

The Arc
High Street
Clowne
Derbyshire
S43 4JY

Date: 7th November 2017

Dear Sir or Madam

You are hereby summoned to attend a meeting of the Budget Scrutiny Committee of the Bolsover District Council to be held in the Council Chamber, The Arc, Clowne on Wednesday 15th November 2017 at 1400 hours.

Register of Members' Interest - 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: Chairman and Members of the Budget Scrutiny Committee

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BUDGET SCRUTINY COMMITTEE

AGENDA

Wednesday 15th November 2017 at 1400 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 31 st May 2017	3 to 5
5.	Update from Scrutiny Chairs.	Verbal Update
6.	Quarter 2 – Budget Monitoring	6 to 19
7.	Revised Budget	Presentation
8.	Overview of Debt Recovery	Presentation
9.	Business Rate Pilot	20 to 26

BUDGET SCRUTINY COMMITTEE

Minutes of a meeting of the Budget Scrutiny Committee held in the Council Chamber, The Arc, Clowne on Wednesday 31st May 2017 at 1400 hours.

PRESENT:-

Members:-

Councillor S. Peake in the Chair

Councillors T. Alexander (from Minute No. 0030), P.M. Bowmer, D. Bullock, J.A. Clifton, T.J. Connerton, C.P. Cooper, P.A. Cooper, H.J. Gilmour, D. McGregor, C.R. Moesby, S. Peake, J.E. Smith, P. Smith, R. Turner, K.F. Walker, D.S. Watson and J. Wilson

Officers:-

B. Mason (Executive Director – Operations), D. Clarke (Assistant Director – Finance and Revenues & Benefits), C. Millington (Scrutiny Officer) and A. Brownsword (Senior Governance Officer)

0026. APOLOGIES

Apologies for absence were received from Councillors A. Anderson, G. Buxton, T. Cannon, A. Joesbury, T. Munro and E. Stevenson

0027. URGENT ITEMS OF BUSINESS

There were no urgent items of business.

0028. DECLARATIONS OF INTEREST

There were no declarations of interest.

0029. MINUTES – 19TH JANUARY 2017 AND 27TH JANUARY 2017

Moved by Councillor R. Bowler and seconded by Councillor J. Wilson

RESOLVED that (1) the minutes of an adjourned meeting held on 19th January 2017 be approved as a true and correct record.

(2) the minutes of an adjourned meeting held on 27th January 2017 be approved as a true and correct record.

BUDGET SCRUTINY COMMITTEE

Councillor T. Alexander entered the meeting

0030. UPDATE FROM SCRUTINY CHAIRS

There were no updates from the Scrutiny Chairs.

0031. INTRODUCTION TO LOCAL GOVERNMENT FINANCE

OUTLINE OF THE FINANCIAL OUTTURN POSITION IN RESPECT OF 2016/17

The Executive Director – Operations gave Members a presentation which contained information on an introduction to local government finance and an outline of the financial outturn position in respect of 2016/17.

The presentation looked at:

- Budget Objectives
- Budget Process
- Expenditure Budgets
- Where the Council spends
- Income Streams 2017/18
- Volatility of Income Streams
- Localisation of Business Rates
- Housing Revenue Account (HRA)
- Capital Programme
- Financial Challenges Facing BDC
- Outturn Position
- How the Council Meets the Shortfall

A question was asked regarding which account the money from the sale of Council houses went in to. The Executive Director – Operations explained that the money was put back in to the HRA, after the Government had taken a share.

Members asked whether Council Tax write offs were passed on to the Police authority and County Council, in proportion to their share. It was explained that the shortfall was distributed in the relevant proportion.

Members congratulated the Executive Director – Operations on an easy to understand presentation and felt that the Officer had presented the information in a way that was competent, clear and concise which was important to new Members. It

BUDGET SCRUTINY COMMITTEE

was noted that the Council was in a good financial position to tackle the future. It was important to remember that Officers were accountable to Members.

It was noted that there was no clear direction from the Government regarding Business Rate reform.

Members noted that during the tenure of the current Executive Director – Operations, the Council had never had an unbalanced budget and there had been significant progress including the building of new Council houses, The Tangent and The Arc Leisure Centre which were all major achievements for the Council. These supported the view that the Council's arrangements had operated well during this period of time, and that the Director had worked well as part of the wider team with both Elected Members and other Officers in order to ensure that the Council's priorities for local people were delivered.

The Executive Director – Operations thanked Members for their support over the years and noted that he had been able to build on the good foundations already in place when he joined the Council.

