



Cabinet

**Tuesday, 28th June, 2016 at 5.30 pm
in the Committee Suite, King's Court, Chapel Street,
King's Lynn**

Reports marked to follow on the Agenda and/or Supplementary Documents

8. **MATTERS REFERRED TO CABINET FROM OTHER BODIES** (Pages 2 - 4)

To receive any comments and recommendations from other Council bodies which meet after the dispatch of this agenda.

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RECOMMENDATIONS TO CABINET 28 JUNE 2016 FROM THE AUDIT COMMITTEE AT ITS MEETING ON 20 JUNE 2016

A10 CAPITAL PROGRAMME AND RESOURCES 2015/2019

The Assistant Director presented the report which provided details of the outturn of the 2015/2016 Capital Programme and outlined amendments and rephrasing to the spending on schemes, revising the programme for 2016/2020. The Capital Programme outturn for 2015/2016 totalled £13,924,624 against an approved budget of £15,746,950.

The Committee was advised that it had been necessary to rephrase a total of £1,988,850 of scheme costs to future years. The Assistant Director explained that it had been necessary to rephrase a total of £1,988,850 of scheme costs to future years. Useable capital receipts generated in the year totalled £1,043,237. The capital resources available to fund expenditure in 2015/2016 were set out in section 3 of the report.

Members' attention was drawn to the following section of the report:

- Capital Programme 2015/2016.
- Financing of the Capital Programme 2015/2016.
- Minimum Revenue Provision.
- Capital Programme 2016/2020.
- Capital Resources 2016/2020.
- Equality Impact Assessment.
- Financial Implications.
- Risk Implications and Sensitivity Analysis.
- Appendix 1.
- Appendix 2.

The Assistant Director responded to questions and comments from the Committee, a summary of which are set out below.

In response to a question on miscellaneous movements, the Assistant Director explained that the £19,167 amounted to small underspends and gave examples set out at Appendix 1.

Following questions on the budget allocated to replacing brown garden bins, the Assistant Director explained that the budget allocated was used to purchase replacement bins, supply of bins for new properties and additional bins for those residents on the waiting list.

In response to a question regarding financing of the Capital Programme, the Assistant Director explained that the Capital Programme was funded from capital receipts, reserves, borrowing, specific grants and Section 106 contributions. The Committee was informed that Table 5 at section 6.1 provided details of the revised estimated capital resources for 2016/2020 updated after funding the 2015/2016 Capital Programme, and included amendments and rephrasing.

Following comments on the Section 106 contributions and the Community Infrastructure Levy (CIL), the Group Accountant explained that details were currently awaited regarding CIL.

In response to question regarding the joint housing venture with Norfolk County Council, the Assistant Director explained that Norfolk County Council had contributed £1m set up costs, whilst the Borough Council had contributed land to the value of £1m. The scheme was designed to regenerate the area in order to break even and the aim was not to make a surplus. However, if any surplus was made it would be split 50/50 between Norfolk County Council and the Borough Council.

Following comments on the Borough Council's future target savings, the Assistant Director explained that details would be included in future budget monitoring reports.

The Chairman, Councillor Pope thanked the Assistant Director for presenting the report.

RESOLVED: The Committee supported the recommendations to Cabinet as follows:

- 1) That Cabinet note the outturn of the Capital Programme for 2015/2016 of £13,924,624.
- 2) That the financing arrangements for the 2015/2016 Capital Programme be noted.
- 3) That Cabinet approve the revised 2016/2020 Capital Programme and financing as detailed in the report.

A11 REVENUE OUTTURN 2015/2016

The Group Accountant presented the report which set out in summary the revenue outturn of 2015/2016 for the General Fund (council tax accounts). The report showed details of the major differences between actual costs/income and the *revised* estimates for 2015/2016 reported in February 2016 monitoring.

Members were advised that the accounts showed actual Borough spend of £18,021,900, which was £48,790 less than the February Revised Estimate for 2015/2016. This additional saving would be held within the General Fund balance that was carried forward to 2016/2017.

The Group Accountant explained that the Council's continuing strategy was to identify budget savings in year, as part of the monitoring process and at year end. The savings were then transferred to the General Fund Balance for use in future years.

The Group Accountant responded to questions and comments from the Committee, a summary of which is set out below.

In response to questions regarding bad debt provision, the Group Accountant explained that the calculation of bad debt was based on the age of the debt and gave the following examples:

- 30 days = 5%.
- 365 days = 50%.

The Group Accountant advised that the bad debt provision had been included in sundry debtors at year end. The Borough Council made every effort to recover bad debts and used recovery agencies when appropriate.

Following questions on “movements to be explained”, the Group Accountant explained that details of service analysis were set out at section 3.1 onwards in the report.

In response to a question as to how it was decided the amount to be transferred to reserves, the Group Accountant explained that money would be transferred for a specific purpose and gave examples as set out below:

- Resurfacing of car parks.
- Projects within the Capital Programme.
- Works to be undertaken – Hunstanton Promenade Survey.

The Chairman, Councillor Pope thanked the Group Accountant for presenting the report.

RESOLVED: The Committee support the recommendation to Cabinet as follows:

It is recommended that Cabinet approves:

The revenue outturn and proposed transfers to reserves for 2015/2016.