

Report to	Cabinet	Item
Report of	Chief finance officer (Section 151 Officer)	7
Subject	Revenue and capital budget monitoring 2018/19: Final outturn	

Purpose

To update Cabinet on the revenue and capital outturns for the year 2018/19; the General Fund and Housing Revenue Account balances; to seek approval to delegate to officers the approval of carry-forward unspent capital budgets into the 2019-20 capital programme; and to use some of the general fund reserve to fund legal costs.

Recommendations

- 1) To note the financial outturn for 2018/19 for the General Fund, HRA and capital programme;
- 2) To note the consequential balance of the General Fund and Housing Revenue Account balances; as detailed in paragraphs 23 & 24
- 3) To approve the creation of a general fund repairs earmarked reserve; as detailed in paragraph 6
- 4) To note the transfers to earmarked reserves and the subsequent impact on balances; as detailed in paragraphs 20,21 & 22
- 5) To note the utilisation of the general fund capital contingency budget; as detailed in paragraph 33
- 6) To delegate to the chief finance officer, director of regeneration & development and director of neighbourhoods, in consultation with the cabinet member for resources, approval of carry-forward of unspent 2018/19 capital budgets still required, to the 2019/20 capital programme.
- 7) To approve the release of £0.5m from General Fund reserves to fund planning legal costs.

Corporate and service priorities

The report helps to meet the corporate priority a healthy organisation and the service plan priority to provide accurate, relevant and timely financial information.

Financial implications

The General Fund revenue budget is underspent by £2.792m.

The Housing Revenue Account budget is underspent by £3.966m.

The General Fund Capital Programme is underspent by £53.256m.

The Housing Revenue Account Capital Programme is underspent by £19.703m.

Ward/s: All Wards

Cabinet member: Councillor Kendrick - Resources

Contact officers

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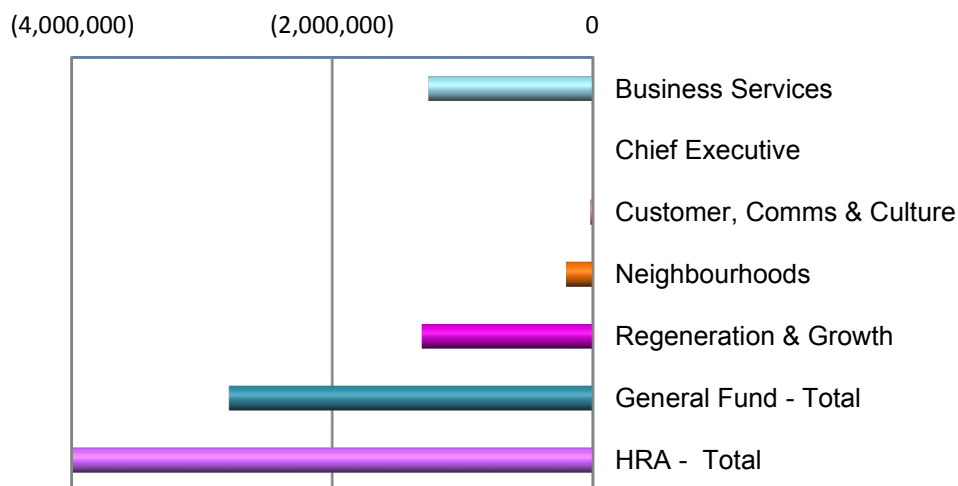
Background documents

None

Financial Position – Final outturn 2018/19 Figures in 000s

General Fund	Current budget	Final outturn	Final variance
Expenditure	154,235	154,779	543
Income	(55,111)	(55,325)	(214)
Grants and subsidies	(99,125)	(102,245)	(3,121)
Total	0	(2,792)	(2,792)

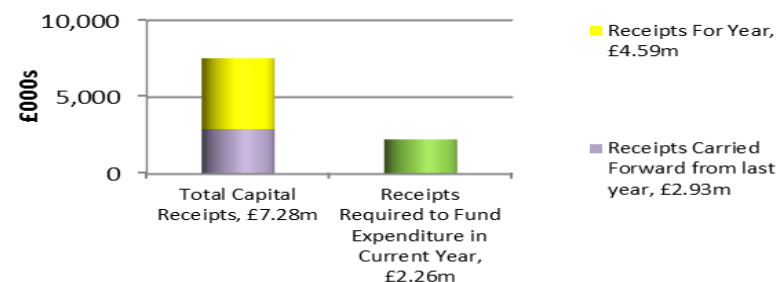
Forecast variances by service area (under) and overspends



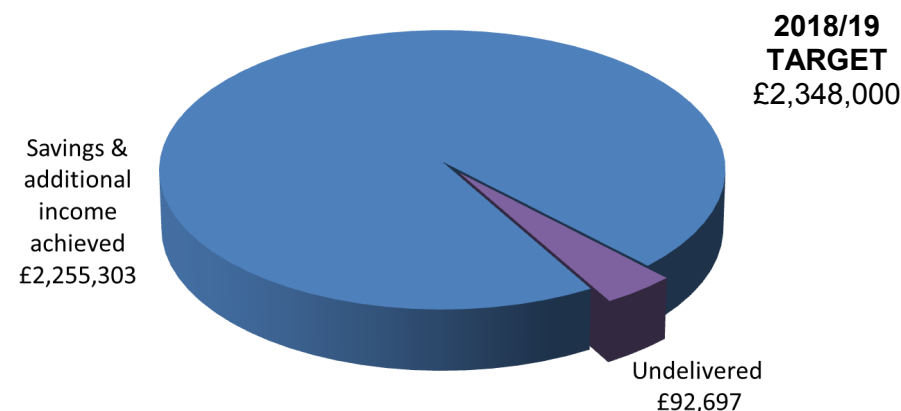
Housing Revenue Account	Current budget	Final outturn	Final variance
Expenditure	69,039	64,697	(4,342)
Income	(69,039)	(68,663)	376
Total	0	(3,966)	(3,966)

