

Revenue and Capital Outturn 2018/19

Final Decision-Maker	Policy & Resources Committee
Lead Head of Service/Lead Director	Mark Green, Director of Finance & Business Improvement
Lead Officer and Report Author	Chris Hartgrove, Interim Head of Finance
Classification	Public
Wards affected	All

Executive Summary

This report provides the Committee with an overview of the revenue and capital budgets and outturn at the end of 2018/19. The figures included within the report are still subject to external audit so should be considered provisional at this stage. The report also includes an update on other matters which may have a material impact on the Council's Medium Term Financial Strategy and Balance Sheet.

The Council has ended 2018/19 with an overall positive variance of £154,000 against its revenue budget, after deducting resources to be carried forward.

The Council spent £15.9 million against the planned capital programme during 2018/19, compared with a revised estimate of £23.9 million. Unspent resources required in subsequent years will be carried forward.

The balance on the general fund at 31 March 2019 has increased by £2.5 million mainly due to additional resources from Business Rates.

Collection Rates were narrowly missed for both Council Tax and Business Rates.

The overall growth in Business Rates compared measured against the Council's baseline was £3.041 million, with an overall Pooling/Pilot benefit for Maidstone of £3.086 million achieved.

The Council held investments totalling £15.014 million at 31 March 2019.

The report also updates the Committee on Maidstone Property Holdings Limited.

This report makes the following recommendations to this Committee:

1. That the revenue position of the Council at the end of 2018/19 as set out within the Revenue and Capital Outturn report at **Appendix 1** is noted.
2. That the Committee agree to the earmarking of reserves as set out on page 17 of **Appendix 1**.
3. That the outturn and slippage within the capital programme in 2018/19, detailed in **Appendix 1** is noted.
4. That the performance of the Collection Fund and the level of balances at the 31st March 2019 is noted.
5. That the performance in relation to the Treasury Management Strategy for the year is noted.
6. That the report detailing the performance of Maidstone Property Holdings Ltd is noted.
7. That £150,000 of the capital slippage for Communities Housing & Environment Committee is allocated for the upgrade and relocation of CCTV equipment as proposed in paragraph 1.5 of the report.
8. That the write-off of non-domestic rates as set out at **Appendix 2** is approved.

Timetable

<i>Meeting</i>	<i>Date</i>
Economic Regeneration & Leisure Committee	4 June 2018
Communities, Housing & Environment Committee	18 June 2018
Strategic Planning & Infrastructure Committee	25 June 2018
Policy & Resources Committee	26 June 2018

Revenue and Capital Outturn 2018/19

1. INTRODUCTION AND BACKGROUND

- 1.1 The Medium Term Financial Strategy for 2018/19 onwards was agreed by full Council on 7 March 2018. This report provides the Committee with an overview of the capital and revenue budget and outturn for the fourth quarter of 2018/19 and highlights other financial matters that may have a material impact on the Medium-Term Financial Strategy or the balance sheet.
- 1.2 The Director of Finance & Business Improvement is the Responsible Financial Officer, and has overall responsibility for budgetary control and financial management. However in practice, day to day budgetary control is delegated to service managers, with assistance and advice from their director and the finance section.
- 1.3 Attached at **Appendix 1** is a report detailing the position for the revenue and capital budgets at the end of the 2018/19 financial year, along with updates on a number of the relevant areas. The report is based on the committee structure that was in place for 2018/19, although outturn reports are going to the relevant new committees.
- 1.4 In addition to considering the financial out-turn, the Committee has been asked to consider a request from the Communities Housing & Environment Committee. The CHE Committee received a report at their meeting of 19 April 2019 setting out the requirement to upgrade public realm CCTV cameras, and to relocate CCTV recording equipment from the Town Hall, where flooding had led to a degradation of the service. The required investment amounted to £150,000, which would pay for itself through reduced running costs over a five year period.
- 1.5 CHE Committee agreed with the proposal to upgrade and relocate CCTV equipment and have asked that Policy and Resources Committee agree the necessary expenditure. The expenditure can be funded from within the underspend on the CHE Committee's capital programme, which is reported as part of the 2018/19 capital out-turn. A recommendation to this effect is accordingly included within this report.

2. IRRECOVERABLE NON-DOMESTIC RATES

- 2.1 The committee are asked to approve the write-off of £358,042.44 non-domestic rates identified in **Appendix 2**.

3. AVAILABLE OPTIONS

- 3.1 There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported here.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 In considering the strategic position on the revenue budget and the capital programme at the end of 2018/19 the committee can choose to note this information or it could choose to take further action.
- 4.2 The committee is requested to note the content of the report and agree on any necessary action to be taken in relation to the budget position.

5. RISK

- 5.1 This report is presented for information only and has no risk management implications.
- 5.2 The Council has produced a balanced budget for both capital and revenue expenditure and income for 2018/19. This budget is set against a backdrop of limited resources and a difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives this committee the best opportunity to take actions to mitigate such risks.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 No consultation has been undertaken in relation to this report.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 The overall outturn for the year ended 31 March 2019 will be reported as part of the Council's Statement of Accounts, which will be presented to the Audit, Governance and Standards Committee for approval at its meeting on 30 July 2019. The Statement will be audited and is due to be approved by 31 July 2019 at the latest.

8. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	This report monitors actual activity against the revenue budget and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's Medium Term	Interim Head of Finance

	Financial Strategy which is linked to the strategic plan and corporate priorities.	
Risk Management	This has been addressed in section 4 of the report.	Interim Head of Finance
Financial	Financial implications are the focus of this report through high level budget monitoring. The process of budget monitoring ensures that services can react quickly to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.	Interim Head of Finance
Staffing	The budget for staffing represents a significant proportion of the direct spend of the council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.	Interim Head of Finance
Legal	The Council has a statutory obligation to maintain a balanced budget and this monitoring process enables the committee to remain aware of issues and the process to be taken to maintain a balanced budget for the year.	Team Leader (Corporate Governance), MKLS
Privacy and Data Protection	No specific issues arise.	Interim Head of Finance
Equalities	No impact identified as a result of this report. Equalities Impact Assessments are undertaken for specific projects, where appropriate.	Equalities and Corporate Policy Officer
Crime and Disorder	No specific issues arise.	Interim Head of Finance
Procurement	No specific issues arise.	Interim Head of Finance

9. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Fourth Quarter 2018/19 Revenue and Capital Monitoring – Policy and Resources
 - Appendix 2: Written-off Non-Domestic Rates
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10. BACKGROUND PAPERS

None