Nottinghamshire County Council

Finance and Property Committee

Monday, 20 March 2017 at 14:00

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

AGENDA

9 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.

EXEMPT INFORMATION ITEMS

10 Exempt appendices to reports:

10a Gedling Access Road (GAR) Property Acquisition - Carlton le Willows Academy, Gedling EXEMPT Appx

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

10b Transfer (Disposal) of Land at Elm Avenue, Newark EXEMPT

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

Notes

(1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.

(2) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

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

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

(4) Councillors are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.

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

Nottinghamshire County Council

minutes

Meeting	FINANCE AND PROPERTY COMMITTEE
Date	20 February 2017 (commencing at 2pm)

Membership
Persons absent are marked with an 'A'

COUNCILLORS

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

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

OTHER COUNTY COUNCILLORS IN ATTENDANCE

Kate Foale

OFFICERS IN ATTENDANCE

Pete Barker	Democratic Services
Adam Crevald	Group Manager, Customer and Service Design
Jayne Francis-Ward	Corporate Director, Resources
Jas Hundal	Service Director, Environment & Resources
Ivor Nicholson	Service Director, ICT
Sarah Royles	Service Development Manager
Andrew Stevens	Group Manager, Property
Nigel Stevenson	Service Director, Finance & Procurement

MINUTES OF THE LAST MEETING

The minutes of the last meeting held on 8 February 2017, having been circulated to all Members, were taken as read and were confirmed, subject to the following amendments, and were signed by the Chair:-

- Councillor Adair's attendance was omitted and Councillor Richard Jackson's attendance was recorded, both in error

APOLOGIES FOR ABSENCE

No apologies for absence were received.

DECLARATIONS OF INTERESTS

No declarations of interest were made.

FINANCIAL MONITORING REPORT: PERIOD 9 2016/2017

RESOLVED: 2017/010

1) That the revenue budget expenditure to date and year end forecasts be noted.
2) That the contingency request be approved.
3) That the Capital Programme expenditure to date and year end forecasts be noted and the variations to the Capital Programme be approved.
4) That the Council's Balance Sheet transactions be noted.
5) That the proposal to charge for works associated with academy conversions be noted.

ICT PROGRAMMES AND PERFORMANCE QUARTER 3 2016-17

RESOLVED: 2017/011

That the progress against the key programme and performance measures for ICT Services and the priorities for the next 6 month period be noted.

ICT STRATEGY 2014/17 – PRESENTATION

RESOLVED: 2017/012

That the contents of the presentation be noted.

COUNCILLORS' DIVISIONAL FUND MONITORING REPORT

RESOLVED: 2017/013

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

KENTRIGG FARM, ADBOLTON LANE, WEST BRIDGFORD - DISPOSAL OF SURPLUS PARCEL OF LAND

RESOLVED: 2017/014

That the disposal of the surplus parcel of land at Kentrigg Farm to the adjacent care home be approved, on the terms set out in the exempt appendix.

74 MIDDLE STREET, BEESTON - LEASE OUT OF PART

RESOLVED: 2017/015

That the granting of a lease to BCRCIO to occupy part of the former Middle Street Day Centre be approved on the basis outlined in the report and exempt appendix.

WORK PROGRAMME

RESOLVED: 2017/016

That the Committee's work programme be noted.

EXCLUSION OF THE PUBLIC

RESOLVED: 2017/017

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

KENTRIGG FARM, ADBOLTON LANE, WEST BRIDGFORD - DISPOSAL OF SURPLUS PARCEL OF LAND

RESOLVED: 2017/018

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

74 MIDDLE STREET, BEESTON - LEASE OUT OF PART

RESOLVED: 2017/019

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

The meeting closed at 3.09pm.

CHAIR

Nottinghamshire County Council

Report to Finance and Property Committee

20 March 2017

Agenda Item: 4

REPORT OF THE SERVICE DIRECTOR – FINANCE, PROCUREMENT AND IMPROVEMENT

FINANCIAL MONITORING REPORT: PERIOD 10 2016/2017

Purpose of the Report

1. To provide a summary of the revenue position of the County Council for the year to date with year-end forecasts.
2. To provide a summary of Capital Programme expenditure to date and year-end forecasts and approve variations to the Capital Programme.
3. To inform Members of the Council's Balance Sheet transactions.
4. To provide Members with an update from the Procurement Team.
5. To provide Members with an update from the Accounts Payable and Accounts Receivable teams.

Information and Advice

Background

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

Summary Revenue Position

7. Table 1 below summarises the revenue budgets and forecast outturn for each Committee. A £6.1m net underspend is currently predicted. In light of the Council's continuing financial challenges, the key message to effectively manage budgets and wherever possible deliver in-year savings is being reinforced.

Table 1 – Revenue Expenditure and Forecasts as at Period 10

Forecast Variance as at Period 9 £'000	Committee	Annual Budget £'000	Actual to Period 10 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
4,052	Children & Young People	129,993	109,463	133,670	3,677
(2,568)	Adult Social Care & Health	215,298	168,863	212,293	(3,005)
(415)	Transport & Highways	59,285	62,177	58,988	(297)
38	Environment & Sustainability	32,334	24,173	32,017	(317)
160	Community Safety	3,136	1,754	3,339	203
(114)	Culture	13,359	10,780	13,227	(132)
(1,227)	Policy	24,276	19,579	23,475	(801)
(573)	Finance & Property	30,773	27,757	29,823	(950)
(384)	Personnel	11,150	10,041	10,786	(364)
-	Economic Development	1,467	990	1,468	1
(1,480)	Public Health *	5,360	(7,599)	3,531	(1,829)
(2,511)	**Net Committee (under)/overspend**	**526,431**	**427,978**	**522,617**	**(3,814)**
(4,688)	Central items	(15,513)	(34,804)	(20,880)	(5,367)
-	Schools Expenditure	232	232	232	-
233	Contribution to/(from) Traders	164	546	395	231
(6,966)	**Forecast prior to use of reserves**	**511,314**	**393,952**	**502,364**	**(8,950)**
373	Transfer to / (from) Corporate Reserves	(19,660)	(1,255)	(18,623)	1,037
1,213	Transfer to / (from) Departmental Reserves	(9,015)	(11)	(7,183)	1,832
-	Transfer to / (from) General Fund	(3,741)	-	(3,741)	-
(5,380)	**Net County Council Budget Requirement**	**478,898**	**392,686**	**472,817**	**(6,081)**

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

Committee and Central Items

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

Children & Young People (forecast £3.7m overspend, 2.8% of annual budget)

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

   - £2.8m overspend on Provider Services (Looked After Children placements). The significant variances include a £1.4m overspend on external residential and supported accommodation placements. In addition there is a £1.2m overspend which relates to achievability issues with the 2016/17 savings target, £0.3m overspend on fostering mainly due to the Fostering Futures Scheme and £0.1m overspend on Social, Emotional and Behavioural Difficulties (SEBD) homes and 16/17 year olds living independently, £0.2m on all other budgets (Child and Adolescent Mental Health Services (CAMHS), Edge of Care, etc.). This is offset by an underspend on Adoption Interagency Placements due to the receipt of the Interagency and Adoption Reform Grant £0.3m and the Contact Service of £0.1m.

- £0.3m overspend on staffing in social work and safeguarding teams. This overspend has arisen due to a combination of staffing changes, including extensions to agency cover for newly qualified social workers, vacancy cover and recruitment to vacant posts.
- £0.1m overspend on transport as demand continues to exceed the budget.
- £0.2m underspend on non LAC placements i.e. Child Arrangement, Special Guardianship orders and Adoption Financial Support payments. A budget pressure of £0.6m was agreed for these payments but the current forecast is showing lower growth than was previously projected.

10. The Education Standards and Inclusion Division is reporting a forecast net overspend of £1.6m. The major contributing variances are:

- £2.1m overspend on Special Education Needs and Disability (SEND) home to school transport (£1.7m schools and £0.4m further education). This forecast reflects the annual review of contracts for the 2016/17 academic year and the achievability issues with the 2016/17 savings target of £0.6m. Further retendering of contracts undertaken in January may subsequently result in additional savings.
- £0.1m underspend on Mainstream Home to School Transport. This has been identified on creation of 2016/17 academic year contracts.
- The Support to Schools service are now forecasting an additional £0.1m income being generated over their income target. This is due to effective targeting of courses to schools. This more commercial approach reflects the work that has been carried out with the Commercial Development Unit (CDU).
- The above variances are partially offset by maximising the use of £0.3m uncommitted Pupil Premium Grant and Higher Level Teaching Assistants Grant.

11. The Youth, Families and Culture Division is reporting a forecast net underspend of £0.3m due mainly to vacancy savings within the Family Service.

12. One-off miscellaneous income of £0.3m has been identified and added to the forecast outturn for the year.

13. An underspend of £0.4m in Business Support is forecast which relates to savings associated with holding vacancies in anticipation of future years' budget savings. A report is being taken to a future meeting of the Personnel Committee in respect of the business support review

14. A full review of budget pressures and other funding issues has been undertaken and solutions have been found. These solutions have been addressed as part of the 2017/18 budget setting process.

Adult Social Care & Health (forecast £3.0m underspend, 1.4% of annual budget)

15. The Strategic, Commissioning, Access and Safeguarding Division is currently reporting a net underspend of £0.3m.

16. The North Nottinghamshire Division is currently forecasting a net underspend of £1.2m against the budget which comprises the following:

- Residential Services are forecasting a £0.4m underspend primarily due to increased 1 to 1 funding in the Short Breaks units.

- Day Services and Employment are forecasting an underspend of £0.6m. This overall underspend is mainly due to an underspend on staffing of £1.0m, partially offset by overspends on transport of £0.4m.
- Bassetlaw Community Care are forecasting an underspend of £0.2m, primarily due to reductions in Younger Adult commitments

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

- Older Adults across the County are now forecasting an underspend of £0.3m. This is primarily due to underspends on staffing and direct payments.
- Younger Adults across the County are forecasting an underspend of £1.5m. Overall the overspend on Supported Living and Long term residential and Nursing placements primarily due to Transforming Care Cases are being offset by additional Continuing Health Care (CHC) income and an underspend on Direct Payments.
- Other cost centres are forecasting a net overspend of £0.3m primarily due to agency staff costs.

Policy (forecast £0.8m underspend, 3.3% of annual budget)

18. This forecast underspend is due mainly to reduced insurance costs and increased income in Democratic Services, together with reduced external legal fees, vacancy savings in the Business Support Centre and a reduced use of agency staff in the Programmes and Projects Team. The above underspends are offset by some of the costs associated with the May 2017 local elections which would have previously funded by contingency.

Finance & Property (forecast £1.0m underspend, 3.1% of annual budget)

19. The forecast underspend is mainly due to the early achievement of 2017/18 savings targets and temporary underspends on staffing in the Property Division, together with vacancy savings within the Finance, Procurement and Improvement Division.

Public Health (£1.8m underspend, 34.1% of annual budget)

20. This forecast underspend is due mainly to slippage in activity against the Health Check Programme, together with an underspend against the Smoking and Tobacco Programme and the Public Health Directorate. In addition the service has been able to secure further section 256 funding towards the costs of the substance misuse programme.

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

Central Items (forecast £5.4m 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 2016/17 budget, several funding allocations had not been announced and therefore assumptions about certain grants were made, based on the best

information available at the time. Throughout the year confirmations are received, and current forecasts suggest a net additional grant of £1.5m will be received in 2016/17.

24. Interest payments fluctuate depending on expectations of future rates and anticipated slippage on the capital programme. Current Treasury Management forecasts suggest a net overspend on interest of £0.4m.

25. There are also £0.6m of underspends against Traders pension contributions, ongoing pension enhancements and one-off income from the dissolution of CLASP.

26. As in previous years, and in accordance with accounting practice, a provision was set aside in 2015/16 to meet the costs of expected redundancies that will fall in 2016/17. This was based on outstanding Section 188 notices at the time and totalled £0.7m. Redundancy payments and Pension Strain made in the current financial year have exceeded the provision by £0.5m. Two Section 188 notices have been published so far in 2016/17. A corresponding provision will be made in the 2016/17 accounts to meet the costs of redundancy that will be incurred in 2017/18. There is still some work to be done to assess the impact of the provision created at the end of the last financial year, in year redundancies and the provision required for 2016/17.

Requests for Contingency

27. The Council budget includes a contingency budget of £7.9m to cover redundancy costs, slippage of savings and unforeseen events. Contingency requests approved previously total £2.2m. Table 1 assumes that £2.0m of the remaining contingency budget will be used for future requests and costs associated with redundancies. In the event of the contingency to be used for redundancies is less than the £2.0m, the balance will be transferred into the Corporate Redundancy reserve.

Transfer to / (from) reserves

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

Progress with savings

29. Council on 25 February 2016 approved savings proposals of £17.6m for delivery over the four year period 2016-20. These proposals are in addition to those approved previously by County Council. Officers will continue to monitor the deliverability of individual schemes and targets as part of the budget monitoring process and reflect achievability in the forecast outturn.

Capital Programme

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

Table 2 – Revised Capital Programme for 2016/17

	2016/17 £'000	2016/17 £'000
Approved per Council (Budget Report 2016/17)		112,345
Variations funded from County Council Allocations :		
Net slippage from 2015/16 and financing adjustments	(22,455)	
		(22,455)
Variations funded from other sources :		
Net slippage from 2015/16 and financing adjustments	937	
		937
Revised Gross Capital Programme		**90,827**

31. Table 3 shows actual capital expenditure to date against the forecast outturn at Period 10.

Table 3 – Capital Expenditure and Forecasts as at Period 10

Committee	Revised Capital Programme £'000	Actual Expenditure to Period 10 £'000	Forecast Outturn £'000	Expected Variance £'000
Children & Young People	25,711	16,981	25,724	13
Adult Social Care & Health	4,011	2,514	4,005	(6)
Transport & Highways	40,562	22,566	39,624	(938)
Environment & Sustainability	2,724	2,223	2,802	78
Community Safety	100	-	100	-
Culture	735	110	735	-
Policy	255	182	255	-
Finance & Property	11,235	7,177	11,318	83
Personnel	252	225	252	-
Economic Development	5,242	2,025	4,425	(817)
Contingency	-	-	-	-
Total	**90,827**	**54,003**	**89,240**	**(1,587)**

Transport and Highways

32. In the Transport and Highways Committee, a forecast underspend of £0.9m has been identified. This is mainly as a result of the Flood Alleviation and Drainage schedule of works being updated. As a result, £0.7m of funding will be re-profiled into the next financial year.

