

**South Lakeland District Council**  
**Council 17 May 2017**  
**2016/17 Revenue and Capital Carry Forwards**

|                       |  |
|-----------------------|--|
| <b>PORTFOLIO:</b>     | <b>Councillor Peter Thornton – Finance Portfolio Holder</b>                      |
| <b>REPORT FROM:</b>   | <b>Shelagh McGregor - Assistant Director Resources<br/>(Section 151 Officer)</b> |
| <b>REPORT AUTHOR:</b> | <b>Pete Notley - Chief Accountant</b>  |
| <b>WARDS:</b>         | <b>All</b>   |
| <b>FORWARD PLAN:</b>  | <b>Not applicable</b>  |

### **1.0 EXPECTED OUTCOME**

- 1.1 This report presents Revenue and Capital carry forward requests relating to 2016/17. Once approved, this will enable the services identified to be delivered in 2017/18. This report has been amended from the version presented to Cabinet 26 April to include a recommendation for budget changes due to the UK General Election which was announced on the 18<sup>th</sup> April, to be held on 8 June 2017.

### **2.0 RECOMMENDATIONS**

**It is recommended that Council:**

- 2.1 **consider the contents of the report and approve the revenue and capital carry forwards as set out in Appendix 1 and 2.**
- 2.2 **approve a cost neutral change to the 2017/18 revenue budget for costs and income linked to the UK General Election, as set out at 3.7 below.**

### **3.0 BACKGROUND AND PROPOSALS**

- 3.1 The total of Revenue carry forward requests is £1.1m. These are made up of a number of requests as detailed in **Appendix 1**. The single largest areas relate to:
- c£320k on Community Grants where amounts are committed but where spend is largely subject to the progress of external partners.
  - c£120k within Development Strategy and Housing to support specific work on a Brownfield, Custom and Self Build Registers and other planning strategies.

- c£130k relating to specific Economic Development projects. The work has been commissioned but the expenditure has not occurred in year.
  - c£75k relates to one-off potential costs to support review of the Grounds Maintenance contract.
  - c£75k relates to funds that will support the ongoing administration of flood resilience grants.
- 3.2** These carry forwards do not include the impact of the Community Housing Fund. The full £2.36m has been received in year. Rather than carry forward this amount into service budgets, this will be put into a reserve as set out in the budget report to Council 22 February 2017.
- 3.3** Set out in **Appendix 2** are the proposed Capital carry forwards. These total £1.6m. The revised 2016/17 Capital Programme approved by Council on the 22 February 2017 totalled £5.4m. There is no material underspend projected against this, rather it is a matter of profiling.
- 3.4** The approval of the carry forwards will enable work that was planned in 2016/17 to be delivered in 2017/18. Carry forward amounts have been reviewed against the draft service expenditure and the draft capital out-turn to ensure that at corporate, directorate and service levels there is sufficient budget to support the requests. This position may change as the Statement of Accounts and year end position are finalised. Any corrections required will be reported back to Cabinet and Council within the out-turn report.
- 3.5** Although the carry forward of budgets is an important flexibility within the financial procedure rules, the services identified need to be delivered, as set out in Appendix 1 and 2, as part of meeting the Council Plan. To support this, spend of the carry forward amounts will be reported on specifically within the quarterly budget monitoring, throughout 2017/18.
- 3.6** The underlying reasons for carrying budget forward will be reviewed with managers. Where improvements could be made to the method of profiling budgets, these will be fed in to the 2018/19 budget process.

## **UK General Election**

- 3.7** On April 18, 2017, the Prime Minister announced plans to call a General Election on June 8, 2017. This will lead to the Council incurring an estimated £200k in revenue costs which will be fully reimbursed through grant from central government. This will require income and expenditure budgets to be added in to the 2017/18 general fund revenue account. £60k has already been added to these budgets under Officer delegation, to allow preparation work to begin. The remaining £140k is above the limit of Officer or Cabinet delegation. Council are asked to approve the cost neutral addition of £140k to the income and expenditure budgets.

## **4.0 CONSULTATION**

- 4.1** Senior Management Team, Budget Holders and Portfolio Holders have been consulted in the preparation of this report.

