

Finance and Major Contracts Management Committee

Monday, 18 November 2019 at 14:00

County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

- | | | |
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| 1 | Minutes of the last meeting held on 14 October 2019 | 3 - 4 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | Financial Monitoring Report Period 6 2019-20 | 5 - 20 |
| 5 | Risk & Insurance Update | 21 - 28 |
| 6 | Better Care Fund Pooled Budget - Q2 2019-20 Reconciliation | 29 - 32 |
| 7 | Commercial Strategy Update - Embedding Commercial Skills and Developing Commercial Ideas | 33 - 38 |
| 8 | Mansfield District Council Glass Collections - Funding Support | 39 - 52 |
| 9 | Work Programme | 53 - 58 |

Notes

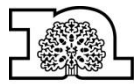
- (1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.
- (2) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

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>



minutes

Meeting FINANCE AND MAJOR CONTRACTS MANAGEMENT COMMITTEE

Date 14 October 2019 (commencing at 2.00pm)

Membership

Persons absent are marked with an 'A'

COUNCILLORS

Richard Jackson (Chair)

John Ogle (Vice Chair)

John Clarke

Boyd Elliott

Keith Girling

Eric Kerry

Diana Meale

Mike Pringle

Francis Purdue-Horan

Alan Rhodes

OFFICERS IN ATTENDANCE

Pete Barker

Adam Crevald

Lorraine Dennis

Kaj Ghattaora

Derek Higton

Nigel Stevenson

Democratic Services Officer

Group Manager, Customer & Service Design

Category Manager, Procurement

Group Manager, Procurement

Service Director, Place & Communities

Service Director, Finance, Infrastructure & Improvement

1. MINUTES OF THE LAST MEETING

The minutes of the last meeting held on 16 September 2019, having been circulated to all Members, were taken as read and were confirmed, and were signed by the Chair.

2. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Hollis (illness).

Councillor Elliott replaced Councillor Roger Jackson and Councillor Purdue-Horan replaced Councillor Quigley, both for this meeting only.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. FINANCIAL MONITORING REPORT: PERIOD 5 2019/20

RESOLVED: 2019/050

1. That the contingency requests, as detailed in the report, be approved.
2. That a report be brought to a future meeting of the Committee regarding the Coroner's budget.

5. LATEST ESTIMATED COST REPORT FOR THE NEW ORCHARD SCHOOL AND NEWARK DAY CENTRE

RESOLVED: 2019/051

1. That a variation to the Capital Programme be approved to reflect the increased cost of the projects.
2. That a report be brought to a future meeting of the Committee detailing the reasons for the increase in costs and lessons learned.

6. NCC PROCUREMENT STRATEGY 2019 - 2023

RESOLVED: 2019/052

That the revised Nottinghamshire County Council Procurement Strategy 2019-2023 be endorsed and referred to Policy Committee for approval.

7. UPDATE ON AGENCY STAFF TENDER

RESOLVED: 2019/053

That an update report be brought to the meeting of the Committee on 13th January 2020 and that this be included in the Work Programme.

8. UPDATE ON WIDE AREA NETWORK TENDER

RESOLVED: 2019/054

That an update report be brought to the meeting of the Committee on 13th January 2020 following the appointment of the successful supplier and that this be included in the Work Programme.

9. WORK PROGRAMME

RESOLVED: 2019/055

That the Work Programme be updated in line with Committee's recommendations.

The meeting closed at 2.44pm

CHAIR

18 November 2019

Agenda Item: 4

REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT

FINANCIAL MONITORING REPORT: PERIOD 6 2019/20

Purpose of the Report

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

Information Background

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

Summary Revenue Position

6. The table below summarises the revenue budgets for each Committee for the current financial year. A £1.6m net overspend is currently predicted. As a consequence of the in-year overspend and the significant financial challenges facing the Council over the medium term, the key message to effectively manage budgets and, wherever possible, deliver in-year savings is being reinforced.

Table 1 – Summary Revenue Position

Forecast Variance as at Period 5 £'000	Committee	Annual Budget £'000	Actual to Period 6 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
8,330	Children & Young People's	127,539	65,807	136,444	8,905
(1,459)	Adult Social Care & Public Health	211,003	101,978	208,249	(2,754)
1,929	Communities & Place	123,780	78,503	125,938	2,158
209	Policy	34,456	26,557	34,471	15
(96)	Finance & Major Contracts Management	2,856	1,637	2,784	(72)
143	Governance & Ethics	7,305	3,504	7,439	134
(40)	Personnel	14,987	9,645	14,862	(125)
9,016	Net Committee (under)/overspend	521,926	287,631	530,187	8,261
(7,899)	Central items	(17,321)	(46,249)	(25,705)	(8,384)
-	- Schools Expenditure	110	-	110	-
575	Contribution to/(from) Traders	719	2,359	1,289	570
1,692	Forecast prior to use of reserves	505,434	243,741	505,881	447
-	- Transfer to / (from) Corporate Reserves	577	-	577	-
592	- Transfer to / (from) Departmental Reserves	(16,484)	(254)	(15,311)	1,173
-	- Transfer to / (from) General Fund	(2,099)	-	(2,099)	-
2,284	Net County Council Budget Requirement	487,428	243,487	489,048	1,620

Committee and Central Items

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

Children & Young People's (£8.9m overspend, 7.0% of annual budget)

- The Youth, Families and Social Work Division is reporting a forecast £0.9m overspend. The major contributing factor is a £1.2m overspend on social work staffing, offset by net underspends in other areas. The overspend has arisen due to a combination of staffing changes including permanent recruitment to vacancies, additional capacity staff to respond to continuing increased workload and maintain manageable caseloads; and agency workers. All agency posts continue to require the explicit approval of the Service Director Youth, Families and Social Work and are subject to scrutiny by the quarterly Agency Challenge Panel.
- The Commissioning and Resources Division is forecasting an overspend of £8.0m of which £1.8m is attributable to growth in number of Independent Fostering Agency (IFA) placements, £3.9m residential and £2.3m on semi-independent placements. External placements increased by a net of 19 during September, which is 6 more than predicted (although overall numbers to date are still tracking the trend that is built into the forecasts). Residential placements alone increased by 4 more than expected in the month. Complex requirements also resulted in these individual placement costs ranging from £4,500 to £10,700 per week (compared with an average cost of £3,400). Similarly, there was also a £3,500 increase in the weekly cost of one

existing semi-independent spot placement due to increased staffing requirements. These costlier placements account for the increased forecast overspend.

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

Adult Social Care & Public Health (forecast £2.8m underspend, 1.3% of annual budget)

11. The major variances on care packages are as follows:

- Older Adults across the County are forecasting an underspend of £0.2m with underspends on Direct Payments, Employee costs and over achievement of Joint Healthcare funding more than offsetting overspends on Long term Care and Homecare.
- Younger Adults across the County are forecast to be in line with budget.
- Other budgets are forecasting an overspend of £0.4m, mainly due to a forecast overspend on reablement.

12. The Strategic Commissioning, Accessing and Safeguarding Division is reporting an underspend of £1.9m made up of a net increase of £1.2m in Service User Contributions, due mainly to increases in Residential and Nursing income and in Personal Budget income, £0.9m additional savings being released from the closure of the Care and Support Centres due to fewer long-term residents. There is a forecast overspend of £0.2m in agency costs within the mosaic team due to delays in the systems review.

13. Public Health is currently forecasting an underspend of £1.1m, due to a contract variation on the Public Health Nursing 0-19 years contract which has reduced the spend in year by £1.4m offset by small increased spend on Sexual Health, Domestic Violence, Future in mind (FIM), Academic Resilience and Substance Abuse. Any net underspend will be added to reserves at year end and therefore reduce the net use of reserves.

14. Included within the forecast underspend are several grants totalling circa £1m from central government which have previously been received in the early summer, but which have not yet been paid. There is no indication that these amounts will not be received in 2019/20, however relevant contacts have been unable to confirm when these will be paid.

Communities & Place (forecast £2.2m overspend, 1.7% of annual budget)

15. Transport is forecasting an overspend of £1.8m. The major contributing variances are:

- There are additional SEND Home to School (HtS) costs of £1.1m caused by an increase in pupil numbers in line with expectations. The costs are SEND Pre-16 HtS transport £0.7m; SEND Post 16 Transport £0.2m; and EOTAS (education other than at school) of £0.2m. The SEND and HtS forecasts are based on current known pressures. A more accurate year-end forecast will be available once the new academic year intake of pupils and re-tendering of contracts is confirmed.
- There is an overspend on Mainstream Home to School transport of £0.4m. This is due to the increase in pupil numbers and capacity limits at the closest designated school, necessitating transport to alternative educational establishments either by bus or taxi.
- There is a forecast overspend on Concessionary Fares of £0.2m due to increased costs for a new service which has taken over commercial routes previously provided under a fixed rate deal by Trent Barton.
- There is a forecast overspend on Local Bus Services of £0.1m caused by ongoing pressure on provision of services, especially when commercial operators withdraw from a particular route and inflationary increases.

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

17. Other budgets are forecasting an underspend of £0.1m, mainly due to staffing savings that have arisen due to the restructure of the Community Safety and the Community and Voluntary Sector Teams.

Trading Services

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

19. Catering, Cleaning and Landscapes are forecasting a deficit prior to use of Reserves of £0.7m. This is to be funded partly from Traded Services Reserves of (£0.4m), the result being a forecast overspend of £0.3m. There is no reserve to fund this overspend.

20. Clayfields is currently forecasting a shortfall against its income target of £0.9m. This is due to a decision by the Children and Families senior leadership team to limit the number of beds available for occupancy because of staffing issues. These issues are currently being addressed and the income forecast assumes that all beds will be fully occupied by February 2020. The shortfall will be met from Clayfields trading reserve.

