

**BODY:** CABINET

**DATE:** 25<sup>th</sup> May 2016

**SUBJECT:** Financial Performance – Provisional Outturn 2015/16

**REPORT OF:** Chief Finance Officer

**Ward(s):** All

**Purpose:** To update Members on the Council’s financial performance against the approved budgets for Quarter 4 2015/16.

To inform Cabinet of the Council’s provision financial outturn for Quarter 4 2015/16.

**Contact:** Pauline Adams, Financial Services Manager  
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**Recommendations:** Members are asked to:

- i) Agree the provisional general fund outturn on services expenditure for 2015/16 of £16.427m, a net favourable variance of £195,000 against the revised budget.
- ii) Agree the transfers to and from reserves as set out at Appendix 2.
- iii) Agree the provisional Housing Revenue Account surplus for 2015/16 of £559,000.
- iv) Agree the final Capital Programme and outturn for 2015/16 of £18.0m.

## **1.0 Introduction**

- 1.1 This report provides cabinet with the provisional outturn results for the general fund, the housing revenue account (HRA) and capital programme for 2015/16.
- 1.2 Although service accounts have now been closed, other balance sheet and suspense accounts have yet to be finalised. So it is possible that there could be some further adjustments that may marginally affect the figures in this report.
- 1.3 The final outturn will form part of the statement of accounts that will be reported to the next Cabinet meeting in July.

## **2.0 General Fund Revenue Account**

- 2.1 There was a net spend on service expenditure of £16.4m for the year analysed over services as follows:

## General Fund Service Provision Outturn

	Original Budget	Revised Budget	Actual	Variance
	£'000	£'000	£'000	£'000
Corporate Services	5,457	5,836	5,807	(29)
Community Services	6,249	6,058	5,870	(188)
Regeneration, Planning Policy and Assets	(42)	49	(5)	(54)
Tourism & Enterprise	3,085	2,958	2,795	(163)
	14,749	14,901	14,467	(434)
Contingencies	(447)	(239)	-	239
Capital Financing Costs	1,834	2,195	2,195	-
Transfer from Earmarked Reserves	-	(235)	(235)	-
<b>Service Total</b>	<b>16,136</b>	<b>16,622</b>	<b>16,427</b>	<b>(195)</b>

2.2 The table at **Appendix 1** shows the Council's provision financial outturn compared to the agreed budget at service level. A more detailed breakdown at code or transactional level is available from Financial Services.

2.3 Service expenditure variance for the year is principally as a result of:

- Theatres Show increased income achieved (£203k)
- Savings on Street Cleansing contract (£102K)
- Surplus on Catering Trading Account (£101k)
- Additional income and expenditure savings on bereavement service (£74k)

These have been offset in part by the following negative variances:

- Redundancy payments £109k
- Rental income from corporate properties £83k.

2.4 Work is still underway reconciling some accounts and in particular the Housing Benefit Subsidy and Housing Benefits overpayments. It has been assumed for this report that these budgets will be on target, but experience from past years has indicated that this could vary considerably and any changes will be reported as part of the final outturn report to the next meeting of the Cabinet.

2.5 The General Fund Summary figures include the transfers to and from reserves as shown in **Appendix 2**. In many cases these transfers reflect items previously agreed, or at the very least where the principle of a transfer from reserves had been established as part of the overall budget strategy. The figures that have been applied take into account more up-to-date information and anticipated circumstances.

### **3.0 Housing Revenue Account**

- 3.1 The table at **Appendix 3** summarises the HRA performance for 2015/16 and shows a surplus of (£559,000). This represents a variance of (£218,000) against the revised budget of (£341,000).
- 3.2 The principle reason for this variance is due to savings in council tax on void properties, lower insurance premium, low demand on the under occupations transfer scheme and savings resulting from Future Model restructuring.
- 3.3 The difference between the budget figure for depreciation based on the 30 year Business Plan and the actual calculated amount of £728,825 is transferred into the Housing Regeneration and Investment reserves in line with the Budget Strategy to provide flexibility for funding future major projects or the repayment of debt.

### **4.0 Capital Programme**

- 4.1 A summary of capital expenditure for the year is shown in **Appendix 4**.
- 4.2 The revised capital programme for 2015/16 was £19.9m and the outturn was £18.0m. This is a variance of £1.9m; (£0.3m) for general fund and £2.2m for HRA.
- 4.3 A detailed reason for the variance against each scheme is shown at **Appendix 4**.
- 4.4 The variance is a timing issue rather than a genuine under spend. The capital programme for 2016/17 will be updated to reflect the re-profiling changes required.

### **5.0 Consultation**

- 5.1 Not applicable

### **6.0 Implications**

- 6.1 There are no significant implications of this report.

### **7.0 Conclusions**

- 7.1 Revenue expenditure is in line with budget monitoring predictions and the outturn variance represents 1.2% of net budgeted expenditure. There is still some work to be done on balance sheet, suspense and control accounts which may impact on the final outturn.
- 7.2 The council continues to have general balances in excess of the declared minimum which provides flexibility for future investment in corporate plan priorities over the medium term as well as providing funding for invest to save schemes and asset management requirements.

- 7.3 The Housing Revenue Account outturn delivered a surplus representing 1.3% over turnover. The HRA balance is in line with expectations and is sufficiently robust to support the housing self-financing 30 year business plan.
- 7.4 Over 90% of the capital programme was delivered in year and in line with resources allocated.
- 7.5 Work is still continuing in finalising the council accounts and the final statement of accounts will be reported to the Audit and Governance Committee at the end of June and Cabinet in July.

**Pauline Adams**  
**Financial Services Manager**

**Background Papers:**

The Background Papers used in compiling this report were as follows:

*Quarters 1, 2 and 3 monitoring to Cabinet September, December and February*  
*Quarter 4 2015/16 Budget monitoring working papers*

To inspect or obtain copies of background papers please refer to the contact officer listed above.