

North East Derbyshire District Council

Cabinet

8 June 2016

Medium Term Financial Plan - Financial Outturn 2015/16

**Report of Councillor P R Kerry, Portfolio Holder with Responsibility for
Economy, Finance and Regeneration**

This report is public

Purpose of the Report

To inform Cabinet of the financial outturn position of the Council for the 2015/16 financial year.

1 Background Information

- 1.1 The Council published its Draft Statement of Accounts in respect of 2015/16 on 27th May, in line with the target date of 31 May which had been set to reflect the forthcoming change in the statutory deadline. The draft Statement of Accounts 2015/16 is now subject to the independent audit from the Council's external auditors, KPMG. Until the accounts have been agreed by our external auditors, which will take place before 30 September 2016, there remains the possibility that they will be subject to amendment. The final audited accounts will be reported to and approved by the Audit Committee at its meeting of 22 September 2016.
- 1.2 International Financial Reporting Standards (IFRS) dictates that the main focus of the Statement of Accounts is on reporting to the public in a format which is directly comparable with every country that has adopted IFRS i.e. not just UK or even other local authorities. By contrast the focus of this report is on providing management information to Members and other stakeholders to assist in the financial management of the Council.
- 1.3 The following sections of this report will consider the 2015/16 outturn position in respect of the General Fund Revenue Account, the Housing Revenue Account (HRA), the Council's Capital Investment Programme and Treasury Management activities. Within the report consideration is given to the level of balances at the year end, to any impact on the Council's Medium Term Financial Plan of the outturn position, together with an assessment of the impact which the closing position has upon the Council's budgets in respect of the current financial year.

Issues for Consideration

2 General Fund Revenue Account

- 2.1 The position in respect of the General Fund outturn is detailed in **Appendix 1** attached to this report. The appendix shows the Original Budget that was set in February 2015, together with the Revised Budget as approved in November 2015. Within the Appendix the comparison made is between what is termed the Current Budget (column C), and the Actual Outturn given at Column D. The Current Budget is effectively the Revised Budget adjusted for further approvals by Members, together with financial virements. The current budget is held within the financial ledger and is the position which budget managers work to. This report monitors the actual outturn position against the latest Current Budget used in 2015/16.
- 2.2 The variance in net cost of services for 2015/16 is £0.608m (Appendix 1 column E), which increases to one of £0.668m after investment income and interest cost are taken into account. This improved position has arisen from savings on expenditure budgets, additional income and efficiency savings. With respect to the detailed variances behind the summary figures these are outlined - where significant - in Appendix 2.
- 2.3 The improvement against the Approved Budget was achieved by a combination of factors:
- Budget managers exercising tight control over their budgets. Expenditure has only been incurred where the services have a genuine need to incur the costs to provide the services required.
 - The continued buoyancy of the economy; particularly in relation to income levels and business rates retention.
 - Good financial management of capital financing resulting in reduced interest charges.
- 2.4 The lower half of Appendix 1 shows the funding outturn position for the financial year.

Revenue Support Grant

The Council received £2.029m Revenue Support Grant, in line with the budget.

New Homes Bonus Grant

The Council received late notification of an increased allocation of New Homes Bonus Grant from the Government (£8,165). The total received in 2015/16 was £0.698m.

Business Rates Retention - NNDR

As part of the Business Rates Retention Scheme introduced in 2013, all local authorities were given the opportunity to work with neighbouring authorities to establish a business rates pool. Being part of a pool allows member authorities to

be treated as a single authority for the purpose of certain calculations under the scheme.

With effect from 1 April 2015, the Council became a member of the Derbyshire Pool. All Derbyshire authorities are members of the Pool which is administered by Derby City Council. The advantage of the pool is that it provides opportunities to generate additional income from business growth through collaborative working and to smooth out the impact of volatility in business rates income across a wider economic area. Under the accounting arrangements for the Derbyshire Pool, the Council pays a levy to the pool and receives a redistribution of growth back from the pool at the end of each financial year. For 2015/16 the Council secured an additional £0.199m of business rate income as a result of being members of the pool.

The additional income collected into the Business Rates collection fund is split between North East Derbyshire District Council (40%), Central Government (50%), Derbyshire County Council (9%) and Derbyshire Fire Authority (1%).

At 31st March 2016, the Business Rates collection fund has a deficit of £2.476m. The share of the deficit relating to North East Derbyshire is £0.990m. Accounting regulations mean the repayment to the collection fund to cover this deficit is delayed until the NNDR1 form is submitted to Central Government in January following the year end (January 2017).

The overall position regarding Business Rates retention for the year shows a net gain for the Council of £0.972m above the budgeted sum. This will effectively be reversed when the £0.990m deficit becomes due in future years so an earmarked reserve has been established to offset the future impact on the General Fund.

- 2.5 At the end of the 2015/16 financial year the Council has been able to transfer an amount of some £0.2m to General Fund reserves, together with an amount of £0.753m into the Invest to Save Reserve. While these represent an improvement in the Council's financial position it needs to be recognised that the increase in the Invest to Save Reserve of £0.753m was offset by a utilisation of that reserve in the year of £0.429m. With the net increase in the reserve of £0.324m during the year the Invest to Save Balance at the year end was one of £2.599m. It needs, however, to be recognised that there are a number of agreed costs that will be charged against this budget during 2016/17. In particular if the Council proceeds to contractual commitment on the Leisure Facilities enhancement as agreed by Cabinet in November 2015, and agrees the additional resources to deliver the Local Plan then this reserve will be fully utilised.

2.6 Financial Reserves

Use of Earmarked Reserves

During 2015/16 the Council has approved the use of various earmarked reserves. The use of earmarked reserves in 2015/16 was £467,594 which is £461,162 lower than approved due to an overall reduction in planned use of reserves and grants. Detail of the use of reserves during 2015/16 is shown on Appendix 1. While the use of reserves was significantly reduced the associated expenditure commitments

have moved into next financial year (2016/17), at which time these reserves will be utilised.

Transfer to Reserves

At the end of the financial year it has been necessary to agree a number of transfers into reserves. These transfers – which are set out below – reflect expenditure commitments which have moved into the current financial year (2016/17) from the previous year (2015/16). Should any of these Reserves prove unnecessary in the light of subsequent events then they will be moved back into unallocated General Fund resources.

