Agenda Item No:	8
Report To:	Cabinet
Date of Meeting:	14 June 2018
Report Title:	Financial Outturn 2017/18
Report Author & Job Title:	Jo Stocks – Senior Accountant
Portfolio Holder	Cllr. Shorter
Portfolio Holder for:	Finance & IT

Summary:

This report presents the outturn revenue position for the General Fund and the Housing Revenue Account.

It also presents the Capital Outturn for capital works and how these have been financed, reserve transfers, and a Treasury Management update.

In February, Cabinet received the forecast based on the third quarter's position when it was reported that the General Fund outturn was an estimated £57,000 overspend. The actual outturn position is almost a balanced position reporting a small overspend of £29,000.

The Housing Revenue Account was forecasting an underspend of £318,000 at quarter three. The actual outturn position is an underspend of £1,693,000, with a reduction in spend on capital projects due to slippage in the programmes therefore the overall spend is still required and will be utilised in future years.

Key Decision: NO

Significantly Affected Wards: All, none significantly

Recommendations: **The Cabinet is recommended to:-**

I. **Note the financial outturn for 2017/18**
II. **Approve carried forward requests, for New Homes Bonus in year underspends shown at Appendix A and member grant underspend to fund the centenary events**
III. **Note the Annual Treasury Management position**
IV. **Note the breach in the Treasury Management Strategy limits**

Policy Overview: Upholding a strong focus on managing the Council's resources in line with the Council's Corporate Plan and the Medium Term Financial Plan is a top priority for the Council. This is exercised through our regular monitoring procedures

	and the responsibilities that managers have for the stewardship of budgets
Financial Implications:	The General Fund outturn was a deficit of £29,000. The Housing Revenue Account was underspent against the budgeted deficit by £1,693,000. Various transfers to and from reserves reflect the approved 2017/18 budget strategy and statutory requirements. The level of earmarked reserves (which includes developer contributions) at 31 March 2018 was an increase of £1,901,000 compared to the start of the year.
Legal Implications	
Equalities Impact Assessment	Please see the Budget setting process assessment
Other Material Implications:	None
Exempt from Publication:	**NO**
Background Papers:	None
Contact:	Maria.seddon@ashford.gov.uk – Tel: (01233) 330547 Jo.stocks@ashford.gov.uk – Tel: (01233) 330548

Agenda Item No. 8

Report Title: 2017/18 Outturn Report

Introduction and Background

1. Following the closure of the 2017/18 service accounts this report provides Members with the outturn results for the General Fund (GF) and the Housing Revenue Account (HRA) for 2017/18. It also covers outturn of capital spending and an update on treasury management.

2. The statutory deadline for closing and the Section 151 Officer (Director of Finance and Economy) signing off the accounts for presentation to our external auditors is the end of May.

Proposal/Current Position

3. Members are being asked to note the outturn results, treasury management position and breach of strategy, in addition to approving the recommendations for movements to and from reserves and carry forward requests for new homes bonus.

2017/18 General Fund Outturn

4. Overall the final outturn position is £29,000 over the current approved budget, as shown at **Table 1,** with further analysis, by service, at **Table 2**. This final position reflects a number of variances that occurred during the year. The most significant movements for each service area are explained below.

   <u>Chief Executive</u>

5. There is an £81k pressure as a result of the Chilmington Manager being moved to this area, there is a corresponding saving in corporate costs.

6. Pressure of £30,000 relating to the corporate restructure of Corporate Policy, and the decision to retain staff on a temporary basis to work on special projects such as the centenary events.

7. A new post, Data Protection Officer, added a pressure of £47,500 this was to be funded from reserves however due to savings elsewhere it has been decided to fund in year.

   <u>Director of Finance and Economy</u>

8. There is a pressure of £282,000 within Corporate Property, this includes:
   a. £114,000 of this overspend is as a result of the reported voids at International House.
   b. £140,000 on reactive repairs, due in part to the £30,000 lighting improvements in North Park, £17,000 for the refurbishment of Ashford Museum, £38,000 for repairs to Julie Rose Stadium
   c. £25,000 pressure which was used for the Town Centre forums, to discuss the regeneration of the town

9. To reduce future spend on reactive repairs a new post of ‘Property and Asset Manager’ will be introduced during 2018/19, a new Asset Management system (costing £22,000) was purchased in 2017/18 to support this role and promote a pro-active maintenance schedule.

