PLYMOUTH CITY COUNCIL

Subject:	Financial Outturn 2015/16 (including Capital Programme and Treasury Management)
Committee:	Full Council
Date:	11 July 2016
Cabinet Member:	Councillor Darcy
CMT Member:	Lesa Annear, Strategic Director for Transformation and Change
Authors:	Andrew Hardingham, Assistant Director for Finance Hannah West, Business Partner (Finance)
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Ref:	
Key Decision:	No
Part:	I

Purpose of the Report:

This report is the final monitoring, or outturn, report for 2015/16 and details the financial monitoring position of the Council as at the end of March 2016.

The Leader approved the recommendations in the report under an Executive Decision dated 28 June 2016; the decision can be viewed on our web page Executive decision: 2015/16 Financial Outturn Report. The report is being presented to the Full Council meeting 11 July for noting.

The Council's gross revenue budget for 2015/16 was £534.639m, with an outturn of £534.607m. The net revenue position for the year, assuming the transfers to and from reserves as proposed in the report are approved, is £192.997m, which represents an overall underspend of £0.032m.

As is normal practice, this report proposes a number of adjustments to the financial accounts following the financial review always undertaken by the Section 151 Officer at the end of the year. Decisions made as part of this report will feed into the Council's annual Statement of Accounts which is subject to external audit.

Following approval there will be a requirement for a transfer of £0.032m to the Working Balance, leaving a balance of £10.652m at 31 March 2016.

The final Capital outturn position for 2015/16 is £62.224m.

The Corporate Plan 2016 - 19

This outturn report is fundamentally linked to delivering the priorities within the Council's Corporate Plan and sets out how the Council has allocated its limited resources to key priorities to maximise the benefits to the residents of Plymouth.

Implications for Medium Term Financial Strategy and Resource Implications

The overall outturn position is a saving of £0.032m against our gross budget of £534.639m which is testament to the strong financial management and discipline across all areas of the Council. This puts the Council in a very strong position going into the even more financially challenging 2016/17.

Given the size of the financial challenge faced for 2015/16, with a total savings target of £21.5m, balancing the budget is a major achievement for the Council.

There are two particular areas to note; we have been able to use one-off savings from our revised Treasury Management Strategy, in particular our Minimum Revenue Provision (MRP): and this is the first year of our pioneering Section 75 Agreement with the NHS Northern, Eastern, Western Clinical Commissioning Group (N.E.W. CCG). Working with our health partners and our revised budget setting process which reflects both cost and volume pressures for our social care budgets, 2015/16 is the first year we have recorded an underspend for our Adult Social Care provision in the past six years.

The Medium Term Financial Strategy will now be updated to take account of the outturn position as detailed in this report.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management

In considering the budget variations for the year, Directors will identify any potential risks to delivering the budget in future years. These will be monitored as part of the corporate reporting process.

All actions taken as part of the Corporate Adjustments have been considered for their impact on: council priorities, legal obligations, customers and other services and partners.

Equality and Diversity

We have given due regard to our Public Sector Equality Duty for all relevant managers.

Recommendations and Reasons for Recommended Action

That the Council:-

1. Note the provisional outturn position as at 31 March 2016
2. Note the adjusted revenue surplus for the year of £0.032m and that this will be transferred to the General Fund Working Balance.
3. Note the additional transfers to and from reserves reflected within the outturn figures:

▪ Creation of a Modernisation Enabler Reserve	£1.100m
▪ Transfer to Redundancy Reserve	£1.000m
▪ Release from Insurance Provision and Reserve	£(0.962)m
▪ Transfer to Business Rates Reserve	£1.000m
▪ Transfer to Pensions Reserve	£0.400m
▪ Release from General Fund Bad Debt Provision	£(0.158)m
▪ Transfer to provision for Housing Benefit Overpayments	£0.500m

4. Note the Capital Financing Requirement of £62.224m and the borrowing requirement of £11.277m for 2015/16.
5. Note the re-profiling changes to the Capital Programme identified during the outturn process.
6. Note the additions to the Capital Programme, which total £9.198m for the period November 2015 – March 2016.
7. Note the Treasury Management Outturn Position and the new operational and authorised limits for 2015/16 to 2017/18.

Alternative Options Considered and Rejected

None considered as it is a statutory requirement to report on the use of the Council's budget funds.

Published Work / Information

- The Local Government Act 2003
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
- The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2015
- Capital Financing Regulations (2012)
- Annual Report 2015/16
- Executive decision: 2015/16 Financial Outturn Report.

Sign off

Fin	Akh1 617.0 3	Leg	DVS 2568 4	Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member: Andrew Hardingham													
Have the Cabinet Members agreed the contents of the report? Yes													

Plymouth City Council
Finance Monitoring – 2015/16
Quarter 4 Outturn at 31 March 2016

1. Introduction

1.1 This report reviews the Council's financial performance for the year ended 31 March 2016.

1.2 It is appropriate, given the financial challenges facing the Council in the next financial year and the medium term, that as part of reporting the final position for 2015/16 further consideration is now given to future levels of the Working Balance and reserves. As is normal practice at this time of year, the Chief Finance Officer, the Assistant Director for Finance is recommending a number of adjustments to provisions and reserves within the report.

1.3 The outturn figures will now feed into the Council's formal Statement of Accounts, which will include the balance sheet position. Under the Accounts and Audit Regulations 2011 the Assistant Director for Finance, as the Council's Section 151 Officer, is required to formally approve the accounts by 30 June 2016. The external auditor is required to audit the accounts by 30 September 2016 – the statutory deadline for their publication; the Audit Committee will be formally asked to approve the final accounts for the year following completion of the audit.

1.4 This report contains the following sections and appendices:-

- **Section A** **Revenue Finance Outturn**
- **Section B** **Capital Programme**
- **Section C** **Treasury Management**

- Appendix A Revenue Outturn Variances by Department 2015/16
- Appendix B Movement in Reserves Summary 2015/16
- Appendix C Movement in Provisions Summary 2015/16
- Appendix D Capital Programme additions November 2015 – March 2016

1.5 Full details of how we have allocated our financial resources to our priorities are set out in our Annual Report 2015/16, which can be accessed using the link on page three. The Annual Report summaries how we are delivering the priorities for Plymouth.

1.6 It sets out what we aim to achieve going forward and details what we achieved during 2015/16 despite the financial challenges we are facing including the creation of more jobs and homes for the city and our ambitious capital investment.

SECTION A: REVENUE FINANCE OUTTURN

2. Revenue Finance Outturn 2015/16

2.1 Council approved a gross revenue budget of £534.639m with a net revenue budget of £193.009m for 2015/16 at its meeting 23 February 2015. Table 1 below provides a summary of the Council's overall revenue expenditure and compares the draft (subject to Audit) outturn with the latest approved budget.

2.2 The Council's Trading Accounts have been accounted for within the Place Directorate and Office for the Director of Public Health, with movements shown in Appendix B.

