

**CYNGOR SIR POWYS COUNTY COUNCIL.**

**CABINET EXECUTIVE  
15 December 2015**

**REPORT AUTHOR:** County Councillor Wynne Jones  
Portfolio Holder for Finance

**SUBJECT:** Financial Overview and Forecast as at 31 October 2015

---

**REPORT FOR:** Decision / Discussion / Information

---

1. **Summary**

1.1 This report provides an update on the Revenue and Capital Budgets as at 31 October 2015 and provides an early indication of the 2015/16 financial performance. It is important to note that savings will only be built in when savings have been delivered. It is prudent to maintain this approach as it gives an accurate position.

1.2 **Revenue**

1.2.1 The projected forecast for the revenue budget is to overspend by £3,828k (this was £3,813k as at 30 September). The position excludes the Housing Revenue Account (HRA) and Schools Delegated Budgets. The overall position is a projected 2.28% (compared with 2.27% as at 30 September) overspend of the working budget. This projection is provided after considering all known factors. This includes savings that have been achieved but as indicated in the paragraph above does not make allowance of savings yet to be identified or achieved.

1.2.2 A summary by Directorate is provided below.

<b>Summary Forecast by Directorate</b>	<b>Original Budget</b>	<b>Total Working budget</b>	<b>Approved Contribution to / (Use) of Reserves</b>	<b>Forecast Spend</b>	<b>Variance (Over) / Under spend</b>	<b>Variance (Over) / Under spend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
People	71,176	70,692	(119)	73,239	(2,547)	(3.60)%
Place	40,585	43,374	(6,116)	44,690	(1,316)	(3.03)%
Schools	25,842	27,217	(2,427)	27,763	(546)	(2.01)%
Resources	5,274	5,214	(1,679)	5,301	(87)	(1.67)%
Central Activities	24,123	21,264	3,733	20,596	668	3.14%
<b>Total</b>	<b>167,000</b>	<b>167,761</b>	<b>(6,608)</b>	<b>171,589</b>	<b>(3,828)</b>	<b>(2.28)%</b>

### 1.3 **Capital**

1.3.1 Actual expenditure on the Capital budget and committed expenditure is £99.9m (compared with £95.9m as at 30 September) which represents 80.5% (73.0% as at 30 September) of the full year revised budget, which includes approved and required virements.

### 1.4 **Efficiency savings**

1.4.1 Revenue savings of £12,768k were agreed as part of the 2015/16 budget and must be made during the year. Achievement of the savings in the first six months amount to £6,855k (compared with £6,830k as at 30 September) representing 53.7% (compared with 53.5% as at 30 September) of the total to be found in the year.

### 1.5 **Reserves**

1.5.1 The revenue reserves held at the beginning of the year totalled £41m, with £9.1m held in the General Reserve. The forecast use of reserves during the year is £11,638k (£11,703k as at 30 September). Unless the agreed budget savings are delivered the forecasted will draw on this reserve by £4,352k (£3,828k section 1.3 and £524k for schools delegated other) (£4,337k as at 30 September) which would make the draw on reserves to be £15,990k (£16,040k as at 30 September).

## 2. Revenue Forecast

2.1 The table below provides the revised projected forecast to the 31 March 2016.

<b>Forecast to 31 March 2016</b>						
<b>Service Area</b>	<b>Original Budget</b>	<b>Total Working budget</b>	<b>Use of Reserves</b>	<b>Forecast Spend</b>	<b>Variance (Over) / Under spend</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
<b>People</b>						
Adult & Commissioning	54,373	54,028	(119)	56,380	(2,352)	(4.35)%
Children Services	16,088	15,906	0	16,090	(184)	(1.16)%
Housing General Fund	715	758	0	769	(11)	(1.45)%
<b>Place</b>						
Leisure & Recreation	12,025	12,323	(204)	12,428	(105)	(0.85)%
Regeneration, Property & Commissioning	6,905	7,576	(687)	7,749	(173)	(2.28)%
Highways, Transport & Recycling	21,655	23,475	(5,225)	24,513	(1,038)	(4.42)%
<b>Schools</b>						
Schools Service	25,842	27,217	(2,427)	27,763	(546)	(2.01)%
<b>Resources</b>						
Professional Services	1,991	2,240	(670)	2,241	(1)	(0.04)%
Information Services	(96)	(385)	(884)	(440)	55	(14.29)%
Business Services	(159)	(163)	(47)	37	(200)	122.70%
Chief Executive	3,538	3,522	(78)	3,463	59	1.68%
<b>Service Area Totals</b>	<b>142,877</b>	<b>146,497</b>	<b>(10,341)</b>	<b>150,993</b>	<b>(4,496)</b>	<b>(3.07)%</b>
Central Activities	24,123	21,264	3,733	20,596	668	3.14%
<b>Total</b>	<b>167,000</b>	<b>167,761</b>	<b>(6,608)</b>	<b>171,589</b>	<b>(3,828)</b>	<b>(2.28)%</b>
Housing Revenue Account (HRA)	0	0	(3,495)	(127)	127	0%
Schools Delegated	70,981	78,071	(1,945)	77,787	284	0.36%
Schools Delegated - Other	0	(7,849)	0	(7,325)	(524)	6.68%
<b>Total including HRA &amp; Schools Delegated</b>	<b>237,981</b>	<b>237,983</b>	<b>(12,048)</b>	<b>241,924</b>	<b>(3,941)</b>	<b>(1.66)%</b>

2.2 The forecast over or underspends in the table above are projected against the approved working budget, the 'working budget' includes budgeted transfers to or from reserves which are also provided in the table. The forecast is therefore in addition to the budgeted requirement on reserves.

2.3 The revenue outturn performance indicator target is to be within 0.5% of net budget. The forecast outturn for the year excluding Schools delegated and the HRA is a net overspend of £3,828k (£3,813k as at 30 September) or 2.28% (2.27% as at 30 September) of the working budget.

## 2.4 People Directorate

- 2.4.1 Adult Social Care is forecast to overspend by £2.352m (£2.343m as at 30 September). There are savings expected to be made of £1.544m by 31 March 2016 but this is not yet in the forecast outturn figures and will only be built in when achieved. There is a projected additional cost of £750k to bring the Home Care hours back in house from 7 April 2015. This figure may reduce, as currently the forecast is assuming all employees will join the local government pension scheme. Further calculations will be undertaken when the level of uptake is known in the autumn. The figure may reduce when the cost of travel can be identified.
- 2.4.2 Opportunities for efficiencies continue to be explored, Commercial Services are working with the service to progress these. In the event that all the savings and pressures materialise, along with some other smaller items there would still be a forecast overspend of £807k.
- 2.4.3 The forecast outturn does not allow for any future demand pressure in the financial year, nor any future changes to contracts, including some of the Care Home fee uplifts agreed by Cabinet in September 2013 for the Care Homes still to undergo the 'Open Book' exercise.
- 2.4.4 Children's services forecast an overspend of £184k (£179k as at 30 September) with savings opportunities for third party spend continuing to be explored.
- 2.4.5 The Integrated Family Support Team (IFST) Welsh Government grant transferred to Revenue Support Grant with the allocation to children services being reduced by £45k in addition to the grant provider top slicing the budget by £28k. This pressure continues to be an issue in the forecast overspend.
- 2.4.6 There are many service area underspends such as Child Protection £19k, Preventative Work £25k, Leaving Care £72k. These are service areas where it is hard to use the commitment accounting system, as spend is made 'as and when' necessary for the service users' needs i.e. 'crisis payments', therefore the forecast actual expenditure can only be based on a profiled budget and will only be known at year end.
- 2.4.7 The Looked After Children (LAC) service area is forecasting an overspend of £126k. The potential increase in Looked after Children (LAC) costs is a significant risk as this is difficult to predict in such a volatile budget area. Placement costs can also vary depending on service user's needs. This is being offset by staff slippage but in some instances the service is utilising agency staff to bridge the gap in order to meet the statutory requirements of the service.
- 2.4.8 The Housing General Fund forecast an overspend of £11k (£15k as at 30 September) mainly due to savings yet to be found in relation to job evaluation regrading (£6k) and third party spend opportunities (£7k).

## 2.5 Place Directorate

2.5.1 Regeneration, Property and Commissioning forecast an over spend of £173k (£230k as at 30 September). The reduction of £57k is due to reduced forecast spend on works at Depots of £24k, increased forecast income on County Farms of £14k and reduced forecast spend on contracted services within Closed Landfill Sites of £22k. The majority of the forecast overspend is due to unachieved savings and income within the Building Design team. This is being monitored during the year and will be reviewed within the 2016-17 budget if unresolved.

2.5.2 Other areas are analysed as follows:-

- The fleet costs in Building Maintenance Service continues to be investigated as it shows a forecast over spend of £43k.
- The Pavilion continues to forecast an overspend of £58k.
- The over spends mentioned above are offset by a forecast under spend of £93k in Statutory Testing. This is as a result of the variable nature of fixed electrical and legionella testing over the programme years.
- Regulatory Service are forecasting an under spend of £175k, an increase of £34k from that reported at period 6. The main reason for the increased under spend is due to staff vacancies and maternity leave.
- Currently no grant has been awarded for Animal movements from January 2016, a review of the grant is underway in WG, and a pressure of £24k is reported in relation to this unconfirmed grant.

