

<b>Subject:</b>	<b>FINANCIAL OUTTURN 2015/16</b>
<b>Meeting and Date:</b>	<b>Governance – 29 September 2016</b>
<b>Report of:</b>	<b>Mike Davis, Director of Finance, Housing and Community</b>
<b>Portfolio Holder:</b>	<b>Councillor Mike Conolly, Portfolio Holder for Corporate Resources and Performance</b>
<b>Decision Type:</b>	<b>Non-Key</b>
<b>Classification:</b>	<b>Unrestricted</b>
<b>Purpose of the report:</b>	To provide details of the financial outturn for 2015/16 following the audit of the Statement of Accounts
<b>Recommendation:</b>	That Members receive and note the report.

## 1. Summary

This report has been produced in order to provide Members with:

- An explanation of the outturn and the financial standing of the Council;
- Details of changes to the accounts; and
- A condensed version of the information included in the accounts.

The report should be considered in conjunction with both the Statement of Accounts and the Audit Findings Report (elsewhere on the Governance agenda).

The accounts are a long and complex document that Members may not find accessible. The key points in the financial outturn for the year are:

- The General Fund was £106k in surplus for the year and balances have been maintained at over £2.9m;
- HRA balances have been increased by over £3.5m (incl. earmarked HRA reserves);
- The capital and major revenues projects have stayed within budget, although resources for further projects remain limited;
- No new borrowing has been undertaken, the Council has complied with the Prudential Code and its own Treasury Management policies;
- When considering this report and the Statement of Accounts, Members are reminded that the final accounts, budget and Medium Term Financial Plan (MTFP) should not be considered in isolation. Together they form a continuous process of financial management, and so the outturn will feed into budget monitoring and the next MTFP.

## 2. Purpose of the Accounts

- 2.1 The accounts are a statutory requirement and have a role in providing information to stakeholders and interested parties on the stewardship and management of public monies.
- 2.2 However, the accounts are a long and complex document which may not be easily accessible to Members, the public and other stakeholders. Therefore, in order to further promote accountability, this outturn report is also produced.

### 3. General Fund Revenue Outturn

- 3.1 The starting point for considering the financial outturn is the 2015/16 Original budget which is shown, together with the 2015/16 Projected Outturn and the 2015/16 Outturn, at Appendix A.
- 3.2 The original budget for 2015/16 forecast a surplus for the year of £92k. The latest projection of the budget, following various changes in year, was a surplus of £102k. The outturn, after transfers to earmarked reserves, was a surplus of £106k. This gives an underlying General Fund Balance of £2.995m
- 3.3 The main variances during the year are as follows:

	Variance £000	Budget £000
<b>Original Budget Surplus</b>		<b>(92)</b>
Vacancy savings achieved over original provision	(151)	
Contribution to IT reserve for future projects on EKS programme	210	
Additional Enterprise Zone Relief grant in respect of prior year	(133)	
Additional Homelessness costs	92	
Additional Development Management Income	(89)	
Additional Off-Street Parking Income	(70)	
Business Rates pooling income reassessment	116	
Miscellaneous other variances (net)	15	
<b>Revised Budget Surplus</b>		<b>(102)</b>
Improved NDR position	(99)	
East Kent Services management fee savings and reserve release	(136)	
Contingency not used	(94)	
Reduced provision for bad debts	(89)	
Vacancy savings – mainly time lag in replacement of posts	(55)	
Refuse & Recycling negative inflation for last 3 months of year	(33)	
Contribution to Special Projects reserve for future projects	650	
Realised gains and adjustments on sale of investments	(148)	
<b>Actual Budget Surplus</b>		<b>(106)</b>

### 4. General Fund Reserves and Balances

- 4.1 General Fund reserves are “cash backed” reserves and are available for the Council to use. For management and planning purposes they are split into “General Balances” and “Earmarked General Reserves”.
- 4.2 General Balances are held at a prudent level in order that the Council can cope with unanticipated variations in spend. Earmarked General Reserves are funds set aside for planned purposes.
- 4.3 As reported above, the 2015/16 Outturn was a surplus of £106k. This was after transfers made to earmarked reserves and use of those reserves for agreed purposes.

