

Cabinet

Thursday, 13 October 2022 at 10:30

**Rushcliffe Borough Council, Rushcliffe Arena, Rugby Road, West Bridgford,
Nottingham, NG2 7YG**

AGENDA

- | | | |
|---|--|---------|
| 1 | Minutes of the last meeting of Cabinet held on 14 July 2022 | 3 - 8 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | Sustainable Procurement Policy | 9 - 22 |
| 5 | LED Street Lighting Improvements in the Bassetlaw and Newark and Sherwood Districts | 23 - 26 |
| 6 | Devolution Update | 27 - 44 |
| 7 | Financial Monitoring Report Period 5 - 2022-23 | 45 - 58 |

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:-

- (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 Keith Ford (Tel. 0115 977 2590) or a colleague in Democratic Services prior to the meeting.

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

Meeting CABINET

Date Thursday 14 July 2022 (commencing at 10.30 am)

membership**COUNCILLORS**

Ben Bradley MP (Chairman)
Bruce Laughton (Vice-Chairman)

Chris Barnfather
Matt Barney
Neil Clarke MBE - Apologies
John Cottee
Keith Girling
Richard Jackson
Tracey Taylor
Gordon Wheeler

OTHER COUNCILLORS IN ATTENDANCE**Deputy Cabinet Members**

Reg Adair
Mike Adams
Sinead Anderson
Andre Camilleri
Scott Carlton
Tom Smith
Jonathan Wheeler

Other Councillors

John Clarke MBE
Jim Creamer
Boyd Elliott
Kate Foale
Glynn Gilfoyle
Mike Pringle
Michelle Welsh
John Wilmott

OFFICERS IN ATTENDANCE

Adrian Smith Place Department

Keith Ford Chief Executive's Department

James McDonnell

Phil Rostance

Nigel Stevenson

Marjorie Toward

Jonathan Gribbin Adult Social Care and Health

Ainsley Macdonnell

Kashif Ahmed

1 DECLARATIONS OF INTERESTS BY MEMBERS AND OFFICERS

None

2 MINUTES

The minutes of the last meeting of Cabinet held on 26 May 2022, having been previously circulated, were confirmed and signed by the Chairman.

3 APOLOGIES FOR ABSENCE

RESOLVED: 2022/006

Councillor Neil Clarke – medical.

4 DRAFT MANAGEMENT ACCOUNTS 2021-22

RESOLVED 2022/007

1) That Cabinet notes:

- a) The provisional 2021/22 year-end revenue position.
- b) The year-end position and movement of the Authority's reserves as detailed in paragraphs 24 to 39 and Appendix B of the report.
- c) The final position on 2021/22 contingency requests as detailed in Appendix C of the report.
- d) The year-end position for the 2021/22 Capital Programme and its financing.
- e) The capital variations as set out in paragraphs 48 to 52 and Appendix D of the report.
- e) The Council's 2021/22 Prudential Indicators as detailed in Appendix E of the report.
- f) The Treasury Management outturn report in Appendix F of the report.

- 2) That the transfer to General Fund Balances of £3.1m, as set out in paragraph 25 and Appendix B of the report, be approved.

5 FINANCIAL MONITORING REPORT: PERIOD 2 2022/23

RESOLVED 2022/008

- 1) That the individual Portfolio revenue budgets for 2022/23 be noted.
- 2) That the contingency requests submitted to date be noted.
- 3) That the £3.3m contingency request as set out in paragraph 12 of the report be approved.
- 4) That the summary of capital expenditure to date, year-end forecasts and variations to the capital programme be noted.
- 5) That the Council's Balance Sheet transactions be noted.

6 KEY DECISION – ADULT SOCIAL CARE MARKET PRESSURES

RESOLVED 2022/009

That the proposed increase in fee rates to commissioned home care, and care support and enablement services, by a £1 per hour uplift from September 2022 to address current instability and support longer term sustainability in the social care market, be approved.

7 ADULT SOCIAL CARE REFORM IMPACT AND RISKS

RESOLVED 2022/010

- 1) That the potential requirements, cost and risks to the Council associated with implementation of the reforms be recognised.
- 2) That Cabinet makes further representations to the Government about the issues and risks highlighted in this report and endorses continued work through the Corporate Director, Adult Social Care and Health to raise the specific issues for Nottinghamshire to Government.

8 DEVOLUTION UPDATE

RESOLVED 2022/011

- 1) That progress to date on the devolution and joint working programme and ongoing discussions about a devolution deal on a Derby, Derbyshire, Nottingham and Nottinghamshire footprint be noted.

- 2) That further reports be submitted to Cabinet on the progress of devolution discussions with Government, as work on a deal document and high-level governance arrangements progress.

9 OUTSIDE BODIES REGISTER UPDATE

In introducing the report, Councillor Chris Barnfather, Cabinet Member for Business Management, highlighted the following changes made to the appointments listed in the Register in Appendix A to the report:

- Doncaster Sheffield Airport Consultative Committee – Councillor Keith Girling to replace Councillor Nigel Turner
- East Midlands Freeport Board – Councillor Keith Girling to replace Councillor Ben Bradley MP.

RESOLVED 2022/012

- 1) That the inclusion of the East of England and East Midlands Regional Youth Work Unit in the Outside Bodies Register as a category B body be approved, with the Group Manager - Young People's Service appointed as the Council's representative.
- 2) That the inclusion of the NHS Nottingham and Nottinghamshire Integrated Care Board in the Outside Bodies Register as a Category B body be approved, with the Corporate Director – Adult Social Care and Health appointed as the Council's representative.
- 3) That the inclusion of the local Combatting Drugs Partnership "Nottinghamshire Combatting Substance Misuse Partnership" in the Outside Bodies Register as a Category B body be approved together with authority for the Director of Public Health to be nominated as the proposed interim SRO for the Partnership.
- 4) That the Director of Public Health be authorised to agree the initial Terms of Reference for the local Combatting Drugs Partnership following liaison with other relevant agencies and in consultation with the Chairman of Health and Wellbeing Board, prior to submission to the government by 31 September 2022.
- 5) That Holme Pierrepont Leisure Trust be removed from the Outside Bodies Register.
- 6) That the updated Register as detailed in Appendix A be noted, subject to the following changes reported to the meeting:
 - Doncaster Sheffield Airport Consultative Committee – Councillor Keith Girling to replace Councillor Nigel Turner
 - East Midlands Freeport Board – Councillor Keith Girling to replace Councillor Ben Bradley MP.

The meeting closed at 11.36am.

CHAIRMAN

REPORT OF THE CABINET MEMBER FOR FINANCE

SUSTAINABLE PROCUREMENT POLICY

Purpose of the Report

1. To secure approval of the Council's Sustainable Procurement Policy (attached as an Appendix). This is a Key Decision because it will have significant effects on two or more electoral divisions.

Background

2. The Public Services (Social Value) Act 2012 took effect on 31 January 2013 and requires any public body buying or commissioning public goods/services to consider how their local area may be improved by including economic, social or environmental benefits as part of the procurement process.
3. In June 2021, a Procurement Policy Note from the Cabinet Office was issued placing a requirement on contracting authorities to have regard to the national strategic priorities in exercising their functions relating to procurement. One of the national strategy priorities is social value including:
 - a. Creating new businesses, new jobs and new skills
 - b. Tackling climate change and reducing waste
 - c. Improving supplier diversity, innovation and resilience
4. The Council's commitment to social, economic, and environmental well-being is also reflected in 'The Nottinghamshire Plan 2021-2031: Healthy, Prosperous, Green'. The Council has set an ambitious target to become carbon neutral by 2030, recognising that our communities are facing a climate emergency. To help us achieve our aims, we are determined to gain additional community benefit from the Council's £600million spend each year on buying goods and services.

Information

5. The Sustainable Procurement Policy builds on the work already undertaken in the very first Procurement Strategy that was implemented in 2015, which focused on strategic procurement

development, integration between Procurement and Commissioning and implementation of category management.

6. The Council's current Procurement Strategy 2019-2023 highlights a key strategic driver to its delivery is to enhance sustainability – environmental, economic and social for the added value brought to residents of Nottinghamshire.
7. The Sustainable Procurement Policy has been developed through widespread consultation across the Council, including representatives from all service directorates. Consultation has been undertaken with stakeholders including the voluntary and community sector and the local Chamber of Commerce. Feedback received through the consultation was considered in finalising the proposed policy.

Development of a Sustainable Procurement Policy

8. Nottinghamshire County Council is committed to improving the quality of life for every community, support businesses to be successful and make sure the county is a place where people want to live, work and visit. To maximise the local impact of the Council's activity and spending in achieving our mission, this policy is a key enabler in securing additional benefits – social, economic, and environmental, together known as social value – that support this vision.
9. To date, the Council has made a lot of progress towards adding social value to include delivering local spend and spend with Small Medium size Enterprises (SMEs) through our contracts. The table below shows delivery against the targets thus far.

Indicator	Percentage (of total live contracts)	Target
Contracts awarded to local supplier	57%	50%
Contracts awarded to SMEs	59%	50%

10. The Council is also doing considerable work with our partners to support young people into apprenticeships to reduce the number of young people not in education, employment or training (NEET).
11. The Council's Sustainable Procurement Policy builds on this strong foundation and sets out the proposals to achieve value for money from our commissioning and procurement activity, whilst delivering environmental, social and economic benefits.
12. Sustainable procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that delivers value for money on a whole life basis. This means generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to and promoting the health of the environment.
13. The objectives of implementing this policy are to:
 - Introduce a social value management tool that supports the delivery of our strategic priorities for the people and environment of Nottinghamshire

- Provide a consistent approach to measuring and reporting social value throughout the provision cycle, including continuous improvement
 - Define and implement a robust, transparent, and efficient digital solution for assessing and awarding the social value segment of tenders, and managing relevant supplier performance during the contract lifecycle
 - Reduce the uncertainty surrounding social value measurement for organisations, allowing them to make informed decisions based on robust assessments and hence to embed social value into their corporate strategies.
14. It is recognised that sustainable procurement requires the Council to work in partnership with suppliers and the supply chain to consider the whole lifecycle, environmental, social and economic impact of the procured goods and services.

