

EXECUTIVE BOARD – 20 SEPTEMBER 2016

Subject:	Review of 2016/17 Revenue and Capital Budgets at 30 June 2016 (Quarter 1)		
Corporate Director(s)/ Director(s):	Geoff Walker, Strategic Director of Finance		
Portfolio Holder(s):	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration		
Report author and contact details:	Theresa Channell, Head of Strategic Finance 0115 8763649 theresa.channell@nottinghamcity.gov.uk		
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 2016	
Relevant Council Plan Key Theme:			
Strategic Regeneration and Development			<input checked="" type="checkbox"/>
Schools			<input checked="" type="checkbox"/>
Planning and Housing			<input checked="" type="checkbox"/>
Community Services			<input checked="" type="checkbox"/>
Energy, Sustainability and Customer			<input checked="" type="checkbox"/>
Jobs, Growth and Transport			<input checked="" type="checkbox"/>
Adults, Health and Community Sector			<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years			<input checked="" type="checkbox"/>
Leisure and Culture			<input checked="" type="checkbox"/>
Resources and Neighbourhood Regeneration			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
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 2016.			
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):			
<p>1 To note:</p> <ul style="list-style-type: none"> a) the overall current (medium case) forecast net overspend of £2.270m before retention of traded surplus, 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 £4.077m 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 (table 6); 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 2016/17 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 2016/17 revenue budget was approved by City Council in March 2016. 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 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 2016 updated for known factors.

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 is to be taken in the context of the overall corporate outturn position. The potential impact of traded surplus retention is also shown in Table 1. Appendix A provides more detail and Appendix B explains the main variances.

TABLE 1: FORECAST OUTTURN VARIANCE AS AT 30.06.16				
OUTTURN VARIANCE 2015/16 £m¹	PORTFOLIO	(UNDER) / OVER SPEND		
		BEST £m	MEDIUM £m	WORST £m
(0.825)	Adults and Health	0.934	0.954	0.959
1.180	Business, Growth and Transport	(0.529)	(0.313)	0.709
(1.224)	Community Services	(3.300)	(1.326)	0.713
0.430	Early Intervention and Early Years	1.138	1.138	1.138
0.671	Education, Employment and Skills	1.676	2.081	2.081
(0.261)	Energy and Sustainability	0.000	0.000	0.000
(0.528)	Leisure and Culture	(0.981)	(0.208)	0.302
(0.417)	Planning and Housing	0.004	0.023	0.133
0.322	Resources and Neighbourhood Regeneration	(0.025)	0.175	0.199
(0.071)	Strategic Regeneration	(0.336)	(0.336)	0.937
0.723	TOTAL PORTFOLIOS	(1.420)	2.188	7.171
(0.965)	Corporate budgets	0.000	0.082	0.185
(1.688)	NET COUNCIL POSITION	(1.420)	2.270	7.356
	Potential retention (50% of traded surplus)	1.073	1.072	0.000
	NET COUNCIL POSITION POST TRADING SURPLUS RETENTION	(0.347)	3.342	7.356
Change – best to medium (net Council position)		3.690		
Change – medium to worst (net Council position)				5.086

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 01.04.16	9.500
Decrease in Reserves to medium case	(2.270)
Estimated Reserves at 31.03.17 (medium case)	7.230

The minimum level of opening reserves for 2016/17 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. Mitigating actions need to be implemented, and have effect, to ensure the minimum level of reserves is maintained. The recommended minimum level for next year will be advised by the Strategic Director of Finance (SDF) 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.

As part of the 2016/17 budget process, a review of earmarked balances was undertaken to re-affirm the purpose of the reserves and the likely timescale that these reserves will be utilised. Reserve transfers for 2016/17 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 SDF 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 2016/17 and Table 3 shows the allocations approved by the SDF and Deputy Leader up to the date of despatch of this report which now require endorsement.

TABLE 3: CONTINGENCY ALLOCATIONS REQUIRING ENDORSEMENT	
Item	Amount £m
Backfill arrangements for Policy Officer	0.007
Portfolio Management Office	0.200
Voter Registration Campaign	0.006
Schools Out Holiday Sport and Leisure Programme	0.050
Ridge Play Centre Expansion and Multi use Games Area	0.100
Legal Advice re City Police Structure	0.007
Support for Social Cohesion Events	0.006
Disability Football	0.003
Refugee Support	0.012

Homecare	0.750
TOTAL	1.141

This leaves a remaining balance of £0.859m, although there are further pending applications which will be reported as part of the next monitoring report. Forecast outturn assumes full use of contingency.