The Chair thanked the Executive Director – Operations for the presentation and wished him well in future endeavours.

Moved by Councillor S. Peake and seconded by Councillor R. Bowler
RESOLVED that the presentation be noted.

The meeting concluded at 1504 hours.

Bolsover District Council

Budget Scrutiny Committee

15th November 2017

**Medium Term Financial Plan - Budget Monitoring Quarter 2
April to September 2017**

Report of the Assistant Director – Finance and Revenues & Benefits

This report is public

Purpose of the Report

- To update Budget Scrutiny Committee on the financial position of the Council following the second quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account (HRA), Capital Programme and Treasury Management activity.

1 Report Details

- 1.1 Please see attached report at Appendix 1 submitted to the Executive on 6th November 2017

2 Conclusions and Reasons for Recommendation

- 2.1 The report summarises the financial position of the Council following the second quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account, Capital Programme and Treasury management activity.

3 Consultation and Equality Impact

- 3.1 There are no equalities issues arising directly out of this report.

4 Alternative Options and Reasons for Rejection

- 4.1 The Budget Monitoring report for 2017/18 is primarily a factual report which details progress against previously approved budgets. Accordingly there are no alternative options to consider.

5 Implications

5.1 Finance and Risk Implications

Financial implications are covered throughout this report.

5.1.2 The issue of Financial Risks is covered throughout the report (Appendix 1). In addition, however, it should be noted that the risk of not achieving a balanced budget is outlined as a key risk within the Council's Strategic Risk Register. While officers are of the view that these risks are being appropriately managed it needs to be recognised that there may be pressures on all of the Council's main budgets as these have been or are being reduced to minimum levels. These will need to be managed carefully during the course of this financial year if we are to protect the existing levels of financial balances.

5.2 Legal Implications including Data Protection

There are no legal issues arising directly from this report.

5.3 Human Resources Implications

There are no human resource issues arising directly out of this report

6 Recommendations

6.1 That Budget Scrutiny Committee note the recommendations in the report at Appendix 1.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <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>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	All

8 Document Information

Appendix No	Title
1	Report to Executive on 6 th November 2017
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
Assistant Director – Finance and Revenues & Benefits	

Report Reference –

Bolsover District Council

Executive

6th NOVEMBER 2017

**Medium Term Financial Plan - Budget Monitoring Quarter 2
April to September 2017**

Report of the Assistant Director - Finance, Revenues and Benefits

This report is public

Purpose of the Report

- To update Executive on the financial position of the Council following the second quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account (HRA), Capital Programme and Treasury Management activity.

1 Report Details

- 1.1 Officers have continued the integrated approach to budget monitoring in the second quarter with Performance, Risk and Finance being considered together at the combined Directorate meeting held during October 2017. The scope of this report is therefore to report the current financial position following the 2017/18 quarter two monitoring exercise.

General Fund Revenue Account

- 1.2 The General Fund Revenue Account summary is shown in **Appendix 1**. The original budget for 2017/18 showed a funding gap of £0.170m. By the end of the second quarter, savings of £0.156m have been achieved against the target, leaving £0.014m still to be achieved. As savings are identified and secured they are moved in to the relevant cost centres within the main General Fund Directorates. Bearing in mind that significant establishment cost savings have been made in previous outturns, officers continue to review this position. In addition to the £0.058 removed from budgets after the first quarters monitoring, further adjustments will be made for quarter two.
- 1.3 Within the Directorates there is the following to report:
- The Growth Directorate shows a favourable variance of £1.169m. This relates mainly to:
 1. Under spends due to invoices not yet paid and vacancies at the end of the quarter (£0.802m) – favourable.
 2. Income received in advance of any expenditure (£0.478m) – favourable.

