REPORT TO THE AUDIT AND RISK COMMITTEE ON 06 JULY 2015

DRAFT STATEMENT OF ACCOUNTS 2014/15.

Submitted by: Head of Finance

Portfolio: Finance ICT and Customer

Ward(s) affected: All

Purpose of the Report

To submit the draft Statement of Accounts 2014/15 for consideration by the Audit and Risk Committee and to gain approval for the financing of capital expenditure. The report highlights the key issues which are contained in these accounts including a commentary on the General Fund outturn, the Collection Fund and the Balance Sheet and to note the position regarding the Council's reserves.

At this stage the Statement of Accounts is in a draft stage and is subject to external audit. Once that audit is completed then the Statement will be submitted to this committee for formal scrutiny and approval.

A copy of the draft Statement of Accounts has already been provided to members of the Committee as part of the recent accounts scrutiny training session papers and they are requested to bring this with them to this meeting. For the benefit of other members a link to the draft Statement of Accounts is provided at the end of this report (paragraph 10.1).

Recommendations

(a) That the contents of the draft Statement of Accounts for 2014/15 be noted.

b) That the financing of capital expenditure incurred during 2014/15, as set out in Appendix 2 be approved.

Reasons

It is a statutory requirement, contained in the Accounts and Audit Regulations 2011 that the Council produces a Statement of Accounts detailing its financial transactions for the year and its position at the year end. It is also a requirement that the financing of capital expenditure incurred in 2014/15 is approved.

1. Background

1.1 The Accounts and Audit Regulations 2011 govern the way in which a local authority should present its financial affairs (n.b. these have in fact been superseded by the Accounts and Audit Regulations 2015 but the replacement regulations specify that the 2011 regulations will apply to financial years ending on 31 March 2015). The regulations require that a local authority must produce a Statement of Accounts for each financial year detailing its financial transactions for the year and its position at the year end and that this Statement be scrutinised and approved by an appropriate committee, in this case the Audit and Risk Committee, by 30 September. The

Statement is produced in a standardised form in line with CIPFA (the Chartered Institute of Public Finance and Accountancy) guidelines.

1.2 The Regulations require the draft Statement of Accounts to be certified by the responsible financial officer, who is the Executive Director (Resources and Support Services), as presenting a true and fair view of the Council's financial position by 30 June and this has been done. On presentation to the committee for approval the final audited version of the Statement will be recertified by him.

1.3 The annual statutory audit will commence on 13 July 2015 during which the external auditor is required to ascertain that the accounts present a true and fair view of the financial position of the Borough Council and to ensure that they have been produced in accordance with all relevant codes of practice. This should allow time for the audit to be concluded and any amendments required to be made and a final version of the Statement of Accounts produced for submission to the committee for scrutiny and approval at the meeting scheduled for 28 September 2015.

1.4 Whilst 30 September is the date by which formal approval must be given, it is felt that members will want to receive a report on the outturn position for 2014/15 before then. Accordingly, the draft Statement is being reported to you now, for information, together with a commentary on the main points of interest in the accounts. It should be noted that it is not intended that this meeting should be the forum for the formal scrutiny of the accounts, although if members wish to raise any queries these will, of course, be responded to. The intention is rather to report on the 2014/15 outturn and year end financial position and any ongoing financial implications arising therefrom.

1.5 The format of the Statement of Accounts has been updated to try and make it clearer and more easily digestible, particularly to the non-specialist reader. The revised format has been discussed with the external auditor, Grant Thornton, and they have confirmed its acceptability to them. The main changes which have been made are as follows:

- The different elements of the statement, such as the Foreword, Core Financial Statements and the Notes to the Statements, have been colour-coded to help the reader to easily locate the part of the statement that they are looking at.
- Information that is considered to be of greater interest to the non-specialist reader has been placed towards the front of the statement.
- Technical data, such as Accounting Policies, Standards, Judgements and Assumptions, has been moved to a separate Appendices section at the end of the document. This data is required to comply with the CIPFA Accounting Code of Practice but is probably of greatest interest to technical readers, such as auditors. The Appendices also include the accounts of external bodies, i.e. the North Staffordshire Building Control Partnership and in relation to trusts managed by the Council, the Annual Governance Statement and the Glossary of Terms.
- Notes which were previously included in relation to small immaterial balances or transactions have been deleted. This is in line with CIPFA's recommendations with regard to "de-cluttering" the statement to concentrate on the essential financial data.

