

**FINANCE MONITORING REPORT 2015/16**

<b>Relevant Portfolio Holder</b>	Councillor Geoff Denaro, Portfolio Holder for Finance and Enabling Services
<b>Relevant Head of Service</b>	Jayne Pickering, Executive Director Finance and Corporate Resources
<b>Non-Key Decision</b>	

**1. SUMMARY OF PROPOSALS**

To report to Cabinet on the Council's financial position for Revenue and Capital for the period April –September 2015 (Quarter 2 – 2015/16).

**2. RECOMMENDATIONS**

2.1 That Cabinet note the current financial position on Revenue and Capital as detailed in the report.

**3. KEY ISSUES**

3.1 This report provides details of the financial information across the Council. The aim is to ensure officers and members can make informed and considered judgement of the overall position of the Council. The report reflects the financial position across the Strategic Purposes to enable Members to be aware of the level of funding attributed to these areas.

3.2 This report includes both a summary for revenue and capital expenditure followed by the departmental analysis of expenditure detailed in appendices showing the areas that link to Strategic Purposes

<p><b>Revenue Budget summary</b> <b>Financial Year 2015/16 – Overall Council</b></p>
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3.3 Internal recharges have not been included in these figures to allow comparison for each service area. However Support costs have been included

Strategic Purpose	Annual budget £'000	Budget to date £'000	Actuals to date £'000	Variance to date £'000	Projection £'000	Projected Variance £'000
<b>Keep my place safe and looking good</b>	4,959	2,317	2,360	43	5,069	110
<b>Help me run a successful business</b>	<b>-571</b>	<b>-292</b>	<b>-265</b>	27	<b>-566</b>	5
<b>Help me be financially independent</b>	68	483	489	7	68	0
<b>Help me to live my life independently</b>	683	235	202	<b>-33</b>	604	<b>-79</b>
<b>Help me find somewhere to live in my locality</b>	1,112	547	510	<b>-37</b>	1,055	<b>-56</b>
<b>Provide Good things for me to see, do and visit</b>	1,581	751	703	<b>-47</b>	1,511	<b>-70</b>
<b>Enable others to work/do what they need to do (to meet their purpose)</b>	6,585	3,156	3,155	<b>-1</b>	6,607	22
<b>Totals</b>	<b>14,417</b>	<b>7,197</b>	<b>7,155</b>	<b>-42</b>	<b>14,349</b>	<b>-68</b>

**Financial Commentary:**

In the second quarter of the financial year 2015/16, there is an overall underspend showing. Part of this relates to Lifeline income which has increased compared to budget due to supporting people funding being withdrawn from BDHT last year. There are some salary savings and additional income received on Burcot Hostel within Housing services. There are also salary savings within sports services.

There is an overspend projected within development control due to additional staffing required and also within building control due to a shortfall in income against budget.

<p><b>Capital Budget summary</b>  <b>Financial Year 2015/16 – Overall Council</b></p>
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Strategic Purpose	Annual budget £'000	Budget to date £'000	Actuals to date £'000	Variance to date £'000	Projection £'000	Projected Variance £'000
Keep my place safe and looking good	3,387	1,693	1,512	<b>-181</b>	2,937	<b>-450</b>
Help me run a successful business	110	78	78	0	100	<b>-10</b>
Help me be financially independent	17	9	9	0	17	0
Help me to live my life independently	770	385	372	<b>-13</b>	770	0
Help me find somewhere to live in my locality	293	147	140	<b>-7</b>	293	0
Provide Good things for me to see, do and visit	7,837	2,513	2,515	2	4,120	<b>-3,717</b>
Enable others to work/do what they need to do (to meet their purpose)	110	92	127	35	148	38
<b>Totals</b>	<b>12,524</b>	<b>4,917</b>	<b>4,753</b>	<b>-164</b>	<b>8,385</b>	<b>-4,139</b>

**Financial Commentary:**

There will be a reprofiling of the budget within 'keep my place safe and looking good' due to the project for the North Cemetery Extension not commencing until May 2016 due to works not being able to take place in the winter months.

Also the Dolphin centre project with the strategic purpose of 'provide good things for me to see do and visit' will carry forward into 2016/17 and therefore need a reprofiling of the budget.

All other capital projects are currently in progress.

**4. TREASURY MANAGEMENT**

- 4.1 The Council's Treasury Management Strategy has been developed in accordance with the Prudential and is used to manage risks arising from financial instruments. Additionally, treasury management practices are followed on a day to day basis.
- 4.2 The Council receives credit rating details from its Treasury Management advisers on a daily basis and any counterparty falling below the criteria is removed from the list of approved institutions.
- 4.3 Due to market conditions the Council has reduced its credit risk for all new investments by only investing in the highest rated instruments and has shortened the allowable length of investments in order to reduce risk.
- 4.4 At 30<sup>th</sup> September 2015 short term investments comprised:

	<b>31st March 2015 £'000</b>	<b>30<sup>th</sup> June 2015 £'000</b>	<b>30<sup>th</sup> Sept 2015 £'000</b>
Deposits	6,400	7,000	4,600
<b>Total</b>	<b>6,400</b>	<b>7,000</b>	<b>4,600</b>

**Income from investments and other interest**

- 4.5 An investment income target of £36k has been set for 2015/16 using a projected return rate of 0.5%. During the past financial year bank base rates have remained 0.5% and current indications are projecting minimal upward movement for the short term.

**5. REVENUE BALANCES**

**5.1 Revenue Balances**

The revenue balances brought forward at 1st April 2015 were £4.274m

**Legal Implications**

None.

**Service/Operational Implications**

All included in financial implications.

**Customer / Equalities and Diversity Implications**

None as a direct result of this report

**7. RISK MANAGEMENT**

7.1 Risk considerations are covered in the report. There are no Health & Safety considerations

**8. APPENDICES**

Appendix 1 – Strategic Purposes

**9. BACKGROUND PAPERS**

Available from Financial Services

**AUTHORS OF REPORT**

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