

Executive

4 April 2017

Council

20 April 2017

Carry Forward of Revenue Budgets

Report of the Director of Finance

Responsible Portfolio: Resources

1. Purpose of the Report

- 1.1 The purpose of this report is to secure Members' approval of the carry forward of a number of individual unused 2016-2017 budgets into 2017-2018

2. Recommendation

Executive

The budgets, set out in Appendix A, are carried forward from 2016-2017 to 2017-2018 and that a supplementary estimate of up to £601,481 is recommended to fund this: there is a corresponding underspend in 2016-2017.

Council

The recommendation from Executive is agreed.

3. Budget Carry Forwards

- 3.1 The Council sets its revenue budgets on an annual basis and there is no automatic carryover of unused budgets into the following year. However, circumstances sometimes arise beyond the control of the budget holder, where expenditure slips from the planned year to the next. Such occasions should be rare. This should clearly arise where the need for expenditure has been delayed from one year to the next, for example, planned maintenance work delayed from March to April because of bad weather.
- 3.2 Where such occasions involve significant budgets, it can be appropriate for them to be carried forward to the next year. The mechanism to achieve this is to agree a supplementary estimate in the following year to be funded from the underspend in the current year. This is not a means of carrying forward any unspent money from one year to the next.
- 3.3 A de minimis figure of £500 has been used, that is, budget amounts below £500 will not be carried forward.

- 3.4 Members will recall report F55/15, considered by Executive at its meeting on 28 July 2015. This changed the carry forward process and worked well in 2016. It has therefore been used again in 2017. Briefly, budgets recommended for roll forward were considered by Portfolio Holders as part of the formal business at March 2016 meetings. The budgets agreed for recommending roll forward to Executive and Council are shown at Appendix A.
- 3.5 Council agreed on 10 November 2016 that any flood-related budgets for 2016-2017 would be rolled forward to 2017-2018 (Reference F87/16). The amount of unused budget is estimated at £188,000, as shown in the Appendix.

4. Policy Framework

- 4.1 The Council has four corporate priorities which are:
- Decent Homes for All
 - Strong Economy, Rich Environment
 - Thriving Communities
 - Quality Council
- 4.2 The Council's budget forms a major part of the Council's policy framework. There are no relevant applicable policies relating to the carry forward of underspent budgets.

5. Proposed Carry Forwards

5.1 General Fund

The proposed carry forwards are shown in detail at Appendix A, and total £601,481. Portfolio Holder approval has been obtained for all items for presentation to Executive. Since Portfolio Holder approval was secured, it is noted that some budgets concerned have been partly spent. Where this has occurred, the carry forward has been reduced. £601,481 is the maximum amount that will be carried forward.

6. Implications

6.1 Legal

- 6.1.1 Any supplementary estimate of £50,000 or more requires approval by Council under the Accounting and Audit Rules.

6.2 Financial

- 6.2.1 Any decision to reduce or increase resources must be made within the context of the Council's stated priorities, as set out in its Council Plan 2015-2019, as agreed at Council on 17 September 2015.
- 6.2.2 There is no effect on overall finances.

6.3 Equality and Diversity

6.3.1 The Council has to have regard to the elimination of unlawful discrimination and harassment and the promotion of equality under the Equality Act 2010 and related statutes.

6.3.2 There are no implications.

6.4 Environmental

6.4.1 The Council has to have due regard to conserving biodiversity under the Natural Environment and Rural Communities Act 2006.

6.4.2 There are no implications.

6.5 Crime and Disorder

6.5.1 Under the Crime and Disorder Act 1998, the Council has to have regard to the need to reduce Crime and Disorder in exercising any of its functions.

6.5.2 There are no implications.

6.6 Children

6.6.1 Under the Children Act 2004, the Council has to have regard to the need to safeguard and promote the welfare of children in the exercise of any of its functions.

6.6.2 There are no implications.

6.7 Risk Management Implications

6.7.1 Risk Management is a process whereby attempts are made to identify, actively control and reduce risk to protect the Council. This covers not only the traditional areas of insurable risk but also the organisational risk that the Council faces in undertaking all its activities.

6.7.2 The main risk arising from this report is that if the budgets are not carried forward as proposed, certain works will not be funded. In some cases the budgets relate to major ongoing projects.

7. Reasons for the Decisions/Recommendations

7.1 To allow specific revenue expenditure/projects which have not been undertaken during 2016-2017, to be funded and undertaken during 2017-2018.

