above unfavourable variances are partly offset by a number of favourable variances including saving of utility costs, salary savings and other efficiencies delivering savings totalling £100,000.

### **Finance**

- 14 The Vacancy saving contributions made exceeded expectations by £185,000 but £100,000 was used to offset appraisal award payments.

- 15 A favourable variance of £519,000 has been included for retained business rates. This figure is higher than originally forecast, but is subject to external factors including appeals and also decisions by the Valuation Office which can be made late in the financial year making predictions more difficult. The budget for business rates was set at the safety net level which is an amount guaranteed to be retained.
- 16 Savings of £19,000 were made after withdrawing from the West Kent Equalities arrangement and providing the service in-house. There were also various savings, of £28,000 on external communication including printing and IT costs.

### **Planning Services**

- 17 Building Control is showing a positive variance due to income levels being higher than budgeted and the fee increase that was in effect from 1 April 2017.
- 18 Planning - Development management is showing a favourable variance of £129,000 due to several vacant posts and additional planning fees relating to large projects
- 19 Planning - Enforcement is showing a favourable variance of £39,000 due to difficulties in recruitment. A revised structure is in operation in order to reduce service impact.

### **Direct Services Trading Account**

- 20 The Direct Services is showing a positive variance, £46,000 which is due to efficiencies and savings on expenditure as well as additional income.

### **Key Implications**

#### Financial

There are no additional financial implications arising from this report

#### Legal Implications and Risk Assessment Statement.

Under section 151 of the Local Government Act 1972, the section 151 officer has statutory duties in relation to the financial administration and stewardship of the authority.

#### Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## **Conclusions**

As with previous year 2017/18 has proven to be an extremely challenging year. However, in the light of the financial pressures arising during the year, it is pleasing to report to Members a positive year end position.

The outturn position could not have been achieved without the commitment and hard work of both Members and Officers.

## **Risk Assessment Statement**

These results are still provisional and may change due to issues arising from the closure of the Council's accounts, which will be completed by 31 May 2018.

## **Appendices**

Appendix A - Outturn Summary

Appendix B - Explanation of variances

## **Background Papers:**

See appendices

**Adrian Rowbotham**  
**Chief Finance Officer**