10. There is a pressure of £320,000 in Housing. As reported throughout the year, £284,000 is as a result of the increasing numbers of homeless families. However, in January 2018 Cabinet agreed an implementation plan, targeted towards improving front line resources and focusing on the prevention of homelessness. In addition to this, progress has been made in the delivery of Christchurch Lodge, to provide further short stay accommodation. It is anticipated that these actions will deliver a reduction of numbers in temporary accommodation, particularly B&B, moving forward.

11. There is a £282,000 pressure in Finance. £50,000 is due to the ICT review, which made a number of recommendations to improve the service; there is also an additional £50,000 as a result of an increase in software prices. There were also increases in the MMI (Municipal Mutual Insurance) provision and Bad Debt Provisions totalling £162,500. A number of savings were made a result of the re-structure of Management Team and Directors. This area also shows the efficiency savings target, however savings are reflected in individual services.

<u>Director of Law & Governance</u>

12. There have been a number of salary savings in Legal & Democratic Services during the year, which have been offset by spend on consultants, to cover vacant posts. In addition to this there has been additional income of £69,000, relating to a number of developments in the borough.

13. Parking is showing an overall underspend of £81,000 which includes:

    a. Increase in salary costs of £96,000 for additional Enforcement Officers, partly offset by additional enforcement income and partly from reserves. In future years the pressure will be fully funded from additional enforcement income

    b. Income from enforcement (explained above) and parking has increased by £160,000.

    c. Savings have also been achieved in repairs and maintenance of the car parks

<u>Director of Place & Space</u>

14. Culture is broadly in line with the reported forecasts throughout the year, however there has been additional spend on a number of projects including £15,000 for the Victoria Park development.

15. Environmental Services showed a saving of £443,000 for 2017/18, £327,000 of this saving was generated by Aspire which completed its first full year of operations. Some of these underspends are as a result of contingency budgets not being required and some as a result of operational equipment wearing better than anticipated. The estimates for 2018/19 were set with this on-going underspend in mind and officers will continue to monitor the position.

16. Savings were also made in refuse and recycling which saw an increase in garden waste income of £60,000. There was an anticipated contribution to reserves of £40,000 for bin replacement, however this funding is now in place therefore the contribution was not required. The remaining savings of £68,000 come from the wider street scene budget with significant contributions coming from cemeteries unscheduled works, £20,000, and a further £20,000 salary savings. £23,000 of savings were also achieved as a result of the closure of the public conveniences at Vicarage Lane.

17. Planning has an underspend of £37,000, primarily from savings in the Building Control Team. The wider Planning service is balanced through the Planning reserve with the intention that surpluses in income will be used to fund the local plan inspection costs and contest planning appeals.

18. Analysis of the 2017/18 outturn position showed that additional planning income in the region of £360,000, which was partly used to fund additional staffing pressures in the department requiring the engagement of consultants at an additional cost of circa £150,000. There were also significant planning appeal costs incurred during 2017/18 which required additional external resource in the region of £320,000.

19. Other movements include savings in anticipated local plan costs, in year, of circa £50,000, although these costs will now fall in 2018/19 and need to be supported from the planning reserve.

20. The overall movements in planning reserve in 2017/18 saw around £40,000 being used to fund service pressures as explained above, although a grant for £19,000 for Design Quality funding was added to the reserve.

Capital Charges and Net Interest

21. Capital and Net Interest is covered in the Treasury Management section of this report (from paragraph 48).

Table 1 – General Fund Budget Outturn - Directorate

Directorate	**Current Budget (net) A £'000**	**Outturn (net) 2017/18 B £'000**	**Variance (B-A) £'000**	**Movement from Quarter 3 £'000**
Chief Executive	935	1,084	149	52
Director of Finance & Economy	3,191	4,076	885	240
Director of Law & Governance	1,836	1,776	(60)	118
Director of Place & Space	9,503	9,186	(317)	(113)
Recharge adjustment		(17)	(17)	0
Net Service Expenditure	**15,465**	**16,105**	**640**	297
Capital Charges and net interest	(2,033)	(2,589)	(556)	(190)
Revenue Contribution to Capital	0	359	359	0
Levies, Grants and Precepts	250	250	0	0
Contribution to reserves	1,319	2,040	721	(41)
Budget Requirement	**15,001**	**16,165**	**1,164**	66
Financing:				0
NNDR Pool	(3,422)	(3,415)	7	(615)
NNDR S31 Grant	(1,115)	(1,804)	(689)	615
Council Tax	(7,079)	(7,526)	(447)	0
New Homes Bonus	(3,395)	(3,401)	(6)	(0)
	(10)	**19**	**29**	66

