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|-------------------------------|---|--|--|
| <b>DECISION-MAKER:</b>        | COUNCIL   |  |  |
| <b>SUBJECT:</b>               | GENERAL FUND AND HOUSING REVENUE ACCOUNT<br>REVENUE OUTTURN 2017/18 |  |  |
| <b>DATE OF DECISION:</b>      | 18 <sup>TH</sup> JULY 2018  |  |  |
| <b>REPORT OF:</b>             | CABINET MEMBER FOR FINANCE  |  |  |
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#### **STATEMENT OF CONFIDENTIALITY**

None

#### **BRIEF SUMMARY**

The purpose of this report is to summarise the overall General Fund and Housing Revenue Account (HRA) revenue outturn position for 2017/18. It compares actual spending against the 2017/18 budget approved by Council in February 2017, updated in February 2018 and adjusted for approved changes made since that date.

The overall position on the General Fund was a balanced position. However portfolios had a net overspend of £3.32M against budget, primarily in Adult Social Care, and Transformation, more detail is included in paragraph 7 and Appendix 1.

The overall position on the HRA was a net overspend of £1.0M. This is in line with the budget approved by Council in February 2017. It should be noted that was met from a planned £1.0M surplus in 2016/17, added to the HRA balance, to meet the budgeted loss of income from rents in 2017/18.

The level of General Fund balance at 31 March 2018 is £11.3M, which is in line with the Medium Term Financial Strategy agreed at February Council.

At the year end, the Collection Fund has a surplus of £5.93M (SCC share £3.97M). This surplus will be taken into account when reviewing and setting the budget for 2019/20.

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| <b>RECOMMENDATIONS:</b>                            |  |
| It is recommended that Council:                    |  |
| i)   | Notes the final General Fund outturn for 2017/18 detailed in paragraph 6 is a balanced position following the transfer to earmarked reserves and the revenue grants reserve.   |
| ii)  | Notes that the level of General Fund balances at 31 March 2018 was £11.3M.   |
| iii)   | Notes the performance of individual Portfolios in managing their budgets as set out in paragraph 6 and 7 of this report and notes the significant variances in Appendix 1.   |
| iv)  | Notes the accounts for the Collection Fund in 2017/18 as detailed in paragraphs 27 to 33 and in Appendix 3.  |
| v)   | To note the HRA revenue outturn for the financial year 2017/18, as set out in Appendices 4 and 5.  |
| vi)  | To note the performance of the Property Investment Fund (PIF) as detailed in paragraphs 20 to 23 and appendix 6.   |
| <b>REASONS FOR REPORT RECOMMENDATIONS</b>          |  |
| 1.   | The reporting of the outturn for 2017/18 forms part of the approval of the statutory accounts.   |
| <b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b> |  |
| 2.   | Reporting of outturn is undertaken in line with Local Government Accounting Practice. This is the only appropriate option.   |
| <b>DETAIL (Including consultation carried out)</b> |  |
| <b>GENERAL FUND BUDGET</b>                         |  |
| 3.   | The original budget was approved by Council in February 2017 with the revised budget noted by Council in February 2018. Each portfolio within the General Fund is responsible for monitoring net controllable spend against the budget throughout the financial year.  |
| 4.   | <p>Whilst there are a numbers of variances highlighted in this report (Appendix 1), many of these have already been reported to Cabinet as part of the financial monitoring process throughout the year. Service Directors are required to manage their budgets within allocated resources with no officer having the authority to overspend. Where potential problems have been identified, Service Directors have been subject to the intensive care process and have prepared and implemented action plans to try to bring spending back in line.</p> <p>In addition to the action plans, 'intensive care' meetings were held with Senior Officers to discuss key issues and actions with the services. The way forward for dealing with issues that arise in 2018/19 is still being developed by the Interim Chief Executive. However officers will need to be clear that there are no delegated authorities to overspend so will need to manage pressures arising within the overall service budgets.</p> |

5. This report covers the outturn position for 2017/18 and analyses spending against the budget.

**OVERALL GENERAL FUND REVENUE POSITION**

6. The overall year end position is a balanced position. There has been a transfer a transfer to reserves from reserves of £1.43M. This transfer comprises an allocation to earmarked reserves of £4.07M which has been facilitated by a Minimum Revenue Provision holiday and has been identified for use against future pressures and a transfer to the revenue grants reserve of £0.97M as summarised in the table 1 below:

Table 1 – Outturn Position

|  | Budget<br>2017/18 | Portfolio<br>Outturn<br>2017/18 | Outturn<br>Variance<br>2017/18 | Carry<br>Forwards |
|--|-------------------|---------------------------------|--------------------------------|-------------------|
|  | £M                | £M                              | £M                             |                   |
| <b>Portfolios</b>                                |                   |                                 |                                |                   |
| Communities, Culture & Leisure                   | 4.89              | 4.23                            | 0.66 F                         | 0.07              |
| Education & Children's Social Care               | 43.19             | 43.08                           | 0.12 F                         | 0.03              |
| Environment & Transport                          | 21.12             | 21.17                           | 0.05 A                         | 0.08              |
| Finance Portfolio                                | 29.96             | 29.87                           | 0.09 F                         | 0.18              |
| Health & Community Safety                        | (4.64)            | (4.65)                          | 0.01 F                         |                   |
| Housing & Adult Care                             | 68.44             | 72.15                           | 3.71 A                         |                   |
| Leader's Portfolio                               | 12.48             | 11.97                           | 0.51 F                         | 0.16              |
| Sustainable Living                               | 0.12              | 0.12                            | 0.00 A                         |                   |
| Transformation Projects                          | 0.00              | 0.95                            | 0.95 A                         |                   |
| <b>Sub-total for Portfolios</b>                  | <b>175.56</b>     | <b>178.88</b>                   | <b>3.32 A</b>                  | <b>0.52</b>       |
| Levies & Contributions                           | 0.63              | 0.70                            | 0.07 A                         |                   |
| Capital Asset Management                         | 2.75              | 1.06                            | 1.69 F                         |                   |
| Other Expenditure & Income                       | 11.48             | 6.57                            | 4.90 F                         |                   |
| Contribution to Capital                          | 2.23              | 2.23                            | 0.00                           |                   |
| Transfer to/from Reserves                        | (6.47)            | (1.43)                          | 5.04A                          |                   |
| <b>Net Revenue Expenditure</b>                   | <b>186.17</b>     | <b>188.01</b>                   | <b>1.85 A</b>                  |                   |
| <b>Funded By:</b>                                |                   |                                 |                                |                   |
| Council Tax                                      | (88.48)           | (88.48)                         | 0.00 F                         |                   |
| Non-Specific Government Grants & Other Funding   | (41.94)           | (43.20)                         | 1.26 F                         |                   |
| Business Rates                                   | (51.65)           | (52.23)                         | 0.58 F                         |                   |
| Council Tax Collection Fund (Surplus) / Deficit  | (1.80)            | (1.78)                          | 0.02 A                         |                   |
| Business Rates Collection Fund (Surplus)/Deficit | (2.30)            | (2.32)                          | 0.02 F                         |                   |
| <b>Total Funding</b>                             | <b>(186.17)</b>   | <b>(188.01)</b>                 | <b>1.85 F</b>                  |                   |
| <b>(SURPLUS)/DEFICIT</b>                         | <b>0.00</b>       | <b>0.00</b>                     | <b>0.00</b>                    |                   |

7. The main variations are:  
Housing & Adult Care £3.71M Adverse

Older Persons & Physical Disability client packages have overspent by £2.65M with a further adverse variance on Learning Disability packages of ££0.56M. This is in part due to unachieved savings of £2.53M with the remaining £0.68M due to an increase in demand and complexity of client care in these areas. This pressure has been addressed as part of the approved budget for 2018/19 agreed by council in February 2018.

A further £3M of savings have been reviewed with updated savings targets and plans for 2018/19 which are based on reducing existing client numbers and the cost of care. Savings progress will be continued to be monitored very closely.

There was a delay in the closure of the Kentish Road respite centre, which was originally due to close in April 2017 with actual closure at the end of November 2017. This resulted in an adverse variance of £0.20. Additionally, increased temporary staff costs were incurred at Holcroft House and Glen Lee Residential homes as a result of staff vacancies, sickness and maternity leave. Permanent recruitment is currently underway which will reduce this pressure in 2018/19.

#### Leader's Portfolio £0.51M Favourable

The planned repairs and maintenance programme was reduced by £1M in year to off-set pressures associated with the non-charging of overheads to capital. The repairs and maintenance budget has historically been underspent and a programme of works was created for 2017/18 that enabled the property portfolio to be adequately maintained in year.

An additional £0.30M underspend was as a result of cost savings on completed projects or delays on programmed works that have slipped into 2018/19. There was also an additional underspend of £0.20M on reactive repairs as the level of anticipated repairs were not ultimately required in the winter months.

For 2018/19 the Property Service budget has been realigned following the Stage 3 Capital Assets restructure during 2017/18. The repairs and maintenance budget has been correspondingly reduced to reflect the assumed required programme of work to ensure the property portfolio is appropriately maintained in the future.

Registration of electors is £0.14M underspent due to election fees and grants received from DWP and other bodies.

Members allowances are £0.06M favourable since allowances are less than the 2017/18 uplift and not all members claim allowances for additional duties.

Legal Services has a favourable position of £0.16M due to additional fees from Section 106 income received from property developers.

£0.06M has been carried forward to fund a legal resource to meet increased demand to support property and procurement projects.

