



Please ask for Rachel Appleyard
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The Chair and Members of Cabinet

13 May 2019

Dear Councillor,

Please attend a meeting of the CABINET to be held on TUESDAY, 21 MAY 2019 at 10.30 am in Committee Room 1, Town Hall, Rose Hill, Chesterfield, the agenda for which is set out below.

AGENDA

Part 1(Public Information)

1. Declarations of Members' and Officers' Interests relating to items on the Agenda
2. Apologies for Absence
3. Minutes (Pages 3 - 8)

To approve as a correct record the Minutes of the Cabinet meeting held on 9 April, 2019.

4. Forward Plan

Please follow the link below to view the latest Forward Plan.

[Forward Plan](#)

5. Delegation Report (Pages 9 - 10)

Items Recommended to Cabinet via Cabinet Members

Deputy Leader

6. General Fund Budget Outturn Report 2018/19 (Pages 11 - 32)

Cabinet Member for Housing

7. Housing Revenue Account (HRA) - Final Accounts 2018/19 (Pages 33 - 50)

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Randy', written in a cursive style.

Local Government and Regulatory Law Manager and Monitoring Officer

CABINET

Tuesday, 9th April, 2019

Present:-

Councillor P Gilby (Chair)

Councillors Bagley
Blank
Brunt

Councillors T Gilby
Ludlow
Serjeant

Non Voting Members Dickinson

J Innes

*Matters dealt with under the Delegation Scheme

119 **DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA**

No declarations of interest were received.

120 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Catt.

121 **MINUTES**

RESOLVED –

That the minutes of the meeting of Cabinet held on 19 March, 2019 be approved as a correct record and signed by the Chair.

122 **FORWARD PLAN**

The Forward Plan for the four month period May, 2019 to August, 2019 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

123 DELEGATION REPORT

Decisions taken by Cabinet Members during March, 2019 were reported.

***RESOLVED –**

That the Delegation Report be noted.

124 MINUTES OF THE SHEFFIELD CITY REGION MAYORAL COMBINED AUTHORITY

Minutes of the meeting of the Sheffield City Region Mayoral Combined Authority held on 28 January, 2019 were reported for information.

***RESOLVED –**

That the Minutes be noted.

125 PARTNERSHIPS PROTOCOL

The Assistant Director – Policy and Communications submitted a report seeking approval for a new Partnerships Protocol 2019 – 2023.

The introduction of monitoring arrangements to evaluate the effectiveness of the Council's partnerships had been identified as a medium level priority within the Council's Annual Governance Statement. The Partnerships Protocol had been developed to coincide with the launch of the new Council Plan 2019 – 2023 and would seek to maximise the benefits for the Council and its communities from member and officer involvement in all external partnership arrangements.

***RESOLVED –**

1. That the Partnerships Protocol 2019 – 2023 be approved and implemented.
2. That the Deputy Leader be granted delegated authority to approve minor amendments to the Partnerships Protocol between formal review periods.
3. That the Partnerships Protocol be reviewed in-line with the four year Council Plan in 2023.

REASON FOR DECISION

To improve governance arrangements for partnership working.

126 **HOUSING DELIVERY TEST RESPONSE**

The Strategic Planning and Key Sites Manager submitted a report to advise Members of the results of the government's Housing Delivery Test, and set out the Council's proposed response as required by National Planning Practice Guidance.

The results of the Housing Delivery Test demonstrated that housing delivery in Chesterfield was at 66% of the required target in 2017/18. This result required the Council to apply a 20% buffer to its five year housing supply target, which the Council had already applied since 2012. An action plan to address the causes of under-delivery and identify actions to increase delivery in future years would also now need to be prepared.

***RESOLVED –**

1. That the results of the Housing Delivery Test be noted.
2. That the Strategic Planning and Key Sites Manager, in consultation with the Cabinet Member for Economic Growth and the Assistant Director – Economic Growth, be authorised to prepare and adopt a Housing Delivery Action Plan as required by the National Planning Practice Guidance.

REASON FOR DECISION

In order to comply with the requirements of national planning policy and guidance.

127 **REVIEW OF THE CODE OF CORPORATE GOVERNANCE AND THE ANNUAL GOVERNANCE STATEMENT**

The Internal Audit Consortium Manager submitted a report asking Members to review Council compliance with the Code of Corporate Governance during 2018/19, and to approve the Annual Governance Statement and associated Action Plan for onward submission to and sign off by Standards and Audit Committee.

The report noted that the Council's Code of Corporate Governance reflected the most recent guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

The Internal Audit Consortium Manager confirmed that the report and the various supporting appendices comprising the Annual Governance Statement and associated Action Plan would be presented for final approval at the next meeting of the Standards and Audit Committee on 24 April, 2019.

***RESOLVED –**

1. That the supporting documents to the officer's report, attached at Appendices A, B, C and D, be approved and referred to the Standards and Audit Committee.
2. That a further review of Council compliance with the Code of Corporate Governance be undertaken in 12 months' time.
3. That progress with regard to implementation of the Annual Governance Statement Action Plan be actively monitored by the Corporate Management Team.

REASONS FOR DECISIONS

1. To enable the Cabinet and the Standards and Audit Committee to monitor council compliance with the Code of Corporate Governance.
2. In order to comply with the requirements of the Accounts and Audit Regulations 2015.
3. To support the maintenance of sound governance arrangements within the Council.

128 EXCLUSION OF PUBLIC

RESOLVED –

That under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 3 of Part 1 of Schedule 12A of the Act.

129 BUILDING CLEANING DSO BUSINESS PLAN 2019/20

The Director of Finance and Resources and Assistant Director – Commercial Services submitted a report recommending for approval the Building Cleaning D.S.O. Business Plan for 2019/20, which was attached at Appendix A to the officer's report.

***RESOLVED –**

That the Business Plan forecast for 2019/20 be approved.

REASON FOR DECISION

To update the Council's Medium Term Financial Plan.

130 LANDSCAPE AND STREET SCENE BUSINESS PLAN 2019/20

The Director of Finance and Resources and Assistant Director – Commercial Services submitted a report recommending for approval the Landscape and Streetscene Services (SpirePride) D.S.O. Business Plan for 2019/20, which was attached at Appendix A to the officer's report.

***RESOLVED –**

That the Business Plan forecast for 2019/20 be approved.

REASON FOR DECISION

To update the Council's Medium Term Financial Plan.

131 SECURITY SERVICES BUSINESS PLAN 2019/20

The Director of Finance and Resources and Assistant Director – Commercial Services submitted a report recommending for approval the Security Services D.S.O. Business Plan for 2019/20, which was attached at Appendix A to the officer's report.

***RESOLVED –**

That the Business Plan forecast for 2019/20 be approved.

REASON FOR DECISION

To update the Council's Medium Term Financial Plan.

132 ANY OTHER BUSINESS

The Chair asked that the best thanks of the Cabinet be afforded to Councillors Bagley, Dickinson, A Diouf and Huckle, who would be standing down on 2 May, for their valuable contribution to the council over many years and more specifically in the cabinet over the past few years.

The Chair also asked that the best thanks of the Cabinet be afforded to all the officers who had provided advice and support to the Cabinet to inform the making of key Council decisions.

CABINET MEETING

21st May, 2019

DELEGATION REPORT

DECISIONS TAKEN BY LEAD MEMBERS

Cabinet Member for Health and Wellbeing

Decision Record No.	Subject	Delegation Reference	Date of Decision
28/18/19	Application to consider waiving grant repayment of a Mandatory Disabled Facilities Grant	HW1280L	28 March 2019
<p>Decision</p> <p>That, having considered the requirements of The Housing Grants, Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008 and the applicant's reason for disposing of the property, the authority do not demand repayment of the Disabled Facilities Grant.</p>			
<p>Reason for Decision</p> <p>To enable the family to move to a property more suited to allowing a severely disabled child to learn to live independently and safely in their own home.</p>			

Cabinet Member for Economic Growth

Decision Record No.	Subject	Delegation Reference	Date of Decision
29/18/19	Land adjacent to former Poolsbrook Hotel site	G260L	5 April 2019
<p>Decision</p> <p>(1) That the proposed sale of land adjacent to the former Poolsbrook Hotel, Staveley Road, Chesterfield be approved.</p> <p>(2) That the Property Procurement and Contracts Law Manager be granted delegated authority to agree late amendments to the sale.</p>			
<p>Reasons for Decision</p> <p>1. To secure environmental improvements to the site and a capital receipt for the Council.</p> <p>2. To secure a timely and efficient sale.</p>			

For publication

General Fund Budget Outturn Report 2018/19

Meeting: Council
Cabinet

Date: 17th July 2019
21st May 2019

Cabinet portfolio: Deputy Leader of the Council

Report by: Director of Finance & Resources

For publication

1.0 Purpose of report

- 1.1 To report on the General Fund Revenue and Capital Outturns for 2018/19, provide details of significant variations from the revised estimates and consider carry forward requests.

