

Report to Cabinet
Report of Chief finance officer (Section 151 Officer)
Subject Revenue and capital budget monitoring 2017/18 Final
outturn

Item

6

Purpose

To update cabinet on the 2017/18 financial out-turn of the council as at 31 March 2018.

Recommendation

To note:

- 1) the financial outturn for 2017/18 for the General Fund, HRA and capital programme;
- 2) the consequential forecast of the General Fund and Housing Revenue Account balances as detailed in paragraph 8;
- 3) the transfers to earmarked reserves as detailed in paragraph 3 & the impact on earmarked balances detailed in appendix 3; and
- 4) the non-housing and housing capital programme virements as detailed in paragraphs 10 and 11

Corporate and service priorities

The report helps to meet the corporate priority value for money services and the service plan priority to provide accurate, relevant and timely financial information.

Financial implications

The General Fund revenue budget is underspent by £2.346m.
The Housing Revenue Account budget is underspent by £3.624m.
The Non-Housing Capital Programme is underspent by £56.143m.
The Housing Capital Programme is underspent by £30.709m.

Ward/s: All Wards

Cabinet member: Councillor Kendrick - Resources

Contact officers

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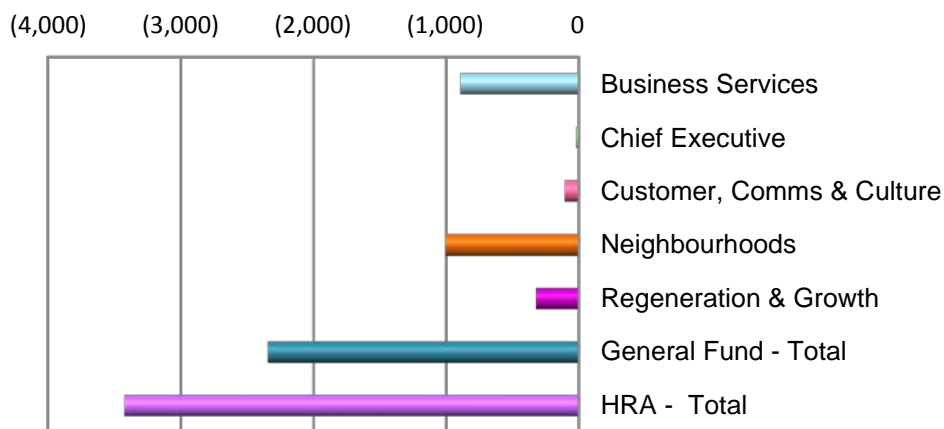
Background documents

None

Financial Position – Final outturn 2017/18 Figures in 000s

General Fund	Current budget	Final outturn	Final variance
Expenditure	156,879	151,951	(4,928)
Income	(53,472)	(51,791)	1,681
Grants and subsidies	(103,407)	(102,506)	901
Total	0	(2,346)	(2,346)

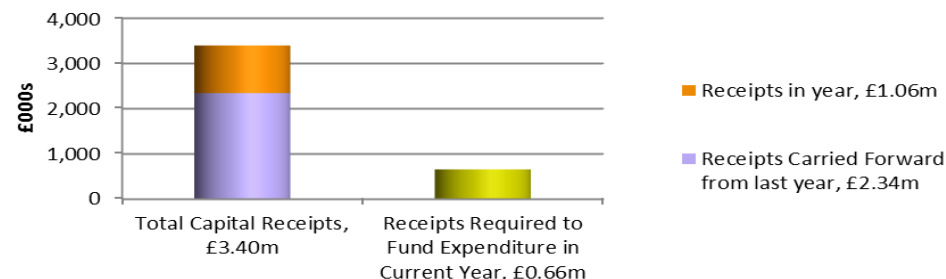
Forecast variances by service area under spends



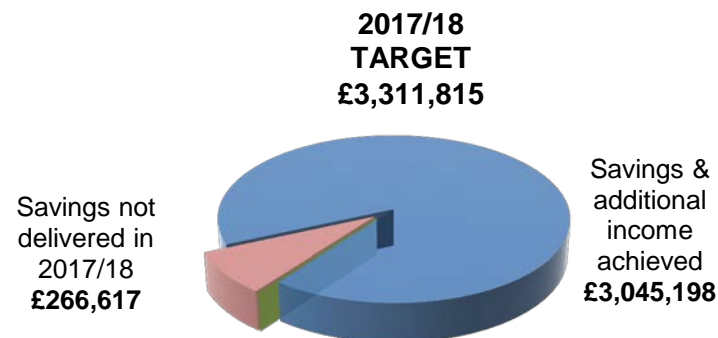
Housing Revenue Account	Current budget	Final outturn	Final variance
Expenditure	70,764	66,959	(3,805)
Income	(70,764)	(70,583)	181
Total	0	(3,624)	(3,624)

Fund	Current budget	Final outturn	Final variance
Non-Housing Capital	75,182	19,039	(56,143)
Housing Capital	59,345	28,636	(30,709)

Non-Housing Capital Receipts



Transformation savings



- The provisional General Fund outturn shows an underspend of £2.35m, mainly arising from staff vacancies, reduction of business rate tariff and reduced pension fund deficit payments.
- The provisional HRA outturn shows an underspend of £3.62m largely due to savings in the HRA dwellings repair budget and staff vacancies.
- The non-housing capital programme is underspent by £56m, due to some schemes slipping into the next financial year; aspirational schemes that are not yet ready to start being included in the budget, a slowing down of commercial property acquisitions due to the market, and the holding back of some schemes until sufficient funding is raised from asset sales to cover the costs.
- The housing capital programme is underspent by £31m mainly due to delays in new build projects, contract savings, and contractor delays within social housing upgrade programme.
- Both the General Fund and HRA reserves will exceed their respective prudent minimum balances.

