

Cabinet (Resources) Panel

28 February 2017

Report title	Revenue Budget Monitoring 2016/17	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Keith Ireland, Managing Director	
Originating service	Strategic Finance	
Accountable employee(s)	Mark Taylor	Director of Finance
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Report to be/has been considered by	Strategic Executive Board	14 February 2017
	Confident Capable Council	1 June 2017

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the use of £50,000 from the Public Health Early Intervention Team Reserve, specifically set aside from public health grant funding, to fund initial set up and salary costs for Beat the Street Wolverhampton as detailed at section 5.2.2.
2. Approve the use of £563,000 from the Regeneration Reserve to fund various development works and schemes as detailed at section 5.2.3.
3. Approve the use of £106,000 from the Local Strategic Partnership Reserve to support the work of the Skills Commission as detailed at section 5.2.4.
4. Approve the write off of sixteen rechargeable repair accounts totalling £111,675 as detailed in Appendix I.

5. Approve the write off of four sundry debts totalling £27,832.77 as detailed in Appendix F.
6. Approve four virements totalling £2.1 million, for transfers within directorates, as detailed in Appendix G.
7. Approve setting up of expenditure budgets within the 2016/17 approved budget as detailed in section 4.2 for grant funded expenditure.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. That the projected outturn for the General Fund for 2016/17 is on target to achieve a net underspend against the budget.
2. That projected redundancy costs, including the cost of pension strain, totalling £7.0 million are included in the forecast outturn. The projected costs are subject to change dependent upon the actual redundancies approved by year end. It is anticipated that forecast underspends against the Central Provision for Auto-enrolment and Pay Award costs, in addition to Capital Receipts flexibility announced by the Secretary of State, will offset the cost of redundancies.
3. That the Director of Finance has approved the write off 1,073 former HRA tenant rent accounts for 2016/17 that are considered unrecoverable amounting to £760,000 at an average of £708 per account in accordance with the Council's Financial Procedure Rules. Debts from former tenants are written off when there is little prospect of the debt being collected. Wolverhampton Homes Board Resources Committee recommended the formal write off of debts totalling £374,000 on the 14 October 2016 and £386,000 on 20 January 2017.
4. That the Director of Finance has approved the write off 1,891 former HRA tenant rechargeable repair accounts totalling £1.3 million covering the period 2010 to 2016 at an average of £695 in accordance with the Council's Financial Procedure Rules. No write off for rechargeable repairs has been undertaken since the recharge policy was relaunched in 2010.
5. That 375 council tax accounts totalling £104,548.80 have been approved by for write off by Director of Finance in accordance with the Council's Financial Procedure Rules.
6. That 25 non-domestic rates accounts totalling £83,524.71 have been approved by for write off by Director of Finance in accordance with the Council's Financial Procedure Rules.
7. That 52 sundry debt accounts totalling £77,962.45 have been approved by for write off by Director of Finance in accordance with the Council's Financial Procedure Rules.

8. That 24 housing benefit overpayments totalling £7,714.34 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
9. That a £18.3 million surplus on the Housing Revenue Account (HRA) is projected compared with a budgeted surplus of £15.3 million as shown at Table 8 and in detail at Appendix H. The projected increased surplus of £3.0 million will be used to redeem debt in line with the HRA Business Plan.

1.0 Purpose

1.1 The purpose of this report is to provide Cabinet (Resources) Panel with a projection of the likely revenue outturn position for the General Fund and Housing Revenue Accounts, compared with the Council's approved revenue budgets for 2016/17.

2.0 Summary

2.1 Overall, the General Fund projected outturn is currently forecast to underspend against the net budget, as analysed in Table 1.

Table 1 – 2016/17 General Fund Revenue Budget Projected Outturn

	Net Controllable Budget 2016/17 £000	Projected Outturn 2016/17 £000	Projected Variation Over/(Under)	
			£000	%
People	114,554	114,619	65	0.06%
Corporate	59,037	56,473	(2,564)	-4.34%
Place	41,997	41,771	(226)	-0.54%
Education	1,762	3,806	2,044	116.00%
Net Budget Requirement	217,350	216,669	(681)	-0.31%
Government Grant (General)	(92,622)	(92,582)	40	0.04%
Enterprise Zone Business Rates	(1,532)	(1,388)	144	9.40%
Council Tax	(86,036)	(86,036)	-	0.00%
Business Rates	(37,805)	(37,805)	-	0.00%
Collection Fund Deficit	2,237	2,237	-	0.00%
Business Rates Equalisation	(1,592)	(1,592)	-	0.00%
Reserve				
Total Resources	(217,350)	(217,166)	184	0.08%
Net Budget (Surplus) / Deficit	-	(497)	(497)	-0.23%

2.2 The Council continues to be faced with a challenging projected financial position over the medium term, and significant budget reduction and income generation proposals are required in order to achieve a robust financial position. The Budget 2016/17 and Medium Term Financial Strategy 2016/17 to 2019/20 approved by Full Council on 2 March 2016, identified that the Council would be faced with finding further budget reduction and income generation proposals totalling £54.6 million (£22.2 million for 2017/18) over the three year period to 2019/20. It is important to note that the updated projected budget deficit assumes the achievement of prior year budget reduction and income generation proposals amounting to £37.4 million over the four-year period to 2019/20.

2.3 A report was presented to Cabinet on 19 October 2016, which detailed the outcome of work that has been in progress across all areas of the Council to identify budget reduction and income generation targets to deliver the strategy of identifying £22.2 million for 2017/18. The projected target of £22.2 million approved in March 2016 was revised to £23.5 million. This was due to a number of proposals being reprofiled or

removed. The Council has currently identified £13.5 million Budget Reduction and Income Generation proposals and £10.0 million Financial Transactions and Base Budget Revisions for 2017/18.

