



REVENUE OUTTURN 2016/17

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1.0 SUMMARY

- 1.1 This report outlines the revenue financial monitoring position for the end of the 2016/17 financial year for Joint Strategic Committee, Adur District and Worthing Borough Councils. At the time of publication of this report, the Statement of Accounts are still to be audited. Any changes that emerge as the audit proceeds will be reported to members later in the year.
- 1.2 Information is also provided in respect of earmarked reserves for the 2 constituent authorities. The 2016/17 capital outturn is reported separately elsewhere on the agenda.
- 1.3 The Joint Strategic Committee is asked to agree and recommend to Adur District and Worthing Borough Councils:-
 - The proposals for dealing with any net underspend or overspend on the revenue accounts by making transfers to various reserves; and
 - The carry forward of certain revenue budgets to allow projects to be completed in 2017/18.
- 1.4 The following appendices have been attached to this report:
 - (i) **Appendix 1** (a) Joint Summary of 2016/17 Outturn
 - (ii) **Appendix 2** (a) Adur District Council - Summary of 2016/17 Outturn
(b) Adur District Council - Use of Earmarked Reserves
 - (iii) **Appendix 3** (a) Worthing Borough Council - Summary of 2016/17 Outturn
(b) Worthing Borough Council - Use of Earmarked Reserves
 - (iv) **Appendix 4** HRA Summary

2.0 BACKGROUND

- 2.1 Local authorities have a statutory duty under the Local Government Act 2003, to monitor their income and expenditure against their budget, and be ready to take action if overspends in expenditure or shortfalls in income emerge. If monitoring establishes that the budgetary situation has deteriorated, authorities are required to take such action as they consider necessary. This might include, for instance, action to reduce spending in the rest of the year, or to increase income, or the authority might decide to take no action but to finance the shortfall from reserves.

2.0 BACKGROUND

- 2.2 The monitoring of the revenue budgets has been reported to the Joint Strategic Committee three times during the year. The last monitoring report was considered by the Committee on 7th March 2017.
- 2.3 The Joint Strategic Committee (JSC) budgets are held separately and operate as holding accounts. They represent pooled budgets of Adur and Worthing Councils. All expenditure and income in the joint budgets are recharged back to the respective authorities. This means that the net expenditure is fully allocated out to the two councils and the overall position for the Joint Strategic Committee will be zero. An over or underspend reported in the Joint will be incorporated into the individual councils accounts via the allocation process.
- 2.4 Each joint service is allocated out to the councils on an individual basis using an appropriate allocation for that service. Overall, Worthing's share of the joint outturn is approximately 60.0% and Adur's share is 40.0%.

3.0 REVENUE OUTTURN OVERVIEW

- 3.1 The final revenue outturns reported for Q4 are as follows:-

Summary of 4th Budget Monitoring Report			
	Joint	Adur	Worthing
	£000s	£000s	£000s
Current Budget 2016/17	21,609	9,780	14,039
Actual Outturn	22,002	9,699	13,184
Actual Over/ (Underspend)	392	(81)	(854)
Over/(Underspend) Percentage	1.8%	-0.8%	-6.1%

As highlighted earlier in this report, the Joint under/overspends are transferred to Adur and Worthing Councils in line with their allocated share. The reported variances in Adur and Worthing in the table above include the total share transferred from the Joint Shared Services.

- 3.2 The Summary Outturn for each body is reported in **Appendices 1 - 3**. The joint budgets are presented by service block. It is not possible to show them by Council portfolios as the portfolios in Adur and Worthing are no longer harmonised.

3.0 REVENUE OUTTURN OVERVIEW

3.3 The headline budget variations across both the councils and joint shared services are:-

- A reduction in the levy payable as part of the Business Rate Retention Scheme;
- Interest on borrowing and reduction in Minimum Revenue Provision;
- Income from Strategic Property Investments;
- Increasing caseload which increased the spend on temporary and emergency accommodation within the Homelessness budget;
- Development Control income shortfalls;
- Interim management arrangements for Fishersgate Community Centre;
- Crematorium income was lower than expected;
- Waste & Recycling & Cleansing services had higher vehicle costs;

3.4 The third quarter monitoring report was presented to Joint Strategic Committee on 7th March 2017. Since this time the financial position has changed as follows:

Comparison of 3rd budget monitoring report & 4th budget monitoring report			
	Joint	Adur	Worthing
	£'000	£'000	£'000
Over/(Under)spends reported at Quarter 3	(235)	22	(458)
Over/(Under)spends reported at Quarter 4	382	(81)	(854)
Difference	617	(103)	(396)

3.5 The significant variations that impact on the final outturn from quarter 3 to quarter 4 were:-

Significant Variations from 3rd budget monitoring report & 4th budget monitoring report			
	Quarter 3	Quarter 4	Movement
	£'000	£'000	£'000
JOINT			
Waste Services - Increased vehicle maintenance costs due to delay in delivery of new fleet, plus an overspend on Agency costs to cover long term sickness to continue smooth running of service. The expected increase in income which would have offset the additional spend was not as significant as expected.	33	267	234
Underspend on salaries budgets was lower than expected	(394)	(239)	154

3.0 REVENUE OUTTURN OVERVIEW

Significant Variations from 3rd budget monitoring report & 4th budget monitoring report			
	Quarter 3	Quarter 4	Movement
	£'000	£'000	£'000
JOINT			
Severance payments funded by the constituent Councils	-	133	133
Homelessness - Continuing increases in Temporary Accommodation applications requiring temporary staffing being employed to handle the demand	109	27	(82)
WORTHING			
Waste - Increased Trade waste disposal costs plus a proportion of vehicle repair costs and Agency costs recharged from the joint service. Income was anticipated to exceed the budget to offset these costs	-	104	104
Homelessness - Continuing increases in Temporary Accommodation applications	70	278	208
Development Management - further downturn in income offset by the use of Planning Delivery Grant	120	47	(73)
Building control & Land charges - Further deterioration of income	62	94	32
Crematorium and cemeteries - Underachievement of memorial income and increased costs relating to medical referee charges	34	65	31
Parking Services - Additional income achieved from the Car Parks	(8)	(158)	(150)
Theatres - Increased pantomime sales and film attendance offset underachievement of income from catering and live events in the first nine months	99	25	(74)
Additional income from Strategic Property Investments plus additional income relating to backdated rent review for the Guildbourne Centre	(19)	(299)	(280)

