

## EXECUTIVE BOARD – 28 JUNE 2016

<b>Subject:</b>	<b>PRE-AUDIT CORPORATE FINANCIAL OUTTURN 2015/16</b>		
<b>Corporate Director(s)/ Director(s):</b>	Geoff Walker, Strategic Director of Finance		
<b>Portfolio Holder(s):</b>	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration		
<b>Report author and contact details:</b>	Theresa Channell – Head of Strategic Finance 0115 8763649    theresa.channell@nottinghamcity.gov.uk		
<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: £28.320m</b>			
<b>Wards affected:</b> All		<b>Date of consultation with Portfolio Holder(s):</b> Throughout March-May 2016	
<b>Relevant Council Plan Key Theme:</b>			
Strategic Regeneration and Development			<input checked="" type="checkbox"/>
Schools			<input checked="" type="checkbox"/>
Planning and Housing			<input checked="" type="checkbox"/>
Community Services			<input checked="" type="checkbox"/>
Energy, Sustainability and Customer			<input checked="" type="checkbox"/>
Jobs, Growth and Transport			<input checked="" type="checkbox"/>
Adults, Health and Community Sector			<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years			<input checked="" type="checkbox"/>
Leisure and Culture			<input checked="" type="checkbox"/>
Resources and Neighbourhood Regeneration			<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 2015/16 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 2015/16.</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 2016 at the conclusion of the external audit.</p>			
<b>Exempt information:</b>			
None			
<b>Recommendation(s):</b>			
<p><b>1</b> To note:</p> <ul style="list-style-type: none"> <li>a) the pre-audit revenue outturn for 2015/16 including a revenue underspend of £0.100m after taking into account the application of £1.000m traded surplus to support the Medium Term Financial Plan (MTFP) in 2016/17 and carry-forwards endorsed by the Deputy Leader, as set out in paragraph 2.2 and Appendix A;</li> <li>b) the management action undertaken to control the identified cost pressures across services, as set out in Appendix B;</li> <li>c) the discretionary rate relief granted in 2015/16 detailed in paragraph 2.11;</li> <li>d) the position regarding cost reductions and pressures for 2015/16 detailed in paragraph 2.4.</li> <li>e) the capital outturn as detailed in Appendix F and explanations of variances over £0.100m as</li> </ul>			

detailed in Appendix G	
f) the additions to the Capital Programme detailed in Table 10;	
g) the refreshed Capital Programme, including schemes in development, and the unallocated resources of £1.131m, as set out in paragraph 2:18 (Tables 12 to 14).	
<b>2</b>	<p>To approve:</p> <p>a) net General Fund carry forwards of £1.588m as set out in paragraph 2.6 and Appendix A(ii) that have been endorsed by the Deputy Leader;</p> <p>b) the movements of resources set out in paragraph 2.5 and Appendix D;</p> <p>c) the net movement to earmarked reserves, as set out in paragraph 2.7 and Appendix E;</p> <p>d) the HRA outturn for 2015/16 as set out in paragraph 2.8;</p> <p>e) write-offs in excess of £10,000, totalling £0.857m where all options for recovery have been exhausted, as set out in paragraph 2.10.</p> <p>f) The extension of the rolling capital scheme as set out in paragraph 2.17 (Table 11).</p>
<b>3</b>	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 2015/16 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 2015/16 revenue budget was approved by City Council in March 2015. Monitoring and forecasting reports have been considered by executive councillors throughout 2015/16. 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 and the application of £1.000m traded surplus to support the MTFP in 2016/17, as reported to Executive Board in February 2016, is a net underspend of £0.100m and is added to the general fund balance. This represents an improvement of £0.100m (Table 1) from that reported at quarter 3.

Carry forwards of £1.588m are included and these have been endorsed by the Deputy Leader. Appendix A provides more detail and Appendix B gives information about specific issues within Portfolios.

<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/fwd £m</b>
Adults and Health	(0.307)	(0.556)	(0.554)	(0.513)
Community Services	(0.507)	(1.427)	(1.449)	(1.263)
Early Intervention and Early Years	1.088	0.792	0.792	0.219
Energy and Sustainability	0.250	0.153	0.036	(0.261)
Jobs, Growth and Transport	(0.175)	(0.812)	(0.467)	0.628
Leisure and Culture	(0.067)	(0.097)	(0.097)	0.151
Planning and Housing	0.000	(0.023)	(0.031)	(0.417)
Resources and Neighbourhood Regeneration	(0.220)	(0.265)	0.000	0.408

Schools	0.000	(0.033)	(0.035)	0.705
Strategic Regeneration, Development and Community Sector	0.863	0.200	0.000	(0.071)
<b>TOTAL PORTFOLIOS</b>	<b>0.925</b>	<b>(2.068)</b>	<b>(1.805)</b>	<b>(0.415)</b>
Corporate Budgets	0.725	0.281	0.180	(0.685)
<b>Sub total</b>	<b>1.650</b>	<b>(1.788)</b>	<b>(1.625)</b>	<b>(1.100)</b>
Potential traded surplus retention*		1.176	0.625	
<b>NET COUNCIL POSITION</b>	<b>1.650</b>	<b>(0.612)</b>	<b>(1.000)</b>	<b>(1.100)</b>
Contribution from trading areas to support the MTFP for 2016/17			1.000	1.000
<b>NET OVERALL POSITION</b>	<b>1.650</b>	<b>(0.612)</b>	<b>0.000</b>	<b>(0.100)</b>

\*traded surpluses form part of carry forwards at outturn

### Forecast and Actual Outturns 2010/11 – 2015/16

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 OUTTURNS*</b>						
<b>Outturn</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>2015/16 £m***</b>
<b>Actual Outturn</b>	<b>0.653</b>	<b>(0.215)</b>	<b>(2.105)</b>	<b>(1.175)</b>	<b>(1.459)</b>	<b>(0.100)</b>
Q3 forecast	3.603	0.067	(2.437)	(1.700)	(1.011)	<b>0.000</b>
Q2 forecast	5.509	3.013	(4.202)	(0.133)	0.174	<b>(0.612)</b>
Q1 forecast	5.822	6.152	1.374	1.547	0.640	<b>1.650</b>

\*after carry-forwards

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

\*\*\* Q3 and outturn after carry forwards and contribution of £1.000m to support the MTFP 2016/17

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 2015 was £9.500m. The MTFP set the level of reserves at £9.500m which is **3.7%** 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 was £2.000m in 2015/16. Since the February report, allocations of £0.421m have been approved. These items are shown in Table 3.

<b>TABLE 3 : CONTINGENCY ALLOCATED SINCE FEBRUARY EXECUTIVE BOARD</b>	
<b>Items Allocated</b>	<b>£m</b>
Fencing at Clifton Village Green	0.007
Citizen's Advice AN Policy and Campaigns Officer	0.030
Ridge Play Centre Expansion	0.150

Publicity re encouraging people to vote	0.018
D2N2 LEP Match Funding 2016/17	0.063
South Notts Health and Social Care Integration	0.035
Dementia Specialist (2015-16 saving proposal)	0.030
Legal fees (Coronial proceedings and HSE investigations)	0.088
<b>TOTAL</b>	<b>0.421</b>

The February report provided that any unused Contingency would be reserved. Details of contingency items to be reserved for use in 2016/17 are shown in Table 3a.

<b>TABLE 3a: CONTINGENCY TO BE RESERVED FOR USE IN 2016/17</b>	
<b>Item</b>	<b>Amount £m</b>
Alfreton Road Improvements	0.050
Ridge Play Centre Expansion	0.150
Operations Daybreak; Xeres and Casey Report	0.083
Analysis of all travel associated budgets	0.019
<b>Sub-total</b>	<b>0.302</b>
Contingency balance	0.935
<b>TOTAL</b>	<b>1.237</b>

## 2.4 Cost reductions and pressures

### Cost reductions

Table 4 summarises progress made by portfolio on implementing new budgeted cost reductions totalling £25.033m. At outturn £2.012m (8.04%) was not achieved, although most of this has been contained by alternate management action within directorates.

<b>TABLE 4: COST REDUCTIONS</b>					
<b>Portfolio</b>	<b>2015/16 Total</b>	<b>Year-end position</b>	<b>Not achieved</b>		<b>Achieved from alternate source</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>%</b>	<b>£m</b>
Adults and Health	<b>(8.261)</b>	(7.996)	<b>0.265</b>	3.21	<b>0.265</b>
Community Services	<b>(1.737)</b>	(1.687)	<b>0.050</b>	2.88	<b>0.050</b>
Early Intervention and Early Years	<b>(2.707)</b>	(2.013)	<b>0.694</b>	25.64	<b>0.537</b>
Energy and Sustainability	<b>(0.700)</b>	(0.550)	<b>0.150</b>	21.43	<b>0.150</b>
Jobs, Growth and Transport	<b>(2.535)</b>	(2.535)	<b>0.000</b>	0.00	<b>0.000</b>
Leisure and Culture	<b>(0.997)</b>	(0.997)	<b>0.000</b>	0.00	<b>0.000</b>
Planning and Housing	<b>(0.400)</b>	(0.400)	<b>0.000</b>	0.00	<b>0.000</b>
Resources and Neighbourhood Regeneration	<b>(6.708)</b>	(6.355)	<b>0.353</b>	5.26	<b>0.166</b>
Schools	<b>(0.226)</b>	(0.226)	<b>0.000</b>	0.00	<b>0.000</b>
Strategic Regeneration, Development and Community Sector	<b>(0.763)</b>	(0.263)	<b>0.500</b>	65.53	<b>0.500</b>
<b>TOTAL</b>	<b>(25.033)</b>	<b>(23.021)</b>	<b>2.012</b>	<b>8.04</b>	<b>1.668</b>

### Pressures

£0.759m of pressures were included within the 2015/16 budget and have been used in year. This was comprised of £0.557m Adults demographic and £0.202m Children in Care demographic pressures.

