

<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 19 July 2016	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Revenue Outturn Report 2015-16, including Treasury Management	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Finance, Modernisation and Performance	

## **FOREWORD – COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, MODERNISATION AND PERFORMANCE**

The 2015-16 revenue outturn report shows that we have continued to meet our increasingly difficult budget that was set this year, including the challenge of implementing a £30m savings target.

However, as set out in the previous report, 2015-16 has been a testing year with ongoing budget pressures in temporary accommodation and expenditure on no recourse to public funds requiring the utilisation of the in year contingency.

Further, service cost pressures, particularly for children’s and adults’ services and the in year 6% cut in Public Health Grant, has exacerbated the need to release reserves earmarked for these anticipated pressures.

Moving into 2016-17, additional attention will be placed on monitoring these budget pressures as we aim to continue on our promises to Southwark residents for a fairer future; continuing to keep council tax low by delivering value for money across all our high-quality services.

### **RECOMMENDATIONS**

1. That the cabinet notes the favourable general fund outturn position for 2015-16 of £679,000.
2. That the cabinet notes the key adjustments and reserve movements included within this final position including :
  - the use of £4.0m contingency to partially address cost pressures for both temporary accommodation and no recourse to public funds (NRPF);
  - the utilisation of the agreed £6.163m reserve movement to balance the 2015-16 budget;
  - the planned use of departmental and corporate reserves of £15.443m to support service priorities, capital, regeneration, modernisation and other key projects;
  - the treasury management position statement for 2015-16;
  - the housing revenue account (HRA) outturn deficit position for 2015-16.
3. That the cabinet approves the general fund budget movements that exceed £250k, as shown in Appendix A.

## **BACKGROUND INFORMATION**

4. This report sets out the outturn position for both the general fund and housing revenue account for the 2015-16 financial year.

### **General Fund**

5. On 25 February 2015 the council agreed a net balanced general fund budget of £283.2m. This budget assumed no increase in council tax for the year and included a further planned contribution from corporate reserves of £6.2m to mitigate the impacts of continued reductions in government funding and demand pressures on services. In addition, the budget assumed planned use of corporate and departmental reserves to support services and key council initiatives, including the introduction of a council-wide enhanced voluntary redundancy scheme.
6. As part of the setting of this balanced budget, the council approved decisions including gross efficiencies and savings of £30m within the general fund for 2015-16. These savings were necessary in order to offset reductions in government funding and increased demand for services. Cabinet received regular reports throughout the year to monitor the overall budget position including these savings.

### **Housing Revenue Account**

7. On 27 January 2015, cabinet approved an increase in tenants' rents and service charges of 2.2% in line with government guidance of CPI +1%. In addition, £5.4m of efficiency savings and £5.5m of income measures were required in order to set a balanced budget for 2015-16. This enabled the HRA to:
  - meet unavoidable commitments and increase revenue support for the housing investment programme (HIP);
  - meet the investment needs of the existing stock; and
  - contribute to the delivery of 11,000 new council homes.

## **KEY ISSUES FOR CONSIDERATION**

### **General fund outturn position**

8. The outturn position for general fund services can report a favourable variance for the year of £679k. This was after the planned use of corporate reserves (£6.163m) and the use of other departmental and financial risk reserves set aside to support demand pressures across services (net £15.443m). Table 1 below shows the outturn position by department for 2015-16.