1. General Fund Revenue Budget

The final outturn shows a £2.346m underspend at the year-end. This equates to 1.5% of the gross expenditure budget.

The key forecast budget variances (those with variances of +/- 100k) are set out below:

Table 1

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

General Fund Service	Final Outturn Variance £000s	Description and commentary
Business Services	(892)	<p>The key variances are:</p> <ul style="list-style-type: none"> £300k underspend relating to lower than budgeted insurance settlements in year; offset by reduced transfer from insurance earmarked reserves £261k unutilised contingency funds £105k additional grant income unspent relating to; New Burdens: Discretionary Housing Payment Administration £48k, Right Benefit Initiative £39k & New Burdens: Benefit Cap £18k
Democratic Services	(202)	<p>The key variances are:</p> <ul style="list-style-type: none"> £135k additional income from reconciliation of earmarked balances relating to elections £33k staff vacancies
Finance	201	<p>The key variances are:</p> <ul style="list-style-type: none"> £292k lower depreciation charges within the service area budgets being offset in the movement in reserves £300k reduced transfer required from the insurance earmarked reserve as lower settlement costs incurred in year. Offset by reduced expenditure in the service area. £280k reduction in business rates tariff applied by Central Government announced in December 2017 (as part of the finance settlement) £120k reduction in Minimum Revenue Provision expense following back-dating of new policy agreed by Council in January 2018.

General Fund Service	Final Outturn Variance £000s	Description and commentary
Citywide Services	(898)	<p>The key variances are:</p> <ul style="list-style-type: none"> • £123k unanticipated pension rebate relating to Norwich Norse Environmental contracts • £120k underspend due to integrated waste management contract variation relating to pension fund re-evaluation and inflationary changes • £93k underspend due to vacant area manager posts within Neighbourhood Operations • £76k additional income relating to bulky items and garden waste collections and replacement bins • £57k increase in recharge income from the HRA to reflect changes within the service • £53k underspend on marketing due to a delay in implementation of food waste project • £43k underspend on reactive street cleansing budgets
Neighbourhood Services	(118)	<p>The key variances are:</p> <ul style="list-style-type: none"> • £64k CCTV depreciation charges lower than budgeted due to decommissioning of assets • £21k underspend on CCTV equipment • £15k lower than anticipated costs relating to restructuring of CCTV service
Property Services	(272)	Underspends on responsive repairs budgets across non-housing properties

Further detail is set out in Appendix 1

2. Transformational Savings

The 2017/18 net budget includes £3.312m of transformational savings. The provisional outturn indicates that £617k of these were not delivered, however this is partially offset by £351k where the savings have exceeded the target. This leaves the net undelivered savings at £267k. At the overall general fund level, other unbudgeted savings, for example reduced pension fund deficit payments, additional income and salary underspends, are compensating, resulting in the forecast underspend position.

3. Earmarked Reserves

On 20 February 2018, Council approved the creation of a commercial property earmarked reserve and a Norwich Regeneration Ltd (NRL) earmarked reserve. It also agreed that the forecast underspend arising from 2017/18 would be transferred to the Invest-to-save earmarked reserve in order to meet potential one-off costs arising from implementing the Fit for the Future transformational programme.

Net income generated above the medium term financial strategy (MTFS) savings target will be transferred into the commercial property reserve to help mitigate the potential risks of holding such property (void costs, rent free periods and future maintenance needs). The new net income arising from commercial property acquisitions in 2017/18 is £123k higher than the savings target; this amount has been transferred to the earmarked reserve.

Net income from NRL is £50k higher than the budgeted amount due to higher than anticipated loan arrangement fee; this amount has been transferred to the NRL earmarked reserve. This reserve will increase over time and will help mitigate the potential risks involved in lending to the Council's subsidiary company, as well as to provide the means for smoothing the returns to the council from lending to the company within the MTFS.

Further detail on the General Fund and HRA general and earmarked reserves is set out in appendix 3.

4. Housing Revenue Account

The final outturn shows a £3.624m underspend at the year-end. The key forecast budget variances are set out below in Table 2.

