

7. RECOMMENDATIONS FROM THE CABINET MEETING OF 8 MAY 2018.

OUTTURN 2017/18

Summary

1. At Cabinet on 19 February 2018 a projected net overspend of £14,000 was forecast.
2. Following closedown, the year-end position for 2017/18 now shows a net underspend of £418,000 before allowing for approved transfers to Reserves. One request to carry forward a budget is set out in Table 1 of the Cabinet report for £50,000. If approved, this reduces the net underspend for the year to £368,000. In addition, £62,000 was transferred to Specific Reserve as approved at Council on 19 July 2017, further reducing the position to a net underspend of £306,000.
3. The over performance on income this year, has contributed to the year-end underspend. The majority of this extra income is related to Development Management, Car Park Charges and Building Control. In the last quarter of the year, the variance includes increased income for Land Charges, Licencing and Legal together with salary savings in a number of Business Units. There has also been a reduction on the previously reported pressure in Corporate Estates and Facilities due to the re- categorisation of the Hurst Farm development costs to Capital, as well as further savings on some expenditure budgets across the Council. This gives us a further opportunity to earmark part of the 2017/18 underspend as detailed in paragraph 22 of the Cabinet report. Assuming that Members approve these proposed transfers, the remaining net underspend for the year stands at £6,000.
4. Interest income during the year was greater than the original estimate of £310,000 by £35,000. This is mainly due to the higher than forecast average rate of return that has been achieved, together with a small increase in the average balance available to invest. Of the total interest received for the year (£345,000), £1,000 has been utilised (refer to paragraph 23 of the Cabinet report) leaving a balance of £344,000 to transfer to General Reserve.
5. Dividend income from investments in the Local Authorities Property Fund generated £269,590 in year, which exceeded the 2017/18 budget of £240,000 by £29,590. This overachievement of dividend income received will be transferred to General Reserve.
6. The capital outturn position shows a £925,000 underspend. An analysis of this is shown in Table 3 of the Cabinet report. The total net expenditure on the Specific Items financed from Specific Reserve and the General Reserve for 2017/18 is set out in Appendix C of the Cabinet report.

Recommendations

7. Cabinet is asked to note the contents of this report, and to recommend to Council:

- (i) that grant income as set out in paragraph 15 to 17 of this report be transferred to Specific Reserve;**
- (ii) that grant income as set out in paragraph 18-19 of this report be transferred to General Reserve;**
- (iii) that balance of interest totalling £344,000 as set out in paragraph 23 is transferred to the General Reserve;**
- (iv) that Dividend income totalling £29,590 as set out in paragraph 26 is transferred to the General Reserve**
- (v) that the 2018/19 capital programme be increased by £2,045,000 as a result of slippage of some 2017/18 capital projects as detailed in Table 3.**
- (vi) that the revenue underspending in 2017/18 be transferred to Reserves as follows:**
 - a) £50,000 be transferred to Reserves as set out in Table 1;**
 - b) £300,000 be transferred to Specific Reserves as set out in Table 2;**
 - c) £6,000 balance to be transferred to General Reserve**
- (vii) that £13m be transferred from General Reserve to Specific Reserve as set out in para 27 -35 of this report;**
- (viii) That £15,229 be transferred to General Reserve as detailed in Appendix C General Reserve Table note 5.**