

GENERAL FUND BUDGET OUTTURN 2014/15 (J000)

MEETING: (1) COUNCIL
(2) CABINET
(3) LEADER IN CONSULTATION WITH THE DEPUTY LEADER

DATE: (1) 22ND JULY 2015
(2) 16TH JUNE 2015
(3) 9TH JUNE 2015

REPORT BY: CHIEF EXECUTIVE
CHIEF FINANCE OFFICER

WARD: ALL

COMMUNITY FORUM: ALL

KEY DECISION REF: 401

FOR PUBLICATION**BACKGROUND PAPERS:**

Final accounts working papers, Accountancy Section.

1.0 PURPOSE OF REPORT

1.1 To report on the General Fund Revenue and Capital Outturns for 2014/15, provide details of significant variations from the revised estimates and to consider carry forward requests.

2.0 RECOMMENDATIONS**Cabinet:**

2.1 That the General Fund Revenue and Capital Outturn reports for 2014/15 be noted.

2.2 That the £313k revenue account surplus be transferred to the Retained Business Rates Reserve account.

2.3 That the General Fund carry forward and deferred growth requests be considered (para 4.4).

- 2.4 That the level of General Fund Reserves and Balances (Section 6 and Appendix E) be approved.
- 2.5 That the capital financing arrangements set out in Appendix F be approved.

Full Council:

- 2.6 Considers the report.

3.0 BACKGROUND

- 3.1 The individual portfolio budget outturn reports are included as separate items on today's Cabinet agenda.
- 3.2 The external audit of the accounts is due to start in July. The formal published Statement of Accounts will be presented to the Standards and Audit Committee for approval at the end of September on conclusion of the audit. Once approved, a copy of the accounts will be placed on the Council's web-site.
- 3.3 This report includes details of the General Fund revenue account and the collection fund outturns, plus a summary of the General Fund Capital Programmes. 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 Statement of Accounts.
- 3.4 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 allocated as follows:
 - (i) That any surplus relating to Public Sector Housing activities will be transferred to the HRA; and
 - (ii) That any surpluses or deficits relating to General Fund Activities will be transferred to the Budget Risk Reserve.

4.0 GENERAL FUND REVENUE ACCOUNT

- 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 **£312,504** in the year compared with:
- a) The **original** budget surplus forecast of £243,855.
 - b) The **revised** budget surplus forecast of £39,818.
- 4.2 Details of the variances that contributed towards the £204k reduction from the original deficit forecast to the revised forecast were included in the budget report to the Cabinet on the 18th February 2014.
- 4.3 The outturn **surplus is £273k above the revised budget** forecast. Whilst a significant sum in absolute terms, the under spend is low in relative terms i.e. less than 1% of the Council's gross turnover (income plus expenditure excluding Benefits, i.e. £30m + £20m = £50m).
- 4.4 Details of the variances have been reported in the Executive Member reports. There were many relatively low value budget variances in the year but also a number of significant variances. A summary of the most significant variances is included in **Appendix B**. At the time the revised budgets were approved there were a number of potentially high cost live issues but their likelihood of occurring and their impact were not clear at that stage. The issues were reported to the Financial Planning Group as they developed, together with the improving income position on many services (Planning, Sports facilities, Venues, etc).
- 4.5 Further work is now required 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 the Cabinet.
- 4.6 There are significant variances on Asset Charges on some of the portfolios due to valuation adjustments for balance sheet purposes; Deputy Leader +£0.6m, Leisure +£1.1m and Governance -£0.3m). 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 of £1.4m. There is, therefore, no bottom-line impact from these valuation adjustments.

4.7 A subjective analysis of all the General Fund services is provided at **Appendix C**.

4.8 There are a number of **carry forward requests** and two deferred **growth requests** to consider. Fuller details of the Carry Forward requests are included in the Executive Members' reports. The table below provides a summary of the carry forward and deferred growth requests with a recommendation on each from the enior Leadership Team (SLT).

| Table 1 – Carry Forward & Deferred Growth Requests | | | | | |
|--|----------------------------|--|-----------------|--|---|
| Portfolio | Service | Description | Amount | From | SLT recommendation |
| Dep Leader | Forward Planning | Professional fees as approved in principle by the Cabinet (21 st April 2015). | 13,900 | Budget Risk Reserve | Approve on an on-going basis |
| Environment | Environmental Health Admin | To complete a system upgrade from the Oracle to a Sequel server. | 3,500 | Budget Risk Reserve | Approve – need to feed in any ongoing costs to the ICT Strategy |
| | Parks | Additional general maintenance works. | 14,000 | Budget Risk Reserve | Reject due to the large underspend in 2014/15, some of which will be recurring. |
| Governance | Elections | To match the actual profile of expenditure on the May 2015 elections. | 6,000 | Budget Risk Reserve | Approve |
| | Leadership Development | Slippage on carry forward approved from 2013/14. | 6,000 | Already set aside in the Budget Risk Res | Approve |
| Sub-total <u>Growth requests:</u> | | Carry fwd requests | 43,400 | | |
| Environment | | Cemeteries Improvement Programme | 70,000 | BR /SI Reserve | Defer pending more detail and a full business case report. |
| Governance | | Communications Team's training budget | 2,000 | Budget Risk Reserve | Reject, but managers to try and identify a virement solution. |
| Total | Carry f/wds | & Growth Request | £115,400 | | |

5.0 DLO/DSO's

5.1 A summary of the DLO/DSO surpluses/deficits is shown in **Appendix D**. All of the operations produced a surplus for the year. The table below summarises the proposed distribution of the surpluses:

| Table 2 – Allocation of DLO/DSO Surpluses | |
|--|-----------------------|
| Fund / Reserve | Amount (£'000) |
| Earmarked for carry forward requests | 265 |
| Housing related surplus to the HRA | 100 |
| General Fund Revenue Account | 114 |
| General Fund Budget Risk Reserve | 19 |
| Total | 498 |