Central Items (forecast £8.4m underspend)

21. Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and capital charges.
22. At the time of setting the 2019/20 budget, several funding allocations had not been announced, specifically regarding the impact of business rates revaluations and, therefore, assumptions about certain grants were made based on the best information available at the time. Throughout the year confirmations are received and current forecasts suggest a net additional grant of £3.1m will be received in 2019/20.
23. 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 £0.5m. There is a net £0.6m underspend across the other central items.
24. Finance and Major Contracts Management Committees in September and October 2019 approved that the contingency budget would be increased by £1.0m and £4.2m respectively to reflect a reduction to a budget pressure in the Adult Social Care and Public Health Committee. It is forecast that this additional contingency budget will not be spent thereby resulting in a £5.2m underspend.
25. The Council's budget includes a main contingency budget of £4.6m to cover redundancy costs, slippage of savings and unforeseen events. Contingency requests approved previously total £1.1m. Table 1 assumes that the remaining contingency budget will be used for future requests.

Contingency Budget

26. A request for contingency of up to £70,000 has been submitted by Policy Committee (16 October 2019) for the 75th anniversary of VE Day commemorations planned and delivered in May 2020. In preparation of the events, an initial estimate of £20,000 will be allocated from contingency in 2019-20 and the rest in 2020-21. Suitable adjustments will be made at year-end to reflect the actual year-end position.

Progress with savings and risks to the forecast

27. Council on 28 February 2019 approved savings proposals of £15.2m for delivery in 2019/20, with further savings identified for the period 2020-23. Officers will continue to monitor the deliverability of individual schemes and targets as part of the budget monitoring process and reflect achievability in the forecast outturn. The progress of the Council's current savings programme is reported to the Improvement and Change Sub-Committee on a regular basis. The latest report to Improvement and Change Sub-Committee on 23 September 2019 highlighted that the following savings projects are at risk – Development of Shared Lives, New Ways of Working for Carers and the Social Impact Bond. If any savings options are written off they will be reported to this Committee at the earliest opportunity.

Balance Sheet

General Fund Balance

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

Capital Programme

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

Table 2 – Revised Capital Programme for 2019/20

	2019/20	
	£'000	£'000
Approved per Council (Budget Report 2019/20)		116,375
Variations funded from County Council Allocations : Net slippage from 2018/19 and financing adjustments	22,112	
		22,112
Variations funded from other sources : Net variation from 2018/19 and financing adjustments	(1,568)	
		(1,568)
Revised Gross Capital Programme		136,919

30. Table 3 shows actual capital expenditure to date against the forecast outturn at Period 6.

Table 3 – Capital Expenditure and Forecasts as at Period 6

Committee	Revised Capital Programme £'000	Actual Expenditure to Period 6 £'000	Forecast Outturn £'000	Expected Variance £'000
Children & Young People's	51,568	14,912	31,516	(20,052)
Adult Social Care & Public Health	3,467	460	3,569	102
Communities & Place	62,148	15,611	58,520	(3,628)
Policy	19,300	3,538	15,942	(3,358)
Finance & Major Contracts Mngt	180	14	150	(30)
Personnel	256	-	249	(7)
Contingency	-	-	-	-
Total	136,919	34,535	109,946	(26,973)

Children & Young People's

31. In the Children and Young People's Committee an underspend of £20.0m has been identified. This mainly relates to underspends against the School Places Programme, the Orchard Special School and the Sharphill School.
32. In the School Places Programme an underspend of £10.6m has been identified. Although this programme is fully committed, significant sums have been committed to provide additional secondary school places in Gedling and West Bridgford. This funding is now not envisaged to be transferred to the relevant Academy Trusts until future financial years.
33. An in-year underspend of £7.0m has been identified against the Orchard Special School project. This underspend does not reflect any delay to the delivery of the new school and day centre but merely represents a more accurate forecast of cash flow for the programme.
34. An in-year underspend of £2.2m has been identified against the Sharphill School project. This reflects a re-profiling of the project now that the start on site date of October 2019 is known.

Communities & Place

35. In the Communities and Place Committee an underspend of £3.6m has been identified. This relates to underspends against the Harworth Access Link project, the Rushcliffe Recycling centre projects, Flood Alleviation and Drainage programme and the Local Improvement Scheme. These underspends are offset by acceleration of the Road Maintenance and Renewals programme.
36. This £2.6m Harworth Access Link externally funded project is not now expected to take place. Bassetlaw District Council are no longer planning on progressing this delivery and as such the funding for this project has never been passed on to Nottinghamshire County Council. It is proposed that this line in the capital programme will be removed as part of the 2020/21 Budget Report to Full Council in February.
37. On the Rushcliffe Recycling Centre project, slippage of £2.0m has been identified. This is because of issues encountered with identifying a suitable site for the location of the new facility.

It is proposed that the Communities and Place capital programme is varied to reflect the £2.0m slippage identified against the Rushcliffe Recycling Centre project.

38. An underspend of £0.5m has been identified against the Flood Alleviation and Drainage programme. This budget is profiled flexibly to enable our contributions to third parties to be made in line with scheme progress and approvals.

It is proposed that the Flood Alleviation and Drainage programme is varied to reflect the re-profiling of £0.5m funding into future financial years.

39. An underspend of £0.4m has been identified against the Local Improvement Scheme capital programme to reflect the allocation of funds that were approved at Communities and Place Committee in July 2019.

It is proposed that the Communities and Place capital programme is varied to reflect the £0.4m slippage identified against the Local Improvement Scheme.

40. A forecast overspend of £1.9m has been identified against the Road Maintenance and Renewals capital programme. The County Council funded element of this programme has progressed more quickly than anticipated in response to requests for additional works.

It is proposed that the Communities and Place capital programme is varied to reflect the £1.9m acceleration in the Roads Maintenance and Renewals programme

Policy Committee

41. In the Policy Committee capital programme an underspend of £3.4m has been identified. This relates to underspends identified against the Site Clearance programme and the Top Wighay Farm – Homes England project.
42. A review of the Site Clearance Programme has identified that £3.0m of works associated with this programme will now be undertaken in the next financial year, as the priority premises for demolition have now been identified.
43. Top Wighay Farm – Homes England – A review of this project has identified that £0.9m of costs will now be undertaken in the next financial year. This will not impact upon the ability of the Authority to claim the full Homes England capital grant by 31 March 2021.

It is proposed that the Policy Committee capital programme is varied to reflect the £0.9m slippage identified against the Top Wighay Farm – Home England scheme.

44. Also in the Policy Committee, a capital bid has been submitted to provide £1.9m to further the IT Equipment Replacement Programme which was introduced as part of the Smarter Ways of working programme. This programme enabled the replacement of a significant proportion of the desktop estate. This additional funding will enable all remaining devices to be replaced

It is proposed that the Policy Committee capital programme is varied to reflect the £1.9m funding required to enable all remaining devices to be replaced, funded from borrowing.

Financing the Approved Capital Programme

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

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

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People's	32,287	18,674	-	607	51,568
Adult Social Care & Public Health	2,271	1,196	-	-	3,467
Communities & Place	17,050	43,553	1,128	417	62,148
Policy	15,187	4,091	-	22	19,300
Finance & Major Contracts Mngt	-	-	-	180	180
Personnel	256	-	-	-	256
Contingency	-	-	-	-	-
Total	67,051	67,514	1,128	1,226	136,919

46. It is anticipated that borrowing in 2019/20 will decrease by £0.8m from the forecast in the Budget Report 2019/20 (Council 28/02/2019). This decrease is primarily a consequence of:

- £22.1m of net slippage from 2018/19 to 2019/20 and financing adjustments funded by capital allocations.
- Net slippage from 2019/20 of £22.9m of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

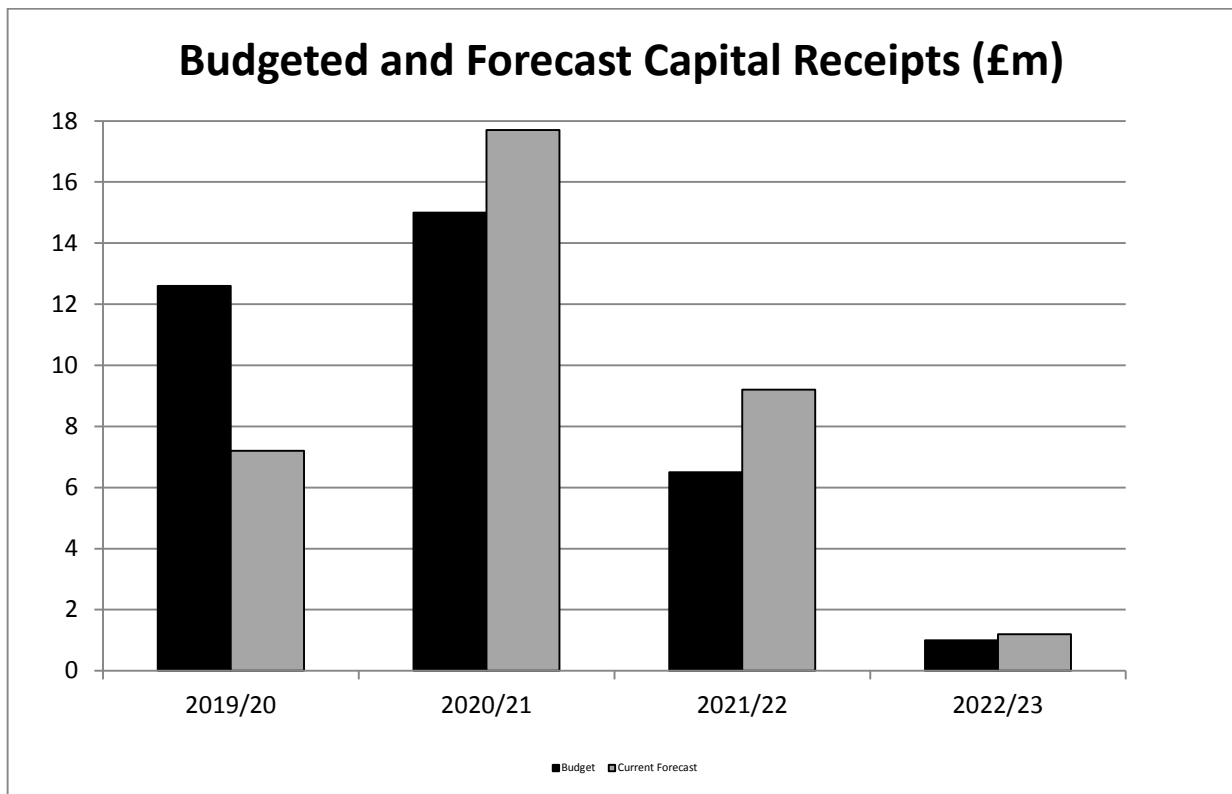
Prudential Indicator Monitoring

47. 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

48. 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.

