

GENERAL FUND BUDGET SUMMARY

| <u>2011/12 Actual</u> | | <u>2012/13</u> <u>Original Budget</u> | <u>2012/13</u> <u>Projected</u> <u>Outturn</u> <u>(28 Feb 2012)</u> | <u>2012/13 Actual</u> | <u>Variance to</u> <u>Projected</u> <u>Outturn</u> |
|-----------------------|--|--|--|-----------------------|--|
| <u>£000</u> | | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| | Director | | | | |
| 811 | Chief Executive | 921 | 843 | 858 | 15 |
| 2,379 | Finance, Housing & Community | 2,439 | 2,655 | 2,611 | -44 |
| 5,165 | Regeneration & Development | 2,661 | 2,612 | 2,458 | -154 |
| 6,697 | Environment & Corporate Assets | 6,698 | 7,009 | 9,465 | 2,456 |
| 1,258 | Governance | 1,312 | 1,404 | 1,256 | -148 |
| 60 | Special Revenue Projects | 53 | 80 | 190 | 110 |
| 0 | Shared Services (DDC hosted) | 0 | -4 | 0 | 4 |
| 0 | Vacancy Allowance | -125 | -16 | 0 | 16 |
| 0 | Delivering Effective Services | 0 | 0 | 0 | 0 |
| -118 | Council Tax Second Homes | -118 | -113 | -113 | 0 |
| 0 | Contingency | 80 | 16 | 0 | -16 |
| 0 | Exceptional Item (VAT Refund) | 0 | 0 | 0 | 0 |
| 16,252 | Net Service Expenditure | 13,921 | 14,486 | 16,725 | 2,239 |
| -4,046 | Depreciation | -1,496 | -1,527 | -4,204 | -2,677 |
| 1,352 | Pension Adjustments | 1,457 | 1,148 | 1,114 | -34 |
| -12 | Annual Leave Adjustment | 0 | 0 | -15 | -15 |
| 58 | River Stour Drainage Board | 64 | 64 | 64 | 0 |
| | Contribution to/(from) Reserves: | | | | |
| 83 | - Regeneration Reserve | -191 | -102 | -76 | 26 |
| 471 | - Special Projects & Events Reserve | -76 | -291 | -193 | 98 |
| 355 | - Urgent Works reserve | 360 | 360 | 348 | -12 |
| 215 | - ICT Equipment & Servers Reserve | -29 | -50 | 71 | 121 |
| 167 | - Periodic Operations Reserve | 54 | 134 | 447 | 313 |
| 14,895 | Net Service Expenditure | 14,064 | 14,222 | 14,281 | 59 |
| | Financing Adjustments | | | | |
| -150 | Interest Receivable | -149 | -153 | -124 | 29 |
| 406 | Interest Payable | 405 | 236 | 236 | 0 |
| 0 | Loan Principal Repayments | 0 | 0 | 24 | 24 |
| -59 | Deferred Charges | 0 | 0 | -86 | -86 |
| -115 | Soft Loan Adjustments | 0 | 0 | -38 | -38 |
| -110 | Impairment of Iceland Investment | 0 | 0 | -19 | -19 |
| 96 | Transfer to Capital Grants Unapplied | 0 | 0 | 0 | 0 |
| 14,963 | Total Budget Requirement | 14,320 | 14,305 | 14,274 | -31 |
| | Financed by: | | | | |
| 1,915 | Revenue Support Grant | 138 | 138 | 138 | 0 |
| 6,195 | NNDR | 7,104 | 7,104 | 7,104 | 0 |
| 8,110 | Total Government Grant | 7,242 | 7,242 | 7,242 | 0 |
| 0 | Collection Fund Surplus | 0 | 0 | 0 | 0 |
| 6,395 | Council Tax | 6,608 | 6,608 | 6,608 | 0 |
| 160 | Council Tax Grant | 0 | 0 | 0 | 0 |
| 0 | New Burdens | 0 | 0 | 13 | -13 |
| 331 | New Homes Bonus | 449 | 449 | 413 | 36 |
| 14,996 | Total Financing | 14,299 | 14,299 | 14,276 | 23 |
| -33 | General Fund Deficit/(Surplus) for the Year | 21 | 6 | -2 | -8 |
| -2,225 | General Fund Balance at Start of Year | -2,060 | -2,258 | -2,258 | 0 |
| 0 | Items of carry forward - approved | 0 | 0 | 0 | 0 |
| 0 | Supplementary approvals | 0 | 0 | 0 | 0 |
| -2,258 | Leaving Year End Balances of | -2,039 | -2,252 | -2,260 | -8 |