3.0 REVENUE OUTTURN OVERVIEW

Significant Variations from 3rd budget monitoring report & 4th budget monitoring report			
	Quarter 3	Quarter 4	Movement
	£'000	£'000	£'000
WORTHING			
Revenues and Benefits - Income from overpayments exceeded the budget , but was offset by increased postage costs and an overstated grant budget no longer received	(240)	(69)	171
Overpayment provision written back to Revenue as the cost of any income written off during the year is charged directly to revenue and not against provision	-	(536)	(536)
ADUR			
Revenues and Benefits - Impact from 2015/16 housing benefit subsidy qualification highlighted in the quarter 3 report as a risk and now confirmed (145k), under-achieved income from overpayments, and a minor Census overspend.	-	173	173
Homelessness - Continuing increases in Temporary Accommodation applications	123	118	(5)
Development Management - further downturn in income offset by the use of Planning Delivery Grant	(30)	42	72
Building control & Land charges - Further deterioration of income	20	54	34
Parking Services - New parking fees wef February 2017 improved the forecast from last period	174	134	(40)
Civic Centre Income - Income for hiring out for filming and other rental income not achieved	-	143	143
Waste - Increased Trade waste disposal costs plus a proportion of vehicle repair costs and Agency costs recharged from the joint service. Income was anticipated to exceed the budget to offset these costs	-	72	72
Business Rate retention scheme and other grants - Reduced levy payment and additional ad-hoc grants.	-	(322)	(322)
Overpayment provision written back to Revenue as the cost of any income written off during the year is charged directly to revenue and not against provision	-	(422)	(422)

3.0 REVENUE OUTTURN OVERVIEW

3.6 As the table above shows, there needs to be a continued focus on improving financial management. As part of this process, the current MTFP includes a number of key financial health indicators, which are:

- Continue to maintain a General Fund balance at a minimum balance of 6% and a maximum of 10% of the General Fund Net Revenue Budget. (This will measure overall financial health).
- Revenue outturn to be within 2% of the Total Budget Requirement. (This will measure accuracy of budget preparation).
- Revenue outturn for Total Executive Member and Joint Strategic Committee Requirements to be within 1% of the estimate of Total Executive Member Requirements contained in the quarter 3 monitoring report. (This will measure accuracy of budget monitoring).

Overall the revenue monitoring has largely met the target of 2% for Adur and the Joint account. Whilst the target Worthing was not met, this was largely due to the proactive measures the Council took including the success of the commercial property portfolio and a change to accounting practice with respect to overpayments. There is a continued need for an improvement in reporting of individual services and more focus on budget monitoring with particular emphasis on high-risk areas.

For the past four years, the Councils have undertaken review of revenue base budgets and this exercise contributed to the savings required to meet the budget requirement between 2012/13 and 2017/18. We intend to carry out a similar exercise for the 2018/19 budget to ensure that any on-going variance are properly reflected in future years budgets.

4.0 REVENUE 2016/17 OUTTURN

4.1 The following table details the major variances for the year:

Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
NET TRADING				
Parking	(59)	134	(158)	WORTHING: Income from surface car parking has exceeded budget ADUR: Delay in new income stream, following review of parking charges. New charges were introduced Feb 2017
Theatres			25	Increased pantomime sales and film attendance offset underachievement of income from catering and live events in the first nine months
Total Net Trading	(59)	134	(132)	

4.0 REVENUE 2016/17 OUTTURN

Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
INCOME:				
Strategic Property Investment Fund			(299)	Additional income received from property rents. Mainly from backdated rent review for Guildbourne Centre from sept 2009 (149k), the impact of town centre investments, and other rent increases.
Development Management - Fee Income	(79)	42	47	Worthing Development management fee income - shortfall offset by vacancy savings and use of Planning Devlivery Grant
Building Control & Land charges	(10)	54	94	Building Control Income, which is derived from fees set on a cost recovery basis was below target at year end. Strategies are in place for next year to ensure that the service meets the 2017/18 targets. Land charges ICT budgets are overspend by 20K due to the implementation of new Arcus system which required the dual running of old and new systems
Revenues & Benefits		173	(69)	ADUR - Impact from 2015/16 housing benefit subsidy qualification (145k), under achievement in overpayments recovery together with a minor Census overspend. WORTHING - Net Additional income from the recovery of housing benefits overpayments above budgeted (180k) offset by and an increase overstated income budget for grant no longer received and increased postage costs.

4.0 REVENUE 2016/17 OUTTURN

Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
INCOME:				
Overpayments Provision		(422)	(536)	Overpayments provision drawn down from the Balance Sheet as the costs if write offs are contained in year and provision is not required
Civic Centre income		143		Income from projected hirings of the Civic Centre not achieved
Total Income	(89)	(10)	(762)	
COSTS:				
Communications	11			Final salary costs are higher than budgeted for
Business & Technical Services	44			Overspend on building maintenance
Environment - Bereavement Services			65	Mainly due to the underachievement of memorial income budget and Essential Medical Referee surcharge for the signing of crem papers
Environment - Grounds Maintenance	(54)	(43)		Worthing Arborist costs, partially offset by coast protection income. Adur - rental income overachieving, including backdated rent for telecoms mast
Waste Services	267	72	104	Overspend on Agency staff covering Long Term Sickness & Waste vehicle maintenance repairs to ageing fleet. Plus income overstated WSCC recycling payment budget. Trade Waste tipping charges increased over that budgeted.
Growth			27	Costs attributed to the Grand Avenue public enquiry which was not budgeted for in 2016/17 by Worthing Borough Council.

4.0 REVENUE 2016/17 OUTTURN

Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
COSTS:				
Homelessness	27	118	278	Joint - Overspend due to new Housing staff structure, resulting in several regradings. Significant use of agency staff to provide the increasing demand of the service. Adur - Increased emergency accommodation to meet demand. Worthing - Increased emergency accommodation to meet demand - For this year only, £250k is being met through existing grants
Telephony	120	48	72	Overspend on Telephony - as old systems contracts are cancelled, this should mitigate any further overspend. An investigation into BT / Gamma are currently being undertaken.
Finance	-	(225)	(386)	Net savings due to changes in interest rates, impact of the final 2015/16 capital programme, and the new MRP policy.
Wellbeing	(40)	112		Security and other costs associated with Fishersgate Community Centre whilst the centre has remained empty. A new occupant is has been sought.
Overprovision for pay award	(204)	(82)	(122)	Original budget contained an allowance for a 2% pay award, but 1% agreed
Staff costs	131	52	78	Overspend on salary costs not reported elsewhere
Severance Payments	133			Severance costs funded by the constituent Councils reserves
Business Rates and Grants		(322)	-	Reduced levy payment to the Government and additional ad hoc grants received during the year.