Earmarked Reserve	Comments	Contribution £
Grants Reserve	The Council has received Government grants in relation to Council Tax, Housing Benefits, National Non-Domestic Rates, Individual Electronic Registration, Housing and Transparency Agenda. These will be used in future years in line with the grant conditions to meet service requirements.	483,342
Investment properties	To set aside resources to meet necessary developments/improvements on the Council's Investment Properties. This reserve is necessary in order to maintain income from what are a range of ageing properties.	25,000
Insurance Reserve	To maintain a reserve to meet insurance claim costs that are not covered through the Council's insurance arrangements.	10,000
Planning Policy	To provide resources for the Local Plan and other planning policy issues.	10,000
Business Rates	To set aside resources to offset the impact to the General Fund of the deficit on the NNDR Collection Fund.	999,348
Other Earmarked Reserves	Amounts set aside for specific areas of work/cover where expenditure will be incurred in 2015/16: Vehicle Replacement £10,000 IT Development £5,500	15,500

Earmarked Reserve	Comments	Contribution
Invest to Save Reserve	The balance of available resources is set aside to meet the Invest to Save / Transformation agenda costs and to meet the costs of restructuring the Council to adjust to the ongoing reductions in the level of Government funding.	753,406
Total		2,296,596

2.7 General Fund Balances

The position on the level of the Council's General Fund balances is set out in the table given below:

GENERAL FUND	Revised Budget	Current Budget	Outturn	Variance to Current Budget
	£'000	£'000	£'000	£'000
Opening Balance as at 1/04/15	1,800	1,800	1,800	0
Transfer in year	200	200	200	0
Closing Balance as at 31/03/16	2,000	2,000	2,000	0

2.8 The level of General Fund Reserves has increased by £0.200m above the original budget, increasing the balance to £2.000m. The General Fund balances are considered to be at an acceptable level for a District Council rather than at a generous level. The General Fund balance needs to be considered against the background of ongoing reductions in the level of Government funding together with the range of risks facing the Council. While it has been possible to increase the level of General Fund reserves it needs to be recognised that the Invest to Save Reserve which was previously available to fund general expenditure is likely to be fully committed in the near future. Against this background it is crucial that the Council continues to maintain robust budgetary control while securing its ongoing savings targets in order to safeguard both its reserves and its financial sustainability.

2.9 Given the current level of general balances should either an over spend or an under achievement of income occur then the Council would have a period of time in which to recover the situation. In a situation in which the Council were operating at a lower level of balances and an overspend or an under achievement of income occurred which took balances to below minimum level then immediate 'crisis' remedial action

would need to be considered. Such a response is not conducive to sound financial management but more importantly would have a significant detrimental impact upon the Council's ability to deliver the planned and agreed level of services to local residents. However, Cabinet will recognise that given a level of General Fund balances of £2.000m, against a requirement to secure £1.945m of financial savings by 2018/19 there is effectively no other option for the Council other than to continue to tackle the underlying forecast budget deficit.

- 2.10 The main feature of the 2015/16 financial year is that the Council successfully achieved in full the savings target of £0.500m (MTFP February 2015) which included the loss of Government Grant and the introduction of the Business rates retention scheme. These savings have served to reduce the underlying level of expenditure and will continue to benefit the Council in 2016/17 and future financial years.
- 2.11 With regard to the underlying favourable variance on the General Fund in 2015/16 it is proposed to review the budget for 2016/17 in the light of expenditure and income patterns during 2015/16. Any ongoing expenditure budget savings or additional income levels from 2015/16 that are anticipated to be available in 2016/17 and future years will be identified and reported back to Cabinet with the request to approve any proposed budget adjustments. This will help to secure the remaining budget savings of £0.203 which still need to be achieved in order to balance the 2016/17 budget position.

3 Housing Revenue Account (HRA)

- 3.1 The Housing Revenue Account is provided in **Appendix 3** to this report. The figures provided include all the statutory accounting transactions that the Council is required to make within the year end Statement of Accounts. These are accounting transactions which net off to zero and are not included within the HRA management budgets as they do not impact on the overall financial position or balances of the HRA. To allow comparison between budget and outturn these accounting adjustments are included within both the adjusted budget and outturn position.
- 3.2 The Housing Revenue Account position shows only small variances (less than 1%) based on the level of expenditure and income recorded during the year. Income is a net £0.066m below budget while the overall expenditure position is £0.249m below the revised budget which gives a net cost of services under spend position of £0.183m. While there is a major transfer of funding away from Supervision and Management to Repairs and Maintenance this reflects how expenditure has been accounted for rather than any change in the services provided to tenants.
- 3.3 A net increase of £0.029m on interest reduces the net favourable variance on the account to one of £0.154m.

The closing balance on the account of £0.173m has been transferred to the HRA balance at 31 March 2016.

3.4 Impact on Housing Revenue Account Balance

The impact on the Housing Revenue Account balance is as follows:-

HRA Balances	Revised Budget	Outturn	Variance
	£'000	£'000	£'000
Opening Balance as at 1/04/15	(2,798)	(2,798)	0
Surplus in year	(19)	(173)	(154)
Closing Balance as at 31/03/16	(2,817)	(2,971)	(154)

- 3.5 At a level of £2.971m HRA balances are considered to be at an adequate level based on the level of financial risks facing the HRA following the localisation of the HRA. In addition a further sum of £1.77m has been transferred into the Development Reserve which will fund the HRA Capital Programme in future years.
- 3.6 The addition to balance achieved at the year end is welcome as it will help ensure the financial and operational stability of the HRA which is essential if we are to maintain the level of services and quality of housing provided to tenants. Given the changes to the rent setting process together with the increasing numbers of houses lost under Right to Buy the Council the Council and Rykneld Homes will need to continue to work closely together in order to ensure the continued sustainability of the HRA over the period of the 30 year Business Plan.

4 Capital Investment Programme

- 4.1 Details of the capital expenditure incurred by the Council in 2015/16 on a scheme by scheme basis is provided in **Appendix 4**. It can be seen from the appendix that the Council's capital spending in the financial year was £23.640m.

The Capital Programme may be summarised as follows:-

	Revised Budget	Outturn	Variance
	£'000	£'000	£'000
HRA			
Decent Homes Programme	12,521	12,357	(164)
Tarran Project	3,057	3,056	(1)
Other Housing	6,185	5,586	(599)
	21,763	20,999	(764)
General Fund			
Mill Lane – Land & Premises	640	600	(40)
DSC Pool Remediation	53	45	(8)

	Revised Budget £'000	Outturn £'000	Variance £'000
ICT schemes	57	22	(35)
Vehicle Replacement	2,013	1,895	(118)
Other Capital Schemes	392	79	(313)
	3,155	2,641	(514)
Total	24,918	23,640	(1,278)

4.2 Overall capital expenditure was £1.278m below budget. The two areas of the programme are discussed below:

4.3 HRA Schemes

Within the HRA the main variances show that a small proportion of the Decent Homes work has been not been undertaken during the year and will slip into the early part of 2016/17. The Tarran replacement project is now complete. Other Housing projects have progressed well in 2015/16, although there has been some slippage of expenditure into 2016/17. The External Wall Insulation programme has now been completed while the central heating project is ongoing.

4.4 General Fund

The General Fund element of the Capital Programme during 2015/16 was mainly related to the remediation and refurbishment of land and premises at Mill Lane and the vehicles replacement programme. The capital expenditure elements of the Mill Lane project concluded in 2015/16. While the vehicle replacement scheme shows a small favourable variance, the balance needs to be carried forward to fund the purchase of vehicles which have been ordered but not yet received by the Council. A number of the other schemes within the General Fund are in progress but not complete and again a recommendation to carry forward these budgets is made.

4.5 Appendix 4 details the proposed carry forwards amounts to 2015/16. These requests relate to individual schemes that are still in progress, where there are outstanding commitments or where the scheme has been delayed. The total amounts to £0.942m with the impact on the 2016/17 capital programme detailed in the appendix. It should be noted that all these expenditure requirements will take forward a corresponding level of financial resources and thus have a neutral impact on the financial position in 2016/17.