2.5.3 Highways, Transport and Recycling (HTR) forecast shows an over spend of £1,038k (£1,081k as at 30 September). This consists of the service overspend for Highways, Transport and Recycling of £411k (£455k as at 30 September) and the overspend allocated to the Directorate as a whole which amounts to £627k (£626k as at 30 September). The movement in forecast overspends are explained below.

2.5.4 It is assumed in the forecast that across the HTR service area savings totalling £621k will not be achieved in this financial year. It is mainly as a result of these unachieved savings that there is a forecast overspend.

2.5.5 Network Management are continuing to report a forecast over spend of £302k. During budget setting, pressures were highlighted in the Engineering and Transportation budget mainly due to unachievable NMWTRA income targets of £275k, successful JE appeals of £59k and unachievable Highways Design income of £89k, some savings have been identified to offset these pressures but a balance of £337k remains. Under spends on staffing offset the pressure, a restructure is in progress to reduce the shortfall. Offsetting against this overspend civil enforcement are reporting a forecast under spend of £160k (£131k September) as car park income has increased as a result of the increase in charges and an under spend of £125k is reported within Highways Technical Services and Integrated Transport as a result of vacant posts. The grant for 16-18 year old bus travel has been confirmed at £148k rather than the £103k reported at September this provides an extra £45k of funding to support the Transport budget.

- 2.5.6 Waste Operations forecast an outturn over spend of £103k (£23k as at September). An over spend of £289k on staffing and subcontractor costs, due to extra weekend collections in Machynlleth as previously reported and the costs of sickness and holidays being greater than estimated at budget setting are offset by increased income from in house delivery of services and greater ESDDR grant than estimated.
- 2.5.7 Highways County Roads are forecasting an under spend £710k (£706k September) as a result of under spends on salaries of £304k and fleet costs of £276k this is offset by an over spend of £380k (£348k September) on Highways External works mainly as a result of the Grounds SLA works.
- 2.5.8 The street cleansing and public toilets budget is forecast to over spend by £161k. (£178k September). Public Toilets are forecast to over spend by £259k, an over spend of £70k is attributable to paying two years grant to the Town Councils in the first year, and this will be amended in period 8, with the remainder as a result of increased running costs and cleaning due to the delays in closing toilets. Street Cleaning is reporting an under spend of £98k.
- 2.5.9 The costs allocated to the Directorate consist of the corporately reallocated savings of £29k 'Grants to Voluntary Organisations' and £599k 'Third Party Spend' and are forecast not to be achieved.
- 2.5.10 The Leisure and Recreation Service are forecasting a £105k overspend (£119k as at 30 September) for the current year. Recreation and Countryside Policy is forecasting an overspend of £23k due to unachieved savings in relation to staff costs in relation to the Leisure Contract. Across the service there are overspends being forecast and this is due to savings not yet being identified nor achieved. Sports and Leisure centres are forecast to overspend by £66k. The movement from a forecast underspend to overspend is mainly due to unidentified expenditure of £70k on various small items of spend at the time of transfer for which the Council is responsible.
- 2.5.11 The Libraries now have a balanced budget but there is a forecast overspend on Youth Service, £10k, with savings to be achieved and £10k. Catering continue to forecast a breakeven position. Cleaning is forecasting a £40k overspend which is mainly due to the implementation of the Living Wage (£80k).

## 2.6 **Schools Service (excluding Schools Delegated)**

- 2.6.1 The Schools service are forecasting an overspend of £546k (£387k as at 30 September). School central budget is forecast to be overspent by £71k due mainly to savings to be identified. Within this net overspend figure is savings target of £133k brought forward from the 2013/14 financial year and which £68k has been achieved with the remainder of £65k to be identified in this year.
- 2.6.2 School Operational Costs is forecasting an overspend of £579k, an increase of £163k from last month. This forecast overspend is mainly due to Home to School & College Transport of £347k which increased since period 6 by £37k. The increase is due to invoices relating to 2014/15 financial year amounting to £30k being processed. School Meals forecast an overspend of £48k in part due to the Living Wage for some cashiers and due to the School Meal subsidy effectively increasing to cover affected catering staff which is being absorbed within the service. Within this heading it is expected that severance pay is forecast to

overspend by £183k, an increase of £113k from last month and is due to the cost of current year redundancy payments for school staff being in excess of budget.

2.6.3 Schools Pupil Inclusion is forecasting an underspend of £69k (£67k as at 30 September). There is £26k underspend on the Units budgets due to a number of vacant posts. The ALN central support teams forecast a £37k underspend due to slippage in staff and travel budgets. There are other small underspends totalling £6k on various headings within this area.

2.6.4 The schools' delegated centrally held budget is forecast to be overspent by £524k, £3k less than last month, due to a net over delegation, as reported previously, which will need to be addressed in future years.

## 2.7 Resources Directorate

2.7.1 Professional services are forecasting an overspend of £1k (£1k as at 30 September) at year end. Vacancies which have existed in the Commercial Services budget have been utilised to make the necessary savings. Other areas are expected to be forecasting underspends to offset any overspends in the service due to restructures or staff vacancies not being filled.

2.7.2 Business Services are forecasting an overspend of £200k (£231k as at 30 September). The savings target of £464k has been distributed across service headings. There is a forecast contribution from reserves of £298k in respect of Job Evaluation which has transferred from Professional Services (£251k) and Employment Services (£47K). Business Support holds the majority of these savings requirements. Business Support is forecast to be overspent by £179k but the Head of Service anticipates that the required savings will be found by targeting on-going vacancies, staffing and third party spend. Employment Services is forecast to be overspent by £114k mainly as a result of savings target of £122k not being achievable in this year because of timing issues. The savings will be delivered in a full year from 2016 but for this financial year these are offset by a small underspend on some budgets such as Income and Awards (£53k) and Access to Services (£24k). As savings are identified and achieved these will be built into the projections.

2.7.3 The Information Service is currently showing a forecast underspend of £55k (£57k as at 30 September) and is due to staff vacancies throughout the year. As reported previously the savings target of £68k has been achieved and is permanently removed from base budget.

2.7.4 Communications are forecast to underspend by £10k due to a variety of small savings across various budgets.

2.7.5 The Chief Executive's service area includes legal and democratic services, member services and communications. It is forecast to be underspent by £58k (£55k as at 30 September 2015) by year end.

## 2.8 Central Activities

2.8.1 Central Activities are forecasted to underspend by £665k (£660k as at 30 September).

2.8.2 Underspends are projected for capital charges of £1,227k following a review of the charges made to HRA following the "buy-out" in April 2015 which means that the cost of interest are now charged to HRA not the Council Fund. This is being offset

by overspends on Growth and Savings (£609k) due to fleet and transport savings not being achieved and which are now incorporated in this heading. The balance of the net overspend is due to small overspends across a variety of headings. The forecast also includes a projected surplus on Council Tax of £269k which is in addition to the £215k included in the base budget.

## 2.9 Schools Delegated

2.9.1 The Schools Delegated Budget is forecasting an underspend of £284k (£110k as at 30 September). The main reason for this is that grant income has been allocated in full to schools and it is assumed all grant monies will be spent within school budgets. During the autumn finance officers will ensure that schools build the corresponding expenditure into their budget plans and this will ensure a more accurate forecast outturn position in the future.

School Deficit / Surplus	Opening Balance	Projected Contribution / (Use)	Forecast Outturn	Projected Closing Balance
	£'000	£'000	£'000	£'000
Total Deficits	(916)	287	(34)	(663)
Total Surplus	4,520	(2,283)	318	2,556
<b>Total Balance</b>	<b>3,604</b>	<b>(1,995)</b>	<b>284</b>	<b>1,893</b>

This is analysed into the different categories of schools as follows:-

Type of School	Opening Balance	Projected Use	Forecast Outturn	Forecast Closing Balance
	£'000	£'000	£'000	£'000
Primary	2,897	(998)	(5)	1,894
Special	13	(118)	(24)	(129)
Secondary	694	(879)	314	129
<b>Total</b>	<b>3,604</b>	<b>(1,995)</b>	<b>284</b>	<b>1,893</b>

The table below shows the breakdown of schools in deficit and surplus positions:-



Type of School	Number of Schools Projected to be in Deficit at 31 March 16	Cumulative forecasted deficit	Cumulative forecasted surpluses	Total	Deficit to surplus
		£000	£000	£000	%
Primary	23	(295)	2,189	1,894	(13%)
Special	1	(268)	138	(129)	(194%)
Secondary	7	(343)	472	129	(73%)
<b>Total</b>	<b>31</b>	<b>(906)</b>	<b>2,799</b>	<b>1,893</b>	<b>(32%)</b>

2.9.3 Schools are forecasting deficit balances increasing through to 2016/17 and 2017/18. Continual monitoring will be required by officers and governing bodies to ensure deficit balances forecast in future years are kept under control.

