

Taunton Deane Borough Council

Executive – 3 December 2015

Financial Monitoring – Quarter 2 2015/2016

Report of the Finance Manager

(This matter is the responsibility of Executive Councillor Richard Parrish)

IMPORTANT NOTE –

In order for this performance information to be debated in the most efficient manner at the Executive Committee, we would encourage Members who have queries with any aspect of the report to contact the appropriate officer(s) named (at the end of the report) **before the meeting** so that information can be collated in advance or relevant officers can be invited to the meeting.

1. Executive Summary

This report provides an update on the projected outturn financial position of the Council for the financial year 2015/16 (as at 30 September 2015).

Monitoring the budget is an important part of the Council's performance management framework.

The overall financial position of the Council remains within 1.0% of the approved budget.

The current forecast outturn for the financial year 2015/16 is as follows:

- the General Fund Revenue Account is forecasting underspend of £0.186m
- the Housing Revenue Account (HRA) is forecasting overspend of £0.102m

The current capital forecast position for 2015/16 is as follows:

- the General Fund Capital Account is forecasting spend of £8.412m with £4.126m to be spent in future years.
- the HRA Capital Account is forecasting spend of £16.621m with £6.838m to be spent in future years.

Also included within this report is a request to recommend a transfer of £250k from HRA general reserves for a large scale stock survey.

2. 2015/16 Financial Position – Quarter 2 Update (to 30th September 2015)

Introduction

- 2.1 This section of the report provides an early indication of the potential variances that could be reported at the end of the financial year 2015/16.
- 2.2 Members will be aware from previous experience that the position can change between ‘in year’ projections and the final outturn position, mainly due to demand-led services. The budget monitoring process involves a detailed review of all budgets. Budget Holders, with support and advice from their accountants, regularly review the position and update their forecasts based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that some unforeseen changes could influence the position at the year end, and a number of risks and uncertainties are highlighted within this report. However, the following forecast is considered to be reasonable based on current information. As we are in the second quarter of the year, which can produce some volatility in financial projections, we will continue to monitor this closely through this reporting cycle and provide updates to forecasts for both Corporate Scrutiny and Executive.

General Fund Revenue Account – 2015/16 Forecast Outturn

- 2.3 The overall financial position of the Council is that the General Fund outturn position is currently projected as a net underspend of £0.186m which is 1% below budget.
- 2.4 A summary of the General Fund Revenue Account budget and forecast for the year is included in **Annex A**.
- 2.5 At Q2 the main variances to budget are:

TDBC Assets Income - This service is reporting an underachievement of income against budget of approximately £0.132m, mainly due to vacant units at Blackdown Business Park, the Auction House and Flook House.

Car Parking: This service is reporting an underspend against budget of £0.164m. This is mainly due to additional car parking income (£0.096m) and savings achieved in electricity charges, contract cleaning and parking contract payments (£0.068m).

Deane Helpline: This service is reporting an underspend against budget of £0.040m. This is due to delays in recruitment in respect of an ongoing structure review (£0.026m) and the winning of a large corporate contract (£0.014m).

Rent Rebates: This service is reporting an underspend on budget of £0.114m. This is a demand led service and the underspend represents less than 1% of the annual expenditure. It is being requested as part of this report that £0.100m is transferred into an earmarked Benefits smoothing reserve to mitigate against the effects of changes in the funding of the Pathway for Adults (P4A) service in 2016/17. The expectation is that the County Council will reduce its funding for P4A, caused by funding pressures. This is

likely to lead to increased housing benefit costs to TDBC. Officers are working with TAH to mitigate potential costs.

General Fund - Risk and Uncertainty

- 2.6 Budgets and forecasts are based on known information and the best estimates of the Council's future spending and income. Income and expenditure over the 2015/16 financial year is estimated by budget holders and then reported through the budget monitoring process. During this process risks and uncertainties are identified which could impact on the financial projections, but for which the likelihood, and/or amount are uncertain.
- 2.7 The following risks and uncertainties have been identified through the Q2 process:
- 2.7.1 **Fluctuation in demand for services:** We operate a number of demand-led services and the levels of demand do not always follow a recognisable trend. We therefore have to caveat the forecasts in these areas to account for fluctuations.
- 2.7.2 **General Spend:** It is conceivable by experience that, whilst budget holders are optimistic that they will spend all of their budget, we could see underspends of £0.050m-£0.100m by year end caused by minor underspends in a number of service areas.
- 2.7.3 **Business Rates:** The Business Rates Retention system was introduced in April 2013, and results in the Council sharing in the benefits and risks around business rates growth within the district. A significant risk within the system relates to appeals and refunds, and this has been proven to be a major factor for Taunton Deane Borough Council through the reduction in yield – and significant provision for refunds – in respect of sharp increase in appeals lodged by businesses in 2014/15 but yet to be settled. The income is currently projected to be on budget, however this will continue to be monitored as this can be volatile.
- 2.7.4 **Year End Adjustments:** Certain items are not determined or finalised until the financial year end. For example the final assessment of provisions required for bad debts, and final allocations of support service recharges. These can result in potentially significant differences to current forecasts.
- 2.8 The Council carries protection against risk and uncertainty in a number of ways, such as insurances and maintaining reserves. This is a prudent approach and helps to mitigate unforeseen pressures.

