

Finance and Major Contracts Management Committee

Monday, 13 January 2020 at 14:00

County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

- | | | |
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| 1 | Minutes of the last meeting held on 16 December 2019 | 3 - 6 |
| 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 2019-20 | 7 - 22 |
| 5 | Update on Wide Area Network Tender | 23 - 26 |
| 6 | Work Programme | 27 - 32 |

NB

Following the meeting there will be a presentation on the new Orchard School and Day Centre which all members are invited to attend.

Notes

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

Customer Services Centre 0300 500 80 80

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

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

- (4) Councillors are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.
- (5) This agenda and its associated reports are available to view online via an online calendar - <http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>

Meeting FINANCE AND MAJOR CONTRACTS MANAGEMENT COMMITTEE

Date 16 December 2019 (commencing at 2.00pm)

Membership

Persons absent are marked with an 'A'

COUNCILLORS

Richard Jackson (Chair)
Roger Jackson (Vice Chair)
John Ogle (Vice Chair)

John Clarke	Diana Meale
Tom Hollis - A	Mike Pringle
Eric Kerry	Alan Rhodes
John Longdon	Councillor Wheeler

OFFICERS IN ATTENDANCE

Mick Allen	Group Manager, Place Commissioning
Pete Barker	Democratic Services Officer
Mike Barnett	Team Manager, VIA
Kaj Ghattaora	Group Manager, Procurement
Jon Hawketts	Group Manager, CFS
Derek Higton	Service Director, Place & Commissioning
Ainsley Macdonnell	Service Director, ASCH & PP
Joe Sardone	Procurement
Nigel Stevenson	Service Director, Finance, Infrastructure & Improvement

ALSO IN ATTENDANCE

David Evans	Arc Partnership
Daniel Maher	Arc Partnership
Sara Williams	Arc Partnership

1. MINUTES OF THE LAST MEETING

The minutes of the last meeting held on 18 November 2019, having been circulated to all Members, were taken as read and were confirmed, and were signed by the Chair.

2. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Hollis (illness).

Councillor Longdon replaced Councillor Girling for this meeting only.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. FINANCIAL MONITORING REPORT: PERIOD 7 2019/20

RESOLVED: 2019/062

- 1) That the variations to the Capital Programme be approved.
- 2) That an update report on the CYP Plan be brought to Committee at the appropriate time.

5. LATEST ESTIMATED COST - NEW SCHOOL AT THE SHARPHILL DEVELOPMENT, EDWALTON

RESOLVED: 2019/063

- 1) That the project proceed to the construction phase based on the estimated cost.
- 2) That the Capital Programme be varied to reflect the revised project cost of £10.3M with the additional sum funded from borrowing.

6. LATEST ESTIMATED COST REPORT FOR DEVELOPMENT OF BROOKE FARM

RESOLVED: 2019/064

That the request to vary the capital programme by £168,200 be approved, funded from revenue and to reflect the additional costs identified in the report.

7. GEDLING ACCESS ROAD – PROGRESS REPORT

RESOLVED: 2019/065

- 1) That the update on the current progress of the GAR, as contained in the report, be endorsed.
- 2) That the target cost of £27.189 million for the main construction works for the GAR, be endorsed.

8. D2N2 CHILDREN IN CARE FRAMEWORK

RESOLVED: 2019/066

That members of the Children & Young Peoples Committee be sent copies of the appendix to the report - 'D2N2 Children in Care Framework – Service Specification.'

9. PROCUREMENT STAFFING STRUCTURE UPDATE

RESOLVED: 2019/067

That the revised structure for the procurement function, as detailed in Appendix A of the report, be approved.

10. OUTSIDE BODIES

RESOLVED: 2019/068

That no further action is required as a direct result of the contents of the report.

11. WORK PROGRAMME

RESOLVED: 2019/069

That the Work Programme be updated in line with Committee's recommendations, including the scheduling of the report regarding the provision of new schools and school places.

The meeting closed at 2.50pm

CHAIR

13 January 2020

Agenda Item: 4

REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT

FINANCIAL MONITORING REPORT: PERIOD 8 2019/20

Purpose of the Report

1. To provide a summary of the Committee revenue budgets for 2019/20.
2. To provide a summary of capital programme expenditure to date, year-end forecasts and approve a variation to the capital programme.
3. To request approval for an additional budget allocation in 2020/21.
4. To inform Members of the Council's Balance Sheet transactions.

Information Background

5. The Council approved the 2019/20 budget at its meeting on 28 February 2019. As with previous financial years, progress updates will be closely monitored and reported to management and Committee each month.

Summary Revenue Position

6. The table below summarises the revenue budgets for each Committee for the current financial year. A £1.2m net underspend is currently predicted. As a consequence of the previously reported in-year forecast overspends and the significant financial challenges facing the Council over the medium term, the key message to effectively manage budgets and, wherever possible, deliver in-year savings continues to be reinforced.

Table 1 – Summary Revenue Position

Forecast Variance as at Period 7 £'000	Committee	Annual Budget £'000	Actual to Period 8 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
9,032	Children & Young People's	127,203	87,580	136,578	9,375
(2,936)	Adult Social Care & Public Health	210,665	125,493	205,040	(5,625)
2,670	Communities & Place	123,523	93,261	125,757	2,234
248	Policy	34,594	28,473	34,401	(193)
(80)	Finance & Major Contracts Management	2,913	1,513	2,861	(52)
144	Governance & Ethics	7,293	4,821	7,482	189
(148)	Personnel	15,179	11,557	14,953	(226)
8,930	Net Committee (under)/overspend	521,370	352,698	527,072	5,702
(9,057)	Central items	(17,341)	(37,944)	(26,378)	(9,037)
-	- Schools Expenditure	133	-	133	-
729	Contribution to/(from) Traders	613	2,211	1,390	777
602	Forecast prior to use of reserves	504,775	316,965	502,217	(2,558)
-	- Transfer to / (from) Corporate Reserves	409	-	409	-
1,117	- Transfer to / (from) Departmental Reserves	(15,657)	(176)	(14,273)	1,384
-	- Transfer to / (from) General Fund	(2,099)	-	(2,099)	-
1,719	Net County Council Budget Requirement	487,428	316,789	486,254	(1,174)

