

| Report of | Meeting | Date |
|--|-------------------|---------------|
| Chief Executive (Introduced by the Executive Member for Resources) | Executive Cabinet | 3 August 2017 |

REVENUE AND CAPITAL BUDGET MONITORING 2017/18 REPORT 1 (END OF JUNE 2017)

PURPOSE OF REPORT

1. This report sets out the provisional revenue and capital outturn figures for the Council as compared against the budgets and efficiency savings targets set for the financial year 2017/18.

RECOMMENDATION(S)

2. Note the full year forecast position for the 2017/18 revenue budget and capital investment programme.
3. Note the forecast position on the Council's reserves.
4. Request Council approval for the contribution of £259,000 from in-year revenue underspends to General Balances in 2017/18. This will put the Council on target to achieving the goal of increasing general fund balances to £4m, and will achieve this one year earlier than set out in the Medium Term Financial Strategy. This would therefore replace the proposed budgeted contribution to balances in 2018/19 as previously detailed in the Medium Term Financial Strategy and also help reduce the budget deficit in 2018/19.
5. Request Council note the capital programme to be delivered in 2017/18 to 2019/20.

EXECUTIVE SUMMARY OF REPORT

6. The projected revenue outturn currently shows a forecast underspend of £321,000 against budget. No action is required at this stage in the year.
7. The latest forecast excludes any variation to projected expenditure on investment items added to the budget in 2017/18. These projects are forecast to fully expend in 2017/18 and should there be any balances remaining at year end they will be transferred into specific reserves and matched to expenditure in future years.
8. In the 2017/18 budget the expected net income from Market Walk after deducting financing costs is £0.998m. The latest projection shows a break-even position.
9. The forecast of capital expenditure in 2017/18 is £31.605m.
10. The Council's budget for 2017/18 included a productivity savings target of £140k from changes in staffing structures and the deletion of vacant posts. The full recurrent saving of £140k has been achieved from savings in the Neighbourhoods, Communities and Planning Services teams.
11. The Council expected to make overall target savings of £150k in 2017/18 from management

of the establishment. The full savings of £150k have already been achieved for the year.

12. The Council's Medium Term Financial Strategy proposed that working balances are to reach £4.0m over the 3 year lifespan of the MTFs to 2018/19 due to the financial risks facing the Council. A budgeted contribution into General Balances of £500k is contained within the budget for 2017/18. The current forecast to the end of June shows that the General Fund balance could be around £3.75m by the end of the financial year. Should the recommendations in this report be approved, the additional in-year contribution to general balances of £259,000 would increase the year-end forecast to £4m and be on target to achieve £4m a year early.

| | | |
|--|-----|-----------|
| Confidential report Please bold as appropriate | Yes | No |
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| | | |
|--|--|---|
| Key Decision? Please bold as appropriate | Yes | No |
| Reason Please bold as appropriate | 1, a change in service provision that impacts upon the service revenue budget by £100,000 or more | 2, a contract worth £100,000 or more |
| | 3, a new or unprogrammed capital scheme of £100,000 or more | 4, Significant impact in environmental, social or physical terms in two or more wards |

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

13. To ensure the Council's budgetary targets are achieved.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

14. None.

CORPORATE PRIORITIES

15. This report relates to the following Strategic Objectives:

| | | | |
|--|--|---|---|
| Involving residents in improving their local area and equality of access for all | | A strong local economy | √ |
| Clean, safe and healthy communities | | An ambitious council that does more to meet the needs of residents and the local area | √ |

Ensuring cash targets are met maintains the Council's financial standing.

BACKGROUND

16. The latest net revenue budget is £16.527m. This has been amended to include approved slippage from 2016/17 and any transfers from reserves. The significant additions to the budget include:

- £179,720 slippage items from 2016/17.

- £928,820 balance of investment budgets carried forward from 2016/17.
- £135,000 Transformation Challenge Award funding from reserves.
- £172,680 LCC Transition funding from reserves for use in 2017/18.

Appendix 3 provides further information about the specific earmarked reserves and provisions available for use throughout 2017/18.