Capital programme	Current budget	Final outturn	Final variance
General Fund	80,650	27,394	(53,256)
Housing Revenue Account	45,857	26,154	(19,703)

Non-Housing Capital Receipts



Planned savings



- The General Fund outturn shows an underspend of £2.792m, mainly arising from higher than budgeted net income from new property acquisitions, lower costs due to limited borrowing requirement, staff vacancies and unutilised contingency fund.
- The HRA outturn shows an underspend of £3.966m largely due to savings in the HRA dwellings repair budget and unutilised contingency fund.
- The General Fund capital programme is underspent by £53.256m mainly due to the asset acquisition budget not being fully utilised in 2018/19. £20m of budget is expected to be carried forward to 2019/20.
- The HRA capital programme is underspent by £19.703m mainly due to the tower block regeneration project and new build projects re-profiled into the next financial year, reduction in grants to housing associations and an element of the Goldsmith Street development budget not being required.
- Both the General Fund and HRA reserves currently exceed their respective prudent minimum balances.

General Fund Revenue Budget

1. The final outturn shows a £2.792m general fund underspend at the year-end. This equates to 1.81% of the gross expenditure budget.

Significant key variances are as follows:

- £0.9m underspend on budgeted external borrowing costs relating to commercial property acquisitions and lending to the Council's wholly owned subsidiary Norwich Regeneration Ltd. This expenditure has been funded in the short term from internal cash resources, with the expectation that external borrowing will be required in the short to medium term.
 - £0.5m unrequired corporate contingency budget
 - £0.4m underspend on employee costs mainly as a result of staff turnover during the year.
 - £0.3m additional income from car parking.
 - £0.2m additional rental income from new commercial property purchases; this reflects the early delivery of some of the 2019/20 additional income target.
 - £0.2m additional housing benefit new burdens grant income; this was confirmed after budgets were set.
 - £0.2m underspend on building planned and responsive repair costs.
2. The Council continues to conduct regular analysis of budget outturns and where there are consistent underspends assessment is made of whether budgets can be reduced. A number of the underspends have already been incorporated into the 2019/20 budgets, other areas will be reviewed ahead of 2020/21 budget setting.
 3. The underspend relating to new commercial property acquisition has been transferred into the Council's Commercial Property earmarked reserve. This was established to reduce the risks associated with holding commercial property by providing funding for any future void and rent free periods as well as repairs and upgrades to the investment property portfolio. Building up this reserve is a key element of the risk management strategy associated with increased commercial activity.
 4. The underspend relating to new unrequired external borrowing costs on the Norwich Regeneration Ltd (NRL) loan financing has been transferred into the Council's NRL earmarked reserve. This was established to smooth any fluctuations in income from NRL interest, providing a buffer if the company does not borrow as much or as early from the Council as planned.
 5. The remaining net underspend of £1.6m has been transferred to the Invest-to-Save reserve (as approved by Council in March 2019). This will be used to drive forward the key Fit for the Future work streams: property management, digital and information technology and joint venture insourcing.
 6. The general fund planned and responsive repairs budgets have been underspent in recent years, however there is a known backlog of repair works that have been identified and reported to the Accommodation Board. In some cases, work on clearing this backlog is not being undertaken as budget is held back in case of unforeseen repairs. The creation of a general repairs earmarked reserve would provide a fund

that could be used strategically to address the significant repairs liabilities on general fund properties on both the revenue and capital sides. Cabinet is, therefore, asked to approve the creation of a general fund repairs earmarked reserve and the transfer of £0.187m into the reserve during 2019/20.

7. The 2018/19 budget included a target of £2.348m of budget savings or increased income. 96% of the target had been delivered by year end. The undelivered element was more than met by unbudgeted savings and additional income. This successful delivery reflects the approach taken of only building adequately planned and robust savings into the budget.
8. The key forecast budget variances by service (those with variances of +/- 100k) are set out below:

Table 1: Key General Fund revenue budget variances by service (NB: figures in brackets represent savings or increased income)

General Fund Service	Final Outturn Variance £000s	Description and commentary
Business Services	(803)	<p>The majority of the variance is due to:</p> <ul style="list-style-type: none"> • £371k - fewer insurance settlements invoiced than anticipated • £213k - underspend on council tax admin due to staff vacancies and higher than budgeted recovery of costs in relation to council tax recovery assistants • £156k - higher than budgeted housing benefit grant income
Finance	(430)	<p>The majority of the variance is due to:</p> <ul style="list-style-type: none"> • No external borrowing has been taken in respect of commercial property acquisition and Norwich Regeneration Ltd resulting in £852k lower than budgeted interest costs in the short term, • £115k - due to the timing of the purchases, the minimum revenue provision expense will not be due until 2019/20 • £497k - unrequired element of general fund contingency budget <p>Underspends partially offset by:</p> <ul style="list-style-type: none"> • £575k lower depreciation credit than budgeted, offset within service areas • £240k net overspend within housing benefit, largely due to reduction in housing benefit overpayment income following improved processing performance

