

## BRECKLAND DISTRICT COUNCIL

**Report of:** Councillor Phillip Cowen, Executive Member Finance

**To:** Cabinet, 6 February 2018

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

**Subject:** Quarter 3 Financial Performance Report 2017-18

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

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

- 1) That the report and appendix is noted
- 2) That any below budget spend at 31 March 2018 up to £100,000 is contributed into the Organisational Development Reserve to be used for feasibility studies relating to growth and investment fund projects (to be added to the existing £100,000 currently held & subject to the existing release approvals)

- 1.1 Throughout the year quarterly monitoring reports are completed forecasting the expected year end out-turn against the budgets. This report provides information on the forecast full year financial performance as at 31 December 2017 for revenue, transformation, capital and treasury, with the detail being included in the attached appendix.
- 1.2 **Revenue**  
The overall forecast above budget spend is £9k.  
The major variances identified are:
  - Efficiencies within services not yet achieved £290k – a section on the moving forward programme is included in the appendix.
  - Additional NNDR levy payable of £166k due to above budget NNDR income (which is credited in the next financial year).
  - £95k below budget contribution from reserve from last financial year.
  - A reduction in a provision of £193k as the amount awarded is expected to reduce compared to original estimates
  - Above budget grant income of £151k relating to housing benefit grants, new homes bonus returned funding and NNDR grants which offset mandatory reliefs.
  - Additional income of £109k from the ARP Enforcement service and planning income.
  - Windfall grant income for homelessness of £64k.
- 1.3 Whilst the forecast is showing a minor over spend currently, it is possible that by the end of the year there may be further savings generated. This report therefore recommends that any below budget spend up to £100,000 is contributed into the Organisational Development Reserve to be used for feasibility studies relating to growth and investment projects which will generate a return to the Council. There are significant targets in the moving forward programme from 2018-19 and therefore it is essential that the Council can move quickly when investigating opportunities and this funding will help support the longer term financial returns.

If approved any additional funding would be added to the £100,000 already held and approval to release funding for individual feasibility studies is delegated to the S151 Officer in conjunction with the Strategic Growth Group and Finance Board in consultation with the Leader or Deputy Leader.

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

This programme has delivered savings of £970k (75%) against a target of £1,290k. The programme has been flexed in this year's 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 £1,498k by 2020-21 and these have already been included in the approved budgets. As time progresses, it becomes more important that these projects begin on time, to deliver the higher levels of savings required in subsequent years and this is monitored through the transformation boards.

#### 1.5 **Capital**

The forecast out-turn shows spend of £4,305k (46%) against the budget at this stage of the year. Of the £5,012k under spend, £4,014k is requested to be carried forward into next year and this is being addressed as part of budget setting.

#### 1.6 **Treasury**

The interest income is forecast as £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 and an increase to the base rate.

### 2.0 **OPTIONS**

2.1 That the report and appendix be noted and that any below budget spend at 31 March 2018 up to £100,000 is contributed into the Organisational Development Reserve to be used for feasibility studies relating to growth and investment fund projects (to be added to the existing £100,000 currently held & subject to the existing release approvals)

2.2 That the report and appendix be noted and no funding is contributed into the Organisational Development reserve.

### 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.

### 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 and allow us to respond quickly to opportunities as they arise.

### 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.

#### 5.1 **Corporate Priorities**

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

#### 5.2 **Financial**

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

#### 5.3 **Risk Management**

5.3.1 Risks are included within the report

#### 5.4 **Stakeholders / Consultation / Timescales**

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

#### 5.5 **Transformation Programme**

5.5.1 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

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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 and Discretionary Services**

#### **Appendices attached to this report:**

Appendix A Forecast financial report for 2017-18 full year