

EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Revenue and Capital Outturn Report – Final Quarter 2016/17
Meeting of:	Audit Committee
Date:	13th June 2017
Is this an Executive Decision:	Yes
Is this a Key Decision:	No
Is the report Confidential:	No
If so, please state relevant paragraph from Schedule 12A LGA 1972:	n/a

Essential Signatories:

ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE

Monitoring Officer

Date Signature

Chief Finance Officer

Date Signature

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Cabinet

Date: 12th June 2017

TITLE:	Revenue and Capital Outturn Report – Final Quarter 2016/17	
PORTFOLIO:	Finance	
HEAD OF SERVICE:	Sal Khan	
CONTACT OFFICER:	Lisa Turner – Chief Accountant	ext. 1399
WARD(S) AFFECTED:	All	

1. Purpose of the Report

- 1.1 To accord with the Council's financial regulations, this report presents the final outturn position in relation to the Council's revenue budget, capital programme of expenditure and treasury management activities. In addition to which, the report sets out the most significant risks facing the authority and how these are being managed. This is the fourth and final report in the annual cycle of financial monitoring for the financial year 2016/17.

2. Executive Summary

- 2.1 This report highlights an under-spend against the Councils revenue budget of **£0.4m** for the full financial year ending 31st March 2017. This is a very pleasing outcome considering the level financial savings built into the budget since 2010/11. During the course of the year budget holders have examined their spending and management have taken action in order to achieve an outturn within budget.
- 2.2 Whilst extremely favourable, this year-end under-spend represents a one-off windfall, with many of the savings arising during the course of the year already incorporated into the Medium Term Financial Strategy for 2017/18 onwards. The most notable variances contained within the outturn are in the main those highlighted in earlier reports, these being:-

- Savings within the Community and Open Spaces Service (£290k);
- Staffing and procurement savings within the ICT Service (£142k);

These, together with other smaller savings are offset by three significant budget pressures:

- A reduction in recycling income levels of £109k, largely as a result of lower market prices;
- Planning fee income was also lower than budget following the adoption of the local plan (£99k);
- There was also a negative variation (£230k) in relation to markets activities, largely arising from Income being lower than budgeted.

- 2.3 In respect of capital projects, the report sets out expenditure against a programme of £2.3m. During the course of the year the Council has completed the remediation and infrastructure works at Dove Way/Pennycroft Lane and supported the replacement of play equipment at various sites. There has also been support for Neighbourhood projects and grants for disabled facilities. Spending during the course of the year amounted to £2m, with some projects taking place of several years. It is proposed that £0.3m be carried forward to support ongoing projects.
- 2.4 As at 31st March 2017 investments stood at £22.7m. The average rate of return on the council's investments throughout 2016/17 was 0.5%, which exceeded both benchmarks. Further details of investments can be found at Section 5.
- 2.5 The Council's external borrowing remains at £11.3m as at 31st March 2017, which reflects a under borrowed position. This is more cost effective in the current economic conditions and is consistent with the latest treasury management strategy. Further details on borrowing can also be found at Section 5.
- 2.6 The Business Rates Retention (BRR) Scheme was introduced from April 2013 and transfers both opportunities to generate additional revenue from business growth, but also substantial risks from both economic contraction and appeals lodged with the Valuation Office. This is one of the key risks highlighted within our Medium term Financial Strategy. Nevertheless, the position for 2016/17 is positive, with a provisional outturn figure showing a surplus against budget of £0.5m. In addition to which, there is a levy of £0.7m payable to the Greater Birmingham and Solihull LEP towards economic regeneration in the wider region, of which it is estimated that £0.2m will be returned to ESBC. This is part of a formal pooling arrangement, without which these monies would have gone directly to central government. Further details on the BRR Scheme can be found at section 7 of the report.
- 2.7 The Council's general fund reserve at the end of the 2016/17 financial year is forecast to be £1.3m. This is in line with expectations when the budget was set. In addition to general reserves, the authority holds a number of reserves that are earmarked for specific purposes. As at 31st March 2017, these reserves are estimated to be £12.2m. (£11.3m as at 31st March 2016).

2.8 The outturn position includes a number of carry forward requests from budget holders and these are set out in Appendix D for Cabinet approval. It is proposed that the net revenue outturn surplus of £0.4m be set aside within reserves to support initiatives that will generate ongoing savings for the authority, such as spend to save, commercial opportunities or debt repayment, with the allocation to be determined as part of the development of the MTFs for 2018/19 onwards.

3. **Revenue Budget 2016/17**

3.1 On 22nd February 2016, the full Council approved the Revenue Budget for the year 2016/17, totalling £11.239m as follows:

Approved Service Budgets	£000's
Arts, Brewhouse and Functions	368
Community and Open Spaces	2,277
Corporate Management Team	507
Corporate and Commercial	884
Enforcement	(524)
Enterprise	143
Environment	3,113
Environmental Health	488
Financial Services	1,446
Housing	258
Human Resources, Payments and Pensions	1,430
IT and Printing	689
Land Charges	(35)
Legal Services and Asset Management	(332)
Leisure – Indoor Facilities	864
Leisure – Outdoor Facilities	156
Markets	(95)
Planning	61
Revenues, Benefits and Customer Contacts	174
Corporate Budgets	(1,141)
Total Contributions to / (from) Reserves	508
Total	11,239

3.2 Financial control is maintained by monitoring actual expenditure against approved budgets at regular intervals throughout the year.

4. Outturn 2016/17

4.1 The following table indicates the full year variations against budget at the final outturn for the year. A number of variations are compensated for by under or over spends.

