

EXECUTIVE BOARD – 22 SEPTEMBER 2015

Subject:	Review of 2015/16 Revenue and Capital Budgets at 30 June 2015 (Quarter 1)		
Corporate Director(s)/ Director(s):	Geoff Walker, Director of Strategic Finance		
Portfolio Holder(s):	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration		
Report author and contact details:	Theresa Channell, Head of Strategic Finance 0115 8763649 theresa.channell@nottinghamcity.gov.uk		
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 checked="" type="checkbox"/> No
Total value of the decision: Nil			
Wards affected: All		Date of consultation with Portfolio Holder(s): Throughout April – June 2015	
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 June 2015.			
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 £1.650m, 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 and pressures as set out in paragraph 2.5;			
d) the forecast working balance of £3.951m 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 1, 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, as set out in paragraph 2.9 (tables 7,8 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 2015/16 budget and the impact of actual and planned management action.
- 1.2 The approval for virements of budgets is required by corporate financial procedures.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 The 2015/16 revenue budget was approved by City Council in March 2015. 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 June 2015 updated for known factors. Appendix A provides more detail and Appendix B explains the main variances.

OUTTURN VARIANCE 2014/15 £m ¹	PORTFOLIO	(UNDER) / OVER SPEND		
		BEST £m	MEDIUM £m	WORST £m
(4.286)	Adults, Health and Community Sector	0.000	0.195	0.195
(1.592)	Community Services and HR	(1.971)	(0.507)	0.164
0.972	Early Intervention and Early Years	(0.516)	0.586	1.263
(0.452)	Energy and Sustainability	0.250	0.250	0.250
0.230	Jobs, Growth and Transport	(0.879)	(0.175)	0.046
(0.622)	Leisure and Culture	(0.280)	(0.067)	(0.067)
(0.556)	Planning and Housing	0.000	0.000	0.000
0.252	Resources and Neighbourhood Regeneration	0.561	0.643	1.467
(0.781)	Schools	0.000	0.000	0.000
(6.835)	TOTAL PORTFOLIOS	(2.835)	0.925	3.318
(0.639)	Corporate budgets	0.000	0.725	0.725
(7.474)	NET COUNCIL POSITION	(2.835)	1.650	4.043
Change – best to medium		4.485		
Change – medium to worst				2.393

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 01.04.15	9.500
Decrease in Reserves to medium case	1.650
Estimated Reserves at 31.03.16 (medium case)	7.850

The minimum level of opening reserves for 2015/16 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 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 2015/16 will be reported to Executive Board later in the year.

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 £2.000m in 2015/16 and Table 3 shows the allocations approved by the CFO and Deputy Leader up to the date of despatch of this report:

TABLE 3: CONTINGENCY ALLOCATED IN 2015/16	
Item	Amount £m
Neighbourhood Tree Removal and Improvement Programme	0.030
Support for the Civic Strand of the International Strategy	0.020
TOTAL	0.050

This leaves a remaining balance of £1.950m, although there are several pending applications which will be reported as part of the next monitoring report.

2.5 Cost reductions and pressures

Cost Reductions

The 2015/16 budget includes new cost reductions of £25.033m. At this stage £2.255m is not expected to be achieved against the original proposals, although £1.468m is expected to be achieved through alternate management action within directorates.

Table 4 summarises achievement by portfolio in implementing these cost reductions.

PORTFOLIO	2015/16 Total £m	Position at 30.06.15 £m	Anticipated year end position	Not expected to be achieved		Achieved from alternate source
			£m	£m	%	£m
Adults, Health and Community Sector	(8.524)	(2.065)	(8.259)	0.265	3.11	0.265
Community Services and HR	(1.737)	(0.430)	(1.737)	0.000	0.00	0.000
Early Intervention and Early Years	(2.707)	(0.212)	(2.013)	0.694	25.64	0.537
Energy and Sustainability	(0.700)	(0.113)	(0.700)	0.000	0.00	0.000
Jobs, Growth and Transport	(2.535)	(0.634)	(2.535)	0.000	0.00	0.000
Leisure and Culture	(0.997)	(0.324)	(0.997)	0.000	0.00	0.000
Planning and Housing	(0.400)	(0.100)	(0.400)	0.000	0.00	0.000
Resources and Neighbourhood Regeneration	(7.208)	(1.297)	(5.911)	1.296	17.98	0.666
Schools	(0.226)	(0.056)	(0.226)	0.000	0.00	0.000
TOTAL	(25.033)	(5.232)	(22.778)	2.255	9.01	1.468

Pressures

£0.759m of pressures are included within the 2015/16 budget and are expected to be used by 31 March 2016.

2.6 Movement of Resources

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 Council in May so refer to previous portfolios that were in place until then. 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 2015 and budgeted for a working balance of £4.000m brought forward at 31 March 2015 and closing balance of £4.000m at 31 March 2016. The working balance acts as a contingency to cover unexpected significant expenditure or loss of income.