Table 1 End of Year Revenue Outturn by Directorate

Directorate	2015/16 Gross Expenditure	2015/16 Gross Income	2015/16 Council Approved Net Budget	2015/16 Budget Virements	2015/16 Latest Budget	2015/16 Outturn	Year End Over / (Under) Spend	%
	£m	£m	£m	£m	£m	£m	£m	
Executive Office	4.107	(0.145)	3.840	0.059	3.899	3.953	0.053	1.4%
Corporate Items	18.466	(10.593)	14.010	(6.137)	7.873	5.097	(2.688)	(34.1%)
Transformation and Change Directorate	149.245	(116.171)	26.682	6.392	33.074	35.496	2.423	7.3%
People Directorate	281.710	(158.477)	121.400	1.833	123.233	123.482	0.160	0.1%
Public Health	19.703	(18.696)	0.194	0.813	1.007	0.689	(0.318)	(31.6%)
Place Directorate	61.408	(37.485)	26.883	(2.960)	23.923	24.260	0.337	1.4%
TOTAL	**534.639**	**(341.630)**	**193.009**	**0.000**	**193.009**	**192.977**	**(0.032)**	**0.0%**

2.3 The monitoring report which was received by Cabinet 16 February 2016 forecast a revenue outturn position of £1.348m overspend at the year end. In addition to the changes to the calculations on our minimum revenue provision, reduced spend and management actions have contributed to the end of year underspend position of £0.032m.

2.4 Across the Council, management actions to reduce the overspend being reported over the last months of the financial year included a full review of all discretionary spend and delayed expenditure wherever possible, with major savings being achieved within Corporate Items.

2.5 Given the closedown timetable, both PCC and N.E.W. CCG have agreed to formalise the financial position as shown in Table 2 for the Plymouth Integrated Fund as at February 2016.

2.6 We have therefore closed the books with the risk share for 2015/16 being a transfer to PCC of £0.089m. With the month 12 figures now available the final position is closer to a risk share of £0.040m with the movement to be reflected in next year's accounts.

Table 2 Plymouth Integrated Fund for Period 11

Plymouth Integrated Fund	Section 75 indicative position	2015/16 Latest Budget	Forecast Outturn	Forecast Year End Over / (Under) Spend
	£m	£m	£m	£m
N.E.W. Devon CCG – Plymouth locality	331.000	348.565	349.390	0.825
Plymouth City Council	*131.000	133.177	133.584	0.407
TOTAL	**462.000**	**481.742**	**482.974**	**1.232**

*This represents the net People Directorate budget plus the gross Public Health Commissioning budget (which is financed by a ring fenced Department of Health Grant).

3. Analysis of the Final Outturn Position by Directorate

Executive Office

3.1 This service area has recorded a small overspend for the year of £0.053m. This is the balance of an in-year legacy efficiency target that was reported against the Executive Office from July 2015.

Corporate Items

3.2 The final position, in relation to corporate items is an underspend position for the year of £2.688m. The detail of this saving includes:

3.3 A review of the Minimum Revenue Provision Policy resulted in £5.964m savings through recouping prior year overly prudent provision and changing to the annuity method of calculation. In addition to this, there were other savings within Treasury Management of £0.762m due to a reduction in interest costs through improved cash management resulting in reduced borrowing, and further investment in the CCLA Property Fund.

3.4 Redundancies and Enhanced Voluntary Release Scheme costs in 2015/16 were met by £0.700m from the Redundancies Reserve; but a further £0.764m remained unfunded.

3.5 £0.500m was released from Pensions Reserve to meet the year-end pensions shortfall, but we have been able to replace £0.400m of this as part of the transfers to reserves detailed below.

3.6 Other adverse movements on the Corporate Items budget included £0.472m relating to changes in structure and staffing levels and the subsequent reduction in internal recharges, £0.470m impact of reduced trading activity on recharges, £0.100m shortfall on the forecast income from the Devon Business Rates Pool and £0.294m shortfall on corporate efficiency savings.

3.7 In addition to the above, the additional transfers to and from reserves and provisions approved in this report reduces the Corporate Items outturn by £2.880m. Details of these movements can be found later in the report.

Transformation and Change

3.8 The directorate has a range of service areas reporting an underspend mainly as a result of an Enhanced Voluntary Release Scheme being offered and completing service reviews across the Directorate.

3.9 Despite this the overall position is showing an overspend of £2.423m; this is predominately due to the review of the Delt contract that took place in November 2015. The outcome of this review resulted in additional funds of £1.400m being allocated to ensure that the Council's IT requirements are resourced at the appropriate level going forward.

3.10 Legacy delays in Cooperative Centre of Operations (CCO) projects have had an impact on sustainable benefits achievable in year. Likewise, the refocus on establishing a market proposition in corporate services before assessing whether we can sell services means our actual savings do not meet the benefit targets set. Following a review by senior management in July 2015, this CCO strand of project work merged with People and Organisational Development and efforts were made to deliver as many of the benefits as possible.

3.11 Additional Delt income from new customers has been shown to be unrealistic in terms of timescale and quantity. However, in many areas we have been able to offset the savings shortfalls with one off in-year savings such as vacancy savings and additional income.

3.12 The Customer Services Programme achieved in full its benefit target of £1.356m.

3.13 The cost of our Transformation Programme was included in the Transformation and Change budget for 2015/16 with an allocation of £5.105m. The final outturn was £4.528m contributing a saving of £0.577m. During the year we were able to reduce our requirement for external consultants due to increased internal knowledge; this together with other staff savings, such as unfilled vacancies, contributed to this overall saving.

People Directorate

3.14 This is the first year of our Integrated Fund with the Plymouth locality of the N.E.W. Devon CCG and represents a major step in working closer with our health partner to improve outcomes for the people of Plymouth.

3.15 Our integrated budget for 2015/16 was £482.0m and we have closed the books with the risk share for 2015/16 being a transfer to PCC of £0.089m. This reflects a combined over spend of £1.2m or 0.25% against the integrated budget (£482m).

3.16 In the December 2015 quarter 3 report, the People directorate was showing a forecast £0.496m over spend. The directorate has continued to work closely with finance colleagues to minimise the outturn overspend. The improvement in the quarter is £0.336m leaving an overspend for the year of £0.160m.

3.17 The detail of this final outturn position includes:

- Children Young People and Families Service is reporting a budget outturn overspend position of £0.652m. There are have been a number of factors that have contributed to the overspend.
  - Lack of availability of the right in-house foster care placements creating overuse of IFA's.
  - High number of placements in Welfare Secure, with 5 placements in year.
  - Unexpected court ordered spends on Parent and Child Assessment placements.
  - There have been a small number of individual packages of care at considerably higher cost due to the needs of the young person.
  - There are currently 105 Independent Foster Care (IFA's) placements with budget for only 68.

3.18 Adult Social Care ended the year with a total spend of £70.265m against the budget of £70.735m, an underspend of £0.470m. Management action to contain spend included measures around sign off of spend by Senior Management before approving care packages, reviewing contracts and a further review of high cost packages.

3.19 As shown above, there are specific areas of departmental service that continued to present us with significant financial impact, mainly in relation to our demand-driven Children's Social Care and our Co-operative Commissioning and Adult Social Care programme. We have reset the 2016/17 budget allocation in both areas based on client numbers and costs of provision. This resetting of the budget baseline, based on latest data modelling should ensure we do not report overspend positions at the end of 2016/17, although we must always be mindful that both services are demand driven.

<u>Public Health</u>

- The directorate of Public Health has ended the year with an underspend of (£0.318m).
- Public Health came in as a balanced budget within the ring fenced grant.
- Public Protection Service underspent by (£0.297m) due to a mixture of additional income and deferred spending on IT and other equipment.
- Civil Protection Unit had an underspend of (£0.021m).

Place Directorate

3.20 The directorate had been forecasting a small overspend position for the year and has finished with a small overspend of £0.337m, which is less than 1.4% of net budget

3.21 This final outturn position includes:

3.22 Economic Development came in with a slight overspend of 0.027m, having worked hard to mitigate significant pressures in the Events programme, which brings in significant Gross Value Add and is one of several platforms for promoting the city and attracting inward investment and growth. The Land and Property Service has also delivered on mitigating £0.300m economic pressure and achieved a favourable position of £0.132m on the £4.000m pa commercial rent roll through effective estate management, alongside one off commercial deals and the implementation of the Property Investment Portfolio to acquire properties that will yield rental income. Challenges will remain during an uncertain and recovering economic climate.