2.0 Recommendations

Cabinet:

- 2.1 That the General Fund Revenue and Capital Outturn reports for 2018/19 be noted.
- 2.2 That the General Fund carry forward requests be approved (para 4.6).

- 2.3 That the level of General Fund Reserves and Balances (Section 6 and Appendix C) be approved.
- 2.4 That the General Fund surplus for the financial year 2018/19 be transferred to the budget risk reserve (para 6.7).
- 2.5 That the capital financing arrangements set out in Appendix D, be approved.

Full Council:

- 2.6 Notes the report.

3.0 Background

- 3.1 This report includes details of the General Fund revenue account and the collection fund outturns, plus a summary of the General Fund Capital Programme. There will be a separate report presented for the Housing Revenue Account covering both the revenue and capital elements. The information in these reports will then be incorporated into the published 2018/19 Statement of Accounts.
- 3.2 The external audit of the accounts is due to start in June. The formal published Statement of Accounts will be presented to the Standards and Audit Committee for approval at the end of July on conclusion of the audit. Once approved, a copy of the Statement of Accounts will be placed on the Council's web-site.
- 3.3 The Council's Financial Strategy sets out the Council's policy on the levels and nature of reserves and balances. The Strategy also defines how under or overspends should normally be treated at the end of each financial year:
 - ◆ Any under spend on the General Fund will be transferred to the Budget Risk Reserve;
 - ◆ Any over spend on the General Fund will be met from the

- Budget Risk Reserve or the General Working Balance;
- ♦ Any DLO/DSO surpluses arising in the year that are not required for operational purposes will be transferred to the General Fund.

4.0 General Fund Revenue

- 4.1 The Summary Revenue Account, comparing the outturn with both the original and revised estimates for the financial year, is shown at **Appendix A**. There was a net surplus of **£395k** in the year compared with:
- a) The **original** February 2018 budget forecast - £56k surplus.
 - b) The **revised** February 2019 budget forecast - £162k surplus.
- 4.2 Details of the variances that contributed towards the overall £106k movement from the original surplus forecast to the revised forecast were included in the budget report to Cabinet on 26th February 2019.
- 4.3 The outturn surplus is **£233k** above the revised February 2019 budget forecast. A summary of the most significant variances is included in **Appendix B**.
- 4.4 Further work will be undertaken to establish which variances are likely to recur in future years. The results of this exercise will be included in the next budget monitoring report to Cabinet.
- 4.5 There are material variances on asset charges shown on the Cabinet Member for Economic Growth (£5.4m increase in value of Industrial Units) and Cabinet Member for Town Centre and Visitor Economy (£3.1m decrease in value of Pavements, Vicar Lane and Market Hall) portfolios due to valuation adjustments for investment properties. Accounting regulations require the adjustments to be reflected in the appropriate service revenue account but they are then reversed out in the "Interest and

Capital Charges” line of the summary revenue account (Appendix A) which shows an increased income. There is, therefore, no bottom-line impact from these valuation adjustments.

- 4.6 There are three **carry forward requests** to consider. Further details are provided at **Appendix E**. The table below provides a summary of these requests.

Table 1 - Carry Forward Requests			
Portfolio	Service	Description	Amount
Economic Growth	Asset Management	Capital Receipts generation	£100,000
Business Transformation	Human Resources	Mandatory staff training	£25,000
Town Centre & Visitor Economy	Markets	Car Boot sale advertising	£2,600
Total	Carry f/wds		£127,600

- 4.7 A budget was established during 2018/19 to assist with bringing disposal of assets to a speedy and successful conclusion. The request to carry forward the unspent balance of £100k is to continue to facilitate this activity throughout 2019/20.

5.0 DLO/DSO's

- 5.1 A summary of the DLO/DSO surpluses/deficits and the proposed distribution is shown in the table below:

Table 2 - Surplus/(Deficits) Proposed Distributions				
	Surplus / (Deficit)	Retained in the service	To Gen Fund	To Budget Risk Reserve
	£	£	£	£
Building Maintenance	265,954	-	265,954	-
Spirepride	598,674	-	598,674	-
Building Cleaning	(20,689)	-	(20,689)	-
Security Services	7,304	-	-	7,304

Total	851,243	-	843,939	7,304
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6.0 **General Fund Balances & Reserves**

- 6.1 The table below shows a summary of the General Fund Reserves and Provisions; more detail is provided in **Appendix C**. Please note that the summary of useable reserves in the table below excludes the **General Working Balance** of £1.5m.

Table 3 – General Fund Reserves & Provisions 2018/19			
Reserve	Opening Balance £'000	Revised Forecast £'000	Closing Balance £'000
Budget Risk Reserve	683	567	1,240
Invest-to-Save Reserve	31	-	-
Service Improvement Reserve	339	298	315
Other Earmarked Reserves	8,513	7,626	8,135
Provisions	1,760	1,764	1,848
Total Reserves & Provisions	11,326	10,255	11,538

- 6.2 Overall the level of reserves and provisions are £1.3m above the revised budget forecast estimate due in part to the impact of the General Fund surplus of £0.4m. Further details are provided below.

6.3 **Budget Risk Reserve**

This reserve provides a supplement to the General Working Balance to cover any budget risks and to help finance any severance costs resulting from voluntary staffing reductions through implementing the Transformation Strategy. The small balance on the Invest to Save reserve has been transferred to the Budget Risk reserve and subsequently closed.

Table 4 – Budget Risk Reserve		
	Outturn £'000	Revised Budget £'000
Balance b/fwd 1st Apr 2018	683	683
<u>Movements In 2018/19:</u>		
Transfers into reserve	224	13
Approved carry forward requests	(2)	(2)
Feasibility study	(38)	(30)
Enterprise Advisor Network	(6)	(6)
Pavements: Rough sleeping solution	(23)	(25)
Skills Action Plan	(2)	(2)
Replacement of kiosks	(13)	(14)
VR/VER's	(15)	(70)
Extend Industrial Portfolio	-	(10)
Reimbursement from savings - IDOX	30	30
DSO Surpluses	7	-
Add: budget surplus in 2018/19	395	-
Balance c/fwd 31st Mar 2019	1,240	567
<u>Approved Commitments:</u>		
Enterprise Advisor Network	(5)	(5)
Feasibility study	(22)	(30)
Extend Industrial Portfolio	(20)	(10)
Reimbursement from savings – IDOX (future years)	9	9
Uncommitted Balance	1,202	531

6.4 Service Improvement Reserve

The table below provides a comparison of the revised budget estimate and the outturn position.

Table 5 - Service Improvement Reserve		
	Outturn £'000	Revised Budget £'000
Balance b/fwd 1st Apr 2018	339	339
<u>Movements In 2018/19:</u>		
Linacre Master Planning	-	(11)
HS2 Project Officer	(53)	(53)
Green Waste strategy	-	(6)

Former QPSC Business Case	(5)	(5)
TPIC/DIC - 2018/19 Repayment	34	34
Balance c/fwd 31st Mar 2019	315	298
<u>Outstanding Commitments:</u>		
Green Waste strategy	(30)	(24)
HS2 Project Officer	(10)	(9)
TPIC/DIC – Repayment (future years)	43	43
Uncommitted Balance	318	308

6.5 **Other Earmarked Reserves** - these reserves are held for specific purposes. The total balance on these reserves increased by £0.5m over the revised forecast for the financial year 2018/19. The most significant changes include:

- ◆ Vehicle & Plant - £115k above the revised forecast due to reduced expenditure.
- ◆ Property Repairs - £140k below the revised forecast due to higher levels of spend
- ◆ DSO/DLO - £216k above the revised estimate due to slippage on spend on equipment and development of the service
- ◆ Retained Business Rates - £160k additional contributions in 2018/19 to meet anticipated deficits in business rate income in 2020/21
- ◆ Budget Risk Reserve – additional £395k from 2018/19 General Fund surplus

6.6 Provisions

- a) Transport Company Pensions Provision – this provision has been established to cover the Council's future liabilities for pension costs relating to employees of the former Transport Company. The provision was reviewed in April 2017 by the County Council's pension fund actuary who recommended increasing the provision by £300k to £1.2m by March 2020. The provision will be increased by £40k per annum for the next 3 years to achieve this.
- b) Insurance Provision – A review of the insurance provision and reserves was undertaken in 2016 and the changes

required were implemented as part of the budget setting process in February 2017.

c) MMI Claw-back Provision – this is the amount set aside to cover reported claims.

