



Rushcliffe  
Borough Council

When telephoning, please ask for:

Direct dial

Email

Constitutional Services

0115 914 8511

constitutionalservices@rushcliffe.gov.uk

Our reference:

Your reference:

Date: 5 December 2016

To all Members of the Council

Dear Councillor

A meeting of the CABINET will be held on Tuesday 13 December 2016 at 7pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford to consider the following items of business.

Yours sincerely

Deputy Monitoring Officer

## AGENDA

1. Apologies for absence.
2. Declarations of Interest.
3. Minutes of the Meeting held on Tuesday 15 November 2016 (pages 3 – 4)

### Non Key Decisions

4. Streetwise Environmental Ltd – Accounting treatment for pensions

The report of the Executive Manager – Finance and Corporate Services is attached (pages 5 – 9)

5. Rushcliffe Country Park Off-Street Parking Places Order

The report of the Executive Manager – Finance and Corporate Services is attached (pages 10 – 12)

### Key Decisions

None

Rushcliffe Community  
Contact Centre

Rectory Road  
West Bridgford  
Nottingham  
NG2 6BU

In person  
Monday to Friday  
8.30am - 5pm  
First Saturday of  
each month  
9am - 1pm

By telephone  
Monday to Friday  
8.30am - 5pm

Telephone:  
0115 981 9911

Email:  
customerservices  
@rushcliffe.gov.uk

[www.rushcliffe.gov.uk](http://www.rushcliffe.gov.uk)

Postal address  
Civic Centre  
Pavilion Road  
West Bridgford  
Nottingham  
NG2 5FE



## **Budget and Policy Framework Items**

6. Revenue and Capital Budget Monitoring 2016/17 – Quarter 2 Update

The report of the Executive Manager – Finance and Corporate Services is attached (pages 13 – 20)

## **Matters referred from Scrutiny**

None

## Membership

Chairman: Councillor J N Clarke

Vice-Chairman: Councillor S J Robinson

Councillors: R L Butler, J E Cottee, D J Mason, R G Upton

<b>Meeting Room Guidance</b>
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**Fire Alarm Evacuation:** in the event of an alarm sounding please evacuate the building using the nearest fire exit, normally through the Council Chamber. You should assemble in the Nottingham Forest car park adjacent to the main gates.

**Toilets:** are located opposite Committee Room 2.

**Mobile Phones:** For the benefit of others please ensure that your mobile phone is switched off whilst you are in the meeting.

**Microphones:** When you are invited to speak please press the button on your microphone, a red light will appear on the stem. Please ensure that you switch this off after you have spoken.

**MINUTES  
OF THE MEETING OF THE  
CABINET  
TUESDAY 15 NOVEMBER 2016**

Held At 7.00pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford

**PRESENT:**

Councillors R L Butler, J N Clarke, D J Mason, R G Upton

**ALSO IN ATTENDANCE:**

Councillors: S J Hull, R M Jones, A MacInnes and S E Mallender attended as observers.

**OFFICERS PRESENT:**

A Graham	Chief Executive
P Linfield	Executive Manager – Finance and Corporate Services
D Mitchell	Executive Manager - Communities
A Poole	Constitutional Services Team Leader

**APOLOGIES FOR ABSENCE:**

Councillors J E Cottee, S J Robinson

**25. Declarations of Interest**

There were none declared.

**26. Minutes**

The minutes of the meeting held on Tuesday 11 October 2016 were approved as a correct record and signed by the Chairman.

**27. Parish Council Neighbourhood Area Applications**

Councillor Butler presented a report on the Neighbourhood Area Applications from Colston Basset, Tollerton and Upper Broughton. He explained that recent amendments to the Neighbourhood Planning (General) Regulations (Regulations 5A) which came into force on 1 October 2016, required local planning authorities to approve applications made on or after that date without any public consultation. As a result, the applications for Colston Basset and Upper Broughton, which were received after 1 October 2016, should be approved. However, the application for Tollerton was received before the new regulations came into force, and so a consultation had been carried out. He informed Cabinet that 9 comments had been received as part of the consultation process.

Councillor Butler asked Cabinet to note that there was an amendment to the recommendations detailed in the report. He asked that paragraph 2b be amended to read:

'delegates authority to the Executive Manager for Communities in consultation with the Cabinet Portfolio holder for *Sustainability* to approve future neighbourhood area applications made by parish or town councils that consist of the whole of a parish or town council's area.'

