



**GREAT YARMOUTH**  
BOROUGH COUNCIL

# Council

**Date:** Thursday, 13 July 2017  
**Time:** 19:00  
**Venue:** Council Chamber  
**Address:** Town Hall, Hall Plain, Great Yarmouth, NR30 2QF

## AGENDA

Open to Public and Press

### 1 **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

### 2 **DECLARATIONS OF INTEREST**

You have a Disclosable Pecuniary Interest in a matter to be discussed if it relates to something on your Register of Interests form. You must declare the interest and leave the room while the matter is dealt with.

You have a Personal Interest in a matter to be discussed if it affects

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

You must declare a personal interest but can speak and vote on the matter.

Whenever you declare an interest you must say why the interest arises, so that it can be included in the minutes.

**3     PUBLIC QUESTION TIME**

Council will consider the following question from Mr J Cannell (Great Yarmouth and District Trades Union Council):-

"What is the current total debt and age profile of that debt owed in;  
a)Business Rates and b)Commercial Rents, to Great Yarmouth Borough Council."

**4     MINUTES**

**4 - 18**

To confirm the minutes of the Council meetings held on the 15 May 2017, 16 May 2017 and the 12 June 2017.

**5     SERVICE COMMITTEE DECISION LIST FOR THE PERIOD 12  
APRIL 2017 TO 22 JUNE 2017**

**19 - 20**

Report attached.

**6     FINANCIAL OUTTURN REPORT 2016-17**

**21 - 55**

Report attached.

**7     2016/17 TREASURY MANAGEMENT OUTTURN REPORT**

**56 - 64**

Report attached.

**8     APPOINTMENT TO COMMITTEES 2017/18**

Members will be asked to agree to the replacement of Councillor Grant by Councillor Lawn to serve on the Development Control Committee.

**9     MOTION ON NOTICE**

Council will be asked to consider the following Motion on Notice from Councillors Wainwright, Williamson, Wright, Walker and Borg :-

" Now that the Government has found a magic money tree and agreed to give £1 Billion to the DUP.

We call upon this Council to write to the Prime Minister Theresa May MP and Brandon Lewis MP, demanding an immediate abandonment of the Austerity programme and a lifting of the maximum 1% pay cap on our vital Public Services."

**10     ANY OTHER BUSINESS**

To consider any other business as may be determined by the Chairman of the meeting as being of sufficient urgency to warrant consideration.

**11     EXCLUSION OF PUBLIC**

In the event of the Committee wishing to exclude the public from the meeting, the following resolution will be moved:-

"That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 12(A) of the said Act."

**12     CONFIDENTIAL SERVICE COMMITTEE DECISION LIST FOR  
THE PERIOD 12 APRIL 2017 TO 22 JUNE 2017**

Details

# Council

## Minutes

Monday, 15 May 2017 at 19:00

Present :-

The Mayor Councillor Bird (in the Chair); Councillors Andrews, Annison, Bensly, Borg, Carpenter, B Coleman, M Coleman, Fairhead, Flaxman - Taylor, A Grey, K Grey, Hacon, Hammond, Hanton, Jeal, Lawn, Mavroudis, Myers, Plant, Pratt, Reynolds, Robinson-Payne, Smith, Stenhouse, Thirtle, Wainwright, Walch, Walker, Waters-Bunn, Weymouth, Williamson and Wright.

Also in attendance :-

Mrs S Oxtoby (Chief Executive Officer), Mr R Hodds (Corporate Governance Manager), Mrs L Goodman (Events Manager)

### **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Connell, Cutting, Davis, Grant, Jones and Rodwell.

### **2 PRESENTATION TO COUNCILLOR WEYMOUTH DEPUTY MAYOR**

His Worship the Mayor recorded his thanks and appreciation to the Deputy Mayor for her support and assistance during the last year and presented to Councillor Weymouth the past Mayors badge.

### **3 ELECTION OF MAYOR FOR THE MUNICIPAL YEAR 2017/18**

On the Motion of Councillor Jeal, seconded by Councillor Carpenter it was :-

RESOLVED :

That Councillor Kerry Susanne Robinson-Payne one of the Councillors of the Borough of Great Yarmouth be and is hereby elected Mayor of the said Borough for the Municipal Year 2017/18.

(Councillor Bird here vacated the chair, and Councillor Robinson-Payne occupied the same)

### **4 VOTE OF THANKS TO OUTGOING MAYOR**

On the Motion of Councillor K Grey, seconded by Councillor B Coleman it was :-

RESOLVED :

That Council do record there sincere thanks and appreciation to Councillor Malcolm Dudley Bird for the dedication, commitment and enthusiasm with which he has carried out his Mayoral duties and for the interest and loyalty Malcolm has shown in all matters concerning the Borough, and that the Council records it's special thanks to Mrs Donna Bird for the support and dignity Donna has given to her husband as Mayoress and that these resolutions be engrossed, sealed with the common seal and suitability presented to Councillor Malcolm Dudley Bird.

### **5 ELECTION OF DEPUTY MAYOR FOR THE MUNICIPAL YEAR 2017/18**

On the Motion of Councillor K Grey and seconded by Councillor B Coleman it was :-

RESOLVED :

That Councillor Malcolm Dudley Bird be and is hereby elected Deputy Mayor of the Borough of Great Yarmouth for the Municipal Year 2017/18.

### **6 APPOINTMENT OF MAYOR'S CHAPLAIN**

The Mayor reported that she had appointed Father Phillip Shryane to be her Chaplain for the Mayoral Year 2017/18.

### **7 MAYOR'S ANNOUNCEMENT'S**

The Mayor reported on the details of her charities for the Municipal Year

2017/18.

The meeting ended at: 21:00

# Council

## Minutes

Tuesday, 16 May 2017 at 19:00

PRESENT :

Her Worship the Mayor Councillor Robinson-Payne (in the Chair), Councillors Andrews, Annison, Bensly, Bird, Borg, Carpenter, B Coleman, M Coleman, Cutting, Davis, Fairhead, Flaxman-Taylor, Grant, A Grey, K Grey, Hammond, Hanton, Jeal, Jones, Lawn, Mavroudis, Myers, Plant, Pratt, Reynolds, Smith, Stenhouse, Thirtle, Wainwright, Walch, Walker, Waters-Bunn, Weymouth, Williamson and Wright.

Also in attendance :-

Mrs S Oxtoby (Chief Executive Officer), Mr D Johnson (Monitoring Officer), Ms K Sly (Section 151 Officer), Mr D Glason (Group Manager, Growth), Mr R Hodds (Corporate Governance Manager) and Mr K Balls (Senior Strategic Planner).

### **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Connell, Hacon and Rodwell.

### **2 DECLARATIONS OF INTEREST**

Councillor Williamson declared a Personal Interest in his capacity as Chairman of the Great Yarmouth Preservation Trust; Councillors Hammond and Walch declared a personal interest in the item relating to the Town Centre Masterplan; and Councillor Stenhouse declared a Disclosable Pecuniary

Interest in the item relating to the Town Centre Masterplan and left the meeting and took no part in the voting or discussion there on.

### **3 MINUTES**

Proposer : Councillor Plant

Seconder : Councillor B Coleman

That the minutes of the Council meeting held on the 20th April 2017 be confirmed.

CARRIED

### **4 REPORTS TO COUNCIL FOR DECISION**

#### **(a) APPOINTMENT OF LEADER AND DEPUTY LEADER OF THE COUNCIL**

Proposer : Councillor Smith

Seconder : Councillor Reynolds

That Councillor Plant be appointed as Leader of the Council for 2017/18.

CARRIED

Proposer : Councillor B Coleman

Seconder : Councillor Plant

That Councillor Smith be appointed as Deputy Leader for 2017/18.

CARRIED

The Leader recorded his thanks and appreciation to Councillor Penny Carpenter in her role as Deputy Leader for the previous Municipal Year 2016/17.

#### **(b) COMMITTEE MEMBERSHIPS 2017/18**

Council gave consideration to the appointment of Members to the various Council Committees for the Municipal year 2017/18

Proposer : Councillor Hanton

Seconder : Councillor Reynolds

That the following appointments be agreed :-



Policy and Resources - Councillors Annison, B Coleman, Grant, A Grey, K Grey, Hacon, Jeal, Plant, Smith, Thirtle, Wainwright, Walker and Williamson.

Economic Development Committee - Councillors B Coleman, Grant, K Grey, Hammond, Hanton, Jeal, Pratt, Reynolds, Stenhouse, Thirtle, Wainwright, Walch and Walker.

Environment Committee - Councillors Annison, Bensly, Borg, Fairhead, Grant, Hacon, Hanton, Jones, Pratt, Smith, Walch, Weymouth and Wright.

Housing and Neighbourhoods Committee - Councillors Bensly, Bird, M Coleman, Flaxman - Taylor, Grant, Hacon, Mavroudis, Pratt, Rodwell, Wainwright, Walch, Waters-Bunn and Williamson.

Development Control Committee - Councillors Andrews, Annison, Bird, Fairhead, Flaxman-Taylor, Grant, Hammond, Hanton, Reynolds, Thirtle, Wainwright, Williamson and Wright.

Licensing Committee - Councillors Annison, Bensly, Borg, M Coleman, Fairhead, Jeal, Jones, Lawn, Mavroudis, Rodwell, Stenhouse, Walker and Weymouth.

Standards Committee - Councillors Andrews, M Coleman, Davis, A Grey and Lawn.

Audit and Risk Committee - Councillors Flaxman - Taylor, A Grey, K Grey, Thirtle and Wainwright.

Appeals Committee - Councillors Andrews, Borg, Carpenter, Flaxman-Taylor, Hacon.

Local Plan Working Party - Councillors Andrews, Annison, B Coleman, Fairhead, Grant, Hammond, Hanton, Myers, Reynolds, Wainwright and Williamson.

Joint Consultative Committee - Councillors Carpenter, Hacon, Lawn, Stenhouse and Waters-Bunn.

Area Museums Committee - Councillors Connell, Cutting, K Grey, Jeal, Lawn, Mavroudis, Myers and Robinson - Payne.

Civic Working Group - Councillors B Coleman, Connell, Fairhead, Hacon and Myers.

Employment Committee - Councillors Carpenter, K Grey, Hacon, Plant, Smith, Wainwright and Walker.

Local Authority Trading Company Shareholder Committee - Councillors Andrews, Annison, Carpenter, Flaxman-Taylor, Grant, K Grey, Hammond,

Jeal, Lawn, Thirtle, Wainwright, Waters-Bunn and Williamson.

Housing Appeals - Councillors Andrews, Borg, M Coleman, Flaxman-Taylor, Grant, Hacon, Jones, Lawn, Mavroudis, Myers, Pratt, Walch, Williamson.

Future Vision Working Group - Councillors K Grey, Hacon, Myers, Plant, Smith, Wainwright, Walker.

Constitutional Working Party - Councillors Annison, Carpenter, K Grey, Myers, Plant, Thirtle, Wainwright, Walch, Walker and Williamson.

CARRIED

### **(c) APPOINTMENT OF CHAIR'S AND VICE-CHAIR'S OF COMMITTEES 2017/18**

Council gave consideration to the appointment of Chairs and Vice Chairs of the Committees for 2017/18.

Proposer : Councillor A Grey

Seconder : Councillor B Coleman

That the following appointments be made for the Chairs and Vice Chairs of the Committees for 2016/17 :-

Policy and Resources - Councillor Plant to be Chair and Councillor Smith to be Vice Chair.

Economic Development Committee - Councillor B Coleman to be Chair and Councillor Hammond to be Vice Chair.

Environment Committee - Councillor Smith to be Chair and Councillor Walch to be Vice Chair.

Housing and Neighbourhoods Committee - Councillor Grant to be Chair and Councillor Flaxman-Taylor to be Vice Chair.

Development Control Committee - Councillor Williamson to be Chair and Councillor Hanton to be Vice Chair.

Licensing Committee - Councillor Walker to be Chair and Councillor Annison to be Vice Chair.

Standards Committee - Councillor M Coleman to be Chair and Councillor Lawn to be Vice Chair.

Audit and Risk Committee - Councillor A Grey to be Chair and Councillor Flaxman - Taylor to be Vice Chair.

Appeals Committee - Councillor Flaxman - Taylor to be Chair and Councillor Andrews to be Vice Chair.

Local Plan Working Party - Councillor Annison to be Chair and Councillor Hanton to be Vice Chair.

Joint Consultative Committee - Councillor Carpenter to be Chair and Councillor Stenhouse to be Vice Chair.

Area Museums Committee - Councillor Lawn to be Chair and Councillor Mavroudis to be Vice Chair.

Civic Working Group - Councillor Fairhead to be Chair and Councillor B Coleman to be Vice Chair.

Employment Committee - Councillor Plant to be Chair.

Local authority Trading Company Shareholder Committee - Councillor Thirtle to be Chair and Councillor Hammond to be Vice Chair.

Housing Appeals Committee - Councillor Flaxman - Taylor to be Chair and Councillor Walch to be Vice Chair.

Future Vision Working Group - Councillor Plant to be Chair.

Constitutional Working Party - Councillor Plant to be Chair.

CARRIED

#### **(d) APPOINTMENTS TO OUTSIDE BODIES 2017/18**

Council considered the appointment of representatives to Outside Bodies for the Municipal Year 2017/18.

Proposer : Councillor Plant

Seconder : Councillor B Coleman

That the following appointments to the Outside Bodies for 2017/18 be agreed :-

A47 Alliance - Councillor Plant

Bowls Tournament Working Party - Councillors Fairhead and Lawn

Broads Authority - Councillor Thirtle

Broads Internal Drainage Board - Councillors Andrews, Bird, M Coleman, Fairhead, Thirtle and Weymouth

Chamber of Commerce - Norfolk (Great Yarmouth Committee) Chamber Council - Councillors B Coleman and Reynolds.

Coastal Partnership East - Councillor Smith

Community Association Management Committee - South Yarmouth - Councillors Jeal and Stenhouse

Community Association Management Committee - Claydon Pavilion - Councillors Rodwell and Williamson.

Community Rail Partnership - Councillor B Coleman

Community Safety (Great Yarmouth) Ltd (CCTV Co) - Councillor Hanton

East Anglia Port Welfare Committee - Councillor Borg

East of England LGA - Councillor Plant

Economic Reference Group - Councillors Plant, K Grey, Wainwright and Myers

EnterpriseGY Board - Councillor B Coleman

Gorleston Poor Land Trustees - Councillors Flaxman - Taylor, K Grey and Wright

Great Yarmouth and Rambouillet Twinning Association - Councillors B Coleman, Fairhead and Hacon.

Great Yarmouth Development Company - Councillor Plant

Great Yarmouth in Bloom - Councillors K Grey and Stenhouse

Great Yarmouth Marketing Initiative - Councillor B Coleman

Great Yarmouth Municipal Charities - Councillors Jeal, Robinson-Payne, Stenhouse and Walch

Great Yarmouth Preservation Trust - Councillors B Coleman, M Coleman, Fairhead, Stenhouse and Williamson.

Great Yarmouth Racecourse - Councillors Hammond and Smith

Great Yarmouth Seafarers Centre - Councillor Borg

Great Yarmouth Sports Council - Councillors Borg, Hanton and Williamson.

Great Yarmouth Sports Partnership - Councillors Borg, Hanton and Williamson.

Great Yarmouth Transport & Infrastructure Steering Group (formerly Car Parking Strategy Steering Group) - Councillors B Coleman, K Grey, Jeal.

Greater Yarmouth Tourism & Business Improvement Area Ltd/ Interim Board of Directors - Councillors Bird, B Coleman, Jeal and Mavroudis  
GY Norse Company Board - Councillor Grant

GY Norse Liaison Board - Councillors Carpenter, Grant and Hacon

GYB Services Company Board - Councillor Smith

GYB Services Liaison Board - Councillors Hacon and Smith

High School Foundation - Councillor Williamson (4 Year Period 2014-2018)

James Paget Healthcare NHS Trust (Governors' Council) - Councillor Flaxman - Taylor

Local Authority Trading Company Board (for development of Beacon Park Housing) - Councillor Plant

Local Government Association - Coastal Issues - Councillor Plant

Local Government Association - General Assembly - Councillor Plant

Neighbourhood Management Board - MESH (Gorleston) - Councillors Flaxman - Taylor and Walker.

Neighbourhood Management Boards - Make It Happen (Southtown, Cobholm and Halfway House) - Councillors Borg and Waters-Bunn.