6.7 The General Fund surplus is normally transferred to the Budget Risk Reserve. For 2018/19 a surplus of £395k would be transferred to this reserve.

6.8 It is important for Members to appreciate that many of the reserves and provisions are earmarked for specific purposes. The Funds should not, therefore, be regarded as being available for general use. An additional consideration is the fact that the Council receives interest from the reserves and provisions, which is used to support the Council's revenue budget.

7.0 Capital Expenditure & Financing

7.1 **Appendix D** provides details of the total General Fund Capital Programme expenditure and financing for the year.

7.2 Actual expenditure on schemes was £8.0m compared with the original budget for the year of £10.0m (as at Feb 2018) and £11.1m at the revised budget stage (February 2019). The main reasons for the variance from the revised budget (-£3.1m) include:

- Overspends on:
 - Northern Gateway Enterprise Centre (£100K), Beetwell Street MSCP (£113k) and Artificial Sports Pitches (£71k) – phasing of the budgets with more work up front than expected. Work on these schemes progressed more quickly than anticipated so spend was higher than budgets. This position will be reversed in 2019/20 as the remaining spend in 2019/20 will be lower than originally forecast.
- Underspends on:

- Northern Gateway Multi Storey Car Park (£1.5m) – phasing of the budget with more work due in 2019/20 than expected
- ICT Project (£378k) – delays in the programme meant that spend was lower than anticipated. This delayed spend will be incurred during 2019/20
- Disabled Facilities Grants and Home Repairs Assistance Grants (£1.1m) – the underspends are committed and expected to be spent in 2019/20
- Grant to Waterside (£256k) – the scheme is now completed
- Barrow Hill Railway Bridge (£100k) – this scheme is now expected to commence in 2019/20

7.3 On the financing side, the main variances were:

- Reduction in capital grants (£2.6m) to reflect the reduction in expenditure
- Increased use of capital receipts to finance capital programme (£2.3m) in order to eliminate the need for borrowing (£3.0m) in 2018/19
- Capital receipts not utilised for repayment of prudential borrowing (£688k) as these have now been committed to finance the ICT Transformation Project in future years

8.0 **Capital Receipts**

8.1 The movement on useable capital receipts in the year is summarised in the table below. £1.8m of General Fund useable receipts were used in the year.

Table 6 - Useable Capital Receipts			
	Gen Fund £'000	Housing £'000	Total £'000
Balance b/fwd 1 st April	1,474	3,229*	4,703
Add: Receipts in the year	1,624	5,161	6,785
Less: Housing receipts 'Pooled'	-	(925)	(925)
Less: Applied to repay debt	-	-	-
Less: Applied to finance GF cap ex	(1,842)	-	(1,842)
Less: Applied to finance HRA cap ex	-	(3,466)	(3,466)

Balance c/fwd 31st March	1,256	3,999*	5,255
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* The Housing balance of £3,999k relates to the retained 'one-for-one' element of RTB receipts.

- 8.2 The table below summarises the movements over the financial year. The actual amount achieved was on target with the revised budget:

Table 7 – General Fund Capital Receipts	
	Amount (£m)
Original Budget Forecast – start of year	2.3
Revised Budget Forecast – Feb 2019	1.6
Actual	1.6

- 8.3 The target receipts figure for 2019/20 is significant at £4.1m. One month into 2019/20 no capital receipts have yet been received so the target may be challenging to achieve in year due to the timings of property and land sales that can be difficult to accurately predict. A revised forecast will be produced at the end of Quarter 1.

9.0 Collection Fund Surpluses/Deficits

- 9.1 The Council is required to maintain a Collection Fund to account for expenditure and income relating to Council Tax (including the precepts of other authorities) and National Non Domestic Rates.
- 9.2 Surpluses or deficits relating to Council Tax are shared between Derbyshire County Council, Derbyshire Police Authority, the Fire Authority and the Borough Council in proportion to the precepts issued and the latter must be used to adjust the Council Tax. The outturn balance on the Council Tax elements of the Fund is a surplus of £898,131. A deficit of £27,135 was estimated when setting the Council Tax for 2018/19. The increase in the surplus was due to a change in the method of calculation of the Council Tax bad debt provision due to the introduction of International Financial Reporting Standard

(IFRS) 9 – Financial Instruments. The surplus will be carried forward to the tax calculation exercise for 2020/21. The Council's share of the increased surplus, at 10.04%, will be £92,897.

- 9.3 Business Rates – Surpluses or deficits relating to Business Rates are shared between Central Government, Derbyshire County Council, Derbyshire Fire Authority and the Borough Council in proportions laid down by Government. A deficit of £2,587,322 for 2018/19 was assumed in the calculation of business rate income, on the 2019/20 NNDR1 form. The outturn balance is a deficit of £2,106,441. This reduced deficit was due to a change in how we have calculated the Business Rates bad debt provision due to the introduction of IFRS 9 – Financial Instruments. The reduced deficit will be distributed in the income calculation for 2020/21. The Council's share is £240k (i.e. £480k x 50%).

10.0 Conclusions and Implications for the Medium Term

- 10.1 The medium term financial outlook becomes progressively challenging from 2020/21 onwards as the cumulative effect of cuts in Government funding (Revenue Support Grant and New Homes Bonus) are realised. The Cabinet budget forecasts approved in February 2019 show deficits (with planned savings in the early years) of:

- £0.8m in 2020/21;
- £1.1m in 2021/22;
- £1.2m in 2022/23; &
- £1.3m in 2023/24

A longer term Financial Strategy to balance the deficits will be developed in 2019/20.

- 10.2 The medium term forecast will be updated to reflect the impact of budget variances recorded in 2018/19 that could be of a recurring nature. These will be included in the next budget monitoring report to the Cabinet.

10.3 The future forecasts include allowances for the most significant budget risks facing the Council but the final outcomes may be quite different, such as:

- The introduction of the Business Rates Retention Scheme in April 2013 transferred some significant financial risks to local government. The risks include the cost of backdated Business Rate appeals and the growth or decline in the Business Rate base due to re-valuations, claims for mandatory reliefs, etc. It is difficult to predict the net income due to the Council even for just one year ahead and this becomes even more difficult over a longer horizon.
- Delays in approvals and delivery of the required budget savings in future years.
- Inflationary pressures from pay, energy and our cost base.
- Any further unforeseen changes in Government policy
- The impact of the Fairer Funding review from 2020/21

10.4 The main conclusions to be drawn from this report are:

- A number of material variances occurred in 2018/19, both positive and negative. The Finance and Performance Board will continue to implement the budget monitoring and challenge process introduced in 2017/18.
- The Council has been able to balance the General Fund with a £395k surplus in 2018/19 in financially challenging times. However further savings need to be delivered to balance the budget in future years.
- The Council continues to be exposed to risks due to the wide range of services it provides and reliance on income from rents, fees and charges. Council Tax and Business Rates provide a limited and constrained opportunity for income growth. The Council is continuing to develop strategies to maintain and grow income.
- The working balance is being maintained at £1.5m. In addition, adequate balances are retained in other earmarked

reserves and provisions. It is, however, important that strong financial discipline is maintained to ensure that reasonable balances are retained in these funds, by controlling their use and creating capacity within the revenue budget to be able to replenish them.

