MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	**POLICY AND RESOURCES COMMITTEE**		
DATE:	**26 JULY 2018**	**REPORT NO:**	**CFO/048/18**
PRESENTING OFFICER	**IAN CUMMINS, TREASURER**		
RESPONSIBLE OFFICER:	**IAN CUMMINS**	**REPORT AUTHOR:**	**IAN CUMMINS**
OFFICERS CONSULTED:	**STRATEGIC LEADERSHIP TEAM**		
TITLE OF REPORT:	**REVENUE & CAPITAL OUTTURN 2017/18**		

APPENDICES:	**APPENDIX A1- A4:**	**2017/18 REVENUE BUDGET TO ACTUAL**
	APPENDIX B:	**2017/18 CAPITAL BUDGET TO ACTUAL**

Purpose of Report

1. To report upon the Authority's year-end financial position for 2017/18.

Recommendation

2. That Members;

   a. note the actual financial performance against the approved budget and the achievement of a net revenue saving in 2017/18 of £2.403m, and

   b. approve the proposal to utilise the £2.403m saving to;
      - fund the creation of £0.442m year-end earmarked reserves in order to finance approved 2017/18 spend that has been re-phased into 2018/19, and
      - use the remaining balance to fund an increase of;
        1. £1.017m in the Capital Investment Reserve in order to increase the contribution towards the new St Helens Fire Station in light of the expected increase in construction costs, and
        2. £0.200m in the Inflation Reserve in light of the level of uncertainty over the 2% annual increase assumed in the current financial plan for the outstanding 2017/18 to 2019/20 firefighter annual pay award, and
        3. £0.744m in the Firefighter Recruitment Reserve to fund the recruitment of firefighters above the budgeted establishment to ensure new recruits have time to develop the required level of competency and experience given half of the current firefighters will retire over the next 5 years or so and the reliance on staff undertaking voluntary additional shifts is removed.

Executive Summary

The Authority approved a robust financial plan to meet the financial challenge it faced following the significant reductions to its Government grant funding from 2016/17 to 2019/20.

The approved revenue budget in 2017/18 was £59.490m. Having recognised the financial challenges facing the public sector, Members instructed Officers to try to maximise savings in the year and deliver efficiencies as early as possible.

The final accounts of the Authority have now been completed and a £2.403m saving has been delivered.

This report proposes that this revenue saving be allocated to fund specific year-end reserves of;

- £0.442m to cover initiatives or projects planned for 2017/18 which are now expected to occur in 2018/19,
- £1.017m to increase the Capital Investment Reserve to cover anticipated increase building costs for the new St Helens Fire Station,
- £0.200m to increase the Inflation Reserve to reflect the current level of risk around the 2017/18 to 2019/20 firefighter annual pay awards, and
- £0.744m to increase the Firefighter Recruits Reserve.

The Authority has an approved strategy of building up reserves in order to provide a short-term buffer while it re-engineers the service and to avoid compulsory redundancies if possible.

The General Fund balance remains as anticipated at £2.000m.

Capital spending was £10.160m resulting in a variance of £7.697m against the £17.857m budget for 2017/18. The variance can be broken down into:

- A £7.572m re-phasing of planned spend from 2017/18 into future years, requiring the carry forward of capital budget. £4.149m of the rephrasing relates to re-phased building works of which £1.005m is for the new Saughall Massie Fire Station scheme.
- A net underspend and saving on capital projects of £0.125m.

Introduction and Background

3. This report sets out the actual financial performance of the Authority compared to the approved 2017/18 revenue (general fund) and capital budgets.

4. Elsewhere on today's agenda is a report containing the audited Statement of Accounts for 2017/18 for Members' consideration and approval. The Accounts and Audit (England) Regulations 2015 require the Authority to prepare a Statement of Accounts each financial year in accordance with the CIPFA Code of Practice on Local Authority Accounting (the Code). The Code requires that the Statement of Accounts is based upon International Financial Reporting Standards (IFRS). In simple terms this means that the revenue outturn report (this report) shows the true year-end position against the revenue

(general fund) budget, while the Statement of Accounts includes numerous self-balancing notional charges and income.

