

Report of	Meeting	Date
Chief Finance Officer (Introduced by the Executive Member for Resources)	Executive Cabinet	16 November 2017

## **REVENUE AND CAPITAL BUDGET MONITORING 2017/18 REPORT 2 (END OF SEPTEMBER 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 use of £25,000 from in-year revenue underspends to enable the Council to meet the requirements of the General Data Protection Regulation.
5. Request Council approval for the use of £50,000 from in-year revenue underspends to enable the Council to fund the Local Government Boundary Commission for England's electoral review of Chorley Council
6. Request Council approval for the use of £50,000 from in-year revenue underspends to fund the revenue implications of the Council's Worksmart project.
7. Request Council approval for the use of £120,000 from in-year revenue underspends to allow the Council the flexibility to continue funding local bus services in 2017/18.
8. Request Council approval for the use of £30,000 from in-year revenue underspends to fund the revenue implications of recent planning appeals.
9. Request Council approval for the use of £60,000 from in-year revenue underspends to create a project director post with sole responsibility to deliver the Market Walk extension, Primrose Gardens and the Digital Health Park.
10. Request Council note the capital programme to be delivered in 2017/18 to 2019/20.

### **EXECUTIVE SUMMARY OF REPORT**

11. The projected revenue outturn currently shows a forecast underspend of £392,000 against budget. No action is required at this stage in the year.
12. 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.

13. 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 including £40k of revenue expenditure relating to the Market Walk Extension project.
14. The forecast of capital expenditure in 2017/18 is £22.925m.
15. 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 September shows that the General Fund balance will be £4.004m by the end of the financial year and be on target to achieve £4m a year early.

<b>Confidential report</b> Please bold as appropriate	Yes	No
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<b>Key Decision?</b> Please bold as appropriate	Yes	No
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<b>Reason</b> 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)

16. To ensure the Council's budgetary targets are achieved. Ensuring cash targets are met maintains the Council's financial standing.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

17. None

## CORPORATE PRIORITIES

18. 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	√✓

## BACKGROUND

19. The latest net revenue budget is £17.476m. This has been amended to include approved slippage from 2016/17 and any transfers to/from reserves.

20. Appendix 3 provides further information about the specific earmarked reserves and provisions available for use throughout 2017/18.
21. 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).
22. The Council's approved revenue budget for 2017/18 included target savings of £150,000 from management of the staffing establishment. The full savings of £150k have been achieved for the year.
23. Following the recommendation made in the June 2017 budget monitoring report, a contribution of £259,000 from 2017/18 in-year revenue underspends has been made to General Balances. This will replace the budgeted contribution to balances in 2018/19 and will put the Council on target to achieving the goal of increasing general fund balances to £4m, achieving this one year earlier than set out in the Medium Term Financial Strategy.
24. Set out in Appendix 1 is the provisional outturn position for the Council based upon actual spend in the first six months of the financial year and adjusted for future spend based upon assumptions regarding vacancies and service delivery.
25. The latest forecast of capital expenditure in 2017/18 is £22.925m. The latest capital forecast is detailed in Appendix 4 based upon actual and committed expenditure during the first six months of the financial year and adjusted for future spending based upon the latest timescales for project delivery.

## **SECTION A: CURRENT FORECAST POSITION – REVENUE**

26. The projected outturn shown in Appendix 1 forecasts an underspend compared to budget of around £392k. The quarter 1 monitoring report forecast an underspend, net of a £259k contribution to the general fund, of £62k. The forecast underspend has increased by £330k since the last monitoring report to Executive Cabinet, the reasons for these changes 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
<b>Expenditure:</b>		
Staffing Costs	87	
Vandalism repairs	11	
Chorley Little Theatre	(22)	
Park and Ride	<u>(12)</u>	
		64
<b>Income:</b>		
DFG Administration	50	
LCC Public Realm Agreement	14	
Hire of Community Centres	14	
New Burdens Grant - Small Business Relief Scheme	<u>10</u>	
		88
<b>Other:</b>		
Housing Benefits	24	
Financing	150	
Other minor variances	<u>4</u>	
		178
<b>Net Movement</b>		<b>330</b>
Quarter 1 Net Forecast Underspend		62
<b>Total Forecast Underspend at Quarter 2</b>		<b>392</b>