Summary by Service	Annual Budget	Actual Outturn	Variation Over/ (Under)	Quarter 3 Forecast Variation	Change since Q3
	£'000	£'000	£'000	£'000	£'000
Arts, Brewhouse and Functions	341	407	66	27	39
Community and Open Spaces	2,217	1,929	(288)	(249)	(39)
Corporate Management Team	497	522	25	8	17
Corporate and Commercial	883	825	(58)	(37)	(21)
Cultural Services - Marketing	128	127	(1)	0	(1)
Enforcement	(525)	(577)	(52)	(6)	(46)
Enterprise	142	103	(39)	(22)	(17)
Environment	3,107	3,221	114	99	15
Environmental Health	491	411	(80)	(35)	(45)
Financial Services	1,450	1,441	(9)	0	(9)
Housing	260	280	20	0	20
Human Resources and Payments	1,432	1,350	(82)	(53)	(29)
IT and Printing	686	544	(142)	(110)	(32)
Land Charges	(38)	(7)	31	33	(2)
Legal Services	(336)	(445)	(109)	(45)	(64)
Leisure Centres - Indoor Facilities	824	770	(54)	46	(100)
Leisure Centres - Outdoor Facilities	146	150	4	2	2
Markets	(119)	111	230	191	39
Planning	58	130	72	85	(13)
Revenue, Benefits & Customer Contacts	179	156	(23)	0	(23)
Corporate Budgets	(1,092)	(1,092)	0	0	0
Contributions to / (from) Reserves	508	508	0	0	0
Total	11,239	10,864	(375)	(66)	(309)

4.2 The budget has been revised during the course of the year to reflect transfers approved in accordance with financial regulations.

4.3 The tables at **Appendix A** summarise, by Service Division, the main variations between the 2016/17 budget and the year-end outturn.

4.4 A number of carry forward requests have been submitted for Cabinet approval and these are listed at **Appendix D**.

5 Treasury Management

- 5.1 The Council approved the Treasury Management Strategy Statement for 2016/17 on 22nd February 2017. A full annual report on the treasury management activities and performance against the strategy will be presented to the Audit Committee and full Council in June. This section provides a brief summary and update on progress against the Strategy and the Revenue Budget.

Investment Returns

- 5.2 The average rate of investment return that was assumed in the 2016/17 budget was 0.7%; this was based on the forecast average Bank of England base rate plus an ESBC return factor. The base rate has been 0.5% since 5 March 2009 and was reduced in August 2016 to 0.25%. This follows the outcome of the EU referendum and current expectations are that the base rate will not increase above 0.5% until late 2019. A comparison with other benchmarks of the rate of return on investments achieved by ESBC in the year to 31 March 2017 is shown below:

	Average Rate Year to 31/03/17
ESBC	0.50%
7 day LIBID Rate	0.21%
3 Month LIBID Rate	0.35%
Base Rate (Average)	0.33%
Budget	0.70%

**LIBID = London Inter Bank Deposit Rate

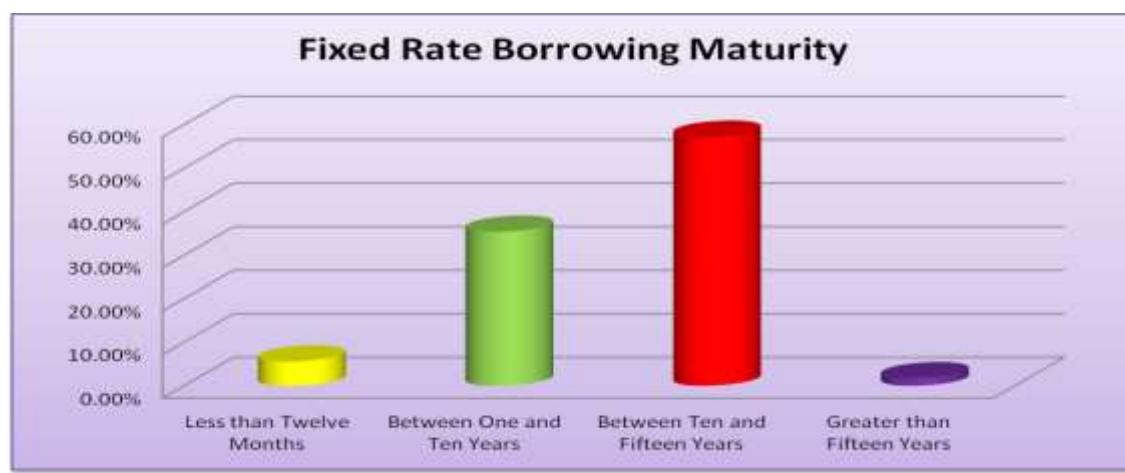
- 5.3 The ESBC average return for the year exceeds the base rate and other benchmarks. A full schedule of investments is set out in **Appendix C**.

Borrowing

- 5.4 The average rate payable on the Council's borrowing as at 31th March 2017 is 5.4% (5.4% at 31st March 2015).
- 5.5 Borrowing levels as at 31st March 2017 stood at £11.3m; this reflects an under-borrowed position, which is favourable in the current economic conditions. This is consistent with the latest Treasury Management Strategy, which provides scope for temporary internal borrowing in order to deliver savings whilst investment interest rates remain low. The table below is a summary of the debt by type, followed by a graphical demonstration of the maturity profile.

