

EXECUTIVE BOARD – 19 JUNE 2018

Subject:	PRE-AUDIT CORPORATE FINANCIAL OUTTURN 2017/18
Corporate Director(s)/Director(s):	Laura Pattman, Strategic Director of Finance
Portfolio Holder(s):	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Finance, Resources and Commercial Services
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: £25.207m	
Wards affected: All	
Date of consultation with Portfolio Holder(s): Throughout March-April 2018	
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 2017/18. 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 2017/18.</p> <p>The City Council, like all other local authorities across the country, has seen a substantial and sustained reduction in Government funding because of austerity policies. Alongside this reduction in grant income, Nottingham has seen increased demand for a number of services, for example Adult Social Care and Children in Care. This has resulted in the Council having to make savings totalling £232.7m between 2010/11 and 2017/18.</p> <p>The 2017/18 draft outturn is showing a net overspend of £4.215m.</p> <p>The final Statement of Accounts will be considered by the Audit Committee in July 2018 at the conclusion of the external audit.</p>	
Exempt information: State 'None' or complete the following	
None.	
Recommendation(s):	
<p>1 To note:</p> <p>a. The pre-audit revenue outturn overspend of £4.215m for 2017/18 as set out in paragraph 2.2 and Appendix A;</p>	

	<ul style="list-style-type: none"> b. The portfolio variances +/- £50k as set out in Appendix B; c. The discretionary rate relief granted in 2017/18 detailed in paragraph 2.11; d. The capital outturn as detailed in Appendix F and explanations of variances over £0.100m as detailed in Appendix G; e. The additions to the Capital Programme detailed in Table 11; f. The refreshed Capital Programme, including planned and proposed as set out in paragraph 2.18 (Tables 13 to 14).
2 To approve:	<ul style="list-style-type: none"> a. The movements of resources set out in paragraph 2.5 and Appendix D; b. The net movement on earmarked reserves, as set out in paragraph 2.7 and Appendix E; c. The HRA outturn for 2017/18 as set out in paragraph 2.8; d. Write-offs in excess of £10,000, totalling £1.509m where all options for recovery have been exhausted, as set out in paragraph 2.10; e. Additional costs of £0.879m in relation to various capital schemes set out in paragraph 2.17
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 2017/18 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 2017/18 revenue budget was approved by City Council in March 2017. Monitoring and forecasting reports have been considered by executive councillors throughout 2017/18. This report summarises the pre-audit 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 reduction in the Council's overall funding envelope has resulted in budgets becoming increasingly difficult to achieve and this has been the case for 2017/18, the majority of the overspends are within the demand led areas.

There have been a number of financial challenges in 2017/18, which has resulted in corporate mitigations and specific management action. These are detailed in previous quarterly monitoring reports and consist largely of one off measures.

The pre-audit corporate outturn is a net overspend of **£4.215m** and will result in a reduction of the general fund balance. This represents a deterioration of **£2.693m** (Table 1) from that reported at quarter 3. The original budget assumed **£10.111m** from Health as part of the Sustainability and Transformation Plan (STP), which has not materialised. This together with overspends in portfolios has required mitigating management action to be undertaken during the year. As reported in previous Forecast Outturn reports for 2017/18 these are:

- **£5.700m (Table 1 a)** of corporate mitigation, largely one off including reduced contingency balances, reduced revenue contribution to the capital programme and a review of earmarked reserves
- **£0.355m (Table 1 b)** of management action in planned building works

- **£0.952m (Table 1 c)** of public health mitigation
- **£2.074m (Table 1 d)** of further mitigations, all one off including further reduction in contingency, changes in VAT regulations, balance sheet review, further review of earmarked reserves, target for financial impact of spending controls, further return from group companies and partner contributions
- **£1.000m (Table 1 e)** net reduction in the General Fund balance. **£2.000m** reduction in level required less **£1.000m** repayment of previous year's overspend
- In addition to this, there have been departmental mitigations consisting of service efficiencies, a vacancy freeze, further encouragement of My Time, discretionary spend and developing budget proposals for 2018/19 in the current year

Management action is in place to review the impact of the overspend on the 2018/19 budget.

The 2017/18 Treasury Management report will go to Executive Board in June 2018.

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 £m
Adults & Health	2.249	(0.385)	1.118	0.713
Business, Education & Skills	0.358	(0.149)	(0.033)	0.816
Community & Customer Services	(0.030)	(0.056)	(0.183)	(0.814)
Early Intervention & Early Years	3.748	1.580	1.979	2.581
Energy & Sustainability	(0.120)	(0.607)	(0.651)	(0.553)
Leisure & Culture	(0.170)	(0.158)	(0.141)	(0.227)
Planning, Housing & Heritage	0.824	0.824	0.764	0.674
Neighbourhood Services & Local Transport	(1.748)	(1.487)	(1.695)	(0.623)
Resources & Neighbourhood Regeneration	(0.064)	(0.399)	0.080	0.439
Strategic Infrastructure & Communications	0.400	0.125	(0.016)	0.028
TOTAL PORTFOLIOS	5.447	(0.711)	1.221	3.036
Corporate Budgets	0.000	0.000	0.991	1.149
Health Integration	10.111	10.111	10.111	10.111
PRIOR TO CORPORATE MITIGATION	15.558	9.400	12.323	14.294
Corporate Mitigation (excl GF Reduction)	(5.700)	(5.700)	(5.700)	(5.700) (a)
Planned Building Works			(0.335)	(0.355) (b)
Health Mitigation		(2.000)	(2.500)	(0.952) (c)
Further Management Action			(2.266)	(2.074) (d)
Net Reduction in General Fund Balance	(2.000)	(1.000)	(1.000)	(1.000) (e)
TOTAL	7.858	0.700	0.522	4.215

The main reasons for the variance between Q3 and outturn are:

- Health Mitigation
- Neighbourhood Services & Local Transport – reduction in previously forecasted favourable variances, shortfall in take up of Workplace Parking Charge scheme
- Increase in Children in Care costs

- Education income shortfall and SEN transport savings delay

Forecast and Actual Outturns 2012/13 – 2017/18

The Council provides many sensitive and demand led services. The continued austerity and increases in demand have resulted in an overspend in 2016/17 and 2017/18, whereas in previous years there have been underspends. Table 2 shows the historical outturn position from 2012/13 to 2017/18.

TABLE 2: FORECAST AND ACTUAL OUTTURNS						
Outturn	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Actual Outturn	(2.105)	(1.175)	(1.459)	(0.100)	2.522	4.215
Q3 forecast	(2.437)	(1.700)	(1.011)	0.000	1.921	0.522
Q2 forecast	(4.202)	(0.133)	0.174	(0.612)	3.051	0.700
Q1 forecast	1.374	1.547	0.640	1.650	3.342	7.858

General Reserves

These provide a financial safety net to cover above-budget costs during the year. The balance on general fund reserves as at 1 April 2017 was **£11.680m** (4.89% of the budget requirement) and was reduced by **£2.000m** (after repayment of **£1.000m** as a result of the 2016/17 overspend) to **£9.680m** (4.04% of the budget requirement) as part of corporate mitigation. The **£4.215m** overspend will reduce this balance to **£5.465m** (2.29%). The range required by the Medium Term Financial Strategy (MTFS) is between 2% and 4%. Whilst this remains within range given the overspends in 2016/17 and 2017/18 additional savings will be needed from the 2018/19 budget and/or 2019/20 to restore the General Fund balance. Table 3 shows a summary of the general reserve.