Councillor Mason echoed the comments made, saying that she supported the designation of neighbourhood areas as it enabled parish and town councils to produce neighbourhood plans.

RESOLVED that cabinet

- a) approve the applications to designate the parishes of Tollerton, Upper Broughton and Colston Bassett as neighbourhood areas.
- b) delegates authority to the Executive Manager for Communities in consultation with the Cabinet Portfolio holder for Sustainability to approve future neighbourhood area applications made by parish or town councils that consist of the whole of a parish or town council's area.

The meeting closed at 7.05pm.

CHAIRMAN

## Report of the Executive Manager - Finance and Corporate Services

### Cabinet Portfolio Holder Councillor S J Robinson

#### 1. Summary

- 1.1 The purpose of this report is to seek Cabinet approval to revise its pension arrangements with Streetwise Environmental Ltd (SEL). The proposal is that SEL moves to a pensions 'pass through' arrangement, back dated to 1<sup>st</sup> April 2016. This results in all the pensions' assets and liabilities allocated to the Company transferring back to the Council. This should ensure going forward that the financial position of the company is improved via a stronger balance sheet and higher operating profits. Currently when the accounts of SEL are consolidated the assets and liabilities, in any case, ultimately rest with the Council.

#### 2. Recommendation

It is RECOMMENDED that Cabinet:

- a) approve the pensions 'pass through' arrangement backdated to 1<sup>st</sup> April 2016 with Streetwise Environmental Ltd pensions' assets and liabilities transferring back to the Council;
- b) approve the principle that the 'pass through' arrangement is the default position for future company arrangements; and
- c) that a Legal Admission Agreement is completed and agreed by both the Council and Streetwise Environmental Ltd.

#### 3. Reasons for Recommendation

- 3.1 Risks surrounding changes in returns on pensions investments coupled with the differing treatment as a result of accounting standards between the public sector and private sector means both the pension agreement between the Council and SEL needs revisiting and the pensions settlement needs to be recast. There are pension liabilities in relation to past service deficits on the balance sheet and accounting charges hitting the profit and loss account of SEL. The proposed change of pensions treatment to a 'pass through' arrangement will remove such deficits from the accounts without passing on any further risk to the Council than already exists.
- 3.2 The recommendations are subject to ratification by both the Council's and SEL's external auditors (KPMG) and agreement with the Pension Fund.

## 4. Supporting Evidence

- 4.1 The current pensions settlement between the Council and SEL was intended to ensure that pensions' risks were shared equitably between the parties in such a way that SEL would not be penalised financially for past pension funding decisions and SEL would be able to operate effectively in the market place.
- 4.2 An unforeseen consequence of SEL being created was that it became exposed to the volatility of actuarial risks in respect of liabilities within the Local Government Pension Scheme (LGPS) fund as opposed to these being retained by the Council. What are technically known as IAS19 (International Accounting Standard) adjustments.
- 4.3 The 'pass through' solution enables all pensions assets and liabilities to be transferred back to the Council where different accounting rules apply. Currently the pension scheme liabilities are accounted for on a 'defined benefit' basis the 'pass through' scheme enables the defined benefit pension scheme to remain but account for it on a defined contribution basis. As the Council has different accounting rules to SEL a large pensions deficit does not impact on the broader financial position of the Council; its impact is contained to a ring-fenced pension's reserve. There is therefore no impact on the revenue account of the Council and hence Council Tax payers are protected from the immediate impact of funding the deficit.
- 4.4 On the SEL side the revised arrangement means that the company effectively accounts for the pension's scheme as though it is contributing to a defined contribution scheme; the company will just show its annual employer contributions to the scheme in its profit and loss account and no further accounting entries are required.
- 4.5 Currently SEL's pension contribution rates are pooled with the Council's. Going forward these should be uncoupled particularly given any likelihood of other Councils joining the scheme and their employees being TUPE'd across. Rates currently are 13% but are subject to triennial review (revised rates due for the next three years from April 2017).
- 4.6 Appendix A details what we anticipate would have been the financial impact on both SEL's and the Council's accounts had we applied the 'pass through' arrangements in 2015/16. The 2016/17 outcome will not be known until we have the year-end pension's statements and we have closed the accounts for both the Council and SEL for 2016/17. Key points to note from the modelling on the 2015/16 accounts are:

### *Streetwise Accounts*

- (a) An increase in SEL operating profit of £80k;
- (b) Other comprehensive income has fallen by £248k due to the in-year positive impact on pensions as a result of the increase in bond yields. In future years these could easily fall and would be a debit on the SEL accounts which would now be borne by the Council; and

- (c) Regarding the Balance Sheet whilst the pensions Liability has reduced by £463k this is more than offset by the removal of the debtor (which was a long term provision reflecting the opening pensions liability for SEL) but this is a one-off entry. In future years the impact of not having the liability would have an overall positive effect on the Company Balance Sheet (as it increases the retained earnings).

#### *RBC Accounts*

- (a) The balance sheet entries are neutral although going forward the equivalent of the £463k increase in liability rests on the Council's Balance Sheet. This is not material and amounts to 1% of the Council's overall Pensions liability of £45.8m. The overall revised pension liability of £46.247m reflects that stated in the 2015/16 consolidated accounts, demonstrating that even without the pass through arrangements ultimately these risks (and liabilities and assets) rest with the Council.
- (b) Any impact on the Council's profit and loss account is offset through entries in the Movement in Reserves Statement (MIRS), thus ensuring there is no bottom line impact on tax payers.

#### *Legal Agreement*

- 4.7 A critical piece of work to be undertaken is to produce a Deed of Agreement which reflects the new arrangements and will also form a template for other Councils whose staff maybe transferred to the company and wish to retain LGPS status. It will also form a template for any other such arrangements the Council may pursue (ie to provide future proofing). The agreement will need to be agreed with SEL and as such it is proposed any such costs are shared between the Council and SEL. These are not expected to exceed £5k in total and will be met from existing budgets. There will also be liaison with Nottinghamshire County Council (as pension fund administrators) to avoid any duplication of work and cost with lawyers.
- 4.8 Issues to be considered in the Deed of Agreement should include (and are not limited to):
- Updating the existing guarantee;
  - The uncoupling of the pooled rate for the Council and SEL;
  - New employees not joining the LGPS for SEL; and
  - New bodies joining SEL or any other Council Company would be subject to the same requirements.
- 4.9 It should be noted in considering these options the Council and SEL have taken advice from Grant Thornton. The Streetwise Strategic Board on 20 September 2016 approved the principle of moving to the pass through arrangement.

#### **5. Other Options Considered**

- 5.1 Not to accept the proposed pension 'pass through' arrangements and for SEL to retain the financial impact of actuarial risks.

## **6. Risk and Uncertainties**

6.1 The outcome and recommendations are subject to a Deed of agreement being completed and liaison with the Pensions Fund and Council and Company auditors.

6.2 The Council will be reporting a higher net pensions liability than prior to the pass through arrangements (although on consolidation there is no difference). This is not material in value and in any case the Council is the guarantor of pension liabilities for itself and SEL. Any higher net liability does not have a broader impact on the financial standing or performance of the Council.

## **7. Implications**

### **7.1 Finance**

7.1.1 The Financial implications are covered in paragraphs 4.6-4.7 and Appendix A. The ultimate financial impact will feature in the Council's 2016/17 accounts and reported to the Corporate Governance Group.

### **7.2 Legal**

7.2.1 The legal implications are covered in the body of this report, particularly paragraphs 4.7-4.8.

7.2.2 There is a potential issue regarding State Aid if SEL was to beat a private sector company in a procurement process. The Council's view is that the change has occurred to reflect the original intention of the Company not incurring the impact of actuarial risk; and that similar pass through arrangements (defined contribution schemes) are commonly used by private sector contractors and they have the benefit of lower pension costs.

### **7.3 Corporate Priorities**

7.3.1 Streetwise helps deliver a number of corporate priorities particularly transforming the Council to enable the delivery of efficient high quality services.

