

DECISION ITEM



REPORT OF		MEETING	DATE	ITEM NO
FINANCE		FINANCE AND DEMOCRACY COMMITTEE	22 JUNE 2015	3

MEDIUM TERM FINANCIAL STRATEGY (MTFS) – GENERAL FUND REVENUE, CAPITAL PROGRAMME & TREASURY MANAGEMENT OUTTURN POSITION FOR 2014/15

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

On 3rd March 2015 the Council set its budget for 2015/16 and also set a revised budget for 2014/15. This report sets out for Members the expected General Fund Revenue, Capital, and Treasury Management Outturn position for the financial year 2014/15. The report outlines the major variations between the latest approved budget and the actual outturn expenditure and quantifies the impact on the Council's reserves. The report also includes a summary of the Council's Treasury Management operations for the financial year. Work is still ongoing and some minor variations may be identified which will be reported in future Medium Term Financial Strategy (MTFS) updates.

RECOMMENDATIONS

The Finance and Democracy Committee is recommended to:

1. approve the General Fund Revenue Outturn Expenditure and slippage as set out in Sections 2 to 5, and Appendix C (revenue budget slippage items);
2. approve the transfers to earmarked reserves as set out in paragraphs 2.5, 2.6 & 2.8 and as summarised in table 1;
3. approve the Capital Outturn as set out in sections 6 to 9, the capital slippage detailed in Appendix E, and the proposed capital financing as set out in Table 5;
4. approve the Treasury Management Annual Report as set out in sections 10 to 12 and the actual Prudential Indicators set out in Appendix F; and
5. to note the position with respect to the imminent settlement of historic land charges claims as detailed in section 2.12 of this report and to approve the release of the land charges reserve balance in a maximum sum of £128k to meet the Council's liabilities in this regard.

CORPORATE PRIORITIES			
To Promote the Enhancement of The Natural & Built Environment (Place)	√	To Encourage Cohesive Communities (People)	√
To Promote a Thriving Economy (Prosperity)	√	To Meet Expectations of our Customers (Performance)	√

SUMMARY OF PREVIOUS DECISIONS

The outturn position for the prior financial year is considered by members annually. There are no previous decisions in respect of the 2014/15 financial outturn.

REPORT

1.0 Introduction

- 1.1 The Revenue Budget Forecast Update was reported to Cabinet November 2014 and Council in December 2014, with the Medium Term Financial Strategy (MTFS) and budget decisions presented to full Council for approval in March 2015. This report sets out the outturn position at the end of the financial year to March 2015.
- 1.2 In line with the Accounts and Audit Regulations 2011, the Council is required to have the pre-audited draft Statement of Accounts formally signed and dated by the Chief Financial Officer (Section 151 Officer) by no later than 30th June each year.
- 1.3 The MTFS outturn position 2014/15 report constitutes part of the Council's performance management reporting procedures.
- 1.4 In considering the outturn for 2014/15 members should be aware that throughout the year there has been close control of expenditure by Management Team and, in response to the uncertainty surrounding the Government's Comprehensive Spending Review, officers with budget holder responsibility were instructed by Management Team to remain prudent and minimise expenditure commitments and maximise efficiencies and savings wherever possible. That instruction remains in place, and has resulted in the generation of in-year savings throughout the majority of 2014/15. In addition to this prudent budget management, the Council has received the benefit of additional income beyond the level budgeted for. Full details of the outturn variances are included in Appendix B of the report.

2.0 General Fund Revenue Outturn Position (including Collection Fund)

- 2.1 This section of the report covers the General Fund Revenue Outturn position for 2014/15. The General Fund Revenue budget can be defined as the day to day running costs associated with the delivery of the Council's services. This has been monitored by Members throughout the financial year.
- 2.2 A summary of the General Fund Revenue Account comparing actual expenditure against the revised approved estimate, analysed by service, is set out in Appendix A. A detailed list of the variances within services which contribute to the outturn position is set out in Appendix B.
- 2.3 Work continues to be undertaken to interrogate and verify the nature of any budget variances in order to continue the budget rightsizing work carried out during the last financial year. The outcome of this work will be reflected in future updates of the MTFS.

- 2.4 On the 3rd March 2015, Council approved a Revised Revenue Budget net requirement of £8.930m for 2014/15. The outturn position for 2014/15 is a net requirement of £8.506m, resulting in a favourable variance (before financing and slippage) of £0.424m. A £0.136m favourable variance against the budgeted total of financing received during the year has resulted in a Revenue Budget underspend, before slippage requests, of £0.560m.
- 2.5 There are a number of budget variances arising from slippage and other adjustments that are recommended for operational effectiveness. These items total £99k and are listed in Appendix C. **It is recommended that this sum is transferred to general fund balances at year end such that this expenditure can be met in 2015/16.** The underlying underspend after accounting for this slippage is therefore reduced from £560k to £461k.
- 2.6 The total deficit on the NNDR Collection Fund at the end of 2014/15 is £1.264m. This deficit is split between the Government, Lancashire County Council, the Fire Authority, and Fylde Council, with Fylde Council's share being £0.506m. The new legislation means that there are significant timing differences between when a deficit or surplus on the collection fund occurs and when the relevant payments or receipts are made to or from the relevant parties to the collection fund. In line with the guidance **it is recommended that a net contribution to the Collection Fund Deficit Reserve of £0.214m is made.** This comprises a contribution of £0.506m to cover the 14/15 deficit less a release of £0.292m relating to the 13/14 deficit, and will ensure that FBC's share of the collection fund deficit can be met when it is due.
- 2.7 As a consequence of the revised arrangements in respect of business rates, which came into effect from 2013/14, local authorities became liable for a share of the cost of the settlement of appeals in respect of the valuation of properties by Valuation Office Agency (VOA), that being the body which determines business rates liability. All rateable values are supposed to be reassessed every five years at a general revaluation, although the next one, due in 2015, has been postponed. The current rating list is based on a revaluation which took place in 2010. Many businesses within the borough, and indeed nationwide, have lodged appeals against the level of their business rating valuations. These appeals are often supported by specialist rating agents and the outcome can be backdated to the date of the appeal or the last revaluation (i.e. 2010). This scenario can result in significant in-year business rate refunds being made to businesses whose appeals are successful. The VOA have committed to reducing the backlog of appeals within the system, which may increase the possibility of a greater volume of refunds being made in the short term.

During 2014/15 it was confirmed that the last date for an appeal against the 2010 rating list would be 31st March 2015. Consequently the VOA received a further series of appeals for businesses located within Fylde borough in this regard as these businesses sought to meet this deadline, with some of the claims being thought to be speculative in nature but this being unknowable and unquantifiable until the appeal is finally determined. The Council is required to make adequate provision to meet the estimated cost of rating appeals. As a result of the large increase in the potential value of appeals that have been received during 2014/15 it has been necessary to significantly increase the business rate appeal provision from £1.216m at 31st March 2014 to £3.560m at 31st March 2015. This judgement is based upon information held on outstanding appeals and after having taken specialist advice.

The effect of this has been to significantly reduce the amount of business rates income receivable by the Council in 2014/15. The financial forecast which was approved by Council in March 2015 assumes that for 2014/15 and for future years business rate income will be at the 'Safety Net' level (92.5% of the 'baseline' funding level as determined by central government calculated by an authority's spending need). Budgeting at the safety net level is considered to be a prudent approach to business rate income planning as business rates income cannot fall below this level. However in-year budget monitoring with regard to

business rates, though complex and difficult to predict, indicated that there had been a degree of growth within the borough and that a favourable out-turn variance could be anticipated. The cost to Fylde Council of the need to increase the provision for appeals during 2014/15 has over-turned this position and the net level of income receivable puts the Council below the safety net level and receiving a grant from DCLG of £332k to bring the Council back to the safety net funding level.

If the cost of appeals from 2015/16 onwards is less than the amounts set-aside in the provision for this purpose it may be possible to release these sums and consequently the Council's business rates income in that year would increase accordingly.