1.6 Elsewhere on your agenda the Annual Governance Statement is being submitted for approval. Whilst the Accounts and Audit Regulations do not require this to be included in the Statement of Accounts, they require it to be published, so it is intended to include it in the published Statement of Accounts, as in previous years.

1.7 It is also required that the financing of capital expenditure incurred in the year be approved. Accordingly, Appendix 1 sets out the expenditure for 2014/15 and the ways in which it has been financed.

2. The General Fund Budget

2.1 The General Fund is the main account of the Council and relates to all of those services which are funded by the Council Tax, Retained Business Rates and Revenue Support Grant from the Government.

2.2 The budget for the General Fund for 2014/15 was originally set in February 2014 and amounted to a net total of £14,893,770. The eventual outturn for the year was a positive variance against this figure, of £7,327.

3. The General Fund Outturn

3.1 As mentioned above, the outturn in respect of the General Fund Revenue Account was £7,327 better than the original estimate. Whilst there were adverse variances against some budget heads, these have been offset by positive variances against others.

A number of areas of income, the majority being ones that are sensitive to the state of the local and national economy, were particularly adversely affected as shown in the following table:

Type of Income	Budget	Outturn	Variance
	£000s	£000s	£000s
Commercial Properties Rents	1,385	1,162	223
Bereavement Services Income	1,414	1,319	95
Car Parking Income	1,154	1,072	82
Markets Stalls Income	200	148	52
Kidsgrove Sports Centre Income	399	290	109
Jubilee 2 Income	1,426	1,303	123
Council Tax and Business Rates Summons Costs	670	617	53
Total	**6,648**	**5,911**	**737**

With reference to the Commercial Properties rents shortfall, this is particularly depressed by continuing vacancies in Lancaster Buildings where units remain unlet.

There was also additional expenditure on a number of headings, which is outlined in the following table:

Item	Additional expenditure
	£000s
Kidsgrove Sports Centre Expenditure	44
Terms and Conditions Review in respect of overtime - full amount of savings not realised until 2016/17	47
Contribution to Insurance Provision	57
Total	**148**

These adverse variances, shown in the two tables above, have however, been met by favourable variances on other budget heads, the more significant of which are highlighted in the table below.

Item	Saving or additional income
	£000s
Additional Income, e.g. Planning fees, VAT refund	164
Business rates reductions	204
Good Housekeeping Efficiencies, e.g. corporate printing and publicity, water courses maintenance, CCTV costs, horticultural materials and supplies	191
Staffing Efficiencies, e.g. re vacant posts and voluntary early retirements	277
Corporate, e.g. additional Non-Specific government grants	17
Other Variances	39
Total	**892**

The outturn reflects the monitoring statements provided to members throughout the year.

3.2 An amount of £7,327 has been transferred into the Budget Support Fund in respect of the positive variance. As can be seen in Note 2.3.7 to the Accounts, the balance on the Budget Support Fund now stands at £0.297m, a reduction of £0.036m from the 1 April 2014 balance.

3.3 Some income streams continue to be affected by the adverse economic climate in the current financial year. The ongoing situation will be monitored and any significant shortfalls will be reported in the quarterly monitoring reports to Cabinet. The likely levels of income will also be considered during the compilation of the Medium Term Financial Strategy which is part of the budget setting process for 2016/17.

3.4 Business Rates Retention

There was a positive benefit to the Council arising from the Business Rates Retention Scheme in 2014/15, which is the second year that these arrangements have applied. The Council collects business rates and is able to retain in the General Fund a share of the income after paying part to the government, Staffordshire County Council and the Staffordshire Fire Authority. The amount retained by the Borough Council exceeded the amount budgeted for by £0.454m. This was set aside via a transfer to the Business Rates Reserve (shown at Note 2.3.7 to the Statement of Accounts).

In the current year it is not expected that there will be a significant variance compared to the budgeted amount for retained business rates income, based on the initial NNDR1 return to the government, compiled in January 2015, which was the basis for the budget calculation. It should be noted, however, that business rates income is subject to considerable volatility, particularly owing to successful appeals in relation to rateable values which may occur and businesses closing down etc leading to rates no longer being payable.