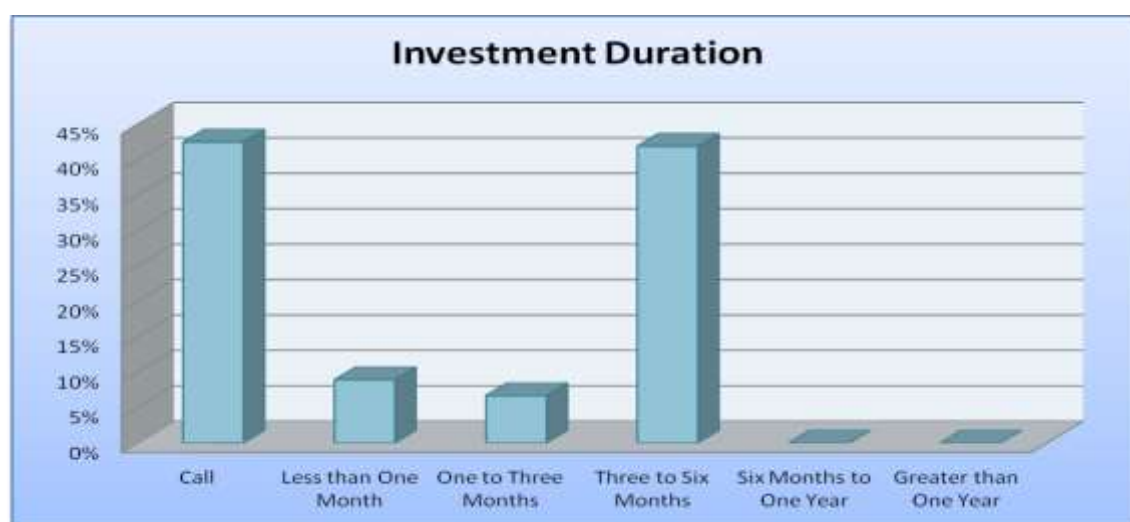
Debt Type	Principal Outstanding (£)	Average Rate
Total Fixed Debt		
PWLB Maturity	5,700,000	4.646%
PWLB Annuity	694,412	8.153%
Total Variable Debt		
Market	4,500,000	5.914%
GBSLEP Loan	375,000	
Total External Debt	11,269,412	5.394%

Actual borrowing interest was £60k lower than budgeted. As set out within previous reports, this saving has been used to reduce the need to draw down from the debt repayment reserve.



Investments

- 5.6 As at 31st March 2017 investments totalled £22.7m, a full schedule of these is set out within **Appendix C**. The following chart shows the maturity structure of the Council's Investments at 31st March 2017:



6. Capital Programme 2016/17

- 6.1 The Council's Capital Programme for 2016/17 totals £2.3m, of which £0.9m relates to projects carried forward from 2015/16. Spending on capital projects during 2016/17 amounted to £2m, a variation against programmed spend of £0.3m.
- 6.2 A detailed schedule of all projects and funding is shown at **Appendix B**. The table below provides a summary of projects and Cabinet is asked to approve the budget carried forward into 2017/18 of £0.3m:

Capital Programme 2016/17	Budget £	Spend £	C-Fwd £	Saving / (Overspend) £
Annual Projects which are Ongoing				
Neighbourhood Working Fund	220,456	172,797	30,770	16,889
Disabled Facility Grants	751,737	743,847	7,890	0
Sub Total (A)	972,193	916,644	38,660	16,889
Projects Taking Place Over Several Years				
Brownfield Sites Development (Growth Point Project)	100,000	-	100,000	-
Civic Function Suite Refurbishment	100,000	3,375	96,625	-
Brewhouse Arts Centre	94,000	40,483	53,517	-
Sub Total (B)	294,000	43,858	250,142	-
Projects Complete				
Dove Way and Pennycroft Infrastructure and Remediation Works	934,679	934,523	-	156
Shobnall Car Park and Landscaping	2,113	700	-	1,413
Uttoxeter Leisure Centre	21,500	13,566	-	7,934
Sub Total (C)	958,292	948,789	-	9,503
Projects Complete and Resourced from Revenue and other external funds				
Waste Management IT System	7,200	7,200	-	-
CCTV Cameras (LSP Funded)	30,452	30,452	-	-
Play Equipment	51,605	51,605	-	-
Sub Total (D)	89,257	89,257	-	-
Total	2,313,742	1,998,548	288,802	26,392

- 6.3 There are a number of small under-spends highlighted in the table above, which relate to projects that are complete. In addition to which, there is an under-spend of £17k in relation to the final year of the current neighbourhood working scheme (after taking into account a carry forward sum of £31k).
- 6.4 The table also highlights carry forward sums of £289k in relation to projects that are ongoing or taking place over several years, such as the works on the Civic Function Suite, the Brewhouse and also the award of grant funding for disabled facilities and Neighbourhood Working Initiatives.
- 6.5 Capital Receipts generated from asset sales during the course of the year are set out in the table below.

Capital Receipts – 2016/17	£
Uttoxeter Estates – 1st Tranche/Dividend	125,000
Sale of Small Parcel Land - Yeoman Industrial Estate	60,000
Total	185,000

7. Business Rates Retention Scheme

- 7.1 The business rates retention (BRR) scheme came into effect from 1st April 2013 and now forms a principle element of local government funding. This provides local authorities with a direct financial benefit from economic growth, but also exposure to financial risk as a consequence of both economic contraction and appeals lodged with the Valuation Office. However there is a safety net built into the scheme to ensure that no authority's income falls below at set level, for East Staffordshire this was set at £2.708m for 2016/17. Likewise there is levy payable, in our case to the Birmingham and Solihull LEP, on any business rate growth above the baseline (£2.928m), for East Staffordshire this is set at 50%.
- 7.2 The table below compares, at summary level, the draft outturn position with the budget and highlights a surplus of £0.5m. The main reasons for this surplus relates to a reduction in the provision estimated to be required in relation to outstanding appeals and also a reduction in the level of reliefs associated with empty/partially empty properties. In addition to this surplus, a levy is also payable to the Birmingham and Solihull Local Enterprise Partnership, this amounts to £0.7m. Without our membership of the GBSLEP Business Rates Pool this funding would have been payable directly to Central Government, however under locally agreed arrangements 32.5% or £0.2m is repayable back to the Council. This results in a combined surplus of £0.7m.
- 7.3 Whilst this is a positive outcome, Members are reminded that there has been significant volatility arising from the scheme and therefore it is proposed that this sum is set aside within the Business Rates Reserve in order to mitigate against the risks associated with this scheme.