6.0 GENERAL FUND BALANCES AND RESERVES

6.1 The table below shows a summary of the General Fund Reserves and Provisions; more detail is provided in **Appendix E**. Please note that the summary of useable reserves in the table below excludes the **General Working Balance** (which is being reduced to £1.5m in 2015/16).

| Table 3 – General Fund Reserves & Provisions 2014/15 | | | |
|---|--------------------------------|--------------------------------|---------------------------------|
| Reserve | Opening Balance (£'000) | Closing Balance (£'000) | Revised Forecast (£'000) |
| Budget Risks Reserve | 1,000 | 780 | 791 |
| Invest-to-Save Reserve | 393 | 286 | 229 |
| Service Improvement Reserve | 1,175 | 1,153 | 887 |
| Other Earmarked Reserves | 3,726 | 4,504 | 2,826 |
| Provisions | 1,700 | 1,891 | 1,616 |
| Total Reserves & Provisions | 7,994 | 8,614 | 6,349 |

6.2 Overall the level of reserves and provisions are £2.3m above the revised budget forecast estimate due mainly to increases in the Business Rates Reserve, Property Repairs Fund, Vehicles & Plant Reserve, Insurance Fund and the Service Improvement Reserve. 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 table below provides a comparison of the revised budget with the outturn position. The balance in the reserve is above the revised budget forecast by £19k, due mainly to the inclusion of the 2014/15 DSO surpluses.

| Table 4 – Budget Risk Reserve | | |
|---|--------------------------|-------------------------------------|
| | Outturn £'000 | Revised Budget £'000 |
| Opening balance 1 Apr 2014 | 1,000 | 1,000 |
| <u>Movements in 2014/15:</u> | | |
| VR/VER's | (53) | (53) |
| CMT restructure | (97) | (97) |
| Governance restructure | (31) | (31) |
| 13/14 carry forwards | (36) | (36) |
| Learning & Development | (26) | (32) |
| Transfer from Risk Mgt Reserve | 5 | |
| Security DSO surplus | 13 | |
| Building Cleaning surplus | 6 | |
| 2014/15 budget outturn surplus | - | 40 |
| Balance c/fwd 31st Mar 2015 | 781 | 791 |
| <u>Outstanding Commitments:</u> | | |
| STWA tenants consultation exercise | (30) | (30) |
| Land Charges claims | (44) | (44) |
| Erin Road Pumping Station | (50) | (50) |
| Learning & Development | (6) | |
| Approved growth – stock condition survey | (26) | (26) |
| Approved Growth – Data Custodian Officer | (17) | (17) |
| External Legal Advice re works in default | (3) | |
| 2014/15 carry forward requests | tbc | - |
| Uncommitted Balance | 605 | 624 |

6.4 Invest-to-Save Reserve

The table below shows details of the movements and commitments on the reserve.

| Table 5 - Invest-to Save Reserve | | |
|---|--------------------------|-------------------------------------|
| | Outturn £'000 | Revised Budget £'000 |
| Opening balance b/fwd 1 Apr 2014 | 393 | 393 |
| <u>Movements in 2014/15:</u> | | |
| Community Infrastructure Levy | | (5) |
| Payment Kiosk at Staveley (SHLC) | (23) | (23) |
| Holmebrook Valley Park drainage | (18) | (21) |
| Venues refurbishment | (57) | (90) |
| CMT restructure – external advice | (25) | (25) |
| VSO's co-location – capital financing adj | 15 | |
| Balance c/fwd 31st Mar 2015 | 285 | 229 |
| <u>Outstanding Commitments:</u> | | |
| Customer Service Strategy - capital | (105) | (105) |
| Local Collective Agreement | (10) | (10) |
| Car park improvements | (111) | (111) |
| Venues refurbishment (balance) | (33) | |
| Holmebrook Valley Park drainage (balance) | (3) | |
| Community Infrastructure Levy | (5) | |
| Repayments into the fund | | |
| Uncommitted Balance c/fwd | 18 | 3 |

6.5 The main issue to note is that the forecast balance will reduce to just £18k in the near future after all the known commitments are taken into account.

6.6 **Service Improvement Reserve**

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

| Table 6 - Service Improvement Reserve | | |
|--|--------------------------|-------------------------------------|
| | Outturn £'000 | Revised Budget £'000 |
| Opening balance 1 Apr 2014 | 1,176 | 1,176 |
| <u>Movements in 2014/15:</u> | | |
| Linacre Master Plan | (26) | (67) |
| Project Academy | (14) | (30) |
| Grit storage | - | (5) |
| Venues Refurbishment | - | (20) |

| | | |
|---|--------------|------------|
| Innovation Centres telephony system (half) | - | (102) |
| Innov Centres telephony system repayment | 25 | |
| Northern Gateway (half of £100k allocation) | - | (50) |
| Open Market Reconfiguration Study | - | (15) |
| Waterside Legal Costs | (7) | |
| Balance c/fwd 31st Mar 2015 | 1,154 | 887 |
| <u>Outstanding Commitments:</u> | | |
| Linacre Master Plan | (40) | |
| Project Academy | (52) | (36) |
| Grit storage | (5) | |
| Venues Refurbishment | (20) | |
| Car parking improvements | (15) | (15) |
| Innov Centres telephony system (balance) | (204) | (102) |
| Innov Centres telephony system repayment | 25 | |
| Northern Gateway (balance) | (100) | (50) |
| Open Market Reconfiguration (tender price) | (23) | |
| Waterside Legal Costs | (33) | (40) |
| Uncommitted Balance | 687 | 644 |

6.7 The balance in the reserve was £267k above the revised estimate for 2014/15 due to slippage on approved expenditure. Once outstanding commitments are taken into account there is a positive variance due to repayments of the Innovation Centre loan (£50k) less the increased cost of the Open Market Reconfiguration study (£8k).