### *Expenditure*

27. The additional savings on staffing costs of £87,000 shown in table 1 above reflects the changes made from the position reported to the end of June in the last monitoring report. The main changes are predominantly as a result of vacant posts, a number of which have remained vacant pending the introduction of new departmental structures later this year.
28. The Council's budget for 2017/18 included a provision of £17,000 to cover the cost of graffiti removal and other vandalism repairs under a previous contract based on a fixed monthly charge. A new contract has since been adopted based on actual call out and workload requests and this has significantly reduced the costs to the Council. The actual costs for 2017/18 are currently forecast to be around £6,000 giving a potential saving of £11,000 for the year.
29. On 25th July 2017 the Trustee Meeting for Avondale Road Former Free Library Trust Fund agreed that the sum of £17,929 be distributed to Chorley Little Theatre Company Limited to support the provision of new flooring. The total cost of the works to flooring was £18,220 and the contribution of £17,929 was made to Chorley Little Theatre on 9th October 2017.
30. The original specification of the works to the theatre included the replacement of pipes under the flooring. On closer inspection it became apparent that replacing the pipes would be prohibitively expensive and instead the leaking pipes were decommissioned and the heating replaced with an air conditioning unit. The total cost of these works was £42k and Chorley Little Theatre has since requested that the Council contribute an additional £22,071

to bring its total contribution to £40k. This has since been agreed by Delegated Executive Member Decision on 12th October and the additional contribution will be met from in-year revenue underspends.

31. The Council has recently introduced a free park and ride service to help alleviate the pressure on the town centre car parks on peak days. The service will operate between Morrison's car park on Brooke Street and the town centre on Tuesdays and Saturdays and will run for a period of 6 months. The anticipated cost of the scheme is around £12,000 and will be funded by in-year revenue underspends. Revenue income from car parking fees are currently forecast to be broadly in line with budgeted levels but the free park and ride scheme may impact on future income levels. This will be monitored closely over coming months and members updated accordingly.

#### *Income*

32. Earlier this year the Council adopted the revised Private Sector Housing Assistance Policy which included the introduction of a 10% administration fee applicable to each Disabled Facilities Grant and Chorley Adaptation Grant the Council provides. The Council's DFG grant allocation has been set at £665k for 2017/18 and any administration fees are to be included within this allocation. The actual revenue income stream generated by this fee will be dependent on the level of demand and the total grants awarded but is anticipated to be in the region of £50,000 in 2017/18 and this can be utilised to offset the administrative costs of delivering the service.
33. Each year the Council receives an agreed sum from Lancashire County Council under the Public Realm Agreement for grass cutting, verge maintenance, weed control and sign cleaning. The Council has recently been notified of an increased allocation for 2017/18 and for a further 3 years to allow for additional flail and grass cutting works and a further contribution towards the control of weed growth. The Council will receive additional income of £13,620 in 2017/18 and £34,270 for each of the following 3 years.
34. Additional income is forecast for 2017/18 from the hire of rooms at the Council's various community centres. It is estimated that around £63,000 will be received this year compared to the budget of £49,000 giving a surplus of £14,000 with the majority of this coming predominantly from the Lancaster Way Community Centre, the newest of our community centres situated in Buckshaw Village.
35. A further new burdens grant of £12,000 has been awarded by the DCLG in respect of the additional administration and IT related costs of administering the new business rate relief schemes, established following the 2017 business rates revaluation. The external costs of IT software changes and printing and postage are estimated to be around £2,000 with the administrative costs being maintained within existing staffing resources.

#### *Other Items*

36. 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 six months of the current year. The forecast net effect of the latest figures is a further reduction in costs of around £24,000 for 2017/18.
37. The Council's budget for 2017/18 was prepared on the assumption that additional PWLB borrowing would be taken to replace the use of internal cash balances used to finance previous capital investment, and to finance major capital projects in the year. The reason

being to secure cash at a lower interest rate than might be available in the future. The extra borrowing is likely to be not taken until later in 2017/18 than estimated originally, and so a one-off saving of £150k has been included in the forecast. The saving would increase if borrowing was less than now assumed, or was taken at shorter maturities with lower average interest rates. However due to the possibility of an increase in interest rates, additional borrowing could be taken before year-end and therefore additional borrowing has been included in the forecast. Additional borrowing would be taken only when longer term budget savings could be achieved by avoiding interest rate increases.