Delivering and Implementation of Sustainable Procurement

15. A National Value Taskforce was set up in 2016 as a subgroup of the LGA's National Advisory Group for procurement. In collaboration with over 40 separate public and private sector stakeholders the taskforce established the National TOMs (Themes, Outcomes & Measures) Framework. It was established to encourage public sector organisations to use procurement to achieve wider benefits in the community.
16. In recent years, the TOMs have become the most used framework in the UK, thus promoting consistency and comparability amongst providers and buyers of public services across the UK.
17. The National TOMs provide a flexible, measures-based calculation framework designed to articulate social value outcomes in terms that can be objectively assessed. It was conceived and developed to be evidence-led and applicable over the 'whole life' of the contract.

Benefits of using the National TOMs Measurement Framework

18. The aim of the National TOMs Framework is to provide a minimum reporting standard for measuring Social Value. It provides an easy-to-use solution that may be applied to any project or contract and has a number of benefits, including:
- Providing a consistent approach to measuring and reporting on Social Value
 - Allowing for continuous improvement
 - Providing a robust, transparent, and evidence-based solution for assessing and awarding tenders
 - Allowing organisations to compare their own performance through the use of sector and industry benchmarks, and to understand 'what good looks like'
 - Reducing uncertainty surrounding Social Value measurement for businesses, allowing organisations to make informed decisions based on robust quantitative assessments, further allowing them to embed Social Value into their corporate strategies
19. To support the implementation of the TOMs Framework into procurement, the Council has entered into a contract with Social Value Portal (SVP) for one year and pilot up to 20 projects to demonstrate the delivery of social value in Nottinghamshire.
20. SVP are a recognised organisation who work with many Councils and public sector organisations to help deliver social value using the TOMs Framework. Engaging SVP will

include using their on-line platform, which integrates with the Council's current procurement system 'ProContract' which will be used to build sustainable procurement requirements into the tendering process. This solution will allow the Council to measure the contribution that the Council and our supply chain makes to the residents of Nottinghamshire. In addition, during the 12 month pilot, the procurement team will be trained in best practice and measuring social value through the commissioning and procurement process.

21. The intention is to progress the delivery of social value through our contracts. To support this, following the pilot with SVP, the Council will support the delivery of social value and implement the approach into everyday procurement and commissioning activity.
22. A supporting toolkit will be developed to embed our approach. The overarching intent of this toolkit will be to set out our methodology for doing more than sourcing the Council's supplies at a price that is competitive and good value for money. This document will support officers, commissioners, and bidders/suppliers in Nottinghamshire in embedding social value into commissioning and procurement activity.

Other Options Considered

23. The alternative option to implementing the Sustainable Procurement Policy was to do nothing. This is not a suitable option given the Council's ambition to deliver social value benefit through procurement spend and its ambition to deliver against the Carbon neutral target.

Reason/s for Recommendation/s

24. To ensure the principles of the Public Services (Social Value) Act 2012 are further embedded into the Council's commissioning and procurement activity.

Statutory and Policy Implications

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

Financial Implications

26. There are no direct financial implications arising from the approval of this policy. To implement the Council's Sustainable Procurement Policy and deliver social value will require some financial investment. The Cabinet Member for Finance approved a decision to enter into a contract with Social Value Portal to support the implementation of the pilot year. The costs of the implementation are estimated to be £42,900 and are being met through existing budgets.

Human Resources Implications

27. There are no direct human resources implications arising from this report.

Implications for Sustainability and the Environment

At Full Council in May 2021 a motion declaring a climate emergency was agreed. The impact of environmental changes on society is reflected within the concept of social value and this policy offers a tangible way of measuring the impact of this work to mitigate climate change.

RECOMMENDATIONS

That Cabinet:

- 1) Approves the new Sustainable Procurement Policy and its implementation as set out in the report.

Councillor Richard Jackson

For any enquiries about this report please contact:

Kaj Ghattaora, Group Manager – Procurement, 0115 977 3267, kaj.ghattaora@nottsc.gov.uk

Constitutional Comments (GMG 22/08/22)

1. As the Sustainable Procurement Policy sits outside the Council's Policy Framework, it falls within the remit of the Cabinet for decision under Section 5, Part 2, CA.2 of the Constitution (see page 73).

Financial Comments (SES 06/092022)

2. The financial implications are set out in paragraph 26 of the report.
3. There are no direct financial implications arising from the approval of this policy. To implement the Council's Sustainable Procurement Policy and deliver social value will require some financial investment. The Cabinet Member for Finance approved a decision to enter into a contract with Social Value Portal to support the implementation of the pilot year. The costs of the implementation are estimated to be £42,900 and are being met through existing budgets.

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.

- Procurement Strategy 2019 – 2023
- Draft Sustainable Procurement Policy, Portfolio Holder Member Briefing for Cabinet Member for Finance, 18th July 2022

Electoral Division(s) and Member(s) Affected

- All

Sustainable Procurement Policy

Introduction

The Council spends around £600million each year with external suppliers, and as one of the main procurers in the area, the Council will lead the way in delivering sustainable procurement. We will do this by maximising the local impact of the Council's spend and through this deliver community benefits to our residents. This policy sets out how the Council will use its purchasing power to maximise the local impact of its spend. This will ensure that every pound the Council spends achieves the most value for Nottinghamshire residents.

The Government's National Procurement Policy Statement published in 2021 sets out the strategic priorities for public procurement and how contracting authorities can support its delivery. The Council's Procurement Strategy 2019-2023 highlights an increased focus on the delivery of social, economic, and environmental benefits through our procurement spend. This sustainable procurement policy will expand on our ambitions ensuring that we are adding social value throughout our commissioning, procurement, and contract management activity

The Council's commitment to social, economic, and environmental well-being is also reflected in 'The Nottinghamshire Plan 2021-2031: Healthy, Prosperous, Green'. The Council has set an ambitious target to become carbon neutral by 2030, recognising that our communities are facing a climate emergency. To help us achieve our aims, we are determined to gain additional community benefit from our spend each year on buying goods and services.

Why Sustainable Procurement

We will maximise sustainable procurement through these key principles:

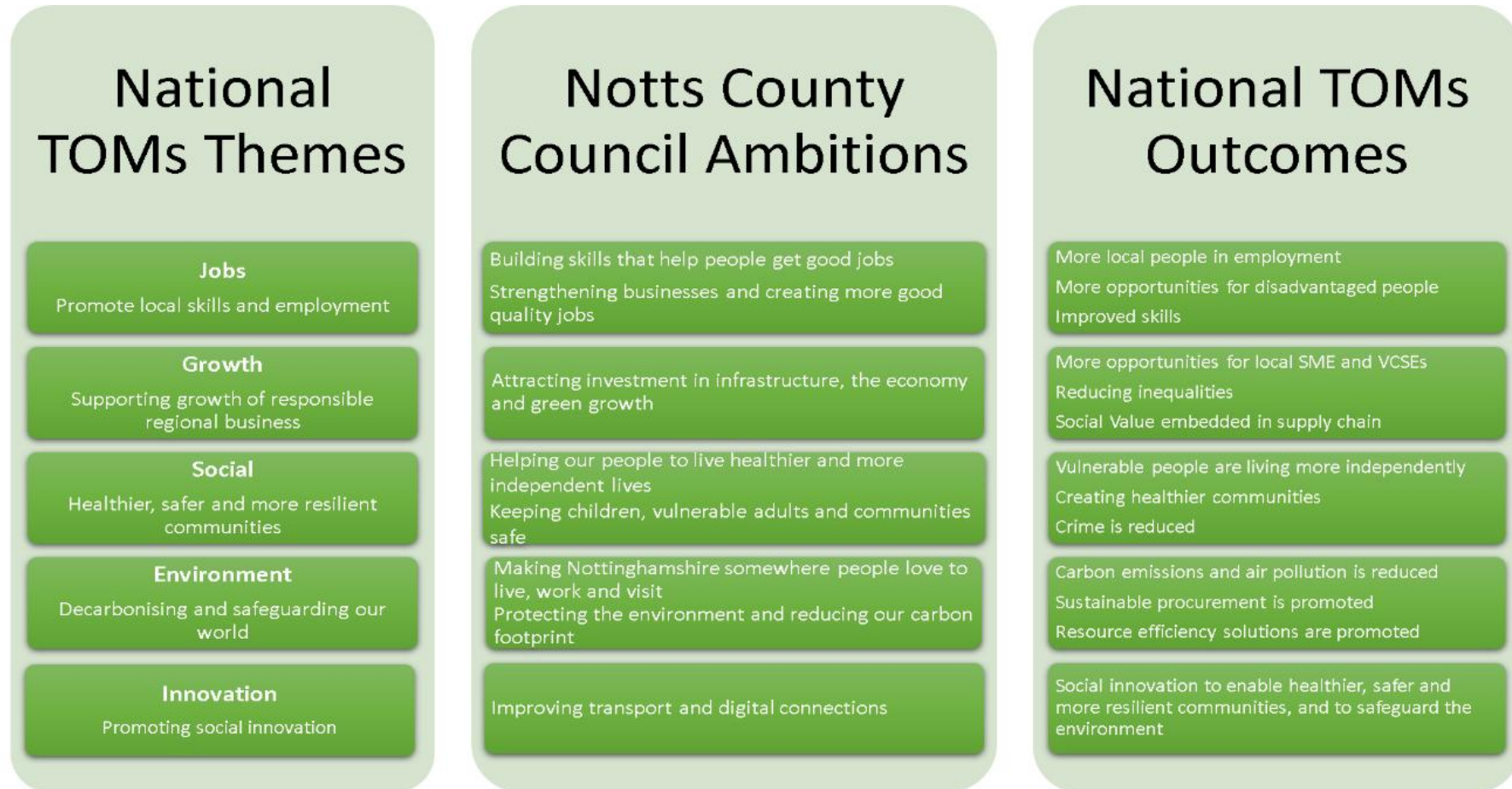
- Promote equity and fairness
- Promote environmental sustainability
- Stimulate spending in the local economy
- Improve health and wellbeing outcomes
- Promote employment and economic sustainability
- Promote participation and engagement

This Policy seeks to:

- i) Establish a clear understanding of what sustainable procurement means for the Council
- ii) Raise awareness and promote the sustainable procurement policy to internal stakeholders
- iii) Promote the sustainable procurement policy to external stakeholders and suppliers through supplier engagement
- iv) Embed good practice in sustainable procurement in our procurement activity
- v) Collaborate with other local partners to improve knowledge and understanding of sustainable procurement and to seek shared opportunities
- vi) Establish and share key principles for how the council seeks to embed sustainable procurement through our commissioning and procurement activity

Sustainable Procurement Outcomes in Nottinghamshire

Our sustainable procurement pledges are driven by the ambitions outlined in our Council Plan. These are mapped against the National TOMs (Themes, Outcomes Measures) Framework below.



