

**Cabinet – 14 January 2016
Agenda Item 6(a)**

2015/16 Financial Management Report to 30 November 2015

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Section 1.0 Executive Summary

Summary

- 1.1 This is the fourth report to Cabinet for 2015/16, setting out the Authority's financial position as at the 30 November 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 Authority'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 2015-2019 was approved at £230.337m (£83.752m for 2015/16). Reprogramming into 2015/16 of £17.469m and variations of £2.414m were approved as part of Financial Management reports to Cabinet. This leaves a revised 2015-19 Investment Plan of £250.220m (£80.387m for 2015/16).
- 1.5 The current forecast outturn for the General Fund revenue budget reflects a pressure of £0.550m. This is an improvement of £1.020m since the position reported for September (£1.570m). The Officer team continues to work to deliver 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 £0.509m for the year. An improvement of £0.316m compared to the forecast surplus of £0.193m reported for September 2015.
- 1.7 In the period to November 2015, the level of capital spend posted within the General Ledger was £39.755m, which represents 49.34% of the revised Investment Plan for the year. Details of the projects delivered are included in paragraph 5.1. As reported in September, the level of reprogramming identified means that the level of capital receipts required to finance the 2015/16 plan has already been met. All capital receipts received in the remainder of the year will be carried forward to meet this requirement in 2016/17 or used to reduce the in-year borrowing requirement in 2015/16.
- 1.8 Cabinet is recommended to approve variations of £0.189m 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 P** 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, £2.926m with an amber status and £0.828m with a red status. The status of the projects is reflected in the budget monitoring position as at 30 November 2015.

Implications for 2016/17 and Following Years

- 1.14 It is important that information within this report is taken into account as part of the continuing financial planning process which is underway for 2016/17 and following years. Cabinet will need to be aware of any implications of the report for those future years' budgets. The main issues identified in 2015/16 that will need to be considered in forward financial planning are as follows:
- CBF Programme - as noted in the report (paragraphs 1.10 to 1.13), one of the significant pressures which needs to be considered is the impact of any CBF saving not being achieved and actions required to secure savings into 2016/17;
 - Implications of the summer budget announcements, in particular the impact on the Housing Revenue Account 30 year Business Plan;
 - Demand led pressures - in areas such as Looked after Children and Adult Social Care remain for future years;
 - Use of Reserves – currently the 2015/16 budget includes the planned use of reserves of £1.766m. This is in respect of the Business Rates Retention scheme and reflects the impact of the Office appeals. Consideration also needs to be given to the potential impact of a further call on the Strategic Reserve should there be no improvement in the General Fund revenue position for this financial year; and,

- Impact of the 25 November spending review – work is continuing to assess the impact on the Authority, however, this will not be confirmed until the provisional Local Government Finance Settlement is announced. This is expected to be mid December 2015.

Section 2.0 General Fund Income and Expenditure
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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 current forecast and reflects an in year pressure of £0.550m which is an improvement of £1.020m from the position reported to Cabinet for September 2015.

2.2 Budget monitoring is based on the recorded transactions in General Ledger together with a forecast of movements over the remainder of the financial year, and is set out in Table 1 below. Table 1 is supplemented by a summary commentary below, covering the key variances by Service. As a result of the Senior Leadership Team restructure, there have been a number of changes in the way services are reported within the appendices and this has required a restatement of the September 2015 comparative variances. The changes are outlined in the commentary below.

Appendices (A - K) set out detailed variations by Service.

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

		Full Year Budget	Forecast Outturn	Forecast Outturn Variance Nov 2015	Forecast Outturn Variance Sep 2015
		£m	£m	£m	£m
Services					
Chief Executive's Office	Appendix A	0.513	0.531	0.018	0.018
Business and Economic Development	Appendix B	1.592	1.731	0.139	0.142
Commercial and Business Redesign	Appendix C	4.317	4.323	0.006	0.042
Corporate Strategy	Appendix D	2.148	2.138	-0.010	-0.020
Finance	Appendix E	4.332	4.573	0.241	0.220
Human Resources and Organisational Development	Appendix F	1.805	1.921	0.116	0.116
Law and Governance	Appendix G	3.806	3.862	0.056	0.069
Health, Education, Care and Safeguarding	Appendix H	62.505	64.303	1.798	2.404
Commissioning and Investment	Appendix I	7.869	8.824	0.955	0.980
Environment, Housing and Leisure	Appendix J	30.705	30.323	-0.382	-0.344
Non-Controllable		9.328	9.328	0.000	0.000
Sub Total - Service-Approved Budget		128.920	131.857	2.937	3.627

