

Governance & Audit – 26th May 2016
Year end Accounts position – ending 31st March 2016

Status

All ledger entries complete as at Friday 29th April 2016. Schedules in preparation and expected to be available last week of May 2016.

General Fund**Reserves**

SOUTH HOLLAND DISTRICT COUNCIL	Balance 31st March 2015	Contributions	Expenditure	Transfers	Balance 31st March 2016	Change from previous forecast
Council Tax Funding	(4,480,129)	(1,502,836)	1,382,711	1,896,025	(2,704,228)	(358,877)
GF Insurance Reserve	(256,767)	0	36,767	0	(220,000)	0
Transformation Reserve	(1,818,940)	(102,895)	882,623	66,441	(972,770)	43,293
Repair & Renewal	(200,924)	(202,441)	164,855	0	(238,511)	(89,487)
Investment and Growth	0		411,060	(3,716,230)	(3,305,170)	(5,000)
Planning Reserve	(366,872)	0	236,872	130,000	0	0
Section 106	(40,080)	0	0	40,080	0	0
Spalding Special Exps	(153,823)	0	0	153,823	0	0
Property Acquisition	(1,000,000)	0	0	1,000,000	0	0
Affordable Housing	(118,000)	0	0	118,000	0	0
Capital Reserve	(761,708)	(110,000)	607,000	264,708	0	0
Climate Change	(47,154)	0	0	47,154	0	0
Community Cohesion	(19,189)	0	19,189	0	0	0
Emergency Planning	(10,000)	0	10,000	0	0	0
Total GF Specific Reserves	(9,273,585)	(1,918,172)	3,751,077	0	(7,440,679)	(410,072)

Represented by:

Increased funds assigned to Capital Financing	190,675
Lower Repairs costs from R & R reserve	89,487
Revenue grant commitments	85,200
Members budget	44,856
Additional in year savings	45,720
iTrent installation (funded from Transformation)	(43,293)
Additional cost of Haley Stewart gates (Spalding Special)	(2,573)
	£410,072

Work is in progress to determine final status on the capital programme particularly in respect of the ICT requirements for system security and digitalisation.

Project costs and programme for iTrent are in progress to allow 2016/17 monitoring. Status of the ELDC involvement in the project is currently unknown.

Invest to save projects and departmental one off cost contingency are included in an operational risk reserve (£500k) within the Council Tax reserve. This also includes Housing Benefit (LA Error) and business rates (appeals) which are currently standing risks on the out turn.

Revenue Out turn

Analysis of the final position of £290k below budget against the quarter 3 forecast of £244k below is presented in the following table..

Major Variances	Forecast £'000	Out turn £'000	Change £'000	Comments
Corporate Contingency	-31	-31	0	Brought forward from Q1
HRA service Review	-384	-384	0	Review of HRA service Costs
Recurring variance exercise	-78	-78	0	Agreed with budget holders
Homelessness grants budget	-28	-32	-4	Commitments review
Lease mowers	-25	-32	-7	New leased mowers savings planned
Members pensions	-29	-29	0	Pension scheme ceased
CPBS contract inflation	-39	-29	10	1% inflation not agreed
Recurring savings	-583	-584	-1	
Devolution project	30	30	0	Greater Lincolnshire bid
Planning application income	-54	-112	-58	Major applications
Legal services	-64	-72	-8	Demand led service. 14/15 surplus returned
ICT invest to save	35	35	0	Oracle savings 20k savings per annum going forward
Salary Forecast	36	36	0	
Investment income	-25	-25	0	Improved investment returns
Funding- Personal search fees	-57	-35	22	Windfall personal search fee / costs settlement
Funding-New Burdens	-19	-19	0	Additional new burdens
Environmental Services	-136	-136	0	Weekly collection grant / Insurance costs
Transfer from Insurance reserve	-37	-37	0	
Statutory accounting adjustments	1,660	1,660	0	Voluntary MRP
Transfer to Earmarked Reserves	100	100	0	Pride in South Holland 2016/17
Transfer from earmarked reserves	-723	-723	0	
Capital Expenditure financed from reserve	-164	-164	0	Useable Capital Receipts
Homelessness		-25	-25	Prevention activity
Local plan contribution		15	15	professional fees
Premises Insurance		10	10	Premium increase on review
One off adjustments	582	538	-44	
Total corporate contingency	-32	-77	-45	
Funding-forecast Q3	-202	-203	-1	NNDR additional income forecast
Funding-New Homes Bonus	-10	-10	0	Final grant determination
Sub total funding adjustments	-212	-213	-1	
Total Variance to Budget	-244	-290	-46	

All figures are draft and are being sense checked as part of the closedown procedures.