Table 2 - General Fund Outturn – Service

Service	Current Budget (net) A £'000	Outturn (net) 2017/18 B £'000	Variance (B-A) £'000
Chilmington Management Organisation	69	150	81
Corporate Policy, Economic Development & Communications	866	934	68
Corporate Property & Projects	(1,380)	(1,098)	282
Finance & IT	3,950	4,233	282
Housing Services	621	941	320
Health, Parking & Community Safety	490	444	(46)
HR & Customer Services	94	124	30
Legal & Democratic Service	1,252	1,208	(44)
Culture	3,018	3,181	163
Environmental and Land Management	4,949	4,506	(443)
Planning	1,536	1,499	(37)
Recharge Adjustment		(17)	(17)
Net Service Expenditure	**15,465**	**16,105**	**639**
Capital Charges & Net Interest	(2,033)	(2,589)	(556)
Revenue Contribution to Capital	0	359	359
Levies, Grants and Precepts	250	250	0
Contribution to Reserves	1,319	2,040	721
Budget Requirement	**15,001**	**16,165**	**1,163**
Financing:			
Retained Business Rates	(3,422)	(3,415)	8
Business Rates S31 Grants	(1,115)	(1,810)	(695)
Council Tax	(7,079)	(7,526)	(447)
New Homes Bonus	(3,395)	(3,395)	0
	(10)	**19**	**29**

New Homes Bonus

22. There are a number of projects, funded from New Homes Bonus, which are left over from the old scheme. Some of these one off projects are still not complete, **Appendix A** details the remaining projects and the amount required to be carried forward into 2018/19.

23. During the year there has been expenditure on a number of areas including:

    a. T-CAT, working to enhance the aesthetics of the Town Centre and surrounding areas

    b. Town Management Team, working to regenerate the town including the development of the Love Ashford website

24. New homes bonus is no longer bid for as in the past, but is now being pooled in conjunction with other corporate resource to support the council's delivery programme which focuses on strategic priorities within the corporate plan.

25. Following this change in methodology the surplus New Homes Bonus income is transferred to the new homes bonus reserve. As at the 31st March the New Homes Bonus reserve was £3.311m (£3.133m for corporate projects and £178k for on-going projects).

Collection Fund Outturn

26. The Collection Fund is the statutory mechanism by which income gathered by a billing authority (in this case, Ashford Borough Council) from Council Tax and Business Rates is distributed to Government and precepting authorities (KCC, Fire, Police and Parishes).

27. Overall the collection rates for both Council Tax and Business Rates have been high in 2016/17 at 98.17% and 99.26% respectively, this is consistent with previous years signalling the continued strength of the Boroughs economy and the robust collection arrangements in place.

Council Tax

28. The year-end position for Council Tax shows a surplus of £2,298,800; this surplus will be divided between the major precepting authorities, with the Council's share being around 12%. This surplus is higher than the original budget, but is in line with the estimates reported throughout the year, it is as a result of 300 more Band D properties than anticipated as well as a reduction in claims for Council Tax support.

Table 3 - Council Tax Position

	Outturn (net) to 31/03/18
Opening Surplus	(2,944,562)
Surplus distributed to Major Preceptors	1,995,691
2017/18	
Amount of Council Tax to be paid to Major Preceptors	71,270,041
Amount of Council Tax billed	(72,353,734)
Changes to bad debt provision	(266,125)
In year (Surplus)/Deficit	**(1,349,817)**
Overall (Surplus)/Deficit	**(2,298,688)**

Business Rates

29. Net rates payable by ratepayers is £2,742,000 less than forecast, this is partly as a result of appeals paid out in year of £1,078,000, but is also as a result of an increase in the reliefs paid out, which has decreased the rate yield. This increase in reliefs will be offset by s31 grant from government.

30. The provision for bad debts and appeals has been increased, this increase is the result of the revaluation of the 2017 rating list. Government anticipate the impact of appeals, as a result of the new list, will be 4.7% of Gross Rate Payable, all Kent authorities are applying this methodology to the 2017 list. In addition to appeals to the 2017 list there are a number of outstanding appeals in respect of the 2010 list, which have been re-analysed and as a result the provision in respect of these potential appeals has been reduced.