<b>Movement in General Fund Balances</b>	
	£000
<b>Balance at start of the year</b>	<b>(2,889)</b>
Surplus from 2015/16	(106)
<b>Balance at the end of the year</b>	<b>(2,995)</b>

- 4.4 The Opening Balance of £2,889k and the year-end balance of £2,995k can be found in Appendix A to this report and also within the Statement of Accounts in the “Movement in Reserves Statement”.
- 4.5 Note 25 to the Core Financial Statements in the draft Statement of Accounts provides a complete breakdown of the Earmarked Reserves, also shown at Appendix B to this report. Contributions to and from the Earmarked Reserves have been managed in

order to ensure there are sufficient reserves to meet anticipated commitments. The reserves held are:

- Special Projects & Events Reserve – This reserve is set aside to continue to fund one-off General Fund projects as they arise and to support major events in the district. It is used for both revenue and capital projects.
- Periodic Operations Reserve - This reserve is to cover costs of cyclical / periodic events such as elections, “carry forward requests” and to hold grants or other income streams for specific purposes, such as the Homelessness grant and On-Street parking surpluses.
- Urgent Works Reserve - This reserve is set aside to fund urgent works on corporate assets and for other urgent business requirements, for example for future restructures to meet likely on-going grant reductions. The need for this reserve is greater than ever due to the ageing nature of our assets and the reduced levels of investment in them as reflected in the reduced revenue budget.
- Dover Regeneration Reserve - In order to support the Local Development Framework process and associated regeneration projects a Dover Regeneration Reserve has been established.
- ICT Equipment & Servers Reserve – The current ICT Equipment & Servers reserve is held in order to support the requirements of the current and future ICT Strategies.
- Business Rates & Council Tax Benefits Reserve – This reserve was established to allow for the risk of unforeseen pressures from the Redistribution of Business Rates and the new Council Tax Support scheme and future changes for Universal Credit. As there are still many uncertainties around these areas, in particular future income collection rates, this reserve has been retained and will be reviewed on an annual basis.
- District Regeneration & Economic Development Reserve - This is the renamed “HRA Transfer Reserve”. This reserve is to be applied to support the Council's regeneration plans. The 2016/17 Budget and Medium Term Financial Plan includes approved use of this reserve to support the Dover Leisure Centre and Dover Town Hall projects.

4.6 In considering the earmarked reserves and general balances Members are reminded that there is an “opportunity cost” of maintaining these reserves and balances when the resources could be applied to meet service or capital investment requirements. At the same time, maintaining cash backed reserves generates additional income from interest on cash balances, which is used as an additional income stream. However, the key judgement is to ensure that the reserves are set at levels that facilitate the prudent financial management of the authority, provide sufficient resources to meet anticipated future demands, and provide for a margin for unanticipated variation.

4.7 It is the view of the Director of Finance, Housing and Community (Section 151 officer) that the estimated General Fund balances and reserves are adequate for the Council's current spending plans. However, these are under regular review due to the ongoing changes to Local Government finance and the uncertain economic climate.

## 5. **Housing Revenue Account Outturn**

5.1 In 2015/16 the HRA outturn was a decrease in the HRA balance of £692k compared to the original budget forecast of an increase of £1,824k a variance of £1.9m. The main reasons for the variance are as follows:

- Additional transfer to Housing Initiatives Reserve - £3.6m
- Re-phased spend on the Capital Works Programme - (£497k).
- Additional dwelling rent income – (£332k)
- Reduction in Rent, Rates Taxes & Other Charges of (£71k)

- Removal of Home Loss Payment (£100k) due to deferral of refurbishment of Norman Tailyour House to 2016/17
- Reduction in the bad debt provision (£105k)
- Reduction in revenue maintenance budgets (£340k).

5.2 In 2015/16 £4.7m was transferred to the Housing Initiatives Reserve to provide investment for housing initiatives in the district whilst maintaining a working balance of circa £1m.

5.3 £1.6m was invested in new HRA housing projects including the provision of six dwellings in Deal, 11 dwellings in Dover and a further property bought in Dover for redevelopment.