- 2.4 A balanced budget is now projected for 2017/18; the final budget report will be presented to Cabinet on 22 February 2017 and will be recommended to Full Council for approval on 1 March 2017. Work continues to identify additional budget reduction and income generation opportunities to address the projected budget deficit in 2018/19 and 2019/20, amounting to £20.5 million, in order to ensure that a balanced budget can be set over the medium term.
- 2.5 An update on the General Fund budget risks is provided at section 6. Overall the risk for 2016/17 is currently assessed as Amber as the Council has significant budget reductions to deliver and income to achieve.
- 2.6 It is important to note that projected redundancy costs, including the cost of pension strain, totalling £7.0 million are included in the forecast outturn. It is anticipated that forecast underspends against the Central Provision for Auto-enrolment and Pay Award Costs, in addition to Capital Receipts flexibility announced by the Secretary of State, will offset the cost of redundancies.
- 2.7 In accordance with the Council's financial procedures rules, all virements in excess of £50,000, or those that result in a transfer between Employees and Other Controllable Expenditure headings, require the approval of this panel. There are four virements that require approval in this report as detailed in Appendix G.
- 2.8 The most significant factors contributing towards the projected net underspend against the budget are reported on a service-by-service basis in section 3.
- 2.9 The forecast outturn position for the Housing Revenue Account is a surplus of £18.3 million, compared to a budgeted surplus of £15.3 million. The projected additional surplus of £3.0 million, which is mainly due to a forecast underspend on interest payable, will be used to redeem debt to comply with the Council's approved HRA Business Plan.

3.0 General Fund Revenue Budget Monitoring: Service Analysis

3.1 People

- 3.1.1 A summary of the projected outturn against the People 2016/17 revenue budget is provided in Table 2, whilst a detailed analysis is provided in Appendix A.

Table 2 – 2016/17 Revenue Budget Projected Outturn - People

	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Strategic Director	2,173	2,410	237	10.91%
Older People	28,556	29,366	810	2.84%
Disability & Mental Health	38,046	38,736	690	1.81%
Children & Young People	45,779	44,107	(1,672)	(3.65%)
Public Health & Wellbeing	-	-	-	0.00%
People Total	114,554	114,619	65	0.06%

3.1.2 Overall a net overspend of £65,000 (0.06%) is projected for the year. The main factors contributing towards this forecast overspend are:

1. **Strategic Director** – There is an overspend of £237,000 mainly due to the appointment of additional Independent Review Officers within Children’s Safeguarding (£150,000).
2. **Older People** - There is a forecast overspend of £810,000 for Older People services mainly as a result of pressures on care purchasing budgets (totalling £1.3 million) due to increasing demand for support. This is offset partially by a projected underspend mainly against the following three services:
 - a. The Service Director for Older People is projecting an underspend of £139,000 due to in year employee budget savings as a result of a management restructure and on vacancies held in the Adult Multi Agency Safeguarding Hub (MASH).
 - b. The Housing Service is projecting an underspend of £105,000 due to efficiencies on employee costs.
 - c. The Quality Assurance and Policies service is also projecting an underspend of £126,000 which are as a result of employee vacancies.
3. **Disability & Mental Health** - There is a forecast overspend of £690,000 which is mainly due to slippage on budget reduction targets within the Disabilities In-House Provision (£403,000), Mental Health Assessment and Care Management (£139,000) and Learning Disabilities Assessment and Care Management (£447,000). There is also a forecast overspend of £186,000 within the Emergency Duty Team as a result of using agency staff to cover permanent staff absences. These overspends have been partly offset by underspends within the Children with Disabilities service of £264,000 due to reduction in activity in overnight residential short breaks. There is also an underspend of £190,000 within the Physical Disabilities Assessment & Care

Management service as a result of achieving efficiencies across all areas of this service.

4. **Children & Young People** - There is a forecast underspend of £1.7 million for this service directorate mainly due to underspends by the following services:
- a) The Looked-After Children (LAC) service is forecasting a £474,000 underspend due to the early achievement of the budget reduction target for LAC totalling £2.0 million and one off savings against employee budgets. This is offset in part by increased expenditure on adoption/residence order allowances and inter-agency payments totalling £1.5 million and pressures on Youth Justice Board Remand/Secure expenditure of £123,000.
 - b) The Specialist Support service is projecting an underspend of £510,000 due to one-off savings across the service following the Children's Service Re-Design including £168,000 on staffing, £111,000 on general expenditure and £230,000 against therapeutic commissioned services.
 - c) Projected underspends within the Early Intervention service of £503,000 due to one-off savings due to employee vacancies held following the Children's Re-Design Restructure implementation.
 - d) The Youth Offenders Team are also forecasting an underspend of £200,000 due to staff vacancies.
 - e) The Psychology Service is projecting an underspend of £167,000 due to increased income generation across the service.

The underspends are offset by overspend of £203,000 on the Child Protection service due to increased Section 17 expenditure of £117,000, along with expenditure on No Recourse to Public Funds (NRPF) of £327,000. This is offset in part by efficiencies of £200,000 on the Contact contract.

3.2 Corporate

- 3.2.1 A summary of the projected outturn against the Corporate 2016/17 revenue budget is provided in Table 3, whilst a detailed analysis is provided in Appendix B.

Table 3 - 2016/17 Revenue Budget Projected Outturn - Corporate

	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Managing Director	1,433	1,218	(215)	(15.00%)
Corporate Services	23,940	23,943	3	0.01%
Governance	6,772	6,627	(145)	(2.14%)
Corporate Budgets	26,892	24,685	(2,207)	(8.21%)
Corporate Total	59,037	56,473	(2,564)	(4.34%)

3.2.2 Overall a net underspend of £2.6 million (-4.34%) is projected for the year. The main factors contributing towards the forecast underspend are:

1. **Managing Director** – There is a forecast underspend totalling £215,000 due to vacancies held across the Corporate Business Support service.
2. **Corporate Services** – There is a minor forecast overspend against this budget. However, there are a number of services forecasting underspends and overspends which contribute to this overspend. There is forecast underspends from Audit Service (£239,000) and Communications and Marketing service (£238,000) due to vacancies held across both services. There is also a managed underspend of £663,000 for Corporate Financial Management which will offset forecast overspends across the Corporate Service Directorate. The underspends are offset by overspends in the following services:
 - a. Corporate Management is projecting an overspend of £143,000 as a result of an increase in bank charges associated with a shift to card payments and payments made online or over the telephone.
 - b. The Hub is projecting an overspend of £152,000 as a result of a reduction in income from schools.
 - c. Commercial Services forecast an overspend of £363,000 as a result of additional resources required to improve contract efficiency and commercialisation. Contract efficiencies will be obtained across the Council.
 - d. Customer Services forecast an overspend of £333,000 as a result of slower delivery of savings in order to maintain service levels during an extensive programme of technological improvements. It is important to note that the total savings for 2016/17 are projected to be £500,000.

