

## **Finance and Property Committee**

**Monday, 16 January 2017 at 14:00**

**County Hall, County Hall, West Bridgford, Nottingham, NG2 7QP**

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### **AGENDA**

- |    |  |         |
|----|--|---------|
| 1  | Minutes of the last meeting held on 19 December 2016   | 5 - 8   |
| 2  | Apologies for Absence  |         |
| 3  | Declarations of Interests by Members and Officers:- (see note below)<br>(a) Disclosable Pecuniary Interests<br>(b) Private Interests (pecuniary and non-pecuniary) |         |
| 4  | Financial Monitoring Report Period 8 2016-17   | 9 - 24  |
| 5  | Property Transactions:   |         |
| 5a | Former Sherwood Industries Site, Rainworth - Disposal  | 25 - 30 |
| 5b | Operational Decisions Annual Review & Quarterly Update Sept – Nov 2016   | 31 - 36 |
| 6  | Work Programme   | 37 - 40 |

## 7 EXCLUSION OF THE PUBLIC

The Committee will be invited to resolve:-

“That the public be excluded for the remainder of the meeting on the grounds that the discussions are likely to involve disclosure of exempt information described in paragraph 3 of the Local Government (Access to Information) (Variation) Order 2006 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

### **Note**

If this is agreed, the public will have to leave the meeting during consideration of the following item.

### **EXEMPT INFORMATION ITEMS**

## 8 Exempt appendices to reports:

### 8a Former Sherwood Industries Site, Rainworth - Disposal EXEMPT

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

### 8b Operational Decisions Annual Review & Quarterly Update, Sept - Nov 2016 EXEMPT

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

### **Notes**

- (1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.
- (2) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

- (3) Persons making a declaration of interest should have regard to the Code of Conduct and the Council's Procedure Rules. Those declaring must indicate the nature of their interest and the reasons for the declaration.

Councillors or Officers requiring clarification on whether to make a declaration of interest are invited to contact Peter Barker (Tel. 0115 977 4416) or a colleague in Democratic Services prior to the meeting.

- (4) Councillors are reminded that Committee and Sub-Committee papers, with the

exception of those which contain Exempt or Confidential Information, may be recycled.

- (5) This agenda and its associated reports are available to view online via an online calendar - <http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>

Meeting      FINANCE AND PROPERTY COMMITTEE

Date          19 December 2016 (commencing at 2pm)

**Membership**

Persons absent are marked with an 'A'

**COUNCILLORS**

Councillor David Kirkham (Chair)  
Councillor Darren Langton (Vice Chair)

Roy Allan	Liz Plant
Reg Adair	Mike Pringle
Richard Butler	Darrell Pulk
Kay Cutts	Ken Rigby
Stephen Garner	

**OFFICERS IN ATTENDANCE**

Paul Davies	Democratic Services
Jayne Francis-Ward	Corporate Director, Resources
Jas Hundal	Service Director, Environment, Transport & Property
Adrian Smith	Corporate Director, Place
Andrew Stevens	Group Manager, Property
Nigel Stevenson	Service Director, Finance & Procurement

**MINUTES OF THE LAST MEETING**

The minutes of the last meeting held on 21 November 2016, having been circulated to all Members, were taken as read and were confirmed, and were signed by the Chair.

**APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Stephen Garner (unwell).

**MEMBERSHIP**

Councillor Roy Allan had been appointed in place of Councillor Diana Meale, for this meeting only.

**DECLARATIONS OF INTERESTS**

No declarations of interest were made.

## **FINANCIAL MONITORING REPORT: PERIOD 7 2016/2017**

### **RESOLVED: 2016/134**

- 1) That the revenue budget expenditure to date and year end forecasts be noted.
- 2) That the Capital Programme expenditure to date and year end forecasts be noted.
- 3) That the Council's Balance Sheet transactions be noted.
- 4) That the performance of the Procurement Team be noted.
- 5) That the performance of the Accounts Payable and Accounts Receivable Teams be noted.

### **RUSHCLIFFE LEISURE CENTRE – NEW LEASE TO TRENT ACADEMIES GROUP, RUSHCLIFFE SCHOOL**

### **RESOLVED: 2016/135**

- 1) That approval be given to the proposed lease to Trent Academies Group, Rushcliffe School as detailed in the exempt appendix to the report.
- 2) That the terms of letting for the Nottingham Gymnastics Academy (NGA) lease be approved adopting the operational procedures process.

### **DISPOSAL OF EDWINSTOWE HALL, FORMER YOUTH CENTRE AND COTTAGES**

The Chair indicated that this item had been withdrawn, to allow for more information to be provided.

### **WORK PROGRAMME**

### **RESOLVED: 2016/136**

That the Committee's work programme be noted.

### **EXCLUSION OF THE PUBLIC**

### **RESOLVED: 2016/137**

That the public be excluded from the remainder of the meeting on the grounds that discussions are likely to involve the disclosure of exempt information described in paragraph 3 of the Local Government (Access to Information) (Variation) Order 2006 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

## **EXEMPT INFORMATION ITEMS**

### **RUSHCLIFFE LEISURE CENTRE – NEW LEASE TO TRENT ACADEMIES GROUP, RUSHCLIFFE SCHOOL**

#### **RESOLVED: 2016/138**

That the information set out in the exempt appendix be noted.

### **DISPOSAL OF EDWINSTOWE HALL, FORMER YOUTH CENTRE AND COTTAGES**

As indicated above, this item had been withdrawn.

The meeting closed at 2.25 pm.

CHAIR



**16 January 2017****Agenda Item: 4****REPORT OF THE SERVICE DIRECTOR – FINANCE, PROCUREMENT AND  
IMPROVEMENT****FINANCIAL MONITORING REPORT: PERIOD 8 2016/2017****Purpose of the Report**

1. To provide a summary of the revenue position of the County Council for the year to date with year-end forecasts.
2. To provide a summary of Capital Programme expenditure to date and year-end forecasts and approve variations to the capital programme.
3. To inform Members of the Council's Balance Sheet transactions.

**Information and Advice****Background**

4. The Council approved the 2016/17 budget at its meeting on 25 February 2016. As with previous financial years, progress updates will be closely monitored and reported to both management and Committee on a monthly basis.

**Summary Revenue Position**

5. Table 1 below summarises the revenue budgets and forecast outturn for each Committee. A £4.6m net underspend is currently predicted. In light of the Council's continuing financial challenges, the key message to effectively manage budgets and wherever possible deliver in-year savings is being reinforced.



**Table 1 – Revenue Expenditure and Forecasts as at Period 8**

Forecast Variance as at Period 7 £'000	Committee	Annual Budget £'000	Actual to Period 8 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
4,194	Children & Young People	130,539	88,826	134,623	4,084
(3,205)	Adult Social Care & Health	216,270	131,930	213,672	(2,598)
(218)	Transport & Highways	60,416	48,483	60,139	(277)
58	Environment & Sustainability	32,044	19,892	32,104	60
272	Community Safety	3,136	1,049	3,419	283
(59)	Culture	13,302	8,728	13,206	(96)
(682)	Policy	24,133	16,317	23,101	(1,032)
(514)	Finance & Property	30,755	24,467	30,319	(436)
(266)	Personnel	11,106	7,961	10,804	(302)
27	Economic Development	1,467	738	1,496	29
(873)	Public Health *	5,428	(2,292)	4,281	(1,147)
(1,266)	<b>Net Committee (under)/overspend</b>	<b>528,596</b>	<b>346,099</b>	<b>527,164</b>	<b>(1,432)</b>
(3,130)	Central items	(16,782)	(34,312)	(21,427)	(4,645)
-	- Schools Expenditure	221	221	221	-
114	Contribution to/(from) Traders	455	2,158	740	285
(4,282)	<b>Forecast prior to use of reserves</b>	<b>512,490</b>	<b>314,166</b>	<b>506,698</b>	<b>(5,792)</b>
181	Transfer to / (from) Corporate Reserves	(18,344)	14	(18,063)	281
955	Transfer to / (from) Departmental Reserves	(11,508)	(61)	(10,570)	938
-	- Transfer to / (from) General Fund	(3,741)	-	(3,741)	-
(3,146)	<b>Net County Council Budget Requirement</b>	<b>478,897</b>	<b>314,119</b>	<b>474,324</b>	<b>(4,573)</b>

\* The actual net expenditure for Public Health is skewed depending upon the timing of the receipt of grant.