Also, £0.4m of capital expenditure associated with the Bus Service Operators Grant (BSOG) grant will now be incurred in the next financial year.

It is proposed that the Transport and Highways capital programme is varied to reflect the re-profiled Flood Alleviation and Drainage and BSOG programmes as identified above.

Economic Development

33. In the Economic Development Committee, a forecast underspend of £0.8m has been identified. This is mainly as a result of £0.4m Economic Development Capital Fund grants slipping into 2017/18 and a £0.4m re-profiling of the Broadband for Nottinghamshire programme into 2017/18.

It is proposed that the Economic Development capital programme is varied to reflect re-profiling identified against the Economic Development Capital Fund and Broadband for Nottinghamshire programmes.

Financing the Approved Capital Programme

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

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

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People	5,258	20,153	-	300	25,711
Adult Social Care & Health	2,874	885	252	-	4,011
Transport & Highways	9,172	31,040	-	350	40,562
Environment & Sustainability	1,749	62	600	313	2,724
Community Safety	100	-	-	-	100
Culture	735	-	-	-	735
Policy	255	-	-	-	255
Finance & Property	10,935	50	-	250	11,235
Personnel	-	82	-	170	252
Economic Development	1,190	4,052	-	-	5,242
Contingency	-	-	-	-	-
Total	**32,268**	**56,324**	**852**	**1,383**	**90,827**

35. It is anticipated that borrowing in 2016/17 will decrease by £24.0m from the forecast in the Budget Report 2016/17 (Council 25/02/2016). This decrease is primarily a consequence of:

- £23.5m of net slippage from 2015/16 to 2016/17 and financing adjustments funded by capital allocations.
- Variations to the 2016/17 capital programme funded from capital allocations totalling £46.0m as approved to the February 2017 Full Council meeting.
- Net slippage in 2016/17 of £1.5m of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

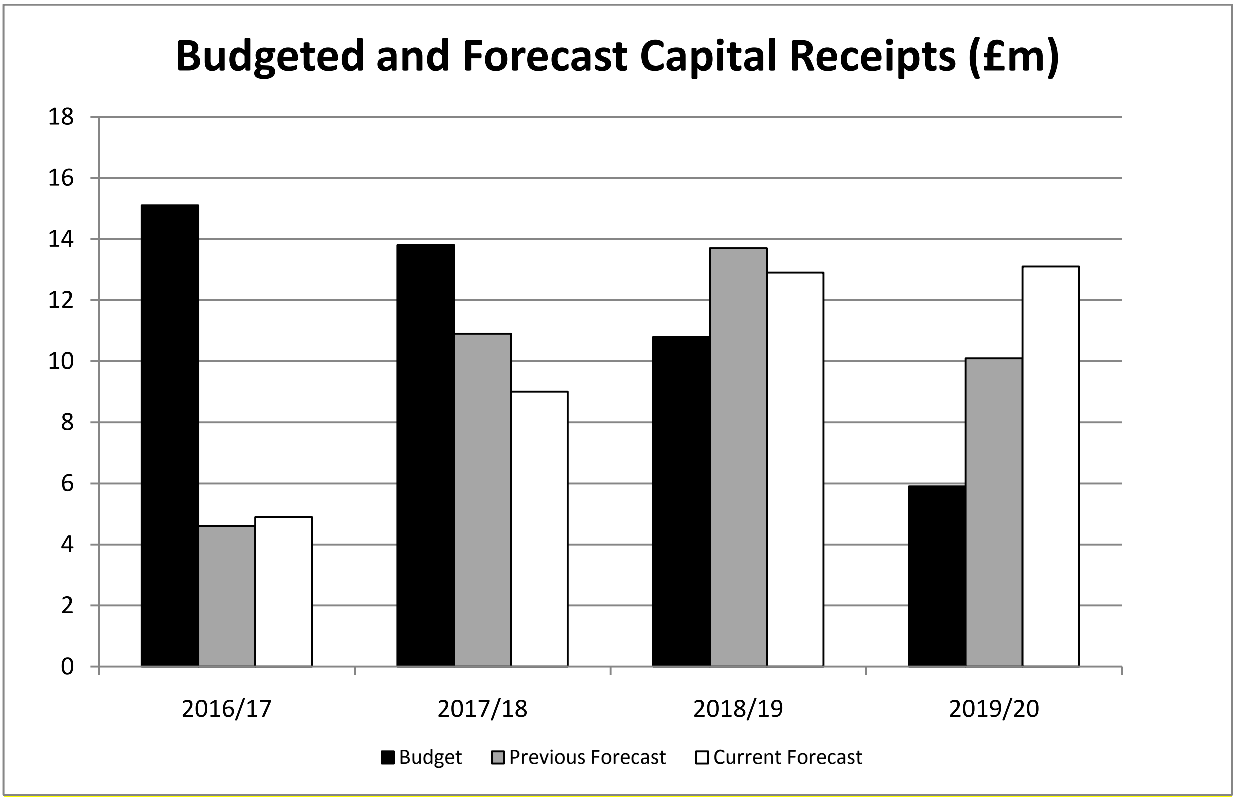
Prudential Indicator Monitoring

36. 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

37. 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.

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



39. The black bars in the chart show the budgeted capital receipts included in the Budget Report 2016/17 (Council 25/02/2016). These capital receipts budgets prudently incorporated slippage, giving a degree of "protection" from the risk of non-delivery.

40. The grey bars show the previous quarterly capital receipt forecasts. The white bars show the current capital receipt forecasts. The current capital receipts forecast for 2016/17 is £4.9m. This is below the budgeted figure due to slippage on four major sites. Despite this, the overall capital receipts forecast remains relatively unchanged although an element has been re-profiled into 2020/21. To date in 2016/17, capital receipts totalling £4.2m have been received.

41. The number and size of large anticipated receipts increase the risk that income from property sales will be below the revised forecasts over the next three years. Although the forecasts

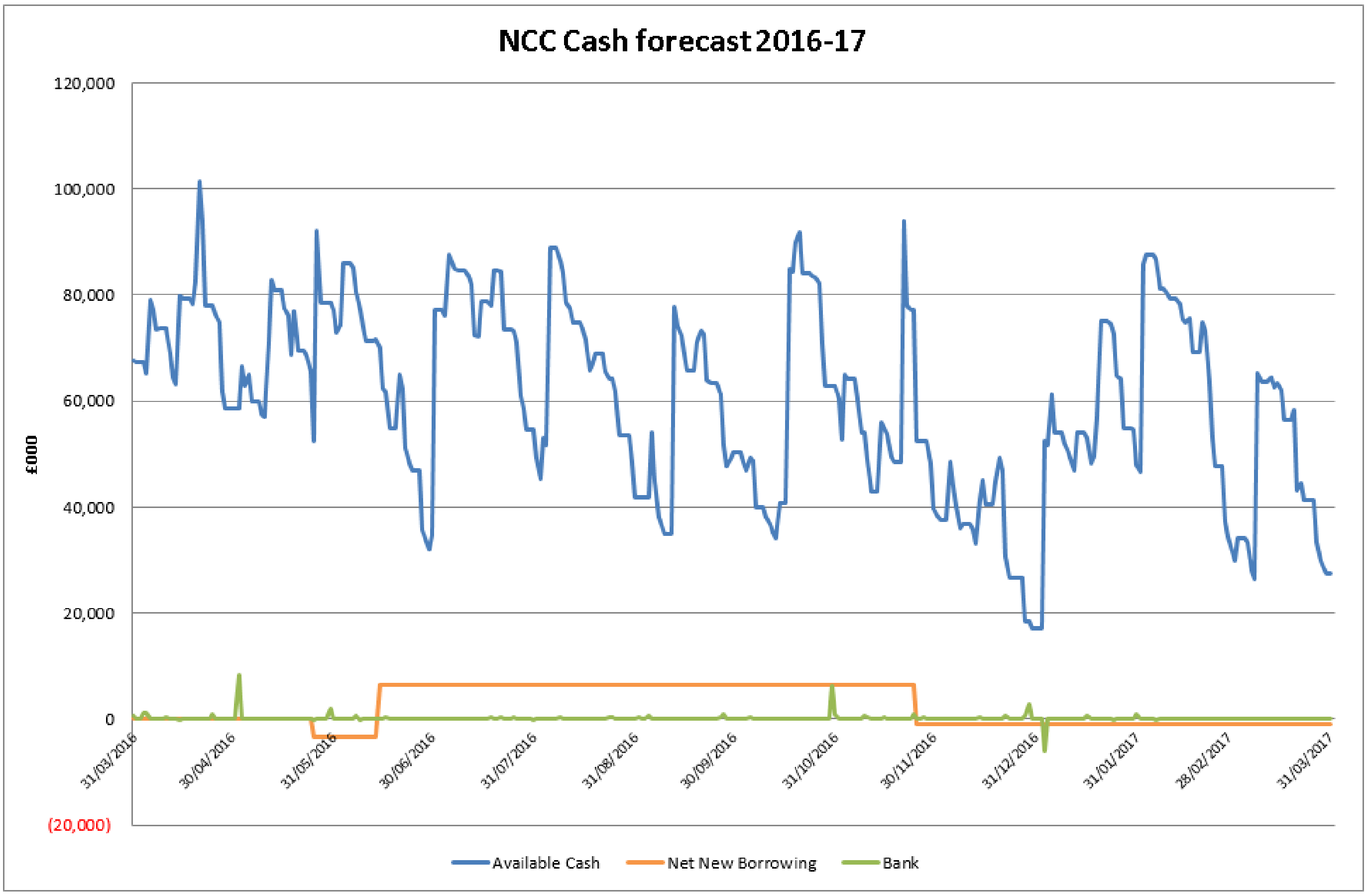
incorporate an element of slippage, a delay in receiving just two or three large receipts could result in sales being lower than the forecast.

Treasury Management

42. Daily cash management aims for a closing nil balance across the Council's pooled bank accounts with any surplus cash invested in accordance with the approved Treasury Management Policy. Cash flow is monitored by the Senior Accountant (Pensions & Treasury Management) with the overall position reviewed quarterly by the Treasury Management Group. The Cash forecast chart below shows the actual cash flow position to date and forecasts for the 2016/17. Cash inflows are typically higher at the start of the year due to the front loading receipt of Central Government grants, and the payment profile of precepts. However, cash outflows, in particular capital expenditure, tend to increase later in the year.

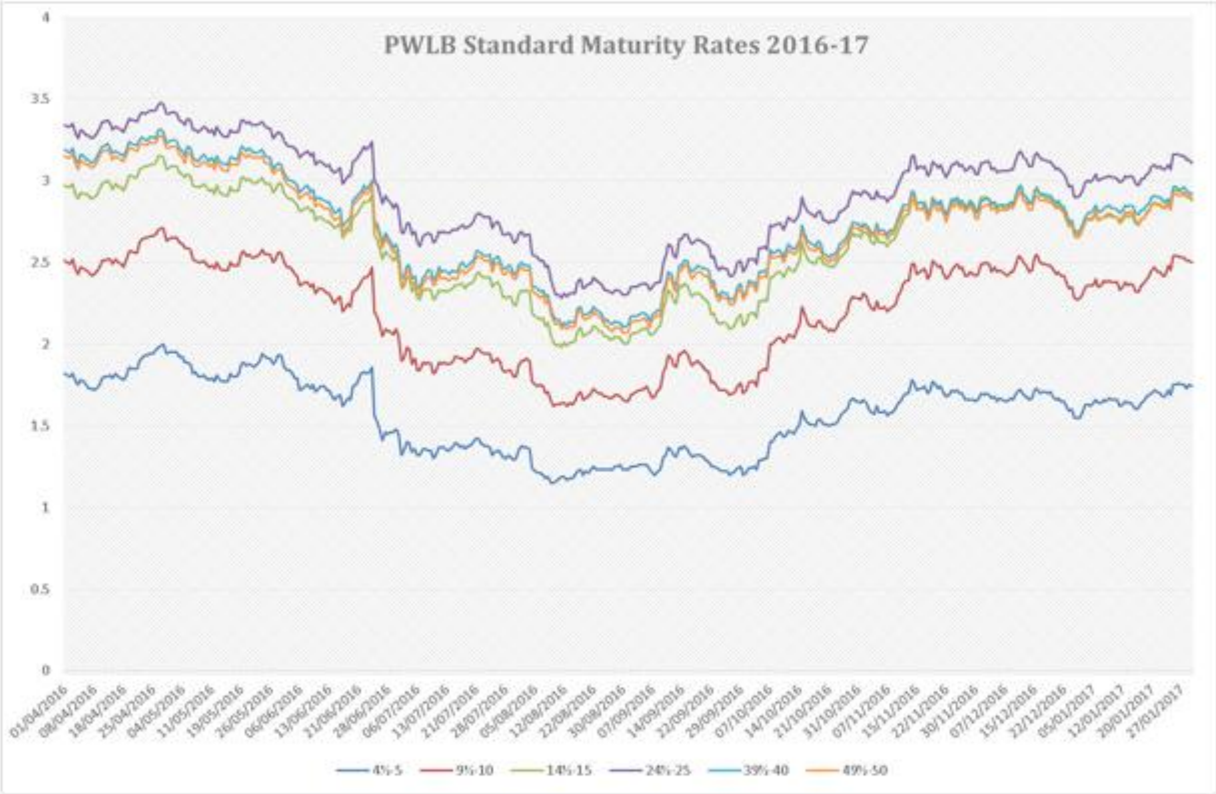
The chart below gives the following information:

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.