Housing Revenue Account

Reserves

Housing Revenue Account Reserves	Forecast £000's	Out Turn £000's	Change £000's
Cumulative Working Balance	8,968	8,968	0
Budget 2015-16	(147)	(147)	0
Rollover of capital programme from 2014-15 approved	(244)	(244)	0
Forecast outturn variance	391	391	0
Forecast balance on the HRA at 31.3.16	8,968	8,968	0
Insurance Reserve	200	200	0
Major Repairs Reserve	2,409	2,609	200
Total HRA reserves at 31.3.16	11,577	11,777	200

Major repairs balance assigned to the Affordable Housing capital programme for timing differences on new build project financing (1 for 1 replacement can only be used on completion of the dwelling) and potential acceleration of purchase of units.

Revenue Out turn

	2015-16			Comments
	Budget	Forecast	Out turn	
	£ 000's	£ 000's	£ 000's	
Rent Income - Dwellings	(15,562)	(15,462)	(15,464)	
Rent Income - Non Dwellings	(132)	(156)	(161)	
Charges for Services & Facilities	(1,204)	(934)	(1,142)	Alarm monitoring not in forecast
Contributions to Expenditure	(569)	(89)	(97)	
Other income	0	(78)	(145)	Energy Grants (Capital Projects)
Total Income	(17,467)	(16,719)	(17,008)	
Repairs & Maintenance	4,006	3,033	3,210	Asbestos Management / Capital
Supervision & Management	2,542	2,824	3,130	
Service charge costs	1,173	1,225	1,289	Alarm monitoring not in forecast
Depreciation (MRA)	1,596	1,595	2,288	Component accounting
Provision for Doubtful Debts	393	120	54	
Total Expenditure	9,710	8,797	9,971	
Contribution from Operations	(7,757)	(7,922)	(7,037)	
Financing charges	2,370	2,310	2,283	Additional Investment income
Revenue Contributions (RCCO)	5,778	5,612	4,754	Depreciation adjustment
Housing Subsidy	0			
Net operating (Surplus) / Deficit	391	0	0	
Reserves				
Balance - Brought Forward	(8,968)	(8,968)	(8,968)	
Balance - Carried Forward	(8,577)	(8,968)	(8,968)	

The forecast variances include several technical areas and includes major changes which were included in the 2016/17 Budget and were examined by Governance & Audit so are not repeated in this report

Major variances and potential impact on 2016/17 are shown below

Area	Forecast	Out Turn	Change	Comments
Income	(16,719)	(17,008)	(289)	£184k income for lifeline / Garages transferring to GF in 2016/17. £67k one off misc. income. £38k additional service charges ongoing with accelerated savings to be shown in 2016/17 and MTFP adjusted for 2017/18.
Repairs & Maintenance	3,033	3,210	177	Capital expenditure for Electrical upgrades and boiler replacements £180k was not able to be identified in current CSU system. No change to MTFP required as £1m reduction in costs in this area have been validated by the out turn. In year overspend offset by RCCO savings.
Supervision & Management	2,824	3,130	306	Set up costs for Parkside crescent & Severn road £114k awaiting capitalisation if revised WH business plan accepted. One off: pension fund /central services adjustments £60k; Allocations software changes in Northgate £50k; Property / CSU / Tenancy agreement reviews £51k. Additional costs associated with void properties including council Tax £31k have been incurred which needs an urgent review as costs not in the MTFP.
Service charge costs	1,225	1,289	64	£178k costs for lifeline transferring to GF in 2016/17. Utilities accruals regulated with one off £65k benefit. Other employee savings £40k which will be required for vacancy factor savings in 2016/17.
Depreciation (MRA)	1,595	2,288	693	Component accounting introduced and depreciation rates adjusted. MTFP to be adjusted with corresponding reduction in RCCO.
Provision for Doubtful Debts	120	54	(66)	Based on broad brush % which has been in use for several years. Budget includes potential welfare reform costs so no change to MTFP.
Financing charges	2,310	2,283	(27)	Total investment income £64k against forecast of £37K. Budget includes £25k improvement in 2016/17 so no change to MTFP. Allocation between HRA / General fund to be based on full working capital balances from 2016/17.
Revenue Contributions (RCCO)	5,612	4,754	(858)	Depreciation increase (£693k) substituted revenue contributions in capital financing. Capital out turn financing (£365k). £200k additional contribution to reserve for affordable housing in 2016/17.
	0	0	0	

