Agenda Item No 7(b)

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

26 July 2018

Medium Term Financial Plan – Financial Outturn 2017/18

Report of the Joint Head of Finance and Resources and S151 Officer

This report is public

Purpose of the Report

- To enable the Audit and Corporate Governance Scrutiny Committee to consider the attached report concerning the Financial Outturn 2017/18 including the impact on the Medium Term Financial Plan 2018/19 onwards which was taken to Cabinet on 6 June 2018.

1 Report Details

1.1 To update Members of the Audit and Corporate Governance Scrutiny Committee concerning the Council's financial position.

1.2 The report attached as **Appendix 1** was taken to the Council's Cabinet on 6 June 2018.

2 Conclusions and Reasons for Recommendation

2.1 These are detailed in the attached report.

2.2 To ensure that the Audit and Corporate Governance Scrutiny Committee are kept informed of the Council's latest financial outturn position.

3 Consultation and Equality Impact

Consultation

3.1 These are detailed in the attached report.

Equalities

3.2 These are detailed in the attached report.

4 Alternative Options and Reasons for Rejection

4.1 These are detailed in the attached report.

5 Implications

5.1 Finance and Risk Implications

Financial

These are detailed in the attached report.

Risk

These are detailed in the attached report.

5.2 Legal Implications including Data Protection

These are detailed in the attached report.

5.3 Human Resources Implications

These are detailed in the attached report.

6 Recommendations

6.1 That the Audit and Corporate Governance Scrutiny Committee note the report and make any comments that they believe to be appropriate with regards to the attached report which was taken to Cabinet on 6 June 2018.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: *BDC: Revenue - £75,000* ☐ *Capital - £150,000* ☐ *NEDDC: Revenue - £100,000* ☑ *Capital - £250,000* ☑ ** Please indicate which threshold applies*	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	All

8 Document Information

Appendix No	Title
1	Cabinet Report 6 June 2018 Medium Term Financial Plan – Financial Outturn 2017/18
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)	
Report Author	**Contact Number**
Joint Head of Finance and Resources and S151 Officer	7658

Appendix 1

North East Derbyshire District Council

Cabinet

6 June 2018

Medium Term Financial Plan - Financial Outturn 2017/18

Report of Councillor P R Kerry, Portfolio Holder for Finance

This report is public

Purpose of the Report

- To inform Cabinet of the outturn position of the Council for the 2017/18 financial year.

1 Background Information

1.1 The Council published its draft Statement of Accounts in respect of 2017/18 on 25 May 2018, in line with the target date of 31 May 2018 which had been set to reflect the new statutory deadline. The draft Statement of Accounts 2017/18 is now subject to the independent audit from the Council's external auditors, KPMG. Until the accounts have been agreed by our external auditors, there remains the possibility that they will be subject to amendment. It is anticipated that the external audit will be completed during July in order to allow the final audited accounts to be reported to and approved by the Audit & Corporate Governance Scrutiny Committee at its meeting of 26 July 2018.

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 2017/18 outturn position in respect of the General Fund Revenue Account, the Housing Revenue Account (HRA), Capital Programme and Treasury Management activities. Within the report, consideration is given to the level of balances at the year end and 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 2017, together with the Current Budget compared to the final Outturn position. The main variances against the current budget are shown in the table below with variances at service level shown in Appendix 2.

	£000
Vacancy management	131
Planning income	156
Housing Benefit related expenditure	165
Additional grants/contributions	179
Miscellaneous variances	181
Net cost of services	**812**
Investment property income	23
Income from interest	40
Additional NNDR growth	287
Total Variance	**1,162**
Commitments/grants to reserves	(179)
Budgeted transfer to Invest to Save	57
Contribution to Invest to Save - Outturn	**1,040**

2.2 Financial Reserves

Transfers from Earmarked Reserves

The use of earmarked reserves in 2017/18 was £0.809m which is £0.061m lower than originally forecast due to spend on grant funded projects not being as high as forecast during the year. There are ongoing commitments for these activities in 2018/19 when funding will be utilised.

Transfers to Earmarked Reserves

At the end of the financial year it has been necessary to agree a number of transfers into reserves reflecting ongoing expenditure commitments. Should any of these reserves prove unnecessary in the light of subsequent events then they will be moved back into unallocated General Fund resources. The Invest to Save Reserve has a balance at the end of the year of £3.681m. Commitments already made against this reserve for 2018/19 amount to £1.276m leaving £2.404m uncommitted. These are detailed in the following table:

Earmarked Reserve	Comments	Contribution £
Grants Reserve	The Council has received Government grants in relation to the Housing Reduction Act, Housing Benefits, Individual Electronic Registration, Planning and Transparency. These will be used in future years in line with the grant conditions to meet service requirements.	0.335m
Investment properties	To set aside resources to meet necessary developments/improvements on the Council's Investment Properties to protect income from what are a range of ageing properties.	0.025m
Insurance Reserve	To maintain a reserve to meet insurance claim costs that are not covered through the Council's insurance arrangements including future liabilities arising from Municipal Mutual Insurance.	0.010m
Other Earmarked Reserves	Amounts set aside for commitments in 2018/19: Ring fence of Planning fees in line with statute £0.033m Vehicles £0.010m Crematorium £0.078m Planning appeals £0.104m Other deminimus items £0.019m	0.244m
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.	1.040m
Total		**£1.654m**

2.3 General Fund Balances

2.4 The level of General Fund Balances has been maintained at £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. Current practice is to transfer any savings into the Invest to Save Reserve on the basis that these are available to support investment in cost reduction/income growth. This reflects the Council's "pro active" approach to addressing the financial challenges which it faces. With only a limited level of General Fund reserves 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.

