

REPORT OF THE SERVICE DIRECTOR – FINANCE & PROCUREMENT

FINANCIAL MONITORING REPORT – PERIOD 4 2012/13

Purpose of the Report

- 1.1 To provide a summary of the financial position of the County Council for the first 4 months of the financial year, including year-end forecasts.
- 1.2 To request approval for use of the corporate contingency.
- 1.3 To request approval to establish a Troubled Families reserve.
- 1.4 To provide an update on the progress being made by the Procurement team in contributing to the County Councils savings plans.
- 1.5 To note the Capital Programme expenditure and latest forecasts.

Information and Advice

2. Background

- 2.1 This is the first report to Finance and Property Committee in the current financial year. Whilst still relatively early on in the financial year, it is important to provide Members with an indication of the likely year end outturn, both for 2012/13 itself, and because of the uncertainties inherent in the 2013/14 financial year. This latter point is particularly significant in terms of ensuring that the Council has sufficient flexibility to manage the expected level of financial risk.

3. Summary Financial Position

- 3.1 Table 1 sets out the summary revenue position of the County Council.

Table 1 – Summary Financial Position

Committee	Annual Budget £'000	Actual to Period 4 £'000	Year-End Forecast £'000	Forecast Variance At Period 4 £'000
Children & Young People	163,463	36,955	172,417	8,954
Adult Social Care & Health	194,753	49,763	193,753	(1,000)
Transport & Highways	59,475	14,713	59,735	260
Environment & Sustainability	24,860	6,156	24,446	(414)
Community Safety	4,370	1,320	4,370	0
Culture	12,725	4,626	12,960	235
Policy	23,865	10,535	23,777	(88)
Finance & Property	27,640	11,882	28,019	379
Personnel	5,645	2,236	5,316	(329)
Economic Development	843	328	843	0
Net Committee (under)/overspend	517,639	138,514	525,636	7,997
Central items	(24,540)	(15,579)	(40,740)	(16,200)
Forecast prior to use of reserves	493,099	122,935	484,896	(8,203)
Transfer to / (from) reserves	1,135	(1,733)	1,075	(60)
Transfer to / (from) General Fund	4,930	0	4,930	0
Net County Council	499,164	121,202	490,901	(8,263)

- 3.2 The Committees are currently forecasting a net overspend of £8m, which is largely attributable to an overspend in CYP and a saving in ASCH. The commentary below provides a further detailed explanation to these major variances but it is important to stress that the position of CYP is largely offset by a Corporate Contingency of £4m and earmarked reserves of £1m, ie a net overspend of £3m. Given the County Council's recent history it can also be expected that the level of savings achieved in year will increase.
- 3.3 After the budgeted contribution to the General Fund of £4.9m, the forecast out-turn position overall for the County Council is a saving of £8.3m.

4. Committee and Central Items

The main variations that have been identified since the start of the financial year are explained below:

Children and Young People (forecast £9m net overspend)

- 4.1 Children's Social Care are forecasting an overspend of £3.4m, of which £2m is due to the continuing increase in external placements. In addition, the trainee scheme is oversubscribed by £0.3m and a further £0.3m reflects the anticipated use of interagency adoption in order to increase the number of adoptions. The cost of agency staff is also predicted to overspend by £0.8m due to problems surrounding filling vacancies, particularly in social work teams and the safeguarding and independent review service. A further £0.4m overspending is now anticipated on legal fees in the light of the first quarter's activity data, however offsetting underspendings across the Children's Disability Service and the Access to Resources Group have been identified.

- 4.2 The Executive Support division are forecasting a net overspend of £1.350m. £0.7m relates to the non-achievement of the Business Service Support Review (BSSR) (for which funding has been set aside in a reserve, if required at the end of the financial year), together with the non-achievement of the budget reduction relating to departmental overheads, which is being pursued. A further £0.4m is due to the cost of the current staffing establishment across the business support service being in excess of the current budget provision.
- 4.3 The Targeted Support & Youth Justice Service are forecasting an overspend of £0.46m which relates to Supporting People although funding is held in a reserve for this if required.
- 4.4 As stated in section 3.2, this £9m forecast overspend is largely offset by the £4m of contingency that was set aside at the beginning of the financial year. It is also reduced by the application of a number of earmarked reserves, which were established to meet some of the known pressures. The Corporate outturn has factored in the use of £1.06m of these reserves. The Corporate Director has suggested that this situation is kept under review until Christmas when a decision can be made as to whether the contingency should be permanently returned to CYP.

Adult Social Care & Health (forecast £1.0m net saving)

- 4.5 The estimated forecast is based on expenditure/savings in previous years, proposed savings, commitments and budget pressures and comprises the following 3 areas:
- 4.6 Older People Community Care budgets amount to almost £22m. In the last financial year savings of £1.5m were delivered. A saving of £1m is forecast this financial year as there are still non-delivery/slippage rates on homecare.
- 4.7 The Younger Adults care budget totals £60m. In the last financial year savings of over £4m were delivered. The budget pressure for 2012/13 has been reduced, with £2.25m transferred to the corporate contingency. However a saving of £1m is still expected in 2012/13.
- 4.8 These savings are offset by a shortfall of £0.8m on savings projects namely £0.6m for Organisation Design and £0.2m for Ordinary Residence.
- 4.9 The original budget included the use of £3.7m of 'departmental' reserves. The identified savings above have reduced the forecast use of these reserves down to £2.7m, and this is shown within the 'Use of Reserves' line in Table 1.

Central Items (forecast £16.2m net saving)

- 4.10 Corporate Budgeting primarily consists of interest and payments on cash balances and borrowing, together with various grants and contingency.
- 4.11 Interest payments are currently forecast to be £3.3m less than the original budget. This is primarily due to slippage on the capital programme in 2011/12 which reduced the need to borrow. In addition the level of expected cash balances during 2012/13 means that the Council is less likely to need to borrow than had been predicted in the original budget.
- 4.12 The Local Services Support Grant (LSSG) comprises of three funding streams. At the point of setting the budget, not all funding stream elements were confirmed. An assumption was made based on the previous year's allocation for the unconfirmed element. Although the total grant has remained the same, the assumed figure was overstated and the Council is therefore predicting a shortfall in LSSG of £0.4m. This is

partially offset by additional grants to support the new burdens of administering a Localised Council Tax Scheme and Community Rights to Challenge.

4.13 The 2012/13 Contingency budget was originally set at £15.6m, of which, £10.0m has been earmarked for redundancy. In addition, at the start of this financial year, the following departmental transfers to/from the contingency were agreed:

- £8m from ASCHPP into the corporate contingency.
- £4m from CFCS into the corporate contingency.
- £1m from E&R into the corporate contingency.
- £0.75m into T&H from the corporate contingency.
- £3m into Procurement from the corporate contingency.

4.14 The latest forecast redundancy cost including pension strain for 2012/13 is £10.3m. £5.3m of this will be met by the 2011/12 provision. Of the remaining £5m, £3.7m relates to pension strain costs and £1.3m relates to schools becoming academies. These figures are currently included within the central items in Table 1 and as such are currently forecast to be contained within the current year's budget. This negates the need to utilise the £3.1m Redundancy Reserve which will continue to be earmarked for future years' costs.

4.15 In addition to the latest forecast redundancy costs, the County Council will also have to make a provision in 2012/13 for the expected redundancy costs in 2013/14. The size of the provision will depend on future Section 188 notices and the average redundancy cost in 2012/13, though to be prudent a provision of £5m has been included in the current forecast.