3.23 Throughout the year Strategic Planning and Infrastructure (SPI) has taken a proactive approach to budget management reflecting the wider pressures within the Place Directorate highlighted by earlier budget monitoring reports. The overall favourable outturn therefore reflects a planned approach to minimise spend within SPI given known pressures identified earlier in the year. Of the overall saving of £0.476m, £0.325m relates to concessionary fares, which are affected by a variety of issues beyond direct control with the overall position only becoming clearer near year end. In 2016/17 the concessionary fares budget is being reduced by about £0.135m to address wider budget pressures.

3.24 During 2015/2016 SPI also made a number of one-off savings and reprogrammed areas of expenditure. In addition the favourable variation reflects a review of capitalisation opportunities given the significant number of large capital schemes the department is leading on as well as planning application fees exceeding the income target by about £0.150m as the growth agenda was driven forward in support of GAME Plymouth Growth Dividend targets. In light of this, the planning fee income target for 2016/17 has already been increased by £0.100m which has potential risks in the event that there is a slowdown in the number of planning applications and Development Enquiry Service pre-application submissions received.

3.25 Street Services outturn is better than projected with an outturn of £17.653m against the budget allocation of £17.827m which is £0.174m favourable. The department is going through a huge modernisation programme with challenging target savings whilst also having to deal with a range of demand based pressures during the course of the year. A wide review of the Highways budgets has taken place in preparation for the new maintenance contract effective from April 2017 with one off savings being identified to fund the cost of the procurement.

3.26 The Waste Service has seen some real improvements during the year with route optimisation software introduced, in order to shape the revised routes our collection vehicles must take for the new waste disposal facility in the north of the city. Our materials reclamation facility re-opened and is recycling more waste than ever before. These two improvements are set against a background of increasing demand for services because of population growth, which the service will not be able to continue to absorb beyond the next year or two. There is also a declining recyclates end market internationally, which means we receive less for recyclable material. This inevitably results in budget pressures and as with the highways budget, it is necessary to undertake even greater analysis of this budget using the cost/volume modelling that has been used successfully elsewhere in the Council to predict growth and demand. Increased productivity and efficiency must also be maximised in the short term before consideration can be given to providing additional resource to meet demand.

3.27 Street Cleansing and Grounds budget achieved a positive variance of £0.336m due to the capitalisation, where possible, of revenue spend, extra external service income, plus effective expenditure controls and through additional income generation, which supports the Council's drive on commercialisation.

3.28 The GAME Transformation programme has generated circa £1.0m towards the revenue budget in 2015/16. In addition to a one-off currency hedge gain from our Energy from Waste plant, we achieved sustainable savings from our street lighting and trade waste contracts. There was a small shortfall of £0.150m on Commercialisation despite delivering £1.1m of savings. Staff and Passenger Transport Projects addressed some key issues, but didn't generate anticipated savings resulting in pressure of £0.770m being absorbed by the overall Place revenue budget making one off savings to mitigate.

4. Other Financial Performance

4.1 In addition to the minimal variance against the revenue budget there were a range of other significant financial achievements. In-year collection targets are set for our Council Tax, Business Rates, Commercial Rent, and Sundry Debt Income including our Trade Waste Income. The 2015/16 revenue budget was based on the achievement of the required targets.

4.2 We continue to increase our collection rates in core income streams and explore alternative ways of making further improvements. For example, in-year Council Tax collection rate has increased steadily from 92.5% in 2009/10 to our actual 96.8% in-year 2015/16.

4.3 Some Key Indicators are:

- The Miscellaneous Debt Management Team raised invoices to the total value of £111m in 2015/16 compared with £93m in 2014/15. At the end of 2015/16 the debt outstanding was £11.148m compared to the debt outstanding of £11.191m in the previous year. £20m more billed and collected with arrears reduced by 15%.
- the value of invoices over 30 days old has reduced from £4.1m in 2014/15 to £3.5m in 2015/16
- 96.4% of our general debt was collected in year against a target of 95%. The UK average for 14/15 was 88% collected in 90 days. Plymouth collected 96.4% in 30 days.
- 97.1% of all invoices were paid within 30 days against a target of 95%
- 98.6% of NNDR collected against a target of 95.0%
- Average borrowing rate 3.52% against target of 3.41% (14/15 = 3.77%)
- Average investment return 1.33% against target of 0.70% (14/15 = 0.80%)
- VAT partial exemption at 3.95% (14/15 = 4.37%)
- 53% of spend with PL post code against target of 52% (14/15 = 48%)

5. 2015/16 Financial Review

5.1 As part of consideration of the outturn position, and before officially closing the accounts, it is necessary to review the Council's overall financial position, looking not only at the outturn position for the year, but reviewing the adequacy of reserves and provisions in the light of financial liabilities identified over the short to medium term. Decisions made feed into the Council's statutory Statement of Accounts which is subject to external audit.

5.2 As an integral part of the financial review the Assistant Director for Finance and Corporate Management Team (CMT) are recommending the following Corporate Adjustments, including transfers to and from reserves, which amount to a net reduction to the overall outturn of £2.880m:

a. <u>Transfer to Housing Benefits Overpayments Provision £0.500m</u>

5.3 The review of the level of provision for the Council's liability for Housing Benefit Overpayment resulted in the requirement for an increase to the provision of £0.500m to move in line with standard corporate bad debt provision rates and to cover the balance of overpayments outstanding at the end of the year. The level of provision continues to be monitored and will be subject to a full review in 2016/17.

b. Release of Insurance Provision and Transfer from Insurance Reserve (£0.962m)

5.4 A review of the level of provision for outstanding insurance claims has allowed the Council to release £0.962m from its insurance provisions and reserve. A balance of approximately £0.300m remains on the insurance reserve to meet future identified costs.

c. Release of Bad Debt Provision (£0.158m)

5.5 A review is carried out annually of the level of Bad Debt Provision across the General Fund to ascertain if debts have been sufficiently provided for. The balances at the year-end showed an overprovision which has now been released.

d. Transfer to Pensions Reserve £0.400m

5.6 To meet Plymouth City Council's 2015/16 pension fund contribution obligations £0.500m was released from the Pensions Reserve in year. We have transferred a further £0.400m back to the reserve to meet anticipated pressures in 2016/17 contributions.

e. Creation of a Modernisation Enabler Reserve £1.100m

5.7 To enable the Council to become fit for its future functions £1.100m has been set aside to meet commercialisation objectives, facilitate transformation initiatives and meet IT requirements. Within this, £0.100m is allocated to a Commercialisation Reserve, £0.250m to a Transformation Feasibility Reserve. It is anticipated that this fund will be used to provide seed funding for commercial initiatives and be replenished as they start to provide a return on the investment.

f. Transfer to Redundancies Reserve £1.000m

5.8 £0.700m was released from the Redundancies Reserve in 2015/16 to fund departures under the enhanced voluntary release scheme (EVRS). £1.000m is being returned to the Reserve to meet the costs of restructures that are currently under way and any further EVRS schemes in the organisation in 2016/17.

g. Transfer to Business Rates Reserve £1.000m

5.9 Non Domestic Rates (Business Rates) is an area of the Council's core funding that is subject to uncertainties and change. NHS Trusts have recently started applying for mandatory business rates relief, which could reduce the rates income from them by 80%. Whilst we do not currently have a liability with respect to this, these sorts of large scale appeals have the potential to impact the level of business rates income currently factored into our forward planning. In addition to this the future of Business Rates pooling arrangements is uncertain, whilst the pool continues in to 2016/17 it is not confirmed if pools will continue as we move towards 100% business rates retention.