**Table 1: General fund outturn position for 2015-16**

General fund	Original budget £'000	Budget movement £'000	Revised budget £'000	Spend in year £'000	Variance before use of reserves £'000	Net movement in reserves £'000	Total use of resources £'000	Variance after use of reserves £'000
Children's and adults services/ Public Health	183,602	1,535	185,137	203,864	18,727	-17,143	186,721	1,584
Environment and leisure	67,481	1,393	68,874	73,413	4,539	-4,540	68,873	-1
Housing and modernisation	36,604	25,177	61,781	72,990	11,209	-5,491	67,499	5,718
Chief executive's department	11,735	-4,720	7,015	9,193	2,178	-2,180	7,013	-2
Finance and governance	21,887	-1,231	20,656	21,920	1,264	-1,231	20,689	33
Corporate	10,587	-22,586	-11,999	-31,152	-19,153	15,142	-16,010	-4,011
Support cost recharges	-46,508	432	-46,076	-46,076	0	0	-46,076	0
Contingency	4,000	0	4,000	0	-4,000	0	0	-4,000
<b>Total general fund services</b>	<b>289,388</b>	<b>0</b>	<b>289,388</b>	<b>304,152</b>	<b>14,764</b>	<b>-15,443</b>	<b>288,709</b>	<b>-679</b>
Use of reserves to underwrite base budget	-6,163	0	-6,163	0	6,163	-6,163	-6,163	0
<b>Net revenue budget</b>	<b>283,225</b>	<b>0</b>	<b>283,225</b>	<b>304,152</b>	<b>20,927</b>	<b>-21,606</b>	<b>282,546</b>	<b>-679</b>

9. Appendices A and B detail the final quarter's movements for cabinet to approve or note as appropriate. Earlier budget movements have been included in the quarter 1, quarter 2 and quarter 3 reports to Cabinet.
10. The following key areas of activity report for the year are outlined below. The overall impact of these transactions are reported in full within the draft statement of accounts which were signed off by the S151 Officer on 30 June 2016 and are now subject to external audit.
- Contingency (paragraphs 11 to 13)
  - Temporary Accommodation (paragraph 14 to 18)
  - No recourse to public funds (paragraphs 19 to 21)
  - Children's and Adults Services and Public Health (paragraphs 22 to 28)
  - Voluntary redundancy (paragraphs 29 to 30)
  - Reserves (paragraphs 31 to 38)
  - Direct revenue funding of capital (paragraph 39)
  - Savings (paragraphs 40 to 41)
  - Collection Fund (paragraphs 42 to 47)
  - HRA (paragraphs 48 to 51)
  - Treasury Management (paragraphs 52 to 55)

## **Contingency**

11. The 2015-16 budgets included £4m for contingency. Contingency has been provided primarily to mitigate the inherent risks within the significant savings targets contained within the base budget. Where appropriate it has also been available to meet unforeseen costs that may arise during the year that cannot be contained by other management action.
12. As reported previously for 2015-16, there have been significant pressures on both temporary accommodation and no recourse to public funds (NRPF) budgets, despite management action. The outturn position on these pressure areas shows final adverse variances of £1.8m for temporary accommodation and £4.0m for NRPF, totalling £5.8m.
13. In these circumstances, and given general success in achieving planned savings targets, the £4.0m contingency budget has been used as the first call on funding these two pressures. The remaining £1.8m adverse variance has been offset by unforeseen calls on other council reserves.

## **Temporary Accommodation**

14. Previous monitoring reports alerted cabinet to the significant financial pressure presented by increasing temporary accommodation demand and consequent costs. This pressure is believed to have been caused not least by recent legislative changes especially with regard to welfare benefit, the costs of housing in inner London and population movements.
15. Demand for temporary accommodation has continued to rise over the last few years. By the end of 2015-16 the council had responsibility for 544 placements compared with previous averages of around 195.
16. Limited use of privately leased accommodation has helped to meet some demand, but for many providers this is no longer financially viable given the impact of welfare benefit reforms. Void properties and hostel accommodation have also helped to alleviate restrictions on the supply side, which helps to ameliorate the impact through the HRA.
17. Despite these measures, the impact of meeting the council's statutory obligations for homelessness incurred an additional cost in year of £1.9m (estimated £2.3m in Q3), to be funded through a combination of contingency and financial risk reserves.
18. Moving forward, and in recognition of the continued recent trend of rising demand and costs, the council agreed to increase the budget provision for temporary accommodation from 2016-17.

## **No Recourse to Public Funds**

19. Despite a thorough review of long standing cases and the introduction of a more rigorous assessment process, the caseload for NRPF has remained consistently high. Management action is beginning to have an impact and expenditure in future years is expected to be contained, albeit within an increased budget provision agreed by the council as part of the Policy and Resources Strategy for 2016-17 and beyond.