31. Business Rate income is lower than anticipated, resulting in an overall collection fund deficit of £1,800,400, the council’s share of this is deficit is £720,000, it is anticipated that the increase in s31 grant will cover this.

Table 4 - Business Rates Position

	Original Budget 2017/18	Outturn (net) 2017/18
Opening (Surplus)/Deficit		2,867,507
Deficit recovered from Major Preceptors		(2,378,178)
2017/18		
Amount of Business Rates to be paid to Major Preceptors	49,481,875	49,481,875
Amount of Business Rates Billed	(52,412,324)	(50,257,628)
Other Items Charged to the Collection Fund	241,449	281,580
Bad Debts/Appeals	2,689,000	1,751,808
In year (Surplus)/Deficit	**0**	**1,311,095**
Overall (Surplus)/Deficit		**1,800,426**

32. The Council continues to be a member of the Kent Business Rates Pool, the benefit of the Pool is that the levy paid to Government (£105,000) is significantly lower than if we had acted individually (£1,339,000), resulting in a net benefit of £1,234,000. Under the pooling agreement for 2017/18 Ashford Borough Council retains 30% (£370,000) of this benefit, a further 30% goes to Kent County Council, 30% is put into a ‘Growth Fund’ for Economic Development within Ashford, with the remaining 10% (£123,000) being put aside for use as a Safety Net Reserve to mitigate risk.

Transfers to/from Reserves

33. Earmarked reserves are balances held for specific purposes, at the end of the year transfers are made to and from earmarked reserves, overall the earmarked reserves increased by £1,901,000 during 2017/18. The transfers included in this movement are:-

    a. Transfer of £250,000 to the Repairs and Renewals Reserve to provide funding for maintenance to infrastructure and assets.

    b. £200,000 has been transferred to an Economic Risk Reserve. As the council becomes more commercial in its activities, this reserve is designed to mitigate the risk that these commercial activities may bring. It is the intention to build these reserves to 15% of the net budget requirement over the next few years.

34. The current General Fund balance is £2.75m and adheres to the minimum balance of 15% of the Net Budget Requirement which equates to £2.16m for 2018/19.

Table 5 - Summary of Earmarked Reserves

	Balance at 31st March 2017 ***£'000***	**2017/18 Transfers** ***£'000***	**Balance at 31st March 2018** ***£'000***
Fund future expenditure	(5,196)	(1,783)	(6,979)
Provide for purchase/maintenance of assets	(4,398)	200	(4,198)
Required by statute reserves	(278)	82	(196)
Developer Section 106 contributions	(6.919)	(400)	(7,319)
Earmarked Reserves	**(16,791)**	**(1,901)**	**(18,692)**

2017/18 Housing Revenue Outturn (HRA)

35. The outturn on the HRA is showing a £1,693,000 underspend, with the outturn being a deficit of £3,206,000 compared to the budget of £4,899,000. This underspend will be put back into the HRA reserves to be used on future projects that form part of the HRA Business Plan.

36. Income on rent is £250,000 lower than anticipated, this is largely due to the Rent Rebate Subsidy Limitation, which is a levy paid to the General Fund to repay the difference between the Housing Benefit subsidy awarded and the Housing Benefit paid out. This payment is the result of average rents being higher than the Limit set by Government.

37. Further pressures on HRA income have been reported during the year and are as a result of the 1% rent reduction enforced by Government, as well as reduced income from Service Charges and Supporting People, linked to the refurbishment of Danemore and East Stour Court.

38. Supervision and Management costs are higher than anticipated, this is mainly due to the decanting of East Stour Court. Although these costs were anticipated as part of the East Stour Court project they were allocated to Capital, but now form part of the revenue expenditure, there will therefore be a saving in project costs to offset this.

39. Repairs and Maintenance costs are higher than anticipated, £144,000 of the additional expenditure were originally forecast as Capital Expenditure, but have been transferred to revenue for accounting purposes. In addition to this there is £104,000 relating to insurance for leaseholders, this will be recoverable in future years, but is an overspend in 2017/18.

40. An underspend of £2,032,000 for Capital projects during this year, partly because projects have been funded from other sources, such as HCA grant, ‘one-for-one’ money and capital receipts, and also because some projects are not as far ahead as anticipated when the budget was set 18 months ago. For example the purchase of street properties was delayed as a result of a longer negotiation period with developers, these purchases will now occur in 2018/19. Overall the projects will consume the budgeted resources, however this will happen in later years.

