

MAIDSTONE BOROUGH COUNCIL

CABINET

14 APRIL 2015

REPORT OF THE HEAD OF FINANCE & RESOURCES

Report prepared by Paul Riley,

1. **USE OF POTENTIAL REVENUE UNDER SPEND 2014-15**
- 1.1 Key Issue for Decision
- 1.1.1 To consider proposals for the use of the projected under spend for the financial year 2014/15 following Cabinet agreement to set aside funding for projects to deliver on key priorities from the under spend in 2014/15.
- 1.2 Recommendation of Corporate Leadership Team
- 1.2.1 That Cabinet agree the schemes set out in Appendix A and the priority applied to them in order to allocate up to £400,000 of revenue resources from the year end under spend 2014/15.
- 1.3 Reasons for Recommendation
- 1.3.1 As part of the third quarter's budget monitoring report, considered by the Cabinet at the meeting on 11 February 2015, the predicted year end under spend was reported and the following decision was made:

"That the Cabinet agree to set aside £400,000 of the projected under spend for 2014/15 to fund specific projects which support the delivery of the council's strategic priorities."
- 1.3.2 Following that meeting the Council approved the 2015/16 budget on 27 February 2015 with an amendment that included the following item:

"...b) That recognition of the service growth required to provide new housing is set out in the medium term financial strategy through the provision of a budget of £40,000 to support the new service. For the budget year 2015/16 funding will be provided from the set aside of the projected under spend for 2014/15 that Cabinet has already approved for such use. For future budget years 2016/17 onwards this would be resourced from the income generated by the service."

- 1.3.3 At this time the provisional figures for the outturn for 2014/15 suggest that the under spend relating to salary vacancy levels will be in the region of £400,000 out of the £17m salary budget. This means that an initial assessment would suggest that the Cabinet agreed action set out in paragraph 1.3.1 above is achievable.
- 1.3.4 It is however possible that the final outturn after all year end work is completed will be a different figure and an adjustment will be required to the value of the available under spend. This is further complicated by the commencement of new governance arrangements and a new constitution.
- 1.3.5 Under the new governance arrangements that commence from the date of the annual general meeting of the Council on 23rd May 2015, issues in relation to the budget will be considered by the Policy and Resources Committee. Given the committee's prominence in the new rules regarding referral of decisions the meetings of this committee will end each committee cycle. This means the first meeting of the Policy & Resources Committee will occur late in June or early in July.
- 1.3.6 The final outturn position for 2014/15 will be reported to that meeting of the committee and in normal circumstances use of any under spend would be a consideration in that report. Due to the timing delays that this option would introduce into the commencement of the schemes, it is proposed that the issue is considered now by Cabinet.
- 1.3.7 Members should note that this matter is only an issue in this first year of the new arrangements and future years will include a more continuous calendar of meetings between municipal years.
- 1.3.8 At this time final outturn is not available and, while the current projection would enable the use of the £400,000 reported in the third quarter's monitoring report to the Cabinet, it is possible that final outturn will be a lesser sum. For this reason the proposals will require prioritisation.
- 1.3.9 In considering the most appropriate prioritisation method to propose to Cabinet the work on consultation in relation to the strategic plan was used. Given the measurement of public opinion on the priorities, as set out in the consultation report on the Cabinet agenda for 11 February 2015, the following order of priority is proposed:
1. Prior approval by Council;
 2. Unavoidable or Health & Safety schemes
 3. A Clean & Safe Environment
 4. Transport Improvements

5. Putting People First
6. Encouraging good health
7. Promoting Employment & Skills
8. Good Leisure & Cultural Attractions
9. Respecting Maidstone Borough
10. Planning for sufficient homes
11. Enhancing Maidstone Town Centre

1.3.10 Subject to the Cabinet's satisfaction with the prioritisation method it has been applied to the schemes that are set out in **Appendix A** to this report for approval.

1.3.11 The schemes brought forward have been proposed by officers and relate to issues that do not currently have funding or sufficient funding to progress as required. In cases where a financial benefit will accrue from the proposal this value is given and in all cases the link to the strategic plan priority is also provided.

1.3.12 Should the resources available to progress the schemes be different to the value of the schemes set out in Appendix A then it is proposed that additional schemes or alternatives will be reported to the first Policy & Resources Committee of the new municipal year along with the final outturn.

1.4 Alternative Action and why not Recommended

1.4.1 The resources could remain in general balance or be carried forward to support the service in which the under spend occurred. This would not proactively support the delivery of the Council's strategic priorities or achieve the more strategic actions that would otherwise not be considered.

1.4.2 The final outturn could be awaited and a proposal put forward that identified these schemes at that time but this would delay the actions that can be taken by officers in the forthcoming months.

1.5 Impact on Corporate Objectives

1.5.1 The targeted use of the Council's revenue underspend directly supports the achievement of the Council's strategic priorities.

1.6 Risk Management

1.6.1 There is a risk that the proposals for the use of the under spend do not achieve the stated outcomes. This risk will be mitigated by regular formal monitoring and reporting as part of the Council's service and financial monitoring and reporting processes.

- 1.6.2 There is a risk that insufficient resources will be available when the final outturn is known. The prioritisation of the schemes allows the highest priority schemes to continue if all resources are not ultimately available.

1.7 Other Implications

1.	Financial	X
2.	Staffing	
3.	Legal	
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	

- 1.7.1 The acceptance of the recommendations set out in this report would utilise up to a maximum of £400,000 of the revenue under spend in 2014/15.

1.8 Relevant Documents

1.8.1 Appendices

Appendix A – Proposals for the use of the revenue under spend 2014/15.

IS THIS A KEY DECISION REPORT?

Yes

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No

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If yes, when did it first appear in the Forward Plan?

This is a Key Decision because: Value greater than £250,000

Wards/Parishes affected: All