20. The final outturn position for no recourse to public funds reported total spend for the year is £6.56m. This exceeded the 2015-16 base budget provision after use of earmarked reserves by around £4m.
21. This adverse variation has been funded through a combination of contingency and financial risk reserves.

### **Children's and Adults' Services (including Public Health)**

22. Children's and Adults' Services represents the largest proportion of the council's budget and accordingly have repeatedly set out to achieve significant budget efficiencies and savings. In 2015-16, these amounted to £17.5m, including the special challenge of working more closely with health partners. The outturn position reports an adverse variation for Children's and Adults' Services and Public Health in 2015-16 of £1.584m, after the planned use of earmarked departmental and corporate reserves. This reflects the service pressures in social care being experienced across London and more widely across the country.
23. The impact of meeting statutory obligations for children in need and at risk, families in crisis, vulnerable adults and carers was a significant challenge requiring management action throughout the year and immense efforts by staff to deliver high quality care and support at best value. The 2015-16 financial year presented increased pressure and uncertainty for many local families, people with disabilities and their carers in regard to welfare reform with additional call on support from the council. The closure of Government programmes such as the Independent Living Fund meant that vulnerable people lost access to funding that had previously helped to address inequalities and they needed additional support direct from the council.
24. Legislative reforms in regard to 'staying put' for children in care into adulthood and additional support for people with disabilities and carers were welcome but regrettably were not fully funded by Government causing financial burden on the council. Additionally, Government's indefinite postponement of part II of the Care Act, namely reform of social care funding, caused significant concern and low confidence in the sector with some providers closing services in Southwark, as elsewhere. Managing these events safely and sensitively required appropriate resources.
25. Helping to manage pressures within the local NHS acute services by providing timely and good quality support in the community, seven days a week, placed additional pressure on social care services and associated budgets such as community equipment. However, local performance was excellent and directly benefited Southwark residents.
26. An in-year budget cut to Public Health amounting to £1.63m, and in the context of the council still having to operate to novated NHS contracts that transferred over with the function, put a significant financial burden on the council beyond the ring-fenced Public Health budget. Management action was taken immediately but was limited in what it could achieve in-year in such circumstances.

27. In 2015-16, the department undertook several reviews of services, engaging service users, carers, care staff, trade unions, partners and stakeholders in order to agree plans for modernisation and to achieve improved outcomes and best value. Efficiencies were achieved in-year with more to follow from 2016-17 as agreed plans are fully implemented in ways that appropriately mitigate risk and treat people with dignity and respect.
28. Ensuring the opportunities created in Southwark were available to all residents, including care leavers, people with disabilities and carers was an important aspect in support provided by the department, as was protecting quality of care and safeguarding our most vulnerable residents. The position will need to be monitored robustly through 2016-17 as service demands will continue at a high level and new savings in adult social care are delivered by the council in partnership with the Southwark CCG and others.

### **Voluntary Redundancy**

29. The council is committed to taking measures to avoid compulsory redundancies where possible and appropriate. In the context of continued reductions in government funding, the council offered for the first time in 2015-16 a voluntary redundancy scheme available to all staff.
30. As far as possible, the costs of the scheme have been contained within departmental budgets as staffing costs reduce as the redundancies occur. Any shortfalls for a department have been met through allocations from reserves. The net revenue contribution as set out in Appendix B amounted to approximately £5.228m after making appropriate capital contributions for the pension costs relating to early retirement.

### **Reserves**

31. The council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. These reserves are designated and maintained to fund:
  - Corporate Projects and Priorities
  - Service review and Improvement Reserves (Departmental)
  - Capital Programme and other Capital Investment Reserves
  - Strategic Financing, Technical Liabilities and Financial Risks Reserves
32. For 2015-16, a net total of £15.443m was drawn from reserves to support service priorities, capital, regeneration, modernisation (including voluntary redundancies) and other key projects.
33. The budget approved by council for 2015-16 also included a planned release of corporate reserves of £6.163m. This call on reserves again provided some cushioning of the general fund budget during a period of significant funding reductions and service pressures and the contribution has been made in full.
34. The total net movements in earmarked reserves for the key designations are set out below and further detail included in Appendix D.