2.5 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 the requirement to secure £2.046m of financial savings by 2021/22, as identified in the Medium Term Financial Plan of February 2018, the need to continue to tackle the underlying forecast budget deficit remains.

2.6 The main feature of the 2017/18 financial year is that the Council successfully achieved in full the savings target of £0.363m (MTFP February 2017) and transfer £1.040m to the Invest to Save Reserve. In part, the savings achieved have served to reduce the underlying level of expenditure and will continue to benefit the Council in 2018/19 and future financial years.

2.7 With regard to the underlying favourable variance on the General Fund in 2017/18 it is proposed to review the budget for 2018/19 in the light of expenditure and income patterns during 2017/18. Any ongoing expenditure budget savings or additional income levels from 2017/18 that are anticipated to be available in 2018/19 and future years will be identified and reported back to Cabinet with the request to approve any proposed budget adjustments.

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 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 a number of relatively minor variances during the year. Income is a net £0.304m below budget as a result of grant income from Supporting People being lower in the final quarter along with the adjusted commission on water charges in the final quarter. The overall expenditure position is £0.203m below the revised budget mainly as a result of savings against

supervision and management. This gives a net cost of services over spend of £0.101m, adjusting to £0.103m after interest. A contribution of £0.567m has been made to the Development Reserve which is available to sustain the Council's housing stock.

3.3 The HRA balance is being maintained at £3m in line with the level of financial risk facing the HRA. Maintenance of this balance is necessary 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 our tenants. Given the changes to the rent setting process together with the increasing numbers of houses lost under Right to Buy 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 life of the 30 year Business Plan.

4 Capital Investment Programme

4.1 Details of the capital expenditure incurred by the Council in 2017/18 on a scheme by scheme basis is provided in **Appendix 4**.

The Capital Programme may be summarised as follows:-

	Current Programme £'000	**Outturn £'000**	**Variance £'000**
Housing Investment Programme	10,733	10,247	(486)
North Wingfield New Build	3,349	1,647	(1,702)
Stock Purchase Scheme	3,200	1,718	(1,482)
Other	745	343	(402)
HRA Total	**18,027**	**13,955**	**(4,072)**

	Current Programme £'000	**Outturn £'000**	**Variance £'000**
Eckington Sports Centre Roof	270	0	(270)
Vehicle Replacement	166	80	(86)
ICT Schemes	143	92	(51)
S106 schemes	725	725	0
Other Capital Schemes	314	204	(110)
General Fund Total	**1,618**	**1,101**	**(517)**
Programme Total	**19,645**	**15,056**	**(4,589)**

4.2 HRA Schemes

Within the HRA the variances show that a small proportion of the Housing Investment Programme has been not been undertaken during the year and will slip into the early part of 2018/19. The new build scheme at North Wingfield has progressed well during 2017/18 and work continues in 2018/19. Other Housing projects have progressed well during 2017/18 with a limited amount of slippage.

4.3 General Fund

The General Fund element of the Capital Programme during 2017/18 was relatively limited. The vehicle replacement scheme shows a small favourable variance with the balance being carried forward to fund the purchase of vehicles in the new financial year. The main variance relates to Eckington Sports Centre Roof refurbishment which will now be completed in 2018/19.

4.4 Appendix 4 also details the proposed carry forward amounts to 2018/19. 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 £4.566m with the impact on the 2018/19 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 2018/19.

4.5 **Capital Financing**
The Capital Programme was financed as follows:-

	Revised Budget £000's	**Outturn £000's**	**Variance £000's**
HRA:			
Capital Grants – North Wingfield	(730)	0	730
Capital Grants - other	0	(50)	(50)
Major Repairs Reserve	(10,733)	(10,197)	536
HRA Capital Investment Reserve	(1,072)	(16)	1,056
Prudential Borrowing	(4,119)	(3,147)	972
Disabled Facilities Grant	(625)	(323)	302
Usable Capital Receipts	(748)	(222)	526
Total HRA	**(18,027)**	**(13,955)**	**4,072**

General Fund:			
Prudential Borrowing	(436)	(80)	356
Capital Grants	(778)	(725)	53
Usable Capital Receipts	(278)	(170)	108
Direct from Revenue Contributions	(126)	(126)	0
Total General Fund	**(1,618)**	**(1,101)**	**517**
Grand Total	**(19,645)**	**15,056**	**4,589**

4.6 HRA Capital Financing

Officers have financed the HRA Capital Programme from a combination of capital receipts, revenue contributions, use of reserves and grants.

4.7 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 in February 2017.

5 Treasury Management

5.1 **Appendix 5** provides a brief report on the Treasury Management activity of the Council for 2017/18. In summary the Council operated throughout 2017/18 within the Authorised Limit and Operational Boundary limits approved in the Treasury Management strategy as approved by the Council in February 2017.