6. Reserves and Provisions at 31 March 2016

Working Balance

6.1 Approval of the actions outlined above would leave a Working Balance at 31 March 2016 of £10.652m

Table 3 Working Balance

	March 2015	Add Outturn	March 2016
	£m	£m	£m
Working Balance	**10.620**	**0.032**	**10.652**

6.2 A working balance of £10.652m equates to approximately 5.7% of the net revenue budget for 2016/17 of £186.702m. Our approved Medium Term Financial Strategy (MTFS) requires us to maintain a Working Balance of at least 5%. This position has been reviewed and has been adjusted as part of the budget setting process for 2016/17.

Earmarked Reserves and Provisions

Table 4 Movement in Reserves 2015/16

Movement in Reserves	Balance as at 31/03/2015 £m	Transfers to Reserves 15/16 £m	Transfers from Reserves 15/16 £m	Balance as at 31/03/2016 £m
Trading Account and Other Statutory Reserves	(0.564)	(4.491)	4.365	(0.690)
Education/Schools Earmarked reserves	(8.856)	(6.099)	7.654	(7.301)
Commuted Maintenance	(3.059)	(0.279)	0.360	(3.302)
Earmarked General Reserves	(11.190)	(11.061)	7.849	(14.401)
Other Ring-fenced Reserves	(3.698)	(0.511)	0.304	(3.905)
Other Reserves	(1.116)	(0.196)	0.324	(0.988)
Total	**(28.482)**	**(22.637)**	**20.532**	**(30.587)**

6.3 In addition to the Working Balance, the Council maintains a number of reserves which may be required for statutory purposes or set up voluntarily to earmark resources for future spending plans. Assuming the Corporate Adjustments outlined above are approved, the Council's earmarked reserves will stand at £30.587m at 31 March 2016 (up from £28.482m at 31 March 2015). This includes schools balances and reserves of £7.301m (down from £8.856m). At this point the details of the Tamar Bridge and Torpoint Ferry accounts have not been received from Cornwall Council who prepare them. As such, any balances relating to this activity cannot be updated.

6.4 These figures are subject to change as the final statement of accounts is produced over the next month but any changes should be minimal. Appendix B shows the provisional movement in the reserves over the year, together with the main purpose of the reserve.

6.5 The Council has a number of budget provisions set up to meet known liabilities. Provisions are compulsory and required to comply with accounting standards. The balance on the provisions at year end together with movement in the year is outlined in Appendix C.

Schools Balances

6.6 At the end of the year there was a total of £7.301m unspent monies against schools' delegated budgets and other reserves. The main reasons why schools hold balances are:

- Anticipation of future budget pressures usually arising from pupil number variations
- To provide for the balance of Government grants paid during the financial year (April–March) which cover expenditure occurring across the academic year (September – August)
- Schools are also holding extra funds whilst they put together proposals for Early Help and the Council will be working with schools in 2016/17 to bring joint commissioning of such services to a reality

Recommendations

That Full Council:-

1. Note the provisional outturn position as at 31 March 2016
2. Note the adjusted revenue surplus for the year of £0.032m and that this will be transferred to the General Fund Working Balance
3. Note the additional transfers to and from reserves reflected within the outturn figures:

▪ Creation of a Modernisation Enabler Reserve	£1.100m
▪ Transfer to Redundancy Reserve	£1.000m
▪ Release from Insurance Provision and Reserve	£(0.962)m
▪ Transfer to Business Rates Reserve	£1.000m
▪ Transfer to Pensions Reserve	£0.400m
▪ Release from General Fund Bad Debt Provision	£(0.158)m
▪ Transfer to provision for Housing Benefit Overpayments	£0.500m

SECTION B: CAPITAL PROGRAMME OUTTURN 2015/16

7. Capital Programme Outturn 2015/16

7.1 The final capital programme outturn position for 2015/16 is £62.224m. This is shown by Directorate in Table 5 below. This is within the approved Capital programme budget of £287m reported to Full Council in November 2015, and £419m budget approved in February 2016.

Table 5 Capital Outturn 2015/16

Directorate	Latest Forecast October 2015	Re-Profiling	Approvals post Oct	Variations and Virements	2015/16 Outturn	Change	%
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	
Place	45.293	(11.818)	8.116	(5.111)	**36.480**	(8.813)	81
People	19.507	(2.380)	0.978	(0.175)	**17.930**	(1.577)	92
Transformation and Change	12.180	(1.194)	0.104	(3.277)	**7.814**	(4.366)	64
Public Health	0	0	0	0	0	0	-
TOTAL	**76.980**	**(15.392)**	**9.198**	**(8.562)**	**62.224**	**(14.756)**	**81**

7.2 Details of all new 2015/16 approvals secured during the period November 2015 - March 2016 are provided in Appendix D

7.3 The 2015/16 **£62.224m** programme outturn has enabled investment in some notable schemes, including:

7.3.1 **£9.6m** in Basic Need improvements to local schools:
- £4.4m St Matthews
- £2m Woodford Primary
- £1.8m Holy Cross
- £0.7m Stoke Damerel Primary
- £0.7m Pilgrim

7.3.2 **£7.8m** of capitalised carriageway resurfacing

7.3.3 **£4.3m** towards the cost of acquisition and redevelopment of the former Quality Hotel site

7.3.4 **£4m** Accommodation transformation, including the separation of the Council House and Guildhall

7.3.5 **£3.7m** to commence major infrastructure projects to support growth along the Northern Corridor:

- £0.800m Derriford Hospital Interchange
- £1.700m Derriford Transport Scheme (Derriford Roundabout and Tavistock Road / William Prance Road junction (£1.7m)
- £1.200m completion of Marjons Link Road

7.3.6 **£3.3m** Knowle Primary school rebuild

7.3.7 **£3m** of works to enable the redevelopment of South Yard as a Marine Industries Production Campus:

- £2.000m Area East industrial business units
- £1.000m MOD separation works

7.3.8 **£2.1m** for the on-going replacement of street lighting to provide energy and carbon savings

7.3.9 **£2.2m** of dilapidated fleet replacements ensuring reliability and effectiveness for service delivery

7.3.10 **£1.8m** for upgrade of the Material Recycling Facility

7.3.11 **£1.5m** New Central Library

7.3.12 **£1.4m** progress on development of a new Coach Station at Mayflower West, to enable the redevelopment of a leisure complex at the existing Bretonside Bus Station site

7.3.13 **£1.3m** of Green Deal grant awards to Plymouth private households, for solid wall insulation

7.3.14 **£1.3m** to complete the construction of the Langage employment units

7.4 The year-end position highlights **£15m** of re-profiling of schemes into 2016/17. This is spend which was scheduled to be delivered in 2015/16, but is now forecast to be delivered in 2016/17. Explanations for the most significant project re-profiling are given below:

7.4.1 The delivery of the Mayflower Coach Station project was delayed in 2015/16 due to contract negotiations, changes in design (value engineering process) and a Member request to keep the temporary Mayflower West Car Park open over Christmas. £1.427m of un-ring-fenced funded spend was incurred in 2015/16 compared to the £2.503m as cash-flowed for 2015/16 delivery in October 2015. This project will complete in summer 2016/17, at a total scheme cost of £4.856m. **(£1.1m)**

