

EXECUTIVE BOARD – 16 DECEMBER 2014

Subject:	REVIEW OF 2014/15 REVENUE AND CAPITAL BUDGETS AT 30 SEPTEMBER 2014 (QUARTER 2)		
Corporate Director(s)/ Director(s):	Glen O'Connell, Acting Corporate Director for Resources		
Portfolio Holder(s):	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration		
Report author and contact details:	Geoff Walker, Acting Director of Strategic Finance 0115 8763740 geoff.walker@nottinghamcity.gov.uk		
Key Decision	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Subject to call-in <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Significant impact on communities living or working in two or more wards in the City	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Total value of the decision: Nil			
Wards affected: All	Date of consultation with Portfolio Holder(s): Throughout July – September 2014		
Relevant Council Plan Strategic Priority:			
Cutting unemployment by a quarter	<input checked="" type="checkbox"/>		
Cut crime and anti-social behaviour	<input checked="" type="checkbox"/>		
Ensure more school leavers get a job, training or further education than any other City	<input checked="" type="checkbox"/>		
Your neighbourhood as clean as the City Centre	<input checked="" type="checkbox"/>		
Help keep your energy bills down	<input checked="" type="checkbox"/>		
Good access to public transport	<input checked="" type="checkbox"/>		
Nottingham has a good mix of housing	<input checked="" type="checkbox"/>		
Nottingham is a good place to do business, invest and create jobs	<input checked="" type="checkbox"/>		
Nottingham offers a wide range of leisure activities, parks and sporting events	<input checked="" type="checkbox"/>		
Support early intervention activities	<input checked="" type="checkbox"/>		
Deliver effective, value for money services to our citizens	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
This report provides an up to date assessment of the Council's current and forecast year end financial position for the General Fund revenue account, Capital Programme and the Housing Revenue Account (HRA) based on activity to the end of September 2014. The overall revenue position shows only a minor variation from approved budget.			
Strong financial planning and management are essential in the Council's work to commission, enable and provide value for money services to citizens to deliver corporate priorities.			
Exempt information:			
None			
Recommendation(s):			
1 To note:			
a) the overall current (medium case) forecast net overspend of £0.174m, as set out in paragraph 2.2 and Appendix A;			
b) the management action being taken to control the identified cost pressures across services, as set out in Appendix B;			
c) the progress on the implementation of cost reductions, invest to saves, pressures and income generation, as set out in paragraph 2.5;			
d) the forecast working balance of £4.000m on the HRA, as set out in paragraph 2.7;			
e) the forecast position on the Capital Programme, as set out in paragraph 2.9;			

	f) the Capital Programme projections at Quarter 2, as set out in paragraph 2.9;
	g) the additions to the Capital Programme listed in Appendix E;
	h) the variations to the Capital Programme listed in Appendix F;
	i) the refreshed Capital Programme, including schemes in development, and the unallocated resources of £10.061m, as set out in paragraph 2.9 (tables 7 and 9).
2	To approve the movements of resources set out in paragraph 2.6 and Appendix D.
3	To note and endorse the allocations from the corporate contingency as set out in paragraph 2.4.

1 REASONS FOR RECOMMENDATIONS

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

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 The 2014/15 revenue budget was approved by City Council in March 2014. This periodic report summarises the current assessment of the Council's forecast outturn of the General Fund and HRA. Some report tables may not sum exactly due to rounding.

2.2 **General Fund Revenue**

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 using best, medium and worst case scenarios and is based on the ledger position as at 30 September 2014 updated for known factors. **Appendix A** provides more detail and **Appendix B** explains the main variances.

OUTTURN 2013/14 £m ¹	Q1 MEDIUM £m	PORTFOLIO	(UNDER) / OVER SPEND		
			BEST £m	MEDIUM £m	WORST £m
(0.063)	0.000	Adults, Commissioning and Health	(2.205)	(1.595)	(1.168)
(0.906)	0.000	Children's Services	0.981	2.214	3.049
0.074	0.000	Community Safety, Housing and Voluntary Sector	(0.206)	0.054	0.264
(0.374)	0.000	Community Services	(0.168)	0.013	0.013
(0.259)	0.000	Energy and Sustainability	(0.100)	0.000	0.000
(0.018)	0.000	Jobs and Growth	0.000	0.000	0.031
(0.151)	0.080	Leisure and Culture	0.165	0.340	0.540
0.189	0.000	Planning and Transportation	(0.664)	(0.664)	(0.346)
(0.083)	0.560	Resources and Neighbourhood Regeneration	(0.421)	(0.189)	1.358
(0.337)	0.000	Strategic Regeneration and Schools	0.000	0.000	0.000
(1.928)	0.640	TOTAL PORTFOLIOS	(2.616)	0.174	3.741
(0.701)	0.000	Corporate budgets	0.000	0.000	0.000
(2.629)	0.640	NET COUNCIL POSITION	(2.616)	0.174	3.741
Change – best to medium			2.790		
Change – medium to worst			3.567		

Notes 1: outturn before carry forwards 2. Figures in brackets are underspends

2.3 General Reserves

These provide a financial safety net to cover above-budget costs during the year. Variations in forecast outturn will impact on general reserves. Underspends increase reserves and overspends decrease them. **Table 2** shows the potential impact of the current medium case forecast variance on general reserves.

TABLE 2: POTENTIAL IMPACT ON GENERAL RESERVES	
ITEM	£m
Balance at 01.04.14	9.600
Decrease in Reserves to medium case	0.174
Estimated Reserves at 31.03.15 (medium case)	9.426

The minimum level of opening reserves for 2014/15 was set at **£9.500m**. If general reserves fall below the minimum defined level, the shortfall has to be replenished when setting the budget for the following year. The recommended minimum level for next year will be advised by the Chief Finance Officer (CFO) based on the prevailing risk assessment of the financial position at that time.

