

5. OUTTURN 2015/16

REPORT OF: Head of Finance
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Wards Affected: All
Key Decision: No
Report to: Cabinet
6th June 2016

EXECUTIVE SUMMARY AND RECOMMENDATIONS

Purpose of Report

1. To inform Cabinet of the outturn position for the 2015/16 revenue and capital budgets.

Summary

2. At Cabinet on 1 February 2016 a projected net underspend of £441,000 was forecast, after allowing for the transfer of £178,000 to Specific Reserve approved at Council meetings last year. Further transfers to Specific Reserve totalling £400,000 were approved by Council on 24 February 2016, reducing the projected net underspend to £41,000.
3. Following closedown, the year-end position for 2015/16 now shows a net underspend of £437,000. This is before allowing for the proposed carry forward of budget requests and transfers to Reserves of Government grants and windfall income received since the last Report. (As detailed in paragraphs 13-18 of this report). If approved, this reduces the net underspend for the year to £283,000.
4. As Members know, income generally has been over performing this year, with the main contributors being Development Management and Car Parking income. However, in the last quarter of the year, the variance largely relates to additional rental income as well as increased income for Planning Fees, Land Charges, Licensing and the Garden Waste Service. This gives us another opportunity to earmark part of the 2015/16 underspend as detailed in paragraph 19 below. If Members approve these proposed transfers, the remaining net underspend for the year stands at £12,000.
5. Interest income during the year exceeded the original estimate of £346,000 by £148,000. This is mainly due to the unbudgeted dividends totalling £127,000, received for the £4m Local Authority Property Fund investment that took place at the end of July 2015. Of this total interest received for the year, £1,000 has been utilised (refer to paragraph 21) leaving a balance of £493,000.
6. The capital outturn position shows we have spent £989,000 more than originally anticipated due to timing of projects and a number of new S106 unbudgeted projects coming forward in year. An analysis of this is shown in Table 3 which shows programme slippage to 2016/17 of £140,000. Members will note that this is a considerable improvement on the previous year's slippage of £1,333,000. The total net expenditure on the Specific Items financed from Specific Reserve and the General Reserve for 2015/16 is set out in Appendix C of this report.

Recommendations

7. **Cabinet is asked to note the contents of this report, and to recommend to Council:**
- (i) that grant income as set out in paragraph 15 to 16 of this report be transferred to General Reserve;**
 - (ii) that grant income as set out in paragraph 17 of this report be transferred to Specific Reserve**
 - (iii) that windfall income as set out in paragraph 18 of this report be transferred to General Reserve;**
 - (iv) that balance of interest totalling £493,000 as set out in paragraph 21 is transferred to the General Reserve;**
 - (v) that the 2016/17 capital programme be increased by £140,000 as a result of slippage of some 2015/16 capital projects as detailed in Table 3.**
 - (vi) that the revenue underspending in 2015/16 be transferred to Reserves as follows:**
 - a) £73,000 be transferred to Reserves as set out in Table 1 and paragraph 14;**
 - b) £271,000 be transferred to Specific Reserves as set out in Table 2;**
 - c) £12,000 balance to be transferred to General Reserve**
 - (vii) that £80,655 be transferred from General Reserve to the Burgess Hill Growth Specific Reserve as set out in paragraph 20 of this report.**
 - (viii) That £117,675 be transferred to General Reserve as detailed in Appendix C General Reserve Table note 4 & 18.**
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Background

8. During 2015/16, Cabinet received five full Budget Management reports on 6 July 2015, 8 September 2015, 19 October 2015, 30 November 2015, and 1 February 2016. The last Budget Management report in February highlighted a potential underspending of £441,000, after allowing for the transfer of £178,000 to Specific Reserve approved at Council meetings last year, and recommended transfers to Specific Reserve totalling £400,000. These transfers were approved by Council on 24 February 2016, reducing the projected net underspend to £41,000.
9. Over the year, income has exceeded targets in a number of areas. However, the budget has continued to be tightly managed in order to ensure that financial targets are met without compromising service performance, and Management Team has achieved this objective.
10. Individual service budget outturns have been discussed with the appropriate Members and Officers. Members should note that this budget outturn links with the service performance outturn which will be separately reported to Members. Full details of service performance outturn for 2015/16 will be reported to the first meeting of Scrutiny Committee for the Leader and Service Delivery on 15 June in the usual way, and will then be considered by Cabinet at its meeting on 11 July 2016.

Revenue Spending 2015/16

11. The outturn for 2015/16, is an underspend of £437,000. This is £396,000 more than the latest forecast position of £41,000 reported to Cabinet on the 1st February 2016 (after £400,000 approved transfers to Reserves to Cabinet on 1st February 2016). The underspend of £437,000 is also before allowing for the proposed carry forward of budget requests (£73,000) and transfers to Reserves of Government grants and windfall income (£81,000) received since the last Budget Management Report. The outturn position is further detailed in Appendix A at the end of this report. Members should note that the underspend reduces to £283,000, after taking account of the transfers to Reserves set out in paragraphs 13-18 and further reduces to £12,000 after the proposed use of underspend detailed in Table 2 below.
12. The main variances were the result of increased income in a number of areas together with careful management of expenditure.

Proposed Carry Forward of Budgets

13. There are two requests to carry forward underspends in 2015/16. This is allowable when for unforeseen reasons, expenditure has not taken place in the financial year, but will take place in the following one. Generally, sums should not be placed into a specific reserve without a corresponding realistic spending plan. These proposed transfers to Specific Reserves are detailed in Table 1 below:

	£	Notes
Latent Defects	23,000	1
Bridge Road drainage works	50,000	2
Total	<u>73,000</u>	

Notes

1. Following the award of the new Leisure Contract, latent defects totalling £23,000 need to be actioned. This can be funded from £23,000 additional Leisure Contract income resulting from the recent agreement on the indexation sum for 2015/16 which was retrospectively applied for the year and not known at the time of setting the budget.
 2. The Budget Management report to Cabinet on 19th October 2015 identified a budget variation pressure of £80,000 for drainage works at Bridge Road. The water harvesting arrangements at the depot are complex and designed to meet the Council's sustainability aims. However, experience of using the building led to recommendations to further improve rainwater harvesting and aid the speedy disposal of waste water. Further to the report to Cabinet, specialist consultancy advice was obtained in year, with works now estimated at £50,000 to be carried out in 2016/17. It is therefore recommended that the £50,000 is transferred to a Specific Reserve for this purpose.
14. With regard to the items set out in Table 1, totaling £73,000, Cabinet is requested to recommend to Council the approval of these transfers.

Other Requests to Reserves

15. On 26th February 16 we received a grant totalling £8,103 from the Department of Communities and Local Government in respect of Transparency Code set up costs. This payment is not ring-fenced and Members are requested to approve the transfer of this sum to General Reserve.

16. Since the last Budget Management report to Cabinet in February, we have received a number of small grants totalling £4,650 from the Department of Communities and Local Government in respect of Council Tax Annexe Discount for Family Annexes (£2,904); Smoke and Carbon Monoxide Alarm (England) Regulations 2015 (£835); Repair and Renew grant (£325) for flood improvements to flood affected business and domestic properties and Council Tax Freeze Grant / Local Council Tax Support Grant (£586) relating to variances compared to budget. These grants are not ring-fenced and Members are requested to approve these transfers to General Reserve.
17. In February, grant totalling £55,000 was received from the Department of Communities and Local Government in respect of neighbourhood Planning costs. Members are requested to approve the transfer of this sum to a Specific Reserve created for this grant which will be used to support Neighbourhood Plans.
18. Since the last Budget Management report to Cabinet in February we have received a refund for electricity for Car Parks totalling £12,823 which relates to a prior financial year. Members are requested to approve the transfer of this unbudgeted windfall income to General Reserve.

Proposed Use of Revenue Underspend

19. In addition to the carry forward requests set out Table 1 above, Members may wish to consider earmarking part of the Revenue underspend for the items detailed in Table 2 below:

	£	<i>Notes</i>
Apprenticeship Fund	21,000	1
JE & VR Reserve	<u>250,000</u>	2
Total	<u>271,000</u>	

Notes:

- 1 This represents funding for 2 apprentices in 2016/17. It is requested that £21,000 is transferred to a Specific Reserve for this purpose.
- 2 The JE/VR reserve will be topped up in 16/17 from savings realised from staff departures although the impending implementation of Job Evaluation combined with a limited number of staff restructures will increase the use of the reserve in the short term. It is therefore considered prudent to increase the reserve in this period to allow for these objectives to be met and Members are requested that £250,000 is transferred to Specific Reserve for this purpose.

Burgess Hill Growth Reserve

20. Timing of costs incurred in relation to the Burgess Hill Growth work have meant that £80,655 of the earmarked Reserves sum of £440,000 approved to be spent in 2016/17 is required to fund expenditure in 2015/16. Therefore, part of this funding will need to be brought forward and Members are requested to approve the re-phasing of this expenditure from General Reserve over a two year period, being £80,655 in 2015/16 and the balance of £359,345 in 2016/17.