4.16 The following requests against general contingency are submitted for Member approval:

2012/13 only:

- £24,000 Contribution to the Royal Visit to Nottingham.
- £100,000 Vehicle and Signage Rebranding.
- £300,000 Dilapidations at Riverside Way.
- £25,000 Consultancy support - End to end review of the Debt Recovery Process

Current and future years:

- £440,000 Procurement team funding (permanent)
- £100,000 to increase the contribution to Experience Nottinghamshire as per report to Policy Committee 12 September 2012 (2012/13–2014/15)
- £551,300 for the Multi Agency Safeguarding Hub (MASH) as per report to Policy Committee 12 September 2012

4.17 The current contingency budget and forecast breakdown is shown in Table 2.

Table 2 – Contingency Budget

Area	Current Budget £'000	Forecast Outturn £'000	Variance at Period 4 £'000
Redundancy	10,000	10,000	0
Non Delivery of savings	2,700	0	(2,700)
General	2,900	1,540	(1,360)
Departmental	9,250	0	(9,250)
TOTAL	24,850	11,540	(13,310)

Transfer to/from Reserves (forecast minor net underspend)

- 4.18 There are two main variances within the transfer to reserves figure in Table 1. An overspend of £1.0m in Adult Social Care & Health is reported in section 4.9 above. Offset against this, is the application of £1.06m of a number of earmarked reserves in CFCS, reported in section 4.4 above.
- 4.19 The Improvement Programme are requesting the additional use of up to £3.2m of the Improvement Programme reserve in 2012/13. This is primarily as a result of the agreement at the end of 2011/12 to fund £3.8m of the additional year-end requests. This can be met from within the £9.4m added to the reserve at the end of 2011/12 and so will not impact on future spending.

New Reserve Request

- 4.20 Children's Social Care (CSC) have received the first instalment of the Troubled Families funding from the DCLG. It is made up of 3 elements, 2 of which are received up front, with the 3rd element payable by results achieved, with the programme (and funding) to continue for 3 years to March 2015. For 2012/13 the Council received £1,579,800 up-front, the corresponding indicative figures for 2013/14 and 2014/15 are £1,228,600 and £877,400 respectively.
- 4.21 CSC have appointed a Co-ordinator on a fixed term, 3 year, contract and intend to establish further posts with the funding to work with the families identified in Nottinghamshire over the three year period. The funding is front loaded, with the payments by results element making up an increasing proportion of the funding in years 2 and 3. The funding is provided on the assumption that the Council will work with roughly one third of families in each of the three years. The intention of the co-ordinator is to work with the most challenging families from year one, to give the best chance of achieving the required results within timescale to secure full funding, though this may well mean that the results payments may not be received until year 3.
- 4.22 The DCLG have been clear that unspent balances will not be recovered, i.e. the funding received does not have conditions attached to it, therefore any in-year balances as at 31st March 2013, and March 2014 cannot be held on the ledger as grant. However, upfront funding in future years is indicative only, and will only be forthcoming if it can be demonstrated that the funding already provided has been deployed to tackle the problems of troubled families.
- 4.23 In order to ensure the staffing structure and work are funded over the 3 year period, it is necessary to hold unspent balances in an earmarked reserve. Committee approval is therefore sought to allow a reserve to be created for this purpose. It is anticipated that approximately £1m will be put into the reserve at year-end.

Transfer to/from General Fund (forecast in line with budget)

- 4.24 The latest forecast includes the budgeted £4.9m contribution to General Fund balances.

5 Budget Transfer Requests

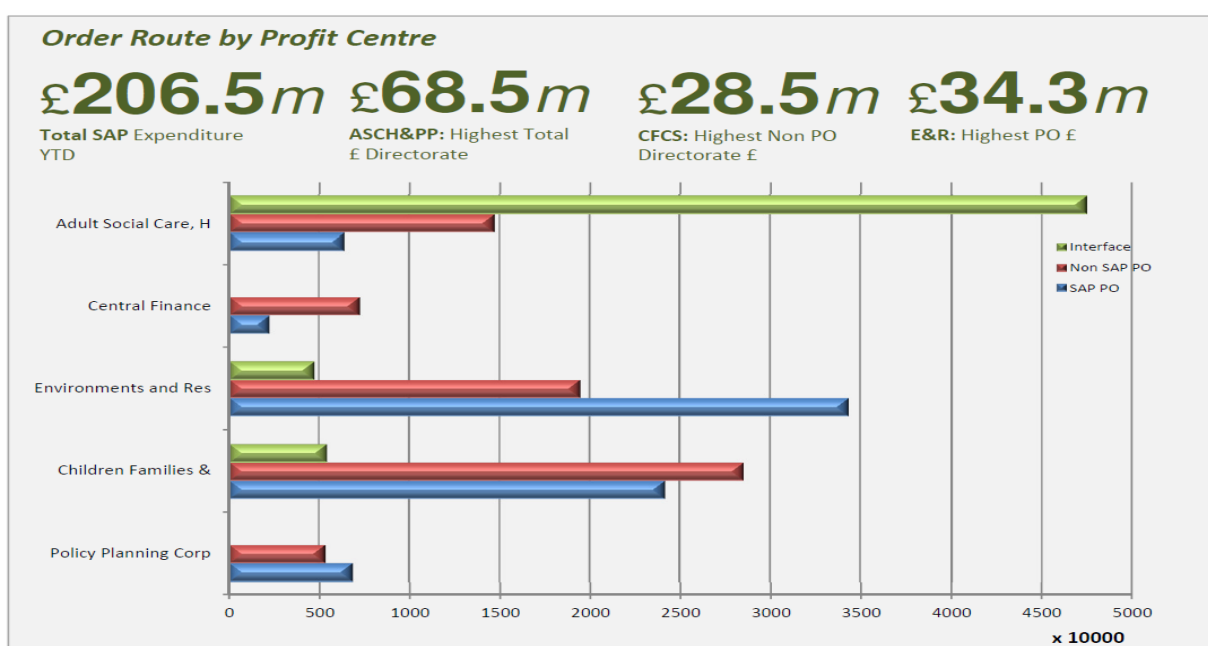
- 5.1 Environment and Sustainability have requested the transfer of £1.75m budget from the £2.6m held corporately for the annual contribution to the Waste PFI Reserve, to support the Waste revenue budget in 2012/13. This will reduce the amount added to the Waste PFI reserve.

6 Progress with savings and risks to the forecast

- 6.1 The Council is now in its second full year of the savings programme having successfully delivered over £70m in 2011/12. The target for the current financial year is £34.8m. A list of individual schemes and targets is attached at Appendix A. Monitoring of savings projects will be undertaken throughout the year and progress will be reported through the budget monitoring report.
- 6.2 Following a review of progress against savings targets, a shortfall of £0.8m has been identified in Adult Social Care and Health. The main schemes this relates to are £0.6m for Organisation Design and £0.2m for Ordinary Residence. This is currently offset by other savings in the department, though this could be met from contingency if required.
- 6.3 If further pressures are identified, for example due to increased demand, and additional savings elsewhere are not identified, the contingency budget may be used. Based on latest information however, a significant underspend will be delivered in 2012/13.