5.2 The key points from the summary report are:

- The overall borrowing requirement of the Council was £186.580m at 31 March 2018.
- The Public Works Loans Board (PWLB) debt is £154.149m
- Effective internal borrowing is £32.431m
- No new PWLB borrowing was undertaken in 2017/18
- The adjusted HRA headroom at 31 March 2018 is £5.506m
- PWLB interest paid in 2017/18 was £5.523m
- Interest received on investments was £0.046m
- Repaid PWLB debt in year of £1.302m

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 £0.363m, and was able to make a contribution of £1.040m to the Invest to Save Reserve. The improved outturn position 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, has commitments against it in 2018/19 so continued prudence is needed when committing against this reserve.

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 2017/18 financial year. There are, however, a limited number of schemes which are work in progress and this requires that the associated expenditure and funding be carried forward into the 2018/19 financial year.

6.4 Capital Financing

Capital expenditure during 2017/18 has been fully financed in line with the approved programme.

6.5 Treasury Management

The Council operated in line with its agreed Treasury Management Strategy during the 2017/18 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 whilst interest receivable rose.

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 2017/18 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 2017/18 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.

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 2017/18 has been successful, with our budgets balanced and the level of financial reserves protected.

9.5 While the Council has effectively addressed its Strategic Financial Risks during 2017/18 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. The success of the Council's approach remains reliant on the ability to utilise the Invest to Save reserve to secure reductions in the costs of operating existing services. If this approach cannot balance the budget in future years then it will be necessary to look more closely at service priorities in the future.

10 Legal Implications including Data Protection

10.1 The Statement of Accounts is required to be prepared and audited by the 31 July 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 25 May 2018 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 2017/18 financial year.

12.2 That Members approve the proposed carry forward of capital budgets detailed in Appendix 4 totalling £4.566m.

13 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: *BDC: Revenue - £75,000* ☐ *Capital - £150,000* ☐ *NEDDC: Revenue - £100,000* ☐ *Capital - £250,000* ☐ ☑ *Please indicate which threshold applies*	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	None Directly
Links to Corporate Plan priorities or Policy Framework	All

14 Document Information

Appendix No	**Title**
1	General Fund Summary 2017/18
2	General Fund Outturn 2017/18
3	HRA Outturn 2017/18
4	Capital Expenditure Outturn 2017/18
5	Treasury Management Outturn 2017/18
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)	
Report Author	**Contact Number**
Dawn Clarke Head of Finance and Resources	(01246) 217658

Appendix 1

GENERAL FUND ACCOUNT SUMMARY OUTTURN 2017/18

	Original Budget 2017/18 £	Current Budget 2017/18 £	Outturn 2017/18	Variance
Growth	3,382,582	2,833,052	2,643,151	(189,901)
Transformation	2,225,197	2,535,973	2,389,159	(146,814)
Operations	6,046,880	6,077,816	5,638,224	(439,592)
Bad Debt Provisions	40,000	40,000	4,561	(35,439)
Recharges to Capital and HRA	(527,500)	(527,500)	(527,500)	0
Savings Target	(362,781)	0	0	0
Net Cost of Services	**10,804,378**	**10,959,341**	**10,147,595**	**(811,746)**
Investment Properties	(375,290)	(433,122)	(456,179)	(23,057)
Interest Charges	17,069	49,700	9,367	(40,333)
Debt Repayment-Minimum Revenue Provision	256,000	256,000	256,000	0
Transfer to Reserves	23,000	552,784	1,653,742	1,100,958
Transfer from Reserves	(856,281)	(870,236)	(808,862)	61,374
Parish Precepts	2,965,717	2,965,717	2,965,717	0
Parish Council Tax Support Grant	211,144	211,144	211,144	0
Total Spending Requirement	**13,045,737**	**13,691,328**	**13,978,524**	**287,196**
Business Rate Retention	(2,660,594)	(3,300,000)	(3,587,196)	(287,196)
Revenue Support Grant	(706,487)	(706,487)	(706,487)	0
Use of New Homes Bonus	(1,090,832)	(1,097,017)	(1,097,017)	0
Collection Fund (Surplus)/Deficit	(106,204)	(106,204)	(106,204)	0
NEDDC Council Tax Requirement	(5,515,903)	(5,515,903)	(5,515,903)	0
Parish Council Council Tax Requirement	(2,965,717)	(2,965,717)	(2,965,717)	0
Funding Requirement	**(13,045,737)**	**(13,691,328)**	**(13,978,524)**	**(287,196)**
Opening General Fund Reserve	**(2,000,000)**	**(2,000,000)**	**(2,000,000)**	**(2,000,000)**
Transfer (to)/from Balances	**0**	**0**	**0**	**0**
Closing General Fund Balance	**(2,000,000)**	**(2,000,000)**	**(2,000,000)**	**(2,000,000)**
	0	0	0	0