Interest

21. Interest receipts for the year are £494,000, £148,000 more than the original estimate. Of the total £1,000 has been transferred to the Specific Reserve in accordance with existing practice to part pay professional subscriptions. The remaining balance of £493,000 can then be transferred to General Reserve.

Treasury Management Interest

22. This report detailed the Treasury Management interest earnings for the year to be £369,000 at an average interest rate of 1.035%. This compares with a budgeted figure of £344,000 at 1.022%, being £25,000 more than the original estimate. This is mainly due to the interest rate return being slightly higher than anticipated, as well as average cash balances available for investment being higher than previously forecast. Further detail will be set out in a separate report to Audit Committee on 11 July 2016.

Local Authority Property Fund Dividends

23. Members will recall that on 30 July 2015 £4m was invested in the Local Authorities' Property Fund administered by the CCLA. Dividends on this investment are paid to the Council on a quarterly basis being due for the quarters ending 30 June; 30 September; 31 December and 31 March. Dividends received for 2015/16 totalled £127,077 and as unbudgeted income, this has contributed the majority of the £148,000 variance on interest against budget for the year. For 2015/16 only, the Dividend income will be transferred to General Reserve as detailed in paragraph 21 above. However, from 2016/17, Dividend income will be used to part finance the Revenue Budget.

General Reserve 2015/16

24. Reserves and cash balances are amounts held for future revenue or capital expenditure and are held to ensure the Council has sufficient cash resources for any unforeseen demands. The actual end of year cash position is £13.395 million and the contributions and use of reserves are shown in Appendix C. Members will remember the change in strategy that we adopted in 2009/10 to protect our reserves, when the projections were that we would be down below the minimum holding of £1.5m at March 2011. Since that time we have worked hard to rebuild the Council's Reserves and the year-end position reflects the success of that work and a significant improvement in our financial standing.

Specific items

25. Specific Items are sums, which are the responsibility of individual Heads of Service and identified for specific purposes. Whilst they do not directly influence Council Tax levels, their proposed utilisation is included in the Corporate Plan. The balance on the reserve for each Business Unit at the beginning of the year, together with the increases during the year (i.e. Contributions), how amounts have been applied (i.e. utilised) and explanations for the changes in year are shown in Appendix C. The total of Specific Items financed from the Specific Reserve and the General Reserve was £4,754,000.

Capital Spending

26. Actual capital spending for the year was £3,629,000. This was £989,000 more than the updated 2015/16 programme totalling £2,640,000, and was mainly due to a number of un-programmed projects. Details of spending for each service area are shown in Appendix D, together with reasons for variations over £10,000. A summary of the reasons for these differences is also shown in Table 3 below.
27. The slippage of £140,000 relates to delays in various Leisure projects totalling £67,000 which includes slippage of £44,000 on the Playground Improvements at Sunnyside Rec. Ground EG. In addition, slippage on ICT Projects totalled £48,000 and slippage on the Major Capital Renewals schemes amounted to £22,000. Further detail can be found in Appendix D of this report.

Table 3 : Capital Programme - Analysis of variation		
<i>Category</i>	<i>£'000</i>	<i>£'000</i>
2015/16 Revised Budget		2,640
A Slippage to 2016/17	(140)	
B Projects completed and underspent	(68)	
C Projects overspent	144	
D Non programmed projects	1,053	
Total difference		989
2015/16 Outturn		3,629

Category:

- A. Some projects, in whole or in part, have not been able to be progressed as originally intended. Unspent monies have therefore been rolled forward in order to ensure the completion of the projects.
- B. The final cost of projects was less than the revised budget.
- C. The final cost of projects was more than the revised budget.
- D. Projects that do not form part of the planned Capital Programme but which are authorised under delegated authority and financed from S106's.

POLICY CONTEXT

28. The outturn for 2015/16 shows actual financial performance against the original budget, which was approved within the context of the Financial Strategy. The 2015/16 budget was compiled in line with the Council's priorities. This policy context was explained in sections 1 & 2 of the Corporate Plan and Budget 2015/16 that was approved by Council on 25th February 2015. The Financial Procedure Rules require Heads of Service to assume operational responsibility for the Budget, and to make recommendations so that corrective action is taken, whilst ensuring changes from the original budget are reported in a way that makes sure any variations are both clear and transparent.

FINANCIAL IMPLICATIONS

29. This report is concerned in its entirety with the outturn financial position for each service area for 2015/16.

RISK MANAGEMENT IMPLICATIONS

30. This report has no specific implications for risk management. The recommendations are concerned primarily with the movement of reserves and slippage in the capital programme; neither of which change the risk profile of the authority.

EQUALITY AND CUSTOMER SERVICE IMPLICATIONS

31. There are none.

OTHER MATERIAL IMPLICATIONS

32. There are no legal implications as a direct consequence of this report.

Background Papers

Revenue Budget 2015/16
Final Accounts Working Papers for 2015/16.

Summary Of Revenue Spending Outturn for 2015/16					
Business Unit	Original	Revised		Outturn	
	budget	Budget*	Outturn	Variation	Notes in
	2015/16	2015/16	2015/16	from	Appendix
	£'000	£'000	£'000	Revised	
			Budget	£'000	
Performance and Partnerships	665	436	401	(35)	1
Corporate Estates and Facilities	(869)	(705)	(730)	(25)	2
Customer Services and Communications	0	229	217	(12)	3
CenSus ICT	(152)	(152)	(43)	109	4
Planning Policy & Economic Development	678	678	651	(27)	5
Development Management	591	591	200	(391)	6
Finance Accountancy	(8)	(19)	(32)	(13)	7
Finance Corporate	1,481	1,491	1,464	(27)	8
Human Resources & Payroll	0	0	1	1	9
CenSus Revenues & Benefits	1,836	1,835	1,860	25	10
Housing	908	908	936	28	11
Environmental Health	929	929	895	(34)	12
Building Control	232	232	208	(24)	13
Leisure, Community Services & Culture	439	449	406	(43)	14
Parking Services	(1,139)	(1,138)	(1,303)	(165)	15
Cleansing Services	2,856	2,856	2,770	(86)	16
Facility Management & Street-scene	2,067	1,894	1,886	(8)	17
Legal Services	0	0	(13)	(13)	18
Democratic Services	850	850	851	1	19
Land Charges	149	149	87	(62)	20
Planning & Building Control Support	0	0	(1)	(1)	21
Strategic Core	983	983	968	(15)	22
Benefits	(145)	(145)	(145)	0	23
Drainage Levies	13	13	13	0	
Balance Unallocated	26	26	0	(26)	24
Council Net Expenditure	12,390	12,390	11,547	(843)	**
Contribution to Rate Retention Scheme					
Equalisation Reserve	38	38	38	0	
Contribution to ICT Reserve	665	665	665	0	
Total Revenue Spending (before approved reserve transfers)	13,093	13,093	12,250	(843)	
Transfer to Specific Reserves (previously reported)	0	0	560	560	
Total Revenue Spending	13,093	13,093	12,810	(283)	***
Proposed utilisation of the Revenue					
Underspend as set out in Table 2 of this report			271	271	
Total	13,093	13,093	13,081	(12)	

* includes approved variations including any utilisation of Balance Unallocated

** after requests for carry forward of budgets (£73k -Table 1) and grants and windfall income transferred to reserves (£81k para. 13-18 main report) totalling £154k but before transfer to Specific Reserves approved during 15/16.

*** after requests for carry forward of budgets (£73k -Table 1) and grants and windfall income transferred to reserves (£81k - para. 13-18 main report) totalling £154k which has reduced the revenue underspend from £437k to £283k.

Forecast Budget Variations for 2015/16

	<i>Changes since last report in 2015/16</i>	<i>Notes</i>
	<i>£'000</i>	
Apr to Dec savings Cabinet	(619)	
Approved Transfers to Specific Reserve (July /Sept/October/November Cabinet)	178	
Approved Transfers to Specific Reserve (February Cabinet)	400	
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	(41)	
<i>Final Quarter Variations:</i>		
Performance and Partnerships - minor variations	(8)	1
Corporate Estates and Facilities – Property Income	(102)	2
Corporate Estates and Facilities – Repairs	(30)	2
Customer Services and Communications Staffing	14	3
Census ICT	36	4
Economic Development Grant Income	(10)	5
Planning Fee Income	(50)	6
Planning Consultants	32	6
Development Management minor variations	1	6
Finance Accountancy minor variations	(4)	7
Finance Corporate Consultants	(16)	8
Human Resources and Payroll - minor variation	1	9
Revenues and Benefits minor variations	(7)	10
Temporary Accommodation	10	11
Housing minor variations	(11)	11
Environmental Health Licence Fees	(20)	12
Environmental Health Staffing	(4)	12
Building Control Consultants	15	13
Building Control Staffing	9	13
Building control minor variations	2	13
Leisure and Community Services minor variations	(14)	14
Car Parks NNDR	(12)	15
Garden waste Income	(14)	16
Cleansing Services – Repairs to bins	(13)	16
Cleansing Services minor variations	4	16
Outdoor Facilities - Playgroup Income	(17)	17
Legal Services Staffing	(13)	18
Democratic Services Staffing	21	19
Land Charges – Income	(44)	20
Planning & Building Support minor variations	(1)	21
Strategic Core – minor variations	3	22
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	(283)*	

* includes proposed transfers to Reserves detailed in paragraphs 13-18 of this report totalling £154k which has reduced the revenue underspend from £437k to £283k.