Table 1 continued

		Full Year Budget	Forecast Outturn	Forecast Outturn Variance Nov 2015	Forecast Outturn Variance Sep 2015
		£m	£m	£m	£m
Corporate and Democratic Core	Appendix K	11.520	11.030	-0.490	-0.490
Corporate Accounting	Appendix K	-2.641	-4.973	-2.332	-2.037
Contingency Budget	Appendix K	1.250	1.250	0.000	0.000
Levies	Appendix K	12.556	12.556	0.000	0.000
Utilities		0.000	0.435	0.435	0.470
Non-Controllable		5.152	5.152	0.000	0.000
Sub-Total- Non Delegated budgets		27.837	25.450	-2.387	-2.057
Exceptional item					
Redundancies provision		0.000	1.580	1.580	0.000
Total exceptional items		0.000	1.580	1.580	0.000
Transfer from reserves					
Transfer from Change reserve		0.000	-1.580	-1.580	0.000
Total transfer from reserves		0.000	-1.580	-1.580	0.000
Net forecast pressure		156.757	157.307	0.550	1.570

Services

2.3 The main variations are set out in detail below.

2.4 The year end position for the **Chief Executive's Office** is currently forecast as an overall pressure of £0.018m. The position for this service in the September report was a pressure of £0.242m as this included the Finance Service which is now shown separately as Appendix E. The Deputy Chief Executive's Office has now been included in this line. The Chief Executive's Office is further detailed in **Appendix A**.

2.5 **Business and Economic Development** is forecasting an overall pressure of £0.139m. This relates to a continuing pressure at the Swan Hunter site mainly due to a reduction in expected income whilst the redevelopment work is underway. The full analysis is included as **Appendix B**.

2.6 **Commercial and Business Redesign** has a forecast pressure of £0.006m. The Head of Digital Strategy was shown as a separate line in Table 1 in September but is now included within Commercial and Business Redesign. There are pressures relating to revenue costs of new system developments (£0.114m). These are partially offset by staff savings arising from vacancies within the centralised retained ICT service and within Head of Digital Strategy service. The full analysis is included as **Appendix C**.

2.7 **Finance** is now shown as a separate service. There is an overall forecast pressure of £0.241m. The main pressure is a Business Partnership Change Efficiency and Improvement target (£0.769m), which was originally included as a savings target within the 2014/15 budget. This is an additional target on top of the core savings already delivered by Cofely through the Partnership. Work continues to develop and agree proposals to deliver these savings.

This pressure is partially offset by a forecast net under spend in the Revenue and Benefits service relating to recovery of benefits overpayment income. Full details are shown in **Appendix E**.

2.8 **Human Resources and Organisational Development** is showing a pressure of £0.116m. The pressure arises from the transfer of staff back to the Authority from Cofely in addition to a Creating Brighter Future target of £0.050m which is not forecast to be achieved. Details are shown in **Appendix F**.

2.9 **Health, Education, Care and Safeguarding** is a new service formed from the combination of Adult Social Care, Children Young People & Learning and Public Health. The new service is reporting an overall pressure of £1.798m compared to the combined total of £2.404m within the September report. Some service area lines within the new **Appendix H** have been consolidated to reflect, as closely as possible, the responsibilities of senior managers within the service.

The main area with spending pressure, as previously reported, is Corporate Parenting and Placements which is forecasting a pressure of £2.236m. This has worsened by £0.244m since September.

The area of Corporate Parenting and Placements captures a spectrum of provision to meet each individual child's needs, covering adoption, foster care, our own North Tyneside residential provision and the most costly individual placements made out of borough. This area has been suffering from demand led pressure for a number of years. This is a national issue with a 13% rise across the country in numbers of Looked After Children (LAC) since 2009. Within North Tyneside there has been an increase of 45% in the same period with 95 more children currently in the service compared to 2009. The rate of LAC in North Tyneside however, remains lower than the regional average at 77.8 per 10,000 population compared to 82 across all North East authorities. The national rate is however lower, at 60 per 10,000 of population.

