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**BASSETLAW**

DISTRICT COUNCIL  
NORTH NOTTINGHAMSHIRE

CABINET

# AGENDA

Extraordinary Meeting to be held in

The Ceres Suite,

Worksop Town Hall,

on

**Thursday, 21st June 2012**

at

**5.30pm**

**(Please note time and venue)**

**(Please turn off mobile telephones during meetings.**

**In case of emergency, Members/officers can be contacted on the Council's  
mobile telephone: 07702 670209)**

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*Bassetlaw-Serving North Nottinghamshire*

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**District Council Offices, Potter Street, Worksop, Notts. S80 2AH**

# CABINET

**Membership** 2012/13

**Councillors:** J Evans, S A Greaves, J A Leigh, S May, D R Pressley, A Rhodes and G J Wynne

**Substitute Members:** None

**Cabinet Members:**

<b>Policy and Community Engagement:</b>	Councillor S A Greaves
<b>Performance and Strategy:</b>	Councillor G J Wynne
<b>Community Prosperity (and Chair of Planning):</b>	Councillor D R Pressley
<b>Environment and Leisure:</b>	Councillor J A Leigh
<b>Housing:</b>	Councillor A Rhodes
<b>Finance and Property:</b>	Councillor J Evans
<b>Revenues, Customer and Support Services:</b>	Councillor S May

**Liaison Members:** Councillors B Barker, H M Brand, H Burton, K H Isard, C Palmer and  
(Non-Voting) C Wanless

**Quorum:** 2 Members

## **Lead Officer for this Meeting**

Mr D Hunter - Ext 3266

## **Administrator for this Meeting**

Mrs J A Hamilton - Ext 3146

## **EXTRAORDINARY MEETING OF CABINET**

**Thursday, 21<sup>st</sup> June 2012 - Worksop**

### **AGENDA**

1. APOLOGIES FOR ABSENCE
2. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS  
(Member and Officers attention is drawn to the attached notes and form)
  - (a) Members
  - (b) Officers

### **SECTION A – ITEMS FOR DISCUSSION IN PUBLIC**

#### **Key Decisions**

3. REPORT(S) OF THE CABINET MEMBER – FINANCE AND PROPERTY +
  - (a) Financial Outturn 2011/12 (Key Decision No. 320) (pages 3 – 38)  
(Annual Statement of Accounts 2011/12 Publication to follow)

#### **Other Decisions**

None

#### **Exempt Information Items**

*The press and public are likely to be excluded from the meeting during the consideration of the following items in accordance with Section 100A(4) of the Local Government Act 1972.*

### **SECTION B - ITEMS FOR DISCUSSION IN PRIVATE**

#### **Key Decisions**

None

#### **Other Decisions**

None

4. ANY OTHER BUSINESS WHICH THE CHAIRMAN CONSIDERS TO BE URGENT

+ Report to follow

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NOTES:

1. The papers enclosed with this Agenda are available in large print if required.
  2. Copies can be requested by contacting us on 01909-533146 or by e-mail [julie.hamilton@bassetlaw.gov.uk](mailto:julie.hamilton@bassetlaw.gov.uk)
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#### EFFECTIVE DATE OF DECISIONS

1. **All key decisions made at this meeting will be referred to the Overview and Scrutiny Committee and will not come into force until that Committee has considered the decisions and has decided not to "call in" any decision.**
2. **A copy of all non key decisions will be sent to all Members of the Council and any four Members may then, within five days, request that any particular decision be referred to the Overview and Scrutiny Committee - in which case the particular decision will not come into force until that Committee has considered the decision and has decided not to "call in" the same. If no such request is made decisions will come into effect at the end of the five day period.**



## DECLARATION OF INTERESTS

### **HOW TO USE THIS FORM**

There are now only two types of Declaration of Interest:

Level 1 – Personal	)	Details can be found in the Councillors
	)	Code of Conduct which is contained in
Level 2 – Personal and Prejudicial	)	the Council's Constitution (a summary is
	)	printed overleaf)

Upon receipt of the attached form you will need to enter the name and date of the Committee and your own name. By looking at the Agenda you will no doubt know immediately which Agenda Items will require you to make a Declaration of Interest.

Fill in the Agenda Item number in the first column of the form.

Enter the subject matter and any explanations you may wish to add in the second column.

In the third column you will need to enter **either** level 1 if you are declaring a personal interest, **or** level 2 if you are declaring a personal and prejudicial interest.

The form must then be signed and dated. Please remember that if during the actual meeting you realise that you need to declare an interest on an additional Agenda Item number please simply amend the form during the meeting.

The form must be handed into the Committee Administrator at the end of the meeting.

NB. The following is a summary prepared to assist Members in deciding at the actual meetings their position on INTERESTS it is not a substitute for studying the full explanation regarding INTERESTS, which is contained in the Council's Constitution and the Code of Conduct for Councillors, which is legally binding.

Members and Officers are welcome to seek, PREFERABLY WELL IN ADVANCE of a meeting advice from the Council's Monitoring Officer on INTERESTS.

#### **Personal Interests**

May relate to employment or business interests  
May relate to property interests  
May relate to contents  
May relate to interests in other bodies  
**OR** if a decision on the matter to be discussed:  
**MIGHT REASONABLY BE REGARDED AS AFFECTING (A MEMBER OR OFFICER) TO A GREATER EXTENT THAN OTHER COUNCIL TAX PAYERS, RATEPAYERS OR INHABITANTS OF THE AUTHORITY'S AREA, the well being or financial position of himself, a relative or a friend or any employment, business, interest, etc. of such a person.**

#### **Prejudicial Interests**

A Member with a personal interest ALSO has a prejudicial interest if a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Members judgement of the public interest.  
(Note – there are special provisions which may exclude the above provisions in certain circumstances.)

#### **Action to be Taken – Personal Interests**

Must disclose to the meeting  
- existence of the interest  
- the nature of the interest

#### **Action to be Taken – Personal and Prejudicial Interests**

**Must:-**  
- declare existence and nature  
- withdraw from the room  
- not seek improperly to influence a decision on the matter.  
(Note – there are some exceptions when acting in a scrutiny capacity.)

**BASSETLAW DISTRICT COUNCIL**

**EXTRAORDINARY CABINET**

**21<sup>ST</sup> JUNE 2012**

**REPORT OF DIRECTOR OF RESOURCES**

**FINANCIAL OUTTURN 2011/12**

Cabinet Member: Finance & Property  
Contact: Mike Hill  
Ext: 3174

**1. Public Interest Test**

- 1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

**2. Purpose of the Report**

- 2.1 To present to Members the 2011/12 financial outturn position on the Council's revenue and capital budgets, including:
- General Fund Revenue;
  - Housing Revenue Account;
  - Capital Programme;
  - Provisions and Impaired Estimates on Debtors;
  - Usable Reserves;
  - Collection Fund;
  - Balance Sheet;
  - Treasury Management.
- 2.2 This report will provide Members with a summary of actual income and expenditure compared to the revised budget, and how any surpluses/deficits have been allocated to/from reserves.
- 2.3 To seek Cabinet approval for any agreed revenue carry forwards into 2012/13.
- 2.4 To seek Cabinet approval for the capital financing arrangements for 2011/12.
- 2.5 To seek Cabinet approval for the proposed capital budget reprofiling carry forwards into 2012/13.
- 2.6 To seek Cabinet approval for the movement in Provisions and Impaired Estimates on Debtors, and the creation of four additional Usable Reserves.
- 2.7 To seek Cabinet approval for the individual contributions to, and withdrawals from Usable Reserves.

- 2.8 To seek Cabinet approval to write-off uncollectable debts that individually exceed £25,000.
- 2.9 To present Cabinet with the Annual Report on Treasury Management Activity for 2011/12, and to demonstrate how the Treasury Management activity links to the Treasury Management Strategy, including the Prudential Indicators, which were approved by full Council on 3<sup>rd</sup> March 2011.

### **3. Background and Discussion**

#### **Basis of Final Accounts**

- 3.1 The final accounts are presented in accordance with the standards set out by the CIPFA Code of Practice on Local Authority Accounting (the Code). Under the Accounts and Audit (England) Regulations 2011, the Council no longer has a statutory duty to report the unaudited Annual Statement of Accounts by the end of June 2012, the Regulations only require the Section 151 Officer to sign and certify that they present a true and fair view of the financial position of the Council. However, in the interests of transparency, these will still be presented to this meeting and referred to full Council for information.
- 3.2 The format of the Comprehensive Income and Expenditure Statement in the Statement of Accounts differs from that used in the budget setting and budget monitoring processes of this Council. This report therefore compares spending with budgets on the Management Accounting basis applied for budgetary control and reported to Cabinet and Scrutiny throughout the financial year.
- 3.3 There is, however, a reconciliation statement between the Management Accounting budgetary control basis and the Net Cost of Services basis in the Comprehensive Income and Expenditure Statement, and this is included as a note to the Statement of Accounts.

#### **Changes to Accounting Standards and Practices**

- 3.4 The adoption of International Financial Reporting Standards (IFRS) as required under the Code resulted in many significant changes to the format, terminology, and the number of disclosures required within the Statement of Accounts for 2010/11.
- 3.5 This has continued into 2011/12, and the changes introduced in relation to this accounting period are as follows:
  - Heritage Assets – these are to be recognised at valuation on the balance sheet, and represent assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture. For Bassetlaw, they include such assets as museum exhibits.
  - Officer exit packages – new disclosures are required relating to the number and cost of exit packages for former officers of the Council that left employment during 2011/12.