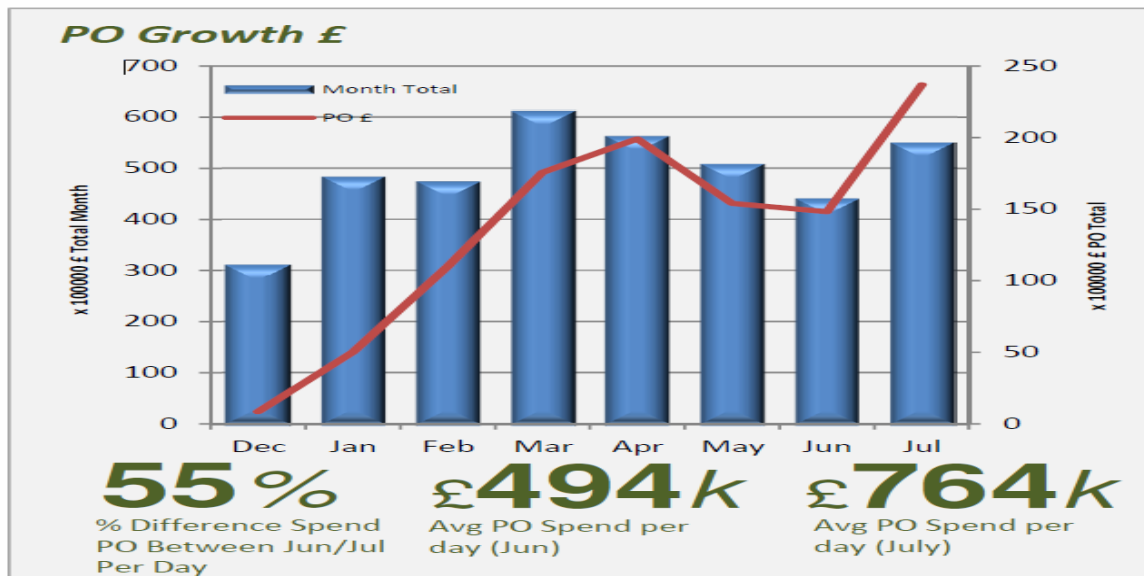
7 Procurement Team Performance

- 7.1 The progress of the new corporate Procurement Team has been monitored. The chart below shows the order routes for spend across each of the Council's departments.



- 7.2 The graph shows that up to the end of July 2012, the County Council has spent £206.5m. Of this total, ASCH&PP account for £68.5m or 33% of the Council's spend, and of this spend approximately £48m or 70% is processed via legacy interface systems. Legacy interface systems transfer sufficient data to BMS to enable payments to be made, however this limits the quality of the data, for example no commitments are recorded in BMS.
- 7.3 In contrast, CFCS have the highest value of non-purchase order (Non-PO) spend at £28.5m. Without a purchase order the Council risks using non contracted suppliers, price control is difficult and supplier due diligence is unlikely to have been carried out potentially resulting in contractual disputes.

7.4 The following chart shows the growth in the number and value of Purchase Orders in BMS since the system went live in December 2012.

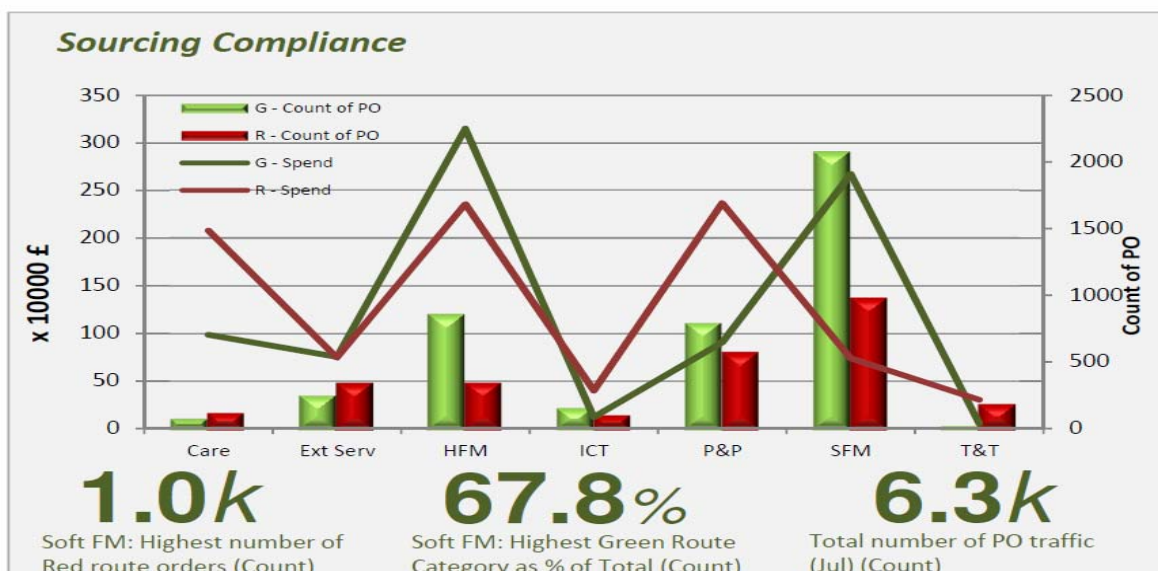


7.5 As can be seen in the graph above, the number and value of purchase orders increased post go live, as the procurement team worked with colleagues to migrate from Non-PO to PO transactions. The number and value of orders peaked at year-end and after a slight dip, the number and value of Purchase Orders is steadily increasing again.

7.6 Over time the data is also expected to show:

- An increase in value but a decrease in volume, through consolidated billing.
- A decrease in PO value and volume, through planned adoption of P Cards.
- A decrease in volume, through vendor rationalisation.
- A decrease in value and volume, through utilisation of Invoice Plans.

7.7 The following graph differentiates between Green and Red Route Purchase Orders by value, volume and procurement category for the month of July 2012. The ICT category had the highest value of Red Route purchase orders despite having a relative low number of red route purchase orders.



8 Capital Programme

Approved Capital Programme

- 8.1 Table 3 summarises changes in the gross Capital Programme for 2012/13 since approval of the original programme in the Budget Report (Council 23/02/12):

Table 3 – Revised Capital Programme for 2012/13

	2012/13	
	£000	£000
Approved per Council (Budget Report 2012/13)		118,622
Variations funded from County Council Allocations:		
Net slippage from 2011/12 and financing adjustments	13,568	
Variations noted at Finance & Property Committee (18/06/12)	(1,688)	
Other approved variations (Finance & Property Portfolio)	500	
Other approved variations/re-phasing	(583)	
		11,797
Variations funded from other sources:		
Net slippage from 2011/12 and financing adjustments	67	
Variations noted at Finance & Property Committee (18/06/12)	1,239	
Other approved variations (Finance & Property Portfolio)	190	
Other approved variations/re-phasing	832	
		2,328
Revised gross Capital Programme		132,747

Capital Monitoring

- 8.2 Table 4 shows the latest capital expenditure and forecast estimates.