Reconciliation of General Fund Original Budget to Projected Outturn 2012/13

| | Total Variance £000 |
|---|------------------------------------|
| Original Budget | 21 |
| Car Parking Income - net reduction in parking fees, season tickets and PCNs (£268k), less expenditure savings (£13k) - includes impact of weather, Olympics and general downturn | 255 |
| Recharges - net favourable variances from reduced costs and review of recharges, incl. increased recovery from HRA (street lighting & litter picking on HRA car parks and open spaces, etc) | (228) |
| Interest payable reduction following pooling of GF and HRA loans | (169) |
| EKS Management Fees saving est, based on 2011/12 cost | (43) |
| BCCI monies received | (33) |
| Insurance of premises - incl. £25k saving for Deal Pier | (34) |
| Development Control Fees Income - increase anticipated | (20) |
| Printing, stationery and copier savings, incl. new fleet of copiers and reduced external printing | (19) |
| Waste collection and recycling: Mainly reduced income from green waste collection (offset by related reduction in contract charges); and increase in RPI on contracts from Jan-Mar 2013 (3% vs. 2.16% budgeted) | 64 |
| Street Cleansing - increase in RPI on contracts from Jan-Mar 2013 (3% vs. 2.16% budgeted); further reduction for reduced funding from KCC for weed spraying | 33 |
| Backfunding - increased costs mainly relating to EKHRP following Shepway's withdrawal from the service | 44 |
| Vacancy provision - estimated under-achievement | 48 |
| Land Charges - reduced search fees income expected | 30 |
| Interest receivable - now expected to be in line with budget | (4) |
| NDR Discretionary Relief - uplift in relief given, mainly due to increase in liability on which discretionary relief is based, mostly relating to charitable associations. Very few new awards made. | 16 |
| NDR - increase in business rates following corporate review | 14 |
| Members and other committee-related reductions | (11) |
| CCTV savings - mainly equipment related | (11) |
| National Leaflet Project - expected shortfall in income | 20 |
| Additional cost to Dover D.C. for its share of East Kent H.R. Partnership following withdrawal of Shepway from service | 9 |
| Aylesham - S106 contribution budget removed | 9 |
| South East Strategic Partnership for Migration - tenant contribution towards DDC services provided | (8) |
| Admin Fees charged to leaseholders for insurance contracts | (8) |
| Dover Gateway room hire/rental and extra income from rental of Whitfield office space to "Heads of Terms" | (8) |
| Licensing Income - better than budget (General licensing and Private Sector Housing registration of HMO properties) | (8) |
| Electoral Reg and Emergency planning savings (mainly equip't) | (7) |
| Kent Benefits Partnership subscription no longer required | (6) |
| Telephone and mobile savings, incl. changes of service provider | (6) |
| Reduced external Audit fees following transfer to Grant Thornton | (26) |
| PSH Empty Property income received in 2011/12 | 12 |
| Forecast reduction in Building Control income streams based on income received to date | 74 |
| Reduction in KCC Coast protection income due to reduced internal rate of borrowing | 14 |
| Increased Whitfield electricity costs | 6 |
| Various savings identified in Legal Services | (9) |
| DDC share of EK Audit Partnership staff savings | (4) |
| Other net favourable variances | (1) |
| | |
| Projected Outturn | 6 |

SUMMARY OF GENERAL FUND VARIANCES FOR 2012/13 (Outturn v Projected)

| | Total Variance | Transfers to and From Reserves | | | | | Technical Adjustments | | | | | Other Variations | | | |
|--|-------------------|--------------------------------|---------------------------------|-------------------------------|-------------------------|-----------------------------------|-----------------------|--------------------|--|---------------------|-------------------------|--------------------|---------------------------|-----------------|--------------------|
| | | Regeneration Reserve | Special Projects & Events | ICT Equipment & Servers | Urgent Works Reserve | Periodic Operations Reserve | IAS19 | Capital Charges | Financial Instrument Adjustments | Deferred Charges | Annual Leave Accrual | Central Support | Interest & Investments | Grant Income | Direct Variance |
| | | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| Directorate | | | | | | | | | | | | | | | |
| Chief Executive | 15 | 0 | 0 | 0 | 0 | (9) | (2) | | | 15 | (8) | | | 19 | |
| Director of Finance, Housing & Community | (44) | 0 | 0 | (21) | 7 | (186) | 22 | (3) | 38 | 86 | 21 | | | (8) | |
| Director of Regeneration & Development | (154) | (26) | 0 | 0 | 0 | (53) | (5) | (2) | | | (13) | | | (55) | |
| Director of Environment & Community Assets | 2,456 | 0 | (8) | 0 | 0 | (10) | 26 | 2,684 | | | (85) | (19) | | (132) | |
| Director of Governance | (148) | 0 | 0 | 0 | 0 | (50) | (7) | (2) | | | 12 | | | (101) | |
| Special Revenue Projects | 110 | 0 | 117 | 0 | 0 | 0 | | | | | (7) | | | 0 | |
| Shared Services (DDC hosted) | 4 | 0 | 0 | 0 | 0 | 0 | | | | | 32 | | | (28) | |
| Vacancy Allowance | 16 | 0 | 0 | 0 | 0 | 0 | | | | | | | | 16 | |
| Delivering Effective Services | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | 0 | |
| Contingency | (16) | 0 | 0 | 0 | 0 | 0 | | | | | | | | (16) | |
| Exceptional Item (VAT Refund) | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | 0 | |
| | 2,239 | (26) | 109 | (21) | 7 | (308) | 34 | 2,677 | 38 | 86 | 15 | (48) | (19) | 0 | (305) |
| Depreciation | (2,677) | | | | | | | (2,677) | | | | | | | 0 |
| Pension Adjustments | (34) | | | | | | (34) | | | | | | | | 0 |
| Annual Leave Adjustment | (15) | | | | | | | | | (15) | | | | | 0 |
| River Stour Drainage Board | 0 | | | | | | | | | | | | | | 0 |
| Contribution to/(from) Reserves | | | | | | | | | | | | | | | 0 |
| - Regeneration Reserve | 26 | 26 | | | | | | | | | | | | | 0 |
| - Special Projects & Events Reserve | 98 | | 91 | | | | | | | | 7 | | | | 0 |
| - Urgent Works reserve | (12) | | | | (12) | | | | | | | | | | 0 |
| - ICT Equipment & Servers Reserve | 121 | | | 121 | | | | | | | | | | | 0 |
| - Periodic Operations Reserve | 313 | | | | | 313 | | | | | | | | | 0 |
| | | | | | | | | | | | | | | | 0 |
| Net Service Expenditure Variance | 59 | 0 | 200 | 100 | (5) | 5 | 0 | 0 | 38 | 86 | 0 | (41) | (19) | 0 | (305) |
| Financing Adjustments | | | | | | | | | | | | | | | |
| Interest Receivable | 29 | | | | | | | | | | | 29 | | | 0 |
| Interest Payable | 0 | | | | | | | | | | | 0 | | | 0 |
| Loan Principal Repayments | 24 | | | | | | | | | | | 24 | | | 0 |
| Deferred Charges | (86) | | | | | | | | (86) | | | | | | 0 |
| Soft Loan Adjustments | (38) | | | | | | | | (38) | | | | | | 0 |
| Impairment of Iceland Investment | (19) | | | | | | | | | | | (19) | | | 0 |
| Financed by: | | | | | | | | | | | | | | | |
| New Burdens | (13) | | | | | | | | | | | | | (13) | 0 |
| New Homes Bonus | 36 | | | | | | | | | | | | | 36 | 0 |
| Total Variance | (8) | 0 | 200 | 100 | (5) | 5 | 0 | 0 | 0 | 0 | 0 | (41) | 15 | 23 | (305) |

Explanation of Main General Fund Variations

There is a total variance of £8k (favourable) between the Projected Outturn and the Outturn, as shown on the Budget Summary on Appendix A.