The table below shows the movements in numbers of LAC by type of placement. Although the overall number of LAC has fallen in November, the increased overspend since the September report is mainly due to additional external residential placements.

Table 2: Movement in numbers of LAC giving rise to increased costs.

Placement Type	No. of LAC at Apr 2015	No. of LAC at Sep 2015	No. of LAC at Nov 2015	Average Cost of Placement per annum £m	Increase / (Decrease) in Forecast Cost since September £m
External Residential	15	17	20	£0.179	£0.235
External Fostering Placement	19	26	25	£0.038	£0.003
Internal Fostering	208	215	212	£0.018	-£0.020
Other*	58	62	59	various	£0.026
Total	300	320	316		£0.244

*Other includes Placed for Adoption, Supported Residence and NTC Children's Homes.

The service has also been looking to maximise opportunities for the Health Service to contribute to supporting children with a complex mixture of health and social care needs. The current financial deficit being managed by the North Tyneside Clinical Commissioning Group (CCG) has however presented additional challenges. The reported position for Corporate Parenting and Placements includes an assumption of income from the CCG of £0.272m in support of particular LAC who have health needs. Discussions are ongoing with the CCG to secure this funding, however, if agreement is not reached, the forecast position could worsen.

The Service is committed to containing this expenditure as far as possible whilst ensuring the statutory Corporate Parenting responsibilities of the Authority are delivered but has struggled to contain demand led pressures. The Senior Management Team (SMT) have been instructed to formulate an action plan to mitigate the forecast pressure and realise real savings that include:

- Controls over appointments;
- Senior Management challenge sessions;
- Weekly placement challenge, external review and scrutiny; and,
- Weekly budget monitoring updates to SMT.

The Service is also working on early intervention and prevention strategies to contain demand moving forwards but there is expected to be a significant time lag between successfully embedding an enhanced preventative approach and seeing a reduced number of children with complex issues presenting for support.

The Department of Health has now confirmed plans around the in-year reduction of Public Health Grant totaling £200m nationally. As anticipated, this has resulted in a reduction of grant income to North Tyneside of £0.774m. Consequent reductions have been made in expenditure assumptions in relation to support for services provided within Environment, Housing and Leisure and within Health, Education, Care and Safeguarding.

The reduction of Public Health grant in year has resulted in reduced support of £0.634m for care services which have Public Health outcomes and which were funded by this grant. The Service is forecasting savings to offset this loss predominantly within Older People and Physical Disability expenditure where efficiencies are being made in advance of CBF savings proposals for 2016/17.

There is continuing demand led pressure in relation to services for clients with a Learning Disability or Mental Health issue which is now showing an overspend of £1.536m. This includes an assumption of new packages starting in the remainder of 2015/16 totalling £0.300m and potential additional third party payments of £0.300m. There has been an improvement since September of £0.235m mainly due to a reduced forecast for overnight costs.

This pressure is offset by an under spend in Older People and Physical Disability service areas where strong demand management has continued into 2015/16 and expenditure is being contained effectively.

There are continuing risks for adult care services associated with the financial position of the CCG. The service is in discussion with the CCG around a potential funding loss in relation to services supporting clients with a mental health need and clients in receipt of mental health aftercare services.

Full details are shown in **Appendix H**.

2.10 The **Commissioning and Investment** service is reporting a forecast pressure this year of £0.955m.

The main area of concern is property related pressures of £0.663m linked to the rentals of operational buildings with a smaller element linked to the Commercial Estate. The Authority is currently in negotiation with Capita to determine how these risks will be managed moving forwards.

There is also a £0.239m pressure within Education Capital and Fair Access. This is in relation to Schools PFI contract (£0.093m) and recharges to capital where £0.050m is still to be finalised. In addition, Home to School Transport is showing a pressure of £0.096m. New contracts were established in September 2015 and work is ongoing to restructure routes to reduce costs in addition to exploring alternative ways to deliver these services.

The remaining pressure relates to a savings target in the Commissioning service which, at this stage in the year, is not certain of being achieved (net pressure £0.058m). However, work is underway to manage this pressure.

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

2.11 **Environment, Housing and Leisure** is reporting an under spend of £0.382m.

There are pressures of £0.117m in Libraries and Community Centres due to a range of PFI and building related cost pressures in addition to issues around income recovery for room hire and other miscellaneous income sources. The service is continuing to review its supplies and services expenditure plans to identify where any discretionary spend can be further 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.