## 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

Services have submitted requests for carry forwards. These have been considered using the overall corporate context of the prevailing financial and economic environment.

Carry forwards of £1.588m have been endorsed by the Deputy Leader and are recommended for approval. Further details are included at Appendix A(ii). Classification of carry forwards is as follows:

- General carry forwards (acceleration / slippage) - £0.534m
- Trading Accounts - £0.941m
- Investment in services - £27k
- Transformation activity - £86k

## 2.7 Movements in Earmarked Reserves

Earmarked reserves are funds set aside for specific purposes (including Schools Statutory Reserves, Insurance, NET Private Finance Initiative (PFI) grant and decisions taken at Outturn 2014/15. During the year there has been a net increase of £13.918m 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 2015/16;
- **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 2015/16 and identifies those which have previously been approved by Executive Board in February 2016 and those which now require Executive Board approval as part of the pre-audit outturn. Appendix E provides more details of movement in reserves that 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>
Previous MTFP/Outturn decisions	(13.658)	0.000	(13.658)
Replenishment of existing reserve	(0.494)	(17.522)	(18.016)
Use of existing reserves	12.083	7.449	19.532
PFI/BSF	(0.620)	(11.164)	(11.784)
Statutory Schools reserve	0.000	2.203	2.203
Capital schemes	0.421	7.383	7.804
<b>Total</b>	<b>(2.267)</b>	<b>(11.651)</b>	<b>(13.918)</b>

## 2.8 HRA Budget

The HRA budget was approved by the City Council in March 2015 and budgeted for a working balance of £4.000m at 31 March 2016.

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 2015/16 is shown in Table 6 below. For comparative purposes the movement in the working balance is tracked from the quarter 3 forecast to the pre-audit outturn.

<b>Table 6 HRA – PRE-AUDIT OUTTURN 2015/16</b>				
<b>Description</b>	<b>Original Budget 2015/16 £m</b>	<b>Q3 forecast £m</b>	<b>Pre-audit outturn 2015/16 £m</b>	<b>Variance against Q3 forecast £m</b>
<b>Income</b>				
Rent income	(101.145)	(98.345)	(99.764)	(1.419)
Service charges & other income	(7.829)	(7.604)	(7.477)	0.128
<b>Total Income</b>	<b>(108.974)</b>	<b>(105.949)</b>	<b>(107.241)</b>	<b>(1.292)</b>
<b>Expenditure</b>				
Repairs	27.260	27.260	27.350	0.090
Management	32.106	31.377	32.086	0.709
Capital charges	42.974	42.374	40.197	(2.177)
Direct Revenue Financing	6.635	5.246	7.916	2.670
<b>Total Expenditure</b>	<b>108.974</b>	<b>106.256</b>	<b>107.548</b>	<b>1.292</b>
<b>Deficit / (Surplus)</b>	<b>0.000</b>	<b>0.307</b>	<b>0.307</b>	<b>0.000</b>
Working balance B/F	(4.307)	(4.307)	(4.307)	
<b>Working Balance C/F</b>	<b>(4.307)</b>	<b>(4.000)</b>	<b>(4.000)</b>	

### Working Balance

The working balance has remained at £4.000m compared to the forecast outturn at quarter 3. The available working balance carried forward into 2016/17 is £4.000m.

### Income

**Rental Income increase of £1.419m**

Reduced contribution to the bad debt provision (£1.076m) due to anticipated impact of welfare reform on collection rate being lower than anticipated due to delayed implementation.

**Service Charges & other income, decrease of £0.128m**

Less interest received than expected.

**Expenditure**

**Management, increase of £0.709m**

Made up of a number of variances including: an overspend of £0.404m on capital scheme costs that have been charged to revenue, and an underspend of £0.134m on Council Tax charges for void properties.

**Capital Charges, decrease of £2.177m**

Decrease in the depreciation charge as a result of a change to the approach of accounting for HRA non-dwelling assets. This reduces the contribution to the Major Repairs Reserve, thereby reducing the resources available for capital investment. An increase in Direct Revenue Financing has been possible to finance the capital programme.

**Direct Revenue Financing, increase of £2.670m**

Increase in Direct Revenue Financing due to reduction in depreciation charge (£2.000m) and contingency for public sector housing capital programme

## **2.9 Debtors Monitoring (Appendix C)**

**Housing Rents**

This was the second year of the Responsible Tenant Reward Scheme, and this contributed towards the achievement of the in-year collection target (98.40%). The performance figure of 98.11% relates to current rent charged plus existing arrears and has been achieved even though cash office collection facilities were closed in April 2015. This had some impact on performance initially, the majority of affected tenants have now moved to alternative payment methods such as direct debit.

Universal Credit (UC), where housing benefit previously paid directly to us now goes to the tenant, was rolled out in Nottingham in February and a programme of work continues, designed to ensure a corporate response to the challenges of UC and wider welfare reforms. The Welfare Reform project board is working closely with strategic partners including DWP, NCC/NCH and voluntary sector groups to mitigate the impact of Welfare Reform on our tenants and our rent performance.

**Council Tax**

Collection rate for 2015/16 remains at 92.5% in line with expectations for in year collection. Collection in 2015/16 amounted to £103.3m against net debt collectable of £111.7m, compared to collection of £98.5m against net debt collectable of £106.6m in 2014/15.

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

The collection rate for 2015/16 was 0.7% above the annual target of 96.7%. Collection in 2015/16 amounted to £126.3m against net debt collectable of £129.7m, and this is an improvement on the position for 2014/15.

**Sundry Income**

The percentage of debts collected within 90 days in the 12 months to March 2016 was 82.20% which is an improvement from the Q3 figure of 80.30%. The debtor day

indicator (which shows how quickly debts are recovered) is currently 32 days, slightly ahead of the target of 32.30 days.

### **Adult Residential Services**

The collection rate for Q4 (95.77%) is marginally below the target of 95.90%. Overall collection in 2015/16 amounts to £9.26m against collectable invoices raised of £9.33m.

### **Estates Rents**

The collection rate of 95.23% is below the set target of 97.50% and the rate for Q3 (95.80%) however, this has been rectified in 2016/17.

## **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 £0.857m 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 2015/16</b>	
<b>Fund</b>	<b>£m</b>
NNDR	0.821
General Fund	0.036
<b>Total</b>	<b>0.857</b>

## **2.11 New Discretionary Rate Relief Granted in 2015/16**

Details of new determinations of eligibility for Discretionary Relief since 1 April 2015 are shown in Table 8, of which the City share is 49%.

<b>TABLE 8: NEW DISCRETIONARY RATE RELIEF GRANTED IN 2015/16</b>	
<b>Type of Relief</b>	<b>Amount of Relief £m</b>
Non Profit-Making Bodies which are not Registered Charities	0.056
Registered Charities which are in Receipt of 80% Mandatory Relief	0.016
Community Centres	0.020
<b>TOTAL</b>	<b>0.092</b>

## **2.12 Capital Programme**

The capital programme for 2015/16 was approved by the City Council in March 2015. Quarterly monitoring and forecasting reports have been provided and considered by Executive Councillors throughout 2015/16.

## **2.13 Capital Expenditure 2015/16**

The capital expenditure in 2015/16 was £252.247m, representing a decrease of £31.095m from the Quarter 3 position. Table 9 shows the position for each portfolio. Further details are set out in Appendix F.



<b>TABLE 9: CAPITAL PROGRAMME - OUTTURN 2015/16</b>				
<b>Portfolio</b>	<b>Projected Outturn Q3</b>	<b>Pre-audit Outturn</b>	<b>Variance</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>%</b>
Public Sector Housing	54.612	51.030	(3.582)	(6.56)
Local Transport Programme	20.108	15.853	(4.255)	(21.16)
Education / Schools	13.623	10.176	(3.447)	(25.30)
<b>Total</b>	<b>88.343</b>	<b>77.059</b>	<b>(11.284)</b>	<b>(12.77)</b>
<b>Other Services:</b>				
Adults and Health	1.974	1.466	(0.508)	(25.73)
Early Intervention and Early Years	0.716	0.197	(0.519)	(72.49)
Leisure and Culture	10.444	8.977	(1.467)	(14.05)
Jobs, Growth and Transport	107.006	108.748	1.742	1.63
Energy & Sustainability	4.704	5.603	0.899	19.11
Planning and Housing	2.903	2.657	(0.246)	(8.47)
Strategic Regeneration, Development and Community Sector	48.965	39.310	(9.655)	(19.72)
Community Services	2.032	2.048	0.016	0.79
Resources & Neighbourhood Regeneration	16.255	6.182	(10.073)	(61.97)
<b>Total</b>	<b>194.999</b>	<b>175.188</b>	<b>(19.811)</b>	<b>(10.16)</b>
<b>Total Programme</b>	<b>283.342</b>	<b>252.247</b>	<b>(31.095)</b>	<b>(10.97)</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;
- Underspends and overspends represent a decrease or an increase in the total capital cost of a project (which could potentially be over a number of years). Underspends 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 G.

### **Public Sector Housing – (£3.582m)**

A variance of 6.56% on a projection of £54.612m represents both slippage and acceleration on a number of schemes further details of individual projects is detailed in Appendix G.

### **Local Transport Plan – (£4.255m)**

A variance of 21.16% on a projection of £20.108m represents both slippage on a number of schemes of (£4.282m) and slight acceleration of £27k. The revised programme for 2016/17 to 2020/21 is £54.860m.

### **Education / Schools – (£3.447m)**

Education / Schools shows a variance representing 25.30% of a projected programme of £13.623m. This variance is mainly attributable to slippage caused by delays in various projects as detailed in Appendix G, including slippage of £1.002m on Nottingham Academy caused by a slight delay to the start of works moving a major financial milestone into 2016/17; overall costs and completion date remain unchanged.