This variance falls into three main sections:

- Transfers to and from reserves;
- Technical adjustments; and
- Other variations

Appendix B provides a schedule of variances categorising the variances into these sections and should be read in conjunction with this Appendix.

Transfers to and From Reserves

Transfers from reserves have no net effect on the total variance, since any expenditure shown within 'Directorate' (on Appendix B) that is intended to be financed from reserves is offset by an adjustment within the amount transferred from reserves.

Transfers to reserves do affect the total for the year, and so variances in transfers to and from reserves reflect any overall increase in contribution to reserves.

An additional £100k contribution has been made to the ICT Equipment & Servers reserve to support the replacement, upgrade and alignment of Dover's ICT software and hardware with East Kent Services' agreed ICT strategy. This created an adverse variance, but preserves funds in this earmarked reserve for future use.

An additional contribution of £200k has also been made to the Special Projects & Events reserve to continue to fund one-off General Fund projects as they arise and to support major events in the district.

Technical Adjustments

The significant technical variations arise from IAS19 (pensions), Capital Charges and Financial Instruments. Although these variations impact the reported net cost of services, they have no impact on the overall outturn. They are explained below.

IAS19

The Code, and IAS19, require local authorities to include, in the costs of services, the cost to the authority of the additional pension earned in the year. This then has to be reversed out of the accounts and replaced by the actual pension payments made to the pension fund.

Adjustments in the value of the IAS19 figures therefore have no net effect on the overall outturn.

Capital Charges

Like IAS19, capital charges are shown in the costs of services but are reversed out of the accounts “below the line”. As a result, any variations in capital charges (resulting, generally, from the acquisition, revaluation or disposal of assets) are also reversed out below the line and have no net effect on the overall outturn.

Financial Instruments

The Authority provides loans to individuals for Private Sector Housing improvements at less than market rates (soft loans). When soft loans are made, a loss is recorded in the appropriate service for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. This adjustment is reversed as part of the Financing Adjustments. This adjustment also has no net impact upon the overall outturn.

Other Variations

The “Other Variations” all have a direct effect on the overall outturn, since they are not reversed out below the line.

Central Support

Variations in central support arise from changes in the amount charged by the General Fund to capital projects and the HRA. Central support charges to each service area and the underlying bases of calculation are updated annually to reflect changes in cost and the levels of support provided. The net affect of closing adjustments was a favourable variance of £48k, mainly relating to recharges to HRA.

Interest & Investments

There are minor variations in this area totalling £34k, which comprise Interest Receivable (£29k adverse), Loan Principal Repayments for the voltage optimizer and Deal Tennis Centre projects (£24k adverse), offset by the change in the impairment of the value of the Icelandic investment, based on CIPFA guidance (£19k favourable).

Grant Income

There is an adverse variation of £36k relating to an advance payment of the 2012/13 New Homes Bonus Grant, which had to be shown in the 2011/12 figures for statutory reasons, and a favourable variation of £13k relating to New Burdens grant funding from central Government.

Direct Variance

This is a summary of the other variances in outturn against the budgets managed by the various Directors. There are a large number of minor variations, which it is not practical to detail in this report. However, the main / significant items are summarised in the table below:

| Description | £000 |
|--|-------------|
| Chief Executive | |
| Municipal Mutual Insurance – provision for prior year claims | 33 |

| Description | £000 |
|--|-------------|
| Corporate Bad Debts Written-Off | 19 |
| Contribution to East Kent Local Strategic Partnership ceased | (10) |
| Print Unit and Photocopier savings | (15) |
| Audit Commission – Reduced fees | (4) |
| Corporate Press and Publicity savings | (4) |
| Sub total | 19 |
| Finance, Housing & Community | |
| Staff – Community Officer post (leaver, not replaced), Accounting Technician vacancy (5 months) and other staff savings | (64) |
| Council Tax – reduced income from Penalties & Fines and Recovery of costs | 64 |
| Homelessness – increase in net costs, incl. Emergency Accommodation | 40 |
| Community Development Interreg funding for the Mosaic project | (29) |
| Bad Debt – increase in General Provision | 22 |
| Miscellaneous Income - favourable | (9) |
| Backfunding and Pension Costs – small saving | (7) |
| NDR Discretionary Relief – lower than expected | (5) |
| Accountancy Consultants' costs - saving | (4) |
| Feel Alive events in run up to Olympics – lower equipment costs than expected | (4) |
| Alternative Services Delivery – various savings | (4) |
| Private Sector Housing – reduced contributions to outside bodies | (3) |
| Concessionary Fares – provision written back - favourable | (3) |
| Other net savings on Finance, Housing & Community | (2) |
| Sub total | (8) |
| Regeneration & Development | |
| Staff – Planning and Development Control restructure savings | (45) |
| Development Management – increased external funding and reduced expenditure on consultants for projects | (34) |
| Development Management – reduced Planning Application and Other External Fees | 22 |
| Museum Admission Fees & Sales (net of related costs) – shortfall due to period of closure following flood | 58 |
| Museum – reduced electricity, business rates and equipment maintenance costs | (21) |
| White Cliffs Landscape Project – Heritage Lottery Funding | (18) |
| White Cliffs Landscape Project – Transfer to Environment & Corporate Assets (no net cost or income) | (14) |
| Other net savings on Regeneration & Development | (3) |
| Sub total | (55) |
| Environment & Corporate Assets | |
| Staff – Parking Enforcement Staff (supervisor's reduced hours and vacant CEO posts due to retirements & resignations), and Horticultural Monitoring Officer (leaver, not replaced) | (68) |
| Pollution Control – reduced costs following decommissioning of one Air Quality station | (11) |
| Port Health – increased income | (8) |
| Food Safety & Hygiene – increased income | (8) |