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



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

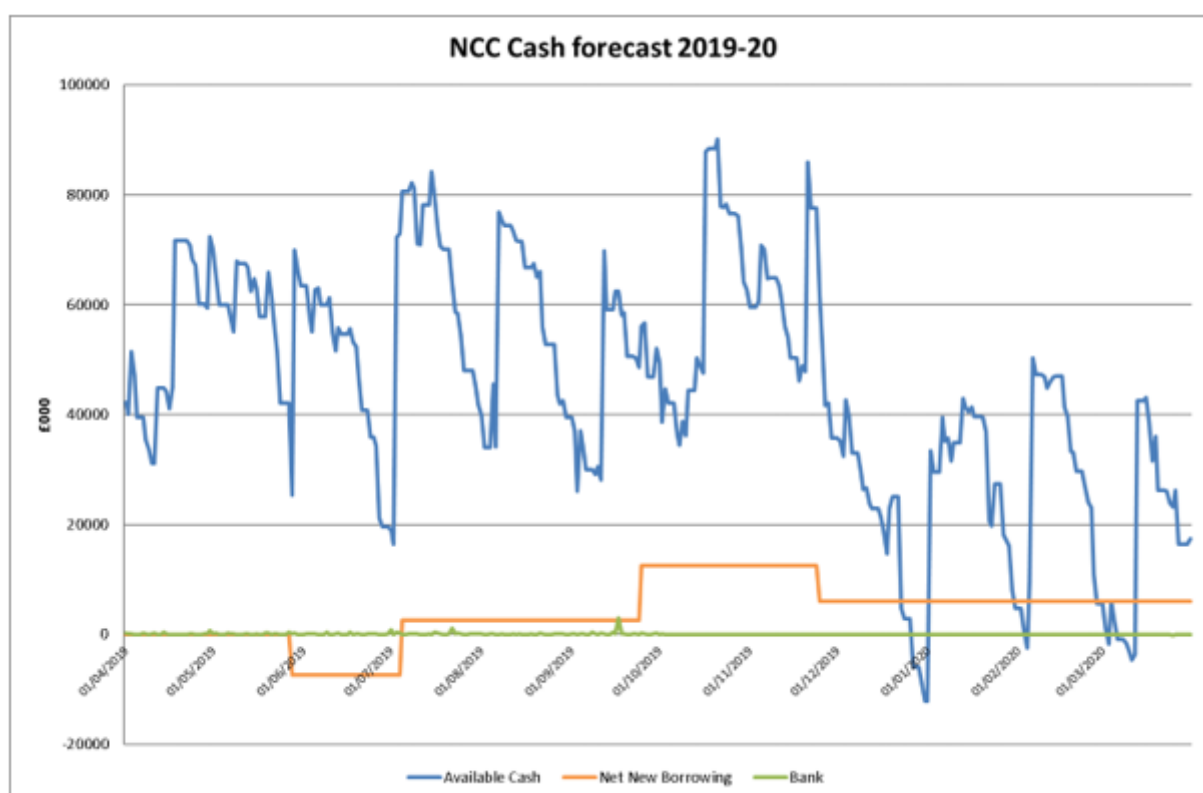
51. The capital receipt forecast for 2019/20 is £7.2m. To date in 2019/20, capital receipts totalling £0.2m have been received.

52. 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.

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

Treasury Management

54. 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.
55. The Cash forecast chart below shows the current cash flow position for the financial year 2019/20. Cash inflows are typically higher at the start of the year due to the front-loading receipt of Central Government grants, and the payment profile of precepts. Cash outflows, in particular capital expenditure, tend to increase later in the year, and the chart below reflects this.



56. The chart above gives the following information:

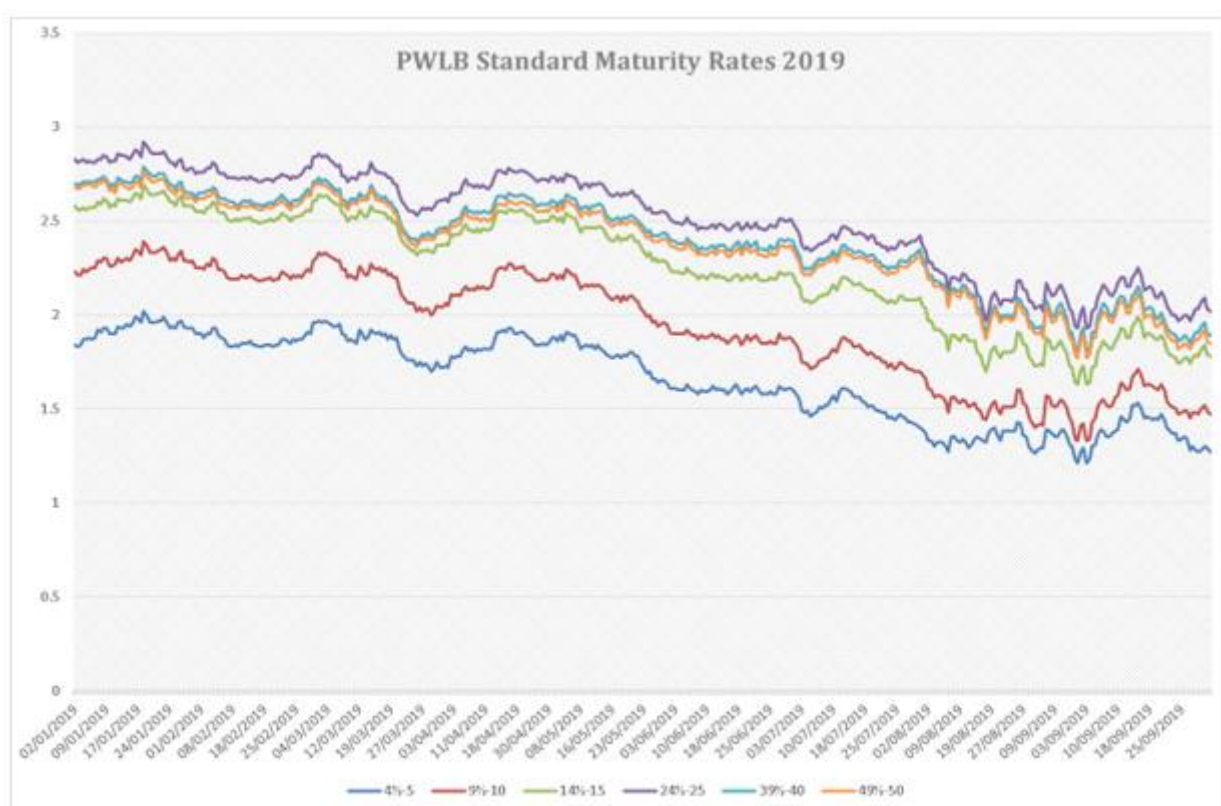
Available cash	Surplus cash (invested in call accounts or money market funds) or a shortfall of cash indicating a need to borrow.
Net new borrowing	New loans taken during the year net of principal repayments on existing borrowing.
Bank	That element of surplus cash held in the Council's Barclays Bank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

57. The Treasury Management Strategy for 2019/20 identified a need to borrow approximately £7m over the course of the year to (a) fund the capital programme, (b) replenish internal balances and to (c) replace maturing debt. After the 2018/19 accounts closure this estimate has been

revised to £30m (and will be revised periodically throughout the year). £10m of this was borrowed from PWLB in July at 2.05%, and a further £10m in September at 1.70%.

58. 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 is still able to access the PWLB “certainty rate” which is 0.2% below the standard rates. The chart below shows the movement in standard PWLB maturity rates over the course of 2019 so far.

59. It should be noted that on 9 October the PWLB announced that from that day it would be applying a rate increase of 100 basis points relative to gilts. Borrowing costs for all local authorities will therefore increase by £10,000/year for every £1m borrowed. Currently the Council expects to borrow £90m by the end of 2022/23, so the full year effect of this change will be a £900,000 increase in annual spend. However, it may be possible for the Council to obtain lower rates from the financial markets, and this too will be closely monitored.



