

Assets and Investments

Finance and Performance Report – August 2016

1. SUMMARY

1.1 Finance

Previous Status	Category	Target	Current Status	Section Ref.
N/A	Income and Expenditure	Balanced year end position	Green	2.1 – 2.4
N/A	Capital Programme	Remain within overall resources	Green	3.2

1.2 Performance Indicators – Current status (see section 4):

Monthly Indicators	Red	Amber	Green	Total
August (Number of indicators)			2	2

2. INCOME AND EXPENDITURE

2.1 Overall Position

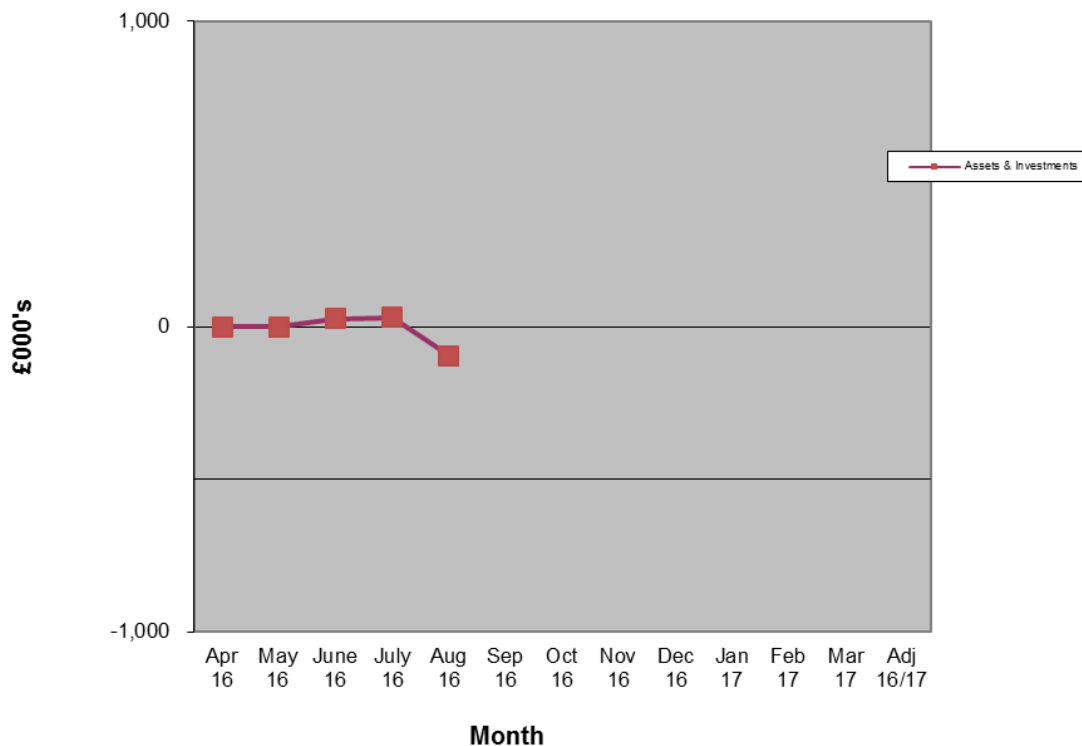
Original Budget as per BP ¹	Directorate	Current Budget	Forecast Variance - Outturn (July)	Forecast Variance - Outturn (Aug)	Forecast Variance - Outturn (Aug)	Current Status	DoT
£000		£000	£000	£000	%		
2,711	Assets & Investments	2,714	31	-96	0	Amber	↑
2,711	Total	2,714	31	-96	0		

¹ The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan.

The service level budgetary control report for Assets and Investments Committee for August 2016 can be found in [A&I appendix 1](#).

Further analysis of the results can be found in [A&I appendix 2](#).

Assets & Investments Outturn 2016/17



2.2.1 Significant Issues – Assets and Investments

- Assets and Investments Committee is currently predicting a year-end underspend of £96k.
- There are no exceptions to report this month.

2.3 Additional Income and Grant Budgeted this Period (De minimis reporting limit = £30,000)

There is no additional grant income to report for Assets and Investments.

2.4 Virements and Transfers to / from Reserves (including Operational Savings Reserve) (De minimis reporting limit = £30,000)

No virements have been made this month to reflect changes in responsibilities:

A full list of virements made in the year to date for Assets and Investments can be found in [A&I appendix 4](#).

3. BALANCE SHEET

3.1 Reserves

A schedule of the Assets and Investments reserves can be found in [A&I appendix 5](#).

3.2 Capital Expenditure and Funding

Expenditure

- Assets and Investments Committee has a capital budget of £12.4m in 2016/17 and there is £558k spend to date. It is currently expected that the programme will be overspent by £195k at year-end due to the phasing of schemes, and the total scheme variances over the lifetime of the schemes will amount to an underspend of £1.8m.

There are no exceptions to report for August.