## Committee and Central Items

6. The main variations that have been identified are explained in the following sections.

### Children & Young People (forecast £4.1m overspend, 3.1% of annual budget)

7. The Children's Social Care Division is reporting a forecast net overspend of £3.0m. The major contributing variances are:

- £2.9m overspend on Provider Services (Looked After Children placements). The significant variances include a £1.5m overspend on external residential and supported accommodation placements. In addition there is a £1.2m overspend which relates to achievability issues with the 2016/17 savings target, £0.3m overspend on Fostering mainly due to the Fostering Futures Scheme and £0.2m overspend on Social, Emotional and Behavioural Difficulties (SEBD) homes and 16/17 year olds living independently, £0.2m on all other budgets (Child and Adolescent Mental Health Services (CAMHS), Edge of Care, etc.). This is offset by an underspend on Adoption Interagency Placements due to the receipt of the Interagency and Adoption Reform Grant £0.4m and the Contact Service of £0.1m.

- £0.3m overspend on staffing in social work and safeguarding teams. This overspend has arisen due to a combination of staffing changes, including extensions to agency cover for newly qualified social workers, vacancy cover and recruitment to vacant posts.
  - £0.1m overspend on transport as demand continues to exceed the budget.
  - £0.3m underspend on non LAC placements i.e. Child Arrangement, Special Guardianship orders and Adoption Financial Support payments. A budget pressure of £0.6m was agreed for these payments but the current forecast is showing lower growth than was previously projected.
8. The Education Standards and Inclusion Division is reporting a forecast net overspend of £1.7m. The major contributing variances are:
- £2.1m overspend on Special Education Needs and Disability (SEND) home to school transport (£1.6m pre-16 and £0.5m post-16). This forecast reflects the annual review of contracts for the 2016/17 academic year and the achievability issues with the 2016/17 savings target of £0.6m. Further retendering of contracts is due to be undertaken in January which may result in additional savings.
  - £0.1m overspend on historical ongoing pension enhancements for schools based staff.
  - £0.2m underspend on Mainstream Home to School Transport. This has been identified on creation of 2016/17 academic year contracts.
  - The above variances are partially offset by maximising the use of £0.3m uncommitted Pupil Premium Grant and Higher Level Teaching Assistants Grant.
9. The Youth, Families and Culture Division is reporting a forecast net underspend of £0.1m. This mainly consists of:
- £0.3m overspend in the Integrated Disability Service on Flexible and Targeted Short Breaks and Disabled Children's Access to Childcare (DCATCH). This is partially offset by maximising the use of uncommitted SEND Reform Grant (£0.2m).
  - £0.2m underspend within the Family Service due to staff vacancy savings and reduced spend within Activities and Support budgets. This is an early delivery of next year's savings and as such is a temporary underspend.
10. One-off miscellaneous income of £0.3m has been identified and added to the forecast for period 8.
11. An underspend of £0.4m in Business Support is forecast which relates to savings associated with holding vacancies in anticipation of future years' budget savings. A report is being taken to a future meeting of the Personnel Committee in respect of the business support review.
12. As a result of the current overspend and the clear requirement to make reductions in budget over the lifetime of the current Medium Term Financial Strategy, a plan has been put in place which consists of four main strands of work:
- 1) A review of Looked After Children
  - 2) A review of Special Educational Needs and Disability transport
  - 3) A whole Departmental review
  - 4) A restriction of in-year spend

Members have been briefed on this plan and regular updates will be provided.

### **Adult Social Care & Health (forecast £2.6m underspend, 1.2% of annual budget)**

13. The Strategic, Commissioning, Access and Safeguarding Division is currently reporting a net underspend of £0.1m. It is comprised of the following:

- The DIPSU investigation is currently costing £0.2m this financial year.
- The contribution to the Integrated Community Equipment Loans Scheme (ICEELS) Pooled Budget is still forecast to be £0.2m less than budget, due to contract re-negotiations with County Health Partners.
- There is still a £0.2m underspend expected on the Advocacy contract. The new contract commenced in October and has come in under budget.
- Supporting People are forecasting an overspend of £0.2m as they are no longer planning on using the Public Health reserve in year.
- Other areas across Strategic Commissioning are forecasting a combined net underspend of £0.1m.

14. The North Nottinghamshire Division is currently forecasting a net underspend of £1.0m against the budget and is comprised of the following:

- Residential Services are forecasting a £0.4m underspend primarily due to increased 1 to 1 funding in the Short Breaks units.
- Day Services and Employment are forecasting an underspend of £0.6m. This overall underspend is mainly due to an underspend on staffing of £1.0m, partially offset by overspends on transport of £0.4m.

15. The Mid and South Divisions are forecasting a net underspend of £1.5m, The major contributing variances are as follows:

- Older Adults across the County are now forecasting an underspend of £1.2m. This is primarily due to underspends on staffing and direct payments.
- Younger Adults across the County are forecasting an underspend of £0.3m. Overall the overspend on Supported Living and Long term residential and Nursing placements primarily due to Transforming Care Cases are being offset by additional Continuing Health Care (CHC) income and an underspend on Direct Payments.

### **Policy (forecast £1.0m underspend, 4.3% of annual budget)**

16. This forecast underspend is due mainly to reduced insurance costs and increased income in Democratic Services, together with reduced external legal fees, vacancy savings in the Business Support Centre and a reduced use of agency staff in the Programmes and Projects Team.

### **Public Health (£1.1m underspend, 21.1% of annual budget)**

17. This forecast underspend is due mainly to slippage in activity against the Health Check Programme, together with an underspend against the Smoking and Tobacco Programme and the Public Health Directorate.

18. The overall County Council forecast assumes that this net underspend will be transferred to the Public Health reserve.

### **Central Items (forecast £4.6m underspend)**

19. Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and capital charges.
20. At the time of setting the 2016/17 budget, several funding allocations had not been announced and therefore assumptions about certain grants were made, based on the best information available at the time. Throughout the year confirmations are received, and current forecasts suggest a net additional grant of £1.5m will be received in 2016/17.
21. Interest payments fluctuate depending on expectations of future rates and anticipated slippage on the capital programme. Current Treasury Management forecasts suggest a net overspend on interest of £0.8m.
22. There are also £0.3m of underspends against Traders pension contributions, ongoing pension enhancements and one-off income from the dissolution of CLASP.
23. As in previous years, and in accordance with accounting practice, a provision was set aside in 2015/16 to meet the costs of expected redundancies that will fall in 2016/17. This was based on outstanding Section 188 notices at the time and totalled £0.7m. Redundancy payments and Pension Strain made in the current financial year have exceeded the provision by £0.2m. Two Section 188 notices have been published so far in 2016/17. A corresponding provision will be made in the 2016/17 accounts to meet the costs of redundancy that will be incurred in 2017/18. There is still some work to be done to assess the impact of the provision created at the end of the last financial year, in year redundancies and the provision required for 2016/17.

### **Requests for Contingency**

24. The Council budget includes a contingency budget of £7.6m to cover redundancy costs, slippage of savings and unforeseen events. Contingency requests approved previously total £2.4m. Table 1 assumes that £2.0m of the remaining contingency budget will be used for future requests and costs associated with redundancies.

### **Transfer to / (from) reserves**

25. A review of reserves has been undertaken to identify surplus earmarked reserves that can be released to support the budget and form part of the overall budget strategy. In total £4m of earmarked reserves have been transferred to general balances. This transfer was anticipated when the Council approved the Medium Term Financial Strategy in February.

### **Progress with Savings**

26. Council on 25 February 2016 approved savings proposals of £17.6m for delivery over the four year period 2016-20. These proposals are in addition to those approved previously by County Council. Officers will continue to monitor the deliverability of individual schemes and

targets as part of the budget monitoring process and reflect achievability in the forecast outturn.

27. Issues associated with the achievement of savings relating to Looked After Children Provider Services, SEND Home to School Transport and Independent Travel Training are being reviewed. The outcome of the reviews will be reported to the Corporate Leadership Team and subsequently to Finance and Property Committee.