TABLE 3: THE GENERAL RESERVE	
ITEM	£m
1 April 2018	9.680
Impact of 2017/18 Outturn	(4.215)
Revised Balance	5.465

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. The original contingency budget for 2017/18 was **£1.800m**, however this was reduced by **£0.650m** in Q1 to support the corporate mitigation. Since the February report, allocations of **£0.017m** have been approved. These items are shown in Table 4.

TABLE 4: CONTINGENCY ALLOCATED SINCE FEBRUARY EXECUTIVE BOARD	
Item	£m
Publications	0.017
TOTAL	0.017

Details of contingency items to be reserved for use in 2018/19 are shown in Table 5.

TABLE 5: CONTINGENCY TO BE RESERVED FOR USE IN 2018/19	
Item	£m
Capital Portfolio Management Office	0.140
Outer City Shop Strategy	0.026
TOTAL	0.166

The remaining balance of **£0.318m** has been used to support the adverse variance at outturn.

2.4 **Cost Reductions and Potential Overspend Risks**

Cost reductions

The 2017/18 budget included new cost reductions of **£13.088m**. Any issues affecting the delivery of these are detailed in the variance narratives.

Potential Overspend Risks

£9.652m of potential overspend risks were included within the 2017/18 budget and have been used in year. This includes Adults demographic increases **£2.308m**; increased pension costs **£1.967m**; Public Health grant reductions **£1.873m** and ESG reductions **£1.637m**.

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**

Given the corporate overspend, there have been no requests submitted for carry forwards or for traded surplus retention in 2017/18.

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 2016/17). The Q3 report showed a net reduction in earmarked reserves of **£12.450m**, in quarter 4 there has been a net increase of **£9.512m** in earmarked reserves requiring approval, this results in an overall reduction in reserves for 2017/18 of **£2.938m**.

Reserve movements are categorised as:

- **MTFP / Outturn decisions-** these include items which were separately identified within the MTFP 2017/18;
- **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;

Earmarked reserves have been reviewed as part of the ongoing management action to mitigate the in year 2017/18 overspend, and some realignments have taken place where appropriate. This has resulted in **£1.522m** of earmarked reserves to be used to support the general fund balance. Table 6 summarises the movements in each category of reserves during 2017/18 and identifies those which have previously been approved by Executive Board in February 2018 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.

TABLE 6: NET MOVEMENTS IN RESERVES			
Type of transfer	Previously approved £m	Requiring approval £m	Total £m
Replenishment of existing reserve	(4.999)	(25.135)	(30.134)
Use of existing reserves	18.787	11.205	29.992
2016/17 Carry Forwards	(1.338)		(1.338)
Statutory Schools reserve		1.235	1.235
Reserve to Capital		3.582	3.582
Contribution to Capital Schemes		(0.399)	(0.399)
Total	12.450	(9.512)	2.938

As part of the 2018/19 budget process, a review of earmarked balances has been undertaken to re-affirm the purpose of the reserves and the likely timescale that these reserves will be utilised.

2.8 HRA Budget

The HRA budget was approved by the City Council in March 2017 and budgeted for a working balance of £4.000m at 31 March 2018. The working balance provides a contingency for any unexpected cost increases or reductions in income due to unforeseen circumstances.

The HRA Summary outturn for 2017/18 is shown in Table 7 below and compares the pre-audit outturn to the original budget for 2017/18. The quarter 3 forecast outturn is shown for reference.

TABLE 7 HRA – PRE-AUDIT OUTTURN 2017/18				
Description	Original Budget 2017/18	Q3 forecast	Pre-audit outturn 2017/18	Variance to original budget
	£m	£m	£m	£m
Income				
Rent income	(94.706)	(94.832)	(95.311)	(0.604)
Service charges & other income	(8.993)	(9.151)	(8.801)	0.192
Total Income	(103.700)	(103.984)	(104.111)	(0.412)
Expenditure				
Repairs	27.329	27.329	27.329	(0.000)
Management	32.685	32.224	32.320	(0.365)
Capital charges	39.968	40.713	40.701	0.734
Direct Revenue Financing	3.717	3.717	3.717	0.000
Total Expenditure	103.700	103.984	104.068	0.369
Deficit / (Surplus)	0.000	(0.000)	(0.043)	(0.043)
Working balance B/F	(4.000)	(4.000)	(4.000)	
Working Balance C/F	(4.000)	(4.000)	(4.043)	

Working Balance

The working balance has increased to **£4.043m** and is available to be carried forward into 2018/19.

Income

Rental Income increase of £0.604m

The budget for bad debt provision allowed for the impact of welfare reform and as implementation was delayed this resulted in an underspend of £1.030m. This was offset by reduced rental income of £0.426m due to increased RTB sales.

Service Charges & other income, decrease of £0.192m

This is made up of increased service charge income (£0.208m), reduced bank interest (£0.134m) and reduced income from solar PV cells (£0.265m).

Expenditure

Management, decrease of £0.365m

Made up of a number of variances including: an overspend on the Responsible Tenant Reward Scheme due to more tenants meeting the criteria (£185k), increases to NCH management fee for additional responsibilities (£207k) and underspend on retained council budgets including vacancies in retained housing teams and additional income from HRA shops (£756k).

Capital Charges, increase of £0.734m

Includes an increase in the depreciation charge (£0.908m) following updated stock condition surveys and decrease in interest charges on borrowing (£0.175m).

2.9 Debtors Monitoring (Appendix C)

Housing Rents

The Q4 collection rate was 98.41%, against the target of 98.40%. This is an improvement of 0.44% on the position at this point last year. All performance

indicators have shown an improvement on the position in March 2017 reflecting the “Rent First” message.

Council Tax

Collection for Quarter 4 of 2017/18 was 93.16%, which is 0.66% above the profiled target of 92.5%, but behind by 0.16% when compared to 2016/17. Collection amounted to £116.4m compared to collection of £109.8m for the same period in 2016/17.

National Non- Domestic Rates (NNDR)

Collection for Quarter 4 of 2017/18 was 98.67%, which was 1.27% above the profiled target for 2017/18. Collection amounted to £135.9m, compared to collection of £130.4m in 2016/17. Net debt collectable over the year has increased from £134.1m in 2016/17 to £137.7 in 2017/18.

Sundry Income

The percentage of debts collected within 90 days in the 12 months to March 2018 was 82.60% which is a slight decline from the Q3 figure of 83.00%. 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 is 4.9% below target of 95.90%. Adult Residential Services moved over to a new financial system in August 2017. This has caused significant operational challenges in managing debt on the legacy system alongside the new one, identifying where citizen payments are being split between both. (Aged debt was not transferred over). There will always be cases with no legal recourse where citizens cannot access funds due to lack of mental capacity and awaiting probate.

Estates Rents

The collection rate of 97.48% is below the set target of 97.50% but is higher than the rate for Q3 (96.29%) and also Q4 in 2016/17 (95.83%).

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 **£1.242m** as summarised in Table 8 below. These figures are subject to the finalisation of the NNDR year end and other statutory returns.

