

## BRECKLAND DISTRICT COUNCIL

**Report of:** Executive Member Finance, Phil Cowen

**To:** Cabinet, 30 May 2017

**(Author:** Christine Marshall, Executive Director Commercialisation)

**Subject:** 2016-17 Full Year Financial Performance

**Purpose:** This report provides information on the actual full year financial position of the Council as at 31 March 2017 and progress to date on the Moving Forward transformation programme.

### **Recommendation(s):**

- 1) That the report and appendix be noted
- 2) To Full Council that capital budgets (& associated funding sources) of £1,965,394 be carried forward into 2017-18 to support projects in progress

### **1.0 BACKGROUND**

1.1 Throughout the year quarterly monitoring reports have been completed forecasting the expected year end out-turn against the budgets. This report provides information on the actual full year financial performance for revenue, transformation, capital and treasury, with the detail being included in the attached appendix.

1.2 The final year end out-turn may vary slightly from that reported, as changes may be made to the accounts any time up to formal sign off (end of May). The statement of accounts will be reported to Governance and Audit Committee in June.

### **1.3 Revenue**

The overall below budget spend is £524k. This is made up of 3 main areas:

- Service budgets under spend of £261k
- Business Rates under spend of £166k
- Above budget funding income and dividends of £97k

The major variances identified are:

- Waste collection, Recycling & Garden Waste services £318k below budget as a result of lower than anticipated contamination costs, lower price adjustment factor and the budgeted new vehicle & crew being delayed until 2017-18.
- ARP below budget costs of £175k, mainly due to the success of the Enforcement service and above budget grant income in year.
- Above budget transformation efficiencies achieved of £90k.
- Development control above budget income & below budget costs totalling £75k.
- Below budget building control income of £89k, resulting from a change on the type of applications received.
- Above budget Housing Benefit Grant costs of £126k as a result of additional bad debt provision required in year.
- Below budget contribution from reserves relating to Business Rates appeals.

- Retained Business Rates under spend of £166k resulting from additional renewable energy income and below budget levy payment on growth (as growth was slightly below budget).
- A one off dividend from ARP Trading of £72k in year.

In quarter 3 approval was given to contribute the year end variance into the organisational development reserve to offset the timing delays in the Moving Forward transformation programme in 17-18 and as a result we have contributed £524k to be utilised in 17-18.

#### 1.4 **Moving Forward Transformation Programme**

This programme has delivered savings of £503k (129%) against a target of £389k, meaning the programme has over delivered in 2016-17. The programme has been flexed in the 2017-18 budget to reflect the latest positions of project time frames and will continue to be adjusted throughout the programme as necessary. Overall the programme has achieved efficiencies of £923k by 2019-20 and these have already been included in the approved budgets.

#### 1.5 **Capital**

The actual out-turn shows spend of £8,604k (63%) against the budget. Of the £4,964k under spend, £2,999k relates to projects which are no longer proceeding and this has already been reflected in the 2017-18 budget. The remaining £1,965k is requested to be carried forward as it relates to projects which are already in progress, or ready to begin and this report includes a recommendation to carry these budgets forward into next year.

#### 1.6 **Treasury**

The interest income was £21k above budget for the year as a result of loans to 3<sup>rd</sup> parties being for a longer duration than initially budgeted, partly offset by reduced interest rates in the year. Money market funds are no longer used for instant access, so more cash is held in fixed term investments at the end of the year, with some instant access still required.

### 2.0 **OPTIONS**

2.1 That the report and appendix be noted and recommend to Full Council that capital budgets (& associated funding sources) of £1,965,394 be carried forward into 2017-18 to support projects in progress.

2.2 That the report and appendix be noted and not recommend to Full Council that capital budgets (& associated funding sources) of £1,965,394 be carried forward into 2017-18 to support projects in progress.

### 3.0 **REASONS FOR RECOMMENDATION(S)**

3.1 To provide timely information to Members on the overall financial position of the Council, enabling resource re-allocation to priorities where necessary.

3.2 To enable approved capital projects to continue to deliver in the new financial year.

### 4.0 **EXPECTED BENEFITS**

4.1 To ensure Members are updated regularly and in a timely fashion on the overall Council financial position.

4.2 To make the best use of the funding available to the Council.

### 5.0 **IMPLICATIONS**

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

## 5.2 Corporate Priorities

5.4.1 The Council's budget and associated spend supports the Council's priorities.

## 5.3 Financial

5.7.1 The report and appendix are financial in nature and include the financial implications.

## 5.8 Risk Management

5.10.1 Risks are included within the report.

## 5.9 Stakeholders / Consultation / Timescales

5.13.1 Budget holders have been consulted on their variances and the reasons for those variances.

## 5.10 Transformation Programme

5.14.1 The transformation programme is intrinsically linked to the Council's budget and this report includes progress on the Moving Forward programme to date.

## 6.0 WARDS/COMMUNITIES AFFECTED

6.1 N/A

## 7.0 ACRONYMS

7.1 ARP – Anglia Revenues Partnership

7.2 LIBID – London Inter-Bank Bid Rate

7.3 NNDR – National Non-Domestic Rates

7.4 PFI – Private Finance Initiative

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Background papers:- [See The Committee Report Guide for guidance on how to complete this section](#)

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### Lead Contact Officer

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**Key Decision:** No

**Exempt Decision:** No

**This report refers to Mandatory Service & Discretionary Services**

### Appendices attached to this report:

Appendix A Financial Report for 2016-17 full year