

EXECUTIVE BOARD – 20 JUNE 2017

Subject:	PRE-AUDIT CORPORATE FINANCIAL OUTTURN 2016/17
Corporate Director(s)/Director(s):	Geoff Walker, Strategic Director of Finance
Portfolio Holder(s):	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration
Report author and contact details:	Theresa Channell – Head of Strategic Finance 0115 8763649 theresa.channell@nottinghamcity.gov.uk
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<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
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Total value of the decision:	£31.580m
Wards affected:	All
Date of consultation with Portfolio Holder(s):	Throughout March-May 2017
Relevant Council Plan Key Theme:	
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"/>
Summary of issues (including benefits to citizens/service users):	
<p>This report sets out the City Council's pre-audit General Fund and Housing Revenue Account (HRA) revenue outturn and Capital Programme for 2016/17. 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 2016/17.</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 2017 at the conclusion of the external audit.</p>	
Exempt information: State 'None' or complete the following	
None	
Recommendation(s):	
<p>1 To note:</p> <ul style="list-style-type: none"> a. The pre-audit revenue outturn for 2016/17 including a revenue overspend of £2.522m after taking into account the carry-forwards of £0.964m and 50% Trading Retention of £0.374m, as set out in paragraph 2.2 and Appendix A; b. The management action undertaken to control the identified cost pressures across services, as set out in Appendix B; c. The discretionary rate relief granted in 2016/17 detailed in paragraph 2.11; d. The position regarding cost reductions and pressures for 2016/17 detailed in 	

paragraph 2.4;

- e. The capital outturn as detailed in Appendix F and explanations of variances over £0.100m as 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 £3.465m, as set out in paragraph 2.18 (Tables 12 to 14).

2 To approve:

- a. The movements of resources set out in paragraph 2.5 and Appendix D;
- b. The net movement to earmarked reserves, as set out in paragraph 2.7 and Appendix E;
- c. The delegation of authority to approve net General Fund carry forwards of £0.964m as set out in paragraph 2.6 and Appendix A(ii) and 50% Trading Retention of £0.374m by the Deputy Leader;
- d. The HRA outturn for 2016/17 as set out in paragraph 2.8;
- e. Write-offs in excess of £10,000, totalling £0.846m 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 2016/17 budget and the impact of actual and planned management action.
- 1.2 The approval of virements of budgets is required by corporate financial procedures.

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

- 2.1 The 2016/17 revenue budget was approved by City Council in March 2016. Monitoring and forecasting reports have been considered by executive councillors throughout 2016/17. 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 overspend of **£2.522m** and results in a reduction of the general fund balance. This represents a deterioration of **£0.601m** (Table 1) from that reported at quarter 3. The reduction in the Council's overall funding envelope has resulted in budgets becoming increasingly difficult to achieve and this has been the case for 2016/17, the majority of the overspends are within the demand led areas. Management action is in place to review the impact of this overspend on the 2017/18 budget.

Carry forwards of **£0.964m** are included and require approval by the Deputy Leader. Appendix A provides more detail and Appendix B gives information about specific issues within Portfolios.

TABLE 1 : FORECAST OUTTURN REPORTED AT END OF PERIOD				
PORTFOLIO	Q1 £m	Q2 £m	Q3 £m	Outturn after c/fwd £m
Adults and Health	0.954	1.215	1.255	1.313
Community Services	(1.326)	(0.699)	(2.432)	(0.427)
Early Intervention and Early Years	1.138	0.960	1.795	2.749
Education, Employment and Skills	2.081	2.081	2.081	1.709
Energy and Sustainability	0.000	0.000	0.063	(0.497)
Business, Growth and Transport	(0.313)	(0.498)	(0.569)	(0.610)
Leisure and Culture	(0.208)	(0.577)	(0.624)	(0.371)
Planning and Housing	0.023	0.117	0.000	0.122
Resources and Neighbourhood Regeneration	0.175	0.134	0.271	(0.117)
Strategic Regeneration	(0.336)	(0.301)	(0.026)	(0.388)
TOTAL PORTFOLIOS	2.188	2.432	1.814	3.483
Corporate Budgets	0.082	(0.418)	(0.811)	(1.335)
Sub total	2.270	2.014	1.003	2.148
Potential traded surplus retention	1.072	1.038	0.919	0.374
NET COUNCIL POSITION	3.342	3.051	1.921	2.522

*traded surpluses form part of carry forwards at outturn

Forecast and Actual Outturns 2011/12 – 2016/17

The Council provides many sensitive and demand led services and inevitably there will be cost pressures arising during the year. Table 2 shows the historical outturn position from 2011/12 to 2016/17.

TABLE 2: FORECAST AND ACTUAL OUTURNS*						
Outturn	2011/12 £m	2012/13** £m	2013/14 £m	2014/15 £m	2015/16 £m***	2016/17 £m
Actual Outturn	(0.215)	(2.105)	(1.175)	(1.459)	(0.100)	2.522
Q3 forecast	0.067	(2.437)	(1.700)	(1.011)	0.000	1.921
Q2 forecast	3.013	(4.202)	(0.133)	0.174	(0.612)	3.051
Q1 forecast	6.152	1.374	1.547	0.640	1.650	3.342

*after carry-forwards and traded surplus retention

**after agreed contributions to reserves of £2.250m

*** 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 2016 was **£9.643m** (3.9% of the budget requirement), the **£2.522m** overspend will reduce this balance to **£7.121m** (2.9%). The range required by the Medium Term Financial Strategy (MTFS) is between 2% and 4%. Additional savings will be needed from the 2017/18 budget and/or budget gap for 2018/19 to compensate for this overspend in order to restore the General Fund balance.

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 2016/17. Since the February report, allocations of £0.106m have been approved. These items are shown in Table 3.

TABLE 3 : CONTINGENCY ALLOCATED SINCE FEBRUARY EXECUTIVE BOARD	
Items Allocated	£m
Additional food and safety officer within 2017/18	0.045
Director of UNESCO City of Literature	0.030
Budget Consultation, Civic reception for Nottingham Panthers & Nottingham Credit Union	0.018
Nottingham Panthers Homecoming	0.006
Promote Nottingham as Zero Tolerance Zone for FGM	0.003
St George's Day Event	0.004
TOTAL	0.106

Details of contingency items to be reserved for use in 2017/18 are shown in Table 4.

TABLE 4: CONTINGENCY TO BE RESERVED FOR USE IN 2017/18	
Item	Amount £m
Portfolio Management Office	0.163
Additional Support for the Equality Agenda	0.050
Additional food and safety officer within 2017/18	0.045
Director of UNESCO City of Literature	0.030
Shop Strategy	0.026
Backfill for Policy Officer	0.005
Promote Nottingham as Zero Tolerance Zone for FGM	0.003
TOTAL	0.321

The total contingency allocation for 2016/17 was £2.000m. The remaining balance of £0.603m has been used to support the adverse variance at outturn.

2.4 Cost Reductions and pressures

Cost reductions

Progress on cost reductions is reported by exception, the 2016/17 budget contained new cost reductions totalling **£20.826m** of which **£1.962m** (9%) was not achieved at year end. A **£1.692m** cost reduction through managing demand within Adults hasn't been achieved due to the changing demographics and the pressure this places within the service. The remaining **£0.270m** unachieved cost reduction is within Schools Transport, this is due to demographic growth and increased demand for this service.

