

**Cabinet – 13 July 2015  
Agenda Item 6(a)**

# **2015/16 Financial Management Report to 31 May 2015**

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<b>Section 1.0</b> <b>Executive Summary</b>
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## **Summary**

- 1.1 This is the first report to Cabinet for 2015/16, setting out the Authority's financial position as at the 31 May 2015.
- 1.2 This report includes details of the forecast outturn position to the 31 March 2016, highlighting key strategic issues to be managed by the Authority during the year.

## **Strategic Management of the Council's Budget**

- 1.3 The budget for 2015/16 was approved by full Council at its meeting of 19 February 2015. The net General Fund revenue budget was set at £156.757m, this included CBF savings (Creating a Brighter Future Programme) of £14.158m to be achieved.
- 1.4 The Investment Plan for 2015-19 was approved at £230.337m (£83.752m for 2015/16). Variations and reprogramming into 2015/16 of £8.310m were approved by Cabinet as part of the 2014/15 Financial Management report to the 31 January 2015, and £8.841m of reprogramming was approved by Cabinet as part of the 2014/15 Provisional Finance Outturn report. This leaves a revised 2015-19 Investment Plan of £247.488m (£100.903m for 2015/16).
- 1.5 The current forecast outturn for the General Fund revenue budget reflects a pressure of £3.575m. The Officer team continues to work to embed plans that will ensure all pressures identified are managed and that the budget remains on target at the end of the year.
- 1.6 The Housing Revenue Account (HRA) is forecasting an under spend of £0.034m for the year.
- 1.7 In the period to 31 May 2015, the level of capital spend posted within the General Ledger was £1.707m, which represents 1.7% of the revised Investment Plan for the year. The estimated financing of the 2015/16 Investment Plan includes capital receipts of £4.044m for the General Fund. Of this £2.443m has already been secured leaving a balance of £1.601m still to be generated over the rest of the year.
- 1.8 Cabinet are recommended to approve variations of £0.407m to the 2015/16 Investment Plan.

## **Strategic Issues**

- 1.9 As in previous years, over and above the management of the Authority's core budget, there are issues that need to be addressed in year or that give rise to implications which extend beyond the one-year timescale of the annual budget. These issues are summarised below.

## Creating a Brighter Future Programme (CBF Programme)

- 1.10 The budget for 2015/16 included savings of £14.158m, from the delivery of projects/actions included as part of the CBF programme. The savings are embedded within service budgets and are therefore included within budget monitoring.
- 1.11 The scale of the financial challenge for the year meant that wide ranging efficiencies and service reconfiguration are required to be implemented during 2015/16. It is important that these savings are monitored as part of the overall financial position of the Authority so the bottom line financial position is known.
- 1.12 It is also important that savings are only considered to be achieved once they are assessed as being realisable. To that end, this report has been prepared on a prudent basis. However, Cabinet should note the level of budget challenges that have been addressed to date through both the CBF programme and by on-going management action. **Appendix R** details the status of each of the specific CBF savings included in this report.
- 1.13 Set out in Appendix R are indicators of delivery shown as Red, Amber or Green. Currently there are projects with a value of £10.404m with a green status, £3.136m with an amber status and £0.618m with a red status. The status of the projects is reflected in the budget monitoring position as at 31 May 2015.

**Section 2.0**  
**General Fund Income and Expenditure**

- 2.1 This section of the report details the current budget pressures identified by Services and the expected year-end outturn following mitigating actions taken to reduce those pressures. Table 1 summarises the position and reflects an in year pressure of £3.575m.
- 2.2 Budget monitoring is based on the recorded transactions as at 31 May 2015 and is set out in Table 1 below. Table 1 is supplemented by a summary commentary below, covering the key variances by Service. The detailed **Appendices (A - M)** set out variations by Service Area within the Services.

