

## EXECUTIVE BOARD – 17 JUNE 2014

<b>Subject:</b>	<b>Capital Outturn 2013/14</b>		
<b>Corporate Director(s)/ Director(s):</b>	Carole Mills, Deputy Chief Executive, Corporate Director and Chief Finance Officer		
<b>Portfolio Holder(s):</b>	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration		
<b>Report author and contact details:</b>	Geoff Walker – Director of Strategic Finance (Acting) 0115 8763740 <a href="mailto:geoff.walker@nottinghamcity.gov.uk">geoff.walker@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b> <input checked="" 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 checked="" 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
<b>Total value of the decision:</b> £9.153m			
<b>Wards affected:</b> All		<b>Date of consultation with Portfolio Holder(s):</b> 5 June 2014	
<b>Relevant Council Plan Strategic Priority:</b>			
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"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>This report sets out the City Council's pre-audit General Fund and Housing Revenue Account (HRA) capital outturn for 2013/14. It is an important component of the City Council's financial management and governance framework; setting out the Council's year end financial position for 2013/14.</p> <p>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.</p> <p>The final Statement of Accounts will be considered by the Audit Committee in September 2014 at the conclusion of the external audit.</p>			

**Exempt information:**

None

**Recommendation(s):****1** To note:

- a) the capital outturn and explanations of variances over £0.100m as detailed in Appendix A and B;
- b) the ongoing review of existing schemes within the programme in light of the level of funding available.

**2** To approve:

- a) the extension of the rolling capital schemes as set out in paragraph 2.6;
- b) the updated programme shown in paragraphs 2.7 and 2.8;
- c) that the final distribution of Arrow Light Rail is used to offset the prudential borrowing that financed the acquisition of Arrow Light Rail as detailed in paragraph 2.10.

**1 REASONS FOR RECOMMENDATIONS**

- 1.1 To enable formal monitoring of progress against the 2013/14 capital budget and the impact of actual and planned management action and confirm that financing options were managed in order to best utilise the resources available to fund the capital programme.
- 1.2 To provide an update on the commitments that are to be carried over into the five year programme 2014/15 to 2018/19 and highlight the capital resourcing requirements for funding the proposed capital programme.

**2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)****2.1 Capital Programme**

The capital programme for 2013/14 was approved by the City Council in March 2013. Quarterly monitoring and forecasting reports have been provided and considered by Executive Councillors throughout 2013/14.

**2.2 Capital Expenditure 2013/14**

Total capital expenditure in 2013/14 was **£122.165m**, representing a reduction of **£40.335m** (24.82%) from the Quarter 3 projection. **Table 1** shows the position for each portfolio. Further details are set out in **Appendix A**.

<b>TABLE 1 - CAPITAL PROGRAMME - OUTTURN 2013/14</b>				
<b>PORTFOLIO</b>	<b>Forecast Q3 £m</b>	<b>Actual Outturn £m</b>	<b>Variance £m</b>	<b>%</b>
<b>Commissioning and the Voluntary Sector</b>				
Public Sector Housing	60.715	52.398	(8.317)	(13.70)
<b>Planning and Transportation</b>				
Transport Programmes	27.016	20.024	(6.992)	(25.88)
<b>Children's Services</b>				
Education / BSF	20.976	17.686	(3.290)	(15.68)
<b>Total</b>	<b>108.707</b>	<b>90.108</b>	<b>(18.60)</b>	<b>(17.11)</b>
<b>Other Services:</b>				
Adults and Health	0.539	0.889	0.350	64.94
Children's Services	0.641	0.358	(0.283)	(44.15)

Leisure and Culture	8.888	5.972	(2.916)	(32.81)
Planning and Transportation	18.387	8.654	(9.733)	(52.93)
Energy & Sustainability	4.987	4.628	(0.359)	(7.20)
Commissioning and the Voluntary Sector	2.971	2.049	(0.922)	(31.03)
Strategic Regeneration and Community Safety	1.819	1.040	(0.779)	(42.83)
Community Services	2.365	0.690	(1.675)	(70.82)
Resources and Neighbourhood Regeneration	13.196	7.777	(5.419)	(41.07)
<b>Total</b>	<b>53.793</b>	<b>32.057</b>	<b>(21.736)</b>	<b>(40.41)</b>
<b>TOTAL PROGRAMME</b>	<b>162.500</b>	<b>122.165</b>	<b>(40.335)</b>	<b>(24.82)</b>

### 2.3 Reason for variances

The City Council's capital monitoring analyses variations between:

- changes in budgeted expenditure, where the expenditure is still required but takes place later than originally intended (**slippage**) or earlier than originally intended (**acceleration**). Slippage does not result in resources being released; the resources and planned expenditure will be carried forward into future years;
- under-spends or over-spends, which represent a decrease or an increase in the total capital cost of a project (which could potentially be over a number of years) and would usually result in a saving which can be released to support the capital programme in future years.

### 2.4 Significant variances

An overview of individual schemes showing significant variances is set out below. Further details of variances over £0.100m are contained in **Appendix B**.

#### **Housing Delivery -£8.317m**

The variance of 14% predominantly represents slippage on a programme totalling **£60.715m**. Slippage of **-£7.286m** has occurred on a number of schemes and will be rolled forward, to provide a revised programme for 2014/15 of **£84.392m**. The HRA capital programme will be rephrased following the review at the end of quarter 1 2014/15.

#### **Local Transport Plan -£6.992m**

A variance of 26% on a programme of **£27.016m** represents slippage on a number of schemes of **-£7.626m**. The revised programme for 2014/15 to 2018/19 is **£61.719m**.

