

Item

## **Strategy and Resources Scrutiny Committee**

### **2017/18 Revenue and Capital Outturn, Carry Forwards and Significant Variances – (the former) Strategy and Transformation Portfolio**

**To:**

Councillor Herbert, Executive Councillor for Strategy and External Partnerships

**Report by:**

Chief Executive, Strategic Directors, Head of Finance

**Date:**

2 July 2018

**Wards affected:**

(All) Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

## **Key Decision**

### **1. Executive Summary**

1.1 This report presents, for the Strategy and Transformation Portfolio :

- a) A summary of actual income and expenditure compared to the final budget for 2017/18 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from budget underspends into 2018/19.

### **2. Recommendations**

Members of the Scrutiny Committee are asked to consider and make known their views on the following proposals for consideration by the Executive Councillor for Finance and Resources at the Strategy and Resources Scrutiny Committee on 2 July 2018:

- a) Carry forward requests totalling £424k revenue funding from 2017/18 to 2018/19, as detailed in Appendix C.
- b) Carry forward requests of £1,043k capital resources from 2017/18 to 2018/19 to fund rephased net capital spending, as detailed in Appendix D.

### 3. Background

#### Revenue Outturn

- 3.1 The overall revenue budget outturn position for the Strategy and Transformation Portfolio is given in the table below. Detail, by service grouping, is presented in **Appendix A**.

2016/17 £'000	Strategy and Transformation Portfolio Revenue Summary	2017/18 £'000	% Final Budget
3,938	Original Budget	4,466	62.7
158	Adjustment – Prior Year Carry Forwards	588	8.3
0	Adjustment – Service Restructure Costs	-	-
257	Adjustment – Earmarked Reserves (incl Greater Cambridge Partnership)	1,940	27.3
90	Adjustment – Capital Charges	73	1.0
263	Adjustment – Central & Support reallocations	-	-
0	Other Adjustments	52	0.7
0	Final Budget	7,119	100.0
4,706	Outturn	6,325	88.8
<b>3,800</b>	<b>(Under) / Overspend for the year</b>	<b>(794)</b>	<b>11.2</b>
(906)	Carry Forward Requests	424	6.0
<b>562</b>	<b>Resulting Variance</b>	<b>(370)</b>	<b>5.2</b>

- 3.2 **Appendix A** shows original and final budgets for the year (with the movements summarised in the above table) and compares the final budget with the outturn position for this Portfolio for 2017/18. The original revenue budget for 2017/18 was approved by the Executive Councillor for Strategy and Transformation on 23 January 2017.
- 3.3 **Appendix B** provides explanations of the main variances.
- 3.4 **Appendix C** lists revenue carry forward requests.

### Capital Outturn

- 3.5 The overall capital budget outturn position for the Strategy and Transformation Portfolio is given in the table below. **Appendix D** shows the outturn position by scheme and programme with explanations of variances.

2016/17 £'000	Strategy and Transformation Portfolio Capital Summary	2017/18 £'000	% Final Budget
85	Final Budget	1,090	100.0
25	Outturn	47	4.3
<b>(60)</b>	<b>Variation - (Under)/Overspend for the year</b>	<b>(1,043)</b>	<b>(95.7)</b>
60	Rephasing Requests	1,043	95.7
<b>0</b>	<b>Variance</b>	<b>0</b>	<b>0</b>

- 3.6 The majority of the rephasing relates to the equity loan to CIP in relation to the Mill Road Development.

## 4. Implications

- 4.1 The net variance from the final budget (see above), would result in a decreased use of General Fund reserves of £370k, after carry forward requests.

- 4.2 A decision not to approve a carry forward request may impact on officers' ability to deliver the service or scheme in question and this could have financial, staffing, equality and poverty, environmental, procurement or community safety implications.

**(a) Financial Implications**

Any financial implications are included in the Appendices.

**(b) Staffing Implications**

Any staffing implications are included in the Appendices.

**(c) Equality and Poverty Implications**

Any equality and poverty implications are included in the Appendices

**(d) Environmental Implications**

Any environmental implications are included in the Appendices.

**(e) Procurement Implications**

Any procurement implications are included in the Appendices.

**(f) Community Safety Implications**

Any community safety Implications are included in the Appendices.