4.0 REVENUE 2016/17 OUTTURN

Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
COSTS:				
Other	95	64	(75)	
Total costs	529	(205)	40	
Total Variance	382	(81)	(854)	
Share of joint services allocated 40:60 to Councils and Included within the variances shown in Adur & Worthing columns				

Details of other less significant variations and outturn are available on request from the finance team.

4.2 As highlighted earlier in this report, any JSC over/underspend is transferred to Adur and Worthing Councils in line with their allocated share. The reported underspends in Adur and Worthing Councils in the table above includes the total share transferred from the JSC.

4.3 There are a number of key issues listed above which require a more detailed explanation. These are listed below.

4.4 Vacancy savings

4.4.1 There is an allowance for staff vacancy savings in both authorities' budgets for 2016/17 (Adur £245,450 and Worthing £514,700). There is no savings target included in the Joint Committee budget.

4.4.2 The salaries underspend in the Joint Committee represents an expected contribution to Adur and Worthing's vacancy savings. The Joint Strategic Committee outturn underspend for salaries is £402,000.

4.5 Worthing Theatres

Theatres financial performance against the approved budget has improved significantly over the past four years.

2013/14	2014/15	2015/16	2016/17
£'000	£'000	£'000	£'000
484	184	120	25

This is the result of good event programming and proactive marketing with several key factors supporting the success:

4.0 REVENUE 2016/17 OUTTURN

4.5 Worthing Theatres

- Improved income from the pantomime resulting from increased ticket sales and the impact of an increased return on ticket sales from the VAT cultural exemption (£68,000)
- Increased net income from film attendance (£20,000)
- Successful audience development with 39% of customers attending for the first time this year and 40% of customers attending four times or more during the year.
- Whilst catering net profit improved year on year, overall there was a shortfall against the budget of (£103,000)

4.6 Housing Management

The increased spend on providing emergency and temporary accommodation reflects rising demand across the South East, including Adur and Worthing, changes to service delivery and the lack of housing supply for those needing affordable accommodation.

Emergency accommodation (EA) is where we place individuals / families that meet certain initial criteria whilst we fully assess our duty to house the household. Investigation of this duty should take 33 days, at which time if we accept a full housing duty, the household is moved into long term temporary accommodation (TA). The household will then be added to the housing register, assigned a 'banding' and is able to bid for suitable properties that become available.

Due to increasing and sustained demand, resources to complete assessments have at times been inadequate, leading to longer time frames at this early stage in the process.

As emergency accommodation is often costlier than long term temporary accommodation this has increased the financial burden. Timescales for assessments have been reduced dramatically in recent months. Additionally working in partnership with other teams and agencies, the Housing Solutions team has been able to refocus some resource into supporting families at risk of homelessness to retain tenancies and prevent homelessness, thus reducing some of the demand for a full assessment.

Across the South East there is competing demand between local authorities for both emergency and temporary accommodation, the latter often being leased private sector accommodation. As a consequence prices in some areas (e.g. Worthing) are being pushed beyond the reach of the Councils and the supply of suitable emergency and temporary accommodation within the Borough is reduced. In March 2017 the Housing Solutions Team hosted a private sector landlord's event in order to establish how we can better meet our joint needs. Nonetheless, at the present time the Councils continue to be faced with placing some clients in costly budget accommodation hotel chains when no other suitable options are available.

4.0 REVENUE 2016/17 OUTTURN

4.6 Housing Management

In response to this, the Councils have adopted a new strategy for sourcing both temporary and emergency accommodation as agreed at the Joint Strategic Committee in September 2017. The Councils' committed to investing £3m in emergency temporary accommodation to reduce the need to rely on expensive private sector provision as a solution.

Since this time the Councils have successfully procured a number of temporary accommodation units which is improving the position. These additional units are newly refurbished good quality accommodation in the local area. Officers are continuing to actively appraise a number of other potential property purchases that will allow the Councils to directly provide high quality emergency accommodation at rates much lower than the private sector.

Numbers are increasing despite the Council's best efforts in obtaining accommodation and therefore costs are increasing.

4.7 Environment

Cemeteries and Crematorium – There is an overall income shortfall of £65,000. This was primarily as a result a shortfall in Memorial income which was lower than expected with a shortfall.

4.8 Wellbeing

Fishersgate Community Centre is in the heart of a community with varied and diverse needs. The work that has taken place over the last two years to restore the Fishersgate Community Centre and return it to a facility that can be used for and by the communities of Fishersgate, is reflective of the commitment of the Council to enabling this Community to thrive.

The complex process was initiated following the emergence of a range of concerns, the most pressing being around compliance with safeguarding duties by the former landlord.

Additional unplanned costs have been incurred to: gain access to the building; secure the building using an SIA approved company; procure specialist legal advice and complete fire and electrical remedies to meet building and Health and Safety requirements.

Restoring the building to a fit state for use was a significant undertaking given that what was discovered once the building was secured was a space that was unfit for community use. Costs continue to be incurred while the Council is managing the building in this interim phase, however the overspend is largely offset by salary savings.

4.0 REVENUE 2016/17 OUTTURN

4.8 Wellbeing

The long term plan for the centre is being developed with a cross team project group and with the Fishersgate community. The aim is to secure a new charity to run the centre in 2017. Already local groups are beginning to utilise the centre and the appointment of a part time co-ordinator will allow for the growth in usage as well as the beginning of a revenue stream to cover costs.

4.9 Waste and Cleansing section

Agency costs, which have increased due to the higher minimum wage, are being incurred to cover long term sickness. The use of agency staff is being managed, however pay costs are overspent by £87,000. The expenditure is necessary to enable the smooth running of the service. In addition there are increased vehicle maintenance costs of £66,000, as there was a delay in the delivery of the new fleet. Disposal costs increased more than the budgeted expected increase.

The 2016/17 budget includes additional income generation and expenditure reduction of £543,000. To put this in context, although it is showing an overspend, the service is now providing to a larger number of customers, due to new housing developments, which has required them to make on-going internal efficiencies.

4.10 Worthing Revenues and Benefits

There was additional income from overpayments following a change in how the Council identifies overpayments. This is due to improvements in the real time reporting between the Council, Department of Work and Pensions (DWP) and Her Majesties Revenues and Customs (HMRC). This was offset by identification of an grant income budget no longer received and an overspend in postage costs.

