

FINANCE MONITORING REPORT 2015/16

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

1. SUMMARY OF PROPOSALS

- 1.1 To report to Cabinet on the Council's financial position for Revenue and Capital for the Financial Year 2015/16.

2. RECOMMENDATIONS

- 2.1 That Cabinet note the outturn financial position on Revenue and Capital as detailed in the report and transfer to balances of £331k.

That Cabinet recommend to Council:

- 2.2 approval of the movements of £63k in existing reserves as included in Appendix 2 which reflects the approval required for April - March 2016.
- 2.3 approval of the addition of new reserves of £197k as included in Appendix 2. This reflects the approval required for April - March 2016.

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

**Revenue Budget summary
Financial Year 2015/16 – Overall Council**

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	Revised budget £'000	Actuals to date £'000	Variance to date £'000
Keep my place safe and looking good	4,579	4,700	120
Help me run a successful business	-576	-534	42
Help me be financially independent	-106	-245	-139
Help me to live my life independently	150	59	-91
Help me find somewhere to live in my locality	1,215	1,118	-97
Provide Good things for me to see, do and visit	1,539	1,396	-143
Enable others to work/do what they need to do (to meet their purpose)	6,496	6,558	63
Totals	13,297	13,052	-245
Corporate Financing	-13,297	-13,383	-86
Grand Total	0	-331	-331

Financial Commentary:

The underspend at Quarter 3 for services was forecast at £239k underspent. This is due to a number of reasons including:

- There is a saving on Revenues & Benefits is due to additional income generated from recover of Council Tax.
- Lifeline income has increased compared to budget due to supporting people funding being withdrawn from BDHT last year and we now offer a full service.
- Housing had savings due to vacancies and in addition, there is extra income on Burcot Hostel and savings on BDHT contract payments.
- There are also salary savings within sports services and there were also savings at the Dolphin Centre associated with the long term future of the building.

The detailed appendices give a further breakdown for each Strategic Purpose.

The Corporate Financing underspend relates to the savings on borrowing offset by payments in relation to Business Rates Levy due to timing of the scheme and the repayment profile.

<p>Capital Budget summary Financial Year 2015/16 – Overall Council</p>

Strategic Purpose	Revised budget £'000	Actuals to date £'000	Variance to date £'000
Keep my place safe and looking good	2,924	1,142	-1,781
Help me run a successful business	110	78	-32
Help me be financially independent	17	0	-17
Help me to live my life independently	770	496	-274
Help me find somewhere to live in my locality	293	264	-29
Provide Good things for me to see, do and visit	9,510	3,262	-6247
Enable others to work/do what they need to do (to meet their purpose)	110	130	20
Totals	13,733	5,372	-8,361

Financial Commentary:

The significant projected underspend in 'keep my place safe and looking good' is due to the vehicle replacement programme. A decision was made in 2015/16 to defer purchase until the place team implementation was stabilised. There has also been a delay for vehicles from suppliers due to their demand. The proposed that the underspend will be carried forward to 2016/17.

Also within this strategic purpose the project for the North Cemetery Extension is not commencing until July 2016 due to works not being able to take place in the winter months. This budget will also be carried forward into 2016/17.

The Dolphin centre redevelopment with the strategic purpose of 'provide good things for me to see do and visit' will carry forward into 2016/17. This is as projected at Quarter 3.

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 March 2016 short term investments comprised:

	31st March 2015 £'000	30th June 2015 £'000	30th Sept 2015 £'000	31st Dec 2015 £'000	31st Mar 2016 £'000
Deposits	6,400	7,000	4,600	11,500	0
Total	6,400	7,000	4,600	11,500	0

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 addition of the 2015/16 underspend will increase the balances to £4.160m.

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
Appendix 2 – Reserves

9. BACKGROUND PAPERS

Available from Financial Services

AUTHORS OF REPORT

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