



Date: 4th July 2016

The Arc
High Street
Clowne
Derbyshire
S43 4JY

Dear Sir or Madam

You are hereby summoned to attend a meeting of the Audit Committee of the Bolsover District Council to be held on Tuesday 12th July 2016 at 1400 hours in the Council Chamber, The Arc, Clowne.

Register of Members' Interests - Members are reminded that a Member must within 28 days of becoming aware of any changes to their Disclosable Pecuniary Interests provide written notification to the Authority's Monitoring Officer.

You will find the contents of the agenda itemised on page 2.

Yours faithfully

Assistant Director of Governance and Monitoring Officer
To: Members of the Audit Committee

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AUDIT COMMITTEE

AGENDA

Tuesday 12th July 2016 at 1400 hours in the Chamber Chamber, The Arc, Clowne

Item No.

Page No.(s)

PART 1 – OPEN ITEMS

1. To receive apologies for absence, if any.
2. To note any urgent items of business which the Chairman has consented to being considered under the provisions of Section 100(B) 4 (b) of the Local Government Act 1972.
3. Members should declare the existence and nature of any Disclosable Pecuniary Interest and Non Statutory Interest as defined by the Members' Code of Conduct in respect of:
 - a) any business on the agenda
 - b) any urgent additional items to be considered
 - c) any matters arising out of those itemsand if appropriate, withdraw from the meeting at the relevant time.

4. Minutes of a meeting held on 16th May 2016. 3 to 9

Reports of KPMG the Council's External Auditors

5. Technical Update Incorporating the External Audit Progress Report 10 to 29

Reports of the Executive Director – Operations:

6. Financial Outturn 2015/16 30 to 59
7. Key Issues of Financial Governance 60 to 66

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Technical update

Incorporating the External Audit Progress Report

Bolsover District Council

June 2016

This report provides the audit committee with an overview on progress in delivering our responsibilities as your external auditors. The report also highlights the main technical issues which are currently having an impact in local government. If you require any additional information regarding the issues included within this report, please contact a member of the audit team. We have flagged the articles that we believe will have an impact at the Authority and given our perspective on the issue:



External audit progress report

June 2016

External audit progress report

This document provides the audit committee with a high level overview on progress in delivering our responsibilities as your external auditors.

At the end of each stage of the audit we issue certain deliverables, including reports and opinions. A summary of progress against these deliverable is provided in Appendix 1 of this report.

Area of responsibility	Commentary
Financial statements	<p>We have completed our planning work for the 2015/16 audit, the outcome of which was reported to the Chief Financial Officer in our External Audit Plan in March 2016 and received by the Audit Committee in April 2016.</p> <p>During March 2016 we undertook our interim audit visit. There were no matters arising which were necessary to be separately reported to you at this stage.</p> <p>We have recently completed our on-site audit visit in June 2016 and the audit of the financial statements is now substantially complete. We will agree our findings and any amendments to the financial statements with the finance team and report the findings of our audit to you at the September 2016 Audit Committee.</p>
Value for Money	<p>Our work in relation to the Value for Money conclusion is now substantially complete subject to clearance of a small number of minor queries which will be discussed with the Chief Finance Officer. We will agree our findings with the Chief Finance Officer in due course and report these back to you at the September 2016 Audit Committee.</p>
Certification of claims and returns	<p>We have received the Housing Benefit Claim form along with a detailed breakdown of the headline cells. We will make arrangements to select our audit samples over the next few weeks so that the Housing Benefits Team can begin work on the detailed testing. Our on-site work will begin once the audit of the financial statements has concluded.</p>



KPMG resources

Local government budget survey

KPMG has recently published the results of its Local Government Budget Survey. The survey collated data from 97 KPMG local authority clients on topics including:

- The content of budget monitoring reports;
- Savings plans;
- Invest-to-save projects
- The type of savings being made;
- Assumptions underlying the medium term financial plan; and
- Reserve movements.

The Survey also poses questions for management and Members to consider when reviewing their budget setting and budget monitoring processes.

We produced this report in February 2016 and it has been presented to the audit committee in April 2016.

For more information, and a copy of the report, please contact Kay Meats, details on page 2.

Publication 'Value of Audit - Perspectives for Government'

What does this report address?

This report builds on the Global Audit campaign – *Value of Audit: Shaping the future of Corporate Reporting* – to look more closely at the issue of public trust in national governments and how the audit profession needs to adapt to rebuild this trust. Our objective is to articulate a clear opinion on the challenges and concepts critical to the value of audit in government today and in the future and how governments must respond in order to succeed.

Through interviews with KPMG partners from nine countries (Australia, Canada, France, Germany, Japan, the Netherlands, South Africa, the UK and the US) as well as some of our senior government audit clients from Canada, the Netherlands and the US, we have identified a number of challenges and concepts that are critical to the value of audit in government today and in the future.

What are the key issues?

- The lack of consistent accounting standards around the world and the impacts on the usefulness of government financial statements.
- The importance of trust and independence of government across different markets.
- How government audits can provide accountability thereby enhancing the government's controls and instigating decision-making.
- The importance of technology integration and the issues that need to be addressed for successful implementation
- The degree of reliance on government financial reports as a result of differing approaches to conducting government audits

The *Value of Audit: Perspectives for Government* report can be found on the KPMG website at <https://home.kpmg.com/xx/en/home/insights.html>

The *Value of Audit: Shaping the Future of Corporate Reporting* can be found on the KPMG website at www.kpmg.com/sg/en/topics/value-of-audit/Pages/default.aspx

Publication 'Reimagine - Local Government'

KPMG have published a number of reports under the headline of *Reimagine – Local Government*. These are summarised below:

Council cash crunch: New approach needed to find fresh income

- By 2020, councils must generate all revenue locally.
- More and more are looking towards diversifying income streams as an integral part of this.
- Councils have significant advantages in becoming a trusted, independent supplier.
- To succeed, they must invest in developing commercial capability and capacity.

Councils can save more than cash by sharing data

- Better data sharing in the public sector can save lives and money.
- The duty to share information can be as important as the duty to protect it.
- Local authorities are yet to realise the full value of their data and are wary of sharing information.
- Cross-sector structures and the right leadership is the first step to combating the problem.

English devolution: Chancellor aims for faster and more radical change

- Experience of Greater Manchester has shown importance of strong leadership.
- Devolution in areas like criminal justice will help address complex social problems.
- Making councils responsible for raising budgets locally shows the radical nature of these changes.
- Cuts to business rates will stiffen the funding challenge, even for the most dynamic councils.

Senior public sector pensions

- Recent changes to pensions taxation have particularly affected the public sector, with fears senior staff may quit as pension allowances bite.
- 'Analyse, control, engage' is the bedrock of an effective strategy.

Time for the Care Act to deliver

- Momentum behind last year's Care Act risks stalling.
- Councils are struggling to create an accessible care market with well-informed consumers.
- Local authorities must improve digital presence and engage providers.
- Austerity need not be an impediment to progress. It could be an enabler.

The publications can be found on the KPMG website <https://home.kpmg.com/uk/en/home/insights/2016/04/reimagine-local-government.html>

Publication 'The future of cities'

We are delighted to share *The future of cities*, a report that helps local government leaders build and evaluate sustainable cities for their current and future generations.

What is *The future of cities*?

The future of cities is a global report that follows from the UK firm's thought leadership partnership with the City of Bristol and the work surrounding its European Green Capital 2015 designation. The report is broken into two modules that draw on the expertise of KPMG practitioners around the world and includes a range of case studies to ensure you find approaches relevant to your context.

The first module, *The future of cities: creating a vision*, explains the central role of vision in the success of second cities, identifying seven guiding principles to make cities more attractive. Examples are provided of various cities around the globe that are putting some of these principles into action.

The second, *The future of cities: measuring sustainability*, discusses some of the ways in which cities are being measured and how these metrics could evolve. More important, it provides practical examples of what leading cities are doing, the lessons to be learned and how these can be applied to other cities.

This content is now featured on kpmg.com/futurecities where readers can access a broader collection of reports and shorter opinion pieces from KPMG's leading thinkers on different aspects on how to create better, more sustainable places to live and work.



Technical developments

Technical developments

CIPFA/LASAAC briefing on Highway Network Assets

Level of impact: ● (Low)		KPMG perspective
<p>Authorities will be aware that the CIPFA/LASAAC consultation on the Draft Code of Practice on the Highways Network Asset (HNA Code) closed in April 2016.</p> <p>Following the consultation, the second in a series of Briefings on the Highways Network Asset has been made available on the CIPFA website at: http://www.cipfa.org/policy-and-guidance/local-authority-highways-network-asset.</p> <p>The Briefing covers the HNA Code consultation, the definition of the Highways Network Asset, 2015/16 reporting requirements and the Central Assurance process.</p> <p>Further guidance, and future briefings, on this topic are also available on this same webpage.</p>		<p><i>The Committee may wish to understand the progress their Authority has made in its plans to meet the new reporting requirements.</i></p>

Technical developments

Exercising electors' rights - 2015/16 changes

Level of impact: ● (Low)	KPMG perspective
<p>Authorities may be aware that the <i>Accounts & Audit Regulations 2015</i> have introduced new arrangements for the exercise of electors' rights, which take effect from the 2015/16 financial statements. One of the most significant changes is that the auditor is no longer required to 'call the audit' and specify a date upon which electors can meet with the auditor and ask questions about the accounts.</p> <p>Regulation 15 requires the Responsible Financial Officer (RFO), after signing and dating the draft accounts on behalf of the Authority, to commence the period for the exercise of electors' rights. This period is limited to 30 working days, and for 2015/16 must include the first 10 working days of July.</p> <p>Authorities should also note that Regulation 9(2) is clear that the authority's meeting to consider and approve the accounts should take place after the period for the exercise of electors' rights has ended. Due to the requirement in Regulation 15 for a common inspection period during July, the inspection period this year cannot end before 14 July 2016. This means that authorities should not approve and publish their accounts before 15 July 2016.</p> <p>Electors' rights are important, and the courts have in the past been critical of those who have not ensured that adequate provision for the exercise of these rights is made.</p> <p>Auditors are mindful that they may be contacted by electors or their representatives during the 30 working day inspection period. Given the limited time available, auditors will ensure that they have adequate arrangements in place during the prescribed period for receiving and identifying promptly whether any correspondence received includes formal questions under the <i>Local Audit and Accountability Act 2014</i>, and/or objections to the accounts.</p>	<p><i>The Committee may wish to seek assurances that the impact for their Authority is understood.</i></p>

Councillors' travel expenses

Level of impact: ● (Low)	KPMG perspective
<p>HM Revenue and Customs (HMRC) are in the process of contacting Local Authorities to commence PAYE and NIC compliance reviews focusing on the historic treatment of councillors' mileage expenses. Those authorities that are unable to demonstrate they have reported payments correctly face a tax and NIC charge, with interest and potentially penalties applying.</p> <p>The previous rules</p> <p>Up until 5 April 2016, HMRC could agree that for some councillors, home is a place of work and therefore the cost of journeys to council offices could be paid free of tax and NIC. This could have been the case where, for example, councillors were required to see constituents at home. HMRC do not accept however that working from home out of choice makes home a place of work and in these cases, any expenses reimbursed in respect of travel to council offices should have been subject to tax and NIC.</p> <p>HMRC Compliance Reviews</p> <p>Those local authorities that are unable to support their historic treatment of councillor mileage expenses face a liability to unpaid PAYE, NIC, interest and potentially penalties going back four, and possibly six years. It will be important for local authorities to review their expenses records to determine how travel expenses have been treated and the processes and rationale behind that treatment. Given that different councillors can have different working patterns it will be important to review the treatment on a case by case basis.</p> <p>The new rules</p> <p>With effect from 6 April 2016, a new exemption has been introduced for councillors' travel expenses. From this date, a councillor's journey between their home and their office will be treated as 'business travel' which means that any mileage expenses reimbursed for this journey will, up to certain limits, be free of tax and NIC (subject to their home not being more than 20 miles outside the relevant authority boundary).</p> <p>How KPMG can help</p> <p>KPMG's public sector Employment Tax specialists provide practical advice on dealing with HMRC Employer Compliance reviews. We regularly assist local authorities in liaising with HMRC and staying ahead of legislative and practice developments. If you would like to speak to one of our specialists please contact your normal KPMG contact.</p>	<p><i>The Committee may wish to seek assurances how their Authority is progressing with the new requirements.</i></p>

2016/17 Work Programme and Scale of Fees

Level of impact: ● (For Information)

Following consultation, Public Sector Audit Appointments Ltd (PSAA) has published the work programme and scale fees for the audits of the 2016/17 accounts of principal audited bodies. There are no changes to the overall work programme for 2016/17.