## 2.10 Housing Revenue Account

2.10.1 The Housing Revenue Account is forecast to be underspent by £126k (£392k as at 30 September). The budget includes a £5.326m contribution from reserves to finance the cost of reaching WHQS by March 2018. The underspend position in-part is due to some commitments not being recorded in the system and:-

- Cyclical, Voids & Responsive Maintenance at the end of Period 7 is forecasting an underspend of £92k. There have been difficulties with the interfaces between the new housing system QL and the general ledger which can result in the forecasting not being as accurate as it could be.
- Staff costs, including salary and travel have an under spend of £25k. Due to vacant posts at the beginning of year.
- Other small underspends of £41k on Computer Maintenance, Court Costs £5k and £13k on Alarms contract.
- £50k contribution is now being made to the Joint Venture (JV) project, not included in past forecast outturns, which has reduced the forecast underspend.

### 3. Reserves

- 3.1 The total revenue reserves held at 1 April 2015, together with the forecast addition/ (use) of reserves during the year and the projected year end balances at 31 March 2016, are set out in the table below.

<b>Summary</b>	<b>Reserves 01/04/15 Surplus/ (Deficit) £'000</b>	<b>Forecast Addition / (Use) of reserves £'000</b>	<b>Projected 31/3/16 Surplus/ (Deficit) £'000</b>
<b>General Fund</b>	8,988	(38)	8,950
Projected Overspend	0	(3,828)	(3,828)
Projected Overspend - Schools Delegated Other	0	(524)	(524)
	<b>8,988</b>	<b>(4,390)</b>	<b>4,598</b>
<b>Ringfenced &amp; Specific Reserves</b>			
Budget Management Reserve	2,019	0	2,019
Specific Reserves	1,516	64	1,580
21st Century Schools Reserve	6,916	(2,390)	4,526
Invest to Save & Corporate Initiatives (inc JE)	9,355	(1,108)	8,247
Insurance Reserve	2,188	0	2,188
Transport & Equipment Funding Reserve	3,028	(3,137)	(109)
<b>Sub-Total</b>	<b>25,022</b>	<b>(6,571)</b>	<b>18,451</b>
Schools Delegated Reserves	3,604	(1,995)	1,609
School Loans & Other Items	(521)	50	(471)
Projected Underspend	0	284	284
<b>Net School Delegated Reserves</b>	<b>3,083</b>	<b>(1,661)</b>	<b>1,422</b>
<b>Total Ringfenced &amp; Specific Reserves</b>	<b>28,105</b>	<b>(8,232)</b>	<b>19,873</b>
<b>Housing Revenue Account</b>	3,832	(3,495)	337
Projected Underspend	0	127	127
	<b>3,832</b>	<b>(3,368)</b>	<b>464</b>
<b>Total Revenue Reserves**</b>	<b>40,925</b>	<b>(15,990)</b>	<b>24,935</b>

\* School delegated reserves are split out to show reserves position under budget funding arrangements as some items are not yet recorded in the financial ledgers. This is intended to show the reserves as if the accounts were shut down at the end of this period.

\*\*The opening balance has reduced from by £114k from £41,039k due to adjustments following the year end audit of financial statements

- 3.2 The forecast addition/use of reserves includes actuals to date as well as expectations of movement in remainder of year.
- 3.3 Underspends and overspends recorded in the revenue table in section 2.1 have been included in the forecast above. The delivery of savings is essential to reduce the projected overspend. Any overspend will have to be met from the General Fund Reserve and will have a significant impact on the level of the reserves held.

3.4 The use of Specific and Ring Fenced Reserves is significant at £12.011m (£12.205m as at 30 September), however, these reserves have been set aside for these planned purposes including delivery of the Welsh Housing Quality Standard and the 21<sup>st</sup> Century Schools Programme.

3.5 After considering the projected overspend the revised forecast level of General Fund reserves at 31 March 2016 is 1.93% (1.98% as at 30 September) of total revenue forecast spend. This excludes all specific and ringfenced reserves in the table above.

#### 4. Efficiency Savings

4.1 The table below summarises the current position for the 2015/16 savings.

	2015/16	Achieved to date	Remainder to find	Achievement expected Qtr 3	Achievement expected Qtr 4
	£	£	£	£	£
<b>Place</b>					
Highways Transport & Recycling	3,269,000	1,749,054	1,519,946	215,978	1,303,968
Regeneration, Property & Commissioning	393,390	298,525	94,865	60,761	34,104
Leisure & Recreation	1,149,570	1,073,850	75,740	4,480	71,260
Place	627,414	0	627,414	0	627,414
<b>Place</b>	<b>5,439,374</b>	<b>3,121,429</b>	<b>2,317,965</b>	<b>281,219</b>	<b>2,036,746</b>
<b>Schools</b>					
Schools	2,276,650	2,276,650	0	0	0
Schools Delegated	662,800	662,800	0	0	0
<b>Schools</b>	<b>2,939,450</b>	<b>2,939,450</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>People</b>					
Adult	1,702,400	224,220	1,478,180	463,790	1,014,390
Children Services	203,480	24,150	179,330	920	178,410
Housing & Commissioning	78,990	66,190	12,800	6,000	6,800
<b>People</b>	<b>1,984,870</b>	<b>314,560</b>	<b>1,670,310</b>	<b>470,710</b>	<b>1,199,600</b>
<b>Change &amp; Governance</b>					
<b>Change &amp; Governance</b>	<b>321,152</b>	<b>318,852</b>	<b>2,300</b>	<b>1,540</b>	<b>760</b>
<b>Resources</b>					
Resources	536,088	154,290	381,798	2,280	379,518
Corporate Activities	1,542,940	130	1,542,810	240	1,542,570
<b>Resources</b>	<b>2,079,028</b>	<b>154,420</b>	<b>1,924,608</b>	<b>2,520</b>	<b>1,922,088</b>
<b>Communications</b>	<b>4,080</b>	<b>6,030</b>	<b>(1,950)</b>	<b>0</b>	<b>(1,950)</b>
<b>Total</b>	<b>12,767,954</b>	<b>6,854,741</b>	<b>5,913,233</b>	<b>755,989</b>	<b>5,157,244</b>

4.2 Savings of £6.85m (£6.83m as at 30 September) have been achieved to date representing 53.7% (53.5% as at 30 September) of the total required. The table above shows the profiling of the remaining £5.91m over the year, 87.2% is profiled into the final quarter of the year. The savings are depicted graphically in Appendices 1 and 2 attached.

- 4.3 It is important that prior year savings are also monitored because in some cases savings cannot be completely delivered in a single year but are built into base budget. The savings target brought forward from 2014/15 to be achieved in 2015/16 amounted to £3.56m. Of this £1.135m was allocated to specific service areas, which increased the overall target to £12.767m as shown in the table above. This reduces the £3.56m to £2.425m. To date £2,152k (£2,042k as at 30 September) has been found in 2015/16 with a remainder of £273k (£383k as at 30 September) which is yet to be achieved.

	<b>2014/15 Savings target brought forward</b>	<b>Achieved</b>	<b>Remainder</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Place	1,290	1,126	164
Schools <sup>1</sup>	133	10	123
People	243	177	66
Change & Governance	(53)	0	(53)
Resources	127	127	0
Central Activities	685	654	31
<b>Total</b>	<b>2,425</b>	<b>2,094</b>	<b>331</b>

<sup>1</sup>Previously reported £68k was achieved. This is amended to reflect £58k was funded by an in year underspend.

- 4.4 A prudent approach is adopted and only when savings are delivered are they built into the projections as achieved.
5. **Capital Programme**
- 5.1 The revised Capital programme following the approval of virements during the year has decreased to £124.14m (£131.56m as at 30 September).
- 5.2 Actual and committed spend as at 31 October 2015 is £99.95m (£95.98m as at 30 September) which represents 80.5% (73.0% as at 30 September) of the working budget. The table below summaries the position for each directorate.

Service	Original Budget 2015/16	Virements Approved	Virements Required by Cabinet	Virements Required by Council	Revised Working Budget 2015/16 as at 30 August 2015 (after virements approved and required)	Actuals & Commitments	Remaining Budget	
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	%
<b>People</b>								
Adult Services & Commissioning	0	179	0	0	179	79	100	55.9%
Childrens Services	0	0	0	0	0	0	0	0%
Housing	2,258	1,820	0	0	4,078	2,072	2,006	49.2%
<b>Schools and Inclusion</b>	10,289	188	(350)	(1,267)	8,860	4,422	4,438	50.1%
<b>Chief Executive</b>	0	138	0	0	138	13	125	90.6%
<b>Resources</b>								
Business Services	400	0	0	0	400	30	370	92.5%
Professional Services	716	(611)	0	0	105	0	105	100.0%
Information Services	950	598	0	0	1,548	372	1,176	76.0%
<b>Place</b>								
Highways, Transport & Recycling	11,352	5,515	0	0	16,867	4,117	12,750	75.6%
Leisure & Recreation	3,165	2,772	0	(2,924)	3,013	999	2,014	66.8%
Regeneration, Property & Commissioning	600	1,048	0	0	1,648	376	1,272	77.2%
<b>Total Capital</b>	<b>29,730</b>	<b>11,647</b>	<b>(350)</b>	<b>(4,191)</b>	<b>36,836</b>	<b>12,480</b>	<b>24,356</b>	<b>66.1%</b>
Housing Revenue Account	101,789	(11,396)	0	(3,092)	87,301	87,468	(167)	(0.2)%
<b>TOTAL</b>	<b>131,519</b>	<b>251</b>	<b>(350)</b>	<b>(7,283)</b>	<b>124,137</b>	<b>99,948</b>	<b>24,189</b>	<b>19.5%</b>

The virements required by Council, have been approved by Cabinet and are awaiting Council approval

- 5.3 There were £7,633 virements proposed for approval in October 2015 (£Nil in September) as follows:-.

