

Finance and Property Committee

Wednesday, 20 March 2013 at 10:30

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

AGENDA

- | | | |
|----|--|---------|
| 1 | Minutes of the last meeting held on 25 February 2013 | 5 - 8 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | Financial Monitoring Report | 9 - 22 |
| 5 | Procurement: Presentation by Steve Carter, Interim Group Manager, Procurement | |
| 6 | Finance Restructuring | 23 - 34 |
| 7a | Fairfield Primary School, Stapleford - Conversion to Academy | 35 - 42 |
| 7b | Acquisition of Land Adjacent to Newcastle Street and Watson Road, Worksop | 43 - 52 |
| 7c | Statutory Compensation Payable in Relation to Acquisition of Land Adjacent to Newcastle Street and W | 53 - 56 |
| 7d | Disposal of part of Hucknall Gateway to Network Rail | 57 - 62 |
| 7e | NSK Sports Ground | 63 - 70 |

9 Exclusion of the Public

The Committee will be invited to resolve:-

“That the public be excluded for the remainder of the meeting on the grounds that the discussions are likely to involve disclosure of exempt information described in paragraph 3 of the Local Government (Access to Information) (Variation) Order 2006 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

Note

If this is agreed, the public will have to leave the meeting during consideration of the following items.

EXEMPT INFORMATION ITEMS

10 Exempt Appendices to Property Transaction Reports

(a) Acquisition of Land Adjacent to Newcastle Street and Watson Road

(b) Statutory Compensation Payable in Relation to Acquisition of Land Adjacent to Newcastle Street and Watson Road

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) Reports in colour can be viewed on and downloaded from the County Council's website (www.nottinghamshire.gov.uk), and may be displayed at the meeting.
- (4) Persons making a declaration of interest should have regard to the Code of Conduct and the Council's Procedure Rules. Those declaring must indicate the nature of their interest and the reasons for the declaration.

Councillors or Officers requiring clarification on whether to make a

declaration of interest are invited to contact Paul Davies (Tel. 0115 977 3299) or a colleague in Democratic Services prior to the meeting.

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

minutes

Meeting	FINANCE AND PROPERTY COMMITTEE
Date	25 February 2013 (commencing at 10.30 am)

Membership

Persons absent are marked with 'A'

COUNCILLORS

	Reg Adair (Chairman)
	Eric Kerry (Vice-Chairman)
	Chris Barnfather
	Steve Carroll
A	John Clarke
	Kay Cutts
	Stephen Garner
	Darrell Pulk
	Ken Rigby
	Mel Shepherd
	Martin Suthers

OFFICERS IN ATTENDANCE

Sue Blockley, Property Reports Officer
Ian Brearley, Estates Specialist
Paul Davies, Democratic Services Officer
Tim Gregory, Corporate Director, Environment and Resources
Jas Hundal, Service Director, Transport, Property and Environment
Anne Hunt, Risk and Insurance Manager
Ivor Nicholson, Service Director, ICT
Paul Simpson, Service Director, Finance and Procurement

MINUTES

The minutes of the last meeting held on 21 January 2013 were confirmed and signed by the Chairman, subject to the inclusion of Councillor Wright's apologies for absence.

APOLOGY FOR ABSENCE

An apology for absence was received from Councillor John Clarke (other reason).

DECLARATION OF INTEREST

Councillor Suthers declared a non-pecuniary private interest in item 5, Personal Injury Claims, by virtue of his work as a consultant to a firm of solicitors which handles public injury claims.

FINANCIAL MONITORING REPORT

RESOLVED: 2013/018

- (1) That the current position regarding the monitoring of revenue expenditure be noted;
- (2) That the current position regarding the monitoring of capital expenditure be noted;
- (3) To approve variations to the capital programme as set out in the report.
- (4) That it be noted that the level of borrowing is expected to remain within the Council's prudential limits.

PERSONAL INJURY CLAIMS: JACKSON REFORMS TO THE CIVIL JUSTICE PROCEDURES

RESOLVED: 2013/019

That the report be noted.

ICT PROGRAMMES AND PERFORMANCE UPDATE 2012/13

RESOLVED: 2013/020

That the progress against the key programme and performance measures for ICT Services be noted.

ENERGY COSTS AND PROCUREMENT

RESOLVED: 2013/021

That the report be noted.

PROPERTY TRANSACTION

FORMER PORTLAND SCHOOL SITE, SPARKEN HILL, WORKSOP

RESOLVED: 2013/022

That in relation to the former Portland School site, Sparken Hill, Worksop: -

- (a) the Corporate Director, Environment & Resources, (or his nominee) and the Group Manager, Legal and Democratic Services be authorised to approve the form of the Section 106 Agreement as per the exempt appendix to the report

in consultation with the Chairman (or Vice- Chairman in his absence) of the Finance and Property Committee;

- (b) the Corporate Director, Environment & Resources, (or his nominee) be authorised to agree terms as per the exempt appendix to the report for the appointment of agents to market the property for sale by private treaty.

WORK PROGRAMME

RESOLVED: 2013/023

That the work programme be noted.

EXCLUSION OF THE PUBLIC

RESOLVED: 2013/024

That the public be excluded from the remainder of the meeting on the grounds that discussions are likely to involve the disclosure of exempt information described in paragraph 3 of the Local Government (Access to Information) (Variation) Order 2006 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

EXEMPT INFORMATION ITEM

FORMER PORTLAND SCHOOL SITE, SPARKEN HILL, WORKSOP

RESOLVED: 2013/025

That the information in the exempt appendix be noted.

The meeting closed at 11.30 am.

CHAIRMAN

REPORT OF THE SERVICE DIRECTOR – FINANCE & PROCUREMENT

FINANCIAL MONITORING REPORT

Purpose of the Report

- 1.1 To provide a summary of the financial position of the County Council for the year to date including year-end forecasts.
- 1.2 To provide an update on the progress being made by the Procurement team in contributing to the County Councils savings plans.
- 1.3 To note the Capital Programme expenditure and latest forecasts.

Information and Advice

2. Background

- 2.1 This report is part of the regular financial monitoring reporting cycle and follows the summary update to Finance and Property Committee in February.

3. Summary Financial Position

- 3.1 At the beginning of the current financial year, the Corporate Leadership Team took a decision to hold back an element of the base budget, in a central contingency, in light of the previous financial year's savings. This amounted to £9.25m and was in addition to the already established corporate contingency. It was agreed that if this money was required to offset in-year spending pressures, it would be released back to the relevant departments.
- 3.2 As such the Council had planned for the additional costs that were being reported within the Committee spend. Given that this trend has been consistent over the financial year to date, the £4m that was held centrally relating to Children and Young People has now been transferred back to the department. This has resulted in a significant reduction in reported variance compared to the last monitoring report for Children and Young People, and a corresponding increase within Central items relating to the reduction in contingency. Overall this transaction has not affected the Net County Council position.
- 3.3 As previously reported, earmarked reserves have been set aside in previous financial years from both Children and Young People and Adults Social Care & Health to fund part of the expenditure being incurred in the current year. As detailed below, this reduces the overall position in Children and Young People to less than £2m and just over £2m in Adults Social Care. Based upon the County Council's financial performance in recent years, the level of savings achieved in year is expected to remain at a level that more than offsets this.

3.4 After the budgeted contribution to the General Fund of £4.9m, the forecast out-turn position overall for the County Council is a saving of £8.0m. This is a reduction in the expected saving of £0.4m since the last monitoring report.

3.5 Table 1 summarises the revenue position of the County Council.

Table 1 – Summary Financial Position

Previously reported Variance £'000	Committee	Annual Budget £'000	Actual to Period 10 £'000	Year- End Forecast £'000	Latest Forecast Variance £'000
6,888	Children & Young People	160,741	110,261	163,332	2,591
921	Adult Social Care & Health	201,088	164,439	201,873	785
232	Transport & Highways	61,191	53,421	61,093	-98
472	Environment & Sustainability	27,596	20,464	28,083	487
-76	Community Safety	4,163	2,577	4,106	-57
262	Culture	13,835	10,264	14,173	338
-476	Policy	27,458	26,286	26,913	-545
58	Finance & Property	30,378	26,866	29,841	-537
-953	Personnel	4,698	5,057	3,745	-953
-1	Economic Development	864	1,068	843	-21
7,327	Net Committee (under)/overspend	532,012	420,703	534,002	1,990
-15,600	Central items	-28,486	-9,358	-40,092	-11,600
-8,273	Forecast prior to use of reserves	503,526	411,345	493,910	-9,610
Planned Use of Reserves					
-880	Children & Young People	0	0	-600	-600
-86	Adult Social Care & Health	-6,602	0	-5,313	1,289
-270	Culture	0	0	-309	-309
-1,236	Total Transfer to / (from) Departmental reserves	-6,602	0	-6,222	380
1,093	Total Transfer to / (from) Corporate reserves	-2,690	-1,733	-1,489	1,201
0	Transfer to / (from) General Fund	4,930	0	4,930	0
-8,416	Net County Council	499,164	409,612	491,129	-8,029

4. Committee and Central Items

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

Children and Young People (forecast £1.991m net overspend, after the application of reserves)

4.2 Children's Social Care division is forecasting an overspend of £4.6m, of which £1.7m is due to the number of external placements. The cost of agency staff is still predicted to

overspend by £1.8m with continuing problems around filling vacancies, particularly in social work teams and the Safeguarding and Independent Review Service. A further £1.0m overspending is anticipated on legal fees in the light of the latest activity data.

- 4.3 Youth Families & Culture division is reporting a forecast net underspend of £1.7m. This relates to the Early Years and Early Intervention Service which is forecasting an underspend of £2.3m due to savings around the new commissioning arrangements, together with minor savings in Targeted Support and Youth Justice Service, Young People's Service, and Cultural and Enrichment Service due to vacancy savings and increased income. These savings are offset by the under provision (within the Executive Support Budget) of £0.4m due to the element of the business support service review savings that were originally funded by the Schools Budget, together with £0.4m under provision for the family assessment workers that were established in the Children's Social Care Division. A further £0.6m relates to the non-achievement of the BSSR business case (for which £0.6m has been set aside in a reserve if required at the end of the financial year).
- 4.4 Education Standards and Inclusion division is reporting a forecast underspend of £0.2m due to a combination of vacancy and other staffing savings. In addition, an underspend of £0.4m against the budget for the Preferred Travel Scheme and £0.2m relating to statutory school transport. These are partially offset by an overspending against the SEN home to school transport budget of £0.3m, an overspending of £0.1m against the budget for Post 16 Special Transport and a net overspending within the Business Support Service of £0.1m.

Adult Social Care & Health

(forecast £2.074m net overspend after the application of reserves)

- 4.5 The net overspend of £2.1m is prior to the application of any of the £8m corporate contingency budget held for Adult Social Care & Health. In the top half of Table 1, the £2.1m overspend has been partially offset by a £1.3m slippage on projects and posts funded by reserves. As these projects and posts are funded by reserves, a corresponding reduction in the use of reserves line is included in the bottom half of Table 1. Joint Commissioning is currently reporting a forecast net overspend of £2.3m. This is comprised of a forecast shortfall of £3.2m in Client Contribution Income, a £0.5m overspend on Supported Employment, and £0.4m overspend on the Integrated Community Equipment Service (ICES) Pooled Budget. This is partially offset by underspends of £0.7m on Business Support, £0.7m on Commissioning and £0.4m on day service transformation.
- 4.6 Older Adults division is reporting a forecast net overspend of £0.1m. This is primarily due to forecast overspends on Community Care of £1.8m and Care and Support Centres of £0.8m. However, these forecast overspends are offset by forecast underspends of £2.7m within the Service Directors area.
- 4.7 Younger Adults division is currently reporting a forecast underspend of £1.3m primarily due to savings of £0.8m within Day Services due to reduced operating capacity during the refurbishments. In addition there are forecast underspends on the Carers Service of £0.4m, Campus of £0.2m, and £0.6m within the Service Director's budget. These forecast underspends are partly offset by forecast overspends on income for Continuing Health Care for Learning Disability of £0.7m.