#### *Requests from Underspends*

38. The General Data Protection Regulation (GDPR) was adopted by the European Parliament in April 2016 and becomes enforceable from 25 May 2018. Under GDPR, companies that collect data on citizens in European Union (EU) countries will need to comply with strict new rules around protecting customer data. The first major change under GDPR is the recognition that the data held by the council belongs to the data subject not the Council. The data subject is therefore entitled to control how that data is processed subject to legal requirements. There are significant penalties which can now be imposed should data be processed without consent (consent either by legal right or specific permission). These penalties can be as high as 20 million euros or 4% of the organisation's annual worldwide turnover (whichever is greater) for each offence.
39. Whilst the Council has established policies in place for maintaining data and information security and clear processes for processing that data, there will need to be a complete reconsideration of these policies to ensure their compliance with the GDPR. There will also need to be a programme of training for staff for some as data processors and others as data controllers to ensure a full understanding of the roles and obligations. The works will also include a data deletion exercise to ensure that current data retention policies are complied with before as subsequent consideration of the data held to ensure compliance with the new GDPR policies.
40. To enable the Council to fully comply with the new regulations it is proposed to establish the new temporary post of GDPR Compliance Officer to cover the implementation period. The cost of this post will be around £25,000. As a result, it is requested that the sum of £25,000 is set aside from in-year revenue underspends to enable the Council to meet the requirements of GDPR.

As per the report to Executive Cabinet on 5<sup>th</sup> October 2017 the Local Government Boundary Commission for England's (LGBCE) will hold an electoral review of Chorley Council. The review is due to commence in June 2018 and expected to be completed by March 2019. It is proposed that £50k is set aside from 2017/18 underspends to fund the staffing costs relating to this review in 2018/19.

41. As a council we want our staff to deliver high quality services, using the latest technology, working in modern and well-designed offices and with flexible working practices. Work smart is a key element of the Council's Digital Strategy which aims to further develop the Council's internal approach to improving the environment, tools and skills which staff have to enable them to work smarter. Very simply working smarter is about, creating the right working environment; making sure staff have the right tools and technology; and are encouraged and enabled to working in smarter and more efficient ways.

42. The term work smart has been used since the development of the Council's first digital strategy in 2014 in relation to actions within the strategy which impacted on the way staff work, access information and deliver services. Similar approaches to work smart are being widely implemented in other public and private sector organisations.
43. Over the years numerous work smart improvements have already been delivered, many services now have dual screen, iPads have been rolled out and continue to be to those staff who need it, printing has been reduced, meetings are conducted electronically using iPads and large screens in meeting rooms and a programme of office upgrades has started. However there is still more to do. New technology will ensure staff have the right tools to do the job and provide staff with the freedom and flexibility to work in an agile way, for example the implementation of VOIP will support staff to be agile, not restricted to a particular desk or building, but able to log to IT and phone systems to work in any Council office.
44. The 2017/18 budget report set aside £100k revenue reserves towards the maintenance of its assets. It is forecast that up to £70k of the reserve will be spent commissioning a review of the Council's reservoirs in line with changes to the UK reservoir safety legislation. It is proposed that £50k is requested from underspends to continue funding the Worksmart programme to improve the working environment for staff, ensuring staff have the correct tools and technology and to encourage working in smarter and more efficient ways.
45. The remaining LCC Transition Fund in 2017/18 was £272k to fund bus services and contributions to library services as well as a contribution to Coppull Children's Centre. In July of this year, approval was granted by Executive Member Decision for the Council to extend the arrangements for the subsidy of the 109A/24A and 6/6A bus services until October 2017. Discussions with Lancashire County Council over future funding of the services are still ongoing and it is proposed at this stage that an additional £120k is set aside from in-year underspends to allow the Council the flexibility to continue funding the bus services until March 2018 if required.
46. The Council has created a specific earmarked reserve set up to cover the revenue cost implications of local planning appeals. The balance held in this reserve is currently £31,000 but it is anticipated that this will not be sufficient to cover the costs relating to the recent Pear Tree Lane appeal. It is proposed therefore that an additional £30k is set aside from this year's revenue underspends to contribute to these costs.
47. We are now reaching a critical stage in delivering of a number of asset development activities which will require a significant amount of senior management overview. This has proven to be the case during the development of these projects to date and has resulted in progress being delayed on a number of other important activities including the development of our employment land and the refreshing of the Council's local plan amongst others. In order to expedite these important pieces of work it is proposed to set aside £60k from in year underspends to create a project director post with sole responsibility to deliver the Market Walk extension, Primrose Gardens and the Digital Health Park.