3. **Governance** – There is a forecast underspend of £145,000 against this budget primarily due to an underspend on Human Resources totalling £396,000. This is as a result of lower than anticipated spend against a range of corporate training budgets and vacancies arising as former Transformation Division teams are amalgamated within the service. It is anticipated that training budgets will be fully utilised in future when directorates are provided with further workforce planning support through a restructured service. The underspend is offset partly by a forecast decrease in income levels for the Market service, partly due to temporary charging arrangements extended to Wolverhampton traders.
4. **Corporate Budgets** - Overall there is a projected underspend of £2.2 million against this budget. There is a forecast net underspend of £1.2 million against the Treasury Management budget primarily due to a reduced forecast borrowing need in year arising as a result of re-phasing in the capital programme. There is a forecast underspend of £135,000 with West Midlands Transport Authority Levy charge for 2016/17 as a result of the levy charge being less than what was estimated at the start of the year.

In addition to this, there are underspends projected against the Corporate/Transformation Budgets and Contingencies totalling £639,000 and the Central Provision for Auto-enrolment and Pay Award Costs totalling £4.2 million. Projected redundancy costs, including the cost of pension strain, totalling £7.0 million are included in the forecast outturn. It is anticipated that the forecast underspends against the Central Provision for Auto-enrolment and Pay Award Costs, in addition to Capital Receipts flexibility announced by the Secretary of State, will offset the cost of redundancies.

3.3 Place

- 3.3.1 A summary of the projected outturn against the Place 2016/17 revenue budget is provided in Table 4, whilst a detailed analysis is provided in Appendix C.

Table 4 – 2016/17 Revenue Budget Projected Outturn - Place

	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Strategic Director	471	471	-	-
City Economy	7,140	6,992	(148)	(2.07%)
Corporate Landlord	8,646	8,712	66	0.76%
Housing	1,788	1,620	(168)	(9.40%)
City Environment	23,952	23,976	24	0.10%
Place Total	41,997	41,771	(226)	(0.54%)

3.3.2 Overall a net underspend of £226,000 (-0.54%) is projected for the year. The main factors contributing towards this underspend are:

1. **City Economy** – A £148,000 underspend is forecast within this service directorate mainly by the Skills Service due to additional grant secured to cover core staffing (£99,000).
2. **Corporate Landlord** – A £66,000 overspend is forecast within this service directorate as a result of forecast overspend within:
 - a. Capital Programmes totalling £270,000 due to change in accounting treatment of capitalised salaries.
 - b. Facilities management of £226,000 as a result of increased costs for management of vacant properties which is partly reflected through underspends on energy and NNDR as reported in Asset Management service below.
 - c. Maintenance Programmes service totalling £156,000 on Centralised Repair and Maintenance.

These overspend are offset by forecast underspends within Asset Management on non-domestic rates and energy costs (£252,000), forecast additional income generated for the Cleaning service totalling £144,000 and forecast additional income from former HRA shops totalling £241,000.

3. **Housing** – A £168,000 underspend is forecast within this service due to contract efficiencies arising as a result of renegotiated third party payment contracts. Also, reduced payments for bed and breakfast due to increased use of council housing stock for temporary accommodation also contributed to the underspend.
4. **City Environment** – A £24,000 overspend is forecast within this service directorate as a result of overspend with Waste & Recycling Services totalling £803,000 due to the reprofile of a budget reduction target. This overspend is mainly offset by forecast increased car parking and bus lane enforcement income totalling £682,000 by Parking Services and by forecast underspend of £123,000 on Transportation as a result of reduced employee and computer hardware expenditure and capitalisation of Black Country Directors costs.

3.4 Education

3.4.1 A summary of the projected outturn against the Education 2016/17 revenue budget is provided in Table 5, whilst a detailed analysis is provided in Appendix D.

Table 5 – 2016/17 Revenue Budget Projected Outturn - Education

	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	Projected Variation Over/(Under)	
			£000	%
Education	1,762	3,806	2,044	116.00%
Education Total	1,762	3,806	2,044	116.00%

3.4.2 Overall a net overspend of £2.0 million (116.00%) is projected for the year. This is largely due to a projected overspend on School Services totalling £1.3 million as academy conversion deficits are now being met from the General Fund rather than the Dedicated School Grant (DSG) as detailed in section 7.4. The School Planning and Resources service is also forecasting an overspend of £543,000 due to increase in demand on home to school transport budget for high need pupils. This has recently been independently reviewed and savings identified for future years.

4.0 Changes to Grant Funded Expenditure

- 4.1 It is not always possible to reflect all grant-funded expenditure in the budget approved by Full Council prior to the start of the financial year. This is due to late notification from grant awarding bodies of grant amounts, and proactive grant applications during the year.
- 4.2 Approval is sought from the Panel to establish expenditure budgets within the 2016/17 approved budget as set out in the table below, and in accordance with the grant's terms and conditions. This will have no effect on the Council's net revenue budget as the expenditure is fully funded from grant.

Table 6 – Grant Approval Sought from this Panel

Grant Name	Description of the Activities this Grant will Fund	Awarding body	Expenditure 2016/17 £000
Ambrosia	To promote collections through a web based system.	Collections Trust	23
Gen Y City	Participation in specialised study visits for the exchange of best practice	City Of Poznan (ERDF)	20
Flexible Support Fund	Contract to provide support service to long term unemployed facing barriers to work	Department for Work & Pensions	25

5.0 Reserves and Balances

5.1 This report projects at this stage that during 2016/17, the City of Wolverhampton Council will underspend against the approved budget for 2016/17. However, in those individual areas where overspends are currently projected, budget managers will seek to identify and manage these during the year to ensure that services outturn at least within budget.

5.2 Transfers to/from Earmarked Reserves

5.2.1 Approval is sought from this meeting for a number of transfers to/from earmarked reserves, as set out in the following paragraphs. In the event that the use of capital receipts replaces previously approved specific reserve drawdowns as a result of the new capital receipts flexibilities announced by central government, an update will be provided to Cabinet in the outturn report.