### **7.4 Other Implications**

7.4.1 There are no other implications arising from this report.

<b>For more information contact:</b>	Peter Linfield Executive Manager - Finance and Corporate Services 0115 914 8439 Email: <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	None.
<b>List of appendices (if any):</b>	Appendix A – Projected Financial Impact of 'pass through' Pension Arrangements on 2015/16 Accounts



**Projected Financial Impact of 'pass through' Pension Arrangements on 2015/16 Accounts**

<b>Streetwise Accounts</b>					<b>RBC</b>				
		Original	Revised	Adjustment			Original	Revised	Movement
<b>P&amp;L</b>					<b>BS</b>				
Operating Profit	14/15	-102670	-148670	-46000	Pension Liability		-45,784,000	-46,247,000	-463,000
Other Comprehensive Income	14/15	-51470	-102670	-51200	Provision		-583,000	0	583,000
Operating Profit	15/16	-15276	-95276	-80000	Pension Asset		46,367,000	46,247,000	-120,000
Other Comprehensive Income	15/16	-263276	-15276	248000	<b>CIES</b>				
				70800	Net Cost of Services	14/15	12,086,000	12,119,000	33,000
<b>BS</b>					Financing and Investment Inco	14/15	-390,000	-377,000	13,000
Retained Earnings		314746	243946	-70800	Actuarial Gains/Losses	14/15	10,312,000	10,376,000	64,000
Pension Liability		-463000	0	463000	MIRS	14/15			-110,000
Debtor		583000	0	-583000	Net Cost of Services	15/16	12,571,000	12,628,000	57,000
Tax Liability		-98128	-48928	49200	Financing and Investment Inco	15/16	405,000	428,000	23,000
				-70800	Actuarial Gains/Losses	15/16	-7,763,000	-8,073,000	-310,000
					MIRS	15/16			230,000
					<b>Total Net Adjustments</b>				
									<b>0</b>

## Report of the Executive Manager - Finance and Corporate Services

### 1. Summary

- 1.1 The purpose of this report is to seek Cabinet approval to make an Off-Street Parking Places Order at Rushcliffe Country Park and to facilitate the introduction of compulsory car park charges.

### 2. Recommendation

It is RECOMMENDED that Cabinet approve the introduction of an Off-Street Parking Places Order at Rushcliffe Country Park, to be implemented by the Executive Manager – Finance and Corporate Services in consultation with the Portfolio Holder – Communities.

### 3. Reasons for Recommendation

- 3.1 To comply with car parking legislation and assisting with traffic management, reducing the demand for on-street parking. It will also help meet the needs of those with disabilities (providing and managing spaces for blue badge holders) and enhancing access to a community facility. Finally contributing to service costs for the provision of off-street parking and ensuring it remains at a high standard.

### 4. Supporting Evidence

- 4.1 At its meeting on 9 February 2016, Cabinet recommended that the Council adopt the 2016/17 budget setting report and the Council's 5 year medium term financial strategy 2016/17 to 2020/21. This was subsequently agreed and adopted at full Council on 3 March 2016. As part of this, it was agreed that the current voluntary car parking charges at Rushcliffe Country Park would become compulsory. The fee, as agreed by Full Council, is £1 per day for parking with an anticipated additional annual income of £20,000. Individuals with an annual pass for the Country Park will be exempt from the car parking tariff.
- 4.2 Whilst the setting of compulsory charges has been agreed as a principle, it is necessary for the Council, through Cabinet, to formally approve the making of an Off-Street Parking Places Order under Part IV of the Road Traffic Regulation Act 1984.
- 4.3 Rushcliffe Country Park is held under a 999 year lease from Nottinghamshire County Council but there are no provisions in the lease which preclude charging users of the Country Park car park.

- 4.4 Members will be aware that at certain times the car park is often full and parking will overflow into the adjacent roads and vicinity. It is considered that the introduction of such an order, and changes to the parking layout within the existing car park to increase car parking capacity, will meet the statutory criteria in that an order is required to exercise control measures to maximise car parking within the current car park and to prevent congestion.
- 4.5 A timetable of the plans for Rushcliffe Country Park is included below:

Seek Cabinet approval for the introduction of an Off Street Parking Places Order	December 2016
Consultation period for the introduction of the order	January/February 2017
Carry out necessary changes to the current car park layout to maximise car parking capacity and introduce new car parking machines and signage	March/April 2017
Compulsory charges introduced	June 2017

## 5. Other Options Considered

- 5.1 As part of the budget process for 2016/17 the option of not introducing charges was considered and rejected.