The analysis of the 2014/15 financing at Appendix A includes a favourable variance of £106k in relation to Revenue Support Grant and Business Rate income. This is a separate issue to that described above and arises from the timing differences in the required accounting transactions between the Council's General Fund and the Collection Fund which is required to account separately for Business Rate and Council Tax income.

- 2.8 After allowing for slippage of £99k and the proposed transfer to the Collection Fund Deficit Reserve of £0.214m there remains a favourable outturn variance of £0.247m. **It is recommended that this sum of £0.247m is transferred to the Capital Investment Reserve. This will be in addition to the budgeted transfer to the reserve of £0.911m approved by Budget Council on 3rd March 2015.**

- 2.9 The underspend position is detailed in Appendix A, and is summarised in Table 1 below:

Table 1 – Estimated General Fund Revenue Outturn Position:

	<u>Budget</u> <u>£m</u>	<u>Actual</u> <u>£m</u>	<u>Variance</u> <u>£m</u>	
Net expenditure for the year	8.930	8.506	(0.424)	(Fav)
Financing for the year	(10.096)	(10.232)	(0.136)	(Fav)
Surplus of resources for the year	(1.166)	(1.726)	(0.560)	(Fav)
Less:				
budgeted transfer to Capital Investment reserve	0.911	0.911	0	-
budgeted transfer to General Fund balances	0.255	0.255	0	
Balance - further transfers to reserves		(0.560)	(0.560)	(Fav)
<u>Analysis of further transfers to reserves:</u>				
- transfer to General Fund balances re slippage	0	(0.099)	(0.099)	(Fav)
- transfer to Collection Fund Deficit Reserve	0	(0.214)	(0.214)	(Fav)
- transfer Capital Investment Reserve	0	(0.247)	(0.247)	(Fav)
Recommended further transfers to reserves	0	(0.560)	(0.560)	(Fav)

- 2.11 No financial resources have been lost to the Council as a result of the outturn position.

2.12 Release of Land Charges Reserve monies

This reserve was created in 2010/11 to meet the Council's liabilities arising from third-party claims relating to land charge enquiries following the Government's conclusion that charging a fee for a personal search of the local land charges register (LLCR) is incompatible with the Environmental Information Regulations 2004 (EIRs) and the underlying 2003 EU Directive.

Local Authorities were informed of the revocation of the Personal Search fee of £22 and the amendment to the Local Land Charges Rule 1977 with effect from 17th August 2010. Where a fee had been charged since January 2005, when the EIRs came into force Local Authorities had to take measures towards potential third party claims in relation to these historic Land Charge enquiries. The majority of local authorities have been affected by this issue and a cost- sharing arrangement in respect of legal fees has been established. This has the advantage of enabling each authority to seek advice on its overall potential exposure and to seek to limit the amount it may ultimately have to pay to the Claimant. The balance of the reserve at 31st March 2015 was £128k.

The specialist legal advisers that have been engaged under the cost-sharing arrangement have lobbied central government for additional funding to be made available to local authorities to assist with meeting the cost of historic land charges claims. The legal advisers have indicated that central government is to make monies available to local authorities but the sums to be received and the timescale of such payments are not yet known. Any grant that Fylde Council receives in this regard has not been budgeted for and would reduce the net cost to Fylde Council and consequently the amount of the final settlement that would be met from the Land Charges Reserve monies.

This matter is drawing to a conclusion and it is anticipated that the Council will shortly be required to make payment in settlement of the Council's share of the liabilities. Draft settlement figures that have been provided to the Council indicate that the final cost will be within the £128k balance of the reserve. Once final figures have been agreed payment must be made within a strict time limit of 28 days following the signing of the settlement agreement. Consequently, approval is requested, as part of this report, for the release of funding from the Land Charges reserve to meet the Council's liabilities in relation to settlement of Land Charges up to the value of the reserve balance in the sum of £128k.

If the final settlement figure is in excess of the reserve balance the remainder of the required funding will be met by way of virements from existing approved revenue budgets in 2015/16. No additional revenue funding approval is requested as part of this report.

3.0 Collection Fund Outturn Position

- 3.1 As a Council Tax and Non-Domestic Rates (NDR) Billing Authority, the Council is required by legislation to calculate the surplus or deficit for each financial year on the Collection Fund. Prior to 2013/14 the requirement was to maintain this for Council Tax only, however, as part of the Local Government Finance Act 2012 the Government implemented a Business Rates Retention Scheme from April 2013, whereby the collection and distribution of NDR is collected and distributed via the Collection Fund (distribution of NDR had previously been managed nationally).
- 3.2 For Council Tax only, there was a cumulative deficit on the fund as at 31st March 2015 of £183k. This will be shared between the Borough Council, the County Council, the Police Authority and the Fire & Rescue Authority in 2015/16 & 2016/17. The Borough Council's share of the deficit is £25k.
- 3.3 For Non-Domestic Rates only, there was a deficit on the fund as at 31st March 2015 of £1.264m. This will be shared between Central Government, the Borough Council, the County Council and the Fire & Rescue Authority in 2015/16 & 2016/17. The Borough Council's share of the deficit is £0.506m.

4.0 Statement of General Fund Revenue Balances

- 4.1 Table 2 details the Council's General Fund Balances position, as a result of estimated Outturn at 31st March 2015:

Table 2 – Statement of General Fund Revenue Balances

	Budget	Actual	Variation	
	£m	£m	£m	
Opening Balance 01/04/2014	5.089	5.089	-	
Transfer to/(from) balances	0.255	0.354	(0.099)	(Fav)
Closing Balance 31/03/2015	5.344	5.443	(0.099)	(Fav)

- 4.2 The first call on revenue balances in 2015/16 is the proposed slippage of £99k as set out in Appendix C leaving general fund balances after allowing for these items at £5.344m.

5.0 General Fund Revenue Outturn Conclusions

- 5.1 Much work has been done over the last eight years to ensure that the Council's finances remain robust.
- 5.2 The continuation of Public Sector Deficit Reduction measures promoted by central government includes both immediate and medium term spending reductions on public services. Like all councils Fylde is also dealing with cost pressures whilst striving to maintain income streams.
- 5.3 The Council has delivered a significant savings programme since 2008 and continues to seek opportunities to further reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position. The Council continues to examine the balance between fees and charges and council tax levels looking closely at new opportunities for income generation, although the latter has been challenging throughout the recent recession.
- 5.4 The level of general fund revenue reserves, which have been further supplemented at the end of the 2014/15 financial year, ensures that the Council has a robust financial forecast over the medium term. The Council has delivered a significant savings programme since 2007 and has continued to significantly reduce senior management costs and other overheads. Ongoing modernisation work and business improvement must continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position. However the Council's Medium Term Financial Strategy continues to show a budgeted call on reserves in the latter years, indicating that this work will need to continue. Furthermore instructions to all spending officers have remained in place to minimise expenditure commitments, to remain prudent and continue to maximise efficiencies in service delivery. These actions, together with some one-off income gains, have again delivered a favourable outturn in 2014/15 with minimal significant short term impact on service delivery. However, a small number of items of expenditure have been delayed and slippage is requested for these items.

- 5.5 The Council began a budget right-sizing programme during the summer of 2012 in preparation for the Government funding reductions that were anticipated in respect of future years and has continued this practice into 2014/15. This programme will continue in future years and is a key element of the work that is undertaken to address the financial challenges faced by the Council. Members and Management Team continue to investigate opportunities for the sharing of services with other local authorities where appropriate.
- 5.6 The speed with which the national deficit reduction programme has been applied to local government means that the Council will need to continually identify further efficiencies, maximise income and look to create more capacity in order to deliver a balanced and sustainable budget in the medium term. Such an approach may lead to a review of service provision in some areas and a more measured achievement of improvement in priority areas. The financial pressures facing the Council in the future, as reported in detail in the MTFS considered at Budget Council in March this year, still remain.
- 5.7 Action is being taken to mitigate the financial risks as set out in the MTFS as far as is possible. Work is still ongoing on closing the accounts for the financial year and some minor budget variations may be identified during the statutory audit carried out by KPMG. Should this occur, these will be reported in the next update of the MTFS and in the final statutory accounts of the Council.
- 5.8 Priorities and plans will be reviewed again during 2015. There is no doubt that anticipated further reductions in central government funding, along with the need to find future savings as set out in this Medium Term Financial Strategy, will have a financial impact for the Council. Despite concerns that budget challenges might limit the Council's ability to deliver against our priorities, good progress has been made with many corporate initiatives.