General Fund Reserves

- 2.9 The General Fund reserve balance at the start of the year was £2.109m. The 2015/16 Budget includes a one-off transfer of £0.105m, and the Council also approved an allocation of £0.222m to the Business Rates Smoothing Reserve through the 2014/15 Outturn report in July 2015. The Council received New Burdens grant amounting to £0.081m for property searches in November 2015. The Government provides New

Burdens grant to expenditure that is new to councils. The Council had set aside from revenue £0.101m for the repayment of personal searches and the Government have already paid an interim grant to help mitigate the cost. This sum, if approved as part of this report is to be transferred to the General Fund reserve to offset the sum set aside. This would take the current budgeted balance to £1.863m as at 31 March 2016. If the current outturn forecast remains accurate and the Council takes no corrective action in the year, the potential underspend of £0.186m would also be transferred to this reserve, increasing the projected balance to £2.049m at the end of the financial year (see **Annex C**). This remains above the current minimum balance of £1.500m required in the Council's financial strategy.

Forecast Outturn Summary – Housing Revenue Account

- 2.10 The current forecast outturn for the Council's Housing Revenue Account (HRA) is overspend of £0.102m (0.4% of budget). A summary of the HRA revenue budget and forecast for the year is included in **Annex D**.
- 2.11 The major underspends and overspends forecast for year are summarised as follows:
- 2.12 **Rental Income:** Weekly rental income is currently due to over-recover by £0.138m based on rents in Q2. Rent loss due to void properties is currently approximately 0.7%, less than the 1.9% budgeted. However this is subject to change throughout the year as void levels vary and ongoing Right to Buy sales impact on the rental income received.
- 2.13 **Other Income:** Service charges and charges to leaseholders are also due to over recover by £0.017m and £0.019m respectively. There is also a higher than budgeted contribution for Supporting People of £0.019m due to agreements made after budget setting.
- 2.14 **Housing Management:** Currently there are 10 surveyor vacancies which are being covered by agency staff pending recruitment. This is expected to create a pressure of £0.307m in this area as the vacancies are proving difficult to fill.
- 2.15 **Specialist Works:** Spend on specialist works, largely asbestos testing, is currently expected to exceed budget by £0.098m.
- 2.16 **Responsive Works:** The pressure of £0.155m is due to General Maintenance.
- 2.17 **Voids:** Overall costs on voids is expected to be £0.073m less than budget. The budget is based on 600 voids per annum, with actual voids expected to be 550.
- 2.18 **Communal Areas:** Spend on communal areas for dwellings is forecast to be over budget by £0.180m at outturn. The total budget for general maintenance is £2.098m and communal areas are funded from this budget. This is to be monitored throughout the year.
- 2.19 **Procurement Savings:** Prudent budgeting for procurement savings is likely to result in an underspend.

- 2.20 **Interest Payable:** Due to healthy reserves, external borrowing is not yet needed for the new development schemes, such as Creechbarrow Road. This has reduced the interest payable in 2015/16.
- 2.21 **Provision for Bad Debt:** Provision has been made in the Business Plan for an increased level of unrecoverable debt due to Welfare Reform. Universal Credit has not yet been fully rolled out across the borough, and with only a small number of tenants currently affected it is unlikely that this funding will be needed within this financial year. It is, however, recognised that Welfare Reform is likely to affect the position of the HRA over a longer period than has been allowed for in the Business Plan (with increased provision due to return to 'base' levels in Q4 of 2016/17). In light of this, further work will be undertaken to review the current expected levels of bad debt for this year, with a request that the remainder of the funding to be put in an Earmarked Reserve. This would be used in future years to prevent large movements in bad debt affecting the bottom line of the HRA.

HRA - Risk and Uncertainty

- 2.22 As with the General Fund, budgets and forecasts are based on known information and the best estimates of the Council's future spending and income. Income and expenditure over the financial year 2015/16 is estimated by budget holders and then reported through the budget monitoring process. During this process risks and uncertainties are identified which could impact financial projections, but for which the likelihood and/or amount are uncertain.
- 2.23 The following risks have been identified through the Q2 process:
- 2.23.1 **Rental Income:** As stated above, rental income fluctuates due to Voids and Right to Buy, as well as new acquired or built properties becoming tenanted and therefore providing rental income to support the costs of the service.
- 2.24 The Council carries protection against risk and uncertainty in a number of ways, such as insurances and maintaining reserves.

Housing Revenue Account Reserves

- 2.25 The HRA reserves ("working balance"), at the start of the year were £3.484m, and the Council approved an allocation of £0.776m for a number of initiatives and investment in services through the 2014/15 Outturn report in July 2015. This reduces the current budgeted balance to £2.708m, and is forecast to be £2.606m at the end of the current financial year (see **Annex F**) based on current projected outturn. This is above the minimum recommended reserve level of £1.800m.

Budget Changes

- 2.26 There are no new requested "Supplementary Estimates and Returns" in the General Fund included in this report (see **Annex G**).