7.4.2 At the time of the approval of the acquisition of the Quality Hotel site in January 2016, it was expected that demolition would be undertaken upon completion of the purchase in early 2016. Demolition works were however delayed into 2016/17 when asbestos was discovered. These borrowing funded costs are now being incurred on-site, with an estimated completion date of September 2016. **(£1.1m)**

7.4.3 £4.715m of the total £7.990m Street Lighting LED replacement programme had already been delivered pre 2015/16. A further £3.125m of spend was scheduled to be delivered in 2015/16, as at October 2015. However following a supplier issue, which has now been resolved, a reduced value of £2.065m was delivered in 2015/16. The programme is due to finish as scheduled in 2017, fully funded from service area funded borrowing. **(£1.1m)**

7.4.4 As at October 2015, £2.601m of vehicles were expected to be ordered to meet 2015/16 PCC service client requirements. The actual value of vehicles delivered was £1.865m for 12 refuse trucks and a camera car. The ordering of £0.900m of planned vehicles including tippers, vans and loaders has been delayed into 2016/17 to enable a review that will ensure that vehicles ordered continue to meet the requirements of the end users. This project is fully funded from service area borrowing. **(£0.9m)**

7.4.5 PCC have agreed to provide £2.903m of HCA ring-fenced dowry and S106 to support the £4m redevelopment by R.I.O (Real Ideas Organisation) of Devonport Market as a High Tech 'Play Market'. As at October 2015, it was anticipated that R.I.O would reach milestones that would result in the payment of £0.836m in 2015/16. However, as the planning application stage was not reached in 2015/16 as expected, only £0.144m was paid. The main reason for this is that the legal negotiations over the funding agreement and the lease took longer to conclude than anticipated. **(£0.7m)**

7.4.6 On site works began in February 2016 to deliver the £2.24m Derriford Hospital Interchange transport project. As at October 2015, it was reported that £1.499m would be incurred in 2015/16. However, additional time was involved than first envisaged in procuring a contractor for the construction of the scheme; financial negotiations caused further project delay and there was a need to secure agreement for the final tree clearance details which restricted the progression of the start of the main works. This resulted in £0.830m of works actually being delivered. Grant funders have confirmed that 2015/16 funding will be rolled over to support 2016/17 spend. Works are currently scheduled to complete in October 2016. **(£0.7m)**

7.4.7 As at October 2015, the programme 2015 - 19 contained £20.500m to support the redevelopment of South Yard into a Marine Industries Production Campus. This was initially programmed to meet £15m of remediation/separation works and £5.500m for direct development of Area East. £1.600m of un-ring-fenced funded remediation works were planned for delivery in 2015/16. However, consideration and approval in April 2016 of a revised overall delivery strategy for the South Yard site concluded that £2.100m of resources should be vired for prioritised use on the Area East Development phase. This resulted in a delay in 2015/16 of the remediation works of £0.700m. Further demolition and site services works will now most likely commence from October 2016. **(£0.7m)**

7.4.8 Design and advanced works commenced in 2015/16 for Outland Road Phase 1of the £3.392m Northern Corridor Junction Improvements, which are planned for 2015-20. At the time of approval (December 2015) it was anticipated that 2015/16 spend would be £0.7m. However, a change in the scope of the scheme has resulted in additional time being required for design and costing, resulting in slippage of £0.6m into 2016/17. Authority has been secured to roll the Growth Deal grant of £700k into 2016/17. Main works for phase 1 are currently scheduled for delivery in July – December 2016. **(£0.6m)**

7.4.9 £0.071m of the total £0.862m of S106 funded highways for the Millbay School of Creative Arts had already been delivered pre 2015/16. A further £0.791m of spend was scheduled to be delivered in 2015/16, as at October 2015. However, these planned works were later slipped into 2016/17 due to Phase 3-5 delivery being delayed at Councillors request. Works incomplete relate to street lighting, 20mph zone and traffic management works. **(£0.6m)**

7.4.10 £0.940m of un-ring-fenced resources were expected to be required to meet 2015/16 costs for the delivery of the Whitleigh HQ for the Four Greens Community Trust. Project delays arising due to tenders being received later than originally anticipated resulted in the re-profiling of £0.5m into 2016/17. The total scheme cost of £1.275m is due to be financially complete in 2016/17. **(£0.5m)**

8 Capital Financing 2015/16

8.1 The table below shows the final financing of the 2015/16 programme.

Table 6 Financing of 2015/16 Capital Programme

Method of Financing	Un ring-fenced £m	Ring-fenced £m	Total £m
Capital receipts	10.533	0.149	10.682
Grants (e.g. gov't, HLF, LEP, Environment Agency)	15.135	18.973	34.108
Internal PCC Balance Sheet Funds	0.275	0.070	0.345
Contributions, S106 and CIL (neighbourhood element)	1.205	3.264	4.469
Direct Revenue Funding from service areas		1.343	1.343
Borrowing:			
- Corporately funded	6.414		6.414
- Service revenue budget funded	4.863		4.863
Total Capital Financing 2015/16	**38.425**	**23.799**	**62.224**

8.2 Individual services will make a revenue contribution for their borrowing based on repayment of capital and interest over the life of the individual assets. The interest cost is calculated on the prevailing Public Works Loan Board (PWLB) interest rate at the time of project approval. During 2016/17, services will make a revenue contribution to meet loan repayments of £0.577m. This is a broad estimate based upon an indicative average life of 10 years, and at a rate of 3.24%. Business cases prepared at the time of agreement indicated that the cost of borrowing charged to services would be covered from the benefits accrued once the scheme is completed and commissioned. There should therefore be no additional cost to service budgets as the budgets will receive both the benefits derived and cost of debt financing.

8.3 The financing of the schemes will be managed through the Council's Corporate Treasury Management Team who seek to minimise the cost of borrowing through the daily cash management process. This may result in a slightly reduced cost to the Council as the team maximise opportunities to borrow at rates which may be more competitive than the estimates provided in the business case.

8.4 Corporately funded schemes are charged to the corporate items budget. Over recent years the cost of such schemes has been absorbed into that cost centre. No budget provision exists for these debt charges. Historically the funding has been offset against surpluses generated on Treasury Management activities. However, this is unsustainable going forward.

9 Revised Capital Programme 2015 – 2020

9.1 The table below sets out the revised capital programme for the 2015 – 20 period now updated for 2015/16 outturn This is within the £419.000m capital budget approved at Council in February 2016.

Table 7 Revised Capital Programme for 2015-2020

Directorate	2015/16 Outturn	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	Total
	£m	£m	£m	£m	£m	£m
Place	36.480	65.836	23.470	5.531	2.880	134.197
People	17.930	15.588	2.263	0.475	0.475	36.731
Transformation and Change	7.814	5.127	0.080	-	-	13.021
Public Health	-	-	-	-	-	-
TOTAL	**62.224**	**86.551**	**25.813**	**6.006**	**3.355**	**183.949**

Recommendations

That Full Council:-

4. Note the Capital Financing Requirement of £62.224m and the borrowing requirement of £11.277m for 2015/16.

5. Note the re-profiling changes to the Capital Programme identified during the outturn process.

6. Note the additions to the Capital Programme, which total £9.198m for the period November 2015 – March 2016.

SECTION C: TREASURY MANAGEMENT OUTTURN 2015/16

10 Introduction

10.1 The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that authorities report on the performance of the treasury management function at least twice a year (mid-year and at year end). This section covers treasury management activity and the associated monitoring and control of risk.