Working Balance Brought Forward - increase of £0.307m

The actual position of the Working Balance carried forward from 2014/15 was £4.307m, which is an increase of £0.307m from that reported in the Budget.

Retained Housing: Increase of £0.289m

Provision for charges included within Public Sector Housing Capital Programme required to be charged to revenue. This includes costs of council tax, security and waste disposal to be met by a reduction to Direct Revenue Financing.

Direct Revenue Financing: Reduction of £0.289m

Reduction to Direct Revenue Financing to meet capital scheme costs charged to revenue.

Service Charge Income: Reduction of £0.356m

Includes a reduction due to service charges in being claimed in advance of 2015/16 (£0.371m) that relate to an increase in service charges from Furnished Properties (£0.015m).

Table 5 shows the revised working balance at 31 March 2016.

Table 5: HRA WORKING BALANCE	
	£m
Estimated balance at 31 March 2016	4.000
Add	
Increased working balance b/f 2014/15	0.307
Reduced Direct Revenue Finance	0.289
	4.596
Less	
Increased Retained Housing - Council Tax, Security & Waste Disposal	(0.289)
Reduced service charge income	(0.356)
Revised working balance 2015/16	3.951

2.8 Debtors Monitoring (Appendix C)

Housing Rents

The Q1 Housing Rents collection rate (97.17%) is slightly below the target of 98.40% and last year's performance (97.58%).

Realignment within the teams, together with the launch of a campaign targeting tenants who received the Responsible Tenant Reward last year but have not reduced their debt since, and improvements in IT systems to make the reviewing process quicker and more effective, should have the effect of increasing collection rates.

Council Tax

Collection rate is 0.40% above the Q1 profiled target of 25.90% and is 0.10% ahead of the same period in 2014/15. In monetary terms an additional £ 1.3m has been collected in the first quarter of this financial year compared to 2014/15.

National Non- Domestic Rates (NNDR)

The collection rate is 2.08% above the Q1 collection target of 29.20%, in monetary terms this equates to an additional £2.5m collected in Q1, compared to the same period in 2014/15.

Sundry Income

The percentage of debts collected within 90 days in the 12 months to June 2015 was 79.40% which is below that for the same period last year (84.00%).

The debtor day indicator (which shows how quickly debts are recovered) is currently 31 days. This is better than the target (32.30) but lower than performance in 2014/15 for the equivalent period.

Management action is targeted on the application of receipts and the 90 day collection percentage should improve over future periods.

Adult Residential Services

The Q1 collection rate of 95.42%, whilst being lower than the 97.50% target, compares with last year's Q1 figure (95.90%).

Estates Rents

The collection rate of 96.80% compares with last year's Q1 figure of 96.84% but is slightly below the set target of 97.50%.

2.9 Capital Programme Update

The outturn report stated an updated overall Capital Programme for 2015/16 of **£213.617m** for the General Fund and **£71.373m** for the HRA. Schemes have since been approved totalling **£39.995m**. Identified variances include net slippage of **£16.510m** and other variances totalling **£0.459m**.

Table 6 shows the revised programme for each portfolio. Taking into account the additions and other variances, the overall forecast for 2015/16 is **£246.191m** for the General Fund and **£61.855** for the HRA. Actual spend for Q1 is **£35.162m** which is 11.4% of the forecast outturn.

Portfolio	Outturn at 31/03/2015 £m	New Approvals £m	Slippage etc £m	Other £m	Forecast Outturn £m	Actual Spend £m
Public Sector Housing	71.373	0.060	(9.633)	0.055	61.855	8.522
Local Transport Plan	25.781	(0.400)	(1.787)	(0.161)	23.433	1.971
Education/Schools	19.215	0.200	(0.168)	(0.759)	18.488	2.607
All Other Services	168.651	40.135	(4.922)	0.406	204.270	22.062
Total	285.020	39.995	(16.510)	(0.459)	308.046	35.162

New Approvals 2015/16

Scheme amendments and additions of **£39.995m** have been approved and included in the programme for 2015/16. In addition **£20.201m** and **£0.478m** additions have been included for 2016/17 and 2017/18 respectively.

Details of significant approvals are listed below

£27.451m for Bioscience Expansion. This scheme will increase the provision of laboratory space dedicated to the Bioscience sector, increasing job and apprenticeship opportunities and developing a key Eastside area. The scheme is to be funded by grant from the Local Enterprise Partnership and prudential borrowing that will be repaid by the rental income stream.

£4.500m for IT Improvement Programme. This programme will update IT infrastructure that has come to the end of its useful life; allowing the Council to operate a technical

environment that is fit for purpose and compliant with Public Service Network security standards

£4.080m for Property Investment Acquisition. This is a commercial property purchase that will provide a future income stream for the Council.

