

NORTH LINCOLNSHIRE COUNCIL

CABINET

**FINANCIAL POSITION 2017-18 AND
MEDIUM TERM FINANCIAL PLAN UPDATE**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To provide an overview of the council's financial performance in 2017/18.
- 1.2 To update on the medium term financial plan 2018/23, revenue budget 2018/19 and capital programme 2018/22.
- 1.3 Key points:
 - The council invested £129.7m delivering its objectives, whilst maintaining high quality and good outcomes for North Lincolnshire residents.
 - The council invested £47.7m in improving assets and infrastructure for the benefit of communities in North Lincolnshire.

2. BACKGROUND INFORMATION

- 2.1 The council set an annual budget for 2017/18, based upon the identified funding available in its medium term financial plan 2017-20. Throughout the year, the council manages its spending within a statutory framework ensuring that it remains within cash limits.
- 2.2 The council set its cash limit for the year at £131m, based on revenue received from Government grants, council tax, business rates and incorporating planned use of revenue reserves and capital receipts flexibility. Appendix 1 summarises the level of planned funding for 2017/18 compared to final funding applied.
- 2.3 Financial management is the responsibility of Directors and delegated to relevant budget holders across service areas. Day to day costs of running the council and providing services is classified as revenue spending. In total the council's revenue spend amounted to £129.7m. Appendix 1 provides a summary of spend by management responsibility.
- 2.4 Investment in long term assets such as roads and buildings are classified as capital spending. In total the council's capital spend amounted to £47.7m. Capital spend is funded from a range of sources, including borrowing, proceeds from sale of assets, external funding and contribution

from internal revenue funds. Appendix 1 summarises capital investment activity.

2.5 The council has set a clear goal of being a sustainable council and have begun a journey of whole scale change in how we operate as a local authority.

2.6 To achieve sustainability the council's strategic approach is to be commercial and enabling. This means maximising growth in local tax base, both for housing and businesses and ensuring that we operate traded services in a business like way with full cost recovery. The need to enable individuals to have increased resilience, communities to be independent whilst managing need and protecting the most vulnerable will contribute to the overall sustainability of the council.

2.8 This report provides a summary of how the council has performed financially in 2017/18 and informs the overall strategic direction of the council in application of its available resources.

3. OPTIONS FOR CONSIDERATION

3.1 To receive the financial position outturn 2017/18. Appendix 1

3.2 To be advised of the latest update in respect of medium term financial strategy and latest approved budget 2018/19 (capital and revenue). Appendix 2

4. ANALYSIS OF OPTIONS

4.1 Through regular reporting of the council's financial position, Cabinet can inform the strategic financial plans and policy direction of the council.

4.2 The Council was able to contain its spending well within its overall funding envelope and was able to make a moderate contribution to its reserves and maintain its general balances.

4.3 The financial position of the Council at the end of 2017/18 demonstrates positive impact of the transformational change to date. In particular, through collaborative working as one council team, there is evidence of an emerging culture of an enabling, progressive and commercial organisation.

4.4 The environment in which the Council operates has seen major changes over the past decade and this will continue for the foreseeable future. These changes bring with them their own set of opportunities and risks. The Council is adopting a flexible and adaptable approach to maximise the potential from the opportunities and manage the risks. At the same time setting a clear strategic intent to become financially sustainable to ensure the vital services it provides continue. The Council's financial performance in 2017/18 provides a firm financial basis for the transformational changes to come.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 The financial implications are considered in this report and in the supporting appendices.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

6.1 Not applicable.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

7.1 Not applicable.

8. RECOMMENDATIONS

8.1 That Cabinet notes the overview of the council's financial performance in 2017/18.

8.2 That Cabinet notes the update on the medium term financial plan 2018/23, revenue budget 2018/19 and capital programme 2018/22.

DIRECTOR OF GOVERNANCE AND PARTNERSHIPS

Civic Centre
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB
Author: Becky McIntyre
Date: 30 May 2018

Background Papers used in the preparation of this report - Nil