

Key Decision Required:	No	In the Forward Plan:	No
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**PORTFOLIO HOLDER FOR FINANCE AND CORPORATE RESOURCES
27 SEPTEMBER 2018**

REPORT OF DEPUTY CHIEF EXECUTIVE

A.1 REVIEW OF CARRY FORWARDS FROM 2017/18 OUTTURN THAT WERE SUBJECT TO FURTHER VALUE FOR MONEY CONSIDERATIONS

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To report the outcome of the requested review of a number of carryforwards that were referred to as Section B carry forwards within Appendix A of an associated report that was presented to Cabinet on 13 July 2018.

EXECUTIVE SUMMARY

- As requested by Cabinet, a value for money review of carry forwards that were requested by services at the end of 2017/18, which total **£247,120**, has been completed.
- Of the total amount of **£247,120** requested, carryforwards totalling **£230,940** are recommended to be confirmed.
- The balance of **£16,180**, which relates to carry forwards not agreed, has been added to the general fund variance for 2017/18 and transferred to the forecast risk fund in-line with Cabinet’s earlier decision when it considered the overall 2017/18 outturn variance at its meeting on 13 July 2018.

RECOMMENDATION(S)

That, of the total amount of £247,120 identified as Section B carry forwards by Cabinet at its meeting on 13 July 2018, a total of £230,940 are confirmed as set out within Appendix A, with the balance of £16,180 not confirmed and added to the general fund variance for the year and transferred to the Forecast Risk Fund.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Careful planning to ensure financial stability underpins the Council’s capacity to deliver against its priorities. Both the capital and revenue budgets of the authority are prepared and monitored with the aim of supporting key objectives. The outturn position reflects this process and supports the successful financial planning process.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The main financial implications are as set out elsewhere in this report.

Risk

There are no direct risks associated with this report although the ability to fund future financial

forecasts is recognised as a strategic risk to support the achievement of financial resilience of the Council in both the short and long term.

LEGAL

The Council is legally required to calculate a Council Tax requirement each financial year. Within this framework is the requirement to monitor and report accordingly on the financial position of the authority against this requirement.

As agreed by Full Council on 21 November 2017, the approval of the outturn position each year is delegated to the Finance and Corporate Resources Portfolio Holder with the outturn for 2017/18 being the first year subject to this delegation. As set out in the report to Council on 21 November 2017, any further decisions that may be required following the outturn process, such as allocating money brought forward from the prior year will be reported to Cabinet at a subsequent meeting. In effect the approval of the outturn position delegated to the Finance and Resources Portfolio Holder will primarily only place available funding that needs further allocation in reserves until such time as a formal / separate decision is presented to Cabinet. The report presented to Cabinet on 13 July 2018 therefore sought Cabinet's approval of the money set aside in reserves at the end of 2017/18 under the delegation to the Portfolio Holder for Finance and Corporate Resources.

A further delegation was agreed by Cabinet at its 13 July 2018 meeting that delegated the final confirmation of carryforwards that did not meet the associated criteria to the Finance and Corporate Resources Portfolio Holder following a value for money review.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

Although there are no direct equality and diversity issues, the overall Financial Strategy and budget process aims to recognise any such issues where appropriate within the Council's wider Financial Framework.

PART 3 – SUPPORTING INFORMATION

BACKGROUND AND CURRENT POSITION

The Financial Outturn for 2017/18 was agreed by the Finance and Corporate Resources Portfolio Holder on 21 May 2018. As part of agreeing that report, amounts requested by services to be carried forward into 2018/19 were transferred to reserves pending Cabinet's approval.

At its meeting on 13 July 2018, Cabinet considered amongst a number of items, revenue carry forward requests from services totalling **£9,935,810**.

Of the above amount, **£9,688,690** was approved by Cabinet, as it met the relevant carry forward criteria such as:

- Has a 'contractual commitment' been made;
- Is it related to a long term project which is expected to span a number of financial years;
- Is it a non-recurring item for which no budget provision exists in the following year;

The balance of **£247,120** therefore represented amounts that did not meet the relevant criteria. However it was recognised that it could be advantageous to agree them to support the delivery

of the long term financial sustainability plan or meet costs which could otherwise become future pressures on the budget. These were referred to as Section B Carry forwards within Appendix A of the associated report considered by Cabinet at its 13 July 2018 meeting.

With the above in mind, Cabinet requested Officers to undertake a further review of the Section B carry forwards based on general value for money principles. This review has now been completed which included the consideration of issues such as supporting Council priorities, profile of expenditure, risks and safeguarding of Council assets. A summary of the outcome from the review is attached as **Appendix A**. All but two of the items are recommended to be confirmed for carrying forwarding into 2018/19 and total **£230,940**.

Cabinet previously agreed that any carryforwards that do not meet the value for money criteria are added to the general fund variance for the year. Therefore in-line with this decision, **£16,180** has been added to the general outturn figure for 2017/18 and transferred to the Forecast Risk Fund, which relates to the two carry forwards not agreed.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A	Section B - General Fund Revenue Carry Forwards Requested by Services as initially considered by Cabinet on 13 July 2018.
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