2.27 **Stock Condition Surveys - £250k**

- 2.28 As part of the ongoing HRA Business Plan Review, a large piece of work is underway to look at the investment needed in our homes over the next 30 years. However, this has identified that further work is needed to update our current stock condition data.
- 2.29 Stock condition data, is information held against each dwelling relating to when each individual building component will need to be replaced, and the corresponding estimated costs of replacing each component as required. This information allows TDBC to not only identify future plans of work, but crucially to inform the business plan of levels of investment required over the short and long term (up to 30 years).
- 2.30 In addition to this, TDBC are undertaking a piece of wider asset management work, to identify the overall performance of groups of properties to ensure they are worth investing in or whether alternative solutions should be sought.
- 2.31 Over the last 5 years some stock condition data has been updated when work has been undertaken, however there have been no proactive surveys. This has led to some information being updated, for instance when a kitchen has been installed, but not all records, and not enough to give confidence in the data.
- 2.32 In order to identify the future works needed, which in turn will inform the Business Plan Review, we need to fully reflect the condition of the stock in our stock condition data.
- 2.33 This will not only give a true indication of works needed across the 30 years of the Business Plan, but will also allow informed decisions to be made regarding asset management. This will include the sale of housing in accordance with the sale of high value housing, as included in the Housing and Planning Bill.
- 2.34 Having considered the possible option of undertaking a desktop exercise, in an attempt to rectify the issues within the database, we have concluded that this will be extremely time consuming and resource intensive with a low probability of reaching a successful outcome. Consequently we recommend to commission a new stock condition survey of the housing stock.
- 2.35 Ideally a full survey would be undertaken. However this is likely to be time and cost prohibited, consequently it is recommended that a 50% survey (approximately 2,900 inspections) is undertaken.
- 2.36 The cost of commissioning this number of surveys, along with fully updating our system to ensure that it is fit for purpose, is expected to be in the region of £250k.
- 2.37 It is therefore requested that a supplementary estimate of £250k is added to the 2015/16 budget, funded from general reserves.
- 2.38 This will reduce the HRA general reserves balance to £2.458m, with a forecast of £2.356m at the end of the financial year. This is comfortably above the minimum

recommended balance of £1.800m.

Deane DLO Trading Account

- 2.39 At Q2 the DLO is not forecasting an over/underspend/over recovery after contributing £0.101m to the General Fund. Any surplus will be transferred to the DLO trading reserve. Due to the complexities and significant monies involved in the DLO operation, the year-end outturn forecast is a best estimate at this point in time. This forecast outturn needs to be flagged as a risk and will be continually monitored.
- 2.40 The Trading Account Reserves Position balance brought forward of £0.679m (see **Annex H**) relates to a retained trading surplus of £0.314m, plus capital reserves set aside to support investment in the service: £0.025m for fuel tanks; and £0.340m to fund vehicle replacement.
- 2.41 As agreed within the transformation plan, continuous improvement of DLO services will enhance all aspects of operational efficiency and effectiveness.
- 2.42 A Trading Account Summary and Reserves Position Statement for the DLO are included in **Annex H**. The trading account reserves are reported as part of the General Fund Earmarked Reserves balance.

Deane Helpline Trading Account

- 2.43 The Deane Helpline is currently underspent on budget, forecasting a year end outturn net deficit of £0.040m.
- 2.44 There are no funds held in the Deane Helpline Trading Account Reserve.
- 2.45 The fundamental service review of Deane Helpline to address the costs to the General Fund of operating the service is ongoing, and various options are being explored.

Forecast Outturn Summary – General Fund Capital Programme

- 2.46 The General Fund approved Capital Programme is currently £12.543m. This relates to schemes which will be completed over the next five years. Of this, Budget Holders are projecting that £8.412m is planned to be spent during 2015/16 with £4.126m due to be spent in future years. The Council is supporting this investment through the use of Capital Grants and Contributions, Capital Receipts, Revenue Funding and Borrowing.
- 2.47 The major areas of capital spend planned for 2015/16 include £0.700m for the loan to Somerset County Cricket Club, £0.472m of Disabled Facility Grants, £0.315m for DLO vehicles and plant acquisition, £0.430m of grant support for private and social sector housing and £5.252m for Blackbrook Swimming Pool.
- 2.48 Of the £4.126m due to be spent in future years £0.860m relates to the JMASS IT Project, £0.335m to Crematorium Chapel Roof, £800k investment in employment land in Taunton, £1.027m to Firepool Access, £0.493m Car Park Major Repairs, £0.231m

grant support for private and social sector housing, £0.375m Creech Castle Improvements.

- 2.49 A summary of the General Fund Capital Programme budget and forecast for the year is included in **Annex I**.

