

EXECUTIVE COMMITTEE

12th July 2016

Finance Monitoring Out-turn 2015/16

Relevant Portfolio Holder	Councillor John Fisher, Portfolio Holder for Corporate Management.
Relevant Head of Service	Jayne Pickering
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Non Key Decision	

1. SUMMARY OF PROPOSALS

This report details the Council's final financial position for 2015/16 for both General Fund and Housing Revenue Account

2. RECOMMENDATIONS

The Executive Committee is asked to RESOLVE

- 2.1 That the financial position on Revenue and Capital for the financial year 2015/16 as detailed in the report and the transfer to balances £40k as at 31st March 2016 is noted.

The Executive Committee is asked to RECOMMEND

- 2.2 The approval in the movement in reserves as detailed in Appendix 2.

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. This following summary shows the financial position for revenue funding for the period April – March 2015/16.

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Revenue Budget Summary – Overall Council Financial Year 2015/16

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	Actuals to date £'000	Variance to date £'000
Keep my place safe and looking good	3,993	3,659	-334
Help me run a successful business	-58	-295	-237
Help me be financially independent	203	339	135
Help me to live my life independently	421	382	-39
Help me find somewhere to live in my locality	1,448	1,038	-410
Provide Good things for me to see, do and visit	2,161	2,087	-74
Enable others to work/do what they need to do (to meet their purpose)	7,707	7,634	-73
Totals	15,874	14,843	-1,031

Financial Commentary:

The £1.059m is a result of significant additional income together with general savings. The main variances are:

- Additional income generated across a number of service areas including planning applications and the business and district centres
- Refund of business rates on Threadneedle House
- Savings realised from Place reviews and other service reviews
- Additional income recovered from Council Tax
- Vacancies within Housing Policy whilst the structure is under review

The savings have been reduced to £1.031m by the timing impact of the benefit subsidy of £178k.

The £1.031m is then reduced to a net position of £150k due to:

Corporate Financing

HRA:

A share of the saving from the General Fund has to be allocated back to the Housing Revenue Account to ensure that accurate charges are made between the 2 funding streams. This equates to £496k of the £1.031m.

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Business Rates:

In addition the additional business rate income received by the Council has to be paid over as a levy through the accounting statements, prior to the additional income being received. Whilst this shows as a £355k charge in 2015/16 it is anticipated that the additional income will benefit the Council in 2017/18.

Misc:

Miscellaneous financing adjustments of £30k.

Therefore the net underspend is £150k.

There was an expectation that £110k would be drawn down from balances in 2015/16. This balance transfer was not required and therefore a further £40k has been allocation to balances with the resulting final position for 2015/16 of £2.024m which is over £1.3m higher than the minimum level.

Capital Budget Summary – Overall Council Financial Year 2015/16

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	Actuals to date £'000	Variance to date £'000
Keep my place safe and looking good	4,723	2,349	-2,375
Help me run a successful business	12	11	-1
Help me be financially independent	0	0	0
Help me to live my life independently	887	528	-359
Help me find somewhere to live in my locality	9,013	7,791	-1,222
Provide Good things for me to see, do and visit	133	95	-37
Enable others to work/do what they need to do (to meet their purpose)	159	187	27
Totals	14,927	10,961	-3,967

Financial Commentary:

As projected in quarter 3 there will be budgets to carry forward into the next financial year 2016/17

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within the strategic purpose 'keep my place safe and looking good' on the Crematorium Enhancements and the town landscape scheme due to these works not being able to take place in the winter months. There is a large underspend also within this strategic purpose on 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 to enable the capital projects and vehicle replacement to be undertaken. The other significant underspends are within the schemes delivered within the HRA planned programme of works which will be also be carried forward to 2016/17.

Treasury Management

- 3.4 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.

Credit Risk

- 3.5 Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Credit risk is minimised by use of a specified list of investment counterparty criteria and by limiting the amount invested with each institution. 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.
- 3.6 At 31st March 2016 there were no short term investments held.

General Fund Balances

- 3.7 The Revised General Fund Balance as at the 31st March 2016 will be £2.024m

Legal Implications

- 3.8 No legal implications have been identified.

Service/Operational Implications

- 3.9 Budget holders manage their financial position on a monthly basis to ensure that services are delivered within the financial budget allocated to each area.

Customer / Equalities and Diversity Implications

- 3.10 In delivering a robust financial framework the Council can deliver services to all members of its community.

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4. RISK MANAGEMENT

The robust and accurate financial monitoring is a key area within the Council that is managed to ensure any risks are mitigated.

5. APPENDICES

Appendix 1 – Strategic purposes financial position April – March 2016

Appendix 2 – Reserves Statement

Appendix 3 – Housing Revenue Account

AUTHOR OF REPORT

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