Pressures

£4.325m of pressures were included within the 2016/17 budget and have been used in year. This includes **£1.531m** Adults demographic and **£1.694m** Children in Care demographic pressures.

2.5 Movement of Resources

Budget transfers 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 and Traded Surplus Retention

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 **£0.964m** have been submitted and further details are included at Appendix A(ii). Classification of carry forwards is as follows:

- Transformation activity - £0.475m
- Investment in services - £0.382m
- General carry forwards (acceleration/slippage) - £0.108m

Trading services have submitted requests to retain 50% of the 2016/17 surplus against budget. These requests total **£0.374m**, £0.174m for Nottingham Theatre Royal and Concert Hall and £0.200m for other trading services.

Carry forwards and Trading surplus retentions together total **£1.338m**. These are subject to review and approval by the Deputy Leader.

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 2015/16). During the year there has been a net decrease of **£16.819m** 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 2016/17;
- **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 2016/17 and identifies those which have previously been approved by Executive Board in

February 2017 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.

Type of transfer	Previously approved £m	Requiring approval £m	Total £m
Previous MTFP/Outturn decisions	(0.265)	0.000	(0.265)
Replenishment of existing reserve	(35.457)	(18.219)	(53.676)
Use of existing reserves	33.688	19.982	53.670
Statutory Schools reserve	0.000	3.061	3.061
Reserve to Capital	(1.589)	15.940	14.351
Contribution to Capital Schemes	0.000	(0.320)	(0.320)
Total	(3.623)	20.442	16.819

2.8 HRA Budget

The HRA budget was approved by the City Council in March 2016 and budgeted for a working balance of **£4.000m** at 31 March 2017. The working balance provides 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 2016/17 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.

Description	Original Budget 2016/17 £m	Q3 forecast £m	Pre-audit outturn 2016/17 £m	Variance against Q3 forecast £m
Income				
Rent income	(96.939)	(96.939)	(98.148)	(1.209)
Service charges & other income	(8.524)	(8.004)	(7.344)	0.660
Total Income	(105.463)	(104.943)	(105.491)	(0.548)
Expenditure				
Repairs	27.260	27.260	27.260	0.000
Management	31.017	32.118	31.847	(0.271)
Capital charges	42.426	39.987	40.105	0.118
Direct Revenue Financing	4.760	5.578	6.280	0.702
Total Expenditure	105.463	104.943	105.491	0.548
Deficit / (Surplus)	0.000	0.000	0.000	(0.000)
Working balance B/F	(4.000)	(4.000)	(4.000)	
Working Balance C/F	(4.000)	(4.000)	(4.000)	

Working Balance

The working balance has remained at **£4.000m** as per budget and is available to be carried forward into 2017/18.

Income

Rental Income increase of £1.209m

Reduced contribution to the bad debt provision of £0.376m. This is a result of the impact of welfare reform on collection rate being lower than anticipated due to delayed implementation.

Service Charges & other income, decrease of £0.660m

This is made up of a reduced amount of income from solar PV cells, garage rents and rents from the council's emergency hostel.

Expenditure

Management, decrease of £0.289m

Made up of a number of variances including: an overspend of £0.171m on the Responsible Tenant Reward Scheme and vacancies in retained teams totalling £0.125m.

Capital Charges, decrease of £0.118m

Increase in the depreciation charge of £0.298m and decrease in interest charges of £0.181m on borrowing due to reduced interest rates.

Direct Revenue Financing, increase of £0.702m

Increase in Direct Revenue Financing to support financing of the public sector housing capital programme.

2.9 Debtors Monitoring (Appendix C)

Housing Rents

The in-year collection rate at the end of the year was above target and ahead of the position at the end of the last financial year at 100.29%. This is due to payments in advance; therefore more rent is collected than actually charged.

The performance indicator BV66a was slightly behind target at 97.97%. There are several factors affecting this, including the introduction of Universal Credit this year and a significant reduction in the amount of Housing Benefit paid to NCH.

The "Rent First" campaign will continue over the next twelve months to reinforce the message of rent payment to ensure a continued income stream. Our approach continues to be one of support for tenants in difficulty with an emphasis on tenancy sustainment. Evictions are down on last year, 93 carried out in 2016/17 compared to 111 the previous year.

Council Tax

Annual collection rate of 93.32% is 0.82% above the profiled target of 92.50% for 2016/17, and ahead by the same percentage when compared to 2015/16. Collection amounted to £109.8m compared to collection of £103.3m in 2015/16.

National Non- Domestic Rates (NNDR)

The collection rate of 97.4% matched the profiled target for 2016/17. Collection amounted to £130.7m, compared to collection of £126.3m in 2015/16.

Sundry Income

The percentage of debts collected within 90 days in the 12 months to March 2017 was 84.10% which is an improvement from the Q3 figure of 81.70%. The debtor day indicator (which shows how quickly debts are recovered) is currently 41.00 days, behind the target of 32.30 days.

Adults Residential Services

The collection rate for Q4 (96.11%) is 0.21% above the target of 95.90%. This demonstrates a continued recovery effort with timely action and pursuing property and probate cases.

Estates Rents

The collection rate of 95.83% is below the set target of 97.50% but is higher than the rate for Q3 (95.31%) and also Q4 in 2015/16 (95.23%).

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 **£0.846m** as summarised in Table 7 below. These figures are subject to the finalisation of the NNDR year end and other statutory returns.

TABLE 7: WRITE OFFS OVER £10k in 2016/17	
Fund	£m
Collection Fund	0.780
General Fund	0.066
Total	0.846

2.11 New Discretionary Rate Relief Granted in 2016/17

Details of new determinations of eligibility for Discretionary Relief since 1 April 2016 are shown in Table 8, of which the City share is 49%.

TABLE 8: NEW DISCRETIONARY RATE RELIEF GRANTED IN 2016/17	
Type of Relief	Amount of Relief £m
Non Profit-Making Bodies which are not Registered Charities	0.014
Registered Charities which are in Receipt of 80% Mandatory Relief	0.002
Community Centres	0.000
Other Businesses	0.013
TOTAL	0.029

2.12 Capital Programme

The capital programme for 2016/17 was approved by the City Council in March 2017. Quarterly monitoring and forecasting reports have been provided and considered by Executive Councillors throughout 2016/17.

2.13 Capital Expenditure 2016/17

The capital expenditure in 2016/17 was **£234.461m**, representing an increase of £0.704m from the Quarter 3 projection. Table 9 shows the position for each portfolio.