Appendix 2

GENERAL FUND ACCOUNT OUTTURN 2017/18

		Original Budget 2017/18 £	Current Budget 2017/18 £	Outturn 2017/18 £	Variance £	Variances of Note
Growth Directorate						
Chief Executive						
1142	Chief Executive's Office	122,615	146,955	140,964	(5,991)	
1331	Strategic Partnerships	93,967	107,574	100,974	(6,600)	
1332	Strategic Partnership Projects	3,000	0	0	0	
1333	Healthy NED	16,081	(15,377)	(15,377)	0	
1334	NE Derbyshire Business Growth Fund	0	16,904	16,903	(1)	
1335	Big Local	0	0	0	0	
4352	LEADER	0	4,245	5,094	849	
4443	Elderly Peoples Clubs	4,000	4,000	1,579	(2,421)	
5785	Contributions	133,779	132,835	132,799	(36)	
Assistant Director Economic Growth						
3165	Housing Options Team	166,476	171,475	169,211	(2,264)	
3740	Strategic Housing	79,602	42,787	50,153	7,366	
3741	Housing Ambition	49,932	25,782	25,781	(1)	
3747	Homeless Units	2,600	0	0	0	
3748	Homelessness Grant	36,050	(5,757)	(3,309)	2,448	
3749	Empty Properties	0	2,805	2,797	(8)	
3751	Care Call System	(20,000)	(14,000)	(10,690)	3,310	
4211	Tourism Promotion	19,170	18,500	18,500	0	
4238	Working Communities	78,816	77,619	72,041	(5,578)	
4239	Ambition	0	(121,730)	(105,395)	16,335	
4351	Alliance	3,350	3,350	3,250	(100)	

4512	Growth Agenda	8,000	16,160	4,447	(11,713)	
4517	Economic Development	160,168	149,735	131,120	(18,615)	
4518	Callywhite Lane	0	0	0	0	
4526	Sheffield City Region	4,000	4,000	3,966	(34)	
5750	AD Economic Growth	37,332	36,173	35,925	(248)	
	Assistant Director Planning & Environmental Health					
3400	Environment Protection	84,943	76,340	70,464	(5,876)	
3401	Food, Health & Safety	138,442	108,704	98,812	(9,892)	
3402	Environmental Enforcement	104,582	97,284	73,920	(23,364)	
3404	Licensing	(61,074)	(59,030)	12,039	71,069	
3405	Housing & Pollution	86,938	78,117	83,248	5,131	
3407	Pest Control	30,219	26,807	32,218	5,411	
3408	Affordable Warmth	30,803	35,204	35,152	(52)	
3409	EH Technical Support & Management	168,540	182,926	173,206	(9,720)	
3410	Private Sector Housing	53,593	59,115	53,853	(5,262)	
3419	Destitute Funerals	1,000	3,600	926	(2,674)	
3420	Fly Tipping	5,000	3,000	976	(2,024)	
3421	VARM	0	1,000	1,165	165	
3726	Works In Default	0	0	(470)	(470)	
4111	Planning Applications & Advice	(372,400)	(612,400)	(765,097)	(152,697)	Planning Fee Income
4113	Planning Appeals	0	13,920	13,916	(4)	
4116	Planning Policy	406,852	354,636	408,007	53,371	Additional resources for Local Plan
4118	Habitat Regulation Fund	0	14,060	14,059	(1)	
4119	Neighbourhood Planning Grant	0	(8,266)	(8,266)	0	
4311	Environmental Conservation	19,710	19,740	19,568	(172)	
4511	AD Planning and Environmental Health	35,099	35,829	26,892	(8,937)	
4513	Planning Section	496,760	546,833	529,188	(17,645)	
4515	Building Control	101,350	80,500	77,096	(3,404)	
4522	Section 106 Agreements Income	0	0	6,999	6,999	
	Assistant Director Governance & Monitoring Officer					
1121	Members Services	452,921	441,830	422,072	(19,758)	Special Responsibility payments
1123	Chair's Expenses	13,170	11,622	9,666	(1,956)	
1131	District Elections	0	0	7,660	7,660	

1133	Parish Elections	0	0	1,118	1,118	
1136	EU Referendum	0	(2,220)	(2,214)	6	
1138	Police and Crime Commissioner Elections	0	0	(6,164)	(6,164)	
1139	County Council Elections	0	0	(1,487)	(1,487)	
5219	Corporate Support Unit	30,009	25,616	24,953	(663)	
5249	Twinning Expenses	7,100	7,000	0	(7,000)	
5273	Brass Band Concert	3,430	2,200	1,131	(1,069)	
5313	Register Of Electors	208,935	154,451	141,545	(12,906)	Individual Electronic Registration cost savings
5321	Monitoring	39,283	35,471	34,889	(582)	
5353	Legal Section	132,233	134,359	124,009	(10,350)	Fee income
5392	Scrutiny	48,582	48,289	47,718	(571)	
5711	Democratic Services	117,624	112,480	99,651	(12,829)	
	Total for Growth Directorate	**3,382,582**	**2,833,052**	**2,643,151**	**(189,901)**	

Operations Directorate

Executive Director						
5700	Director of Operations	52,967	79,803	78,952	(851)	
5720	Supporting PA's	80,562	79,502	78,980	(522)	
Assistant Director Community Safety						
1218	Community Safety	39,566	48,727	48,727	0	
1220	AD Community Safety	3,589	3,387	3,521	134	
Assistant Director Finance, Revenues & Benefits						
3176	Pool Car Suspense	1,690	1,000	450	(550)	
3512	CBC Crematorium	(62,000)	(218,027)	(236,668)	(18,641)	additional income from surplus
5113	Unison Duties	14,328	13,868	14,110	242	
5611	External Audit	67,500	56,510	52,515	(3,995)	
5615	Bank Charges	81,500	86,000	74,486	(11,514)	
5621	Contributions - HRA	(185,600)	(185,600)	(185,600)	0	
5705	AD Finance, Revenues & Benefits	35,916	34,738	34,868	130	
5713	Internal Audit Service	104,520	87,790	76,117	(11,673)	savings on consortium cost