41. The HRA bad debt provision has been increased by £156,000, this pressure is due to the impact of Welfare reform. As reported previously officers are implementing the RentSense system which will assist in identifying potential problems before they arise and enable more time to be spent resolving longer term arrears.

42. Capital Expenditure on decent homes is £1,324,000 less than expected. £822,000 has been reported throughout the year. In addition to this £144,000 has been transferred to Revenue (see paragraph 39), as well as an additional saving of £240,000 in respect of a delay in the commencement of the Fire Safety contract, and £90,000 saving on boiler installation where engineers were re-deployed to maintenance during the cold weather, this work will need to be completed in the future.

Table 6 – 2017/18 Housing Revenue Account Outturn

Budget Page	Current Budget 2017/18 A £'000	Outturn 2017/18 B £'000	Variance (B-A) £'000
Income	(25,511)	(24,703)	808
Supervision and Management	5,158	5,443	285
Repairs and Maintenance	3,328	3,462	134
Other	21,924	19,004	(2,920)
Net Revenue Expenditure	**4,899**	**3,206**	**(1,693)**
Capital Works -Decent Homes	4,424	3,100	(1,324)
Capital Works financed by:			
Major Repairs Allowance	(4,424)	(3,100)	1,324
Contribution to/(from) Major Repairs Reserve			
Net Capital Expenditure	0	0	0
Total Net Expenditure	**4,899**	**3,206**	**(1,693)**

43. The forecast deficit of £3,206,000 will be funded from HRA Revenue reserves, which have a closing balance, at 31 March 2018, of £3,547,000. This reserve balance is a key part of the 30 year HRA Business Plan.

Capital Outturn

44. In addition to the Revenue Budget the Council continued to operate a Capital Programme.

45. As part of the closing process the capital spending for the year is assigned to various assets, and the funding source identified. Details of capital spend and financing are contained in **Table 7** below.

46. The Council uses many sources of funding for projects including Section 106 Developer Contributions and Homes & Community Agency Grants, as well as other grants and the Council's own capital receipts, revenue reserves and prudential borrowing.

47. Major projects during 2017/18 included:

    a. Elwick Place - During the year work has progressed on site in line with the build schedule, and there have been no significant variations to the build specification that would impact the expected completion date of December 2018. Expenditure incurred in 2017/18 is £19,300,000.

    b. Land and buildings purchased for economic and regeneration purposes have included Mecca Bingo Hall £1,895,000 in the town centre and land at Blinds Groom Lane £443,000.

    c. Repton Park Community Centre is nearing completion, with £959,000 spent in 2017/18.

    d. A further £1,902,000 has been spent on completing Farrow Court Phase 2.

    e. Danemore sheltered housing accommodation redevelopment has incurred costs of £3,385,000

    f. £3,100,000 was spent on the existing housing stock to ensure Decent Home Standards are maintained

Table 7 – Summary of Capital Spending and Financing

	£'000
General Fund Capital Expenditure	25,200
HRA Capital Expenditure	13,600
Total Expenditure	**38,800**
Funding	
Capital Receipts	3,434
1-4-1 Capital Receipts (ring fenced for affordable housing)	819
Repairs and Renewals reserve	203
Earmarked Reserves	427
External Grants and Contributions	2,689
Developer Contributions	1,730
GF Revenue Contributions	358
HRA Revenue Contribution	4,480
Major Repairs Reserve	3,100
Prudential Borrowing	21,560
Total Funding	**38,800**

Table 8 – Capital Receipts

	£'000	Total Received £'000
Right to Buy Sales Receipts		2,818
Less		
Admin Costs	(3)	
Government share (Pooling liability)	(486)	(489)
Other HRA Capital Receipts		68
Less costs		(17)
General Fund Capital Receipts		812
Less costs		(20)
Total Capital Receipts		**3,172**
Housing Revenue Account Receipts		
Unringfenced receipts		(642)
1-4-1 capital receipts for affordable housing		(1,497)
Total HRA Receipts		**(2,139)**
General Fund Receipts		**(1,033)**
		3,172

2017/18 Treasury Management Position (Capital Charges and Net Interest)

48. Capital charges and net interest had a surplus of £556,000 in year, compared to a reported surplus of £489,000 at quarter 3. An additional £67,000 surplus was as a result of changes in the forecast MRP (Minimum revenue provision) and the actual MRP calculation.

