

## **Finance and Property Committee**

**Monday, 22 April 2013 at 10:30**

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

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### **AGENDA**

- |     |  |         |
|-----|--|---------|
| 1   | Minutes of the last meeting held on 20 March 2013  | 5 - 8   |
| 2   | Apologies for Absence  |         |
| 3   | Declarations of Interests by Members and Officers:- (see note below)<br>(a) Disclosable Pecuniary Interests<br>(b) Private Interests (pecuniary and non-pecuniary) |         |
| 4   | Insurance Tender   | 9 - 14  |
| 5   | Overview of Property, Strategy and Performance 2012-13   | 15 - 34 |
| 6   | Financial Monitoring Report  | 35 - 52 |
| 7   | Property Transactions:   |         |
| (a) | Uplift payment - Whatton Lodge Farm, Whatton   | 53 - 58 |
| (b) | Hucknall Town Centre Improvement Scheme - Property Acquisition - 28 Titchfield Street  | 59 - 62 |
| (c) | Hucknall Town Centre Improvement Scheme - Land Purchase  | 63 - 66 |
| (d) | Disposal of former Caretaker's Dwelling, 27 Edward Close, Hucknall   | 67 - 74 |

(e)	Land off Highfield Road, Clipstone - Grant of Easement	75 - 82
(f)	Disposal of Land at Halam C of E Primary School	83 - 90
(g)	Dewberry Hill, Radcliffe-on-Trent	91 - 98
(h)	Mansfield Library - Grant of Sub-Lease	99 - 110
(i)	Early Surrender of Lease to British Canoe Union, National Watersports Centre	111 - 118
(j)	Proposed Licence of Land at Broomhill Farm, Nottingham Road, Hucknall	119 - 128
(k)	Mansfield Children's Community Centre, Somersall Street, Mansfield	129 - 136
8	Work Programme	137 - 140
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) Uplift Payment - Whatton Lodge Farm
  - (b) Hucknall Town Centre Improvement Scheme: Property Acquisition - 28 Titchfield Street
  - (c) Hucknall Town Centre Improvement Scheme: Land Purchase
  - (d) Disposal of Former Caretaker's Dwelling, 27 Edward Close, Hucknall
  - (e) Land off Highfield Road, Clipstone - Grant of Easement
  - (f) Disposal of Land at Halam C of E Primary School
  - (g) (Not allocated)
  - (h) Mansfield Library - Grant of Sub-Lease
  - (i) Early Surrender of Lease to British Canoe Union, National Watersports Centre
  - (j) Proposed Licence of Land at Broomhill Farm, Nottingham Road, Hucknall
  - (k) Mansfield Children's Community Centre, Somersall Street, Mansfield

### **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](http://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	20 March 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  
A Ken Rigby  
Mel Shepherd  
Martin Suthers  
Lynn Sykes

**OFFICERS IN ATTENDANCE**

Sara Allmond, Democratic Services Officer  
Sue Blockley, Property Reports Officer  
Ian Brearley, Estates Specialist  
Steve Carter, Interim Procurement Group Manager  
Tim Gregory, Corporate Director, Environment and Resources  
Elizabeth Sanders, Property Strategy Officer  
Paul Simpson, Service Director, Finance and Procurement  
Nigel Stevenson, Group Manager, Corporate Accounting

**MINUTES**

The minutes of the last meeting held on 25 February 2013 were confirmed and signed by the Chairman.

**MEMBERSHIP**

It was reported that Councillor Lynn Sykes had been appointed in place of Councillor Chris Barnfather for this meeting only.

## **APOLOGY FOR ABSENCE**

Apologies for absence were received from Councillor John Clarke (other reason) and Councillor Ken Rigby (Medical/Illness).

## **DECLARATION OF INTEREST**

None

## **FINANCIAL MONITORING REPORT**

### **RESOLVED: 2013/026**

- (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) That the variations to the capital programme be approved 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.

## **PROCUREMENT: PRESENTATION BY STEVE CARTER, INTERIM GROUP MANAGER, PROCUREMENT**

Steve Carter gave a presentation on the work of the procurement team and responded to comments and questions from Members.

### **RESOLVED: 2013/027**

That the presentation be received.

## **RESTRUCTURE OF THE FINANCE SERVICE**

### **RESOLVED: 2013/028**

- (1) That the revised structure, as shown in Appendix 2 of the report, be agreed;
- (2) That the enabling process for the remaining levels of the new structure commences as soon as possible.

## **PROPERTY TRANSACTIONS**

### **FAIRFIELD PRIMARY SCHOOL, TOTON LANE, STAPLEFORD**

### **RESOLVED: 2013/029**

- (1) That the grant of a 125 year lease be approved on the standard terms, as set out in the appendix to the report, 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) That the Corporate Director, Environment and Resources (or his nominee) be authorised to approve site details and specific conditions in consultation with the Chairman (or Vice-Chairman in his absence) of the Finance and Property Committee.

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

**RESOLVED: 2013/030**

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

**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 NEWCAST3 STREET AND WATSON ROAD, WORKSOP**

**RESOLVED: 2013/031**

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, be approved.

**DISPOSAL OF PART OF HUCKNALL GATEWAY SITE TO NETWORK RAIL**

**RESOLVED: 2013/032**

That the disposal of the land edged red which forms part of the Hucknall Gateway site to Network Rail for £1, together with temporary access rights during construction of the proposed footbridge be approved.

**THE FORMER NSK SPORTS GROUND, ELM AVENUE, NEWARK**

**RESOLVED: 2013/033**

That the granting of a 50 year lease to Newark and Sherwood District Council of the former NSK Sports Group at Elm Avenue, Newark be approved on terms as set out in the report.

**WORK PROGRAMME**

**RESOLVED: 2013/034**

That the work programme be noted.

## **EXCLUSION OF THE PUBLIC**

**RESOLVED: 2013/035**

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

## **EXEMPT INFORMATION ITEMS**

### **EXEMPT APPENDICES TO PROPERTY TRANSACTION REPORTS**

#### **ACQUISITION OF LAND ADJACENT TO NEWCASTLE STREET AND WATSON ROAD, WORKSOP**

**RESOLVED: 2013/036**

That the terms of the proposed acquisition of Land Adjacent to Newcastle Street and Watson Road, Worksop be noted.

#### **STATUTORY COMPENSATION PAYABLE IN RELATION TO ACQUISITION OF LAND ADJACENT TO NEWCASTLE STREET AND WATSON ROAD, WORKSOP**

**RESOLVED: 2013/037**

That the amount and 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, be noted.

The meeting closed at 11.30 am.

**CHAIRMAN**

**22 April 2013****Agenda Item: 4****REPORT OF SERVICE DIRECTOR FINANCE AND PROCUREMENT****INSURANCE TENDER****Purpose of the Report**

1. This report seeks to inform the Committee of the tender process that has been carried in respect of the Council's insurance contracts and advise them of the decision made by the Service Director for Finance and Procurement in consultation with the Chairman of the Finance and Property Committee with respect to the award of the contract.

**Information and Advice**

2. An Official Journal of the European Union (OJEU) tender process has been carried out for the placement of the Council's insurance portfolio which is due for renewal on the 1 May 2013. A report was presented to the October 2012 Finance and Property Committee which provided details of the reasons for the tender and the strategy that was to be followed.
3. At the October committee meeting the decision to award the contracts was delegated to the with Chairman of the Finance and Property Committee in consultation with Service Director, Finance and Procurement
4. The bids in response to the tender have been evaluated by the Risk and Insurance Manager, The Risk Officer, Procurement and the Council's broker Gallagher Heath. The evaluation has been carried out in line with the criteria contained within the Invitation to Tender (ITT), which depending on the type of insurance covered, price, policy cover, claims handling and other benefits.
5. It should be noted that, in what is a limited market, there has been an excellent response to the tender. This is partly due to the amount of pre-work that the Risk and Insurance Team and the brokers did with the potential bidders to help them understand the risk. Thanks must also be given to other officers across the Council that supported the preparation of a very detailed Invitation to Tender.
6. Bids were received from Zurich Municipal and RMP who responded to all lots, Travelers who bid for the liabilities and motor with CHUBB, ACE and Allianz responding to some of the specialist lots.

## Outcome of the Evaluation

7. The outcome of the tender has been extremely positive. In a time when the insurance market is generally quoting higher premiums the exercise has generated savings estimated at £650,000 and an improved level of insurance cover.
8. The evaluation of the tender was extremely complex, with insurers all quoting slightly different policy terms. Quotes were provided with various levels of excess and the added variable of two insurers quoting with discounts for the award of all lots. Given the number of variables the outcome has been remarkably close.
9. In order to evaluate the best package the “total cost of risk” has had to be considered. This is the sum of the external premium quoted and the cost of funding claims falling below the excess. The cost of claims falling under the excess can only ever be an estimate, and for this process, figures provided from an actuarial review of the Council’s historic losses have been used. As you would expect the higher the excess, the higher the estimated cost of self-funded claims but, in return a lower premium.
10. The package that has been approved moves the Council from a £100,000 excess on its liability and third party motor policy to a £250,000 excess which is not out of line with other large authorities. Clearly, moving to a higher excess exposes the Council to a potentially higher cost of claims but, given the savings involved this is a calculated risk. There is the reassurance that the Council’s financial liability is capped by the insurance policy’s “aggregate stop loss” which is the cumulative value of claims at which the insurers take on full financial responsibility for paying all claims.
11. The scores for the top six options are shown in appendix A. It can be seen that option 4 gives the best overall score of 623 out of 700. This places the Liability, Motor, Property and Fidelity Guarantee policies with Zurich Municipal, the Computer with Allianz, the Personal Accident and Travel (School Journey) with ACE and the Staff and Members Personal Accident with CHUBB. The closest result which gives an alternative provider for the major policies is option 5 at 610 points; this would place the major risks with RMP.
12. The new contract is on the basis of a 3 year long term agreement with the option to extend for a further 2 years
13. The tender has achieved a saving in external premiums of £246,000 per year and an estimated saving in the total cost of risk of £130,000 per year, potentially £650,000 over the maximum life of the contract. A summary of the savings between the 2012-13 total cost of risk and the total cost of risk under option 4, is shown below. It must be noted that these savings come on top of the saving of £282,000 saving negotiated for the 2012-13 renewal.