Waste Strategy is showing an over spend of £0.073m mainly due to a reduced income forecast in relation to recycling.

These pressures are offset by under spends in Fleet and Security (£0.245m), where the vehicle replacement programme is reducing the age profile of the fleet resulting in lower operating costs, and in Bereavement (0.226m) where a strong income performance continues with a further improvement of £0.080m since September. This is due partly to the continued closure of Blyth Crematorium where the reopening was delayed until December 2015.

The Capita managed services, of Consumer Protection and Building Control, Transport and Highways and Planning, within Environment, Housing and Leisure are under budget overall by £0.049m. There is an increased pressure in Consumer Protection and Building Control as a result of a legal case which is offset by overachieving income in Highways and Transport and in relation to Planning Fees.

An in-year loss of Public Health funding of £0.140m due to a grant reduction has been included within the position for Sport and Leisure.

The full analysis for Environment, Housing and Leisure is now included in **Appendix J**.

2.12 The following table shows the grant received from various organisations. Cabinet are requested to approve receipt of these grants. Further details are shown in **Appendix O**. Any new capital grants are included in the capital variations (Tables 4 and 5) of this annex.

Table 3: 2015/16 Revenue Grant awarded October 2015

Service	Amount £m
Health, Education, Care and Safeguarding	0.591
Environment, Housing and Leisure	0.030
Central Items	0.145
Total	0.766

Non Delegated Budgets

2.13 The **Corporate and Democratic Core** is forecasting an under commitment of £0.490m arising from lower than budgeted pension costs. A full analysis is included as part of **Appendix K**.

2.14 **Corporate Accounting** is forecasting an under spend of £2.332m. This is mainly due to a forecasted under spend on interest charges of £2.262m reflecting 2014/15 reprogramming and the continued use of temporary and internal borrowing.

There are also the following items;

- (a) An under spend of £0.257m on MRP due to the reprogramming of 2014/15 capital spend;
- (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) A credit £0.677m for new grants in relation to the Independent Living Fund closure and new burdens property searches;
- (e) £0.156m pressure relating to fees and contributions; and,
- (f) £0.443m estimated pressure relating to Management Structure Savings. Savings will be allocated to services as they are confirmed.

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

Exceptional item

2.15 Redundancies

It is anticipated that there will be a requirement to set aside an additional amount of approximately £1.580m for redundancies arising from the Creating a Brighter Future programme. Accounting regulations require us to provide for the cost of redundancies once specific criteria are met, and so it is expected that the redundancy costs associated with the planned restructures will need to be accounted for in 2015/16. The estimated additional costs of £1.580m have been included in Table 1 above. At this stage it has been assumed that these costs will be funded by a contribution from the Change Reserve.

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 November 2015 is attached as **Appendix L** 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 rent policy at that time 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 balances £0.422m higher than anticipated and the in-year position is now forecast to be £0.509m better than budgeted.
- 3.4 The main factors in the positive variance include:-

Rent and Service Charge Income – the shortfall of £0.103m is made up of range of factors including a 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 (£0.281m). In addition, there is a reduction in forecast garage income (£0.026m), reduced sheltered housing officer service charge income (£0.030m), and an over-achievement from dispersed unit income (£0.007m) against budget. These shortfalls are partially off-set by an increase in general service charge income (£0.227m).

Capital Financing Charges and Depreciation – there are two elements to the savings being realised in this area: a small reduction in estimated Debt Management Expenses (DME) of £0.015m, and an estimated £0.441m of interest savings being achieved in-year by the continuation of the policy to take advantage of short-term interest rates. The increased depreciation charge (£0.058m) comes from an in-year rebasing of the depreciation estimate based on an approximation of the historic Major Repairs Allowance (MRA) which is used as a proxy for a true depreciation charge.

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 with unallocated contingency totalling £0.171m.