- In terms of the General Fund Capital Programme, the Council will in the coming months review its Capital and Treasury Management to manage the commitments for future capital investment e.g. (Northern Gateway Innovation Centre, IT/PPP investment and other capital schemes). These projects will need to be funded by identifying further capital receipts or PWLB borrowing (with borrowing costs falling on the General Fund) whilst monitoring the impact of these decisions on our exempt VAT recovery position.
- The Cabinet will receive regular updates on both the revenue and capital budgets to ensure that the financial risks are being effectively managed.

11.0 Recommendations

Cabinet:

- 11.1 That the General Fund Revenue and Capital Outturn reports for 2018/19 be noted.
- 11.2 That the General Fund carry forward requests be approved (para 4.6).
- 11.3 That the level of General Fund Reserves and Balances (Section 6 and Appendix C) be approved.
- 11.4 That the General Fund surplus for the financial year 2018/19 be transferred to the budget risk reserve (para 6.7).
- 11.5 That the capital financing arrangements set out in Appendix D, be approved.

Full Council:

11.6 Notes the report.

12.0 Reason for Recommendations

12.1 In the interest of sound financial management.

Decision information

Key decision number	876
Wards affected	All
Links to Council Plan priorities	To be financially self sufficient

Document information

Report author	Contact number/email
Helen Fox Chief Accountant	helen.fox@chesterield.gov.uk
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
Appendices to the report	
Appendix A	General Fund Outturn 2018/19
Appendix B	2018/19 Variance Analysis
Appendix C	General Fund Reserves & Provisions
Appendix D	General Fund Capital Programme
Appendix E	Carry Forward requests

APPENDIX A

GENERAL FUND OUTTURN 2018/19

	Original	Revised	Outturn	Variance
	£	£	£	Rev'd- Out £
<u>Per Lead Member reports:</u>				
Leader	55,850	37,480	47,897	10,417
Deputy Leader	1,223,910	1,198,950	1,198,650	(300)
Economic Growth	163,790	313,610	(5,025,796)	(5,339,406)
Town Centre & Visitor Economy	(374,650)	27,420	3,191,498	3,164,078
Health & Wellbeing	7,692,040	7,099,130	6,925,421	(173,709)
Homes & Customers	1,920,230	2,010,950	2,081,070	70,120
Governance	2,760,790	2,777,630	2,590,016	(187,614)
Business Transformation	507,190	383,420	357,311	(26,109)
<u>Other:</u>				
Other Income	0	(570)	(43,590)	(43,020)
Savings - 'Cease or Reduce' Programme	(25,000)	0	0	0
Transformation Projects	(25,000)	0	0	0
Staff vacancies allowance	(150,000)	0	0	0
Share of Internal Audit surplus	0	0	(17,081)	(17,081)
Share of Crematorium Surplus	(250,000)	(274,370)	(274,375)	(5)
Spirepride surplus	(559,910)	(559,910)	(598,674)	(38,764)
OSD Trading surplus	(255,240)	0	(265,954)	(265,954)
DSO (surplus)/deficit	0	0	13,385	13,385
Other incl bad debt provision	100,000	85,000	30,895	(54,105)
Total Service Expenditure	12,784,000	13,098,740	10,210,672	(2,888,068)
Interest & capital charges	(2,389,457)	(2,157,880)	465,956	2,623,836
Contributions from Digital Innovation Reserve	0	(31,245)	0	31,245
Contributions from Service Improvement Reserve	(57,610)	(63,530)	(57,428)	6,102
Contributions from Budget Risk Reserve	0	(40,000)	(63,390)	(23,390)
Contributions to Renewals Fund etc	106,000	106,000	115,660	9,660
To/from Reserves	(150,000)	(150,000)	(150,000)	0
DSO surplus/deficit to/from Reserves	0	0	7,304	7,304
Surplus/(Deficit) - to/(from) reserves	55,781	161,629	394,679	233,050

APPENDIX A

GENERAL FUND OUTTURN 2018/19

Financed By:			
RSG	0	0	0
Business Rates Baseline	4,104,263	4,104,263	4,104,263
Settlement Funding	4,104,263	4,104,263	4,104,263
Retained Business Rates Growth	2,027,498	2,193,347	2,400,131
Business rate growth returned to pilot	(830,185)	(117,717)	(164,762)
Council tax support grants to parishes	(33,071)	(33,071)	(33,071)
Council Tax Fund Surplus/(Deficit)	54,318	54,318	54,318
Business Rates Fund Surplus/(Deficit)	(288,036)	(288,036)	(288,036)
Contribution (to)/ from Business Rate reserve	252,391	(50,926)	(210,926)
New Homes Bonus	461,645	461,645	461,646
Council Tax	4,599,891	4,599,891	4,599,891
TOTAL FINANCING	10,348,714	10,923,714	10,923,454

BR Growth Retention:			
Growth rate			
CBC 40% share of income	18,114,220	18,114,220	18,114,220
Less tariff	(13,733,487)	(13,738,492)	(13,738,492)
Add s31 grants	1,625,969	1,710,101	1,845,195
Gross income before levy	6,006,702	6,085,829	6,220,923
Less Baseline Funding	(4,104,263)	(4,104,263)	(4,104,263)
Growth	1,902,439	1,981,566	2,116,660
Levy (NB 50% on nndr3 not nndr 1)	0	0	0
Adjs to Levy & Tariff	(314,726)	(334,530)	(334,530)
Levy Account surplus	0	50,926	50,926
S31 Grant 2017/18	0	30,387	60,774
Retained BR re renewable energy	30,430	49,880	49,882
Grant re Multiplier Cap	409,355	415,118	456,419
BR Growth Retained above Baseline	2,027,498	2,193,347	2,400,131
Add Baseline Funding	4,104,263	4,104,263	4,104,263
Total BR Income Retained	6,131,761	6,297,610	6,504,394

2018/19 VARIANCE ANALYSIS – REVISED BUDGET TO OUTTURN		
Surplus Revised Budget		162
Surplus Outturn		395
Variance		233
<u>Outturn Savings - increased income:</u>		
OSD Surplus	266	
Spirepride Surplus	39	
Internal Audit Surplus	17	
Leisure Facilities HLC	24	
Other Grant Income	43	389
<u>Outturn Saving - reduced expenditure:</u>		
Carry Forward Requests (4.6 & Appendix E)		128
<u>Outturn Overspends - reduced income:</u>		
Pavement Shopping Centre	(85)	
Leisure Facilities QPSC	(16)	
Planning Fees (*)	(9)	(110)
<u>Outturn Overspends - increased expenditure:</u>		
Leisure Facilities QPSC	(49)	
Leisure Facilities HLC	(93)	
Building Cleaning Deficit	(21)	(163)
Net of all other variances		(11)
Movement in Surplus		233

(* Due to the introduction of IFRS15 – Revenue from Contracts with Customers, £158k of planning fee income has been transferred into 2019/20)

APPENDIX C

GENERAL FUND RESERVES AND PROVISIONS 2018/19

9001 code	Purpose	Bal at start of year £'000	Revised Bud Est £'000	Bal at end of year £'000
3240	Vehicles and Plant	766	525	640
	Wheelie Bin Replacements	76	80	57
3241	Property Repairs	354	365	225
3395	DSO/DLO	576	349	565
3263	Museum Exhibits	25	25	25
3264	Planning LDF Review	236	186	187
3265	Flooding Restoration Fund	53	-	53
3378	MMI Clawback Reserve	366	336	366
3380	ICT	67	-	218
3390	Insurance - claims not yet reported	597	597	597
3418	Theatre Restoration	367	31	-
3372	Repaid Improvement Grants	222	297	184
3399	Retained Business Rates	1,937	1,988	2,148
3419	General Fund Deficit Reduction	257	107	107
3243	Northern Gateway	280	200	280
3353	Community Infrastructure Levy	734	884	769
3354	S106 Contributions	254	231	258
3429	ICT Digital Innovation	596	675	706
3430	Service Redesign	750	750	750
	Earmarked Reserves	8,513	7,626	8,135
3388	Budget Risk	683	567	1,240
3389	Invest to Save	31	-	-
3412	Service Improvement	339	298	315
	Reserves Total	9,566	8,491	9,690
3237/8	Insurance - reported claims	735	735	807
3247	MMI Claw-back	17	7	16
3239	Transport Co. Pensions	1,008	1,022	1,025
	Provisions Total	1,760	1,764	1,848
	Reserves & Provisions Total	11,326	10,255	11,538