17. A full schedule of the investment budgets carried forward from 2016/17 and the new (non-recurrent) investment budgets introduced in the 2017/18 budget are shown in Appendix 2 together with expenditure to date against these projects (for capital items see Appendix 4).
18. As part of the budget package for 2017/18 the Council approved the proposal for changes to be made to certain staffing structures to ensure that the Council's organisation remains fit for purpose and able to deliver the Council's priorities. Prior to the start of the 2017/18 financial year, work was undertaken to result in changes to structures that were forecast to result in cumulative savings of approximately £140k in 2017/18.
19. The Council's approved revenue budget for 2017/18 included target savings of £150,000 from management of the staffing establishment.
20. Following the recommendations made in the 2016/17 Provisional Revenue and Capital Outturn Report, a sum of £49,000 from 2016/17 in-year revenue underspends has been set aside to fund one-off redundancy and pension strain costs arising from the transformation and shared service strategies. This will supplement the £200k budget set aside in 2017/18. The report also recommended the transfer of £49,000 from in-year revenue underspends to the Buildings Maintenance Fund to finance one-off costs relating to office utilisation and transformational change.
21. Set out in Appendix 1 is the provisional outturn position for the Council based upon actual spend in the first three months of the financial year and adjusted for future spend based upon assumptions regarding vacancies and service delivery.
22. The latest forecast of capital expenditure in 2017/18 is £31.605m. The latest capital forecast is detailed in Appendix 4 based upon actual and committed expenditure during the first three months of the financial year and adjusted for future spending based upon the latest timescales for project delivery.

SECTION A: CURRENT FORECAST POSITION – REVENUE

23. The projected outturn shown in Appendix 1 forecasts an underspend compared to budget of around £321,000. The significant variances from the cash budget are shown in the table 1 below.

ANALYSIS OF MOVEMENTS

Table 1 – Forecasted Significant Variations from the Cash Budget

Note: Overspends/shortfalls in income are shown as ().

| | £'000 | £'000 |
|---|-------------|------------|
| Expenditure: | | |
| Staffing costs | 158 | |
| Contribution to Corporate Savings Target | (150) | |
| Gillibrand Street Offices – Chorley Surgery | (32) | |
| Non Domestic Rates | <u>(24)</u> | (48) |
| Income: | | |
| Garden Waste Subscription Service | 227 | |
| Flexible Homelessness Support Grant | 52 | |
| Housing Benefit related grants | 41 | |
| Individual Electoral Registration (IER) Grant | 18 | |
| Market Rents | <u>(10)</u> | 328 |
| Other: | | |
| Housing Benefits | 29 | |
| Government Grants | 30 | |
| Other minor variances | <u>(18)</u> | 41 |
| Net Movement | | 321 |

Expenditure

24. Total staffing savings are currently forecast to be around £158k and are predominantly as a result of vacant posts, a number of which have been held vacant pending the implementation of shared services reviews and transformation strategies later this year. The forecast variations profiled above make assumptions regarding the start dates of staff to vacant posts, these assumptions are monitored on a monthly basis.
25. From the £158k staffing savings identified to date, the total 2017/18 corporate savings target of £150k for management of the establishment has been transferred.
26. Terms were recently updated and agreed for the new lease of the Gillibrand Street Offices to Chorley Surgery which provided one-off funding of £59,000 for extensive alterations and investment in the property. The 2017/18 budget already included a provision of £27,500 for maintenance and improvements at the premises so the additional burden on the Council's budget is £31,500. Although the Council has incurred this additional one-off cost in 2017/18, the Council will now secure an annual rental income of £82,500 for the 25 year term of the lease, with no further costs to be incurred by the Council for the first 10 years of the term.
27. The Council's budget for non-domestic rates relating to its own properties was reduced in 2017/18 as a result of the downward revaluation in rateable values to be implemented in April 2017. However as a result of many revaluations increasing elsewhere in the country the government staggered the effects of the revaluations by introducing transitional premiums. The result for Chorley Council is that the rateable values will not reduce fully in 2017/18 and has therefore resulted in a temporary budget overspend for this financial year.