| Description | £000 |
|--|--------------|
| Environment & Corporate Assets (continued) | |
| Licensing – increased income (Premises and miscellaneous) | (18) |
| Littering Enforcement – changes to method of service delivery | 6 |
| White Cliffs Landscape Project – Transfer from Regeneration and Development (no net cost or income) | 14 |
| Car Parks – net income reductions (parking fees and PCNs, less favourable season tickets' income) | 31 |
| On-Street Parking - net income reductions (parking fees and PCNs, less favourable permits' income) | 18 |
| On-Street Parking – signing and lining budget not spent | (10) |
| Public Conveniences – cleaning and other net savings (closures) | (29) |
| Office Accommodation – net Whitfield office running cost savings (after increased cost of gas consumed) | (12) |
| Refuse, Recycling and Street Cleansing – additional net costs, mainly due to higher volume of replacement bins, as well as street cleansing costs for Diamond Jubilee celebrations | 62 |
| Cemeteries – net increase in interments, less reduced sales of grave space | (18) |
| Street Lighting – reduced Electricity costs | (14) |
| Additional Rent income | (29) |
| Dover Town Hall, Beaches & Foreshores – reduced Management Fees | (11) |
| Corp Maintenance & Repairs – overspend due to emergency roof repairs and coast protection works | 20 |
| Precincts – repairs to fixed plant – saving due to fountain being switched off | (6) |
| Misc. Properties – NNDR reduction following sale of Quarterdeck | (4) |
| Dover Leisure Centre – Equipment Purchase savings | (4) |
| Events – Additional ground lettings due to Olympics and Diamond Jubilee, and reduced equipment purchases for events | (10) |
| Numerous other net savings on Environment & Corporate Assets | (23) |
| Sub total | (132) |
| | |
| Governance | |
| Reduced Legal Officer hours and NIC on Members Allowances | (16) |
| Members' reduced training, allowances (vacant seats) and sundry costs | (10) |
| Land Charges – increased Search Fees income | (22) |
| Professional Qualification and Corporate Training savings | (17) |
| KCC additional charges for changes to Payroll System | 8 |
| Democratic Services – reduced costs (incl. software maintenance due to later implementation of Modern Gov software) | (14) |
| Legal – reduced external fees payable and increased income | (7) |
| Electoral Registration – reduced software maintenance/printing | (5) |
| Numerous other net savings on Environment & Corporate Assets | (18) |
| Sub total | (101) |
| | |
| Shared Services – DDC-hosted | |
| Dover share of HR service - net reduction in costs (incl. salaries) | (27) |
| Dover share of Audit Partnership – incl. reduced costs/audit days | (7) |
| Dover share of increased Payroll Processing costs | 6 |
| Sub total | (28) |

| Description | £000 |
|--|--------------|
| | |
| Other | |
| Vacancy Allowance – offset by staffing savings above | 16 |
| Contingency – unutilised | (16) |
| Sub total | 0 |
| | |
| Total favourable variances | (305) |
| | |

Housing Revenue Account for the Year Ended 31 March 2013

| | Original Budget 2012/13 | Projected Outturn 2012/13 | Outturn 2012/13 | Variance Outturn to Original £000 |
|---|--|--|----------------------------|--|
| | £000 | £000 | £000 | |
| INCOME | | | | |
| Dwelling Rents | (17,962) | (18,100) | (18,139) | (177) |
| Non-dwelling Rents | (422) | (437) | (437) | (15) |
| Tenant Charges for Services and Facilities | (350) | (285) | (277) | 73 |
| Conts. towards Expend. - Grants for Supporting People | (195) | (179) | (179) | 16 |
| Leaseholder Charges for Services and Facilities | (131) | (269) | (270) | (139) |
| Other Misc | (27) | (27) | (22) | 5 |
| TOTAL INCOME | (19,087) | (19,296) | (19,324) | (237) |
| EXPENDITURE | | | | |
| Repairs and Maintenance | 3,428 | 3,497 | 3,495 | 67 |
| Supervision and Management | 3,137 | 3,210 | 3,248 | 111 |
| Rents, Rates, Taxes and Other Charges | 93 | 66 | 66 | (27) |
| Negative Subsidy Entitlement (Incl MRA) | 6,809 | 0 | 0 | (6,809) |
| Depreciation of Fixed Assets | 2,187 | 2,187 | 1,483 | (704) |
| Impairment of Fixed Assets | 0 | 0 | 5,686 | 5,686 |
| Debt Management Expenses | 22 | 22 | 37 | 15 |
| Bad Debt Provision | 110 | 110 | 64 | (46) |
| Rent Rebate Subsidy Limitation | 21 | 21 | 21 | 0 |
| TOTAL EXPENDITURE | 15,807 | 9,113 | 14,100 | (1,706) |
| NET COST OF HRA SERVICES PER AUTHORITY INCOME AND EXPENDITURE ACCOUNT | (3,280) | (10,183) | (5,224) | (1,943) |
| HRA Share of Corporate and Democratic Core | 326 | 395 | 388 | 63 |
| HRA share of other amounts not allocated to specific services | 0 | 0 | 0 | 0 |
| NET COST OF HRA SERVICES | (2,954) | (9,788) | (4,836) | (1,880) |
| (Gain)/Loss on Sales of HRA Fixed Assets | 0 | 0 | (443) | (443) |
| Interest Payable and Similar Charges | 0 | 3,032 | 3,032 | 3,032 |
| Amortisation of Premiums & Discounts | 0 | 0 | 0 | 0 |
| Interest and Investment Income | (138) | (138) | (214) | (76) |
| Pension Int Costs and expected return on pensions assets | 247 | 338 | 330 | 83 |
| (SURPLUS)/DEFICIT FOR THE YEAR ON HRA SERVICES | (2,845) | (6,556) | (2,132) | 716 |
| Amount required by statute to be credited to the HRA Balance for the year (as per the Note to the Statement of Movement below) ** | 2,311 | 3,365 | (1,161) | (3,473) |
| Net (Increase)/Decrease in the Housing Revenue Account Balance before transfers to or from reserves | (534) | (3,191) | (3,293) | (2,759) |
| Transfer to or (from) reserves | 0 | 2,500 | 2,500 | 2,500 |
| (Increase)/decrease in year on the HRA balance | (534) | (692) | (793) | (259) |
| Impact of Deficit / (surplus) on balances | | | | |
| Housing Revenue Account surplus brought forward | (9,940) | (7,365) | (7,365) | |
| Housing Revenue Account surplus carried forward | (10,475) | (8,057) | (8,158) | |