### CAPITAL PROGRAMME - VIREMENTS REQUIRED AS AT 31 OCTOBER 2015

	Amount £000
<b>Schools and Inclusion</b>	
The Gwernyfed Outline Business Case has now been approved by WG. This virement recommends that £1.267m of the budget is rolled forward into 2016/17 to match the likely spend.	(1,267)
This virement recommends that the funding for Ysgol Dafydd Llwyd project is changed from reserves to Prudential Borrowing to take advantage of a preferential rate of interest that is available for 21st Century School Project in 2015/16. Ysgol Dafydd Llwyd is the only eligible school project in this year.	1,830
	(1,830)
The virement recommends that £350K of the budget is rolled forward to 2016/17 for the Beacons Campus project.	(350)
	<hr/> <b>(1,617)</b> <hr/>
<b>Leisure and Recreation</b>	
This virement recommends that the £2.925m of the budget is rolled forward to 2016/17. The construction of the Cultural Hub is due to commence in the early 2016.	(2,925)
	<hr/> <b>(2,925)</b> <hr/>
<b>Housing</b>	
This virement recommends that following a review of the Housing Revenue Account budgets £3.092m is rolled forward to 2016/17.	<hr/> <b>(3,092)</b> <hr/>
<b>Total</b>	<hr/> <b>(7,633)</b> <hr/>

- 5.4 There were £168k of capital grants received as at 31 October 2015 (£Nil in September) as follows:-.

### New Grants Accepted as at 31 October 2015

<b>Highways Transport and Recycling</b>	
Welsh Assembly Grant for Caddies and Bins	150
<b>Leisure and Recreation</b>	
Army Covenant Grant for Brecknock Museum	3
£5k from the Art Fund to fund the acquisition of a painting for Brecknock Museum	5
£5k from the V&A Purchase Fund to fund the acquisition of a painting for Brecknock Museum	5
£5k from Brecknock Art Trust to fund the acquisition of a painting for Brecknock Museum	5
	<hr/> <b>168</b> <hr/>

## 5.5 PLACE

- 5.5.1 The main aspect of the Leisure and Recreation service capital programme is in relation to the Brecon Museum project and the rest is relatively small. Whilst the projects have been identified they have not yet been undertaken and this is resulting in a large underspend although the forecast is for this to be spent. The service has not yet identified when these balances will be spent. The programme for libraries includes £112k for the acquisition of a mobile library which has been ordered from appointed contractor with delivery and full payment due in quarter 4.

Within outdoor recreation, there are three major components. £25k has been set aside for works at the outdoor bowling pavilion in Llandrindod Wells, £32k for the Corenwall-Lewis Memorial restoration project and £50k capital funding has just been awarded for phase 2 to the Priory Groves project, to which the Service has stated that it is shortly to be committed.

5.5.2 A spend of £5.492m against a total budget of £24.452m is reported at the end of October 2015.

- 66% of the capital budget remains unspent at the end of October.
- A virement is requested to roll forward £2.925m in 2016-17 against the Brecknock Museum Phase 2 project.
- The fleet capital is profiled to be spent towards the end of the year due to the lead time on purchasing vehicles.
- HTR capital schemes were delayed in being reported and agreed so the profile of this spend will also be towards the end of the year.

## 5.6 RESOURCES

5.6.1 The Access to Services capital programme has a budget of £400k to mainly cover the Channel Shift project. Although it is currently showing an underspend of £370k it is expected to be fully spent by year end as the service has not identified any issues relating to this project.

5.6.2 The ICT programme includes DRAIG, server infrastructure and desktop ICT refresh but remains largely unspent.

## 5.7 SCHOOLS

5.7.1 Actual Expenditure represents 50% (33.5% as at 30 September), the capital programme consists of:-

- Major improvement programme has 38 schemes in 2015/16, including schemes carried forward from 2014/15. There are 15 schemes at the design stage, 4 are out to tender, 7 are under construction and 12 schemes have been completed. A DDA project currently being designed will require the budget in 2015/16 financial year to be re-profiled around the construction program of work with overall project completion by September 2016. Any uncommitted funding within 2015/16 projects will be carried forward to the program in financial year 2016/17.
- 21<sup>st</sup> Century schools has 6 programmes of which each are at varying levels of progress:-

### **The Gwernyfed Catchment Primary schools**

Outline Business Case has been approved by WG on 29<sup>th</sup> September 2015 for five new primary schools to replace Hay, Clyro, Llangorse, Archdeacon Griffiths and Talgarth/Bronllys. Total investment: £24,360,403.28. Total PCC contribution: £11,754,731.68. A virement has been completed which recommends that £1.267m of the budget is rolled forward into 2016/17 to match the likely spend.

Next steps: Work commences on Full Business Case, which includes contracting with a design and build contractor. Full Business Case to be submitted no later than November 2016. Planned start on site: February 2016. Planned completion date November 2018. Officers are currently revising these timescales to ensure a shorter completion period.

### **Ysgol Dafydd Llwyd**

A virement has been completed which recommends that the funding for Ysgol Dafydd Llwyd project is changed from reserves to Prudential Borrowing to take advantage of a preferential rate of interest that is available on 21<sup>st</sup> Century School Project in 2015/16. Ysgol Dafydd Llwyd is the only eligible school project in this year.

### **Brecon Beacon Campus – Original Recommendation**

March 24<sup>th</sup> - Cabinet approve the SOC (Strategic Outline Case) based on the potential closure of Brecon and Gwernyfed High Schools and the development of a new campus at Brecon.

SOC approved by WG May 2015 – this means that WG has approved, in principle, the funding of a new campus in Brecon.

Work on the Campus project has been placed on hold, whilst a Pause and Review period takes place. The Council is considering all options related to these two schools again.

A report to be considered by Cabinet late 2015/early 2016 which will include recommendations for the future of secondary education in both catchment areas, which will be followed by formal consultation.

Outline Business Case (OBC) to be submitted late 2015/early 2016.

Planned start on site: August 2017

Planned completion date: September 2019

A virement has been completed which recommends that £350k of the budget is rolled forward to 2016/17 for the Beacons Campus project.

### **Welshpool**

SOC due for completion December 2015. Current preferred option: 2 new schools (one English medium, one Welsh medium). Total project cost: £8,468,157.13. PCC contribution: £4,594,657.13

### **Ysgol Bro Hyddgen**

Work on SOC underway, due for completion 31<sup>st</sup> Jan 2016. Dates for project completion and spend profile will be identified as part of the SOC process.

**Ysgol Glantwymyn** - The project to extend Glantwymyn School has been delayed. A revised Business Justification Case will be submitted to WG later this year. The virement request has been approved by Cabinet and will be submitted to Council shortly for approval to roll forward the budget into 16/17.



## 5.8 PEOPLE

5.8.1 The 2015/16 capital allocation was £60k, before an Invest to save bid re Glan Irfon Biomass boiler virement of £119k is approved, making a total budget of £179k. To date there are actuals and commitments to the value of £79k for resurfacing the car park at The Park Day Centre, Newtown, Castell y Dial Electrical Works and Glan Irfon Builth Wells. Remaining budget for 2015/16 to commit of £100k.

## 5.9 HOUSING REVENUE ACCOUNT

5.9.1 The Housing Revenue Account (HRA) Capital budget is for the Capital Programme of the Housing Stock, which is funded by £3.71m Major Repairs Allowance from WG, Housing reserves, receipts & prudential borrowing. This has been fully utilised by the end of quarter 2.

5.9.2 The Housing Revenue Account (HRA) capital from 2 April 2015 includes the settlement debt from the subsidy agreement buyout which is £72.5m which has been funded by the use of Public Works Loan Board (PWLB) fixed maturity loans.

5.9.3 Housing Revenue Account (HRA) Capital included the Welsh Housing Quality Standards (WHQS) plan of £14.4m for 2015/16 as set at budget time, to enable the council to achieve WHQS by March 2018. As per the forecast produced by the service a virement has been completed and will be presented at Council to reduce the budget by £2.33m. At the end of Period 7 the actual and committed spend £14.55m.

5.9.4 Other capital works include £101k set aside to improve the standard of the sewerage plant sites, to enable the transfer of ownership, however after an update from the service no spend will be completed in 2015/16 and a budget virement has been completed and will be presented at Council to roll forward in to 2016/17.

5.9.5 Other works also includes the budget for remodelling of Housing Stock (£1.1m), and New Build/Repurchasing (£250k) all of which have been included in the Business Plan agreed by Welsh Government. However, after an update from the service not all spend will be completed in 2015/16 and a budget virement for £0.71m has been completed and will be presented at Council to roll forward in to 2016/17 to be used to remodel housing stock.

