

Finance and Property Committee

Monday, 19 January 2015 at 10:30

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

AGENDA

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|----|--|---------|
| 1 | Minutes of the last meeting held on 15 December 2014 | 5 - 8 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | Financial Monitoring Report Period 8 2014-15 | 9 - 34 |
| 5 | Local Authority Mortgage Scheme - Progress Report | 35 - 46 |
| 6a | Disposal of Former Southwell Highways Depot, Fiskerton Road, Southwell | 47 - 50 |
| 6b | The Denewood Centre, Bilborough, Nottingham | 51 - 56 |
| 6c | Operational Decisions taken outside the Finance & Property Cttee Cycle Oct - Dec 2014 | 57 - 62 |
| 7 | Work Programme | 63 - 66 |

8 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 items.

9 EXEMPT INFORMATION ITEMS

Exempt appendices to Property Transaction reports:

9a Disposal of Former Southwell Highways Depot, Fiskerton Road, Southwell EXEMPT Appx

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

9b The Denewood Centre, Bilborough, Nottingham EXEMPT Appx

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

9c Operational Decisions taken outside the Finance & Property Cttee Cycle Oct - Dec 2014 EXEMPT Appx 1

- 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 Paul Davies (Tel. 0115 977 3299) 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	15 December 2014 (commencing at 10.30 am)

Membership

Persons absent are marked with an 'A'

COUNCILLORS

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

Reg Adair
Nicki Brooks
Jim Creamer
Stephen Garner
Diana Meale

Darrell Pulk
A Ken Rigby
Martin Suthers
Philip Owen

A Ex-Officio: Alan Rhodes

OFFICERS IN ATTENDANCE

Sara Allmond, Advanced Democratic Services Officer
Pete Barker, Democratic Services Officer
Jas Hundal, Service Director, Transport, Property and Environment
Andrew Stevens, Group Manager, Property Strategy and Compliance
Nigel Stevenson, Acting Service Director, Finance and Procurement

MINUTES OF THE LAST MEETING

The minutes of the last meeting held on 17 November 2014, having been circulated to all Members, were taken as read and were confirmed, subject to the following amendment: Ivor Nicholson's name had been omitted from the list of officers in attendance, and were signed by the Chair.

APOLOGIES FOR ABSENCE

Apologies were received from Councillor Rigby (other County Council business)

MEMBERSHIP

It was reported that Councillors Suthers, Owen and Creamer had been appointed in place of Councillors Butler, Cutts and Plant for this meeting only.

DECLARATIONS OF INTEREST

None.

FINANCIAL MONITORING REPORT: PERIOD 7 2014/2015

RESOLVED: 2014/116

- 1) To note the revenue budget expenditure to date and year end forecasts
- 2) To note the progress with savings
- 3) To note the Capital Programme expenditure to date and year end forecasts and approve variances to the Capital Programme
- 4) To note the Council's Balance Sheet transactions

COUNCILLORS' DIVISIONAL FUND MONITORING REPORT

RESOLVED: 2014/117

That the monitoring report on the Councillors' Divisional Fund be noted, and the outcome of the audits be reported in the next quarterly report.

PROPERTY TRANSACTIONS

FOUNTAINDALE SCHOOL - PROPOSED SUBSTATION LEASE

RESOLVED: 2014/118

That Committee approve the grant of a 99 year lease at the Fountaindale School, Nottingham Road, Mansfield for the provision of an electricity sub-station providing power to the School.

PROPOSED URBAN EXPANSION AREA EAST OF GAMSTON – UPDATE

RESOLVED: 2014/119

That the latest update in connection with the proposed Gamston Urban Expansion Area be noted.

WORK PROGRAMME

RESOLVED: 2014/120

That the committee's work programme be noted.

EXCLUSION OF THE PUBLIC

RESOLVED: 2014/121

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

FOUNTAINDALE SCHOOL - PROPOSED SUBSTATION LEASE

RESOLVED: 2014/122

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

PROPOSED URBAN EXPANSION AREA EAST OF GAMSTON – UPDATE

RESOLVED: 2014/123

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

The meeting closed at 10.55 am.

CHAIR

19 January 2015**Agenda Item: 4****REPORT OF THE SERVICE DIRECTOR – FINANCE AND PROCUREMENT
FINANCIAL MONITORING REPORT: PERIOD 8 2014/2015****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 inform Members of progress against savings.
3. To provide a summary of Capital Programme expenditure to date and year-end forecasts.
4. To inform Members of the Council's Balance Sheet transactions.

Information and Advice**Background**

5. The Council approved the 2014/15 budget at its meeting on 27 February 2014. 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

6. Table 1 below summarises the revenue budgets and forecast outturn for each Committee. An underspend of £3.1m 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
(197)	Children & Young People	148,427	81,785	148,598	171
(2,748)	Adult Social Care & Health	216,299	139,513	213,389	(2,910)
(1,093)	Transport & Highways	61,143	35,933	60,126	(1,017)
(19)	Environment & Sustainability	31,065	18,589	30,972	(93)
120	Community Safety	3,021	1,462	3,073	52
143	Culture	13,206	9,467	13,339	133
(1,918)	Policy	27,064	17,715	24,675	(2,389)
(852)	Finance & Property	33,543	31,305	32,851	(692)
(135)	Personnel	3,037	1,687	2,854	(183)
	- Economic Development	1,377	866	1,377	-
(1,252)	Public Health	1,688	(5,532)	265	(1,423)
(7,951)	Net Committee (under)/overspend	539,870	332,790	531,519	(8,351)
(7)	Central items	(10,678)	(35,447)	(10,569)	109
	- Schools Expenditure	251	251	251	-
	- Contribution to/(from) Traders	(314)	783	(263)	51
(7,958)	Forecast prior to use of reserves	529,129	298,377	520,938	(8,191)
2,874	Transfer to / (from) Corporate Reserves	(10,332)	(2,093)	(5,929)	4,403
2,711	Transfer to / (from) Departmental Reserves	(9,350)	-	(8,678)	672
	- Transfer to / (from) General Fund	(5,184)	-	(5,184)	-
(2,373)	Net County Council Budget Requirement	504,263	296,284	501,147	(3,116)

Committee and Central Items

7. The main variations that have been identified are explained in the following section.

Adult Social Care & Health (forecast £2.9m underspend)

8. The reported forecast may be subject to change as it is based on system information. Uncertainties exist within this data which cannot currently be quantified and are being investigated further.
9. The Deputy Director division is currently reporting a net underspend of £3.0m which is comprised of the following:
- Deputy Director is forecasting an underspend of £0.2m. This relates to the unallocated budget offset by the recharge income of £0.1m from Public Health. As no usage has been identified, both are now forecast as unspent / unachieved.
 - Strategic Commissioning are forecasting an underspend of £0.5m which is an increase of £0.3m. This is due to the continued reduction in contracts throughout Early Intervention and Prevention services of £0.6m and an underspend on Assistive Technology equipment of £0.1m which is partly offset by unbudgeted contract payments against the Emergency Night Service of £0.2m.

- Day Services and Employment are forecasting an underspend of £1.1m of which £1.0m relates to underspends across staffing lines within day services. County Enterprise Foods are still showing a £0.3m underspend due partly to staffing vacancies, but also to additional unbudgeted income from Nottingham City Council and Sweden. This is mitigated by the £0.6m known transport overspend.
 - Residential Services are forecasting an underspend of £1.4m. This primarily relates to staffing vacancies and under-utilisation of absence cover within the Care & Support Centres of £0.9m, plus additional Health Income of £0.1m. Additional budget for 1:1 care has resulted in the Short Breaks Units now forecasting an underspend of £0.4m.
 - Use of reserves across the service is £0.6m less than budget due to the reduced contract spend throughout Strategic Commissioning.
10. The Access & Public Protection Division is currently forecasting a net overspend of £0.5m against the base budget. This is an increase of £0.9m due to a further reduction in Client Income and is comprised of the following:
- There remains an overspend of £0.1m on salaries within the Safeguarding Adults Team.
 - Client Contribution income is forecasting a shortfall of £1.4m. This compares with a forecast shortfall of £0.4m in period 7. This is due to a reduction in Pension contributions. Previously, this reduction was expected to be met by a comparable increase in residential invoices. This has not materialised and a deficit is now expected. Current indications are that the overall decrease is due to a bulk deregistration of partnership care homes. This has significantly reduced the income we receive from around 100 Service Users.
 - There are underspends on software within the Framework Team of £0.1m and the Market Development Team of £0.1m.
 - There also remains an underspend across the Business Support function of £0.7m, the majority of which relates to an underspend on salaries.
 - Use of reserves across the service is £0.1m less than budget due to vacant posts.
11. The North and South Nottinghamshire Divisions are currently forecasting a combined underspend of £0.9m which is a reduction of £1.1m since period 7. The major variances are as follows:
- Older Adults across the County are currently reporting an underspend of £0.6m; this is a reduction of £0.3m since period 7.
 - Younger Adults across the County are now reporting an underspend of £0.8m; this is an reduction of £1.8m since period 7 and is due to a reduction in transitional and predicted needs and additional CHC Income.
 - Expenditure under the remit of Service Directors, Principal Social Worker and the Care Act Team costs are reporting an overspend of £1.7m primarily due to an additional expenditure on S256 agreements. This is partially offset by an increase in use of reserves of £1.2m.

Throughout the North and South, the significant variances across the service types are as follows:

- The outturn forecast currently includes £1.1m for anticipated Transitions and Predicted needs. This is a £0.6m reduction on what was reported at period 7, and is expected to reduce month on month until year end.
- Direct Payment recovery is increasing each month and currently stands at £1.6m.

- In addition the forecast includes additional Continuing Health Care income across the County amounting to £1.0m more than budget.

12. This forecast includes the anticipated net use of £6.4m of earmarked reserves, which is £0.5m more than budget due to additional spend on S256 agreements which is partly offset by underspends on other specific projects and contracts.

Transport & Highways (forecast £1.0m underspend)

13. This forecast underspend is due mainly to:

- A forecast net underspend on Highways of £0.3m due to underspends on salaries (£0.5m), additional S38 / S278 Income (£0.1m) and Street Lighting Energy (£0.2m). These more than offset overspends in relation to Trees & Hedges (£0.2m); Verges (£0.2m) and Road Studs & Markings (£0.1m). It is proposed to use underspends from revenue budgets to offset demand led overspends rather than using reserves.
- An underspend of £0.4m on Concessionary Fares due to a delay in the introduction of new tram lines and agreements with Operators, showing a saving due to a slight downturn in passenger trips and tight control of scheme management costs.
- A £0.2m saving on Local Bus Services due to a part year effect of August re-tendering. Some members' requests have been received for re-installation of services for areas with little / reduced coverage, which will come into operation from January 2015.
- There is an underspend on Salaries and Service Development of £0.1m due to the OBC savings being achieved in 2014/15, rather than over two years, and through reduced consultancy fees.

Policy (forecast £2.4m underspend)

14. This underspending is mainly due to a reduction in the use of external agencies in legal services and staff vacancies across the division, together with savings in Members and Civic Services relating to hospitality, running costs and income.

15. A further £0.8m of this net underspending is due to slippage on the Ways of Working Programme, particularly in the area of ICT which has reportedly slipped further in period 8, together with an underspending against the Transformation Programme which will be offset by a reduced use of the Corporate Reserve in 2014/15.

Finance & Property (forecast £0.7m underspend)

16. This forecast underspend is due to:

- The net underspending within Finance and Procurement of £0.2m relates to staff vacancies partially offset by the cost of agency staff and a reduction in purchasing rebates.
- Property is forecasting an underspend of £0.1m due to achievement of savings and over-recovery of Estates income, partially offset by a declared overspend on works at Sir John Robinson Way charged to Planned Maintenance.
- A County Offices and Facilities Management underspend of £0.2m is due to early achievement of 2015/16 savings from the closure of buildings and efficiency savings.

- There is a forecast underspending of £0.2m within ICT Services and Business Support relating to staff savings and reduced running costs.

Public Health (forecast £1.4m underspend)

17. This forecast underspend is due mainly to:

- There is an overall underspend of £0.4m in Obesity and Physical activity due to the retendering exercise not proceeding in October, with the consequent extensions of current contracts until the end of the financial year. Previous forecasts had included an expectation that this area would overspend by £0.5m.
- £0.2m of the underspend relates to low activity to date within the health check programmes.
- The Smoking & Tobacco programme is forecasting an underspend of £0.7m due to savings relating to GP & Pharmacy providers for Stop Smoking Services, together with an overstated adjustment in the current year's accounts for expenditure relating to Prescribing in 2013/14. Previous forecasts had assumed expenditure would be in line with budget.
- The Public Health Directorate is forecast to underspend by £0.1m due to vacancy savings.
- The Children 5-19 Public Health Programme had previously reported an overspend of £0.7m due to assumptions that the rebased County Health Partnership contract would not take effect within the financial year. This assumption has been revised as it is now expected that the contract will be backdated to April 2014 and therefore expenditure will be in line with budget.