Summary and explanation of Key Variances set out in Table above

The Summary of Revenue Outturn Table above shows the full year variance for each Business Unit. Explanation of variances identified for the first three quarters of the year have been reported to Cabinet in previous budget management reports received by Cabinet during 2015/16. Members should note that some of these variances have also been addressed as part of the Budget Process for 2016/17, and where budgets have been adjusted, the 2015/16 underspends are not expected to reoccur. However, now that the final accounts procedure has been completed a number of final variations have arisen. Explanations for these variances are detailed in the paragraphs below.

Performance & Partnerships

1. The last forecast position identified a saving of £27k. Since then there has been a further saving of £8k of which £4k relates to salaries and £4k for minor variations.

Corporate Estates and Facilities

2. A forecast year end pressure of £107k was identified at the last reported position. Since then savings of £132k have been achieved mainly from the receipt of supplementary rent for Market Place car park (£102k) and savings on repairs and maintenance (£30k).

Customer Service and Communications

3. The last reported forecast outturn position was a saving of £26k. This has reduced since then by £14k, resulting in a revised outturn saving of £12k. This is partly due to a lower than forecast saving on salaries together with minor variations.

CenSus ICT

4. Since the last reported position there has been a further pressure of £36k. £11k relates to higher than budgeted spend for printers and telephones, £20k for additional costs relating to the Census ICT partnership and £5k relates to minor variations.

Planning Policy & Economic Development

5. Planning Policy was projecting a £17k saving at the last reported position. Notification of additional grant income from West Sussex in the last quarter to support Gatwick Diamond Initiative (£10k) has increased the net saving to £27k.

Development Management

6. The last forecast position identified £374k net saving. Since then there has been a further saving of £17k. This is mainly due to additional Planning Fee income received in the last quarter (£50k) which is expected to continue pending approval of the District Plan. This income is partly offset by the additional costs of consultants in dealing with these applications, including legal advice (£32k).

Finance Accountancy

7. The last reported year-end forecast was a £9k saving. Since then a saving of £4k has occurred due to minor variations. Overall there is a saving of £13k.

Finance Corporate

8. The last forecast position identified a net saving of £11k. Since then there has been a further saving of £16k. £8k relates to lower than expected spend for External Audit fees compared to previous years and £8k lower than projected spend for VAT Consultants.

Human Resources & Payroll

9. Since the last reported position there has been a £1k pressure due to minor variations.

CenSus Revenues & Benefits

10. The last reported year-end forecast was a £32k pressure. A net saving of £7k has been identified in the last quarter due to a number of minor variations across the service, resulting in an outturn pressure of £25k.

Housing

11. This previously detailed a forecast pressure of £29k. There has been a further £10k Temporary Accommodation pressure in the last quarter, following the trend to date of more people in Temporary Accommodation. However, this has been more than offset by other minor variations across the service which have generated an £11k saving resulting in an outturn pressure of £28k.

Environmental Health

12. The last reported year-end forecast was a £10k saving. Since then a further saving of £24k has occurred, partly due to increased Licensing income (£20k) as result of an increase in applicants for Hackney carriage Licences (£16k) and other licences (£4k); and also due to staff savings (£4k) resulting from vacancies.

Building Control

13. The last reported forecast outturn position was a saving of £50k. This has reduced since then by £26K, resulting in a revised outturn saving of £24k. This outturn position is partly due to a reversal of staff savings previously reported (£9k) due the market enhancement of posts following recruitment difficulties, followed by the earlier than forecast recruitment into one of the vacancies. There was also a pressure of £15k for consultancy costs in the last quarter to cover work resulting from the vacant posts.

Leisure, Community Services & Culture

14. This previously detailed a forecast saving of £29k. Since then a further saving of £14k has been identified, resulting from a number of minor savings across the service.

Parking Services

15. The service was forecasting an over-achievement of income of £153k. Since then a further saving of £12k has been identified in respect of NNDR costs, resulting from an original overestimate of the cost of NNDR for the new parking site at Boltro Road pending a revaluation.

Cleansing Services

16. A £63k under spend was previously identified. There has since been additional income of £14k as a result of expanding the Garden Waste Service, and an underspend of £13k for bin repairs due to having to prioritise work on the Dog Bin Expansion capital project. This is offset by a pressure of £4k from minor variations, resulting in a final outturn position of £86k net saving.

Facility Management & Street scene

17. The last reported forecast position was an anticipated year-end pressure totalling £9k. Additional unforeseen Playgroup income was received in the last quarter (£17k), resulting in an outturn saving of £8k.

Legal Services

18. Since the last reported position there has been a saving of £13k due to lower than forecast spend on salaries.

Appendix A

Democratic Services

19. Since the last reported position of a saving of £20k there have been additional costs relating to electoral events and electoral registration which has resulted in additional spend of £21k.

Land Charges

20. Since the last reported position there has been a saving of £44k. This relates to additional income as a result of a surge in the housing market in the last 3 months of the financial year that has now fallen back to normal levels of activity.

Planning & Building Control Support

21. Since the last reported position there has been a saving of £1k due to minor variations.

Strategic Core

22. The last reported position was a saving of £18k. This has reduced by £3k as a result of a number of minor variations.

Benefits

23. No variation. (Refer Appendix B of this report).

24. Balance Unallocated

The budget remaining for balance unallocated of £26k was previously reported as a saving, leaving no further variation to report.

Benefits Outturn 2015/2016

(using Academy subsidy claim figures)

	2015/16 Original Budget	2015/16 Actual Outturn	Variation from Budget
Non HRA rent rebates			
	£	£	£
<i>gross expenditure</i>	71,000	108,623	37,923
net expenditure at standard subsidy	0	0	0
effect of reduced subsidy	4,000	10,537	6,537
effect of overpayments	(3,000)	(8,900)	(5,900)
Total Rent Rebates	1,000	1,636	636
Rent Allowances			
	£	£	£
<i>gross expenditure</i>	32,926,000	33,588,447	662,447
net expenditure at standard subsidy	0	0	0
effect of reduced subsidy	846,000	956,046	110,046
effect of overpayments	(927,000)	(1,068,849)	(141,849)
Total Rent Allowances	(81,000)	(112,803)	(31,803) 1
Discretionary Local Scheme			
Rent Allowances	26,000	6,995	(19,005)
Subsidy 75%	(20,000)	(5,246)	14,754
Total Discretionary scheme	6,000	1,749	(4,251)
Total Support	(74,000)	(109,418)	(35,418)
Less: LA Error Subsidy	(90,000)	(68,781)	21,219 2
Add : Adjustment to 13/14	0	2,039	2,039 3
Add : Adjustment to 14/15	0	205,425	205,425 3
DHP subsidy effect of Overpayments	0	(4,175)	(4,175) 4
Less: Funding to / (from) Benefits Equalisation Reserve	19,000	(170,090)	(189,090) 5
Cost to MSDC	(145,000)	(145,000)	0

Reasons for variation:

- (1) The budgeted effect of Rent Allowances allows for the collection of overpayments from benefits recipients as well as being able to claim a percentage in subsidy from Central Government. The budget was based on activity in 2012/13 with an allowance for an anticipated decrease in collection rates, resulting from the gradual transition to Local Housing Allowance, whereby the Housing benefit recipient changed from Landlord to Tenant. However, to date there has been no evidence of collection rates decreasing and there is therefore a significant surplus to budget relating to the collection of Rent Allowance overpayments.
- (2) The volume of Local Authority Error has increased to above the lower threshold, but is still below the upper threshold, which entitles us to 40% subsidy, as well as being able to recover the overpayment from the Benefit recipient. Maximum subsidy is only achieved when volumes are as close to the lower threshold as possible without exceeding it.
- (3) External Audit found errors in the 2013/14 and 2014/15 subsidy claims which when extrapolated resulted in further subsidy reductions totalling £207,464. This includes a further correction of 2013/14 of £2,039 following receipt of the final audited claim and an estimate from DWP of 2014/15 adjustment of £205,425.
- (4) Saving resulting from recovery of DHP overpayments as well as subsidy entitlement.
- (5) The benefits equalisation reserve is made up from prior year's surplus' and was set up to reduce the variances on the revenue budget caused by fluctuations in Benefits subsidy volumes. An adjustment is made to/(from) the reserve to bring the outturn position back to the required budget. An amount of £170,090 has been drawn from the equalisation reserve, compared to the £19,000 budgeted contribution, an adverse variation of £189,090. This is the result of an adverse adjustment in respect of the prior year's audited claims, which is only partially offset by better than anticipated Rent Allowance overpayment collection rates.

