

**EXECUTIVE BOARD – 21 JULY 2015**

<b>Subject:</b>	<b>PRE-AUDIT CORPORATE FINANCIAL OUTTURN 2014/15</b>		
<b>Corporate Director(s)/ Director(s):</b>	Glen O’Connell, Acting Corporate Director for Resources		
<b>Portfolio Holder(s):</b>	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration		
<b>Report author and contact details:</b>	Geoff Walker, Director of Strategic Finance 0115 8763740 <a href="mailto:geoff.walker@nottinghamcity.gov.uk">geoff.walker@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b>	<input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input checked="" type="checkbox"/> Revenue	<input checked="" type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Total value of the decision:</b> £30.613m			
<b>Wards affected:</b> All		<b>Date of consultation with Portfolio Holder(s):</b> Throughout March – June 2015	
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input checked="" type="checkbox"/>
Cut crime and anti-social behaviour			<input checked="" type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input checked="" type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input checked="" type="checkbox"/>
Help keep your energy bills down			<input checked="" type="checkbox"/>
Good access to public transport			<input checked="" type="checkbox"/>
Nottingham has a good mix of housing			<input checked="" type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input checked="" type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input checked="" type="checkbox"/>
Support early intervention activities			<input checked="" type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>This report sets out the City Council’s pre-audit General Fund and Housing Revenue Account (HRA) revenue outturn 2014/15 and Capital Programme. It is an important component of the City Council’s financial management and governance framework setting out the Council’s year-end financial position for 2014/15.</p> <p>Strong financial planning and management are essential in the Council’s work to commission, enable and provide value for money services to citizens to deliver corporate priorities.</p> <p>The final Statement of Accounts will be considered by the Audit Committee in September 2015 at the conclusion of the external audit.</p>			
<b>Exempt information:</b>			
None			
<b>Recommendation(s):</b>			
<p>1 To note:</p> <p>a) the pre-audit revenue outturn for 2014/15 including a revenue underspend of £1.459m after taking into account carry-forwards, which are subject to review by the appropriate Portfolio Holder, as set out in paragraph 2.2 and Appendix A;</p> <p>b) the management action undertaken to control the identified cost pressures across services, as set out in Appendix B;</p> <p>c) net General Fund carry forwards of £6.015m as set out in paragraph 2.6 and Appendix Aii, subject to endorsement by the appropriate Portfolio Holder;</p>			

- d) the discretionary rate relief granted in 2014/15 detailed in paragraph 2.11;
- e) the position regarding cost reductions, invest to saves, pressures and big tickets for 2014/15 detailed in paragraph 2.4.
- f) the capital outturn and explanations of variances over £0.100m as detailed in Appendix H
- g) the additions to the Capital Programme detailed in Table 10;
- h) the refreshed Capital Programme, including schemes in development, and the unallocated resources of £3.864m, as set out in paragraph 2:18 (Tables 12 to 14).

2 To approve:

- a) the transfer of the balance of the 2014/15 underspend, subject to the finalisation of the audit, to (a) support the extension of the Nottingham Jobs Fund (£0.541m) to enable a further 400 jobs to be created and , (b) create an inward investment fund (£0.750m)
- b) the movements of resources set out in paragraph 2.5 and Appendix D;
- c) the net movement to earmarked reserves, as set out in paragraph 2.7 and Appendix E;
- d) the HRA outturn for 2014/15 as set out in paragraph 2.8 and Appendix F;
- e) write-offs in excess of £10,000, totalling £0.968m where all options for recovery have been exhausted, as set out in paragraph 2.10.
- f) The extension of the rolling capital scheme as set out in paragraph 2.17 (Table 11).

3 To note and endorse the allocations from the corporate contingency as set out in paragraph 2.3.

## 1 **REASONS FOR RECOMMENDATIONS**

- 1.1 It enables formal monitoring of progress against the 2014/15 budget and the impact of actual and planned management action.
- 1.2 The approval for virements of budgets is required by corporate financial procedures.

## 2 **BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 The 2014/15 revenue budget was approved by City Council in March 2014. Monitoring and forecasting reports have been considered by executive councillors throughout 2014/15. This report summarises the provisional outturn position for the revenue elements of the General Fund and HRA. Some report tables may not sum exactly due to rounding.

### 2.2 **General Fund Revenue**

The corporate outturn after carry forwards is a net underspend of £1.459m; an improvement of £0.448m (Table 1) from that reported to Executive Board at quarter 3. The combined outturn of corporate directorates is an underspend of £1.170m; an improvement of £0.203m from that previously reported. Carry forwards of £6.015m are included but subject to the approval by the appropriate Portfolio Holder. Appendix A provides more detail and Appendix B gives information about specific issues within Portfolios.

It is recommended that the underspend be set aside to support (a) the extension of the Nottingham Jobs Fund (£0.541m) to enable a further 400 jobs to be created and (b) the creation of an inward investment fund of £0.750m. This will leave a balance of £0.209m.

<b>TABLE 1: FORECAST OUTTURN REPORTED AT END OF PERIOD:</b>				
<b>PORTFOLIO</b>	<b>Q1 £m</b>	<b>Q2 £m</b>	<b>Q3 £m</b>	<b>Outturn After C/ forwards £m</b>
Adults, Commissioning and Health	0.000	(1.595)	(2.007)	(2.746)
Children's Services	0.000	2.214	1.738	1.875
Community Safety, Housing and Voluntary Sector	0.000	0.054	(0.353)	(0.344)
Community Services	0.000	0.013	(0.070)	(0.418)
Energy and Sustainability	0.000	0.000	0.000	(0.116)
Jobs and Growth	0.000	0.000	0.000	0.008
Leisure and Culture	0.080	0.340	0.240	(0.002)
Planning and Transportation	0.000	(0.664)	(1.069)	(0.582)
Resources and Neighbourhood Regeneration	0.560	(0.189)	0.553	1.029
Strategic Regeneration and Schools	0.000	0.000	0.000	0.122
<b>TOTAL PORTFOLIOS</b>	<b>0.640</b>	<b>0.174</b>	<b>(0.967)</b>	<b>(1.170)</b>
Corporate Budgets	0.000	0.000	(0.044)	(0.289)
<b>NET COUNCIL POSITION</b>	<b>0.640</b>	<b>0.174</b>	<b>(1.011)</b>	<b>(1.459)</b>

#### **Forecast and Actual Outturns 2009/10 – 2014/15**

The Council provides many sensitive and demand led services and inevitably there will be cost pressures arising during the year. The Council has a good track record of successfully tackling such cost pressures as shown in Table 2 – demonstrating that through targeted and consistent management action the actual year end outturn shows a general improvement in the last five years.

<b>TABLE 2: FORECAST AND ACTUAL OUTURNS*</b>						
<b>OUTTURN</b>	<b>2009/10 £m</b>	<b>2010/11 £m</b>	<b>2011/12 £m</b>	<b>2012/13** £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>
<b>Actual Outturn</b>	<b>1.644</b>	<b>0.653</b>	<b>(0.215)</b>	<b>(2.105)</b>	<b>(1.175)</b>	<b>(1.459)</b>
Forecast as at Q3	3.045	3.603	0.067	(2.437)	(1.700)	<b>(1.011)</b>
Forecast as at Q2	4.407	5.509	3.013	(4.202)	(0.133)	<b>0.174</b>
Forecast as at Q1	3.908	5.822	6.152	1.374	1.547	<b>0.640</b>

\*after carry-forwards

\*\*after agreed contributions to reserves of £2.250m

The actual outturn position impacts directly on general reserves; underspends increase reserves and overspends decrease them. This provides a financial safety net to cover above-budget costs throughout the year. The balance on general fund reserves as at 1 April 2014 was £9.600m. The Medium Term Financial Plan (MTFP) set the level of reserves at £9.500m,

which is 3.4% of the budget requirement and within the range required by the Medium Term Financial Strategy (MTFS) of between 2% and 4%.

### 2.3 Corporate Contingency

This enables management of the financial impact of issues that were not reflected when the budget was set. It is allocated under the delegated authority of the Chief Finance Officer (CFO) in consultation with the Deputy Leader using designated criteria. Services are required to accommodate unforeseen expenditure and/or income shortfalls from within their cash limited budgets, only seeking allocations where this is proven to be impossible. Contingency is £2.151m in 2014/15. Since the February report, allocations of £0.307m have been approved and an unused amount of £0.163m for an earlier allocation has also been returned. These items are shown in Table 3.

<b>TABLE 3: CONTINGENCY ALLOCATED SINCE FEBRUARY EXECUTIVE BOARD</b>	
<b>Items Allocated</b>	<b>Amount £m</b>
'What's On' in 2015 to be issued with Council Tax bills	0.007
Legal costs for Judicial Review of HMO's	0.013
Chronology & preparation for Independent Review (Operation Daybreak)	0.025
No Recourse to Public Funds	0.213
Partnership Support for Community Delivery	0.036
Budget consultation costs (Communications & Marketing)	0.013
<b>TOTAL</b>	<b>0.307</b>
<b>Item Returned to Contingency</b>	
Legal Advice re employment tribunal	-0.163
<b>TOTAL</b>	<b>0.144</b>

The February report provided that any unused Contingency would be reserved to fund slippage issues. Details of contingency items to be reserved for use in 2015/16 are shown in Table 4.

<b>TABLE 4: CONTINGENCY TO BE RESERVED FOR USE IN 2015/16</b>	
<b>Item</b>	<b>Amount £m</b>
Information Commissioners report re DP Audit	0.130
Partnership Support for Community Delivery	0.012
Chronology & preparation for Independent Review (Operation Daybreak)	0.025
Neighbourhood Tree Removal & Improvement Programme	0.095
Additional Social Workers	0.223
Combined Authority	0.150
Contingency balance	0.907
<b>TOTAL</b>	<b>1.542</b>

### 2.4 Cost reductions, income generation, pressures and invest to saves (also known as 'Strategic Choices')

### Cost Reductions; Pressures and Investments

Through the approved proposals cost reductions of £7.745m were achieved, and investments (£0.656m) and pressures (£2.510m) were invested in 2014/15 budget.

### Big Tickets

Big Ticket proposals of £14.874m were included in the budget. At outturn, £2.172m (14.6%) was not achieved against original proposals, although all were achieved through alternate management action within directorates and in some cases overachieved. The main items are listed below:-

- Adult Provision Efficiency Programme / Homecare Services – overachieved by £0.340m
- Children’s Big Ticket – underachieved by £0.857m but contained within the directorate
- Strategic Asset Management – underachieved by £0.985m but contained within the directorate
- Category Management – underachieved by £0.330m but contained within the directorate
- Parking, Highways, Transport, Street Cleansing and Grounds Maintenance – overachieved by £0.821m

## 2.5 **Movement of Resources**

Transfers of services between directorates and/or portfolios are reflected within the monitoring figures. These movements of resources now require approval and are detailed in Appendix D.

## 2.6 **Carry forwards**

The carry forward protocol is published within the Medium Term Financial Strategy (MTFS) and services have submitted requests. These have been considered both using the clear criteria set out in the MTFS and the overall corporate context of the prevailing financial and economic environment.