#### **Children's Services -£3.290m**

Children's Services show a variance of **-£3.290m** representing 16% on a programme of **£20.976m**. This variance is mainly attributable to slippage of **-£4.294m** caused by delays in various projects as detailed in **Appendix B**.

#### **Other Services -£21.736m**

Total expenditure in this year was **£32.057m** against a projection of **£53.793m**. The variance represents 40% of the programme and is predominantly due to slippage of **-£24.632m**, offset by acceleration of schemes of **£1.279m**. The variances have been reflected in the revised programme for 2014/15 and explanations of the major variances within 'Other Services' are detailed below and in **Appendix B**:

- **Leisure and Culture -£2.916m** - Slippage relating to **-£1.337m** on the delay in the commencement of Harvey Hadden replacement pool (although the overall scheme remains on target for completion) and a delay in the completion of the transfer of Portland Leisure Centre to the third party operator of **-£0.749m**.

- **Planning and Transportation -£9.733m** - Slippage of **-£8.790m** on the NET project, due to delays in the completion of compulsory purchase orders for land acquisitions. Slippage of **-£1.001m** for vehicle replacements due to delays in vehicle deliveries and tenders for specialist vehicles.
- **Commissioning and the Voluntary Sector - £0.922m** - Slippage on a number of schemes including the equity loan scheme, disabled facilities grant and Stonebridge relocation.
- **Strategic Regeneration and Community Safety -£0.779** - Additions to the programme of **£0.786m** and slippage of **-£1.572m** relating to delays in property acquisition and transport schemes for the Broadmarsh redevelopment and the reinvestment of ring fenced capital receipts in investment properties.
- **Community services -£1.675m** - Slippage on area capital schemes.
- **Resources and Neighbourhood Regeneration -£5.419m** - Mainly due to slippage on a number of IT schemes including **£2.990m** which relates to delayed implementation of various schemes including the Microsoft upgrade to Windows 7 and the Storage area network refresh.

## 2.5 Additions to the Programme

Additions in Quarter 4 include those schemes that were approved as part of the budget process and the allocation of the schools maintenance grant to specific schools.

Other additions to the programme are shown in **Table 2** below:

<b>TABLE 2: CAPITAL PROGRAMME ADDITIONS at QTR 4 2013/14</b>							
<b>Scheme</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
<b>Public Sector Housing</b>							
Green Deal Community Funding	0.000	3.851	(1.500)	(1.600)	(0.751)	0.000	(0.000)
Cranwell New Build	0.000	0.085	(0.050)	0.000	0.000	0.000	0.035
Meadows New Build	0.000	0.290	(0.400)	0.000	0.000	0.000	(0.110)
No Fines/ Solid Wall Insulation Schemes	0.000	(0.756)	0.000	0.000	0.000	0.000	(0.756)
Sneinton District Heating	0.000	0.756	0.000	0.000	0.000	0.000	0.756
<b>Transport Programmes</b>							
Other Services - Area Capital	0.000	(1.250)	0.000	0.000	0.000	0.000	(1.250)
<b>Other Services</b>							
<b>Adults and Health</b>							
The Oaks Refurbishment	0.000	0.511	0.000	0.000	0.000	0.000	0.511
Martin Jackaman Pool	0.000	0.442	0.000	0.000	0.000	0.000	0.442
Martin Jackaman Interior	0.000	(0.109)	0.000	0.000	0.000	0.000	(0.109)
<b>Commissioning and the Voluntary Sector</b>							
Disabled Facilities Grants	0.000	0.000	0.000	0.000	1.250	1.250	2.500
<b>Community Services</b>							

**TABLE 2: CAPITAL PROGRAMME ADDITIONS at QTR 4 2013/14**

<b>Scheme</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Area Capital Fund (from Transport)	0.000	1.250	0.000	0.000	0.000	0.000	1.250
<b>Energy and Sustainability</b>							
Solar Panels - Queens Drive Park & Ride Site	0.000	0.927	0.000	0.000	0.000	0.000	0.927
Solar Panels - Colwick Park & Ride Site	0.000	1.236	0.000	0.000	0.000	0.000	1.236
Eastcroft Combined Heat & Power Plant Works	0.000	(0.247)	0.861	1.467	0.371	0.951	3.403
<b>Leisure and Culture</b>							
Melbourne Park Pavilion Imps	0.000	0.050	0.000	0.000	0.000	0.000	0.050
Broxtowe Country Park - BMX / Pump Track	0.060	0.000	0.000	0.000	0.000	0.000	0.060
Bulwell Forest Master-plan	0.035	0.000	0.000	0.000	0.000	0.000	0.035
Bulwell Forest Play Area	(0.035)	0.000	0.000	0.000	0.000	0.000	(0.035)
Libraries - Self issue Technology	0.160	0.109	0.000	0.000	0.000	0.000	0.269
Victoria / Ken Martin Fitness / Southglade Health	0.000	0.470	0.000	0.000	0.000	0.000	0.470
Horticultural Retail Units	0.000	0.050	0.000	0.000	0.000	0.000	0.050
Weed Wipe Machinery	0.000	0.004	0.000	0.000	0.000	0.000	0.004
Car Parking Meters at Major Parks	0.000	0.036	0.000	0.000	0.000	0.000	0.036
Wollaton Hall Stable Block - Seasonal Café	0.000	0.040	0.000	0.000	0.000	0.000	0.040
Nottingham Caves - Audio / Visual Equipment	0.000	0.070	0.000	0.000	0.000	0.000	0.070
Wollaton Hall / Castle - Retail Outlets	0.000	0.045	0.000	0.000	0.000	0.000	0.045
Wollaton Hall Stable Block - 2 New Retail Units	0.000	0.045	0.000	0.000	0.000	0.000	0.045
Newstead Abbey - Holiday / Glamping Units	0.000	0.100	0.000	0.000	0.000	0.000	0.100
Relocation of Hyson Green Library	0.000	0.032	0.000	0.000	0.000	0.000	0.032
<b>Planning and Transport</b>							
Lace Market Car Park	0.060	0.000	0.000	0.000	0.000	0.000	0.060
Carrington St Car Park	0.000	0.211	0.000	0.000	0.000	0.000	0.211
Vehicle Replacement Programme	0.000	0.000	0.500	0.500	0.000	3.500	4.500
<b>Strategic Regeneration and Community Safety</b>							
Leasehold Acquisition (Sneinton Market)	0.786	0.000	0.000	0.000	0.000	0.000	0.786
Creative Catalyst (Daykene Street)	0.000	3.031	3.030	0.000	0.000	0.000	6.061