£5.000m for Loan to Support Further Education Sector. The Council is acting as a lender in order to support New College Nottingham in the completion of their Basford Hall development and implementation of their financial recovery plan. Future repayments from New College Nottingham will cover the cost of the loan.

£6.700m for Loan to Nottingham City Homes. This loan will allow Nottingham City Homes to purchase 52 new build family homes in Radford to provide for social rent. The funding route will allow the Council to develop and build additional houses in other sites within the City.

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

Overall net slippage to the programme is **£16.510m** including the following schemes:

Public Sector Housing Programme - **£9.218m** slippage identified in quarter 1 on a range of works to be carried out on Public Housing. This includes **£4.111m** slippage on Installation of Solar Panels due to a re-profiling and re-approval of the scheme after a change in financial assumptions. **£4.026m** of slippage has been identified on the Building a Better Nottingham programme; this programme is made up of a number of new build schemes that have been re-profiled to match the latest expected project timetable.

Slippage on other services includes:

Solar Panel Installation at Queens Drive and Colwick Park and Ride sites have slipped by a total **£2.163m**; these scheme are currently undergoing further feasibility studies and start of work on site has been re-profiled into 2016/17.

Highfield Park Refurbishment has slippage of **£0.950m**; this scheme has been re-profiled to match the latest programme of works.

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 **£9.633m** net slippage identified in Quarter 1 and total additions to the programme of **£1.255m**.

Table 7 sets out the updated programme and resources.

TABLE 7 : PUBLIC SECTOR HOUSING - CAPITAL PROGRAMME AND RESOURCES						
PORTFOLIO	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Public Sector Housing						

Programme	61.855	71.344	52.852	42.020	34.382	262.453
Total Programme	61.855	71.344	52.852	42.020	34.382	262.453
Resources Available						
Resources b/fwd	45.301	0.000	0.000	0.000	0.000	45.301
Prudential Borrowing	0.000	0.000	4.000	9.000	0.000	13.000
Grants & Contribution	3.458	3.995	0.653	1.307	0.815	10.228
Direct Revenue Financing	30.069	30.069	30.069	30.069	30.069	150.345
Major Repairs Reserve	6.635	6.987	8.371	8.371	8.371	38.735
Capital Receipts secured	1.837	0.000	0.000	0.000	0.000	1.837
Resources	87.300	41.051	43.093	48.747	39.255	259.446
Unsecured Capital Receipts	5.513	5.546	3.546	1.200	0.700	16.505
Total Resources	92.813	46.597	46.639	49.947	39.955	275.951
Future commitment to maintaining decency	0.000	0.000	0.000	0.000	13.498	13.498
Cumulative (Surplus)/Shortfall	(30.958)	(6.211)	0.002	(7.925)	(0.000)	(0.000)

The overall programme is balanced, however, the introduction of the Welfare Reform and Work Bill and the resulting changes to rent charges to tenants will have a detrimental impact on the overall Public Sector Housing capital programme going forward. A full review into the effects of this will be carried out.

General Fund Capital Programme

The General Fund capital programme has been updated for the total additions of **£59.419m** and net slippage identified in Quarter 1 of **£6.877m**. 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. Projects in development arising from the investment strategy have been approved pending business cases are also included.

TABLE 8 : GENERAL FUND CAPITAL PROGRAMME						
PORTFOLIO	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Local Transport Programme	23.433	22.081	19.607	0.000	0.000	65.121
Education / Schools	18.488	5.647	0.000	0.000	0.000	24.135
Other Services	204.270	49.457	14.305	14.683	8.638	291.353
Projects in Development	77.585	89.622	46.800	19.800	1.500	235.307
Total Programme	323.776	166.807	80.712	34.483	10.138	615.916

The five year programme totals **£615.916m** which includes **£235.307m** of schemes in development approved pending business cases.

Table 9 shows the financing of the capital programme as at quarter 1. The programme predicts a small surplus of **£2.558m**; this represents 0.415% of the total programme and will be used as a contingency against the programme.

TABLE 9 : GENERAL FUND CAPITAL FINANCING						
PORTFOLIO	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Resources b/fwd	33.819	0.000	0.000	0.000	0.000	33.819
Prudential Borrowing	205.521	114.537	51.203	9.496	2.094	382.851
Grants & Contribution	56.162	42.849	26.839	19.850	6.494	152.194
Internal Funds / Revenue	17.010	1.193	1.135	1.650	1.494	22.482
Secured Capital Receipts	2.113	0.000	0.000	0.000	0.000	2.113
Subtotal Resources	314.625	158.579	79.177	30.996	10.082	593.459
Capital Receipts Unsecured	15.308	6.136	2.700	0.870	0.000	25.015
TOTAL RESOURCES	329.934	164.715	81.877	31.866	10.082	618.474

Cumulative (Surplus)/Shortfall	(6.157)	(4.066)	(5.231)	(2.614)	(2.558)	(2.558)
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3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

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

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

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

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

- 5.1 Continuous review and management of the budget and associated performance issues mitigate the risk of not achieving corporate priorities.
- 5.2 The five year proposed programme is ambitious and will require the Council to use much of its available resources. Substantial investment of this nature will result in the Council being exposed to additional risks as follows:
- a 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)
- (b) No
- (c) Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in any attached EIA.