## Overview of General Fund Revenue Outturn for 2011/12

- 3.6 With reference to the 'Variance' column in the table below, the accounts show an underspend of (£0.084m) on service and other budgets, with a total overspend of £0.354m for the Council. This has been funded by a transfer from reserves of (£0.370m) as follows:

	<b>Budget £m</b>	<b>Outturn £m</b>	<b>Variance £m</b>
Corporate Management	1.279	1.307	0.028
Economic Regeneration	1.336	1.488	0.152
Environment	5.755	5.947	0.192
Finance & Property	2.005	2.094	0.089
Housing	1.211	1.176	(0.035)
Leisure	1.756	1.715	(0.041)
Planning & Building Control	1.379	1.576	0.197
Policy & Community Engagement	1.361	1.286	(0.075)
Revenues & Customer Services	1.026	0.744	(0.282)
Support Services	0.078	0.091	0.013
Other Budgets	0.580	0.258	(0.322)
	<b>17.766</b>	<b>17.682</b>	<b>(0.084)</b>
Provisions & Impaired Estimates on Debtors	0.050	0.376	0.326
Exceptional Item – Leisure Centre Utility Costs and Provision	0	0.112	0.112
	<b>17.816</b>	<b>18.170</b>	<b>0.354</b>
Transfer to/(from) Usable Reserves	0.861	0.510	(0.351)
Transfer to/(from) Unusable Reserves	(0.548)	(0.567)	(0.019)
Transfer to/(from) General Reserve	(0.322)	(0.306)	0.016
<b>Total General Reserve</b>	<b>17.807</b>	<b>17.807</b>	<b>0</b>

- 3.7 The actual outturn for the year (the 'Outturn' column in the table above) is a net transfer from the General Reserve of £0.306m, which decreases the balance from £1.313m at 1<sup>st</sup> April 2011 to £1.007m at 31<sup>st</sup> March 2012. However, this has only been achieved by transferring balances out of reserves as detailed in the table at para 3.24 below. Looking at the underlying trends, the detailed movements can be further summarised below, and give Members an indication of the issues that have caused an overall overspend:

	<b>Variance £m</b>
Underspend on Employees	(0.099)
Under-achievement of Fees & Charges Income	0.202
Approved Carry Forwards	0.322
Housing Benefits & Subsidy	(0.202)
Treasury Management Costs	(0.100)
Corporate Contingency	(0.190)
Other	(0.017)
<b>Sub-total:</b>	<b>(0.084)</b>
Provisions & Impaired Estimates on Debtors	0.326
Exceptional Item – Leisure Centre Utility Costs and Provision	0.112
Transfer to/(from) Usable & Unusable Reserves	(0.370)
<b>Transfer (to)/from General Reserve</b>	<b>(0.016)</b>

- 3.8 The level of underspending on Service Budgets managed by the Heads of Service is (£0.084m), and represents (0.5%) of the total Service and Other Budgets overall. **Appendix 1** provides a commentary on the detailed variances that make up this overspend and the other movements detailed above.

### Carry Forward Bids

- 3.9 Within the accounts there are a number of underspends that relate to the timing of payments that have extended past the year-end date of 31<sup>st</sup> March. If deemed to be necessary, officers will provide a robust business case that sets out the reasons for not spending the budget in year. The minimum carry forward request is for £5,000 and must not be from employee budgets. The revenue carry forward requests for 2011/12 and the final officers' decision are detailed in **Appendix 2**.
- 3.10 It is important that a hard line is taken when assessing these requests, with approval being the exception rather than the norm. Any unspent grants are dealt with separately, and are transferred to the balance sheet for either repayment or expenditure in the following year dependent upon its terms and conditions.
- 3.11 After careful consideration of the carry forward requests, it is recommended that none of them be approved due to the current financial pressures that the Council faces, and the uncertain future around government grant funding. The Council has set aside a Corporate Contingency for 2012/13 which can be used as an emergency fund should any financial difficulties arise from this decision, however approval to use this budget should be sought through a separate Cabinet report.

### Overview of Housing Revenue Account Outturn for 2011/12

- 3.12 With reference to the 'Variance' column in the table below, the accounts show an underspend against the approved budget of £0.343m for the HRA as follows:

	Budget £m	Outturn £m	Variance £m
A1 Management Fee	11.622	11.622	0
Council Managed Expenditure	40.506	40.405	(0.101)
Income	(24.474)	(24.633)	(0.159)
<b>Net Cost of Services</b>	<b>27.654</b>	<b>27.394</b>	<b>(0.260)</b>
Other Adjustments	(27.989)	(27.989)	0
General Fund/HRA Movement in Central Support Costs	0.373	0.290	(0.083)
	<b>0.038</b>	<b>(0.305)</b>	<b>(0.343)</b>
Transfer to/(from) Usable Reserves	0	0.043	0.043
Transfer to/(from) HRA Reserve	(0.038)	0.262	0.300
<b>Total Housing Revenue Account</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 3.13 A more detailed commentary of the variances is provided at **Appendix 3**.

3.14 The actual outturn for the year (the 'Outturn column in the table above) is a net transfer to the HRA Reserve of (£0.262m), which increases the balance from £1.130m at 1<sup>st</sup> April 2011 to £1.392m at 31<sup>st</sup> March 2012. This is £0.642m above the minimum prudent level of HRA balances approved for 2011/12 of £0.750m.

### Capital Outturn 2011/12

3.15 The Cabinet approves all variations to the Capital Programme, for which the budget approved at the 9<sup>th</sup> February 2012 Cabinet meeting for 2011/12 was £18.242m.

3.16 At the 6<sup>th</sup> March 2012 Cabinet meeting, a report was approved that gave *“delegated authority to the Head of Community Prosperity in consultation with the Head of Finance & Property and the Portfolio-Holder for Community Prosperity to set up capital and revenue projects in relation to the expenditure of funds received through signed Section 106 agreements where the project does not exceed £250,000 in value.”* It also agreed *“that any use of this delegated authority will be retrospectively reported to Cabinet.”*

3.17 This delegated authority was used during March 2012, which increased the capital budget by a further £0.142m to £18.384m, and Cabinet is now requested to note this capital expenditure and associated budget.

3.18 Furthermore, the February 2012 Cabinet gave approval to borrow £26.863m for the start of the new HRA self-financing regime. This increased the overall capital budget for the year to £45.247m.

3.19 In summary, the accounts show lower levels of expenditure of (£1.259m) when compared against the approved revised capital programme budget as follows:

	General Investment Programme £m	Housing Investment Programme £m	REFCUS* £m	Total £m
<b>Approved Programme</b>	<b>5.598</b>	<b>13.347</b>	<b>3.060</b>	<b>22.005</b>
Approvals/Adjustments in 11/12 Year	1.917	(2.743)	27.783	26.957
Carry Forwards to 12/13 Approved in Year	(2.215)	0	(1.500)	(3.715)
<b>Revised Programme</b>	<b>5.300</b>	<b>10.604</b>	<b>29.343</b>	<b>45.247</b>
Outturn	4.574	10.560	28.854	43.988
<b>Variance overspend/ (underspend)</b>	<b>(0.726)</b>	<b>(0.044)</b>	<b>(0.489)</b>	<b>(1.259)</b>

\* REFCUS relates to Revenue Expenditure Funded from Capital Under Statute i.e. expenditure on non-Council-owned assets e.g. disabled facilities grants. For 2011/12 this also includes the £26.863m borrowed for the HRA debt settlement under the new HRA self-financing regime that commenced on 1<sup>st</sup> April 2012.

3.20 Capital spending in the year totalled £43.988m, and this has been funded by a combination of borrowing, external grants and contributions, capital receipts, Major Repairs Allowance, leasing, and revenue contributions. Cabinet is requested to approve the capital financing proposals as outlined in **Appendix 4** and summarised below:

• Borrowing	£32.888m
• Capital Receipts	£4.646m
• External Funding	<u>£6.454m</u>
• Total	<u>£43.988m</u>

3.21 The pace of delivery on the Capital Programme has been maintained during the year, resulting in an achievement of 97.2% spend of the revised programme budget. However, as with all financial programmes, there will always be an element of variation on capital schemes at the end of the financial year, and Cabinet is requested to approve the reprofiling of capital schemes totalling £1.137m as detailed in **Appendix 5**. This is because the majority of the schemes are already committed, with the funding for these held in the Council's reserves. For clarity, where a scheme has been completed, the balance will not be carried forward.

### Provisions against Future Events

3.22 Provisions are made when an event has taken place that gives the Council an obligation that probably requires settlement, can be reasonably estimated, but where the timing of the payment is uncertain. Good practice dictates that movements in a Provision should be approved separately by Cabinet, and these are as follows:

Description	Balance B/Fwd 1.4.11 £m	Movement in Year £m	Actual Balance 31.03.12 £m
<b>General Fund – Provisions</b>			
Insurance Claims	0.060	0.025	0.085
Land Charges Search Fees	0.060	0	0.060
Judicial Review	0.299	(0.174)	0.125
Workshop LC Gas	0	0.274	0.274
Health & Safety Executive	0	0.020	0.020
Accumulated Absences	0.007	0.012	0.019
<b>Total:</b>	<b>0.426</b>	<b>0.157</b>	<b>0.583</b>
<b>Housing Revenue Account – Provisions</b>			
Insurance Claims	0.049	0.045	0.094
<b>Total:</b>	<b>0.049</b>	<b>0.045</b>	<b>0.094</b>

- The insurance provisions for both General Fund and the HRA (£0.085m and £0.094m respectively) relate to the potential liabilities that the Council will incur if all the claims outstanding are upheld against the Council (this amount is the total of the insurance excesses only, as the insurance company pays for all costs above the excess). These provisions relate to the value of claims made against the Council that are still outstanding as at 31<sup>st</sup> March 2012.
- The land charges provision of £0.060m is for possible retrospective claims for the recovery of fees for personal searches of the local land charges register under the Environmental Information Regulations.

- The Judicial Review provision of £0.125m is for the second tranche payment of settlement costs awarded against the Council. This was paid in April 2012.
- The Worksop Leisure Centre gas provision of £0.274m relates to the period between January 2008 and August 2011 when the gas meter was unregistered with a supplier. The Council has been invoiced for the supply of gas to the leisure centre since September 2011 (when it was registered), however a provision still needs to remain intact for a six year period to mitigate against the possibility that the Council will be charged for this earlier period.
- The HSE provision of £0.020m relates to the defence of a hearing brought against the Council by the Health & Safety Executive. Initial estimates made when it was a magistrates court decision had indicated that a penalty of this magnitude may materialise, however the case has now been moved to the County Court where the magnitude of fines do not have an upper limit, and therefore a contingent liability has also been disclosed in the Statement of Accounts.
- The accumulated absences provision of £0.019m is part of the IFRS requirements whereby all amounts of annual leave untaken at 31<sup>st</sup> March need to be accounting for in the relevant financial year. This is an accounting entry only, and does not represent sums that can be spent on services.

