

Council

Minutes of the meeting on 4 March 2016

Present: The Right Worshipful, The Lord Mayor, Councillor P. Murphy – in the Chair

Councillors

Adams, Ahmed, Akbar, Ahmed Ali, Azra Ali, N. Ali, Sameem Ali, Shaukat Ali, Amesbury, Andrews, Appleby, Austin, Barrett, Battle, Bridges, Chappell, Chohan, Collins, Connolly, Cookson, Cooley, Cox, Craig, Curley, Dar, Davies, Ellison, Farrell, Fender, Flanagan, Fletcher-Hackwood, Gillard, Grimshaw, Hacking, Hassan, Hewitson, Hitchen, Hughes, Igbon, S Judge, T Judge, Kamal, Karney, Kirkpatrick, Knowles, Lanchbury, Leese, Lone, Longsdon, Loughman, Ludford, Manco, Marshall, Midgley, Monaghan, Moore, N. Murphy, P. Murphy, S. Murphy, E. Newman, S. Newman, Noor, Ollerhead, O'Neil, Paul, Peel, Priest, Pritchard, Rahman, Raikes, Rawlins, Rawson, Razaq, Reeves, Reid, Richards, Sadler, Sheikh, Shilton Godwin, Siddiqi, Simcock, Shone, Smitheman, Stogia, Stone, Strong, Swannick, Teubler, Watson, Webb and Wilson

CC/16/15 Welcome

The Lord mayor welcomed Councillor Sadler to her first meeting of full Council following her election on 18 February 2016.

CC/16/16 Minutes

Decision

The minutes of the meeting of the Council on 20 January 2016 were approved as a correct record.

CC/16/17 The Council's Revenue and Capital Budget 2016/17 to 2017/18

The proceedings of the Art Galleries Committee on 17 February 2016 providing details of the Art Galleries budget for 2016/17 and the proceedings of the Executive on 17 February 2016 were submitted. This included estimates for the 2016/17 Revenue Budget, the Housing Revenue Account, and proposals about treasury management, prudential indicators, affordable borrowing limits, annual investment strategy, minimum revenue provision strategy and the capital programme.

The Council also received the minutes of the Finance Scrutiny Committee on 25 February 2016. At this meeting, the budget and responses to the public consultation were considered.

A joint report of the City Treasurer, the Chief Executive and the City Solicitor was submitted advising the Council of the recommended formal Council Tax resolution and Collection Fund Budget for 2016/17.

A report of the Deputy City Treasurer, the Strategic Head of Communications and the City Solicitor on the response to consultation on the budget proposals was also considered.

Motion Made and Seconded:

To note the report of the Deputy City Treasurer, the Strategic Head of Communications and the City Solicitor on the response to consultation on the budget proposals.

To approve the proceedings of the Art Galleries Committee on 17 February in relation to the Art Galleries Budget 2016/17; and the proceedings of the Executive on 17 February 2016 in relation to the 2016 /17 budget, as amended by the recommendations in the joint report of the City Treasurer, the Chief Executive and the City Solicitor.

For the motion (90)

Adams, Ahmed, Akbar, Ahmed Ali, Azra Ali, N. Ali, Sameem Ali, Shaukat Ali, Amesbury, Andrews, Appleby, Austin, Barrett, Battle, Bridges, Chappell, Chohan, Collins, Connolly, Cookson, Cooley, Cox, Craig, Curley, Dar, Davies, Ellison, Farrell, Fender, Flanagan, Fletcher-Hackwood, Gillard, Grimshaw, Hacking, Hassan, Hewitson, Hitchen, Hughes, Igbon, S Judge, T Judge, Kamal, Karney, Kirkpatrick, Knowles, Lanchbury, Leese, Lone, Longsdon, Loughman, Ludford, Manco, Marshall, Midgley, Monaghan, Moore, N. Murphy, P. Murphy, S. Murphy, E. Newman, S. Newman, Noor, Ollerhead, O'Neil, Paul, Peel, Priest, Pritchard, Rahman, Raikes, Rawlins, Rawson, Razaq, Reeves, Reid, Richards, Sadler, Sheikh, Shilton Godwin, Siddiqi, Simcock, Shone, Smitheman, Stogia, Stone, Strong, Swannick, Teubler, Watson, Webb and Wilson

Against the Motion (0)

Abstaining (0)

The Lord Mayor declared that the motion was **carried**.