5.4 The overall HRA Balances (including Earmarked reserves) are £9.4m, which is an increase of £3.5m on the start of the year.

## 6. **Collection Fund Outturn**

6.1 This account reflects the statutory requirement for billing authorities to maintain a separate Collection Fund, which shows the transactions of the billing authority in relation to Non-Domestic Rates (NDR) and Council Tax, and illustrates the way in which these have been distributed to precepting authorities and the General Fund. These are explained in more detail in the Collection Fund section of the Statement of Accounts.

6.2 The Collection Fund shows a total deficit of £0.9m at 31 March 2016. This is split between Council Tax (a surplus of £2.7m) and NDR (a deficit of £3.6m). Any surplus balance on the fund is distributed to the precepting authorities (Dover District Council, Kent County Council, Kent and Medway Fire Authority and Kent Police Authority (Council Tax only)) in proportion to their respective precept amounts. However surpluses are on an accruals basis and are not fully cash backed and calculations for distribution of the surplus form part of the following year's budget process.

6.3 The NDR deficit has arisen mainly due to the need to increase the provision for appeals by £5.3m in 2014/15 and, while this has been reversed in 2015/16, the majority of the decrease was used to offset back-dated refunds relating to GPs' surgeries and other appeals won by businesses. As a result, the deficit of £3.6m at 31 March 2016 is similar to the closing balance of £3.5m at 31 March 2015. The Council had predicted a deficit of £1.8m at 31 March 2016 and this has to be contributed back to the Collection Fund by preceptors during 2016/17, Dover's share being £724k. Any residual deficit not expected to be covered by growth in NNDR income by 31 March 2017 will also have to be contributed back to the Collection Fund in 2017/18. While major growth projects are imminent and ongoing, the exact timing of fresh NNDR income streams cannot be exactly determined, and project timing and related business rates increases are reviewed and updated during the year. However, there is a considerable further impact on 'in-year' NDR income when significant appeals are won that continues to erode overall income so that growth is needed to offset the attrition, before any additional contribution towards clearing the deficit can be made. The Council has set aside monies in an earmarked reserve from the 'safety net' payment of £1.4m relating to the 2014/15 year, received from Central Government, to cover such pressures.

6.4 As a point of interest, significant refunds were owed to GPs' surgeries due to a Ratings Tribunal decision to value purpose-built surgeries on a different basis than before (construction cost as opposed to rental value), which led to an average 66% reduction in rateable value and therefore income, backdated to 1<sup>st</sup> April 2010, for all surgeries falling within this class, across the whole country. Such decisions are beyond the Council's control, but it is nevertheless expected to bear a share of any deficit or reduced income that such decisions give rise to, along with the adverse impact of other appeals determined by the VOA.

- 6.5 Dover's own accounts include only its share of the NDR appeals provision and NDR Collection Fund deficit.

## **7. Capital Programme Outturn**

- 7.1 The Council invested £11.4m in major projects in 2015/16, the most significant of which were:

- £479k on works to progress the development of Dover Town Investment Zone and the surrounding area;
- £179k on the rebuilding of the Deal Town football club pavilion;
- £5.7m on Housing Revenue Account property projects including £1.5m on the construction of new council housing, purchase and refurbishment of new council stock, and purchase of affordable homes; and £77k on the refurbishment of play areas;
- £257k on grants and loans for private sector housing;
- £812k on disabled facility grants;
- £174k on the Parks for People project at Kearsney Abbey and Russell Gardens;
- £1.3m on grant funding issued to the Discovery Park Enterprise Zone;
- £1.9m on timber groyne replacement works at Kingsdown;
- The remainder has been spent on a number of smaller projects.

- 7.2 The main sources of capital financing applied in the year were:

- £4.4m in grants from external bodies including the Department for Communities and Local Government, Department for Energy and Climate Change; Environment Agency, Heritage Lottery Fund, and Partnership Funding;
- £2.7m from the Major Repairs Reserve;
- £1.2m from the Housing Revenue Account (revenue financing);
- £472k from excess Right to Buy receipts;
- £862k from capital receipts;
- £1.1m from earmarked reserves;
- £179k from insurance monies.