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|-----|--|
|     | <p>This has been offset in part by an adverse variance of £0.49M on HR Services due to the withdrawal from an external contract. A new permanent recruitment team has been established (previously this service was provided by an external company), however the cost of the new team will be significantly less than the contract price. Savings in Health and Safety staff and equipment slightly reduced the over spend.</p> <p><u>Transformation £0.95 Adverse</u></p> <p>In anticipation of an overachievement of procurement savings when setting the 2017/18 budget in February 2017, a target of £0.73M was included as over and above the guarantee. This was not achieved in 2017/18. Additionally, potential savings to be claimed against the procurement guarantee of £0.22M are reductions in potential overspends with no corresponding budget reduction to offset the saving.</p> |
| 8.  | Details of significant issues and variations in net controllable spending on Portfolios are given in Appendix 1.   |
| 9.  | Appendix 1 also details any unachieved savings in 2017/18 and the actions that have been put in place to mitigate this in 2018/19 and future years.  |
|     | <b>NON-PORTFOLIO VARIANCES</b>   |
| 10. | <p><u>Capital Asset Management - £1.69M Favourable</u></p> <p>This is due to a review and release of treasury management budgets of £1.70M due to continued short term borrowing and slippage in the capital programme which has a reduced borrowing requirement.</p>  |
| 11. | <p><u>Other Expenditure &amp; Income - £4.90M Favourable</u></p> <p>This relates in the main to the release of the council's contingency funds £4.54M held to meet potential demand and inflationary pressures identified in year, which was being held to offset the overspends in the portfolio areas.</p>   |
| 12. | <p><u>Grants - £1.26M Favourable</u></p> <p>Additional grant was received for Staying Put duty where costs have already been provided for within the approved expenditure budgets; and when setting the budget for 2017/18 an assumption was made for expected reductions in grants that had not been notified at the point of budget setting. These reductions were not incurred.</p>   |
| 13. | <p><u>Business Rates - £0.58M Favourable</u></p> <p>The council received additional S31 Grants for new burdens and for transitional reliefs given by central government on Business Rates.</p>   |
|     | <b>SAVINGS IMPLEMENTATION 2017/18</b>  |
| 14. | Savings proposals of £19.67M were approved by Council in February 2017 as part of the overall budget package for 2017/18. Additionally at the end of 2016/17 there were unachieved savings, the ongoing impact of these savings, including the 2017/18 ramped up savings requirement, totals £4.26M giving a total of £23.93M savings to be achieved in 2017/18.   |
| 15. | The chart below shows the achievement of total savings implemented by Portfolio.   |

| 16.                                   | <p style="text-align: center;"><b>Total Savings Achievement</b></p>  <table border="1" data-bbox="300 219 1342 741"> <caption>Total Savings Achievement Data (Estimated from Chart)</caption> <thead> <tr> <th>Portfolio</th> <th>Budget (£M)</th> <th>Actual (£M)</th> </tr> </thead> <tbody> <tr> <td>Communities, Culture &amp; Leisure</td> <td>0.10</td> <td>0.05</td> </tr> <tr> <td>Education &amp; Children's Social Care</td> <td>2.50</td> <td>1.80</td> </tr> <tr> <td>Environment &amp; Transport</td> <td>2.50</td> <td>2.20</td> </tr> <tr> <td>Finance</td> <td>1.80</td> <td>1.20</td> </tr> <tr> <td>Housing &amp; Adult Care</td> <td>8.50</td> <td>5.50</td> </tr> <tr> <td>Health &amp; Community Safety</td> <td>0.20</td> <td>0.10</td> </tr> <tr> <td>Leaders</td> <td>7.50</td> <td>6.80</td> </tr> <tr> <td>Total</td> <td>24.00</td> <td>19.00</td> </tr> </tbody> </table> | Portfolio   | Budget (£M) | Actual (£M) | Communities, Culture & Leisure | 0.10 | 0.05 | Education & Children's Social Care | 2.50 | 1.80 | Environment & Transport | 2.50 | 2.20 | Finance | 1.80 | 1.20 | Housing & Adult Care | 8.50 | 5.50 | Health & Community Safety | 0.20 | 0.10 | Leaders | 7.50 | 6.80 | Total | 24.00 | 19.00 |
|---------------------------------------|---|-------------|-------------|-------------|--------------------------------|------|------|------------------------------------|------|------|-------------------------|------|------|---------|------|------|----------------------|------|------|---------------------------|------|------|---------|------|------|-------|-------|-------|
| Portfolio                             | Budget (£M)   | Actual (£M) |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| Communities, Culture & Leisure        | 0.10  | 0.05        |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| Education & Children's Social Care    | 2.50  | 1.80        |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| Environment & Transport               | 2.50  | 2.20        |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| Finance                               | 1.80  | 1.20        |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| Housing & Adult Care                  | 8.50  | 5.50        |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| Health & Community Safety             | 0.20  | 0.10        |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| Leaders                               | 7.50  | 6.80        |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| Total                                 | 24.00   | 19.00       |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| 17.                                   | <p>The overall financial shortfall in the delivery of the savings was £4.84M (£4.10M 2017/18 and £0.73M prior years) or 20.02% of the total to be delivered. Further information is detailed in Appendix 1.</p>   |             |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| 18.                                   | <p>It should be noted that non-achievement of transformation savings were addressed as part of setting the approved budget 2017/18 by Council in February 2017. However, a further pressure £0.95M was identified at year end as detailed in paragraph 7 and Appendix 1. Mitigations for this are detailed in a report elsewhere on the agenda.</p>   |             |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| 19.                                   | <p>The implications for the budget for 2018/19 and future years has been addressed as part of reviewing and setting the budget for those years.</p>   |             |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| <b>PROPERTY INVESTMENT FUND (PIF)</b> |   |             |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| 20.                                   | <p>As part of the scheme of delegation it was agreed the performance of the Property investment fund would be reported at outturn stage to Full Council. Appendix 6 gives the details of this fund.</p>   |             |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| 21.                                   | <p>There has been no further purchases in year. The rate of return on investment in 2017/18 before borrowing costs and other on costs was 5.87%. Borrowing costs of 0.47% were incurred giving a net rate of return of 5.40%. All of the properties remain fully let and the tenants are meeting their financial obligations under the leases.</p>  |             |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| 22.                                   | <p>Investment properties have to be revalued every year, at the year-end valuation at 31<sup>st</sup> March 2018, showed a drop in valuation of £1.70M. This drop in value has to be charged to revenue in year and is included in the outturn position.</p>  |             |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |
| 23.                                   | <p>It should be noted that in 2017/18 the MHCLG revised its Investment Guidance (and its Minimum Revenue Provision (MRP) guidance) for local authorities in England linked to the significant increase in property investment by public sector organisations.</p> <p>When the council purchased the 3 assets it included in the authority's MRP policy, a decision that MRP would be applied on the depreciation method which allowed a 0% rate to be applied. This was seen as prudent as it was intended that any capital receipt from the future sale of the assets would be used to offset the borrowing taken to fund these assets.</p>  |             |             |             |                                |      |      |                                    |      |      |                         |      |      |         |      |      |                      |      |      |                           |      |      |         |      |      |       |       |       |