3. Annual invoices were paid in quarter 2 which makes the profiled budget look overspent (£0.134m) – adverse.
 4. Expenditure has been spent but the income hadn't been received as it is claimed in arrears (£0.145m) – adverse.
 5. Over spends against quarter 2 budget due to less income received, new pressures or where expenditure is seasonal and not profiled over 4 quarters (£0.029) – adverse.
 6. Extra income received in quarter 2, mainly relating to planning fees, which is additional to the budget (£0.197m) – favourable.
- The Operations Directorate shows a favourable variance of £0.294m. This relates mainly to:
 1. Under spends due to invoices not yet being paid and vacancies at the end of the quarter (£0.351m) – favourable.
 2. Income received in advance of any expenditure (£0.325m) – favourable.
 3. Annual invoices were paid in quarter 2 which makes the profiled budget look overspent (£0.064m) – adverse.
 4. Expenditure has been spent but the income hadn't been received as it is claimed in arrears (£0.339m) – adverse.
 5. Extra income received in quarter 2 which is additional to the budget (£0.021m) – favourable.
 - The Transformation Directorate has an adverse variance of £0.354m. Again, this relates mainly to:
 1. Under spends due to invoices not yet being paid and vacancies at the end of the quarter (£0.044m) – favourable.
 2. Annual invoices were paid in quarter 2 which makes the profiled budget look overspent (£0.232m) – adverse.
 3. Expenditure has been spent but the income hadn't been received as it is claimed in arrears (£0.050m) – adverse.
 4. Over spends against quarter 2 budget due to less income received, new pressures or where expenditure is seasonal and not profiled over 4 quarters (£0.116) – adverse.
This variance mainly relates to the Go Active facility and officers are working closely to cast the budgets following the success of the facility. It is not anticipated that this will be an ongoing issue. This will be resolved during the revised budget process.
- 1.4 In order to improve the monitoring and control of Section 106 monies received by the Council, the sums due to be utilised in a financial year are now recorded within the General Fund directorate budgets with the expenditure recorded against these sums. The amount budgeted to be spent in 2017/18 is £1.949m. There are no deadlines during 2017/18 by which these schemes need to be spent, the earliest deadline is 20/09/18. Officers are working to ensure that all of this spending is undertaken in line with the S106 legal requirements.
- 1.5 The overall position at the end of quarter 2 shows that there is a favourable variance of £1.109m. This is mainly due to £1.197m invoices not yet being paid when compared to the quarter 2 profiled expenditure budget. There are no real

budget pressures identified in quarter 2 but officers will continue to monitor the position during the next quarter.

- 1.6 Officers have begun working with Budget Managers to compile a revised budget for 2017/18. This will amend the current budgets to capture additional budget savings and reduce spending where it is anticipated that there will be a minimal impact upon service delivery. As in previous years, this process will take account of all known potential savings in order to balance the budget for the year. Where possible the budget in future years will be amended to reflect these savings too thus serving to reduce the projected budget shortfall. The revised budget position will be presented to Executive in December.

Housing Revenue Account (HRA)

- 1.6 The Housing Revenue Account summary for the first six months of 2017/18 is set out in **Appendix 2** to this report. At the end of quarter 2 the HRA is showing a net surplus of £0.321m.

Income

- 1.7 The quarter 2 income figures show a small adverse variance of £0.037m. This is purely timing of invoices raised and is not a concern at this time in the year.

Expenditure

- 1.8 Expenditure within most of the operating areas of the HRA shows under spends in the second quarter. There are therefore no budget pressures to report at this stage of the year. The main area of under spend is within repairs and maintenance. Of the £0.294m variance, £0.180m relates to invoices not yet received and £0.094m to vacancies for the first half of the year. All budgets will be reviewed as part of the revised budget process and adjusted accordingly.

HRA – Overall Summary

- 1.9 In light of the above and the expenditure patterns to date, there are no significant issues to report regarding the overall position for the HRA at the end of the second quarter.

Capital Programme

Capital Expenditure

- 1.10 The capital programme summary for the first six months of 2017/18 is provided in **Appendix 3** to this report.
- 1.11 In headline terms, the capital programme profiled budget for quarter 2 is £12.183m and the actual spend and known commitments total £6.839m, which is £5.344m behind the planned spend position. The main areas to highlight are listed below:
1. Group dwelling boiler replacement has only just started and will to be re-profiled at half year. This contributes £1.272m towards the variance within HRA property management.
 2. New Bolsover HLF scheme is behind due to the unique nature of the scheme £1.417m.
 3. Hilltop – HRA new build scheme is in the very early stages £0.610m.

4. The Tangent – Phase 2 is underway but currently £0.327m under spent.
5. B@home phase 2 has not yet started and is under spent £0.420m.
6. Derwent Drive Tibshelf currently looks over spent by £0.294m but the scheme is progressing well and will be within budget by the year end.

1.12 Whilst there are no significant financial issues to report regarding capital expenditure at the end of the second quarter, it must be noted that the delivery of the approved capital programme is behind the profiled position as at quarter 2. Officers will continue to closely monitor the delivery of the Programme.