49. The surplus of £556,000 in relation to the treasury management function and was mainly due to the additional investment income of £372,000, and a saving of £120,000 on long term borrowing forecast, as the decision to borrow short term from other local authorities was continued.

50. The additional investment income is due to a change in the investment strategy, as well as a decision to borrow for previous purchases rather than use reserves. As a consequence, the additional income generated from borrowing increased cash balances and therefore the opportunity to invest this cash in equity funds was taken, which resulted in higher interest receipts. These Equity Funds along with the CCLA (churches, Charities, Local Authorities) Property fund, represent strategic long term investments for the Council and the performance of these funds is detailed below.

Equity Funds

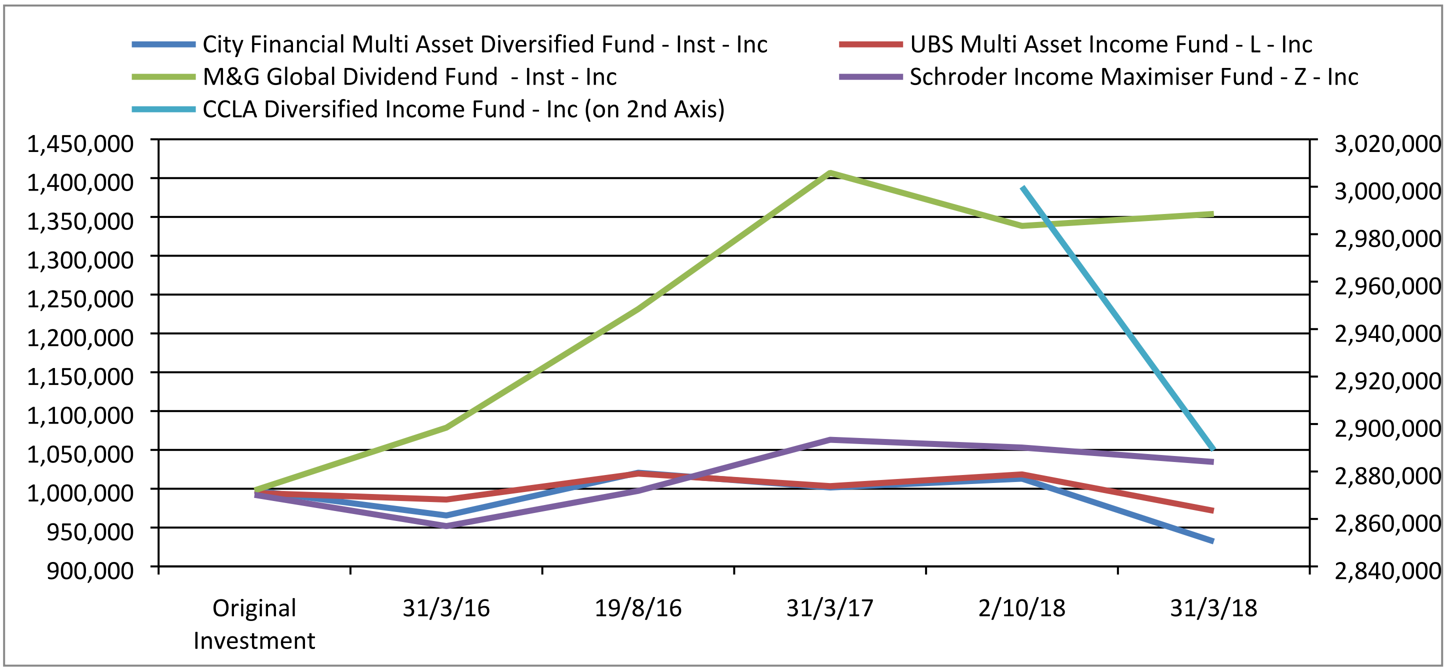
51. In October 2017 the Council increased its equity fund holding by £3,000,000 and added the CCLA Diversified Income Fund to the portfolio. Overall the suite of equity funds generated interest of £234,000, in 2017/18, which represents 3.95% return across the funds.

52. Having generated additional capital growth of £493,000 in 2016/17, capital values retracted in 2017/18 and closed £294,000 down on the previous year's balance, although they still represent growth of £199,000 on original investment levels. The normal capital fluctuations of equity funds do not impact the tax payer directly, with movements being reflected on the Council's statement of financial position.