Funding

- Assets and Investments Committee has capital funding of £12.4m in 2016/17. As reported above, the Assets and Investments budget is expected to overspend by £195k, which will result in an increased funding requirement of this amount.

A detailed explanation of the position for Assets and Investments can be found in [A&I appendix 6](#).

4. PERFORMANCE

4.1 The table below outlines key performance indicators for Assets and Investments.

Measure	Reporting frequency	What is good	Unit	Data last entered	Target	Actual	RAG status	Direction of travel	Comments
Assets and Investments									
Strategy and Estates – capital receipts target managed and achieved	Half-yearly	High	%	28/07/16	98% (£250k gross)	103.0%	Green	↓	To next be reported on in November 2016 for Q1 and Q2 2016/17.
Strategy and Estates – farm estates income demanded and collected on time	Half-yearly	High	%	28/07/16	95% (£3.9m gross)	99.0%	Green	↑	To next be reported on in November 2016 for Q1 and Q2 2016/17.

The full scorecard for Assets and Investments can be found at [A&I appendix 7](#).

A&I APPENDIX 1 – Assets and Investments Budgetary Control Report

The variances to the end of August 2016 for Assets and Investments are as follows:

Original Budget as per BP £000	Service	Current Budget for 2016/17 £000	Forecast Variance - Outturn (July) £000	Forecast Variance - Outturn (August) £000	%
<u>Assets & Investments</u>					
1,122	Building Maintenance	1,121	0	0	0
-3,453	County Farms	-3,453	0	-70	-2
5,052	County Offices	5,045	31	-26	-1
-10	Effective Property Asset Management	0	0	0	0
0	Grant Income	0	0	0	0
2,711		2,714	31	-96	-4
2,711	ASSETS & INVESTMENTS TOTAL	2,714	31	-96	-4
 MEMORANDUM - Grant Income					
0	Other Assets & Infrastructure Grants	0	0	0	0
0		0	0	0	0

A&I APPENDIX 2 – Commentary on Forecast Outturn Position

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater.

Service	Current Budget £'000	Forecast Variance - Outturn	
		£'000	%
There are no material variances to report.			

A&I APPENDIX 3 – Grant Income Analysis

There is no additional grant income to report.

A&I APPENDIX 4 – Virements and Budget Reconciliation

	£000	Notes
Budget as per Business Plan	0	
Transfer of Building Maintenance budget from Corporate Services	1,121	
Transfer County Farms budget from Corporate Services	-3,453	
Transfer of County Offices budget from Corporate Services	5,045	
Non-material virements (+/- £30k)	0	
Current Budget 2016/17	2,714	

A&I APPENDIX 5 – Reserve Schedule

1. Assets and Investments Reserves

Fund Description	Balance at 31 March 2016	Movements in 2016-17	Balance at 31/08/16	Forecast Balance at 31 March 2017	Notes
	£'000	£'000	£'000	£'000	
<u>Other Earmarked Funds</u>					
Manor school site demolition costs	233	47	280	327	1
subtotal	233	47	280	327	
<u>Short Term Provisions</u>					
SPV provision	50	0	50	50	
subtotal	50	0	50	50	
SUBTOTAL	283	47	330	377	
<u>Capital Reserves</u>					
MAC - One Public Estate	230	0	230	230	
General Capital Receipts	0	85	85	0	2
subtotal	230	85	315	230	
TOTAL	513	132	645	607	

Notes

- 1 Rental income from Bellerbys buildings on Manor School site is being held to offset demolition costs when the lease expires in 2021.
- 2 Capital Receipts achieved in 2016/17 will be used to fund the capital programme at year-end.

A&I APPENDIX 6 – Capital Expenditure and Funding

Capital Expenditure

Assets & Investments Capital Programme 2016/17						TOTAL SCHEME	
Original 2016/17 Budget as per BP £000	Scheme	Revised Budget for 2016/17 £000	Actual Spend 2016/17 £000	Forecast Spend - Outturn (Aug) £000	Forecast Variance - Outturn (Aug) £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
550	A&I - Shire Hall Campus	765	(79)	765	-	6,424	-
-	A&I - Fenland	20	(9)	20	-	6,596	(1,115)
400	A&I - Local Plans Representations	400	16	400	-	4,284	-
500	A&I - County Farms Viability	500	52	500	-	2,604	-
600	A&I - Building Maintenance	840	128	840	-	6,240	-
20	A&I - Other Committed Projects	120	36	133	13	2,243	(237)
8,251	A&I - Renewable Energy Soham	10,225	251	10,225	-	10,336	-
-	A&I - Housing Schemes	1,088	135	1,270	182	197,084	235
481	A&I - MAC Market Towns Project	481	-	481	-	1,481	-
345	Office Portfolio Rationalisation	345	14	345	-	345	-
-	Carbon Reduction	214	14	214	-	1,673	(650)
250	Energy Efficiency Fund	250	0	250	-	1,000	-
-	Capital Programme Variations	(2,850)	-	(2,850)	-	-	-
11,397	TOTAL	12,398	558	12,593	195	240,310	(1,767)

Previously Reported Exceptions

As reported in 2015/16, a reduction in the estimated cost of final retention payments for the Awdry House site has increased the predicted total scheme underspend to £1.1m. This work is expected to be completed in 2016/17.

