

BUDGET SCRUTINY COMMITTEE

AGENDA

Thursday 6th June 2019 at 1000 hours in the Council Chamber, The Arc, Clowne.

Item No.		Page No.s
	PART A – 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 items and, if appropriate, withdraw from the meeting at the relevant time.	
4.	Minutes of a meeting held on 30 th January 2019.	3 to 9
5.	Financial Outturn 2018/19.	10 to 34
6.	Corporate Debt Monitoring – Quarter 4.	35 to 40
7.	Budget Scrutiny Committee Work Programme 2019/20.	41 to 44
8.	Update from Scrutiny Chairs.	Verbal Update

BUDGET SCRUTINY COMMITTEE

Minutes of a meeting of the Budget Scrutiny Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne on Wednesday 30th January 2019 at 1400 hours.

PRESENT:-

Members:-

Councillor S. Peake in the Chair

Councillors R. Bowler, J.A. Clifton, T.J. Connerton, C. Moesby, T. Munro, S. Peake, K. Reid, J.E. Smith, P. Smith, R. Turner, K.F. Walker, D.S. Watson and J. Wilson.

Officers:-

K. Hanson (Joint Strategic Director – Place), D. Clarke (Joint Head of Finance and Resources), L. Hickin (Joint Strategic Director – People), M. Broughton (Joint Head of Partnerships and Transformation), J. Wilson (Scrutiny and Elections Officer), D. Stanton (Governance Officer – NED).

0642 APOLOGIES

Apologies for absence were received from Councillors T. Alexander, A. Anderson, J.E. Bennett, P.M. Bowmer, T. Cannon, C.P. Cooper, P.A. Cooper, M.G. Crane, A. Joesbury.

0643 URGENT ITEMS OF BUSINESS (DRAFT COMMERCIAL PROPERTY INVESTMENT STRATEGY)

The Chair consented to the following item of business being heard.

The Committee considered a report from the Leader of the Council, presented by the Joint Strategic Director – Place, for approval and comment before it was presented to the Executive. The report outlined the Council's Draft Commercial Property Investment Strategy, which was brought to the Committee for consideration in light of Statutory Guidance on Local Government Investments which had come into force in April 2018.

The Committee discussed risk, and the need to provide a mix of high and low risk investments, so that the Council could look at a broad area of returns, and provide good value for the public's money.

Members enquired about 'risk exposure', and raised concerns over the Authority being too cautious when it comes to investment. It was agreed that the Council should be working with more organisations, through effective partnerships to share risk when appropriate. The Committee discussed the interpretation of the Statutory Guidance on Local Government Investments, and that whilst it was important to be compliant with the legislation, it did allow for some discretion.

BUDGET SCRUTINY COMMITTEE

The Committee raised concerns with the membership of the Property Investment Panel (PIP), stating that there should be a wider membership of elected Councillors to facilitate a broader understanding of knowledge and investment. It was also acknowledged that better communication amongst all levels of Members and Officers would promote better decision making.

Enquiries were made in regards to Council borrowing, and if the standard 25 year payback still applied. The Joint Head of Finance and Resources advised Members that the length and amount of the payback would depend on a number of factors including the asset and the life of the loan. Further discussions were then made on the levels of Council borrowing and how it was serviced.

Members discussed the social responsibilities of the Council, and whether this played a role in investment decisions. It was stated that whilst some investments could fail on the proposed 'scoring matrix', they could be accepted on the basis that they had significant community value, or provided economic regeneration. The Committee also acknowledged the depreciation of property, and as such the Authority should be careful when assessing its short and long term returns.

The Joint Strategic Director – Place, was asked to provide a written response to a series of questions and comments;

- that on principles 3.1 of the report, more consideration is given to social value;
- that on principles 4.2 of the report, membership of PIP should consist of a broader range of elected Members, and that Officers be invited to provide advice and guidance rather than being part of the decision making process;
- that the considerations to investment criteria as outlined in table 1 of the report gives more of a balanced exposure to risk and not just affordability. Thus, there being a balance between low/medium/high risk investments;
- a desire to take more risks and work with more organisations – such as in Joint Venture Arrangements;
- to take a more balanced rather than closed approach to ethical investments;
- more focus to be placed on property depreciation – not necessarily long term but the appropriate term;
- that priority should be given to investing within the District, however, don't close the door on investments outside of the District if they make business sense;
- that Members see the Terms of Reference for the Property Investment Panel once they have been developed; and
- a broader picture of the borrowing requirements – so that the Council is mindful of the accumulative effects of borrowing.

RESOLVED that subject to the satisfaction of the written responses provided by the Joint Strategic Director – Place, the report be submitted to a future meeting of the Executive.

0644 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

BUDGET SCRUTINY COMMITTEE

0645 MINUTES OF THE MEETING HELD ON 14 NOVEMBER 2018

Moved by Councillor J.E. Smith and seconded by Councillor R. Bowler.

RESOLVED that the Minutes of Budget Scrutiny Committee held on 14th November 2018 be approved as a true and correct record.

0646 UPDATE ON THE GO ACTIVE LEISURE FACILITY

The Committee considered a presentation by the Joint Strategic Director – People.

The presentation informed Members of the success of the Go! Active Leisure Facility. The Joint Strategic Director – People stated that the drivers for change arose over five years ago as the Authority had faced unprecedented financial challenge, which had created an ambition to protect the communities' leisure facilities, improve the quality of provision for local residents, and create a financially stable source to improve the health of residents.

Members noted that there had been a 173% increase in the use of the facilities, including a 412% increase in visits to the gym, a 949% increase in visits to fitness classes, and a 195% increase in swimming lesson attendances.

The Committee heard that there was more being planned to reduce costs and increase revenues, such as a 3G pitch which was expected to increase revenues by £40,000 per annum, and pool covers which was expected to achieve savings of £10,000 per annum.

The Joint Strategic Director – People, stated that the Authority was over £23,000 better off per annum by using the new facilities, than the old facilities in 2015; and that projections indicated the Council would potentially be over £293,000 better off per annum in the future.

Members enquired about the retention for Leisure on NNDR's, and were advised on how various factors formed the balance sheet for the Authority. Ongoing maintenance and repair costs were discussed, as well as the depreciation of buildings, and whether or not the budget had taken those into account, as well as potential savings. Members commented that they would like to see a year on year comparison of leisure facility use demonstrated in the report, rather than a previous to modern day general increase.

The Committee discussed the potential flat lining of growth of the Go! Active Leisure Facilities, and if this had been taken into account by Officers. It was advised that they were constantly seeking innovate ways to increase membership numbers and value for money. 'Virtual instructors' had also been introduced, which had enabled the Council to increase the number of classes it offered and thus increased membership retention and revenue.

Concerns were raised over the viability of the café. Members were assured that the café was competitively priced in comparison to those at other leisure facilities. The Joint Strategic Director – People stated that it was essential that the Council maximised its commercial use, as it often made a loss on the use of other leisure

BUDGET SCRUTINY COMMITTEE

facilities, such as play areas that were free, and swimming pools where the cost equated to around £10 per use.

Members discussed the Go! Active impact on residents, and if it was working for the whole of the District. The Joint Strategic Director – People, stated that encouraging participation was about more than just marketing, as some residents may be inactive due to their own personal circumstances. The Committee raised ideas on how the Council could work with other neighbouring authorities to allow shared access to leisure facilities, for those unable to access the Go! Active facilities in the North of the District.

0647 MEDIUM TERM FINANCIAL PLAN – REVISED BUDGETS 2018/19

The Committee considered a report from the Head of Finance and Resources. The report outlined the original budget for 2018/19 which was agreed in February 2018, and the current budget which reflected budget transfers and approved changes during the financial year, and the proposed revised budget for 2018/19.

Members raised concerns with the funds allocated for vacancy management, and whether this was impacting staffing levels. The uncertainty surrounding business rates was also discussed, as well as its impact on the revised budget. The Committee also enquired about the waste management contract, and it was noted that Chesterfield Borough Council (CBC) had a different contract from that of Bolsover District Council (BDC) and North East Derbyshire District Council (NEDDC).

Moved by Councillor K. Reid and seconded by Councillor J. Wilson.

RESOLVED that the report by the Head of Finance and Resources be noted.

0648 MEDIUM TERM FINANCIAL PLAN – PROPOSED BUDGET 2019/20 TO 2022/23

The Committee considered a report by the Head of Finance and Resources, on behalf of the Portfolio Holder for Finance and Resources and Sustainable Energy that outlined the Medium Term Financial Plan 2019/20 to 2022/23. It was submitted to the Budget Scrutiny Committee for comment prior to consideration by the Executive and Council.