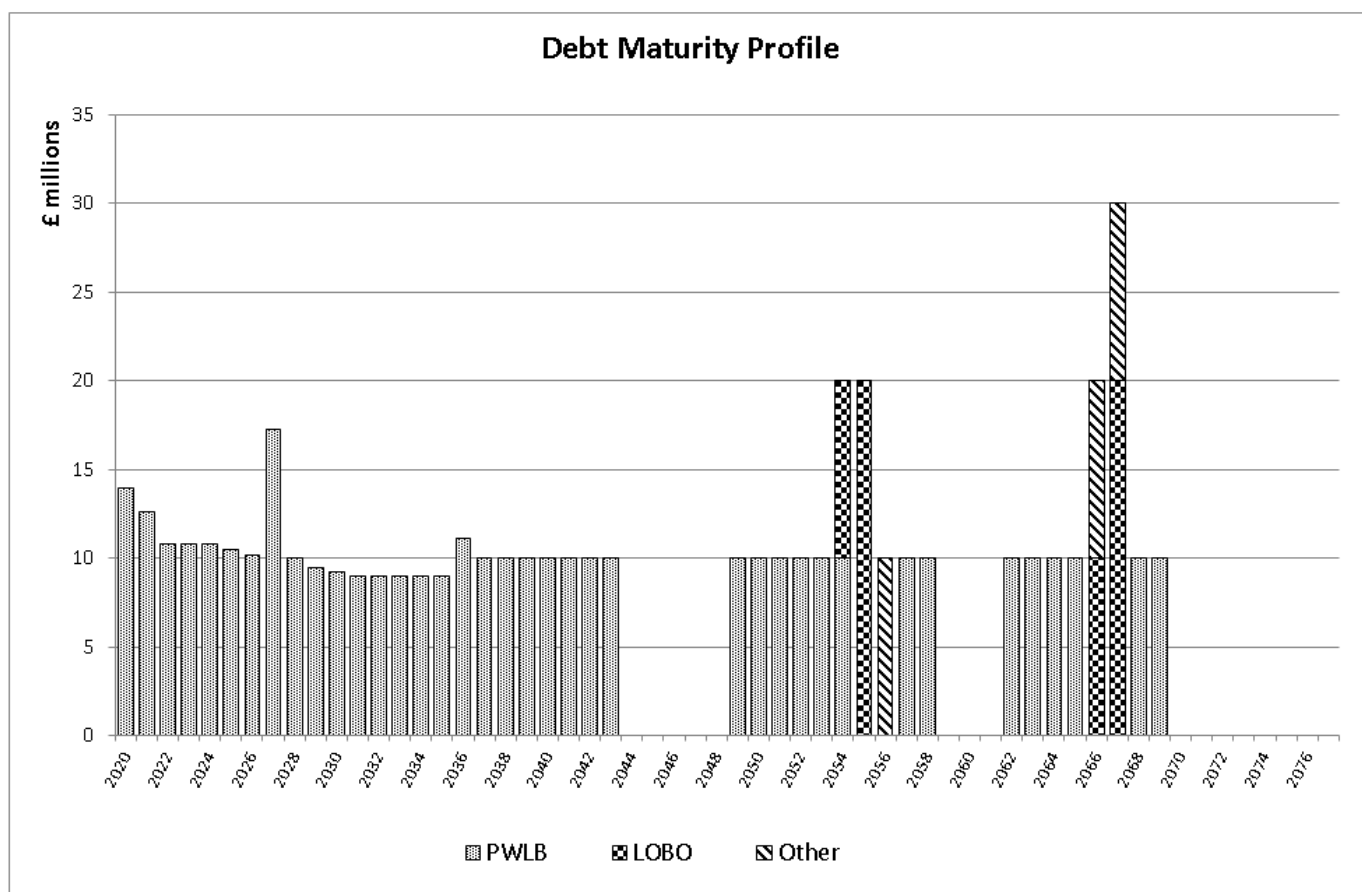
60. Borrowing decisions will take account of a number of factors including:

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

61. 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.

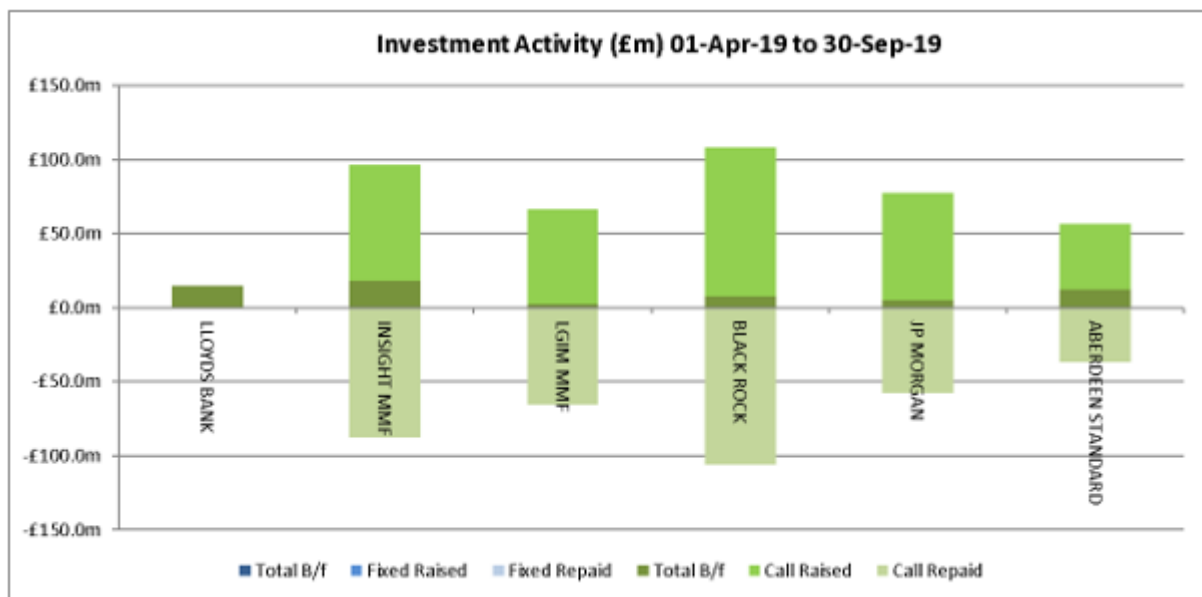
62. Long-term borrowing was also obtained from the market some years ago in the form of 'Lender's Options, Borrower's Options' loans (LOBOs). These loans are treated as fixed rate loans (on the basis that, if the lender ever opts to increase the rate, the Council will repay the loan) and were all taken 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.

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



64. The investment activity for 2019/20 is summarised in the chart and table below. Outstanding investment balances totalled approximately £60m at the start of the year and £67m at the month-end.

	Total B/F £ 000's	Raised £ 000's	Repaid £ 000's	Outstanding £ 000's
Lloyds Bank	15,000	-	-	15,000
Insight MMF	18,100	78,100	(87,600)	8,600
LGIM MMF	2,200	64,200	(65,400)	1,000
Black Rock	7,600	100,650	(105,850)	2,400
JP Morgan	4,900	72,400	(57,300)	20,000
Aberdeen Standard	12,500	44,100	(36,600)	20,000
Total	60,300	359,450	(352,750)	67,000



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

Statutory and Policy Implications

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

RECOMMENDATIONS

- 1) To comment on the revenue budget expenditure to date and year-end forecasts.
- 2) To comment on the capital programme expenditure to date and year-end forecasts.
- 3) To approve the contingency request.
- 4) To comment on the Council's Balance Sheet transactions.

Nigel Stevenson Service Director – Finance, Infrastructure and Improvement

For any enquiries about this report please contact:

Keith Palframan - Group Manager, Financial Services

Tamsin Rabbitts - Senior Accountant, Pensions and Treasury Management

Constitutional Comments (KK 31/10/2019)

67. The proposals in this report are within the remit of the Finance and Major Contracts Management Committee.

Financial Comments (GB 23/10/2019)

68. 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

18 November 2019

Agenda Item: 5

REPORT OF SERVICE DIRECTOR FOR FINANCE, INFRASTRUCTURE & IMPROVEMENT

RISK & INSURANCE UPDATE

Purpose of the Report

1. To provide members with an update on insurance claims experience and on some significant areas of work and development in the Risk & Insurance Team.

Information

2. This report is the latest in a series of six monthly reports to this Committee regarding activities and developments in the Risk & Insurance Team.
3. This update provides the latest information on claims experience, along with additional information concerning recent developments in the Team.

Claim trends

4. **Appendix A** presents two graphs showing a quarter-by-quarter analysis for the current and previous two financial years of:
 - The number of claims received by the County Council
 - The number of claims that remained open (still to be resolved)
 - The number of liability claims where the defence has proceeded to the point of formal court proceedings (litigation)
 - The value of payments made on claims.
5. Some key points and context to note about the trends are the following:
 - The number of claims received in the first two quarters of 2019-20 is significantly lower than in the previous year. In the first quarter of 2018-19 the Council was still receiving an unprecedented number of claims arising from the unusually harsh winter, labelled nationally “the beast from the east”.
 - The value of claims paid in the year to date is lower than in previous years. The value of claim payments is not a linear matter and will fluctuate depending on when certain high value claims conclude. However, the level of payments does reflect the general fall in the number of claims being received and the quality of the claims handling by the Risk and

Insurance Team. Members may recall that the previous update report in April 2019 advised that, during a recent external audit, the claims handling had been described as exemplary.

- Aside from highway claims, the number of historic abuse claims continues to be a priority area for the Team, and for the Council. However, significantly reduced numbers of claims have been received in relation to Employer Liability (EL) and Motor. This largely reflects the shrinking size of the Council and in particular the conversion of schools to academies.

Changes in Staffing and Team Responsibilities

6. The current Risk and Insurance Manager has resigned to take up a post elsewhere. Recruitment has commenced and it is hoped that a suitable candidate can be appointed. There is likely to be a period where there is no-one in post, but the remaining members of the team are experienced and skilled staff who, in the short term, will be able step up and ensure service delivery is maintained.
7. The Risk and Insurance Team has always had responsibility for operational risk management, with the Council's corporate process for strategic risk management being delivered by the Emergency Planning Management & Registration Group in the Place Department. Whilst this has never created a serious issue because the two areas are so linked, it does create an anomalous boundary.
8. In November 2018 when the Chief Executive's Department restructured, the Risk & Insurance Team moved into the newly formed Assurance Group, which also incorporates Internal Audit and Performance. Both of these teams have links to strategic risk and a shared purpose around governance. It was proposed that there are potential benefits by transferring the strategic risk process to a corporately focussed team:
 - a) To more readily strengthen links between strategic risk management and the developments made over recent years to the Council's governance arrangements. In particular, it should prove easier to co-ordinate with the Annual Governance Statement, assurance mapping and quarterly reviews of governance.
 - b) Presenting a co-ordinated and congruent approach to the Governance & Ethics Committee to help the Committee develop the important role it has to play in the Council's strategic risk management arrangements.
 - c) To deliver a joined-up approach to the end-to-end risk management process, linking in with the existing risk management role already carried out by the Risk & Insurance Team.
 - d) Embedding links with the wider Assurance Group, in particular priority assessments for Internal Audit's coverage.
 - e) Driving effective engagement across the Council with the strategic risk management process, utilising in particular the well-established profile the Assurance Group has built with the Governance & Ethics Committee
9. The Corporate Leadership Team has endorsed the proposal and this will be progressed in the forthcoming calendar year once the new Risk & Insurance Manager has been appointed.

Dashboard Reporting

10. The Risk & Insurance Team have been working with the Performance Team to develop interactive dashboard reporting for insurance claim data. It is intended that the enhanced data presentation will allow a more granular understanding of the number, costs and cause of claims and can be used to more effectively drive risk management.
11. The dashboard reports are innovative and we do not know of any other authority with this level of sophistication in reporting. Key officers across the Council and VIA have access to the dashboards.
12. A couple of examples of the dashboards are attached as **Appendix B**.