Forecast Outturn Summary – Housing Revenue Account Capital Programme

- 2.50 The approved HRA capital programme is £23.459m, of which £12.927m relates to works on existing dwellings and £10.532m for the provision of new housing through development.
- 2.51 £9.202m of the capital budget in the HRA relates to major works on existing dwellings and includes works such as kitchens, bathrooms, heating systems, roofs, doors and windows. Contracts are now in place for kitchens and bathrooms replacement, air source heat pump installations and door entry systems. Contracts for the replacement of heating systems and fascia and soffits are due to start within the next quarter. Due to delays in the start of these contracts, £2.506m of the budget will be re-profiled into future years to cover the work to be completed by the contractors. The profiling of capital spend will be looked at in more detail as part of the Business Plan Review later in the year. Actual spend at Q2 is £1.276m. This is lower than would be expected at this point largely due to invoicing in arrears and some contracts starting mid-year.
- 2.52 £2.216m relates to other works such as disabled facilities adaptations, asbestos removal, external wall insulations and extensions. This is expected to be largely on track, although £0.192m expenditure relating to environmental improvements (used, for example, for scooter stores and additional car parking spaces), and extensions may slip into 2016/17. This is due to the large lead in times required for new schemes. The IT Development Budget is also likely to slip by £0.207m.
- 2.53 £1.509m relates to the new budget for adding solar PV systems to dwellings. This is currently underway and is close to completion.
- 2.54 The remaining budget of £10.532m is for the provision of new housing through the Creechbarrow Road, Phase 1 sites and Weavers Arms new builds and the buyback of dwellings previously sold through Right to Buy. These are currently expected to complete within budget, with Phase 1 sites pending final completion and Creechbarrow Road set to complete in 2016/17. £1.262m of the £4.862m of the remaining budget is to be re-profiled. Weavers Arms, Oaken Ground is still in the early stages of development and will not complete during 2015/16. As such £2.671m of the Weavers Arms budget is not expected to be used in 2015/16 and is to be re-profiled into later years.
- 2.55 A summary of the HRA Capital Programme budget and forecast for the year is included in **Annex I**.

3. Legal Comments

3.1 There are no legal implications associated with this report.

4. Links to Corporate Aims

4.1 The financial performance of the Council underpins the delivery of corporate priorities and therefore all Corporate Aims.

5. Environmental and Community Safety Implications

5.1 None for the purpose of this report.

6. Equalities Impact

6.1 None for the purpose of this report.

7. Risk Management

7.1 Financial controls are operated throughout the year to manage financial risks, which are subject to review through internal and external audit, as well as through reporting to the Corporate Governance Committee.

8. Partnership Implications

8.1 A wide range of council services are provided through partnership arrangements e.g. Tone Leisure for leisure services. The cost of these services is reflected in the Council's financial outturn position for the year.

9. Corporate Scrutiny Committee Comments

9.1 Clarification was sought and provided in relation to the new burdens grant received. The Government had issued additional funding that had not been expected when setting the original budget. Therefore it was being proposed for this sum to be transferred back to General Reserves helping to offset the sum originally set aside from revenue for the repayment of personal searches.

9.2 Members raised a question around the predicted spend of £0.307m in relation to the use of agency staff spend due to surveyor vacancies. It was reported that it was proving difficult to recruit to fill the existing vacancies, leading to temporary agency staff having to be employed.

9.3 P4A Funding. Reductions in funding from SCC to Taunton Association for the Homeless (TA) in respect of supported accommodation for vulnerable homeless people may place a pressure on TDBC's HB costs. Indications are that SCC will continue to provide some funding but at reduced level, and TDBC officers are working with TAH to review costs and affordability. A cost pressure has been reflected in the Council's draft budget estimates for 2016/17. Members queried whether the reduction

of SCC funding would have a disproportionate effect on Taunton as it's a County town. The response provided is that the effect may be varied but will impact the whole County.

- 9.4 Cricket Club Loan. Clarification was sought about the amount of Loan included in the Capital budget. Members were advised that £0.300m had been drawn down in 2014/15 with the remaining £0.700m issued in the current financial year.
- 9.5 Annex H – DLO Trading Account. Clarification was requested in relation to the Net Recharges figure of £0.775m and the Offset IFRS Technical Accounting Adjustments figure of £0.246m. The £0.775m is in respect of a support service charge (Finance, IT, etc.) to the DLO and the £246k is in respect of employer pension costs that the Authority has to account for under accounting regulations.
- 9.7 Car Park Improvements (Capital). Clarification was sought in relation to the 2015/16 current budget figure of £0.239m. It was stated that this consisted of the 2015/16 original budget of £0.126m, carried forward budget at the year end from 2014/15 of £0.042m. In addition this includes £0.071m 'profiled' budget – this effectively represents an element of the previous year's budget approval that was planned to be spent in 2015/16 (as capital project costs often span more than one financial year).

10. Recommendations

- 10.1 It is recommended that the Executive note the Council's financial performance as at the end of Quarter 2.
- 10.2 Executive recommends that Full Council approves the request to transfer the £0.081m New Burdens Grant income on Property Searches to the General Reserve.
- 10.3 Executive is recommended to approve the request to transfer £0.100m underspend on Rent Rebates to a Benefits smoothing reserve to cover the potential effects on Housing Benefits of P4A.
- 10.4 Executive recommends that Full Council approves a supplementary estimate in 2015/16 of £250,000 funded from HRA reserves. This is to commission a survey of 50% of the housing stock, and the updating of the stock condition database.