- 7.3 Overall, the capital programme is within budget.

- 7.4 Right to Buy sales continue to increase due to Government initiatives to encourage sales; overall sales were considerably higher in 2015/16 than in 2014/15.

## **8. Special Projects Outturn**

- 8.1 The Special Projects reserve is mainly used to finance major one-off revenue projects, because, as revenue projects, they cannot be financed from the various capital financing sources listed in the section above. It is also used to provide a source of additional financing for a small number of capital projects.

- 8.2 The expenditure on Special Projects in the year was £540k. The Special Projects programme is dynamic. It is adjusted as new projects are approved, and these changes are reported to Members during the year. However, "in year" variations in spend against approved budget for individual projects are mainly due to timing changes. There are no material variations to individual project's total budget, and the whole programme is fully financed.

## 9. Treasury Management

- 9.1 The Council retains the services of Capita as Treasury Management advisers and they provide market intelligence, economic forecasts, fund managers performance, debt re-scheduling, opportunities for borrowing and ad-hoc enquiries.
- 9.2 At 31 March 2016 the Council had investment balances and day-to-day cash balances managed in-house of approximately £49m as at 31 March 2016. In addition, the Council held £1.9m of UK Gilts.
- 9.3 The Council's in-house investments outperformed their benchmark (LIBID) and achieved an average return of 0.52% for the year.
- 9.4 The total interest received for the year was approximately £313k. This was lower than the original budget of £333k, which is due to ongoing pressure on interest rates and the reduction in deposit durations permissible for part-nationalised banks following revisions to credit ratings.
- 9.5 The revised Treasury Management Strategy Statement (TMSS) for 2015/16 was updated and approved at the end of September 2015 in order to deal with the higher level of in-house funds available for investment as a result of funds being returned from Investec on their withdrawal from custodianship arrangements on 30<sup>th</sup> June 2015. Accordingly, further bank accounts were opened during the third quarter to enable funds to be placed with HSBC (£7.5m), Barclays (£5m) and Santander (£5m) to enable higher interest rates to be achieved. Cashflow funds also remain high, partly reflecting the increased level of funds in earmarked reserves. For these reasons, the Council exceeded the £10m deposit limit with its operating bank (NatWest) at times during the year in breach of its revised 2015/16 TMSS, but in a low risk, instant access Special Interest Bearing Account (SIBA).
- 9.6 The Council has remained within its Treasury Management guidelines, except as mentioned above, and within the Prudential Code guidelines during the year.
- 9.7 More detailed reports on the latest position are included elsewhere on the agenda.

## 10. Assets and Liabilities

- 10.1 At the year end the balance sheet is drawn up. This shows the value of Dover District Council's land and buildings and assets and liabilities. The full balance sheet is provided in the Statement of Accounts together with comprehensive explanatory notes. A summary balance sheet has been produced (see below).

<b>As at 31 March</b>	<b>2015 £000</b>	<b>2016 £000</b>
Value of land, property and other assets	256,499	279,642
Investments held and cash at bank	44,983	50,701
Money owed to DDC for goods and services	9,876	8,852
Loans owed to DDC (short and long term)	2,817	2,048
Money owed by DDC for goods and services	(18,829)	(17,857)
Loans owed by DDC (short and long term)	(92,038)	(90,008)
Grants for assets received but not yet used	(1,513)	(933)
Share of pension scheme liabilities owed by DDC	(81,456)	(76,958)
<b>Total Assets less Total Liabilities</b>	<b>120,339</b>	<b>155,487</b>
<b>Financed by:</b>		
Usable reserves <sup>1</sup>	38,593	45,513
Unusable reserves <sup>2</sup>	81,746	109,974
<b>Net Worth of Council</b>	<b>120,339</b>	<b>155,487</b>

<sup>1</sup> Usable reserves are made up of:

Capital receipts and grants	8,768	8,976
Revenue balances	3,983	4,008

Earmarked reserves	25,842	32,529
	38,593	45,513

<sup>2</sup> Unusable reserves mainly comprise revaluations of assets from their original purchase value and the Pensions Reserve.