- 4.8 Promoting Independence division is forecast to be underspent by £0.4m in relation to the Customer Access Team.

Transport & Highways (forecast £0.098m net underspend)

- 4.9 The net reported underspend is a result of vacancy savings in Highways and additional Section 38 income (together totalling £1.7m), offset by additional road lighting energy tariffs of £0.4m, overspends on verges and hedges of £0.3m, increased repairs following accidents and vandalism of £0.4m and other minor overspends across the Committee.

Environment & Sustainability (forecast £0.489m net overspend)

- 4.10 The forecast overspend is the net effect of the temporary closure of Eastcroft Incinerator, resulting in additional waste being processed through the PFI Contract and increased landfill tax being incurred. When the budget was set, a contribution of £3.2m to the waste PFI reserve was planned. Members have already approved reducing the contribution by £1.75m to cover additional costs incurred earlier in the financial year. Should this additional forecast overspend result at year end, the contribution to the reserve may be further reduced to fund current year costs. Based on latest estimates, a contribution of £0.961m will still be affordable.

Policy

(forecast £0.545m net underspend, which becomes £0.662m net overspend after the reduced use of Improvement Programme reserve £1.207m)

- 4.11 The main variance within this Committee relates to £1.2m slippage in the Improvement Programme due to delays in the Ways of Working Programme. As this is funded by the Improvement Programme reserve, a corresponding reduction in the use of reserves line has been included in Table 1 above. Offset against this is an overspend on staffing costs within the Business Support Centre.

Finance & Property (forecast £0.537m net underspend)

- 4.12 The variance within this Committee is due to vacancy savings in Finance and IT of £0.3m and additional income in Procurement £0.3m. The movement in reported variance since last month is due to a reduced overspend in Property following the reclassification of certain planned maintenance expenditure as capital.

Personnel (forecast £0.953m net underspend)

- 4.13 The variance within this Committee is due to an underspend on Corporate HR due to savings on training costs within the Workforce and Organisational Development budget.

Central Items (forecast £11.6m net saving)

- 4.14 Corporate Budgeting primarily consists of interest and payments on cash balances and borrowing, together with various grants and contingency.

- 4.15 Interest payments are currently forecast to be £4.2m less than the original budget. This is primarily due to slippage on the capital programme in 2011/12 which reduced the need to borrow. In addition, the level of expected cash balances during 2012/13 means that the Council is less likely to need to borrow than had been predicted in the original budget.
- 4.16 The 2012/13 Contingency budget was originally set at £15.6m, of which, £10.0m was earmarked for redundancy. At the start of this financial year, departmental transfers totalling £9.25m to the contingency were agreed. Since then, monitoring of the position has concluded that the £4m transferred from Children and Young People is not affordable and this budget has been transferred back to the department. The total contingency budget is therefore £20.85m.
- 4.17 Redundancy payments made in the current financial year to date total £4.4m. A further £3.7m is expected to be paid in the remainder of the year, taking the total forecast, including pension strain, to £8.1m. This is £2.2m lower than previous expectations, which were based on average payments per employee. The 2011/12 provision of £5.2m will be used to meet part of this expense.
- 4.18 A new Section 188 notice was published on 31 October 2012 and the consultation period for this concluded on 29 January 2013. Although the related costs are likely to fall in the new financial year, the County Council will have to make a provision in 2012/13 for the expected redundancy costs of 2013/14. The size of the provision is based on the number of posts affected and the average redundancy cost in 2012/13. An initial estimate equates this to £4m and this figure has been included in the current forecast. Given that there is a £10m redundancy contingency, it is possible that up to £3.1m will be available, and, subject to approval, this may be transferred to the Redundancy reserve, for future years use. The final figures will not be known until the end of the financial year - should the final figure vary from this, the balance transferred will be adjusted as appropriate. These figures are currently included within the central items in Table 1.
- 4.19 Approved requests against the general contingency to date total £3.472m. No further requests have been submitted since the previous financial monitoring report, therefore the total contingency budget is forecast to be underspent by £7.4m.

Transfer to/from Reserves (forecast £1.2 net overspend)

- 4.20 There is a reduced use of £1.2m of the Improvement Programme reserve as referred to in paragraph 4.11 above.

Transfer to/from General Fund (forecast in line with budget)

- 4.21 The latest forecast includes the budgeted £4.9m contribution to General Fund balances. Should the forecast underspend occur, a further contribution to between General Fund balances and Capital Projects reserve will be made.

5. Progress with savings and risks to the forecast

- 5.1 The Council is now in its second full year of the savings programme having successfully delivered over £70m in 2011/12. The target for the current financial year is £34.8m. Officers monitor the deliverability of individual schemes and targets as part of the budget monitoring process and reflect achievability in the forecast outturn. The base budget

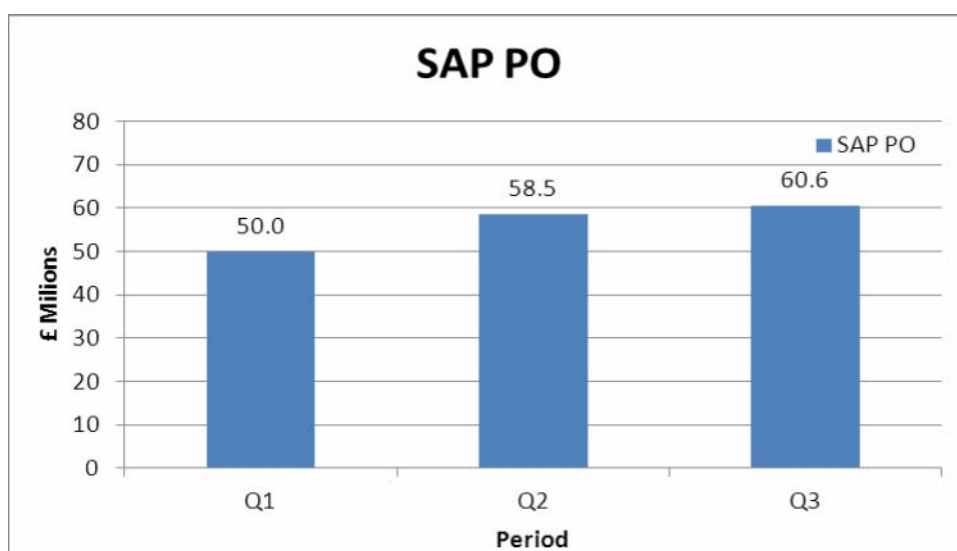
review has identified some movement in the savings and realignments have been made to 2013/14 budget where appropriate.

6. Procurement Activity Analysis

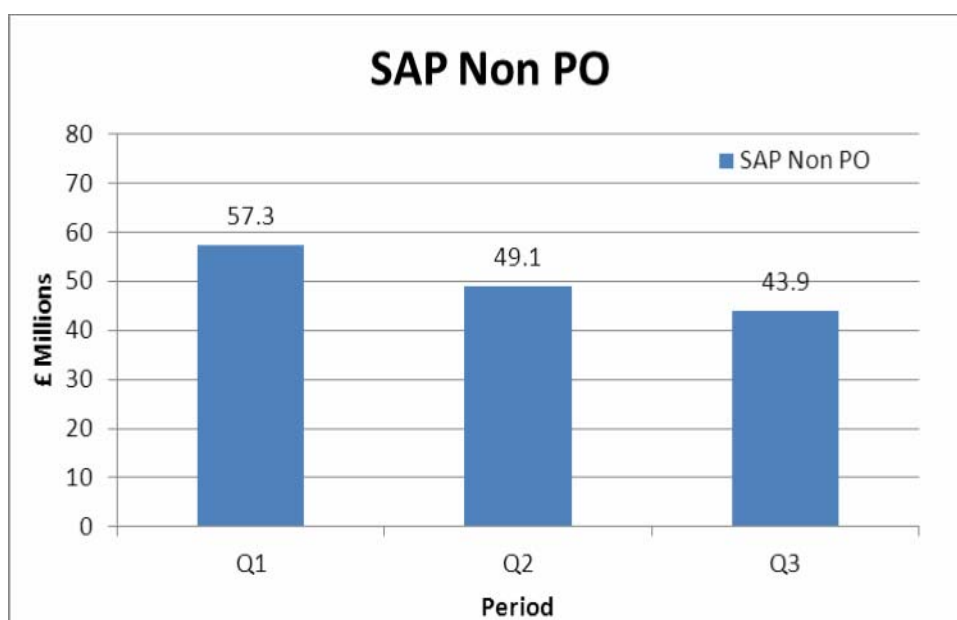
- 6.1 The progress of the Council's performance in relation to the acquisition of goods and services continues to be monitored. The table below provides an overview of spend processed via the Business Management System (BMS) and also illustrates how the Council utilises different methods when transacting with vendors.

Date	Purchase order (PO) spend £m		Non Purchase order spend £m		Legacy spend £m		Total Spend £m		PO %	Green route shopping cart lines volume	Total shopping cart lines volume	Green route %
Q1	Apr-12	19.9	22.0		14.5		56.4		47.5	7958	13698	58.1
	May-12	15.4	20.8		14.7		50.9		42.6	10962	17276	63.5
	Jun-12	14.8	14.9		14.4		44.2		49.8	9901	14655	67.6
Q2	Jul-12	23.7	17.4		14.0		55.1		57.7	10419	15945	65.3
	Aug-12	19.1	18.5		15.0		52.6		50.8	11066	15833	69.9
	Sep-12	15.7	13.0		13.5		42.2		54.7	9768	14177	68.9
Q3	Oct-12	23.8	14.1		14.8		52.8		62.6	11891	17837	66.7
	Nov-12	17.8	14.8		14.4		47.1		54.6	10289	15312	67.2
	Dec-12	18.8	15.1		22.8		56.8		55.4	7452	10821	68.8
Total		169	150.6		138.1		458.1			89706	135554	

- 6.2 The table shows that during the period April 2012 to December 2012, the County Council has spent £458m. Payments to the value of £169m were processed as a result of a purchase order being raised in BMS, whilst payments to the value of £151m were processed as non purchase order transactions and £138m generated via the Council's legacy systems. Legacy interface systems transfer sufficient data to BMS to enable payments to be made, however this limits the quality of the data, for example no commitments are recorded in BMS. Remaining Legacy interfaces are under review and, where possible, will transfer to BMS in due course.
- 6.3 Environment & Resources have the highest value of purchase order related spend at £81m (60% of E & R £136m total spend). In contrast CFCS have the highest value of non purchase order spend at £54m (44% of CFCS £123m total spend). Creation of a purchase order supports the council's drive towards greater utilisation of contracts and enforces compliance with procurement guidelines. Whilst without a purchase order the Council risks using non contracted suppliers, price control is difficult and supplier due diligence is unlikely to be have been carried out; potentially resulting in contractual disputes.
- 6.4 The following graph shows the trend in the value of Purchase Orders in BMS since the start of the financial year.



6.5 Over the course of the year the value of Purchase Orders raised has increased from £50m to £60.6m. However, seasonal demands result in fluctuations, as can be seen in the table above at 6.1. The peak in July is primarily due to the Council's annual insurance premium being paid and higher than average agency costs (in line with backfilling annual leave the following month). Over the summer months and the Christmas period the number of Purchase Orders declined by comparison, mainly due to fewer working days in these months, but figures are still in line with the overall average expected. The procurement team continue to work with colleagues to migrate from Non-PO to PO transactions and progress on reducing the value of non purchase order spend to date can be seen in the graph below.