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ANNEX A

GENERAL FUND REVENUE ACCOUNT SUMMARY 2015/16

	Current Budget £000s	Forecast Outturn £000s	Forecast Variance £000s
Service Portfolios			
Community Leadership	574	574	0
Corporate Resources	1,264	1,150	(114)
Economic Development, Asset Management, Arts & Tourism	1,353	1,485	132
Environmental Services	4,510	4,510	0
General Services	1,065	1,065	0
Housing Services	2,432	2,432	0
Planning, Transportation & Communications	(1,658)	(1,822)	(164)
Sports, Parks & Leisure	2,791	2,791	0
West Somerset(Administration)	(2)	(2)	0
Net Cost of Services	12,329	12,183	(146)
Other Operating Costs and Income			
Deane Helpline Trading Account	80	40	(40)
DLO Trading Account	(101)	(101)	0
Interest and Investment Income	(314)	(314)	0
Parish Precepts & Special Expenses	620	620	0
Capital Financing from GF Revenue (RCCO)	649	649	0
Appropriations	(148)	(148)	0
Repayment of Capital Borrowing (MRP)	562	562	0
Transfers to Capital Adjustment Account	(2,536)	(2,536)	0
Transfers To/(From) Earmarked Reserves	2,142	2,142	0
Transfers To/(From) General Reserves	(105)	(105)	0
Transfers To/(From) Pension Reserve	0	0	0
Total Other Operating Costs and Income	849	809	(40)
NET EXPENDITURE BEFORE GRANTS AND TAXATION	13,178	12,992	(186)
Business Rates and Council Tax Income	(9,999)	(9,999)	0
New Homes Bonus Grant	(3,179)	(3,179)	0
TOTAL FUNDING	(13,178)	(13,178)	0
PROJECT (UNDER)/OVERSPEND FOR THE YEAR	0	(186)	(186)

ANNEX B

GENERAL FUND REVENUE ACCOUNT FORECAST VARIANCES TO BUDGET 2015/16

	Port- folio	Cost Centre Description	Forecast Variance Updates				Variance explanation	Management Action
			Q1 £k	Q2 £k	Q3 £k	Total £k		
1	ECD	TDBC Assets	132			132	Q1 projected underachievement of income against budget of approximately £132k, mainly due to vacant units at Blackdown Business Park, the Auction House and Flook House.	Budget holder will review costs with the aim of mitigating the shortfall.
2	PTC	Car Parking		(164)		(164)	Additional income received (£96k) and savings on electricity charges, contract cleaning and parking contract payments (£68k).	Budget holder will review income and expenditure budgets as part of 2016/17 budget process
3		Deane Helpline		(40)		(40)	Delays in recruitment due to an ongoing structure review (£26k) and winning a large corporate tender (£14k).	Budget holder will complete structural review.
4	COR	Rent Rebates		(114)		(114)	Demand led service and underspend is less than 1% of gross expenditure	Budget holder will continually monitor expenditure and income.
		GRAND TOTAL	132	(318)		(186)		

Key: Portfolios

COM	Community Leadership
COR	Corporate Resources
ECD	Economic Development, Asset Management, Arts & Tourism
ENV	Environmental Services
GEN	General Services
HSG	Housing Services (Non-HRA)
PTC	Planning and Transportation/Communications
SPL	Sports, Parks & Leisure

OTH	Other Central Costs and Income
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ANNEX C

GENERAL FUND RESERVES SUMMARY 2015/16

	£k	Current Budget & Forecast £k
Balance Brought Forward 1 April 2015		2,109
<u>2015/16 Original Budget – One-off transfer from Reserves</u>		(105)
<u>Supplementary Estimates</u>		
<u>Transfer 2014/15 underspend to Business Rates Smoothing Earmarked Reserve</u>	(222)	
Sub-total		(222)
<u>Returns</u>		
New Burdens Grant		81
Sub-total		0
Budgeted Balance March 2016		1,863
Projected Outturn 2015/16		186
Projected Balance Carried Forward 31 March 2016		2,049

HOUSING REVENUE ACCOUNT SUMMARY 2015/16

	Current Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Income			
Dwelling Rents	(24,933)	(25,071)	(138)
Non Dwelling Rents	(565)	(565)	0
Charges for Services/Facilities (Service Charges, Rechargeable Repairs, Leaseholder Charges)	(1,031)	(1,063)	(32)
Contributions Towards Expenditure	(402)	(421)	(19)
Total Income	(26,931)	(27,120)	(189)
Expenditure			
Repairs and Maintenance	7,272	7,452	180
Supervision & Management	5,848	6,155	307
Rents, Rates, Taxes and Other Charges	339	519	180
Capital Charges – Depreciation and Impairment	6,745	6,745	0
Debt Management Expenses	8	8	0
Provision for Bad Debt	515	515	0
Total Expenditure	20,727	21,394	667
Other Costs & Income			
CDC Costs	206	206	0
Interest Payable	2,960	2,759	(201)
Interest and Investment Income	(51)	(51)	0
Revenue Contribution to Capital	873	873	0
Provision for Repayment of Debt	893	893	0
Social Housing Development Fund	1,000	1,000	0
Procurement Savings	323	148	(175)
Transfers To/(From) Earmarked & Other Reserves	0	0	0
Total Other Costs & Income	6,204	6,029	(376)
NET (SUPLUS)/DEFICIT FOR THE YEAR	0	102	102