#### Impaired Estimates on Debtors

3.23 Impaired Estimates on Debtors is an estimation of the amount that will remain uncollectable after a certain time period and will require write-off in the future accounts of the Council. They are calculated on the age and amounts of debt owed to the Council based on a hierarchical percentage i.e. the older the debt the greater the likelihood of non-collection. Good practice dictates that movements in the Impaired Estimates on Debtors should be approved separately by Cabinet, and these are as follows:

Description	Balance B/Fwd 1.4.11 £m	Movement in Year £m	Actual Balance 31.03.12 £m
<b>General Fund – Impaired Estimates on Debtors</b>			
Sundry Debts	0.138	0.001	0.139
Housing Benefit Debts	0.262	0.004	0.266
Council Tax Court Costs	0	0.014	0.014
Business Rates Court Costs	0	0.001	0.001
<b>Total:</b>	<b>0.400</b>	<b>0.020</b>	<b>0.420</b>
<b>Housing Revenue Account – Impaired Estimates on Debtors</b>			
Rent Debts	0.410	(0.011)	0.399
Non-Rent Debts	0.049	(0.032)	0.017
<b>Total:</b>	<b>0.459</b>	<b>(0.043)</b>	<b>0.416</b>

- The General Fund sundry debt position has improved from £0.499m at 1<sup>st</sup> April 2011 to £0.451m at 31<sup>st</sup> March 2012, but due to the age profile of debts outstanding, the impairment calculation has actually increased by £0.001m in year.
- The Housing Benefit debt position has worsened from £1.173m at 1<sup>st</sup> April 2011 to £1.218m at 31<sup>st</sup> March 2012, which has increased the impairment by £0.004m in year.
- The Council Tax court cost debt position has improved from £0.380m at 1<sup>st</sup> April 2011 to £0.365m at 31<sup>st</sup> March 2012. This year it has been deemed prudent to introduce an impairment of £0.014m in year.
- The Business Rates court cost debt position has improved from £0.028m at 1<sup>st</sup> April 2011 to £0.013m at 31<sup>st</sup> March 2012. This year it has been deemed prudent to introduce an impairment of £0.001m in year.
- The Housing Revenue Account rent debt position has improved from £0.675m at 1<sup>st</sup> April 2011 to £0.630m at 31<sup>st</sup> March 2012, which has reduced the impairment by (£0.011m) in year.
- The Housing Revenue Account non-rent debt position has improved from £0.070m at 1<sup>st</sup> April 2011 to £0.041m at 31<sup>st</sup> March 2012, which has reduced the impairment by (£0.032m) in year.

### Usable Reserves

3.24 A Reserve is created for a specific future purpose or to cover contingencies. In accordance with the Code, these Usable Reserves must be separately identified between those that are retained for Capital purposes, and those that are retained for revenue purposes. Again, good practice dictates that any movements in existing reserves, or the creation of any new reserves, must be approved by Cabinet. The position as at 31<sup>st</sup> March 2012 is as follows:

Capital – These are used to fund the approved capital programme within year:

Description	Balance B/Fwd 1.4.11 £m	Contribs in Year £m	Use in Year £m	Actual Balance 31.03.12 £m
<b>Capital</b>				
Usable Capital Receipts - General Fund	9.287	0.296	(3.304)	6.279
Usable Capital Receipts - HRA	1.517	0.043	(1.342)	0.218
Capital Grants Unapplied	0.609	0.049	(0.475)	0.183
<b>Total</b>	<b>11.413</b>	<b>0.388</b>	<b>(5.121)</b>	<b>6.680</b>

Revenue – These are used to fund anything that is not capital in nature. They cover such areas as donations; external grants and contributions for future service provision, or specific sums of money held for a specific purpose.

3.25 There are four new revenue reserves that require approval as follows:

- Donations £0.054m – this represents revenue sums of money given towards the Bassetlaw Games 2012, the Bassetlaw museum, and the Worksop and Retford Shopmobility service.
- General Fund - Grants and Contributions Unapplied £0.137m – this represents revenue grants which have yet to be utilised for the funding of specific services. These grants and contributions are for: New Homes Bonus, Housing Benefit reform, sports development, war memorial maintenance, housing adaptations scheme, Leader project, and Health & safety shared service arrangements.
- Manton Community Reserve £0.098m – this represents a sum of money set aside to be specifically spent on the Manton area, as approved by Cabinet on 23<sup>rd</sup> June 2011.
- HRA - Grants and Contributions Unapplied £0.043m – this represents a revenue grant from Nottinghamshire County Council in respect of Supporting People grant for April 2012.

Description	Balance B/Fwd 1.4.11 £m	Contribs in Year £m	Use in Year £m	Actual Balance 31.03.12 £m
<b>Revenue-General Fund</b>				
General Fund Working Balance	1.000	0	0	1.000
General Fund Reserve	0.313	0.016	(0.322)	0.007
Insurance	0.069	0	(0.069)	0
Job Evaluation	0.490	0.174	(0.044)	0.620
Treasury Management	1.619	0.453	(0.266)	1.806
Developers Contributions Unapplied	0.186	0	(0.006)	0.180
Concessionary Bus Pass Replacement	0.020	0	(0.020)	0
Donations	0	0.054	0	0.054
Grants & Contributions Unapplied	0	0.137	0	0.137
Manton Community Reserve	0	0.098	0	0.098
<b>Total</b>	<b>3.697</b>	<b>0.932</b>	<b>(0.727)</b>	<b>3.902</b>
<b>Revenue-HRA</b>				
HRA Working Balance	0.750	0	0	0.750
HRA Reserve	0.379	0.262	0	0.641
Grants & Contributions Unapplied	0	0.043	0	0.043
<b>Total</b>	<b>1.129</b>	<b>0.305</b>	<b>0</b>	<b>1.434</b>

## **The Collection Fund 2011/12**

- 3.26 The Collection Fund accounts for the income from the collection of Council Taxes and National Non Domestic Rates, and their subsequent disbursement to local authority preceptors and central government.
- 3.27 The in year surplus on the Collection Fund was £0.018m, which improved the overall balance from a surplus of £0.510m at 1<sup>st</sup> April 2011 to a £0.528m surplus at 31<sup>st</sup> March 2012. The Council declared a surplus of £0.400m for distribution in setting the 2012/13 Council Tax, and therefore the remaining balance will be taken into account in setting the 2013/14 budget and paid back proportionately to Bassetlaw and its major preceptors i.e. the County Council, Police and Fire Authorities.
- 3.28 The Code now prescribes that the Statement of Accounts only show the element of Council Tax that relates to Bassetlaw District Council. In this regard, the share of the Council Tax surplus that relates to Bassetlaw District Council as at 31<sup>st</sup> March 2012 is £0.058m.
- 3.29 The balance on the National Non-Domestic Rates accounts as at 31<sup>st</sup> March 2012 is (£1.204m). This is primarily due to an overpayment to the Central Government Pool based on the DCLG schedules, and, as this is not the Council's money, this is shown as a debtor in the Council's Balance Sheet i.e. a refund is due to the Council from central government.
- 3.30 Under section 5.4 of the Council's Financial Procedure Rules, any write-offs that exceed £25,000 in value may only be written off by the Cabinet. There are three business rate cases that require approval as follows:
- A limited company that has now liquidated and is therefore insolvent £39,077.42;
  - A dissolved limited company where there are no assets of the limited company available £27,084.78;
  - A limited company in administration and is therefore insolvent £47,097.50.

## **The Balance Sheet at 31<sup>st</sup> March 2012**

- 3.31 Consideration of the Council's Balance Sheet does not feature significantly in budget setting and monitoring, and yet if not managed and reviewed correctly, a number of balances may be hidden that could have a major impact on the revenue outturn in any one year. Balance Sheet valuation and management is now at the heart of the changes being driven by the International Financial Reporting Standards, and it is therefore important that in reviewing the Final Accounts, due consideration is given to the main features of the Balance Sheet and year-to-year changes as follows:
- 3.32 The significant movements on the Balance Sheet that are worthy of note are:
- Long term borrowing (debt) has increased by £35.8m to £112.4m due to additional borrowing in year in respect of the HRA Self-financing settlement and Decent Homes expenditure;
  - The Council's Pension Liability as assessed by the Actuary increased by £13.0m to £41.5m during the year i.e. the Council's share of the Pension Scheme is funded at a lower level than it was a year ago, mainly due to a change in the interest and discount rate assumptions made by the



Actuary, coupled with the impact of the financial markets on gilt and share prices. It should be noted that all of the Nottinghamshire District Councils have experienced similar increases this year, not just Bassetlaw.

- Usable Reserves have decreased by £4.2m to £12.0m mainly due to the use of capital receipts to fund expenditure within the 2011/12 capital programme, as detailed in para 3.24 above.
- Unusable Reserves have decreased by £46.9m to £79.1m mainly due to the contra accounting treatment of the HRA self-financing settlement, and the Pension Liability.

### **Treasury Management Outturn Report**

3.33 Under the Treasury Management Code of Practice an Annual outturn report is required to be presented to Council to detail and explain activities in the year. The report is presented here for information at **Appendix 6**, and it includes the Prudential Indicators that the Council is required to report and monitor, and a graphical summary of the security, liquidity, and yield performance indicators for the year.

3.34 There are no issues to highlight to Members on these indicators.

## **4. Implications**

a) For service users

None directly from this report, however the amount of revenue and capital resources available has a direct impact on service delivery, and the success of the Treasury Management function has a direct impact on the availability of resources to fund that service delivery.

b) Strategic & Policy

The revenue budgets and Capital Programme align with the Council's Corporate Plan. The report on Treasury Management activity complies with the approved policies within the Treasury Management Strategy 2011/12.

c) Financial - Ref: 13/844

All of the financial implications are set out in the body of the report.