Decision

1. To approve the proceedings of the Art Galleries Committee on 17 February 2016 in relation to the Art Galleries budget for 2016/17
2. To approve the proceedings of the Executive on 13 February 2015 which contain details of the following:
 - Budget 2016/17 Strategic Response
 - Children and Families Budget and Business Planning 2016/17
 - Manchester Health and Social Care Locality Plan – A Healthier Manchester
 - Pooled Budgets 2016/17
 - Growth and Neighbourhoods Budget and Business Plan 2016/17
 - Corporate Core Directorate Budget and Business Planning 2016/17
 - Draft ICT and Information Strategy 2015-18

- Revenue Budget 2016/17
- Dedicated Schools Grant 2016/17
- Housing Revenue Account 2016/17 to 2018/19
- Capital Programme Budget and Strategy 2016/17 – 2018/19
- Global Revenue Budget Monitoring 2015/16
- Capital Programme Monitoring 2015/16
- Treasury Management Strategy Statement & Borrowing Limits and Annual Investment Strategy 2016-17
- Budget and Business Plans 2016/17-2017/18: Comments of Overview and Scrutiny Committees

3. To agree the recommendations within minute reference Exe/16/30 of those part proceedings: **Revenue Budget 2016/17**

To approve:

- a. an increase in the basic amount of Council Tax (i.e. the City's element of council tax) by 3.99% (including 2% for adult social care);
- b. the contingency sum of £2.3m in 2016/17;
- c. the inflationary pressures and budgets to be allocated sum of £16.596m in 2016/17; and delegate authority to decide the final allocations of those to the City Treasurer in consultation with the Executive Member for Finance and Human Resources;
- d. the pressures and growth bids of £11.465m and delegate authority for the allocations of the funds to the City Treasurer in consultation with the Executive Member for Finance and Human Resources;
- e. corporate budget requirements to cover the cost of levies / charges of £68.832m, capital financing costs of £51.982m, additional allowances and other pension costs of £10.736m and insurance costs of £2.004m;
- f. the estimated utilisation in 2016/17 of £6.911m of the surplus from the on street parking and bus lane enforcement reserves after determining that any surplus from these reserves is not required to provide additional off street parking in the authority; and
- g. the position on reserves as identified in the report subject to the final call on reserves after any changes are required to account for final levies etc.

4. To agree the recommendations within minute reference Exe/16/033 of those part proceedings: **Capital Programme Budget and Strategy 2016/17 – 2018/19**

- a. To approve the capital programme as presented in annex 1 of the Executive minutes (for £428.9m in 2016/17, £293.0m in 2017/18 and £165.4m in 2018/19) which will require prudential borrowing of £528.7m to fund non-HRA schemes over the three year period for which provision has been made in the revenue budget for the associated financing costs (within limits previously agreed).