GENERAL FUND CAPITAL PROGRAMME 2018/19

	Original £'000	Revised £'000	Actual £'000	Variance Rev to Act £'000
<u>CAPITAL EXPENDITURE:</u>				
Home Repairs Assistance	275	317	108	(209)
Disabled Facilities Grants	946	1,654	778	(876)
Town Hall Alterations (GPGS)	636	1,020	932	(88)
Town Hall Alterations – CCTV (GPGS)	0	191	194	3
Grant to Chesterfield Waterside Ltd	0	493	237	(256)
Northern Gateway – Saltergate MSCP	5,725	5,117	3,641	(1,476)
Northern Gateway – Public Realm	800	75	65	(10)
Northern Gateway – Enterprise Centre	0	0	100	100
Peak Resort	0	143	143	0
Beetwell Street Car Park	324	0	113	113
IT Project	0	761	383	(378)
Whitecotes Park Play Area	0	57	65	8
Holland Road Play Area	0	70	0	(70)
King George V Play Area	0	50	49	(1)
Barrow Hill Railway Bridge	0	100	0	(100)
Kiosk Upgrades	0	14	13	(1)
Artificial Sports Pitches – Former QPSC Site	750	50	121	71
Winding Wheel Improvements	426	761	748	(13)
Tapton Terrace Flood Resilience Work	145	149	98	(51)
Somersall Park Play Area	0	48	56	8
Queen's Park Sports Centre - New Build	0	0	8	8
IT Strategy (from IT Reserve)	0	0	182	182
Vehicles and Plant (from V&P Reserve)	0	0	15	15
Grand Total	10,027	11,070	8,049	(3,021)

	Original	Revised	Actual	Variance
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	£'000	£'000	£'000	Rev to Act £'000
<u>CAPITAL FINANCING</u>				
Borrowing: Saltergate	3,000	3,000	0	(3,000)
Borrowing: General	662	0	0	0
Grants & Contributions - see below	3,546	7,864	5,313	(2,551)
Capital Receipts	2,288	1,600	1,624	24
ICT Reserve	0	0	15	15
Vehicle & Plant Reserve	0	191	376	185
Theatre Restoration Fund	426	426	463	37
Flood Reserve	16	16	0	(16)
Budget Risk Reserve	0	14	13	(1)
S106 Contributions	0	23	27	4
Home Repairs Reserve (Repaid Improvement Grants)	75	0	0	0
Repay Prudential Borrowing	(688)	0	0	0
Total resources available in year	9,325	13,134	7,831	(5,303)
Less total expenditure in year	10,027	11,070	8,049	
Net in-year surplus / (deficit)	(702)	2,064	(218)	
Surplus / (deficit) b/f from prev yr	702	1,473	1,474	
Cum surplus / (deficit) c/f	0	3,537	1,256	

	Original £'000	Revised £'000	Actual £'000	Variance Rev to Act £'000
<u>CAPITAL GRANTS etc:</u>				
Flood Risk Management Grant - EA	129	134	98	(36)
Disabled Facilities Grants (CLG/PCT)	1,221	2,046	883	(1,163)
Home Repairs Assistance (FILT / SSE)	10	10	3	(7)
Somersall Park (Viridor/Friends of Somersall Park)	0	25	36	11
Whitecotes Park Play Area – (Viridor/Friends of Whitecotes Park)	0	57	58	(1)
King George V Play Area – (Viridor)	0	50	49	(1)
SCRIF – Waterside	0	493	237	(256)
SCRIF – Peak Resorts	0	143	143	0
SCRIF – Northern Gateway	2,186	4,906	3,806	(1,100)
Grants Total	3,546	7,864	5,313	(2,551)

Appendix E

2018/19 BUDGET CARRY FORWARD REQUEST FORM

Description	Carry forward £25,000 for corporate training
Reported to Members	
Corporate, cross-cutting (community safety, equality, etc) and service priorities	Corporate
Mandatory / discretionary	
Revenue Implications One-off or on-going	One off
Savings identified elsewhere	
Partnership opportunities	
Grants and joint financing opportunities	
Charging policy	
Consultation undertaken	
Affect on other services	Mandatory Health & Safety training still outstanding from 2018/19 e.g. Asbestos training, CPC driver training etc. failure to deliver these course could result in non-compliance or Health & Safety accidents and incidents
Implications if not approved	Non compliance The undelivered mandatory training will have to be paid for from this year's budget An on-going cycle of catching up and firefighting especially within OSD and Environmental Services instead of mandatory training plus development training to increase efficiency and provide for succession planning.
Suggested performance targets/indicators	A new management information system. Robust auditing of training requests through to delivery & payment. Quarterly updates on spending targets to ensure that the budget is fully utilised
Other Comments:	Due to the delayed timescales last year (September start) a proportion of the mandatory training was not delivered in the financial year – hence the under-spend. However, this training still needs to be delivered in this financial year. We will have the ongoing requirements of the learning needs analysis from the 2019/20 PDRs plus a programme of development training to meet the council's vision for the coming year.

2018/19 BUDGET CARRY FORWARD REQUEST FORM

Description	Markets (0100) Advertising 4415 £2,600
Reported to Members	Cllr Steve Brunt approved.
Corporate, cross-cutting (community safety, equality, etc) and service priorities	Funding for promoting the move of the car boot sale from the Proact Stadium to a town centre location.
Mandatory / discretionary	Discretionary
Revenue Implications One-off or on-going	One-off
Savings identified elsewhere	Increase in number of people standing and increase in visitors leading to an increase in the visitor economy.
Partnership opportunities	None
Grants and joint financing opportunities	N/A
Charging policy	£10 per vehicle, large vans extra
Consultation undertaken	N/A
Affect on other services	N/A
Implications if not approved	The grounds for taking the car boot back under the council were only met in February 2019 and the process will take approximately 8 weeks to complete. As a consequence, the car boot will need to be advertised in April/May and funding for this unforeseen situation was not recognised when initial budgets were set. Without the carryover of this money, the 2019/20 budget for markets advertising would be underfunded.
Other Comments:	

For publication

Housing Revenue Account (HRA) – Final Accounts 2018/19

Meeting: Cabinet

Date: 21st May 2019

Cabinet portfolio: Cabinet Member for Housing

Report by: Director of Finance & Resources

For publication

1.0 Purpose of report

- 1.1 To report on the Revenue Outturn for 2018/19 and to provide explanations for significant variations from the Revised Estimates approved by Cabinet on 26th February 2019.
- 1.2 To report the Capital Outturn for the year.

2.0 Recommendations

- 2.1 That the report be noted.
- 2.2 That the revenue carry forward requests (£136,720 per paragraph 3.5) in respect of projects which were not finalised during 2018/19 be approved.

3.0 Revenue Outturn

3.1 The revenue budgets and outturn were as follows:

	Original Budget £'000	Revised Budget £'000	Actual Outturn £'000
HRA Services (Surplus)/Deficit	(4,477)	(5,534)	(8,885)
Direct Revenue Financing (DRF)	5,303	8,358	3,324
Other Appropriations	4,734	3,588	3,741
(Increase)/Decrease in HRA balance	5,560	6,412	(1,820)
Change on previous column	-	852	(8,232)

The surplus on HRA services shown in the table above refers to the net position of revenue income (e.g. rents) less revenue expenditure (e.g. management costs and housing repairs expenditure). The increased surplus results mainly from a reduction in direct revenue funding and also a reduction in the provision for bad debts.

Direct revenue funding relates to revenue balances (i.e. tenants rents) being used to fund capital expenditure when there are insufficient other sources of funding such as right to buy and other capital receipts. The table shows that the requirement for direct revenue funding has increased from £5,303k in the original budget, to £8,358k in the revised budget and reduced to £3,324k for the outturn. The reduced actual figure reflects procurement issues and delayed starts for a number of capital schemes e.g. new build (Manor Drive, Brockwell Court & Heaton Court) and various estate improvement works.

Other appropriations relate to the provision for debt repayment and transfers to the major repairs reserve (to fund capital expenditure).