## Capital Programme

28. Table 2 summarises changes in the gross Capital Programme for 2016/17 since approval of the original programme in the Budget Report (Council 25/02/16):

**Table 2 – Revised Capital Programme for 2016/17**

	2016/17	
	£'000	£'000
Approved per Council (Budget Report 2016/17)		112,345
Variations funded from County Council Allocations : Net slippage from 2015/16 and financing adjustments	2,327	
		2,327
Variations funded from other sources : Net slippage from 2015/16 and financing adjustments	2,433	
		2,433
<b>Revised Gross Capital Programme</b>		<b>117,105</b>

29. Table 3 shows actual capital expenditure to date against the forecast outturn at Period 8.

**Table 3 – Capital Expenditure and Forecasts as at Period 8**

<b>Committee</b>	<b>Revised Capital Programme £'000</b>	<b>Actual Expenditure to Period 8 £'000</b>	<b>Forecast Outturn £'000</b>	<b>Expected Variance £'000</b>
Children & Young People	40,508	14,277	40,119	(389)
Adult Social Care & Health	6,763	2,512	6,818	55
Transport & Highways	41,177	17,472	41,207	30
Environment & Sustainability	3,128	1,818	2,724	(404)
Community Safety	100	-	100	-
Culture	2,577	240	2,536	(41)
Policy	255	133	222	(33)
Finance & Property	15,309	5,452	12,547	(2,762)
Personnel	372	225	251	(121)
Economic Development	5,981	1,224	6,356	375
Contingency	935	-	935	-
<b>Total</b>	<b>117,105</b>	<b>43,353</b>	<b>113,815</b>	<b>(3,290)</b>

## Finance and Property

30. In the Finance and Property Committee, a forecast underspend of £2.8m has been identified. This main reason for this re-profiling relates to the ICT Strategy Budget (£1.3m) as options continue to be explored with regard to the Journey to the Cloud proposal. Other slippage was identified against the Gamston Development project (0.5m), the Energy Saving Scheme (£0.6m).

**It is proposed that the Finance and Property capital programme is varied to reflect the £1.3m re-profiling against the ICT Strategy programme, the £0.5m against the Gamston Development project and the £0.6m against the Energy Saving Scheme.**

## Financing the Approved Capital Programme

31. Table 4 summarises the financing of the overall approved Capital Programme for 2016/17.

**Table 4 – Financing of the Approved Capital Programme for 2016/17**

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People	16,909	23,299	-	300	40,508
Adult Social Care & Health	5,428	1,083	252	-	6,763
Transport & Highways	10,644	30,183	-	350	41,177
Environment & Sustainability	1,853	62	600	613	3,128
Community Safety	100	-	-	-	100
Culture	2,577	-	-	-	2,577
Policy	255	-	-	-	255
Finance & Property	15,009	50	-	250	15,309
Personnel	-	82	-	290	372
Economic Development	3,340	2,574	67	-	5,981
Contingency	935	-	-	-	935
<b>Total</b>	<b>57,050</b>	<b>57,333</b>	<b>919</b>	<b>1,803</b>	<b>117,105</b>

32. It is anticipated that borrowing in 2016/17 will decrease by £0.9m from the forecast in the Budget Report 2016/17 (Council 25/02/2016). This decrease is primarily a consequence of:

- £23.5m of net slippage from 2015/16 to 2016/17 and financing adjustments funded by capital allocations.
- Variations to the 2016/17 capital programme funded from capital allocations totalling £21.2m as approved to the November 2016 Finance and Property Committee meeting.
- Net slippage in 2016/17 of £3.2m of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

### Prudential Indicator Monitoring

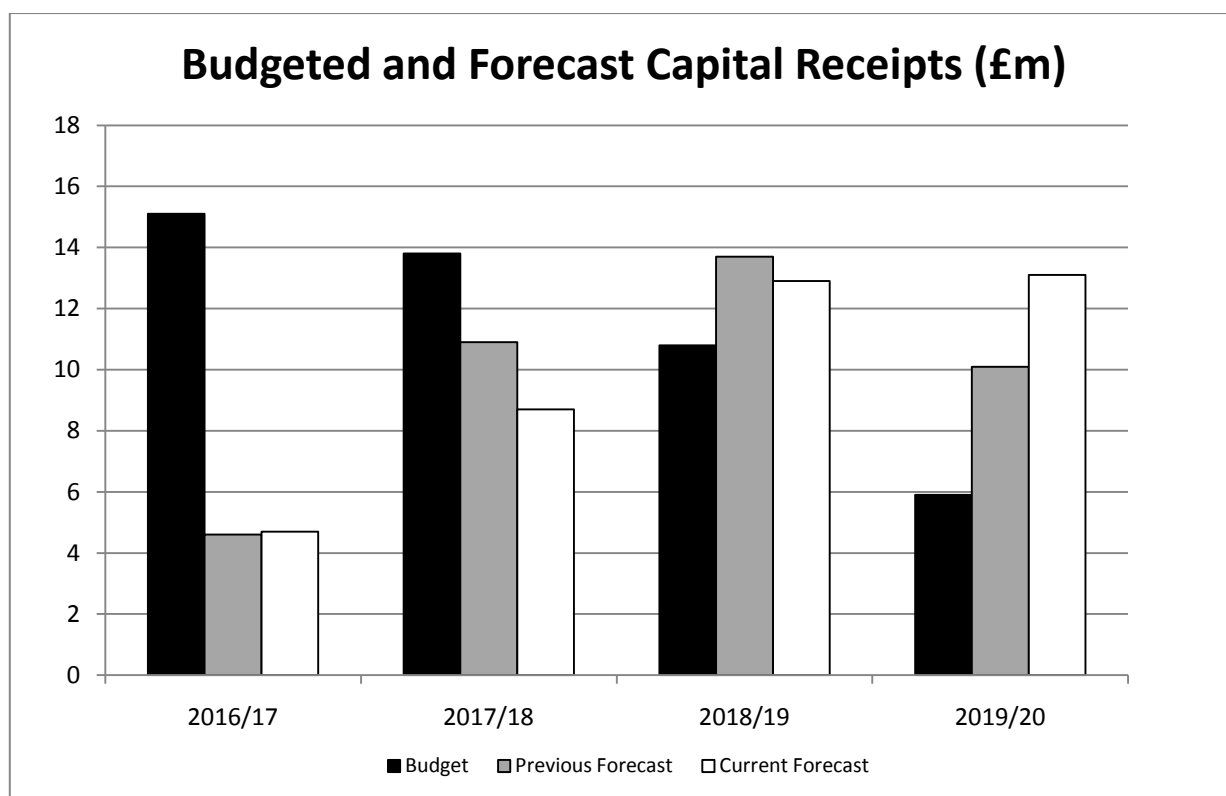
33. Performance against the Council's Prudential Indicators is regularly monitored to ensure that external debt remains within both the operational boundary and the authorised limit.

### Capital Receipts Monitoring

34. Anticipated capital receipts are regularly reviewed. Forecasts are currently based on estimated sales values of identified properties and prudently assume a slippage factor based upon a review of risk associated with each property.

35. The chart below shows the budgeted and forecast capital receipts for the four years to 2019/20.





36. The black bars in the chart show the budgeted capital receipts included in the Budget Report 2016/17 (Council 25/02/2016). These capital receipts budgets prudently incorporated slippage, giving a degree of “protection” from the risk of non-delivery.
37. The grey bars show the previous quarterly capital receipt forecasts. The white bars show the current capital receipt forecasts. The current capital receipts forecast for 2016/17 is £4.7m. This is below the budgeted figure due to slippage on four major sites. Despite this, the overall capital receipts forecast remains relatively unchanged although an element has been re-profiled into 2020/21. To date in 2016/17, capital receipts totalling £3.7m have been received.
38. The number and size of large anticipated receipts increase the risk that income from property sales will be below the revised forecasts over the next three years. Although the forecasts incorporate an element of slippage, a delay in receiving just two or three large receipts could result in sales being lower than the forecast.
39. Current Council policy (Budget Report 2016/17) is to set capital receipts against the principal of previous years’ borrowing. This reduces the amount of Minimum Revenue Provision (MRP) to be set aside each year. It is important to regularly monitor capital receipt forecasts and their effect on the overall revenue impact of the Capital Programme.