TABLE 9: CAPITAL PROGRAMME - OUTTURN 2016/17				
Portfolio	Projected Outturn Q3	Pre-audit Outturn	Variance	
	£m	£m	£m	%
Public Sector Housing	57.868	54.218	(3.650)	6.31%
Transport Schemes	20.368	17.629	(2.739)	13.45%
Education / Schools	18.223	15.503	(2.720)	14.93%
Total	96.459	87.350	(9.109)	9.44%
Other Services:				
Adults Health and Community Sector	1.791	0.961	(0.830)	46.34%
Early Intervention and Early Years	0.938	0.312	(0.626)	66.74%
Leisure and Culture	5.109	4.110	(0.999)	19.55%
Jobs, Growth and Transport	7.750	4.729	(3.021)	38.98%
Energy & Sustainability	7.195	7.276	0.081	(1.13%)
Planning and Housing	3.093	2.080	(1.013)	32.75%
Strategic Regeneration and Development	29.913	26.994	(2.919)	9.76%
Community Services	4.751	1.947	(2.804)	59.02%
Resources & Neighbourhood Regeneration	76.758	98.702	21.944	(28.59%)
Other Services Total	137.298	147.111	9.813	(7.15%)
Total Programme	233.757	234.461	0.704	(0.30%)

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.
- Quarter 3 approvals, within Other Services: Resources & Neighbourhood Regeneration has had a further £33.219m of approvals in the final quarter of 2016.17, which is detailed in table 10.

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 F.

Public Sector Housing – (£3.650m)

A variance of 6.31% on a projection of £57.868m represents both slippage and acceleration on a number of schemes further details of individual projects is detailed in Appendix F.

Local Transport Plan – (£2.739)

A variance of 13.44% on a projection of £20.368m represents both slippage on a number of schemes of and slight acceleration. The revised programme for 2016/17 to 2020/21 is £43.372M.

Education / Schools – (£2.720m)

Education / Schools shows a variance representing 14.93% of a projected programme of £18.223m. This variance is mainly attributable delays in various projects as detailed in Appendix F.

Other Services

Total expenditure in 2016/17 was £147.111m against a projection of £137.298m. The variance represents 7.15% of the programme. This is predominately due to a large amount of property acquisition approvals and associated spend in Quarter 4 (as per table 10 below) offsetting project slippage. The variances are reflected in the revised programme for 2017/18 and explanation of major variances within live 'Other Services' schemes at Quarter 3 are detailed below and in Appendix G.

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:

Scheme	2016/17 £m	2017/18 £m	2018/19 – 2021/22 £m	TOTAL £m
Transport Programmes				
Electric Bus Charging Infrastructure	0.279	0.642	0.000	0.921
Education / Schools				
Southwold/Stanstead	0.004	0.066	0.000	0.070
Glade Hill Expansion	0.000	0.080	0.000	0.080
Leisure and Culture				
Wollaton Park Pavillion Café & Play Area	0.000	0.134	0.000	0.134
Greens Mill Park	0.000	0.050	0.000	0.050
Gregory Boulevard Play Area	0.000	0.062	0.000	0.062
The Green Play Area	0.000	0.040	0.000	0.040
Wollaton Park Trees	0.000	0.022	0.000	0.022
Wollaton Walled Garden	0.000	0.010	0.000	0.010
Grove Road Trees	0.013	0.021	0.000	0.034
Radio Parks / Parking	0.000	0.020	0.000	0.020
Jobs, Growth and Transport				

TABLE 10: ADDITIONS at QTR 4				
Scheme	2016/17 £m	2017/18 £m	2018/19 – 2021/22 £m	TOTAL £m
Waterside Spine Road	0.000	1.250	0.000	1.250
Strategic Regeneration and Development				
Feasibility Council House / Exchange Buildings	0.000	0.080	0.000	0.080
Community Services				
New Garden Facility at the Dales Centre	0.000	0.050	0.000	0.050
Flood Alleviation of Citizens Properties	0.000	0.230	0.000	0.230
Resources & Neighbourhood Regeneration				
IT - 4500 Series Network Switch Replacement	0.000	0.045	0.000	0.045
Property Aq - Project Oasis	2.331	0.000	0.000	2.331
Property Aq - Project Abbey	19.006	0.000	0.000	19.006
Property Aq - Project Flame	11.882	0.189	0.000	12.071
IT - CUBE and SIP Upgrade	0.000	0.040	0.000	0.040
IT - Internet Extension & Purchase of Bearer	0.000	0.130	0.000	0.130
TOTAL APPROVALS	33.515	3.161	0.000	36.676

2.17 Retrospective approvals required

Table 11 details capital schemes whereby spend in financial year 2016/17 has meant that the project has spent more than the approved amount. Once this retrospective approval has been granted the schemes will be frozen ensuring that no further expenditure is incurred without obtaining additional approval. Therefore, the following overspends require approval for inclusion in the capital programme:

Table 11: 16/17 Project Overspend					
Project	Approval £m	Spend to 31 March 2016 £m	2016/17 Capital Spend £m	Project 2016/17 Overspend £m	Overspend Funding Source £m
Demolition of Beechdale Baths	(0.390)	0.000	0.590	0.200	Capital Receipt
Byron House Refurbishment Works	(2.630)	2.560	0.139	0.069	Internal Funds / Reserves
Top Valley Flood Alleviation	(0.100)	0.100	0.054	0.054	Grant
Property Aq - Project Abbey (Abbey Park)	(18.952)	0.000	19.006	0.054	Prudential Borrowing
Other Schemes Overspend under £0.010m	(31.094)	29.043	2.996	0.032	Various

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 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 £185.351m.

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.

Table 12 below gives a breakdown of the five-year capital programme.

TABLE 12: GENERAL FUND CAPITAL PROGRAMME

2016/17 £m	Programme Element	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	TOTAL £m
17.629	Local Transport Plan (LTP)	28.080	9.858	5.434	0.000	0.000	43.372
15.503	Education / Schools	8.938	0.000	0.000	0.000	0.000	8.938
147.110	Other Services	71.440	38.592	28.358	9.933	10.185	158.508
0.000	Projects in Development	84.118	84.842	16.391	0.000	0.000	185.351
180.242	Total Programme	192.576	133.292	50.183	9.933	10.185	396.169
	Resources Approved						
(121.766)	Prudential Borrowing	(106.077)	(95.857)	(26.539)	(4.032)	(4.896)	(237.401)
(36.981)	Grants & Contributions	(67.502)	(27.774)	(18.008)	(2.106)	(2.055)	(117.445)
(14.971)	Internal Funds / Revenue	(12.103)	(6.889)	(3.007)	(0.795)	(0.784)	(23.578)
(6.882)	Secured Capital Receipts	0.000	0.000	0.000	0.000	0.000	0.000
0.000	Unsecured Capital Receipts	(9.652)	(2.700)	(3.500)	(2.500)	(2.500)	(20.852)
(180.600)	Total Resources	(195.334)	(133.220)	(51.054)	(9.433)	(10.235)	(399.276)
(0.358)	Cumulative (Surplus)/Shortfall	(3.116)	(3.044)	(3.915)	(3.415)	(3.465)	(3.465)

The General Fund position above shows a current surplus of £3.465m that represents 0.9% 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.

2.19 Public Sector Housing

The Public Sector Housing programme has been updated to reflect the £3.650m net slippage between 2016/17 and 2017/18. Table 13 sets out the updated programme and resources.