3.2 The main variations from the Original to Revised budget £852k are shown in the table below:

Variances – Original to Revised Budget	
	£'000
Approved carry forwards	168
Net expenditure decrease in Housing Supervision & Management	(36)
Reduction in Rent, Rates, Taxes & Other Charges	(147)
Net increase in rental & service charge income	(188)
Central & Departmental Support revised allocations	115
Increased DRF due to revised Capital Programme	3,055
Bad Debts Provision reduced	(1,740)
Repairs & Maintenance budget reduced	(385)
Net Miscellaneous	10
Total	852

3.3 The Revenue Outturn of £1,820k surplus represents:

- An increase in surplus of £7,380k against the Original Budget (a change from an original estimate of a deficit of £5,560k to an actual outturn of a surplus of £1,820k). This is mainly due to an underspend on the capital programme and a decrease in the bad debts provision.
- An increase in surplus of £8,232k against the Revised Budget (a change from a revised estimate of a deficit of £6,412k to an actual outturn of a surplus of £1,820k). This is mainly due to an underspend on capital work (£5,566k) and a reduction in the provision for bad debts (£2,968k).

3.4 A detailed analysis of the variances from the revised budget to the outturn is shown in Annexe 3 but the most significant variances are summarised in the following table:

Significant Variances Revised to Outturn 2018/19	
Description	Overspend/ (Underspend) £'000
Increased rental income	(176)
Overall decrease in other income	109

Underspend on Housing Supervision & Management expenses	(454)
Underspend on Rents, Rates, Taxes & Other Charges	(14)
Overspend on Repairs & Maintenance of Council dwellings	234
Reduction in DRF due to underspend on Capital Programme	(5,035)
Reduced Bad Debts Provision	(2,968)
Increased Depreciation Costs	109
Net of all other variances	(37)
Overall Reduction in budget requirement	(8,232)

3.5 Housing services carry forward requests totalling £136,720 for operating spend (e.g. Survey costs for the Linacre site, IT and replacement Allocations System) have been made, details of which are provided in Annexe 4.

3.6 The following information is attached:

Annexe 1 – Housing Revenue Account Summary

Annexe 1a – Supervision & Management General Expenses

Annexe 1b – Supervision & Management Special Expenses

Annexe 1c – General Fund Contributions

Annexe 2 – Subjective Analysis

Annexe 3 – Variance Analysis, revised budget to outturn

Annexe 4 – Carry Forward Requests

Annexe 5 – HRA Capital Expenditure 2018/19

4.0 Capital Outturn

4.1 Annexe 5 provides a summary of expenditure on capital schemes in the year. This is funded by right to buy sales and other asset sales with the balance from revenue. Total expenditure was £17,683,120 against the budget of £23,249,300 giving an underspend of £5,566,180 (23.94% of budget).

- 4.2 Spend on some schemes has been delayed mainly by procurement issues and late starts on sites by contractors e.g. new build schemes at Manor Drive, Brockwell Court and Heaton Court, plus estate environmental works.

5.0 Capital Receipts

- 5.1 The movement on useable capital receipts in the year is summarised in the table below. The receipts received during the year (£5,162k) were mainly from 100 right to buy sales along with the sale of miscellaneous properties.

	Useable Capital receipts
	£'000
Balance b/fwd 1 st April	3,229
Add: receipts in the year	5,162
Less: Housing receipts "Pooled"	(925)
Less: Applied to finance HRA Capital Expenditure	(3,467)
Balance c/fwd 31st March	3,999 *

* The balance of £3,999k is all retained "one-for-one" receipts. These "one-for-one" retained receipts need to be spent as soon as possible to avoid repayment to the Government. This has been addressed by the inclusion of new build schemes in the 2019/20 capital programme.

6.0 Balances

- 6.1 The effect of the increased surplus on HRA balances is outlined in the following table:

	Revised Estimate £'000	Actual Expenditure £'000

Balance at 1 st April 2018	(27,417)	(27,417)
Direct Revenue Financing	8,358	3,324
Other Appropriations	3,588	3,741
(Surplus)/Deficit in year on HRA Services	(5,534)	(8,885)
Balance at 31 st March 2019	(21,005)	(29,237)

The increase in the balance at 31st March from £27,417k to £29,237k results mainly from an underspend on the HRA Capital Programme (£5,566k) and a reduction in the provision for bad debts (£2,968k). The former is shown in the above table as a reduction in direct revenue financing (capital to be funded from revenue balances). See paragraphs 4.1 to 4.2 for details.

- 6.2 If the carry forward requests outlined at paragraph 3.5 are approved, this would give a final position at 31st March 2019 of £29,100k. Of this balance a significant proportion has been earmarked to support the Housing Capital Programme in future years (as highlighted in the HRA Capital Programme which was reported to Council on 26th February 2019).

7.0 Recommendations

- 7.1 That the report be noted.
- 7.2 That the revenue carry forward requests (£136,720 per paragraph 3.5) in respect of projects which were not finalised during 2018/19 be approved.

8.0 Reasons for Recommendations

- 8.1 To enable the HRA revenue outturn to be included in the Council's overall Statement of Accounts.

- 8.2 To consider the carry forward requests which will allow for the completion of the revenue projects which were not finalised during the financial year.

Glossary of Terms	
HRA	Housing Revenue Account
RTB	Right to Buy
DRF	Direct Revenue Financing

Decision information

Key decision number	878
Wards affected	All
Links to Council Plan priorities	To improve the quality of life for local people and to provide value for money services.

Document information

Report author	Contact number/email
Steven Spencer	5454 steve.spencer@chesterfield.gov.uk
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
Appendices to the report	
Annexe 1	HRA Summary Operating Account 2018/19
Annexe 1a	HRA Supervision & Management General Expenses 2018/19
Annexe 1b	HRA Supervision & Management Special Expenses 2018/19
Annexe 1c	General Fund Contributions 2018/19
Annexe 2	HRA Subjective Analysis 2018/19
Annexe 3	HRA Variance Analysis
Annexe 4	HRA Carry Forward Requests
Annexe 5	HRA Capital Expenditure 2018/19

HOUSING REVENUE ACCOUNT 2018/19
STATUTORY HRA OPERATING ACCOUNT
SUMMARY

2017/18 Actual £		2018/19 Original £	2018/19 Revised £	2018/19 Actual £
	<u>INCOME</u>			
(36,262,389)	Rent of Dwellings	(35,412,780)	(35,338,450)	(35,514,123)
(421,524)	Charges for Services & Facilities	(471,170)	(464,000)	(427,983)
(847,578)	Non-Dwelling Rents	(828,020)	(913,420)	(856,690)
(505,288)	Contributions towards Expenditure	(538,040)	(510,620)	(492,834)
(38,036,779)	Total Income	(37,250,010)	(37,226,490)	(37,291,630)
	<u>EXPENDITURE</u>			
5,308,054	Supervision and Management -General	6,256,030	6,142,420	5,524,938
2,085,815	Supervision and Management -Special	1,865,510	2,034,090	2,197,114
605,614	Rent, rates, taxes and other charges	441,400	294,530	280,345
8,074,883	Repairs and Maintenance	8,473,000	8,088,000	8,321,824
9,196,240	Depreciation, Impairment & Revaluation of Fixed Asset	8,034,760	9,180,920	9,132,873
47,153	Debt Management Expenses	47,790	45,340	45,224
2,173,000	Increase in Bad Debts Provision	2,833,020	1,093,480	(1,874,275)
27,490,759	Total Expenditure	27,951,510	26,878,780	23,628,043
(10,546,020)	NET COST OF SERVICES per Authority income & Expenditure Account	(9,298,500)	(10,347,710)	(13,663,587)
30,310	HRA share of Corporate & Democratic Core	32,700	39,100	38,940
(10,515,710)	NET COST OF HRA SERVICES	(9,265,800)	(10,308,610)	(13,624,647)
4,960,732	HRA share of interest payable, premiums & discounts	4,853,920	4,853,130	4,860,452
(74,544)	Interest and Investment Income	(65,180)	(78,330)	(120,949)
0	Share of DLO/DSO surplus	0	0	0
(5,629,522)	(SURPLUS)/DEFICIT IN YEAR on HRA Income & Expenditure	(4,477,060)	(5,533,810)	(8,885,144)
	STATEMENT of MOVEMENT on the HRA BALANCE			
	Increase/(decrease) in HRA balance comprising:			
(5,629,522)	Surplus or deficit on HRA Income & Expenditure Account	(4,477,060)	(5,533,810)	(8,885,144)
0	Capital Expenditure funded from HRA	5,303,110	8,358,300	3,323,762
(1,468)	Transfer to/(from) Reserves	0	0	(3,508)
2,015,379	Provision for Debt Repayment	1,985,150	1,985,150	1,985,148
1,175,476	Transfer to/(from) Major Repairs Reserve	2,749,000	1,603,000	1,760,211
(2,440,135)	(Increase)/decrease in HRA balance for the Year	5,560,200	6,412,640	(1,819,531)
(24,977,207)	HRA Balance Bfwd 1st April	(24,192,957)	(27,417,342)	(27,417,342)
0	Growth from Working Balance	0	0	0
(27,417,342)	HRA Balance Cfwd at 31st March	(18,632,757)	(21,004,702)	(29,236,873)

