

X. OUTTURN 2016/17

REPORT OF: Head of Finance
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Wards Affected: All
Key Decision: No
Report to: Cabinet
8th May 2017

EXECUTIVE SUMMARY AND RECOMMENDATIONS

Purpose of Report

1. To inform Cabinet of the outturn position for the 2016/17 revenue and capital budgets.

Summary

2. At Cabinet on 13 February 2017 a projected net underspend of £563,000 was forecast, after allowing for the transfer of £20,000 to Specific Reserve approved at Council on 21 September 2016. Further transfers to Specific Reserve totalling £500,000 were approved by Council on 1 March 2017, reducing the projected net underspend to £63,000.
3. Following closedown, the year-end position for 2016/17 now shows a net underspend of £858,000. 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 14-21 of this report). If approved, this reduces the net underspend for the year to £425,000.
4. As Members know, income has been over performing this year, with the majority of this being related to the purchase of The Orchards Shopping Centre in November. In addition, there was over-performance of income in Development Management and Car Park Charges. In the last quarter of the year, the variance includes increased income for Planning Fees, Land Charges, Legal and the Garden Waste Service. There has also been a reduction on previously reported pressures in Temporary Housing and Planning Consultants and further savings on some expenditure budgets such as Audit and ICT. This gives us a further opportunity to earmark part of the 2016/17 underspend as detailed in paragraph 24 below. If Members approve these proposed transfers, the remaining net underspend for the year stands at £195,000.
5. Interest income during the year was short of the original estimate of £348,000 by £5,000. This is mainly due to the low interest rates available as maturing investments are being reinvested at lower rates. Of the total interest received for the year (£343,000), £1,000 has been utilised (refer to paragraph 25) leaving a balance of £342,000 to transfer to General Reserve.
6. Dividend income from investments in the Local Authorities Property Fund generated £244,626 in year, which exceeded the 2016/17 budget of £160,000 by £84,626. This is due to the unbudgeted dividends received for the additional £2m invested on 27th May 16.

7. The capital outturn position shows £458,000 more expenditure 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 2017/18 of £79,000. The total net expenditure on the Specific Items financed from Specific Reserve and the General Reserve for 2016/17 is set out in Appendix C of this report.

Recommendations

8. **Cabinet is asked to note the contents of this report, and to recommend to Council:**
 - (i) that grant income as set out in paragraph 16 to 19 of this report be transferred to Specific Reserve;
 - (ii) that grant income as set out in paragraph 20 of this report be transferred to General Reserve;
 - (iii) that windfall income as set out in paragraph 21 of this report be transferred to General Reserve;
 - (iv) that balance of interest totalling £342,000 as set out in paragraph 25 is transferred to the General Reserve;
 - (v) that Dividend income totalling £84,626 as set out in paragraph 28 is transferred to the General Reserve;
 - (vi) that the 2017/18 capital programme be increased by £79,000 as a result of slippage of some 2016/17 capital projects as detailed in Table 3.
 - (vii) that the revenue underspending in 2016/17 be transferred to Reserves as follows:
 - a) £222,024 be transferred to Reserves as set out in Table 1 and paragraph 15;
 - b) £230,000 be transferred to Specific Reserves as set out in Table 2;
 - c) £195,000 balance to be transferred to General Reserve
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Background

9. During 2016/17, Cabinet received five Budget Management reports on 11 July 2016, 6 September 2016, 17 October 2016, 28 November 2016, and 13 February 2017. The last Budget Management report in February highlighted a potential underspend of £563,000, after allowing for the transfer of £20,000 to Specific Reserve approved at Council on 21 September 2016, and recommended transfers to Specific Reserve totalling £500,000. These transfers were approved by Council on 1 March 2017, reducing the projected net underspend to £63,000.
10. Over the year, income has exceeded targets in a number of areas. However, the budget has continued to be carefully managed to ensure financial targets are met without compromising service performance.

11. Service budget outturns have been discussed with the appropriate Cabinet Members and Officers. Members should note that this budget outturn links with the service performance outturn. Full details of service performance outturn for 2016/17 will be reported to the first meeting of Scrutiny Committee for the Leader, Resources and Economic Growth on 21 June in the usual way, and will then be considered by Cabinet at its meeting on 10 July 2017.

Revenue Spending 2016/17

12. The outturn for 2016/17, is an underspend of £858,000. This is £795,000 more than the latest forecast position of £63,000 reported to Cabinet on the 13 February 2017. The underspend of £858,000 is before allowing for the proposed carry forward of budget requests (£224,000) and transfers to Reserves of Government grants and windfall income (£209,000) 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 £425,000, after taking account of the transfers to Reserves set out in paragraphs 14-21 and further reduces to £195,000 after the proposed use of underspend detailed in Table 2 below.
13. 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

14. There are six requests to carry forward underspends in 2016/17. This is allowable when for unforeseen reasons, expenditure has not taken place in the financial year, but will take place in the following year. 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
Road Space Audits	70,000	1
Civil Parking Enforcement (CPE) Surplus	25,126	2
Community Safety	50,000	3
VAT Consultancy	2,000	4
CenSus ICT	54,655	5
Performance and Partnerships staffing	22,243	6
Total	224,024	

Notes

1. The Road Space Audits were unable to start due to delays with WSCC signing off the audits, but work is scheduled to start shortly. Therefore, it is recommended that £70,000 is transferred to a Specific Reserve to meet this cost in 2017/18.
2. 30% CPE Surplus can now be retained by MSDC on the condition that it is re-invested in the Service. Therefore a CPE investment Fund Specific reserve has been created for this purpose.
3. "Funding for All" is a new budget created in 2016/17 due to the possible reduction in Mid Sussex Partnership funding. This budget was not fully utilised in 2016/17 and the underspend at year end is requested to be put into a Reserve to meet any future funding reductions to the service.
4. Fees relating to the Royal Mail Group Litigation Order. Due to delays in work being carried out, it is recommended that the £2,000 is transferred to a Specific Reserve for this purpose.
5. This relates to monies required to complete CenSus revenue projects where works started in 2016/17.
6. An underspend on this budget will enable this to be used in 2017/18 for temporary staffing and equipment.

15. In relation to item 4 above totalling £2,000, the Head of Corporate Resources, in accordance with the Council's Financial Procedure rule B5, has taken the decision to authorise a carry forward of budget to 2017/18. However, with regard to the other items set out in table 1, totalling £222,024, Cabinet is requested to recommend to Council the approval of these transfers.