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 2015/16 - 2017/18 - Executive Board 24 February 2015

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

Tina Adams - Capital and Taxation Manager
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BUDGET MONITORING 2015/16 - (Q1 – period to end June 2015) £m

	POSITION TO 30 JUNE 2015				YEAR END FORECAST					
	Updated Estimate	Profiled Estimate	Actual + Commitments	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, Health & Community Sector	93.223	29.978	29.626	(0.352)	93.223	93.418	93.418	0.000	0.195	0.195
Community Services & HR	23.714	5.585	12.324	6.739	21.960	23.207	23.661	(1.971)	(0.507)	0.164
Early Intervention & Early Years	53.914	16.090	17.737	1.647	53.398	54.500	55.177	(0.516)	0.586	1.263
Energy & Sustainability	6.091	2.099	6.106	4.007	6.341	6.341	6.341	0.250	0.250	0.250
Jobs, Growth & Transport	13.897	(13.184)	5.056	18.240	13.017	13.721	13.943	(0.879)	(0.175)	0.046
Leisure & Culture	10.293	2.645	0.597	(2.048)	10.013	10.226	10.226	(0.280)	(0.067)	(0.067)
Planning & Housing	3.399	(1.274)	(2.111)	(0.837)	3.399	3.399	3.399	0.000	0.000	0.000
Resources & Neighbourhood Regeneration	22.492	8.292	20.006	11.715	23.054	23.135	23.959	0.561	0.643	1.467
Schools	2.268	5.298	(6.744)	(12.042)	2.268	2.268	2.268	0.000	0.000	0.000
Total Portfolios	229.291	55.529	82.598	27.069	226.673	230.216	232.392	(2.835)	0.925	3.318
Corporate Budgets	26.523	5.159	27.168	22.008	26.523	27.248	27.248	0.000	0.725	0.725
Total General Fund	255.814	60.689	109.766	49.077	253.196	257.464	259.640	(2.835)	1.650	4.043

Portfolio Variances +/- £50k (medium case)

**Adults, Health & Community Sector Portfolio – overall variance £0.195m
ADVERSE**

Adults £0.195m overspend

Reconfiguration of a 2015/16 strategic choice. This related to a capital investment into a new Learning Disability provision. An alternative proposal is being developed for 2016/17 as part of the budget process.

**Early Intervention and Early Years Portfolio – overall variance £0.586m
ADVERSE**

Children's Social Care £1.765m overspend

Demographic increases in Children in Care +£2.826m and a delay in the implementation of the plan to achieve Big Ticket +£0.537m.

This overspend has been partially mitigated by the use of grant and carry forwards. Service activity is being undertaken to mitigate the balance in relation to:

- Minimising the impact of demographic growth through early intervention.
- Ensuring safeguarding packages are fit for purpose.
- Driving the delivery of transformation programmes.

Vulnerable Children's & Families -£0.677m underspend

A majority of this underspend relates to slippage in recruitment; this has been due to service redesign, Big Ticket impact and to mitigate the demographic increase in Children's Social Care.

**Community Services & HR Portfolio – overall variance £0.507m
FAVOURABLE**

Licensing; Trading Standards & ASB - £0.106m underspend

Management of staff vacancies within the service.

Parking; Permits; Bus Lane Enforcement - £0.323m overspend

Overspend due to pressures on the income target within Parking Enforcement. Budgets are being reviewed to identify in year savings.

Uniformed Services - £0.138m underspend

Management of staff vacancies within the service.

Commercial & Neighbourhood Services £0.671m underspend

Positive action on growing sales and controlling costs as indicated in business plans has led to this improving net budget position in traded areas. The best case is based on the Business Plan targets from the department.

Community Cohesion £66k overspend

Overspend due to loss of external funding. The team is currently working through plans to bring in on budget and to identify in year savings.

Jobs, Growth & Transport Portfolio – overall variance £0.175m FAVOURABLE

Commercial & Neighbourhood Services £0.175m underspend

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

Leisure & Culture Portfolio – overall variance £67k FAVOURABLE

Royal Centre £0.280m underspend

Greater than budgeted ticket sales for the Royal Concert Hall and Theatre Royal.

Markets £0.213m overspend

Unplanned increase in service charges.

Resources & Neighbourhood Regeneration Portfolio – overall variance £0.643m ADVERSE

Property Asset Management - £0.863m overspend

Slippage in the programme for Strategic Asset Management Big Ticket savings of £3.363m is forecast. The programme has been re-profiled from 3 years to 5 years requiring the use of reserves of £2m in 2015/16. This and other one-off underspends has reduced the in year overspend to £0.863m.

