

North Tyneside Council
Report to Cabinet
Date: 13 June 2016

ITEM 6(a)
2015/16 Provisional Finance
Outturn Report

Portfolios: Elected Mayor Finance and Resources	Cabinet Member: Norma Redfearn Cllr Ray Glindon
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Report from Service Area:

Finance

Responsible Officer:

Janice Gillespie, Head of Finance

Tel: 643 5701

Wards affected:

All

PART 1

1.1 Executive Summary:

1.1.1 This report, and the supporting Annex 1 and its Appendices, set out details in respect of the provisional outturn for the General Fund, Housing Revenue Account, School balances position, the financial and delivery aspects of the Investment Plan and the delivery of the Treasury Management Strategy for the financial year 2015/16, and:.

- (a) advises Cabinet of the provisional 2015/16 outturn for the General Fund, Housing Revenue Account and Schools Finance (Annex 1, Sections 2, 3 and 4) together with a financial overview of the year (Annex 1, Section 1);
- (b) advises Cabinet of decisions made under the Reserves and Balances Policy (Annex 1, Paragraphs 1.19 to 1.24, Table 1 and Appendix P);
- (c) informs Cabinet of the Authority's Investment Plan spend and delivery during 2015/16, and the financing put in place (Annex 1, Section 5);
- (d) seeks Cabinet approval of further reprogramming of £13.635m within the Investment Plan (Annex 1, Section 5, Paragraph 5.8 and Appendix N);
- (e) advises Cabinet of the Authority's Treasury Management performance (Annex 1, Section 6); and
- (f) Advise Cabinet of the performance of both Capital and Treasury Management Prudential Indicators (Annex 1 Section 7).

1.2 Recommendations:

1.2.1 It is recommended that Cabinet:

- (a) notes the provisional 2015/16 outturn for the General Fund, Housing Revenue Account and Schools Finance (Annex 1, Sections 2, 3 and 4) together with a financial overview of the year (Annex 1, Section 1);
- (b) notes the decisions made under the Reserves and Balances Policy (Annex 1, Paragraphs 1.16 to 1.24, Table 1 and Appendix P);
- (c) notes the Authority's Investment Plan spend and delivery during 2015/16, and the financing put in place (Annex 1, Section 5);
- (d) approves further reprogramming of £13.635m within the Investment Plan (Annex 1, Section 5, Paragraph 5.8 and Appendix N);
- (e) notes the Authority's Treasury Management performance (Annex 1, Section 6); and,
- (f) notes the performance against the Capital and Treasury prudential indicators (Annex 1 Section 7).

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 7 March 2016.

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

1.5.1 Annex 1 to this report sets out the provisional outturn for 2015/16 for the General Fund, the Housing Revenue Account, Schools Finances and the Investment Plan. It also provides a summary position on the achievement of the Treasury Management Strategy during the year together with the associated Prudential Indicators for capital and treasury.

1.5.2 **General Fund Revenue Budget:** As at 31 March 2016 the provisional General Fund revenue outturn position is an under spend of £1.573m, after taking into account all year end transactions and transfers to and from reserves (which is 1.00% of the net revenue budget and 0.29% of the gross expenditure budget). This is an improvement of £1.895m on the forecast outturn reported to Cabinet on 14 March 2016.

1.5.3 **Reserves, Balances and Provisions:** As part of the 2015/16 final accounts, amounts have been set aside as provision and reserves for known liabilities and uncertainties that still remain in future years.

- 1.5.4 **Housing Revenue Account:** The Housing Revenue Account has a year-end balance of £4.388m, which is £1.718m above budget.
- 1.5.5 **School Finances:** School balances have reduced from £7.637m to £6.982m, these balances include a significant amount of committed funds and the permitted carry forward of grants for the remainder of the academic year. School balances continue to be monitored closely.
- 1.5.6 **Investment Plan:** The final capital expenditure for the year was £65.995m, with a recommendation noted above for Cabinet to approve reprogramming of £13.635m into 2016/17.
- 1.5.7 **Treasury Management:** The Authority has acted prudently during the year, confirming that the security of the Authority's resources is of greater importance than returns on investments. The level of investments at 31 March 2016 was £14.200m. The level of borrowing (excluding PFI) was £434.752m.

1.6 Decision options:

Option 1

Cabinet can agree the recommendations as set out in Section 1.2 of this report.

Option 2

Cabinet can disagree with all or some of the individual recommendations set out in section 1.2 of the report.

Option 1 is the recommended option.

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 Council Plan and Budget. Reprogramming of the Investment Plan will ensure that the delivery and financing of the Plan is balanced over the medium term.

1.8 Appendices:

Annex 1	2015/16 Provisional Finance Outturn Report
Appendix A	Chief Executive's Office
Appendix B	Business and Economic Development
Appendix C	Commercial and Business Redesign
Appendix D	Corporate Strategy
Appendix E	Finance
Appendix F	Human Resources and Organisational Development
Appendix G	Law and Governance
Appendix H	Health, Education, Care and Safeguarding
Appendix I	Commissioning and Investment
Appendix J	Environment, Housing and Leisure
Appendix K	Corporate Items

Appendix L	Housing Revenue Account (HRA)
Appendix M	Investment Plan Financing Summary
Appendix N	Investment Plan outturn
Appendix O	In year grant changes
Appendix P	Earmarked reserves and balances at 31 March 2016
Appendix Q	CBF Programme 2015/16: Progress report
Appendix R	Glossary of Terms

1.9 Contact officers:

Janice Gillespie - Corporate Finance Matters - Tel 643 5701

Cathy Davison – Investment Plan and Corporate Finance matters - Tel 643 5727

Margaret Keith –Treasury Management matters - Tel 643 5747

Alison Campbell – Senior Business Partner - Tel 643 7038

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 2015/16 \(P\)](#)
- (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 22 June 2016.

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 and Resources, the Elected Mayor, the Senior Leadership Team and Senior Finance Officers.

Community engagement

The 2015/16 budget was completed after widespread consultation in line with the Authority'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
- Head of Service
- Mayor/Cabinet Member(s)

- Chief Finance Officer
- Monitoring Officer
- Head of Corporate Strategy