Housing Revenue Account Variation Statement - for the Year ended 31 March 2013

| | £000 | £000 |
|--|---------|---------|
| Original Budget | | (534) |
| <i>Adjustments Due to Housing Finance Reform:</i> | | |
| Removal of Subsidy payment - replaced by loan interest charge & repayment of Principal | (6,810) | |
| Addition of loan interest payments | 3,046 | |
| Additional transfer to Major Repairs Reserve based on revision of Major Repairs Allowance under Housing Finance Reform | 1,467 | |
| Increase in "Capital Expenditure Financed by the HRA" due to utilisation of MRR in payment of Principal on Loan | 372 | |
| | <hr/> | (1,924) |
| <i>Income Adjustments:</i> | | |
| Increase in Dwelling Rent due to lower than budgeted void rate | (177) | |
| Increase in Non Dwelling Rents - mainly garages | (14) | |
| Reduction in Tenant Charges for Services & Facilities - includes re-classification to "Leaseholder Charges" | 73 | |
| Reduction in Supporting People Grant | 16 | |
| Increase in Leaseholder Charges - mainly re: repairs & re-classification from "Tenant Charges" | (139) | |
| Legal Fees Receivable | 6 | |
| Miscellaneous | (2) | |
| | <hr/> | (237) |
| <i>Repairs & Maintenance:</i> | | |
| Term Maintenance | 190 | |
| External Decorations | 67 | |
| Estate Paths, Paving etc. | (10) | |
| Storm Damage | (4) | |
| Vandalism | (9) | |
| Electrical Inspections | (24) | |
| Health and Safety Water Inspections | (4) | |
| Void Properties | 12 | |
| Void Security | (3) | |
| Heating Servicing | (163) | |
| Lift Maintenance | 2 | |
| Disabled Hoists & Lifts | (7) | |
| Fire Alarm Servicing | (2) | |
| Door Entry | 5 | |
| Repairs & Maintenance admin increase | 17 | |
| Miscellaneous | (2) | |
| | <hr/> | 66 |
| <i>Supervision & Management:</i> | | |
| Uplift in Play Area Maintenance to accommodate works brought forward from 2011/12 | 28 | |
| Corporate Repairs & Maintenance | 5 | |
| Clearance of Rubbish | (10) | |
| Agreed increase in EKH Management Fee | 103 | |
| Housing Register - landlord cost of Choice Based Lettings advertising | 6 | |
| Utilities | 14 | |
| Communal Lighting | (16) | |
| Insurance savings following retender | (83) | |
| Highway Cleansing | 40 | |
| Un-adopted street lighting | 49 | |
| Caretaking & Cleaning | 4 | |
| Professional fees re: - property disposals | 7 | |
| Consultants Fees | (9) | |
| Supervision & Management - Play Area works transferred to capital programme | (66) | |
| Water & Sewerage | (7) | |
| Careline costs | (10) | |
| Elderly Persons Incentive Scheme | (5) | |
| Rechargeable works written off | 7 | |
| Internal Recharges | 53 | |
| Miscellaneous | 2 | |
| | <hr/> | 111 |
| Rent, Rates etc - Manley House disposal | | (27) |
| HRA Share of Corp & Democratic Core | | 63 |
| Adjustment of Interest Payable | | (14) |
| Pension Adjustments | | 1 |
| Transfer to Housing Initiatives Reserve | | 2,500 |
| <i>Reduction in "Capital Expenditure Financed by HRA" mainly re: adjustments to Capital Programme:</i> | | |
| Reroofing | 241 | |
| Door Entry/Warden Call | (125) | |
| Fire Precautions | (280) | |
| Renewal Heating/Heating Programme | (647) | |
| Thermal insulation | 7 | |
| Asbestos Programme | 7 | |

| | £000 | £000 |
|---|-------|--------------------------|
| Structural | (3) | |
| Decent Homes Standard | (48) | |
| Rewiring | 247 | |
| Environmental Improvements - Dover/Deal | 89 | |
| Environmental Improvements - Sandwich/Rural | 3 | |
| Adaptations for Disabled Persons | (116) | |
| Environmental Improvements funded from Tenants Compact Reserve | (92) | |
| Capital Works - Northbourne Park Play Area | 20 | |
| Non Dwelling depreciation credit used to fund element of works | (99) | |
| Miscellaneous | (1) | |
| | <hr/> | (795) |
| <u>Depreciation & Major Repairs Reserve:</u> | | |
| Reduced Depreciation Charge | (704) | |
| Increased transfer to MRR (offset to reduced depreciation less non dwelling depreciation no longer permitted to be reversed to MRR) | 804 | |
| | <hr/> | 99 |
| Fixed & Non Current Asset Adjustments | | 6 |
| Debt Management Expenses - PWLB loan | | 15 |
| Lower Bad Debt Provision than budgeted | | (46) |
| Interest and Investment Income | | (76) |
| Miscellaneous | | (1) |
| Increase in year on the HRA balance | | <hr/> <hr/> (793) |