	<b>2012-13 Renewal</b>	<b>Tender Quotation</b>	<b>Saving</b>
External Premium	£1,849,000	£1,603,000	-£246,000
Estimated Cost of Self-Funded Claims	£3,180,000	£3,296,000	£116,000
<b>Total Estimated Cost of Risk</b>	<b>£5,029,000</b>	<b>£4,898,000</b>	<b>-£130,000</b>

14. The tender exercise has not only generated savings but it has been used as an opportunity to improve the level of cover and remove some of the anomalies with the existing arrangements. The significant changes are summarised in appendix B. Two of the potentially most beneficial changes are the move to a per event, rather than per property excess, for losses arising from earthquake, storm, flood and escape of water and the reduction of the excess on the Fidelity Guarantee policy from £1m to £250,000.
15. Part of the savings will relate to schools. At this point we do not have the detailed split from insurers and so are unable to calculate the impact on the County Council and Schools. The value of the retained saving will become clearer in due course.
16. The charges to schools have already been set and communicated and so it would not be practical to adjust their 2013-14 charges at this point. The conversions to academies create volatility in the Insurance Fund as they create another dynamic in estimating the funding required for claims under the excess. It is considered prudent to retain a proportion of any savings that relate to schools within the Insurance Fund and ring fence the balance for risk management initiatives.

#### **Points for Post Award Clarification**

17. Zurich Municipal's liability bid was for a £50m limit of indemnity as opposed to the requested level of £60m. This means that an excess layer policy will have to be purchased elsewhere in the insurance market (this is not an unusual situation). To give a consistent evaluation an assumption has been made that the layer will cost £20,000 which is the premium RMP included in their quotation. Our Insurance Brokers have confirmed, that in their experience, £20,000 is a fair estimate. This will have been resolved before the start of the new contracts on 1 May 2013.
18. As part of the Computer lot, quotations were requested for Cyber Cover. This is a risk that the Council does not currently insure and none of the insurers that responded would quote for this specialist area of cover. It is therefore proposed that once the tender has been fully completed, this area is revisited with relevant colleagues and consideration be given to approaching specialist markets.
19. The Council currently only has a £5m limit of indemnity on its Fidelity Guarantee Policy which is considered low and is out of line with other large authorities. In the evaluation the quotes at £5m have been used however, the proposed insurer has also quoted at a level of £20m which would incur an additional £36,000 in premium. The advice from the Council's brokers is that consideration should be given to moving to the higher level.

#### **Statutory and Policy Implications**

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

## **Financial Implications**

21. The financial implications are laid out in paragraph 12 of the report.

## **RECOMMENDATION/S**

18. It is recommended that members note this report and the decisions made by the Service Director for Finance and Procurement in consultation with the Chairman of the Committee which were:

- a. That the Council place its insurances, in line with option 4.
- b. That the limit on the Fidelity Guarantee policy is increased from £5m limit to £20m.
- c. That the impact of the tender on the County Council is built into the insurance recharges for 2013-14.
- d. The savings relating to schools in 2013-14 are retained in the Insurance Fund with a proportion being earmarked for risk management work in schools and that from 2014-15 the savings are passed on.
- e. That options for the excess layer of £10m on the liability policy should be obtained and so long as the premium is the region of the estimated £20,000 that the cover is placed. Should the premium significantly exceed £20,000 a further report should be brought before the Chairman of the Finance and Property Committee and the Service Director for Finance and Procurement.

**Paul Simpson – Service Director – Finance and Procurement**

**For any enquiries about this report please contact:**

Anne Hunt  
Risk and Insurance Manager  
[anne.hunt@nottsscc.gov.uk](mailto:anne.hunt@nottsscc.gov.uk)

## **Constitutional Comments**

22. None – report for information only

## **Background Papers and Published Documents**

None

## **Electoral Division(s) and Member(s) Affected**

All



## Appendix A – Summary Evaluation

Option	1	2	3	4	5	6	7	8	
1 Liabilities	ZM	RMP	ZM	ZM	RMP	RMP	Travelers	Travelers	
2 Motor	ZM	RMP	ZM	ZM	RMP	RMP	Travelers	Travelers	
3 Computer	ZM	RMP	ZM	Allianz	Allianz	Allianz	Allianz	Allianz	
4 Personal Accident and Travel (School Journey)	ZM	RMP	Ace	Ace	Ace	Chubb	Ace	Ace	
5 Property (excluding terrorism)	ZM	RMP	ZM	ZM	RMP	RMP	ZM	ZM	
6 Fidelity Guarantee	ZM	RMP	ZM	ZM	RMP	RMP	ZM	ZM	
7 Personal Accident (Excluding School Journeys)	ZM	RMP	Chubb	Chubb	Chubb	Chubb	Chubb	Chubb	
<b>Total Score</b>	<b>560.00</b>	<b>488.29</b>	<b>610.32</b>	<b>622.8</b>	<b>609.85</b>	<b>595.56</b>	<b>584.39</b>	<b>568.209</b>	<b>700</b>

## Appendix B – Changes to Cover

Lot	
1 Liabilities	<ul style="list-style-type: none"> <li>• Increase of excess from £100,000 to £250,000</li> <li>• Reduction of aggregate stop loss (cross class with motor) from £4.7m to £3.95m</li> <li>• Fixed cost for claims handling rather than per claim</li> <li>• Environmental liability cover (limited to statutory cover) £1m now included</li> <li>• Options for NCC Claims Handlers to attend training sessions that insurers provide for their own staff</li> </ul>
2 Motor	<ul style="list-style-type: none"> <li>• Increase of excess from £100,000 to £250,000</li> <li>• Reduction of aggregate stop loss (cross class with motor) from £4.7m to £3.95m</li> <li>• Fixed cost for claims handling rather than per claim</li> <li>• New insurer has offered the opportunity to link into a much more pro active claims handling service which should help to reduce the cost of self funded claims</li> </ul>
3 Computer	<ul style="list-style-type: none"> <li>• No significant change</li> </ul>
4 Personal Accident and Travel (School Journey)	<ul style="list-style-type: none"> <li>• No significant change</li> </ul>
5 Property (excluding terrorism)	<ul style="list-style-type: none"> <li>• Per event rather than per property excess now applies to losses arising from earthquake, storm, flood and escape of water</li> <li>• Increased inadvertent to insure limit from £5m to £25m</li> <li>• Cover now included for the motor accumulation risk (ie damage to multiple vehicles while parked at a depot)</li> <li>• Cover now included for private properties where the Council has been appointed as deputy – risk was previously wholly self insured</li> <li>• Business Interruption period of cover increased from 48 months to 60 months at no extra premium</li> <li>• Contingency cover for academies now included</li> </ul>
6 Fidelity Guarantee	<ul style="list-style-type: none"> <li>• Reduction of excess from £1m to £250,000 keeping the level of risk in line with other policies and giving the Council greater protection</li> </ul>
7 Personal Accident (Excluding School Journeys)	<ul style="list-style-type: none"> <li>• No change</li> </ul>

**22 April 2013****Agenda Item: 5****REPORT OF SERVICE DIRECTOR FOR TRANSPORT, PROPERTY AND  
ENVIRONMENT****OVERVIEW OF PROPERTY STRATEGY AND PERFORMANCE 2012/13****Purpose of the Report**

1. The purpose of the report is to provide the Committee with an update of the County Council's Property Strategy and its on-going delivery together with the performance information.

**Information and Advice**

2. A number of property plans, reviews and programmes underpinning the Property Strategy are implemented to deliver the Council's service objectives as outlined in this report, namely: Partnership Working, Capital Receipts Programme, Strategic Land Disposal, Property Reviews, and Capital Property Programmes.

**Summary of Achievements during 2012/13****Strategic Planning and Capital Receipts**

- Total value of capital receipts with payment received in year; £2.49m
- Total value of offers now accepted on property sales with payment due beyond April 2013; £20.17m
- Additional 131 Ha of council owned potential development land promoted through the local development frameworks, an increase of 116% (from 113 Ha) in 2011/12, bringing the total to 244 Ha.
- Additional 76 Ha of council owned land with newly designated development allocations, an increase of 71% (from 107 Ha) in 2011/12, bringing the total allocations to 183 Ha with an indicative gross development value in the region of £110m.

**Refurbishment Programmes**

- £4.85m multi-purpose Day Services buildings refurbishment of 10 buildings delivered on time and under budget.
- £11.6m Library refurbishments programme developed and approved
- To date delivered/started nearly 100 school capital refurbishment projects with a total investment approaching £30m.
- Nottinghamshire awarded 15 Priority Schools Building Programme projects by central government based upon advice and information provided by Property working in conjunction with Children's Families and Cultural Service (CFCS). This was the highest number of projects awarded to any Authority.

