

**Revenue Outturn 2017/18 – Allocation of Underspend**

<b>Final Decision-Maker</b>	Policy and Resources Committee
<b>Lead Head of Service/Lead Director</b>	Mark Green, Director of Finance & Business Improvement
<b>Lead Officer and Report Author</b>	Ellie Dunnet, Head of Finance
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

As reported to the last meeting of this Committee, the Council ended 2017/18 with an overall underspend against its revenue budget, amounting to £185,000. Policy and Resources Committee will be considering the allocation of the underspend at its meeting on 24 July. Proposals are invited from all Service Committees as to the allocation of the underspend.

**This report makes the following recommendation to this Committee:**

1. That it identifies any one-off projects required to deliver Council strategic objectives, relating to functions within its remit, for which funding would not otherwise be available.
2. That Policy and Resources Committee approves allocation of the necessary funding from the £185,000 underspend for 2017/18.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Strategic Planning, Sustainability & Transportation Committee	10 July 2018
Policy & Resources Committee	24 July 2018

# Revenue Outturn 2017/18 – allocation of underspend

## 1. INTRODUCTION AND BACKGROUND

- 1.1 The overall financial outturn for the Council for 2017/18 was a revenue underspend of £185,000. Within this underspend there were individual budget variances, both favourable and unfavourable. Explanations for variances within individual cost centres which exceed £30,000 have been provided in accordance with the Council's constitution and were considered by the relevant Service Committees in June 2018.
  - 1.2 Overspends have been offset against underspends to arrive at the overall underspend for the Council of £185,000. It is common practice to rely on underspends to offset overspends, while recognising that if a service is overspending persistently then there may be an underlying problem, requiring remedial action and/or an adjustment to the budget.
  - 1.3 Allocation of the £185,000 underspend falls to Policy and Resources Committee, given its financial remit. However, it is appropriate to seek the views of individual Service Committees on how this money is spent.
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## 2. AVAILABLE OPTIONS

### 2.1 Option 1

The Committee may wish to identify one or more one-off projects required to deliver Council strategic objectives, relating to functions within its remit, for which funding would not otherwise be available.

### 2.2 Option 2

The Committee may recommend that the underspend is added to revenue reserves. If employed in this way, the underspend would provide additional resources for the Council, to be called on as necessary in the future.

### 2.3 Option 3

The Committee may choose not to make any recommendation.

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## 3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 If there is a project or projects which are genuinely required in order to meet the Council's strategic objectives, and would not otherwise be funded, the Committee is recommended to choose Option 1 and give details of those projects. Otherwise it is recommended that Option 2 is chosen.
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#### **4. RISK**

- 4.1 The Council has produced a balanced budget for both capital and revenue expenditure and income for 2018/19. The Council's reserves are considered to be adequate. The risk of using the underspend, rather than holding it in reserves, is not therefore considered to be excessive.
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#### **5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 5.1 No consultation has been undertaken in relation to this report.
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#### **6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 6.1 The overall outturn for the year ended 31 March 2018 will be reported as part of the Council's Statement of Accounts, which will be presented to the Audit, Governance and Standards Committee for approval at its meeting 30 July 2018. The Statement of Accounts will be audited and is due to be approved by 31 July 2018 at the latest.
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#### **7. CROSS-CUTTING ISSUES AND IMPLICATIONS**

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The Council's budget is set in accordance with the Council's Medium Term Financial Strategy which is linked to the strategic plan and corporate priorities.	Director of Finance & Business Improvement
<b>Risk Management</b>	This has been addressed in section 4 of the report.	Director of Finance & Business Improvement
<b>Financial</b>	Addressed in report.	Director of Finance & Business Improvement
<b>Staffing</b>	None.	Director of Finance & Business Improvement
<b>Legal</b>	The Council has a statutory obligation to maintain a	Mid Kent Legal

	balanced budget and this monitoring process enables the committee to remain aware of issues and the process to be taken to maintain a balanced budget for the year.	
<b>Privacy and Data Protection</b>	No specific issues arise.	Director of Finance & Business Improvement
<b>Equalities</b>	The budget ensures the focus of resources into areas of need as identified in the Council's strategic priorities.	Director of Finance & Business Improvement
<b>Crime and Disorder</b>	No specific issues arise.	Director of Finance & Business Improvement
<b>Procurement</b>	No specific issues arise.	Director of Finance & Business Improvement

## **8. REPORT APPENDICES**

None.

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## **9. BACKGROUND PAPERS**

None.