Delivering Sustainable Procurement

Procurement will use a number of 'levers' to deliver sustainability through its commissioning and procurement activity. This will include:

Embedding sustainability within the procurement process

- Ensure we include sustainability requirements as part of the specification
- Ask targeted questions at the Invitation to Tender stage to relevant procurements
- Undertake market engagement prior to major tendering exercises to promote sustainable procurement principles
- Include where appropriate, specific sustainable procurement KPIs linked to the specification of the contract

Addressing Sustainable Procurement through our business with other organisations

- Work with our suppliers to consider the sustainability of their business and the impact on our local area. We will support to identify strategies which could improve sustainability of their service delivery
- Ensure the Council removes any barriers to bidding, especially for Small and Medium-sized Enterprises (SMEs) and Voluntary and Community Sector organisations.
- Support and encourage our partners to have the same level of environmental commitment in their procurement activities - Via, ARC Partnership, Inspire
- Deliver webinars on sustainable procurement designed to inform and encourage our partners, suppliers, and local organisations.

Incorporate sustainable procurement into all our policies and strategies

- Procurement Strategy
- The Nottinghamshire Plan 2021 - 2031
- Corporate Environment Strategy
- Strategic Commissioning Framework
- Offer support to colleagues to understand the Council's vision for sustainable procurement.

Measuring Sustainable Procurement

The Council will measure the amount of sustainable procurement secured in contracts using the LGA Themes Outcomes Measures (TOMs) method to assess sustainable procurement delivery. This is a reporting framework developed by the LGA's National Social Value Taskforce and is a useful tool used by private and public sector organisations to measure sustainable procurement.

Our Commitment

In addressing the key topics of sustainable procurement above, we make the following commitments:

Economic Outcomes:

- Increase the number of organisations offering work experience, internships, apprenticeships
- Supporting SMEs and local business to bid for work in Nottinghamshire
- Support and encourage local spend
- Prepare our children and young people for employment and work within a changing job market, recognising the additional support and experiences we must provide to ensure they have the skills and understanding to succeed
- Support our young people to make a positive move from statutory schooling to post-16 education or training and beyond, with a focus on preparing for adulthood

Social Outcomes:

- Support employment / training opportunities secured through contracts awarded, particularly from disadvantaged groups.
- Promote the safeguarding and welfare of children, young people, and vulnerable adults
- Improving health and wellbeing of residents and employees
- Reduce health inequalities
- Ensure ethical employment practice to employ the highest ethical standards in our own operations and those within our supply chain

Environmental Outcomes:

- Ensure efficient use of resources by minimising waste
- Reduce greenhouse gas emissions associated with the provision of the service
- Contribute towards increased biodiversity across Nottinghamshire
- Protect and enhance the natural and built environment

Implementation Plan

	Action	Deliverables	Objective	By When
Phase One	Engage Social Value Portal	Initial meeting with organisation	understand the offer from SV portal, ensure the offer meets the Council's needs. NCC to have a robust management and monitoring system that can measure SV delivery by our suppliers	Approval early July 2022. Sign Contract mid July 2022. Complete onboarding Sept. 2022
		Commitment and approval		
		Engage stakeholders		
		Identify Councils Pilot Projects		
		Onboard Social Value Portal		
		Commence one year pilot		
	Develop Sustainable Procurement policy for NCC	Develop draft policy	guidance and commitment to create consistency and 3-year plan	Jul-22
		Engage stakeholders for feedback		
		Final draft produced		
		Cabinet member approval		
		Implement and share final Policy		
	Monitoring	Manage ongoing account relationship with Social Value Portal contract	ensure we are delivering against the aims of the SV Policy and meeting the needs of the Council	Jul-22
		Establish Social Value Project Group across the Council		Aug-22
		Annual Review of Social Value Policy and delivery against actions		ongoing
Phase Two	Social Value Toolkit	Set up Procurement Core Task and Finish Group	SV considerations are embedded within all the Council contracts at every level	Jun-22
		Update all internal documents and policies to include SV		Sep-22
		Develop templates where required		Dec-22

		Produce a Social Value Toolkit		Apr-23
	Social Value Training	Develop social value basic awareness training	Whole Council understanding of what SV is and our individual responsibilities to the environment and economy, plus more comprehensive ability to assign and monitor social value across our contracts for relevant staff	2023 onwards
		Develop social value training for procurement, commissioners, and contract managers		
		Provide guidance for provider organisations preparing for and giving social value		
	Post Pilot Considerations	Agree threshold for minimum criteria and weighting on all projects	Clarification and tools to manage SV as a Council independently of partner agency	Sept -22
				Spring 2023

REPORT OF CABINET MEMBER FOR TRANSPORT AND ENVIRONMENT**LED STREET LIGHTING IMPROVEMENTS IN THE BASSETLAW
AND NEWARK AND SHERWOOD DISTRICTS****Purpose of the Report**

1. The purpose of this report is to seek approval for a variation to the Transport and Environment Capital Programme to reflect the £2,105,000 required to fund and complete the County Council's Street Lighting LED Conversion Project (*The Project*).
2. The proposed expenditure will be funded from the Capital Contingency Budget
3. This is a Key Decision because it will have significant effects on two or more electoral divisions.

Information

4. Since it began in 2014/15 the LED (*Light-Emitting Diode*) Conversion Project has converted approximately 85,000 streetlights. The first phase involved replacing all of the County's low-pressure lanterns as these were the least efficient. Phase two has addressed the remaining high-pressure lanterns.
5. All of the high-pressure lanterns in the County have now been replaced except those in the Bassetlaw and Newark & Sherwood Districts.
6. Until recently The Project was funded using Salix interest free loans. These loans are paid back using the savings generated from reduced electricity consumption.
7. Salix is a not-for-profit organisation funded by the Department for Business, Energy and Industrial strategy, the Department for Education, the Welsh Government and the Scottish Government, its purpose is to assist public sector organisations to switch to energy saving technologies by removing '*up-front*' capital costs.
8. Salix no longer provides loans for streetlighting conversions, this is because it now funds the Public Sector Decarbonisation Scheme which supports the Government's aim of reducing emissions from public sector buildings by 75% by 2037.
9. There are approximately 11,000 high-pressure streetlights in the Bassetlaw and Newark & Sherwood areas. If these were converted to LEDs the whole County would have the most up to date and efficient street lighting available, delivering energy savings and requiring less maintenance.

10. Delivery of The Project thus far has been undertaken by Via East Midlands Ltd., and it is intended that they will also undertake the remaining works in the Bassetlaw and Newark & Sherwood Districts.
11. A paper recommending the proposed variation to the capital programme was taken to the Corporate Asset Management Group (CAMG) on the 20th of June 2022. The CAMG approved taking this matter forward for consideration by Cabinet.

Link to Nottinghamshire Plan/Annual Delivery Plan

12. To date The Project has saved over 88,980 tonnes of carbon, this has been achieved without any reduction in the service provided to the public. Completing The Project will result in the County Council's lighting stock being highly efficient and help toward its goal of being carbon neutral by 2030.
13. This proposal supports Ambition 9 of the Nottinghamshire Plan, protecting the environment and reducing the County Council's carbon footprint

Other Options Considered

14. Not to undertake any further LED streetlighting conversions, leaving the overall Project incomplete in the Bassetlaw and Newark & Sherwood districts.
15. If the aging streetlighting stock in these districts were not to be replaced it will become increasingly prone to faults resulting in increased maintenance costs and complaints being received from residents / highway users.
16. The conventionally illuminated streetlights in these districts are significantly less efficient than LEDs, leaving them in place would expose the County Council to the risk of increasing energy prices.

Reason/s for Recommendation/s

17. Converting the streetlighting stock in the Bassetlaw and Newark districts to LEDs will reduce the County Council's maintenance costs, energy consumption and carbon footprint.

Statutory and Policy Implications

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

Financial Implications

19. The proposed streetlighting LED conversions will reduce the County Council's electricity consumption, it is anticipated this will result in the revenue savings shown below:

Bassetlaw Area - £321,340 p.a.

Newark Area - £288,400 p.a.

20. It should be noted that these revenue savings have been calculated using current electricity costs (*i.e., 18p per kWh*). It is probable that the cost of electricity will increase substantially in the short to medium term therefore, the actual savings achieved could be significantly greater than those shown above.
21. If approved, it is anticipated that the remaining streetlighting LED conversions in Bassetlaw and Newark & Sherwood will be completed by April 2023.
22. The 'payback-period' for the proposed streetlighting LED conversions (*i.e., the time taken for revenue savings to equal the initial capital outlay*) will be 3.16 years for Bassetlaw and 3.78 years for Newark. These durations are based on energy savings alone as it is problematic to quantify the associated maintenance savings.
23. The proposed streetlighting LED conversions will save approx. 3,387,432 kwh in energy and 708 tonnes of carbon per annum.

RECOMMENDATION/S

1. That the Street Lighting LED conversion Project be undertaken in Bassetlaw and Newark & Sherwood Districts.
2. That approval be granted for a variation to the Transport and Environment capital programme to reflect the £2,105,000 required to complete The Project, this amount will be funded from Capital Contingency Budget.