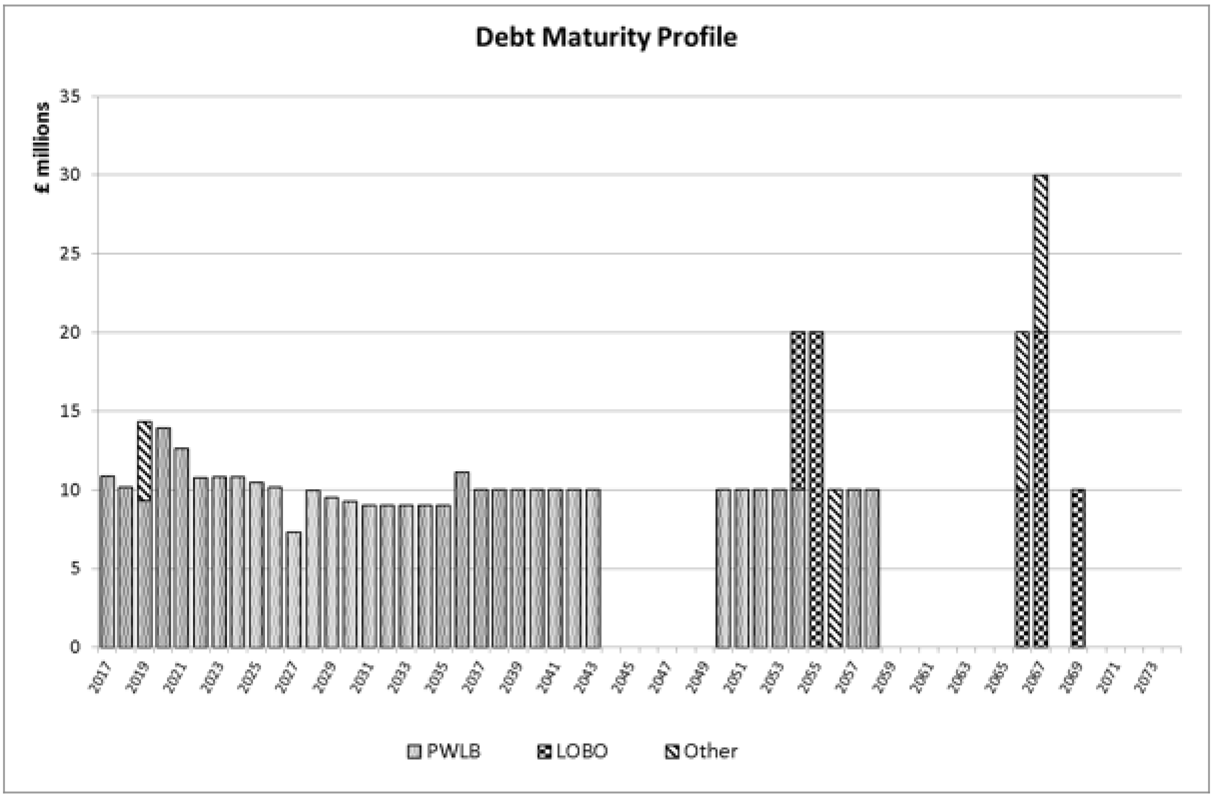
43. The Treasury Management Strategy for 2016/17 identified a need for additional borrowing of £52m to fund the capital programme, replenish internal balances and to replace maturing debt. However, updates to the capital programme and the reserves forecast, together with £10m additional PWLB borrowing when rates were low prior to the EU Referendum, have negated the need for any further borrowing during 2016/17.

44. PWLB rates remain fairly low but over recent months have begun to hover around their pre-Referendum levels. They continue to be monitored closely to allow dips in rates to feed into decisions on new borrowing. The Council remains able to take advantage of the PWLB "certainty rate" which is 0.2% below the standard rates. The chart below shows the movement in standard PWLB maturity rates during 2016/17.



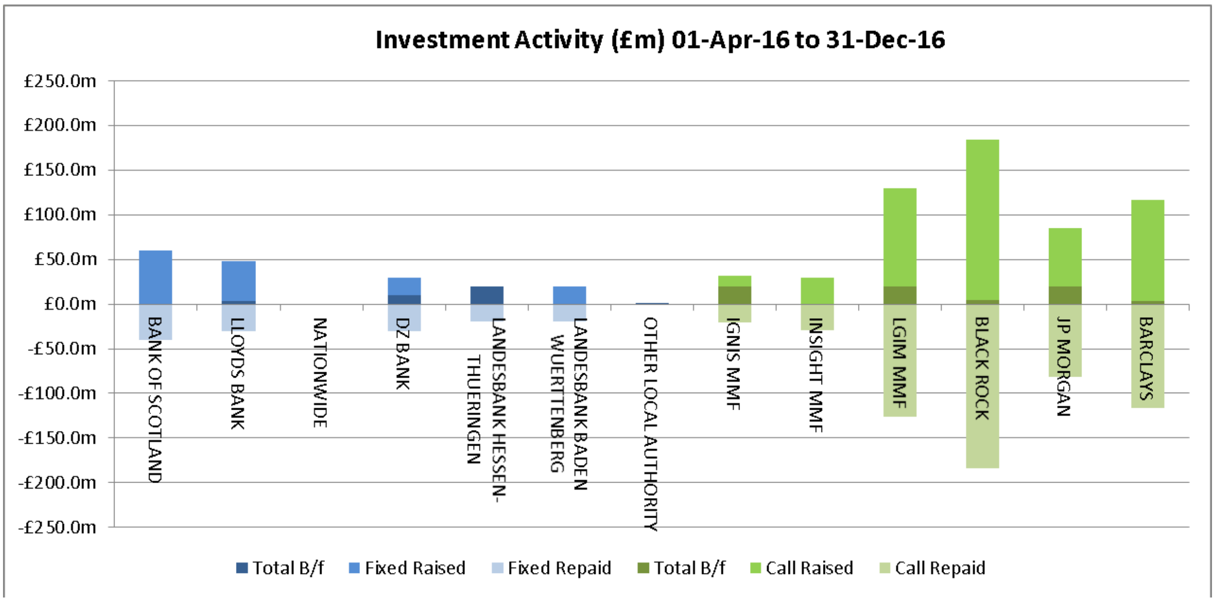
45. Borrowing decisions will take account of a number of factors including:
    - expected movements in interest rates
    - current maturity profile
    - the impact on revenue budgets and the medium term financial strategy
    - the treasury management prudential indicators

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



47. The investment activity for 2016/17 to the end of January 2016 is summarised in the chart and table below. Outstanding investment balances totalled £102m at the start of the year and £68m at the end of the period. This is around £10m lower than balances at the same time last year, reflecting the decision to delay borrowing and keep cash balances minimal for as long as possible.

	Total B/f £ 000's	Total Raised £ 000's	Total Repaid £ 000's	Outstanding £ 000's
Bank of Scotland	-	70,000	(55,000)	15,000
Lloyds Bank	3,000	45,000	(45,000)	3,000
DZ Bank	10,000	20,000	(30,000)	-
Landesbank Hessen-Thueringen	20,000	-	(20,000)	-
Landesbank Baden Wuerttenberg	-	20,000	(20,000)	-
Other Local Authority	1,500	-	-	1,500
IGNIS MMF	20,000	20,750	(20,750)	20,000
Insight MMF	-	29,050	(29,050)	-
LGIM MMF	20,000	126,150	(126,150)	20,000
Black Rock	4,700	204,650	(208,950)	400
JP Morgan	20,000	92,050	(104,400)	7,650
Barclays	2,950	113,350	(116,300)	-
Total	**102,150**	**741,000**	**(775,600)**	**67,550**

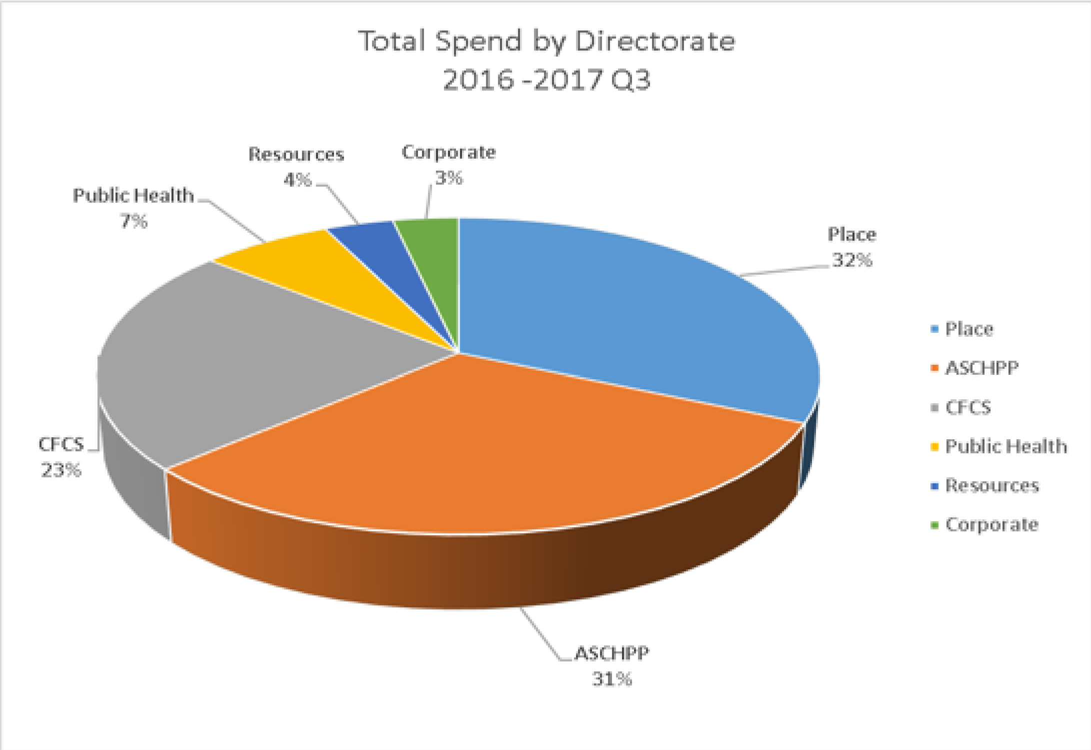


48. As part of the Council's risk management processes all counterparty ratings are regularly monitored and lending restrictions changed accordingly.

Procurement Performance

49. As an organisation, the Authority has spent £162m in the third quarter of the financial year 2016/17 with external suppliers. This represents a decrease of £6m when compared with the same period of the previous financial year. The top 8% (273) of suppliers account for 80%

(£130m) of the total supplier spend. The remaining 92% (3,433 suppliers) have a total expenditure of £32m with an average spend of £9,300. The chart below shows the total amount spent in the period, by Directorate. Place has the highest level of expenditure at 32%, whilst collectively the care related Directorates (ASCH&PP, CFCS, & Public Health) account for 61% of all spend.

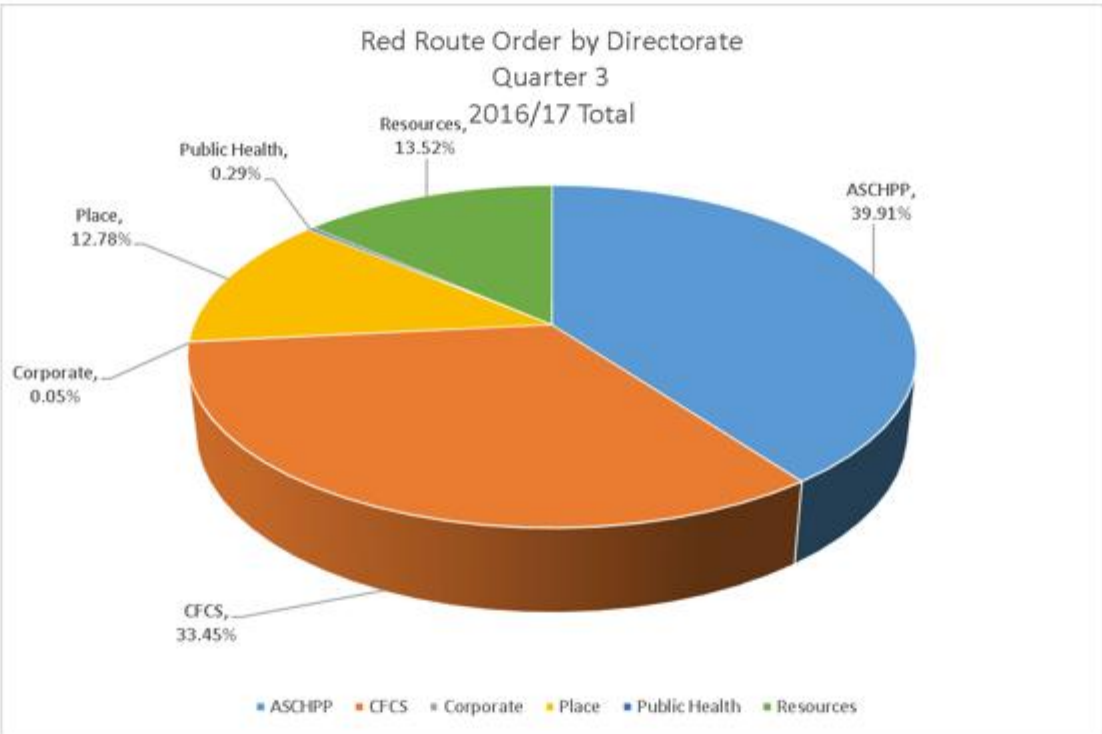


50. The Council's primary ordering route is through BMS. Orders that are processed through BMS are classified as 'Compliant', whilst purchases made outside of the Council's systems are deemed to be 'Non-Compliant'. Retrospective orders are also classified as non-complaint, as they are typically raised after delivery of goods/services. Services commissioned and managed through other Corporate Systems, for example Frameworki, are out of scope. Purchase Orders are beneficial to the organisation as they provide visibility of what we spend.

51. When compared with the same period of the previous financial year. Compliant ordering has increased by 1% from 61% to 62% of the total spend. Non-compliant (non PO) ordering has decreased by 1% from 39% to 38% of the total spend. Interface spend has also decreased marginally from 27.06% to 26.72% of the total spend. The table below shows the number of retrospective orders by month and by Directorate. The total volume of retrospective orders has reduced overall when compared with quarter three of the previous financial year, although results for Resources do reflect a very slight increase. The previous financial year quarter three total results are provided for comparison.