5714	Financial Support Services	38,300	38,400	37,752	(648)	
5721	Accountancy	298,355	248,685	244,362	(4,323)	
5723	Housing Act Advances	2,300	2,300	2,348	48	
5724	Insurances	4,635	409,240	330,801	(78,439)	
5725	Apprenticeship Levy	45,000	45,000	35,606	(9,394)	
5727	Cost Of Ex-Employees	971,015	974,990	981,869	6,879	
5741	Housing Benefit Service	468,386	330,440	236,761	(93,679)	Rent rebates and rent allowances grants
5747	Debtors	49,343	46,688	46,472	(216)	
5751	NNDR Collection	(21,385)	(22,787)	(24,900)	(2,113)	
5759	Council Tax Administration	199,329	206,833	201,641	(5,192)	
5781	Village Hall Grants	24,870	24,870	24,867	(3)	
	Assistant Director Propery & Estates					
3135	Drainage	24,685	22,570	17,274	(5,296)	
3172	Engineers	77,396	61,302	65,333	4,031	
3241	Car Parks	33,990	37,950	37,956	6	
3247	Street Names/Lights	6,000	6,000	2,945	(3,055)	
3249	Footpath Orders	800	800	(246)	(1,046)	
3265	Dams & Fishing Ponds	100	(400)	(415)	(15)	
3281	Clay Cross Depot	(1,190)	(3,110)	(3,675)	(565)	
3283	Joint Venture Company	0	152,139	152,139	0	
3811	Closed Circuit TV	0	450	487	37	
4412	Midway Business Centre	(44,750)	(48,640)	(70,748)	(22,108)	higher income
4425	Coney Green Business Centre	(55,131)	(39,974)	(64,629)	(24,655)	higher income
4523	Estates Administration	287,048	287,594	280,337	(7,257)	
5204	AD Property & Estates	34,944	34,940	35,008	68	
5205	Council Offices Mill Lane	278,649	293,251	271,811	(21,440)	utilties
5209	Facilities Management	112,570	146,840	144,637	(2,203)	
5210	Pioneer House	(11,748)	(36,289)	(28,441)	7,848	
	Assistant Director Street Scene					
3174	Streetscene	295,362	297,286	295,943	(1,343)	

3231	Recycling Promotional Work	0	3,800	1,209	(2,591)	
3227	Material Recycling	320,940	291,680	251,958	(39,722)	additional income
3244	Parks DCC Agency	(359,170)	(359,170)	(359,653)	(483)	
3282	Eckington Depot	95,403	84,171	83,042	(1,129)	
3285	Dronfield Bulk Depot	2,870	3,010	3,007	(3)	
3511	Hasland Cemetery	(46,560)	(51,560)	(57,786)	(6,226)	
3513	Temple Normanton Cemetery	(7,340)	(7,550)	(6,503)	1,047	
3514	Clay Cross Cemetery	(45,335)	(43,685)	(52,980)	(9,295)	
3516	Killamarsh Cemetery	(14,930)	(15,060)	(20,143)	(5,083)	
3918	Dog Fouling Bins	(45,800)	(47,800)	(55,334)	(7,534)	
3921	Street Cleaning Service	617,980	578,605	549,644	(28,961)	vehicle cost savings including fuel
3943	Transport	0	281,539	345,372	63,833	materials and parts
3944	Grounds Maintenance	617,201	452,908	428,574	(24,334)	materials costs savings, additional income
3945	Domestic Waste Collection	1,717,213	1,433,609	1,390,254	(43,355)	fuel cost savings, additional income
3946	Commercial Waste Collection	(159,003)	(131,747)	(156,190)	(24,443)	additional income
3951	Playing Fields General	0	0	0	0	
	Total for Operations Directorate	**6,046,880**	**6,077,816**	**5,638,224**	**(439,592)**	
	Investment Properties					
4411	Stonebroom Industrial Estate	(43,220)	(46,170)	(43,305)	2,865	
4413	Clay Cross Industrial Estate	(71,910)	(74,330)	(80,199)	(5,869)	
4415	Norwood Industrial Estate	(191,590)	(207,590)	(216,211)	(8,621)	
4417	Eckington Business Park	(22,150)	(25,000)	(29,209)	(4,209)	
4418	Rotherside Court	(27,080)	(31,370)	(24,605)	6,765	
4419	Ridgeway Craft Centre	0	0	85	85	
4423	Pavillion Workshops Holmewood	(62,600)	(68,230)	(75,326)	(7,096)	
4432	Misc Properties	43,260	12,970	6,168	(6,802)	
4435	Ankerbold Road	0	5,598	5,598	0	
4436	The Avenue - Dowry	0	1,000	825	(175)	
	Total for Investment Properties	**(375,290)**	**(433,122)**	**(456,179)**	**(23,057)**	