4.6 Capital Financing

The Capital Programme was financed as follows:-

	Revised Budget	Actual	Variance
	£000's	£000's	£000's
HRA			
Capital Grants	(1,355)	(1,015)	(340)
Major Repairs Reserve	(15,158)	(14,990)	(168)
HRA Development Reserve	(2,829)	(2,759)	(70)
Prudential Borrowing	(1,843)	(1,843)	0
Disabled Facilities Grant	(558)	(372)	(186)
Usable Capital Receipts	(20)	(20)	0
Total	(21,763)	(20,999)	(764)
General Fund			
Prudential Borrowing – Gen Fund	(2,292)	(2,122)	(170)
Capital Grants	(56)	(1)	(55)
Capital Receipts	(653)	(372)	(281)
Direct from Revenue Contributions	(154)	(146)	(8)
Total	(3,155)	(2,641)	(514)
Grand Total	(24,918)	(23,640)	(1,278)

4.7 HRA Capital Financing

Officers have financed the HRA Capital Programme from a combination of capital receipts, revenue contributions and grants. The exceptions to this related to work on the TARRANs project at Eckington and Killamarsh where prudential borrowing has been undertaken in order to finance the expenditure.

4.8 General Fund Capital Financing

Officers have financed the General Fund Capital Programme from a combination of capital receipts, revenue contributions, prudential borrowing and grants. The Prudential Borrowing financing arrangements were agreed by Council as part of the Treasury Management Strategy at its meeting of 23 February 2015.

5 Treasury Management

5.1 **Appendix 5** provides a brief report on the Treasury Management activity of the Council for 2015/16. In summary the Council operated throughout 2015/16 within the Authorised Limit and Operational Boundary limits approved in the Treasury Management strategy as approved by the Council in February 2015.

5.2 The key points from the summary report are:

- The overall borrowing requirement of the Council was £171.145m at 31 March 2016.
- The PWLB debt is £156.753m
- The finance lease debt is £0.005m
- Effective internal borrowing is £14.387m
- No new PWLB borrowing was undertaken in 2015/16
- The adjusted HRA headroom at 31 March 2016 is £5.511m
- PWLB interest paid in 2014/15 was £5.629m
- Interest received on investments was £0.029m

6 Conclusions and Reasons for Recommendation

6.1 General Fund

During the previous financial year the Council managed its budget effectively securing a favourable financial outturn. In particular the Council successfully met its financial savings target of £0.5m, and was able to transfer £0.2m to General Fund Reserves, together with £0.753m to Invest to Save. However, despite a successful outturn position the impact of the austerity agenda and the ongoing reduction in the level of Government grant is adversely impacting on the Council's financial position. Although the outturn has allowed the Council to set aside earmarked reserves to meet contractual commitments and to address some of the key issues and potential liabilities it is facing, the Invest-to-Save reserve which is the Council's only general earmarked reserve will be fully committed by the summer of 2016. Although there is sufficient funding in the Invest to Save Reserve to progress the Leisure Schemes as agreed in principle by Cabinet in November 2015 and the delivery of the Local Plan, these schemes together with existing commitments fully utilise that reserve. In the absence of this funding it will be more problematic to progress the Council's transformation programme which is based upon protecting services by securing efficiency savings.

6.2 HRA

The HRA continues to operate within the parameters set by the 30 Year Business Plan and the MTFP. Officers will be working with Rykneld Homes to ensure that the Business Plan continues to reflect the impact of recent government legislation, and that the HRA remains sustainable over the 30 year period of the Business Plan.

6.3 Capital Programme

The Capital Programme saw good progress on approved schemes during the 2015/16 financial year. In particular both the TARRAN replacement scheme and the remediation of the land at Mill Lane were successfully concluded. There are, however, a limited number of scheme which are work in progress and this requires that the associated expenditure and funding and carried forward into the 2016/17 financial year.

6.4 Capital Financing

Capital expenditure during 2015/16 has been fully financed in line with the approved position.

6.5 Treasury Management

The Council operated in line with its agreed Treasury Management Strategy during the 2015/16 financial year. This ensures that lending and borrowing arrangements were prudent and sustainable, minimising the risk of financial loss to the Council. Effective management of these arrangements ensured that interest costs during the year were minimised in order to assist the Council's revenue position.

7 Consultation and Equality Impact

7.1 The report has no direct implications for Consultation or Equality issues.

8 Alternative Options and Reasons for Rejection

8.1 The financial outturn report for 2015/16 is primarily a factual report which details the outcome of previously approved budgets therefore there are no alternative options that need to be considered.

8.2 The allocation of resources to earmarked reserve accounts has been undertaken in line with the Council's Policy and Service Delivery Framework and in the light of the risks and issues facing the Council over the period of the current MTFP. If these risks do not materialise or are settled at a lower cost than anticipated then the earmarked reserves will be reassessed and returned to balances where appropriate.

9 Implications

9.1 Finance and Risk Implications

9.2 The financial implications are set out within the body of the report.

9.3 Members should note that the budgets against which we have monitored the 2015/16 outturn were those agreed within the Council's Medium Term Financial Plan. The Medium Term Financial Plan gave careful consideration to both the affordability of the budgets that were approved, and to ensuring that the level of balances remained adequate for purposes of enabling sound financial management. The fact that the outturn position for 2015/16 indicates that these financial targets have been achieved, gives the Council a firm foundation from which to achieve the service delivery and financial targets approved within the current Medium Term Financial Plan.

9.4 The issue of Financial Risk is covered throughout the report. The risk of not achieving a balanced budget, together with the risk that the Council's level of financial balances will be further eroded are currently key corporate risks identified on the Council's Strategic Risk Register. The outturn report shows that the Council's approach to mitigating these risks during 2015/16 has been successful, with our budgets balanced and the level of financial reserves improved.

9.5 While the Council has effectively addressed its Strategic Financial Risks during 2015/16 it needs to be recognised that the Council will need to continue to meet a range of challenging savings targets if it is to operate effectively within the financial environment established by Central Government spending targets. In particular the Council will no longer be able to rely on the availability of the Invest to Save Reserve to fund service delivery and service restructuring work to the same extent as in previous financial years.

10 Legal Implications including Data Protection

10.1 The Statement of Accounts is required to be prepared and audited by the 30 September each year. The Council has now completed the draft Statement of Accounts and they have been signed off by the Chief Financial Officer as at the 27 May 2016 which secures compliance with the Council's obligations.

11 Human Resources Implications

11.1 There are no Human Resources issues arising directly from this report.

12 Recommendations

12.1 That Members note the outturn position in respect of the 2015/16 financial year.

12.2 That Members request the Accountancy Section to undertake a review of the under spend position of 2015/16 with a view to determining where budget changes may be made to the 2016/17 and future years budgets. The review is requested to be reported back to Cabinet by September 2016.

12.3 That Members approve the proposed carry forward of capital budgets detailed in Appendix 4 totalling £0.942m, which reflect a carry forward between years of financial commitments.