The 2016/17 work programme documents and scale fees for individual audited bodies are now available to view on the PSAA website at <http://www.psaa.co.uk/audit-and-certification-fees/201617-work-programme-and-scales-of-fees>

NAO report 'English devolution deals'

Level of impact: ● (For Information)

Published on 20 April, this report finds that devolution deals to devolve power from central government to local areas in England offer opportunities to stimulate economic growth and reform public services for local users, but the arrangements are untested and government could do more to provide confidence that these deals will achieve the benefits intended.

The report is available free of charge and the full version or a summary can be accessed at <https://www.nao.org.uk/report/english-devolution-deals/>

Proposed changes to business rates and core grants

Level of impact: ● (For Information)
<p>The Chancellor of the Exchequer has proposed some radical reforms of local government finance. The proposals are that by the end of the decade, councils will retain all locally raised business rates but will cease to receive core grant from Whitehall.</p> <p>Under the proposals, authorities will be able to keep all the business rates that they collect from local businesses, meaning that power over £26 billion of revenue from business rates will be devolved.</p> <p>The uniform national business rate will be abolished, although only to allow all authorities the power to cut rates. Cities that choose to move to systems of combined authorities with directly elected city wide mayors will be able to increase rates for specific major infrastructure projects, up to a cap, likely to be set at £0.02 on the rate.</p> <p>The system of tariffs and top-ups designed to support areas with lower levels of business activity will be maintained in its present state.</p>



Appendix

Appendix 1

2015/16 audit deliverables

Deliverable	Purpose	Timing	Status
Planning			
Fee letter	Communicate indicative fee for the audit year	April 2015	Complete
External audit plan	Outline our audit strategy and planned approach Identify areas of audit focus and planned procedures	February 2016	Complete
Substantive procedures			
Report to those charged with governance (ISA 260 report)	Details the resolution of key audit issues. Communication of adjusted and unadjusted audit differences. Performance improvement recommendations identified during our audit. Commentary on the Council's value for money arrangements.	September 2016	TBC

Appendix 1

2015/16 audit deliverables (cont.)

Deliverable	Purpose	Timing	Status
Completion			
Auditor's report	Providing an opinion on your accounts (including the Annual Governance Statement). Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the VFM conclusion).	September 2016	TBC
WGA	Concluding on the Whole of Government Accounts consolidation pack in accordance with guidance issued by the National Audit Office.	September 2016	TBC
Annual audit letter	Summarise the outcomes and the key issues arising from our audit work for the year.	October 2016	TBC
Certification of claims and returns			
Certification of claims and returns report	Summarise the outcomes of certification work on your claims and returns for Government departments.	January 2017	TBC



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Bolsover District Council

Audit Committee

12th JULY 2016

Financial Outturn 2015/16

This report is public

Report of the Executive Director – Operations

Purpose of the Report

To update Members of the Audit Committee concerning the Council's financial outturn for the 2015/16 financial year. The attached report was taken to Executive on the 11th July 2016.

1 Report Details

Background

The Financial Outturn 2015/16 was reported to Executive at its meeting of 11th July 2016. That Executive report is attached to this covering report for consideration by the Audit Committee.

2 Conclusions and Reasons for Recommendation

2.1 These are set out within the relevant section of the attached report.

3 Consultation and Equality Impact

3.1 These are set out within the relevant section of the attached report.

4 Alternative Options and Reasons for Rejection

4.1 These are set out within the relevant section of the attached report.

5 Implications

5.1 Finance and Risk Implications

These are set out within the relevant section of the attached report.

5.2 Legal Implications including Data Protection

These are set out within the relevant section of the attached report.

5.3 **Human Resources Implications**

These are set out within the relevant section of the attached report.

6 **Recommendations**

- 6.1 That the Audit Committee note the report concerning the Financial Outturn 2015/16 and make any comments that they believe to be appropriate with regards to the position which was reported to Executive on 11th July 2016.

7 **Decision Information**

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

8 **Document Information**

Appendix No	Title
1	Financial Outturn 2015/16 (Executive 11 th July 2016)
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Executive Director Operations	2431

Bolsover District Council

Executive

11 July 2016

<u>Financial Outturn 2015/16</u>

Report of the Leader of the Council

This report is public

Purpose of Report

- To inform Executive of the financial outturn position of the Council in respect of the 2015/16 financial year.

1 Background Information

- 1.1 The Council has closed its financial accounts for 2015/16 by the end of May 2016, reflecting the accelerated timescale agreed with our external auditors. The draft Statement of Accounts 2015/16 are now subject to the independent audit from the Council's external auditors, KPMG. Until the accounts have been agreed by our external auditors, which will take place before 30 September 2016, there remains the possibility that they will be subject to amendment.
- 1.2 Members should note that the Council's Draft Statement of Accounts in respect of 2015/16 was authorised for issue by the Council's Chief Financial Officer (Executive Director – Operations) on 27 May 2016. The final audited accounts will be reported to and approved by the Audit Committee at its meeting of 21 September 2016.
- 1.3 International Financial Reporting Standards (IFRS) require that the main focus of the Statement of Accounts is on reporting to the public in a format which is directly comparable with every country that has adopted IFRS i.e. not just UK or even other local authorities. In contrast the focus of this report is on providing management information to Members and other stakeholders to assist in the financial management of the Council.
- 1.4 The following sections of this report will consider the 2015/16 outturn position in respect of the General Fund Revenue Account, the Housing Revenue Account (HRA), the Council's Capital Investment Programme and Treasury Management activities. Within the report consideration is given to the level of balances at the year end, to any impact on the Council's Medium Term Financial Plan of the outturn position, and an assessment of the impact which the closing position has upon the Council's budgets in respect of the current financial year.

2 Issues for Consideration

General Fund Revenue Account

- 2.1. The Council's original budget for 2015/16 approved by Council on 4th February 2015, included an unidentified savings target amounting to £0.350m. During 2015/16 the Council has worked to address this shortfall and the ongoing requirement to address its underlying budget position against the background of ongoing reductions in the level of central government funding. As a result of this programme of work the Council had reached a position whereby at the time of the Revised Budget in February 2016 a contribution to reserves of £1.317m was anticipated. The actual outturn position has further improved the underspend to one of £1.346m which has been allocated to the Transformation Reserve (£1.046m) and General Fund Balances (£0.300m). This funding is now available for Members to allocate to investments intended to enhance or protect service delivery during a period when the level of central government support to local government will continue to be reduced. While the following reports and attached appendices detail the outturn position, the main reasons underlying the favourable variances between the original budget and the outturn position were the careful management of service expenditure (both vacancy management and non employee costs), which generated savings of some £0.5m. Improvements in NNDR income (principally arising from membership of the Derbyshire NNDR pool generated additional income of £0.5m, while reduced debt charges and improved investment interest secured some £0.4m:
- 2.2. Where possible, officers will be bringing forward further reports intended to ensure that these budget underspends are captured and are used to reduce the planned level of spending in future years. This will help address the projected underlying shortfall of £1.4m p.a. which the Council is facing over the next three financial years. It needs to be recognised, however, that many of the savings identified in the 2015/16 outturn position do not reflect permanent changes in the Council's income and expenditure patterns. In particular the levels of increased income from business rates, the increase in planning income and rental income at Pleasley Vale reflect the wider national economic recovery. Over the past few years Government support from the Transitional Grant and Efficiency Grant has funded restructuring costs and investments in improving service efficiency thus avoiding the requirement to charge them to the General Fund. While Efficiency Grant continues to be available to the Council during the current financial year (2016/17) it is unlikely to be available beyond 2018/19 when local authorities are facing more significant levels of financial cuts.
- 2.3. While part of the Council's success in addressing the reduction in the level of Government Grant can be attributed to higher than anticipated levels of income arising from national economic growth, it also needs to be recognised that the Council has agreed a range of policies which have ensured that we are well placed to take advantage of such growth, and are able to promote improvements in service efficiency. The additional funding from the Growth Agenda combined with the cost reduction arising from the Transformation Agenda have combined to protect service delivery to local residents. In addition to the Growth and Transformation agenda, there is now an effective culture of financial management

across the authority under which cost centre managers have worked hard to minimise expenditure and to optimise the level of income. While the impact at the level of individual cost centres is often relatively limited, there is a more significant cumulative impact when overall income and expenditure trends are brought together.

