

FINANCE MONITORING REPORT OUTTURN 2016/17

Relevant Portfolio Holder	Councillor Brian Cooper, 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 Financial Year April – March 2016/17.

2. RECOMMENDATIONS

That Cabinet recommend to Council:

- 2.1 That Cabinet note the outturn financial position on Revenue and Capital as detailed in the report and transfer to balances of £238k
- 2.2 approval of the movements of £549k in existing reserves as included in Appendix 3 which reflects the approval required for April 2016 - March 2017.
- 2.3 approval of the addition of new reserves of £899k as included in Appendix 3. This reflects the approval required for April 2016 - March 2017.

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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Please note figures have been rounded

Strategic Purpose	Original Budget £'000	Annual £'000	Actuals £'000	Variance £'000
Keep my place safe and looking good	4,948	4,939	4,850	-89
Help me run a successful business	-592	-614	-539	75
Help me be financially independent	263	534	416	-118
Help me to live my life independently	593	-532	-619	-87
Help me find somewhere to live in my locality	1,082	907	859	-48
Provide Good things for me to see, do and visit	1,388	1,749	1,659	-91
Enable others to work/do what they need to do (to meet their purpose)	5,783	5,612	5,299	-312
Total	13,465	12,595	11,925	-671
Corporate Financing	-13,465	-12,595	-12,163	432
Grand Total	0	0	-238	-238

Financial Commentary:

Keep my place safe and looking good

Additional income has been generated from cesspool emptying, trade and garden waste, bulky collections, planning applications and other external work as a result of increased demand on service together with large planning applications. This total additional income generated for 2016/17 was £416k actual compared to budget.

This has been partially offset by a transfer to reserves for vehicle replacement and shortfall on building control income.

Help me run a successful business

There is a shortfall on Car Parking and Civil Enforcement income as compliance has improved and there has been a reduction in car parking usage. Licences have generated additional income of £20k which has helped to support the deficits in the other services.

Help me be financially independent

There have been a number of staff vacancies within revenues and benefits in preparation for the restructure. Any resulting savings have been reflected in the 2017/18 budget.

Help me to live my life independently

A number of new contracts have been secured by the lifeline team which have generated additional income of £69k.

Help me find somewhere to live in my locality

Increased funding for Disabled Facilities Grants have enabled savings to be made in relation to fees paid together with savings resulting from a temporary vacancy.

Provide Good things for me to see, do and visit

Additional income was realised at the bonfire and savings have been made on procurement of services.

Enable others to work/do what they need to do (to meet their purpose)

Additional legal services external income has been generated together with funding received for elections posts. In addition the adjustments made for prepayment of IT contracts have resulted in savings together with a saving on corporate training whilst the staff survey and staff skills matrix is developed to ensure that staff have the required training to meet their needs. The additional income generated with Enabling services in 2016/17 is £60k.

Corporate Financing

Corporate Financing includes the savings resulting from a reduction in borrowing costs as a result of slippage in the capital programme (£286k), net additional income from the Business Rates and collection fund (£124k). A number of transfers to reserves to enable specific projects to be undertaken in the future have been made within corporate that have resulted in a net deficit position of £432k. The reserves proposed are all included in Appendix 3.

<p>Capital Budget summary Financial Year 2016/17 – Overall Council</p>

Please note figures have been rounded

Strategic Purpose	Annual budget £'000	Actuals £'000	Variance £'000
Keep my place safe and looking good	3,309	1,415	-1,894
Help me be financially independent	17	11	-6
Help me to live my life independently	1,120	638	-482
Help me find somewhere to live in my locality	40	40	0
Provide Good things for me to see, do and visit	7,021	6,223	-798
Enable others to work/do what they need to do (to meet their purpose)	109	62	-47
Totals	11,616	8,389	-3,227

Financial Commentary:

The significant projected saving in 'keep my place safe and looking good' is due to the Fleet replacement programme. There has been a delay for vehicles from suppliers due to their demand. It is proposed that the saving will be carried forward to 2017/18.

In 'Help me live my life independently' the saving is due to the Disabled Facilities Grants. The funding is given by Worcester County Council and has been ringfenced for this purpose.

The Dolphin centre redevelopment with the strategic purpose of 'provide good things for me to see do and visit' will carry forward into 2017/18. 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 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 31st March 2017 there were no short term investments held.

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 0.25% and current indications are projecting minimal upward movement for the short term.

5. REVENUE BALANCES

5.1 Revenue Balances

The addition of the 2016/17 saving will increase the balances to £4.314m.

6. Legal Implications

None.

7. Service/Operational Implications

All included in financial implications.

8. Customer / Equalities and Diversity Implications

None as a direct result of this report

9. RISK MANAGEMENT

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

10. APPENDICES

Appendix 1 – Strategic Purposes
Appendix 2 – Revenue Reconciliation
Appendix 3 – Revenue Reserves

11. BACKGROUND PAPERS

Available from Financial Services

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