Directorate	PO Volume Oct 2016	PO Volume Nov 2016	PO Volume Dec 2016	Total Q3 2016/17	Total Q3 2015/16
ASCHPP	185	164	131	**480**	**893**
CFCS	312	337	288	**937**	**1,356**
Place	284	267	208	**759**	**1,417**
Corporate	-	-	-	**-**	**3**
Public Health	3	3	-	**6**	**12**
Resources	102	106	77	**285**	**283**
Total	**886**	**877**	**704**	**2,467**	**3,964**

52. Purchase orders themselves are split into Green and Red orders. Green orders are those which are raised with the Procurement Centre's pre-arranged agreements or contracted suppliers. Red orders are those that do not have approved suppliers or contracts set up on BMS, and require additional work. When compared with the same period in the previous financial year the volume of 'Red' orders have reduced from 8,402 to 6,204. The chart below illustrates Red Route orders by Directorate as a percentage for Quarter three 2016/17. The Procurement Team are working with stakeholders to improve these figures.



53. Procurement are now using a Customer Satisfaction Questionnaire to allow feedback to be obtained from its customer base upon completion of each procurement project. The questionnaire is sent to the lead stakeholder/commissioner for completion and results to date from five customers during quarter three are positive; indicating an 83% 'Strongly Agree' satisfaction level. An annual overall satisfaction survey will be issued to Corporate Directors, Service Directors and Group Managers in services in February 2017, outputs from this will be reported in quarter four.

54. A full list of ongoing developments within the Procurement Team is included in Appendix A.

Debt Recovery

Invoices raised in quarter

	Qtr. 3	Year to date
Number	48,405	131,649
Value	£41,595,906	£151,050,717

Debt Position at 31/12/16

	Residential & Domiciliary Care	All Other	Total
Total	£7,943,093	£11,403,986	£19,347,079
Over 6 months	£4,604,209	£1,029,723	£5,633,932
% over 6 months	57.96%	9.03%	29.12%

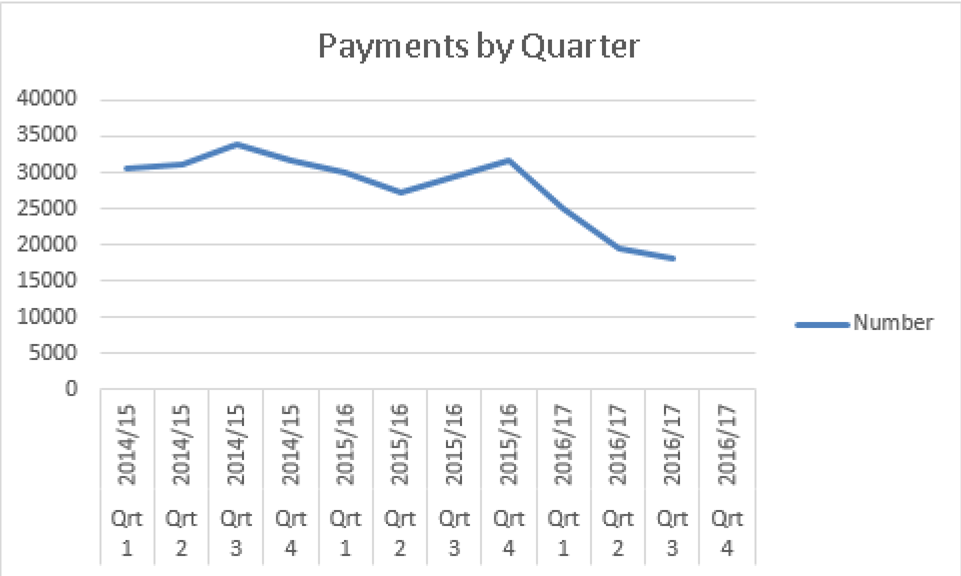
55. The debt levels at the end of Quarter three has seen increases in debt levels in both Residential and Domiciliary Care and Other debts. Much of these increases can be attributed to the raising of quarterly other invoices such as CCGs and Nottingham City Council and the billing cycle of Residential and Domiciliary Care debts. Residential and Domiciliary Care over 6 months continue to be influenced by full cost invoices to services users that have not yet joined the deferred payments scheme and are charged full costs of their care which they have no fund to make payments.

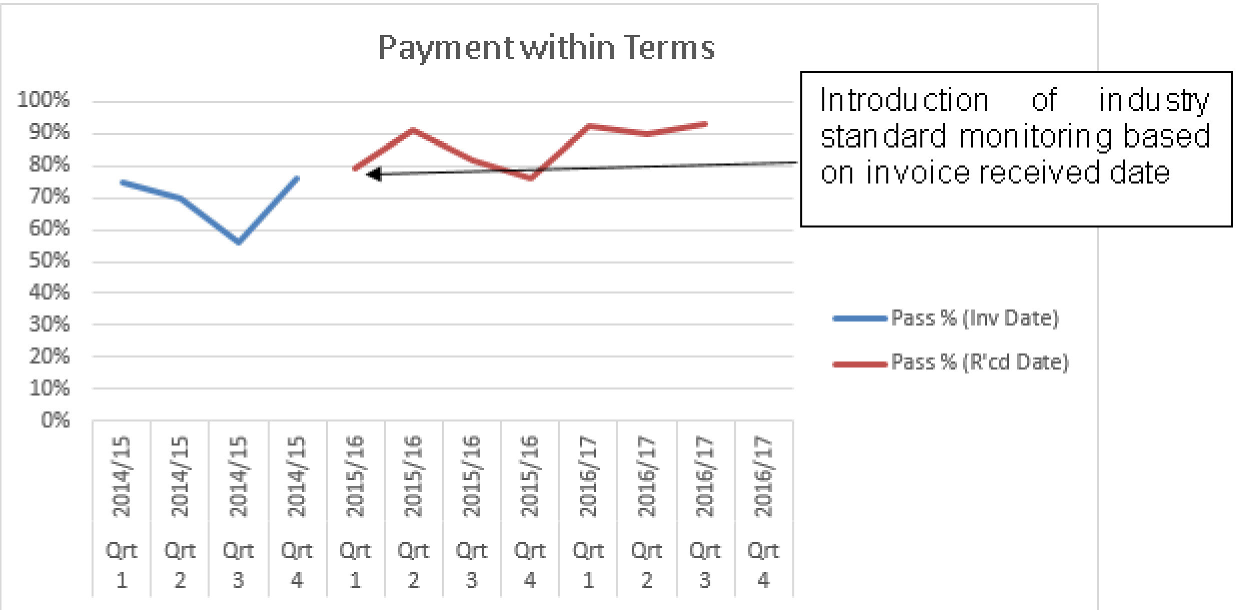
56. The write off total as at the end of Quarter three was £266,000.

Accounts Payable Performance

57. Payment within terms are being maintained above 90% with Quarter three being recorded as 93.8%. The monthly trends are now exceeding 95%. The main reason for the increase is the resolution of legacy invoices from Arc. As reported previously, the annual volume of invoice transactions will reduce in 2016/17 from 120,000 to an expected 80,000.

58. The two Procure to Pay pilot Hubs are still working well and a great deal of positive feedback has been received. Each P2P hub are expanding their scope and taking in more services within their locality.





Statutory and Policy Implications

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

RECOMMENDATIONS

1) To note the revenue budget expenditure to date and year end forecasts.

2) To note the Capital Programme expenditure to date and year end forecasts and approve variations to the Capital Programme.

3) To note the Council's Balance Sheet transactions.

4) To note the performance of the Procurement Team.

5) To note the performance of the Accounts Payable and Accounts Receivable teams.

Nigel Stevenson Service Director – Finance, Procurement and Improvement Division

For any enquiries about this report please contact:
Keith Palframan, Group Manager, Financial Strategy and Compliance

Constitutional Comments (KK 02/03/2017)

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

Financial Comments (KP 28/02/2017)

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

Background Papers and Published Documents

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

None

Electoral Division(s) and Member(s) Affected

All

Ongoing developments:

Action	Target Outcomes	Current status
Engagement with regional colleagues across local authority and health to develop a collaborative working approach.	Identification of opportunities for collaboration to reduce costs of procurement and release savings through aggregation of spend.	Collaborative work with colleagues across the region and health is ongoing.
Support the Integration agenda.	Working in partnership with Adult Social Care in driving forward the integration agenda.	The Mid Notts Better Together Alliance Agreement is operational, work is underway in the South of the county to understand the plans going forward.
Regional Contracts Database.	Creation of an open and accessible single regional contracts database to provide transparency in the spending of public money and to help businesses identify potential future tender opportunities.	Council contracts are recorded on the contract database and can be viewed via the Council's Procurement Portal. Activity is ongoing to ensure that the Council's Contract Database content is accurate and up to date.
Develop a procurement customer satisfaction survey.	Gain a better understanding of our customers' requirements and concerns so that we can improve the services that we deliver.	The Customer Satisfaction Survey is in use. Results will be used to inform future improvement.
P2P Project.	Specialist P2P requisitioning hubs implemented throughout the authority to provide a consistent approach to the end to end P2P process.	P2P tasks at ASC & CFCS satellite units have been migrated to the P2P Hubs at Sir John Robinson Way and Lawn View. These are now operating as business as usual a review of the project will be undertaken in 2017.

Nottinghamshire County Council

Report to Finance and Property Committee

20 March 2017

Agenda Item: 5

REPORT OF THE CORPORATE DIRECTOR, ADULT SOCIAL CARE, HEALTH AND PUBLIC PROTECTION, NOTTINGHAMSHIRE COUNTY

BETTER CARE FUND POOLED BUDGET – Q2 AND Q3 RECONCILIATION AND APPROVAL OF POOLED FUND AGREEMENT

Purpose of the Report

1. This report sets out progress to date against the Nottinghamshire Better Care Fund (BCF) plan and the impact of recent policy changes. The Finance and Property Committee are requested to:

    1.1. Note the findings of the reconciliation of the BCF Pooled Fund for Q3 2016/17.
    1.2. Approve the Better Care Fund section 75 pooled budget for 2017/18 subject to amendments proposed by the Governing Bodies of the Clinical Commissioning Groups (CCG).

Information and Advice

Quarter 2 and 3 reconciliation

2. Nottinghamshire County Council and the six Nottinghamshire Clinical Commissioning Groups (CCGs) contributing to the pooled fund undertook a reconciliation exercise of Quarter 3 2016/17 income and expenditure.

3. Expenditure is currently below plan, and an underspend of £1,390,239 is anticipated in 2016/17. Tables 1 and 2 show the difference between payments received and money spent to period 9. The 2016/17 anticipated underspend relates to:

    3.1. £1.136m in the Care Act allocation. Spend will be carried forward to 2017/18 to be spent within this ring-fenced element of the fund.
    3.2. £191,000 in scheme D (support to social care). Spend will be reallocated to scheme C (reducing non-elective admissions) within the financial year.

4. As outlined in the Pooled Fund Agreement, underspends in the pooled fund are managed at a Unit of Planning level and may be transferred to another scheme within the Pooled Fund or be carried forward.

Table 1: Quarter 2 2016/17

Contributing partner	**Nottinghamshire Clinical Commissioning Groups (CCGs)**	**Nottinghamshire County Council**	**Total**
£'000s			
Payments made into pooled budget	£25,315,302	£2,737,707	£28,053,009
Payments received from pooled budget	£15,078,660	£12,974,349	£28,053,009
Total spend to period 6	£15,163,946	£9,428,000	£24,591,946
Under/(over) spend to period 6	*(£85,286)*	*£3,546,349*	*£3,461,063*

Table 2: Quarter 3 2016/17

Contributing partner	**Nottinghamshire Clinical Commissioning Groups (CCGs)**	**Nottinghamshire County Council**	**Total**
£'000s			
Payments made into pooled budget	£37,972,953	£5,475,413	£43,448,366
Payments received from pooled budget	£22,617,990	£20,830,376	£43,448,366
Total spend to period 9	£22,519,127	£19,539,000	£42,058,127
Under/(over) spend to period 9	*£98,863*	*£1,291,376*	*£1,390,239*

5. The Nottinghamshire County Council allocation is shown in Table 3. This table shows the difference between planned spend and actual spend to period 9. The planned profiles between income and expenditure were not matched and we expected to have spent less than we had received by period 9.

Table 3: Quarter 3 2016/17 Nottinghamshire County Council

£'000s	**Planned Spend**	**Spend**	**Variance**
Protecting Social Care	£12,334,000	£12,334,000	0
Carers	£917,000	£917,000	0
Care Act Implementation	£1,490,000	£611,000	*£879,000*
Additional Support to Social Care	£614,000	£470,000	*£144,000*
Disabled Facilities Grant (District and Borough Councils)	£5,475,000	£5,207,000	*£268,000*

Progress on BCF 2016/17

6. On 8 February 2017 the National Audit Office published its report *Health and Social Care Integration* which found that nationally the BCF did not achieve its financial or service targets in 2015/16. It should be noted that locally the scale of the BCF is £56m against a health and care economy of circa £3.7bn.

7. In 2015/16 savings were reported on a monthly basis to the BCF Programme Board with £5.161m savings planned. At year end, 78% of these savings were realised.

8. Performance is reported quarterly to the Nottinghamshire Health and Wellbeing Board: 2015/16 performance was reported to the 8 June 2016 meeting. In summary the key metrics demonstrate the progress made in 2015/16:

    a) 1,938 fewer non-elective admissions than planned in 2015
    b) 28 fewer people than planned being permanently admitted to care homes (2015/16)
    c) 92% of people remaining at home 91 days after local community reablement services (2015/16)
    d) 2,011 fewer days than planned on delayed hospital discharges (Q3-Q4 2015/16)
    e) 38 fewer admissions to care homes directly from hospital (2015/16)

9. The NAO report did conclude that the Better Care Fund "has been successful in incentivising local areas to work together", which has been echoed locally through the annual evaluations undertaken using the Better Care Support Team self-assessment tool.

2017-19

10. NHS Planning Guidance has been published – https://www.england.nhs.uk/ourwork/futurenhs/deliver-forward-view The guidance provides local NHS organisations with an update on the national priorities for 2017/18 and 2018/19, as well as updating on longer term financial challenges for local systems. The Better Care Fund is mentioned in paragraph 69, which states:

'CCGs and Upper Tier Councils will need to agree a joint plan to deliver the requirements of the Better Care Fund (BCF) from 2017/18 via the Health and Wellbeing Board. The plan should build on the 2016/17 BCF plan, taking account of what has worked well in meeting the objectives of the fund, and what has not. CCGs will be advised of the minimum amount that they are required to pool as part of the notification of their wider allocation. BCF funding should explicitly support reductions in unplanned admissions and hospital delayed transfers of care. Further guidance on the BCF will be provided later in the autumn.'