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

19. Members will recall that a net transfer of £1,085,330 is required from the Public Health grant to CCGs to cover the budget setting anomalies for 2014/15. The anticipated change to the Public Health grant as a result of these funding miscalculations is likely to affect the planned delivery of budget reductions for Public Health. Discussions are being held with the Public Health Committee on all aspects of the Public Health Outcomes programme.

20. The Department of Health is undertaking a data collection to identify all funding transfers in response to baseline errors in the PH grant. This review will confirm the current position and agree a long-term solution that avoids the need for recurrent transfers between partners. This may result in the recalculation of the local Public Health grant to exclude the excess funding.

Central Items

21. Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and movements on reserves. These budgets have been reviewed as part of the provisional outturn exercise. Interest payments fluctuate depending on expectations of future interest rates and anticipated slippage rates on the capital programme. Current forecasts suggest a net overspend on interest of £0.5m.

22. At the time of setting the 2014/15 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 increase of £0.4m will be received in 2014/15.

23. The Council's budget includes a contingency of £4.1m to cover redundancy costs, slippage of savings and unforeseen events. Several schemes have been approved in the year to date and there is currently £2.3m remaining in the contingency budget. Table 1 assumes that this will be used before year end as further new requests are likely to emerge.

Transfer to / (from) reserves

24. As previously reported work is ongoing to identify surplus departmental reserves that may be released to support the budget. There is still a possibility that the levels assumed when the budget was set may not be achieved and this position is reflected in table 1 above.
25. As reported under Policy Committee, there is slippage in the transformation programme and Ways of Working which are funded by Corporate Reserves. To match the slippage there is an corresponding reduction in the use of reserves.

Progress with savings (Forecast shortfall £1.0m)

26. Since 2010/11 the Council has delivered savings in excess of £110m. Given the continued financial challenge that the Council is facing, further savings proposals of £36m were approved at Council 27 February 2014 for delivery in 2014/15 (£81m in total over the medium term).
27. As at period 8 slippage amounting to £0.6m in 2014/15 has been identified across 3 of the high governance savings projects. A number of actions are being taken to address this and officers will continue to monitor the deliverability of individual targets as part of the budget monitoring process. Achievability will be reflected in the forecast outturn. A full list of savings with current status is provided at Appendix A.
28. Amongst the savings identified there have been some schemes which, in total or in part, will not be achieved. This includes £0.4m in 2014/15. The reduction in the savings for future years will need to be addressed in the Medium Term Financial Strategy.

Capital Programme

29. Table 2 summarises changes in the gross Capital Programme for 2014/15 since approval of the original programme in the Budget Report (Council 27/02/14):

Table 2 – Revised Capital Programme for 2014/15

	2014/15	
	£'000	£'000
Approved per Council (Budget Report 2014/15)		112,593
Variations funded from County Council Allocations :		
Net slippage from 2013/14 and financing adjustments	17,761	
Approved variations to December F&P Committee	(7,511)	10,250
Variations funded from other sources :		
Net slippage from 2013/14 and financing adjustments	6,800	
Approved variations to December F&P Committee	914	7,714
Revised Gross Capital Programme		130,557

30. 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

Committee	Revised Capital Programme £'000	Actual Expenditure to Period 8 £'000	Forecast Outturn £'000	Expected Variance £'000
Children & Young People	54,103	23,345	41,129	(12,974)
Adult Social Care & Health	2,225	18	2,087	(138)
Transport & Highways	43,051	20,008	36,359	(6,692)
Environment & Sustainability	2,499	858	2,419	(80)
Community Safety	4	(1)	4	-
Culture	4,602	2,530	4,214	(388)
Policy	4,591	1,479	2,994	(1,597)
Finance & Property	10,799	4,856	10,556	(243)
Personnel	1,973	1,631	1,903	(70)
Economic Development	5,320	1,809	5,336	16
Contingency	1,390	-	-	(1,390)
Total	130,557	56,533	107,001	(23,556)

31. In the Children and Young People's Committee, there is a total forecast underspend of £13.0m. This is mainly as a result of slippage against the following schemes:

32. Forecast slippage totalling £10.1m has been identified against the School Capital Refurbishment Programme (SCRPs). This is as a result of a number of projects being placed

on hold as the Council awaits the outcome of the Priority School Building Programme 2 bidding process (£3.9m), a number of Academy projects slipping hence delays in the Council's contributions to these schemes (£0.6m), savings made against completed SCRP projects (£1.7m), access and other issues that have delayed elements of the SCRP4 programme (£3.9m).

33. Forecast slippage totalling £2.9m has also been identified against the School Places programme. This is mainly as a result of savings made against completed projects (£1.1m) and delayed contributions to Academy projects (£0.5m). Any remaining slippage relates to the 2015 School Places programme where associated expenditure will be incurred in 2015/16.
34. It is proposed that the Children and Young People's Capital Programme is adjusted as part of the 2015/16 Budget Report to Full Council to reflect that identified slippage will be fully utilised to fund future, recognised priority school capital projects.
35. Forecast slippage totalling £0.2m has been identified against the Beardall Street project. It is expected that this funding will be used in 2016/17 to finance phase 2 of the project.

It is proposed that the Children and Young People's Committee Capital Programme is varied to reflect slippage identified against the Beardall Street capital project.

36. Also, in the Children and Young People's Committee, a forecast overspend of £0.4m has been identified against the Clayfields House capital projects. This is as a result of higher than anticipated target costs submitted by the main contractor. The increased costs will be fully funded from the Clayfields House reserve.

It is proposed that the Children and Young People's Committee Capital Programme is varied to reflect the increased costs against the Clayfields House capital projects, fully funded from reserves.

37. In the Adult Social Care and Health Committee, a forecast underspend of £0.1m has been identified as a result of minor slippage on the Living at Home programme.

It is proposed that the Adult Social Care and Health Committee Capital Programme is varied to reflect the slippage identified against the Living Home Programme.

38. In the Transport and Highways Committee, there is a total forecast underspend of £6.7m. This is mainly as a result of slippage on a number of projects as described below:

39. The Hucknall Rolls Royce Development is forecast to incur only minimal preparatory costs in 2014/15. Slippage totalling £3.0m has been identified as the project will now be on site during 2015/16.

40. Work is on-going to secure the Department for Transport funding in support of the Hucknall Town Centre Improvement Scheme. Although progress is being made, only minimal expenditure is forecast to be incurred in this financial resulting in slippage of £3.3m into 2015/16.

41. Forecast slippage of £0.6m has been identified against the Worksop Bus Station project as the project is on site and will complete during 2015/16.

It is proposed that the Transport and Highways capital project is varied to reflect the slippage identified against the Worksop Bus Station project.

42. In April 2014 a six year flood alleviation programme was approved by the Transport and Highways Committee. As part of this, three flood studies are being undertaken in 2014/15 with associated works commencing in 2015/16. Funding will also be used to lever in DEFRA investment in 2015/16. As a result, £0.5m of flood alleviation will slip into the 2015/16 financial year.

It is proposed that the Transport and Highways capital project is varied to reflect the slippage identified against the Flood Alleviation programme.

43. The slippage identified in the Transport and Highways Committee is offset by over-programming of £1.1m in the Local Transport Plan and Road Maintenance and Renewal programmes. Work is on-going to drive these forecast overspends down and to manage within approved budgets.

44. Also in the Transport and Highways Committee, £0.165m external Growth Point funding has been levered in to the Council to part fund capital expenditure incurred as part of the Local Transport Plan programme.

It is proposed that the Transport and Highways capital project is varied to reflect the additional external funding secured to part fund the Local Transport Plan programme.

45. In the Culture Committee, a forecast underspend totalling £0.4m has been identified which mainly relates to minor slippage on a small number of library projects as well as a forecast underspend (£0.1m) against the Nottinghamshire Archives Extension project.

46. In the Policy Committee, a forecast underspend totalling £1.6m has been identified against the Ways of Working programme as a result of extensive asbestos being discovered on Floor 2 of County Hall.

It is proposed that the Policy Committee capital programme is varied to reflect the slippage identified against the Ways of Working capital programme.

47. In the Finance and Property Committee, a forecast underspend totalling £0.2m has been identified which mainly relates to a forecast underspend against the Business Management System programme (£0.2m).

48. It is also forecast that the capital contingency (£1.4m) will slip into 2015/16 to help fund future capital projects.

It is proposed that the County Council's Capital Programme is varied to reflect that the capital contingency will be used to fund future capital projects

Financing the Approved Capital Programme

49. Table 4 summarises the financing of the overall approved Capital Programme for 2014/15.

Table 4 – Financing of the Approved Capital Programme for 2014/15

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People	19,271	21,344	-	13,488	54,103
Adult Social Care & Health	2,167	13	45	-	2,225
Transport & Highways	14,527	25,727	-	2,797	43,051
Environment & Sustainability	1,236	763	500	-	2,499
Community Safety	4	-	-	-	4
Culture	3,129	530	-	943	4,602
Policy	3,091	-	-	1,500	4,591
Finance & Property	8,337	50	1,900	512	10,799
Personnel	-	1,801	-	172	1,973
Economic Development	527	4,793	-	-	5,320
Contingency	1,390	-	-	-	1,390
Total	53,679	55,021	2,445	19,412	130,557

50. It is anticipated that borrowing in 2014/15 will decrease by £9.4m from the forecast in the Budget Report 2014/15 (Council 27/02/2014). This decrease is primarily as a consequence of:

- £17.8m of net slippage from 2013/14 to 2014/15 and financing adjustments funded by capital allocations.
- Variations to the 2014/15 capital programme funded from capital allocations totalling £7.5m as approved to the September Finance and Property Committee.
- Net slippage in 2014/15 of £19.7 of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

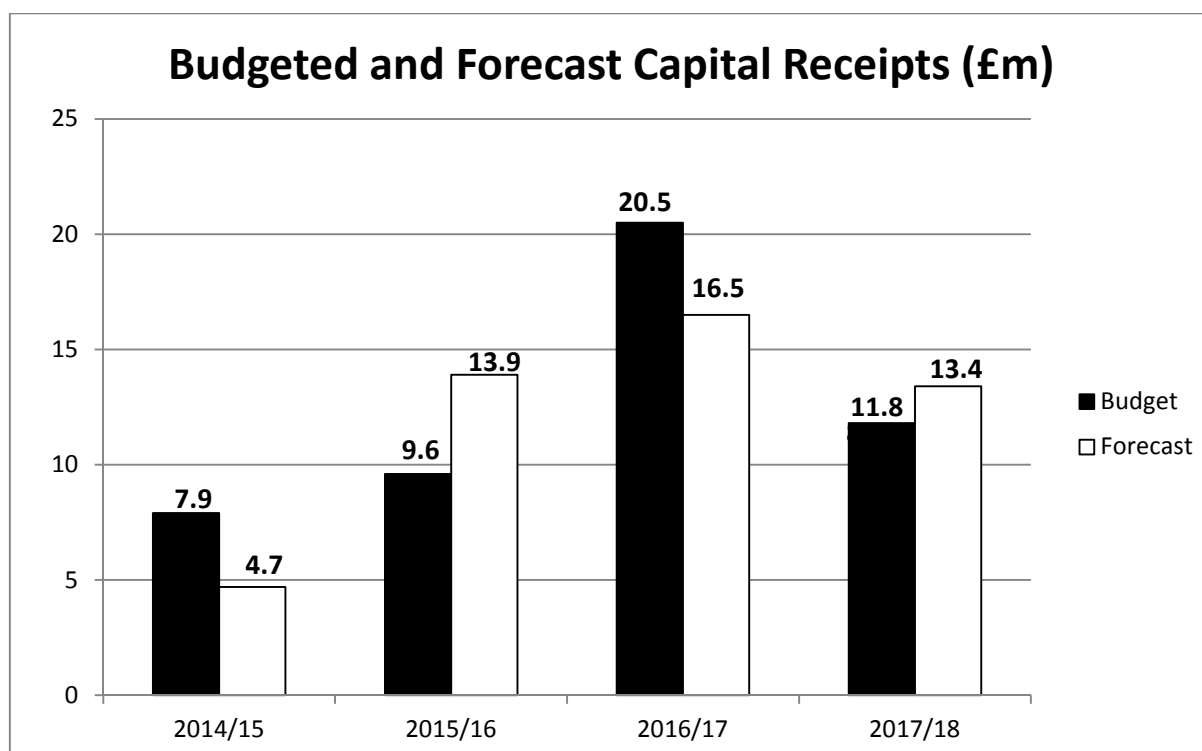
Prudential Indicator Monitoring

51. 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

52. 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. They also include an estimated £50,000 of vehicle receipts.