13 Decision Information

Is the decision a Key Decision? (A Key Decision an executive decision which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	All

14 Document Information

Appendix No	Title
1	General Fund Summary 2015/16
2	General Fund Outturn 2015/16
3	HRA Outturn 2015/16
4	Capital Programme Outturn 2015/16
5	Treasury Management Outturn 2015/16
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Held in Finance – Room 024	
Report Author	Contact Number
Dawn Clarke – Assistant Director – Finance, Revenues and Benefits	(01246) 217658

AGIN 13(b) (CAB 0608) – MTFP Financial Outturn/AJD

Appendix 1

GENERAL FUND ACCOUNT SUMMARY OUTTURN 2015/16

	A	B	C	D	E
	Original Budget 2015/16 £	Revised Budget 2015/16 £	Current Budget 2015/16 £	Actual 2015/16	Variance
Growth	3,202,087	3,276,198	2,920,916	2,808,416	(112,500)
Transformation	2,475,881	2,637,400	2,654,177	2,405,613	(248,564)
Operations	6,135,525	5,943,672	5,562,578	5,233,507	(329,071)
Bad Debt Provisions	40,000	40,000	40,000	121,622	81,622
Recharges to Capital and HRA	(527,500)	(527,500)	(527,500)	(527,500)	0
Savings Target	(500,443)	0	0	0	0
Net Cost of Services	10,825,550	11,369,770	10,650,171	10,041,658	(608,513)
Investment Properties	(347,253)	(364,418)	(364,418)	(380,509)	(16,091)
Interest Charges	134,425	78,840	78,839	35,197	(43,642)
Debt Repayment-Minimum Revenue Provision	256,000	256,000	256,000	256,000	0
	10,868,722	11,340,192	10,620,592	9,952,346	(668,246)
Appropriations to/(from) Reserves & Balances					
Transfer to Grant Accounts	0	16,402	226,173	483,342	257,169
Transfer to Business Rates Reserve	0	0	0	999,348	999,348
Transfer to Invest to Save Reserve	0	214,434	214,434	753,406	538,972
Transfer to Other Earmarked Reserves	45,000	58,320	668,279	60,500	(607,779)
Total Transfer to Reserves	45,000	289,156	1,108,886	2,296,596	1,187,710
Transfer from Grant Accounts	0	(13,349)	(13,349)	(42,728)	(29,379)
Transfer from Invest to Save Reserve	0	(590,291)	(718,226)	(167,257)	550,969
Transfer from Other Earmarked Reserves	(13,000)	(224,986)	(197,181)	(257,609)	(60,428)
Total Transfer from Reserves	(13,000)	(828,626)	(928,756)	(467,594)	461,162
Transfer to General Fund Balance	0	200,000	200,000	200,000	0
Total Expenditure	10,900,722	11,000,722	11,000,722	11,981,347	980,625
Parish Precepts	2,687,086	2,831,984	2,831,984	2,831,984	0
Parish Council Tax Support Grant	312,805	312,805	312,805	312,805	0
Total Spending Requirement	13,900,613	14,145,511	14,145,511	15,126,136	980,625
Business Rate Retention	(3,202,735)	(3,302,735)	(3,302,735)	(4,275,229)	(972,494)
Revenue Support Grant	(2,028,993)	(2,028,993)	(2,028,993)	(2,028,959)	34
Use of New Homes Bonus	(690,058)	(690,058)	(690,058)	(698,223)	(8,165)
Collection Fund (Surplus)/Deficit	(166,499)	(166,499)	(166,499)	(166,499)	0
NEDDC Council Tax Requirement	(2,687,086)	(2,831,984)	(2,831,984)	(2,831,984)	0
Parish Council Council Tax Requirement	(5,125,242)	(5,125,242)	(5,125,242)	(5,125,242)	0
Total Income	(13,900,613)	(14,145,511)	(14,145,511)	(15,126,136)	(980,625)

Opening General Fund Reserve	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)
Transfer (to)/from Balances	0	(200,000)	(200,000)	(200,000)
Closing General Fund Balance	(1,800,000)	(2,000,000)	(2,000,000)	(2,000,000)
	0	0	0	0

Appendix 2

GENERAL FUND ACCOUNT OUTTURN 2015/16

	Original Budget 2015/16 £	Revised Budget 2015/16 £	Current Budget 2015/16 £	Actual 2015/16 £	Variance £	Transfer to Reserve £	Adjusted Variance £	Main Variance
Growth Directorate								
<u>Chief Executive</u>								
1142 Chief Executive's Office	111,229		121,178	115,849	(5,329)		(5,329)	
1331 Strategic Partnerships	92,938		94,471	92,960	(1,511)		(1,511)	
1332 Strategic Partnership Projects	3,000		3,000	3,000	0		0	
1333 Healthy NED	0		(82,149)	(82,148)	1		1	
4352 LEADER	0		(1,541)	(114)	1,427		1,427	
4443 Elderly Peoples Clubs	4,000		4,000	2,807	(1,193)		(1,193)	
5785 Contributions	131,312		132,799	132,709	(90)		(90)	
<u>Assistant Director Economic Growth</u>								
3165 Housing Options Team	160,123		163,857	165,558	1,701		1,701	
3740 Strategic Housing	168,445		104,335	92,361	(11,974)	3,805	(8,169)	
3741 Housing Ambition	0		(107,249)	(107,249)	0		0	
3742 Empty Properties	0		17,246	16,727	(519)		(519)	
3747 Homeless Units	2,750		2,750	963	(1,788)		(1,788)	
3748 Homelessness Grant	36,105		37,970	37,970	(0)		(0)	
3751 Care Call System	(20,000)		(20,000)	(16,703)	3,297		3,297	
4211 Tourism Promotion	28,502		13,110	4,439	(8,671)		(8,671)	
4238 Working Communities	73,512		77,470	55,994	(21,476)		(21,476)	Vacancy savings
4239 Ambition	4,385		0	0	0		0	
4351 Alliance	3,350		3,620	3,294	(326)		(326)	
4512 Growth Agenda	8,200		32,369	32,222	(147)		(147)	
4517 Economic Development	147,003		150,331	137,236	(13,095)		(13,095)	General advertising underspent
4518 Callywhite Lane	0		15,000	15,000	0		0	
4526 Sheffield City Region	19,173		9,283	9,249	(34)		(34)	
5750 AD Economic Growth	33,888		35,183	35,482	299		299	

Assistant Director Planning & Environmental Health

3400	Environment Protection	67,717	74,695	66,840	(7,855)	(7,855)	
3401	Food, Health & Safety	133,311	124,146	119,509	(4,637)	(4,637)	
3402	Environmental Enforcement	99,094	94,065	91,181	(2,884)	(2,884)	
3403	Neighbourhood Management	1,667	0	0	0	0	
							Increased pay costs due to Job Evaluation. Income from licence applications lower than budget
3404	Licensing	(69,257)	(42,475)	(31,740)	10,735	10,735	
3405	Housing & Pollution	83,465	81,316	83,149	1,833	1,833	
3406	Handy Van Scheme	704	(2,451)	(9,933)	(7,482)	(7,482)	
3407	Pest Control	31,563	29,072	33,246	4,174	4,174	
3408	Affordable Warmth	28,287	22,941	18,366	(4,575)	(4,575)	
3409	EH Technical Support & Management	173,759	173,414	173,386	(28)	(28)	
3410	Private Sector Housing	51,112	50,121	52,738	2,617	2,617	
3411	NEDDC Hackney Carriage Vehicles	0	1,346	2,751	1,405	1,405	
3412	NEDDC Private Hire Vehicles	0	(18,356)	(9,609)	8,747	8,747	
3413	NEDDC Drivers	0	(10,331)	(14,571)	(4,240)	(4,240)	
3414	NEDDC Operators	0	(3,470)	(3,701)	(231)	(231)	
3726	Works In Default	165	175	357	182	182	
							Income from fees lower than revised budget (but higher than original budget)
4111	Planning Applications & Advice	(422,400)	(457,400)	(424,251)	33,149	33,149	
4113	Planning Appeals	0	6,411	6,411	(0)	(0)	
							Vacancy savings and underspend on evidence base budget.
4116	Planning Policy	227,138	202,028	167,052	(34,976)	(34,976)	
4311	Environmental Conservation	20,000	19,350	19,258	(92)	(92)	
4511	AD Planning and Environmental Health	32,084	32,960	32,965	5	5	
							Income from land charges search fees higher than forecast
4513	Planning Section	452,483	455,426	440,977	(14,449)	(14,449)	