Table 2

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

HRA Service	Final Outturn Variance £000s	Description and commentary
Repairs & Maintenance	(2,535)	<p>The demand for responsive repairs has been lower than anticipated, largely due to the capital investment in planned works over the last five years, which has replaced old items before they start to fail. The key variances are:</p> <ul style="list-style-type: none"> • £409k underspend on asbestos removal, major and minor repairs, structural repairs and general responsive repairs • £312k underspend relating to drainage repairs • £164k underspend on landlord's lighting repairs due to delays in delivering project, which are to be completed in early 2018/19 • £100k underspend on maintenance of un-adopted roads as no work was required in 2017/18 • £185k unbudgeted income relating to contractor savings and interest free Salix energy efficiency funding • £709k variance relating to additional leasehold major works contributions, offset by £709k corresponding variance against financing code

HRA Service	Final Outturn Variance £000s	Description and commentary
General Management	(1,290)	<p>The key variances are:</p> <ul style="list-style-type: none"> • £288k saving from staffing vacancies • £410k underspend against budget in respect of corporate and general recharges from the general fund • £194k underspend on contingency fund • £62k underspend against void dwelling management mainly relating to a reduced demand for decoration allowances • £62k underspend on compensation across the service mainly due to the use of council owned property for emergency decants, rather than hotel accommodation. • £50k underspend due to reduced requirement for grant expenditure as a result of delayed implementation of Universal Credit
Special Services	(574)	<p>The key variances are:</p> <ul style="list-style-type: none"> • £493k underspend on district heating and sheltered housing fuel due to mild start to winter, partially offset by reduced income against service charge budget. • £108k underspend against sheltered housing alarms – no work required in 2017/18 • Underspends partially offset by £87k overspend on community alarm service; additional agency staff used to cover staff vacancies in order to ensure service continuity and additional costs associated with transferring the service to an external provider
Rents, Rates & Other Property Costs	107	<p>The key variances are:</p> <ul style="list-style-type: none"> • £262k higher than anticipated water charges for dwellings, partially offset by higher income against service charges • £98k underspend against professional advice; full asset condition survey not undertaken in 2017/18
Dwelling Rents	(345)	<p>The key variances are:</p> <ul style="list-style-type: none"> • £164k unbudgeted credit adjustment to account for rental income in the correct financial year • £114k additional income from contractor to cover lost rental income in previous financial year
Service Charges	657	<p>The key variances are:</p> <ul style="list-style-type: none"> • £355k lower than budgeted income from district heating service charges due to reduction in charge, offset by underspend against special services • £218k unbudgeted bad debts relating to outstanding leasehold service charge income
Depreciation & Impairment	134	Higher than budgeted depreciation costs relating to HRA assets

HRA Service	Provisional Outturn Variance £000s	Description and commentary
Provision for bad debts	(126)	Catch up review led to increased income recovery and lower arrears than originally anticipated, which led to a lower than budgeted bad debt provision
Adjustments & Financing Items	668	£709k additional leasehold major works capital contribution offset by corresponding variance against repairs & maintenance

Further detail is set out in Appendix 1.

5. Collection Fund

The Collection Fund consists of Council Tax and Business Rates.

Table 3

	Business Rates £000s	Council Tax £000s
Council Tax receivable		(75,459)
Business rates receivable (net yield)	(75,608)	
Council Tax Reduction Scheme		13,239
TOTAL INCOME	(75,608)	(62,220)
Precepts & Demands	75,424	60,109
Distribution of Estimated Surplus for Previous Years	(330)	2,006
Transitional Protection Payable	1,570	
Costs of Collection	271	
Increase/(decrease) in Bad Debt Provision	(472)	(33)
Increase/(decrease) in Provision for Appeals	897	
Write Offs of uncollectable amounts	671	461
TOTAL EXPENDITURE	78,031	62,543
Collection Fund Balance b/fwd at 1 April	(123)	5,647
Surplus / (Deficit) for the year	(2,423)	(323)
Collection Fund Balance c/fwd at 31 March	(2,546)	5,324

6. Council Tax

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 2017/18 Council Tax charged totalled £62.2m.

There was an in-year deficit of £0.3m on the Collection Fund due to an increased distribution to the precepting authorities in 17-18 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 2018 is a surplus of £0.755m (14.18%).

7. Business Rates

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 2017/18 total business rates charged totalled £75.6m.

There was an in-year deficit of £2.4m on the collection fund resulting from both reductions in the gross rateable value (in part reflecting conversions from offices to housing) and from additional reliefs being given by central government. The new reliefs include discretionary rate relief, pub relief and supporting small business relief. Any deficit reported on the business rates account will roll forward and be distributed in 2018/19 and 19/20. Norwich City Council's share of the overall collection fund deficit is £1.0m.

Additional (section 31) grant has been received into the General Fund during 17/18 to offset all or part of any shortfall in business rate income due to the additional reliefs granted by central government. The additional unbudgeted grant of £840k has been set aside in the earmarked section 31 reserve and will be transferred back in 18/19 and 19/20 to offset the related deficit contributions recognised in the general fund.

Despite the deficit on the collection fund, the council's share of retained business rates income (including sections 31 grant) exceeded its baseline funding level (set annually by central government) by £0.6m. 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 2017/18 is £0.3m; this has been funded from the s31 grants earmarked reserve.

Transfers have been made out of the Section 31 reserve in 17/18 to offset the 15/16 and 16/17 net deficit recognised in the general fund of £0.1m as well as the levy payable £0.3m.