- 6.6 Over time the data is expected to show :
- An increase in value of purchase order related spend.
 - A decrease in value of non purchase related spend.
 - An increase in value of purchase orders but a decrease in volume, through the introduction of consolidated billing, limit orders and invoice plans.

- A decrease in low value purchase order and non purchase order spend through planned adoption of P Cards.

7. Capital Programme

Approved Capital Programme

- 7.1 Table 2 summarises changes in the gross Capital Programme for 2012/13 since approval of the original programme in the Budget Report (Council 23/02/12):

Table – Revised Capital Programme for 2012/13

	2012/13 £000	£000
Approved per Council (Budget Report 2012/13)		118,622
Variations funded from County Council Allocations:		
Net slippage from 2011/12 and financing adjustments	13,568	
Approved variations to February Council Report	2,238	
Re-phasing / slippage from 2012/13 to future years	(12,657)	
		3,149
Variations funded from other sources:		
Net slippage from 2011/12 and financing adjustments	67	
Approved variations to February Council Report	(837)	
Re-phasing / slippage from 2012/13 to future years	(3,936)	
		(4,706)
Revised gross Capital Programme		117,065

Capital Monitoring

- 7.2 Table 3 shows actual capital expenditure to date against the forecast outturn at period 10.

Table 3 – Capital Expenditure and Forecasts as at Period 10

Committee	Revised Capital Programme £'000	Actual Expenditure to Period 10 £'000	Forecast Outturn £'000	Expected Variance £'000
Children & Young People	39,854	23,169	39,854	0
Adult Social Care & Health	4,418	3,833	4,260	(158)
Transport & Highways	38,602	30,849	41,534	2,932
Environment & Sustainability	5,171	2,681	5,606	435
Community Safety	3	5	28	25
Culture	5,147	3,074	5,147	0
Policy	8,902	5,189	8,869	(33)
Finance & Property	14,880	7,945	13,851	(1,029)
Personnel	88	69	88	0
Contingency	0	0	0	0
TOTAL	117,065	76,814	119,237	2,172

- 7.2.1 In Adult Social Care and Health Committee, minor slippage has been identified on both the Day Services Modernisation and Bassetlaw Specialist Day Centre projects.
- 7.2.2 In Transport & Highways Committee, there is planned over-programming on Roads Maintenance and Renewals schemes. A corresponding overspend is currently forecast, although it is anticipated that the expenditure forecast will reduce prior to year end.
- 7.2.3 In Environment and Sustainability Committee, there is a planned over-programming on the Local Improvement Services Programme. A corresponding overspend is currently forecast although it is anticipated that the expenditure forecast will reduce prior to year end.
- 7.2.4 In Finance & Property Committee, slippage of £0.2m is anticipated against the Renewable Heat Boiler programme and a further £0.8m slippage is expected against the Microsoft Enterprise Agreement and other IT capital projects.
- 7.3 Net acceleration of £0.8m expenditure funded by capital allocations has been identified in departmental capital monitoring returns. A further £1.4m acceleration has been identified in the Capital Programme of expenditure funded from other sources.

Financing the Approved Capital Programme

- 7.4 Table 4 summarises the financing of the overall approved Capital Programme for 2012/13.

Table 4 – Financing of the Approved Capital Programme for 2012/13

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People	19,545	20,198	0	111	39,854
Adult Social Care & Health	4,185	15	45	173	4,418
Transport & Highways	12,755	25,103	0	744	38,602
Environment & Sustainability	4,090	776	305	0	5,171
Community Safety	3	0	0	0	3
Culture	4,561	70	0	516	5,147
Policy	8,902	0	0	0	8,902
Finance & Property	13,257	0	0	1,623	14,880
Personnel	0	0	0	88	88
Contingency	0	0	0	0	0
TOTAL	67,298	46,162	350	3,255	117,065

- 7.5 It is anticipated that borrowing in 2012/13 will increase by £4.0m from the forecast in the Budget Report 2012/13 (Council 23/02/12). This increase is a consequence of:
- £13.6m of net slippage of expenditure from 2011/12 to 2012/13 and financing adjustments funded by capital allocations; and
 - £2.2m approved variations made to the capital programme throughout the current financial year.
 - £0.8m anticipated further acceleration of borrowing identified in departmental capital returns.

offset by:

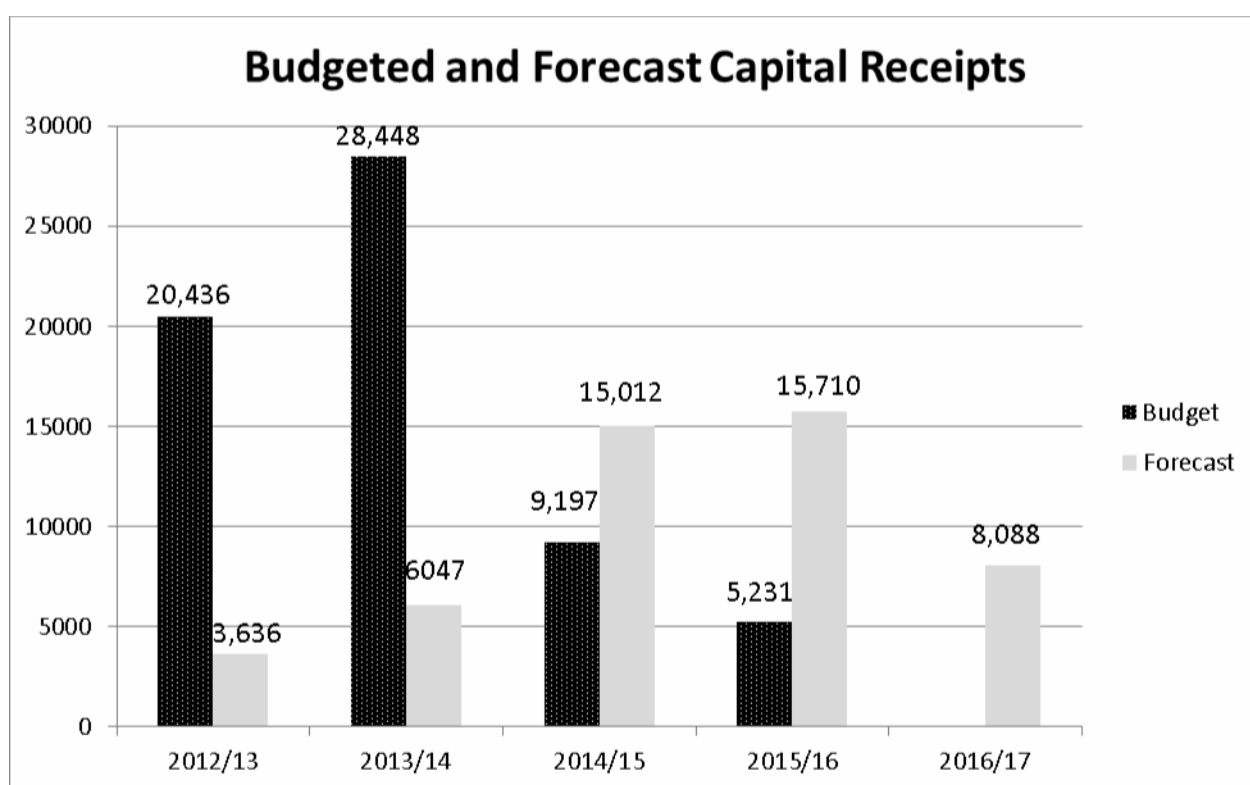
- Approved variations, including re-phasing and slippage of schemes, resulting in a net reduction of £12.6m of capital expenditure funded by capital allocations.

Prudential Indicator Monitoring

- 7.6 Performance against the Council's Prudential Indicators is regularly monitored and, to date during 2012/13, external debt has remained within both the Operational Boundary and the Authorised Limit.

Capital Receipts Monitoring

- 7.7 Anticipated capital receipts are regularly reviewed. Forecasts are currently based on estimated sales values of identified properties and prudently assume a slippage factor based upon a review of risk associated with each property. They also include an estimated £50k of vehicle receipts.
- 7.8 The chart below shows the budgeted and forecast capital receipts for the five years to 2016/17.



- 7.9 The black bars in the chart show the budgeted capital receipts included in the Budget Report 2012/13 (Council 23/02/2012). These capital receipts budgets prudently incorporated slippage, giving a degree of "protection" from the risk of non-delivery. The grey bars also incorporate anticipated slippage.
- 7.10 The forecast for 2012/13 includes £2.4m of capital receipts already realised and £1.1m of capital receipts for properties which are close to sale, i.e. offers have been received or conditional sales have been agreed.

- 7.11 The forecasts for 2012/13 and 2013/14 are significantly below the budgeted figures incorporated in the Budget Report 2012/13. This is due mainly to slippage and reduced estimates of some particularly large receipts for development sites. Expert advice is taken on such sites and decisions to delay sales take into account the Council's objective of maximising the value of receipts.
- 7.12 The number and size of large anticipated receipts increase the risk that income from property sales will be even lower than the revised forecasts over the next three years. Although the revised forecasts incorporate an element of slippage, a delay in receiving just two or three large receipts could result in sales being lower than these forecasts. For example, a scenario in which £4m of capital receipts are realised in 2012/13 and £9m of capital receipts are realised in 2013/14 would not be considered unlikely. This would represent a reduction of £36m from the budgeted level of capital receipts for 2012-14.
- 7.13 Current Council policy (Budget Report 2012/13) is to set capital receipts against the principal of previous years' borrowing. This reduces the amount of Minimum Revenue Provision (MRP) to be set aside each year. The lower than anticipated level of 2012/13 capital receipts is expected to result in a £0.4m increase in the amount of MRP to be set aside from revenue in 2012/13. It will also tend to increase interest payable, although the actual level of this will also depend on a range of other factors. The revenue impact of capital receipts slippage will be offset by any slippage in capital expenditure funded by borrowing.
- 7.14 As highlighted in the Budget Report 2012/13, the Council's medium-term forecasts were predicated on an ambitious level of capital receipts. Given current concerns about further revenue reductions, it is important to regularly monitor capital receipt forecasts and their effect on the overall revenue impact of the Capital Programme. The implication of the significantly reduced capital receipt forecasts for 2012/13 and 2013/14 reiterates the importance of the Council keeping tight control of capital expenditure.