The Reserve will be available to meet any such shortfalls in business rates income and to meet the Council's share of business rates Collection Fund deficits, of which the Council's share in relation to 2014/15 was £0.348m. The regulations concerning the Collection Fund require this deficit share to be made good by a transfer from the General Fund into the Collection Fund in subsequent years, which will be the first call upon the Reserve. Because of the previously mentioned volatility in income and the time required to assess the longer term workings of the new rates retention system, it is considered prudent that the remaining balance on the Reserve should remain unused for the time being.

It is worth noting that by participating in the Stoke on Trent and Staffordshire Business Rates Pool, along with Staffordshire County Council, Stoke on Trent City Council, Stafford Borough Council, Staffs Moorlands DC, South Staffs DC and the Fire Authority, and thereby avoiding the payment of a levy to the government, the Borough Council has achieved a worthwhile increase in the amount of rates retained. The amount of levy that would otherwise have been paid was £0.234m. Of this £0.094m (40%) has been retained by the Borough Council, forming part of the £0.454m amount referred to above, with the balance of £0.140m being paid over to the Pool, £0.046m (20%) to be held as a reserve to meet any future business rates income shortfalls experienced by Pool members, and £0.094m (40%) in a reserve to fund economic development projects in Staffordshire. Overall, based on provisional figures from participating authorities the amount of the economic development reserve held by the Pool will total £0.713m as at 31 March 2015, which will be available to fund projects throughout the areas of the participating authorities.

3.5 The Statement of Accounts includes (in Appendix 2) the accounts of the North Staffordshire Building Control Partnership, the vehicle through which this Council delivers the Building Control service. Overall the Partnership made a £0.013m surplus in respect of fee earning activities, which is in line with the requirement contained in the Building Control Regulations that a break-even position should be achieved over a number of years.

4. The General Fund as shown in the Statement of Accounts

4.1 The transactions of the General Fund are shown in the Statement of Accounts in the Comprehensive Income and Expenditure Statement (CI&ES) and the Movement in Reserves Statement. Further detail of the reserves movements is given in notes 2.1.1, 2.1.2 and 2.3.7. In effect, the CI&ES contains all of the expenditure and income of the General Fund whilst the Movement in Reserves Statement shows the transfers from reserves which have taken place to arrive at the final balance for the year. The Movement in Reserves Statement also shows, at its foot, the final year-end balances on the different classes of reserve.

4.2 The CI&ES shows a deficit of £6.627m for the year. At first sight this may seem alarming but it should be remembered that this is the balance before transfers to and from reserves are taken into account, via the Movement in Reserves Statement. All of this balance has been reversed out by net transfers from reserves as shown in the Movement in Reserves Statement. These transfers are either to meet the cost of expenditure contained in the Cost of Services or to reverse out various charges representing proper accounting practice which have been made, as required by the CIPFA Accounting Code of Practice, but which are to be removed from the final total as such charges are, by law, not to be met by Council Tax Payers. Examples of these are various capital charges (such as in relation to depreciation of assets or where an asset has been revalued downwards) and pensions fund transactions.

4.3 In addition the CI&ES includes the surplus or deficit on revaluation of fixed assets and actuarial gains or losses on pensions assets and liabilities. Both of these items can be subject to significant volatility, as can be seen from the revaluation surplus decreasing from £1.177m in 2012/13 to £0.201m in 2014/15. This occurs because each year different groups of assets, mostly land and property, are considered in detail and different market conditions, which affect the valuations, exist from one year to the next. All of the balance of £6.627m has been reversed out by net transfers from reserves as shown in the Movement in Reserves Statement.

4.4 Notes 2.2.1, 2.2.2 and 2.2.3 provide a breakdown of the Other Operating Expenditure, Financing and Investment Income and Expenditure and Taxation and Non-specific Grant Income, respectively, which appear in the bottom half of the CI&ES. The component of Financing and Investment Income and Expenditure shown at Note 2.2.2 relating to Investment Properties rental income shows a significant change from income of £1.644m in 2013/14 to income of £1.046m in 2014/15 owing largely to the inclusion in 2013/14 of backlog rents relating to The Square in Newcastle town centre. The component relating to investment properties revaluations also significantly differs from the 2013/14 amount owing to a stronger upward movement in valuations and the revaluation upwards of The Square, which was disposed of during 2014/15, to reflect its market value. Revaluations of investment properties have to be credited (if the movement is upwards) or debited (if it is downwards) to the CI&ES but are subsequently reversed out by a transfer from reserves as shown in the Movement in Reserves and so do not impact on the final General Fund outturn.