11 Budgeted Income and Expenditure

Table 8 Treasury Management Outturn Position 2015/16

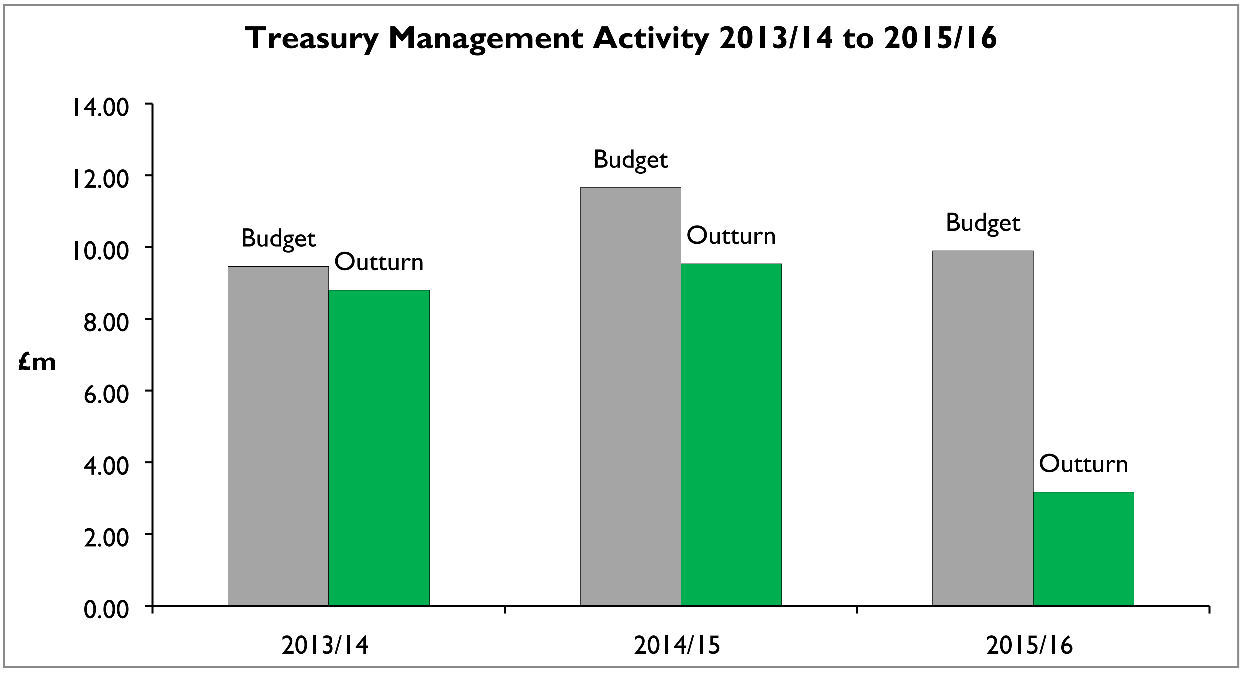
	2015/16 Budget	2015/16 Outturn	Year End Variance
	£m	£m	£m
Interest Payable			
LOBO (Lender Option, Borrower Option)		4.381	
PWLB (Public Works Loan Board)		2.550	
Temporary loans		0.242	
Recharge to Departments for Unsupported Borrowing		(4.436)	
Total Interest Payable	**3.727**	**2.737**	**(0.990)**
Interest Receivable			
CCLA Property Fund		(0.951)	
Money Market Fund		(0.084)	
Other Funds		(0.015)	
Deposits		(0.107)	
Other Accounts		(0.090)	
Other External Interest		(0.107)	
Total Interest Receivable	**(1.257)**	**(1.354)**	**(0.097)**
Other Charges			
Debt Management	0.126	0.250	0.124
Amortised Premiums	(0.096)	0.105	0.201
Total Other Charges	**0.030**	**0.355**	**0.325**
Minimum Revenue Provision	**7.395**	**1.431**	**(5.964)**
TOTAL	**9.895**	**3.169**	**(6.726)**

11.1 The average cash balances were £14.6m during the year. The UK Bank Rate has been maintained at 0.5% since March 2009. Short-term money market rates have remained at relatively low levels. New deposits were made at an average rate of 0.05%. Investments in Money Market Funds generated an average rate of 0.5%.

11.2 The Authority's budgeted investment income for the year was £1.26m. The Authority's investment outturn for the year was £1.35m.

11.3 The table below shows the savings made over the last three years and the saving made in 2015/16 is broken down in detail in Table 8 above.

Figure 1 Treasury Management Activity 2013/14 to 2015/16



12 Local Context

12.1 At 31 March 2016, the Authority's underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) was £422m, while usable reserves and working capital which are the underlying resources available for investment were £58m.

12.2 At 31 March 2016, the Authority had £240m of borrowing and £66m of investments. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, referred to as internal borrowing, subject to holding a minimum investment balance of £15m.

12.3 The Authority has an increasing CFR over the next three years due to the capital programme, with minimal investments and will therefore be required to borrow up to £110m over the forecast period.

13 Minimum Revenue Provision

Change of Minimum Revenue Provision (MRP) Policy

13.1 Under regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003/3146, as amended, local authorities are required to charge to their revenue account, for each financial year, MRP to account for the cost of their unfinanced capital expenditure.

13.2 Prior to its amendment by the 2008 Regulations, regulation 28 (as amended by regulation 3(1), and read with regulation 3(2) and (3), of the 2007 Regulations) sets out the method authorities were required to follow in calculating MRP.

13.3 There has also been a recent change of advice from CIPFA on MRP calculations and the use of the annuity method. Prior years involved detailed calculations which were very prescriptive but these have been replaced with a requirement that local authorities calculate an amount of MRP which they consider to be prudent.

13.4 During 2015/16 the Council has undertaken a review of its MRP calculation method and accounting assumptions. The Council's calculations were driven by a very complex methodology that needed a full overhaul. The Council therefore engaged its TM advisors, Arlingclose to review and advise best practice. The main conclusions were that, due to the way we were calculating our annual MRP charge has resulted in an over-provision for many years and it also recommended a change in the calculation method.

13.5 The Council wants to match the economic benefits from its assets with the life of those assets. Therefore the Council wants to use the annuity method which not only spreads the cost of the borrowing over the life of the assets but it also takes into account the time value of money.

13.6 The Council's previous method of calculating MRP was to spread the cost of borrowing in a straight line over a maximum of 25 years. The current council tax payers would therefore pay a relative higher charge than council tax payers in the future. For example, if an asset cost £20m to build and has a life of 20 years then there would have been a £1m charged each year on the straight line basis. The annuity method takes into account the time value because £1m today has a higher value (NPV) than £1m in 20 years' time.

13.7 The resulting change from the over provision of MRP in prior years will be to reduce the MRP charge in 2015/16 by £5.96m in each year. The change of calculation method to the annuity method will reduce the MRP charge for the following years as follows; 2016/17 £4.70m; 2017/18 £0.89m; 2018/19 £0.73m; 2019/20 £0.57m (these figures would be subject to additional MRP charges for assets added during these periods).

14 Borrowing Strategy

14.1 At 31 March 2016, the Authority held £240m of loans, (an increase of £28m on 31 March 2015) as part of its strategy for funding previous years' capital programmes.

14.2 The benefits of internal borrowing were monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose assists the Authority with this 'cost of carry' and breakeven analysis. Temporary and short-dated loans borrowed from the markets, predominantly from other local authorities, also remained affordable and attractive.