SUPERVISION AND MANAGEMENT EXPENSES

2017/18 Actual £		2018/19 Original £	2018/19 Revised £	2018/19 Actual £
<u>HOUSING SUPERVISION AND MANAGEMENT</u>				
<u>GENERAL EXPENSES</u>				
<u>Community Housing Department - Cost Centres 0600 to 0604, 0608/9, 0614/5, 0622 & 0960</u>				
2,660,894	Employee Expenses	2,947,760	2,740,870	2,776,143
486,331	Premises Related Expenses	584,520	571,770	502,998
34,906	Transport Related Expenses	41,300	38,510	32,656
397,884	Supplies and Services	561,060	793,060	442,982
109,668	Agency and Contracted Services	112,300	96,680	96,689
(204,512)	Controllable Income	(215,890)	(210,250)	(210,070)
3,485,171	Net Controllable	4,031,050	4,030,640	3,641,398
2,469,054	Central and Departmental Support	2,952,490	3,039,200	2,836,201
(646,171)	Recharge Income	(727,510)	(927,420)	(952,661)
5,308,054	NET	6,256,030	6,142,420	5,524,938
<u>Rent Collection - Cost Centre 0414</u>				
20,880	Employee Expenses	21,090	21,090	21,090
0	Transport Related Expenses	0	0	0
40,177	Supplies and Services	39,270	40,500	27,338
480,701	Agency and Contracted Services	491,540	496,990	496,979
(120,786)	Controllable Income	(11,410)	(9,790)	(8,084)
420,972	Net Controllable	540,490	548,790	537,323
235,807	Central and Departmental Support	241,010	257,030	255,351
(656,779)	Recharge Income	(781,500)	(805,820)	(792,674)
0	NET	0	0	0
5,308,054	TOTAL - GENERAL EXPENSES	6,256,030	6,142,420	5,524,938

HOUSING REVENUE ACCOUNT 2018/19
SUPERVISION AND MANAGEMENT EXPENSES (CONT'D)

2017/18 Actual £		2018/19 Original £	2018/19 Revised £	2018/19 Actual £
HOUSING SUPERVISION AND MANAGEMENT				
SPECIAL EXPENSES				
<u>Careline & Response - Cost Centres 0619/0620/0621/0631/0633/0634/0635</u>				
1,072,155	Employee Expenses	1,257,170	1,318,760	1,402,874
40,560	Premises Related Expenses	43,570	53,090	41,977
23,470	Transport Related Expenses	43,420	42,420	40,792
163,499	Supplies and Services	193,880	215,090	234,721
38,223	Agency and Contracted Services	35,120	35,120	35,500
(578,366)	Controllable Income	(1,091,380)	(1,019,560)	(903,322)
759,541	Net Controllable	481,780	644,920	852,542
59,998	Central & Departmental Support	66,090	75,160	73,236
0	Recharge Income	0	0	0
819,539	NET	547,870	720,080	925,778
<u>District/Group Heating Schemes - Cost Centres 0190, 0640-0643/0654-0659/0664-0669</u>				
56,769	Premises Related Expenses	83,000	71,760	73,284
1,232	Supplies and Services	2,300	1,280	1,069
0	Controllable Income	0	0	0
58,001	Net Controllable	85,300	73,040	74,353
5,070	Central & Departmental Support	5,260	2,790	2,790
(5,070)	Recharge Income	(5,260)	(2,790)	(2,790)
58,001	NET	85,300	73,040	74,353
<u>Maintenance of Grass Areas - Cost Centres 0605 & 0646</u>				
463,002	Premises Related Expenses	470,860	486,960	487,304
45,980	Agency and Contracted Services	46,550	46,550	46,620
21,897	Central & Departmental Support	23,630	21,750	21,964
(29,234)	Controllable Income	(17,500)	(3,100)	(1,949)
501,645	NET	523,540	552,160	553,939
<u>Common Rooms and Areas - Cost Centre 0650</u>				
35,630	Premises Related Expenses	39,070	36,440	32,028
0	Supplies and Services	0	0	0
5,876	Agency and Contracted Services	6,080	6,080	6,084
(10,443)	Controllable Income	(8,000)	(5,000)	(2,440)
31,063	NET	37,150	37,520	35,672
<u>Homelessness - Cost Centre 0660</u>				
214,052	Employee Expenses	196,790	142,220	139,596
0	Premises Related Expenses	0	0	0
1,631	Transport Related Expenses	1,600	1,950	1,636
39,966	Supplies and Services	100,480	100,420	64,786
11,781	Agency and Contracted Services	11,820	10,910	11,844
0	Transfer Payments	0	0	0
(74,229)	Controllable Income	(91,570)	(48,490)	(34,132)
193,201	Net Controllable	219,120	207,010	183,730
63,917	Central & Departmental Support	65,950	66,290	65,474
257,118	NET	285,070	273,300	249,204
<u>Other Community Services - Cost Centres 0670/0671/0675</u>				
206,019	Employee Expenses	201,620	194,390	202,826
183,371	Premises Related Expenses	152,640	152,850	124,027
26,503	Transport Related Expenses	24,570	24,420	27,306
1,607	Supplies and Services	3,250	4,500	1,289
(5,551)	Controllable Income	(1,900)	(5,650)	(4,220)
411,949	Net Controllable	380,180	370,510	351,228
6,500	Central & Departmental Support	6,400	7,480	6,940
418,449	NET	386,580	377,990	358,168
2,085,815	TOTAL - SPECIAL EXPENSES	1,865,510	2,034,090	2,197,114

GENERAL FUND CONTRIBUTIONS

Cost Centres Detail 0371/0372/0373/0374/0375/0376/Summary 0695

2017/18 Actual £		2018/19 Original £	2018/19 Revised £	2018/19 Actual £
(257,118)	Homelessness	(285,070)	(273,300)	(249,204)
(165,660)	Maintenance of Grassed Areas	(168,100)	(167,760)	(172,100)
(8,000)	Social Services - Communal Area Use	(8,000)	(8,000)	(8,000)
(10,000)	Community Rooms-General Fund Use	(10,000)	(8,000)	(10,000)
(51,430)	Private Sector Initiatives	(53,530)	(53,560)	(53,530)
(13,080)	Careline Charge	(13,340)	0	0
(505,288)	NET	(538,040)	(510,620)	(492,834)

HOUSING REVENUE ACCOUNT ACTUALS 2018/19
STATUTORY HRA OPERATING ACCOUNT
SUMMARY SUBJECTIVE ANALYSIS

	Original £	2018/19 Revised £	Actual £
<u>EXPENDITURE</u>			
Employee Expenses	4,624,430	4,417,330	4,542,529
Premises Expenses	10,288,060	9,755,400	9,863,787
Transport Expenses	110,890	107,300	102,390
Supplies and Services	900,240	1,154,850	772,185
Agency Services	703,410	692,330	693,716
Bad Debts Provision	2,833,020	1,093,480	(1,874,275)
Central and Departmental Support	3,393,530	3,508,800	3,300,896
Capital Financing Costs	17,670,620	17,667,540	17,783,908
Direct Revenue Financing	5,303,110	8,358,300	3,323,762
	45,827,310	46,755,330	38,508,898
<u>INCOME</u>			
Supporting People Grant	(293,270)	(315,000)	(312,591)
Rent	(35,412,780)	(35,338,450)	(35,514,123)
Fees and Charges etc.	(2,443,570)	(2,364,260)	(2,136,299)
Recharges	(1,514,270)	(1,736,030)	(1,748,125)
Interest	(65,180)	(78,330)	(120,949)
Contribution to/from Reserves	0	0	(3,508)
General Fund Contribution	(538,040)	(510,620)	(492,834)
Transfer from OSD	0	0	0
	(40,267,110)	(40,342,690)	(40,328,429)
	5,560,200	6,412,640	(1,819,531)