Net carry forwards of £6.015m, have been included within the outturn and are subject to endorsement by the appropriate Portfolio Holder. Carry forwards have been further classified as follows:-

- General Carry Forwards - £1.772m
- For Capital purposes - £0.756m
- Investment in Services (bids will be subject to further review process) - £1.055m
- Transformation activity (bids will be subject to further review process) - £1.466m
- Risk (to be retained corporately and are primarily to support the MTFP process going forward - £0.965m

Details of individual carry forward requests are shown in Appendix A(ii).

## 2.7 **Movements in Earmarked Reserves**

Earmarked reserves are funds set aside for specific purposes. At 1 April 2014 the balance of earmarked reserves was £148.763m (excluding capital reserves, including Schools Statutory Reserves, Job Evaluation, Insurance, and NET Private Finance Initiative (PFI) grant). During the year there has been a net movement of £12.249m in earmarked reserves, this includes contributions to capital schemes and movements relating to previously approved decisions including Schools Statutory Reserves.

Reserve movements are categorised as:

- **MTFP/Outturn decisions-** These include items which were separately identified within the MTFP 2014/15 and include items such as repayment to the NET reserve.
- **Replenishment of existing reserves-** revenue contributions to reserves resulting from slippage/ savings on specific schemes, grants and contributions for specific purposes;

- **Use of specific reserves-** Technically the approval of these reserves is implied at their setting up;
- **PFI/Building Schools for the Future (BSF) development costs** - Councils are required to charge to revenue development and set up costs relating to PFI schemes (these were previously budgeted for within the capital programme). The use of earmarked reserves is required to offset these costs;
- **Statutory Schools reserve** - This represents the net movement on ring fenced resources for schools;
- **Reserves to Capital Schemes** - These refer to use of reserves to support capital schemes;

Table 5 summarises the movements in each category of reserves during 2014/15 and identifies those which have previously been approved by Executive Board and those which now require Executive Board approval as part of the pre-audit outturn. Appendix E provides more details of movement in reserves, which require approval.

<b>TABLE 5: NET MOVEMENTS IN RESERVES</b>			
<b>TYPE OF TRANSFER</b>	<b>PREVIOUSLY APPROVED £m</b>	<b>REQUIRING APPROVAL £m</b>	<b>TOTAL £m</b>
MTFP/Outturn decisions	(6.101)	(5.112)	(11.212)
Replenishment of existing reserve	(15.686)	(13.208)	(28.894)
Use of existing reserves	18.553	4.900	23.453
PFI/ BSF development costs	(1.334)	0.000	(1.334)
Statutory Schools reserve	3.252	(5.692)	(2.440)
Reserves to capital schemes	8.178	0.000	8.178
<b>Total</b>	<b>6.862</b>	<b>(19.111)</b>	<b>(12.249)</b>

## 2.8 HRA Budget

The HRA budget was approved by the City Council on 3 March 2014 and budgeted for a working balance of £4.000m at 31 March 2015. The purpose of the working balance being to provide a contingency for any unexpected cost increases or reductions in income due to unforeseen circumstances. The main current issues are reported below.

The HRA Summary outturn for 2014/15 is shown in Table 6 below. For comparative purposes the movement in the working balance is tracked from the projected outturn at Period 9 to the provisional outturn. The detail is attached at Appendix F.

**TABLE 6: HOUSING REVENUE ACCOUNT OUTTURN**

Description	Budget 2014/15	Projected Outturn Period 9	Outturn (provisional)	Variance against Projected Outturn
	£m	£m	£m	£m
Income	(105.594)	(105.499)	(106.091)	(0.592)
Expenditure	105.639	106.351	106.637	0.286
<b>Net movement in year</b>	<b>0.045</b>	<b>0.852</b>	<b>0.546</b>	<b>(0.306)</b>
Working Balance b/f	(4.045)	(4.852)	(4.852)	0.000
<b>Working Balance c/f</b>	<b>(4.000)</b>	<b>(4.000)</b>	<b>(4.306)</b>	<b>(0.306)</b>

Working Balance

Overall the working balance has increased by £0.306m compared to the projected outturn at Period 9. The available working balance carried forward into 2015/16 is £4.306m.

Income

Rent Income increase of £0.242m

Bad debt provision reduced, resulting in increase to net rental income received.

Service Charges, increase of £0.274m

Income generated from service charges was higher than anticipated.

Interest received, increase of £64k

Level of bank interest received increased due to a higher balance than anticipated on the Major Repairs Reserve at 31 March 2015 due to slippage in the capital programme.

Expenditure

Management, increase of £76k

Made up of a number of variances including: an underspend of £0.223m on Tenant Incentive Scheme, an overspend of £0.776m on capital scheme costs that have been charged to revenue and an underspend of £0.515m on Council Tax charges for void properties.

Capital Charges, increase of £0.986m

Increase in the depreciation charge is as a result of revisions to valuations of housing assets. This has the impact of increasing the contribution to the Major Repairs Reserve, thereby increasing the resources available for capital investment.

Direct Revenue Financing, reduction of £0.776m

Reduction in Direct Revenue Financing of £0.776m of capital scheme costs that have been charged to revenue.

**2.9 Debtors Monitoring (Appendix C)****Housing Rents**

The Housing Rents collection rate (98.39%) is above the target of 98.30% and is also ahead of last year's performance (98.25%).

### **Council Tax**

The 2014/15 council tax collection rate (92.50%) is below the stretch target of 94.50%, and is also slightly down on the 2013/14 figure of 93.20%. In monetary terms, the amount collected was £98.533m, compared to £92.967m in 2013/14.

For 2014/15 all working-age recipients of Local Council Tax Reduction were required to pay the first 20% of their council tax liability, as opposed to 8.50% in 2013/14.

Despite actual performance being marginally below target, this compares favourably against other Local Authorities who suffered larger reductions in their yearly collection figures. The year-end figure also includes Council Tax Reduction (CTR) and the new 'empties' policy (which have much lower collection rate when compared to regular debt of 75.50% for CTR and 71.00% for empty properties respectively).

### **National Non- Domestic Rates (NNDR)**

The NNDR collection rate for 2014/15 stands at 96.16% and is marginally down on our expected performance target (based on a 6 year average) of 97.50%.

### **Sundry Income**

The collection rate of 81.00% is below target (99.00%) and last year's equivalent figure (88.70%). Management action is targeted on the application of receipts and the 90 day collection percentage should improve over future periods.

### **Adult Residential Services**

The 2014/15 collection rate of 96.47%, whilst being slightly lower than the 97.50% target, exceeds the previous year outturn figure (95.90%).

### **Estates Rents**

The collection rate of 96.20% is above last year's figure of 96.04% but is slightly below the set target of 97.50%. Performance has consistently exceeded that of the equivalent periods last year.

## **2.10 Written Off Debt**

The CFO has delegated authority to write off individual debts not exceeding £10,000. Any debts above this are subject to Portfolio or Executive Board decision. The debts included in this report relate to debt raised over the past 5 years and have been pursued as far as is reasonably possible, and/or relate to businesses that have gone into liquidation or individuals that have gone bankrupt. The Council is therefore unable to obtain payment. Once it is clear that no further payments will be received against a debt, it should be written out of the Council's accounts. Adequate bad debt provision to accommodate this level of write off has been built up in the accounts over a number of years and approval is also being sought to write off debts over £10,000 totalling £0.968m as summarised in Table 7 below. These figures are subject to the finalisation of the NNDR year end and other statutory returns.

<b>TABLE 7: WRITE OFFS OVER £10k in 2014/15</b>	
<b>Fund</b>	<b>£m</b>
Collection Fund	0.921
General Fund	0.047
<b>Total</b>	<b>0.968</b>



## 2.11 New Discretionary Rate Relief Granted in 2014/15

Details of new determinations of eligibility for Discretionary Relief since 1 April 2014 are shown in Table 8. Costs are borne equally by the City and Central Pool.

Type of Relief	Amount of Relief £m
Discretionary Relief Awarded to Non Profit-Making Bodies which are not Registered Charities	0.023
Additional Discretionary Relief Awarded to Registered Charities which are in Receipt of 80% Mandatory Relief	0.016
Additional allowance to organisations on whose behalf the Council makes payment	0.020

## 2.12 Capital Programme

The capital programme for 2014/15 was approved by the City Council in March 2014. Quarterly monitoring and forecasting reports have been provided and considered by Executive Councillors throughout 2014/15.

## 2.13 Capital Expenditure 2014/15

The capital expenditure in 2014/15 was £183.527m, representing an increase of £7.065m from the Quarter 3 position. Table 9 shows the position for each portfolio. Further details are set out in Appendix G.

PORTFOLIO	Projected Outturn Q3 £m	Outturn £m	Variance £m	%
Public Sector Housing	64.874	60.039	(4.835)	(7.45)
Planning and Transport Programmes	22.974	21.895	(1.079)	(4.70)
Children's Services -Education / BSF	15.990	9.861	(6.129)	(38.33)
<b>Total</b>	<b>103.838</b>	<b>91.795</b>	<b>(12.04)</b>	<b>(11.60)</b>
<b>Other Services:</b>				
Adults and Health	2.239	1.795	(0.444)	(19.83)
Children's Services	0.586	0.617	0.031	5.29
Leisure and Culture	17.682	11.372	(6.310)	(35.69)
Planning and Transportation	21.119	35.373	14.254	67.49
Energy & Sustainability	3.372	3.868	0.496	14.71
Community Safety, Housing & Voluntary Sector	3.178	2.644	(0.534)	(16.80)
Strategic Regeneration and Schools	7.741	8.724	0.983	12.70
Community Services	1.756	2.172	0.416	23.69
Resources/Neighbourhood Regeneration	14.951	25.167	10.216	68.33
<b>Total</b>	<b>72.624</b>	<b>91.732</b>	<b>19.108</b>	<b>26.31</b>
<b>TOTAL PROGRAMME</b>	<b>176.462</b>	<b>183.527</b>	<b>7.065</b>	<b>4.00</b>

## 2.14 Reasons for variances

The City Council's capital monitoring analyses variations between:

- changes in budgeted expenditure, where the expenditure is still required but takes place later than originally intended (slippage) or earlier than originally intended (acceleration). Slippage does not result in resources being released; the resources and planned expenditure will be carried forward into future years;
- under-spends or over-spends, which represent a decrease or an increase in the total capital cost of a project (which could potentially be over a number of years) and would usually result in a saving which can be released to support the capital programme in future years.

## 2.15 Significant variances

An overview of schemes showing significant variances is set out below. Further details of variances over £0.100m are contained in Appendix H.

### **Housing Delivery – (£4.835)**

A variance of 7.45% on a programme of £64.874m represents both slippage and acceleration on a number of schemes. Slippage of £7.274m on a number of schemes the most significant being £0.902m on solar panels, the scheme has been re-profiled and is due to commence in July this year. Lenton New Build Phase 1 has accelerated by £1.239m in order to maximise funding.

### **Local Transport Plan – (£1.079m)**

A variance of 4.7% on a programme of £22.974m represents both slippage on a number of schemes of (£2.064m) and acceleration of £0.985m. The revised programme for 2015/16 to 2019/20 is £66.131m.