ANNEX E**HOUSING REVENUE ACCOUNT FORECAST VARIANCES TO BUDGET 2015/16**

	Cost Centre Description	Forecast Variances Updates				Variance explanation	Management Action
		Q1 £k	Q2 £k	Q3 £k	Total £k		
1	Income	(174)	(15)		(189)	As per main report.	Budget holder will review on a monthly basis as per the HRA Business Plan.
2	Expenditure	162	129		291	As per main report.	Budget holder will review on a monthly basis as per the HRA Business Plan.
	TOTALS	(12)	214		102		

ANNEX F

HOUSING REVENUE ACCOUNT RESERVES SUMMARY 2015/16

	£k	Current Budget & Forecast £k
Balance Brought Forward 1 April 2015		3,484
<u>Supplementary Estimates</u>		
Initiatives approved utilising 204/15 underspend	(776)	
Subtotal		(776)
<u>Returns</u>		
Subtotal		0
Budgeted Balance March 2016		2,708
Projected Outturn 2015/16		(102)
Projected Balance Carried Forward 31 March 2016		2,606

BUDGET VIREMENTS FOR APPROVAL

None requested in Quarter 1

#	Fund	From		To		Explanation	
		Amount £	Heading	Amount £	Heading		
			Total Revenue Budget Virements				

ANNEX H

DEANE DLO TRADING ACCOUNT AND RESERVES SUMMARY

	2015/16		
	Income £'000	Expenditure £'000	Net £'000
(Surplus)/Deficit for the year:			
Grounds Maintenance	(3,332)	2,831	(501)
Building Maintenance	(5,527)	4,768	(759)
Trading (Surplus) / Deficit Before Adjustments	(8,859)	7,871	(1,260)
Capital Charges & Income			140
Net Recharges			773
Offset IFRS* Technical Accounting Adjustments			246
Adjusted Trading (Surplus) before Contributions			(101)
Contribution to General Fund			101
Contribution from Trading Reserve			0
Trading Surplus After Adjustments and Contributions			(0)
Surplus transferred to Trading Account Reserve			(0)
	Reserves £000s		
	Vehicle	Capital Replacement	Trading
Reserve balance brought forward 1 April	(340)	(25)	(314)
Retained Trading (Surplus) / Deficit			
Transfer to Capital Replacement Reserve Fund			
Transfer to Vehicle Replacement Reserve Fund			
Other transfers			
Reserve balance carried forward 31 March	(340)	(25)	(314)

Notes:

1. These are forecast figures provided by managers from the DLO, and may be subject to change as the year progresses.

Scheme	Original Budget 2015-16 £	Carry Forward 2014-15 £	Profiled Budget 2015-16 £	Revenue Contributions 2015-16 £	Current Budget 2015-16 £	Actual Spend 30.09.2015 £	Forecast Spend Rest of Year £	Total Spend in 2015/16 £	Total Spend v Current Budget £	Forecast Spend in Future Years £	Total Programme Spend £	Forecast Programme Variance £
Community Leadership												
Swim Pool PV Cells	-	-	5,600	-	5,600	-	-	-	(5,600)	5,600	5,600	-
Total Community Leadership	-	-	5,600	-	5,600	-	-	-	(5,600)	5,600	5,600	-
Corporate Resources												
PC Refresh Project	60,000	2,600	-	-	62,600	15,673	46,927	62,600	-	-	62,600	-
Members IT Equipment	-	-	9,700	-	9,700	615	9,085	9,700	-	-	9,700	-
IT Infrastructure	-	23,200	-	-	23,200	212	22,988	23,200	-	-	23,200	-
SCCC Loan	-	-	700,000	-	700,000	700,000	-	700,000	-	-	700,000	-
Gypsy Site	-	25,000	-	-	25,000	-	25,000	25,000	-	-	25,000	-
Joint Mgt & Shared Services Project	-	14,600	845,200	-	859,800	-	-	-	(859,800)	859,800	859,800	-
Single IT Platform	-	-	79,800	-	79,800	17,500	62,300	79,800	-	-	79,800	-
Special Expenses Play Grants	-	-	16,800	-	16,800	-	16,800	16,800	-	-	16,800	-
Total Corporate Resources	60,000	65,400	1,651,500	-	1,776,900	734,000	183,100	917,100	(859,800)	859,800	1,776,900	-
Environmental Services												
Waste Containers	50,000	2,200	-	-	52,200	-	52,200	52,200	-	-	52,200	-
Mercury Abatement	-	3,800	-	-	3,800	-	3,800	3,800	-	-	3,800	-
Crematorium Chapel Roof	-	155,000	180,000	-	335,000	-	-	-	(335,000)	335,000	335,000	-
Cemetery Extension - Crematorium	-	-	77,730	-	77,730	55,267	22,463	77,730	-	-	77,730	-
Cemetery Vehicles	-	-	25,000	-	25,000	-	25,000	25,000	-	-	25,000	-
Total Environmental Services	50,000	161,000	282,730	-	493,730	55,267	103,463	158,730	(335,000)	335,000	493,730	-
Housing Services												
Energy Efficiency	-	29,900	-	-	29,900	-	29,900	29,900	-	-	29,900	-
Landlord Accreditation Scheme	-	5,000	-	-	5,000	-	5,000	5,000	-	-	5,000	-
Wessex Home Improvement Loans	-	10,400	-	-	10,400	5,340	5,060	10,400	-	-	10,400	-
DFGs Private Sector	388,000	34,300	49,840	-	472,140	163,254	308,886	472,140	-	-	472,140	-
Grants to RSLs	-	455,600	205,000	-	660,600	-	660,600	430,000	(230,600)	230,600	660,600	-
Deane Helpline Equipment Replacement	25,000	-	0	-	25,000	7,384	17,616	25,000	-	-	25,000	-
Total Housing Services	413,000	535,200	254,840	-	1,203,040	175,978	1,027,062	972,440	(230,600)	230,600	1,203,040	-
Ec Dev, Asset Management, Arts & Tourism												
DLO Vehicles Acquisitions	180,000	104,600	-	-	284,600	184,637	99,963	284,600	-	-	284,600	-
DLO Plant	23,000	7,500	-	-	30,500	8,767	21,733	30,500	-	-	30,500	-
PT Longrun Meadow Bridge	-	25,000	78,000	-	103,000	-	103,000	103,000	-	-	103,000	-
PT High Street Project	-	700	-	-	700	(870)	1,570	700	-	-	700	-
DLO System	-	102,400	-	-	102,400	-	102,400	102,400	-	-	102,400	-
PT Castle Green	-	-	218,000	-	218,000	18,321	199,679	218,000	-	-	218,000	-
PT High St Retail	-	2,800	-	-	2,800	-	2,800	2,800	-	-	2,800	-
PT Coal Orchard	-	2,500	-	-	2,500	-	2,500	2,500	-	-	2,500	-
PT Signage	-	200	-	-	200	-	200	200	-	-	200	-
Brewhouse	-	5,000	-	-	5,000	-	-	-	(5,000)	-	-	(5,000)
Thales Site	-	10,000	790,000	-	800,000	-	800,000	-	(800,000)	800,000	800,000	-
Creech Castle Improvements	-	375,000	-	-	375,000	-	-	-	(375,000)	375,000	375,000	-
Firepool Access	-	33,000	1,000,000	-	1,033,000	5,890	1,027,110	5,890	(1,027,110)	1,027,110	1,033,000	-
Relocation of Tourist Information Centre	120,000	28,000	-	-	148,000	143,590	4,410	148,000	-	-	148,000	-
Total Ec Dev, Asset Management, Arts & Tourism	323,000	696,700	2,086,000	-	3,105,700	360,335	2,365,365	898,590	(2,207,110)	2,202,110	3,100,700	(5,000)
Planning, Transport & Communications												
Paul Street Car Park Major Repairs	-	-	340,600	-	340,600	-	-	-	(340,600)	340,600	340,600	-
Canon St Car Park	-	900	-	-	900	-	900	900	-	-	900	-
Car Park Improvements	126,000	42,200	70,800	-	239,000	36,987	50,000	86,987	(152,013)	152,013	239,000	-
Total Planning, Transport & Communications	126,000	43,100	411,400	-	580,500	36,987	50,900	87,887	(492,613)	492,613	580,500	-