Given the very challenging outlook for the medium term, officers are being advised to secure as many efficiency savings as possible in the current year and to likewise optimise income in order to support the Council's work in the future.

The level of reserves and the process for reserve transfers is currently being reviewed and reserve transfers for 2014/15 will be reported as part of the next monitoring report.

2.4 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 CFO in consultation with the Deputy Leader using designated criteria. Services are required to accommodate unforeseen expenditure and/or income shortfalls from within their cash limited budgets, only seeking allocations where this is proven to be impossible. Contingency is **£2.151m** in 2014/15. Since the September report, an allocation of £3.000k has been approved by the CFO and Deputy Leader up to the date of despatch of this report, as shown in **Table 3**.

TABLE 3: CONTINGENCY ALLOCATED IN 2014/15	
Item	Amount £m
George Africanus Blue Plaque	0.003
TOTAL	0.003

This leaves a remaining balance of **£2.056m**, although there are several pending applications which will be reported as part of the next monitoring report.

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

Cost Reductions

Table 4A summarises achievement by portfolio in implementing budgeted cost reductions of **£7.745m**. At this stage all are expected to be achieved.

TABLE 4A: COST REDUCTIONS						
PORTFOLIO	2014/15 Total £m	Position at 30.09.14 £m	Not expected to be achieved		Anticipated year end position	
			£m	%	£m	%
Adults, Commissioning and Health	(0.278)	(0.056)	0.000	0.00	(0.278)	100.00
Children's Services	(0.982)	(0.196)	0.000	0.00	(0.982)	100.00
Community Safety, Housing and Voluntary Sector	(0.678)	(0.327)	0.000	0.00	(0.678)	100.00
Energy and Sustainability	(0.024)	(0.012)	0.000	0.00	(0.024)	100.00
Jobs and Growth	(0.335)	(0.168)	0.000	0.00	(0.335)	100.00
Leisure and Culture	(0.361)	(0.204)	0.000	0.00	(0.361)	100.00
Planning and Transportation	(0.285)	(0.143)	0.000	0.00	(0.285)	100.00
Resources and Neighbourhood Regeneration	(4.802)	(2.912)	0.000	0.00	(4.802)	100.00
TOTAL	(7.745)	(4.017)	0.000	0.00	(7.745)	100.00

Investments

Table 4B shows that all projects are expected to be achieved in 2014/15.

TABLE 4B: INVESTMENTS					
PORTFOLIO	2014/15 TOTAL £m	Position at 30.09.14 £m	Not expected to be achieved		Anticipated year end position
			£m	%	£m
Adults, Commissioning and Health	0.250	0.125	0.000	0.00	0.250
Community Safety, Housing and Voluntary Sector	0.406	0.081	0.000	0.00	0.406
TOTAL	0.656	0.206	0.000	0.00	0.656

Big Tickets

Table 4C summarises progress made by portfolio on implementing Big Ticket items totalling **£14.874m**. At this stage **£0.550m** (3.70%) is not expected to be achieved.

TABLE 4C: BIG TICKETS					
PORTFOLIO	2014/15 Total £m	Position at 30.09.14 £m	Not expected to be achieved		Anticipated year end position £m
			£m	%	
Adults, Commissioning and Health	(6.893)	(1.379)	0.000	0.00	(6.893)
Children's Services	(1.386)	(0.277)	0.000	0.00	(1.386)
Community Services	(0.370)	(0.185)	0.000	0.00	(0.370)
Energy and Sustainability	(1.900)	(0.950)	0.000	0.00	(1.900)
Leisure and Culture	(0.825)	(0.413)	0.000	0.00	(0.825)
Planning and Transportation	(1.758)	(0.879)	0.000	0.00	(1.758)
Resources and Neighbourhood Regeneration	(1.742)	0.585	0.550	31.58	(1.192)
TOTAL	(14.874)	(3.497)	0.550	3.70	(14.324)

Pressures

£2.510m of pressures are included within the 2014/15 budget. **Table 4D** shows that all are expected to be used by 31 March 2015.

TABLE 4D: PRESSURES					
PORTFOLIO	2014/15 Total £m	Position at 30.09.14 £m	To be used		Anticipated year end position £m
			£m	%	
Adults, Commissioning and Health	1.614	0.323	1.291	80.00	1.614
Children's Services	0.750	0.150	0.600	80.00	0.750
Resources and Neighbourhood Regeneration	0.146	0.125	0.021	14.54	0.146
TOTAL	2.510	0.598	1.912	76.19	2.510

2.6 Movement of Resources

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

2.7 HRA Budget

The HRA budget was approved by City Council in March 2014 and budgeted for a working balance of **£4.045m** brought forward at 31 March 2014 and closing balance of **£4.000m** at 31 March 2015. The working balance acts as a contingency to cover unexpected significant expenditure or loss of income.

Working Balance Brought Forward - increase of £0.809m

The actual position of the Working Balance carried forward from 2013/14 was **£4.854m**, which is an increase of **£0.809m** from that reported in the Budget. This was due to slippage in the capital programme, details of which were set out in the outturn report considered by Executive Board in June 2014.

Direct Revenue Finance: increase of £0.809m

The increase in the working balance is applied as Direct Revenue Financing, reflecting slippage in the capital programme from 2013/14.

Table 5 shows the revised working balance at 31 March 2015.

Table 5: HRA WORKING BALANCE	
	£m
Estimated balance at 31 March 2015	4.000
Add	
Increased working balance b/f 2013/14	0.809
	4.809
Less	
Increased Direct Revenue Finance	(0.809)
Revised working balance 2014/15	4.000

2.8 Debtors Monitoring (Appendix C)

Housing Rents

The Q2 Housing Rents collection rate (98.14%) is above the target of 98.10% and is also ahead of last year's performance (97.60%).