The closing balance on the earmarked reserve is £2.2m. This will be used to fund the required deficit payments in future years and offset any volatility in business rates.

8. Impact on General Reserves

The prudent minimum level of General Fund reserves has been assessed as £4.161m. The year end position is shown below:

Table 4

Item	£000s
Balance at 1 April 2017	(14,344)
Budgeted reserves used in year	688
Transfer 2016/17 underspend to invest to save	500
Forecast outturn 2017/18	(2,346)
Transfer to invest to save	2,060
Transfer to commercial property earmarked reserve	123
Transfer to elections earmarked reserve	113
Transfer to NRL earmarked reserve	50
= Forecast balance at 31 March 2018	(13,156)

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

The prudent minimum level of HRA reserves has been assessed as £5.885m. The year end position is shown below:

Table 5

Item	£000s
Balance at 1 April 2017	(30,384)
Budgeted reserves used in year	3,020
Forecast outturn 2017/18	(3,624)
Transfer to HRA Invest to Save	500
= Forecast balance at 31 March 2018	(30,488)

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

9. Capital Programme

The provisional outturn for the non-housing capital programme shows an underspend of £56.143m and the provisional outturn for the housing capital programme shows an underspend of £30.709m in this financial year.

The Council decided in February 2018, as part of the 2018/19 budget setting report, to change its approach to how and when it agrees schemes and projects for inclusion in the capital budget. It decided that for large projects and those requiring the council to borrow in order to finance, such schemes would only be approved and included in the budget once a robust Business Case has been submitted to the Council and the scheme is ready to implement.

The General Fund capital budget agreed for 2017/18 was partly aspirational in that a number of large projects had been included which were not ready to be implemented in that financial year and have not therefore spent any of the budget allocated to them.

The biggest of these was the £4.4m budget approved for investment in the redevelopment of the airport industrial estate including related demolition costs of property at Hurricane Way. Whilst no actual capital expenditure has yet been incurred, Norwich City Council and Norfolk County Council have appointed a joint Project Manager for the scheme and soft-market testing has just concluded to assess potential private sector interest in redeveloping the estate as a Joint Venture partnership.

In addition, £16.2m was approved in the General Fund capital budget to lend to the Council's wholly owned company, Norwich Regeneration Limited (NRL) so that it could develop new housing at Rayne Park (part of the Threescore land development). Whilst £10.7m was lent to NRL during 2017/18 this isn't, in accounting terms, capital expenditure but is a balance sheet transaction. There is, therefore, no capital expenditure to report alongside the budget approved for the loan.

A sum of £40m was approved in the 2017/18 General Fund capital budget for commercial property acquisition. This is part of a programme of upgrading and growing the Council's existing investment property portfolio by selling smaller, less valuable assets and/or assets that take a lot of management time, and replacing them by better quality and higher yielding investment property.

£13.4m was spent in 2017/18 on acquiring three new investment properties whilst the acquisition of another property (£10m) concluded just after the end of the financial year in April 2018. £16m of the budget remains uncommitted to carry forward into 2018/19 although the pace of spending the money is dependent on good and relevant investment opportunities becoming available in the market. The purchase of these properties has more than achieved the new net income target for commercial rental income set in the MTFS (£75k in 2017/18 and £400k in 2018/19).

During the 2017/18 financial year, the housing capital programme delivered upgrades to over 3,700 council homes, including over 500 new kitchens, 600 new bathrooms, and 500 heating installations. Over 400 properties have benefitted from structural or roofing upgrades. Additionally, over 1,600 doors were replaced including 283 in tower blocks as part of a programme to improve fire resistance.

The development of new council homes has continued, with 10 homes completed at Hansard Close. Work also commenced on the 93 homes being built at Goldsmith Street, although some delay on site has meant that £7m of budget was not spent last year and will carry forward into 2018/19. In addition to being one of the largest residential Passivhaus schemes in the UK, the design of the Goldsmith Street development was a project winner at the 2016 Housing Design Awards and voted as one of the top 10 architectural schemes by The Times.

Grants of Right to Buy receipts to Registered Providers have also enabled the development of a further 177 new affordable homes in the city.

Key capital programme budget variances (NB: figures in brackets represent underspends)

Table 6

Capital Programme Group	Final Variance £000s	Description and commentary
Non-Housing Regeneration	(5,747)	<ul style="list-style-type: none"> £4.412m not spent in financial year as NAIE regeneration project currently at preliminary stage with planned development over next 2 years.
		<ul style="list-style-type: none"> £305k underspend in financial year resulting from delays to Riverside Walk project.
		<ul style="list-style-type: none"> £530k underspend in financial year resulting from Mountergate development being at preliminary stage with business case currently being investigated.
		<ul style="list-style-type: none"> £282k expenditure delayed as Parks Depot demolition will not complete until 2018/19.
		<ul style="list-style-type: none"> £222k earmarked for expenditure in 2018/19 in the Investment for Regeneration budget.
Non-Housing Asset Upgrade	(1,240)	<ul style="list-style-type: none"> £265k underspend at Norman Centre as projects held pending availability of resources
		<ul style="list-style-type: none"> £251k of expenditure on CCTV replacement delayed until 2018/19.
		<ul style="list-style-type: none"> £136k due to completion of Customer Centre Redesign works being carried over into 2018/19.
		<ul style="list-style-type: none"> £210k contract saving for St Giles MSCP renovation.
Non-Housing Asset Investment	(26,572)	<ul style="list-style-type: none"> £9.96m underspend due to short delay in purchase of commercial investment property, completed in April 2018.
		<ul style="list-style-type: none"> £16.38m underspend due to lack of investment property currently available for sale.
Non-Housing Asset Improvement	(443)	<ul style="list-style-type: none"> £363k underspend as Norwich parks tennis expansion not completed in the financial year due to planning and funding issues.
		<ul style="list-style-type: none"> £80k underspend as Multi Use Games Areas work on hold pending availability of resources.