TABLE 13: PUBLIC SECTOR HOUSING - CAPITAL PROGRAMME & RESOURCES							
2016/17		2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
£m		£m	£m	£m	£m	£m	£m
54.218	Public Sector Housing Programme	65.653	40.561	32.924	33.477	35.141	207.756
	Resources Available						
(50.110)	Resources b/fwd	(36.489)					
0.000	Prudential Borrowing	0.000	0.000	(8.714)	(5.408)	(7.472)	(21.594)
(0.925)	Grants & contributions	(3.272)	(1.047)	(0.301)	0.000	0.000	(4.620)
(6.375)	Direct Revenue Financing	(3.717)	(0.877)	0.000	0.000	0.000	(4.594)
(27.326)	Major Repairs Reserve	(27.329)	(27.260)	(27.066)	(26.903)	(26.745)	(135.303)
(5.971)	Secured Capital Receipts	0.000	0.000	0.000	0.000	0.000	0.000
(90.707)	TOTAL RESOURCES	(70.807)	(29.184)	(36.081)	(32.311)	(34.217)	(202.599)
0.000	Capital Receipts Unsecured	(3.413)	(1.143)	(0.200)	(0.200)	(0.200)	(5.156)
(90.707)	Total Resources	(74.220)	(30.327)	(36.281)	(32.511)	(34.417)	(207.755)
(36.489)	(Surplus)/Shortfall	(8.567)	10.234	(3.357)	0.966	0.724	0.000
(36.489)	Cumulative (Surplus)/Shortfall	(8.567)	1.667	(1.690)	(0.724)	0.000	0.000

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 This report details the 2016/17 outturn and how the overspend will be managed. No other options were considered as management action is in place to manage the impact of the overspend.

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.

Theresa Channell
25/05/17

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£0.530m 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 2017/18 – 2019/20 – Executive Board 21 February 2017

11.2 Report of the Deputy Leader on the Budget 2016/17 – City Council 6 March 2017

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

Jo Worster – Team Leader

0115 8763448

Joanne.Worster@nottinghamcity.gov.uk

Charlotte Marsh – Senior Accountant

0115 8764132

Charlotte.Marsh@nottinghamcity.gov.uk

Steve Thornton – Senior Accountant

0115 8763655

Steve.Thornton@nottinghamcity.gov.uk

Julie Dorrington – Senior Accountant

0115 8764617

Julie.Dorrington@nottinghamcity.gov.uk

Tom Straw – Senior Accountant – Capital Programmes

0115 8763659

Thomas.Straw@nottinghamcity.gov.uk

APPENDIX A

Portfolio	Budget £m	Draft Outturn £m	Outturn variance prior to carry forwards £m	Requested carry forward and trading retention £m	Outturn including carry forwards and trading retention £m
PADH - Adults and Health	95.173	96.486	1.313	0.000	1.313
PJGR - Business, Growth & Transport	2.814	2.204	(0.610)	0.000	(0.610)
PCYS - Community Services	26.968	26.288	(0.680)	0.253	(0.427)
PELY - Early Intervention & Early Years	51.657	54.406	2.749	0.000	2.749
PSCH - Education, Employment & Skills	0.971	2.680	1.709	0.000	1.709
PESU - Energy & Sustainability	12.742	11.770	(0.972)	0.475	(0.497)
PLCT - Leisure & Culture	9.372	8.764	(0.608)	0.237	(0.371)
PLNH - Planning & Housing	2.533	2.655	0.122	0.000	0.122
PRNR - Resources & Neighbourhood Regeneration	24.465	24.348	(0.117)	0.000	(0.117)
PSRD - Strategic Regeneration	(6.392)	(6.780)	(0.388)	0.000	(0.388)
Total Portfolios	220.302	222.820	2.518	0.964	3.483
Corporate Budgets	23.575	22.240	(1.335)	0.000	(1.335)
Total General Fund	243.878	245.060	1.183	0.964	2.148
Potential 50% Trading Retention				0.374	0.374
Net Council Position post Retention	243.878	245.060	1.183	1.338	2.522

Carry Forward Requests by Department

Appendix A(ii)

Service	Portfolio	Value £m	Category	Details
Commercial & Operations				
Royal Centre	Leisure & Culture	0.174	Investment in Service	Previously agreed 50% of budget to pay for the ACE works at the NTRCH commencing Jul 2017.
Energy Projects	Energy & Sustainability	0.475	Transformation	European Development Fund (EDF) for Commercial (photovoltaic) PV Installations (DDM approval 20/9/2016 of £0.750m). Total programme of £1.3m to be completed in 2017/18. 2017/18 EDF funding of £0.658m will also be used for this work stream plus the carry forward as per DDM.
Uniform Services	Community Services	0.138	Investment in Service	Replacement of eight operational vehicles across Community Protection.
Uniform Services	Community Services	0.070	Investment in Service	Car pound relocation costs.
Sport, Community & Leisure Centres	Leisure & Culture	0.063	General	Repair and maintenance costs at various locations.
Environmental Health & Safer Housing	Community Services	0.045	General	Food inspection visits.
Total Commercial & Operations		0.964		
Total Carry Forward Requests		0.964		

Portfolio Variances +/- £50k including carry forwards (excluding Trading surplus retention)

Adults & Health Portfolio – overall variance £1.313m adverse

Adults £0.667m adverse

The gross overspend of £5.291m is made up of:

- £3.471m of demand changes on care packages and direct payments
- £0.617m unachieved saving
- £0.585m increase in payments to homecare providers to maintain suppliers
- £0.255m reduced income on fairer charging; elements funded from the Care Act
- £0.172m contractual increases for residential care providers in the county. This has been instigated through the increased rates Nottinghamshire County Council agreed to pay the external market.
- £0.108m additional spends on citizens with no recourse to public funds.
- £0.083m debt write offs

An element of this has been mitigated by:

- Planned use of external funding £1.406m
- Maximisation of grants £1.043m
- Other service underspends £1.031m
- Use of corporate contingency £0.585m
- Better Care Fund underspend £0.449m
- Early delivery of MTFP savings of £0.110m

Commissioning & Procurement £0.542m adverse

The adverse variance is due to a budget pressure of £0.266m for the cost of delivering the procurement service plus workforce development income targets of £0.290m

Community Services Portfolio – overall variance £0.427m favourable (after carry forwards of £0.253m)

Community Protection £0.522m favourable

- Uniformed Services -£0.657m favourable
 - Security – Underspends through controlling costs and improving efficiency within the service provision.
 - Uniformed Services/Parking Enforcement - Underspend due to vacancies within Community Protection Officers (CPO) as a consequence of employee turnover and a renewed approach to performance management and supportive economic environment.

Parking Enforcement is traditionally cyclical and effected by external factors such as availability of legitimate parking.

- Licensing, Trading Standards & ASB - £0.112m adverse
A majority of the variance is due to a reduction in licencing income, from late night levy and specialist establishments

Neighbourhood Operations £0.166m adverse

The adverse variance in salaries is due to additional apprenticeship posts.

Trading Operations £0.431m favourable

The favourable variance is due to positive action on growing sales and controlling costs.

Human Resources & Transformation £0.105m favourable

Management of vacancies within the Directorate.