2017/18 Budget – Background

5. Following the announcement by the Government of the final settlement funding for 2016/17 to 2019/20 the Authority had a cut in its Revenue Support Grant (RSG) of over £7.7m or 41% compared to the 2015/16 grant. This is approximately a 50% cut in real terms once inflation is taken into account. In 2015/16 RSG provided over 30% of the Authority's revenue budget funding. This level of grant cut meant the Authority had to make tough choices over the level of its future service provisions. At the 2016/17 Budget Authority meeting Members approved a financial plan that delivered the £11m savings required as a result of government cuts. This plan was ratified by the 2017/18 Budget Authority meeting on 23rd February 2017. The Authority planned prudently to minimise the impact on frontline services and identified significant efficiency savings of £9.1m by reducing management and support services costs and other technical amendments. Despite these efficiencies the Authority was left with no choice but to find the balance from the operational front line, potentially requiring a saving as high as £1.9m.

6. The approved medium term financial plan made a number of assumptions around future costs which included:-
   - The 2017/18 increase in the council tax base (+1.3%) is permanent,
   - An annual 1% increase in the tax base in each year from 2018/19 to 2021/22,
   - Annual increases in the council tax precept of fractionally below 2%,
   - A pay bill increase of 1% per annum up to 2019/20 and 2% thereafter (the pay bill includes all pay related costs including pension and national insurance contributions),
   - 2% per annum general price inflation,
   - The indicative Government Settlement Funding Assessment figures for 2018/19 and 2019/20 will remain as stated in the current settlement offer.

7. The delivery of the approved financial plan was monitored closely during the year and all the savings have been delivered as expected. The required structural changes planned as part of the station merger initiative will not be formally implemented until the build of the new stations is complete, however the full saving target is being delivered in cash terms as firefighter retirements are ahead of the required schedule. The only significant outstanding issue for 2017/18 remains the 2017/18 firefighter annual pay increase. The award has yet to be settled, however the original 1% pay increase assumption has been revised to 2% as part of the 2018/19 budget process.

How the 2017/18 Budget changed during the year

8. The Authority Revenue Budget for 2017/18 was set at £59.490m.

9. The Authority also set a five year capital investment programme (2017/18 – 2021/22), of £35.156m, with a planned expenditure in 2017/18 of £20.683m.

10. The Authority adopted a reserves strategy, which maintains a general reserve of £2.000m and had anticipated £25.371m of earmarked reserves (rising to £29.858m after the 2016/17 year-end adjustment) to cater for specific risks and to fund specific projects.

11. Throughout the year Members received regular financial review reports detailing the Service's progress in implementing the approved savings options, any additional budget amendments required, plus the movements from and to reserves.

12. Further minor budget amendments have been made since the last financial review report, CFO/008/18, was approved by the Audit and Scrutiny Committee on 8th February 2018 that reflect already approved policy decisions. These were;

Revenue:

- The net increase in reserves of £0.034m funded from the revenue budget to cover committed spend in 2017/18 that will now be incurred in 2018/19, and
- A drawdown from the inflation provision to cover a 1% increase in the firefighter pay as part of a 2017/18 interim annual pay offer, and
- A number of self-balancing virements within the revenue account.

These changes are summarised in the table below:

	Original Budget	Approved Qtr 3 Budget	Qtr 4 Amendments	Final Budget	Original to Final Budget Movements
	£'000	£'000	£'000	£'000	£'000
Net Expenditure					
Fire Service	65,650	65,238	240	65,478	-172
Corporate	536	529	2	531	-5
National Resilience Assurance	0	0	0	0	0
	66,186	65,767	242	66,009	-177
Interest on Balances	-172	-172	0	-172	0
Inflation Provision	1,264	474	-276	198	-1,066
Contribution (from)/ to Reserves	-7,788	-6,579	34	-6,545	1,243
Total Net Expenditure	59,490	59,490	0	59,490	0
Funded By					
Government Support	-32,522	-32,522	0	-32,522	0
Council Tax	-26,968	-26,968	0	-26,968	0
	-59,490	-59,490	0	-59,490	0

Capital:

- A small increase in the capital budget of £0.149m of which £0.145m was due to the increase in cost of flexi duty officer response vehicles following the move to provided vehicles from lease vehicles for some officers. The increased borrowing cost can be covered by savings on the lease vehicle rental cost. The overall movement in the capital programme reflects the re-phasing of major schemes over the 2016/17 to 2018/19 period reported to members through the quarterly financial review reports.