## Treasury Management

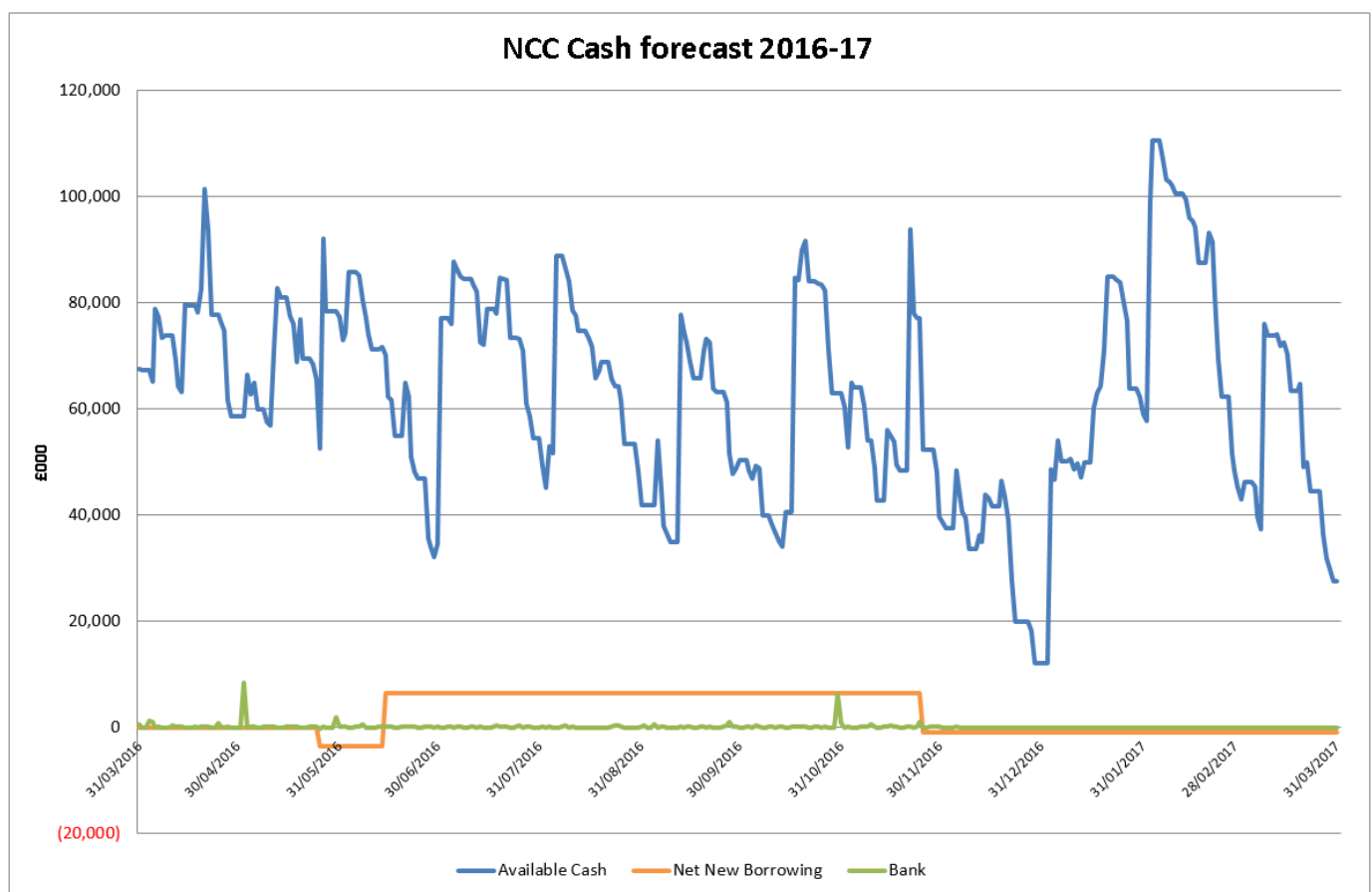
40. Daily cash management aims for a closing nil balance across the Council’s pooled bank accounts with any surplus cash invested in accordance with the approved Treasury Management Policy. Cash flow is monitored by the Senior Accountant (Pensions & Treasury Management) with the overall position reviewed quarterly by the Treasury Management Group. The Cash forecast chart below shows the actual cash flow position to date and forecasts for the 2016/17. Cash inflows are typically higher at the start of the year due to the



front loading receipt of Central Government grants, and the payment profile of precepts. However, cash outflows, in particular capital expenditure, tend to increase later in the year.

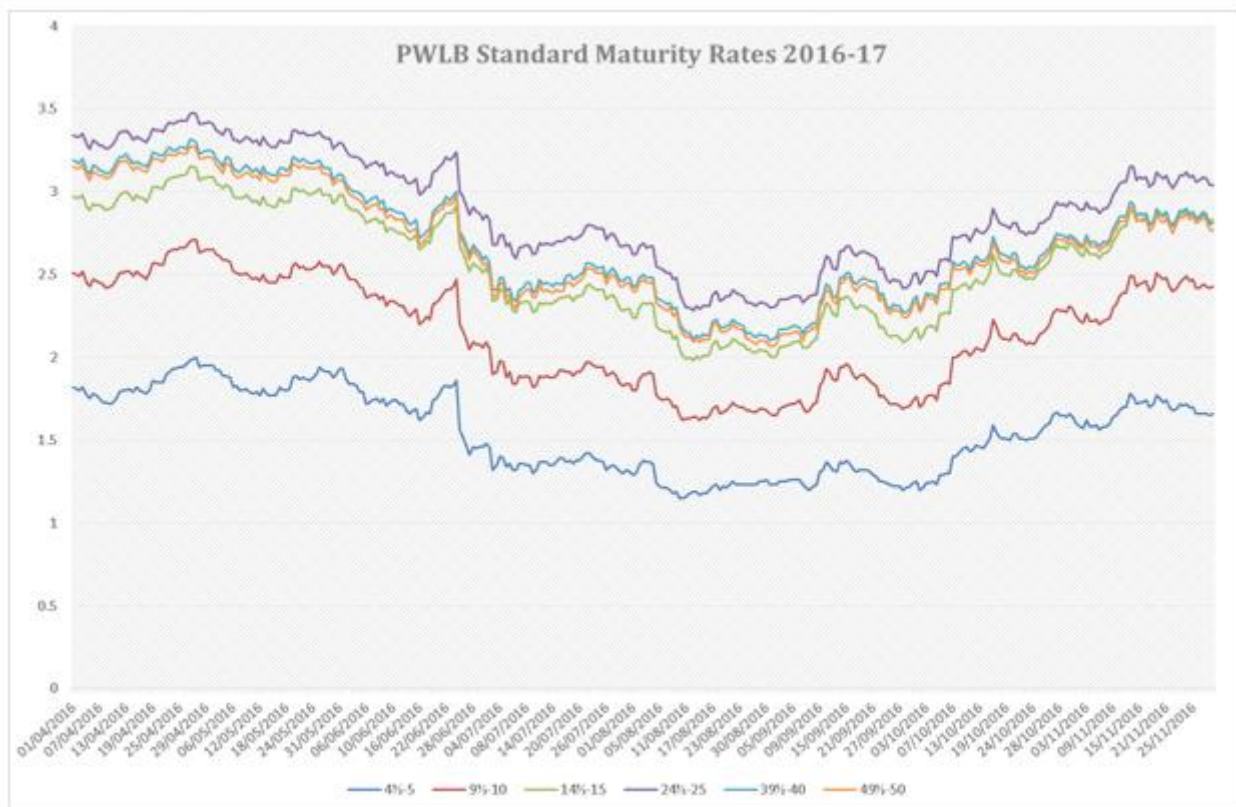
The chart below gives the following information:

<b>Available cash</b>	Surplus cash (invested in call accounts or money market funds) or a shortfall of cash indicating a need to borrow.
<b>Net new borrowing</b>	New loans taken during the year net of principal repayments on existing borrowing.
<b>Bank</b>	That element of surplus cash held in the Council's Barclays Bank account.