General Fund Service	Final Outturn Variance £000s	Description and commentary
Citywide Services	(179)	<p>The variance is mainly due to:</p> <ul style="list-style-type: none"> • £191k - vacant posts at the beginning of the year, some of which have now been filled. • £99k - higher than budgeted neighbourhood operations recharge to the HRA <p>Underspends partially offset by:</p> <ul style="list-style-type: none"> • £105k - markets repairs and security costs higher than budgeted.
Neighbourhood Services	(112)	<p>The variance is mainly due to:</p> <ul style="list-style-type: none"> • £45k lower than budgeted depreciation charge on community centres • £43k higher than budgeted recharge income • £10k underspend on salaries & training within community enabling • £10k - active hours post was originally planned as 1fte, however actual is 0.8fte
City Development	(1,188)	<p>Variance is mainly due to :</p> <ul style="list-style-type: none"> • £334k higher than anticipated income from off street and multi-storey car parks • £215k additional income on new property acquisitions • £68k savings on empty rates at the airport industrial estate • £64k unbudgeted rental income due to delay in property sale • £155k higher element of the profit share from Norwich NORSE related to the General Fund rather than the HRA • £196k lower than budgeted depreciation costs

Further detail is set out in **Appendix 1**.

2019/20 Budget Amendment for Legal Costs

9. A planning application was submitted in March 2018 for the comprehensive redevelopment of the Anglia Square area (planning application ref 18/00330/F). On 06 December 2018 the council planning applications committee resolved to approve the application, subject to the Secretary of State not calling in the application, planning conditions and a legal agreement.
10. On 21 March 2019 the council were notified that the Secretary of State had decided to call-in the application and that to consider all the relevant aspects of the proposed development a local inquiry will be held and heard by an independent inspector appointed by the planning inspectorate (PINS).

11. The call-in creates an urgent requirement for further legal advice, in particular to appoint and instruct Counsel and to provide case work and matter management during this legal process.
12. In order to meet these one-off costs, Cabinet is asked to approve the use of £0.5m of General Fund general reserves to fund the legal and staffing costs associated with the call-in. The General Fund general reserves total £11.652m at 31 March 2019.
13. Further detail is provided in the exempt report on the same cabinet agenda.

Housing Revenue Account

14. The final outturn shows a £3.966m HRA underspend at the year end. This equates to 5.7% of the gross expenditure budget.

The underspend is largely a result of the need for responsive repairs on HRA dwellings and empty property repairs being less than anticipated by £2.7m. Capital investment in planned works over the last six years has meant that old items have been replaced before they start to fail and require funding from the responsive repairs budget. The other significant area of underspending was in HRA general management including staffing costs and the HRA contingency budget.

15. The key budget variances by service are set out below in Table 2.

Table 2: Key HRA revenue budget variances by service (NB: figures in brackets represent savings or increased income)

Housing Revenue Account	Outturn Variance £000s	Description and commentary
Repairs & Maintenance	(1,637)	<p>The key variances are:</p> <ul style="list-style-type: none"> £448k underspend on voids work due to lower demand £436k underspend on servicing of central heating generated from contract savings. Also, fewer responsive repairs required, which is a benefit of the capital investment in new heating installations over the past few years £387k underspend on major and minor repairs. Savings have been made on this element of work by changing the method of allocating the work and tightening the specification £301k underspend on exterior painting; works now programmed across a seven year programme to generate a saving; some work originally due to be undertaken in 18/19 has been deferred £250k underspend on drainage, as less work carried out in this area £139k underspend on fire prevention works due to lower demand. This budget funds responsive works that are identified and is in addition to programmed fire prevention works to tower blocks and flats. Additional fire prevention works have also been carried out during responsive repairs. £136k underspend on asbestos removal, as less work required than anticipated with some asbestos removal work being undertaken as identified during responsive repair work or as part of insulation programme £130k underspend on small responsive structural repairs due to reduction in requirement £123k underspend on asbestos register surveys due to being ahead of schedule with 3 year periodic surveys <p>All underspends partially offset by:</p> <ul style="list-style-type: none"> £1,096k overspend against budget due to lower leaseholder contributions to capital, offset by underspend against adjustments & financing items

Housing Revenue Account	Outturn Variance £000s	Description and commentary
Rents, Rates, & Other Property Costs	(396)	<p>The key variances are:</p> <ul style="list-style-type: none"> • £126k underspend due to Anglian Water costs lower than originally budgeted, due to higher number of conversions to private meters than anticipated; partially offset by lower income against service charge budgets • £139k underspend on council tax and empty property rates in relation to void properties • £91k underspend on professional advice and fees; minor asset valuation carried out this year opposed to more expensive major valuation, along with fewer condition surveys • £28k underspend on insurance premiums, due to change of supplier
General Management	(1,136)	<p>The key variances are:</p> <ul style="list-style-type: none"> • £500k un-required contingency fund • £230k - posts vacant throughout the year • £65k underspend on compensation to tenants • £48k underspend on decoration allowances • £30k underspend on professional advice & fees • £30k underspend on legal fees • £12k – events now planned to take place in 2019/20 • £18k for tenant training as original planned courses not taken up
Special Services	(868)	<p>The key variances are:</p> <ul style="list-style-type: none"> • £421k on district heating & sheltered housing gas costs; partially offset by lower service charge income • £127k unbudgeted income from the sale of the community alarm service • £86k underspend following sheltered housing smoke detector upgrade review • £66k saving due to reduction in staff • £58k on snow clearing due to mild winter • £56k lower than budgeted spend on sheltered housing fixtures & fittings pending review of property refurbishment requirements
Dwelling Rents	106	Income lower than budgeted due to delivery of new developments extending into next financial year
Provision for Bad Debts	(216)	Reduction in rent arrears during the financial year, therefore provision for bad debt reduced