Committee and Central Items

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

Children & Young People's (£9.4m overspend, 7.4% of annual budget)

- The Youth, Families and Social Work Division is reporting a forecast £1.1m overspend. The major contributing factor is a £1.3m overspend on social work staffing, offset by net underspends in other areas. The overspend has arisen due to a combination of staffing changes including permanent recruitment to vacancies, additional capacity staff to respond to continuing increased workload and maintain manageable caseloads; and agency workers. All agency posts continue to require the explicit approval of the Service Director Youth, Families & Social Work and are subject to scrutiny by the quarterly Agency Challenge Panel.
- The Education, Learning & Skills Division is reporting a £0.2m overspend made up of a £0.3m overspend on school improvement sold service offset by a £0.1m underspend on Virtual School and Coping with Risky Behaviour services.
- The Commissioning and Resources Division is forecasting an overspend of £8.1m of which £1.8m is attributable to growth in number of Independent Fostering Agency (IFA) placements, £4.1m residential and £2.4m on semi-independent placements. These were offset by a forecast underspend of £0.1m on Short Breaks and a £0.1m net underspend across other budgets in the division. External placements increased by a net of 9 during November, against a prediction of 1 due to the number of scheduled leavers. As last month, the unexpected growth was in

contracted semi-independent accommodation which incurs minimal additional cost (typically £256 per week), thus having little impact on the expenditure forecast. The increased forecast overspend is mostly attributable to the transfer of one very complex child from internal provision (3 beds at Westview) to Clayfields, resulting in a recharge to this budget of £10,269 per week.

10. As reported at the Finance and Major Contracts Management Committee on 16 September 2019, in addition to existing high-level budget control actions a more detailed Action and Recovery Plan has been prepared and will continue to be monitored over the coming months.
11. In addition to the cost pressures being experienced in the Children and Families Local Authority budget there is also significant pressure on the Authority's High Needs Block which is funded from Department for Education grant. Although this does not impact on local authority budgets, the increase in numbers of pupils requiring Special Educational Needs and Disabilities (SEND) support, alternative provision and a range of SEND services has an impact on transport costs and this is referred to in paragraph 15.

Adult Social Care & Public Health (forecast £5.6m underspend, 2.7% of annual budget)

12. The major variances are as follows:

- Strategic Commissioning and Integration is forecasting an underspend of £2.7m. This is made up of over achievement of income of £1.6m in Service User Contributions due to increases in Residential & Nursing income and Personal Budget income and an underspend of £0.9m as funding earmarked for additional assessment flats / beds is no longer required as Care and Support Centres will remain open until later in the year. These are offset by overspends of £0.1m in system reviews, £0.1m due to new consultancy costs and £0.1m across other budgets. There is additional grant income of £0.5m now forecast as noted below.
- Direct and Provider Services are forecasting an overspend of £0.4m across all services, mainly attributable to an overspend in Residential Services due to the fact that the confirmed closure dates of the Care and Support Centres being later than budgeted.
- Living Well and Ageing Well are forecasting an underspend of £2.1m. This consists of an underspend of £2.3m in Living Well, offset by an overspend of £0.2m in Ageing Well. The Living Well underspend is caused by an increase in joint funding of £2.0m due to backdated commissioning and additional one-off income from last year.

13. Public Health is currently forecasting an underspend of £1.3m, due to a contract variation on the PHN 0-19 contract which has reduced the contract in year by £1.5m offset by small increased spend on Sexual Health, Domestic Violence, Future in Mind (FIM), Academic Resilience and Substance Abuse. Any net underspend will be added to reserves at year end and therefore reduce the net use of reserves.
14. The Local Reform and Community Voices grant forecast was removed last month as it had not been received when expected, however this grant has now been received and forecasts have been adjusted accordingly.

Communities & Place (forecast £2.2m overspend, 1.8% of annual budget)

15. Transport is forecasting an overspend of £2.0m. The major contributing variances are:

- There are additional SEND Home to School (HtS) costs of £1.1m caused by an increase in pupil numbers in line with expectations. The costs are SEND Pre-16 HtS transport £0.8m; SEND Post 16 Transport £0.1m; and EOTAS (education other than at school) of £0.2m. The current SEND and HtS forecasts are based on the updated contracts let for the new school year.
- There is an overspend on Mainstream Home to School transport of £0.4m. This is due to the increase in pupil numbers and capacity limits at the closest designated school, necessitating transport to alternative educational establishments either by bus or taxi.
- There is a forecast overspend on Concessionary Fares of £0.1m. This has reduced from previous forecasts as actual patronage figures have become clearer.
- There is a forecast overspend on Local Bus Services of £0.2m caused by ongoing pressure on provision of services, especially when commercial operators withdraw from a particular route and inflationary increases.
- Transport other costs are £0.2m above budget due mainly to additional infrastructure repairs at bus stations.

16. The Coroners budget is forecasting an overspend of £0.5m based on advice from Nottingham City Council (who manage the service) and is due to an anticipated increase in the annual cost of mortuary services.

17. Other budgets are forecasting a net underspend of £0.3m, mainly due to additional income generation from non-statutory services in the Registration Service (£0.1m) and savings in Communities staffing (£0.1m).

Trading Services

18. County Supplies are forecasting a deficit of £0.3m, this is attributed to trading activity prior to transfer to Hertfordshire County Council, including costs for legacy staffing, legal and IT costs. There is no reserve to fund this overspend.

19. Catering, Cleaning and Landscapes are forecasting a deficit prior to use of Reserves of £0.9m. This is to be funded partly from Traded Services Reserves of (£0.4m), the result being a forecast overspend of £0.5m. There is no reserve to fund this overspend.