Capital Programme Group	Final Variance £000s	Description and commentary
Non-Housing Initiatives	(802)	<ul style="list-style-type: none"> £309k of IT Investment fund put on hold whilst strategic review of IT infrastructure completed.
		<ul style="list-style-type: none"> £305k underspend as new HR & Finance system currently being implemented, extending into next financial year.
		<ul style="list-style-type: none"> £132k Loan to Norwich Preservation Trust transferred from non-housing capital programme and financed as a Long Term Investment.
Non-Housing Capital Lending	(16,114)	<ul style="list-style-type: none"> £16.114m of loans to NRL to be considered as Long Term Investment and not included within capital programme
Non-Housing Community Infrastructure Levy	(812)	<ul style="list-style-type: none"> £646k underspend due to lower than forecast contributions towards CIL strategic pool caused by delays in private developers commencing a number of residential schemes across the city.
Non-Housing Greater Norwich Growth Board	(792)	<ul style="list-style-type: none"> £150k to be carried forward to next financial year as delays with HLF funded Caste Gardens project being delivered by Norfolk Museum Service.
		<ul style="list-style-type: none"> £115k to be carried forward to next financial year as work on football pitch to take place in 2018 close season.
		<ul style="list-style-type: none"> £527k underspend as completion of GNGB schemes programmed into next financial year.
Non-Housing Cycle City Ambition Group 2	(3,169)	<ul style="list-style-type: none"> Budget encompasses approximately 50 individual CCAG projects delivered in partnership with Norfolk County Council, some of which have extended into the next financial year due to the extensive process of value engineering, public consultation, planning process and contractor capacity.
Non-Housing Section 106	(449)	<ul style="list-style-type: none"> Completion of further S106 schemes programmed into next financial year.
Housing Investment	(9,965)	<ul style="list-style-type: none"> £500k underspend as no RTB buyback opportunities arisen in this financial year.
		<ul style="list-style-type: none"> £411k of delayed expenditure proposed for other new build developments.
		<ul style="list-style-type: none"> £799k for purchase of new build social housing at Northumberland Street postponed until 2018/19 due to developer's delays in commencing work on site.
		<ul style="list-style-type: none"> £7.39m of expenditure on Goldsmith Street development now re-programmed due to legal access issues.

Capital Programme Group	Final Variance £000s	Description and commentary
Neighbourhood Housing	(18,486)	<ul style="list-style-type: none"> £4.49m underspend on home upgrades including kitchen and bathroom replacements and electrical upgrades due to contract savings and delays due to change of contractors during the year. Some of the underspent budget will form part of a carry-forward request.
		<ul style="list-style-type: none"> £3.25m of expenditure on Heating and Insulation upgrades delayed into next financial year due to heating contract issues and planning issues for insulation works. An additional contractor has now been appointed and the underspent budget will form part of a carry-forward request.
		<ul style="list-style-type: none"> £530k underspend as window replacement programme now almost complete and general door replacements reduced during tower block fire door replacement
		<ul style="list-style-type: none"> £174K underspend on programmed Community Safety Door Entry Systems installations due to contractor delays. The underspent budget will form part of a carry-forward request.
		<ul style="list-style-type: none"> £144k of expenditure on CCTV replacement delayed until 2018/19.
		<ul style="list-style-type: none"> £400k underspend due to no further work taking place on Sheltered Housing Regeneration in the financial year.
		<ul style="list-style-type: none"> £8.51m of expenditure on preventative upgrade projects including structural and roofing works delayed into next financial year due to contractor issues and contractor's capacity to deliver all required works. Some structural work to be retendered in 2018/19 therefore underspent budgets will form part of carry-forward request.
		<ul style="list-style-type: none"> £557K underspend due to lower than anticipated demand for Disabled Adaptations.
Strategic Housing	(2,258)	<ul style="list-style-type: none"> £300k underspend as Sheltered Housing Alarm upgrade not taking place in the
		<ul style="list-style-type: none"> £2.00m of grants to Registered Providers postponed into the next financial year due to partner organisation's development delays

10. Non-housing capital programme virements

The following non-housing capital programme budget virements were approved by CLT under delegated authority and processed in P11.

The cost of replacing City Hall roof membrane was lower than originally anticipated. Some of the savings were utilised to cover; unanticipated final contract costs in relation to the construction of Rose Lane multi-story car park; replacement of doors and windows at St Giles multi-story car park following a fire safety assessment.

