

Management Committee

16th August 2016

Business Review – Quarter 1 2016/17

For Decision

Briefholder(s)

Cllr Jeff Cant – Finance & Assets

Senior Leadership Team Contact:

J Vaughan, Strategic Director

Report Author:

Christian Evans – Financial Performance Manager

Statutory Authority

The accounts must be approved by the Chief Finance Officer by 30th June and the Audit & Governance Committee by 30th September each year.

1. Purpose of Report

- 1.1 To provide the strategic overview of the Council's performance, risk, revenue and capital expenditure and income as at the end of June 2016, and the projected outturn for the 2016/17 financial year.

2. Officer Recommendations

That members:-

- 2.1 (a) Note the latest position and the projected outturn for the year in respect of the 2016/17 revenue and capital budgets

3. Reason for Decision

- 3.1 The report contains the strategic position of the Council's finances combined with Corporate Performance statistics. Members have a responsibility under the Local Government Act to regularly review the Council's financial position and this report fulfils this requirement.

4. Background and Reason Decision Needed

- 4.1 The budgets shown in Appendix 2 are 'controllable costs'. This is expenditure / income where the Heads of Service has influence. Capital charges (depreciation) and service charges are not shown. A comparison of the profiled budget against the actual expenditure and income to date has been made by the budget holders with assistance from Financial

Services. The budget holder has then made an assessment of the likely outturn for the financial year, which has been compared to the budget to identify any potential outturn variances. If there is a projected variance, then the budget holder has to provide a comment explaining the reason and outline what corrective action is being taken.

5. Report

- 5.1 The predicted outturn on the revenue budget monitoring report is estimated to show a £101,607 adverse variance. This is a total variance of 1.2% against the 2016/17 budget requirement of £8,622,310.
- 5.2 The revenue predictions above do not include variances for the Harbour activities, as this now falls under the remit of the Harbour Board. The current predicted year-end position for the Harbour budget is on budget.
- 5.3 The predicted overall scheme variance showing on the Capital Budget Monitoring appendix 3 is £9,652 favourable against a total scheme budget of £4,342,226.
- 5.4 Appendix 1 shows the current predicted revenue budget variances for each of the Council's services in graph format.
- 5.5 Appendix 2 sets out for each service, the significant favourable and adverse revenue variances projected for the year, together with the budget holder's comments and actions being taken to address them. It also provides an assessment of the key performance areas for each service and operational risks. All high risks are shown in greater detail.
- 5.6 Appendix 3 shows the latest capital budget monitoring position.
- 5.7 Appendix 4 provides the current treasury management position compared to the position at 31 March 2016. It shows the average interest rates achieved both on the debt and investments of the Council and their total values.

6. Corporate Plan

- 6.1 Finance currently appears under the Performance aim as being a well managed Council.

7. Financial Implications

- 7.1 The projected adverse variance of £101,607 against the revenue budget would decrease the level of the General Reserve.

8. Risk Management (including Health & Safety)

- 8.1 High and very high risks are reported in detail in Appendix 2. Service risk registers can be found in the Councils performance system (QPR).
- 8.2 There is a risk the Council will overspend its budget for the year.

9. Appendices

- 9.1 Appendix 1 – Graph showing the predicted outturn position of the twelve services
- Appendix 2 – Overall service reviews of the revenue, performance & risk
- Appendix 3 – Capital budget monitoring
- Appendix 4 – Treasury management update

10. Background Papers

- 10.1 The Council's financial information system
- 10.2 The Council's corporate performance system (QPR)

11. Footnote

- 11.1 Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Report Author: Christian Evans – Financial Performance Manager

Telephone: 01305 838312

Email: cevans@dorset.gov.uk