**Table 2: Summary of earmarked reserves**

<b>Summary of earmarked reserves</b>	<b>Balance as at 31/3/2015 £000</b>	<b>Net movement in reserves £000</b>	<b>Balance as at 31/3/2016 £000</b>
Corporate projects and priorities	16,866	(7,294)	9,572
Service reviews and improvements	27,922	(9,921)	18,001
Capital programme and other capital investment	30,345	(3,523)	26,822
Strategic financing, technical liabilities and future financial risks	29,645	(868)	28,777
<b>Total</b>	<b>104,778</b>	<b>(21,606)</b>	<b>83,172</b>

35. Corporate projects and priorities reserves are held to fund those future activities that will enable the council to operate more efficiently and effectively. They include resources held to meet the cost of ongoing reorganisation and restructuring that the council must undertake to modernise and improve service levels and operational efficiency of the council's activities.
36. Service reviews and improvements represent resources held that can be directly linked to services provided.
37. Capital programme and other capital investment reserves are held to fund one-off expenditure that may be incurred over more than one year and by its nature is not appropriate to be included within annual revenue budgets, to facilitate the significant regeneration and development taking place in the borough. Projects include the Elephant & Castle, Canada Water, Southwark Schools for the Future, land acquisitions and other significant one-off costs associated with these projects.
38. Strategic financing, technical liabilities and future financial risks reserves are in the main held to mitigate future financial risks that may arise. Such risks include taxation risks, legislative and funding changes including actions involving the Greater London Authority and other government bodies, risks as a result of unavoidable changes in accounting practice, and circumstances inasmuch as they represent uninsured risks. They also include balances that are held for technical accounting reasons.

#### **Direct revenue funding of capital**

39. For accounting and control purposes, where it is proposed that reserves are released to meet capital expenditure, they are at first released into revenue and a direct contribution from revenue is then made to capital. In 2015-16 a total of £4.945m was used for this purpose, in addition to a further £246k from departmental budgets, giving a total of £5.191m.

#### **Savings**

40. The £30.0m savings included in the 2015-16 budget have largely been achieved. Where savings have slipped substitute savings or reserves have been used to support departmental budget positions.

41. Management action is being taken to address any savings that have been difficult to deliver and the impact on 2016-17 budgets will be reported through budget monitoring, and if necessary as part of 2017-18 budget setting.

### Collection fund

42. The Collection Fund represents the accumulated surplus or deficit for Business Rates and Council Tax. Both taxation schemes are designed to be self balancing; an estimate of any accumulated surplus or deficit is made each year and factored into the following year's tax requirement. In this way, most of the benefit or burden of any in-year variance is received or borne by taxpayers in the following year.

43. Monies received into the Collection Fund are distributed between the council and its preceptors based on their respective shares.

	<b>Council Tax</b>	<b>Business Rates</b>
Southwark Council	75.6%	30.0%
Greater London Authority	24.4%	20.0%
DCLG		50.0%

44. Whilst the Collection Fund is a single entity, for reporting purposes it is split between Council Tax and Business Rates. In-year performance is set out below (all figures are Southwark's share only).

45. **Council Tax.** The surplus carried forward from prior years was reduced by £758k during 2015-16. There remains a surplus of £3.719m on the account and the majority of this has been factored into setting the Council Tax for 2016-17.

46. The remaining surplus on the Council Tax element of the fund is attributable to a number of positive factors, such as:

- Improved collection rates
- Increased home building
- Reductions in discounts and exemptions
- Reductions in Council Tax Support.

47. **Business Rates.** The Business Rates fund has been in deficit since 2013-14 when the council needed to create a provision for losses on appeals. In 2015-16 the council made an in-year surplus of £5.722m against a budget of £3.944m. This surplus reduces the deficit carried forward to £2.740m and it is anticipated that the fund will return to a minimal surplus in 2016-17. Subject to external factors impacting on business rates income such as the 2017 revaluation, appeals and market conditions this will place Southwark in a good position to continue to utilise business rate income to support the council's funding pressures in 2017-18.