COUNCILLOR NEIL CLARKE MBE

CABINET MEMBER – TRANSPORT AND ENVIRONMENT

For any enquiries about this report please contact:

Martin Carnaffin
Contract Manager for Highways
(0115) 9774229
martin.carnaffin@nottscc.gov.uk

Constitutional Comments (CEH 01/08/22)

24. Cabinet has the authority to approve the variation to the capital programme and consider the contents of and recommendations in this report. 7

Financial Comments (GB 22/07/22)

25. It is proposed that the £2.1m costs set out in this report are funded from the capital contingency budget.

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

Bassetlaw

Blyth and Harworth - Councillor Sheila Place
Misterton - Councillor Tracey Taylor
Retford East - Councillor Mike Introna
Retford West - Councillor Mike Quigley MBE
Tuxford - Councillor John Ogle
Worksop East- Councillor Glynn Gilfoyle
Worksop North - Councillor Callum Baily
Worksop South - Councillor Nigel Turner
Worksop West - Councillor Sybil Fielding

Newark & Sherwood

Balderton - Councillor John Lee
Blidworth - Councillor Tom Smith
Collingham – Councillor Debbie Darby
Farndon and Trent - Councillor Mrs Sue Saddington
Muskham and Farnsfield - Councillor Bruce Laughton
Newark East - Councillor Sam Smith
Newark West - Councillor Keith Girling
Ollerton - Councillor Mike Pringle
Sherwood Forest - Councillor Scott Carlton
Southwell - Councillor Roger Jackson

REPORT OF THE LEADER OF THE COUNCIL

DEVOLUTION UPDATE

Purpose of the Report

1. To update Cabinet on the progress of the Joint Working and Devolution programme.

Information

2. The Government has confirmed a devolution deal for Derby, Derbyshire, Nottingham and Nottinghamshire which includes a range of powers and over £1.14bn investment over the next thirty years. The leaders of Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council signed up to the deal in principle at a launch event with Greg Clarke MP, the Secretary of State for Levelling Up, Housing and Communities, on 30 August 2022.
3. The deal will include the first of a new type of combined authority, designed for two-tier areas, which will be established through new legislation by central government. The legislation would enable the formation of an East Midlands Mayoral Combined County Authority (EMMCCA). The devolution deal is a 'level 3 deal', which offers the most local powers and funding. It would mean a new elected mayor, with elections currently expected to take place in Spring 2024.
4. The offer of a devolution deal marks a historic moment for the region and if approved, will bring in much needed investment, funding and powers with more major decisions being made locally and a bigger voice for the region. The deal offer includes:
 - A new guaranteed funding stream of £1.14 billion, or £38 million a year over the next 30 years, as well as an extra £16.8 million for new homes on brownfield land
 - £18m capital in this spending round period to support local housing and net zero priorities (subject to business case approval)
 - Control over a range of budgets at a local level to ensure they are better tailored to the needs of people in our communities. This includes the Adult Education Budget
 - Opportunities to deliver more and better jobs through investment in our area
 - New powers to improve and better integrate local transport and an integrated transport settlement starting in 2024/25
 - A commitment from Government to work jointly with the EMMCCA and other relevant partners to tackle homelessness, domestic abuse, community safety, social mobility and to support young people through their journey to adulthood.

5. A summary of the opportunities and additional investment the deal offers is included as Appendix 1. The full deal text can be viewed here: [East Midlands devolution deal - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/east-midlands-devolution-deal). The deal marks the culmination of an intensive period of negotiation between local partners, including District and Borough Councils, the LEP and 4 upper tier Councils.
6. This offer of a devolution deal is the beginning of the journey, not the end. There will be opportunities to build and enhance it over time, as has happened in other areas. Local partners have secured a number of commitments to explore further devolution in the future as set out in the deal text. Government have confirmed funding for the establishment of a new combined authority over the coming 2 years, and further funding would be considered as part of future national government spending reviews.
7. There is now a significant amount of work required to realise the aspiration to hold the first elections for a mayor for Derby, Derbyshire, Nottingham and Nottinghamshire in May 2024. The devolution deal proposals will be subject to public consultation and ratification by the respective councils and are dependent on the passage through parliament of primary and secondary legislation to enable the EMMCCA to be established.
8. It is critical that residents, businesses and other organisations can have their say. Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council and partners are now working together to prepare a detailed proposal for public consultation later this year. Each council is expected to seek approval to consult at a Council meeting later this year. Subject to that approval, public consultation would take place over Winter 2022. The four councils are also jointly planning engagement activity between now and the launch of formal consultation to ensure that residents, elected members and key partners are kept up to date.
9. Extensive discussions have been held with our borough and district colleagues as the deal has progressed. Derbyshire and Nottinghamshire district and borough councils will remain critical partners as we move into the next phase of the programme.

Other Options Considered

10. Do Nothing – A decision could have been taken to not respond to the invitation in the Levelling Up White Paper to negotiate a devolution deal with Government. This option has been rejected as it would prevent the benefits and opportunities of devolution from being achieved. Likewise, Government's commitment to progress deeper devolution deals with areas such as the West Midlands and Greater Manchester emphasises the importance of achieving a successful devolution deal for our area, to avoid being left behind.

Reasons for Recommendations

11. To ensure that Cabinet Members, other County Councillors, wider partners, and the public are kept up to date on the progress of the devolution programme.
12. To increase awareness of the potential benefits of the devolution programme and address misconceptions.

Statutory and Policy Implications

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

Financial Implications

14. The financial implications of producing a devolution proposal for Government were considered at the 29 October 2021 City of Nottingham and Nottinghamshire Economic Prosperity Committee. This report contains no further financial implications.

Consultation

15. Public consultation proposals are currently being prepared, with consultation likely to take place over Winter 2022. Discussions are ongoing with Government officials to understand the nature and timing of any consultation with the public and stakeholders. Details in respect of consultation will be clarified in further reports to Cabinet and/or Council as appropriate.

Crime and Disorder Implications

16. The deal document sets out a commitment to develop, in partnership with the Government and the Police and Crime Commissioners (PCCs), appropriate arrangements to ensure close collaboration and joint working on public safety between the EMMCCA and PCCs.

Implications for Residents

17. The joint working and devolution programme is ultimately about changing things for the better for local people and giving all our residents and businesses the best possible opportunities and experiences. The programme continues to be developed with this primary objective in mind.

Implications for Sustainability and the Environment

18. Enhancing and protecting the local environment and address climate change was identified as a priority from the start of this programme. The deal reflects this with £9 million capital made available during this Spending Review to drive forward net zero projects (subject to business case approval), alongside a range of other measures and commitments.

RECOMMENDATION/S

It is recommended that Cabinet:

- 1) Notes progress to date on the devolution and joint working programme, including the historic announcement of a deal offer from Government on 30 August 2022; and,

- 2) Agrees that the ongoing engagement activity with local communities and partners continues, ahead of the formal consultation process commencing.

**COUNCILLOR BEN BRADLEY MP
LEADER OF THE COUNCIL**

**For any enquiries about this report please contact: Adrian Smith, Chief Executive
Nottinghamshire County Council, Tel: 0115 9773582**

Constitutional Comments (HD – 6/9/22)

19. Cabinet has the authority to consider the report and determine the recommendations within it.

Financial Comments (NS 7/9/22)

20. As stated in the report this is the start of a journey that will lead to additional investment across Nottinghamshire and Derbyshire. Initial funding for 2023/24 will be provided by Government to cover the cost of establishing the East Midlands MCCA as well as ongoing capacity funding in future years.

21. The report to the City of Nottingham and Nottinghamshire Economic Prosperity Committee in October 2021 identified funding of £450,000 towards the case for devolution which will be funded through the National Non-Domestic Rates (NNDR) Pool Reserve.

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.

- [Devolution: a brighter future for the East Midlands webpages](#)
- [“£1.14 billion devolution deal for the East Midlands” – Press Release 30 August 2022](#)
- [Cabinet 14 July 2022 – Devolution Update](#)
- [“Government welcomes bid for new East Midlands combined authority” – Press Release 14 June 2022](#)
- [The City of Nottingham and Nottinghamshire EPC 17 June 2022 – Joint Working and Devolution Programme Update](#)
- [“Council leaders bid for combined devolution deal for more funding and new local powers” – Press Release 25 March 2022](#)
- [The City of Nottingham and Nottinghamshire EPC 18 March 2022 – Joint Working and Devolution Programme Update](#)
- [“East Midlands council leaders consider options for new devolved powers and resources” – Joint Statement 23 February 2022](#)
- [Levelling Up White Paper 2 February 2022](#)
- [The City of Nottingham and Nottinghamshire EPC 17 December 2021 – Joint Working and Devolution Programme Update](#)
- [The City of Nottingham and Nottinghamshire EPC 17 December 2021 – Nottingham and Nottinghamshire Case for Devolution – Development of Priority Themes](#)

- [Policy Committee 2 December 2021 – Nottingham and Nottinghamshire Case for Devolution Resourcing Requirements](#)
- [Policy Committee 2 December 2021 – Appendix 1 Case for Devolution](#)
- [The City of Nottingham and Nottinghamshire EPC 29 October 2021 – Case for Devolution](#)
- [The City of Nottingham and Nottinghamshire EPC 29 October 2021 – Nottingham and Nottinghamshire Case for Devolution Resourcing Requirements](#)

Electoral Divisions and Members Affected

- All

DEVOLUTION:

A BRIGHTER FUTURE FOR THE EAST MIDLANDS



£1.14 BILLION deal for Derbyshire,
Nottinghamshire, Derby and Nottingham

- 
- MORE INVESTMENT IN OUR AREA
 - ECONOMIC GROWTH
 - MORE AND BETTER JOBS
 - BETTER TRANSPORT, SKILLS TRAINING, HOUSING
 - AN ENHANCED GREENER ENVIRONMENT
 - MORE POWER IN LOCAL HANDS

#EASTMIDLANDSDEVOLUTION
#EASTMIDSCOMBINED

MORE FUNDING,
MORE CONTROL,
A BRIGHTER FUTURE

A DEVOLUTION DEAL FOR THE EAST MIDLANDS: ONE OF THE BIGGEST IN THE COUNTRY

Derbyshire County Council, Nottinghamshire County Council, Derby City Council and Nottingham City Council have been offered a **£1.14 billion devolution deal** by Greg Clarke MP, the Secretary of State for Levelling Up, Housing and Communities.

The deal with the government would see an extra **£38 million a year** coming to the East Midlands from 2024, addressing years of historically low investment in our area.

It would mean funding and powers move from a national level to a regional level to help the 2.2 million people who live here.



Barry Lewis
Derbyshire
County Council



Ben Bradley MP
Nottinghamshire
County council



Christopher Poulter
Derby City Council



David Mellen
Nottingham
City Council

“

We want to make the most of every penny so this can be used to make a real difference to people’s lives.

As Leaders, we have all fought for a fairer share for our cities and counties, and a bigger voice for our area, to give us the clout and the influence we deserve, and to help us live up to our full potential. This deal would help make that a reality.