4.11 Adur Revenues & Benefits (Census)

Adur Revenues and Benefits (Census) have had some issues regarding the Housing Benefit subsidy claims. This relates the incorrect assessment of benefit and the restatement of LA Error overpayments which has resulted in subsidy being claimed in excess of entitlement. This has resulted in repayment of the 2015/16 subsidy of £145,000. In addition, the Census contract had an overspend of £41,200.

4.12 External Borrowing Costs, Investments and Minimum Revenue Provision

There are favourable variances for both Adur and Worthing. For both Councils the MRP costs were lower than the budget due to slippage in the capital programmes and the change in the MRP calculation method approved by Worthing Council at its meeting on 19 July 2016 and by Adur Council at its meeting on 21 July 2016. Adur had a favourable variance of £267,000 and Worthing had a favourable variance of £350,000.

4.0 REVENUE 2016/17 OUTTURN

4.12 External Borrowing Costs, Investments and Minimum Revenue Provision

Investment returns were below budget for both Councils because of the prevailing low interest rates in the market.

In addition, for Worthing, officers are taking advantage of the stability in interest rates to arrange some short term rather than long term borrowing, resulting in reduced costs from lower interest rates and reduced provision for repayment of debt, giving a net favourable variance of £116,000.

However most of Adur's borrowing is at long term fixed rates, so does not benefit from the currently available rates, resulting in a net adverse General Fund variance of £42,000.

Both Councils are also fixing longer term borrowing with the PWLB to fund the purchase of properties, as approved in their budgets. The planned loan from Worthing Borough Council to Worthing Homes did not take place until April 2017, consequently the arrangement fee and interest of £79,000 was not receivable in 2016/17.

4.13 Telephony

The Central Telephony budget shows an overspend of £120,000 for 2016/17. As old systems contracts are cancelled, this should mitigate any further overspend. An investigation into BT/Gamma has been completed and a few lines still remain and will result in savings in the future.

4.14 Car Parks

Adur

As part of the budget setting process in 2016/17 a target of £150,000 was put forward to be delivered through a formal parking review in Adur. The detailed review was completed and recommendations approved by the Executive Member, which was followed by the statutory consultation process. The process was completed in January 2017 and the revised charges came into force in February 2017. Due the nature of the review and the consultation requirements it was not possible to implement the revisions any earlier. As a result there is a shortfall of £94,000. The income target is expected to be met in the coming financial year and this will be monitored closely.

The Adur On street service is £63,000 less than budgeted. The income is made up entirely of Fixed Penalty Notices (FPNs). Due to improved compliance with parking restrictions in most of the area PCN income is decreasing. However there are some areas where levels of enforcement can be improved by repainting yellow lines. Following negotiated action by the Director with the parking services team, the County Council has agreed to fund the repainting of these areas to a value of £50,000. The work will be completed this financial year which will ensure high levels of compliance in these areas as well.

Worthing

The Worthing car parks achieved excess income over that budgeted by £149,000. This is mainly due to income from surface car parks.

4.0 REVENUE 2016/17 OUTTURN

4.15 Development Management

Worthing Development Management income is lower than budget despite a recent major application being submitted for an additional 260 dwellings at West Durrington. Unfortunately, there were no other major applications likely to be submitted before the end of the year and therefore a year end shortfall of £110,000. This under-achievement of income will be partly offset by vacancy savings and use of Planning Delivery Grant carried over from previous years.

Adur Development Management fee income is underachieved by £42,000, This under-achievement of income will be partly offset by vacancy savings and use of Planning Delivery Grant carried over from previous years.

4.16 Building Control & Land Charges

Building Control Income, which is derived from fees which are set on a cost recovery basis, has not met its income budget by £79,000 (Worthing £61,000, Adur £18,000). Growth targets and strategies are in place for next year to ensure the level of income improves.

Land charges ICT budgets overspent by £20,000 due to the implementation of new Arcus system and the requirement for dual running of old and new systems. There was also an underachievement of income of £22,000 in Adur.

4.17 Strategic Property Investments

Additional income was received from Worthing property rents. Mainly from a backdated rent review for the Guildbourne Centre from September 2009 (£149,000), the impact of new investments in town centre properties and other rent reviews.

5.0 ADUR HOUSING REVENUE ACCOUNT (HRA)

5.1 Adur Homes is held within a ring fenced Housing Revenue Account, which is shown in Appendix 4. Whilst overall the HRA contained net expenditure within budget, there were some significant variances as detailed below:

5.0 ADUR HOUSING REVENUE ACCOUNT (HRA)

5.2 The variances for the year comprise of the following headline figures:-

	(Under)/ Overspends £'000
Variations in income and running costs:	
Overspend on Pay, Grading & Consultancy	111
Reduction in provision for bad debts	(126)
Reduced cost of Special Services partly transferred to General Management	(244)
Overspend on Building Maintenance, Repairs & Voids	427
Reduced cost from Corporate & Democratic Core	(31)
Reduction in rents, rates and taxes	(33)
Reduced cost of central allocations	(9)
Increase in income from Non Dwelling Rents & Leaseholders	(36)
Shortfall in rental income due to closure of Cecil Norris House, the Albion Street Hostels and sales of properties.	7
Total variation in running costs	66
Variations in treasury management and capital costs:	
Increase in interest costs	2
Reduction in depreciation (used to fund the capital programme)	(67)
Additional interest receipts	(4)
Increased contribution to the capital programme	3
Total variation in treasury management and capital costs	(66)
TOTAL	-

5.3 Proposed contributions to HRA Reserves

It is proposed that the following contribution to the HRA Reserves is made for as set out in the following table.

PROPOSED CARRY FORWARD OF HRA UNSPENT BUDGETS and CONTRIBUTION TO HRA RESERVES		
		£'000
Contributions to Reserves		
Contribution to New Development and Acquisition reserve		306

5.0 ADUR HOUSING REVENUE ACCOUNT (HRA)

- 5.4 The proposed contribution of £306,000 to the New Development and Acquisition Reserve is in keeping with the budgeted amount included in the HRA budget strategy for setting aside resources specifically to increase capacity for the supply of affordable housing in future years. This transfer will increase the New Homes Development Reserve to £1.86m.
- 5.4 The HRA Reserve stood at £2.074m at 31st March 2017. This balance is deemed to be sufficient.