With regard to capital, the majority of schemes that are showing an underspend will be carried forward, and the remaining budgets spent in 2012/13. Any savings on projects will be assessed and used to meet additional demands during 2012/13, or to fund the Council's Capital Programme in future years.

d) Legal – Ref: 211/06/12

As contained within the body of this report.

- e) Human Resources  
None from this report.
- f) Community Safety, Equalities, Environmental  
None from this report.
- g) This is a key decision, number 320.

## **5 Options, Risks and Reasons for Recommendations**

### **5.1 Statement of Accounts 2011/12:**

The unaudited Statement of Accounts for 2011/12 will be presented to Council on 28<sup>th</sup> June 2012 for consideration and approval and onward submission to the Audit Commission for audit and certification. Should the Council not approve the Statement of Accounts by 30<sup>th</sup> June there would be a serious impact on the Council's accountability and on its standing nationally and locally.

### **5.2 Revenue Expenditure 2011/12:**

There are no options for Members to consider as the outturn represents the final position at the end of the financial year. Due consideration needs to be given to the ongoing effects of this overspend on 2012/13 budgets, and early action is essential to mitigate further impacts on General Fund balances.

### **5.3 Capital Expenditure and Financing 2011/12:**

There are no options for Members to consider as the financing is in accordance with approvals already obtained. The reprofiling on the Capital Programme presents a challenge to the Council's capacity to deliver the full programme of planned works in 2012/13.

### **5.4 Treasury Management 2011/12:**

There are no options for Members to consider at this stage since past performance is being reported. Treasury Management is an important Council function since it deals with large value money transactions. The potential risk in this area is very high, however the Council has in place sound systems of financial control to minimise these risks. These controls are reviewed on an annual basis in order to provide the assurance that risk is being minimised. Additionally, by monitoring the Prudential Indicators, this also serves to minimise the risk in this area.

## **6 Recommendations**

- 6.1 That Cabinet approves the final outturn of revenue and capital spending for 2011/12.
- 6.2 That Cabinet approves the decision not to approve any revenue carry forward requests into 2012/13 (para 3.11).
- 6.3 That Cabinet notes the use of officer delegated powers during March 2012 to increase the capital budget by £0.142m in respect of expenditure incurred under a Section 106 agreement (para 3.17).

- 6.4 That Cabinet approves the capital financing proposals as set out in Appendix 4, and that these are referred to Council on 28<sup>th</sup> June 2012 and thereafter to the external auditors as part of the 2011/12 Statement of Accounts (para 3.20).
- 6.5 Cabinet approves that the net variations of £1.137m not spent in 2011/12 on the Capital Programme be re-profiled and carried forward into 2012/13, as set out in Appendix 5 of this report (para 3.21).
- 6.6 That the movement in Provisions and Impaired Estimates on Debtors be approved (paras 3.22 and 3.23).
- 6.7 That the creation of a new Donations Reserve for £0.054m, a new Short Term External Grants & Contributions Reserve (General Fund) for £0.137m, a new Short Term External Grants & Contributions Reserve (HRA) for £0.043m and a new Manton Community Reserve for £0.098m be approved (para.3.25).
- 6.8 That the individual contributions to, and withdrawals from, the revenue and capital Usable Reserves be approved (para 3.25).
- 6.9 That the three cases of business rates be approved for write-off as an uncollectable debt (para 3.30).
- 6.10 That Cabinet receives the Annual Report on Treasury Management Activity (Appendix 6) and comments as appropriate for referral on to Council for information, as required by the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management.
- 6.11 That Members note that the Treasury Management activities are consistent with the objectives identified in the Treasury Management Strategy for 2011/12.

**Background Papers**

Capital Final Accounts 2011/12 files.

Treasury Management Strategy 2011/12 to 2013/14.

SOA files and working papers 2011/12

TASK reports.

**Location**

Accountancy Office

Accountancy Office

Accountancy Office

SERVICE AREA	VARIANCE FROM ADJUSTED BUDGET £'000	EXPLANATION
<b>CORPORATE MANAGEMENT</b>		
Employees across all service areas	1	No major variance.
Corporate Management	10	Payment to LGA for Icelandic investment work.
Corporate Finance Costs	47	Audit Commission fees £12k; Pension accounting adjustments £35k.
Corporate Training	(34)	Underspend on Corporate training.
Other Minor Variances	4	
<b>SUB TOTAL</b>	<b>28</b>	

<b>ECONOMIC REGENERATION</b>		
Employees across all service areas	(45)	Manton Community Alliance service (the costs have been capitalised)(£77k); Markets service £4k; Tourist Information Units (previous star chamber report) £15k; Economic Regeneration £13k.
Parking Services	91	Under-achievement of income £67k; G4S cash collection service £16k; net effect of the penalty charges for on/off street parking £8k.
Christmas Lighting	10	Unachievement of sponsorship income.
Economic Development	54	Unachieved income at the Retford Enterprise Centre.
CCTV	41	Overspend on providing CCTV cover within Bassetlaw.
Other Minor Variances	1	
<b>SUB TOTAL</b>	<b>152</b>	

<b>ENVIRONMENT</b>		
Employees across all service areas	7	Street cleaning (£20k); Grounds Maintenance (16k); Public Conveniences £19k; Waste Collection £13k; Environmental Services £11k.
Cemeteries	46	Under-achievement of income due to cremations being 60% cheaper than burials.
Environmental Health	29	Unexpected legal costs (Tunnel Tech).
Waste Collection	25	Overspend on the cost of external labour on vehicles.
Transport	85	Overspend on fuel due to 13% increase in fuel cost between 10/11 and 11/12.
<b>SUB TOTAL</b>	<b>192</b>	

<b>FINANCE &amp; PROPERTY</b>		
Employees across all service areas	1	No major variance.
Facilities Management	23	Retford Town Hall £15k; Worksop Town Hall £8k.
Corporate Accounts	17	Under-achieved A1 SLA income.
Engineers & Building Maintenance	11	Overspend on utilities.
Estates	37	Overspend on water £7k; Final cinema legal costs £30k.
<b>SUB TOTAL</b>	<b>89</b>	

<b>HOUSING</b>		
Employees across all service areas	3	No major variance.
Preventative Adaptation Scheme/Housing Options	(30)	Underspend of grant income on Preventative Adaptation Scheme.
Other Minor Variances	(8)	
<b>SUB TOTAL</b>	<b>(35)</b>	

<b>LEISURE</b>		
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SERVICE AREA	VARIANCE FROM ADJUSTED BUDGET £'000	EXPLANATION
Employees across all service areas	(11)	Underspend on a carry forward of a previous grant (£4k); Sports Development (£3k); Arts Development (£3k); Park Rangers (£1k).
Recreation & Sport	(8)	Underspend on a carry forward of a previous grant.
Leisure - SMS	(8)	Rebate on NNDR charges for Worksop and Retford Leisure Centres (£18k); Saving on unitary charges due to parts of Worksop and Retford Leisure Centre not being available for use (£10k); Additional income for Bircotes shared use agreement with Nottinghamshire County Council (£11k); BPL performance award grant £31k.
Culture & Heritage	(6)	General underspend on Arts & Policy Development.
Other Minor Variances	(8)	
<b>SUB TOTAL</b>	<b>(41)</b>	

PLANNING & BUILDING CONTROL		
Employees across all service areas	(2)	No major variance.
Planning Policy & Conservation	7	Subscriptions £4k; Maintenance of computer equipment £3k.
Planning	70	Additional expert advice required for a planning appeal £16k; Under-achieved income £6k; Under-achieved General Sales £5k; Overspend on refunds £8k; Court & legal costs £22k; Advertising £13k.
Planning - Service Management & Support	22	Under-achieved income.
Building Control / Dangerous Structures	91	Under-achieved income.
Other Minor Variances	9	
<b>SUB TOTAL</b>	<b>197</b>	

POLICY & COMMUNITY ENGAGEMENT		
Employees across all service areas	(48)	Anti Social Behaviour (£41k); Public Relations (£5k); other employees (£2k).
Community Safety	(10)	Sanctuary government grant (£10k).
Democratic Representation & Support	(22)	Corporate meetings printing costs (11k); Members training (£6k); Paperless meetings for ICT equipment (£5k).
Other Minor Variances	5	
<b>SUB TOTAL</b>	<b>(75)</b>	

REVENUES & CUSTOMER SERVICES		
Employees across all service areas	(11)	Housing & Council Tax Benefits (£11k).
Housing Benefits	(202)	Benefits overpayments recovered (£163k); Benefits subsidy grant (£53k); Benefits verification £18k; Over-achieved court costs income (£4k).
Service Management	(29)	Housing & Council Tax Benefits admin savings.
Local Tax Collection	(41)	Benefits subsidy.
Other Minor Variances	1	
<b>SUB TOTAL</b>	<b>(282)</b>	

SUPPORT SERVICES		
Employees across all service areas	7	Administration (£4k); Legal Services (£9k); Support Services (£7k); ICT £27k.
General Administration & Support	27	Print unit under-achievement of income £39k; Print unit hire & rent of equipment (£12k).
GIS	(41)	One-off subscription saving for the Ordnance Survey Service (£34k); Subscriptions & contributions (£7k).