6.8 **Other Earmarked Reserves** - these reserves are held for specific purposes. The total balance on these reserves increased by £1.7m over the revised forecast for the financial year 2014/15. The most significant changes include:

- ◆ Vehicle & Plant - £219k above the revised forecast due to reduced expenditure.
- ◆ Property Repairs Fund - £264k above the revised estimate due to reduced expenditure.
- ◆ GP:GS Reserve – this is fund includes the un-used balance of the ICT replacement budget which is being set aside for the ICT equipment required for mobile working etc.
- ◆ Retained Business Rates Reserve – increased by £1.1m from £0.2m at the start of the year by transferring in all available revenue budget savings. The reserve is need to help finance the Council's share of the fund deficit ($40\% \times £4.8m = £1.9m$) when it hits the accounts in 2015/16 and 2016/17.

6.9 Provisions

- a) Transport Company Pensions Provision – this provision has been established to cover the Council’s future liabilities for pension costs relating to the employees of the former Transport Company. The provision was last reviewed by the County Council’s pension fund actuary in 2010/11. The County Council were asked to commission a further review in order to inform the 2015/16 budget process but to date no update has been received.
 - b) Insurance Provisions – in addition to the provisions, which cover reported claims only, the Council also holds money in Insurance Reserves to cover future claims. An actuarial review was undertaken in 2013 which concluded that the overall amounts held could be reduced by £393k (which was transferred into the Budget Risk Reserve) and that the remaining balance should be re-allocated between the provision and reserves elements. The MMI Provision for the first 15% claw-back (£204k) was paid in 2014/15. A further £503k is held in a reserve account to cover possible future claw-back claims.
 - c) Planning LDF Review Provision – the balance in this fund is above the revised estimate but the funds will be used in future years.
- 6.10 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 AND FINANCING

- 7.1 The capital expenditure outturn figures have been included in the individual Executive Member reports. **Appendix F** provides details of the total General Fund Capital Programme expenditure and financing for the financial year.
- 7.2 Actual expenditure on schemes was £8.4m compared with the original budget for the year of £10.3m (as at Feb 2014) and £8.5m at the revised budget stage (February 2015). The main reasons for the variance from the revised budget (-£0.1m) include:
 - Overspends on:
 - Disabled Facilities Grants (+£162k) but this is financed from unused Government grants received in previous years;

- Queens Park Sports Centre (+£299k) but this is just a profiling issue, the project remains within budget.
- Underspends on:
 - Innovation telephony upgrade (£136k)
 - GPGS Town Hall changes (£50k)
 - Flood prevention works (£72k)
 - Vehicle & Plant (£226k)

7.3 On the financing side, the main reasons for the £0.1m reduction were:

- Prudential Borrowing increased by £1.1m to £4.4m representing the increased expenditure on the Queen's Park Sport Centre scheme and the re-profiling of the external contributions from Chesterfield College and Sport England into 2015/16. Over the two years, 2014/15 and 2015/16, the borrowing should balance out.
- Grants and Contribution down by £753k, due mainly to the reduced Queen's Park Sports Centre contributions (-£760k) and the increased Disabled Facilities Grant contributions (+£162k), as referred to earlier in the report.
- Vehicle & Plant Fund contribution down by £226k, matching the reduction in expenditure;

8.0 CAPITAL RECEIPTS

8.1 The movement on useable capital receipts in the year is summarised in the table below. All useable receipts were used in the year.

| Table 7 - Useable Capital Receipts | | | |
|--|---------------------------|--------------------------|------------------------|
| | Gen Fund £'000 | Housing £'000 | Total £'000 |
| Balance b/fwd 1 st April | - | 429 | 429 |
| Add: Receipts in the year | 1,394 | 3,268 | 4,662 |
| Less: Housing receipts 'Pooled' | - | (830) | (830) |
| Less: Applied to repay debt | (1,011) | | (1,011) |
| Less: Applied to finance GF cap ex | (383) | - | (383) |
| Less: Applied to finance HRA cap ex | - | (2,167) | (2,167) |
| Balance c/fwd 31st March | - | 700* | 700 |

* The Housing balance of £700k represents the retained 'one-for-one' element of RTB receipts.

8.2 At the revised budget stage the forecast for capital receipts was reduced dramatically from £4.1m to £1.3m due mainly to £3.1m of receipts being moved into 2015/16 (Newbold School, Ashgate Road

and Gorse Valley). The table below summarises the movements over the financial year. The actual amount achieved was slightly above the revised budget:

| Table 8 – General Fund Capital Receipts | |
|--|---------------------------|
| | Amount (£'000) |
| Original Budget Forecast – start of year | 4,109 |
| Revised Budget Forecast – Jan 2015 | 1,324 |
| Actual | 1,394 |

8.3 The slippage of some major disposals into 2015/16 has taken the target receipts figure for 2015/16 to £5.7m. To date only £217k has been received which suggests that the target is unlikely to be achieved. A revised forecast will be produced at the end of Quarter 1.

9.0 COLLECTION FUND SURPLUSES

9.1 The Council is required to maintain a Collection Fund to account for the expenditure and income relating to the Council Tax (including the precepts of other authorities) and National Non Domestic Rates.

9.2 Surpluses or deficits relating to the Council Tax are shared between the Derbyshire County Council, Derbyshire Police Authority, the Fire Authority and the Borough Council in proportion to the precepts issued and must be used to adjust the Council Tax. The outturn balance on the Council Tax elements of the Fund is a surplus of £721,173. A surplus of £664,798 was estimated when setting the Council Tax for 2015/16. The increased surplus was due largely to a reduction in the provision for bad debts. The increase in the surplus will be carried forward to the tax calculation exercise for 2016/17. The Council's share of the increased surplus, at 10%, will be £5,600.

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. The deficit increased dramatically mainly as a result of a surge in potentially back-dated valuation appeals in the run up to the deadline date announced in the Autumn Statement of 31st March 2015. The Appeals Provision stood at £1.7m at the start of 2014/15, with £0.5m paid out during the year and a need to top up the provision by £3.3m in order to end the year with a balance of £4.5m to meet the estimated liability of successful appeals. Increasing the Appeals Provision contributed towards the deficit on the Business Rate Income Account which stood at £4.8m at the end of 2014/15. The

Council's share of the deficit is £1.9m (i.e. 40% x £4.8m). This will be accounted for over two financial years:

2015/16 - a deficit share of £0.75m was estimated for the end of 2014/15 when the budgets for 2015/16 were set; £320k of this is to be met from the Business Rates Reserve created in 2013/14, £250k from the working balance and the remaining £180k charged to the budget in 2015/16.