IT – £57k underspend

The service is presently undergoing a restructure and has held some vacancies open whilst this is implemented.

Corporate budgets – overall variance 0.725m overspend

Enviroenergy - £0.100m overspend

The shortfall on income is due to reduced utility sales, based on customers being more energy efficient. In year spend is currently under review, and the EE board is discussing pricing options

Corporate Savings (Productivity) £0.625m overspend

Projected shortfall against cost reductions. Work is ongoing with HR and departments to identify further savings.

APPENDIX C

Debtors - Performance Review – Q1 2015-16		Q1 June
BVPI 66a - Housing Rent Collection (%) <i>(cumulative - current tenants only)</i>		
	<i>(arrears + debit)</i> Actual	97.17
	Target	98.40
	Last Year Actual 2014-15	97.58
BVPI 9 - Council Tax Collection (%)		
	<i>(in year cumulative)</i> Actual	26.30
	Target	25.90
	Last Year Actual 2014-15	26.20
BVPI 10 - NNDR Collection (%)		
	<i>(in year cumulative)</i> Actual	31.28
	Target	29.20
	Last Year Actual 2014-15	27.90
Sundry Income Collection (%)		
	<i>(12 month rolling average)</i> Actual	79.40
	Target	99.00
	Last Year Actual 2014-15	84.00
Sundry Income Debtor Days -General		
	Actual	31.00
	<i>(12 month rolling average)</i> Target	32.30
	Last Year Actual 2014-15	29.60
Estates Rents Collection (%)		
	Actual	96.80
	<i>(12 month rolling average)</i> Target	97.50
	Last Year Actual 2014-15	96.84
Adult Residential Services Collection (%)		
	Actual	95.42
	<i>(12 month rolling average)</i> Target	95.90
	Last Year Actual 2014-15	95.90

VIREMENT 2015-16 REQUIRING EXECUTIVE BOARD APPROVAL

APPENDIX D

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Virements prior to changes in Portfolio arrangements					
Realignment of Strategic Choices	0.001	within Children & Adults		Children's Services (CHS)	Adults, Commissioning & Health (ACH)
	0.030	Resources	Children & Adults	Resources & Neighbourhood Regeneration (RNR)	ACH
	0.030	within Communities		Planning & Transportation (PLT)	Community Services (CYS)
DDMs and Budget Reallocation	0.026	within Children & Adults		CHS	ACH
Lunch Club	0.164	Communities	Children & Adults	CYS	ACH
Drug Aware	0.050	within Children & Adults		Strategic Regeneration & Schools (SRS)	ACH
Post transfer Human Resources / Quality & Commissioning	0.042	Chief Executive	Children & Adults	CYS	ACH
Councillors Services (residual realignment)	0.001	Children & Adults	Resources	CHS	RNR
Glenbrook Management Centre	0.041	Children & Adults	Development & Growth	CHS	RNR
Dedicated Schools Grant Realignment	0.411	within Children & Adults		CHS	SRS

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Transfer of Services resulting from changes in Portfolio arrangements					
Community Centres	1.174	within Communities		Community Safety, Housing & Voluntary Sector (CSHVS)	Adults, Health Community Sector (ADH)
Quality & Commissioning (Procurement)	0.468	within Childrens & Adults		ACH	Jobs, Growth & Transport (JGT)
Internal Communications	0.052	within Chief Executive		RNR	Community Services & HR (CSH)
Human Resources	4.996	within Chief Executive		RNR	CSH
Local Communities	0.277	within Communities		CSH	RNR
Front Line Equipment Budget	1.276	within Communities		CSHVS	CSH
Business Development	0.484	within Communities		CSHVS	CSH
Environmental Health & Safer Housing	2.199	within Communities		CSHVS	CSH
Community Cohesion	0.152	within Communities		CSHVS	CSH
Uniformed Services	3.072	within Communities		CSHVS	CSH
Parking; Permits; Bus Lane Enforcement	0.414	within Communities		CSHVS	CSH
Licensing; Trading Standards & Anti-Social Behaviour	0.842	within Communities		CSHVS	CSH
Crime & Drugs Partnership	0.250	within Childrens & Adults		CSHVS	CSH
Children & Adults Directorates	1.294	within Childrens & Adults		CHS	Early Intervention & Early Years (ELY)
Vulnerable Children & Families	8.964	within Childrens & Adults		CHS	ELY