|                                    | <p>The proposed changes to the code will mean that the council will have to make additional provision to repay debt for any assets purchased as part of the PIF i.e. cannot apply a nil MRP.</p> <p>After 2018/19 a pressure of £0.75M has been included with a requirement for an action plan to manage this pressure ongoing to be presented to Capital Board. This may necessitate the disposal of these assets sooner than originally planned although this will generate capital receipts for further investment to meet the council's outcomes and priorities.</p>   |  |    |             |                                |      |   |                                    |      |   |                         |      |  |                   |      |   |                    |      |  |                             |             |  |
|------------------------------------|--|--|----|-------------|--------------------------------|------|---|------------------------------------|------|---|-------------------------|------|--|-------------------|------|---|--------------------|------|--|-----------------------------|-------------|--|
|                                    | <b>CARRY FORWARDS AND OTHER NEW SPENDING</b>   |  |    |             |                                |      |   |                                    |      |   |                         |      |  |                   |      |   |                    |      |  |                             |             |  |
| 24.                                | A number of service area funds have been carried forward these are detailed in Table 2 below. It is expected that this spend will be incurred in 2018/19.  |  |    |             |                                |      |   |                                    |      |   |                         |      |  |                   |      |   |                    |      |  |                             |             |  |
| 25.                                | <p><u>Table 2 – Carry Forwards</u></p> <table border="1"> <thead> <tr> <th>Portfolio</th> <th>£M</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Communities, Culture &amp; Leisure</td> <td>0.07</td> <td>Development and Support of City Wide Events Activity.</td> </tr> <tr> <td>Education &amp; Children's Social Care</td> <td>0.03</td> <td>Support for the local social worker apprenticeship scheme; Childrens Services Accommodation Improvements.</td> </tr> <tr> <td>Environment &amp; Transport</td> <td>0.08</td> <td>Clearance of backlog of food hygiene inspections in 2018/19; Resources to support of the Local Plan review in 2018/19.</td> </tr> <tr> <td>Finance Portfolio</td> <td>0.18</td> <td>Funding for fixed term resource to meet council wide requirements of the Business Support Team and Customer, Payment and Debt Team.</td> </tr> <tr> <td>Leader's Portfolio</td> <td>0.16</td> <td>Additional resource to support the Economic Development Service; Funding for legal resource to meet increased demand to support property and procurement projects.</td> </tr> <tr> <td><b>Total Carry Forwards</b></td> <td><b>0.52</b></td> <td></td> </tr> </tbody> </table> | Portfolio  | £M | Description | Communities, Culture & Leisure | 0.07 | Development and Support of City Wide Events Activity. | Education & Children's Social Care | 0.03 | Support for the local social worker apprenticeship scheme; Childrens Services Accommodation Improvements. | Environment & Transport | 0.08 | Clearance of backlog of food hygiene inspections in 2018/19; Resources to support of the Local Plan review in 2018/19. | Finance Portfolio | 0.18 | Funding for fixed term resource to meet council wide requirements of the Business Support Team and Customer, Payment and Debt Team. | Leader's Portfolio | 0.16 | Additional resource to support the Economic Development Service; Funding for legal resource to meet increased demand to support property and procurement projects. | <b>Total Carry Forwards</b> | <b>0.52</b> |  |
| Portfolio                          | £M   | Description  |    |             |                                |      |   |                                    |      |   |                         |      |  |                   |      |   |                    |      |  |                             |             |  |
| Communities, Culture & Leisure     | 0.07   | Development and Support of City Wide Events Activity.  |    |             |                                |      |   |                                    |      |   |                         |      |  |                   |      |   |                    |      |  |                             |             |  |
| Education & Children's Social Care | 0.03   | Support for the local social worker apprenticeship scheme; Childrens Services Accommodation Improvements.  |    |             |                                |      |   |                                    |      |   |                         |      |  |                   |      |   |                    |      |  |                             |             |  |
| Environment & Transport            | 0.08   | Clearance of backlog of food hygiene inspections in 2018/19; Resources to support of the Local Plan review in 2018/19.   |    |             |                                |      |   |                                    |      |   |                         |      |  |                   |      |   |                    |      |  |                             |             |  |
| Finance Portfolio                  | 0.18   | Funding for fixed term resource to meet council wide requirements of the Business Support Team and Customer, Payment and Debt Team.                                |    |             |                                |      |   |                                    |      |   |                         |      |  |                   |      |   |                    |      |  |                             |             |  |
| Leader's Portfolio                 | 0.16   | Additional resource to support the Economic Development Service; Funding for legal resource to meet increased demand to support property and procurement projects. |    |             |                                |      |   |                                    |      |   |                         |      |  |                   |      |   |                    |      |  |                             |             |  |
| <b>Total Carry Forwards</b>        | <b>0.52</b>  |  |    |             |                                |      |   |                                    |      |   |                         |      |  |                   |      |   |                    |      |  |                             |             |  |
| 26.                                | It should also be noted that a sum of £0.97M has been transferred to the revenue grants reserve which was set up for the carry forward of unconditional specific grants. It is anticipated that this spend will be incurred in 2018/19 and funded from this reserve.   |  |    |             |                                |      |   |                                    |      |   |                         |      |  |                   |      |   |                    |      |  |                             |             |  |
|                                    | <b>COLLECTION FUND</b>   |  |    |             |                                |      |   |                                    |      |   |                         |      |  |                   |      |   |                    |      |  |                             |             |  |
| 27.                                | The outturn for the Collection Fund is an overall surplus £5.93M. This is better than expected and will be carried forward into 2017/18. Table 3 shows how the surplus has been derived:   |  |    |             |                                |      |   |                                    |      |   |                         |      |  |                   |      |   |                    |      |  |                             |             |  |