2016/17 – the balance of the deficit (£1.2m) will be taken into account as part of the budget setting process for 2016/17. The Levy saving and the net surplus achieved in 2014/15 (£0.9m combined) will be set aside in the Retained Business Rates Reserve and will be used in 2016/17 to help offset the deficit share charged in that financial year; this will leave an unfunded balance of £0.3m in 2016/17.

10.0 CONCLUSIONS AND IMPLICATIONS FOR THE MEDIUM TERM

10.1 The medium term financial outlook gets progressively worse as the further cuts in Government funding are anticipated. The budget forecasts approved in February show deficits, before the Transformation Savings, of:

- £0.7m in 2015/16;
- £1.4m in 2016/17;
- £1.8m in 2017/18;
- £2.1m in 2018/19; &
- £2.5m in 2019/20.

10.2 The medium term forecast will have to be updated to reflect the impact of budget variances recorded in 2014/15 that are likely to be of a recurring nature. This will require further work to get a better understanding of why the variances occurred. The outcome of this exercise 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:

- Further cuts in Government grants from following the Emergency Budget in July 2015 of the Spending Review in the autumn, beyond those assumed in the budget forecast.

- The introduction of the Business Rates Retention and Localised and Council Tax Support schemes in April 2013 transferred some significant financial risks to local government. The risks include the cost of backdated Business Rate appeals, the growth or decline in the Business Rate base and the collection of Council Tax from those who have had their support reduced. As we have seen from the Business Rate Account in 2013/14 and 2014/15 it is difficult to predict the net income due to the Council even for just one year ahead and the likely cost of appeals continues to be a major concern.
- From 2016/17 the budget forecasts assume a 1.99% council tax increase and a 0.5% growth in the tax base, equivalent to approximately £100k (£80k + £20k) in each year. There is a risk that the Government will continue to limit future tax increases.
- Delays in delivering the required budget savings in future years.

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

- A number of significant variances occurred in 2014/15, both positive and negative. It is evident that further improvements need to be made to the budget monitoring arrangements to ensure that such variances are declared much earlier in the budget process in the future. It is important that an assessment is undertaken quickly to establish which of the 2014/15 variances are likely to be recurring. This will enable the budget deficit forecasts to be updated in order to provide a more realistic base point from which to make further decisions on where and when future budget savings are to be implemented. The scale of the current budget deficit forecasts, however, is such that Council will not be able to rely solely on future under-spends to bridge the deficit gaps. Significant budget cuts will have to be made over the next few years if a sustainable budget position is to be achieved.
- The Council continues to be exposed to significant financial risks due the wide range of services it provides and the heavy reliance on income from rents, fees and charges.
- The working balance is being maintained at £1.5m. In addition, healthy balances are retained in other earmarked reserves and provisions. It is, however, important that strong financial discipline is maintained to ensure that a reasonable balance is 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 is exposed to a number of significant financial risks including generating capital receipts, cost overruns and exempt VAT recovery.
- The Cabinet will require regular updates on both the revenue and capital budgets to ensure that the financial risks referred to above are being effectively managed.

11.0 RECOMMENDATIONS

Cabinet:

- 11.1 That the General Fund Revenue and Capital Outturn reports for 2014/15 be noted.
- 11.2 That the £313k revenue account surplus be transferred to the Retained Business Rates Reserve account.
- 11.3 That the General Fund carry forward and deferred growth requests be considered (para 4.4).
- 11.4 That the level of General Fund Reserves and Balances (Section 6 and Appendix E) be approved.
- 11.5 That the capital financing arrangements set out in Appendix F be approved.

Full Council:

- 11.6 Considers the report.

12.0 REASON FOR RECOMMENDATION

- 12.1 In the interest of sound financial management.

H. BOWEN
CHIEF EXECUTIVE

B. DAWSON
CHIEF FINANCE OFFICER

Officer recommendation supported.

Signed

Executive Member

Dated

Further information on this report can be obtained from
Barry Dawson, ext 5451.

GENERAL FUND OUTTURN 2014/15

| | Original | Revised | Outturn | Variance |
|--|-------------------|-------------------|--------------------|-------------------|
| | £ | £ | £ | Rev'd- Out |
| | | | | £ |
| <u>Per Lead Member reports:</u> | | | | |
| Leader - Regeneration | 484,210 | 410,910 | 418,080 | 7,170 |
| Deputy Leader | (1,279,830) | (1,294,490) | (178,394) | 1,116,096 |
| Environment | 5,268,110 | 5,060,780 | 4,952,993 | (107,787) |
| Homes & Neighbourhoods | 1,193,790 | 1,537,510 | 1,532,147 | (5,363) |
| Leisure, Culture & Tourism | 3,134,350 | 3,267,850 | 4,364,557 | 1,096,707 |
| Governance & Organisational Dev't | 3,471,470 | 3,492,090 | 2,704,883 | (787,207) |
| Customers & Communities | 1,616,550 | 1,608,700 | 1,652,482 | 43,782 |
| <u>Other:</u> | | | | |
| Other Income | (9,390) | (116,794) | (133,413) | (16,619) |
| Transformation Savings | (818,000) | 67,000 | 0 | (67,000) |
| less allowance for delay etc | 206,100 | 0 | 0 | 0 |
| Staff vacancies allowance | (150,000) | 0 | 0 | 0 |
| Share of Internal Audit surplus | 0 | 0 | (44,163) | (44,163) |
| Share of Crematorium Surplus | (55,000) | (110,000) | (110,000) | 0 |
| Spirepride surplus | (117,220) | (36,030) | (113,562) | (77,532) |
| DSO (surplus)/deficit | 0 | 0 | (18,955) | (18,955) |
| Pension - employers contributions | 82,630 | 0 | 0 | 0 |
| Car allowance scheme | (40,000) | 0 | 0 | 0 |
| Other incl bad debt provision | 50,000 | 50,000 | 16,020 | (33,980) |
| Total Service Expenditure | 13,037,770 | 13,937,526 | 15,042,675 | 1,105,149 |
| Interest & capital charges | (1,846,300) | (2,208,480) | (3,637,112) | (1,428,632) |
| Contributions from Invest to Save | 6,900 | (48,000) | (48,000) | 0 |
| Contrib from Service Improv't Res. | | (30,000) | (40,830) | (10,830) |
| Contributions from Budget Risk Res. | | (248,750) | (243,277) | 5,473 |
| Contributions to Renewals Fund etc | 146,000 | 146,000 | 146,000 | 0 |
| To/(from) Business Rates Risk Res. | | | 0 | 0 |
| To/from Reserves | 0 | | 49,409 | 49,409 |
| DSO surplus/deficit to/from Reserves | 0 | 0 | 18,955 | 18,955 |
| Surplus/(Deficit) - to/(from) reserves | 243,855 | 39,818 | 312,504 | 272,686 |
| NET EXPENDITURE | 11,588,225 | 11,588,114 | 11,600,324 | |