### Other Services

Total expenditure in 2015/16 was £175.188m against a projection of £194.999m. The variance represents 10.16% of the programme and is predominately due to the slippage of a number of schemes totalling (£24.309m) offset by acceleration of £3.334m. The variances have been reflected in the revised programme for 2016/17 and explanation of major variances within 'Other Services' are detailed below and in Appendix G.

- **Resources and Neighbourhood Regeneration – (£10.073m)** – This variance is mainly attributable to slippage of £5.200m on the loan to NCH for Radford Flats where the final loan drawdown was taken out at the start of 2016/17. Slippage has been identified on a number of IT schemes totalling £4.438m, these are live projects and the total capital expenditure forecast remains unchanged.
- **Strategic Regeneration, Development & Community Sector – (£9.655m)** – The majority of this variance relates to two projects; slippage of £5.300m on acquisition of property – Shakespeare Street, the acquisition is now expected to take place in 2016/17. Slippage of £2.070m has been identified on the expansion of BioCity to bring it in line with the latest works plan. The overall capital expenditure forecasts remain unchanged.

## 2.16 Additions to the Programme

Additions in Quarter 4 include those schemes that were approved as part of the budget process; other additions to the programme are shown in Table 10 below:

TABLE 10: ADDITIONS at QTR 4							
Scheme	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	TOTAL £m
<b>Public Sector Housing</b>							
NCH Grant - Land at Lenton	0.000	0.745	0.000	0.000	0.000	0.000	<b>0.745</b>
<b>Transport Programmes</b>							
Transfer to Area Capital Fund	0.000	(1.250)	0.000	0.000	0.000	0.000	<b>(1.250)</b>
<b>Education / Schools</b>							
Walter Halls Primary - Year 5/6 Block - additional	0.008	0.022	0.000	0.000	0.000	0.000	<b>0.030</b>
Glade Hill Primary - Boiler	0.039	0.001	0.000	0.000	0.000	0.000	<b>0.040</b>
Maintenance Contingency Fund	0.000	(0.070)	0.000	0.000	0.000	0.000	<b>(0.070)</b>
Condition Block Fund 16/17	0.000	1.544	0.000	0.000	0.000	0.000	<b>1.544</b>
Primary Health and Safety	0.037	0.468	0.000	0.000	0.000	0.000	<b>0.505</b>
Springfield Primary Imps	0.000	0.105	0.000	0.000	0.000	0.000	<b>0.105</b>
Health and Safety Contingency	0.000	(0.105)	0.000	0.000	0.000	0.000	<b>(0.105)</b>
South Wilford Endowed C of E	0.000	0.770	0.000	0.000	0.000	0.000	<b>0.770</b>
Fernwood Infants & Juniors	0.000	0.750	0.000	0.000	0.000	0.000	<b>0.750</b>
<b>Adults, Health &amp; Community Sector</b>							
Imps to Community Buildings	0.000	0.258	0.000	0.000	0.000	0.000	<b>0.258</b>
<b>Leisure and Culture</b>							
Ridgeway Playground	0.000	0.060	0.000	0.000	0.000	0.000	<b>0.060</b>
Victoria Park	0.000	0.050	0.000	0.000	0.000	0.000	<b>0.050</b>

TABLE 10: ADDITIONS at QTR 4							
Scheme	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	TOTAL £m
Libraries Wi-Fi Services	0.000	0.097	0.000	0.000	0.000	0.000	<b>0.097</b>
Neighbourhood Tree Imps	0.009	0.296	0.000	0.000	0.000	0.000	<b>0.305</b>
Victoria Embankment Imps	0.119	0.006	0.000	0.000	0.000	0.000	<b>0.125</b>
Nottingham Castle	0.000	0.057	0.000	0.000	0.000	0.000	<b>0.057</b>
<b>Planning and Housing</b>							
Ascot Road, Bobbersmill	0.000	0.064	0.000	0.000	0.000	0.000	<b>0.064</b>
Arkwright Walk / Crocus Fields	0.098	0.000	0.000	0.000	0.000	0.000	<b>0.098</b>
<b>Strategic Regeneration</b>							
Acq Land at Glaisdale	0.314	0.000	0.000	0.000	0.000	0.000	<b>0.314</b>
Capital Receipts for re-investment	(0.314)	0.000	0.000	0.000	0.000	0.000	<b>(0.314)</b>
Acq of 58 Carlton Road	0.183	0.000	0.000	0.000	0.000	0.000	<b>0.183</b>
Capital Receipts for re-investment	(0.179)	0.000	0.000	0.000	0.000	0.000	<b>(0.179)</b>
Acq 3 Quinton Close (CPO Acq)	0.102	0.000	0.000	0.000	0.000	0.000	<b>0.102</b>
Capital Receipts for re-investment	0.000	4.638	0.000	0.000	0.000	0.000	<b>4.638</b>
Wexchange Buildings	0.036	0.364	0.000	0.000	0.000	0.000	<b>0.400</b>
<b>Communitiy Services</b>							
Area Capital Fund - Transfer from LTP	0.000	1.250	0.000	0.000	0.000	0.000	<b>1.250</b>
Flood Alleviation - Top Valley	0.100	0.000	0.000	0.000	0.000	0.000	<b>0.100</b>
Cleansing Plant & Equipment	0.000	0.075	0.000	0.000	0.000	0.000	<b>0.075</b>
4 x Wireless CCTV Cameras	0.000	0.044	0.000	0.000	0.000	0.000	<b>0.044</b>
Flood Alleviation - Wooslington Close	0.000	0.195	0.000	0.000	0.000	0.000	<b>0.195</b>
<b>Resources &amp; Neighbourhood Regen</b>							
IT - :Property Asset Management System	0.117	0.000	0.000	0.000	0.000	0.000	<b>0.117</b>
Skills Hub	0.001	0.174	0.000	0.000	0.000	0.000	<b>0.175</b>
<b>TOTAL APPROVALS</b>	<b>0.670</b>	<b>10.608</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>11.278</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 £0.192m 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.

TABLE 11: EASTCROFT CAPITAL EXPENDITURE							
	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Q3 Programme	1.833	3.197	1.021	1.113	3.931	2.205	<b>13.300</b>
Revised Programme	2.099	3.123	1.021	1.113	3.931	2.205	<b>13.492</b>
<b>Variance</b>	<b>0.266</b>	<b>(0.074)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.192</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.

<b>TABLE 12: GENERAL FUND CAPITAL PROGRAMME</b>							
<b>2015/16 £m</b>	<b>Programme Element</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>TOTAL £m</b>
15.853	Local Transport Plan (LTP)	26.452	23.125	5.283	0.000	0.000	<b>54.860</b>
10.176	Education/BSF	15.359	4.227	0.000	0.000	0.000	<b>19.586</b>
175.188	Other Services	88.136	23.436	23.541	11.350	7.704	<b>154.167</b>
0.000	Projects in Development	112.885	104.637	26.020	0.000	0.000	<b>243.542</b>
<b>201.217</b>	<b>Total Programme</b>	<b>242.832</b>	<b>155.425</b>	<b>54.844</b>	<b>11.350</b>	<b>7.704</b>	<b>472.155</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 £228.613m.

#### 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, this will be subject to a process of business case appraisal that includes both due diligence and the identification of funding. The five year investment strategy (projects in development) is £243.542m.

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 secured capital receipts in 2015/16 (which support the programme) were higher than expectations mainly due to an increased number of Right to Buy sales and HRA one for ones; half of which goes to the General Fund. Overall secured capital receipts for 2015/16 were £8.199m 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>2015/16 £m</b>	<b>Programme Element</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>TOTAL £m</b>
33.811	Resources b/fwd	31.340	0.000	0.000	0.000	0.000	31.340
133.667	Prudential Borrowing	140.454	108.794	30.634	9.048	5.012	293.942
49.510	Grants & Contribution	58.322	37.164	20.026	1.530	1.200	118.242
7.370	Internal Funds / Revenue	7.283	0.935	2.771	0.000	0.000	10.989
8.199	Capital Receipts	14.636	2.114	0.875	0.656	0.492	18.773
<b>232.557</b>	<b>Total</b>	<b>252.035</b>	<b>149.007</b>	<b>54.306</b>	<b>11.234</b>	<b>6.704</b>	<b>473.286</b>

Resources and proposed financing for 2016/17 is detailed in Appendix H.

<b>TABLE 14: GENERAL FUND CAPITAL POSITION</b>						
<b>Programme Element</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>TOTAL £m</b>
Total Programme	242.832	155.425	54.844	11.350	7.704	472.155
Total Resources	252.035	149.007	54.306	11.234	6.704	473.286
<b>(Surplus)/Shortfall</b>	<b>(9.203)</b>	<b>6.418</b>	<b>0.538</b>	<b>0.116</b>	<b>1.000</b>	<b>(1.131)</b>
<b>Cumulative (Surplus)/Shortfall</b>	<b>(9.203)</b>	<b>(2.785)</b>	<b>(2.247)</b>	<b>(2.131)</b>	<b>(1.131)</b>	<b>(1.131)</b>

The General Fund position above shows a current surplus of £1.131m which represents 0.2% of the total programme and is to be used as a contingency against future pressures. 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.

### **Disabled Facilities Grant**

Disabled Facilities Grants (DFG) are a means-tested mandatory grant, delivered through an integrated service by Occupational Therapy and the Adaptations & Renewal Agency. They are the principle method of financing adaptations for vulnerable disabled people in the private sector i.e. owner occupiers, tenants of housing associations and tenants of private landlords.