**TABLE 2: CAPITAL PROGRAMME ADDITIONS at QTR 4 2013/14**

Scheme	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
<b>Resources and Neighbourhood Regeneration</b>							
Unlocking Loxley House	0.000	0.882	0.000	0.000	0.000	0.000	0.882
Acquisition of Property	0.110	0.000	0.000	0.000	0.000	0.000	0.110
Property Repairs	0.198	0.000	0.000	0.000	0.000	0.000	0.198
<b>TOTAL ADDITIONS</b>	<b>1.374</b>	<b>9.185</b>	<b>4.391</b>	<b>1.967</b>	<b>1.621</b>	<b>5.701</b>	<b>24.239</b>

## 2.6 Rolling Programmes for approval

**Table 2** includes 3 rolling programmes that require approval for inclusion in the capital programme:

- **Disabled Facilities Grants** - to be extended to cover years 2017/18 – 2018/19 at a value of **£1.250m** in each of these years. This scheme is a cross tenure service that provides grants for disability adaptations to the private sector. This amount will be funded from the Council's own resources. However, additional government grant may be secured with the purpose of increasing this provision.
- **Capital Works at Eastcroft** - This report seeks approval for **£3.403m** funded from Prudential Borrowing for the capital works at the Eastcroft Incinerator as set out in **Table 3**. The Council is contractually committed to cover the works. However, this payment mechanism represents better value for money than the alternative approach of paying an increased gate fee. The capital works are to be funded by Prudential Borrowing.

**TABLE 3: EASTCROFT CAPITAL EXPENDITURE**

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Current Provision	2.955	0.571	2.495	1.190	0.000	7.211
Revised Provision	2.708	1.432	3.962	1.561	0.951	10.614
<b>Amendment to the capital programme</b>	<b>(0.247)</b>	<b>0.861</b>	<b>1.467</b>	<b>0.371</b>	<b>0.951</b>	<b>3.403</b>

- **Vehicle Replacement Programme** - An additional **£4.500m** is requested to re-profile and extend the provision into 2018/19 as set out in **Table 4**:

**TABLE 4: VEHICLE REPLACEMENT PROGRAMME**

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Current Provision	4.187	3.000	3.000	3.500	0.000	13.687
Revised Provision	4.187	3.500	3.500	3.500	3.500	18.187
<b>Amendment to the capital programme</b>	<b>0.000</b>	<b>0.500</b>	<b>0.500</b>	<b>0.000</b>	<b>3.500</b>	<b>4.500</b>

## 2.7 Revised Capital Programme - General Fund

The General Fund Programme has been updated for approvals in quarter 4 and the impact of the final outturn. The resource projections have also been updated, including those sums likely to be generated by capital receipts.

Capital receipts projections continue to be closely monitored. General secured Capital Receipts in 2013/14 (which support the programme) are lower than expectations due to

a number of disposals slipping into 2014/15. Overall secured capital receipts for 2013/14 are **£4.385m** and include receipts from investment properties which will be reinvested in the property portfolio.

Resources and proposed financing for 2014/15 is shown in **Appendix C**.

The General Fund Programme shows a current surplus of **£12.744m**. However, a number of potential significant capital schemes are currently being assessed, as part of the Council's investment strategy, which will focus on supporting a higher level of growth and regeneration within the City. Potential funding streams for these schemes are being explored from a variety of sources, including the use of the capital programme surplus, external funding and prudential borrowing.

<b>TABLE 5: GENERAL FUND CAPITAL PROGRAMME</b>							
<b>ACTUAL 2013/14 £m</b>	<b>PORTFOLIO</b>	<b>REVISED PROGRAMME</b>					
		<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/1 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
20.023	Local Transport Plan (LTP)	35.404	17.421	6.644	2.250	0.000	61.719
17.684	Education/BSF	18.831	9.342	5.647	0.000	0.000	33.820
32.058	Other Services	186.408	26.975	21.781	17.540	15.684	268.388
<b>69.765</b>	<b>Total Programme</b>	<b>240.643</b>	<b>53.738</b>	<b>34.072</b>	<b>19.790</b>	<b>15.684</b>	<b>363.927</b>
	<b>Resources</b>						
29.479	Resources b/fwd	26.162	0.000	0.000	0.000	0.000	26.162
20.179	Prudential Borrowing	162.758	20.768	15.678	8.435	4.451	212.090
30.184	Grants & Contribution	40.440	25.037	17.321	8.692	6.642	98.132
11.700	Internal Funds / Revenue	14.673	1.318	0.000	1.848	3.341	21.180
4.385	Secured Capital Receipts	0.000	0.000	0.000	0.000	0.000	0.000
<b>95.927</b>	<b>Total Resources</b>	<b>244.033</b>	<b>47.123</b>	<b>32.999</b>	<b>18.975</b>	<b>14.434</b>	<b>357.564</b>
	<b>Total Unsecured Receipts</b>	10.225	3.515	5.367	0.000	0.000	19.107
<b>(26.162)</b>	<b>Cumulative Surplus/(Shortfall)</b>	<b>(13.615)</b>	<b>(10.515)</b>	<b>(14.809)</b>	<b>(13.994)</b>	<b>(12.744)</b>	<b>(12.744)</b>