6.0 Capital Outturn 2014/15

- 6.1 The latest approved expenditure budget in the capital programme for 2014/15 was £1.235m. After adjusting for slippage of £0.211m, the overall outturn position for 2014/15 is an in-year balanced position against the latest updated estimate (as shown in table 4). The capital receipts surplus for the year, after taking into account of slippage, totals £39k which leaves a total underlying favourable variance at outturn of £39k.
- 6.2 The 1st quarter update of the Five Year Capital Programme for 2015/16 will be amended to reflect the outturn results and any other changes approved to date.
- 6.3 The financing proposals represent the most cost-effective financing to the Council and leave it with the greatest flexibility in respect of future years.

Capital expenditure for 2014/15 is detailed in table 3:

Table 3 - Latest Estimate Compared with Outturn 2014/15

	Notes	£m	
MTFS 03/03/15 Approved Capital Programme		1.275	
Changes since 03/03/15 (as per Note 1)	1	0.042	
Less re-phasing CCTV scheme (agreed at Cabinet 25/03/15)		(0.082)	
Latest Estimate		1.235	
Less Outturn Expenditure		(1.024)	
Net Underspend for Year		0.211	(Fav)
Less Slippage (as per Note 2)	2	(0.211)	
Add Capital Receipts Surplus		0.039	(Fav)
Underlying Variance at Outturn		0.039	(Fav)

Note 1: Changes since 03/03/2015

- £40k Increased expenditure on Disabled Facilities Grant fully funded through a contribution received from New Fylde Housing.
- £2k Increased expenditure on the Rapid Deployment CCTV in 2015/16 fully funded from LSP Grant

Note 2: Capital Schemes Slippage Requests to 2015/16 (Full slippage explanations contained in Appendix E)

	£'000
Replacement Vehicles	24
Accommodation Project	2
Ashton Gardens Depot	2
Disabled Facilities Programme	52
Infant Memorial Garden – Phase 2	15
Replacement Boats Fairhaven	55
Woodlands Road - Ansdell – Regeneration Phase 2	4
Cemetery / Crematorium Pumping Station	4
Compliance with Inspire Directive	7
Repair & Renewal Flood Defences	30
Fylde Headlands Preliminary Work	16
Total Slippage requested	211

Details of variances for all capital schemes are shown in Appendix D.

7.0 Usable Capital Receipts 2014/15

- 7.1 Capital Receipts are a major component of the Council's capital financing strategy. Details of usable receipts are set out in table 4:

Table 4 - Useable Capital Receipts 2014/15

	Latest Estimate (Less Slippage)	Outturn	Variance +/-	
	£'000	£'000	£'000	
Opening Balance at 01/04/2014	898	898	0	
Capital Receipts received in yr	154	193	(39)	(Fav)
Sub Total	1,052	1,091	(39)	(Fav)
Capital Receipts used in year to finance expenditure		(173)		
Closing Balance at 31/03/2015		918		

- 7.2 The closing balance of £918k includes slippage of £12k leaving residual receipts regarding assets sold to fund the accommodation project of £867k and unallocated surplus capital receipts of £39k from additional monies received from Right to Buy Sales from New Fylde Housing. The total balance of £918k has been set aside into a capital receipts unapplied fund in order to finance future programmed expenditure.

8.0 Capital Financing 2014/15

- 8.1 The proposed financing of capital expenditure is set out in table 5:

Table 5 - Proposed Capital Financing 2014/15

	£'000
EXPENDITURE:	1,024
FINANCING:	
Grants & Contributions	599
Capital Receipts	173
Borrowing	-
Revenue Contribution	252
Total Capital Financing	1,024

- 8.2 Should any minor changes be identified in capital expenditure as a result of final closure work, capital financing will be adjusted as appropriate.

9.0 Capital Outturn – Conclusions

- 9.1 After allowing for slippage, the outturn position has produced an underlying programme surplus of £39k compared to the latest forecast reported to Members.

- 9.2 This surplus arises from an increase in budgeted capital receipts received from New Fylde Housing – Right to Buy Receipts.
- 9.3 The outturn position will be reflected in future capital programme updates.

10.0 Treasury Management Annual Report

10.1 Summary

This section of the report covers Treasury Management operations for the financial year to 31st March 2015.

The Prudential Indicators and Treasury Management Strategy for 2014/15 were originally approved in the Medium Term Financial Strategy 2014/15 Report to Council on 3rd March 2014. The Prudential Indicators are updated as required and changes have been approved by Council in the Mid-Year Prudential Indicators & Treasury Management Monitoring Report to Council on 1st December 2014 and the Medium Term Financial Strategy Report to Council on 3rd March 2015. Performance has been monitored during the year and reported on a quarterly basis to the Portfolio Holder for Finance and Resources. The Prudential Indicators and the out-turn position for 2014/15 are shown at Appendix F.

10.2. Regulatory Background

The Local Government Act 2003 requires the Council to adopt the CIPFA (the Chartered Institute of Public Finance and Accountancy) Prudential Code and produce Prudential Indicators. The Council's treasury activities are regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). The Code of Practice recommends that Members are informed of treasury management activities.

11.0 Implications

11.1 Economic Background

The UK economy has been recovering at a relatively strong rate since early 2013, although there were signs of a slight slowdown in growth in late 2014 due to problems in the Eurozone and other geopolitical uncertainties.

Annual CPI inflation fell to zero for the year to March 2015, down from 1.6% a year earlier due to lower global energy and food prices.

The Bank of England maintained interest rates at 0.5% indicated that increases to the bank rate would be gradual and limited, and below annual historic levels.

11.2 Borrowing

In line with advice from treasury advisors the borrowing strategy is to postpone new borrowing and to utilise in-house cash balances instead (also known as internal borrowing). This is the most prudent strategy, particularly in periods when investment returns are low and counter-party risk is high. Such a strategy minimises treasury risk by reducing both external debt and in-house investments. Therefore, no new long term borrowing has been taken.

Long term borrowing is only undertaken for a capital purpose and the statutory borrowing limit (the Authorised Limit) of £8.3m was not breached.

The Council's borrowings at 31st March, 2015 were all at a fixed rate and are set out in Table 6.

Table 6 – Analysis of Borrowing

Type of Loan	Balance 31.03.15 £m
Public Works Loan Board (PWLB)	2.3
Gross Borrowing	2.3
Operational Boundary	2.3

No new borrowing was taken out during 2014/15. During the year £1.5m of PWLB borrowing was repaid reducing the total external debt from £3.8m at the start of 2014/15 to £2.3m by the close of the year. The average rate of interest payable was 3.23%.

The figures in this report are based on the actual amounts borrowed and invested and so may differ from those in the final statutory annual accounts by items such as accrued interest and other statutory accounting adjustments.

11.3 Investments

The security of investments is the Council's main investment objective. This is achieved by adhering to the Treasury Management Strategy approved by Council on 3rd March 2014. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

11.4 Internally Managed Funds

During the year, cash sums managed internally by the Council have been invested for periods of up to three months with approved banks, money market funds, and Lancashire County Council. The Council held an average cash balance of £14.8m of internally managed funds. The overall performance was a gross return of 0.36%, compared with a benchmark return of 0.35%. Interest earned was £53.4k compared to a revised budget of £38.6k. The level of interest from investments was in excess of the revised budget as the actual level of external investments was higher than was anticipated due to the Council benefitting from a more favourable cash-flow position.

12.0 Prudential Indicators

- 12.1 The Council complied with all of its Prudential Indicator limits for 2014/15. Details can be found in Appendix F.

13.0 Overall Conclusion

- 13.1 The report represents an improvement in the Council's General Fund Revenue forecast balances position compared with previous budget forecasts. The favourable outturn position is to be welcomed given the future financial challenges faced by the Council in the medium-term. Members will be aware that the underlying budget position shows a budgeted call on reserves in the latter years of the forecast. This indicates that ongoing modernisation and business improvement programmes need to continue.