Transformation Directorate

Executive Director						
4500	Director of Transformation	53,202	70,538	70,551	13	
5215	Telephony	24,430	68,940	71,694	2,754	
5216	Mobile Phones and Ipads	0	20,000	19,830	(170)	
5701	Joint ICT Service	0	(700)	(700)	0	
5734	NEDDC ICT Services	494,319	539,495	517,486	(22,009)	savings from ICT joint service passed onto clients
5737	Corporate Printing	23,190	26,074	18,638	(7,436)	
Assistant Director Customer Services, Strategy & Performance						
1250	AD Customer Services, Performance & Strategy	35,124	25,244	7,353	(17,891)	vacancies
1255	Performance & Improvement	97,419	93,943	94,018	75	
1256	Corporate Consultation	16,398	14,339	12,380	(1,959)	
1315	Design & Print	83,151	105,774	94,633	(11,141)	additional income
1321	Communications & Marketing	55,559	53,943	53,393	(550)	
1323	NEDDC Newspaper	26,610	26,900	26,652	(248)	
1329	Corporate Web Site	900	(570)	(913)	(343)	
5221	NEDDC Call Centre	364,965	366,564	360,257	(6,307)	
5223	Franking Machine	3,460	55,310	65,179	9,869	
5825	Concessionary Fares	(9,870)	(9,940)	(10,089)	(149)	
Assistant Director Leisure						
1283	Emergency Planning	16,400	16,000	15,847	(153)	
4561	Leisure Centre Management	85,323	93,009	91,460	(1,549)	
4600	AD Leisure	35,384	15,067	14,732	(335)	
4723	Generation Games	0	18,535	18,535	0	
4731	Prom Rec & Leisure	29,153	28,576	27,993	(583)	
4732	Schools Promotion	6,100	1,820	0	(1,820)	
4736	Derby Sports Forum	15,500	15,500	14,450	(1,050)	

4742	Arts Development	2,800	2,800	2,524	(276)	
8441	Eckington Swimming Pool	81,245	247,992	208,019	(39,973)	additional income, savings on casual pay
8451	Dronfield Sports Centre	1,826	11,466	26,837	15,371	
8461	Sharley Park Lesiure Centre	305,532	300,198	282,608	(17,590)	additional income, savings on casual pay
8465	SPLC Outdoor	(1,000)	(1,200)	(3,992)	(2,792)	
Assistant Director HR & Payroll						
1231	Corporate Training	12,430	14,530	11,268	(3,262)	
1259	Corporate Groups	10,010	5,675	1,194	(4,481)	
1310	AD Human Resources and Payroll	35,809	17,500	17,287	(213)	
1311	Human Resources	213,126	184,745	167,530	(17,215)	vacancies
1312	Payroll	61,113	48,033	48,268	235	
1313	Work Well Team		0	(770)	(770)	
3121	Health & Safety Advisor	45,589	59,873	45,007	(14,866)	
	Total for Transformation Directorate	**2,225,197**	**2,535,973**	**2,389,159**	**(146,814)**	

Appendix 3

HOUSING REVENUE INCOME & EXPENDITURE ACCOUNT 2017/18

	Current Budget 2017/18 £000's	Adjustments to aid comparison 2017/18 £000's	Adjusted Current Budget 2017/18 £000's	Actual 2017/18 £000's	Variance 2017/18 £000's
Income					
Dwelling Rents	(31,493)	0	(31,493)	(31,543)	(50)
Non-Dwelling Rents	(382)	0	(382)	(352)	30
Charges for Services and Facilities	(445)	0	(445)	(170)	275
Contributions Towards Expenditure	(253)	0	(253)	(204)	49
Total Income	**(32,573)**	**0**	**(32,573)**	**(32,269)**	**304**
Expenditure					
Repairs & Maintenance	5,219	0	5,219	5,191	(28)
Revenue Expenditure funded from Capital (REFCUS)	0	390	390	390	0
Supervision and Management	7,001	0	7,001	6,894	(108)
Rents, Rates & Taxes	120	0	120	126	6
Capital Charges - Depreciation	7,050	625	7,675	7,675	0
Increase in Provision for Bad Debts	250	0	250	176	(74)
Debt Management Expenses	12	0	12	12	0
Impairments & Revaluations	0	(6,372)	(6,372)	(6,372)	0
Total Expenditure	**19,652**	**(5,357)**	**14,295**	**14,091**	**(203)**
Net Cost of Services	**(12,921)**	**(5,357)**	**(18,278)**	**(18,178)**	**101**
Corporate & Democratic Core	185	0	185	186	0
Net Cost of all HRA services	**(12,736)**	**(5,357)**	**(18,093)**	**(17,993)**	**101**
(Gain)/Loss on sale of HRA fixed assets	0	1,161	1,161	1,161	0
Interest Payable	5,357	0	5,357	5,308	(49)
Revaluation of Investment Property	0	(1,841)	(1,841)	(1,841)	0
Interest Receivable	(90)	0	(90)	(40)	51
Capital Grants	0	(55)	(55)	(55)	0
(Surplus)/Deficit on HRA Services	**(7,470)**	**(6,092)**	**(13,561)**	**(13,459)**	**103**

MRP Voluntary Contribution	4,300	(23,100)	(18,800)	(18,800)	0
Transfer to HRA Reserves -Capital	0	4	4	4	0
Transfer to HRA Reserves - Insurance	50	0	50	50	0
Transfer to HRA Reserves - Development	670	0	670	567	(103)
Transfer to HRA Reserves - Debt Repayment Reserve	2,450	20,650	23,100	23,100	0
Adjustments between accounting and funding basis	0	6,712	6,712	6,712	0
Transfers to/from Major Repairs Reserve	0	1,825	1,825	1,825	0
Transfer to HRA Balances	**0**	**(0)**	**(0)**	**(0)**	**0**

