

**Executive Board
21 December 2021**

Subject:	Review of Revenue and Capital Budget at 30 September 2021 (Quarter 2)
Corporate Director(s)/Director(s):	Clive Heaphy, Interim Corporate Director for Finance and Resources
Portfolio Holder(s):	Councillor Sam Webster, Portfolio Holder for Finance and Resources
Report author and contact details:	Lisa Kitto, Interim Deputy Section 151 Officer and Strategic Finance Lead lisa.kitto@nottinghamcity.gov.uk
Other colleagues who have provided input:	Colleagues within Strategic Finance
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 £750,000 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Total value of the decision:	£6,000,000
Wards affected:	All
Date of consultation with Portfolio Holder(s):	Throughout October and November 2021
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input checked="" type="checkbox"/>
Child-Friendly Nottingham	<input checked="" type="checkbox"/>
Healthy and Inclusive	<input checked="" type="checkbox"/>
Keeping Nottingham Moving	<input checked="" type="checkbox"/>
Improve the City Centre	<input checked="" type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Financial Stability	<input checked="" type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>

Summary of issues (including benefits to citizens/service users):

This report provides an assessment of the Council's current and forecast outturn position for the General Fund revenue account, Capital Programme and the Housing Revenue Account (HRA), based on activity to the end of the second quarter (September) 2021.

The 2021/22 revenue budget was approved by Full Council on 8 March 2021 and the forecast to 30 September 2021 is a **£2 million** adverse variance to budget, this represents an improvement of **£8.9 million** since the first quarter report that was approved by Executive Board on 21 September 2021.

This **£2 million** adverse budget position is predominantly due to budget variances within the following areas:

- Children and Young People: **£3.7 million** adverse largely due to Children in Care demand and cost pressures;
- Highways, Transport and Cleansing Services: **£2.7 million** adverse largely due to reduced income from Parking Services and Workplace Parking Levy;
- Companies: **£2.4 million** adverse driven by costs and reduced forecast company returns;
- Pay award for 2021/22: **£3 million** estimated cost of the pay offer;
- Adults and Health: **£4.2 million** favourable driven largely by variances within Care Purchasing Budgets;
- Corporate: **£5.2 million** favourable variance within Treasury Management, release of the Corporate Contingency budget and higher than budgeted compensation from the Government's sales, fees and charges Covid scheme.

The Council is committed to delivering its services within the approved budget, but it is apparent that this is becoming increasingly challenging given the sustained financial pressures that the Council is experiencing. Spending controls are in place and the Section 151 Officer has instigated further enhanced spending controls to constrain expenditure and this has contributed in reducing the projected overspend since the Quarter 1 forecast.

In addition, the Portfolio Holder for Finance and Resources and the Section 151 Officer have established monthly Budget Review and Oversight Groups with Senior Leaders and Members to ensure that regular reviews of the budget take place and that appropriate mitigations are identified. These meetings are in addition to the monthly budget forecasting and updates to the Corporate Leadership Team (CLT), Leadership and Executive Panel. These controls are designed to maximise the probability of delivering services within the approved budget for 2021/22.

Any further use of reserves to meet pressures or unachieved savings is not recommended as the Council must demonstrate that it is able to deliver services within existing budgets without reliance on one-off measures. This is required as part of the Recovery and Improvement Plan to demonstrate long term financial sustainability.

The November 2021 Executive Board approved a progress report on the Medium Term Financial Plan (MTFP) 2022/23 to 2025/26. The budget gap for 2022/23 assumed a 2021/22 overspend of **£2 million**. The Executive Board meeting on 22

February 2022 will be presented with an updated MTFP report and any changes in the 2021/22 monitoring position will impact on the budget gap for 2022/23. The Council is committed to delivering a balanced budget for 2021/22 and future budget monitoring statements are expected to show further improvements. Any improvement in the forecast will contribute towards closing the financial gap in 2022/23.

The HRA budgeted working balance for 2021/22 is **£7.9 million** and this is forecast to be **£9.8 million** by the end of 2021/22, due predominately to **£1.6 million** brought forward from 2020/21 and increased rent income creating an in-year 2021/22 forecast surplus of **£0.6 million**.

The Capital Programme has been updated to reflect the Quarter 2 forecast, and reflects slippage of **£11.4 million** on a 2021/22 to 2025/26 General Fund programme of **£297.8 million**, the capital programme has been reduced by **£1.2 million** since Quarter 1 and this is due to scheme underspends. The Public Sector Housing Programme for 2021/22 to 2025/26 is **£248 million** and includes slippage of **£9.9 million** which will be re-phased into 2022/23.

The Council remains within the capital control totals as approved at Executive Board on 23 February 2021 and is forecasting an improved position on the Voluntary Debt Reduction Policy (VDRP) to that agreed as part of the Recovery and Improvement requirements.

Does this report contain any information that is exempt from publication?

No

Recommendation(s):

1. To note in respect of 2021/22 budgets:
 - (a) a revenue forecast adverse variance of **£2 million**, as set out in **Section 2** and **Table 1**;
 - (b) a forecast favourable variance of **£0.6 million** on the Housing Revenue Account, as set out in **Section 3**; and
 - (c) the Quarter 2 forecast position on the Capital Programme and refreshed Capital Programme, as set out in **Section 5**.
2. To approve:
 - (a) the movement in resources between budgets and portfolios as set out in paragraph **2.22** and **Appendix D** totalling **£2.4 million**; and
 - (b) the net movement on earmarked reserves as set out in paragraphs **2.23-2.26** and **Appendix E** at a total value of **£3.6 million**.
3. To endorse the Council's commitment to delivering services within its approved budget for 2021/22 and to take all reasonable measures to do so whilst meeting its statutory obligations.

1. Reasons for recommendations

- 1.1 To enable formal monitoring of progress against the 2021/22 budget, the impact of actual and planned management actions to address the adverse variance to budget and to reaffirm the Council's commitment to delivering services within budget.
- 1.2 The approval of budget virements is required by corporate financial procedures.