6.0 CARRY FORWARD OF GENERAL FUND BUDGETS AND TRANSFERS TO RESERVES

6.1 Recommended Carry Forwards of Unspent Budget

Any unspent funds are placed into reserves at the year end. Budgets in respect of the following items remain unspent at 31st March 2017 and are required to complete existing initiatives in 2017/18. The focus for carry forward proposals this year is on existing commitments or other essential items rather than bids for new initiatives. This is to build capacity in the reserves to protect the Councils' interests for the next two years. It is recommended that these amounts are carried forward to 2017/18 and funded from the respective Capacity Issues Reserves. The Committee may wish to consider how these items contribute to the Councils' priorities when approving the carry forwards.

There are no recommended carry forwards for the Joint Committee. The following are recommended for carry forward for Adur District Council and Worthing Borough Council:

Proposed Carry Forward of Unspent Budgets within Adur District Council	
Community Wellbeing - This has been allocated by the Adur Grants Panel towards the cost of employing a caretaker at the Fishersgate Centre	£ 8,000
TOTAL FOR ADUR DISTRICT COUNCIL	8,000

6.0 CARRY FORWARD OF GENERAL FUND BUDGETS AND TRANSFERS TO RESERVES

6.1 Recommended Carry Forwards of Unspent Budgets

Proposed Carry Forward of Unspent Budgets within Worthing Borough Council	
	£
Economic Regeneration - Income from Concessions funds, received during the current financial year from seafront concessions, to be used to implement improvements to the seafront and adjacent areas during 2017/18 (in line with the emerging Seafront Investment Plan)	10,850
Community Wellbeing - At JSC in January it was agreed that 16/17's funding would be carried forward to provide a £20,000 pot of funding (this includes 17/18 funding) towards the Going Local Grants programme, which will provide funding to voluntary organisations to deliver services that contribute towards the Going Local Programme.	10,000
Major Projects - Complex long-term project which is progressing, alongside purchase of further properties (expected to complete summer 2017) which would complete site assembly. Relates to ongoing investments around the Grafton site.	61,310
Economic Regeneration - To be spend to complete final works to the Splash Pad in the Gap	7,810
TOTAL FOR WORTHING BOROUGH COUNCIL	89,970

6.2 Recommended Carry Forwards of 2016/17 Approvals to Use Reserves

The following unspent items were approved for 2016/17 and were planned to be funded from reserves. It is recommended that these approvals to utilise reserves are carried forward from 2016/17 to 2017/18. ***No transfer to reserves is required as the funds have been previously set aside.***

Worthing Borough Council - Proposed Carry Forwards (not yet spent and previously approved) - Existing Reserves	
	£'000
Planning Policy: The Council has committed to a full review of the Core Strategy and the progression of a new Local Plan. The need to update the evidence base (often using specialist consultants) is the main cost to the service linked to this review. Some key studies (housing, employment and landscape) are already in place but additional studies (retail, transport, infrastructure, viability etc) are required to inform the drafting of the new plan. The transport study represents the most expensive element and a full study (involving the development of a transport model) could cost in excess of £60k. The hope is that WBC may be able to utilise the transport model being developed for Highways England and this would reduce this cost significantly. However, at this stage, there is no certainty that this will be available in time to inform the Worthing plan. Therefore, this carry forward is required to ensure that there is sufficient budget in place to fund studies that are essential to inform the new Local Plan.	38,590
TOTAL FOR WORTHING BOROUGH COUNCIL	38,590

6.0 CARRY FORWARD OF GENERAL FUND BUDGETS AND TRANSFERS TO RESERVES

6.3 Movements and Use of Reserves

As part of the 2016/17 final accounts process, officers have identified amounts that are recommended for transfer to reserves for specific purposes or planned as part of the budget process, as detailed below.

For 2016/17, both authorities drew down on reserves to fund redundancy costs. A detailed breakdown of the reserve positions is included in **Appendix 2b** for Adur and **Appendix 3b** for Worthing.

Adur District Council:

TRANSFERS TO GENERAL FUND EARMARKED RESERVES AND PROVISIONS 2016/17				
Budgeted/Committed reserves:	contributions	to/from	£	£
• Reduction in Grants Carried Forward			(46,945)	
• Budgeted contribution to Reserves			14,700	
• Self-insurance charges and proposed contributions			30,700	(1,545)
Contribution to reserves from 2016/17 underspend:			8,000	
Carry Forward requests to Capacity Issues Reserve (see para. 6.1)				
General Fund underspend transferred to reserves			72,854	80,854
TOTAL RECOMMENDED NET CONTRIBUTIONS TO RESERVES FOR ADUR DISTRICT COUNCIL				79,309

If all the proposals in the above table are adopted, Adur District Council's General Fund Working Balance will remain at £408,171 which, at 4.2% of net expenditure of £9.699m is below the range of 6%-10% set by the Council. In addition the Council would retain earmarked revenue reserves of £562,000 (excluding revenue grants reserve), an increase of £24,000 over 31st March, 2016. The full listing of earmarked reserves is attached as **Appendix 2b**. In order to rationalise Adur's Earmarked Reserves and increase flexibility in their use, it is proposed to consolidate the New Technology Fund (£22,300) and the Health & Safety Fund (£32,545) into the Capacity Issues Reserve.

6.0 CARRY FORWARD OF GENERAL FUND BUDGETS AND TRANSFERS TO RESERVES

6.3 Movements and Use of Reserves

Worthing Borough Council:

TRANSFERS TO GENERAL FUND EARMARKED RESERVES AND PROVISIONS 2016/17		
	£	£
Budgeted/Committed contributions to/from reserves		
• Reduction in Grants Carried Forward	(323,032)	
• Transfer from Theatre Levy Reserve	(6,639)	
• Self-insurance charges and proposed contributions	30,700	(298,971)
Contribution to reserves from 2016/17 underspend:		
Carry Forward requests to Capacity Issues Reserve (see para. 6.1)	89,970	
General Fund underspend transferred to reserves	764,439	854,409
TOTAL RECOMMENDED NET CONTRIBUTIONS TO RESERVES FOR WORTHING		555,438

If all the proposals in the above table are adopted, Worthing Borough Council will maintain its General Fund Working Balance at £843,625 which, at 6.4% of net expenditure of £13.184m, is within the range of 6%-8% set by the Council. In addition the Council would retain earmarked revenue reserves of £1.947m (excluding revenue grants reserve), an increase of £0.664m over 31st March, 2016. The full listing of earmarked reserves is attached as **Appendix 3b**.