DRAFT Retained Business Rates – 2016/17	Budget £000	Draft Outturn £000	Variance £000
Business Rates - ESBC Share (40%)	21,838	22,724	886
Government Compensation for extension of Small Business Rates & Relief and Autumn Statement Reliefs	582	598	16
Adjustment to spread cost of appeals	(200)	(200)	-
Less Tariff to Government	(18,835)	(18,835)	-
Pre-levy retained business rates	3,385	4,287	902
Section 31 Grant (RPI Cap)	43	56	13
Levy to GBSLEP	(228)	(675)	(447)
Post Levy Retained Business Rates	3,200	3,668	468
Returned Levy @32.5%	-	219	219
Combined Surplus	3,200	3,887	687

- 7.4 The complexities of this scheme, and the supporting legislation, mean that the various elements of the scheme are split, not only between the Council's General and Collection Funds, but also spread over financial years (2016/17 and 2018/19). The table below demonstrates this split in respect of the outturn position:

Business Rates Retention: Outturn Split	£'000
ESBC share of Business Rates Collection Fund Surplus – available in 2018/19	886
General Fund Deficit (to be met in 2016/17)	(199)
Post Levy Retained Business Rates	687

8. Risk Assessment and Management

- 8.1 The Council's risk management strategy was approved at Cabinet in September 2014. Attached at **Appendix E** to this report is a schedule of the most significant risks facing the authority, including the actions taken or being taken in order to control or mitigate these risks.
- 8.2 The most significant risks associated with the authority's financial position are set out and provided for within the Medium Term Financial Strategy.

9. Legal Considerations

This section has been approved by the following member of the Legal Team: Angela Wakefield

- 9.1 There are no direct implications arising from this report.

10. Equalities

- 10.1 Does the report involve the public, including staff, or have consequences for them?

Yes No

11. Human Rights

- 11.1 There are no Human Rights issues arising from this Report.

12. Financial Considerations

This section has been approved by the following member of the Finance Team: Lisa Turner

- 12.1 The full report sets out the financial implications for the authority of the 2016/17 Outturn. This is summarized below:

Revenue	2016/17 £'000	2017/18 £'000	2018/19 £'000
Revenue under-spend (earmarked to support future revenue savings initiatives as part of the development of the MTFS for 2018/19 onwards)	(375)		
Carry forward requests (as set out in Appendix D)	(118)	118	
Capital			
Carry forward of sums relation to ongoing projects set out in para. 6.3	(289)	289	

12.2 As set out within section 7, the draft outturn in relation to the Business Rates Retention Scheme indicates a surplus of £0.7m (including returned levy from the GBSLEP). It is proposed that this sum is set aside to mitigate the risks associated with this scheme.

13. Cabinet Recommendations

13.1 In relation to the Revenue Outturn, Cabinet is recommended to:-

- a) Note the revenue outturn position for 2016/17;
- b) Approve the carried forward requests set out in **Appendix D**;
- c) Set aside the revenue under-spend of £375k to support future initiatives to deliver ongoing savings to the revenue budget, as part of the development of the MTFS for 2018/19 onwards.

13.2 In relation to the Capital Outturn, Cabinet is recommended to:-

- a) Note the capital outturn position for 2016/17;
- b) Approve the budgets for outstanding projects from 2016/17 totaling £0.289m to be carried forward to 2017/18 (Para. 6.4);

13.3 Cabinet is also recommended to note:-

- a) The position in relation to the council's investments and borrowings as at 31st March 2017 (Section 5);
- b) The position in respect of the Council's general balances and earmarked reserves as at 31st March 2017 (Para.2.7);
- c) The draft outturn position in relation to the Business Rates Retention Scheme for 2016/17, and the subsequent set aside to reserves.
- d) The significant risks facing the authority and associated mitigations or control measures in place, as outlined within **Appendix E**.

VARIANCES AGAINST BUDGET AT OUTTURN 2016/17

Head of Service : Mark Rizk	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Arts, Brewhouse and Civic Functions			
Brewhouse and Arts Development	291	315	24
Civic Function Suite	50	92	42
Total Arts, Brewhouse and Civic Functions	341	407	66

Division	Explanation	Amount Over/ (under) £'000
Brewhouse and Arts Development	Employee costs	11
Brewhouse and Arts Development	Premises Related Costs	(9)
Brewhouse and Arts Development	Supplies and Services	6
Brewhouse and Arts Development	Dance Development Project	17
Brewhouse and Arts Development	Project Wired	(1)
Brewhouse and Arts Development	Room Rental/Other Income	(14)
Brewhouse and Arts Development	Brewhouse Cafe/Bar	14
Civic Function Suite	Bookings Income Shortfall	37
Civic Function Suite	Catering/Other Income Shortfall	10
Civic Function Suite	Premises Related Costs	(10)
Civic Function Suite	Supplies and Services	5
Total		66

Head of Service : Mark Rizk	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Community and Open Spaces			
Cemeteries	70	11	(59)
Open spaces	1,274	1,121	(153)
Partnerships	51	42	(9)
Councillors Community Fund	39	21	(18)
Horticultural Centre	83	75	(8)
Neighbourhood Working	123	94	(29)
Facilities and Health and Safety	558	551	(7)
Community Centres	19	14	(5)
Total	2,217	1,929	(288)

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Division	Explanation	Amount Over/ (under) £'000
Cemeteries	Employee Costs	(4)
Cemeteries	Grounds/Other Maintenance	(26)
Cemeteries	Burial Fees	(29)
Open Spaces	Grounds Maintenance	(66)
Open Spaces	Utilities	(14)
Open Spaces	Play Equipment Repairs	(35)
Open Spaces	Car Parks Maintenance	(16)
Open Spaces	Income - Land Rents etc.	3
Open Spaces	Employee costs	2
Open Spaces	Other Running Costs	(7)
Open Spaces	Hanging Baskets/Traffic Islands Income	(20)
Partnerships	Employee Costs - Reorganisation	(6)
Partnerships	General Grants	(2)
Councillors Community Fund	Councillors Community Fund	(18)
Horticultural Centre	Tools, Other Equipment and Events	5
Horticultural Centre	Contracted Grounds Maintenance	(6)
Horticultural Centre	Seeds, Plants and Shrubs	(12)
Horticultural Centre	Plant Sales Income	4
Neighbourhood Working	Grants	(29)
Facilities and Health and Safety	Employee Costs - Reorganisation/Vacant Posts	(36)
Facilities and Health and Safety	Premises Related Expenditure	23
Facilities and Health and Safety	Other Operational Expenditure	6
Community Centres	Premises Related Expenditure	(5)
Total		(288)