5. The Collection Fund

5.1 The Collection Fund is a separate account which contains the financial details which refer to the collection of Council Tax and Business Rates. The purpose of the account is to illustrate how much of the above income has been collected and to see how this compares to the amounts of the levies and other pre-determined payments that have been made for the Borough Council, the County Council, the Office of the Police and Crime Commissioner and the Fire Authority and to central government.

5.2 Overall the Fund experienced a surplus of £0.127m for the year, leaving a balance of an accumulated deficit of £0.985m at the year-end. Separating this out into its individual components, the respective positions were as follows:

	Council Tax		Business Rates			Total
	£m	£m	£m	£m		£m
Balance Brought Forward - Surplus/(Deficit)		0.969		(2.081)		(1.112)
Contribution towards previous year's surplus/deficit (A)	(0.800)		0.830			
Surplus/(Deficit) relating to 2014/15 (B)	0.968		(0.871)			
Overall Surplus/(Deficit) for Year (A + B)		0.168		(0.041)		0.127
Balance Carried Forward		1.137		(2.122)		(0.985)

5.4 As can be seen the Council Tax element of the Fund achieved a surplus of £0.968m for the year, which compares to an in-year surplus of £0.965m in 2013/14. This will be shared with the precepting authorities (Newcastle Borough Council, Staffordshire County Council, Office of the Police and Crime Commissioner, Fire Authority) and will be used in calculating how much Council Tax will be levied in 2015/16.

5.5 The Business Rates element of the Fund experienced an in-year deficit of £0.871m. The deficit must be made good in subsequent years by the four participants in the business rates retention scheme, the Borough Council (40%), Staffordshire County Council (9%), the Fire Authority (1%) and central government (50%). The amounts each body must contribute are shown in brackets and are prescribed by regulations. The Borough Council's 40% share of the deficit amounts to £0.348m and will be met from the Business Rates Reserve referred to in paragraph 3.5. The deficit arose because the Fund is required to pay a sum to each of the four bodies equating to their share of the estimated business rates which will be collected in the year. The estimate is made before the start of the year and if the actual rates collected are less than the estimated amount, there will be a deficit, which is what occurred in 2014/15. The reduced collectable amount occurred because of various factors, chiefly changes in reliefs, exemptions and appeals.

5.6 A provision has been created in relation to business rates property value appeals to the Valuation Agency which it is considered likely to represent the amount which may have to be refunded in respect of payments already made by ratepayers. This is intended to provide for appeals already lodged and appeals which may arise in the future relating to bills which have been paid. An amount of £0.520m was paid into the provision out of the Collection Fund in 2013/14 as the initial contribution to set it up. This amount was calculated on the basis of historical experience of appeals lodged and the success rate in terms of changes ultimately made by the Valuation Agency. In fact this proved to be insufficient since the actual value of appeals experienced in 2014/15 was greater than anticipated and the provision was, therefore, fully utilised. A further contribution to the provision was required and this was assessed, using data supplied by a specialist firm, at £0.865m. The arrangements for business rates retention mean that only 40% of the cost of contributions to the provision is borne by the Borough Council (because it affects the amount of rates retained), the rest falling to the other participants in the arrangements.

6. <u>The Balance Sheet</u>

6.1 The main features of the Balance Sheet are as follows

- There are Net Tangible Fixed Assets of £57.427m which consist of Plant, Property and Equipment, Investment Properties and Heritage Assets. Notes 2.3.1, 2.3.2 and 2.3.3 to the Statement of Accounts show an analysis of these assets, together with a summary of movements during 2014/15. The main reason for the decrease in the fixed assets balance compared to the 31 March 2014 value is an increase in the amount of depreciation deducted from the asset values (which only decreased by £0.144m) in order to show the net value in the balance sheet, as required by accounting practice. The depreciation amount has increased by £1.620m, largely accounted for by the addition of the 2014/15 depreciation charge.

- The balance shown as a Long Term Debtor of £0.676m (31/03/2014 £1.923m) relates to the balance owing to the Council in respect of properties let on finance lease terms (£0.283m) and outstanding mortgages (£0.393m). The balance in relation to property leases arises because some of the council's leases are classified as finance leases rather than operating leases. This requires the amount remaining to be paid over the lease term to be shown in this way. The finance lease element has reduced by £1.155m reflecting the sale of "The Square", which was let as a finance lease which has now terminated and payments made in 2014/15 in respect of other properties, whilst the mortgages balance has decreased by £0.005m, as a result of repayments made by mortgagors in 2014/15. The balance at 31 March 2014 included £0.087m in respect of a loan outstanding to Kidsgrove Town Council, which was repaid in full in 2014/15.