**Table 1: 2015/16 General Fund Revenue Budget Forecast to 31 March 2016**

		Full Year Budget	Forecast Outturn	Forecast Outturn Variance May 2015	Outturn Variance March 2015
		£m	£m	£m	£m
<b>Services</b>					
Chief Executive's Office	Appendix A	4.456	4.926	0.470	0.191
Business and Economic Development	Appendix B	1.381	1.488	0.107	0.217
Commercial and Business Redesign	Appendix C	3.742	3.912	0.170	0.170
Corporate Strategy	Appendix D	2.075	2.185	0.110	0.009
Digital Strategy	Appendix E	3.573	3.629	0.056	0.089
Human Resources and Organisational Development	Appendix F	1.791	1.845	0.054	-0.045
Law and Governance	Appendix G	3.853	3.915	0.062	-0.183
Public Health	Appendix H	-0.089	0.109	0.198	0.000
Adult Social Care	Appendix I	46.941	46.796	-0.145	-4.770
Children, Young People and Learning	Appendix J	16.083	17.710	1.627	0.620
Commissioning and Investment	Appendix K	9.655	10.673	1.018	0.850
Environment, Housing and Leisure	Appendix L	26.581	26.671	0.090	-0.532
Deputy Chief Executive	Appendix L	0.279	0.279	0.000	-0.053
Central Costs					
Non-Controllable		8.478	8.478	0.000	0.000
<b>Sub Total - Service-Approved Budget</b>		<b>128.799</b>	<b>132.616</b>	<b>3.817</b>	<b>-3.437</b>

**Table 1 continued**

		Full Year Budget	Forecast Outturn	Forecast Outturn Variance May 2015	Outturn Variance March 2015
		£m	£m	£m	£m
Corporate and Democratic Core	Appendix M	11.520	11.029	-0.491	-0.860
Corporate Accounting	Appendix M	-2.474	-2.412	0.062	-3.709
Contingency Budget	Appendix M	1.250	1.250	0.000	-0.982
Levies	Appendix M	12.754	12.754	0.000	0.000
Utilities		0.000	0.187	0.187	0.115
Non-Controllable		4.908	4.908	0.000	0.000
<b>Sub-Total- Non Delegated budgets</b>		<b>27.958</b>	<b>27.716</b>	<b>-0.242</b>	<b>-5.436</b>
<b>Net forecast pressure/(surplus) before exceptional items and transfers to reserves</b>		<b>156.757</b>	<b>160.332</b>	<b>3.575</b>	<b>-8.873</b>
<b>Exceptional items</b>					
Land Charges Search Fees Settlement		0.000	0.000	0.000	0.213
Remediation Works		0.000	0.000	0.000	0.067
Redundancies		0.000	0.000	0.000	1.500
<b>Total exceptional items</b>		<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.780</b>
<b>Transfer to Specific Reserves</b>		<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.958</b>
<b>Net forecast pressure/(surplus) after exceptional items</b>		<b>156.757</b>	<b>160.332</b>	<b>3.575</b>	<b>-5.135</b>

## Services

2.3 The main variations are set out in detail below.

2.4 The year end position for **Chief Executive Office** is currently forecast as an overall pressure of £0.470m. This is further detailed in **Appendix A**. The main issue is a forecast pressure on the previous Business Partnership Change Efficiency and Improvement target (£0.769m), which is an additional target on top of the core savings already delivered by Cofely through the Partnership. This work continues, to develop and to agree the target savings.

This pressure is offset by a net under spend forecast in relation to Revenue & Benefits relating to forecasted recovery of benefits overpayment income.

2.5 **Business and Economic Development** is forecasting an overall pressure of £0.107m. This includes a predicted continuing pressure at the Swan Hunter site

of £0.114m mainly due to a reduction in expected income whilst the regeneration work is underway. The agreement remains that the Authority will manage the Swan Hunter site at least through the period of regeneration. This is offset by minor staff savings in Resources and Performance. The full analysis is included as **Appendix B**.

- 2.6 **Commercial and Business Redesign** has a forecast pressure of £0.170m. This includes a continuing pressure on the street lighting PFI contract of £0.114m and a shortfall in income from Trading Activities of £0.100m. This is partially offset by staff savings in the Contracts Management Team of £0.044m.