20. Given the current and ongoing overspends in the Catering, Cleaning and Landscapes services a review is being undertaken with the intention to put it back on a secure break-even position. It is therefore proposed that a transfer of funding from corporate reserves to trading reserves is actioned to help smooth this transition. This will form part of the Reserves strategy for the Annual budget report to Full Council in February 2020.

21. Clayfields is currently forecasting a shortfall against its income target of £0.8m. This is due to a decision by the Children and Families senior leadership team to limit the number of beds available for occupancy because of staffing issues. These issues are currently being

addressed and the income forecast assumes that all beds will be fully occupied by February 2020, dependent on recruitment to vacancies. The shortfall will be met from Clayfields trading reserve.

Central Items (forecast £9.0m underspend)

22. Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and capital charges.
23. At the time of setting the 2019/20 budget, several funding allocations had not been announced, specifically regarding the impact of business rates revaluations and, therefore, assumptions about certain grants were made based on the best information available at the time. Throughout the year confirmations are received and current forecasts suggest a net additional grant of £3.1m will be received in 2019/20.
24. Finance and Major Contracts Management Committees in September and October 2019 approved that the contingency budget would be increased by £1.0m and £4.2m respectively to reflect a reduction to a budget pressure in the Adult Social Care and Public Health Committee. It is forecast that this additional contingency budget will not be spent thereby resulting in a £5.2m underspend.
25. The Council's budget includes a main contingency budget of £4.6m to cover redundancy costs, slippage of savings and unforeseen events. Contingency requests approved previously total £1.4m. Table 1 assumes that the remaining contingency budget will be used for future requests.
26. There are minor underspends across the other central items which total £0.7m.

Contingency Budget

27. In December 2017 a report was presented to Governance and Ethics Committee regarding the Information Governance Improvement Programme. The funding requested at the time did not seek approval from Finance and Major Contracts Management Committee as the funding for the team was contained within existing resources. This is still the case for the current year, however, approval is sought, based upon the current structure approved by Service Director – Customers, Governance and Employees, to resolve the permanent funding issue of £0.2m for 2020/21 and future years within the MTFS.

Progress with savings and risks to the forecast

28. Council on 28 February 2019 approved savings proposals of £15.2m for delivery in 2019/20, with further savings identified for the period 2020-23. Officers will continue to monitor the deliverability of individual schemes and targets as part of the budget monitoring process and reflect achievability in the forecast outturn. The progress of the Council's current savings programme is reported to the Improvement and Change Sub-Committee on a regular basis. The latest report to Improvement and Change Sub-Committee on 25 November 2019 highlighted that the following savings projects are at risk – Development of Shared Lives, New Ways of Working for Carers and the Social Impact Bond. If any savings options are written off they will be reported to this Committee at the earliest opportunity.
29. At the time of preparing this report the provisional Local Government Finance Settlement had not been announced. Given the timing and importance of this information in setting the 2020/21

budget, should any announcement be forthcoming then an update will be provided at the Committee meeting.

Balance Sheet

General Fund Balance

30. Members approved the 2018/19 closing General Fund Balance of £24.1m at Full Council on 11 July 2019. The 2019/20 budget approves utilisation of £2.1m of balances which will result in a closing balance of £22.0m at the end of the current financial year. This is 4.5% of the budget requirement.

Capital Programme

31. Table 2 summarises changes in the gross Capital Programme for 2019/20 since approval of the original Programme in the Budget Report (Council 28/02/19):

Table 2 – Revised Capital Programme for 2019/20

	2019/20	
	£'000	£'000
Approved per Council (Budget Report 2019/20)		116,375
Variations funded from County Council Allocations : Net slippage from 2018/19 and financing adjustments	41,825	
		41,825
Variations funded from other sources : Net variation from 2018/19 and financing adjustments	(2,468)	
		(2,468)
Revised Gross Capital Programme		155,732

32. 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's	50,547	21,757	30,937	(19,610)
Adult Social Care & Public Health	3,467	549	3,569	102
Communities & Place	60,623	25,363	51,628	(8,995)
Policy	40,538	4,960	37,515	(3,023)
Finance & Major Contracts Mngt	180	14	150	(30)
Personnel	377	10	27	(350)
Contingency	-	-	-	-
Total	155,732	52,653	123,826	(31,906)

Children & Young People's

33. In the Children and Young People's Committee an underspend of £19.6m has been identified. This mainly relates to underspends against the School Places Programme, the Orchard Special School and the Sharphill School projects.

34. In the School Places Programme an underspend of £10.6m has been identified. Although this programme is fully committed, significant sums have been committed to provide additional secondary school places in Gedling and West Bridgford. This funding is now not envisaged to be transferred to the relevant Academy Trusts until future financial years.

35. An in-year underspend of £7.0m has been identified against the Orchard Special School project. This underspend does not reflect any delay to the delivery of the new school and day centre but merely represents a more accurate forecast of cash flow for the programme.

36. An in-year underspend of £2.2m has been identified against the Sharphill School project. This reflects a re-profiling of the project now that the start on site date of October 2019 is known.

37. Also, as reported to Children and Young People's Committee in January 2020, a section 106 contribution totalling £0.6m has been received. This funding will be used to create additional school places at St. Luke's Church of England Primary, Shireoaks as a result of local property developments. There is a requirement to forward fund this project from Basic Need grant until the developer contributions are received.

It is proposed that the Children and Young People's Committee capital programme is varied to reflect the additional £0.6m section 106 contribution.