Members discussed the impact of some of the recent policies implemented by Central Government, and if the figures presented to the Committee had considered those factors. Concerns were raised over the lack of social responsibility taken on by the Government, as well as its policy on business rates, and resources allocated to the most deprived Authorities.

Moved by Councillor K. Reid and seconded by Councillor T.J. Connerton.

RESOLVED that the report by the Head of Finance and Resources be noted.

BUDGET SCRUTINY COMMITTEE

0649 TREASURY MANAGEMENT STRATEGY 2019/20 – 2022/23

The Committee considered a report of the Head of Finance and Resources that outlined the Council's proposed suite of treasury strategies for the period 2019-20 to 2022/23.

The report contained details of the Treasury Management Strategy which provided the framework for managing the Council's cash flows, and borrowing and investments for that period. It also showed the Capital Strategy which intended to provide a high level, concise overview of how capital expenditure, capital financing, and treasury management activity contributed to the provision of the Council's services. The report also outlined the Investment Strategy which focused on investments made for service purposes and commercial reasons, rather than those made for treasury management.

Moved by Councillor K. Reid and seconded by Councillor J.E. Smith.

RESOLVED that the report by the Head of Finance and Resources be noted.

0650 CAPITAL STRATEGY 2019/20 – 2022/23

The Committee was presented with a report that outlined the Council's proposed Capital Strategy for the period 2019/20 to 2022/23.

The report stated that the Council was required to determine a policy on the repayment of its debt each year through the Minimum Revenue Provision (MRP). The MRP was the amount of debt being repaid and was a charge on the revenue accounts of the Council.

The Capital Expenditure Strategy set out the Council's Capital Expenditure Programme for the medium term and covered how that expenditure would be financed.

The Strategy also required the Council to include a number of prudential indicators that covered the next three financial years, which showed the impact of the changes on the level of the Council's debt on its revenue accounts.

Moved by Councillor K. Reid and seconded by Councillor J.E. Smith.

RESOLVED that (1) the Capital Financing Requirement be approved.
(2) the Minimum Revenue Provision Statement for 2019/20 be approved.
(3) the Prudential Indicators for 2019/20 detailed throughout the report be approved.

0651 CORPORATE INVESTMENT STRATEGY 2019/20 – 2022/23

The Committee considered a report outlining the Corporate Investment Strategy 2019/20 to 2022/23, which was a new style report introduced by the 2018 edition of the Government's Guidance on Local Government Investments. It focused on

BUDGET SCRUTINY COMMITTEE

investments made for service purposes and commercial reasons, rather than those made for treasury management.

Moved by Councillor C. Moesby and seconded by Councillor J. Wilson.

RESOLVED that the report of the Portfolio Holder for Finance and Resources and Renewable Energy be noted.

0652 UPDATE FROM SCRUTINY CHAIRS

The following updates were received the Scrutiny Committee Chairs:

Customer Service & Transformation Scrutiny

- Committee have considered the final draft of the Review of Standards Committee – Operational Review. Formal approval took place at Committee in January, and will be submitted to February Executive.
- Committee are approving the final draft of our Review of Delivery of Environmental Health & Licensing in February, followed by submission to March Executive.
- Recent reports have included:
 - Customer Standards, Compliments, Comments and Complaints Q1 & Q2
 - Transformation project – Procurement of a Committee Management System: this was pre-decision scrutiny of the options.
 - Post-Scrutiny Monitoring: Review of Disability Adaptations to Council Properties. The recommendation is on track.
 - Consultation on revised Single Equality Scheme 2019-23
 - Transformation Plan 2018
 - Consultation on the Carbon Reduction Plan 2019-30
 - Post Scrutiny Monitoring: Review of The Strategic Alliance – all recommendations are on track

Healthy, Safe, Clean & Green Communities Scrutiny

- Committee have considered the final draft of their Review of The Authority's Perception of Young People and formal approval is planned for February, followed by submission to March Executive.
- Recent reports have included:
 - An update on current activity in Housing Needs – we looked at the impact of the new legislation and current projects.
- We are currently preparing for our Annual Review of the Community Safety Partnership.

Growth Scrutiny

- Currently finalising our Review of Income Generation with a view to formal approval in February, followed by submission to March Executive.
- Recent reports have included:
 - An update on the Growth Strategy for Q1 and Q2.
 - Monitoring report on Bolsover Sustainable Community Strategy 2006-20 and a discussion on future plans and a refresh of the Strategy.

BUDGET SCRUTINY COMMITTEE

Members also discussed the recent changes in Government policy that required a review of the Councils Local Enterprise Partnerships (LEP) membership. The Joint Strategic Director – Place, provided an update to the Committee on the Councils intentions in light of the change of requirements.

The Committee agreed that an earlier start time for future Budget Scrutiny meetings may be beneficial.

Moved by Councillor K. Reid and seconded by Councillor S. Peake.
RESOLVED that the update from Scrutiny Chairs be noted.

The meeting concluded at 16:37.

Bolsover District Council

Budget Scrutiny Committee

6th June 2019

Financial Outturn 2018/19

Report of the Chief Accountant and Section 151 Officer

This report is public

Purpose of the Report

To update Budget Scrutiny Committee on the outturn position of the Council for the 2018/19 financial year.

1 Background Information

- 1.1 The Council published its draft Statement of Accounts in respect of 2018/19 on 17 May 2019, in line with the statutory deadline of 31 May 2019. The draft Statement of Accounts 2018/19 is now subject to the independent audit from the Council's external auditors, Mazars. Until the accounts have been agreed by our external auditors, there remains the possibility that they will be subjected to amendment. It is anticipated that the external audit will be completed during June in order to allow the final audited accounts to be reported to and approved by the Audit Committee at its meeting of 23 July 2019.
- 1.2 International Financial Reporting Standards (IFRS) dictate that the main focus of the Statement of Accounts is on reporting to the public in a format which is directly comparable with every country that has adopted IFRS i.e. not just UK or even other local authorities. By contrast, the focus of this report is on providing management information to Members and other stakeholders to assist in the financial management of the Council.
- 1.3 The following sections of this report will consider the 2018/19 outturn position in respect of the General Fund, the Housing Revenue Account (HRA), the Capital Programme and Treasury Management activities. Within the report, consideration is given to the level of balances at the year end and the impact which the closing position has upon the Council's budgets in respect of the current financial year.

General Fund

- 1.4 The position in respect of the General Fund outturn is detailed in **Appendix 1** attached to this report. The appendix shows the Original Budget that was set in February 2018, together with the Current Budget compared to the final Outturn position. The main variances against the current budget are shown in table 1 below with variances at service level shown in **Appendix 2**.

Table 1

	£000
Planning income	(147)
Trade waste	(86)
Decrease in equal pay provision	(376)
Sporting exemption income	(282)
Bad debt provision not used	(104)
Income from capital for staff time	(78)
Non-staff miscellaneous variances	(247)
Net cost of services	(1,320)
Debt Charges/Investment Interest	(206)
Additional NNDR grant income	(261)
Payment to Business Rates Strategic Investment Fund	365
Additional general government grants	(14)
Total Outturn Variance	(1,436)
Vacancy savings to transfer to reserve since revised budget	(165)
Budgeted transfer to Transformation Reserve	(1,040)
Contribution to Transformation Reserve - Outturn	(2,641)

Financial Reserves

Transfers from Earmarked Reserves

- 1.5 The use of earmarked reserves in 2018/19 was £0.708m which is £0.135m lower than originally forecast due to spend on projects not being as high as forecast during the year. There are ongoing commitments for these activities in 2019/20 when funding will be utilised.

Transfers to Reserves

- 1.6 At the end of the financial year it has been necessary to agree a number of transfers into reserves reflecting future expenditure commitments for income received in 2018/19. Transfers to reserves total £3.029m which is £1.646m higher than originally forecast.

These consist of:

- £1.601m contribution to the transformation reserve for the in-year surplus generated.

- £0.036m extra government grants to be ring-fenced to cover expenditure expected to be incurred in 2019/20.
 - £0.009m of the extra planning fee income received as per the statutory ring-fence legislation.
- 1.7 The Transformation Reserve has a balance at the end of the year of £8.354m. Commitments already made against this reserve for 2019/20 and future years amount to £2.356m leaving £5.998m uncommitted.
- 1.8 There are ongoing commitments against the earmarked reserves which will continue in 2019/20 and future years. Should any of these reserves prove unnecessary in the future, they will be moved back into unallocated General Fund resources.