The street lighting over spend is currently based on 2014/15 outturn expenditure levels as no invoices have been received from the supplier in 2015/16. A number of cost saving schemes have been introduced including the replacement of 10,700 street lights with more efficient units, allowing energy saving dimming in some areas, in addition to a part night switch off programme. It is anticipated that the full year effect of these savings will improve this position as the year progresses.

The full analysis is included as **Appendix C**.

- 2.7 **Corporate Strategy** is forecasting an overall pressure of £0.110m in this Financial Monitoring report. This relates principally to Communications around advertising income shortfalls (£0.086m). The management team is exploring options in partnership with Capita to maximise income generation opportunities to reduce this shortfall. The full analysis is included as **Appendix D**.

- 2.8 The **Public Health Service** is forecasting a pressure of £0.198m as detailed in **Appendix H**. This is mainly a result of higher than anticipated prescription costs payable to the Clinical Commissioning Group.

- 2.9 **Adult Social Care** is reporting a forecast under spend of £0.145m. There is uncertainty around the position for Adult Social Care with a number of key changes coming into effect in the year. The Better Care Fund agreement was signed off on the 22 June 2015 between the Council and the North Tyneside Clinical Commissioning Group. This position assumes all Better Care Fund related transactions are in line with the budget which was set on the basis of the plans for the protection of existing social care services and new investments included within the agreement.

Cabinet will recall that the Service ended 2014/15 with a significant surplus reflecting the success of the gateway process and on-going reviews of placements to manage costs down in addition to the receipt of additional one off income from the Clinical Commissioning Group of £1.950m. Strong demand management has continued into the early part of 2015/16 and indications are that expenditure is being contained effectively. Additional grant funding of £1.131m has been made available for the implementation of new and expanded duties under the Care Act which came into effect on 1 April 2015. Early indications are that new duties will be delivered within the available resource.

Within the overall forecast position, there are anticipated pressures of £1.549m in externally commissioned care for clients with a Learning Disability. This includes an assumption of new packages starting in 2015/16 totalling £0.800m and potential additional third party payments of £0.673m. This is offset by under

spends predominantly in Older People's services, Social work teams and across back office functions. There is a staffing pressure of £0.178m within remaining in-house provided Learning Disability services pending further external recommissioning of services and the related finalisation of voluntary redundancies.

Whilst all of the necessary actions have been taken to realise planned savings for 2015/16, at this early stage of the year forecasts have not been adjusted to reflect savings which are expected to accrue as the year progresses. The full analysis is included as **Appendix I**.

2.10 **Children Young People and Learning** is currently forecasting a budget pressure of £1.627m at year end.

The main underlying cause for the budget pressure in this service is Corporate Parenting and Placements which forecasts an over spend of £1.315m.

The area of Corporate Parenting and Placements captures a spectrum of provision to meet each individual child's needs, ranging from adoption, foster care, our own North Tyneside residential provision to the most costly individual placements made out of borough. A full breakdown of this pressure is included in **Appendix J**.

The area of Corporate Parenting and Placements has historically over spent with pressures in the last three years being £0.646m in 2012/13, £0.673m in 2013/2014 and £1.656m in 2014/15. The pressure of £1.315m is after applying a contingency budget of £1.000m created in the 2015/16 budget setting process. However, savings targets of £0.597m have also been applied to this service area. Plans are in place to deliver all but £0.190m and the service is working hard to realise these savings however, with the exception of the scheme on Residence Order Allowances which is complete, assumptions have not been made at this stage in the year, that cost reductions will be delivered. Two additional high cost placements have been made since March 2015.

There is also a shortfall against Health contribution income targets in relation to children with disabilities (£0.200m) and discussion are ongoing with the North Tyneside Clinical Commissioning Group around appropriate levels of support. School Improvement budgets are showing a pressure of £0.116m as a result of potential income shortfalls on courses offered during the 2015/16 academic year, third party costs in relation to school partnering services and High Borrans. A School Forum sub group has been formed to review the £0.062m pressure at High Borrans and is reporting back in July on measures to balance the in year position and on proposals for a sustainable business plan moving forwards.

