# Finance review Q4 2016

<table>
<thead>
<tr>
<th><strong>Purpose of paper</strong></th>
<th>To report on the Q4 financial outturn</th>
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</thead>
<tbody>
<tr>
<td><strong>Status</strong></td>
<td>Public</td>
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<tr>
<td><strong>Action</strong></td>
<td>For discussion</td>
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<td><strong>Corporate Strategy 2016-19</strong></td>
<td>Objective 2: To improve our management of resources so that we become a more efficient regulator.</td>
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<tr>
<td><strong>Business Plan 2016</strong></td>
<td>Objective 2: Manage, the GDC’s finances effectively, maintaining sufficient reserves to ensure resources are available to manage our statutory functions</td>
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| **Decision Trail**   | The Finance & Performance Committee discussed the Q4 2016 outturn on 16 February 2017 and recommended to the Audit & Risk Committee that the:  
1. Q4 2016 financial outturn and the December 2016 management accounts are a suitable basis from which to prepare the 2016 Annual Report and accounts  
2. Proposed efficiency savings disclosures appropriate |
| **Next stage**       | Not applicable                       |
| **Recommendations**  | Council are asked to note the report on the Q4 financial outturn. |
| **Authorship of paper and further information** | Graham Masters, Director of Finance & Corporate Services  
Melanie Stewart, Head of Finance |
| **Appendices**       | Annex 1 – Q4 outturn slides           |
1. Executive summary

1.1. The final outturn [pre-audit adjustments] is an operating surplus of £1.3m compared to a budgeted surplus of £2.2m. The £0.9m negative variance was primarily due to an overspend of £1.6m on FtP legal fees, offset by other savings.

1.2. The Annual Report and Accounts will also include a crystallised capital gain of £0.6m from disposal of a substantial proportion of our investments in September 2016, to maintain conformance with the Council approved investment policy, that a minimum of £5m cash must be available.

1.3. There remains a current financial risk relating to the 2015 Income and Expenditure account, which included a credit for “adjustment to tax and social security costs”, in the sum of £1.3m. Some £0.6m has been received from HMRC during 2016 relating to the NIC element of the claim, with the balance currently outstanding.

1.4. The Executive are not aware of strategic risks that would impact on the conclusion that the GDC remains a going concern for the next 12 months.

2. Introduction and background

2.1. At their February meeting, the Finance & Performance Committee discussed the report on the Q4 financial outturn and proposed efficiency savings disclosures, and recommended to the Audit & Risk Committee that the:

a. Q4 2016 financial outturn and the December 2016 management accounts were a suitable basis from which to prepare the 2016 Annual Report and accounts, and

b. proposed efficiency savings disclosures were appropriate.

3. Q4 Financial outturn

3.1. The financial outturn for 2016 has been reviewed in detail by the Finance and Performance Committee. A summary of this review is set out in Annex 1

3.2. The Financial Review in the 2016 Annual Report and Accounts will include information on efficiency savings achieved, summarised as follows [see Annex1]:

3.2.1. Actual savings from new initiatives in 2016, plus actual savings in 2016 from initiatives started in previous 4 years - £4.1m

3.2.2. Cumulative savings over 5 years to December 2016 - £12.9m

3.2.3. Potential savings for 2017, plus projected savings in 2017 from initiatives started in previous 4 years - £3.6m

4. Recommendations

4.1. Council are asked to note the report on the Q4 financial outturn and proposed efficiency savings disclosures.