SERVICE AREA	VARIANCE FROM ADJUSTED BUDGET £'000	EXPLANATION
Land Charges	38	Under-achievement of Land Charges income.
Information Technology and Communications	(17)	Over achievement of A1 non-SLA income.
Other Minor Variances	(1)	
<b>SUB TOTAL</b>	<b>13</b>	

OTHER BUDGETS		
Interest Receivable	(32)	Additional Investment income received in year.
Minimum Revenue Provision	(100)	Savings in the Minimum Revenue Provision for debt repayment.
Corporate Contingency	(190)	In year star chamber savings (£123k); Additional Local Services Support grant re RSG Transition received (£67k).
<b>SUB TOTAL</b>	<b>(322)</b>	

PROVISIONS & IMPAIRED ESTIMATES ON DEBTORS		
Provisions	84	Contribution to Insurance provision £64k; HSE Court Costs provision £20k.
Impaired Estimates on Debtors (bad debts)	242	NNDR & Council Tax Court Costs £88k; Rent allowances and rent rebates £179k; Sundry debtors (£25k).
<b>SUB TOTAL</b>	<b>326</b>	

EXCEPTIONAL ITEM - LEISURE CENTRE UTILITY COSTS & PROVISION		
Retford & Worksop Leisure Centres Utilities	112	Backdated electricity charges invoiced by Notts CC for Worksop & Retford Leisure Centre £44k; Additional provision for Worksop Leisure Centre gas £68k.
<b>SUB TOTAL</b>	<b>112</b>	

USABLE AND UNUSABLE RESERVES		
Transfer to/(from) Usable Reserves	(351)	Treasury Management Reserve re MRP (£266k); Job Evaluation Reserve (£10k); Insurance Reserve (£69k); Developers Contributions to fund Maintenance of Public Open Spaces (£6k).
Transfer to/(from) Unusable Reserves	(19)	Accounting entry required for untaken annual leave (11k); Accounting entry required for treatment of market loans (£8k).
<b>SUB TOTAL</b>	<b>(370)</b>	

GENERAL RESERVE		
Transfer to/(from) General Reserve	16	Overall year end variance between budgeted and actual outturn.
<b>SUB TOTAL</b>	<b>16</b>	

## REVENUE CARRY FORWARD REQUESTS

Service Area	Reason for Underspend	Does request relate to a previous approved carry forward?	Business Case	Request £	Decision
Policy & Community Engagement - Corporate Meetings	Paperless Meetings Project. Software was under development, therefore waited for new version to be released followed by site visits to other users prior to final decision being made on preferred provider.	No	The Agenda Management software will provide an online archive storage solution for Agendas and Minutes, and will be accessible via our website for public access. The software also includes an efficient solution to the compilation of Agendas. The budget to procure this software was approved as part of the Paperless Meetings Project.	5,000	No - to be found from existing service budgets.
Policy & Community Engagement - Anti-Social Behaviour	We received external funding for community safety. We have also received additional external funding from NHS Bassetlaw that was not anticipated. We have not backfilled a post to cover maternity leave for the full period of absence for an ASB Officer. We also did not backfill a job-share administration post. We were able to cover the absences in different ways and ways that were economical. We were also very prudent in our spending due to concerns at the start of the financial year about a projected large overspend for the Council as a whole that all budget managers were alerted to. We were also aware that partnership contributions to Community Safety were to be withdrawn at worst or dramatically reduced at best.	Yes in part	We have previously received external support for community safety and community safety posts. This has stopped. We have a commitment to a partnership DV Post and require £16k for this post in the financial year 2012/13. All current contingencies for partnership posts - held by the Bassetlaw Newark and Sherwood Community Safety Partnership will be spent by 2012/13. It is requested that the balance of the underspend i.e. £26k be retained to support these posts in the 2013/14 financial year.	42,000	No - the grant was spent in 2010/11 and Bassetlaw revenue budgets were carried forward to be spent in 2011/12. The carry forward process makes it clear that it is not applicable for employee budgets. If funds are required in 2012/13 then a specific report should be made to cabinet in year.
Leisure - Sports Development	This is part of an external funding grant through the European Social Fund / Learning Skills Council and is the remainder of the underspend from the 2011/12 financial year. During the financial year, the project also attracted a number of other, small funding grants through, amongst others the Community Safety Partnership, Extended School Services, Sportiv8 as well as payments from the public for activities such as the Urban Paintball project. Therefore not all this funding was spent during the 2011/12 year.	There is a possibility that a small percentage but not all is from the 2010/11 carry forward.	This carry forward would be used to support the continued delivery of a range of after school, evening, weekend and school holiday period activities linked to the 'A Sporting Chance' project. Most of these sessions are free to attend and are primarily linked to targeted young people based in identified areas of deprivation and are for young people who are considered by partner organisations (the Police, schools and ASB team etc.) as 'at risk' of either being involved in 'risky' and anti social behaviour or who are likely to become involved in 'risky' and anti social behaviour. These diversionary sessions are designed to help address these and other issues and so reduce crime and anti social behaviour across these areas.	13,300	No - this dates back several years and the underspend plus any new grants have been spent with the balance being rolled forward each year. The carry forward process makes it clear that it is not applicable for employee budgets. If funds are required in 2012/13 then a specific report should be made to cabinet in year.
Corporate Management - Human Resources	Decision made that the employee engagement project and associated "Valuing Brilliance" work should be delayed to 2012/13 to enable a strategic link with the developing corporate plan.	No	The Council has committed to the implementation of an employee engagement programme which has at its core the achievement of the Council's strategic objectives, and the need to embed the Council's values. As part of this programme, a provider has been sourced to work with all staff to help understand how they can make a difference, and translate the corporate plan and values into meaningful actions and behavioural changes. The budget is required to facilitate the development and delivery of these sessions.	15,000	No - training is historically underspend and through prioritisation this can be found from existing service budgets.
Housing - Homelessness	Underspend due to £5k for an underspend from the Sanctuary scheme with Domestic Violence; £3k was from the additional monies granted by the government for Mortgage repossession purposes; £10k from general underspend on Homeless Prevention.	No	This money is essential for the council to continue to work to prevent homelessness within the district and many initiatives are being worked up for 2012/13 which will require funding. It is the Council's responsibility to provide a service which is focussed on prevention measures to reduce and tackle homelessness across the district. Our data shows that homelessness is on the increase and therefore a more targeted approach is required to prevention, this carry forward will allow us to deliver a proactive service.	18,000	No - if funds are required in 2012/13 then a specific report should be made to cabinet in year.
Housing - Homelessness	Underspend due to more proactive monitoring of budget.	No	Our data highlights that homelessness and the need for emergency accommodation will increase. It is the statutory responsibility of the Council to be able to provide emergency accommodation to clients who need emergency accommodation.	8,000	No - if funds are required in 2012/13 then a specific report should be made to cabinet in year.
Housing - Preventative Adaptation Scheme	The majority of this budget is used to fund the county-wide handypersons and preventative adaptations service (HPAS) which did not reach the level of demand as predicted. Therefore, Notts CC have embarked on a promotion campaign which has already resulted in an increase in referrals to the scheme.	No	This budget funds preventative measures aimed at assisting elderly people to continue living safely in their own homes. The budget funds quick access to minor adaptations and other services that supports safe independent living and, as such, is one of the tools used to reduce the need for major adaptations (funded through the Disabled Facilities Grant budget). Each district/borough council has a Memorandum of Understanding in place with NCC to contribute to HPAS, which secures access to additional funding from the PCT and NCC for this scheme. (Note: the request is net of £1,900 which has been transferred to earmarked reserves as a PCT contribution).	17,100	No - if funds are required in 2012/13 then a specific report should be made to cabinet in year.
				<b>118,400</b>	

SERVICE AREA	VARIANCE FROM ADJUSTED BUDGET £'000	EXPLANATION
<b>HOUSING REVENUE ACCOUNT</b>		
A1 Management Fee	0	No major variance.
Council Managed Expenditure	(101)	Housing Subsidy payment due to the DCLG is (£101k) less than budget due to changes in capital charges as a result of fluctuating borrowing rates.
Income	(159)	Supporting People grant payable from Notts CC is (£54k) more than budgeted. Rent debit income overall is (£105k) over-achieved due to a reduction in voids compared to the budgeted allowance.
Other Adjustments	0	No major variance.
General Fund/HRA Movement in Central Support Costs	(83)	Debt management costs were (£83k) less than budget.
Transfer to/(from) Usable Reserves	43	Payment from NCC in relation to April 2012 Supporting People grant.
Transfer to/(from) HRA Reserve	300	Overall year-end variance between budgeted and actual outturn.
<b>TOTAL</b>	<b>0</b>	



## CAPITAL PROGRAMME OUTFURN &amp; FINANCING 2011/12

APPENDIX 4

CAPITAL SCHEME	Initial Budget £'000	Revised Budget £'000	Revised Budget £'000	Actual Outturn £'000	Outturn Variance to Revised £'000	Comments	Borrowing £'000	Capital Receipts £'000	Ext Funding £'000	Comments	Total £'000
<b>ENVIRONMENT AND LEISURE -COUNCILLOR JULIE LEIGH</b>											
Replacement Vehicles & Plant	441	24	519	379	(140)	Carry Forward required.		313	66	WPEG	379
Play Area Development - Knighton Fields	130	5	135	135	0	Scheme Complete		85	50	S106	135
Canch Play Area Refurbishment	120	0	120	53	(67)	Carry Forward required.		53			53
Play Area Refurbishment of Existing Sites	75	29	104	60	(44)	Carry Forward required.		60			60
Sandy Lane Play Area	85	0	85	85	0	Scheme Complete		65	20	A1 Cont & Sandy Lane Play Forum	85
Recycling Initiatives	25	47	72	25	(47)	Carry Forward required.		18	7	WPEG	25
Kings Park	0	27	59	58	(1)	Carry Forward required.			58	£56k Kings park trust fund, £2k Retford Civic	58
Extension to Roadways Retford Cemetery	40	15	55	53	(2)	Scheme Complete £2k underspend		53			53
Lighting Improvements - Canch Park	45	0	45	36	(9)	Scheme Complete £9k underspend		36			36
Play Areas - Kilton	42	0	42	0	(42)	Carry Forward required.					0
Reopen Access Bridge from Canal Road Depot into Canch Park	25	0	25	0	(25)	Carry Forward required.					0
Snow Ploughs and Spreaders	0	0	23	23	0	Scheme Complete		23			23
Replacement Vehicle Wash	0	11	11	11	0	Scheme Complete		11			11
Public Toilets Langold Country Park	0	0	11	6	(5)	Scheme Complete £5k underspend			6	A1 Contribution	6
Toilet Facility Hannah Park Cemetery	0	0	1	0	(1)	Scheme Complete £1k underspend					0
Refurbishment of Recycling Bring Sites	0	20	1	1	0	Scheme Complete		1			1
<b>FINANCE AND PROPERTY - COUNCILLOR JUNE EVANS</b>											
Capital Improvements	202	223	425	377	(48)	Carry Forward required.		377			377
Canch Redevelopment	0	0	40	46	6	Scheme ongoing £6k overspend	29	17			46
Canch Skate Park	200	0	200	193	(7)	Carry Forward required.		193			193
Queens Buildings Toilets and Disabled Facilities	0	125	125	92	(33)	Carry Forward required.		92			92
73 Bridge Street Phase 2	0	(13)	82	83	1	Scheme Complete £1k overspend	83				83
Workshop Town Hall Kitchen & Servery Upgrade	0	80	80	74	(6)	Scheme Complete £6k underspend		74			74
Planned Maintenance	75	0	75	12	(63)	Carry Forward required.		12			12
Queens Building New Internal Doors	0	75	75	67	(8)	Scheme Complete £8k underspend		67			67
Memorial Library	70	0	70	0	(70)	Carry Forward required.					0
Refurbishment of Workshop Town Hall Toilets	0	120	50	0	(50)	Carry Forward required.					0
Energy / Carbon Reduction Schemes	50	0	50	49	(1)	Scheme Complete £1k underspend	49				49
DDA Operational Buildings	0	26	26	0	(26)	Carry Forward required.					0
Pump Priming Property Disposal Fund	0	11	11	0	(11)	Scheme no longer required.					0