Other Requests to Reserves

16. In January and March two grant payments totalling £46,806 were received from the Department of Communities and Local Government in respect of Community Housing Fund. Members are requested to approve the transfer of this sum to a Specific Reserve created for this grant which will be used to contribute to a Sussex Community led Housing Hub.
17. On 17th February 17 we received a non-ring fenced grant totalling £15,000 from the Department of Communities and Local Government in respect of Custom Build Grant Local Authority. Members are now requested to approve that this sum be earmarked in Specific Reserve for the development work to be undertaken by Housing Services in relation to this.
18. In March, grant totalling £100,000 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 the work to be undertaken by Planning in relation to this.
19. In March, grant totalling £14,645 was received from the Department of Communities and Local Government in respect of New Burdens funding for the Brownfield Land Register and Permission In Principle (PIP) LA. Members are requested to approve the transfer of this sum to a Specific Reserve created for this grant which will be used towards the cost of producing the register.
20. Since the last Budget Management report to Cabinet in February, we have received a number of small grants totalling £1,238 from the Department of Communities and Local Government in respect of, English Language Requirement S31 Grant (£477) and Letting Agents Transparency and redress scheme (£761). These grants are not ring-fenced and Members are requested to approve these transfers to General Reserve.
21. We have received a £27,095 VAT refund in respect of a claim for car parking overpayments. This refund relates to a prior financial year. In addition, £4,025 relates to a refund of grant which was incorrectly coded to Disabled Facility Grants minor works. This also relates to a prior financial year and Members are therefore requested to approve the transfer of unbudgeted windfall income, totalling £31,120, to General Reserve.
22. Recently we have received a grant payment of £5,897 from the Department of Communities and Local Government in respect of Council Tax Annex Discount for Family Annexes. This sum will be pooled along with similar allocations received by our CenSus Partners to meet this additional cost.
23. In March, we received a grant payment of £1,156 from the Department for Work and Pensions for new burdens in respect of Employment and Support Allowance. This sum will be pooled with similar allocations received by our Census Partners to meet this additional cost.

Proposed Use of Revenue Underspend

24. 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:

	£	Notes
Waste TEEP Assessment	30,000	1
JE & VR Reserve	100,000	2
Local Development Framework Reserve	100,000	3
Total	<u>230,000</u>	

Notes:

- 1 £20,000 of the 2016/17 Revenue Underspend was earmarked in the Budget Management Report to Cabinet 6 September 16, as a contribution towards the cost of a Waste technically, environmentally and economically practicable (TEEP) Assessment, with further consideration to be given at Outturn to the additional £30,000 needed to meet the full cost of the TEEP assessment of £50,000. Therefore, it is recommended that the additional £30,000 is now transferred to this Specific Reserve to meet this cost in 2017/18.
- 2 The JE/VR reserve will be topped up in 17/18 from savings realised from staff departures although the impending implementation of Job Evaluation combined with a limited number of staff restructures could 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 £100,000 is transferred to Specific Reserve for this purpose.
- 3 The Local Development Framework Specific Reserve was set up to help meet the costs of the District Plan and Community Infrastructure Levy examinations. £200,000 of the Revenue Underspend was earmarked earlier in the year. However, due to continued utilisation of funds, it recommended that this Reserve is replenished by an additional £100,000 to cover the on-going consultancy costs incurred to deliver the District Plan.

Interest

25. Interest receipts for the year are £343,000, £5,000 less than the original estimate of £348,000. 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 £342,000 can then be transferred to General Reserve.

Treasury Management Interest

26. This report details the Treasury Management interest earnings for the year to be £337,000 at an average interest rate of 0.852%. This compares with a budgeted figure of £346,000 at 0.994%, which is £9,000 less than the original estimate. This is an improvement on the last reported position, which was £18,000 under target. The main reason for the variance was the reduction in the average interest rate as maturing investments were being reinvested at lower rates, due to reduced rates available in the market. Further detail will be set out in a separate report to Audit Committee on 1 August 2017.

Local Authority Property Fund Dividends

27. Members will recall that on 30 July 2015 £4m was invested in the Local Authorities' Property Fund administered by the CCLA. A further £2m was invested on 27th May 16, following approval of the Corporate Plan and Budget 2016/17. Dividends on these investments are paid to the Council on a quarterly basis.
28. Dividends received for 2016/17 totalled £244,626 against a budget of £160,000 which is required to finance the 2016/17 Revenue Budget. As interest on the £2m investment is unbudgeted income, this has contributed the majority of the £84,626 variance on interest against budget for the year. For 2016/17 only, this additional Dividend income will be transferred to General Reserve. However, from 2017/18, £240,000 of Dividend income will finance the Revenue Budget.

General Reserve 2016/17

29. 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 £15.955 million and the contributions and use of reserves are shown in Appendix C. Members will remember the change in strategy adopted in 2009/10 to protect reserves, when the projections were that the Council's position would be 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 financial standing.

Specific items

30. 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 £7,821,000.

Capital Spending

31. Actual capital spending for the year was £28,631,000. This was £458,000 more than the updated 2016/17 programme totalling £28,173,000, and was mainly due to a number of un-programmed projects partly offset by slippage on some 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.
32. Of the £79,000 not spent in 2016/17, £35,000 relates to ICT Projects and £41,000 relates to Major Capital Renewals schemes. Further detail can be found in Appendix D of this report.

33.

<i>Category</i>	<i>£'000</i>	<i>£'000</i>
2016/17 Revised Budget		28,173
A Slippage to 2017/18	(79)	
B Projects completed and underspent	(297)	
C Projects overspent	28	
D Non programmed projects	806	
Total difference		458
2016/17 Outturn		28,631

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

34. The outturn for 2016/17 shows actual financial performance against the original budget, which was approved within the context of the Financial Strategy. The 2016/17 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 2016/17 that was approved by Council on 24th February 2016. 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

35. This report is concerned in its entirety with the outturn financial position for each service area for 2016/17.

RISK MANAGEMENT IMPLICATIONS

36. 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

37. There are none.

OTHER MATERIAL IMPLICATIONS

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

Background Papers

Revenue Budget 2016/17
Final Accounts Working Papers for 2016/17.