Communities & Place

38. In the Communities and Place Committee an underspend of £9.0m has been identified. This relates to a re-profiling of the Gedling Access Road project as well as an underspend against the Harworth Access Link project.
39. A report setting out the progress made against the Gedling Access Road project was reported to Communities and Place Committee on 5 December 2019. The report included a refresh of the financial position of the project which set out that £6.4m of capital expenditure will be re-profiled into the next financial year.
40. The £2.6m Harworth Access Link externally funded project is not now expected to take place. Bassetlaw District Council are no longer planning on progressing this delivery and as such the funding for this project has never been passed on to Nottinghamshire County Council. It is proposed that this line in the capital programme will be removed as part of the 2020/21 Budget Report to Full Council in February.

Policy Committee

41. In the Policy Committee capital programme an underspend of £3.0m has been identified. This relates to an underspend identified against the Site Clearance programme.
42. A review of the Site Clearance Programme has identified that £3.0m of works associated with this programme will now be undertaken in the next financial year, as the priority premises for demolition have now been identified.

Financing the Approved Capital Programme

43. Table 4 summarises the financing of the overall approved Capital Programme for 2019/20.

Table 4 – Financing of the Approved Capital Programme for 2019/20

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People's	31,266	18,674	-	607	50,547
Adult Social Care & Public Health	2,271	1,196	-	-	3,467
Communities & Place	15,525	43,553	1,128	417	60,623
Policy	37,446	3,191	-	22	40,659
Finance & Major Contracts Mngt	-	-	-	180	180
Personnel	256	-	-	-	256
Contingency	-	-	-	-	-
Total	86,764	66,614	1,128	1,226	155,732

44. It is anticipated that borrowing in 2019/20 will increase by £18.6m from the forecast in the Budget Report 2019/20 (Council 28/02/2019). This increase is primarily a consequence of:

- £41.8m of net slippage from 2018/19 to 2019/20 and financing adjustments funded by capital allocations.
- Net slippage from 2019/20 of £23.2m of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

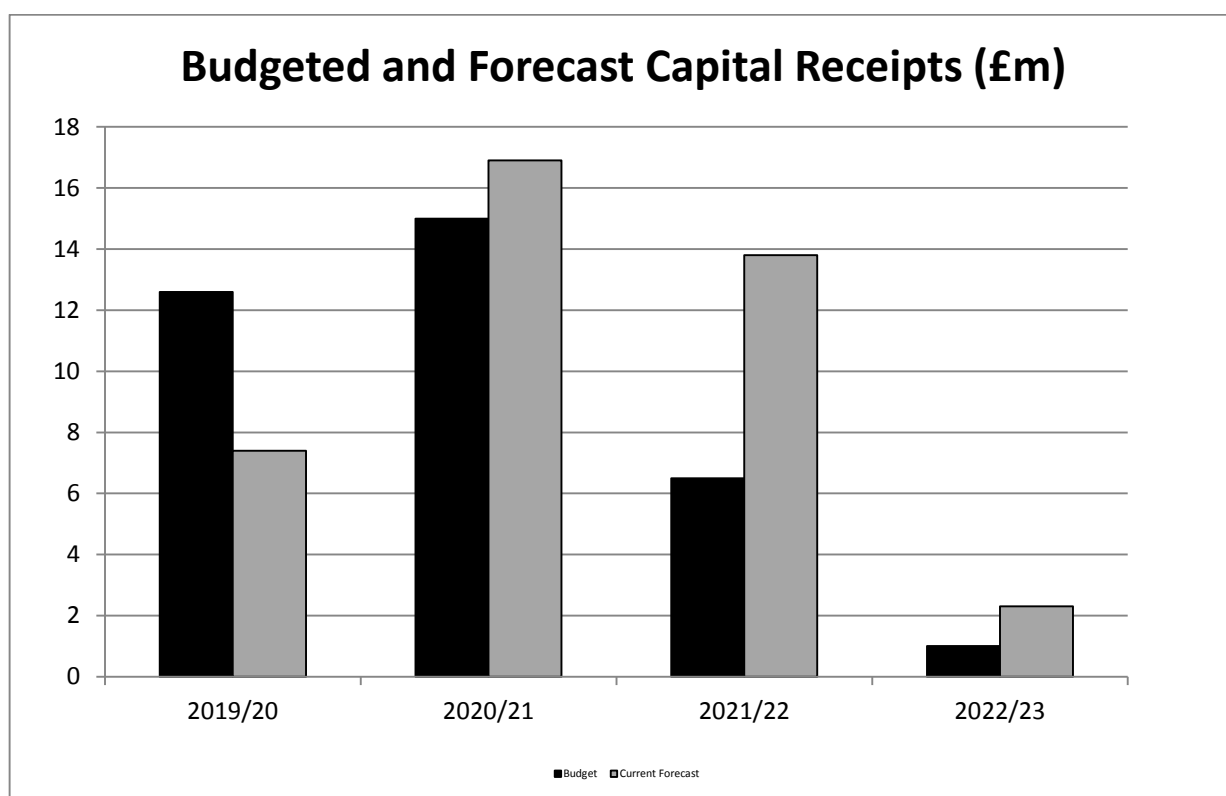
Prudential Indicator Monitoring

45. 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

46. 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.

47. The chart below shows the budgeted and forecast capital receipts for the four years to 2022/23.



48. The dark bars in the chart show the budgeted capital receipts included in the Budget Report 2019/20 (Council 28/02/2019). These capital receipts budgets prudently incorporated slippage, giving a degree of “protection” from the risk of non-delivery.

49. The capital receipt forecast for 2019/20 is £7.4m. To date in 2019/20, capital receipts totalling £0.6m have been received.