| | | | |
|---|-------------------|-------------------|-------------------|
| <u>Financed By:</u> | | | |
| RSG | 3,354,621 | 3,354,621 | 3,354,621 |
| Business Rates Baseline | 3,004,464 | 3,004,464 | 3,004,464 |
| Settlement Funding | 6,359,085 | 6,359,085 | 6,359,085 |
| Retained Business Rates Growth | 689,018 | 773,055 | 465,055 |
| S31 Business Rate Relief Grants | | 0 | 796,066 |
| Council Tax Freeze Grant | 47,777 | 47,903 | 47,903 |
| Council tax support grants to parishes | (59,531) | (59,531) | (59,531) |
| Council Tax Fund Surplus/(Deficit) | 24,968 | 24,968 | 24,968 |
| Business Rates Fund Surplus/(Deficit) | 46,090 | 46,090 | 46,080 |
| Contribution (to)/ from Business Rate reserve | 0 | (84,038) | (572,103) |
| Other Government grants | 39,332 | 39,332 | 51,551 |
| New Homes Bonus | 462,249 | 462,013 | 462,013 |
| Council Tax | 3,979,237 | 3,979,237 | 3,979,237 |
| TOTAL FINANCING | 11,588,225 | 11,588,114 | 11,600,324 |

| | | | |
|---|----------------|----------------|---------------------|
| <u>BR Growth Retention:</u> | | | |
| Growth rate | | | |
| CBC 40% share of income | 14,311,597 | 14,311,597 | 14,311,597 |
| Less tariff | (10,842,078) | (10,842,078) | (10,842,078) |
| Add s31 grant re SBRR | 506,768 | 541,000 | |
| Add s31 grant re other reliefs | 244,545 | 209,000 | |
| Gross income before levy | 4,220,832 | 4,219,519 | 3,469,519 |
| Less Baseline Funding | (3,004,464) | (3,004,464) | (3,004,464) |
| Growth | 1,216,368 | 1,215,055 | 465,055 |
| Levy (NB 50% on nndr3 not nndr 1) | (608,184) | (477,000) | 0 |
| Adjs to Levy & Tariff | (72,859) | (120,000) | |
| Retained BR re renewable energy Grant re Multiplier Cap | 153,692 | 155,000 | |
| BR Growth Retained above Baseline | 689,017 | 773,055 | 465,055 |
| Add Baseline Funding | 3,004,464 | 3,004,464 | 3,004,464 |
| Total BR Income Retained | 3,693,481 | 3,777,519 | 3,469,519 |

2014/15 VARIANCE ANALYSIS - REVISED TO OUTTURN

| Category | Description | Amount £'000 | Totals £'000 |
|--|--|-----------------|-----------------|
| Leader: | Innovation Centres | (11) | (15) |
| | Other (net) | (4) | |
| Planning: | Industrial & commercial property | 21 | 299 |
| | Town Centre properties - rents | 31 | |
| | Town Centre Grants | 91 | |
| | Planning (Dev Ctrl, Bld Ctrl, FP, CIL) | (52) | |
| | Estates | 34 | |
| | Business Transf / GP:GS | 184 | |
| | Other (net) | (10) | |
| Environment: | Street Cleaning | (23) | (222) |
| | Bereavement Services | (22) | |
| | Car Parking | (74) | |
| | Licensing | (19) | |
| | Parks | (79) | |
| | Other (net) | (5) | |
| Housing General Fund: | Net of all - no signif variances | 2 | 2 |
| Leisure: | Queen's Park Sports Centre | (40) | (224) |
| | Staveley Healthy Living Centre | (77) | |
| | Hasland Hall/Assembly Rooms | (20) | |
| | Winding Wheel | (32) | |
| | Pomegranate | (58) | |
| | Tourism | (18) | |
| | Markets | 35 | |
| | Other (net) | (14) | |
| Governance: | Legal, Civic & Democratic | (24) | 132 |
| | ICT | 111 | |
| | Pensions | 80 | |
| | Other (net) | (35) | |
| Customers & Communities: | Revenues & Benefits Admin | 36 | 29 |
| | Other (net) | (7) | |
| Sub-total - controllable budget variances | | | 1 |
| <u>Internal Recharges:</u> | Pension costs adjustments | (28) | (23) |
| | Accumulated absences adjustment | (17) | |
| | Support Service Recharges | 22 | |
| <u>Non-Portfolio Budgets:</u> | Other Income | (17) | |
| | Transformation savings | (67) | |
| | Internal Audit surplus | (44) | |
| | SpirePride surplus | (77) | |
| | Interest & Capital charges | (43) | |
| | to/from - Service Improv't Res. | (11) | |
| | to/from - Budget Risk Reserve | 5 | |
| | to/from - other reserves | 49 | |

| | | Annexe 2 | |
|---------------------------------|--------------------------|----------|--------------|
| | Retained business rates | (12) | |
| | Other | (34) | (251) |
| Overall Outturn Variance | | | (273) |
| Reconciliation to totals | Outturn surplus | | (313) |
| | Less Revised estimate | | (40) |
| | Change in surplus | | (273) |