- 2.4 The position in respect of the General Fund outturn is detailed in **Appendix A** attached. The appendix shows the Original Budget that was set in February 2015, the Revised Budget agreed in February 2016 together with the Adjusted Current Budget. The Adjusted Current Budget incorporates any further committee approvals since the revised budget and incorporates adjustments for virements and for a change in the use of specific resources such as grants or earmarked reserves. This ensures that this earmarked funding is only utilised in line with the actual expenditure incurred in the year. The actual expenditure for 2015/16 is then compared against this Adjusted Current Budget in order to provide details of any variances. Executive should note that **Appendix B** (attached) provides detailed variances at a cost centre level. Where appropriate a summary explanation of these variances is provided within **Appendix B**.
- 2.5 At the year-end two main decisions have been necessary in order to secure effective closure of the Council's Annual Accounts. As previously agreed through Council, both the savings of £1.046m, together with the Efficiency Grant received in the year have been transferred into the Transformation Reserve resulting in the balance on the Transformation Reserve being one of £5.571m at the year end. While the Council has other general fund reserves available - a General Fund balance of £2.001m and other General Fund earmarked reserves of £3.122m - the Transformation Reserve is effectively the level of reserves which are available to support new initiatives, service reorganisation and restructure. Given the ongoing impact of the austerity agenda Council has previously agreed that the Transformation Reserve will be utilised to facilitate an Invest to Save approach to help ensure that financial sustainability of the Council and the sustainability of the services provided to local residents. While the balance of the Transformation Reserve currently amounts to £5.571m Executive should note that there are a range of commitments against the reserve principally the agreement that £2m will be utilised to fund enhanced Leisure Facilities at Clowne. It is anticipated that by the end of July 2016 the level of uncommitted Transformation Reserve will have fallen to one of £1.7m. It needs to be recognised that initiatives to promote the Council's growth and transformation agenda are likely to come at significant cost and that the remaining Reserve may be fully utilised on a limited number of investments. **Appendix D** attached provides full details concerning the Council's earmarked financial reserves.
- 2.7 The second key decision has been to allocate an amount of £0.795m to the Non Domestic Rates Growth Protection Reserve. Council is aware that while the levels of economic growth generated within the Bolsover area have secured increasing levels of income from Non Domestic Rates, that the localisation of this income stream is accompanied by a transfer of financial risk from central to local government. In setting its budget for 2016/17 the Council undertook a calculation of the level of Non Domestic Rating income that it would receive in respect of 2016/17. That calculation reflected the position as at 31 January 2016. The additional income collected into the Business Rates collection fund is split between

Bolsover District Council (40%), Central Government (50%), Derbyshire County Council (9%) and Derbyshire Fire Authority (1%). At 31st March 2016, the Business Rates collection fund has a deficit of £1.618m. The share of the deficit relating to Bolsover is £0.647m. Accounting regulations mean the repayment to the collection fund to cover this deficit is delayed until the NNDR1 form is submitted to Central Government in January following the year end (January 2017). In order to offset the future impact of this on the General Fund, a transfer of £0.795m has been made at the end of the financial year to enable this reserve to reflect anticipated expenditure payable by the Council.

- 2.8 As outlined above Officers have commenced a piece of work to identify where the evidence from the 2015/16 outturn indicates that it is appropriate to reduce budgets for both 2016/17 and future years in order to secure a contribution to the Council's savings targets. The results of that work will be reported to a future meeting of Executive for consideration.

3 Housing Revenue Account (HRA)

- 3.1 The Housing Revenue Account recorded a small favourable variance of £0.032m against the Revised Budget. These savings have been transferred into the Development Reserve where they will be used to fund future investment in tenants homes. Full details are provided in **Appendix C** to this report. The Housing Revenue Account position shows overall expenditure was £0.075m below the revised budget (column C) and income £0.043m less than anticipated, giving a net cost of services favourable variance of £0.032m for the financial year 2015/16.
- 3.2 The net cost of service was then adjusted to take account of the reduced interest and depreciation costs, and transfers to and from reserves.
- 3.3 The HRA balance has improved – in line with the budget – by an amount of £10k with balances at the year-end amounting to £1.891m. This is an appropriate level to help secure the operational and financial sustainability of the HRA in the light of the HRA Risk Register.

Capital Investment Programme

- 4.1 The capital expenditure incurred by the Council in 2015/16 is detailed on a scheme by scheme basis in **Appendix E** (attached). It can be seen from the appendix that the Council's capital spend in the financial year was £6.811m (£2.362m General Fund and £4.449m HRA). Overall expenditure was £3.175m below the revised budget (£1.845m General Fund and £1.330m HRA).
- 4.2 General Fund Schemes
During the year the Council commenced work on the enhanced Leisure facilities at Clowne and acquired and refurbished premises for use as a contact centre within Bolsover town centre. Within the General Fund the majority of the under spend in the year relates to Vehicles (£1.344), the majority of which will be carried forward to 2016/17. Other General Fund schemes show a net underspend of £0.501m. With respect to the underspend of £1.845m on the General fund, £1.176 m is planned to

take place in 2016/17 and accordingly it is recommended that Executive agree to allow the associated funding to be taken forward.

4.3 HRA Schemes

During the year the Council spent £1.270m on heating upgrades, £0.880m on reroofing work, £0.570m on External Wall Insulation and £0.424m on replacement kitchens. This work has secured significant improvements to tenant's homes. In addition the Council expended over £0.5m on progressing its agreed objective of building 100 new Council homes with building progressing and necessary land acquired. Again with respect to the underspend of £1.330m it is recommended that £1.142m be approved for carry forward into 2016/17.

4.4 Capital Financing

The Capital Programme was financed as follows:-

	Revised Budget 2015/16 £000	Actual 2015/16 £000	Variance £000
HRA			
Major Repairs Reserve	(4,394)	(3,471)	(923)
Capital Receipts (inc 1-4-1 receipts)	0	(87)	86
Prudential Borrowing	(547)	(420)	(126)
Revenue Contribution to Capital	(67)	(67)	0
External Grant	0	(139)	139
HRA Vehicle Reserve	(772)	(266)	(506)
Total	(5,780)	(4,450)	(1,330)
General Fund			
Prudential Borrowing – Gen Fund	(1,846)	(722)	(1,124)
Capital Grants and Contributions	(467)	(520)	53
Capital Receipts	(742)	(216)	(526)
Reserves	(1,152)	(859)	(293)
Revenue Contribution to Capital	0	(45)	45
Total	(4,207)	(2,362)	(1,845)
Grand Total	(9,987)	(6,812)	(3,175)

4.5 HRA Capital Financing

The spending on the HRA programme was £1.330m below the Revised Budget. Therefore officers have been able to utilise available Council resources when considering the financing of the programme. One key change is the use of £0.087m of capital receipts as a contribution towards the financing of 7 new houses at Creswell.

The Council has entered into an agreement with the Government to retain a greater proportion of its capital receipts from the sale of council houses on the condition that they are used to support the financing of new council housing. If the additional amount of retained receipts is not applied to a particular scheme within a certain time period, the Council is obliged to repay the receipts plus interest. Therefore the application of these receipts in 2015/16 to this scheme satisfies the relevant conditions. Prudential borrowing of £0.420 was undertaken in 2015/16 for vehicles.

4.6 General Fund Capital Financing

Officers have sought to minimise the need to undertake prudential borrowing when completing the financing of this element of the capital programme. Prudential borrowing of £0.722m was undertaken in 2015/16 for vehicles, asset management plan and ICT schemes.

4.7 Capital Receipts

The table below summarises the capital receipts received and used by the Council in 2015/16:

Capital Receipt	Net Receipts in year £000	Available Capital Receipts £000
Available Receipts 1 April 2015		0
2015/6		
Sale of Council Houses (32 sales)	(1,306)	
Land at Sherwood Lodge	(2,612)	
Other Land Sales	(38)	
Less - Pooling Costs	451	
Less - Allowable Debt (used to repay HRA debt)	590	
Sub - Total		(2,915)
Used for Capital Financing in 2015/16		303
Total Available Receipts 31 March 2016		(2,612)

5 Treasury Management

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

5.2 The key facts from the report are:

- The overall borrowing requirement of the Council is £95.824m at 31 March 2016.
- The PWLB debt is £104.100m
- The finance lease debt is £0.019m

- No new PWLB borrowing was undertaken in 2015/16
- The HRA headroom at 31 March 2016 is £22.927m
- PWLB interest paid in 2015/16 was £3.675m
- Interest received on investments was £0.217m
- The Council had £39.0m invested at 31 March 2016

6 Conclusions and Reasons for Recommendation

6.1 General Fund

The Council has successfully met its savings target in respect of 2015/16 and has effectively managed its financial position to allow a contribution to the Transformation Reserve of £1.046m. While at the end of the financial year the Transformation Reserve amounted to £5.571m, with a further amount of £0.843m Efficiency Grant agreed to be transferred into the Reserve in 2016/17 it needs to be recognised that there are significant agreed commitments against the Reserve. On the basis that all recommendations to this meeting of Executive are accepted the reserve will have only £1.7m of uncommitted resources. As part of the review of the Medium Term Financial Plan which will be undertaken during the course of the current financial year Officers will give consideration to the use of capital receipts to fund certain of the agreed expenditure in order to protect the level of the Transformation Reserve for future years. While there are significant calls against the Transformation Reserve it does need to be recognised that the majority of these secure ongoing savings in the Council's revenue budgets which are crucial if the Council is to operate effectively against a background of ongoing central government funding reductions.

Officers will evaluate the 2015/16 financial outturn to identify areas where the budget can be reduced in respect of 2016/17 and future financial years. While it would be reasonable to anticipate that some savings will be secured some of the income growth and expenditure reductions had already been built into budgets for 2016/17 and future years whilst other savings which arose in 2015/16 cannot be relied upon to re-occur in the current or future financial years. The contribution to the Transformation Reserve has, however, provided the Council with resources to progress its Growth and Transformation agendas in order to protect the level of services to local residents.

6.2 HRA

The HRA has delivered an underspend of £0.032m which has been used to increase the level of the Development Reserve. The HRA continues to operate within the parameters established by the Business Plan and MTFP.

6.3 Capital Programme

The Capital Programme details total expenditure of £6.811 into a range of projects designed to deliver services and progress the Council's priorities. Appendix E shows that a number of schemes are ongoing and therefore both the expenditure and resources relating to these approved schemes will need to be carried forward to 2016/17. The Capital Programme was fully funded from within agreed resources during the year.

6.4 Treasury Management

During 2015/16 the Council has continued to operate within the framework established by the Treasury Management Strategy as approved in February 2015.

7 Consultation and Equality Impact

- 7.1 No direct implications..

8 Alternative Options and Reasons for Rejection

- 8.1 The financial outturn report for 2015/16 is primarily a factual report which details the outcome of previously approved budgets therefore there are no alternative options to consider.
- 8.2 The allocation of resources to earmarked reserve accounts has been determined in the light of the previously agreed policies of the Council. If the issues and risks currently anticipated do not materialise or are settled at a lower cost than anticipated then the earmarked reserve will be reassessed and returned to general balances.

9 Financial and Risk Implications

- 9.1 The financial implications are set out within the body of the report.
- 9.2 Members should note that the budgets against which we have monitored the 2015/16 outturn were those agreed within the Council's Medium Term Financial Plan. The Medium Term Financial Plan gave careful consideration to both the affordability of the budgets that were approved, and to ensuring that the level of balances remained adequate for purposes of enabling sound financial management. The fact that the outturn position for 2015/16 indicates that these financial targets have been achieved, gives the Council a firm foundation from which to achieve the service delivery and financial targets approved within the current Medium Term Financial Plan.
- 9.3 The issue of Financial Risk is covered throughout the report. The risk of not achieving a balanced budget, together with the risk that the Council's level of financial balances will be further eroded are currently key corporate risks identified on the Council's Strategic Risk Register. The outturn report shows that the Council's approach to mitigating these risks during 2015/16 has been successful, with our budgets balanced and the level of financial reserves improved.
- 9.4 While the Council has effectively addressed its Strategic Financial Risks during 2015/16 it needs to be recognised that the Council will need to continue to meet a range of challenging savings targets if it is to operate effectively within the financial environment established by the Comprehensive Spending Review.

10 Legal Implications including Data Protection

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

11 Human Resources Implications

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

12 Recommendations

- 12.1 That Members note the report and in particular the Council's financial outturn position in respect of 2015/16.

General Fund

- 12.2 That Members request the Accountancy Section to undertake a review of the under spend position of 2015/16 to determine where budget changes may be made to the 2016/17 and future budgets.

Housing Revenue Account

- 12.3 That Members note the outturn position of the HRA and the level of balances held at 31 March 2016 of £1,891,151.