Early Intervention & Early Years Portfolio – overall variance £2.749m adverse

Children's £1.468m adverse

The gross overspend of £4.488m is made up of:

- £2.688m cost of children in care. This increased cost is predominantly due to complexity and not a material increase in numbers and the inclusion of the cost of Unaccompanied Asylum Seekers. This number has increased by 22 from 8 to 34
- £2.038m from the investment profile of the Newly Qualified Social Worker (NQSW) programme and the associated double running costs whilst the NQSW are undertaking their post qualification training

An element of this has been mitigated by:

- Partnership funding of £1.150m
- One off grant maximisation £0.847m
- Underspends in safeguarding £0.659m
- One off use of reserves £0.600m

Directorate £0.849m adverse

An overspend of £1.348m primarily due to an Education Services Grant (ESG) funding gap of £1.179m plus unachieved historical savings of £0.346m. This has been partially mitigated through the use of one off funding of £0.500m

Commissioning & Procurement £0.171m adverse

Adverse variances in income

Education £0.362m adverse

Details relating to this variance are included within the Education, Employment & Skills Portfolio narrative below

Education, Employment & Skills Portfolio – overall variance £1.709m adverse

Education £1.709m adverse

The adverse variance is due to increased demand for Schools Education Transport of £1.383m, and unachieved savings of £0.450m

Energy & Sustainability Portfolio – overall variance £0.497m favourable (after carry forwards of £0.475m)

Energy, Waste & Highways £1.015m favourable

The favourable variance is driven by an underspend in Energy Services – Projects of £0.607m due to slippage in the two year Commercial PV

programme, the total programme is £1.3m. The second significant favourable variance is in Energy Services – Policy of £0.200m, this is due to energy consumption; the achievement in-year to reduce overall energy consumption across the Council and the below forecast energy prices.

Business, Growth & Transport Portfolio – overall variance £0.610m favourable

Parking, Fleet & Transport - £0.222m favourable and Highways & Energy Infrastructure £0.365m favourable

Positive action on growing sales and controlling costs has led to this improving net budget position in these traded areas

Traffic & Safety £0.169m favourable

The favourable variance is due to fewer than expected maintenance/repairs needed on the Bus Lane Enforcement cameras which resulted in a higher than expected income offsetting the cost. One off additional dividend received from Nottingham City Transport (NCT) resulting in £0.100m contribution to the 2016/17 outturn.

Woodfield Industries £0.193m adverse

There has been a delay in the restructure of the service.

Public Transport/Concessionary fares £0.064m favourable

One off favourable variances within the service

Leisure & Culture Portfolio – overall variance £0.371m favourable (after carry forwards of £0.237m)

Cemeteries & Crematoria £0.138m favourable, Museums £0.114m favourable, Sports & Leisure £0.198m favourable and Royal Centre £0.347m favourable

Positive action on growing sales and controlling costs

Markets £0.276m adverse

The adverse variance is due to an agreed service charge plan at Victoria Centre Indoor Market, there is a phased plan over three years to implement the increase to traders

Facilities & Building Services £0.084m favourable

The favourable variances are a combination of in-sourcing, supply chain management and efficiencies/cost reductions.

Planning & Housing Portfolio – overall variance £0.122m adverse

Traffic & Safety £0.084m adverse

Overspend in specialist fees

Resources & Neighbourhood Regeneration Portfolio – overall variance £0.177m favourable

Development & Growth Directorate £0.055m favourable

The favourable variance is due to the management of vacancies and costs.

Works Perks £0.161m adverse

A transformation project has been established to review the processes and procedures within Works Perks to identify efficiencies to ensure future achievement of the budget.

Civic & Coronial Services £0.244m adverse

The adverse variance is due to increased case numbers and legislative changes in the Coroner's service

Legal & Governance £0.116m favourable

There are favourable variances in salaries due to the management of vacancies and robust approach to service charging

Strategic Finance £0.165m favourable

The favourable salary variance is due to vacancy savings

Corporate & Democratic Core £0.254m favourable

Favourable variances in running costs and professional fees

Energy Services £0.209m adverse

Details relating to this variance are included within the Energy and Sustainability Portfolio narrative above

Strategic Regeneration Portfolio – overall variance £0.388m favourable**Property £0.444m adverse**

The adverse variance is driven by higher than budgeted interest charges for prudential borrowing.

Facilities & Building Services £0.733m favourable

The favourable variances are a combination of in-sourcing, supply chain management and efficiencies/cost reductions.

Voluntary Sector Sustainability £0.099m favourable

The variance is due to the slippage in works at various Community centres.

Corporate – overall variance £1.335m favourable**Treasury Management £0.429m 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.

Enviroenergy £0.540m adverse

A shortfall in income driven by extended incinerator shutdown and a mild winter. This has been partially offset by the sale of Levy Exemption Certificate Scheme

Corporate Dividends £0.394m favourable

Additional one off dividends received in 2016/17

Contingency £0.603m favourable

Favourable variance against budget.

DEBTORS MONITORING 2016-17**APPENDIX C**

Quarterly Performance Review – 2016-17	Q1	Q2	Q3	Q4
BVPI 66a - Housing Rent Collection (%) <i>(cumulative - current tenants only)</i>				
<i>arrears + debit</i> Actual	97.41	97.55	98.17	97.97
Target	98.40	98.40	98.40	98.40
Last Year Actual 2015-16	97.17	97.78	98.19	98.11
BVPI 9 - Council Tax Collection (%)				
<i>(in year cumulative)</i> Actual	26.15	50.94	76.93	93.32
Target	25.90	50.80	76.20	92.50
Last Year Actual 2015-16	26.30	51.00	76.60	92.50
BVPI 10 - NNDR Collection (%)				
<i>(in year cumulative)</i> Actual	29.25	55.72	80.39	97.40
Target	29.20	55.50	80.50	97.40
Last Year Actual 2015-16	31.28	55.62	81.16	97.40
Sundry Income Collection (%)				
<i>(12 month rolling average)</i> Actual	82.40	77.30	81.70	84.10
Target	99.00	99.00	99.00	99.00
Last Year Actual 2015-16	79.40	79.70	80.30	82.20
Sundry Income Debtor Days -General				
Actual	30.00	32.00	37.00	41.00
<i>(12 month rolling average)</i> Target	32.30	32.30	32.30	32.30
Last Year Actual 2015-16	31.00	33.00	32.00	32.00
Estates Rents Collection (%)				
Actual	94.19	95.13	95.31	95.83
<i>(12 month rolling average)</i> Target	97.50	97.50	97.50	97.50
Last Year Actual 2015-16	96.80	96.77	95.80	95.23
Adult Residential Services Collection (%)				
Actual	95.55	96.19	95.87	96.11
<i>(12 month rolling average)</i> Target	95.90	95.90	95.90	95.90
Last Year Actual 2015-16	95.42	95.37	95.95	95.77

VIREMENT REQUIRING EXECUTIVE BOARD APPROVAL

APPENDIX D

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Realignment between Fleet & Meals at Home	0.015	within C&O		BGT	CYS
Vehicle maintenance / fuel realignment	0.055	within C&O		CYS	BGT
Utilities budget realignment	0.042	within C&O		ESU	CYS
	0.006				BGT
	0.009				LCT
Static Guarding Services Recharge	0.039	C&O	D&G	CYS	SRN
Security Budget Centralisation - residual adjustment	0.003	C&O	D&G	CYS	SRN
Technical Adjustments (including Prudential Borrowing)	0.206	Corporate Budgets	S&R	RNR	CYS
	0.075		S&R	within RNR	
	0.500		D&G	RNR	BGT
	0.537		D&G	RNR	BGT
	1.300		D&G	within RNR	
	0.990		S&R		
	0.037	D&G	Corporate Budgets	SRN	RNR
	0.682	D&G	Corporate Budgets	SRN	RNR
Service realignment (Housing Related Support / CDP)	0.628	within S&R		ADH	CYS
Service realignment (Housing Related Support to Community Engagement)	0.041	S&R	C&O	ADH	CYS
Service realignment (Contracts & Procurement to Community Engagement)	0.005	within S&R		ADH	CYS
	0.035	S&R	C&O	SRN	CYS
Energy Services realignment	0.050	within C&O		ESU	RNR
Public Health reinvestment	2.527	within CA		ELY	ADH
Dedicated Schools Grant realignment	0.014	within CA		EES	ELY