Table 9 Borrowing Activity in 2015/16

	Balance on 01/04/2015 £m	Maturing Debt £m	Debt Prematurely Repaid £m	New Borrowing £m	Balance on 31/03/2016 £m	Avg Rate %
Capital Financing Requirement (CFR)	267.65				251.72	
Short Term Borrowing[1]	68.20	(197.50)	-	225.36	96.06	0.01%
Long Term Borrowing	144.37	-	-	-	144.37	5.76%
TOTAL BORROWING	212.57	(197.50)	-	225.36	240.43	3.51%
Other Long Term Liabilities	39.15	-	-	93.15	132.30	-
TOTAL EXTERNAL DEBT	251.72	(197.50)	-	318.51	372.73	-
Increase/ (Decrease) in Borrowing £m					121.01	

<u>LOBOs</u>

14.3 The Authority holds £100m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £58m of these LOBOS had options during the year, none of which were exercised by the lender.

<u>LGA Bond Agency</u>

14.4 UK Municipal Bonds Agency (MBA) plc. was established in 2014 by the Local Government Association as an alternative to the PWLB. The Authority has signed the Municipal Bond Agencies framework agreement which sets out the terms upon which local authorities will borrow, including details of the joint and several guarantee.

<u>Energy from Waste PFI</u>

[1] Loans with maturities less than 1 year.

14.5 During the year the Council has opened a new waste plant in Plymouth. The investment of £195m (Plymouth's share is £93m) has been funded by a private finance initiative over the life of the asset of 50 years. The PFI is reflected within "other Long Term Liabilities".

14.6 The Council has obtained professional accountancy advice regarding the treatment of the assets. The final decision has recently been obtained and the Energy from Waste Plant will be treated as an asset in the Council accounts with a corresponding liability for the PFI scheme. The Councils in the Energy from Waste Partnership (Plymouth City Council, Devon County Council and Torbay Council) will bring a proportion of the value of the plant onto their balance sheet based on the contract agreed split of waste.

15 Investment Activity

15.1 The Authority has held invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2015/16 the Authority's investment balances have ranged between £79m and £65m.

Table 10 Investment Activity in 2015/16

Investments	Balance on 01/04/2015 £m	Investments Made £m	Maturities / Investments Sold £m	Balance on 30/03/2016 £m	Average Rate / Yield %
Short Term Investments (Call Accounts, Deposits)	45.10	38.20	(56.30)	27.00	0.76%
Other Pooled Funds	23.00	431.90	(410.60)	44.30	6.80%
Bonds issued	6.00	2.00	(8.00)	-	0.74%
TOTAL INVESTMENTS	**74.10**	**472.10**	**(474.90)**	**71.30**	
Increase / (Decrease) in Investments £m				(2.80)	

Update on Investments with Icelandic Banks

15.2 The latest position on the recoveries of monies invested in the Icelandic banks is as follows:

Table 11 Icelandic Bank Position

Bank	Original Deposit £m	Balance March 2016 £m
Heritable Bank	3.00	0.06
Glitnir	6.00	1.40
Landsbanki	4.00	0.00
TOTAL	**13.00**	**1.46**

15.3 The Council continues to pursue recovery of the outstanding monies in partnership with the LGA and continues to earn interest on these investments.

16 Compliance with Prudential Indicators

16.1 The Authority confirms compliance with its Prudential Indicators for 2015/16, which were set in February 2015.

16.2 The following indicators are set and monitored each year:

- Estimates of Capital Expenditure
- Estimates of Capital Financing Requirement
- Gross Debt and the Capital Financing Requirement
- Operation Boundary for External Debt
- Authorised Limit for External Debt
- Ratio of Financing Costs to Net Revenue Stream
- Incremental Impact of Capital Investment Decisions

16.3 Due to the PFI changes effective 31 March 2016, it is necessary to increase both our Operational Boundary and Authorised Borrowing limits for 2015/16 to 2017/18.

16.4 **Operational Boundary for External Debt:** The operational boundary is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt.

Table 12 Revised Operational Boundaries

Operational Boundary	2015/16 £m	2016/17 £m	2017/18 £m
Borrowing	260.00	350.00	380.00
Other Long-Term Liabilities	140.00	140.00	140.00
Total Debt	**400.00**	**490.00**	**520.00**

16.5 **Authorised Limit for External Debt:** The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003

16.6 It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Table 13 Revised Authorised Limit

Authorised Limit	2015/16 £m	2016/17 £m	2017/18 £m
Borrowing	280.00	400.00	430.00
Other Long-Term Liabilities	160.00	160.00	160.00
Total Debt	**440.00**	**560.00**	**590.00**

16.7 Further details of the Prudential Indicators will be included in the Treasury Management Report that will go to Audit Committee on the 30 June 2016.

17 Treasury Management Indicators

17.1 The Council measures and manages its exposure to treasury management risks using the following indicators:

- Interest Rate Exposures
- Maturity Structure of Borrowing
- Principal Sums Invested for Periods Longer than 364 days
- Security
- Liquidity

17.2 Further details of the Treasury Management Indicators will be included in the Treasury Management Report that will be considered by the Audit Committee on the 30 June 2016.

Recommendations

That Full Council:-

7. Note the Treasury Management Outturn Position and approve the new operational and authorised limits for 2015/16 to 2017/18.

REVENUE OUTTURN VARIANCES MARCH 2016 — APPENDIX A

DEPARTMENTS	2015/16 Gross Expenditure	2015/16 Gross Income	Latest Approved Final	Outturn	Outturn Variation	Variance
	£m	£m	£m	£m	£m	%
Chief Executive Office	3.138	(0.145)	2.993	2.900	(0.093)	-3%
Departmental Management	0.969	(0.063)	0.906	1.053	0.147	16%
Total Executive Office	**4.107**	**(0.208)**	**3.899**	**3.953**	**0.054**	**1%**
Capital Financing	11.154	(1.257)	9.897	3.170	(6.727)	-68%
Other Corporate Items	7.312	(9.336)	(2.024)	2.016	4.040	200%
Total Corporate Items	**18.466**	**(10.593)**	**7.873**	**5.186**	**(2.687)**	**-34%**
Finance	20.065	(3.769)	16.296	16.334	0.038	0%
Legal	4.041	(1.075)	2.966	2.944	(0.022)	-1%
Customer Services	113.044	(110.723)	2.321	2.879	0.558	24%
Human Resources and OD	2.932	(0.428)	2.504	2.391	(0.113)	-5%
Management and Support	(0.933)	(0.100)	(1.033)	0.162	1.195	116%
Transformation	5.181	(0.076)	5.105	4.528	(0.577)	-11%
ICT	4.915	0.000	4.915	6.258	1.343	27%
Total Transformation and Change	**149.245**	**(116.171)**	**33.074**	**35.496**	**2.422**	**7%**
Children's Social Care	38.880	(4.194)	34.686	35.338	0.652	2%
Co-operative Commissioning and Adult Social Care	93.172	(22.437)	70.735	70.265	(0.470)	-1%
Education, Learning and Family Support Services	145.880	(130.566)	15.314	15.309	(0.005)	0%
Homes and Communities	3.567	(1.280)	2.287	2.275	(0.012)	-1%
Management and Support	0.211	0.000	0.211	0.206	(0.005)	-2%
Total People Directorate	**281.710**	**(158.477)**	**123.233**	**123.393**	**0.160**	**0%**
Economic Development	9.406	(8.942)	0.464	0.491	0.027	6%
Strategic Planning	14.077	(4.196)	9.881	9.405	(0.476)	-5%
Street Services	37.747	(19.920)	17.827	17.653	(0.174)	-1%
Management and Support	0.178	(4.427)	(4.249)	(3.289)	0.960	23%
Total Place Directorate	**61.408**	**(37.485)**	**23.923**	**24.260**	**0.337**	**1%**
Public Health (100% Grant Funded)	16.042	(15.298)	0.744	0.744	(0.000)	0%
Public Protection Services	3.486	(3.389)	0.097	(0.200)	(0.297)	-306%
Civil Protection Unit	0.175	(0.009)	0.166	0.145	(0.021)	-13%
Total Office of Director of Public Health (ODPH)	**19.703**	**(18.696)**	**1.007**	**0.689**	**(0.318)**	**-32%**
Total General Fund budget	**534.639**	**(341.630)**	**193.009**	**192.977**	**(0.032)**	**0%**

