

North Tyneside Council Report to Cabinet 9 November 2015

2015/16 Financial Management Report to 30 September 2015

Portfolios: Elected Mayor Finance and Resources	Cabinet Member: Norma Redfearn Cllr Ray Glindon
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Report from: Finance	
Responsible Officer: Janice Gillespie, Head of Finance	Tel: 643 5701
Wards affected: All	

PART 1

1.1 Executive Summary:

1.1.1 The purpose of this report is to inform Cabinet of the Authority's financial position as at 30 September 2015 and to approve revisions to the Authority's Investment Plan.

1.1.2 The purpose of this report is therefore to:

- (a) advise Cabinet of the forecast budget monitoring position for the General Fund, Housing Revenue Account and Schools' Finance as at 30 September 2015 (Annex 1, Sections 2, 3 and 4);
- (b) seek Cabinet approval for the receipt of the new revenue grants (Annex 1, Section 2, Paragraph 2.13, Table 3 and Appendix Q);
- (c) advise Cabinet of the Authority's Investment Plan spend to 30 September 2015 and the financing of the Plan to the end of the year (Annex 1, Section 5);
- (d) seek Cabinet approval for reprogramming of £19.836m to the 2015/16 Investment Plan and variations of £1.495m credit (£2.175m credit in 2015/16 and £0.680m in 2016/17) (Annex 1, Section 5, Tables 4 and 5 and Paragraphs 5.4 and 5.5); and,
- (e) advise Cabinet of the current Treasury Management and Prudential Indicators position (Annex 1, Sections 6 and 7).

1.2 Recommendations:

1.2.1 It is recommended that Cabinet:

- (a) notes the budget monitoring position as at 30 September 2015;
- (b) approves the receipt of new revenue grants;
- (c) notes the level of spend on the Investment Plan as at 30 September 2015;
- (d) approves reprogramming of £19.836m to the 2015/16 in the Investment Plan and variations of £1.495m credit (£2.175m credit in 2015/16 and £0.680m in 2016/17); and,
- (e) note the current Treasury Management and Prudential Indicators position.

1.3 Forward Plan

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 20 July 2015.

1.4 Council plan and policy framework.

The budget is a key strand of the Authority's Budget and Policy Framework.

1.5 Information - Executive Summary

Annex 1 to this report sets out the budget monitoring position as at 30 September 2015.

- 1.5.1 It includes forecast outturn positions for 2015/16 for the General Fund, the Housing Revenue Account, School finances and the Investment Plan, including a summary of projects to be delivered during 2015/16.
- 1.5.2 **General Fund Revenue Account:** As of 30 September 2015, the forecast year-end position is a pressure of £1.570m. This reflects an improvement of £0.431m since the position reported for July.
- 1.5.3 **Housing Revenue Account (HRA):** The HRA is forecast to have year-end balances at 31 March 2016 of £3.285m, which is £0.615m higher than budget. The higher than forecast balances are mainly as a result of higher opening balances due to the impact of previous years' financial performance (£0.422m). The forecast in-year is an estimated surplus of £0.193m.
- 1.5.4 **School finances:** This report includes an update in respect of work in progress with regard to 2015/16 school funding (Annex 1 Section 4).
- 1.5.5 **Investment Plan:** The Investment Plan for 2015-19, was adjusted for reprogramming and variations and is £251.715m. This reprogramming was approved by Cabinet as detailed in paragraph 5.2 (Table 4) of Annex 1. Reprogramming of £19.836m for 2015/16 and variations of £2.175m credit in 2015/16 and £0.680m in 2016/17 are proposed in this report. Full details are shown in section 5 of Annex 1 of this report. The report also sets out planned delivery for 2015/16.

1.6 Decision options:

Cabinet may agree the recommendations as set out in Section 1.2 of this report. Alternatively Cabinet can disagree with the proposals. The main decision option is around the approval of the variations to the Investment Plan.

1.7 Reasons for recommended option:

Cabinet is recommended to agree the proposals set out in section 1.2 of this report as it is important that Cabinet continues to monitor performance against the budget, especially given the current level of financial pressures faced by the public sector.

1.8 Appendices:

Annex 1	2015/16 Financial Management Report to 30 September 2015
Appendix A	Chief Executive's Office
Appendix B	Business and Economic Development
Appendix C	Commercial and Business Redesign
Appendix D	Corporate Strategy
Appendix E	Digital Strategy
Appendix F	Human Resources and Organisational Development
Appendix G	Law and Governance
Appendix H	Public Health
Appendix I	Adult Social Care
Appendix J	Children, Young People and Learning
Appendix K	Commissioning and Investment
Appendix L	Environment, Housing and Leisure
Appendix L	Deputy Chief Executive Central Costs
Appendix M	Corporate Items
Appendix N	Housing Revenue Account (HRA)
Appendix O	2015-2019 Investment Plan variations
Appendix P	2015-2019 revised Investment Plan summary
Appendix Q	In year grant changes
Appendix R	CBF Programme 2015/16: Progress report
Appendix S	Glossary of Terms

1.9 Contact officers:

Janice Gillespie - Corporate Finance matters - Tel 643 5701

Margaret Keith –Treasury Management matters - Tel 643 5747

Cathy Davison - Capital Plan (financing) matters - Tel 643 5727

Alison Campbell – Senior Business Partner - Tel 643 7038

Darrell Campbell - Housing Revenue Account matters - Tel 643 7052

1.10 Background information:

The following background papers and research reports have been used in the compilation of this report and are available at the offices of the author:

- (a) [Revenue Budget 2015/26 \(P\)](#)
- (b) [Approved Investment Plan 2015-19 \(P\)](#)
- (c) [Council Reserves and Balances Policy \(P\)](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

As this is a financial report, implications are covered in the body of the report and Annex 1. This report will also be presented to the Authority's Finance Sub-Committee at its meeting on 18 November 2015.

2.2 Legal

The Authority has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on an authority to monitor its budgets during the year and consider what action to take if a potential deterioration is identified.

2.3 Consultation/community engagement

Internal consultation

Internal consultation has taken place with the Cabinet Member for Finance, the Elected Mayor, the Senior Leadership Team and Senior Finance Officers.

Community engagement

The 2014/15 budget was completed after widespread consultation in line with the Council's approved Budget Engagement Strategy. Appendix E of the 2015/16 Financial Planning and Budget Process report to Council on 5 February 2015 provides details of the consultation.

2.4 Human rights

The proposals within this report do not have direct implications in respect of the Human Rights Act 1998.

2.5 Equalities and diversity

There are no direct equalities and diversity implications arising from this report.

2.6 Risk management

Potential future financial pressures against the Authority are covered in this report and registered through the Authority's risk management process.

2.7 Crime and disorder

There are no direct crime and disorder implications arising from this report.

2.8 Environment and sustainability

There are no direct environmental and sustainability implications arising from this report.

PART 3 - SIGN OFF

- Deputy Chief Executive X
- Head of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Head of Corporate Strategy X