More and better jobs through greater investment in our area, economic growth, better transport, housing, skills training, and an enhanced greener environment, as we move towards being carbon neutral, are what we all want to see. We will work together for the common good of the East Midlands.

We haven’t always had the same level of funding or influence as other areas, which has held us back. This is a golden opportunity to change that and put the power to do so in our own hands.

There is a lot still to be agreed, and this is the beginning of the journey, not the end. We’re determined to build on this deal over time, as other areas have done.

”



£1.14 BILLION OF FUNDING

The deal would mean a new guaranteed funding stream of **£1.14 billion**, or **£38 million** a year over the next 30 years to help level up the East Midlands, as well as an extra £16.8 million for new homes on brownfield land and control over a range of budgets like the Adult Education Budget.

The deal offers the joint largest Investment Fund in the country, matching the amount offered to West Yorkshire, with other similar deals attracting lower Investment Fund figures.

Other areas with devolution deals have been able to make their funding go even further by offering loans to businesses so they can invest and grow, with devolved areas making money from the interest – so the true financial benefit is likely to be greater still.

Building on our regional strengths...

- Derbyshire, Nottinghamshire, Derby and Nottingham have a combined population of 2.2 million people and contribute **£50.5 billion** to the UK economy in terms of GVA (Gross Value Added).
- The area has more than **88,000 businesses** providing over **930,000 jobs** in sectors with potential for growth, including advanced manufacturing, engineering, clean energy, logistics, creative and digital, education, health, pharmaceuticals, and wholesale and retail trade.
- The region is home to Toyota UK, Rolls Royce, Alstom, and Boots, as well as the University of Derby, Nottingham Trent University, and the University of Nottingham, which provide centres of research excellence with expertise in aerospace, rail, life sciences, and strong transport links.
- The area is home to major tourist attractions including the Peak District National Park, the National Forest, Nottingham Castle, Derby's Silk Mill and Sherwood Forest.
- There are major strategic opportunities presented through the East Midlands Freeport, the East Midlands Development Corporation, and the announcements in the Integrated Rail Plan on HS2.
- The two cities and counties are geographically close and already work closely together on many collaborative large-scale initiatives.

...and helping us to overcome the challenges we face.

- Productivity in the East Midlands is behind the UK average - we need an increase of **14.6%** to close the gap.
- Public spending per person has historically been below the UK average.
- There are areas within our region with high levels of poverty and poor social mobility.
- More local powers will help us tackle these challenges and harness the true economic potential of our area, for the benefit of everyone who lives here, and which would also benefit the whole country.
- Devolution for the East Midlands would give us more control and flexibility to respond to local needs including transport, skills training, regenerating our villages, towns, and cities, and more.



WHAT WOULD DEVOLUTION MEAN?

Devolution would create a new legal entity known formally as a Mayoral Combined County Authority (MCCA). This would include Derbyshire County Council, Nottinghamshire County Council, Derby City Council and Nottingham City Council and cover the areas of both cities and both counties.

The four authorities would still exist as individual councils and would work together on a formal and legal basis to improve the region for our communities and businesses.

It would mean we can work more effectively across council boundaries. People move across these boundaries every day to get to their homes, for work, for leisure, and to visit friends and family, and so it makes sense that we all work together to improve things on a regional level.

Councils in our counties and cities already work in partnership in many different ways. Devolution would mean we can do this more efficiently and do more than is currently possible.

Rather than a brand-new tier of government, this devolution deal would move existing funding and powers from London, directly to us in the East Midlands, which means that local voices would play a greater role in decision making.

The new MCCA would include representatives from existing county, city, borough, and district councils. It would be led by a new regional mayor, and there would also be opportunities for private, public, and voluntary sector organisations to contribute and have their voices heard.

Devolution is a major opportunity to bring decisions closer to where they have an impact, and to get a fairer share to help to close the gap in public investment in the East Midlands, so we can see more economic growth and new and better jobs. Devolved funding is allocated for specific purposes. For example, the adult skills budget must be used on training.

The deal would give us much more control over our own area. Rather than many major decisions being made for us in London, as happens now, local people would have a say in the region's priorities, and devolution would give us a national platform and greater representation in London.

Devolution has seen real improvements in other parts of the country where it has been successfully adopted.



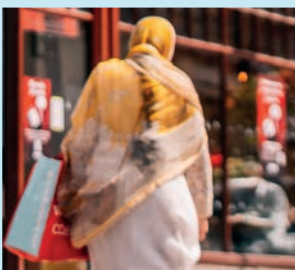
A MORE PROSPEROUS FUTURE

Devolution is a great chance for us to improve our economy and prepare for the industries of the future. It would mean we could develop new commercial spaces to maximise jobs and business opportunities.

We can build on our region's existing knowledge and expertise, for example in transport and green technology, promoting the growth of a future low carbon economy by investing in related skills training at colleges and other training facilities.

By playing to our strengths and tailoring our approach to the needs of our area, we can encourage economic growth and make sure local people benefit.

Devolution also means we can take advantage of economies of scale by using combined and devolved budgets to deliver more value for taxpayers and more cost-efficient services.





A FUTURE WITH MORE OPPORTUNITIES

Devolution means we'd get more say locally, and get to make decisions about our area, in our area. For example, we'd have a fully devolved adult skills budget, which means we'd no longer be constrained by rules set nationally on what we can use adult education funding for – only on specific age groups, for instance – and could instead tailor this to the needs of people in our communities.

We could help this funding be available to the people who need it, so they can fulfil their potential and help them get the jobs they want. We'd also help employers hire people with the skills they need by addressing the skills gap, by removing barriers to better paid work.

We can play to our strengths in research and industry, including aerospace, life sciences, advanced manufacturing, and energy, as well as make the most of opportunities in the future associated with the East Midlands Freeport, HS2 and rail, and the East Midlands Development Corporation,



A BETTER-CONNECTED FUTURE

Devolution would give us the opportunity to:

- combine local transport plans together, so we have a single integrated plan, rather than four
- develop new smart integrated ticketing on public transport
- create new concessionary fare schemes

It would also mean we could set up and coordinate a Key Route Network, which would be made up of some of the busiest and most important roads in our area, so we could better manage our highways.





A GREENER FUTURE

Devolution means we can work more effectively on a larger scale so we can all benefit from cleaner air, lower heating costs, and so we can move towards being carbon neutral, with:

- new low carbon homes
- retrofitting existing homes with external wall insulation
- promoting the use of renewable energy
- protecting and enhancing our green spaces.

It would make £18 million available to support housing and drive Net Zero ambitions in the East Midlands.



BETTER HOUSING FOR US AND FOR FUTURE GENERATIONS

With devolution, we could work at a regional level with Homes England to build more affordable homes, using new powers to buy land and housing, with the consent of district and borough councils.

It could mean new and better standards for homes, low carbon measures, and improvements to existing housing.

It would mean £16.8 million a year would be available for building new homes on brownfield land, subject to suitable areas being identified.





AND MORE...

Devolution also means we could work with national government at a regional level on new initiatives to support young people and to tackle:

- Homelessness
- Domestic abuse
- Community safety
- Social mobility



OUR FIRST REGIONAL MAYOR

A new regional mayor would give us a bigger voice, more influence, and a higher profile across the country. It would create a single point of contact for businesses and other organisations looking to move into our region or expand.

A regional mayor would help us speak with one voice and help us make a strong case to the Government for more investment in the East Midlands.

The mayor would be directly elected by residents in Derbyshire, Nottinghamshire, Derby and Nottingham, giving them more influence over issues which affect them.

The first election for a regional mayor would be in spring 2024.



WHAT'S NEXT?

All four city and county council leaders in Derbyshire, Nottinghamshire, Derby and Nottingham have signed up to work on this devolution deal with the government.

We want to hear your views. Each council will look at the details of the deal in the autumn to approve the deal for a consultation later this year, so that residents, businesses, and other organisations can have their say. The deal also needs new legislation from central government.

A devolution deal is the beginning of the journey, not the end. There would be opportunities to build and enhance on it over time, as has happened in other areas. A new combined authority would be considered at future national government spending reviews.

There is still a lot to do and details to work out for devolution to become a reality in 2024. We will have to work hard to make devolution work for us, and to ensure it results in the improvements we want to see. But we're convinced it's the right move and would be a massive step forward for the East Midlands.

Our region has so much potential, but we've not always had the investment or control over our own future to make a difference. A devolution deal is our chance to create a better future.





WHO'S BACKING DEVOLUTION?

Those supporting devolution include local leaders across the political spectrum, the Chamber of Commerce, the East Midlands D2N2 Local Enterprise Partnership (LEP), the University of Derby, Nottingham Trent University, and the University of Nottingham.

It is supported by a wide range of different organisations and local leaders because they see the great potential it offers for improving our area, our communities, and the lives of people who live, work, and visit our region.



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**REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND
IMPROVEMENT****FINANCIAL MONITORING REPORT: PERIOD 5 2022/2023****Purpose of the Report**

1. To provide Cabinet with a summary of the budget monitoring position as at Period 5.

Information and Advice**Background**

2. The Council approved the 2022/23 budget at its meeting on 24 February 2022. As with previous financial years, progress updates will be closely monitored and reported to management and either the Cabinet Member for Finance or Cabinet each month.

Summary Revenue Position

3. The table below summarises the revenue budgets for each Portfolio for the forthcoming financial year. An overspend of £4.4m, representing 0.78% of the Council's net annual budget, is currently projected against the budget approved by Full Council in February 2022. As a consequence of this adverse variance and the significant levels of uncertainty and financial challenges facing the Council over the medium term, the key message to effectively manage budgets and, wherever possible, deliver in-year savings is being reinforced.