### **New Build/Extensions**

- £5.3m West Bridgford library and young people's centre redevelopment completed on time and to cost
- £9m Mansfield bus station designed and built and completed on time and to cost
- Heymann Primary School Annexe successfully underway within extremely tight timescale
- Strategic developments at Sherwood Visitor Centre and Rufford Country Park
- County Council sites identified and leases completed for new developments within the Extra Care procurement process

### **Capital and Maintenance Programmes**

- c.£25m capital programme management
- Delivery of £14m capital maintenance and H&S programme within budget
- Successfully maintained OHSAS accreditation

### **Strategic Reviews/Transfers**

- Smallholding review completed and sales achieved
- Industrial unit review completed and sales achieved
- 52 academy transfers completed with 13 ongoing
- Future of National Watersports Centre secured
- Urgent relocation of County Supplies completed
- £20m investment in the Ways of Working Programme

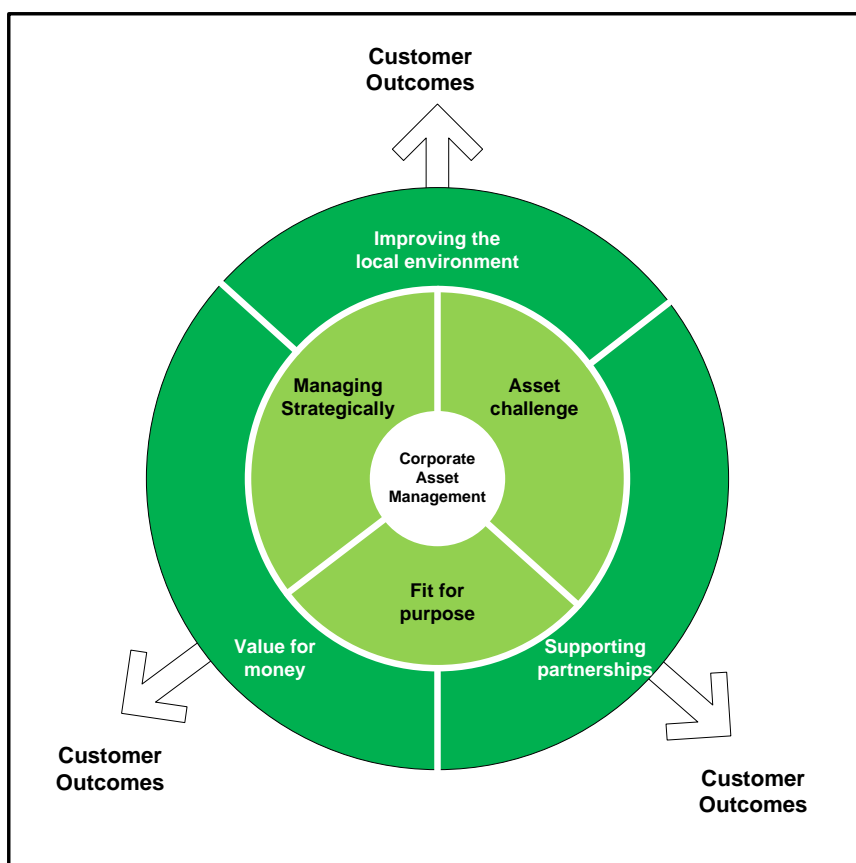
## **Property Strategy**

3. As Councillors will be aware, the Council occupies over 1,400 sites that include schools, libraries, social care establishments, headquarters/administrative buildings, youth clubs, small-holdings and country parks etc. In common with many other public sector organisations the County Council's portfolio has a significant maintenance backlog, which is currently in the order of £200 million. The annual running cost of the buildings is in excess of £60 million per annum. The total value of the corporate estate, encompassing land and buildings, is in excess of £1.2 billion and comprises 1.35 million sq m of floor space. This value includes all LMS schools but excludes academies.
4. As previously reported to Committee in July 2012, the Council's property strategy is aimed at ensuring the property portfolio is managed effectively to support the Council's priorities and that value for money from the corporate estate is maximised. The Council's property strategy is also aimed at working towards minimising the overhead costs of its property estate and maximising capital income generated from the disposal of surplus assets whilst protecting service delivery performance and maximising service outcomes.
5. The Council's property strategy is underpinned by the overarching principles required to make an optimal contribution to the Council's aims and objectives and that the Council's property is one of the key corporately owned resources. It is supported by:
  - (1) Undertaking continuous review and rationalisation of property resources to ensure that they are appropriate, efficient and fit to enable the delivery of quality services.

- (2) Management and maintenance programmes for the estate to ensure compliance with relevant legislative requirements, particularly Health and Safety (H&S) and reducing the maintenance backlog.
  - (3) Corporate framework for the effective and efficient management of the corporate estate to support frontline service delivery.
  - (4) Strategically led asset disposal programme for surplus property in order to optimise use and maximise capital receipts.
  - (5) Working in partnership with other organisations where appropriate.
6. To summarise, the key strategic objectives are that our property should be:
- Managed strategically to support corporate goals and objectives.
  - Fit for purpose and effectively supporting service delivery now, and in the future.
  - Providing value for money and securing efficiencies for the future.
  - Protecting and improving the local environment.
  - Ensuring optimisation of effective property occupation and usage for continuing need.
  - Supporting partnerships with our communities and other bodies.

#### **Key Property Priorities for 2013/14**

- To deliver the Capital Receipts Programme
  - To implement a programme of disposals
  - To deliver year 3 of the Schools Capital Refurbishment Programme
  - To complete the remaining Day Service Review Projects
  - To deliver the Care Home Refurbishment Programme
  - To deliver the School Basic Need Programme
  - To deliver the planned maintenance programme to time, cost and quality
  - To reduce the portfolio operating costs
  - To ensure improved fire/legionella/asbestos compliance across the portfolio in line with established programme
  - To secure sites for phase 2 of the extra care programme
  - To ensure the property strategy meets the business needs of the Ways of Working programme
  - To deliver the corporate Capital Programme
  - To complete the academy conversion programme set for the year
  - To implement BMS Plant Maintenance module across the property estate
7. The diagram below shows how the elements of the corporate property strategy combine with the aims and objectives of the Council to achieve desired outcomes for both internal and external customers and other stakeholders.



## Service Focus

8. Property ownership is not the first priority of the Council, but it is recognised that the quality of facilities does affect services so it is extremely important to identify and consider options for investment in property which is targeted towards delivering service improvements.
9. The property strategy establishes the objectives for managing the Council's property assets as described in the Council's Asset Management Plans, in accordance with financial challenges and changing service priorities.
10. In the current financial climate, funding for new investment is scarce. This has inevitably driven a shift in the balance of Property's strategic focus towards capital income generation and revenue savings in order to fund new projects and programmes in high priority areas.
11. It must be emphasised that this is achieved through the promotion and disposal of surplus assets to generate capital which is used to support service improvement via property investment. It is not aimed at closure and disposal of essential frontline service property. This is particularly evident in the ongoing work to promote the Council's strategic land holdings through the Local Plan Development Framework.
12. Outlined below is the detail relating to the property plans, reviews and programmes underpinning the Property Strategy.

## (A) **Partnership Working**

### **National Watersports Centre, Holme Pierrepont**

13. The Council has finalised the tender process to select an operating partner for this property who will be required to manage and develop the site whilst retaining the Country Park element for ongoing service delivery on behalf of the County Council.
14. This has involved significant input from Property, working closely with CFCS, to develop and assess the tender process and to provide key information about ownership, running costs and likely maintenance costs during the period of the contract.
15. The outcome of this work will create a partnership with the private sector to enhance the facilities at the 270 acre site for both the local community and athletes and Olympians who train there. The proposal will generate a total of £6.7m investment into the centre, predominantly from the private sector. At the same time it is estimated that the proposals will save the Council more than £14m in revenue costs over the life of the 21 year contract.

### **Living at Home Programme**

16. Work is ongoing with Housing Providers and District Councils to provide supported housing throughout the County and includes the Extra Care programme for older people. A tender process has recently been completed for Phase 1 of the Extra Care Programme based upon offering surplus vacant Council owned sites for the development of extra care schemes in partnership with the private sector.
17. Property has worked in partnership with Adult Social Care to identify appropriate sites and to develop and implement the tender process.
18. Work is now underway identifying sites for Phase 2 of the Programme.

### **Co-location of Services**

19. In order to maximise the use of the Council's office portfolio Property is continuing to work with District Councils, Emergency Services and other Partners with a view to co-locating services and office bases where possible.

### **The Multi Agency Safeguarding Hub (MASH)**

20. The Multi Agency Safeguarding Hub (MASH) was established to address inadequacies following an OFSTED inspection and is now operating from Mercury House and provides discreet space within the building to enable 60 staff from the Council, Police, and Health to work collaboratively.
21. The agencies involved will be able to share information on a case quickly and make swift decision on the most appropriate action needed. Better co-ordination between agencies will also lead to an improved service for children, adults and their families.
22. Vulnerable children and adults will be protected and supported faster, with agencies providing more targeted and co-ordinated help. There will be a greater emphasis on early intervention, supporting children, families and adults before any situation deteriorates.

23. The provision of the accommodation at Mercury House and the ability to work collaboratively will help to support the MASH to bring the benefits set out below:
- Faster, more co-ordinated and consistent responses to safeguarding concerns about vulnerable children or adults.
  - An improved journey for the child or adult with a greater emphasis on early intervention and better informed services provided at the right time.
  - Greater ability to identify potential vulnerability, enabling more preventative action to be taken, dealing with cases before they escalate.
  - A more straightforward and responsive process for the professional or citizen raising a concern, with clear support and guidance.
  - Closer partnership working, clearer accountability and less duplication of effort.
  - A reduction in the number of children and adults inappropriately accessing costly services from social care, the police and others.
  - A reduction in the number of inappropriate referrals and re-referrals.

#### **Nottinghamshire Olympic Sporting Legacy**

24. As a result of working together in partnership with Newark & Sherwood District Council and Newark Town Council, Property has negotiated terms for a long lease to N&SDC to enable them to develop a major new £5m sporting hub on land at Bowbridge Road in Newark. The sporting hub will adjoin a proposed new £12m leisure centre which is planned to replace facilities at the Grove Leisure Centre in Balderton. This has been made possible by the County Council's decision to grant a long term lease of the NSK site at a nominal rent
25. The County Council's partnership and support will help to continue to promote the sporting legacy in Nottinghamshire.