TABLE 8: WRITE OFFS OVER £10k in 2017/18	
Fund	£m
Collection Fund	1.141
General Fund	0.101
Total	1.242

2.11 New Discretionary Rate Relief Granted in 2017/18

Details of new determinations of eligibility for Discretionary Relief since 1 April 2017 are shown in Table 9, of which the City share is 49%.

TABLE 9: NEW DISCRETIONARY RATE RELIEF GRANTED IN 2017/18	
Type of Relief	Amount of Relief £m
Non Profit-Making Bodies which are not Registered Charities	0.037
Registered Charities which are in Receipt of 80% Mandatory Relief	0.009
Other Businesses	0.017
TOTAL	0.063

2.12 Capital Programme

The capital programme for 2017/18 was approved by the City Council in March 2018. Quarterly monitoring and forecasting reports have been provided and considered by Executive Councillors throughout 2017/18.

2.13 Capital Expenditure 2017/18

The capital expenditure in 2017/18 was **£220.206m**, representing a decrease of **£24.731m** (10.10%) from the Quarter 3 projection. Table 10 shows the position for each portfolio.

TABLE 10: CAPITAL PROGRAMME - OUTTURN 2017/18				
Portfolio	Projected Outturn Q3 £m	Pre-audit Outturn £m	Variance	
			£m	%
Public Sector Housing	59.887	53.396	(6.491)	(10.84%)
Transport Schemes	19.571	13.596	(5.975)	(30.53%)
Education / Schools	7.061	5.860	(1.201)	(17.01%)
Subtotal	86.519	72.852	(13.667)	(15.80%)
Other Services				
Adults & Health	0.454	0.382	(0.072)	(15.86%)
Early Intervention & Early Years	0.707	0.405	(0.302)	(42.72%)
Leisure & Culture	13.272	8.610	(4.662)	(35.13%)
Business Growth & Transport	5.991	0.398	(5.593)	(93.36%)
Energy & Sustainability	5.884	3.574	(2.310)	(39.26%)
Planning & Housing	3.033	1.851	(1.182)	(38.97%)
Strategic Regeneration	15.385	11.665	(3.720)	(24.18%)
Community Services	1.743	1.883	0.140	8.03%
Resources & Neighbourhood Regeneration	111.949	118.586	6.637	5.93%
Other Services Total	158.418	147.354	(11.064)	(6.98%)
Total Programme	244.937	220.206	(24.731)	(10.10%)

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 which represent a decrease or an increase in the total capital cost of a project (which could potentially be over a number of years). Underspends may 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 **£33.389m** of approvals in the final quarter of 2017/18, which is detailed in table 11.

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 – (£6.491m)

A variance of 10.84% on a projection of **£59.887m** represents both a slippage and acceleration on a number of schemes.

Transport Schemes – (£5.975m)

A variance of 30.53% on a projection of **£19.571m** represents both slippage and acceleration on a number of schemes. This variance is mainly attributable to delays in various projects.

Education / Schools – (£1.201m)

Education / Schools shows a variance representing 17.01% of a projected programme of £7.061m. This variance is mainly attributable to delays in various projects.

Other Services – (£11.064m)

Total expenditure in 2017/18 was **£147.354m** against a projection of **£158.418m** as at quarter 3. The variance represents (6.98%) of the programme. There is slippage of **£35.353m** on a number of schemes, the details of which are set out in Appendix F. In addition, there have been additional approvals in quarter 4 of **£14.275m** which were not included in the quarter 3 forecast. Table 11 below refers.

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 11 below:

TABLE 11: ADDITIONS DURING QUARTER 4				
Scheme	2017/18 £m	2018/19 £m	2019/20 - 2022/23 £m	TOTAL £m
Education / Schools				
Welbeck Primary Playground	0.000	0.040	0.000	0.040
Hadyn Primary Boiler	0.000	0.120	0.000	0.120
Crabtree Farm Boiler	0.000	0.050	0.000	0.050
NNSTC Doors	0.000	0.010	0.000	0.010
Glade Hill Primary - Expansion	0.000	1.800	0.000	1.800
Middleton Primary - Expansion	0.000	3.800	0.000	3.800
Community Services				
Selective Licensing Accommodation	0.049	0.051	0.000	0.100
Energy & Sustainability				
e-Teacher Project	0.000	0.163	0.000	0.163
Resources & Neighbourhood Regeneration				
IT - Capital One Grants Software	0.000	0.018	0.000	0.018
Robin Hood Energy Refinancing	7.500	0.000	0.000	7.500
Loan - NCH Vehicles	1.981	0.000	0.000	1.981
Loan - NCH Homeless	4.745	6.000	0.000	10.745
Loan - NCH-E Ltd Arboretum	0.000	3.000	5.500	8.500
Property Aq - Project Newcastle	0.000	4.606	0.000	4.606
IT - Learning Zone	0.000	0.039	0.000	0.039
TOTAL APPROVALS	14.275	19.697	5.500	39.472

2.17 Retrospective approvals required

There are a number of schemes which have overspent in 2017/18 and require retrospective approval. These schemes will be frozen to ensure that no further expenditure is incurred without obtaining the appropriate approval. These include:

- **Demolition of Fairham College / Partial Demolition of Elms Primary:** Cumulative approval £0.920m and 2017/18 overspend £0.291m. The overspend of £0.291m is due to costs being higher than anticipated. The overspend has been funded by Capital Receipts. Once the land value is realised the Capital Receipts will be replenished.
- **Bulwell Market Place Refurbishment:** Approval £0.100m and 2017/18 overspend £0.153m. The overspend has been funded by revenue reserves held by Regeneration.
- **Byron House Refurbishment:** Approval £2.630m and 2017/18 overspend £0.025m. The overspend has been funded by One Public Estate Revenue Grant.
- **Feasibility Council House / Exchange Buildings:** Approval £0.074m and 2017/18 overspend £0.052m, this overspend is due to additional feasibility costs and increase in fees. The overspend has been funded from Corporate Reserves and will be replenished when the scheme goes live.
- **Commercial Property Investments:** Approval £47.411m and 2017/18 overspend £0.271m, this overspend is due to higher than anticipated Stamp Duty costs. As these purchases are commercial decisions, this overspend has been funded by Prudential Borrowing as these are supported by positive Business cases.

- **Various:** Approval £34.098m, 2017/18 overspend £0.087m. The funding of this overspend is project specific depending upon the funding envelope of each project.

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 three categories as follows:

Approved Capital Programme

Comprising projects that are progressing either currently or in the near future. These projects have been approved and the funding has been identified and is in place. The approved five year capital programme is **£212.352m**.

Planned Capital Schemes

Comprising projects that the Council is progressing towards a firm business case. Feasibility / development as approved costs may be incurred. The planned five year capital programme is **£201.549m**. These schemes are subject to further approval and the completion of a business case.

Proposed Capital Schemes

Comprising projects that are in the early stages of development and are not included in the capital programme at this stage.

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

Prudential Borrowing

The key principle for borrowing is contained within the Prudential Code which states that it must be affordable and sustainable. 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 relevant 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 for approved and planned schemes. Refer to Appendix G for the full table including Proposed Schemes.