5.9.6 The Housing General Fund (HGF) Capital budget of £5k will be funded from revenue and is the remaining expenditure for the Kings Meadow Gypsy Site, to date actual payments and commitments of £3.9k.

5.9.7 The Housing Grant Fund budget is £4.1m funded through General Capital receipts and supported borrowings which has increased from last month due to the underspend of £511k in 2014/15 and awarded Arbed funding of £1.3m. The Disabled Facilities Grant has a budget of £1.53m of which £1.5m is funded by Welsh Government (WG). The Co2i scheme has a budget of £448k and The Landlord Loans £596k. At the end period 7 the actuals and commitments are £2.07m.

## 6. Issues affecting the Forecasts

6.1 The forecast figures take account, where appropriate, of any commitments within the system, i.e. purchase orders raised or items which have been goods receipted. It is noted that even though there is a principle of “no order no pay” in place nevertheless in October 2015, there have been 1,080 invoices (912 invoices September 2015) with a value of £1.541m paid (£1.139m paid September 2015) where the order in the main financial system of E-Financials is dated either on or after the date of invoice. In addition, in this period there has been 3,772 payments (2,665 payments in September 2015) with a value of £6.051m (£5.515m in September 2015) with no order. The majority of the £6.051m is broken down as follows:-

- £2.171m (£2.959m in September 2015) of this has come via ROCC, so no order information is available.
- £0.751m (£0.637m in September 2015) was against the Schools service. (Only 25 of the schools use e-procurement system, and therefore the other schools would not have electronic orders).
- £2.575m (£1.665m in September 2015) going through the balance sheet for deductions from pay, rent and council tax refunds, high school bank accounts and one bill/utility payments. Orders are not required for these transactions.

6.2 The £6.051m payments without an order can be broken down into the following main departments:-

	<b>E Financials</b>	<b>ROCC</b>	<b>Grand Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Resources	7	-	7
Place	719	1,177	1,896
Schools	751	787	1,539
People	32	1	33
Corporate and Balance Sheet	1,207	23	1,230
Other payments (not supplier invoices)	1,163	182	1,345
<b>Grand Total</b>	<b>3,880</b>	<b>2,171</b>	<b>6,051</b>

6.3 The above issues are being taken forward within the recently established budget monitoring review group to improve the level of understanding and use of the Purchase Order system. Whilst considerable improvements have been made this will further enable a more accurate forecasting methodology for budget monitoring. It is important that budget holders support this corporate requirement if only to improve the accuracy of the budget monitoring reports for their service.

6.4 For schools the main issues are:-

- **E-procurement & ROCC** – The accuracy of the budget forecast across the service area and particular Home to School Transport and the Repairs and Maintenance budgets are significantly dependent on controlled use of the e-procurement and ROCC property related systems. The issue identified above regarding Home to School Transport is partly caused by the ineffective use of

- **e-procurement.** There have also been instances where officers are putting commitments onto the system when the invoice is received, this makes it extremely difficult to forecast accurately.
- **Transport** - There have been instances during the year where finance have been notified of additional routes that have been in existence since the start of the financial year, and these have been added into the forecast. There are also continuing instances of invoices being processed relating to last financial year which are increasing the projected overspend.
- **Severance Pay** – The current forecast position assumes that there will be no contribution from Corporate services towards the cost of current year school redundancy costs, this will be confirmed towards year end.
- **Cleaning restructure** - The delay in transferring cleaners to schools delegated budgets may affect the budget position of individual schools, as salary costs have risen in part due to the decision to pay the living wage.
- **ALN** - The service is continually subject to unpredictable spend due to learners and/or learners parents moving into the authority with high level of need and associated cost. Where a statement applies the authority has legal obligation to continue that provision which could be placement in a residential school.
- **Grant utilisation** – A working group is looking at system coding issues to improve accuracy of cost allocation to grant funding. This is being carried out to ensure proper utilisation of the grant is demonstrated.
- **Rates Charges** – Rates charges have been collected from the schools and held centrally awaiting the Income and Awards department to charge the actual costs for 2015/16. At the timing of this report not all properties had been charged for, and the service have requested that the remaining charges are actioned as soon as possible. The net impact may have an effect on the forecast outturn position.
- **School Budgets Position** – The current budgeted use of reserves is £1.995m, more information needs to be gathered from schools over the Autumn Term to ascertain how much of this will be required. The finance meetings are near completion and the financial position is being updated following these meetings.
- **Secondary School Forecast Information** – With 5 schools having yet to submit forecast information this will have an impact on the current budgeted use of reserves and forecast outturn, a further request will be sent to all schools in order to inform the Period 8 position.

#### 6.5 For Adults and Childrens Services the main issues affecting the forecast are:-

- outturn does not allow for any future growth in demand (this will need to be met by the directorate) , nor any future contract uplifts agreed with the independent sector, including some of the Care Home fee uplifts agreed by Cabinet in September 2013 for the Care Homes still to undergo the 'Open Book' exercise.
- Forecast outturn is based on actual expenditure on the general ledger, eProcurement commitments and profiled budgets. This requires regular

housekeeping of eProcurement to ensure accuracy of commitments as this is affecting forecasts.

- Looked after children (LAC) - The service is continually subject to unpredictable spend due to changing and complexity of needs/circumstances of current clients/family need, families moving into the authority, secure placements for the safety of the client and remand cases, where the authority has a legal obligation to continue that provision

6.6 The main issue affecting Housing is the interfaces between the Housing System QL and the General Ledger efinancials systems where inaccurate orders being held on the ledger. Forecasts are therefore on best estimate from service managers spreadsheets.

6.6 For the Place directorate the main issues are:-

- Within Regeneration, Property and Commissioning there are a number of areas that earn income, these areas are notoriously difficult to forecast and the forecast currently assumes that the income will follow similar profiles to previous years.
- Timesheet entry across Regeneration, Property and Commissioning and Highways, Transport and Recycling are not up to date therefore the forecast assumes estimates for the outstanding timesheets.
- NMWTRA Income – some invoices have been raised to NMWTRA for 2015/16, however invoicing is not up to date as the service are still not receiving monthly statements from the trunk road agency to allow regular billing. The forecast assumes that all income will be recovered.
- An outstanding creditor remains for Technical Surveys of £116k at the end of March 2015, of which only £4k has been paid to date. The forecast assumes that these invoices relating to 2014/15 will arrive and be paid, but the service is advised to follow up the outstanding invoices at the earliest opportunity.
- The waste contracts need to be monitored closely given the swings in the forecast over previous months.
- It has been agreed that Hay Town Council will receive 20% of net income earned from the Hay Car Park. Works are underway to calculate what this payment will equate to, and is currently not built into the forecast.
- The purchase of Route Optimisation Software is required to progress the savings across the HTR service the cost of this is estimated at around £25k, if the decision is made to purchase the software this would increase the forecast over spend.
- A survey on Brecon Market Hall is to be carried-out, any essential repair work identified is required to be completed in this financial year. The costs that will arise from this are not yet known and hence are not funded.

- There are number of public enquiries Upper Heath, Mellow Croft and Garregllwyd coming to a conclusion with volatile costs, an estimation of £110k has been provided for in the forecast.

## 7. **Prudential Indicators**

- 7.1 The Prudential Indicators are included in this month's report because of the virements recommended this month. The virements are recommended for both the HRA and Council Fund schemes and include Schools and Leisure and Recreation. The new leisure contract with Freedom Leisure included proposals to invest in new schemes in some centres and these are funded from prudential borrowing.
- 7.2 The revised Prudential Indicators are attached in Appendix 7.
- 7.3 Table 1 shows that the ratio of financing costs to net revenue stream is increasing from 2015/16 onwards from 6.47% in 2015/16 to 8.17% in 2019/20.
- 7.4 Table 2 shows the Capital Financing Requirement which is £337m by 2019/20.
- 7.5 The reduction in borrowing is shown in the tables 5 and 6. The notional incremental change on council tax is reduced in the early years but shows an increase in 2019/20.

## 8. **Options Considered/Available**

No alternative options are considered appropriate as a result of this report.

## 9. **Preferred Choice and Reasons**

None to consider.

## 10. **Sustainability and Environmental Issues/Equalities/Crime and Disorder, /Welsh Language/Other Policies etc.**

The proper management and control of the Council's finances together with the associated delivery of services will have an impact across all Council services. It is not sustainable to allow service areas to overspend without a plan to address the underlying cause of the overspending.

## 11. **Children and Young People's Impact Statement - Safeguarding and Wellbeing**

This report presents the financial position for Children's services and forecasts a near balanced budget for the year. The budgets must continue to be monitored to ensure the allocated resources meet service need.

## 12. **Local Member(s)**

This report relates to all service areas across the whole County.

## 13. **Other Front Line Services**

This report relates to all service areas across the whole County.

## 14. **Support Services (Legal, Finance, HR, ICT, BPU)**

This report has no specific impact on support services other than reporting on those service areas financial outturns. Financial Services work closely with all service areas in monitoring financial performance against budgets.

15. **Local Service Board/Partnerships/Stakeholders etc.**

This report presents financial information which will help inform the future medium term financial plan and therefore has implications for any related organisation.