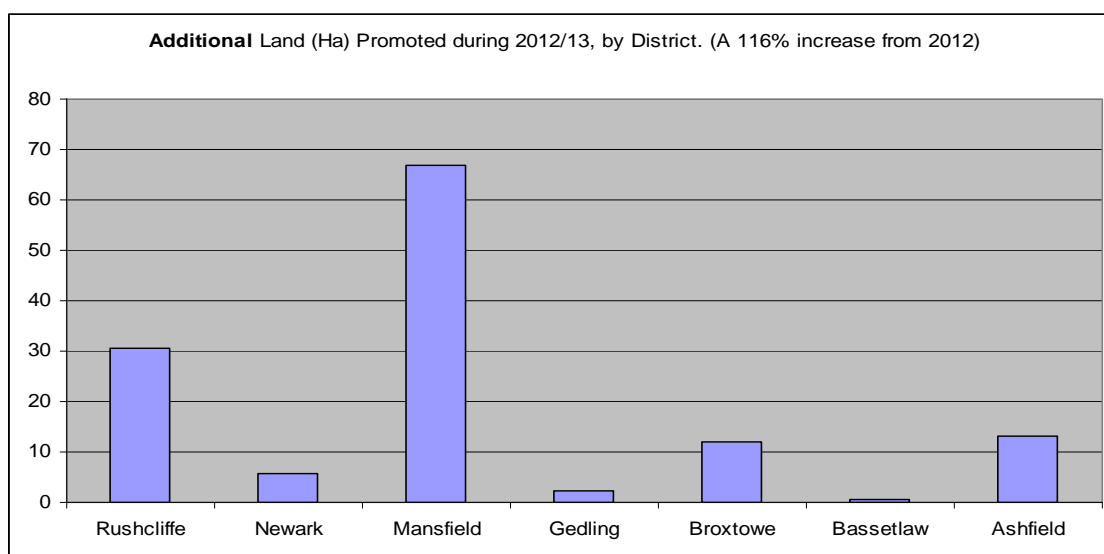
#### **(B) Capital Receipts Programme**

26. The capital receipts programme incorporates the sites which are currently anticipated to be sold to generate capital income for the Council up to and including 2016/17.
27. Capital receipts achieved in 2011/12 were £16m against a target of £17m. The capital income achieved in 2012/13 amounts to £2.49m however offers totalling £20.17m have been accepted on sites during 2012/13 and the income will be received in future years.
28. Key disposals for the years 2013-17 are shown in **appendix 1**. The capital receipts target for 2013/14 is £6m.
29. The bulk of these capital receipts will be generated from the sale of land for housing development. The sites are being promoted by the Council in the District Councils' Core Strategies to deliver new housing numbers.
30. It must be emphasised that the future projections rely heavily on the successful disposal of a small number of large development sites. This clearly introduces a level of risk to the in year estimates for capital receipts, however the targets set in the MTFS are adjusted to reflect that risk as far as possible.



## (C) Strategic Land Disposal

31. Property has ongoing, regular and very positive dialogue with all the District Councils in order to promote its strategic land holdings.
32. As a result of this ongoing strategic planning work within the District Councils' planning process, the Council has achieved significant success in both bringing forward valuable sites to sell for development and protecting the Council's long term interests in each of its assets by for example, objecting to proposals by planners to include all school sites as public open space.
33. The process to achieve development allocations requires Property to promote land within the local plan reviews in order to secure development allocations in each District Council's local development framework.
34. As of March 2013 Property is promoting 244 Ha of land across the County (which is a 116% increase from 113 Ha in 2012) and the development allocations have increased by 76 Ha to 183 Ha (a 71% increase from 107 Ha in 2012).
35. Indicatively, at an average gross development value of £600,000/Ha (circa £250,000/acre), the value of the total currently allocated land area (183 Ha) would amount to £110m. On disposal, this indicative gross value would inevitably be adjusted to a lower net figure by s106 contributions, infrastructure costs, open space provision etc. and will take several years to be realised due to market conditions, phasing and other factors.
36. The promotion work being undertaken at the moment will however ensure the Council secures a substantial income stream from the sale of development land over the medium to long term, for further investment in services.
37. The land which has been newly promoted by the Council during 2012/13, totalling 131 Ha, is summarised below by District:



Each bar represents an area of land in Hectares.

This chart shows the progress that has been made in this area of work in every District area.

## (D) **Property Reviews**

38. A number of reviews of a range of service areas have taken place over the last 3 years and these are currently being implemented. The outcomes of these reviews have been based on the assessment of a range of property and service data including property running costs, service objectives, service operating costs, customer feedback data etc.

### **Ways of Working Programme**

39. The Ways of Working 'vision' is 'to rationalise the Council's office accommodation and provide a flexible, cost effective and efficient workplace for use by all employees that will facilitate improved service delivery and new working practices and maximise the benefit to service users and taxpayers'.
40. The approved business case will enable the office portfolio to be reduced from 27 buildings to 12 buildings. The overall Ways of Working Programme requires investment of £20m which will be funded out of revenue savings and capital receipts. The investment in the refurbishment will create modern and efficient working conditions and will deal with the historic back-log of maintenance.
41. The capacity required from the retained buildings needs to provide a total of 3,315 desks for 4,500 staff (7 desks to every 10 people). This will enable a more balanced geographical spread which will meet the needs of the services whilst at the same time, reducing the size and running costs of the office portfolio and contributing significantly to the capital receipts programme.

### **Industrial Units**

42. As previously reported, a strategic review of these 9 estates has been completed and three estates are being sold.
43. Following discussions with Mansfield District Council regarding the additional 'marriage' value to be gained in undertaking a joint disposal, Advance Factory No 1 was sold at auction on December 18, 2012 for £400,000, of which the County Council will receive £340,000.
44. Negotiations are currently ongoing with Mansfield District Council regarding the disposal of Meden Court Industrial Estate in Mansfield and at present discussions are being undertaken with an external party who is interested in buying both Meden Court and the vacant industrial land surrounding the site (owned by Mansfield DC).
45. Kilton Terrace Estate in Worksop, which is fully let, is owned by Bassetlaw District Council. Their consent to allowing the County Council to dispose of the leasehold interest was originally on the condition that an authorised guarantee agreement (AGA) was entered in to. This would have effectively meant that should the new purchaser of the estate default in the future in terms of rent or repairs, Bassetlaw District Council could revert to the County Council for any money they were owed or compel the County Council to take over the lease.
46. Following further negotiations, Bassetlaw District Council have now agreed to dispense with the need for an AGA in return for the new purchaser depositing a security bond. Bassetlaw District Council has also agreed not to enforce the repairing covenant which otherwise would have obligated the County Council to leave the units in good repair; at considerable expense. Once this has been

formally agreed with Bassetlaw District Council and subject to a revised approval, Kilton Terrace will be brought forward to the next available auction.

47. The remaining six estates are held under annual review. These six are currently generating an income which is in excess of the return on capital value that would be achieved after disposal and should therefore be retained at the current time.

#### **Day Service Review Programme**

48. Property has had a large input into the Day Service Review and as a result of the Review approval was given to close 11 out of the 23 centres and carry out a refurbishment programme on the properties to be retained.
49. Phase 1 of the programme involved the relocation of day services operating from residential homes and co-locating them with existing day services running from County Council-owned buildings. A number of the buildings have undergone major refurbishment to enable the service to co-locate a range of clients within one facility and further develop partnership working with the voluntary and social enterprise sectors enabling the realisation of significant revenue savings. Phase 1 is now complete and as a result annual property revenue savings of £264,000 have been realised.
50. Phase 2 is continuing and on completion of the whole programme the service will have at least one fit for purpose venue within each of the Districts.
51. The information below sets out a list of the planned and approved Day Service Refurbishment Programme. This amounts to investment of £4.85m in 2012/13 (including furniture and equipment, plus contingency, and dilapidations to leased properties).

Ernehale Lea, Arnold	£0.076m	Project complete
Barncroft, Chilwell	£0.941m	Project complete
Ley Street, Netherfield	£0.101m	Project complete
Red Oaks, Rainworth	£0.876m	Project complete
Balderton, Newark	£0.687m	Project complete
Moorlands, Bingham	£0.130m	Project complete
Willow Wood, Sutton-in-Ashfield	£0.662m	Project complete
Whitewater, Ollerton	£0.431m	Project complete
Middle Street, Beeston	£0.366m	Project complete
BGR, West Bridgford	£0.182m	Project on hold pending construction of the new Heyman Primary School

52. This programme will result in the amalgamation of a range of clients into fewer, high quality, refurbished centres which will operate more efficiently and enable the delivery of a better service to its clients.

#### **Extra Care Programme**

53. The Extra Care Programme has a total of £12.65m allocated over the period of the programme 2012 to 2015 to provide nomination rights for 160 units.
54. This programme has been developed to work in partnership with private sector

developers and housing providers to create a number of extra care facilities across the county. The programme will provide additional choice to older people for the provision of long term care and falls in line with the government's objectives to reduce the current reliance on traditional institutional care homes.

55. Property has worked with the service to provide suitable sites and tenders have been accepted for the provision of the Phase 1 Extra Care housing developments at Walker Street, Eastwood (30 nomination rights) and Leafield, Retford (25 nomination rights) a total of 55 units.
56. Work is continuing on Phase 2 for provision of the remaining 105 units which will provide units in Ashfield, Gedling, and Mansfield for which discussions are taking place with the District Councils and Housing Providers.

### **Sheltered Employment**

57. As a result of the Sheltered Employment Service Review approval was given to close 2 of the County Horticulture sites namely, Sparken Hill, Worksop, and Sherwood Pines, Clipstone, which combined have resulted in an annual revenue saving of £100,000.
58. The closure of Sherwood Industries, Rainworth has resulted in an annual revenue saving of £500,000. This property is being considered for re-use by other County Council services.

### **Short Breaks – Big House Replacement**

59. This service provides respite care within Children's Social Care. The current building is in a very poor state of repair and has been identified for some years as requiring significant investment to make it suitable for the service.
60. The project will replace the current listed Big House building with a new purpose built respite facility adjacent to the current property. The intention is to retain the existing building for a period of time as a northern base office/touchdown facility.
61. The Edwinstowe Respite Centre's detailed design and working drawings are currently ongoing and the construction is programmed for the coming year.

### **Registrars**

62. Work is ongoing with the Service and Rushcliffe Borough Council with a view to retaining the continued occupation of the Registration Service in The Hall, West Bridgford.
63. Lease terms have been agreed and completed with Newark and Sherwood District Council and approval has been received from the Charity Commission, to secure the relocation of the Newark Registration Service from its current location in Baldertongate to new premises at The Gilstrap Centre. The Capital Programme has an allocation of £300,000 for works to make the Gilstrap Centre fit for purpose. The relocation of the service will enable the County Council to vacate Baldertongate and return the property back to Newark & Sherwood District Council.

### **Priority Schools Building Programme - PSBP**

64. Within the Government's school building programme the Council was required to provide extensive property and service data to support its bid for funding within the programme.
65. As a result of the quality of the bid, supported by the level and accuracy of information provided, the County Council was awarded 15 new projects (including Academies), which was more than any other Authority in the Country.
66. The funding for this programme will help to significantly reduce the Council's backlog of property maintenance as well as providing excellent new school facilities.