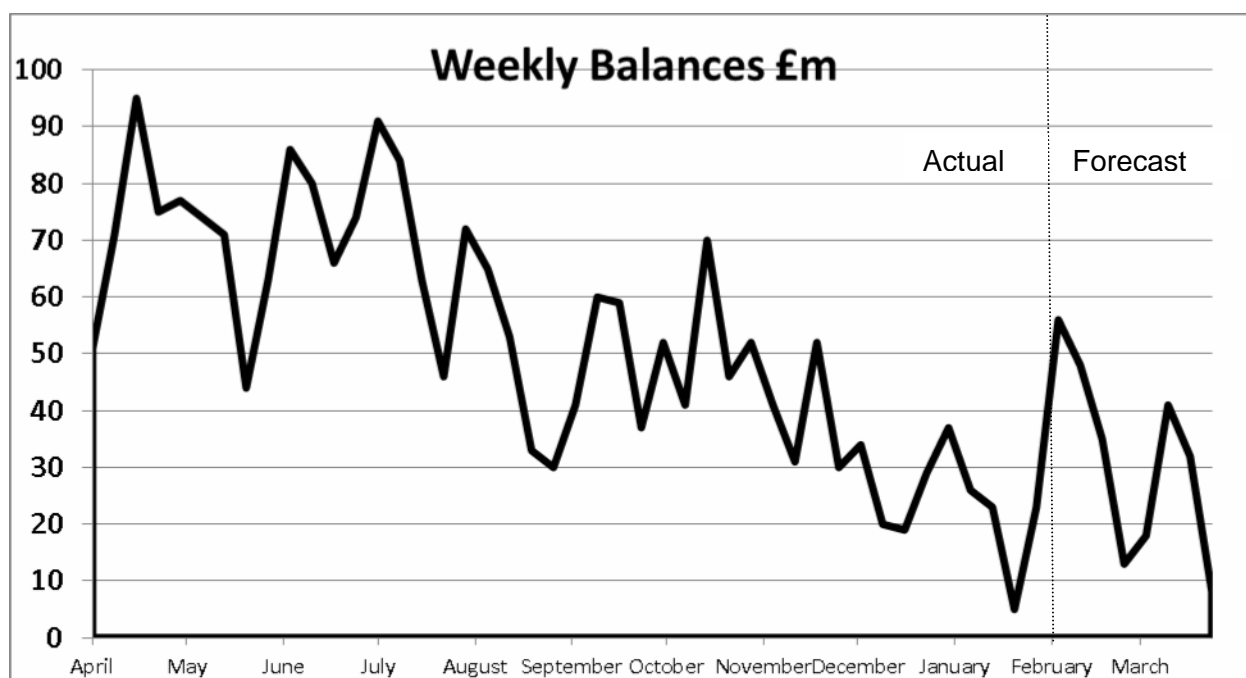
8. Balance Sheet

Impact on County Fund Balances

- 8.1 The Final Accounts Report for 2011/12 showed that County Fund Balances stood at £29.7m at 31/3/12. The 2012/13 budget planned to contribute £4.9m to balances which would increase County Fund Balances to £34.6m, around 7% of the Budget Requirement.
- 8.2 Latest forecasts include the planned contribution of £4.9m, which could be increased further depending on the predicted in-year savings. The Budget report approved at Council 28th February approved the use of £15.1m of County Fund balances in 2013/14.

Cash Flow

- 8.3 Cash flow is kept under constant monitoring by the Investment Manager with the overall position reviewed quarterly by the Treasury Management Group. The following graph shows the actual cash balances to date and the forecasts for the remainder of the year. Cash inflows are typically higher at the start of the year due to the front loading receipt of Central Government grants, and the payment profile of precepts. However, cash outflows, in particular capital expenditure, tend to occur later in the year. The peaks and troughs in the graph reflect the temporary investment and repayment of surplus cash balances.



- 8.4 The Treasury Management Group have approved £40m of borrowing to be undertaken before the end of the financial year to fund the capital programme and cover the temporary cash flow shortfalls. This is in line with the Treasury Management Strategy approved at full Council on 28th February 2013.

Debtors and Creditors

- 8.5 The Business Support Centre has recently taken responsibility for the accounts payable function and is reviewing performance data and management information. Several projects are planned and over the coming months, improvements in both are envisaged. Already underway is a project to review the end to end business processes for the recovery of non-statutory debt. The objectives of the project are to develop and implement a common end to end process, improve the invoicing process and develop and implement a debt recovery policy including corporate invoicing standards and payment channel strategy. The lessons learned from this project will be used to support the review of other debt types. Members will be updated further on these improvements in future monitoring reports, with key comparative data being available from the start of the new financial year on an on-going basis.

9. Future developments & strategic issues

- 9.1 The implementation of the Business Management System presented challenges to financial operations within the Council. Issues with the Budgeting and Forecasting process have been addressed through both system improvements and training.
- 9.2 A number of major initiatives to improve financial awareness and accountability across the Authority are also progressing. The upper two tiers of the Finance function have been appointed, the consultation for the remaining structure has also concluded as reported to Policy Committee on 13 March. The Base Budget review has enabled all managers to engage in setting their own budgets for 2013/14 and financial training to managers is also taking place.

9.3 The 2013/14 budget report was approved at Council on 28th February 2013.

Statutory and Policy Implications

- 10 This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATIONS

- 11.1 To note the current position regarding monitoring of revenue expenditure.
11.2 To note the current position regarding monitoring of capital expenditure.
11.3 To approve variations to the capital programme as set out in the report.
11.4 To note that the current level of borrowing is expected to remain within the Council's prudential limits.

Paul Simpson
Service Director – Finance & Procurement

For any enquiries about this report please contact:
Pauline Moore - Senior Accountant, Accounting and Budgeting
Glen Bicknell - Senior Finance Business Partner

Constitutional Comments

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

Financial Comments (PM 22/02/13)

The financial implications are stated in the report.

Background Papers

Nil

Electoral Division(s) and Member(s) Affected

All

20 March 2013

Agenda Item: 6

REPORT OF THE SERVICE DIRECTOR – FINANCE & PROCUREMENT

RESTRUCTURE OF THE FINANCE SERVICE

Purpose of the Report

1. The purpose of this report is to seek approval to further changes in the structure of the Council's Finance and Procurement Division of the Environment and Resources Department and to set out in detail the rationale for the restructuring along with the proposed draft new structure.

Information and Advice

2. In December 2011 the Service Director – Finance and Procurement gave a presentation to all Finance staff setting out the need for the Finance Service to change in order to better deliver organisational priorities and efficiencies and that a new structure was one of the ways this change could be achieved.
3. The business case for change as set out in the delegated decision report of 19 April 2012 is reproduced in Appendix 1 of this report.
4. A Section 188 notice was issued on 28 February 2012 in order to provide affected employees with an early indication of the potential impact of the proposals in contemplation of redundancies and to inform possible mitigations, including the consideration of requests for voluntary redundancy.
5. Following an initial period of 30 days consultation relating to the top two most senior levels of the new structure, together with the subsequent delegated decision agreeing the proposed structure and approving the implementation of the enabling process, these posts have now been appointed to.
6. A further period of 30 days consultation relating to the remaining levels of the new structure concluded on 1 March 2013.

Result of Consultation

7. In response to the consultation the final structure has been amended to keep all support to departments, including PPCS, within the Financial Management Group. In addition, the number of Finance Business Partners supporting Highways, Property, Resources and PPCS has been increased by one post. The

structure also now sets out the proposals on staffing levels following the transfer of responsibility for supporting Public Health Services.

Proposals

8. The posts to be deleted and established for the remaining tiers of the new structure are set out in the table below and the proposed structure is set out in Appendix 2.

Current Posts (to be deleted)	FTE	Proposed Posts (to be established)	FTE
Accountant	25	Finance Business Partner/Accountant/Investment Officer	19
Pensions Accountant	1	Senior Insurance Officer	1
Investment Officer	1	Assistant Business Partner/Assistant Accountant/Loans Officer/Senior Insurance Advisor/Senior Claims Handler/Risk Advisor	15
Loans Officer	1	Accounting Technician/Claims Handler	25
Senior Finance Officer	21	Investment & TM Assistant	1
Finance Officer	23.5	Insurance Technician	2
Finance Assistant	5		
Investment & Loans Assistant	1		
Risk Management & Security Advisor	1		
Assistant Risk Advisor	1		
Insurance & Liability Claims Officer	1		
Senior Insurance Advisor	1		
Insurance Advisor	2.6		
Clerical Assistant	0.4		

Other Options Considered

9. There are no other short term options to addressing the challenges within the Finance Service. Longer term options could be the outsourcing of the Service or collaboration with another local authority. These, however, are not considered appropriate at this time.

Reason/s for Recommendation/s

10. The recommendations are needed to progress to the enabling process for the remaining levels of the new structure.

Statutory and Policy Implications

11. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Implications for service users

12. One of the main reasons for restructuring the Finance Service is to significantly improve the quality of the service provided to customers and key stakeholders.

Financial Implications

13. Provisional estimates for the cost of the new structure suggest that savings of up to £500,000 will be generated in a full year and these will contribute to the overall savings required in the County Council's Medium Term Financial Strategy.

Equalities Implications

14. The restructuring of the Finance Service will be carried out in accordance with the County Council's employment and equalities policies.

Human Resources Implications

15. Staff and trade unions have been fully informed of the rationale for change and have been regularly and appropriately consulted on the proposed new structure.
16. The HR implications have been considered through the consultation process in drawing up the new structure and job descriptions. Appointments to the posts in the new structure will progress in line with the corporate enabling process. Confirmation of grades within the structure will be confirmed through the job evaluation process.

RECOMMENDATION/S

It is recommended that:

- 1) The revised structure shown in Appendix 2 is agreed;

- 2) The enabling process for the remaining levels of the new structure commences as soon as possible.

Paul Simpson
Service Director – Finance & Procurement

For any enquiries about this report please contact:

Neil Robinson
Group Manager – Financial Management
T: 0115 9773578
E: neil.robinson@nottsc.gov.uk

Constitutional Comments ()

Financial Comments (NDR 11/03/13)

The financial implications of the restructure are set out in paragraph 12 of the report.

Background Papers

Electoral Division(s) and Member(s) Affected
N/A

Restructure of the Finance Service – Business Case for Change

1. The Finance function, as a “support service”, does not exist by right. That said, in the current financial climate, the need for effective financial management has perhaps never been greater, and the finance service should be at the heart of the organisation to support the delivery of its’ business objectives.
2. To do this, the service has to work hard to earn the trust and respect of peers and colleagues and demonstrate the added value it can bring. Being a team of “number crunchers” will not be sufficient to achieve this; the service will need to bring insight, knowledge, challenge, financial expertise and business skills to the table to be successful.
3. The new vision for the Finance Service is:

“To be recognised as a customer focused, industry leader in sound and effective financial management and to become renowned for innovative and commercially based financial management practice.”
4. Much of the work that the Finance team currently delivers provides a very sound foundation on which to base this vision, and the restructure of the service is only part of a raft of changes that are aimed at improving the County Council’s overall financial management arrangements.
5. These changes also include the role that the Finance team performs within the wider organisation. Case studies from a recent Chartered Institute of Management Accountants (CIMA), publication on the role of Finance suggests that it needs to change toward a ‘Business Partner’ model of working based on being proactive and having strong business skills. The adoption of this model within the council will deliver greater insight and add value. To achieve this, more automation and process efficiency is needed and the relationships between Finance and the broader business, needs strengthening. We also need to bring