11. For the first time, the guidance covers two financial years, to provide greater stability and support transformation, and has been released three months earlier than normal to enable earlier agreement locally. Colleagues in DH and DCLG are currently developing the Better Care Fund policy framework which will also cover 2017/18 and 2018/19 and the Better Care Support Team (BCST) will be developing the Better Care Planning Guidance in parallel. The submission timetable will be published as soon as publication dates are clear.

Pooled Fund Agreement

12. It is nationally mandated that investment in the Better Care Fund (BCF) is operated under a pooled budget agreement under section 75 of the National Health Service Act (2006). This is the legislation that allows local authorities and NHS bodies to operate pooled budgets at a local level.

13. The section 75 agreement is a legally binding partnership agreement, in this instance between the commissioners of health and social care services in Nottinghamshire County. The signatories to the agreement are Nottinghamshire County Council and the six County Clinical Commissioning Groups (CCGs), namely Bassetlaw CCG, Mansfield and Ashfield CCG, Newark and Sherwood CCG, Nottingham North and East CCG, Nottingham West CCG and Rushcliffe CCG.

14. The basis of the agreement is a national form of a model contract to administer section 75 terms, prepared by external solicitors. In order to ensure local fit, both the County Council and the CCGs (acting jointly) have taken independent legal advice on the practical application in relation to the specific components of the Nottinghamshire plan. Nottinghamshire County Council has instructed its in-house legal team and the CCGs have collectively instructed an external solicitors firm.

15. The 2017/18 Pooled Fund Agreement remains consistent with the principles agreed for the 2016/17 agreement. The 2017/18 agreement has been updated to take into consideration the 2017/18 scheme spending plan.

16. As agreed in March 2015, the pooled budget will continue to be hosted by Nottinghamshire County Council, with the accountable officer and named pooled budget holder (the section 151 officer) being the Council's Service Director for Finance, Procurement and Improvement who will be supported by the BCF Programme Manager.

Payments

17. Payment into and out of the pool will take place as in 2016/17:
    17.1. Payments are made on a monthly basis in accordance with the payment schedule set out in "Schedule 9 – Payment Protocol". CCGs will contribute into the pool on the

first of the month an amount equal to one twelfth of the annual sum they have agreed to contribute.

17.2. CCGs and the Council will pay providers directly to ensure that existing contractual payment mechanisms continue and to avoid providers receiving multiple payments from commissioners. This ensures no additional contracts are required to be set up and that no additional contract management falls to the County Council as pooled budget host.

17.3. For the purposes of the agreement, District and Borough Councils are a provider and payment of the Disabled Facilities Grant (DFG) allocation will be made to the pooled budget via the County Council. The DFG allocation will then be transferred to the District and Borough Councils for ongoing payment to contractors once plans for the use of funding have been agreed.

Risk sharing

18. The risk share arrangements for any overspends and management of any underspends are set out in schedule 3 of the agreement.

19. The partners have agreed that risk sharing will initially remain at the organisation or unit of planning level in line with current practice. This means that any over/under spend will be managed by CCGs in the following units of planning:

19.1. North Notts: Bassetlaw CCG; ·
19.2. Mid Notts: Mansfield and Ashfield CCG and Newark and Sherwood CCG;
19.3. South Notts: Nottingham North and East CCG, Nottingham West CCG, Rushcliffe CCG.

20. It will be for the units of planning to determine apportionment of over/under spend. Nottinghamshire County Council will manage its own over/under spend. If the overspend cannot be contained within the respective organisation or unit of planning then it will be escalated to the Steering Group for a decision.

Governance and reporting

21. CCGs and Nottinghamshire County Council are the accountable organisations with statutory responsibility for investment into the pooled budget and each has to satisfy its own statutory requirements for investment into BCF schemes. This is supported by a countywide governance structure for monitoring progress of the BCF plans including the pooled budget.

22. The BCG Finance, Planning and Performance subgroup will continue to be responsible for providing a monthly report on the pooled budget income and expenditure. This will be reported to the BCF Steering Group monthly and include details of performance against the outcome metrics, progress with scheme delivery and outstanding risks as recorded in the programme risk register.

23. The subgroup will undertake a quarterly reconciliation of actual income and expenditure against plan which will take into account any delays to scheme implementation and consequent payments to providers. Quarterly reconciliation reports will be presented to the Committee as agreed in March 2015.

24. There will be a quarterly report to the Health and Wellbeing Board in line with NHS England requirements. This will be accompanied by an exception report on scheme delivery, programme risks and delivery of the outcome metrics.

25. Any changes to planned schemes' financial values will be determined by the responsible statutory commissioner in the first instance, and will then be discussed through the programme governance structure with the Steering Group recommending changes in values to the Health and Wellbeing Board with the associated consideration of impact on overall programme delivery.

26. All organisations have agreed to share relevant information with each other's auditors to ensure transparent reporting of the BCF pooled fund. Additional external audit costs may be incurred by the County Council as the pooled budget host. If this is the case, a proposal to share costs across the partner signatories will be made to the Steering Group.

Reason/s for Recommendation/s

27. To ensure appropriate governance is in place to oversee the delivery of the pooled fund as the Host Organisation.

Statutory and Policy Implications

28. 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 services), the public sector equality duty, safeguarding of children and adults at risk, 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.

Financial Implications

29. The financial implications are detailed in the Nottinghamshire BCF plan. The pooled budget amounts to a minimum of £56.2m in 2016/17, at the date of writing we are awaiting planning guidance for 2017-19. Subject to national policy developments, the agreement may be extended beyond 2018/19. This will be reported to the Health and Wellbeing Board on an ongoing basis as part of the Better Care Fund reporting process.

Legal Implications

30. The Care Act facilitates the establishment of the BCF by providing a mechanism to make the sharing of NHS funding with local authorities mandatory. The wider powers to use Health Act flexibilities to pool funds, share information and staff are unaffected.

RECOMMENDATION/S

That the Committee:

1) Note the findings of the reconciliation of the BCF Pooled Fund for Q2 and Q3 2016/17.

2) Approve the variation to the Better Care Fund section 75 pooled budget for 2017/18 subject to amendments proposed by the Governing Bodies of the Clinical Commissioning Groups (CCG).

David Pearson, Corporate Director, Adult Social Care, Health and Public Protection, Nottinghamshire County Council

For any enquiries about this report please contact:
Joanna Cooper, Interim Deputy Programme Director Nottinghamshire Sustainability and Transformation Plan (including Nottinghamshire Better Care Fund)
Joanna.Cooper@nottscc.gov.uk / 0115 9773577

Constitutional Comments (LM 28/2/17)

31. The recommendations in the report fall with the Terms of Reference of the Finance and Property Committee.

Financial Comments (KAS 09/03/2017)

32. The financial implications are contained within paragraph 29 of 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.

- 'Terms of Reference for BCF Steering Group and Finance, Planning and Performance sub-group.
- Better Care Fund Pooled Budget March 2015
- Better care fund pooled budget – Q1 and Q2 reconciliation and planning for 2016/17. December 2015
- Section 75 Pooled Fund Agreement 2015/16 variation
- Section 75 Pooled Fund Agreement 2016/17
- Section 75 Pooled Fund Agreement 2017/18

Electoral Division(s) and Member(s) Affected

- All

Nottinghamshire County Council

Report to Finance & Property Committee

20 March 2017

Agenda Item: 6

REPORT OF SERVICE DIRECTOR ENVIRONMENT, TRANSPORT & PROPERTY

ENERGY COSTS AND PROCUREMENT

Purpose of the Report

1. The purpose of this report is to:

- appraise Committee with regard to the procurement of energy for the Council's buildings and street lighting;
- appraise Committee on projected costs of energy for this financial year and advise on estimated costs for the 2017-18 financial year;
- report on the Council's carbon emissions and costs associated with mandatory participation in the Carbon Reduction Commitment Energy Efficiency Scheme; and
- provide a brief summary of current carbon and energy cost saving measures.

Information and Advice

Energy procurement

2. This report updates information reported to this Committee on 21 March 2016 and relates to energy and carbon management performance reported to Environment and Sustainability Committee on 3 November 2016.

3. Some of the Council's energy supplies, covering about 70% of its consumption for street lighting and buildings, are purchased under a flexible, variable procurement model, whereby energy is purchased in advance of and during the supply period (financial year), hence creating added in-year uncertainty regarding price, but also the opportunity to benefit from favourable wholesale market conditions during the year. The remaining 30% is purchased prior to the supply period. This should be borne in mind when noting the predicted energy costs in the following section.

4. Procurement of gas and electricity takes place through the Council's appointed central purchasing body, Crown Commercial Service (CCS). The supply contracts for gas and electricity are also made available to state schools in Nottinghamshire through a participation agreement, which most schools take advantage of. The CCS performance review for 2015-16 shows that for the energy baskets from which the Council's supplies are procured, CCS continues to achieve better than average wholesale market prices,

outperforming the market average by about 7% for gas, by about 4% for Half Hourly electricity, and matching the market average for Non Half Hourly electricity.

Energy costs

5. Table 1, below, shows the predicted energy costs (electricity and gas combined) for this and next financial year, compared to actual costs for 2014-15 and 2015-16 for County Council buildings and street lighting. Schools are excluded as they meet their own energy costs, which are estimated to total about £9m for 2017-18 (about a 10% increase) for those utilising the Council's supply contracts.

6. Budget predictions provided by CCS in January for 2017-18 show a wide variation in changes across different commodities. These range from a 2.6% decrease in final delivered charges for gas, through increases of 5.1% for our Half Hourly (HH) electricity, 6.8% for our Unmetered electricity (which covers most of our street lighting), and 23.2% for our Non Half Hourly (NHH) electricity. The significant increase in the latter is largely a reflection of the way energy is purchased in this basket, which only has a six month buying window prior to the supply period; a window that has coincided with relatively higher prices compared to the same period last year.

7. The final delivered charge for electricity and gas incorporates both the energy cost of procuring energy in the wholesale markets, plus the non-energy pass through costs. There is a general trend of a rising percentage of the final bill being due to non-energy costs, with electricity costs having 55% of the final bill attributable to non-energy costs, such as transmission and distribution charges, compared to 28% for gas. EDF Energy is currently forecasting a 30:70 split between energy and non-energy electricity costs by 2018/19.

8. For street lighting and traffic signals the predicted costs in Table 1 allow for estimated portfolio growth as well as predicted price increases. So whilst significant investment is being made in saving energy, predicted increases in energy prices and numbers of street lights are expected to outweigh the impact of energy efficiency measures.

Table 1
Summary of predicted energy costs (gas and electricity combined)

	2014-15 actual (£)	**2015-16 actual (£)**	**2016-17 Predicted (£)**	**2017-18 Predicted (£)**	**Difference compared to 2016-17 (£)** **(% change in brackets)**
Traffic signals	317,155	293,212	272,152	286,000	13,848 (+5.1)
Street lighting	4,111,757	3,929,905	3,508,581	3,730,673	222,092 (+6.3)
Council buildings	2,359,015	2,310,677	2,141,228	2,345,987	204,759 (+9.6)
Total cost	6,787,927	6,533,794	5,921,961	6,362,660	440,699 (+7.4)

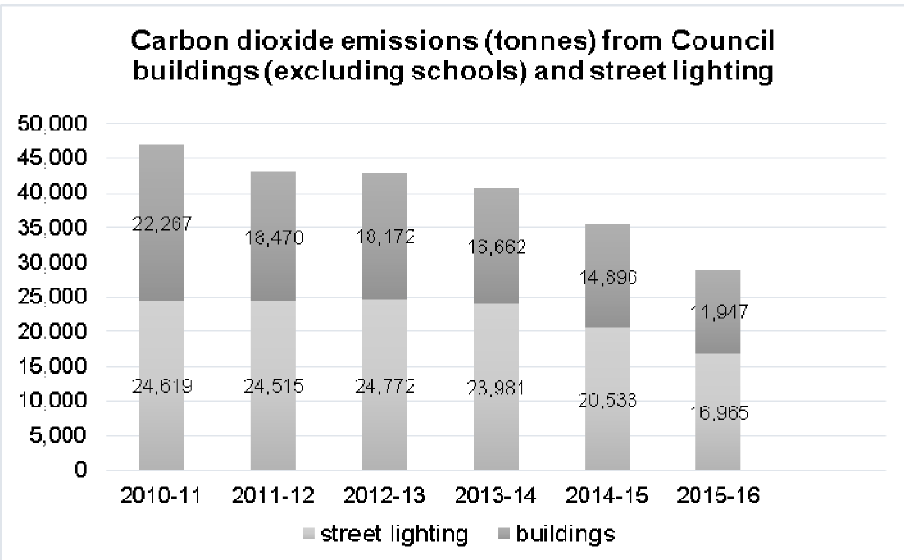
9. Members should be aware that these predicted costs are very much best estimate figures based on anticipated consumption, predicted prices and the limited amount of energy purchased in advance, with many variable factors that can influence actual costs. Street lighting and traffic signals comprise around 60% of the Council's combined electricity and gas costs, whilst the split between electricity and gas costs for buildings is roughly 3:1, with consumption being about equal.

10. For those sites which have HH electricity supplies, the Council's supplier, EDF, is now splitting out pass through costs so that such items appear separately on bills and are no longer wrapped into the unit price. This has provided added impetus to saving energy in times when distribution charges are highest. Between 4pm and 7pm Mondays to Fridays is the 'red band' zone, during which time an additional rate is applied, which can be more than double the normal metered rate. Across the Council's portfolio of 17 non-school HH supplies, the 2016-17 forecast spend was £854,625, of which an estimated 9.1% was from additional charges applied during red band periods.

Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES)

11. Reducing emissions of carbon dioxide, including those from the Council's own estate and operations, is one of the Council's Strategic Plan priorities. Carbon emissions for the financial year 2015-16 arising from the use of energy in Council buildings (excluding schools) and street lighting, as reported under the Government's Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES), amounted to 28,912 tonnes of carbon dioxide, representing a total cost of £451,027 (taking advantage of the advanced purchase price of £15.60). Total emissions from all Council buildings and street lighting fell 8.7% from 80,804 tonnes in 2014-15 to 73,805 in 2015-16.