### **Library Refurbishments**

67. The information below sets out a schedule of all planned and approved Libraries capital schemes. This amounts to a planned investment programme of £11.6m between 2012 and 2023.
68. Approved Schemes:
  - **West Bridgford Library and Young People's Centre - £5.3m:** Replace current library to provide an accessible and modern library service and create a new young people's facility. Also includes Shopmobility and Registrars provision. This is now complete.
  - **Annesley Woodhouse Library - £110k:** To co-locate the library with an extended local Community Centre. Feasibility Stage.
  - **Balmoral Library, Worksop - £25k:** To co-locate the library into surplus accommodation at the Gateford Children's Centre. Feasibility Stage.
  - **Calverton Library - £50k:** Library makeover to improve environment and enhance service. Completed.
  - **East Leake Library - £60k:** Library makeover to improve environment and enhance service.
  - **Bingham Library - £540k:** To extend the library into the current health centre area to meet space requirements and to include a Children's Centre provision. Design stage spring/summer 2013 (dependent upon progress of new health centre building).

### **Archives**

69. The Nottinghamshire Archive building is at full capacity and a £2.1m capital project to extend and improve the building's reception and customer access points, as well as improving the storage systems for digital media and enhancing the storage environment has been agreed. This will bring the building up to the new British Standard for archive repositories ensuring its specialist storage facilities for 25 years. The project is currently at target cost stage and planning consent will be submitted shortly.

### **Smallholdings**

70. A strategic review of the farms and smallholdings estate was completed. The basis of the strategy was to identify and retain any farms which were deemed to have potential for housing or employment development in future. Any farms which did not have development potential were to be sold to take advantage of the continuing

boom in agricultural land values. As a result, three farms were sold, whilst the remaining twenty were retained.

71. This strategic review is ongoing, reflecting the various local development frameworks, and recommendations will be made to Committee on which farms may be suitable for bringing to the market to produce further capital receipts on an ongoing basis.

## **(E) Property Programmes**

### **i) Schools Capital Investment**

#### **• Capital Refurbishment Programme**

72. Councillors will be aware that the County Council will soon be starting the third of the three year Schools Capital Refurbishment Programme. The programme is aimed at delivering much needed refurbishment and repairs to schools right across the county.
73. Under this programme every school identified will receive works to address high priority maintenance need and it is the largest single programme of maintenance and refurbishment work ever undertaken by the Council.
74. To date, 91 projects have been completed/ongoing for phases 1 and 2 of the programme. On completion of the three year programme, more than 300 schools are expected to have benefited from this programme of investment.

#### **• Basic Need Programme**

75. At this point in time thirteen projects have been identified to be completed during 2013 and 2014.
76. Increasingly, the design solutions are based on tried and tested off site volumetric building systems which facilitate building extensions at reduced cost with a considerably shorter delivery timescale. The first NCC volumetric classroom extension has been delivered at Jesse Grey and the whole process on site was completed within 12 weeks giving the school additional pupil places with minimum disruption to curriculum delivery for the commencement of the academic year. The scheme compares favourably with the new DFE guidelines for new school buildings and has cost comparability with other off site volumetric schemes currently offered by SCAPE and the East Midlands Property Alliance.

### **ii) Corporate Capital Programme**

77. This programme typically totals around £20-30m pa and is largely delivered using externally appointed specialists and contractors. Key projects are allocated to specialist project managers to control delivery within time and cost targets.
78. Key Completed Projects:
- Carlton Digby Specialist School
  - West Bridgford Infants School refurbishment
  - Chuter Ede (Fernwood annexe) Primary School



- Bassetlaw Specialist Facility refurbishment
- Barncroft Day Centre refurbishment
- Ley Street Day Centre refurbishment
- Balderton Day Centre refurbishment
- Red Oaks Day Centre refurbishment
- Ernehale Lea Day Centre refurbishment
- Installation of PV panels at various Office locations around the County
- Various Capital refurbishment projects at Schools around the County
- West Bridgford Library and Young People's centre replacement
- Mansfield Bus Station
- Middle Street Day Centre refurbishment
- Whitewater Day Centre refurbishment
- County Supplies relocation

79. Key ongoing projects:

- Archive building refurbishment
- Edwinstowe Respite Centre
- Worksop Bus Station
- Heymann Junior School Extension
- Gilstrap Centre Fit out

80. Key ongoing programmes:

- Completion of the Day Services programme
- Schools Basic need for September 2013 programme
- Schools Capital refurbishment programme
- Care Home refurbishment programme
- Extra Care Programme

### **iii) Planned Maintenance Programme**

81. The Planned Maintenance programme for 2013/14 currently stands at £11,985m and comprises £6.598m Capital funds and £5,387 Revenue funding (this funding is still to be confirmed), this funds approx 600 projects across the whole of the property portfolio.
82. Over the last few years the basic Planned Maintenance budget has been supplemented with additional funding to reduce risk from mounting Health & Safety and statutory compliance items. These are now reaping the rewards by minimising health & safety risk to occupiers and users of the property portfolio by improved fire safety, reduction of high risk areas where legionella bacteria can proliferate, and better management of asbestos within the properties.
83. The Planned Maintenance programme is compiled in conjunction with other building related programmes within the Authority such as 'Schools Capital Refurbishment Programme', the 'Schools Basic Need Programme', 'Ways of Working' and the recently successful 'Priority Schools Building Programme'.

#### **iv) School Academy Transfer Programme**

84. The transfer of schools to academy status has required a very significant level of specialist asset management resource from Property.
85. The transfers require detailed and extensive negotiations over precisely which elements of the property should transfer to the academy and which should be retained by the Council. This is particularly challenging in the case of joint use facilities. However this negotiation process is necessary in order to protect the Council's retained assets and its ongoing service provision.
86. The deadlines for conversions are demanding and are dictated by DfE requiring expeditious and timely actions by the Authority. To date 52 transfers have been formally completed and 13 are ongoing. To date, all the academy transfers have been completed within the required timescales.

### **Summary of Overall Performance for Property Against Key Indicators**

#### **Local spend**

87. Framework contracts are designed to procure 70% of the total spend from local contractors. This has in effect meant that nearly £40m of spend on building and construction projects has been procured through local contractors in the County which has significantly benefited the local economy.

#### **Finance**

88. The financial indicators are all at or above target.

#### **Performance**

89. Nottinghamshire County Council design team are in the top quartile for cost certainty, and the figures this quarter have further improved.

#### **Health and Safety**

90. The water biennial risk assessments have all been completed.

### **RECOMMENDATION/S**

- 1) That Committee notes the progress made on the property strategy and its contingent plans and programmes together with the performance information as set out in the report.

**Jas Hundal**

**Service Director – Transport, Property & Environment**

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### **Constitutional Comments (CEH 22-03-2013)**

91. The Finance and Property Committee has authority to consider the matters set out in the report by virtue of their terms of reference.

### **Financial Comments ()**

92. N/A

### **Background Papers**

93. None.

### **Electoral Division(s) and Member(s) Affected**

94. Ward(s): n/a  
Member(s): n/a

File ref.: /EAS/GMcK/AJW/SL/09998

SP: 2390

Properties affected: 09998 - Various NCC Properties/non-property item

# OVERVIEW OF PROPERTY STRATEGY AND PERFORMANCE 2012/13

## Appendix 1

### 1. **Properties Currently Under Offer**

- Pennington Walk, Retford (Sold subject to planning)
- Church Street, Eastwood (Sold subject to planning)
- Centenary House, West Bridgford (Sold subject to planning)
- Surplus land at Ordsall, Retford (Sold subject to planning)
- Broomhill Farm Phase 1 (Sold subject to planning)

### 2. **Planned Key Disposals 2013/17**

- **Lindhurst, Mansfield**

The Council land forms part of a much larger comprehensive planning area of some 148 hectares which was promoted for a mixed use development ahead of Mansfield LDF.

- This is a major scheme which will create jobs in the locality and act as a major catalyst to create economic growth
- The scheme will provide 1,700 homes and create 1m sq ft of employment space
- The scheme will provide community facilities including a park, doctors surgery, shopping centre and bus links including sustainable transport links.
- During the 10-15 year construction phase nearly 2,300 jobs will be supported
- 4,000 permanent jobs will be created from the employment space
- A resolution to grant planning permission was secured based on an outline planning application and this was subject to completion of a Section 106 Agreement. The form of the Section 106 Agreement has now been agreed in principle and a report has been approved by the Finance & Property Committee giving authority for the Council to proceed to completion of the Section 106 Agreement following exchange of a Deed of Variation to the Developers Collaboration Agreement 'capping' the Council's net financial liabilities under the scheme. After the above the Parties to the collaboration agreement will vote on a resolution to "Progress the Scheme" and move to "Project Implementation".

- **Top Wighay Farm, Gedling**

All County owned land at this site together with two other land ownerships are included in an adopted development brief (November 2008) which will guide development of a sustainable urban extension accommodating over 2000 new

dwellings and 15 hectares of business development.

- Marketing of County's allocated land (23.58 ha) took place in 2007/8 but the effect of the recession on major house builders (falling land values and risk aversion resulted in derisory offers.
- In 2009/10, Property explored the potential for 'de-risking' the development by designing / constructing the enabling infrastructure (two major access road junctions off the A611 Annesley Road) but a bid for 'Growth Point' fund money has not been successful.
- It is now proposed that the land shall be offered in smaller parcels representing affordable and realisable phases of development. The initial infrastructure costs will be borne by the commercial development.
- External agents have been appointed and Phase1 of the site, for commercial development, has been marketed. Committee have approved the terms of sale of this land and the purchaser will seek to secure planning. The capital receipt will only be received once planning has been secured.
- The first of the residential phases (Phase 1b), of the site is now on the market.
- Gedling Borough Council is in the process of assessing the potential of significantly extending the development allocation for this site across other land owned by the County Council.

- **Broomhill Farm, Ashfield**

The allocated land is the subject of an adopted development brief (June 2003).