53. The Graph below shows the movement in capital values of the Council's equity funds from time of purchase and through 2017/18, please note that the CCLA Diversified income fund is shown on the right Axis to enable scaling of the graph.

54. You will see on the graph that the CCLA Diversified Income fund lost capital value following acquisition and dropped to £2,889,000 as at year end, however, as at 30 April 2018 this had recovered slightly to £2,939,000.

Capital Movement in Equity Funds 2017/18



* Original Investments were made between 26/08/2015 and 3/11/2015, CCLA DIF fund was purchased on 02/10/18.

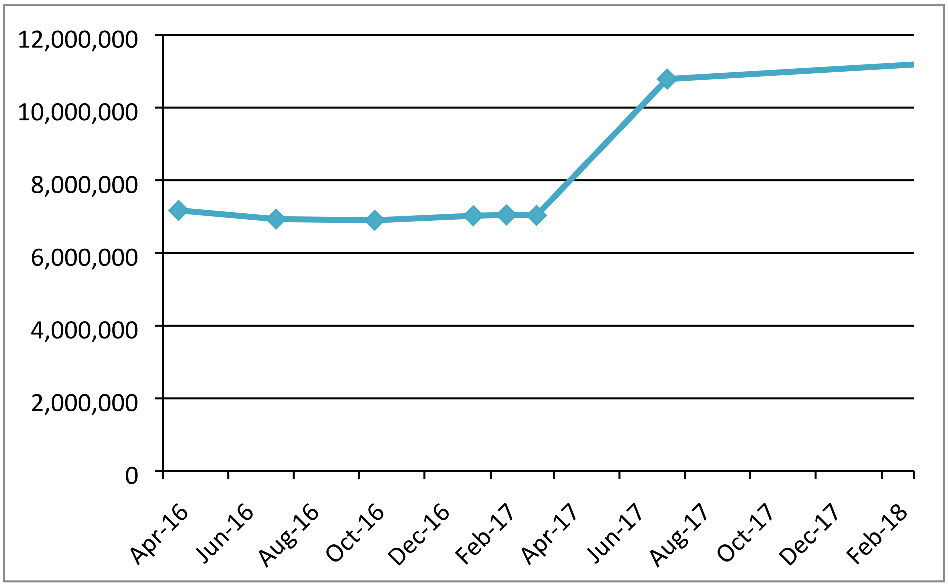
<u>CCLA Corporate Property Portfolio</u>

55. The Council has been invested in the CCLA Property fund for a number of years and as at 31/03/2017 had made investments totalling £6,000,000 and enjoyed returns in the region of 4.5% to 5%, in addition to capital growth of £1,034,168. During 2017/18 (31 July 2018) the Council placed a further £4,000,000 in the fund taking the total investment to £10,000,000.

56. When buying additional shares in the CCLA Property Fund the Council had to pay an entry fee of £230,437 which is taken from the original investment, at year end £56,214 of this had been recovered thorough capital growth.

57. In 2017/18 the investments in the CCLA Property Fund generated an interest receipt of £455,879 to the Council, representing a yield of 4.64%. The overall value of the fund closed at £11,208,041 which if sold would represent a capital gain of £1,208,041 to the Council, or act as a 12% buffer against any future decline in the capital value of the fund.

Capital movement in the CCLA valuation 2017/18



58. The investment in A Better Choice for Property Ltd shown in the investment table at **Appendix B** represents the fair value of the Property Company as per the companies 2017/18 un-audited accounts. The increase in the fair value reflects the positive year the company has had and the continued strengthening of the company's underlying assets, it shows the Council currently has capital growth in the property company of £342,016.

59. In addition to the capital growth the Council has now loaned the Company £6,007,000 at a commercial rate which generated the Council an interest receipt of £167,646 in 2017/18.

60. A full schedule of the treasury management positions as at 31 March 2018 are shown at **Appendix B**.

Borrowing

61. 2017/18 represented a change for Treasury Management as the Council needed to approach markets to borrow funds. This need is due to the capital expansion plans of the Company (namely the Elwick development) and the decision to now borrow for previously approved projects such as International House.

62. The Council has adopted the strategy of using short term borrowing which is accessible from other local authorities, this strategy is reviewed on an ongoing basis with the Council's Treasury Management Advisors.