2.5 Cost reductions and pressures

Cost Reductions

The 2016/17 budget includes new cost reductions of £20.826m and at this stage all are expected to be achieved against the original proposals.

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

TABLE 4a: NEW COST REDUCTIONS INCLUDED IN 2016/17 BUDGET			
PORTFOLIO	2016/17 Total £m	Position at 30.06.16 £m	Anticipated year end position
			£m
Adults and Health	(5.017)	(1.259)	(5.017)
Business, Growth and Transport	(1.515)	(0.342)	(1.515)
Community Services	(1.676)	(0.470)	(1.676)
Early Intervention and Early Years	(2.900)	(0.526)	(2.900)
Education, Employment & Skills	(0.854)	(0.146)	(0.854)
Energy and Sustainability	(0.552)	(0.352)	(0.552)
Leisure and Culture	(0.623)	(0.156)	(0.623)
Planning and Housing	(0.825)	(0.235)	(0.825)
Resources and Neighbourhood Regeneration	(6.864)	(2.630)	(6.864)
TOTAL	(20.826)	(6.114)	(20.826)

Pressures

£4.325m of pressures are included within the 2016/17 budget and are expected to be used by 31 March 2017. Table 4b provides details by portfolio.

TABLE 4b: NEW PRESSURES INCLUDED IN 2016/17 BUDGET			
PORTFOLIO	2016/17 Total £m	Position at 30.06.16 £m	Anticipated year end position
			£m
Adults and Health	1.531	0.383	1.531
Business, Growth and Transport	0.950	0.238	0.950
Early Intervention and Early Years	1.694	0.424	1.694
Resources and Neighbourhood Regeneration	0.150	0.038	0.150
TOTAL	4.325	1.081	4.325

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 the City Council at the March 2016 meeting and budgeted for a working balance of £4.000m brought forward at 31 March 2016 and closing balance of £4.000m at 31 March 2017. The working balance acts as a contingency to cover unexpected significant expenditure or loss of income.

Retained Housing: Reduction of £77k

The forecast underspend is due to staff vacancy savings in the Regeneration team.

Table 5 shows the revised working balance at 31 March 2017.

	£m	£m
Estimated balance at 31 March 2017		4.000
Add		
Retained Housing – vacancy savings	0.077	<u>0.077</u>
Revised working balance at 31 March 2017		4.077

2.8 Debtors Monitoring (Appendix C)

Housing Rents

The performance at the end of Q1 (97.41%) was slightly behind target (98.40%), but exceeds performance at the same point last year by 0.24%.

There are a number of factors affecting performance, including the continued roll out of Universal Credit (UC). A corporate programme of works continues, designed to ensure a corporate response to the challenges of UC and wider welfare reforms, with particular focus on pre-tenancy work, aimed at giving new tenants the best possible support to enable them to sustain their tenancy going forwards.

Council Tax

Collection rate is 0.25% above the profiled target of 25.90% for Q1, but marginally behind (0.15%) the same period in 2015/16. Collection amounted to £30.7m compared to collection of £29.2m for the same reporting period in 2015/16.

National Non- Domestic Rates (NNDR)

The collection rate is 0.05% above the Q1 collection target of 29.20%. Collection amounted to £39.3m compared to collection of £40.1m for the same reporting period in 2015/16.

Sundry Income

The percentage of debts collected within 90 days in the 12 months to June 2016 was 82.40% which compares favourably to the corresponding figure for 2015/16 of 79.40%.

The debtor day indicator (which shows how quickly debts are recovered) is currently 30 days, exceeding the target of 32.30 days.

Management action continues to target the application of receipts and the 90 day collection percentage should maintain an improvement over future periods.

Adult Residential Services

The Q1 collection rate of 95.55% (on a 12 month rolling average) is only slightly lower than the 95.90% target and is 0.13% above the rate for the same period last year. Actual invoiced charges raised during Q1 amounted to £2.220m, with amount collected of £1.851m.

Estates Rents

Although the collection rate of 94.19% is below the set target of 97.50%, individual periods within the quarter have shown a sustained improvement. Management action is required to deliver an improved position across future periods.

2.9 Capital Programme Update

The outturn report stated an updated overall Capital Programme for 2016/17 of **£129.947m** for the General Fund and **£78.243m** for the HRA. Schemes have since been approved totalling **£11.302m**. Identified variances include net slippage of **£18.779m** and other variances totalling **£1.345m**.

Table 6 shows the revised programme for each portfolio. Taking into account the additions and other variances, the overall forecast for 2016/17 is **£134.471m** for the General Fund and **£64.896m** for the HRA. Actual spend for Q1 is **£36.933m** which is 18.5% of the forecast outturn.