The service is committed to continuing to reduce the overall pressure as far as possible whilst ensuring the Corporate Parenting responsibilities of the Authority are delivered. A senior officer team is currently working to tackle this issue by seeking to further understand the interdependencies of this and other services both in terms of how individual children come to require this support and how the Authority's services are connected together to deliver appropriate outcomes.

2.11 The **Commissioning and Investment** service is reporting a forecast pressure this year of £1.018m.



The main area of concern is property related pressures linked to operational buildings (rentals) with a smaller element linked to the Commercial Estate. The Council is currently in negotiation with Capita to determine how these risks will be managed moving forwards.

There is also a £0.111m pressure within Education Capital and Fair Access relating to a shortfall on planned maintenance recharges to capital. In addition, Home to School Transport is showing a pressure of £0.108m. New contracts will be in place from September 2015 and staff are working to restructure routes to reduce costs in addition to exploring alternative ways to deliver these services.

The remaining overspend relates to a savings target in the Commissioning service which, at this early stage in the year, is not certain of being achieved (net pressure £0.080m) and a pressure on de-delegated budgets held on behalf of schools (£0.050m).

A full analysis is included as part of **Appendix K**.

- 2.12 **Environment, Housing and Leisure** is reporting a pressure of £0.090m. Property budgets are now managed under Commissioning and Investment and General Fund Housing is now included within this service area. Forecasts relating to energy and rates continue to be excluded from the service position and are reported corporately.

Budgets relating to the leisure and cultural offer within the Borough are showing pressures of £0.268m. There are forecast over spends relating the operation of the Playhouse Theatre (£0.060m) and potential pressures relating to supplies and services spend within events. Remaining pressures relate to libraries and community centres where cleaning costs, PFI inflation and shortfalls against rental income are the main concerns. The service is actively reviewing its supplies and services expenditure plans to identify where any discretionary spend can be reduced. In addition a review of vacancies is being undertaken to establish if recruitment can be delayed to reduce forecasted costs whilst maintaining service delivery.

These pressures are partially offset by an under spend in Waste (£0.146m) as a result of disposal contract costs and staffing underspends in addition to smaller underspends across Bereavement, Fleet and Security, Consumer Protection and Transport and Highways.

The full analysis is included as part of **Appendix L**.

- 2.13 The following table sets out a summary of revenue grants, which Cabinet are requested to approve, that have been awarded during April and May 2015. The details of these grant changes are set out in **Appendix Q**. Any new capital grants are included in the capital variations (Tables 4 and 5) of this report.

**Table 2: 2015/16 Revenue Grants awarded during April and May 2015**

Service	Amount £m
Children Young People and Learning	0.040
Adult Social Care	0.040
Environment and Leisure	0.090
Commercial and Business Redesign	0.045
Total	0.215

### **Non Delegated Budgets**

2.14 The **Corporate and Democratic Core** is forecasting an under commitment of £0.491m arising from lower than budgeted pension costs.

A full analysis is included as part of **Appendix M**.

2.15 **Corporate Accounting** is forecasting a pressure of £0.062m including:

- (a) A forecast saving in Minimum Revenue Provision (MRP) of £0.326m primarily as a result of re-programming during 2014/15;
- (b) Forecast Strain on the Fund savings of (£0.234m) based on current and future leavers;
- (c) £0.500m pressure relating to provision for bad debts;
- (d) £0.614m saving target for management structure savings is assumed to be achieved and will be allocated to service areas as savings are confirmed.

A full analysis is included as part of **Appendix M**.

