

Subject:	FINANCIAL OUTTURN 2019/20
Meeting and Date:	Governance – 29th July 2021
Report of:	Mike Davis, Strategic Director (Corporate Resources)
Portfolio Holder:	Councillor Chris Vinson, Portfolio Holder for Finance, Governance, Digital & Climate
Decision Type:	Non-Key
Classification:	Unrestricted
Purpose of the report:	To provide details of the financial outturn for 2019/20.
Recommendation:	Members receive and note the report.

1. Summary

- 1.1 The impact of the Covid 19 pandemic resulted in delays in the Statement of Accounts production process. Additional to this, the pandemic has created delays for the Council's external auditor. Grant Thornton, with audit timescales across the country. Therefore, this is the first opportunity for the audited 2019/20 Statement of Accounts to be presented to the committee.
- 1.2 This report is the delayed 2019/20 outturn report and has been written as at Autumn 2020 and is produced in context with that period.
- 1.3 The report has been produced in order to provide Members with:
 - An explanation of the 2019/20 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.
- 1.4 The report should be considered in conjunction with both the Statement of Accounts and the Audit Findings Report (to be included in full on the 29th July Governance agenda).
- 1.5 The key points in the financial outturn for the year are:

General Fund

- The General Fund outturn delivered an underspend against the original budget of c.£2.2m mainly due to:
 - £1.3m Savings from PWLB borrowing not yet undertaken for property purchases and leisure centre. This saving has been transferred to the Periodic Operations Reserve to support future income volatility and repairs and maintenance to the assets if required. We hope to continue this practice for as long as the Council's cash flow permits.
 - £700k improvement in Business Rates income retained, mainly due to higher Enterprise Zone reliefs retained in 2018/19 but recognised in 2019/20. This has been transferred to the Business Rates & Council Tax Reserve to smooth future volatility in income streams. Enterprise Zone reliefs are diminishing as the number of qualifying businesses reduces. They will end completely in 2023. This is not a continuing source of funding.
 - Increase in staff recharges to the HRA and capital projects, partially transferred to the Special Projects & Events reserve to support the Open Golf Tournament.
 - See the table at paragraph 4.3 for further details of variances to the original budget.

- The net result if the items set out above and the transfers to reserves resulted in an in-year surplus of £26k and retained a year-end General Fund balance of £2.5m.

Housing Revenue Account (HRA)

- £591k was transferred to the Housing Initiatives Reserve to provide investment for housing developments in the district;
- The resulting Housing Revenue Account outturn was a deficit of £6k;
- The HRA retained a working balance of £1m.

Projects

- The Council invested £20.7m in major projects in 2019/20, the most significant of which were:
 - £14m on Housing Revenue Account projects,
 - £1,485k on the Parks for People – Kearsney project,
 - £1,217k on Disabled Facility Grants,
 - £345k on Deal Pier Refurbishment Works,
 - £559k on Street Lighting Capital Works,
 - £538k on Restoration of Maison Dieu,
 - £276k on CCTV Upgrade/Town Centre WiFi.
 - Overall, the capital programme is funded and within budget.

Treasury Management

- The total interest received for the year was c.£1.7m. This was due to the Council investing a total of £50m into pooled investment funds which generate a higher rate of interest than call accounts and fixed term deposits.
- No new long-term borrowing was undertaken. Short term borrowing was undertaken for strategic treasury management purposes.
- The Council has remained within its Treasury Management guidelines and complied with the Prudential Code during the year.

1.6 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. Changes to the Accounts

3.1 The Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20. The Code is based on a hierarchy of approved accounting standards. There have been no material changes to the presentation of the Accounts for 2019/20.

4. General Fund Revenue Outturn

- 4.1 The starting point for considering the financial outturn is the 2019/20 Original budget which is shown, together with the 2019/20 Projected Outturn and the 2019/20 Outturn, at Appendix 1.
- 4.2 In March 2019 the Council approved the 2019/20 budget, forecasting a surplus of £28k. During the year the forecast budget surplus was increased to £110k. Overall the year-end position resulted in a £26k surplus for the year, which is £84k less than the forecast position.
- 4.3 The main variances during the year are as follows:

	Movement £000	Reserves £000	Total £000
Original Budget Surplus	(28)	0	(28)
Business Rates Income - additional Enterprise Zone relief from 2018/19, transferred to reserves to offset expected volatility around Business Rates income	(556)	556	0
Increased staff recharges to HRA and projects	(323)		(323)
Transfer to Major Events Reserve to provide additional funding for Open Golf Tournament	0	150	150
Interest Receivable reduced due to reassessment of proposed investment options	148		148
NNDR for the old Dover Leisure Centre, to be removed from rating on demolition	88		88
Interest Payable - reduced interest following redemption of LOBO loan	(79)		(79)
Reduction in fees for Civica / East Kent Services shared services	(54)		(54)
Miscellaneous other variances (net)	(12)		(12)
Revised Budget Surplus	(816)	706	(110)
Additional Business Rates Income, transferred to reserves to offset expected volatility around Business Rates income	(150)	150	0
Savings from PWLB borrowing not yet undertaken for property purchases and leisure centre, transferred to reserves for future projects	(1,365)	1,365	0
Reduction in parking income mainly due to impact of the extension of free parking hours at St.James' Development and the closure of a car park in Deal	97		97
Reduced sundry debtors bad provision based on year end position	(82)		(82)
Net increase in cost of Homelessness accommodation	43		43
Miscellaneous other variances (net)	26		26
Actual Budget Surplus	(2,247)	2,221	(26)

5. General Fund Reserves and Balances

- 5.1 The Council maintains both general and earmarked reserves. General reserves are to meet general future expenditure and earmarked reserves are for identified purposes.
- 5.2 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. The protocols for the application of these reserves is set out in the MTFP, and their anticipated use is generally included in the revenue or capital budgets.

- 5.3 As reported above, the 2019/20 Outturn was a surplus of £26k. This was after transfers made to earmarked reserves and the use of those reserves for agreed purposes.

Movement in General Fund Balances	£000
Balance at start of the year	2,539
Surplus for 2019/20	26
Balance at the end of the year	2,565

- 5.4 The Opening Balance of £2,539k and the year-end balance of £2,565k can be found in Appendix 1 to this report and also within the Statement of Accounts (in the “Movement in Reserves Statement”).

- 5.5 Note 26 to the Core Financial Statements in the draft Statement of Accounts provides a complete breakdown of the Earmarked Reserves, also shown at Appendix 2 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.
- Regeneration Reserve - In order to support the Local Development Framework process and associated regeneration projects a 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 Support Reserve – This reserve has been 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.
- District Regeneration & Economic Development Reserve - This reserve is to be applied to support the Council’s regeneration plans. An element of the reserve has been allocated to fund new Leisure Centre provision and improvements to Dover Town Hall.

- 5.6 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 to provide for a margin for unanticipated variation.

- 5.7 It is the view of the Strategic Director (Corporate Resources) (Section 151 officer) that the estimated General Fund balances and reserves are adequate for the Council's current spending plans. However, these remain under regular review due

to the ongoing changes to Local Government finance and the uncertain economic climate.

6. Housing Revenue Account Outturn

6.1 In 2019/20 the HRA outturn was a deficit balance of £6k compared to the original budget forecast of a surplus of £2k, an adverse variance of £8k. The main variations in year were:

- Reduction in dwelling rent income - £100k
- Reduced expenditure on capital works offset by reduced contributions from reserves – £154k
- Increase in internal recharges - £90k
- Reduction in pension contributions – (£175k)
- Reduction in contribution to Major Repairs Reserve - (£77k)

6.2 In 2019/20 the Housing Initiatives Reserve was increased by £531k (£3,060k contribution from the HRA offset by £3,591k in-year project costs) to provide investment for housing initiatives in the district. The working balance on the HRA was maintained at £1m.

6.3 With effect from 1 April 2012 Housing Finance Reform brought the housing subsidy system to an end and replaced it with a self-financing system. This change required a one-off payment to Central Government of £90,473k on 28 March 2012. To fund this payment the Council borrowed the same sum from the Public Works Loan Board (PWLB) on a 30-year repayment basis at a fixed interest rate. £2,543k was paid off the PWLB loan principal sum during 2019/20.

7. Collection Fund Outturn

7.1 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. The surpluses and deficits on the collection account are shared between the major preceptors (KCC, Police, Fire and DDC for Council Tax; KCC, Fire, DDC and Central Govt. for NDR) in their respective proportions, and so are not borne totally by DDC and do not have a direct or immediate impact on DDC's finances.

7.2 The Collection Fund shows a total surplus of £813k at 31 March 20. This is split between Council Tax (a surplus of £1,216k) and NDR (a deficit of £403k). Any surplus balance on the fund is distributed to the precepting authorities in proportion to their respective precept amounts (for Council Tax) and statutorily defined shares (for NDR). However, surpluses are on an accruals basis and are not fully cash backed and calculations for distribution of any surpluses form part of the following year's budget, initially based on an earlier estimate of the distributable balance expected at 31 March 2020. Separately, deficits have to be contributed back to the fund by preceptors, also based on an earlier estimate of the expected deficit at 31 March 2020.