## 6. Risk and Uncertainties

- 6.1 Failure to introduce the order impacts on effective enforcement and ensuring asset liabilities are appropriately financed, for example maintenance of the car park, reducing insurance risk.

## 7. Implications

### 7.1 Finance

The introduction of compulsory charges, as already agreed, will support the on-going maintenance costs and general improvements of the car park and support enforcement activity.

### 7.2 Legal

The legal implications are covered in the body of this report. The legislation prescribes the consultations and processes required to make an order which, if approved by Cabinet, will be implemented prior to the order being made and coming into force.

### 7.3 Corporate Priorities

Effective management of parking will help to ensure Rushcliffe Country Park remains an attractive place to visit and can support the economic growth and health of such places, and can also contribute to the quality of life of Rushcliffe residents.

#### 7.4 Other Implications

There are no other implications arising from this report.

<b>For more information contact:</b>	Peter Linfield Executive Manager - Finance and Corporate Services 0115 914 8439 Email: <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	None
<b>List of appendices (if any):</b>	None.

## Report of the Executive Manager – Finance and Corporate Services

### Cabinet Portfolio Holder Councillor S J Robinson

#### 1. Summary

- 1.1. This report presents the budget position for revenue and capital as at 30 September 2016 the details of which were considered by the Corporate Governance Group on 1 December 2016. Given the current financial climate it is imperative that the Council maintains due diligence with regards to its finances and ensures necessary action is taken to maintain a robust financial position.

#### 2. Recommendation

It is RECOMMENDED that Cabinet:

- a) note the projected revenue and capital budget positions for the year of £442k in efficiency savings and £5,473k from capital scheme re-phasing; and
- b) approve the accelerated budget provision in relation to Edwalton Golf course to enhance the facilities (specifically the toilets and showers).

#### 3. Reasons for Recommendation

- 3.1. To demonstrate good governance in terms of scrutinising the Council's on-going financial position and compliance with Council Financial Regulations.

#### 4. Supporting Evidence

##### *Revenue Monitoring*

- 4.1 The revenue monitoring statement by service area is attached at **Appendix A** with detailed variance analysis as at 30 September 2016 attached at **Appendix B**. This shows an underspend against profiled budget to date of £276,000 and a projected efficiency saving for the year of £442,000. It is anticipated that this will continue to improve throughout the remainder of the year as managers continue to drive cost savings, and raise income, against existing budgets.
- 4.2 As documented at **Appendix B** the financial position to date reflects a number of positive variances including employee cost savings; increased income from investment properties; the lack of current calls made on the contingency

budget; and additional green waste income. There are several negative variances, the main one being in relation to a fall in expected planning income, particularly due to a reduction in solar farm applications.

## Capital Monitoring

- 4.3 The updated Capital Programme monitoring statement as at September 2016 is attached at Appendix C. A summary of the projected outturn and funding position is shown in the table below:

<b>CAPITAL PROGRAMME MONITORING - SEPTEMBER 2016</b>			
<b>EXPENDITURE SUMMARY</b>	<b>Current Budget £000</b>	<b>Projected Actual £000</b>	<b>Projected Variance £000</b>
Transformation	11,034	8,184	(2,850)
Neighbourhoods	1,919	931	(988)
Communities	327	257	(70)
Finance & Commercial	14,485	13,160	(1,325)
Contingency	240	0	(240)
	<b>28,005</b>	<b>22,532</b>	<b>(5,473)</b>
<b>FINANCING ANALYSIS</b>			
Capital Receipts	(4,828)	(2,927)	1,901
Government Grants	(4,776)	(3,526)	1,250
Other Grants/Contributions	(2,293)	(2,171)	122
Use of Reserves	(2,527)	(1,227)	1,300
Internal Borrowing	(13,581)	(12,681)	900
	<b>(28,005)</b>	<b>(22,532)</b>	<b>5,473</b>
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 4.4 The original Capital Programme of £18.7 million has been supplemented by a net brought forward and in-year adjustments of £9.3 million giving a revised total of £28 million. This is an ambitious capital programme which will see completion of two major redevelopment schemes: Bridgford Hall and the Arena. A Capital Contingency sum of £250,000 has been included to allow for flexibility in the programme of which £240,000 is unallocated at period 6.