Chief Officer : Andy O'Brien	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Chief Executives	198	198	0
Heads of Service	299	324	25
CMT	497	522	25

Division	Explanation	Amount Over/ (under) £'000
Heads of Service	Employee costs	25
Total		25

Head of Service : Sal Khan	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Corporate and Commercial			
Programmes and Transformation	328	292	(36)
Committee Support	85	85	0
Elections	172	163	(9)
Emergency Planning	16	11	(5)
Members Allowances	282	274	(8)
Total Corporate and Commercial	883	825	(58)

Division	Explanation	Amount Over/ (under) £'000
Programmes and Transformation	Employee Costs	(27)
Programmes and Transformation	Various Small Savings	(2)
Programmes and Transformation	Christmas Decorations	(7)
Elections	Employee costs	7
Elections	Individual Electoral Registration Grant	(14)
Elections	Other minor changes	(2)
Emergency Planning	Car Allowances & other small savings	(5)
Members Allowances	Members Basic Allowance	(8)
Total		(58)

Head of Service : Mark Rizk	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Cultural Services - Marketing	128	127	(1)
	128	127	(1)

Division	Explanation	Amount Over/ (under) £'000
Cultural Services - Marketing	Small under-spends on running costs	(1)
Total		(1)

Chief Officer: Andy O'Brien/Mark Rizk	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Enforcement Services			
Car Parks Income	(953)	(1,000)	(47)
Licensing and Enforcement	6	(36)	(42)
Community and Civil Enforcement	276	240	(36)
Animal Control	28	16	(12)
CCTV	118	203	85
Total Enforcement	(525)	(577)	(52)

<i>Division</i>	<i>Explanation</i>	Amount Over/ (under) £'000
Car Parks Income	Bargates Business Rates	11
Car Parks Income	Net Penalty Charge Costs	(17)
Car Parks Income	Net Reduction In Other Running Costs	(5)
Car Parks Income	Fee and charge income	(36)
Licensing and Enforcement	Employee Costs	(24)
Licensing and Enforcement	Other Running Costs	4
Licensing and Enforcement	Provision for Aged debt	4
Licensing and Enforcement	Licensing Fees/ Other Fees and Charges	(26)
Community and Civil Enforcement	Employee Costs	(36)
Animal Control	Kenneling & Other Expenses	(12)
CCTV	Maintenance and Manning Contracts	93
CCTV	CCTV Contributions	9
CCTV	Other Running Costs	(2)
CCTV	Grant Income	(15)
Total		(52)

Chief Officer : Andy O'Brien	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Enterprise	142	103	(39)
Total	142	103	(39)

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<i>Division</i>	<i>Explanation</i>	<i>Amount Over/ (under) £'000</i>
Enterprise	Employee Costs	(24)
Enterprise	Running Costs	(6)
Enterprise	Grants/Contributions to other bodies	(9)
Total		(39)

Head of Service : Sal Khan	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Environment			
Council Depots	141	123	(18)
Public Conveniences	151	129	(22)
Waste Collection	1,783	2,000	217
Street Cleaning	932	885	(47)
Building Consultancy	56	44	(12)
Land Drainage	44	40	(4)
Total	3,107	3,221	114

<i>Division</i>	<i>Explanation</i>	<i>Amount Over/ (under) £'000</i>
Council Depots	Employee Costs	2
Council Depots	Additional Security and Lighting	6
Council Depots	Premises Utilities/Rates	(14)
Council Depots	Other Running Costs	(12)
Public Conveniences	Employee Costs	(2)
Public Conveniences	Vehicle Maintenance	(8)
Public Conveniences	Repairs and maintenance	(12)
Waste Collection	Employee Costs	70
Waste Collection	Vehicle hire	17
Waste Collection	Provision of Wheelie bins	27
Waste Collection	Other Running Costs	(16)
Waste Collection	Third Party Payments	(16)
Waste Collection	Recycling Income Shortfall	109
Waste Collection	Trade Refuse Income Shortfall	26
Street Cleaning	Employee Costs	(22)
Street Cleaning	Vehicle Maintenance	(4)
Street Cleaning	Refuse Removal	4
Street Cleaning	Supplies and Services	(4)

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Street Cleaning	Private Street Cleaning	(8)
Street Cleaning	Miscellaneous Income	(2)
Street Cleaning	Bulky Waste Collection	(11)
Building Consultancy	Employee Costs	(30)
Building Consultancy	Other running costs	(16)
Building Consultancy	Trading Account - Budgeted Contribution from reserves not required	11
Building Consultancy	Income Shortfall	23
Land Drainage	Employee Costs	(1)
Land Drainage	Other minor savings	(3)
Total		114

	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Head of Service : Mark Rizk			
Environmental Health			
Environmental Health	392	334	(58)
Housing Standards	99	77	(22)
Total Environmental Health	491	411	(80)

<i>Division</i>	<i>Explanation</i>	<i>Amount Over/ (under) £'000</i>
Environmental Health	Employee costs	(25)
Environmental Health	IT and Other Equipment Costs	(9)
Environmental Health	Running costs	(6)
Environmental Health	Section 50 Burials	(3)
Environmental Health	Increased fee and charge income	(15)
Housing Standards	Employee costs	(9)
Housing Standards	Car Allowances	(3)
Housing Standards	Supplies and Services	(6)
Housing Standards	Default Work	(4)
Total		(80)

	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Head of Service : Sal Khan			
Financial Services			
Capital Financing Costs	932	932	0
Financial Management Unit	365	360	(5)
Internal & External Audit	153	149	(4)
Total Financial Services	1,450	1,441	(9)