CAPITAL SCHEME	Initial Budget £'000	Revised Budget £'000	Revised Budget £'000	Actual Outturn £'000	Outturn Variance to Revised £'000	Comments	Borrowing £'000	Capital Receipts £'000	Ext Funding £'000	Comments	Total £'000
Queen's Buildings Windows	0	10	10	5	(5)	Scheme Complete £5k underspend		5			5
Strategic Intervention Fund (Includes Empty Homes)	359	0	0	38	38	Scheme ongoing £38k overspend		38			38
<b>COMMUNITY PROSPERITY - COUNCILLOR DAVID PRESSLEY</b>											
Public Realm Improvements	500	0	600	589	(11)	Carry Forward required.	589				589
Retford Market Square	90	398	488	476	(12)	Carry Forward required.	282		194	ERDF funding	476
Worksop Canalside Creative Village	982	15	150	87	(63)	Carry Forward required.		38	49	ERDF funding	87
Worksop Market Relocation	0	104	54	42	(12)	Carry Forward required.		42			42
CCTV Digital Upgrade	193	100	0	0	0	Carry Forward approved in year.					0
Worksop Creative Village Phase 2	500	0	0	0	0	Carry Forward approved in year.					0
<b>REVENUE, CUSTOMER SERVICES AND SUPPORT SERVICES - COUNCILLOR SYLVIA MAY</b>											
Microsoft Implementation	64	13	77	78	1	Scheme Complete £1k overspend		78			78
IT Computer Replacement Fund	100	0	72	72	0	Scheme Complete		72			72
GIS and planning system	0	32	32	35	3	Scheme Complete £3k overspend		35			35
Host Server	0	0	28	27	(1)	Scheme Complete £1k underspend		27			27
Switchboard Telephonetics	20	0	20	9	(11)	Carry Forward required.		9			9
Two Colour Digital Duplicator	0	0	11	10	(1)	Scheme Complete		6	4	RCCO	10
<b>HOUSING GENERAL FUND - COUNCILLOR ALAN RHODES</b>											
Exchange Street Redevelopment Retford	1,165	(24)	1,141	1,188	47	Scheme Complete £47k overspend		688	500	HCA £459k & S106 £41k	1,188
<b>FINISHED SCHEMES / RETENTIONS</b>											
Retford Enterprise Centre	0	0	0	0	0	Scheme Complete		0			0
<b>TOTAL GENERAL FUND</b>	<b>5,598</b>	<b>1,473</b>	<b>5,300</b>	<b>4,574</b>	<b>(726)</b>		<b>1,032</b>	<b>2,588</b>	<b>954</b>		<b>4,574</b>
<b>REFCUS</b>											
Parish Council Play Initiatives	50	23	73	62	(11)	Carry Forward required.		62			62
Contaminated Land - Misterton	0	24	24	11	(13)	Scheme Complete £13k underspend			11	Environment Agency	11
Canch Defra Grant Element	0	201	208	168	(40)	Carry Forward required.			168	Environment Agency	168
Wheatley Beck Flooding Improvements	75	72	97	97	0	Scheme Complete		25	72	Environment Agency	97
Flood Alleviation Works	100	0	89	90	1	Scheme Complete £1k overspend		54	36	NCC £23k & EA £13k	90
Ex-NCC Queen's Buildings' Wing	0	0	75	29	(46)	Carry Forward required.		29			29
Cottam Road, Treswell Flooding Improvements	0	61	72	72	0	Scheme Complete		11	61	Environment Agency	72
Section 106 Tesco Site ITC Works	0	0	142	142	0	Scheme Complete			142	S106 Tesco	142
Tuxford Conservation Area Renewal	120	0	120	50	(70)	Carry Forward required.		13	37	NCC £14k & English Heritage £23k	50

## CAPITAL PROGRAMME OUTTURN &amp; FINANCING 2011/12

APPENDIX 4

CAPITAL SCHEME	Initial Budget £'000	Revised Budget £'000	Revised Budget £'000	Actual Outturn £'000	Outturn Variance to Revised £'000	Comments	Borrowing £'000	Capital Receipts £'000	Ext Funding £'000	Comments	Total £'000
Bridge Street Pedestrianisation	1,132	0	32	36	4	Scheme Ongoing £4k overspend.		36			36
Buildings at Risk	32	0	32	12	(20)	Carry Forward required.		12			12
Common Conservation Fund	20	0	20	16	(4)	Carry Forward required.			16	Grant	16
Disabled Facilities Grant	1,410	85	995	718	(277)	Carry Forward required.		245	473	DCLG Grant	718
Private Sector Renewal Grant	61	0	61	61	0	Scheme Complete			61	DCLG Grant	61
Fuel Poverty (Private Sector Housing Initiatives)	60	0	20	14	(6)	Carry Forward required.		14			14
Pension Strain	0	0	215	215	0	Scheme Complete		215			215
Voluntary Redundancy / early retirement	0	0	205	198	(7)	Scheme Complete £7k underspend	198				198
HRA Self Financing	0	0	26,863	26,863	0	Scheme Complete	26,863				26,863
<b>TOTAL REFCUS incl HRA Self Financing</b>	<b>3,060</b>	<b>466</b>	<b>29,343</b>	<b>28,854</b>	<b>(489)</b>		<b>27,061</b>	<b>716</b>	<b>1,077</b>		<b>28,854</b>
<b>HOUSING - COUNCILLOR ALAN RHODES</b>											
Decent Homes	12,220	413	8,661	8,694	33	Net off balances schemes complete.	4,795	946	2,953	£2,778 MRA + £175 Energy Grant	8,694
Other Capital Improvements	1,127	335	1,868	1,835	(33)			396	1,439	MRA £1,417k, Housing Adapts £22k	1,835
Kingston Road Community Centre	0	0	75	31	(44)	Carry Forward required.			31	Insurance Claim	31
Conversion Coverdale House	0	0	0	0	0	Scheme Complete					0
<b>TOTAL HOUSING</b>	<b>13,347</b>	<b>748</b>	<b>10,604</b>	<b>10,560</b>	<b>(44)</b>		<b>4,795</b>	<b>1,342</b>	<b>4,423</b>		<b>10,560</b>
<b>GRAND TOTAL</b>	<b>22,005</b>	<b>2,687</b>	<b>45,247</b>	<b>43,988</b>	<b>(1,259)</b>		<b>32,888</b>	<b>4,646</b>	<b>6,454</b>		<b>43,988</b>

## CAPITAL CARRY FORWARD FROM 2011/12 TO 2012/13

Cabinet Portfolio	Capital Scheme	Amount
		£
Environment and Housing	Replacement Vehicles & Plant	(139,000)
Environment and Housing	Canch Play Area Refurbishment	(67,000)
Environment and Housing	Play Area Refurbishment of Existing Sites	(44,000)
Environment and Housing	Recycling Initiatives	(47,000)
Environment and Housing	Kings Park	(1,000)
Environment and Housing	Play Areas - Kilton	(42,000)
Environment and Housing	Reopen Access Bridge from Canal Road Depot into Canch Park	(25,000)
<b>Environment and Housing Total:</b>		<b>(365,000)</b>
Finance and Property	Capital Improvements	(48,000)
Finance and Property	Canch Redevelopment	6,000
Finance and Property	Canch Skate Park	(7,000)
Finance and Property	Queens Buildings Toilets and Disabled Facilities	(33,000)
Finance and Property	Planned Maintenance	(63,000)
Finance and Property	Memorial Library	(70,000)
Finance and Property	Refurbishment of Worksop Town Hall Toilets	(50,000)
Finance and Property	DDA Operational Buildings	(26,000)
Finance and Property	Strategic Intervention Fund (Includes Empty Homes)	38,000
<b>Finance and Property Total:</b>		<b>(253,000)</b>
Community Prosperity	Public Realm Improvements	(11,000)
Community Prosperity	Retford Market Square	(12,000)
Community Prosperity	Worksop Canalside Creative Village	(63,000)
Community Prosperity	Worksop Market Relocation	(12,000)
<b>Community Prosperity Total:</b>		<b>(98,000)</b>
Support Services	Switchboard Telephonetics	(11,000)
<b>Support Services Total:</b>		<b>(11,000)</b>
Refcus	Parish Council Play Initiatives	(11,000)
Refcus	Canch Defra Grant Element	(40,000)
Refcus	Ex-NCC Queen's Buildings' Wing	(46,000)
Refcus	Tuxford Conservation Area Renewal	(70,000)
Refcus	Bridge Street Pedestrianisation	4,000
Refcus	Buildings at Risk	(20,000)
Refcus	Common Conservation Fund	(4,000)
Refcus	Disabled Facilities Grant	(174,000)
Refcus	Fuel Poverty (Private Sector Housing Initiatives)	(6,000)
<b>Revenue Expenditure Funded from Capital under Statute Total:</b>		<b>(367,000)</b>
Housing Managed by A1	Kingston Road Community Centre	(43,000)
<b>Housing Managed by A1 Total:</b>		<b>(43,000)</b>
		<b>(1,137,000)</b>

## **Annual Treasury Management Report 2011/12**

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### **1. Purpose**

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2011/12. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2011/12 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 3<sup>rd</sup> March 2011);
- a mid-year treasury update report (Council 22<sup>nd</sup> December 2011);
- an annual review following the end of the year describing the activity compared to the strategy (this report).