Section 4.0 Schools Finance

- 4.1. Budget monitoring has now been completed with all schools in the Autumn term. As was reported in the previous budget monitoring report to Cabinet in November, schools are broadly performing in line with expectations, with additional support and challenge being provided to those schools who are forecasting that their year end position will have a negative variance from their budget plan.
- 4.2. Overall, schools are forecasting a net cumulative balance position of £1.919m at 31 March 2016, against their budget plans of £1.505m (note: the budget plans have been updated for Norham High School, see below). Whilst this is a positive position, Cabinet should note that the year-end position at 31 March 2015 was £7.637m. As previously noted in finance reports, schools have been reminded of the importance of accurate budget monitoring during the year.
- 4.3. As set out in the Schools Finance report to Cabinet on 9 November 2015, there are six schools with deficit approvals for the current financial year – an increase in both the number and value of the deficits.
- 4.4. Since that Cabinet report, officers have concluded the deficit discussions with Monkseaton High and Norham High. In July, provisional deficit approval was granted as the Local Authority and Schools Forum requested further information on the budget plans before a formal letter was to be issued. That information has now been received and the schools have met with officers as part of the increased scrutiny for deficit schools. An improved position has been noted for Norham and the approved deficit position has been set at £0.700m, an improvement of £0.055m from the provisional position. The Monkseaton High deficit has been confirmed at the level set at the provisional stage (£0.796m).
- 4.5. The budget setting process continues for schools. Since the last Cabinet report on Schools Finance, the Education Funding Agency has confirmed that the proposed funding formula for 2016/17 meets their requirements. The final budget allocations to schools will be confirmed by the end of January.

Section 5.0 Investment Plan Expenditure and Financing
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Investment Plan Delivery

5.1 This section of the report sets out some of the key highlights of the 2015/16 Investment Plan including delivery to date and planned delivery.

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. Works were completed as planned by end May 2015;
- The construction of 32 new affordable homes at Blandford Road, North Shields. Works were complete as planned in November 2015;
- The construction of 9 new units on the former Bude Court Sheltered site in Battlehill. Work is due to complete in December 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 February 2016;
- Work is now complete on the conversion of a former Adult Social Care facility at Bamburgh Crescent, Shiremoor into 3 new affordable homes; and,
- The conversion of Bedford Avenue shops into 5 new affordable homes. Work is due to commence January 2016 and complete early in the new financial year.

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; and,
- 1,820 properties receiving external redecoration.

Education Investment Works:

- Delivery and completion of 33 condition related projects across the school estate;

- Completion of the new pedestrian ramp now 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;
- The Basic Need Investment works at Forest Hall Primary School completed August 2015 with the ongoing external landscaping being delivered until the end of 2015.
- Priority Schools Building Programme (Off Balance Sheet);
 - Completion of Whitehouse Primary School new Build - Easter 2016;
 - Continue delivery of works at Longbenton College, John Spence and Marden High Schools; and,
 - Finalise solution and establish timescales for development works at Cullercoats Primary School by end of December 2015.

Highways and Infrastructure Works

- Delivery of the LTP Resurfacing programme and additional Highway Maintenance projects by end December 2015;
- The Four Lane Ends /A188 Corridor Improvement Scheme was completed in September 2015;
- A1058 Coast Road improvements – utility diversion work at Beach Road commenced on site November 2015 with main construction work to follow in early 2016; and,
- Phase 1 of Central Promenade Reconstruction (demolition) was completed in October 2015 with Phase 2 commencing April 2016.

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; and,
- Completion of infrastructure works as part of Swan Hunter redevelopment works.

ICT Works

BDUK

- BT have now provided initial High Level delivery plan;
- 85 BT cabinets in scope affecting 9000 premises;
- 62 of these in the first phase July-Dec 2016; and,
- Updated forecast is that by the end of the roll out (2017/18), NTC will have 100% superfast broadband coverage. This will be the best in the North East region.

EDRMS

- EDRMS release 5 due week commencing 14 December 2015.

Variations to the 2015/16 Investment Plan

- 5.2 As part of the regular capital monitoring process during October and November 2015 variations of £0.189m have been identified.

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

Table 4: 2015 - 2019 Investment Plan changes previously identified

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Approved Investment Plan – Council 19 February 2015	83.752	63.922	47.302	35.361	230.337
Previously Approved Reprogramming/Variations					
Cabinet 9 March 2015	8.310	0	0	0	8.310
Cabinet 8 June 2015	8.841	0	0	0	8.841
Cabinet 13 July 2015	0.407	0	0	0	0.407
Cabinet 14 September 2015	1.088	2.395	0.337	0	3.820
Cabinet 9 November 2015	-22.011	18.266	2.250	0	-1.495
Total	-3.365	20.661	2.587	0	19.883
Approved Investment Plan – Cabinet 9 November 2015	80.387	84.583	49.889	35.361	250.220
October/November Variations	0.189	0	0	0	0.189
Revised Investment Plan	80.576	84.583	49.889	35.361	250.409

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

- 5.4 The variations identified are as follows:

- EV072 Street Lighting £0.169m** – Contribution from the Streetlighting PFI reserve towards the installation of the night Mayflower units as agreed by Cabinet ; and,
- Wi-Fi in Public Libraries £0.020m** – Arts Council Grant has been awarded to provide improvements in the delivery of Wi-Fi to customers in the Library Service buildings across the Borough.