- The site was marketed in 2005/6 and sold subject to the grant of full planning permission for some 382 dwellings. Although a full planning application was submitted by Morris Homes, planning permission has not been granted and the sale was not concluded before the 2008 recession.
- In October 2009, Ashfield District Council identified the remainder of County's landholding (some 23.94 ha) together with the Rolls Royce land at Watnall Road as a 'spatial growth option' for Hucknall. Although this option has been modified in Ashfield's 'Preferred Option' March 2010, Property will continue to promote the residual land for development in the final stages of the 'Core Strategy' process (2011/12).
- Subject to compliance with an overall master plan for the County's entire landholding, Property instructed external agents to market Phase 1 of the site and an offer has been accepted, and is in legal hands. It is anticipated that completion will take place on a staged basis during 2013/14 and 2014/15.
- Phase 2 will be offered to market after on site commencement for phase 1. ADC have through their Draft Local Plan stated that control will be applied to housing in Hucknall by applying a phased approach to the Broomhill Farm allocation. NCC are resisting this proposal and have via external planning consultants made a formal objection to ADC in respect of this phasing approach on the grounds it is unreasonable, impractical and unjustified. ADC is therefore stating a preference for the newly allocated Rolls Royce site as no phasing condition has been imposed.

- **Wilford Lane, West Bridgford**

Rushcliffe Borough Council has resolved to grant outline planning permission for residential development, open space and related infrastructure. The Council issued a draft decision notice on 11 March 2011 but one item in the draft s106 agreement is disputed – a financial contribution in respect of indoor sports facilities.

- As planning policy has changed since the original planning application was submitted in October 2007 and the housing land market has been through a 'structural adjustment', the realisable development (and optimum land value) is likely to involve a lower density scheme and different house mix.
- Property proposes to market the site, with the outstanding s106 issue, in the immediate future, subject to ongoing discussions with an adjacent landowner, these discussions are on going to determine the extent of their interest.

- **Sparken Hill, Worksop**

External planning consultants are appointed and an outline planning application for residential development has been submitted to Bassetlaw District Council. Bassetlaw District Council has recommended the application for approval subject to completion of a s106 agreement.

- Discussions with the Local Planning Authority have been on going to refine the s106 conditions including the affordable housing criteria, and these have recently been agreed in principle.
- Property proposes to market the site utilising the resolution to grant planning and the in principle s106 agreement as a basis and seek offers to be conditional on planning. the process of briefing external agents to market the site is ongoing and the site should be on the market shortly.

- **Rolleston Drive, Arnold**

The site was vacated (except for County Supplies depot) in January 2012.

- The site is currently allocated in Gedling Local Plan as 'protected employment site' but NCRELS study into future business land requirements suggests the 'protection' could be lifted.
- Gedling planning officer supports redevelopment for housing in principle and a pre application has been made to GBC to determine the likely support for residential use.
- External agents have been appointed and the site is currently on the market.

- **Kelham Road, Newark**

The current highways depot is now surplus as operations have moved to the new depot at Bilsthorpe.

- The site lies within the urban boundary for Newark but without specific allocation in the adopted Local Plan.
- Planning and technical investigations have been completed confirming a

development potential for the site.

- The property is on the market with external agents based on the above advice.
- Offers have been received and are being analysed.
- The Chairman of Finance and Property is currently reviewing the options available to take this forward.

3. Where appropriate these sites are being promoted for development through relevant LDF reviews and consultants are appointed to pursue these opportunities. It is important to note that all sites being promoted in the Local Development Framework are subject to the risks of:

- being excluded from the District led reviews if more suitable sites are identified by the planning authority
- District Council planning review timescales
- availability of development funding
- major objections to development by local campaigners
- environmental objections
- access and transport objections
- judicial review

4. These sites are being promoted using in-house property expertise and external consultants in order to mitigate associated risks as far as possible. In order to maximise the income from these sites it is proposed to:

- Phase their disposals with any phasing programme being regularly reviewed in line with market conditions.
- Continuously review the potential for enhancing values by seeking appropriate consents for high value uses such as food retail, hotel use etc
- Continuously review the promotion of sites in relation to their relative value to the Authority. For instance, circumstances often arise out external factors, such as planning decisions on other sites, which mean the Council's priorities in promoting sites can change so a site which had previously been viewed as low priority can become much more important to the Council's strategy.

5. Planning consultants and commercial agents have been engaged on all of the major sites to advise the Council on the options available to maximise income from these sites, to progress the planning and disposal process as quickly as possible and manage and mitigate any risk of losing potential development allocations.

6. In addition to the above disposals, other surplus assets currently in the process of being sold are shown below:

Former Frederick Harrison school,  
Stapleford  
Thoroton Road, West Bridgford  
Chapel Farm, Elston

- To be vacated at Easter 2013
- Ways of Working
- Planning has been submitted

Former Southwell Highway Depot  
Misterton Library, Scout Hut & house  
Caretaker's House, Ethel Wainwright  
Former Springbank Primary School  
Kilton Terrace Factory Unit  
Advance Factory 2, Mansfield  
Meden Court Factory

- Retain part of site for road

**Jas Hundal**

**Service Director – Transport, Property & Environment**

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File ref.: /AJW/EAS/GMK/SB/09998

SP: 2390

Properties affected: 09998 - Various NCC Properties/non-property item

## **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 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 is the last monitoring of the year before the Council's final outturn report for 2012-13.

#### **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. 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.
- 3.2 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.
- 3.3 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 £9.7m. This is an increase in the expected saving of £1.6m since the last monitoring report.

3.4 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 11 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
2,591	Children & Young People	160,458	124,146	162,383	1,925
2,074	Adult Social Care & Health	195,009	174,367	197,197	2,188
(98)	Transport & Highways	61,302	54,838	61,710	408
487	Environment & Sustainability	27,596	22,612	27,858	262
(57)	Community Safety	4,178	2,784	4,047	(131)
338	Culture	14,382	11,776	14,585	203
(545)	Policy	27,020	24,828	26,656	(364)
(537)	Finance & Property	29,871	28,455	29,240	(631)
(953)	Personnel	4,375	1,686	3,407	(968)
(21)	Economic Development	864	671	843	(21)
3,279	<b>Net Committee (under)/overspend</b>	525,055	446,163	527,926	2,871
(11,600)	Central items	(28,131)	(17,519)	(46,031)	(17,900)
<b>(8,321)</b>	<b>Forecast prior to use of reserves</b>	<b>496,924</b>	<b>428,644</b>	<b>481,895</b>	<b>(15,029)</b>
<b>Expenditure funded by Reserves</b>					
(1,289)	Adult Social Care & Health	7,929	3,571	6,067	(1,862)
<b>Contribution from Reserves</b>					
(600)	Children & Young People	0	0	(424)	(424)
1,289	Adult Social Care & Health	(7,929)	0	(6,067)	1,862
(309)	Culture	0	0	(114)	(114)
<b>(909)</b>	<b>Total impact of Departmental reserves transfers</b>	<b>0</b>	<b>3,571</b>	<b>(538)</b>	<b>(538)</b>
1,201	Transfer to / (from) Corporate reserves	(2,690)	(1,733)	3,217	5,907
0	Transfer to / (from) General Fund	4,930	0	4,930	0
<b>(8,029)</b>	<b>Net County Council</b>	<b>499,164</b>	<b>430,482</b>	<b>489,504</b>	<b>(9,660)</b>

#### 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 £1.501m net overspend, after the application of reserves)**

- 4.2 Children's Social Care division is reporting a forecast net overspending of £4.2m due to the continuing demands on all areas of the service, the main components of this being:
- £1.3m on external placements (£1.7m in period 10)
  - £1.7m on agency staff, with continuing problems around filling vacancies, particularly in social work teams and the Safeguarding and Independent Review Service
  - £0.9m on legal fees
- 4.3 Youth Families & Culture division is reporting a forecast net underspend of £2.0m. This is expected to be achieved through:
- £2.4m underspend due to savings around the new commissioning arrangements for the Early Years and Early Intervention Service.
  - £0.8m underspend on the Targeted Support and Youth Justice, & Young People's, Services due to vacancy savings (£0.4m in each)
  - (Offset by) overspends within the Executive Support Budget relating to the non-achievement of business case savings & under provision in staffing budgets, all of which have been addressed for 2013-14 as part of the Base Budget Review
- 4.4 Education Standards and Inclusion division is reporting a forecast net underspend of £0.2m consisting of:
- £0.4m underspend against the budget for the Preferred Travel Scheme
  - £0.1m underspend on statutory school transport
  - £0.3m overspend on Special Educational Needs home to school transport

**Adult Social Care & Health**  
**(forecast £2.188m net overspend after the application of reserves)**

- 4.5 The ASCH Committee budget contained a planned use of £7.9m of earmarked reserves to fund specific projects and posts within the department. There has been some delay and slippage with these projects and posts, so the latest forecast against reserves is £6.1 million. The impact of both the expenditure and financing of these projects and posts is shown separate to the base Committee spend, and can be seen in the middle section of Table 1. The net overspend of £2.2m is prior to the application of any of the £8m corporate contingency budget held for Adult Social Care & Health.
- 4.6 Joint Commissioning division is forecast to be overspent by £2.0m against the base budget. This is comprised of a forecast shortfall of £2.8m in Client Contribution Income compared to this year's budget, a £0.4m overspend on County Enterprise Foods and a £0.1m overspend on the Integrated Community Equipment Service (ICES) Pooled Budget. This is offset by a £0.4m underspend on Business Support and a £0.9m underspend on Commissioning.

- 4.7 Older Adults division is currently reporting a forecast overspend of £0.5m against the base budget. This is primarily due to forecast overspends on Community Care of £1.9m. This is partially offset by a forecast underspend of £1.0m on the Service Directors development budget and slippage on the refurbishment of the Care and Support Centres of £0.4m.
- 4.8 Younger Adults division is currently reporting a forecast underspend of £0.3m against the base budget. This is comprised of forecast underspends of £0.7m within the Service Director's budget, £0.4m within Day Services, £0.3m in Learning Disability Residential Units and £0.2m within Physical Disability. These forecast underspends are partly offset by a forecast shortfall on Continuing Health Care income of £1.0m and a forecast overspend of £0.3m on Mental Health.
- 4.9 Members are asked to note that the County Council has recently received £10.5m from Health Partners in the form of Section 256 agreements to be used for specific purposes. The £0.5m from Bassetlaw PCT will be used in the current financial year and so has been included within the forecast above. The remaining £10m from County PCT is for use on future projects and so will be put into earmarked reserves for the use specified by the agreements. Therefore it has not been included in the above forecast.