Table 7

Scheme	P10 Budget	Virement	Revised Budget
City Hall roof membrane replacement	276,000	(34,975)	241,025
Rose Lane MSCP	0	21,500	21,500
St Giles MSCP doors & windows	6,525	13,475	20,000
Total	282,525	0	282,525

11. Housing capital programme virements

The following non-housing capital programme budget virements were approved by CLT under delegated authority and processed in P11.

Both the upgrade of Primrose Place and the conversion of Cavalry Ride from a shop to a residential dwelling are expected to cost more than originally anticipated. Underspends on electrical rewiring and kitchen upgrades have been utilised to cover the shortfall. It is anticipated that the Primrose Place budget will be carried forward into 2018/19.

Table 8

Scheme	P10 Budget	Virement	Revised Budget
Electrical rewiring	1,048,935	(11,500)	1,037,435
Primrose Place upgrades	56,134	11,500	67,634
Kitchen upgrades	4,069,921	(15,700)	4,054,221
Cavalry Ride conversion	43,667	15,700	59,367
Total	5,218,657	0	5,218,657

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee: Cabinet

Committee date:

Head of service: Chief Finance Officer

Report subject: Budget Monitoring 2017/18 Final outturn

Date assessed: 29/05/18

Description: This is the integrated impact assessment for the Budget Monitoring 2017/18 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: 2017/18 Final outturn

Appendix 1

General Fund Summary

Approved budget	Current budget		Final outturn	Final variance
3,096,603	3,754,154	Business Services	2,862,544	(891,610)
291,867	307,171	Democratic Services	105,745	(201,426)
(19,214,059)	(19,989,136)	Finance	(19,788,352)	200,784
0	0	Human Resources	(3,587)	(3,587)
0	0	Procurement & Service Improvement	1,696	1,696
(15,825,589)	(15,927,811)	Total Business Services	(16,821,954)	(894,143)
0	0	Chief Executive	164	164
201,843	201,843	Strategy & Programme Management	185,084	(16,759)
201,843	201,843	Total Chief Executive	185,248	(16,595)
2,143,249	2,242,998	Communications & Culture	2,222,375	(20,623)
(2,760)	(90,502)	Customer Contact	(177,657)	(87,155)
2,140,489	2,152,496	Total Customers, Comms & Culture	2,044,718	(107,778)
10,229,891	10,216,202	Citywide Services	9,318,061	(898,142)
1,728,634	1,728,634	Neighbourhood Housing	1,739,944	11,310
807,037	976,445	Neighbourhood Services	857,965	(118,480)
12,765,562	12,921,281	Total Neighbourhoods	11,915,970	(1,005,311)
(1,994,594)	(1,326,416)	City Development	(1,352,449)	(26,033)
0	0	Environmental Strategy	31	31
0	0	Executive Head of Regeneration &	(985)	(985)
1,500,637	1,504,417	Planning	1,480,802	(23,615)
1,211,652	474,188	Property Services	202,607	(271,581)
717,695	652,189	Total Regeneration & Growth	330,007	(322,182)
0	(2)	Total General Fund	(2,346,012)	(2,346,010)

Housing Revenue Account Summary

Approved budget	Current budget		Final outturn	Final variance
13,815,288	13,841,786	Repairs & Maintenance	11,307,035	(2,534,751)
5,789,133	5,789,133	Rents, Rates, & Other Property Costs	5,895,750	106,617
12,115,683	12,055,683	General Management	10,765,785	(1,289,898)
5,090,423	5,123,921	Special Services	4,549,459	(574,462)
21,992,115	21,992,115	Depreciation & Impairment	21,620,047	(372,068)
223,000	223,000	Provision for Bad Debts	97,284	(125,716)
(57,692,382)	(57,692,382)	Dwelling Rents	(58,037,191)	(344,809)
(2,169,466)	(2,169,466)	Garage & Other Property Rents	(2,162,715)	6,751
(8,373,746)	(8,373,746)	Service Charges - General	(7,716,454)	657,292
(85,000)	(85,000)	Miscellaneous Income	(71,640)	13,360
10,056,112	10,056,112	Adjustments & Financing Items	11,030,506	974,394
(586,160)	(586,160)	Amenities shared by whole community	(663,447)	(77,287)
(175,000)	(175,000)	Interest Received	(238,245)	(63,245)
0	(4)	Total Housing Revenue Account	(3,623,827)	(3,623,823)

General Fund summary by type

Approved budget	Current budget		Final outturn	Final variance
20,188,816	20,185,443	Employees	18,683,142	(1,502,301)
9,800,145	9,914,963	Premises	9,325,087	(317,753)
278,046	278,046	Transport	256,653	(21,393)
16,401,424	16,203,508	Supplies & Services	16,012,181	(226,178)
4,060,353	4,060,353	Third Party Payments	3,986,752	(73,601)
85,507,495	85,507,495	Transfer Payments	84,091,642	(1,415,853)
1,114,624	1,114,624	Capital Financing	703,153	(683,594)
550,000	550,000	Rev Contribs to Capital	550,000	0
(26,598,010)	(26,635,960)	Receipts	(26,201,097)	469,714
(103,407,120)	(103,407,120)	Government Grants	(102,506,364)	900,756
1,153,076	1,153,073	Centrally Managed	947,273	(205,800)
17,911,324	17,911,324	Recharge Expenditure	17,395,092	(516,232)
(26,960,173)	(26,835,751)	Recharge Income	(25,589,527)	1,246,224
0	(2)	Total General Fund	(2,346,013)	(2,346,011)