Summary Of Revenue Spending Outturn for 2016/17					
Business Unit	Original budget 2016/17 £'000	Revised Budget* 2016/17 £'000	Outturn 2016/17 £'000	Outturn	Notes in Appendix
				Variation from Revised Budget £'000	
Housing	964	920	1,071	151	1
Planning Policy & Economic Development	602	602	602	0	2
Development Management	707	707	357	(350)	3
Cleansing Services	2,724	2,739	2,750	11	4
Parking Services	(1,145)	(1,124)	(1,164)	(40)	5
Landscapes	0	700	732	32	6
Leisure Partnership	(38)	(31)	(44)	(13)	7
Performance and Partnerships	554	598	604	6	8
Community Leisure	681	591	559	(32)	9
Corporate Estates and Facilities	(1,146)	(968)	(1,704)	(736)	10
Emergency and Outdoor Services	2,122	1,291	1,315	24	11
Finance Accountancy	(4)	(12)	(26)	(14)	12
Finance Corporate	1,496	1,514	1,485	(29)	13
CenSus Revenues & Benefits	1,929	1,929	1,890	(39)	14
Customer Services and Communications	166	(6)	(29)	(23)	15
CenSus ICT	(195)	(29)	(32)	(3)	16
Human Resources & Payroll	0	6	51	45	17
Legal Services	0	0	(27)	(27)	18
Democratic Services	859	859	870	11	19
Land Charges	211	211	152	(59)	20
Planning & Building Control Support	0	0	21	21	21
Environmental Health	995	995	994	(1)	22
Building Control	246	246	261	15	23
Strategic Core	1,061	1,051	1,197	146	24
Benefits	(119)	(119)	(119)	0	25
Drainage Levies	10	10	10	0	
Balance Unallocated	41	41	0	(41)	26
Council Net Expenditure	12,721	12,721	11,776	(945)	**
Total Revenue Spending (before approved reserve transfers)	12,721	12,721	11,776	(945)	
Transfer to Specific Reserves (previously reported)	0	0	520	520	
Total Revenue Spending	12,721	12,721	12,296	(425)	***
Proposed utilisation of the Revenue Underspend as set out in Table 2 of this report			230	230	
Total	12,721	12,721	12,526	(195)	

* includes approved variations including any utilisation of Balance Unallocated

** after requests for carry forward of budgets (£224k -Table 1) and grants and windfall income transferred to reserves (£209k para. 16-21 main report) totalling £433k but before transfers to Specific Reserves approved during 16/17.

*** after requests for carry forward of budgets (£224k -Table 1) and grants and windfall income transferred to reserves (£209k -para. 16-21 main report) totalling £433k which has reduced the revenue underspend from £858k to £425k.

Forecast Budget Variations for 2016/17

	<i>Changes since last report in 2016/17</i>	<i>Notes</i>
	<i>£'000</i>	
Apr to Dec savings Cabinet	(583)	
Approved Transfers to Specific Reserve (Council 21 September 16)	20	
Approved Transfers to Specific Reserve (Council 1 March 17)	500	
	<hr/>	
	(63)	
<i>Final Quarter Variations:</i>		
Temporary Accommodation	(17)	1
Development Management minor variations	2	3
Planning Fee Income	(21)	3
Planning Consultants	(42)	3
Garden waste Income	(29)	4
Cleansing Services minor variations	(4)	4
Car Parks NNDR	10	5
Car Parks Emergency Gritting	20	5
Parking minor variations	(4)	5
Landscapes minor variations	(1)	6
Leisure Partnership Grounds Maintenance	9	7
Performance and Partnerships - minor variations	(3)	8
Community Leisure minor variations	(21)	9
Corporate Estates and Facilities – Property Income	(125)	10
Emergency and Outdoor Services	(14)	11
Finance Accountancy minor variations	(14)	12
Finance Corporate	(41)	13
Revenues and Benefits minor variations	(12)	14
Customer Services and Communications	(23)	15
Census ICT	(32)	16
Human Resources and Payroll - minor variation	(1)	17
Legal Services - Income	(19)	18
Democratic Services minor variations	1	19
Land Charges – Income	(16)	20
Land Charges – Staffing	(4)	20
Planning & Building Support minor variations	(4)	21
Environmental Health minor variations	(16)	22
Building Control Consultants	18	23
Strategic Core Consultants	41	24
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	(425)*	
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* includes proposed transfers to Reserves detailed in paragraphs 14-21 of this report totalling £433k which has reduced the revenue underspend from £858k to £425k.

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 2016/17. Members should note that some of these variances have also been addressed as part of the Budget Process for 2017/18, and where budgets have been adjusted, the 2016/17 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.

Housing

1. This previously detailed a forecast pressure of £168k. In the last quarter the forecast pressure in respect of Temporary Accommodation has reduced by £17k, resulting in an outturn pressure of £151k.

Planning Policy & Economic Development

2. Planning Policy has no variation to report.

Development Management

3. The last forecast position identified £289k net saving. Since then there has been a further saving of £61k. This is partly due to additional Planning Fee income received in the last quarter (£21k), which is expected to continue pending approval of the District Plan. Also, the forecast pressure in respect of Planning Consultants has reduced in the last quarter due to the postponement of a public enquiry at Lindfield (£42k). This saving is partly offset by minor variations of £2k, resulting in a total final outturn saving of £350k.

Cleansing Services

4. A £44k pressure was previously identified. There has since been an overachievement of Garden Waste Income of £29k as a result of improved turnaround time of bins following service requests and payment defaults, and an underspend of £4k as a result of minor variations, resulting in a final outturn position of £11k net pressure.

Parking Services

5. The service was forecasting an over-achievement of income of £66k. Since then a further pressure of £10k has been identified in respect of NNDR costs, resulting from the revaluation of Boltro Road car park, and a further £20k pressure due to Emergency gritting costs at car parks. This is offset by minor variations of £4k, resulting in a final outturn saving of £40k.

Landscapes

6. The last reported forecast position was an anticipated year-end pressure totalling £33k. There has since been a further £1k saving, resulting in an outturn pressure of £32k.

Leisure Partnership

7. A saving of £22k was previously identified. Since then there has been a further pressure of £9k due to the additional cost of Grounds Maintenance at Clair Hall and Dolphin Leisure Centre, resulting in a final outturn saving of £13k.

Performance & Partnerships

8. The last forecast position identified a pressure of £9k. Since then there has been minor savings of £3k resulting in an overall outturn pressure of £6k.

Community Leisure

9. This previously detailed a forecast saving of £11k. Since then a further saving of £21k has been identified, resulting from a number of minor savings across the service.

Corporate Estates and Facilities

10. The last reported position was a saving of £611k. This has increased by £125k, resulting in a revised outturn saving of £736k. This is mainly due to additional rental income relating to operational properties and investment properties.

Emergency & Outdoor Services

11. A forecast year end pressure of £38k was identified at the last reported position. Since then a saving of £14k has been achieved as a result of lower than budgeted costs on Emergency Planning and repairs to Public Conveniences.

Finance Accountancy

12. Since the last reported position there has been a saving of £14k. There have been a number of minor variations as a result of lower than budgeted costs relating to salaries, Consultants and software licences.

Finance Corporate

13. Since the last reported position there has been a saving of £41k. This relates to lower than budgeted external audit costs together with higher than budgeted income relating to the recovery of insurance costs.

CenSus Revenues & Benefits

14. The last reported year-end forecast was a £27k saving. A further saving of £12k has been identified in the last quarter due to a number of minor variations across the service, resulting in an outturn saving of £39k.

Customer Service and Communications

15. Since the last reported position there has been a saving of £23k. £8k relates to savings on salaries as a result of vacant posts and reduced hours, £6k relates to lower than budgeted costs and higher than budgeted income for Mid Sussex Matters and a £6k saving on the Customer Services voice recording system. The remaining £3k relates to minor variations.