2. Background (including outcomes of consultation)

- 2.1 The 2020/21 Pre-Audit outturn was approved at the Executive Board on 20 July 2021; this report and previous reports to Executive Board have consistently outlined the challenging financial environment within which the Council is operating due to sustained funding reductions, increased demand for services, the financial impact of Robin Hood Energy and the financial impacts of the Covid pandemic.
- 2.2 There are a number of influences that continue to impact on the current year budget and highlight the financial context that the Council is operating within, key factors from the previous year's outturn position include:
 - annual budget overspends each year from 2016/17 to 2019/20 inclusive including a net overspend in 2019/20 of **£6.8 million** of which **£2.9 million** was directly attributable to Covid;
 - an identified in-year budget gap for 2020/21 of **£71.2 million** driven by a funding gap in Covid expenditure and pressure from Robin Hood Energy which required the permanent release of **£38.7 million** reserves and **£31.3 million** of reserves that were to be borrowed and paid back (this was the subject of the Interim 2020/21 Budget, approved by Full Council in October 2020);
 - a pre Audit 2020/21 outturn position prior to capitalisation showing a favourable variance of **£18.7 million**, largely driven by a favourable variance of **£15.3 million** within the Adult Care and Local Transport portfolio;
 - an outturn position for 2020/21 post capitalisation of **£20 million** showing a favourable outturn of **£38.7 million**. This variance together with the Tranche 4 funding from Government has enabled **£31.3 million** borrowed from reserves, to be paid back in 2020/21 and the creation of a resilience / transformation reserve of **£16.8 million**; and
 - an estimated Covid funding gap from 2019/20-2020/21 of **£19.4 million**.
- 2.3 The budget for 2021/22 was approved by Full Council on 8 March 2021 and the key assumptions are below:
 - net budget requirement of **£243.7 million**;
 - new 2021/22 budget savings of **£16.7 million**;
 - pressures of **£32.3 million**;
 - use of **£2.3 million** of reserves in order to balance the 2021/22 budget; and
 - a **4.99%** increase in Council Tax, **1.99%** Basic increase and **3.00%** Adult Social Care precept as permitted by Government for 2021/22. This equates to a Band D Council Tax of **£1,898.55**.
- 2.4 the Executive Board on 21 September 2021 approved the Quarter 1 2021/22 forecast outturn position. This report showed an adverse variance to budget of **£10.9 million** mainly due to adverse variances in the following areas:

- Children and Young People: **£5.2 million**, largely due to Children in Care demand pressures.
- Highways, Transport and Cleansing Services: **£3.3 million**, largely due to reduced income from Parking Services and Workplace Parking Levy.
- Companies: **£2.4 million** adverse, driven by reduced forecast company returns.

Quarter 2 2021/22 Forecast Outturn

- 2.5 The 2021/22 revenue budget was approved by the Full Council on 8 March 2021. This periodic report summarises the current assessment of the Council's forecast outturn for the General Fund and HRA. Some report tables may not sum exactly due to rounding.
- 2.6 Forecasting is risk-based, reflecting the diverse nature of the Council's activities and the wide range of issues impacting on the financial position. **Table 1** shows the current forecast adverse variance to budget of **£2 million** and is based on the ledger position as at 30 September 2021.
- 2.7 On 26 April 2021, Full Council noted the change in Portfolio responsibilities and the latest budget monitoring position in **Table 1** reflects the new Portfolios. The 2020/21 outturn variance column has been restated as per the new Portfolios.

Table 1 : Current Forecast (Qtr2) Outturn as at 30 September 2021				
Outturn variance 20/21	Portfolio	Forecast Outturn (Qtr1)	Forecast Outturn (Qtr2)	Qtr1 to Qtr2 change
£m		£m	£m	£m
(15.406)	Adults & Health	(1.324)	(4.209)	(2.885)
0.887	Housing, Planning & Heritage	(0.146)	(0.437)	(0.291)
(0.063)	Children & Young People	5.231	3.663	(1.568)
(2.216)	Leisure, Culture & Schools	1.447	0.860	(0.587)
(0.437)	Neighbourhoods, Safety & Inclusion	(0.253)	(1.831)	(1.578)
(2.567)	Highways, Transport & Cleansing Services	3.301	2.650	(0.651)
(0.772)	Skills, Growth & Economic Development	0.858	1.223	0.365
(3.862)	Finance & Resources	1.190	0.451	(0.739)
(3.248)	Energy, Environment & Waste Services	0.354	0.072	(0.282)
(0.030)	Strategic Regeneration & Communications	0.160	(0.521)	(0.681)
(27.714)	Total Portfolio	10.818	1.920	(8.898)
4.088	Companies	2.370	2.316	(0.054)
4.976	Corporate	(2.312)	(5.216)	(2.904)
-	Pay award 21/22	-	3.000	3.000
(18.650)	Total	10.876	2.020	(8.856)
(20.000)	Capitalisation			
(38.650)	Total variance post capitalisation			

Headline Portfolio Forecast Variances

- 2.8 The **£1.9m** adverse Portfolio variances are driven by the following key reasons:
- Children and Young People **£3.7 million** adverse variance due largely to Children in Care demand pressures of **£5.1 million** partially offset by favourable staffing and agency costs within Other Children's Services.
 - Highways, Transport and Cleansing Services **£2.7 million** adverse variance due to **£2.3 million** overall reduced income from Parking Services and **£0.6 million** in fewer licences issued from the Workplace Parking Levy.
 - Skill, Growth and Economic Development **£1.2 million** adverse variance due to **£0.9 million** adverse variance in Markets and a **£0.3 million** income pressure within Economic Development.
 - Leisure, Culture and Schools **£0.9 million** adverse variance, **£1.4 million** adverse variance within Theatre Royal and Concert Hall due to an estimated income loss following extended Covid restrictions. Partially offset by favourable variance within Sports and Leisure **£0.4 million** and Libraries **£0.3 million**.
 - Adults and Health **£4.2 million** favourable variance, largely due favourable variances in Care Purchasing Budgets **£2.3 million**, balance sheet / accruals review **£1 million** and the continuation of the Independent Living Fund (ILF) grant of **£0.7 million**.
 - Neighbourhoods, Safety and Inclusion **£1.8 million** favourable variances, largely due to a favourable **£1.3 million** Contain Outbreak Management Fund (COMF) allocation and the impact of enhanced spending controls.
- 2.9 Wholly-owned council Companies are showing an adverse variance of **£2.4 million**, largely due to:
- Thomas Bow - **£1 million** because of acquisition costs which are unable to be capitalised.
 - Nottingham City Homes - **£1 million** due to new build investment assumptions.
 - EnviroEnergy - **£0.3 million**, non-achievement of budget assumption.
- 2.10 The Corporate favourable variance of **£5.2 million** is due to:
- a favourable variance of **£2.8 million** in Treasury Management activities due to lower than anticipated borrowing requirements;
 - release of the Corporate Contingency budget of **£1.5 million**;
 - higher than budgeted income forecast from the Government's sales, fees and charges Covid compensation scheme **£1.4 million**; and
 - an adverse variance of **£0.6 million** due to the cost of Depreciated Replacement Cost (DRC) valuation work needed to support the Council's Statement of Accounts.
- 2.11 When the 2021/22 budget was set, a pay freeze (with the exception of a £250 increase for salaries less than £24,000) was expected and therefore no budget provision beyond this exception was included. Since then, the Government has consulted the Trades Unions on a pay award and although this has not yet been agreed, for the purposes of the Quarter 2 forecast, a pay award of **2.75%** at the lowest point and **1.75%** on all other points has been assumed with an estimated cost of **£3 million**.
- 2.12 **Appendix A** details the absolute budget amounts and forecasted outturn position and detailed service variances of +/-£50k are included at **Appendix B**.