Council Tax

The 2014/15 Q2 Council Tax collection rate (51.10%) is slightly below target (52.90%) but is equal to last year's respective Q2 performance (51.10%).

National Non- Domestic Rates (NNDR)

The NNDR collection rate for Q2 2014/15 stands at 55.80% and is marginally down on our expected performance target (based on a 6 year average) of 56.70%.

Sundry Income

The current year Q2 collection figure of 89.00% is ahead of last year's Q2 performance (87.01%).

Adult Residential Services

The 2014/15 Q2 collection rate of 96.50%, whilst being lower than the 97.50% target, is over 2% higher than last year's Q2 figure (94.30%).

Estates Rents

The collection rate of 97.00% is slightly above last year's Q2 figure of 96.22% but is slightly below the set target of 97.50%.

2.9 Capital Programme Update

The capital monitoring report for Quarter 1 stated an overall capital programme for 2014/15 of **£228.278m** for General Fund and **£68.546m** for the HRA. Schemes have since been approved totalling **£7.125m**, and variances include net slippage of **£105.869m** and other variances totalling **£1.063m**.

Table 6 shows the revised programme for each portfolio, and taking into account the additions and other variances, the projected outturn for 2014/15 is **£196.115m**. Actual spend for quarter two is **£51.930m**, which is 26% of the projected outturn.

PORTFOLIO	Projected Outturn at Qtr 1 £m	New Approvals £m	Slippage etc £m	Other £m	Projected Outturn At Qtr 2 £m	Actual Spend To Qtr 2 £m
Public Sector Housing	68.546	1.327	(2.397)	(0.152)	67.324	19.117
Local Transport Programme	30.187	0.385	(1.170)	0.000	29.402	9.01
Education / BSF	19.706	0.050	0.000	0.119	19.875	4.223
All Other Services	178.385	5.363	(102.302)	(1.030)	80.416	19.580
Total	296.824	7.125	(105.869)	(1.063)	197.017	51.930

New Approvals 2014/15

Scheme amendments and additions total **£15.890m** which include approvals of **£7.125m** for 2014/15 and **£8.765m** for 2015/16.

Details of significant approvals are listed below:

Public Sector Housing

A total approval of **£9.025m** for the installation of solar panels on Council owned properties is now included in the HRA capital programme; the allocation for 2014/15 is **£0.902m**. This scheme is to install solar panels on up to 3000 properties which will reduce household bills and carbon emissions whilst producing a financial return for the Council. Further additions of

£0.425m have been included for the extension of the existing Empty Homes Scheme to accommodate the purchase and repair of five additional properties and to widen the scope of the scheme to enable the purchase of two bedroom properties.

Local Transport Plan

Also included is **£0.385m** to the local transport portfolio which is the 2014/15 allocation to deal with potholes.

Education and Schools

An approval of **£1.000m** has been included in the schools portfolio for the primary school expansion at Djanogoly School. The funding for this project is through basic needs grant which is already identified and included in the capital programme.

Other Services

Additions for other services include a number of approvals for the BioScience expansion project as detailed below:

- **£0.298m** for the freehold purchase of 105 Carlton Road, to facilitate the relocation of the Learning Works Day Nursery from their current occupancy which forms part of the site to be used for the expansion of the Bio Science project. The cost of the acquisition was met from the property trading account.
- **£1.560m** has been approved for freehold purchase of land on Lower Parliament Street, which is required for the BioScience expansion project.
- A number of additional approvals totalling **£1.905m** to progress the BioScience expansion through the technical design and operator procurement phase, and to complete necessary site enabling works. This phase of the project will be funded through prudential borrowing which will be repaid from future returns generated by the scheme.

In addition to the above **£1.500m** has been approved for the expansion of the Creative Catalyst project.

A complete list of additions to the Capital Programme is attached at **Appendix E**

The programme has also been amended to include the following:

Slippage

Net slippage to the programme is **£105.869m** due to the following:

Public Sector Housing Programme - £3.515m slippage on a range of works to be carried out on Public Housing of which **£1.681m** relates to the New Build scheme which has been re-phased into 2015/16.

Local Transport Programme - £2.000m A decision has been made to defer the start of Connecting Eastside Phase 2 scheme (part of the Creative Quarter programme) in order to align construction with proposed Broadmarsh highway works (Turning Point South) which are due to commence in 2015/16. This results in integrating the design, avoiding abortive works and minimises construction disruption.

Slippage on other services includes:

£100.000m relating to NET lines 2/3 where commencement has been delayed from the original date of 14 December 2014 and is expected to take place during early 2015/16.

A complete list of Variances are shown in **Appendix F**

Public Sector Housing (HRA) Capital Programme

The Public Sector Housing programme has been updated to reflect the **£3.515m** slippage identified in quarter 2 and the additions of **£1.327m**. **Table 7** sets out the updated programme and resources.

TABLE 7 PUBLIC SECTOR HOUSING - CAPITAL PROGRAMME AND RESOURCES						
PORTFOLIO	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Public Sector Housing Programme	67.324	72.339	44.857	36.788	32.980	254.288
Total Programme	67.324	72.339	44.857	36.788	32.980	254.288
Resources Available						
Resources b/fwd	49.484	0.000	0.000	0.000	0.000	49.484
Unsupported Borrowing	0.902	7.220	0.903	6.000	9.000	24.025
Grants & Contribution	44.077	29.211	32.418	29.001	29.001	163.708
Internal Funds / Revenue	6.781	6.185	7.841	7.675	8.720	37.202
Capital Receipts secured	2.021	0.000	0.000	0.000	0.000	2.021
Subtotal Resources	103.265	42.616	41.162	42.676	46.721	276.440
Capital Receipts Unsecured	2.274	2.460	0.450	0.000	0.000	5.184
Total Resources	105.539	45.076	41.612	42.676	46.721	281.624
Future commitment to maintaining decency						21.214
Cumulative (Surplus)/Shortfall	(38.215)	(10.952)	(7.707)	(13.595)	(27.336)	(6.122)

The Overall programme a projected surplus of **£6.122m** which will be reinvested to deliver priorities outlined in the Housing Revenue Business Plan.