- b. To delegate authority to the Deputy Chief Executive (Growth & Neighbourhoods) in consultation with the Executive Member for Environment for the approval of the list of schemes to be undertaken under the Highways capital programme.
 - c. To delegate authority to the Deputy Chief Executive (Growth & Neighbourhoods) to implement these schemes in accordance with the Capital Gateway process and after consultation with the Executive Member for Environment on the final details and estimated costs.
 - d. To delegate authority to the City Treasurer in consultation with the Executive Member for Finance and Human Resources to:
 - add qualifying spend to save projects to the capital budget accordingly up to a maximum of £5m in 2016/17 and then £5m per year thereafter;
 - accelerate spend from later years when necessary within the programme subject to resource availability;
 - agree and approve where appropriate the programme of schemes for the delivery of the corporate asset management programme; and
 - agree and approve where appropriate proposals relating to Corporate Compulsory Purchase Orders.
5. To approve the proposed Treasury Management Strategy Statement, in particular:
- The Treasury Indicators listed in Appendix A of the Treasury management report
 - The MRP Strategy outlined in Appendix B of the Treasury Management Strategy Report
 - The Treasury Management Policy Statement at Appendix C of the Treasury Management Strategy Report
 - The Treasury Management Scheme of Delegation at Appendix D of the Treasury Management Strategy Report
 - The Borrowing Requirement listed in section 5 of the Treasury Management Strategy Report
 - The Borrowing Strategy outlined in section 8 of the Treasury Management Strategy Report
 - The redemption of Council Stock described in section 8 of the Treasury Management Strategy Report
 - The Annual Investment Strategy detailed in section 9 of the Treasury Management Strategy Report
6. To delegate to the City Treasurer, in consultation with the Executive Member for Finance and Human Resources, the power to pursue any restructuring, rescheduling or redemption opportunities available, including if it requires changes to the Treasury Management Strategy.
7. To note the information on Council Tax referenda as set out in section 3 of the report of the City Treasurer, Chief Executive, and City Solicitor.

8. To approve the Council Tax determination attached as **appendix 1** to these minutes which:
 - Calculates the Council tax requirement in accordance with Section 31a of the Local Government Finance Act 1992 as amended by the Localism Act 2011.
 - Calculates a basic amount of Council Tax and an amount of tax for each valuation band (the City Council element) in accordance with Sections 31B and 36 of the Local Government Finance Act, 1992, as amended.
 - Sets an amount of Council Tax for each category of dwellings in each valuation band in accordance with Section 30 of the Local Government Finance Act, 1992.
9. To note the position on reserves in **appendix 2** to these minutes.
10. To determine affordable borrowing limits, prudential indicators, proposals in respect of treasury management, annual investment strategy and minimum revenue provision strategy as detailed in **appendix 3** to the minutes.
11. Approve the Collection Fund Budget for 2016/17 as set out in **appendix 4** to these minutes.

Appendix 1 - Council Tax Resolution
Setting the amount of Council Tax for the Council's area

Resolved

1. That the estimates prepared by the Executive at its meeting on 17 February 2016 are approved.
2. That it be noted that the City Treasurer acting under delegated powers has determined the amount of 105,570 as the Council Tax base for Manchester for the year 2016/17 in accordance with Section 31a(3) of the Local Government Finance Act 1992 and regulations 3 to 5 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
3. That the following amounts be now calculated by the Council for the year 2016/17 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992:-

- (a) £1,346,743,837 being the aggregate of the amounts which the Council estimates for the items set out in the Section 31a(2)(a) to (f) of the Act.
- (b) £1,218,049,784 being the aggregate of the amounts which the Council estimates for the items set out in Section 31a(3)(a) to (d) of the Act.
- (c) £128,694,053 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Sections 31A(4) of the Act, as its council tax requirement for the year.
- (d) £1,219.04 being the amount at 3(c) above divided by the amount at 2 above, calculated by the Council in accordance with Section 31B(1) of the Act, as the basic amount of its council tax for the year.

(e) Valuation Bands

A	B	C	D	E	F	G	H
£812.69	£948.14	£1,083. 59	£1,219. 04	£1,489. 94	£1,760. 84	£2,031. 73	£2,438.0 8

being the amount given multiplying the amount at 3(d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to

be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted that for the year 2016/17 the major precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

Precepting Valuation bands
Authority

GM Police and Crime Commissioner

A	B	C	D	E	F	G	H
£104.87	£122.3	£139.8	£157.3	£192.2	£227.2	£262.1	£314.6
	4	2	0	6	1	7	0

GM Fire and Rescue Authority

A	B	C	D	E	F	G	H
£39.18	£45.71	£52.24	£58.78	£71.84	£84.9	£97.96	£117.5
					0		6

5. That, having calculated the aggregate in each case of the amounts at 3(e) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2016/17 for each of the categories of dwellings shown below.