7.3 The Council Tax surplus of £1.216m will be distributed to preceptors during future years, of which £605k will be distributed in 2020/21 based on the amount estimated in January 2020, as required under legislation (DDC's share £84k or 13.9%). The remaining undistributed amount of £611k, which was not represented fully by available cash at that time, will form part of the surplus estimate calculated in January 2021 for distribution in 2021/22 and subsequent years.

7.4 Non-domestic rates are set on a national basis, but the Council is responsible for collecting rates due from the ratepayers in its area. The Government specifies an amount of 'rate poundage' of 49.3p (47.9p) for large businesses or 48.0p (46.6p) for

small businesses in 2019/20 (2018/19) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount.

- 7.5 The calculation and forecasting of NDR income, and the accounting treatment for it, have to reflect the legislative and other government requirements, which are complex.
- 7.6 The Council was part of the Kent pilot scheme for 100% Business Rates Retention for 2018/19. Kent was not successful in its Pilot scheme bid for 2019/20 and reverted to a 'pooling' arrangement for business rates with the other Kent authorities. While this does not generate as much income, it *does* mean that more growth is retained due to a reduction in the levy payable on growth from 50% on an individual authority basis to less than 5%, typically, on a pooling basis.
- 7.7 The original total budget for NDR retained income for 2019/20 (based on the NNDR1 form) was £6.84m, this was revised to £7.37m in year and the final outturn was £7.515m. The main cause of the movement in the outturn was the recognition of additional Enterprise Zone Relief granted in 2018/19, but not recognised until 2019/20 in accordance with the accounting requirements.

8. Capital Investment

- 8.1 The Council invested £20.7m in major projects in 2019/20, the most significant of which were:
- £14m on Housing Revenue Account projects including:
 - £6.3m on the redevelopment of William Muge and Snelgrove site;
 - £2.82m on Housing Stock projects;
 - £2.29m on the purchase of property for social housing;
 - £1.67m on the Norman Tailyour sheltered upgrade.
 - £1,485k on the Parks for People – Kearsney project;
 - £1,217k on disabled facility grants;
 - £345k on Deal Pier refurbishment works;
 - £559k on Street Lighting capital works;
 - £538k on Restoration of Maison Dieu;
 - £276k on CCTV upgrade/Town Centre WIFI;
 - Numerous other smaller projects.

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

- £10.50m from the Housing Revenue Account (revenue financing);
 - £4.08m in grants from external bodies including KCC Better Care Fund, Homes England, and the Environment Agency;
 - £779k from the Major Repairs Reserve;
 - £958k from earmarked reserves;
 - £4.06m from capital receipts, including Private Sector Housing loan receipts and excess right to buy receipts.
- 8.2 Right-to-buy sales also continued at high levels, in 2019/20 23 sales were completed.
- 8.3 Overall, the capital programme is funded and within budget.

9. Special Projects Outturn

- 9.1 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.
- 9.2 The expenditure on Special Projects in the year was £775k. The major projects were:

- £119k on Contribution to Open Golf 2020 event;
- £70k on East Kent Waste new contract;
- £84k on Property Renovation Grant Scheme.

9.3 The Special Projects programme is dynamic and is adjusted as new projects are approved. 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 projects’ total budget, and the whole programme is fully financed.

9.4 The main sources of financing for the programme in the year were as follows:

- £425k – Special Project Reserve;
- £200k – other DDC reserves;
- £150k – other contributions.

10. Treasury Management

10.1 The Council adopted the CIPFA (Chartered Institute of Public Finance and Accountancy) revised Code of Practice for Treasury Management in November 2009.

10.2 At 31 March 2020 the Council had investment balances and day-to-day cash balances managed in-house of approximately £56.1m.

10.3 The Council’s in-house investments outperformed their benchmark (LIBID) and achieved an average return of 2.97% for the year.

10.4 The total interest received for the year was approximately £1,710k. This was lower than the original budget of £1,824k, which is an unfavourable variance of £114k, this is mainly due to postponing the additional investment in pooled investment funds until December 2019.

10.5 The Council has invested a total of £50m into pooled investment funds which generate a higher rate of interest than call accounts and fixed term deposits. These investments are classed as long term as it is anticipated they will be held for a minimum of five years.