TABLE 6: REVISED PROGRAMME AND ACTUAL SPEND FOR QUARTER 1						
Portfolio	Forecast Outturn £m	New Approvals £m	Slippage etc £m	Other £m	Revised Outturn Q1 £m	Actual Spend £m
Public Sector Housing	78.242	0.349	(12.993)	(0.702)	64.896	6.324
Local Transport Plan	26.452	1.875	(0.362)	(1.120)	26.845	3.905
Education/Schools	15.359	3.406	0.000	0.044	18.809	5.040
All Other Services	88.136	5.672	(5.424)	0.433	88.817	21.664
Total	208.189	11.302	(18.779)	(1.345)	199.367	36.933

New Approvals 2016/17

Scheme amendments and additions of **£11.302m** have been approved and included in the programme for 2016/17. In addition **£4.770m**, **£1.809m** and **£0.225m** additions have been included for 2017/18, 2018/19 and 2019/20 respectively.

Details of significant approvals are listed below:

£6.000m for Nottingham Go Ultra Low City Programme – grant funded to deliver a series of innovative projects submitted as part of the Go Ultra Low City bidding competition to Government which will help to achieve the City Council's aspirations for becoming a Low Emission City

£3.000m for Mellers Primary Early Design Work – Part of the Primary School Reorganisation programme, funded by Basic Needs Grant, to address the growing need for primary school places within the City.

£1.250m for Fernwood Primary Early Work - Part of the Primary School Reorganisation programme, funded by Basic Needs Grant, to address the growing need for primary school places within the City.

£2.500m for Broadmarsh Redevelopment – for detailed design work on the scheme to regenerate the Broadmarsh area.

£0.996m for Flexible Fitness Equipment - for the replacement and maintenance of gym equipment and the refurbishment of fitness provisions in order to maximise income streams.

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 **£18.779** including the following schemes:

Public Sector Housing Programme - **£12.993m** net slippage identified in quarter 1 on a range of works to be carried out on Public Housing. This includes **£4.064m** slippage on solar panels as the scheme is on hold whilst a review of future work programmes is completed.

£3.800m of slippage has been identified on Woodthorpe/Winchester new build where refurbishment work has been delayed due to New Build scheme starting in April 2017.

Slippage on other services includes:

Royal Centre Transformation has slipped by a total **£1.593m**; programme has been adjusted to match latest schedule of works, overall total spend remains unchanged.

Highfields Park has slippage of **£0.812m**; the start on site for this project has been delayed pushing projected spend into 2017/18.

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 **£13.695m** net slippage and other adjustments identified in Quarter 1 and total additions to the programme of **£0.349m**.

Table 7 sets out the updated programme and resources.

TABLE 7 : PUBLIC SECTOR HOUSING - CAPITAL PROGRAMME AND RESOURCES						
PORTFOLIO	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Total Public Sector Housing Programme	64.896	57.353	41.157	35.125	31.767	230.298
Resources Available						
Resources b/fwd	49.836	-	-	-	-	49.836
Prudential Borrowing	-	5.580	7.420	2.864	3.558	19.422
Grants & Contribution	3.995	0.653	1.307	0.815	-	6.770
Major Repairs Allowance	27.078	27.078	27.078	27.078	27.078	135.390
Internal Funds / Revenue	4.760	2.573	0.200	-	-	7.533
Capital Receipts secured	2.392	-	-	-	-	2.392
Subtotal Resources	88.061	35.884	36.005	30.757	30.636	221.343

Capital Receipts Unsecured	3.780	3.045	1.854	1.440	1.130	11.249
Total Resources	91.841	38.929	37.859	32.197	31.766	232.592
Future commitment to maintaining decency						2.294
Cumulative (Surplus)/Shortfall	(26.945)	(8.521)	(5.223)	(2.295)	(2.294)	0.000

General Fund Capital Programme

The General Fund capital programme has been updated for the total additions of **£10.953m** and net slippage and other adjustments identified in Quarter 1 of **£6.429m**. 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, that have been approved pending business cases, are also included.

PORTFOLIO	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Local Transport Programme	26.845	25.815	6.858	0.225	0.000	59.743
Education / BSF	18.809	5.477	0.000	0.000	0.000	24.286
Other Services	88.817	28.084	23.775	10.750	8.304	159.730
Schemes in Development	108.435	103.387	26.020	0.000	0.000	237.842
Total Programme	242.906	162.763	56.653	10.975	8.304	481.601

The five year programme totals **£481.601m** which includes **£237.842m** 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 **£1.877m**; this represents 0.4% of the total programme and will be used as a contingency against the programme.