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Division	Explanation	Amount Over/ (under) £'000
Financial Management Unit	Banking, card and other miscellaneous savings	(5)
Internal & External Audit	Reduced Scale of Fees and Charges	(4)
Total		(9)

Head of Service : Sal Khan	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Housing			
Housing options	260	280	20
Total: Housing	260	280	20

Division	Explanation	Amount Over/ (under) £'000
Housing Options	Employee costs	6
Housing Options	Running Costs	(10)
Housing Options	Homeless Accommodation Costs	24
Total		20

Chief Officer : Andy O'Brien	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
HR and Payroll	452	383	(69)
Pension Payments	980	967	(13)
Human Resources and Payments	1,432	1,350	(82)

Division	Explanation	Amount Over/ (under) £'000
HR and Payroll	Employee Costs	(33)
HR and Payroll	Recruitment Expenses	(10)
HR and Payroll	Professional Support	(5)
HR and Payroll	Medical Expenses	(5)
HR and Payroll	Corporate Training	(16)
Pension Payments	Superannuation Payments	(13)
Total		(82)

APPENDIX A

Head of Service : Sal Khan	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
IT and Printing			
Central Reprographics and Administration	178	171	(7)
Computer Services	508	373	(135)
Total ICT and Printing	686	544	(142)

Division	Explanation	Amount Over/ (under) £'000
Central Reprographics and Administration	Hire of Equipment	(18)
Central Reprographics and Administration	Printing/Stationery and other Supplies and Services	11
Computer Services	Employee Costs - Vacant Post	(34)
Computer Services	ICT Procurement Savings	(78)
Computer Services	IEG Contribution	(23)
Total		(142)

Head of Service : Sal Khan	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Land Charges	(38)	(7)	31
Total	(38)	(7)	31

Division	Explanation	Amount Over/ (under) £'000
Land charges	Small Savings	(2)
Land charges	Fees and Charge Income shortfall	33
Total		31

Chief Officer: Andy O'Brien	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Legal Services			
Legal	220	159	(61)
Mayoral Support and Civic Ceremonials	82	63	(19)
Industrial Units	(584)	(581)	3
Assets and Estates Management	(54)	(86)	(32)
Total Legal Services	(336)	(445)	(109)

APPENDIX A

<i>Division</i>	<i>Explanation</i>	<i>Amount Over/ (under) £'000</i>
Legal	Employee Costs	(33)
Legal	Supplies and Services	(9)
Legal	Professional support	19
Legal	Legal Fees Recovered	(38)
Mayoral Support and Civic Ceremonials	Employee Costs	(12)
Mayoral Support and Civic Ceremonials	Mayoral Allowances	(5)
Mayoral Support and Civic Ceremonials	Public/Civic Function Expenses	(2)
Industrial Units	Business Rates on long term vacant buildings	10
Industrial Units	Rents	(21)
Industrial Units	Provision for Aged Debts	(16)
Industrial Units	Rental Income	30
Assets and Estates Management	Employee Costs	(21)
Assets and Estates Management	Professional support	3
Assets and Estates Management	Statutes Fair preparation	(6)
Assets and Estates Management	Branston Golf Course Rents	(8)
Total		(109)

Head of Service : Mark Rizk	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Leisure Centres - Indoor Facilities			
Leisure Centres - Indoor Facilities	625	572	(53)
Health and Leisure Grants	12	12	0
Active East Staffs	187	186	(1)
Total Leisure Centres - Indoor Facilities	824	770	(54)

Division	Explanation	Amount Over/ (under) £'000
Leisure Centres - Indoor Facilities	Employee Costs	79
Leisure Centres - Indoor Facilities	Premises Related Costs	(83)
Leisure Centres - Indoor Facilities	Transport Related Expenditure	9
Leisure Centres - Indoor Facilities	Supplies and Services	(10)
Leisure Centres - Indoor Facilities	MLC/ULC Catering	(3)
Leisure Centres - Indoor Facilities	Income From Fees and Charges - MLC	(45)
Active East Staffs	Employee Costs	25

APPENDIX A

Active East Staffs	Premises Related Costs	2
Active East Staffs	Supplies and Services	(9)
Active East Staffs	Income From Fees and Charges	(19)
Total		(54)

	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Head of Service : Mark Rizk			
Leisure Centres - Outdoor Facilities			
Leisure Centres - Outdoor Facilities	146	150	4
	146	150	4

Division	Explanation	Amount Over/ (under) £'000
Leisure Centres - Outdoor Facilities	Income - Shobnall Leisure centre	34
Leisure Centres - Outdoor Facilities	Employee costs	0
Leisure Centres - Outdoor Facilities	Premises Related Costs	(12)
Leisure Centres - Outdoor Facilities	Supplies and Services	(7)
Leisure Centres - Outdoor Facilities	Uttoxeter Synthetic Pitch	(7)
Leisure Centres - Outdoor Facilities	Catering Supplies	(12)
Leisure Centres - Outdoor Facilities	Catering Income	8
Total		4

	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Head of Service : Mark Rizk			
Markets	(119)	111	230
	(119)	111	230

Division	Explanation	Amount Over/ (under) £'000
Markets	Income Shortfall	164
Markets	Other Running Costs	66
Total		230

	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
Head of Service : Sal Khan			
Planning			
Planning Policy	195	132	(63)
Planning Delivery	(137)	(2)	135
Total	58	130	72

APPENDIX A

Division	Explanation	Amount Over/ (under) £'000
Planning Policy	Employee costs	(39)
Planning Policy	Professional fees	(24)
Planning Delivery	Employee costs	60
Planning Delivery	Professional fees	(24)
Planning Delivery	Planning fee and charge income shortfall	99
Total		72

Head of Service : Sal Khan	Budget (£000's)	Outturn (£000's)	Actual Variance (£000's)
SCC - Revenues, Benefits and Customer Contacts			
Revenues	(54)	(59)	(5)
Benefits and Professional Services	(208)	(233)	(25)
Customer Contacts	441	448	7
Total	179	156	(23)