41. The Treasury Management Strategy for 2016/17 identified a need for additional borrowing of £52m to fund the capital programme, replenish internal balances and to replace maturing debt. However, updates to the capital programme and the reserves forecast, together with £10m additional PWLB borrowing when rates were low prior to the EU Referendum, have negated the need for any further borrowing during 2016/17.
42. PWLB rates remain fairly low but in the last month have returned to their pre-Referendum levels. They continue to be monitored closely to allow dips in rates to feed into decisions on new borrowing. The Council is able to take advantage of the PWLB “certainty rate” which is

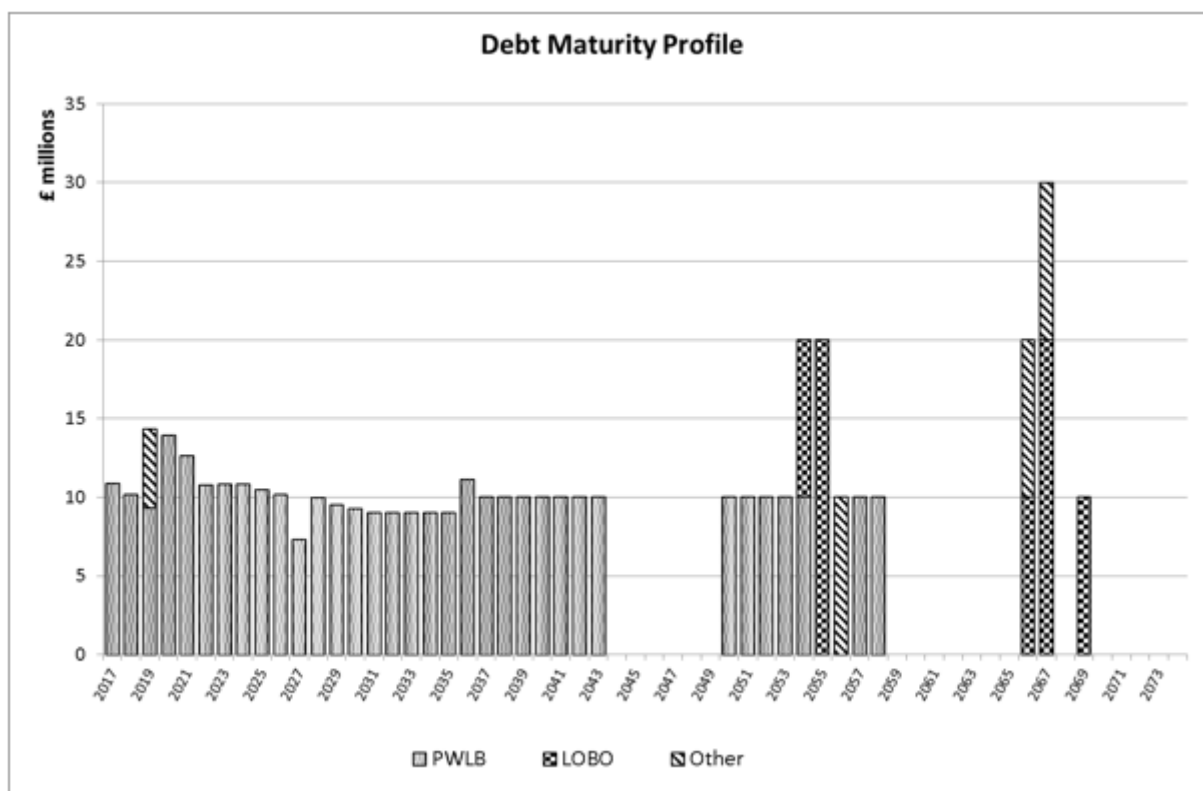
0.2% below the standard rates. The chart below shows the movement in standard PWLB maturity rates during 2016/17.



43. Borrowing decisions will take account of a number of factors including:

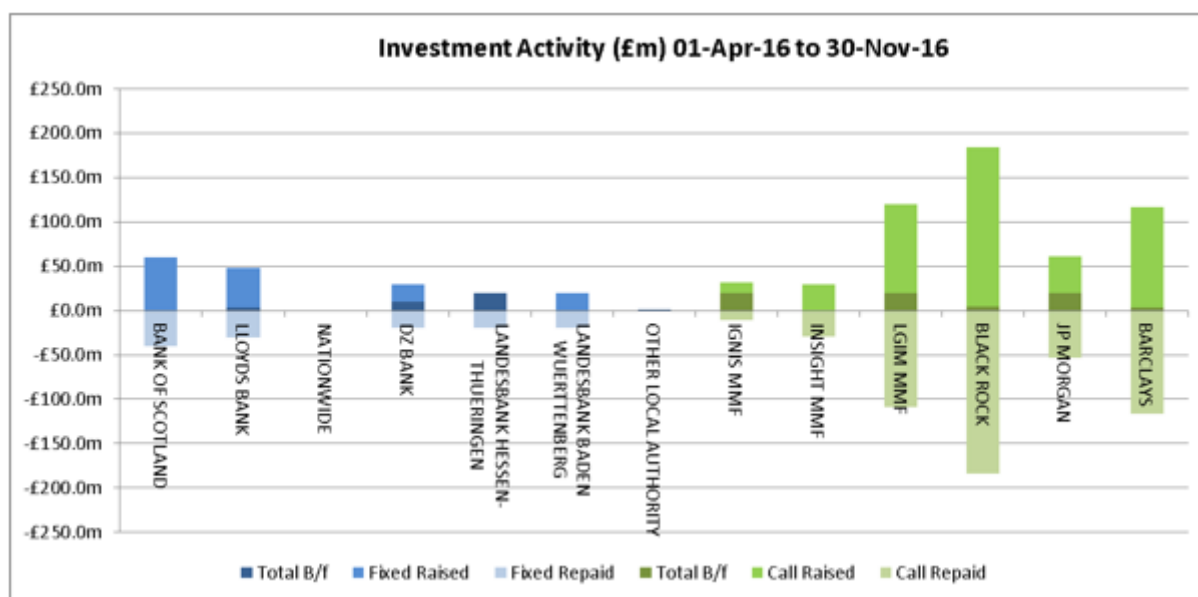
- expected movements in interest rates
- current maturity profile
- the impact on revenue budgets and the medium term financial strategy
- the treasury management prudential indicators

44. The maturity profile of the Council's debt portfolio is shown in the chart below. The PWLB loans are reasonably well distributed and have a maximum duration of 41 years. When deciding on the lengths of future loans the Council will factor in any gaps in its maturity profile, with a view to minimising interest rate risk, but will consider this alongside other financial factors. Longer-term borrowing (maturities up to 52 years) was obtained from the market some years ago in the form of 'Lender's Options, Borrower's Options' loans (LOBOs). These loans are treated as fixed rate loans (on the basis that, if the lender increases the rate at an option point, the Council will repay the loan) and were all taken at rates lower than the prevailing PWLB rate at the time. During June 2016 the three LOBOs from Barclays Bank were converted (by Barclays) to fixed rate loans and will now mature at their endpoints in 2055, 2065 and 2066. The remaining LOBOs are shown in the chart below also at their furthest maturity points, but could actually mature at various points before then, constituting a risk that the Council will have to then borrow at the prevailing interest rate. The 'other' loan denotes borrowing from the money markets where the main objective was to minimise interest costs, and now also includes the Barclays Bank 'LOBO's.



45. The investment activity for 2016/17 to the end of November 2016 is summarised in the chart and table below. Outstanding investment balances totalled £102m at the start of the year and £89m at the end of the period. This is around £10m higher than balances at the same time last year, reflecting the reduction in the need to borrow (mentioned above).

	Total B/f £ 000's	Total Raised £ 000's	Total Repaid £ 000's	Outstanding £ 000's
Bank of Scotland	-	60,000	(40,000)	20,000
Lloyds Bank	3,000	45,000	(30,000)	18,000
DZ Bank	10,000	20,000	(20,000)	10,000
Landesbank Hessen- Thuringen	20,000	-	(20,000)	-
Landesbank Baden Wuerttemberg	-	20,000	(20,000)	-
Other Local Authority	1,500	-	-	1,500
IGNIS MMF	20,000	11,200	(11,200)	20,000
Insight MMF	-	29,050	(29,050)	-
LGIM MMF	20,000	100,250	(108,700)	11,550
Black Rock	4,700	179,500	(184,200)	-
JP Morgan	20,000	41,400	(53,300)	8,100
Barclays	2,950	113,350	(116,300)	-
<b>Total</b>	<b>102,150</b>	<b>619,750</b>	<b>(632,750)</b>	<b>89,150</b>



46. The Council's lending list has been reviewed for 2016/17, and additional banks meeting the Council's lending criteria have been added. All counterparty ratings are regularly monitored and lending restrictions placed accordingly.

