

Taunton Deane Borough Council

Council Meeting – 10 July 2018

Part I

To deal with written questions to, and receive recommendations to the Council from, the Executive.

Councillor John Williams

Financial Monitoring – Outturn 2017/2018

The Council's financial performance for the 2017/2018 financial year was considered by the Executive at its meeting on 5 July 2017.

The revenue outturn position for the financial year 2017/2018 is as follows:-

- The General Fund (GF) Revenue Outturn position for 2017/2018 is a net underspend of £21,000 (0.1% of Net Budget), after proposed reserve transfers and carry forwards; and
- The Housing Revenue Account (HRA) is a 'Self-Financing' account for the Council's Housing Landlord function, which is budgeted to 'break even' (net of approved transfers to/from HRA Reserves). The HRA Outturn for 2017/2018 is a net overspend of £446k (1.7% of gross income).

The capital outturn position for 2017/2018 is as follows:-

- The total General Fund Capital Programme budget is £53,304,000, including ongoing schemes from previous years and new schemes approved at the start of and during 2017/2018. Of this, £13,883,000 has already been spent in previous years and a further £4,869,000 has been spent during 2017/2018. The projected spend in 2018/2019 and future years is £34,259,000 (not including new 2018/2019 budget approvals). A net underspend of £293,000 is being reported against the overall approved budget for the Programme.
- The HRA approved Capital Programme at the end of 2017/2018 was £18,839,000. This relates to schemes which will be completed over the next five years. The actual expenditure on the Capital Programme during 2017/2018 was £10,126,000 with £8,713,000 for planned investment to implement approved schemes in future years. There are no reported variances against the total approved programme.

The General Fund reserves balance as at 31 March 2018 stands at £2,299,000

which remains above the minimum reserves expectation.

HRA Reserve balance as at 31 March 2018 stands at £2,778,000, which is above the minimum level set within the Council's Budget Strategy and HRA Business Plan.

The total General Fund Earmarked Reserves balance as at 31 March 2018 is £21,615,000, and for HRA Earmarked Reserves the balance is £6,990,000, representing contingencies and funds that have been set aside for specific purposes to be spent in 2018/2019 or later years.

This has grown largely in respect of funds committed to support growth and infrastructure development, future capital programme spending, the business rates funding volatility, creating a new council and funding set aside to support service restructuring and transformation projects. The majority of this is planned to be spent over the next two years, although experience shows this may be over a longer period.

The year-end financial statements reported that Deane DLO has made an overall deficit of £44,000 after contributing £101,000 to the GF. This deficit has been transferred from the DLO Trading Account Reserves which, together with a £200,000 contribution to Transformation, has decreased the reserve balance to £121,000.

The Deane Helpline has reported a net deficit of £64,000 for the year, which is an underspend of £53,000 against the final budget and represents the net cost of the service to the GF.

The Outturn Report has previously been considered and supported by the Corporate Scrutiny Committee.

Recommended that:-

- (a) The reported General Fund Revenue Budget underspend of £21,000 in 2017/2018 and the General Reserves Balance of £2,299,000 as at 31 March 2018 be noted;
- (b) The General Fund Revenue Budget Carry Forwards totalling £1,195,000 (as set out in table 3 of the Executive's report) be approved;
- (c) A General Fund Capital Programme Budget Profile totalling £34,259,000 in 2018/2019 and later years (as set out in Appendix B to the Executive's report) be approved;
- (d) A Housing Revenue Account Budget Carry Forward totalling £344,000 (as set out in table 14 of the Executive's report) be approved; and
- (e) A Housing Revenue Account Capital Programme Budget Profile totalling £8,713,000 in 2018/2019 and later years (as set out in Appendix D to the Executive's Report) be also approved.