

AGENDA ITEM

REPORT TO EXECUTIVE SCRUTINY COMMITTEE

17 JULY 2018

REPORT OF CORPORATE MANAGEMENT TEAM

MEDIUM TERM FINANCIAL PLAN OUTTURN - MARCH 2018

SUMMARY

This report focuses on the financial performance and position at the end of the 2017/18 financial year and updates the Medium Term Financial Plan (MTFP) as at 31 March 2018.

RECOMMENDATIONS

1. That the MTFP and the current level of General Fund balances be noted.
2. That the revised Capital Programme attached at **Appendix A** be noted.

DETAIL

FINANCIAL POSITION AS AT 31 MARCH 2018

GENERAL FUND

1. The following table sets out the final financial position for each Directorate as at 31 March 2018. The reasons for any significant movements are summarised in the paragraphs below:

Directorate	Annual Budget £'000	Final Outturn £'000	Variance Over/(Under) £'000	Projected Variance at Q3 Over/(Under) £'000	Movement between Q3 and Closure £'000
Children's Services	35,163	37,012	1,849	1,828	21
Adults and Health	69,336	68,834	(502)	(365)	(137)
Community Services	24,765	25,025	260	259	1
Economic Growth & Development	8,736	9,005	269	387	(118)
Culture, Leisure and Events	7,811	7,928	117	191	(74)
Finance & Business Services	8,259	7,843	(416)	(409)	(7)
HR, Legal and Communications	4,046	4,099	53	112	(59)
Corporate Areas	5,202	4,527	(675)	(591)	(84)
Admin/Democratic Services	3,220	3,225	5	20	(15)
Xentrall Shared Services Management Fee	2,940	2,940	0	0	0
Sub Total	169,479	170,438	959	1,431	(472)
Improved Better Care Fund		(600)	(600)	(600)	0
Revised Total	169,479	169,838	359	831	(472)

Children's Services

2. Although there was only a minor movement between the Quarter 3 position and the end of the financial year, the pressures identified during the year did materialise at outturn. The ongoing implications are reflected in the revisions to the Medium Term Financial Plan in March 2018.

Adults and Health

3. The position improved by £137,000 at the end of the year largely due to the return of surplus funds from direct payment accounts.

Economic Growth & Development

4. A combination of minor variances resulted in an improvement in the final position.

Managed Surplus

5. Previous reports to Cabinet summarised the position regarding managed surplus funds. This has now been updated to reflect the position at year end as follows:

	£'000	£'000
Unallocated balance previously reported		81
Utilised in 2017/18		(38)
Slippage on 2017/18 schemes at Outturn		423
Carried forward for use in 2018/19 – Outturn		
Highways Footpath Schemes	(214)	
Surveillance Centre	(90)	
Marketing Development & Innovation Fund	(119)	
Total Carried forward at Outturn for use in 2018/19		(423)
Balance not currently earmarked		43

The balance of £43,000 will be added to surplus General Fund Balances (see below) and carried forward for consideration in the 2019/20 MTFP.

General Fund Balances

6. The report to Members in March 2018 identified a projected shortfall on General Fund balances and members approved a sum of £247,000 to replenish balances to the required level of £7.4m in 2018/19.

The position has been reviewed at the end of the year and the actual position improved by £472,000 as per the table in paragraph 1. This means that a sum of £472,000 is available to be considered in the 2019/20 MTFP.

Capital

7. The Capital budget up to 2021 is shown at **Appendix A** and summarised in the table below:

CAPITAL PROGRAMME Up to 2021	Current Approved Programme £'000	Programme Revisions £'000	Revised Programme £'000	Completed Schemes 2016/17	Variances (Completed Schemes)	Revised Programme
Schools Capital	52,951	8,904	61,854	(11,877)	0	49,978
Housing Regeneration & Town Centres Schemes	49,294	94	49,388	(7,209)	(20)	42,159
Transportation	8,282	4,247	12,529	(4,896)	(378)	7,256
Other Schemes	43,857	2,201	46,058	(18,236)	(122)	27,700
Total Approved Capital MTFP	154,384	15,446	169,829	(42,218)	(520)	127,093

8. Members will note that the programme has been updated to reflect the approvals contained within the 2018/19 Budget Report and to reflect changes to the programme resulting from the sourcing of external funding. The changes are summarised in **Appendix B**. The Programme has also been updated to reflect schemes which have completed in 2017/18.

COMMUNITY IMPACT IMPLICATIONS

9. As part of the process of making changes to policy or delivery of services, we consider the impact on our communities. No changes to policy or service delivery are proposed as part of this report.