7.0 MINIMUM REVENUE PROVISION (MRP) REQUIREMENT 2016/17 AND DEBT POSITION

MRP Requirement for 2016/17

- 7.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 require the councils to make a prudent provision within the accounts for repayment of debt. This provision is called the Minimum Revenue Provision (MRP) and is charged to revenue expenditure.
- 7.2 The revised MRP policy for both Adur District Council and Worthing Borough Council for making the MRP determination for 2015/16 and subsequent years was considered by the Joint Strategic Committee at its meeting of 2nd June 2016 and was recommended for approval by Worthing Council at its meeting on 19th July 2016 and by Adur Council at its meeting on 21st July 2016.

7.0 MINIMUM REVENUE PROVISION (MRP) REQUIREMENT 2016/17 AND DEBT POSITION

MRP Requirement for 2016/17

7.3 Advice from both the Councils' treasury advisers and auditors has indicated that the MRP policy can be reviewed provided that the following criteria are met:

- i) the Councils must make a revenue provision each year for the repayment of debt;
- ii) the provision must be prudent.

7.4 It was agreed that: firstly for any debt associated with unfunded capital expenditure incurred before 1st April 2008, the MRP will be set aside in equal instalments over the life of the associated debt. This is a change from the previous policy of calculating the MRP based on 4% of the Non-Housing Capital Financing Requirement (CFR) at the closing balance of the previous financial year. The CFR is a prescribed calculation which is used to measure the Councils' underlying need to borrow to finance all capital expenditure. This does not apply to Worthing Borough Council which had no debt as at 1st April 2008. Secondly, for both Councils' non-HRA capital expenditure financed through borrowing (excluding loans to RSLs) after 1st April 2008, the MRP will be calculated as the annual amount required to repay borrowing using the Annuity Method over the life of the assets acquired, although the option remains to use additional revenue contributions or capital receipts to repay debt earlier. Where a building is being constructed, the MRP will be set aside once the building is completed.

7.5 The revised MRP policy will ensure that by the time debts are due to be repaid sufficient funds will have been set aside.

7.6 As MRP is applied in the year after which capital expenditure is funded from borrowing, the MRP for 2016/17 relates to borrowing incurred up to and including 31st March, 2016.

7.7 By applying the approved methodologies, described in paragraph 7.4, the following MRP determinations have been provided for in the 2016/17 accounts:

- For Adur District Council: £2,606,055 (£889,148 for General Fund, £1,716,907 for HRA)
- For Worthing Borough Council : £976,560

Debt Position at 31 March 2017

7.8 In recognition of the introduction of the HRA Self-Financing regime, the Councils' joint treasury management policy also includes a requirement to account separately for General Fund and HRA debt in accordance with the "two pool approach" recommended by CIPFA within the Treasury Management Code of Practice. This approach apportioned historic debt at 31 March 2012 between HRA and General Fund in accordance with the Code guidance, and requires new borrowing from 1 April 2012 onwards to be attributed to either General Fund or HRA according to the purpose for which it is obtained.

7.0 MINIMUM REVENUE PROVISION (MRP) REQUIREMENT 2016/17 AND DEBT POSITION

Debt Position at 31 March 2017

7.9 For Adur Council the separation of General Fund and HRA debt facilitates a comparison with the corresponding underlying need to borrow (the Capital Financing Requirement) i.e. capital expenditure not financed from internal resources. The purpose of the comparison is to enable General Fund and HRA treasury management decisions to be taken independently of each other, and in an equitable and transparent manner.

7.10 Accordingly, there follows a comparison of the respective debt outturn positions compared to the CFR for each Council, albeit that as Worthing does not have an HRA it therefore does not operate a two pool approach.

CFR v Debt Position at 31 March 2017	Adur District Council			Worthing BC
	General Fund	HRA	Total	General Fund Total
	£	£	£	£
Actual Long Term Debt 01/04/16	12,974,264	61,294,086	74,268,350	13,135,876
New Long Term Debt Raised in year	2,000,000	0	2,000,000	4,000,000
Long Term Debt Repaid in Year	(7,133)	(1,708,914)	(1,716,047)	(5,798,709)
Actual Long Term Debt 31/03/17	14,967,131	59,585,172	74,552,303	11,337,167

CFR v Long Term Debt Position at 31 March 2017	Adur District Council			Worthing BC
	General Fund	HRA	Total	General Fund Total
	£	£	£	£
Capital Financing Requirement (CFR)	14,909,455	60,102,737	75,012,192	22,384,465
(Over) / Under Borrowing	(57,676)	517,565	459,889	11,047,298
HRA Debt Limit	N/A	68,912,000	68,912,000	N/A
HRA Borrowing Headroom (Debt Limit – Actual Debt)	N/A	9,326,828	N/A	N/A

7.11 In addition to the amounts reported in the Table above, Worthing also held temporary borrowing of £11m at 31st March 2017 which will mature fully by 10th July 2017. This will most likely be refinanced as new temporary borrowing as the existing loans mature, pending the receipt of the sale proceeds for the Aquarena site. Adur did not hold any temporary borrowing at 31st March 2017.

7.0 MINIMUM REVENUE PROVISION (MRP) REQUIREMENT 2016/17 AND DEBT POSITION

Debt Position at 31 March 2017

- 7.12 For Adur Council the General Fund is over-borrowed by approximately £58,000 which is due to borrowing in advance for the 2017/18 capital programme to take advantage of very low PWLB interest rates. The HRA is under-borrowed by £0.5m. This position largely reflects the opening position at 1st April 2012 arising from the application of the two pool split, where-in the CIPFA methodology assumed the HRA was fully borrowed at the level of its CFR, so that any under or over borrowing at that time was fully attributed to the General Fund.
- 7.13 The HRA under borrowed position is largely due to the HRA share of accumulated debt repaid since 1st April 2012.
- 7.14 Worthing is under-borrowed by over £11m based on long term borrowing, which reflects the cumulative impact over a number of years of consistently using internal borrowing and short term borrowing as a cheaper source of funding capital investment. This has been a prudent measure in the climate of historically low interest rates to reduce the “cost of carry” (i.e. the difference between the interest charged on new borrowing compared to the interest foregone on cash balances used to fund capital expenditure that would otherwise have been invested). However £4m of Public Works Loan Board loans have been taken out in 2016/17 to take advantage of low fixed interest rates over the medium term.

8.0 CONCLUSION

- 8.1 The overall underspends for Worthing and Adur are most welcome at this time to help the Councils manage the challenging financial climate which they are currently grappling with.
- 8.2 This has been an extremely difficult year financially, with new emerging cost pressures. However the Councils have successfully managed to address some significant issues in year.