General Fund Balances

- 1.9 The level of General Fund Balances has been maintained at £2.000m. The General Fund balances are considered to be at an acceptable level for a District Council rather than at a generous level. The General Fund Balance needs to be considered against the background of ongoing reductions in the level of Government funding together with the range of risks facing the Council. Current practice is to transfer any savings into the Transformation Reserve on the basis that these are available to support investment in cost reduction/income growth. This reflects the Council's "pro active" approach to addressing the financial challenges which it faces. With only a limited level of General Fund reserves it is crucial that the Council continues to maintain robust budgetary control while securing its ongoing savings targets in order to safeguard both its reserves and its financial sustainability.
- 1.10 Given the current level of general balances, should either an over spend or an under achievement of income occur, then the Council would have a period of time in which to recover the situation. In a situation in which the Council were operating at a lower level of balances and an overspend or an under achievement of income occurred which took balances to below minimum level then immediate 'crisis' remedial action would need to be considered. Such a response is not conducive to sound financial management but more importantly would have a significant detrimental impact upon the Council's ability to deliver the planned and agreed level of services to local residents. However, Executive will recognise that given a level of General Fund Balances of £2m, against the requirement to secure £4.4m of financial savings by 2022/23, as identified in the Medium Term Financial Plan of February 2019, the need to continue to tackle the underlying forecast budget deficit remains.
- 1.11 The main feature of the 2018/19 financial year is that the Council transferred £2.641m to the Transformation Reserve. In part, the savings achieved have served to reduce the underlying level of expenditure and will continue to benefit the Council in 2019/20 and future financial years.
- 1.12 With regard to the underlying favourable variance on the General Fund in 2018/19 it is proposed to review the budget for 2019/20 in the light of expenditure

and income patterns during 2018/19. The intention is to identify ongoing expenditure budget savings or additional income levels from 2018/19 that are anticipated to be available in 2019/20 and future years to ease the current budget shortfalls in the current MTFP as shown in Table 2. The results will be reported back to Executive with the request to approve any proposed budget adjustments as required.

Table 2

	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000
Budget Shortfall - MTFP Feb 2019	83	974	1,559	2,204
Efficiencies identified to date (removed from budget)	(119)	(115)	(115)	(123)
Current Budget Shortfall	(36)	859	1,444	2,081
Efficiencies Identified <u>not yet realised</u>	(339)	(551)	(734)	(916)
Target Budget Shortfall	(375)	308	710	1,165

Housing Revenue Account (HRA)

- 1.13 The Housing Revenue Account is provided in **Appendix 3** to this report.
- 1.14 The Housing Revenue Account position shows a number of variances during the year. The main under spends are in relation to sub-contractor payments within repairs and maintenance. The overall expenditure position is £0.289m below the revised budget. The overall income position is £0.104m above the revised budget. This gives a net cost of services under spend of £0.393m, adjusting to £0.383m under spend after interest.
- 1.15 The surplus has mainly been used to fund a contribution of £0.314m to the Development Reserve which is available to sustain the Council's housing stock. Where the use of Reserves has not been fully applied in 2018/19 and there are ongoing commitments for these activities in 2019/20, the funding will be carried forward and utilised.
- 1.16 The remainder of the under spend £0.071m, has been used to increase the year-end HRA balance to £2m. This is considered appropriate with the level of financial risk facing the HRA. Maintenance of this balance is necessary as it will help ensure the financial and operational stability of the HRA which is essential if

we are to maintain the level of services and quality of housing provided to our tenants over the life of the 30 year Business Plan.

Capital Investment Programme

- 1.17 Details of the capital expenditure incurred by the Council in 2018/19 on a scheme by scheme basis is provided in **Appendix 4**.

The Capital Programme may be summarised as follows:-

	Current Programme £'000	Outturn £'000	Variance £'000
HRA New Build Properties	6,086	5,436	(650)
Vehicle Replacements	23	23	0
Public Sector Housing Schemes	4,336	2,869	(1,467)
HRA ICT Schemes	468	451	(17)
New Bolsover Scheme	5,500	4,948	(552)
HRA Total	16,413	13,727	(2,686)
	Current Programme £'000	Outturn £'000	Variance £'000
GF Building Assets	1,164	706	(458)
GF ICT Schemes	114	92	(22)
Disabled Facility Grants	850	529	(321)
Other Capital Schemes	2,509	1,452	(1,057)
General Fund Total	4,637	2,779	(1,858)
Programme Total	21,050	16,506	(4,544)

1.18 HRA Schemes

Within the HRA the variances show that £2.686m of the total HRA programme has not been undertaken during the year. The New Bolsover Scheme and the Bolsover Safe and Warm schemes are the main variances.

1.19 General Fund

In relation to the General Fund element of the Capital Programme during 2018/19, £1.858m was not undertaken. The Joint Venture, Disabled Facilities Grants and the vehicle replacement programme are the main General Fund variances.

1.20 **Appendix 4** also details the proposed carry forward amounts to 2019/20. These requests relate to individual schemes that are still in progress, where there are outstanding commitments or where the scheme has been delayed. The carry forward amount is £3.910m with the impact on the 2019/20 capital programme detailed in the appendix. It should be noted that all these expenditure requirements will take forward a corresponding level of financial resources and thus have a neutral impact on the financial position in 2019/20.

1.21 Capital Financing

The Capital Programme was financed as follows:-

	Revised Budget	Outturn	Variance
	£000's	£000's	£000's
HRA:			
External Funding	(2,626)	(2,537)	(89)
Major Repairs Reserve	(9,181)	(7,183)	(1,998)
Prudential Borrowing	(3,734)	(3,348)	(386)
HRA Reserves and Revenue	(277)	(271)	(6)
Usable Capital Receipts	(595)	(388)	(207)
Total HRA	(16,413)	(13,727)	(2,686)
General Fund:			
The Better Care Fund	(850)	(529)	(321)
Prudential Borrowing	(2,779)	(1,632)	(1,147)
Reserves	(918)	(554)	(364)
External Funding	(11)	(9)	(2)
Usable Capital Receipts	(79)	(55)	(24)
Total General Fund	(4,637)	(2,779)	(1,858)
Grand Total	(21,050)	(16,506)	(4,544)

1.22 HRA Capital Financing

Officers have financed the HRA Capital Programme from a combination of capital receipts, revenue and reserve contributions, prudential borrowing and external funding.

1.23 General Fund Capital Financing

Officers have financed the General Fund Capital Programme from a combination of capital receipts, reserve contributions, prudential borrowing and external funding. The Prudential Borrowing financing arrangements were agreed by Council as part of the Treasury Management Strategy at its meeting in February 2018.

Treasury Management

1.24 **Appendix 5** provides a brief report on the Treasury Management activity of the Council for 2018/19. In summary the Council operated throughout 2018/19 within the Authorised and Operational Boundary limits approved in the Treasury Management strategy as approved by the Council in February 2018.

1.25 The key points from the summary report are:

- The overall borrowing requirement of the Council was £115.866m at 31 March 2019
- The PWLB debt is £102.100m
- Effective internal borrowing is £13.766m
- No new PWLB borrowing was undertaken in 2018/19
- PWLB interest paid in 2018/19 was £3.642m
- Interest received on investments was £0.368m
- No repayments of PWLB debt in year

2 Conclusions and Reasons for Recommendation

2.1 General Fund

During the previous financial year the Council managed its budget effectively securing a favourable financial outturn. The Council was able to make a contribution of £2.641m to the Transformation Reserve. The Transformation Reserve, which is the Council's main general earmarked reserve, has commitments against it in 2019/20 so continued prudence is needed when committing against this reserve.

2.2 HRA

The Council was able to increase the HRA Balance to £2m earlier than anticipated and also make a contribution of £0.314m to the Development Reserve. The HRA continues to operate within the parameters set by the 30 Year Business Plan and the MTFP. Officers will be working to ensure that the Business Plan continues to reflect the impact of recent government legislation,

and that the HRA remains sustainable over the 30 year period of the Business Plan.

2.3 Capital Programme

The Capital Programme saw good progress on approved schemes during the 2018/19 financial year. There are, however, a number of schemes which are work in progress and this requires that the associated expenditure and funding be carried forward into the 2019/20 financial year.

