
Provisional Financial Outturn Report 2015-16

Committee considering report:	Executive
Date of Committee:	30 June 2016
Portfolio Member:	Councillor Anthony Chadley
Date Portfolio Member agreed report:	9 June 2016
Forward Plan Ref:	EX3022

1. Purpose of the Report

- 1.1 To inform Members of the provisional financial outturn of the Council for 2015-16.

2. Recommendations

- 2.1 To ensure that Members are fully aware of the provisional financial outturn of the Council.
- 2.2 To note the budget movements processed in year detailed in Appendix D.

3. Implications

- 3.1 **Financial:**
The provisional year end position of a £115k revenue over spend will result in a reduction of the same value to the Council's General Reserves. It should be noted that these figures are provisional and may change as a result of the closedown and External Audit.
- 3.2 **Policy:** n/a
- 3.3 **Personnel:** n/a
- 3.4 **Legal:** n/a
- 3.5 **Risk Management:** n/a
- 3.6 **Property:** n/a
- 3.7 **Other:** n/a

4. Other options considered

- 4.1 N/a – factual report for information

5. Executive Summary

- 5.1 This report presents the provisional financial outturn for the Council in respect of the 2015-16 financial year, subject to the final result of the closedown and External Audit.
- 5.2 The total revenue expenditure in 2015-16 is £125m with a provisional year end overspend of £115k or 0.09% of net budget which will lead to a reduction in the General Fund. Financial year 2015-16 has been particularly challenging, with a savings programme of £5.9m required to set a balanced budget at the start of the financial year. Of the £5.9m savings programme for 2015/16, £627k (11%) was not achieved in year. The unmet savings were across demand led budgets within Children Services and Education Services. Investment has been built into the 2016-17 budgets to address identified pressures.
- 5.3 Total capital expenditure in 2015-16 was £38.5m, with an under spend of £6.7m against the revised budget of £45.2m. The budget was revised during the course of the year to take account of funds brought forward from 2014-15, additional grant and section 106 funding allocated to schemes during the year and funds re-profiled into 2016-17, and these changes have been explained in the quarterly budget monitoring reports to the Executive. The Capital Strategy Group met on the 24th May to review the capital outturn in detail and recommended that £6.6 million should be carried forward into 2016-17 to enable schemes already underway to be completed and/or to meet future capital commitments with the remaining £100k to be set aside to fund any new pressures on the capital programme. .
- 5.4 The provisional revenue Year End over spend of £115k is primarily the result of an over spend against the Children's Services budget of £1.35million. The over spend has been generated through pressures on demand led budgets in year. The main areas of over spend in year have been the placement budget (£905k), joint arrangements (£628k) and the Child Protection Teams (£346k). £1.3million of one off additional budget has been allocated to the service in year to partially offset service pressures.
- 5.5 The Communities Directorate year end revenue position was an over spend of £832k which is 1.2% against a budget of £70.6m. The over spend is primarily the result of a £1.3m over spend within Children's and Family Services which was the result of high levels of demand across the placement budget, joint arrangements and usage of agency staff. There were over spends within Education of £186k and Prevention & Developing Community Resilience £84k, and under spends within Adult Social Care of £429k and Care Commissioning, Housing & Safeguarding of £359k.
- 5.6 The Environment Directorate year end revenue position is an under spend of £568k, which is 1.7% of the total net budget of £33m with Highways and Transport generating an under spend of £462k, Planning and Countryside £92k and Culture and Environmental Protection £11k. In the last quarter the Environment Directorate responded to the Corporate request to slow down all non essential spending to assist the overall budget position.
- 5.7 The Resources Directorate year end revenue position is an under spend of £149k, which is 1.2% of the total net budget of £12.8m. With the exception of Legal Services (£134k in year overspend), all services across the directorate generated

under spends, the most significant being ICT and Corporate Support (£87k under spend).

6. Conclusion

- 6.1 The Council has managed to achieve a relatively small revenue over spend in what has been a challenging year. This has been achieved through effective management of its finances over the last twelve months against a back drop of continued local and national financial volatility.
- 6.2 Increasing demand across social care budgets during 2015-16 has put the Council's resources under considerable strain. The Year End over spend of £115k is a £510k reduction in the forecast position of £625k over spend at Quarter Three. In response to the Quarter Three forecast across the Council expenditure was deliberately slowed to offset the corporate position. Highways and Transport and Education Services in particular reduced expenditure. Education Services implemented a number of savings strategies inclusive of a recruitment freeze for non essential posts and slowing of expenditure. Highways and Transport generated additional income from car parking and incurred lower than anticipated expenditure on winter maintenance budgets as a result of the mild winter.
- 6.3 The Council has made significant investment into identified pressure points as part of the 2016-17 budget process.

7. Appendices

- 7.1 Appendix A – Financial Outturn 2015-16: Executive Report
- 7.2 Appendix B – Table: Summary Revenue Outturn 2015-16
- 7.3 Appendix C – Table: Summary Capital Outturn 2015-16
- 7.4 Appendix D – Table: Summary Budget Movements in year
- 7.5 Appendix E – Equalities Impact Assessment