Insurer Audit of the New Highways Code of Practice

13. Members will be aware that in October 2018 the Council implemented the new 'Well Maintained Highway Infrastructure Code of Practice'. It was a national requirement for Highway authorities to implement the new Code.
14. The quality and content of the Code of Practice will impact on the ability to defend claims for injury or damage resulting from defects on the Highway. As a result the Council's insurers, Zurich Municipal, carried out a mandatory audit of the Council's Code and how it has been embedded within NCC and VIA. The audit was carried out in June 2019.
15. The report covered 25 issues and the Council's score was 'Excellent' or 'Good' for all areas. This reflects the commitment of colleagues in the Highways Client Team and VIA to developing and implementing the new Code.
16. Zurich have not published any benchmarking data but verbal feedback from their Risk Consultant reveals that they have audited 27 authorities and NCC is only one of three authorities to receive an 'Excellent' score.

Risk Improvement – Highways

17. The Risk & Insurance Team has been working with VIA and the Highways Client to devise some formal way of capturing lessons learnt from claims and implementing action which will help prevent future accidents, as well as improving the defence to claims.
18. The process agreed upon is designed to be forward-looking rather than punitive about previous procedures. Lessons learnt from claims which should give rise to a change to VIA's practices will be captured in a log and the new risk mitigation actions that VIA will undertake will be reported to the quarterly strategic highway claims meetings.

Other Options Considered

19. No other options were applicable for this update.

Reason/s for Recommendation/s

20. To provide Members with the opportunity to comment on key information relating to the activities of the Risk & Insurance Team, and to determine the content and frequency of future updates.

Statutory and Policy Implications

21. 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

22. A primary aim of the insurance arrangements is to provide a reasonable level of protection against significant and unforeseen liabilities, in the most cost-effective way. A further aim is to ensure claims management processes are robust to protect the Council from unnecessary expenditure.

Implications for Service Users

None.

RECOMMENDATIONS

Members determine whether there are any actions or further information they would like to see arising from the matters raised in this report.

Nigel Stevenson

Service Director for Finance, Infrastructure and Improvement

For any enquiries about this report please contact:

Anne Hunt

Risk & Insurance Manager

Constitutional Comments (EP 25/10/2019)

23. The Finance and Major Contracts Management Committee is the appropriate body to consider the content of the report. If the Committee resolves that any actions are required it must be satisfied that such actions are within the Committee's terms of reference.

Financial Comments (RWK 28/10/2019)

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

Background Papers and Published Documents

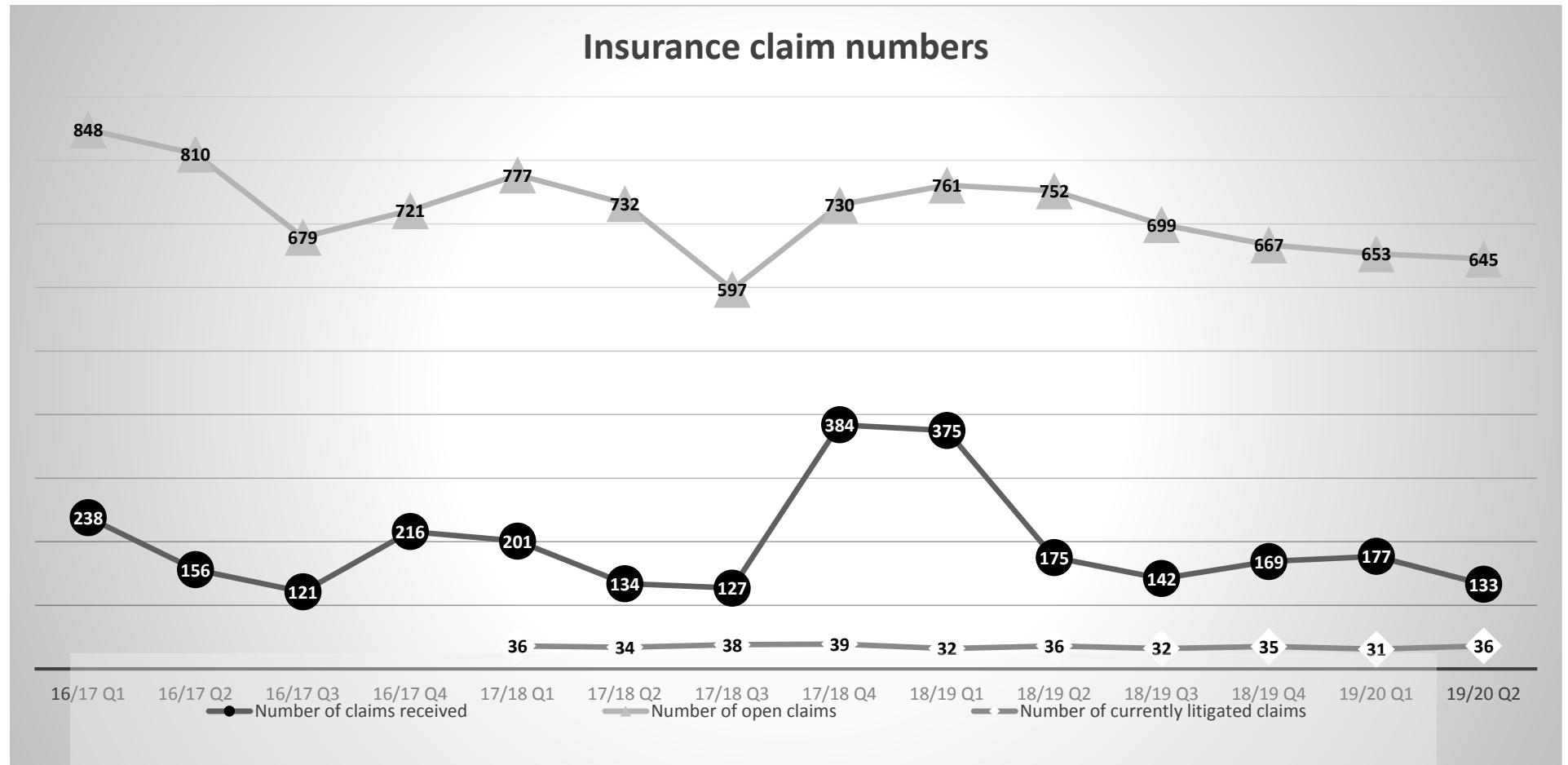
Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

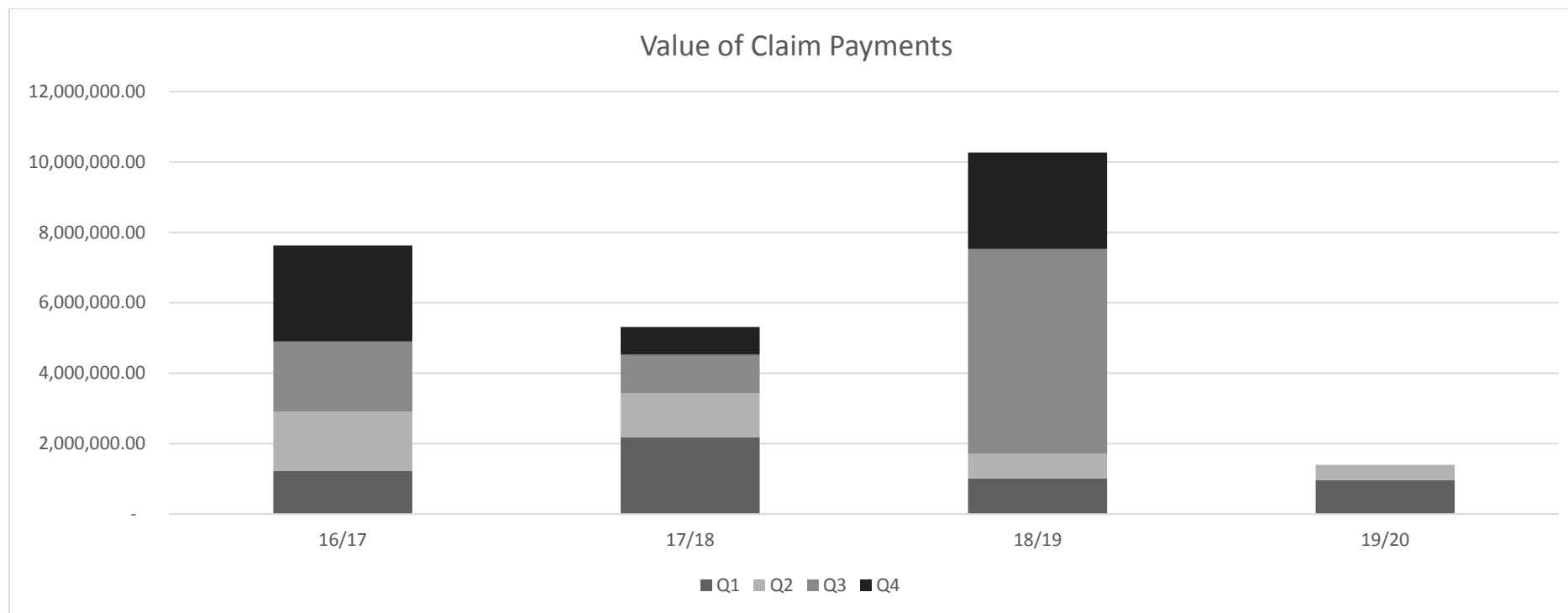
- None

Electoral Division(s) and Member(s) Affected

- All

Appendix A – Claim Trends





Appendix B – Claims Data Dashboard

Example 1 – Place Employers Liability Claims

> [Risk and Insurance](#) > [Full Authority](#) > Risk and Insurance Dashboard - Full Authority

Refresh



Example 2 – Highways Public Liability Claims

> [Risk and Insurance](#) > [Highways Client](#) > Risk and Insurance Dashboard - Highways Client

Refresh



18 November 2019

Agenda Item: 6

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

BETTER CARE FUND POOLED BUDGET – Q2 2019/20 RECONCILIATION.