Housing Revenue Account summary by type

Approved budget	Current budget		Final outturn	Final variance
6,312,030	6,154,030	Employees	5,952,988	(201,042)
22,230,815	22,464,128	Premises	20,442,451	(2,021,677)
122,209	122,209	Transport	98,666	(23,543)
2,693,175	2,617,858	Supplies & Services	1,612,359	(1,005,499)
350,856	350,856	Third Party Payments	238,918	(111,938)
7,344,492	7,344,492	Recharge Expenditure	6,851,152	(493,340)
(1,892,479)	(1,892,479)	Capital Financing	5,230,378	7,122,857
(69,737,016)	(69,737,016)	Receipts	(69,615,941)	121,075
(1,026,499)	(1,026,499)	Recharge Income	(966,662)	59,837
19,676,614	19,676,614	Rev Contribs to Capital	12,527,327	(7,149,287)
13,925,803	13,925,803	Capital Financing	14,004,538	78,735
0	(4)	Total Housing Revenue Account	(3,623,827)	(3,623,823)

Capital Budget Monitoring Summary Year: 2017/18 Final outturn

Non-Housing Capital Programme	Current Budget £000s	Final Outturn £000s	Final Variance £000s
CCTV replacement	265,750	14,815	(250,935)
Customer centre redesign	196,094	59,731	(136,363)
Norwich Parks tennis expansion	415,000	52,428	(362,572)
Car park payment machines upgrade	7,635	5,570	(2,065)
Replacement of multi-use games	80,000	0	(80,000)
Eaton Park Tennis Development	45,775	0	(45,775)
City Hall 2nd Floor	80,850	73,910	(6,940)
City Hall external lighting	42,330	36,774	(5,556)
Parking Management System	72,351	6,526	(65,825)
Energy saving lighting	10,000	0	(10,000)
Eaton Park access improvements	29,686	0	(29,686)
Asset investment for income (other)	16,368,455	0	(16,368,455)
Traveller Site	26,000	0	(26,000)
Asset Acquisition - Kent	2,385,020	2,344,987	(40,033)
Asset Acquisition 1 - Norfolk	7,202,700	7,178,926	(23,774)
Asset Acquisition 2 - Norfolk	9,961,250	7,057	(9,954,193)
Asset Acquisition - Northamptonshire	4,082,575	3,897,494	(185,081)
HR System	193,620	130,347	(63,273)
City Hall heating pumps replacement	28,000	29,041	1,041
City Hall roof membrane replacement	241,025	213,067	(27,958)
Hewett Yard major repairs	33,000	0	(33,000)
Pedestrian bridges / boardwalks	50,000	0	(50,000)
Norman centre corridor lighting	14,000	13,252	(748)
Norman Centre heating replacement	200,000	0	(200,000)
Norman Centre roof replacement	38,500	0	(38,500)
Riverbank stabilisation	75,000	0	(75,000)
St Andrews - fire system voice alarm	11,000	13,689	2,689
St Giles MSCP - replace central	1,500	0	(1,500)
Bowthorpe B1108 - Various Works	0	0	0
Memorial Gardens temporary works	0	0	0
St Andrews MSCP repair	0	1,234	1,234
Co-St Giles MSCP Refurb	568,578	358,096	(210,482)
The Halls refurbishment project	0	0	0
Major Repairs 2016-17 Community Centres	41,000	28,334	(12,666)
City Hall finials	214,070	216,857	2,787

Non-Housing Capital Programme (cont)	Current Budget £000s	Final Outturn £000s	Final Variance £000s
Major Repairs	0	0	0
St Andrews & Blackfriars Hall WC	0	0	0
Waterloo Park pavillion works	50,000	50,247	247
CC Norman Bowl Lighting	26,500	0	(26,500)
St Giles MSCP - Windows and doors	20,000	0	(20,000)
Riverside LC heating	12,000	11,361	(639)
10-14 Ber Street	280,000	0	(280,000)
Hurricane Way 16 demolition	30,000	0	(30,000)
Hurricane Way 20 demolition	85,000	0	(85,000)
Hurricane way 25 demolition	57,000	0	(57,000)
Hurricane way 6-14 demolition	240,000	0	(240,000)
NAIE phase 1 regeneration	4,000,000	0	(4,000,000)
Ass Inv - Mile Cross Depot	0	4,373	4,373
Rose Lane MSCP Construction	21,500	21,174	(326)
Riverside Walk (adj NCFC)	305,189	0	(305,189)
Mountergate Phase 2	530,309	0	(530,309)
Park Depots demolition	288,475	6,156	(282,319)
Investment for regeneration	270,000	47,965	(222,035)
NaHCASP Threescore	326,017	326,017	0
New Build - Threescore 2	12,442,814	0	(12,442,814)
New Build - Airport	2,909,484	0	(2,909,484)
Threescore phase 3	482,782	1,167	(481,615)
Eco-Investment Fund	32,000	2,708	(29,292)
IT Investment Fund	390,000	80,561	(309,439)
Finance & HR System	416,380	174,511	(241,869)
Norwich Preservation Trust Loan	132,250	0	(132,250)
Community Infrastructure Levy	1,481,530	669,741	(811,789)
GNGP	837,407	44,945	(792,462)
Section 106	681,472	232,119	(449,353)
Cycle City Ambition Group 2	5,853,336	2,684,200	(3,169,136)
Cycle City Ambition	0	0	0
Total Non-Housing Capital Programme	75,182,209	19,039,380	(56,142,829)