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Strategic Choice realignment	0.150	within CA		ADH	ELY
	0.017	CX	D&G	within RNR	
	0.029	S&R			
Salary budget transfer (Finance & HR)	0.018	within S&R		RNR	CYS
Salary budget realignment between Information Management & Planning	0.034	within D&G		PLNH	RNR
Realignment (Facilities & Buildings and Trading Operations)	0.002	within C&O		LCT	SRN
Realignment (Facilities & Buildings and Trading Operations)	0.170	within C&O		CYS	SRN
Standby & Sleep-in Holiday Pay 8.3%uplift	0.002	Corporate Items	CA	RNR	ADH
	0.016		CA		ELY
	0.004		C&O		CYS
	0.001		D&G		BGT
	0.004		C&O		BGT
	0.003		C&O		LCT
	0.001		D&G		PLNH
	0.003		S&R		within RNR
	0.001		CA	RNR	EES
	0.001		CA		SRN
	Realignment Information Management; Estates & Asset Management		0.197	within D&G	
Staff realignment between Access to Services and Facilities & Building Services	0.098	D&G	C&O	RNR	SRN
	8.545				

Key	Department
CA	Children & Adults
C&O	Commercial & Operations
CX	Chief Executive
D&G	Development & Growth
S&R	Strategy & Resources

Key	Portfolio
ADH	Adults and Health
BGT	Business, Growth & Transport
CYS	Community Services
EES	Education, Employment & Skills
ELY	Early Intervention & Early Years
ESU	Energy & Sustainability
LCT	Leisure & Culture
PLNH	Planning & Housing
RNR	Resources & Neighbourhood Regeneration
SRN	Strategic Regeneration

MOVEMENTS IN RESERVES REQUIRING EXECUTIVE BOARD APPROVAL 2016/17 (£m)

APPENDIX E

Portfolio	Reserve Name	Description	Replenishment £m	Use of reserves £m	Reserve to Reserve £m	Contribution to Capital Scheme £m	Reserve to Capital £m	Total £m
Adults and Health	Public Health Transition Reserve	2016/17 expenditure		1.127				1.127
	Investment Schemes	Children's ICT		0.616				0.616
Adults and Health Total			0.000	1.743	0.000	0.000	0.000	1.743
Business, Growth & Transport	Clifton Town Centre	Revenue expenditure		0.097				0.097
	Contingency Reserve	Alfreton Road Improvements	(0.038)					(0.038)
	Bulwell Town Centre	Action Plan development		0.009			0.054	0.063
	Investment Strategy	Vacant Shops Grant Scheme Extension and lease costs for Park Row	(0.018)	0.080				0.062
	Maintaining car parks	Maintenance sinking fund	(0.140)					(0.140)
	NET City Reserve Fund	Workplace Parking Levy bal & 2016/17 Bus Service Operator match funding	(0.509)	1.210				0.701
	OLEV Go Ultra Low	Revenue contribution	(1.800)	0.150				(1.650)
	Street Lighting	PFI contract costs		0.020				0.020
	Wireless Concession	2016/17 net expenditure	(0.024)	0.027				0.003
	ERDF Growth Hub	Match funding for the ESIF Growth Hub project	(0.385)					(0.385)
Business, Growth & Transport Total			(2.913)	1.595	0.000	(0.000)	0.054	(1.264)

Portfolio	Reserve Name	Description	Replenishment £m	Use of reserves £m	Reserve to Reserve £m	Contribution to Capital Scheme £m	Reserve to Capital £m	Total £m
Community Services	Direct Revenue Financing	Purchase of vehicles				(0.018)		(0.018)
	Hackney Carriages	3 & 5 year licence fee	(0.309)					(0.309)
	HMO	5 year income cycle - year 4 drawdown		0.115				0.115
	Workforce Issues	Working Well/ Project funding		0.191				0.191
	Public Health Transition Reserve	2016/17 expenditure		0.149				0.149
	Traded Operations Surplus	Prior year contribution	(0.262)				0.220	(0.042)
Community Services Total			(0.572)	0.455	0.000	(0.018)	0.220	0.085
Corporate	Agreed budget carry forward	2016/17 expenditure		0.262				0.262
	Area Capital - LTP	2016/17 expenditure		0.017			0.493	0.510
	Area Capital	Public Realm	(0.060)	0.017				(0.043)
	Contingency Reserve	Neighbourhood Tree Improvement Programme					0.095	0.095
	E-Government/IT Fund	2016/17 project expenditure	(2.290)	0.413			2.298	0.421
	Flexible Fitness	Equipment purchases					0.441	0.441
	Investment Strategy	Building acquisitions					4.728	4.728
	NET City Reserve Fund	Green Bus Fund 3 Accessories					1.822	1.822
	Rev Reserves for Capital	Building acquisitions					1.473	1.473
2016/17 contribution			(0.413)					(0.413)

Portfolio	Reserve Name	Description	Replenishment £m	Use of reserves £m	Reserve to Reserve £m	Contribution to Capital Scheme £m	Reserve to Capital £m	Total £m
Corporate	Rev Reserves for Capital	Arboretum Café Development					0.199	0.199
		Area Capital underspend 16/17 - Public Realm					0.060	0.060
		Bio-City					1.508	1.508
		CAP Incinerator 3 Pre- Works					0.024	0.024
		Transfer to Carrington Street Townscape project			0.050			0.050
		Neighbourhood Trees					0.029	0.029
		Nottingham Castle					0.417	0.417
		Transfer to capital					(0.408)	(0.408)
		Reduction of IT Schemes in Capital Programme					2.000	2.000
		Various community Schemes					0.022	0.022
		The Ridge Adventure Playground					0.055	0.055
		Westbury Special School	(0.018)					(0.018)
	Investment Schemes	Children's ICT					0.397	0.397
Corporate Total			(2.402)	0.709	0.050	0.000	15.137	13.494
Early Intervention & Early Years	Direct Revenue Financing	Ridge Adventure Playground contribution				(0.100)		(0.100)
	Contingency Reserve	Daybreak; Xeres; Casey		0.010				0.010
	Public Health Transition	2016/17 replenishment	(1.021)					(1.021)
Early Intervention & Early Years Total			(1.021)	0.010	0.000	(0.100)	0.000	(1.111)