## **Procurement Performance**

47. The Procurement Group continues to review the Council's performance on a regular basis. An update on Strategic Performance Information and ongoing developments will be provided for this report to Committee on a quarterly basis with the next update to be included in the Period 10 report.

## **Debt Recovery and Accounts Payable Performance**

48. The debt recovery and accounts payable performance information will continue to be reviewed at an operational level on a fortnightly basis. The strategic performance information will be compiled for this report to Committee on a quarterly basis with the next update to be included in the Period 10 report.

## **Statutory and Policy Implications**

49. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATIONS**

- 1) To note the revenue budget expenditure to date and year end forecasts.
- 2) To note the Capital Programme expenditure to date and year end forecasts and approve variations to the Capital Programme.
- 3) To note the Council's Balance Sheet transactions.

**Nigel Stevenson Service Director – Finance, Procurement and Improvement Division**

**For any enquiries about this report please contact:**

Keith Palframan, Group Manager, Financial Strategy and Compliance

## **Constitutional Comments (SLB 21/12/2016)**

50. Finance and Property Committee is the appropriate body to consider the content of this report.

## **Financial Comments (GB 21/12/2016)**

51. The financial implications are stated within the report itself.

**Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

**Electoral Division(s) and Member(s) Affected**

All



16 January 2017

Agenda Item: 5a

## **REPORT OF SERVICE DIRECTOR ENVIRONMENT, TRANSPORT & PROPERTY**

### **FORMER SHERWOOD INDUSTRIES SITE, RAINWORTH – DISPOSAL**

#### **Purpose of the Report**

1. To seek approval to the disposal of the former Sherwood Industries site, Rainworth, as shown on the attached plan.

#### **Information and Advice**

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.
3. The former Sherwood Industries site comprises a range of principally interconnecting industrial buildings on a site measuring 5.25 acres (2.13ha). This has been declared surplus to the requirements of the County Council and consequently following a tendering exercise to appoint an external agent, the site was marketed by Innes England and a date set for the submission of final sealed offers.
4. For information purposes, the Daycentre and Horticultural unit (known as Redoaks) are within the site but are excluded from the sale because they are still in operational use by the County Council, all rights of access will therefore be retained for these properties. Property have recently explored the opportunity to relocate Day Centres, but there is currently no service benefit in doing so; this will be kept under review. The proposed disposal of Sherwood Industries however will not sterilise any future disposal potential for the retained part of the site.
5. The offers are as set out in the exempt appendix.

#### **Other Options Considered**

6. The County Council could retain the site but it has no requirements for its use. As a consequence, the County Council would incur holding costs plus lose the opportunity to receive a capital receipt.



## **Reason/s for Recommendation/s**

7. The disposal of the former Sherwood Industries site to Purchaser 'A' provides the County Council with a capital receipt at best value and additionally removes an ongoing liability.

## **Statutory and Policy Implications**

8. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION/S**

- 1) That approval is given to the disposal of the former Sherwood Industries site to Purchaser 'A' as outlined in this report.

**Jas Hundal**

**Service Director – Environment, Transport & Property**

**For any enquiries about this report please contact: Brian Hoyle 0115 9772479**

## **Constitutional Comments (CEH 29.12.16)**

9. The recommendation falls within the remit of the Finance and Property Committee under its terms of reference. When disposing of land the Council is under a statutory obligation to obtain the best price reasonably obtainable on the open market. Therefore the Committee should consider and satisfy itself of this when taking a decision.

## **Financial Comments (RWK 04.01.17)**

10. The financial implications are set out in the report.

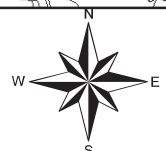
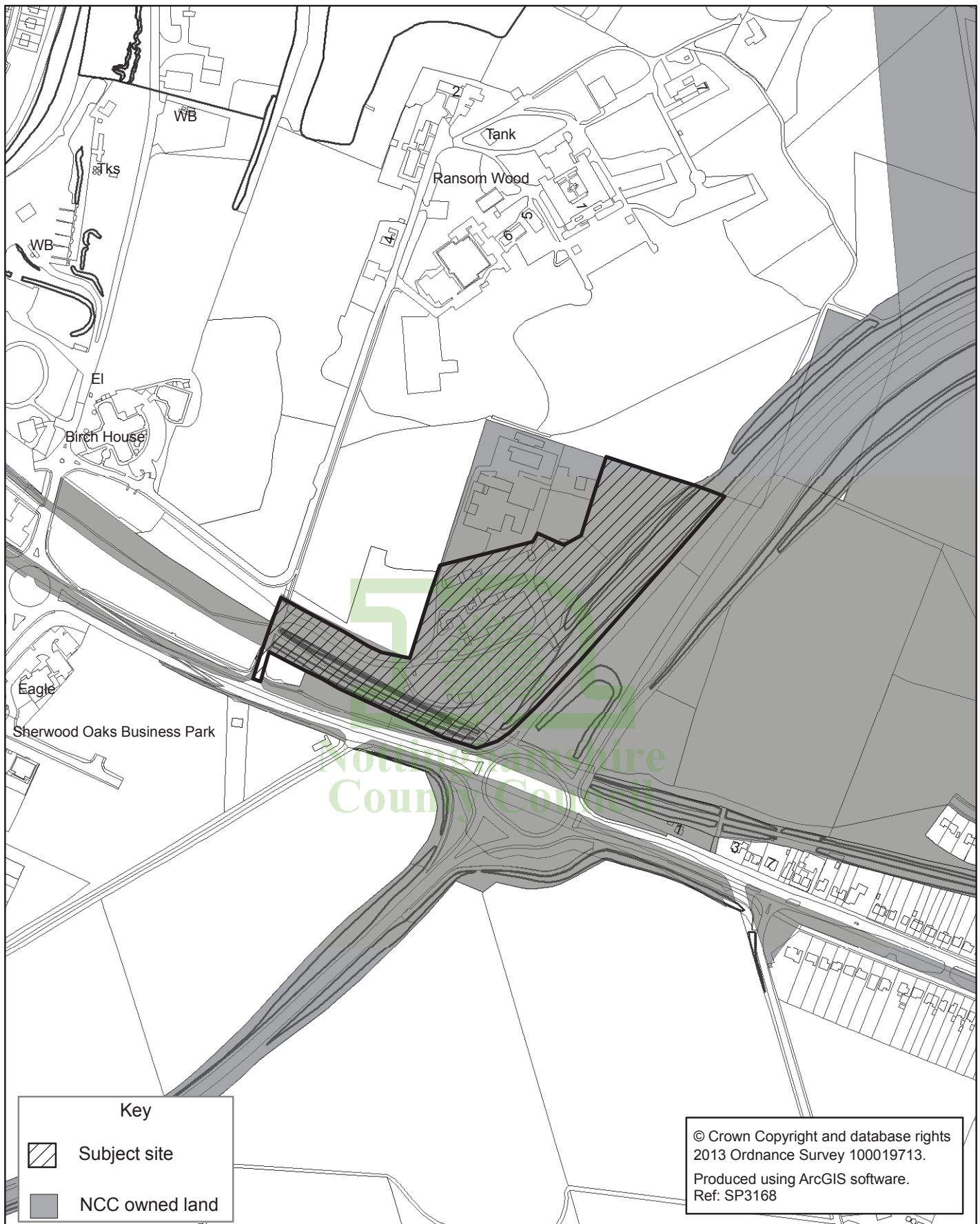
## **Background Papers and Published Documents**