The improved outturn position leaves the Council well placed to face these uncertainties and ensure that any future savings requirements can be planned and phased over a longer period than would otherwise be the case.

IMPLICATIONS	
Finance	Detailed financial implications are included within the body of the report
Legal	There is a statutory requirement for the Chief Financial Officer to sign off a completed Annual Statement of Accounts for the Council by 30 th June each year, in preparation for the Council's external auditors KPMG to carry out an annual audit.
Community Safety	Not applicable
Human Rights and Equalities	Not applicable
Sustainability and Environmental Impact	Not applicable
Health & Safety and Risk Management	Not applicable

LEAD AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue, Chief Financial Officer	01253 658566	10 th June 2015	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy 2014/15 to 2018/19	3rd March 2015	www.fylde.gov.uk

Attached documents

Appendix A – General Fund Summary Revenue Expenditure & Income Account

Appendix B – General Fund Outturn 2014/15 – Variations from Revised Estimates

Appendix C – Revenue Budget Slippage Items requested

Appendix D – Capital Outturn 2014/15

Appendix E – Capital Outturn Slippage Items requested

Appendix F – Prudential Indicators

GENERAL FUND OUTTURN 2014/15

Summary Revenue Account				
	Outturn 2014/15			
	Latest Estimate	Outturn	Variance + Over / (Under)	Favourable / Adverse
Net Service Expenditure	£'000	£'000	£'000	
Chief Executive	2,630	2,370	(260)	Fav
Resources	3,991	3,950	(41)	Fav
Development Services	2,520	2,101	(419)	Fav
Net Cost of Services	9,141	8,421	(720)	Fav
Contingency	(52)	0	52	Adv
Contributions to / (from) other Funds	(144)	(67)	77	Adv
Capital Accounting Adjustments	(769)	(829)	(60)	Fav
Interest payable and similar charges	96	96	0	-
Interest and investment income	(39)	(56)	(17)	Fav
Minimum Revenue Provision	697	697	0	-
Pension accounting adjustment	0	244	244	Adv
Sub-Total of Appropriations	(211)	85	296	Adv
Total Net Requirement	8,930	8,506	(424)	Fav
Financing				
General Government Grants:				
New Homes Bonus	(1,269)	(1,275)	(6)	Fav
Other Government Grants	15	(9)	(24)	Fav
Revenue Support Grant and Business Rate Retention (incl s31 Grant)	(3,585)	(3,691)	(106)	Fav
Demand on the collection fund (incl previous years surplus)	(5,257)	(5,257)	0	-
	(10,096)	(10,232)	(136)	Fav
Surplus of resources for the year	(1,166)	(1,726)	(560)	Fav
Approved Transfer to Reserves				
Transfer to Capital Investment Reserve	911	911	0	-
Recommended transfers to reserves	(255)	(815)	(560)	Fav
Analysis of recommended Transfers to Reserves:				
Recommended transfer to general fund revenue balances	(255)	(255)	0	-
- transfer to general fund revenue balances re slippage	0	(99)	(99)	Fav
- transfer to Collection Fund Deficit Reserve	0	(214)	(214)	Fav
- transfer to Capital Investment Reserve	0	(247)	(247)	Fav
Recommended transfers to reserves	(255)	(815)	(560)	Fav
Statement of General Fund Revenue Balances				
General Fund Revenue Balances b/f	(5,089)	(5,089)	0	-
Recommended transfer to general fund revenue balances	(255)	(354)	(99)	Fav
General Fund Revenue Balances c/f	(5,344)	(5,443)	(99)	Fav

Note - this table has been provided to assist Members in understanding the outturn position. The Statutory Statement of Accounts will be in a different format to comply with the latest Code of Practice on Local Authority Accounting.

Service Area	Detailed Description	Latest Full Year Budget £	Actual at year end £	Variance £	Adverse / Favourable	Reason for Variance
Staffing costs and authority wide budgets						
Authority wide	Staffing budgets, including on costs	7,737,726	7,664,827	-72,899	Favourable	This favourable variance is as a result of a higher than anticipated level of in-year savings from staffing vacancies.
Utilities costs	Electricity	113,436	98,198	-15,238	Favourable	With a relatively mild winter (in temperature terms) expenditure on heating has been lower than average and a favourable variance is the consequence.
	Gas	57,022	49,563	-7,459	Favourable	
Various Fleet	FMS Material Cost / Repairs by Commercial Garages	180,062	165,054	-15,008	Favourable	These elements of the fleet costs ought properly to be considered together. Material costs are under-spent across a range of vehicles as a result of the number of new and hire vehicles, the removal of the need to go on landfill sites, and improved driving practices. The under-spend will reduce over the life of the vehicles. In addition, the repairs expenditure is marginally in excess of the budget as some vehicles are now beyond their warranty periods and consequently increased repair costs have to be met by Fylde Council. Together these two elements produce a favourable variance.
	Fuel Costs	335,766	303,487	-32,279	Favourable	Fuel usage lower than anticipated on some vehicles resulting in a favourable variance. The fleet budgets will be further refined during 2015/16 to achieve a closer alignment to fuel requirements for each vehicle.
	Hire of Transport	157,408	142,670	-14,738	Favourable	This favourable variance has resulted from the reduced requirement for hired vehicles in the year. This budget will be reviewed during 2015/16 in the light of this favourable variance.
Chief Executive						
Fylde Waste Schemes	Other Sales	-30,000	-36,663	-6,663	Favourable	There has been additional unbudgeted income during 2014/15 from the sale of domestic wheeled bins which has produced this favourable variance.
Resources						
Electoral Registration	Canvassers Fees - Non-Staff	19,400	7,060	-12,340	Favourable	These variances arise due to timing differences in the receipt of a specific grant directed towards Individual Elector Registration for the May 2015 elections and the carrying out of those activities across two financial years. It is proposed that the majority of these balances are transferred into 2015/16 when the remaining instalment of grant will be received and the corresponding activities will take place. A slippage request has been made in this regard.
	Individual Electoral Registration	-38,600	-28,573	10,027	Adverse	
Legal Services Team	Legal Fees and Court Costs	3,500	14,120	10,620	Adverse	This adverse variance results from the requirement to incur counsel's fees in relation to the Thames Street planning application public inquiry.
Revenues and Benefits Shared Service	Council Tax Collection/Business Rates Administration/Housing Benefit Administration	986,121	980,220	-5,901	Favourable	This favourable variance has resulted from efficiency savings in the delivery of services through the shared service arrangements with Blackpool Council.
Computer Services	Computer - Development Costs	10,597	3,785	-6,812	Favourable	These favourable variances have resulted from changes to the planned development activities in the year arising from a review and restructuring of staffing arrangements within the ICT Team.
	Computer - Other Expenditure	22,733	14,493	-8,240	Favourable	

