

Title: Provisional 2016/17 Period 12 Outturn Report for Noting (non-key decision)	
Ward: City Wide	Cabinet lead: Cllr Craig Cheney
Author: Denise Murray	Job title: Service Director; Finance and S.151 Officer

Summary of issue / proposal:

The Council is required to publish its annual statement of accounts for 2016/17 at the end of May, and they will be presented to the Audit Committee at its meeting of the 23rd June 2017, prior to their audit and review by the Council's external auditors.

This report sets out, in advance of publication of the statement of accounts, the Council's overall financial performance against revenue and capital budgets for the 2016/17 financial year, as at the end of April. The report will focus on significant variances to meeting the General Fund budget in 2016/17 and outline the interventions that were taken to reduce the original projected gap of £29m, as reported to Cabinet in September 2016, down to a final position of some £10.5m.

The Council remains in a serious financial position, and this level of overspend will reduce the level of useable reserves and have implications for the current financial year. Previous reports have set out the mitigating actions that have been taken to help address the overspend.

A variance analysis is set out as Appendix A. Key messages are that both adults and children's' social care have faced severe demand and cost pressures. This led to an overspend of some £8m for provision of residential and associated care of elders and other vulnerable adults, and some £3.3m for children in care. There was a significant shortfall against previously assumed property savings of some £8m that were not able to be delivered, and there was a £3.2m overspend relating to ICT cost. Appendix A sets out a number of compensatory underspends which have partly mitigated these overspends.

At the beginning of the financial year, the Council had a savings target against the Change Programme of £34.7m, which comprised £15.2m undelivered savings from 2015/16 and £19.5m relating to 2016/17. The final position was an £8.4m overspend.

Capital outturn is £196m, compared to a final budget for the year of £213m. Much of this variance is represented by slippage in schemes, which means there have been overruns in the delivery of specific schemes, as opposed to spend being less than budgeted. A detailed review of the capital programme is ongoing to assess the impact of this slippage on the current and future years capital programme.

The Housing Revenue Account has a provisional final surplus for the year of £7.2m for the reasons set out in Appendix A paragraph 17. This was a provisional figure at the time of writing the report as there were still a number of final adjustments required as part of the accounts finalisation process. It is important to note that the Council is required to maintain a sustainable 30 year business plan for its HRA, which will require future capital investment in existing stock and new supply council housing to be primarily funded from reserves.

Recommendation(s) / steer sought:

That the Mayor in Cabinet:

1. Notes the contents of the report and the final position of the General Fund for 2016/17 of a £10.5m deficit, and the key reasons for budget variances as set out in Appendix A of the report.
2. Notes the final outturn of the Council's capital accounts, of total expenditure of £196m compared to a final capital budget for the year of £209m.
3. Notes the provisional outturn position for the Housing Revenue Account of a surplus for the year of £7.2m.

Legal Issues: *No significant legal issues are raised by the report. The recommendations are in accordance with the Council's constitution and financial regulations*

Legal Officer: *Shahzia Daya, Service Director Legal Services and Monitoring Officer*

DLT sign-off	SLT sign-off	Cabinet Member sign-off
Denise Murray	2 nd May 2017	8 th May 2017

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	NO
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Exempt Information	NO