Valuation bands

A	B	C	D	E	F	G	H
£956.74	£1,116.	£1,275.	£1,435.	£1,754.	£2,072.	£2,391.	£2,870.
	19	65	12	04	95	86	24

1. Calculating the Council Tax Requirement

Section 31a Calculations

- 1.1 Section 31a of the Local Government Finance 1992 requires the Council to make three calculations:-
- (i) an estimate of the Council's required gross revenue expenditure -Section 31a(2)
 - (ii) an estimate of its anticipated income (excluding that from council tax) and of reserves to be used to aid the revenue account - Section 31a(3)

(iii) a calculation of the difference between (i) and (ii) above, (i.e. the Council Tax requirement) - Section 31a(4)

1.2 In its Section 31a(2) calculation the Council is required to allow for the following:

Section 31a(2)(a) - the estimated revenue account expenditure it will incur during the year in performing its functions

Section 31a(2)(b) - an appropriate allowance for contingencies for the year, e.g. for unforeseen occurrences such as disasters, storm damage, higher than expected inflation etc.

Section 31a(2)(c) - any raising of financial reserves for future expenditure - examples of this include payments into a redemption fund, internal insurance etc,

Section 31a(2)(d) - any revenue account deficit for a previous financial year which has not yet been provided for;

Section 31a(2)(da) – any amount estimated to be transferred from the general fund to the collection fund in accordance with regulations by reference to sums received by the authority in respect of business rates.

Section 31a(2)(e) - any amount estimated to be transferred from the General Fund to the Collection Fund in accordance with Section 97(4) of the Local Government Finance Act 1988 - i.e. the Council's share of any collection fund deficit;

Section 31a(2)(f) - any amounts estimated to be transferred from the General Fund to the Collection Fund by direction of the Secretary of State under Section 98(5) of the Local Government Finance Act 1988 - including an estimate of the shortfall in the collection of Non-domestic Rates in excess of the allowance

1.3. In its Section 31a(3) calculation the Council must calculate the aggregate of sums to be put against gross expenditure, namely:

Section 31a(3)(a) - estimated income from fees, charges, and government grants (including RSG) plus other sums payable into the general fund (but excluding council tax)

Section 31a(3)(aa) – Any amount estimated to be transferred from the collection fund to the general fund in accordance with regulations by reference to sums received by the authority in respect of business rates.

Section 31a(3)(b) - any amount estimated to be transferred from the Collection Fund to the General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 - i.e. the Council's share of any collection fund surplus;

Section 31a(3)(c) - sums to be transferred from the Collection Fund to the General Fund pursuant to a direction of the Secretary of State under Section 98(4) of the Local Government Finance Act 1988 - including allowances for costs of collection of business rates;

Section 31a(3)(d) - the amount of financial reserves/balances which the authority intends to use towards meeting its revenue expenditure

1.4 On the basis of current estimates, the calculations would be as follows: -

	HRA £	Other £	Total £
Expenditure			
Section 31a (2)(a)	£91,882,000	£1,329,283,789	£1,421,165,789
Section 31a (2)(b)	£0	£2,300,000	£2,300,000
Section 31a (2)(c)	£0	£15,129,000	£15,129,000
Section 31a (2)(d)	£0	£0	£0
Section 31a (2)(da)	£0	£0	£0
Section 31a (2)(e)	£0	£31,048	£31,048
Section 31a (2)(f)	£0	£0	£0
	£91,882,000	£1,346,743,837	£1,438,625,837
Income			
Section 31a (3)(a)	(£89,246,000)	(£1,001,225,511)	(£1,090,471,511)
Section 31a (3)(aa)	£0	(£151,418,368)	(£151,418,368)
Section 31a (3)(b)	£0	(£7,923,000)	(£7,923,000)
Section 31a (3)(c)	£0	(£1,129,905)	(£1,129,905)
Section 31a (3)(d)	(£2,636,000)	(£56,353,000)	(£58,989,000)
	(£91,882,000)	(£1,218,049,784)	(£1,309,931,784)