4515	Building Control	126,660	126,660	97,775	(28,885)	(28,885)	reduction in charges from BCN Consortium	
4522	Section 106 Agreement	0	0	0	0	0		
<u>Assistant Director Governance & Monitoring Officer</u>								
1121	Members Services	466,714	454,203	437,802	(16,401)	(16,401)	Savings on member allowances/training due to in year vacancies	
1123	Chair's Expenses	15,280	7,470	3,733	(3,737)	(3,737)		
1131	District Elections	80,000	90,250	93,841	3,591	3,591		
1133	Parish Elections	0	0	0	0	0		
1135	European Elections	0	0	0	0	0		
1137	Parliamentary Elections	0	0	20,650	20,650	20,650	Cost after grant claimed	
1139	County Council Elections	0	0	0	0	0		
5219	Corporate Support Unit	28,856	33,124	27,414	(5,710)	(5,710)		
5249	Twinning Expenses	7,100	7,100	0	(7,100)	(7,100)		
5273	Brass Band Concert	3,600	3,230	2,730	(500)	(500)		
5313	Register Of Electors	187,922	184,203	157,819	(26,384)	(7,792)	18,592	
5321	Monitoring	37,803	38,420	38,061	(359)	(359)		
5353	Legal Section	177,370	185,061	221,395	36,334	36,334	In year one off termination payments	
5392	Scrutiny	45,729	45,744	45,711	(33)	(33)		
5711	Democratic Services	106,246	105,435	99,499	(5,936)	(5,936)		
Total for Growth Directorate		3,202,087	0	2,920,916	2,808,416	(112,500)	22,397	(90,103)

Operations Directorate

Executive Director

5700	Director of Operations	48,604	49,989	49,717	(272)	(272)	
5720	Supporting PA's	75,868	77,043	76,385	(658)	(658)	

Assistant Director Community Safety

1218	Community Safety	51,548	47,846	50,458	2,612		2,612
1220	AD Community Safety	3,203	3,200	3,141	(59)		(59)

Assistant Director Finance, Revenues & Benefits

3176	Pool Car Suspense	1,705	1,530	1,567	37		37	
3512	CBC Crematorium	(62,000)	(62,000)	(93,000)	(31,000)		(31,000)	Additional income received from joint crematorium
5113	Unison Duties	13,618	14,174	14,165	(9)		(9)	
5611	External Audit	80,000	65,000	60,407	(4,593)		(4,593)	Fees for new bank account lower than initially anticipated
5615	Bank Charges	66,500	82,200	67,545	(14,655)		(14,655)	
5621	Contributions - HRA	(189,200)	(189,200)	(185,450)	3,750		3,750	
5705	AD Finance, Revenues & Benefits	31,733	31,885	31,881	(4)		(4)	
5713	Internal Audit Service	110,710	69,750	56,248	(13,502)		(13,502)	Reduction in charges from Internal Audit Consortium
5714	Financial Support Services	134,190	91,451	89,288	(2,163)		(2,163)	
5721	Accountancy	272,269	251,624	244,048	(7,576)	8,103	527	
5723	Housing Act Advances	2,475	2,200	2,197	(3)		(3)	
5724	Insurances	5,200	5,300	(5,732)	(11,032)		(11,032)	Commission received higher than forecast Actuals to 31 March include cases not forecast at time of setting budget (Nov)
5727	Cost Of Ex-Employees	947,000	985,700	1,059,739	74,039		74,039	Vacancy savings, and additional govt grants received. Subsidy reclaim higher than budget based on actual awards of HB
5741	Housing Benefit Service	87,512	436,214	265,613	(170,601)	59,537	(111,064)	
5747	Debtors	44,031	40,095	40,353	258		258	
5751	NNDR Collection	(82,005)	(33,240)	(29,107)	4,133		4,133	

5759	Council Tax Administration	737,239	159,577	94,993	(64,584)	24,637	(39,947)	Court costs awarded higher than forecast	
5781	Village Hall Grants	26,490	26,490	26,485	(5)		(5)		
5782	Playing Field Grant	415	415	412	(3)		(3)		
<u>Assistant Director Property & Estates</u>									
3135	Drainage	9,413	16,231	9,302	(6,929)		(6,929)		
3172	Engineers	80,035	66,972	42,510	(24,462)		(24,462)	Vacancy savings	
3241	Car Parks	35,300	41,360	44,363	3,003		3,003		
3247	Street Names/Lights	6,000	6,000	3,281	(2,719)		(2,719)		
3249	Footpath Orders	800	800	787	(13)		(13)		
3265	Dams & Fishing Ponds	350	100	(142)	(242)		(242)		
3281	Clay Cross Depot	(6,075)	(5,740)	(4,163)	1,577		1,577		
3811	Closed Circuit TV	0	0	0	0		0		
4412	Midway Business Centre	4,250	5,275	1,140	(4,135)		(4,135)		
4425	Coney Green Business Centre	(59,527)	(62,483)	(47,932)	14,551		14,551		
4523	Estates Administration	212,640	213,499	210,816	(2,683)		(2,683)		
5204	AD Property & Estates	30,826	31,920	31,686	(234)		(234)		
5205	Mill Lane Redevelopment	403,895	356,919	346,342	(10,577)		(10,577)	Interst payments lower than forecast due to early debt repayment	
5206	Mill Lane Land	0	27,176	30,634	3,458		3,458		
5209	Facilities Management	97,560	97,105	92,269	(4,836)		(4,836)		
5210	Pioneer House	40,705	21,950	14,204	(7,746)		(7,746)		
5211	Council House Offices	120,680	(7,005)	26,363	33,368		33,368	Costs higher than originally forecast as offices remained open longer than budgeted.	
5212	Tea Trolley Service	23,983	0	0	0		0		
<u>Assistant Director Street Scene</u>									
3174	Outside Services Client	244,958	241,944	233,147	(8,797)		(8,797)		
3223	Bring Sites (Recycling)	0	0	0	0		0		
3227	Material Recycling	105,100	109,964	179,890	69,926		69,926	Increased recycling costs due to market forces	