General Fund Capital Programme

The General Fund capital programme has been updated for approvals of **£5.798m** and slippage identified in quarter 2 of **£105.869m**. The resource projections have also been updated including those that are likely to be generated by capital receipts.

Table 8 shows the revised programme for each portfolio, schemes in development arising from the investment strategy have been approved pending business cases and have also been included.

TABLE 8 : GENERAL FUND CAPITAL PROGRAMME						
Description	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Local Transport Programme	29.402	16.494	9.815	5.640	0.000	61.351
Education / BSF	19.875	9.773	5.647	0.000	0.000	35.295
Other Services	80.416	150.691	26.470	11.901	21.783	291.261
Schemes in Development	23.867	92.937	115.887	46.800	19.800	299.290
Total Programme	153.560	269.895	157.819	64.341	41.583	687.197
Current Resources						
Resources b/fwd	26.318	0.000	0.000	0.000	0.000	26.318
Prudential Borrowing	63.758	196.270	115.887	50.217	9.170	435.107

Grants and Contribution	49.051	56.581	38.446	11.980	26.344	182.402
Internal Funds / Revenue	13.469	4.395	1.664	2.610	4.544	26.682
Secured Capital Receipts	4.106	0.000	0.000	0.000	0.000	4.106
Capital Receipts Unsecured	5.057	6.899	2.070	1.100	1.395	16.521
Resources for schemes in development						
Total Resources	161.759	264.145	157.873	65.907	41.453	691.136
General Fund Cumulative (surplus)/shortfall	(8.199)	(2.449)	(2.503)	(4.069)	(3.939)	(3.939)

The programme totals **£687.197m** which includes **£299.290m** of schemes in development which have been approved pending business cases. The programme predicts a small surplus of **£3.939m**, this represents 0.006% of the total programme and will be utilised as a contingency against the programme.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

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

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

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

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

- 5.1 Continuous review and management of the budget and associated performance issues mitigate the risk of not achieving corporate priorities.
- 5.2 The five year proposed programme is ambitious and will require the Council to use much of its available resources. Substantial investment of this nature will result in the Council being exposed to additional risks as follows:
- a 52% increase in the authority's borrowing over the next five years;
 - exposure to interest rate changes; a 0.5% increase in interest rates will increase the cost of borrowing by c£0.700m per annum;
 - major schemes have a long pay back period which will require the use of reserves in the early years to fund short term deficits in business plans;
 - the cost of feasibility studies are all undertaken at risk;
 - schemes may not cover their costs or make the desired return.
- 5.3 In order to manage these risks the following key principles will be adopted in managing the programme:
- new projects (unable to cover their costs) added to the programme, will result in an existing project being removed or amended;

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

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

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

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

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

6 SOCIAL VALUE CONSIDERATIONS

6.1 None

7 REGARD TO THE NHS CONSTITUTION

7.1 Not applicable

8 EQUALITY IMPACT ASSESSMENT (EIA)

Has the equality impact been assessed?

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

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

9.1 None.

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

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

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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BUDGET MONITORING 2014/15 - PERIOD 6 (SEPTEMBER 2014) £m

	POSITION TO 30 SEPTEMBER 2014				YEAR END PROJECTION					
	Updated Estimate	Profiled Estimate	Actual	Variance	Est'd Outturn (BEST CASE)	Est'd Outturn (MEDIUM)	Est'd Outturn (WORST CASE)	Variance (under)/over to BEST CASE	Variance (under)/over to MEDIUM	Variance (under)/over to WORST CASE
PORTFOLIO	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Adults, Commissioning & Health	95.544	58.562	57.746	(0.816)	93.339	93.949	94.376	(2.205)	(1.595)	(1.168)
Children's Services	54.371	27.180	9.144	(18.036)	55.352	56.585	57.420	0.981	2.214	3.049
Community Safety, Housing & Voluntary Sector	13.332	7.666	6.217	(1.449)	13.126	13.386	13.596	(0.206)	0.054	0.264
Community Services	9.548	4.369	4.985	0.616	9.381	9.561	9.561	(0.168)	0.013	0.013
Energy & Sustainability	5.882	2.936	(2.303)	(5.239)	5.782	5.882	5.882	(0.100)	0.000	0.000
Jobs & Growth	3.895	2.287	0.419	(1.868)	3.896	3.896	3.926	0.001	0.001	0.031
Leisure & Culture	10.665	5.325	(1.275)	(6.601)	10.830	11.005	11.205	0.165	0.340	0.540
Planning & Transportation	12.396	6.120	(2.226)	(8.346)	11.732	11.732	12.050	(0.664)	(0.664)	(0.346)
Resources & Neighbourhood Regenrn	30.365	15.665	52.045	36.380	29.944	30.176	31.723	(0.421)	(0.189)	1.358
Strategic Regeneration & Schools	0.122	(18.587)	(9.744)	8.843	0.122	0.122	0.122	0.000	0.000	0.000
Total Portfolios	236.120	111.523	115.007	3.485	233.504	236.294	239.861	(2.616)	0.174	3.741