Table 3 – Collection Fund Outturn 2017/18

|   | <b>Budget<br/>£M</b> | <b>Actual<br/>£M</b> |
|---|----------------------|----------------------|
| NDR Deficit for Year                            | 4.74                 | 2.64                 |
| Council Tax Deficit for Year                    | 2.07                 | 1.45                 |
| Total Deficit Collection Fund 2017/18           | 6.81                 | 4.09                 |
| Collection Fund Surplus B/Fwd 2016/17           | (10.02)              | (10.02)              |
| <b>Collection Fund Surplus to C/Fwd 2018/19</b> | <b>(3.21)</b>        | <b>(5.93)</b>        |

28. The council tax element of the Collection Fund had a deficit for the year of £1.45M, against an expected deficit of £2.07M. This improved position resulted in the balance to be carried forward of £2.39M, rather than £1.77M.

29. When setting the Council Tax and budget for 2018/19 in February 2018, the expected surplus to be carried forward of £1.77M was taken into account. This leaves a further surplus of £0.62M that will be carried forward to 2018/19 to be shared between the council, the Police and Crime Commissioner, and Hampshire Fire & Rescue Authority in proportion to the precepts levied in this year. Southampton City Council's element will then be taken into account when setting the council tax and budget for 2019/20. The additional surplus in-year was due to a £0.9M lower contribution to the provision to bad debts offset by £0.3M lower income from tax payers than budgeted.

30. The NDR element of the Collection Fund had a deficit for the year of £2.64M against an expected deficit of £4.74M. This improved position has resulted in a balance to be carried forward of £3.54M rather than £1.44M. The £2.1M surplus is as a result of £7.2M being released from the appeals provision offset by £4.2M lower income from taxpayers and £0.9M higher payment to MHCLG for transitional relief than budgeted.

31. The collection fund surplus has reduced by £4.09M. This is due to the precept payments following the surplus declared for 2016/17.

32. When setting the Council Tax and budget for 2018/19 in February 2018, the expected NDR surplus to be carried forward of £1.44M (the Council's share of this surplus was £0.70M) was taken into account in setting the 2018/19 budget for the council. The additional surplus of £2.10M, will be carried forward to 2018/19, to be shared between Central Government (50%), Southampton (49%) and Hampshire Fire and Rescue Authority (1%).

33. The further detail regarding the Collection Fund Account 2016/17 is contained in Appendix 3. The updated position will be taken into account in updating the Medium Term Financial Strategy and future years budget setting.