These changes are summarised in the table below:

		Original Budget	Approved Qtr 3 Budget	Qtr 4 Amendments	Final Budget	Original to Final Budget Movements
		£'000	£'000	£'000	£'000	£'000
Expenditure						
	BUILDING & LAND PROGRAMME	15,555	10,204	0	10,204	-5,351
	FIRE SAFETY	850	835	95	930	80
	ICT	912	1,765	-35	1,730	818
	OPERATIONAL EQUIP. & HYDRANTS	481	853	-56	797	316
	VEHICLES	2,885	4,051	145	4,196	1,311
		20,683	17,708	149	17,857	-2,826
Funding						
	Specific non-borrowing	11,240	8,327	-42	8,285	-2,955
	Borrowing	9,443	9,381	191	9,572	129
		20,683	17,708	149	17,857	-2,826

Financial Performance in the Year

13. **2017/18 Revenue Outturn Position**: The table below summarises the actual revenue position for 2017/18 compared to the final budget, (**Appendix A** provides a more detailed analysis):

Year-End Revenue Position

	FIRE SERVICE BUDGET	Fire Authority	National Resilience	TOTAL BUDGET	ACTUAL	VARI-ANCE	Year-End Earmarked Reserves	Post ER VARI-ANCE
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Expenditure								
Employee Costs	48.413	0.404	1.746	50.563	48.804	-1.759	0.055	-1.704
Premises Costs	2.626	0.000	0.000	2.626	2.542	-0.084	0.000	-0.084
Transport Costs	1.638	0.000	1.031	2.669	2.497	-0.172	0.000	-0.172
Supplies and Services	3.236	0.035	1.337	4.608	3.893	-0.715	0.098	-0.617
Agency Services	5.905	0.000	0.440	6.345	6.148	-0.197	0.042	-0.155
Central Support Services	0.437	0.092	0.220	0.749	0.711	-0.038	0.000	-0.038
Capital Financing	10.997	0.000	0.006	11.003	11.001	-0.002	0.000	-0.002
Income	-7.774	0.000	-4.780	-12.554	-11.786	0.768	0.247	1.015
Net Expenditure	65.478	0.531	0.000	66.009	63.810	-2.199	**0.442**	**-1.757**
Contingency Pay&Prices	0.198			0.198	0.000	-0.198	0.000	-0.198
Interest on Balances	-0.172			-0.172	-0.177	-0.005	0.000	-0.005
	65.504	0.531		66.035	63.633	-2.402	**0.442**	**-1.960**
Movement on Reserves	-6.545			-6.545	-6.546	-0.001		-0.001
Overall Financial Position	58.959	0.531		59.490	57.087	**-2.403**	**0.442**	**-1.961**
Use Year-End favourable variance to:-								
Increase Inflation Reserve								**0.200**
Increase Firefighter Recuitment Reserve								**0.744**
Increase Capital / LGPS Deficit Reserve								**1.017**
								1.961

14. Overall the Authority underspent on its revenue services budget by £2.403m. However, £0.442m was as a result of timing issues for projects and grant funded schemes. Specific earmarked reserves have been created to cover the re-phasing of this expenditure. The remaining net underspend of £1.961m is approximately a 3% variance on the budget and reflects the continuing drive to maximise savings in the year in light of the financial challenge ahead.

15. The main variations were :

Employee Costs, £1.759m (3.5%) favourable variance. This was made up of a number of different variations –

Variation £'m	Explanation
-0.927	Effective Vacancy Management
-0.615	National Resilience Assurance Team
-0.162	Employee Insurance costs and Other minor variances
-0.055	Year-end specific reserves - Various project reserves
-1.759	

Details of the major variances are provided below: –

- **Vacancy Management, -£0.927m**; A combination of firefighter retirements being slightly ahead of the forecast profile and the cost of recruiting new firefighters in advance of retirements being less than the £0.844m drawdown from the recruitment reserve, resulted in a favourable variance of £0.799m. Vacant green book posts have not been actively filled resulting in a £0.128m saving.
- **National Resilience Assurance Team, -£0.615m**; the re-phasing of National Resilience Assurance schemes meant the spend on employee costs was lower than anticipated, £0.615m, however this was offset by grant monies being re-phased into 2018/19.
- **Employee & Liability Insurance and other minor variances, -£0.162m**; the year-end assessment of the potential value of current liable claims indicated a reduction in the overall settlement value resulting in a one-off credit back to revenue of £0.239m. The Authority's claims section and insurers continue to challenge any claims received where appropriate. The balance, £0.077m, is mainly due to ill health retirement penalty charges which have been covered by a year-end drawdown from the ill health retirement reserve.
- **Year-end reserves, -£0.055m;** the report recommends using £0.159m of the identified employee saving to increase the insurance reserve in order to offset the yearly movements in the estimated value of employee and public uninsured claims provision. This reserve can then be used to cover any significant increase in the insurance provision in future years. A further £0.074m is required to be carried forward in specific reserves to fund projects that have now been re-phased into future years**.** Finally as mentioned in the other variances section above, a drawdown of (£0.178m) was required from the firefighter ill health reserve to cover costs in the year.