Table 4 – Latest Capital Expenditure and Forecasts

Committee	Revised Capital Programme £'000	Actual Expenditure £'000	Forecast Outturn £'000	Expected Variance £'000
Children & Young People	46,683	4,452	46,357	(326)
Adult Social Care & Health	6,140	1,603	4,140	(2,000)
Transport & Highways	39,855	5,133	43,524	3,669
Environment & Sustainability	5,543	189	5,556	13
Community Safety	300	0	300	0
Culture	8,089	681	8,089	0
Policy	8,044	650	7,751	(293)
Finance & Property	12,572	892	11,900	(672)
Personnel	70	34	70	0
Contingency	5,451	0	5,451	0
TOTAL	132,747	13,634	133,138	391

- 8.2.1 In Children & Young People Committee, projects funded by the Department for Education are being reviewed and re-phased and it is anticipated that 2012/13 expenditure on the Schools Capital Refurbishment Programme will be up to £5m higher than budgeted and that this will be offset by lower expenditure on the School Basic Need Programme and the Schools Access Initiative in 2012/13. Future years' budgets for these schemes will need to be adjusted to match the revised programmes, when finalised. Slippage of £0.4m on Section 106 Projects and £0.15m on Beardall Street Primary is anticipated due to delays caused by planning issues.
- 8.2.2 As a result of the revised timing of the tendering process for the Aiming for Excellence (Mixed Care) Programme in Adult Social Care & Health Committee, it is likely that the anticipated 2012/13 capital expenditure of £2.0m will slip to 2013/14.
- 8.2.3 In Transport & Highways Committee, there is planned over-programming on Roads Maintenance and Renewals schemes. Although a corresponding overspend is currently forecast, the programme will be monitored closely throughout 2012/13 and it is anticipated that the expenditure forecast will reduce during the course of the year.
- 8.2.4 In Policy Committee, slippage of £0.3m is anticipated on the Ways of Working Programme.
- 8.2.5 In Finance & Property Committee, an underspend of up to £0.2m is anticipated on sites previously identified in the Sun Volt programme, although options to use the remaining funding for further PV installations, subject to sufficiently high returns, are currently being explored. Although Property Acquisition and Disposal costs are expected to be incurred at the budgeted level of £0.5m, these are expected to be of a revenue nature and will therefore not be reported as Capital Programme expenditure.
- 8.3 Overall, actual capital expenditure was £13.6m, which amounts to 10.3% of the gross programme. This is below profiled spend (based on an average for the last five years) of 13.0% and suggests that slippage in the approved 2012/13 Capital Programme is likely.
- 8.4 Net acceleration of £1.3m of expenditure funded by capital allocations has been identified in departmental capital monitoring returns, offset by slippage/reduction in the Capital Programme of £0.9m of expenditure funded from other sources.
- 8.5 Based on profiles and previous years' figures, it is forecast that a further £24m of slippage/reductions will be identified before year end. The mix of funding sources in the revised 2012/13 Capital Programme, together with historic slippage patterns, suggests that around 45% of the forecast further scheme slippage/reductions will relate to borrowing, corresponding to a reduction in borrowing of £10.8m in 2012/13. These figures are best estimates based on latest information and will be subject to revision over the remaining periods of the year.

Financing the Approved Capital Programme

8.6 Table 5 summarises the financing of the overall approved Capital Programme for 2012/13.

Table 5 – Financing of the Approved Capital Programme for 2012/13

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People	24,753	21,714	50	166	46,683
Adult Social Care & Health	3,994	1,973	0	173	6,140
Transport & Highways	13,095	26,016	0	744	39,855
Environment & Sustainability	3,943	550	1050	0	5,543
Community Safety	300	0	0	0	300
Culture	5,417	1,465	7	1,200	8,089
Policy	8,044	0	0	0	8,044
Finance & Property	10,949	0	0	1,623	12,572
Personnel	0	0	0	70	70
Contingency	5,451	0	0	0	5,451
TOTAL	75,946	51,718	1,107	3,976	132,747

8.7 It is anticipated that borrowing in 2012/13 will increase by £2.3m from the forecast in the Budget Report 2012/13 (Council 23/02/12). This increase is a consequence of:

- £13.6m of net slippage of expenditure from 2011/12 to 2012/13 and financing adjustments funded by capital allocations; and
- net acceleration in 2012/13 of £1.3m of expenditure funded by capital allocations, identified in departmental capital monitoring returns;

offset by:

- variations, including re-phasing of schemes, resulting in a net reduction of £1.8m of capital expenditure funded by capital allocations; and
- approximately £10.8m of forecast further slippage/reductions funded by capital allocations.

8.8 Taking into account the adjustments set out above, the revised projection of borrowing for 2012/13 is £66.4m, which is £2.3m higher than the Budget Report 2012/13 figure of £64.1m.

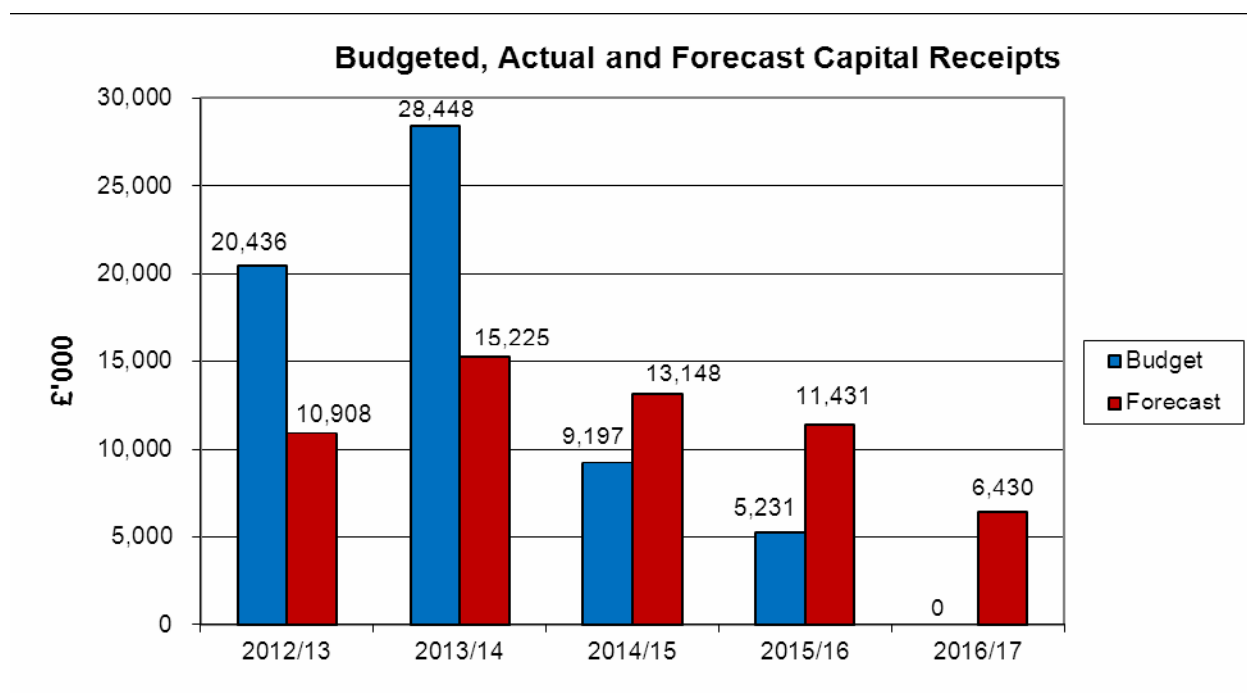
Prudential Indicator Monitoring

8.9 Performance against the Council's Prudential Indicators is regularly monitored and, to date during 2012/13, external debt has remained within both the Operational Boundary and the Authorised Limit.

Capital Receipts Monitoring

8.10 Anticipated capital receipts are regularly reviewed. Forecasts are based on estimated sales values of identified properties and prudently assume 30% slippage of future receipts to the following year. They also include an estimated £50k of vehicle receipts.

8.11 The chart below shows the budgeted and forecast capital receipts for the five years to 2016/17.



8.12 The blue bars in the chart show the budgeted capital receipts included in the Budget Report 2012/13 (Council 23/02/2012). These capital receipts budgets prudently incorporated slippage, giving a degree of “protection” from the risk of non-delivery. The red bars also incorporate anticipated slippage.

