

FINANCE MONITORING REPORT 2016/17

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

To report to Cabinet on the Council's financial position for Revenue and Capital for the period April –September 2016 (Quarter 2 – 2016/17)

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 with a summary for the Council followed by the departmental analysis of expenditure detailed appendices showing the areas that link to the Strategic Purposes.

<p>Revenue Budget summary Financial Year 2016/17 – Overall Council</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	Original Budget £'000	Latest budget £'000	Budget to date £'000	Actuals to date £'000	Variance to date £'000	Projected Outturn £'000	Projected Variance £'000
Keep my place safe and looking good	4,948	5,118	2,098	1,938	-161	5,058	-61
Help me run a successful business	-592	-592	-201	-170	31	-552	40
Help me be financially independent	263	263	206	217	12	252	-11
Help me to live my life independently	593	593	192	132	-61	529	-64
Help me find somewhere to live in my locality	1,082	1,085	544	524	-20	1,027	-58
Provide Good things for me to see, do and visit	1,388	1,490	778	774	-4	1,466	-24
Enable others to work/do what they need to do (to meet their purpose)	5,783	5,782	2,799	2,763	-36	5,691	-93
Totals	13,465	13,741	6,337	6,179	-159	13,472	-270
Corporate Financing	274	274	137	-197	-334	-60	-334

Financial Commentary:

There are a number variances within the second quarter of 2016/17. In particular there have been two large planning applications fees received and are included within 'Keep my place safe and looking good'. In addition there has been an increase in lifeline customers which has led to additional income being received within the strategic purpose 'Help me to live my life independently'. The variance in Enabling is mainly due to salary vacancies and additional income received.

As shown above the Original budget has changed to the Latest budget within 'Keep my place safe and looking good' and 'provide good things for me to see, do and visit' due to the release of approved earmarked reserves.

It is projected that there will be a saving on Minimum Revenue provision (MRP) £100k which is due to slippage within the capital program 2015/16. We have also received a payment from the Greater Birmingham and Solihull Pool following the distribution of the 2015/16 Levy payments of £234k which could not be confirmed until the final pool allocation for 2015/16 was reported.

**Capital Budget summary
Financial Year 2016/17 – Overall Council**

Strategic Purpose	Annual budget £'000	Budget to date £'000	Actuals to date £'000	Variance to date £'000	Projected Outturn £'000	Projected Variance £'000
Keep my place safe and looking good	3,322	1,482	1,385	-97	3,157	-165
Help me be financially independent	17	8	0	-8	7	-10
Help me to live my life independently	1,103	551	629	77	1,034	-69
Help me find somewhere to live in my locality	29	29	40	11	40	11
Provide Good things for me to see, do and visit	10,266	6,759	6,801	42	8,895	-1,371
Enable others to work/do what they need to do (to meet their purpose)	114	57	54	-3	109	-5
Totals	14,852	8,888	8,909	21	13,243	-1,609

Financial Commentary:

The majority of capital projects are currently in progress. However there are two significant variances to report in this second quarter. The £10.2m in 'Provide good things for me to see, do and visit' relates to the redevelopment of the dolphin centre and this will need reprofiling into 2017/18 when the project will be completed. In 'Keep my place safe looking good' the capital scheme for additional refuse freighter has had a delay from the suppliers and will be delivered in 2017/18.

4. TREASURY MANAGEMENT

- 4.1 The Council's Treasury Management Strategy has been developed in accordance with the Prudential Code for Capital Finance prudential indicators 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 30th September 2016 short term investments comprised:

	30th September 2016 £'000
Deposits	9,500
Total	9,500

Income from investments and other interest

- 4.5 An investment income target of £93k has been set for 2016/17 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 2016 were £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 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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