TABLE 12: GENERAL FUND CAPITAL PROGRAMME – APPROVED AND PLANNED SCHEMES							
2017/18 £m	Scheme	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
	Approved Schemes						
13.596	Transport Schemes	22.908	7.745	5.172	0.000	0.000	35.825
5.860	Education / Schools	9.470	0.000	0.000	0.000	0.000	9.470
140.981	Other Services	95.599	35.617	17.814	8.885	9.142	167.057
6.373	Planned Schemes	147.787	51.936	1.826	0.000	0.000	201.549
166.810	Total Programme	275.764	95.298	24.812	8.885	9.142	413.901
	Resources						
(117.946)	Prudential Borrowing	(187.740)	(53.471)	(15.509)	(5.661)	(6.155)	(268.536)
(33.531)	Grants & Contributions	(74.760)	(37.526)	(7.814)	(2.421)	(2.227)	(124.748)
(6.542)	Internal Funds / Revenue	(5.397)	(1.851)	(0.122)	(0.044)	(0.010)	(7.424)
(8.791)	Secured Capital Receipts	0.000	0.000	0.000	0.000	0.000	0.000
0.000	Unsecured Capital Receipts	(7.867)	(2.450)	(1.367)	(0.759)	(0.750)	(13.193)
(166.810)	Total Resources	(275.764)	(95.298)	(24.812)	(8.885)	(9.142)	(413.901)
0.000	Cumulative (Surplus) / Shortfall	0.000	0.000	0.000	0.000	0.000	0.000

The programme is predicated on a number of planned schemes that are estimated and subject to change, therefore, the current position 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 net slippage between 2017/18 and 2018/19. Table 13 sets out the updated programme and resources.

TABLE 13: PUBLIC SECTOR HOUSING CAPITAL PROGRAMME							
2017/18 £m	Scheme	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	TOTAL £m
53.396	Public Sector Housing Capital Programme	61.622	47.351	36.686	36.727	36.891	219.278
	Resources Available						
(15.144)	Prudential Borrowing	(7.000)	(6.762)	(4.919)	(6.491)	0.000	(25.171)
(3.749)	Grants & Contributions	(3.724)	(2.509)	0.000	0.000	0.000	(6.234)
(3.717)	Direct Revenue Financing	0.000	0.000	0.000	0.000	0.000	0.000
(38.077)	Major Repairs Reserve	(27.633)	(27.715)	(27.882)	(28.036)	(28.036)	(139.302)
(31.035)	Secured Capital Receipts	0.000	0.000	0.000	0.000	0.000	0.000
0.000	Unsecured Capital Receipts	(0.780)	(0.840)	(0.200)	(0.200)	(0.141)	(2.161)
(91.722)	Total Resources	(39.137)	(37.826)	(33.001)	(34.727)	(28.177)	(172.867)
(38.326)	Cumulative (Surplus) / Shortfall	(15.841)	(6.315)	(2.630)	(0.630)	8.085	8.085

There is a shortfall of resources compared to investment needed which consists of the programme of fire safety works to high rise blocks which was approved following the tragic fire at Grenfell. The Council is seeking additional financial support from the Government and if it is not provided then other schemes within the programme will need to be deferred to ensure the programme can be fully resourced.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 This report details the 2017/18 outturn and how the overspend will be managed.

4 FINANCE COLLEAGUE 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 COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND 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 on projected 2018/19 spend by **£0.939m** 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 COLLEAGUE 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



Attached as Appendix x, and due regard will be given to any implications identified in it.

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 2018/19 – 2020/21 – Executive Board 20 February 2018

11.2 Report of the Deputy Leader on the Budget 2017/18 – City Council 5 March 2018

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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APPENDIX A

Portfolio	Budget £m	Draft Outturn £m	Outturn Variance £m
Adults and Health	95.432	95.970	0.713
Business, Education & Skills	4.124	4.940	0.816
Community & Customer Services	23.979	23.165	(0.814)
Early Intervention & Early Years	53.933	56.690	2.581
Energy & Sustainability	13.456	12.903	(0.553)
Leisure & Culture	7.464	7.237	(0.227)
Planning, Housing & Heritage	1.286	1.959	0.674
Neighbourhood Services & Local Transport	9.149	8.527	(0.623)
Resources & Neighbourhood Regeneration	23.887	24.326	0.439
Strategic Infrastructure & Communications	(15.352)	(15.324)	0.028
Total Portfolios	217.359	220.395	3.036
Corporate Budgets	31.296	32.445	1.149
Health Integration	(10.111)	0.000	10.111
Prior to Corporate Mitigation	238.544	252.840	14.294
Corporate Mitigation (excl GF Reduction)		(5.700)	(5.700)
Planned Building Works		(0.355)	(0.355)
Health Mitigation		(0.952)	(0.952)
Further Management Action		(2.074)	(2.074)
Net Reduction in General Fund Balance		(1.000)	(1.000)
Net Council Position	238.544	242.759	4.215

Portfolio Variances +/- £50k**Adults and Health Portfolio – overall variance £0.713m adverse****Commissioning & Procurement - £0.467m adverse**

- Increased demand for homelessness services - Homelessness Corporate overspend is £1.253m and is included under the Resources and Neighbourhood Regeneration Portfolio in this appendix.
- The budget pressure for Homelessness has been incorporated in to the 2018/19 Medium Term Financial Plan (MTFP).

Adults - £0.964m adverse

The gross overspend of £2.603m is made up of:

- £1.270m increase in external care budgets driven by a mix of complexity and demand
- £0.865m from lower levels of income from joint funded care packages against budget
- £0.132m debt write offs
- £0.336m increase in provision for bad debts; this is to ensure a robust bad debt provision which allows for increased client numbers and care package values

An element of this has been mitigated by:

- Maximisation of grants and external income £0.748m
- Service underspends across adult assessment and provision £0.891m

Project plans are in place to mitigate these overspend in 2018/19 in conjunction with other requirements of the Medium Term Financial Plan.

Targeted Intervention - £0.719m favourable

Underspends have arisen due to:

- Vacancy management;
- In year contractual negotiations and
- Early implementation of 2018/19 service plan.

Business, Education and Skills Portfolio – overall variance £0.816m adverse**Education - £0.749m adverse**

- £0.250m – SEN transport savings delay;
- £98k – additional education transport costs due to demand school and
- £0.308m – income shortfall.

Project plans are in place to mitigate these overspends in 2018/19 in conjunction with other requirements of the Medium Term Financial Plan.

Development & Growth Directorate - £0.064m adverse

- A rental pressure which emerged late in the year of £0.097m but which has been mitigated by other underspends in the directorate.

Community and Customer Services Portfolio – overall variance £0.814m favourable

Strategy & Resources Directorate - £0.088m favourable

- Favourable variance due to a decrease in contractual costs.

HR & Transformation - £0.026m favourable

- Management of vacancies within the Directorate.

Police Partnership - £0.073m favourable

- Management of vacancies

Environmental Health & Safer Housing - £0.180m favourable

- Management of vacancies

Uniformed Services - £0.571m favourable

- Management of vacancies and improved income position

Licensing, Trading Standards & ASB - £0.143m adverse

- Premises Licensing and No Proceeds of Crime income less than projected.