**Transport & Highways (forecast £0.408m net overspend)**

- 4.10 The net reported overspend is caused by additional costs on winter service of £0.6m due to the exceptional weather conditions requiring additional salt use and out of hours delivery of service needed. In addition, overspends in Road Lighting energy of £0.4m due to higher tariff costs being incurred; along with additional expenditure on verges and hedges £0.3m (including the £0.15m A57 project); repairs following accidents and vandalism £0.4m and traffic costs of £0.2m associated with the Jubilee and Olympic torch route events. This is mainly offset by vacancy savings in relation to posts in the Highways Division, together with additional Section 38 income towards the cost of inspecting new developments.

**Policy (forecast £0.843m net overspend, after the Improvement Programme reserve £1.207m)**

- 4.11 The main variance within this Committee relates to £1.2m within the Improvement Programme due to slippage in the Ways of Working Programme. The Improvement Programme reserve will be adjusted to reflect this delay in spend to 2013/14. Offset against this is an overspend on staffing costs within the Business Support Centre.

**Finance & Property (forecast £0.631m net underspend)**

- 4.12 The Finance & Property Committee is forecast to underspend by £0.6m; of which £0.3m is due to vacancies within Financial Services and IT Services, partly offset in IT by additional line rentals. Procurement is forecast to underspend by £0.3m due to additional income received centrally following investigation of payments.

### **Personnel (forecast £0.968m net underspend)**

- 4.13 The variance within this Committee is due to savings on training costs within the Workforce and Organisational Development budget and vacancies held within the HR service to ensure early delivery of the savings for 2013/14 and that these can be achieved through voluntary redundancy.

### **Central Items (forecast £13.2m net saving, after £4.7m transfer to reserves)**

- 4.14 Central Items 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, together with higher cash balances during 2012/13 than originally expected, resulting in a reduction in the Council's borrowing requirement.
- 4.16 The 2012/13 Contingency budget was originally set at £15.6m, of which, £10.0m was earmarked for redundancy. As reported at paragraph 3.1, the budget has increased by a net £5.25m following departmental transfers. The total contingency budget is therefore £20.85m.
- 4.17 Redundancy payments made in the current financial year to date total £6.0m. A further £0.5m is expected to be paid in the remainder of the year, taking the total forecast, including pension strain, to £6.5m. This is 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 £4.7m 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. The figure in Table 1 includes the £4.7m estimate in the use of reserves line.
- 4.19 Approved requests against the general contingency to date total £2.7m, a list of approved schemes is included at Appendix A. No further requests have been submitted since the previous financial monitoring report.

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

- 4.20 Due to slippage in the Improvement Programme, £1.2m will be required in 2013/14, 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. Given the forecast underspend, a further contribution to General Fund balances and Capital Projects reserve will be made. The 2013/14 budget report to Council (28/02/13) assumed an underspend of at least £7m would occur, with £2m to be contributed to General Fund balances and £5m to the capital projects reserve. Future years funding has taken this into account.

## **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. Capital Programme**

### **Approved Capital Programme**

- 6.1 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 2 – Revised Capital Programme for 2012/13**

	2012/13 £000	£000
<b>Approved per Council (Budget Report 2012/13)</b>		<b>118,622</b>
<b>Variations funded from County Council Allocations:</b>		
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)	
		<b>3,149</b>
<b>Variations funded from other sources:</b>		
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)	
		<b>(4,706)</b>
<b>Revised gross Capital Programme</b>		<b>117,065</b>

## Capital Monitoring

6.2 Table 3 shows actual capital expenditure to date against the forecast outturn at period 11.

**Table 3 – Capital Expenditure and Forecasts as at Period 11**

<b>Committee</b>	<b>Revised Capital Programme £'000</b>	<b>Actual Expenditure to Period 10 £'000</b>	<b>Forecast Outturn £'000</b>	<b>Expected Variance £'000</b>
Children & Young People	39,854	25,512	39,569	(285)
Adult Social Care & Health	4,418	3,840	4,201	(217)
Transport & Highways	38,602	33,800	38,967	365
Environment & Sustainability	5,171	3,320	5,332	161
Community Safety	3	9	28	25
Culture	5,147	3,449	5,147	0
Policy	8,902	5,794	8,954	52
Finance & Property	14,880	8,455	13,673	(1,207)
Personnel	88	69	88	0
Contingency	0	0	0	0
<b>TOTAL</b>	<b>117,065</b>	<b>84,248</b>	<b>115,959</b>	<b>(1,106)</b>

6.3 In Children and Young People's Committee, minor slippage has been identified on both the School Kitchen programme and the Edwinstowe Respite Centre project.

6.4 In Adult Social Care and Health Committee, minor slippage has been identified on both the Day Services Modernisation and Bassetlaw Specialist Day Centre projects.

6.5 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. Slippage of £0.3m has been identified against the Transport and Travel Service budget as a result of delivery problems at suppliers. A delay in the purchase of properties has resulted in slippage of £0.4m against the Worksop Bus Station project.

6.6 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.

6.7 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. In addition, slippage of £0.2m has been identified against the Sun Volt programme as the next phase of installations are identified.

- 6.8 Net acceleration of £0.3m expenditure funded by capital allocations has been identified in departmental capital monitoring returns. Slippage of £1.4m has been identified in the Capital Programme of expenditure funded from other sources.

### **Financing the Approved Capital Programme**

- 6.9 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**

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

- 6.10 It is anticipated that borrowing in 2012/13 will increase by £3.5m 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.
- £0.3m 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.

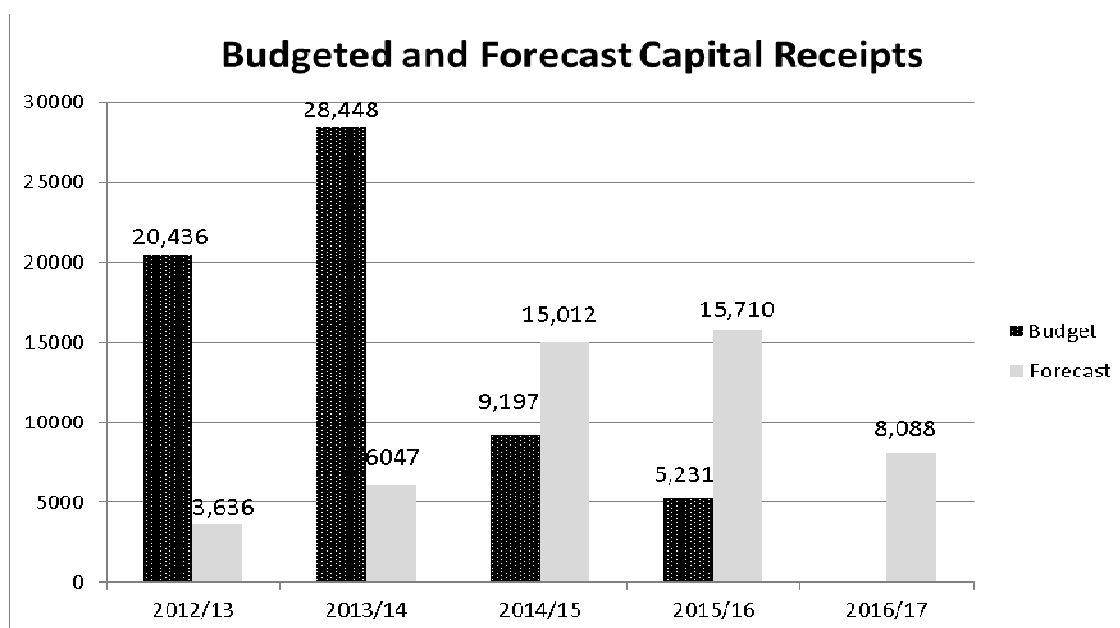
### **Prudential Indicator Monitoring**

- 6.11 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

6.12 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.

6.13 The chart below shows the budgeted and forecast capital receipts for the five years to 2016/17.



6.14 The dark 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 bars also incorporate anticipated slippage.

6.15 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.

6.16 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.

6.17 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.



- 6.18 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.
- 6.19 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 reiterate the importance of the Council keeping tight control of capital expenditure.

## **7. Balance Sheet**

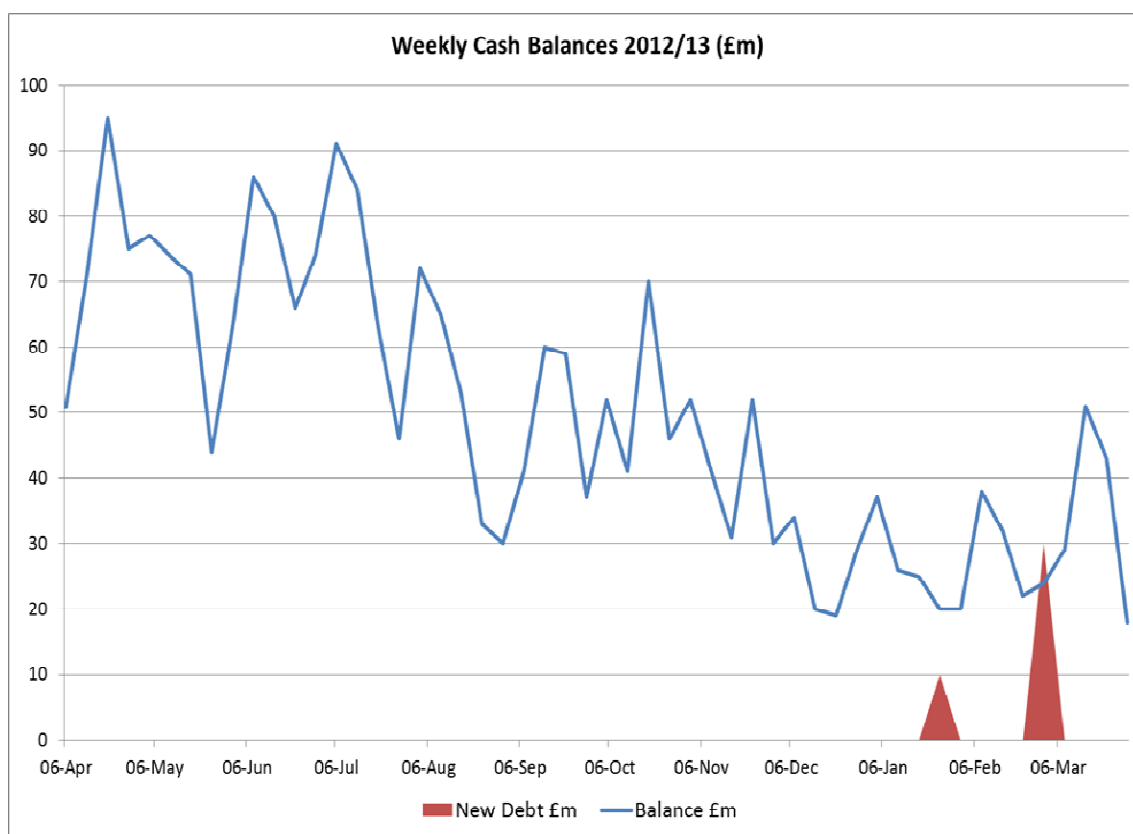
### **Impact on County Fund Balances**

- 7.1 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.
- 7.2 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 (28<sup>th</sup> February 2013) approved the use of £15.1m of County Fund balances in 2013/14.