**5. Consultation and communication considerations**

Public consultations are undertaken throughout the year and can be seen at:

[cambridge.gov.uk/current-consultations](https://cambridge.gov.uk/current-consultations)

## 6. Background papers

These background papers were used in the preparation of this report:

- Closedown Working Files 2017/18
- Directors' Variance Explanations – March 2018
- Budgetary Control Reports to 31 March 2018
- Capital Monitoring Reports – March 2018

## 7. Appendices

The following items, where applicable, are included for discussion:

Appendix	Proposal Type	Included
<b>A</b>	Revenue Summary for this portfolio	✓
<b>B</b>	Revenue Major Variances for this portfolio	✓
<b>C</b>	Carry Forward Requests for this portfolio	✓
<b>D</b>	Capital Summary for this portfolio	✓

## 8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Authors' Names: John Harvey  
Authors' Phone Numbers: 01223 - 458143  
Authors' Emails: [john.harvey@cambridge.gov.uk](mailto:john.harvey@cambridge.gov.uk)

O:\accounts\Committee Reports & Papers\Strategy & Resources from July 2007\2018 June\Strategy and Transformation\Final\S&R (S&T) - Committee Outturn 2017-18 Report FINAL TO FINALISE.docx

## Strategy &amp; Transformation Portfolio / Strategy &amp; Resources Scrutiny Committee

## Revenue Budget 2017/18 - Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn £	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Corporate Strategy	342,700	395,060	351,372	(43,688)	0	(43,688)
Democratic Services	208,770	208,770	186,008	(22,762)	0	(22,762)
CCTV	(62,770)	(79,730)	(141,677)	(61,947)	45,000	(16,947)
Community Safety	174,340	174,340	147,771	(26,569)	0	(26,569)
Corporate & Democratic Services	1,998,070	1,998,070	1,969,811	(28,259)	0	(28,259)
Central Provisions, Support Services and Centrally allocated costs	(423,490)	1,900,180	1,629,702	(270,478)	160,000	(110,478)
Pensions - Early Retirements and Past Deficit	1,834,910	1,834,910	1,785,960	(48,950)	0	(48,950)
Programme Office	393,000	687,600	396,062	(291,538)	219,000	(72,538)
<b>Total Net Budget</b>	<b>4,465,530</b>	<b>7,119,200</b>	<b>6,325,009</b>	<b>(794,191)</b>	<b>424,000</b>	<b>(370,191)</b>

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted

and are detailed and approved:

- in the January committee cycle (as part of the Budget-Setting Report, BSR)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFS)
- via technical adjustments/virements throughout the year

## Strategy &amp; Transformation Portfolio / Strategy &amp; Resources Scrutiny Committee

Revenue Budget 2017/18 - Major Variances  
from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
<b>Corporate Strategy</b>	Underspend is primarily due to salary costs (£33,000) due to a change in the working pattern for the Strategy and Partnerships Manager and vacancies in the Corporate Project manager and Corporate Strategy Officer posts plus a number of other smaller underspends across elements of the budget, including surveys (£3,000) corporate interpreting contract (£3,000) and consultants (£2,000)	(43,688)	Andrew Limb
<b>Democratic Services</b>	Electoral Registration and Elections: The variance occurs due to money recorded as expected to be received from the government to cover the expense of the 2017 elections. The cost of snap elections in 2017 exceeded the Council budget by £30k and to cover the balance as well as the base budget of £25k a debtor has been recorded for £63k, which should cover the total spend of £56k and all of the recharges. When the money is received, it will be re-allocated appropriately to account for the total costs of all the elections and this means the Elections account is expected to balance to Nil, with the overspend covered by the grant received.	(22,762)	Vicky Breeding
<b>CCTV</b>	An underspend in the year has been managed so that a carry forward request can be made for £45k (CCC's required share) to provide essential urgent maintenance of the CCTV system than followed on from a technical survey that was carried out.	(61,947)	Joel Carre
<b>Community Safety</b>	The variance reflects restricted grant funding which will be applied in 2018/19.	(26,569)	Lynda Kilkelly
<b>Corporate &amp; Democratic Services</b>	Specific Corporate cost centres are cleared to this central code and the majority of this variance relates to Civic Affairs which had higher income this year as the cost centre holds income from lettings of civic rooms by Cambridge Live as well as underspends on both salaries (due to a 3 month's vacancy) and the Mayor's hospitality.	(28,259)	Gary Clift
<b>Central Provisions and Centrally allocated costs</b>	Variances on centrally budgeted items such as Youth Apprenticeship scheme £147k underspend and £77k overspend on Notional Discretionary Rate relief are offset by actual spend within services so are overall net nil to the Council. The remaining balance is mainly a net underspend of £160k cost of change (such as redundancies) and is requested to be carried forward to meet future costs of change. This is linked to the Programme Office work.	(270,478)	John Harvey
<b>Pensions - Early Retirements and Past Deficit</b>	Following the latest triennial review and negotiations for a 3 year up-front settlement, the anticipated contributions from the GF to meet the pension deficit are lower than previously budgeted.	(48,950)	John Harvey
<b>Programme Office</b>	Underspends across a range of projects due to profiling of spend, progress of delivery and delays in recruitment or awarding contracts. Significant underspend of (£40K) Shared Services programme office contribution. There is a request to carry forward £219k of this balance into 2018/19 as the 2018/19 budget was based upon a carry forward at year end.	(291,538)	Paul Boucher
<b>Other</b>		-	-
<b>Total</b>		<b>(794,191)</b>	