1.5 **Council Tax Requirement under Section 31a(4)** being the amount by which the aggregate under Section 31a(2) exceeds the aggregate under Section 31a(3) is £128,694,053

2. Calculating the Basic Amount of Council Tax

2.1. Section 31b of the Local Government Finance Act 1992 requires the Council to calculate the basic amount of its Council Tax - this is in effect the City Council element of the Band D Council Tax.

2.2 This calculated by applying the following formula -

Where:

R is the Council Tax requirement, and

T is the approved Council Tax base

2.3 Calculating the Basic Amount of Council Tax

Council Tax Requirement	£128,694,053
Divided by:	
Council Tax Base	105,570

Band D Basic Amount of Council Tax is: £1,219.04

Appendix 2 - Use of Reserves

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
Schools Reserve	31,170	0	0	31,170	
General Fund Reserve					
Statutory Reserves	9,268	-7,122	6,373	8,518	
Earmarked Reserves	144,073	-49,221	8,756	103,608	
General Fund Reserve	25,402	-11	0	25,391	
Total General Fund	209,913	-56,354	15,129	168,688	
Housing Revenue Account Reserves:					
Housing Revenue Account General Reserve	50,809	-8,079	0	42,730	
HRA PFI reserve	10,000	0	0	10,000	
HRA Residual liabilities fund	24,000	0	0	24,000	
Housing Insurance reserve	627	0	0	627	
Troubled Families	85,435	-8,079	0	77,356	
TOTAL RESERVES	295,348	-64,433	15,129	246,044	

SCHOOLS RESERVE					
LMS Reserve	31,170	0	0	31,170	School balances
Sub Total Schools	31,170	0	0	31,170	
STATUTORY RESERVES					
Bus Lane Enforcement Reserve	1,952	-1,329	1,114	1,737	Ring fenced reserve which can only be applied to specific transport and highways

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
On Street Parking	3,235	-5,582	5,184	2,837	related activity. Ring fenced reserve which can only be applied to specific transport and highways related activity.
Taxi Licensing Reserve	51	-51	0	0	This is a smoothing reserve to equalise the income and expenditure of running the function over financial years. Income ringfenced by statute.
Art Fund Reserve	35	0	0	35	For art purchases
New Smithfield Market	77	0	0	77	To contribute towards funding the development plans for the market
Great Northern Square Maint Fund	330	-13	0	317	Set up in accordance with the agreement with the developers of the site. It will be used for upgrading of the square.
Education Endowments	17	0	0	17	Kept as part of future payments for school prizes
Landlord Licensing Reserve	57	-57	0	0	
Ancoats Square Reserve	1,843	-78	0	1,765	£1.95m was received from the HCA to cover the revenue costs of maintaining Ancoats Square for a period of at least 25 years, the required funds will be drawn down each year at c£78k per year.
Cutting Room Square Ext Ancoats Reserve	1,038	-12	0	1,026	Funds received as part of a Section 106 agreement to cover the revenue costs of maintaining Cutting Room Square, the required funds will be drawn down each year.
St Johns Gdns Contingency	631	0	75	706	Contribution from St Johns Gardens