CenSus ICT

16. Since the last reported position there has been a saving of £32k. This relates to lower than budgeted costs for the contract relating to the scanning of documents together with a lower than forecast contribution to the Census ICT partnership.

Human Resources & Payroll

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

Legal Services

18. Since the last reported position there has been a further saving of £19k. £16k relates to additional Legal fee income as a result of an increase in work relating to S106 Planning Obligations and property work, £2k is due to lower than forecast spend on salaries and £1k from minor variations, resulting in a final outturn saving of £27k.

Democratic Services

19. Since the last reported position of a pressure of £10k there has been a £1k pressure due to minor variations.

Appendix A

Land Charges

20. Since the last reported position there has been a saving of £20k. This relates to £16k additional income as a result of the temporarily increased activity in the property market at the end of 2016/17 and a £4k minor variation on staffing costs.

Planning & Building Control Support

21. Since the last reported position there has been a saving of £4k due to minor variations.

Environmental Health

22. The last reported year-end forecast was a £15k pressure. Since then a saving of £16k has occurred, due to a number of minor savings below £10k, resulting in a near balanced budget with an outturn saving of £1k.

Building Control

23. The last reported forecast outturn position was a saving of £3k. Since the last reported position there has been a further pressure of £18k as a result of requiring additional Building Control consultants, resulting in a final outturn pressure of £15k.

Strategic Core

24. Since the last reported position there has been a further pressure of £41k. The main reason for this is the cost of an additional resource to support the work on the District Plan and to oversee the Development Management function.

Benefits

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

Balance Unallocated

26. The budget remaining for balance unallocated of £41k was previously reported as a saving, leaving no further variation to report.

Appendix B

Benefits Outturn 2016/2017			
(using Academy subsidy claim figures)			
	2016/17	2016/17	Variation
	Original	Outturn	from
	Budget		Budget
Non HRA rent rebates			
	£	£	£
gross expenditure	85,000	182,173	97,173
net expenditure at standard subsidy	0	0	0
effect of reduced subsidy	12,000	15,838	3,838
effect of overpayments	(10,000)	(14,784)	(4,784)
Total Rent Rebates	2,000	1,054	(946)
Rent Allowances			
	£	£	£
gross expenditure	34,077,000	33,047,934	(1,029,066)
net expenditure at standard subsidy	0	0	0
effect of reduced subsidy	1,064,000	690,658	(373,342)
effect of overpayments	(1,169,000)	(864,710)	304,290
Total Rent Allowances	(105,000)	(174,052)	(69,052)
			1
Discretionary Local Scheme			
Council Tax Benefit	0	0	0
Rent Allowances	18,000	12,402	(5,598)
Subsidy 75%	(14,000)	(9,301)	4,699
Total Discretionary scheme	4,000	3,101	(899)
Total Support	(99,000)	(169,897)	(70,897)
Less: LA Error Subsidy	0	(86,164)	(86,164)
Add : Adjustment to 14/15	0	6,586	6,586
Add : Adjustment to 15/16	0	127,410	127,410
DHP Subsidy - effect of Overpayments		(4,667)	(4,667)
Less: Funding to / (from) Benefits Equalisation Reserve	(20,000)	7,732	27,732
Cost to MSDC	(119,000)	(119,000)	0

Appendix B

Reasons for variation:					
<p>'(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.</p>					
<p>'(2) The volume of Local Authority Error has decreased to below the lower threshold, which entitles us to 100% 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.</p>					
<p>(3) External Audit found errors in the 2014/15 and 2015/16 subsidy claims which when extrapolated resulted in further subsidy reductions totalling £133,996. This includes a further correction to 2014/15 of £6,586 and a correction to 2015/16 of £127,410, following receipt of the final audited claims.</p>					
<p>(4) Saving resulting from recovery of DHP overpayments as well as subsidy entitlement.</p>					
<p>(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 £7,732 has been paid to the equalisation reserve, compared to the £20,000 budgeted contribution from the reserve, a favourable variation of £27,732. This is the result of increased LA Error subsidy and favourable Rent Allowance overpayment collection rates, which is only partially offset by the adverse adjustment in respect of prior year's audited claims.</p>					

Use of Specific Reserve in 2016/17					
Description	Balance at 01/04/2016 £'000	Contributions In Year £'000	Utilised In Year £'000	Balance at 31/03/2017 £'000	Notes
Housing					
Recyclable loan fund	(48)	0	1	(47)	1
Repossession and Eviction Prevention fund	(48)	0	29	(19)	2
Empty homes - works in default	(16)	0	0	(16)	3
CPO Fund for Empty Homes	(50)	0	0	(50)	4
County court desk	(37)	0	0	(37)	5
Community Housing Reserve**	0	(47)	0	(47)	6
Self Build and Custom House building**	0	(21)	0	(21)	7
Planning Policy & Economic Development					
SANG Project	(53)	0	1	(52)	8
Specialist Advise studies - Gatwick	(25)	0	0	(25)	9
Neighbourhood Planning Non Frontrunners	(92)	(160)	123	(129)	10
Local Development Framework Reserve (Studies and EIP costs) **	(256)	(300)	181	(375)	11
Economic Development	(3)	0	0	(3)	12
SAMM Fees	(214)	(104)	0	(318)	13
Burgess Hill Growth	0	(440)	281	(159)	14
Development Management					
Development Management Temporary Staff	(83)	0	25	(58)	15
Brownfield Register**	0	(15)	0	(15)	16
Inspire hosted software solution	(7)	0	0	(7)	17
Cleansing Services					
Recycling Quality Project	(24)	0	5	(19)	18
Waste TEEP Assessment**	0	(50)	16	(34)	19
Parking Services					
Road Space Audit east grinstead**	0	(70)	0	(70)	20
CPE Investment Fund**	0	(25)	0	(25)	21
Leisure Partnership					
Outstanding Insurance Claims	(2)	0	0	(2)	22
Leisure Reserve	(600)	(600)	585	(615)	23
Latent Defects	(23)	0	23	0	24
Performance & Partnerships					
CCTV Fund	(70)	0	0	(70)	25
Community Safety - Funding for All**	0	(50)	0	(50)	26
Performance and Partnerships staffing**	0	(22)	0	(22)	27
Community Leisure					
Capital Grants	(17)	0	0	(17)	28
Economic & Community Development Fund	(113)	0	60	(54)	29
Corporate Estates and Facilities					
Asset management	(96)	(100)	81	(115)	30
Planned Asset maintenance Specific Reserve	(223)	0	23	(200)	31
Asset Maintenance and Landscapes	(8)	0	0	(8)	32
WSCC Watercourse delegated function	(17)	0	0	(17)	33
Property Consultants	(14)	0	0	(14)	34
Bridge Road drainage works	(50)	0	50	0	35
Emergency and Outdoor Services					
Invest to Save -Pavilions	(47)	0	9	(38)	36
Parks Improvement	(50)	0	50	0	37