General Reserves and possible impact of a 2021/22 adverse outturn to budget

2.13 The general reserve provides a financial safety net to cover above-budget costs during the year. Variations in the forecast outturn will impact on general reserves. Favourable variances increase reserves and adverse variances decrease them. **Table 2** below shows the potential impact of the current medium case forecast variance on the general reserve, reducing it from **£12.6 million** as at 1 April 2021 to **£10.6 million** on 31 March 2022.

Item	£m
Balance as at 31 March 2021	49.092
Repayment of remaining borrowed reserves	(20.592)
Resilience / Transformation Reserve	(16.856)
MTFP Assumption	1.000
Balance as at 1 April 2021	12.643
Qtr2 forecast overspend position	(2.020)
Potential balance at 31 March 2022	10.623

2.14 The Robustness of the Budget statement (Annex 5 from the 2021/22 Budget and Medium Term Financial Outlook) approved by February 2021 Executive Board states that the general fund balance should be **£12.6 million** and increase by **£1 million** per annum for the duration of the Medium Term Financial Plan (MTFP). The Council is committed to delivering an on budget outturn for 2021/22 and in year mitigations will be required to ensure that the General Fund reserve is maintained in line with the MTFP assumptions.

Actions required to address the forecast adverse variance to Budget

2.15 Portfolio Holders, Budget Managers and the CLT are accountable for delivering services on budget including the delivery of existing budget savings. To compensate for the overall adverse variance, it may be necessary to deliver alternative savings to those predicted. However, appropriate consultation will take place as required.

2.16 There are a number of spending controls that have been in place for a considerable period of time and these reflect the ongoing challenging financial position of the Council. These include ensuring that correct procurement procedures are followed by the raising of Purchase Orders and that only essential spend is incurred. These will continue and the Section 151 Officer has put in place the following enhanced spending controls:

- a) no new expenditure will be permitted, with the exception of that funding statutory services, including safeguarding vulnerable people and funds already identified for invest to save purposes;
- b) the Council will immediately freeze all staff, agency and interim vacancies – some operation critical groups of employees will be excluded and a panel will convene weekly to consider urgent requests;
- c) existing commitments and contracts will continue to be honoured but not extended unless a legal obligation would be breached;
- d) Council officers must carry out their duties in line with contractual obligations and to acceptable standards, while being aware of the financial situation;
- e) any spending that is not essential or which can be postponed should not take place and essential spend will be monitored;

- f) the only allowable expenditure permitted under these measures will include the following categories:
- i. expenditure required to deliver the Council's provision of statutory services at a minimum reasonable level including urgent expenditure required to safeguard vulnerable citizens;
 - ii. emergency expenditure needed to protect 'life and limb';
 - iii. existing staff payroll and pension costs;
 - iv. expenditure on goods and services which have already been received;
 - v. expenditure required through existing legal agreements and contracts;
 - vi. expenditure funded through ring-fenced grants; and
 - vii. expenditure necessary to achieve value for money and/or mitigate additional in year costs including invest to save monies; and
- g) any other requests falling outside these will need to be signed off by either the Chief Executive or the Corporate Director for Finance and Resources.

2.17 The Section 151 Officer has instigated a number of internal measures to ensure regular monthly monitoring of the budget, this includes the creation of monthly Budget Review and Oversight Group meetings. These meetings are between Senior Officers and Councillors to review the budget forecasts each month. This is in addition to monthly statements to CLT and Executive Panel detailing the latest forecast position and regular updates to the Improvement and Assurance Board (IAB).

2.18 November 2021 Executive Board approved a progress report on the Council's Medium Term Financial Plan (MTFP). The MTFP assumed a **£2 million** overspend in 2021/22 adding to the 2022/23 budget gap. The Council is committed to delivering a balanced budget outturn for 2021/22 and the impact of the enhanced spending controls is expected to continue to drive down the overspend. February 2022 Executive Board will be presented with an updated budget monitoring statement for 2021/22 and improvements to the in-year position will contribute to closing the 2022/23 budget gap.

Corporate Contingency

2.19 The 2021/22 Budget included a Corporate Contingency of **£1.5 million**. The Quarter 2 forecast assumes full release of the Corporate Contingency budget as part of planned mitigations to ensure an on budget outturn.

2.20 The progress report on the Medium Term Financial Plan (MTFP) 2022/23 to 2025/26 approved by November 2021 Executive Board includes a proposal to remove the annual Corporate Contingency budget from each year of the MTFP.

2.21 Directorate budgets will be required in future to manage any contingency items within their allocated budgets.

Movement in Resources

2.22 Transfers of services between directorates and/or portfolios are reflected within the monitoring figures. Some transfers are before the change in Executive arrangements approved at Full Council in April 2021 so refer to previous portfolios that were in place until then. These movements of resources now require approval and are detailed in **Appendix D**.

Movements in Earmarked Reserves

- 2.23 Earmarked reserves, by their very nature, are set aside for specific purpose and it should be noted that the Council's earmarked reserves include a number of reserves with specific grant conditions attached to them which ensures that they can only be used for specific expenditure.
- 2.24 In response to the Council's financial position the Section 151 / Deputy Section 151 Officer now approves all movements within reserves and this process takes place quarterly. Earmarked reserves as at 31 March 2021 were **£157.1 million** and the general fund balance was **£49.1 million**. The increase in the general fund balance of **£37.5 million** was due to the 2020/21 outturn underspend and in 2021/22 this has been transferred to earmarked reserves.
- 2.25 In year movements amount to a net draw down from reserves of **£31.8 million**. This is largely due to a **£30.8 million** release to the Collection Fund of a Business Rate relief grant. The Council in 2020/21 received **£30.8 million** Business Rate relief grant as part of Central Government's response to the pandemic however primarily relates to 2021/22.
- 2.26 The earmarked balance on reserves as at 30 September is **£162.8 million**. Further details on the movements are contained within **Appendix E**.

3 Housing Revenue Account

- 3.1 A budget for the HRA was approved at the 8 March 2021 Full Council meeting, which would result in a Working Balance of **£7.7 million** at 31 March 2022.
- 3.2 The actual position of the Working Balance carried forward from 2020/21 was **£9.5 million**, which was an increase of **£1.6 million** to that reported in the 2021/22 Budget of **£7.9 million** as in **Table 3** below.

Table 3 : HRA – Updated Working Balance 31/3/2021	
	£m
Estimated balance at 31 March 2021	7.870
Working Balance brought forward from 2020/21	1.577
Actual balance at 31 March 2021	9.447

- 3.3 The latest position for the HRA in 2021/22 is shown in **Table 4** below. The main variance is an increase in rental income (favourable **£0.4 million**) due to slower than projected Right to Buy (RTB) sales and increased rent income. Underspends in retained teams staffing budgets contribute to the savings in 'Management'. The impact is to increase the projected Working Balance at 31/3/2022 from **£9.5 million** to **£9.8 million**.