53. The chart below shows the budgeted and forecast capital receipts for the four years to 2017/18.



54. The dark bars in the chart show the budgeted capital receipts included in the Budget Report 2014/15 (Council 27/02/2014). These capital receipts budgets prudently incorporated slippage, giving a degree of “protection” from the risk of non-delivery.

55. The capital receipt forecast for 2014/15 is £4.7m which is £3.2m less than the budgeted capital receipts as a result of slippage. To date in 2014/15, capital receipts totalling £1.9m have been received.

56. 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 revised 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.

Current Council policy (Budget Report 2014/15) 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.

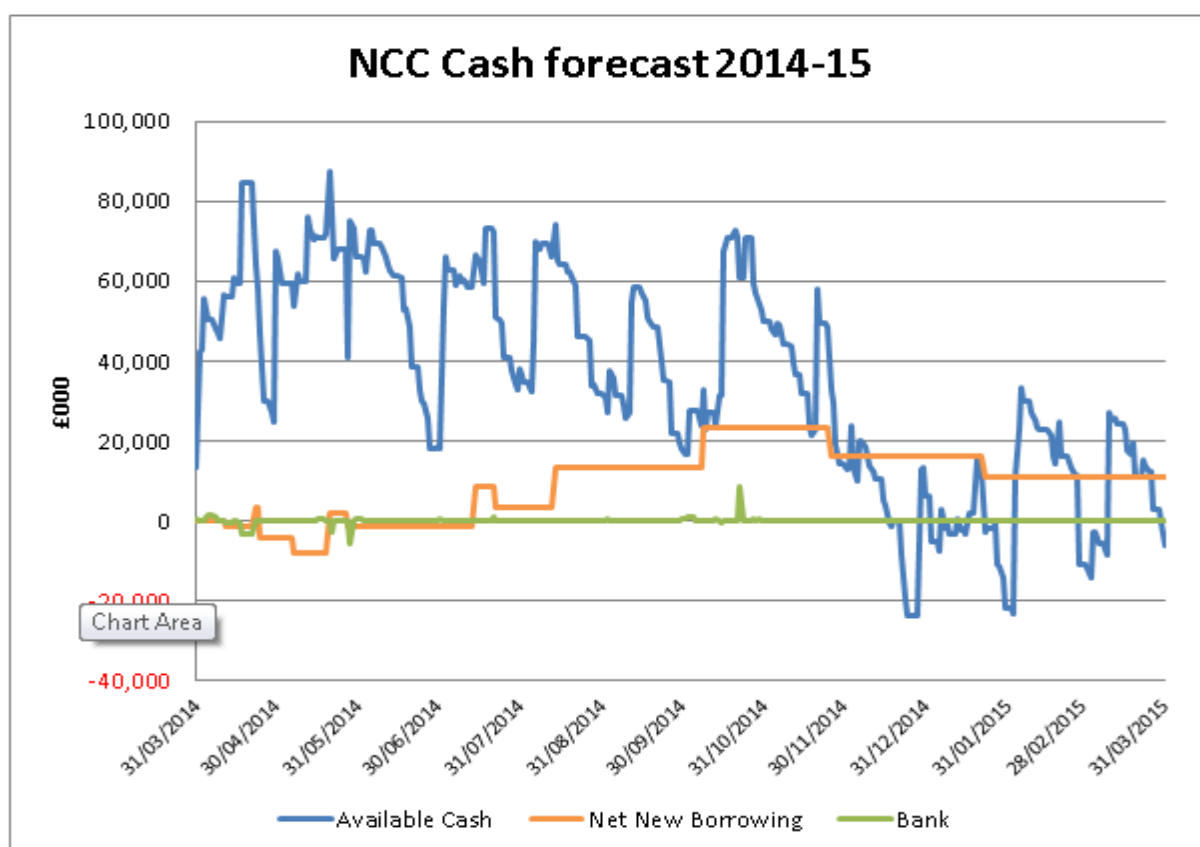
Balance Sheet

General Fund Balance

57. Members approved the 2013/14 closing General Fund Balance of £29.1m at Council 26 June 2014. The 2014/15 budget approves utilisation of £5.2m of balances which will result in a closing balance of £23.9m at the end of the current financial year. This is 4.7% of the budget requirement. Should an underspend result at year end, the required use of reserves will reduce, which will ensure balances are available to fund future years expenditure.

Treasury Management

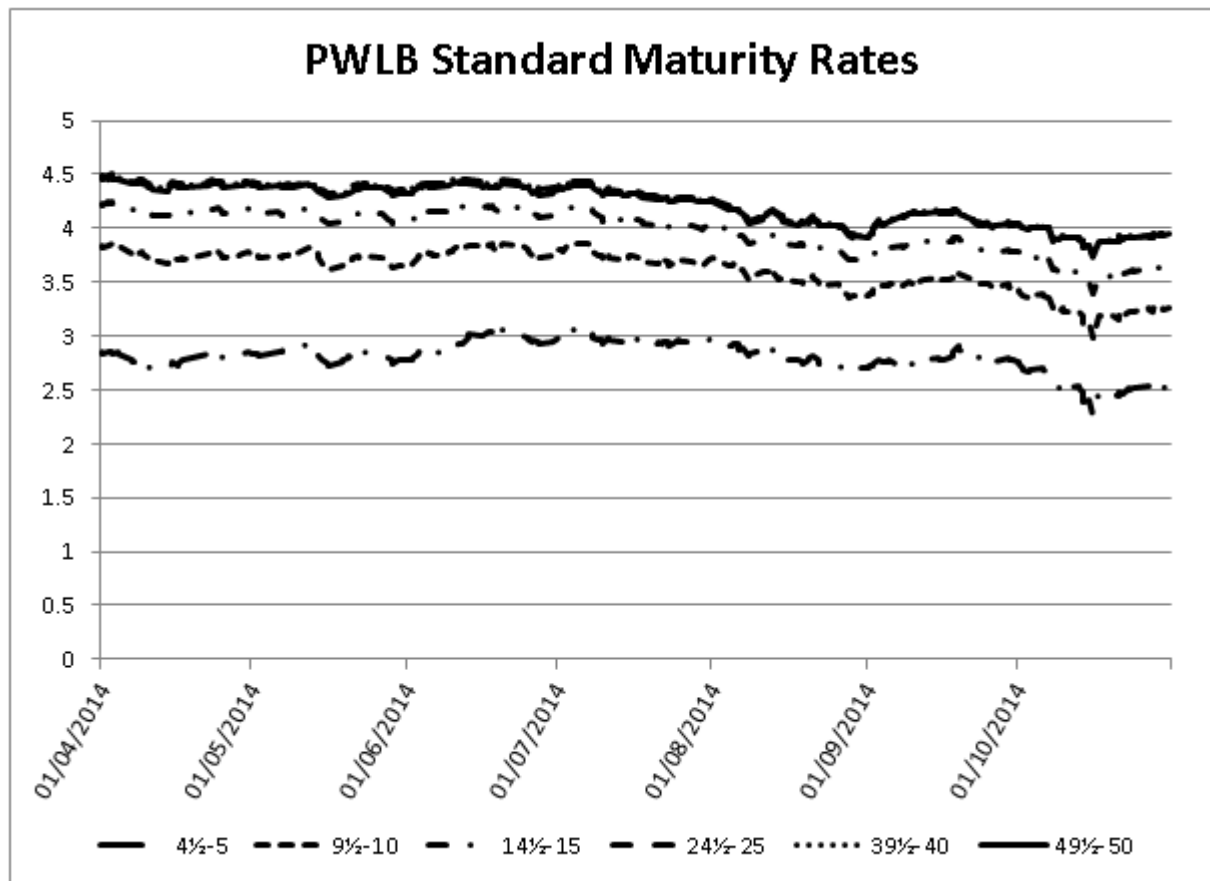
58. Cash flow is monitored by the Senior Accountant (Pensions & Treasury Management) with the overall position reviewed quarterly by the Treasury Management Group. The following chart shows the actual cash flow position to date and forecasts for the remainder of the year. Cash inflows are typically higher 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.



59. The chart above gives the following information:

Bank balance	Daily cleared balance across the pooled bank accounts.
Available cash	Surplus cash (invested in call accounts or money market funds) or a shortfall of cash indicating a need to borrow.
Net new borrowing	New loans taken during the year net of principal repayments on existing borrowing.

60. Daily cash management aims for a nil balance across the Council's pooled bank accounts with any surplus cash invested in accordance with the approved Treasury Management Policy. The bank balance shows two periods with noticeable overdrawn balances resulting from non-receipt of precept. The net new borrowing shown above includes new loans from PWLB of £10m in May, £10m in July, £10m in August, £10m in October, and £15m in November. These loans were taken as longer term PWLB rates dipped towards, and then below 4%. The chart below shows the movement in standard PWLB maturity rates during 2014/15.

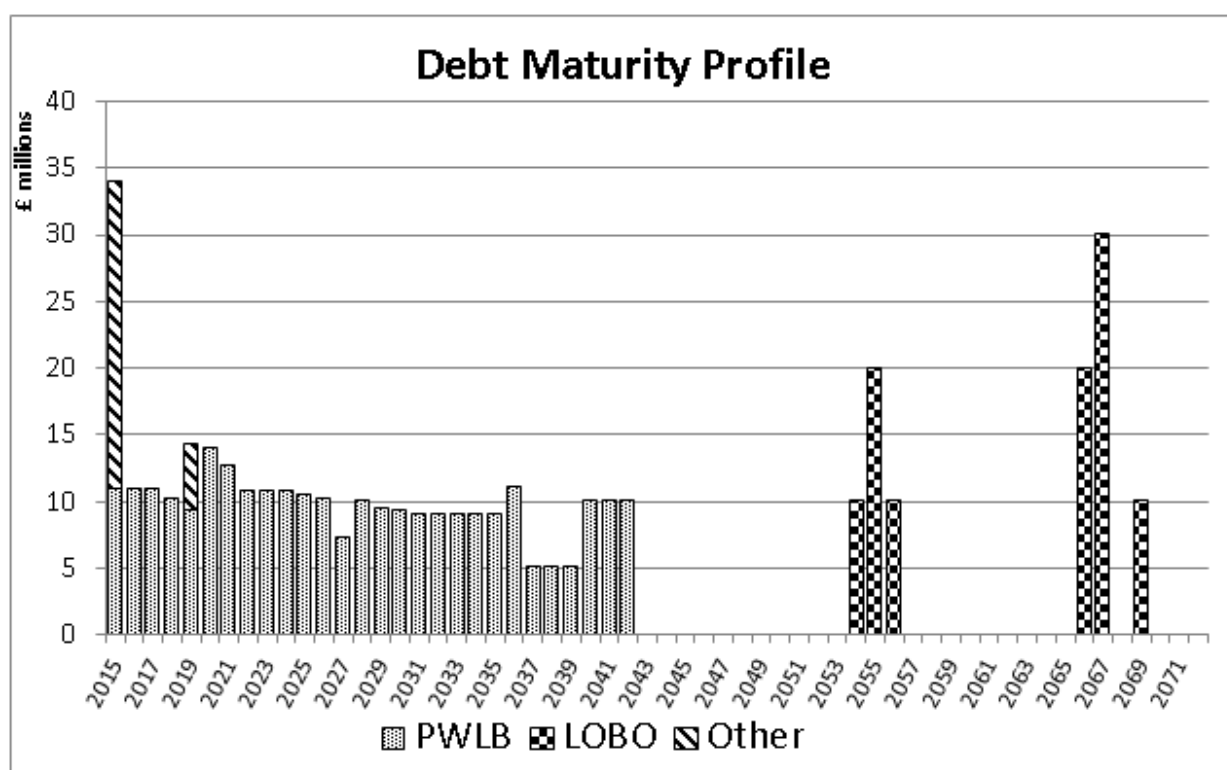


61. The Treasury Management Strategy for 2014/15 identified a need for additional borrowing of £67m to fund the capital programme, to replenish internal balances and to replace maturing debt. Short-term borrowing was used towards the end of 2013/14 to minimise interest costs and so additional long term borrowing of £21m needs to be factored in to the 2014/15 strategy. Additional borrowing is therefore likely to be undertaken before the year end.

