

Corporate Financial Monitoring 2016/17 – Quarter 2
02 November 2016
Report of the Chief Officer (Resources)

PURPOSE OF REPORT				
To provide an overview of the Council's financial position for Quarter 2 of the 2016/17 monitoring cycle, and the supporting actions underway.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>	Referral from Cabinet Member
Date of notice of forthcoming key decision		N/A		
This report is public.				

OFFICER RECOMMENDATIONS:

- (1) That Cabinet notes the report and the supporting actions set out.
- (2) That the Treasury Management report attached at *Appendix C* be noted and referred on to Council for information.

1. Overview

- 1.1. The corporate financial monitoring report for Quarter 2 is attached at *Appendix A*, and the headline variances and projections are as follows:
 - A current General Fund net underspending of £463K, projected to reduce to £17K by the year end. These figures have barely changed from those reported at Quarter 1.
 - A current Housing Revenue Account net underspending of £33K, expected to increase to £73K by the year end. The forecast full-year underspending has increased by £50K since Quarter 1.
- 1.2. Balances for both funds remain strong and are higher than forecast back in March.
- 1.3. With regard to the Housing Revenue Account, the forecast £50K increase in net underspending is as a result of a number of smaller changes and there are no new significant issues arising.
- 1.4. With regard to General Fund, the table overleaf provides a summary of the latest financial forecasts for both current year and next year.

2016/17 and 2017/18 Summary Position	2016/17 Position to Qtr 2 £000's	2016/17 Full Year Projection £000's	2017/18 Full Year Projection £000's
Shortfall in Approved Budget Savings (Annex A / Section 2.3)	+165	+590	+54
General Salaries/Staffing (Annex B /Section 2.4)	(158)	(248)	--
Transport / Premises / Supplies & Services (Annex B)	(47)	(51)	--
Other additional income (Annex B)	(158)	(43)	--
Net Additional Business Rates Income (section 4.1.2)	(265)	(265)	(661)
NET (UNDER) / OVER (+) SPENDING	(463)	(17)	(607)
	£000's	£000's	£000's
<i>Qtr 1 Position previously reported</i>	<i>(462)</i>	<i>(3)</i>	<i>(619)</i>
<i>Change from Qtr1</i>	<i>+1</i>	<i>(14)</i>	<i>+12</i>

- 1.5. In short, both years' projections are in line with the previous Quarter's results. That is the case for subsequent years too, more details of which are included in the Appendix.
- 1.6. Renewable Energy business rates income continues to benefit the General Fund. There is scope for this income to increase further over the medium term as there are at least 8 schemes in the development/planning stage that Officers are aware of, but it is not yet possible to quantify the potential impact.
- 1.7. In respect of General Fund savings approved during the last budget, there is only one change worthy of note:

Splash Park:
The scheme is still planned to go live in May 2017, but work is currently being undertaken to re-design the delivery of the scheme. As a result, the £50K budget for up-front investment costs scheduled in this year are now assumed to be much less at around £5K. Final costs will be dependent upon the final design of the scheme.
- 1.8. There are no other key issues to highlight as a result of the monitoring work undertaken to date.
- 1.9. Inevitably though the forecasts will change again as a result of the detailed review currently underway, as part of the 2017/18 budget process. The initial results of this work are due to be reported in December.
- 1.10. In support of corporate financial monitoring, the latest Property Group update is attached at **Appendix B**. The Treasury Management half-yearly update report is included at **Appendix C**, which must be referred on to Council in line with regulatory requirements.
- 1.11. This report is primarily for information and therefore no options are presented. Cabinet is requested to consider carefully the report and indicate whether it wishes any further actions to be undertaken.

RELATIONSHIP TO POLICY FRAMEWORK

This report is in support of the delivery of the Council's overall policy framework, and more specifically its Corporate Plan.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

None directly arising from this report. Any additional implications linked to or arising from the various financial matters raised will be addressed in taking any relevant actions forward.

LEGAL IMPLICATIONS

None directly arising from this report. Any additional implications linked to or arising from the various financial matters raised will be addressed in taking any relevant actions forward.

FINANCIAL IMPLICATIONS

As set out in the attached.

OTHER RESOURCE IMPLICATIONS

Human Resources / Information Services / Property / Open Spaces:

References and any related implications are contained within the report and related appendices.

SECTION 151 OFFICER'S COMMENTS

This report is in the name of the s151 Officer, albeit in her capacity as Chief Officer (Resources).

It should be noted that from December, monitoring of savings and growth will be subsumed into reporting on the current budget process. From Quarter 3, monitoring will be undertaken against the draft revised budget for 2016/17.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

None.

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