8.13 The forecast for 2012/13 includes £0.4m of capital receipts already realised and £2.5m of capital receipts for properties which are close to sale, i.e. offers have been received or conditional sales have been agreed.

8.14 The forecasts for 2012/13 and 2013/14 are significantly below the budgeted figures incorporated in the Budget Report 2012/13. This is due mainly to slippage and reduced estimates of some particularly large receipts for development sites. Expert advice is taken on such sites and decisions to delay sales take into account the Council’s objective of maximising the value of receipts.

8.15 The number and size of large anticipated receipts increase the risk that income from property sales will be even lower than the revised forecasts over the next three years. Although the revised forecasts incorporate 30% year-to-year slippage, a delay in receiving just two or three large receipts could result in sales being lower than these forecasts. For example, a scenario in which £7m of capital receipts are realised in 2012/13 and £12m of capital receipts are realised in 2013/14 would not be considered unlikely. This would represent a reduction of £30m from the budgeted level of capital receipts for 2012-14.

8.16 Council policy (Budget Report 2012/13) is to set capital receipts against the principal of previous years’ borrowing. This reduces the amount of Minimum Revenue Provision (MRP) to be set aside each year. The lower than anticipated level of 2012/13 capital receipts is expected to result in a £0.3m increase in the amount of MRP to be set aside from revenue in 2012/13. It will also tend to increase interest payable, although the actual level of this will also depend on a range of other factors. The revenue impact of capital receipts slippage will be offset by any slippage in capital expenditure funded by borrowing.

8.17 As highlighted in the Budget Report 2012/13, the Council's medium-term forecasts were predicated on an ambitious level of capital receipts. Given current concerns about further revenue reductions, it is important to regularly monitor capital receipt forecasts and their effect on the overall revenue impact of the Capital Programme. The implication of the significantly reduced capital receipt forecasts for 2012/13 and 2013/14 reiterate the importance of the Council keeping tight control of capital expenditure.

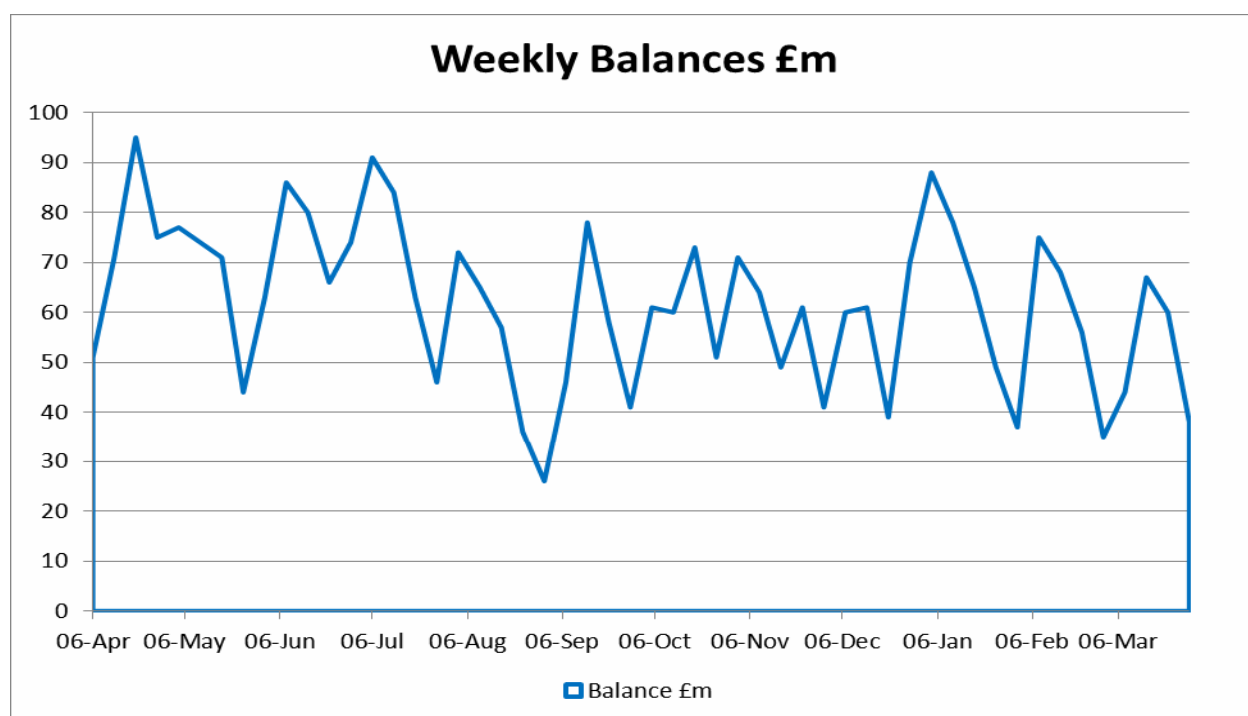
9 Balance Sheet

Impact on County Fund Balances

- 9.1 The Final Accounts Report for 2011/12 showed that County Fund Balances stood at £29.7m at 31/3/12. The 2012/13 budget planned to contribute £4.9m to balances which would increase County Fund Balances to £34.6m, around 7% of the Budget Requirement.
- 9.2 Latest forecasts include the planned contribution of £4.9m, which could be increased further depending on the predicted underspend. This may be used in the short term to balance the Council's budget from 2013/14 onwards, as the Council faces further financial challenge.