Purpose of the Report

1. This report sets out progress in 2019/20 against the Nottinghamshire Better Care Fund (BCF) financial plan. The Finance and Major Contracts Management Committee are invited to:

1.1 Consider and comment on the findings of the reconciliation of the BCF Pooled Fund for Q2 2019/20.

Information

2. Nottinghamshire County Council and the six Nottinghamshire Clinical Commissioning Groups (CCGs) contributing to the pooled fund undertook a reconciliation exercise of Quarter 2 2019/20 income and expenditure.
3. Tables 1 and 2 show the difference between funding available and spend to month 6.

Table 1: Quarter 2 2019/20

Contributing partner	Nottinghamshire Clinical Commissioning Groups (CCGs)	Nottinghamshire County Council	Total
Payments made into pooled budget	£27,629,835	£21,956,311	£49,586,146
Payments received from pooled budget	£16,903,827	£32,682,319	£49,586,146
Total spend to period 6	£16,903,827	£32,682,319	£49,586,146
<i>Under/(over) spend to period 6</i>	£0	£0	£0

4. The Nottinghamshire County Council allocation is shown in Table 2. This table shows the difference between planned spend and actual spend to month 6. The Improved Better Care Fund, Winter Pressure and Care Act Implementation funding for 2019/20 are forecasted to be spent in full.

<i>Table 2: Quarter 2 2019/20 Nottinghamshire County Council</i>			
	Planned Spend	Spend	Variance
Protecting Social Care	£8,974,267.00	£8,974,267.00	£0.00
Support for Carers	£667,408.00	£667,408.00	£0.00
Care Act Implementation	£1,084,333.50	£1,084,333.50	£0.00
Winter Pressure	£1,763,535.00	£1,763,535.00	£0.00
Improved Better Care Fund	£13,242,079.50	£13,242,079.50	£0.00
Disabled Facilities Grant (District and Borough Councils)	£6,950,696.00	£6,950,696.00	£0.00

Other Options Considered

5. A BCF pooled fund is a national requirement, another partner organization could become the Host Organization.

Reason/s for Recommendation/s

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

Statutory and Policy Implications

7. 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

8. The financial implications are detailed in the Nottinghamshire BCF plan. The pooled budget amounts to a minimum of £92.2m in 2019/20. Progress against the plan will be reported to the Health and Wellbeing Board on an ongoing basis as part of the Better Care Fund reporting process.

RECOMMENDATION

That the Committee:

- 1.1 Consider and comment on the findings of the reconciliation of the BCF Pooled Fund for Q2 2019/20.

Melanie Brooks, Corporate Director, Adult Social Care, Health and Public Protection, Nottinghamshire County Council

For any enquiries about this report please contact:
Paul Brandreth, BCF Programme Coordinator
T: 0115 977 3856 E: paul.brandreth@nottsc.gov.uk

Constitutional Comments (KK 05/11/2019)

9. The proposal in this report is within the remit of the Finance and Major Contracts Management Committee.

Financial Comments (OC 04/11/2019)

10. The financial implications are contained within the body of the report. They are summarized in the table below:

Q2 Pooled Budget 2019/20	Planned Spend	Actual Spend	Variance
Nottinghamshire Clinical Commissioning Groups	£16,903,827	£16,903,827	£0
Protecting Social Care	£8,974,267	£8,974,267	£0
Carers	£667,408	£667,408	£0
Care Act Implementation	£1,084,334	£1,084,334	£0
Winter Pressure	£1,763,535	£1,763,535	£0
Improved Better Care Fund	£13,242,080	£13,242,080	£0
Disabled Facilities Grant (District and Borough Councils)	£6,950,696	£6,950,696	£0
Total	£49,586,146	£49,586,146	£0

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
- Section 75 Pooled Fund Agreement 2015/16 variation
- Section 75 Pooled Fund Agreement 2016/17
- Section 75 Pooled Fund Agreement 2017/18
- Section 75 Pooled Fund Agreement 2018/19
- Section 75 Pooled Fund Agreement 2019/20
- 2019/20 Better Care Fund Planning Template National Submission

Electoral Division(s) and Member(s) Affected

- All

18 November 2019

Agenda Item: 7

REPORT OF THE SERVICE DIRECTOR, FINANCE, INFRASTRUCTURE AND IMPROVEMENT

COMMERCIAL STRATEGY UPDATE: EMBEDDING COMMERCIAL SKILLS AND DEVELOPING COMMERCIAL IDEAS

Purpose of the Report

1. The purpose of this report is to update the Committee on the progress against two of the work streams within the commercial strategy and for the Committee to comment and advise on further actions to be taken in relation to these work streams.

Information

2. The commercial strategy was approved by Policy Committee in December 2018.
3. The main aim of the commercial strategy is to deliver a financial return which contributes to the Council's financial position and help sustain the delivery of services to the residents and businesses of Nottinghamshire.
4. The commercial strategy sets out the scope of commercial activity which is split across several different work streams, these are:
 - Imbedding Commercial Skills
 - Development of Commercial Ideas
 - Reviewing Current Commercial Performance
 - Review of Pricing and Charging
 - Establishment of Alternative Service Delivery and Trading Entities
 - Effective Contract Management
 - Corporate Procurement and Commercial Financial Management
 - Property Investment
5. This report will focus on two of the above work streams; Imbedding Commercial Skills and Development of Commercial Ideas. With further reports to focus on the remaining work streams such as reviewing the performance of currently trading services and services that have already undertaken a commercial development process.

Imbedding Commercial Skills

6. Imbedding commercial skills is the most important element in delivering the commercial strategy. One of the key learnings from commercial development activity undertaken is that the level of commercial understanding and skills varies across the Council. In order to help improve the level of commercial understanding and skills commercial awareness has been added to the Council competency framework. The term commercial awareness is wide in scope but the definition being worked to is:
 - Commercial Awareness is the ability to understand the wider commercial operating environment, and the factors that effect it. And how the awareness of these factors and taking actions when they have been considered can benefit the individual, service and wider organisation
7. From January 2019 a half day Commercial Awareness Workshop has been offered as a part of the workforce development programme. This workshop is a half day introductory course that is aimed at staff who are unsure of the term 'Commercial Awareness', are looking to build on current understanding.
8. The course explores what the term commercial awareness means and the benefits to the individual, teams and the Council of being commercially aware.
9. Widely used analytical tools such as SWOT and PESTLE are used to expand the attendees understanding of commercial awareness. These tools are used to explore and debate a commercial case study. Participants will then try to apply commercial thinking to a piece of group work by coming up with their own commercial idea and then evaluate it with the tools.
10. All of the ideas that are generated from the workshop are fed back to the commercial Development Manager for initial analysis of their viability. Examples of the ideas that have been generated as part of the workshops are:
 - Open the NCC riverside cafe at the weekends for the public.
 - Use NCC car park for sporting events.
 - Bike hire from the NCC County Hall along the river.
 - Crèche at County Hall.
 - Use the country park school trip accommodation for breaks in the summer holidays.
 - Empty offices at County Hall to be used as a 'rent an office' space.
11. Some of these are already in place such as using the car park for sporting events and using some of our facilities for school trips. Others would be not be viable due to costs, but the viability of some ideas are currently being assessed. There have been four workshops so far with a total of 60 staff receiving the training and all future planned workshops are fully booked.
12. The feedback from participants on the workshop has been positive, although participants who already have some commercial experience have found the content to be too basic. But this is to be expected as the course is meant to be at an introductory level. Different types of advanced commercial training are currently being assessed as a step up from the commercial awareness workshop. The current preferred choice is the commercial

skills package used by the Civil Service as it addresses commercial skills within a public sector environment and its application is much wider than just traded services.

13. Services still have the option of undertaking the Commercial Development Process previously known as the CDU if they so wish, but this is really for well-formed commercial ideas or as a route to look to improve or expand currently trading services.
14. As a learning and development tool the Commercial Development process can be limited. Feedback from Services that undertook the Commercial Development Unit highlighted that the pace of the process made it difficult to develop a full understanding of the concepts and tools being taught during the masterclass sessions. Work is currently underway to develop the masterclass sessions and tools into an e-learning package so that services can study them at a pace that works for their teams. It will also help to spread the concepts and tools across a wider user base.
15. The first of these packages focusses on the tools to help assess the viability of a commercial idea. The focus being on how to assess the size of market and potential value, and how to access the market. This should help individuals and teams across the authority develop the skills and awareness to gauge the potential of an idea against the required resource to assess if further work is worth undertaking.

Development of Commercial Ideas

16. A range of commercial ideas are proposed across the council in order to generate income or enable savings. A key part of the process is to understand relatively quickly the potential of any idea so further work can be undertaken or work on the idea can be discontinued due to it not being viable.
17. A recent example of this work is an option for change put forward by the Children's Department. The commercial concept put forward was to utilise our outdoor education facilities and develop a commercial adventure care offer for high needs looked after children. After assessing the size and value of the market the data was clear that there was not enough value in the market and the high costs involved would most likely lead to a loss rather than generating surplus income. It would also have reduced the capacity within the outdoor education service leading to a loss of income.
18. Work was also undertaken to look at respite breaks for fostered children, again the market data indicated that it would be unlikely to generate any surplus income. But it is possible that it may create savings by avoiding placement breakdown.
19. The ICT Department builds and develops a wide range of technology solutions for use by services and residents. There is a cost of developing these but there are also a number of organisations that could also use the fully developed solutions. Work is due to commence to understand which solutions and markets offer the best opportunity. By selling these developments by licencing them we can recover the cost of development as well as generate ongoing income.
20. Other work has been also undertaken to further develop commercial ideas that are already underway. Examples of these includes pricing reviews for the Governor Services sold schools offer and Health & Safety Training.

21. Intensive ongoing support is being provided to the Brook Farm Agricultural Service in order to help launch their commercial proposition and coach staff who are new into post within the service. More detailed information relating to this and the performance of other services that have undertaken the commercial development process (CDU) will be provided in the next update report that focusses on the Current Commercial Performance Workstream.
22. A steady stream of commercial ideas to assess is required and there are several routes from which these can come such as Options for Change. But it is important that an idea not being developed further is seen as just as successful as an idea that is. By not pursuing commercial ideas that have a high a chance of failure or does not deliver against its commercial objectives saves resources that can be used elsewhere.
23. By continuing to focus on developing and imbedding commercial skills across the Council not only will we generate further commercial proposals, but also develop a commercial mindset that will help deliver those ideas successfully.