### **Children’s Services – (£6.129m)**

Children’s services show a variance of (£6.129m) representing 38.33% on a programme of £15.990m. This variance is mainly attributable to slippage of (£6.159m) caused by delays in various projects as detailed in Appendix H.

### **Other Services**

Total expenditure in 2014/15 was £91.732m against a projection of £72.624m. The variance represents 26% of the programme and is predominately due to the acceleration of a number of schemes totalling £21.429m offset by slippage of (£17.198m). The variances have been reflected in the revised programme for 2015/16 and explanation of major variances within ‘Other Services’ are detailed below and in Appendix H.

- **Leisure and Culture – (£6.310m)** – Re-profiling of (£2.522m) on the Harvey Hadden stadium and cycle track and (£1.168m) on the Forest Recreation Sports Zone Project to allow match funding leverage. In addition proactive re-scheduling of (£0.559m) on the works element of the lift at the Royal Centre due to the need to coordinate a schedule of works when no shows were taking place. All schemes have been re-profiled accordingly.
- **Planning and Transportation - £14.254m** - Acceleration of £12.536m on the NET project in relation to land acquisition and disturbance costs. And acceleration of £1.962m on Vehicle Acquisition. The capital expenditure forecasts for both projects remain unchanged.
- **Strategic Regeneration and Schools - £0.983m** - £2.029m acceleration offset by (£1.047m) of slippage. The acceleration on two schemes; £1.127m for Dakeyne Street and £0.902m for the Sneinton market project, was in order to maximise grant conditions. The overall capital expenditure forecast remains unchanged.

## 2.16 Additions to the Programme

Additions in Quarter 4 include those schemes that were approved as part of the budget process and the allocation of the schools maintenance grant to specific schools.

Other additions to the programme are shown in **Table 10** below

<b>TABLE 10: ADDITIONS at QTR 4</b>							
<b>Scheme</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
<b>Transport Programmes</b>							
Transfer to Area Capital	0.000	(1.250)	0.000	0.000	0.000	0.000	(1.250)
<b>Education / Schools</b>							
Transfer to Other Services	(0.132)	0.000	0.000	0.000	0.000	0.000	(0.132)
Hadden Park Water System	0.032	0.000	0.000	0.000	0.000	0.000	0.032
Riverside Primary Expansion	0.250	0.000	0.000	0.000	0.000	0.000	0.250
Rufford Primary Expansion	0.050	0.001	0.000	0.000	0.000	0.000	0.050
<b>Total Education</b>	<b>0.200</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.200</b>
<b>Adults and Health</b>							
OCC Implementation	0.034	0.109	0.000	0.000	0.000	0.000	0.143
<b>Children's Services</b>							
Green Lane Youth Club	0.253	0.000	0.000	0.000	0.000	0.000	0.253
Phoenix Play Centre	0.053	0.017	0.000	0.000	0.000	0.000	0.070
St Anns Children's Centre	0.000	0.005	0.000	0.000	0.000	0.000	0.005
Southglade Access Centre	0.000	0.022	0.000	0.000	0.000	0.000	0.022
St Anns Adventure Play	0.000	0.017	0.000	0.000	0.000	0.000	0.017
The Ridge Adventure Play	0.000	0.018	0.000	0.000	0.000	0.000	0.018
<b>Commissioning and the Voluntary Sector</b>							
Robin Hood Chase	0.032	0.034	0.000	0.000	0.000	0.000	0.066
Arkwright Walk	0.205	0.233	0.000	0.000	0.000	0.000	0.438
<b>Community Services</b>							
LTP Transfer Area Capital	0.000	1.250	0.000	0.000	0.000	0.000	1.250
ACF Contribution to Leisure	0.000	(0.083)	0.000	0.000	0.000	0.000	(0.083)
<b>Energy and Sustainability</b>							
District Heating Network Replacement	1.869	1.566	0.986	0.986	0.886	0.000	6.293
<b>Leisure and Culture</b>							
Nottingham Playhouse - Loan	0.237	0.000	0.000	0.000	0.000	0.000	0.237
Woodthorpe Grange Park	0.000	0.020	0.000	0.000	0.000	0.000	0.020
Hoylake Park	0.000	0.036	0.000	0.000	0.000	0.000	0.036
Victoria Park / St Mary's	0.000	0.040	0.000	0.000	0.000	0.000	0.040
Highbury Vale Play Area	0.000	0.020	0.000	0.000	0.000	0.000	0.020
Woodfield Road Play Area	0.000	0.055	0.000	0.000	0.000	0.000	0.055
Trickett's Yard Play Area	0.000	0.065	0.000	0.000	0.000	0.000	0.065
Peggy's Park Play Area	0.000	0.095	0.000	0.000	0.000	0.000	0.095
Sutton Passey's Play Park	0.000	0.067	0.000	0.000	0.000	0.000	0.067
Nottingham Playhouse - Loan	0.000	0.100	0.000	0.000	0.000	0.000	0.100

<b>Resources and Neighbourhood Regeneration</b>							
Broad Marsh WiFi	0.151	0.000	0.000	0.000	0.000	0.000	0.151
Acquisition of Blueprint	10.866	0.734	0.000	0.000	0.000	0.000	11.600
Acquisition of Offices	1.371	0.100	0.000	0.000	0.000	0.000	1.471
<b>TOTAL APPROVALS</b>	<b>15.274</b>	<b>3.266</b>	<b>0.986</b>	<b>0.986</b>	<b>0.886</b>	<b>0.000</b>	<b>21.399</b>

## 2.17 Rolling Programme for approval

Table 11 details the increase of the rolling programme for capital works at Eastcroft that requires approval for inclusion in the capital programme:

- Capital Works at Eastcroft** - This report seeks approval for £3.228m funded from Prudential Borrowing for the capital works at the Eastcroft Incinerator as set out in Table 11. The Council is contractually committed to cover the works. However, this payment mechanism represents better value for money than the alternative approach of paying an increased gate fee. The capital works are to be funded by Prudential Borrowing.

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Current Provision	3.066	1.432	3.962	1.561	0.951	0.000	10.972
Revised Provision	2.389	2.121	5.138	1.523	0.422	2.607	14.200
<b>New Pressure</b>	<b>(0.677)</b>	<b>0.689</b>	<b>1.176</b>	<b>(0.038)</b>	<b>-0.529</b>	<b>2.607</b>	<b>3.228</b>

## 2.18 Revised Capital Programme - General Fund

The General Fund Programme has been updated for approvals in quarter 4 and the impact of the final outturn. The resource projections have also been updated, including those sums likely to be generated by capital receipts.

The General Fund five year capital programme is £612.159m as detailed below in Table 12.

2014/15 £m	PROGRAMME ELEMENT	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	TOTAL £m
21.894	Local Transport Plan (LTP)	25.781	23.881	16.469	0.000	0.000	66.131
9.863	Education/BSF	19.215	5.647	0.000	0.000	0.000	24.862
91.729	Other Services	168.651	27.346	12.887	14.704	7.988	231.576
0.000	Projects in Development	108.908	112.582	46.800	19.800	1.500	289.590
<b>123.486</b>	<b>TOTAL PROGRAMME</b>	<b>322.555</b>	<b>169.456</b>	<b>76.156</b>	<b>34.504</b>	<b>9.488</b>	<b>612.159</b>

The General Fund capital programme is subdivided into two categories as follows:

### Approved Capital Programme

Comprising the projects that are progressing either currently or in the near future. These projects have all been approved and the funding has been identified and is in place. The revised approved five year capital programme is £322.569m.

### Projects in Development

These projects are currently being developed and are at various stages in their project life cycle. Projects can move up into the approved programme once approval has been granted, although this will be subject to a process of business case appraisal that included both due diligence and the identification of funding. The five year investment strategy (projects in development) is £289.590m.

The capital programme is delivered from a diverse range of funding which includes:

#### Prudential Borrowing

The key principle for using this is that it must be affordable and is therefore heavily regulated. This type of funding is reserved for schemes that can deliver savings or demonstrate a return on investment at least sufficient to cover the debt repayments of interest and principle.

#### Grants

External funds provided by the government, which may be ring-fenced or other external sources that are provided to deliver specific projects.

#### Reserves

Earmarked reserves set aside, through Executive board approval for specific capital schemes.

#### Capital Receipts

Receipts from the sale of surplus assets used as a corporate resource, allowing the Council to fund a range of projects for which there is no external funding, or other non-commercial schemes which will not generate a return sufficient to cover their costs.

Capital receipt projections are closely monitored. General Fund secured Capital Receipts in 2014/15 (which support the programme) are lower than expectations due to a number of disposals slipping into 2015/16. Overall secured capital receipts for 2014/15 are £7.717m and include receipts from investment properties which will be reinvested in the property portfolio.

Table 13 below gives a breakdown of the how the five year capital programme is currently funded.

<b>TABLE 13 GENERAL FUND CAPITAL PROGRAMME RESOURCES</b>							
<b>2014/15 £m</b>	<b>PROGRAMME ELEMENT</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
26.318	Resources b/f	33.838	0.000	0.000	0.000	0.000	33.838
66.449	Prudential Borrowing	203.550	112.374	51.203	9.496	2.094	378.717
41.286	Grants & Contribution	71.109	52.168	22.809	19.850	6.494	172.430
15.554	Internal Funds / Revenue	9.785	1.588	1.135	1.650	1.494	15.652
7.717	Capital Receipts	6.268	5.548	2.700	0.870	0.000	15.386
<b>157.324</b>		<b>324.551</b>	<b>171.677</b>	<b>77.847</b>	<b>31.866</b>	<b>10.082</b>	<b>616.023</b>

Resources and proposed financing for 2015/16 is detailed in Appendix I.

<b>TABLE 14: GENERAL FUND CAPITAL POSITION</b>						
<b>PROGRAMME ELEMENT</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
Total Programme	322.555	169.456	76.156	34.504	9.488	612.159
Total Resources	324.551	171.677	77.847	31.866	10.082	616.023
<b>Cumulative Surplus/(Shortfall)</b>	<b>1.995</b>	<b>2.222</b>	<b>1.691</b>	<b>(2.638)</b>	<b>0.594</b>	<b>3.864</b>

The General Fund Programme shows a current surplus of £3.864m. However, the programme is predicated on a number of projects in development, the cost of these

projects are estimated and are subject to change, therefore, the current surplus is liable to change as projects progress and costs become more accurate.

## 2.19 Housing Revenue Account

The Public Sector Housing programme has been updated to reflect the £7.274m slippage between 2014/15 and 2015/16. Table 15 sets out the updated programme and resources.