Cash Flow

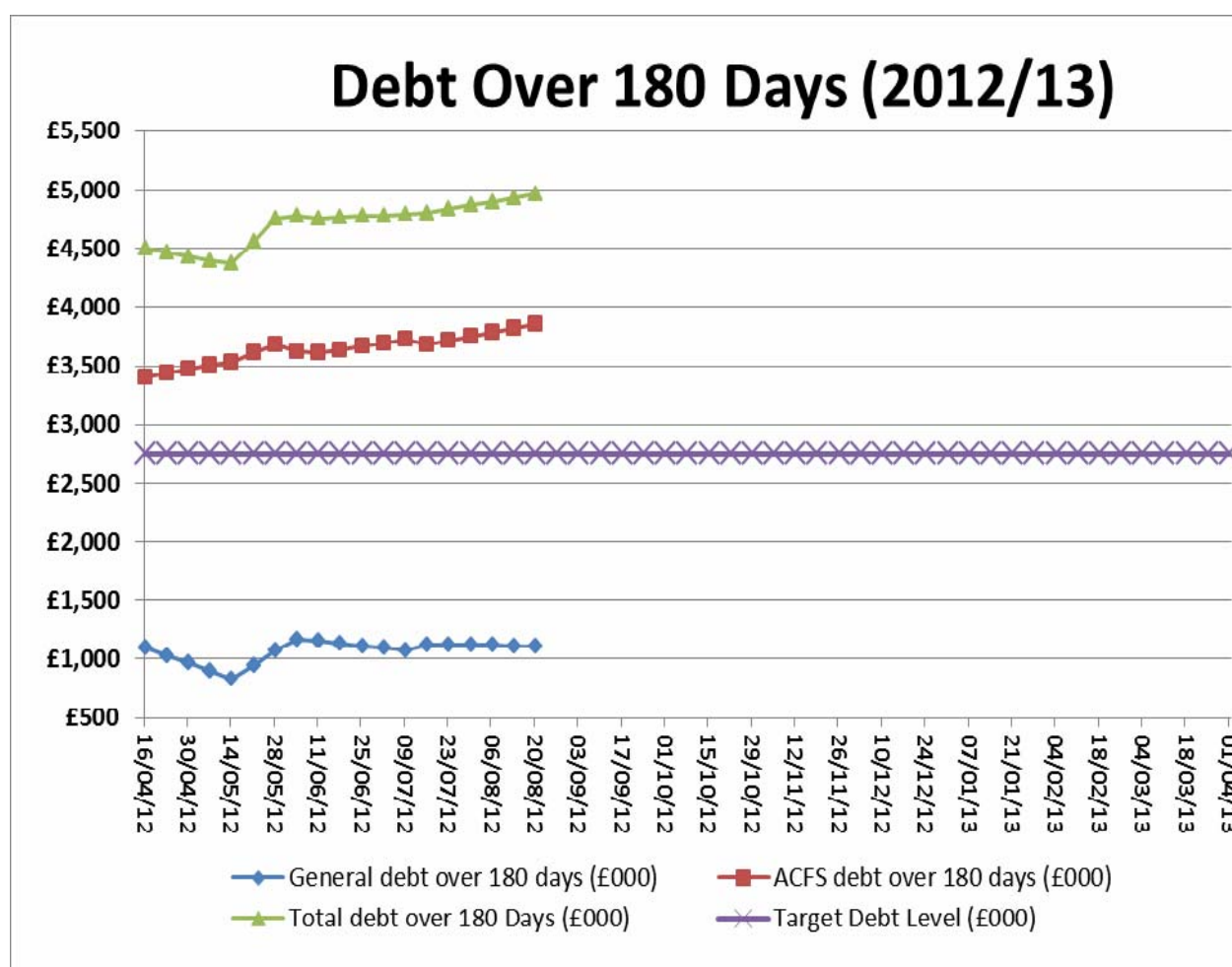
- 9.3 Cash flow is kept under constant monitoring by the Investment Manager with the overall position reviewed quarterly by the Treasury Management Group. The following graph shows the actual cash balances to date and the forecasts for the remainder of the year:



- 9.4 Current forecasts therefore suggest that resources are being managed effectively and cash flow shortfalls will be avoided. This is in line with the Treasury Management Strategy approved at full Council on 23rd February 2012.

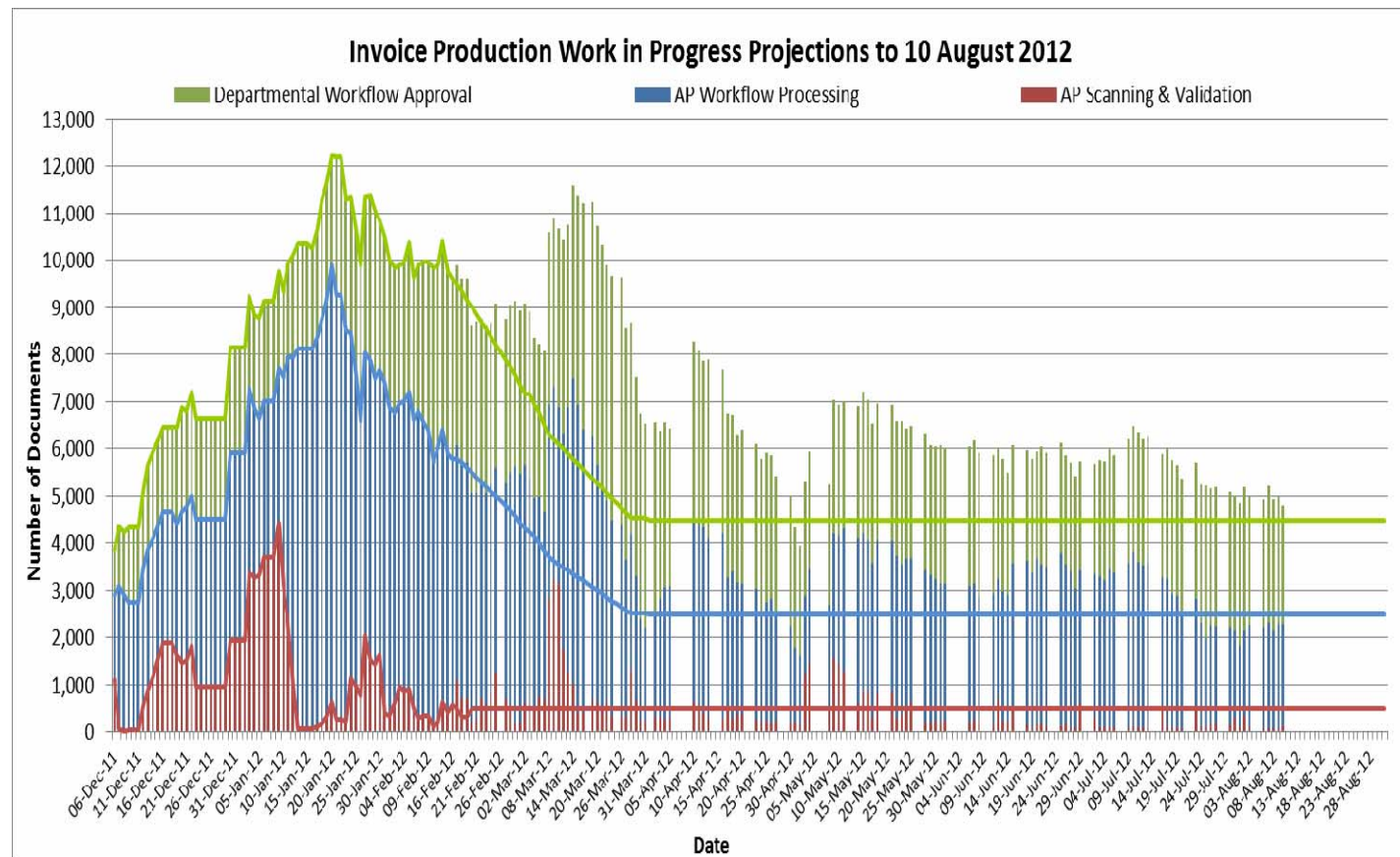
Debtors

- 9.5 The Council monitors outstanding debt with particular attention to longer term debt, defined as debts overdue by 180 days or more. As at 20th August 2012, long term debt totalled £4.96m.
- 9.6 Since the BMS go live date in November 2011 manual dunning has been undertaken by the Income and Credit Control Section. This is due to a system issue with the BMS disputes module not functioning correctly. This issue has now been resolved. BMS automated dunning is now active and the first batch of letters were sent out w/c 9 July, with further letters sent out on a phased basis for the following 4 weeks. A second round of dunning was scheduled to take place in mid August for those customers who have not settled their invoice following the initial reminder letter. The normal cycle of monthly dunning will commence thereafter.
- 9.7 It should also be noted that there have been no write offs since October 2011, £85,500 of over 6 month debt is pending write off. The level of ACFS debt continues to be affected by the current economic climate. It is also proposed to undertake a project to review the end to end debt collection process from the point of raising an invoice within the service department through to the lifecycle of debt being chased by Incomes and Credit Control and ultimately being pursued by Legal Services.



Creditors

- 9.8 Detailed analysis of the volume of transactions in the system breaks down the number of new invoices entering the system as well as the number being cleared to give a clearer perspective of the net movement. This is represented in the graph below.