### 4.5 Transformation

The projected actual of £8.1 million will continue to be refined as the cost commitments and profiling of works associated with Cotgrave Masterplan become clearer. The acquisition of strategic properties in Cotgrave continues and works will commence on the Multi-service Centre and Employment Land.

Significant grant support has been secured from Growth Deal Funding for Cotgrave Town Centre and Employment Land (£3 million). The land swap regarding Park Cottage to Metropolitan Housing as reported to Cabinet (11 October 2016) is not taking place as planned as it will not be in time in relation to the demolition of Scotland Bank. This creates a temporary funding shortfall that will be met within the existing budgetary provision. This will be replenished by disposal of the asset in the new year (ie a capital receipt). A further £2.5 million of Growth Deal Funding has been allocated to the development of Land North of Bingham although it is unlikely that works will commence this financial year and this scheme will need to be re-profiled. Contract works are well underway at Bridgford Hall with completion planned for the end of the financial year. The second tranche of the contribution to Nottinghamshire Broadband has been released. Works planned under the IS Strategy are underway supporting technologies associated with the move to the Arena. A small provision has been made in the event of necessary health and safety enhancement works to the Civic Centre prior to the move.

#### **4.6 Neighbourhoods**

A variance of just under £1 million is projected at this stage. This primarily relates to support for Registered Housing Providers (£659,000) as there are currently no grant commitments. A second programme of garage site developments and the continuation of the rural exception sites is still being explored. In addition, the council is looking at other methods of delivering social housing in the Borough although this work is still in the early stages. Additional funding has also been awarded from the Better Care Fund allowing additional grant monies to be made available for Disabled Facilities Grants (DFGs), Discretionary top-ups for DFGs, a Handyperson Adaptation Service and Assistive Technology (Home Alarms and small scale alterations to allow vulnerable people to stay in their own homes). A total sum of £126,000 brought forward from 2015/16 for DFGs and top-ups can potentially be returned to Capital Contingency later in the year as is unlikely to be needed. There is a projected underspend of £203,000 on the vehicle replacement programme as this is closely managed to get the maximum economical use out of the existing fleet.

#### **4.7 Communities**

There is a potential underspend of £70,000. The projected actual for Capital Grant Funding is based on known grant commitments and there is still £20,000 uncommitted. Fencing and drainage works at West Park have not yet commenced. The options for works at Boundary Road and Greythorne Drive have yet to be scoped. A consultation exercise will follow this and there is the potential that this provision will not be spent in 2016/17.

#### **4.8 Finance & Commercial**

The projected actual is £13.1 million which is £1.3 million short of the planned programme. This reflects the understanding that the new loan for Nottinghamshire County Cricket Club will be requested over 3 years instead of one lump sum. In addition, there are no commitments against the monies originally intended for loans to small businesses which is now assimilated within the Asset Investment Strategy fund. The projected actual for the Arena Development shows a variance of £500,000 in reality this is not an overspend. This arises due to the historical phasing of the provisions for this in the Capital Programme. This sum is contained in the 2017/18 programme and is required

to be accelerated for 2016/17 to meet completion of the scheme. Expenditure is now expected on the upgrade of facilities at Edwalton Golf Course. The provision for this work is approved for 2017/18 and needs to be accelerated to meet current public expectations and standards. The projected expenditure will be adjusted depending on agreeing the final specification and obtaining quotations. A net adjustment of £10,000 has been made to Capital Contingency to reflect the allocation of £50,000 to Bingham Leisure Centre Artificial Turf Pitch, offset by receipt of additional grant monies of £40,000 towards the scheme from Bingham Toothill School.

#### 4.9 **Summary**

The report overall projects overall efficiency savings for both revenue and capital. It should be noted opportunities and challenges can arise during the year which may impact on the projected year-end position. There remain external financial pressures from developing issues such as the impact of the localisation of business rates, welfare reform, and continued financial pressures on individuals, businesses and partners; with heightened risks as a result of BREXIT. Against such a background it is imperative that the Council continues to keep a tight control over its expenditure, identifies any impact from income streams and maintains progress against its Transformation Strategy.

### 5 **Risk and Uncertainties**

- 5.1 Failure to comply with Financial Regulations in terms of reporting on both revenue and capital budgets could result in criticism from stakeholders, including both members and the Council's external auditors.
- 5.2 Areas such as income can be volatile according to external pressures such as the general economic climate. For example Planning income is variable according to the number and size of planning applications received.