12. The chart below shows the total emissions from Council buildings, excluding schools, and street lighting over the past six years. Over this time these emissions have decreased by 38%, reducing the total by 17,974 tonnes - equivalent to the average annual emissions from energy use in around 2,500 households. This sustained improvement in performance is most likely due to a combination of Council investment in energy efficiency and renewable energy; changes to the Council's building portfolio; and, for Phase 2 of the CRCEES, favourable changes to the conversion factors used to convert energy consumption figures into tonnes of carbon dioxide, arising from the reduced carbon intensity of energy generation.



13. More detail is provided in the table in Appendix 1, which also shows the emissions from schools and those from buildings corrected to take account of the effect of warmer or colder than usual weather on energy consumption, making year on year comparisons more meaningful. This shows that when the effect of weather is taken into account (which the CRCEES does not do), a year on year decrease in emissions from the Council's combined buildings portfolio has been achieved.

14. Table 2 summarises predicted costs of CRCEES up until the Scheme ends in 2018-19, assuming emissions remain at 2015-16 levels. Under Phase 2 of this Scheme the Council has been able to take advantage of a discounted advanced purchase price for buying its annual allowances, representing a saving of £37,586 (28,912 tonnes @ £1.30) for 2015-16 compared to paying the 'buy to comply' price based on reported annual emissions. Any surplus allowances beyond those that subsequently need to be surrendered to meet the reported emissions can be 'banked' for use in future years.

Table 2. Predicted costs under CRCEES
(Based on 2015-16 emissions, assuming these remain constant)

	2015-16 emissions (tCO_2)	Year and cost per tonne			
		2015 -16 £15.60 (forward purchase)	2016-17 £17.20 (compliance sale price)	2017-18 £17.70 (compliance sale price)	2018-19 £18.30 (compliance sale price)
Corporate buildings	10,980	£171,288	£188,856	£194,346	£200,934
Street lighting	16,965	£264,654	£291,798	£300,281	£310,460
Pensions portfolio	967	£15,085	£16,632	£17,116	£17,696
Total	28,912	£451,027	£497,286	£511,743	£529,090

Measures to reduce energy costs and carbon emissions

15. The Council has a number of key programmes in place to tackle energy consumption and reduce its carbon emissions. These include:

(i) A revolving loan fund of £1.3million for investment in energy efficiency measures, of which £0.55million of funding has been provided by the Carbon Trust, via Salix Finance: – Local Authority Energy Fund (LAEF) .

Up to the end of September 2016 this fund had invested just under £2.5million in the Council's schools and other buildings, saving over 3,000 tonnes of carbon dioxide and £580,000 in energy costs per year. Measures funded include low energy lighting, energy management systems, improved heating controls and voltage optimisation, with the lifetime savings from investment in such measures amounting to over £6.7million and 37,000 tonnes of carbon dioxide.

(ii) A substantial street lighting energy saving project approved by Policy Committee in September 2013.

This on-going project has so far seen around 33,000 LED lights installed county-wide, plus areas of part-night dimming, with plans for a further 8,000-10,000 LED lanterns for Newark and Sherwood during 2017/18 and the same again for Mansfield during 2018/19. Interest-free funding to support this programme has been secured from Salix Finance over a number of years, totalling £7.8million. The programme has exceeded its £1.5 million savings commitment and has so far reduced the annual street lighting energy budget by over 10million kWh, worth about £1.2m. This project has improved street lighting infrastructure and reduced faults as well as bringing significant reductions in energy use and carbon emissions, whilst future proofing lighting stock to be more easily adaptable to developing technologies.

(iii) Investment in photovoltaic (PV) panels on the roofs of various Council properties.

Income received through Feed in Tariff (FiT) payments for electricity generated by solar (PV) arrays on Council buildings for 2015-16, as part of the Council's SunVolt programme, amounted to £118,973 - almost double that received in 2014-15 (£65,401). Savings estimated from on-site consumed electricity from these panels amounted to a further £57,547, giving a total annual benefit of £176,520. The Council now has 36 roof-mounted PV arrays receiving FiT payments, which are generating in total about 0.7MWh of electricity each year.

(iv) An Additional Capital for Energy (ACE) fund of £3million over 3 years to support energy efficiency measures and renewable energy projects in non-school buildings that fall outside of the funding criteria set for the Council's revolving loan fund.

As well as supporting typical energy measures that fall short of meeting LAEF scheme criteria, the ACE scheme has also enabled consideration of new types of projects. A good example of this is provided by the Mill Adventure Base, where a combination of LAEF and ACE funding enabled installation last March of efficient air source heat pumps to replace costly and inflexible night storage heaters. This followed on from the installation of a large 75kW solar array at the end of 2015. Comparing electricity costs and consumption for the first 9 months of 2016-17 with the same period in 2015-16 shows monthly reductions in consumption of between 40 -70% and an average monthly cost saving of 60% or £721 per month. This gives an estimated payback period of about 7 years.

Other projects supported by ACE or a combination of ACE and LAEF include lighting upgrades at Piazza House and offices at Sherwood Energy Village, and upgrading the Building Energy Management System and lighting as part of the major refurbishment of Sir John Robinson House.

16. The Council will also be limiting its energy costs and carbon emissions through its continuing programme of property rationalisation and the creation of more energy efficient working environments, which has included the integration of energy efficiency measures into office refurbishments.

17. All Council new build projects are designed to meet current building regulations and incorporate, where possible, daylight sensitive lighting controls, natural ventilation,

sustainable drainage, rainwater harvesting, and other measures that save energy and reduce running costs. Use is increasingly being made of modular construction methods, which reduce time on site, help minimise waste and meet requirements for improved air tightness.

18. As part of the Council's review of the property portfolio, there is consideration of the suitability of a property that covers aspects such as outgoings and running costs including energy usage. While this is only one aspect of the overall determination of suitability it will help identify whether a property should be retained and further investment made in energy efficiency measures or alternatively the property is considered for disposal. The Council is also progressing with the 'One Property' central government initiative that seeks to promote the shared use of property. One of the direct effects of this is to reduce the carbon footprint of each sharing organisation. On-going and accelerating work to rationalise the property portfolio will continue to have a significant effect on reducing energy consumption and resultant costs.

Other Options Considered

19. Not applicable.

Reason/s for Recommendation/s

20. This report is for noting only.

Statutory and Policy Implications

21. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service 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

22. Energy costs to the Council are predicted to rise by about 7.4% on average in 2016-17. The Council has a number of programmes in place to reduce energy consumption and carbon emissions, and these will help limit the impact of price increases, but it is vital that the Council continues to encourage all staff, particularly service managers, budget holders and site managers to make their contribution to saving energy in order to help safeguard services.

RECOMMENDATIONS

1) Committee is recommended to note the contents of this report and in particular that:

- Overall energy costs for buildings and street lighting are predicted to increase by just over 7% in 2017-18.

- Non-energy costs are contributing an ever increasing percentage of final delivered energy costs.

- The Council has made significant reductions over the last 5 years in its emissions of carbon dioxide from energy use in its buildings and street lighting.

- The Council has a number of key programmes in place to support energy efficiency measures and carbon savings in its buildings (including schools) and street lighting, which will help limit the impact of energy price increases.

Jas Hundal
Service Director, Environment, Transport and Property

For any enquiries about this report please contact:
Phil Keynes, Team Manager, Energy & Carbon Management
0115 9774623

Constitutional Comments (EP 23/2/17)

23. This report is for noting only.

Financial Comments (SES 08/03/17)

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

Background Papers and Published Documents

25. None.

Electoral Division(s) and Member(s) Affected

26. None

File ref.: /SB/SB/-
Ward(s): Other
Member(s): n/a Outside Nottinghamshire
SP: 3196
Properties affected: 09998 - Various NCC Properties/non-property item

Appendix 1.

Table showing County Council carbon dioxide emissions from its buildings and street lighting.

County Council carbon dioxide emissions (tonnes)							
Year and phase of CRCEES	Buildings (weather corrected figures shown in brackets)				Street lighting	Total	Emissions reported under CRCEES
	Schools	Non-schools	Pension portfolio	Total			
2010-11 Phase 1	56,311 (54,918)	18,201 (17,751)	4,066 (3,966)	78,579 (76,635)	24,619	**103,198**	78,579
2011-12 Phase 1	48,983 (52,843)	15,693 (16,684)	2,777 (2,877)	67,453 (72,404)	24,515	**91,968**	67,453
2012-13 Phase 1	55,228 (52,503)	15,434 (14,875)	2,738 (2,671)	73,400 (70,030)	24,772	**98,172**	73,400
2013-14 Phase 1	51,809 (53,745)	13,837 (14,232)	2,825 (2,889)	68,473 (69,543)	23,981	**92,454**	68,471
2014-15 Phase 2	45,375 (48,519)	13,014 (13,735)	1,882 (1,941)	60,271 (64,195)	20,533	**80,804**	36,310
2015-16 Phase 2	44,893 (44,984)	10,980 (10,993)	967 (968)	56,840 (56,945)	16,965	**73,805**	28,912

Nottinghamshire County Council

Report to Finance & Property Committee

20 March 2017

Agenda Item: 7a

REPORT OF SERVICE DIRECTOR ENVIRONMENT, TRANSPORT & PROPERTY

GEDLING ACCESS ROAD (GAR)
PROPERTY ACQUISITION – CARLTON LE WILLOWS ACADEMY, GEDLING

Purpose of the Report

1. To seek approval to the acquisition of 0.7626 Hectares of playing fields land at Carlton le Willows Academy for the GAR on the terms as set out in the exempt appendix.

Information and Advice

2. 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.

3. The County Council has been safeguarding proposals for a Gedling village bypass for over 50 years. This scheme forms part of proposals for the A612 Nottingham Eastern Outer Loop Road which has, with the exception of the eastern most section around Gedling village, been successfully completed by the County Council. The Gedling Access Road (GAR) will connect directly to the most recently constructed phase (the Gedling Major Integrated Transport Scheme) which opened to traffic in 2007.

4. The role of GAR is twofold. Primarily, GAR will enable the sustainable redevelopment of the former Gedling Colliery site for mixed-use purposes by providing safe and adequate access to the proposed residential, employment and community related uses proposed for the site. GAR will also provide a 'bypass' around Gedling, providing improved connectivity to the wider road network. In doing so, GAR will ease traffic congestion on other roads surrounding the former colliery site that at present are either at or nearing capacity.

5. The GAR is being delivered by the County Council in partnership with the Homes and Communities Agency (HCA), Gedling Borough Council (GBC) and Keepmoat Homes Limited (housing developer for the Chase Farm site).

6. At its Full Council meeting in February 2014 Nottinghamshire Council resolved to incorporate funding of £5.4m into its capital programme to support GAR. The HCA as part of its funding agreement with the County Council is making £7m available to draw down funds for land acquisitions as they progress.

7. NCC and the HCA have entered into a Grant Funding Agreement whereby the purchase monies are made available by the HCA for the land acquisition costs. As land purchases are agreed and approved, NCC will submit invoices to the HCA for the purchase monies as necessary.

Other Options Considered

8. To leave remaining acquisitions until a Compulsory Purchase Order is announced. These would potentially be costlier and time consuming option.

Reason/s for Recommendation/s

9. To secure the land necessary for the GAR.

Statutory and Policy Implications

This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, 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.

Finance Implications

10. This proper acquisition will be funded from an external grant. A variation to the capital programme is required to incorporate the external funding into the capital programme.

RECOMMENDATION/S

1) That approval is given to the acquisition of 0.7626 Hectares at land on Carlton le Willows Academy on the terms as set out in the report and exempt appendix.

Jas Hundal
Service Director – Environment, Transport & Property

For any enquiries about this report please contact: Mike Barnett 0115 977 3118
Mike Barnett, Team Manager Major Projects and Improvements (Via East Midlands) T – 0115 977 3118

Constitutional Comments (EP 24.02.2017)

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

Financial Comments (PH 24.02.2017)

12. This land acquisition will be funded from external grant. A variation to the capital programme is required to incorporate the external funding into the Council's capital programme.

Background Papers and Published Documents

13. 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.

- Finance and Property Committee Report dated 24th March 2014
  Gedling Access Road, Scheme Development and Funding Agreements

- Report to County Council dated 27th February 2014
  Capital Programme 2014/15 to 2017/18

- Finance and Property Committee Report dated 19th September 2016
  Gedling Access Road - Scheme Update and Funding Agreement

- Transport and Highways Committee Report dated 21st September 2016
  Gedling Access Road – Scheme Update, Compulsory Purchase Orders and Side Roads Orders

- Transport and Highways Committee Report dated 16th March 2016
  Gedling Access Road – Scheme Update, Compulsory Purchase Order and Side Roads Orders

Electoral Division(s) and Member(s) Affected

14. Ward(s): Carlton East
Member(s): Councillor Nicki Brooks, Councillor John Clarke

File ref.: /SB/SB/62233
SP: 3204
Properties affected: 62233 - Former Gedling Railway Line

Nottinghamshire County Council

Report to Finance & Property Committee

20 March 2017

Agenda Item: 7b

REPORT OF SERVICE DIRECTOR ENVIRONMENT, TRANSPORT & PROPERTY

TRANSFER (DISPOSAL) OF LAND AT ELM AVENUE, NEWARK

Purpose of the Report

1. To seek approval to the disposal of land at Elm Avenue, Newark to Newark and Sherwood District Council, on terms detailed in this report and in the exempt appendix.

Information and Advice

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.

3. The County Council own a property known as Elm Avenue Playing Field in Newark. The site comprises 1.37Ha / 3.13 Acres. Although designated as playing fields, the fields are not hired out because the changing room facilities are inadequate.

4. Close by the site is a proposed sporting development known as the 'Sports Hub' which is being delivered by Newark and Sherwood District Council (NSDC), involving, it is understood, charitable designated operators. Part of that development is on land owned freehold by NSDC and part on land which NSDC lease from NCC. The site is known as the NSK Sports ground. The NSK Sports ground has historically provided both cricket and football provision. NSDC have a lease of 50 years from NCC with an option to extend for a further 50 years on the same terms.

5. NSDC have approached NCC with a proposal for the Elm Avenue land, that would enable both parties to benefit by releasing value in the site which could be then be used by NSDC to potentially undertake upgrading works to the Sports Hub. NCC would have the benefit of an enhanced capital receipt.

6. The proposal involves the transfer of land to NSDC at a nominal consideration as more fully outlined within the exempt part of this report. This would then allow the current use on the Elm Avenue site to be considered in the wider context of sports provision in the locality and the consideration of alternative uses to enhance the value of the land.