3244	Parks DCC Agency	(359,166)	(359,166)	(359,667)	(501)	(501)		
3282	Eckington Depot	96,120	95,555	86,151	(9,404)	(9,404)		
3285	Dronfield Bulk Depot	2,800	2,790	2,784	(6)	(6)		
3511	Hasland Cemetery	(45,920)	(44,930)	(46,492)	(1,562)	(1,562)		
3513	Temple Normanton Cemetery	(6,270)	(9,000)	(7,348)	1,652	1,652		
3514	Clay Cross Cemetery	(43,655)	(42,855)	(54,919)	(12,064)	(12,064)	Additional income in respect of burial fees/rights	
3516	Killamarsh Cemetery	(14,410)	(14,460)	(18,280)	(3,820)	(3,820)		
3918	Dog Fouling Bins	(42,450)	(45,800)	(48,030)	(2,230)	(2,230)		
3921	Street Cleaning Service	607,484	620,156	570,572	(49,584)	(49,584)	vacancy savings and additional parish charges	
3943	Transport	39,885	0	(0)	(0)	(0)		
3944	Grounds Maintenance	716,580	676,714	635,192	(41,522)	(41,522)	In year grant contribution and additional parish charges materials costs savings and additional income from Rykneld Homes increased waste disposal charges	
3945	Domestic Waste Collection	1,695,523	1,652,543	1,616,278	(36,265)	(36,265)		
3946	Commercial Waste Collection	(123,664)	(136,989)	(125,852)	11,137	11,137		
3951	Playing Fields General	(145,330)	(151,210)	(152,730)	(1,520)	(1,520)		
Total for Operations Directorate		6,135,525	0	5,562,578	5,233,507	(329,071)	92,277	(236,794)
Investment Properties								
4411	Stonebroom Industrial Estate	(40,105)	(43,355)	(38,264)	5,091	5,091		
4413	Clay Cross Industrial Estate	(63,495)	(64,850)	(66,483)	(1,633)	(1,633)		
4414	Midway Workshops	(38,620)	(40,650)	(48,734)	(8,084)	(8,084)		
4415	Norwood Industrial Estate	(185,980)	(190,375)	(190,306)	69	69		
4417	Eckington Business Park	(16,000)	(22,150)	(29,376)	(7,226)	(7,226)		
4418	Rotherside Court	(20,233)	(23,033)	(11,383)	11,650	11,650	Year end adjustment to EMDA creditor	
4419	Ridgeway Craft Centre	8,910	17,245	23,029	5,784	5,784		

4423	Pavillion Workshops Holmewood	(41,825)	(37,860)	(52,105)	(14,245)	(14,245)	saving on building repairs, additional rental income	
4432	Misc Properties	50,095	40,610	33,111	(7,499)	(7,499)		
Total for Investment Properties		(347,253)	0	(364,418)	(380,509)	(16,091)	0	(16,091)

Transformation Directorate

Executive Director

4500	Director of Transformation	49,159	50,105	50,107	2	2		
5215	Telephony	29,000	29,000	30,402	1,402	1,402		
5222	Firmstep	35,000	22,100	22,624	524	524		
5701	Joint ICT Service	(965,611)	(944,451)	(944,451)	0	0		
5702	ICT Infrastructure	436,325	436,034	436,034	0	0		
5733	Service Desk	355,460	355,440	355,440	0	0		
5736	Business Development	183,556	183,556	183,556	0	0		
5734	NEDDC ICT Services	541,825	561,136	433,214	(127,922)	12,631	(115,291)	Vacancy savings, data communications costs lower than forecast. Reduction in recharge for joint ICT service
5737	Corporate Printing	24,000	24,000	16,254	(7,746)		(7,746)	
<u>Assistant Director Customer Services, Strategy & Performance</u>								
1250	AD Customer Services, Performance & Strategy	32,164	33,340	32,870	(470)		(470)	
1255	Performance & Improvement	124,787	84,582	86,633	2,051		2,051	
1256	Corporate Consultation	32,326	20,239	18,816	(1,423)		(1,423)	
1315	Design & Print	27,762	62,800	73,895	11,095		11,095	reduction in external income
1321	Communications & Marketing	72,295	79,391	72,819	(6,572)		(6,572)	
1323	NEDDC Newspaper	29,200	28,100	23,874	(4,226)		(4,226)	
1329	Corporate Web Site	14,030	13,430	5,693	(7,737)		(7,737)	
5221	NEDDC Call Centre	321,832	375,684	357,323	(18,361)		(18,361)	software maintenance costs lower than forecast

5223	Franking Machine	4,730	(820)	0	820		820	
5825	Concessionary Fares	(8,740)	(9,260)	(9,969)	(709)		(709)	
<u>Assistant Director Leisure</u>								
1283	Emergency Planning	15,960	15,950	15,183	(767)		(767)	
4561	Leisure Centre Management	85,269	137,746	127,611	(10,135)	10,000	(135)	
4600	AD Leisure	32,426	33,290	33,147	(143)		(143)	
4720	Sportivate	0	0	0	0		0	
4721	Mighty Creative Project	0	0	0	0		0	
4725	Village Games	0	0	0	0		0	
4726	Walking for health	0	0	0	0		0	
4727	Five 60	0	0	0	0		0	
4728	PCT Retained Funds	0	0	0	0		0	
4731	Prom Rec & Leisure	27,819	27,680	27,394	(286)		(286)	
4732	Schools Promotion	5	(175)	0	175		175	
4736	Derby Sports Forum	15,500	15,500	15,342	(158)		(158)	
4742	Arts Development	8,500	8,580	8,570	(10)		(10)	
8441	Eckington Swimming Pool	200,197	161,056	168,736	7,680		7,680	
8451	Dronfield Sports Centre	(12,695)	54,086	62,539	8,453		8,453	
8461	Sharley Park Lesiure Centre	354,483	336,790	293,848	(42,942)		(42,942)	
8465	SPLC Outdoor	(2,670)	(2,000)	(3,393)	(1,393)		(1,393)	
<u>Assistant Director HR & Payroll</u>								
1231	Corporate Training	28,480	45,945	40,953	(4,992)		(4,992)	
1259	Corporate Groups	12,700	12,500	6,804	(5,696)		(5,696)	
1310	AD Human Resources and Payroll	34,240	48,530	43,544	(4,986)		(4,986)	
1311	Human Resources	297,584	311,313	278,655	(32,658)		(32,658)	
3121	Health & Safety Advisor	38,983	42,980	41,544	(1,436)		(1,436)	
Total for Transformation Directorate		2,475,881	0	2,654,177	2,405,613	(248,564)	22,631	(225,933)

Vacancy savings
and lower utilities
costs

Vacancy savings

HOUSING REVENUE INCOME & EXPENDITURE ACCOUNT 2015/16

	A	B	C	D	E
	Revised Budget 2015/16 £000's	Accounting Adjustments £000's	Adjusted Revised Budget 2015/16 £000's	Actual 2015/16 £000's	Variance 2015/16 £000's
<u>Income</u>					
Dwelling Rents	(32,349)		(32,349)	(32,361)	(12)
Non-Dwelling Rents	(367)		(367)	(340)	27
Charges for Services and Facilities	(522)		(522)	(477)	45
Contributions Towards Expenditure	(447)		(447)	(441)	6
Total Income	(33,685)	0	(33,685)	(33,619)	66
<u>Expenditure</u>					
Repairs & Maintenance	6,407		6,407	5,222	(1,185)
Revenue Expenditure funded from Capital (REFCUS)	0	354	354	354	0
Supervision and Management	6,326		6,326	7,210	884
Rents, Rates & Taxes	145		145	263	118
Capital Charges - Depreciation	6,663		6,663	6,663	0
Increase in Provision for Bad Debts	200		200	134	(66)
Debt Management Expenses	12		12	12	0
Impairments & Revaluations	0	12,487	12,487	12,487	0
Total Expenditure	19,753	12,841	32,594	32,345	(249)
Net Cost of Services	(13,932)	12,841	(1,091)	(1,274)	(183)
Corporate & Democratic Core	185		185	185	0