Capital Resources

1.13 HRA – The Council has sufficient capital resources in place to finance the HRA actual expenditure and commitments at the end of the second quarter.
General Fund – The financing of the General Fund part of the capital programme is in line with the approved financing arrangements.

Treasury Management

1.14 The treasury management function covers the borrowing and investment of Council money. This includes both the management of the Council's day to day cash balances and the management of its long term debt. All transactions are conducted in accordance with the Council's approved strategy and the CIPFA Code of Practice. Good treasury management plays an important role in the sound financial management of the Council's resources.

1.15 The Council approved the 2017/18 Treasury Management Strategy at its meeting in February 2017. **Appendix 4** identifies the Treasury Management activity undertaken during the second quarter of 2017/18 and demonstrates that this is in line with the plans agreed as part of the strategy. The income received from investments is currently higher than budgeted and we anticipate that this will continue during the remainder of the financial year. A full assessment of this will be done during the half year review with a view to amending the budgets accordingly.

2 Conclusions and Reasons for Recommendation

2.1 The report summarises the financial position of the Council following the second quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account, Capital Programme and Treasury management activity.

3 Consultation and Equality Impact

3.1 There are no equalities issues arising directly out of this report.

4 Alternative Options and Reasons for Rejection

4.1 The Budget Monitoring report for 2017/18 is primarily a factual report which details progress against previously approved budgets. Accordingly there are no alternative options to consider.

5 Implications

5.1 Finance and Risk Implications

5.1.1 Financial implications are covered throughout this report.

5.1.2 The issue of Financial Risks is covered throughout the report. In addition, however, it should be noted that the risk of not achieving a balanced budget is outlined as a key risk within the Council's Strategic Risk Register. While officers are of the view that these risks are being appropriately managed it needs to be recognised that there may be pressures on all of the Council's main budgets as these have been or are being reduced to minimum levels. These will need to be managed carefully during the course of this financial year if we are to protect the existing levels of financial balances.

5.2 Legal Implications including Data Protection

There are no legal issues arising directly from this report.

5.3 Human Resources Implications

There are no human resource issues arising directly out of this report

6 Recommendations

6.1 That Executive notes the monitoring position of the General Fund at the end of the second quarter as detailed on Appendix 1 (A net favourable variance of £1.109m against the profiled budget) and the key issues highlighted within this report.

6.2 That Executive notes the position on the Housing Revenue Account (HRA), the Capital Programme and Treasury Management at the end of the second quarter (Appendices 2, 3 and 4).

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <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>	Yes
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	Yes
District Wards Affected	All

Links to Corporate Plan priorities or Policy Framework	Providing Excellent customer focussed services. Continually improving our organisation
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8 Document Information

Appendix No	Title
1	General Fund Summary
2	HRA Summary
3	Capital Programme
4	Treasury Management 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)	
Report Author	Contact Number
Chief Accountant	2458
Assistant Director – Finance, Revenues and Benefits	7658