Housing Capital Programme Group	Current Budget £000s	Final Outturn £000s	Final Variance £000s
Community Safety & Environment	656,686	410,611	(246,075)
Heating Upgrades	5,325,393	2,564,164	(2,761,229)
Home Upgrades	9,979,783	5,487,607	(4,492,176)
Supported Independent Living	1,379,829	522,587	(857,242)
Preventative Maintenance	12,438,978	3,933,869	(8,505,109)
Sheltered Housing Regeneration	698,222	288,724	(409,498)
Insulation	874,904	388,890	(486,014)
Window & Door Upgrades	2,214,264	1,684,278	(529,986)
Site Formation	63,980	0	(63,980)
CCTV Replacement	144,250	0	(144,250)
New Build Social Housing	17,475,359	8,007,969	(9,467,390)
RTB Buyback Programme	500,000	0	(500,000)
Capital Grants to Housing Associations	6,226,019	4,225,172	(2,000,847)
Home Improvement Agency Works	1,367,518	1,121,870	(245,648)
Total Housing Capital Programme	59,345,185	28,635,741	(30,709,444)

Funding of 2017/18 capital programme

Funding of 2017/18 Non-Housing Capital Programme	£000s
Non-housing Capital Expenditure 2017/18	19,039
Borrowing	(13,808)
CCA Grant	(2,530)
Capital Receipts	(656)
CIL Strategic Pool	(635)
Revenue Contribution (RCCO)	(550)
Grants & Contributions	(463)
Section 106	(315)
GNGB	(43)
CIL Neighbourhood	(39)
Balance	(0)

Funding of 2017/18 Housing Capital Programme	£000s
Housing Capital Expenditure 2017/18	28,636
Revenue Contribution (RCCO)	(12,723)
Major Repairs Reserve	(7,001)
Retained One for One RTB Capital Receipts	(6,628)
Leaseholder Contribution	(1,159)
Better Care Fund (Inc Disabled Facilities Grant)	(998)
MHCLG Social Care Fund (Additional Disabled Facilities Grant)	(103)
Grants & Contributions - Other	(24)
Balance	0

Reserves position at end of 2017/18

Reserve	Purpose	Amount as at 31/3/18 (£000)
GENERAL FUND RESERVES		
General reserve	This is a usable reserve which has not been earmarked for a specific future use. However, the agreed MTFS strategy is to use this reserve over the next 4 years to part fund the annual budget.	13,156
Invest to save reserve	The reserve has been set up to support the delivery of savings and efficiencies through the Fit for the Future programme. The reserve is expected to be utilised to support the implementation of a new operating model, IT investment and increased capacity in commercial, property and place shaping activities over the next 2-3 years.	2,648
Revenue grants unapplied reserve	This holds the grants and contributions received which have yet to be applied to meet expenditure. The use of the balance is restricted and can only be used to fund the specific expenditure/service area awarded the grant income.	2,072
S31 Earmarked reserve	This holds the unutilised balance of the S31 grant monies received in 2016/17 and 2017/18 from central government to fund Business Rates relief. These monies will be transferred to the General Fund Reserves during 2018/19 and 2019/20 in line with statutory accounting regulations.	2,165
Insurance reserve	This is to cover the excesses carried in respect of claims under various insurance policies and is subject to annual review.	681
Commercial property reserve	Has been 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. This is the first year for the earmarked reserve and it is anticipated that the amounts put aside for this purpose will increase in 2018/19 onwards.	123
Elections reserve	This is to provide funding for future elections, the cost and funding of which varies each year depending on the type of elections being held.	113
NRL reserve	This reserve has been established to smooth any fluctuations in net income received by the Council from lending to NRL. It will provide a buffer in case the income is lower than anticipated due to the company not borrowing as much or as early from the council as planned (e.g. due to delays in construction). This is the first year for the earmarked reserve and it is anticipated that the amounts put aside for this purpose will increase in 2018/19 onwards.	50
Mousehold Conservators Reserve	This is earmarked for use on Mousehold Heath projects	8

HOUSING REVENUE ACCOUNT (HRA) RESERVES		
General reserve	This is also a usable reserve which has not been earmarked for a specific future use. The use of this is incorporated into the HRA business plan.	30,489
Invest to save reserve	This will fund the HRA's share of implementing the Fit for the Future programme (see above).	500