Service Area	Detailed Description	Latest Full Year Budget £	Actual at year end £	Variance £	Adverse / Favourable	Reason for Variance
Revs & Bens Central Costs	Universal Credit Costs	0	17,348	17,348	Adverse	The introduction of Universal Credit in Fylde from November 2014 resulted in certain additional costs being incurred (for work undertaken on behalf of the DWP) and the receipt of accompanying grant from central government. Taken together these two elements result in a favourable variance.
	Universal Credit Costs Reimbursed	0	-27,357	-27,357	Favourable	
	Council Tax Reduction Scheme - Hardship Fund	9,656	1,705	-7,951	Favourable	This favourable variance is as a result of the low level of hardship awards being made to claimants under the council tax reduction scheme during 2014/15. It is proposed that the remaining £7,951 available in this budget is slipped into 2015/16 to provide some budget provision for potential claimants during the new year.
Community Safety - Delivery Costs	Fylde CCTV Costs	61,097	34,045	-27,052	Favourable	The transfer of two BT circuits & the provision of police radio service to cover Fylde CCTV has not been not completed in 2014/15 as was originally planned. A slippage request in the sum of £8,800 has been proposed to allow the delivery of these elements of the scheme in 2015/16. This will still result in a favourable variance as other operating costs have been lower than the budgeted cost.
Community Safety Initiatives	Community Safety Initiatives	70,195	17,380	-52,815	Favourable	Community Safety funding is now significantly diminished due to the fact that external grants are no longer being received, other than for smaller amounts of funding, for example, from the Police and Crime Commissioner. As a result the Community Safety Partnership uses the legacy funding that was passed to it by the former Local Strategic Partnership, sparingly. During 2014/15 a relatively small amount of funding has been granted to support a number of partnership projects. The intention is to utilise resources sparingly and when such usage is most effective. Consequently a slippage request has been made to transfer the remaining resource into 2015/16. It is possible that not all of this will be used in 2015/16 and a future request to transfer funding beyond 2015/16 may be made.
	Community Safety Initiatives Funding	-70,195	-17,380	52,815	Adverse	
Local Strategic Partnership	LSP Initiatives	60,782	28,444	-32,338	Favourable	The former LSP allocated funding to allow the Community Projects Fund, which gives community grants for amounts from £500 to £2,000, to support qualifying projects. It also allocated further discretionary funding for smaller grants of up to £500. As is the case for Community Safety initiatives the intention is to utilise resources as and when such usage is most effective. Consequently a slippage request has been made to transfer the remaining resource into 2015/16. It is possible that not all of this will be used in 2015/16 and a future request to transfer funding beyond 2015/16 may be made.
	Other Reimbursements	-60,782	-28,444	32,338	Adverse	
Homelessness	Homelessness Prevention Project	40,225	23,363	-16,863	Favourable	These variances arise due to timing differences in the receipt of central government grant directed towards the prevention of homelessness and the incurring of costs in the delivery of those activities across a number of financial years. It is proposed that these balances are transferred into 2015/16 when the remaining balance of the grant will be used as required in accordance with the principles of the scheme. A slippage request has been made in this regard.
	Lancashire Single Homelessness Project	-40,225	-23,362	16,863	Adverse	
	Angel Lane, Hardhorn	0	5,003	5,003	Adverse	This adverse variance has resulted from the requirement to incur housing costs in relation to consultation work relating to the Hardhorn travellers' site.

Service Area	Detailed Description	Latest Full Year Budget £	Actual at year end £	Variance £	Adverse / Favourable	Reason for Variance
Mortgage Repossessions	Mortgage Repossession - grants	20,411	1,851	-18,560	Favourable	These variances arise due to timing differences in the receipt of central government grant directed towards the prevention of mortgage repossessions and the incurring of costs in the delivery of those activities across a number of financial years. It is proposed that these balances are transferred into 2015/16 when the remaining balance of the grant will be used as required in accordance with the principles of the scheme. A slippage request has been made in this regard.
	Mortgage Repossession - loans	20,412	575	-19,837	Favourable	
	Mortgage Repossession - grant funding	-40,823	-2,426	38,397	Adverse	
Development Services						
Development Management	Planning Application Fees	-650,000	-710,900	-60,900	Favourable	The receipt of a number of major planning applications during the year has resulted in a favourable outturn. Income from planning application fees is monitored throughout the year and required amendments are made as part of the updates to the Council's Medium Term Financial Strategy (MTFS).
Planning Appeals	Planning Appeal Hearing Costs	40,000	32,151	-7,849	Favourable	Appeals by developers against the refusal of particular planning applications that were originally expected to take place during 2014/15 will now not be heard until the autumn of 2015. A slippage request has been made that the unspent balance of the 2014/15 budget for this purpose in the sum of £7,849 be transferred into 2015/16 to contribute towards the cost of these appeals.
Planning Policy	Advertising	6,200	1,036	-5,164	Favourable	A review of the methodology used in the assessment of the five year housing supply figure has delayed some of the planned 2014/15 activity which will now be required to be undertaken in 2015/16 as part of the Strategic Housing Land Availability Assessment (SHLAA). Consequently a slippage request has been made in the sum of £5,164 to transfer funding for this work into 2015/16.
Miscellaneous Properties	Other General Repairs and Maintenance	5,000	0	-5,000	Favourable	Fylde Council is in receipt of a sum of £5,000 from Railtrack in relation to engineering works carried out in Wesham which is to be used for the benefit of Wesham residents. Wesham Town Council has proposed how this money ought to be utilised but it has not been possible to carry out these activities in 2014/15. A slippage request has been made in the sum of £5,000 to allow these works to be carried out in 2015/16.
	Other Rent	-110,000	-119,659	-9,659	Favourable	There have been a number of rent reviews of leased properties during the year which has resulted in this favourable variance.
Coast and Countryside	Sale of Sand (sandwinning)	-175,000	-163,056	11,944	Adverse	During 2014/15 the income budget for Sandwinning was increased from £75,000 to £175,000. Although actual income received during the year has been greatly increased it has not quite achieved the revised level. The result is an adverse variance for the year.
St. Annes-Leisure (Strategic)	Games Site Fees	-50,000	-56,718	-6,718	Favourable	Increased patronage of the Mini Links Golf Course on St Anne's Promenade, assisted by the favourable summer weather conditions during 2014, have resulted in this favourable variance.

Service Area	Detailed Description	Latest Full Year Budget £	Actual at year end £	Variance £	Adverse / Favourable	Reason for Variance
Management of the Arts	Arts Project	11,000	6,000	-5,000	Favourable	These variances arise due to timing differences in the receipt of an Arts Council grant for the 'REACH' project and the carrying out of those activities across two financial years. It is proposed that these balances are transferred into 2015/16 when the remaining instalment of grant will be received and the corresponding activities will take place. A slippage request has been made in this regard.
	Arts Council Grant	-6,000	0	6,000	Adverse	
Cemetery and Crematorium	Contract Repair and Maintenance	50,000	73,053	23,053	Adverse	The additional income is the result of additional cremations being carried out due to extended reduction in capacity at Carleton Crematorium as a replacement cremator scheme is carried out. The additional income is partially offset by additional contract repair and maintenance costs in respect of the increased use of the cremators. Together these elements result in a favourable variance.
	Cremations	-976,000	-1,082,575	-106,575	Favourable	
	Interments	-170,000	-175,089	-5,089	Favourable	This favourable variance is brought about by a slight annual increase in the number of burials during 2014/15.
	Memorial Income	-31,000	-37,045	-6,045	Favourable	An unexpected increase in the demand for memorials during the year, linked in part to the increase in the volume of cremations carried-out, has produced this favourable variance for 2014/15.
Various Car Parks	Car Parking Fees	-504,652	-536,263	-31,611	Favourable	The favourable weather conditions during the summer of 2014 have resulted in the generation of additional income from car parking for the year.
Direct Revenue Financing - Cem & Crem pumping station, infant memorial, boat replacement schemes	Direct Revenue Financing	312,000	251,806	-60,194	Favourable	Budget provision was approved in 2014/15 in respect of: Fairhaven Lake boat replacement; Lytham Cemetery infant memorial garden; and the Cemetery/Crematorium pumping station works. These schemes have not been delivered as planned in 2014/15 and consequently a slippage request has been made to transfer the revenue funding for these schemes into 2015/16.
Transfers to/from Capital Investment Reserve	Transfer from Earmarked Reserve	-90,000	-35,000	55,000	Adverse	This approved transfer from the Capital Investment Reserve did not take place due to the Fairhaven Lake boat replacement slipping to the 2015/16 financial year.
Financing						
General government grants	New Homes Bonus	-1,269,000	-1,275,000	-6,000	Favourable	This favourable variance has resulted from an additional in-year allocation of New Homes Bonus funding from central government.
General government grants	Revenue support grant and Business Rate Retention	-3,585,000	-3,691,000	-106,000	Favourable	This net favourable variance arises as a result of the timing anomalies between the Council's General fund and the Collection Fund with regard to transactions in relation to business rates, including the transfers to and from the General Fund and the Collection Fund Deficit Reserve.
General government grants	Additional Grant received in year: Community Right to Bid / Challenge funding	15,000	-9,000	-24,000	Favourable	This favourable variance has resulted from additional government grants received during the year which were in excess of the budget. These relate to the Community Right to Bid/Challenge funding.
Transfers to/from Community Right to Bid / Challenge Reserve	Transfer from Earmarked Reserve	0	16,402	16,402	Adverse	The additional funding received relating to Community Right to Bid/Challenge remained unspent at the end of the year and was transferred to the relevant Reserve.
Sub-Total				-550,344	Favourable	
Other minor variances	Various			-9,220	Favourable	Net total of all other outturn variances across the Council.
Total				-559,564	Favourable	