Report Reference –

GENERAL FUND

APPENDIX 1

Description	Original Budget 2017/18 £	Current Budget 2017/18 £	6 months Budget 2017/18 £	6 months Actual 2017/18 £	6 months Variance 2017/18 £
Growth Directorate	3,347,867	3,502,393	1,751,197	917,956	(833,241)
Operations Directorate	6,551,876	7,161,574	3,580,787	3,287,162	(293,625)
Transformation Directorate	2,838,694	2,882,871	1,441,436	1,826,200	384,764
Support Recharges to HRA and Capital	(3,439,642)	(3,439,642)	(1,719,821)	(1,719,821)	(0)
Net transfer payments from Operations		(378,565)	(189,283)	(189,283)	0
Superannuation rate increase	68,605	0	0	0	0
<u>S106 Expenditure due in year</u>					
Growth	879,000	1,398,829	699,415	363,958	(335,456)
Transformation	7,829	550,485	275,243	244,271	(30,972)
Total Net Expenditure	10,254,229	11,677,945	5,838,973	4,730,443	(1,108,529)
Interest Paid including Minimum Revenue Provision (MRP)	877,532	881,279	440,640	220,320	0
Investment Interest	(81,429)	(81,429)	(40,715)	(20,357)	0
	11,050,332	12,477,795	6,238,898	4,930,406	(1,108,529)
Contributions to Reserves	871,544	871,544	435,772	217,886	0
Contribution from Earmarked Reserves	(177,609)	(647,131)	(323,566)	(143,201)	0
Contribution from NNDR Growth Protection Reserve	987,907	987,907	493,954	246,977	0
Contribution (from)/to Unapplied Grants/Holding Accounts	(194,946)	(135,383)	(67,692)	(48,234)	0
Contribution from S106 Holding A/cs	(886,829)	(1,949,314)	(974,657)	(469,171)	0
	11,650,399	11,605,418	5,802,709	4,734,663	(1,108,529)
Parish Precepts	2,387,172	2,594,840	1,297,420	648,710	0
Council Tax Support Grant	277,851	277,851	138,926	69,463	0
TOTAL NET EXPENDITURE	14,315,422	14,478,109	7,239,055	5,452,836	(1,108,529)
Revenue Support Grant (RSG)	(1,905,813)	(1,905,813)	(952,907)	(476,453)	0
Business Rates Retention	(3,877,132)	(3,877,132)	(1,938,566)	(969,283)	0
Derbyshire Pool - Levy share	(200,000)	(200,000)	(100,000)	(50,000)	0
New Homes Bonus Grant	(1,196,046)	(1,202,542)	(601,271)	(300,637)	0
Council Tax - BDC precept	(3,392,355)	(3,496,994)	(1,748,497)	(874,249)	0
Council Tax - Parish Precept	(2,387,172)	(2,594,840)	(1,297,420)	(648,710)	0
Council Tax collection fund surplus	(32,775)	(32,775)	(16,388)	(8,194)	0
NNDR collection fund surplus	(1,154,359)	(1,154,359)	(577,180)	(288,590)	0
TOTAL FUNDING	(14,145,652)	(14,464,455)	(7,232,228)	(3,616,116)	0
Funding gap/ (surplus)	169,770	13,654	6,827	1,836,720	(1,108,529)

APPENDIX 2

Housing Revenue Account

Description	Full Years Budget £	6 months Budget £	6 months Actuals £	6 months Variance £
Expenditure				
Repairs and Maintenance	4,826,028	2,413,014	2,119,277	(293,737)
Supervision and Management	4,919,371	2,459,686	2,519,021	59,336
Special Services	636,085	318,043	236,919	(81,123)
Supporting People - Wardens	602,938	301,469	283,984	(17,485)
Supporting People - Central Control	207,918	103,959	94,196	(9,763)
Tenants Participation	88,113	44,057	29,345	(14,711)
Provision for Doubtful Debts	150,000	75,000	75,000	0
Debt Management Expenses	8,438	4,219	3,760	(459)
Total Expenditure	11,438,891	5,719,446	5,361,503	(357,942)
Income				
Rents	(20,371,860)	(10,185,930)	(10,174,466)	11,464
Garage Rents	(105,749)	(52,875)	(52,831)	44
Garage Site Rents	(34,702)	(17,351)	(32,147)	(14,796)
Repairs and Maintenance	(10,345)	(5,173)	(8,630)	(3,458)
Supervision and Management	(380)	(190)	0	190
Special Services	(338,412)	(169,206)	(159,041)	10,165
Supporting People - Wardens	(461,545)	(230,773)	(166,562)	64,211
Supporting People - Central Control	(202,402)	(101,201)	(141,399)	(40,198)
Leasehold Flats and Shops Income	(24,220)	(12,110)	(4,213)	7,897
Other Income	(6,060)	(3,030)	(2,020)	1,010
Total Income	(21,555,675)	(10,777,838)	(10,741,309)	36,529
Net Cost of Services	(10,116,784)	(5,058,392)	(5,379,806)	(321,414)
Appropriations				
Debt Repayment	1,067,708	533,854	533,854	0
Interest Costs	3,520,572	1,760,286	1,760,286	0
Depreciation	2,529,218	1,264,609	1,264,609	0
Transfer to Major Repairs Reserve	2,847,051	1,423,526	1,423,526	0
Contribution to/(from) HRA Reserves	140,000	70,000	70,000	0
Net Operating (Surplus) / Deficit	(12,235)	(6,118)	(327,531)	(321,414)