	POSITION TO 30 SEPTEMBER 2014				YEAR END PROJECTION					
	Updated Estimate	Profiled Estimate	Actual	Variance	Est'd Outturn (BEST CASE)	Est'd Outturn (MEDIUM)	Est'd Outturn (WORST CASE)	Variance (under)/over to BEST CASE	Variance (under)/over to MEDIUM	Variance (under)/over to WORST CASE
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
CORPORATE ITEMS										
Housing Benefit Payments	0.675	0.000	0.000	0.000	0.675	0.675	0.675	0.000	0.000	0.000
IT Development Fund	3.553	0.000	0.000	0.000	3.553	3.553	3.553	0.000	0.000	0.000
Nottingham Express Transit	(19.528)	(2.341)	(4.551)	(2.210)	(19.528)	(19.528)	(19.528)	0.000	0.000	0.000
Reserves - Budgeted	4.369	0.189	0.190	0.000	4.369	4.369	4.369	0.000	0.000	0.000
Nottingham City Homes	(0.750)	(0.375)	0.000	0.375	(0.750)	(0.750)	(0.750)	0.000	0.000	0.000
Public Health Contribution	(3.578)	(1.789)	0.000	1.789	(3.578)	(3.578)	(3.578)	0.000	0.000	0.000
General Contingency	1.927	1.033	0.000	(1.033)	1.927	1.927	1.927	0.000	0.000	0.000
NCT Dividend	(0.500)	0.000	0.000	0.000	(0.500)	(0.500)	(0.500)	0.000	0.000	0.000
Treasury Management	50.591	9.105	7.025	(2.080)	50.591	50.591	50.591	0.000	0.000	0.000
Big Ticket Proposals	(0.282)	(0.141)	0.000	0.141	(0.282)	(0.282)	(0.282)	0.000	0.000	0.000
Corp Cross-Cutting Savings	(0.819)	(0.410)	0.000	0.410	(0.819)	(0.819)	(0.819)	0.000	0.000	0.000
Envir. Agency Flood Def.	0.090	0.045	0.070	0.025	0.090	0.090	0.090	0.000	0.000	0.000
Review Vol Sector Grants	(0.100)	(0.050)	0.000	0.050	(0.100)	(0.100)	(0.100)	0.000	0.000	0.000
Corp Item-Enviroenergy	(1.498)	(0.749)	0.000	0.749	(1.498)	(1.498)	(1.498)	0.000	0.000	0.000
Corp Item-Ice Centre	0.280	0.140	(0.002)	(0.142)	0.280	0.280	0.280	0.000	0.000	0.000
New Homes Bonus	(4.184)	(2.092)	(2.380)	(0.288)	(4.184)	(4.184)	(4.184)	0.000	0.000	0.000
Economic Development	1.559	0.000	0.000	0.000	1.559	1.559	1.559	0.000	0.000	0.000
Social Fund	(0.141)	(0.763)	(0.763)	0.000	(0.141)	(0.141)	(0.141)	0.000	0.000	0.000
Community Right to Bid	0.000	0.000	(0.016)	(0.016)	0.000	0.000	0.000	0.000	0.000	0.000
LGRR Adj (NHB)	(0.287)	0.000	0.000	0.000	(0.287)	(0.287)	(0.287)	0.000	0.000	0.000

	POSITION TO 30 SEPTEMBER 2014			
	Updated Estimate	Profiled Estimate	Actual	Variance
CORPORATE ITEMS	£m	£m	£m	£m
100% Retained Bus. Rates	0.287	0.000	0.000	0.000
S31 Grant	(2.534)	0.000	0.000	0.000
Pension Deficit (ex Empl)	8.052	2.008	2.008	0.000
Pay Model Adjustments	0.004	0.002	0.000	(0.002)
Planned Maintenance	3.923	1.962	0.528	(1.434)
Total Corporate Budgets	41.109	5.776	2.108	(3.668)
Total General Fund	277.230	117.298	117.115	(0.183)

YEAR END PROJECTION					
Est'd Outturn (BEST CASE)	Est'd Outturn (MEDIUM)	Est'd Outturn (WORST CASE)	Variance (under)/over to BEST CASE	Variance (under)/over to MEDIUM	Variance (under)/over to WORST CASE
£m	£m	£m	£m	£m	£m
0.287	0.287	0.287	0.000	0.000	0.000
(2.534)	(2.534)	(2.534)	0.000	0.000	0.000
8.052	8.052	8.052	0.000	0.000	0.000
0.004	0.004	0.004	0.000	0.000	0.000
3.923	3.923	3.923	0.000	0.000	0.000
41.109	41.109	41.109	0.000	0.000	0.000
274.613	277.403	280.970	(2.616)	0.174	3.741

Portfolio Variances +/- £50k (medium case)**Adults, Commissioning and Health Portfolio: Overall variance £1.595m FAVOURABLE****Housing Related Support -£1.977m**

As part of the integration of Area Based Grants into mainstream Council funding a reserve was created to fund the transitional period of Housing Related Support service reductions. This phase of service re-designs has all been fully implemented and the one-off underspend reflects the balance of the reserve.

Adults -£0.143m

Reduced costs associated with intake homecare however; this will increase spend in the external market.

Quality and Commissioning +£0.525m

Within the Commercialisation Big Ticket there are savings attributable to the Procurement function of £0.350m net (£0.550m gross); these savings were assumed to be from contractual reductions. The 2014/15 forecast identifies that cashable savings are at a high risk of non-achievement.

Resources and Neighbourhood Regeneration Portfolio: Overall variance £0.189m FAVOURABLE**Strategic Partnership -£0.141m**

A number of vacant posts within the service has contributed to this underspend. These savings are being captured as part of the 2015/16 budget process.

Children's Services Portfolio: Overall variance £2.214m ADVERSE**Directorate -£0.682m**

This one-off underspend reflects:

- The use of reserves to support the Education Support Grant reductions captured within the monitoring of other services within Children's and Adults and;
- The establishment of further reserves to support a part year effect in 2015/16.