Early Intervention and Early Years Portfolio – overall variance £2.581m adverse

Adults - £0.189m favourable

- Disabled Children's Service underspends £0.189m

Education £0.191m favourable

- £0.168m additional one off grant funding

Children's - £2.916m adverse

The gross outturn is £4.375m made up as follows:

- £1.881m- CiC remains stable however complexity has increased;
- £0.850m - Increase in remand cost;
- £0.334m- No recourse to public funds overspend;
- £0.888m - Social Worker development scheme;
- £0.171m – Workforce Development team budget pressure;
- £0.251m – Savings shortfall;

Mitigated by:

- (£1.459m) – One off grants and maximisation of external funding.
- Project plans are in place to mitigate these pressures in 2018/19 in conjunction with other requirements of the Medium Term Financial Plan.

Energy and Sustainability Portfolio – overall variance £0.553m favourable

Commercial & Operation's strategy is to focus on commercialism and driving external income. A combination of delivery against business plans has seen an overall positive variance

- **Waste Management - £0.268m favourable**
- **Energy Services - £0.269m favourable**

The favourable position is already included in the 2018/19 MTFP

Leisure and Culture Portfolio – overall variance £0.227m favourable

Commercial & Operation's strategy is to focus on commercialism and driving external income. A combination of delivery against business plans has seen an overall positive

- **Cemeteries & Crematoria £0.055m favourable**
- **Parks & Open Spaces £0.050m favourable**
- **Museums £0.091m favourable**
- **Sports & Leisure £0.243m favourable**

The favourable position is already included in the 2018/19 MTFP

Markets - £0.266m adverse

A majority of the overspend is due to the increases in service charges for the Victoria Market which are not financially viable to transfer to stall holders.

The budget overspend is being considered in the development of the Market Strategy for 2018/19+.

Planning, Housing and Heritage Portfolio – overall variance £0.674m adverse

Housing Aid – £0.786m adverse

- A nationwide increase in homelessness has impacted Nottingham and the expenditure required on Bed and Breakfast accommodation. The draft out-turn of £0.786m is lower than the £0.850m forecast due to the impact of the prevention work undertaken,

Homelessness Corporate overspend is £1.253m with other elements being included in the Adults & Health portfolio.

The budget pressure for Homelessness has been incorporated in to the 2018/19 Medium Term Financial Plan (MTFP).

Planning and Regeneration - £0.103m favourable

- The Planning and Regeneration Directorate has held vacant posts and reduced expenditure where possible to deliver an in year saving.

Neighbourhood Services and Local Transport – overall variance £0.623m favourable

Traffic and Transport - £0.113m favourable

- The Traffic and Transport Directorate have held vacant posts and have had favourable income variances. 2018/19 MTFP savings have also been brought forward where appropriate.

Commercial & Operations Directorate - £0.081m favourable

- Management of vacant posts.

Commercial & Operation's strategy is to focus on commercialism and driving external income. A combination of delivery against business plans has seen an overall positive variance.

- **Parking, Transport & Fleet - £0.373m favourable**
- **Nottingham Catering - £0.091m favourable**
- **Highways & Energy Infrastructure - £0.381m favourable**

The favourable position is already included in the 2018/19 MTFP.

Work Place Parking Charge - £0.160m adverse

- Shortfall in take up of scheme.

The potential continued shortfall of this scheme will need mitigating in future years.

Woodfields - £0.198m adverse

- The operating deficit has been reduced since 2016/17 and the transitioning of supported colleagues into mainstream services has now largely been completed but has been slower than anticipated, although the service is expected to achieve its 2018/19 budget.

Resources and Neighbourhood Regeneration Portfolio – overall variance £0.439m adverse

Legal & Governance - £0.218m favourable

- Management of vacancies within the Directorate & favourable variances due to the robust approach in service charging.

Elements of this underspend is already included in the 2018/19 MTFP.

Corporate & Democratic Core - £0.037m favourable

- Favourable variances in running costs and professional fees.

Elements of this underspend is already included in the 2018/19 MTFP.

Commissioning & Procurement - £0.235m adverse

- Adverse variance in income. Project plans are in place to mitigate these adverse variances in 2018/19 in conjunction with other requirements of the MTFP.

Finance - £0.263m adverse

- The adverse variance is due to contractual issues which have partly been mitigated through management of vacancies and favourable variances on non-staffing costs. Negotiations are ongoing to reduce/resolve this issue for 2018/19.

Strategy & Policy - £0.110m adverse

- The adverse variance is due to slippage of costs reductions, however the service is expected to be on budget in 2018/19.

Development & Growth Directorate - £0.064m adverse

- A rental pressure which emerged late in the year of £0.097m but which has been mitigated by other underspends in the directorate.

Major Projects - £0.154m favourable

- Access to Services £0.154m - 2018/19 MTFP savings have been accelerated to 2017/18.

Creative Quarter - £0.196m adverse

- Shortfall in business case assumptions.

A project plan is required to mitigate this pressure in 2018/19.

Neighbourhood Management - £0.084m favourable

- Commercial & Operation's strategy is to focus on commercialism and driving external income. A combination of delivery against business plans has seen an overall positive variance.

Elements of this underspend is already included in the 2018/19 MTFP.

Facilities and Building Services - £0.336m adverse

- There are a number of factors including income below expected target.

Chief Executive - £0.061m favourable

- Project spend held during 2017/18, this is a one off saving.

Strategic Infrastructure and Communications Portfolio – overall variance £0.028m adverse**Marketing & Communications - £0.148m adverse**

- The adverse variance is due to the cost of Corporate Campaigns and adverse variances in income which has been partly mitigated by management of vacancies and favourable variances in running costs.

Project plans are in place to mitigate these pressures in 2018/19 in conjunction with other requirements of the MTFP.

Major Projects - £0.100m favourable

NET Project £0.100m - 2018/19 MTFP savings have been accelerated to 2017/18

Corporate – overall variance £1.149m adverse**Enviro Energy – £1.349m adverse**

- Turbine failure and replacement (which took 18 weeks) resulting in:
 - Loss of income (ROCs, export electricity)
 - Increased costs (gas, turbine repairs, increased maintenance spend)

The budget pressure for Enviro Energy has been incorporated in to the 2018/19 MTFP.

Treasury Management - £0.220m 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.

Health Integration £10.111m adverse

- Nationally councils are working with the NHS to develop local Sustainability and Transformation Plans (STP) in recognition of the national Adult Social Care issue and the budgetary overspend risks. The overall aims are to enable the NHS to manage its budget and keep citizens at home, living independently rather than spending time in hospital.
- The MTFP assumed that the STP was fully agreed with a contribution of £10.111m planned in 2017/18, which has not materialised.