2.4 Capital Financing

Capital expenditure during 2018/19 has been fully financed in line with the approved programme.

2.5 Treasury Management

The Council operated in line with its agreed Treasury Management Strategy during the 2018/19 financial year. This ensures that lending and borrowing arrangements were prudent and sustainable, minimising the risk of financial loss to the Council. Effective management of these arrangements ensured that interest costs during the year were minimised in order to assist the Council's revenue position whilst interest receivable rose.

3 Consultation and Equality Impact

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

4 Alternative Options and Reasons for Rejection

4.1 The financial outturn report for 2018/19 is primarily a factual report which details the outcome of previously approved budgets therefore there are no alternative options that need to be considered.

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

5 Implications

5.1 Finance and Risk Implications

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

5.1.2 Members should note that the budgets against which we have monitored the 2018/19 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.

5.1.3 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 2018/19 has been successful, with our budgets balanced and the level of financial reserves protected.

5.1.4 While the Council has effectively addressed its Strategic Financial Risks during 2018/19 it needs to be recognised that the Council will need to continue to meet a range of challenging savings targets if it is to operate effectively within the financial environment established by Central Government spending targets. The success of the Council's approach remains reliant on the ability to utilise the Transformation reserve to secure reductions in the costs of operating existing services. If this approach cannot balance the budget in future years then it will be necessary to look more closely at service priorities in the future.

5.2 Legal Implications including Data Protection

5.2.1 The Statement of Accounts is required to be prepared by 31 May and audited by the 31 July each year. The Council has now completed the draft Statement of Accounts and they have been signed off by the Chief Financial Officer as at 17 May 2019 which secures compliance with the Council's obligations.

5.3 Human Resources Implications

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

6 Recommendations

6.1 That Members note the outturn position in respect of the 2018/19 financial year.

6.2 That Members note the proposed carry forward of capital budgets detailed in **Appendix 4** totalling £3.910m.

7 Decision Information

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	<p>No</p>
---	-----------

Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has the relevant Portfolio Holder been informed	Yes
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	All

8 Document Information

Appendix No	Title
1	General Fund Summary - Outturn 2018/19
2	General Fund Detail - Outturn 2018/19
3	Housing Revenue Account - Outturn 2018/19
4	Capital Expenditure - Outturn 2018/19
5	Treasury Management - Outturn 2018/19
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
Theresa Fletcher – Chief Accountant	(01246) 242458

GENERAL FUND SUMMARY - OUTTURN 2018/19

Appendix 1

	Original Budget 2018/19 £	Current Budget 2018/19 £	Outturn 2018/19 £	Variance £
People (including S106 expenditure, recharge to HRA and year end entries)	5,829,562	5,913,805	4,913,496	(1,000,309)
Place (including S106 expenditure and year end entries)	3,155,662	3,273,188	2,952,737	(320,451)
Net Cost of Services	8,985,224	9,186,993	7,866,233	(1,320,760)
Investment Property net income	(269,644)	(280,546)	(280,546)	0
Debt Charges	987,025	834,648	794,818	(39,830)
Investment Interest	(135,729)	(198,556)	(364,438)	(165,882)
Contributions to Reserves	1,395,643	3,281,401	4,718,127	1,436,726
Contributions from Earmarked Reserves	(101,858)	(708,595)	(708,595)	0
Contribution (from)/to S106 Holding A/cs, Grant A/cs and Miscellaneous Holding A/cs	(209,958)	179,861	179,861	0
Parish Precepts	2,594,840	2,767,252	2,767,252	0
Parish Council Tax Support Grant	209,000	250,067	250,067	0
Total Spending Requirement	13,454,543	15,312,525	15,222,779	(89,746)
Business Rate Retention	(6,157,946)	(7,704,946)	(7,601,272)	103,674
New Homes Bonus Grant	(991,206)	(993,166)	(993,166)	0
BDC Council Tax Requirement	(3,568,899)	(3,675,609)	(3,681,434)	(5,825)
Parish Council Council Tax Requirement	(2,594,840)	(2,767,252)	(2,767,252)	0
NNDR Collection Fund surplus	(141,652)	(141,652)	(141,652)	0
Miscellaneous un-ringfenced grant	0	(29,900)	(38,003)	(8,103)
Funding Requirement	(13,454,543)	(15,312,525)	(15,222,779)	89,746
Opening General Fund Reserve	(2,000,001)	(2,000,001)	(2,000,001)	(2,000,001)
Transfer (to)/from Balances	0	0	0	0
Closing General Fund Balance	(2,000,001)	(2,000,001)	(2,000,001)	(2,000,001)

GENERAL FUND DETAIL - OUTTURN 2018/19		Current			Appendix 2
		Budget	Outturn	Variance	
		2018/19	2018/19		
		£	£	£	
G001	Audit Services (G001)	114,121	114,121	(0)	
G002	I.C.T. (G002)	740,495	725,042	(15,454)	
G003	Reprographics (printing) (G003)	216,217	209,805	(6,412)	
G005	Chief Executive Officer - 50% People (G005)	42,512	42,686	174	
G006	CEPT (G006)	413,414	408,632	(4,782)	
G014	Customer Contact Service (G014)	798,540	791,439	(7,101)	
G015	Customer Service + Improvement (G015)	119,111	111,046	(8,065)	
G024	Street Cleansing (G024)	302,212	295,652	(6,560)	
G028	Waste Collection (G028)	852,607	862,260	9,653	
G032	Grounds Maintenance (G032)	549,669	520,914	(28,755)	
G033	Vehicle Fleet (G033)	760,084	747,099	(12,985)	
G038	Concessionary Fares & TV Licenses (G038)	(9,460)	(10,082)	(622)	
G040	Corporate Management (G040)	146,399	145,030	(1,369)	
G041	Non Distributed Costs (G041)	684,808	682,156	(2,652)	
G044	Financial Services (G044)	296,438	293,470	(2,968)	
G052	Human Resources (G052)	205,918	201,995	(3,923)	
G054	Electoral Registration (G054)	164,667	155,814	(8,853)	
G055	Democratic Representation & Management (G055)	533,891	532,507	(1,384)	
G056	Land Charges (G056)	(11,316)	(12,254)	(938)	
G057	District Council Elections (G057)	31,850	10,621	(21,230)	
G058	Democratic Services (G058)	170,948	177,293	6,345	
G060	Legal Services (G060)	207,176	(174,192)	(381,368)	Year end entry £376k reduction to legal provision.
G061	Bolsover Wellness Programme (G061)	101,933	94,845	(7,088)	
G062	Extreme Wheels (G062)	(3,698)	(10,077)	(6,379)	
G064	Bolsover Sport (G064)	166,488	159,334	(7,154)	

GENERAL FUND DETAIL - OUTTURN 2018/19		Current			Appendix 2
		Budget	Outturn	Variance	
		2018/19	2018/19		
		£	£	£	
G065	Parks, Playgrounds & Open Spaces (G065)	35,996	33,807	(2,189)	
G066	Coach Bolsover (G066)	0		0	
G069	Arts Projects (G069)	47,125	45,606	(1,519)	
G070	Outdoor Sports & Recreation Facilities (G070)	24,577	22,838	(1,739)	
G072	Leisure Services Mgmt & Admin (G072)	226,054	225,408	(646)	
G084	Head of Partnerships (G084)	21,533	20,705	(828)	
G086	Alliance (G086)	7,250	7,216	(34)	
G094	People Director (G094)	50,623	51,924	1,301	
G097	Groundwork & Drainage Operations (G097)	54,854	54,752	(102)	
G100	Benefits (G100)	340,858	225,777	(115,081)	Year end entry £105k budget for bad debt provision not needed
G103	Council Tax / NNDR (G103)	305,049	319,052	14,003	
G104	Sundry Debtors (G104)	86,204	82,421	(3,783)	
G111	Shared Procurement (G111)	43,339	42,866	(473)	
G115	One Public Estate (G115)	(21,842)	(21,843)	(1)	
G117	Payroll (G117)	69,467	68,636	(831)	
G123	Riverside Depot (G123)	181,507	168,698	(12,809)	
G124	Street Servs Mgmt & Admin (G124)	73,304	72,976	(328)	
G125	S106 Percent for Art (G125)	56,290	56,290	0	
G126	S106 Formal and Informal Recreation (G126)	(27,571)	(27,571)	(0)	
G129	Bolsover Apprenticeship Programme (G129)	27,716	27,217	(499)	
G146	Pleasley Vale Outdoor Activity Centre (G146)	42,029	31,343	(10,686)	
G148	Trade Waste (G148)	(100,858)	(186,922)	(86,064)	Income over achieved £28k and waste disposal cost £57k under spent.
G149	Recycling (G149)	203,484	244,366	40,882	Kerbside collections over spent
G155	Customer Services (G155)	29,078	29,065	(13)	