Neighbourhood Management Boards - Yarmouth - Councillors Jeal and Robinson - Payne

Nelson Museum Management Board - Councillors Cutting and K Grey

New Anglia Local Enterprise Partnership - Councillor Plant

Norfolk Archaeological Unit Advisory Committee - Councillor Mavroudis

Norfolk Coast Partnership (Joint Advisory Panel) - Councillors Hanton

Norfolk County Joint Museums Committee - Councillor Lawn

Norfolk Health and Wellbeing Board - Councillor Grant

Norfolk Health Overview & Scrutiny Committee - Councillor Fairhead

Norfolk Parking Partnership Joint Committee - Councillor Plant

Norfolk Rail Group - Councillor B Coleman

Norfolk Records Committee - Councillor M Coleman

Norfolk Strategic Planning Framework - Councillor Grant

Norfolk Waste Partnership - Councillor Grant

Nplaw Board - Councillor Thirtle

Older Peoples Partnership - Councillor Carpenter

Parking and Traffic Regulations Outside London Adjudication Joint Committee (PATROL AJC) - Councillor Plant

Police and Crime Panel - Councillor Stenhouse and Councillor Andrews (Sub)

SeaChange Board - Councillor Walch

Sentinel Leisure Trust - Councillors Jeal and Williamson

Sentinel Leisure Trust Partnership Board - Councillor Wainwright

St George's Trust - Councillor Plant Town Centre Company (Great Yarmouth) Ltd - Councillors K Grey, Plant and Wainwright.

Town Centre Comapny (Great Yarmouth) Ltd - Councillor B Coleman

Waveney, Lower Yare and Lothingland Internal Drainage Board - Councillors Andrews, Fairhead and Lawn.

Youth Advisory Board - Councillor Bensly

CARRIED

## **5 TOWN CENTRE MASTERPLAN**

Council considered the Transformation Programme Managers report which presented the finalised Masterplan for Great Yarmouth's Town Centre which had been endorsed by the Economic Development Committee and was now recommended to Council for approval of this final document.

The Chair of the Economic Development Committee reported that there were a number of small minor grammatical corrections that would require finalisation in the document. These related to spelling, or minor layout changes which did not alter the content of the document. In addition the Chair reported that there was a small change required under project "E.2 Public Realm Investment" and this content related to "signage and row improvement pilot" was incorrectly duplicated from another section of the Masterplan and would require deletion

and replaced with the following wording :-

"Re-landscaping of Hall Quay

Purpose - To create a high quality Public realm setting

Actions -

- Engage with Stakeholders
- Implement new street landscaping between the new kerb and building lines, including paving and street furniture

Outcomes -

- Hall Quay Public realm is transformed into an attractive, premium leisure based setting
- Perceptions of Great Yarmouth and transformed amongst visitors, business, developers and investors."

Proposer : Councillor B Coleman

Seconder : Councillor Jeal

(1) That Council approve the final document, with any minor grammatical, content or layout changes to be delegated to the Group Manager, Growth

(2) That the wording relating to "Signage and row improvement pilot" be deleted and replaced with the actions related to the "Re-landscaping of Hall Quay" as detailed above.

CARRIED

**6 APPOINTMENTS TO THE POSTS OF STRATEGIC DIRECTORS, DEVELOPMENT DIRECTOR AND HR POLICY IMPLICATIONS**

Council considered the report of the Head of HR / Organisational Development which sought ratification of the initial recommendation from the Employment Committee following the recruitment and selection process undertaken by that Committee in relation to the post of Strategic Director, and Development Director.

Proposer : Councillor Plant

Seconder : Councillor K Grey

That approval be given to the appointment of Mrs Kate Watts as a Strategic Director.

CARRIED

The meeting ended at: 19:35



# Council

## Minutes

Monday, 12 June 2017 at 19:00

Present :-

Her Worship the Mayor Councillor Robinson-Payne (in the Chair); Councillors Andrews, Annison, Bensly, Bird, Borg, Carpenter, B Coleman, M Coleman, Connell, Fairhead, Flaxman-Taylor, Grant, K Grey, Hammond, Hanton, Jeal. Jones, Lawn, Mavroudis, Plant, Pratt, Reynolds, Rodwell, Smith, Thirtle, Wainwright, Walch, Waters-Bunn, Weymouth, Williamson and Wright

Also in attendance :-

Mrs S Oxtoby (Chief Executive Officer), Mr D Johnson (Monitoring Officer), Mrs K Watts (Transformation Programme Manager), Ms K Sly (Section 151 Officer), Mrs J Cooke (Head of HR / Organisational Development) and Mr R Hodds (Corporate Governance Manager)

### **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Cutting, Davis, A Grey, Hacon, Myers, Stenhouse and Walker.

### **2 DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

### **3 APPOINTMENT TO THE POSTS OF STRATEGIC DIRECTOR AND DEVELOPMENT DIRECTOR**

Council considered the Head of HR/Organisational Development's report which sought ratification of the recommendations from the Employment Committee following the recruitment and selection process undertaken by that Committee.

Proposer : Councillor Plant

Seconder : Councillor Thirtle

(1) To appoint David Glason as Development Director.

(2) To appoint Neil Shaw as Strategic Director.

CARRIED

### **4 APPOINTMENT TO OUTSIDE BODIES 2017/18**

Council was asked to give consideration to the appointment of representatives to the Police and Crime Panel. Members were advised of the advice that had been received from the County Council regarding the political balance of the Police and Crime Panel and on guidance received regarding appointments to this panel.

Proposer : Councillor Plant

Seconder : Councillor Thirtle

That Councillor Bensly be appointed as the Borough Council's representative on the Police and Crime Panel, with Councillor Hanton as substitute.

LOST

Proposer : Councillor Jeal

Seconder : Councillor Williamson

That Councillor Wainwright be appointed as the Borough Council's representative on the Police and Crime Panel, with Councillor Fairhead as substitute.

CARRIED

The meeting ended at: 19:14

**Decision List for 20 April 2017 to 22 June 2017**

	Decision Item	Committee	Committee Date	Details of Decision	Officer Lead
1	Housing White Paper	Housing & Neighbourhoods	24/04/2017	That the Committee: (i) Note the Housing White Paper, and its significance for Great Yarmouth Borough Council; and (ii) Agree the responses to the Housing White Paper, included the additional responses agreed at the meeting, and associated "Build to Rent" consultation.	Robert Read
2	Estates Regeneration	Housing & Neighbourhoods	24/04/2017	(i) That the Committee note the programme of work agreed with the DCLG; and (ii) To include, as part of the quarterly update report, to the Housing & Neighbourhoods Committee.	Robert Read
3	Voluntary Sector Grants	Housing & Neighbourhoods	24/04/2017	That the Committee note the report and a further report be received at the next meeting of the Housing & Neighbourhoods Committee on 15 June 2017. The item to be added to the Forward Plan.	Rob Gregory
4	Building Resilient Lives	Housing & Neighbourhoods	24/04/2017	That the Committee note the report.	Vicky George
5	Four Yearly Election Referendum	Policy & Resources	25/04/2017	That approval be given to the proposed revised timetable for the Local Referendum on the Election Cycle to run between the 4 to the 29 September 2017, together with the information, documentation and ballot form, as now amended, to be delivered to all eligible Electors within the Borough.	Jane Beck
6	100% Business Rates Consultation Response	Policy & Resources	25/04/2017	That the draft consultation response to the 100% Business Rates Retention Consultation as detailed in the Finance Director's report be approved which will form the basis of the response to be submitted to the Government.	Karen Sly
7	Marina Centre - Golden Mile Development Brief	Policy & Resources	25/04/2017	(1) That the Marina Centre / Golden Mile Development Brief be approved for the purposes of carrying forward the project to investigate further the potential for redevelopment of the Marina Centre. (2) That approval be given to delegate authority to the Group Manager (Growth) to make further minor changes to the Brief for clarity, presentation and updating purposes.	David Glason
8	Confidential Compulsory Purchase of 160 King Street	Policy & Resources	25/04/2017	(1) That approval be given to the Borough Council compulsorily acquiring 160 King Street, Great Yarmouth and to subsequently a back to back transfer of this property to the Great Yarmouth Preservation Trust. (2) That approval be given to funding from reserves totalling £55,000 which would be reimbursed on the transfer of the property to the Great Yarmouth Preservation Trust.	Darren Barker
9	Confidential Enforcement Group - Progress Update	Policy & Resources	25/04/2017	That the Transformation Programme Manager's report be noted together with the details of the Enforcement Group's Work Programme, and confidential Property Log.	Kate Watts
10	Final Town Centre Masterplan	Economic Development	09/05/2017	(1) That the Economic Development Committee endorse the Final Masterplan document and recommend to Council that it is approved, subject to any final minor grammatical adjustments as agreed by the Transformation Programme Manager and Group Manager, Growth. (2) That the Committee agree to the use of up to £25,000 from the Town Centre Initiative Funding to complete a Development Prospective for the Conge and a planning brief for Hall Quay. (3) That the Committee agree to establish a Partnership Board comprising one Member from each of the three main Political Groups on the Council.	Kate Watts
11	Wheels Festival 2017 / Bikers Take Over Event	Economic Development	05/06/2017	That the Economic Development Committee support the proposal for the Wheels Festival 2017 / Bikers Take over Event.	David Helesdon
12	Arts Funding	Economic Development	05/06/2017	(1) That approval be given to the St George's Business Plan and funding allocations for 2017-2020. (2) That approval be given to the Heads of Terms for the Seachange Service Level Agreement and funding allocations for 2017-2025, in line with the Arts Council NPO funding period.	Rob Gregory
13	Appointment of Vice-Chairman	Policy & Resources	13/06/2017	That Councillor Thirtle be appointed as Vice-Chairman of the Policy and Resources Committee for the Municipal Year 2017/18.	Robin Hodds
14	Project Progress Report 2016/17	Policy & Resources	13/06/2017	That the Annual Project Progress Report 2016/17 be approved.	Kate Watts
15	Quarter 4 Key Project Report	Policy & Resources	13/06/2017	That all Key Projects be continued to be monitored over the next quarter for the aim of maintaining a green status and where possible obtaining a green status for those key projects that are amber.	Kate Watts
16	Annual Performance Report 2016/17	Policy & Resources	13/06/2017	That the Annual Performance Report 2016/17 be approved.	Kate Watts
17	Annual Action Plan 2017/18	Policy & Resources	13/06/2017	That the Annual Action Plan 2017/18 be approved.	Kate Watts

	Decision Item	Committee	Committee Date	Details of Decision	Officer Lead
18	Financial Outturn Report 2016/17	Policy & Resources	13/06/2017	That Council be recommended to agree the following :- (1) General Fund (a) The Outturn position for the General Fund Revenue Account for 2016/17 as included in the Finance Director's report and appendices (b) The transfers to and from reserves (general and earmarked) as detailed within the Finance Director's report (and Appendix (c) along with the corresponding updates to the 2017/18 budget. (c) Transfer the surplus of £389,704 to the general reserves. (d) The balance on the general reserves of £4,97,335 at 31 March 2017 (after allowing for recommendation 1c) (2) Capital Programme (e) The financing of the 2016/17 Capital Programme as detailed within the Finance Directors report (and at Appendix D) (f) The updated Capital Programme (General Fund and Housing Revenue Account) 2018/19 and the associated financing of the schemes as outlined within the Finance Director's report and detailed at Appendix E.	Karen Sly
19	2016/17 Treasury Management Outturn Report	Policy & Resources	13/06/2017	That Council be recommended to approve the Treasury Management Outturn Report and indicators for 2016/17.	Karen Sly
20	Debt Recovery 2016/17	Policy & Resources	13/06/2017	(1) That the annual report giving details of the Council's Write Offs in accordance with the Council's Debt Write Off policy and performance in relation to revenues collection be approved. (2) That the development of an Action Plan and Business Case to improve the performance in reducing debt and increasing collection rate be approved.	Stuart Brabben
21	Redundancy and Redeployment Policy (Now Updated and Retitled The Change Management Policy)	Policy & Resources	13/06/2017	That the revised Change Management Policy be adopted and communicated to all staff, subject to an amendment to section G relating to the redeployment pay protection to state that the pay protection period will be applied for 2 years (up to the 12 June 2018), and there after will be for a period of 18 months.	Julie Cooke
22	Sickness Management Policy	Policy & Resources	13/06/2017	That the revised Sickness Management Policy be adopted and training be given to all staff on this Policy.	Julie Cooke
23	Forward Plan	Environment	14/06/2017	That the Footway Lighting and Highways Roundabout items be deferred from the Committee's Forward Plan as both matters are subject to a budget review process.	Glenn Buck
24	Air Quality Annual Status Report 2017	Environment	14/06/2017	That the Committee note the Air Quality Annual Status Report 2017 and its contents.	Glenn Buck
25	Government Litter Strategy 2017	Environment	14/06/2017	That the Committee note the contents of the Director of Customer Services and Senior Environmental Rangers report.	Jane Beck
26	Fire Risk	Housing & Neighbourhoods	22/06/2017	That the Committee note the report.	Richard Oliver
27	Leasehold Service Charges	Housing & Neighbourhoods	22/06/2017	That the Committee note the report.	Trevor Chaplin
28	Housing Revenue Account - Outturn 2016-17	Housing & Neighbourhoods	22/06/2017	That the Committee note the report.	Jane Bowgen
29	Housing and Neighbourhoods Performance Measures 2016/2017	Housing & Neighbourhoods	22/06/2017	That the Committee note the report.	Trevor Chaplin
30	Building Resilient Lives	Housing & Neighbourhoods	22/06/2017	That the Committee note the report.	Vicky George
31	Wellesley Recreation Ground	Housing & Neighbourhoods	22/06/2017	That the Committee consider the content outlined in the report and approve the development of a full business case for the site, to include options around site management arrangements to be considered at a future Committee; and note that the business case may lead to a proposal to the capital programme for 2018/19 for Council match-funding to the scheme.	Robert Read

**Subject: Financial Outturn Report 2016/17**  
Report to: Policy and Resources 13 June 2017  
Full Council 13 July 2017

Report by: Finance Director

#### **SUBJECT MATTER AND RECOMMENDATIONS**

This report presents the draft outturn position for the General Fund and capital programme for the 2016/17 financial year. Details are included within the report of the more significant year-end variances compared to the current budget for 2016/17. The report also makes recommendations for contributions to earmarked reserves and the general reserve as applicable for future spending commitments. An update to the current capital programme after allowing for the re-profiling of schemes as applicable between financial years is also included within the report and accompanying appendices. The outturn position as reported has been used to inform the production of the statutory statement of accounts which will be subject to external audit review over the coming months prior to be presented to the Audit and Risk Committee in September 2017.

#### **Recommendations:**

Members are asked to consider the report and recommend the following:

##### **1) GENERAL FUND**

- a) The outturn position for the general fund revenue account for 2016/17 as included in the report and appendices;
- b) The transfers to and from reserves (general and earmarked) as detailed within the report (and Appendix C) along with the corresponding updates to the 2017/18 budget;
- c) Transfer the surplus of £389,704 to the general reserve;
- d) The balance on the general reserve of £4,097,335 at 31 March 2017 (after allowing for recommendation 1c)

##### **2) CAPITAL PROGRAMME:**

- e) The financing of the 2016/17 capital programme as detailed within the report and at Appendix D;
- f) The updated capital programme (General Fund and Housing Revenue Account) 2017/18 to 2018/19 and the associated financing of the schemes as outlined within the report and detailed at Appendix E.

## **1. INTRODUCTION AND BACKGROUND**

- 1.1. This report presents the final budget monitoring position for the 2016/17 financial year and is essentially the draft outturn report for the Council's general fund revenue account, housing revenue account (HRA) and capital programme. The draft position is then subject to external audit review over the summer.

- 1.2. Commentary on the more significant variances compared to the current budget is provided in the detail of the report with further information provided in the appendices. The current budget reflects the original budget as approved in February 2016 updated for approved in-year virements, including those agreed as part of the prior years (2015/16) outturn report.
- 1.3. The report also includes a current forecast position statement on the level of reserves along with the outturn and financing position for the 2016/17 capital programme. The capital programme for the period 2017/18 to 2018/19 has been updated to reflect the outturn position and where capital schemes have slipped between financial years. The revised capital programme is included within the appendices to the report.
- 1.4. The budget for 2016/17 was set in February 2016 and assumed a surplus position of £107,223. During the year Members have been provided with the budget monitoring position for the overall budget which identified the significant service and non-service variances compared to the budget. The budget monitoring position to the end of period 9 was reported to the Policy and Resources Committee in February 2017 at which time there was forecast to be an underspend of £108,390 for the 2016/17 financial year which was reported to be a combination of service overspends and non-service underspends and additional income.
- 1.5. The outturn position as included in this report has been used to produce the statutory accounts for 2016/17. The current deadline for the production of the statutory annual accounts is 30 June for the draft statements and 30 September for the published audited version. From 2017/18 these deadlines will be brought forward to 31 May and 31 July respectively for the draft and audited accounts. This will inevitably mean that deadlines for the closure of the accounts will be brought forward and there will be an increased reliance on estimates within the annual statement of accounts which must be based upon robust methodology.

