

South Lakeland District Council
Cabinet

Wednesday, 20 May 2020

2019/20 Final Accounts – Carry Forwards and Re-Profiling requests

Portfolio:	Cllr Andrew Jarvis, Finance and Resources Portfolio Holder
Decision from:	Helen Smith – Finance Lead Specialist (Section 151 Officer)
Report Author:	Helen Smith – Finance Lead Specialist (Section 151 Officer)
Wards:	All wards
Forward Plan:	Budget and Policy Framework decision will be required following Cabinet consideration

1.0 Expected Outcome

1.1 This report presents Revenue carry forward and Capital re-profiling requests relating to 2019/20. Once approved, this will enable the services identified to be delivered in 2020/21.

2.0 Recommendation

2.1 It is recommended that Cabinet:-

- (1) consider and recommend to Council approval of the revenue carry forwards at Appendix 1; and
- (2) approve the re-profiling of expenditure and associated budgets for the capital schemes from 2019/20 into 2020/21 at Appendix 2.

3.0 Background and Proposals

Revenue Carry-forwards

3.1 The total of Revenue carry forward requests into 2020/21 is £0.6m. These are made up of a number of requests as detailed in **Appendix 1** and as some of them are above £100k they will need to be approved by Council on 30 June 2020 as part of the outturn report. The largest areas relate to

- £293k on the Customer Connect programme
- £81k on Economic Development projects
- £85k on feasibility and design work on Ulverston Leisure Centre.

3.2 The approval of the carry forwards will enable the work that was planned in 2019/20 to be delivered in 2020/21. Carry forward amounts have been reviewed against the draft service expenditure 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 in

June 2020.

- 3.3 Although the carry forward of budgets is an important flexibility within the financial procedure rules, the services identified need to be delivered, as part of meeting the Council Plan. To support this, spend of the carry forward amounts will be reported on as part of the quarterly budget monitoring, throughout 2020/21.
- 3.4 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 2021/22 budget process.

Capital programme Re-profiling

- 3.5 Variations on spending on the Capital programme usually reflect changes in the progress of individual schemes. As these schemes span a number of years any variation needs to be reflected in an up-date to the profiled spending in the Capital programme.
- 3.6 **Appendix 2** shows those Capital Schemes in the 2019/20 Capital programme where expenditure varies to the approved Capital programme. To enable these schemes to continue and be completed it is necessary to vary the Capital programme in 2020/21 to reflect the variations in phasing of expenditure. The total for re-profiling is £3,2m. The Cabinet have delegated powers to approve these changes in accordance with Para 8.2 of the Financial Procedure Rules.
- 3.7 Although some of the underspend relates to third parties, there is still a significant amount directly in the control of the Council. Processes will continue to be reviewed to minimise any future yearly underspends.

4.0 Consultation

- 4.1 Corporate Management Team and Budget 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 or re-profiling. This would result in the specific scheme not being delivered but would on the other hand increase unallocated reserve balances that could be used for other purposes.

6.0 Links to Council Priorities

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

7.0 Implications

Financial, Resources and Procurement

- 7.1.1 The Financial, Resources and Procurement implications are reflected in the report.

Human Resources

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

Legal

- 7.3.1 There are no Legal implications of the report.

Health, Social, Economic and Environmental

- 7.4 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No.

- 7.5 If you have not completed an Impact Assessment, please explain your reasons:
Carry forwards relate to activities already approved as part of the 2019/20 budget.

Equality and Diversity

- 7.7 Have you completed an Equality Impact Analysis? No
- 7.8 If you have not completed an Impact Assessment, please explain your reasons:
Carry forwards relate to activities already approved as part of the 2019/20 budget.

Risk

Risk	Consequence	Controls required
Delay with approval of carry forwards and re-profiling impairs service delivery.	Ability to deliver Council Plan objectives in year is reduced.	Efficient and timely system of carry forward and re-profiling approvals.
Carry forwards and re-profiling 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 and re-profiling approvals that builds on monthly /quarterly monitoring.

Contact Officers

Helen Smith, Finance Lead Specialist, 01539 793147, h.smith@southlakeland.gov.uk

Appendices Attached to this Report

Appendix No.	Name of Appendix
Appendix 1	Revenue Carry Forward Requests
Appendix 2	Capital Re-profiling Requests

Background Documents Available

Name of Background document	Where it is available
2019/20 budget book	https://tinyurl.com/y56kswxu
Quarter 3 corporate finance update	https://tinyurl.com/y74z8xwr
Council Constitution	https://tinyurl.com/gth4cva

Tracking Information

Signed off by	Date sent
Legal Services	11/05/20
Section 151 Officer	11/05/20
Monitoring Officer	11/05/20
CMT	11/05/20

Circulated to	Date sent
Director	11/05/20

Circulated to	Date sent
Human Resources Manager	N/A
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	11/05/20
Ward Councillor(s)	N/A
Committee	N/A
Executive (Cabinet)	20/05/20
Council	30/06/20