63. This strategy has enabled savings in borrowing costs of £120,000 in 2017/18.

Implications and Risk Assessment

64. The figures in the Accounts may change if the audit identifies a need, this may lead to a change in outturn.

Consultation Planned or Undertaken

65. As part of routine budget monitoring all budget holders are consulted about their outturn estimates and this forms the basis of the outturn forecasts. Services have been consulted for explanations of variances.

Next Steps in Process

66. This report has been prepared alongside this statement of Accounts. The Accounts will be audited during June and signed off during July at the Audit Committee.

67. The closing position helps inform the 2018/19 outturn and any changes to the current year will be presented to Members in the first Budget Monitoring report.

Portfolio Holder's Views

68. To be given at meeting

69.

Contact and Email

70. Jo Stocks

71. Jo.stocks@ashford.gov.uk

Appendix A

New Homes Bonus Carry Forward Requests to 2018/19

Project Theme	Outline	2017/18 Budget	2017/18 Outturn	2018/19 Carry Forward Request
Tourism & Business in Rural Areas	Wine trail	4,665	0	4,665
Tourism and Gateway (Relocation)	TIC relocation	29,752	0	29,752
Space Science Destination	Initial feasibility work	38,660	0	38,660
Town Centre Projects	Refurbishment of the area between County Square & Park Mall	105,000	0	105,000
	Total	**178,077**	**0**	**178,077**

Appendix B

Treasury Management Portfolio as at 31 March 2018

Counter Party	Deal Date	Rate %	Amount £	Fair Value £	Comment
Investment Accounts					
Goldman Sachs	Various	0.32%	50,000	51,295	*
ICD Portal - BNP Paribas	Various	0.40%	5,000,000	5,000,000	*
ICD Portal - Invesco	Various	0.35%	5,000,000	5,000,000	*
ICD Portal - Black Rock	Various	0.31%	4,028,500	4,028,500	*
Payden Global MMF	Various	variable	3,000,000	2,990,298	*
Total Investment Accounts			**17,078,500**	**17,070,093**	
Long Term Investments					
Local Authority Investments					
Blaenau Gwent	21/10/2014	2.00%	3,000,000	3,000,000	Matures 21/10/2019
Property Investment					
CCLA Local Authority Property Fund	Various	4.60%	10,000,000	11,105,134	
A Better Choice of Property Ltd.***	Various	3.69%	175,000	517,016	
Equity Funds**					
City Financial Multi Asset Diversified Fund	27/08/2015	3.37%	997,687	952,502	**
UBS Multi Asset Income Fund	26/08/2015	4.00%	994,504	980,127	**
M&G Global Dividend Fund	27/08/2015	2.13%	997,914	1,369,354	**
Schroder Income Maximiser	03/11/2015	7.47%	992,152	1,051,051	**
CCLA Diversified Income Fund	Various	1.71%	1,986,809	2,889,020	**
Total Long Term Investments			**19,144,066**	**21,864,203**	
Total Investment Portfolio			**36,222,566**	**38,934,296**	

* Money Market Fund (MMF) are AAA rated deposit facilities which have variable rates of interest but have constant net asset values. Interest rates are shown at the time of producing this report.

** Equity funds and the Property fund have variable rates of interest and also have fluctuating capital values, the amount stated is the current fair value.

*** A Better Choice Of Property Ltd. is a solely owned subsidiary of ABC

Debt Portfolio as at 31 March 2018

Counter Party	Deal Date	Rate %	Amount £	Fair Value	Comment
Temporary Borrowing					
Middlesbrough Council	20/11/2017	0.50%	5,000,000		Maturity 20/04/2018
Middlesbrough Council B Account	21/11/2017	0.45%	5,000,000		Maturity 09/04/2018
Basildon Borough Council	15/12/2017	0.43%	2,000,000		Maturity 18/04/2018
Durham County Council	15/12/2017	0.50%	5,000,000		Maturity 16/04/2018
Basildon Borough Council	01/02/2018	0.55%	2,000,000		Maturity 02/05/2018
Runnymede Borough Council	02/02/2018	0.55%	2,000,000		Maturity 02/08/2018
Middlesbrough Council B Account	13/02/2018	0.50%	10,000,000		Maturity 12/04/2018
London Borough of Newham Council	19/02/2018	0.50%	5,000,000		Maturity 21/05/2018
Total Temporary Borrowing			**36,000,000**		
Long Term Borrowing					
Public Works Loan Board***	various	various	114,664,150		Maturity Date - various
Total Long Term Borrowing			**114,664,150**		
Grand Total Borrowing			**150,664,150**		