GENERAL FUND SERVICE EXPENDITURE SUBJECTIVE ANALYSIS

| | Original | Revised | Outturn | Variance Original to Outturn | | Variance Revised to Outturn | |
|-------------------------------|---------------|---------------|---------------|------------------------------|-------------|-----------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | % | £'000 | % |
| <u>Expenditure:</u> | | | | | | | |
| Employees | 9,301 | 9,574 | 9,479 | 178 | 1.9 | (95) | (1.0) |
| Premises | 4,687 | 4,539 | 4,379 | (308) | (6.6) | (160) | (3.5) |
| Transport | 151 | 138 | 123 | (28) | (18.5) | (15) | (10.9) |
| Supplies & Services | 6,083 | 6,221 | 6,484 | 601 | 6.6 | 263 | 4.2 |
| Transfer Payments | 37,849 | 37,069 | 37,002 | (847) | (2.2) | (67) | (0.2) |
| Agency & Contracted | 9,677 | 9,682 | 9,658 | (19) | (0.2) | (24) | (0.2) |
| Central & Dept Support | 8,828 | 8,178 | 8,165 | (663) | (7.5) | (13) | (0.2) |
| Capital & Asset Charges | 3,754 | 4,198 | 5,528 | 1,774 | 47.3 | 1,330 | 31.7 |
| HRA Contribution | 624 | 629 | 625 | 1 | 0.2 | (4) | (0.6) |
| Transfer to Reserves | (612) | 0 | 26 | 638 | (104.2) | 26 | |
| Total Expenditure | 80,342 | 80,228 | 81,469 | 1,127 | 1.4 | 1,241 | 1.5 |
| <u>Income:</u> | | | | | | | |
| Rents | 7,319 | 7,392 | 7,382 | (63) | 0.9 | 10 | 0.1 |
| Sales | 450 | 463 | 501 | (51) | (11.3) | (38) | (8.2) |
| Fees & Charges | 8,885 | 9,074 | 9,390 | (505) | (5.7) | (316) | (3.5) |
| Grants | 39,122 | 38,331 | 38,171 | 951 | 2.4 | 160 | 0.4 |
| Recharges & other | 11,528 | 11,030 | 10,982 | 546 | 4.7 | 48 | 0.4 |
| Total Income | 67,304 | 66,290 | 66,426 | 878 | 1.3 | (136) | (0.2) |
| Total Service Net Expd | 13,038 | 13,938 | 15,043 | 2,005 | 15.4 | 1,105 | 7.9 |

DSO/DLO SURPLUSES / (DEFICITS) 2014/15

| | Surplus / (Deficit) | Reserved for carry forwards (see below) | To HRA | To Gen Fund Revenue Account | To Budget Risk Reserve |
|--|--------------------------------|--|----------------|--|---|
| | £ | £ | £ | £ | £ |
| Building Maintenance | 360,360 | 260,360 | 100,000 | - | - |
| Spirepride | 113,562 | - | - | 113,562 | - |
| Building Cleaning | 5,577 | - | - | - | 5,577 |
| Security Services | 18,379 | 5,000 | - | - | 13,379 |
| Total | 497,878 | 265,360 | 100,000 | 113,562 | 18,956 |
| | | | | | |
| <u>Details of Carry Forward Requests:</u> | | | | | |
| <u>OSD:</u> | | | | | |
| To write off obsolete stock | | 40,000 | | | |
| Equipment for working at heights | | 100,000 | | | |
| Insurance claims fighting fund | | 20,000 | | | |
| Two additional apprentices | | 30,000 | | | |
| Bicycle Storage | | 5,000 | | | |
| Rewire Depot Premises | | 20,000 | | | |
| Upgrade Depot CCTV | | 10,000 | | | |
| Depot Improvements | | 15,000 | | | |
| Investment fund for trading activities | | 20,360 | | | |
| OSD total | | 260,360 | | | |
| Security – provision for future costs/losses | | 5,000 | | | |
| Total | | 265,360 | | | |
| | | | | | |

GENERAL FUND RESERVES AND PROVISIONS

| 9001 code | Purpose | Bal at start of year £'000 | Bal at end of year £'000 | Revised Bud Est £'000 |
|------------------|----------------|---------------------------------------|-------------------------------------|----------------------------------|
|------------------|----------------|---------------------------------------|-------------------------------------|----------------------------------|

| | | | | |
|------|-------------------------------------|--------------|--------------|--------------|
| 3240 | Vehicles and Plant | 878 |) 1,211 | 853 |
| | Wheelie Bin Replacements | 189 |) | 139 |
| 3241 | Property Repairs | 642 | 717 | 453 |
| 3244 | Asset Management | 44 | 44 | 26 |
| 3246 | Risk Mgt Initiatives | 10 | 5 | 5 |
| 3248 | Zurich - Risk Mgt Reserve | 10 | 5 | - |
| 3263 | Museum Exhibits | 25 | 25 | 25 |
| 3265 | Flooding Restoration Fund | 82 | 82 | 74 |
| 3378 | MMI Clawback Reserve | 513 | 503 | 503 |
| 3380 | ICT | 46 | - | - |
| 3390 | Insurance - claims not yet reported | 567 | 567 | 567 |
| 3391 | Working Neighbourhoods WNF | 224 | 118 | 118 |
| 3398 | GP:GS Reserve | 50 | 105 | - |
| 3399 | Retained Business Rates Res. | 238 | 1,122 | - |
| 3411 | New Homes Bonus - Waterside | 208 | - | 63 |
| | Earmarked Reserves | 3,726 | 4,504 | 2,826 |
| 3388 | Budget Risk (incl. 13/14 surplus) | 1,000 | 780 | 791 |
| 3389 | Invest to Save | 393 | 286 | 229 |
| 3412 | Service Improvement | 1,175 | 1,153 | 887 |
| | Reserves Total | 6,294 | 6,723 | 4,733 |

| | | | | |
|--------|-----------------------------|--------------|--------------|--------------|
| 3264 | Planning LDF Review | 242 | 260 | 250 |
| 3237/8 | Insurance - reported claims | 497 | 689 | 433 |
| 3247 | MMI Claw-back | 11 | 10 | - |
| 3239 | Transport Co. Pensions | 950 | 932 | 933 |
| | Provisions Total | 1,700 | 1,891 | 1,616 |

| | | | | |
|--|--|--------------|--------------|--------------|
| | Reserves & Provisions Total | 7,994 | 8,614 | 6,349 |
|--|--|--------------|--------------|--------------|