Table 1 – Summary Revenue Position

Forecast Variance as at Period 4	Portfolio	Annual Budget £'000	Actual to Period 5 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
2,004	Children & Young People	166,498	55,369	168,421	1,923
715	Adult Social Care & Public Health	238,123	77,138	237,428	(695)
683	Transport & Environment	116,225	30,137	118,121	1,896
301	Communities	18,582	3,055	19,781	1,199
490	Economic Development & Asset Management	25,675	8,847	26,197	522
(192)	Deputy Leader & Transformation	5,218	1,782	5,047	(171)
(64)	Finance	16,381	4,924	16,335	(46)
2	Personnel	26,340	11,322	26,486	146
3,939	Net Committee (under)/overspend	613,042	192,574	617,816	4,774
(1,000)	Central items	(36,253)	(15,839)	(37,253)	(1,000)
-	- Schools Expenditure	677	-	677	-
284	Contribution to/(from) Traders	(782)	794	(782)	-
3,223	Forecast prior to use of reserves	576,684	177,529	580,458	3,774
-	- Transfer to / (from) Corporate Reserves	(6,520)	-	(6,520)	-
475	Transfer to / (from) Departmental Reserves	(10,692)	7	(10,075)	617
-	- Transfer to / (from) General Fund	-	-	-	-
3,698	Net County Council Budget Requirement	559,472	177,536	563,863	4,391

Portfolio Variations

Children & Young People's (£1.9m overspend, 1.15% of the net portfolio budget)

- The Children and Young People's portfolio is currently forecasting an overspend of £1.9m after the planned use of grant reserves. This mainly relates to a £1.5m overspend in Commissioning and Resources as well as a range of more minor overspends across the department.
- The Commissioning and Resources Division variance relates to a forecast overspend against external Looked After Children placement costs and Internal Residential Homes budgets, offset by underspends in Children's Centre and internal foster care payment budgets.
- Much of the overspend is due to general market conditions with demand outstripping supply in all placement types, plus the impact of inflation. It is increasingly difficult to secure Independent Fostering Agency placements, resulting in more costly alternatives, consequently the weighted average placement cost is increasing.
- In view of the high cost of external residential placements the forecast is highly sensitive to changes in numbers, weekly costs, and placement mix. There are robust monitoring processes to track trend data, average costs, and actual numbers of children in placement to highlight potential issues as soon as possible.

8. A number of actions are being progressed to mitigate the forecast overspend position, as follows:

- Introducing an accommodation panel to ensure that all creative and flexible solutions have been considered, to give young people and their families the best possible support to enable where possible, the young person to remain within their family network. This will look at utilising existing edge of care capacity more effectively, as well as drawing in the new edge of care team.
- Strengthening the senior oversight of decision-making around placement moves where residential care is being requested.
- Improving the kinship support offer to friends and family members caring for a child in care or at risk of being in care.
- Implementing plans to improve the recruitment and retention of NCC foster carers.
- Growing internal and not-for-profit residential care to reduce the numbers of children being cared for in spot purchase residential placements.

Adult Social Care & Public Health (£0.7m underspend, 0.29% of the net portfolio budget)

9. The Adult Social Care & Public Health portfolio is currently reporting a forecast underspend of £0.7m. This is mainly due to underspends in Direct & Provider Services (£2.5m), Maximising Independence (£0.4m), Strategic Commissioning and Integration (£1.0m) and Public Health (£0.8m), being partly offset by an overspend in Living Well and Ageing Well (£4.0m).

10. The underspend in Direct & Provider Services is across all services and is mainly due to the following:

- Anticipated additional NHS Continuing Healthcare income into residential services which is positive in supporting people with complex health and social care needs.
- Increased underspend in Day Services due to slippage on recruitment. Although the vacancy rate is high and the majority of posts need to be recruited to maintain service continuity, retaining a proportion of vacancies will assist in redesigning services and job roles in response to the recently launched Day Opportunities Strategy.

11. The forecast overspend in Living Well continues to reduce, mainly due to more accurate forecasting of anticipated spend and demand by teams and ongoing issues / slippage in recruiting to vacant posts.

12. Living Well spend continues to be challenging, particularly in relation to increasing needs and market forces, where there is limited availability of services, particularly for people with complex needs, which results in lack of market competition and high placement costs. A number of actions are being taken to mitigate this as follows:

- Close oversight of placement decisions through an effective panel process.
- Joint work with Strategic Commissioning to develop the external provider market and maximise how we utilise contracted services.
- A focus on taking a strengths-based approach to support, to maximise independence and reduce the need for formal support.

- Reviewing the transition of young people approaching adulthood to ensure that interventions are timely and cost effective. This will form part of the focused budget setting work over the summer period.
- A joint programme of work relating to home care and Housing with Care has been set out which will help to develop community alternatives that are cost effective and improve outcomes for our residents.

Transport & Environment (£1.9m overspend, 1.63% of the net portfolio budget)

13. The Transport & Environment portfolio is currently reporting a forecast overspend of £1.9m. This consists of forecast overspends of £0.9m against the Via East Midlands Contract, £0.3m against concessionary fares, £0.3m against Fleet Operations and £0.4m across a range of other service areas.
14. The Via contract overspend is due to increased inflationary pressures across the highways sector. Maintaining the current planned service requirements will result in an additional contractual payment of £0.9m against the original budgeted amount. A review of revenue activity and spend in Via is being initiated with a view to maintain service levels but reduce costs to mitigate part of the predicted overspend. A company-wide operations and efficiencies review is also underway.
15. A number of actions are being undertaken, both within this portfolio and across the wider Place Department, to mitigate forecast overspends, including tighter controls upon recruitment, line-by-line review of discretionary spend, service reviews and exploration of in-year savings opportunities.

Communities (£1.2m overspend, 6.45% of the net portfolio budget)

16. The Communities portfolio is currently reporting a forecast overspend of £1.2m. This consists of a forecast overspend against the Inspire contract as well as more minor overspends across a range of other services areas.
17. The Inspire contract £0.8m forecast overspend is mainly due to increased salary costs as a result of the current proposed Local Government proposed pay award alongside increased costs associated with energy and fuel. A review of this budget is to be undertaken with a view to minimising the forecast overspend.

Economic Development & Asset Management (£0.5m overspend, 2.03% of the net portfolio budget)

18. The Economic Development and Asset Management portfolio is currently reporting a forecast overspend of £0.5m which is mainly due to rising energy costs (£0.3m) and additional staffing costs (£0.2m) against the Growth and Development property budget. A number of actions are being undertaken, both within this portfolio and across the wider Place Department, to mitigate forecast overspends, including tighter controls upon recruitment, line-by-line reviews of discretionary spend, service reviews and exploration of in-year savings opportunities.

Traded Services

19. Schools Catering is currently forecasting a breakeven budgetary position. It is important to note however that the service is experiencing a number of significant pressures with respect to increasing food prices, production costs and wage inflation as well as reduced take up of meals. The service is instigating a number of measures to mitigate these pressures.

Central Items (£1.0m underspend)

20. Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and capital charges.

21. Interest projections (both payable and receivable) fluctuate depending on expectations in relation to future rates and anticipated slippage on the capital programme. Current Treasury Management forecasts suggest a net underspend on interest of £1.0m.

22. The Council's budget includes a base contingency budget of £4.0m to cover redundancy costs, slippage of savings and other potential unforeseen events. Also, in 2022/23 further demand and inflationary pressures have been identified that have a degree of uncertainty with regard to likelihood, value and profiling; including assumptions on pay awards. As such, an additional provision of £13.3m has been made within the contingency to fund these pressures should they arise. The Cabinet, Cabinet Member for Finance or the Section 151 Officer are required to approve the release of contingency funds.

Requests for Contingency

23. There has already been a call on the 2022/23 contingency budget from requests that have been approved by the previous Finance Committee, Cabinet or the Section 151 Officer which total £4.1m. Table 1 assumes that the remaining contingency budget will be utilised in full for future requests.

Main Areas of Risk within the 2022/23 budget

24. As reported previously, there are significant risks and uncertainties associated with the current environment that local authorities are operating within, both in the short and medium terms. The main financial risks faced by the Council are as follows:-

- Any on-going financial impact of the COVID19 pandemic and the implications that this may have on the delivery of Council services.
- The cost pressures factored into the Council's budget may not be sufficient to meet the underlying cost and demand pressures that actually arise, particularly with regard to Adults and Children's Social Care Services, Transport Services, the impact of the National Living Wage, agreement of the pay award, the impact of the proposed Adult Social Care reform as well as any additional burdens identified by Central Government.
- The COVID19 pandemic coupled with the UK leaving the EU has had a significant impact on the availability of staffing resource particularly in the social care sector as recruiting and retaining care staff across social care services remains difficult. Staff shortages have also been experienced in catering, facilities management and waste services.

- Whilst the Council is somewhat protected from immediate inflation on direct energy costs through the advanced purchasing arrangement with Crown Commercial Services (CCS), wider inflationary pressures driven by energy costs could have a detrimental impact across a whole range of service areas.
- Fuel prices which are at a record high, will also be felt across all areas of the organisation in due course, with the potential for contracts to become unaffordable for the council or unviable for some service providers.
- The 2022/23 Settlement reflected a one-year settlement only. As a result, estimated future increases in Central Government grants that are set out in the MTFS may not be in line with future announcements.
- Higher costs associated with the capital programme due to material shortages and increases in the cost of construction and other key materials.

Balance Sheet

General Fund Balance

25. Cabinet approved the 2021/22 closing General Fund Balance of £35.2m on 14 July 2022. This balance represents 6.2% of the net budget requirement.

Capital Programme

26. Table 2 summarises changes to the gross Capital Programme for 2022/23 since approval of the original Programme in the Budget Report (Council 24/02/22):

Table 2 – Revised Capital Programme for 2022/23

	2022/23	
	£'000	£'000
Approved per Council (Budget Report 2022/23)		126,879
Variations funded from County Council Allocations : Net slippage from 2021/22 and financing adjustments	19,641	
		19,641
Variations funded from other sources : Net variation from 2021/22 and financing adjustments	2,420	
		2,420
Revised Gross Capital Programme		148,940

27. Table 3 shows actual capital expenditure to date against the forecast out-turn at Period 5.

Portfolio	Revised Capital Programme £'000	Actual Expenditure to Period 5 £'000	Forecast Outturn £'000	Expected Variance £'000
Children & Young People's	47,546	14,745	47,593	47
Adult Social Care & Public Health	1,073	259	1,073	-
Transport & Environment	52,639	11,527	52,639	-
Communities	3,225	451	3,232	7
Economic Devt & Asset Mngt	28,832	1,937	28,832	-
Finance	11,600	3,919	9,330	(2,270)
Personnel	106	22	106	-
Contingency	3,919	-	3,919	-
Total	148,940	32,860	146,724	(2,216)

28. In the Finance portfolio capital programme, a forecast underspend of £2.3m is currently being reported. This is due to expected slippage of £2.3m against the Microsoft Enterprise Agreement capital budget. Future costs associated with this programme are currently under review. A variation to the capital programme will be sought through the usual capital approval processes once future costs have been agreed. At this stage, the Section 151 officer has approved that £2.3m of funding is slipped into future financial years.