5.5 The impact of these changes on Capital Financing is shown in Table 5 below.

Table 5: Impact of variations on Capital financing

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Approved Investment Plan – Cabinet 9 November 2015	80.387	84.583	49.889	35.361	250.220
Council Contribution	0	0	0	0	0
Capital Receipts – General Fund	0	0	0	0	0
Capital Receipts – HRA	0	0	0	0	0
Revenue Contribution	0.169	0	0	0	0.169
House Building Fund	0	0	0	0	0
Grants and Contributions	0.020	0	0	0	0.020
Major Repairs Reserve	0	0	0	0	0
Total Financing Variations	0.189	0	0	0	0.189
Revised Investment Plan	80.576	84.583	49.889	35.361	250.409

Capital Receipts – General Fund

5.6 There were £0.842m ring-fenced General Fund Capital Receipts brought forward at 1 April 2015.

5.7 The capital receipts requirement approved by Council on 19 February 2015 to finance the 2015/16 Investment Plan was £3.869m. This increased to £4.044m following reprogramming and variations reported to Cabinet on 9 March 2015 and 8 June 2015. During August/September 2015 monitoring, £1.185m has been reprogrammed to bring the total of receipts required for 2015/16 to £2.859m.

- 5.8 To date, £2.717m receipts have been received in 2015/16. Together with the balance brought forward, the revised requirement for the General Fund of £2.859m has been achieved for 2015/16. The additional receipts received in year will contribute to the 2016/17 requirement of £1.185m leaving a balance of £0.485m to be generated.

Table 6: Capital Receipt Requirement – General Fund

	General Fund 2015/16 £m	General Fund 2016/17 £m
Requirement reported to 19 February 2015 Council	3.869	0.000
Reprogramming and Variations to 9 March and 8 June 2015 Cabinet	0.175	0.000
Reprogramming and Variations to be approved at 9 November Cabinet 2015	-1.185	1.185
Revised Requirement	2.859	1.185
Useable Receipts Brought Forward	-0.842	-0.700
Useable Receipts Received	-2.717	0.000
Balance to be generated (Surplus)	-0.700	0.485

Capital receipts – Housing

- 5.9 Housing Capital Receipts brought forward at 1 April 2015 were £6.597m. The Housing receipts are committed against projects included in the 2015-2019 Investment Plan.
- 5.10 The approved Capital Receipt requirement for 2015/16 was £4.429m. This, together with the reprogramming reported to Cabinet on 9 March and 8 June 2015, gives a requirement for 2015/16 of £6.536m. During 2015/16 to date the requirement been reduced by £1.636m due to reprogramming and variations. The requirement for 2015/16 is now £4.900m. To date, £3.435m receipts have been received in 2015/16 of which £0.900m (Quarter 1 & 2) has been pooled as part of the quarterly returns to Central Government. In total, subject to future pooling, this leaves a surplus balance of £4.232m to be carried forward to fund future years.

Table 7: Capital Receipt Requirement 2015/16 - Housing

	Housing £m
Current Requirement	6.536
Reprogramming and variations - 2015/16 to date	-1.636
Revised Requirement	4.900
Receipts Brought Forward	-6.597
Receipts Received	-3.435
Receipts Pooled to Central Government	0.900
Surplus Balance to fund future years (subject to further pooling)	-4.232

5.11 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 30 November 2015

5.12 Actual expenditure in the General Ledger was £39.755m (49.34%) of the total revised Investment Plan as at 30 November 2015.

Table 8: 2015/16 Total Investment Plan Budget and Expenditure to 30 November 2015

	2015/16 Revised Investment Plan £m	Actual Spend to 30 November 2015 £m	Spend as % of Total Revised Capital Budget %
General Fund	52.618	22.978	43.67
Housing	27.958	16.777	60.00
TOTAL	80.576	39.755	49.34