



**Policy, Finance and
Development
Committee**

**Tuesday, 25 July
2017**

**Matter for
Information and
Decision**

Title: Overall Council Position Outturn Report 2016/17

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1. Introduction

This report gives a summary of the overall outturn position for the financial year 2016/17 including the effect on reserves as at 31 March 2017.

The provisional outturns for the General Fund shows an overspend while the Housing Revenue Account (HRA) is under spent against the revised budgets. The draft annual financial statements have been prepared and signed off by the Section 151 Officer before the statutory deadline of 30 June. Although at the time of writing this report the audit process has not been fully concluded the accounts will be the subject of a report elsewhere on this agenda.

2. Recommendation(s)

- 2.1 Note the report and overall provisional outturn positions for both the General Fund and Housing Revenue Account.
- 2.2 Approve the requested revenue and capital carry forwards as set out in Section 7 of this report.

3. Information

The following commentary summaries the outturn position for each of the Council's funds in respect of both revenue and capital expenditure and compares these with the corresponding revised budget for the year. A statement of reserves and balances in hand at 31 March 2017 is also including:

4. General Fund

- 4.1 In 2016/17 the Council has a deficit on the General Fund of £380,000 which is £230,000 higher than the originally budgeted for deficit of around £150,000. The increase in deficit is principally due to the Council receiving lower than anticipated funding from both Non Domestic Rates and Section 31 Grant for Small business rate relief. The combined shortfall in these two funding streams was £218,000.
- 4.2 In 2016/17 the Council was involved in a long running employee dispute which had commenced in May 2015. This has now been concluded but during 2016/17 around £200,000 was spent bringing it toward a close. Members have had periodic reports to Council relating to these costs where the use of the Management of Change Reserve and the Contingency Reserve to fund them was approved.
- 4.3 The budget that Council Set in February 2016 set a number of ambitious savings targets during the course of the financial year. These were required to keep the Council and totalled £0.633m. Some of these schemes were deferred to 2017/18 however the Council largely achieved this target. The principal reductions in net

expenditure were bought about as follows;

- Savings were made on the general fund salaries budget of £351,000
- Recycling Income exceeded its 16/17 target by £127,000
- Planning application fees exceeded its 2016/17 target by £56,000

5. Housing Revenue Account (HRA)

In February 2017, the revised forecast for the HRA was that a contribution would be required from balances of £1.046m leaving a balance of £0.300m at 31 March 2017. However, the provisional outturn position shows a deficit of £0.913m for the year with a closing balance of £0.433m. This represents a £0.133m under spend against the revised budget.

The headline variances are explained below:

- Although there has been a significant reduction in hired staff the service did incur significant agency costs in the first half of the year. This has been partly offset by a reduction in salaries;
- Part of the programme of planned revenue maintenance has been deferred to 2017/18. The funding for this has been returned to the HRA reserve; and
- Improved debt collection has meant that the provision put in place for bad and written off debts has not been fully utilised.

Overall rental income is down as a result of the length of time properties have remained void. This is principally due to the extensive refurbishment programme being undertaken.

The HRA Outturn 2016/17 is attached as **Appendix 2** of this report.

6. Capital Programme (General Fund and HRA)

Details of the provisional outturn position for 2016/17 on both the housing and non-housing capital programmes together with details of their funding are shown below.

Committee	Revised		
	Allocation £'000	Outturn £'000	Variance £'000
Service Delivery (HRA)	4,260	3,793	(467)
Service Delivery (Housing Non-HRA)	318	360	42
Service Delivery Other	863	244	(619)
Sub-total	5,441	4,397	(1,044)
Policy Finance and Development	232	189	(43)
Total	5,673	4,586	(1,087)
Financed by			
Borrowing		1,801	
Revenue Contributions to Capital		1,356	
Government Grants		177	
Major Repairs Reserve		1,214	
Other Earmarked Reserves		38	
Total		4,586	

7. Budgets Carried Forward

Members are asked to approve the carry forward of revenue and capital budgets as

follows:

- Any housing capital schemes which have not been completed at 31 March to carried forward to 2017/18 and reallocated where necessary for HRA schemes.
- General Fund schemes that already have a contractual commitment will be carried forward into 2017/18
- That the following specific revenue budgets are carried forward.
 - i)** Orchard System Development £8,500
 - ii)** Horsewell Lane Project Professional Fees £13,900
 - iii)** Health and Safety Training £12,000
 - iv)** Corporate Training £9,900

Background Documents:

None.

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Implications Overall Council Position Outturn Report 2016/17	
Finance	As set out in the body of the report.
Chris Raymakers Head of Finance, Revenues and Benefits	
Legal	No significant implications.
Anne Court Director of Services / Monitoring Officer	
Corporate Risk(s) (CR)	<input checked="" type="checkbox"/> Decreasing Financial Resources (CR1) <input checked="" type="checkbox"/> Reputation Damage (CR4) <input checked="" type="checkbox"/> Economy/Regeneration (CR9)
Chris Raymakers Head of Finance, Revenues and Benefits	
Corporate Priorities (CP)	<input checked="" type="checkbox"/> An Inclusive and Engaged Borough (CP1) <input checked="" type="checkbox"/> Effective Service Provision (CP2) <input checked="" type="checkbox"/> Balanced Economic Development (CP3)
Chris Raymakers Head of Finance, Revenues and Benefits	
Vision & Values (V)	<input checked="" type="checkbox"/> "A Strong Borough Together" (Vision) <input checked="" type="checkbox"/> Accountability (V1)
Chris Raymakers Head of Finance, Revenues and Benefits	
Equalities & Equality Assessment(s) (EA)	No significant implications.
Chris Raymakers Head of Finance, Revenues and Benefits	<input type="checkbox"/> Initial EA Screening <input type="checkbox"/> Full EA Assessment <input checked="" type="checkbox"/> Not Applicable