GENERAL FUND DETAIL - OUTTURN 2018/19		Current			Appendix 2
		Budget	Outturn	Variance	
		2018/19	2018/19		
		£	£	£	
G157	Controlling Migration Fund (G157)	(279,872)	(279,874)	(2)	
G161	Rent Rebates (G161)	(55,193)	(15,269)	39,924	Difference from mid-year estimate to final claim
G162	Rent Allowances (G162)	37,906	23,634	(14,272)	Difference from mid-year estimate to final claim
G164	Support Recharges (G164)	(3,578,847)	(3,578,847)	0	
G168	Multifunctional Printers (G168)	42,521	32,634	(9,887)	
G170	S106 Outdoor Sports (G170)	37,424	37,424	0	
G177	Discretionary Housing Payments (G177)		(0)	(0)	
G179	School Sports Programme (G179)	(3,890)	(3,890)	0	
G180	Special Events (G180)	33	33	0	
G181	STEP (G181)	143	143	0	
G182	SHIFT (G182)	165	165	(0)	
G184	Us Girls (G184)	172	172	(0)	
G186	PL4S Satellite Programme (G186)	(369)	(369)	0	
G192	Scrutiny (G192)	20,786	20,291	(495)	
G195	Head of Governance + Monitoring (G195)	36,477	36,421	(56)	
G197	Head of Finance + Resources (G197)	36,460	36,728	268	
G199	Head of Street Scene (G199)	36,685	36,672	(13)	
G203	Club 1 (G203)	21	21	0	
G204	CEPT - BIG Lottery Talent Match	(11,115)	(11,115)	0	
G205	Innovation (G205)	(650)	(650)	0	
G206	Street Games (G206)	383	360	(23)	
G207	Cycling (G207)	310	320	10	
G216	Raising Aspirations (G216)	48,514	48,514	(0)	
G218	I-Venture/Namibia Bound (G218)	21,414	21,414	0	
G220	Locality Funding (G220)	(114,259)	(114,259)	0	

GENERAL FUND DETAIL - OUTTURN 2018/19		Current			Appendix 2
		Budget	Outturn	Variance	
		2018/19	2018/19		
		£	£	£	
G224	Prime Minister's Challenge Fund	0	0	0	
G225	Eats and Treats Events (G225)	14,611	14,611	0	
G228	Go Active Clowne Leisure Centre (G228)	84,915	(229,705)	(314,620)	Sporting exemption income £282k, income over achieved £21k, water under spent £12k
G238	HR Health + Safety (G238)	54,696	54,859	163	
G240	Affordable Warmth Buddies (G240)	2,254	2,254	0	
G241	Working Together for Older People (G241)	21,495	21,495	0	
G244	Bolsover Business Growth Fund (G244)	89,525	89,525	0	
	Total for People Directorate	5,913,805	4,913,496	(1,000,309)	
G004	Chief Executive Officer - 50% Place (G004)	42,518	42,686	168	
G007	Community Safety - Crime Reduction (G007)	55,939	54,836	(1,103)	
G008	Community Safety Grant	0	(0)	(0)	
G010	Neighbourhood Management (G010)	76,317	61,590	(14,727)	
G013	Community Action Network (G013)	250,019	242,216	(7,803)	
G017	Private Sector Housing Renewal (G017)	59,620	63,072	3,452	
G020	Public Health (G020)	(72,000)	(65,644)	6,356	
G021	Pollution Reduction (G021)	162,220	146,831	(15,389)	
G022	Health & Safety (G022)	(180)	(599)	(419)	
G023	Pest Control (G023)	42,560	44,085	1,525	
G025	Food Safety (G025)	122,029	113,356	(8,673)	
G026	Animal Welfare (G026)	77,734	101,870	24,136	
G027	Emergency Planning (G027)	15,847	15,847	0	
G036	Environmental Health Mgmt & Admin (G036)	182,464	163,119	(19,345)	
G043	Place Director (G043)	52,403	52,481	78	
G046	Homelessness (G046)	152,301	144,940	(7,361)	

GENERAL FUND DETAIL - OUTTURN 2018/19		Current			Appendix 2
		Budget	Outturn	Variance	
		2018/19	2018/19		
		£	£	£	
G048	Town Centre Housing (G048)	(10,700)	(10,610)	90	
G053	Licensing (G053)	746	(20,770)	(21,516)	
G073	Planning Policy (G073)	397,800	386,536	(11,264)	
G074	Planning Development Control (G074)	(99,079)	(255,554)	(156,475)	Increased Planning Fee income £147k.
G076	Planning Enforcement (G076)	80,135	79,586	(549)	
G079	Planning Services Mgmt & Admin (G079)	20,920	20,930	10	
G080	Engineering Services (ESRM) (G080)	112,146	115,175	3,029	
G081	Drainage Services (G081)	165	165	0	
G083	Building Control Consortium (G083)	55,000	54,500	(500)	
G085	Economic Development (G085)	29,425	26,659	(2,766)	
G087	HS2 Costs (G087)	0	(379)	(379)	
G088	Derbyshire Economic Partnership (G088)	15,000	15,000	0	
G089	Premises Development (G089)	9,973	0	(9,973)	
G091	CISWO Duke St Building (G091)	15,965	15,965	(0)	
G095	Estates + Property (G095)	614,122	558,100	(56,022)	£62k year end capital admin allowance
G096	Building Cleaning (General) (G096)	91,477	91,780	303	
G099	Catering (G099)	5,200	4,774	(426)	
G106	Housing Anti Social Behaviour (G106)	80,095	79,587	(508)	
G113	Parenting Practitioner (G113)	33,833	33,235	(598)	
G132	Planning Conservation (G132)	42,521	42,359	(163)	
G133	The Tangent Business Hub (G133)	(43,912)	(53,415)	(9,503)	
G135	Domestic Violence Worker (G135)	41,330	41,537	207	
G138	Bolsover TC Regeneration Scheme	(120)	(120)	0	
G142	Community Safety - CCTV (G142)	703	704	1	
G143	Housing Strategy (G143)	19,591	23,523	3,932	

GENERAL FUND DETAIL - OUTTURN 2018/19		Current			Appendix 2
		Budget	Outturn	Variance	
		2018/19	2018/19		
		£	£	£	
G144	Enabling (Housing) (G144)	37,551	39,374	1,823	
G151	Street Lighting (G151)	30,300	30,077	(223)	
G153	Housing Advice (G153)	12,632	12,655	23	
G156	The Arc (G156)	152,660	153,890	1,230	
G167	Facilities Management (G167)	9,548	8,337	(1,211)	
G169	Closed Churchyards (G169)	10,000	10,000	(0)	
G172	S106 Affordable Housing (G172)	0	0	0	
G176	Affordable Warmth (G176)	35,613	27,029	(8,584)	
G188	Cotton Street Contact Centre (G188)	19,549	16,972	(2,577)	
G193	Economic Development Management + Admin (G193)	141,211	139,912	(1,299)	
G194	Head of Economic Development (G194)	59,359	55,257	(4,102)	
G196	Head of Planning (G196)	20,315	19,773	(542)	
G198	Head of Housing (GF) (G198)	127	107	(20)	
G208	Head of Property + Commercial Services (G208)	37,378	37,018	(360)	
G226	S106 - Highways (G226)	0	0	0	
G227	S106 - Public Health (G227)	(33,249)	(33,249)	0	
G229	Housing Standards (G229)		(1,997)	(1,997)	
G237	Joint Venture (LLP) (G237)	(2,231)	(2,231)	(0)	
G239	Housing + Comm Safety Fixed Penalty Acc (G239)	304	(132)	(436)	
G242	New Bolsover MV - CVP Worker (G242)	9,994	9,994	0	
	Total for Place Directorate	3,273,188	2,952,737	(320,451)	
	Total Net Cost of Services	9,186,993	7,866,233	(1,320,760)	