PORTFOLIO	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Resources						
Resources b/fwd	34.341	0.000	0.000	0.000	0.000	34.341
Prudential Borrowing	137.588	114.021	30.234	8.848	5.812	296.503
Grants & Contribution	53.298	43.219	21.026	2.530	1.200	121.273
Internal Funds / Revenue	7.054	1.368	3.005	0.000	0.000	11.427
Secured Capital Receipts	1.061	0.000	0.000	0.000	0.000	1.061
Subtotal Resources	233.342	158.608	54.265	11.378	7.012	464.605
Capital Receipts Unsecured	10.375	6.274	1.075	0.656	0.492	18.873
TOTAL RESOURCES	243.717	164.882	55.340	12.034	7.504	483.478
Cumulative (Surplus)/Shortfall	(0.811)	(2.930)	(1.617)	(2.676)	(1.877)	(1.877)

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 significant increase in the authority's borrowing over the next five years;
- exposure to interest rate changes; a 0.5% increase in interest rates will increase the cost of borrowing by c£0.700m per annum;
 - major schemes have a long payback period which will require the use of reserves in the early years to fund short term deficits in business plans;
 - the cost of feasibility studies are all undertaken at risk;
 - schemes may not cover their costs or make the desired return.
- 5.3 In order to manage these risks the following key principles will be adopted in managing the programme:
- new projects (unable to cover their costs) added to the programme, will result in an existing project being removed or amended;
 - all projects must have a robust and viable full business case, which considers and includes whole life costing and revenue implications;
 - all schemes will be subject to robust and deliverable business plans and models which demonstrate the necessary return on investment required;
 - the decision to progress schemes will be dependent on securing the stated level of external funding or grant as appropriate;
 - new projects will be considered where the Council can make a return on investment;
 - where new sources of external funding/grants become available, the programme will be revisited;
 - all schemes will be subject to an independent internal 'Gateway review process'.
- 5.4 The City Council recognises the importance of individual and collective accountability and requires managers to formally acknowledge their responsibilities. Financial management is an integral aspect of effective leadership and good management,

relevant councillors and managers are required to participate fully in all aspects of capital investment plans.

- 5.5 Corporate Directors will be accountable for the success and deliverability of all capital projects within their remit; including:
- ownership of business cases and any subsequent changes to them;
 - ensuring that capital projects are delivered in line with agreed targets and resources;
 - the successful outcome and benefits realisation of capital projects.

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

6.1 None

7 SOCIAL VALUE CONSIDERATIONS

7.1 None

8 REGARD TO THE NHS CONSTITUTION

8.1 None

9 EQUALITY IMPACT ASSESSMENT (EIA)

9.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:

The report does not contain proposals for new or changing policies, services or functions.

Yes

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

10.1 None

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 Medium Term Financial Plan 2016/17 - 2018/19 - Executive Board 23 February 2016

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

12.1 Jo Worster – Team Leader Strategic Finance
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BUDGET MONITORING 2016/17 - Year to Period 3 (JUNE) £'m

APPENDIX A

Portfolio	POSITION TO THE END OF P3 (JUNE)				YEAR END FORECAST POSITION					
	Updated Estimate	Profiled Estimate	Actual + Commitments	Variance	Estimated Outturn (BEST CASE)	Estimated Outturn (MEDIUM CASE)	Estimated Outturn (WORST CASE)	Variance (under)/over to BEST CASE	Variance (under)/over to MEDIUM CASE	Variance (under)/over to WORST CASE
Adults and Health	89.780	29.382	29.264	(0.118)	90.714	90.734	90.739	0.934	0.954	0.959
Business, Growth & Transport	8.400	(5.370)	6.430	11.799	7.870	8.087	9.109	(0.529)	(0.313)	0.709
Community Services	20.860	2.764	7.413	4.649	17.560	19.535	21.573	(3.300)	(1.326)	0.713
Early Intervention & Early Years	55.341	17.077	12.525	(4.552)	56.479	56.479	56.479	1.138	1.138	1.138
Education, Employment & Skills	4.031	4.129	(4.504)	(8.633)	5.707	6.112	6.112	1.676	2.081	2.081
Energy & Sustainability	6.378	2.126	5.348	3.223	6.378	6.378	6.378	0.000	0.000	0.000
Leisure & Culture	13.068	3.296	(1.262)	(4.559)	12.087	12.860	13.371	(0.981)	(0.208)	0.302
Planning & Housing	2.649	(1.187)	(1.578)	(0.391)	2.652	2.672	2.781	0.004	0.023	0.133
Resources & Neighbourhood										
Regeneration	20.217	5.942	13.976	8.034	20.192	20.392	20.416	(0.025)	0.175	0.199
Strategic Regeneration	(3.174)	(0.729)	0.182	0.911	(3.510)	(3.510)	(2.237)	(0.336)	(0.336)	0.937
Total Portfolios	217.549	57.430	67.793	10.363	216.129	219.737	224.720	(1.420)	2.188	7.171
Corporate Budgets	26.329	35.071	34.966	(0.104)	26.329	26.411	26.514	0.000	0.082	0.185
Total General Fund	243.878	92.500	102.759	10.259	242.457	246.148	251.234	(1.420)	2.270	7.356