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Children's Social Care	43.504	within Childrens & Adults		CHS	ELY
One Nottingham	0.152	within Childrens & Adults		RNR	ELY
Customer Access Programme	0.146	within Chief Executive		RNR	Energy & Sustainability (ESU)
Waste & Recycling Team	0.221	within Communities		ESU	CYS
Quality & Commissioning	0.443	within Childrens & Adults		RNR	JGT
Tourism	0.274	within Communities		JGT	Leisure & Culture (LCT)
Commercial Services	14.003	within Communities		PLT	JGT
Highways & Energy Infrastructure	0.741	within Communities		PLT	JGT
Trading Operations	2.067	within Communities		PLT	JGT
Street Lighting	5.057	within Development & Growth		PLT	JGT
Public Transport	0.881	within Development & Growth		PLT	JGT
Concessionary Fares	14.269	within Development & Growth		PLT	JGT
Traffic Safety & Development	0.292	within Development & Growth		PLT	JGT
Transport Strategy	0.231	within Development & Growth		PLT	JGT
Housing Strategy	0.966	within Development & Growth		CSHVS	Planning & Housing (PLN)
Housing Options	0.960	within Development & Growth		CSHVS	PLN
Adaptations & PAD Scheme	0.030	within Development & Growth		CSHVS	PLN
Building Control	0.040	within Development & Growth		PLT	PLN
Planning	0.187	within Development & Growth		PLT	PLN
Planning Strategy	0.405	within Development & Growth		PLT	PLN
NET Project	0.004	within Development & Growth		PLT	PLN
Traffic Safety & Development	0.173	within Development & Growth		PLT	PLN

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Quality & Commissioning	0.714	within Childrens & Adults		CSHVS	PLN
Building Schools for the Future	0.448	within Development & Growth		SRS	Schools (SCH)
Children & Adults Directorates	1.820	within Childrens & Adults		SRS	Schools (SCH)
Virements since change in Portfolio arrangements					
Contact Centre	0.050	within Communities		CSH	JGT
Centralise Trading Ops Head of Service budgets	0.039	within Communities		CSH	JGT
Communities Exec Support to Organisational Transformation	0.043	Communities	Chief Executive	LCT	CSH
Business Support Realignment	0.028	Resources	Communities	RNR	LCT
Organisational Transformation - Executive Support	0.041	Development & Growth	Chief Executive	RNR	CSH
Customer Access Programme	0.017	Resources	Chief Executive	within RNR	
Realign Strategic Choice	0.150	Communities	Corporate Budgets	within RNR	
Adjustment to Salary Budget (part) for Marketing & Communications	0.036	Children & Adults	Chief Executive	within RNR	
Leadership Budget	0.009	Chief Executive	Children & Adults	within RNR	
	115.150				

APPENDIX E

ADDITIONS					
Public Sector Housing					
Scheme	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Lenton New Build	0.000	0.500	0.000	0.000	0.500
Church Square - Decommissioning / Leaseholders	0.060	0.180	0.000	0.000	0.240
Church Square - Demolition	0.000	0.300	0.000	0.000	0.300
Church Square - Transfer of Savoy Workshops	0.000	0.215	0.000	0.000	0.215
Total - Public Sector Housing	0.060	1.195	0.000	0.000	1.255

Local Transport Plan					
Scheme	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Transfer to Economic Development	(0.400)	(0.300)	(0.200)	0.000	(0.900)
Total Local Transport Plan	(0.400)	(0.300)	(0.200)	0.000	(0.900)

Education / Schools					
Scheme	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Schools Structural Improvements	0.228	0.000	0.000	0.000	0.228
Schools Legionella Protection	0.210	0.000	0.000	0.000	0.210
Schools Roof Repair	0.684	0.000	0.000	0.000	0.684
Schools Heating/Boiler Repair	0.687	0.000	0.000	0.000	0.687
Schools Access	0.200	0.000	0.000	0.000	0.200
Maintenance - Contingency Fund	0.118	0.000	0.000	0.000	0.118
Block Allocation - Maintenance Grant	(1.603)	0.000	0.000	0.000	(1.603)
PCP - Greenfields Primary	(0.026)	0.000	0.000	0.000	(0.026)
Stanstead Primary - Electrical Supply	(0.110)	0.000	0.000	0.000	(0.110)
Crabtree Primary - Asbestos Removal	(0.015)	0.000	0.000	0.000	(0.015)
Health and Safety - Contingency	(0.173)	0.000	0.000	0.000	(0.173)
Total Education / Schools	0.200	0.000	0.000	0.000	0.200

Other Services

Scheme	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Adults, Commissioning & Health					
Assistive Tech - Just Checking Units	0.039	0.000	0.000	0.000	0.039
Adult Social Care Block Fund	(0.120)	0.000	0.000	0.000	(0.120)
Long Meadow Improvements	0.553	0.000	0.000	0.000	0.553
Smartphones / Opticare	0.107	0.107	0.108	0.000	0.322
Total Adults Commissioning & Health	0.579	0.107	0.108	0.000	0.794