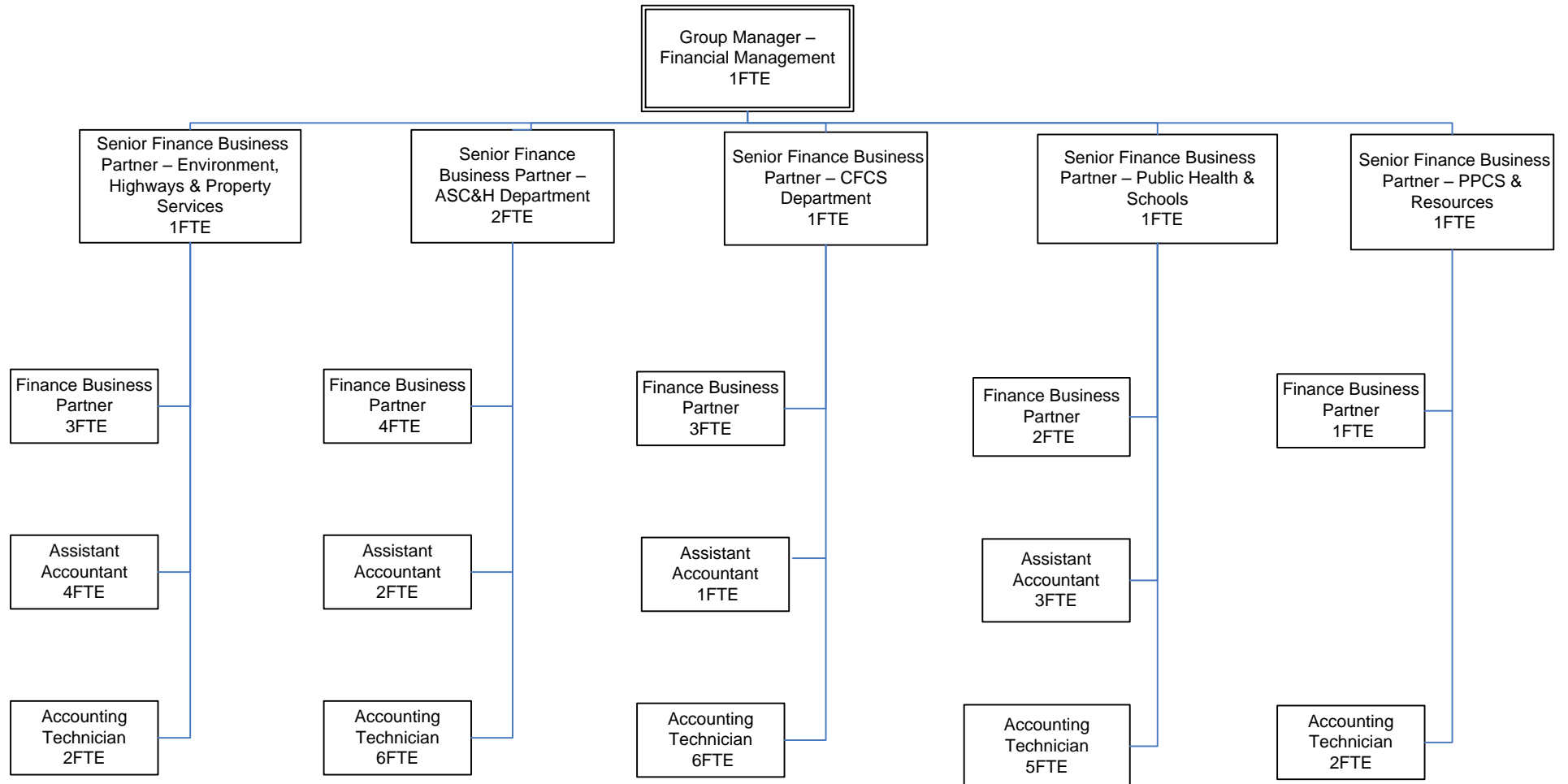
more quality, consistency and new and innovative approaches to the way we work.

6. There are a range of issues that are currently holding back the Finance team from delivering greater success and referencing some of the points highlighted above, they can be categorised as:
 - **Structural** – the way the service is organised
 - **Cultural** – the way things are done and the values and behaviours to support this
 - **Technical** – the actual work done on a day to day basis.
7. **Structural** - The existing structure is fragmented and the groupings of financial management activity lack coherence and rigour. On commencing in post the Service Director addressed this by changing the reporting lines of Internal Audit so that it now reports directly to the Service Director as the council's Section 151 Officer. This initial step strengthened Internal Audits role and shifted its focus onto addressing organisational and strategic risks rather than the more traditional audit activities. A further, separate, review of Internal Audit is being considered, potentially in collaboration with another local authority.
8. The restructure will also improve the effectiveness of the Corporate Accounting team, providing it with the necessary "financial management grip" across the whole organisation. These changes will also ensure a more "joined up" and integrated approach to financial support, as well as implementing a more customer focused "business partner" model to the front facing services.
9. The specialist finance and accountancy functions i.e. Risk and Insurance and Pensions and Treasury Management also currently have different line management arrangements. The intention is to centralise these key functions within the corporate centre.
10. **Cultural** – the overarching customer view of Finance is that the service is not joined up and does not speak or act as "one team". Not only is the service "geographically" disparate, more importantly there is major disparity and inconsistency in terms of common reporting mechanisms, systems, processes and working methods. The change process, coupled with the relocation of the whole service to the fourth floor of County Hall later in the year, should go a long way in breaking down historical silo's, improving communication and providing the building blocks for the greater consistency in working practices that is vital to the future success of the service. This in turn should bring notable improvements and benefits to customers and stakeholders.
11. Integral to this will be the introduction of a culture of setting clear targets and rigorous performance management of staff to reflect the council's core principles and values.
12. **Technical** – the implementation of BMS will fundamentally change the role of the Finance team. However, BMS should not be seen as the reason why the service has to change the way it operates.

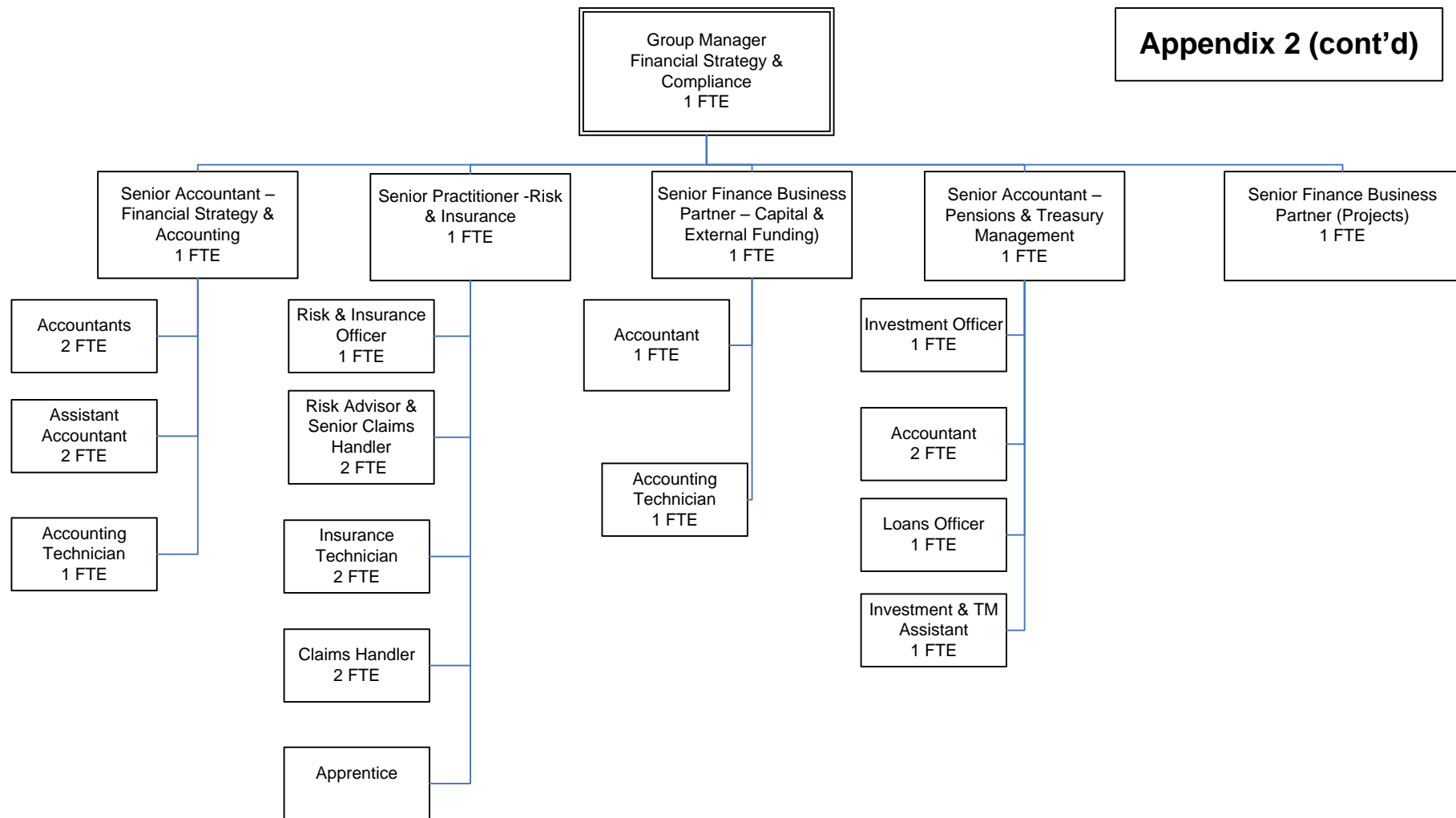
13. Currently the overall service provided is reactive, focused on historical transaction recording and a significant amount of time and resource appears locked into processing journals, recharges and virements with little measurable added value.
14. There are many positive aspects of the service currently provided by the Finance team, for example: final accounts, the groundwork for the budget (concluded a month earlier this year than in the previous year), the good progress being made on the corporate budget monitoring, and the solid performance of the Pension fund. However, there are also some challenges that need to be addressed.
15. Internal Audit is also an area that needs to change as the current approach is grounded in a very traditional methodology and the perception of the quality of the work of the service should be higher than it is. Future resourcing needs to shift the current focus onto the big strategic risks facing the authority and less on relatively minor control issues. Reports also need significant strengthening and development.
16. Work on refocusing the work of the Risk and Insurance team to achieve efficiencies and savings was already progressing with a proposed restructure with the aim of :
- Improving the competitiveness of premiums from Brokers, Insurers and Solicitors
 - Reducing the cost of claims through claims leakage by a 3% reduction which would save £100,000 per year
 - Reducing the current litigation rate in line with the national average.
 - Introducing data recording which allows for performance management and benchmarking and provides good risk management data
17. In order to ensure a consistent approach is taken, the restructure of the Risk & Insurance team is now being subsumed into the overall Finance restructure.
18. The Pensions and Treasury team have presided over a solid performing Pension Fund and the Investment Strategy has been effective in avoiding issues such as the Icelandic Bank collapse that many authorities were caught out by.
19. However, as with other parts of the business, the reports on Treasury Management activity need strengthening, and whilst the Nottinghamshire pension fund has performed well, other funds have managed to achieve better results, which provides an opportunity for Nottinghamshire to learn from.
20. The overall ambition of the changes to the finance team are to reduce complexity and cost , including reducing duplication of systems, streamlining processes and reporting practices improving the reliability of data quality and the quality and timeliness of financial information. These changes will improve stakeholder trust and confidence and, by reviewing, analysing and challenging current information, will improve decision making with clear links to other non-financial performance information and make better use of innovative reporting methods, trend and graphical analysis.

21. In addressing all of the above and delivering improvement accordingly, the proposed new structure will ensure improvement by building in appropriate arrangements for succession planning, providing learning and career development opportunities for Finance staff and will encourage the retention of relevant skills, knowledge and experience, whilst ensuring the council can attract fresh talent where vacancies occur. The future success of the Finance service will, in addition to the other points raised in the report, be dependent upon such arrangements being established and maintained.

Appendix 2



Appendix 2 (cont'd)





18 March 2013

Agenda Item: 7a

**REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &
ENVIRONMENT**

FAIRFIELD PRIMARY SCHOOL, TOTON LANE, STAPLEFORD

Purpose of the Report

1. To seek approval of the Finance and Property Committee to the grant of a 125 year lease on the standard terms set out in the attached appendix to the Academy Trust for Fairfield Primary School, Toton Lane, Stapleford, Nottingham, NG9 7HB together with the detached playing field at Sisley Avenue, Stapleford, Nottingham, NG9 7HB this being subject to subsequent approval of any site specific details.
2. To authorise the Corporate Director, Environment & Resources, (or his nominee) to approve site details and specific conditions in consultation with the Chair (or Vice Chair in his absence) of the Finance and Property Committee.

Information and Advice

Background

3. Councillors are probably aware that the Academies Act 2010 allows maintained schools to become Academies by applying to the Secretary of State for Conversion.
4. Once the conversion order has been granted it requires all parties to enter into a Transfer Agreement.
5. As a part of the Transfer Agreement the County Council is required to transfer the relevant assets currently held by the County Council or the existing governing body to the Academy Trust.
6. On a related matter, Councillors should note that other aspects of Academy Transfer will be reported to the Children & Young People's Committee as appropriate.

7. Fairfield Primary School is shortly to acquire Academy status and as part of the conversion process, governing bodies of Academy Schools are entitled to 125 year full repairing and insuring leases at a peppercorn rent of any Council owned land, forming part of the principal operational School site subject to rights to be reserved and leaseback of Council facilities where appropriate.
8. This report seeks approval to the granting of a 125 year lease to the Academy Trust on the Heads of Terms set out in the *attached* Appendix.