7. Due to the particular circumstances described in this report, NCC has engaged in sole negotiations with NSDC and has not marketed the site more widely. The Council has an obligation under s123 Local Government Act 1972 to obtain the best price

reasonably obtainable for the disposal of its assets. In accordance with Paragraph 20.3.6.1 of the County Council's Financial Regulations 2012, the Service Director, Environment Transport, & Property, in consultation with the Chairman of the Finance and Property Committee have considered the circumstances of the proposed sale with the group Manager for Legal Services and the Section 151 Officer. Given the current use designation for the land, the proposed disposal terms are considered to represent "best value" to NCC and, in any event, the proposed transaction is also considered to promote or improve social well-being, which is one of the caveats to s123 allowing the Council to sell for less than best value.

8. In addition, the intended share proceeds from the sale of the land will enable NSDC to relocate and upgrade the cricket ground, enabling the football pitches from Elm Avenue to be relocated to the Sports Hub. In doing so this will help to support the Council's strategic priorities of promoting thriving communities and health.

Other Options Considered

9. Retain the site. Potential liability, as investment would be needed in upgrading the changing room facilities.

10. Seek to secure an alternative use of the land that would enhance capital value. This is likely to be problematic as alternative provision would be required for the current football designated use.

Reason/s for Recommendation/s

11. To enhance value of a site and to promote sports provision by joint co-operation between two public sector bodies.

Statutory and Policy Implications

12. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, 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) To approve the disposal of land at Elm Avenue, Newark to Newark and Sherwood District Council, on terms detailed in this report and the exempt appendix.

Jas Hundal
Service Director – Environment, Transport & Property

For any enquiries about this report please contact: Ian Brearley on Tel: 07775 541641

Constitutional Comments (EP 03.03.2017)

13. The recommendation falls within the remit of the Finance and Property Committee by virtue of their terms of reference. The Council is under a duty to ensure that land is not disposed of for consideration less than the best that can reasonably be obtained subject to the application of the Secretary of State's general consent (Circular 06/03: Disposal of land for less than best consideration, Local Government Act 1972: Draft General Disposal Consent 2003). Other consents may also be required prior to disposal e.g. if the land is open space it must be advertised in accordance with s123 (2A) of the LGA 1972. All documentation for the transfer of the land to Newark & Sherwood District Council shall be in a format approved by Legal Services.

Financial Comments (JPEG 02.03.2017)

14. The financial implications are set out within the report and exempt appendix.

Background Papers and Published Documents

15. 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

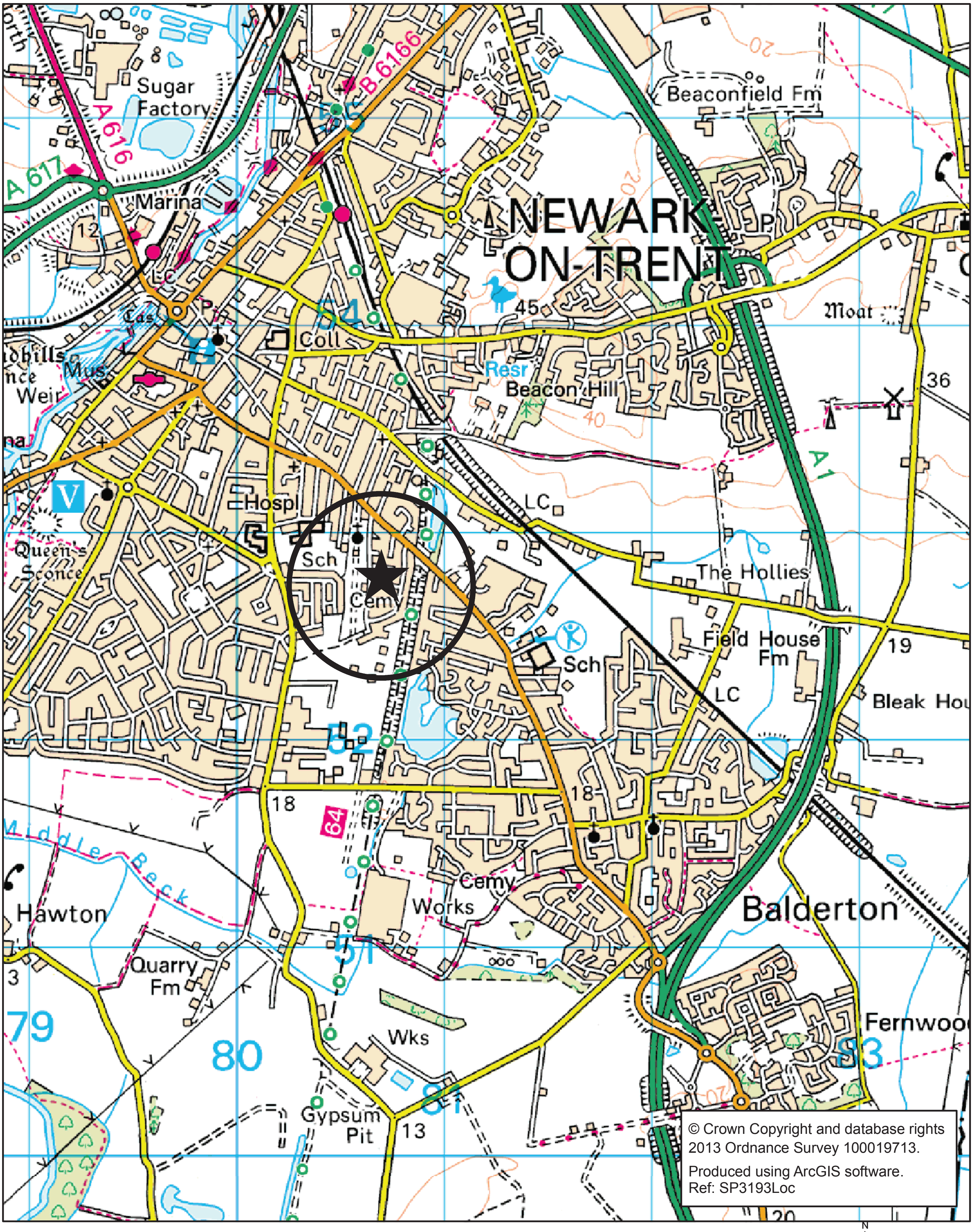
16. Ward(s): Newark East
Member(s): Councillor Stuart Wallace

File ref.: /IB/SB/
SP: 3193
Properties affected: 02618 - Elm Avenue Playing Fields

Nottinghamshire County Council

SP3193 - Location Plan

Plan provided by: dlc



Produced using ArcGIS software.
Ref: SP3193Loc

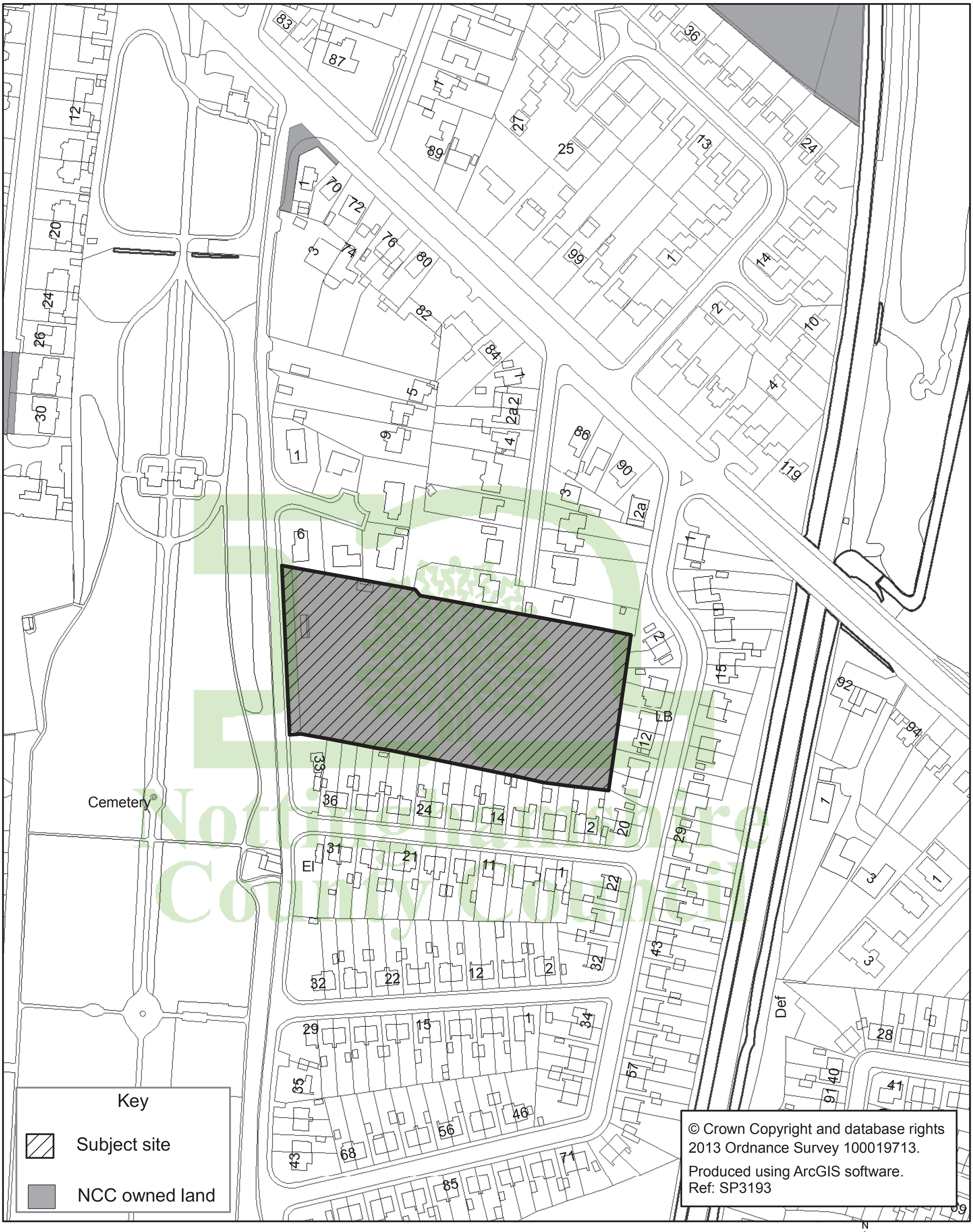
Jas Hundal
Service Director
Transport, Property & Environment
Environment & Resources Department

Scale 1:25,000
Metres
0 115230 460

Nottinghamshire County Council

Transfer (Disposal) of Land at Elm Avenue, Newark

Plan provided by: dlc



Produced using ArcGIS software.
Ref: SP3193

Jas Hundal
Service Director
Transport, Property & Environment
Environment & Resources Department

Scale 1:2,500
Metres
0 10 20 40

Nottinghamshire County Council

Report to Finance & Property Committee

20 March 2017

Agenda Item: 7c

REPORT OF SERVICE DIRECTOR ENVIRONMENT, TRANSPORT & PROPERTY

PROPERTY GROUP- STRUCTURE

Purpose of the Report

1. To seek Finance and Property Committee approval to a revised Property Group structure.

Information and Advice

2. Members may recall that a report was presented to this committee on 21st March, 2016, outlining a preliminary revised staffing structure for the retained NCC property function. This restructure was in response to and in advance of the set-up of Arc partnership on 1st June 2016.

3. The property group following these restructure changes reflected the pre-existing structure prior to Arc allowing for specific roles that would enable adequate commissioning of services, management of the Arc contract, performance management and ensuring the Council is able to determine value for money through the services delivered.

4. The current structure, outlined in Appendix 2.0 is spread over three teams involving the following broad activities delivered by 44 posts:-

Departmental Services

5. Responsible for supporting other service departments in providing suitable accommodation to meet service need. In terms of spend by far the largest component of this work is Pupil Places and general school works. Within this team also resides the main commissioning function between NCC and Arc.

Compliance

6. Responsible for facilitating the safe use of all NCC buildings via understanding the condition of the building; the presence and management of asbestos; monitoring the risk of Legionella and taking preventative action; undertaking fire risk assessments and remedial works and managing from a client perspective the safe commissioning of building works.

7. It is worth highlighting that some of these services are delivered to external bodies to generate income.

Property & Strategy

8. Responsible for estate management (sales/lettings/valuations etc.); asset management planning, repairs and maintenance, property records and records management(P2) management of the rental payments and income for NCC, Inspire and Highways and working with partners on general asset management initiatives such as One Public Estate.

9. Since the Structure was established there have been some key issues that have arisen notably: -

- **Resourcing:** With the commencement of Arc the level of resourcing requirements to commission and manage workflow has become clearer for example since June approximately 400 projects have been raised with Arc; around 260 invoices are processed each week, equating in excess of £9m since September 2016. Predominantly the invoicing and payment process is undertaken by three staff within the Departmental Services team and while the resource is stretched, longer term it is expected processes will become more streamlined, as outlined later in the report and this resourcing level will be adequate.

- **Synergy:** Connected with the above is the developing synergy that has arisen between some workflows. As an example repairs and maintenance planning has over recent years resided in the property and strategy teams. However, it has become evident that in order to facilitate the smooth flow of work between Arc and NCC property, there is greater reliance on the departmental services team, which oversees performance of Arc, to ensure these works are delivered on time and on budget, as opposed to Property and Strategy.

- **Demand:** During the last 6- 12 months there has been a growing demand for asset management in order for the Council to re-profile its property portfolio in order that it is sustainable in the long term and meets the changing needs of users; occupiers and partners. This represents a large volume of work that requires a full review of all non- school properties and extensive dialogue with Services. Once the asset management plan has been formulated, which is expected during the summer of 2017, it will require on- going resource for implementation.

10. Similarly there is an increasing demand for more joined up asset management planning with our partners to rationalise properties and remove barriers to the development of sites. This activity is mainly progressed through the Governments One Public Estate initiative in which NCC is a key and lead participant.