Use of Specific Reserve in 2015/16					
Description	Balance at 01/04/2015 £'000	Contributions In Year £'000	Utilised In Year £'000	Balance at 31/03/2016 £'000	Notes
Performance & Partnerships					
CCTV Fund	(70)	0	0	(70)	1
Corporate Estates and Facilities					
Asset management	(100)	(50)	54	(96)	2
Planned Asset maintenance Specific Reserve	(79)	(200)	57	(223)	3
Space Planning Oaklands	(30)	0	30	0	4
Asset Maintenance and Landscapes	(42)	0	35	(8)	5
WSCC Watercourse delegated function	(17)	0	0	(17)	6
Property Consultants	(14)	0	0	(14)	7
Bridge Road drainage works**	0	(50)	0	(50)	8
CenSus ICT					
Census ICT	(21)	0	0	(21)	9
ICT PSN related work	(7)	0	0	(7)	10
ICT reserve	0	(715)	315	(400)	11
Mobile device management project	0	(26)	26	0	12
PC Replacement	0	(10)	10	0	13
ICT - Replacement GIS Software	0	(25)	20	(4)	14
Business Digitalisation	0	(50)	0	(50)	15
Planning Policy & Economic Development					
SANG Project	(148)	0	96	(53)	16
Specialist Advise studies - Gatwick	(25)	0	0	(25)	17
Fifth wave Neighbourhood Plan Frontrunners	(5)	0	5	(0)	18
Neighbourhood Planning Non Frontrunners	(64)	(160)	132	(92)	19
Local Development Framework Reserve (Studies and EIP costs)	(200)	(255)	199	(256)	20
Economic Development	(3)	0	0	(3)	21
Neighbourhood Planning	(1)	0	1	(0)	22
Idox Obligation Tracker Migration	(8)	0	8	(0)	23
SAMM Fees	(113)	(101)	0	(214)	24
Burgess Hill Growth	0	(131)	131	0	25
Development Management					
Development Management Temporary Staff	(88)	0	5	(83)	26
Inspire hosted software solution	(7)	0	0	(7)	27
Planning GIS	0	(8)	8	0	28
Finance Accountancy					
FMS to move server costs	(2)	0	0	(2)	29
Icon Upgrade costs	0	(5)	0	(5)	30
Finance Corporate					
Insurance Reserve	(61)	0	0	(61)	31
JE and VR Reserve**	(100)	(250)	44	(306)	32
Audit Costs	(16)	0	0	(16)	33
Apprenticeship Fund**	0	(21)	0	(21)	34

Use of Specific Reserve in 2015/16					
Description	Balance at 01/04/2015 £'000	Contributions In Year £'000	Utilised In Year £'000	Balance at 31/03/2016 £'000	Notes
Human Resources & Payroll					
Employee Benefits	(1)	(7)	6	(2)	35
Corporate Training	(9)	0	0	(9)	36
CenSus Revenues & Benefits					
Localising Council Tax support admin	(110)	(19)	0	(129)	37
NDR pre95 Credits	(70)	0	0	(70)	38
Admin subsidy	(120)	0	0	(120)	39
Capita Modules	0	(18)	18	0	40
CenSus Consultancy	0	(50)	0	(50)	41
Housing					
Recyclable loan fund	(38)	(12)	2	(48)	42
Repossession and Eviction Prevention fund	(48)	0	0	(48)	43
Empty homes - works in default	(16)	0	0	(16)	44
CPO Fund for Empty Homes	(50)	0	0	(50)	45
County court desk	(37)	0	0	(37)	46
Leisure, Community Services & Culture					
Outstanding Insurance Claims	(2)	0	0	(2)	47
Capital Grants	(17)	0	0	(17)	48
Facility Grants	(51)	0	51	(0)	49
Economic & Community Development Fund	(128)	(100)	115	(113)	50
Crawley Down CCA	(118)	0	118	0	51
Leisure Reserve	0	(600)	0	(600)	52
Latent Defects**	0	(23)	0	(23)	53
Cleansing Services					
Recycling Quality Project	(10)	(30)	16	(24)	54
Facilities Management and Streetscene					
Invest to Save -Pavilions	(140)	0	93	(47)	55
Parks Improvement	0	(50)	0	(50)	56
Democratic Services					
District Elections	(146)	(42)	77	(111)	57
Civic Events	(2)	0	0	(2)	58
Individual Electoral Registration Grant	(51)	(59)	103	(8)	59
Land Charges					
Land Charges Development	(15)	0	0	(15)	60
Temporary staff for land searches	(2)	0	0	(2)	61

Use of Specific Reserve in 2015/16					
Description	Balance at 01/04/2015 £'000	Contributions In Year £'000	Utilised In Year £'000	Balance at 31/03/2016 £'000	Notes
Planning & Building Control Support					
Validation Officer Temporary staff	(25)	0	0	(25)	62
Corporate Funds					
Benefits Equalisation	(850)	0	170	(680)	63
Rate Retention Scheme Equalisation	(1,287)	(920)	343	(1,863)	64
Benefits & Council tax support scheme equalisation	(100)	0	0	(100)	65
Total Specific Reserves	(4,667)	(3,986)	2,286	(6,367)	

Figures in this table are subject to roundings to nearest £'000

**Subject to approval by Council as set out in recommendations of this report

- Reserve created to part-fund the upgrade of the existing CCTV system with additional contributions to be sought from partners, as agreed in a Budget Management Report to Cabinet on the 9th February 2015. There was no call on the reserve during 2015/16.
- This reserve is to cover the cost of work needed to enable the Council to make best use of its assets through disposals. In 2015/16 an additional contribution of £50,000 was approved from the revenue underspend 2015/16 to "top-up" this reserve as detailed in the Budget Management Report to Cabinet on the 30th November 2015. During the year £54,034 has been spent on site value appreciation leaving a balance of £95,917.
- Reserve created to fund planned 2014/15 asset maintenance works that were not able to be completed during the current year. In 2015/16 contributions included £50,000, as approved in the Corporate Plan & Budget Report 2015/16, and an additional contribution of £150,000 as detailed in the Budget Management Report to Cabinet on the 19th October 2015. £56,744 was utilised on drainage works and corporate maintenance in 2015/16 leaving a balance of £222,639.
- Reserve created to fund the Oaklands space planning capital project allowing modest improvements to office accommodation in the new financial year. In 2015/16 this Reserve has been fully utilised.
- Reserve created to fund the cost of purchasing and implementing the new property, asset maintenance and landscapes system. In 2015/16 £34,554 was utilised leaving a balance of £7,763.
- This Reserve was created at Outturn June 2014. This represents £25,000 received from WSCC for the watercourse delegated function which was earmarked for trash screens at Copthorne Golf Course. In 2014/15 £7,662 was utilised. In 2015/16 there has been no further utilisation of this Reserve.
- Approved at Cabinet 8th June 2015 as part of the Outturn Report 2014/15 to help meet the future cost of Property Consultants. There has been no call on this reserve during 2015/16.
- Refer Table 1 note 2 of main report.
- This reserve is required to fund costs of CenSus ICT projects which can straddle over different financial years. During 2014/15, £16,000 has been utilised to finance the MSDC Backup, GIS Disaster Rec & PSN work capital scheme. There has been no call on this reserve during 2015/16.
- Reserve created to fund the on-going Public Service Network (PSN) costs which are an essential requirement for creating the statutory secure government computer network. This was partly used in 2014/15. There was no call on the reserve during 2015/16.
- Reserve created to enable future development in ICT and related customer service software. £665,000 was approved as part of the Corporate Plan and Budget 2015/16. An additional contribution of £50,000 was approved from the revenue underspend 2015/16 to replenish this reserve as detailed in the Budget Management Report to Cabinet on the 1st February 2016. £315,280 was utilised in 2015/16 leaving a balance of £399,720.