Sports Parks and Leisure (excluding S106)												
Grants to Halls and Sports Clubs	10,000	-	41,400	-	51,400	-	51,400	51,400	-	-	51,400	-
Grants to Parishes Play Equipment	10,000	7,500	4,500	-	22,000	-	22,000	22,000	-	-	22,000	-
Replacement Play Equipment	20,000	4,100	-	-	24,100	-	24,100	24,100	-	-	24,100	-
Station Road Swimming Pool	-	27,700	-	-	27,700	-	27,700	27,700	-	-	27,700	-
Blackbrook Swimming Pool	-	748,400	4,369,500	134,512	5,252,412	1,380,094	3,872,318	5,252,412	-	-	5,252,412	-
Total Sports Parks and Leisure	40,000	787,700	4,415,400	134,512	5,377,612	1,380,094	3,997,518	5,377,612	-	-	5,377,612	-
Total GF (excluding s106)	1,012,000	2,289,100	9,107,470	134,512	12,543,082	2,742,661	7,727,408	8,412,359	(4,130,723)	4,125,723	12,538,082	(5,000)

Sports Parks and Leisure (S106)												
Wellington Skate Park	-	-	-	-	-	(8,712)	8,712	-	-	-	-	-
Lyngford Skate Ramps	-	-	-	-	-	4,762	(4,762)	-	-	-	-	-
Wellington Pavilion	-	-	-	-	-	120	(120)	-	-	-	-	-
Langford Budville Play Area	-	-	-	-	-	612	(612)	-	-	-	-	-
Farriers Green	-	-	-	-	-	7,390	(7,390)	-	-	-	-	-
Staplegrave Play Area	-	-	-	-	-	3,500	(3,500)	-	-	-	-	-
Hudson Way	-	-	-	-	-	39,708	(39,708)	-	-	-	-	-
Churchingford	-	-	-	-	-	8,607	(8,607)	-	-	-	-	-
Leycroft Park	-	-	-	-	-	(4,369)	4,369	-	-	-	-	-
Hamilton Park	-	-	-	-	-	(5,168)	5,168	-	-	-	-	-
Trull	-	-	-	-	-	4,000	(4,000)	-	-	-	-	-
S106 Wellington Basins	-	-	-	-	-	2,496	(2,496)	-	-	-	-	-
Total Sports Parks and Leisure (including s106)	-	-	-	-	-	52,946	(52,946)	-	-	-	-	-
Total GF (including s106)	1,012,000	2,289,100	9,107,470	134,512	12,543,082	2,795,607	7,674,462	8,412,359	-4,130,723	4,125,723	12,538,082	-5,000