Housing Revenue Account	Outturn Variance £000s	Description and commentary
Depreciation & Impairment	520	Increase in depreciation costs due to significant increase in the valuation, meaning higher depreciation on the structural element of the properties
Service Charges General	756	<p>The key variances are:</p> <ul style="list-style-type: none"> £331k lower than budgeted district heating income due to reduced gas use; partially offset by underspend against district heating within special services £204k lower than budgeted Anglian Water service charge income due to reduced costs; offset by underspend against rents, rates, & other property costs
Adjustments & Financing Items	(1,002)	Lower capital contribution by leaseholders due to less major work being carried out on leasehold dwellings – offset by corresponding overspend against repairs & maintenance income

Further detail is set out in **Appendix 1**.

Collection Fund

16. The Collection Fund consists of Council Tax and Business Rates. Table 3 shows the performance of the Collection fund in 2018/19.

Table 3

	Business Rates £000s	Council Tax £000s
Council Tax receivable		(80,664)
Business rates receivable (net yield)	(79,890)	
Council Tax Reduction Scheme		13,965
Interest	2	
TOTAL INCOME	(79,888)	(66,699)
Precepts & Demands	75,360	64,169
Distribution of Estimated Surplus for Previous Years	(2,496)	2,171
Transitional Protection Payable	668	
Costs of Collection	268	
Increase/(decrease) in Bad Debt Provision	(124)	(354)
Increase/(decrease) in Provision for Appeals	492	
Write Offs of uncollectable amounts	1,257	773
TOTAL EXPENDITURE	75,425	66,759
Collection Fund Balance b/fwd at 1 April	(2,546)	5,324
Surplus / (Deficit) for the year	4,463	(60)
Collection Fund Balance c/fwd at 31 March	1,917	5,264

Council Tax

17. Council Tax income is shared between the city, the county, and the police and crime commissioner based on an estimated tax base and the council tax rates agreed by each of the preceptors. Any surplus or deficit is shared in the following financial year.

In 2018/19 Council Tax charged totalled £66.7m.

There was an in-year deficit of £0.06m on the Collection Fund due to an increased distribution to the precepting authorities in 18/19 of the brought forward surplus position.

The overall year-end surplus is £5.3m which will be taken into account in considering distribution of balances between the preceptors (city, county, and police) in the future.

The council's share of the closing balance on the council tax collection fund at 31st March 2019 is a surplus of £0.740m (14.05%).

Business Rates

18. Business rates income is shared between the city, the county, and central government. Any surplus or deficit is shared in the following financial year.

In 2018/19 total business rates charged totalled £79.89m.

There was an in-year surplus of £4.46m on the collection fund resulting from higher than anticipated gross rateable values and a lower required contribution to the appeals provision. Any surplus reported on the business rates account will roll forward and be distributed in 2019/20 and 20/21. Norwich City Council's share of the overall collection fund deficit is £0.77m.

The council's share of retained business rates income (including sections 31 grant) exceeded its baseline funding level (set annually by central government) by £1.7m. The Council is required to pay a 50% levy on all growth above the baseline funding level. As Norwich City Council is within the Norfolk Business Rates Pool, this levy is payable into the pool (rather than central government) where it will be used to supplement economic development activity throughout the county. The levy due for 2018/19 is £0.8m; this has been funded from the s31 grants receipts and a contribution from the s31 grants earmarked reserve.

19. The closing balance on the earmarked reserve is £2.0m. This will be used to fund the required deficit payments in future years and offset any volatility in business rates. Council tax collection is currently forecast to exceed budget. Any surplus or deficit on council tax income will be distributed in subsequent years.

Earmarked reserves

20. Net income generated above the Medium Term Financial Strategy savings target will be transferred into the commercial reserve for future use on the commercial property portfolio (to fund void costs, rent free periods and future maintenance needs). The new net income arising from commercial property acquisitions in 2018/19 is £935k higher than the savings target; this amount has been transferred to the earmarked reserve:

Table 4

Commercial property earmarked reserve	£000s
Balance at 1 April 2018	123
Transfer of income above target	935
= Balance at 31 March 2019	1,058

21. Net income from NRL is £243k higher than the budgeted amount because external borrowing was not required; this amount has been transferred to the NRL earmarked reserve.

Table 5

Norwich Regeneration Ltd earmarked reserve	£000s
Balance at 1 April 2018	50
Transfer of additional income from NRL	243
= Balance at 31 March 2019	293

22. An Invest to Save earmarked fund was created to allow the Council to support the delivery of savings and efficiencies, through the Fit for the Future Transformation Programme. The fund was created from revenue budget underspends in 2016-17 and 2017-18. The balance on the fund at 1 April 2018 was £2.6m. On 26th February 2019 Council approved the transfer of any 2018/19 outturn underspend to the invest to save fund.

Table 6

Invest to save earmarked reserve	£000s
Balance at 1 April 2018	2,648
Transfer of 2018-19 general fund underspend	1,614
= Balance at 31 March 2019	4,262

Impact on Balances

23. The prudent minimum level of General Fund reserves has been assessed as £4.232m. The budgeted and forecast outturn's impact on the 2017/18 balance brought forward is as follows:

Table 7

Item	£000s
Balance at 1 April 2018	(13,156)
Budgeted contribution from reserves 2018/19	1,504
Final outturn 2018/19	(2,792)
Transfer to commercial property reserve	935
Transfer to NRL earmarked reserve	243
Transfer to invest to save fund	1,614
= Forecast balance at 31 March 2019	(11,652)

The General Fund balance is, therefore, expected to continue to exceed the prudent minimum balance.