Income

28. The Council recently implemented the introduction of the new subscription based garden waste collection service with the effective date of May 2017. A cautious approach was taken in setting the initial budget to determine the level of estimated income this service would generate and an estimated participation rate of 40% was used in calculating the annual net income of £400,000. I am pleased to report that the scheme has proved to be hugely successful with the actual take-up closer to 55%, generating income of around £684,000 for the full year subscription. As the scheme only started from 1 May 2017, only 11 months income relates to the 2017/18 financial year, giving a surplus of £227k for the year.
29. In March 2017 the Department for Communities and Local Government (DCLG) announced a new funding arrangement for local authorities in the form of the Flexible Homelessness Support Grant, aimed at providing more control and flexibility in tackling homelessness. This is a new grant for the Council with funding allocated over the two years 2017/18 and 2018/19 with the Council receiving grants of £51,726 and £57,586 respectively. Funding allocations for 2019/20 are due to be announced later this year.
30. The Council has also been awarded a number of additional benefits related grants from the DWP, which have been announced since the setting of the Council's budget at the end of February. A grant of £25,047 has been awarded for the costs of implementing Welfare Reform changes in 2017/18, together with funding of £22,326 under the new Right Benefit Initiative which replaces the Fraud and Error Reduction Incentive Scheme (FERIS) from April 2017. Together with other minor new burdens grants awarded in the first quarter, this has resulted in additional income for the Council of around £41,000 in 2017/18.
31. In previous years the Council has received funding from the Cabinet Office in the form of section 31 grants to contribute to the additional costs of transferring to Individual Electoral Registration (IER). It was anticipated that 2016/17 would be the last year of funding but the Cabinet Office has recently announced that funding will now be available for 2017/18 and that the Council will receive an initial grant of £18,246.
32. The initial forecast for market rental income from the Flat Iron shows projected figures to be lower than budgeted in 2017/18 by around £10,000. This is predominantly based on historical trend data from 2016/17 as the quarter 1 income levels remain similar to those of the previous year. The transfer of the weekly market from the car park to the streets has proved a great success and it is now anticipated that any disruption caused by the move will have minimal impact on income levels for the remainder of the year.

Other Items

33. The housing benefits payments budget is one area that historically has a significant impact on the Council's year-end financial position due to the nature of the costs being demand driven and the uncertainty over the level of overpayments recovered and their associated bad debts. The demand for housing benefits has fallen by around 4% over the course of 2016/17 and that trend has continued in the first quarter of the current year. The net effect of the latest figures is a forecast reduction in costs of around £29,000 for 2017/18.
34. The Council has received additional income of around £30,000 for 2017/18 in the form of two new grants from the DCLG. A Custom Build Local Authority Grant of £15,000 was awarded

for maintaining a Self-Build & Custom Housebuilding Register and a Brownfield Land Registers and Permission in Principle new burdens grant of £14,645 received for maintaining registers of previously developed land suitable for housing (brownfield land registers) and allow for the granting of permission in principle for sites allocated for housing-led development.

Budget Requests from Underspends

35. The success of the introduction of the new subscription based garden waste collection service has generated around £227,000 in additional income in 2017/18 as detailed above. This surplus income provides a unique opportunity to ease the burden on the 2018/19 budget by making an in-year contribution to working balances. The Medium Term Financial Strategy outlined the requirement to increase the level of working balances to £4.0m by the end of 2018/19 and included a proposed contribution to balances of £259k in the 2018/19 budget in order to achieve this target. By using the additional income received in 2017/18, together with other savings outlined in this report, it is considered prudent to make an in-year contribution to balances, therefore replacing the proposed budgeted contribution to balances in 2018/19. This would put the Council on track to achieve the £4.0m target and ease the pressure in bridging the budget deficit in 2018/19. As a result, it is recommended that the Council approve the set-aside of £259,000 from in-year revenue underspends to make a contribution to working balances in 2017/18.

MARKET WALK

36. The budgeted net rental income from Market Walk after taking account of financing costs in 2017/18 is £0.998m. The latest forecast indicates a break-even position. The budget in 2017/18 includes an increase in the income budget of £50k due to the full occupancy of the shopping centre.

Table 2: Market Walk Income Forecast (June 2017)

| | 2017/18 Budget | 2017/18 Forecast | 2017/18 Variance |
|---|---------------------------|-----------------------------|-----------------------------|
| Rental & Insurance Income | 1,774,100 | 1,774,100 | 0 |
| Operational Costs (excluding financing) | 147,200 | 147,200 | 0 |
| Net Income (excluding financing) | 1,626,900 | 1,626,900 | 0 |
| Financing Costs | 628,830 | 628,830 | 0 |
| Net Income (including financing) | 998,070 | 998,070 | 0 |
| Income Equalisation Reserve (Annual Contribution) | 50,000 | 50,000 | 0 |
| Asset Management Reserve (Market Walk) | 50,000 | 50,000 | 0 |
| Net Income | 898,070 | 898,070 | 0 |

37. The approved budget makes a provision for a £50,000 transfer to reserve to fund asset maintenance costs outside of the service charge agreement and a £50,000 transfer to an equalisation account to build up a reserve to fund any future reduction to income levels. The forecast balances at the end of 2017/18 after the in-year contributions are £300k (income equalisation) and £186k (asset management reserve).