## 2.8 Public Sector Housing (HRA)

The Public Sector Housing programme has been updated to reflect the **£7.286m** slippage between 2013/14 and 2014/15. **Table 6** sets out the updated programme and resources which shows a projected surplus of **£1.860m**.

<b>TABLE 6 : PUBLIC SECTOR HOUSING - CAPITAL PROGRAMME AND RESOURCES</b>							
<b>ACTUAL 2013/14 £m</b>	<b>PORTFOLIO</b>	<b>REVISED PROGRAMME</b>					
		<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>Total £m</b>
52.398	Public Sector Housing Programme	84.392	47.169	33.672	36.940	38.604	240.777
<b>52.398</b>	<b>Total Programme</b>	<b>84.392</b>	<b>47.169</b>	<b>33.672</b>	<b>36.940</b>	<b>38.604</b>	<b>240.777</b>
	<b>Resources Available</b>						
33.344	Resources b/fwd	49.484	0.000	0.000	0.000	0.000	49.484
0.000	Prudential Borrowing	0.000	0.000	0.000	6.000	9.000	15.000
28.507	Grants & Contribution	15.044	0.000	0.000	0.000	0.000	15.044
5.749	Direct Revenue Financing	5.972	3.185	7.841	8.076	8.319	33.393

28.739	Major Repairs Reserve	29.001	29.001	29.001	29.001	29.001	145.005
5.543	Capital Receipts secured	0.000	0.000	0.000	0.000	0.000	0.000
<b>101.882</b>	<b>Sub Total Resources</b>	<b>99.501</b>	<b>32.186</b>	<b>36.842</b>	<b>43.077</b>	<b>46.320</b>	<b>257.926</b>
	Capital Receipts Unsecured	3.015	2.460	0.450	0.000	0.000	5.925
<b>101.882</b>	<b>Total Resources</b>	<b>102.516</b>	<b>34.646</b>	<b>37.292</b>	<b>43.077</b>	<b>46.320</b>	<b>263.851</b>
	<b>Future commitment to maintaining decency</b>						<b>21.214</b>
<b>(49.484)</b>	<b>Cumulative (Surplus)/Shortfall</b>	<b>(18.124)</b>	<b>(5.601)</b>	<b>(9.221)</b>	<b>(15.358)</b>	<b>(23.074)</b>	<b>(1.860)</b>

## 2.9 Arrow Light Rail Limited - Final Distribution

A significant element of financial close for NET Phase 2 in December 2011 was the acquisition of the previous concessionaire Arrow Light Rail Limited in order to enable the termination of the NET Line One contract. Payments made included the purchase of the company shares and discharging all of the company's bank loans and contracts totalling **£254.200m** which were financed by Prudential Borrowing. The new concession for the operation of NET Line 1 and the design, construction, finance and operation of Lines 2 and 3 could then be granted to Tramlink Limited who successfully bid for the NET Phase 2 contract. Arrow Light Rail would then be dissolved as soon as practicable since the company had ceased trading and was no longer required.

Arrow Light Rail was placed into members' voluntary liquidation and PwC appointed as Liquidators on 24 September 2013. The final meeting of Members was held on 31 January 2014 which resolved that a final distribution of **£1,186,811** be made to Members (i.e. Nottingham City Council).

This distribution is a capital receipt and it is therefore proposed that it is off-set against the Prudential Borrowing which financed the acquisition of Arrow Light Rail Limited, reducing the required annual repayment of principal and interest.

## 3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 No other options were considered because it is an important component of the City Council's financial management and governance framework to set out the Council's year end financial position for 2013/14.

## 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.

**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

**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**

Theresa Channell - Head of Corporate and Strategic Finance (Acting)  
0115 8763649  
[Theresa.channell@nottinghamcity.gov.uk](mailto:Theresa.channell@nottinghamcity.gov.uk)

Tina Adams - Capital and Taxation Manager  
0115 8763658  
[tina.adams@nottinghamcity.gov.uk](mailto:tina.adams@nottinghamcity.gov.uk)