Use of Specific Reserve in 2016/17					
Description	Balance at 01/04/2016 £'000	Contributions In Year £'000	Utilised In Year £'000	Balance at 31/03/2017 £'000	Notes
Finance Accountancy					
FMS to move server costs	(2)	0	0	(2)	38
Icon Upgrade costs	(5)	(5)	0	(9)	39
Finance Corporate					
Insurance Reserve	(61)	0	0	(61)	40
JE and VR Reserve**	(306)	(100)	213	(192)	41
Audit Costs	(16)	0	0	(16)	42
Apprenticeship Fund	(21)	0	18	(3)	43
VAT Consultant**	0	(2)	0	(2)	44
Land and Property Reserve	0	(2,000)	956	(1,044)	45
CenSus Revenues & Benefits					
Localising Council Tax support admin	(129)	0	0	(129)	46
NDR pre95 Credits	(70)	0	0	(70)	47
Admin subsidy	(120)	0	0	(120)	48
CenSus Consultancy	(50)	(50)	46	(54)	49
CenSus ICT					
Census ICT**	(21)	(55)	0	(76)	50
ICT PSN related work	(7)	0	0	(7)	51
ICT reserve	(400)	(150)	545	(5)	52
ICT - Replacement GIS Software	(4)	0	0	(4)	53
Business Digitalisation	(50)	0	10	(40)	54
Human Resources & Payroll					
Employee Benefits	(2)	(7)	7	(3)	55
Corporate Training	(9)	0	8	(1)	56
Democratic Services					
District Elections	(111)	(42)	20	(134)	57
Civic Events	(2)	0	0	(2)	58
Individual Electoral Registration Grant	(8)	(42)	49	0	59
Land Charges					
Land Charges Development	(15)	0	0	(15)	60
Temporary staff for land searches	(2)	0	0	(2)	61
Planning & Building Control Support					
Validation Officer Temporary staff	(25)	0	0	(25)	62
Corporate Funds					
Benefits Equalisation	(680)	(8)	0	(687)	63
Rate Retention Scheme Equalisation	(1,863)	(619)	559	(1,923)	64
Benefits & Council tax support scheme equalisation	(100)	0	0	(100)	65
Total Specific Reserves	(6,367)	(5,083)	3,976	(7,474)	

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

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

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1. 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 2016/17, £1,495 has been utilised leaving a balance of £46,900.
2. 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. In 2016/17, £5,000 has been used for match funding for rough sleeper outreach services in Mid Sussex and £23,627 has been utilised to meet the cost of additional staff in Housing Services, leaving a balance of £18,873.
3. £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 on this reserve in 2016/17.
4. 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.
5. Approved at Cabinet 6th June 11 in Outturn Report 2011/12, to fund additional resources to prevent homelessness in the future through defending court proceedings. There was no call on the reserve during 2016/17.
6. Refer Paragraph 16 of main report.
7. This reserve was created to hold grants totalling £20,850 received from the Department for Communities and Local Government in respect of Self build and custom house building, of which £5,850 was reported in the Budget Management Report to Cabinet 17th October 2016. The remaining £15,000 is detailed in paragraph 17 of this report. These monies will be used for custom build development work to be undertaken by Housing Services.
8. Reserve created in 2013/14 to meet the cost of creating and enhancing a Suitable Alternative Natural Green space (SANG). £943 was utilised in 2016/17 on SANG implementation costs leaving a balance of £51,855.
9. 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 2016/17.
10. The reserve shows the remaining balance of a grant received for Neighbourhood Planning was £92,090 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 £60,000 was previously reported in Budget Management to Cabinet 11th July 2016 (£40,000) and Cabinet 13th February 2017 (£20,000). In 2016/17 £123,477 was utilised leaving a balance of £128,612.
11. The reserve shows the remaining balance of £256,085 at the start of the year. This Reserve is to help meet the costs of the District Plan and Community Infrastructure Levy examinations. In 2016/17 there was a contribution of £200,000 as detailed in the Budget Management Report to Cabinet on the 28th November 2016. In addition, Table 2, note 3 of this report recommends an additional £100,000 be earmarked from the 2016/17 revenue underspend. £181,476 was utilised in 2016/17 leaving a balance of £374,609.
12. This reserve is available for economic development initiatives. There has been no call on this reserve in 2016/17.
13. 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 2016/17 contributions totaled £103,709. The balance on this reserve, as at 31/3/17, was £317,818.
14. This Reserve was created to help meet the costs of planning /legal consultants as part of the Burgess Hill housing and employment growth work. A contribution of £440,000 was approved in the Corporate Plan and Budget 2016/17 to Council 24th February 2016. £281,474 was utilised in 2016/17 leaving a balance of £158,526.
15. This reserve is to cover the cost of temporary staff for a two year period which is required to meet the rising number of planning applications. £24,723 was utilised in 2016/17 leaving a balance of £57,914.
16. Refer Paragraph 19 of the main report.
17. 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 2016/17.

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18. The Recycling Quality Project Specific Reserve balance at the start of 2016/17 was £23,919. £4,608 has been utilised in 2016/17, leaving a balance of £19,311.
19. £20,000 was earmarked from the revenue underspend as detailed in the Budget Management Report to Cabinet 6th September 2016. This is a contribution to the cost of consultants relating to a Waste TEEP Assessment. A further £30,000 is requested to be earmarked at Outturn 2016/17 from the Revenue Underspend, as detailed in Table 2 note 1 of the main report. As £15,975 has been used in year this leaves a balance of £34,025.
20. Refer Paragraph 14 (Table 1 note 1) of the main report.
21. Refer Paragraph 14 (Table 1 note 2) of the main report.
22. 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. There was no call on the reserve during 2016/17.
23. £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 2016/17 a further budgeted contribution of £600,000 was transferred to this reserve. During the year £585,024 has been utilised. £22,000 for Latent defects on Kings Centre changing room and roof tiling works; £563,024 contribution towards a New Gym at the Triangle Leisure Centre. The remaining balance is £614,976.
24. Following the award of the new Leisure Contract, latent defects totalling £23,000 needed to be actioned resulting in this Reserve being created at Outturn 2015/16 to cover these costs. This has been fully utilised in 2016/17.
25. Reserve created to part-fund the upgrade of the existing CCTV system with additional contributions to be sought from partners. There was no call on the reserve during 2016/17.
26. Refer Paragraph 14 (Table 1 note 3) of the main report.
27. Refer Paragraph 14 (Table 1 note 6) of the main report
28. 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 2016/17.
29. The Reserve was set up to help meet the cost of Economic and Community Development related activities. . £59,614 has been utilised in 2016/17, leaving a balance of £53,750.
30. This reserve is to cover the cost of work needed to enable the Council to make best use of its assets through disposals. In 2016/17 a contribution of £100,000 was approved from the revenue underspend 2016/17 to "top-up" this reserve as detailed in the Budget Management Report to Cabinet on the 13th February 2017. During the year £81,000 has been spent leaving a balance of £114,917.
31. Reserve created to fund planned asset maintenance works that were not able to be completed during the current year. The balance in this Reserve at the start of the year was £222,639. £22,669 was utilised in 2016/17 leaving a balance of £199,970.
32. Reserve created to fund the cost of purchasing and implementing the new property, asset maintenance and landscapes system. There was no call on the reserve during 2016/17.
33. 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 2016/17 there has been no further utilisation of this Reserve.
34. Approved to help meet the future cost of Property Consultants. There has been no call on this reserve during 2016/17.
35. This Reserve was created at Outturn 2015/16 to cover drainage works at Bridge Road to further improve rainwater harvesting and aid the speedy disposal of waste water. These works were to be carried out in 2016/17. This has been fully utilised in 2016/17.
36. 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. In 2016/17 £9,000 was used to finance the Capital Programme (Replacement Heating Systems Berrylands Farm & East Court Pavilion EG). A balance of £38,238 remains at year end.
37. £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 has been fully utilised in 2016/17.