Other Options Considered

9. The Academies Act 2010 does not allow the Authority any options as regards the transfer and therefore no other options have been explored.

Reason/s for Recommendation/s

10. To comply with statutory requirements.

Statutory and Policy Implications

11. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Recommendation

That approval is given to: -

- 1 The grant of a 125 year lease on the standard terms set out in the attached appendix to the Academy Trust for Fairfield Primary School, Toton Lane, Stapleford, Nottingham, NG9 7HB together with the detached playing field at Sisley Avenue, Stapleford, Nottingham, NG9 7HB this being subject to subsequent approval of any site specific details.
- 2 Authorise the Corporate Director, Environment & Resources, (or his nominee) to approve site details and specific conditions in consultation with the Chair (or Vice Chair in his absence) of the Finance and Property Committee.

Jas Hundal

Service Director, Transport, Property and Environment

For any enquiries about this report please contact: Peter Grinnell on 07753 625269

Constitutional Comments (CEH 19.02.13)

12. The recommendations in the report fall within the remit of the Finance and Property Committee.

Financial Comments (TB 15.02.13)

13. The granting of the lease to the academy will reduce the assets held on the Council's balance sheet. This is not a charge against council tax.

Background Papers

14. None.

Electoral Division(s) and Member(s) Affected

15. Ward(s): Bramcote and Stapleford
Member(s): Councillor Stan Heptinstall MBE, Councillor Brian Wombwell

File ref.: /PG/SB/01334 & 90008

SP: 2399

Properties affected: 90008 - Playing Field at Sisley Avenue, 01334 - Fairfield Primary School

APPENDIX

Heads of Terms

Demise:

All that land to be shown as edged red on the Red Line Plans to be prepared for the school for subsequent approval as provided in item 2 above.

Landlord:

Nottinghamshire County Council
County Hall
West Bridgford
Nottingham
NG2 7QZ

Tenant:

The Academy Trust for Fairfield Primary School

Rent:

A peppercorn

Term:

125 years (The lease to be contracted outside the security of tenure provisions of the 1954 Landlord & Tenant Act.).

Outgoings:

The Tenant will be responsible for the payment of all outgoing which are now or may during the term be payable in respect of the Property.

Alienation:

The Tenant will not part with or share the possession or occupation of the whole of the property nor hold the property or any part or parts of the property or this lease on trust for another.

Repair:

The Tenant will keep the Property clean and tidy and make good any damage it causes to the Property and/or any deterioration to the condition of the Property that may arise from the term commencement date.

Signs and Advertisements

The Tenant to notify the Landlord of the affixing or display on the boundaries of the Property other than signs which are required by law to be displayed, do not require planning permission or are necessary or usual for the authorised use of the Property.

Use

The permitted use will be for the purposes of the Academy Trust (as set out in any charitable objects, memorandum and articles of association of the Tenant from time to time) for the provision of educational services and for community, fundraising and recreational purposes which are ancillary to the provision of educational services.

Insurance

The Tenant will:

- Keep the Property insured with a reputable insurance office against loss or damage by the Insured Risks in the sum the tenant is advised represents the Reinstatement Value of the Property from time to time;
- Pay the premiums for insurance promptly as they become due and maintain in force the policies of insurance on the Property;
- Following damages or destruction and subject to obtaining all necessary consents and as soon as may be reasonably practicable, unless it will be impossible or impractical, reinstate the property and lay out all monies in reinstating and rebuilding the property.

Alterations:

The Tenant will not make any external or structural alterations or additions to any structures for the time being on the Property without the Landlord's prior written consent, submitting to the Landlord adequate plans and specifications describing the proposed alteration, addition or variation, consulting generally with the Landlord on the proposed alterations and dealing with any queries that the Landlord acting reasonably may raise.

Statutory Obligations:

Statutory obligations, health and safety and CDM regulations in this clause "regulations" means the construction (design and management) regulations 1994 and "client" "health and safety plan" health and safety file" " planning supervisor" and "principal contractor" have the same meanings as in the regulations;

The Tenant will comply with all laws (including the premises acts) affecting the property, the physical condition or the user of them or the use of any fixtures and fittings in them;

Timescale:

The Tenant will complete the Lease on receipt and agreement of the Legal documentation by their Solicitors.

Legal Costs:

Each party will bear their own legal costs involved in the granting the leases.

Conditions

The above remains subject to: -

- (a) Contract;
- (b) Confirmation that the financial status of the Tenant is acceptable to the Landlord; and
- (c) VAT



20 March 2013

Agenda Item:

**REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &
ENVIRONMENT**

**ACQUISITION OF THE FREEHOLD INTEREST IN LAND ADJACENT TO
NEWCASTLE STREET AND WATSON ROAD, WORKSOP**

Purpose of the Report

1. To seek approval to the purchase of the freehold interest in land adjacent to Newcastle Street and Watson Road, Worksop.

Information and Advice

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.
3.
 - a. Nottinghamshire County Council is undertaking a programme of improvements to its bus stations including refurbishment of existing stock and new-build bus stations. A new bus station is proposed for Worksop.
 - b. A site has been identified in the town centre at Queen Street / Watson Road / Newcastle Street as shown on the attached Proposed Worksop Bus Station Site plan. The proposed scheme involves utilising part of the Queen Street public car park, which is in the ownership of Bassetlaw Council. The scheme also involves the purchase of two parcels of land in private ownership in order to assemble the whole site. One of the parcels, 30-34 Watson Road, was acquired in July 2012. The remaining property on the corner of Newcastle Street and Watson Road, the subject property, is occupied by a florist business and by several "48" sheet advertising hoardings. The land holdings are identified on the Proposed Worksop Bus Station Land Holding plan attached.
4. The terms of the proposed purchase which are commercially sensitive, are detailed in the exempt appendix.

Other Options Considered

5. Other options considered are detailed in the exempt appendix

Reason/s for Recommendation/s

6. To enable purchase of the property

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

8. That the terms for the purchase of Land Adjacent to Newcastle Street and Watson Road, Worksop, as detailed in the exempt appendix, are approved

Jas Hundal

Service Director Transport, Property & Environment

For any enquiries about this report please contact: Eamonn Harnett 0115 977 2028

Constitutional Comments (CEH 20.02.13)

9. The recommendation falls within the remit of the Finance and Property Committee.

Financial Comments (TB 15.02.13)