### Housing revenue account (HRA)

48. The outturn for 2015-16 shows a net deficit of £3.3m requiring a drawdown of reserves to support the unprecedented level of capital investment made to the existing housing stock and delivery of new council homes as part of the council's Fairer Futures promises. In addition, there was need to make provision for water refunds to tenants following the Thames Water judgement in the High Court,

which found the council to be a water reseller under the provisions of the Water Resale Act 2006. The need to spend on landlord responsibilities to manage, maintain and improve the housing stock remains high and consumes the largest proportion of HRA resources. The adoption of an enhanced voids specification has driven up acceptance rates and transformed satisfaction levels to over 90%.

49. All operational areas of the HRA have been managed within budget and financing and overhead costs minimised, which has substantially mitigated the impact of these exceptional events and is testament to the robustness of the HRA business planning framework and the underlying budget position remains positive. It has also been possible to manage the programme without taking on new debt, albeit the planned level of internal debt repayment has had to be scaled back temporarily, but will be reinstated to budgeted levels in subsequent years.
50. The cumulative area-based rent debit raised (including residential, garages and TMOs) was £227.3m, which was marginally lower than budget (£0.7m), with collection performance at 99.96%. Homeowner income, comprising both revenue and capital (which is intrinsically linked to levels of activity within the investment programme), totalled £43m billing against a budget of £32.3m, with collection performance higher than target (£38.9m vs £34.5m).
51. The ring-fenced nature of the HRA requires that surpluses/deficits are carried forward between years and at 31 March 2016 HRA reserves stand at £16.6m (against £25.9m at the end of 2014-15), of which around two-thirds is specifically earmarked for investment in the stock alongside the modernisation and improvement of services. The remainder is held against unforeseen events in line with the council's medium-term resource strategy. Given the size and complexity of the HRA and HIP, this is considered to be below the optimal level required and presents a moderate risk, which will be managed through subsequent budget planning rounds.

### **Treasury management**

52. The council holds its cash in money market instruments diversified across major banks, building societies, and bonds issued by the UK government and supranational entities. The investment priorities are capital preservation and liquidity. The investments themselves are managed by an in-house operation and two investment firms. In the year to 31 March 2016 the sum invested averaged £238m and the balance at 31 March 2016 stood at £144m.
53. The average return on investments in 2015-16 was 0.77% (0.73% 2014-15). Base rates have been held at 0.50% since 2009 and monetary policy since then has intensified investors' search for yields, driving yields lower.
54. The council has balances remaining on long term loans to pay for investment in housing and general fund capital spend carried out many years ago when rates were high. The loans are all from the Public Works Loans Board (PWLb, the local authority lending arm of the government) at fixed rates. In 2015-16 loans of £6.4m (all General Fund) fell for repayment and were paid off. The balance remaining on all PWLB loans at 31 March 2016 was £463m (£371m HRA and £92m General Fund).

55. Following the establishment of the Municipal Bonds Agency the council has an alternative to the PWLB. Any future borrowing the council needs will be from whichever source is the cheaper having regard to any conditions.