GENERAL FUND RESOURCES AND BALANCES

38. With regard to working balances, and as per Appendix 1, the Council started the year with a balance of £3.188m. The approved MTFS proposes that working balances are to reach £4.0m over the 3 year lifespan of the MTFS to 2018/19 given the budgetary challenges facing the Council. The current forecast to the end of June shows that the initial General Fund closing balance could be around £3.75m. Should the recommendations in this report be approved, the forecast balance would increase to £4m as detailed in table 3 below. Forecast General Balances would exceed the target to achieve £4.0m by 2018/19.

Table 3 – Movement in General Fund Balance

| General Balances | £m |
|--|--------------|
| Opening Balance 2017/18 | 3.188 |
| Budgeted contribution to General Balances | 0.500 |
| Forecast revenue budget underspend | 0.062 |
| Initial General Fund Balance 2017/18 | 3.750 |
| Additional in-year contribution to General Balances | 0.259 |
| Forecast General Fund Closing Balance 2017/18 | 4.009 |
| Budgeted contribution to General Fund 18/19 | 0.000 |
| Forecast General Fund Closing Balance 2018/19 | 4.009 |

39. Appendix 3 provides further information about the specific earmarked reserves and provisions available for use throughout 2017/18.

SECTION B: CURRENT FORECAST POSITION – CAPITAL

40. Table 4 below summarises:
- Capital budget (1) – the capital budget agreed by Special Council in February 2017 including amendments as per the 2016/17 outturn report agreed by Council in June 2017
 - Capital budget (2) - the 3 year capital budget following adjustments and re-profiling as described below

Table 4: Profiling of the Capital Budget 2017/18 to 2019/20

| Year | Capital Budget (1) £'000 | Capital Budget (2) £'000 | Changes £'000 |
|--------------|-------------------------------------|-------------------------------------|--------------------------|
| 2017/18 | 31,560 | 31,605 | 45 |
| 2018/19 | 9,261 | 10,106 | 845 |
| 2019/20 | 1,096 | 1,096 | 0 |
| Total | 41,918 | 42,808 | 890 |

41. An update on the Directorate's major capital projects are outlined below:

Customer & Digital

42. There is £18k of committed expenditure relating to the purchase of **recycling receptacles**. The total budget of £55k is forecast to be fully committed in 2017/18. The forecast represents a £60k reduction in spend since 2016/17 and is the result of charging for replacement receptacles.
43. There is £156k of committed expenditure in 2017/18 for the purchase of grey bins. The take up of the subscription based garden waste service has been 55% with total expenditure on grey bins of £400k. This will be amortised over the 10 year life of the bins and financed through the income generated by the subscription based service.
44. As part of the 2017/18 budget setting process the council approved a £750k allocation for the modernisation of its **IT infrastructure**. The ICT strategy was approved by Executive Cabinet on 22 June 2017 and the capital budget will be allocated to modernise the ICT infrastructure, deliver resilient and flexible ICT as well as facilitate the Digital Strategy.
45. Chorley Council is the accountable body for delivering the **Bank Hall Restoration Project** although there is no direct cost to the council. The project will be delivered via a partnership between the council, Urban Splash, Heritage Trust for the North West and TNBT and the expected duration is eighteen months. The Council will receive a grant allocation for the time its officer spends on the project. The project involves the restoration of the outside fabric of Bank Hall, the restoration of the central area which includes the main entrance hall, the main hall and the clock tower.

Policy & Governance

46. The Council's capital contribution to **Chorley Youth Zone**, part-funded through a £1.1m contribution from LCC, is £2.155m and profiled as follows. The Youth Zone is forecast to open in February 2018.

| Expenditure | 2015/16 £000s | 2016/17 £000s | 2017/18 £000s | Total £000s |
|-------------------------------------|------------------|------------------|------------------|----------------|
| Demolition (CBC Contribution) | 0 | 55 | 0 | 55 |
| Chorley Contribution | 150 | 450 | 400 | 1,000 |
| LCC Contribution via CBC | 0 | 0 | 1,100 | 1,100 |
| Total Contributions from CBC | 150 | 505 | 1,500 | 2,155 |

47. The carried forward **Astley 2020** budget is £474k. The programme for this budget is under review and is expected to be allocated across investments in events infrastructure, footpath lighting, parking and £200k match funding for a £1.8m HLF grant bid.