In addition, the Cabinet has received quarterly treasury management update reports as part of the budget monitoring reports.

Changes in the regulatory environment place a much greater onus on Members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members. This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Performance and Scrutiny Committee before they were reported to full Council. Member training on treasury management issues was undertaken during the year in June 2011 in order to support Members' scrutiny role.

### **2. The Economy and Interest Rates**

The financial year 2011/12 continued the challenging investment environment of previous years, namely low investment returns and continuing heightened levels of counterparty risk. The original expectation for 2011/12 was that Bank Rate would start gently rising from quarter 4 2011. However, economic growth in the UK was disappointing during the year due to the UK austerity programme, weak consumer confidence and spending, a lack of rebalancing of the UK economy to exporting and weak growth in our biggest export market - the European Union (EU). The UK coalition Government maintained its tight fiscal policy stance against a background of warnings from two credit rating agencies that the UK could lose its AAA credit rating. Key to retaining this rating will be a return to strong economic growth in order to reduce the national debt burden to a sustainable level, within the austerity plan timeframe. The USA and France lost their AAA credit ratings from one rating agency during the year. Weak UK growth resulted in the Monetary Policy Committee increasing quantitative easing by £75bn in October and another £50bn in February. Bank Rate therefore ended the year unchanged at 0.5% while CPI inflation peaked in September at 5.2%, finishing at 3.5% in March, with further falls expected to below 2% over the next two years. The EU sovereign debt crisis grew in intensity during the year until February when a second bailout package was agreed for Greece.

**Gilt yields** fell for much of the year, until February, as concerns continued to build over the EU debt crisis. This resulted in safe haven flows into UK gilts which, together with the two UK packages of quantitative easing during the year, combined to depress PWLB rates to historically low levels.

**Investment rates.** Risk premiums were also a constant factor in raising money market deposit rates for periods longer than 1 month. Widespread and multiple downgrades of the ratings of many banks and sovereigns continued Eurozone concerns, and the significant funding issues still faced by many financial institutions, meant that investors remained cautious of longer-term commitment.

**3. Overall Treasury Position as at 31<sup>st</sup> March 2012**

With the implementation of the Self Financing Housing Revenue Account, the two pool approach to the management of both the General Fund and HRA Debt has been implemented, and comparators for 31<sup>st</sup> March 2011 are provided. At the beginning and the end of 2011/12 the Council's treasury position was as follows:

<b>TABLE 1</b>	<b>31 March 2011 Principal</b>	<b>Rate</b>	<b>Average Life yrs</b>	<b>31 March 2012 Principal</b>	<b>Rate</b>	<b>Average Life yrs</b>
<b>DEBT*</b>						
General Fund	23,297	4.15%	30 Years	15,550	4.29%	29 Years
HRA	53,266	4.15%	30 Years	96,518	4.09%	28 Years
<b>TOTAL</b>	<b>76,563</b>			<b>112,068</b>		
<b>CFR</b>						
General Fund	28,367			28,586		
HRA	64,860			96,518		
<b>TOTAL</b>	<b>93,227</b>			<b>125,104</b>		
<b>Over / (under) borrowing**</b>						
General Fund	(5,070)			(13,036)		
HRA	(11,594)			0		
<b>TOTAL</b>	<b>(16,664)</b>			<b>(13,023)</b>		
<b>Investments</b>						
< 1 year	3,518			4,824		
> 1 year	2,145			1,696		
<b>Net debt</b>	<b>£70,900</b>			<b>105,548</b>		

\*Debt reflects long term borrowing and finance leases.

\*\*Under borrowing represents amounts funded from internal balances.

**4. The Strategy for 2011/12**

The expectation for interest rates within the strategy for 2011/12 anticipated a low but rising Bank Rate (starting in quarter 4 of 2011) with similar gradual rises in medium and longer term fixed borrowing rates over 2011/12. Variable or short-term rates

## APPENDIX 6

were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

The actual movement in gilt yields meant PWLB rates fell sharply during the year to historically very low levels. This was caused by a flight to quality into UK gilts from EU sovereign debt and also from shares as investors became very concerned about the potential for a Lehmans-type crisis in the financial markets if the Greek debt crisis were to develop into a precipitous default and exit from the Euro.

Due to the low PWLB rates during the year new borrowing was undertaken in September. In addition the PWLB offered preferential rates (0.85% below their usual interest rates) for the purpose of Self Financing of the HRA. This has resulted in an reduced average borrowing rate on the loans pools.

### 5. The Borrowing Requirement and Debt

The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

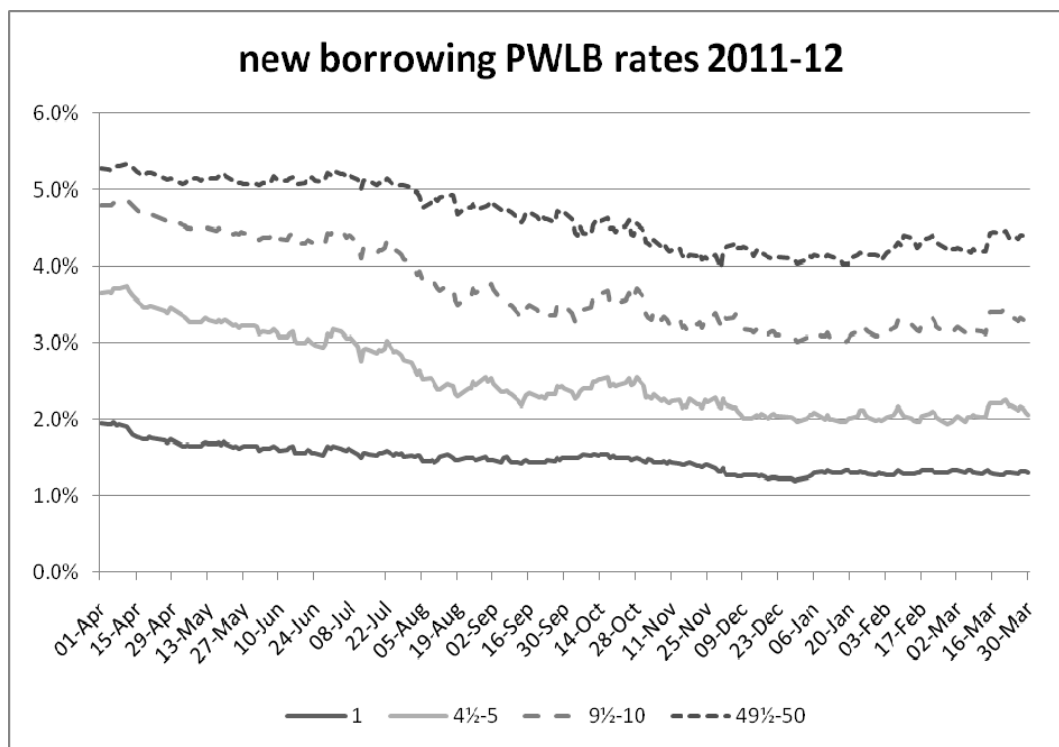
Its movement represents the amount of Prudential Borrowing required to finance the annual Capital Programme.

The implementation of housing finance reform at the end of the year abolished the housing subsidy system financed by central government and, consequently, all housing debt has been reallocated nationally between housing authorities. The result of this reallocation is that this Council made a capital payment to the Department of Communities and Local Government of £26.863m which resulted in an increase in the CFR from that estimated for the budget. This was funded by new external borrowing. There has been no impact on HRA revenue finances in 2011/12 due to compensating adjustments being made in the HRA subsidy determination.

	<b>31 March 2011 Actual £'000</b>	<b>31 March 2012 Budget £'000</b>	<b>31 March 2012 Actual £'000</b>
CFR General Fund	28,367	28,464	28,586
CFR HRA	64,860	73,460	96,518
<b>TOTAL CFR</b>	<b>93,227</b>	<b>101,924</b>	<b>125,104</b>

6. Borrowing Rates in 2011/12

PWLB borrowing rates - the graph below shows how PWLB rates fell to historically very low levels during the year.



7. Borrowing Outturn for 2011/12

Borrowing – the following long term loans were taken during the year:

Lender	Principal £'000	Type	Interest Rate	Maturity
PWLB General Fund	909	Fixed interest rate	3.91%	11 years
	727		3.94%	12 Years
PWLB HRA	4,091	Fixed interest rate	3.91%	11 Years
	3,273		3.94%	12 Years
	5,500		3.05%	15 Years
	5,500		3.18%	17 Years
	5,500		3.41%	23 Years
	5,500		3.48%	27 Years
4,863	3.49%	29 Years		

This compares with a budget assumption of borrowing at an interest rate of 4%. Loans have been split to reflect both General Fund and HRA elements.



**Rescheduling** - No rescheduling was done during the year due to economic uncertainty and the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

**Repayments** - the Council repaid £0.063m in principal in relation to a PWLB EIP (Equal Instalment of Principal) Loan.

**Summary of debt transactions** – management of the long term debt portfolio resulted in a fall in the average interest rate of 0.31%, representing net General Fund savings of £0.084m.