9.0 RECOMMENDATIONS

9.1 The Joint Strategic Committee is asked to:

- (a) note the report and outturn position for the Joint, Adur and Worthing Budgets proposed use of reserves; and**

9.0 RECOMMENDATIONS

9.2 The Joint Strategic Committee is asked to recommend that Adur District Council, at its Council meeting on 20th July, 2017 and Worthing Borough Council at its Council meeting on 18th July 2017:-

- (a) NOTE the overall final outturn for 2016/17;
- (b) AGREE the net carry over of revenue budget to 2017/18 where the original approval for 2016/17 was not utilised which will be funded from the Capacity Issues Reserve as set out in paragraph 6.2 (General Fund) totalling:-

Worthing Borough Council	£38,590
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- (c) APPROVE the net appropriation to General Fund reserves in the year as detailed in paragraph 6.3 totalling:

Adur District Council	£80,854
Worthing Borough Council	£854,409

- (d) AGREE the net carry over of revenue budget to 2017/18 funded from reserves as detailed in paragraph 6.1:

Adur District Council	£8,000
Worthing Borough Council	£89,970

- (e) APPROVE the consolidation into Adur's Capacity Issues Reserve of the Health & Safety Fund (£32,545) and the New Technology Fund (£22,300) in 2017/18.

- (f) APPROVE a contribution for Adur District Council from the HRA to the Adur Housing New Development and Acquisition Reserve of £306,000; Paragraph 5.3.

Local Government Act 1972

Background Papers:

Reports to the Joint Overview and Scrutiny and Joint Strategic Committee

Revenue Budget 2016/17 Joint, Adur and Worthing

3rd Monitoring Revenue and Capital Reports Joint Strategic Committee, Adur District Councils and Worthing Borough Council – Report to the Joint Strategic Committee dated 7th March 2017

Accounts and Audit Regulations 2015

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SCHEDULE OF OTHER MATTERS

1.0 COUNCIL PRIORITY

This report deals with the whole of the Joint Committees revenue expenditure and as such contributes both Council's objectives

- To protect and enhance priority services.
- To promote a clean and green environment.

2.0 SPECIFIC ACTION PLANS

2.1 The Medium Term Financial Plan

3.0 SUSTAINABILITY ISSUES

3.1 Matter considered and no issues identified

4.0 EQUALITY ISSUES

4.1 Matter considered and no issues identified

5.0 COMMUNITY SAFETY ISSUES (SECTION 17)

5.1 Matter considered and no issues identified

6.0 HUMAN RIGHTS ISSUES

6.1 Matter considered and no issues identified

7.0 REPUTATION

7.1 Matter considered and no issues identified

8.0 CONSULTATIONS

8.1 Matter considered and no issues identified

9.0 RISK ASSESSMENT

9.1 Matter considered and no issues identified

10.0 HEALTH and SAFETY ISSUES

10.1 Matter considered and no issues identified

11.0 PROCUREMENT STRATEGY


11.1 Matter considered and no issues identified

12.0 PARTNERSHIP WORKING

12.1 This report contains details of the outturn for the Adur and Worthing Partnership.


12.2 Contained within accounts of both Councils is the relevant share of the Adur and Worthing Partnership arrangements.

2016/17 FINAL REVENUE OUTTURN JOINT SUMMARY

 ADUR & WORTHING COUNCILS	ORIGINAL ESTIMATE 2016/17	CURRENT ESTIMATE 2016/17	OUTTURN 2016/17	(UNDER)/ OVERSPEND 2016/17
	£	£	£	£
Chief Executive	414,360	427,920	478,034	50,114
Director for Communities	5,918,310	6,043,408	6,131,010	87,602
Director for Customer Services	6,675,630	6,654,858	7,047,779	392,922
Director for Digital & Resources	8,597,500	8,765,518	9,052,013	286,496
Director for the Economy Grants Reserves	3,277,990	3,271,528	3,134,641	(136,886)
TOTAL SERVICES	24,883,790	25,163,230	25,843,477	680,247
ALLOCATION OF COSTS				
Recharged to other joint services	(3,103,170)	(3,553,900)	(3,841,653)	(287,753)
	21,780,620	21,609,330	22,001,824	392,494
Adur District Council	(8,673,420)	(8,630,550)	(8,807,759)	(177,209)
Worthing Borough Council	(13,107,200)	(12,978,780)	(13,194,065)	(215,285)
TOTAL SERVICE BLOCK ALLOCATIONS	(21,780,620)	(21,609,330)	(22,001,824)	(392,494)



**CIVIC BUDGET 2016-2017
Summary of Final Revenue Outturn**

CABINET MEMBER PORTFOLIOS	ORIGINAL BUDGET 2016/17	CURRENT ESTIMATE 2016/17	OUTTURN 2016/17	Notional Capital Charges Variance	Support Service Recharge Variances	(Under) / Over Spend Excluding Support and Capital Charges
	£	£	£			
<i>CM for Environment</i>	3,276,530	3,256,180	3,377,064	(79,761)	1,031,527	(830,883)
<i>CM for Health & Wellbeing</i>	981,680	990,930	1,887,014	49,078	193,449	653,556
<i>CM for Customer Services</i>	569,950	597,453	157,004	(283)	(4,760)	(435,406)
<i>Leader</i>	707,780	707,780	832,440	22,435	163,201	(60,976)
<i>CM for Regeneration</i>	2,161,150	2,270,150	3,439,520	76,392	35,655	1,057,323
<i>CM for Resources</i>	2,396,440	2,356,510	2,331,642	(111,126)	(164,411)	250,669
<i>Support Service Holding Accounts</i>	253,300	295,170	(0)	522,255	(1,254,661)	437,236
<i>Budget vired to HRA</i>						-
Total Cabinet Members	10,346,830	10,474,173	12,024,683	478,990	-	1,071,520
<i>Credit Back Depreciation</i>	(1,776,510)	(1,776,510)	(1,295,885)	(478,990)	-	959,615
<i>Minimum Revenue Provision</i>	1,181,290	1,156,240	889,148	-	-	(267,092)
<i>Additional Non Ring Fenced Grants</i>			538,342	-	-	538,342
<i>Financial Instrument Adjustment</i>	-	-	2,163	-	-	2,163
	9,751,610	9,853,903	12,158,452	-	-	2,304,549
Transfer to/from reserves:						
<i>Transfer from reserves to fund specific expenditure</i>	28,700	(73,593)	(2,458,996)	-	-	(2,385,403)
Net Underspend/(Overspend) Funded From Reserves			80,854	-	-	80,854
TOTAL BUDGET REQUIREMENT BEFORE EXTERNAL SUPPORT FROM GOVERNMENT	9,780,310	9,780,310	9,780,310	-	-	(0)