APPENDIX 3

CAPITAL PROGRAMME MONITORING REPORT - 2017/18

Description	Full Years Budget	6 months Budget	6 months Actuals	6 months Variance
	£	£	£	£
ICT Infrastructure	110,150	55,075	10,913	(44,162)
Disabled Facility Grants	400,000	200,000	149,673	(50,327)
P Vale Outdoor Education Centre Ph 2	41,134	20,567	7,981	(12,586)
B@home Phase 2	840,750	420,375	0	(420,375)
Clowne Leisure Facility	13,213	6,607	(18,734)	(25,340)
Refurbishment - 3 Cotton St Bolsover	8,921	4,461	2,742	(1,719)
Shirebrook Contact Centre	206,453	103,227	4,900	(98,327)
Blackwell Hotel Site - HRA New Build	140,313	70,157	136,028	65,871
Refurbishment of Oxcroft House	27,500	13,750	0	(13,750)
Go-Active Equipment	4,886	2,443	4,735	2,292
Fir Close Shirebrook - HRA New Build	1,311,715	655,858	630,146	(25,712)
Derwent Drive Tibshelf - HRA New Build	1,511,650	755,825	1,049,939	294,114
Recreation Close Clowne	170,000	85,000	0	(85,000)
Pleasley Vale Mill 1 - Dam Wall	126,617	63,309	3,364	(59,945)
Car Parking at Clowne	150,000	75,000	59,800	(15,200)
Revenues & Benefits Software	61,797	30,899	56,470	25,572
Security and CCTV at Pleasley Vale	259,550	129,775	81,435	(48,340)
The Tangent - Phase 2	1,371,697	685,849	359,097	(326,752)
Play Kingdom Alterations	13,292	6,646	13,291	6,645
JVC / Growth Agenda Land Purchase	494,000	247,000	0	(247,000)

APPENDIX 3

CAPITAL PROGRAMME MONITORING REPORT - 2017/18

Description	Full Years	6 months	6 months	6 months
	Budget	Budget	Actuals	Variance
	£	£	£	£
Hilltop - HRA New Build	3,567,749	1,783,875	1,173,444	(610,431)
Shirebrook Forward	25,000	12,500	25,000	12,500
Telephony & Contract Management Software	77,450	38,725	76,984	38,259
Can Rangers Expansion	100,000	50,000	0	(50,000)
Enforcement Fund	50,000	25,000	0	(25,000)
New Bolsover Refurbishment	4,725,742	2,362,871	945,784	(1,417,087)
HRA Property Management	7,307,365	3,653,683	1,629,567	(2,024,116)
Asset Management Plan	523,190	261,595	312,400	50,805
Vehicle Replacement Programme	726,812	363,406	124,486	(238,920)
TOTAL CAPITAL EXPENDITURE	24,366,946	12,183,473	6,839,445	(5,344,028)

Capital Financing

Specified Capital Grant	400,000	200,000	149,673	(50,327)
Private Sector Contributions	0	0	0	0
Prudential Borrowing	8,031,088	4,015,544	3,118,777	(896,767)
Reserves	4,039,647	2,019,824	595,906	(1,423,918)
Capital Receipts	727,362	363,681	386,446	22,765
Major Repairs Allowance	10,431,213	5,215,607	2,575,351	(2,640,256)
Direct Revenue Financing	13,292	6,646	13,291	6,645
External Grant	724,344	362,172		(362,172)
TOTAL CAPITAL FINANCING	24,366,946	12,183,473	6,839,445	(5,344,028)

PWLB Borrowing

The Council has not taken any new loans from the PWLB during the first six months.

As at 1 April 2017 the Authority's total outstanding PWLB debt amounted to £103,100,000. The profile of the outstanding debt is analysed as follows: -

PWLB Borrowing Term	Maturity Profile 30-Sep-17 £
12 Months	1,000,000
1-2 years	0
2-5 years	10,700,000
5-10 years	21,600,000
10-15 years	24,800,000
over 15 years	45,000,000
Total PWLB Debt	103,100,000

At 30 September 2017 nothing has been repaid to the PWLB.

PWLB Interest

The total interest cost to the Council of the PWLB debt for 2017/18 is estimated at £3,662,457. This cost is split between the HRA and General Fund based on the level of debt outstanding. Interest paid to the PWLB in the six months was £1,832,225.

Temporary Borrowing

Cash flow monitoring and management identifies the need for short term borrowing to cover delays in the receipt of income during the year. No interest charges were incurred during the first six months on overdrawn bank balances. At 30 September 2017 the only temporary borrowing undertaken by the Council was £591,254.79 which is the investment balances held on behalf of Parish Councils.