<b>TABLE 15 : PUBLIC SECTOR HOUSING - CAPITAL PROGRAMME AND RESOURCES</b>							
<b>2014/15 £m</b>	<b>PORTFOLIO</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>60.039</b>	<b>Public Sector Housing Programme</b>	<b>71.373</b>	<b>64.056</b>	<b>51.396</b>	<b>42.021</b>	<b>34.383</b>	<b>263.229</b>
	<b>Resources Available</b>						
49.484	Resources b/f	45.280	0.000	0.000	0.000	0.000	45.280
0.000	Prudential Borrowing	9.025	6.000	7.351	6.450	0.000	28.826
14.061	Grants & Contribution	2.665	5.022	0.653	1.307	0.815	10.462
5.700	Direct Revenue Financing	7.509	6.987	8.371	8.720	8.720	40.307
30.069	Major Repairs Reserve	30.069	30.069	30.069	30.069	30.069	150.345
6.005	Capital Receipts Secured	0.000	0.000	0.000	0.000	0.000	0.000
<b>105.319</b>		<b>94.548</b>	<b>48.078</b>	<b>46.444</b>	<b>46.546</b>	<b>39.604</b>	<b>275.220</b>
0.000	<b>Capital Receipts Unsecured</b>	4.048	8.454	3.359	0.000	0.000	15.861
<b>105.319</b>	<b>TOTAL RESOURCES</b>	<b>98.596</b>	<b>56.532</b>	<b>49.803</b>	<b>46.546</b>	<b>39.604</b>	<b>291.081</b>
	<b>Future commitment to maintaining decency</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>27.852</b>	<b>27.852</b>
<b>(45.280)</b>	<b>(SURPLUS)/SHORTFALL</b>	<b>(27.223)</b>	<b>7.524</b>	<b>1.593</b>	<b>(4.525)</b>	<b>22.631</b>	<b>(0.000)</b>

## **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 No other options were considered as the Council is required to ensure that, at a corporate level, expenditure and income are kept within approved budget levels and this report sets out how this is being managed.

## **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 4.1 Financial implications appear throughout the report.
- 4.2 The financial plans and budgets support delivery of the Council Plan. Monitoring the financial position in parallel with service plan activity helps to ensure the delivery of corporate priorities. The Council has developed a robust approach to providing value for money and efficiency savings to support the delivery of the Council Plan and the Medium Term Financial Strategy.

## **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

- 5.1 Continuous review and management of the budget and associated performance issues mitigate the risk of not achieving corporate priorities.
- 5.2 The five year proposed programme is ambitious and will require the Council to use much of its available resources. Substantial investment of this nature will result in the Council being exposed to additional risks as follows:

- a 52% increase in the authority’s borrowing over the next five years;
- exposure to interest rate changes; a 0.5% increase in interest rates will increase the cost of borrowing by c£0.700m per annum;
- major schemes have a long pay back period which will require the use of reserves in the early years to fund short term deficits in business plans;
- the cost of feasibility studies are all undertaken at risk;
- Schemes may not cover their costs or make the desired return.

5.3 In order to manage these risks the following key principles will be adopted in managing the programme:

- new projects (unable to cover their costs) added to the programme, will result in an existing project being removed or amended;
- all projects must have a robust and viable full business case, which considers and includes whole life costing and revenue implications;
- all schemes will be subject to robust and deliverable business plans and models which demonstrate the necessary return on investment required;
- the decision to progress schemes will be dependent on securing the stated level of external funding or grant as appropriate;
- new projects will be considered where the Council can make a return on investment;
- where new sources of external funding/grants become available, the programme will be revisited;

All schemes will be subject to an independent internal ‘Gateway review process’

5.4 The City Council recognises the importance of individual and collective accountability and requires managers to formally acknowledge their responsibilities. Financial management is an integral aspect of effective leadership and good management, relevant councillors and managers are required to participate fully in all aspects of capital investment plans.

5.5 Corporate Directors will be accountable for the success and deliverability of all capital projects within their remit; including:

- ownership of business cases and any subsequent changes to them;
- ensuring that capital projects are delivered in line with agreed targets and resources;
- the successful outcome and benefits realisation of capital projects.

## **6 SOCIAL VALUE CONSIDERATIONS**

6.1 None

## **7 REGARD TO THE NHS CONSTITUTION**

7.1 Not applicable

## **8 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- |   |                                     |
|---|-------------------------------------|
| (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council) | <input checked="" type="checkbox"/> |
| (b) No  | <input type="checkbox"/>            |
| (c) Yes – Equality Impact Assessment attached   | <input type="checkbox"/>            |

**9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

9.1 None.

**10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

10.1 Medium Term Financial Plan 2014/15 - 2016/17 - Executive Board 25 February 2014.

**11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

Theresa Channell - Head of Corporate and Strategic Finance

0115 8763657

[theresa.channell@nottinghamcity.gov.uk](mailto:theresa.channell@nottinghamcity.gov.uk)

Tina Adams - Capital and Taxation Manager

0115 8763658

[tina.adams@nottinghamcity.gov.uk](mailto:tina.adams@nottinghamcity.gov.uk)

Steve Thornton –Finance Analyst

0115 8763655

[steve.thornton@nottinghamcity.gov.uk](mailto:steve.thornton@nottinghamcity.gov.uk)



## APPENDIX A

Portfolio	Budget £m	Draft Outturn £m	Variance £m	Net Movement in Reserves £m	Outturn prior to Carry forwards £m	Requested C/Fwd £m	Outturn including Carry forwards £m
Adults, Commissioning and Health	95.476	93.634	(1.842)	(2.356)	(4.198)	1.452	(2.746)
Children's Services	53.544	57.367	3.823	(2.852)	0.971	0.904	1.875
Community Safety, Housing and Voluntary Sector	13.682	12.746	(0.936)	0.407	(0.530)	0.186	(0.344)
Community Services	10.472	9.759	(0.713)	(0.353)	(1.066)	0.648	(0.418)
Energy and Sustainability	5.402	5.025	(0.377)	(0.096)	(0.473)	0.357	(0.116)
Jobs and Growth	3.697	5.515	1.819	(1.811)	0.008	0.000	0.008
Leisure and Culture	10.157	9.263	(0.894)	0.268	(0.626)	0.629	0.003
Planning and Transportation	8.523	6.644	(1.879)	1.107	(0.772)	0.190	(0.582)
Resources and Neighbourhood Regeneration	29.727	34.962	5.235	(4.602)	0.633	0.396	1.029
Strategic Regeneration and Schools	(2.690)	(5.916)	(3.226)	2.445	(0.781)	0.903	0.122
<b>Sub Total</b>	<b>227.989</b>	<b>228.998</b>	<b>1.009</b>	<b>(7.844)</b>	<b>(6.835)</b>	<b>5.665</b>	<b>(1.170)</b>
Corporate budgets	<b>49.241</b>	<b>40.757</b>	<b>(8.484)</b>	<b>7.844</b>	<b>(0.639)</b>	<b>0.350</b>	<b>(0.289)</b>
<b>Total General Fund</b>	<b>277.230</b>	<b>269.755</b>	<b>(7.474)</b>	<b>0.000</b>	<b>(7.474)</b>	<b>6.015</b>	<b>(1.459)</b>

## Carry Forward Requests by Department

SERVICE	PORTFOLIO	VALUE £m	Classification	DETAILS
<b>Community Services</b>				
Environmental Health & Safer Housing	Community Safety, Housing and Voluntary Sector	0.165	Carry Forward	<p><u>Burglary Reduction Scheme</u> Continuation and enhancement of the burglary reduction scheme. To fund 8 x F grade posts to provide resources to:</p> <ol style="list-style-type: none"> <li>1. Clear a backlog of licence applications.</li> <li>2. Enforce non compliant landlords.</li> <li>3. Respond to any demand increases within Safer Housing.</li> </ol> <p>This work was originally due to commence in 2014/15 but has slipped into 2015/16. and be funded from service budgets however due to the Judicial Review that was undertaken in 2014/15 on Houses in Multiple Occupation (HMO) this activity was put on hold.</p>
Community Protection	Community Safety, Housing and Voluntary Sector	0.020	Investment	<p><u>To fund partnership working</u> with the police to tackle and reduce begging in Nottingham City Centre and associated issues.</p>
Community Centres	Leisure and Culture	0.038	Carry Forward	<p><u>To fund the Community Centre Improvement Plan.</u> Slippage in the Community Centre Improvement Plan on work commissioned in Dec 2014/Jan 2015. This plan supports delivery of savings included in the Medium Term Financial Plan in future years (£0.100m in 2015/16).</p>
Royal Centre	Leisure and Culture	0.296	Carry Forward	<p><u>Trading Activity Surplus</u> Carry forward of 50% trading activity surplus will support further commercial growth in the 2015/16 business plan.</p>

Royal Centre	Leisure and Culture	0.295	Investment	<u>Match Funding of Grant.</u> Match funding for stage 2 of the Arts Council of England grant bid for the Royal Centre transformation in June 2015. The overall value of the scheme is £3.4m with a bid for an ACE grant of £1.6m. This element will be transferred to the Invest to Save reserve and pay back of the investment (£0.296m) will be required from the Royal Centre retained profit in future years.
Traded Operations, Highways & Energy Infrastructure and Commercial Services	Community Services	0.537	Carry Forward	<u>Trading Activity Surplus</u> Carry forward of 50 % of the trading activity surplus will support further commercial growth in the 2015/16 business plan.
Neighbourhood Operations	Community Services	0.111	Investment	<u>Funding of Apprentices</u> To part fund the 50 apprentices within Neighbourhood Services. The scheme was agreed in 2013/14 and included a funding element to be met from overall staff vacancies within Neighbourhood Services, and an element from the Job Funds. This request is to support those funding streams for Y2 of the apprentice scheme and has been incorporated into the overall Apprentice Scheme.
Energy Services	Energy and Sustainability	0.192	Carry Forward	<u>Future liability for loan</u> Carry forward required to fund future liability in respect of a loan for investing in energy efficient technology.
		0.165	Risk	<u>Commercial Energy Projects</u> To support the delivery of future Energy and Waste Big Ticket savings
<b>Sub-total Community Services</b>		<b>1.820</b>		
<b>Development &amp; Growth</b>				

Major Programmes / BSF	Strategic Regeneration & Schools	0.210	Capital	Feasibility study to address the increase in demand for special school places.
		0.100	Capital	Westbury School temporary accommodation (DDM1849)
		0.042	Capital	Bluecoat temporary accommodation - DDM1709. Funds required due to slippage in capital project
Planning	Planning & Transportation	0.190	Capital	<u>Match Funding of Project Costs</u> The project has stage 1 approval from Heritage Lottery Fund as outlined in DDM 1687. The stage 2 bid will be submitted following approval of the Council's match funding for the scheme which will be considered by Executive Board in July 2015. This scheme relates to public realm/regeneration from station to Broadmarsh.
Property Facilities Management	Resources & Neighbourhood Regeneration	0.142	Carry Forward	<u>Trading Activity Surplus</u> Carry forward of trading activity surplus will support delivery of future Strategic Asset Management (SAM) big ticket savings.
<b>Sub-total Development &amp; Growth</b>		<b>0.684</b>		
<b>Children &amp; Adults</b>				
Public Health	Adults, Commissioning and Health	1.295	Transformation	Ring-fenced grant
Adults	Adults, Commissioning and Health	0.157	Capital	Long Meadow / Springwood - contribution as per DDM 1896 to the cost of refurbishment of Long Meadow to enable the planned closure and relocation of Springwood.
Education Strategy	Strategic Regeneration & Schools	0.300	Investment	<u>School Improvement</u> To support the Education Improvement Board agenda as agreed at Schools Forum on 23 April 2015.
		0.038	Carry Forward	<u>School Improvement</u> Slippage of spend on temporary post as per DDM1665. The post is engaging with schools and academies to drive school improvement activity in the city. The post is required to work with the

				school improvement programme to coordinate communication activity and develop positive and productive relationships with partners.
		0.039	Investment	<u>Schools IT</u> Update and maintain the Schools/LA Capita ONE data link via the In-House Traded 'Schools IT' Service.
		0.134	Investment	<u>Music Services</u> Contribution back to reserves is requested to support the financial commitment of the authority to the Music Services.
		0.040	Investment	<u>School Improvement</u> School attendance campaign.
Vulnerable C&F and Children's Social Care	Children's Services	0.057	Capital	<u>Green Lane Centre of Excellence</u> Capital contribution required to complete the Green Lane Youth Centre of Excellence refurbishment as per DD1886.
		0.047	Investment	<u>HR support</u> Conversion of agency social workers to permanent employees.
		0.800	Risk	<u>Demographic Growth of Children in Care</u> Increased cost forecast associated with demographic growth of Children in Care. This will be transferred to the Transformation Reserve for mitigation in 2015/16 of this risk.
<b>Sub-total Children &amp; Adults</b>		<b>2.906</b>		
<b>Chief Executive</b>				
Human Resources	Resources & Neighbourhood Regeneration	0.015	Investment	<u>Apprentice Placements</u> Creation of a 12 month apprentice placement to support HR Employment and Community Relations, and Nottingham Apprentice Programme.
		0.013	Carry Forward	<u>Project People and Employability</u>