Capital Programme

- 12.4 That Members approve the proposed carry forward of capital budgets detailed in Appendix E and totalling £2,910,674.

Treasury Management

- 12.5 That Members note the Treasury Management reported position as at 31 March 2016.

13 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
District Wards Affected	Not directly
Links to Corporate Plan priorities or Policy Framework	The Council's budgets are linked to its corporate priorities in order to ensure that expenditure is directed towards securing the Council's Corporate Plan priorities.

14 Document Information

Appendix No	Title
A	General Fund Summary 2015/2016

B	General Fund Account Outturn 2015/2016
C	HRA Income and Expenditure Account 2015/2016
D	Earmarked Reserves and Balances
E	Capital Programme 2015/16
F	Treasury Management 2015/16
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Held in Financial Services	
Report Author	Contact Number
Assistant Director – Finance, Revenues & Benefits	2214

GENERAL FUND SUMMARY

	A	B	C	D	E	F	G
	Original Budget 2015/2016 £	Revised Budget 2015/2016 £	Current Budget 2015/2016 £	Grant and Reserve Adjustments 2015/2016 £	Adjusted Current Budget 2015/2016 £	Actuals 2015/2016 £	Variance 2015/2016 £
Growth Directorate	3,054,161	3,468,333	2,569,874	(656,773)	1,913,101	1,660,718	(252,383)
Operations Directorate	2,903,111	2,999,735	2,909,999	(357,507)	2,552,492	2,404,894	(147,598)
Transformation Directorate	2,994,110	3,621,331	3,547,481	(512,935)	3,034,546	2,909,204	(125,342)
Provision for Pay Award	5,246	0	0		0		0
Net Cost of Services	8,956,628	10,089,399	9,027,354	(1,527,215)	7,500,139	6,974,816	(525,323)
Forecast Surplus - Transfer to Balances	5	270,207	467,591	80,471	548,062	299,928	(248,134)
<u>Debt Charges</u>	892,020	291,234	291,234	0	291,234	529,192	237,958
<u>Investment Interest</u>	(100,311)	(133,415)	(133,415)	0	(133,415)	(172,687)	(39,272)
	9,748,342	10,517,425	9,652,764	(1,446,744)	8,206,020	7,631,248	(574,772)
Appropriations:							
<u>Contributions to Reserves:</u>	1,545,323	2,328,112	2,328,112	33,000	2,361,112	3,156,118	795,006
<u>Contribution from Earmarked Reserves:</u>	(198,099)	(930,565)	(1,110,003)	189,930	(920,073)	(920,073)	0
<u>Contribution (from)/to Holding Accounts</u>	(33,579)	(176,056)	(162,740)	251,954	89,214	89,214	0
<u>Contribution (from) Grant Accounts</u>	0	(5,320)	(5,320)	3,912	(1,408)	(1,408)	(0)
<u>Contribution from S106 Holding A/cs</u>	(162,567)	(919,600)	111,183	967,948	1,079,131	1,079,131	0
<u>Efficiency Measures</u>	(350,000)	0	0			0	
TOTAL EXPENDITURE	10,549,420	10,813,996	10,813,996	(0)	10,813,996	11,034,230	220,235
Parish Precepts	2,227,081	2,285,865	2,285,865	0	2,285,865	2,285,865	0
Council Tax Support Grant - Parish	343,025	343,025	343,025	0	343,025	343,025	0
TOTAL SPENDING REQUIREMENT	13,119,526	13,442,886	13,442,886	(0)	13,442,886	13,663,120	220,235
<u>Revenue Support Grant from SFA</u>	(3,102,529)	(3,102,529)	(3,102,529)	0	(3,102,529)	(3,102,529)	0
Council Tax Grant (15/16)	(37,019)	(37,019)	(37,019)	0	(37,019)	(37,002)	17
<u>Business Rates Retention from SFA</u>	(3,463,663)	(3,719,663)	(3,719,663)		(3,719,663)	(3,977,956)	(258,293)
New Homes Bonus Grant 11/12	(117,312)	(117,312)	(117,312)	0	(117,312)	(117,312)	0
New Homes Bonus Grant 12/13	(193,346)	(193,346)	(193,346)	0	(193,346)	(193,346)	0
New Homes Bonus Grant 13/14	(169,639)	(169,639)	(169,639)	0	(169,639)	(169,639)	0
New Homes Bonus Grant 14/15	(292,058)	(292,058)	(292,058)	0	(292,058)	(292,058)	0
New Homes Bonus Grant 15/16	(277,154)	(285,730)	(285,730)	0	(285,730)	(285,730)	0
COUNCIL TAX - BDC precept	(3,189,278)	(3,189,278)	(3,189,278)	0	(3,189,278)	(3,189,278)	0
Council tax - Parish element from above	(2,227,081)	(2,285,865)	(2,285,865)	0	(2,285,865)	(2,285,865)	0
Council Tax Collection Fund Surplus	(50,447)	(50,447)	(50,447)	0	(50,447)	(50,447)	0
NNDR Collection Fund Deficit	0	0	0	0	0	46,906	46,906
Miscellaneous un-ringfenced grants	0	0	0	0	0	(8,864)	(8,864)
TOTAL FUNDING	(13,119,526)	(13,442,886)	(13,442,886)	0	(13,442,886)	(13,663,120)	(220,234)
BALANCE	0	0	0	(0)	(0)	0	1
<u>General Fund Balances</u>							
Opening balance 1 April	(1,700,073)	(1,700,073)	(1,700,073)	0	(1,700,073)	(1,700,073)	(1,700,073)
Transfer (to)/from balances	(5)	(270,207)	(467,591)		(548,062)	(299,928)	(299,928)
Closing balance 31 March	(1,700,078)	(1,970,280)	(2,167,664)		(2,248,136)	(2,000,001)	(2,000,001)

			C	F	G	
			Full Years	12 months	12 months	
			Budget	Actuals	Variance	
			£	£	£	
Directorate						
APP	G909	Cont. to Revenue Reserves (8022)	2,328,112	3,156,118	828,006	
APP	G909	Cont from Revenue Reserves (G909)	(1,110,003)	(920,073)	189,930	
APP	G909	Cont. To/from Revenue Grants (8040)	(5,320)	(1,408)	3,912	
APP	G909	Cont. To/from Holding a/cs - (8044)	(162,740)	89,214	251,954	
APP	G909	Cont. to/from S106 Holding a/cs - (8045)	111,183	1,079,131	967,948	
APP	G911	Provision for Repayment of External Loan (G911)	(47,689)	226,014	273,703	
APP	G913	Precept Demand from Collection Fund (G913)	(5,525,590)	(5,525,590)	0	
APP	G914	General Government Grants (G914)	(7,917,296)	(8,239,333)	(322,037)	
APP	G916	Interest Received (G916)	(163,627)	(221,097)	(57,470)	
APP	G919	Interest Paid - PWLB (G919)	336,777	319,584	(17,193)	
APP	G920	Interest Paid - Parish (G920)	2,146	2,396	250	
APP	G927	Interest Received (G927)	30,212	48,410	18,198	
APP	G928	Local Precepts (G928)	2,628,890	2,628,890	0	
APP	G930	T/f of General Fund Balance (G930)	467,585	299,928	(167,657)	
APP	G940	Recognised Capital Grants and Conts	0	(244,410)	(244,410)	
APP	G954	MIRS Reversals Cap Adj Acc (G954)	0	(18,802)	(18,802)	
APP	G956	MIRS Cap Grants Unnapp (G956)	0	244,410	244,410	
APP	G961	MIRS Collection fund adj acc. (G961)	0	101,802	101,802	
APP		Total for: Appropriations	(9,027,360)	(6,974,816)	2,052,544	
GROWTH	G005	Joint Chief Executive Officer (G005)	90,136	85,980	(4,156)	
GROWTH	G006	CEPT (G006)	350,005	321,821	(28,184)	Holding a/cs £2k and reserves £4k under spent, year end entries £22k release of BDP
GROWTH	G010	Neighbourhood Management (G010)	83,800	56,685	(27,115)	Vacancy savings, recruitment in 2016/17
GROWTH	G017	Private Sector Housing Renewal (G017)	50,130	39,497	(10,633)	
GROWTH	G020	Public Health (G020)	(28,000)	(42,000)	(14,000)	Joint Crem income higher than expected
GROWTH	G021	Pollution Reduction (G021)	158,855	150,335	(8,520)	

			C	F	G	
			Full Years	12 months	12 months	
			Budget	Actuals	Variance	
			£	£	£	
Directorate						
GROWTH	G022	Health & Safety (G022)	(120)	(317)	(197)	
GROWTH	G023	Pest Control (G023)	49,540	50,819	1,279	
GROWTH	G025	Food Safety (G025)	131,430	127,882	(3,548)	
GROWTH	G026	Animal Welfare (G026)	92,850	92,998	148	
GROWTH	G030	Street Trading (G030)	0	(452)	(452)	
GROWTH	G036	Environmental Health Mgmt & Admin (G036)	169,670	169,859	189	
GROWTH	G053	Licensing (G053)	(54,565)	(51,217)	3,348	
GROWTH	G054	Electoral Registration (G054)	190,681	139,650	(51,031)	t/f to holding a/c of grant not spent £29k, reserves £7k under spent, salaries under due to vacancy £6k and various other small underspends £9k
GROWTH	G055	Democratic Representation & Management (G055)	620,468	604,929	(15,539)	
GROWTH	G056	Land Charges (G056)	3,543	14,063	10,520	
GROWTH	G057	District Council Elections (G057)	67,490	67,481	(9)	
GROWTH	G058	Democratic Services (G058)	147,619	144,870	(2,749)	
GROWTH	G060	Legal Services (G060)	149,819	282,996	133,177	Reserve funding joint service cost £30k, increase of £111k increase in legal provisions
GROWTH	G073	Planning Policy (G073)	262,110	244,590	(17,520)	Reserves £13k under spent.
GROWTH	G074	Planning Development Control (G074)	(104,176)	(257,035)	(152,859)	Increased Planning Fee income £112k., staff vacancies.
GROWTH	G076	Planning Enforcement (G076)	65,255	60,278	(4,977)	
GROWTH	G079	Planning Services Mgmt & Admin (G079)	19,687	19,555	(132)	
GROWTH	G085	Economic Development (G085)	136,710	81,289	(55,421)	Reserves under spent £51k.
GROWTH	G086	Alliance (G086)	9,250	7,250	(2,000)	
GROWTH	G088	Derbyshire Economic Partnership (G088)	15,000	15,000	0	
GROWTH	G107	Home Improvement Agency (G107)	(340)	(935)	(595)	
GROWTH	G116	Parish Council Elections (G116)	0	0	0	
GROWTH	G119	European Elections (G119)	0	0	0	