24. The prudent minimum level of HRA reserves has been assessed as £5.844m. The budgeted and forecast outturn's impact on the 2017/18 balance brought forward is as follows:

Table 8

Item	£000s
Balance at 1 April 2018	(30,489)
Budgeted contribution from reserves 2018/19	2,550
Final outturn 2018/19	(3,966)
Transfer to HRA invest to save fund	1,000
= Forecast balance at 31 March 2019	(30,905)

The Housing Revenue Account balance is, therefore, expected to continue to exceed the prudent minimum balance.

Capital Programme

25. The general fund capital programme is underspent by £53.256m and the HRA capital programme is underspent by £19.703m at year end.
26. For 2018/19, a sum of £40m was approved in the General Fund capital budget for commercial property acquisition, along with an additional £26m that was carried forward from the previous year. This has enabled the council to continue its programme of upgrading and growing its investment property portfolio by selling smaller, less valuable assets and/or assets that take a lot of management time, and replacing them with better quality and higher yielding investment property.
27. During the year, a total of £18.8m was spent on acquiring three new investment properties and substantially extending another. This investment has continued to increase the commercial rental income which has more than achieved the net commercial rental income target set in the MTFS of £400k in 2018/19 and significantly contributed towards the target of £500k set for 2019/20.
28. The pace at which this budget may be spent is dependent upon suitable investment opportunities becoming available in the market and the availability of relevant specialist advice. During 2018/19, a decision was taken to temporarily pause the purchase of property, until a specialist adviser was appointed in January. As a result, £47m of the budget remains uncommitted and it is expected that a significant proportion will be carried forward into 2019/20.
29. During the 2018/19 financial year, the housing capital programme delivered upgrades to over 4,600 council homes, including heating upgrade works to over 900 properties, over 800 new kitchens, 600 new bathrooms and 300 replacement doors. Additionally, over 500 properties have benefitted from structural or roofing upgrades whilst 470 properties received renewable energy installations or additional insulation.
30. The development of council homes has continued, with 43 new Passivhaus homes completed at the award winning Goldsmith development with a further 50 homes to be completed in 2019/20. In addition, 18 new homes have been completed at Rayne Park by Norwich Regeneration Ltd and purchased by the HRA.
31. A further £9m of budgets for new HRA homes remain unspent, most of which will be carried forward to enable developments to continue in 2019/20.
32. Grants of Right to Buy receipts to Registered Providers have also enabled the development of a further 95 new affordable homes in the city.

Table 9: Key capital programme budget variances (NB: figures in brackets represent savings or increased income)

Capital Programme Group	Final Outturn Variance £000s	Description and commentary
GF Capital Expenditure Programme (Including Capital Contingency)	(1,755)	<p>The following underspends reported within the GF Capital Expenditure programme-:</p> <ul style="list-style-type: none"> • £94K Grounds Maintenance Equipment. Lower than anticipated purchase costs and delayed acquisition. • £80K Riverbank Stabilisation (River Yare & Wensum). Repairs will be completed in 2019/20. • £80K Earlham Park toilet replacement. Works programmed for 2019/20. • £118K CCTV upgade. Installation will be completed in 2019/20. • £67K Customer Centre re-design. Final cost of remedial works in reception area and to ceiling will be completed in 2019/20. • £934K Three Score Development. Specific costs associated with the Three Score development unlikely to arise in 2018/19 • £110K Finance System. Implementation of new system will be completed in 2019/20. • £157K Park Depot Demolition. Finance System. Project well advanced and on course for completion in Q.1 2019/20. • (£156K) Mile Cross Depot Site. Overspend against 2018/19 budget. On site progress by demolition and remediation contractor in period greater than forecast.

Capital Programme Group	Final Outturn Variance £000s	Description and commentary
GF Capital Section 106/GNGP/CIL	(1,219)	<p>The following underspends reported within the GF Capital S.106/GNGP/CIL funded programme-:</p> <ul style="list-style-type: none"> • £224K Castle Green & Gardens. Improvements. Project implementation delayed until 2019/20. • £115K Football Pitch Improvements. FA report commissioned and delivered. Project to be implemented in 2019/20. • £103K Riverside Walk Accessibility Improvements. Surveys completed. Outline schemes worked up. Delivery planned in 2019/20. • £305K Riverside Walk (adj NCFC). Delivery delayed pending completion of latest phase of riverside residential development. • £150K CIL Neighbourhood projects. Allocation of budget in 2018/19 was delayed whilst criteria for awarding funding re-assessed.
GF Not Controlled By NCC	(1,228)	<p>The following underspends reported within the GF Not Controlled By NCC programme-:</p> <ul style="list-style-type: none"> • £203K S.106 funding for further extension of CCAG 20MPH zones. Programme will be completed in 2019/20. • £336K Collection of CIL revenues in 2018/19 lower than forecast. • £685K City Cycle Ambition Grant. Outturn confirms underspend on programme and expenditure on schemes still to be completed.
GF Asset Investment Programme	(47,174)	Decision was taken to temporarily pause the purchase of commercial property in 2018/19 until the Commercial Finance Business partner (now in post) was able to assist with this programme. This work is ongoing and is dependent upon appropriate investments being identified.
GF funding for Norwich Regeneration Limited	(1,881)	Planned funding withheld pending re-appraisal or Norwich Regeneration Limited's borrowing requirements.