APPENDIX C

Debtors - Performance Review – Q4 2017/18		Q1 June	Q2 September	Q3 December	Q4 March
BVPI 66a - Housing Rent Collection (%) <i>(cumulative - current tenants only)</i>					
	<i>(arrears + debit)</i> Actual	97.27	97.96	98.57	98.41
	Target	98.40	98.40	98.40	98.40
	Last Year Actual 2016/17	97.41	97.55	98.17	97.97
BVPI 9 - Council Tax Collection (%)					
	<i>(in year cumulative)</i> Actual	26.35	50.96	76.78	93.16
	Target	25.80	50.30	76.00	92.50
	Last Year Actual 2016/17	26.15	50.94	76.93	93.32
BVPI 10 - NNDR Collection (%)					
	<i>(in year cumulative)</i> Actual	28.17	56.11	83.05	98.67
	Target	28.50	55.50	80.50	97.40
	Last Year Actual 2016/17	29.25	55.72	80.39	97.40
Sundry Income Collection (%)					
	<i>(12 month rolling average)</i> Actual	83.30	81.20	83.00	82.60
	Target	99.00	99.00	99.00	99.00
	Last Year Actual 2016/17	82.40	77.30	81.70	84.10
Sundry Income Debtor Days -General					
	Actual	31.00	34.00	38.00	41.00
	<i>(12 month rolling average)</i> Target	32.30	32.30	32.30	32.30
	Last Year Actual 2016/17	30.00	32.00	37.00	41.00
Estates Rents Collection (%)					
	Actual	95.54	94.93	96.29	97.48
	<i>(12 month rolling average)</i> Target	97.50	97.50	97.50	97.50
	Last Year Actual 2016/17	94.17	95.13	95.31	95.83
Adult Residential Services Collection (%)					
	Actual	95.31	94.25	90.86	92.70
	<i>(12 month rolling average)</i> Target	95.90	95.90	95.90	95.90
	Last Year Actual 2016/17	95.55	96.19	95.87	96.11

VIREMENT 2017-18 REQUIRING EXECUTIVE BOARD APPROVAL**APPENDIX D**

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Savings realignment	0.038	Corporate	CA	RNR	ADH
	0.032	within CA		ADH	ELY
	0.400	Corporate	S&R	within RNR	
	0.300	Corporate		RNR	LNH
	0.200	Corporate		RNR	LNH
Better Care Fund Grant realignment	8.570	Corporate	CA	RNR	ADH
Dividend Income realignment	1.000	D&G	Corporate	NST	RNR
Education Strategy Review	0.124	within CA		ELY	BES
Prudential Borrowing Schedule (technical)	4.838	D&G	Corporate	BES	RNR
	1.546	D&G	Corporate	within RNR	
	5.016	D&G	Corporate	NST	RNR
	0.027	Corporate	D&G	within RNR	
	0.023	D&G	Corporate	within RNR	
Education Services Grant realignment	0.033	CA	D&G	ELY	BES
	0.959	within CA		ELY	BES
Realignment of pay budgets	0.050	S&R		RNR	C&CS
Salary Realignment	0.028	within C&O		NST	ESU
	0.008	within C&O		NST	RNR
	0.135	D&G	C&O	RNR	LCT
Realignment between Domestic Waste & Depots	0.080	within C&O		ESU	NST
	0.080	within C&O		RNR	NST

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
VAT Adjustment	0.500	C&O	Corporate	LCT	RNR
Security recharge adjustment	0.005	C&O	D&G	NST	SI&C
Catering Equipment	0.004	D&G	C&O	SI&C	NST
Asset Disposals	0.138	S&R	Corporate	RNR	NST
Crime & Drugs Partnership	0.176	within S&R		SI&C	C&CS
Treasury Management administration	0.228	Corporate	S&R	within RNR	
	24.539				

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

Key	Portfolio
ADH	Adults and Health
BES	Business, Education & Skills
C&CS	Community & Customer Services
ELY	Early Intervention & Early Years
ESU	Energy & Sustainability
LCT	Leisure & Culture
NST	Neighbourhood Services & Local Transport
PLNH	Planning, Housing & Heritage
RNR	Resources & Neighbourhood Regeneration
SI&C	Strategic Infrastructure & Communications

MOVEMENTS IN RESERVES REQUIRING EXECUTIVE BOARD APPROVAL 2017/18 (£m)
APPENDIX E

Portfolio	Reserve Name	Description	Reserve Replenishment	Use of Reserves	Reserve to Capital	Contribution to Capital Scheme	Total
Adults and Health	Rev Reserves for Capital	2017/18 expenditure		0.141			0.141
	Public Health Transition	2017/18 expenditure	(0.167)	0.160			(0.007)
Adults and Health Total			(0.167)	0.301			0.134
Business, Education & Skills	Contingency Reserve	Alfreton Road Improvements		0.013			0.013
		Developing Digital Infrastructure		0.027			0.027
	Employer Hub Innovation Fund	2017/18 net movement	(0.068)	0.035			(0.033)
	Growing Places Loans	2017/18 replenishment	(0.157)				(0.157)
	Investment Strategy	2017/18 net movement	(0.083)	0.005			(0.078)
	Jobs Fund	2017/18 replenishment	(0.462)				(0.462)
	Nottingham Investment Fund	Foresight Nottingham Fund investment	(0.140)				(0.140)
	PFI Life Cycle	Maintenance contribution	(0.341)				(0.341)
	Wireless Concession	2017/18 expenditure		0.015			0.015
	Schools Building Maintenance	2017/18 net movement	(0.052)	0.288			0.236
	Farnborough PFI Project	2017/18 contribution	(0.370)				(0.370)
	Growing Places A/B Interest	2017/18 expenditure		0.005			0.005
	Bulwell Town Centre	2017/18 expenditure		0.050			0.050
	Clifton Town Centre	2017/18 expenditure		0.171			0.171
	Wireless Ducting Concession	Temporary use of contingency		0.014			0.014
	ERDF Growth Hub	2017/18 expenditure		0.102			0.102
	BSF Bigwood & Oakfield PFI	2017/18 contribution	(0.249)				(0.249)
	The Midland Engine	Contributions and grant income	(0.734)				(0.734)
	EIB Strategic Alliance	2017/18 expenditure		0.424			0.424
	SSR (School & Other)	2017/18 net movement	(3.354)	5.265			1.851
Business, Education & Skills Total			(6.011)	6.415			0.404
Community & Customer	Investment Property Maintenance	Property Sinking Fund contribution	(0.050)				(0.050)

Portfolio	Reserve Name	Description	Reserve Replenishment	Use of Reserves	Reserve to Capital	Contribution to Capital Scheme	Total
Services	IT Investment Fund	Capital IT equipment purchases		0.038			0.038
		Contribution from revenue to fund capital licenses	(0.013)				(0.013)
		Customer Access Programme	(0.063)	0.210			0.147
	Proceeds of Crime	POCA monies received 17/18	(0.002)				(0.002)
	Workforce Reserve	HR Project Delivery		0.065			0.065
		Slippage in Apprenticeships	(0.128)				(0.128)
	DRF	Hardware purchases				(0.160)	(0.160)
	Civil Penalties	Civil Penalties received 17/18	(0.003)				(0.003)
Community & Customer Services Total			(0.260)	0.313		(0.160)	(0.107)
Corporate	Agreed budget carry forward	Repair & maintenance - The Wells Road			0.025		0.025
		Repair & maintenance - Wollaton Vale			0.027		0.027
	Area Capital - Public Realm	Area Capital expenditure			0.110		0.110
	ESIF Youth Employment Initiative	2017/18 expenditure			0.080		0.080
	Feasibility Schemes	2017/18 expenditure			0.080		0.080
	Flexible Fitness Equipment	2017/18 expenditure			0.249		0.249
	Good to Great	Carrington St Area Townscape Heritage			0.031		0.031
		Planned contribution	(0.559)				(0.559)
	Investment Strategy	2017/18 net expenditure			0.841		0.841
	IT Investment Fund	2017/18 project expenditure			1.562		1.562
	NET City Reserve Fund	2017/18 project expenditure			0.010		0.010
	Property Maintenance	IPAMS project			0.033		0.033
	Rev Reserves for Capital	2017/18 movement			(1.327)		(1.327)
	Royal Centre Maintenance	2017/18 expenditure			1.149		1.149
	Royal Centre Transformation	2017/18 expenditure			0.562		0.562
	SSR – Schools Balances	Reversal of MTFP Item	(0.557)				(0.557)
	Workforce Reserve	2017/18 movement		1.500			1.500
	Bulwell Town Centre	2017/18 expenditure			0.153		0.153
Corporate Total			(1.136)	1.500	3.582		3.946