## MARKET WALK

48. 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 (Sep 2017)**

	<b>2017/18 Budget £</b>	<b>2017/18 Forecast £</b>	<b>2017/18 Variance £</b>
Rental & Insurance Income	1,774,100	1,774,100	0
Operational Costs (excluding financing)	147,200	117,200	40,000
Market Walk Extension Revenue Expenditure	0	40,000	(40,000)
<b>Net Income (excluding financing)</b>	<b>1,626,900</b>	<b>1,626,900</b>	<b>0</b>
Financing Costs	628,830	628,830	0
<b>Net Income (including financing)</b>	<b>998,070</b>	<b>998,070</b>	<b>0</b>
Income Equalisation Reserve (Annual Contribution)	50,000	50,000	0
Asset Management Reserve (Market Walk)	50,000	50,000	0
<b>Net Income</b>	<b>898,070</b>	<b>898,070</b>	<b>0</b>

49. The operational expenditure is forecast to underspend by at least £40k in 2017/18. The underspend comes from a number of budgets including general maintenance and professional fees. The Council is chasing its letting agents to ensure the billing is up to date, however it is still assumed that the professional fees budget will underspend.
50. It is forecast that there will be £40k of revenue expenditure relating to the Market Walk Extension project. This relates to a town centre car park feasibility study, a demographic data report and town centre improvement project support. This will be funded through underspends from market walk operating expenditure budgets described in the previous paragraph.
51. 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 are as follows:

	<b>Income Equalisation £</b>	<b>Asset Maintenance Market Walk £</b>
<b>Opening Balance 2017/18</b>	<b>250,366</b>	<b>135,860</b>
In year budgeted contributions	50,000	50,000
Renewal of the walkway at the covered market	0	(50,000)
Upgrading of covered market lighting	0	(24,000)
<b>Forecast Closing Balance 2017/18</b>	<b>300,366</b>	<b>111,860</b>

52. The flooring at the covered market was looking tired and was becoming a health and safety issue evidenced by an increase in slips, trips and falls. The walkway has been replaced at a cost of £40k. In combination with the walkway, works to the drains in the covered market totalling £10k were also required to be completed. These costs can be met from the asset maintenance reserve for market walk as this reserve is separate to the sinking fund that is for works specifically related to the market walk units.
53. Additional lighting is required to be installed in the covered markets to illuminate areas that are not sufficiently lit. Whilst this work is being completed existing lighting will be replaced with LEDs to enable a better lit and more environmentally friendly covered market. The current estimated cost is £24k however quotes are being sought in line with the Council's procurement regulations.

## GENERAL FUND RESOURCES AND BALANCES

54. 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 September shows that the initial General Fund closing balance could be around £4.339m. Should the recommendations in this report be approved, the forecast balance would reduce to £4.004m as detailed in table 3 below and would be in line to achieve £4.0m by 2018/19.

**Table 3 – Movement in General Fund Balance**

<b>General Balances</b>	<b>£m</b>
Opening Balance 2017/18	3.188
Budgeted contribution to General Balances	0.500
Additional in-year contribution to General Balances	0.259
Forecast revenue budget underspend	0.392
<b>Initial General Fund Closing Balance 2017/18</b>	<b>4.339</b>
Use of in-year underspends for GDPR	(0.025)
Use of in-year underspends for Boundary Review	(0.050)
Use of in-year underspends for Worksmart	(0.050)
Use of in-year underspends for LCC Transition	(0.120)
Use of in-year underspends for Planning Appeals	(0.030)
Use of in-year underspends for Major Projects	(0.060)
<b>Forecast General Fund Closing Balance 2017/18</b>	<b>4.004</b>
Budgeted contribution to General Fund 18/19	0.000
<b>Forecast General Fund Closing Balance 2018/19</b>	<b>4.004</b>

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

## SECTION B: CURRENT FORECAST POSITION – CAPITAL

56. 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 and amendments as per the quarter 1 monitoring report to Executive Cabinet on 3<sup>rd</sup> Aug 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	31,605	22,925	(8,680)
2018/19	10,106	22,406	12,301
2019/20	1,096	1,096	0
<b>Total</b>	<b>42,808</b>	<b>46,428</b>	<b>3,621</b>

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

### *Customer & Digital*

58. Included in the capital programme are £140k (17/18) and £77k (18/19) budgets for the renovation of paths at the Council's cemeteries. Work has begun at Chorley cemetery and all work is forecast to be complete in 2018/19.