Portfolio	Reserve Name	Description	Replenishment £m	Use of reserves £m	Reserve to Reserve £m	Contribution to Capital Scheme £m	Reserve to Capital £m	Total £m
Education, Employment & Skills	BSF Bigwood & Oakfield PFI	PFI movements	(0.016)	0.154				0.138
	Direct Revenue Financing	Westbury School				(0.018)		(0.018)
		Various Schemes					0.051	0.051
	Contingency Reserve	Digital Infrastructure	(0.048)					(0.048)
	Nottm Growth Plan 2015-18	Economic Development activities	(0.023)					(0.023)
	Employer Hub Innovation Fund	Employer Hub	(0.002)	0.093				0.091
	Farnborough PFI Project	Contribution to Building Schools for the Future		0.061				0.061
	Growing Places	Support GPF Accountable body	(0.076)	0.082				0.006
	Jobs Fund	2016/17 replenishment	(0.006)					(0.006)
	Nottingham Investment Fund	Foresight Nottingham Fund investment		0.066				0.066
	PFI Life Cycle	Maintenance contribution	(0.033)					(0.033)
		Ellis Guilford BSF Lifecycle	(0.154)					(0.154)
		Rosehill BSF Lifecycle	(0.126)					(0.126)
	Strategic Alliance	EIB Costs 16/17		0.190				0.190

Portfolio	Reserve Name	Description	Replenishment £m	Use of reserves £m	Reserve to Reserve £m	Contribution to Capital Scheme £m	Reserve to Capital £m	Total £m
	SSR-Other Balances	2016/17 net	(1.507)	4.621				3.114
Education, Employment & Skills	The Midland Engine	LA's & LEP's 2016-17 contributions to support match funding for future years	(0.489)	0.006				(0.483)
		Receipt from the DCLG	(0.750)					(0.750)
	Schools Building Maintenance	Approved expenditure	(0.052)					(0.052)
Education, Employment & Skills Total			(3.283)	5.273	0.000	(0.018)	0.051	2.022
Energy & Sustainability	E-Government/IT Fund	ITEF funding approved for Customer Access		0.507				0.507
	Feasibility Schemes	Eastcroft Development feasibility works		0.318				0.318
	SALIX - Energy Savings Fund	2016/17 expenditure		0.016			0.045	0.061
	Waste Disposal	Extended incinerator shut- down Summer 2016		0.226				0.226
Energy & Sustainability Total			0.000	1.067	0.000	0.000	0.045	1.112
Leisure & Culture	Restrictive Grants Unapplied	Sports and Leisure	(0.081)	0.127				0.046
		Libraries	(0.041)					(0.041)
	Centre Transformation (Invest 2 Save)	NTRCH Endowment Fund					0.119	0.119
	Line of Light	Future maintenance costs	(0.025)					(0.025)
	Newstead Donation Income	"Adopt a Stone" campaign	(0.023)					(0.023)

Portfolio	Reserve Name	Description	Replenishment £m	Use of reserves £m	Reserve to Reserve £m	Contribution to Capital Scheme £m	Reserve to Capital £m	Total £m	
	Rev Reserves for Capital	Leisure equipment	(0.218)					(0.218)	
Leisure & Culture Total			(0.388)	0.127	0.000	0.000	0.119	(0.142)	
Planning & Housing	Direct Revenue Financing	Neighbourhood Trees contribution				(0.095)		(0.095)	
	Carrington Townscape	Transfer from capital			(0.050)			(0.050)	
	Investment Strategy	B&B Contingency		0.506				0.506	
	Local Plan	2016/17 replenishment	(0.021)					(0.021)	
	HAZ Delivery Plan	Heritage England match funding	(0.039)					(0.039)	
Planning & Housing Total			(0.060)	0.506	(0.050)	(0.095)	0.000	0.301	
Resources & Neighbourhd Regeneration	Area Committees	2016/17 expenditure		0.152				0.152	
	Bike Hire Scheme	Bike Scheme Contribution	(0.113)					(0.113)	
	Direct Revenue Financing	Capital IT Purchases						(0.290)	(0.290)
		Hoylake Park				(0.030)		(0.030)	
		Sutton Passey Play Area				(0.017)		(0.017)	
		NET Community Initiatives				(0.007)		(0.007)	
		Skills Hub				(0.089)		(0.089)	
	Collection Fund Reserve	Business Rates replenishment		(0.172)					(0.172)
		S31 Grant adjustment		(0.543)	0.015				(0.528)
	Contingency Reserve	Food and Safety Officer		(0.045)					(0.045)
Equality Agenda			(0.050)					(0.050)	

Portfolio	Reserve Name	Description	Replenishment £m	Use of reserves £m	Reserve to Reserve £m	Contribution to Capital Scheme £m	Reserve to Capital £m	Total £m
		Policy Officer	(0.005)					(0.005)
		Information rights performance challenges		0.013				0.012
		Portfolio Management Office	(0.163)					(0.163)
		Promote Nottingham as zero tolerance zone for FGM	(0.003)					(0.003)
		Shop Strategy Slippage	(0.026)					(0.026)
		UNESCO City of Literature	(0.030)					(0.030)
	East Midlands Council	EMC Outturn	(0.010)					(0.010)
	E-Government/IT Fund	Capital IT equipment	(0.246)	0.495				0.250
		Energy Schemes	(0.165)					(0.165)
		Training income	(0.051)					(0.051)
	Good to Great	2016/17 expenditure		2.131				2.131
	Housing Benefits	2014-15 post audit adjustments	(0.399)	1.634				1.235
	I2S Energy Park	2016/17 expenditure		0.009				0.009
	Ice Centre	Sinking Fund	(0.363)	0.237				(0.126)
	Investment Strategy	Urban Programme Balance	(0.419)					(0.419)
Resources & Neighbourhd Regeneration	Workforce Issues	2016/17 net movement		2.165				2.165
	NET City Reserve	2016/17 net movement	(1.666)	1.664				(0.002)
		2015/16 prudential borrowing	(0.262)	0.003				(0.259)
		OLEV Programme 16/17			1.800			

Portfolio	Reserve Name	Description	Replenishment £m	Use of reserves £m	Reserve to Reserve £m	Contribution to Capital Scheme £m	Reserve to Capital £m	Total £m
	NHS Local Imp Finance (LIFT)	Clifton Cornerstone	(0.502)					(0.502)
		Mary Potter	(0.431)					(0.431)
	Property Maintenance	Salisbury Square Roof					0.038	0.038
		Management System					0.023	0.023
		2017/18 slippage	(0.080)					(0.080)
	Rev Reserves for Capital	Blueprint			1.088			1.088
		Major Programmes Fees			0.096			0.096
	Treasury Management	2016/17 replenishment	(1.881)					(1.881)
	NHB Economic Development	Arkwright & Blackstone Walk					0.014	0.014
		Broadmarsh projects					0.238	0.238
		Byron House Refurb					0.150	0.150
		Transport Programme					0.020	0.020
		Robin Hood Chase					0.190	0.190
	Pension Deficit	2016/17 replenishment	(0.428)					(0.428)
JSC (Bulwell and St Anns)	2016/17 replenishment	(0.398)					(0.398)	
Capital	Prudential Borrowing	(0.690)	1.126				0.436	
Resources & Neighbourhood Regeneration Total			(9.138)	12.628	0.000	(0.143)	0.383	3.731
Strategic Regeneration	Direct Revenue Financing	Capital works				(0.015)		(0.015)
	Feasibility Schemes	Island Site		0.108				0.108
	Rev Reserves for Capital	Guildhall Costs		0.020				0.020