| MEDIUM TERM CAPITAL PROGRAMME - 2012/13 FINAL OUTTURN | | | | | | | |
|--|-----------------|-----------------|----------------|------------------|------------------|--------------|---------------|
| Projects included in the programme | APPROVED BUDGET | PROPOSED BUDGET | | | | | |
| | Total | Previous years | Actual 2012/13 | Estimate 2013/14 | Estimate 2014/15 | Future years | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Committed General Fund Projects | | | | | | | |
| Dover Regeneration Projects | | | | | | | |
| Dover Pride - Dover Town Investment Zone | 2,035 | 1,704 | 152 | 178 | 0 | 0 | 2,035 |
| DTIZ - SEEDA funded projects | 6,842 | 6,693 | 0 | 149 | 0 | 0 | 6,842 |
| DTIZ/Waterfront (DDC/GP Funded) | 720 | 582 | 2 | 136 | 0 | 0 | 720 |
| DTIZ - HCA funded projects | 2,456 | 2,387 | 1 | 68 | 0 | 0 | 2,456 |
| DTIZ Growth Point - 2009/10 & 2010/11 Allocations | 32 | 0 | 0 | 32 | 0 | 0 | 32 |
| Dover Pride - Dover Priory Ph 1 & 2 | 120 | 107 | 0 | 13 | 0 | 0 | 120 |
| Waterfront (Yorkgate) - (Cluster Prep/GP Funded) | 115 | 83 | 1 | 31 | 0 | 0 | 115 |
| Waterfront - Planning (Cluster Prep funded) | 150 | 0 | 0 | 150 | 0 | 0 | 150 |
| Sub total | 12,470 | 11,557 | 156 | 758 | 0 | 0 | 12,470 |
| Other Regeneration Projects | | | | | | | |
| Aylesham Regeneration Project | 1,491 | 1,373 | 50 | 68 | 0 | 0 | 1,491 |
| Deal Transportation & Flood Alleviation Models- GP/KCC Funded | 300 | 124 | 0 | 176 | 0 | 0 | 300 |
| Sub total | 1,791 | 1,496 | 51 | 244 | 0 | 0 | 1,791 |
| Other projects | | | | | | | |
| Capital grants and contributions - voluntary organisations | 75 | 74 | 1 | 0 | 0 | 0 | 75 |
| Mandatory Disabled Facilities Grants | 811 | n/a | 491 | 788 | 0 | 0 | 1,278 |
| Renovation Grants | 74 | n/a | 67 | 21 | 0 | 0 | 88 |
| Renovation Loans/PSH Loans | 4,319 | 3,854 | 79 | 425 | 0 | 0 | 4,358 |
| Private Sector housing schemes - grants | 1,323 | 1,320 | 3 | 0 | 0 | 0 | 1,323 |
| Regional Housing Loans, Grants & Fees (2009/10 & 2010/11) | 895 | 895 | 0 | 0 | 0 | 0 | 895 |
| Private Sector Renewal Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Walmer to Kingsdown/Oldstairs Bay Study | 72 | 66 | 0 | 6 | 0 | 0 | 72 |
| Rostrum Call Management System | 48 | 36 | 12 | 0 | 0 | 0 | 48 |
| IDOX - Upgrade Planning Software System | 21 | 16 | 5 | 0 | 0 | 0 | 21 |
| Property Level Flood Protection (100% grant) | 98 | 37 | 60 | 0 | 0 | 0 | 98 |
| Visitor Information Centre - Relocation | 186 | 1 | 185 | 0 | 0 | 0 | 186 |
| Sandown Castle - Coastal Defence Works (100% grant) | 46 | 0 | 38 | 8 | 0 | 0 | 46 |
| Committee/ Document Management and E- Petition System | 17 | 5 | 12 | 0 | 0 | 0 | 17 |
| Northbourne Ave & Elms Vale Play Area Refurbishments (S106 & HRA Funded) | 136 | 0 | 136 | 0 | 0 | 0 | 136 |
| Noise Recording Equipment | 12 | 0 | 12 | 0 | 0 | 0 | 12 |
| White Cliffs Landscape Project-DDC Capital Expenditure (100% grant funded) | 125 | 0 | 0 | 79 | 0 | 47 | 125 |
| White Cliffs Landscape Project-Capital Grants (100% grant funded) | 614 | 0 | 0 | 413 | 52 | 148 | 614 |
| Electronic Booking System-Leisure Centres-DDC Contribution | 19 | 0 | 19 | 0 | 0 | 0 | 19 |
| East Cliff Public Conveniences Refurbishment | 90 | 0 | 0 | 90 | 0 | 0 | 90 |
| Sub total | 8,982 | 6,305 | 1,120 | 1,830 | 52 | 195 | 9,502 |
| Sub total of Committed General Fund Projects | 23,243 | 19,358 | 1,326 | 2,832 | 52 | 195 | 23,763 |
| General Fund Projects - Proposed Projects | | | | | | | |
| Beach Recycling Works - Walmer to Kingsdown (100% grant) | 240 | 0 | 0 | 120 | 0 | 120 | 240 |
| Beach Recycling Works - Sandown Castle to Deal Castle (100% grant) | 90 | 0 | 0 | 30 | 30 | 30 | 90 |
| Fountain Refurbishment & Street Scape Improvements - Market Square Dover | 75 | 0 | 0 | 75 | 0 | 0 | 75 |
| Community Safety Project (100% grant) | 25 | 9 | 2 | 14 | 0 | 0 | 25 |
| Bronze Age Boat - Replacement Air Conditioning Plant | 18 | 0 | 0 | 18 | 0 | 0 | 18 |
| Building Energy Management System | 28 | 0 | 0 | 28 | 0 | 0 | 28 |
| Burial Records On Line | 15 | 0 | 0 | 15 | 0 | 0 | 15 |
| ICT Infrastructure Investment | 129 | 0 | 0 | 129 | 0 | 0 | 129 |
| Urban Renewal | 2,500 | 0 | 0 | 850 | 850 | 800 | 2,500 |
| Dover Leisure Centre - Plant & Equipment Replacement | 100 | 0 | 0 | 100 | 0 | 0 | 100 |
| Tides - Plant & Equipment Replacement | 70 | 0 | 0 | 70 | 0 | 0 | 70 |
| Leisure Centres Contingency - Repairs & Equipment | 500 | 0 | 0 | 100 | 200 | 200 | 500 |
| Disabled Facilities Grant Funding | 100 | 0 | 0 | 100 | 0 | 0 | 100 |
| Disabled Adaptations Assistance | 50 | 0 | 0 | 50 | 0 | 0 | 50 |
| Victoria Park - New Changing Rooms | 200 | 0 | 0 | 200 | 0 | 0 | 200 |
| Museum - General Replacements | 70 | 0 | 0 | 50 | 20 | 0 | 70 |
| Deal Pier - Resurfacing & seat refurbishment on pier stem | 270 | 0 | 0 | 0 | 135 | 135 | 270 |
| Deal Seafront Enhancement | 125 | 0 | 0 | 125 | 0 | 0 | 125 |
| Capital Contingency | 100 | 0 | 0 | 100 | 0 | 0 | 100 |
| Disabled Facilities Grants (100% grant funded) | 463 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deal Youth Centre (S106 Funded) | 200 | 0 | 0 | 200 | 0 | 0 | 200 |
| Land Acquisition-HCA Funded (100% grant) | 0 | 0 | 0 | 145 | 0 | 0 | 145 |
| Sub total of Proposed General Fund Projects | 5,368 | 9 | 2 | 2,519 | 1,235 | 1,285 | 5,050 |
| General Fund Projects Total | 28,611 | 19,367 | 1,328 | 5,351 | 1,287 | 1,480 | 28,813 |
| HRA Programme | | | | | | | |
| Housing Revenue Account Property Projects - Committed Works | 3,925 | n/a | 3,716 | 0 | 0 | 0 | 3,716 |
| Housing Revenue Account Property Projects - Proposed Works | 5,321 | n/a | 0 | 5,349 | 0 | 0 | 5,349 |
| Sheridan Rd Play Area Refurbishment (HRA Funded) | 48 | n/a | 0 | 48 | 0 | 0 | 48 |
| HRA Total | 9,294 | 0 | 3,716 | 5,397 | 0 | 0 | 9,114 |
| Total | 37,906 | 19,367 | 5,045 | 10,749 | 1,287 | 1,480 | 37,927 |