Description	2021/22: original budget £m	2021/22: Q2 forecast £m	Variance to original budget £m
Income:			
Rent income including bad debt provision	(95.306)	(95.702)	(0.396)
Service charges & other income	(11.610)	(11.609)	0.001
Total Income	(106.916)	(107.311)	(0.395)
Expenditure:			
Management & Repairs	60.901	60.696	(0.206)
Capital charges	46.256	46.256	0.000
Total Expenditure	107.157	106.952	(0.206)
Deficit / (Surplus)	0.241	(0.360)	(0.601)
Working balance B/F	7.870	9.447	1.577
Working Balance C/F	7.629	9.807	2.178

4 Debtors Monitoring (Appendix C)

Housing Rents

- 4.1 The in-year collection rate for Quarter 2 2021/22 is **96.3%**, an improvement of **0.5%** on Quarter 1 however is below the target of **98.5%**. Comparisons to last year are misleading due to the start of the pandemic as two rent free weeks were brought forward to first two weeks in April.

There are still a high number of residents who receive legacy benefits that will need to migrate over to Universal Credit (UC).

The average increase in UC claims as shown by the National Benchmarking data was **9%** in comparison to the **49.6%** increase seen by Nottingham City Homes (NCH). There is an estimate **6,576** NCH tenants aged under 65 who will be migrated over to UC in the next three years. This migration to UC will contribute to the increase in rent arrears, this is because of a five week wait for UC claimants to receive their first payment which impacts on the arrears levels. The UC team continues to provide intensive support to all new UC claimants.

Council Tax

- 4.2 Collection at the end of Quarter 2 2021/22 was **50.5%**, which is **0.6%** above the profiled target. This is a decrease of **0.2%** when compared to financial year 2020/21. Collection amounted to **£78.8 million** compared to a collection of **£73.4 million** for the same period in financial year 2020/21. Net debt collectable over the two financial years has increased from **£142.5 million** in 2020/21 to **£156.0 million** in 2021/22.

National Non-Domestic Rates (NNDR)

- 4.3 Collection at the end of Quarter 2 2021/22 was **43.9%**, **11.6%** below the profiled target. Collection amounted to **£49.0m**, compared to collection of **£36.6m** for the same period in

financial year 2020/21. Net debt collectable for the year has increased significantly (due to the ending of the 100% award of Expanded Retail, Hospitality and Leisure Discount from end June 2021, reverting to **66%** for the remainder of the financial year) from **£79.4 million** in 2020/21 to **£111.8 million** in 2021/22.

Sundry Income

- 4.4 The percentage of debts collected within 90 days in the 12 months to September 2021 is **74.9%**, which is below the target of **99%** and below the corresponding figure for 2020/21 of **83.2%**.

The debtor day indicator (which shows how quickly debts are recovered) is currently **30** days, which is better than the **32.3** day target and an improvement on the corresponding figure for 2020/21 of **43.0** days.

As this rolling 12 month period covers the migration to the new finance system, performance against these indicators will be closely monitored to see if migration to the new system has impacted this Quarter's performance.

There is significant work on-going to improve debt collection rates in the Council's finance system, with particular focus on the implementation of Advanced Collections functionality as part of the new Oracle system which went live in April 2021. Advanced Collections is a debt management tool that will provide vastly improved debt collection functionality, enabling tailored debt strategies to be built for different types of debt.

Adult Residential Services

- 4.5 Collection for Quarter 2 2021/22 is **97.8%**, **0.2%** higher than Quarter 1 2021/21 and consistently above the target of **97.5%**.

Estate Rents

- 4.6 The collection rate of **95.3%** is below the target of **97.5%**, (the target was set pre Covid), but is above the collection rate for the same period last year **95.2%**.

5 Capital Programme Update

Mid-year Spend Update and Comparison with Prior Years

- 5.1 Actual capital expenditure incurred at Quarter 2 is **18.5%** of the projected outturn position for 2021/22. This is in comparison to prior year capital spend at Quarter 2 ranging from **22.7%** to **28.3%** and based on performance in previous years, there is a significant risk of slippage that may only emerge and be reported later in the financial year.

Capital Programme	Current Year (21/22)			Prior to Qtr2 to Outturn Position		
	Forecast £m	Spend to Qtr2 £m	%	2020/21 %	2019/20 %	2018/19 %
General Fund						
Transport Schemes	40.406	8.503	21.04%	28.99%	18.62%	43.12%
Education	8.808	1.686	19.14%	73.24%	58.07%	25.73%
Other Services	67.359	7.067	10.49%	27.96%	25.83%	17.91%
Planned Projects	0.486	0.000	0.00%	0.00%	0.00%	0.00%
Subtotal General Fund	117.059	17.256	14.74%	29.71%	25.80%	21.23%
Public Sector Housing	52.888	14.147	26.75%	19.77%	35.61%	26.50%
Total	169.947	31.403	18.48%	27.23%	28.30%	22.73%

General Fund Movements and Quarter 2 Position

5.2 Slippage of **£11.4 million** is forecast on the general fund programme and this will be rephased into 2022/23. Additionally, scheme underspends of **£1.2 million** are forecast and will reduce the overall value of the programme over the 4 year period. This will be captured as part of the capital programme budget setting process for 2022/23 onwards. The main changes are set out in **Table 6** and relate to the following schemes:

- Approvals:
 - Welbeck Key Stage 2 scheme **£0.1 million**
 - Sneinton Community Centre **£0.1 million**
- Slippage from 2021/22:
 - Transport schemes (**£5.1 million**)
 - Loan to NCH-E Ltd in relation to Laura Chamber Lodge (**£1.8 million**)
 - Nottingham Castle slippage (**£0.6 million**)
 - Other movements under **£0.5 million** equate to (**£4.1 million**)

Scheme	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Approved Schemes						
Transport Schemes	40.406	56.346	9.300	0.000	0.000	106.052
Education	8.808	0.300	0.000	0.000	0.000	9.108
Other Services	67.359	29.786	18.531	7.780	8.120	131.576
Category 2 - Planned Schemes	3.142	20.076	12.685	7.709	7.390	51.002
Qtr2 Forecast	119.715	106.508	40.516	15.489	15.510	297.738
Qtr1 Forecast	131.112	96.110	39.950	15.889	15.911	298.972
Increase / (Decrease) in Programme	(11.397)	10.398	0.566	(0.400)	(0.401)	(1.234)

5.3 Following the Quarter 2 monitoring exercise with project managers the General Fund Capital Programme is forecasting expenditure of **£297.7 million** over the programme period. It is worth noting that the Council has a number of large schemes outside the current Capital Programme which could change the forecast and funding split

significantly (e.g. District Heating and Broadmarsh Redevelopment). **Table 7** below details the quarter 2 position.