5.2.2 Public Health Early Intervention Team Reserve

Approval is sought from this meeting for the use £50,000 from the Public Health Early Intervention Team Reserve, specifically set aside from Public Health grant funding, to fund the initial set up and salary costs for Beat the Street Wolverhampton which would increase physical activity participation rates within the City of Wolverhampton.

5.2.3 Regeneration Reserve

Approval is sought from this meeting the use of £563,000 to fund various development projects and schemes to fund:

1. City Centre Prospectus development work (£100,000);
2. City Learning Quarter development work (£130,000);
3. Provision of temporary toilets for relocated markets at Westside (£20,000);
4. External review of project Pipeline Schemes (£30,000);
5. Full business case and design for Junction 2 to Springfield (£62,000);
6. Industrial Sites Project Development (£50,000);
7. Project Management for Stafford Road/Willenhall Road development (£150,000) and
8. Libraries Transformation Project Management (£21,000).

5.2.4 Local Strategic Partnership Reserve

Approval is sought from this meeting for the use of £106,000 from the Local Strategic Partnership Reserve to support the work of the Skills Commission.

6.0 General Fund Budget Monitoring – Risk Management

6.1 The overall level of risk associated with the budget 2016/17 is assessed as Amber, it is important to note, however, that the Council has significant budget reductions to deliver and income to achieve. The six main areas of risk are summarised in the table at Appendix E.

7.0 Revenue Budget Monitoring – Schools’ Budgets

7.1 Maintained schools are required to submit budget plans detailing their expected income and planned spending levels at two points in the year 31 May and 31 October. Returns submitted on 31 May estimated that overall balances would reduce by £7.2 million to £5.7 million. However, returns submitted at 31 October estimated that overall balances would reduce by £7.5m to £5.2m as shown in Table 6.

Table 6 – Projected Movement on Schools’ Balances 2016/17

Sector	Balances as at 31 March 2016 £m	Use of Balances in 2016/17 £m	Balances as at 31 March 2017 £m
Secondary	0.2	(0.6)	(0.4)
Primary	6.6	(3.1)	3.5
Junior	0.6	(0.3)	0.3
Infant	0.5	(0.2)	0.3
Nursery	1.4	(0.9)	0.5
Special	1.9	(1.0)	0.9
Pupil Referral Units	1.5	(1.4)	0.1
Total	12.7	(7.5)	5.2

7.2 Schools with Surplus Balances

7.2.1 At the end of 2015/16 maintained schools had balances of £12.7 million. 41 schools were identified as having balances above recognised thresholds detailed in the local scheme (5% for secondary schools and 8% for primary, special and nursery schools). Following a desktop exercise and a visit by officers, there are 4 schools where Authority officers consider the explanations for the level of surplus balances do not meet the requirements as laid out in the Scheme for Financing Schools. The Authority is therefore minded to recover excess surplus balances from the following schools: -

- Rakegate Primary
- St Pauls Primary
- West Park Primary
- Windsor Nursery

7.2.2 The Scheme for Financing Schools establishes an arbitration process to review the Authority’s decision and determine if, and to what level, any excess balances should be recovered. This process was invoked to review 2014/15 surplus balances and 8 schools were subject to review with £85,000 being recovered from one school. The panel will meet in March 2017 to review the position of the 4 schools.

7.3 Schools in a deficit balance position.

7.3.1 As part of its overview of schools in deficit, a Schools under Notice of Concern Board (SuNC) chaired by the Director of Education has been established to review monthly financial information from schools in deficit to evaluate the financial position of the schools. The chair of Schools Forum is also a member of the board. The position currently on schools with anticipated deficits in 2016/17 is as follows:

Table 7 – Schools with anticipated deficits in 2016/17

Name	Balance at the end of 2015/16 £	Anticipated balance at end of 2016/17 £	Status
Woodfield Junior	(94,757)	(95,608)	School with approved licensed deficit and a plan to recover the deficit within a 3 year time frame.
Coppice	(98,150)	(94,000)	School with approved licensed deficit and a plan to recover the deficit within a 3 year time frame. The LA received updated plans showing improved financial position - school expecting to be in surplus in 2017/18.
Colton Hills	(266,223)	(205,000)	School with approved licensed deficit and plan to recover the deficit within a 3 year time frame.
St Matthias	(127,827)	(618,000)	A deficit recovery plan and application are under discussion with the school.
Woodthorne	(22,810)	(90,669)	A licenced deficit budget has been approved.

7.4 Deficits Following Sponsored Academy Conversion

7.4.1 The schools surplus or deficit balance on conversion to academy status usually transfers at the same time. However, where the conversion is directed by Department for Education (DfE) through a sponsorship arrangement any deficit remains with the local authority. Historically this has been charged to the Dedicated Schools Grant (DSG). DfE has now clarified the position and unless Schools Forum has set aside a specific contingency, then such costs ought to be met from the Authority's General Fund. No contingency has been set aside so 16/17 deficits will be charged to the General Fund as reported in section 3.4.2.

The Local Government Association (LGA) has stated that this policy is unfair on local authorities. However, DfE have said that academies are a vital part of the plan for transforming education and that the accumulated deficits for sponsored academies must be met by local authorities.

The 2016/17 DSG budget when set last February assumes £390,000 from Wednesfield High will be met from DSG so this sum will now be available to contribute to the out of city budget pressure in current year. These costs were previously identified as being funded from General Fund so will now be met by DSG. As a result of recent academy conversions, deficits from New Park and Kingston PRU will be met from the General Fund.

8.0 Debt Write Offs

- 8.1 Debts are only written off as a last resort, when all feasible recovery action has been exhausted. If the situation surrounding an individual case changes in the future, steps would be taken to pursue the debt, despite the debt having been written off.
- 8.2 **Sundry Debtors** - Income is due to the Council for a wide range of services provided to individuals and businesses. To reflect the fact that, despite the Council's best efforts, not all of this income will actually be collected, the Council makes provision for bad and doubtful debts, which it charges directly to the General Fund.

The write off debts relating to Housing Revenue Account are reported in detail in sections 9.2, 9.3 and 9.4.