Capital Programme Group	Final Outturn Variance £000s	Description and commentary
HRA Neighbourhood Housing	(8,361)	<p>The following underspends reported within the HRA Neighbourhood Housing Upgrade programme-:</p> <ul style="list-style-type: none"> • £412K Whole House Improvements. Lower than forecast expenditure as a result of fewer void properties requiring complete refurbishment. • £2,117K Tower Block Regeneration. Forecast outturn reflects projects agreed and costed. Scope and timing of delivery of further programme of works being assessed. • £238K thermal comfort - issues with planning and delays in structural repairs means fewer addresses were available for upgrade this year. • £799k Boiler Replacement (Communal) - Outturn reflects revision of programme for replacements in 2018/19 • £1,285k Composite Doors - Installation programme delayed pending outcome of safety checks to ensure doors supplied meet revised building regulations. • £2,442k Structural - Issues arising from termination of contract let to previous contractor led to a delay in tendering for works programmed for 2018/19. • £116k Planned maintenance roofing. - Budget increased in period but delays caused by obtaining leaseholder approval prevented full utilisation. • £369k Independent Living Upgrades. Fewer adaptations were completed in 2018/19. Works completed at lower than historic cost. • £228k Sheltered Housing Regeneration whole home and alarm upgrades. Budgets were no longer required in 2018/19.
New Build Social Housing	(9,087)	<p>The following underspends reported within the New Build Social Housing programme-:</p> <ul style="list-style-type: none"> • £5,947k Goldsmith Street - Unrequired element of 2018/19 budget. • £1,134k Threescore Phase 2. Delivery of further sections to continue in 2019/20. • £1,208k Ber Street. Work continuing on project in 2019/20. • £693k Northumberland Street. Delivery of new affordable homes by private developer now confirmed for commencement in May 2019/20.

Capital Programme Group	Final Outturn Variance £000s	Description and commentary
RTB Buybacks	(250)	<ul style="list-style-type: none"> £250k RTB Buyback budget. No properties meeting current housing requirements identified for buyback in 2018/19.
Grants To Registered Housing Providers	(2,005)	<ul style="list-style-type: none"> £2,005k Outturn reflects delayed completion of developments by RP's where grant funding has been approved.

Further detail is set out in **Appendix 2** with funding detail in **Appendix 2a**

33. Utilisation of the General Fund capital contingency fund was approved by the Chief Finance Officer in P12 as follows:

Table 10

Scheme	Current Budget £'000	Virement £'000	Revised Budget £'000	Description
General Fund Capital Contingency	49	(40)	9	Utilisation of GF Capital Contingency budget to ensure sufficient funding is in place to finance the consultancy and implementation costs associated with the delivery of the new E5 finance system.
Finance System	242	40	282	
Total	291	0	291	

Capital carry-forward

34. The carrying forward of capital budgets from one year to the next, allows for the continuation of schemes across the year-end without the need to seek re-approval of capital budgets through the new year's capital programme. This facility caters for schemes starting later than planned and schemes where the expenditure profile is different from that originally envisaged.

To allow flexibility in dealing with any such amendments, and to provide continuity of budget approval, it is recommended that the approval of carry-forward of unspent 2018/19 capital budgets still required, to the 2019/20 capital programme, be delegated to the chief finance officer, director of regeneration & development and director of neighbourhoods, in consultation with the cabinet member for resources.

Such approvals would be within the usual parameters, of being limited to the amounts underspent on each budget in 2018/19, for the purpose(s) for which the existing approval was given, and would be reported to cabinet in the first budget monitoring report of 2019/20.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	
Head of service:	Chief Finance Officer
Report subject:	Budget Monitoring 2018/19 Final outturn
Date assessed:	23/05/19
Description:	This is the integrated impact assessment for the Budget Monitoring 2018/19 report to cabinet

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report shows that the council monitors its budgets, considers risks to achieving its budget objectives, reviews its balances position, and is therefore able to maintain its financial standing
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report demonstrates that the council is aware of and monitors risks to the achievement of its financial strategy.

Recommendations from impact assessment

Positive

None

Negative

None

Neutral

None

Issues

The council should continue to monitor its budget performance in the context of the financial risk environment within which it operates.

Revenue Budget Monitoring Summary Year: 2018/19 Final outturn

General Fund Summary

Approved budget	Current budget		Provisional out-turn	Provisional variance
5,491,851	5,493,204	Business Services	4,690,346	(802,858)
462,163	462,163	Democratic Services	435,042	(27,121)
(20,851,765)	(20,935,864)	Finance	(21,365,741)	(429,877)
0	0	Human Resources	2,541	2,541
0	0	Procurement & Service Improvement	(4,301)	(4,301)
(14,897,751)	(14,980,497)	Total Business Services	(16,242,113)	(1,261,616)
0	0	Chief Executive	4,560	4,560
204,413	204,413	Strategy & Programme Management	209,324	4,911
204,413	204,413	Total Chief Executive	213,884	9,471
2,071,779	2,214,843	Communications & Culture	2,278,224	63,381
(9,537)	(53,173)	Customer Contact	(136,846)	(83,673)
2,062,242	2,161,670	Total Customers, Comms & Culture	2,141,378	(20,292)
10,150,063	10,219,155	Citywide Services	10,039,901	(179,254)
1,629,978	1,393,904	Neighbourhood Housing	1,478,982	85,078
800,281	939,588	Neighbourhood Services	827,576	(112,012)
12,580,322	12,552,647	Total Neighbourhoods	12,346,460	(206,187)
(2,471,702)	(1,732,254)	City Development	(2,920,791)	(1,188,537)
0	0	Environmental Strategy	2,362	2,362
0	0	Executive Head of Regeneration &	1,232	1,232
1,441,678	1,443,287	Planning	1,394,355	(48,932)
1,080,798	350,734	Property Services	271,487	(79,247)
50,774	61,767	Total Regeneration & Growth	(1,251,355)	(1,313,122)
0	0	Total General Fund	(2,791,747)	(2,791,747)

