

FINANCE AND PERFORMANCE REPORT – DECEMBER 2017

To: **Commercial and Investment Committee**

Meeting Date: **23 February 2018**

From: **Chief Finance Officer**

Electoral division(s): **All**

Forward Plan ref: **N/a**

Key decision: **No**

Purpose: **To present to Commercial and Investment (C&I) Committee the December 2017 Finance and Performance Report for Commercial and Investment Committee.**

The report is presented to provide C&I Committee with an opportunity to comment on the projected financial and performance outturn position, as at the end of December 2017.

Recommendation: **The Committee is asked to:**

- a) review, note and comment upon the report in the appendix**
- b) acknowledge the impact on the level of borrowing required within the C&I capital programme if General Purposes Committee approve additional budget of £328k for the capitalisation of Corporate Redundancies budget within Corporate Services and Transformation.**
- c) recommend to General Purposes Committee the approval of £171k additional budget in relation to the Shire Hall Relocation project, to be funded from borrowing.**
- d) note the change in funding profile for the Housing Schemes to reflect the assumptions approved as part of the 2018/19 Business Plan.**

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1. BACKGROUND

- 1.1 Commercial and Investment (C&I) Committee will receive the Commercial and Investment Finance and Performance Report at all of its meetings, where it will be asked to review, note and comment on the report and to consider and approve recommendations as necessary, to ensure that the budgets and performance indicators for which the Committee has responsibility remain on target.

2. MAIN ISSUES

- 2.1 Attached as appendix A, is the December 2017 Finance and Performance report.
- 2.2 **Revenue:** At the end of December, C&I Committee is forecasting an overspend of £650k on revenue budgets. There are no new material variances to report.
- 2.3 **Capital:** Predicted in-year variances of £849k have been netted off against the Capital Programme Variations budget. This exceeds the variations budget of £720k, therefore at the end of December C&I Committee is forecasting that the element of the capital programme budget subject to a capital variations budget will be underspent by £129k at year-end. In addition to this, in December an in-year underspend of £47,209k on the housing schemes is being reported (the result of re-profiling). This takes the total programme underspend to £47,338k.

There are two material variances (over £250k) to report:

- The first relates to the impact on the level of borrowing required within the C&I capital programme if General Purposes Committee approve additional budget of £328k for the Capitalisation of Corporate Redundancies budget within Corporate Services and Transformation. As the Capitalisation of Corporate Redundancies budget can only be funded via capital receipts, this necessitates a £328k reduction in capital receipts funding in the C&I capital programme, offset by an increase in the C&I borrowing requirement (please see Appendix A for further details).
- The second variance concerns the revision of the funding position in relation to the Housing Schemes. This now reflects the forecast outturn underspend of £47,209k, as well as the funding profile for commercial investments that was agreed by Full Council on 6 February 2018 as part of the 2018/19 Business Plan. Due to the nature of the how the scheme is managed, updating the funding position at this point in time, in this way, does not directly impact upon the revenue position, as this has been forecast separately and built into budgets. C&I is therefore asked to recommend to GPC to note this change. There is a separate report to this Committee regarding the portfolio sale. This sets out that overage clauses will be used to capture the increased value of sites, for the Council, once planning permission has been secured.

C&I Committee is also asked to recommend to General Purposes Committee the approval of additional budget of £171k in 2017/18 for the Shire Hall relocation project, to be funded from borrowing (please see **Appendix A**).

- 2.4 There are no Commercial and Investment Committee **performance indicators** reported for December 2017.

3. ALIGNMENT WITH CORPORATE PRIORITIES AND SIGNIFICANT IMPLICATIONS

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

3.4 Resource Implications

This report sets out details of the overall financial position for Commercial and Investment for this Committee.

3.5 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

3.6 Statutory, Risk and Legal Implications

There are no significant implications within this category, apart from those set-out in section 3.

3.7 Equality and Diversity Implications

There are no significant implications within this category.

3.8 Engagement and Consultation Implications

There are no significant implications within this category.

3.9 Localism and Local Member Involvement

There are no significant implications within this category.

3.10 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	N/A
Have the procurement/contractual/Council Contract Procedure Rules implications been cleared by Finance?	N/A

Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	N/A
Are there any Equality and Diversity implications?	N/A
Have any engagement and communication implications been cleared by Communications?	N/A
Are there any Localism and Local Member involvement issues?	N/A
Have any Public Health implications been cleared by Public Health	N/A

Source Documents	Location
C&I Finance & Performance Report (December 17)	1 st Floor, Octagon, Shire Hall, Cambridge