## 5.0 ALTERNATIVE OPTIONS

5.1 There are no alternative options presented; Members could decide to not approve some or all of the proposed carry forwards. This would result in the specific scheme not being delivered but would increase unallocated reserve balances that could be used for other purposes.

## 6.0 LINKS TO COUNCIL PRIORITIES

6.1 Approval of the carry forwards will allow the services set out in the appendices to be delivered.

## 7.0 IMPLICATIONS

### 7.1 Financial and Resources

7.1.1 Financial and resource information are contained within the report

### 7.2 Human Resources

7.2.1 There are no additional Human Resources implications of the report.

### 7.3 Legal

7.3.1 There are no additional legal implications of the report.

### 7.4 Health, Social, Economic and Environmental

7.4.1 There are no additional Health, Social, Economic or Environmental impacts as a result of the report.

|  |   |  |
|--|---|--|
| Have you completed and Health, Social, Economic and Environmental Impact Assessment? | Yes <input type="checkbox"/>  | No <input checked="" type="checkbox"/> |
| If yes, please confirm that it is attached to the report in the appendices.          | Yes <input type="checkbox"/>  | No <input type="checkbox"/>            |
| If you have not completed an Impact Assessment, please explain your reasons.         | Carry forwards relate to activities already approved as part of the 2016/17 budget. |  |

### 7.5 Equality and Diversity

7.5.1 There are no additional Equality or Diversity impacts as a result of the report.

|   |   |  |
|---|---|--|
| Have you completed an Equality Impact Analysis?                                     | Yes <input type="checkbox"/>  | No <input checked="" type="checkbox"/> |
| If yes, please confirm that it is attached to the report in the appendices.         | Yes <input type="checkbox"/>  | No <input type="checkbox"/>            |
| If you have not completed an Equality Impact Analysis, please explain your reasons. | Carry forwards relate to activities already approved as part of the 2016/17 budget. |  |

## 7.6 Risk

| Risk  | Consequence   | Controls required  |
|---|---|--|
| Delay with approval of carry forwards impairs service delivery.           | Ability to deliver Council Plan objectives in year is reduced.  | Efficient and timely system of carry forward approvals.  |
| Carry forwards approved prior to final closedown position is established. | Too much or too little budget is transferred into the new year, inhibiting budget manager's ability to deliver. | Efficient and timely system of carry forward approvals that builds on monthly /quarterly monitoring. |

## CONTACT OFFICERS

Pete Notley, Chief Accountant, [p.notley@southlakeland.gov.uk](mailto:p.notley@southlakeland.gov.uk), 01539 793157

## APPENDICES AND ANNEX ATTACHED TO THIS REPORT

| No.        | Description                               |
|------------|---|
| Appendix 1 | Listing of Revenue carry forward requests |
| Appendix 2 | Listing of Capital carry forward requests |

## BACKGROUND DOCUMENTS AVAILABLE

| Name of Background document | Where it is available   |
|-----------------------------|---|
| 2016/17 budget book         | <a href="https://tinyurl.com/j6d4w67">https://tinyurl.com/j6d4w67</a> |
| Quarter 3 budget monitoring | <a href="https://tinyurl.com/llu9g4a">https://tinyurl.com/llu9g4a</a> |
| Council Constitution        | <a href="https://tinyurl.com/gth4cva">https://tinyurl.com/gth4cva</a> |

## TRACKING INFORMATION

| Assistant Director                     | Portfolio Holder | Solicitor to the Council  | SMT                        | Scrutiny Committee        |
|--|------------------|---------------------------|----------------------------|---------------------------|
| 6/4/2017                               | 6/4/2017         | 6/4/2017                  | 6/4/2017                   | n/a                       |
| <b>Executive (Cabinet)</b>             | <b>Committee</b> | <b>Council</b>            | <b>Section 151 Officer</b> | <b>Monitoring Officer</b> |
| 26/4/2017                              | n/a              | 17/5/2017                 | 6/4/2017                   | 6/4/2017                  |
| <b>Human Resource Services Manager</b> | <b>Leader</b>    | <b>Ward Councillor(s)</b> |                            |                           |
| n/a                                    | n/a              | n/a                       |                            |                           |