## **2. REVENUE ACCOUNT OUTTURN 2016/17**

- 2.1. The revenue account position for the year shows a surplus of £389,704 as detailed at Appendix A. This is after allowing for planned movements to and from earmarked reserves.
- 2.2. Unlike capital budgets underspends on service revenue budgets (general fund and HRA) in the year are not automatically rolled forward at the year-end where an annual budget provision exists. Where the underspend represents a grant received which has not yet been fully utilised or where there has been a delay in the planned use, the unspent grant has been rolled forward within an earmarked reserves to match spend in a future year. In addition where a budget has been provided as a one-off in the year and remains unspent for example due to a slippage in the timescales of delivery, then the unspent budget can be rolled forward. Although agreements to carry forward unringfenced grants and budgets are made in the context of the overall financial position for the Authority.
- 2.3. The transfers to and from reserves in the year are made in line with the Council's policy framework for earmarked reserves as approved as part of the annual budget setting process. Earmarked reserves are typically used to set aside funds for known

or specific liabilities. Further detail on the reserves for the year are provided at section 4 and appendix C.

- 2.4. The outturn position as included in the report and accounts includes some significant figures, which will be subject to external audit later in the year; these are mainly in relation to Benefit Subsidy and Business Rates Retention.
- 2.5. **Benefit Subsidy** - The benefit subsidy return was completed and submitted by 30 April 2017 and will be subject to external audit review later in the year. Depending on the outcome from the external audit review there could be an impact on the overall financial position, for example should additional subsidy payments be due to or from the Department for Work and Pensions (DWP), then this could change the outturn position and amounts to be transferred to reserves.
- 2.6. **Business Rates** - Under the system of business rates retention an element of the business rates is retained locally (split between the County and Districts). The budget for the year was informed by the baseline funding and the NNDR1 position. The outturn position is based on the National Non Domestic Rates 3 (NNDR3) Return which is submitted annually. As with the treatment of benefit subsidy, the business rates position is subject to external audit and therefore any adjustments identified as part of the audit process could impact on the outturn position and reserves balance.
- 2.7. In the same way that Council Tax operates a 'collection fund' which distributes the precepts/shares of council tax collected to the respective authorities, the business rates collection fund distributes the respective shares of business rates (to Norfolk County Council and Central Government) based on the NNDR return. Should the actual income collected from business rates exceed or not meet the anticipated amounts there would be a surplus or deficit on the fund. Further details are provided in section 3.

### **3. GENERAL FUND REVENUE ACCOUNT – DETAILED COMMENTARY 2016/17**

- 3.1. This section of the report highlights the more significant direct cost and income variances compared to the current budget at the service level. Further commentary on the variances are also included within Appendix B to the report. Accounting standards require a number of notional charges to be made to service accounts. Notional charges include transactions in relation to depreciation, revenue expenditure funded from capital under statute (REFCUS) and pension costs, and whilst they do not have an impact on the 'bottom line' i.e. the surplus or deficit for the year, they are included for reporting purposes.
- 3.2. Appendix A shows the overall revenue position including capital charges and internal recharges, however to assist the reporting and explaining 'real cash' variances, table 2 provides a summary of the direct cost and income variances.



<b>Table 1 - Summary of Variance</b>	<b>2016/17 Current Budget</b>	<b>2016/17 Actuals</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Services:</b>			
Executive	764,586	763,678	(908)
Resources Growth and Governance	1,895,208	1,696,113	(199,095)
Customer Services	6,632,402	6,688,091	55,689
Housing and Neighbourhoods	3,653,930	2,902,513	(751,417)
<b>Net Cost of Service</b>	<b>12,946,126</b>	<b>12,050,396</b>	<b>(895,730)</b>
<b>Non Service Exp/(Income):</b>			
Recharges to HRA	(1,215,998)	(1,323,228)	(107,230)
Parish Precepts	354,143	354,143	0
Parish CTSS Grant	41,289	47,100	5,811
Capital Charges	(1,564,720)	(1,729,736)	(165,016)
Interest Receivable	(25,000)	(118,779)	(93,779)
Interest Payable	923,803	537,507	(386,296)
Minimum Revenue Provision	1,682,720	1,572,579	(110,141)
IAS19 Pension Adjustment	1,092,000	732,046	(359,954)
Second Homes	(0)	(58,923)	(58,923)
<b>Sub total - Non Service Exp/Inc</b>	<b>1,288,237</b>	<b>12,710</b>	<b>(1,275,527)</b>
<b>Net Operating Expenditure</b>	<b>14,234,363</b>	<b>12,063,105</b>	<b>(2,171,258)</b>
<b>Contributions to/(from) Earmarked Reserves</b>	<b>(1,423,649)</b>	<b>463,363</b>	<b>1,887,012</b>
<b>Net Expenditure to be met from Government Grant and Local Taxpayers</b>	<b>12,810,714</b>	<b>12,526,468</b>	<b>(284,246)</b>
Government Grants and Council Tax	(12,810,667)	(12,916,172)	(105,505)
<b>Net (Surplus)/Deficit for the year</b>	<b>47</b>	<b>(389,704)</b>	<b>(389,751)</b>

- 3.3. **Service Variances** – The following provides commentary on the more significant variances for each of the service groupings, further explanations are found in the supporting appendix B.

<b>Service Details</b>	<b>Net (Underspend)/Overspend (Direct Cost and Income)</b>
<b>EXECUTIVE, RESOURCES, GROWTH AND GOVERNANCE</b>	
<b>Legal</b> – The outturn variance reflects a higher than budgeted share of the 2016/17 surplus received from Nplaw and an underspend on legal services costs in the year.	(59,805)
<b>Enterprise GY</b> – The net underspend largely reflects previous years grant funding which has not yet been fully spent. This has been carried forward within an earmarked reserve at the year end.	(227,918)
<b>Strategic Planning</b> - The underspend reflects an underspend on Local Plan costs which have not been incurred in the year, these are budgeted for in 2017/18 and therefore are not required to be transferred to an earmarked reserve at the year end.	(90,771)
<b>Construction Services</b> - The year-end position reflects an underspend on direct costs of £56,743 of which the main components	(77,105)



Service Details	Net (Underspend)/ Overspend (Direct Cost and Income)
are underspends on electricity of £24,000 and repairs and maintenance of £36,000. In addition the Council has been reimbursed in the year for an insurance claim.	
<b>Markets</b> - The outturn position in respect of markets reflects an underspend on costs of £51,215 of which £28,000 is in relation to employee costs after allowing for agency staff covering vacant posts. There have also been some underspends in respect of repairs and maintenance and others costs totaling £24,000. There has been a shortfall in income of £23,567 compared to the budget, although it was previously expected to be as much as £33,000 under budget.	(27,638)
<b>Property and Construction (Bretts)</b> – The outturn variance reflects additional repair costs incurred in the year. No assumption has been made regarding recovery of the costs, therefore a prudent position has been assumed.	30,405
<b>Property and Construction (Factory Units)</b> – The net underspend is made up of an underspend on expenditure of £22,106 mainly due to a bad debt provision not being required in the year and an over recovery of income totaling £28,167 including some back dated rent received in the 2016/17 year.	(50,273)
<b>Property and Construction (Corporate Estates)</b> – Within the net overspend there is a direct cost overspend of £33,433 which reflects an additional bad debt provision for the year of £47,000. Within the outturn income position there has been adjustment to the accounting periods for income of £92,000, resulting in a shortfall in the year and additional voids totaling £36,000.	151,712
<b>Property and Construction (Beacon Park)</b> – During the year a variance was highlighted due to a shortfall in rental income compared to the budget and also business rates falling to the Council. Whilst some of these costs are due to be offset by future rates income from the enterprise zone there is still a net impact to the Council.	277,535
<b>Finance</b> – The net position is made up of an underspend on direct costs of £19,664 and an increase in income of £88,034. The increased income is largely in relation to insurance receipts which have been allocated to an earmarked reserve in the year. The cost underspend is made up of a number of variances including insurance, bank charges and audit fees.	(107,698)
<b>Human Resources</b> – The main reason for the outturn variance is due to an underspend on training. This has been carried forward at the year end in an earmarked reserve to be used for delivery of the organizational development plan.	(57,371)

Service Details	Net (Underspend)/ Overspend (Direct Cost and Income)
<b>CUSTOMER SERVICES</b>	
<b>Benefits</b> – Within the service there are some significant variances mainly in relation to the payment of benefits which has been offset by a compensating reduction in subsidy claimed. The variances that have resulted in a net underspend for the service are in relation to the grant income received in the year above the level budgeted, part of which has been allocated to an earmarked reserve to offset service area spend in future years.	(81,268)
<b>Cemeteries and Crematorium</b> – As flagged during the year as part of the budget and budget monitoring reports, there has been a reduction in income from the crematorium in the year. This was due to reduced availability whilst repairs were carried out to the cremators and also alternative crematoria facilities locally. The budget and fees were reviewed as part of the 2017/18 budget process and the position is being monitored and will be reviewed as part of the in-year monitoring reports.	326,850
<b>IT</b> – The outturn variance is made up of a number of variances in relation to the provision of the IT service and costs of maintenance contracts. Further review of the make-up of this budget will be carried out in the coming months as this represents a significant area of spend for the Council.	131,884
<b>Revenues</b> – Of the year end variance additional summons fees of £46k have been recovered in excess of the budgeted level, also additional grant was received in the year of £35k.	(79,391)
<b>Environmental Services (repairs and maintenance)</b> – The year end variance is mainly due to the year-end profit share from GY Norse.	(50,050)
<b>Environmental Services (Waste)</b> – Of the year end variance £90k is due to additional recycling credit income above the level budgeted and additional income of £23k for bulky waste items. Outturn expenditure variances include an underspend of £68k in relation to the financing of an additional vehicle and £16k in relation to an adjustment to a previous years contamination year-end accrual.	(203,172)
<b>Environmental Health</b> – The year end underspend is largely due to	(34,232)

Service Details	Net (Underspend)/ Overspend (Direct Cost and Income)
additional income being received in the year.	
<b>HOUSING AND NEIGHBOURHOODS</b>	
<b>Indoor Leisure</b> – The majority of the underspend is in relation to the management fee being less than budgeted largely due to the living wage.	(39,612)
<b>Housing Needs</b> – The year end variance includes the Community Housing Fund grant which was allocated and received in March. This has been allocated to an earmarked reserve to be utilised in the new financial year. Within the direct cost variance there are underspends in relation to bad debt provisions and other service costs.	(729,820)

#### **Non Service Expenditure/Income – Treasury Management**

- 3.4. The non-service expenditure and income predominantly relates to investment income, interest payable and minimum revenue provision (MRP).
- 3.5. The budget for 2016/17 anticipated loan interest payable totaling £923,803, the outturn position was £537,507 mainly due to external borrowing not being undertaken at the levels anticipated and the ability to take advantage of low short term rates. This was also due to the slippage in the capital programme in the year.
- 3.6. The actual Minimum Revenue Provision allowed for in the year was £110,141 largely due to a revision to the calculation and profile of some of the capital schemes.
- 3.7. The Treasury Management Annual Report is included on the agenda as a separate item.

## **Non Service Funding – Retained Business Rates**

- 3.8. The draft outturn position reflects the budgeted position adjusted for known movements from the NNDR3 position. Overall within the net position there are some significant movements compared to the budget, these are largely in relation to the impact of the appeals provision that is allowed for within the NNDR position. The appeals provision has been reduced in the year pending the outcome of the appeal for the power station. Now that the results of the 2017 valuation are known, this has enabled a revised provision to be made which has reduced the provision required. The overall position will be subject to further review and any changes will be used in the statutory statements of accounts with compensating entries allowed for within the earmarked reserve.

## **4. RESERVES**

- 4.1. The Council holds a general reserve for which the recommended balance is currently £2.5 million. The purpose of holding a general reserve is to provide a working balance to help cushion the impact of uneven cash flows to avoid temporary borrowing and to provide a contingency to help cushion the impact of unexpected events or emergencies.
- 4.2. In addition to the general reserve the Council holds a number of earmarked reserves that are held to meet known or predicted liabilities. The earmarked reserves also provides a means at the year-end for carrying funds forward to the new financial year to fund ongoing commitments and known liabilities for which no separate revenue budget exists.
- 4.3. There are a number of earmarked reserves that have balances, where the timing of the use of the reserve is yet to be agreed and /or where contributions from the reserves will be made during 2017/18 for spending commitments.
- 4.4. The transfers to and from reserves (general and earmarked) are included within the reserves statement as detailed at Appendix C. The appendix also shows the planned use of reserves over the medium term to take account of where funding has been rolled forward from 2016/17 for use in 2017/18 and future years.
- 4.5. The 2017/18 budget report approved in February 2017 approved the reallocation of funds from the general reserve to Invest to Save, Collection Fund and Special Projects. These allocations have been made as part of the 2016/17 outturn report and the current balances included in the reserves statement.
- 4.6. The general reserve balance at 31 March 2017 is just over £4 million (after allowing for the transfer of the 2016/17 surplus). All reserves will be reviewed as part of the upcoming work on the Medium Term Financial Strategy which will be presented to Members later in the year.

## **5. SUMMARY – REVENUE ACCOUNT 2016/17**

- 5.1. The outturn position for the year ending 31 March 2017 is a £389,704 surplus. This is after allowing for planned movements to and from reserves as detailed in the report. The report is recommending that the surplus for the year is transferred to the general reserve.

- 5.2. As the funding for local government will be increasing more reliant on local income including council tax, business rates and service income the spending pressures and income opportunities need to be fully understood and robust budgets set annually and monitored regularly. The outturn report has highlighted a number of significant variances at the service level, some of which have already been reflected in the 2017/18 budget. Further work will be carried out in the coming months ahead of the work on the future financial strategy and budget processes.

## **6. HOUSING REVENUE ACCOUNT - 2016/17**

- 6.1. The outturn report for the Housing Revenue Account is included as a separate item on the agenda for the Housing and Neighbourhoods committee. The main implications for the general fund are in respect of the recharging of support costs that are made to the HRA. The outturn position on the support costs has lead to additional costs being charged to the HRA for 2016/17.
- 6.2. The HRA operates as a ring fenced account in that the reserves for the HRA are held separately to those of the general fund.
- 6.3. The capital programme for the HRA is included within the overall capital programme as referred to in section 7.

## **7. CAPITAL PROGRAMME**

- 7.1. This section of the report presents the financing of the capital programme for 2016/17, along with an updated programme for the financial years 2017/18 to 2019/20. Appendix D provides the detail of the outturn on the 2016/17 capital programme for all service areas, together with the financing for all schemes. The updated capital programmes for the period 2017/18 to 2019/20 are attached at Appendix E.
- 7.2. The outturn position for the 2016/17 capital programme, at Appendix D, highlights where schemes have slipped between financial years. The reasons for slippage include where schemes have not progressed as originally planned, and the funding is requested for carry forward to the new financial year, or where schemes have progressed ahead of schedule requiring funding to be brought back from 2017/18.
- 7.3. The following table provides a summary of the 2016/17 capital programme compared to the current budget as reported to Members in February 2017 as part of the budget report.

<b>Table 2 Capital Programme Outturn</b>				
<b>Directorate</b>	<b>Original Approved Budget 2016/17</b>	<b>Revised Budget 2016/17</b>	<b>Actual Expenditure to 31 Mar 2017</b>	<b>Variance (underspend/ overspend)</b>
	£'000	£'000	£'000	£'000
Housing & Neighbourhoods	17,915	19,380	3,191	(16,189)

Customer Services	1,030	1,333	918	(416)
Resources, Governance & Growth	9,300	10,787	772	(10,015)
<b>Total</b>	<b>28,245</b>	<b>31,500</b>	<b>4,881</b>	<b>(26,620)</b>

7.4. The difference between the Original Approved Budget of £28.245 million and the revised budget is mainly due to budgets rolled over from 2015/16 for projects which were not complete by the year-end which totaled £3.2 million.

7.5. In total the expenditure on the general fund capital programme for the year was £4.9 million compared to a revised budget of £31.5 million, which resulted in an underspend of the profiled budget of £26.6 million. The significant underspend is largely due to the timing of capital projects not being incurred as planned. A review of the capital programme will be undertaken in the coming months to inform the financial planning process for 2018/19 which will include a thorough review of the timing of capital project spend.

7.6. The following provides some commentary for the more significant variances on capital schemes for the year.

**7.7. Housing & Neighbourhoods:**

7.7.1. As reported during the financial year a number of significant projects within the Housing & Neighbourhood area did not commence in 2016/17 as originally budget for.

7.7.2. The £9.5 million budget for the Beacon Park Local Authority Trading Company remains largely unspent (£0.01m actual spend as at 31st March 2017) at the end of the financial year therefore the budget will be carried forward.

7.7.3. The future plans for the Marina Centre refurbishment project is undergoing review and so the budget of £4.1 million is to be rolled forward into 2017/18.

7.7.4. The refurbishment of the Waterways project was re-evaluated during the year due to funding changes and the budget of £1.3million is to be carried forward into 2017/18.

**7.8. Customer Services:**

7.8.1. Whilst the footway lighting works, public toilet refurbishment and the Greyfriars boiler replacement projects were completed within the year and on budget and a few projects remain either unstarted or ongoing at the financial yearend, such as the esplanade resurfacing (£0.14m revised budget), GYBS refuse vehicles (£0.12m budget) and cremators (£0.15m unspent) are to be carried forward into the 2017/18 financial year.