Scheme	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Approved Schemes						
Transport Schemes	40.406	56.346	9.300	0.000	0.000	106.052
Education	8.808	0.300	0.000	0.000	0.000	9.108
Other Services	67.359	29.786	18.531	7.780	8.120	131.576
Category 2 - Planned Schemes	3.142	20.076	12.685	7.709	7.390	51.002
Total Programme	119.715	106.508	40.516	15.489	15.510	297.738
Resources Available						
Prudential Borrowing	(30.386)	(9.693)	0.000	0.000	0.000	(40.079)
Grants & Contributions	(81.318)	(74.082)	(26.506)	(8.901)	(8.899)	(199.706)
Internal Funds / Revenue	(4.529)	(5.182)	(2.459)	(0.489)	(0.417)	(13.076)
Secured Capital Receipts	(3.482)	0.000	0.000	0.000	0.000	(3.482)
Unsecured Capital Receipts	0.000	(17.551)	(11.551)	(6.099)	(6.194)	(41.395)
Total Resources	(119.715)	(106.508)	(40.516)	(15.489)	(15.510)	(297.738)

Public Sector Housing Movements and Quarter 2 Position

5.4 Slippage of **£9.9 million** is forecast on the general fund programme and this will be rephased into 2022/23. Additionally, scheme underspends of **£0.1 million** are forecast and will reduce the overall value of the programme over the 4 year period. This will be captured as part of the capital programme budget setting process for 2022/23 onwards. This programme had no approvals additions in Quarter 2, the main changes are set out in **Table 8** and relate to the following schemes slipping from 2021/22:

- Energy projects slipping **£4.6 million**
- New Build projects slipping **£1.3 million**
- Works on existing housing stock slipping **£4.1 million**

Scheme	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Approved Schemes	52.805	75.439	51.217	33.497	29.512	242.470
Planned Schemes	0.083	3.400	1.000	1.000	0.000	5.483
Qtr2 Forecast	52.888	78.839	52.217	34.497	29.512	247.953
Qtr1 Forecast	62.859	71.108	51.293	33.667	29.113	248.040
Increase / (Decrease) in Programme	(9.971)	7.731	0.924	0.830	0.399	(0.087)

5.5 Following the Quarter 2 monitoring exercise with project managers the Public Sector Housing Capital Programme is forecasting the following position expenditure of **£248 million** over the programme period. The decrease in financial years 2024/25 and 2025/26 is due to current energy and new build projects being completed meaning

the remaining programme is predominately maintenance of existing housing stock. **Table 9** below details the quarter 2 position.

Scheme	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Category 1 - Approved Schemes	52.805	75.439	51.217	33.497	29.512	242.470
Category 2 - Planned Schemes	0.083	3.400	1.000	1.000	0.000	5.483
Total Programme	52.888	78.839	52.217	34.497	29.512	247.953
Resources Available						
Prudential Borrowing	(10.696)	(11.637)	(8.347)	(2.973)	0.000	(33.653)
Grants & Contributions	(2.722)	(5.147)	(0.283)	0.000	0.000	(8.152)
Major Repairs Reserve	(32.085)	(48.878)	(36.850)	(29.506)	(29.477)	(176.796)
Revenue Resources	0.000	0.000	0.000	0.000	0.000	0.000
Capital Receipts - HRA	(0.336)	(3.727)	(0.602)	(0.035)	(0.035)	(4.735)
Replacement Capital Receipts	(7.048)	(9.450)	(6.135)	(1.982)	0.000	(24.615)
Total Resources	(52.887)	(78.839)	(52.217)	(34.496)	(29.512)	(247.951)

Control Total Update

- 5.6 **Table 10**, confirms that the Council is within the capital control totals approved at Executive Board February 2021.

Funding	Control Total per Exec Board Feb-21 £m	Forecast at Qtr2 2021/22 £m	Forecast (Under) / Over Control Total £m
General Fund			
Forecast Borrowing (exc. Capitalisation)	(98.947)	(91.521)	(7.426)
Capital Receipts	(53.175)	(51.722)	(1.453)
Public Sector Housing			
Forecast Borrowing	(51.428)	(43.963)	(7.465)
Major Repairs Reserve	(195.604)	(195.501)	(0.103)

The headroom within the forecast borrowing is not immediately available to the Council for alternative schemes. In line with the Council's approved Capital Strategy, new borrowing will only be considered when the Council's debt is at a sustainable level and all commitments / pressures in the capital programme have been mitigated.

Debt Reduction Position / Forecast

- 5.7 **Table 11** below reforecasts the Council's debt position taking into account the movements in the Capital Programme and the use of Capital Receipts to repay debt / replenish reserves. As indicated in **Table 11** the Council is forecasting an improved position from the original Voluntary Debt Reduction Policy (VDRP) approved in February 2021.

Table 11 : Movements / Impact on the VDRP			
Debt Measurement	VDRP Original Forecast £m	Debt / VDRP Qtr2 Actual & Forecast £m	Movement (Under) / Over £m
CFR			
2020/21	1,443.50	1,411.60 (actual)	(31.90)
2021/22	1,434.20	1,402.84	(31.37)
2022/23	1,390.60	1,350.56	(40.04)
2023/24	1,337.30	1,305.31	(31.99)
2024/25	1,272.50	1,243.92	(28.58)
External Debt			
2020/21	981.60	932.80 (actual)	(48.80)
2021/22	991.00	900.94	(90.06)
2022/23	986.20	887.54	(98.66)
2023/24	954.80	864.46	(90.34)
2024/25	927.40	840.01	(87.40)

6 Other options considered in making recommendations

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

7 Consideration of Risk

7.1 The consideration of risk is an integral part of the forecasting process and is based on a medium case scenario.

7.2 Continuous review and management of the budget and associated performance issues mitigate the risk of not achieving corporate priorities.

7.3 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; and
- all schemes will be subject to an independent internal 'Gateway review process'.

7.4 The 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.

- 7.5 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; and
 - the successful outcome and benefits realisation of capital projects.

8 Finance colleague comments (including implications and value for money/VAT)

- 8.1 The financial implications are considered throughout this report.

9 Legal colleague comments

- 9.1 Given that this is predominantly a finance review report, the recommendations contained within it raise no significant legal issues and are supported. However, it is important that whilst recognising the requirement to deliver on its statutory obligations, it is equally important that, as far as is reasonably possible, the Council also seeks to remain within its approved budget for the 2021/22 financial year.

Advice provided by Malcolm R. Townroe, Director of Legal and Governance, on 10 December 2021.

10 Equality Impact Assessment (EIA)

- 10.1 An EIA is not required because the report does not contain proposals for a new or changing policy, service or function.