Temporary Investments

The following tables show the investments and interest earned to 30 September 2017:

Investments on call

Counterparty	Balance at 1/4/17 £	Deposits £	Withdrawals £	Interest received £	Balance at 30/09/17 £
BNP Paribas (MMF)	5,000,000	0	(1,506,566)	6,566	3,500,000
Standard Life (MMF)	5,000,000	5,000,000	(10,004,783)	4,783	0
Aberdeen (MMF)	2,000,000	2,000,000	(4,000,064)	64	0
Invesco (MMF)	5,000,000	9,000,000	(14,004,254)	4,254	0
	17,000,000	16,000,000	(29,515,667)	15,667	3,500,000

Fixed-term investments

Counterparty	Balance at 1/4/17 £	Deposits £	Withdrawals £	Interest received £	Balance at 30/09/17 £
Banks / Building Societies					
Nationwide BS	5,000,000	0	(5,005,810)	5,810	0
National Counties BS		5,000,000		4,044	5,004,044
Mansfield BS		2,000,000		1,247	2,001,247
Local Authorities					
Surrey Heath	5,000,000	0	(5,009,616)	9,616	0
Cheshire East	5,000,000	0	(5,000,931)	931	0
Dumfries	5,000,000		(5,000,989)	989	0
Salford	5,000,000	0	0	12,554	5,012,554
Doncaster	0	5,000,000	0	12,328	5,012,328
Liverpool	0	5,000,000	0	9,777	5,009,777
Stockport	0	5,000,000	0	14,380	5,014,380
Gwent	0	2,000,000	0	1,374	2,001,374
Broxtowe	0	2,000,000	0	39	2,000,039
Kingston Upon Hull	0	5,000,000	0	888	5,000,888
Eastleigh	0	4,000,000	0	301	4,000,301
North Kesteven	0	2,000,000	0	72	2,000,072
	25,000,000	37,000,000	(20,017,346)	74,351	42,057,005

The investments have been made in accordance with the Council's Treasury Management Strategy.

Interest Received

The performance of these investments is as follows:

	6 months	6 months	6 months
	Actual	Budget	Variance
Interest generated	£90,018	£43,090	£46,929
Average rate of interest	0.36%	0.25%	0.11%
Bank of England base rate	0.25%	0.25%	0.00%

Interest rates offered by most institutions remain low. However, we are currently performing better than expected and should this continue, budgets will be adjusted accordingly.

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 to Date 2017/18	Approved limits 2017/18
Authorised Limit (total Council external borrowing limit)	115,316,758	119,999,000
Operational Boundary	110,316,758	114,999,000

Bolsover District Council

Budget Scrutiny Committee

15th November 2017

Business Rates Pilot

Report of the Assistant Director – Finance and Revenues & Benefits

This report is public

Purpose of the Report

- To provide Budget Scrutiny Committee with information regarding the Derbyshire Business Rates Pilot arrangement for 2018/19.

1 Report Details

- 1.1 Please see attached report submitted to Extraordinary Executive on 17th October 2017

2 Conclusions and Reasons for Recommendation

- 2.1 Please see attached report submitted to Extraordinary Executive on 17th October 2017

3 Consultation and Equality Impact

- 3.1 Please see attached report submitted to Extraordinary Executive on 17th October 2017

4 Alternative Options and Reasons for Rejection

- 4.1 Please see attached report submitted to Extraordinary Executive on 17th October 2017

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 Please see attached report submitted to Extraordinary Executive on 17th October 2017

5.2 Legal Implications including Data Protection

5.2.1 Please see attached report submitted to Extraordinary Executive on 17th October 2017

5.3 Human Resources Implications

5.3.1 Please see attached report submitted to Extraordinary Executive on 17th October 2017

6 Recommendations

6.1 That Budget Scrutiny Committee note the information regarding the Derbyshire Business Rates Pilot arrangement for 2018/19.

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>District Wards Affected</p>	All
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8 Document Information

Appendix No	Title
1	Report to Extraordinary Executive on 17 th October 2017
<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
Assistant Director – Finance and Revenues & Benefits	

Report Reference –

Bolsover District Council

Executive

17 October 2017

Business Rates Pilot

Report of the Assistant Director – Finance, Revenues & Benefits

This Report is Public

Purpose of the Report

- To seek approval of Executive that delegated powers be granted to the Assistant Director – Finance, Revenues & Benefits in consultation with the Leader of the Council to submit an expression of interest to enter into a Derbyshire Business Rates Pilot arrangement for 2018/19.