**APPENDIX A**

<b>APPENDIX A - CAPITAL PROGRAMME OUTTURN 2013/14</b>							
<b>PORTFOLIO</b>	<b>Total at Qtr 3 £m</b>	<b>Approvals at Qtr 4 £m</b>	<b>Slippage £m</b>	<b>Acceleration £m</b>	<b>Savings £m</b>	<b>Other £m</b>	<b>Outturn £m</b>
<b>Housing, Regeneration and Communities</b>							
Public Sector Housing Programme	60.715	0.000	(7.286)	1.612	(2.456)	(0.187)	52.398
<b>Planning and Transportation</b>							
Local Transport Programme	27.016	0.000	(7.626)	0.633	0.000	0.001	20.024
<b>Children's Services</b>							
Education / BSF	20.976	(0.250)	(4.415)	0.121	(0.012)	1.264	17.686
<b>Total</b>	<b>108.707</b>	<b>(0.250)</b>	<b>(19.327)</b>	<b>2.366</b>	<b>(2.468)</b>	<b>1.078</b>	<b>90.108</b>
<b>Other Services:</b>							
Adults and Health	0.539	0.000	(0.058)	0.407	0.000	0.001	0.889
Children's Services	0.641	0.000	(0.288)	0.000	0.005	0.000	0.358
Leisure and Culture	8.888	0.220	(3.150)	0.000	(0.006)	0.021	5.974
Planning and Transportation	18.387	0.060	(10.467)	0.672	0.000	0.000	8.652
Energy & Sustainability	4.987	0.000	(0.517)	0.158	0.000	0.000	4.628
Commissioning and the Voluntary Sector	2.971	0.000	(1.108)	0.000	0.000	0.187	2.049
Strategic Regeneration and Community Safety	1.819	0.786	(1.572)	0.007	0.000	0.000	1.040
Community Services	2.365	0.000	(1.675)	0.000	0.000	0.000	0.690
Resources and Neighbourhood Regeneration	13.196	0.308	(5.797)	0.035	(0.260)	0.296	7.777
<b>Total</b>	<b>53.793</b>	<b>1.374</b>	<b>(24.632)</b>	<b>1.279</b>	<b>(0.261)</b>	<b>0.505</b>	<b>32.057</b>
<b>TOTAL PROGRAMME</b>	<b>162.500</b>	<b>1.124</b>	<b>(43.959)</b>	<b>3.645</b>	<b>(2.729)</b>	<b>1.583</b>	<b>122.165</b>

**APPENDIX B**

<b>Capital Programme variances +/-£0.100m</b>			
<b>Scheme</b>	<b>Projection 13/14 £m</b>	<b>Outturn 13/14 £m</b>	<b>Variance £m</b>
<b>PUBLIC SECTOR HOUSING</b>			
City Wide CCTV / Door Entry Improvements - Work programmes bought forward from 14/15. Delivery of all works will be contained within the total funding for this scheme.	0.130	0.236	0.106
Smoke Alarms - External - Delays in work programming within year. Carry forward to 14/15 to enable installations to be completed.	0.323	0.174	(0.149)
Nottingham Secure - Doors - Nationwide - Output increased to help offset no access and refusals on the Modern Living scheme; to deliver Decent Homes Grant outputs.	4.250	5.298	1.048
Nottingham Secure - Windows - Nationwide - Output increased to help offset no access and refusals on the Modern Living scheme; to deliver Decent Homes Grant outputs.	0.000	0.723	0.723
Modern Living - No access and refusals within the final quarter of the programme. This has been offset by increasing the output on the Secure, Warmth and other Modern Living programmes.	3.150	0.253	(2.897)
Modern Living - FHM - Output increased to help offset no access and refusals on the Modern Living scheme.	5.000	6.378	1.378
Modern Living - Wates - No access and refusals within the final quarter of the programme. This has been offset by increasing the output on the Secure, Warmth and other Modern Living programmes.	5.000	4.614	(0.386)
Modern Living - Bullock - Output increased to help offset no access and refusals on the Modern Living scheme.	5.000	5.265	0.265
Warmth for Nottingham - Vinshire - Output increased to help offset no access and refusals on the Modern Living scheme.	1.200	1.403	0.203
Structural Surveys - Structural work, arising from surveys, was less than anticipated. Carry forward to 14-15 will enable works to continue.	0.350	0.242	(0.108)
Highurst Court - Demolition - Completion of the demolition works at this block.	0.317	0.000	(0.317)
Clifford Court - Demolition - Completion of the demolition works at this block.	0.668	0.509	(0.159)
Highurst Court - Decommission - Scheme complete.	0.218	0.000	(0.218)

<b>Capital Programme variances +/-£0.100m</b>			
<b>Scheme</b>	<b>Projection 13/14 £m</b>	<b>Outturn 13/14 £m</b>	<b>Variance £m</b>
Clifford Court - Decommission - Scheme complete.	0.188	0.012	(0.176)
Lenton Court - Decommission - Scheme complete.	0.316	0.009	(0.307)
Digby Court - Decommission - - Scheme complete.	0.505	0.171	(0.334)
Meadows Crosswall - Phase 1 - Decommission - Scheme complete.	0.105	0.000	(0.105)
Abbey Court - Decommission - Extended timescales relocating tenants in the block as part of the ongoing decommissioning programme.	0.718	0.339	(0.379)
Willoughby Court - Decommission - Extended timescales relocating tenants in the block as part of the ongoing decommissioning programme.	0.400	0.216	(0.184)
Newgate Court - Decommission - Extended timescales relocating tenants in the block as part of the ongoing decommissioning programme.	0.316	0.047	(0.269)
Cranwell Road Flats - Decommission - Extended timescales relocating tenants in the block as part of the ongoing decommissioning programme.	0.402	0.216	(0.186)
Meadows Q Blocks - Decommission - Extended timescales relocating tenants in the block as part of the ongoing decommissioning programme.	0.331	0.219	(0.112)
Meadows Q Blocks / Cranwell Road - Acquisitions 3 Year Programme.	1.353	0.210	(1.143)
New Build - Sheltered - Progress with the ongoing build of the new Independent Living Scheme on the Lenton site.	1.863	1.506	(0.357)
Independent Living - DDA Works - Increase in the scope of work required to meet DDA regulations. Budget for scheme reprofiled; overall capital expenditure remains unchanged	1.077	1.405	0.328
Garage Sites - Demolition Costs - Lenton - Commencement of works delayed pending approval of the Garage Strategy.	0.131	0.012	(0.119)
LED Communal Lighting - Delays in the procurement of this scheme has resulted in the programme not commencing until the end of the year.	0.250	0.052	(0.198)