Premises Costs, -£0.084m (3.3%) favourable variance –

- One-off relief from business rates, £0.31m, and other running costs, £0.038m, for vacant stations pending the completion of their sale.
- Small underspends on other premises costs made up the balance.

Transport Costs, -£0.172m (6.9%) favourable variance –

- **National Resilience Assurance Team, -£0.048m**; Due to the re-phasing of National Resilience Assurance schemes spend on transport costs was lower than anticipated, however this was offset by grant monies being re-phased into 2018/19.
- A saving on diesel, £0.085m, and car allowance payments, £0.028m, arising from a reduction in the fleet and business mileage undertaken in the year.
- The balance is made up from small savings on lease car rentals and vehicle replacement parts.

Supplies and Services, -£0.715m (18.4%) favourable variance –

- **National Resilience Assurance Team, -£0.210m**; Due to the re-phasing of National Resilience Assurance schemes spend on supplies and services costs was lower than anticipated, however this was offset by grant monies being re-phased into 2018/19.
- Officers are continuing to strictly manage controllable expenditure lines such as ICT, Computing, Operational, Prevention and Training supplies in light of the financial challenge resulting in an overall underspend of £0.407m after taking into account the need to create £0.098m of reserves to carry forward funds to cover spend that will now be incurred in 2018/19.

Agency Services, -£0.197m (3.2%) favourable variance.

- Small savings on the facilities management contract and PFI unitary payments resulted in a £0.092m saving reduced to £0.050m after the creation of year-end reserves.
- **National Resilience Assurance Team**, -£0.105m; Due to the re-phasing of National Resilience Assurance schemes spend on agency costs was lower than anticipated, however this was offset by grant monies being re-phased into 2018/19.

Central Expenses -£0.038m (5.3%) favourable variance.
This is due to a saving on the financial systems contract consultancy line as some development work was done in-house, £0.018m, and savings on the cost of external audit services, £0.015m and other costs.

Capital Financing, -£0.002m (0.0%) variance;
A small, £0.02m saving on debt costs.

Income (including interest on balances), £0.763m (6.5%) adverse variance.

- **National Resilience Assurance Team** -£0.978m; Due to the re-phasing of National Resilience Assurance schemes spend the required grant use was lower than forecast in the budget by £0.978m. This was offset by reductions in spend. Overall the NRAT net cost was £0.0m to the Authority.
- Contributions from partners, fees and sales income are slightly higher than budgeted for resulting in the achievement of £0.215m of income above the budget.

Inflation Provision, -£0.198m favourable variance.
In the first instance any inflationary increase in non-employee costs is expected to be contained within the relevant department's controllable budget before any request is made to cover rising costs from the inflation provision. This approach has delivered a saving on the inflation provision of £0.198m.

16. **Qtr 4 Bad Debt Write-Offs.** Debtor accounts under £5,000 may be written off by the Treasurer. Seven accounts totalling £2,776 plus VAT have been written off in the year based on advice received from Legal services.

2017/18 Movement on Reserves.

17. This report identifies a net reduction in earmarked reserves (opening balance £29.858m and a closing balance £25.715m) of £4.143m. The table below summarises the movement in reserves and proposed year-end reserve adjustments:

	Opening Balance	Used in the Year	Increased In the Year		Total Adjustment in Year	Value before Year-End Adjustment	Officer Requested Year-End Res	Use of Revenue Favourable Position	Closing Balance
			Qtr 2	Qtr 3					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Earmarked Reserves									
Smoothing Res	1,981	-1,075	900		-175	1,806			1,806
Recruit Res	3,100	-844			-844	2,256		744	3,000
Cap Res	16,673	-5,811		500	-5,311	11,362		1,017	12,379
PFI Annuity	2,169	-75			-75	2,094	-2		2,092
Equipment Res	301	-33			-33	268	79		347
Healthy Living	40	-10			-10	30	5		35
Clothing / Boots Res	166	-108			-108	58	250		308
Emergency Related Res	1,022	0			0	1,022	159		1,181
Ill Health Penalty Res	500	0			0	500	-178		322
Equality / DDA Investment	285	0			0	285			285
Invest to Save	1,000	0			0	1,000			1,000
Inflation Res	500	0			0	500		200	700
Other Specific Project Res	474	0			0	474			474
Ringfenced Reserves									
Princes Trust	92				0	92	30		122
Community Sponsorship	2	4			4	6	5		11
Energy Res	132	9			9	141			141
New Dimensions	1,101	-3			-3	1,098	94		1,192
Other Specific Project Res	320	0			0	320			320
	29,858	-7,946	900	500	-6,546	23,312	442	1,961	25,715
General Res	2,000	0			0	2,000			2,000
	31,858	-7,946	900	500	-6,546	25,312	442	1,961	27,715

18. The Authority receives grants and external funding during the year to deliver specific projects. Because these sometimes span more than one financial year this necessitates the carrying forward of the funding through creation of earmarked reserves. Any potential liabilities arising in the year or previous years for which the Authority is required to set aside a contingency will also require the creation of a reserve. At the end of 2017/18 £0.442m of earmarked reserves were established to cover timing issues between funds and spend for projects and grant funded schemes. A analysis of these reserves is in the table above.

19. It is proposed that the Authority use the £1.961m underspend (£2.403m saving less the £0.442m used for new earmarked year-end reserves) to;

- Increase the capital investment reserve by £1.017m to fund the expected increase in costs associated with the new St Helens community fire station, and

- Increase the inflation reserve by £0.200m in light of the risk around the 2017/18 to 2019/20 annual firefighter pay increase. The budget assumes a 2% increase but this offer for 2017/18 has been rejected by the FBU. Each additional 1% would require £0.400m of permanent savings to be identified. By increasing the inflation reserve it is hoped that this will provide the one-off funds for any backdated increase above the 2% assumed, and

- Increase the recruit reserve by £0.744m to enable new firefighter recruits to be taken on in advance of firefighter retirements over the next 5 to 8 years – removing any reliance on staff undertaking voluntary additional shifts.

20. Appendix A4 outlines the movement on reserves throughout the year, (*more details are available in the statement of accounts report elsewhere on today's agenda).*

21. The General Fund reserve balance remains at £2.000m.

2017/2018 Capital Expenditure.

22. The Authority's **final** capital budget for 2017/18 was £17.857m. Actual spend in the year was £10.160m resulting in a variance of £7.697m. The variance can be broken down into:

- A £7.572m re-phasing of planned spend from 2017/18 into future years, requiring the carry forward of capital budget. £4.149m of the rephrasing relates to re-phased building works of which £1.005m is for the new Saughall Massie Fire Station scheme.

- A net underspend and saving on capital projects of £0.125m.

A summarised capital programme outturn position statement is outlined below:

Programme	Final Budget	Actual Expenditure	Re-Phased from 2016/17 into 2017/18	Variance
	£'000	£'000	£'000	£'000
Expenditure				
Building/Land	10,204.2	6,055.6	4,148.9	-0.3
Fire Safety	930.0	624.9	200.0	105.1
ICT	1,730.3	903.5	838.0	-11.2
Operational Equip & Hydrants	796.5	284.7	480.0	31.8
Vehicles	4,196.2	2,290.8	1,905.4	0.0
TOTAL	**17,857.2**	**10,159.5**	**7,572.3**	**125.4**
Financing				
Capital Receipts	900.0	392.7	650.0	-142.7
Revenue and Reserves	4,830.0	4,830.0	0.0	0.0
Grants	2,552.1	927.7	1,623.9	0.5
Unsupported Borrowing	9,575.1	4,009.1	5,298.4	267.6
TOTAL	**17,857.2**	**10,159.5**	**7,572.3**	**125.4**