**7.9. Resources, Governance and Growth:**

7.9.1. Of the overall Beacon Park £7.5 million revised budget only £0.6 million was spent in 2016/17. £3.7 million of the original 2016/17 Beacon Park Site 4 budget was vired to cover the works required for Site 12a but only preliminary works have been completed on this project in 2016/17 with only £0.16 million

spent within the financial year. A further £0.4 million was spent on infrastructure works on Beacon Park. The remaining £7 million for Beacon Park projects budget will be rolled forward into 2017/18 to complete the works on Site 12a and other future developments in the area.

- 7.9.2. Improvements to office buildings as part of the Flexible Workforce project are largely complete with £200k of the budget remaining to be carried forward into 2017/18 to enable works such as the Town hall reception works to be completed.
- 7.9.3. South Denes - There has been little expenditure against the £3 million South Denes project and the remaining budget has therefore been carried forward to 2017/18.

## **8. FUTURE FINANCIAL POSITION 2017/18 ONWARDS**

- 8.1. The budget for 2017/18 was approved in February 2017. At the same time financial projections for the following three years to 2020/21 were also reported. The budget for 2017/18 includes a number of ongoing and new savings approved as part of the budget work for the 2017/18 financial year. These continue to be monitored with services as part of the overall budget monitoring processes.
- 8.2. The forward financial projections from 2018/19 onwards make assumptions around the future funding from government support and known commitments and changes to service expenditure. Table 6 below provides a summary of the current reported funding gaps for the next three years.

**Table 6 – Current Reported Funding Forecast**

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Current Funding Gap <sup>1</sup>	188	693	1,508	3,083

- 8.3. The forward projections of expenditure and income will be updated to take account of the outturn position and also other spending/income pressures that have been identified outside of the budget process. These will be reported to Members as part of the Financial Strategy update to enable early preparation for the 2018/19 budget process.
- 8.4. In addition, as part of the work on the financial strategy a review of all reserve balances will be carried out.

## **9. FINANCIAL IMPLICATIONS**

- 9.1. The financial implications of the outturn report are detailed within the main body of the report and risk implications section.

## **10. RISK IMPLICATIONS**

<sup>1</sup> As reported in the 2017/18 Budget Report, February 2017,



- 10.1. There are a number of financial risks that continue to face Local Authorities in terms of funding both in the short and medium term, most significantly the future of the Local Retention of Business Rates and responding to spending pressures and changes in service demand. The more significant risks in relation to the outturn position for 2016/17 and the ongoing financial position are summarised below.
- 10.2. **Under and Overspends** - This outturn report has identified a number of year-end variances compared to the approved budget at the service level, some of which are significant and have been previously identified as part of the budget monitoring processes. Some have occurred due to factors outside of the Council's control which has meant that expenditure has not been incurred as planned, for example employee vacancies which have led to underspends in the year which have only been partly offset by overtime or temporary staffing. Some of the underspends from 2016/17 which are in relation to ongoing savings have already been factored into the 2017/18 base budget. The overall position and year end variances will be reviewed over the coming months as part of the early preparation work for future budget setting processes.
- 10.3. **Housing Benefit Subsidy** – as mentioned earlier in the report the outturn position includes the unaudited benefits subsidy position. Expenditure in the region of £35.5million has been incurred in the year to be recovered from subsidy payable by the Department for Work and Pensions (DWP). The final position will not be confirmed until the claim has been audited by the Councils external auditors and signed off by the DWP later in the year. There is a risk around changes to the claim and subsidy recoverable which is mitigated by the general reserve to help mitigate the impact of any claw back from the DWP following the final audited subsidy claim. In addition an earmarked reserve for revenues and benefits has been established as part of the outturn report to be used for mitigation for any impact of subsidy and also to earmark previous grant allocations for future service commitments.
- 10.4. **Business Rates Retention Scheme** – As mentioned previously Local Authority funding from business rates is open to risks around funding fluctuations due to increases and decreases in the rateable values (RV) of non-domestic properties and successful appeals against RV. At the time of writing the report a draft outturn position was assumed for the level of retained income from business rates. The NNDR 3 return has been submitted and has been used to inform the outturn position, although this is subject to further review including external audit review as part of the final accounts audit work. Any changes to the figures included in the outturn position could have an impact on the overall reserves and any adjustments allocated to or transferred from the business rates earmarked reserve and will be reflected in the statutory accounts to be presented to and approved by the audit committee in September. Furthermore there is a risk of business rates appeals and whilst the NNDR returns do include assumptions around provisions for appeals and backdating, these elements could be subject to fluctuations. The Collection Fund (Business Rates) earmarked reserve is held to mitigate some of the risks around fluctuations in business rates income.
- 10.5. The impact of 100% business rates retention from 2019/20 is yet to be fully quantified and understood. There was a consultation on the new scheme earlier in the year which closed shortly after the announcement of the General election at which time it was announced that work on the review of business rates was put on hold pending the announcement of the priorities of the new government. Once



further information on the future of business rates retention is announced further work and analysis will be carried out on the implications to the Borough Council.

## **11. CONCLUSIONS**

- 11.1. The outturn position on the general fund revenue account as at 31 March 2017 shows an underspend of £389,704. The position as reported has been used to inform the production of the statutory accounts which will be subject to audit during the summer by the Council's external auditors EY. The accounts will be presented to the Audit and Risk Committee in September 2017.

## **12. RECOMMENDATIONS**

- 12.1. The report makes a number of recommendations in relation to the outturn position and financing of the capital programme for 2016/17 and updated capital programmes for future years. The full list of recommendations is included at the start of the report.

## **13. BACKGROUND PAPERS** – Budget monitoring reports, NNDR returns and Subsidy claims.

*Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?*

<b>Area for consideration</b>	<b>Comment</b>
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	Author
Existing Council Policies:	
Financial Implications:	Within the report
Legal Implications (including human rights):	
Risk Implications:	
Equality Issues/EQIA assessment:	
Crime & Disorder:	
Every Child Matters:	

**General Fund Summary**

	2016/17 Base Budget	2016/17 Current Budget	2016/17 Outturn	Variance	2017/18 Base Budget
	£	£			£
<b>Services:</b>					
Executive	489,562	764,586	763,678	(908)	542,195
Resources Growth and Governance	1,439,829	1,895,208	1,696,113	(199,095)	1,510,172
Customer Services	7,437,849	6,632,402	6,688,091	55,689	7,758,459
Housing and Neighbourhoods	2,711,094	3,653,930	2,902,513	(751,417)	2,948,325
<b>Net Cost of Service</b>	<b>12,078,334</b>	<b>12,946,126</b>	<b>12,050,396</b>	<b>(895,730)</b>	<b>12,759,151</b>
<b>Non Service Exp/(Income ):</b>					
Recharges to HRA	(1,215,998)	(1,215,998)	(1,323,228)	(107,230)	(1,486,260)
Parish Precepts	354,143	354,143	354,143	0	354,487
Parish CTSS Grant	41,289	41,289	47,100	5,811	46,070
Capital Charges & reversals	(1,564,720)	(1,564,720)	(1,729,736)	(165,016)	(1,861,586)
Interest Receivable	(25,000)	(25,000)	(118,779)	(93,779)	(72,000)
Interest Payable	703,998	923,803	537,507	(386,296)	610,795
Minimum Revenue Provision	1,649,720	1,682,720	1,572,579	(110,141)	1,802,342
IAS19 Pension Adjustment	1,092,000	1,092,000	732,046	(359,954)	1,306,407
Second Homes Council Tax Grant		0	(58,923)	(58,923)	(62,397)
Vacancy Management	(100,000)	0	0	0	(180,000)
Ward Budgets	39,000		0	0	0
Living wage	100,000		0	0	0
Apprenticeship Levy	0		0	0	36,000
<b>Sub total - Non Service Exp/Inc</b>	<b>1,074,432</b>	<b>1,288,237</b>	<b>12,710</b>	<b>(1,275,527)</b>	<b>493,859</b>
<b>Net Operating Expenditure</b>	<b>13,152,766</b>	<b>14,234,363</b>	<b>12,063,105</b>	<b>(2,171,258)</b>	<b>13,253,010</b>
<b>Contributions to/(from) Reserves:</b>					
Planning Delivery Grant	(43,000)	(43,000)	0	43,000	0
Insurance Fund	0	0	78,307	78,307	0
Town Centre	0	(99,317)	(99,317)	0	(25,000)
Neighbourhood Management	0	(128,876)	523,894	652,770	0
Enforcement		50,000	50,000	0	0
Restricted Use Grant	(37,290)	(201,721)	42,749	244,470	0
Efficiency Support Grant	0	(202,135)	(241,135)	(39,000)	0
Specific Budget	0	40,000	40,000	0	0
LEGI	0	0	0	0	(57,000)
Repairs and Maintenance	0	(41,476)	(41,476)	0	0
Second Homes Council Tax	(76,676)	0	58,923	58,923	0
Waste Management	(110,000)	(110,000)	(110,000)	0	(25,170)
Invest To Save	1,000,000	828,329	828,329	0	(172,308)
General Reserve	(1,089,000)	(2,932,966)	(2,642,777)	290,189	(188,240)
Collection Fund Reserve		552,844	762,844	210,000	0
Special Project Reserve		1,000,000	1,000,000	0	(105,250)
Benefits/Revenues Reserve		0	155,000	155,000	
Other Reserves	(4,000)	(135,331)	58,022	193,353	(19,130)
<b>Sub Total Reserves</b>	<b>(359,966)</b>	<b>(1,423,649)</b>	<b>463,363</b>	<b>1,887,012</b>	<b>(592,098)</b>
<b>Amount to be met from Government Grant and Local Taxpayers</b>	<b>12,792,800</b>	<b>12,810,714</b>	<b>12,526,468</b>	<b>(284,246)</b>	<b>12,660,912</b>
Collection Fund - Parishes	(354,143)	(354,143)	(354,143)	0	(354,487)
Collection Fund - Borough	(3,914,239)	(3,914,239)	(3,914,239)	0	(4,141,766)
Retained Business Rates (net)	(3,514,927)	(3,425,571)	(3,514,927)	(89,356)	(4,094,570)
Revenue Support Grant	(3,739,670)	(3,739,670)	(3,739,667)	3	(3,006,673)
New Homes Bonus	(1,377,044)	(1,377,044)	(1,385,093)	(8,049)	(1,063,416)
Other grants and contributions	0	0	(8,103)	(8,103)	
<b>Income from Grant and Taxpayers</b>	<b>(12,900,023)</b>	<b>(12,810,667)</b>	<b>(12,916,172)</b>	<b>(105,505)</b>	<b>(12,660,912)</b>
<b>(Surplus)/Deficit</b>	<b>(107,223)</b>	<b>47</b>	<b>(389,704)</b>	<b>(389,751)</b>	<b>(0)</b>

Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Executive Team</b>				
<b>ESG</b>				
Gross Direct Costs	257,465	257,588	123	At quarter three the budget monitoring position reported an overspend which was due to Transformation project costs which have since been treated as capital. This has resulted in the project 'breaking-even' with the remaining costs for Digital Design, Flexible Working and other projects being fully met by funds from Earmarked Reserves.
Gross Direct Income	0	(1,435)	(1,435)	
Internal Recharges	0	0	0	
Capital Charges	0	0	0	
<b>Total</b>	<b>257,465</b>	<b>256,153</b>	<b>(1,312)</b>	
<b>Executive Team</b>				
Gross Direct Costs	547,121	547,470	349	Within the service an underspend on employee costs occurred in relation to the posts within EMT that have been appointed to during the year. Overall this has delivered a full year underspend of (£96k) but this was partially offset by Agency and seconded staff costs of £75k. £30k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	(40,000)	(39,944)	56	
Internal Recharges	(452,010)	(507,530)	(55,520)	
Capital Charges	0	0	0	
<b>Total</b>	<b>55,111</b>	<b>(5)</b>	<b>(55,116)</b>	See note 1 at the bottom of this appendix which covers explanation for change in recharges.
<b>Total Executive Team</b>				
Gross Direct Costs	804,586	805,058	472	
Gross Direct Income	(40,000)	(41,379)	(1,379)	
Internal Recharges	(452,010)	(507,530)	(55,520)	
Capital Charges	0	0	0	
<b>Total</b>	<b>312,576</b>	<b>256,148</b>	<b>(56,428)</b>	

Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Resources, Governance &amp; Growth</b>				
<b>Governance - Corporate Strategy</b>				
Gross Direct Costs	152,813	159,541	6,728	
Gross Direct Income	0	0	0	
Internal Recharges	(154,400)	(159,550)	(5,150)	
Capital Charges	0	0	0	
<b>Total</b>	<b>(1,587)</b>	<b>(9)</b>	<b>1,578</b>	No significant variances.
<b>Governance - Legal (Client)</b>				
Gross Direct Costs	229,887	218,692	(11,195)	This service reflects an underspend of (£11k) for legal costs which were lower than budgeted.
Gross Direct Income	(20,000)	(68,610)	(48,610)	The over recovery of income is due to (£35k) which relates to the 15-16 profit sharing receipt being higher than previously anticipated and (£13k) for court recoveries which were not planned for within the budget.
Internal Recharges	(209,890)	(150,080)	59,810	See note 1 at the bottom of this appendix which covers explanation for change in recharges.
Capital Charges	0	0	0	
<b>Total</b>	<b>(3)</b>	<b>2</b>	<b>5</b>	
<b>Governance - Member Services</b>				
Gross Direct Costs	512,308	511,312	(996)	
Gross Direct Income	0	(725)	(725)	
Internal Recharges	(356,500)	(385,730)	(29,230)	See note 1 at the bottom of this appendix which covers explanation for change in recharges.
Capital Charges	0	0	0	
<b>Total</b>	<b>155,808</b>	<b>124,857</b>	<b>(30,951)</b>	
<b>Total Governance:</b>	<b>154,218</b>	<b>124,850</b>	<b>(29,368)</b>	
<b>Growth - Economic Development</b>				
Gross Direct Costs	218,246	219,690	1,444	
Gross Direct Income	(1,500)	(2,398)	(898)	
Internal Recharges	139,423	145,213	5,790	
Capital Charges	0	0	0	
<b>Total</b>	<b>356,169</b>	<b>362,505</b>	<b>6,336</b>	No significant variances.
<b>Growth - Enterprise GY</b>				
Gross Direct Costs	497,007	261,288	(235,719)	The balance of the two year grant equating to (£244k) has been carried forward to 17-18 and this amount is vastly in excess to previous forecasts due to reduced spending. £15k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	(321,500)	(313,699)	7,801	
Internal Recharges	130,803	132,333	1,530	
Capital Charges	0	0	0	
<b>Total</b>	<b>306,310</b>	<b>79,922</b>	<b>(226,388)</b>	
<b>Growth - Enterprise Zone</b>				
Gross Direct Costs	207,656	207,656	(0)	
Gross Direct Income	0	0	0	
Internal Recharges	0	0	0	
Capital Charges	0	0	0	
<b>Total</b>	<b>207,656</b>	<b>207,656</b>	<b>(0)</b>	No significant variances.

Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Growth - Strategic Planning</b>				
Gross Direct Costs	486,134	395,147	(90,987)	Of the outturn variance (£90k) relates to the underspend of Local Plan expenditure which was not spent as previously anticipated. There is also an underspend on employee related expenditure of (£17k) due to two vacant posts during the year, these are now filled and the funding has been carried forward to 17-18 for training. £26k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	(9,345)	(9,129)	216	
Internal Recharges	36,514	40,824	4,310	
Capital Charges	2,620	0	(2,620)	
<b>Total</b>	<b>515,923</b>	<b>426,842</b>	<b>(89,081)</b>	
<b>Total Growth:</b>	<b>1,386,058</b>	<b>1,076,924</b>	<b>(309,134)</b>	
<b>Property &amp; Construction - Churchill Depot</b>				
Gross Direct Costs	15,680	3,046	(12,634)	Costs are now charged direct to GYB Services by suppliers and not incurred by us as previous. This however has resulted in lower income as costs are not required to be reimbursed
Gross Direct Income	(15,680)	2	15,682	
Internal Recharges	0	0	0	
Capital Charges	0	600	600	
<b>Total</b>	<b>0</b>	<b>3,648</b>	<b>3,648</b>	
<b>Property &amp; Construction - Community Centres</b>				
Gross Direct Costs	8,525	6,458	(2,067)	This favourable variance is due to a valuation gain of (£53k) being recognised following the revaluation of Peggotty Road Community Centre playground in the year. The gain has been recognised against the service to partially reverse a prior year revaluation loss charged in previous years.
Gross Direct Income	(2,844)	(1,966)	878	
Internal Recharges	1,150	1,070	(80)	
Capital Charges	0	(34,068)	(34,068)	
<b>Total</b>	<b>6,831</b>	<b>(28,506)</b>	<b>(35,337)</b>	
<b>Property &amp; Construction - Construction Services</b>				
Gross Direct Costs	560,401	503,658	(56,743)	The year-end position includes underspends for both electricity (£24k) and repairs & maintenance (£36k) which were both previously forecast to be spent. £13k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	(850)	(21,212)	(20,362)	This income relates to an insurance reimbursement of costs for repairs undertaken in 15-16 for the Town Hall Atrium & Lift.
Internal Recharges	(635,880)	(530,590)	105,290	See note 1 at the bottom of this appendix which covers explanation for change in recharges.
Capital Charges	109,965	48,167	(61,798)	A number of assets aligned to this service were fully depreciated at the end last year so no depreciation charge was required in 2016/17 for these assets resulting in the fall in the capital charges.
<b>Total</b>	<b>33,636</b>	<b>23</b>	<b>(33,613)</b>	

Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Property &amp; Construction - Fayres</b>				
Gross Direct Costs	6,376	23,986	17,610	This overspend relates to the Easter Fair and is principally due to increased security and medical cover costs which were higher than budget
Gross Direct Income	(14,840)	(14,692)	148	
Internal Recharges	0	0	0	
Capital Charges	0	0	0	
<b>Total</b>	<b>(8,464)</b>	<b>9,293</b>	<b>17,757</b>	
<b>Property &amp; Construction - Markets</b>				
Gross Direct Costs	292,144	240,929	(51,215)	This service held several vacancies throughout the year resulting in an underspend of (£39k) but this was partly offset by Agency costs of £11k. Underspends of (£15k) & (£9K) were achieved for Services General and repairs & maintenance which were both previously forecast to be spent in full. £5k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	(384,081)	(360,514)	23,567	
Internal Recharges	156,430	162,910	6,480	
Capital Charges	4,495	4,494	(1)	
<b>Total</b>	<b>68,988</b>	<b>47,819</b>	<b>(21,169)</b>	
<b>Property &amp; Construction - Modernisation Team</b>				
Gross Direct Costs	79,182	78,949	(233)	Income reflects an under recovery due to both two day & six day markets by £12k each although these were previously forecast to be £17k & £16k respectively.
Gross Direct Income	0	0	0	
Internal Recharges	17,520	18,130	610	
Capital Charges	0	0	0	
<b>Total</b>	<b>96,702</b>	<b>97,079</b>	<b>377</b>	No significant variances.
<b>Property &amp; Construction - Bretts</b>				
Gross Direct Costs	28,305	66,043	37,738	Unbudgeted repair costs of £32k have been incurred on the property which may be recoverable from the tennant but as confirmation has not yet been received they have been included as a cost in the outturn
Gross Direct Income	(45,853)	(53,186)	(7,333)	
Internal Recharges	950	770	(180)	
Capital Charges	0	0	0	
<b>Total</b>	<b>(16,598)</b>	<b>13,627</b>	<b>30,225</b>	
<b>Property &amp; Construction - Courts</b>				
Gross Direct Costs	10,871	10,840	(31)	Service charges relating to 15-16 have resulted in a favourable variance of (£10k) above the year-end income accrual.
Gross Direct Income	(18,419)	(36,744)	(18,325)	
Internal Recharges	2,600	2,470	(130)	
Capital Charges	0	0	0	
<b>Total</b>	<b>(4,948)</b>	<b>(23,434)</b>	<b>(18,486)</b>	
<b>Property &amp; Construction - Factory Units</b>				
Gross Direct Costs	57,558	35,452	(22,106)	The year-end non-pay underspend is principally due to a bad debt provision of (£18k) not recognised in the year. The income reflects a combination of an over recovery for one property relating to 'back dated' rent of (£55k) less unrecovered rental for void units during the year of £26k.
Gross Direct Income	(144,765)	(172,932)	(28,167)	
Internal Recharges	9,710	8,010	(1,700)	
Capital Charges	0	0	0	
<b>Total</b>	<b>(77,497)</b>	<b>(129,470)</b>	<b>(51,973)</b>	

Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Property &amp; Construction - Corporate Estates</b>				
Gross Direct Costs	218,450	251,883	33,433	This overspend is principally due to lower than expected costs for insurance of (£20k) less overspends of £16k repairs & maintenance and £47k bad debt provision.  The income position has increased from quarter three by £128k which is due to additional voids of £36k and a change in accounting treatment of future income of £92k.
Gross Direct Income	(2,499,352)	(2,381,073)	118,279	
Internal Recharges	318,600	313,370	(5,230)	
Capital Charges	22,920	6,524	(16,396)	
<b>Total</b>	<b>(1,939,382)</b>	<b>(1,809,296)</b>	<b>130,086</b>	
<b>Property &amp; Construction - Minerva House</b>				
Gross Direct Costs	74,464	73,621	(843)	No significant variances.
Gross Direct Income	(32,017)	(40,470)	(8,453)	
Internal Recharges	12,310	12,200	(110)	
Capital Charges	0	0	0	
<b>Total</b>	<b>54,757</b>	<b>45,352</b>	<b>(9,405)</b>	
<b>Property &amp; Construction - Onians</b>				
Gross Direct Costs	2,817	(5,542)	(8,359)	The site was unoccupiable during the year and only part let from December. Confirmation as to whether compensation will be paid for the loss of rent is still not received and so has not been accounted for in the year-end position.
Gross Direct Income	(18,760)	(2,271)	16,489	
Internal Recharges	0	0	0	
Capital Charges	0	0	0	
<b>Total</b>	<b>(15,943)</b>	<b>(7,812)</b>	<b>8,131</b>	
<b>Property &amp; Construction - Property Services</b>				
Gross Direct Costs	367,280	395,964	28,684	£30k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	0	0	0	
Internal Recharges	(370,450)	(395,960)	(25,510)	See note 1 at the bottom of this appendix which covers explanation for change in recharges.
Capital Charges	0	0	0	
<b>Total</b>	<b>(3,170)</b>	<b>4</b>	<b>3,174</b>	
<b>Property &amp; Construction - Beacon Park</b>				
Gross Direct Costs	269,756	436,622	166,866	The majority of costs incurred for this location are recoverable from the Enterprise Zone Business Rates and totalled (£272k) this financial year. However some costs such as agency, grounds maintenance, website & promotion, legal and other expenses are not reclaimable and therefore cause the remaining overspend.
Gross Direct Income	(433,394)	(322,725)	110,669	
Internal Recharges	19,420	15,510	(3,910)	Rental income was below budget where only (£74k) was received against a target of (£287). This variance is partly offset by the service charge income detailed above.
Capital Charges	0	119,563	119,563	
<b>Total</b>	<b>(144,218)</b>	<b>248,970</b>	<b>393,188</b>	Depreciation charge incurred in the year reflects the recognition of infrastructure works completed on Beacon Park in 2015/16 which have been aligned to this service line.

Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Property &amp; Construction - Energy Park</b>				
Gross Direct Costs	0	462	462	
Gross Direct Income	0	0	0	
Internal Recharges	0	0	0	
Capital Charges	0	0	0	
<b>Total</b>	<b>0</b>	<b>462</b>	<b>462</b>	No significant variances.
<b>Total Property &amp; Construction:</b>	<b>(1,949,306)</b>	<b>(1,532,241)</b>	<b>417,065</b>	
<b>Finance</b>				
Gross Direct Costs	1,048,276	1,028,612	(19,664)	Within the direct costs there are variances largely in respect of underspends on employee costs which have been offset by agency costs and other underspends for insurance (£39k), Services General (£13k) and bank charges (£29k) less an overspend for computer contracts of £49k. An underspend of (£14k) was also achieved for services specialist but this has been carried forward to 17-18 for Integra upgrade costs. £27k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	(80,000)	(168,034)	(88,034)	This income is principally due to commission charged to third parties for insurance related services and the transfer of insurance receipts to reserves to create an insurance provision for future claims (£78k). The outturn income figure includes both of these items.
Internal Recharges	(896,596)	(888,366)	8,230	
Capital Charges	27,784	27,785	1	
<b>Total Finance:</b>	<b>99,464</b>	<b>(4)</b>	<b>(99,468)</b>	
<b>Human Resources</b>				
Gross Direct Costs	426,488	369,117	(57,371)	Human Resources: This service reflects an underspend of (£37k) for pay costs due to vacancies held during the year but these were offset by overspends for agency & seconded staff of £51k. There has also been underspends of (£41k) for services general and training (£55k) but advertising was overspent by £10k. Of the underspend for services general (£20k) has been carried forward to 17-18 to cover the costs of the Assessment Centres and the total underspend for training has also been carried forward to the new financial year. £16k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	0	0	0	
Internal Recharges	(350,247)	(369,097)	(18,850)	
Capital Charges	0	0	0	
<b>Total Human Resources:</b>	<b>76,241</b>	<b>20</b>	<b>(76,221)</b>	
<b>Total Resources, Growth &amp; Governance</b>				
Gross Direct Costs	5,770,624	5,493,428	(277,196)	
Gross Direct Income	(4,043,200)	(3,970,380)	72,820	
Internal Recharges	(2,128,533)	(2,026,563)	101,970	
Capital Charges	167,784	173,065	5,281	
<b>Total</b>	<b>(233,325)</b>	<b>(330,450)</b>	<b>(97,125)</b>	



Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Customer Services</b>				
<b>Customer Services - Benefits</b>				
Gross Direct Costs	43,534,045	35,549,414	(7,984,631)	The most significant outturn variance is in respect of the Admin Grant £322K, Bad debt provision £75K Housing benefit revenue support grant C/Tax (£235K) and misc. income (£266K). £48k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	(44,126,000)	(36,223,237)	7,902,763	
Internal Recharges	742,110	749,090	6,980	See note 1 at the bottom of this appendix which covers explanation for change in recharges.
Capital Charges	0	0	0	
<b>Total</b>	<b>150,155</b>	<b>75,267</b>	<b>(74,888)</b>	
<b>Customer Services - Car Parks</b>				
Gross Direct Costs	1,684,987	1,752,577	67,590	An additional £20k security costs were incurred due to safeguarding the Beach Coach Station car park from traveller occupation than budgeted for. £31k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	(2,847,151)	(2,937,078)	(89,927)	
Internal Recharges	266,320	279,940	13,620	Increase in income of (£88K) from NCC for operation of on street parking due to a change in the basis of the calculation of the recharge.
Capital Charges	7,286	143,274	135,988	
<b>Total</b>	<b>(888,558)</b>	<b>(761,287)</b>	<b>127,271</b>	Following completion of capital works on the Euston Road car park the asset was revalued which resulted in a revaluation loss of £123k as the works did not add £ for £ value to the assets value.
<b>Customer Services - Cemeteries and Crematorium</b>				
Gross Direct Costs	981,931	922,687	(59,244)	Reduced activity and more efficient cremators have resulted in lower gas costs of (£23K). (£22k) of the remaining variance is in relation to savings on establishment costs of due to vacancies in year. £15k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	(1,769,667)	(1,383,573)	386,094	
Internal Recharges	109,010	110,490	1,480	The budget monitoring reports during the year highlighted a reduction in income compared to the budgeted level, largely due to ongoing works and a reduction in usage of the facility.
Capital Charges	44,849	57,136	12,287	
<b>Total</b>	<b>(633,877)</b>	<b>(293,260)</b>	<b>340,617</b>	
<b>Customer Services - Customer Services</b>				
Gross Direct Costs	538,400	573,009	34,609	£39k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	0	(477)	(477)	
Internal Recharges	(524,200)	(572,540)	(48,340)	See note 1 at the bottom of this appendix which covers explanation for change in recharges.
Capital Charges	0	0	0	
<b>Total</b>	<b>14,200</b>	<b>(8)</b>	<b>(14,208)</b>	

Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Customer Services - Support Services</b>				
Gross Direct Costs	244,916	238,896	(6,020)	
Gross Direct Income	0	(949)	(949)	
Internal Recharges	(252,710)	(241,660)	11,050	
Capital Charges	3,715	3,714	(1)	
<b>Total</b>	<b>(4,079)</b>	<b>1</b>	<b>4,080</b>	No significant variances.
<b>Customer Services - IT</b>				
Gross Direct Costs	1,126,781	1,259,490	132,709	The cost of maintenance contracts and other expenses exceeded the budget by £221K additionally costs of £47k, such as network costs were incurred following the purchase of mobile devices. This is partially offset by a saving of £124K against the NCC ICT contract. £13k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	0	(825)	(825)	
Internal Recharges	(1,128,780)	(1,296,730)	(167,950)	See note 1 at the bottom of this appendix which covers explanation for change in recharges.
Capital Charges	0	38,070	38,070	The depreciation charge incurred in the year reflects the recognition of digital by design project assets in 2015/16.
<b>Total</b>	<b>(1,999)</b>	<b>5</b>	<b>2,004</b>	
<b>Customer Services - Revenues</b>				
Gross Direct Costs	698,579	725,101	26,522	£30k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	(484,000)	(589,913)	(105,913)	The NNDR administration grant received was (£35K) greater than budgeted. (£21k) additional income from recovery of costs, such as staff postage and software, from BIDS and TIDS. Higher than budgeted recovery of summons fees of (£46K).
Internal Recharges	500,503	610,833	110,330	See note 1 at the bottom of this appenix which covers explanation for change in recharges.
Capital Charges	0	0	0	
<b>Total</b>	<b>715,082</b>	<b>746,021</b>	<b>30,939</b>	
<b>Total Customer Services:</b>	<b>(649,076)</b>	<b>(233,260)</b>	<b>415,816</b>	
<b>Environmental Services - Coast Protection</b>				
Gross Direct Costs	59,191	83,083	23,892	An overspend occurred of £24k for the first annual coastal partnership fee which was not known when budget set.
Gross Direct Income	(550)	(8,550)	(8,000)	
Internal Recharges	19,500	19,800	300	
Capital Charges	307,949	328,367	20,418	The depreciation charge against this service has increased due to the recognition of Scratby coastal protection capital works in 2015/16 which are aligned to this service line. This additional charge was not recognised within the original budget set.
<b>Total</b>	<b>386,090</b>	<b>422,700</b>	<b>36,610</b>	

Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Environmental Services - Grounds Maintenance</b>				
Gross Direct Costs	294,635	265,500	(29,135)	(£34k) overall saving due to £17k accrued in 15-16 for bridleway maintenance which is no longer required, along with this years budget saving for the same amount.
Gross Direct Income	(22,075)	(67,789)	(45,714)	(£39k) favourable income variance for additional grass verge cutting during the year which is recharged to NCC.
Internal Recharges	30,590	30,780	190	
Capital Charges	107,598	116,790	9,192	
<b>Total</b>	<b>410,748</b>	<b>345,280</b>	<b>(65,468)</b>	
<b>Environmental Services - Public Toilets</b>				
Gross Direct Costs	301,853	290,847	(11,006)	
Gross Direct Income	(4,000)	(153)	3,847	
Internal Recharges	20,940	20,940	0	
Capital Charges	61,891	80,500	18,609	
<b>Total</b>	<b>380,684</b>	<b>392,134</b>	<b>11,450</b>	No significant variances.
<b>Environmental Services - Repairs and Maintenance</b>				
Gross Direct Costs	1,046,871	1,043,658	(3,213)	
Gross Direct Income	(249,000)	(295,837)	(46,837)	(£49k) additional profit share from GYNorse.
Internal Recharges	11,240	11,240	0	
Capital Charges	90,537	199,620	109,083	The depreciation charge against this service has increased reflecting the recognition of capital works in prior years which are aligned to this service line. These changes were not captured when the budget was set.
<b>Total</b>	<b>899,648</b>	<b>958,682</b>	<b>59,034</b>	
<b>Environmental Services - Street Cleansing</b>				
Gross Direct Costs	920,202	920,295	93	
Gross Direct Income	0	0	0	
Internal Recharges	11,220	11,220	0	
Capital Charges	0	0	0	
<b>Total</b>	<b>931,422</b>	<b>931,515</b>	<b>93</b>	No significant variances.
<b>Environmental Services - Footway Lighting</b>				
Gross Direct Costs	450,533	433,889	(16,644)	
Gross Direct Income	0	0	0	
Internal Recharges	14,980	14,980	0	
Capital Charges	110,078	57,232	(52,846)	Some footway lighting assets aligned to this service were fully depreciated at the end last year so no depreciation charge was required in 2016/17 for these assets resulting in the fall in the capital charges.
<b>Total</b>	<b>575,591</b>	<b>506,101</b>	<b>(69,490)</b>	

Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Environmental Services - Waste</b>				
Gross Direct Costs	2,181,893	2,075,937	(105,956)	(£68k) year end contract adjustment for refuse vehicle finance. A favourable variance of (£16k) due to a credit for a contamination overcharge made in 2015/16 having been received in 2016/17. There is a £45k overspend due to the purchase of new bins, in particular garden waste bins as there has been an increase in take-up of the scheme. This will be partially offset in future years from the sales of the garden waste bins. Scheme promotions are underspent by (£27k) but this will be carried forward to 17-18 to pay for the signage under the public spaces protection order.
Gross Direct Income	(1,067,170)	(1,164,386)	(97,216)	Income from green waste disposal is below budget by £33K due to customers not renewing from the start of the financial year as anticipated when setting the budget. The new scheme introduced in 17/18 will see an annual renewal date whenever customers renew to mitigate for this in the future. An increase in recycling credit income of (£90k) and (£23k) additional income for bulky waste removal has resulted in a favourable variance overall.
Internal Recharges	76,030	65,410	(10,620)	
Capital Charges	236,198	135,898	(100,300)	The refuse vehicle assets aligned to this service were fully depreciated at the end last year so no depreciation charge was required in 2016/17 for these assets. This change was not captured when the original budget was set.
<b>Total</b>	<b>1,426,951</b>	<b>1,112,859</b>	<b>(314,092)</b>	
<b>Environmental Services - Environmental Health</b>				
Gross Direct Costs	1,442,444	1,428,505	(13,939)	
Gross Direct Income	(94,051)	(114,344)	(20,293)	An adverse variance of £12k occurred following the removal of charging for dog recovery resulting in a cost to the Council. This has been offset by favourable variances across other fee income streams, including (£12k) for funeral cost recovery.
Internal Recharges	302,150	311,880	9,730	
Capital Charges	0	4,497	4,497	
<b>Total</b>	<b>1,650,543</b>	<b>1,630,538</b>	<b>(20,005)</b>	
<b>Total Environmental Services</b>	<b>6,661,677</b>	<b>6,299,809</b>	<b>(361,868)</b>	
<b>Licensing and Elections - Licensing and Elections - Licensing</b>				
Gross Direct Costs	396,104	363,725	(32,379)	Election staff costs were over estimated for the additional hours required for the EU referendum.
Gross Direct Income	(212,700)	(206,662)	6,038	
Internal Recharges	28,950	29,500	550	
Capital Charges	0	0	0	
<b>Total</b>	<b>212,354</b>	<b>186,563</b>	<b>(25,791)</b>	

Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Licensing and Elections - Licensing</b>				
Gross Direct Costs	97,424	108,751	11,327	Income from various licence fees has resulted in an overall variance of (£27k).
Gross Direct Income	(286,703)	(313,535)	(26,832)	
Internal Recharges	47,730	47,180	(550)	
Capital Charges	0	0	0	
<b>Total</b>	<b>(141,549)</b>	<b>(157,604)</b>	<b>(16,055)</b>	
<b>Total Licensing and Elections</b>	<b>70,805</b>	<b>28,960</b>	<b>(50,181)</b>	
<b>Planning - Building Control</b>				
Gross Direct Costs	241,660	250,134	8,474	Due to staff vacancies during the year there is an establishment saving of (£29k). A saving of (£10k) on IT software contract and less specialist professional advice resulting in a favourable variance of (£7k). £26k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	(231,700)	(230,584)	1,116	
Internal Recharges	157,300	161,940	4,640	
Capital Charges	0	0	0	
<b>Total</b>	<b>167,260</b>	<b>181,490</b>	<b>14,230</b>	
<b>Planning - Development Control</b>				
Gross Direct Costs	440,443	416,084	(24,359)	The increase in planning fees has resulted in a favourable income variance.
Gross Direct Income	(381,100)	(396,846)	(15,746)	
Internal Recharges	124,210	127,130	2,920	
Capital Charges	0	0	0	
<b>Total</b>	<b>183,553</b>	<b>146,368</b>	<b>(37,185)</b>	
<b>Planning - Land Charges</b>				
Gross Direct Costs	116,953	128,615	11,662	A number of assets aligned to this service were fully depreciated at the end last year so no depreciation charge was required in 2016/17 for these assets. This change was not captured when the original budget was set.
Gross Direct Income	(180,000)	(178,515)	1,485	
Internal Recharges	74,100	75,070	970	
Capital Charges	40,009	1,747	(38,262)	
<b>Total</b>	<b>51,062</b>	<b>26,917</b>	<b>(24,145)</b>	
<b>Total Licensing and Elections</b>	<b>401,875</b>	<b>354,774</b>	<b>(47,101)</b>	
<b>Tourism and Marketing - Civic and Portering</b>				
Gross Direct Costs	150,694	194,979	44,285	Overtime costs have increased to cover staff absences, resulting in an adverse variance of £20k. £11k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	0	(7,281)	(7,281)	
Internal Recharges	(152,010)	(188,020)	(36,010)	
Capital Charges	0	0	0	
<b>Total</b>	<b>(1,316)</b>	<b>(321)</b>	<b>995</b>	
<b>Tourism and Marketing - Communications</b>				
Gross Direct Costs	71,500	68,884	(2,616)	No significant variances.
Gross Direct Income	0	0	0	
Internal Recharges	(66,880)	(68,880)	(2,000)	
Capital Charges	0	0	0	
<b>Total</b>	<b>4,620</b>	<b>4</b>	<b>(4,616)</b>	

Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Tourism and Marketing - Print and Design</b>				
Gross Direct Costs	138,067	133,950	(4,117)	
Gross Direct Income	(16,698)	(13,821)	2,877	
Internal Recharges	(122,310)	(120,130)	2,180	
Capital Charges	0	0	0	
<b>Total</b>	<b>(941)</b>	<b>(1)</b>	<b>940</b>	No significant variances.
<b>Tourism and Marketing - Tourism</b>				
Gross Direct Costs	726,975	707,577	(19,398)	The additional staff costs of £13k to keep the Tourist Information Centre open throughout the year was fully covered by savings within the special works budget. A reduction in bad debt provision of (£20k) is an unbudgeted year end adjustments. a reduction of ticket sales of (£13k) is offset by a loss of income of the same amount. £24k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	(295,843)	(282,709)	13,134	Actual ticket sales were less than budget by £13k, this has been offset by an expenditure saving of the same value.
Internal Recharges	196,260	197,890	1,630	
Capital Charges	6,600	0	(6,600)	
<b>Total</b>	<b>633,992</b>	<b>622,758</b>	<b>(11,234)</b>	
<b>Tourism and Marketing - Events</b>				
Gross Direct Costs	67,543	36,846	(30,697)	The out turn position reflects a change to the provision of the events function part way through the year (from Aug 16) resulting in cost reductions offset by income
Gross Direct Income	(70,524)	(34,123)	36,401	
Internal Recharges	151,610	170,210	18,600	
Capital Charges	0	0	0	
<b>Total</b>	<b>148,629</b>	<b>172,932</b>	<b>24,303</b>	
<b>Total Tourism and Marketing</b>	<b>784,984</b>	<b>795,372</b>	<b>10,388</b>	
<b>Total Customer Services</b>				
Gross Direct Costs	57,954,624	49,972,435	(7,982,189)	
Gross Direct Income	(52,338,932)	(44,451,188)	7,887,744	
Internal Recharges	637,863	557,563	(80,300)	
Capital Charges	1,016,710	1,166,844	150,134	
<b>Total</b>	<b>7,270,265</b>	<b>7,245,654</b>	<b>(24,611)</b>	

Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Housing &amp; Neighbourhoods</b>				
<b>Neighbourhood &amp; Communities - Conservation</b>				
Gross Direct Costs	257,676	329,491	71,815	Lottery grant income & expenditure on the Waterways.
Gross Direct Income	(35,000)	(78,626)	(43,626)	
Internal Recharges	98,820	104,040	5,220	
Capital Charges	24,633	26,129	1,496	
<b>Total</b>	<b>346,129</b>	<b>381,034</b>	<b>34,905</b>	
<b>Neighbourhood &amp; Communities - Parks</b>				
Gross Direct Costs	530,355	522,370	(7,985)	No significant variances.
Gross Direct Income	(10,100)	(908)	9,192	
Internal Recharges	990	930	(60)	
Capital Charges	0	2,416	2,416	
<b>Total</b>	<b>521,245</b>	<b>524,808</b>	<b>3,563</b>	
<b>Neighbourhood &amp; Communities - Outdoor Sports</b>				
Gross Direct Costs	296,544	287,153	(9,391)	Reduced income on various outdoor sports of £22K.  This favourable variance is due to a valuation gain of (£22k) being recognised following the revaluation of the North Drive bowling greens and basketball courts in the year. The gain has been recognised against the service to partially reverse a prior year revaluation loss charged in previous years.
Gross Direct Income	(107,156)	(84,869)	22,287	
Internal Recharges	8,650	7,740	(910)	
Capital Charges	39,820	11,502	(28,318)	
<b>Total</b>	<b>237,858</b>	<b>221,526</b>	<b>(16,332)</b>	
<b>Neighbourhood &amp; Communities - Leisure &amp; Culture</b>				
Gross Direct Costs	203,874	273,788	69,914	Expenditure relating to The Arts Council grant and GYBC Sports & Leisure Development totalling £61k offset by grant funding received. £4k current pension cost IAS19 adjustment included within the yearend actuals.  Grant funding from The Arts Council and income relating to a staff secondment to Sport England have been received (£91k).  The assets previously aligned to this service were fully depreciated at the end last year so no depreciation charge was required in 2016/17.
Gross Direct Income	(11,825)	(99,341)	(87,516)	
Internal Recharges	33,200	33,500	300	
Capital Charges	42,882	0	(42,882)	
<b>Total</b>	<b>268,131</b>	<b>207,948</b>	<b>(60,183)</b>	
<b>Neighbourhood &amp; Communities - Indoor Leisure</b>				
Gross Direct Costs	529,640	515,398	(14,242)	Reduction in budgeted cost of the Marina/Phoenix contract, mainly as the budgeted living wage increase was not required, has resulted in an underspend compared to budget of (£38k).  Increased depreciation charge incurred in the year reflecting the increased value of the Marina Centre following the recognition of works completed on the centre in prior years.
Gross Direct Income	(11,375)	(36,745)	(25,370)	
Internal Recharges	24,750	24,750	0	
Capital Charges	266,851	305,936	39,085	
<b>Total</b>	<b>809,866</b>	<b>809,339</b>	<b>(527)</b>	
<b>Neighbourhood &amp; Communities - CCTV</b>				
Gross Direct Costs	137,153	136,780	(373)	No significant variances.
Gross Direct Income	(4,000)	(4,000)	0	
Internal Recharges	21,620	21,590	(30)	
Capital Charges	6,040	0	(6,040)	
<b>Total</b>	<b>160,813</b>	<b>154,370</b>	<b>(6,443)</b>	

Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
<b>Neighbourhood &amp; Communities - Neighbourhood Management</b>				
Gross Direct Costs	1,389,787	1,378,786	(11,001)	See note 1 at the bottom of this appendix which covers explanation for change in recharges.
Gross Direct Income	(797,320)	(800,311)	(2,991)	
Internal Recharges	(47,050)	(142,090)	(95,040)	
Capital Charges	0	0	0	
<b>Total</b>	<b>545,417</b>	<b>436,385</b>	<b>(109,032)</b>	
<b>Neighbourhood &amp; Communities - Partnerships</b>				
Gross Direct Costs	108,500	52,000	(56,500)	Increase in expenditure matched by the grant income.
Gross Direct Income	(36,000)	24,000	60,000	
Internal Recharges	20,820	20,820	0	
Capital Charges	0	0	0	
<b>Total</b>	<b>93,320</b>	<b>96,820</b>	<b>3,500</b>	
<b>Neighbourhood &amp; Communities Total</b>	<b>2,982,779</b>	<b>2,832,229</b>	<b>(150,550)</b>	
<b>Housing Needs - Housing Needs</b>				
Gross Direct Costs	769,835	693,626	(76,209)	Net credit of (£37K) on Bad Debt provision, underspend of (£21K) on Medical references, (24K) net over recovery on temporary accommodation and (£13K) reduction in staff costs. £33k current pension cost IAS19 adjustment included within the yearend actuals.  We received notification of an addition £652k Community Housing Funding in March 2017, as no plans were in place to use this funding these monies are being transferred to earmarked reserves for future use.
Gross Direct Income	(224,983)	(878,594)	(653,611)	
Internal Recharges	315,720	323,610	7,890	
Capital Charges	0	18,121	18,121	
<b>Total</b>	<b>860,572</b>	<b>156,763</b>	<b>(703,809)</b>	
<b>Housing Needs - Housing Options &amp; Strategy</b>				
Gross Direct Costs	123,101	96,848	(26,253)	Capacity Grid charges, in relation to the empty homes survey, were carried out in-house rather than outsourced saving (£15K). £6k current pension cost IAS19 adjustment included within the yearend actuals.  The depreciation charge for the travellers site not captured within the original 2016/17 budget for this service.
Gross Direct Income	0	(6,020)	(6,020)	
Internal Recharges	43,710	44,300	590	
Capital Charges	0	25,723	25,723	
<b>Total</b>	<b>166,811</b>	<b>160,851</b>	<b>(5,960)</b>	
<b>Housing Needs Total</b>	<b>1,027,383</b>	<b>317,614</b>	<b>(709,769)</b>	
<b>DFGs &amp; HIA Homes for Health - Private Sector Housing</b>				
Gross Direct Costs	136,672	1,024,437	887,765	The variance reflects the Disabled Facility Grant income and expenditure for the year, now allocated as part of the Better Care Fund. The allocations of the funding for 2016/17 were not notified when the 2016/17 budget was established.
Gross Direct Income	(37,400)	(922,340)	(884,940)	
Internal Recharges	147,436	152,236	4,800	
Capital Charges	0	0	0	
<b>Total</b>	<b>246,708</b>	<b>254,332</b>	<b>7,624</b>	



Directorate & Service	Current Budget 2016-17 £	Out turn 2016-17 £	Variance £	Explanations for significant variances (+/- £20,000)
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**DFGs & HIA Homes for Health - Safe At Home**

Gross Direct Costs	211,226	245,879	34,653	£17k current pension cost IAS19 adjustment included within the yearend actuals.
Gross Direct Income	(145,500)	(156,116)	(10,616)	
Internal Recharges	58,016	61,876	3,860	
Capital Charges	0	0	0	
<b>Total</b>	<b>123,742</b>	<b>151,639</b>	<b>27,897</b>	No significant variances.

**DFGs & HIA Homes for Health Total**

<b>370,450</b>	<b>405,972</b>	<b>35,522</b>
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**Total Housing and Neighbourhoods**

Gross Direct Costs	4,694,363	5,556,556	862,193
Gross Direct Income	(1,420,659)	(3,043,870)	(1,623,211)
Internal Recharges	726,682	653,302	(73,380)
Capital Charges	380,226	389,827	9,601
<b>Total</b>	<b>4,380,612</b>	<b>3,555,815</b>	<b>(824,797)</b>

**Net Cost of Services Total**

Gross Direct Costs	69,224,197	61,827,478	(7,396,719)
Gross Direct Income	- 57,842,791	- 51,506,818	6,335,973
Internal Recharges	- 1,215,998	- 1,323,228	(107,230)
Capital Charges	1,564,720	1,729,736	165,016
<b>Total</b>	<b>11,730,128</b>	<b>10,727,168</b>	<b>(1,002,960)</b>

**Note 1 - recharge variances:**

Recharge variances are driven by the variances in direct costs and income identified under those services recharged across the Council. Therefore the overspends identified in services such as IT of £119k and civic and portering of £26k are offset by the underspends seen within finance of (£120k), support services (£20k), legal services (£60k) and Executive (£30k). The resulting favourable variance of (£119k) is for the recovered costs from the Housing Revenue Account as reflected under Appendix A.