10. The financial implications are set out in the exempt appendix of the report.

Background Papers

11. Attached in the exempt appendix

Electoral Division(s) and Member(s) Affected

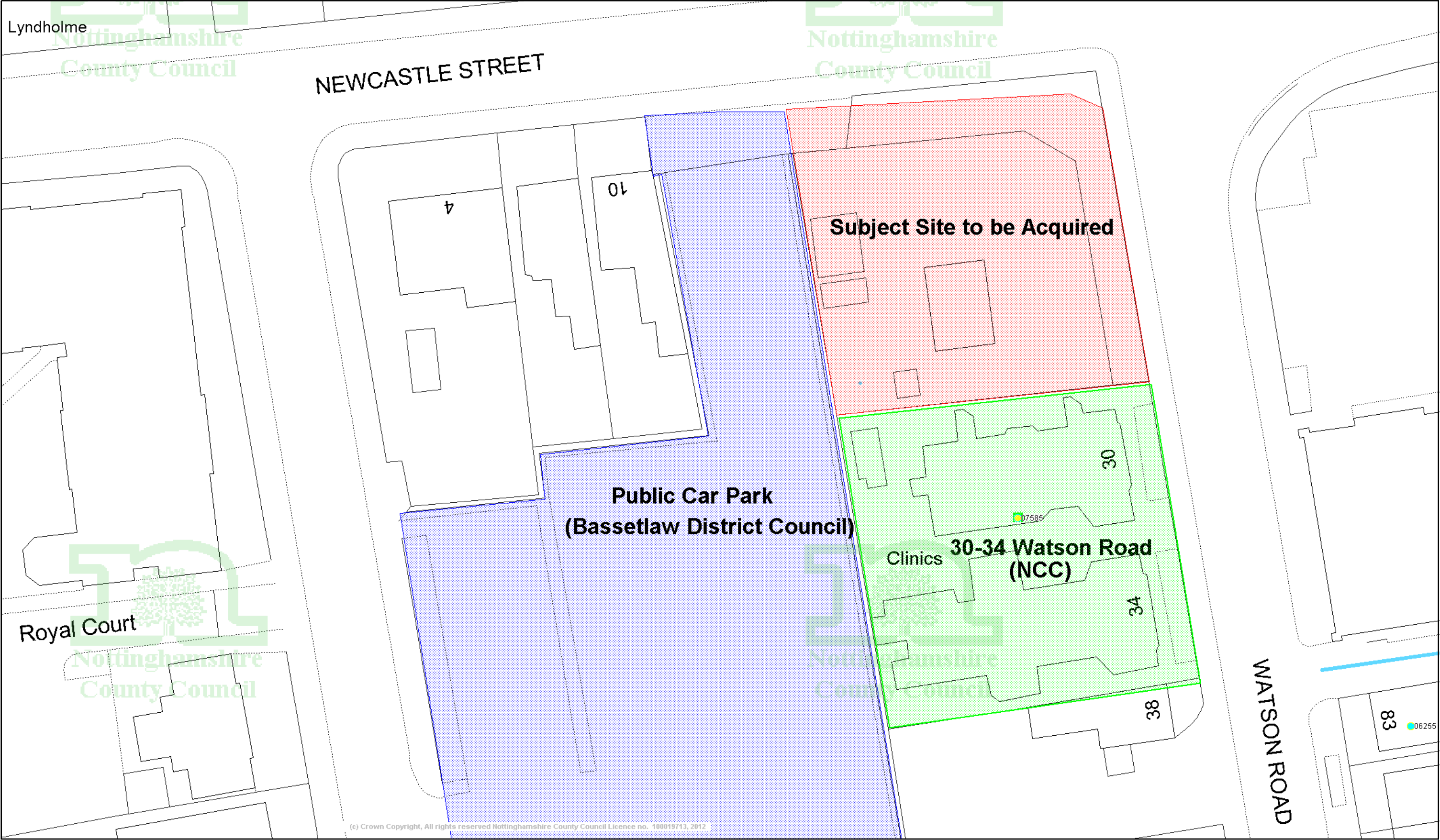
12. Ward(s): Worksop West

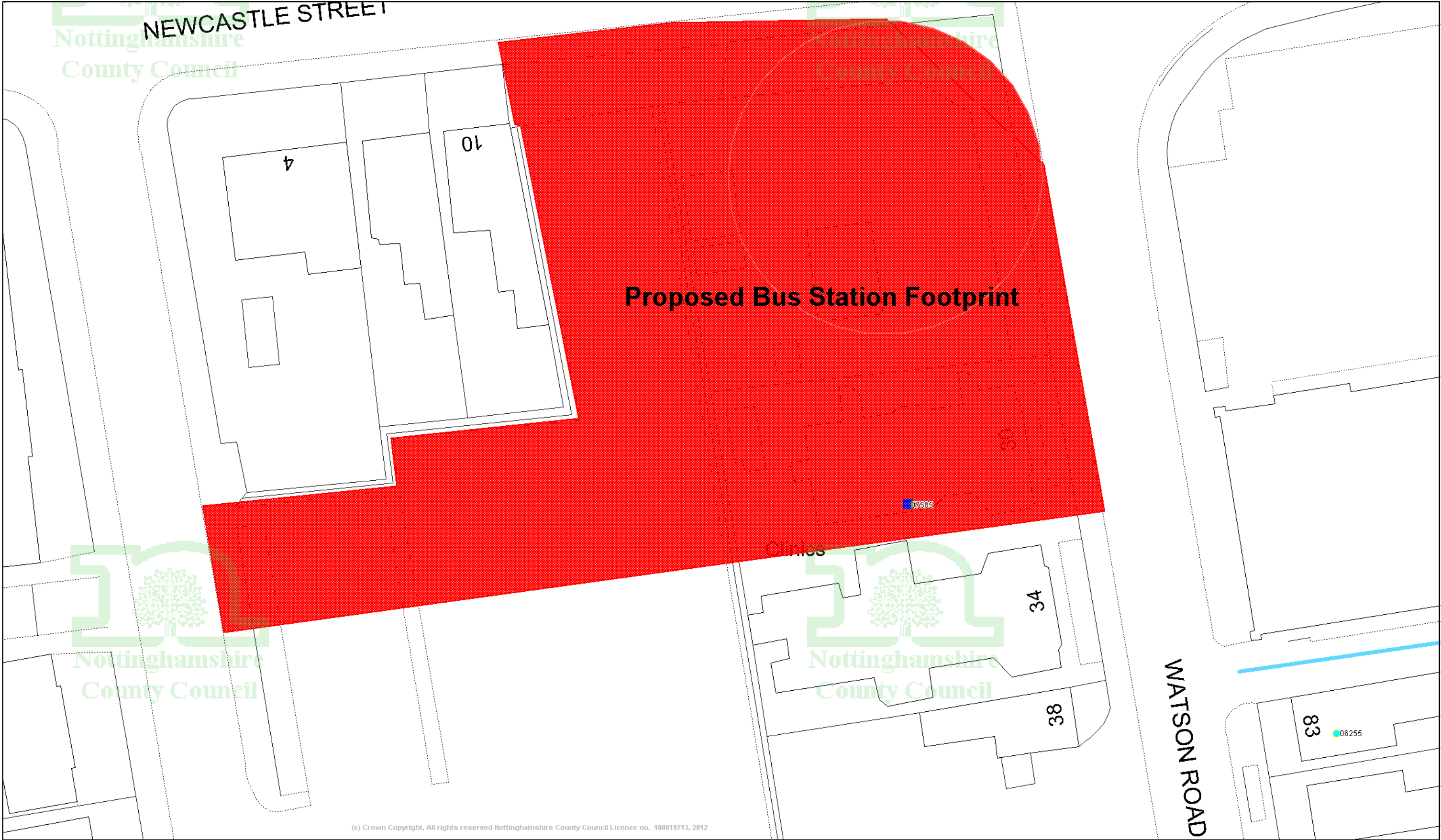
Member(s): Kevin Greaves

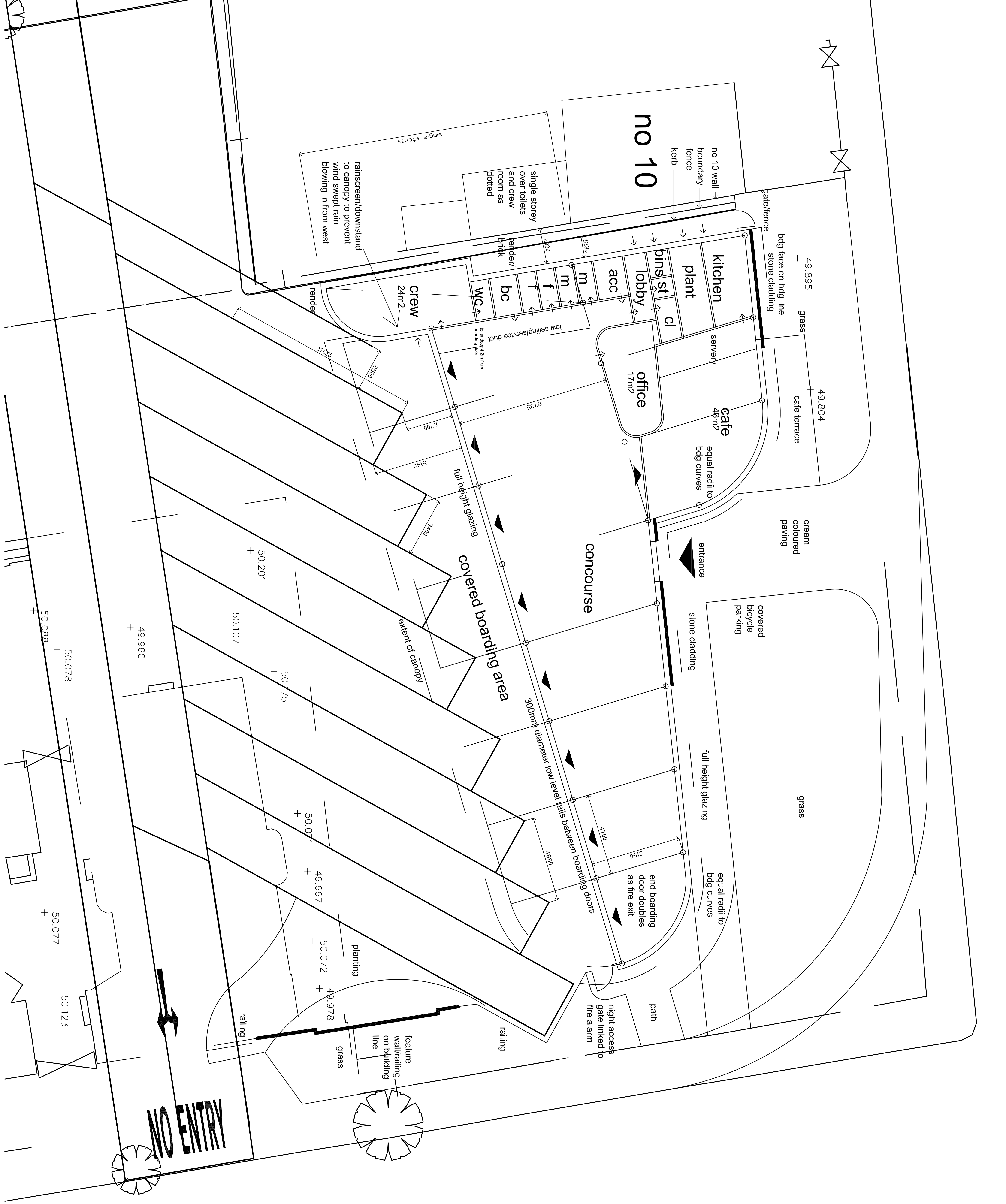
File ref.: /E H/SL/07585

SP: 2400

Properties affected: 07585 - Land at 30 and 34 Watson Road







Drawing Status							
Preliminary	<input checked="" type="checkbox"/>	Building Control	Measurement	Site			
Client Approval		Fire Precautions	Tender	As Built			
Planning		Pre-Tender	Contract				


This drawing should be read in conjunction with all other design information, drawings and documents including all other design consultations, requirements including structural, mechanical, electrical. All dimensions to be verified on site. Figured dimensions to take preference to those scaled. This drawing is Copyright. The drawing is disclosed to any unauthorised person, either wholly or in part without consent in writing.

Any map or a drawing is based upon Ordnance Survey materials with the permission of Ordnance Survey. All other design information, drawings and documents including all other design consultations, requirements including structural, mechanical, electrical. All dimensions to be verified on site. Figured dimensions to take preference to those scaled. This drawing is Copyright. The drawing is disclosed to any unauthorised person, either wholly or in part without consent in writing.

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Health and Safety Information

-	Rev	Description	-	Drawn by	Auth	-	Date
Project WORKSOP BUS STATION							
Property No.			Project No.				
-			27858				
The PLAN							
Scale for A1 drawing 1-100 @A1							
Drawing No.			Drawn		RP		Date
-			Chkd		Auth		Date
-			Auth		Traced		Date
SK20			Rev.		-		
Filename: SK20 Plan.dwg							
 Nottinghamshire County Council							
Trent Bridge House, Fox Road, West Bridgford, Nottingham, NG2 8BU Tel: 0300 0500 80 80							
© Nottinghamshire County Council							



20 March 2013

Agenda Item: 7c

**REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &
ENVIRONMENT**

**STATUTORY COMPENSATION PAYABLE UNDER THE COMPULSORY
PURCHASE ACT 1965 AND THE LAND COMPENSATION ACT 1961 AND 1973
IN RELATION TO THE ACQUISITION OF LAND ADJACENT TO NEWCASTLE
STREET AND WATSON ROAD, WORKSOP**

Purpose of the Report

1. To seek approval to the payment of statutory compensation payable under The Compulsory Purchase Act 1965 and the Land Compensation Act 1961 and 1973 in relation to the acquisition of land adjacent to Newcastle Street, and Watson Road, Worksop.

Information and Advice

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.
3.
 - a. Nottinghamshire County Council is undertaking a programme of improvements to its bus stations including refurbishment of existing stock and new-build bus stations. A new bus station is proposed for Worksop.
 - b. A site has been identified in the town centre at Queen Street / Watson Road / Newcastle Street as shown on the attached Proposed Worksop Bus Station Site plan. The proposed scheme involves utilising part of the Queen Street public car park, which is in the ownership of Bassetlaw Council. The scheme also involves the purchase of two parcels of land in private ownership in order to assemble the whole site. One of the parcels, 30-34 Watson Road, was acquired in July 2012. The remaining property on the corner of Newcastle Street and Watson Road, is occupied by a florist business and by an advertising company which has several "48" sheet advertising hoardings in-situ. The land holdings are identified on the Proposed Worksop Bus Station Land Holding plan attached.
 - c. Compensation is payable to the florist business under The Compulsory Purchase Act 1965 and the Land Compensation Act 1961 and 1973 in relation to the acquisition of land adjacent to Newcastle Street, and Watson Road, Worksop.

4. Some of the terms of the proposed settlement and the calculations of the proposed settlement are commercially sensitive, and so are detailed in the exempt appendix.

Other Options Considered

5. Other options considered are detailed in the exempt appendix

Reason/s for Recommendation/s

6. To enable the purchase of the property and to settle the claim for statutory compensation

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

8. That the payment of statutory compensation under The Compulsory Purchase Act 1965 and the Land Compensation Act 1961 and 1973 in relation to the acquisition of land adjacent to Newcastle Street, and Watson Road, Worksop as detailed in the exempt appendix, is approved.

Jas Hundal

Service Director Transport, Property & Environment

For any enquiries about this report please contact: EAMONN HARNETT 0115 977 2028

Constitutional Comments (CEH 20.02.13)

9. The decision on the recommendation falls within the terms of reference of the Finance and Property Committee.

Financial Comments (TB 15.02.13)

10. The financial implications are set out in the exempt appendix of the report.

Background Papers

11. Attached in the exempt appendix

Electoral Division(s) and Member(s) Affected

12. Ward(s): Worksop West
Member(s): Kevin Greaves

File ref.: /E H/SL/07585

SP: 2401

Properties affected: 07585 - Land at 30 and 34 Watson Road

20 March 2013**Agenda Item:7d****REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &
ENVIRONMENT****DISPOSAL OF PART OF HUCKNALL GATEWAY SITE TO NETWORK
RAIL****Purpose of the Report**

1. To seek Committee approval to dispose of part of the site known as Hucknall Gateway to Network Rail (NR) for the sum of £1 to facilitate the installation of a new footbridge over the railway/tramway.