Other Options Considered

24. No other options have been considered.

Reason/s for Recommendation/s

25. To ensure members are aware of the activity related to the commercial strategy and comment and advise on the progress and advise on future activity.

Statutory and Policy Implications

26. 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.

RECOMMENDATION/S

1. That the update on the commercial strategy work streams is reviewed and this committee determine any further information required.
2. That the committee notes the progress made against these work streams of the commercial strategy and agree to receive further reports on the remaining work streams of the commercial strategy at subsequent committee meetings.

Nigel Stevenson
Service Director Finance, Infrastructure & Improvement

For any enquiries about this report please contact: Mark Knight, Commercial Development Manager

Constitutional Comments (KK 06/11/2019)

The proposals in this report are within the remit of the Finance and Major Contracts Management Committee

Financial Comments (RWK 06/11/2019)

There are no specific financial implications arising directly from this 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

18 November 2019

Agenda Item: 8

REPORT OF THE SERVICE DIRECTOR, PLACE AND COMMUNITIES

MANSFIELD DISTRICT COUNCIL GLASS COLLECTIONS – FUNDING SUPPORT

Purpose of the Report

1. To update Committee on the current proposals of the Mansfield District Council (MDC) Kerbside Glass Collection project and to seek approval for a capital funding contribution of £295,100 towards the project funded from the Waste PFI Reserve.
2. To approve the completion of a Service Level Agreement with MDC to the satisfaction of the Group Manager Legal, Democratic and Complaints to support the delivery of the project.

Information

Background

3. The Leader and Chief Executive have given in principle support to the County Council working with Mansfield District Council to introduce a kerbside glass collection in the district.
4. Currently 3 districts in Nottinghamshire collect glass at the kerbside (Ashfield DC, Broxtowe BC and Gedling BC) although other district and borough councils collect significant tonnages of glass via the bring bank networks. MDC collect only 800 tonnes per annum at the bring sites, considerably less than most of the other boroughs and districts.
5. MDC approached the County Council with a view to collaborative working around implementing a kerbside glass collection service to help improve this performance. In order to implement this MDC sought a capital contribution of £295,100 with the expected payback coming from glass diverted from the residual waste stream.

Mansfield DC Proposal

6. The proposal indicates a preferred option of using wheeled bins rather than polypropylene bags for the collection of glass at the kerbside.
7. MDC are still seeking a capital contribution of £295,100, towards the acquisition and sign-writing of a designated freighter for glass collection, purchase and delivery of receptacles and

marketing materials to households. It is proposed that this contribution is funded from the Waste PFI Reserve.

8. The County Council will also continue to pay MDC the statutory recycling credits for all the glass collected at the kerbside and through their bring sites.
9. MDC agree to running the service for a minimum of 5-years and a proportionate payback of capital is agreed should the service be withdrawn. Furthermore, MDC agree to a penalty payment of £49.18 for every tonne collections are below the annual target of 2,000 tonnes achieved through kerbside collections and at bring banks.
10. MDC have assumed a collection rate of 1,600 tonnes from the kerbside and a further 400 tonnes still collected via bring sites giving a total of 2,000 tonnes per annum. This would amount to a revenue cost to NCC of around £120,000 per annum in recycling credit payments. The financial model for the proposed project can be seen in Appendix 2.
11. MDC would meet the additional capital costs associated with the purchase of the collection vessels. In addition, MDC will be responsible for the operational costs which are expected to be around £44,900 per annum net of the recycling credits noted above. This has the potential to be reduced if the capture rate exceeds the target of 2,000 tonnes per annum.

Expected Benefits

12. NCC would achieve savings through waste disposal costs as glass is diverted from the residual waste stream and collected separately. After the payment of recycling credits to MDC this represents a saving to NCC of around £69,000 per annum in disposal costs, giving a payback period of 4.3 years on the initial capital. It is proposed that this saving is used to repay the initial capital contribution from the Waste PFI Reserve.
13. It is estimated that the capture rate of 2,000 tonnes of glass per annum (an increase of 1,200 tonnes) would increase the MDC recycling rate by around 3%, although this would only provide a 0.3% increase at County level.
14. A free kerbside glass collection would however further clarify that glass should not be placed in the recycling bin which will help to reduce levels of contamination in the dry recycling which is particularly high in parts of Mansfield.

Risks and Dis-benefits

15. The proposal removes glass from the residual bin and creates increased capacity within this bin. If filled, this capacity increase could undermine any disposal savings achieved, extending the payback period and reducing the recycling percentage increase.
16. Glass from sources such as supermarket glass banks not provided by MDC may also enter the collection stream alongside that diverted from the residual bin. This is not glass that NCC currently pays for the disposal of, so this would increase the recycling credit payments made by NCC without the benefit of savings made through disposal costs.

17. Last year's Resource and Waste Strategy proposed a consistent set of materials to be collected in kerbside recycling bins across England. Following the consultation on this proposal the government has further emphasized that this will be actioned with an expected introduction of a consistent set of materials in 2023. Glass is highlighted as one of the items to be collected but it is not yet clear how the government intends for this to be collected. Should this be collected separately then there would be no perceived impact on this proposed glass collection scheme. However, if it is specified that glass be collected as part of a co-mingled collection it is not clear what the implications of this will be on the County Council's investment.

Proposed Service Level Agreement

18. NCC have proposed a Service Level Agreement to MDC which minimises the risks of the County Council's investment. This includes placing claw back provisions for the capital contribution on MDC in the event that they withdraw the scheme before the 5-year payback is achieved, or if they fail to achieve the 2,000 tonne per annum capture rate.

19. MDC are happy with guaranteeing to maintain the scheme for 5 years, taking the responsibility for the replacement of any collection vessels as required to maintain the service, and guaranteeing the capture rate (and hence the payback period to NCC) of 2,000 tonnes.

20. The payback mechanisms can be found in the Service Level Agreement set out in Appendix 1.

Other Options Considered

21. Not to agree funding to MDC. This would likely mean that a glass collection service in Mansfield is unlikely to be implemented. This would result in a significant amount of glass continuing to be placed in the residual bins, resulting higher waste disposal costs than not implementing the project. Not funding the project would also mean that the opportunity to improve the recycling rate at a district and county level would be missed.

Reason/s for Recommendation/s

22. The implementation of a glass collection scheme would mean an ongoing reduction in waste disposal costs as glass is diverted out of the residual waste stream. Furthermore, recycling rates have stagnated in recent years and whilst the expected impact of this scheme is modest it would nonetheless result in an improvement in recycling performance.

23. The County Council's investment is protected via the draft Service Level Agreement as set out in Appendix 1. This protects against MDC withdrawing the service in the expected payback period as well as covering any shortfall in the quantity of glass collected by MDC.

Statutory and Policy Implications

24. 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

25. The proposals detailed within this report set out a capital contribution of £295,100 to MDC. This will be recouped through waste disposal savings with an expected payback of 4.3 years or sooner. The initial capital contribution will be funded from the Waste PFI Reserve and savings achieved through reduced waste disposal costs will be used to repay the Reserve.

Implications for Service Users

26. Residents of the Mansfield District will have an additional collection vessel, be this a wheeled bin or polypropylene bags.

Implications for Sustainability and the Environment

27. The implementation of a new glass collection service will mean more glass will be sent for recycling rather than disposal. Glass is a highly recyclable product and diverting this out of the residual waste stream is a much more preferable approach.

RECOMMENDATION/S

That Committee:

- 1) Approve a capital contribution of £295,100 towards the Mansfield District Council kerbside glass collection service to be funded from the Waste PFI Reserve, and the amendment of the Capital Programme accordingly.
- 2) Approve the completion of the Service Level Agreement with Mansfield District Council to the satisfaction of the Group Manager Legal, Democratic and Complaints to support the delivery of the project.

Derek Higton
Service Director, Place and Communities

For any enquiries about this report please contact:
Mick Allen, Group Manager, Place Commissioning

Constitutional Comments [EP 22/10/2019]

28. The recommendations fall within the remit of the Finance and Major Contract's Management Committee by virtue of its terms of reference.

Financial Comments [RWK 24/10/2019]

29. The report proposes a capital contribution to Mansfield District Council towards the costs of a kerbside glass collection service to be funded from the Waste PFI Reserve. The balance on the Waste PFI Reserve as at 1st April 2019 was £25,583,440.
30. The implementation of a kerbside glass collection service in Mansfield is expected to reduce waste disposal costs by £69,000 per annum giving an expected payback in 4.3 years. The expected savings will be used to repay the Waste PFI Reserve.

Background Papers and Published Documents

- None

Electoral Division(s) and Member(s) Affected

- Mansfield North
- Mansfield South
- Mansfield West
- Mansfield East
- Warsop

- Joyce Bosnjak
- Stephen Garner
- Paul Henshaw
- Vaughan Hopewell
- Parry Tsimbiridis
- Andy Sissons
- Diana Meale
- Andy Wetton
- Martin Wright

**SERVICE LEVEL AGREEMENT IN RELATION TO THE MANSFIELD DISTRICT COUNCIL GLASS
COLLECTION SCHEME PROJECT**

THIS DEED is made the XXth day of XXXX 20XX

BETWEEN

(1) MANSFIELD DISTRICT COUNCIL of (“MDC”) Civic Centre, Chesterfield Road South, Mansfield, NG19 7BH; and

(2) NOTTINGHAMSHIRE COUNTY COUNCIL of County Hall, Loughborough Road, West Bridgford, Nottingham, NG2 7QP (“NCC”)

Collectively known as ‘The Authorities’

1. BACKGROUND

- 1.1. The Authorities have agreed to work together on the Mansfield Glass Collection Scheme Project (“Project”).
- 1.2. The Authorities wish to record the basis on which they will collaborate with each other on the Project. This Service Level Agreement (SLA) sets out:
 - a) The key objectives of the Project;
 - b) The principles of collaboration; and
 - c) The respective roles and responsibilities the Authorities will have during the Project.

2. THE PROJECT

- 2.1. The Project is for the introduction of a free kerbside glass collection by MDC to residents in the District of Mansfield at a collection frequency of a minimum of every eight weeks.
- 2.2. The purpose of the Project is for NCC to assist MDC with a contribution towards the initial capital set up costs of the scheme. The project will last at least five years with MDC being responsible for any future capital and revenue costs associated with the running of the scheme beyond the initial set up costs.