Housing Revenue Account Balances	**Revised Budgets 2017/18 £**	**Actual 2017/18 £**	**Variance 2017/18 £**
HRA Opening Balance	(3,000)	(3,000)	0
Transfer fm Balances 16/17			
Transfer to Balances 16/17			
HRA Closing Balances	(3,000)	(3,000)	0

Appendix 4

CAPITAL PROGRAMME 2017/18 - 2018/19

Project/Scheme	Current Programme 2017/18 £000	Outturn 2017/18 £000	Variance 2017/18 £000	Amount Carried Forward to 2018/19 £000	Original Programme 2018/19 £000	Current Programme 2018/19 £000
Housing Investment						
Housing Investment Programme	10,733	10,247	(486)	486	9,000	9,486
Demolition of Houses in Renishaw	100	0	(100)	100	0	100
North Wingfield New Build Scheme	3,349	1,647	(1,702)	1,702	275	1,977
Stock Purchase Programme	3,200	1,718	(1,482)	1,482	0	1,482
	17,382	13,612	(3,770)	3,770	9,275	13,045
Private Sector Spending - DFG	645	343	(302)	302	393	695
Total Housing Investment	**18,027**	**13,955**	**(4,072)**	**4,072**	**9,668**	**13,740**
Other Capital Projects						
Asset Refurbishment - Pioneer House Generator	30	30	0	0	0	0
Asset Refurbishment - General	131	108	(23)	0	150	150
Roller Shutter Doors	20	18	(2)	2	80	82
Eckington Swimming Pool Roof Replacement	270	0	(270)	270	0	270
Dronfield Sports Centre Refurbishment	30	30	0	0	0	0
Eckington Swimming Pool Refurbishment	50	18	(32)	32	0	32
Contaminated Land	42	0	(42)	42	0	42
ICT Schemes	143	92	(51)	51	58	109
Lottery Funded Schemes	11	0	(11)	11	0	11
Replacement Vehicles	166	80	(86)	86	1,055	1,141
Section 106 Capital Expenditure	725	725	0	0	0	0
Total Other Capital Projects	**1,618**	**1,101**	**(517)**	**494**	**1,343**	**1,837**
Total Capital Expenditure	**19,645**	**15,056**	**(4,589)**	**4,566**	**11,011**	**15,577**

Capital Resources	2017/18 £000	2017/18 £000			2018/19 £000	2018/19 £000
Housing Investment Funding						
Decent Homes Funding						
External Grants - North Wingfield Project	(730)	0	730	(730)	0	(730)
External Grants - Additional DFG	0	(50)	(50)	0	0	0
HRA Capital Investment Reserve	(1,072)	(16)	1,056	(1,056)	0	(1,056)
Major Repairs Reserve	(10,733)	(10,197)	536	(536)	(9,000)	(9,536)
Prudential Borrowing - HRA	(4,119)	(3,147)	972	(972)	(275)	(1,247)
Useable Capital Receipts	(728)	(202)	526	(476)	0	(476)
	(17,382)	(13,612)	3,770	(3,770)	(9,275)	(13,045)
Disabled Facilities Grant	(625)	(323)	302	(302)	(373)	(675)
Usable Capital Receipts	(20)	(20)	0	0	(20)	(20)
Total Housing Investment Funding	**(18,027)**	**(13,955)**	**4,072**	**(4,072)**	**(9,668)**	**(13,740)**
Other Capital Projects Funding						
Useable Capital Receipts	(278)	(170)	108	(85)	(135)	(220)
Prudential Borrowing	(436)	(80)	356	(356)	(1,055)	(1,411)
RCCO - General Fund	(126)	(126)	0	0	(153)	(153)
External Grant	(778)	(725)	53	(53)	0	(53)
Other Capital Project Funding	**(1,618)**	**(1,101)**	**517**	**(494)**	**(1,343)**	**(1,837)**
Total Capital Financing	**(19,645)**	**(15,056)**	**4,589**	**(4,566)**	**(11,011)**	**(15,577)**
HRA Development Reserve						
Opening Balance	(930)	(930)	0		(1,481)	(1,481)
Amount due in year	(667)	(567)	100		(667)	(667)
Amount used in year	1,072	16	(1,056)		0	1,056
Closing Balance	**(525)**	**(1,481)**	**(956)**		**(2,148)**	**(1,092)**
Major Repairs Reserve						
Opening Balance	(1,523)	(1,523)	0		(826)	(826)
Amount due in year	(9,500)	(9,500)	0		(9,500)	(9,500)
Amount used in year	10,733	10,197	(536)		9,000	9,536
Closing Balance	**(290)**	**(826)**	**(536)**		**(1,326)**	**(790)**
Capital Receipts Reserves						
Opening Balance	(717)	(717)	0		(1,970)	(1,970)
Income expected in year	(929)	(3,774)	(2,845)		(2,000)	(2,000)
Debt Repayment/Other Expenses	0	2,459	2,459		1,900	1,900
Amount used in year	398	62	(336)		155	240