Variations to the Capital Programme

29. Under the Council's new governance arrangements, in addition to the capital variation set out above, the Section 151 officer has approved variations to the capital programme as set out in the following paragraphs:

Children & Young People (CYPS)

30. **School Places** - The Authority has been successful in securing a £0.3m S106 contribution to carry out works at the Flying High Academy Primary School in Hucknall to provide additional school places. The CYPS portfolio capital programme has been varied to reflect the £0.3m S106 contribution.

Transport & Environment (T&E)

31. **Electric Vehicle Infrastructure Fund** - The Authority has been successful in securing £0.8m of external funding from the Department for Transport to fund an Electric Vehicle Infrastructure Programme. The T&E portfolio capital programme has been varied by £0.8m to reflect receipt of the external funding from the Department for Transport.

Financing of the Approved Capital Programme

32. Table 4 summarises the financing of the overall approved capital programme for 2022/23

Table 4 – Financing of the Approved Capital Programme for 2022/23

Portfolio	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People's	27,543	19,753	200	50	47,546
Adult Social Care & Public Health	43	851	-	179	1,073
Transport & Environment	10,699	40,690	726	524	52,639
Communities	3,035	170	20	-	3,225
Economic Devt & Asset Mngt	22,991	4,667	100	1,074	28,832
Finance	7,725	2,040	-	1,835	11,600
Personnel	106	-	-	-	106
Contingency	3,919	-	-	-	3,919
Total	76,061	68,171	1,046	3,662	148,940

33. It is anticipated that borrowing in 2022/23 will increase by £17.3m from the forecast in the Budget Report 2022/23 (Council 24/02/22). This increase is primarily a consequence of:

- £19.6m of net slippage from 2021/22 to 2022/23 and financing adjustments funded by capital allocations.
- Net slippage in 2022/23 of £2.3m of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

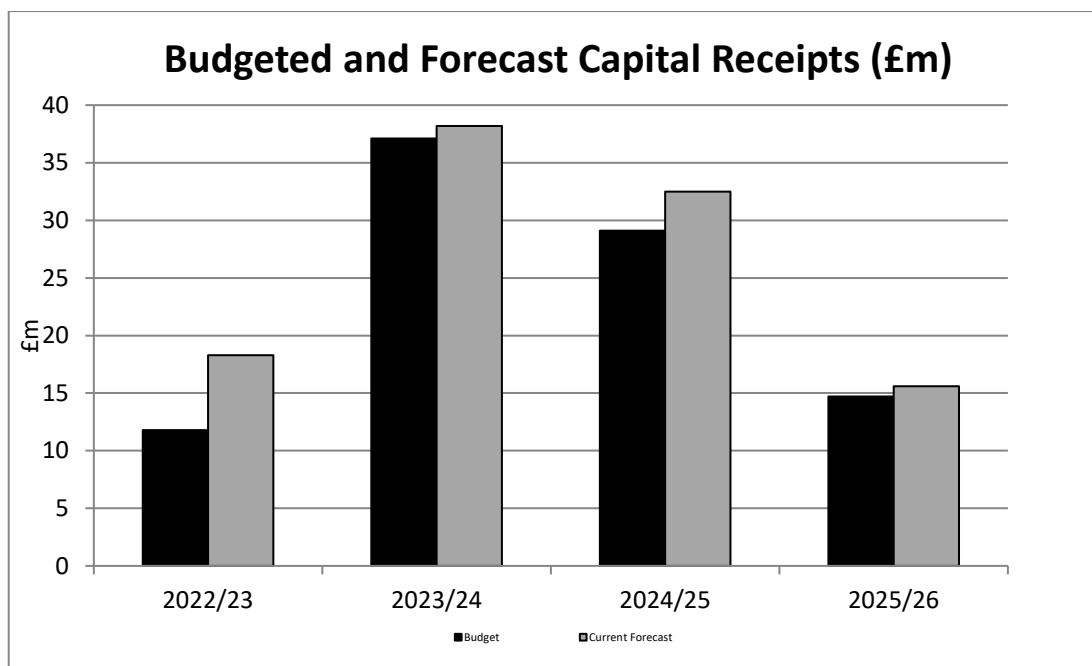
Prudential Indicator Monitoring

34. 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

35. 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.

36. The chart below shows the budgeted and forecast capital receipts for the four years to 2025/26.

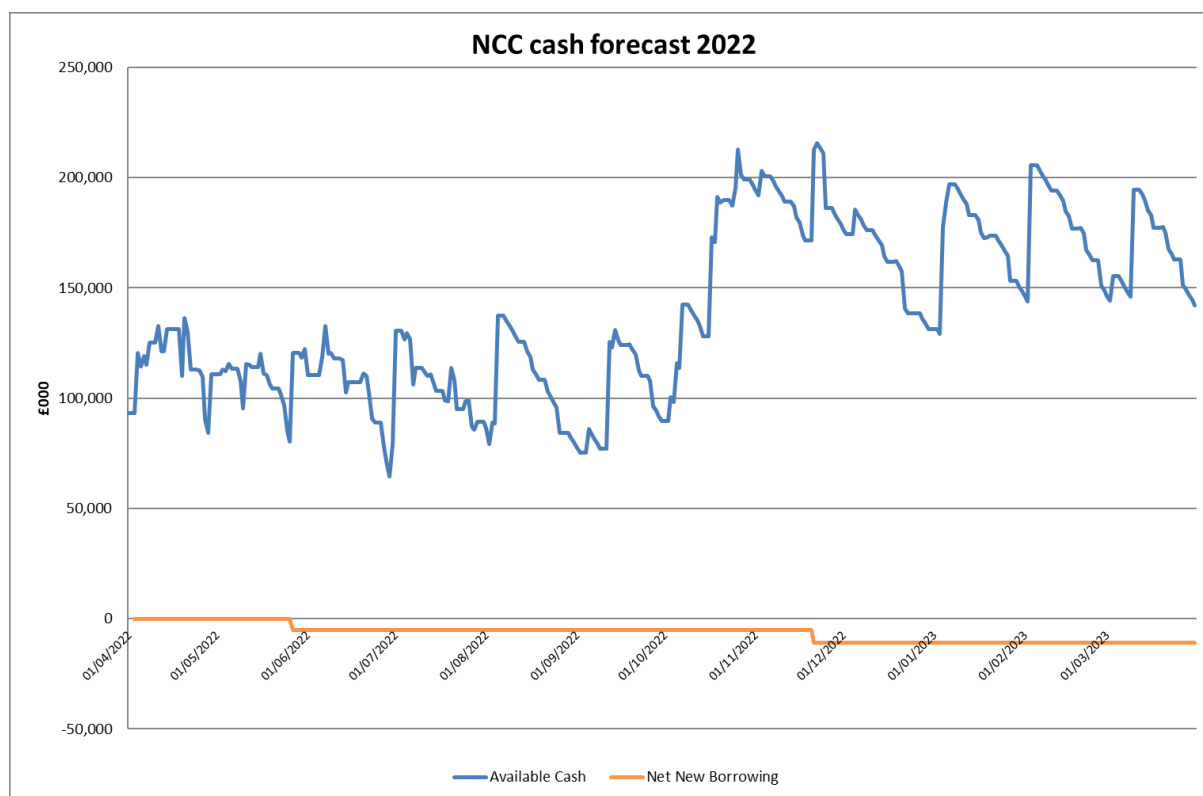


37. The dark bars in the chart show the budgeted capital receipts included in the Budget Report 2022/23 (Council 24/02/2022). These capital receipts budgets prudently incorporated slippage, giving a degree of “protection” from the risk of non-delivery.
38. The capital receipt forecast for 2022/23 is £18.3m. To date in 2022/23, £0.1m of capital receipts have been received.
39. 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.
40. Current Council policy (Budget Report 2022/23), to minimise the impact of the cost of borrowing on the revenue budget, is to use capital receipts to the value approved as part of the 2021/22 Budget Report to set against previous years’ borrowing thereby reducing the impact of the Minimum Revenue Provision on the revenue accounts. This will enable excess capital receipts to be used to fund future additional capital investment.

Treasury Management

41. 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 (TMG).
42. The cash forecast chart below shows the current estimated cash flow position for the financial year 2022/23. Cash inflows are typically higher at the start of the year due to the front-loading receipt of Central Government grants, and the payment profile of precepts. Cash outflows, in particular capital expenditure, tend to increase later in the year, and the chart below reflects this. Also, expected borrowing in support of capital expenditure is not included in the forecast.