Information and Advice

2. There have been two recent fatalities at the current pedestrian railway crossing on the southern outskirts of Hucknall. These have raised significant public concerns about the safety of the crossing.
3. Arising from a public meeting, Network Rail plan to erect a new footbridge to replace the crossing. They have approached the County Council with a view to acquiring a strip of land that is in Nottinghamshire County Council (NCC) ownership, which is adjacent to the western side of the railway line, in order to accommodate the bridge ramps.
4. The strip is part of a small (3052m²) isolated piece, as set out on the attached plan, remaining following construction of the Hucknall bypass but not forming part of the adopted highway. The site is split into two sections, north and south, by a large drain. The southern section was landscaped to create a local amenity site as part of the road scheme but the northern section was left as a seasonally wet area and is now overgrown with trees. Once the bypass opened the whole area became neglected as there was nobody to maintain it but following complaints it was eventually placed under the management of NCC Green Estate service.
5. Network Rail requires a 7 metre wide strip along the western railway boundary of the northern section of the site for their bridge construction. They will also need access over the remaining northern section until the bridge has been constructed. There will be a requirement for NR to reinstate this land upon

completion of the construction and for them to erect a boundary fence and maintain thereafter.

6. The Service Director of Youth, Families and Culture has been consulted as well as the Group Manager, Country Parks and Green Estate. They have responsibility for NCC Green Estate management and are in full support of this proposal.
7. Due to the public benefit of the new crossing the County Council is only looking for a nominal consideration of £1 from NR. The transfer of the land will be the County Council contribution towards the scheme.

Other Options Considered

8. The proposed disposal represents the most appropriate way in which Network Rail can acquire the necessary land to construct their bridge. The other option would be to not allow Network Rail to purchase the land. If this option was taken it would mean the bridge could not be constructed and the public may be forced to use a crossing that has raised significant public health concerns in regard to its safety.

Reason/s for Recommendation/s

9. The northern part of the site has minimal recreational, leisure or environmental benefits and therefore, can be considered for disposal for a scheme that has much higher public safety requirements.
10. It would not be in the interest of the County Council to be unsupportive of a scheme that is of significant public benefit.

Statutory and Policy Implications

11. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Implications for Service Users

12. The provision of a safe railway crossing is a significant public benefit.

RECOMMENDATION/S

1. That approval is given to the disposal of the land outlined as set out on the attached plan which forms part of the Hucknall Gateway site to Network Rail for £1, together with temporary access rights during construction of the

proposed footbridge.

Jas Hundal
Service Director, Transport, Property & Environment

For any enquiries about this report please contact: Marie Glaister 0115 9772158

Constitutional Comments (EP 11-March 2013)

13. The recommendations in the report fall within the remit of the Finance and Property Committee.

Financial Comments (TR 11-March 2013)

14. There are no significant financial implications arising from this report.

Background Papers

15. None.

Electoral Division(s) and Member(s) Affected

16. Ward: Hucknall
Member(s): Councillors Tom Irvine, Mick Murphy & Kevin Rostance

File ref.: /MG/SL/70215
SP: 2407
Properties affected: 70215 - Land at Hucknall Lane



20 March 2013**Agenda Item: 7e****REPORT OF SERVICE DIRECTOR - TRANSPORT, PROPERTY &
ENVIRONMENT****THE FORMER NSK SPORTS GROUND, ELM AVENUE, NEWARK****Purpose of the Report**

1. The purpose of this report is to seek approval to a 50 year lease to Newark and Sherwood District Council of the former NSK Sports Ground at Elm Avenue, Newark on terms as set out in this report.

Information and Advice**2. Nottinghamshire County Council purchase in 2004**

The former NSK site 6.19 ha (15.29 acres) was acquired by the County Council in January 2004 for £375,000 and was subject to various covenants and restrictions, namely,

- a right of way for pedestrian access only
- the use is for playing fields only
- any sale within a 21 year period from acquisition will be subject to an overage of 75 per cent of the difference between the original purchase price and the enhanced value

3. Following purchase of the site the County Council entered into a Maintenance Agreement with NSK (Sports and Social Club) whereby they continued to maintain the land for an annual payment of £5,000 which can be terminated by 6 months written notice at any time.

NOTTINGHAMSHIRE OLYMPIC SPORTING LEGACY

4. In addition to the County Council's land as described above and the District Council own the Cycle Track 1.92 ha (2.52 acres) and the Town Council owns 3.73 ha (9.21 acres) of disused allotments and 1.79 ha (4.42 acres) active allotments.
5. The District Council in collaboration and partnership with the County Council and Newark Town Council plans to develop a major new £5m sporting hub. The precise range of facilities to be provided will be determined in full consultation with existing users of the site, local sporting associations and

groups and the wider community.

6. The sporting hub will adjoin a proposed new £12m leisure centre which is planned to replace the facilities at the Grove Leisure Centre, Balderton.
7. The aspiration is that the hub will help local clubs and the community to capitalise on the enthusiasm and legacy of the London 2012 Olympics by increasing participation across a range of sporting activities. The sporting hub will create sporting facilities that the people of Newark can be proud of.
8. The Committee is no doubt aware that the County Council has created £1.7m fund for the Olympic Legacy; which is one of the biggest of this type in the Country. This will help to develop stars for future Olympics.
9. The site comprising the land owned by the three Councils is shown on the **attached** plan.
10. The legacy funding was backed by Lord Sebastian Coe, Chair of the London Organising committee of the Olympic and Paralympic Games, who described the initiative as, a fantastic example of how a legacy for London 2012 can be created at a local level.

GRANT OF 50 YEAR LEASE

11. In order to enable this development of the sporting hub as outlined above it is recommended that a 50 year lease on the following terms be approved by the Committee.

1. **Parties**

The parties to this agreement are Nottinghamshire County Council and Newark & Sherwood District Council.

2. **Property**

Nottinghamshire County Council is the freehold owner of approximately 15.29 acres of land known as the former NSK Sports Site, Elm Avenue, Newark as outlined in red on the attached plan.

3. **Term**

The County Council will grant a lease of the land to the District Council for a term of 50 years with the option after the lease expiry to renew for a further 50 year term.

4. **Rent**

The rent payable will be £1,200 per annum payable quarterly in advance exclusive of rates and all other outgoings with no provision for rent review throughout the term.

5. **Tenure**

The lease will not be contracted out of the 1954 Landlord and Tenant Act.

6. **Use**

The site is to be used for the purposes of a sports field provided that if NSK Bearings Europe Limited enter to an appropriate variation of the covenant restricting the use of the site then the site may be used for the purposes of development of a sports hub and associated ancillary and incidental facilities to include without limitation the erection of a club house or club houses, stadium or stadiums, changing rooms, washing facilities, and the erection of any other building or buildings associated with the use of the sports hub and the provision of sporting facilities; the creation of pitches, synthetic tracks and similar facilities and the construction of a car park or car parks to serve the sports hub and adjoining leisure centre and doctors surgery, together with ancillary lighting and flood lighting and the use of all such facilities for sports and recreation and all ancillary social and fundraising activities, subject to the tenant being responsible for any additional consideration payable as a result of the development under the terms of the transfer dated 30th January 2004, made between NSK Bearings Europe Limited and the Nottinghamshire County Council. In the event that the District Council obtain the said consent from NSK as detailed above the District Council shall notify the County Council in writing

The use of the site for any other purpose will require the consent of the Landlord.

7. **Alienation**

The County Council will permit the District Council to sublet in whole or in part subject to prior written consent (such consent not to be unreasonably withheld) and also subject to any sub-tenants entering into a deed of covenant in accordance with the provisions of the Deed of Covenant to be entered into by the Tenant. The District Council will have the right to licence use of sports pitches on a play and pay basis, provided that no relationship of Landlord and Tenant is created.

8. **Maintenance**

The District Council shall be responsible for repairing and maintaining the site in full including all boundary hedges. In the event of Nottinghamshire County Council being required by NSK Bearings Europe Limited to erect a boundary fence along the boundary with the NSK (Nottinghamshire) Sports and Social Club, the District Council undertakes to erect such boundary fence on the County Council's behalf and at the District Council's cost. The District Council to be responsible for the cost and maintenance thereafter.

9. **Deed of Covenant**

The District Council will enter into a Deed of Covenant as prescribed in the TP1 dated 30 January 2004 between NSK Bearings Europe Limited and Nottinghamshire County Council.

10. **Costs**

Each party will bear their own legal costs for the preparation of the lease.

11. Insurance

The District Council will insure the premises for re-instatement purposes and will carry public and employers liability insurance up to a maximum cover of £5 million. The District Council will indemnify the County Council in respect of any claims arising from its use of the premises including contents insurance if appropriate.

12. Nuisance

The District Council shall not cause any nuisance, inconvenience, interference or disturbance to any neighbouring or adjoining property.

13. Management Agreement

On completion of the Lease the County Council will novate the Management Agreement with NSK (Nottinghamshire) Sports and Social Club to the District Council.

14. Indemnity

The District Council to indemnify and save harmless the County Council from and against all actions, claims and demands either at common law or otherwise howsoever caused, arising out of the use of the Demised Premises and from and against all costs and expenses occasioned by the County Council thereafter.

15. Reinstatement

The District Council will yield up the Demised Premises to the County Council's satisfaction at the end of the lease.

16. Right of Way

County Council to pass the benefit of the pedestrian right of way to Elm Avenue contained in the Transfer dated 30th January 2004 (clause 13.3) to the District Council.

Other Options Considered

12. A sale of the land was considered however disposal by way of a long leasehold was felt to be preferential in that it will enable the funds that would have been used to purchase the site to be invested into the new facilities whilst also enabling the County Council to retain an interest in the site.

Reason/s for Recommendation/s

13. The Lease enables the County Council to support the Nottinghamshire Olympic Sporting Legacy and to retain an interest in the site.

Statutory and Policy Implications

14. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder,

human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

1. That approval is given to the granting of a 50 year lease to Newark and Sherwood District Council of the former NSK Sports Ground at Elm Avenue, Newark on terms as set out in this report.

Jas Hundal

Service Director - Transport, Property & Environment

For any enquiries about this report please contact: Luke Smith 0115 977 2082

Constitutional Comments (EP 11-March-2013)

15. The recommendations in the report fall within the remit of the Finance and Property Committee.

Financial Comments (PS 11-March 2013)

16. The proposed lease is at less than commercial value in order to support social wellbeing by the establishment of a new leisure facility.

Background Papers and Published Documents

17. None.

Electoral Division(s) and Member(s) Affected

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

File ref.: /IB/SB/00725

SP: 2412

Properties affected: 00725 - NSK Sports Ground

Bowbridge Road, Newark



Plan provided by: dlc



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(100019713)

Produced using ArcGIS software.
Ref: shared/GIS Plan/NSK Plan

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

20 March 2013**Agenda Item:****REPORT OF CORPORATE DIRECTOR, POLICY, PLANNING AND
CORPORATE SERVICES****WORK PROGRAMME****Purpose of the Report**

1. To consider the Committee's work programme for 2012/13.

Information and Advice

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the committee's agenda, the scheduling of the committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and committee meeting. Any member of the committee is able to suggest items for possible inclusion.
3. The attached work programme has been drafted in consultation with the Chairman and Vice-Chairman, 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 new committee arrangements, 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 finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

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

Jayne Francis-Ward
Corporate Director, Policy, Planning and Corporate Services

For any enquiries about this report please contact: Paul Davies, x 73299

Constitutional Comments (HD)

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

Financial Comments (PS)

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

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All

FINANCE & PROPERTY COMMITTEE - WORK PROGRAMME

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>For Decision or Information ?</u>	<u>Lead Officer</u>	<u>Report Author</u>
18th March 2013				
Monthly Budget & Capital Monitoring Report 2012/13	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Paul Simpson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various
Procurement	Overview of procurement	Info	Paul Simpson	
22nd April 2013				
Quarterly Progress Report	Review of performance (Jan – Mar).	Info.	Various	
Monthly Budget & Capital Monitoring Report 2012/13	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Paul Simpson	Pauline Moore
Insurance Tender	Follow up report on insurance tender process	Info.	Paul Simpson	Anne Hunt
Property Transactions	Various	Decision	Jas Hundal	Various
September 2013				
Local Authority Mortgage Scheme	Progress report after first 6 months	Info	Paul Simpson	Nigel Stevens

