

### **EX103. Projected Financial Position 2016/17**

The Executive considered a report by the Director of Corporate and Housing Services providing an update on the financial position of the Council for 2016/17 including the position with Reserves.

Net expenditure at year end was forecast to be £328.8m which is £2.025m (0.6%) below available resources. This represented a movement of £0.112m (0.03%) from the position reported in August and was mainly due to favourable movements in Children's Services and Corporate & Housing Services.

The report set out the reasons for significant overall deviations from budget in the following areas:-

- Children's Services – under budget by £0.194m;
- Social Work Adult Services – under budget by £0.258m;
- Development Services – over budget by £0.191m;
- Corporate & Housing Services – under budget by £1.317m.

From 1 April 2016 the Integration Joint Board (IJB) assumed responsibility for the delivery of adult health and social care services. The IJB was responsible for managing its expenditure and the projected overspend had reduced to £0.789m. £0.896m from the Integration Fund had been set aside to cover any projected overspends.

The Housing Revenue Account was projected to breakeven in 2016/17 with no planned application of reserves. At 1 April 2016 the reserves stood at £50.93m which is in line with the Scottish average of c10% of annual expenditure.

It was projected that there would be a general fund reserve balance of £9.080m at March 2017. On 19 December 2016 Council had taken two decisions with implications for the general fund reserve. Firstly relating to equal pay settlements and secondly relating to the new Council HQ which may require fees paid to date to be treated as revenue and thus met from the general fund reserve.

#### **Decision**

**The Executive noted:**

- (1) the Council's projected year-end financial position for 2016/17;  
and**
- (2) the position with respect to Reserves.**