HOUSING REVENUE ACCOUNT - OUTTURN 2018/19

Appendix 3

	Current Budget 2018/19 £	Outturn 2018/19 £	Variance £
Expenditure			
Repairs and Maintenance	4,877,968	4,726,007	(151,961)
Supervision and Management	4,993,342	4,951,406	(41,936)
Rents, Rates, Taxes & Other Charges	263,074	224,685	(38,389)
Special Services	525,138	507,259	(17,879)
Supporting People - Wardens	540,310	530,590	(9,720)
Supporting People - Central Control	248,879	231,790	(17,089)
Tenants Participation	89,563	72,845	(16,718)
New Bolsover Project	28,175	10,294	(17,881)
Provision for Doubtful Debts	150,000	172,193	22,193
Debt Management Expenses	7,886	7,875	(11)
Total Expenditure	11,724,335	11,434,944	(289,391)
Income			
Rents	(20,007,812)	(20,067,129)	(59,317)
Garage Rents	(140,648)	(139,031)	1,617
Leasehold Flats and Shops Income	(33,099)	(39,857)	(6,758)
Repairs and Maintenance	(16,445)	(47,387)	(30,942)
Supervision and Management	(1,143)	(14,849)	(13,706)
Special Services	(137,231)	(125,615)	11,616
Supporting People - Wardens	(516,420)	(565,701)	(49,281)
Supporting People - Central Control	(239,768)	(215,197)	24,571
Tenants Participation	(5,490)	(5,489)	1
New Bolsover Project	(28,175)	(10,294)	17,881
Other Income	(1,310)	(984)	326
Total Income	(21,127,541)	(21,231,533)	(103,992)
Net Cost of Services	(9,403,206)	(9,796,589)	(393,383)
Appropriations			
Interest Costs	3,577,169	3,611,713	34,544
Interest Income	(27,680)	(52,080)	(24,400)
Depreciation	3,200,000	3,784,394	584,394
Transfer to Major Repairs Reserve	1,717,569	1,133,175	(584,394)
Contribution to Reserves	1,050,000	1,363,730	313,730
Use of HRA Earmarked Reserves	(115,517)	(115,517)	0
Net Operating (Surplus) / Deficit	(1,665)	(71,174)	(69,509)
HRA Balances			
Opening Housing Revenue Account balance	(1,928,826)	(1,928,826)	
Transfer (to)/from Balances	(1,665)	(71,174)	
Closing Housing Revenue Account Balance	(1,930,491)	(2,000,000)	

CAPITAL EXPENDITURE OUTTURN - 2018/19
Appendix 4

	Approved Programme 2018/19	Actual Outturn 2018/19	Variance 2018/19	Carried Forward requests 2019/20
	£	£	£	£
General Fund				
Assets				
PV Resurfacing Works	95,100	87,872	(7,228)	7,228
AMP - Riverside Depot	13,260	7,570	(5,690)	5,690
AMP - Emergency Lighting	15,050	15,050	0	0
AMP - The Arc	81,321	67,593	(13,728)	13,503
AMP - PV Lodges	84,463	71,747	(12,716)	7,533
AMP - Investment Properties	1,171	1,171	(0)	0
AMP - Leisure Buildings	12,010	8,880	(3,130)	2,984
AMP - The Tangent	4,762	4,396	(366)	0
Asset Management Plan (Refurbishment Work)	10,600	0	(10,600)	0
Shirebrook Contact Centre	282,953	263,438	(19,515)	19,515
Refurbishment of Oxcroft House	27,500	0	(27,500)	27,500
Pleasley Vale Mill 1 - Dam Wall	121,470	6,645	(114,825)	114,825
Car Parking at Clowne	135,200	29,997	(105,203)	105,203
Security and CCTV at Pleasley Vale	23,584	26,822	3,238	0
The Tangent - Phase 2	36,592	12,722	(23,870)	8,388
PV Mansafe System	81,278	52,049	(29,229)	29,229
PV Fire Compartmentation & Fire Doors	102,935	29,128	(73,807)	73,807
Can Rangers Cameras Expansion	35,000	20,468	(14,532)	14,532
	1,164,249	705,548	(458,701)	429,937
ICT Schemes				
Software/Hardware Replacement	114,439	91,562	(22,877)	22,877
	114,439	91,562	(22,877)	22,877
Leisure Schemes				
P Vale Outdoor Education Centre Ph 2	34,322	4,552	(29,770)	29,770
Pool Cover	30,000	0	(30,000)	30,000
Go-Active Leisure Facility	0	5,210	5,210	0
Go-Active Equipment	15,231	15,231	(0)	0
	79,553	24,993	(54,560)	59,770
Private Sector Schemes				
Disabled Facilities Grants	850,000	529,441	(320,559)	0
	850,000	529,441	(320,559)	0
Joint Venture				
Dragonfly - Limited Liability Partnership (LLP)	1,803,670	1,320,668	(483,002)	483,002
	1,803,670	1,320,668	(483,002)	483,002
Vehicles and Plant				
Vehicle Replacements	616,195	97,877	(518,318)	518,207
8 x Hedge cutters (GM)	4,000	3,925	(75)	0
10 x Strimmers (GM)	5,000	4,980	(20)	0
	625,195	106,782	(518,413)	518,207
Total General Fund	4,637,106	2,778,994	(1,858,112)	1,513,793

CAPITAL EXPENDITURE OUTTURN - 2018/19
Appendix 4

	Approved Programme 2018/19	Actual Outturn 2018/19	Variance 2018/19	Carried Forward requests 2019/20
	£	£	£	£
Housing Revenue Account				
New Build Properties				
Ash Close, Pinxton	934,396	860,381	(74,015)	74,015
Elm Close, Pinxton	592,428	578,461	(13,967)	13,967
Lime Close, Pinxton	355,243	285,385	(69,858)	69,858
Beech Grove, South Normanton	262,886	259,109	(3,777)	3,777
Leamington Drive, South Normanton	437,699	431,833	(5,866)	5,866
St Michaels Drive, South Normanton	300,000	287,978	(12,022)	12,022
Highcliffe Ave, Shirebrook	189,285	174,045	(15,240)	15,240
The Paddock, Bolsover	78,205	8,824	(69,381)	69,381
Keepmoat Properties at Bolsover	690,000	564,592	(125,408)	125,408
Rogers Ave Creswell HRA New Builds	980	642	(338)	0
Blackwell Hotel Site - HRA New Builds	2,146	10,790	8,644	0
Fir Close Shirebrook - HRA New Build	955	9,585	8,630	0
Derwent Drive Tibshelf - HRA New Build	13,933	21,404	7,471	0
Recreation Close Clowne - HRA New Build	536,243	374,596	(161,648)	161,648
Hilltop - HRA New Build	1,691,427	1,568,258	(123,169)	123,169
	6,085,826	5,435,883	(649,943)	674,351
Vehicle Replacements	22,897	22,874	(23)	0
	22,897	22,874	(23)	0
Public Sector Housing				
Electrical Upgrades	150,000	109,234	(40,766)	0
Ashbourne Extension	10,000	0	(10,000)	10,000
External Door Replacements	175,225	119,706	(55,519)	55,519
Heating Upgrades	25,000	52,120	27,120	0
Environmental Works	7,834	7,834	(0)	0
Unforeseen Reactive Capital Works	190,690	124,463	(66,227)	0
Kitchen Replacement Decent Homes	260,000	270,907	10,907	0
Fees - Regeneration Mgmt & Admin	69,320	69,320	0	0
House Fire Damage - General	64,359	64,359	(0)	0
Soffit and Facia Replacement	150,000	91,238	(58,762)	0
Bolsover Safe & Warm	1,729,037	945,947	(783,090)	783,090
New Bolsover - HRA (mrr funded)	304,775	447	(304,328)	304,328
Re Roofing	1,150,000	970,030	(179,970)	0
Flat Roofing	50,000	43,662	(6,338)	0
	4,336,240	2,869,267	(1,466,973)	1,152,937
HRA ICT Schemes	468,747	451,542	(17,205)	17,205
	468,747	451,542	(17,205)	17,205
New Bolsover Scheme				
New Bolsover-Repair&Conservation BDC	3,883,708	3,660,086	(223,622)	223,622
New Bolsover-Repair&Conservation Private	628,052	641,666	13,614	0
New Bolsover-Other Cap Works-Landscaping	381,452	4,309	(377,143)	24,621
New Bolsover-Comp&Fac (Prelims)BDC	126,562	421,752	295,190	0
New Bolsover-Comp&Fac (Prelims)Private	15,325	72,366	57,041	0
New Bolsover-Decants BDC	337,472	35,638	(301,834)	288,512
New Bolsover-Fees(HLP, PD CDM)-BDC	58,319	57,662	(657)	657
New Bolsover-Fees(HLP, PD CDM)-Private	21,639	9,894	(11,745)	11,745
New Bolsover - Staff Costs	47,392	44,776	(2,616)	2,616
	5,499,921	4,948,148	(551,773)	551,773
Total HRA	16,413,631	13,727,714	(2,685,917)	2,396,266
TOTAL CAPITAL EXPENDITURE	21,050,737	16,506,708	(4,544,029)	3,910,059

