

SOUTH HOLLAND DISTRICT COUNCIL

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

To: Cabinet – 12 July 2016

(Author: Ken Trotter - Interim Chief Accountant (Deputy S151))

Subject: Financial Outturn 2015-16

Purpose: This report provides information on the out turn financial position of the Council, as at 31st March 2016. For information and to approve recommendations

Recommendations to Full Council:

- 1) That the report and Appendix A be noted;
- 2) That the final structure of council reserves be agreed, in line with paragraph 5.1.7 of this report;
- 3) That the carry forward of Capital Budgets of £910,313 be approved, as per paragraph 5.1.9 of this report; and

Recommendations to Cabinet:

- 4) That changes to financial reporting for the council evolve, as per paragraph 5.1.10 of this report, and that the Policy Development Panel / Performance Monitoring Panel be regularly updated on progress.

1.0 BACKGROUND

- 1.1 This report provides information on the un-audited financial position of the council in the following areas
- 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 for 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 financial in nature and further details are included within Appendix A.
- 5.1.2 The Un-audited Statement of Accounts for the financial year ended 31st March 2016 was handed over to the auditors on 30th June 2016. These have also been published on the Web site for public inspection which will continue until 11th August 2016 in line with *The Accounts and Audit Regulations 2015* and can be found here:
<http://www.sholland.gov.uk/article/3523/Financial-Statements>
- 5.1.3 Core Statements of the Accounts and the Annual Governance Statement were presented to the Governance & Audit committee on 26th May 2016, the reports were noted without comment and *“That the Executive Management Team approve the Annual Governance Statement and make comments as necessary within the appropriate timeframe”*
- 5.1.4 The Financial Statements have been prepared under The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) and main changes to this were also presented to Governance & Audit on 26th May 2016 for information
- 5.1.5 There is a change to the format of the statements this year with the introduction of a narrative report which is designed to “engage the reader in a conversation” and includes management information in respect of budget and operational performance.
- 5.1.6 Members are asked to note that due to improvements in the self service financial reports that the quarter 3 estimate for delivery of council services from budget holders was confirmed with additional savings, of £87k, mainly due to increased income in Planning (£58k) and recharges (£41k) offset by minor cost increases of £12k that may be recovered in 2016/17, details are available in Table 1 of Appendix A. The forecast is representative of a Continuous improvement regime in the monitoring system introduced in 2015/16 to ensure future forecasts continue to accurately reflect the financial position of the council at all times.
- 5.1.7 Reserves are monitored in year by the S151 Officer and interim chief accountant and a review of all balances has been completed during the closedown period. The restructuring of all reserves has also been completed and a revised position established as shown in Table 6 in Appendix A. In addition the work on the capital programme and an examination of the Repairs’ & Renewals fund contributed to an addition to reserves of £451k, over the quarter 3 estimates, details are available in Table 7 of Appendix A. The change in presentation reflects the Medium term financial plan and the move towards investment and growth which is required to support the introduction of local taxation during the life of this Parliament. To further support this council objective all available funds are being

reviewed and future reports will include this information. See Table 9 in Appendix A for additional information.

- 5.1.8 The capital programme has been further examined and revised project management / Programme management / Finance monitoring activities introduced during 2015/16 will also be subject to continuous improvement to ensure objectives and targets are being met from all capital / investment activities to support the Growth agenda for the district. Financial reports have been changed to reflect budget holder requirements and forecasts will be completed on a monthly basis in future to again ensure the quarterly financial forecast presented to cabinet reflects the financial position of the programme at all times.
- 5.1.9 As part of the review of capital projects all costs to complete have been examined and Budgets of £910,313 are required to be carried forward from the approved 2015/16 Programme. See Table 15 in Appendix A for additional detail on projects and associated funding.
- 5.1.10 As Financial reporting will evolve from the continuous improvement programme it is proposed that a regular update be issued to the Policy Development Panel and the Performance Monitoring Panel.

5.2 Risk Management

- 5.2.1 Risks are highlighted within Appendix A.

6.0 WARDS/COMMUNITIES AFFECTED

- 6.1 Budget implications affect all wards.

7.0 ACRONYMS

- 7.1 **GF** General Fund
HRA Housing Revenue account
CPBS Compass Point Business Services
RTB Right to Buy
ICT Information and communications technology
MTFP Medium Term Financial Plan

Background papers:- None

Lead Contact Officer

Name and Post: Julie Kennealy - Executive Director Commercialisation (S151)
Telephone Number: 01775 761161
Email: Julie.Kennealy@breckland-sholland.gov.uk

Key Decision: No

Exempt Decision: No

This report refers to both a Mandatory Service / Discretionary Service

Appendices attached to this report:

Appendix A Financial Report for the year ending 31st March 2016