11. None.

## **Electoral Division(s) and Member(s) Affected**

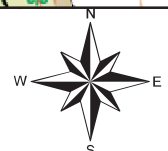
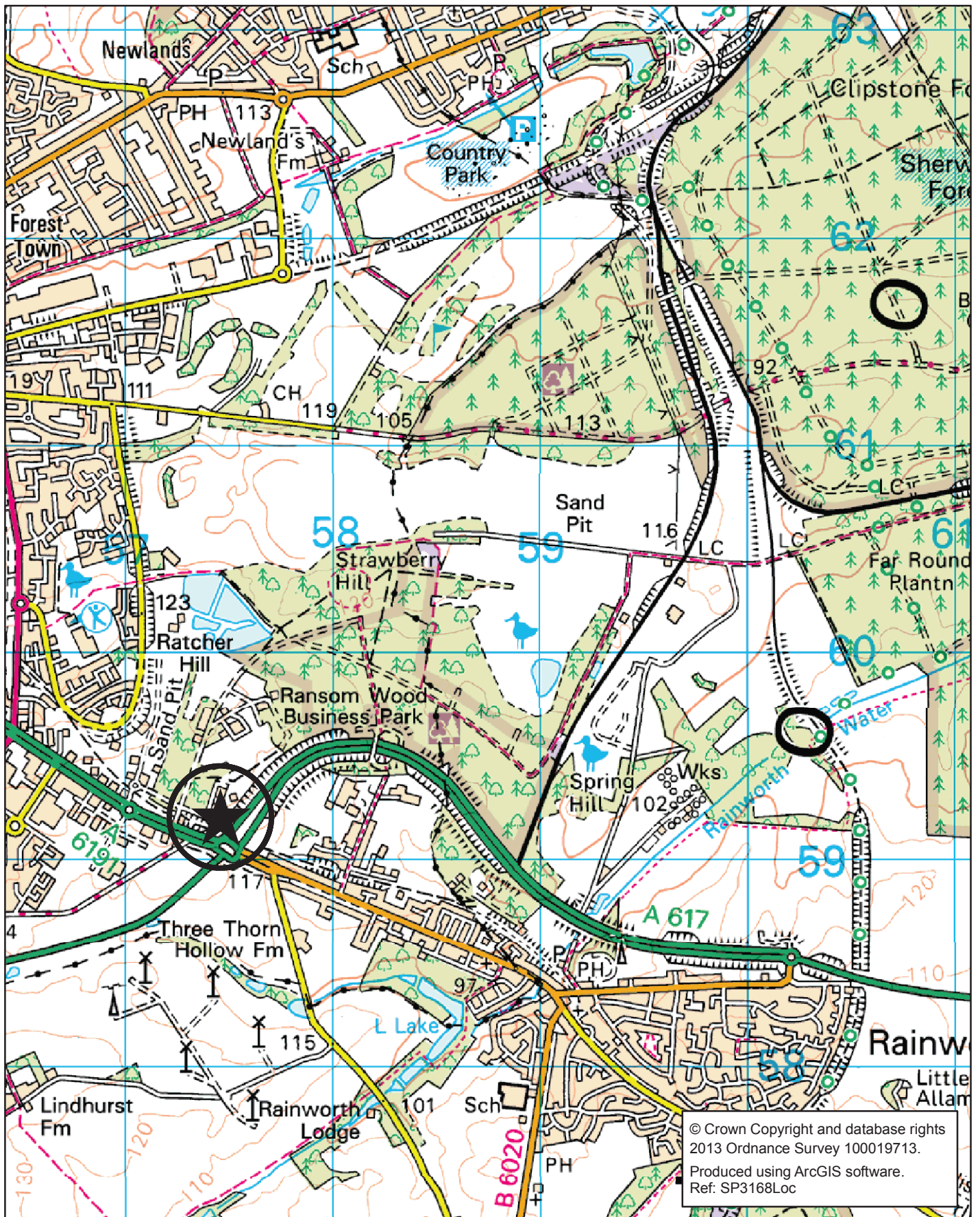
12. Ward(s): Mansfield East

Member(s): Councillor Colleen Harwood, Councillor Alan Bell











**16 January 2017****Agenda Item: 5b****REPORT OF SERVICE DIRECTOR ENVIRONMENT, TRANSPORT &  
PROPERTY****OPERATIONAL DECISIONS ANNUAL REVIEW & QUARTERLY UPDATE  
SEPT – NOV 2016****Purpose of the Report**

1. That Members confirm their continued support for the amendments to the authorising of operational decisions as originally approved by the Committee on 20 January 2014.
2. That the information set out in this report is noted.

**Information and Advice**

3. As Members will recall at the meeting of this Committee in January 2014 approval was given to amend the list of day to day operational decisions which can be taken by the Director, subject to the chair of Finance & Property Committee determining whether operational decisions should still be reported to Committee. It was also agreed that a report should be submitted to the Finance & Property Committee on a quarterly basis outlining all operational decisions made, supplemented annually by a review report on Estate Management operational decisions.
4. In accordance with the above decision this is the third annual review report, together with the final quarterly report for 2016 informing the Committee of Operational Decisions taken between September and November 2016.
5. This report contains an exempt appendix, which is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) (Information relating to any individual and the business affairs of a particular person (including the authority holding that information)). The exempt appendix provides details of the terms agreed. Disclosure of this information would prejudice the parties' commercial interests.
6. Committee approved amendments to the list of day to day operational decisions which can be taken by the Director in January 2014. Since the last annual update in January 2016, there have been some 98 such decisions. Given that the process of preparing and submitting Committee reports takes on average 6 - 7 weeks (As a result of the time required to prepare the report, undertake consultation and meeting various deadlines for the despatch of reports and agenda) the reduction in the number of reports to be prepared has significantly reduced the time taken to approve operational decisions and has reduced the amount of staff time/cost being spent on routine relatively low value transactions.

7. In accordance with the recommendations in the report relevant Ward Members have been invited to comment on appropriate Estate Management decisions that are progressed via all operational decisions (except where Committee have been specifically advised otherwise). The new arrangements have enabled the more routine low value transactions to be progressed with greater efficiency, reducing the previously, relatively significant, time and cost involved in dealing with these matters. The changes have also ensured continuing appropriate governance relating to Estate Management decisions whilst providing greater clarity regarding which decisions should be reported to Committee for approval and which can be dealt with by means of operational decisions. It is therefore recommended that the amendments for authorising operational decisions as originally approved in January 2014 by Committee are confirmed.

8. Details of the decisions taken are shown below: -

Please note relevant Ward Members have been invited to comment on these proposals.

SP	TITLE	DESCRIPTION (extract from Operational decision)
3126	Redhill Academy Underlease to Cornerstone Communications Ltd	Underlease for Redhill Academy with Cornerstone Telecommunications Ltd for replacement phone mast.
3131	Licence to occupy a room at Kings Mill Hospital	A licence to occupy a room for Registrars in the Bereavement Centre at Kings Mill Hospital.
3133	Killisick Junior School, Arnold Conversion to Academy Status	Conversion to Academy Status with 125 year lease
3130	Lease renewal – 125 sqm at Horsendale Primary School, Nuthall	The County Council are to renew the existing lease of 125 sqm at Horsendale Primary School to Nuthall Parish Council
3142	Caretakers Property, Killisick Junior School, Killisick Road, Arnold	Caretakers Property to be let to the Academy on a 10 year lease following the recent Academy Transfer on a 125 year lease.
3137	Unit 1 Fulwood View, Brookside Way, Huthwaite	The granting of a 3 three year lease.
3138	Unit 1 & 2 Fulwood Place, Brookside Way, Huthwaite	The granting of a new 5 year lease to the existing tenant, The Bakkavor Group
3141	Farm Business Tenancy – Rushley Farm East – South of MARR, Nottingham Road, Mansfield NG18 5BG	Grant of a 1 year Farm Business Tenancy