Portfolio	Reserve Name	Description	Reserve Replenishment	Use of Reserves	Reserve to Capital	Contribution to Capital Scheme	Total
Early Intervention & Early Years	SEND Keyworker Service	Initial transfer	(0.121)				(0.121)
	Public Health Transition	2017/18 expenditure		0.400			0.400
Early Intervention & Early Years Total			(0.121)	0.400			0.279
Energy & Sustainability	Feasibility Schemes	2017/18 expenditure		0.058			0.058
	SALIX - Energy Savings Fund	2017/18 net contribution	(0.102)				(0.102)
	Waste Disposal Steam	Extended incinerator shutdown		0.375			0.375
Energy & Sustainability Total			(0.102)	0.433			0.331
Leisure & Culture	Feasibility Schemes	2017/18 expenditure		0.012			0.012
	Flexible Fitness Equipment	2017/18 expenditure	(0.283)				(0.283)
	Grants	2017/18 grant income	(0.036)				(0.036)
	IT Library Service	Future Licence upgrade	(0.032)				(0.032)
	LTA - Contribution Sinking Fund	Additional one off contribution for 2018/19	(0.009)				(0.009)
	Newstead Abbey Development Fund	2017/18 donations received	(0.023)				(0.023)
	Royal Centre Maintenance	Slippage in expenditure	(0.135)				(0.135)
Leisure & Culture Total			(0.518)	0.012			(0.505)
Neighbourhood Services & Local Transport	Maintaining car parks	2017/18 replenishment	(0.260)				(0.260)
	Bike Hire Scheme	City Cycle Bike Hire Scheme	(0.094)				(0.094)
	Feasibility Schemes	2017/18 expenditure		0.296			0.296
	Grants	2017/18 expenditure		0.030			0.030
	NET City Reserve Fund	Workplace Parking Levy	(0.427)				(0.427)
	Revenue Implications of Capital Schemes	2017/18 expenditure		1.410			1.410
	Shopmobility	Unspent draw down	(0.015)				(0.015)
	Street Lighting PFI	2017/18 net movement	(0.098)	0.016			(0.082)
	Trading Operations Traded Surplus	Trinity Square		0.060			0.060
	DRF	Nottingham CCTV Control Room Upgrade				(0.150)	(0.150)
	OLEV Go Ultra Low	2017/18 expenditure		0.216			0.216
Neighbourhood Services & Local Transport Total			(0.894)	2.028		(0.150)	0.985

Portfolio	Reserve Name	Description	Reserve Replenishment	Use of Reserves	Reserve to Capital	Contribution to Capital Scheme	Total
Planning, Housing & Heritage	Carrington Townscape	2017/18 expenditure		0.033			0.033
	HAZ Delivery Plan	2017/18 contributions	(0.070)				(0.070)
Planning, Housing & Heritage Total			(0.070)	0.033			(0.037)
Resources & Neighbourhood Regeneration	Area Committees	2017/18 expenditure		0.020			0.020
	Collection Fund & Business Rates	2017/18 net movement	(1.974)	0.099			(1.875)
		Section 31 grant adjustment	(1.140)				(1.140)
	East Midlands Council	EMC Outturn	(0.049)				(0.049)
	Emergency Hardship Funds	2017/18 expenditure		0.272			0.272
	Grants	Technical adjustment	(0.500)				(0.500)
	Housing Benefits	2017/18 net movement	(3.032)	1.042			(1.991)
	ICT Investment Schemes	Project Evolution		0.452			0.452
	NET City Reserve Fund	2017/18 contributions	(2.070)				(2.070)
	NHS LIFT (Bulwell)	2017/18 expenditure		0.036			0.036
	NHS Local Imp Finance (LIFT)	2017/18 contributions	(0.101)				(0.101)
	Pension Deficit	2017/18 replenishment	(0.958)				(0.958)
	Property Maintenance	2017/18 slippage	(0.653)				(0.653)
	Revenue Reserves for Capital	2017/18 expenditure		1.326			1.326
	Revenue Implications of Capital Schemes	Project contribution	(0.069)				(0.069)
	SSR – Schools Balances	2017/18 net movement	(0.100)				(0.100)
	Systems Development	2017/18 slippage	(0.050)				(0.050)
	Technical & Regulatory Advisory Fund	2017/18 contributions	(0.234)				(0.234)
	Treasury Interest Equalisation Reserve	2017/18 capital programme slippage	(1.200)				(1.200)
	Treasury Management Reserve	2017/18 contributions	(2.058)				(2.058)
	Workforce Reserve	2017/18 net movement	(0.890)	0.284			(0.606)
	DRF	Revenue contribution				(0.089)	(0.089)

Portfolio	Reserve Name	Description	Reserve Replenishment	Use of Reserves	Reserve to Capital	Contribution to Capital Scheme	Total
	Ice Centre Sinking Fund	2017/18 net movement	(0.001)	0.378			0.377
	St Ann's Valley JSC	2017/18 net movement	(0.081)	0.166			0.085
	Local Government Elections	To fund the cycle of Local Elections (May 2019)	(0.200)				(0.200)
	Treasury Management MRP	Reserve contribution policy change	(4.024)				(4.024)
Resources & Neighbourhood Regeneration Total			(19.419)	4.106		(0.089)	(15.402)
Strategic Infrastructure & Communications	Contingency Reserve	Portfolio Management Office slippage	(0.140)				(0.140)
		Shop Strategy Slippage	(0.026)				(0.026)
	Economic Development	2017/18 expenditure		0.006			0.006
	ERDF Dakeyne Street	Sinking fund creation	(0.060)				(0.060)
	ERDF Sneinton Market	Sinking fund creation	(0.065)				(0.065)
	Feasibility Schemes	2017/18 net movement	(0.050)	0.015			(0.035)
	Energy Park	2017/18 expenditure		0.004			0.004
	NHS LIFT (Bulwell)	2017/18 expenditure		0.037			0.037
	Rev Reserves for Capital	2017/18 net movement	(0.094)	0.395			0.301
	Revenue Implications of Capital Schemes	2017/18 expenditure		0.470			0.470
	Southglade Food Park Phase 2	Sinking fund contribution	(0.035)				(0.035)
Strategic Infrastructure & Communications Total			(0.470)	0.928			0.458
Total			(29.166)	16.471	3.582	(0.399)	(9.512)