<b>Capital Programme variances +/-£0.100m</b>			
<b>Scheme</b>	<b>Projection 13/14 £m</b>	<b>Outturn 13/14 £m</b>	<b>Variance £m</b>
Solid Wall Insulation Schemes - Confirm if Gross / Net - Government changes to the ECO funding, and British Gas amending their funding commitments, has meant that the programme had to be slowed down.	1.000	0.866	(0.134)
Composite Doors City Wide - Resources being redirected to enable the Decent Homes programme to achieve the required HCA spend.	2.500	1.167	(1.333)
Sheltered Re-Design - Delays while programmes of works were put together for each scheme based on tenant's requirements.	0.734	0.608	(0.126)
Adaptations For Disabled Persons - Spend on this budget is dependent on the number of referrals passed for works.	1.800	1.695	(0.105)
St Ann's Estate Action - Stonebridge Park (Plot) - Works programme re-aligned with new build programme.	0.325	0.097	(0.228)
Internal Works CESP British Gas - Lower than anticipated grant against the scheme	0.000	0.112	0.112
Internals Phase 4 - Bullock - Finalisation of final accounts for 2012/13	0.000	(0.179)	(0.179)
No Fines CESP - External Wall Insulation - Finalisation of final accounts for 2012/13.	0.000	(0.168)	(0.168)
<b>TOTAL PUBLIC SECTOR HOUSING</b>	<b>39.920</b>	<b>33.707</b>	<b>(6.213)</b>

<b>LOCAL TRANSPORT PLAN</b>			
<b>Scheme</b>	<b>Projection 13/14 £m</b>	<b>Outturn 13/14 £m</b>	<b>Variance £m</b>
Bus Infrastructure Schemes - The provision for Electric buses used the NET fund / Green Bus funding first.	0.585	0.029	(0.556)
Supporting Economic Growth - The Ring Road funding profile was amended at the request of DfT with the result that the local contribution was deferred into 2014/15.	4.809	3.288	(1.521)
Local Safety Schemes - The Main Street, Bulwell and Winchester Street schemes were re-programmed due to network requirements resulting in reduced 2013/14 expenditure. The 20mph Zones programme was wholly funded from the LSTF allocations.	0.425	0.126	(0.299)
Other LTP Schemes - The Programme Co-ordination and Sustainable Transport Indicator elements were wholly funded from the LSTF allocations. The Shakespeare Street works were re-programmed and the external funding re-profiled over 2013/14 and 2014/15.	0.886	0.562	(0.324)

Green Bus Fund (Round 3) - Delay in works programme has led to a re-profiling of expenditure.	1.718	1.481	(0.237)
Network Management - The Advance Direction Signage programme was re-profiled in accordance with the revised Ring Road programme. The Signal Upgrades programme was revised around the availability specialist signal resources.	0.335	0.068	(0.267)
Green Bus Fund (Round 4) - Quarter 3 projection stated total project cost, this has now been profiled over the lifespan of the project.	3.100	1.769	(1.331)
Local Sustainable Transport Fund schemes - 4 year programme, slippage in 2013/14 has been re-profiled over life of project. No overall effect on capital expenditure.	2.513	2.094	(0.419)
City Deal - Creative Quarter schemes - The Creative Quarter programme was re-profiled following the delayed confirmation of receipt of ERDF funding.	1.611	0.846	(0.765)
Better Bus Areas - Phase 2 - Funding confirmed/awarded December 2013; after Q3 monitoring was completed.	0.000	0.619	0.619
Station Hub - As part of the City Council's Contribution Agreement with Network Rail, payments (up to an agreed amount) are made on achievement of specific milestones in the works programme. The most recent of these milestones slipped from late in 2013 / 2014 to 2014 / 2015.	5.642	3.822	(1.820)
<b>TOTAL LOCAL TRANSPORT PLAN</b>	<b>21.624</b>	<b>14.704</b>	<b>( 6.920 )</b>

#### CHILDREN'S SERVICES (EDUCATION)

Scheme	Projection 13/14	Outturn 13/14	Variance
<b>SCHOOLS / BSF PROGRAMME</b>	£m	£m	£m
Forest Fields Primary - Reorganisation - There has been significant savings on this scheme (£0.6million). Final scheme payment in 2014/15.	5.166	4.022	(1.144)
Brocklewood Primary - Heating - Delayed as designs were not complete early enough to undertake the work during the summer holiday.	0.237	0.028	(0.209)
Rufford Primary - Expansion - Value engineered to meet the budget, which has delayed the start, works due to start within the next month.	0.265	0.043	(0.222)
Rosslyn Primary - Expansion - Being designed at present, early design and feasibility studies are ongoing, this has delayed the start on site.	0.347	0.005	(0.342)
Heathfield Primary Expansion - Early Work - Being designed at present, early design and feasibility studies are ongoing, this has delayed the start on site.	0.390	0.048	(0.342)