- Investments (all short term at 31 March 2015 - i.e. with less than 1 year to run from that date) amounted to £8.808m and have increased by £5.25m compared to 31 March 2014. In particular, this reflects the receipt of sales proceeds in respect of "The Square" and Hassell Street properties, which have not yet been applied to finance capital investment and the underspend on the 2014/15 capital programme, which means that capital receipts have not been used as soon as expected, together with the particular cash flow situation as at the balance sheet date. Owing to the current situation in the financial markets, the emphasis is now on short term investments as a means of reducing the risk of exposure to default by organisations with whom money has been placed.

- Inventories (stock) have increased from £0.088m as at 31 March 2014 to £0.162m as at 31 March 2015 owing to the creation of an inventory account in respect of vehicle spares held in the transport workshop pending use.

- The amount owed to the Council by its short term debtors (after a deduction for the estimated amount which might be at risk of non-payment) is £10.688m. Short Term Debtors have decreased by £3.064m compared with 31 March 2014. This arises chiefly because the balance at 31 March 2014 included a debtor of £3.045m in respect of the amount owed to the Council by the Department for Work and Pensions (DWP) relating to housing benefits reimbursements for 2013/14. At 31 March 2015, the position has reversed in that the Council owes DWP £1.923m because the Department has overpaid the Council this amount in relation to 2014/15 benefits payments. Therefore, the Department is a creditor at 31 March 2015.

- The amount the Council owes to its creditors is £7.288m. Creditors have increased by £1.658m compared to 31 March 2014. This is mainly attributable to the addition of a creditor in respect of the DWP of £1.923m, referred to in the previous bullet point.

- Provisions, as shown in Note 2.3.6, show little movement in the balance sheet (£0.799m compared with £0.636m), apart from the NNDR Appeals Provision. This had to be increased to reflect the higher than anticipated level of appeals and subsequent refunds paid to business ratepayers experienced in 2014/15 and which is likely to continue into 2015/16.

- The Net Liability relating to Defined Benefit Pension Schemes (i.e. the difference between liabilities and assets of the pension scheme) increased from £70.171 to £74.019m. Normally this increase would be mirrored by an increase in the Pensions Reserve balance of the same amount, the two accounts appearing in the balance sheet as equal and opposite amounts. However, for the first time this is not the case because of the prepayment of pension contributions in respect of 2015/16 and 2016/17 totalling £2.290m. These were paid in 2014/15 in return for a discount paid by the pension fund which significantly reduced the cost to the Borough Council and consequently the amounts to be charged in the 2015/16 and 2016/17 revenue account as pension contributions. In order to account for this transaction, the prepayment must be charged directly to the Pensions Liability, without any corresponding equal and opposite transaction in the Pensions Reserve. In 2015/16 the prepayment relating to that year will be transferred to the general fund revenue account via a transfer from the Pensions Reserve with a similar transaction in 2016/17. After these transactions have occurred, the two accounts will once more be mirror images of each other. Without the charge of £2.290m, the Pensions Liability would have shown an increase of £6.138m, reflecting other factors. The change mainly arises from the impact of the use of a reduced discount rate to be applied to the value of the Fund's liabilities, taking account of future financial assumptions made by the Fund actuary, which saw liabilities increase by £17.451m. This was offset to some extent by an increase in asset values of £11.313m. These amounts are required to be included in the Council's accounts as a result of the application of International Accounting Standard 19 (IAS19) and the CIPFA Code of Accounting Practice. Neither directly relate to Borough Council transactions - they relate to those of the Staffordshire County Council Pension Fund of which the Council is a member and represent the Council's share of net scheme liabilities (after deduction of the value of scheme assets). Whilst the net liability indicates the Council's long term commitment to pay retirement benefits, statutory arrangements for funding the deficit mean that its financial position remains healthy. Further details relating to the Pension Fund are contained in Note 3.4 to the Accounts.