Requests to transfer 2014/15 budget to 2015/16

Cost Centre	Service Area	Sub Analysis	Slippage Requested £	Explanation of Slippage	Effect on service delivery if not approved
RESOURCES DIRECTORATE					
7520	Revs & Bens Central Costs	Council Tax reduction Scheme - Hardship Fund	7,951	There have been few hardship awards to claimants during 2014/15. It is proposed that the remaining £7,951 available in this budget is slipped into 2015/16 to provide some budget provision for potential claimants during the new year.	The Hardship Fund provides an opportunity for the Council to award additional relief in a small number of cases to persons who have suffered a reduction in the level of support they receive as a consequence of the introduction of the Council Tax Reduction Scheme (which replaced Council Tax Benefit from 2013/14). The Hardship Fund is a key element of the Council Tax Reduction Scheme and helps to ensure that the scheme adopted by the Council meets all legal requirements in respect of equality analysis and the provision of additional support in exceptional circumstances. If the slippage were not to be approved an equivalent amount of funding would need to be found from another source to meet these obligations.
3379	Community Safety	Fylde CCTV Costs	8,800	The transfer of two BT circuits & the provision of police radio service to cover Fylde CCTV has not been not completed in 2014/15 as was originally planned. A slippage request in the sum of £8,800 has been proposed to allow the delivery of these elements of the scheme in 2015/16. This would still result in a favourable variance as other operating costs have been lower than the budgeted cost.	If the slippage were not to be approved the planned works to allow the service to be operated in partnership with Wyre Council could not be completed.
2700	Community Grants	MOD Grants	3,651	Unspent MOD grant in 2014/15 to be transferred to 2015/16 to provide for the project to be delivered in that year.	If the slippage were not to be approved the project could not be delivered and the funding would need to be returned to the MOD.
			-3,651		
3380	Community Safety Initiatives	Community Safety Initiatives	52,815	Community Safety funding is now significantly diminished due to the fact that external grants are no longer being received, other than for smaller amounts of funding, for example, from the Police and Crime Commissioner. As a result the Community Safety Partnership uses the legacy funding that was passed to it by the former Local Strategic Partnership, sparingly. During 2014/15 a relatively small amount of funding has been granted to support a number of partnership projects. The intention is to utilise resources sparingly and when such usage is most effective. Consequently a slippage request has been made to transfer the remaining resource into 2015/16. It is possible that not all of this will be used in 2015/16 and a future request to transfer funding beyond 2015/16 may be made.	If the slippage were not to be approved future Community Safety Projects could not be delivered and the funding would need to be repaid to LCC.
			-52,815		

Requests to transfer 2014/15 budget to 2015/16

Cost Centre	Service Area	Sub Analysis	Slippage Requested £	Explanation of Slippage	Effect on service delivery if not approved
3381	Local Strategic Partnership	LSP Residual Monies	32,338	The former LSP allocated funding to allow the Community Projects Fund, which gives community grants for amounts from £500 to £2,000, to support qualifying projects. It also allocated further discretionary funding for smaller grants of up to £500. As is the case for Community Safety initiatives the intention is to utilise resources as and when such usage is most effective. Consequently a slippage request has been made to transfer the remaining resource into 2015/16. It is possible that not all of this will be used in 2015/16 and a future request to transfer funding beyond 2015/16 may be made.	Approval of the slippage would allow the continuation of the Community Projects Fund in 2015/16. Otherwise, a proportion of the funding would be returned to LCC as it was raised against second homes council tax
			-32,338		
5270	Homelessness	Single Homelessness Initiatives	16,863	The project is part of a wider single homelessness initiative to pilot approaches to resolve issues to housing for single homeless. This includes tenancy training, shared accommodation and an accommodation finding service in Wyre & Lancaster authorities. The tenancy training & shared housing are in all three authorities that form the North cluster of Lancashire authorities. A funded budget increase was approved on the 22/10/14 as an individual Cabinet Member decision for Fylde to hold the project funds and receive monies to provide project management support. An appointed contractor has ceased trading therefore the project has slipped.	This is grant funding that can only be used for the projects described
			-16,863		
5271	Mortgage Repossessions	Mortgage Repossessions - Grants & Loans	38,397	In 2009/10 DCLG allocated £23.5k to Fylde Council to assist in preventing homelessness as a result of mortgage repossession or landlord repossession and in 2012 provided a further £30k for the same purpose. A policy is in place such that the unspent balance of funding is carried forward to be used the following year, subject to general budget pressures permitting.	If the slippage were not to be approved the mortgage repossession prevention work would not continue. As this is grant funding that can only be used for mortgage repossession prevention work the funding would need to be returned to DCLG if the slippage were not approved
			-38,397		
2400	Electoral Registration	Individual Elector Registration (IER)	10,027	During 2014/15 the Council received a specific grant from central government directed towards implementing Individual Elector Registration (IER) for the May 2015 elections and the carrying out of those activities across two financial years. It is proposed that the unspent balance of the grant be transferred into 2015/16 when the remaining activities associated with IER will take place.	If the slippage were not to be approved the household canvass and year round canvassing costs of postage may not be fully covered in 2015/16.
			-10,027		
Resources sub-total			£ 16,751		

Requests to transfer 2014/15 budget to 2015/16

Cost Centre	Service Area	Sub Analysis	Slippage Requested £	Explanation of Slippage	Effect on service delivery if not approved
DEVELOPMENT SERVICES DIRECTORATE					
3000	Management of the Arts	Arts Council 'REACH' Project 2015/16	6,000	This funding forms part of the REACH Art project fronting St.Annes swimming pool. The project is a two phase project to refurbish/regenerate the area fronting the pool. Phase 1 has been completed and Phase 2 is currently being developed. The £6k comprises £5k contribution from LCC towards phase 2 delivery costs and £1k Arts Council grant to develop the project.	If the slippage were not to be approved the REACH art project could not be delivered and the £5k contribution from LCC and the £1k from the Arts Council will have to be returned to the respective organisations.
			-6,000		
3000	Management of the Arts	Future initiatives	2,000	This represents the balance of monies received by the Council in relation to the Open Golf tournament of 2012. It is proposed that this balance be transferred into 2015/16 to provide funding for suitable qualifying initiatives.	If the slippage were not to be approved future qualifying initiatives could not be delivered as was originally envisaged when the funding was originally agreed.
9853	Direct Revenue Financing	Direct Revenue Financing	60,194	Budget provision was approved in 2014/15 in respect of: Fairhaven Lake boat replacement; Lytham Cemetery infant memorial garden; and the Cemetery/Crematorium pumping station works. These schemes have not been delivered as planned in 2014/15 and consequently a slippage request has been made to transfer the revenue funding for these schemes into 2015/16.	If the slippage were not to be approved alternative funding for these schemes would have to be sought or alternatively the schemes would not be delivered.
3655	Planning Policy	Advertising Costs	5,164	A review of the methodology used in the assessment of the five year housing supply figure has delayed some of the planned 2014/15 activity which will now be required to be undertaken in 2015/16 as part of the Strategic Housing Land Availability Assessment (SHLAA). Consequently a slippage request has been made in the sum of £5,164 to transfer funding for this work into 2015/16.	If the slippage were not to be approved alternative means of funding this work would need to be identified from approved 2015/16 revenue budgets, or the activities could not be delivered as planned.