CAPITAL EXPENDITURE OUTTURN - 2018/19

Appendix 4

	Approved Programme 2018/19	Actual Outturn 2018/19	Variance 2018/19	Carried Forward requests 2019/20
	£	£	£	£
Capital Financing				
General Fund				
Better Care Fund	850,000	529,441	(320,559)	0
Prudential Borrowing	2,778,743	1,631,801	(1,146,942)	1,146,942
Reserves	917,940	553,871	(364,069)	364,069
External Funding	11,000	8,880	(2,120)	0
Capital Receipts	79,423	55,000	(24,423)	2,782
	4,637,106	2,778,994	(1,858,112)	1,513,793
HRA				
Major Repairs Allowance	9,181,365	7,183,442	(1,997,923)	1,632,965
Prudential Borrowing	3,734,075	3,347,846	(386,229)	614,351
Reserves	22,897	17,294	(5,603)	0
Revenue Contribution	254,000	254,000	0	0
External Funding	2,626,331	2,537,381	(88,950)	88,950
Capital Receipts	594,963	387,752	(207,211)	60,000
	16,413,631	13,727,714	(2,685,917)	2,396,266
TOTAL CAPITAL FINANCING	21,050,737	16,506,708	(4,544,029)	3,910,059

BDC Treasury Management – Outturn 2018/19**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 2018/19 and the actual outturn CFR are shown in the table below: -

	Revised Budget 2018/19 £000	Actual Outturn 2018/19 £000
<i>Capital Financing Requirement 1 April</i>	112,548	112,548
Prudential Borrowing General Fund	3,176	1,632
Prudential Borrowing HRA	3,828	3,348
Finance Leases undertaken in year	0	0
Leasing Repayments	(21)	(21)
Minimum Revenue Provision (MRP)	(685)	(685)
Movement on other debt – retentions	0	75
Repayment of Allowable Debt (HRA)	0	(1,031)
Capital Receipts set-aside	0	0
<i>Capital Financing Requirement 31 March 2019</i>	118,846	115,866

The overall outturn position shows a net increase of outstanding debt of £3.318m in 2018/19 when compared to the opening CFR. Prudential borrowing is £2.024m lower than the estimate due to delays in spending on the capital programme. The borrowing undertaken by the Council in 2018/19 totalled £4.980m and was on General Fund Vehicles, Dragonfly Joint Venture, the Asset Management Plan and new Council Dwellings.

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 2019	£000
General Fund	9,414
Housing Revenue Account	106,452
Total CFR	115,866

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 2019 is as follows:

	£000
Capital Financing Requirement 31 March 2019	115,866
Financed from:	
External Borrowing via PWLB	102,100
External Borrowing via Leasing arrangements	21
Use of internal balances and reserves	13,745
Total Financing of CFR	115,866

Public Works Loan Board (PWLB) Borrowing

The Council's total outstanding PWLB debt amounted to £102.100m at 1 April 2018. During 2018/19 no principal repayment has been made. No new loans have been taken out with the PWLB during 2018/19. The profile of the outstanding debt is analysed as follows: -

PWLB BORROWING	Maturity Profile 31 March 2018 £	Maturity Profile 31 March 2019 £
Term		
12 Months	0	3,000,000
1 - 2 years	3,000,000	2,000,000
2 - 5 years	9,700,000	11,100,000
5 - 10 years	23,400,000	24,000,000
Over 10 year	66,000,000	62,000,000
Total PWLB Debt	102,100,000	102,100,000

PWLB Interest

The interest cost to the Council of the PWLB debt for 2018/19 is £3.642m. 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 2018/19 no short term borrowing was undertaken by the Council and therefore no interest charges were incurred.

Temporary / Fixed Investments

The table below details the fixed investments held at 31 March 2019

Bank Name	Balance Invested 31 March 19 £000
Fixed	
Local Authorities	24,450
Close Brothers	5,000
Call Accounts	
Money Market Funds	5,000
Total	34,450

From the table above it can be seen that the balance invested by the Council at 31 March 2019 is £34.450m. Interest earned from temporary investments during 2018/19 amounted to £0.291m and is detailed in the following table:

	Average Period each Investment	Total Investment during year £000	Interest Received 2018/19 £
Building Societies	6 months	15,000	39,794
Local Authorities	1 year	10,000	85,738
Local Authorities	6 months	9,000	7,710
Local Authorities	3 months	23,450	74,906
Money Market Funds	Overnight	Average interest rate 0.65%	82,687
Total			290,835

Overnight Balances

The balance of any daily funds is retained in the Council's general account with 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 2018/19 £000	Set Limits in year 2018/19 £000
Authorised (total Council external borrowing limit)	125,866	128,846
Operational Boundary	120,866	123,846

Bolsover District Council

Budget Scrutiny Committee

6th June 2019

Corporate Debt Monitoring – Quarter 4

Report of the Chief Accountant and Section 151 Officer

This report is public

Purpose of the Report

- The purpose of this report is to present to Budget Scrutiny Committee a summary of the corporate debt position at the end of quarter 4 2018/19.

1 Report Details

- 1.1 To update Members of Budget Scrutiny Committee on the position regarding corporate debt.
- 1.2 The main sources of income for the Council's General Fund are business rates, council tax, a small number of government grants and service related income. The main source of income for the Council's Housing Revenue Account is dwelling rent, often referred to as 'housing rents'. Government grants are paid over to us on agreed dates direct into our bank account so there is no need to include them on any of our debtor systems. For most other sources of income we have to request the income due to us.
- 1.3 We request the income due to us on the relevant system by raising bills for business rates, council tax and housing rents. There is legislation in place for each of these sources which determines the rules of collecting this income.
- 1.4 For service related income, invoices are raised on the sundry debtor system which is a module of our Civica Financial Management System. Examples of types of income include: housing benefit overpayment, trade refuse, industrial unit rent, garage site rent, wardens service and alarms and leisure hire of facilities. This income is reported in two amounts with housing benefit overpayments identified from the rest.
- 1.5 The following table shows the sources of income for Bolsover District Council as at 31st March 2019 and 2018 for comparison:

Table 1 - Sources of Income

	2017/18	2018/19	
position at end of	Q4	Q4	variance
	£'000	£'000	£'000
NNDR	(25,390)	(27,795)	(2,405) *
Council tax	(37,137)	(39,463)	(2,326) **
Housing Rents	(20,286)	(20,067)	219
Overpaid housing benefits	(848)	(764)	84
Sundry Debtors	(3,914)	(6,116)	(2,202)
	<hr/>	<hr/>	
	(87,575)	(94,205)	(6,630)
* This is 100%, our share of this is 40% 17/18 + 50% 18/19			
** This is 100%, our share of this is 16.31% 17/18 + 16.02% 18/19			

- 1.6 (* and **) these debts are part of the collection fund and are shared with major preceptors including the County, police and fire. Only a percentage of these debts belong to Bolsover District Council.
- 1.7 Debtors of a Local Authority are very sensitive to change. If a tenant/tax payer's circumstances change it can become difficult for them to keep paying their rent or council tax. Informing us of a change in personal circumstances late can mean more benefit is paid than they are entitled to which can mean they become benefit overpayment debtors.
- 1.8 Circumstances can change quickly and mean debtors fall into arrears. It is very common for Local Authority's to have arrears balances due to the vulnerable nature of some of its debtors. Debt management is how the Council manages its arrears and debtors.

The following table shows the level of arrears for Bolsover District Council at 31st March for the last two financial years. This information is published in the Council's Statement of Accounts document each year.