Scheme	Projection 17/18 £m	Outturn 17/18 £m	Over / (Under) Spend on Projection £m
Education / Schools			
Bluecoat Primary - New School Early Design	0.229	0.128	(0.101)
Berridge Primary - Roof / Chimney Imps	0.348	0.041	(0.307)
Mellers Primary - Expansion (inc early design)	0.319	0.481	0.162
Primary Health & Safety	0.215	0.048	(0.167)
Glade Hill Primary - Expansion	0.261	0.094	(0.167)
School Accessibility Programme	0.171	0.018	(0.153)
Adults & Health			
Integrated Community Equipment Services	0.336	0.229	(0.107)
Community Services			
Woolsington Close Flood Alleviation	0.108	0.000	(0.108)
Flood Alleviation of Citizens Properties	0.230	0.000	(0.230)
Top Valley Flood Alleviation	0.389	0.000	(0.389)
Early Intervention & Early Years			
The Ridge Adventure Playground	0.263	0.001	(0.262)
Energy & Sustainability			
Solar Panels - Queens Drive Park & Ride Site	0.464	0.000	(0.464)
District Heating - Replacement of Network	3.140	2.959	(0.181)
DEFRA Air Quality (DD2795)	0.250	0.000	(0.250)
Solar Panels - Commerical PV Invest Prog	0.750	0.000	(0.750)
Solar Panels - Colwick Park & Ride Site	0.618	0.000	(0.618)
Business Growth & Transport			
NET Lines 2/3 - Land Acquisitions	0.800	(0.650)	(1.450)
NET Lines 2/3 - Quantative Risk Assessment	0.500	0.000	(0.500)
Carrington St Area Townscape Heritage Project	0.250	0.031	(0.219)
Vehicle Acquisitions etc	3.500	0.862	(2.638)
Debt Management System - Traffic Enforcement	0.200	0.000	(0.200)
Waterside Spine Road	0.500	0.003	(0.497)
Leisure & Culture			
New Burial System at Wilford Hill	0.004	0.107	0.103
Arboretum Café Development	0.251	0.151	(0.100)
Portland Leisure Centre - Condition Survey Works	0.104	0.000	(0.104)
Royal Centre Transformation Project	2.988	2.868	(0.120)
ERDF Axis 6 - Leen Park	0.140	0.000	(0.140)
CAP-Sherwood CC Imps	0.250	0.000	(0.250)
Newstead Abbey - Vision for the Future	0.256	0.000	(0.256)
Highfields Park - Refurbishment	2.823	2.205	(0.618)
Nottingham Castle Transformation (HLF Scheme)	1.560	0.790	(0.770)
Notts County Cricket Club - Loan 2	2.396	0.435	(1.961)
Planning & Housing			
Regional Housing Board - Equity Loan Scheme	0.629	0.000	(0.629)
Disabled Facilities Grants	1.859	1.728	(0.131)
Church Square, Lenton - Affordable Housing	0.000	0.123	0.123

Scheme	Projection 17/18 £m	Outturn 17/18 £m	Over / (Under) Spend on Projection £m
NCH Radford Allotments	0.124	0.000	(0.124)
Recycling Repaid Hsg Renewal & Repair Grants	0.300	0.000	(0.300)
Resources & Neighbourhood Regeneration			
Growing Places - Loan No.2	5.406	1.289	(4.117)
Creative Quarter Loan Fund	0.375	0.000	(0.375)
IT - Childrens and Adults Social Care Project	0.214	0.000	(0.214)
IT - Project Evolution	0.543	0.000	(0.543)
IT - Microsoft Licenses - 3yrs (1617, 1718, 1819)	0.700	0.858	0.158
IT - Cisco Call Manager	0.702	0.000	(0.702)
Joint Service Centre - Strelley Road	0.760	0.000	(0.760)
Commercial Property Investments	10.212	10.085	(0.127)
One Public Estate - Loxley	0.121	0.356	0.235
IT - Software AM System	0.650	0.000	(0.650)
149-169 Lower Parliament St (S215 Notice Works)	0.132	0.000	(0.132)
Strategic Regeneration			
Expansion of Bio City	0.764	0.331	(0.433)
Southglade Food Park - Phase 2	0.058	0.193	0.135
Broadmarsh Centre - Shopping Centre	3.240	2.888	(0.352)
Feasibility Council House / Exchange Buildings	0.001	0.126	0.125
Feasibility Council House / Exchange Buildings	0.500	0.751	0.251
Broadmarsh - Car Park	5.607	3.484	(2.123)
BM Caves Entrance	0.200	0.000	(0.200)
58 Carlton Road & Space 2 Development	0.192	0.000	(0.192)
Unlocking Loxley House - Phase 2 / 2A	0.130	0.017	(0.113)
Public Sector Housing			
Woodthorpe & Winchester	2.886	3.624	0.738
Morley School - NEW BUILD	2.083	2.608	0.525
Meadows New Build - NEW BUILD	0.300	0.721	0.421
Modern Living	2.435	2.611	0.176
Roof & Chimney Replacement	1.604	1.752	0.148
City Wide Environmentals - AREA CAPITAL FUND	0.749	0.892	0.143
Affordable Homes - Garage Sites - NEW BUILD	6.450	6.574	0.124
Cranwell - NEW BUILD	0.564	0.686	0.122
Property Acquisition - RTB 1-4-1	0.580	0.691	0.111
St Anns Estate Action - Stonebridge Park (PHASE 3 & 6)	0.100	0.000	(0.100)
Radon Awareness	0.200	0.088	(0.112)
Adaptations For Disabled Persons	1.115	0.998	(0.117)
Public Address System	0.200	0.079	(0.121)
Intercom Systems	0.163	0.041	(0.122)
Lenton New Build - Phase 2 Includes Flats - NEW BUILD	1.308	1.185	(0.123)
Infrastructure Cost - NEW BUILD	1.265	1.137	(0.128)
Ragdale Road - NEW BUILD	0.459	0.330	(0.129)
Garage / Outbuildings - CITYWIDE	0.335	0.199	(0.136)
Asbestos Works	0.689	0.553	(0.136)
Refurbishment Of Sheltered Housing Scheme	0.590	0.436	(0.154)
Adaptations For Disabled Persons	1.356	1.142	(0.214)

Scheme	Projection 17/18 £m	Outturn 17/18 £m	Over / (Under) Spend on Projection £m
High Rise Sprinkler Systems	0.350	0.131	(0.219)
Knights Close - DEMOLITION	0.248	0.000	(0.248)
Energiesprong Roll Out - ERDF	0.300	0.000	(0.300)
Major Void Works - CR&M	2.350	2.022	(0.328)
Rehousing Costs - DECOM	0.356	0.000	(0.356)
External Fabric B - Works delivered by others	0.689	0.315	(0.374)
Marlstones - NEW BUILD	0.460	0.086	(0.374)
Empty Homes	0.496	0.050	(0.446)
External Wall Insulation REMOURBAN	0.808	0.227	(0.581)
Clifton Miners Welfare - NEW BUILD	0.686	0.074	(0.612)
Warmth for Nottingham	3.016	2.396	(0.620)
Woodthorpe & Winchester - NEW BUILD	3.829	3.108	(0.721)
Tunstall Drive - NEW BUILD	1.021	0.024	(0.997)
Transport Schemes			
Southside Transport Strategy (Phase 1) - Broadmarsh Public Realm	3.050	1.386	(1.664)
Nottingham Enterprise Zone	1.000	0.520	(0.480)
Southside Growth Corridor	4.656	4.927	0.271
Office for Low Emission Vehicles (OLEV) - Go Ultra Low City Bid	0.734	0.153	(0.581)
OLEV - Taxi Infrastructure	0.151	0.014	(0.137)
Clean Bus Technology	1.500	0.000	(1.500)
TOTAL	109.163	74.810	(34.353)

GENERAL FUND CAPITAL PROGRAMME 2018/19-2022/23

APPENDIX G

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