10.2 The main points to note against the prior year comparative are:

- Value of land, property and other assets  
The main changes in the values are due to:
  - Disposals – council house and other sales
  - Revaluations - council dwellings are revalued each year and other land and property are revalued on a five-year rolling programme, except that assets valued at £1m or more are now re-valued on an annual basis to ensure that assets are carried at fair value and that there are no material differences to the balance sheet.
  - Impairments – these are caused by either a general fall in property prices or specific revaluations due to clear consumption of economic benefits (e.g. through physical damage or deterioration). There were no significant impairments in the year.
- Investments held and cash at bank
  - The increase in investments and cash at bank reflects a net increase in cash, mainly due to increases in Earmarked Reserves as detailed below. There are also some positive cash flow movements due to timing of NNDR related transactions.
- Money Owed to DDC for Goods and Services
  - The decrease in debtors incorporates: a decrease in the Central Government debts (General Fund) relating to amounts owed by H.M.R.C. for VAT (£160k), a decrease in the NNDR 'safety net payment' (£1,381k), and a decrease in other Central Government debtors (£217k), offset by an increase in benefit subsidy due (£1,136k); and a decrease in the Collection Fund debts relating to amounts owed by Central Government for Enterprise Zone Relief (£979k). These were offset by an increase in Other debtors (General Fund) mainly due to an increase in the Council Tax cost debtors (£673k) and money owed for Housing Benefit overpayments (£162k).
  - See Note 26 for an analysis of this total.
- Money owed by DDC for Goods and Services
  - The net decrease in amounts owed by DDC for goods and services includes a decrease in Dover's share of the NNDR appeals provision (£2.1m) under "Provisions" in the balance sheet, offset by an increase in "Receipts in Advance" (£381k) and an increase in "Short Term Creditors" (£734k).
  - The increase in Short Term Creditors is mainly due to changes in General Fund creditors, being an increase in Other Revenue Creditors for the joint waste contract (£1,175k), amounts owed to East Kent Housing (£543k) and other revenue items (£370k); offset by a decrease in the amount owed to Central Govt. relating to Housing Benefit subsidy (£1,182k), which is a debtor rather than a creditor this year. While total Collection Fund creditors remain broadly the same, there has been a decrease in net cash owed to the Government following refunds to NNDR payers, increased arrears and a reduction in the appeals provision (reducing cash in the Collection Fund), offset by an increase in the amount of NNDR that has been prepaid by local tax payers or is awaiting refund.
  - See Notes 28 – 30 for an analysis of this total.

- Loans owed by DDC (short and long term)
  - The net decrease relates almost entirely to the principal repaid on the PWLB loan for “HRA self-financing” (£2,023k).
- Pension Scheme Liabilities
  - The Pension Scheme has been assessed by Barnett Waddingham, an independent firm of actuaries, on behalf of Kent County Council based upon the full valuation of the scheme as at 31 March 2016. The Council’s annual contribution to the scheme is in line with the levels recommended by the actuaries.
  - The net liability at 31 March 2016 was £76.9m (£81.4m at 31 March 2014).
  - The liability is volatile and reflects the net effect of a range of factors, including valuation of the scheme’s assets and yields on gilts as they occur on the day of valuation. An increase in interest rates will reduce the liability.
  - The scheme remains solvent and viable.
- Usable Reserves
  - The main reason for the increase in usable reserves in 2015/16 relates to the increase in HRA and General Fund Earmarked Reserves.
  - The main increases are due to the transfer from the HRA to the Housing Initiatives reserve, a net contribution to the Special Projects & Events Reserve, an additional contribution to the ICT Equipment & Servers reserve to support future requirements, a transfer of excess Development Control income to the Regeneration reserve to support on-going delivery requirement, and the transfer of Section 106 income to the Periodic Operations reserve.
  - See Appendix B for further details of General Fund Earmarked Reserves.

## 11. **Production of the Accounts**

- 11.1 Governance Committee require assurance that the accounts are robust and that they can place reliance upon them. The accounts have been subject to audit by Grant Thornton and their findings are set out in the Audit Findings Report elsewhere on the Governance agenda. In addition, a summary of the controls operated by the Director of Finance, Housing and Community is provided at Appendix C.