- 8.3 Overall, 56 debt write offs totalling £105,795.22 have been incurred since the last budget monitoring report was submitted to the Panel. All but four valued at £27,832.77 in total, which require the approval of this Panel (see Appendix F), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedures Rules.
- 8.4 **The Collection Fund** - The City of Wolverhampton Council acts as billing and collecting authority for council tax and non-domestic rates income. The Council administers a separate Collection Fund account for this purpose. The Collection Fund accounts for the receipt of council tax and business rates (non-domestic rates) income and payments to precepting authorities such as the Fire Authority and the Police. Within this account, provisions are made for bad and doubtful debts and any write offs are charged to the council tax or business rates provision as appropriate.
- 8.4.1 **Council Tax** – Overall, 375 debt write offs totalling £104,548.80 have been incurred. All have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
- 8.4.2 **Non-Domestic Rates** – Overall, 25 debt write off totalling £83,524.71 have been incurred. All have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
- 8.5 **Housing Benefits** - Housing benefit overpayments occur when rent rebate or rent allowance awards exceed a recalculated entitlement. Whilst the Council aims to limit the incidence of overpayments they may occur for a number of reasons including as a result of fraud or error. In general, overpaid benefit is written off in line with Government guidance where recovery would cause hardship, where the debtor has died or cannot be traced.

- 8.6 The Council receives Government subsidy in respect of overpaid housing benefit at rates of between 40% and 100% according to the circumstances in which the overpayment arose. The unsubsidised element of any overpayment is charged to the General Fund.
- 8.7 Overall 24 write off totalling £7,714.34 have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.

9.0 Housing Revenue Budget Monitoring

- 9.1 Table 8 shows the latest forecast revenue outturn against budget for the Housing Revenue account (HRA). The forecast outturn position for the year is a surplus of £18.3 million, compared to a budgeted surplus of £15.3 million. The projected additional surplus of £3 million will be used to redeem debt to comply with the Council's approved HRA Business Plan

Table 8 – Housing Revenue Account Projected Outturn 2016/17

	Budget	Projected Outturn	Projected Variation
	£000	£000	£000
Total income	(98,674)	(99,291)	(617)
Total expenditure	70,095	70,062	(33)
Net cost of HRA services	(28,579)	(29,229)	(650)
Interest payments etc.	13,273	10,939	(2,334)
(Surplus)/deficit before transfers to/from reserves and provision for redemption of debt	(15,306)	(18,290)	(2,984)
<i>Allocation of (surplus)/deficit</i>			
Provision for redemption of debt	15,306	18,290	2,984
Balance for the year	-	-	-

- 9.2 The main forecast variance is due to a forecast underspend of £2.3 million on interest payable. This is primarily due to slippage on the HRA capital programme and a review of the interest split between the General Fund and HRA, resulting in a reduced proportion to the HRA. In addition, rental income from dwellings is forecast to be slightly higher (0.7%) than budgeted.
- 9.3 **Write off former tenant rent accounts**
- 9.3.1 Wolverhampton Homes is responsible for collection of annual rent roll of £99 million. Wolverhampton Homes have an obligation to pursue all rent owed to the Council from both current and former tenants. Debts from former tenants are written off when there is little prospect of the debt being collected. Wolverhampton Homes Board Resources Committee recommended the formal write off of debts totalling £374,000 on the 14 October 2016 and £386,000 on 20 January 2017.

9.3.2 The Director of Finance has approved the write off 1,073 former tenant rent accounts for 2016/17 that are considered unrecoverable amounting to £760,000 (see appendix K) at an average of £708 per account.

9.4 Write off former tenant rechargeable repair accounts

9.4.1 Wolverhampton Homes is responsible for collection of recharge repairs where neglect or damage can be proven. No write off for rechargeable repairs has been undertaken since the recharge policy was relaunched in 2010. On 20 January 2017 Wolverhampton Homes Board Resource Committee recommended the formal write off of 1,907 rechargeable repair accounts totalling £1.4 million.

9.4.2 The Director of Finance has subsequently approved the write off 1,891 former tenant rechargeable repair accounts totalling £1.3 million (see appendix J) covering the period 2010 to 2016 at an average of £695 in accordance with the Council's Financial Procedure Rules.

9.4.3 Approval is sought from the Cabinet (Resources) Panel for write off of £111,675 (see Appendix I) relating to former tenant rechargeable repair accounts over £5,000 which are considered unrecoverable.

9.5 The debts referred to in 9.3 and 9.4 above are provided for in the HRA bad debt provision.

10.0 Financial Implications

10.1 The financial implications are discussed in the body of the report.
[MH/14022017/H]

11.0 Legal Implications

11.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs. It is a legal requirement under s25 of the Local Government Act 2003 to set a balanced budget and monitor the financial position throughout the year.
[TS/16022017/J]

12.0 Equality Implications

12.1 This report provides details of the projected outturn for 2016/17. The necessary equalities analyses were carried out as part of the preparations for setting the 2016/17 budgets, and will similarly form part of the requisite pre-work for 2017/18.

13.0 Environmental Implications

13.1 A range of services focused upon the Council's environmental policies is supported through revenue budgets reviewed in this report. Changes in levels of funding will be considered as such changes are proposed.

14.0 Background Papers

2017/18 Budget and Medium Term Financial Strategy 2017/18 – 2019/20, report to Cabinet, 22 February 2017.

Draft Budget and Medium Term Financial Strategy 2017/18 – 2019/20, report to Cabinet, 19 October 2016.

Budget 2016/17 and Medium Term Financial Strategy 2016/17 to 2019/20, report to Full Council, 2 March 2016.

Revenue Budget Monitoring – People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Strategic Director People					
Strategic Director	231	318	87	87	
Safeguarding	1,942	2,092	150	189	An overspend is mainly due to the appointment of additional Independent Review Officers from agency within Children's Safeguarding.
Sub Total Strategic Director People	2,173	2,410	237	276	

Revenue Budget Monitoring – People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Older People					
Service Director	632	493	(139)	(99)	An underspend is forecast due to in year employee budget savings as a result of management restructure and on Adult Multi Agency Safeguarding Hub (MASH).
Business support	31	32	1	-	
Carers Support	1,292	1,215	(77)	(49)	
ILS, Telecare & Adaptations	2,788	2,758	(30)	(154)	
Older People Assessment & Care Management	16,845	18,128	1,283	1,538	An overspend is forecast as a result of budget pressures across care purchasing due to increasing demand for support.
Older People Provider Management	4,004	4,036	32	17	
Welfare Rights & Financial Assessment	1,560	1,497	(63)	(71)	
Housing	993	888	(105)	(5)	An underspend is forecast due to achieving efficiencies on employee costs.
Community Recreation	105	139	34	24	
Quality Assurance and Policies	306	180	(126)	(54)	An underspend is forecast on staffing budgets as a result of employee vacancies.
Sub Total Older People	28,556	29,366	810	1,147	