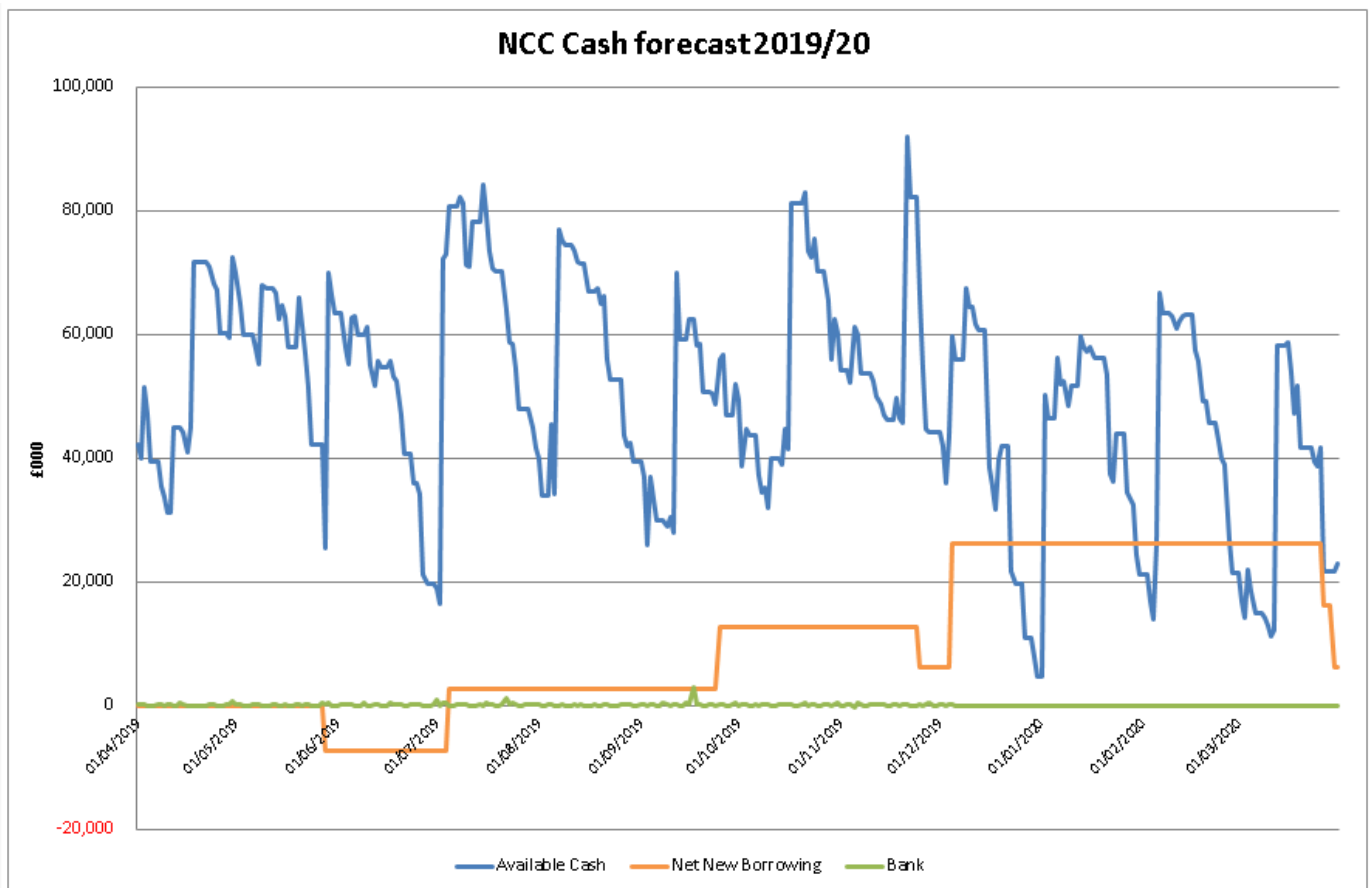
50. This capital forecast is predicated upon realising receipts from two large disposals totalling £6.6m, both of which have been sold subject to planning. In the event that we do not receive these capital receipts in this financial year there is a risk that total capital receipts realised will not be sufficient to fund the transformation costs set out below. Alternative sources of finance will have to be found in this instance.

51. Current Council policy (Budget Report 2019/20) is to use the first £4.9m of capital receipts to fund in-year transformation costs. Any capital receipts in excess of this will be set against the principal of previous years' borrowing. This reduces the amount of Minimum Revenue Provision (MRP) to be set aside each year. It is important to regularly monitor capital receipt forecasts and their effect on the overall revenue impact of the Capital Programme.

Treasury Management

52. Daily cash management aims for a closing nil balance across the Council's pooled bank accounts with any surplus cash invested in accordance with the approved Treasury Management Policy. Cash flow is monitored by the Senior Accountant (Pensions & Treasury Management) with the overall position reviewed quarterly by the Treasury Management Group.

53. The Cash forecast chart below shows the current cash flow position for the financial year 2019/20. 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. Cash outflows, in particular capital expenditure, tend to increase later in the year, and the chart below reflects this.