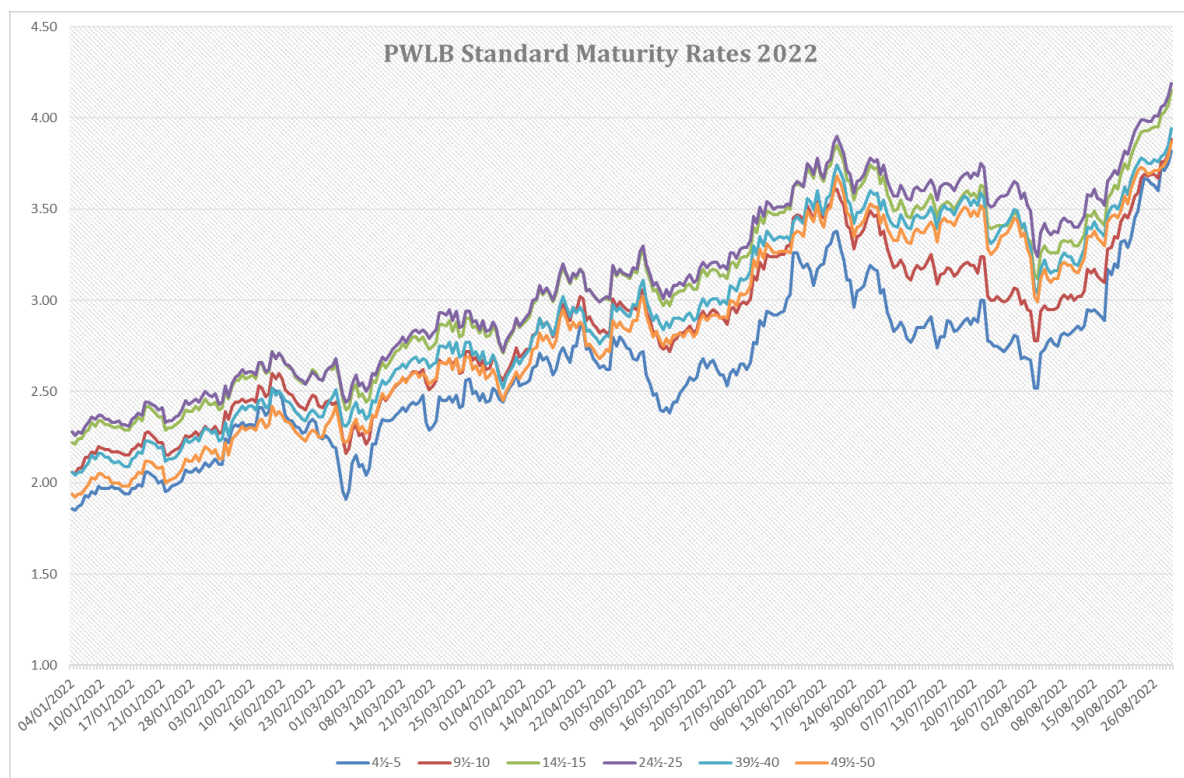
The chart thereby helps highlight the points in the year when such borrowing will be necessary, and it is monitored daily so that treasury management staff can act comfortably in advance of the cash being required, the aim being to maintain adequate but not excessive liquidity.



43. The chart above gives the following information:

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

44. The Treasury Management Strategy for 2022/23 identified a need to borrow approximately £20m over the course of the year to (a) fund the capital programme, (b) replenish internal balances and to (c) replace maturing debt. However, more recent forecasts show that the Council should be able to make use of internal borrowing until next financial year. PWLB interest rates continue to be monitored closely to allow changes - or potential changes - 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, although rate rises this year have somewhat nullified the benefit. The chart below shows the movement in standard PWLB maturity rates over the course of 2022 so far.



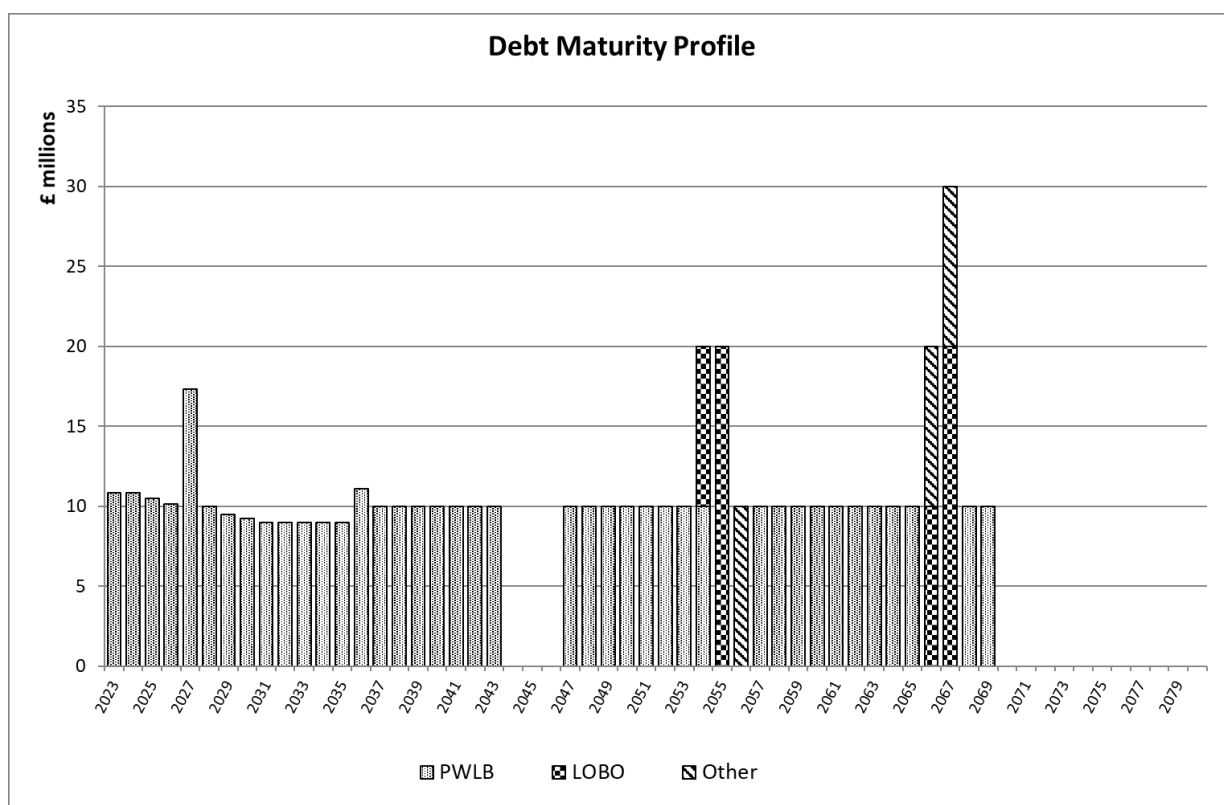
45. Borrowing decisions will take account of a number of factors including:

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

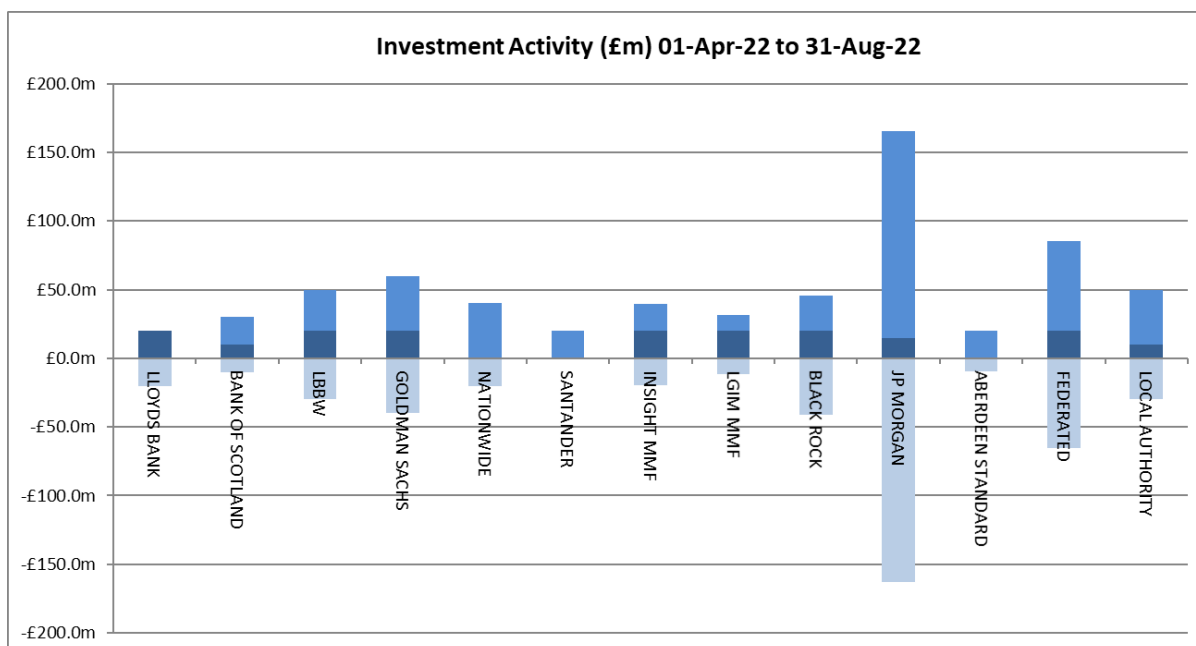
47. Long-term borrowing was also obtained from the market some years ago in the form of 'Lender's Options, Borrower's Options' loans (LOBOs). These loans are treated as fixed rate loans (on the basis that, if the lender ever opts to increase the rate, the Council will repay the loan) and were all taken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

48. The 'other' loans shown in the chart consists of fixed-term loans from Barclays Bank.



49. The investment activity for 2022/23 to date is summarised in the chart and table below. Outstanding investment balances totalled approximately £175m at the start of the year and £197m at the end of August.

	Total B/f £000	Total Raised £000	Total Repaid £000	Outstanding £000
LLOYDS BANK	20,000	0	-20,000	0
BANK OF SCOTLAND	10,000	20,000	-10,000	20,000
LBBW	20,000	30,000	-30,000	20,000
GOLDMAN SACHS	20,000	40,000	-40,000	20,000
NATIONWIDE	0	40,000	-20,000	20,000
SANTANDER	0	20,000	0	20,000
INSIGHT MMF	20,000	19,450	-19,450	20,000
LGIM MMF	20,000	11,500	-11,500	20,000
BLACK ROCK	20,000	25,500	-41,150	4,350
JP MORGAN	14,800	150,350	-163,200	1,950
ABERDEEN STANDARD	0	20,000	-9,450	10,550
FEDERATED	20,000	65,200	-65,200	20,000
LOCAL AUTHORITY	10,000	40,000	-30,000	20,000
	174,800	482,000	-459,950	196,850



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

Statutory and Policy Implications

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

RECOMMENDATIONS

1) For Cabinet to:-

- Note the individual Portfolio revenue budgets for 2022/23.
- Note the contingency requests submitted to date.
- Note the summary of capital expenditure to date, year-end forecasts and variations to the capital programme.
- Note the Council's Balance Sheet transactions.

Nigel Stevenson Service Director – Finance, Infrastructure and Improvement

For any enquiries about this report please contact:

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Tamsin Rabbitts - Senior Accountant, Pensions and Treasury Management

Constitutional Comments (GR 23/09/2022)

52. Pursuant to the Nottinghamshire County Council Constitution the Cabinet has delegated authority to receive and consider this report in accordance with the recommendations.

Financial Comments (GB 21/09/2022)

53. The financial implications are stated within the report.

Background Papers and Published Documents

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

- 'None'

Electoral Division(s) and Member(s) Affected

- 'All'