C W Howey
Director of Finance

Governance Checks:

Checked by, or on behalf of, the Chief Finance Officer	✓
Checked by, or on behalf of, the Monitoring Officer	✓

Background Papers:

Approved Budget 2016-2017

March 2017 Portfolio agendas and minutes

Report F87/16 Flooding December 2016 Update on Recovery and Costs

Contact Officer: Tony McGuinness

Telephone Number: 01768 212178

Revenue Roll Forwards to 2017-2018

Service/Work Area	Current Budget £	Roll Forward £	Previous Roll Forward	Explanatory Note
Economic Development Portfolio				
Economic Development/ Business Rates Retention Scheme (BRRS)	132,980	106,650	Yes	<p>Business and Marketing Officer – No officer in place since October – therefore, part of the salaries, subsistence and travel budgets have not been used. Some projects have not been implemented whilst staff or other resources have been put in place to deliver next year from the following list.</p> <ul style="list-style-type: none"> • Project Description • Business Marketing Officer Salary 2016-2017 • Business Marketing Officer Salary 2017-2018 • Car Allowance for Business Marketing Office • Subsistence for Business Marketing Office • Cumbria LEP Annual Subs • Conservation Officer Support Alston THI • Invest in Eden : Marketing and Promotion • Newton Rigg Agriculture Tech Business Park Infrastructure Investigations • Penrith Pedestrian Movement Strategy Signage Upgrade • Kirkby Stephen-based Business Support and Training • Appleby Business Hub Marketing and Promotion <p>An additional £90,000 from BRRS was received unexpectedly this financial year and requires projects to be developed to spend this money. It is likely that money will be required to match-fund Cumbria Chamber of Commerce for business support if an agreed contract for outputs can be put in place.</p>
Economic Promotion/ Economic Development	7,190	5,070	Yes	Most of these budgets require a Business Marketing Officer presence to promote and deliver, which has not been available for parts of this year. The most recent appointment of a Business Marketing Officer will ensure this funding is utilised when rolled forward into next year.
Economic Promotion/ Economic Development	37,530	8,162	Yes	This fund is used to either investigate the feasibility of employment sites, or give specialist business support to create quality jobs for particular development enquiries. It has been most useful in the past to assist companies in the Nuclear and Food and Drink sector – both key sectors for Eden.

Service/Work Area	Current Budget £	Roll Forward £	Previous Roll Forward	Explanatory Note
Economic Development Portfolio (continued)				
Economic Development/ High Mill, Alston	10,000	10,000	Yes	The Council has approved a feasibility study of the High Mill site and has secured funding in partnership with Historic England; Heritage Lottery Fund/Architectural Heritage Fund and Alston Moor Partnership. This budget is to provide match funding for the initial phase of the feasibility study. Consultants for the Council were appointed in December 2016 and are not expected to submit an invoice for the first part of the project until the end of March, or in April 2017. The overall cost contribution for this specialist advice is £20,000, matched with another £35,000 from external funding sources.
Economic Development/ Employment Sites	20,000	20,000	Yes	This is a rolling fund created part-way through the year to be called upon at the appropriate opportunity to assess the feasibility of potential new employment sites. Opportunities to use the fund are still being assessed. It is expected that this will become the operational budget to bring forward a range of sites that the Council has an interest in. The finance is likely to be spent on technical appraisals of various sites the Council either owns, or has an interest in developing. The overall budget for these pieces of work is £100,000 and is available to be used by the Capital Projects Group.
Economic Development/ Apprenticeship Scheme	44,580	22,580	Yes	Cumbria County Council were no longer able to run this scheme on Eden District Council's behalf. In September 2016 the scheme was re-launched with Appleby Heritage Centre running the scheme. As a result, there was no spend in this code for the first 6 months of the financial year. Appleby Heritage Centre have already received the first tranche of funding for this scheme. A meeting is due to take place shortly which will indicate whether the next tranche of funding should be released in support of the scheme if demonstrable targets have been met.
Economic Development/ Employment Sites	55,000	55,000	No	The 'Professional Fees on Land Purchases' budget was agreed by Executive on 6 December 2016 (Reference CE25/16). Tenders are being sought for the work and will be undertaken in 2017-2018.

Service/Work Area	Current Budget £	Roll Forward £	Previous Roll Forward	Explanatory Note
Resources Portfolio				
Central Expenses/ Security System	5,410	5,410	Yes	The monies would be used to deliver training for staff on Information Governance (specifically in relation to the Council's requirements under the Data Protection and Freedom of Information Acts). The original estimates obtained requested a price to deliver training for up to 65 identified personnel before end of March 2017. The estimate cost for this was £3,000. During discussion between the Information Governance Manager and the Assistant Director Organisational Development it was identified that there is a real business case to expose the majority of employees to this learning, particularly in light of pending regulations and the Council's transition to a new digital platform over the next 1 – 5 years and this would require additional funds. There is £5,400 available in the corporate training budget currently. Recent contact with the available course suppliers has confirmed that there is no availability to run this training before the end of this financial year. Dates have been provided to run the training in the early spring and summer months, with a number of dates across the months to support maximum attendance by staff. Overall, it should be noted that there will be significant pressure on training budgets in 2017-2018. This is directly related to the implementation of the Digital platform and the changes which this will bring to the organisation, specifically in how staff will work.