10 Future developments & strategic issues

- 10.1 The implementation of the Business Management System has presented challenges to financial operations within the Council. Issues with the Budgeting and Forecasting process are currently being addressed and full budget monitoring is planned to recommence in October.
- 10.2 The 2012/13 budget proposals were approved at Council on 23 February 2012. The budget report highlighted significant risks in future funding and the latest position is being presented elsewhere on this agenda.

Statutory and Policy Implications

- 11.1 This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATIONS

- 12.1 To note the current position regarding monitoring of revenue expenditure.
- 12.2 To approve the requests for use of the corporate contingency budget as reported in section 4.16.
- 12.3 To approve the creation of a Troubled Families Reserve as reported in section 4.23.
- 12.4 To approve the budget transfer request in section 5.1.
- 12.5 To note the recent performance of the Procurement team.
- 12.6 To note the current position regarding monitoring of capital expenditure.
- 12.7 To note that the level of borrowing is expected to remain within the Council's prudential limits.
- 12.8 To note the current position regarding monitoring of capital receipts and highlighted risk that receipts generated could be significantly lower than budgeted.

Paul Simpson
Service Director – Finance & Procurement

For any enquiries about this report please contact:
Team Manager Financial Planning & Accounting

Constitutional Comments (SB 04/09/2012)

- 13. In accordance with the Financial Regulations set out in the Council's Constitution, Finance and Property Committee is the appropriate body to consider the recommendations set out in the report.

Financial Comments (PM 04/09/2012)

- 14. The financial implications are stated in the report.

Background Papers

Nil

Electoral Division(s) and Member(s) Affected

Not applicable

APPENDIX A

Current Savings Projects.

Business Case Title	2012/13 Required	2012/13 Achievable	2012/13 Shortfall	2013/14 Required	2013/14 Achievable	2013/14 Shortfall	2014/15 Required
CHILDREN & YOUNG PEOPLE'S COMMITTEE	£000	£000	£000	£000	£000	£000	£000
Youth Support Service's delivery and management structure including Skills for Employment, Youth Service, Integrated Youth Support and Positive Activity Young People's Grants (PAYP).	548	548	0	186	186	0	37
Connexions	1554	1,554	0	418	0	418	392
Youth Offending Service Cost Reduction Programme	103	103	0	30	30	0	1
14-19 Strategy Team, including Study Support, Global Dimension and Post-16 Commissioning	274	274	0	0	0	0	0
ECAS	0	0	0	13	13	0	13
Enrichment Services - full cost recovery	166	166	0	153	153	0	35
Inclusion Services Remodelling	571	571	0	62	62	0	63
School Improvement Service – Remodelling	336	336	0	45	45	0	67
Premature Retirement Compensation Costs for School Staff- Natural wastage	0	0	0	25	0	25	25
Sure Start Early Years and Childcare Grant	750	750	0	1,000	1,000	0	1,000
Children's Social Care Placements	511	511	0	0	0	0	0
Social Care Fieldwork Services	0	0	0	204	204	0	406
Adoption Services	107	107	0	0	0	0	0
Family / Parenting Support (including CAF & early intervention projects)	485	485	0	0	0	0	0
CYP Business Support Services Review	0	0	0	0	(600)	600	0
Business support - use of reserve	600	600	0	0	0	0	0
Strategic Place Planning 0-19 and School Admissions	210	210	0	0	0	0	0
CFCS Management Structure	200	200	0	0	0	0	0
Young People's Service - Disestablish Extended Services Team, Restructure Play Function	60	60	0	255	255	0	0
Reduction to Connexions Funding	709	709	0	222	222	0	0
Education Standards and Inclusion (staffing reduction)	500	500	0	0	0	0	0
Reduction in Department overheads	100	100	0	100	100	0	0
EIG and Former Area Based Grant monies	218	218	0	20	20	0	0
TOTAL CHILDREN & YOUNG PEOPLE'S COMMITTEE	8,002	8,002	0	2,733	1,690	1,043	2,039
CULTURE COMMITTEE	£000	£000	£000	£000	£000	£000	£000
Restructure of Country Parks, Sherwood Forest Trust, Closure of Lakeside Garden Shop at Rufford	159	159	0	359	0	359	0
Libraries & Archives	780	780	0	216	216	0	0
Adult & Community Learning	96	96	0	0	0	0	0
Sports & Arts	93	93	0	115	115	0	0
Community Sports & Arts	30	30	0	0	0	0	0
Country Parks & Green Estate (Car Park income & opening hours)	50	50	0	50	50	0	0
Country Parks & Green Estate (Orangery development)	0	0	0	55	55	0	0
TOTAL CULTURE COMMITTEE	1,208	1,208	0	795	436	359	0
TOTAL CFCS DEPARTMENT	9,210	9,210	0	3,528	2,126	1,402	2,039

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Business Case Title	2012/13 Required	2012/13 Achievable	2012/13 Shortfall	2013/14 Required	2013/14 Achievable	2013/14 Shortfall	2014/15 Required
ADULT SOCIAL CARE & HEALTH COMMITTEE	£000	£000	£000	£000	£000	£000	£000
Increased income through increased charges (pre-agreed & current work)	141	141	0	0	0	0	0
Increased income through increased charges (additional)	55	55	0	26	26	0	0
Increased income - Revision to Fairer Contributions policy	300	300	0	0	0	0	0
Reablement & Homecare (Service Delivery Costs)	700	700	0	0	0	0	0
Reablement & Homecare (Staff Savings)	200	200	0	0	0	0	0
Day Services	1,216	1,216	0	3,035	3,263	(228)	0
Fair Access to Care eligibility	1,000	1,000	0	0	0	0	0
Sale of Residential Care Homes	1,300	1,300	0	0	0	0	0
Reduce use of residential care and increase alternatives	324	324	0	1,024	1,024	0	1,202
Interagency planning and Commissioning - Linkages efficiencies	152	152	0	256	256	0	296
Notts 50+ (Early Intervention and Prevention)	46	46	0	15	15	0	0
Notts 50+ (Early Intervention and Prevention)	160	160	0	0	0	0	0
Healthier Communities Service	0	0	0	0	0	0	0
Welfare rights cease	450	450	0	0	0	0	0
Learning Disabilities Teams	0	0	0	0	0	0	0
Learning Disability & Mental Health Community Care	1,281	1,281	0	1,281	1,281	0	1,281
Adult Placement Scheme	75	75	0	38	38	0	38
Mental Health commissioning	100	100	0	0	0	0	0
Learning Disability commissioning	109	109	0	150	150	0	11
Supported Employment – Balance - Cease provision	0	0	0	0	0	0	0
Reduce spend on Supporting People	4,000	4,000	0	3,000	3,000	0	500
Procurement and Market Management Unit staffing	0	0	0	0	0	0	0
ACFS - Moving to net payments and resulting reductions in staffing	150	150	0	0	0	0	0
Strategic Services	0	0	0	0	0	0	0
Administration	300	300	0	0	0	0	0
Organisational Re-design	1,109	509	600		0	0	0
Implementation of Putting People First	1,000	1,000	0	0	0	0	0
Carers Team	0	0	0	0	0	0	0
Market Management	0	0	0	0	0	0	0
Outsource Sensory Impairment Service	155	155	0	0	0	0	0
Learning Disability Short Breaks	100	100	0	403	81	322	0
Ordinary Residence	150	0	150	0	0	0	0
HIV AIDS	32	32	0	0	0	0	0
Assistive technology	25	25	0	0	0	0	0
Luncheon clubs	0	0	0	0	0	0	0
Current Income level	1,500	1,500	0	0	0	0	0
Self Funders income	200	200	0	0	0	0	0
Handy Person Scheme	50	50	0	0	0	0	0
Service Organisers (Centralise teams)	0	0	0	150	150	0	0
Reablement for Younger Adults with Physical Disability	150	150	0	150	150	0	0