Requests to transfer 2014/15 budget to 2015/16

Cost Centre	Service Area	Sub Analysis	Slippage Requested £	Explanation of Slippage	Effect on service delivery if not approved
3801	Misc. Properties	General Repairs & Maintenance	5,000	Fylde Council is in receipt of a sum of £5,000 from Railtrack in relation to engineering works carried out in Wesham which is to be used for the benefit of Wesham residents. Wesham Town Council has proposed how this money ought to be utilised but it has not been possible to carry out these activities in 2014/15. A slippage request has been made in the sum of £5,000 to allow these works to be carried out in 2015/16.	If the slippage were not to be approved the planned works could not be delivered and the funding may have to be returned to Railtrack.
3802	Economic Regeneration	High Street Innovation Fund	1,750	During 2014/15 a number of grant awards to fund local schemes were approved. Following this the delivery timescales have been revised and an element of the planned activity will now not take place until 2015/16. a slippage request has been received in the sum of £1,750 to provide funding for the projects in 2015/16.	If the slippage were not to be previously agreed grants to successful applicants to the High Street Innovation Fund could not be met or alternative means of funding these grant awards would need to be identified. Unused grant would have to be returned to central government.
3606	Planning Appeals	Planning Appeal Hearing Costs	7,849	Appeals by developers against the refusal of particular planning applications that were originally expected to take place during 2014/15 will now not be heard until the autumn of 2015. A request has been made that the unspent balance of the 2014/15 budget for this purpose in the sum of £7,849 be transferred into 2015/16 to contribute towards the cost of these appeals.	If the slippage were not to be approved there would be increased pressure on the approved budget for planning appeal costs in 2015/16 and it may be necessary to seek an addition to the budget for this purpose during the year.
Development Services sub-total			81,957		
Total Revenue Slippage			98,708		

CAPITAL OUTTURN 2014/15

APPROVED SCHEMES	Original Approved Budget 2014/15 £000	Slippage B/F from 2013/14 £000	Adjustments since 03.03.14 £000	Updated Estimate 2014/15 £000	Actual Outturn £000	Variance £000	Slippage £000	Comments
CHIEF EXECUTIVE:								
Replacement Vehicles	189		-81	108	84	24	24	Four vehicles have been purchased in 2014/15 and slippage is requested for a Transit Van for which the order has been placed but, due to the extended build time, delivery will not be until 2015/16.
Sub total	189	0	-81	108	84	24	24	
RESOURCES:								
Disabled Facilities Programme	382	43	40	465	413	52	52	The original budget was adjusted to reflect slippage from 2013/14. Since the budget was set, a contribution of £40k was received from New Fylde Housing in March 2015. Slippage is requested in the sum of £52k largely in respect of Disabled Facilities Grant works which have been approved but for which the work has not yet been completed.
Rapid Deployment CCTV Replacement Projects	80		-80	0	0	0	0	Delivery of the scheme has been delayed due to changes in CCTV Regulation and a new priority of including CCTV cameras within a monitored system, controlled from Wyre Council CCTV Studio. Approval was sought from Cabinet in March 2015 to re-phase the scheme into 2015/16.
Individual Elector Registration - A3 Forms Hardware Requirement			10	10	10	0	0	Addition of this scheme to the Capital Programme was agreed at Cabinet 27th May 2014. The scheme was completed within the approved budget in 2014/15.
Sub total	462	43	-30	475	423	52	52	
DEVELOPMENT SERVICES:								
Accommodation Project - Overall - Scheme phases detailed below	2,533		-2,524	9	9		0	The original composite scheme has now been broken down into more detailed scheme phases as shown below (Phases 1 to 8). The overall expected scheme expenditure has reduced by £536k from the original budget to reflect the outline costings for the individual phases. Further reports to follow.
Accommodation Project - Phase 1 - Roof		2	1	3	3		0	The original budget was adjusted to reflect slippage approved by Cabinet on 25th June 2014. The roof works were completed within the approved budget in 2014/15.
Accommodation Project - Phase 2 - Windows & Structural		10	169	179	179		0	A budget increase of £184k was approved at Cabinet 05th March 2014 (£10k in 2013/14 and £174k in 2014/15 fully funded from direct revenue financing re the decant costs budget). The original budget was adjusted to reflect slippage approved by Cabinet 25th June 2014. These works have been completed within the approved budget in 2014/15.
Accommodation Project - Phase 3 - East Wing Including Lift			13	13	11	2	2	A further Committee report to follow will contain detailed costings of future phases. The majority of this part of the works has been re-phased into 2015/16 and is expected to be completed within budget in 2015/16. Minor slippage is requested in respect of the design work for the mechanical services element of the scheme.
Accommodation Project - Phase 4 - Chaseley Link Bridge			3	3	3		0	A further Committee report to follow will contain detailed costings of future phases. The majority of this part of the works has been re-phased into 2015/16 and is expected to be completed within budget in 2015/16.

CAPITAL OUTTURN 2014/15 - Cont'd

APPROVED SCHEMES	Original Approved Budget 2014/15 £000	Slippage B/F from 2013/14 £000	Adjustments since 03.03.14 £000	Updated Estimate 2014/15 £000	Actual Outturn £000	Variance £000	Slippage £000	Comments
DEVELOPMENT SERVICES: (CONT)								
Accommodation Project - Phase 5 - One Stop Shop			3	3	3		0	A further Committee report to follow will contain detailed costings of future phases. The majority of this part of the works has been re-phased into 2015/16 and is expected to be completed within budget in 2015/16.
Accommodation Project - Phase 6 - Council Chamber			0	0	0		0	A further Committee report to follow will contain detailed costings of future phases. This part of the works has been re-phased into 2016/17 and is expected to be completed within budget in 2016/17.
Accommodation Project - Phase 7 - Internal Refurb / Services			0	0	0		0	A further Committee report to follow will contain detailed costings of future phases. This part of the works has been re-phased into 2016/17 and is expected to be completed within budget in 2016/17.
Accommodation Project - Phase 8 - Car Park & External Works			0	0	0		0	A further Committee report to follow will contain detailed costings of future phases. This part of the works has been re-phased into 2016/17 and is expected to be completed within budget in 2016/17.
Ashton Gardens Depot	85		-61	24	22	2	2	The original scheme has been split into two phases to be delivered across 2014/15 and 2015/16. Phase one of this scheme has been completed within budget in 2014/15 as planned. Minor slippage is requested to contribute towards phase 2 of the scheme.
Snowdon Road Depot	320		-320	0	0		0	This scheme has been re-phased into 2015/16.
Hope Street Pavilion Refurbishment - Phase 2	79		-79	0	0		0	Due to a fire incident at the site the scheme has been re-phased into 2015/16. Delivery of the scheme is currently in progress.
St Annes Pool	93		-93	0	0		0	This scheme has been re-phased into 2015/16.
St Annes Pool - External Works	120		-120	0	0		0	This scheme has been re-phased into 2015/16.
Infant Memorial Garden - Phase 2			21	21	6	15	15	This scheme was partly dependent upon partnership funding, the late approval for which delayed the commencement of works. The scheme will be finalised in 2015/16. Slippage is requested in this regard.
Fairhaven Lake & Promenade Gardens - First round	20		-20	0	0		0	Scheme re-profiled into 2015/16. Expected to be completed to budget in 2015/16.
Replacement Boats Fairhaven			55	55	0	55	55	There have been major problems with the boat supplier which led to a cancellation of the contract in February 2015. Alternative boat provision is now being sought and a new proposal will be presented to the Tourism and Leisure Committee in 2015. Slippage is requested.