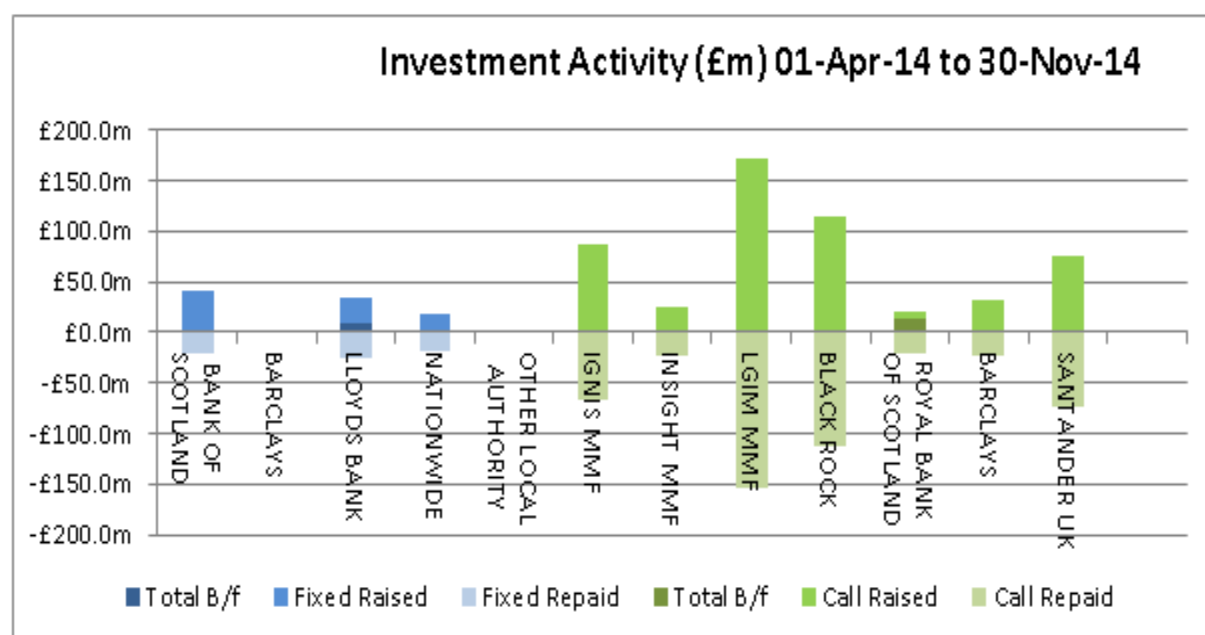
62. Borrowing decisions will take account of a number of factors including:

- the demand for cash as internal balances are reduced
- expected movements in interest rates
- current maturity profile
- the impact on revenue budgets and the medium term financial strategy
- the treasury management prudential indicators

63. 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 28 years. Longer-term borrowing (maturities up to 55 years) was obtained from the market some years ago in the form of 'Lender's Options, Borrower's Options' loans (LOBOs). The 'other' loans denote more recent borrowing from the money markets where the main objective was to minimise interest costs. Refinancing of these loans has been factored into the Treasury Management Strategy.



64. The investment activity for 2014/15 to the end of November 2014 is summarised in the chart and table below. Outstanding investment balances totalled £23m at the start of the year and £60.9m at the end of the period. This increase reflects the forecast cash flow profile for the year. In light of this forecast, a number of fixed term deals have been placed for periods up to 190 days to take advantage of the higher rates available.



	Total B/F	Total Raised	Total Repaid	Outstanding
	£	£	£	£
BANK OF SCOTLAND	-	50,000,000	-30,000,000	20,000,000
BARCLAYS	-	-	-	-
LLOYDS BANK	8,000,000	25,000,000	-25,000,000	8,000,000
NATIONWIDE	-	19,000,000	-19,000,000	-
OTHER LOCAL AUTHORITY	1,500,000	-	-	1,500,000
IGNIS MMF	-	87,200,000	-67,550,000	19,650,000
INSIGHT MMF	-	25,350,000	-25,350,000	-
LGIM MMF	-	193,350,000	-191,550,000	1,800,000
BLACK ROCK	-	114,810,000	-114,810,000	-
ROYAL BANK OF SCOTLAND	13,500,000	6,500,000	-20,000,000	-
BARCLAYS	-	59,050,000	-49,100,000	9,950,000
SANTANDER UK	-	74,450,000	-74,450,000	-
	23,000,000	654,710,000	-616,810,000	60,900,000

65. The new banking arrangements with Barclays Bank went live on 1 October 2014 as a result of the successful tender following the decision by the Co-operative Bank to withdraw from providing banking services to local authorities. The Co-operative accounts are now being closed in accordance with the schedule agreed as part of the implementation plan.

Debt Recovery Performance and Accounts Payable (AP) Performance

66. 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 9 report.

Statutory and Policy Implications

67. 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 progress with savings
- 3) To note the Capital Programme expenditure to date and year end forecasts and approve variances to the Capital Programme
- 4) To note the Council's Balance Sheet transactions

Nigel Stevenson Service Director – Finance & Procurement

For any enquiries about this report please contact:

Pauline Moore - Senior Accountant, Financial Strategy and Accounting

Glen Bicknell - Senior Finance Business Partner, Capital and External Funding

Simon Cunningham - Senior Accountant, Pensions and Treasury Management

Constitutional Comments (KK 07/01/14)

The proposals in this report are within the remit of Finance and Property Committee.

Financial Comments (PM 18/12/14)

The financial implications are stated within the report itself and will be used to inform the Council's Medium Term Financial Strategy and Budget report to Council 26 February 2015.

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'

Consultation Ref.	Committee	Dept	Veto Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
TRANSFORMATION PROGRAMME PROJECTS														
N/A	ASCH	ASCH&PP	ASC - 105	Redesign of Home Based Services	A	A	865	0	0	865	353	-353	0	0
B01 / B07	ASCH	ASCH&PP	ASC - 303	Redesign of Assessment and Care Management Functions & Organisational Re-design	G	G	215	1,194	250	1,659	0	0	0	0
A01	ASCH	ASCH&PP	ASC 401	Living at Home Phase II	G	G	425	555	397	1,377	0	0	0	0
B04	ASCH	ASCH&PP	ASC 405	Reduction in supplier costs - older person's care homes	R	B	0		0	0	0	0	0	0
B05	ASCH	ASCH&PP	ASC 406	Reduction in supplier costs - Younger Adults	R	B	900	100	0	1,000	0	0	0	0
C01	ASCH	ASCH&PP	ASC 408	Reducing Community Care Spend - Older Adults	G	G	902	1,762	0	2,664	0	0	0	0
C02	ASCH	ASCH&PP	ASC 409	Reducing the average community care personal budget - Younger Adults	Y	G	925	1,178	701	2,804	0	0	0	0
C03	ASCH	ASCH&PP	ASC 410	Reduction in long term care placements	Y	Y	550	550	423	1,523	150	-150	0	0
C04	ASCH	ASCH&PP	ASC 411	Reduction in cost of transport services	G	G	0	0	0	0	0	0	0	0
C07	ASCH	ASCH&PP	ASC 412	Day Services	G	G	350	220	490	1,060	0	0	0	0
C10	ASCH	ASCH&PP	ASC 413	Savings from the Supporting People budget	G	G	2,030	1,250	1,950	5,230	0	0	0	0
C13	ASCH	ASCH&PP	ASC 415	Targeting Reablement Support	G	G	0	755	755	1,510	0	0	0	0
C06	ASCH	ASCH&PP	ASC 417	Residential Short Breaks Services	G	G	0	250	250	500	0	0	0	0
N/A	ASCH	ASCH&PP	ASC 418	Care Act	G	A	0	0	0	0	0	0	0	0
N/A	Culture	CFCS	CFC - 108	Sherwood Forest Visitor Centre	B	B	0	0	0	0	0	0	0	0
N/A	CYP	CFCS	CFC 302	MASH Lean Review	G	G	0	0	0	0	0	0	0	0
B12	CYP	CFCS	CFC 402	Early Years and Early Intervention	G	G	1,000	0	3,000	4,000	0	0	0	0
B13	Culture	CFCS	CFC 403	Libraries, Archives, Information and Learning	A	G	250	25	375	650	0	0	0	0
B16	CYP	CFCS	CFC 404	Looked After Children Placements	Y	Y	2,320	2,570	1,700	6,590	0	0	0	0
C16	CYP	CFCS	CFC 405	Children’s Disability Service	A	R	0	1,180	1,180	2,360	0	1,180	-1,180	

Consultation Ref.	Committee	Dept	Verbo Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
N/A	F&P	E&R	E&R 301	Highways/Fleet Management JV Project	G	G	0	0	0	0	0	0	0	0
A41	T&H	E&R	E&R 402	Reduce Street Lighting Energy Costs	G	G	300	500	700	1,500	0	0	0	0
B17	T&H	E&R	E&R 403	Efficiencies & Local Bus Service reductions	B	B	800	1,000	0	1,800	0	0	0	0
N/A		Cross Cutting	HOR - 014	Ways of Working	G	G	0	0	0	0	0	0	0	0
N/A		Cross Cutting	HOR - 303	Channel Shift	B	B	0	0	0	0	0	0	0	0
N/A		Cross Cutting	HOR - 304	Strategic Management Framework	G	Y	0	0	0	0	0	0	0	0
N/A		Cross Cutting	HOR - 305	One Space	G	B	0	0	0	0	0	0	0	0
A07 & A15	ASCH & CYP	Cross Cutting	HOR - 307	Business Support Services Review (ASCH&PP and CFCS)	A	A	911	2,330	0	3,241	140	2,190	-2,330	0
N/A		Cross Cutting	HOR - 401	Digital First	G	G	0	0	0	0	0	0	0	0
N/A		PPCS	PPC - 201	Broadband	G	G	0	0	0	0	0	0	0	0
OTHER SAVINGS														
A02	ASCH	ASCH&PP		Dementia Quality Mark	G	G	500	0	0	500	0	0	0	0
A03	ASCH	ASCH&PP		Use of Public Health funding	B	B	200	0	0	200	0	0	0	0
A04	ASCH	ASCH&PP		Development of reablement in Physical Disability services	G	G	150	150	0	300	0	0	0	0
A05	ASCH	ASCH&PP		Reduction in staff posts in the Joint Commissioning Unit	B	B	34	0	149	183	0	0	0	0
A06	ASCH	ASCH&PP		Reduction in staff posts in the Performance Improvement Team	G	G	92	0	0	92	0	0	0	0
A08	ASCH	ASCH&PP		Reduction in staffing in the Framework Development Team	G	G	79	0	0	79	0	0	0	0
A09	ASCH	ASCH&PP		Restructure of Adult Care Financial Services (ACFS) and a reduction in posts	G	G	93	121	0	214	0	0	0	0
A12	ASCH	ASCH&PP		Group Manager Restructure	B	B	0	200	0	200	0	0	0	0
B02	ASCH	ASCH&PP		Use of NHS social care funding to offset budget pressures	B	B	1,912	0	0	1,912	0	0	0	0
B03	ASCH	ASCH&PP		Reduce no. of social care staff in hospital settings by 15%	G	G	49	147	0	196	0	0	0	0
B06	ASCH	ASCH&PP		Use of NHS social care funding to offset pressures	B	B	1,912	0	0	1,912	0	0	0	0