## 12. **The Future**

- 12.1 The Council, in common with others, will need to continue to make progress on, or give consideration to, the on-going impacts of :
- The economic climate and the impact of the EU Referendum outcome;
  - Development and regeneration of the local economy;
  - The ongoing impact of the Government’s budget deficit reduction programme on the Council’s finances;
  - Welfare Reform and cessation of the administration of housing benefits for working age claimants over a transitional period in the lead up to the introduction of Universal Credit;
  - The sustainability of the NHB scheme and what will follow;
  - The ongoing impact of the localisation of council tax support;
  - The ongoing impact of the Business Rates Retention scheme and the implementation of 100% business rates retention;
  - Proposals to transfer the Land Charges function to HM Land Registry and to devolve the setting of planning fees; and
  - Further explore and develop partnership arrangements with others in order to achieve cost efficiencies.



13. **Appendices**

Appendix 1 – General Fund Budget Summary

Appendix 2 – General Fund – Earmarked Reserves Summary

Appendix 3 - Summary of the Main Controls Applied in Production of the Accounts

14. **Background Papers**

Statement of Accounts 2015/16

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# APPENDIX 1

<b><u>2014/15 Actual</u></b> <b>£000</b>	<b>General Fund Budget Summary</b>	<b><u>2015/16 Original Budget</u></b> <b>£000</b>	<b><u>2015/16 Revised Budget</u></b> <b>£000</b>	<b><u>2015/16 Actual</u></b> <b>£000</b>
	<b><u>Directorate</u></b>			
3,763	Chief Executive	2,446	2,538	2,651
2,043	Governance	2,763	2,871	2,622
2,996	Finance, Housing & Community	2,418	2,587	3,823
6,607	Environment & Corporate Assets	7,765	8,636	8,214
434	Special Revenue Projects	392	765	381
0	Vacancy Allowance	(100)	0	0
0	Delivering Effective Services/EKS Target	100	62	0
(113)	Council Tax Second Homes Income	(113)	(113)	(113)
0	Contingency	124	106	0
<b>15,730</b>	<b>Directorate Service Costs</b>	<b>15,795</b>	<b>17,452</b>	<b>17,578</b>
(1,205)	Depreciation & Revaluations	(1,628)	(2,592)	(2,929)
907.	IAS 19 Pension Adjustments	1,064	588	702
(6)	Accrued Annual Leave Adjustment	0	0	(14)
66.	River Stour Drainage Board	67	67	67
142.	Council Tax Support to Towns & Parishes	96	96	96
	<u>Contribution to/(from) Reserves:</u>			
798	- Special Projects & Events Reserve	335	202	1,151
457	- Periodic Operations Reserve	(97)	(58)	72
299	- Urgent Works Reserve	0	0	(120)
63	- Regeneration Reserve	266	137	462
98	- IT Equipment Reserve	182	142	404
(123)	- Revenue Grants in Advance Reserve	0	39	1,106
1,233	- Business Rates & Council Tax Reserve	0	0	0
<b>18,459</b>	<b>Net Service Expenditure</b>	<b>16,080</b>	<b>16,073</b>	<b>18,575</b>
	<u>Financing Adjustments</u>			
(206)	Interest & Investment Income	(242)	(228)	(412)
249	Interest Payable & Loan Repayments	237	237	251
(2,470)	Revenue Expenditure Funded by Capital Under Statute & Capital Grants Unapplied	0	0	(2,311)
373	Direct Revenue Financing of Capital	0	0	457
(62)	Soft Loan Adjustments	0	0	(161)
0	NDR Collection Fund Adjustment	0	0	0
<b>16,343</b>	<b>Total Budget Requirement</b>	<b>16,075</b>	<b>16,082</b>	<b>16,399</b>
	<b>Financed by:</b>			
4,682	Non-Domestic Rates	4,163	4,047	4,296
975	Enterprise Zone Relief Retained	1,707	1,840	1,852
3,698	Revenue Support Grant	2,529	2,529	2,597
5,874	Council Tax	5,947	5,947	5,947
20	Collection Fund Surplus	112	112	112
1,307	New Homes Bonus	1,571	1,571	1,581
91	New Burdens, CT freeze & Other Grants	138	138	120
<b>16,647</b>	<b>Total Financing</b>	<b>16,167</b>	<b>16,184</b>	<b>16,505</b>
<b>(304)</b>	<b>General Fund Surplus for the Year</b>	<b>(92)</b>	<b>(102)</b>	<b>(106)</b>
<b>(2,585)</b> <b>0</b>	<b>General Fund Balance at Start of Year</b> <b>HRA Transfer to Earmarked Reserves</b>	<b>(2,470)</b> <b>0</b>	<b>(2,889)</b> <b>0</b>	<b>(2,889)</b> <b>0</b>
<b>(2,889)</b>	<b>Leaving Year End Balances of</b>	<b>(2,562)</b>	<b>(2,991)</b>	<b>(2,995)</b>