| MEDIUM TERM CAPITAL PROGRAMME - 2012/13 FINAL OUTTURN | | | | | | | |
|---|-----------------|-----------------|----------------|------------------|------------------|--------------|---------------|
| Projects included in the programme | APPROVED BUDGET | PROPOSED BUDGET | | | | | |
| | Total | Previous years | Actual 2012/13 | Estimate 2013/14 | Estimate 2014/15 | Future years | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Financed by: | | | | | | | |
| Capital projects financed in previous financial years | 19,367 | 19,367 | 0 | 0 | 0 | 0 | 19,367 |
| Capital receipts - General Fund | 2,543 | n/a | 321 | 1,532 | 355 | 335 | 2,543 |
| Capital receipts - HRA | 0 | n/a | 0 | 0 | 0 | 0 | 0 |
| Major Repairs Allowance | 5,805 | n/a | 3,034 | 2,870 | 0 | 0 | 5,904 |
| Tenants Compact - Reserve Funding | 348 | n/a | 92 | 208 | 0 | 0 | 300 |
| Direct Revenue Financing - HRA | 3,170 | n/a | 610 | 2,347 | 0 | 0 | 2,957 |
| Direct Revenue Financing - General Fund | 711 | n/a | 66 | 412 | 52 | 195 | 725 |
| Grants | 0 | n/a | | | | | |
| SEEDA for DTIZ | 149 | n/a | 0 | 149 | 0 | 0 | 149 |
| HCA (was - English Partnerships) for DTIZ/mid-town centre | 69 | n/a | 1 | 68 | 0 | 0 | 69 |
| HCA (Land Acquisition) | 0 | n/a | 0 | 145 | 0 | 0 | 145 |
| Growth Point Status grant 2009/10 to 2010/11 | 32 | n/a | 0 | 32 | 0 | 0 | 32 |
| Growth Point (Deal Transportation Model) | 118 | n/a | 0 | 117 | 0 | 0 | 118 |
| Growth Point (Waterfront-Yorkgate) | 15 | n/a | 1 | 14 | 0 | 0 | 15 |
| Growth Point (White Cliffs Landscape Partnership) | 80 | n/a | 0 | 80 | 0 | 0 | 80 |
| KCC (Deal Transportation Model) | 59 | n/a | 0 | 59 | 0 | 0 | 59 |
| Mandatory Disabled Facilities Grants | 1,179 | n/a | 491 | 693 | 0 | 0 | 1,183 |
| Coast Protection grants | 336 | n/a | 0 | 156 | 30 | 150 | 336 |
| Private Sector Renewals Grant | 343 | n/a | 82 | 260 | 0 | 0 | 343 |
| Renovation/PSH Repayments of Loans | 125 | n/a | 0 | 164 | 0 | 0 | 164 |
| Dover Town Council (VIC Relocation) | 75 | n/a | 75 | 0 | 0 | 0 | 75 |
| Dover Town Council (Fountain Refurb) | 0 | n/a | 0 | 0 | 0 | 0 | 0 |
| Dover Town Council (East Cliff Toilets) | 13 | n/a | 0 | 13 | 0 | 0 | 13 |
| Dover Harbour Board (East Cliff Toilets) | 13 | n/a | 0 | 13 | 0 | 0 | 13 |
| Environment Agency (Property Level Flood Protection) | 60 | n/a | 60 | 0 | 0 | 0 | 60 |
| Environment Agency (Surface Water Management) | 0 | n/a | 0 | 0 | 0 | 0 | 0 |
| Environment Agency (Sandown Castle-Coastal Defence) | 46 | n/a | 38 | 8 | 0 | 0 | 46 |
| Performance Reward Grant (Community Safety) | 16 | n/a | 2 | 14 | 0 | 0 | 16 |
| Section 106 Funding | 316 | n/a | 116 | 200 | 0 | 0 | 316 |
| Supported borrowing - HRA | 0 | n/a | 0 | 0 | 0 | 0 | 0 |
| Supported borrowing - General Fund | 0 | n/a | 0 | 0 | 0 | 0 | 0 |
| Unsupported borrowing | 0 | n/a | 0 | 0 | 0 | 0 | 0 |
| Other reserves | 0 | | | | | | |
| - Cluster Prep Reserve (Waterfront/DFG) | 242 | n/a | 0 | 242 | 0 | 0 | 242 |
| - Special projects reserve | 56 | n/a | 56 | 0 | 0 | 0 | 56 |
| - ICT Reserve (ICT Infrastructure Investment) | 101 | n/a | 0 | 101 | 0 | 0 | 101 |
| - Housing Initiatives Reserve (Urban Renewal) | 2,500 | n/a | 0 | 850 | 850 | 800 | 2,500 |
| - HRA Capital Funding Reserve | 20 | n/a | 0 | 0 | 0 | 0 | 0 |
| Total | 37,906 | 19,367 | 5,045 | 10,749 | 1,287 | 1,480 | 37,927 |