11 Data Protection Impact Assessment (DPIA)

- 11.1 A DPIA is not required because the report does not relate to the collection of data.

12 Carbon Impact Assessment (CIA)

- 12.1 Not applicable.

13 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

- 13.1 None.

14 Published documents referred to in this report

- 14.1 Medium Term Financial Plan 2022/23 to 2025/26 – 16 November 2021 Executive Board
<https://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=177&MId=9111>
- 14.2 Review of 2021/22 Revenue and Capital Budgets at 30 September 2021 (Quarter 1) – 21 September 2021 Executive Board

<https://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=177&MId=9109>

14.3 Pre-Audit Corporate Financial Outturn 2020/21 – 20 July 2021 Executive Board

<https://committee.nottinghamcity.gov.uk/documents/s124628/Pre-audit%20Corporate%20Financial%20Outturn%20202021.pdf>

14.4 Appointments, remits and first meetings of Committees and Joint Bodies 2021/22 – 26 April 2021 Full Council

<https://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=155&MId=8988>

14.5 2021/22 Budget – 8 March 2021 Full Council

<https://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=155&MId=8633>

14.6 Budget 2021/22 and Medium Term Financial Outlook - 23 February 2021 Executive Board

<https://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=177&MId=8590>

Budget Monitoring 2021/22 – as at 30 September 2021

Appendix A

Portfolio	Budget as at 30 September 2021 £m	Estimated Outturn £m	Variance (favourable) / adverse £m
Adults & Health	77.886	73.677	(4.209)
Housing, Planning & Heritage	7.545	7.109	(0.437)
Children & Young People	64.601	68.263	3.663
Leisure, Culture & Schools	14.518	15.378	0.860
Neighbourhoods, Safety & Inclusion	13.073	11.243	(1.831)
Highways, Transport & Cleansing Services	11.718	14.368	2.650
Skills, Growth & Economic Development	1.522	2.745	1.223
Finance & Resources	22.425	22.876	0.451
Energy, Environment & Waste Services	17.919	17.991	0.072
Strategic Regeneration & Communications	(13.953)	(14.474)	(0.521)
Total Portfolio	217.254	219.176	1.920
Companies	(1.602)	0.714	2.316
Corporate (including 2021/22 pay award)	28.091	25.875	(2.216)
Total	243.744	245.764	2.020

Portfolio Variances +/- £50k**Adults & Health Portfolio – overall favourable forecast of £4.2m (improvement of £2.9m from Quarter 1)**

Favourable forecast position based on the following:-

- **Care Purchasing budgets - £2.3m** favourable based on the latest care package information and a set of agreed principles.
- **Balance Sheet/Accrual Reconciliation – £1.0m** favourable variance following a review of accruals and actual activity to date.
- **Grants – £0.7m** favourable following the closure of the Independent Living Fund (ILF) in June 2015, the government agreed to continue funding pre-existing ILF arrangements and the grant has been extended to 2021/22. The 2021/22 budget assumed no ILF grant.
- **Staffing & Internal provision £0.2m favourable** – due to recruitment and retention issues across the service, alignment of Contain Outbreak Management Fund (COMF) funding however this is partly offset by additional agency costs / budget earmarked for external review work.
- **Running Costs – £0.2m** favourable forecast against contractual spend due to further grant maximisation.
- **Savings - £0.1m** adverse – due to shortfall against **£3m** Commissioning savings target due to delay in Contract savings decision being agreed.

Housing, Planning & Heritage Portfolio – overall favourable forecast of £0.4m (improvement of £0.3m from Quarter 1)**Planning £0.5m favourable**

Favourable variance on income within Planning of **£0.4m** and a small favourable variance in the Geographical Information Systems team mainly due to vacancies.

Community Protection (Safer Housing) £0.1m adverse

Small overspend projected.

Children & Young People Portfolio - overall adverse forecast of £3.7m (improvement of £1.6m from Quarter 1)**Children in Care (CIC) / Placements £5.1m adverse**

Increase in CIC Demand **£5.1m** and is leading to a significant increase in external placement costs

Other Children's Services – £1.4m favourable

Favourable position within staffing and agency assumptions and grant maximisation.

Leisure, Culture & Schools Portfolio – overall adverse forecast of £0.9m (improvement of £0.6m from Quarter 1)

Theatre Royal & Concert Hall - £1.4m adverse

Adverse forecast due to closure until 11 June 2021 and not fully operational until 5 August and the associated estimated income loss.

Sport & Leisure - £0.4m favourable

Favourable variances in income generation due to a forecast increases within the customer base. Net reduction in costs associated with the enhanced spending controls through management of vacancies and postponing expenditure.

Libraries - £0.3m favourable

The variance is due to staffing savings from reduced opening times and management of vacancies, acceleration of future savings and reduced expenditure on the Book Fund and other operational resources in accordance with the recent spending restrictions.

Events & Goose Fair - £0.2m adverse

Largely due to the impact of event cancellations including Splendour, Riverside Festival, the Nottingham Beach and Goose Fair due to the continuing impact of the pandemic.

Neighbourhoods, Safety & Inclusion Portfolio – overall favourable forecast of £1.8m (improvement of £1.6m from Quarter 1)

Community Protection – favourable forecast of £1.8m

This is driven predominantly from the inclusion in the forecast of the Contain Outbreak Management Fund (COMF) of £1.3m.

Short term favourable variance due to the impact of the enhanced spending controls by ensuring vacancies are managed where possible, and running at a minimum where the service can still fulfil duties.

Highways, Transport & Cleansing Portfolio – overall adverse forecast of £2.7m (improvement of £0.7m from Quarter 1).

Education – £0.1m favourable

Small favourable variances within income and staffing savings.

Workplace Parking Levy (WPL)/Charge £0.6m adverse

Adverse variance due to the reduction in licenses

Parking Services: £0.8m adverse

- Covid pressure of £0.9m due to a £0.6m income pressure and £0.3m adverse variance in running costs due to 24 hour guard requirements at Multi Storey Car Parks.
- Business as usual favourable forecast of £0.1m – from reductions in bank charges, only completing urgent Health & Safety work & WPL consultancy

Parking Services – Broadmarsh £1.5m adverse

Largely due to an adverse variance on parking income.

Street Scene & Grounds Maintenance - £0.1m favourable

Favourable variances following the implementation of enhanced spending controls.

Transport & Fleet - £0.4m adverse

Cost pressure due to additional Covid measures e.g. vehicle sanitisation and an overspend on Public Realm and Domestic Waste fleet due to fuel and parts inflation.

Traffic £0.4m favourable

Favourable income variances.

Skills, Growth & Economic Development Portfolio – overall adverse forecast of £1.2m (worsening by £0.4m from Quarter 1)**Markets - £0.9m adverse**

Adverse forecast due to unbudgeted pressure regarding the service charge increase in 2015, and the reduced income. Reduced income at Victoria Centre Market (VCM) (occupancy at 48%), and Neighbourhood Markets due to reduced footfall and unable to hold Car Boot Sales due to restrictions making it unviable. The forecast assumes **£0.1m** of urgent repairs and maintenance costs.