GENERAL FUND CAPITAL PROGRAMME 2014/15

| SCHEME | Original Budget Cab Feb 14 £'000 | Revised Budget Cab Feb 15 £'000 | Outturn £'000 | Variance from Revised £'000 |
|---------------|---|--|--------------------------|--|
|---------------|---|--|--------------------------|--|

| | | | | |
|-----------------------------------|------------|------------|------------|--------------|
| C'fld Gateway Enhancement Project | 389 | 576 | 576 | 0 |
| Destination C'fld - public realm | | | 19 | 19 |
| Innov Centres tele/ICT upgrade | | 136 | | (136) |
| Leader - Regeneration | 389 | 712 | 595 | (117) |

| | | | | |
|------------------------------------|------------|------------|-----------|-------------|
| Hollis Lane Flood resilience work | 139 | 27 | 5 | (22) |
| Brampton Flood Resilience | 336 | 74 | 24 | (50) |
| Major Property Repairs unallocated | 200 | 0 | 0 | 0 |
| Planning | 675 | 101 | 29 | (72) |

| | | | | |
|----------------------------------|------------|--------------|--------------|-------------|
| Thistle Park | 74 | 50 | 51 | 1 |
| Holmebrook Valley Pk Drainage | | 53 | 42 | (11) |
| Eastwood Park | | | 17 | 17 |
| Eastwood Park - Pavillion | 302 | 324 | 322 | (2) |
| SpirePride depot relocation | 96 | 448 | 405 | (43) |
| Inkersall Green Play Area (S106) | | 20 | 20 | 0 |
| King George V Bowls Pavillion | | 50 | 47 | (3) |
| Inkerman Park footpath | | 31 | 24 | (7) |
| Whitebank Sportsground | | 33 | 9 | (24) |
| OSD computer system | 18 | 126 | 141 | 15 |
| Car Park Improvements | 270 | 0 | 0 | 0 |
| Environment | 760 | 1,135 | 1,078 | (57) |

| | | | | |
|-----------------------------|--------------|--------------|--------------|------------|
| House Repairs Assistance | 275 | 200 | 95 | (105) |
| Private Sector Decent Homes | 102 | 136 | 222 | 86 |
| Disabled Facilities Grants | 650 | 543 | 705 | 162 |
| RSL Support | 283 | 311 | 311 | 0 |
| Housing Gen Fund | 1,310 | 1,190 | 1,333 | 143 |

| | | | | |
|---------------------------------------|--------------|--------------|--------------|------------|
| Market Hall Refurbishment | | | (11) | (11) |
| Venues Refurbishment | 618 | 589 | 555 | (34) |
| QPSC new build | 5,600 | 4,114 | 4,413 | 299 |
| Leisure, Culture & Tourism | 6,218 | 4,703 | 4,957 | 254 |

| | | | | |
|-------------------------------------|------------|------------|------------|--------------|
| ICT Strategy (from IT Reserve) | 146 | 181 | 218 | 37 |
| Vehicles & Plant (V&P Fund) - minor | | | 133 | 133 |
| Vehicles & Plant (V&P Fund) - major | 419 | 421 | 62 | (359) |
| Governance | 565 | 602 | 413 | (189) |

| | | | | |
|------------------------------------|------------|-----------|-------------|-------------|
| GP:GS - Town Hall re VO relocation | | | (15) | (15) |
| GPGS - Town Hall refurb | 290 | 50 | | (50) |
| Customer Services Strategy | 75 | | | 0 |
| Customers & Communities | 365 | 50 | (15) | (65) |

| | | | | |
|------------------------------------|---------------|--------------|--------------|--------------|
| General Fund Major Cap Expd | 10,282 | 8,493 | 8,390 | (103) |
|------------------------------------|---------------|--------------|--------------|--------------|

| CAPITAL PROGRAMME FINANCING | | | | |
|-------------------------------------|--------------|--------------|--------------|-----------|
| <u>Financing of Major Cap Expd:</u> | | | | |
| Prudential Borrowing - QPSC | 5,600 | 3,354 | 4,413 | 1,059 |
| Capital Receipts | 4,109 | 1,324 | 1,394 | 70 |
| Cap Rects used to repay borrowing | (1,594) | (869) | (1,012) | (143) |
| Grants & Contributions (see below) | 2,346 | 3,407 | 2,654 | (753) |
| Invest to Save Res.- CSS | 75 | | | 0 |
| Invest to Save Res.- HBVP | | 21 | 18 | (3) |
| Invest to Save - Venues | 108 | 90 | 57 | (33) |
| Invest to Save Res.- Town Hall VO's | | | (15) | (15) |
| Invest to Save Res.- Car Parks | 111 | | | 0 |
| Service Improv Res. - Car Parks | 15 | | | 0 |
| Service Improv Res. - Venues | 17 | | | 0 |
| Service Improv Res. - Innov Centres | | 86 | | (86) |
| DLO/DSO Reserve | 18 | 126 | | (126) |
| DSO Reseerve SP Depot | 21 | 265 | 364 | 99 |

| | | | | |
|-----------------------------------|---------------|--------------|--------------|--------------|
| Prop Repairs Fund - Eastwood Pk | | | | 0 |
| ICT Reserve | 146 | 181 | 219 | 38 |
| Vehicle & Plant Fund - minor | | | 133 | 133 |
| Vehicle & Plant Fund - major | 419 | 421 | 62 | (359) |
| Vehicle & Plant Fund - car parks | 144 | | | 0 |
| Vehicle & Plant Fund - Venues | 10 | 10 | 10 | 0 |
| Prop Repairs Fund - Venues | 27 | 27 | 27 | 0 |
| Prop Repairs Fund - Innov Centres | | 50 | | (50) |
| Rev - Dest C'fld | | | 19 | 19 |
| Rev - Gateway Enhancements | | | 47 | 47 |
| | | | | 0 |
| Resources (c/fwd) / shortfall | | | | 0 |
| Capital Expd Financing | 11,572 | 8,493 | 8,390 | (103) |