### 6 **Implications**

#### 6.1 **Finance**

Financial implications are covered in the body of the report.

#### 6.2 **Legal**

None

#### 6.3 **Corporate Priorities**

Changes to the budget enable the Council to achieve its corporate priorities.

#### 6.4 **Other Implications**

None



<b>For more information contact:</b>	Name; Peter Linfield Executive Manager - Finance and Corporate Services 0115 914 8439 email <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	Corporate Governance Group – 1 December, Revenue and Capital Budget Monitoring 2016/17 - Quarter 2 Update
<b>List of appendices (if any):</b>	Appendix A – Revenue Outturn Position 2016/17 – Quarter 2 Appendix B – Revenue Variance Analysis Explanations Appendix C – Capital Programme 2016/17 – Quarter 2 Position

## Revenue Outturn Position 2016/17 – Quarter 2

	Q2 Position - excl recharges			Total Costs				Main Variation Explanation (see also Appendix B)
	Budget YTD £'000	Actual YTD £'000	Total Variation £'000	Budget £'000	Projected Outturn £'000	Total Variation £'000	Variation %	
Communities	305	379	74	2,738	2,894	156	6	Reduction in large scale planning applications
Finance and Corporate Services	10,817	10,772	(45)	3,682	3,426	(255)	(7)	Contingencies not called upon
Neighbourhoods	1,154	1,009	(145)	4,709	4,510	(200)	(4)	Green waste income above target
Transformation	1,204	1,044	(160)	306	182	(124)	(41)	Additional rental income from investment properties
<b>Net Service Expenditure</b>	<b>13,480</b>	<b>13,204</b>	<b>(276)</b>	<b>11,435</b>	<b>11,012</b>	<b>(423)</b>	<b>(4)</b>	
Capital Accounting Adjustments				(1,591)	(1,588)	3	0	
Revenue contribution to capital				158	158	0	0	
Transfer to/(from) Reserves				1,033	1,475	442	0	Revenue surplus £423k, S31 grants £82k, SBRR (£60k)
<b>Total Net Service Expenditure</b>				<b>11,035</b>	<b>11,057</b>	<b>22</b>	<b>0</b>	
Central Government Grant				(1,064)	(1,064)	0		
Localised Business Rates (includes SBRR)				(2,072)	(2,012)	60		SBRR income less than budgeted for
Collection Fund Surplus				(79)	(79)	0		
Council Tax Income				(5,753)	(5,753)	0		
Specific Grants (including NHB)				(2,067)	(2,149)	(82)		S31 grants (NHB New Burdens £14k, Transition Grant £34k, IER £20k)
Council Tax Freeze Grant				0	0	0		
<b>Total Funding</b>				<b>(11,035)</b>	<b>(11,057)</b>	<b>(22)</b>	<b>0</b>	
<b>Gross Budget Deficit</b>				<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	

**Revenue Variance Explanations (over £15k)**

<b>ADVERSE VARIANCES</b>	<b>Projected Outturn Variance £'000</b>
<b>Communities</b>	
Community Parks & Open Spaces - New car parking charges not anticipated to be realised until 2017/18	20
Development Control - Reduction in number of large scale applications - £50k. New pre-application commenced part way through year - £20k. Aslockton appeals costs - £13k	83
Building Control - September report from S Kesteven highlighted reduction in income	46
<b>Finance &amp; Corporate Services</b>	
Edwalton Golf Courses - Renegotiated contract	39
Corporate Management - Increase in bank charges due to increase in volume of payments	29
<b>Neighbourhoods</b>	
Tanker Services - Loss of income from Metropolitan contract	15
Waste Collection & Recycling - Agency costs to cover sickness and vacancies	25
<b>Total Adverse Variances</b>	<b>257</b>
<b>FAVOURABLE VARIANCES</b>	<b>Projected Outturn Variance £'000</b>
<b>Communities</b>	
Local Development Framework - Local Plan expected to slip with possible carry forward into 2017/18	(27)
Development Control - Salary savings	(24)
<b>Finance &amp; Corporate Services</b>	
Finance – Staff vacancies and additional income from NSDC insurance work	(62)
Contingencies - Contingency dependant on risks identified	(119)
Revenues & Benefits - Staff vacancies	(52)
Leisure Centres - Staff savings	(51)
<b>Neighbourhoods</b>	
Food Hygiene - Savings from restructure	(20)
Waste Collection & Recycling - Green waste income above target (£60k) and savings on diesel (£30k)	(90)
Fleet & Garage - Fewer repairs due to use of newer vehicles	(20)
<b>Transformation</b>	
Business Support Unit - Underspend on staff costs, recruitment underway	(20)
Investment Properties - Additional rental income at The Point (£70k) and from Exeid (£15k)	(85)
<b>Total Favourable Variances</b>	<b>(570)</b>
<b>Sum of Minor Variances</b>	<b>(110)</b>
<b>TOTAL VARIANCE</b>	<b>(423)</b>