10.6 The Council has just under £78m of borrowing from the Public Works Loans Board.

10.7 During 19/20 the Council employed the services of Arlingclose Limited as treasury management advisers.

11. Assets and Liabilities

11.1 At the end of each year a Balance Sheet is drawn up that represents how much the Council’s land and buildings are worth, how much is owed to others, how much others owe the Council and the amount of cash the Council has:

11.2

As at 31 March	2019	2020
	£000	£000
Value of land, property and other assets	342,896	353,385
Investments held and cash at bank	51,487	55,071
Money owed to DDC for goods and services	12,408	11,298
Loans owed to DDC (short and long term)	2,196	2,343
Money owed by DDC for goods and services	(19,241)	(22,147)
Loans owed by DDC (short and long term)	(103,988)	(107,492)
Grants for assets received but not yet used	(929)	(1,389)
Share of pension scheme liabilities owed by DDC	(76,157)	(77,201)
Total Assets less Total Liabilities	208,672	213,867

Financed by:

Usable reserves ¹	69,798	71,562
Unusable reserves ²	138,874	142,306
Net Worth of Council	208,672	213,867

¹ Usable reserves are made up of:

Capital receipts and grants	21,644	21,058
Revenue balances	3,572	3,561
Earmarked reserves	44,582	46,943
	69,798	71,562

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

11.3 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 has a policy of revaluing its property assets on a rolling programme, such that the intervals between valuations do not exceed 5 years as detailed in the accounting policies. From 1 April 2014 assets valued at over £1m will be revalued on an annual basis.
 - All properties held for investment are revalued annually. The basis for valuation is the Fair Value as there is sufficient evidence of market transactions. Housing stock is valued using existing use value – social housing.
- Impairments – events and changes in circumstances include:
 - A significant decline in market value during the period;
 - Evidence of obsolescence or physical damage;
 - A significant adverse change in the statutory or other regulatory environment in which the Council operates; and
 - A commitment by the Council to undertake a significant reorganisation.

There were no significant impairments in the year.

- Investments held and cash at bank

- The decrease in investments and cash at bank reflects a net decrease in cash, mainly due a decrease in liquid funds available for cash flow purposes.

- Money Owed to DDC for Goods and Services

- The net decrease in debtors incorporates:
 - An increase in rent arrears due to Universal Credit,
 - An increase in Central Government debtors (General Fund) relating to housing benefit subsidy due from DWP,
 - A decrease in local authority debtors is due to DDC no longer collecting debts for the Business Rates Pilot scheme,
 - An increase in Other General Fund debtors,
 - There is also a decrease in the Collection Fund debts relating Transitional Payment Protection for NDR from Central Government and arrears from previous pilot scheme debtors, offset by an increase in council tax arrears.
- See Note 27 of the Statement of Accounts for an analysis of this total.

- Money owed by DDC for Goods and Services
 - The net increase in creditors includes:
 - An increase in government department creditors due to an advance S.31 Grant payment,
 - An increase in the NDR levy payable to central government,
 - A decrease in amount owed to DWP for Housing Benefit subsidy,
 - Increases in Housing Rents and sundry revenue creditors (mainly 'goods receipted' but not invoiced)
 - Increases in sundry capital creditors for programmed capital works.
 - A decrease in the levy payable to Maidstone B.C. for 2018/19 NDR pilot scheme pooling arrangements,
 - See Note 29 of the Statement of Accounts for an analysis of this total.
- Loans owed by DDC (short and long term)
 - The net increase relates to the principal repaid on the PWLB loan for "HRA self-financing" (£2.2m), offset by temporary short term borrowing for strategic treasury management purposes (£29m).
- 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 2019. The Council's annual contribution to the scheme is in line with the levels recommended by the actuaries.
 - The net liability at 31 March 2020 was £77.2m (£76.1m at 31 March 2019).
 - The liabilities show the underlying commitments that the Authority has in the long run to pay post-employment (retirement) benefits.
 - The total liability has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy.
- Usable Reserves
 - The main reason for the increase in usable reserves in 2019/20 relates to the increase in General Fund Earmarked Reserves. The main reasons for this increase are:
 - Surplus Property Investment income allocated to Periodic Operations Reserve;
 - Grants received in year for future projects allocated to Periodic Operations Reserve;
 - Additional allocations made to the Special Revenue and ICT Equipment & Servers reserves to support future projects;
 - Transfers to the Housing Initiatives Reserve from the HRA to provide investment for housing initiatives in the district.
 - See Appendix 2 for further details of General Fund Earmarked Reserves.

12. Production of the Accounts

- 12.1 Governance Committee requires assurance that the accounts are robust and that they can place reliance upon them. The Council's auditors, Grant Thornton, are responsible for reviewing the Council's procedures which ensure that money is spent economically, efficiently and effectively, to achieve high-quality local services for the public. In addition, a summary of the controls operated by the Strategic Director of Corporate Resources is provided at Appendix 3.