## Appendix C

### Strategy & Transformation Portfolio / Strategy & Resources Scrutiny Committee

#### Revenue Budget 2017/18 - Carry Forward Requests

Request to Carry Forward Budgets from 2017/18 into 2018/19

Item	Reason for Carry Forward Request	Amount £	Contact
1	<p><b>CCTV</b> An underspend in the year has been managed so that a carry forward request can be made for £45k (CCC's required share) to provide essential urgent maintenance of the CCTV system than followed on from a technical survey that was carried out.</p>	45,000	Joel Carre
2	<p><b>Provision for costs of change.</b> The year end balance is required to be carried forward as potential costs arising from delivering transformation projects that are currently in progress or which will now be delivered later than originally planned. It also covers the provision for costs as a result of change.</p>	137,500	Paul Boucher
3	<p><b>Programme Office</b> The programme is based on a forward look of 2 years. The year-end balance is required to be carried forward to provide the capacity for delivering transformation projects that are currently in progress or which will now be delivered later than originally planned. The transformation budget bid for 2018/19 was based on the assumption that the 2017/18 underspend would be carried forward.</p>	291,500	Paul Boucher
	<b>Total Carry Forward Requests for Strategy &amp; Transformation Portfolio</b>	<b>474,000</b>	



## Strategy &amp; Transformation Portfolio / Strategy &amp; Resources Scrutiny Committee

## Capital Budget 2017/18 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2017/18 £000	Final Budget 2017/18 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC614 - 100077 (38321)	100077 - Redeployable CCTV camera stock	J Carré	60	60	47	(13)	13	0	
SC658 - 100193 (38440)	100193 - Cambridge City CCTV infrastructure	J Carré	80	80	0	(80)	80	0	
SC671 - 100095 (38339)	Mill Road depot development - capital contribution	F Bryant	0	0	0	0	0	0	Budget in 2018/19.
SC659 - 100194 (38441)	My Cambridge City online customer portal	J James	0	0	0	0	0		Budget in 2018/19.
SC660 - 100195 (38442)	Council Anywhere - desktop transformation	J James	0	0	0	0	0		Budget in 2018/19.
SC672 - 100205 (38448)	Mill Road Redevelopment - Development Loan to CIP	F Bryant	0	0	0	0	0		Budget in 2018/19.
SC674 - 100206 (38450)	Mill Road Redevelopment - Equity Loan to CIP	F Bryant	950	950	0	(950)	950	0	Project due to start on site in June 2018 but still awaiting final project plan and payment schedules.
<b>Total Projects</b>			<b>1,090</b>	<b>1,090</b>	<b>47</b>	<b>(1,043)</b>	<b>1,043</b>	<b>0</b>	

  

<b>Total for Strategy &amp; Transformation Portfolio</b>	<b>1,090</b>	<b>1,090</b>	<b>47</b>	<b>(1,043)</b>	<b>1,043</b>	<b>0</b>
--	--------------	--------------	-----------	----------------	--------------	----------

Changes between original and final budgets may be made to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFS)
- in the January committee cycle (as part of the Budget-Setting Report, BSR)
- via technical adjustments/virements throughout the year