Economic Development – £0.3m adverse forecast

Park Row income pressure of £0.3m.

Finance & Resources Portfolio – overall adverse forecast of £0.5m (improvement of £0.7m from Quarter 1)**Nottingham Catering - £0.3m adverse**

Largely due to an adverse forecast within Schools Catering of **£0.2m** from losing 5 Multi Academy Trust school contracts in November 2020, however this has in part been mitigated as a result of the spending controls. Commercial Catering adverse variance of **£0.1m** as it is now assumed that a number of the commercial catering sites won't reopen in 2021/22 due to reduced footfall and it not being economically viable.

Finance £0.4m adverse:

- **£0.4m** adverse in Revenues & Benefits as reported to Executive Board in June 21
- **£0.3m** adverse due to East Midlands Shared Services contract
- **£0.2m** favourable additional grant maximisation within Commercial Finance and Welfare Rights

Human Resources £0.2m favourable

Largely due to a **£0.4m** favourable forecast within the Employability budgets where focus in on the Kick-start scheme rather than apprenticeships. This favourable variance has been partially offset by adverse salary variances, loss of income within Employee Wellbeing, additional HR training and pay benchmarking work and Works Perks savings.

Strategy & Policy £0.2m favourable

Largely due to a pre-payment accrual omission in 2020/21 resulting in a **£0.1m** benefit in 2021/22 and small vacancy savings.

Energy, Environment & Waste Portfolio – overall adverse forecast of £0.1m (improvement of £0.3m from Q1)

Waste Management £0.5m adverse

Adverse variance within Trade Waste due to increased costs from disruption at the incinerator, vehicle running cost inflation and the LGV market supplement.

This is in part offset by cost savings resulting from enhanced spending controls.

Customer Services £0.5m favourable

Favourable variance of **£0.5m** from Covid grants (COMF, self-isolation and Clinically Extremely Vulnerable) where existing budgeted costs have been allocated to grants. This is offset by **£0.1m** estimated additional excess deaths body storage costs not known in 2020/21. Work is being carried out to fully quantify this with Nottinghamshire County Council.

Strategic Regeneration & Communications Portfolio – overall favourable forecast of £0.5m (improvement of £0.7m from Q1)

Strategic Assets & Property £0.4m favourable

A review of outstanding debt has shown a reduction in debt owing which has enabled a part release of the bad debt provision. Payments against the Quarter 3 invoices will be closely monitored. This is partially offset by **£0.2m** of additional costs within the Broadmarsh car park/bus station project.

Communications & Marketing £0.3m favourable

£0.3m forecast underspend due to already budgeted costs allocated to Public Health in year.

Growth & City Development Directorate and Commercialism Schemes £0.2m adverse

An adverse variance due to unachieved budget savings.

Companies £2.3m adverse (improvement of £0.1m from Quarter 1)

The adverse position is due to:

- Thomas Bow **£1.0m** adverse, **£0.8m** due to acquisition costs that can't be capitalised. **£0.1m** unachieved Highway Services Commercialisation budget saving and **£0.1m** prudential borrowing acquisition cost repayment not achieved.
- Nottingham City Homes adverse forecast of **£1.0m** due to the new build investment assumption of **£1.0m**
- Enviroenergy **£0.4m** adverse due to non achievement of budget assumption, the budgeted income is required to fund the Network Leasing Charge

Corporate Items £5.2m favourable (improvement of £2.9m from Quarter 1)

Largely due to variances within:

- Treasury Management **£4.1m** favourable driven by reduced borrowing costs however this has in part been offset by **£1.3m** which is the 2021/22 cost of **£20m** capitalisation in 2020/21.
- Full release of the **£1.5m** Corporate contingency budget to support the outturn position. This results in no Corporate contingency budget for 2021/22 and

therefore any contingency costs will need to be covered by existing departmental budgets.

- The Sales, Fees and Charges Government Covid compensation claim has been submitted for **£2.9m**, this is **£1.4m** more than the budgeted assumption of **£1.5m**.
- **£0.1m** favourable variance from repaying all borrowed reserves in 2020/21 rather than phased across a number of years (**£2.4m**) less **£2.3m** non-use of the resilience reserve to support the 2021/22 budget.
- **£0.6m** adverse variance for the cost of external valuers in respect of Depreciated Replacement Cost assets for 2020/21 to 2021/22.

2021/22 Pay Award - £3.0m adverse (new item for Quarter 2 forecast)

Potential impact of the pay award based on the current known offer of 2.75% for the lowest grades and 1.75% thereafter has been included within the corporate forecast.

Debtors Monitoring to September 2021

Quarterly Performance Review - 2021-22	Q1	Q2
BVPI 66a - Housing Rent Collection (%) <i>(cumulative - current tenants only)</i>		
Actual <i>(arrears + debit)</i>	95.77	96.25
Target	98.50	98.50
Last Year Actual 2020/21	98.80	96.91
BVPI 9 - Council Tax Collection (%)		
Actual <i>(in year cumulative)</i>	26.20	50.50
Target	25.60	49.90
Last Year Actual 2020/21	25.80	50.71
BVPI 10 - NNDR Collection (%)		
Actual <i>(in year cumulative)</i>	26.65	43.91
Target	28.50	55.50
Last Year Actual 2020/21	22.56	44.84
Sundry Income Collection (%)		
Actual <i>(12 month rolling average)</i>	74.50	74.86
Target	99.00	99.00
Last Year Actual 2020/21	82.00	83.20
Sundry Income Debtor Days - General		
Actual <i>(12 month rolling average)</i>	37.00	30.00
Target	32.30	32.30
Last Year Actual 2020/21	43.00	41.00
Estates Rents Collection (%)		
Actual <i>(12 month rolling average)</i>	94.60	95.27
Target	97.50	97.50
Last Year Actual 2020/21	97.59	95.15
Adult Residential Services Collection (%)		
Actual <i>(12 month rolling average)</i>	97.60	97.80
Target	97.50	97.50
Last Year Actual 2020/21	97.30	97.50

Virements 2021/22 requiring Executive Board approval

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Prudential Borrowing technical adjustment	0.026	RS	FR	HTCS	F&R
	0.122	GCD	Corporate	within F&R	
	0.219	RS	Corporate	LCS	F&R
	0.089	Corporate	GCD	F&R	SRC
	0.401	Corporate	GCD	within F&R	
Contact Centre transfer between Sports & Leisure and Customer Services	0.288	RS	FR	LCS	EE&W
Realignment of Utilities Budgets	0.185	RS	GCD	LCS	EE&W
Savings realignment	0.020	FR	RS	HTCS	EE&W
	0.002	within RS		LCS	SG&ED
	0.010	within FR		F&R	EE&W
Employee budget realignment between Neighbourhood Development and Contracting & Employment	0.015	RS	FR	NSI	F&R
Passenger Transport & Meals Service realignment	0.397	RS	P	within HTCS	
Employability Team	0.628	within FR		SG&ED	F&R
Budget realignment within Strategy & Policy	0.006	within FR		F&R	CYP
	2.409				