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38. Reserve created to fund the consultancy costs of moving FMS over to the new server. In 2014/15, £3,984 has been utilised leaving a balance of £2,016. There has been no call on this reserve in 2016/17.
39. Reserve created to fund the bi-annual Icon upgrade costs of approximately £9,000. In 2015/16 and 2016/17 £4,500 represented a budgeted contribution. There will be no call on this Reserve until October 2017.
40. The insurance reserve is to be held for non- planned MSDC liability settlements. There has been no call on this reserve in 2016/17.
41. Reserve created to offset planned redundancy and job evaluation costs. £213,162 has been utilised to finance termination benefits in 2016/17. In addition, Table 2 note 2 of this report recommends an additional £100,000 to be earmarked from the 2016/17 revenue underspend.
42. 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 2016/17.
43. This represents funding for 2 apprentices in 2016/17. In 2016/17, £18,357 has been utilised leaving a balance of £2,643.
44. Refer Paragraph 14 (Table 1 note 4) of the main report.
45. £2,000,000 was approved as part of the Corporate Plan and Budget Report 2016/17. The Land and Property Reserve was created to enable land and property investments to generate a revenue stream. In 2016/17 £956,396 was utilised. £414,750 for 31 Victoria Gardens Land Acquisition was reported in the April to August Budget management report which went to Cabinet on the 17th October 2016 and £541,645.55, for Unit 3 Burrell Road Land Acquisition was reported in the April to December Budget management report which went to Cabinet on the 13th February 2017. The balance on this Reserve at the end of 2016/17 is £1,043,604.
46. 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. During 2016/17, there has been no call on this reserve, leaving a balance of £129,199 to be spent in future years.
47. 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 2016/17.
48. 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 2016/17.
49. £50,000 was approved by Cabinet as detailed in the Budget Management Report to Cabinet on the 1st February 2016. This was 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. In 2016/17 a further £50,000 was approved by Cabinet as detailed in the Budget Management Report to Cabinet on the 13th February 2017, and during the year £45,882 has been utilised, leaving a balance of £54,118.
50. This reserve is required to fund costs of CenSus ICT projects which can straddle over different financial years. There is a request to increase this reserve by £54,655 at Outturn as detailed in Table 1 note 5 of this report. There has been no call on this reserve during 2016/17.
51. 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. There was no call on the reserve during 2016/17.
52. Reserve created to enable future development in ICT and related customer service software. A further contribution of £150,000 was approved from the revenue underspend 2016/17 to replenish this reserve as detailed in the Budget Management Report to Cabinet on the 13th February 2017. In 2016/17 £514,925 was utilised on revenue projects and £30,000 was used to finance the Capital Programme. A balance of £4,795 remains at year end.
53. This Reserve was set up to fund a fully hosted web-based service. In 2016/17, there has been no call on this reserve.
54. £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. £10,265 has been utilised during 2016/17 on Open 4 Business leaving a balance of £39,735.

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55. The utilisation in 2016/17 totalling £6,517 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 £1,214 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 2016/17 final accounts exercise.
56. This reserve is to meet necessary training requirements over and above the Corporate Training budget. £8,163 has been utilised during 2016/17 leaving a balance of £1,259.
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. £19,802 has been utilised during 2016/17 leaving a balance of £133,702.
58. This reserve is earmarked to offset additional costs for the Chairman's civic events. There was no call on the reserve during 2016/17.
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 2016/17 £41,641 was received from the Cabinet Office to cover the third and final year costs associated with the ongoing transition to IER as reported in Budget Management Cabinet 17th October 16. This has been fully utilised in 2016/17.
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 2016/17.
61. 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 2016/17, but this Reserve will be utilised in 2017/18.
62. 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 2016/17.
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 increased by £7,732 in 2016/17 as a result of increased LA Error subsidy and favourable Rent Allowance overpayment collection rates, which was only partially offset by the adverse adjustment in respect of prior year's audited claims. (refer Appendix B of this report for more detail).
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 2016/17. In 2016/17 contributions totalled £619,251. £570,422, relating to DCLG grants such as the NNDR1 Section 31 Payment on Account, Small Business Rate Relief, and Empty Property Relief. The balance of £48,829 is the NNDR3 S31 grant accrual adjustment for 2016/17. £559,371 has been utilised in 2016/17. £78,585 of this relates to levy adjustment for S31 grants on the NNDR1, £176,814 is the NNDR3 levy accrual 2016/17 and the balance of £303,972 is the transfer to match the 2016/17 NNDR income budget as detailed in the 2016/17 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 2016/17. In 2016/17 there has been no call on this reserve.