From 2019/20 the only funding assumed is indicative grant, there is no Council funding allocated after this point which will represent a pressure to the capital programme if additional funding is needed. The Adaptations Agency is expected to deliver approximately £2.000m of adaptations during 2016/17 and that level of spend is predicted to continue and potentially increase in succeeding years. In addition, both the Adaptations Agency and Occupational Therapy have backlogs of cases which need to be addressed at some point in the future which would result in additional funding being required. The provision for DFG will continue to be monitored in order to assess changes in demand and need for funding.

## **2.19 Public Sector Housing**

The Public Sector Housing programme has been updated to reflect the £3.582m net slippage between 2015/16 and 2016/17. Table 15 sets out the updated programme and resources.

TABLE 15: PUBLIC SECTOR HOUSING - CAPITAL PROGRAMME AND RESOURCES							
2015/16 £m	PORTFOLIO	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
51.030	Public Sector Housing Programme	78.243	49.374	40.175	31.945	30.489	230.226
	<b>Resources Available</b>						
45.301	Resources b/fwd	49.837	-	-	-	-	49.837
-	Prudential Borrowing	-	5.580	7.420	-	-	13.000
2.901	Grants & Contribution	3.995	0.653	1.307	0.815	-	6.770
7.916	Direct Revenue						
7.916	Financing	6.683	4.496	2.123	1.923	1.923	17.148
27.078	Major Repairs Reserve	27.078	27.078	27.078	27.078	27.078	135.390
17.671	Capital Receipts secured	-	-	-	-	-	-
100.867		87.593	37.807	37.928	29.816	29.001	222.145
-	<b>Capital Receipts Unsecured</b>	5.233	3.528	5.953	1.440	1.130	17.284
100.867	<b>Total Resources</b>	92.826	41.335	43.881	31.256	30.131	239.429
	<b>Future commitment to maintaining decency</b>						9.203
(49.837)	<b>(Surplus)/Shortfall</b>	(14.583)	8.039	(3.706)	0.689	0.358	0.000
(49.837)	<b>Cumulative (Surplus)/Shortfall</b>	(14.583)	(6.544)	(10.250)	(9.561)	(9.203)	0.000

### **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 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND 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 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT 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 significant 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 payback 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 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)**

6.1 None

## **7 SOCIAL VALUE CONSIDERATIONS**

7.1 None

## **8 REGARD TO THE NHS CONSTITUTION**

8.1 None

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

9.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

The report does not contain proposals for new or changing policies, services or functions.

Yes



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

10.1 None

## **11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

11.1 Medium Term Financial Plan 2016/17- 2019/20 – Executive Board 23 February 2016

11.2 Report of the Deputy Leader on the Budget 2015/16 – City Council 9 March 2015

## **12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

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# APPENDIX A

Portfolio	Budget £m	Draft Outturn £m	Variance £m	Net Movement in Reserves* £m	Outturn prior to Carry forwards £m	Requested carry forward £m	Outturn including Carry forwards** £m
Adults and Health	89.960	90.604	0.644	(1.257)	(0.613)	0.100	<b>(0.513)</b>
Community Services	23.116	22.776	(0.341)	(0.883)	(1.224)	0.360	<b>(0.863)</b>
Early Intervention & Early Years	50.412	54.343	3.931	(3.713)	0.219	0.000	<b>0.219</b>
Energy & Sustainability	5.917	6.270	0.353	(0.614)	(0.261)	0.000	<b>(0.261)</b>
Jobs, Growth & Transport	7.343	9.714	2.371	(1.226)	1.145	0.083	<b>1.228</b>
Leisure & Culture	13.269	11.886	(1.383)	0.856	(0.528)	0.679	<b>0.151</b>
Planning & Housing	3.764	3.158	(0.606)	0.189	(0.417)	0.000	<b>(0.417)</b>
Resources & Neighbourhood Regeneration	17.578	22.638	5.060	(4.738)	0.322	0.086	<b>0.408</b>
Schools	(3.367)	(1.818)	1.549	(0.844)	0.705	0.000	<b>0.705</b>
Strategic Regeneration, Development & Community Sector	(5.125)	(2.401)	2.724	(2.796)	(0.071)	0.000	<b>(0.071)</b>
<b>Total Portfolios</b>	<b>202.866</b>	<b>217.168</b>	<b>14.302</b>	<b>(15.024)</b>	<b>(0.723)</b>	<b>1.308</b>	<b>0.585</b>
Corporate Budgets	52.948	36.959	(15.990)	(15.024)	(0.965)	0.280	(0.685)
<b>Total General Fund</b>	<b>255.814</b>	<b>254.127</b>	<b>(1.688)</b>	<b>0.000</b>	<b>(1.688)</b>	<b>1.588</b>	<b>(0.100)</b>

\*impacting on the revenue element of the General Fund. Section 2.7 presents the overall movement in reserves for the year.

\*\* including £1.000m contribution from trading areas to support MTFP in 2016/17.

## Carry Forward Requests by Department

## Appendix A(ii)

Service	Portfolio	Value £m	Category	Details
<b>Development &amp; Growth</b>				
Traffic & Safety	Jobs, Growth & Transport	0.083	Acceleration/ slippage	An acceleration of income generating activities has resulted in a favourable variance in 2015/16, investment is required to meet the increased targets for 2016/17 and to allow the directorate to put in place sustainable income achieving measures during 2016/17
<b>sub-total Development &amp; Growth</b>		<b>0.083</b>		
<b>Organisational Transformation</b>				
Resourcing & Reward	Community Services	0.012	Acceleration/ slippage	Supporting and promotional material for 'Tap the Gap'. This is the Council's flagship positive action programme offering talented city school leavers from BME communities, in the care of a Local Authority or with disabilities, the opportunity to gain between two and four weeks voluntary work experience across the Council during the summer holidays
Transformation	Community Services	0.010	Acceleration/ slippage	IT infrastructure costs to support on line production of colleague communications
Transformation (Improvement)	Community Services	0.027	Investment	Change Champions programme to support the great Workforce Programme and extension of Corporate training to support commercialism
<b>sub-total Organisational Transformation</b>		<b>0.049</b>		

Service	Portfolio	Value £m	Category	Details
<b>Commercial &amp; Operations</b>				
Theatre Royal & Royal Concert Hall	Leisure & Culture	0.339	Traded Activities	50% traded activity used to support the Arts Council England (ACE) bid at the Nottingham Theatre Royal and Concert Hall.
	Leisure & Culture	0.340	Traded Activities	Match funding for stage 2 of the ACE bid - Remaining 50% traded activity to be transferred to the transformation reserve for the matched funding element.
<b>Royal Centre</b>		<b>0.679</b>		
Traded Operations	Community Services	0.262	Traded Activities	50% traded activity used to support further commercial growth in the 2016/17 business plan.
<b>Trading Areas</b>		<b>0.262</b>		
<b>sub-total Commercial &amp; Operations</b>		<b>0.941</b>		
<b>Early Intervention</b>				
Communications & Marketing	Adults & Health	0.100	Acceleration/ slippage	Slippage associated with the procurement of communications software, the refresh of the bus shelters and gateway signage and spend associated with income generation.
Crime & Drugs Partnership	Community Services	0.049	Acceleration/ slippage	Ring-fenced grant.
<b>sub-total Early Intervention</b>		<b>0.149</b>		
<b>Resources</b>				
Corporate & Democratic Core	Resources & Neighbourhood Regeneration	0.086	Transformation	Transformation to support PCI Compliance
<b>sub-total Resources</b>		<b>0.086</b>		

Service	Portfolio	Value £m	Category	Details
<b>Corporate</b>				
Planned Maintenance	Resources & Neighbourhood Regeneration	0.280	Acceleration/ slippage	Slippage in planned maintenance activities
<b>sub-total Corporate Items</b>		<b>0.280</b>		
<b>Total Carry Forwards</b>		<b>1.588</b>		

**Portfolio Variances +/- £50k including carry forwards**

**Adults & Health Portfolio – overall variance £0.513m favourable (after carry forwards of £0.100m)**

**Adults £0.317m favourable**

The variance takes into account:

- The increase in Homecare costs of £1.200m mitigated in year through the use of one off Health funding.
- The reconfiguration of a 2015/16 strategic choice which related to a capital investment into a new Learning Disability provision (£0.235m).
- Contributions from grants and other external sources of funding.
- Underspends within internal provision services.

**Strategy and Commissioning £0.196m favourable (after carry forwards of £0.100m)**

The majority of the underspend relates to management of vacant posts and slippage in the marketing and communication programme of work.

**Community Services Portfolio – overall variance £0.863m favourable (after carry forwards of £0.360m and contribution of £0.400m towards the MTFP 2016-17)**

**Community Cohesion £66k adverse**

Unbudgeted grant reductions. The service is being restructured in 2016/17 to mitigate this budget pressure.

**Neighbourhood Services £0.690m favourable (after carry forwards of £0.262m and MTFP contribution of £0.400m)**

Positive action on growing sales and controlling costs as indicated in business plans has led to this improving net budget position in traded areas.

**Human Resources £0.157m favourable**

Management of vacant posts and one off savings on other services.

**Transformation £0.121m favourable (after carry forwards of £49k)**

Management of vacant posts.

**Early Intervention & Early Years Portfolio – overall variance £0.219m adverse (no carry forwards)**

**Children's Social Care £0.219m adverse**

The gross position of Children's Social Care is £4.300m overspend due to:

- Recruitment issues requiring the increased use of agency social workers £1.470m.
- Increase in costs of Children in Care due to the complexity of cases £1.069m
- Increased demand for of Special Educational Needs (SEN) transport £0.970m
- A delay in the implementation of plans to achieve Big Ticket £0.922m
- Introduction of Newly Qualified Social Workers £0.280m.

Mitigation of an element of this is from:

- Management of vacant posts £1.250m
- The use of 2014/15 carry forwards of £0.800m.
- Maximisation of grants c. £0.798m.

Service activity is being undertaken to:

- Minimise the impact of demographic growth through early interventions;
- Ensuring safeguarding packages are fit for purpose and
- Drive delivery of the Big Ticket programme.
- Review the whole directorate for further savings.