Table 2 - Level of Arrears

	2017/18	2018/19	
position at end of	Q4	Q4	variance
	£	£	£
NNDR	141,981	(25,498)	(167,479) *
Council tax	2,098,597	2,320,680	222,083 **
Housing Rents	1,272,394	1,167,932	(104,462)
Overpaid housing benefits	2,026,139	1,853,148	(172,991)
Sundry Debtors	549,072	587,698	38,626
	6,088,183	5,903,959	(184,223)

- 1.9 Part of managing the debt is assessing the likelihood of future non-collection. At each year end, an estimate of non-collection is made based on historic payment information for the same class of debt. An amount equal to the non-collection is charged against our revenue account and saved in a provision for future use. The provision is often referred to as the bad debt provision. It is considered prudent to not include all the income in the revenue accounts in a year when there is a chance it won't all be collected.
- 1.10 Each year-end the provision balance for each class of debt is reviewed, compared against latest arrears balances to ensure it still covers the amount of non-collection in case we have to write-off debts, and either increased or decreased, whichever is appropriate.

The following table shows the bad debt provision for each class of debtor at 31st March for the last two financial years:

Table 3 - Bad Debt Provisions

	2017/18	2018/19	
position at end of	Q4	Q4	variance
	£	£	£
NNDR	(243,415)	(196,045)	47,370 *
Council tax	(1,185,424)	(1,326,923)	(141,499) **
Housing Rents	(751,858)	(617,308)	134,550
Overpaid housing benefits	(1,345,476)	(1,346,475)	(999)
Sundry Debtors	(34,985)	(42,341)	(7,356)
	<hr/>	<hr/>	
	(3,561,158)	(3,529,092)	32,066

- 1.11 As previously mentioned there is legislation that governs the collection of business rates, council tax and housing rents. As a Local Authority it is necessary to have a debt collection process that adheres to legislation but ensures the maximum amount of income is collected.
- 1.12 Indicators for debt collection are monitored through the 'Perform' system and reported at the quarterly performance meetings where any areas of concern are raised. Targets for collecting income and reducing arrears for each class of debt are set and monitored.
- 1.13 The performance data on debt collection is also reported quarterly to Executive for information where any areas of concern are raised/discussed.
- 1.14 The following table shows for 2018/19 the movement since last financial year, in the value of each source of income, the amount that is outstanding as arrears and the bad debt provision which relates to that source of income. Over all in 2018/19 we have received £6.6m more in income, our arrears have been reduced by £0.184m and we have reduced the bad debt provisions by £0.032m as they are no longer needed.

Table 4 – Summary for 2018/19

	Income	Arrears	Provision
	£	£	£
NNDR	(2,405,000)	(167,479)	47,370 *
Council tax	(2,326,000)	222,083	(141,499) **
Housing Rents	219,000	(104,462)	134,550
Overpaid housing benefits	84,000	(172,991)	(999)
Sundry Debtors	(2,202,000)	38,626	(7,356)
Totals	(6,630,000)	(184,223)	32,066

2 Conclusions and Reasons for Recommendation

- 2.1 To ensure that Budget Scrutiny Committee are informed of the latest position concerning the Council's debt.

3 Consultation and Equality Impact

- 3.1 There are no consultation and equality impact implications from this report.

4 Alternative Options and Reasons for Rejection

- 4.1 This report is for information only.

5 Implications

5.1 Finance and Risk Implications

The current position regarding corporate debt is given throughout the report. Failure to collect this debt would have a detrimental impact on the Council's financial position if sufficient bad debt provisions were not in place.

5.2 Legal Implications including Data Protection

These are none arising directly from this report.

5.3 Human Resources Implications

These are none arising directly from this report.

6 Recommendations

- 6.1 That Budget Scrutiny Committee note the report concerning the Council's Corporate Debt as at 31st March 2019.

7 Decision Information

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has relevant Portfolio Member been informed?</p>	Yes
<p>District Wards Affected</p>	None directly.
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8 Document Information

Appendix No	Title
<p>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)</p>	
Report Author	Contact Number
Theresa Fletcher – Chief Accountant	01246 242458

Bolsover District Council

Budget Scrutiny Committee

6th June 2019

Budget Scrutiny Committee Work Programme 2019/20

Report of the Scrutiny & Elections Officer

This report is public

Purpose of the Report

- To provide members of the Scrutiny Committee with an overview of the meeting programme of the Committee for 2019/20.

1 Report Details

- 1.1 The main purpose of the report is to inform members of the meeting programme for the year 2019/20 and planned agenda items (Appendix 1).
- 1.2 This programme may be subject to change should additional reports/presentations be required, or if items need to be re-arranged for alternative dates.
- 1.3 Members may raise queries about the programme at the meeting or at any time with the Head of Finance & Resources or the Scrutiny & Elections Officer should they have any queries regarding future meetings.

2 Conclusions and Reasons for Recommendation

- 2.1 This report sets the formal Committee Work Programme for 2019/20 and the items identified for review.
- 2.2 The Scrutiny Programme enables challenge to service delivery both internally and externally across all the Corporate Plan Ambitions.
- 2.3 Part 3.6(2) of the Council's Constitution requires each Scrutiny Committee to set an annual work plan.

3 Consultation and Equality Impact

- 3.1 All Scrutiny Committees are committed to equality and diversity in undertaking their statutory responsibilities and ensure equalities are considered as part of all Reviews. The selection criteria when submitting a topic, specifically asks members to identify where the topic suggested affects particular population groups or geographies.

3.2 The Council has a statutory duty under s.149 Equality Act 2010 to have due regard to the need to advance equality of opportunity and to eliminate discrimination.

3.3 As part of the scoping of Reviews, consideration is given to any consultation that could support the evidence gathering process.

4 Alternative Options and Reasons for Rejection

4.1 There is no option to reject the report as Part 3.6(2) of the Council's Constitution requires each Scrutiny Committee to set an annual work plan.

5 Implications

5.1 Finance and Risk Implications

5.1.1 None from this report.

5.2 Legal Implications including Data Protection

5.2.1 In carrying out scrutiny reviews the Council is exercising its scrutiny powers as laid out in s.21 of the Local Government Act 2000 and subsequent legislation which added to/amended these powers e.g. the Local Government and Public Involvement in Health Act 2007.

5.3 Human Resources Implications

5.3.1 None from this report.

6 Recommendations

6.1 That Members note this report and the Programme attached at Appendix 1. All Members are advised to contact the Scrutiny & Elections Officer should they have any queries regarding future meetings.

7 Decision Information

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p><i>BDC: Revenue - £75,000 <input type="checkbox"/></i> <i>Capital - £150,000 <input type="checkbox"/></i></p> <p><i>NEDDC: Revenue - £100,000 <input type="checkbox"/></i> <i>Capital - £250,000 <input type="checkbox"/></i></p> <p><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	N/A
<p>District Wards Affected</p>	All
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8 Document Information

Appendix No	Title
1.	Work Programme 2019/20
<p>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)</p>	
<p>Previous versions of the Committee Work Programme.</p>	
Report Author	Contact Number
Joanne Wilson, Scrutiny & Elections Officer	2385

Report Reference –

Budget Scrutiny Committee

Work Programme 2019/20

Formal Items – Report Key

Treasury Management Strategy	Capital Strategy	Borrowing & Investment Strategy	Budget Monitoring Reports	Update from Scrutiny Chairs

Date of Meeting	Items for Agenda	Lead Officer
6th June 2019	• Q4 Budget Monitoring/Financial Outturn 2018/19	Head of Finance & Resources
	• Q4 Corporate Debt Monitoring – Performance Report	Head of Finance & Resources
	• Update from Scrutiny Chairs	Scrutiny & Elections Officer
1st August 2019	• Q1 Budget Monitoring/Outturn	Head of Finance & Resources
	• Q1 Corporate Debt Monitoring – Performance Report	Head of Finance & Resources
	• Update from Scrutiny Chairs	Scrutiny & Elections Officer
28th November 2019	• Q2 Budget Monitoring/Outturn	Head of Finance & Resources
	• Q2 Corporate Debt Monitoring – Performance Report	Head of Finance & Resources
	• Presentation by Arlingclose	Head of Finance & Resources/Arlingclose
	• Revised Budgets and Setting of Council Tax 2020/21	Head of Finance & Resources
	• Update from Scrutiny Chairs	Scrutiny & Elections Officer
30th January 2020	• Q3 Corporate Debt Monitoring – Performance Report	Head of Finance & Resources
	• Proposed Budget 2020/21 and Estimated Outturn 2019/20	Head of Finance & Resources
	• Treasury Management Strategy	Head of Finance & Resources
	• Capital Strategy	Head of Finance & Resources
	• Investment Strategy	Head of Finance & Resources
	• Update from Scrutiny Chairs	Scrutiny & Elections Officer