| <b>DEDICATED SCHOOLS GRANT AND SCHOOLS</b> |   |                   |               |                            |         |                       |      |                          |      |   |              |             |           |
|--|---|-------------------|---------------|----------------------------|---------|-----------------------|------|--------------------------|------|---|--------------|-------------|-----------|
| 34.  | <p>The Dedicated Schools Grant is a ring-fenced grant and balances are carried forward each year. The position at year end is a deficit of £1.09M. As showed in Table 4 below. This is due to the pressure on High Needs provision as increasing numbers of children require support. This is further detailed in Appendix 1.</p> <p><u>Table 4 – DSG Position</u></p> <table border="1"> <thead> <tr> <th></th> <th>£'M</th> </tr> </thead> <tbody> <tr> <td>Carry forward from 2016/17</td> <td>(0.80)</td> </tr> <tr> <td>Net shortfall in year</td> <td>1.90</td> </tr> <tr> <td>Balance to carry forward</td> <td>1.09</td> </tr> </tbody> </table>  |                   | £'M           | Carry forward from 2016/17 | (0.80)  | Net shortfall in year | 1.90 | Balance to carry forward | 1.09 |   |              |             |           |
|  | £'M   |                   |               |                            |         |                       |      |                          |      |   |              |             |           |
| Carry forward from 2016/17                 | (0.80)  |                   |               |                            |         |                       |      |                          |      |   |              |             |           |
| Net shortfall in year                      | 1.90  |                   |               |                            |         |                       |      |                          |      |   |              |             |           |
| Balance to carry forward                   | 1.09  |                   |               |                            |         |                       |      |                          |      |   |              |             |           |
| 35.  | <p>There are 10 schools reporting a deficit balance as at the 31<sup>st</sup> March 2018 as shown in table 5 below:</p> <p><u>Table 5 – Schools in Deficit</u></p> <table border="1"> <thead> <tr> <th></th> <th>Deficit<br/>£M</th> <th>No. of<br/>Schools</th> </tr> </thead> <tbody> <tr> <td>Primary</td> <td>1.05</td> <td>6</td> </tr> <tr> <td>Secondary</td> <td>1.65</td> <td>4</td> </tr> <tr> <td><b>Total</b></td> <td><b>2.70</b></td> <td><b>10</b></td> </tr> </tbody> </table>  |                   | Deficit<br>£M | No. of<br>Schools          | Primary | 1.05                  | 6    | Secondary                | 1.65 | 4 | <b>Total</b> | <b>2.70</b> | <b>10</b> |
|  | Deficit<br>£M   | No. of<br>Schools |               |                            |         |                       |      |                          |      |   |              |             |           |
| Primary                                    | 1.05  | 6                 |               |                            |         |                       |      |                          |      |   |              |             |           |
| Secondary                                  | 1.65  | 4                 |               |                            |         |                       |      |                          |      |   |              |             |           |
| <b>Total</b>                               | <b>2.70</b>   | <b>10</b>         |               |                            |         |                       |      |                          |      |   |              |             |           |
| 36.  | <p>As reported during the year as part of the Revenue Monitoring Report to cabinet, there is a forecast increase in the total cost of the PFI contract equating to £0.29M per year from 2017/18 to the end of the contract in 2031/32 to be met from the Dedicated Schools Grant (DSG). This will continue to be reviewed during 2018/19 with further discussions to agree how to mitigate any resultant pressure.</p>  |                   |               |                            |         |                       |      |                          |      |   |              |             |           |
| 37.  | <p><u>2018/19 Schools Education Operational Review</u></p> <p>At the March 2018 Schools Forum a comprehensive set of plans for the review of Southampton's Schools Education Services was presented for the improvement of processes around DSG settlements and service operations during 2018/19 and beyond.</p> <p>The review would look into the process of allocating DSG settlements and communicating options to the Schools Forum for agreement and approval.</p> <p>The review would also examine key areas including: Schools in Difficulty Funding, implementing charges for Academy conversions, new bandings for Special School Top Up funding, management and support for schools in deficit and approval of associated recovery plans.</p> <p>Specific processes and policies around the service would also be reviewed including School Admissions, Schools Effectiveness, Early years, SEND, Education Welfare services and the Educational Psychology Service.</p> |                   |               |                            |         |                       |      |                          |      |   |              |             |           |
| <b>HOUSING REVENUE ACCOUNT (HRA)</b>       |   |                   |               |                            |         |                       |      |                          |      |   |              |             |           |
| 38.  | <p>The HRA budget for 2017/18 was set at £1.0M deficit which was the actual outturn</p>   |                   |               |                            |         |                       |      |                          |      |   |              |             |           |

