

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Portfolio Holder for Finance and the Executive Director – Commercialisation (S151)

To: Cabinet – 8 December 2015

(Author: Ken Trotter - Interim Chief Accountant)

Subject: Financial Forecast Outturn Quarter Two 2015-16

Purpose: This report provides information on the draft year end financial position of the Council, as at 30 September 2015. For information and to approve recommendations.

Recommendations to full Council:

1. That the report and Appendix A be noted;
2. That Local authority useable capital receipts from Right to Buy sales in the HRA can be used for any capital purpose within the Council as defined by the Local Government Act 2003 (as Amended);
3. That £1,213,000 of accelerated funding is agreed in accordance with paragraph 5.7.2 of this report which includes a £342,000 contribution from the Council Tax reserve, use of in year savings of £707,000 and application of £164,000 of useable capital receipts from right to buy sales in the HRA; and
4. To agree that useful life criteria as identified in paragraph 5.7.3 of the report is adopted for current and future use.

1.0 BACKGROUND

- 1.1 This report provides information on the projected full year financial performance
- 1.2 Revenue Budgets for the General Fund (GF), Housing Revenue Account (HRA) and Spalding Special Expenses are examined in detail
- 1.3 Balance sheet Reserves position and collection performance fro all major income streams
- 1.4 Capital Programme position statement GF & HRA
- 1.5 Treasury performance year to date

2.0 OPTIONS

- 2.1 To note the report and to approve the recommendations detailed in Appendix A with amendments; and
- 2.2 To note the report and not approve the recommendations detailed in Appendix A.
- 2.3 Do Nothing

3.0 REASONS FOR RECOMMENDATIONS

3.1 To provide timely information to members on the overall finances of the Council and to make the best use of resources available.

4.0 EXPECTED BENEFITS

4.1 To ensure that Members are updated regularly on the overall Council financial position and to act on any budget amendments required to reflect the latest position of spend and income.

5.0 IMPLICATIONS

5.1 Financial

5.1.1 The report is of a financial nature and financial details are included within the appendix.

5.1.2 Statutory accounting adjustments are proposed in respect of accelerated funding for Waste collection vehicles acquired in 2014/15. The net cost of these vehicles to the council was £1,507k and there is a Minimum Revenue Provision of £294k in the budget for 2015/16 which applies. Net funding of £1,213k is therefore sought in order to avoid Budget pressure in future years. Table 2 of Appendix A identifies the source of this required funding.

5.1.3 Replacement of dwelling components is based on the premise that only assets that have failed will be replaced. Useful life criteria adopted in 2012 has been examined and changes are proposed in line with actual experience over the last 4 years. These changes will be introduced into the new asset management system during installation and will also facilitate component accounting when it is introduced to Local government. Table 14 of Appendix A identifies the required changes.

5.2 Risk Management

5.2.1 Risks are highlighted within the appendix.

6.0 WARDS/COMMUNITIES AFFECTED

6.1 Budget implications affect all wards.

7.0 ACRONYMS

7.1 None

Background papers:- None

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Key Decision: No

Exempt Decision: No

This report refers both Mandatory Service and Discretionary Services.

Appendices attached to this report:

Appendix A - Financial Report for the quarter ending 30th September 2015