Business Case Title	2012/13 Required	2012/13 Achievable	2012/13 Shortfall	2013/14 Required	2013/14 Achievable	2013/14 Shortfall	2014/15 Required
ADULT SOCIAL CARE & HEALTH COMMITTEE	£000	£000	£000	£000	£000	£000	£000
Assistive Technology	50	50	0	125	125	0	0
County Horticulture	100	100	0	0	0	0	0
Integrated Community Equipment Service Contract	169	169	0	0	0	0	0
Community Based Services re-tender	45	45	0	715	715	0	0
Adult Access Team	75	75	0	0	0	0	0
Disabled Facilities Grant top up budget	45	45	0	0	0	0	0
Locality Savings	150	150	0	150	150	0	0
Shared Lives	0	0	0	300	300	0	0
Sherwood Industries	0	0	0	250	250	0	0
TOTAL ADULT SOCIAL CARE & HEALTH COMMITTEE	17,164	16,414	750	11,068	10,974	94	3,328
COMMUNITY SAFETY COMMITTEE	£000	£000	£000	£000	£000	£000	£000
Registration Service - Maximising Income Opportunities and Cessation of Security Guard	98	98	0	98	98	0	98
Trading Standards - Regional Working and Income Generation	77	77	0	0	0	0	0
Trading Standards Service	49	49	0	0	0	0	0
TOTAL COMMUNITY SAFETY COMMITTEE	224	224	0	98	98	0	98
TOTAL ASCH&PP DEPARTMENT	17,388	16,638	750	11,166	11,072	94	3,426

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Business Case Title	2012/13 Required	2012/13 Achievable	2012/13 Shortfall	2013/14 Required	2013/14 Achievable	2013/14 Shortfall	2014/15 Required
FINANCE & PROPERTY COMMITTEE	£000	£000	£000	£000	£000	£000	£000
Finance Reduced Capacity	227	227	0	29	29	0	0
Vertical review staffing	150	150	0	339	339	0	591
Vertical review ISP and connectivity rationalisation	160	160	0	150	150	0	180
Vertical review Apps rationalisation	100	100	0	50	50	0	190
Vertical review desktop strategy	150	150	0	50	50	0	100
Reduction in strategic function	139	139	0	381	381	0	0
Corporate performance and business services	79	79	0	0	0	0	0
Property Planned Maintenance reduction	200	200	0	200	200	0	0
Reduced cleaning hours and site management of County Offices	303	303	0	0	0	0	0
Reduction in Finance capacity by the deletion of further posts	81	81	0	76	76	0	0
Business Support and Development & Departmental Running Expenses	101	101	0	0	0	0	0
TOTAL FINANCE & PROPERTY COMMITTEE	1,690	1,690	0	1,275	1,275	0	1,061
ENVIRONMENT & SUSTAINABILITY COMMITTEE	£000	£000	£000	£000	£000	£000	£000
Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES) allowances	220	220	0	0	0	0	0
Energy mark up (energy purchase arrangements with Buying Solutions/Government Procurement Service)	97	97	0	0	0	0	0
Recharge CRC Costs to Academies	104	104	0	0	0	0	0
Recharge CRC Costs to NCC Schools	565	565	0	0	0	0	0
TOTAL ENVIRONMENT & SUSTAINABILITY COMMITTEE	986	986	0	0	0	0	0
TRANSPORT AND HIGHWAYS COMMITTEE	£000	£000	£000	£000	£000	£000	£000
Cleaning & landscape services, Schools Catering and County Hall Facilities Management Services	500	500	0	0	0	0	0
Fleet Consolidation (Shared Transport Centre) - Travel Efficiencies	125	125	0	150	100	50	75
Street Lighting: Energy cost savings and reduced maintenance	185	185	0	184	184	0	144
Maximise Highways income and recharges	0	0	0	0	0	0	88
Highways Service Redesign - Structure Review and Increased Efficiencies	935	935	0	304	304	0	149
Nottinghamshire Transport Services / Shared Transport Centre	149	149	0	0	0	0	0
Part-night street lighting, reduced Robin Hood line funding	370	370	0	151	151	0	0
Efficiency savings through the reconfiguration of transport service	100	100	0	100	100	0	0
TOTAL TRANSPORT AND HIGHWAYS COMMITTEE	2,364	2,364	0	889	839	50	456
TOTAL ENVIRONMENT AND RESOURCES DEPARTMENT	5,040	5,040	0	2,164	2,164	50	1,517

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Business Case Title	2012/13 Required	2012/13 Achievable	2012/13 Shortfall	2013/14 Required	2013/14 Achievable	2013/14 Shortfall	2014/15 Required
PPCS	£000	£000	£000	£000	£000	£000	£000
POLICY COMMITTEE							
Share Post of Chief Executive with other public bodies	10	10	0	0	0	0	0
Merge /co-locate Legal & Democratic admin teams	48	48	0	0	0	0	0
Reduction in Special Responsibility Allowances	60	60	0	0	0	0	0
Communications & Management	13	13	0	0	0	0	0
Outsource of Debt Recovery within Legal Services	0	0	0	0	0	0	0
Shared Legal Services with other public bodies	123	123	0	11	11	0	0
Legal Services – process efficiency and work reduction	100	100	0	50	50	0	0
Legal Services – managing demand reduction	75	75	0	38	38	0	0
Customer Services	262	262	0	281	281	0	0
Additional staffing savings	70	70	0	0	0	0	0
Additional staffing savings	47	47	0	0	0	0	0
Additional staffing savings	100	100	0	0	0	0	0
Grant Aid	450	450	0	0	0	0	0
Procurement and Contracts	0	0	0	0	0	0	0
Customer Services (additional)	60	60	0	0	0	0	0
Staffing Restructure	238	238	0	173	173	0	0
Ways of Working Operational savings	150	150	0	350	350	0	0
TOTAL POLICY COMMITTEE	1,806	1,806	0	903	903	0	0
PERSONNEL & PERFORMANCE COMMITTEE	£000	£000	£000	£000	£000	£000	£000
Learning & Development	1,021	1,021	0	10	10	0	0
HR Service	131	131	0	0	0	0	0
TOTAL PERSONNEL & PERFORMANCE COMMITTEE	1,152	1,152	0	10	10	0	0
ENVIRONMENT & SUSTAINABILITY COMMITTEE	£000	£000	£000	£000	£000	£000	£000
Reduce service (Planning) development control	5	5	0	0	0	0	0
TOTAL ENVIRONMENT & SUSTAINABILITY COMMITTEE	5	5	0	0	0	0	0
CULTURE COMMITTEE	£000	£000	£000	£000	£000	£000	£000
Restructuring of Conservation Specialists	231	231	0	0	0	0	0
TOTAL CULTURE COMMITTEE	231	231	0	0	0	0	0
ECONOMIC DEVELOPMENT COMMITTEE	£000	£000	£000	£000	£000	£000	£000
Redesign of Economic Regeneration service	12	12	0	0	0	0	0
TOTAL ECONOMIC DEVELOPMENT COMMITTEE	12	12	0	0	0	0	0
TOTAL PPCS	3,206	3,206	0	913	913	0	0
GRAND TOTAL	34,844	34,094	750	17,771	16,225	1,546	6,982