

Management Committee

5th June 2018

Business Review – Outturn 2017/18

For Decision

Briefholder

Cllr Jeff Cant – Finance & Assets

Cllr Alison Reed – Risk Management / Performance & Improvement

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 Committee by 30th September each year.

1. Purpose of Report

- 1.1 To set out the Council's performance, revenue and capital spend for the year ending March 2018.

2. Recommendations

- 2.1 (a) Note the outturn which will be incorporated into the accounts in 2017/18.
- (b) Approve the capital carry forward requests set out in Appendix 3

3. Reason for Decision

- 3.1 For Management Committee to consider carry forward requests before the Accounts are signed off by the Chief Finance Officer.

4. Background and Reason Decision Needed

- 4.1 The outturn report sets out the final year end position for the 2017/18 financial year. The figures contained in the report are then incorporated into the Council's annual Statement of Accounts that the Council is required to produce using a prescribed format. The accounts give electors, members, employees and other interested parties, clear information about the Council's finances. Audit Committee has responsibility for reviewing and approving the accounts with the Management Committee having a strategic overview responsibility for finance.

- 4.2 In June, the accounts have to be reviewed and signed by the Strategic Director in his role as Chief Financial Officer. They are then subject to review by KPMG, the Council's External Auditor. The External Auditor's report and the Statement of Accounts are considered by Audit Committee at the September 2018 meeting.

5. Revenue Outturn

- 5.1 When the Council set its budget for 2017/18 the total expenditure for the year was estimated to be £54,229,283. The Council has been working on a medium term approach of reducing costs and increasing income. This approach has resulted in savings being achieved ahead of time during the financial year and resulting in an under spend of £941,971 for the year. There are however a number of areas where projects have been delayed for various reasons and after taking these into consideration the actual net spend for the year resulted in an under spend of £712,022. This balance will be added to the General Reserve and is available to support once off expenditure.
- 5.2 Within the overall favourable outturn variance, the good news is that a number of savings have been achieved early in 2017/18. A number of these savings have already been built into the 2018/19 budgets. There are vacancies throughout the 12 services, Heads of Service / Corporate Managers have actively managed these vacancies pending restructures and service reviews. Services have still been delivered amongst this back drop of less staff and the increasing financial pressure.

Harbour Board

- 5.3 The Harbour Board has reported a £300,107 under spend on the revenue budget in 2017/18. This has arisen because of prudent management of supplies, repairs and contracts, employing Berthing Officer in-house rather than via agency. There are under spends on staffing and increases in income due to new schemes being implemented. The favourable balance for 2017/18 will be transferred to the Harbour Reserve.

Revenue Reserves

- 5.4 After allowing for the carry forward requests the uncommitted balance on the General Reserves at the minimum risk level based assessment of reserves of £1,205,700 and a maximum level of £2,411,400.

Capital Outturn

- 5.5 The capital outturn statement in appendix 3 shows that the Council spent £152,858 on capital projects in 2017/18 against a budget of £2,383,202. The main under spend is due to a delay on the works for the Harbour Walls Remediation works. The unspent balance £2,230,344 is requested to be carried forward in order to complete these schemes.

Corporate Performance

- 5.6 Appendix 2 shows full year performance of the key performance indicators (KPIs). Performance has been reported quarterly in the Business Review and to the Joint Overview & Scrutiny Committee.

6. Corporate Plan

- 6.1 Finance forms part of the Developing Successful Partnerships – Creating a leaner more focussed organisation to protect the delivery of local services.

7. Financial Implications

- 7.1 As set out in the report and associated appendices.

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 Council's performance system (QPR).

9. Appendices

- 9.1 Appendix 1 – Graph showing the revenue outturn position of the 12 services.
Appendix 2 – Service overviews of the revenue, risk and performance outturn.
Appendix 3 – Capital outturn & carry forward requests
Appendix 4 – Treasury Management outturn

10. Background Papers

- 10.1 The Council's financial information system
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.

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