Riverside Primary - Expansion - Building works are progressing on the site; there were some earlier delays in August 2013 while value engineering was being undertaken.	1.030	0.773	(0.257)
Primary Capital Programme - St Ann's Well Primary - Saving on the scheme that has been confirmed through the final account.	0.122	0.008	(0.114)
Nottingham Academy Expansion - Grant - Redesign has led to a delay starting on site.	0.500	0.000	(0.500)
Northgate Primary Reorganisation - Additional works brought into the scheme around the kitchen design.	0.841	1.205	0.364
Robert Shaw Primary Reorganisation - Additional works brought in to provide outdoor play facilities.	0.748	0.879	0.131
Scotholme Primary Reorganisation - Additional demolition works brought into the scheme.	0.088	0.244	0.156
Lenton Primary Reorganisation - Additional roofing works brought into the scheme.	0.420	0.599	0.179
Bluecoat / Wollaton BSF - Re-profiling of expenditure on the scheme to reflect change in milestones of suppliers.	2.783	2.652	(0.131)
BSF Lifecycle Costs - Hadden Park academisation was delayed.	0.515	0.015	(0.500)
Manning Academy BSF - Additional works required outside the contract sum. However the costs can be contained within the overall BSF / Academies Programme.	2.064	2.319	0.255
<b>TOTAL CHILDREN'S SERVICES (EDUCATION)</b>	<b>15.516</b>	<b>12.840</b>	<b>(2.676)</b>

## OTHER SERVICES PROGRAMME

<b>ADULTS AND HEALTH</b>			
Adult Social Care Estate Investment Plan - Martin Jackaman Branding / Roof / Signage - Approval to spend finalised in January 2014; NCH worked with contractor to accelerate works as much as possible to compensate for previous delays.	0.000	0.347	0.347
<b>TOTAL ADULTS AND HEALTH</b>	<b>0.000</b>	<b>0.347</b>	<b>0.347</b>

<b>CHILDREN'S SERVICES</b>			
Pathfinder Short Breaks - Delay in works on programme; re-profiled into 2014/15. Overall capital expenditure forecast remains unchanged.	0.436	0.229	(0.207)
<b>TOTAL CHILDREN'S SERVICES</b>	<b>0.436</b>	<b>0.229</b>	<b>(0.207)</b>

<b>LEISURE AND CULTURE</b>			
Harvey Hadden Sports Centre - New Pool - Delay in the commencement of the iconic works compared against the original assumptions. The scheme remains on programme for completion in Summer 2015.	5.300	3.963	(1.337)

Portland Leisure Centre - Condition Survey Works - Delays in completing the asset transfer of the centre to the new third party have resulted in a re-profiling of the condition works into 2014/15.	0.750	0.001	(0.749)
Concert Hall - Customer Lift - Delay in works on programme; on track for completion in 2014/15. Overall capital expenditure forecast remains unchanged.	0.120	0.002	(0.118)
<b>TOTAL LEISURE AND CULTURE</b>	<b>6.170</b>	<b>3.966</b>	<b>(2.204)</b>

<b>PLANNING AND TRANSPORT</b>			
NET Projects - Lines 2/3 - Slippage in relation to land acquisitions and associated costs. Delay in the completion of the compulsory purchase process and therefore the compensation claims received. The overall capital expenditure forecast remains unchanged at this time.	12.784	3.994	(8.790)
Vehicle Replacement Programme - Programme re-profiled over 2014/15 - 2018/19 to meet Council requirements.	5.598	4.597	(1.001)
<b>TOTAL PLANNING AND TRANSPORT</b>	<b>18.382</b>	<b>8.591</b>	<b>(9.791)</b>

<b>ENERGY AND SUSTAINABILITY</b>			
Eastcroft Incinerator - Delay in works programme has led to a re-profiling of expenditure. No change in the total capital expenditure figure.	1.753	1.395	(0.358)
Enviro Energy - Canal Street Works - Delay in works programme has led to a re-profiling of expenditure. No change in the total capital expenditure figure.	2.140	1.981	(0.159)
REFIT: Carbon Reduction Programme - Works completed greater than projections for quarter 4 2013/14. Overall capital expenditure remains unchanged at this time.	1.094	1.252	0.158
<b>TOTAL ENERGY AND SUSTAINABILITY</b>	<b>4.987</b>	<b>4.628</b>	<b>(0.359)</b>

<b>COMMISSIONING AND THE VOLUNTARY SECTOR</b>			
Equity Loan Scheme – Provision includes for an advance to be paid to Street UK to enable issue of equity loans to residents to assist with repairs to properties. Payment was completed on 29 April 2014.	0.420	0.035	(0.385)
Disabled Facilities Grants – There is currently a backlog of assessments caused in part by a growing percentage demand for this service; when complete referrals will be sent to the Adaptations Agency.	1.900	1.689	(0.211)
Stonebridge Relocation (S106 Affordable Housing) – This provision remains from the allocation regeneration assistance at Stonebridge. A carry forward is required in order to deal with decommissioning issues.	0.269	0.000	(0.269)

<b>TOTAL COMMISSIONING AND THE VOLUNTARY SECTOR</b>	<b>2.589</b>	<b>1.724</b>	<b>(0.865)</b>
---	--------------	--------------	----------------

<b>STRATEGIC REGENERATION AND COMMUNITY SAFETY</b>			
Broadmarsh Redevelopment - Transport and Highways schemes. This covers the co-ordination of highway improvements with the anticipated completion and opening of the Broadmarsh redevelopment scheme. Project Management costs have now been re-profiled into 2014/15 and 2015/16.	0.400	0.000	(0.400)
Broadmarsh Redevelopment - Acquisition of Property - The acquisition of premises as part of the Broadmarsh Redevelopment is now scheduled to complete in 2014/15.	0.312	0.000	(0.312)
Block Fund - Reinvestment of capital receipts - Capital Schemes have been identified and are currently in the process of approval. This includes the acquisition of 2 properties and the demolition of premises at Glaisdale Drive. These are expected to be completed in 2014/15.	0.753	0.000	(0.753)
<b>TOTAL STRATEGIC REGENERATION AND COMMUNITY SAFETY</b>	<b>1.465</b>	<b>0.000</b>	<b>(1.465)</b>