Portfolio	Key	Department	Key
Adults & Health	AH	People	P
Highways, Transport & Cleansing Services	HTCS	Resident Services	RS
Children & Young People	CYP	Chief Executive	CX
Neighbourhoods, Safety & Inclusion	NSI	Growth & City Development	GCD
Energy, Environment & Waste Services	EE&W	Finance & Resources	FR
Finance & Resources	F&R		
Housing, Planning & Heritage	HPH		
Leisure, Culture & Schools	LCS		
Strategic Regeneration & Communications	SRC		
Skills, Growth & Economic Development	SG&ED		

Movement in reserves

Appendix E

Reserve Category	Reserve Name	Transfer Details	Recommended at Outturn (Exec Board July 2021) £m	Other Net Movement £m	Total £m
<u>Movement on Reserves included in the MTFP (Approved Executive Board February 2021)</u>					
Capital	Revenue Reserves for Capital	MTFP 21/22		0.200	0.200
	Revenue Implications of Capital Schemes	MTFP 21/22		(2.758)	(2.758)
		sub-total	0.000	(2.558)	(2.558)
Transformation	Treasury Management MRP Transformation of Services	MTFP 21/22		1.000	1.000
		sub-total	0.000	1.000	1.000
Private Finance Initiatives	NET City Reserve Fund	MTFP 21/22		2.583	2.583
		sub-total	0.000	2.583	2.583
Information Technology	IT Investment Fund	MTFP 21/22		(1.175)	(1.175)
		sub-total	0.000	(1.175)	(1.175)
Contingency & Risk	Collection Fund & Business Rates	MTFP 21/22		(1.892)	(1.892)
		sub-total	0.000	(1.892)	(1.892)
Total MTFP			0.000	(2.042)	(2.042)
<u>Movement on Reserves Recommended at Executive Board July 2021</u>					
Treasury Management	Treasury Management/Capital	Repay reserves borrowed for Interim Budget 20/21	(2.000)		(2.000)
	Capital Program Departmental Prudential Borrowing Reserve	Repay reserves borrowed for Interim Budget 20/21	(0.099)		(0.099)
		sub-total	(2.099)	0.000	(2.099)
Private Finance Initiatives	Street Lighting PFI	Repay reserves borrowed for Interim Budget 20/21	(6.500)		(6.500)
	NHS Local Imp Finance (LIFT)	Repay reserves borrowed for Interim Budget 20/21	(6.869)		(6.869)
	NHS LIFT (Bulwell)	Repay reserves borrowed for Interim Budget 20/21	(2.950)		(2.950)
		sub-total	(16.319)	0.000	(16.319)

Reserve Category	Reserve Name	Transfer Details	Recommended at Outturn (Exec Board July 2021) £m	Other Net Movement £m	Total £m
Capital	Revenue Reserves for Capital	Repay reserves borrowed for Interim Budget 20/21	(0.500)		(0.500)
	Area Capital - Public Realm	Repay reserves borrowed for Interim Budget 20/21	(0.174)		(0.174)
	Flexible Fitness Equipment	Repay reserves borrowed for Interim Budget 20/21	(0.500)		(0.500)
		sub-total	(1.174)	0.000	(1.174)
Contingency & Risk	Insurance Reserve	Repay reserves borrowed for Interim Budget 20/21	(1.000)		(1.000)
	Resilience Reserve	Exec Board July 21 outturn report	(16.856)		(16.856)
		sub-total	(17.856)	0.000	(17.856)
Total Movement on Reserves Recommended at Executive Board July 2021			(37.448)	0.000	(37.448)
<u>Movements in year approved by S151 Officer under new reserves process</u>					
Capital	Revenue Reserves for Capital	Capital Funding Correction		0.031	0.031
		DDM 3492		(0.237)	(0.237)
		Lace Market Car Park - Painting		0.150	0.150
	Feasibility Schemes	Final Harvey Hadden - changing rooms		0.004	0.004
		sub-total	0.000	(0.052)	(0.052)
Contingency & Risk	Resilience Reserve	S151 Review - from Contingency		(0.471)	(0.471)
		S151 Review - from Wireless Concession		(0.065)	(0.065)
		S151 Review – other movements		(0.042)	(0.042)
		Transfer to Transformation reserve		15.000	15.000
		sub-total	0.000	14.422	14.422

Reserve Category	Reserve Name	Transfer Details	Recommended at Outturn (Exec Board July 2021) £m	Other Net Movement £m	Total £m
Private Finance Initiatives	NET City Reserve Fund	Funding Correction 2020/21 - Capital Receipt Earmarked for Public Transport		(0.013)	(0.013)
		sub-total	0.000	(0.013)	(0.013)
Services	Services	S151 Review – transfer to Contingency & Risk		0.884	0.884
		sub-total	0.000	0.884	0.884
Contingency & Risk	Flood Risk Management	Capital Funding Correction		(0.010)	(0.010)
	Collection Fund & Business Rates	75% NNDR Income Losses - Compensation Grant 20/21		2.690	2.690
		Business rate & Covid grant		30.802	30.802
	Flood Risk Management	DDM3476 & DDM3976 Blue Green Infrastructure		0.216	0.216
	Contingency & Risk	S151 Review - transfer from Services		(0.884)	(0.884)
	Contingency Reserve	S151 Review - transfer to Resilience		0.471	0.471
		sub-total	0.000	33.285	33.285
Local Economy	Good to Great	S151 Review - transfer to Resilience		0.036	0.036
	Wireless Concession	S151 Review - transfer to Resilience		0.065	0.065
		sub-total	0.000	0.101	0.101
Asset Maintenance	Dragon Court	S151 Review - transfer to Resilience		0.006	0.006
	Mercury Filtration & Environment	Annual contribution		(0.106)	(0.106)
		sub-total	0.000	(0.100)	(0.100)
Information Technology	IT Investment Fund	DDM 3492		0.237	0.237
		sub-total	0.000	0.237	0.237
Transformation	Transformation	Transfer from Resilience reserve		(15.000)	(15.000)
		sub-total	0.000	(15.000)	(15.000)
Workforce	Workforce Reserve	Additional capacity to support workforce/budget programme in the new year		0.068	0.068
		sub-total	0.000	0.068	0.068
Total Operational Movements			0.000	33.832	33.832
Total Movements in Year to 30 September 2021			(37.448)	31.790	(5.658)