Consultation Ref.	Committee	Dept	Veto Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
B08	ASCH	ASCH&PP		Changes to the delivery structure of the Safeguarding Adults Team	G	G	172	0	0	172	0	0	0	0
B09	ASCH	ASCH&PP		Reduction in Benefits Advice staff - withdrawn	G	G	0	0	0	0	0	0	0	0
C05	ASCH	ASCH&PP		Managing Demand in Younger Adults	G	G	175	200	0	375	0	0	0	0
C08	ASCH	ASCH&PP		Employment Services	G	G	160	0	0	160	0	0	0	0
C09	ASCH	ASCH&PP		Various contract changes by the Joint Commissioning Unit	G	G	131	179	190	500	0	0	0	0
C11	ASCH	ASCH&PP		Cease NHS short breaks service (Newlands)	G	G	0	460	0	460	0	0	0	0
C14	ASCH	ASCH&PP		Various options to reduce the cost of the intermediate care service	Y	Y	540	540	0	1,080	0	0	0	0
C15	ASCH	ASCH&PP		Notts Welfare Assistance Fund (NAAF)	B	B	2,130	0	0	2,130	0	0	0	0
A10	Community Safety	ASCH&PP		Reduction in Emergency Planning staffing	G	G	35	0	0	35	0	0	0	0
A11	Community Safety	ASCH&PP		Registration Service Income Generation	Y	Y	47	0	0	47	0	0	0	0
B30	Community Safety	PPCS		Service Restructuring	B	B	367	0	0	367	0	0	0	0
B33	Community Safety	PPCS		Redesign focus of service.	B	B	245	0	0	245	0	0	0	0
C12	Community Safety	ASCH&PP		Reduction in Trading Standards staffing and increased income generation	Y	Y	292	195	0	487	0	0	0	0
A60	Culture	PPCS		Conservation restructuring - staff reductions	G	G	50	0	0	50	0	0	0	0
B14	Culture	CFCS		Cultural and Enrichment Services	G	G	50	130	0	180	0	0	0	0
B15	Culture	CFCS		Country Parks and Green Estates	G	G	150	160	190	500	0	0	0	0
A13	CYP	CFCS		Support to Schools	G	G	1,000	370	0	1,370	0	0	0	0
A14	CYP	CFCS		SEND Hub	G	G	492	0	0	492	0	0	0	0
A16	CYP	CFCS		School Access	G	G	0	50	50	100	0	0	0	0

Consultation Ref.	Committee	Dept	Verbo Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
A17	CYP	CFCS		Targeted Support and Youth Justice	G	G	800	100	100	1,000	0	0	0	0
A18	CYP	CFCS		Children's Social Care Management Review	G	G	120	80	0	200	0	0	0	0
A19	CYP	CFCS		Planning, Performance and Quality Assurance Group	G	G	1,350	150	0	1,500	0	0	0	0
A20	CYP	CFCS		CFCS Management Structure Review	G	G	80	110	185	375	0	0	0	0
B10	CYP	CFCS		Independent Travel Training	G	G	0	200	300	500	0	0	0	0
B11	CYP	CFCS		Young People's Service	G	G	675	675	0	1,350	0	0	0	0
B14	CYP	CFCS		Cultural and Enrichment Services	G	G	150	420	50	620	0	0	0	0
B18	E&S	E&R		Renegotiation of Waste Management Contracts	G	G	800	200	0	1,000	0	0	0	0
B19	E&S	E&R		Introduce a range of measures associated with HWRC's	G	G	205	505	0	710	0	0	0	0
B20	E&S	E&R		Provide financial support to Waste Collection Authorities to introduce kerbside Green Waste Collections	G	G	0	200	0	200	0	0	0	0
B21	E&S	E&R		Increase Energy Contract Rebate Income	G	G	200	0	0	200	0	0	0	0
B26	E&S	PPCS		Planning Policy restructuring - staff reductions. Income generation.	G	G	73	0	0	73	0	0	0	0
B28	Economic Development	PPCS		Development of a shared service delivery model with Borough & District Councils.	R	B	0	0	0	0	0	0	0	0
B29	Economic Development	PPCS		Reducing the NCC contribution to Experience Nottinghamshire	G	B	100	0	0	100	0	0	0	0
A30	F&P	E&R		Reduction in County Offices Maintenance	G	G	300	200	100	600	0	0	0	0
A31	F&P	E&R		Reduction in Property Staffing	G	G	167	100	0	267	0	0	0	0
A32	F&P	E&R		Rationalisation and staffing reductions	G	G	0	50	200	250	0	0	0	0
A33	F&P	E&R		Reduction in Planned Maintenance Budget	G	G	0	0	519	519	0	0	0	0

Consultation Ref.	Committee	Dept	Verbo Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
A49	F&P	E&R		Finance & Procurement Staffing Reductions	G	G	700	250	250	1,200	0	0	0	0
A50	F&P	E&R		Contract Savings	G	G	0	0	350	350	0	0	0	0
A51	F&P	E&R		Savings in provision of online @home service	G	G	250	0	0	250	0	0	0	0
A52	F&P	E&R		Termination of licence agreement	G	G	80	0	0	80	0	0	0	0
A53	F&P	E&R		Reduction in provision of ICT equipment replacement	G	G	0	100	0	100	0	0	0	0
A54	F&P	E&R		Staffing reductions in the Business Support and Development team	G	G	60	0	0	60	0	0	0	0
B34	F&P	PPCS		Reduce Councillors' Divisional Fund	B	B	335	0	0	335	0	0	0	0
A22	Personnel	E&R		Review Human Resources activity & support - increased self service	G	G	500	0	47	547	0	0	0	0
A23	Personnel	E&R		Review Health & Safety service - income generation and sharing of services	G	G	80	0	0	80	0	0	0	0
A24	Personnel	E&R		Deletion of Senior Analyst post - Job Evaluation	G	G	41	0	0	41	0	0	0	0
A25	Personnel	E&R		Cease counselling service and signpost employees to alternative providers	G	G	49	0	0	49	0	0	0	0
A26	Personnel	E&R		Review of integrated Learning & Development activity - to further streamline structures; commission more training externally and with others	G	G	1,000	0	0	1,000	0	0	0	0
B25	Personnel	E&R		Schools meal price changes	G	G	0	0	0	0	0	0	0	0
A21	Policy	E&R		Restructure, efficiencies and cost reductions in the Business Support Centre	G	G	1,000	500	200	1,700	0	0	0	0
A27	Policy	E&R		Customer Service Centre - efficiencies and shift to more cost effective access channels	G	G	45	200	120	365	0	0	0	0

Consultation Ref.	Committee	Dept	Verbo Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
A28	Policy	E&R		Customer Service Centre - generation of additional income and sharing of services with other public sector providers	G	G	50	50	0	100	0	0	0	0
A29	Policy	E&R		Review of face to face customer service provision across the county	G	G	100	0	0	100	0	0	0	0
A61	Policy	PPCS		Legal services - redesign staffing structure	B	B	246	408	12	666	0	0	0	0
A62	Policy	PPCS		Cease holding of Member Forum meetings.	B	B	27	0	0	27	0	0	0	0
A63	Policy	PPCS		Reorganise Civic Office support staff and reconfigure support activities.	B	B	87	0	0	87	0	0	0	0
A64	Policy	PPCS		To provide governance & democratic support service to the PCP and PCC.	B	B	81	0	0	81	0	0	0	0
A65	Policy	PPCS		To move to partial electronic only provision of committee papers.	Y	Y	43	0	0	43	0	0	0	0
A66	Policy	PPCS		Streamline corporate complaints	B	B	113	0	0	113	0	0	0	0
A67	Policy	PPCS		Redesign staffing structure	B	B	51	0	0	51	0	0	0	0
A68	Policy	PPCS		Redesign staffing structure	B	B	246	0	0	246	0	0	0	0
A69	Policy	PPCS		Refocus communications and marketing activity	B	B	178	0	0	178	0	0	0	0
A70	Policy	PPCS		Alternative delivery of translation and interpretation services.	B	B	55	0	0	55	0	0	0	0
A71	Policy	PPCS		Income generation	B	B	24	24	24	72	0	0	0	0
A72	Policy	PPCS		Review PPCS management structure	B	B	50	0	0	50	0	0	0	0
B27	Policy	PPCS		Devt Mgmt restructuring - staff reductions. Income generation.	G	A	64	0	3	67	43	0	0	43
B31	Policy	PPCS		Reduce the financial contribution to HealthWatch Nottinghamshire	B	B	95	50	0	145	0	0	0	0

Consultation Ref.	Committee	Dept	Veto Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
B32	Policy	PPCS		To cease awarding grant aid to Nottingham Playhouse in 2014/15	B	B	95	0	0	95	0	0	0	0
A34	T&H	E&R		Highways Contract savings	G	G	1,170	0	0	1,170	0	0	0	0
A35	T&H	E&R		Increased efficiency by Highways Operations Group	G	G	900	0	100	1,000	0	0	0	0
A36	T&H	E&R		Efficiencies through more effective pothole repair & patching service	G	G	0	100	100	200	0	0	0	0
A37	T&H	E&R		Reduce contribution to Highways Safety Shared Service	G	G	200	100	100	400	0	0	0	0
A38	T&H	E&R		Shared Service for Central Processing Unit	G	G	0	25	0	25	0	0	0	0
A39	T&H	E&R		Renegotiation of contribution to the Urban Traffic Control Shared Service	G	G	50	0	0	50	0	0	0	0
A40	T&H	E&R		Removal of Robin Hood Line subsidy	G	G	0	80	0	80	0	0	0	0
A42	T&H	E&R		Increased Highways Income from additional housing development activity	G	G	10	10	13	33	0	0	0	0
A43	T&H	E&R		Increased income from various service areas	G	G	20	30	30	80	0	0	0	0
A44	T&H	E&R		Increased income from providing services to neighbouring local authorities	G	G	13	0	0	13	0	0	0	0
A45	T&H	E&R		Restructuring - staff reductions	G	G	133	217	0	350	0	0	0	0
A46	T&H	E&R		Restructuring - staff reductions	G	G	0	0	0	0	0	0	0	0
A47	T&H	E&R		Restructuring - staff reductions	G	G	175	284	0	459	0	0	0	0
A48	T&H	E&R		Restructuring - staff reductions	G	G	192	311	0	503	0	0	0	0
A55	T&H	E&R		Staffing Reductions in Transport & Travel Services	G	G	150	150	0	300	0	0	0	0
A56	T&H	E&R		Establishment of fund for replacing worn out integrated transport measures	G	G	200	200	200	600	0	0	0	0
A57	T&H	E&R		Reduction of discretionary spend	G	G	100	100	100	300	0	0	0	0

Consultation Ref.	Committee	Dept	Veto Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
A58	T&H	E&R		Use of financial contributions (Commutated Sums) from developers	G	G	250	0	0	250	0	0	0	0
A59	T&H	E&R		Gully cleaning	G	G	50	0	0	50	0	0	0	0
B22	T&H	E&R		Reduction in Rights of Way Service	G	G	100	50	0	150	0	0	0	0
B23	T&H	E&R		Increase charges for Blue Badges	G	G	40	40	56	136	0	0	0	0
B24	T&H	E&R		Deliver Road Safety Education as part of public health commissioning for Nottinghamshire	G	G	0	79	0	79	0	0	0	0
							38,318	24,669	15,909	78,896	686	2,867	-3,510	43

Key for Status

On Target	Successful delivery of the project to time, cost and quality is achievable and there are no major outstanding issues at this stage that threaten delivery
Experiencing Obstacles	Successful delivery is probable, however, there are minor issues which need resolving to ensure they do not materialise into major issues threatening delivery
At Risk	Based on available evidence, successful delivery still appears feasible but significant issues exist with scope, timescales, cost, assumptions and/or benefits. Issues appear resolvable, but action is required
Compromised	Based on available evidence, successful delivery of the project appears to be at significant risk. There are major issues with project scope, timescales, cost, assumptions and/or benefits. Immediate action required to resolve issues.
Completed	Project benefits have been achieved, or there has been an official change to the benefits profile (through change control) so the project is complete or declared undeliverable
No Status	Awaiting major points of clarification / decision-making to enable PID and plan to be completed

Reconciliation to Appendix A to C of Feb 2014 Budget Report

	2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000
Appendix A totals	15,569	7,605	4,646	27,820
Appendix B totals	13,558	11,341	6,516	31,415
Appendix C totals	6,007	8,719	5,939	20,665
Redesign of Home Based Services B/Fwd (ASC - 105)	865	0	0	865
Living At Home B/Fwd (ASC 401)	425	0	0	425
Linkage Service B/Fwd (ASC 408)	148	0	0	148
Supporting People B/Fwd (ASC 413)	2,030	0	0	2,030
ANNUAL BUDGET 2014/15 PROJECTED SAVINGS	38,602	27,665	17,101	83,368
Adjustment to savings profile for A07 & A15	0	600	-600	0

Consultation Ref.	Committee	Dept	Veto Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
				Savings not achieved for B04			0	-2,335	0	-2,335				
				Savings not achieved for B05			-284	-661	-592	-1,537				
				Savings not achieved for B13			0	-350	0	-350				
				Savings not achieved for B28			0	-250	0	-250				
				ADJUSTMENTS TO PROJECTED SAVINGS			-284	-2,996	-1,192	-4,472				
				REVISED PROJECTED SAVINGS			38,318	24,669	15,909	78,896				

19 January 2015**Agenda Item: 5****REPORT OF THE SERVICE DIRECTOR, FINANCE AND PROCUREMENT****LOCAL AUTHORITY MORTGAGE SCHEME – PROGRESS REPORT****Purpose of the Report**

1. To update the Members of Finance & Property Committee on the progress of the Local Authority Mortgage Scheme (LAMS).

Information and Advice

2. Policy Committee (12 December 2012) approved that the County Council participates and provides finance for the Local Authority Mortgage Scheme (LAMS), which will make it easier for first time buyers to enter the property market and assist in alleviating some of the issues around lack of availability of social housing and affordable private rented accommodation.
3. Appendix 1 shows an extract of a report to Finance and Property Committee (28 April 2014) which sets out how LAMS schemes operate and identifies the associated risks.