Service/Work Area	Current Budget £	Roll Forward £	Previous Roll Forward	Explanatory Note
Resources Portfolio (continued)				
Staff Development/ Director of Governance	10,130	5,766	No	<p>In response to organisational change the Council has identified some areas where it would benefit from, or requires staff to obtain, specific additional knowledge by way of qualification study. Any requests for qualification have been considered by Management Team in accordance with the Qualification Study scheme. Due to the structural changes which the Council has undertaken, the demand for access to qualification study is higher than usual. As a result of known approved requests and to ensure funding was available to honour those approvals, additional monies were requested and approved through the formal estimates process in 2016. The cost centre's budget was increased to meet the identified needs. However, due to the timings of the academic year, the expenditure will not be incurred until August/September time (which is in the new financial year and too early for the next estimate cycle). Therefore, the amount of £5,766 needs to be rolled over to support these learning commitments. If the monies were not rolled over, the Governance Department annual training budget would need to bear the costs and the annual budget would be severely diminished (to almost zero) which would impact on the ability to provide general training to staff within the Governance section, such as to meet CPD requirements, or general development as identified through appraisals. The amount of £5,766 is allocated as follows:</p> <ul style="list-style-type: none"> • Commercial knowledge development – Masters: £2,000 • Legal Executive Development: £1,500 • Information Governance – Post Graduate: £2,266
Committee and Member Costs/Other Democratic and Member Costs	2,440	2,000	No	The amount is required to deliver Information Governance training (specifically in relation to the Council's requirements under the Data Protection and Freedom of Information Acts) to Members. This has been agreed as part of the Council's Information Governance Framework (approved by the Executive in October 2016). The training will be delivered in 2017-2018.
Land Management/ Tenanted Property	18,970	8,830	No	This budget covers income received following a dilapidation survey on a previous tenant. The money was received in September 2016 and, whilst some of the work is programmed, other work will not take place before the end of March.
Land Management/ Frenchfield Stadium	3,290	3,290	Yes	This budget covers work to Frenchfield football stadium, as agreed in the heads of terms. Some works are outstanding and this roll-forward is the remaining budget for the works.

Service/Work Area	Current Budget £	Roll Forward £	Previous Roll Forward	Explanatory Note
Resources Portfolio (continued)				
Customer Services Business Unit/ Software Maintenance	8,100	8,000	No	These monies are budgeted to pay for IT support for the Contact Centre customer management system which is ongoing through to 2017-2018. The current system is being replaced by the new digital platform. The new platform is currently under development and is not yet ready to replace the existing system. In the event that the current system develops a fault, rapid resolution would be required to ensure that services can be maintained for customers. This would be especially important to continue to provide many services, including refuse and recycling services, resolving reports of missed collections, liaising with pest control providers and processing when residents move home.
Flooding December 2015/ Various Budget Heads	329,500	188,000	Yes	This was agreed as an automatic roll-forward by Council on the 10 November 2016, under minute reference CL/68/11/16; Report F87/16.
Communities Portfolio				
Community Development/ Cumbria Association for Local Councils	24,200	20,000	No	This budget is for the provision of projectors to Parish Councils as part of the project to provide planning information in a digital format. Consultation is currently taking place with the Parishes. To date, approximately 50% of the parishes are supportive of the change. Providing the projectors will be the next stage, once further dialogue and a workshop with the Parish Councils has taken place.
Parks and Open Spaces/Castle Park Development	15,000	15,000	Yes	These funds are required as part of the match funding for the Heritage Lottery Fund Grant, due to be submitted late February. If the Grant application is not successful, this funding will be used to try and attract other funding toward works in the park.
Community Development and Engagement/Tour of Britain	24,230	24,230	No	This budget covers the Tour of Britain and that amount remaining will be able to cover a substantial part of Eden District Council's next year's costs for a start stage in Penrith if rolled forward. The original budget was underspent, as it was originally envisaged in 2016-2017 that Penrith would have a start stage and grants would be available to school and community groups.
Services Portfolio				
CCTV	25,503	25,503	Yes	This budget is for the removal of the old CCTV cameras. BT have now removed the services and confirmed that the fibre optic cables have been removed. Work is outstanding to remove the hardware. The work has generally been identified. Disconnections for electric supplies are to be determined before detailed work can commence.

Service/Work Area	Current Budget £	Roll Forward £	Previous Roll Forward	Explanatory Note
Housing and Health Portfolio				
Other Housing/ Heat Network	142,750	118,000	Yes	This funding is made up of funding previously received from Government with match funding from Eden District Council to explore the possibility of delivering Heat Networks in Eden. The work required has been commissioned, but not yet completed. Therefore, this funding will be required in 2017-2018 to pay for invoices that will be received.
Other Housing/ Heat Network	-51,200	-50,000	No	This funding was received by Government to support work to deliver Heat Networks in Eden. The work required has been commissioned but not yet completed therefore this funding will be required in 2017-2018 to pay for invoices that will be received.
		601,481		