General Fund Reserves Schedule - 2016/17 OUTTURN		Opening Balance 01/04/16	Outturn Movement 2016/17	Closing Balance 31/03/17	Budgeted Movement 2017/18	Closing Balance 31/03/18	Budgeted Movement 2018/19	Closing Balance 31/03/19	Budgeted Movement 2019/20	Closing Balance 31/03/20
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£
<b>Planning Delivery Grant</b>	The reserve is planned to be used to provide service improvements in Planning, and deliver the Local Development Framework.	62,360	0	62,360	0	62,360	0	62,360	0	62,360
<b>Insurance Fund</b>	The Council budgets for a level of excess being charged to the Service Accounts annually. Any under provision is met from the Insurance Fund, and any surplus is transferred to the fund.	131,769	78,307	210,076	0	210,076	0	210,076	0	210,076
<b>Town Centre Initiative</b>	Earmarked for spend in relation to the town centre project.	594,262	(99,317)	494,945	(25,000)	469,945	0	469,945	0	469,945
<b>SHARP Funding</b>	The Council will utilise this funding for capital expenditure incurred in the Wellesley Rd, Sandown Rd, Euston Rd & Paget Rd areas.	493,039	0	493,039	0	493,039	0	493,039	0	493,039
<b>Restricted use grant</b>	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these reserves in future years.	906,756	42,749	949,505	0	949,505	0	949,505	0	949,505
<b>Efficiency Support grant</b>	Balance of funding from the ESG released for project spend as approved within the budget.	241,135	(241,135)	0	0	0	0	0	0	0
<b>Invest to Save</b>	To be used to fund one-off costs associated with projects that will deliver future efficiencies and savings including costs associated with restructures. (updated for P&R decisions 7.02.17)	1,000,000	828,329	1,828,329	(172,308)	1,656,021	(39,495)	1,616,526	0	1,616,526
<b>Specific budget</b>	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.	63,241	40,000	103,241	0	103,241	0	103,241	0	103,241
<b>LEGI</b>	As costs are incurred, these are offset by the Reserve.	523,671	0	523,671	(57,000)	466,671	0	466,671	0	466,671
<b>Repairs and Maintenance</b>	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.	343,827	(41,476)	302,351	0	302,351	0	302,351	0	302,351

General Fund Reserves Schedule - 2016/17 OUTTURN		Opening Balance 01/04/16	Outturn Movement 2016/17	Closing Balance 31/03/17	Budgeted Movement 2017/18	Closing Balance 31/03/18	Budgeted Movement 2018/19	Closing Balance 31/03/19	Budgeted Movement 2019/20	Closing Balance 31/03/20
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£
<b>Second Homes Council Tax</b>	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.	97,039	58,923	155,962	0	155,962	0	155,962	0	155,962
<b>Waste Management</b>	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.	135,170	(110,000)	25,170	(25,170)	(0)	0	(0)	0	(0)
<b>Collection Fund (Business Rates)</b>	Earmarked to mitigate the fluctuations in business rate income between years,	1,197,010	762,844	1,959,854	0	1,959,854	0	1,959,854	0	1,959,854
<b>Neighbourhoods</b>	Earmarked from previous grants for neighbourhood projects	128,876	523,894	652,770	0	652,770	0	652,770	0	652,770
<b>Enforcement</b>	Earmarked for enforcement related works to address issues and bring properties back into use.	0	50,000	50,000	0	50,000	0	50,000	0	50,000
<b>Special Project Reserve</b>	Earmarked as per the 2017/18 budget report for project spend and also for matched funding as appropriate.	0	1,000,000	1,000,000	(105,250)	894,750	(25,503)	869,248	(25,758)	843,490
<b>Benefits/Revenues Reserve</b>	Earmarking of grants and underspends to be used for the service and mitigation of subsidy impacts.	0	155,000	155,000	0	155,000	0	155,000	0	155,000
<b>Other Reserves</b>	These Reserves are utilised as expenditure is incurred.	205,676	58,022	263,698	(4,000)	259,698	(4,000)	255,698	0	255,698
<b>Total GF Earmarked Reserves</b>		<b>6,123,831</b>	<b>3,106,139</b>	<b>9,229,970</b>	<b>(388,728)</b>	<b>8,841,242</b>	<b>(68,998)</b>	<b>8,772,244</b>	<b>(25,758)</b>	<b>8,746,487</b>
<b>General Fund Reserve</b>	Current recommended balance of £2.5 million	<b>6,350,408</b>	<b>(2,642,777)</b>	<b>3,707,631</b>	<b>(188,240)</b>	<b>3,519,391</b>	<b>0</b>	<b>3,519,391</b>	<b>0</b>	<b>3,519,391</b>
<b>Total GF Reserves</b>		<b>12,474,239</b>	<b>463,362</b>	<b>12,937,601</b>	<b>(576,968)</b>	<b>12,360,633</b>	<b>(68,998)</b>	<b>12,291,635</b>	<b>(25,758)</b>	<b>12,265,878</b>
Note: 2017/18 transfers allows for the use of £188,240 from the general reserve.										

## Capital Programme Forward Budget 2016-17

Project	Directorate	Total Published in Budget Book Budget 16-17	Revision rolled forward from 15/16	Virements in 16/17	Revised Budget 16-17	Actuals	BORROWING		GRANTS & CONTRIBUTIONS				CAPITAL RECEIPTS		REVENUE	
							Unsupported Borrowing	Supported Borrowing	DFG	SHIP/SHARP/ N&WELS	NCC	Other Grants/3rd Party Contributions	Capital Receipt - Housing	Capital Receipts - other	Revenue Funding	
Housing Capital Programme	Housing & Neighbourhoods	8,561,460	-	-	8,561,460	11,708,317	2,678,857	-	-	-	-	-	1,216,000	-	7,813,460	
Beacon Park LATC - Phase 1	Housing & Neighbourhoods	9,400,000	60,000	-	9,460,000	125,338	125,338	-	-	-	-	-	-	-		
Disabled Facilities grants	Housing & Neighbourhoods	800,000	-	-	800,000	905,535	-	-	905,535	-	-	-	-	-		
Emergency Home Improvement Loans	Housing & Neighbourhoods	50,000	-	-	50,000	53,120	-	0	-	-	-	-	-	53,120		
Empty Homes	Housing & Neighbourhoods	757,508	232,491	-	757,999	38,659	38,659	-	-	-	-	-	-	-		
Norfolk & Waveney Equity Loan Scheme	Housing & Neighbourhoods	-	107,384	-	107,384	59,344	0	-	-	59,344	-	-	-	-		
Home 4 Health	Housing & Neighbourhoods	350,000	50,000	-	400,000	-	-	-	-	-	-	-	-	-		
Runham Vauxhall	Housing & Neighbourhoods	119,541	-	-	119,541	-	-	-	-	-	-	-	-	-		
Phoenix Pool Refurbishment	Housing & Neighbourhoods	900,000	768,000	-	1,668,000	1,757,114	1,757,114	-	-	-	-	-	-	-		
New Marina Centre Refurbishment	Housing & Neighbourhoods	3,900,000	247,435	-	4,147,435	8,873	8,873	-	-	-	-	-	-	-		
The Waterways - Refurbishment	Housing & Neighbourhoods	1,300,000	-	200,000	1,500,000	-	-	-	-	-	-	-	-	-		
Cobholm Skatepark	Housing & Neighbourhoods	100,000	-	-	100,000	-	-	-	-	-	-	-	-	-		
Mill Lane Hot Water Vessels	Housing & Neighbourhoods	31,000	-	-	31,000	-	-	-	-	-	-	-	-	-		
Childrens Playground Refurbishment & Resurfacing	Housing & Neighbourhoods	109,200	-	-	109,200	113,300	113,300	-	-	-	-	-	-	-		
Preservation Trust Loan	Housing & Neighbourhoods	-	-	130,000	130,000	130,000	130,000	-	-	-	-	-	-	-		
Footway Lighting	Customer Services	100,000	-	-	100,000	99,989	99,989	-	-	-	-	-	-	-		
Esplanade Resurfacing	Customer Services	180,000	-	43,560	136,440	-	-	-	-	-	-	-	-	-		
New Crematoriums	Customer Services	398,848	38,518	-	437,366	293,069	293,069	-	-	-	-	-	-	-		
Server Upgrades - Integra	Customer Services	20,000	-	-	20,000	-	-	-	-	-	-	-	-	-		
Public Toilets - Automated Locking Systems	Customer Services	21,500	-	-	21,500	11,556	11,556	-	-	-	-	-	-	-		
Public Toilets - Refurbishment	Customer Services	160,000	-	-	160,000	160,000	160,000	-	-	-	-	-	-	-		
Central Heating Boilers - Greyfriars House	Customer Services	35,000	-	-	35,000	33,454	33,454	-	-	-	-	-	-	-		
Loan to GYBS to purchase 2 new refuse vehicles	Customer Services	115,000	-	-	115,000	-	-	-	-	-	-	-	-	-		
Beacon Park	Resources, Governance & Growth	1,950,000	230,937	-	2,180,937	390,639	390,639	-	-	-	-	-	-	-		
Beacon Park-Site 4-Development of Office	Resources, Governance & Growth	4,750,000	575,000	-	3,700,000	1,625,000	-	-	-	-	-	-	-	-		
Beacon Park - Site 12a	Resources, Governance & Growth	-	-	3,700,000	3,700,000	164,491	164,491	-	-	-	-	-	-	-		
South Denes	Resources, Governance & Growth	2,600,000	388,559	-	2,988,559	120,283	-	-	-	-	120,283	-	-	-		
Digital By Design	Customer Services	-	59,648	-	59,648	36,345	-	-	-	-	-	-	-	-		
Coastal Protection - Scratby	Customer Services	-	85,511	-	85,511	96,548	-	-	-	-	-	-	-	-		
Flexible Workforce	Transformation team	-	292,460	-	292,460	91,754	-	-	-	-	-	-	-	-		
Euston Road Car Park Extension	Customer Services	-	119,083	43,560	162,643	186,987	186,987	-	-	-	-	-	-	-		
2013/14 adis Gorleston Shelters	Resources, Governance & Growth	-	-	-	-	2,347	2,347	-	-	-	-	-	-	-		
15-16 Remodelling Work at Britannia Pier	Resources, Governance & Growth	-	-	-	-	2,211	2,211	-	-	-	-	-	-	-		
<b>Total</b>		<b>36,807,057</b>	<b>3,255,026</b>	<b>-</b>	<b>40,062,084</b>	<b>16,589,272</b>	<b>6,395,530</b>	<b>-</b>	<b>905,535</b>	<b>59,344</b>	<b>120,283</b>	<b>26,000</b>	<b>1,216,000</b>	<b>53,120</b>	<b>7,813,460</b>	

Capital Programme Budget 2017-2018

Directorate	Project Title	Per 17/18 Budget Book			Revisions to 17/18 Budget Book		2017/18 REVISED Capital Programme	BORROWING		GRANTS & CONTRIBUTIONS				CAPITAL RECEIPTS			REVENUE
		2016/17	2017/18 Bids	2017/18 Capital Programme	Amendments to rolled forward 2016/17	Revisions		Unsupported Borrowing	Supported Borrowing	DFG	SHIP/SHARP/ N&WELS	NCC	Other Grants/3rd Party Contributions	Capital Receipts - Sth Gorleston	Capital Receipt - Housing	Capital Receipts - other	
HRA	Housing Capital Programme	£0	£10,554,080	£10,554,080	£0		£10,554,080	£2,052,000							£1,077,000		£7,425,080
Customer Services	Replacement of the Council's Air Quality Monitoring Station	£0	£50,000	£50,000	£0		£50,000	£50,000									
Customer Services	ICT Investment to deliver GYBC ICT Strategy	£0	£222,500	£222,500	£0	£20,000	£242,500	£242,500									
Customer Services	Rebuilding sections of Factory Rd/Bevedere Rd/Nth Denes Rd Gt Yarmouth Cemetery Wall	£0	£75,000	£75,000	£0		£75,000	£75,000									
Customer Services	St Nicholas Minster West Boundary Wall	£0	£50,000	£50,000	£0		£50,000	£50,000									
Customer Services	Marine Parade car park Gorleston - Surfacing	£0	£22,000	£22,000	£0		£22,000	£22,000									
Customer Services	Public Toilet Refurbishment Programme	£0	£160,000	£160,000	£0		£160,000	£160,000									
Customer Services	Rialto Civil enforcement	£0	£21,050	£21,050	£0		£21,050	£7,518				£13,532					
Housing & Neighbourhoods	Disabled Facilities Grant	£0	£941,786	£941,786	£36,251	£79,617	£1,057,654	£115,868		£941,786							
Housing & Neighbourhoods	Childrens Playground Refurbishment 2017/18 - 2019/20	£0	£151,370	£151,370	£0		£151,370	£36,370					£115,000				
Housing & Neighbourhoods	Children's Playground Resurfacing	£0	£37,650	£37,650	£0		£37,650	£37,650									
Housing & Neighbourhoods	Priory Gardens Footpath Gorleston	£0	£19,000	£19,000	£0		£19,000	£19,000									
Housing & Neighbourhoods	Wellisley CCTV	£0	£15,000	£15,000	£0		£15,000	£15,000									
Housing & Neighbourhoods	New Marina Centre Refurbishment	£4,127,435	£1,600,000	£5,727,435	£11,127		£5,738,562	£5,738,562									
Housing & Neighbourhoods	Mill Lane Hot Water Vessels	£31,000	£0	£31,000	£0		£31,000	£31,000									
Housing & Neighbourhoods	The Waterways (revised HLF bid)	£0	£262,162	£262,162	£1,500,000		£1,762,162	£140,000					£1,622,162				
Housing & Neighbourhoods	Empty Homes	£850,000	£0	£850,000	£69,340		£719,340	£719,340									
Housing & Neighbourhoods	Homes 4 Health	£300,000	£0	£300,000	£100,000		£400,000	£150,000			£250,000						
Housing & Neighbourhoods	Beacon Park LATC - Phase 1/ Equinox	£9,260,000	£0	£9,260,000	£74,662		£9,334,662	£9,334,662									
Housing & Neighbourhoods	Runham Vauxhall	£119,541	£0	£119,541	£0		£119,541	£0								£119,541	
Housing & Neighbourhoods	Cobholm Skatepark	£0	£0	£0	£100,000		£100,000	£0					£100,000				
Housing & Neighbourhoods	Norfolk & Waveney Equity Loan Scheme	£0	£0	£0	£48,040		£48,040	£0			£48,040						
Housing & Neighbourhoods	Emergency Home Improvement Loans	£0	£0	£0	£50,000		£50,000								£50,000		
Customer Services	Footway Lighting	£0	£100,000	£100,000	£0		£100,000	£0					£100,000				
Customer Services	Esplanade Resurfacing	£91,440	£100,000	£191,440	£45,000		£236,440	£236,440									
Customer Services	New Cremators	£0	£0	£0	£144,297		£144,297	£144,297									
Customer Services	Refuse Vehicles	£0	£0	£0	£115,000		£115,000	£0					£115,000				
Customer Services	Digital By Design	£0	£0	£0	£23,303		£23,303	£23,303									
Customer Services	Server Upgrades - Integra	£0	£0	£0	£20,000		£20,000	£20,000									
Resource, Governance & Growth	Beacon Park projects	£2,600,000	£1,625,000	£4,225,000	£815,298		£5,040,298	£5,040,298									
Resource, Governance & Growth	Beacon Park - Site 12a	£3,300,000	£0	£3,300,000	£235,509		£3,535,509	£3,535,509									
Resource, Governance & Growth	South Denes	£2,738,559	£0	£2,738,559	£129,717		£2,868,276	£768,276				£2,100,000					
Resource, Governance & Growth	Flexible Working	£0	£0	£0	£200,706		£200,706	£200,706									
<b>TOTAL</b>		<b>£23,217,975</b>	<b>£16,006,598</b>	<b>£39,224,573</b>	<b>£3,718,251</b>	<b>£99,617</b>	<b>£43,042,441</b>	<b>£28,965,300</b>	<b>£0</b>	<b>£941,786</b>	<b>£298,040</b>	<b>£2,113,532</b>	<b>£2,052,162</b>	<b>£0</b>	<b>£1,127,000</b>	<b>£119,541</b>	<b>£7,425,080</b>
<b>HRA</b>		<b>£0</b>	<b>£10,554,080</b>	<b>£10,554,080</b>	<b>£0</b>	<b>£0</b>	<b>£10,554,080</b>	<b>£2,052,000</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£1,077,000</b>	<b>£0</b>	<b>£7,425,080</b>
<b>Resource, Governance &amp; Growth</b>		<b>£8,638,559</b>	<b>£1,625,000</b>	<b>£10,263,559</b>	<b>£1,381,230</b>	<b>£0</b>	<b>£11,644,789</b>	<b>£9,544,789</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£2,100,000</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
<b>Customer Services</b>		<b>£91,440</b>	<b>£800,550</b>	<b>£891,990</b>	<b>£347,600</b>	<b>£20,000</b>	<b>£1,259,590</b>	<b>£1,031,058</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£13,532</b>	<b>£215,000</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
<b>Housing &amp; Neighbourhoods</b>		<b>£14,487,976</b>	<b>£3,026,968</b>	<b>£17,514,944</b>	<b>£1,989,421</b>	<b>£79,617</b>	<b>£19,583,962</b>	<b>£16,337,452</b>	<b>£0</b>	<b>£941,786</b>	<b>£298,040</b>	<b>£0</b>	<b>£1,837,162</b>	<b>£0</b>	<b>£50,000</b>	<b>£119,541</b>	<b>£0</b>
		<b>£23,217,975</b>	<b>£16,006,598</b>	<b>£39,224,573</b>	<b>£3,718,251</b>	<b>£99,617</b>	<b>£43,042,441</b>	<b>£28,965,300</b>	<b>£0</b>	<b>£941,786</b>	<b>£298,040</b>	<b>£2,113,532</b>	<b>£2,052,162</b>	<b>£0</b>	<b>£1,127,000</b>	<b>£119,541</b>	<b>£7,425,080</b>
<b>HRA</b>		<b>£0</b>	<b>£10,554,080</b>	<b>£10,554,080</b>	<b>£0</b>	<b>£0</b>	<b>£10,554,080</b>	<b>£2,052,000</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£1,077,000</b>	<b>£0</b>	<b>£7,425,080</b>
<b>GF</b>		<b>£23,217,975</b>	<b>£5,452,518</b>	<b>£28,670,493</b>	<b>£3,718,251</b>	<b>£99,617</b>	<b>£32,488,361</b>	<b>£28,913,300</b>	<b>£0</b>	<b>£941,786</b>	<b>£298,040</b>	<b>£2,113,532</b>	<b>£2,052,162</b>	<b>£0</b>	<b>£50,000</b>	<b>£119,541</b>	<b>£0</b>
		<b>£23,217,975</b>	<b>£16,006,598</b>	<b>£39,224,573</b>	<b>£3,718,251</b>	<b>£99,617</b>	<b>£43,042,441</b>	<b>£28,965,300</b>	<b>£0</b>	<b>£941,786</b>	<b>£298,040</b>	<b>£2,113,532</b>	<b>£2,052,162</b>	<b>£0</b>	<b>£1,127,000</b>	<b>£119,541</b>	<b>£7,425,080</b>