|   | position for the year. The HRA working balance at 31 March 2018 has decreased accordingly to £2.0M.  |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
|---|--|--|---------------------------------|---|------|--|------|--------------------------------------|------|--|--------|----------------------------------|------|---|--------|---|--------|--------------|--------|------------------------|-------------|
| 39.   | The revised HRA working balance at 31 March 2018 of £2.0M meets the minimum requirement for the HRA of £2.0M (approved by Council in February 2012).   |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| 40.   | Table 6 below shows the overall outturn variances compared to the 2017/18 budget:  |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
|   | <p><u>Table 6 – HRA Outturn Position 2017/18</u></p> <table border="1"> <thead> <tr> <th></th> <th>(Under)/<br/>Over<br/>Spend<br/>£M</th> </tr> </thead> <tbody> <tr> <td>Additional costs due to delay in contract</td> <td>1.38</td> </tr> <tr> <td>Reduction in funding from Capital due to overheads not being recharged</td> <td>0.82</td> </tr> <tr> <td>Increase in Supervision &amp; Management</td> <td>0.21</td> </tr> <tr> <td>Reduction in Capital Financing Charges</td> <td>(0.64)</td> </tr> <tr> <td>Variation on day to day services</td> <td>1.77</td> </tr> <tr> <td>Reduction in Capital Funding from Direct Revenue Financing and Depreciation</td> <td>(0.74)</td> </tr> <tr> <td>Reduction in Capital Funding requirement linked to overheads not being recharged.</td> <td>(0.82)</td> </tr> <tr> <td>Total Income</td> <td>(0.21)</td> </tr> <tr> <td><b>Total Variation</b></td> <td><b>0.00</b></td> </tr> </tbody> </table> |  | (Under)/<br>Over<br>Spend<br>£M | Additional costs due to delay in contract | 1.38 | Reduction in funding from Capital due to overheads not being recharged | 0.82 | Increase in Supervision & Management | 0.21 | Reduction in Capital Financing Charges | (0.64) | Variation on day to day services | 1.77 | Reduction in Capital Funding from Direct Revenue Financing and Depreciation | (0.74) | Reduction in Capital Funding requirement linked to overheads not being recharged. | (0.82) | Total Income | (0.21) | <b>Total Variation</b> | <b>0.00</b> |
|   | (Under)/<br>Over<br>Spend<br>£M  |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| Additional costs due to delay in contract   | 1.38   |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| Reduction in funding from Capital due to overheads not being recharged            | 0.82   |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| Increase in Supervision & Management  | 0.21   |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| Reduction in Capital Financing Charges  | (0.64)   |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| Variation on day to day services  | 1.77   |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| Reduction in Capital Funding from Direct Revenue Financing and Depreciation       | (0.74)   |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| Reduction in Capital Funding requirement linked to overheads not being recharged. | (0.82)   |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| Total Income  | (0.21)   |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| <b>Total Variation</b>  | <b>0.00</b>  |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| 41.   | The outturn for day to day services was an adverse variance for the year of £2.2M. This variance has been offset by a reduction of 2.2M in the revenue allocated to fund the capital programme.  |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| 42.   | After this adjustment, the HRA Revenue Summary, attached at Appendix 4, shows an increase in expenditure of £0.03 and an increase in income of £0.03. An explanation of the main variances can be found at Appendix 5.   |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
|   | <b>MEDIUM TERM POSITION ON RESERVES AND BALANCES</b>   |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| 43.   | The General Fund balance stands at £11.3M, which is the approved minimum level as per the February 2018 Medium Term Financial Strategy (MTFS).   |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |
| 44.   | The Council maintains a number of useable reserves these totalled £86.08M at year end. This includes £82.04M of General Fund Reserves and £4.04M of school balances. A breakdown of useable reserves is shown in Appendix 2. The movement in reserves is shown in the graph below. All of these reserves are set aside for specific reasons and are regularly reviewed to ensure they are appropriate.   |  |                                 |   |      |  |      |                                      |      |  |        |                                  |      |   |        |   |        |              |        |                        |             |