Vulnerable Children -£0.224m

Delays in recruitment have significantly contributed to this one-off underspend.

Safeguarding +£3.120m

There is pressure on this budget due to:

- An increase in growth of 11.1% in external placements of Children in Care and;
- A change in the mix of type of care which shows an increase of 4.35% in complex cases.

Both of these issues equate to higher costs, with the Children in Care population increasing. The reported overspend would have been £0.842m higher if

interventions, like the Edge of Care Hub and Multi Systemic Therapy, had not been in place. These initiatives form part of the Children's big ticket.

This budget issue is being considered as part of the 2015/16+ budget discussions.

Planning and Transportation Portfolio: Overall variance £0.664m FAVOURABLE

Commercial Services, Highways and Energy Infrastructure, Trading Operations -£0.664m (after applying 50% traded surplus to reserves)

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

In accordance with the trading account principles set out in the Medium Term Financial Strategy, 50% of traded surplus may be retained for reinvestment in the service. The decision to reserve these surpluses should be taken in the context of the overall corporate outturn position.

Leisure and Culture Portfolio: Overall variance £0.340m ADVERSE

Leisure Management +£80k

Income shortfall pressure over and above what was already budgeted as visitor numbers decline at Clifton Leisure Centre and Tennis Centre.

Parks and Open Spaces +£0.100m

Costs incurred in the provision of emergency support following the present Bulwell Hall golf course contractor entering liquidation.

Culture and Libraries +£0.160m

Splendour – lower than projected ticket sales for this event (£40k).

Victoria Indoor Market - installation of a new escalator at the main entrance up to the first floor has significantly impacted on footfall to the market traders.

Community Safety, Housing and Voluntary Sector Portfolio: Overall variance £54k ADVERSE

Environmental Health and Trading Standards -£88k

Management of vacant posts within Trading Standards and Pollution Control.

Licensing Permits and Regulation +£97k

Slight shortfall in income within service relating to penalty charge notices.

Housing Options -£50k

Management of vacant posts within the service has contributed to this underspend.

APPENDIX C

Debtors - Performance Review – Q2 2014-15		Q1 June	Q2 Sept
BVPI 66a - Housing Rent Collection (%) <i>(cumulative - current tenants only)</i>			
	<i>(arrears + debit)</i> Actual	97.58	98.14
	Target	97.90	98.10
	Last Year Actual 2013-14	96.25	97.60
BVPI 9 - Council Tax Collection (%)			
	<i>(in year cumulative)</i> Actual	26.20	51.10
	Target	27.30	52.90
	Last Year Actual 2013-14	27.10	51.10
BVPI 10 - NNDR Collection (%)			
	<i>(in year cumulative)</i> Actual	27.90	55.80
	Expected 6 year Average	30.50	56.70
	Last Year Actual 2013-14	31.70	58.00
Sundry Income Collection (%)			
	<i>(12 month rolling average)</i> Actual	84.00	89.00
	Target	99.00	99.00
	Last Year Actual 2013-14	79.89	87.01
Sundry Income Debtor Days -General			
	Actual	29.60	29.40
	<i>(12 month rolling average)</i> Target	23.00	32.30
	Last Year Actual 2013-14	29.20	24.60
Estates Rents Collection (%)			
	Actual	96.84	97.00
	<i>(12 month rolling average)</i> Target	97.50	97.50
	Last Year Actual 2013-14	96.05	96.22
Adult Residential Services Collection (%)			
	Actual	95.90	96.50
	<i>(12 month rolling average)</i> Target	97.50	97.50
	Last Year Actual 2013-14	93.32	94.30

VIREMENT 2014-15 REQUIRING EXECUTIVE BOARD APPROVAL

APPENDIX D

	Net Amount	Department		Portfolio	
Details	£m	From	To	From	To
Move Safeguarding QA Team	0.064	within Children's & Adults		Children's Services (CHS)	Adults, Commissioning & Health (ACH)
Post transfer	0.104	Community Services	Children's & Adults	Leisure & Culture (LCT)	ACH
Living Wage uplift	0.014	Corporate Budgets	Children's & Adults	Resources & Neighbourhood Regeneration (RNR)	ACH
	0.003				CHS
	0.001		Community Services		Community Safety, Housing & Voluntary Sector (CSHVS)
	0.017				LCT
	0.121				Community Services (CYS)
	0.001		Development & Growth		Planning & Transportation (PLT)
	0.016				Jobs & Growth (JGR)
	0.004		Resources		within RNR
	0.005		Development & Growth		within RNR

VIREMENT 2014-15 REQUIRING EXECUTIVE BOARD APPROVAL

APPENDIX D

Details	Net Amount	Department		Portfolio	
	£m	From	To	From	To
Commercial Waste Disposal budget realignment	0.201	within Community Services		Energy & Sustainability (ESU)	CYS
Realignment within Trading Operations	0.032	within Community Services		CYS	PLT
Corporate realignment of superannuation budget	0.191	Children's & Adults	Corporate Budgets	ACH	RNR
	0.008	Chief Executive		RNR	
	0.009	Resources			
Portfolio realignment - Business Support	0.219	within Community Services		CYS	PLT
Pay Model adjustments	0.021	Children's & Adults	Corporate Budgets	RNR	ACH
	0.002	Community Services			CYS
	0.022				LCT
	0.038	Resources		within RNR	
	0.006	Development & Growth			
	0.028	Corporate Budgets	Community Services	RNR	PLT
	0.004		Development & Growth		
	0.001	within Community Services		CYS	
Performance & Improvement team / Commercial Services realignment	0.109	within Community Services		CYS	PLT
Performance & Improvement team / Neighbourhood Operations realignment	0.018	within Community Services		LCT	CYS