Revenue Budget Monitoring – People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Disability & Mental Health					
Service Director	96	143	47	55	
Better Care Fund	-	-	-	-	
Children's Disabilities Commissioning	49	40	(9)	(3)	
Disabilities In-House Provision	4,630	5,033	403	362	An overspend is forecast as a result of budget pressures relating to slippage on the budget reduction target across Disabilities In-House Provision.
Emergency Duty Team	456	642	186	82	An overspend is forecast as a result of using agency staff to cover permanent staff absences.
Mental Health Assessment & Care Management	4,476	4,615	139	185	An overspend is forecast due to slippage in the delivery of budget reduction proposals.
Mental Health Commissioning	867	810	(57)	(4)	
Short Breaks	404	476	72	72	
Children With Disabilities	2,351	2,087	(264)	(76)	An underspend is forecast due to a reduction in activity on overnight residential short breaks saving £150,000 and savings of £73,000 on rental costs.
Learning Disabilities Assessment & Care Management	17,668	18,115	447	(25)	An overspend is forecast due to slippage in the delivery of budget reduction proposals within care purchasing.

This report is PUBLIC
 [NOT PROTECTIVELY MARKED]

Revenue Budget Monitoring – People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Physical Disabilities Assessment & Care Management	5,203	5,013	(190)	(649)	An underspend is forecast due to the early achievement of budget reduction proposals..
All Age Disability & Joint Commissioning Young Adults	1,846	1,763	(83)	(123)	
Sub Total Disability & Mental Health	38,046	38,736	690	(123)	

Revenue Budget Monitoring – People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Children & Young People					
Service Director	(237)	(214)	23	18	
Early Years	496	533	37	50	
Early Intervention	4,187	3,684	(503)	(392)	An underspend is forecast as a result of one-off savings on employee budgets due to vacancies following the Children's Re-Design Restructure implementation.
Child Protection	6,509	6,712	203	132	An overspend is forecast as a result of budget pressures due to increased Section 17 expenditure of £117,000 and expenditure on no recourse to public funds (NRPF) of £327,000, which is offset partly by efficiencies of £200,000 on the Contact contract.
Children Commissioning	983	902	(81)	(206)	
Specialist Support	2,741	2,231	(510)	(516)	An underspend is forecast as a result of one off savings across the service following the Children's Service Re-Design including £168,000 on staffing, £111,000 on general expenditure and £230,000 against therapeutic commissioned services.

Revenue Budget Monitoring – People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Looked-After Children	29,181	28,707	(474)	(632)	An underspend is projected due to the early achievement of the budget reduction target for LAC totalling £2.0 million and one off savings against staffing. However, these are offset in part by increased expenditure on adoption/residence order allowances and inter-agency payments totalling £1.5 million and pressures on Youth Justice Board Remand/Secure expenditure of £123,000.
Psychology	683	516	(167)	(131)	An underspend is forecast due to increased income generation across this service.
Youth Offenders Team	1,236	1,036	(200)	(193)	An underspend is forecast as a result of efficiencies due to staff vacancies.
Sub Total Children & Young People	45,779	44,107	(1,672)	(1,870)	

Revenue Budget Monitoring – People

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Public Health & Wellbeing					
Public Health - Service Director	-	-		-	
Public Health - Support Costs	-	-		-	
Public Health - Healthier Places	-	-		-	
Sport & Leisure Trust	-	-		-	
Public Health - Commissioning	-	-		-	
Public Health - Contracts	-	-		-	
Public Health - Health Protection & NHS Facing	-	-		-	
Public Health - Intelligence & Evidence	-	-		-	
Public Health - Sports Development	-	-		-	
Public Health - Transformation	-	-		-	
Business Continuity & Emergency Planning	-	-		-	
Community Safety	-	-		-	
Sub Total Public Health & Wellbeing	-	-		-	
Total People Directorate	114,554	114,619	65	(570)	

Revenue Budget Monitoring – Corporate

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Managing Director	196	196	-	-	
Corporate Business Support	1,237	1,022	(215)	(204)	An underspend is forecast due to vacancies held across the service.
Managing Director	1,433	1,218	(215)	(204)	
Corporate Services					
Director of Finance	144	144	-	-	
Audit Services	1,936	1,697	(239)	(199)	An underspend is forecast due to vacancies held across the service.
Corporate Financial Management	4,290	3,627	(663)	(663)	Managed underspend to offset forecast overspends within the Directorate.
Corporate Management	854	997	143	137	An overspend is forecast as there has been an increase in bank charges associated with a shift to card payments and payments made online or over the telephone.
Revenues and Benefits	2,582	2,675	93	22	An overspend is forecast in Revenues and Benefits which will be managed against underspends across the directorate or application of one off grant funding.
Housing Benefits Payments	(452)	(452)	-	5	
Strategic Finance	2,514	2,514	-	-	
The Hub	1,689	1,841	152	219	An overspend is forecast primarily as a result of a reduction in income from schools. The overspend will be managed within the directorate.

Revenue Budget Monitoring – Corporate

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Commercial Services	608	971	363	377	The forecast overspend within this service has arisen as a result of additional resources required to improve contract efficiency and commercialisation. Contract efficiencies will be obtained across the Council.
Communications and Marketing	1,893	1,655	(238)	(183)	An underspend is forecast due to vacancies held across the service.
Customer Services	1,951	2,284	333	301	The forecast variance is as a result of slower delivery of savings to maintain service levels during an extensive programme of technological improvements. It is important to note that the total savings for 2016/17 are projected to be £500,000.
ICTS	4,460	4,499	39	15	
Organisational Development	81	81	-	-	
Leisure	1,390	1,410	20	-	
Sub Total - Corporate Services	23,940	23,943	3	31	