## APPENDIX 2

### Earmarked General Reserves (2015/16 Year End Position)

	Balance	Contribution	Application	Balance	Contribution	Application	Balance
	2014/15 £000	2015/16 £000	2015/16 £000	2015/16 £000	2016/17 £000	2016/17 £000	2016/17 £000
<b>General Fund Balance</b>	<b>-2,889</b>	-106	0	<b>-2,995</b>	0	450	<b>-2,545</b>
<b>Special Projects &amp; Events Reserve</b>	<b>-1,746</b>	-1,355	184	<b>-2,918</b>	-20	1,103	<b>-1,835</b>
<b>Periodic Operations Reserve</b>	<b>-1,692</b>	-1,549	467	<b>-2,775</b>	-102	419	<b>-2,457</b>
<b>Urgent Works Reserve</b>	<b>-1,766</b>	-68	120	<b>-1,714</b>	0	200	<b>-1,514</b>
<b>Regeneration Reserve</b>	<b>-1,080</b>	-630	156	<b>-1,555</b>	-294	222	<b>-1,627</b>
<b>ICT Equipment &amp; Servers</b>	<b>-455</b>	-599	188	<b>-866</b>	-58	217	<b>-707</b>
<b>Business Rates &amp; Council Tax Support</b>	<b>-1,812</b>	0	0	<b>-1,812</b>	-450	1,211	<b>-1,051</b>
<b>District Regeneration &amp; Economic Development</b>	<b>-12,500</b>	0	0	<b>-12,500</b>	0	1,250	<b>-11,250</b>
<b>Earmarked Reserves Total</b>	<b>-21,052</b>	-4,202	1,114	<b>-24,140</b>	-923	4,622	<b>-20,441</b>
<b>Total Revenue Reserves</b>	<b>-23,941</b>	-4,308	1,114	<b>-27,135</b>	-923	5,072	<b>-22,986</b>

**Summary of the Main Controls Applied in Production of the Accounts**

Production of the accounts in accordance with the Code of Practice on Local Authority Accounting requires a large number of tasks to be undertaken, and controls to be applied. These include:

- Preparation of a closedown plan, communication with budget managers as appropriate and monitoring progress.
- Staff preparing the accounts have attended seminars / briefings with CIPFA and with the auditors.
- Staff preparing the accounts have access to the Code Practitioners Guidance Notes.
- The Council's financial feeder systems have been reconciled to the General Ledger.
- The General Ledger has been balanced.
- The value of fixed assets in the accounts has been reconciled to the asset register.
- The cash balance in the General Ledger has been reconciled to the Council's bank accounts.
- All significant variances have been explained in the Outturn Report.
- Service expenditure in the Outturn report has been reconciled to the Income and Expenditure Account.
- The entries on the Collection Fund have been reconciled to the Council Tax set by the Council and the other precepting authorities.
- The cash movement on the balance sheet is reconciled.
- The balances on reserves reported in the Movement in Reserves Statement has been reconciled to the balance sheet.
- An analytical review has been undertaken and major variances have been explained.



Mike Davis  
Director of Finance