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12. Reserve created to contribute to the cost of a new mobile device management project as detailed in the Budget Management Report to Cabinet on the 6th July 2015. In 2015/16 this Reserve has been fully utilised.
13. £10,000 was approved from the revenue underspend 2015/16 to help fund PC Replacement as detailed in the Budget Management Report to Cabinet on the 8th September 2015. . In 2015/16 this Reserve has been fully utilised.
14. £33,000 was transferred to Specific Reserve to fund a fully hosted web-based service. This was detailed in the Budget Management Report to Cabinet on the 19th October 2015. In 2015/16 £20,166 has been utilised. Refer paragraph 28.
15. £50,000 was approved from the revenue underspend 2015/16. This Reserve is to help support small businesses to use digital technologies as detailed in the Budget Management Report to Cabinet on the 1st February 2016. There has been no call on this reserve during 2015/16.
16. Reserve created in 2013/14 to meet the cost of creating and enhancing a Suitable Alternative Natural Green space (SANG). £95,500 was utilised in 2015/16 on SANG implementation costs leaving a balance of £52,800.
17. Reserve created in 2013/14 to commission specialist advice studies in respect of noise and other environmental impacts to allow MSDC to provide an informed contribution to any consultation relating to the possible expansion of Gatwick airport. There has been no call on this reserve in 2015/16.
18. This is grant money from DCLG in 2012 for the fifth wave of the Neighbourhood Planning Front Runners scheme. In 2015/16 this Reserve has been fully utilised.
19. The reserve shows the remaining balance of a grant received for Neighbourhood Planning was £63,957 at the start of the year. During the year grant income totalling £160,000 was received from the Department of Communities and Local Government (DCLG), of which £105,000 was previously reported in Budget Management to Cabinet 6th July 2015 (£35,000), Cabinet 19th October 2015 (£5,000) and Cabinet 1st February 2016 (£65,000). In 2015/16 £131,868 was utilised leaving a balance of £92,090.
20. The reserve shows the remaining balance of £199,847 at the start of the year. This Reserve is to help meet the costs of the District Plan and Community Infrastructure Levy examinations. In 2015/16 contributions included £105,000, as approved in the Corporate Plan & Budget Report 2015/16, and an additional contribution of £150,000 as detailed in the Budget Management Report to Cabinet on the 1st February 2016. £198,762 was utilised in 2015/16 leaving a balance of £256,085.
21. This reserve is available for economic development initiatives. There has been no call on this reserve in 2015/16.
22. The reserve is earmarked for Neighbourhood Planning Administration. In 2015/16, this Reserve has been fully utilised.
23. Approved at Cabinet 8th June 2015 as part of the Outturn Report 2014/15 to meet the cost of the migration of Obligation Tracker due to be completed by 30th June 2015. £7,847 was utilised in 2015/16 leaving a small balance of £153.
24. Approved at Cabinet 8th June 2015 as part of the Outturn Report 2014/15. This represents contributions collected from developers in respect of the Strategic Access Management and Monitoring tariff (SAMM) which is required to fund migration projects to be delivered by the Conservators of Ashdown Forest. In 2015/16 contributions totaled £101,108. The balance on this reserve, as at 31/3/16, was £214,110.
25. £50,000 was approved from the revenue underspend 2015/16 to help meet the costs of planning /legal consultants as part of the Burgess Hill housing and employment growth work as detailed in the Budget Management Report to Cabinet on the 19th October 2015. In 2015/16 this Reserve has been fully utilised. As the total costs relating to Burgess Hill Growth totalled £130,655 in 2015/16 a further contribution of £80,655 has been made from General Reserve as detailed in paragraph 20 of the main report.
26. Approved at Cabinet 8th June 2015 as part of the Outturn Report 2014/15. This reserve is to cover the cost temporary staff for a two year period which is required to meet the rising number of planning applications. £5,363 was utilised in 2015/16 leaving a balance of £82,637.
27. Reserve created in 2013/14 from grant received from DEFRA for local authorities to comply with a European directive to make spatial (GIS) data available. The reserve will meet the costs of purchasing a hosted software solution to fulfil our obligations. There has been no call on this reserve in 2015/16.
28. £33,000 was transferred to Specific Reserve to fund a fully hosted web-based service of which £8,350 was earmarked for Planning GIS, as detailed in the Budget Management Report to Cabinet on the 19th October 2015. Refer paragraph 14. In 2015/16 this Reserve has been fully utilised.

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29. Reserve created to fund the consultancy costs of moving FMS over to the new server as detailed in the 2013/14 Outturn report to Cabinet 2nd June 2014. In 2014/15, £3,984 has been utilised leaving a balance of £2,016. There has been no call on this reserve in 2015/16.
30. Reserve created to fund the bi-annual Icon upgrade costs of approximately £9,000. In 2015/16 £4,500 represented a budgeted contribution. There will be no call on this Reserve until 2016/17.
31. The insurance reserve is to be held for non- planned MSDC liability settlements. There has been no call on this reserve in 2015/16.
32. Reserve created to offset planned redundancy and job evaluation costs. £44,120 has been utilised to finance termination benefits in 2015/16. However, savings should be realised in 2016/17 as a result of staff savings resulting in replenishment of this Reserve. In addition, Table 2 note 2 of this report recommends an additional £250,000 be earmarked from the 2015/16 revenue underspend.
33. Reserve created to offset unbudgeted costs which may arise due to the uncertainty with regard to the total cost of External Audit services. In 2014/15, £24,083 has been utilised leaving a balance of £15,917. There has been no call on this reserve in 2015/16.
34. Refer Table 2 note 1 of main report.
35. The utilisation in 2015/16 totalling £5,605 is to fund professional qualification subscriptions. Contributions made to this reserve in year represent the annual budgeted sum of £6,000, and an additional amount of £1,032 which represents the difference between the average interest rates and the interest rate charged on personal loans being transferred to this reserve as a result of the 2015/16 final accounts exercise.
36. This reserve is to meet necessary training requirements over and above the Corporate Training budget. There has been no call on this reserve in 2015/16.
37. This reserve was set up to meet the additional administration costs in the transition to a Council Tax Support Scheme as reported to Cabinet on 9th July 2013. In 2015/16, a further grant have been received from the Department of Communities and Local Government totalling £18,869, as reported in Budget Management Report to Cabinet on 6th July 2015. During 2015/16, there has been no call on this reserve, leaving a balance of £129,199 to be spent in future years.
38. Earmarked amount of NNDR credits transferred from General Reserve to Specific Reserve as a contingency sum to cover possible future repayments. There had been no changes to this contingency in 2015/16.
39. This reserve was created from additional Administration Subsidy grant received in 2009/10 for future caseload pressures occurring in 2010/11 as agreed in the April to December Budget management report which went to Cabinet on the 8th February 2010. There has been no call on this reserve in 2015/16.
40. Reserve created to fund the purchase of Capita Modules as approved at CenSus Joint Committee in December 2014. Mid Sussex share of the £50,600 for 2015/16 is £18,000 which has been met from the revenue underspend and transferred to this Reserve as detailed in the Budget Management Report to Cabinet 6th July 2015. This has been fully utilised in 2015/16.
41. £50,000 was approved from the revenue underspend 2015/16 to help fund the specialist advice needed on the departure of Adur District Council from the Revenues and Benefits part of the CenSus Partnership, as well as advice needed to deal with future economic, social and technological change. This is detailed in the Budget Management Report to Cabinet on the 1st February 2016. . There has been no call on this reserve in 2015/16.
42. This reserve was created to augment the existing Housing Rent in Advance scheme, and be used in the form of a recyclable loan fund for eligible households. In 2015/16, a grant of £12,000 was received from West Sussex County Council for this scheme as reported in Budget Management Report to Cabinet 30th November 2015. In 2015/16 £1,927 has been utilised leaving a balance of £48,395.
43. This reserve was created from additional funding from the Department for Communities and Local Government towards a Repossessions Prevention Fund to provide small interest free loans to families or other measures to prevent homelessness as agreed in a Budget management report to Cabinet on the 6th July 2009. There was no call on the reserve during 2015/16.
44. £20,000 approved at Cabinet 11th April 2011 for empty homes funding. £4,170 was utilised in 2013/14 leaving a balance of £15,830 to be spent in future years. There has been no call for this reserve in 2015/16.
45. This CPO Fund for Empty Homes was approved by Council 27th February 2013 to be funded from New Homes Bonus monies. To date this reserve has not been utilised.