Nottinghamshire Countywide Scheme 1

4. Following approval by the Policy Committee the initial LAMS scheme was launched with the Lloyds Banking Group on 26 February 2013. The scheme, known as the Local-Lend-a-Hand Mortgage Scheme covered all postcodes in Nottinghamshire excluding those in Gedling – which was slightly more complicated due to the fact that Gedling Borough Council in partnership with Lloyds had already launched LAMS within the District.
5. This £2 million cash-backed scheme with Lloyds catered for a maximum loan value per property set to allow properties of up to £150,000 to be purchased, based on a 5% deposit from the applicant. Assuming a 5% deposit on a £150,000 property (£7,500) is put down by the mortgagee, the mortgage would be for £142,500. As a result the maximum indemnity per property that the authority will be liable for is £30,000. It was anticipated that at this maximum level, for an investment of £2m, over 66 mortgages could be supported.
6. This first tranche was closed by Lloyds to new applicants in September 2013. However, the scheme is still open for completion of loans that were already in the pre-approved stage but are not yet completed. As a consequence, at the end of October 2014, 105 loans had been completed to a total value of £10.1 million.

7. The average value of houses purchased is £102,045 which has meant a larger number of mortgages will be supported than originally anticipated. The average loan value is £95,988 and the average loan to value percentage is 94%.
8. To demonstrate that there is no reckless lending, Lloyds have confirmed that nationally for every 12 enquiries only 6 will progress to the application stage and 1 in every 6 applications results in a LAMS mortgage. Lloyds have been operating LAMS since March 2011 and to date there have been no mortgage defaults recorded.

Joint Schemes with District Partners

9. As Members will be aware, in autumn 2013 Lloyds announced that they would not open any more schemes. However, in October 2013, Lloyds reversed their decision and announced that they were to re-open their participation in LAMS but only for those authorities that had indicated in September 2013 that they were proposing to launch their schemes.
10. It was indicated in the report to Policy Committee that it was hoped that the Districts and the County could work together for future tranches to increase the amount of funding available. Subsequently, a number of discussions were held with District partners leading to the launch of a number of jointly funded schemes.
11. At the same time Capita, our partner to the set-up of these schemes, indicated that another local financial institution had entered the LAMS market, the Mansfield Building Society, with 3 offices in north Nottinghamshire.
12. As a result of Lloyds re-entering the market and the introduction of the Mansfield Building Society, a number of concurrent joint schemes were launched across the County that were supported by the County Council

Bassetlaw District Council

13. A £1 million cash-backed scheme with Lloyds, including £0.5 million contribution from the County Council, was launched on 2 September 2013. The maximum loan value per property is set to allow properties of up to £130,000 to be purchased, based on a 5% deposit from the applicant. Assuming a 5% deposit on a £130,000 property (£6,500) is put down by the mortgagee, the mortgage would be for £123,500. As a result the maximum indemnity per property that the authority will be liable for is £26,000. It was anticipated that at this maximum level, for an investment of £1m, over 38 mortgages could be supported.
14. At the end of October 2014, 13 loans had been completed to a total value of £1.1 million. The average value of houses purchased is £89,742 which has meant a larger number of mortgages will be supported than originally anticipated. The average loan value is £83,247 and the average loan to value percentage is 93%.
15. A £300,000 non-cashed backed scheme with Mansfield Building Society, including a £150,000 contribution from the County Council was launched on 9 December 2013. No loans have been completed through this scheme to date.

Broxtowe Borough Council

16. A £1 million cash-backed scheme with Lloyds, including £0.5 million contribution from the County Council, was launched 4 February 2014. The maximum loan value per property is set to allow properties of up to £150,000 to be purchased, based on a 5% deposit from the applicant. Assuming a 5% deposit on a £150,000 property (£7,500) is put down by the mortgagee, the mortgage would be for £142,500. As a result the maximum indemnity per property that the authority will be liable for is £30,000. It was anticipated that at this maximum level, for an investment of £1m, over 33 mortgages could be supported.
17. At the end of October 2014, 9 loans had been completed to a total value of £0.9 million. The average value of houses purchased is £105,111 which has meant a larger number of mortgages will be supported than originally anticipated. The average loan value is £96,217 and the average loan to value percentage is 94%.

Ashfield District Council

18. A £1 million cash-backed scheme with Lloyds, including £0.5 million contribution from the County Council, was launched 30 January 2014. The maximum loan value per property is set to allow properties of up to £125,000 to be purchased, based on a 5% deposit from the applicant. Assuming a 5% deposit on a £125,000 property (£6,250) is put down by the mortgagee, the mortgage would be for £118,750. As a result the maximum indemnity per property that the authority will be liable for is £25,000. It was anticipated that at this maximum level, for an investment of £1m, over 44 mortgages could be supported.
19. At the end of October 2014, 20 loans have been completed to a total value of £1.7 million. The average value of houses purchased is £92,300 which has meant a larger number of mortgages will be supported than originally anticipated. The average loan value is £86,166 and the average loan to value percentage is 93%.
20. A £300,000 non-cashed backed scheme with Mansfield Building Society, including a £150,000 contribution from the County Council was launched on 25 October 2013. No loans have yet been completed through this scheme to date.

Nottinghamshire Countywide Scheme 2

21. In addition to the joint schemes with Districts, the County Council launched a separate £1 million scheme through Lloyds at the beginning of March 2014 to include those postcodes not covered by the joint schemes, i.e. Rushcliffe, Mansfield and Newark & Sherwood areas, and to take in postcodes that fell between joint schemes.
22. The countywide scheme has retained a maximum loan value per property of up to about £142,500. At the end of October 2014, 32 loans have been completed to a total value of £3.3 million. The average value of houses purchased is £108,889 which has meant a larger number of mortgages will be supported than originally anticipated. The average loan value is £102,290 and the average loan to value percentage is 94%.

Overview of LAMS Investment

23. The above arrangements result in a total investment of £4.8 million by the County Council through the Lloyds Banking Group (£4.5 million in cash) and the Mansfield Building Society (£300,000 non-cash through guarantees) either directly or through Broxtowe BC, Bassetlaw DC and Ashfield DC, with a total investment into the County of £6.6 million when the investments made by our district partners are included.
24. It is clear that the LAMS schemes launched to date have been successful both in allowing a large number of first time buyers to obtain finance towards their homes which they wouldn't otherwise have been able to do and stimulating the local housing market. There are obvious additional benefits into the local economy through providing this type of support.
25. It is noticeable that no loans have been completed through the partnership with Mansfield Building Society, despite the wide promotion by Ashfield District Council, Bassetlaw District Council and the County Council's Communications team.
26. Promotion in both Bassetlaw and Ashfield has included a launch event with press coverage, posters and publicity material in council buildings, messages via the Council's intranet, website and social media and an article in All About Ashfield (March 2014 edition) which is distributed to all homes in Ashfield.
27. In addition, the County Council has promoted the LAMS scheme countywide on a number of occasions through news releases, case studies, council publications and social media messages, signposting people to the County Council's dedicated web pages at www.nottinghamshire.gov.uk/mortgages - where they can access information on the scheme in their area, covering both Mansfield Building Society and Lloyds.
28. A further press release, case study and County Life magazine article is planned in the coming months. The communications team has made contact with Mansfield Building Society to encourage them to carry out further marketing of the scheme in branches and the local media themselves.

Implications of the Government's 'Help to Buy' scheme and the future of LAMS

29. The Government's national flagship 'Help To Buy' scheme was introduced in April 2013 and applied to first time buyers only who were purchasing new build properties worth up to £600,000. The scheme was extended in October 2013 to cover new homes and re-sale properties up until 2020. The details of these proposals are similar to the Nottinghamshire LAMS, offering buyers the ability to borrow with only a 5 per cent deposit, with the Government providing a guarantee up to 20 per cent of the home loan value.
30. In September 2013 the Lloyds Banking Group announced their withdrawal from LAMS as the Government announced the intention to accelerate phase 2 of the 'Help to Buy' scheme to the 7 October 2013. The Lloyds Banking Group, through the Halifax, and the Royal Bank of Scotland (including its NatWest brand) were the early adopters to the scheme and more banks joined the government's scheme over the proceeding months.
31. Lloyds's suspension of the local authority mortgage scheme continues and they have made no announcement as to when they may re-open the scheme. Consequently, for all intents and purposes, although we have schemes open at present, the future for further LAMS in Nottinghamshire would appear suspended. As per our previous experience, if Lloyds do re-

enter the market the Council will make every effort to arrange new schemes with district colleagues and/or a countywide scheme.

32. Along with other Councils, we will continue to lobby Lloyds to re-open LAMS and will work with Capita to encourage other financial institutions that may be willing to operate such schemes in Nottinghamshire.

Summary

33. LAMS offers an effective and risk-aware method of using the authority's reserves to assist in re-invigorating the local housing market by assisting first time buyers to obtain cost-effective mortgages. These reserves should be returned in full in five years' time and in the interim period an attractive rate of interest will be earned, including a premium to mitigate the possibility of mortgage defaults.
34. Overall the LAMS schemes have been successful both in allowing a large number of first time buyers to obtain finance towards their homes which they wouldn't otherwise have been able to do and stimulating the local housing market. There are obvious additional benefits into the local economy through providing this type of support. In total, at the end of October 2014, over 179 applications have been completed.
35. The Council has built on the experience of the first tranche with the launch of a number of joint schemes with district partners and a second countywide scheme through the Lloyds Banking Group and the Mansfield Building Society. These schemes are already proving a success across the county.
36. Unfortunately, the extension of the Government's 'Help to Buy' scheme to first time buyers, being similar to the local authority mortgage schemes, has overtaken local authority mortgage schemes. This has resulted in the Lloyds Banking Group suspending their involvement with LAMS and until they reverse their decision or another financial institution with a local presence enters the market for LAMS, the County Council is not able to make any further investment in LAMS. As a consequence our involvement with future LAMS is currently suspended.
37. Work is on-going to continue to promote all schemes but focussing in particular on the partnerships with the Mansfield Building Society.
38. A further report will be brought to Finance and Property Committee on the progress of the Nottinghamshire scheme(s), including any update on the situation with the Lloyds Banking Group's suspension of their involvement with LAMS.

Reason/s for Recommendations

39. LAMS provides the County Council with a very significant role in promoting economic prosperity within the County. Participation in LAMS, by way of lending to banks in a manner which allows them to make more affordable mortgages available to people who do not currently have the resources to put a significant deposit into a house, will assist in 'oiling the wheels' of the property market within the County. This can only be positive for economic growth.

40. There is evidence that there are a large number of individuals, couples and families who are currently in either social housing or private rented accommodation but who have the ability to pay a mortgage and want to buy their first house. The obstacle to them becoming property owners is the need for them to save a significant deposit (sometimes as much as 25% of the property value) before they have access to a mortgage at a reasonable interest rate, or even access to a mortgage at all. LAMS allows these people to buy their first house with a significantly lower deposit than would otherwise be required, and on similar terms to them providing a 25% deposit. The potential for LAMS to assist in 'freeing up' social housing is beneficial to housing authorities and it was with this in mind that the County Council has been able to join with some of the district councils within Nottinghamshire to launch a number of schemes.

Statutory and Policy Implications

41. 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

42. It is recommended that Members:

Note the success of the Local Authority Mortgage Scheme (LAMS) in Nottinghamshire, in particular the successful partnership arrangements with district councils.

Nigel Stevenson

Temporary Service Director - Finance and Procurement

For any enquiries about this report please contact:

Glen Bicknell

Senior Accountant – Financial Strategy & Accounting

Constitutional Comments

43. As this report is for noting only no Constitutional Comments are required.

Financial Comments (NS 22/12/2014)

44. The risks associated with establishing a Nottinghamshire LAMS were set out in the report to Policy Committee 12 December 2012; consequently the likelihood of the Authority incurring any material loss is very low.