VIREMENT 2014-15 REQUIRING EXECUTIVE BOARD APPROVAL

APPENDIX D

	Net Amount	Department		Portfolio	
Details	£m	From	To	From	To
Realignment of Trade Waste posts	0.063	Resources	Community Services	RNR	PLT
	0.004	Development & Growth			
Strategic Choice realignment	0.037	within Development & Growth		RNR	Strategic Regeneration & Schools (SRS)
Customer Access Programme	0.068	Children's & Adults	Chief Executive	within RNR	
Allocation of Emergency Hardship Funding to Service	0.141	Corporate Budgets	Resources	within RNR	
Post transfer from Finance to Organisational Transformation	0.039	Resources	Chief Executive	within RNR	
Equipment budget transfer from IT to Facilities Management	0.006	Resources	Development & Growth	within RNR	
	1.615				

CAPITAL PROGRAMME ADDITONS					
Portfolio	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m
Public Sector Housing					
Empty Homes	0.425	0.000	0.000	0.000	0.425
Installation of Solar Panels	0.902	7.220	0.903	0.000	9.025
TOTAL - Public Sector Housing	1.327	7.220	0.903	0.000	9.450
Local Transport Programme					
Potholes 14/15	0.385	0.000	0.000	0.000	0.385
TOTAL - Local Transport Programme	0.385	0.000	0.000	0.000	0.385
Education / Schools					
Rise Park Primary - Boiler Replacement	0.060	0.000	0.000	0.000	0.060
Maintenance Grant	(0.060)	0.000	0.000	0.000	(0.060)
Djanogly Secondary - Space for Primary Places Design	1.000	0.000	0.000	0.000	1.000
Basic Needs Grant	(0.995)	(0.005)	0.000	0.000	(1.000)
Riverside Primary - Expansion	0.033	0.000	0.000	0.000	0.033
Claremont Primary - School Playground	0.200	0.000	0.000	0.000	0.200
Usable budget from other primary capital schemes	(0.200)	0.000	0.000	0.000	(0.200)
Health and Safety Condition Contingency	0.157	0.000	0.000	0.000	0.157
Henry Whipple Primary	(0.037)	0.000	0.000	0.000	(0.037)
St Anns Well Primary	(0.114)	0.000	0.000	0.000	(0.114)
Robert Shaw Primary Reorganisation	0.006	0.000	0.000	0.000	0.006
Basic Needs Grant	0.000	(0.995)	0.000	0.000	(0.995)
Heathfield Primary Expansion	0.000	1.045	0.000	0.000	1.045
TOTAL - Education / Schools	0.050	0.045	0.000	0.000	0.095
Other Services					
Adults, Commissioning & Health					
The Globe	0.039	0.000	0.000	0.000	0.039
Leisure and Culture					
Valley Road - Phase 2	0.050	0.000	0.000	0.000	0.050
Arboretum Café	0.219	0.000	0.000	0.000	0.219
Forest Recreation Ground - Sports Zone	0.113	0.000	0.000	0.000	0.113
Forest Recreation Ground	(0.100)	0.000	0.000	0.000	(0.100)

Improvements					
Resources & Neighbourhood Regeneration					
Purchase of 105 Carlton Road	0.298	0.000	0.000	0.000	0.298
Depot Accommodation / Fleet Services	0.100	0.000	0.000	0.000	0.100
IT - Voice Over the Internet - Phase 4	0.059	0.000	0.000	0.000	0.059
IT - Agile Working Laptops	0.552	0.000	0.000	0.000	0.552
Demolition of Buildings	0.176	0.000	0.000	0.000	0.176
Whitemoor Court - Roof Cladding	0.097	0.000	0.000	0.000	0.097
Salisbury Square - Roof Improvements	0.030	0.000	0.000	0.000	0.030
Demolition of Buildings	0.175	0.000	0.000	0.000	0.175
IT - ASHH Migration	0.090	0.000	0.000	0.000	0.090
Strategic Regeneration & Schools					
Creative Catalyst Project	0.000	1.500	0.000	0.000	1.500
Purchase of Land for BioScience Expansion Project	1.560	0.000	0.000	0.000	1.560
BioScience Expansion Project	1.905	0.000	0.000	0.000	1.905
TOTAL - Other Services	5.363	1.500	0.000	0.000	6.863
TOTAL ADDITONS	7.125	8.765	0.903	0.000	16.793

Investment Strategy Schemes Moved to Capital Programme Quarter 2					
Scheme	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m
Education / Schools					
Djanogly Secondary - Space for Primary Places Design	1.000	0.000	0.000	0.000	1.000
Other Services					
Purchase of Land for BioScience Expansion Project	1.560	0.000	0.000	0.000	1.560
BioScience Expansion Project	1.905	0.000	0.000	0.000	1.905
Total Investment Strategy Schemes Moved to Capital Programme	2.980	1.515	0.110	0.000	4.605