				Activity in relation to continued support for project people and employability agenda.
		0.045	Investment	<u>Apprentice Placements – Organisational Transformation</u> Creation of 3x12 month placements. These posts are in addition to the Corporate Apprentice Scheme.
		0.171	Transformation	<u>Transformation</u> Unused Transformation reserve
		0.010	Investment	<u>Additional capacity in Pensions Team</u> Required to support the implementation of changes to the pension regulations.
<b>Sub-total Chief Executive</b>		<b>0.254</b>		
<b>Corporate Items</b>	Planned Maintenance	0.350	Carry Forward	Commitments relating to maintenance backlog.
<b>Sub-total Chief Executive</b>		<b>0.350</b>		
<b>Total Carry Forwards</b>		<b>6.015</b>		

**Portfolio Variances +/- £50k including carry forwards****Adults, Commissioning and Health Portfolio – overall variance £2.746m FAVOURABLE (after carry forwards of £1.452m)****Adults £1.161m underspend (£1.004m under after carry forwards of £0.157m)**

The underspend is due to:

- Reduced internal costs associated with intake homecare however; this will increase spend in the external market.
- Increased levels of external contributions towards care packages from Health of £0.609m and 'self-funders' of £0.396m.

An element of this additional income relates to previous financial years however, the element that relates to 2014/15 is predicted to continue and is already included in the 2015/16 Medium Term Financial Plan.

**Public Health £1.295m underspend (all requested to be carried forward)**

- Delays in recruitment pending the implementation of a restructure reduced spend by £0.602m. These savings are already included in the 2015/16 Medium Term Financial Plan.
- Slippage in spend associated within the Crime and Drugs Partnership of £0.299m.
- A one off reduction in costs associated with prescription charges of £0.274m.

**Quality & Commissioning £1.312m underspend in total (£1.743m underspend Adults, Commissioning and Health Portfolio; £0.208m underspend within Community Safety, Housing and Voluntary Sector Portfolio and £0.639m overspend within Resources and Neighbourhood Regeneration Portfolio)**

- As part of the integration of Area Based Grants into mainstream Council funding, a reserve was created to fund the transitional period of Adults Commissioned Services reductions. This phase of service re-designs has all been fully implemented and the underspend reflects the balance of the reserve. This is a one off underspend of £1.555m.
- Included in the overall balance are unachieved savings attributable to the Procurement function of £0.350m net (£0.550m gross); these savings were assumed to be from contractual reductions. The 2015/16 budget risk review identifies this saving as at a high risk of non-achievement; mitigating action plan is being developed.
- Delays in recruitment pending the implementation of a restructure reduced spend by £0.307m. These savings are already included in the 2015/16 Medium Term Financial Plan.

**Resources and Neighbourhood Regeneration – overall variance £1.029m ADVERSE (after carry forwards of £0.396m)**

**Strategic Finance £0.751m underspend**

The underspend is due to:

- Slippage in recruitment to vacancies
- Grant maximisation; and
- Underspends associated with supplies and services.

These reductions are already incorporated into the 2015/16 Medium term Financial Plan.

**Support Services £0.238m overspend**

Additional costs within the Revenues and Benefits Support Service which have been managed through vacancy savings across the department as a whole.

**Corporate & Democratic Core £94k underspend**

Reduced recharge from Housing Revenue Account (HRA) to corporate management reflecting HRA management input to defined corporate roles.

**Corporate Management – Non Service £0.365m overspend**

Main elements of the variance comprise:

- An increase in the contribution deemed necessary to maintain a prudent provision against corporate bad debt (**+£0.468m**);
- Historic pension liability write-offs (**+£0.242m**);
- One-off legal costs associated with on-going cases (**+£70k**);
- Adjustment to Discretionary Rate Relief (**-£0.250m**);
- Reduced liability arising from revised administration of Non-Domestic Rate Relief (**-£0.152m**).

**EMSS £60k overspend**

The variance comprises a net under-achievement of Strategic Choice Savings. A plan is in place to ensure delivery of these in future years.

**Human Resources £0.261m underspend (£7k under after carry forwards of £0.254m)**

Slippage on Corporate Transformation Schemes has resulted in an underspend of £0.171m which has been incorporated into the carry forward process. The remaining underspend is due to vacant posts within the service.

**Commercial Services/Trading Services Finance £0.406m overspend**

Heat monitor sales slower than anticipated despite bidding success.

**Property – Facilities Management (FM) £0.560m underspend**

Additional one-off savings on Operational Buildings of £0.236m were achieved by pro-actively reducing expenditure to help mitigate the overspend elsewhere within Property. Vacancy savings of £0.120m were achieved on FM staffing which covered the Workplace Strategy staffing costs under the Directorate and Asset Management service. Additional rent income of £0.131m was achieved against budget at Loxley House following the move by NCH - note that this will not be repeated in 2015-16 due to the commencement of borrowing costs on refurbishment works. In addition, a one-off business rates refund of £72k was received relating to Sandfield Centre.



### **Property – Corporate Landlord £0.105m underspend**

An underspend of £0.105m resulted from a one-off refund totalling £70k on water charges at Ken Martin Leisure Centre dating back to 2005 together with general energy savings of £35k at various leisure centres.

### **Property Directorate & Asset Management £1.168m overspend**

Slippage in the programme of Big Ticket Asset Management Savings has resulted in an overspend of £0.485m against the Operational Property Review and £0.500m against Strategic Investments.

Additional use of consultants within the Directorate resulted in an overspend of £89k. A further £94k was spent on Workplace Strategy staffing costs which were funded from vacancy savings within the Property FM line above.

### **Strategic Partnership £0.267m underspend**

A number of vacant posts within the service have contributed to this underspend. These savings are already included in the 2015/16 Medium Term Financial Plan.

### **Quality & Commissioning £0.639m overspend**

Details relating to the outturn position for this directorate as a whole are included within the Adults, Commissioning and Health Portfolio section within this Appendix.

### **Community Services Portfolio – overall variance £0.418m FAVOURABLE (after carry forwards of £0.648m)**

#### **Neighbourhood Operations £0.130m underspend (£19k under after carry forwards of £0.111m)**

Business Plan delivery through tight cost control by reducing overtime and in-sourcing work, especially around grounds maintenance

#### **Trading Operations £0.936m underspend (£0.399m under after carry forwards of £0.537m)**

Business Plan delivery. This is a cluster of traded services ranging from commercial waste through to commercial catering and all business units have been driven hard to enhance their in-year trading performance. This performance is subsumed within the 2015/6 base budget.

### **Energy and Sustainability Portfolio – overall variance £0.116m FAVOURABLE (after carry forwards of £0.357m)**

#### **Energy Services £0.473m underspend (£0.116m under after carry forwards of £0.357m)**

Business Plan delivery and overachievement of the budget position

### **Leisure and Culture Portfolio – overall variance £3k ADVERSE (after carry forwards of £0.629m)**

#### **Sport & Culture £39k underspend (£1k under after carry forwards of £38k)**

A proactively managed bottom line outturn within Sports and Culture

#### **Royal Centre £0.591m underspend (all requested to be carried forward)**

Stronger than budgeted ticket sales for the Royal Concert Hall (RCH) and Theatre Royal (TR), 50% of the variance (£0.296m) is used to replenish the Endowment reserve for the RCH/TR to ongoing maintenance and to support future capital and grant funding bids

**Planning & Transportation Portfolio – overall variance £0.582m FAVOURABLE (after carry forwards of £0.190m)**

**Planning £0.326m underspend (£0.146m under after carry forwards of £0.190m)**

Improved planning application fee income as a result of improved economic climate

**Highways & Energy Infrastructure £0.413m underspend**

Business Plan delivery and overachievement of the budget position; centred around in-sourcing highway capital works.

**Children’s Services Portfolio – overall variance £1.875m ADVERSE (after carry forwards of £0.904m)**

**Vulnerable Children & Families £0.925m underspend**

A number of vacant posts within the service have contributed to this underspend. These savings are already included in the 2015/16 Medium Term Financial Plan.

**Safeguarding £2.821m overspend**

The over spend on this budget is due to:

- An increase of 3.94% of Children in Care with 25% of that increase relating to external placements and
- A change in the mix of type of external care which shows an increase of 4.51% in enhanced and complex cases.

Both of these issues equate to higher costs, with the Children in Care population increasing. The overspend which would have been £0.842m higher if interventions like the Edge of Care Hub and Multi Systemic Therapy had not been in place. These initiatives form part of the children’s big ticket.

**Directorate £1.357m underspend in total (£0.929m underspend within Children’s Services Portfolio and £0.428m underspend within Strategic Regeneration and Schools Portfolio). Carry forwards of £0.904m are requested for the element under this Portfolio**

This one-off underspend reflects the use of reserves to support the Education Support Grant reductions captured within the monitoring of other services within Children’s and Adults.

**Community Safety, Housing and Voluntary Sector portfolio – overall variance £0.344m FAVOURABLE (after carry forwards of £0.186m)**

**Front Line Equipment Budget £0.225m overspend**

An overspend while budgets were realigned. Savings have been made for 2015/16 in order to bring the budget in correctly.

**Environmental Health & Safer Housing - £0.269m underspend (£0.103m under after carry forwards of £0.166m)**

The variance is due to an underspend in the enforcement activities that are mainstream funded. The inactivity of enforcement was down to the uncertainty of the judicial review, so landlords were reluctant to apply, but full enforcement activity would have been a waste of resources if JR had gone against

**Uniformed Services -£55k underspend (£35k under after carry forwards of £20k)**

A restructure has just taken place to make savings as part of the strategic choices in 2015/16, and vacancies were carried in anticipation to make savings earlier in 2014/15.

