

BRECKLAND DISTRICT COUNCIL

Report of: Councillor Phillip Cowen, Executive Member Finance

To: Cabinet, 12 June 2018

(Author: Christine Marshall, Executive Director Commercialisation)

Subject: 2017-18 Full Year Financial Performance

Purpose: This report provides information on the actual full year financial position of the Council as at 31 March 2018 and progress to date on the Moving Forward transformation programme.

Recommendation(s):

- 1) That the report and appendix be noted.
- 2) That Cabinet recommends to Full Council that capital budgets (& associated funding sources) of £1,694,731 be carried forward into 2018-19 to support projects in progress.
- 3) That Cabinet recommends to Full Council that the final capital out-turn and funding for 2017-18 as detailed in appendix B be approved

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. The full statement of accounts will be reported to Governance and Audit Committee in June.

1.2 Revenue

The overall above budget spend is £182k. This is made up of 2 main areas:

- Service budgets over spend of £334k (this includes efficiencies not achieved of £279k)
- Above budget funding income of £152k

The major variances identified are:

- Efficiencies not achieved against targets, particularly procurement contracts savings, service reviews in progress but not completed for 17-18 target, return on investment and growth fund and garden waste subscribers. (NB. These are expected to deliver in future years and have been included in the budgets).
- Additional recycling processing costs during the year.
- Lost income through the partial closure of Swaffham Leisure Centre due to water damage.
- One off in year over spend in Human Resources due to IR35 consultancy costs, i-trent development costs and interim staff recruitment.
- Over spends on maintenance to public lighting, which will need recharging via the Special Expenses to the relevant towns.
- Additional income from Development Control due to major planning applications and fee increases.

- Additional Housing Benefit grant income to cover direct costs (New Burdens funding)
- Below budget spend in Commercial Property, mainly due to a one off reduction in an amount set aside for future provisions.
- The net effect of appropriations and Business Rates and Government grants results in additional grant income mainly relating to Business Rates.

1.3 **Moving Forward Transformation Programme**

This programme has delivered savings of £1,011k (78%) against a target of £1,290k. The programme has been flexed in the new 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 £1,544k by 2020-21, with a further £1,003k to achieve by this date 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 will be monitored through the Finance Board, with areas of concern being a particular focus for the start of the 2018-19 year.

1.4 **Capital**

The actual out-turn shows spend of £3,138k (64%) against the budget. There is a small under spend of £21k and the remaining £1,695k 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. Appendix B details the funding sources for the capital spend for 2017-18.

1.5 **Treasury**

The interest income was £33k above budget for the year as a result of loans to 3rd parties being for a longer duration than initially budgeted, partly offset by reduced interest rates in the year.

2.0 **OPTIONS**

2.1 That the report and appendix be noted and That Cabinet recommends to Full Council that capital budgets (& associated funding sources) of £1,694,731 be carried forward into 2018-19 to support projects in progress.

2.2 That the report and appendix be noted and that changes are made before recommending to Full Council that the capital budgets (& associated funding sources) be carried forward into 2018-19 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 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

7.4 PFI – Private Finance Initiative

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

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Key Decision: No

Exempt Decision: No

This report refers to Mandatory Service and Discretionary Services

Appendices attached to this report:

Appendix A Financial report for 2017-18 full year.
Appendix B Capital funding sources 2017-18.