Housing Revenue Account												
HRA Kitchens	635,000	721,300	-	-	1,356,300	24,692	375,308	400,000	(956,300)	956,300	1,356,300	-
HRA Bathrooms	1,640,000	292,800	-	-	1,932,800	338,888	1,521,112	1,860,000	(72,800)	72,800	1,932,800	-
HRA Roofing	50,000	-	-	-	50,000	(5,358)	65,358.06	60,000	10,000	(10,000)	50,000	-
HRA Windows	50,000	96,000	-	-	146,000	45,236	154,764	200,000	54,000	(54,000)	146,000	-
HRA Heating Improvements	2,220,000	674,000	-	-	2,894,000	87,664	1,210,336	1,298,000	(1,596,000)	1,596,000	2,894,000	-
HRA Doors	460,000	170,500	-	-	630,500	283,706	346,294	630,000	(500)	500	630,500	-
HRA Fire Safety Works in Communal Areas	165,000	169,200	-	-	334,200	138,141	201,859	340,000	5,800	(5,800)	334,200	-
HRA Fascias and Soffits	460,000	408,700	-	-	868,700	(5,798)	874,498	868,700	-	-	868,700	-
HRA Air Source Heat Pumps	695,000	14,500	-	-	709,500	316,466	393,034	709,500	-	-	709,500	-
HRA Door Entry Systems	205,000	65,000	-	-	270,000	43,702	276,298	320,000	50,000	(50,000)	270,000	-
Other External Insulations	10,000	-	-	-	10,000	8,804	1,196	10,000	-	-	10,000	-
	6,590,000	2,612,000	-	-	9,202,000	1,276,143	5,420,057	6,696,200	(2,505,800)	2,505,800	9,202,000	-
HRA Aids and Adaptations	120,000	-	-	-	120,000	25,284	94,716	120,000	-	-	120,000	-
HRA DFGs	315,000	-	-	-	315,000	91,468	223,532	315,000	-	-	315,000	-
Garages	30,000	-	-	-	30,000	-	30,000	30,000	-	-	30,000	-
Sewerage Treatment Plants	20,000	-	-	-	20,000	-	20,000	20,000	-	-	20,000	-
HRA Meeting Halls	30,000	-	-	-	30,000	975	29,025	30,000	-	-	30,000	-
HRA Unadopted Areas	45,000	-	-	-	45,000	12,031	32,969	45,000	-	-	45,000	-
HRA Asbestos Works	260,000	-	-	-	260,000	59,176	200,824	260,000	-	-	260,000	-
HRA Tenants Improvements	5,000	-	-	-	5,000	-	5,000	5,000	-	-	5,000	-
Sustainable Energy Fund	100,000	446,400	-	-	546,400	218,312	328,088	546,400	-	-	546,400	-
Environmental Improvements	50,000	262,000	-	-	312,000	21,926	128,074	150,000	(162,000)	162,000	312,000	-
Extensions	-	160,000	-	-	160,000	344	129,656	130,000	(30,000)	30,000	160,000	-
HRA Community Alarms	-	65,800	-	-	65,800	57,218	8,581.81	65,800	-	-	65,800	-
HRA IT Development	100,000	206,900	-	-	306,900	13,330	86,670	100,000	(206,900)	206,900	306,900	-
	1,075,000	1,141,100	-	-	2,216,100	500,064	1,317,136	1,817,200	(398,900)	398,900	2,216,100	-
HRA PV Systems	-	1,509,100	-	-	1,509,100	1,274,433	234,667	1,509,100	-	-	1,509,100	-
	-	1,509,100	-	-	1,509,100	1,274,433	234,667	1,509,100	-	-	1,509,100	-
HRA Creechbarrow Road	-	4,862,000	-	-	4,862,000	1,147,136	2,452,864	3,600,000	(1,262,000)	1,262,000	4,862,000	-

HRA Phase 1: Vale View, West Bag	-	253,400	-	-	253,400	6,532	246,868	253,400	-	-	253,400	-
HRA Phase 1: Bacon Drive	-	550,400	-	-	550,400	(15,336)	565,736	550,400	-	-	550,400	-
HRA Phase 1: Normandy Drive	-	366,100	-	-	366,100	42,338	323,762	366,100	-	-	366,100	-
HRA Buybacks	-	161,100	-	-	161,100	103,376	57,724	161,100	-	-	161,100	-
HRA Social Housing Development Program	1,000,000	-	-	-	1,000,000	-	1,000,000	1,000,000	-	-	1,000,000	-
HRA Weavers Arms	-	3,338,500	-	-	3,338,500	85,815	581,885	667,700	(2,670,800)	2,670,800	3,338,500	-
	1,000,000	9,531,500	-	-	10,531,500	1,369,861	5,228,839	6,598,700	(3,932,800)	3,932,800	10,531,500	-
Total HRA	8,665,000	14,793,700	-	-	23,458,700	4,420,501	12,200,699	16,621,200	(6,837,500)	6,837,500	23,458,700	-