13. **The Future**

13.1 The Council, in common with others, will need to continue to make progress on, or give consideration to the on-going impacts of:

- The impact of Coronavirus on the local economy and the council's finances;
- The economic climate and the impact of the EU Transition;
- 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;
- The sustainability of the New Homes Bonus scheme;
- The ongoing impact of the localisation of council tax support;
- The ongoing impact of the Business Rates Retention scheme; and
- Developing partnership arrangements with others in order to achieve cost efficiencies.

14. **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

15. **Background Papers**

Statement of Accounts – included elsewhere on the agenda.

The draft version of the Statement of Accounts is available at:

<https://www.dover.gov.uk/Corporate-Information/Financial-Information/PDF/Statement-of-Accounts-201920.pdf>.

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General Fund Summary – 2019/20 Outturn

<u>2018/19</u> <u>Actual</u> £000		<u>2019/20</u> <u>Original</u> <u>Budget</u> £000	<u>2019/20</u> <u>Revised</u> <u>Budget</u> £000	<u>2019/20</u> <u>Actual</u> £000
	<u>Directorate</u>			
676	Chief Executive	1,118	581	618
2,955	Operations & Commercial Services	4,370	4,457	4,186
10,364	Corporate Resources	11,525	11,467	11,061
160	Non-distributed costs	175	186	194
729	Special Revenue Projects	1,290	1,644	561
0	Vacancy Allowance	(150)	(23)	0
14,884	Directorate Service Costs	18,328	18,312	16,620
71	River Stour Drainage Board	74	74	74
0	Council Tax Support Funding to Towns & Parishes	0	0	0
0	Property Investment Strategy Target	(100)	(82)	0
(1,203)	Recharge Income from HRA & Capital Projects	(1,295)	(1,313)	(1,329)
0	Contingency	120	100	0
	<u>Contribution to/(from) Reserves:</u>			
2,523	- Special Projects & Events Reserve	(538)	(836)	401
1,830	- Periodic Operations Reserve	(427)	(37)	2,357
1,382	- Dover Regeneration Reserve	439	328	302
0	- District Regeneration & Economic Development Reserve	0	0	0
182	- IT Equipment Reserve	115	51	16
(598)	- Business Rates & Council Tax Reserve	(258)	238	376
19,071	Net Service Expenditure	16,458	16,835	18,817
	<u>Financing Adjustments</u>			
(1,138)	Interest Receivable	(1,806)	(1,658)	(1,692)
136	Interest Payable	354	275	282
560	Loan Principal Repayments/ Borrowing Allowance	1,959	1,959	594
(1,180)	Revenue Expenditure Funded by Capital Under Statute	(1,042)	(1,042)	(1,389)
17,449	Total Budget Requirement	15,923	16,369	16,612
	Financed by:			
8,277	Non-Domestic Rates	6,838	7,366	7,515
568	Revenue Support Grant	56	56	56
6,922	Council Tax	7,216	7,216	7,216
141	Council Tax - Collection Fund Surplus	112	112	112
8	Council Tax – Other S31 Grants	0	0	9
1,515	New Homes Bonus	1,729	1,729	1,729
30	New Burdens & Other Grants	0	0	1
17,461	Total Financing	15,951	16,479	16,638
(12)	General Fund Deficit/(Surplus) for the Year	(28)	(110)	(26)
(2,527)	General Fund Balance at Start of Year	(2,777)	(2,539)	(2,539)
(2,539)	Leaving Year End Balances of	(2,805)	(2,649)	(2,565)

Earmarked General Reserves (2019/20 Year End Position)

	Opening Balance £000	Receipts in year £000	Applied in year £000	Closing Balance £000
Special Projects & Events	5,731	960	(750)	5,941
Periodic Operations	7,452	3,549	(1,390)	9,611
Regeneration	3,268	535	(273)	3,530
ICT Equipment & Servers	917	175	(387)	705
Business Rates & Council Tax	1,206	734	(358)	1,582
District Regeneration & Economic Development	12,039	0	(173)	11,866
Total	30,613	5,953	(3,331)	33,235

Housing Revenue Account Earmarked Reserves

	Opening Balance £000	Receipts in year £000	Applied in year £000	Closing Balance £000
Housing Initiatives	13,969	3,060	(3,591)	13,438
Major Repairs Reserve ¹	0	0	(31)	(31)
Total	13,969	3,060	(3,591)	13,407

¹ The Major Repairs Reserve is a technical accounting reserve and does not hold balances usable for projects, etc.

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.
- 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.