**Energy & Sustainability Portfolio – overall variance £0.261m favourable (no carry forwards)**

**Customer Access Programme £63k favourable**

Over achievement of vacancy rate savings

**Energy Services – Policy/Projects £0.198m favourable**

Energy Development Fund underspend to cover the smart meter (EE Monitor) shortfall and vacancies within the team.

**Jobs, Growth & Transport Portfolio – overall variance £1.228m adverse (after carry forwards of £83k and contribution of £0.600m towards the MTFP 2016-17)**

**Strategy and Commissioning £0.794m adverse**

The majority of this variance relates to procurement savings achieved through other Big Ticket programmes. This issue has been mitigated as part of the 2016/17 budget process.

**Neighbourhood Services £0.414m adverse (after contribution of £0.300m to support the MTFP in 2016-17)**

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

**Highways & Energy Infrastructure £61k favourable (after contribution of £0.300m to support the MTFP in 2016-17)**

Positive action on growing sales and controlling costs as indicated in business plans has led to this improving net budget position in traded areas.

**Woodfield Industries £61k adverse**

A shortfall against revenue growth / cost savings. A revised plan is in place for 2016/17.

**Traffic & Safety £13k favourable (after carry forwards of £83k)**

Savings realised due to contract management and the change in certain tax treatments

**Leisure & Culture Portfolio – overall variance £0.151m adverse (after carry forwards of £0.679m)**

**Royal Centre £0.679m favourable (on budget after carry forwards of £0.679m)**

Stronger than budgeted ticket sales for the Royal Concert Hall and Theatre Royal

**Markets £0.192m adverse**

Unplanned increase in service charge at Victoria Centre Indoor Market for approx. £0.230m, this has been managed within the service to decrease to £0.192m

Plan in place for future years to manage this pressure.

**Libraries £92k favourable**

Underspend within the facilities budgets and general cost savings.

**Planning & Housing Portfolio – overall variance £0.417m favourable (no carry forwards)****Strategy & Commissioning £0.402m favourable**

The majority of the underspend relates to management of vacant posts.

**Resources & Neighbourhood Regeneration Portfolio – overall variance £0.408m adverse (after carry forwards of £86k)****Trading Services (EE Monitors) £0.199m adverse**

Delay in EE monitor sales. Review of scheme being undertaken to ensure profitability

**Commercialism Schemes £93k adverse**

Adverse variances in business rates

**Strategic Partnership - £64k favourable**

Management of vacant posts

**Business Support £0.263m adverse**

Residual costs relating to review of Business Support undertaken in 2015/16.

**Legal and Democratic £0.191m favourable**

Favourable variances on management of vacant posts and external income recovery within Legal Services.

**Corporate & Democratic Core £0.155m favourable (after carry forwards of £86k)**

Net favourable variance arising from reduced external audit costs, lower bank charges in 2015/16, reduced levels of subscriptions and external recharges.

**Civic and Coronial £0.203m adverse**

Shortfall in income and non-achievement of vacancy rate target combined with overspend on other services and security costs.

**Schools Portfolio – overall variance £0.705m adverse (no carry forwards)****Education Partnerships & School Improvement £0.705m adverse**

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

**Strategic Regeneration, Development & Community Sector – overall variance £71k favourable (no carry forwards)**

**Voluntary Sector £0.193m favourable**

Profile of Voluntary Sector funding. To be accommodated within budget in 2016/17.

**Corporate Budgets – overall variance £0.685m favourable (after carry forwards of £0.280m)**

**Ice Centre £0.197m adverse**

Reduced income as a result of a number of cancelled shows.

**Treasury Management £1.000m favourable**

Decision 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.

**Planned Maintenance £0.280m favourable (all requested to be carried forward)**

Slippage on Planned Maintenance programme.



**DEBTORS MONITORING 2015-16****APPENDIX C**

Quarterly Performance Review - 2015-16		Q1	Q2	Q3	Q4
BVPI 66a - Housing Rent Collection (%) <i>(cumulative - current tenants only)</i>					
	<i>arrears + debit)</i> Actual	97.17	97.78	98.19	98.11
	Target	98.40	98.40	98.40	98.40
	Last Year Actual 2014-15	97.58	98.14	98.71	98.39
BVPI 9 - Council Tax Collection (%)					
	<i>(in year cumulative)</i> Actual	26.30	51.00	76.60	92.50
	Target	25.90	50.50	76.60	92.50
	Last Year Actual 2014-15	26.20	51.10	76.80	92.50
BVPI 10 - NNDR Collection (%)					
	<i>(in year cumulative)</i> Actual	31.28	55.62	81.16	97.40
	Target	29.20	55.50	82.50	96.70
	Last Year Actual 2014-15	27.90	55.80	82.12	96.16
Sundry Income Collection (%)					
	<i>(12 month rolling average)</i> Actual	79.40	79.70	80.30	82.20
	Target	99.00	99.00	99.00	99.00
	Last Year Actual 2014-15	84.00	89.00	83.00	81.00
Sundry Income Debtor Days -General					
	Actual	31.00	33.00	32.00	32.00
	<i>(12 month rolling average)</i> Target	32.30	32.30	32.30	32.30
	Last Year Actual 2014-15	29.60	29.40	32.00	30.00
Estates Rents Collection (%)					
	Actual	96.80	96.77	95.80	95.23
	<i>(12 month rolling average)</i> Target	97.50	97.50	97.50	97.50
	Last Year Actual 2014-15	96.84	97.00	96.45	96.20
Adult Residential Services Collection (%)					
	Actual	95.42	95.37	95.95	95.77
	<i>(12 month rolling average)</i> Target	95.90	95.90	95.90	95.90
	Last Year Actual 2014-15	95.90	96.50	96.50	96.47

**VIREMENT 2015-16 REQUIRING EXECUTIVE BOARD APPROVAL**
**APPENDIX D**

Details	Net Amount £m	Department		Portfolio			
		From	To	From	To		
Corporate savings review	0.010	CA&EI	Corporate Budgets	ADH	RNR		
	0.016	CA&I		ELY			
	0.013	OT		CSH			
	0.023	C&O		CSH			
	0.005	OT		ESU			
	0.002	D&G		JGT			
	0.001	C&O		LCT			
	0.003	D&G		PLNH			
	0.003	OT		within RNR			
	0.041	R					
	0.016	D&G		SCH	RNR		
	0.003	CA&EI		SRD & CS			
	0.005	D&G					
	Meals at Home technical realignments	0.044		within C&O		JGT	CSH
	realign reserves adjustment between Inclusive Learning & Schools Improvement	0.498		within CA&EI		SCH	ELY
Prudential borrowing adjustment	0.054	C&O	Corporate Budgets	ESU	RNR		
	0.072	C&O		LCT			
	0.029	C&O		JGT			
	0.433	D&G		SRD & CS			
Public Health re-investment	1.694	within CA&EI		ELY	ADH		
Best Value Audit recharge	0.011	within CA&EI		ELY	ADH		
Business Support residual adjustment	0.003	R	CA&EI	RNR	ELY		

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Strategic Choice realignment	0.103	D&G	CA&EI	SRD & CS	JGT
	0.084	within D&G		JGT	SRD & CS
	0.034			PLNH	
	0.057			RNR	
	0.026			SCH	
	0.100	Corporate Budgets	D&G	RNR	JGT
Commercial Services staffing budget realignment	0.055	within C&O		LCT	RNR
departmental realignment between Finance and Quality & Commissioning	0.443	R	CA&EI	RNR	PLNH
operational budget transfer from Finance to Education Partnerships	0.002	R	CA&EI	RNR	SCH
Facilities Management	0.832	D&G	C&O	within SRD & CS	
TOTAL	4.714				

Key	Department
CA&EI	Children & Adults / Early Intervention
C&O	Commercial and Operations
D&G	Development and Growth
OT	Organisational Transformation
R	Resources

Key	Portfolio
ADH	Adults and Health
CSH	Community Services
ELY	Early Intervention & Early Years
ESU	Energy & Sustainability
JGT	Jobs, Growth & Transport
LCT	Leisure & Culture
PLNH	Planning & Housing
RNR	Resources & Neighbourhood Regeneration
SCH	Schools
SRD & CS	Strategic Regeneration, Development & Community Sector

**MOVEMENTS IN RESERVES REQUIRING EXECUTIVE BOARD APPROVAL 2015/16 (£m)**
**APPENDIX E**

Portfolio	Reserve Name	Description	Replenishment	Use of Reserves	Reserve to Reserve	PFI/BSF	Schools	Capital	Total
Adults and Health	Public Health Transition	Public Health grant	(0.469)						(0.469)
	Adults Care Act	Grant income	(0.843)						(0.843)
	Castle Project Team Trans Funding	Funding of Project Team	(0.057)						(0.057)
	E-Government/IT Fund	C&F Insight Team		0.059					0.059
	Future Nottingham	Social Media Strategy		0.002					0.002
	ICT Investment Schemes	Project Evolution		0.415					0.415
	Revenue Reserves for Capital	Community Centre works programme	(0.258)						(0.258)
<b>Adults and Health Total</b>			<b>(1.628)</b>	<b>0.476</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(1.152)</b>
Community Services	CCTV Equipment Replacement	Contribution towards replacement equipment	(0.090)						(0.090)
	Contribution to MTFP	Contribution to MTFP 2016/17	(0.400)						(0.400)
	Hackney Carriages	Licence fee income	(0.153)						(0.153)