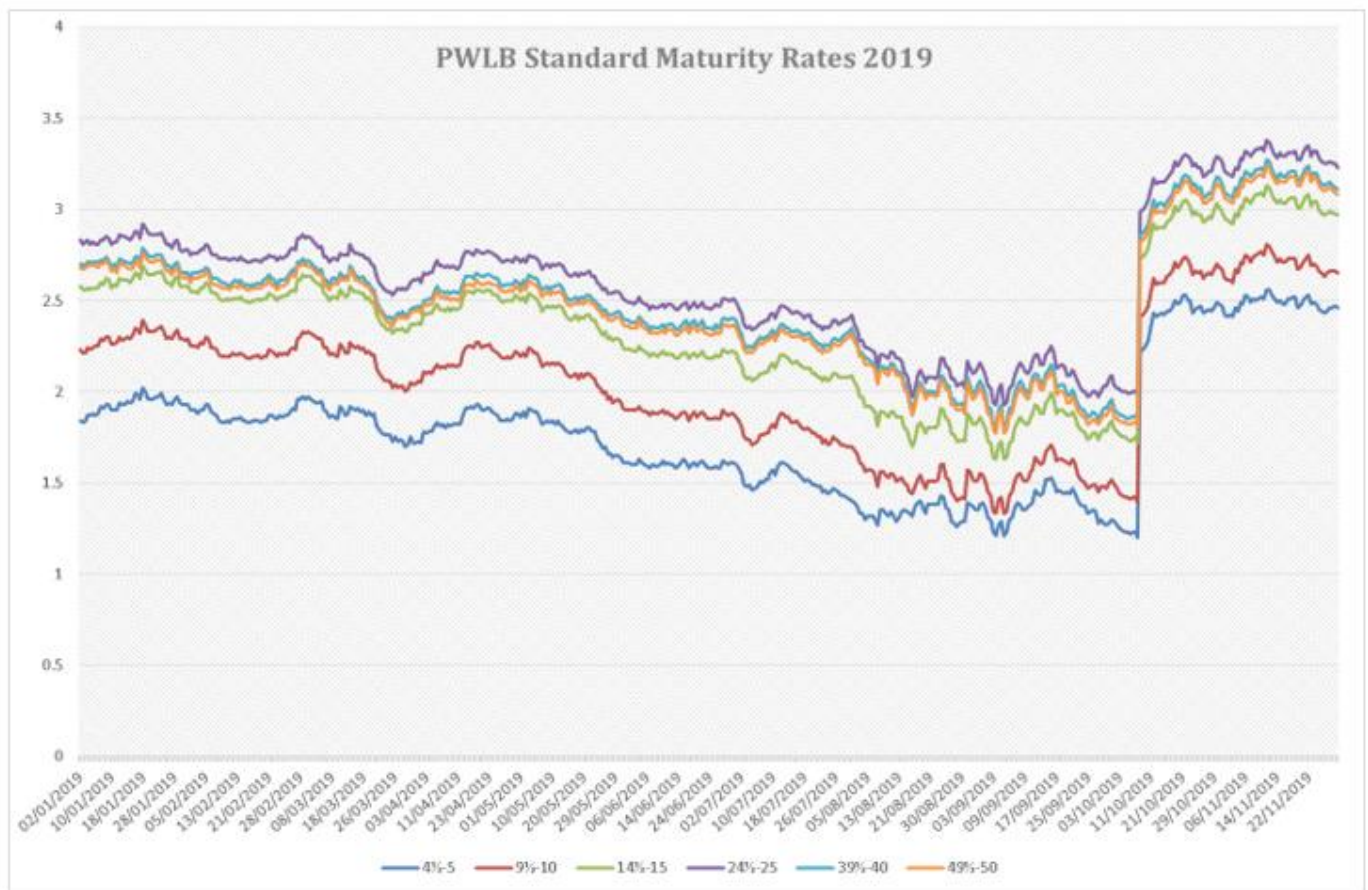


54. The chart above gives the following information:

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.
Bank	That element of surplus cash held in the Council's Barclays Bank account.

55. The Treasury Management Strategy for 2019/20 identified a need to borrow approximately £7m over the course of the year to (a) fund the capital programme, (b) replenish internal balances and to (c) replace maturing debt. To this was later added some £18m of slippage from 2018/19. This £25m estimate has been revised to £40m (it is revised periodically throughout the year). £10m of this was borrowed from PWLB in July at 2.05%, and a further £10m in September at 1.70%. It should be recalled that on 9 October the PWLB announced that, effective immediately, it would be applying a rate increase of 100 basis points relative to gilts. Borrowing costs for all local authorities thereafter increased by £10,000/year for every £1m borrowed. On 5 December the Council borrowed £20m from another local authority for approximately 3 months. This is not included in the Council's long-term borrowing requirement, but it does provide space for the Council to further consider alternatives to borrowing from PWLB.

56. The Council remains able to access the PWLB "certainty rate" which is 0.2% below the standard rates. But all interest rates (PWLB, financial markets, and other local authorities) continue to be monitored closely to allow changes - or potential changes - in rates to feed into decisions on new borrowing. The chart below shows the movement in standard PWLB maturity rates over the course of 2019 so far.



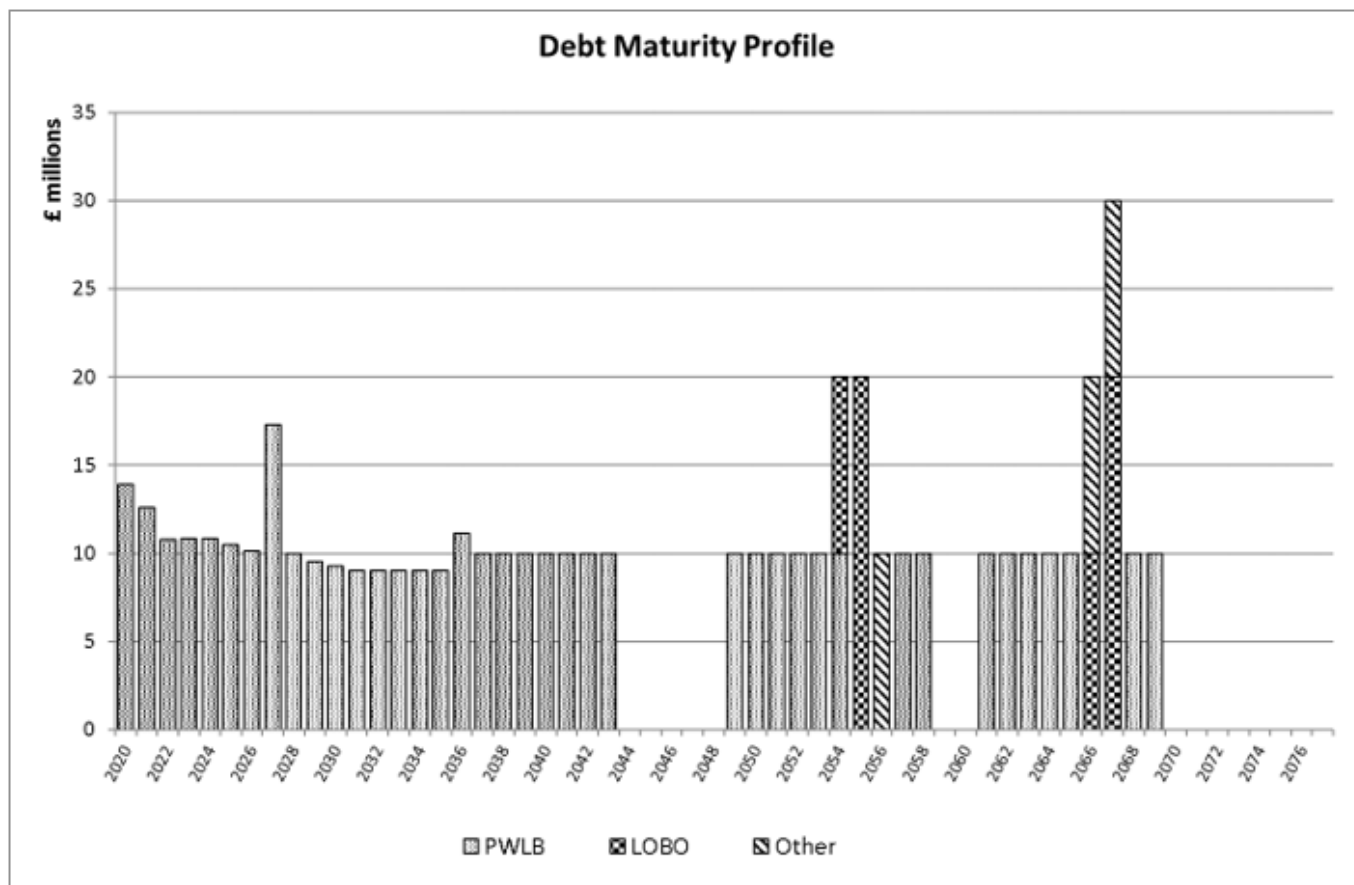
57. Borrowing decisions will take account of several factors including:

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

58. 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 50 years. When deciding on the lengths of future loans the Council will factor in any gaps in its maturity profile, with a view to minimising interest rate risk, but will consider this alongside other financial factors.

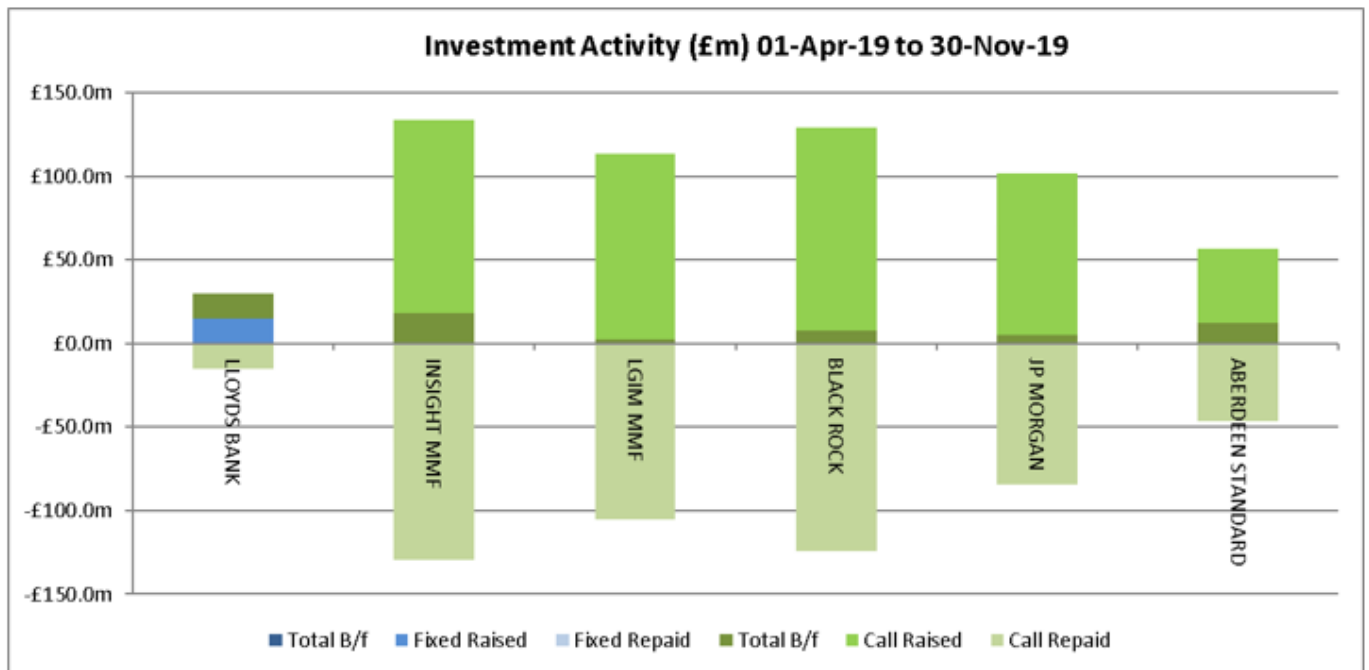
59. Long-term borrowing was also obtained from the market some years ago in the form of 'Lender's Options, Borrower's Options' loans (LOBOs). These loans are treated as fixed rate loans (on the basis that, if the lender ever opts to increase the rate, the Council will repay the loan) and were all taken at rates lower than the prevailing PWLB rate at the time. However, LOBOs could actually mature at various points before then, exposing the Council to some refinancing risk.

60. The 'other' loans shown in the chart consists of LOBO loans from Barclays Bank that were converted to standard fixed-term loans in 2016.



61. The investment activity for 2019/20 is summarised in the chart and table below. Outstanding investment balances totalled approximately £60m at the start of the year and £59m at the month-end.