| 45.                                 | <p style="text-align: center;"><b>Reserves</b></p> <table border="1"> <caption>Reserves Data (Estimated from Chart)</caption> <thead> <tr> <th>Category</th> <th>2016/17 £M</th> <th>2017/18 £M</th> </tr> </thead> <tbody> <tr><td>MTFs Reserve</td><td>26.00</td><td>31.00</td></tr> <tr><td>Taxation Reserve</td><td>4.00</td><td>5.00</td></tr> <tr><td>OD Reserve</td><td>12.00</td><td>10.00</td></tr> <tr><td>City Deal Reserve</td><td>1.00</td><td>1.00</td></tr> <tr><td>Accomodation Reserve</td><td>2.00</td><td>2.00</td></tr> <tr><td>Revenue Grant Reserve</td><td>1.00</td><td>1.00</td></tr> <tr><td>Capital Funding Risk...</td><td>1.00</td><td>1.00</td></tr> <tr><td>Portfolio Carry...</td><td>3.00</td><td>4.00</td></tr> <tr><td>LD Housing Reserve</td><td>1.00</td><td>1.00</td></tr> <tr><td>R&amp;M Reserve</td><td>1.00</td><td>1.00</td></tr> <tr><td>PFI SINKING FUND</td><td>4.00</td><td>4.00</td></tr> <tr><td>Insurance General...</td><td>2.00</td><td>2.00</td></tr> <tr><td>Revenue Contribs to...</td><td>1.00</td><td>1.00</td></tr> <tr><td>On Street Parking...</td><td>4.00</td><td>2.00</td></tr> <tr><td>Pension Reserve</td><td>1.00</td><td>1.00</td></tr> <tr><td>Digital Strategy</td><td>3.00</td><td>8.00</td></tr> <tr><td>Schools</td><td>5.00</td><td>4.00</td></tr> <tr><td>Other</td><td>1.00</td><td>1.00</td></tr> </tbody> </table> | Category   | 2016/17 £M | 2017/18 £M | MTFs Reserve | 26.00 | 31.00 | Taxation Reserve | 4.00 | 5.00 | OD Reserve | 12.00 | 10.00 | City Deal Reserve | 1.00 | 1.00 | Accomodation Reserve | 2.00 | 2.00 | Revenue Grant Reserve | 1.00 | 1.00 | Capital Funding Risk... | 1.00 | 1.00 | Portfolio Carry... | 3.00 | 4.00 | LD Housing Reserve | 1.00 | 1.00 | R&M Reserve | 1.00 | 1.00 | PFI SINKING FUND | 4.00 | 4.00 | Insurance General... | 2.00 | 2.00 | Revenue Contribs to... | 1.00 | 1.00 | On Street Parking... | 4.00 | 2.00 | Pension Reserve | 1.00 | 1.00 | Digital Strategy | 3.00 | 8.00 | Schools | 5.00 | 4.00 | Other | 1.00 | 1.00 |
|-------------------------------------|--|------------|------------|------------|--------------|-------|-------|------------------|------|------|------------|-------|-------|-------------------|------|------|----------------------|------|------|-----------------------|------|------|-------------------------|------|------|--------------------|------|------|--------------------|------|------|-------------|------|------|------------------|------|------|----------------------|------|------|------------------------|------|------|----------------------|------|------|-----------------|------|------|------------------|------|------|---------|------|------|-------|------|------|
| Category                            | 2016/17 £M   | 2017/18 £M |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| MTFs Reserve                        | 26.00  | 31.00      |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| Taxation Reserve                    | 4.00   | 5.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| OD Reserve                          | 12.00  | 10.00      |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| City Deal Reserve                   | 1.00   | 1.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| Accomodation Reserve                | 2.00   | 2.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| Revenue Grant Reserve               | 1.00   | 1.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| Capital Funding Risk...             | 1.00   | 1.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| Portfolio Carry...                  | 3.00   | 4.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| LD Housing Reserve                  | 1.00   | 1.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| R&M Reserve                         | 1.00   | 1.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| PFI SINKING FUND                    | 4.00   | 4.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| Insurance General...                | 2.00   | 2.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| Revenue Contribs to...              | 1.00   | 1.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| On Street Parking...                | 4.00   | 2.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| Pension Reserve                     | 1.00   | 1.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| Digital Strategy                    | 3.00   | 8.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| Schools                             | 5.00   | 4.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| Other                               | 1.00   | 1.00       |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| <b>FINANCIAL STATEMENTS 2017/18</b> |  |            |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| 46.                                 | The draft financial statements were presented to Governance Committee on 11 <sup>th</sup> June 2018.   |            |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| 47.                                 | The Annual Audit, carried out by our auditors Ernst & Young, commenced on 21 <sup>st</sup> May 2018. The final audit report will be completed by the 23 <sup>rd</sup> July 2018. Any major changes to the Financial Statements arising from the annual audit will be reported to the 30 <sup>th</sup> July 2018 Governance Committee after the completion of the audit. At the current time, no material issues have been identified.  |            |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| 48.                                 | At the time of writing the report early indications from the auditors are that the Value For Money conclusion for last financial year will be positive except for those to monitor and ensure compliance with contract and procurement procedure rules. This will be reported to Governance committee on 30 July, and management will present the action plan to rectify this position. A major strand of this will be the review of all the procurement processes as part of the implement of Business World. However further measures will need to be put in place in this financial year until the new processes and systems are implemented.   |            |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| <b>RESOURCE IMPLICATIONS</b>        |  |            |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| <b><u>Capital/Revenue</u></b>       |  |            |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| 49.                                 | As set out in the report details.  |            |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| <b><u>CONSULTATION</u></b>          |  |            |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| 50.                                 | Although there is no statutory duty to consult, the HRA outturn position noted in this report has been discussed at meetings of the Tenant Resources Group, which comprises tenants from across the city, and their input is acknowledged with thanks.   |            |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| <b><u>Property/Other</u></b>        |  |            |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| 51.                                 | None.  |            |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |
| <b>LEGAL IMPLICATIONS</b>           |  |            |            |            |              |       |       |                  |      |      |            |       |       |                   |      |      |                      |      |      |                       |      |      |                         |      |      |                    |      |      |                    |      |      |             |      |      |                  |      |      |                      |      |      |                        |      |      |                      |      |      |                 |      |      |                  |      |      |         |      |      |       |      |      |

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| <b>Statutory power to undertake proposals in the report:</b> |  |
| 52.  | The Council's accounts must be approved by Council in accordance with the Accounts and Audit Regulations 2011.   |
| 53.  | The requirement to maintain a Housing Revenue Account is set out in the Local Government and Housing Act 1989 and the requirement to publish final accounts is set out in the Accounts and Audit Regulations 2003. |
| <b>Other Legal Implications:</b>                             |  |
| 54.  | None.  |
| <b>RISK MANAGEMENT IMPLICATIONS</b>                          |  |
| 55.  | None.  |
| <b>POLICY FRAMEWORK IMPLICATIONS</b>                         |  |
| 56.  | The proposals contained in the report are in accordance with the Council's Policy Framework Plan.  |

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| <b>KEY DECISION?</b>   | Yes/No  |
| <b>WARDS/COMMUNITIES AFFECTED:</b>   | All   |
| <b><u>SUPPORTING DOCUMENTATION</u></b>   |   |
| <b>Appendices</b>  |   |
| 1.   | General Fund Portfolio Variances Explanations   |
| 2.   | Useable Reserves at 31 <sup>st</sup> March 2018 |
| 3.   | Collection Fund 2017/18                         |
| 4.   | HRA Revenue Summary Outturn 2017/18             |
| 5.   | HRA Variance Explanations 2017/18               |
| 6.   | Property Investment Fund Performance 2017/18    |
| <b>Documents In Members' Rooms</b>   |   |
| 1.   |   |
| 2.   |   |
| <b>Equality Impact Assessment</b>  |   |
| Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out. | Yes/No  |
| <b>Privacy Impact Assessment</b>   |   |
| Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.   | Yes/No  |
| <b>Other Background Documents</b>  |   |

**Equality Impact Assessment and Other Background documents available for inspection at:**

| Title of Background Paper(s) | Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable) |
|------------------------------|--|
| 1.                           | Budget Report 2017/18  |
| 2.                           |  |