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46. Approved at Cabinet 6th June 11 in Outturn Report 2011/12, to fund additional resources to prevent homelessness in the future. There was no call on the reserve during 2015/16.
47. This reserve was created following the contract award for the management of the Leisure centres to Freedom/GLL to cover a few outstanding insurance claims which have not yet been settled by our insurers. In 2014/15, £7,785 has been used leaving a balance of £1,765. There was no call on the reserve during 2015/16.
48. This reserve represents the Capital grant which was approved by the Cabinet Grants Panel on 11th February 2009 for Ansty Village Hall, but not yet paid over. There was no call on the reserve during 2015/16.
49. This reserve equals the value of Facility grant awarded in February 2011 by the Cabinet Grants Panel for Rawson Hall, but not yet paid over. In 2015/16, £51,460 has been used on financing the Bolney Village Hall and Pavilion capital project, leaving a balance of £3.10.
50. The Reserve was set up to help meet the cost of Economic and Community Development related activities. During 2015/16 an additional £100,000 was approved from the revenue underspend. This consisted of two additional "top-up" contributions of £50,000 as agreed in a Budget management report to Cabinet on the 30th November 2015 and 1st February 2016 respectively. £114,893 has been utilised in year leaving a balance of £113,364.
51. Approved at Cabinet 8th June 2015 as part of the Outturn Report 2014/15. This reserve was created to provide financial support to Crawley Down Community Centre Association to enable this body to be released from its MSDC mortgage commitment entered into in the 1980s. In 2015/16 only £4,133 was utilised in relation to interest on outstanding mortgage. The balance has been returned to General Reserve.
52. £600,000 was approved as part of the Corporate Plan and Budget Report 2015/16. The Leisure Reserve was created to enable investment in the Council's Leisure Centres. In 2015/16 the budgeted contribution of £600,000 was transferred to this reserve. There was no call on the reserve during 2015/16.
53. Refer Table 1 note 1 of main report.
54. £9,618 was approved at Cabinet 8th June 2015 as part of the Outturn Report 2014/15 for the Recycling Quality Project which was not completed at the end of 2014/15 due to its delayed start. In addition a contribution of £30,000 was approved in the Corporate Plan from General Reserve. £15,699 has been utilised in 2015/16.
55. This reserve was originally set up for the improvement works to pavilions as set out in the Proposal for in-year investment projects report to Cabinet 16th October 12. A further top of £200,000 was added to this reserve in 2013/14. In 2015/16 £86,033 on revenue invest to save works and £6,896 was used to finance the Capital Programme. A balance of £47,238 remains at year end.
56. £50,000 was approved from the revenue underspend 2015/16 to help enable improvements to benches, bins and picnic tables in the play areas, leisure parks, sports sites and open spaces. This is detailed in the Budget Management Report to Cabinet on the 1st February 2016. There was no call on the reserve during 2015/16.
57. This reserve represents the annual contribution made from revenue to meet the future costs of District Elections. During the year the Reserve was topped up by the annual budgeted sum of £42,455. £77,195 has been utilised during 2015/16 leaving a balance of £111,048.
58. This reserve is earmarked to offset additional costs for the Chairman's civic events. There was no call on the reserve during 2015/16.
59. This reserve holds the non-ring fenced grants received from the Cabinet Office to cover the cost of the move to Individual Electoral Registration (IER). In 2015/16 £59,190 was received from the Cabinet Office to cover 2nd year costs associated with the ongoing transition to IER as reported in Budget Management Cabinet 6th July 15. During the year, a total of £102,503 has been used. Of this total, £17,000 has been utilised to finance the Elections Server capital project, and £85,503 has been utilised in revenue leaving a balance of £7,818 on this Reserve.
60. This reserve was created to hold a grant which was received by MSDC from the Department for Communities and Local Government to support Local Authorities following legislative changes revoking statutory Personal Search fees within Land Charges. There was no call on the reserve during 2015/16.
61. Approved at Cabinet 8th June 2015 as part of the Outturn Report 2014/15. This reserve was created to cover the increased cost of a temporary Local Land Charges Assistant required due to increased volume of searches.. There was no call on the reserve during 2015/16.
62. Approved at Cabinet 8th June 2015 as part of the Outturn Report 2014/15. This reserve is to cover the cost of a temporary Validation Officer required to cover the increased workload in the Planning and Building Control Support Team.. There was no call on the reserve during 2015/16.

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63. This reserve is available to smooth out any variations year on year, in the Benefits outturn position, reducing the impact on the Council of any possible adverse effects after the final Benefits claim for the year is audited. This reserve reduced by £170,090 in 2015/16 as a result of an adverse adjustment in respect of the prior year's audited claim (refer Appendix B of this report).
64. This reserve is available to smooth out any variations year on year as a result of the actual RRS being less than the budgeted figure for 2015/16. In 2015/16 contributions totalled £919,514, including £38,000 as approved in the Corporate Plan and Budget 2015/16. £842,038 relates to DCLG grants such as the NNDR1 Section 31 Payment on Account, Small Business Rate Relief, and Empty Property Relief. The balance of £39,476 is the NNDR3 adjustment on £842,038 mentioned above (i.e. a S31 grant accrual for 2015/16). £343,115 has been utilised in 2015/16. £141,957 of this relates to levy accruals (£11,419 for 2014/15 and £130,538 being NNDR3 levy accrual 2015/16) and the balance of £201,158 is the transfer to match the 2015/16 NNDR income budget as detailed in the Corporate Plan.
65. This reserve is available to smooth out any variations year on year as a result of the actual Council Tax Support scheme income being less than the budgeted figure for 2015/16. In 2015/16 there has been no call on this reserve.

Use of General Reserve in 2015/16					
Description	Balance at 01/04/2015 £'000	Contributions In Year £'000 y635	Utilised In Year £'000 y636	Balance at 31/03/2016 £'000	Notes
Unallocated Balance:	(8,373)				
DCLG –New Burdens grant payments**	0	(114)	0		1
Windfall income –Prior year Oaklands Service Charge income.	0	(19)	0		2
DCLG –Other grants received in year**	0	(11)	0		3
Transfers (from) /to Specific Reserves**	0	(114)	139		4
Windfall income –Prior year Utility Refund Oaklands**	0	(13)	0		5
Part reversal of 2014/15 transfers back to General Reserve from Council Tax Suspense	0	0	9		6
Annual contribution to General Reserve for MCR	0	(450)	0		7
Interest received in 2015/16**	0	(494)	1		8
Transfers back to General Reserve **	0	(21)	0		9
New Homes Bonus	0	(3,263)	262		10
Burgess Hill Growth Reserve up-front funding in 2015/16**	0	0	81		11
Capital Financing	0	0	1,973		12
Underspend 2015/16	0	(12)	0		13
Total Unallocated Balance	(8,373)	(4,510)	2,464	(10,419)	
Historic Building Loans	(24)	0	0	(24)	14
Commuted Sums – Cemetery Maint.	(1)	0	0	(1)	
Commuted Sums – Open Spaces Maint.	(2,120)	(76)	0	(2,196)	15
Commuted Sums – Culverts Maint	(101)	0	0	(101)	
SAMM in perpetuity	(264)	(229)	0	(493)	16
SANG in perpetuity	(38)	(122)	0	(161)	17
Car Loans**	(4)	0	4	0	18
Total General Reserve	(10,925)	(4,937)	2,468	(13,395)	

*Figures are subject to roundings to nearest £'000

**Subject to approval by Council as set out in recommendations of this report

Cabinet 6 June 2016

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Notes:

1. Non-ring fenced DCLG grants transferred to General Reserve. As set out in Budget Management Report to Cabinet 6th July 2015, £3,044 is in respect of Right to Move New Burdens grant. £107,836 relates to Property Searches New Burdens funding as reported in the Budget Management Report to Cabinet 8th September 2015 (£8,544) and Cabinet 1st February 2016 (£99,292), and £2,904 relates to Council Tax Annexe discount Burden (refer paragraph 16 of main report).
2. This windfall income relates to the receipt of an Oaklands Service charge for WSCC which relates to a prior financial year as detailed in the Budget Management Report to Cabinet 30th November 2015.
3. Non-ring fenced DCLG grants transferred to General Reserve. Of this total £761 is in respect of Redress scheme grant as reported in Budget Management report to Cabinet 1st February 2016, £8,103 relates to S31 grant for Transparency code set up (refer paragraph 15 of this report),. In addition, £325 relates to Repair and Renew grant, £835 for smoke and Carbon Monoxide Alarm (England) Regulations 2015 and £586 relating to Council Tax Freeze Grant / Local Council Tax Support Grant variances compared to budget. (refer paragraph 16 of main report).
4. £26,000 was transferred to Specific Reserve to contribute to the cost of a new mobile device management project as detailed in the Budget Management Report to Cabinet on the 6th July 2015. £33,000 was transferred to Specific Reserve to fund a fully hosted web-based service. (£8,000 to Planning GIS Specific Reserve and £25,000 to the ICT Replacement of GIS software Specific Reserve). This was detailed in the Budget Management Report to Cabinet on the 19th October 2015. In addition, £50,000 was approved as part of the Corporate Plan and Budget Report 2015/16 for Planned Asset Maintenance.(refer note 3 Specific Reserves). . £30,000 was transferred to Specific Reserve for the Recycling Quality Project as detailed in Table 1 note 3 of Outturn Report to Cabinet 8 June 2015. £113,867 was transferred back from the Crawley Down CCA reserve a result of yearend accounting adjustments.
5. This windfall income totalling £12,823.18 relates to the prior year utility refund for Oaklands (refer paragraph 18 of main report).
6. In 14/15 unidentified Council Tax income totalling £13,244 was transferred to General Reserve. In 2015/16 £9,117 has subsequently been identified to Council Tax accounts resulting in the reversal of part of the original transfer.
7. This is the annual contribution budgeted to be paid to General Reserve for Major Capital Renewals (MCR).
8. Total interest received in 2015/16 of £494,000, and £1,032.04 was transferred to the Employee Benefits Specific Reserve (refer note 36 above).
9. Car bond Contingency Reserve no longer required. Balance returned to General Reserve (£3,808). Balance is accounting adjustment to clear revenue as part of year-end closedown.
10. £3,262,709 New Homes Bonus monies have been received in 2015/16. £261,665 has been used on capital financing of Disabled Facilities Grants (DFGs) in the year.
11. £80,655.31 additional cost of Burgess Hill Growth in 2015/16 met from approved General Reserve funding of £440,000 brought forward from 2016/17. As £440,000 was approved in the Corporate Plan and Budget 2016/17 report to Council 24th February this brought forward funding from General Reserve means that the £440,000 will be spent over two years (£80,655.31 in 2015/16 and the balance of £359,344.70) rather than in 2016/17 only .
12. Being the amount utilised to finance the capital programme.
13. Refer Recommendation 7 (vi)c of this report.
14. Relates to transfer to/from General reserve relating to part repayment of Historic building loans.
15. These contributions totalling £76,011 relate to Wilderness Field, Newton Road Lindfield.
16. Earmarked reserve to help future costs SAMM. In 2015/16, £229,039 has been added to this reserve.
17. Earmarked reserve to help meet costs of SANG. In 2015/16, £122,278 has been added to this reserve.
18. Car bond Contingency Reserve no longer required. Balance returned to unallocated General Reserve (£3,808).

