

## PROVISIONAL OUTTURN 2015/16

### Cabinet - 9 June 2016

Report of: Chief Finance Officer

Status: For recommendation to Cabinet

Also considered by: Finance Advisory Committee - 24 May 2016

Key Decision: No

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**This report supports the Key Aim of Effective Management of Council Resources**

**Portfolio Holder** Cllr. Searles

**Contact Officer** Head of Finance - Helen Martin ext 7483

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#### **Recommendation to Finance Advisory Committee: That**

- (a) the outturn report for 2015/16 be noted;
  - (b) the recommendations below to Cabinet, be endorsed.
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#### **Recommendation to Cabinet: It be RESOLVED that:**

- (a) Funding for the Otford Palace Tower be taken from the Budget Stabilisation Fund and not from the General Fund Reserve.
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#### **Introduction**

- 1 Provisional Financial Outturn figures for 201/16 are attached at Appendix A. These results will be presented to Cabinet at its meeting on 9 June 2016.
- 2 A favourable variance of £30,000 has been achieved. A summary of this variance, which represents is 0.2% of the net service expenditure budget, is given as Appendix A.
- 3 It was approved by Cabinet on 4 February 2016 that any favourable variances achieved on the 2015/16 budget be put into the Budget Stabilisation Reserve.
- 4 Revenue carry forward requests were considered at the previous meeting of this Advisory Committee and were approved by Cabinet.
- 5 A provisional amount of £150,000 has been included for retained business rates. This figure is still provisional as the information from the Valuation

Office was not received early enough to allow the Collection Fund accounts to be completed in time for this meeting. Cabinet (21 April 2016) agreed that additional income arising in 2015/16 from business rate retention could be transferred to a Corporate Projects Reserve.

- 6 Main reasons for the year end variances are given in the following paragraphs and detailed explanations are provided as Appendix B.

### **High Level Analysis of Variances**

- 7 Property Investment Strategy Income was a new source of income in 2015/16 and represented income derived from the acquisition of commercial property in Sevenoaks and Swanley. A total of £422,000 was received which included income from early surrender of one of the leases.
- 8 Revenues and Benefits - within Finance, additional resources were used to help address the Benefits workload and to be pro-active in contacting Council Tax support customers. The funding of that additional cost was shared with Dartford.
- 9 Income from Car Parks, On Street Parking and Planning exceeded Budget. There was a surplus on the On Street Parking budget and this can only be spent on permitted purposes within the Traffic Management Act 2004. As agreed by Cabinet on 5 February 2015, this surplus had been transferred to the On Street Parking Reserve.
- 10 Pay costs were slightly below budget due to the pay award for the year being below budget, vacant posts being higher than expected and tight control over overtime costs.
- 11 The surplus on the Direct Services Trading account was £149,000 better than expected due to additional income, savings on fuel and staffing costs.

### **Funding from Reserves - Otford Palace -**

- 12 Cabinet (20th July 2015) recommended to Council that a sum of £130,699 from the General Fund Reserve be approved for stabilisation works at the Otford Palace Tower. It is now recommended that the funding for this project is taken from the Budget Stabilisation Reserve. This will enable the General Fund Reserve to remain at £1,500,000 which is considered a prudent level relative to our net service expenditure.

### **Key Implications**

#### Financial

There are no financial implications arising from this report

## Legal Implications and Risk Assessment Statement.

Under section 151 of the Local Government Act 1972, the section 151 officer has statutory duties in relation to the financial administration and stewardship of the authority.

## Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## **Conclusions**

- 13 Both Members and Officers were fully aware that 2015/16 would be an extremely challenging year. However, in the light of the financial pressures arising during the year, it is pleasing to report to Members a positive year end position.
- 14 The outturn position could not have been achieved without the commitment and hard work for both Members and Officers.
- 15 The 2016/17 budget includes savings totalling £0.487m. Achieving this continuing level of savings whilst managing the financial risks will require continued close and proactive financial management during 2016/17.

## **Risk Assessment Statement**

- 16 These results are still provisional and may change due to issues arising from the closure of the Council's accounts, which will be completed by 30 June 2016.

## **Appendices**

Appendix A - Outturn Summary

Appendix B - Explanation of variances (to follow)

## **Background Papers**

See appendices

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