## Section 3.0

### Housing Revenue Account Income and Expenditure

- 3.1 This section of the report provides an update on the financial position for the Authority's Housing Revenue Account (HRA). The forecast year-end position and variance analysis for May 2015 is attached as **Appendix N** to this report.
- 3.2 On the 15 January 2015 Cabinet approved the HRA budget for 2015/16. This included an average increase in housing rents of 2.20% in line with the Government's new rent policy which bases rent increases for the next 10 years on the Consumer Prices Index (CPI) as opposed to the Retail Prices Index (RPI) from 2015/16.
- 3.3 The HRA started the year with what was £0.422m higher than anticipated opening balances i.e. £3.732m as opposed to the budgeted figure of £3.310m, and the in-year position is now forecast to be £0.034m better than budgeted.
- 3.4 The main forecast variations against budget are a shortfall in relation to rent and service charge income projections (£0.235m), which has been offset by increased commercial and other rental income (£0.048m), savings from continuation of the policy around debt to borrow short-term to realise in-year savings along with savings in Debt Management Expenses (DME) (£0.142m), and savings in unallocated contingency and transitional protection payments linked to the delays in the North Tyneside Living scheme (£0.070m), which overall more than covers the loss of rental income from council dwellings.

**Rent and Service Charge Income** – shortfall of £0.235m made up of range of factors: reduction in dwelling rental income linked mainly to delays in the North Tyneside Living scheme, and hence increased numbers of void properties being held currently losing rental income (£0.257m). In addition reduction in forecast garage income (£0.017m), and reduced sheltered housing officer service charge income (£0.030m), and a shortfall from dispersed unit income (£0.040m) against budget. These shortfalls are partially off-set by an increase in general service charge income (£0.072m).

**Capital Financing Charges** – there are two elements to savings being realised in this area: small reduction in estimated Debt Management Expenses (DME) (£0.015m), and an estimated £0.142m of interest savings being achieved in-year by continuation of the policy to take advantage of short-term interest rates.

**Contingency and Transitional Protection** – combination of savings from transitional protection budget created for existing tenants who would otherwise be adversely impacted by new rents under the North Tyneside Living project due to delays, along unallocated contingency totalling £0.070m.

## Section 4.0 Schools Finance

### 2015/16 School budgets

- 4.1 There are six schools requesting deficit approval for 2015/16 budgets. At the time of writing this report, the initial deficit meetings with individual schools have been completed and a Schools Forum sub-group meeting is planned for 24 June 2015. The deficit requests will be considered by Schools Forum on 8 July 2015 prior to formal deficit approval being given by the Authority.
- 4.2 The following deficit requests were made – final approved deficits will be reported to Cabinet in subsequent months:

<b>School</b>	<b>2015/16 budget deficit request £m</b>
St Bartholomew's C of E Primary	-0.019
Longbenton Community College	-0.508
Marden High	-0.356
Monkseaton High	-0.796
Norham High	-0.755
Seaton Burn College	-0.169

### Planning for 2016/17 schools funding

- 4.3 As noted in the previous budget monitoring report, the Department for Education is not introducing any enforced changes to local funding formulas for 2016/17, although the intention is to continue to work towards a national funding formula for mainstream school funding in the future.
- 4.4 The Schools Forum is meeting on 8 July 2015 to begin the process of reviewing 2016/17 centrally retained budgets, with further meetings planned in the autumn term to discuss each element of the North Tyneside formula. Thereafter, a full consultation will be undertaken with schools and wider stakeholders, reporting back to the October Schools Forum meeting with updates to Cabinet throughout the autumn.

<b>Section 5.0</b> <b>Investment Plan Expenditure and Financing</b>
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### **Review of Investment Plan - Position Statement**

5.1 The Authority's Investment Plan represents the capital investment in projects across all service areas.

### **Investment Plan Delivery**

5.2 Some of the key highlights of the Investment Plan due to be delivered during 2015/16 are summarised below:

#### **Affordable Homes New Build and Conversion Works:**

There are currently 7 projects that will complete during 2015/16, these include:

- The conversion of Victoria Terrace Customer Service Centre into 5 new affordable homes with works completed in May 2015
- The construction of 32 new affordable homes at Blandford Road, North Shields with works due to complete in November 2015
- The construction of 9 new units on the former Bude Court Sheltered site in Battlehill. Work is due to complete in November 2015.
- The demolition of Alexandra Street and the former Police Station to construct 41 new units in Wallsend Town Centre. Work is due to complete in March 2016.
- The construction of 7 x 2 bedroom homes and 2 bespoke respite units on the former Somervyl Court site in Longbenton. Work is due to complete in December 2015.
- The conversion of a former Adult Social Care facility at Bamburgh Crescent, Shiremoor into 3 new affordable homes. Work is due to complete in June 2015.
- Work continues to finalise plans to convert commercial shops at Bedford Avenue, Wallsend to create 5 affordable homes. Work will complete before the end of the financial year but no final delivery programme has been agreed at this point.

#### **Housing Investment Work:**

The Housing Capital delivery programme will see the following works delivered across the borough during 2015/16:

- 439 replacement kitchens and bathrooms
- 800 central heating upgrades
- 295 replacement roof coverings
- 618 replacement fencing / boundary walls
- 154 properties to receive external brickwork repairs
- 50 non-traditional properties to receive external structural and insulation works
- 1,820 properties receiving external redecoration

## **Education Investment Works:**

- Delivery of 37 condition related projects across the school estate
- Completion of the new pedestrian ramp being installed at Whitfield Drive Longbenton to provide safe cycle route to the pupils attending St Stephen's and St Bartholomew's Primary Schools from south of the metro line
- Completion of the Basic Need Investment works at Forest Hall Primary School
- Priority Schools Building Programme (Off Balance Sheet)
  - Completion of Whitehouse Primary School new Build in advance of summer term 2016
  - Continue delivery of works at Longbenton College, John Spence and Marden High Schools
  - Finalise solution and establish timescales for development works at Cullercoats Primary School

## **Highways and Infrastructure Works**

- Delivery of the Local Transport Plan Resurfacing Programme and additional Highway Maintenance projects by end October 2015
- Completion of the Four Lane Ends /A188 Corridor Improvements by end August 2015
- A1058 Coast Road Improvements – work to commence on site summer 2015
- Completion of Phase 1 Central Promenade Reconstruction by end October 2015

## **Regeneration Works**

- Completion of all soft landscaping works at Northumberland Park
- Completion of interim works to the Dome
- Completion of new café and toilets at Long Sands North
- Installation of new accessible toilet at Cullercoats Bay North
- Installation of new kiosk at the Watts Slope site in Whitley Bay
- Complete infrastructure works as part of Swan Hunter redevelopment works

## **ICT Works**

- EDRMS release 5 by end of October 2015
- BDUK – Broadband BT delivery plan to be finalised by September 2015

## **Variations to the 2015/16 Investment Plan**

- 5.3 As part of the regular capital monitoring process during April and May 2015 there has been £0.407m variation to the 2015/16 Investment Plan reported. Reprogramming will only be reported twice a year, September monitoring and at the year end. However, notification of potential reprogramming will be monitored on a monthly basis.

Table 3 details the changes to the approved 4-year Investment Plan, as agreed at Council on 19 February 2015.

**Table 3: 2015 - 2019 Investment Plan changes identified**  
**Table 3: 2015 - 19 Investment Plan changes identified**

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
<b>Approved Investment Plan – Council 19 February 2015</b>	<b>83.752</b>	<b>63.922</b>	<b>47.302</b>	<b>35.361</b>	<b>230.337</b>
<b>Previously Approved Reprogramming/Variations</b>					
Cabinet 9 March 2015	8.310	0	0	0	8.310
Cabinet 8 June 2015	8.841	0	0	0	8.841
Total	17.151	0	0	0	17.151
<b>Approved Investment Plan – Cabinet 8 June 2015</b>	<b>100.903</b>	<b>63.922</b>	<b>47.302</b>	<b>35.361</b>	<b>247.488</b>
April/May Reprogramming	0	0	0	0	0
April/May Variations	0.407	0	0	0	0.407
<b>Revised Investment Plan</b>	<b>101.310</b>	<b>63.922</b>	<b>47.302</b>	<b>35.361</b>	<b>247.895</b>

- 5.4 The variations on the individual schemes are shown in **Appendix O**. **Appendix P** details the whole of the revised Investment Plan, taking into account the reported changes.