7. Reserves

7.1 The Council has usable reserves totalling £11.515m. Note 2.3.7 to the Accounts shows a full analysis of all these reserves. The main items, with their balances at 31 March 2015, are:

- General Fund Balance (£1.200m)
- Capital Receipts Reserve (£6.364m)
- Capital Grants Unapplied (£0.868m)
- Budget Support Fund (£0.297m)
- Contingency Reserve Fund (£0.276m)
- New Initiatives Fund (£0.057m)
- ICT Development Fund (£0.253m)
- Renewal and Repairs Fund (£0.003m)
- Equipment Replacement Fund (£0.375m)
- Revenue Investment Fund (£0.112m)
- Business Rates Reserve (£1.475m)

7.2 The General Fund Balance remains the same (£1.200m) as at 31 March 2014. The amount required to be held in this reserve is assessed each year when the revenue budget is compiled, by identifying and quantifying the risks applicable to the revenue budget and using this information as the basis to calculate a prudent sum to keep in reserve to meet those risks should they arise.

7.3 The Capital Receipts Reserve is predominantly committed to financing the current capital programme, the year-end balance reflecting underspending in relation to the 2014/15 capital programme, which will largely be spent in 2015/16 and receipts from the sale of "The Square" and Hassell Street property, which are required to support 2015/16 capital investment. The majority of the balance on the Capital Grants Unapplied Reserve is either already committed to finance current schemes or is earmarked for future schemes. The ICT Development Fund is also committed to finance new or replacement ICT software and hardware.

7.4 The balance of the Contingency Reserve remains above its agreed minimum level of £0.100m.

7.5 The Budget Support Fund and Business Rates Reserve are discussed at paragraphs 3.2 to 3.3 above and 3.5, respectively.

7.6 The Revenue Investment Fund balance is fully committed to funding approved investment projects, including £0.075m of costs relating to the Ryecroft development.

7.7 The levels of reserves will be considered as part of the budget preparation process for 2016/17. Some may require "topping up", either from the revenue budget or a transfer from another reserve. In particular, the Renewals and Repairs Fund needs to be reviewed to ensure that it is adequate.

7.8 Unusable Reserves total (£18.099m) and are shown at note 2.3.8 to the accounts. The Unusable Reserves were established as a result of the need to enable various accounting transactions and are not available for use to meet expenditure, either revenue or capital. The main reason for the change from the (£9.068m) balance at 31 March 2014 is the movement in the Pensions Reserve, which mirrors the Net Pensions Liability, apart from the amount of the pre-paid contributions, discussed earlier in the final bullet point of paragraph 6.1.

8. Accounting Policies

8.1 Only two amendments have been made to the Policies. Firstly, Policy vii, which refers to Employee Benefits, has been amended in relation to post employment benefits to reflect changes in the method of valuation used by the actuary in respect of scheme liabilities. Secondly Policy xviii, referring to Property, Plant and Equipment, has been amended to add that in the case of infrastructure, community assets and assets under construction, which are normally carried in the balance sheet at historical cost, where the historical cost is unknown they shall be carried at a £1 nominal value.

9. List of Appendices

Appendix 1: Financing of Capital Expenditure

10. Link to Draft Statement of Accounts

10.1 A full copy of the Statement of Accounts can be found on the Councils website:

http://moderngov.newcastle-staffs.gov.uk/ieListDocuments.aspx?CId=122&MId=2635&Ver=4

APPENDIX 1

Capital Expenditure Financing 2014/15

	Capital Expenditure	"Ex Deferred Charges"	Total
	£	£	£
Capital Expenditure			
Expenditure during 2014/15	1,082,237	979,217	2,061,454
Total to be Financed	**1,082,237**	**979,217**	**2,061,454**
Financing of Expenditure			
Capital Receipts	433,504	-	433,504
Government Grant -			
Housing Subsidies	-	535,513	535,513
Regional Housing Board Grant	-	250,094	250,094
New Homes Bonus	-	189,704	189,704
Contributions from Other Bodies	193,002	3,906	196,908
Council's Reserves -			
ICT Development Fund	110,435	-	110,435
New Homes Bonus Reserve	345,296	-	345,296
Total Financing	**1,082,237**	**979,217**	**2,061,454**

Notes:

- Expenditure in respect of projects which would formerly have been classified as deferred charges is included in the above table, although it is no longer capital expenditure according to the current CIPFA Accounting Code of Practice, which now classifies such items as “revenue expenditure funded from capital under statute”. This is mostly housing renewal type expenditure, for example on renovation grants, disabled facilities grants, etc., where there is no creation of an asset, and is currently included in the Council’s capital programme.