45. The scheme is financed through the use of reserves. For the cash-backed scheme(s) the financial contribution is time-limited and will be received back after the scheme has been completed. For the non-cashed backed scheme no initial investment is required and it is proposed that the premiums received would be set aside to meet any future defaults.

Background Papers

46. None

Electoral Division(s) and Member(s) Affected

All

LOCAL AUTHORITY MORTGAGE SCHEME – PROGRESS REPORT

The LAMS Process and Associated Risks

1. Whilst the County Council is not a housing authority it clearly has a very significant role in terms of promoting economic prosperity within the County. Participation in LAMS, by way of lending to banks in a manner which allows them to make more affordable mortgages available to people who do not currently have the resources to put a significant deposit into a house, will make a significant difference on the property market within the County. There is a potential to aid about 500 first time buyers with approved proposed total investment of £15m in the Nottinghamshire scheme. In addition, there are expected to be knock-on economic benefits to the County of the scheme, although these are more difficult to quantify.
2. The scheme operates by way of the County Council lending an amount of money (the first tranche was set at £2m) to a financial institution that has agreed to be part of the scheme. This loan will be for a 5 year period and the interest payable will be a market rate for a 5 year loan plus an additional margin to protect against some of the risks associated with the default by mortgage holders. This is known as a cash-backed scheme.
3. The loan made to the financial institution is not used to provide the finance for individual mortgages and is merely used as an indemnity against any defaults on the mortgages that occur in the five year period. After this five year period the lender assumes full responsibility for the mortgage and any subsequent defaults, and the loan is returned to the County Council. If there are mortgages that are in arrears by more than a specified period at the end of the five year period, there will be an agreed 'hold back' to cover the possibility of these mortgages ultimately ending in default.
4. Two financial risks to the County Council were identified: firstly that the financial institution defaults on the loan and secondly that their lending criteria are insufficiently stringent and that a significant number of defaults occur. The former of these risks can be minimised, but not alleviated completely, by careful choice of the counterparty. The latter risk is more difficult for the County Council to control and it is important to be comfortable that the financial institution has a risk-aware methodology in respect of the granting of mortgages. It is reasonable to expect them not to

take risks with the County Council's money that they would not take with their own, and this has been confirmed.

5. For any mortgages granted the mortgagee will put down a deposit of at least 5% and the County Council's loan to the financial institution will indemnify the rest of the loan, down to a 75% level. In the event of a default an invoice would be issued to the County Council to cover the amount of the indemnity provided against the mortgage, less any monies recovered as part of the repossession and sale of the property.

The Mansfield Building Society (MBS) schemes are non-cashed back schemes, whereby the Council offers guarantees to the financial institution on offering the up to 20% mortgage guarantee for the payment of a premium, typically in the region of £500 per mortgage, which would in effect reflect the risk in offering the guarantee to each mortgage. In non-cash backed schemes it is only upon default of a mortgage whereupon the Council would have to pay over to the financial institution for the level of the indemnity provided on the mortgage (net of any recovery). Similar to the cash backed scheme the length of the indemnity is for a 5 year period. The same conditions would apply as to the maximum loan of £142,500 and the same strict lending criteria would be undertaken for a mortgage as for all mortgage applicants from the financial institution. Consequently, it is anticipated that with similar low default rates the premiums received would be in excess of any default risk. In addition, as no money is initially lent in a non-cashed backed scheme the initial counterparty default risk would not exist.

19 January 2015**Agenda Item: 6a****REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &
ENVIRONMENT****DISPOSAL OF FORMER SOUTHWELL HIGHWAYS DEPOT, FISKERTON
ROAD, SOUTHWELL****Purpose of the Report**

1. To report on the marketing of the property, and offers received.
2. To seek approval to enter into a contract for the sale of the former Southwell Highways Depot, Fiskerton Road, Southwell.

Information and Advice

3. 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 exempt appendix.
4. The former Southwell Highways Depot closed on 2nd March 2011 and is now surplus to operational needs due to the reorganisation of Highway Services and construction of the Bilsthorpe Depot. It is listed on the Capital Receipt List for disposal. The former depot occupies a site of approximately 1.74 acres (0.71 Hectares). The area being marketed is 0.929 acres (0.376 Hectares) the remainder of the site is to be retained for a proposed by-pass.
5. The proposed Southwell by-pass is currently included in the capital programme but has no funding, and may eventually be abandoned. The proposed alignment for this road is along land owned by the County Council to the rear of the former highways depot. The sale of this land needs to take into account the possibility that the by-pass scheme will be abandoned in the future. Therefore the sale of the depot will need to include provision for a right of way to the Council's retained land to the rear.
6. The land proposed for sale is shown cross hatched on the attached plan. The land to be retained (projected highway alignment) is shown hatched on the same plan.
7. The development of the land to be sold (crossed hatched) will be expected to provide an access road to the retained land (hatched on the attached plan). In the event the Southwell by-pass project is abandoned, an adoptable standard road will be needed for access to the retained land. This may restrict the development on this site. The

retained land fronting Fiskerton Road is unlikely to gain Highway approval for an additional access.

8. The site currently consists of concrete hard standing areas and several derelict buildings that previously contained offices and workshops. The site is secure and all the buildings boarded up, so there are no on-going security costs.
9. The property was extensively marketed by the Council's appointed agents, Innes England throughout June, July, and August 2013 and approval obtained on 20 January 2014 for disposal to the highest bidder.
10. Newark and Sherwood District Council suspended determining any planning application in Southwell until the outcome of Flooding Reports which were being prepared by NCC were available and the purchaser withdrew from the proposed sale.
11. The property has been remarketed and a wide range of offers have been received, both on a conditional and an unconditional contract basis. Each of the bids has been subject to detailed scrutiny by Officers and by the Council's agents. The offers received exceeded expectations and represent good value to The Council. A summary of all the offers received is contained in the exempt appendix.

Other Options Considered

12. An alternative to disposal would be the letting of the property, but the letting potential of the site is not considered likely to deliver a significant income stream, with a high risk of significant void (empty) periods. The site has no usable buildings due to poor condition.
13. Consideration was given to sale by auction. It was considered that sale by private treaty would produce greater interest and allow for more discussion with interested bidders. Private treaty negotiations also allow for greater clarity as regards the necessary access road to the retained land.
14. A final option is to retain the land until such time as the future of the by-pass is determined one way or the other. This could cause a significant delay in selling the land as the next tranche of roads going forward for funding is not until 2019. At this present time 50 potential road schemes are being put forward in 2019 but only 3 of these will receive funding. This by-pass could roll forward to the next tranche or even several future funding tranches.

Reason/s for Recommendation/s

15. The Authority has no strategic requirement for the property.

Statutory and Policy Implications

16. 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 bids received for the site as detailed in the exempt appendix are noted.
- 2) That approval be given to the sale of the property on terms detailed in the exempt appendix.

Jas Hundal

Service Director – Transport, Property & Environment

For any enquiries about this report please contact: Gael Gamble 0115 977 2083

Constitutional Comments (EP 2.12.14)

17. The recommendation falls within the remit of the Finance and Property Committee by virtue of its terms of reference.

Financial Comments (TR 9.12.14)

18. Any sale will generate a capital receipt which will be used to help fund the Capital Programme.

Background Papers and Published Documents

19. None.

Electoral Division(s) and Member(s) Affected

20. Ward(s): Southwell and Caunton
Member(s): Councillor Bruce Laughton

File ref.: /GG/SB/07024

SP: 2756

Properties affected: 07024 - Southwell Sub Depot

19 January 2015

Agenda Item: 6b

**REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &
ENVIRONMENT****THE DENEWOOD CENTRE, BILBOROUGH, NOTTINGHAM****Purpose of the Report**

- 1.To seek approval in principle to the disposal of the site of the Denewood Centre, Bilborough, Nottingham.
- 2.To inform Committee of a decision taken by the Chief Executive under the urgency procedure to the clearing of the site of the Denewood Centre, Bilborough, Nottingham.

Information and Advice**3. Commentary:**

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.

The Denewood Centre is a former school property. In recent years it has been used as both a staff training facility and Pupil Referral Unit (PRU) by Nottingham City Council. The City Council used the above from 2004 until late 2013. The occupation was by way of licence at nil rent with the City undertaking all repairs, maintenance and charges. The site is jointly owned by the County Council and Nottingham City Council, with the majority being owned by the County Council. The pertinent points of this case are:

- The County's landholding is approximately 2.43 Hectares (6.0 acres). This comprises the majority of the site of the original school buildings (approximately 7000m²) along with car parks, other hard-standing and grassed / landscaped areas.
- The City's landholding is approximately 0.58 Hectares (1.43 acres). This comprises a number of buildings and car parking. The City occupied these buildings in order to provide in house training, but this service relocated in September 2013. The entire site is now vacant.

- Both Councils' strategic property teams confirm that neither Council has a requirement for the property.
- The site lies in the Bilborough housing estate which is predominantly local authority or former local authority housing.
- The City Council's Planning Strategy identifies the Denewood Centre site for residential development. The City Planning Officer suggests that the site is suitable for 100 - 120 dwellings.
- Access to the site from the nearest major road, Beechdale Road, is via the estate roads. These are only 5.5m wide approximately, with unrestricted parking. Redevelopment of the site is likely to lead to an increase in traffic levels, and this may limit the size of any proposed development. Additional guidance will be sought from the City Highway Officer.
- Retention of the school buildings on the site is very costly in terms of security, business rates and utilities. Therefore it is intended that these be demolished to leave a cleared development site.
- Since vacation of the site by the City Council, running costs are being split between the two Councils. These ongoing costs (business rates, utilities and on site security) total approximately £12,000 per month for the County Council portion of the site and buildings.
- To October 2014, costs amount to £154,000. It is anticipated that demolition will take place by the end of February 2015 (6 week contract), and in this case the running costs will total in the region of £196,000. The buildings became vacant in March 2013, and up until September 2013 (hand back of the County site) the City Council bore the entire site costs. Due to the high profile nature of the site and its vulnerability, 24 hour security has been used since March 2013 to prevent trespass and damage. This was reduced to 12 hours, night time only, for a short period. Unfortunately break-ins and metal thefts commenced straight away and so 24 hour security was reinstated.
- Once demolished, costs will be limited to site security only (likely to consist of concrete blocks) and these will be minimal.
- Demolition is being procured by the City Council, the cost of this is detailed in the exempt appendix.

4. Market Commentary:

Informal advice was sought from external agents who have a good local and national knowledge of the housing market. The advice received was that buyers for this type of property are limited due to the various constraints of the site. Nonetheless, there are companies that specialise in developing this type of land.

The advice recommended that in order to improve the chances of finding a purchaser:

- All buildings, basement and footings should be demolished and removed.

(The City Council with County approval is progressing this with a target completion of February 2015).

- Formal Pre-Application advice should be obtained from Nottingham City Council Planning and Highways Departments as to the likely number of units to be permitted on the site and any likely road alterations required to accommodate the development. (This is being progressed)

The above will allow the site to be marketed with the benefit of a development brief and all relevant highway information.

5. Proposal:

Given the split ownership situation, and there being only a single point of access to the site, it is proposed that:

- Both Councils work together to dispose of the property as soon as possible following the demolition via informal tender.
- Capital receipts from the disposal and the costs incurred with the disposal will be shared on a pro-rata basis according to each party's landholding.

The report is not seeking approval to the terms and conditions of a sale. Approval is sought only to the *principle* that the property is surplus and *can* be sold. The terms and conditions for the sale will be brought before Committee for approval (or otherwise) following marketing, in the normal manner.

6. Costs:

All costs incurred are to be split on the pro rata basis between the two Authorities. This includes business rates, security, utilities, pre-demolition surveys, demolition, marketing & agency fees.

The urgent decision taken by the Chief Executive to let the demolition contract has minimised the Authority's costs. Delaying the decision would have resulted in ongoing security expenses and costs which have been saved by letting the demolition contract immediately.

Other Options Considered

7. Immediate sale of the existing site and buildings, by public auction. This is potentially the quickest method to obtain a capital receipt and transfer any liability for the site.

However:

- There is no guarantee that a reserve figure would be met.
- A buyer may not be found at all.
- No consensus exists between the Authorities to dispose of the property in this way.
- This provides limited control over the future use of the land.

Reason/s for Recommendation/s

8. To provide a capital receipt and remove future liability for the site.

Statutory and Policy Implications

9. 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 Committee approves the principle of the disposal of the site of the Denewood Centre, Bilborough, Nottingham.
- 2) That Committee notes the decision taken by the Chief Executive under the urgency procedure to the clearing of the site of the Denewood Centre, Bilborough, Nottingham.