3140	Chapel Farm, Elston Lease surrender and re-grant of lease	The County Council propose to accept a surrender of the tenancy of 30.9 acres arable land at Elston prior to marketing and selling the land.
3136	Offers for land at Gotham Lane, Bunny	Approval was obtained on 7 March 2016 to market the woodland by informal tender and to appoint an agent following a mini tender exercise. Following the marketing exercise 3 offers were received, these are outlined in the exempt appendix.
3132	Deed of Variation – Rufford Abbey	The County Council entered into a guardianship arrangement with the Historic Buildings and Monuments Commission for England in 1959. The rights of way provided under the 1959 guardianship deed have subsequently been amended through correspondence and practice to reflect changes in the physical arrangements for access and parking at the Country Park. In practical terms the access provided in the original deed is no longer applicable (please see deed plan attached) as the Victorian Gates entrance is no longer used as these were closed off to protect them into the future. It is proposed to amend the deed to show the new access.
3145	Albany Junior School, Stapleford	NG Active provide a breakfast club and sport activities for the pupils attending the Albany Junior School. They have been on site since the beginning of the Autumn Term 2016. Acting in accordance with the principles of good estate management a licence has been negotiated formalising the arrangement.
3146	Westdale Infant School – Licence to Westdale Pre-School	Westdale Pre School have been operating from the mobile classroom on the school site since 2006 without the benefit of a formal agreement. They share the building with Woodpeckers After School Club, an arrangement which works well. Westdale Pre School is a thriving Early Years provision operating in term time, whilst the Out of School Club runs for 50 weeks of the year delivering before and after school care as well as holiday care for children up to 11 years of age. Acting in accordance with the principles of good estate management a licence has been negotiated formalising the arrangement.
3147	Westdale Infant School – Licence to Woodpeckers After School Club	Woodpeckers After School Club have been operating from the mobile classroom on the school site since 2006 without the benefit of a formal agreement. They share the building with Westdale Pre School, an arrangement which works well. Westdale Pre School is a thriving Early Years provision operating in term time, whilst the Out of School Club runs for 50 weeks of the year delivering before and after school care as well as holiday care for children up to 11 years of age. Acting in accordance with the principles of good estate management a licence has been negotiated formalising the arrangement.
3144	Sir Edmund Hillary Primary School	The polish school have been utilising the school site on Saturdays for some time on a lettings agreement. Acting in accordance with the principles of good estate management a licence has been negotiated formalising the arrangement. The rates have been agreed with the school, based on the costs of the cleaning and caretaking charges incurred by the school, along with the running costs of the Premises.



3150	Grove Lane Playing Fields, Retford, Notts DN22 6ND – Licence Erection of CCTV Aerial Mast	The school playing field on Grove Lane, Retford is used and maintained by St Swithuns C of E Primary School. NCC have been approached by the Environment Agency to erect a CCTV aerial mast within the hedgerow so that they can monitor the water levels of the Retford Beck which runs along the boundary of the site. It is proposed to enter into a formal licence with them.
3149	Sale of 222 sqm land to rear of 16/22 High Street, Hucknall	The County Council are to sell 222m <sup>2</sup> land situated adjacent to the Hucknall Town Centre relief road to allow the purchaser to continue to access their existing car park.
3151	Proposed Addition to the Electricity Master Wayleave – Shirebrook Pit Wood, Sookholme	The former Shirebrook Colliery tips are owned by the County Council and have been restored to forestry and public open space. Western Power Distribution (WPD) wishes to lay underground cables as part of a diversion scheme on a 33kv circuit to supply the adjacent Brook Park development.
3153	Proposed Garden Licence to the rear of 9 Parkgate, Hucknall Nottingham NG15 8FS	Since 2006, NCC has granted Garden Licences to 14 residents whose properties on The Drift, Parkgate & Piper Close, Hucknall, back onto the Robin Hood Railway Line. Between the railway line & their rear boundaries is a strip of vacant land & this has been let to individuals who have requested to extend their rear gardens. A garden licence was granted to the resident in May 2013 who is now in the process of selling the property. The purchaser is requesting that a new licence be granted to her.

## Other Options Considered

9. Reduce the number of transactions that can be progressed by means of operational decisions, this would lead to a loss of the current advantages outlined within the report which could prove problematic from a governance perspective. Lack of clarity on operational decisions may create uncertainty on whether a legal contract can be concluded without a committee decision.
10. An alternative option is to provide officers with delegated powers on routine estate decisions. This would require a significant change in the Council's constitutional arrangements and brings few added benefits beyond a clear and functioning operational decision process.
11. The changes, it is suggested have, provided an important and continuing degree of governance relating to Estate Management decisions enabling Committee members to concentrate on those cases of significance, while more routine transactions are more efficiently progressed.

## Statutory and Policy Implications

12. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION/S**

1. Members confirm their continued support for the amendments to the authorising of operational decisions as originally approved by the Committee on 20 January 2014.
2. That the information set out in this report is noted.

**Jas Hundal**

**Service Director, Environment, Transport & Property**

**For any enquiries about this report please contact: Andrew Stevens 0115 977 2085**

### **Constitutional Comments (CEH 29.12.16)**

The recommendations fall within the remit of the Finance and Property Committee under its terms of reference.

### **Financial Comments (RWK 04.01.17)**

There are no specific financial implications arising directly from this report.

### **Background Papers and Published Documents**

None.

### **Electoral Division(s) and Member(s) Affected**

Ward(s): All

Member(s): All

File ref.: /SB/SB/09998

SP: 3160

Properties affected: 09998 - Various NCC Properties/non-property item



**16 January 2017****Agenda Item: 6****REPORT OF CORPORATE DIRECTOR, RESOURCES****WORK PROGRAMME****Purpose of the Report**

1. To consider the Committee's work programme for 2017.

**Information and Advice**

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the committee's agenda, the scheduling of the committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and committee meeting. Any member of the committee is able to suggest items for possible inclusion.
3. The attached work programme has been drafted in consultation with the Chair and Vice-Chair, and includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.
4. As part of the transparency introduced by the revised committee arrangements from 2012, committees are expected to review day to day operational decisions made by officers using their delegated powers. It is anticipated that the committee will wish to commission periodic reports on such decisions. The committee is therefore requested to identify activities on which it would like to receive reports for inclusion in the work programme.

**Other Options Considered**

5. None.

**Reason/s for Recommendation/s**

6. To assist the committee in preparing its work programme.

## **Statutory and Policy Implications**

7. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required

## **RECOMMENDATION/S**

- 1) That the committee's work programme be noted, and consideration be given to any changes which the committee wishes to make.

**Jayne Francis-Ward**  
**Corporate Director, Resources**

**For any enquiries about this report please contact: Pete Barker, x 74416**

## **Constitutional Comments (HD)**

8. The Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

## **Financial Comments (NS)**

9. There are no direct financial implications arising from the contents of this report. Any future reports to Committee on operational activities and officer working groups, will contain relevant financial information and comments.

## **Background Papers**

None.

## **Electoral Division(s) and Member(s) Affected**

All

## **FINANCE & PROPERTY COMMITTEE - WORK PROGRAMME**

<b><u>Report Title</u></b>	<b><u>Brief summary of agenda item</u></b>	<b><u>For Decision or Information ?</u></b>	<b><u>Lead Officer</u></b>	<b><u>Report Author</u></b>
<b>8 February 2017 (Budget Meeting)</b>				
<b>20 February 2017</b>				
Monthly Budget & Capital Monitoring Report 2016/17	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Glen Bicknell
ICT Programmes and Performance Quarter 3	Progress Report	Info	Ivor Nicholson	Ivor Nicholson
Councillors' Divisional Fund	Quarterly report on Councillors Divisional Fund	Info	Jayne Francis-Ward	Paul Davies
Property Transactions	Various	Decision	Jas Hundal	Various
<b>20 March 2017</b>				
Monthly Budget & Capital Monitoring Report 2016/17	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Glen Bicknell
Property Transactions	Various	Decision	Jas Hundal	Various
<b>24 April 2017</b>				
Monthly Budget & Capital Monitoring Report 2016/17	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Glen Bicknell
Councillors' Divisional Fund	Quarterly report on Councillors Divisional Fund	Info	Jayne Francis-Ward	Paul Davies
Property Transactions	Various	Decision	Jas Hundal	Various

<b><u>Report Title</u></b>	<b><u>Brief summary of agenda item</u></b>	<b><u>For Decision or Information ?</u></b>	<b><u>Lead Officer</u></b>	<b><u>Report Author</u></b>
<b>19 June 2017</b>				
Monthly Budget & Capital Monitoring Report 2016/17	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Glen Bicknell
ICT Programmes and Performance Quarter 4	Progress Report	Info	Ivor Nicholson	Ivor Nicholson
Property Transactions	Various	Decision	Jas Hundal	Various
<b>24 April 2017</b>				
Monthly Budget & Capital Monitoring Report 2016/17	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Glen Bicknell
Property Transactions	Various	Decision	Jas Hundal	Various
<b>19 June 2017</b>				
Monthly Budget & Capital Monitoring Report 2016/17	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Glen Bicknell
Property Transactions	Various	Decision	Jas Hundal	Various
<b>17 July 2017</b>				
Monthly Budget & Capital Monitoring Report 2016/17	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Glen Bicknell
Councillors' Divisional Fund	Quarterly report on Councillors Divisional Fund	Info	Jayne Francis-Ward	Paul Davies
Property Transactions	Various	Decision	Jas Hundal	Various