Revenue Budget Monitoring – Corporate

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Governance					
Director of Governance	158	168	10	10	
Democratic Services	2,204	2,159	(45)	23	
Human Resources	3,003	2,607	(396)	5	An underspend is forecast as a result of lower than anticipated spend against a range of corporate training budgets and vacancies arising as former Transformation Division teams are amalgamated within the service. It is anticipated that training budgets will be fully utilised in future when directorates are provided with further workforce planning support through a restructured service.
Legal Services	2,177	2,231	54	41	
Markets	(856)	(683)	173	126	There is a forecast decrease in Income levels, partly due to temporary charging arrangements extended to Wolverhampton traders.
Licensing	(448)	(448)	-	-	
Other Governance Services	534	593	59	94	
Sub Total - Governance	6,772	6,627	(145)	299	

Revenue Budget Monitoring – Corporate

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Corporate Budgets					
West Midlands Transport Authority Levy	11,380	11,245	(135)	-	A underspend is forecast as a result of the amount of levy charge which has been confirmed as £11.245 million for 2016/17.
Environment Agency Levy	67	70	3	-	
Provision for Bad Debts	200	200	-	-	
Treasury Management Budgets	14,647	13,424	(1,223)	(533)	This underspend is mainly due to reduced forecast borrowing need in year arising as a result of reprofiling in the capital programme.
Contribution from the Budget Contingency Reserve with regards to BSF Re-financing	(4,200)	(4,200)	-	-	
Birmingham Airport - Rent	(69)	(69)	-	-	
Central Provision for Auto-enrolment and Pay Award Costs	4,593	430	(4,163)	(3,017)	A underspend is forecast against the central provision for auto enrolment and pay award costs. It is anticipated that this contingency will not be required in full, however, budget provision is needed in future years. The underspend against this budget will help to offset the cost of redundancy for this year.
Cross-cutting Savings Proposals	(1,286)	(1,286)	-	-	Cross cutting budget reductions held corporately to be distributed during the year in accordance with existing delegations in the Constitution.
Other Corporate /Transformation Budgets and Contingencies	1,560	921	(639)	(1,643)	It is anticipated that this contingency will not be required in full in this year.

Revenue Budget Monitoring – Corporate

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Gross Redundancy Costs	-	7,000	7,000	7,000	Projected redundancy payments during 2016/17, the costs of which may vary significantly during the year, depending on the profile of employees who take redundancy.
Capital Receipt Flexibility - Redundancy costs	-	(3,050)	(3,050)	(2,751)	In December 2015, the Secretary of State announced that from 1 April 2016 capital receipts may be used for revenue transformational projects. It is currently anticipated that capital receipts totalling £3.1 million will be used to offset reorganisation costs.
Sub Total Corporate Budgets	26,892	24,685	(2,207)	(944)	
Total Corporate	59,037	56,473	(2,564)	(818)	

Revenue Budget Monitoring – Place

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Strategic Director Place	471	471	-	-	
City Economy					
Service Director - City Economy	136	136	-	-	
Adult Education	(145)	(145)	-	-	
City Development	549	555	6	6	
Enterprise	691	677	(14)	8	
Library Services	1,339	1,285	(54)	(20)	
Planning	833	809	(24)	(16)	
Skills	2,208	2,109	(99)	(7)	
Visitor Economy	1,529	1,566	37	(100)	
Sub Total City Economy	7,140	6,992	(148)	(129)	

Revenue Budget Monitoring – Place

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Corporate Landlord					
Head of Corporate Landlord	283	283	-	-	
Asset Management	8,403	8,151	(252)	(198)	An underspend is forecast due to additional savings on NNDR & energy.
Capital programme	(195)	75	270	235	An overspend is forecast due to a change in accounting treatment of capitalised salaries.
Catering	(1,573)	(1,522)	51	36	
Cleaning	995	851	(144)	(131)	An underspend is forecast as a result of additional income generated from schools.
Corporate Landlord Support	489	489	-	-	
Estates and Valuations	(2,663)	(2,904)	(241)	(345)	Additional income is forecast from former HRA shops
Facilities Management	1,075	1,301	226	84	An overspend as a result of increased costs for management of vacant properties which is partly reflected through underspend on energy and NNDR as reported in Asset Management service.
Maintenance Programme	1,832	1,988	156	87	An overspend is forecast on Centralised Repair and Maintenance. Discussions are on-going to try to reduce the forecast overspend.
Sub Total Corporate Landlord	8,646	8,712	66	(232)	

Revenue Budget Monitoring – Place

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Strategic Director Housing					
Housing	1,788	1,620	(168)	(119)	An underspend is forecast due to renegotiated third party payments contract to give a saving. The reduced payments for bed and breakfast due to increased use of council housing stock for temporary accommodation also contributed to the underspend.
Strategic Director Housing	1,788	1,620	(168)	(119)	
City Environment					
Service Director - City Environment	124	140	16	(1)	
Bereavement Services	(2,108)	(2,164)	(56)	(49)	
Environmental Maintenance	6,974	6,924	(50)	5	
Fleet Services	(527)	(517)	10	31	
Highways Maintenance	1,981	2,039	58	199	
Landscape	(24)	(13)	11	46	
Operational Maintenance of Existing Network	991	1,088	97	-	

Revenue Budget Monitoring – Place

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Parking Services	(2,293)	(2,975)	(682)	(698)	Increased car parking and bus lane enforcement income offset by additional costs has resulted in forecast underspend.
Public Protection	2,085	2,025	(60)	(111)	
Street Lighting	2,795	2,795	-	(2)	
Transportation	645	522	(123)	(166)	An underspend is forecast as a result of reduced employee and computer hardware expenditure and part capitalisation of Black Country Director costs.
Waste & Recycling Services	13,309	14,112	803	683	An overspend is forecast as a result of unachieved savings which have been re-profiled in the updated MTFS.
Sub Total City Environment	23,952	23,976	24	(63)	
Total Place	41,997	41,771	(226)	(543)	

Revenue Budget Monitoring – Education

Service	2016/17 Controllable Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance Q3 £000	2016/17 Forecast Variance Q2 £000	Reason for Variation
Education					
Director of Education	134	212	78	80	
Schools	(2,600)	(1,253)	1,347	-	Sponsored academy conversion deficits are required to be met from General Fund rather than the Dedicated Schools Grant (DSG).
Standards and Vulnerable Pupils	741	817	76	1,363	
School Planning & Resources	3,487	4,030	543	342	An overspend is forecast due to Special Schools Home to School Transport service. A recent service review has identified savings not deliverable in the current year.
Total Education	1,762	3,806	2,044	1,785	