Portfolio Variances +/- £50k (medium case)**Adults and Health Portfolio – overall variance £0.954m adverse****Adults £0.954m adverse**

The gross projected overspend is £3.609m and is made up of:

1. £0.470m non delivery of a 2015/16 strategic choice saving. This saving related to a capital investment into a new Learning Disability provision.
2. £2.217m of demographic growth.
3. £0.750m increase in payments to homecare providers to maintain suppliers.
4. £0.172m contractual increases for residential care providers in the county.

An element of this has been mitigated by:

1. Planned use of external funding (£1.9m).
2. Use of corporate contingency (£0.750m).

Management action / measures to contain:

1. Exhausting all possibilities of grant and partner contributions.
2. Ensuring care packages are appropriate.

Business, Growth and Transport Portfolio – overall variance £0.313m favourable**Neighbourhood Services £0.332m favourable; Highways & Energy Infrastructure £0.400m favourable**

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

Public Transport £0.384m adverse

Slippage from April 2016 to February 2017 in the delivery and operational use of 13 new electric buses, thereby delaying implementation of the new contract to achieve a reduction in costs.

Measures to mitigate this include reviewing opportunities for additional one-off income.

Community Services Portfolio – overall variance £1.326m favourable**Neighbourhood Services £1.489m favourable**

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

Community Cohesion £0.100m adverse

Unbudgeted grant reductions. The team is currently working through plans to eliminate budget pressures throughout 2016/17, and reviewing budgets for in year savings.

Uniformed Services £0.364m favourable

£0.200m from the insourcing of the Security Framework, and £0.163m from vacancies.

Parking; Permits; Bus Lane Enforcement £0.214m adverse

Penalty Charge Notice income – due to targeted enforcement, education and marketing the public are not parking illegally and are therefore using NCC Car Parks creating additional income within Commercial & Operations.

Community Protection are currently reviewing their budgets for in year savings.

Human Resources £0.300m adverse

Funding has yet to be confirmed for Apprentice and PATRA costs and will be incorporated into the 2017/18 budget process.

Early Intervention and Early Years Portfolio – overall variance £1.138m adverse

Children's £1.138m adverse

The gross projected overspend is £1.738m and is made up of:

1. £1.994m from the investment profile of the Newly Qualified Social Worker (NQSW) programme and the associated double running costs whilst the NQSW are undertaking their post qualification training.
2. £0.798m cost of children in care. This cost is predominantly due to complexity and not a material increase in numbers.

An element of this has been mitigated by:

1. Managing underspends in other areas of the service (£1.054m).
2. Use of reserves (£0.600m)

Management action / measures to contain:

1. Exhausting all possibilities of grant and partner contributions.
2. Ensuring care packages are appropriate.
3. Consistently reviewing spend in other areas of the service.

Education, Employment & Skills Portfolio – overall variance £2.081m adverse

Education £2.081m adverse

The material issues contributing to this projected overspend are:

1. An increase in demand for Schools Education Transport of £1.190m, this area overspent by £0.705m in 2015/16.
2. Education Service Grant (ESG) reductions of £0.814m.

Management Action / measures to contain

The contribution from partners has been maximised for this service and demand is a statutory obligation. This pressure is being incorporated in to the 2017/18 budget process.

Management of ESG in year is still being developed and in year one off underspends being identified to mitigate where possible.

Leisure and Culture Portfolio – overall variance £0.208m favourable

Markets £0.291m adverse

Additional service charge at Victoria Centre Indoor Market.

Royal Centre £0.400m favourable

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

Resources and Neighbourhood Regeneration Portfolio – overall variance £0.175m adverse

Civic and Coronial Services £0.200m adverse

Increased case numbers in the Coroner's service are contributing to this projected overspend. Work is taking place with the service to try and mitigate the cost where possible, and this will be incorporated into the 2017/18 budget process.