### *Policy & Governance*

59. 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	<b>55</b>
Chorley Contribution	150	450	400	<b>1,000</b>
LCC Contribution via CBC	0	0	1,100	<b>1,100</b>
<b>Total Contributions from CBC</b>	<b>150</b>	<b>505</b>	<b>1,500</b>	<b>2,155</b>

60. 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. The £20k expenditure to date relates to works to the morning room that began last year and are now complete. The outcome of the HLF bid is expected in December 2017.

### *Early Intervention*

61. The extension and final refurbishment of **Cotswold House** was completed in June 2017. 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 total project budget is expected to be £30k underspent and the HCA have been contacted to discuss how this underspend is to be dealt with.

62. The budget for **leisure centre improvements** is £90k in 2017/18. Expenditure to date relates to pool controls kit and further works have been identified for internal and external lighting. In addition, £47k has been committed for the renovation and replacement of playing pitches at Clayton Green, work is scheduled to begin in mid-November.
63. The remaining **CCTV** budget of £26k will be utilised on further works including additional cameras at Tatton Recreation Ground and Steeley Lane. In addition, new CCTV equipment is proposed at Coronation and Harpers recreation grounds. An assessment of the costs of these works is being carried out. Where possible the works will be contained within the remaining budget however additional budget may be required and requested accordingly.

### *Business Development and Growth*

64. 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 £125k with approximately £90k of works to Union St offices. Further works to Council assets are expected in 2017/18 including the renewal of the walkways and lighting in the covered market at an estimated cost of £75k to be funded through the Market Walk asset maintenance reserve.
65. The total approved budget for **Market Walk Extension**, as agreed at Full Council on 25 July 2017, is £16.353m. The capital programme has been revised and re-profiled across 2017/18 and 2018/19 based upon cash flow estimates provided by the main build contractor. The budget for public realm works has also been brought into the extension project budget as per the Council report.
66. 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 design and build contract is currently out to tender and work is forecast to begin in December 2017. The budget has been re-profiled based on this new estimated start on site.
67. The report to Full Council on 19th Sep 2017 approved a £910k capital budget for enabling works at the Digital Office Park site. The works will include expenditure on highways and infrastructure including the provision of access and services to and within the site to support the delivery of the employment allocation at the Digital Health Village. The works are forecast to be funded through a request from CIL and the use of s106 contributions from the Group 1 development. Following further scrutiny of the proposed works it has become clear that works totalling £260k for water drainage and substation power connection are ineligible for CIL funding and as such only £365k will be requested from CIL.
68. Since this approval, the owner of the land surrounding the Digital Office Park site has agreed to sell to a new developer. The new party has indicated that they would be willing to deliver the enabling works, including the water drainage and substation power connections, within

the required timescale. It is recommended, however, that the current allocation is left within the capital programme until a formal agreement has been reached with the new developer.

### Capital Financing

69. 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 is 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	Quarter 2017/18 £'000	Variance
External Contributions	7,217	7,259	6,695	(564)
Grants	7,794	8,046	6,823	(1,224)
New Homes Bonus	326	326	326	0
Earmarked Reserves	2,247	2,250	1,318	(932)
Revenue	20	20	20	0
Capital Receipts	1,226	1,226	1,231	5
Borrowing	12,730	12,478	6,513	(5,965)
<b>Capital Financing 2017/18</b>	<b>31,560</b>	<b>31,605</b>	<b>22,925</b>	<b>(8,680)</b>

70. The majority of the changes in the funding levels are the result of the re-profiling of the Council's major capital projects from 2017/18 to 2018/19.

### IMPLICATIONS OF REPORT

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

### IMPLICATIONS OF REPORT

72. 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

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

### COMMENTS OF THE MONITORING OFFICER

74. Much of the spending proposed is discretionary. However the expenditure on ensuring compliance with the General Data Protection Regulation will reduce the risk of reputational damage from any action against the Council for non-compliance and associated fines. Expenditure on planning appeals is an inevitable consequence of making planning decisions which are adverse to applicants or objectors.

GARY HALL  
CHIEF EXECUTIVE

There are no background papers to this report.

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
Dave Bond/James Thomson	5488/5025	02/11/17	Revenue and Capital Budget Monitoring 2016-17 Report 2