### Community impact statement

56. This report monitors expenditure on council services, compared to the planned budget agreed in February 2015. Although this report has been judged to have nil or a very small impact on local people and communities, the expenditure it is reporting reflects plans designed to have an impact on local people and communities. Community impact was considered at the time the services and programmes were agreed. It is important that resources are efficiently and effectively utilised to support the council's policies and objectives.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and Resources 2015-16 to 2017-18: Cabinet 27/01/15	160 Tooley Street PO Box 64529 London SE1P 5LX	Fay Hammond 020 7525 0614
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/documents/b50005416/Supplemental%20Agenda%20No.%201%20Tuesday%2027-Jan-2015%2016.00%20Cabinet.pdf?T=9">http://moderngov.southwark.gov.uk/documents/b50005416/Supplemental%20Agenda%20No.%201%20Tuesday%2027-Jan-2015%2016.00%20Cabinet.pdf?T=9</a>		
Housing Revenue Account budget: Cabinet 27/01/15	160 Tooley Street PO Box 64529 London SE1P 5LX	Ian Young 020 7525 7849
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/documents/s51225/Report%20HRA%20Budget%20015-16.pdf">http://moderngov.southwark.gov.uk/documents/s51225/Report%20HRA%20Budget%20015-16.pdf</a>		
Revenue Monitoring Report for Quarter 1 2015-16, including Treasury Management	160 Tooley Street PO Box 64529 London SE1P 5LX	Fay Hammond 020 7525 0614
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/documents/s56455/Report%202015-16%20-%20Q1%20Monitor.pdf">http://moderngov.southwark.gov.uk/documents/s56455/Report%202015-16%20-%20Q1%20Monitor.pdf</a>		
Revenue Monitoring Report for Quarter 2 2015-16, including Treasury Management	160 Tooley Street PO Box 64529 London SE1P 5LX	Fay Hammond 020 7525 0614
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/documents/s57895/Report%20and%20appendix%20015-16%20-%20Q2%20Monitor.pdf">http://moderngov.southwark.gov.uk/documents/s57895/Report%20and%20appendix%20015-16%20-%20Q2%20Monitor.pdf</a>		
Revenue Monitoring Report for Quarter 3 2015-16, including Treasury Management	160 Tooley Street PO Box 64529 London SE1P 5LX	Fay Hammond 020 7525 0614

Background Papers	Held At	Contact
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/documents/s59755/Report%20and%20appendices%20Q3%20Revenue%20Monitoring%20Report.pdf">http://moderngov.southwark.gov.uk/documents/s59755/Report%20and%20appendices%20Q3%20Revenue%20Monitoring%20Report.pdf</a>		

## APPENDICES

No.	Title
Appendix A	Interdepartmental Budget movements to be approved, £250k and above and movements to be noted.
Appendix B	Net movements to and from corporate and departmental reserves in 2015-16 for quarter four
Appendix C	Movements in reserves for financial year 2015-16
Appendix D	Extract from draft Statement of Accounts 2015-16.

## AUDIT TRAIL

<b>Cabinet member</b>	Councillor Fiona Colley, Finance, Modernisation and Performance	
<b>Lead officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report author</b>	Jennifer Seeley, Director of Finance	
<b>Version</b>	Final	
<b>Dated</b>	7 July 2016	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	N/a	N/a
Cabinet Member	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		7 July 2016

## APPENDIX A

### Interdepartmental movements to be approved for quarter 4

	Department From	Amount £	Department to	Amount £	Description of the budget movement		
Approve	Finance and Governance	(2,351,114)			Net changes to departmental budgets following management restructure on 1 October 2015		
Approve	Housing and Modernisation	(572,588)					
Approve	Environment and Leisure	(113,597)					
Approve						Children's and Adult Services/ Public Health	405,044
Approve						Chief Executive	2,199,788
Approve						Support Costs	432,467

### Interdepartmental movements to be noted for quarter 4

	Department From	Amount £	Department to	Amount £	Description of the budget movement
Note	Finance and Governance	(35,100)	Environment and Leisure	35,100	Insurance
Note	Environment and Leisure	(64,286)	Chief Executive	64,286	Depreciation adjustment