| | | | | |
|--------------------------------------|--------------|----------|----------|----------|
| Financing Surplus / (Deficit) | 1,290 | 0 | 0 | 0 |
|--------------------------------------|--------------|----------|----------|----------|

| GRANTS & CONTRIBUTIONS | | | | |
|-----------------------------------|-----|-----|-----|------|
| S106 - Inkersall Green play area | | 20 | 20 | 0 |
| S106 - Inkerman footpath | | 3 | 2 | (1) |
| Inkerman footpath | | 28 | | (28) |
| King George V Bowls Pavillion | | 50 | | (50) |
| S106 - Whitebank Sportsground | | 33 | 9 | (24) |
| Thistle Park - Friends of group | | | 1 | 1 |
| Thistle Park - Landfill Credit | 18 | | | 0 |
| Thistle Park - Sport England | 27 | | | 0 |
| NHB Waterside | 63 | 145 | 208 | 63 |
| Private Sector Decent Homes | 102 | 302 | 302 | 0 |
| Decent Homes - Independ Living | | | 10 | 10 |
| Diabled Facilities Grant | 650 | 543 | 705 | 162 |
| Fuel Poverty - DECC | | | | 0 |
| Affordable Homes S106 | | | 13 | 13 |
| Eastwood Park - SITA | | | | 0 |
| Eastwood Park - HLF | 54 | 28 | 34 | 6 |
| Eastwood Park Pavillion - Sp Eng | 112 | 150 | 150 | 0 |
| Market Hall - ERDF | | | | 0 |

| | | | | |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Market Hall - THI | | 181 | 182 | 1 |
| Destination C'fld Public Realm | | | | 0 |
| Flooding schemes - Environment Agency | 475 | 94 | 29 | (65) |
| HVP - Football Foundation | | 32 | 24 | (8) |
| Venues - Arts Council | 456 | 462 | 436 | (26) |
| C'fld Gateway Project - ERDF | 241 | 357 | 328 | (29) |
| C'fld Gateway Project - S106 | 148 | 219 | 201 | (18) |
| QPSC - Sport England | | 760 | | (760) |
| | | | | 0 |
| | 2,346 | 3,407 | 2,654 | (753) |

| CAPITAL PROGRAMME FINANCING | | | |
|--------------------------------------|--------------|--------------|--------------|
| <u>Financing of Major Cap Expd:</u> | | | |
| Prudential Borrowing | 741 | 1,998 | 2,621 |
| Capital Receipts | 2,380 | 871 | 492 |
| Grants & Contributions (see below) | 3,053 | 3,543 | 2,525 |
| Invest to Save Res.- CSS | 25 | 29 | 25 |
| Invest to Save Res.- HBVP | 44 | 44 | 23 |
| Invest to Save - Venues | - | - | 18 |
| Invest to Save Res.- Town Hall VO's | - | 80 | 103 |
| | | | 7 |
| Invest to Save Res.- disaster recov | - | 69 | 69 |
| Service Imp Res - Market Hall | 468 | - | - |
| Service Imp Res - Eastwood Pk | 29 | 14 | 69 |
| Service Imp Res - Venues | 16 | 14 | 31 |
| Service Imp Res - HBVP drainage | 36 | 36 | 32 |
| Service Imp Res - grit storage | - | 18 | 13 |
| Service Imp Res - ICT core infra | - | 73 | 18 |
| | | | 56 |
| Contrib from HRA - grit storage | - | 9 | - |
| Contrib from HRA - ICT core infra. | - | 37 | 37 |
| DLO/DSO Reserve | 33 | 151 | 201 |
| Prop Repairs Fund - Eastwood Pk | 35 | - | 20 |
| Prop Repairs Fund - Mkt Hall | 120 | 120 | 120 |
| ICT Reserve | 146 | 199 | 152 |
| Vehicle & Plant Fund - minor | 417 | 363 | 128 |
| Vehicle & Plant Fund - major | - | - | 39 |
| Rev - Destination C'fld | - | - | 17 |
| Rev - Gateway Enhancements | - | - | 16 |
| Rev - Market Hall | - | - | 15 |
| Capital Expd Financing | 7,543 | 7,668 | 6,847 |
| Financing Surplus / (Deficit) | 1,007 | (45) | 0 |

| GRANTS & CONTRIBUTIONS | | | |
|--------------------------------------|----------|--------------|--------------|
| RSL Haslam Homes | | 115 | - |
| RSL Westbury | | 30 | - |
| RSL RHCP | | 21 | - |
| NHB Waterside | | 145 | - |
| Private Sector Decent Homes | | 203 | 118 |
| Decent Homes - Independ Living | | - | 3 |
| Diabled Facilities Grant | | 465 | 382 |
| Fuel Poverty - DECC | | 109 | 127 |
| Eastwood Park - SITA | | 25 | 25 |
| Eastwood Park - HLF | | 457 | 342 |
| Market Hall - ERDF | | 1,400 | 1,400 |
| Market Hall - THI | | 200 | - |
| Dest'n C'fld Public Realm | | 37 | - |
| Hollis Lane Flooding - Enviro Agency | | 50 | 43 |
| Brampton Flooding - Enviro Agency | | 50 | - |
| HVP - Football Foundation | | 87 | 55 |
| Venues - Arts Council | | 39 | 33 |
| Eastwood Park Pavillion - Sp Eng | | 13 | - |
| C'fld Gateway Project - ERDF | | 60 | - |
| C'fld Gateway Project - S106 | | 37 | - |
| Dest'n C'fld - TIC clawback | | - | (3) |
| | | 3,543 | 2,525 |
| | - | | |