

**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 –December 2015 (Quarter 3 – 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
Keep my place safe and looking good	4,980	3,532	3,519	-13	4,918	-62
Help me run a successful business	-511	-431	-281	150	-493	19
Help me be financially independent	68	1,362	1,359	-3	51	-17
Help me to live my life independently	626	432	340	-92	544	-82
Help me find somewhere to live in my locality	1,159	907	855	-53	1,077	-80
Provide Good things for me to see, do and visit	1,566	1,162	1,072	-90	1,505	-61
Enable others to work/do what they need to do (to meet their purpose)	6,725	4,942	4,985	42	6,767	44
<b>Totals</b>	<b>14,613</b>	<b>11,906</b>	<b>11,848</b>	<b>-57</b>	<b>14,371</b>	<b>-239</b>

**Financial Commentary:**

In the Third quarter of the financial year 2015/16, there is an overall underspend with a significant increase in this projected to the end of the financial year. This is due to a number of reasons including additional income generated, vacancy savings and a planned reduction in non essential spend to support the financial pressures facing the Council. The savings are partially offset by shortfalls in income from services including building control together with additional staffing costs to deliver services across the District.

<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	3,468	2,601	1,902	<b>-699</b>	2,340	<b>-1,128</b>
Help me run a successful business	110	83	78	<b>-5</b>	88	<b>-22</b>
Help me be financially independent	17	13	0	<b>-13</b>	0	<b>-17</b>
Help me to live my life independently	770	578	517	<b>-61</b>	677	<b>-93</b>
Help me find somewhere to live in my locality	293	220	243	23	293	0
Provide Good things for me to see, do and visit	7,876	5,907	2,956	<b>-2951</b>	4,166	<b>-3710</b>
Enable others to work/do what they need to do (to meet their purpose)	110	82	76	<b>-6</b>	105	<b>-5</b>
<b>Totals</b>	<b>12,644</b>	<b>9,484</b>	<b>5,772</b>	<b>-3,712</b>	<b>7,669</b>	<b>-4,975</b>

**Financial Commentary:**

The significant projected underspend is due mainly to the vehicle replacement programme and the funding of the redevelopment of the Dolphin Centre which was originally anticipated to be undertaken in 2015/16. In relation to the vehicle replacement programme, officers deferred purchase until the place team implementation was stabilised. It is proposed that the underspend will be carried forward to 2016/17.

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.

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 31st December 2015 short term investments comprised:

	<b>31<sup>st</sup> March 2015 £'000</b>	<b>30<sup>th</sup> June 2015 £'000</b>	<b>30<sup>th</sup> Sept 2015 £'000</b>	<b>31<sup>st</sup> Dec 2015 £'000</b>
Deposits	6,400	7,000	4,600	11,500
<b>Total</b>	<b>6,400</b>	<b>7,000</b>	<b>4,600</b>	<b>11,500</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 Revenue

**9. BACKGROUND PAPERS**

Available from Financial Services

**AUTHORS OF REPORT**

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