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## Financial Services

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ID	PageTitle	Total Exp. £'000	Total Inc. £'000	Net Exp. £'000	Total Cost £'000
				Excludes: Recharges and Capital Charges	Includes: Recharges and Capital Charges
2	Debt - (Principal & Interest)	12,160	-2,514	9,646	15,604
7	Financial Services	1,388	-83	1,305	0
1	Interest & Treasury Charges	207	-1,210	-1,003	-938
	<b>Total</b>	<b>13,755</b>	<b>-3,807</b>	<b>9,948</b>	<b>14,666</b>

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Service Title:

**Debt - (Principal & Interest)****2****Manager: Paul Looby****No. of Staff (FTE)****Brief Description:**

Charges relate to both the payments of borrowing costs (principal and interest) incurred as a result of borrowing to fund the Council's capital programme and the Council's share of Devon County's borrowing up to local government reorganisation in 1998. Borrowing is taken from the Public Works Loan Board or Market sources. This heading includes the IFRS accounting treatment of the Council's PFI scheme.

This heading also reflects internal council funding entries associated with unsupported (prudential) borrowing by services and allocation of interest to specific Council balances.

Included are debt charges associated with the Probation Service and Magistrates Courts Service, services formerly funded by the Council.

**Financial Details:**

<i>2010 / 2011</i> <i>£'000 restated</i>		<b>2011 / 2012</b> <b>£'000</b>	<b>2012 / 2013</b> <b>£'000</b>	<b>2013 / 2014</b> <b>£'000</b>	<b>2014 / 2015</b> <b>£'000</b>
82	Other Interest Payments	97	97	97	97
1,127	DCC Debt Charges - Interest				
5,765	External Debt - Interest	6,959	7,059	6,926	6,892
4,455	Revenue Provision for Debt Repayment	4,268	4,195	4,931	5,084
69	Contribution to Reserve				
821	DCC Principal Repayment	503	503	503	503
34	Debt Charges for transferred services	19	19	19	19
1,169	Trading Services capital charge adjustm	314	314	314	314
<b>13,522</b>	<b>Total Expenditure</b>	<b>12,160</b>	<b>12,187</b>	<b>12,790</b>	<b>12,909</b>
-1,517	Unsupported Borrowing Charges	-1,759	-1,619	-2,313	-2,216
-148	Non General Fund Capital Charges	-2			
-1,235	Depreciation from Trading Accounts	-355	-350	-350	-350
-379	Government Grant	-398	-420	-442	-466
<b>-3,279</b>	<b>Total Income</b>	<b>-2,514</b>	<b>-2,389</b>	<b>-3,105</b>	<b>-3,032</b>
<b>10,243</b>	<b>Net Expenditure (Cash Limit)</b>	<b>9,646</b>	<b>9,798</b>	<b>9,685</b>	<b>9,877</b>
8,052	Support Services - Reallocation	5,958	5,958	5,958	5,958
0	Capital Charges	0	0	0	0
<b>18,295</b>	<b>Total Cost of Service</b>	<b>15,604</b>	<b>15,756</b>	<b>15,643</b>	<b>15,835</b>

**Service Indicators:**

	<b>2009 / 2010 Actual</b>	<b>2010 / 2011 Revised</b>	<b>2011/ 2012 Projected</b>
Torbay average borrowing rate %	4.24%	4.23%	4.23%
External Loans as at 31 March	£98.8m	£162.4m	£157.4m

**Service Issues:**

The Council's borrowing arrangements are supported by the Treasury Management Strategy approved by Council in February each year as part of the Budget process and linked to the Capital Plan and Prudential Indicators. The cost of borrowing will be linked to the rates available for the Council to borrow at and the total borrowing required to finance the Council's future capital programme.

Service Title:

**Financial Services****7****Manager: Paul Looby****No. of Staff (FTE)****37****Brief Description:**

Financial Services provides a comprehensive financial management service to all departments of the Council. This includes:

- providing financial advice to all service managers and elected members to facilitate service delivery
- providing financial advice for strategic planning and policy making to ensure the efficient use of resources
- provision of financial management information to all service managers
- co-ordination and preparation of the council's statutory accounts
- advice and co-ordination on the effective use of capital and revenue budgets.
- providing a creditor payment function for the council
- providing a treasury management function for the council