			C	F	G	
			Full Years	12 months	12 months	
			Budget	Actuals	Variance	
			£	£	£	
Directorate						
GROWTH	G132	Planning Conservation (G132)	29,770	29,175	(595)	
GROWTH	G143	Housing Strategy (G143)	35,126	27,618	(7,508)	Shared post vacant £4k.
GROWTH	G144	Enabling (Housing) (G144)	23,845	19,527	(4,318)	Shared post vacant
GROWTH	G145	Handy Van Service (G145)	0	(1,046)	(1,046)	
GROWTH	G154	ERDF - Work for Yourself (G154)	11,222	4,687	(6,535)	Additional income received
GROWTH	G158	Police Commissioners Elections (G158)	0	0	0	
GROWTH	G171	S106 Education (G171)	330,112	(161,342)	(491,454)	Expenditure not spent c/f to future years, due earliest 1/3/19 - reported to S106 group 12/4/16
GROWTH	G172	S106 Affordable Housing (G172)	1,116	0	(1,116)	
GROWTH	G176	Affordable Warmth (G176)	(9,055)	18,395	27,450	Income from DCC stopped
GROWTH	G178	ERDF - Bols Public Realm (G178)	6,049	(2,886)	(8,935)	Extra income received
GROWTH	G192	Scrutiny (G192)	19,340	18,869	(471)	
GROWTH	G193	Economic Development Management + Admin (G193)	189,378	151,361	(38,017)	Holding a/c £10k and reserves £21k under spent.
GROWTH	G194	Assist Dir - Economic Growth (G194)	35,180	35,508	328	
GROWTH	G195	Assist Dir - Governance + Monitoring (G195)	34,139	34,145	6	
GROWTH	G196	Assist Dir - Planning + Env Health (G196)	32,857	32,767	(90)	
GROWTH	G204	CEPT - BIG Lottery Talent Match (G204)	(3,741)	(10,378)	(6,637)	
GROWTH	G209	Conservation - New Bolsover HLF Scheme	6,302	6,302	(0)	
GROWTH	G211	Help to Work (G211)	19,684	18,369	(1,315)	
GROWTH	G212	Budget Buddies (G212)	10,982	6,548	(4,434)	
GROWTH	G213	Volunteering (G213)	12,155	13,018	863	
GROWTH	G216	Raising Aspirations (G216)	5,589	2,539	(3,050)	
GROWTH	G218	Namibia Bound (G218)	25,500	1,450	(24,050)	
GROWTH	G220	Locality Funding (G220)	(126,088)	(156,518)	(30,430)	
GROWTH	G223	Joint Empty Property Officer	17,000	16,727	(274)	
GROWTH	G224	Prime Minister's Challenge Fund	46,500	15,969	(30,531)	

			C	F	G	
	Monitoring Report 1/4/15- 31/3/16					
			Full Years	12 months	12 months	
			Budget	Actuals	Variance	
Directorate			£	£	£	
GROWTH	G225	Eats and Treats Events (G225)	6,340	5,873	(467)	
GROWTH	G226	S106 - Highways (G226)	(879,000)	(904,000)	(25,000)	Expenditure not spent c/f to future years, due 14/1/21 - reported to S106 group 12/4/16
GROWTH	G229	Housing Standards (G229)	0	(555)	(555)	
GROWTH	G242	New Bolsover MV - CVP Worker (G242)	12,725	12,725	0	
GROWTH		Total for: Growth Directorate	2,569,874	1,660,718	(909,156)	
OPERA	G001	Audit Services (G001)	115,050	86,263	(28,787)	Part of Consortium surplus released
OPERA	G007	Community Safety - Crime Reduction (G007)	48,660	46,882	(1,778)	
OPERA	G013	Community Action Network (G013)	223,213	222,417	(796)	
OPERA	G018	Public Conveniences (G018)	4,602	4,602	(0)	
OPERA	G024	Street Cleansing (G024)	338,490	317,340	(21,150)	Under spent staffing costs £19k
OPERA	G028	Waste Collection (G028)	970,309	948,652	(21,657)	
OPERA	G032	Grounds Maintenance (G032)	535,308	528,481	(6,827)	
OPERA	G033	Vehicle Fleet (G033)	723,996	733,012	9,016	
OPERA	G034	Depot - South Normanton	30,000	29,338	(662)	
OPERA	G038	Concessionary Fares & TV Licenses (G038)	(9,120)	(9,194)	(74)	
OPERA	G040	Corporate Management (G040)	108,303	96,466	(11,837)	
OPERA	G041	Non Distributed Costs (G041)	706,650	708,854	2,204	
OPERA	G044	Financial Services (G044)	302,951	300,084	(2,867)	
OPERA	G046	Homelessness (G046)	153,128	146,181	(6,947)	
OPERA	G048	Town Centre Housing (G048)	(10,700)	(10,935)	(235)	
OPERA	G080	Engineering Services (ESRM) (G080)	99,220	75,161	(24,059)	Year end adjustments
OPERA	G081	Drainage Services (G081)	3,300	1,695	(1,605)	

			C	F	G	
			Full Years	12 months	12 months	
			Budget	Actuals	Variance	
			£	£	£	
Directorate						
OPERA	G083	Building Control Consortium (G083)	85,980	74,834	(11,146)	Recharge from CBC lower than estimate
OPERA	G089	Premises Development (G089)	(61,748)	(45,176)	16,572	Year end entries £17k recharge from insurance reserve.
OPERA	G090	Pleasley Vale Mills (G090)	(121,952)	(155,166)	(33,214)	Income over achieved £9k (net). H+C under £13k due to timing, therefore orders rolled over to new year. Year end entries £9k release of BDP.
OPERA	G092	Pleasley Vale Electricity Trading (G092)	(44,938)	(97,070)	(52,132)	Additional income
OPERA	G093	Sherwood Lodge (G093)	6,695	2,032	(4,663)	
OPERA	G095	Estates + Property (G095)	524,060	441,191	(82,869)	Reserves under spent £53k, Year end entries £13k release of BDP. Staff related costs under spent by £18k due to vacancies.
OPERA	G096	Building Cleaning (General) (G096)	73,336	71,826	(1,510)	
OPERA	G097	Groundwork & Drainage Operations (G097)	45,822	44,338	(1,484)	
OPERA	G099	Catering (G099)	6,000	5,073	(927)	
OPERA	G100	Benefits (G100)	442,400	267,517	(174,883)	£23k additional income t/ft to holding a/c. Staff costs £29k under spent. Plus other various small under/over spends. Year end entries £110k less required for benefits bad debt provision.
OPERA	G103	Council Tax / NNDR (G103)	236,084	288,893	52,809	Analyse fees (NNDR) £27k over spent. Enforcement fees £17k over spent. Income for collection fund council tax payers costs under estimate by £17k, less various under spends including £4k staffing costs due to vacancies.
OPERA	G104	Sundry Debtors (G104)	92,270	93,254	984	
OPERA	G106	Housing Anti Social Behaviour (G106)	70,039	69,717	(322)	
OPERA	G111	Shared Procurement Unit (G111)	34,760	34,864	104	
OPERA	G113	Parenting Practitioner (G113)	30,807	30,794	(13)	
OPERA	G123	Riverside Depot (G123)	169,875	165,936	(3,939)	
OPERA	G124	Street Servs Mgmt & Admin (G124)	60,243	70,507	10,264	Year end entries £9k recharge from insurance reserve.
OPERA	G127	Planning + Estates Admin (G127)	46,214	45,416	(798)	
OPERA	G133	The Tangent Business Hub (G133)	(1,929)	(20,398)	(18,469)	Rents over achieved £18k.
OPERA	G135	Domestic Violence Worker (G135)	38,208	38,481	273	
OPERA	G138	Sherwood Lodge Development (G138)	20,000	9,445	(10,555)	Reserve expenditure not spent
OPERA	G142	Community Safety - CCTV (G142)	90,565	14,606	(75,959)	

		C	F	G	
	Monitoring Report 1/4/15- 31/3/16	Full Years	12 months	12 months	
		Budget	Actuals	Variance	
Directorate		£	£	£	
OPERA	G148 Trade Waste (G148)	(61,792)	(15,594)	46,198	Income under achieved £27k and h+c over spent £32k. Year end entries £13k release of BDP.
OPERA	G149 Recycling (G149)	77,864	127,892	50,028	H+C over spent £68k, recycling credits over achieved £14k, recharges from NE under spent £4k due to vacancy.
OPERA	G151 Street Lighting (G151)	25,563	19,611	(5,952)	Electricity under spent £5k
OPERA	G153 Housing Advice (G153)	10,870	10,991	121	
OPERA	G156 The Arc (G156)	288,952	245,138	(43,814)	Reserves under spent £20k, staffing costs £5k under spent due to vacancy, income over achieved £24k, Business Rates over spent £7k.
OPERA	G159 Council Tax Benefit Reform (G159)	(43,333)	(58,530)	(15,197)	T/f to holding a/c of grant not spent £16k.
OPERA	G161 Rent Rebates (G161)	(190,190)	(90,077)	100,113	Difference from mid-year estimate to final claim
OPERA	G162 Rent Allowances (G162)	(135,218)	(245,045)	(109,827)	Difference from mid-year estimate to final claim
OPERA	G164 Support Recharges (G164)	(3,475,528)	(3,475,528)	(0)	
OPERA	G167 Facilities Management (G167)	20,500	17,341	(3,159)	
OPERA	G169 Closed Churchyards (G169)	10,000	10,000	0	
OPERA	G177 Discretionary Housing Payments (G177)	0	(0)	(0)	
OPERA	G190 Executive Director - Operations (G190)	49,980	49,735	(245)	
OPERA	G197 Assist Dir - Finance, Revenues + Benefits (G197)	31,890	31,920	30	
OPERA	G199 Assist Dir - Street Scene (G199)	31,709	32,362	653	
OPERA	G208 Assist Dir - Estates and Property (G208)	32,155	32,036	(119)	
OPERA	G219 Community Cohesion	30,426	25,439	(4,987)	Holding account funded
OPERA	G237 Joint Venture (LLP) (G237)	20,000	12,730	(7,270)	Reserve funded - okay
OPERA	G239 Housing + Comm Safety Fixed Penalty Acc (G239)	0	(1,738)	(1,738)	Income over achieved will be used for exp in future years
OPERA	Total for Operations Directorate	2,909,999	2,404,894	(505,105)	
TRANS	G002 I.C.T. (G002)	666,593	591,238	(75,355)	Leased lines £33k, business software £26k and hired + contract £3k all under spent.
TRANS	G003 Reprographics (printing) (G003)	115,239	114,292	(947)	