SPECIAL PROJECTS - 2012/13 FINAL OUTTURN

| PROJECTS FINANCED FROM THE SPECIAL PROJECTS RESERVE | Capital / Revenue | Total Approved | Prior Years | Actual | Estimate | Estimate | Future | Total |
|---|----------------------|----------------|--------------|------------|------------|------------|------------|--------------|
| | | Budget | Exp | 2012/13 | 2013/14 | 2014/15 | years | Revised |
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Committed Special Revenue Projects | | | | | | | | |
| Corporate Property Maintenance | R | 536 | 499 | 5 | 31 | 0 | 0 | 536 |
| Play Areas - enhancements to strategic sites | R | 50 | 35 | 0 | 15 | 0 | 0 | 50 |
| Control of Asbestos Regulations Works - Corporate Buildings | R | 50 | 21 | 0 | 29 | 0 | 0 | 50 |
| Disability Discrimination Act Works - Corporate Buildings | R | 109 | 92 | 1 | 16 | 0 | 0 | 109 |
| Quality Bus Partnership (formerly Kickstart Bus Initiative) | R | 79 | 76 | 0 | 2 | 0 | 0 | 79 |
| Farthingloe/Western Heights - consultancy | R | 20 | 0 | 12 | 8 | 0 | 0 | 20 |
| ICT Solutions-Regen & Dev/Corp PA & Support | R | 50 | 0 | 32 | 18 | 0 | 0 | 50 |
| Capital projects in capital programme financed from reserve: | | | | | | | | |
| Provision allocated to capital programme to finance capital projects | C | 783 | 727 | 56 | 0 | 0 | 0 | 783 |
| | | 1,677 | 1,451 | 107 | 119 | 0 | 0 | 1,677 |
| Proposed Projects | | | | | | | | |
| Provision - possible abortive costs on unsuccessful Aylesham welfare scheme grant application (Cabinet 17 October 2005) | R | 8 | 0 | 0 | 8 | 0 | 0 | 8 |
| North Deal - Community based regeneration - Golf Rd/Cannon Str. Deal | R | 60 | 0 | 0 | 60 | 0 | 0 | 60 |
| Play Areas - Clarendon, Dover provision of new site (only to go ahead if S106 funding available) | R | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dover Port Community Charity Trust | R | 25 | 0 | 0 | 25 | 0 | 0 | 25 |
| Car Park Study | R | 25 | 0 | 0 | 25 | 0 | 0 | 25 |
| DES Efficiency Projects | R | 30 | 0 | 0 | 30 | 0 | 0 | 30 |
| Connaught Park Pond/Shelter | R | 36 | 0 | 0 | 36 | 0 | 0 | 36 |
| Parks - General Repairs (walls, fences, lakes, structures etc) | R | 81 | 0 | 0 | 25 | 25 | 31 | 81 |
| Cemetery Provision for Dover - consultancy | R | 10 | 0 | 0 | 10 | 0 | 0 | 10 |
| Farthingloe/Western Heights - consultancy | R | 10 | 0 | 0 | 10 | 0 | 0 | 10 |
| Corporate Property Maintenance | R | 200 | 0 | 0 | 50 | 50 | 100 | 200 |
| Corporate Property Maintenance - Contingency | R | 150 | 0 | 0 | 50 | 50 | 50 | 150 |
| Whitfield Office Lighting Replacement | R | 70 | 0 | 0 | 70 | 0 | 0 | 70 |
| Utilities Management for all Corporate Properties | R | 20 | 0 | 0 | 10 | 10 | 0 | 20 |
| Dover Tourism Signage Scheme | R | 20 | 0 | 0 | 20 | 0 | 0 | 20 |
| Big Screen | R | 20 | 0 | 0 | 20 | 0 | 0 | 20 |
| Proposed balance to transfer to capital projects | C | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Projects Subject to Approval/Appraisal | | 766 | 0 | 0 | 450 | 135 | 181 | 766 |
| GRAND TOTAL | | 2,443 | 1,451 | 107 | 568 | 135 | 181 | 2,443 |
| Special Projects Financing | | | | | | | | |
| Funded from Special Projects Reserve (see annex 7) | | 2,443 | 1,451 | 107 | 568 | 135 | 181 | 2,443 |
| TOTAL | | 2,443 | 1,451 | 107 | 568 | 135 | 181 | 2,443 |

| Remaining balance in Special Projects reserve | |
|---|--------------|
| Balance at 1 April 2012 | 1,240 |
| Proposed allocation to projects 2012/13 | -107 |
| Contribution to Olympic Torch Celebration | -97 |
| One-off allocation to fund 13/14 savings | -139 |
| General Fund contribution | 200 |
| Contribution to ICT Reserve | -150 |
| 09/10 O/s cr-Sandwich Quay PC-not required | 7 |
| Balance at 31 March 2013 | 955 |
| Proposed allocation to projects in 13/14 & future years | -884 |
| Repayment of 12/13 one-off allocation to fund 13/14 savings | 139 |
| Balance after future years allocations | 209 |

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