Housing Revenue Account Summary

Approved budget	Current budget		Forecast outturn	Forecast variance
13,487,435	13,487,435	Repairs & Maintenance	11,850,263	(1,637,172)
6,339,289	6,339,289	Rents, Rates, & Other Property Costs	5,943,368	(395,921)
11,965,228	12,065,353	General Management	10,929,467	(1,135,886)
4,818,963	4,718,838	Special Services	3,850,465	(868,373)
21,805,082	21,805,082	Depreciation & Impairment	22,325,009	519,927
190,000	190,000	Provision for Bad Debts	(26,239)	(216,239)
(56,968,090)	(56,968,090)	Dwelling Rents	(56,862,372)	105,718
(2,227,988)	(2,227,988)	Garage & Other Property Rents	(2,269,291)	(41,303)
(8,414,324)	(8,414,324)	Service Charges - General	(7,657,901)	756,423
(115,000)	(115,000)	Miscellaneous Income	(17,237)	97,763
9,646,135	9,646,135	Adjustments & Financing Items	8,644,436	(1,001,699)
(426,730)	(426,730)	Amenities shared by whole community	(455,495)	(28,765)
(100,000)	(100,000)	Interest Received	(220,554)	(120,554)
0	0	Total Housing Revenue Account	(3,966,079)	(3,966,079)

General Fund summary by type

Approved budget	Current budget		Final out-turn	Final variance
20,556,794	20,559,794	Employees	20,189,102	(370,692)
9,385,168	9,391,747	Premises	9,333,813	(57,934)
282,856	282,856	Transport	243,678	(39,178)
16,090,722	16,191,266	Supplies & Services	17,365,857	1,174,591
4,007,623	3,887,079	Third Party Payments	3,889,967	2,888
83,126,130	83,126,130	Housing Benefits & Business Rates Tariff	83,406,955	280,825
(63,298)	871,477	Capital Financing	2,091,570	1,220,093
800,000	800,000	Rev Contribs to Capital	840,000	40,000
(27,246,405)	(28,181,180)	Fees, charges and rental income	(29,992,434)	(1,811,254)
(99,134,946)	(99,124,525)	Government Grants	(102,526,076)	(3,401,551)
1,013,331	1,013,331	Centrally Managed	827,006	(186,325)
18,111,803	18,111,803	Recharge Expenditure	16,871,473	(1,240,330)
(26,929,778)	(26,929,778)	Recharge Income	(25,332,658)	1,597,120
0	0	Total General Fund	(2,791,747)	(2,791,747)

Housing Revenue Account summary by type

Approved budget	Current budget		Forecast outturn	Forecast variance
5,679,599	5,649,599	Employees	5,388,039	(261,560)
22,950,924	22,945,924	Premises	19,369,911	(3,576,013)
112,285	112,285	Transport	79,714	(32,571)
2,777,110	2,812,110	Supplies & Services	1,767,623	(1,044,487)
3,410	3,410	Third Party Payments	0	(3,410)
7,112,273	7,112,273	Recharge Expenditure	7,008,396	(103,877)
5,131,340	5,131,340	Capital Financing	5,337,676	206,336
(68,530,117)	(68,530,117)	Receipts	(68,132,617)	397,500
0	0	Government Grants	0	0
(509,224)	(509,224)	Recharge Income	(530,571)	(21,347)
11,144,366	11,144,366	Rev Contribs to Capital	11,144,366	0
14,128,034	14,128,034	Capital Financing	14,601,385	473,351
0	0	Total Housing Revenue Account	(3,966,079)	(3,966,079)

Capital Budget Monitoring Summary Year: 2018/19
Final outturn

Appendix 2

GF Capital Expenditure Programme	Current Budget	Final Outturn	Final Variance
2705 Grounds Maintenance	559,580	465,567	(94,013)
5082 City Hall roof membrane replacement	0	-6,721	(6,721)
5093 Norwich Parks tennis expansion	0	12,228	12,228
5097 Riverbank stabilisation (River Yare &	82,500	2,302	(80,198)
5099 St Giles MSCP - replace central	14,500	13,445	(1,055)
5190 Hewett Yard refurb - Communal toilet	6,600	0	(6,600)
5191 Hewett Yard refurb - Surfacing	19,250	19,502	252
5192 Hewett Yard refurb - Roofing	15,000	4,786	(10,214)
5193 Royal Oak Court - Demolition	38,500	29,265	(9,235)
5194 City Hall - Fire system detector	45,000	22,903	(22,097)
5195 City Hall - Fire System control panels	17,000	16,156	(844)
5196 Community Centre fire detection	21,000	8,667	(12,333)
5198 Earlham Park toilet replacement	86,750	3,650	(83,100)
5199 Eaton Park path replacement	45,000	44,476	(524)
5345 HR System	63,273	46,642	(16,631)
5351 Credit and Debit card upgrade	32,822	32,822	0
5352 Non trafficked pedestrian bridges	21,000	14,405	(6,595)
5353 Strangers Hall stores roof	27,500	1,255	(26,245)
5354 Riverside Footpath District Lighting	21,000	18,594	(2,406)
5355 City Hall heating system	17,250	3,963	(13,287)
5356 Castle Museum windows	29,400	9,250	(20,150)
5357 Pulls Ferry quay heading	16,500	1,873	(14,627)
5362 St Giles MSCP Lift Controller	35,500	27,544	(7,956)
5367 Norwich Historic Churches	15,000	15,000	0
5368 Pilling Park Community Centre	10,600	0	(10,600)
5020 CCTV replacement	250,935	131,998	(118,937)
5332 City Hall external lighting	5,556	21,999	16,443
5350 Parking Management System	65,825	43,993	(21,832)
5040 Customer centre redesign	440,363	372,842	(67,521)
5966 St Giles MSCP	20,000	20,923	923
5512 NaHCASP Threescore	942,877	8,616	(934,261)
5317 IT Investment Fund	348,439	289,538	(58,901)
5343 Finance System	281,869	171,413	(110,456)
5327 Park Depots demolition	316,319	159,052	(157,267)
5490 Investment for regeneration	130,000	113,368	(16,632)
8475 Mile Cross Depot Site	550,000	705,946	155,946
Total GF Capital Expenditure Programme	4,592,708	2,847,262	(1,745,446)