3. PRINCIPLES OF COLLABORATION

The Authorities agree to adopt the following principles when carrying out the Project (Principles):

- 3.1. Collaborate and co-operate to ensure the activities are delivered and actions taken as required;
- 3.2. Be accountable. Take on, manage and account to each other for performance of the respective roles and responsibilities set out in this SLA;

- 3.3. Be open. Communicate openly about major concerns, issues or opportunities relating to the Project;
- 3.4. Learn, develop and seek to achieve full potential. Share information, experience, materials and skills to learn from each other and develop effective working practices, work collaboratively to identify solutions, eliminate duplication of effort, mitigate risk and reduce cost;
- 3.5. Adopt a positive outlook. Behave in a positive, proactive manner;
- 3.6. Adhere to statutory requirements and best practice. Comply with applicable laws and standards including EU procurement rules, data protection and freedom of information legislation;
- 3.7. Act in a timely manner. Recognise the time-critical nature of the Project and respond accordingly to requests for support;
- 3.8. Deploy appropriate resources. Ensure sufficient and appropriately qualified resources available and authorised to fulfil the responsibilities set out in this SLA; and
- 3.9. Act in good faith and in compliance with these principles.

4. ROLES AND RESPONSIBILITIES

The Authorities shall undertake the following roles and responsibilities to deliver the Project. (*specific clauses where noted will be legally binding):

4.1. MDC will:

- a. Pay the full revenue costs of operating a the collection scheme;
- b. Commit to providing a glass collection at a frequency of a minimum of every eight weeks to all properties in the district for a minimum of 5 years;
- c. Procure the delivery of all equipment, infrastructure and resources required to deliver the Project;
- d. Lead on all service related communications and press engagements in the Project but as this is a joint approach ensure that all releases referencing collaboration with NCC are agreed by NCC communication team and waste management group prior to issue;
- e. Undertake a comprehensive communications campaign prior to the launch of the scheme;
- f. Maintain and share with NCC, performance data to enable performance monitoring to be undertaken by NCC;
- g. Maintain the glass containers and be responsible for the cost and replacement of any glass collection containers.
- h. Pay for appropriate glass containers to all new properties built beyond the start of the Project;
- i. Ensure that, should MDC not collect the estimated 1,200 additional tonnes of glass per annum then MDC shall repay NCC their financial contribution on the following basis;
 - i. Total capital contribution = £295,100
 - ii. Pro-rata annual contribution from NCC = £59,020
 - iii. Contribution per tonne (based on collection of 1,200 additional tonnes) = £49.18

- iv. **Therefore, for each tonne under 2,000 (800 existing and 1,200 additional tonnes) not collected in any given year, MDC shall repay NCC £49.18 per tonne.**
- j. *(example – Year 1 total glass collected by MDC = 1,800 tonnes meaning a shortfall of 200 tonnes and therefore a repayment due to NCC of £9,836.)*
- k. Ensure that, should MDC terminate the glass collection scheme within a period of five years from April 20XX, then MDC shall refund NCC a proportion of its £295,100 capital contribution on the following basis;
 - i. Should the scheme be withdrawn during year 1 of the Project then NCC's full contribution shall be refunded;
 - ii. If this should happen in Year 2 then 80% of NCC's financial contribution shall be refunded;
 - iii. If this should happen in Year 3 then 60% of NCC's financial contribution shall be refunded;
 - iv. If this should happen in Year 4 then 40% of NCC's financial contribution shall be refunded; or
 - v. If this should happen in Year 5 then 20% of NCC's financial contribution shall be refunded.

*Clause 4.1 is to be legally binding

4.2. NCC will:

- a. Provide funding as capital finance to the amount of £295,100 to enable MDC to deliver the Project via the purchase of:
 - i. 1 sound proofed refuse freighter;
 - ii. The purchase of collection containers for all households in the district;
 - iii. Design and print of promotional leaflet to be sent out with council tax;
 - iv. Design and print of promotional leaflet to be sent out with collection containers;
 - v. The delivery of the collection containers and associated leaflets to MDC residents;
 - vi. Artwork for the refuse freighter.
- b. Enable and support MDC in managing the communications, delivery and operation of the project.

*Clause 4.2 is to be legally binding

- 4.3. The Authorities agree that NCC shall take the full benefit of any savings achieved through the shift of residual waste to other waste streams and all associated waste disposal savings.
- 4.4. The Authorities agree that MDC shall be entitled to all income generated through the sale of the glass and paid recycling credits by NCC.

- 4.5. The Authorities agree that MDC shall use all reasonable endeavours to ensure the scheme is capable of self-financing.

5. TERM AND TERMINATION

- 5.1. This SLA shall commence on the date of signature by both Authorities and shall expire five years from the commencement of service on (*Day Month Year*).

6. VARIATION

- 6.1. This SLA, including the Schedule, may only be varied by written agreement of the Authorities.

7. CHARGES AND LIABILITIES

- 7.1. Except as otherwise provided, the Authorities shall each bear their own costs and expenses incurred in complying with their obligations under this SLA.
- 7.2. Both Authorities shall remain liable for any losses or liabilities incurred due to their own or their employee's actions and neither party intends that the other party shall be liable for any losses it suffers as a result of this SLA.

8. CONFIDENTIALITY AND FREEDOM OF INFORMATION

- 8.1. The Authorities acknowledge that each Authority is subject to the requirements of the Freedom of Information Act (FOIA) and the Environmental Information Regulations (EIR) and shall assist and cooperate with each other to enable each Authority to comply with these information disclosure requirements.
- 8.2. Upon receipt of a request, each Authority shall be responsible for determining at its absolute discretion whether the requested information:
- a. Is exempt from disclosure in accordance with the provisions of the FOIA or the EIR: and/or
 - b. Is to be disclosed in response to the request for information.

9. GENERAL DATA PROTECTION REGULATION

- 9.1. The Parties agree and acknowledge that this SLA shall not involve the processing of any Personal Data within the meaning of the General Data Protection Regulation (2016/679).

10. STATUS

- 10.1. With the exception of the noted clauses, this SLA is not intended to be legally binding and no legal obligations or legal rights shall arise between the Authorities from this SLA except

where specifically stated. The Authorities enter into the SLA intending to honour all their obligations.

- 10.2. Nothing in this SLA is intended to, or shall be deemed to, establish any partnership or joint venture between the Authorities, constitute either party as the agent of the other party, nor authorise either of the Authorities to make or enter into any commitments for or on the behalf of the other party.

11. GOVERNING LAW AND JURISDICTION

- 11.1. This SLA shall be governed by and construed in accordance with English law and each Authority agrees to submit to the exclusive jurisdiction of the courts of England and Wales.

- 11.2. AS WITNESS the Authorities have executed this SLA as a deed on the day and year first above written.

APPENDIX 2

MANSFIELD DC GLASS MODEL - ASSUMES NO ADDITIONAL RESIDUAL DESPITE FREED UP CAPACITY

<i>Number of properties</i>	<i>48,910</i>
<i>Mansfield residual tonnage 2017/18</i>	<i>29,352</i>
Residual waste per household (tonnes)	0.60
Estimated tonnage diverted to glass from residual stream	1,200
TOTAL ANNUAL REDUCTION IN RESIDUAL TONNAGE	1,200
<i>Current residual waste disposal cost to NCC</i>	<i>£120.00</i>
<i>2020/21 recycling credit cost per tonne to NCC</i>	<i>£62.32</i>
<i>Capital costs to NCC</i>	<i>£295,100</i>
Residual reduction saving	£144,000
Additional glass costs	£74,784.00
WASTE DISPOSAL SAVING PER ANNUM	£69,216.00
EXPECTED PAYBACK PERIOD (YEARS)	4.3

Changeable figures

Do not change

18 November 2019

Agenda Item: 9

REPORT OF THE SERVICE DIRECTOR - CUSTOMERS, GOVERNANCE AND EMPLOYEES

WORK PROGRAMME

Purpose of the Report

1. To consider the Committee's work programme for 2019-20.

Information

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

Other Options Considered

5. None.

Reason/s for Recommendation/s

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

Statutory and Policy Implications

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

RECOMMENDATION/S

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

Marjorie Toward
Customers, Governance and Employees

For any enquiries about this report please contact: Pete Barker, x74416

Constitutional Comments (HD)

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

Financial Comments (NS)

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

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All.

FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>Lead Officer</u>	<u>Report Author</u>
16 December 2019			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Coroner's Budget	Update report	Nigel Stevenson	Rob Fisher
Gedling Access Road (GAR)	Report on progress	Adrian Smith	Mike Barnett
New School at Sharphill Development, Edwalton – Latest Estimated Cost	LEC Report	Derek Higton	Phil Berrill
Procurement Staffing Structure	Approval for revised structure	Kaj Ghattaora	Kaj Ghattaora
13 January 2020			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
DN2 Partnership Children's Services Intervention Programme	6 Monthly Update	Lynn Brammer / Jon Hawketts	Kaj Ghattaora
Agency Staffing Update	Progress report	Kaj Ghattaora	Lorraine Dennis
Wide Area Network (WAN) Tender	Update Report	Kaj Ghattaora	Lorraine Dennis

FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

10 February 2020			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Bailiffs Contract	Update report	Kaj Ghattaora	Kaj Ghattaora
Contract Management	Progress report	Kaj Ghattaora	Kaj Ghattaora
23 March 2020			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
The Competitive Dialogue Procurement Approach for Public Health Services	Progress Report	Michael Fowler	Kaj Ghattaora
Domestic Violence Services	Update report	Kaj Ghattaora	Kaj Ghattaora

FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

20 April 2020			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
18 May 2020			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
BCF 6 Monthly Reconciliation		Joanna Cooper	Joanna Cooper
September 2020			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
The Competitive Dialogue Procurement Approach for Public Health Services	Progress Report	Michael Fowler	Kaj Ghattaora
TO BE PLACED			
The provision of new schools and school places	Details of the Authority's approach	Derek Higton	Derek Higton
New Orchard School and Newark Day Centre	Details of costs incurred	Derek Higton	Derek Higton