Strategic Regeneration Portfolio – overall variance £0.336m favourable

Neighbourhood Services £0.800m favourable

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

Property £0.464m adverse

Although the Strategic Asset Management Big Ticket savings are on track a number of other pressures within the service have emerged. Mitigating action is being undertaken to review other contributions to support these issues.

Debtors - Performance Review – Q1 2016/17		Q1 June
BVPI 66a - Housing Rent Collection (%) <i>(cumulative - current tenants only)</i>		
	<i>(arrears + debit)</i> Actual	97.41
	Target	98.40
	Last Year Actual 2015/16	97.17
BVPI 9 - Council Tax Collection (%)		
	<i>(in year cumulative)</i> Actual	26.15
	Target	25.90
	Last Year Actual 2015/16	26.30
BVPI 10 - NNDR Collection (%)		
	<i>(in year cumulative)</i> Actual	29.25
	Target	29.20
	Last Year Actual 2015/16	31.28
Sundry Income Collection (%)		
	<i>(12 month rolling average)</i> Actual	82.40
	Target	99.00
	Last Year Actual 2015/16	79.40
Sundry Income Debtor Days -General		
	Actual	30.00
	<i>(12 month rolling average)</i> Target	32.30
	Last Year Actual 2015/16	31.00
Estates Rents Collection (%)		
	Actual	94.19
	<i>(12 month rolling average)</i> Target	97.50
	Last Year Actual 2015/16	96.80
Adult Residential Services Collection (%)		
	Actual	95.55
	<i>(12 month rolling average)</i> Target	95.90
	Last Year Actual 2015/16	95.42

VIREMENT 2016/17 REQUIRING EXECUTIVE BOARD APPROVAL

APPENDIX D

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Operational virements prior to changes in Portfolio arrangements					
Realignment of previous MTFP decision	0.450	Corporate Items	CA	RNR	ADH
	0.022	within S&C		CYS	ADH
After Care Advisor	0.039	S&C	CA	ADH	ELY
Savings realignment	0.020	CA	S&C	ELY	ADH
	0.012	within CA		ELY	ADH
	0.474	within S&C		ESU	CYS
	0.055			LCT	CYS
	0.037	within S&C		SRD	CYS
	0.040	within D&G		JGT	RNR
	0.040			PLNH	RNR
	0.077	within S&C		ADH	ELY
realignment within Quality & Commissioning and Commissioning & Procurement	0.873	within S&C		PLNH	ADH
Adult & Assessment realignment	0.026	within CA		ADH	ELY
Adult Social Care realignment	0.011	within CA		ELY	ADH
Meals at Home realignment	0.001	CA	C&O	JGT	ADH
	0.043	within C&O		JGT	CYS
Business Support realignment	0.089	R	OT	RNR	CYS
Commercial & Operations restructure	0.009	within C&O		CYS	JGT
	0.036			CYS	LCT
Trading Operations realignment	0.039	within C&O		CYS	JGT
Neighbourhood Management	0.970	within C&O		CYS	RNR

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Cashiers realignment	0.038	CA	R	ELY	RNR
Commercial Development restructure	0.047	within C&O		JGT	ESU
Commercial Services directorate	0.095	C&O	CX	LCT	RNR
Reduced capital charges (including depreciation) & interest payments realigned to repairs and management (DHP, tipping charges & fees)	1.636	within HRA		within PLNH	
Transfer of Services resulting from changes in Portfolio arrangements					
Strategy & Policy / Commissioning & Procurement	0.621	within S&C		ADH	ELY
Youth Grants	0.785	within S&C		ADH	SRN
NET Project	0.022	within D&G		PLNH	BGT
Economic Development (Partner / Policy)	3.284	within D&G		BGT	EES
	8.253				

Key	Department
CA	Children & Adults
C&O	Commercial & Operations
CX	Chief Executive
D&G	Development & Growth
EI	Early Intervention
OT	Organisational Transformation
R	Resources
S&C	Strategy & Commissioning
HRA	Housing Revenue Account