MOVEMENT IN RESERVES SUMMARY 2015/16 APPENDIX B

Summary Group	Balance as at 31/03/2015 £m	Transfers to Reserves 15/16 £m	Transfers from Reserves 15/16 £m	Balance as at 31/03/2016 £m
Trading Account and Other Statutory Reserves				
Off Street Parking	(0.684)	(2.238)	2.238	(0.684)
On Street Parking	0.684	(1.807)	1.807	0.684
City Market	(0.142)	(0.420)	0.320	(0.242)
Taxis	(0.335)	0.000	0.000	(0.335)
Land Charges Development Fund	(0.087)	(0.026)	0.000	(0.113)
Education/Schools Earmarked Reserves				
School Budget Share	(7.365)	(6.093)	7.382	(6.076)
PFI Reserves	(1.391)	(0.006)	0.272	(1.125)
Plymouth Adult and Community Learning	(0.100)	0.000	0.000	(0.100)
Commuted Maintenance	(3.059)	(0.279)	0.036	(3.302)
Earmarked General Reserves				
Insurance and Risk Management Reserve	(1.179)	0.000	0.903	(0.276)
Pensions	(0.566)	(0.400)	0.566	(0.400)
CEDT Reserve	(0.034)	(0.122)	0.000	(0.156)
Carefirst IT Reserve	(0.140)	0.000	0.000	(0.140)
Carry Forwards and Corporate Health	(0.753)	(0.838)	0.753	(0.838)
Plymouth Safeguarding Children Board	(0.052)	(0.100)	0.052	(0.100)
Redundancies Reserve	(0.700)	(1.000)	0.700	(1.000)
Modernisation Enabler	0.000	(1.100)	0.000	(1.100)
Life Centre Dowry	(0.600)	(0.150)	0.000	(0.750)
Waste Reserve	(0.750)	0.000	0.750	0.000
Plan for Jobs	(0.390)	0.000	0.353	(0.037)
Transformational Change Reserve	(0.135)	(0.548)	0.505	(0.178)
Job Evaluation/Equal Pay	(0.200)	0.000	0.000	(0.200)
Stock Transfer Residual Liabilities	(1.005)	0.000	0.000	(1.005)
Grants Carry Forward	(2.499)	(2.307)	2.499	(2.307)
Investment Fund	(1.578)	(0.552)	0.525	(1.605)
Business Rates Reserve	0.000	(1.000)	0.000	(1.000)
Care Act	(0.500)	(1.943)	0.243	(2.200)
Integrated Finance Reserve	0.000	(1.000)	0.000	(1.000)

APPENDIX B Cont.

Summary Group	Balance as at 31/03/2015 £m	Transfers to Reserves 15/16 £m	Transfers from Reserves 15/16 £m	Balance as at 31/03/2016 £m
Other Ring-fenced Reserves				
CATERed Ltd Reserve	0.000	(0.300)	0.000	(0.300)
A386 Park and Ride Leased Spaces	(0.400)	0.000	0.044	(0.356)
Commercial Property Client Account	(0.723)	(0.211)	0.260	(0.674)
Tamar Bridge and Torpoint Ferry	(2.575)	0.000	0.000	(2.575)
Other Reserves	(1.225)	(0.196)	0.324	(1.097)
Sub Total Earmarked Reserves	**(28.482)**	**(22.637)**	**20.532**	**(30.587)**
Working Balance	(10.620)	(0.032)	0.000	(10.652)
Total Reserves	**(39.102)**	**(22.669)**	**20.532**	**(41.239)**

MOVEMENT IN PROVISIONS

APPENDIX C

Description	Balance as at 31/03/2015 £m	Provisions Made in Year £m	Provisions Used in Year £m	Balance as at 31/03/2016 £m
Landfill Site Provision	(8.612)	0.000	0.764	(7.848)
Backdated equal pay	(0.239)	0.000	0.101	(0.138)
Business Rate Appeals	(0.657)	(0.684)	0.000	(1.341)
Personal Search Fees	(0.250)	0.000	0.250	0.000
Other Provision Total	(9.758)	(0.684)	1.115	(9.327)
Insurance Provision Total	(4.145)	(2.426)	2.829	(3.742)
GF Bad Debts Total	(1.466)	(0.339)	0.431	(1.375)
Other Bad Debt Provisions Total	(7.105)	(2.804)	1.925	(7.984)
Grand Total	**(22.474)**	**(6.253)**	**6.300**	**(22.428)**

CAPITAL PROGRAMME ADDITIONS — APPENDIX D

New Approvals for 2015/16 secured November 2015 – March 2016

Year of Programme Addition						
Scheme Name	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**TOTAL**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Place Directorate						
Acquisition of Quality Inn Hotel	5.439	0.050	0.100			**5.589**
Northern Corridor Traffic Signals	0.700	1.192	0.500	0.500	0.500	**3.392**
History Centre – spend ahead of April 2016 approval	0.650					**0.650**
Marjons Link Road cost increase - CCIB recommended – approval pending	0.359					**0.359**
Mt Edgcumbe Sea Wall	0.300					**0.300**
Laira Rail Bridge Pedestrian and Cycle Scheme – cost increase	0.180					**0.180**
Forder Valley Link Road - Development Costs	0.174	0.934				**1.108**
Mayflower 400 - "Pilgrim Fathers Walk" public realm imps	0.091	0.909	0.500			**1.500**
Eastern Corridor Strategic Cycle Network	0.055	1.725	1.720	0.650	0.380	**4.530**
Flood defence works at Honicknowle Lane	0.055					**0.055**
Former Whitleigh Community Centre – site preparation to deliver starter homes	0.055	0.367				**0.422**
Maple Walk Affordable Housing	0.030					**0.030**
Mount Edgcumbe Cremyll Lodge holiday let and shop – cost increase	0.016					**0.016**
Mount Edgcumbe Orangery Roof repairs	0.012					**0.012**
Total Place Directorate	**8.116**	**5.177**	**2.820**	**1.150**	**0.880**	**18.143**
People Directorate						
Salisbury Road Primary School - roof works	0.623					**0.623**
Compton School - Roof Replacement	0.106					**0.106**
Cann Bridge - 2 classroom extension	0.100	0.530				**0.630**
Mount Tamar School - health and safety works	0.050	0.961				**1.011**
Mount Wise School – roof works	0.034	0.034				**0.068**
Plymouth Life Centre – ICT costs	0.027					**0.027**
Blockhouse Park Playground Refurbishment	0.026					**0.026**
Manadon Play Pitches	0.012	0.196	0.478			**0.686**
Total People Directorate	**0.978**	**1.721**	**0.478**	**0.000**	**0.000**	**3.177**

APPENDIX D Cont.

Year of Programme Addition						
Scheme Name	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**TOTAL**
Transformation and Change Directorate						
Mount Batten Tower Feasibility Study	0.050					**0.050**
Redevelopment of Tinside East	0.050					**0.050**
Southway Telecom Mast	0.004	0.176				**0.180**
Total Transformation and Change Directorate	**0.104**	**0.176**	**0.000**	**0.000**	**0.000**	**0.280**

Total New Approvals	**9.198**	**7.074**	**3.298**	**1.150**	**0.880**	**21.600**