Portfolio	Reserve Name	Description	Replenishment	Use of Reserves	Reserve to Reserve	PFI/BSF	Schools	Capital	Total
	HMO - Discretionary	Fee income		0.131					0.131
	HMO - Mandatory	Fee income	(0.218)						(0.218)
	Workforce issues	Project modelling		0.006					0.006
	Trading Account Traded Surplus	Slippage in procurement of vehicle	(0.070)						(0.070)
	Transforming Services	Corporate Transformation Programme	(0.077)	0.060					(0.017)
<b>Community Services Total</b>			<b>(1.008)</b>	<b>0.197</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.811)</b>
Early Intervention & Early Years	Future Nottingham	Development and implementation of key initiatives including YCA, partnership events, communications and City of Football		0.011					0.011
<b>Early Intervention &amp; Early Years Total</b>			<b>0.000</b>	<b>0.011</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.011</b>
Energy & Sustainability	E-Government/IT Fund	Customer Access Programme		0.539					0.539
	Feasibility Schemes	In year programme		0.170					0.170
	Future Nottingham	Promoting partnership initiatives including website & social media		0.005					0.005
	SALIX - Energy Savings Fund	Balance on SALIX Fund	(0.103)						(0.103)
<b>Energy &amp; Sustainability Total</b>			<b>(0.103)</b>	<b>0.715</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.612</b>
Jobs, Growth & Transport	Bulwell Town Centre	Development of Action Plan		0.008					0.008
	Contribution to MTFP	Contribution to MTFP 2016/17	(0.600)						(0.600)

Portfolio	Reserve Name	Description	Replenishment	Use of Reserves	Reserve to Reserve	PFI/BSF	Schools	Capital	Total
	Employer Hub Innovation Fund	Employer Hub		0.331					0.331
	Growing Places Interest	Net movement relating to Accountable Body costs	(0.088)	0.084					(0.004)
	Growing Places Loans	interest from loans awarded	(0.036)						(0.036)
	Investment reserve	Creative Quarter Feeder project		0.076					0.076
		Slippage of Vacant Shop scheme & other property expenditure	(0.054)	0.040					(0.014)
	Jobs Fund	Future commitments for YEI	(0.287)						(0.287)
	NET City Reserve Fund	2015/16 Bus Service Operator match funding				1.030			1.030
		Workplace Parking Levy	(0.318)						(0.318)
	Nottingham Investment Fund	Investment in the Foresight Nottingham Fund		0.021					0.021
	Nottm Growth Plan	Economic Development activities	(0.075)						(0.075)
	Street Lighting PFI	Contribution to cover future years costs during 25 year PFI contract				(0.628)			(0.628)
	Trading Account Traded Surplus	Slippage in delivery of maintenance works & purchase of vehicle	(0.294)						(0.060)
	Wireless Concession	Match funding for ERDF Digital Business Programme	(0.138)						(0.138)
<b>Jobs, Growth &amp; Transport Total</b>			<b>(1.888)</b>	<b>0.560</b>	<b>0.000</b>	<b>0.402</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.926)</b>

Portfolio	Reserve Name	Description	Replenishment	Use of Reserves	Reserve to Reserve	PFI/BSF	Schools	Capital	Total
Leisure & Culture	Revenue Grants Unapplied	Restrictive Grant Income	(0.202)	0.015					(0.187)
	Lawn Tennis Association	Slippage on updating of the Tennis Centre Changing facilities	(0.020)						(0.020)
	LTA - Contribution	Bubble Repairs		0.023					0.023
	Revenue Reserves for Capital	Carrington Street - HLF Match funding	(0.025)						(0.025)
		Leisure - kit replacement	(0.320)						(0.320)
		Libraries Self Issuing System	(0.070)						(0.070)
		Victoria Embankment & Meadows Recreation Ground restoration and Improvement	(0.028)						(0.028)
	Royal Centre Maintenance	Patron donations	(0.005)						(0.005)
		Replacement of Acoustic Banners	(0.080)						(0.080)
Leisure & Culture Total			(0.747)	0.038	0.000	0.000	0.000	0.000	(0.709)
Planning & Housing	Local Plan	Planning Inquiries & Examinations	(0.061)						(0.061)
Planning & Housing Total			(0.061)	0.000	0.000	0.000	0.000	0.000	(0.061)

Portfolio	Reserve Name	Description	Replenishment	Use of Reserves	Reserve to Reserve	PFI/BSF	Schools	Capital	Total
Resources & Neighbourhood Regeneration	Area Committees	Drawdown of balance from Area Revenue reserve		0.076					0.076
	Contingency Reserve	Developing Nottingham		0.077					0.077
		Information rights performance challenges		0.052					0.052
	East Midlands Council	EMC Outturn	(0.050)						(0.050)
	E-Government/IT Fund	Data Communications Network (amounts recovered on contract 2015/16)	(0.010)						(0.010)
		Document Management System		0.101					0.101
		GSI Convergence		0.034					0.034
		IT projects costs		0.125					0.125
	Good to Great	2015/16 Good to Great activities		1.992					1.992
	Energy Park	In year costs		0.030					0.030
	Investment reserve	SRB management		0.038					0.038
	Investment Strategy	Blueprint (Prudential Borrowing costs)		0.697					0.697
	NHB Economic Development	Daykene Street						1.000	1.000
	NHS LIFT-Bulwell	Reserve replenishment - Bulwell Riverside Joint Service Centre				(0.210)			(0.210)
	NHS Local Imp Finance (LIFT)	Reserve replenishment - Clifton Cornerstone & Mary Potter				(0.478)			(0.478)
	Property Maintenance	Property Asset Management System						0.054	0.054
	Revenue reserves for Capital	SRB fees		0.340					0.340



Portfolio	Reserve Name	Description	Replenishment	Use of Reserves	Reserve to Reserve	PFI/BSF	Schools	Capital	Total
	St Ann's Valley JSC	To support Joint Service Centre funding agreement				0.103			0.103
<b>Resources &amp; Neighbourhood Regeneration Total</b>			<b>(0.060)</b>	<b>3.561</b>	<b>0.000</b>	<b>(0.585)</b>	<b>0.000</b>	<b>1.054</b>	<b>3.970</b>
Schools	Schools Building Maintenance	Adjustment to closing balance					(0.054)		(0.054)
	BSF Bigwood & Oakfield PFI	Final Business Case				(0.500)			(0.500)
	EIB Strategic Alliance	Grant income	(1.143)						(1.143)
	Farnborough PFI Project	Final Business Case				(0.001)			(0.001)
	PFI Life Cycle	Ellis Guilford BSF Lifecycle in accordance with BSF model				(0.027)			(0.027)
	SSR-Other Balances	Net movement in year					0.624		0.624
	SSR-School Balances	Drawdown of school balances					1.632		1.632
<b>Schools Total</b>			<b>(1.143)</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.529)</b>	<b>2.203</b>	<b>0.000</b>	<b>0.531</b>
Strategic Regeneration, Development & Community Sector	Investment reserve	Carlton Road		0.095					0.095
	Investment Strategy	Bio Science - Sheriffs Lodge		0.020					0.020
		SAM rephasing - repayment	(0.501)						(0.501)
		Byron House Business Rates		0.184					0.184
	Property Trading Traded Surplus	Supporting delivery of future SAM big ticket savings		0.142					0.142

Portfolio	Reserve Name	Description	Replenishment	Use of Reserves	Reserve to Reserve	PFI/BSF	Schools	Capital	Total
	R&R Fund - Southglade Food Park	Replenishment for repairs	(0.059)						(0.059)
<b>Strategic Regeneration, Development &amp; Community Sector Total</b>			<b>(0.560)</b>	<b>0.441</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.119)</b>
Corporate	Contingency Reserve	Slippage of schemes and transfer of underspend	(1.237)						(1.237)
	Investment Strategy	Year-end adjustment	(1.701)						(1.701)
		Contbn Good to Great			0.259				0.259
		Establish Feasibility Schemes Reserve			2.000				2.000
		Establish ICT Investment Schemes Reserve			2.500				2.500
	Good to Great	Contbn Investment Strategy			(0.259)				(0.259)
	Housing Benefits	HB & Subsidy adjustment		0.023					0.023
	Ice Centre	Sinking Fund	(0.364)	0.532					0.168
	Workforce issues	To fund in year liabilities		0.732					0.732
	BDI Loan Fund	S31 Grant	(0.432)	0.034					(0.398)
	Business Rates	MTFP (100% Retained BR)	(0.194)						(0.194)
	Emergency Hardship Funds	Social fund income	(0.040)						(0.040)
	Feasibility Schemes	Establish reserve			(2.000)				(2.000)
	ICT Investment Schemes	Establish reserve			(2.500)				(2.500)
	NET City Reserve Fund	2015/16 NET Capital expenditure						2.547	2.547
		Balance of PFI grant				(10.453)			(10.453)
		Green Bus Fund 3 accessories						0.108	0.108

Portfolio	Reserve Name	Description	Repleni- shment	Use of Reserves	Reserve to Reserve	PFI/BSF	Schools	Capital	Total
	Treasury Management	Net movement for year (including contribution for prudential borrowing schemes to meet future borrowing costs and future capital liabilities)	(6.355)						(6.355)
	E-Government/IT Fund	IT Projects – including software procurement; systems review; servers & storage area refresh						2.189	2.189
	Pension Deficit Lump Sum	Pension liability		0.131					0.131
	Revenue Reserves for Capital	Libraries Self Issuing Technology						0.070	0.070
		Area Capital Fund non Transport Schemes						0.799	0.799
		Flexible Fitness Equipment Replacement scheme						0.106	0.106
		Nottingham Castle HLF Scheme						0.482	0.482
		Victoria Embankment / Cricket Pavilion						0.028	0.028
Corporate Total			(10.323)	1.452	0.000	(10.453)	0.000	6.329	(12.995)
Grand Total			(17.522)	7.449	0.000	(11.164)	2.203	7.383	(11.651)