16. **Communications**

This report has no specific communication considerations. Detailed finance reports are presented to Heads of Service, Cabinet and the Audit Committee. These reports are public and are part of a range of statutory and non-statutory financial information documents including the Statement of Accounts.

17. **Statutory Officers**

The Strategic Director, Resources (Section 151 Officer) notes the overall financial position and that the position has improved since the last report. It is important that savings are only built in when delivered in order to give a true and fair view of the financial position. Directorates will need to ensure savings are delivered in order to balance the budget so that reserves are not reduced.

The No Purchase Order No Pay process has been a significant step forward but greater consistency is needed in order to see the overall benefit of the approach.

The Monitoring Officer has no specific concerns with this report.

18. **Members' Interests**

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
<p><b>That:</b></p> <ul style="list-style-type: none"> <li>a. the contents of this report are noted by Cabinet; and</li> <li>b. Cabinet supports appropriate action by services to curtail or reduce the reported forecasted service deficits.</li> <li>c. It to be noted that there are Capital virements as set out in paragraph 5.3.</li> </ul>	<p>To monitor the Council's financial performance and ensure that spending remains within approved limits and that the 3% minimum general fund reserve is maintained.</p>

<b>Relevant Policy (ies):</b>	Financial Regulations		
<b>Within</b>	Yes	<b>Within</b>	n/a

<b>Policy:</b>		<b>Budget:</b>	
----------------	--	----------------	--

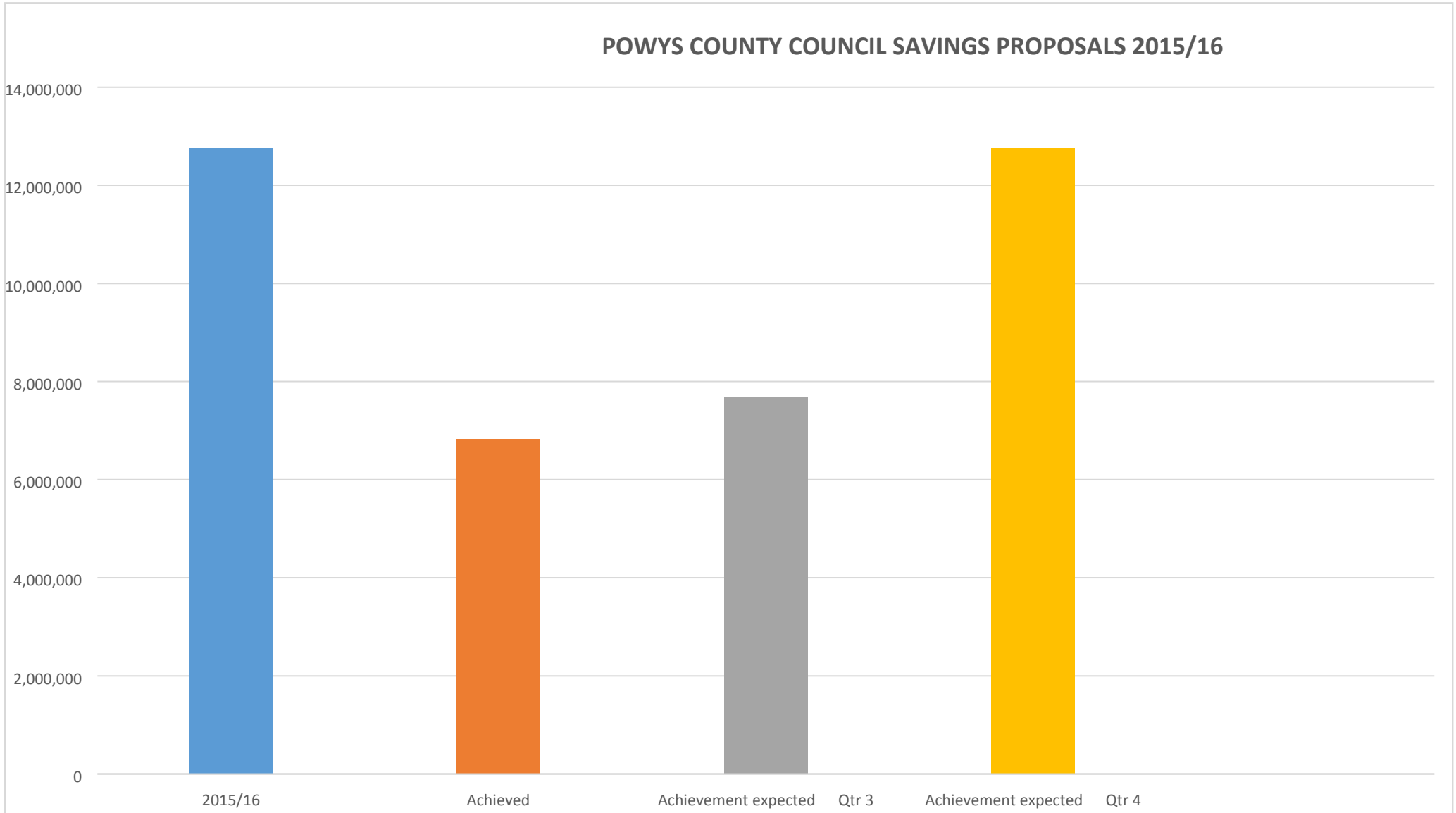
<b>Relevant Local Member(s):</b>	
----------------------------------	--

<b>Person(s) To Implement Decision:</b>	Jane Thomas
---	-------------

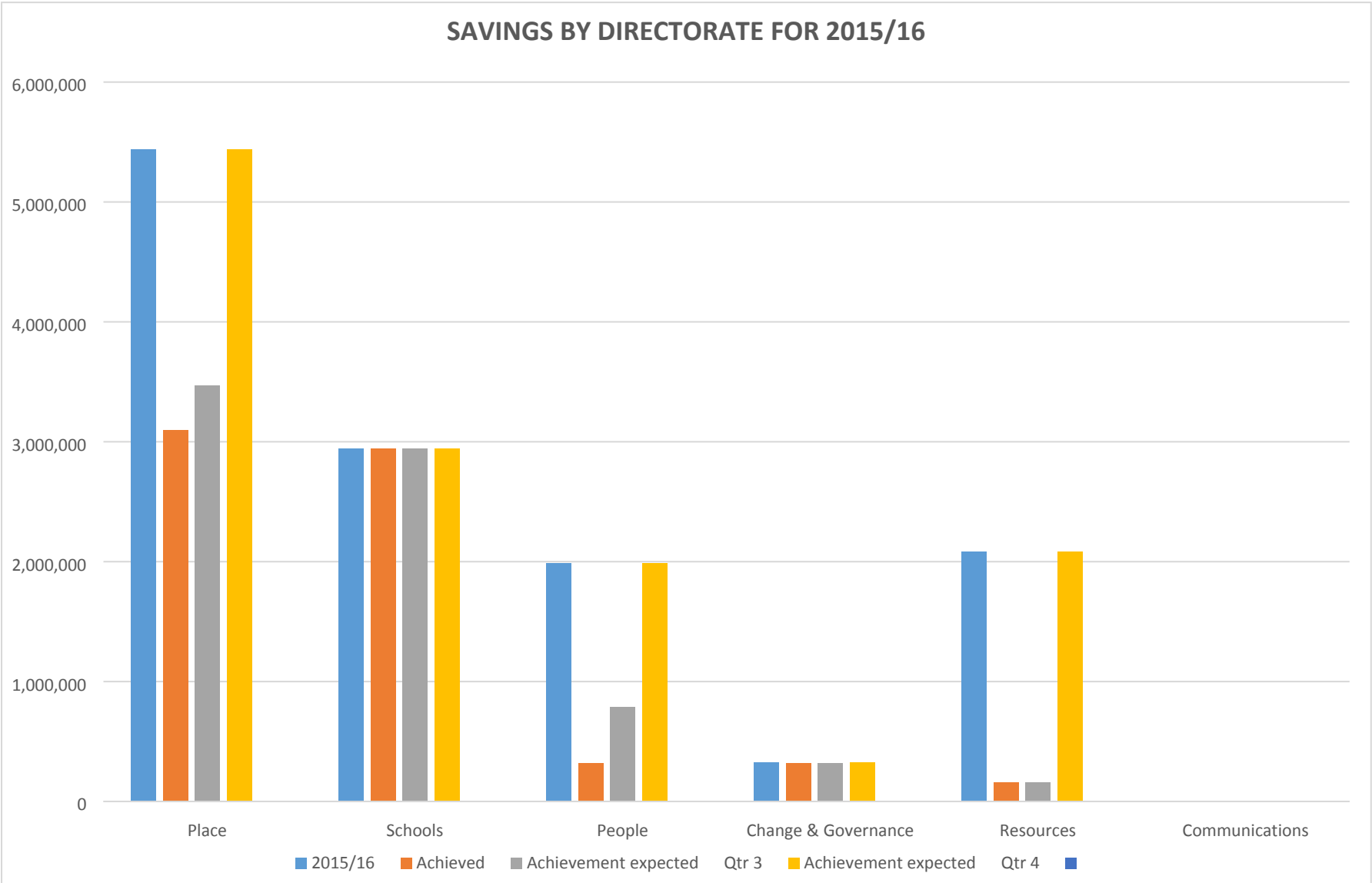
<b>Date By When Decision To Be Implemented:</b>	
---	--