Net Cost of all HRA services	(13,747)	12,841	(906)	(1,089)	(183)
(Gain)/Loss on sale of HRA fixed assets	0	3,793	3,793	3,793	0
Interest Payable	5,414		5,414	5,484	70
Revaluation of Investment Property	0	0	0	0	0
Interest Receivable	(52)		(52)	(93)	(41)
Capital Grants	0	(1,355)	(1,355)	(1,355)	0
(Surplus)/Deficit on HRA Services	(8,385)	15,279	6,894	6,740	(154)
Loan Repayment	4,300		4,300	4,300	0
Transfers to/from Rykneld Homes Loss Reserve	0		0	0	0
Transfer to HRA Reserves -Capital	0	339	339	339	0
Transfer to HRA Reserves - Insurance	50		50	50	0
Transfer to HRA Reserves - Development	1,770		1,770	1,770	0
Adjustments between accounting and funding basis	0	(15,618)	(15,618)	(15,618)	0
Transfers to/from Major Repairs Reserve	2,246		2,246	2,246	0
Transfer to HRA Balances	(19)	0	(19)	(173)	(154)
Housing Revenue Account Balances	Revised Budgets 2015/16	£	Actual 2015/16	£	Variance 2015/16
					£
HRA Opening Balance	(2,798)		(2,798)		0
Transfer fm Balances 2014/15	0		0		0
Transfer to Balances 2014/15	(19)		(173)		(154)
HRA Closing Balances	(2,817)		(2,971)		(154)

CAPITAL PROGRAMME 2015/16 - 2016/17

Project/Scheme	Revised Programme 2015/16 £000	Actual Outturn 2015/16 £000	Variance 2015/16 £000	Amount Carried Forward to 2016/17 £000	Original Programme 2016/17 £000	Revised Programme 2016/17 £000
Housing Investment						
<u>Decent Homes Funded</u>						
Decent Homes Programme	12,521	12,357	(164)	164	10,000	10,164
External Wall Insulation	4,298	4,222	(76)	25	0	25
HRA Development Schemes	671	674	3	0	0	0
TARRAN's Project	3,057	3,056	(1)	0	0	0
Central Heating Project - DECC Funded	638	298	(340)	340	0	340
	21,185	20,607	(578)	529	10,000	10,529
Private Sector Spending - DFG	578	392	(186)	0	393	393
Total Housing Investment	21,763	20,999	(764)	529	10,393	10,922
Other Capital Projects						
Asset Refurbishment - Coney Green BIC	11	11	0	0	0	0
Asset Refurbishment - Eckington Depot	63	63	0	0	0	0
Asset Refurbishment - General	101	0	(101)	0	150	150
Contaminated Land	42	0	(42)	42	0	42
Mill Lane Land Remediation	360	372	12	0	0	0
Mill Lane Refurbishment of Offices	280	228	(52)	40	0	40
Demolition Costs (Holmewood Depot)	60	4	(56)	56	0	56
DSC Pool Refurbishment	53	45	(8)	8	0	8
ICT Schemes	57	22	(35)	35	96	131

Lottery Funded Schemes	14	1	(13)	13	0	13
Replacement Vehicles	2,013	1,895	(118)	118	353	471
Sharley Park Refurbishment	101	0	(101)	101	0	101
Total Other Capital Projects	3,155	2,641	(514)	413	599	1,012

Total Capital Expenditure	24,918	23,640	(1,278)	942	10,992	11,934
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Capital Resources	2015/16	2015/16		2016/17	2016/17	
	£000	£000		£000	£000	

Housing Investment Funding						
<u>Decent Homes Funding</u>						
External Grants	(1,355)	(1,015)	340	340	0	(340)
HRA Capital Investment Reserve	(2,829)	(2,759)	70	70	0	(25)
Major Repairs Reserve	(15,158)	(14,990)	168	168	(10,000)	(10,164)
Prudential Borrowing - HRA	(1,843)	(1,843)	0	0	0	0
Section 106 Contributions	0	0	0	0	0	0
Useable Capital Receipts	0	0	0	0	0	0
	(21,185)	(20,607)	578	578	(10,000)	(10,529)
Disabled Facilities Grant	(558)	(372)	186	186	(373)	(373)
Usable Capital Receipts	(20)	(20)	0	0	(20)	(20)
Total Housing Investment Funding	(21,763)	(20,999)	764	764	(10,393)	(10,922)

Other Capital Projects Funding						
Useable Capital Receipts	(653)	(372)	281	281	(154)	(346)
Prudential Borrowing	(2,292)	(2,122)	170	170	(353)	(511)
RCCO - General Fund	(154)	(146)	8	8	(92)	(100)
External Grant	(56)	(1)	55	55	0	(55)
Other Capital Project Funding	(3,155)	(2,641)	514	514	(599)	(1,012)

Total Capital Financing	(24,918)	(23,640)	1,278	1,278	(10,992)	(11,934)
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HRA Development Reserve						
Opening Balance	(1,157)	(1,157)	0	0	(168)	(168)
Amount due in year	(1,770)	(1,770)	0	0	(3,249)	(3,249)
Amount used in year	2,832	2,759	(73)	(73)	0	25
Closing Balance	(95)	(168)	(73)	(73)	(3,417)	(3,392)

MRA Reserves						
Opening Balance	(7,287)	(7,287)	0	0	(1,206)	(1,206)
Amount due in year	(8,909)	(8,909)	0	0	(9,239)	(9,239)
Amount used in year	15,158	14,990	(168)	(168)	10,000	10,164
Closing Balance	(1,038)	(1,206)	(168)	(168)	(445)	(281)

Capital Receipts Reserves						
Opening Balance	(1,196)	(1,196)	0	0	(1,800)	(1,800)
Income expected in year	(475)	(4,236)	(3,761)	(3,761)	(1,670)	(1,670)
Debt Repayment/Other Expenses	0	3,241	3,241	3,241	1,220	1,220
Amount used in year	313	391	78	78	174	366
Closing Balance	(1,358)	(1,800)	(442)	(442)	(2,076)	(1,884)

NEDDC Treasury Management

Activity 2015/16

Capital Financing Requirement

The key area of Treasury Management is the measurement and control of the overall debt position of the Council. This is calculated through the Capital Financing Requirement (CFR). The CFR calculates the Council's underlying need to borrow in order to finance its capital expenditure. The revised estimate of the CFR for 2015/16 and the actual outturn CFR are shown in the table below: -

	Revised Budget 2015/16 £000's	Actual Outturn 2015/16 £000's
Capital Financing Requirement 1 April	174,459	174,459
Prudential Borrowing Gen Fund – Vehicle Replacement	2,013	1,895
Prudential Borrowing Gen Fund – Land/Buildings, Mill Lane	277	227
Prudential Borrowing HRA– Tarran Regeneration Scheme	1,843	1,843
Leasing Repayments	(118)	(118)
Minimum Revenue Provision (MRP)	(868)	(892)
Net repayment of other debt	(161)	(1,515)
Prudential Borrowing Gen Fund - Financing of Loan to Rykneld Homes	1,114	761
HRA Debt Repayment per business plan	(4,300)	(4,300)
Repayment of Allowable Debt	(750)	(1,215)
Capital Financing Requirement 31 March 2016	173,509	171,145

The overall position shows a net decrease of outstanding debt of £3.314m during the year compared to the anticipated decrease in debt of £0.950m in the Revised Budget.