Closing Balance	**(1,248)**	**(1,970)**	**(722)**	**(1,915)**	**(1,830)**
Capital Receipts Reserves 1-4-1 receipts					
Opening Balance	(1,831)	(1,831)	0	(2,871)	(2,871)
Income expected in year	(1,210)	(1,371)	(161)	(2,000)	(2,000)
Debt Repayment/Other Expenses	0	0	0	0	0
Amount used in year	628	331	(297)	0	476
Closing Balance	**(2,413)**	**(2,871)**	**(458)**	**(4,871)**	**(4,395)**

Appendix 5

NEDDC Treasury Management Activity 2017/18

Capital Financing Requirement

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 2017/18 and the actual outturn CFR are shown in the table below: -

	Current Budget 2017/18 £000's	Actual Outturn 2017/18 £000's
Capital Financing Requirement 1 April 2017	184,285	184,285
Prudential Borrowing Gen Fund – Vehicle Replacement	166	80
Prudential Borrowing HRA – North Wingfield Scheme	2,619	1,647
Prudential Borrowing HRA – Stock Purchase Scheme	1,500	1,500
Minimum Revenue Provision (MRP)	(976)	(980)
Net repayment of other debt	(262)	(210)
Prudential Borrowing Gen Fund - Financing of Loan to Rykneld Homes	6,073	2,071
Repayment of Allowable Debt	(750)	(1,813)
Capital Financing Requirement 31 March 2018	**192,655**	**186,580**

The overall position shows a net increase in outstanding debt of £2.295m during the year.

The actual CFR position also reflects the Council's financing of the approved General Fund loan to Rykneld Homes (£2.071m) and the repayment of allowable debt. 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 self-financing settlement in 2012. This is known as the allowable debt calculation. It is good practice 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 2018	**£000's**
General Fund	13,102
Housing Revenue Account	173,478
Total CFR	**186,580**

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 self-financing settlement came into force in April 2012. This is shown in the table below:

HRA "Headroom" calculation	**£000's**
Housing Revenue Account – Debt Ceiling	178,984
Housing Revenue Account CFR 31 March	173,478
Unadjusted Headroom at 31 March 2018 =	**5,506**

The above table shows that the Council's HRA has a headroom figure of £5.506m at 31 March 2018. The forecast position of the headroom for 2018/19 is as follows:

HRA "Headroom" projected calculation	**£000's**
Housing Revenue Account – Debt Ceiling	178,984
Housing Revenue Account CFR 31 March	173,478
Increase in Borrowing in year	275
Allowable Debt Repayment	(750)
HRA CFR 31 March 2018	**173,003**
Estimated Headroom at 31 March 2018 =	**5,981**

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 2018 is as follows:

	£000's
Capital Financing Requirement 31 March 2018	186,580
Financed from	
External Borrowing via PWLB	154,149
Use of internal balances and reserves	32,431
Total Financing of CFR	**186,580**

The table above shows that the Council is effectively under borrowing by £32.431m at 31 March 2018. This means that no debt charges are being incurred on £32.431m of borrowing but also means that the funds are not being 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 £155.451m at 1 April 2017. During 2017/18 an amount of £1.302m was repaid leaving a balance at 31 March 2018 of £154.149m. During 2017/18 no new loans have been taken out with the PWLB. The profile of the outstanding debt is analysed as follows: -

PWLB BORROWING Term	Maturity Profile 31 March 2017 £000's	Maturity Profile 31 March 2018 £000's
12 Months	1,302	3,303
1 - 2 years	3,303	1,304
2 - 5 years	3,813	2,620
5 - 10 years	21,429	25,412
10 - 15 years	20,467	24,420
Over 15 years	105,137	97,090
Total PWLB Debt	**155,451**	**154,149**

PWLB Interest

The interest cost to the Council of the PWLB debt for 2017/18 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 £000's
Less Accrued Interest re 2016/17	(50)
Interest Paid during 2017/18	5,523
Plus Accrued Interest re 2017/18	50
Total Paid	**5,523**

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. No interest charges from short term borrowing were incurred during the year. At the 31 March 2018 the Council had no temporary borrowing.

Temporary Investments

The tables below detail the short term investments made at various times during the financial year 2017/18: -

Bank Name	Duration of Loan	B/Fwd 01/04/17 £000's	Amount Invested 2017/18 £000's	Amount Returned 2017/18 £000's	Balance Invested 31/3/18 £000's	Interest Received 31/3/18 £000's
Natwest		20	3,000	(3,020)	0	0
Bank of Scotland		0	0	(0)	0	0
Santander		22	21,003	(21,000)	25	(3)
Standard Life		5,000	4,007	(9,007)	0	(7)
Federated Fund 3		5,000	10	(2,510)	2,500	(10)
Federated GBP 3		0	2,000	(0)	2,000	(4)
King & Shaxson		0	2,268	(0)	2,268	(4)
West Dunbartonshire Council		0	4,000	(0)	4,000	(14)
Lancashire County Council		0	2,000	(0)	2,000	(3)
Cheshire East Borough Council		0	1,000	(0)	1,000	(1)
Total		**10,042**	**39,288**	**(35,537)**	**13,793**	**(46)**

Overnight Investments

The maximum amount invested with Lloyds Bank in the financial year was £4.942m. 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 2017/18 £000's	Set Limits 2017/18 £000's
Authorised Limit (total Council external borrowing limit)	196,580	203,183
Operational Boundary	191,580	198,183