Division	Explanation	Amount Over/ (under) £'000
Revenues	Postages and printing	(20)
Revenues	Software and System Development	8
Revenues	Other Running Costs	7
Benefits and Professional Services	Postages and Printing	(9)
	Software and System Development	(7)
	Universal Credit Support -Partnership with Citizens Advice	36
	Universal Credit -Additional Processing Time	9
	Universal Credit DWP Income	(45)
	Grant and Other Income	(9)
Customer Contacts	Manning Emergency Rota	4
Customer Contacts	Shopmobility - Staffing and other expenses	4
Customer Contacts	Savings on Other Running Costs	(1)
Total		(23)

SUMMARY OF CAPITAL EXPENDITURE AGAINST PROGRAMME 2016-17

Appendix B

Description	Brought Forward 2015/16		2016/17		Total Budget	Spend 2016/17	Variation	Carry forward to 2017/18		Completed / Ongoing & Comments
	ESBC	Other Funding	ESBC	Other Funding				ESBC	Other Funding	
	£	£	£	£				£	£	
Neighbourhood working Fund	105,456		100,000	15,000	220,456	172,796.83	(47,659)	30,770		Ongoing
Disabled Facility Grants		28,582		723,155	751,737	743,847.06	(7,890)		7,890	Ongoing
Brownfield Sites Development (Growth Point Project)		100,000			100,000	0.00	(100,000)		100,000	Ongoing
Civic Function Suite Refurbishment	100,000				100,000	3,375.00	(96,625)	96,625		Ongoing
Dove Way and Pennycroft, Uttoxeter		520,679	414,000		934,679	934,523.07	(156)			Awaiting final account
Uttoxeter Leisure Centre	21,500				21,500	13,566.40	(7,934)			Complete
Waste Management IT System				7,200	7,200	7,200.00	0			Complete
Shobnall Car Park and Landscaping		2,113			2,113	700.00	(1,413)			Complete
Brewhouse Arts Centre			94,000		94,000	40,483.00	(53,517)	53,517		Ongoing
CCTV Cameras (LSP Funded)				30,452	30,452	30,452.00	0			Complete
Play Equipment - Canterbury Road, Winshill			8,000	10,000	18,000	18,000.00	0			Complete
Play Equipment - Oak Road, Barton			5,305	10,000	15,305	15,305.15	0			Complete
Play Equipment - Edgehill Park, Stapenhill			9,150	9,150	18,300	18,300.00	0			Complete
	226,956	651,374	630,455	804,957	2,313,742	1,998,548.51	315,194	180,912	107,890	
	2,313,742							288,802		

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date
Call Accounts and Money Market Funds				
RBS SIBA	78,268	0.10%		Call
Standard Life MMF	4,000,000	0.23%		Call
Insight MMF	4,000,000	0.24%		Call
Federated MMF	1,450,000	0.23%		Call
Santander	3,500,000	0.65%		95 day notice
Fixed Deposits:				
Barclays	3,398,706	0.41%	21/02/2017	22/08/2017
BOS	1,500,000	0.55%	31/03/2017	29/09/2017
BOS	500,000	0.60%	04/05/2017	04/05/2017
BOS	500,000	0.65%	06/10/2016	06/04/2017
Lloyds TSB	1,000,000	0.60%	01/02/2017	01/08/2017
Lloyds TSB	1,500,000	0.65%	04/10/2016	04/04/2017
Lloyds TSB	1,000,000	0.60%	01/12/2016	01/06/2017

*a forward deal of £3m was placed with RBS on 29th March 2017 for settlement on 3rd April 2017 at a rate of 0.73% and maturity on 27th March 2018.

Borrower - Icelandic Exposure	Principal (£)	Interest Rate	Start Date	Maturity Date
Singer	315,000	5.41%		08/10/2008

Investments rate of interest as at 31 March 2016	Principal (£)	Interest Rate
Total Investments	22,741,974	
Total Investments - Excluding Icelandic Exposure	22,426,974	0.42%
Total Investments - Icelandic Exposure Only	315,000	5.41%

Average rate of interest	Principal (£)	Interest Rate
Total Investments	29,689,281	
Total Investments - Excluding Icelandic Exposure	29,374,281	0.50%
Total Investments - Icelandic Exposure Only	315,000	5.41%

**REVENUE BUDGET
CARRY FORWARD REQUESTS
2016/17 OUTTURN**

The following requests have been made by Heads of Service and Budget Managers for approval:-

Service	Amount £	Request
Enforcement Services	65,790	New CCTV Contract – Outstanding works associated one-off costs of transition, as set out within earlier briefings and Executive Decision Record (June 2016)
Community, Open Spaces and Facilities	44,500	Office Accommodation Project – Professional Fees
Community, Open Spaces and Facilities	6,000	Neighbourhood Working Fund – Shobnall Calisthenics Project (already approved).
Revenues, Benefits and Customer Contacts	2,000	Customer Services – 10 Year Anniversary Redecoration
Total	118,290	