Appendix D

Capital Programme Outturn 2015/16						
Scheme Description	2015/16	2015/16	2015/16	Variance on	Category	Notes
	Original	Revised	Outturn	Revised		
	Budget	Budget		Budget		
	£'000	£'000	£'000	£'000		
Leisure & Sustainability						
Invest to Save Improvement works to Pavilions- East Court Roof & outdoor play area	0	16	7	(9)	A	
Footpath works at Beech Hurst Gardens	0	1	0	(1)	B	
Bolney Village Hall	0	52	51	(1)	B	
Improvement works to Open Space at Spring Copse EG	0	8	5	(3)	A	
Playground Improvements at Hollands Way EG	0	0	(2)	(2)	B	
Playground Improvements at Sandy Vale Haywards Heath	0	36	36	0		
Playground Improvements at St Johns Park Burgess Hill	15	15	6	(9)	A	
Playground Improvements at Wisden Avenue Burgess Hill	16	16	16	0		
Playground Improvements at Richmond Way East Grinstead	19	19	19	0		
Playground Improvements at Parklands Hassocks	12	12	10	(2)	A	
Playground Improvements at Sunnyside Rec Ground, EG	44	44	0	(44)	A	1
Purchase of Dog Bins	21	11	11	0		
Woodside Pavilion Bolnore Village	0	18	17	(1)	B	
Finches Field Community Building Pavilion & Car Park	528	0	0	0		
Beech Hurst Café Renovation	0	3	0	(3)	B	
Total Leisure & Sustainability	655	251	176	(75)		
ICT & CenSus (ICT, Revenues & Benefits)						
PC replacement programme	25	35	37	2	C	
Replacement of GIS	47	0	0	0		
CenSus Capital Strategy	0	1	0	(1)	B	
CenSus SAN disk expansion	0	3	0	(3)	B	
Census ICT - Implement Redhat Linux	8	22	0	(22)	A	2
Census ICT - Additional Disk Capacity	0	2	0	(2)	B	
Census ICT - Server 2003 replacement	0	38	26	(12)	B	3
Census ICT - Wireless Resilience Projects	0	6	0	(6)	B	
Census Strategy -Disaster Recovery	25	11	5	(6)	A	
Protective Monitoring software	0	20	0	(20)	A	4
Census Capita Modules	0	18	19	1	C	
Total ICT & CenSus (ICT, Revenues & Benefits)	105	156	87	(69)		
Legal Services, Democratic Services and Land Charges						
Modernisation of corporate records	56	22	21	(1)	A	
Replacement Electoral Management System software	0	18	17	(1)	B	
Total Legal, Democratic Services and Land Charges	56	40	38	(2)		
Corporate Estates & Facilities						
Replacement refuse and recycling depot	0	5	(5)	(10)	B	5
Bridge Road - business starter units	203	1,148	1,148	0		
Oaklands Invest to save - electrical works	0	3	1	(2)	A	
Land Acquisition	0	0	474	474	D	6
Total Corporate Estates and Facilities	203	1,156	1,618	462		
Total schemes	1,019	1,603	1,919	316		

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Capital Programme Outturn 2015/16						
Scheme Description	2015/16	2015/16	2015/16	Variance on	Category	Notes
	Original	Revised	Outturn	Revised		
	Budget	Budget		Budget		
	£'000	£'000	£'000	£'000		
Major Capital Renewals(MCR)						
Space Planning & Office Moves (previously "Data Cabling works, Oaklands)	217	62	58	(4)	A	
Holye Road Balancing Pond, East Grinstead	0	5	5	0		
Re-surfacing Cyprus Road Car Park, Crescent Road -Old and New	100	195	182	(13)	B	7
Oaklands - New automatic doors to main entrance	10	0	0	0		
Drainage capital works	55	43	25	(18)	A	8
Orchards Shopping Centre Car Park	0	159	156	(3)	B	
Oaklands old building-roof replacement	0	9	9	0		
Oaklands - DDA works to Oaklands	70	0	0	0		
Oaklands - Generator & Associated works	75	0	0	0		
Asset Acquisition	4,000	0	0	0		
Major Capital Renewals Unallocated Funding	0	9	0	(9)	B	
Total Major Capital Renewals (MCR)	4,527	482	435	(47)		
Total Service Programme	5,546	2,085	2,354	269		
Housing Services						
Disabled Facility Grants	835	550	691	141	C	9
Affordable Housing	500	5	5	0		
Total Housing Services Programme	1,335	555	696	141		
Total Programme	6,881	2,640	3,050	410		
Non-Programmed Capital						
WSCC Imps to Hurstpierpoint High Street	0	0	101	101	D	10
Queen Elizabeth Ave Banners & Lighting	0	0	12	12	D	11
EG Rugby Club single story extension	0	0	1	1	D	12
EG Cricket Club - Cricket nets imp	0	0	2	2	D	13
Junior Football Pitch Aadastra - Hassocks PC	0	0	3	3	D	14
Green Circle BH Improvements	0	0	5	5	D	15
1st Hurstpierpoint Scouts extension	0	0	3	3	D	16
East Grinstead Sports Club - Boiler	0	0	8	8	D	17
Trinity Methodist Church AV equipment	0	0	13	13	D	18
Cuckfield PC Ardingly Rd Traffic Management	0	0	50	50	D	19
Sayers Common Noticeboard - HPP & SC PC	0	0	2	2	D	20
Worth PC - Car Park Improvements	0	0	63	63	D	21
St John Evangelist Church Copthorne Imps	0	0	25	25	D	22
Crawley Down Community Centre Auto Doors	0	0	9	9	D	23
Crawley Down Monday Club Mini Bus	0	0	6	6	D	24
Worth PC - Defibrillators	0	0	4	4	D	25
St Swithuns Parish Church Wall - EGTC	0	0	44	44	D	26
Worth PC Noticeboards	0	0	6	6	D	27
Bolnore Comm Part Start Up Cost/Equip	0	0	6	6	D	28
Whitemans Green Roundabout - WSCC	0	0	54	54	D	29
Bus Access Imps EG Railway Station - WSCC	0	0	47	47	D	30
Balcombe Road Traffic Management - WSCC	0	0	70	70	D	31
Worth PC - Bus Shelter	0	0	5	5	D	32
Worth PC - Laser Gun	0	0	2	2	D	33

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Capital Programme Outturn 2015/16						
Scheme Description	2015/16	2015/16	2015/16	Variance on	Category	Notes
	Original	Revised	Outturn	Revised		
	Budget	Budget		Budget		
	£'000	£'000	£'000	£'000		
Crawley Down Football Club Maintenance Equipment & Catering stand	0	0	12	12	D	34
Felbridge & Sunnyside Cricket Club Pitch roller	0	0	1	1	D	35
Worth PC - Play equipment at Copthorne Bank	0	0	9	9	D	36
HH Twinning Assoc - Railway Anni Mosaic	0	0	1	1	D	37
EG TC - inclusive play equipment East Court	0	0	14	14	D	38
Haywards Heath Cricket Club mobile cricket nets	0	0	1	1	D	39
Total Non-Programmed Capital	0	0	579	579		
Grand Total	6,881	2,640	3,629	989		