HOUSING REVENUE ACCOUNT VARIANCE ANALYSIS

Programme Area / Service	Reason	Over/(Under) Spent £'000	Carry Fwd Requests £'000
Rent of Dwellings	Rent Income more than estimated	176	
Charges for Services & Facilities	Service Charge and other income lower than forecast.	(34)	
Non-dwelling rents etc	Mainly Income from solar panels lower than than forecast	(57)	
General Fund Contributions	Mainly due to reduction in Homelessness bed & breakfast costs	(18)	
INCOME		67	0
Supervision & Management - General and Special	Employers Superannuation costs higher than forecast (offset by pension adjustment included in CAC below)	223	
	Vacant posts	(97)	
	Underspend on previously approved growth on IT (Keystone)	(15)	15
	Underspend on IT budget (Northgate Leaseholder Module)	(2)	2
	Premises costs less than forecast on sheltered schemes and common rooms	(13)	
	Neighbourhood's Court Costs/Legal Fees lower than forecast	(18)	
	Reduction in CAC charges to offset increased superannuation charge above (£223k) offset by other increases (£15k)	(208)	
	No spend on approved growth for new It for mobile working for Asset Management Officers	(10)	10
	HRA Contribution to site surveys at Linacre	(35)	35
	Reduction in Homelessness bed & breakfast costs	(30)	
	Underspend on waste clearance by Neighbourhoods Team	(5)	
	Underspend on Transport	(5)	
	Underspend on Environmental Improvement Schemes	(56)	
	Underspend on Consultants, Professional & Survey Fees	(80)	
	Income on Careline & Response lower than forecast	(116)	
	Replacement of Allocations System delayed	(75)	75
Rent, Rates, Taxes	NNDR costs lower than anticipated	(14)	
Repairs and Maintenance	Increase in Responsive Repairs in 2nd half year	234	
Bad Debts Provision	Reduced Provision as bad debts lower than estimated	(2,968)	
Direct Revenue Financing	Reduced financing resulting from an under-spend of the capital programme.	(5,035)	
Capital Financing Costs	Change in depreciation costs	109	
Interest Received	More income than anticipated due to higher balance.	(43)	
Other Minor Variances	Net of all other variances	(40)	
EXPENDITURE		(8,299)	137
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GRAND TOTAL		(8,232)	137

**HOUSING REVENUE ACCOUNT 2018/19
CARRY FORWARD REQUESTS**

Programme Area/Service	Budget Head	Reason	Amount (£)		C-fwd Request (£)
Community Housing	Information Technology	Unused Balance of previously Approved Growth for IT (Keystone).	Revised	29,740	15,230
			Actual Balance	14,510	
Community Housing	Information Technology	Underspend on IT budget - Northgate Leaseholder Module	Revised	18,250	2,250
			Actual Balance	16,000	
Community Housing	Information Technology	Replacement of Allocations System	Revised	80,000	74,890
			Actual Balance	5,110	
Community Housing	Supplies & Services	HRA Contribution to site surveys etc at Linacre	Revised	40,000	34,350
			Actual Balance	5,650	
Community Housing	Supplies & Services	Approved Growth for the provision of new IT for mobile working for Asset Management Officers	Revised	10,000	10,000
			Actual Balance	-	
		TOTAL CARRY FORWARD REQUESTS FOR APPROVAL.			136,720

Description	Out-turn 2018/19	2018/19 Budget	Overspend	Underspend	Comments/Reasons for Major Over/Underspends
			Against 2018/19 Bud	Against 2018/19 Bud	
Communal Lighting Replacement	0.00	25,000.00		25,000.00	Work at Heath Court not carried out
Fire Risk Works/Bin Stores	331,772.03	300,000.00	31,772.03		Agreed overspend to be compliant
Fire Risk Assessments	18,165.74	30,000.00		11,834.26	Works complete - saving
External Wall Insulation/PRC	2,730,667.21	2,450,000.00	280,667.21		SBS asked to continue with work until complete.
Windows	301,623.90	400,000.00		98,376.10	Commercial services asked to carry out some works - not done due to not being trained to fit
Structural Works	137,723.10	300,000.00		162,276.90	Extra works found throughout the year - work carried out following Kier reports at various schemes
Adaptations	526,326.14	500,000.00	26,326.14		Larger scheme added that wasn't planned for (£40k+)
Central Heating Replacement	637,888.85	580,800.00	57,088.85		
Door Renewals	82,026.03	87,200.00		5,173.97	
Common Room Refurbishment	48,094.33	30,000.00	18,094.33		Extra works required, discovered whilst on site
Communal Door Cameras/Systems	37,190.42	25,000.00	12,190.42		
Kitchens & Bathrooms	1,555,514.59	1,840,000.00		284,485.41	M&T contract sum £1m and OSD sum £500k
Sheltered Refurbishment	2,446,068.39	2,227,490.00	218,578.39		Additional works instructed
Rewiring, CO Retro Prog & Smoke Detector Repl	229,303.10	273,400.00		44,096.90	Commercial services issues with capacity - all addresses issued to meet budget but not completed
Roof Renewals incl Hanging Tiles	2,360,195.97	2,228,800.00	131,395.97		Budget based on previous average prices - costs have increased over past 12 months
Loft Insulation Top Ups	201,513.38	100,000.00	101,513.38		Commercial services charging 'repairs' SOR rates and working to property list rather than budget - to be agreed
DPC/Drain Works/Pointing	521,529.72	621,600.00		100,070.28	Some works incomplete (Hazelhurst)
Neighbourhood Action Plan - Barrow Hill	1,150,616.64	2,037,670.00		887,053.36	Tender for 2nd phase (June) will determine how much required.
Markham Court Community Room Demolition	12,444.58	13,250.00		805.42	
Stairlift Replacement	15,925.20	21,220.00		5,294.80	
Footpath - Proactive Maintenance	178,415.92	170,000.00	8,415.92		
Asbestos Removal Works	19,553.00	25,000.00		5,447.00	
Asbestos Management/R&D Surveys	192,237.15	210,000.00		17,762.85	Works complete - saving
Sky+ Conversion	(56,702.00)	0.00		56,702.00	Provision for possible contractor claim not required.
Estate Environmental	1,379,978.41	2,205,350.00		825,371.59	Some works still to complete on site (June)
Grangewood Estate Improvements	235,824.59	1,200,000.00		964,175.41	Work carried out over 18 month period.
Blocks External Works	68,176.82	98,200.00		30,023.18	Works issued complete
Fences, Gates, Footpaths & Drives	187,195.72	200,000.00		12,804.28	
Garage Site Improvements	92,697.34	282,000.00		189,302.66	Works issued to commercial services but not complete
Demolition of Former Careline Offices	784.85	0.00	784.85		
Internal Soil Stacks	121,275.00	100,000.00	21,275.00		
HRA Property Acquisitions	247,000.00	250,000.00		3,000.00	
Chiswick, Ealing & Duewell Demolition	65,378.50	60,000.00	5,378.50		
Heaton Court Demolition	3,781.96	0.00	3,781.96		
Rufford Close New Build	690,170.73	418,320.00	271,850.73		Various issues
Rufford Close Remedial Works	0.00	100,000.00		100,000.00	Works yet to commence on site
Manor Drive New Build	25,100.64	335,000.00		309,899.36	Works yet to commence on site
Brockwell Court New Build	57,936.08	2,400,000.00		2,342,063.92	Works yet to commence on site
Heaton Court New Build	750,513.17	1,000,000.00		249,486.83	Works carried out over 18 months
New Build Feasibility	23,386.86	64,000.00		40,613.14	Budget for investigation work prior to design/construction at various sites - currently procuring
Sheltered Scheme Decants	55,826.39	40,000.00	15,826.39		
Total All Schemes	17,683,120.45	23,249,300.00	1,204,940.07	6,771,119.62	
Net Position - (UNDER)/OVER-SPEND			(5,566,179.55)		

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