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

APPENDIX E: ADDITIONS AT QUARTER 1

Scheme	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Public Sector Housing					
Oakford Close-Highway Works	0.025	0.000	0.000	0.000	0.025
Chalfont Drive - Land Acquisitions	0.324	0.381	0.000	0.000	0.705
Local Transport Plan etc					
Nottingham Go Ultra Low City Prog	1.875	2.325	1.575	0.225	6.000
Education					
Condition Grant Block Fund 16/17	(1.544)	0.000	0.000	0.000	(1.544)
Robert Shaw Heating	0.200	0.000	0.000	0.000	0.200
Robin Hood Primary - Roof	0.202	0.000	0.000	0.000	0.202
Berridge Junior - Roof	0.370	0.000	0.000	0.000	0.370
Seely Primary - Roof	0.150	0.000	0.000	0.000	0.150
Dovecote Primary Heating - Phase 3	0.165	0.000	0.000	0.000	0.165
Scotholme Primary - Asbestos	0.150	0.000	0.000	0.000	0.150
Claremont Primary - Heating	0.100	0.000	0.000	0.000	0.100
Condition - Contingency Fund	0.207	0.000	0.000	0.000	0.207
Mellers Primary - Early Design	2.500	0.500	0.000	0.000	3.000
Mellers Primary - Mobile Classrooms	(0.150)	0.000	0.000	0.000	(0.150)
Mellers Primary - Early Design	0.150	0.000	0.000	0.000	0.150
Access Improvements - Minor Schemes	0.200	0.000	0.000	0.000	0.200
Middleton Primary - Early Design etc	0.100	0.000	0.000	0.000	0.100
Glade Hill Primary - Reconfiguration	0.105	0.000	0.000	0.000	0.105
Greenfields Primary - Roof	(0.045)	0.000	0.000	0.000	(0.045)
Whitegate Primary - Expansion	0.045	0.000	0.000	0.000	0.045
Fernwood Infants & Juniors - Early Work	0.500	0.750	0.000	0.000	1.250
Fernwood Nursery - External Works	0.131	0.000	0.000	0.000	0.131
Berridge Infant Reorganisation	(0.009)	0.000	0.000	0.000	(0.009)
Robert Shaw Primary - Reorganisation	(0.025)	0.000	0.000	0.000	(0.025)
Southwold Primary Reorganisation	(0.035)	0.000	0.000	0.000	(0.035)
Fernwood Infants - Fire Alarm	(0.008)	0.000	0.000	0.000	(0.008)
Burford Primary - Water Heaters	(0.010)	0.000	0.000	0.000	(0.010)
Glenbrook Primary - add Spaces	(0.023)	0.000	0.000	0.000	(0.023)
Claremont Primary - School Playground	(0.020)	0.000	0.000	0.000	(0.020)
Adults and Health					
NCH Fees - Care Estate Inv Plan	0.040	0.000	0.000	0.000	0.040
Modifications to Children's Home	0.070	0.000	0.000	0.000	0.070
The ridge Adventure Playground	0.300	0.000	0.000	0.000	0.300
Jobs, Growth and Transport					
HS2 Toton Station assessment	0.052	0.000	0.000	0.000	0.052
Leisure and Culture					
Hoewood Road Imps	0.100	0.000	0.000	0.000	0.100
Hucknall Rd Gateway Imps	0.050	0.000	0.000	0.000	0.050

APPENDIX E: ADDITIONS AT QUARTER 1

Scheme	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Bulwell Hall Masterplan	0.100	0.000	0.000	0.000	0.100
Barker Gate Pocket Park	0.012	0.000	0.000	0.000	0.012
Frinton Road Pocket Park	0.015	0.000	0.000	0.000	0.015
Priory Park	0.040	0.000	0.000	0.000	0.040
Nottingham Contemporary - Catering	0.061	0.000	0.000	0.000	0.061
Flexible Fitness Equipment	0.448	0.314	0.234	0.000	0.996
Planning and Housing					
Citywide Licensing of Private Rented Homes	0.128	0.000	0.000	0.000	0.128
Recycling Repaid Hsg Renewal & Repair Grants	0.300	0.000	0.000	0.000	0.300
Resources & Neighbourhood Regeneration					
Income Management Enterprise Licence	0.270	0.000	0.000	0.000	0.270
IT Infrastructure Database Upgrade	0.129	0.000	0.000	0.000	0.129
Clifton Town Centre	0.500	0.000	0.000	0.000	0.500
149-169 Lower Parliament St	0.140	0.000	0.000	0.000	0.140
Strategic Regeneration & Development					
Nottingham Science Park - Phase 2	0.150	0.000	0.000	0.000	0.150
Broadmarsh	2.000	0.500	0.000	0.000	2.500
Demolition of Springwood Day Centre	0.377	0.000	0.000	0.000	0.377
Demolition of Beechdale Baths	0.390	0.000	0.000	0.000	0.390
TOTAL ADDITIONS	11.302	4.770	1.809	0.225	18.106