<b>Contact Officer Name</b>	<b>Tel</b>	<b>Fax</b>	<b>E mail</b>
Jane Thomas	01597-826341	01597-826290	jane.thomas@powyscc.gov.uk

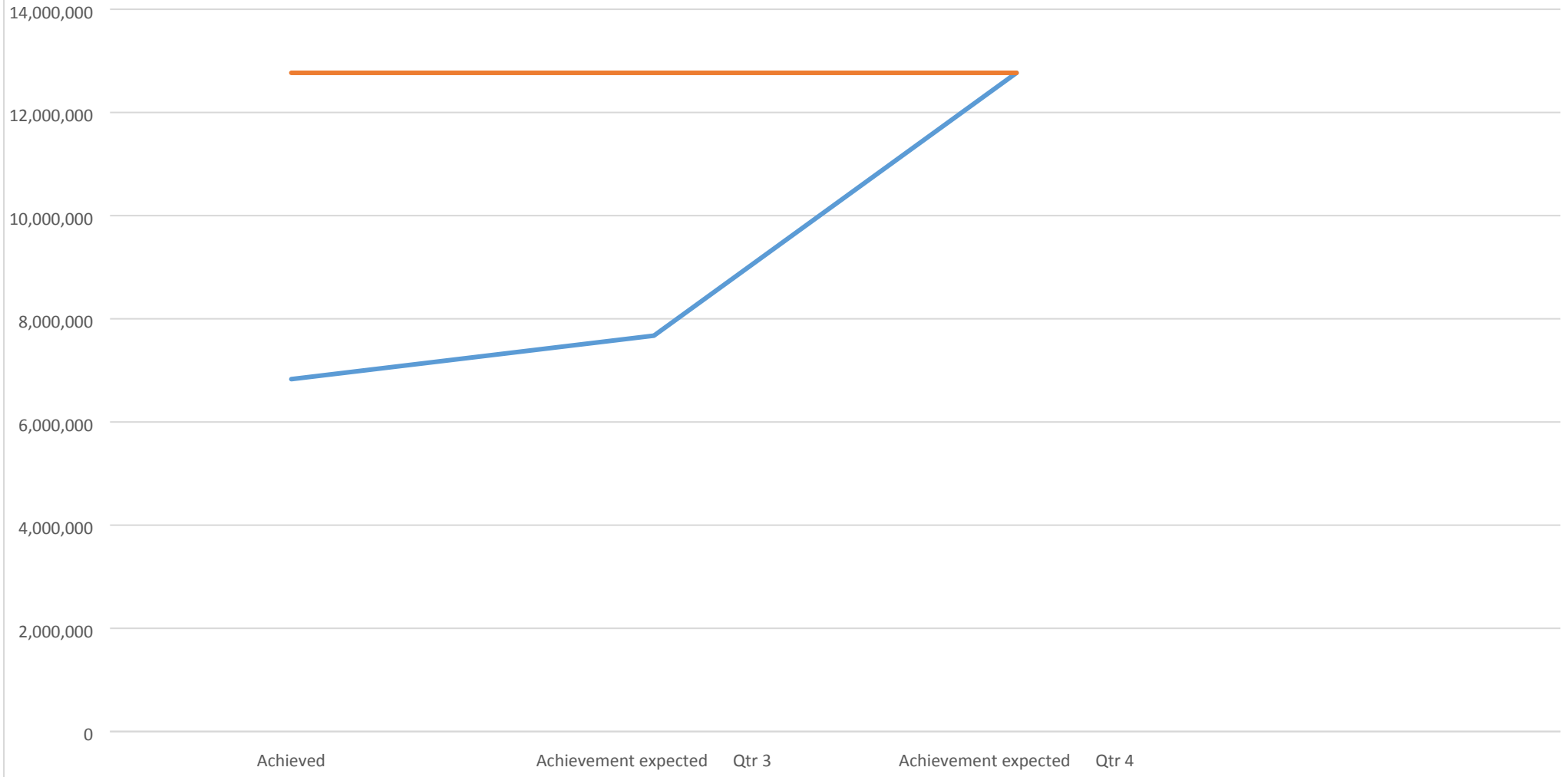
POWYS COUNTY COUNCIL SAVINGS PROPOSALS 2015/16