Leisure and Culture					
Harvey Hadden	0.113	0.000	0.000	0.000	0.113
Woodthorpe Grange Retail Nursery Unit	0.050	0.000	0.000	0.000	0.050
Victoria Embankment/Meadows Recreation Ground	0.388	0.000	0.000	0.000	0.388
Pirate Park Improvements	0.060	0.000	0.000	0.000	0.060
Stockhill Park - New Playground	0.050	0.000	0.000	0.000	0.050
Play Areas	0.015	0.000	0.000	0.000	0.015
Gym Equipment	0.014	0.000	0.000	0.000	0.014
Clifton Leisure Centre - Invest to Grow	0.019	0.000	0.000	0.000	0.019
Wilford Cemetery - New Burial System	0.112	0.000	0.000	0.000	0.112
Greenline Fitness Hoops	0.017	0.000	0.000	0.000	0.017
Total Leisure and Culture	0.838	0.000	0.000	0.000	0.838

Jobs, Growth and Transport					
Pay on Foot Machines	0.530	0.000	0.000	0.000	0.530
Total Jobs, Growth and Transport	0.530	0.000	0.000	0.000	0.530

Energy and Sustainability					
Solar Panels - Ken Martin	0.242	0.000	0.000	0.000	0.242
Solar Panels - Daykene Street	0.031	0.000	0.000	0.000	0.031
Solar Panel - Harvey Hadden	0.168	0.000	0.000	0.000	0.168
Trent Basin Wall Improvements	0.325	0.000	0.000	0.000	0.325
Total Energy and Sustainability	0.766	0.000	0.000	0.000	0.766

Community Services

Community Provision in the Dales	0.032	0.000	0.000	0.000	0.032
Total Community Services	0.032	0.000	0.000	0.000	0.032

Resources & Neighbourhood Regeneration					
17-18 Salisbury Square	0.070	0.000	0.000	0.000	0.070
Retail Park Acquisition	4.080	0.000	0.000	0.000	4.080
Imps to 30 Woolpack Lane	0.043	0.000	0.000	0.000	0.043
Acq of Leasehold - Brook Street	1.046	0.000	0.000	0.000	1.046
Loan to Support Further Education	5.000	0.000	0.000	0.000	5.000
Gresham Works Imps	0.150	0.000	0.000	0.000	0.150
Byron House Refurbishment	2.470	0.000	0.000	0.000	2.470
Radford Flats Sale - Loan to NCH	6.700	0.000	0.000	0.000	6.700
Project Evolution (Carefirst)	1.464	1.299	0.000	0.000	2.763
IT - Improvement Programme	2.250	2.250	0.000	0.000	4.500
PC Hardware	0.700	0.000	0.000	0.000	0.700
Agile Working	(0.253)	0.000	0.000	0.000	(0.253)
Camberley Road Lorry Park	0.439	0.000	0.000	0.000	0.439
Total Resources & Neighbourhood Regeneration	24.159	3.549	0.000	0.000	27.708

Strategic Regeneration & Development					
Broadmarsh Redevelopment	2.000	0.000	0.000	0.000	2.000
Expansion of Bioscience	11.231	15.650	0.570	0.000	27.451
Strategic Regeneration & Development	13.231	15.650	0.570	0.000	29.451

Scheme	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Total Public Sector Housing	0.060	1.195	0.000	0.000	1.255
Total Local Transport Plan	(0.400)	(0.300)	(0.200)	0.000	(0.900)
Total Education / Schools	0.200	0.000	0.000	0.000	0.200
Total Other Services	40.135	19.306	0.678	0.000	60.119
Total Capital Programme	39.995	20.201	0.478	0.000	60.674

APPENDIX F

OTHER VARIANCES				
Public Sector Housing				
Scheme	Slippage £m	Acceleration £m	Savings £m	Other £m
St Ann's Estate Action- Stonebridge Park (NCH) - scheme re-phased due to project timetable	(0.541)	0.000	0.000	0.000
IT Development Programme	(0.024)	0.000	0.000	0.000
Installation of Solar Panels - programme has been re- profiled and re-approved after change in financial assumptions	(4.111)	0.000	0.000	0.000
Adaptations for disabled persons - schemes rephased in line with external work requests	(0.516)	0.000	0.000	0.000
Building a Better Nottingham - a number of new build schemes re-profiled into future years	(4.026)	0.000	0.000	0.000
Woodthorpe and Winchester CHP - scheme progressing ahead of schedule	0.000	0.020	0.000	0.000
Affordable Homes - Garage Sites - New Build - scheme progressing ahead of schedule	0.000	0.390	0.000	0.000
Office Improvements - provision for scheme no longer necessary	0.000	0.000	(0.200)	0.000
Mortgage Protection - provision no longer necessary	0.000	0.000	(0.625)	0.000
Acquisition of Sheltered Housing Scheme - additional fees related to acquisition	0.000	0.000	0.000	0.055
Total - Public Sector Housing	(9.218)	0.410	(0.825)	0.055