**Parking; Permits; Bus Lane Enforcement £90k overspend**

Less income than anticipated from permits and bus lane enforcement

**Licensing; Trading Standards & ASB £0.252m underspend**

Income was higher than expected and some savings made early for strategic choices have contributed to the underspend.

**Quality & Commissioning £0.208m underspend**

Details relating to the outturn position for this directorate as a whole are included within the Adults, Commissioning and Health Portfolio section within this Appendix.

**Strategic Regeneration and Schools Portfolio – overall variance £0.122m ADVERSE (after carry forwards of £0.903m)**

**Building Schools for the Future £0.352m underspend (all requested to be carried forward)**

Delay in securing approval for the feasibility study to address the increase in the number of school places in special schools and linked to this the need for temporary classrooms pending the study and resultant construction works.

**Children and Adults Directorate £0.428m underspend (£0.123m over after carry forwards of £0.551m)**

Details relating to the outturn position for the directorate as a whole are included within the Children's Services Portfolio section within this Appendix.

**Corporate Budgets**

**Enviroenergy £0.219m overspend**

A combination of a mild winter and unexpected incinerator shutdown has contributed to this overspend

**Housing Benefits - £1.800m overspend**

**Treasury Management £2.600m underspend**

Mainly attributed to decisions to delay the taking of new long term borrowing and so saving in the short term on interest payable and due to capital programme slippage there was an underspend against the budget for debt repayment.

**Nottingham City Transport Dividend £0.200m underspend**

Actual return is in excess of budget.

**Cross Cutting Savings £0.442m overspend**

**Planned Maintenance £0.350m underspend (all requested to be carried forward)**

Planned Maintenance under spend - request for carry forward has been incorporated into the outturn process.

**APPENDIX C**

<b>Debtors - Performance Review – 2014-15</b>		<b>Q1 June</b>	<b>Q2 Sept</b>	<b>Q3 Dec</b>	<b>Q4 Mar</b>
<b>BVPI 66a - Housing Rent Collection (%)</b> <i>(cumulative - current tenants only)</i>					
	<i>(arrears + debit)</i> Actual	97.58	98.14	98.71	98.39
	Target	97.90	98.10	98.20	98.30
	Last Year Actual 2013-14	96.25	97.60	98.01	98.25
<b>BVPI 9 - Council Tax Collection (%)</b>					
	<i>(in year cumulative)</i> Actual	26.20	51.10	76.80	92.50
	Target	27.30	52.90	77.60	94.50
	Last Year Actual 2013-14	27.10	51.10	77.60	93.20
<b>BVPI 10 - NNDR Collection (%)</b>					
	<i>(in year cumulative)</i> Actual	27.90	55.80	82.12	96.16
	Expected 6 year Average	30.50	56.70	87.30	97.50
	Last Year Actual 2013-14	31.70	58.00	86.20	97.40
<b>Sundry Income Collection (%)</b>					
	<i>(12 month rolling average)</i> Actual	84.00	89.00	83.00	81.00
	Target	99.00	99.00	99.00	99.00
	Last Year Actual 2013-14	79.89	87.01	88.40	88.70
<b>Sundry Income Debtor Days -General</b>					
	Actual	29.60	29.40	32.00	30.00
	<i>(12 month rolling average)</i> Target	23.00	32.30	32.30	32.30
	Last Year Actual 2013-14	29.20	24.60	33.10	42.50
<b>Estates Rents Collection (%)</b>					
	Actual	96.84	97.00	96.45	96.20
	<i>(12 month rolling average)</i> Target	97.50	97.50	97.50	97.50
	Last Year Actual 2013-14	96.05	96.22	96.32	96.04
<b>Adult Residential Services Collection (%)</b>					
	Actual	95.90	96.50	95.78	96.47
	<i>(12 month rolling average)</i> Target	97.50	97.50	97.50	97.50
	Last Year Actual 2013-14	93.32	94.30	95.21	95.90

**VIREMENT 2014-15 REQUIRING EXECUTIVE BOARD APPROVAL**

**APPENDIX D**

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Carbon Reduction realignment	0.015	Community Services	Children & Adults	Energy & Sustainability (ESU)	Children's Services (CHS)
	0.001		Development & Growth		Community Safety, Housing & Voluntary Sector (CSHVS)
	0.002		Development & Growth		Jobs & Growth (JGR)
	0.128		Development & Growth		Planning & Transportation (PLT)
	0.010		Community Services		PLT
	0.181		Development & Growth		Resources & Neighbourhood Regeneration (RNR)
	0.002		Children & Adults		Strategic Regeneration & Schools (SRS)
	0.015		Children & Adults		Adults, Commissioning & Health (ACH)
	0.008		within Community Services		CSHVS
	0.007		within Community Services		Community Services (CYS)
	0.044	within Community Services	Leisure & Culture (LCT)		

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Pay (Increments & Allowances) adjustment	0.015	Children & Adults	Corporate Budgets	ACH	RNR
	0.010	Children & Adults		CHS	
	0.106	Children & Adults		SRS	
	0.010	Corporate Budgets	Children & Adults	RNR	CHS
	0.101	Children & Adults	Corporate Budgets	within RNR	
Portage Budget Centralisation	0.159	within Children & Adults		CHS	SRS
Education Psychologists	0.389	within Children & Adults		CHS	SRS
Education Welfare	0.501	within Children & Adults		CHS	SRS
Marketing & Communications post - DDM 1665	0.048	within Children & Adults		CHS	RNR
DSG Early Years realignment	0.411	within Children & Adults		CHS	SRS
residual adjustment following service move	0.001	Resources		Children & Adults	RNR
Schools Capital Funding	0.040	within Children & Adults		SRS	CHS
Customer Access Programme realignment	0.017	Resources		Chief Executive	within RNR
Shared Intelligence	0.425	within Development & Growth		PLT	RNR
Strategic Choice Realignment	0.001	within Children & Adults		CHS	ACH
Strategic Choice Realignment	0.015	Development & Growth	Children & Adults	RNR	CHS
Strategic Choice Realignment	0.034	Community Services	Resources	CYS	RNR
Strategic Choice Realignment	0.275	Corporate Budgets	Resources	within RNR	
Strategic Choice Realignment	0.150	Corporate Budgets	Development & Growth	within RNR	

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Treasury Management realignment to service	0.128	Corporate Budgets	Resources	within RNR	
Strategic Choice Realignment (Holiday Plus / MyTime)	0.113	Children & Adults	Corporate Budgets	ACH	RNR
	0.055	Children & Adults		CHS	
	0.033	Community Services		CYS	
	0.003	Community Services		ESU	
	0.007	Development & Growth		JGR	
	0.057	Community Services		LCT	
	0.034	Development & Growth		PLT	
	0.016	Community Services		PLT	
	0.008	Children & Adults		SRS	
	0.031	Development & Growth		within RNR	
	0.019	Children & Adults		within RNR	
	0.137	Resources		within RNR	
	0.045	Chief Executive		within RNR	
	<b>3.810</b>				



**PRE-AUDIT OUTTURN - MOVEMENTS IN RESERVES REQUIRING APPROVAL**

**APPENDIX E**

Reserve	Description	MTFP/Outturn decision £m	Replenish reserves £m	Use of reserves £m	Net Movement £m
Public Health Transition	Transfer of Public Health underspend		(0.250)		(0.250)
<b>Adults, Commissioning &amp; Health</b>		<b>0.000</b>	<b>(0.250)</b>	<b>0.000</b>	<b>(0.250)</b>
CCTV Equipment Replacement	Replacement equipment			0.100	0.100
HMO - Mandatory	Year end adjustment		(0.161)		(0.161)
<b>Community Safety, Housing &amp; Voluntary Sector</b>		<b>0.000</b>	<b>(0.161)</b>	<b>0.100</b>	<b>(0.061)</b>
Employer Hub Innovation Fund	DWP grant income to cover future costs in relation to the Employer Hub		(0.052)		(0.052)
<b>Jobs &amp; Growth</b>		<b>0.000</b>	<b>(0.052)</b>	<b>0.000</b>	<b>(0.052)</b>
Mercury Filtration	Annual Contribution		(0.057)		(0.057)
<b>Leisure &amp; Culture</b>		<b>0.000</b>	<b>(0.057)</b>	<b>0.000</b>	<b>(0.057)</b>
Innovation Fund	Funding for the Coring Project in Traffic and Safety			0.005	0.005
<b>Planning &amp; Transportation</b>		<b>0.000</b>	<b>0.000</b>	<b>0.005</b>	<b>0.005</b>
S31 Grants	Adjustment for business rates section 31 grants		(0.661)		(0.661)
Business Rates Reserve	100% Retained Business Rates - EZ/CQ		(0.264)		(0.264)
East Midlands Council	Funds transferred from Leicestershire County Council and used to fund EMC costs		(1.000)	0.239	(0.761)
Emergency Hardship Funds	Social Fund grant income		(1.590)		(1.590)
Housing Benefits	Corporate Benefits adjustment		(0.216)	1.040	0.824
Investment Strategy	Right to Bid grant income		(0.016)		(0.016)
IT Efficiency Fund	Annual IT contribution and use for EMSS	(3.553)		0.009	(3.543)
Local Housing Investment	Economic Development investment funded from NHB	(1.559)		0.787	(0.772)
Pension Deficit Lump Sum	Pension Liability		(1.987)		(1.987)
Treasury Management	Net movement in Treasury Management Reserve		(4.000)	0.111	(3.889)
Workforce Issues	Net movement on fund - residual equal pay issues and workforce realignment		(1.046)	1.569	0.523
Contingency	Transfer of underspend		(0.907)		(0.907)

<b>Resources &amp; Neighbourhood Regeneration</b>		<b>(5.112)</b>	<b>(11.688)</b>	<b>3.755</b>	<b>(13.044)</b>
Revenue Reserves for Capital	Technical accounting adjustments			0.040	0.040
Schools Building Maintenance	Adjustment to closing year balance			0.124	0.124
SSR - Other Balances	Net surplus balances		(5.816)		(5.816)
<b>Strategic Regeneration &amp; Schools</b>		<b>0.000</b>	<b>(5.816)</b>	<b>0.164</b>	<b>(5.652)</b>
<b>Total Reserve Movement General Fund</b>		<b>(5.112)</b>	<b>(18.024)</b>	<b>4.024</b>	<b>(19.111)</b>

**APPENDIX F**

<b>HRA – PRE-AUDIT OUTTURN 2014/15</b>				
<b>DESCRIPTION</b>	<b>Budget 2014/15 £m</b>	<b>Projected Outturn (P9) 2014/15 £m</b>	<b>Outturn (provisional) 2014/15 £m</b>	<b>Variance against projected Outturn £m</b>
<b>INCOME</b>				
Rental Income	(101.166)	(101.071)	(101.313)	(0.242)
Service charges	(4.338)	(4.338)	(4.612)	(0.274)
Interest received	(0.087)	(0.087)	(0.151)	(0.064)
Other income	(0.003)	(0.003)	(0.015)	(0.012)
<b>TOTAL INCOME</b>	<b>(105.594)</b>	<b>(105.499)</b>	<b>(106.091)</b>	<b>(0.592)</b>
<b>EXPENDITURE</b>				
Repairs	26.804	26.804	26.804	0.000
Management	31.017	31.015	31.091	0.076
Capital Charges	41.846	42.056	43.042	0.986
Direct Revenue Financing	5.972	6.476	5.700	(0.776)
<b>TOTAL EXPENDITURE</b>	<b>105.639</b>	<b>106.351</b>	<b>106.637</b>	<b>0.286</b>
<b>DEFICIT / (SURPLUS)</b>	<b>0.045</b>	<b>0.852</b>	<b>0.546</b>	<b>(0.306)</b>
<b>WORKING BALANCE B/F</b>	<b>(4.045)</b>	<b>(4.852)</b>	<b>(4.852)</b>	<b>0.000</b>
<b>WORKING BALANCE C/F</b>	<b>(4.000)</b>	<b>(4.000)</b>	<b>(4.306)</b>	<b>(0.306)</b>