1. Site remained exceptionally wet during 2015/16 and as this scheme required the movement of heavy lorries, poor ground conditions delayed completion of the scheme into the spring. As works will now commence in the new year, the scheme has been slipped to 2016/17.
2. Project delayed in order to accommodate work priorities within CenSus Revenues and Benefits. Therefore, this scheme has been slipped to 2016/17.
3. The spend for this project has been lower than budgeted.
4. This project has been rescheduled to 2016/17.
5. Retention which was accounted for in 14/15 and is not being released.
6. Funded from General Reserve
7. Main contract value lower than budgeted amount.
8. There are further drainage works to be carried out and therefore part of this budget needs to be slipped into 2016/17.
9. The original Budget for DFGs was £835k for 2015/16. However, an assessment of demand at the start of the year led to a saving being reported of £285k (Cabinet 8th September 16), leaving a revised budget of £550k. However, an increase in referrals from Occupation Therapists later in the year has led to an overspend against the revised budget of £141k.
10. Payment of Sustainable Transport (TAD) (P35/748 £17,675 & P35/778 £83,496) S106 monies to West Sussex County Council (WSSCC) to fund improvements to Hurstpierpoint High Street as agreed under delegated authority by Cabinet Member for Planning (refer MIS 32 27th February 2015).
11. Payment of Local Community Infrastructure contributions (P35/727 £11,862) S106 monies to Burgess Hill Town Council for the Queen Elizabeth Avenue Banners & Lighting, as agreed under delegated authority by the Cabinet Member for Planning on 13th June 2013 (refer MIS 24a 14th June 2013).
12. Payment of Formal Sport contributions (P35/709 £576) S106 monies to East Grinstead Rugby Club to build a single story extension, as agreed by the Cabinet Grants Panel on 10th October 2012 (refer MIS 41a 12th October 2012).
13. Payment of Formal Sport contribution (P35/709 £1,613) S106 monies to East Grinstead Cricket Club to improve the outdoor training facilities, as agreed by the Cabinet Grants Panel on 30th May 2013 (refer MIS 23a 7th June 2013).
14. Payment of Formal Sport contribution (P35/750 £2,522) S106 monies to Hassocks Parish Council to fund new pitch drainage works in Adastra Park, as agreed under delegated authority by the Cabinet Member for Leisure and Sustainability on 23rd December 2014 (refer MIS 52 29th December 2014).

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15. Payment of Informal Space contributions (P35/491 £5,450) S106 monies to Burgess Hill Town Council towards improvements to the Green Circle Network, as agreed under delegated authority by the Cabinet Member for Planning on 15th April 2015 (refer MIS 15 15th April 2015).
16. Payment of Community Building contribution (P35/544 £2,863) S106 monies to 1st Hurstpierpoint Scout Group towards an extension to their Headquarters, as agreed by the Cabinet Grants Panel on 12th September 2013 (refer MIS 37 18th September 2013).
17. Payment of Formal Sport Contributions (P35/637 £2,731, P35/623b £1,371 & P35/633b £3,840) S106 monies to East Grinstead Sports Club towards replacement boilers, as agreed by the Cabinet Grants Panel on 16th January 2014 (refer MIS 03 22nd January 2014).
18. Payment of Community Building contribution (P35/667 £12,614) S106 monies to Trinity Methodist Church to install audio visual equipment, as agreed by the Cabinet Grants Panel on 13th January 2015 (refer MIS 04 28th January 2015).
19. Payment of Sustainable Transport (TAD) contribution (P35/688 £50,002) S106 monies to Cuckfield Parish Council towards Ardingly Road Traffic Management Scheme, as agreed under delegated authority by the Cabinet Member for Planning in March 2015 (refer MIS 10a 13th March 2015).
20. Payment of Local Community Infrastructure contribution (P35/748 £1,504) S106 monies to Hurstpierpoint and Sayers Common Parish Council for a Noticeboard in Sayers Common, as agreed under delegated authority by the Cabinet Member for Planning in June 2015 (Refer MIS 023 10th June 2015).
21. Payment of Local Community Infrastructure contributions (P35/728 £51,779, P35/654 £5,785, P35/690 £4,620 & P35/717 £615) S106 monies to Worth Parish Council to build a new car park in Crawley Down, as agreed by the Cabinet Grants Panel on the 15th September 2014 (refer MIS 38 24th September 2014).
22. Payment of Community Buildings contributions (PL12-000170 £4,592 & P35/728 £20,308) S106 monies to St John the Evangelist Church, Copthorne to install a lift, kitchen, audio equipment, rainwater harvesting and a cycle shed, as agreed by the Cabinet Grants Panel on the 13th January 2015 (refer MIS 04 28th January 2015).
23. Payment of Community Building contributions (PL12-000170 £1,250, P35/690 £3,548 & P35/654 £4,202) S106 monies to Crawley Down Community Centre to install automatic doors, as agreed by the Cabinet Grants Panel on the 13th January 2015 (refer MIS 04 28th January 2015).
24. Payment of Sustainable Transport (TAD) contributions (P35/759 £3,500 & P35/323 £2,500) S106 monies to Crawley Down Monday Club towards a replacement community minibus, as agreed under delegated authority by the Cabinet Member for Planning on 26th June 2015 (refer MIS 26 1st July 2015).
25. Payment of Local Community Infrastructure contributions (P35/679 £2,250 & PL13-000562 £2,250) S106 monies to Worth Parish Council towards two defibrillators, as agreed under delegated authority by the Cabinet Member for Planning in August 2015 (refer MIS 032 12th August 2015).
26. Payment of Local Community Infrastructure contributions (P35/667 £20,833, P35/680 £17,645 & P35/633b £5,046) S106 monies to St Swithun's Parish Church, East Grinstead to repair the church wall, as agreed by the Cabinet Grants Panel on 13th January 2015 (refer MIS 04 28th January 2015).
27. Payment of Local Community Infrastructure contributions (P35/759 £2,750 & P35/679 £3,505) S106 monies to Worth Parish Council for the purchase of noticeboards, as agreed under delegated authority by the Cabinet Member for Planning on 26th February 2015 (refer MIS 08a 27th February 2015).
28. Payment of Formal Sport contribution (P35/595 £6,483) S106 monies to Bolnore Community Partnership start-up costs and equipment, as agreed by the Cabinet Grants Panel on 15th September 2014 (refer MIS 38 24th September 2014).
29. Payment of Sustainable Transport (TAD) contributions (P35/661 £24,459, P35/688 £24,052 & P35/737 £5,522) S106 monies to West Sussex County Council towards the Whitemans Green, Cuckfield Roundabout, as agreed under delegated authority by the Cabinet Member for Planning on 29th September 2015 (Refer MIS 39 30th September 2015).
30. Payment of Sustainable Transport (TAD) contribution (P35/694 £46,624) S106 monies to West Sussex County Council towards the bus access improvements at East Grinstead Railway station, as agreed under delegated authority by the Cabinet Member for Planning on 29th September 2015 (Refer MIS 39 30th September 2015).
31. Payment of Sustainable Transport (TAD) contributions (P35/434 £54,014 & P35/763 £16,305) S106 monies to West Sussex County Council towards the Balcombe Road traffic management scheme, as agreed under delegated authority by the Cabinet Member for Planning on 29th September 2015 (Refer MIS 39 30th September 2015).

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32. Payment of Sustainable Transport (TAD) contributions (P35/679 £2,250, P35/759 £1,995 & PL13-000562 £1,050) S106 monies to Worth Parish Council towards a bus shelter, as agreed under delegated authority by the Cabinet Member for Planning on 26th June 2015 (Refer MIS 26 1st July 2015).
33. Payment of Sustainable Transport (TAD) contribution (P35/679 £1,973) S106 monies to Worth Parish Council for a Laser Speed Detection System, as agreed under delegated authority by the Cabinet Member for Planning on 17th August 2015 (Refer MIS 33 19th August 2015).
34. Payment of Formal Sport contribution (P35/728 £11,994) S106 monies to Crawley Down Football Club for maintenance equipment and a catering stand, as agreed by the Cabinet Grants Panel on 15th September 2014 (refer MIS 38 24th September 2014).
35. Payment of Formal Sport contribution (P35/501 £879) S106 monies to Felbridge and Sunnyside Cricket Club to purchase grounds maintenance equipment, as agreed by the Cabinet Grants Panel on 15th September 2014 (refer MIS 38 24th September 2014).
36. Payment of Play Space contributions (P35/323 £1,856 & P35/580 £7,550) S106 monies to Worth Parish Council for new play equipment at Copthorne Recreation Ground, Copthorne Bank, as agreed under delegated authority by the Cabinet Member for Leisure and Sustainability on 13th March 2015 (refer MIS 11 18th March 2015).
37. Payment of Public Art contribution (P35/648b £1,020) S106 monies to Haywards Heath Twinning Association for the 175th Railway Anniversary Mosaic project, as agreed by the Cabinet Grants Panel on 12th January 2016 (refer MIS 03 20th January 2016).
38. Payment of Play Space contributions (P35/633b £8,244 & P35/743 £6,217) S106 monies to East Grinstead Town Council for inclusive play equipment at East Court, East Grinstead, as agreed under delegated authority by the Cabinet Member for Leisure and Sustainability on 29th September 2015 (refer MIS 40 7th October 2015).
39. Payment of Formal Sport contributions (P35/339 £1,194) S106 monies to Haywards Heath Cricket Club towards mobile cricket nets, as agreed by the Cabinet Grants Panel on 12th January 2016 (Refer MIS 03 20th January 2016).