APPENDIX F

Slippage		
	£m	Comments
<u>Public Sector Housing</u>		
Asbestos Works	(0.106)	Re-phased into 2014/15 due to a revised project timetable
TV Aerials	(0.018)	Re-phased into 2014/15 due to a revised project timetable
Radon Awareness	(0.195)	Re-phased into 2014/15 due to a revised project timetable
Roof and Chimney Replacement	(0.562)	Re-phased into 2014/15 due to a revised project timetable
BISF Upgrades / External Wall Insulation	(0.050)	Re-phased into 2014/15 due to a revised project timetable
High Rise Mobile Scooter Pavillions	(0.350)	Re-phased into 2014/15 due to a revised project timetable
Area Capital Fund	(0.400)	Re-phased into 2014/15 due to a revised project timetable
Garage Demolitions / Outbuildings - City Wide	(0.117)	Re-phased into future years based on projected decommissioning costs for the Demolition and Regeneration programme
Lenton New Build - Phase 1	(0.200)	New Build scheme re-phased due to revised project timetable
Lenton - New Build - Phase 2 (includes Bungalows)	(0.227)	New Build scheme re-phased due to revised project timetable
Lenton - Infrastructure Cost	(0.250)	New Build scheme re-phased due to revised project timetable
Cranwell New Build	(0.230)	New Build scheme re-phased due to revised project timetable
Meadows Social Housing New Build (42 Units)	(0.280)	New Build scheme re-phased due to revised project timetable
Aspley JSC / Stepney Court - Decommissioning and Demolition	(0.245)	Re-phased into future years based on projected decommissioning costs for the Demolition and Regeneration programme
Morley court - Demolitions	(0.178)	Re-phased into future years based on projected decommissioning costs for the Demolition and Regeneration programme
St Anns Estate Action-Stonebridge Park(NCH)	(0.108)	Re-phased due to delays in the programme and the completion of a programme of works
Total - Public Sector Housing	(3.516)	
<u>Local Transport Programme</u>		
Creative Quarter - Connecting Eastside	(2.000)	Project has been realigned to coincide with the Broadmarsh scheme in order to minimise

		disruption
Total - Local Transport Plan	(2.000)	
<u>Other Services</u>		
Adults, Commissioning and Health		
Hazel Hill Site	(1.100)	Projects has been delayed and slipped to 15/16 and 16/17
Leisure and Culture		
Harvey Hadden Pool	(0.600)	Final spend slipped to 15/16
Nottingham Castle	(0.269)	Realignment of project and slipped to 15/16
Community Safety, Housing and Voluntary Sector		
Imps to Community Facilities	(0.152)	Project delays and slipped to 15/16
Planning & Transportation		
NET Lines 2/3 - Capital Injection	(100.000)	Delay in commencement has slipped the expenditure into 2015/16
Resources & Neighbourhood Regeneration		
Growing Places - Loan	(0.350)	Delay to project, expenditure has slipped to 15/16
IT - Microsoft Upgrade	(0.500)	Project delays and slipped to 15/16 Delay to project, expenditure has slipped to 15/16
Bulwell Joint Services Centre	(0.184)	Project delays and slipped to 15/16 Delay to project, expenditure has slipped to 15/16
Total - Other Services	(103.155)	
TOTAL SLIPPAGE	(108.671)	

Acceleration		
	£m	Comments
<u>Public Sector Housing</u>		
City Wide CCTV / Door Entry Improvements	0.027	Scheme progressing ahead of schedule
Fire Alarm Installations	0.025	Scheme progressing ahead of schedule
New Build - Unallocated	1.067	Scheme progressing ahead of schedule
Total - Public Sector Housing	1.119	
<u>Local Transport Programme</u>		
Ring Road Major	0.830	DfT Grant advanced
Total - Local Transport Plan	0.830	
<u>Other Services</u>		
Resources & Neighbourhood Regeneration		
Relocation of Hyson Green Library	0.228	Scheme progressing ahead of schedule

Southglade Food Park - Phase 2	0.588	Spend accelerated in line with funding
Strategic Regeneration & Schools		
Downtown (Sneinton Market) and Creative Quarter	0.037	Spend accelerated in line with funding
Total - Other Services	0.853	
TOTAL ACCELERATION	2.802	

Savings		
Programme / Scheme	£m	Comments
<u>Education / Schools</u>		
BSF ICT Provision	(0.081)	Scheme reviewed with savings identified
Total - Education / Schools	(0.081)	
<u>All Other Services</u>		
Leisure and Culture		
Tennis Centre - Ace Base	(0.001)	Residual balance deleted
Concert Hall - Customer Lift	(0.118)	Charged to revenue
Victoria Market Imps	(0.001)	Residual balance deleted
Energy and Sustainability		
- REFIT Phase 1	(0.016)	Residual balance deleted
Planning and Transportation		
Fletcher Gate Car Park Imps	(0.004)	Residual balance deleted
Resources & Neighbourhood Regeneration		
Disabled Persons Access Grants	(0.015)	Residual balance deleted
IT - Server Virtualisation Project	(0.071)	Scheme reviewed with savings identified
Hazel Hill EPH - Demolition	(0.049)	Scheme complete, savings made on this phase of project
IT - ~On line Booking System	(0.024)	Scheme reviewed with savings identified
IT - Corporate Infrastructure Refresh	(0.144)	Scheme reviewed with savings identified
Total - Other Services	(0.443)	
TOTAL SAVINGS	(0.524)	

Other Adjustments		
Programme / Schemes	£m	Comments
<u>Public Sector Housing</u>		
Various amalgamations / reallocations of the Decommissioning and Regeneration Programme	(0.152)	NB - Increases in future years of £0.154k
Total - Public Sector Housing	(0.152)	-
<u>Education / Schools</u>		
Northgate Reorganisation	0.200	Corrections made re school contributions
Total - Education / Schools	0.200	

Other Services		
Adults, Commissioning and Health		
Martin Jackaman - Branding etc	(0.029)	Diverted to The Oaks Refurbishment- balance of increase from revenue - DDM to be completed
The Oaks Refurbishment	0.117	Transfer from Martin Jackaman saving and balance funded from revenue - DDM to be completed
Resources & Neighbourhood Regeneration		
Various schemes - reinvesting Capital Receipts	1.615	Transfer Property Trading scheme to Resources Portfolio
Capital Receipts for Re-investment in Property Trading	(0.377)	Reduced level of anticipated capital receipts in current year for this initiative
Strategic Regeneration & Schools		
Various schemes - reinvesting Capital Receipts	(1.913)	Transfer Property Trading scheme to Resources Portfolio
Total - Other Services	(0.587)	
TOTAL OTHER ADJUSTMENTS	(0.539)	