#### **Details of changes to the 2015/16 Investment Plan**

- 5.5 For 2015/16, total variations to the end of May 2015 of £0.407m credit have been identified. The details of the main changes are shown below:

- (a) **BS027 Industrial Estate Strategy, £0.407m** – Acceptance of the European Regional Development Fund grant offer.

Details of all the variations and reprogramming are shown in **Appendix O**

- 5.6 The impact of these changes on Capital Financing is shown in Table 4 below.

**Table 4: Impact of variations on Capital financing**

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
<b>Approved Investment Plan – Cabinet 8 June 2015</b>	<b>100.903</b>	<b>63.922</b>	<b>47.302</b>	<b>35.361</b>	<b>247.488</b>
Grants and Contributions	0.407	0	0	0	0.407
<b>Total Financing Variations</b>	<b>0.407</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.407</b>
<b>Revised Investment Plan</b>	<b>101.310</b>	<b>63.922</b>	<b>47.302</b>	<b>35.361</b>	<b>247.895</b>

## Capital Receipts – General Fund

- 5.7 There were £0.842m ring-fenced General Fund Capital Receipts brought forward at 1 April 2015.
- 5.8 The capital receipts requirement approved by Council on 19 February 2015 to finance the 2015/16 Investment Plan was £3.869m. There has been a change of £0.175m to the capital receipt requirement for 2015/16 after accounting for reprogramming and variations reported to 9 March 2015 Cabinet and 8 June 2015 Cabinet. The 2015/16 General Fund requirement is £4.044m.
- 5.9 To date, £1.601m receipts have been received in 2015/16. Together with the balance brought forward, this leaves a balance of receipts to be generated for the General Fund of £1.601m.

**Table 5: Capital Receipt Requirement – General Fund**

	General Fund 2015/16 £m
Requirement reported to 19 February 2015 Council	3.869
Reprogramming and Variations to 9 March and 8 June 2015 Cabinet	0.175
<b>Revised Requirement</b>	<b>4.044</b>
Useable Receipts Brought Forward	-0.842
Useable Receipts Received	-1.601
<b>Balance to be generated</b>	<b>1.601</b>

## Capital receipts – Housing

- 5.10 Housing Capital Receipts brought forward at 1 April 2015 were £6.597m. The Housing receipts are committed against projects included in the 2015-19 Investment Plan.
- 5.11 The approved Capital Receipt requirement for 2015/16 was £4.429m. Together with the reprogramming reported to 9 March 2015 and 8 June 2015 Cabinet the requirement at the end of May 2015 is £6.536m. To date, £0.568m receipts have been received in 2015/16 of which an element will be pooled as part of the quarterly returns to Central Government. In total, subject to future pooling, this leaves a surplus balance of £0.629m to be carried forward to fund future years.

**Table 6: Capital Receipt Requirement 2015/16 - Housing**

	Housing £m
Current Requirement	6.536
Receipts Brought Forward	-6.597
Receipts Received	-0.568
Receipts Pooled to Central Government	0
<b>Surplus Balance to fund future years (subject to further</b>	<b>-0.629</b>



pooling)	
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5.12 The final figure for useable receipts and pooled receipts in year will depend on the final number of Right to Buy properties sold during 2015/16.

### Investment Plan Monitoring Position to 31 May 2015

5.14 Actual expenditure in the General Ledger was £1.707m (1.68%) of the total revised Investment Plan as at 31 May 2015.

**Table 7: 2015/16 Total Investment Plan Budget and Expenditure to 31 May 2015**

	2015/16 Revised Investment Plan £m	Actual Spend to 31 May 2015 £m	Spend as % of Total Revised Capital Budget %
General Fund	68.208	0.631	0.93
Housing	33.102	1.076	3.25
<b>TOTAL</b>	<b>101.310</b>	<b>1.707</b>	<b>1.68</b>