- **Leavers and Recruitment;** At a time when the property group is experiencing an increasing demand for its services, the teams have lost four experienced officers, one from Departmental services and three from property and strategy due to a mixture of retirement and career moves. Two further senior officers are retiring over the next few months again from these teams. At the same time it has proven very difficult to recruit into vacant posts. This has been the situation for several years and is not unique to NCC property. There is a lack of supply of experienced property officers and those which are available are seeking salaries significantly above NCC pay grading. This has meant that property teams are operating with vacant posts or relying on temporary agency staff and at times graduates who require training and a period of time to be fully productive. This has placed significant strain on those teams affected with a high degree of exposure to unplanned events such as new work or absences.

- **Budget Savings:** Along with other NCC services, Property has been responding to budget savings targets and has successfully been able to meet its planned target reductions. Between 2013/14 and 2016/17 over £930k of savings have been delivered of which £838k has arisen through staff budget savings. The group has a further savings to deliver of £216k in 2017/18 and £129k in the following year prior to any additional savings that are under consideration Any resourcing requirement will need to work within this financial envelope and while Property will seek to meet this challenge through a range of initiatives and changed working practices, it is worth highlighting there is a growing tension between demand and resources.

Short – Term Specific Changes

11. The issues above required urgent redress during the autumn of 2016 if the Property Group was to maintain an acceptable level of service delivery. The main changes undertaken consisted of:-

- **Re-assigning posts:** The initial priority was to ensure that asset management could be progressed effectively to progress the work associated with re-profiling the property portfolio and the OPE initiatives. The following temporary changes were implemented until 31st March 2017.

    (i) New Asset Management team created, resourced by moving the team manager property and strategy (job share 2 days per week) to lead this team of three strategy officers. The three strategy officers have moved from the departmental services team, providing a more focused and dedicated resource that can respond more effectively to this area of resourcing need.

    (ii) The vacated job share post in property and strategy has been temporarily filled by one of the senior surveyors acting up into this role providing an opportunity for training and career development.

    (iii) The vacated development surveyors post has been temporarily filled by moving an experienced agency officer to this role and seeking to back-fill across current provision.

- **Splitting posts**: The vacated post of PFI/Capital Programme Officer within the Departmental Services team was a post which had evolved over a number of years covering, PFI management; School places delivery; commissioning; contract and budget management. As such the post was a hybrid role that would have proven difficult to recruit into given pay gradings. A decision was taken to split the role with PFI contract management being exported to Waste and Energy which has in-house expertise in PFI contracts and the remaining activities being spread out across 2 new roles:-

    (i) An extended scope within the Strategic Quantity Surveyors role
    (ii) A new temporary post of project officer

- **Temporary appointments**: A total of five agency appointments have been made in property and strategy ranging from graduate to senior surveyors until 31st March, 2017 to fill vacant posts pending permanent recruitment. The first attempt at recruitment has been mainly unsuccessful and further recruitment activity will be required subject to the proposals being approved within this report.

- **Outsourcing** work where it is appropriate and cost effective to do so.

12. All the above actions have been undertaken within existing budgets, while at the same time meeting the 2016/17 savings target.

Way Forward

13. It is apparent that recruitment of suitably experienced officers will continue to be challenging. As a result it is proposed to make greater use of the skills sets that exist within the Group already; splitting roles when posts cannot be filled and providing greater opportunity for career advancement.

14. The changes undertaken during last autumn involving the reassignment and splitting of roles has proven to be successful. It is proposed that these changes are now substantiated within the structure of the team enhanced by the following additional changes:-

15. <u>Team Manager- Asset Management</u>
It is proposed that this post is extended from the current transitory arrangement of 0.4 FTE to 0.8 FTE. It is anticipated that as a minimum 0.2 FTE cost will be covered by capacity funding that has been applied for and is expected to help fund this type of role within OPE. The remaining 0.6 will represent an additional salary cost that will be met from existing budget provision.

16. Due to the establishment of a separate asset management team, it is proposed to rename property & strategy, *Property & Estates,* a terms which is already widely used within the Council for the functional activities of the team.

17. <u>Property Systems</u>
At present both NCC property and Arc utilise an IT property management system that is hosted by an external provider. In order to bring about efficiencies in how both organisations operate it is apparent that there needs to be further development of P2 and how it can be manipulated. Currently NCC property and Arc have a single post –holder that has intimate knowledge of how P2 functions. Both these post holders have insufficient capacity to undertake any further work. This arrangement also poses a succession planning risk for both if one should leave. It is therefore proposed to jointly fund one additional post that will shared between the two organisations on a 50:50 basis. This will represent an additional salary cost that will be met from existing budget provision. Discussion are ongoing with Arc whether the post-holder will be split on employment contracts between the two organisation or whether Arc/NCC is the main employer with the resource then being exported to the other party.

18. Compliance Water Risk Assessors
The Compliance team undertake water monitoring to avoid the risk of Legionella outbreak. This involves in part regular water testing of temperatures and analsyis. At present this is undertaken by a mixture of in- house and external resources.

19. At present within the structure there are 3 FTE posts split as 2 x risks assessors and 1x monitoring technician. The Latter post being occupied by agency for an extended period due to grading level. The proposal is to delete this post and create a further risk assessors post which will reduce the need to outsource this function to a third party. Current estimates are this would generate savings of circa £18,000 per annum. A invest to save situation.

20. Computer Aided Design (CAD) Technician
The purpose of this post is to produce detailed working drawings of existing buildings, sites, plant and equipment. This is important to facilitate accurate condition surveys; fire risk assessments and generally provides the base information for undertaking planned works on buildings. At present this activity is performed by a 0.6 FTE post which has been supplemented by a full time temporary appointment over a prolonged period, to enable a better understanding of this on-going need.The demand for accurate plans remains and in order to bring this long standing agency arrangement to an end and bring about cost savings it is proposed to create a further 1 FTE CAD technician post.

Budgets

21. The Property Group has challenging budget savings to achieve over and above any efficiency savings that will be achieved through the operation of the JV and the return of funds via the anticipated future payment of a dividend. These savings have been outlined above.

22. The revised structure proposed seeks to continue working within current budgets after allowing for savings targets.

Current Staffing budget 2017/18	=	£2,096,945
Proposed retained staffing budget 2017/18	=	£2,032,225
Balance		£64,720

Other Options Considered

23. Alternative options for the delivery of property service functions were outlined in the report to Finance and Property Committee in November 2015. Following the resolution of that Committee there was an acceptance of the continuing need for a retained client function and the structure being proposed aligns with the committee resolution.

24. Specific activities within the property team will be routinely market tested to ensure that the current service delivery model represents Value for Money. It is proposed that in circumstances where an external provider is able to undertake the activity which demonstrates overall best value then a separate report will be brought to this committee outlining the options for change.

Reason/s for Recommendation/s

25. To obtain approval of the Finance and Property Committee to the revised property group structure.

Statutory and Policy Implications

26. 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.

Human Resources Implications

27. The revised staffing structure will be subject to full consultation with affected staff, the recognised trade unions and ARC partners. Any staffing changes will be subject to the Authority's enabling procedure.

RECOMMENDATION/S

1) That Finance and Property Committee approves the changes to the structure outlined in sections 14 to 20 of the report as represented diagrammatically in Appendix 1.0.

Jas Hundal
Service Director – Environment, Transport & Property

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

Constitutional Comments (EP 28.02.2017)

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

Financial Comments (SES 24.02.2017)

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

Background Papers and Published Documents

30. None.

Electoral Division(s) and Member(s) Affected

31. Ward(s): all
    Member(s): all

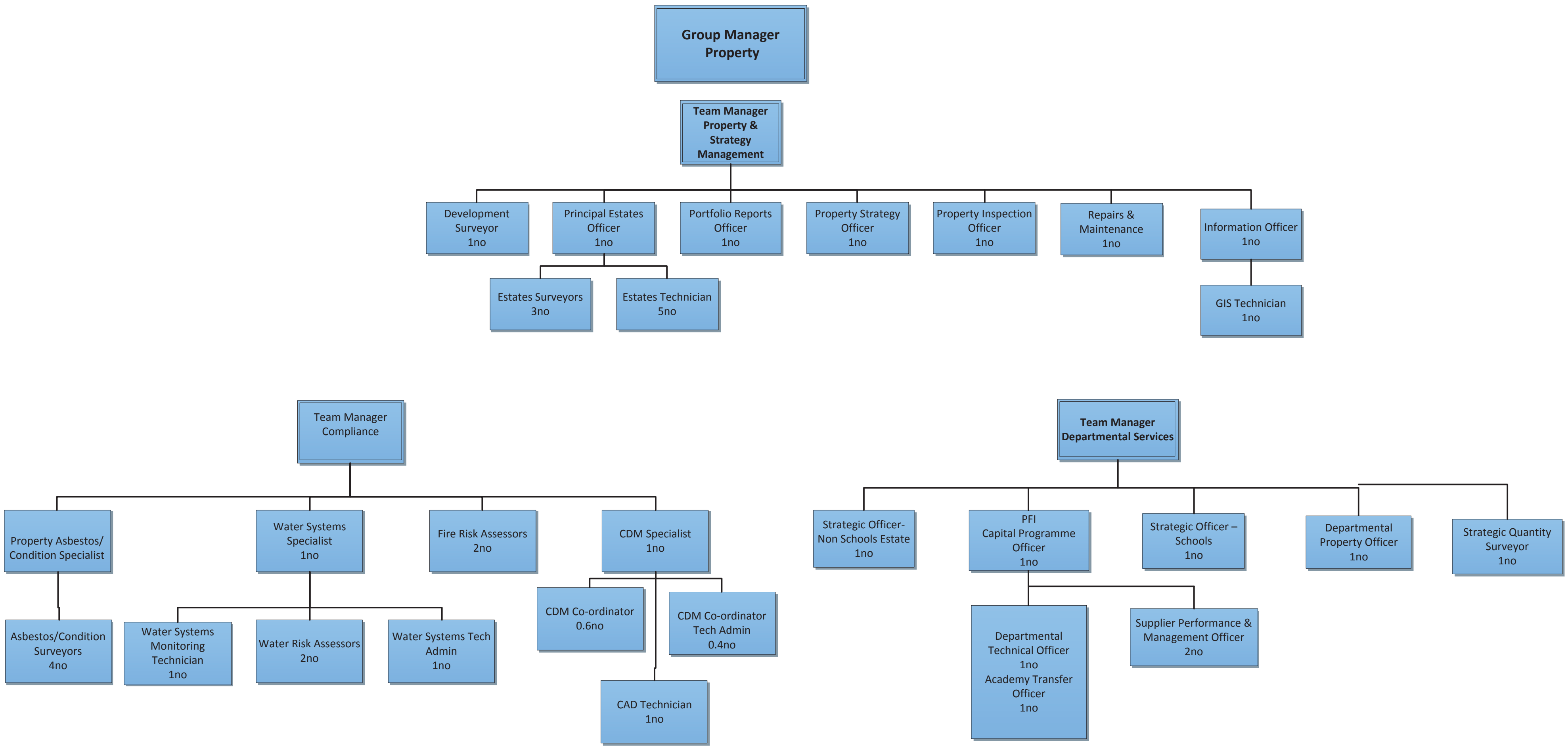
File ref.: /SB/SB/09996
SP: 3201
Properties affected: 09996 - Staffing

Appendix 1.0

Proposed Structure

- Group Manager
  - Team Manager Property and Estates
    - Principal Estates Officer
      - Estates Surveyors (3 no)
      - Estates Technician (5 no)
    - Development Surveyor
    - Portfolio Reports and Customer Care
    - Property Inspection Officer
    - Information Officer
      - GIS Technician
    - Information Officer (0.5)
  - Team Manager Departmental Services
    - Strategic QS and Commercial Officer
      - Technical Admin
      - Supplier Performance and Management Officers (2 no)
    - Departmental Property Officer
      - Departmental Technical Officer
    - Academy Transfer Officer
    - Property Repairs and Maintenance
    - Project Officer
  - Team Manager Asset Management
    - Property Strategy - Corporate Estates
    - Property Strategy (Schools)
    - Property Strategy - non Schools
    - External OPE Support (0.4)
  - Team Manager Compliance
    - Water Systems Specialist
      - Water Systems - Tech Admin
      - Water Risk Asessors (3 no)
    - Property Asbestos/Condition Specialist
      - Asbstos Condition Surveyors (4 no)
    - Senior Practioner - Fire Safety
      - Fire Risk Assessor
    - CDM Specialist
      - CDM and Property Coordinator (0.6)
      - CDM Coordinator - Technical Admin (0.8)
      - CAD Technician
      - CAD Technician (0.6)

Appendix 2.0: Retained Structure as at February 2016



Establishment: 44

Nottinghamshire County Council

Report to Finance and Property Committee

20 March 2017

Agenda Item: 8

REPORT OF CORPORATE DIRECTOR, RESOURCES

WORK PROGRAMME

Purpose of the Report

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

Information and Advice

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the committee's agenda, the scheduling of the committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and committee meeting. Any member of the committee is able to suggest items for possible inclusion.

3. The attached work programme has been drafted in consultation with the Chair and Vice-Chair, and includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.

4. As part of the transparency introduced by the revised committee arrangements from 2012, committees are expected to review day to day operational decisions made by officers using their delegated powers. It is anticipated that the committee will wish to commission periodic reports on such decisions. The committee is therefore requested to identify activities on which it would like to receive reports for inclusion in the work programme.

Other Options Considered

5. None.

Reason/s for Recommendation/s

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

Statutory and Policy Implications

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

RECOMMENDATION/S

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

Jayne Francis-Ward
Corporate Director, Resources

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

Constitutional Comments (HD)

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

Financial Comments (NS)

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

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All

FINANCE & PROPERTY COMMITTEE - WORK PROGRAMME

Report Title	Brief summary of agenda item	For Decision or Information ?	Lead Officer	Report Author
24 April 2017				
Monthly Budget & Capital Monitoring Report 2017/18	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Glen Bicknell
Property Transactions	Various	Decision	Jas Hundal	Various
19 June 2017				
Monthly Budget & Capital Monitoring Report 2017/18	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Glen Bicknell
ICT Programmes and Performance Quarter 4	Progress Report	Info	Ivor Nicholson	Ivor Nicholson
Councillors' Divisional Fund	Quarterly report on Councillors Divisional Fund	Info	Jayne Francis-Ward	Paul Davies
Property Transactions	Various	Decision	Jas Hundal	Various
17 July 2017				
Monthly Budget & Capital Monitoring Report 2017/18	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Glen Bicknell
Property Transactions	Various	Decision	Jas Hundal	Various