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
					tenants for maintenance works
Sub Total Statutory	9,268	-7,122	6,373	8,518	
EARMARKED RESERVES					
BALANCES HELD FOR PFI'S					
Street Lighting PFI	441	-441	0	0	Established to fund the requirements over 25 years re. The PFI contract for Street Lighting service via our external contractors
Temple PFI	635	0	8	643	PFI Scheme 25 years contract Drawdown will be in future years as expenditure exceeds grant.
Wright Robinson PFI Reserve	727	0	32	759	PFI Scheme 25 years contract Drawdown will be in future years as expenditure exceeds grant.
TOTAL	1,804	-441	40	1,402	
SMALL SPECIFIC RESERVES					
Cemeteries Replacement	281	0	40	321	
Housing Loans	116	0	10	126	Resources available to meet future needs of mortgage accounts
Investment Reserve from Surpluses	401	0	0	401	Funding belonging to schools which the Council holds on their behalf. The purpose is to fund repairs and improvements to school kitchens.

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
Primary School Catering Reserve	222	0	0	222	Reserve established to support the Service's competitiveness by smoothing school meal prices during the 3 year price planning period.
Catering R & M Insurance Account	75	0	0	75	Reserve established to meet refurbishment cost of school kitchens.
CWAG Reserve	90	-6	0	84	Held in relation to the running costs of Council's With ALMOs Group (CWAG) which is administered by MCC
NSM - Car Boot	243	-45	55	253	Used to fund repairs and maintenance of facilities for traders.
New Islington Dowry Reserve	244	-50	0	194	NWDA funding for maintenance over a 10 year period.
Other Small Specific reserves	153	0	0	153	Small specific reserves
TOTAL	1,823	-101	105	1,827	
<u>RESERVES FOR SPECIFIC RISKS OR TO SMOOTH COSTS</u>					
Risks					
Cleopatra Reserve	5,563	0	0	5,563	For potential future legal cases
Compensation Reserve	93	0	0	93	Money set aside to meet possible future claims for compensation
Airport Dividend reserve	22,787	-22,787	0	0	The additional airport dividend for 2014/15 will be used to support the revenue budget in 2015/16 and 2016/17. The interim additional dividend for 2015/16 will support

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
Land Charges Fees Reserve	99	0	0	99	the 2016/17 budget. Prior years overachievement of fee income as Land Charges has a requirement to demonstrate a break even position on a rolling 3 year basis therefore exceptional surpluses are taken to reserves.
Insurance Fund	18,908	0	0	18,908	The insurance fund has been established to fund risks that are self insured.
Pension Risk Fund - MWL	579	0	175	754	This relates to potential pension liabilities for Manchester Working employees.
Business Rates Reserve	7,776	-3,084	0	4,692	To mitigate Business Rates income risk
TOTAL	55,805	-25,871	175	30,109	
SMOOTH COSTS					
Manchester International Festival	1,500	0	0	1,500	To fund the additional costs of the Mcr International Festival Fund, £500k every other year.
TOTAL	1,500	0	0	1,500	
FOR DIRECTORATE RISKS					
Children's Services Reserve	49	0	0	49	The reserve is being held for any unexpected issues arising from Academy transfers given the level of uncertainty around any costs falling to the LA within a short timescale.
TOTAL	49	0	0	49	
RESERVES HELD TO FUND PLANNED CAPITAL SPEND					
Eastlands Reserve	4,603	-2,436	1,676	3,843	English Institute of Sport - Sport England

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
Capital Fund Revenue Reserve	24,945	0	6,760	31,705	MCFC income Contribution to schemes which are being brought forward to support employment and growth as part of the Council's Capital Programme. Used to fund high priority strategic development opportunities in the city for those that do not attract external funding.
Housing Regeneration reserve	15,000	0	0	15,000	To deliver strategic housing related regeneration projects.
Service Improvement Fund	211	-118	0	93	£93k relates to C&D schemes to be spent in 14/15 Balance is CRM/Sap Upgrade, also assumed spent in 14/15
TOTAL	44,758	-2,554	8,436	50,640	
RESERVES TO SUPPORT GROWTH AND REFORM					
Clean City	6,911	-6,911	0	0	To support green initiatives
Adult Social Care	2,000	0	0	2,000	For risks within Adult Social Care
Troubled Families Reserve (Manchester Investment Fund)	1,675	-128	0	1,547	This was set up to support the scaling up on the community budgets work
Children and Families Investment Reserve	7,447	-7,447	0	0	To invest in priorities within Children and Families
Soccerex Reserve (Was LABGI)	790	-395	0	395	Soccerex worldwide. To fund £395,000 per year for 2014/15 to 2017/18.
TOTAL	18,823	-14,881	0	3,942	