			C	F	G	
	Monitoring Report 1/4/15- 31/3/16					
			Full Years	12 months	12 months	
			Budget	Actuals	Variance	
Directorate			£	£	£	
TRANS	G014	Customer Contact Service (G014)	731,535	705,212	(26,323)	Staffing costs £20k under spent.
TRANS	G015	Strategy & Performance (G015)	129,053	118,116	(10,937)	
TRANS	G027	Emergency Planning (G027)	15,200	15,140	(60)	
TRANS	G052	Human Resources & Payroll (G052)	294,270	268,390	(25,880)	
TRANS	G061	Bolsover Wellness Programme (G061)	58,439	62,536	4,097	
TRANS	G062	Extreme Wheels (G062)	87	(1,969)	(2,056)	
TRANS	G063	Go Football (G063)	11,916	12,693	777	
TRANS	G064	Bolsover Community Sports Coach Scheme (G064)	125,212	104,626	(20,586)	Casual staffing under spent £13k, income over achieved £7k.
TRANS	G065	Parks, Playgrounds & Open Spaces (G065)	46,705	42,652	(4,053)	
TRANS	G067	Culture & Heritage (G067)	44,775	38,147	(6,628)	
TRANS	G070	Outdoor Sports & Recreation Facilities (G070)	35,267	30,572	(4,695)	
TRANS	G071	Creswell Leisure Centre (G071)	153,181	176,438	23,257	Income under achieved £28k. Staffing costs over spent £7k.
TRANS	G072	Leisure Services Mgmt & Admin (G072)	153,332	171,167	17,835	Income under achieved £6k. Plus other various over/under spends. Year end entries £9k release of BDP and recharge from insurance reserve £28k.
TRANS	G112	Frederick Gents School Community Use (G112)	19,798	21,592	1,794	
TRANS	G125	S106 Percent for Art (G125)	164,131	15,288	(148,843)	Expenditure not all spent c/f to future years, due earliest 13/2/18 - reported to S106 group 12/4/16
TRANS	G126	S106 Formal and Informal Recreation (G126)	74,219	(6,326)	(80,545)	Expenditure not all spent c/f to future years, due 20/9/18 earliest - reported to S106 group 12/4/16
TRANS	G129	Bolsover Apprenticeship Programme (G129)	73,332	65,060	(8,272)	
TRANS	G146	Pleasley Vale Outdoor Activity Centre (G146)	34,253	44,167	9,914	Staffing costs over spent £3k, Business Rates over spent £13k (Analyse - backdated to April 2010) income over achieved £2k plus other various under spends.
TRANS	G155	Customer Services (G155)	64,914	60,599	(4,316)	
TRANS	G160	Clowne Leisure Centre (G160)	28,680	22,125	(6,555)	Staffing cost over spent £10k, income over achieved £11k plus other various under spends

			C	F	G	
			Full Years	12 months	12 months	
			Budget	Actuals	Variance	
			£	£	£	
Directorate						
TRANS	G168	Multifunctional Printers (G168)	57,789	54,155	(3,634)	
TRANS	G170	S106 Outdoor Sports (G170)	198,239	(22,751)	(220,990)	Expenditure not all spent c/f to future years, due earliest 8/12/16 - reported to S106 group 12/4/16 - still waiting for decision on Joint Service Centre amount
TRANS	G173	SE Community Sports Activation Fund (G173)	1	0	(1)	
TRANS	G175	Leisure Outdoor Activity Events (G175)	0	(325)	(325)	
TRANS	G179	Streets Sports (G179)	(2,849)	(2,811)	38	
TRANS	G180	Special Events (G180)	0	(344)	(344)	
TRANS	G181	BLACA (G181)	0	(207)	(207)	
TRANS	G182	Village Games (G182)	4,773	(40)	(4,813)	
TRANS	G185	Club Link Makers (G185)	4,457	(195)	(4,652)	
TRANS	G186	PL4S Satellite Programme (G186)	0	(1,525)	(1,525)	
TRANS	G189	Executive Director - Transformation (G189)	50,105	50,107	2	
TRANS	G200	Assist Dir - Customer Services + Improvement (G200)	33,211	33,250	39	
TRANS	G201	Assist Dir - HR + Payroll (G201)	74,334	74,242	(92)	
TRANS	G202	Assist Dir - Leisure (G202)	33,302	33,598	296	
TRANS	G203	Sportivate (G203)	(191)	(1,345)	(1,154)	
TRANS	G205	Innovation (G205)	5,090	437	(4,653)	
TRANS	G206	Street Games (G206)	1,629	(3,355)	(4,984)	
TRANS	G207	Cycling (G207)	0	(2,491)	(2,491)	
TRANS	G221	Physical Inactivity (G221)		(19,313)	(19,313)	
TRANS	G222	Clowne Leisure Facilities Enhancement (G222)	47,460	46,365	(1,095)	
TRANS		Total for Transformation Directorate	3,547,481	2,909,204	(638,277)	
		Total for: General Fund	(6)	(1)	5	

Housing Revenue Account 2015/16

APPENDIX C

Description	A Revised Budget £	B Actual £	C Variance £
Expenditure			
Repairs and Maintenance	4,549,228	4,439,932	(109,296)
Supervision and Management	4,938,425	4,986,482	48,057
Special Services	620,187	559,729	(60,458)
Supporting People	780,222	789,706	9,484
Tenants Participation	87,863	82,395	(5,468)
Provision for Doubtful Debts	100,000	145,606	45,606
Debt Management Expenses	9,500	7,125	(2,375)
Total Expenditure	11,085,425	11,010,973	(74,452)
Income			
Rents	(20,940,023)	(20,952,779)	(12,756)
Garage Rents	(145,998)	(140,054)	5,944
Supporting People	(750,638)	(719,809)	30,829
Special Services	(332,825)	(325,563)	7,262
Leasehold Flats and Shops Income	(18,650)	(20,602)	(1,952)
Repairs and Maintenance	(9,345)	12,216	21,561
Supervision & Management/Rents/Rates/Taxes	(13,880)	(22,193)	(8,313)
Other Income	(1,310)	(1,030)	280
Total Income	(22,212,669)	(22,169,813)	42,856
Net Cost of Services	(11,127,244)	(11,158,840)	(31,596)
Appropriations			
Voluntary Debt Repayment	3,500,000	3,500,000	0
Interest Costs	3,346,191	3,355,966	9,775
Interest Income	(30,212)	(48,410)	(18,198)
Depreciation	2,383,034	2,136,101	(246,933)
Transfer to Major Repairs Reserve	1,480,988	1,796,906	315,918
Contribution to Insurance Reserve	50,000	50,000	0
Contribution to / from HRA Reserve	445,000	413,034	(31,966)
Use of Unapplied Revenue Grant	(57,750)	(54,750)	3,000
Net Operating (Surplus) / Deficit	(9,993)	(9,993)	(0)
HRA Balances			
Balance brought forward 1 April	(1,881,158)	(1,881,158)	
Movement in year	(9,993)	(9,993)	
Working Balance at End of Year	(1,891,151)	(1,891,151)	

Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans, and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2015/16.

	Balance at 1 April 2014 £'000	Transfers Out 2014/15 £'000	Transfers in 2014/15 £'000	Balance at 31 March 2015 £'000	Transfers Out 2015/16 £'000	Transfers In 2015/16 £'000	Balance at 31 March 2016 £'000
General Fund/HRA							
Area Based Grant/Working Neighbourhoods Fund	(585)	250	0	(335)	79	0	(256)
General	(451)	125	(61)	(387)	14	(33)	(406)
NDR Growth Protection	0	0	(705)	(705)	0	(795)	(1,500)
Insurance - GF	(353)	44	(90)	(399)	81	(90)	(408)
Insurance - HRA	(32)	15	(50)	(67)	51	(50)	(66)
Invest to Earn	(50)	0	0	(50)	50	0	0
IT and Office Equipment	(67)	78	(75)	(64)	23	(75)	(116)
Legal Costs	(100)	29	0	(71)	2	0	(69)
Local Development Scheme	(283)	64	(40)	(259)	63	(40)	(236)
New Build Reserve - HRA	(1,838)	1,922	(950)	(866)	67	(86)	(885)
Planning Delivery	(116)	0	0	(116)	24	0	(92)
Transformation Reserve	(3,158)	632	(2,372)	(4,898)	1,487	(2,160)	(5,571)
Vehicle Repair and Renewal - GF	(32)	12	(12)	(32)	5	(12)	(39)
Vehicle Repair and Renewal - HRA	(189)	53	(180)	(316)	263	(445)	(498)
CD Joint Crematorium Reserve	(169)	169	0	0	0	0	0
Total Earmarked Reserves	(7,423)	3,393	(4,535)	(8,565)	2,209	(3,786)	(10,142)

APPENDIX E

Fund	CAPITAL PROGRAMME SUMMARY	Approved Programme 2015/16 £	Actual Outturn 2015/16 £	Variance 2015/16 £	Carried Forward requests 2016/17. £
	General Fund				
	Assets				
ASS	AMP - The Arc	37,782	22,931	(14,851)	14,850
ASS	AMP - Pleasley Vale	209,663	143,976	(65,687)	65,600
ASS	AMP - Various Investment Properties	9,325	9,321	(4)	0
ASS	AMP - Leisure Buildings	50,360	29,644	(20,716)	20,716
ASS	CCTV - Riverside Depot	29,322	0	(29,322)	29,322
ASS	Asset Management Plan (Refurbishment Work)	17,457	0	(17,457)	0
ASS	Purchase - 3 Cotton St Bolsover	186,850	186,850	0	0
ASS	Refurbishment - 3 Cotton St Bolsover	142,500	105,579	(36,921)	36,921
ASS	Refurbishment of Oxcroft House	30,000	0	(30,000)	30,000
ASS	Council Chamber Alterations	85,500	80,294	(5,206)	5,206
HRA	Shirebrook Contact Centre	10,000	3,548	(6,453)	6,453
ASS	Middle Street Car Park	20,000	19,959	(41)	0
		828,759	602,101	(226,658)	209,068
	Project Horizon				
HOR	ICT infrastructure - Project Horizon	28,504	0	(28,504)	0
HOR	Sherwood Lodge Disposal	78,000	28,679	(49,321)	49,321
		106,504	28,679	(77,825)	49,321
	ICT Schemes				
ICT	ICT Intrasfructure	55,932	20,000	(35,932)	35,932
ICT	Fleet Management System	6,890	0	(6,890)	0
ICT	Idox Uniform Estates Mgmt System	1,859	0	(1,859)	0
ICT	Automated Payment Machines	54,333	54,333	(0)	0
		119,014	74,333	(44,681)	35,932
	Leisure Schemes				
LEI	Clune Street Recreation Ground	6,251	3,492	(2,759)	0
LEI	P Vale Outdoor Education Centre Ph 2	41,134	0	(41,134)	41,134
LEI	Clowne Leisure Facility	736,500	637,089	(99,411)	99,411
LEI	Fitness Equipment	20,939	20,874	(65)	0
		804,824	661,455	(143,369)	140,545
	Private Sector Schemes				
PS	Disabled Facility Grants	496,708	488,625	(8,083)	0
		496,708	488,625	(8,083)	0
	Vehicles and Plant				
VEH	Pick Up (Garage YT09 XVG)	22,000	17,569	(4,431)	0
VEH	Van (SS YT09 WSO)	25,000	0	(25,000)	25,000
VEH	Van (SS YT09 TGF)	25,000	0	(25,000)	25,000
VEH	Van (SS YT09 TEY)	25,000	0	(25,000)	25,000
VEH	Refuse Vehicle (VU10 HSV)	173,545	172,190	(1,355)	0
VEH	Tipper Van (Waste YN57 ECZ)	42,500	0	(42,500)	42,500
VEH	Tipper Van (Waste YN57 EDC)	42,500	0	(42,500)	42,500
VEH	8 Hedgecutters	4,000	2,105	(1,895)	0
VEH	10 Strimmers	5,000	3,268	(1,732)	0
VEH	Van (OC YN07 RHX)	42,500	0	(42,500)	42,500
VEH	Van (OC YN57 EBK)	73,651	73,651	0	0
VEH	Van (OC YN07 FLR)	42,500	0	(42,500)	42,500
VEH	Van (Leisure YP57 HNV)	19,200	0	(19,200)	19,200
VEH	Van (Leisure YP57 HTY)	14,700	0	(14,700)	14,700
VEH	Van (Leisure YP57 HTL)	16,100	0	(16,100)	16,100
VEH	Van (Drains YR09 LDN)	30,000	6,000	(24,000)	24,000
VEH	Refuse Vehicle (VN60 CXS)	175,000	0	(175,000)	175,000
VEH	Refuse Vehicle (VN60 CXU)	175,000	0	(175,000)	175,000
VEH	Refuse Vehicle (VN60 CXR)	175,000	0	(175,000)	175,000
VEH	Refuse Vehicle (VN60 CXT)	175,000	0	(175,000)	175,000
VEH	Refuse Vehicle (Vk58 JFV)	173,545	172,190	(1,355)	0
VEH	Transit 350 d/cab tipper (SS YP58 CJE)	25,000	0	(25,000)	25,000
VEH	Powerwash Trailer & Frame (SS)	10,000	0	(10,000)	10,000
VEH	DAF 45.160 Tipper 7.5 tones(YN58 AYD)	42,500	0	(42,500)	42,500