## Appendix F

APPENDIX F: CAPITAL PROGRAMME OUTTURN 2015/16							
Portfolio	Total - Qtr 3 Report	Approvals	Slippage	Acceleration	Savings	Other	Latest Projections
	£m	£m	£m	£m	£m	£m	£m
Public Sector Housing	54.612	0.000	(5.952)	1.679	(0.273)	0.964	51.030
Transport Programmes	20.108	0.000	(4.282)	0.027	0.000	0.000	15.853
Education / Schools	13.623	0.084	(4.131)	0.096	0.000	0.504	10.176
<b>Total</b>	<b>88.343</b>	<b>0.084</b>	<b>(14.365)</b>	<b>1.802</b>	<b>(0.273)</b>	<b>1.468</b>	<b>77.059</b>
<b>Other Services:</b>							
Adults, Health and Community Sector	1.974	0.000	(0.509)	0.001	0.000	0.000	1.466
Early Intervention and Early Years	0.716	0.000	(0.525)	0.000	0.000	0.006	0.197
Leisure and Culture	10.444	0.128	(1.779)	0.087	0.000	0.097	8.977
Jobs, Growth and Transport	107.006	0.000	(0.006)	1.748	0.000	0.000	108.748
Energy & Sustainability	4.704	0.000	(0.588)	1.487	0.000	0.000	5.603
Planning and Housing	2.903	0.098	(0.500)	0.000	0.000	0.156	2.657
Strategic Regeneration & Development	48.965	0.142	(10.173)	0.000	(0.016)	0.392	39.310
Community Services	2.032	0.100	(0.084)	0.000	0.000	0.000	2.048
Resources & Neighbourhood Regen	16.255	0.118	(10.150)	0.011	(0.089)	0.037	6.182
<b>Total</b>	<b>194.999</b>	<b>0.586</b>	<b>(24.314)</b>	<b>3.334</b>	<b>(0.105)</b>	<b>0.688</b>	<b>175.188</b>
<b>TOTAL PROGRAMME</b>	<b>283.342</b>	<b>0.670</b>	<b>(38.679)</b>	<b>5.136</b>	<b>(0.378)</b>	<b>2.156</b>	<b>252.247</b>

<b>APPENDIX G: Capital Programme variances +/-£0.100m</b>			
<b>Scheme</b>	<b>Projection 15/16 £m</b>	<b>Outturn 15/16 £m</b>	<b>Variance £m</b>
<b>PUBLIC SECTOR HOUSING</b>			
Structural Surveys & Rectification Works - Underspend due to less structural rectification works being identified.	0.227	0.085	(0.142)
Nottingham Secure - Windows - gaining access to more properties than planned. Variance will be re-phased against 2016-17 budget.	0.450	1.096	0.647
Modern Living - The overall underspend on the combined Modern Living scheme of £1.152m is due to non-access and refusals within the later months of the contract.	3.502	2.350	(1.152)
Roof & Chimney Replacement - an accelerated programme in 2015-16 which will be re-phased against 2016-17 budget.	2.006	2.085	0.079
External Fabric - Underspend was due to delay in the start dates of the planned work programmes.	0.930	0.650	(0.280)
Composite Doors City Wide - Scheme slippage due to contractors re-allocated to delivering window installations. Work re-phased into 2016-17.	2.199	1.444	(0.755)
No Fines/ Solid Wall Insulation Schemes - Underspend due to delays in the execution of contracts to enable planned work programmes to start on site.	3.785	3.593	(0.192)
Green Deal Communities Funding - Underspend due to ongoing legal dispute with contractor.	0.650	0.350	(0.300)
Sneinton District Heating - BMK'S - Improvement works accelerated as part of planned programme to Sneinton high rise blocks, which will be re-phased against the External Wall Insulation budget in 2016-17.	2.932	3.234	0.302
Independent living Re-Design - specific sites with priority needs being identified for acceleration into 2015-16 work programmes and will be re-phased against the 2016-17 budget.	0.786	0.955	0.169
City Wide Environmentals - Underspend is due to delays in the delivery of schemes which involve numerous partners of which the HRA is providing part contributions.	1.394	1.069	(0.325)
Estate/Area Impact works - planned work programmes being accelerated into 2015-16 and will be re-phased against 2016-17 budget	1.094	1.222	0.128

**APPENDIX G: Capital Programme variances +/-£0.100m**

<b>Scheme</b>	<b>Projection 15/16 £m</b>	<b>Outturn 15/16 £m</b>	<b>Variance £m</b>
Radford New Build - Overspend resulted from additional costs for groundworks, utilities and infrastructure requirements. Variance in will be funded through the unallocated New Build budget for 15-16 and 16-17	0.000	1.056	1.056
Newgate Court - Underspend due to decommissioning costs being charged to HRA revenue. Capital budget reduced to match.	0.350	0.000	(0.350)
Lenton New Build - Underspend due to delays in the build programme for Phase A and the affect this has had on the progress with Phase B works. The overall capital expenditure forecast remains unchanged.	1.357	0.932	(0.425)
Church Square Decom of Businesses - Underspend due to delays with the decommissioning programme.	0.112	0.000	(0.112)
Meadows Q Blocks - Underspend due to decommissioning costs being charged to HRA revenue - Capital budget reduced to match.	0.265	0.000	(0.265)
Leaseholder Costs - Acquisitions - Cranwell / Meadows - Underspend due to one outstanding leaseholder property acquisition not yet completed.	0.643	0.516	(0.126)
Cranwell New Build - Scheme has experienced delays due to need to divert utilities prior to build commencing. Scheme has be re-phased.	1.962	1.629	(0.333)
Meadows New Build - increased build and diversionary works in 2015-16 and will be re-phased against 2016-17 budget	2.450	2.802	0.352
Demolition - Underspend due to no further additional schemes being identified.	0.185	(0.017)	(0.202)
Affordable Homes - Garage Sites - DEMOLITION - Underspend is due to delays with the planned programme.	0.300	0.064	(0.236)
Affordable Homes - Garage Sites - NEW BUILD - Underspend is due to delays with the remaining sites receiving final design approval and completion of tendering process.	0.883	0.617	(0.266)
New Build Phase 1 - Under-spend used to offset overspend on Radford New Build.	0.556	0.000	(0.556)
Morley School - DEMOLITION - Underspend due to all demolition works now being completed. Saving to be re-allocated within scheme	0.300	0.150	(0.150)
Empty Homes - delays in purchase of remaining properties, which will take place next year.	0.657	0.332	(0.325)

**APPENDIX G: Capital Programme variances +/-£0.100m**

<b>Scheme</b>	<b>Projection 15/16 £m</b>	<b>Outturn 15/16 £m</b>	<b>Variance £m</b>
PV Installation Programme - slippage, scheme will be re-profiled.	4.080	3.961	(0.119)
<b>Total - Public Sector Housing</b>	<b>34.054</b>	<b>30.175</b>	<b>(3.879)</b>

**LOCAL TRANSPORT PLAN**

<b>Scheme</b>	<b>Projection 15/16 £m</b>	<b>Outturn 15/16 £m</b>	<b>Variance £m</b>
LTP - Supporting Regeneration - Programmed works for Ring Road completed to schedule but final invoices delayed. Payment scheduled in 2016/17.	5.800	5.381	(0.419)
LTP - Local Safety Schemes and Traffic Management - pend profile for Bells Lane project rescheduled due to procurement issues. Traffic Signal Upgrade Programme rescheduled with completion in 2016/17.	0.564	0.410	(0.154)
LTP - Carriageway Maintenance - Cost reduction on Meadows Way scheme. Programme of works on Queens Drive reduced due to on-going Tram works.	2.123	1.974	(0.149)
Nottingham Station Hub - The £303k represents slippage against original Hub budget and scope both of which were amended to accommodate the Station Street pedestrianisation works which are ongoing. The allocation should remain until Station area works are complete.	0.303	0.000	(0.303)
Better Bus Areas – Slippage on a number of schemes including Ticket Vending Machines; programme is progressing, payments to be made after further bulk installations. Real Time Displays – expecting delivery in May/June payment to be made on receipt.	2.979	1.429	(1.550)
Local Growth Schemes - Period for the development of designs extended. On track to spend full allocation by end of 3-year LEP funded programme in 2017/18.	3.400	1.813	(1.587)
<b>Total LTP</b>	<b>15.169</b>	<b>11.007</b>	<b>(4.162)</b>

**Education / Schools**

<b>Scheme</b>	<b>Projection 15/16 £m</b>	<b>Outturn 15/16 £m</b>	<b>Variance £m</b>
Heathfield Primary - Expansion - The negotiations to finalise the final account is ongoing and is likely to be resolved in the near future. There are some savings associated with this scheme but the level will depend on the outcome of the negotiations.	3.362	3.034	(0.328)

**APPENDIX G: Capital Programme variances +/-£0.100m**

<b>Scheme</b>	<b>Projection 15/16 £m</b>	<b>Outturn 15/16 £m</b>	<b>Variance £m</b>
Nottingham Academy - Grant - There was a slight delay at the beginning of the works. This has moved a major milestone payment just out of last financial year. It is anticipated that the works will still complete in August.	2.500	1.498	(1.002)
School Kitchen Improvements - Phase 2 - The negotiations to finalise the accounts is ongoing and is likely to be resolved in the near future.	0.266	0.150	(0.116)
Bluecoat Primary - New School - There was a slight delay at the beginning of the works. The works are now on target to complete on target	1.398	0.655	(0.743)
Maintenance Contingency Fund - This was a contingency that was not required last year, £85k of this funding has now been allocated for high priority condition works in 16/17.	0.118	0.005	(0.113)
Fernwood Infants & Juniors - There was a delay to the works starting on site the works have now commenced.	0.250	0.031	(0.219)
Bluecoat / Wollaton (BSF) - This was an allowance made in the programme to resolve an issue with the boiler, this issue has been resolved and a DDM will be written to reallocate these savings to a new scheme.	0.160	0.000	(0.160)
<b>Total Education / Schools</b>	<b>8.054</b>	<b>5.373</b>	<b>(2.681)</b>