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
GRANTS USED OVER ONE YEAR - NOW HAVE TO BE SHOWN AS A RESERVE DUE TO CHANGE IN ACCOUNTANCY RULES					
Grants given for over one year for Capital Spend					
English Partnership (HCA)	2,034	0	0	2,034	HCA approval required to Fund Development appraisal and Eastlands Project team
Other Grants and Contributions	2,367	0	0	2,367	Various local Environment scheme & initiatives i.e. 'clean up campaigns'
Other Grants and Contributions Regeneration	498	0	0	498	Unspent grant received in previous year
TOTAL	4,899	0	0	4,899	
Grants with agreed spend profile over one year					
Contributions Other Local Authorities	10	0	0	10	Relates to Funding for the 'Victim Support & Young Offenders' ongoing schemes and various ongoing Civil Contingencies schemes.
Transformation Challenge Award	601	-601	0	0	Transformation challenge award was awarded to GM authorities to support reform. Manchester's share was £757,904 and has been allocated to projects to be spent across 2015/16 and 2016/17
DEFRA	60	-54	0	6	Reservoir Inundation Fund. Relates to funding the Emergency Planning Works in the event of flooding. Expected to be

	Opening Balance 01/04/16	Withdrawals	Additions	Opening Balance 01/04/17	PURPOSE
	£'000	£'000	£'000	£'000	
NW Construction Hub Reserve	280	0	0	280	spent by 2016/17 The capital programme section manages the NWCH, other LA's pay a fee to use the service and the income is used to cover the cost of retendering every three years.
SEN Reform	444	-444	0	0	Grant to help local authorities in England continue to meet the costs of implementing the special educational needs and disabilities (SEND) reforms
CLG Fraud Fund	57	0	0	57	Unspent grant received in previous year
Better Care	4,273	-4,273	0	0	Contributions received from CCG's
Asylum Seekers	10	0	0	10	MCC are holding the monies on behalf of AGMA Councils, this money will not be drawn down in year but needs to be retained on the Balance sheet to ensure that MCC are not in breach of the contract that we hold as Lead Authority on this project.
TOTAL	5,736	-5,372	0	364	
TOTAL EARMARKED RESERVES	144,073	-49,221	8,756	103,608	
Total General Fund Reserves	178,743	-56,354	15,129	137,518	

Appendix 3 - Prudential Indicators 2016/17 to 2018/19

Last years approved figures are shown in brackets.

	2016/17	2017/18	2018/19
Ratio of Financing Costs to Net Revenue Stream			
Non – HRA	10% (10%)	10% (10%)	10%
HRA	3.9% (4%)	3.9% (4%)	3.8%
Incremental impact of Capital Investments on			
Council Tax (Band D, per annum)	£7.09	£22.43	£21.08
Housing Rent per week	£0.00	£0.00	£0.00
Capital Expenditure	£m	£m	£m
Non – HRA	399.6 (80)	256.0 (84)	145.3
HRA	29.3 (33)	37.0 (33)	20.1
TOTAL	428.9 (113)	293.0 (117)	165.4
Capital Financing Requirements (as at 31 March)	£m	£m	£m
Non – HRA	1,106 (870)	1,231 (920)	1,299
HRA	242 (220)	264 (220)	273
TOTAL	1,348 (1,090)	1,495 (1,140)	1,572
Authorised Limit for external debt -	£m	£m	£m
Borrowing	1,272.5 (1,440.5)	1,245.0 (1,478.5)	1,245.0
other long term liabilities	216.0 (216.0)	216.0 (216.0)	216.0
TOTAL	1,488.5 (1,656.5)	1,461.0 (1,694.5)	1,461.0
Operational Boundary for external debt -	£m	£m	£m
Borrowing	1,018.5(1,159.0)	1,096.2 (1,304.2)	1,187.4
other long term liabilities	216.0 (216.0)	216.0 (216.0)	216.0
TOTAL	1,234.5 (1,375.0)	1,312.2(1,502. 2)	1,403.4
Actual external debt	£m	£m	£m
	842.6 (974.8)	954.9 (1,155.7)	1,074.2
Upper limit for total principal sums	£m	£m	£m
	0 (0)	0 (0)	0