Corporate Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Business Rates Retention Scheme	Business Rate Retention Scheme. Impact of scheme on funding, including scale of reliefs/appeals, the forthcoming revaluation, and the transition to 100% retained by the LA sector.	Regular in year monitoring of the scheme Keeping abreast of latest developments with Business Rates Retention and feeding into the consultations. Robust MTFS to provide provision for financial resilience to changes in scheme.	3	4	15	31/03/2017
Central Government Funding	Uncertainty surrounding future government funding, including the impact of the business rates revaluation, New Homes Bonus Consultation and needs assessment review.	Robust MTFS with flexibility to respond to changes in government proposals Keep abreast of developments and pro-actively responding to consultations.	3	4	15	31/03/2017
Child Sexual Exploitation	Failure to identify instances of child sexual exploitation in relation to council services	Cross county partner working Internal manager awareness training	1	4	10	
Financial : Pension Scheme	Increasing pension liabilities result in the need to increase employer contributions above those assumed within the MTFS	Realistic provision within MTFS for cost and changes Overall robustness of MTFS to enable some resilience to increases	2	4	13	31/03/2017
Litigation - General	Failure to comply with the law on a range of services	Managers/Heads of service, with Legal support, keep abreast of new and changed law Monitoring Officer role to oversee legal compliance	2	4	13	31/03/2017
MTFS: Budget Assumptions	Assumptions made in the MTFS in relation to inflation, interest rates, pay awards etc. have a negative impact on financial	Robust MTFS provides some degree of resilience to financial shocks Budgeting based on prudent forecasts	2	4	13	31/03/2017
Brexit	Consequences of decision to exit the EU has a negative impact. (Economic consequences impacting on resources, both central and local, additional strain on pension fund, value of council assets etc)	Monitoring of Economic conditions / external forecasts Prudent and Robust rolling MTFS	2	4	13	31/03/2017
Unforeseen Environmental Impacts	Floods, fire, chemical, major disaster, terrorism	Major Incident/Emergency Plan Test exercises ensure readiness for incidents Internal resource and support from CSU County wide preventing violent extremism working group	1	4	10	31/03/2017

Corporate Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
ICT Security	Unintentional or intentional introduction of malware, resulting impacts on normal service delivery and/or breach of data protection, via: 1) Prevention of access to systems or data 2) Physical destruction of hardware 3) Data Exposure or leaks 4) Data alteration	ICT Security Policy Access controls and permissions within system applications Protective defences such as antivirus Perimeter protection with hardware firewalls Regular patching Access controls and permissions within system applications Prevention of access to unnecessary physical facilities e.g. CD drives and USB	2	4	13	31/03/2017
Wider Public Sector Funding Reductions	Impact on the Council of the wider public/voluntary sector funding reductions	Robust MTFS generally provides some financial resilience to respond to changes Senior level discussions may mitigate or prevent such cost shunts	3	3	12	31/03/2017

Strategic Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
A fear of not being able to influence the GBSLEP	Failure to be adequately represented and therefore limited ability to influence. Opportunity risk of not maximising potential benefits from working within the GBSLEP.	Senior officers (CE and Heads of service) heavily involved in working with the LEP to <u>represent Council's interests</u> One member (Council) one vote, provides Council with a strong voice	1	4	10	31/03/2017
Business Continuity	Failure to have effective plans in place	Approach to business continuity revised during 2016, new streamlined and "fit for purpose" approach adopted, which focuses on key risks areas. Approved, up to date BC policy in place.	1	4	10	31/03/2017
Combined Authority	Potential opportunity risk of not maximising any benefits from joining a combined authority	Opportunities being constantly reviewed and monitored by the executive	1	4	10	31/03/2017
Communication	Lack of community engagement and failure to take into account residents views in the decision making process	Consultation strategy in force	2	2	5	31/03/2017
Corporate Plan	Failure to deliver corporate plan objectives	Corporate Plan is adopted at full council and refreshed at full council annually. The CP is established with COs and DLs working together to realign political manifesto into a series of objectives and SMART targets. Performance of the CP is formally reported on a quarterly basis through Cabinet and all political groups as well as through three quarterly scrutiny boards. Any slippage is identified at an early stage and preventative and/or corrective actions are taken as necessary. At Quarter 2, performance against the current corporate plan was running at 99% of targets forecast to be	1	4	10	31/03/2017
Council Tax Reduction Scheme	Failure to adopt a scheme that is fit for purpose	Scheme suitably approved and adopted; budget set based on forecasts and reviewed; CTR correctly applied per scheme	1	3	6	31/03/2017

Strategic Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Health & Safety	Failure to deliver/comply with H&S policy/strategy	The strategy/policy is adopted following consultation with all relevant internal stakeholders and approved by the Leader H&S team advises, educates and reviews risk assessments etc and has direct reporting access to Chief Executive Incident/accident reporting process in place.	1	4	10	31/03/2017
Local Plan Implications	Monitoring of the local plan and maintenance of a five year land supply	Regular monitoring /compliance Planning decisions complying with approved plan/existing planning law/policy. Education of members on importance of decisions complying with policy	2	4	13	31/03/2017
Managing Change	Ineffective change management resulting in a reduction in the quality of services	Workforce Planning Strategy in place Effective track record of performance management - via Corporate Plan, Service Planning, Staff Performance Appraisals Effective Communications - Corporate Management Team, Managers Forum, Team Meetings, Staff 1-1s, Staff Briefings.	2	2	5	31/03/2017
Medium Term Financial Strategy	Failure to adopt and implement an effective and robust MTFS impacting on the Council's ability of the Council to meet its objectives.	The MTFS is established with COs and DLs working together to realign political manifesto into a series of objectives and financial targets. The MTFS is adopted at full council and refreshed at full council annually. Performance of the MTFS is formally reported on a quarterly basis through Cabinet and all political groups as well. Any slippage is identified at an early stage and preventative and/or corrective actions are taken as necessary.	1	4	10	31/03/2017
Member Training/Awareness	Lack of awareness/understanding of key responsibilities.	Constitution Member induction programme, member training and regular briefings. Open door policy with Heads of service; discussions/briefings with officers.	2	2	5	31/03/2017

Strategic Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Planning Appeals	Appeals against planning decisions arising from failure to take into account professional and legal advice leading to financial loss from cost of appeal and potentially new homes bonus.	Member training Financial provision/contingency to meet potential costs of appeals Legal advice at committee	3	4	15	31/03/2017
Treasury Management Strategy	An ineffective TM Strategy does not protect the Council adequately against the risks associated with this activity resulting in potential significant financial loss and possible reputational damage.	The TMS reflects statutory and non-statutory guidance and is adopted at full council annually. Performance of the TMS is formally reported on a quarterly basis through the Financial Outturn report to Cabinet and all political groups as well as through the Audit Committee. Mid year performance and Outturn is formally reported through to full council. Regular staff and member training The appointment of professional treasury management advisors	1	4	10	31/03/2017