Jas Hundal

Service Director – Transport, Property & Environment

For any enquiries about this report please contact: Tim Slater 0115 977 2076

Constitutional Comments (EP 06.01.2015)

10. The recommendation falls within the remit of the Finance and Property Committee by virtue of its terms of reference.

Financial Comments (TR 9.12.14)

11. Any sale will generate a capital receipt which will be used to help fund the Capital Programme.

Background Papers and Published Documents

12. None.

Electoral Division(s) and Member(s) Affected

13. Ward(s): Beechdale
Member(s): n/a Nottingham District

File ref.: /TS/SB/01774

SP: 2770

Properties affected: 01774 - Denewood Training Centre

NOTTINGHAMSHIRE COUNTY COUNCIL

LAND AND PROPERTY SALE DECISION PRO-FORMA

SITE – Denewood Centre

CRITERIA FOR DISPOSAL: A OR B NEEDS TO BE DEMONSTRATED WITH SUPPORTING EVIDENCE

(A) 1 – Is the asset surplus to the Service/s currently using it? Yes

1. Makes no contribution to the delivery of the Service:

The property is no longer required to meet service needs. The service has no requirements for this property.

or

2. An alternative has been identified which would provide more cost effective service delivery. **N/A**

(A) 2 – Is the asset surplus the authorities future needs? Yes

1. Has no potential for service delivery in the future:

There is no requirement in the foreseeable future.

(B) – Is the asset under-used?

1. Part of the asset is vacant and is likely to remain vacant for the foreseeable future:

The asset is vacant

Secondary check – retention considerations

Could the asset be employed for a community/shared use? **Yes**

Constraints

1. Legal implications: **None identified**
2. Planning implication: **A development brief is being prepared by the City Planning Department.**

Timing

1. Is there potential for the asset value to considerably increase in the future? **No**
2. Are there any budgetary considerations which may impact on the timing of the proposed disposal?

The City Council are joint owners so have been involved in consultations.

Consultations/Approvals

Parties which need to be consulted for the proposed disposal:

The surplus property is disposed of as soon as possible.

1. Internal stakeholders and when:
Strategic liaison meetings have produced no known requirements
2. External stakeholders and when:

The City Council are joint owners and have been involved in consultations.

Recommendation

It is recommended that the surplus property is disposed of as soon as possible.

Target date for approvals: **December 2014**

Target date for completion of sale: **March 2016**

Signed: A. Warren

Date: 20/11/14

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19 January 2015**Agenda Item: 6c****REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &
ENVIRONMENT****OPERATIONAL DECISIONS TAKEN OUTSIDE THE FINANCE &
PROPERTY COMMITTEE CYCLE OCT – DEC 2014****Purpose of the Report**

1. 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.
2. In accordance with the above decision this is the first annual review report, together with the final quarterly report for 2014 informing the Committee of Operational Decisions taken between October and December 2014.

Information and Advice

3. 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.
4. Since the Committee approved amendments to the list of day to day operational decisions which can be taken by the Director in January 2014, there have been some 111 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.
5. 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). To date no adverse comments have been received from Ward Members in respect of the 111 Operational Decisions during the year.

The amendments 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 approved last January by Committee are confirmed.

6. 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)
October		
2734	Farm Business Tenancy - Rushley Farm East - South of MARR	Grant of a 2 year Farm Business Tenancy
2732	Licence Agreement - Former Beardall Street Primary and Nursery School	This former school is now surplus to requirements following the construction of the replacement new primary school. Ashfield District Council are interested in extending the Byron Business Centre they recently completed on the adjacent site – however they are not in a position to commit themselves until after gaining the relevant approvals. We should know whether this will go ahead by end Oct 14. Even if they are going ahead there will be a considerable delay before anything happens on site due to the negotiations of terms, legal completion of contract etc. Indigo Kids, a registered charity, are currently in an adjacent property privately owned and have been asked to vacate due to the landlord wishing to market the property vacant. It is proposed to offer them a temporary licence at Beardall Street and potentially allow them to acquire the former school site if Ashfield do not proceed.
2735	Refresh Approval – Electricity Sub Station Lease Renewal at St Matthew C of E Primary School	Renewal of existing 21 year electricity substation leases in accordance with the terms of the existing agreements
2736	Refresh approval - Electricity Sub Station at Colwick Loop Road	Grant of 21 year lease for the purposes of installing a substation at Colwick Loop Road to provide electricity to the sewage pumping station.
2737	St Mary Magdalene C of E Primary School – Transfer of	Transfer of freehold interest of land on which school buildings sit in accordance with Paragraph 4, Schedule 3 of the Schools Standards & Framework Act 1998.

	Freehold Land Interest to Voluntary Aided School	
2750	Electricity Substation Fountaindale School - Early Entry Licence Agreement	Grant of an early entry agreement prior to the grant of a 99 year lease for the purposes of installing a substation at the newly constructed Fountaindale School
2600	Lease for Cherubs Nursery operating from Ryton Park Primary School site	Nottinghamshire County Council transferred the freehold of the site to the Governing Body of the Ryton Park Foundation School who have granted a lease back to us for the Nursery area. Nottinghamshire County Council will then grant an underlease to Cherubs (Childcare East Midlands LLP).
November		
2748	Lease renewal - Unit 4, Advance Factory No 2, Hermitage Way, Mansfield	The granting of a five year lease to Eurocell Building Plastics Limited.
2740	Stephenson Way Highway Depot, Brunel Drive, Newark Rent Review	In accordance with the rent review provisions of the lease the rent is to be increased, as set out in the exempt appendix.
2738	Compensation Payment – Land to West of Regatta Way, Gamston	Severn Trent Water Ltd (STWL) has laid a new rising main through the Council's land to the West of Regatta Way. A compensation payment has been agreed by the Council and STWL to reflect the sterilisation of the land through which the pipe is laid.
2757	Former Trowell Moor Colliery, Stapleford Road, Trowell, Nottingham, NG9 3QE – Landlord's Consent To Sub Letting & Designation To A Local Nature Reserve	This site is let on a 99 year lease to Broxtowe Borough Council with effect from 1 April 1994 at an annual rental of a peppercorn. It is let as public open space with ancillary facilities (a football pitch). The Borough Council have approached NCC seeking Landlord's consent under the terms of the lease, to approve a 25 year sub lease of the football pitch to Trowell Football Club, so that the Club can attract funding. In addition to this, they also wish to declare the remainder of the land as a Local Nature Reserve.
2755	Former Misterton Sub Depot, Station Street, Misterton, Notts, DN10 4DE – Appointment of Auctioneers	This former depot was occupied by NCC's Highways Department & they have now transferred to Bilsthorpe Depot. The premises are now surplus to County Council requirements & it is therefore proposed to dispose of the property at Auction to generate a capital receipt within this financial year.
2752	Cropwell Bishop Primary School – Lease to BJ Wrap Around CIC	Lease formalising the occupation for a nursery and wrap provision. BJ Wrap Around are currently occupying the school's IT suite but will be moving into a new fit for purpose modular building after half term.
2751	Carnarvon Primary	Licence formalising the occupation for a kids club offering

	School – Licence to Carnarvon Kids Club	wrap around care. The Kids Club have been on site for 9 years without a formal agreement.
2742	Carnarvon Primary School – Licence to Carnarvon Pre School	Licence formalising the occupation for a Pre School. The Pre School have been on site for 9 years without a formal agreement.
2758	Sale of Land at Chesterfield Road North, Mansfield	This County Council Land was originally acquired in connection with the Mansfield Ashfield Regeneration Route (MARR). NCC Highway Team have confirmed that the land is no longer required by the County Council. The purchaser applied to buy the land some time ago and paid the £6000 fee for the 'Stopping Up' order.
2754	Surrender of Leased in Land at Welbeck Colliery	
2764	Licence of Car Parking Spaces for MASH at Mercury House	It is proposed that the County Council renew an existing Licence for 40 car parking spaces; the Licence can be terminated at any time subject to 2 weeks' Notice.
2763	The Old School House, Whinney Moor Lane, Retford, Notts DN22 7AF – Removal of Reserved Access Rights	On 17 July 1981 Nottinghamshire County Council sold the Old School House, Whinney Moor Lane at Retford. Within the Conveyance, rights of access were reserved in connection with proposed drainage works to be undertaken by British Waterways Board. However, the drainage issues were resolved elsewhere and these access rights are no longer required. The premises are currently on the market for sale and the vendor's solicitor has requested that these access rights are removed from the original conveyance.
2767	Ravensdale and Forest Town Children's Centre at Mansfield Primary Academy	Underlease allowing the occupation of Zoe's Childcare at the Children's Centre. The site has been leased to Mansfield Primary Academy, but Nottinghamshire County Council has taken an underlease back from the Academy. The childcare services are needed in this locality and so we have procured Zoe's Childcare to offer the provision at this Children's Centre.
2768	County Offices – Thoroton Road, West Bridgford, APPOINTMENT OF AUCTIONEERS	The property is currently being used as County Council offices and staff are in the process of being re-located elsewhere. The premises are surplus to the County Council's requirements. Approval to dispose of the property by auction was granted at Finance and Property Committee on 13 October 2014.
December		
2768	Disposal : 61 sq m surplus highway land fronting 10 Marsh Lane, Farndon, Newark, Notts, NG24 3SZ	The land in question has been let on Licence to the owner of 10 Marsh Lane. The same applies to No's 12 & 14. This was following a Highway Improvement Scheme in 1972. Highways have confirmed that the land is surplus to requirements & can therefore be sold to the 3 residents. Approval has already been obtained to dispose of the land fronting 12 & 14 Marsh Lane.

2773	Balderton Gate Offices, Newark - Dilapidations Settlement (Operational Decision)	The County Council leased the above premises from Newark and Sherwood District Council (NSDC) the lease from NSDC was recently terminated. Under the terms of that lease the County Council as tenant are responsible for all repairs and maintenance to the property and are covenanted to hand the property back to the landlord in good and substantial repair. The landlord has submitted a claim for dilapidations seeking a cash settlement in lieu of the County Council undertaking the dilapidations work. Following negotiations agreement has now been reached to settle this, as set out in the exempt appendix.
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Other Options Considered

7. 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.
8. 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.

Reason/s for Recommendation/s

9. 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

10. 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 approved by the Committee on 20th January 2014.
- 2) That the information set out in paragraph 3 of this report is noted.

Service Director, Transport, Property and Environment

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

Constitutional Comments (CEH 16.12.14)

11. The first recommendation falls within the remit of the Finance and Property Committee, and the second recommendation is for noting purposes only.

Financial Comments (TR 23.12.2014)

12. There are no direct financial implications as a result of this decision.

Background Papers and Published Documents

13. None.

Electoral Division(s) and Member(s) Affected

14. Ward(s): All
Member(s): All

File ref.: /SB/SB/09998

SP: 2774

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

19 January 2015**Agenda Item: 7****REPORT OF CORPORATE DIRECTOR, POLICY, PLANNING AND
CORPORATE SERVICES****WORK PROGRAMME****Purpose of the Report**

1. To consider the Committee's work programme for 2015.

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, Policy, Planning and Corporate Services

For any enquiries about this report please contact: Pete Davies x74416

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

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>For Decision or Information ?</u>	<u>Lead Officer</u>	<u>Report Author</u>
9 February 2015				
Draft County Council Budget	Recommendation of draft County Council budget 2015/16 to County Council	Decision	Nigel Stevenson	Pauline Moore
23 February 2015				
Monthly Budget & Capital Monitoring Report 2014/15	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various
ICT Programmes and Performance	Update on projects and performance for Q3	Information	Ivor Nicholson	
23 March 2015				
Monthly Budget & Capital Monitoring Report 2014/15	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various
Councillors Division Fund	Quarterly report on Councillors Divisional Fund	Information	Jayne Francis-Ward	Paul Davies
27 April 2015				
Monthly Budget & Capital Monitoring Report 2014/15	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various
ICT Programmes and Performance	Update on projects and performance for Q3	Information	Ivor Nicholson	

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>For Decision or Information ?</u>	<u>Lead Officer</u>	<u>Report Author</u>
1 June 2015				
Monthly Budget & Capital Monitoring Report 2014/15	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various
ICT Programmes and Performance	Update on projects and performance for Q4	Information	Ivor Nicholson	
29 June 2015				
Monthly Budget & Capital Monitoring Report 2014/15	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various
Councillors Division Fund	Quarterly report on Councillors Divisional Fund	Information	Jayne Francis-Ward	Paul Davies
20 July 2015				
Monthly Budget & Capital Monitoring Report 2014/15	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various