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Use of General Reserve in 2016/17					
Description	Balance at 01/04/2016 £'000	Contributions In Year £'000 y635	Utilised In Year £'000 y636	Balance at 31/03/2017 £'000	Notes
Unallocated Balance:	(10,431)				
DCLG – grant payments previously reported	0	(25)	0		1
Local Authority Property Fund (LAPF) dividends **	0	(85)	0		2
DCLG –Other grants received in year**	0	(1)	0		3
Windfall income - Prior year **	0	(31)			4
Transfers (from) /to Specific Reserves	0		2,440		5
Interest payable on Borrowing in 2016/17			48		6
Interest received in 2016/17**	0	(343)	1		7
Transfers back to General Reserve		(157)			8
New Homes Bonus	0	(4,429)	0		9
Annual contribution to General Reserve for MCR	0	(654)	0		10
Capital Financing	0	(40)	1,356		11
Underspend 2016/17	0	(195)	0		12
Total Unallocated Balance	(10,431)	(5,960)	3,846	(12,545)	
Historic Building Loans	(24)	0	0	(24)	13
Commuted Sums – Cemetery Maint.	(1)	0	0	(1)	
Commuted Sums – Open Spaces Maint.	(2,196)	0	0	(2,196)	
Commuted Sums – Culverts Maint	(101)	0	0	(101)	
SAMM in perpetuity	(493)	(242)	0	(735)	14
SANG in perpetuity	(161)	(191)	0	(352)	15
Total General Reserve	(13,406)	(6,394)	3,846	(15,955)	

*Figures are subject to roundings to nearest £'000

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

Notes:

1. Non-ring fenced DCLG grants transferred to General Reserve. As set out in Budget Management Report to Cabinet 11th July 2016, £4,451 is in respect of additional Local Council Tax Support (LCTS) Admin Subsidy grant and £4,549 relates to the New Homes Bonus Returned Funding Grant. In addition, £8,103 is in respect of a New Burdens grant for Transparency Code Set up costs, as detailed in the Budget Management report to Cabinet 28th November 2016. Lastly, £7,705 was for Property Searches New Burdens funding which was reported in the Budget Management Report to Cabinet 13th February 2017.
2. Refer paragraph 28 of the main report.
3. Refer paragraph 20 of the main report.
4. Refer paragraph 21 of the main report.
5. £2,440,000 was approved as part of the Corporate Plan and Budget Report 2016/17 being £2,000,000 for Land and Property purchases.(refer note 45 Specific Reserves) and an additional £440,000 for on-going funding of the Burgess Hill growth area (refer note 14 Specific Reserves).
6. £48,379 relates to the Orchards interest payable on borrowing.
7. Total interest received in 2016/17 of £342,897, and £1,214 was transferred to the Employee Benefits Specific Reserve (refer note 55 above).

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8. Accounting adjustment to clear revenue as part of year-end closedown, which has no impact on Outturn.
9. £4,429,179 New Homes Bonus monies have been received in 2016/17. There has been no utilisation in the year.
10. This is the annual contribution budgeted to be paid to General Reserve for Major Capital Renewals (MCR).
11. Being the amount utilised to finance the capital programme and a £40,000 budgeted payment to General Reserve from Cleansing Budget for the Garden Waste expansion capital scheme.
12. Refer Recommendation 8 (vii)c of this report.
13. Relates to transfer to/from General reserve relating to part repayment of Historic building loans.
14. Earmarked reserve to help future costs SAMM. In 2016/17, £241,987 has been added to this reserve.
15. Earmarked reserve to help meet costs of SANG. In 2016/17, £191,379 has been added to this reserve.

Appendix D

Capital Programme Outturn 2016/17						
Scheme Description	2016/17 Original Budget £'000	2016/17 Revised Budget £'000	2016/17 Outturn £'000	Variance on Revised Budget £'000	Category	Notes
Cleansing Services						
Purchase of Dog Bins	10	10	10	0		
Expansion of Green waste service	40	40	40	0		
Total Cleansing Services	50	50	50	0		
Parking Services						
Resurface Queens Crescent overflow car park, Bhill	0	21	22	1	C	
Total Cleansing Services	0	21	22	1		
Leisure Partnership						
New Gym at Triangle Leisure Centre	0	0	563	563	D	1
Total Leisure Partnership	0	0	563	563		
Corporate Estates & Facilities						
Oaklands Invest to save - electrical works	3	0	0	0		
Berrylands & East Court Heating Upgrade	0	14	18	4	C	
Bridge Road HH Business Starter Units	0	50	51	1	C	
31 Victoria Gardens - Land Acquisition	0	414	415	1	C	
Unit 3 Burrell Road Land Acquisition	0	542	542	0		
Orchards Shopping Centre Land Acquisition	0	24,860	24,722	(138)	B	2
Space Planning & Office Moves (previously "Data Cabling works, Oaklands)	496	604	601	(3)	B	
Drainage capital works	62	55	14	(41)	A	3
Oaklands External works	397	397	412	15	C	4
Hazelgrove Road Car Park, HH	36	46	43	(3)	B	
Horsted Keynes Car Park	9	19	16	(3)	B	
Imberhorne Lane Car Park, EG	22	0	0	0		
Orion Car Park, Hassocks MCR	0	31	29	(2)	B	
Additional Car Parking Norton House EG	0	23	25	2	C	
Replacement refuse and recycling depot	0	0	(8)	(8)	B	
Land Acquisition costs	0	0	25	25	D	5
Total Corporate Estates and Facilities	1,025	27,055	26,905	(150)		
Emergency and Outdoor Services						
Improvement works to Open Space at Spring Copse EG	15	0	4	4	C	
Finches Field Community Building Pavilion & Car Park	511	0	0	0		
Playground Improvements at St Johns Park Burgess Hill	0	9	7	(2)	B	
Playground Improvements at Parklands Hassocks	0	2	0	(2)	B	
Playground Improvements at Sunnyside Rec Ground, EG	0	44	44	0		
Playground Improvements at Wyvern Way, BH	0	15	15	0		
Playground Improvements at Coos Lane, Handcross	0	25	21	(4)	B	
Playground Improvements at Pavilion Way Open Space, EG	0	11	10	(1)	B	
Total Emergency and Outdoor Services	526	106	101	(5)		

Appendix D

Capital Programme Outturn 2016/17						
Scheme Description	2016/17 Original Budget £'000	2016/17 Revised Budget £'000	2016/17 Outturn £'000	Variance on Revised Budget £'000	Category	Notes
ICT & CenSus						
PC replacement programme	25	25	25	0		
Replace NetApp SAN	50	50	39	(11)	B	6
Identity & Access Management Tool	10	0	0	0		
Census ICT - Implement Redhat Linux	0	22	10	(12)	A	7
Census Strategy -Disaster Recovery	0	6	3	(3)	A	
Protective Monitoring software	0	20	0	(20)	A	8
Total ICT & CenSus	85	123	77	(46)		
Land Charges						
Modernisation of corporate records	58	22	19	(3)	A	
Total Land Charges	58	22	19	(3)		
Environmental Health						
Disabled Facility Grants	600	796	676	(120)	B	9
Total Environmental Health	600	796	676	(120)		
Total Programme	2,344	28,173	28,413	240		
Non-Programmed Capital						
Cuckfield PC Ardingly Rd Traffic Management	0	0	4	4	D	10
St Swithuns Parish Church Wall - EGTC	0	0	1	1	D	11
Haywards Heath Town Council new windows	0	0	12	12	D	12
Scaynes Hill Cricket Club - Cricket nets	0	0	13	13	D	13
Cuckfield PC - Heritage Street Lights	0	0	6	6	D	14
Ashurst Wood Village Council - Snooker Wall	0	0	9	9	D	15
Hurstpierpoint PC - South Avenue play area upgrade	0	0	100	100	D	16
EG Cricket Club - Cricket Squares Refurb	0	0	5	5	D	17
Burgess Hill Youth - MUGA	0	0	20	20	D	18
Burgess Hill Rugby FC Perimeter Barrier	0	0	2	2	D	19
Warden Park 3G Pitch Fencing	0	0	10	10	D	20
EGTC - Play Equipment at East Court	0	0	9	9	D	21
Ansty & Staplefield PC Play Area Fencing	0	0	2	2	D	22
Ansty & Staplefield Brook St Bench	0	0	1	1	D	23
Hurstpierpoint PC Bus Shelter	0	0	4	4	D	24
Worth PC - IT and Play Equipment	0	0	20	20	D	25
Total Non-Programmed Capital	0	0	218	218		
Grand Total	2,344	28,173	28,631	458		