Early Intervention

48. The Council's **Disabled Facilities Grant (DFG)** allocation from the Better Care Fund was £614k in 2016/17 with the cost of adaptations totalling £529k. Additional contributions from housing associations of £74k resulted in a carried forward DFG allocation of £158k. The allocations for 2017/18 have been announced and Chorley's allocation will be £666k. The budget is therefore set at £824k to reflect the new allocation and the carried forward funding. On the 16 March 2017 an approval was made to adopt revised housing assistance policies. It is anticipated that these changes will increase the expenditure against the DFG allocation.

49. The extension and final refurbishment of **Cotswold House** is complete. The total budget was £858,000 funded by a £658k HCA grant and £200k contribution from CBC. The final refurbishment was split into two phases, the first being the original grant funded specification to upgrade 15 rooms and the common areas. These works were completed in March 2017. However as the tender for these works came in £200k under budget the council proceeded with a second phase for additional works including further upgrades to bathrooms, toilets and insulation as well as further landscaping works. The budget is expected to be fully spent in 2017/18.
50. The **CCTV replacement programme** has focused on the relocation and equipping of the monitoring suite, and the replacement of CCTV camera heads of over 60 cameras across Chorley Borough. The majority of this work was completed in 2016/17 however there remains some additional work required on five cameras (due to issues related to line of sight and connectivity) to be completed by 31 August 2017.

Regeneration & Inward Investment

51. The **Asset Improvement** budget for 2017/18 is £355k and includes an additional £100k agreed as part of the 2017/18 budget setting process. Expenditure to date is £102k with approximately £80k of works to Union St offices to accommodate LCFT staff. Contributions from LCFT will be used to fund some of these works. Further works to Council assets are expected in 2017/18 including the renewal of the walkways in the covered market.
52. The total approved budget for **Market Walk Extension**, as agreed at Full Council in September 2016, is £12.643m. Within this budgeted amount the Council have signed a Pre-Construction Services Agreement (PCSA) with Eric Wright worth £2.082m which enabled the Council to simultaneously progress the detailed design together with the phased enabling works without committing the Council to a final construction contract. Following a more detailed cost submission from Eric Wright there is a report to be presented to Full Council on 25 July 2017 to request members approve an updated budget which will include associated elements of the public realm works.
53. The **Steeley Lane Gateway** project involves a number of different sites including works to Theatre Walk, Bus Station Crossing and Eastway-Steeley Lane. The Eastway works are complete and the works to Theatre Walk are over halfway complete however the works to the Bus Station clash with the Youth Zone site and have been deferred until January 2018. A budget of £160k for further investment is included in the capital programme for 2018/19.
54. The **Play, Recreation and Open Space** projects involve a number of different sites. The following two schemes are associated with transfers to Coppull, Croston, Charnock Richard and Eccleston Parish Councils, respectively, in order to fund play improvement schemes:

| Project | Actual 2017/18 | Current Budget 2017/18 |
|--------------------------------------|---------------------------|---------------------------------------|
| Tansley Avenue, Coppull | 40,000 | 40,638 |
| Station Rd, Croston | 24,632 | 24,632 |
| Mossie Close, Charnock | 0 | 44,079 |
| Drapers Ave/Langton Close, Eccleston | 50 | 21,580 |
| Approved budget 2017/18 | 64,682 | 130,929 |

The following schemes have experienced progress in 2017/18:

| Project | Actual 2017/18 | Current Budget 2017/18 |
|--------------------------------|----------------|------------------------|
| Gough Lane, Clayton Brook | 0 | 15,200 |
| Grafton St, Adlington | 33,900 | 34,400 |
| Osborne Drive Play Area | 51,798 | 53,579 |
| King George V Play & Pitches | 5,000 | 429,457 |
| Approved budget 2017/18 | 90,748 | 532,636 |

- **Gough Lane** – an order has been placed with LCC to carry out installation of lighting columns to illuminate the MUGA
- **Grafton Street** – the creation of a new toddler play area on Jubilee Recreation ground has been completed in 2017/18
- **Osborne Drive** – works to create a new play area for children ages 2-12yrs has reached completion
- **King George V Playing Pitches** – progress on this project has been hampered owing to complications in reaching an appropriate drainage solution for this site and progress is on-going.