FINANCIAL IMPLICATIONS

10. To summarise the financial outturn position for 2017/18 and to update the MTFP accordingly.

LEGAL IMPLICATIONS

11. None

RISK ASSESSMENT

12. The update of the MTFP is categorised as low to medium risk and is covered by existing management arrangements.

COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES

13. The report addresses all four Policy Principles in the Council Plan

CORPORATE PARENTING IMPLICATIONS

14. Not applicable

CONSULTATION INCLUDING WARD/COUNCILLORS

15. Not applicable.

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APPENDIX A

CAPITAL PROGRAMME Up to 2021	Current Approved Programme	Programme Revisions	Revised Programme	Completed Schemes 2017/18	Variances (Completed Schemes)	Revised Programme
SCHOOL CAPITAL						
School Investment Programme	52,950,801	8,903,691	61,854,492	(11,876,846)	0	49,977,646
SCHOOLS CAPITAL	52,950,801	8,903,691	61,854,492	(11,876,846)	0	49,977,646
HOUSING REGENERATION & TOWN CENTRES SCHEMES						
Housing Regeneration	5,199,951	44,088	5,244,039	(3,044,629)	0	2,199,410
Stockton Town Centre Schemes	38,808,689	0	38,808,689	(2,946,151)	779	35,863,317
Infrastructure Enhancements & Property Acquisitions	5,285,273	50,000	5,335,273	(1,217,799)	(21,200)	4,096,275
HOUSING REGENERATION & TOWN CENTRES SCHEMES	49,293,913	94,088	49,388,001	(7,208,579)	(20,420)	42,159,002
TRANSPORTATION						
Local Transport Plans	4,455,983	3,923,537	8,379,520	(3,883,101)	0	4,496,419
Other Transport Schemes	1,779,489	0	1,779,489	(159,882)	(4,592)	1,615,015
Developer Agreements	2,046,869	323,428	2,370,297	(852,530)	(372,955)	1,144,812
TRANSPORTATION	8,282,341	4,246,965	12,529,306	(4,895,513)	(377,547)	7,256,246
OTHER SCHEMES						
Private Sector Housing	2,496,958	1,528,846	4,025,804	(1,845,682)	0	2,180,122
Building Management & Asset Review	1,433,051	76,607	1,509,658	(684,664)	(30,943)	794,051
ICT & Infrastructure	180,215	0	180,215	0	0	180,215
Parks, Museums & Cemeteries	7,854,647	151,511	8,006,158	(264,511)	0	7,741,647
Energy Efficiency Schemes	14,240,000	0	14,240,000	(13,900,000)	0	340,000
Leisure Facility Ingleby Barwick	13,300,000	0	13,300,000	0	0	13,300,000
Other Schemes	4,352,047	444,346	4,796,393	(1,541,165)	(91,284)	3,163,944
OTHER SCHEMES	43,856,918	2,201,310	46,058,228	(18,236,022)	(122,227)	27,699,979
Total Approved Capital MTFP	154,383,973	15,446,054	169,830,027	(42,216,960)	(520,195)	127,092,873

Programme RevisionsSchools Capital

- The Department for Education announced grant funding for 2018/19 for the Schools Maintenance Programme of £1,124,873.
- Additional funding of £7,518,957 has been awarded by DfE to be used to support schools expansion. A further report will be presented to Cabinet outlining the proposed utilisation.
- A Healthy Pupil Fund Capital Grant of £107,667 has been announced by the Department for Education.

Transportation

- A contribution from LTP Integrated Transport, totalling £117,549, has been included in the capital programme to fund Wynyard LGF feasibility costs.
- The 2018/19 LTP grant allocation of £3,742,160, which includes £435,774 Incentive Funding, has been added to the Capital Programme.
- An additional £134,025 2017/18 Pothole Allocation plus a further £200,772 2017/18 and £69,231 2018/19 specific capital grant allocated from the Pothole and Flood Resilience funding has been announced by Department for Transport.
- An additional £215,174 has been added into the capital programme in respect of a number of Section 278 Agreements fully funded via developers, plus £101,257 Highway Works to the land South of Green Lane funded via LTP grant.

Other schemes

- £1,473,959 has been added to the capital programme to support disabled adaptations funded by Disabled Facilities Grant.
- The capital element of the building maintenance programme of £487,962 for 2018/19 has been added, funded from revenue contributions.
- The planned investment in vehicles from the Fleet Renewal Fund has been increased by £386,259 for 2018/19.
- £111,126 funded via Revenue has been added into the Capital Programme in respect of works at Rosedale Centre to facilitate Bariatric Care provision.

Completed Schemes 2017/18Schools Capital

- Planned Maintenance Schemes on a range of schools have been delivered in 2017/18.
- The works to create 30hr Childcare provision at High Flyers, Crooksbarrow Primary and St Marks Primary are now complete.
- The following 6 Primary School expansion projects are now complete, Bowesfield Primary, Hardwick Green Academy, St John the Baptist CE Primary, St Marks CE Primary, Christ the King RC Primary and Thornaby CE Primary.

Housing Regeneration & Town Centre Schemes

- The Townscape Heritage Initiative is now complete and has been removed from the capital programme.
- The development of the Georgian Theatre is now complete.
- A programme of works have been delivered to Estate Shops and have therefore been removed from the capital programme.

Transportation

- £3.9m has been spent delivering schemes as part of the Local Transport Plan programme.
- Wynyard LGF Feasibility costs are complete and have been funded via LTP grant.
- Section 278 Residential Development for land at Morley Carr Farm has completed resulting in a cost saving and a reduced developer contribution.
- Works access to the site at Tedder Avenue is now complete.

Other schemes

- £1.4m has been spent on Disabled Adaptations in privately owned homes.
- The Empty Homes Regional scheme is now complete.
- A number of planned maintenance schemes have been delivered across a range of Council Buildings.
- Refurbishment works at Fairfield Library have been completed.
- Works to support the revised playing pitch strategy, including a 3G pitch to be used by the community at Stockton Sixth Form College site (phase 2), are complete.
- The Access to Services/ Contact Centre ICT programme is now complete.
- A number of parks schemes have completed in year and have been removed from the Capital Programme.
- A number of Cemetery schemes have been completed throughout the year.
- The Street Lighting investment programme has now concluded.
- The Allensway kitchen refurbishment costing £0.197m and Care Director Upgrade costing £0.210m, both fully funded via grant, are now complete.
- Acquisition of vehicles, costing £0.411m, has been removed from the capital programme.
- The access works to Rosedale Centre plus additional car parking places are now completed and have been fully funded via Revenue.