1 Report Details

- 1.1 Under the Business Rates Retention Scheme, local authorities are able to come together, on a voluntary basis, to pool their business rates, giving them scope to generate additional business rates growth through collaborative effort, and to smooth the impact of volatility in rates income across a wider economic area. The Council have been part of a very successful Derbyshire Business Rates Pool that has been in operation since April 2015 which has helped to secure approximately £0.5m additional income per annum.
- 1.2 The Government has previously announced the expansion of the pilot programme for 100% business rates retention for 2018-19. These will run alongside the five current 100% pilots which have been in operation since 1 April 2017. The pilots are deemed as an opportunity for the Government to test more technical aspects of the 100% business rates retention system, such as tier-splits. It will provide the opportunity to evaluate how collaboration between local authorities works in practice.
- 1.3 The Government is interested in exploring how rates retention can operate across more than one authority to promote financial sustainability and to support coherent decision-making across functional economic areas. A proposal for a pool must be in the form of a business case with supporting analysis, which must set out the following:
 - **Membership details** – including an explanation of relevance to the economic geography of the area, that each member fully supports the application and confirmation of the lead authority;

- **Governance arrangements** – details of how the additional business rates income will be utilised, how risk is managed, proposals for sharing additional growth and how the pool will work together in the longer term;
- **Additional supporting evidence** – benefits to the area of participation in the pilot and proposals for the tier-split;
- **Membership** – the identity of all local authorities in the pool;
- **Benefits** – details on how participation in the pilot scheme will benefit the area;
- **Lead Authority** – the pool must nominate a lead authority who will be responsible for receiving payments from and to Government on behalf of the entire pool;
- **Governance agreement** – setting out how the pooling arrangements will work in terms of financial distribution and service provision, evidencing how business rates income growth will be shared.

1.4 All proposals will need to be submitted to Government by 27 October 2017 and must be signed off by the S.151 officer of each authority in the pilot. Successful pilots will be announced in December 2017 and launched in April 2018. Between these dates the Government will support authorities in preparing for implementation.

1.5 The Council has had preliminary discussions with the current members of the Derbyshire Pool, who have, in the main, expressed an interest in forming a 100% pilot for 2018-19.

1.6 Given the technical and complex nature of submitting a proposal in a short timeframe, Derbyshire County Council has engaged specialist support to draft the business case. The Council will be expected to make a contribution towards this but it is anticipated that this can be met from existing resources.

2 Conclusions and Reasons for Recommendation

2.1 The report considers the case for entering into a Business Rates Pilot across a two tier area that should bring additional financial advantages through the retention of a higher proportion of business rates income and to gain additional benefits from any further growth. The current pooling arrangement in operation since April 2015 has been a success, and we are looking to build upon this success by participating in one of the first two tier pilots.

3 Consultation and Equality Impact

3.1 The proposals within this report are concerned with increasing the level of funding from business rates. This is largely a technical issue which is considered to be unlikely to have any requirement for external or partner consultation. There is likewise no direct impact upon equality issues.

4 **Alternative Options and Reasons for Rejection**

4.1 The alternative option is not to join and to remain outside a Derbyshire Business Rates Pilot. The reasons for rejecting the option of remaining outside the Business Rates Pilot is that we would be potentially losing out on additional income for the Council and potentially jeopardise and piloting possibilities for other authorities within Derbyshire.

5 **Implications**

5.1 **Finance and Risk Implications**

5.1.1 These are covered throughout the report.

5.2 **Legal Implications including Data Protection**

5.2.1 Legal issues are covered in the body of the report where appropriate. There are no Data Protection issues arising directly from this report.

5.3 **Human Resources Implications**

5.3.1 There are none arising directly from this report

6 **Recommendations**

6.1 That Executive notes the contents and requirements of the invitation to pilot 100% Business Rates Retention in 2018-19.

6.2 That Executive grants approval for the Assistant Director – Finance, Revenues & Benefits, in her capacity as the Council’s S.151 Officer and in consultation with the Leader of the Council to submit an expression of interest to enter into 100% Business Rates Pool Pilot in 2018-19.

6.3 That a further detailed report is brought back to a future meeting of this committee once more information is available.

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:</i> <i>Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/></p> <p><i>NEDDC:</i> <i>Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
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Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	None directly
Links to Corporate Plan priorities or Policy Framework	Transforming our organisation. Providing our customers with excellent service.

8 Document Information

Appendix No	Title
N/A	
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)	
Invitation to Local Authorities in England to pilot 100% Business Rates Retention in 2018/19 and to pioneer new pooling and tier split models - DCLG	
Report Author	Contact Number
Dawn Clarke – Assistant Director – Finance, Revenues & Benefits	01246 217658