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# Financial Performance 2016-17

## Provisional Outturn - Summary Report

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<b>Committee considering report:</b>	Executive
<b>Date of Committee:</b>	15 June 2017
<b>Portfolio Member:</b>	Councillor Anthony Chadley
<b>Date Portfolio Member agreed report:</b>	12 May 2017
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<b>Forward Plan Ref:</b>	EX3138

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### 1. Purpose of the Report

- 1.1 To inform Members of the provisional financial outturn of the Council for 2016-17.

### 2. Recommendation

- 2.1 To ensure that Members are fully aware of the provisional financial outturn of the Council and to review the budget movements processed in year detailed in Appendix E.

### 3. Implications

- 3.1 **Financial:**  
The provisional revenue over spend of £7,487 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.

## Executive Summary

### 5. Introduction / Background

- 5.1 This report presents the provisional financial outturn for the Council in respect of the 2016-17 financial year, subject to the final result of External Audit. The provisional revenue outturn is an over spend of £7,487 against a net revenue budget of £116.8million, which is 0.006% of net budget. This will lead to a minor reduction in the General Fund. The over spend has decreased by £758k from Quarter Three, predominantly due to a £333k reduction in the Adult Social Care forecast over spend, a £257k reduction in Education and a £139k reduction in Children and Family Services.

Directorate	Current Net Budget £000	Annual Net Forecast £000	Forecast (under)/over spend				Change from Last Quarter £000
			Quarter One £000	Quarter Two £000	Quarter Three £000	Year End £000	
<b>Communities</b>	66,493	66,709	1,033	634	1,025	217	(808)
<b>Environment</b>	30,813	30,542	0	(130)	(230)	(271)	(41)
<b>Resources</b>	12,326	12,275	214	144	20	(51)	(71)
<b>Capital Financing &amp; Risk Management</b>	7,184	7,297	30	50	(50)	113	163
<b>Total</b>	<b>116,816</b>	<b>116,823</b>	<b>1,277</b>	<b>698</b>	<b>765</b>	<b>7</b>	<b>(758)</b>

NB. Rounding differences may apply to nearest £k

- 5.2 The Communities Directorate year end revenue position was an over spend of £217k against a budget of £66.5m. Adult Social Care over spent by £460k due to increased complexity of client needs and upward cost pressures in commissioning services in nursing, residential and homecare. The reduction from Quarter Three was due to change in client care packages, return of unused cash direct payments, lower demand for carer support and higher client churn. Children and Family Services under spent by £111k due to changes in placement costs and reduction in agency dependence. Education outturn reduced from a forecast over spend of £235k to an under spend of £23k due to receipt of a grant relating to 2015/16, a one off contribution from Public Health and reduced spend on maintenance.
- 5.3 The Environment Directorate year end revenue position is an under spend of £271k, against a net budget of £31m. Culture and Environmental Protection overspent by £150k as a result of income pressures. Highways and Transport generated an under spend of £136k due to increased income from Car Parks, savings in salaries and fewer insurance claims and Planning and Countryside generated an under spend of £277k mostly from Development Control.
- 5.1 The Resources Directorate year end revenue position is an under spend of £51k, against a net budget of £12.3m. Legal Services overspent by £221k primarily due to the London Road Industrial Estate procurement challenge, planning enquires and a reduction in income. Finance overspent by £9k. All other services across the directorate generated under spends.
- 5.2 Income on interest on investments was £113k below target due to low level of interest rates currently available in the market, and a lower cash fund balance in the current year because of use of balances in 2015-16.
- 5.3 The Council set a revenue budget of £116.8million for 2016-17. In-year budget changes may be approved and the approval limits are set out in the Council's

Financial Regulations. Details of budget movements during 2016-17 are included in Appendix E. The budget for 2016-17 was set with a savings programme of £13.9m, of which £13.2m (95%) was achieved in year. The unmet savings were across demand led budgets within Adult Social Care, Education and Legal Services. Investment has been built into the 2017-18 budgets to address identified pressures

- 5.4 There are three service specific risk reserves; £1.1m for Adult Social Care, £500k for Children and Family Services and £50k for Legal Services. The outturn position is before any use of these risk reserves. Due to the low level of Council over spend, this report recommends that the service specific risk reserves are not required. The future required level of these reserves will be reviewed at the next Budget Board.
- 5.5 Total capital expenditure in 2016-17 was £31m, with an under spend of £6.7m against the revised budget of £37.8m. The budget was revised during the course of the year to take account of funds brought forward from 2015-16, 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.

Directorate	Original Budget	Revised Budget	Total Expenditure	Variance from Revised budget	
	£000	£000	£000	£000	%
Communities	18,325	15,272	11,194	(4,079)	27%
Environment	17,555	19,690	18,182	(1,509)	8%
Resources	2,517	2,820	1,664	(1,155)	41%
<b>Total all services</b>	<b>38,397</b>	<b>37,782</b>	<b>31,040</b>	<b>(6,743)</b>	<b>18%</b>

- 5.6 Services have requested that £6.5m of the overall capital under spend be carried forward to enable schemes already underway to be completed and/or to meet future capital commitments. The Capital Strategy Group (CSG) is due to meet on 1 June to review the outturn in detail and recommend the actual amount to be carried forward into 2017-18.
- 5.7 The Dedicated Schools Grant (DSG) had a year end over spend of £345k, which is £656k lower than the previously forecast deficit which is in part due to the continued work of officers to drive costs down wherever possible.

## 6. Proposal

- 6.1 To note the outturn position and confirm that the service specific risk funds will not be called upon, due to under spends in other areas across the Council.
- 6.2 To review the budget movements processed in year detailed in Appendix E.

## 7. Conclusion

- 7.1 The Council was faced with delivering a savings programme in the revenue budget of £13.9m in 2016-17 as well as addressing in year pressures as they arose. The final outturn of a £7k over spend and delivering 95% of the savings programme was an excellent result in the context of having to manage significant pressures during 2016-17 within its “demand led” services, most notably in the area of adult social care. The Council has made significant investment into identified pressure points as part of the 2017-18 budget process.

## 8. Appendices

- 8.1 Appendix A – Supporting Information
- 8.2 Appendix B – Equalities Impact Assessment
- 8.3 Appendix C – Summary Revenue Outturn table 2016-17
- 8.4 Appendix D – Summary Capital Outturn table 2016-17
- 8.5 Appendix E – Summary of Revenue Budget Movements