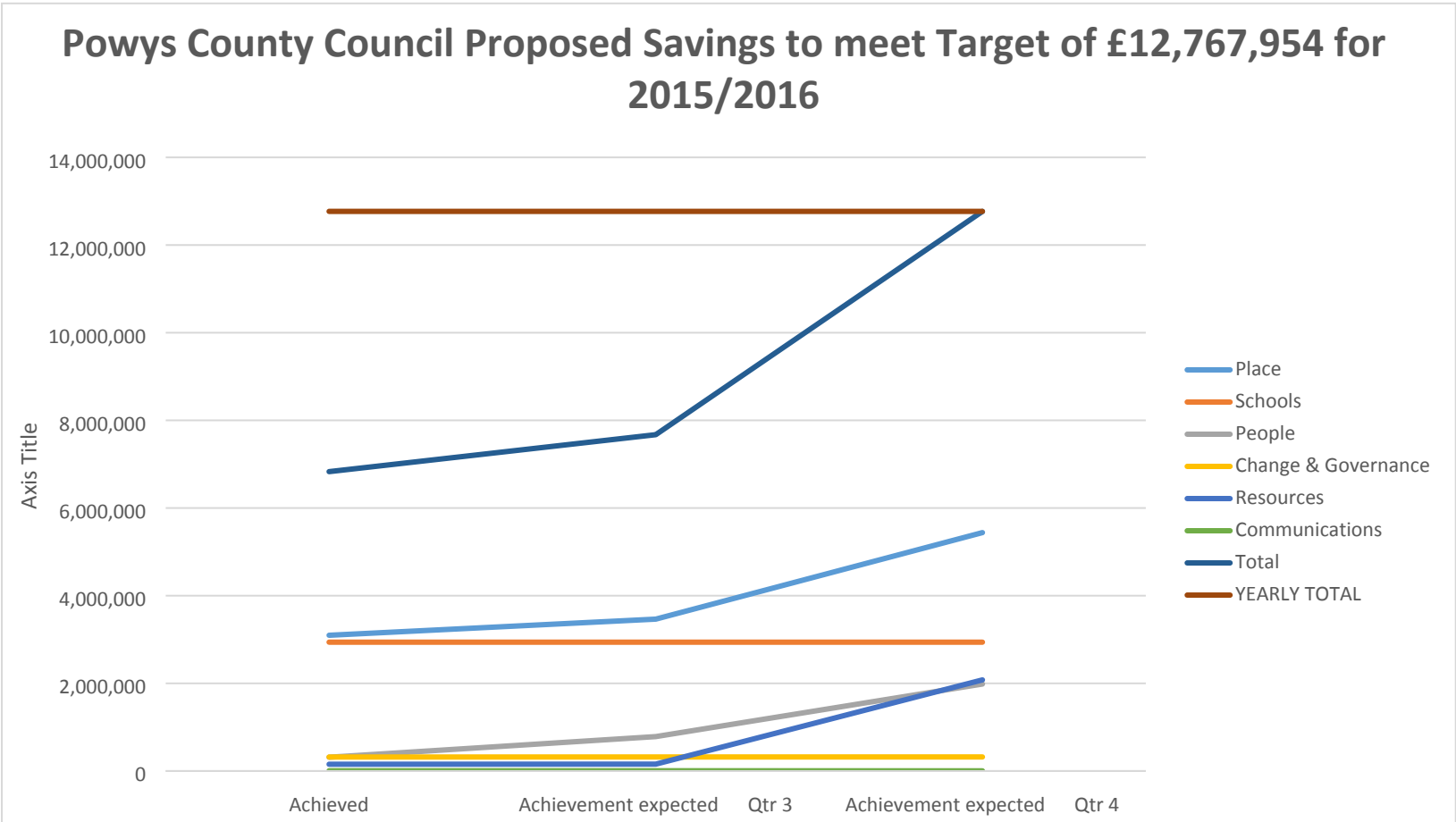


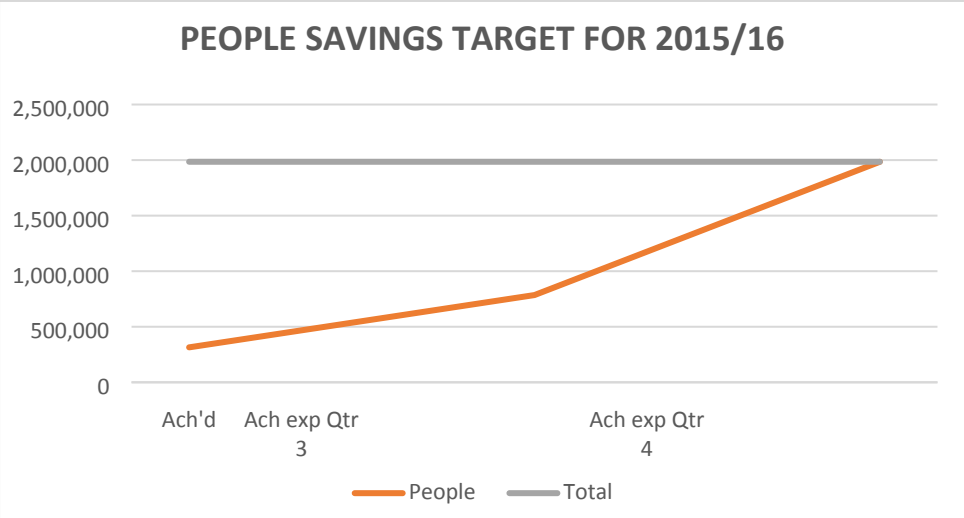


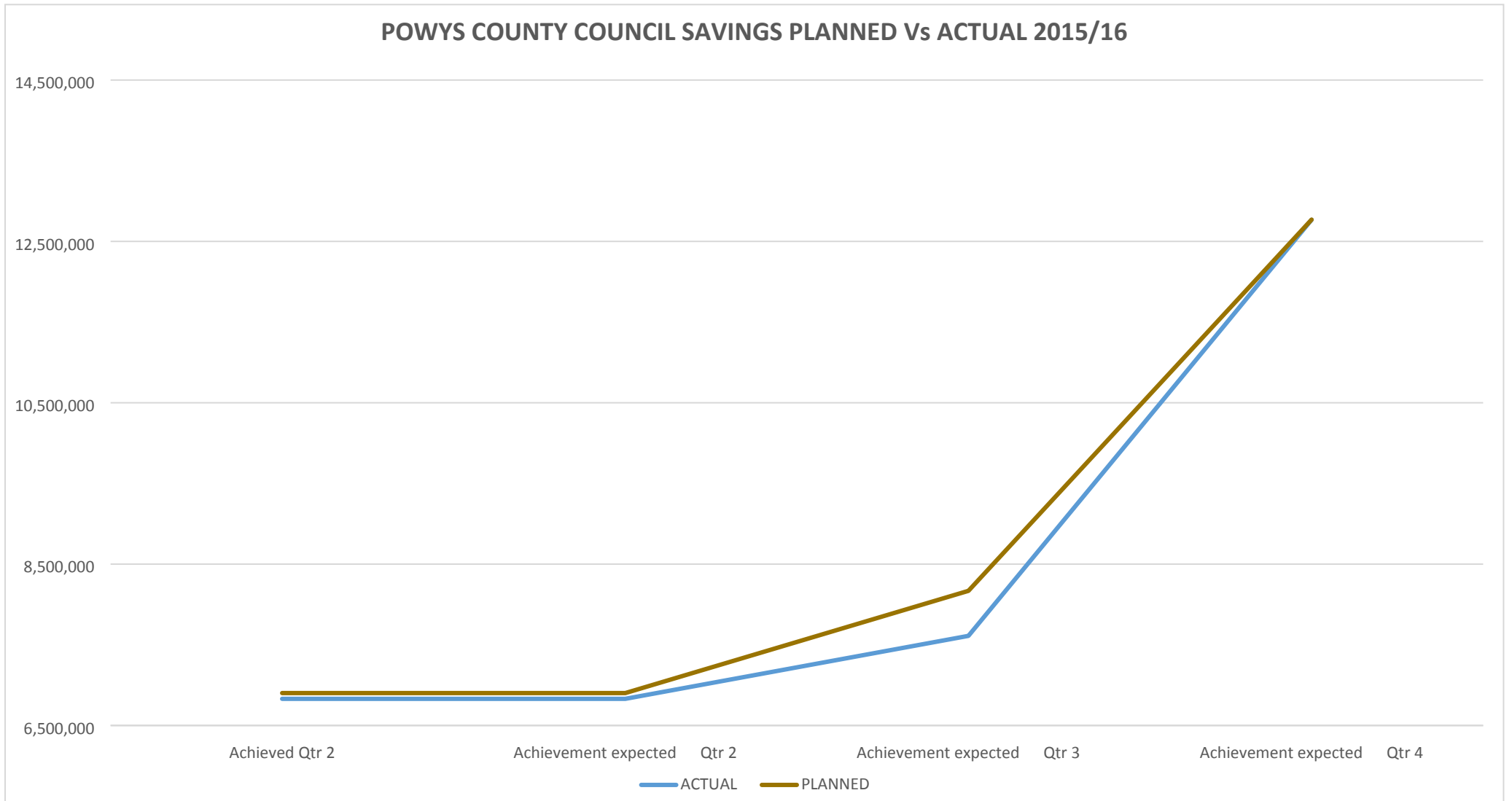


### Powys County Council Proposed Savings to meet Target of £12,767,954 for 2015/16











**Table 1**  
**Ratio of financing costs to net revenue stream**

	<b>Budget 2015/16</b>	<b>Revised Budget 2015/16</b>	<b>Estimate 2016/17</b>	<b>Estimate 2017/18</b>	<b>Estimate 2018/19</b>	<b>Estimate 2019/20</b>
Financing Costs	14,926	15,099	14,528	14,771	15,841	17,151
Net Revenue Stream	233,512	233,468	233,468	227,603	223,201	209,794
Council Fund	5.58%	5.71%	6.47%	6.22%	6.49%	7.10%
Financing Costs	2,274	2,224	5,266	5,470	5,552	5,507
Net Revenue Stream	23,013	23,013	21,837	22,600	23,434	24,680
HRA	9.88%	9.66%	24.11%	24.20%	23.69%	22.31%

**Table 2**  
**Capital Financing Requirement**

	<b>Budget 2015/16</b>	<b>Revised Budget 2015/16</b>	<b>2016-17 Estimate</b>	<b>2017-18 Estimate</b>	<b>2018-19 Estimate</b>	<b>Estimate 2019/20</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Non-HRA	210,616	210,616	216,618	222,559	233,878	240,426
HRA	13,866	13,866	87,944	91,155	97,309	96,526
<b>Total</b>	<b>224,482</b>	<b>224,482</b>	<b>304,561</b>	<b>313,714</b>	<b>331,187</b>	<b>336,952</b>

**Table 3****Authorised Limit for External Debt**

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Borrowing	366.0	385.0	416.0	427.0	434.0
Other Long Term Liabilities	11.7	17.7	23.7	23.7	23.7
<b>Total</b>	<b>377.7</b>	<b>402.7</b>	<b>439.7</b>	<b>450.7</b>	<b>457.7</b>

**Table 4****Operational Boundary for External Debt**

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Borrowing	341.0	360.0	391.0	402.0	409.0
Other Long Term Liabilities	11.7	17.7	23.7	23.7	23.7
<b>Total</b>	<b>352.7</b>	<b>377.7</b>	<b>414.7</b>	<b>425.7</b>	<b>432.7</b>



**Table 5**  
**Estimated Incremental Change in band D Council Tax arising**  
**from Prudential Borrowing**

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Estimated Incremental Change in band D Council Tax	22.02	34.10	51.44	56.93	57.67
Revised Estimated Incremental Change in band D Council Tax	21.82	33.91	50.29	55.10	59.52
Estimated Incremental Change in band D Council Tax for Prudential Borrowing	20.35	29.94	45.36	49.12	48.94
Revised Estimated Incremental Change in band D Council Tax for Prudential Borrowing	20.27	30.01	44.48	47.57	51.07

**Table 6**  
**Estimated Incremental Change in average weekly rent**

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£</b>	<b>£</b>	<b>£</b>		
Estimated Incremental Change in average weekly rent	6.17	18.81	20.61	21.63	22.36
Revised Estimated Incremental Change in average weekly rent	6.00	18.31	19.90	21.09	21.97
Estimated Incremental Change in average weekly rent for Prudential Borrowing	5.97	18.31	19.90	21.14	21.46
Revised Estimated Incremental Change in average weekly rent for Prudential Borrowing	5.78	17.63	19.06	20.45	20.77

**Table 7**  
**Change in External Debt**

	<b>Budget 2015/16</b>	<b>Budget 2016/17</b>	<b>Budget 2017/18</b>	<b>Budget 2018/19</b>	<b>Budget 2019/20</b>
<b>Council Fund</b>					
<b>External Debt</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Debt at 1st April	164,570	193,770	199,770	203,050	203,050
Expected change in Debt	23,200	10,000	7,800	8,500	0
Other Long Term Liabilities					
Expected change in OLT	6,000	6,000	3,280	0	0
Estimated Gross Debt at 31st March	193,770	199,770	203,050	203,050	203,050
CFR	210,616	216,618	233,870	233,878	240,426
Under / (Over) Borrowing	16,846	16,848	19,509	30,828	37,376
<b>HRA</b>					
<b>External Debt</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Debt at 1st April	13,866	87,944	91,155	97,309	96,526
Expected change in Debt	74,078	3,211	6,155	-783	-1,249
Other Long Term Liabilities					
Expected change in OLT					
Estimated Gross Debt at 31st March	87,944	91,155	97,309	96,526	95,278
CFR	87,944	91,155	97,309	96,526	95,278
Under / (Over) Borrowing	0	0	0	0	0