**Capital Programme Forward Budget 2018-2019**

Unique Bid Reference	Directorate	Project/Budget Manager	Project Title	Prior Year approved 18/19 projects	17/18 Recommended Bid 18/19	2018/19 Capital Programme	BORROWING		GRANTS & CONTRIBUTIONS			CAPITAL RECEIPTS		REVENUE
							Unsupported Borrowing	Supported Borrowing	DFG	NCC	Other Grants/3rd Party Contributions	Capital Receipt - Housing	Capital Receipts - other	Revenue Funding
N/A	HRA	Robert Read	Housing Capital Programme	£0	£8,307,080	£8,307,080	£1,360,000					£882,000		£6,065,080
CSV02	Customer Services	Miranda Lee	ICT Investment to deliver GYBC ICT Strategy	£0	£290,500	£290,500	£290,500							
CSV07	Customer Services	Paul Houghton/Miranda Lee/ Janice Hall	St Nicholas Minster West Boundary Wall	£0	£50,000	£50,000	£50,000							
CSV11	Customer Services	Peter Roll & Simon Mutton (GYBS), Glenn Buck (GYBC)	Public Toilet Refurbishment Programme	£0	£160,000	£160,000	£160,000							
H&N02	Housing & Neighbourhoods	Angela Cotton (GYBS)/Robert Gregory	Childrens Playground Refurbishment 2017/18 - 2019/20	£0	£46,595	£46,595	£46,595							
PY H&N01	Housing & Neighbourhoods	Vicky George	Disabled facilities Grant	£800,000	£0	£800,000	£233,000		£567,000					
PY H&NOC revised	Housing & Neighbourhoods	Robert Gregory/ Darren Barker	The Waterways (revised HLF bid)	£0	£1,435,311	£1,435,311	£190,000				£1,245,311			
PY CSV0A (CSV04)	Customer Services	Michael Stephenson (GYBS)/Glenn Buck	Footway Lighting	£100,000	£0	£100,000	£100,000							
PY CSV0B	Customer Services	Michael Stephenson (GYBS)/Glenn Buck	Esplanade Resurfacing	£100,000	£0	£100,000	£100,000							
TOTAL				£1,000,000	£10,289,486	£11,289,486	£2,530,095	£0	£567,000	£0	£1,245,311	£882,000	£0	£6,065,080

**Capital Programme Forward Budget 2019-2020**

Unique Bid Reference	Directorate	Project/Budget Manager	Project Title	17/18 Recommended Bid 19/20	BORROWING		GRANTS & CONTRIBUTIONS			CAPITAL RECEIPTS		REVENUE
					Unsupported Borrowing	Supported Borrowing	DFG	NCC	Other Grants/3rd Party Contributions	Capital Receipt - Housing	Capital Receipts - other	Revenue Funding
N/A	HRA	Robert Read	Housing Capital Programme	£8,808,580	£1,995,000					£828,000		£5,985,580
CSV02	Customer Services	Miranda Lee	ICT Investment to deliver GYBC ICT Strategy	£240,500	£240,500							
H&N02	Housing & Neighbourhoods	Angela Cotton (GYBS)/Robert Gregory	Childrens Playground Refurbishment 2017/18 - 2019/20	£39,945	£39,945							
H&N0C revis	Housing & Neighbourhoods	Robert Gregory/ Darren Barker	The Waterways (revised HLF bid)	£363,260	£0				£363,260			
TOTAL				£9,452,285	£2,275,445	£0	£0	£0	£363,260	£828,000	£0	£5,985,580

**Subject: 2016/17 TREASURY MANAGEMENT OUTTURN REPORT**

Report to: Policy and Resources (13 June 2017),  
Full Council 13 July 2017

Report by: Finance Director (Section 151 Officer)

**SUBJECT MATTER/RECOMMENDATIONS**

This report presents the treasury management activity for the 2016/17 financial year and includes:

- The overall treasury position for 2016/17
- The borrowing requirement and debt for 2016/17
- The borrowing outturn for 2016/17.

**Recommendations:**

1. Members are asked to approve the Treasury Management outturn report and indicators for 2016/17.

**1. Introduction**

- 1.1 This Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management annual report after the end of each financial year.
- 1.2 This report fulfils the Authority's legal obligation to have regard to the CIPFA Code.
- 1.3 The Authority's treasury management strategy for 2016/17 was approved at a meeting of the Authority on 24th February 2016. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.
- 1.4 This Authority tendered the Treasury Management Contract and appointed new treasury advisors Arlingclose Ltd on 12<sup>th</sup> May 2017.

**2. External Context**

- 2.1 Economic background: Politically, 2016/17 was an extraordinary twelve month period which defied expectations when the UK voted to leave the European Union and Donald Trump was elected the 45<sup>th</sup> President of the USA. Uncertainty over the outcome of the US presidential election, the UK's future relationship with the EU and the slowdown witnessed in the Chinese economy in early 2016 all resulted in significant market volatility during the year. Article 50 of the Lisbon Treaty, which sets in motion the 2-year exit period from the EU, was triggered on 29<sup>th</sup> March 2017.



- 2.2 UK inflation had been subdued in the first half of 2016 as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. However the sharp fall in the Sterling exchange rate following the referendum had an impact on import prices which, together with rising energy prices, resulted in CPI rising from 0.3% year/year in April 2016 to 2.3% year/year in March 2017.
- 2.3 In addition to the political fallout, the referendum's outcome also prompted a decline in household, business and investor sentiment. The repercussions on economic growth were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee (MPC) to cut the Bank Rate to 0.25% in August and embark on further gilt and corporate bond purchases as well as provide cheap funding for banks via the Term Funding Scheme to maintain the supply of credit to the economy.
- 2.4 Despite growth forecasts being downgraded, economic activity was fairly buoyant and GDP grew 0.6%, 0.5% and 0.7% in the second, third and fourth calendar quarters of 2016. The labour market also proved resilient, with the ILO unemployment rate dropping to 4.7% in February, its lowest level in 11 years.
- 2.5 Following a strengthening labour market, in moves that were largely anticipated, the US Federal Reserve increased rates at its meetings in December 2016 and March 2017, taking the target range for official interest rates to between 0.75% and 1.00%.
- 2.6 Financial markets: Following the referendum result, gilt yields fell sharply across the maturity spectrum on the view that Bank Rate would remain extremely low for the foreseeable future. After September there was a reversal in longer-dated gilt yields which moved higher, largely due to the MPC revising its earlier forecast that Bank Rate would be dropping to near 0% by the end of 2016. The yield on the 10-year gilt rose from 0.75% at the end of September to 1.24% at the end of December, almost back at pre-referendum levels of 1.37% on 23<sup>rd</sup> June. 20- and 50-year gilt yields also rose in Q3 2017 to 1.76% and 1.70% respectively, however in Q4 yields remained flat at around 1.62% and 1.58% respectively.
- 2.7 After recovering from an initial sharp drop in Q2, equity markets rallied, although displaying some volatility at the beginning of November following the US presidential election result. The FTSE-100 and FTSE All Share indices closed at 7342 and 3996 respectively on 31<sup>st</sup> March, both up 18% over the year. Commercial property values fell around 5% after the referendum, but had mostly recovered by the end of March.
- 2.8 Money market rates for overnight and one week periods remained low since Bank Rate was cut in August. 1- and 3-month LIBID rates averaged 0.36% and 0.47% respectively during 2016-17. Rates for 6- and 12-months increased between August and November, only to gradually fall back to August levels in March, they averaged 0.6% and 0.79% respectively during 2016-17.
- 2.9 Credit background: Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by

20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune, although the fall in their share prices was less pronounced.

- 2.10 Fitch and Standard & Poor's downgraded the UK's sovereign rating to AA. Fitch, S&P and Moody's have a negative outlook on the UK. Moody's has a negative outlook on those banks and building societies that it perceives to be exposed to a more challenging operating environment arising from the 'leave' outcome.
- 2.11 None of the banks on the Authority's lending list failed the stress tests conducted by the European Banking Authority in July and by the Bank of England in November, the latter being designed with more challenging stress scenarios, although Royal Bank of Scotland was one of the weaker banks in both tests. The tests were based on banks' financials as at 31st December 2015, 11 months out of date for most. It should be noted that as part of its creditworthiness research and advice, the Authority's new treasury advisor Arlingclose also regularly undertakes analysis of relevant ratios - "total loss absorbing capacity" (TLAC) or "minimum requirement for eligible liabilities" (MREL) - to determine whether there would be a bail-in of senior investors, such as local authority unsecured investments, in a stressed scenario.

### 3. Local Context

- 3.1 On 31<sup>st</sup> March 2017, the Authority had net borrowing of £84.2m arising from its revenue and capital income and expenditure, a decrease on 2016 of £2.7m. During 2016/17 the Authority received interest totalling £0.119m for the General Fund, and paid interest of £3.2m, of which £2.6m was a charge to the Housing Revenue Account. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors and the year-on-year change are summarised in table 1 below.

Table 1: Balance Sheet Summary

	<b>31.3.16 Actual £000</b>	<b>2016/17 Movement £000</b>	<b>31.3.17 Actual £000</b>
General Fund CFR	44,643	1,649	46,292
HRA CFR	77,551	1,703	78,867
<b>Total CFR</b>	<b>122,194</b>	<b>3,352</b>	<b>125,159</b>
Less: Other debt liabilities *	978	63	1,041
<b>Borrowing CFR</b>	<b>123,172</b>	<b>3,415</b>	<b>126,200</b>
Less: Usable reserves	22,911	1,514	24,425
Less: Working capital	5,333	8,902	13,848
<b>Net borrowing</b>	<b>94,928</b>	<b>(7,001)</b>	<b>87,927</b>

\* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

- 3.2 Net borrowing has decreased despite a rise in the CFR mainly due to a rise in the working capital due to the timing of receipts and payments and an increase in usable reserves.
- 3.3 The Authority's current strategy is to maintain borrowing and investments below their underlying levels (the average investment during 2016/17 was £13m), sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. The treasury management position as at 31<sup>st</sup> March 2017 and the year-on-year change in show in table 2 below.

Table 2: Treasury Management Summary

	<b>31.3.16 Balance £000</b>	<b>2016/17 Movement £000</b>	<b>31.3.17 Balance £000</b>	<b>31.3.17 Rate %</b>
Long-term borrowing	81,889	0	81,889	3.66%
Short-term borrowing	13,039	7,000	6,039	0.65%
<b>Total borrowing</b>	<b>94,928</b>	<b>7,000</b>	<b>87,928</b>	
Long-term investments	0	0	0	-
Short-term investments	0	0	0	-
Cash and cash equivalents	8,060	4,292	3,768	0.36%
<b>Total investments</b>	<b>8,060</b>	<b>4,292</b>	<b>3,768</b>	
<b>Net borrowing</b>	<b>86,868</b>	<b>2,708</b>	<b>84,160</b>	

Note: the figures in the table are from the balance sheet in the Authority's statement of accounts, but adjusted to exclude operational cash, accrued interest and other accounting adjustments.

- 3.4 The decrease in net borrowing in table 1 has translated into a fall in investment balances due to the Authority's internal borrowing policy.

#### **4. Borrowing Activity**

- 4.1 At 31<sup>st</sup> March 2017, the Authority held £87.9m of loans, a decrease of £7m on the previous year, as part of its strategy for funding previous years' capital programmes. The year-end borrowing position and the year-on-year change in show in table 3 below.

Table 3: Borrowing Position

	<b>31.3.16 Balance £000</b>	<b>2016/17 Movement £000</b>	<b>31.3.17 Balance £000</b>	<b>31.3.17 Rate %</b>
Public Works Loan Board	74,389	3,001	7,1388	3.95%
Banks (LOBO)	10,000	-	3,000	4.95%
Banks (fixed-term)	500	-	7,500	4.15%
Local authorities (long-term)	0	-	0	-
Local authorities (short-term)	10,039	4,000	6,039	0.65%
<b>Total borrowing</b>	<b>94,928</b>	<b>7,001</b>	<b>87,927</b>	

4.2 The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

4.3 In furtherance of these objectives, and due to a deferral of £20m of 2016/17 capital expenditure into 2017/18, new borrowing was kept to a minimum in 2016/17, primarily temporary loans borrowed from the market, while some existing loans were allowed to mature without replacement. This strategy enabled the Authority to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

4.4 The Authority continues to holds £3m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during 2016/17. However, Barclays Bank informed the Authority that it had revoked its right to exercise their options in future, and £7m has therefore been reclassified as fixed rate bank loans. Table 3 above reflects this reclassification.

4.5 There were no debt rescheduling opportunities in the economic climate of very low gilt yields that has continued to prevail and following the increase in the margin added to gilt yields for new PWLB loans which has been the case since October 2010.

## **5. Investment Activity**

5.1 The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2016/17, the Authority's investment balance ranged between £3 and £21 million due to timing differences between income and expenditure. The year-end investment position and the year-on-year change in show in table 4 below.

Table 4: Investment Position

	<b>31.3.16 Balance £000</b>	<b>2016/17 Movement £000</b>	<b>31.3.17 Balance £000</b>	<b>31.3.17 Rate %</b>
Banks & building societies (unsecured)	3,000	15	2,985	0.15%
Money Market Funds	5,105	5,105	0	0.36%
<b>Total investments</b>	<b>8,105</b>	<b>5,120</b>	<b>2,985</b>	

5.2 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

## **6. Compliance Report**

6.1 The Director of Finance is pleased to report that all treasury management activities undertaken during 2016/17 complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 7 below.

Table 7: Investment Limits

	<b>2016/17 Maximum</b>	<b>31.3.17 Actual</b>	<b>2016/17 Limit</b>	<b>Complied</b>
Banks 1 higher quality AA	£4m	£0	£4m	✓
Banks 1 medium quality AA	£4m	£0	£4m	✓
Banks 1 lower quality A-	£3m	£3,000	£3m	✓
Banks 2 - part nationalised	£4m (per group)	£0	£4m (per group)	✓
Limit 3 councils banker not meeting bank 1	£3m	£0	£3m	✓
DMADF (DMO) AAA	Unlimited	£7,965	Unlimited	✓
Local authorities	£3m	£0	£3m	✓
Money Market Funds AAA	£3m per fund	£3,000	£3m per fund	✓
Enhance money market funds AAA	£3m per fund	£0	£3m per fund	✓

6.2 Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 8 below.

Table 8: Debt Limits

	2016/17 Maximum	2016/17 Revised	31.3.17 Actual	2016/17 Operational Boundary	2016/17 Operational Boundary Revised	2016/17 Authorised Limit	2016/17 Authorised Revised Limit	Complied
Borrowing	117,700	99,800	87,927	150,000	135,000	155,000	138,000	✓
PFI & finance leases	600	600	903	2,000	2,000	2,000	2,000	✓
<b>Total debt</b>	<b>118,300</b>	<b>100,400</b>	<b>88,830</b>	<b>152,000</b>	<b>137,000</b>	<b>157,000</b>	<b>140,000</b>	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

## 7. Treasury Management Indicators

7.1 The Authority measures and manages its exposures to treasury management risks using the following indicators.

7.2 Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	31.3.17 Actual	2016/17 Target	Complied
Portfolio average credit rating	A	A	✓

Appendix 1, Credit score analysis

7.3 Liquidity: The Authority maintains a bank overdraft of £0.250m and liquid short term deposits of at least £1m liquidity available within a week's notice.

	31.3.17 Actual 000	2016/17 Target 000	Complied
Bank Overdraft	1,881	250	X
Liquid short term deposits	2,985	1,000	✓

There were two breaches where the Authority exceeded the overdraft in 2016/17; £2.1m on 03/05/16 was a direct debit payment that was taken after the daily banking analysis, this did not incur any interest as the Bank was notified and cancelled the interest, and £0.318m on the 2<sup>nd</sup> August 2016 an error was made and the incorrect amount was redeemed both

breaches were brought to the attention of the Group Manager for Resources and Governance.

7.4 Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed was:

	31.3.17 Actual	2016/17 Limit	Complied
Upper limit on fixed interest rate exposure	(100%)	(100%)	✓
Upper limit on variable interest rate exposure	(100%)	(100%)	✓

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

7.5 Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	31.3.17 Actual 000	Upper Limit	Lower Limit	Complied
Under 12 months	6,039	20%	0%	✓
12 months and within 24 months	3,500	40%	0%	✓
24 months and within 5 years	0	60%	0%	✓
5 years and within 10 years	11,383	80%	0%	✓
10 years and above	67,000	100%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Credit Score Analysis**

<b>Long-Term Credit Rating</b>	<b>Score</b>
AAA	1
AA+	2
AA	3
AA-	4
A+	5
A	6
A-	7
Not rated	8