## Capital Programme 2016/17 – Quarter 2 Position

<b>CAPITAL PROGRAMME MONITORING - SEPTEMBER 2016</b>						
	<b>Original Budget</b>	<b>Current Budget</b>	<b>Budget YTD</b>	<b>Actual YTD</b>	<b>Projected Actual</b>	<b>Variance</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£'000</b>
<b>TRANSFORMATION</b>						
Cotgrave Masterplan	5,200	1,565	414	120	1,565	0
Land North of Bingham	2,800	2,800	0	0	0	(2,800)
Eaton Place Toilet Improvements	33	33	0	0	33	0
Cotgrave Multi-Service Centre	0	1,348	461	21	1,348	0
Colliers Way Industrial Units	0	20	0	0	20	0
Cotgrave Employment Land	0	2,642	904	110	2,642	0
Bridgford Hall Refurbishment	1,410	2,192	750	763	2,192	0
Civic Centre Enhancements - General	0	50	0	0	0	(50)
Nottinghamshire Broadband	83	83	83	83	83	0
IS Strategy	107	301	50	17	301	0
	<b>9,633</b>	<b>11,034</b>	<b>2,662</b>	<b>1,114</b>	<b>8,184</b>	<b>(2,850)</b>
<b>NEIGHBOURHOODS</b>						
Support for Registered Housing Providers	250	659	0	6	0	(659)
Wheeled Bins Acquisition	60	60	60	42	60	0
Disabled Facilities Grants	521	475	238	194	409	(66)
Discretionary Top Ups	0	130	0	0	70	(60)
Handyperson Adaptation Service	0	30	0	0	30	0
Assistive Technology	0	12	0	0	12	0
Vehicle Replacement	981	553	150	148	350	(203)
	<b>1,812</b>	<b>1,919</b>	<b>448</b>	<b>390</b>	<b>931</b>	<b>(988)</b>
<b>COMMUNITIES</b>						
Community Partnership Reward Grants	0	25	25	0	25	0
Nottinghamshire Cricket Club - Grant	90	90	0	0	90	0
Capital Grant Funding	48	128	64	27	108	(20)
Play Areas/Special Expense	50	50	0	0	0	(50)
West Park Fencing and Drainage	34	34	0	0	34	0
	<b>222</b>	<b>327</b>	<b>89</b>	<b>27</b>	<b>257</b>	<b>(70)</b>
<b>FINANCE &amp; COMMERCIAL</b>						
Car Park Pay and Display Machines	60	60	0	0	60	0
BLC Artificial Turf Pitch	165	215	205	44	215	0
Rushcliffe School Contribution	90	90	0	0	90	0
Arena Car Park Improvements	55	55	0	0	55	0
Arena Development	6,555	10,865	5,226	5,445	11,365	500
NCCC loan 2015-16	0	2,700	0	0	1,300	(1,400)
EGC Upgrade Facilities	0	0	0	0	75	75
Asset Investment Strategy	0	500	0	0	0	(500)
	<b>6,925</b>	<b>14,485</b>	<b>5,431</b>	<b>5,489</b>	<b>13,160</b>	<b>(1,325)</b>
<b>CONTINGENCY</b>						
Contingency	150	240	0	0	0	(240)
	<b>150</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(240)</b>
<b>TOTAL</b>	<b>18,742</b>	<b>28,005</b>	<b>8,630</b>	<b>7,020</b>	<b>22,532</b>	<b>(5,473)</b>