The revised budget decrease reflects the prudential borrowing that was undertaken for the replacement vehicles in the year, the phased planned expenditure on the land and buildings at Mill Lane and the planned expenditure on the Housing scheme for the replacement of TARRAN houses at Eckington and Killamarsh. It also shows the General Fund loan to Rykneld Homes.

The actual CFR position also reflects the Council's financing of the approved General Fund loan to Rykneld Homes (£0.761m), repayment of debt on the Mill Lane land and offices; and repayment of Allowable Debt. The repayment of allowable debt relates to the Sale of Council Houses. Under the new HRA reforms when a Council dwelling is sold the Council is allowed to retain some of the capital receipts because it is carrying debt on each property following the HRA reforms settlement. It is called the Allowable Debt calculation. It is advisable that the retained receipt element for Allowable Debt is actually utilised to repay the debt outstanding on the sold houses otherwise the Council is carrying debt where it has no asset.

The Capital Financing requirement is split between the HRA and General Fund the balance of each is shown below:

Capital Financing Requirement at 31 March 2016	£000
General Fund	12,172
Housing Revenue Account	158,973
Total CFR	171,145

From the HRA CFR the Council is able to calculate the “headroom” available which is the gap between the HRA debt ceiling set by the Government when the HRA reforms were introduced. This is shown in the table below:

HRA “Headroom” calculation	£000
Housing Revenue Account – Debt Ceiling	178,984
Housing Revenue Account CFR 31 March	158,973
Unadjusted Headroom at 31 March 2016 =	20,011
Adjusted for the HRA Debt Repayment Provision (self financing) =	(14,500)
Adjusted Headroom at 31 March 2016 =	5,511

The above table shows that the Council’s HRA has a headroom figure of £5.511m at 31 March 2016. The forecast position of the headroom for 2016/17 is as follows:

HRA “Headroom” projected calculation	£000
Housing Revenue Account – Debt Ceiling	178,984
Housing Revenue Account CFR 31 March	158,973
Debt Repayment HRA business plan	(4,300)
Allowable Debt Repayment	(200)
HRA CFR 31 March 2017	154,473
Estimated Headroom at 31 March 2017 =	24,511
Adjusted for the HRA Debt Repayment Provision (self financing) =	(18,800)
Adjusted Estimated Headroom at 31 March 2017 =	5,711

The HRA business plan carefully manages the debt position of the HRA and it can be seen that the Council is able to maintain a good headroom level in which to operate and deliver HRA capital schemes.

How the CFR is financed by the Council

As mentioned above the CFR is the Council’s underlying need to borrow to finance capital expenditure. To finance the CFR the Council has external borrowing, finance leases and the use of its own reserves and balances.

The position as at 31 March 2016 is as follows:

	£000
Capital Financing Requirement 31 March 2016	171,145
Financed from	
External Borrowing via PWLB	156,753
External Borrowing via Leasing arrangements	5
Use of internal balances and reserves	14,387
Total Financing of CFR	171,145

The table above shows that the Council is effectively under borrowing by £14.387m at 31 March 2016. This means that no debt charges are being incurred on £14.387m of borrowing but also means that the £14.387m is not invested in the money market. However, the cost of borrowing from the PWLB would incur interest charges that are higher than the investment interest foregone. This position is regularly monitored and reviewed in line with forecast interest rates.

PWLB Borrowing

The Council's total outstanding PWLB debt amounted to £159,056,535.11 at 1 April 2015. During 2015/16 an amount of £2,303,759.85 was repaid leaving a balance at 31 March 2016 of £156,752,775.26. During the current financial year no new loans have been taken out with the PWLB. The profile of the outstanding debt is analysed as follows: -

PWLB BORROWING	Maturity Profile 31 March 2015	Maturity Profile 31 March 2016
Term	£	£
12 Months	2,303,759.85	1,301,675.28
1 - 2 years	1,301,675.28	1,302,360.03
2 - 5 years	5,909,727.07	4,911,036.77
5 - 10 years	12,841,120.67	21,537,868.94
10 - 15 years	23,377,417.41	18,470,163.69
Over 15 years	113,322,834.83	109,229,670.55
Total PWLB Debt	159,056,535.11	156,752,775.26

PWLB Interest

The interest cost to the Council of the PWLB debt for 2015/16 is shown in the table below. The cost is split between the HRA and General Fund based on the level of debt outstanding within the CFR.

Date	Amount Paid to PWLB
	£
Less Accrued Interest re 2014/15	(78,276.24)
Interest Paid during 2015/16	5,656,373.97
Plus Accrued Interest re 2015/16	50,891.81
Total Paid	5,628,989.54

Temporary Borrowing

Cash flow monitoring and management serves to identify the need for short term borrowing to cover delays in the receipt of income during the course of the year. During the current year to date short term borrowing from the Council's own bank incurred interest charges of £0.00. At the 31 March 2016 the Council had no temporary borrowing.

Temporary Investments

The tables below detail the short term investments made at various times during the financial year 2015/16: -

Bank Name	B/Fwd	Amount	Amount	Balance
	01/04/15	Invested	Returned	Invested
		2015/16	2015/16	31/03/17
	£,000	£,000	£,000	£,000
Natwest	18	6,001	(6,000)	19
Bank of Scotland	0	0	(0)	0
Santander	20	4,001	(4,000)	21
Standard Life	0	14,018	(14,018)	0
Federated	0	8,009	(4,509)	3,500
Total	38	32,029	(28,527)	3,540

From the table above it can be seen that the balance invested by the Council at 31 March 2016 is £3.540m. Interest earned from temporary investments (included in the amount invested column in the above table) during 2015/16 amounted to £28,677.06 and is detailed in the table below.

Below is a table showing the interest received during 2015/16:-

Bank Name	Amount Received
	£
Nat West Bank	(1,514.91)
Bank of Scotland	(134.10)
Santander	(301.23)
Standard Life	(18,021.76)
Federated	(8,705.06)
Total	(28,677.06)

Overnight Investments

The maximum amount invested with Lloyds Bank in the financial year was £4.971m. There has been no breach of the £5m limit set in the Treasury Management Strategy.

Compliance with Treasury Limits

During the financial year the Council continued to operate within the treasury limits set out in the Council's Borrowing and Investment Strategy.

	Actual 2015/16	Set Limits 2015/16
Authorised Limit (total Council external borrowing limit)	171,144,875	183,509,000
Operational Boundary	156,752,775	178,509,000