## APPENDIX B

### Net movement in reserves to be approved for quarter 4

	From	Amount £	Analysis of Appropriations by Category									
			Buildings/ Regeneration/ Capital £	Social Care/ BCF £	Revenue Cost of Redundancies £	Welfare/ Hardship/ SESS £	Contingency £	MRP £	Corporate and Modernisation £	DSG £	Total £	
Approve	Appropriations	Children's and Adults/ Public Health	12,277,519	(1,363,688)	(4,717,831)	(5,168,000)	-	-	-	(1,028,000)	-	<b>(12,277,519)</b>
Approve	Appropriations	Dedicated Schools Grant	4,781,000	-	-	-	-	-	-	-	(4,781,000)	<b>(4,781,000)</b>
Approve	Appropriations	Housing and Modernise	4,239,213	(1,172,300)	(41,412)	(1,877,621)	(720,661)	-	-	(427,219)	-	<b>(4,239,213)</b>
Approve	Appropriations	Environment and Leisure	4,540,208	(1,985,225)	-	(2,554,983)	-	-	-	-	-	<b>(4,540,208)</b>
Approve	Appropriations	Chief Executive	2,065,054	(419,847)	(1,740,664)	114,473	-	-	-	(19,016)	-	<b>(2,065,054)</b>
Approve	Finance and Governance	Appropriations	6,325,379	-	439,566	237,000	1,904,880	-	5,000,000	(1,256,067)	-	<b>6,325,379</b>
Approve	Direct revenue funding of capital	Appropriations	3,273,675	(747,552)	-	4,021,227	-	-	-	-	-	<b>3,273,675</b>
Approve	Appropriations	Insurance	7,433,259	(7,433,259)	-	-	-	-	-	-	-	<b>(7,433,259)</b>
Approve	Appropriations	Contingency	4,000,000	-	-	-	-	(4,000,000)	-	-	-	<b>(4,000,000)</b>
	<b>Total Appropriations</b>		<b>(29,737,199)</b>	<b>(13,121,871)</b>	<b>(6,060,341)</b>	<b>(5,227,904)</b>	<b>1,184,219</b>	<b>(4,000,000)</b>	<b>5,000,000</b>	<b>(2,730,302)</b>	<b>(4,781,000)</b>	<b>(29,737,199)</b>

## APPENDIX C

### Movements to and from reserves in 2015-16

Department	Total Taken from Reserves £000	Total Added to Reserves £000	Net Movement £000
Children's and Adults' Services (Core)/ Public Health	(9,920)	2,611	(7,309)
DSG funded services	(8,093)	-	(8,093)
<b>Total Children's and Adults' Services/ Public Health</b>	<b>(18,013)</b>	<b>2,611</b>	<b>(15,402)</b>
Environment and Leisure	(4,540)	-	(4,540)
Housing and Modernise	(5,992)	501	(5,491)
Public Health	(1,741)	-	(1,741)
Chief Executive's Department	(2,319)	139	(2,180)
Finance and Governance (excluding Corporate)	(1,270)	39	(1,231)
Minimum Revenue Provision	-	5,000	5,000
Insurance	-	7,433	7,433
Technical Corporate Budgets	-	7,501	7,501
Other Corporate Budgets	(1,161)	1,314	153
Capital	(9,081)	4,136	(4,945)
<b>Total Finance and Governance</b>	<b>(11,512)</b>	<b>25,423</b>	<b>13,911</b>
<b>Total</b>	<b>(44,117)</b>	<b>28,674</b>	<b>(15,443)</b>
Budgeted use of reserves to support 2015/16 revenue budget	(6,163)	-	(6,163)
<b>Total Reserve Movements at Outturn</b>	<b>(50,280)</b>	<b>28,674</b>	<b>(21,606)</b>

## APPENDIX D

### EARMARKED RESERVES

<b>CORPORATE PROJECTS AND PRIORITIES RESERVES</b>			
	<b>Balances as at 31 March 2015</b>	<b>Net movement</b>	<b>Balances as at 31 March 2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Southwark emergency support scheme	3,100	(607)	2,493
Modernisation, service & operational improvement	5,110	(2,753)	2,357
Fair and valued treatment of staff	3,707	(2,216)	1,491
Southwark scholarship scheme (including Youth Fund)	465	313	778
Business support fund	725	(215)	510
Voluntary sector transition fund	391	-	391
Community engagement & Links development	428	(39)	389
Internal audit & anti fraud	356	-	356
Revenue grants	164	-	164
Neighbourhood fund	149	2	151
Artefacts replacement & security reserve	183	(66)	117
Community safety schemes	106	-	106
DWP community budget	100	(19)	81
Welfare hardship fund	800	(721)	79
Adaptations and capital works	-	79	79
Community restoration fund	30	-	30
Contract realignment (low paid staff)	1,052	(1,052)	-
<b>Total</b>	<b>16,866</b>	<b>(7,294)</b>	<b>9,572</b>