<b>COMMUNITY SERVICES</b>			
Area Based Capital Investment Plans (Area Capital Fund) - Funding allocated to area committees;	2.365	0.690	(1.675)
<b>TOTAL COMMUNITY SERVICES</b>	<b>2.365</b>	<b>0.690</b>	<b>(1.675)</b>

<b>RESOURCES AND NEIGHBOURHOOD REGENERATION</b>			
Southglade Food Park - Phase 2 - slippage in the timetable for construction into 2014-15.	2.096	0.277	(1.819)
Depot Accommodation - Fleet Services - final payment in 2014/15.	0.270	0.041	(0.229)
Acquisition of Property - Upper Parliament Street - The acquisition of this property is now scheduled to be completed in 2014-15.	0.253	0.000	(0.253)
IT Ultraband Connectivity in Creative Quarter - Works undertaken and charged to revenue in 2012/13.	0.150	0.000	(0.150)
Capitalised Maintenance 2008/09 to 2010/11 - Historic provision; no longer deemed necessary.	0.110	0.000	(0.110)
Various IT Schemes - Delays in the implementation of two key schemes contribute the majority of the variance; Microsoft Upgrade Windows 7) and the Storage Area Network Refresh have been re-profiled into 2014/15 with no overall change in capital expenditure.	4.353	1.363	(2.990)

<b>TOTAL RESOURCES AND NEIGHBOURHOOD REGENERATION</b>	<b>7.232</b>	<b>1.681</b>	<b>(5.551)</b>
<b>TOTAL OTHER SERVICES</b>	<b>43.626</b>	<b>21.856</b>	<b>(21.770)</b>
<b>TOTAL VARIANCES +/- £0.100m</b>	<b>120.686</b>	<b>83.107</b>	<b>(37.579)</b>

<b>VARIANCES IN ESTIMATED RESOURCES</b>			
Resources b/fwd -			
Unsupported Borrowing - General slippage throughout the programme on schemes funded by prudential borrowing. Notable reductions over projection include NET Land acquisitions, station Hub, vehicle replacement programme and Harvey Hadden pool.	37.660	20.179	(17.481)
Capital Receipts - Right to Buys exceeded projections. Several receipts were received that support investment in property and are excluded from the projections (the programme provision is increased when such receipts materialise). Three sales, projected in 13/14, had not been completed by 31 March - but deposits had been received. (N.B. The Financing table shows adjustments of £3.192m to the capital receipts received - this is in respect of writing out the NET Line acquisition issues and the sale of Lawrence House which are applied to extinguish debt and are not available for capital financing).	7.493	9.928	2.435
Grants and Contributions - Several reductions on sums due in 13/14 as a result of slippage in spend on grant aided schemes	59.622	58.963	(0.659)
Major Repairs Allowance / Depreciation Accounting – Major Repairs Allowance outturn increase reflects an increase of the depreciation charge as a result of including non-housing stock assets. Direct Revenue Financing reduction of £0.913m as capital works were charged to revenue included within HRA management costs; including security and empty council tax charges in respect of the decommissioning of properties.	33.748	34.488	0.740
Revenue / Reserves - Less use of reserves needed due to slippage in the programme - notably on NET Lines 2/3 (NET Fund) and IT schemes (Efficiency Fund).	15.617	11.700	(3.917)
<b>TOTAL VARIANCES IN ESTIMATED RESOURCES</b>	<b>154.140</b>	<b>135.258</b>	<b>(18.882)</b>

## APPENDIX C

<b>TOTAL RESOURCES AVAILABLE AND PROPOSED FINANCING DECISIONS (GENERAL FUND AND HRA)</b>						
<b>Resource</b>	<b>Opening Balance £m</b>	<b>Resources 2013/14 £m</b>	<b>Adjustments/ Transfers £m</b>	<b>Total Resources 2013/14 £m</b>	<b>Resources to Finance Capital £m</b>	<b>Carried Forward to 2014/15 £m</b>
<b>Supported Borrowing</b>						
Education	2.965	0.000	0.000	2.965	(1.632)	1.333
<b>Prudential Borrowing</b>	0.000	20.179	0.000	20.179	(20.179)	0.000
<b>Capital Receipts</b>						
Public Sector Housing	6.541	6.962	0.000	13.503	(0.054)	13.449
General Fund	2.761	6.158	(3.192)	5.727	(4.761)	0.966
<b>Total Capital Receipts</b>	<b>9.302</b>	<b>13.120</b>	<b>(3.192)</b>	<b>19.230</b>	<b>(4.815)</b>	<b>14.415</b>
<b>Capital Grants and Contributions</b>	18.236	58.950	(0.257)	76.929	(60.631)	16.298
<b>Major Repairs Allowance / DRF</b>	28.007	34.488	0.000	62.495	(23.837)	38.658
<b>Revenue / Funds</b>	4.313	11.786	(0.086)	16.013	(11.071)	4.942
<b>TOTAL</b>	<b>62.823</b>	<b>138.523</b>	<b>(3.535)</b>	<b>197.811</b>	<b>(122.165)</b>	<b>75.646</b>