**Financial Details:**

<i>2010 / 2011</i>		<b>2011 / 2012</b>	<b>2012 / 2013</b>	<b>2013 / 2014</b>	<b>2014 / 2015</b>
<i>£'000 restated</i>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>1,437</i>	Employees	1,318	1,332	1,353	1,367
<i>7</i>	Transport & Travel	7	7	7	7
<i>72</i>	Supplies & Services	63	64	65	66
<i>1,516</i>	<b>Total Expenditure</b>	<b>1,388</b>	<b>1,403</b>	<b>1,425</b>	<b>1,440</b>
<i>-142</i>	Other Income	-83	-83	-83	-83
<i>-142</i>	<b>Total Income</b>	<b>-83</b>	<b>-83</b>	<b>-83</b>	<b>-83</b>
<i>1,374</i>	<b>Net Expenditure (Cash Limit)</b>	<b>1,305</b>	<b>1,320</b>	<b>1,342</b>	<b>1,357</b>
<i>-1,386</i>	Support Services - Reallocation	-1,317	-1,317	-1,317	-1,317
<i>12</i>	Capital Charges	12	12	12	12
<i>0</i>	<b>Total Cost of Service</b>	<b>0</b>	<b>15</b>	<b>37</b>	<b>52</b>

**Service Indicators:**

	2009 / 2010 Actual	2010 / 2011 Revised	2011/ 2012 Projected
Closure of annual statutory accounts	June	June	June
Certification of annual statutory account by External Auditor	September	September	September
No qualifications on the annual statement of accounts	None	None	None
Achieve a score of 3 or more for the CAA			
Submission of budget requirement and council tax level to full council within the statutory deadline.	March 2009	March 2010	March 2011
Completion and production of Budget Digest	April 2009	April 2010	April 2011
Production and circulator of Council tax leaflet to all residents within statutory deadlines	March 2009	March 2010	March 2011
Quarterly budget monitoring reports to Executive and Overview & Scrutiny Committee	Achieved	Achieved	According to timetable
Payment of Invoices within 30 days	91.1	95.0	95.0

**Service Issues:**

One of the key pressures for the service is the June deadline for closing the statutory accounts. Careful planning and close working with service departments has ensured this deadline has been met. This was achieved by fully utilising the Council's Financial Information and Management System (FIMS) and changing procedures and working practices where appropriate.

The finance team will continue to provide ongoing financial support and advice to all managers in the context of significant reductions to Government Grants and will play a leading role ensuring the Council continues to provide value for money services.

The finance team will be exploring opportunities which have arisen from the creation of Academy Schools in the provision of financial support and advice.

The finance team continue to develop the council's corporate Financial Information and Management System (FIMS). This includes the development of the e marketplace which will improve the efficiency of the council's procurement processes, and the implementation of a new Budget Preparation system and Time Recording system. Significant improvements have been made to the processing of purchase invoices through ongoing training and support for the services and the use of FIMS. The finance team is currently upgrading FIMS to the latest version which will improve financial information to all Officers and Members.

Financial Services are actively supporting the implementation of International Financial Reporting Standards for 2010/11 Accounts.

Service Title:

**Interest & Treasury Charges****1****Manager: Paul Looby****No. of Staff (FTE)****nil****Brief Description:**

Reflects the interest earned from the investment of the Council's revenue balances and reserves.

An external fund manager is used to invest a proportion of the Council's balances.

Included in this heading are the bank charges associated with the operation of the Council's main accounts including credit and debit cards and other Treasury Management related fees.

**Financial Details:**

2010 / 2011  
£'000 restated

2011 / 2012  
£'000

2012 / 2013  
£'000

2013 / 2014  
£'000

2014 / 2015  
£'000

165	Supplies & Services	207	209	212	214
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165	<b>Total Expenditure</b>	<b>207</b>	<b>209</b>	<b>212</b>	<b>214</b>
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-500	Non General Fund Recharges				
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-11	Fees & Charges	-9	-9	-9	-9
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-1,880	Interest Income	-1,201	-1,413	-1,747	-1,540
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-2,391	<b>Total Income</b>	<b>-1,210</b>	<b>-1,422</b>	<b>-1,756</b>	<b>-1,549</b>
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-2,226	<b>Net Expenditure (Cash Limit)</b>	<b>-1,003</b>	<b>-1,213</b>	<b>-1,544</b>	<b>-1,335</b>
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49	Support Services - Reallocation	65	65	65	65
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0	Capital Charges	0	0	0	0
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-2,177	<b>Total Cost of Service</b>	<b>-938</b>	<b>-1,148</b>	<b>-1,479</b>	<b>-1,270</b>
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**Service Indicators:**

	<b>2009 / 2010 Actual</b>	<b>2010 / 2011 Revised</b>	<b>2011/ 2012 Projected</b>
Average Cash Balance	£76m	£117m	£85m
Average rate of Interest	5.8%	1.3%	1.2%

**Service Issues:**

The two key variables that influence the investment returns are the amount of balances available to invest (closely linked to the 4 year Capital Plan and the profile of capital expenditure within that plan), and the returns able to be achieved on the money market, which is heavily influenced by the bank base rate.

Further details as to the Council's investments can be found within the Treasury Management Strategy approved by Council in February each year as part of the Budget process.