CAPITAL OUTTURN 2014/15 - Cont'd

APPROVED SCHEMES	Original Approved Budget 2014/15 £000	Slippage B/F from 2013/14 £000	Adjustments since 03.03.14 £000	Updated Estimate 2014/15 £000	Actual Outturn £000	Variance £000	Slippage £000	Comments
DEVELOPMENT SERVICES: (CONT)								
Car Park Improvements	30			30	30		0	This scheme has been completed within the approved budget in 2014/15.
Promenade Footways	40			40	40		0	This scheme has been completed within the approved budget in 2014/15.
Cemetery / Crematorium Pumping Sta		30		30	26	4	4	This scheme was part of the capital slippage items approved by Cabinet 25th June 2014. Most of the works have been completed in 2014/15 however a small slippage amount is now requested due to delays caused by inclement weather.
Contribution to Kirkham Public Realm Improvement Scheme	35			35	35		0	This scheme has been completed within the approved budget in 2014/15.
Woodlands Road - Ansdell - Regeneration Phase 2			70	70	66	4	4	This is a fully funded scheme which was approved by Cabinet 27th May 2014. As a result of savings achieved on the cost of the scheme, additional works funded from the balance of the scheme financing have been agreed with the community for delivery in the next financial year. Minor slippage is requested in this regard.
Fylde Headlands Preliminary Work	140	25	-70	95	79	16	16	The scheme has been adjusted to reflect the slippage approved by Cabinet on 25th June 2014. Initial progress with the scheme has been slower than was originally planned. The project is however now making good progress and is expected to be completed in 2015/16. Slippage is requested.
Repair & Renewal - Flood Defences			35	35	5	30	30	Defra have extended the deadline for submission of grant applications from 31st March 2015 to 30th June 2015. Slippage of the balance of the scheme financing is requested to provide sufficient funding for any further claims under the scheme in 2015/16.
Compliance with INSPIRE Directive			7	7	0	7	7	This is a fully funded scheme which was approved by Cabinet on 24th Sept 2014. The Inspire software has been ordered but is not yet available. Slippage is requested to finance the purchase of the software in 2015/16.
Sub total	3,495	67	-2,910	652	517	135	135	
Total Expenditure	4,146	110	-3,021	1,235	1,024	211	211	

Requests to transfer 2014/15 Budget to 2015/16

Cost Centre	Scheme	Detail	Slippage Requested £	Explanation of Slippage	Effect on service delivery if not approved
CHIEF EXECUTIVE DIRECTORATE					
Z038	Replacement Vehicles	Vehicle Purchases	24,000	This budget has already been committed to the purchase of a new transit van for Parks. The order has been placed but due to the build time delivery is not expected until late May / early June.	The funds have already been committed and it is too late to cancel the order. If the slippage is not granted the cost of the vehicle would have to be funded from the 2015/16 budget which would impact on other vehicle replacement.
Chief Executive sub-total			£ 24,000		
RESOURCES DIRECTORATE					
Z010	Disabled Facilities Grants	Capital Grants	52,000	This budget has been supplemented during the year by way of a contribution of £40k from New Fylde Housing which was received in March 2015. The majority of the slippage of £52k reflects Disabled Facilities Grant works which have been approved but for which the work has not yet been completed.	If the slippage is not granted the £52k of approved works would have to be funded from the 2015/16 budget for this purpose.
Resources sub-total			£ 52,000		
DEVELOPMENT SERVICES DIRECTORATE					
Z120	Accommodation Project - East Wing Inc. Lift	Building Works and Improvements	2,000	The money is allocated to the design of the mechanical services for the accommodation project.	The project would not be able to progress without the mechanical services design.
Z102	Ashton Gardens Depot	Building Works and Improvements	2,000	The original scheme has been split into two phases to be delivered across 2014/15 and 2015/16. Phase one of this scheme has been completed within budget in 2014/15 as planned. Minor slippage is requested to contribute towards phase 2 of the scheme.	The construction of phase two would be at risk.
Z106	Infant Memorial Garden - Phase 2	Building Works and Improvements	15,000	The delivery of the Infant memorial Garden has been delivered in two phases. Phase 1 which was the creation of the Garden Infrastructure and Phase 2 which is the creation of a central focal point sculpture. Phase 2 of the project was reliant on partnership funding from Blackpool Teaching Hospitals, which was only released in October 2014. This delayed the commissioning of the Artist and Phase 2 is now scheduled to be completed by the end of June 2015.	The central focal point sculpture will have to be cancelled leaving the Infant Memorial Garden incomplete. As this is a partnership project with funding received from other partners the funding would have to be repaid.

Requests to transfer 2014/15 Budget to 2015/16

Cost Centre	Scheme	Detail	Slippage Requested £	Explanation of Slippage	Effect on service delivery if not approved
Z133	Replacement Boats Fairhaven	Purchase of Plant & Machinery	55,000	The provision of 9 new electric fibre glass boats was tendered in November 2014. A successful tender was accepted and a report was presented to Council in December 2014, which confirmed the award. Major problems with the supplier led to a cancellation of the contract in February 2015. Alternative boat provision is now being sought and a new proposal will be presented to the Tourism and Leisure Committee in 2015.	The boat service at Fairhaven Lake generates an annual income to the Council. Due to the failure of the supplier to provide 9 new boats, a reduced boat service is currently being delivered. If the fleet of boats is not increased, there will be a negative impact on the projected annual income. The boat service proves to be a very popular attraction for tourists and local people and continuing to run a reduced service could ultimately lead to bad public perception of the Council and the possibility of customer complaints.
Z108	Cemetery / Crematorium Pumping Station	Building Works and Improvements	4,000	Delivery of the refurbishment element of the works has been delayed due to inclement weather.	Without a fully functioning pumping station the Council could not meet its long term statutory responsibilities. It is important therefore that this work progresses at a later date.
Z100	Woodlands Road Ansdell - Regeneration Phase 2	Building Works and Improvements	4,000	As a result of savings achieved on the cost of the scheme, additional works funded from the balance of the scheme financing have been agreed with community for delivery in the next financial year.	The council would fail to meet the requirement of a S106 agreement.
Z116	Fylde Headlands Preliminary Work	Building Works and Improvements	16,000	Initial progress with the scheme has been slower than was originally planned. The project is however now making good progress and is expected to be completed in 2015/16.	The outcome of the study will form the basis of a grant submission in order to secure capital funding for the initial phases of work to replace the coastal defences at Fairhaven Lake and Church Scar. The study would not be able to proceed were the slippage request not to be approved and consequently the delivery of the Coastal Protection scheme would not progress.
Z131	Repair & Renewal - Flood Defences	Building Works and Improvements	30,000	Defra have extended the deadline for submission of grant applications from 31st March 2015 to 30th June 2015. Slippage of the balance of the scheme financing will ensure that sufficient funding is in place for any further claims under the scheme in 2015/16.	The grant received from central government is to be used to pay for flood defence and remediation works at affected properties within the borough. If the slippage request was not approved, the grant would need to be repaid and affected properties would not have the works carried out.
Z132	Compliance with INSPIRE Directive	Purchase of Software	7,000	The Inspire software has been ordered but is not yet available.	Repayment of grant and not complying with EU Inspire Directive and any penalties that come from this.
Development Services sub-total			£ 135,000		
Total Capital Slippage			£ 211,000		

Prudential Indicators

Prudential Indicator	Revised Indicator 2014/15 £m	Actual 2014/15 £m	Note
Authorised limit for external debt	8.3	2.3	1
Operational boundary for external debt	2.3	2.3	2
Principal sums invested > 364 days	0	0	
Limit on fixed interest rate debt	6.3	2.3	
Limit on variable interest rate debt	3.15	0	
Maturity structure of borrowing (Upper limits):-			
Under 12 months	70%	0%	
12 months – 2 years	100%	56.52%	
2 years – 5 years	100%	43.48%	
5 years – 10 years	100%	0%	
10 years and above	100%	0%	
External Debt – Gross Borrowing	2.3	2.3	
Investments	0	11.4	
Capital Expenditure	1.2	1.0	
Capital Financing Requirement	6.6	6.5	
Ratio of Financing Costs to Net Revenue Stream	7.5%	7.2%	
Incremental Impact on Capital Investment Decisions on the Council Tax	2.61	-2.35	3

Notes

1. The Authorised Limit indicator of £8.3m is set deliberately higher than the actual forecasted borrowing amount as it needs to take into account any unexpected cash movements, and becomes the Authority's statutory limit.
2. The Operational Boundary is the expected borrowing position of the Council during the year. It is not a limit and can be breached.
3. The incremental impact on Council Tax is lower than the Prudential Indicator as the Council has used in-house cash (internal borrowing) to fund capital expenditure rather than external borrowing. This is cheaper than external borrowing and minimises treasury risk (see Section 11.2).