## APPENDIX G

APPENDIX G: CAPITAL PROGRAMME OUTTURN 2014/15							
PORTFOLIO	Total – Qtr. 3 Report £m	Approvals £m	Slippage £m	Acceleration £m	Savings £m	Other £m	Latest Projection £m
Public Sector Housing Programme	65.004	0.000	(7.274)	1.495	(0.436)	1.250	60.039
Local Transport Programme	22.974	0.000	(2.064)	0.984	0.000	0.000	21.894
Education / BSF	15.991	0.204	(6.159)	0.078	(0.452)	0.200	9.863
<b>Total</b>	<b>103.968</b>	<b>0.204</b>	<b>(15.497)</b>	<b>2.558</b>	<b>(0.888)</b>	<b>1.450</b>	<b>91.795</b>
<b>Other Services:</b>							
Adults, and Health	2.239	0.034	(0.478)	0.000	0.000	0.000	1.795
Children's Services	0.586	0.306	(0.267)	0.000	(0.008)	0.000	0.617
Leisure and Culture	17.680	0.237	(6.576)	0.014	0.000	0.015	11.370
Planning and Transportation	21.117	0.000	(2.483)	16.737	0.000	0.000	35.371
Energy & Sustainability	3.372	1.869	(1.373)	0.000	0.000	0.000	3.868
Community Safety, Housing & Voluntary Sector	3.178	0.237	(0.502)	0.000	(0.269)	0.000	2.644
Strategic Regeneration & Schools	7.741	0.000	(1.046)	2.029	0.000	0.000	8.724
Community Services	1.756	0.000	0.000	0.416	0.000	0.000	2.172
Resources/Neighbourhood Regeneration	14.951	12.388	(4.473)	2.233	(0.023)	0.091	25.167
<b>Total</b>	<b>72.624</b>	<b>15.071</b>	<b>(17.198)</b>	<b>21.429</b>	<b>(0.300)</b>	<b>0.106</b>	<b>91.729</b>
<b>TOTAL PROGRAMME</b>	<b>176.592</b>	<b>15.275</b>	<b>(32.695)</b>	<b>23.987</b>	<b>(1.188)</b>	<b>1.556</b>	<b>183.524</b>

## Appendix H

<b>Capital Programme variances +/-£0.100m</b>			
<b>Scheme</b>	<b>Projection 14/15</b>	<b>Outturn 14/15</b>	<b>Variance</b>
<b>PUBLIC SECTOR HOUSING</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Externals (Properties) - Underspend is to be off set against the Sneinton District Heating budget (BMK's) due to costs in relation to existing balcony repairs being charged below	0.244	0.001	( 0.243)
Composite Doors - City Wide - Due to access issues that have been encountered in the final year of the Decent Homes programme.	4.325	4.082	( 0.243)
Green Deal Communities Funding - Scheme re-profiled due to site issues experienced within the final quarter of the year, which has impeded delivery.	3.851	3.171	( 0.680)
Estate / Area Impact Work - As a result of delays which are being reviewed and new processes implemented in the new financial year,.	0.250	0.142	( 0.108)
HRA Shop Investment Strategy – Investment opportunities currently being explored.	0.182	0.000	( 0.182)
St Anns Estate Action-Stonebridge Park - Scheme is to be re-profiled and aligned with the ongoing private housing scheme.	0.228	0.084	( 0.144)
Office Improvements - Funds carried forward to 15/16.	0.200	0.000	( 0.200)
Empty Properties - Property purchases completed, remaining budget required to meet costs to bring properties to 'Decent Homes' standard.	1.871	1.332	( 0.539)
Mortgage Protection - Fund carried forward to 15/16	0.886	0.261	( 0.625)
Installation of Solar Panels - Scheme subject to further approval of Commercial & Neighbourhood Services. This has now been received and the plan is to commence installations in July 2015.	0.902	0.000	( 0.902)
Adaptations for disabled persons - Underspend on this budget is due to the number of work requests delivered by the Adaptations Agency via external contracts during the financial year	2.469	2.128	( 0.341)
Demolition Costs - Wiloughby Court - Delays in the completion of the decommissioning of the block which resulted in delays with commencing the demolition of the block.	0.620	0.373	( 0.247)

Affordable Homes-Garage Sites-Demolition - The scheme is to be re-profiled based on the latest updated programme of demolition works at various garage sites	0.129	0.000	( 0.129)
Meadows Q Blocks - Phase 1 Delays in the ongoing decommissioning programme have resulted in the commencement of the demolition programme being re-phased at this site	0.442	0.272	( 0.170)
Meadows Q Blocks - Phase 2 - Delays in the ongoing decommissioning programme have resulted in the commencement of the demolition programme being re-phased at this site	0.130	0.028	( 0.102)
Cranwell Road - Rehousing costs - Due to timescales with relocation as part of the ongoing decommissioning programme	0.200	0.086	( 0.114)
Meadows Q Blocks - Decommissioning - Due to timescales with relocation as part of the ongoing decommissioning programme	0.881	0.369	( 0.512)
Rehousing Costs - Block Fund - Due to year end accounting transfers to HRA revenue account. DRF adjustment has been actioned	0.110	0.000	( 0.110)
New Build Preliminary Costs - Block Fund - Due to scheme costs being transferred to HRA revenue account and a transfer of prior year new build costs to Radford & Lenton .	0.210	( 0.226)	( 0.436)
Roof and Chimney Replacement - Due to no access issues that have been encountered in the final year of the Decent Homes programme. Total variances across the Decent Homes programme have been managed by increasing the output in the modern living and roofing programmes.	5.587	5.004	( 0.583)
Modern Living Improvements - Due to access issues being encountered in the final year of the Decent Homes programme. Total variances across the Decent Homes programme have been managed by increasing the output in the modern living and roofing programmes.	8.952	8.662	( 0.290)
Asbestos Works - The increase spend is due to to increase of works over and above forecast in the final quarter.	1.500	1.634	0.134
Sneinton District Heating BMK - Overspend to be off set against the Externals budget due to costs in relation to existing balcony repairs being charged to this scheme.	3.206	3.353	0.147

Victoria Centre - Major roof repairs - Scheme was accelerated prior to year end to ensure that it was completed, in advance of the works being undertaken by Intu to the shopping Centre. All works can be contained within the overall funding for this scheme.	2.333	2.480	0.147
Radford - New Build Scheme has incurred increased costs due to design changes, groundworks, utilities and infrastructure requirements which have occurred after the original planned programme.	4.289	4.854	0.565
Meadows - Leaseholder Costs - Acceleration in the ongoing negotiations with Leaseholders. Costs can be contained within the overall funding for this scheme	1.300	1.620	0.320
TV Aerials - Variance is due to the release of an accrual from 13-14 which is no longer required.	0.000	( 0.119)	( 0.119)
Lenton New Build - Phase 1 (includes ILS) - Increase in year is due to works on the overall Lenton Site being re-phased to ensure that the deadlines for HCA funding could be achieved and the works on site in relation to Phase B infrastructure, groundworks and drainage were able to continue in line with the original planned programme	3.670	4.909	1.239
<b>Total - Public Sector Housing</b>	<b>48.967</b>	<b>44.500</b>	<b>( 4.467)</b>

<b>LOCAL TRANSPORT PLAN</b>			
<b>Scheme</b>	<b>Projection 14/15</b>	<b>Outturn 14/15</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
LTP - Supporting Economic Growth - Ring Road funding profile was amended at the request of the DfT. Southside Growth Corridor spend profile revised to co-ordinate with LEP funding profile.	6.994	6.863	(0.131)
LTP - Cycling Schemes - North Sherwood St / Shakespeare St scheme deferred as a result of development proposals. Manvers Street Toucan scheme deferred to co-ordinate with the Cycle Ambition Package proposals.	0.400	0.173	(0.227)
LTP - Local Safety Schemes - Spend profiles for Bells Lane and Winchester Street adjusted due to highway network availability and procurement issues.	0.562	0.390	(0.172)
LTP - Carriageway Maintenance - 2014/15 programme re-profiled into 2015/16.	2.129	1.859	(0.270)

Nottingham Station Hub - Spend profile amended to co-ordinate with the proposed Public Realm works on Carrington Street and Station Street programmed for 2015/16.	3.112	2.409	(0.703)
Green Bus Fund - The DfT Green Bus Fund Round 4 award was confirmed as £2.9m in 2014/15 and the spend profile amended accordingly.	4.871	2.970	(1.901)
Local Sustainable Transport Fund - Acceleration of the 20mph Zone programme to be funded through an additional LSTF Claim and balance from the Local Transport Plan	2.006	2.629	0.623
City Deal - creative Quarter - Creative Quarter spending profile reprogrammed following discussions with ERDF funding body. To be met through claim mechanism.	1.648	1.860	0.212
Better Bus Areas - Funding confirmed /awarded after Q3 monitoring was completed. Funds will be carried forward into 2015/16.	1.477	0.739	(0.738)
<b>Total LTP</b>	<b>23.199</b>	<b>19.892</b>	<b>(3.307)</b>

<b>Schools / BSF</b>			
<b>Scheme</b>	<b>Projection 14/15</b>	<b>Outturn 14/15</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Forest Fields Primary Reorganisation - Final account has now been resolved and the variance at outturn is a saving	0.784	0.307	(0.477)
Djanogly (Northgate) Reorganisation - Final account has now been resolved and the variance at outturn is a saving	0.000	(0.337)	(0.337)
Jubilee Primary Heating - Final account has now been resolved and the variance at outturn is a saving	0.249	0.105	(0.144)
Rosslyn Primary Expansion - Slippage is the impact of design and feasibility studies which delayed the start of this project in 2013/14. The project is being re-profiled and the overall capital expenditure forecast in expected to remain the same.	1.290	0.291	(0.999)
Heathfield Primary Expansion - Early Works - Slippage is the impact of design and feasibility studies which delayed the start of this project in 2013/14. The project is being re-profiled and the overall capital expenditure forecast in expected to remain the same.	2.992	2.172	(0.820)
Brocklewood Primary Kitchen - the scheme started on site late but is now progressing well.	0.488	0.107	(0.381)