APPENDIX F: CAPITAL PROGRAMME VARIANCES Q1

Scheme	Slippage £m	Acceleration £m	Savings £m	Other £m
Public Sector Housing				
High Rise Sprinkler Systems - Installation works delayed at Woodthorpe & Winchester Court Woodthorpe and Winchester CHP -	(0.108)			
Refurbishment work delayed due to New Build scheme starting in April 2017	(2.886)			
Victoria Centre - Major roof repairs - Slippage for proposed works to be delivered in 17-18	(0.150)			
New Build - Phase 2 (includes Flats) - Scheme re-phased based on latest projected completion date.	(0.279)			
Aspley JSC / Stepney Court - New Build - Scheme re-phased based on latest projected completion date.	(1.500)			
Morley Court - New Build - Scheme re-phased based on latest projected completion date.	(0.500)			
Woodthorpe ./ Winchester - New Build - New Build scheme due to start in April 2017	(3.800)			
Installation of Solar Panels - Scheme on hold whilst review of future work programmes is completed	(4.064)			
City Wide CCTV / Door Entry Imps - Scheme accelerated to enable additional installations to be completed in year		0.169		
Independent Living - Re-designation -Scheme accelerated to enable additional works to be completed in year		0.487		
Unallocated - New Build - Scheme accelerated to cover preliminary New Build costs		0.011		
Management Fee 16/17 - Saving due to re-forecasted 5 year capital programme			(0.373)	
Reductions to D&R Prog for approvals - Transfer to individual approved schemes within the D&R programme				(0.702)
Total - Public Sector Housing	(13.287)	0.667	(0.373)	(0.702)
Local Transport Programme				
Better Bus Areas 2 – slippage in line with latest programme of works, overall cost unchanged	(0.362)			
Transfer to Area Capital Fund - Transfer to Other Services				(1.250)
Pot Holes 16/17 - Funding Announced				0.117
Maintenance Incentive Fund - Funding Announced				0.013
Total - Local Transport Plan	(0.362)	0.000	0.000	(1.120)
Education / Schools				
Access Imps - Correction - matched by Dedicated Schools Grant				0.044
Total - Education / Schools	0.000	0.000	0.000	0.044
Other Services				
Adults and Health				
Block Fund - Adult Social Care (DoH Grant) 14/15	(0.600)			

APPENDIX F: CAPITAL PROGRAMME VARIANCES Q1

Scheme	Slippage £m	Acceleration £m	Savings £m	Other £m
- Martin Jackaman - Branding / Roof / Signage	(0.021)			
- The Oaks - Refurbishment / Branding / Signing	(0.040)			
- Martin Jackaman - Pool	(0.014)			
- Long Meadow - Externals / Internals / Branding	(0.050)			
- Cherry Trees - Branding / Additional Beds / Signage	(0.050)			
- Summerwood - Minor Work / Branding	(0.040)			
- Albany - Branding	(0.010)			
- Estate Improvements - Interior Design	(0.010)			
- Laura Chambers - Entrance / Branding / Beds	(0.060)			
- Oakdene Closure and Security	(0.010)			
- Willow Close - Closure and Security	(0.010)			
- Willows - Develop / Mothball / Dispose Long Meadow	(0.200)		(0.040)	
Leisure and Culture				
Highfields Park - the start on site for this project has been delayed pushing projected spend into 2017/18	(0.812)			
Royal Centre Transformation - programme has been adjusted to match latest schedule of works, overall total spend remains unchanged.	(1.593)			
Libraries Wi-Fi - Charged to revenue			(0.097)	
Strategic Regeneration & Development				
Stronger Safer Communities Fund	(0.059)			
Cavendish Court - Housing Enforcement	(0.255)			
Southglade Foodpark - Phase 2 - Land element previously included in cost			(0.250)	
Property Acq - Flying Horse Arcade - residual balance not needed			(0.003)	
Property Acq - Clumber Street - residual balance not needed			(0.007)	
Re-investment of Capital Receipts - Additional receipts identified				0.433
Energy & Sustainability				
Ken Martin Solar Panels - Charged to ECF in previous year			(0.242)	
Harvey Hadden Solar Panels - Charged to ECF in previous year			(0.168)	

APPENDIX F: CAPITAL PROGRAMME VARIANCES Q1

Scheme	Slippage £m	Acceleration £m	Savings £m	Other £m
Resources & Neighbourhood Regeneration				
IT - Microsoft Upgrade - scheme complete 15/16			(0.378)	
IT - Core Infrastructure Refresh - scheme complete 15/16			(0.095)	
IT - Additional Microsoft Licences - scheme complete 15/16			(0.310)	
Total - Other Services	(3.834)	0.000	(1.590)	0.433
Total Variance	(17.483)	0.667	(1.963)	(1.345)