### 8. Net borrowing and the CFR

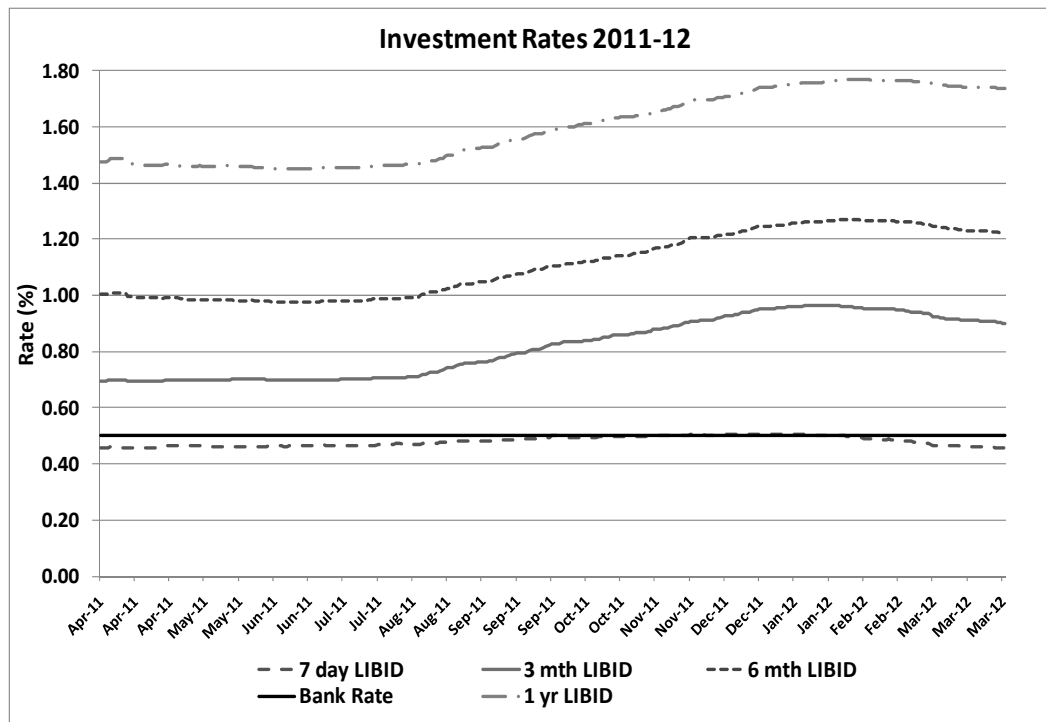
In order to ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2011/12 plus the expected changes to the CFR over 2011/12 and 2012/13 for financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2011/12.

The HRA net borrowing position is slightly above the HRACFR showing that borrowing has been taken in advance, however this is within the forecast for the CFR for the next two years, therefore this is within the Prudential limits.

### 9. Investment Rates in 2011/12

The tight monetary conditions following the 2008 financial crisis continued through 2011/12 with little material movement in the shorter term deposit rates. However, one month and longer rates rose significantly in the second half of the year as the Eurozone crisis grew. The Bank Rate remained at its historic low of 0.5% throughout the year while market expectations of the start of monetary tightening were gradually pushed further and further back during the year to the second half of 2013 at the earliest.

Overlaying the relatively poor investment returns were the continued counterparty concerns generated by the Eurozone sovereign debt crisis.



## 10. Investment Outturn for 2011/12

**Investment Policy** – the Council's investment policy is governed by CLG guidance, which was implemented in the annual investment strategy approved by the Council on 3<sup>rd</sup> March 2011. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

**Investments held by the Council** - the Council maintained an average balance of £8.132m of internally managed funds. The internally managed funds earned an average rate of return of 0.74%. The comparable performance indicator is the average 7-day LIBID rate which was 0.48%.

Whilst the investment returns are low, the Council's application of under-borrowing is very cost effective as it lowers the available cash investments, lowering counterparty risk and avoiding borrowing at much higher interest rates.

This compares with a budget assumption of average investment balances of £3.72m at 0.50% investment return.

**11. Icelandic Bank Defaults**

This Council currently has the following investment(s) frozen in Icelandic banks:

<b>Institution</b>	<b>Investment £'000</b>	<b>Interest Rate %</b>	<b>Dividends Received £'000</b>	<b>Carrying Amount £'000</b>
Landsbanki	3,000	5.56	923	1,802
Glitner now ISK	2,000	5.55	1,668	385
KSF	1,000	5.55	656	205
Heritable	2,000	6.12	1,379	393

At the time of writing this report, the process of recovering assets is still ongoing.

In the cases of the UK subsidiaries, Heritable Bank plc and Kaupthing, Singer and Friedlander Ltd, the administrators have made a number of dividend payments to date, with further payments and updates anticipated during 2012/13.

Investments outstanding with the two Iceland –domiciled banks (Glitnir Bank hf and Landsbanki Islands hf) have been subject to decisions of the Icelandic Courts. Following the successful outcome of these legal test cases in the Icelandic Supreme Court in late 2011, the Administrators have now commenced the process of dividend payments in respect of both of these banks. Glitnir Bank hf completed a dividend payment in March 2012 for approximately the full settlement amount, although a proportion of the settlement will be held in Icelandic Kroner for repayment at a later date. Landsbanki Islands hf has repaid a proportion of the claim, with further dividends due over the forthcoming years.

Members will be periodically updated on the latest developments in recovery of these deposits.

**12. Other Issues**

The Council undertook supported borrowing of £4.795m in relation to the Decent Homes Programme.

Capitalisation Directions were approved for the financing of exit packages from prudential borrowing of £0.198m, and from Capital Receipts of £0.215m.

Temporary borrowings were undertaken during the year to take advantage of the low interest rates on short term debt.

<b>Temporary Borrowing</b>	<b>£'000</b>	<b>£'000</b>	<b>Average Interest rate</b>
Opening debt		5,000	1.00%
Undertaken in year	10,000		1.40%
Repaid in year	-7,000		0.70%
Closing debt		8,000	1.60%

Appendix 1: Prudential and treasury indicators

1. PRUDENTIAL INDICATORS	2010/11	2011/12	2011/12	2011/12
<b>Extract from budget and rent setting report</b>	<b>Actual</b>	<b>Original</b>	<b>Revised</b>	<b>Actual</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Capital Expenditure</b>				
Non – HRA	8,255	8,658	7,672	6,565
HRA	16,494	13,347	38,121	37,423
<b>TOTAL</b>	<b>24,749</b>	<b>22,005</b>	<b>45,793</b>	<b>43,988</b>
<b>Ratio of financing costs to net revenue stream</b>				
Non – HRA	8.81%	10.17%	10.50%	9.96%
HRA (applies only to housing authorities)	52.19%	53.21%	57.00%	48.03%
<b>Net borrowing requirement General Fund</b>				
brought forward 1 April	27,291	28,510	28,367	28,367
carried forward 31 March	28,367	28,464	28,751	28,586
in year borrowing requirement	<b>1,076</b>	<b>(46)</b>	<b>384</b>	<b>219</b>
<b>Net borrowing requirement HRA</b>				
brought forward 1 April	53,920	64,860	64,860	64,860
carried forward 31 March	64,860	73,460	97,172	96,518
in year borrowing requirement	<b>10,940</b>	<b>8,600</b>	<b>32,312</b>	<b>31,658</b>
<b>Net debt (includes temporary borrowings)</b>	75,900	90,937	117,105	113,549
<b>CFR</b>				
Non – HRA	28,367	28,464	28,751	28,586
HRA	64,860	73,760	97,172	96,518
<b>TOTAL</b>	<b>93,227</b>	<b>102,224</b>	<b>125,923</b>	<b>125,104</b>
<b>Annual change in Cap. Financing Requirement</b>				
Non – HRA	1,076	(46)	384	219
HRA	10,940	8,600	32,312	31,658
<b>TOTAL</b>	<b>12,016</b>	<b>8,554</b>	<b>32,696</b>	<b>31,877</b>
<b>Incremental impact of capital investment decisions</b>				
Increase in council tax (band D) per annum	£3.88	£1.57	£3.55	£0.85
Increase in average housing rent per week	0.00	0.00	0.00	0.00

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2. TREASURY MANAGEMENT INDICATORS	2010/11	2011/12	2011/12
	Actual £'000	Revised £'000	Actual £'000
<b>Authorised Limit for external debt -</b>			
Borrowing	97,000	130,917	130,917
Other long term liabilities	0	83	83
<b>TOTAL</b>	<b>97,000</b>	<b>131,000</b>	<b>131,000</b>
<b>Operational Boundary for external debt</b>			
Borrowing	81,188	125,917	119,988
Other long term liabilities General Fund	375	83	81
<b>TOTAL</b>	<b>81,563</b>	<b>126,000</b>	<b>120,069</b>
<b>Actual external debt</b>			
Borrowing Pre HRA Settlement	81,188	120,642	N/A
Borrowing – General Fund	N/A	N/A	21,272
Borrowing - HRA	N/A	N/A	98,716
Other Long Term Liabilities	375	83	81
<b>Total External Debt</b>	<b>81,563</b>	<b>120,725</b>	<b>120,069</b>
<b>Upper limit for fixed interest rate exposure</b>			
expressed as either:-			
Net principal re fixed rate borrowing / investments OR:-	100%	100%	100%
Net interest re fixed rate borrowing / investments	20%	20%	20%
<b>Upper limit for variable rate exposure</b>			
expressed as either:-			
Net principal re variable rate borrowing / investments OR:-	20%	20%	20%
Net interest re variable rate borrowing / investments	20%	20%	20%
<b>Upper limit for total principal sums invested for over 364 days</b> (per maturity date)	£0.00	£0.00	£0.00

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<b>Maturity structure of fixed rate borrowing during 2011/12</b>	<b>Upper limit</b>	<b>Actual</b>
under 12 months	25%	7%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	14%
5 years and within 10 years	50%	8%
10 years and above	100%	72%