Portfolio	Reserve Name	Description	Replenishment £m	Use of reserves £m	Reserve to Reserve £m	Contribution to Capital Scheme £m	Reserve to Capital £m	Total £m
	Revenue Implications of Capital Schemes	Bio-City		0.361				0.361
Strategic Regeneration Total			0.000	0.488	0.000	(0.015)	0.000	0.473
Total (including Statutory Schools Reserves)			(19.779)	24.603	0.000	(0.320)	15.940	20.442
Total (excluding Statutory Schools Reserves)			(18.219)	19.982	0.000	(0.320)	15.940	17.381

CAPITAL PROGRAMME VARIANCES +/-£0.100m 2016/17
APPENDIX F

Scheme	Projection 16/17 £m	Outturn 16/17 £m	Over / (Under) Spend on Projection £m
Public Sector Housing			
Modern Living	0.722	0.303	(0.419)
No Fines/ Solid Wall Insulation Schemes	0.111	0.283	0.172
External Wall Insulation - KEEPMOAT	2.583	1.560	(1.023)
External Wall Insulation	3.235	2.828	(0.407)
BISF Upgrades / External Wall Insulation	1.560	2.742	1.182
Independent living Re-Design	0.900	0.629	(0.271)
Mobile Scooter Stores	0.383	0.283	(0.100)
Refurbishment Of Sheltered Housing Scheme	0.150	0.010	(0.140)
Major Void Works	2.400	2.163	(0.237)
Radford	0.000	0.198	0.198
Lenton New Build - Phase 1 Includes ILS	0.000	(0.984)	(0.984)
Lenton New Build - Phase 2 Includes Flats	1.279	1.084	(0.195)
Lenton New Build - Phase 2 Includes Bungalows	0.063	1.416	1.353
Infrastructure Cost	0.000	0.420	0.420
Church Square Demolition	0.300	0.051	(0.249)
Church Square Transfer of Savoy & Workshops	0.215	0.000	(0.215)
Meadows New Build	2.991	2.746	(0.245)
Aspley JSC / Stepney Court	0.355	0.193	(0.162)
Affordable Homes - Garage Sites	5.224	4.941	(0.283)
New Build Phase 1	0.207	0.000	(0.207)
Morley School - DEMOLITION	0.150	0.000	(0.150)
Morley School	2.426	2.642	0.216
Land Hazel Hill	0.300	0.000	(0.300)
Chalfont Drive	0.324	0.580	0.256
HRA Shop Investment Strategy	0.140	0.000	(0.140)
Empty Homes	0.632	0.000	(0.632)
PV Installation Programme	0.000	(0.563)	(0.563)
Adaptations For Disabled Persons	1.224	0.839	(0.385)
Education / Schools			
Access Improvements - Minor Schemes	0.343	0.084	(0.259)
Heathfield Primary Expansion - Early Works	0.329	0.024	(0.305)
School Kitchen Imps - Phase 2	0.116	0.010	(0.106)
Brocklewood Primary - Kitchen	(0.221)	0.010	0.231
Bluecoat Primary - New School Early Design	4.743	4.171	(0.572)
Berridge Primary - Roof / Chimney Imps	0.215	(0.041)	(0.256)
Fernwood Infants & Juniors - Expansion	1.469	2.316	0.847
Primary Health & Safety	0.839	0.000	(0.839)
Westbury Special School	0.750	0.279	(0.471)
Dovecote Primary Heating - Phase 3	0.165	0.014	(0.151)
Scotholme Primary - Asbestos	0.150	0.004	(0.146)
Contingency Fund - 20316	0.207	0.000	(0.207)
Fernwood Nursery - External Works	0.131	0.000	(0.131)
School Accessibility Programme	0.271	0.000	(0.271)
Fernwood Infant Nursery	0.000	0.133	0.133
Adults Health and Community Sector			
Laura Chambers Lodge Refurbishment	0.200	0.081	(0.119)

Community Services			
Woolington Close Flood Alleviation	0.195	0.087	(0.108)
Early Intervention and Early Years			
Pathfinder Short Breaks	0.182	0.017	(0.165)
The Ridge Adventure Playground	0.300	0.093	(0.207)
2 Year Old Expansion Programme	0.264	0.107	(0.157)
Jobs, Growth and Transport			
Carrington St Area Townscape Heritage Project	0.104	0.000	(0.104)
Leisure and Culture			
Imps to Community and Cultural Facilities	0.560	0.000	(0.560)
Arboretum Café Development	0.434	0.327	(0.107)
Nottingham Castle Transformation (HLF Scheme)	0.970	0.722	(0.248)
Highfields Park - Refurbishment	0.200	0.010	(0.190)
Portland Leisure Centre - Condition Survey Works	0.104	0.000	(0.104)
Melbourne Park Pavilion Imps	0.140	0.005	(0.135)
New Burial System at Wilford Hill	0.112	0.006	(0.106)
Royal Centre Transformation Project	0.750	0.251	(0.499)
Planning and Housing			
Regional Housing Board - Equity Loan Scheme	0.303	0.200	(0.103)
Disabled Facilities Grants	1.889	1.719	(0.170)
Recycling Repaid Hsg Renewal & Repair Grants	0.300	0.000	(0.300)
Church Square, Lenton - Affordable Housing	0.123	0.000	(0.123)
Resources & Neighbourhood Regeneration			
Growing Places - Loan No.2	6.454	1.961	(4.493)
Acquisition of Blueprint	0.140	0.000	(0.140)
149-169 Lower Parliament St (S215 Notice Works)	0.140	0.008	(0.132)
IT - Storage Area Network (SAN) Refresh Project	0.298	0.167	(0.131)
IT - Childrens and Adults Social Care Project	0.214	0.000	(0.214)
IT - Service Improvement Prog - Citrix	1.904	0.317	(1.587)
IT - Service Improvement Prog - Server 2003	1.252	0.567	(0.685)
IT - Income Management Enterprise Licence	0.270	0.104	(0.166)
IT - Houses of Multiple Occpancy (Civica)	0.152	0.000	(0.152)
IT - Microsoft Licenses - 3yrs (1617, 1718, 1819)	1.000	0.841	(0.159)
Joint Service Centre - Bulwell LIFT	0.100	0.000	(0.100)
Property Aq - Nottingham Investment	3.147	2.906	(0.241)
Property Aq - Investment Acquisition	3.140	2.418	(0.722)
Property Aq - Project Truelove (Crocus Street)	0.835	0.001	(0.834)
Creative Quarter Loan Fund	0.375	0.000	(0.375)
Property Aq - Project Duke (Wellington Road)	14.449	14.327	(0.122)
IT - Additional Microsoft Licences	0.310	0.023	(0.287)
Strategic Regeneration and Development			
Unlocking Loxley House - Phase 2 / 2A	0.506	0.033	(0.473)
Grant to Fire Service - Imps to Gresham Works	0.150	0.000	(0.150)
Exchange Bldgs Refurbishment Design	0.364	0.122	(0.242)
Demolition of Beechdale Baths	0.390	0.590	0.200
Acq of Offices - Castlebridge Road	0.110	0.000	(0.110)
58 Carlton Road & Space 2 Development	0.360	0.168	(0.192)
Broad Marsh - Enabling Works	0.166	0.003	(0.163)
TOTAL	80.737	59.549	(21.188)