Capital out turn

South Holland District Council - Capital Programme 2015/16										Spend profile				
Code	Project	Revised Budget	Actual to date	(Under spend)	Over spend	Slippage	Released	Forecast	Prior Years	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	
		£	£	£	£	£	£	£	£	£	£	£	£	
										0				
	Strategy & Governance	416,000	76,567	(12,058)	8,000	(51,375)	(284,000)	76,567	-	76,567	51,375	-	-	
	Commercialisation	1,556,000	1,498,063	(19,556)	57,949	(36,330)	(60,000)	1,498,063	-	1,498,063	36,330	-	-	
	Place	1,149,000	395,657	(2,663)	0	(541,108)	(209,572)	395,657	-	395,657	541,108	-	-	
	Housing Revenue Account	7,500,000	4,449,504	(44,093)	0	0	(3,006,403)	4,449,504	-	4,449,504	-	-	-	
	Capital Programme	10,621,000	6,419,791	(78,370)	65,949	(628,813)	(3,559,975)	6,419,791	-	6,419,791	628,813	-	-	
	Grants & Contributions	(1,510,000)	(818,606)	2,663	(57,949)	541,108	205,572	(818,606)	0	(818,606)	(541,108)	0	0	
	Capital Receipts	(697,000)	(101,067)	12,058	0	25,000	558,875	(101,067)	0	(101,067)	(25,000)	0	0	
	s106	0	0	0	0	0	0	0	0	0	0	0	0	
	Revenue Contributions	(8,414,000)	(5,500,118)	63,649	(8,000)	62,705	2,795,528	(5,500,118)	0	(5,500,118)	(62,705)	0	0	
	Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	
	Capital Financing	(10,621,000)	(6,419,791)	78,370	(65,949)	628,813	3,559,975	(6,419,791)	0	(6,419,791)	(628,813)	0	0	

Slippage / Release of funds are being examined in all areas.

General Fund - Capital Programme 2015/16										Spend profile				
Code	Project	Revised Budget	Actual to date	(Under spend)	Over spend	Slippage	Released	Forecast	Prior Years	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	
		£	£	£	£	£	£	£	£	£	£	£	£	
740	System backup upgrade	30,000	-				- 30,000	-			0			
741	Digitalisation	200,000	-				- 200,000	-			0			
742	Juniper Replacement	15,000	10,156	- 4,844				10,156		10,156				
743	Network Upgrades	25,000	-			- 25,000		-		0	25,000			
744	Disaster Recovery	30,000	-				- 30,000	-		0				
745	Firewall Replacement	30,000	23,787	- 6,213				23,787		23,787				
768	ICT Strategy	24,000	-				- 24,000	-		0				
70E	Council Chamber upgrade	57,000	38,625		8,000	- 26,375		38,625		38,625	26,375			
786	Operator Assisted payments	5,000	3,999	- 1,001				3,999		3,999				
	Strategy & Governance	416,000	76,567	- 12,058	8,000	- 51,375	- 284,000	76,567	-	76,567	51,375	-	-	
720	Environmental Health	53,000	96,185	- 14,526	57,711			96,185		96,185				
735	Crease Drove	60,000	-				- 60,000	-		0				
738	Broadband Lincs	607,000	570,580	- 90		- 36,330		570,580		570,580	36,330			
746	Moulton Park	316,000	311,060	- 4,940				311,060		311,060				
70F	Grants for Growth	520,000	520,238		238			520,238		520,238				
	Commercialisation	1,556,000	1,498,063	- 19,556	57,949	- 36,330	- 60,000	1,498,063	-	1,498,063	36,330	-	-	
733	CCTV	10,000	-				- 10,000	-		0				
736	West Marsh Road Depot	10,000	-				- 10,000	-		0				
737	Ayscoughfee - Tennis Courts	40,000	-				- 40,000	-		0				
739	Air Quality Monitoring	30,000	27,337	- 2,663				27,337		27,337				
750	Disabled Facilities Grants	325,000	191,684			- 133,316		191,684		191,684	133,316			
765	Spalding Cemetery expansion	49,000	-				- 49,000	-		0				
767	Asset Management system	25,000	-				- 25,000	-		0				
769	Footway Lighting	25,000	25,000					25,000		25,000				
770	Decent Homes Loans	75,000	9,428				- 65,572	9,428		9,428				
776	Travellers Sites	550,000	142,208			- 407,792		142,208		142,208	407,792			
780	Fulney Field Play area	10,000	-				- 10,000	-		0				
	Place	1,149,000	395,657	- 2,663	-	- 541,108	- 209,572	395,657	-	395,657	541,108	-	-	
	General Fund	3,121,000	1,970,287	- 34,277	65,949	- 628,813	- 553,572	1,970,287	-	1,970,287	628,813	-	-	
	Grants & Contributions	(1,510,000)	(818,606)	2,663	(57,949)	541,108	205,572	(818,606)		(818,606)	(541,108)			
	Capital Receipts	(489,000)	(62,942)	12,058	0	25,000	389,000	(62,942)		(62,942)	(25,000)			
	s106							0		0	0			
	Revenue Contributions	(1,122,000)	(1,088,739)	19,556	(8,000)	62,705	(41,000)	(1,088,739)		(1,088,739)	(62,705)			
	Borrowing													
	General Fund	(3,121,000)	(1,970,287)	34,277	(65,949)	628,813	553,572	(1,970,287)	0	(1,970,287)	(628,813)	0	0	