	Total B/F £ 000's	Raised £ 000's	Repaid £ 000's	Outstanding £ 000's
Lloyds Bank	15,000	15,000	(15,000)	15,000
Insight MMF	18,100	115,800	(129,450)	4,450
LGIM MMF	2,200	111,100	(105,250)	8,050
Black Rock	7,600	121,400	(124,400)	4,600
JP Morgan	4,900	97,000	(84,700)	17,200
Aberdeen Standard	12,500	44,100	(46,650)	9,950
Total	60,300	504,400	(505,450)	59,250



62. As part of the Council's risk management processes all counterparty ratings are regularly monitored and lending restrictions changed accordingly.

Statutory and Policy Implications

63. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment 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 comment on the revenue budget expenditure to date and year-end forecasts.
- 2) To comment on the capital programme expenditure to date, year-end forecasts and approve a variation to the capital programme.
- 3) To approve the request for additional budget in 2020/21.
- 4) To comment on the Council's Balance Sheet transactions.

Nigel Stevenson Service Director – Finance, Infrastructure and Improvement

For any enquiries about this report please contact:

Keith Palframan - Group Manager, Financial Services

Tamsin Rabbitts - Senior Accountant, Pensions and Treasury Management

Constitutional Comments (SSR 30/12/2019)

64. Pursuant to Part 4 section 21 of the Nottinghamshire County Council's Constitution the Finance and Major Contracts Management Committee has the delegated authority for all decisions within the control of the Council including but not limited to responsibility for the financial management of the Authority. The recommendations contained within this report fall within the delegated authority to this Committee

Financial Comments (GB 18/12/2019)

65. The financial implications are stated within the report.

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

13 January 2020**Agenda Item: 5****REPORT OF GROUP MANAGER - PROCUREMENT****UPDATE ON WIDE AREA NETWORK TENDER****Purpose of the Report**

1. To inform the committee on the current position with the procurement of a Wide Area Network (WAN) provider.

Information

2. A paper was brought to Committee in October and a recommendation was approved to bring a further update to the January committee once a contract award was made.
3. The Council currently have a contract with VirginMedia Business for our WAN that has been in place since November 2014 and expires November 2020.
4. On the 14th June 2019 an invitation to tender was published inviting suppliers to bid for the provision of a managed service for WAN with a submission deadline of 5th August 2019.
5. Suppliers were bidding to be sole supplier on a framework agreement that meet current requirements and has a catalogue of services for the future.
6. The framework agreement will also be available to other public sector bodies within the East Midlands.
7. The tender has now been awarded and MLL Telecom have been informed they are the preferred supplier.
8. MLL Telecom have been providing public sector networks for the last 25 years and are accredited to provide both to Local Authorities and the Health Service. Their customers include West Midlands combined authority, Suffolk County Council and Nottinghamshire Police.

Benefits

9. Other public sector bodies in the East Midlands region will be able to call off from the framework which could aid more joined up working.
10. The framework allows us to do a second call off during its life time of 4 years. A call off contract can be for five years with an option to extend for a further five years. This is a longer contract than has been allowed using other buying consortiums' frameworks.
11. The framework includes a rate card to enable moves to new technology without incurring the costs of going back out to tender.

Other Options Considered

12. The option of going through an existing government framework was considered but not used as the framework was about to end and we would not have had the flexibility that has been written into our own framework.

Reason/s for Recommendation/s

13. Report is for information only

Statutory and Policy Implications

14. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

15. Revenue – £486,000.

Capital - £2.57 million – includes implementation, additional project resource for ICT and dual running costs for 1 year.

RECOMMENDATION

16. That members agree to receive a follow up/update report in the next 3 months and that this be included in the work programme

Kaj Ghattaora
Group Manager - Procurement

For any enquiries about this report please contact:

Lorraine Dennis
Category Manager, Chief Executives and Place
T: 0115 9772248
E: lorraine.dennis@nottsc.gov.uk

Constitutional Comments (AK - 23/12/2019)

The report falls within the remit of the Finance and Major Contracts Management Committee under its terms of reference.

Financial Comments (GB - 30/12/2019)

Capital funding will be subject to sign off at CAMG on the 24th January 2020 and sign off of the Annual Budget Report at Full Council on the 27th February 2020.

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

13 January 2020

Agenda Item: 6

REPORT OF THE SERVICE DIRECTOR - CUSTOMERS, GOVERNANCE AND EMPLOYEES

WORK PROGRAMME

Purpose of the Report

1. To consider the Committee's work programme for 2020.

Information

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-Chairs, 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

That the Committee considers whether any amendments are required to the Work Programme.

Marjorie Toward
Customers, Governance and Employees

For any enquiries about this report please contact: Pete Barker, 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 & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>Lead Officer</u>	<u>Report Author</u>
10 February 2020			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Bailiffs Contract	Update report	Kaj Ghattaora	Kaj Ghattaora
Contract Management	Progress report	Kaj Ghattaora	Kaj Ghattaora
23 March 2020			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
The Competitive Dialogue Procurement Approach for Public Health Services	Progress Report	Michael Fowler	Kaj Ghattaora
Domestic Violence Services	Update report	Kaj Ghattaora	Kaj Ghattaora

FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

20 April 2020			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
DN2 Partnership Children's Services Intervention Programme	6 Monthly Update	Lynn Brammer / Jon Hawketts	Kaj Ghattaora
18 May 2020			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
BCF 6 Monthly Reconciliation		Paul Brandreth	Paul Brandreth
Risk & Insurance	Update Report	Nigel Stevenson	Rob Disney
June 2020			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
The provision of new schools and school places	Details of the Authority's approach	Derek Higton	Derek Higton

FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

September 2020			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
The Competitive Dialogue Procurement Approach for Public Health Services	Progress Report	Michael Fowler	Kaj Ghattaora
TO BE PLACED			
CYP Budget	Update Report	Nigel Stevenson	Nigel Stevenson
Agency Staffing Update	Progress report	Kaj Ghattaora	Lorraine Dennis