APPENDIX E

Fund	CAPITAL PROGRAMME SUMMARY	Approved	Actual	Variance	Carried
		Programme 2015/16	Outturn 2015/16	2015/16	Forward requests 2016/17.
		£	£	£	£
VEH	Van (SS YP58 CEK)	25,000	0	(25,000)	25,000
VEH	MF TRACTOR (SS FN08 AOD)	60,000	0	(60,000)	60,000
VEH	Ransomes Mower (SS FJ06 WVS)	27,000	0	(27,000)	27,000
VEH	MF TRACTOR (SS FN08 ANU)	50,000	0	(50,000)	50,000
VEH	FORD RANGER (Leisure PV YT08 DWP)	20,500	20,418	(82)	0
VEH	FORD TRANSIT (can YS08 PJU)	20,000	0	(20,000)	20,000
VEH	VAN (CAN FP58 KHM)	20,000	0	(20,000)	20,000
VEH	Go-Carts x 2	17,000	0	(17,000)	17,000
VEH	Community Connect Mini Bus	22,500	22,485	(15)	0
VEH	Chipper (Large)	18,000	0	(18,000)	18,000
VEH	RCV Fleet - VU59 HWF (NEDDC)	16,700	16,700	0	0
		1,850,941	506,576	(1,344,365)	1,333,500
	Total General Fund	4,206,750	2,361,769	(1,844,981)	1,768,366
	Housing Revenue Account				
HRA	External Wall Insulation	561,413	570,218	8,805	0
HRA	Electrical Upgrades	178,381	117,732	(60,649)	60,649
HRA	Cavity Wall + Loft Insulation	3,859	3,364	(495)	0
HRA	External Door Replacements	160,557	75,901	(84,656)	84,656
HRA	Heating Upgrades	1,229,743	1,270,281	40,538	0
HRA	Enviromental Works	100,000	0	(100,000)	100,000
HRA	Decent Homes - External	106,098	41,098	(65,000)	65,000
HRA	Kitchen Replacements - Decent Homes	420,000	424,385	4,385	0
HRA	Regeneration Mgmt & Admin	69,320	69,320	0	0
HRA	GD Boiler Replacement / Heat Meters	104,570	95,463	(9,107)	0
HRA	New Bolsover	350,000	6,653	(343,347)	343,347
HRA	Re Roofing	1,060,000	880,987	(179,013)	0
HRA	Flat Roofing	50,000	35,840	(14,160)	0
HRA	Blackwell Hotel Purchase	120,000	120,000	0	0
HRA	Rogers Ave Creswell - HRA New Build	377,275	384,754	7,479	0
HRA	Blackwell Hotel Site - HRA New Build	50,000	2,710	(47,290)	47,290
HRA	MACCS Software - Rents	11,900	11,900	0	0
HRA	Central Control Equipment	54,750	54,750	0	0
HRA	Van (R+M YT09 XVP)	19,242	19,242	(0)	0
HRA	Van (R+M YT09 XWN)	19,242	19,242	(0)	0
HRA	Van (R+M YT09 WOR)	19,242	19,242	(0)	0
HRA	Van (R+M YT07 BXH)	19,242	19,242	(0)	0
HRA	Van (R+M YS57 LVC)	19,242	19,242	(0)	0
HRA	Van (R+M YS57 AYW)	19,242	19,242	(0)	0
HRA	Van (R+M YP07 OCC)	19,242	19,242	(0)	0
HRA	Van (R+M YP07 FWA)	19,242	19,242	(0)	0
HRA	Van (R+M YP57 HRM)	19,242	19,242	(0)	0
HRA	Van (R+M YP07 FTZ)	19,242	19,242	(0)	0
HRA	Van (R+M DY56 OFB)	21,366	0	(21,366)	21,366
HRA	Van (R&M YP10 ORH)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 OWA)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 OXB)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 OWF)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 OTX)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 OSZ)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 ORP)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 OWX)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 OUV)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 ETL)	20,000	14,131	(5,869)	0
HRA	Van (R&M YP10 ETJ)	20,000	14,131	(5,869)	0
HRA	Van (R&M YP10 ETF)	20,000	14,131	(5,869)	0
HRA	Van (R&M YP10 ORA)	20,000	0	(20,000)	20,000
HRA	Van (R&M YS10 OWU)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 OXK)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 ETK)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 OWE)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 OYY)	20,000	0	(20,000)	20,000
HRA	Van (R&M YP10 HRE)	20,000	0	(20,000)	20,000
HRA	Van (R&M YR60 AEJ)	20,000	0	(20,000)	20,000
HRA	Van (R&M YS10 OSN)	20,000	0	(20,000)	20,000

APPENDIX E

Fund	CAPITAL PROGRAMME SUMMARY	Approved	Actual	Variance	Carried
		Programme	Outturn		Forward
		2015/16	2015/16	2015/16	requests
		£	£	£	2016/17.
HRA	Van (R&M YS10 OVG)	20,000	0	(20,000)	20,000
HRA	Van (R&M YS10 OTA)	20,000	0	(20,000)	20,000
HRA	Van (R&M YS10 OUL)	20,000	0	(20,000)	20,000
HRA	CAR (Wardens FN10 NYG)	18,000	9,381	(8,619)	0
HRA	CAR (Wardens FN10 NXC)	18,000	9,381	(8,619)	0
HRA	CAR (Wardens FN10 MVL)	18,000	9,381	(8,619)	0
HRA	CAR (Wardens FN10 MVK)	12,000	9,381	(2,619)	0
HRA	Transit Connect (New Vehicle)	11,997	11,997	(1)	0
	Total HRA	5,779,649	4,449,685	(1,329,964)	1,142,308
	TOTAL CAPITAL EXPENDITURE	9,986,399	6,811,454	(3,174,945)	2,910,674
Capital Financing					
General Fund					
	Specified Capital Grant	467,000	467,000	0	
	Private Sector Contributions	0	53,144	53,144	
	Prudential Borrowing	1,846,180	722,065	(1,124,115)	
	Revenue Contribution to Capital	0	45,000	45,000	
	Reserves	1,151,864	858,884	(292,980)	
	Capital Receipts	741,706	215,676	(526,030)	
		4,206,750	2,361,769	(1,844,981)	
HRA					
	Major Repairs Allowance	4,393,941	3,470,898	(923,043)	
	1-4-1 Capital Receipts	0	86,972	86,972	
	Prudential Borrowing	547,275	420,492	(126,783)	
	Revenue Contribution to Capital	66,650	66,650	0	
	External Grant	0	139,143	139,143	
	Vehicle Reserve	771,783	265,529	(506,254)	
		5,779,649	4,449,685	(1,329,964)	
	TOTAL CAPITAL FINANCING	9,986,399	6,811,454	(3,174,945)	

BDC Treasury Management**Activity 2015/16****Capital Financing Requirement**

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

	Revised Budget 2015/16 £000	Actual Outturn 2015/16 £000
Capital Financing Requirement 1 April	98,962	98,962
Prudential Borrowing General Fund	1,825	722
Prudential Borrowing HRA	470	436
Leasing Repayments	(19)	(19)
Minimum Revenue Provision (MRP)	(234)	(207)
Movement on other debt – retentions	0	20
HRA Debt Repayment per business plan	(3,500)	(3,500)
Repayment of Allowable Debt (HRA)	0	(590)
Capital Financing Requirement 31 March 2016	97,504	95,824

The overall outturn position shows a net reduction of outstanding debt of £3.138m in 2015/16. Prudential borrowing has been undertaken by the Council in 2015/16 for General Fund Vehicles, ICT projects, the Asset Management Plan and new Council Dwellings

The repayment of outstanding debt from the Sale of Council House receipts is the Allowable Debt sum of £0.590m. Under the current regulations when a Council dwelling is sold the Council is allowed to retain some of the capital receipts because it is carrying debt on each property following the HRA reforms settlement. It is called the Allowable Debt calculation. It is advisable that the retained receipt element for Allowable Debt is actually utilised to repay the debt outstanding on the sold houses otherwise the Council is carrying debt where it has no asset.

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

Capital Financing Requirement at 31 March 2016	£000
General Fund	6,401
Housing Revenue Account	89,423
Total CFR	95,824

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

APPENDIX F

HRA “Headroom” calculation	£000
Housing Revenue Account – Debt Limit	112,350
Housing Revenue Account CFR 31 March 2016	89,423
Headroom at 31 March 2016 =	22,927

The above table shows that the Council’s HRA has a headroom figure of £22.927m at 31 March 2016.

How the CFR is covered.

As mentioned above the CFR is the Council’s underlying need to borrow to finance capital expenditure. To finance the CFR the Council has external borrowing, finance leases and the use of its own reserves and balances. The position as at 31 March 2016 is as follows:

	£000
Capital Financing Requirement 31 March 2016	95,824
Financed from	
External Borrowing via PWLB	104,100
External Borrowing via Leasing arrangements	19
Use of internal balances and reserves	(8,295)
Total Financing of CFR	95,824

PWLB Borrowing

The Council’s total outstanding PWLB debt amounted to £104.100m at 1 April 2015. During 2015/16 no principal repayments were made. No new loans have been taken out with the PWLB during 2015/16. The profile of the outstanding debt is analysed as follows: -

PWLB BORROWING	Maturity Profile 31 March 2015 £	Maturity Profile 31 March 2016 £
Term		
12 Months	0	1,000,000
1 - 2 years	1,000,000	1,000,000
2 - 5 years	4,000,000	5,000,000
5 - 10 years	20,300,000	20,300,000
Over 10 year	78,800,000	76,800,000
Total PWLB Debt	104,100,000	104,100,000

PWLB Interest

The interest cost to the Council of the PWLB debt for 2015/16 is £3,675,550. The cost is split within the accounts between the HRA and General Fund based on the level of debt outstanding within the CFR.

Temporary Borrowing

Cash flow monitoring and management serves to identify the need for short term borrowing to cover delays in the receipt of income during the course of the year. During 2015/16 no short term borrowing was undertaken by the Council and therefore no interest charges were incurred.

Temporary / Fixed Investments

The table below details the investments held at 2015/16.