23. The year-end re-phasing of capital schemes into 2018/19 is outlined in the table below:

Re-phasing £'m	Scheme	Explanation
1.005	Saughall Massie Fire Station	Members have received numerous reports throughout the year on the challenges over the planning issues around this scheme. These issues delayed the start of the build stage of the project but construction has now commenced (June 2018) and the build should be completed in early Summer 2019.
3.144	Building enhancement and refurbishment work	This reflects a number of fire station building schemes having to be re-phased due to the Service engaging with other blue light services to explore collaboration issues (Bromborough and Kirkby fire stations, £0.725m, Formby LLAR Accommodation). Delays in finalising the new St Helens station (£0.250m), and Newton-Le-Willows LLAR accommodation (£0.281m). The TDA refurbishment plans are only now being finalised therefore delaying the Croxteth refurbishment scheme £0.144m.
0.200	Fire Safety	Work is progressing on the assessment of fire risk at residential blocks and the offer of capital grants to assist with the installation of sprinkler systems.
0.838	ICT Schemes	Delay in the finalisation of user needs and specifications has delayed the procurement of hardware and software. Most orders have or are about to be placed and completion of these projects is expected in 2018.
0.480	Operational Equipment	The Authority acts as the lead authority for the Home Office for the procurement of national resilience assets. The Home Office are reviewing capability needs and £0.369m of the planned spend, funded via a government grant, has been re-phased into 2018/19.
1.905	Vehicles	Orders have been raised in 2017/18 for fire appliances £0.793m, specialised vehicles £0.299m and other vehicles and delivery is expected during 2018 and early 2019.
7.572		

24. A full detailed breakdown of the 2017/18 capital budget movements, year-end variances and proposed slippage can be found attached to this report as Appendix B.

Equality and Diversity Implications

25. Resources are invested to support equality and diversity.

Staff Implications

26. Approximately 75% of expenditure is directly staff related.

Legal Implications

27. None arising from this report.

Financial Implications & Value for Money

28. Subject to members approval this report recommends using the £0.442m of the revenue underspend to increase specific earmarked reserves to cover financial commitments re-phased into 2018/19. Officers recommend the remaining underspend of £1.961m be used to increase the Capital Investment Reserve, £1.017m, the Inflation Reserve, £0.200m, and the Recruit Reserve, £0.744m for the reasons outlined in this report. The final revenue position can be summarised as:

2017/18 Revenue Year-End Position

	Budget	Actual	Variance
	£'m	£'m	£'m
Net Expenditure	59.490	57.087	-2.403
Year-End Reserves		0.442	0.442
Utilisation of revenue favourable position to increase;			
Capital Reserve		1.017	1.017
Inflation Reserve		0.200	0.200
Recruit Reserve		0.744	0.744
	59.490	59.490	0.000

29. The Authority has an approved strategy of building up reserves in anticipation of future funding cuts and the creation of year-end reserves is consistent with this strategy.

30. Capital spending was £10.160m resulting in a variance of £7.697m against the £17.857m budget for 2017/18. The variance can be broken down into:

- A £7.572m re-phasing of planned spend from 2017/18 into future years, requiring the carry forward of capital budget. £4.149m of the rephrasing relates to re-phased building works of which £1.005m is for the new Saughall Massie Fire Station scheme.
- A net underspend and saving on capital projects of £0.125m.

31. The General Fund Balance as at 31st March 2018 was as anticipated, £2.000m. Earmarked reserves as at 31st March 2018 stand at £25.715m.

Risk Management, Health & Safety, and Environmental Implications

32. None arising from this report.

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters*

33. The achievement of actual expenditure within the approved financial plan and delivery of the expected service outcomes is essential if the Service is to achieve the Authority's mission.

BACKGROUND PAPERS

CFO/015/17	"MFRA Budget and Financial Plan 2017/2018-2021/2022" Authority 23rd February 2017.
CFO/054/17	"Financial Review 2017/18 April to June" Audit & Scrutiny Committee 21st September 2017.
CFO/076/17	"Financial Review 2017/18 April to September" Authority 14th December 2017.
CFO/003/18	"Financial Review 2017/18 – April to December Review" Audit & Scrutiny Committee 8th February 2018.

GLOSSARY OF TERMS

CAPITAL EXPENDITURE	Section 40 of the Local Government and Housing Act 1989 defines 'expenditure for capital purposes'. This includes spending on the acquisition of assets either directly by the Authority or indirectly in the form of grants to other persons or bodies. Expenditure that does not fall within this definition must be charged to a revenue account**.**
RESERVES	Amounts set aside to meet future contingencies but the use does not affect the Authority's net expenditure in a given year. Appropriations to and from reserves may not be made directly from the revenue account.
REVENUE EXPENDITURE	This is money spent on the day-to-day running costs of providing services. It is usually of a constantly recurring nature and produces no permanent asset.