General Fund Budget Risks 2016/17

Risk	Description	Level of Risk
Medium Term Forecasting	Risks that might materialise as a result of the impact of non-pay inflation and pay awards, uptake of pension auto enrolment, Equal Pay.	Amber
Budget Management	Risks that might materialise as a result of loss of key personnel or loss of ICTS facilities	Green
Transformation Programme	Risks that might materialise as a result of not identifying budget reductions, not delivering the reductions incorporated into the budget and not having sufficient sums available to fund the upfront and one-off costs associated with delivering budget reductions and downsizing the workforce.	Amber
Income and Funding	Risks that might materialise as a result of income being below budgeted levels, claw back, reduction to government grant or increased levels of bad debts. The risk of successful appeals against business rates.	Amber
Service Demands	Risks that might materialise as a result of demands for services outstretching the available resources.	Amber
Third Parties	Risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.	Amber
Government Policy	Risks that might materialise as a result of changes to Government policy including changes in VAT and personal taxation rules and, in particular, from the Care Bill.	Red

APPENDIX F

General Fund Sundry Debt Write offs to be approved by Cabinet (Resources) Panel

Account Ref.	Reason for Write-Off	Write off Amount £
16008678	Deceased	5,727.86
16008981	Deceased	7,977.68
16009023	Deceased	8,027.01
16009188	Statute Bared	6,100.22
	Total	27,832.77

APPENDIX G

General Fund Budget Virements

From		To		£000	Reason for Virement
Directorate	Service	Directorate	Service		
Corporate	ICTS	Corporate	Corporate Business Support	67	Transfer of post between services.
People	Children and Young People	People	Older People	983	Amalgamation of Commissioning Services across People Directorate
People	Older People	People	Older People	630	Amalgamation of Commissioning Services across People Directorate
People	All Age Disability	People	Older People	442	Amalgamation of Commissioning Services across People Directorate
			Total	2,122	

Housing Revenue Account Budget Monitoring

	2016/17 Budget £000	2016/17 Forecast Outturn £000	2016/17 Forecast Variance £000
Income			
Gross rents – dwellings	(92,389)	(93,013)	(624)
Gross rents – non dwellings	(860)	(867)	(7)
Charges to tenants for services and facilities	(5,425)	(5,411)	14
Total income	(98,674)	(99,291)	(617)
Expenditure			
Repairs and maintenance	26,104	26,185	81
Supervision and management	19,135	19,021	(114)
Rents, rates and taxes	435	435	-
Increase in provision for bad debts	2,250	2,250	-
Depreciation of fixed assets	22,171	22,171	-
Total expenditure	70,095	70,062	(33)
Net cost of HRA services	(28,579)	(29,229)	(650)
Interest payable	13,597	11,263	(2,334)
Interest and investment income	(37)	(37)	-
Adjustment for premiums and discounts	(287)	(287)	-
(Surplus)/deficit before transfers to/from reserves and provision for redemption of debt	(15,306)	(18,290)	(2,984)
Allocation of (surplus)/deficit			
Provision for redemption of debt	15,306	18,290	2,984
Balance for the year	-	-	-

APPENDIX I

Rechargeable Repair Accounts over £5,000 for Write Off

Account Ref	Reason for Write off	Write off Amount £
1054080F	Collection Agent Recommendation	5,470
1057978H	Collection Agent Recommendation	5,656
1060318B	Collection Agent Recommendation	7,226
1060478B	Collection Agent Recommendation	7,210
1063760E	Collection Agent Recommendation	6,483
1072347A	Collection Agent Recommendation	6,663
1079686M	Collection Agent Recommendation	5,182
1082179A	Collection Agent Recommendation	5,455
1084392B	Collection Agent Recommendation	5,912
1094297A	Collection Agent Recommendation	7,159
1057507C	No forwarding address	6,133
1060411A	No forwarding address	8,494
1063442H	No forwarding address	5,920
1076974K	No forwarding address	5,259
1085484C	No forwarding address	11,979
1089412H	No forwarding address	11,473
	Total	111,675

APPENDIX J

Rechargeable Repair Accounts under £5,000 approved for write off by Director of Finance

Reason for Write off	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	Total £
Collection Agent Recommended	27,812	486,663	75,709	61,421	81,212	8,091	740,908
Deceased	8,161	114,657	11,240	16,265	30,244	1,314	181,881
Residential Care		14,682	2,484	2,447	7,538	487	27,639
Recharge Repairs Prison		27,322	2,556	4,193	5,244	57	39,372
Legal Recommendation		3,458		673	882	1	5,012
Unable to Manage Affairs		9,034	5,851	1,807	4,290	241	21,223
Full and Final Settlement		2,571	1,639	2,352	2,974	1,041	10,578
Uneconomical to Pursue		5,844	729		9,416	1,951	17,939
Early Settlement Discount		1,015		1,145	3,134	813	6,107
No VAT Repair Discount				578	442		1,020
Col Agent VAT		2,374	809		1,742	774	5,700
No Further Action VAT	9,529	158,488	26,529	26,947	27,564	1,388	250,446
Uneconomical to Pursue VAT					869	1,190	2,058
Legal Recommendation VAT					317		317
Full And Final Settlement VAT					178	751	929
NFA VAT					275	137	412
Early Settlement Disc VAT					260	2,495	2,754
Deceased VAT						186	186
Prison VAT						57	57
Unable Manage Own Affairs VAT					393	124	517
Moved to Residential Care VAT						63	63
Total	45,503	826,110	127,545	117,827	176,974	21,160	1,315,119

Former tenant accounts under £5,000 approved by for write off by Director of Finance

Reason for recommended write off	£	Cases
Collection Agency recommendation	176,419	209
Deceased – no estate	204,412	377
In Prison (long term)	23,543	26
Legal Recommendation	6,465	27
Senior Citizen – no funds/moved to residential care	15,991	47
Unable to manage own affairs	4,057	16
Uneconomical to pursue	1,253	92
Unable to Trace (NFA)	337,957	301
Unable to Trace (NFA), (previously w/o now being recovered)	(1,530)	4
Reinstated Debts (previously w/o and now being recovered)	(8,223)	18
Net Rent Arrears to be Written Off (all categories)	760,344	1,117