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Notes:

1. New Gym at Triangle Leisure Centre, financed from the Leisure Improvements Fund Specific reserve, approved in a report to Cabinet 11th July 2016.
2. Estimated Budget for the Orchards Shopping Centre Land Acquisition was £138k higher than the actual due to some costs being reclassified as revenue.
3. There are further drainage works to be carried out and therefore part of this budget needs to be slipped into 2017/18.
4. Overspend due to required variations that arose across the project scope. The net result of the additions and omissions was an increase to the original tendered contract sum.
5. Costs associated with Land Acquisition funded from General Reserve as agreed at Cabinet 30th November 15.
6. Costs for Replace NetApp SAN project were lower than anticipated resulting in an underspend of £11k.
7. This project has started but there are further works to be carried out. The remaining budget therefore needs to be slipped into 2017/18.
8. Configuration is underway with works due to complete in 2017/18.
9. The original budget for DFGs was £600k for 2016/17. However, increased funding through the Better Care Fund which is passported onto MSDC from West Sussex County Council resulted in a revised budget of £796,000 as reported to Cabinet 11th July 2016. This is a demand-led cost and any unspent funds will be reflected in the revised 2017/18 allocations from West Sussex County Council.
10. Payment of Sustainable Transport (TAD) contribution (P35/688 £651 & P35/737 £4,011) S106 monies to Cuckfield Parish Council for the 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).
11. Payment of Local Community Infrastructure contributions (P35/633b £950) S106 monies to East Grinstead Town Council towards St Swithuns Parish Church wall, as agreed by the Cabinet Grants Panel on 13th January 2015 (refer MIS 04 28th January 2015).
12. Payment of Community Building contribution (P35/757 £11,890) S106 monies to Haywards Heath Town Council towards new windows, as agreed under delegated authority by the Cabinet Member for Health and Community on 28th January 2016 (refer MIS 05 3rd February 2016).
13. Payment of Formal Sport contributions (P35/563 £872, P35/507 £3,288, P35/548 £7,128 & P35/594 £1,312) S106 monies to Scaynes Hill Cricket Club towards cricket nets, as agreed by the Cabinet Grants Panel on 20th January 2016 (refer MIS 03 20th January 2016).
14. Payment of Local Community Infrastructure contributions (P35/708 £6,000) S106 monies to Cuckfield Parish Council for replacement heritage street lighting, as agreed under delegated authority by the Cabinet Member for Planning in February 2015 (refer MIS 08 25th February 2015).
15. Payment of Play Space contributions (P35/779 £919 & P35/739 £2,603), Formal Sport contributions (P35/779 £1,224) and Local Community Infrastructure (P35/779 £4,230) S106 monies to Ashurst Wood Village Council towards the installation of a kick wall game and new footpath at John Pears Recreation Ground, as agreed under delegated authority by the Cabinet Member for Leisure and Sustainability on 28th April 2016 and 1st July 2016 (refer MIS 18 4th May 2016 and MIS 28 13th July 2016).
16. Payment of HU2 contribution (PL12-000366 £86,687) and Playspace contributions (P35/533 £6,546 & P35/509 £6,710) S106 monies to Hurstpierpoint and Sayers Common Parish Council to upgrade the South Avenue play area, as agreed by the Cabinet Grants Panel 21st March 2016 (Refer MIS 12a 24th March 2016).
17. Payment of Formal Sport contribution (P35/514 £5,000) S106 monies to East Grinstead Cricket Club towards the costs of refurbishing the cricket squares, as agreed by the Cabinet Grants Panel on the 7th June 2016 (refer MIS 23 8th June 2016).
18. Payment of Play Space contribution (PL13-000386 £2,902) and Formal Sport contributions (PL13-000386 £12,332 and PL13/KingsHead £4,476) S106 monies to Burgess Hill Youth to install a multi-use games area as agreed by the Cabinet Grants Panel on the 13th January 2015 (refer MIS 04 28th January 2015).
19. Payment of Formal Sport contributions (P35/555a £2,677) S106 monies to Burgess Hill Rugby Football Club for a perimeter barrier and rubber matting, as agreed by the Cabinet Grants Panel on the 12th January 2016 (refer MIS 03 20th January 2016).

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20. Payment of Formal Sport contribution (P35/737 £10,000) S106 monies to Warden Park Academy Trust to fund perimeter fencing for a new 3G sports pitch, as agreed by the Cabinet Grants Panel on the 12th January 2016 (refer MIS 03 20th January 2016).
21. Payment of Formal Sport contribution (P35/632b £190, P35/633b £3,921 & P35/694 £4,677) S106 monies to East Grinstead Town Council towards play equipment at East Court, as agreed by the Cabinet Grants Panel on the 12th October 2016 (refer MIS 42 14th October 2016).
22. Payment of Local Community Infrastructure contribution (P35/723 £1,864) S106 monies to Ansty and Staplefield Parish Council to replace fencing at Staplefield play park, as agreed under delegated authority by the Cabinet Member for Planning on 2nd November 2016 (refer MIS 45a 4th November 2016).
23. Payment of Local Community Infrastructure contribution (P35/723 £515) S106 monies to Ansty and Staplefield Parish Council to install a second bench in Brook Street, as agreed under delegated authority by the Cabinet Member for Planning on 18th July 2016 (refer MIS 29 20th July 2016).
24. Payment of Local Community Infrastructure contribution (P35/778 £3,085 & P35/748 £1,439) S106 monies to Hurstpierpoint and Sayers Common Parish Council to replace the existing bus shelter in Willow Way, as agreed by the Cabinet Member for Housing and Planning in January 2017 (refer MIS 03 18th January 2017).
25. Payment of Community Building contribution (P35/717 £460) and Play Space contribution (PL12-000170 £11,206, P35/728 £1,314 & PL13-000562 £8,331) S106 monies to Worth Parish Council towards the cost of new IT equipment at Copthorne Parish Hub and new play equipment at Bowers Place, as agreed by the Cabinet Member for Leisure and Sustainability on 1st July 2016 (refer MIS 27a 8th July 2016).