**OTHER SERVICES**

<b>Scheme</b>	<b>Projection 15/16 £m</b>	<b>Outturn 15/16 £m</b>	<b>Variance £m</b>
<b>Adults and Health</b>			
Laura Chambers - New Wing - Architects fees slipped into 16/17 as business case for scheme progresses.	0.150	0.000	(0.150)
<b>Total Adults and Health</b>	<b>0.150</b>	<b>0.000</b>	<b>(0.150)</b>

**Early Intervention and Early Years**

2 Year Old Expansion Programme – remaining expenditure slipped to 2016/17	0.414	0.149	(0.265)
My Place - Castle Gate Premises – scheme now scheduled for 2016/17.	0.101	0.000	(0.101)
Pathfinder Short Breaks - slippage on programme as schemes are identified, overall capital cost remains the same.	0.129	0.004	(0.125)
<b>Total Early Intervention and Early Years</b>	<b>0.644</b>	<b>0.153</b>	<b>(0.491)</b>



**APPENDIX G: Capital Programme variances +/-£0.100m**

<b>Scheme</b>	<b>Projection 15/16 £m</b>	<b>Outturn 15/16 £m</b>	<b>Variance £m</b>
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**Energy and Sustainability**

Solar Panels - Sneinton Market - Project is currently being reviewed.	0.147	0.000	(0.147)
Solar Panels - Ken Martin Leisure Centre - Project is currently being reviewed.	0.242	0.000	(0.242)
Solar Panels - Harvey Hadden - Project is currently being reviewed.	0.168	0.000	(0.168)
Eastcroft Incinerator - Rolling programme of works re-profiled in line with latest works schedule and approvals.	1.833	2.099	0.266
District Heating - Replacement of Network - Rolling programme of works re-profiled in line with latest works schedule and approvals.	1.958	3.179	1.221
<b>Total Energy and Sustainability</b>	<b>4.348</b>	<b>5.278</b>	<b>0.930</b>

**Jobs, Growth and Transport**

Vehicle Replacement Programme - Programme re-profiled to meet Council requirements	2.226	3.219	0.993
NET Lines 2/3 – slight acceleration in line with works programme, overall capital spend remains the same	104.246	105.001	0.755
<b>Total Jobs, Growth and Transport</b>	<b>106.472</b>	<b>108.220</b>	<b>1.748</b>

**Leisure and Culture**

Nottingham Castle - HLF Scheme – slight slippage in line with programme up to HLF stage 2 submission.	1.255	0.764	(0.491)
Portland - Condition Survey Works – remaining expenditure slipped to 2016/17	0.694	0.590	(0.104)
Newstead Abbey - Vision for the Future – remaining expenditure slipped to 2016/17	0.370	0.182	(0.188)
<b>Total Leisure and Culture</b>	<b>2.319</b>	<b>1.536</b>	<b>(0.783)</b>

**Planning and Housing**

RHG 07/08 - PSA7 Target - Stonebridge	0.199	0.355	0.156
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	1.764	(0.236)
<b>Total Planning and Housing</b>	<b>2.199</b>	<b>2.119</b>	<b>(0.080)</b>

**Strategic Regeneration and Community Safety**

**APPENDIX G: Capital Programme variances +/-£0.100m**

<b>Scheme</b>	<b>Projection 15/16 £m</b>	<b>Outturn 15/16 £m</b>	<b>Variance £m</b>
Southglade Food Park - Phase 2 - The variance represents the land value of £0.250m that was included as match funding as part of the ERDF scheme, however this was not a true cost and should not have been included in the Projection	1.438	1.188	(0.250)
Unlocking Loxley House - Phase 2 / 2A – slippage to work programme.	1.276	0.769	(0.507)
Acquisition of Property - Shakespeare Street - Slippage – Still going ahead but not yet completed. Deposits paid (treated as Payments in Advance) Should now be completed in 2016-17	5.300	0.000	(5.300)
Sandfield Centre - Demolition - A reduction on the anticipated level of asbestos within the building following the demolition survey and site efficiencies.	0.945	0.710	(0.235)
Broadmarsh Project Management - Slippage – re-profiling of pre-construction project management and design fees	0.329	0.088	(0.241)
Broadmarsh - Design Works - Slippage – re-profiling of pre-construction project management and design fees	2.000	1.450	(0.550)
Housing Enforcement - Cavendish Court - Negotiations for property purchases are progressing slower than originally anticipated.	0.255	0.000	(0.255)
Acq of Offices - Castlebridge Road - Retention due in 2016-17	0.124	0.014	(0.110)
52 Bedale Road - CPO Acquisition – acquisition to take place in 2016/17	0.115	0.000	(0.115)
Expansion of Bio City - This scheme is spread over financial years. The profiled forecast over the years was based on estimated information early on in the scheme. Now that the project is in the main construction phase, a more accurate profile is now available. The total forecasted cost of the scheme is still on-target against budget.	9.431	7.361	(2.070)
Fire Service - Imps to Gresham Works - connected with the Fire Service deal which is not yet completed and has therefore slipped into 2016-17	0.150	0.000	(0.150)
Dakeyne St Factory Refurb - Non ERDF – additional spend at tenant request and funded by tenant contributions	0.973	1.350	0.377
<b>Total Strategic Regeneration and Community Safety</b>	<b>22.336</b>	<b>12.930</b>	<b>(9.406)</b>

<b>APPENDIX G: Capital Programme variances +/-£0.100m</b>			
<b>Scheme</b>	<b>Projection 15/16 £m</b>	<b>Outturn 15/16 £m</b>	<b>Variance £m</b>
<b>Resources and Neighbourhood Regeneration</b>			
Radford Flats - Loan to NCH – final drawdown of loan took place in early 2016/17	6.700	1.500	(5.200)
IT - Storage Area Network (SAN) Project - scheme has been re-profiled in line with latest works plan, overall spend remains unchanged.	1.021	0.723	(0.298)
IT - Microsoft Upgrade – scheme is still live with spend slipped to 2016/17.	1.420	1.042	(0.378)
IT- Project Evolution - scheme has been re-profiled in line with latest works plan, overall spend remains unchanged.	1.635	0.829	(0.806)
IT - Service Improvement Prog - Citrix - scheme has been re-profiled in line with latest works plan, overall spend remains unchanged.	1.125	0.346	(0.779)
IT - Service Improvement Prog - Server 2003 - scheme has been re-profiled in line with latest works plan, overall spend remains unchanged.	1.200	0.248	(0.952)
IT - Additional Microsoft Licences – scheme has been re-profiled in line with latest works plan, overall spend remains unchanged.	0.310	0.000	(0.310)
IT - Childrens & Adults Social Care Project - The project has been re-profiled as a result of the procurement process.	0.215	0.000	(0.215)
IT - PC Hardware Acquisitions – delays to acquisitions, spend slipped to 2016/17	0.700	0.000	(0.700)
<b>Total Resources and Neighbourhood Regeneration</b>	<b>14.326</b>	<b>4.688</b>	<b>(9.638)</b>

<b>Variances in Estimated Resources</b>			
Prudential Borrowing - Slippage in line with a number of schemes including loan to NCH and Bio City.	146.104	133.668	(12.436)
Capital Receipts - In year Right to Buy and HRA one for one receipts higher than expected.	24.867	26.140	1.273
Grants and Contributions - Includes slippage on schools programme and various other slippage and acceleration on a number of schemes.	58.052	55.412	(2.640)
Revenue / Reserves - Mainly relates to acceleration of NET schemes using NET fund resources.	15.394	16.143	0.749
Major Repairs Reserve – Caused by review in the methodology for depreciation charges	29.001	27.078	(1.923)
<b>Total Variances in Estimated Resources</b>	<b>273.418</b>	<b>258.441</b>	<b>(14.977)</b>

<b>Appendix H: Total Resources and Financing Decisions</b>						
<b>Resource</b>	<b>Opening Balance £m</b>	<b>Resources 2015/16 £m</b>	<b>Adjustments and transfers £m</b>	<b>Total Resources 2015/16 £m</b>	<b>Resources to finance capital £m</b>	<b>Carried forward to 2016/17 £m</b>
<b>Supported Borrowing - Education</b>	<b>1.151</b>	<b>0.000</b>	<b>0.000</b>	<b>1.151</b>	<b>(1.151)</b>	<b>0.000</b>
<b>Prudential Borrowing</b>	<b>0.000</b>	<b>133.668</b>	<b>0.000</b>	<b>133.668</b>	<b>(133.668)</b>	<b>0.000</b>
<b>Capital Receipts</b>						
- Public Sector Housing	21.053	20.922	0.000	41.975	(18.943)	23.032
- General Fund	1.497	5.218	(0.270)	6.445	(6.445)	0.000
<b>Total Capital Receipts</b>	<b>22.550</b>	<b>26.140</b>	<b>(0.270)</b>	<b>48.420</b>	<b>(25.388)</b>	<b>23.032</b>
<b>Capital Grants and Contributions</b>	<b>14.801</b>	<b>55.412</b>	<b>0.000</b>	<b>70.213</b>	<b>(46.644)</b>	<b>23.569</b>
<b>Major Repairs Allowance / DRF</b>	<b>28.469</b>	<b>27.078</b>	<b>0.000</b>	<b>55.547</b>	<b>(28.470)</b>	<b>27.077</b>
<b>Revenue / Funds</b>	<b>12.139</b>	<b>16.143</b>	<b>(0.858)</b>	<b>27.424</b>	<b>(16.926)</b>	<b>10.498</b>
<b>TOTAL</b>	<b>79.110</b>	<b>258.441</b>	<b>(1.128)</b>	<b>336.423</b>	<b>(252.247)</b>	<b>84.176</b>