The Parks and Open Spaces Officer is currently reviewing the needs-based objectives for improvements to be undertaken across three key Recreation Grounds (Harpers Lane, Coronation & Tatton). Previously approved budgets are as follows:

| Project | Actual 2017/18 | Current Budget 2017/18 |
|--------------------------------|----------------|------------------------|
| Harpers Lane Rec, Chorley | 0 | 50,000 |
| Coronation Recreation Ground | 0 | 264,650 |
| Tatton Recreation Ground | 2,023 | 126,764 |
| Approved budget 2017/18 | 2,023 | 441,414 |

55. As part of the final stage of works at **Rangletts Recreation** Ground a payment upfront of £97k has been made to LCC for highways schemes at Bolton Rd, Duke St, Brindle St, Harrsion Rd and Pilling Lane. Works have begun and are scheduled to complete in September 2017.
56. In June 2016 a budget of £220k (£7k 2016/17, £213k 2017/18) was identified and approved to extend and refurbish the existing car park at **Yarrow Valley Country Park**. Owing to the smooth running and sound cost management of the initial refurbishment phase it was deemed, in May 2017, that an additional 14 car spaces, as was originally intended in draft proposals, could be completed on time and within existing budget. The project is complete and including retention will spend to budget.
57. An increase in the budget for **Primrose Retirement Living** was approved by General Purposes Committee on 15 June 2017. The previous budget has been increased from

£9.747m to £10.591m. The additional budget will be funded through additional HCA grant, commuted sums and temporary prudential borrowing. Approval to grant the works contract was also given and following the completion of the acquisition and demolition on the site, construction works have now begun.

58. In 2016/17 £700k was spent on preliminary costs relating to the build of the **Digital Office Park**. This included £615k on the purchase of the site and £70k on design, engineering and consultancy fees. The budgets for 2017/18 and 2018/19 throughout the construction phase of the project are £4.965m and £2.45m respectively. Due to a delay in the start of construction in connection with wider village development, the profile of expenditure between 2017/18 and 2018/19 will be revised in the coming weeks and reported at the next quarter's budget monitoring report.
59. An Executive Member decision was approved on 19 May 2017 to contribute £40k of s106 allocations to LCC for the part-funding of the improvement /creation of three priority **Bus Stops in Buckshaw Village**. In order to assist with the improved public transport service, temporary bus stops were placed in Buckshaw Village however they were unable to be placed in ideal locations at the time. The three priority bus stops will be the two temporary bus stops on Ordnance Road near Aldi, and the introduction of an additional bus stop for the village centre opposite the Hub.

Capital Financing

60. The capital programme is financed using different sources of funding. The table below shows the latest proposed financing based on the forecast of expenditure in 2017/18. This in line with budget and will be reviewed at year-end to best manage the Council's own resources.

Table 5: Forecast Capital Financing 2017/18

| Fund | Original Budget 2017/18 £'000 | Quarter 1 2017/18 £'000 | Variance |
|----------------------------------|--|------------------------------------|-----------------|
| External Contributions | 7,217 | 7,259 | 42 |
| Grants | 7,794 | 8,046 | 252 |
| New Homes Bonus | 326 | 326 | 0 |
| Earmarked Reserves | 2,247 | 2,250 | 3 |
| Revenue | 20 | 20 | 0 |
| Capital Receipts | 1,226 | 1,226 | 0 |
| Borrowing | 12,730 | 12,478 | (252) |
| Capital Financing 2017/18 | 31,560 | 31,605 | 45 |

61. The increase in external contributions relate to the s106 contributions for Buckshaw Village bus stops. The additional grant income is the receipt of 75% of the HCA grant for Primrose Retirement Living. The grant has increased by £336k overall (75% equates to £252k) to part-fund some of the increase in forecast costs outlined above. This will re-phase £252k of borrowing into 2018/19.

IMPLICATIONS OF REPORT

62. This report has implications in the following areas and the relevant Directors' comments are included:

| | | | |
|--|---|--|--|
| Finance | ✓ | Customer Services | |
| Human Resources | | Equality and Diversity | |
| Legal | ✓ | Integrated Impact Assessment required? | |
| No significant implications in this area | | Policy and Communications | |

COMMENTS OF THE STATUTORY FINANCE OFFICER

63. The financial implications are detailed in the body of the report.

COMMENTS OF THE MONITORING OFFICER

64. The Monitoring Officer has no comments.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

| Report Author | Ext | Date | Doc ID |
|-------------------------|-----------|----------|--|
| Dave Bond/James Thomson | 5488/5025 | 28/07/16 | Revenue and Capital Budget Monitoring 2016-17 Report 1 |