 ADUR DISTRICT COUNCIL Earmarked Revenue Reserve Accounts	Opening Balance 2016/17	Estimated Decrease 2016/17	Estimated Increase 2016/17	Projected Closing Balance 2016/17
Capacity Issues Fund including General Fund Carry Forward Reserve - Project Manager for CENSUS review (8/10/15 JSC/042/15-16) - Redundancy costs - Budgeted contribution to/from revenue Underspend for 2016-17	121,763	(18,683) (4,447)	14,700 80,854	194,187
Insurance Fund	181,621	(31,471)	30,700	180,850
New Technology Fund	22,300			22,300
Local Plan (Adur) and PDG	44,419	(44,419)		0
Health & Safety	32,545			32,545
Investment Propert Maint Fund -Revenue Maint Prog - Fishersgate Community Centre fencing (7/7/15 JSC/017/15-16)	40,947	(2,560)		38,387
Grants & Contributions held in reserves	472,816	(148,003)	101,058	425,872
Election Reserve	7,880			7,880
Special & Other Emergency Reserve	86,103			86,103
Projected Underspend/ (Overspend) (Reserve to be identified at outturn) - added to Capacity Issues Reserve above				-
General Fund Reserve	408,171			408,171
TOTALS	1,418,565	(249,583)	227,312	1,396,295

CIVIC BUDGET 2016/2017
Summary of Final Revenue Outturn

CABINET MEMBER PORTFOLIOS	ORIGINAL BUDGET 2016/17	CURRENT ESTIMATE 2016/17	OUTTURN 2016/17	Notional Capital Charges Variance	Support Service Recharge Variances	(Under) / Over Spend Excluding Support and Capital Charges
<i>Leader</i>	£ 996,520	£ 996,520	£ 1,017,009	58,456	6,183	(44,150)
<i>CM for the Environment</i>	3,112,780	3,255,630	(203,703)	174,384	1,573,242	(5,206,959)
<i>CM for Health & Wellbeing</i>	1,356,440	1,356,520	1,423,761	84,077	324,537	(341,373)
<i>CM for Customer Services</i>	4,445,300	4,564,540	1,261,569	(214,016)	264,887	(3,353,842)
<i>CM for Regeneration</i>	2,563,190	2,750,990	2,690,618	51,194	32,777	(144,344)
<i>CM for Resources</i>	3,204,750	2,853,590	2,774,677	194,864	(239,555)	(34,221)
<i>Holding Accounts</i>	237,900	359,600	0	(535,750)	(1,962,071)	2,138,221
Total Cabinet Member	15,916,880	16,137,390	8,963,930	(186,791)	0	(6,986,668)
<i>Credit Back Depreciation</i>	(3,272,280)	(3,272,280)	(3,129,800)	186,791		(44,311)
<i>Minimum Revenue Provision</i>	1,307,770	1,326,130	976,560			(349,570)
<i>Additional Non Ring Fenced Grants</i>	0	0	(94,908)			(94,908)
	13,952,370	14,191,240	6,715,782	0		(7,475,458)
Transfer to/from reserves:						
<i>Transfer from reserves to fund specific expenditure</i>	86,250	(152,620)	6,468,426			6,621,046
Net Underspend Transferred to Reserves			854,412			854,412
Total Budget requirement before External Support from Government	14,038,620	14,038,620	14,038,620	0		(0)

 WORTHING BOROUGH COUNCIL Earmarked Revenue Reserve Accounts	Opening Balance 2016/17	Decrease 2016/17	Increase 2016/17	Projected Closing Balance 2016/17
	£	£	£	£
Capacity Issue Reserve	455,039			
- Invest to save schemes (Theatres) (26/07/12 JSC/035/12-13) *C		(3,740)		
- Money Tree participatory budget (22/7/14 JSC/028/14-15)		(1,071)		
- Project Manager for CENSUS review (8/10/15 JSC/042/15-16)		(6,430)		
- Redundancy		(86,886)		
Expenditure funded from approved carry forwards from 2015/16				
- Worthing carry forwards agreed JSC 13 July 2016		(33,456)		
- Budgeted contribution to/from revenue			-	
Underspend for 2016-17			854,412	1,177,868
Insurance Reserve	391,732	(33,483)	30,700	388,949
Joint Health Promotion Reserve	9,910	0		9,910
Leisure Lottery & Other Partnerships *C	77,766	(600)		77,166
Museum reserve	114,012			114,012
Theatre Ticket Levy	70,460	(63,545)	56,906	63,821
Planning Delivery Grant	49,055	(49,055)		0
Special & Other Emergency Reserve	41,827			41,827
Grants & Contributions	897,323	(424,420)	101,388	574,291
Capital Expenditure Reserve *C	73,158			73,158
Projected Underspend/ (Overspend) (Reserve to be identified at outturn). - moved to Capacity Issues Reserve above			0	0
General Fund Working Balance	843,625			843,625
TOTAL	3,023,908	(702,686)	1,043,406	3,364,627

* Capital

ADUR HOMES HOUSING REVENUE ACCOUNT

	BUDGET 2016/17	OUTTURN 2016/17	VARIANCE 2016/17
	£	£	£
EXPENDITURE			
General Management	3,032,520	3,103,439	70,919
Special Services	812,770	568,677	-244,093
Rent, Rates, Taxes & Other Charges	44,400	11,843	-32,557
Repairs & Maintenance	2,659,880	3,087,033	427,153
Bad/Doubtful Debt	50,000	-76,488	-126,488
Contribution to reserves for refurbishment and new build	2,028,000	2,030,871	2,871
Capital Financing Costs			
Depreciation and revenue contribution to capital	2,409,030	2,341,694	-67,336
Interest charges	2,322,240	2,323,973	1,733
TOTAL EXPENDITURE	13,358,840	13,391,042	32,202
INCOME			
Dwelling Rents	-12,246,470	-12,239,028	7,442
Non-Dwelling Rents	-550,790	-508,224	42,566
Heating Charges	-74,820	-64,921	9,899
Leaseholder's Service Charges	-163,200	-289,177	-125,977
Other Service Charges	-295,560	-258,161	37,399
Interest Received	-28,000	-31,531	-3,531
TOTAL INCOME	(13,358,840)	(13,391,042)	(32,202)
NET (SURPLUS)/DEFICIENCY - TRANSFER TO/FROM HRA GENERAL RESERVE	0	0	0