Local Transport Programme				
Scheme	Slippage £m	Acceleration £m	Savings £m	Other £m
Local Growth Fund Schemes - programme of schemes re- profiled to match latest work programme	(2.100)	0.000	0.000	0.000
Better Bus Area Schemes - schemes progressing ahead of schedule	0.000	0.313	0.000	0.000
Various adjustments to match schemes to actual grant received	0.000	0.000	0.000	(0.161)
Total - Local Transport Plan	(2.100)	0.313	0.000	(0.161)

Education / Schools				
Scheme	Slippage £m	Acceleration £m	Savings £m	Other £m
Forest Fields Primary Reorganisation - savings identified during quarter 1	0.000	0.000	(0.168)	0.000
Reduction in Maintenance Grant Block Fund - adjusted to match actual grant	0.000	0.000	0.000	(0.385)
Transfer Early Years (2 yr olds) to Other Services	0.000	0.000	0.000	(0.374)
Total Education / Schools	0.000	0.000	(0.168)	(0.759)

Other Services				
Scheme	Slippage £m	Acceleration £m	Savings £m	Other £m
Adults, Commissioning & Health				
Hazel Hill - scheme no longer in capital plans	0.000	0.000	(0.550)	0.000
Total Adults, Commissioning & Health	0.000	0.000	(0.550)	0.000

Leisure and Culture				
Melbourne Park Pavilion Imps – bid for additional funding delayed	(0.050)	0.000	0.000	0.000
Highfields Park - Refurbishment - project timetable re-profiled	(0.950)	0.000	0.000	0.000
Mountfield Drive / Hazel Hill Park Imps - scheme re-phased into 16/17	(0.041)	0.000	0.000	0.000
Playground Improvements - removal of residual balances	0.000	0.000	(0.053)	0.000
Newstead Abbey - Vision for Future - part of programme postponed	0.000	0.000	(0.090)	0.000
Total Leisure and Culture	(1.041)	0.000	(0.143)	0.000

Jobs, Growth and Transport				
The Chapel and Theatre - Mapperley Hospital - to be treated as revenue expenditure	0.00	0.00	0.000	(0.040)
Total Jobs, Growth and Transport	0.000	0.000	0.000	(0.040)

Energy and Sustainability				
Solar Panels-Queens Dr Park & Ride Site - currently undergoing further feasibility studies, start of work re-profiled into 2016/17	(0.927)	0.000	0.000	0.000
Solar Panels-Colwick Park & Ride Site - currently undergoing further feasibility studies, start of work re-profiled into 2016/17	(1.236)	0.000	0.000	0.000
Total Energy and Sustainability	(2.163)	0.000	0.000	0.000

Resources & Neighbourhood Regeneration				
St Ann's JSC - scheme rephased into 16/17	(0.043)	0.000	0.000	0.000
Marlstones - Demolition - savings on fees	0.000	0.000	(0.027)	0.000
Acq Property - Upper Parliament St - savings on fees	0.000	0.000	(0.003)	0.000
Acq of Hilton House, Waterway St - savings on fees	0.000	0.000	(0.001)	0.000
Acq of Property - Carlton Road - savings on fees	0.000	0.000	(0.003)	0.000
Roof - Units 7-8 Salisbury Square - savings on fees	0.000	0.000	(0.030)	0.000
Property Trading additional fees	0.000	0.000	0.000	0.019
Total Resources & Neighbourhood Regeneration	(0.043)	0.000	(0.064)	0.019

Planning and Housing				
Disabled Facilities Grants - There is currently a backlog of assessments caused in part by a growing demand for this service. Expecting increased referrals.	(0.869)	0.000	0.000	0.000
Stonebridge - charged to HRA in 14/15	0.000	0.000	0.000	0.053
Total Planning and Housing	(0.869)	0.000	0.000	0.053

Early Intervention & Early Years				
Transfer Early Years (2 yr olds) from Education / Schools	0.000	0.000	0.000	0.374
Total Early Intervention & Early Years	0.000	0.000	0.000	0.374

Strategic Regeneration and Development				
Daykene Street Factory	(0.008)	0.000	0.000	0.000
Property Acquisitions – savings on fees	0.000	0.000	(0.027)	0.000
Project Management – savings on fees	0.000	0.000	(0.014)	0.000
Total Early Intervention & Early Years	(0.008)	0.000	(0.041)	0.000

Scheme	Slippage £m	Acceleration £m	Savings £m	Other £m
Total Public Sector Housing	(9.218)	0.410	(0.825)	0.055
Total Local Transport Plan	(2.100)	0.313	0.000	(0.161)
Total Education / Schools	0.000	0.000	(0.168)	(0.759)
Total Other Services	(4.124)	0.000	(0.798)	0.406
Total Capital Programme	(15.442)	0.723	(1.791)	(0.459)