ICT projects shown as released are being reviewed and likely to be reported as slippage in the final out turn report

Grants for Growth phase 1 project has been audited and there are some technical queries which have been raised in South Holland and also in most other parts of the country. The main issue is support for Energy efficient vehicles has been given but this appears to be outside the terms of the ERDF scheme. Local guidance from DCLG does not include this restriction. Worst case is that £130,000 of grant may be repaid and financing of the 2015/16 programme has been amended to show this position.

Housing Revenue Account - Capital Programme 2015/16									Budget Holder: Richard Scorthorne					
Code	Project	Revised Budget	Actual to date	(Under spend)	(Over spend)	Slippage	Released	Forecast	Spend profile					
									Prior Years	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	
		£	£	£	£	£	£	£	£	£	£	£	£	£
		-						-			0			
701	Central Heating	1,330,000	976,939				- 353,061	976,939			976,939			
704	Kitchen / Bathroom	2,110,000	2,072,243				- 37,757	2,072,243			2,072,243			
705	Roofs	1,750,000	930,968				- 819,032	930,968			930,968			
	Decent Homes	5,190,000	3,980,150	-	-	-	- 1,209,850	3,980,150	-	3,980,150	-	-	-	-
708	Sewage Treatment plant	60,000	49,480	- 10,520				49,480			49,480			
727	Off street parking	140,000	24,611				- 115,389	24,611			24,611		-	
778	Asbestos Removal	473,000	-				- 473,000	-			-			
	Major Area schemes	673,000	74,091	- 10,520	-	-	- 588,389	74,091	-	74,091	-	-	-	-
711	Allocations & Lettings	18,000	-				- 18,000	-			-			
726	Asset Management	75,000	52,559	- 22,441				52,559			52,559			
768	ICT Strategy	20,000	8,868	- 11,132				8,868			8,868			
	IT / System	113,000	61,427	- 33,573	-	-	- 18,000	61,427	-	61,427	-	-	-	-
706	Major Adaptations	466,000	233,161				- 232,839	233,161			233,161		-	
	Aids & Adaptations	466,000	233,161	-	-	-	- 232,839	233,161	-	233,161	-	-	-	-
724	New Build	900,000	24,424				- 875,576	24,424			24,424		-	
797	Buy Back - Shared Ownership	158,000	76,251				- 81,749	76,251			76,251			
	Affordable Housing	1,058,000	100,675	-	-	-	- 957,325	100,675	-	100,675	-	-	-	-
	Total - HRA	7,500,000	4,449,504	- 44,093	-	-	- 3,006,403	4,449,504	-	4,449,504	-	-	-	-
	Grants & Contributions													
	Capital Receipts	(208,000)	(38,125)					169,875	(38,125)		(38,125)			
	s106													
	Revenue Contributions	(7,292,000)	(4,411,379)	44,093				2,836,528	(4,411,379)		(4,411,379)			
	Borrowing													
	General Fund	(7,500,000)	(4,449,504)	44,093	0	0	3,006,403	(4,449,504)	0	(4,449,504)	0	0	0	0

Final position – 2016/17 programmes were rewritten to include all activities going forward.

Asbestos removal is now reported as planned maintenance in the revenue statement