GF Capital Section 106/GNGP/CIL	Current Budget	Final Outturn	Final Variance
5742 Play Sector 3 & 4 improvements	5,815	0	(5,815)
5835 S.106 Bowthorpe To Clover Hill	25,302	997	(24,305)
5837 St Stephens Towers Public Realm	10,000	0	(10,000)
5705 s106 The Runnel Play Provision	40,261	49,617	9,356
5728 S106 Mile Cross Gardens Play	70,717	68,716	(2,001)
5735 s106 Castle Green Play	75,891	1,917	(73,974)
5740 Bowthorpe Southern park	10,000	0	(10,000)
5801 s106 Hurricane Way Bus Link	32,427	44,381	11,954
5813 S106 Green Infrastructure Imps	14,565	0	(14,565)
5823 BRT & Cycle Route Measures	76,283	0	(76,283)
5829 S106 UEA CPZ Extension	37,201	0	(37,201)
5838 S.106 Bus Shelter Installation Clover	4,000	0	(4,000)
5563 CIL GNGB Castle Gardens	150,000	0	(150,000)
5564 CIL GNGB Football Pitch	115,000	0	(115,000)
5565 CIL GNGB Marriotts Way Barn Road	1,760	1,132	(628)
5566 CIL GNGB Riverside Walk	105,408	1,976	(103,432)
5567 GNGB IIF M Way, A Meadow to	6,000	1,187	(4,813)
5569 UEA to Eaton boardwalk extension	30,000	0	(30,000)
5921 Earlham Millenium Green	25,000	3,750	(21,250)
5964 GNGP Bowthorpe Crossing	92,993	89,771	(3,222)
5322 Riverside Walk (adj NCFC)	305,189	0	(305,189)
5596 CIL Crowdfunding matched funding	30,000	0	(30,000)
5598 Mile Cross cycle and pedestrian links	23,857	0	(23,857)
5599 CIL Parish Partnership matched	20,000	0	(20,000)
5558 Co-CIL Nhood Ketts Heig	7,009	564	(6,445)
5559 CIL Nhood 20 Acre Wood	9,062	3,437	(5,625)
5562 CIL Nhood Community Enabling	6,993	0	(6,993)
5592 CIL neighbourhood - Natural	6,491	963	(5,528)
5595 CIL neighbourhood - Netherwood	0	0	0
5557 CIL Neighbourhood Projects	150,000	0	(150,000)
Total GF S106/GNGP/CIL Programme	1,487,224	268,408	(1,218,816)

HRA Capital Programme Group	Current Budget	Final Outturn	Final Outturn Variance
Community Upgrades	812,308	787,998	(24,310)
Heating Upgrades	4,917,192	4,110,956	(806,236)
Home Upgrades	6,144,853	5,564,271	(580,582)
Independent Living Upgrades	1,074,089	727,299	(346,790)
Preventative Upgrades	8,605,033	3,905,076	(4,699,957)
Sheltered Housing Regeneration	258,030	23,986	(234,044)
Thermal Upgrades	1,713,316	1,431,619	(281,697)
Window & Door Upgrades	1,798,156	472,244	(1,325,912)
Site Development	100,000	0	(100,000)
New Build Social Housing	17,230,877	8,244,173	(8,986,704)
RTB Buyback Programme	250,000	0	(250,000)
Grants to Registered Housing Providers	2,809,157	803,845	(2,005,312)
CCTV Replacement	144,250	82,420	(61,830)
Total HRA Capital Programme	45,857,261	26,153,887	(19,703,374)

Funding of the 2018/19 Capital Programme

Appendix 2a

Funding of 2018/19 General Fund Capital Programme	£000
General Fund Capital Expenditure 2017/18	27,394
Borrowing	(18,873)
CCA Grant	(2,618)
Capital Receipts	(2,256)
Grants & Contributions - Other	(1,824)
Revenue Contribution (RCCO)	(840)
CIL Strategic Pool	(713)
Section 106	(166)
GNGB	(98)
CIL Neighbourhood	(7)
Balance	0

Funding of 2018/19 HRA Capital Programme	£000
HRA Capital Expenditure 2018/19	26,154
Major Repairs Reserve	(11,633)
Revenue Contribution (RCCO)	(11,157)
Retained One for One RTB Capital Receipts	(3,277)
Leaseholder Contribution	(87)
Balance	0