Bank Name	Balance Invested 31 March 16 £000
Fixed	
Nationwide	5,000
Goldman Sachs	5,000
Lloyds	5,000
Call Accounts	
Barclays	5,000
Santander	4,000
Money Market Funds	15,000
Total	39,000

From the table above it can be seen that the balance invested by the Council at 31 March 2016 is £39.0m. Interest earned from temporary investments during 2015/16 amounted to £217,010 and is detailed in the table below:

Bank Name	Amount Received
Nationwide	(30,753)
Goldman Sachs	(28,560)
Close Brothers	(24,164)
Lloyds	(12,753)
Barclays	(29,510)
Nat West Bank	(5,403)
Money Market Funds	(69,375)
Santander	(16,492)
Total	(217,010)

Overnight Balances

The balance of any daily funds is retained in the Council's general account with the Lloyds Bank.

Compliance with Treasury Limits

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

	Actual in year 2015/16 £000	Set Limits in year 2015/16 £000
Authorised Limit (total Council external borrowing limit)	104,119	113,969
Operational Boundary	104,119	108,969

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Bolsover District Council

AUDIT COMMITTEE

12th JULY 2016

<p>KEY ISSUES OF FINANCIAL GOVERNANCE</p>
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Report of the Executive Director – Operations

This report is public

Purpose of the Report

The purpose of the Key Issues of Financial Governance report is to track progress concerning the implementation of previous recommendations from both External and Internal Audit and to inform the Audit Committee of progress in addressing those recommendations. It constitutes a standing item on all agendas of the Audit Committee.

1 Report Details

- 1.1 This report seeks to update Members of the Audit Committee concerning the main issues of financial governance where further progress or ongoing monitoring is required. In particular the report outlines issues raised by both External and Internal Audit in order to monitor progress in resolving these issues and to evaluate the overall progress of the Council's financial governance arrangements. The Committee at its December 2015 meeting considered the Annual Audit Letter from the external auditor (KPMG) concerning the 2014/15 Financial Statements and related issues, whilst the Internal Audit team have provided regular updates concerning progress against the Internal Audit Plan. The outcome of those reports is reflected within this report. The Key Issues of Financial Governance are set out in Appendix 1 which in the view of the Chief Financial Officer constitute the main Strategic Issues of Financial Governance currently facing the Council.
- 1.2 The Strategic Issues which are outlined below are consistent with the conclusions of the External Auditors (KPMG) report on the outcome of the 2014/15 Audit. The key messages from that report concern firstly the quality of the Statement of Accounts where the external auditors were in a position to issue an unqualified opinion on the Statement of Accounts by the 30th September. Secondly, the auditors concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. While the overall conclusions are a satisfactory outcome the detail of the report does identify areas where improvement is required and helps clarify where we need to focus efforts to ensure that existing standards are maintained. Audit Committee will be aware that the Council published its Draft Statement of Accounts at the end of May 2016. These are now subject to external audit with the outcome of the external audit work to be reported to the Audit Committee at its meeting scheduled for September 2016.

- 1.3. As regards the Council's accounting arrangements the main objective appears to be that of maintaining current standards against a background in which the timetable for the closure of the accounts is being moved forward by a month by 2017/18. The February meeting of this Committee considered the Council's plans to address these new requirements and it should be noted that the Council has successfully published its draft Statement of Accounts in respect of 2015/16 in line with the accelerated timetable of the end of May . Failure to adapt effectively to the tighter closedown timetable will have a significant reputational impact on the Council and is likely to increase the cost of External Audit in signing off the accounts. Given that the Statement of Accounts is a key document for the Council it is important that the Council maintains a focus on providing high quality accounts. Accordingly it was previously agreed by this Committee that the position would continue to be monitored on a regular basis.
- 1.4 With regard to the value for money conclusion there is still further work to be undertaken before the Council is in a robust position. Whilst the issues identified are consistent with the Council providing value for money to local residents further improvements are necessary to secure arrangements that are "good" rather than "fit for purpose". The issues identified are as follows:
- The Council needs to continue with its programme of work in respect of the management of contracts to ensure that all outstanding issues are satisfactorily resolved. Although progress continues to be made with the most recent Internal Audit report seeing an improved evaluation of 'satisfactory' efforts to maintain good outcomes in this area need to be maintained. Appendix 1 to this report outlines the steps that have been taken by Management in response to the issues that were previously identified.
 - While the Council continues to make good progress in protecting its financial resilience by securing the required in year savings targets the Medium Term Financial Plan continues to identify savings requirements on the General Fund well in excess of £1m over the next three financial years. It is noted that progressing the economic development objective agreed by the Council will need to be effectively managed in order to manage the potential risk on the Council's financial position. In addition the External Auditors report notes that the proposed changes concerning rent levels on social housing will have a detrimental impact on the financial sustainability of the HRA which need to be addressed.
- 1.5. With regard to the work of Internal Audit the position in respect of last financial year 2015/16 was reported to the previous meeting of this Committee on 16th May. On the basis that the Council received a total of 3 marginal reports in both 2013/14, 2014/15 and 2015/16 this is an indication that standard of internal control are being maintained. At this stage of the financial year no update report has been provided to Audit Committee concerning the outcome of audits undertaken in the current financial year (2016/17).
- 1.6. With regard to the Strategic Issues that have been agreed these are summarised in the table below (Appendix 1) which provides an outline of the issues together with an update of the current position. Given that these are Strategic Issues the responsibility for addressing them rests with the Chief Financial Officer together with the wider management team. Resolution of the issues is also dependent upon the active support of Elected Members. The role adopted by the Audit

Committee has been one of monitoring and evaluating progress and where appropriate requiring and supporting further action from officers.

2 Conclusions and Reasons for Recommendation

Conclusions

- 2.1 The report is intended to provide information to allow the Audit Committee to consider the progress that has been secured in maintaining and improving the Council's financial governance arrangements. While the evidence provided within the report indicates that the Council's financial governance arrangements are robust and are continuing to improve it is important that this progress is maintained and outstanding issues are resolved.

Reasons for Recommendations.

- 2.2 To support the Audit Committee in undertaking its function of providing an ongoing independent review of the Council's financial governance arrangements.

3 Consultation and Equality Impact

Consultation.

- 3.1 There are no issues arising from this report which necessitate a detailed consultation process.

Equalities.

- 3.2 This report does not have any direct implications for Equalities issues.

4 Alternative Options and Reasons for Rejection

- 4.1. Given that the Council has a clear commitment to maintaining the quality of / improving its financial governance arrangements it is appropriate that a formal reporting mechanism is in place to the Audit Committee. This approach is in line with good professional practice and accordingly other options have not been actively considered. While there are options as to the format of this report the current format has been used for a period in excess of three years and has been amended to reflect the views of the Audit Committee. Over this period there has been a systematic improvement in the Council's Financial Governance arrangements which indicate that the approach adopted has assisted in securing the required outcomes.

5 Implications

5.1 Finance and Risk Implications

Financial

There are no additional financial implications for the Council arising from this report.

Risk

This report is intended to assist in ensuring that the Council has robust financial governance arrangements in place. As such it is a key mitigation against any failure or weakening in these arrangements which would have a significant impact upon the Council's financial performance, its reputation and its service delivery arrangements.

5.2 Legal Implications including Data Protection

There are no Legal or Data Protection issues arising directly from this report.

5.3 Human Resources Implications

There are no Human Resources issues arising directly out of this report.

6 Recommendations

- 6.1. It is recommended that Audit Committee considers whether the Strategic Issues of Financial Governance as set out in the report reflect the key issues facing the Council, and raises any issues of concern which it may have with progress to date.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
District Wards Affected	None Directly.
Links to Corporate Plan priorities or Policy Framework	Robust financial Governance arrangements underpin the effective operation of the Council and its ability to secure the full range of Corporate Plan Priorities.

8 Document Information

Appendix No	Title
1	Key Issues of Financial Governance Update
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
External Audit Reports ; "Report to those Charged with Governance 2014/15 ISA 260" (Audit Committee 23rd September 2015). "Annual Audit Letter" (Audit Committee 14th December 2015). Internal Audit Consortium:	

“Summary of Progress on the 2015/16 Internal Audit Plan” (Audit Committee 12th April 2016).	
Report Author	Contact Number
Executive Director – Operations (Chief Financial Officer)	2431

Issue Raised	Progress to date including target dates.
<p>1. Take effective steps to balance the Council's budget over the period of the Medium Term Financial Plan.</p>	<p>The Council has a good record in respect of achieving targeted levels of savings over the past few years. On the basis of the current MTFP report the shortfall in respect of next year 2016/17 should be relatively easily resolved. The report does, however, identify a shortfall in excess of £1m over the final two years of the MTFP, which needs to be addressed at the earliest opportunity. Against this background it is important that the Council continues to progress its growth and transformation strategies to secure financial sustainability and enable it to address the identified shortfall.</p> <p>In addition to the position in respect of the General Fund as outlined above the Council in common with all social landlords will be required to implement a 1% p.a. rent reduction over the next four years. This policy together with changes in right to buy and the welfare system has a significant detrimental impact on the Council's HRA and the Council will need to continue to actively manage the position to ensure that the 30 year business plan remains robust.</p> <p>Progress in both these areas will continue to be reported as part of the Council's quarterly budget monitoring process.</p>
<p>2. To improve the Council's Internal Control arrangements.</p>	<p>This Key Issues of Financial Governance report, together with reports from Internal and External Audit should enable the Audit Committee to monitor the progress that is being made in respect of securing improvements in our internal control arrangements. Internal Audit have undertaken a more prominent role in the Council's Performance Management arrangements since April 2013.</p> <p>Comprehensive training programme have been delivered to all cost centre managers during the summer of 2014, with a further programme completed during the autumn of 2015.</p> <p>Progress reports from the Head of Internal Audit to this Committee will continue to highlight where areas have been assessed as marginal in respect of internal control.</p>
<p>3. To ensure that issues around the Council's contractual arrangements are resolved and that good quality arrangements remain in place.</p>	<p>The most recent review by Internal Audit has concluded that managerial arrangements in this area were 'satisfactory' which is a significant improvement on the previous assessments of marginal. A number of measures have been put in place in order to secure further improvement which can be summarised as follows:</p> <ul style="list-style-type: none"> • Two training programmes including a significant element concerning procurement contracts have been delivered. • The Council is using the contract data required under the Transparency Agenda as the basis for securing improvements in our managerial arrangements. • The Council has entered into a shared service arrangement with Chesterfield Royal Hospital in order to secure access to specialist procurement advice. • Procurement issues will continue to be a standing item within the Quarterly Finance, Risk and Performance meetings.

<p>4. To maintain a high standard of external financial reporting particularly in respect of the published accounts, against a background of a reduction in the statutory timescale for the closure of accounts.</p>	<p>The Council has continued to improve the quality of its financial accounts with the Audit report in 2014/15 indicating that our arrangements are robust. That standard needs to be maintained against a background of a pending tightening in the statutory timescale for the production of the Statement of Accounts. In particular the Council will need to ensure 'corporate buy in' to revised timescales, whilst ensuring appropriate training and development arrangements are in place for the accountancy team. As previously outlined the Council has successfully closed its financial accounts for 2015/16 in line with the tighter deadline of the end of May. Careful planning has ensured that this tighter deadline was secured with relatively few issues arising.</p> <p>The position will continue to be monitored as part of the Key Issues of Financial Governance report.</p>