

## PROVISIONAL OUTTURN 2015/16 AND CARRY FORWARD REQUESTS

Cabinet - 21 April 2016

Report of: Chief Finance Officer

Status: For recommendation to Cabinet

Also considered by: Finance Advisory Committee - 18 April 2016

Key Decision: No

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

**Portfolio Holder** Cllr. Searles

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

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

**Recommendation to Cabinet:** That

- (a) the Revenue 'carry forward' requests totalling £138,652 plus the unspent budget allowed for Asset Maintenance for Leisure buildings as set out in paragraph 7 of the report be approved, subject to any amendments suggested by the Finance Advisory Committee;
- (b) the Capital carry forward request totalling £117,000 as set out in paragraph 8 of the report be approved, subject to any amendments suggested by the Finance Advisory Committee; and
- (c) the amount of business rates retained in excess of the budgeted sum for 2016/17 be transferred to a reserve to enable previously identified corporate projects to proceed.
- (d) A sum of £32,000 be set aside to provide for an additional levy in respect of Municipal Mutual.

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### Introduction

- 1 Provisional Financial Outturn figures for 2015/16 were provided as an Appendix to Item 9. The latest forecast outturn is a favourable variance of £144,000 but that figure is still subject to change.
- 2 A major area of uncertainty on the financial outturn arises from retained business rates. This figure is subject to volatility depending on the level of

appeals submitted to the Valuation Office. The precise amount will not be known until final accounts are completed and there is clarity on the amount of appeals lodged and professional advice has been taken on the likely success of those appeals. At the end of February a prudent amount of £150,000 was included in the calculation of the forecast year end position.

- 3 In previous years Members have been asked to consider requests for specific unspent budgets to be placed in an earmarked reserve for spending in a subsequent year (the 'carry forward' reserve) at a meeting in May towards the end of the final accounts process. In preparation for a shorter final accounts process these requests have been brought forward to this meeting.
- 4 It was approved by Cabinet on 5<sup>th</sup> February 2016 that any favourable variance achieved on the 2015/16 budget be put to the Budget Stabilisation Reserve.
- 5 There are five requests totalling £138,652 plus a further request for the unspent balance on Leisure Asset maintenance, to transfer unspent revenue budgets to earmarked reserves.
- 6 Several corporate projects were identified in 2015/16 and expenditure on those projects would put pressure on the 2016/17 budget and put at risk the potential for meeting the savings target in that year.

#### Revenue Carry Forward Items

- 7 There are six 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	Development Management	Planning	£36,250
A2	Leisure Contract	Communities & Business	£20,706
A3	Licensing Partnership Hub Support	Corporate	£12,735
A4	Asset Maintenance - Direct Services	Environment & Operations	£11,000
A5	Revenues and Benefits	Finance	c.£57,961
	<b>SUB TOTAL</b>		<b>£138,652</b>
A6	Asset Maintenance - Leisure	Environment & Operations	Unspent Balance

## Capital Programme

- 8 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	c.£117,000
	Total		c.£117,000

## Other Transfers to Reserves

- 9 Corporate projects were identified in 2015/16 and will provide future savings or benefits to the Council. They could not all be completed in that financial year:

- Senior Management saving - This will now come into effect after the PCC election in May; the full saving therefore will not be achieved in 16/17;
- Scanning Initiatives - the potential for removing further paper storage from the offices and so improving appearance and releasing space, and also giving customers better access to planning records. Access to further funding would facilitate purchase of scanning equipment and staff to index records;
- Individual Electoral Registration - the need for additional canvassers was identified and the need to achieve a comprehensive canvas is unlikely to be achieved without additional resources above those already identified in the budget
- Asset maintenance- needs have been identified and members previously advised that the current asset maintenance budget only provides for 35% of potential needs; the needs are increasing as our assets age and this is particularly the case for leisure buildings.

- 10 It is recommended that the additional retained business rates that were not included in the original budget are set aside in an earmarked reserve to fund the corporate projects identified above, plus other minor projects, in order to allow the projects to proceed without impacting on the 2016/17 budget.

## Transfers to Provisions - Municipal Mutual

- 11 A provision of £257,000 is currently held for possible costs relating to Municipal Mutual Insurance Ltd (MMI), as a solvent run-off of the company is unlikely to be achieved. An initial levy of 15% of was made in 2014/15 and we have recently been informed that a further levy of 10% (£32,278) will be

applied during 2016/17. It is recommended that a further amount of £32,000 is transferred to the MMI provision at the end of 2015/16.

## **Key Implications**

### Financial

There are no 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**

- 12 The 2016/17 budget includes savings totalling £0.487m. Achieving this continuing level of savings whilst managing the financial risks will require continued close and proactive financial management during 2016/17.

## **Risk Assessment Statement**

- 13 The approval of these carry forward requests should reduce the risk of the Council exceeding its planned expenditure in 2016/17.
- 14 These results are provisional and may change due to issues arising from the closure of the Council's accounts, which will be completed by 30 June 2016.

Appendices Appendix A - Budget Carry Forward Requests

Background Papers: See appendices

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