As reported in 2015/16 the works planned under the Carbon Reduction scheme were reviewed in 2014/15 and a new schedule was agreed. The agreed work plan is expected to deliver a total scheme underspend of £0.65m. This work is expected to be completed in 2016/17.

The Renewable Energy Soham scheme has been revised to incorporate increased costs due to currency changes re solar panels (£400k) and additional grid connection costs (£120k).

The following housing scheme budgets have been rephased, as the schemes have progressed to the planning application stage in advance of the original schedule. Funding has been brought forward from 2017/18 into 2016/17 as detailed below and this will not affect the total scheme costs.

Scheme	£000
Housing - Shepreth 7 Homes Invest to Save	55
Housing - Cottenham 200 Homes Invest to Save	110
Housing - Redevelopment of Milton Road Library, Cambridge	20
	185

The budgets for building maintenance costs at Shire Hall and other County Council sites have been revised due to the roll forward of £455k funding approved for 2015/16 that was not spent in year. This was due to unavoidable delays in completing condition surveys, meaning that works earmarked for 2015/16 could not be completed. The 2016/17 budget is already fully allocated as shown below. This additional funding relates to prudential borrowing, however this will not have a significant impact on the Debt Charges budget.

Shire Hall	£000	
Budget 2016/17	550	
Shire Hall	150	condition survey works
Castle Lodge	155	condition survey works
42 Castle St	45	condition survey works
Data Centre	265	carry forward request includes Ridge Fees & structural works & contingency amount
Babbage	50	estimated condition survey works
OPH	50	estimated condition survey works
Octagon	50	estimated condition survey works
Total of planned works	765	
Shortfall	215	
Building Maintenance - other sites	£000	
Budget 2016/17	600	
Lawrence Court	115	carry forward request
Ely Library	84	carry forward request
St Neots library	66	carry forward request
Victoria Lodge	15	replacement conservatory
Lawrence Court	13	window redecoration – completed 16/17
Stanton House, highways depot	55	condition survey works
Stanton House, Main building	80	condition survey works
Stanton Villas	9	condition survey works
Warboys library	84	condition survey works
Wisbech Castle	146	condition survey works
Sackville House	173	estimated re-roofing costs – main roof
Total of planned works	840	
Shortfall	240	
Additional funding requested	455	

Additional funding of £700k in 2016/17 has been agreed for the Soham Eastern Gateway Pratt St Access Road Phase 1 works. This includes the reconfiguration of the school car park, reconfiguration of the parking at the former caretaker's bungalow, alterations to the listed wall at Copperfield House, the relocation of a heat pump, professional fees and the planning application. This will be funded by prudential borrowing but is part of a larger housing scheme for which the County Council would receive income in the future.

Capital Funding

Assets and Investments Capital Programme 2016/17					
Original 2016/17 Funding Allocation as per BP £000	Source of Funding		Revised Funding for 2016/17 £000	Forecast Spend Outturn (August) £000	Forecast Funding Variance Outturn (August) £000
10,268	Capital Receipts	A&I	10,268	6,249	(4,019)
1,129	Prudential Borrowing	A&I	2,130	6,344	4,214
11,397	TOTAL		12,398	12,593	195

Previously Reported Exceptions

As previously reported, the Capital Programme Board recommended that services include a variation budget to account for likely slippage in the capital programme, as it is sometimes difficult to predict this against individual schemes in advance. As forecast underspends start to be reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when slippage exceeds this budget.

As previously reported, capital receipts estimates have been reduced by £4m to reflect latest estimates for sales expected with high probability in 2016/17. This has resulted in an increase in the expected requirement for public borrowing of the same amount.

A&I Appendix 7 – Performance Scorecard

Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG status	Direction of travel	Comments
Assets and Investments										
Strategy and Estates – capital receipts target managed and achieved	Half-yearly	High	%	28/07/16	1 January - 31 March 2016 (Q4)	98% (£250k gross)	103.0%	Green	↓	<p>Q3 2015/16 - 115% Q2 2015/16 - 99% Q1 2015/16 - 110%</p> <p>The target for 2015/16 is £3.705m. This is broken down into cumulative quarterly targets as follows: Q1 = £0.25m; Q2 = £1.50m; Q3 = £2.00m Q4 = £3.705m.</p> <p><i>To next be reported on in November 2016 for Q1 and Q2 2016/17.</i></p>
Strategy and Estates – farm estates income demanded and collected on time	Half-yearly	High	%	28/07/16	1 January - 31 March 2016 (Q4)	95% (£3.9m gross)	99.0%	Green	↑	<p><i>To next be reported on in November 2016 for Q1 and Q2 2016/17.</i></p>