	2016/17	2017/18	2018/19
invested for over 364 days			
Upper limit for fixed interest rate exposure Net borrowing at fixed rates as a % of total net borrowing	92% (100%)	100% (100%)	100%
Upper limit for variable rate exposure Net borrowing at Variable rates as a % of total net borrowing	90% (95%)	95% (99%)	100%
Gross Debt as a proportion of CFR	63%	64%	69%

Maturity structure of new fixed rate borrowing during 2016/17	Upper Limit		Lower limit	
	under 12 months	70%	(60%)	0%
12 months and within 24 months	100%	(100%)	0%	(0%)
24 months and within 5 years	90%	(70%)	0%	(0%)
5 years and within 10 years	70%	(60%)	0%	(0%)
10 years and above	70%	(60%)	0%	(0%)
Has the Authority adopted the CIPFA Treasury Management Code?	Yes			

Appendix 4 - COLLECTION FUND BUDGET 2016/2017	Budget Estimate £'000
<u>EXPENDITURE</u>	
<u>COUNCIL TAX</u>	
(Surplus) / Deficit B/fwd	(9,342)
Precepts : -	
- Greater Manchester Fire and Rescue Authority	6,205
- Police & Crime Commissioner	16,606
- City of Manchester	128,694
Total Precepts	151,505
Council Tax Total Expenditure	142,163
<u>BUSINESS RATES</u>	
(Surplus) / Deficit B/fwd	64
Payments/Transfers :-	
- Greater Manchester Fire and Rescue Authority	3,090
- City of Manchester	151,418
- Central Government	152,975
Total Payments/transfers	307,483
Business Rates Total Expenditure	307,547
Collection Fund Total Expenditure	449,710
<u>INCOME</u>	
<u>COUNCIL TAX</u>	
Council Tax Income	160,215
Write Off of uncollectable amounts	(1,500)
Allowance for Impairment	(7,210)
<u>Council tax receivable</u>	151,505
<u>Contribution of Council Tax (surplus) / deficit :-</u>	
- Greater Manchester Fire and Rescue Authority	(390)
- Police & Crime Commissioner	(1,029)
- City of Manchester	(7,923)
Total Contribution to Council Tax (surplus) / deficit	(9,342)
Council Tax Total Income	142,163

<u>BUSINESS RATES</u>	
Non Domestic Business Rates Income	351,862
Cost of Collection Allowance	(1,130)
Losses in Collection	(8,835)
Increase in Provision for Appeals	(34,414)
<u>Business rates receivable</u>	307,483
<u>Contribution of Business Rates (surplus) / deficit :-</u>	
- Greater Manchester Fire and Rescue Authority	1
- City of Manchester	31
- Central Government	32
Total Contribution to Business Rates (surplus) / deficit	64
Business Rates Total Income	307,547
Collection Fund Total Income	449,710
MOVEMENT ON FUND BALANCE	
Council Tax (Surplus) / Deficit C/fwd	(0)
Business Rates (Surplus) / Deficit C/fwd	0
Collection Fund (Surplus) / Deficit	(0)