<b>SERVICE REVIEWS AND IMPROVEMENTS RESERVES</b>			
	<b>Balances as at 31 March 2015</b>	<b>Net movement</b>	<b>Balances as at 31 March 2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Dedicated schools grant reserve	13,427	(4,781)	8,646
BCF Risk Reserve	-	2,388	2,388
Childcare Provision for under 2 year olds	1,526	-	1,526
Organisational development	1,152	(41)	1,111
Cycling Safety	1,000	-	1,000
Special Education Needs & Disabilities grants	739	66	805
Highways	746	-	746
Local flood risk	628	-	628
Highways winter maintenance	576	-	576
Temporary Accommodation Strategy	-	300	300
Workforce development (adults services)	222	-	222
Member development	182	-	182
Blackfriars trust allocation	138	-	138
HR transformation	394	(300)	94
Prevention of illegal tobacco distribution	91	-	91
Youth service	70	-	70
Street trading account	(522)	-	(522)
Learning disability & social care reform	2,950	(2,950)	-
Public Health	1,741	(1,741)	-
OT clients adaptations	886	(886)	-
Children's Services restructure	440	(440)	-
Managed accounts	351	(351)	-
Children's & Families Bill	300	(300)	-
School improvement	200	(200)	-
General litigation costs	172	(172)	-
Environmental health & community safety	142	(142)	-
SSF PFI equalisation St Michael's	120	(120)	-
Education Standards	76	(76)	-
Early Years Review	60	(60)	-
Ofsted inspection	50	(50)	-
Interserve employment project	50	(50)	-
Other reserves individually less than £100k	15	(15)	-
<b>Total</b>	<b>27,922</b>	<b>(9,921)</b>	<b>18,001</b>

**CAPITAL PROGRAMME AND OTHER CAPITAL INVESTMENT RESERVES**

	Balances as at 31 March 2015	Net movement	Balances as at 31 March 2016
	£000	£000	£000
Aylesbury development	6,441	-	6,441
Planned preventative maintenance & building compliance	5,912	(627)	5,285
IT and customer service development	3,171	-	3,171
Regeneration & development	2,835	(657)	2,178
BSF PFI transition	1,866	(235)	1,631
Contracts realignment (capital)	1,396	-	1,396
Capital contingency	2,369	(1,080)	1,289
Modernisation, service & operational improvement	1,783	(680)	1,103
Tate Modern commitment	-	1,000	1,000
Schools capital programme contribution	2,193	(1,383)	810
Schools sprinkler systems	750	-	750
New homes bonus grant capital allocation	704	-	704
Exchequer services development	550	-	550
Legal case management system	300	-	300
Canada Water	75	139	214
<b>Total</b>	<b>30,345</b>	<b>(3,523)</b>	<b>26,822</b>

**STRATEGIC FINANCING, TECHNICAL LIABILITIES AND FUTURE FINANCIAL RISKS RESERVES**

	Balances as at 31 March 2015	Net movement	Balances as at 31 March 2016
	£000	£000	£000
Planned contribution to support General Fund budget 2016/	-	6,283	6,283
Insurance	6,449	(1,073)	5,376
Interest and debt equalisation	4,000	-	4,000
New Homes Bonus funded LEP Programme	-	3,685	3,685
Waste PFI equalisation reserve	3,892	(971)	2,921
Financial risk & future liabilities	1,076	1,616	2,692
Business rate retention risk	2,500	-	2,500
Council tax and housing benefits subsidy equalisation	1,000	-	1,000
Schools in financial difficulties, schools closures and acad	332	-	332
Legal and contractual risks	713	(541)	172
Queen's Road lease smoothing	(184)	-	(184)
Planned contribution to support General Fund budget 2015/	6,163	(6,163)	-
Future Government funding risk reserve	1,900	(1,900)	-
Social care demand pressures	1,804	(1,804)	-
<b>Total</b>	<b>29,645</b>	<b>(868)</b>	<b>28,777</b>

**Total****104,778****(21,606)****83,172**