Bluecoat Primary New School Early Design - recent demolition works have taken place later than initially planned	0.550	0.152	(0.398)
Stanstead Primary Electrical Supply - there have delays arising from utility issues.	0.200	0.044	(0.156)
Djanogly Secondary Space for Primary Places - Works are required when pupils are not on site and are now planned for May half-term	1.050	0.918	(0.132)
2 Year Old Expansion Programme - programme re-phased into 15/16.	0.673	0.299	(0.374)
School Kitchen Imps Phase 2 - savings which are planned to be reallocated to fund a project with an expanded scope	0.455	0.189	(0.266)
Mellors Primary Mobile Classrooms - these mobile classrooms have not been required to date.	0.150	0.000	(0.150)
Devolved Capital 2014/15 - as this now represents a minor allocation to schools and it has been decided not to capitalise the costs.	0.450	0.000	(0.450)
<b>Total Education</b>	<b>9.331</b>	<b>4.247</b>	<b>(5.084)</b>

<b>OTHER SERVICES</b>			
<b>Scheme</b>	<b>Projection 14/15 £m</b>	<b>Outturn 14/15 £m</b>	<b>Variance £m</b>
<b>Adults and Health</b>			
Long Meadow - Externals / Internals / Branding - scheme re-profiled after delays on site	0.160	0.000	(0.160)
<b>Total Adults and Health</b>	<b>0.160</b>	<b>0.000</b>	<b>(0.160)</b>

<b>Children's Services</b>			
Pathfinder Short Breaks - slippage on programme as schemes are identified, overall capital cost remains the same	0.229	0.050	(0.179)
<b>Total Children's Services</b>	<b>0.229</b>	<b>0.050</b>	<b>(0.179)</b>

<b>Community Safety, Housing and Voluntary Sector</b>			
RHG 07/08 - PSA7 Target - Stonebridge - Final phase of scheme is in progress and is anticipated to be completed in 2015/16	0.251	0.105	(0.146)
Disabled Facilities Grants - There is currently a backlog of assessments caused in part by a growing demand for this service. Expecting increased referrals.	2.000	1.688	(0.312)
S106 Affordable Housing - Stonebridge Relocation - Saving - balance of provision will not be spent	0.269	0.000	(0.269)
<b>Total Community Safety</b>	<b>2.520</b>	<b>1.793</b>	<b>(0.727)</b>

<b>Community Services</b>
---------------------------

Area Based Capital Investment Plans - represents net acceleration on a number of area based schemes, overall capital expenditure remains the same.	1.756	2.173	0.417
<b>Total Community Services</b>	<b>1.756</b>	<b>2.173</b>	<b>0.417</b>

<b>Energy and Sustainability</b>			
Eastcroft Combined Heat & Power Plant Works - Delay in works programme has led to re-profiling of expenditure. No change in the total capital expenditure figure.	3.066	2.389	(0.677)
Solar Panels - Sneinton Market - Project is currently being reviewed.	0.147	0.000	(0.147)
Enviro Energy District Heating Pipes - Canal St - The start of the project was delayed in order to minimise the level of disruption on the roads. The project is now being re-profiled.	0.159	(0.026)	(0.185)
District Heating - Replacement of Network - Works on this project were re-scheduled in order to coordinate works with Network Rail.	1.869	1.504	(0.365)
<b>Total Energy and Sustainability</b>	<b>5.241</b>	<b>3.867</b>	<b>(1.374)</b>

<b>Leisure and Culture</b>			
Harvey Hadden Sports Centre - Inclement weather caused delays to some of the work on the cycle track and stadium, the project has been re-phased accordingly.	11.082	8.560	(2.522)
Arboretum Café Development - Delays due to achieving financial close of this project, a revised proposal has been worked up and it is currently expected that the capital expenditure forecast will remain unchanged.	0.438	0.003	(0.435)
Forest Rec Ground - Sports Zone Imp Project - Delays due unforeseen requirement to change sub-contractor and inclement weather. Overall capital expenditure forecast remains unchanged.	1.828	1.168	(0.660)
Highfields Park - Refurbishment - Delays in the project achieving financial close. The overall capital expenditure forecast remains unchanged.	0.809	0.003	(0.806)
Portland Leisure Centre - Condition Survey Works - Delays due to further condition surveys required as a result of changes in project scope. The capital expenditure forecast remains unchanged.	0.749	0.055	(0.694)
Concert Hall Seats / Theatre FOH Lift - Delays to the work element of the lift due to the need to coordinate a schedule of works over a period where there were no shows taking place. The overall capital expenditure forecast remains unchanged.	0.877	0.559	(0.318)

Victoria / Ken Martin Fitness / Southglade Health - Slippage in works to the remaining element of the Ken Martin scheme, project remains on programme for completion in May 2015	0.600	0.299	(0.301)
Libraries - Self issue Technology - Slippage due to management revision of programme, re-profiled into 2015/16	0.109	(0.015)	(0.124)
<b>Total Leisure and Culture</b>	<b>16.492</b>	<b>10.632</b>	<b>(5.860)</b>

<b>Planning and Transportation</b>			
Vehicle Acquisitions - Programme re-profiled to meet Council requirements	4.500	6.462	1.962
Carrington St Car Park - Environmentals etc - delays to commencement of project, spend re-profiled into future years.	0.211	0.057	(0.154)
NET Lines 2/3 - Acceleration of reported expenditure in 2014-15 in relation to land acquisition and disturbance costs. The overall capital expenditure forecast remains unchanged at this time.	28.854	41.390	12.536
<b>Total Planning and Transportation</b>	<b>33.565</b>	<b>47.909</b>	<b>14.344</b>

<b>Strategic Regeneration and Schools</b>			
Housing Enforcement Action - Cavendish Court - Negotiations for property purchases are progressing slower than originally anticipated.	0.520	0.010	(0.510)
Broadmarsh Project Management - Project will be re-profiled, the overall capital expenditure forecast is not currently expected to change.	0.250	0.071	(0.179)
Creative Catalyst - Dakeyne St Factory Refurbishment - The scheme was accelerated in order to maximise ERDF grant funding conditions. The project has been re-profiled and the overall capital expenditure forecast remains unchanged.	1.421	2.548	1.127
Downtown (Sneinton Market) and Creative Quarter - The scheme was accelerated in order to maximise ERDF grant funding conditions. The project has been re-profiled and the overall capital expenditure forecast remains unchanged.	1.526	2.428	0.902
<b>Total Strategic Regeneration and Schools</b>	<b>3.717</b>	<b>5.057</b>	<b>1.340</b>

<b>Resources and Neighbourhood Regeneration</b>			
Demolition - Denewood Centre - There have been some delays to the completion of this scheme. The demolition is on-going and will be completed in 2015-16.	0.438	0.168	(0.270)

Council House - Fire Risk / Compliance - The works at the Council House stretches across two financial years Actual spend has been dependant on the contractors programming and progress of works on site and also the timing of valuations at the end of the financial year.	0.300	0.142	(0.158)
Joint Service Centre - Strelly Road – Design issues have caused delays in this scheme. The project is currently being reviewed in order to ascertain the impact on the overall capital expenditure forecast.	0.494	0.010	(0.484)
Relocation of Hyson Green Library - The interdependencies with the Mary Potter Centre have resulted in delays to this project. The works are on programme to be completed in September with re-location on October 2015.	0.610	0.011	(0.599)
IT - Microsoft Upgrade - project has been re-phased, overall capital expenditure remains unchanged.	1.945	1.484	(0.461)
IT - Storage Area Network (SAN) Refresh Project - Technical issues with the installation delayed an aspect of the project which has now been re-phased.	1.799	0.778	(1.021)
IT - Agile Working (Laptops) - Following a needs assessment underspends in Laptop Rollout have been utilised in the Windows 7 programme	0.267	0.014	(0.253)
IT - Children's and Adults Social Care Project - The project has been re-profiled as a result of the procurement process and will commence in 2015/16.	0.161	0.000	(0.161)
Unlocking Loxley House - Phase 2A - works started in 15/16, project re-profiled to reflect this.	0.600	0.000	(0.600)
Southglade Food Park - Phase 2 - Slippage in the timetable for construction into 2015/16.	3.687	5.632	1.945
Council House - Lifts / Heating - The works at the Council House stretches across two financial years. Actual spend has been dependant on the contractors programming and progress of works on site and also the timing of valuations at the end of the financial year.	0.300	0.565	0.265
<b>Total Resources and Neighbourhood Regen</b>	<b>10.601</b>	<b>8.804</b>	<b>(1.797)</b>

<b>Variances in Estimated Resources</b>			
Prudential Borrowing - Increase due to £10.886m in respect of Blueprint / £1.504m in respect of District Heating (both programme additions). Further increase of £12.923m due to treatment of NET Land acquisitions. These increases offset by slippage on various other schemes.	53.185	66.449	13.264

Capital Receipts - RTBs higher than estimated / Playhouse Loan Repayment deemed capital receipt (£237k) / some late general fund sales completed at end of year.	12.209	13.722	1.513
Grants and Contributions - Reflects slippage within the programme - sum claimable in 14/15 reduced on account of slippage	60.499	55.267	(5.232)
Revenue / Reserves - £6.952m transfer to Reserves for Capital offset by slippage in Efficiency Fund schemes / NET Fund for Tram / Green Buses	17.948	22.811	4.863
<b>Total Variances in Estimated Resources</b>	<b>159.190</b>	<b>173.250</b>	<b>14.060</b>

## Appendix I

<b>APPENDIX I: TOTAL RESOURCES AND FINANCING DECISIONS</b>						
<b>Resource</b>	<b>Opening Balance £m</b>	<b>Resources 2014/15 £m</b>	<b>Adjustments/ Transfers £m</b>	<b>Total Resources 2014/15 £m</b>	<b>Resources to Finance Capital £m</b>	<b>Carried Forward to 2015/16 £m</b>
<b>Supported Borrowing _Education</b>	<b>1.332</b>	<b>0.000</b>	<b>0.000</b>	<b>1.332</b>	<b>(0.182)</b>	<b>1.150</b>
<b>Prudential Borrowing</b>	<b>0.000</b>	<b>66.449</b>	<b>0.000</b>	<b>66.449</b>	<b>(66.449)</b>	<b>0.000</b>
<b>Capital Receipts</b>						
Public Sector Housing	13.449	7.604	0.000	21.053	0.000	21.053
General Fund	0.967	6.118	0.000	7.085	(5.588)	1.497
<b>Total Capital Receipts</b>	<b>14.416</b>	<b>13.722</b>	<b>0.000</b>	<b>28.138</b>	<b>(5.588)</b>	<b>22.550</b>
<b>Capital Grants and Contributions</b>	<b>16.454</b>	<b>55.347</b>	<b>(0.076)</b>	<b>71.725</b>	<b>(56.925)</b>	<b>14.800</b>
<b>Major Repairs Allowance / DRF</b>	<b>38.658</b>	<b>30.069</b>	<b>0.000</b>	<b>68.727</b>	<b>(40.258)</b>	<b>28.469</b>
<b>Revenue / Funds</b>	<b>4.942</b>	<b>21.510</b>	<b>(0.180)</b>	<b>26.272</b>	<b>(14.125)</b>	<b>12.147</b>
<b>TOTAL</b>	<b>75.802</b>	<b>187.097</b>	<b>(0.256)</b>	<b>262.643</b>	<b>(183.527)</b>	<b>79.116</b>