63981 Use and Application of MTIS Management Fee Income within the General Fund

Confirmation of whether MTIS management fee income received into the General Fund is:

Ring-fenced or earmarked specifically for MTIS-related costs (e.g. team staffing, project delivery, administration)

Yes, this is ring-fenced.

Pooled with other General Fund income and available for wider Council use, unconnected to MTIS.

No, as above.

If ring-fenced or earmarked (1a above), please explain the mechanism by which this is tracked or restricted (e.g. a dedicated cost centre, reserve, or budget line), and provide details of that mechanism.

MTIS is budgeted for on the General Fund but is a self-financing service. This means that the cost of running the service is fully funded by project management fees charged to both the HRA and owners as part of the overall billing process for works. At the end of each financial year, the MTIS is reviewed based on the final financial position of the service. If the service is in a net cost position, a drawdown from the MTIS reserves will be actioned and if the service is in a net surplus position, a transfer to the MTIS reserve will be actioned. These adjustments are transacted against specific account codes within the MTIS coding structure and form part of the overall year-end position reported in the final accounts for any given financial year. The reserves for MTIS are held on a balance sheet code designated by the Corporate Finance section and are identified by appropriate narrative on any transactions undertaken.

A breakdown, by financial year from the start of the MTIS pilot to the date of this request, of:

Total MTIS management fee income received into the General Fund.

Total amount of that income spent on MTIS-related costs (e.g. staffing, project management, administration) in the same year.

Any surplus or shortfall between (a) and (b), and where any surplus was transferred to (e.g. the MTIS reserve referenced in the Council's financial modelling, or elsewhere).

| | 2020/21<br>£ | 2021/22<br>£ | 2022/23<br>£ | 2023/24<br>£ | 2024/25<br>£ | 2025/26<br>£ | 2026/27<br>£ |
|---|---|---|---|---|---|---|---|
| MTIS Management Fee Income | | -486,348 | -2,019,654 | -1,211,725 | -1,237,273 | -2,067,975 | -527,109 |
| MTIS Spend | 152,826 | 3,380,173 | 11,889,298 | 9,913,256 | 13,027,696 | 16,827,014 | TBC |
| *MTIS Surplus | -152,826 | -197,000 | 787,658 | 779,867 | 1,029,328 | 1,442,256 | TBC |

Notes

*MTIS Surplus is calculated using all Income.

TBC position not confirmed until financial year end.

Confirmation of whether any MTIS management fee income has, at any point, been used to fund non-MTIS related General Fund expenditure, and if so, details of the amount(s) and purpose(s).

As above, MTIS management fee income is ring fenced for MTIS activity.

Details of the MTIS reserve referred to in Council financial reporting (e.g. opening and closing balances by financial year, amounts paid in, and amounts drawn down, and for what purpose).

Please see attachment.