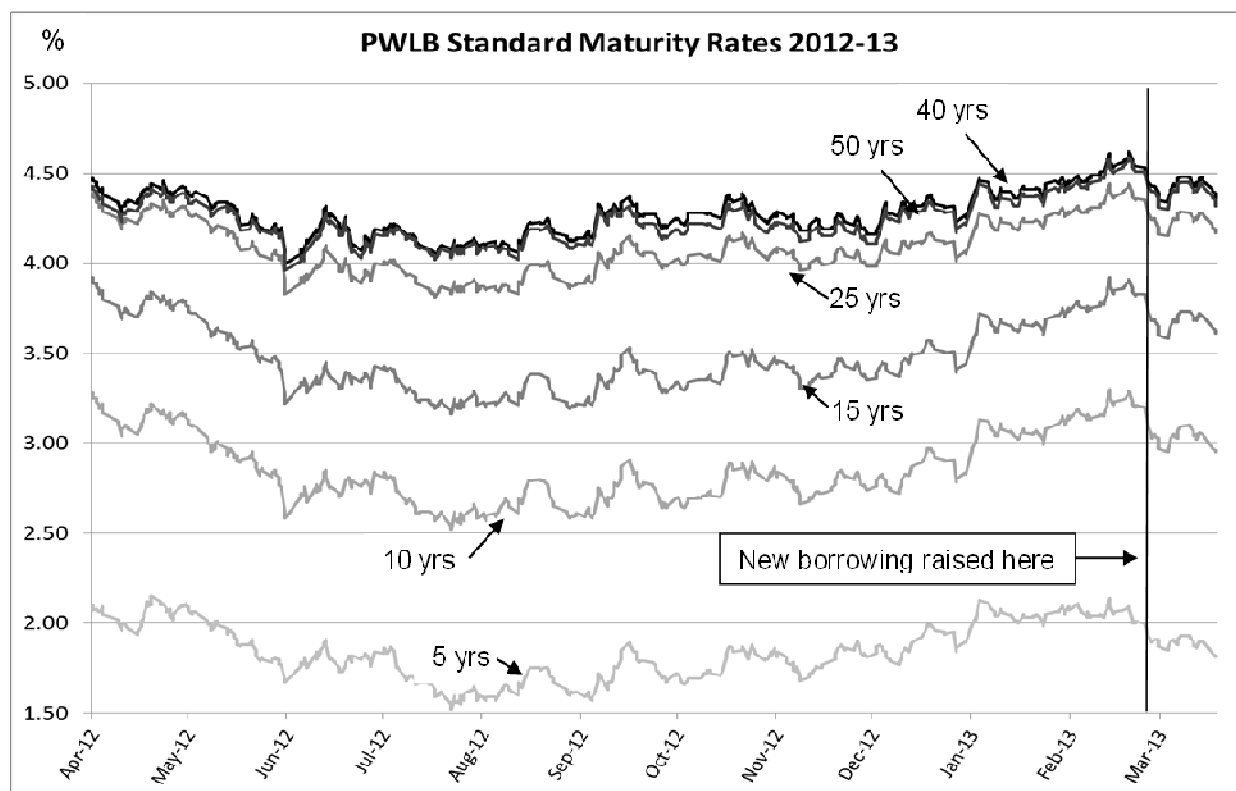
### **Treasury Management**

- 7.3 Cash flow is kept under constant monitoring by the Senior Accountant (Pensions & Treasury Management) 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. The Council aims to keep cash balances relatively low as part of its approach to managing treasury risks. This works to minimise borrowing costs and reduce exposure to counterparty risk.





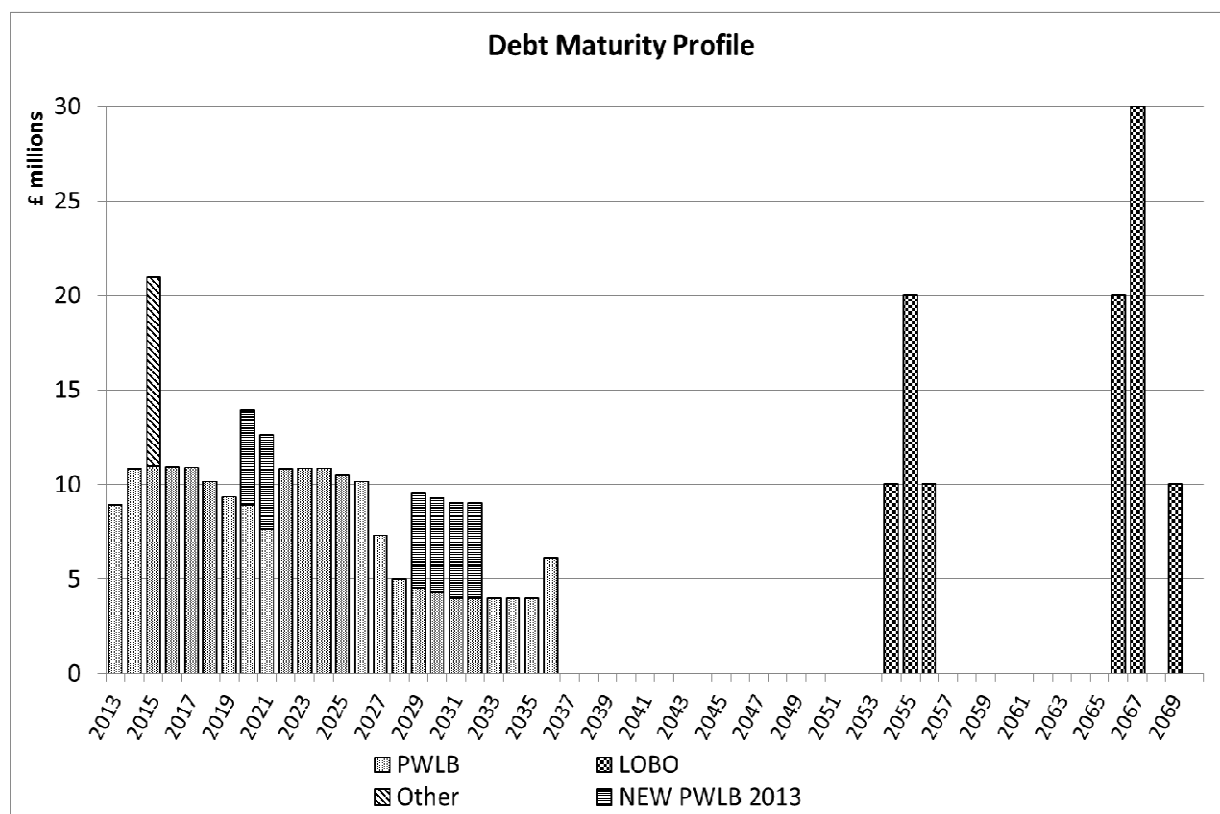
- 7.4 The red triangles in the chart show where new long-term borrowing has been undertaken. The treasury strategy for 2012/13 identified a need for additional borrowing of £100m to replenish cash reserves and to fund the capital programme. However, the general fund underspend of £40m at the end of 2011/12 and slippage of the capital programme has enabled sufficient cash balances to be maintained for much of the year without recourse to external borrowing.
- 7.5 Borrowing decisions take account of a number of factors including:
- Current interest rates and recent trends
  - The impact of new debt on revenue budgets
  - The maturity profile of existing debt
- 7.6 PWLB rates have been steadily increasing since July 2012 as shown in the chart below and the delay in borrowing has minimised the additional interest cost in 2012/13. Another factor in delaying borrowing was the announcement in the 2012 Budget of a 20 basis point reduction in PWLB rates for authorities applying for the “certainty rate”. This did not become effective until November. In January, the Treasury Management Group 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.



7.7 In January, £10m of short-term loans was raised from the money markets to benefit from continuing low rates. Two loans of £5m each were taken, both at sub-1% interest rates. At the end of February £30m in new loans was raised from the PWLB across a range of maturities. The timing of the new PWLB borrowing is indicated on the chart above and demonstrates the ongoing monitoring of interest rates. The average interest rate on long term borrowing at the start of 2012/13 was 5.74% and has now reduced to 5.44%. The average rate in 2013/14 (for existing borrowing) will be 5.13%. The table below shows the detail of the recent borrowing.

Lender	Type	Start	End	Term (years)	Rate	Advance £
PWLB	Maturity Loan	28/02/2013	25/11/2029	16.8	3.69%	5,000,000
PWLB	Maturity Loan	28/02/2013	25/05/2028	15.3	3.57%	5,000,000
PWLB	Maturity Loan	27/02/2013	25/05/2031	18.3	3.88%	5,000,000
PWLB	Maturity Loan	27/02/2013	25/05/2030	17.3	3.82%	5,000,000
PWLB	Maturity Loan	27/02/2013	25/05/2020	7.3	2.48%	5,000,000
PWLB	Maturity Loan	27/02/2013	25/05/2019	6.3	2.22%	5,000,000
						30,000,000
MARKET LOANS						
Oxfordshire County Council	Maturity Loan	22/01/2013	22/07/2014	1.5	0.75%	5,000,000
Wakefield District Council	Maturity Loan	22/01/2013	22/01/2015	2.0	0.80%	5,000,000
						10,000,000

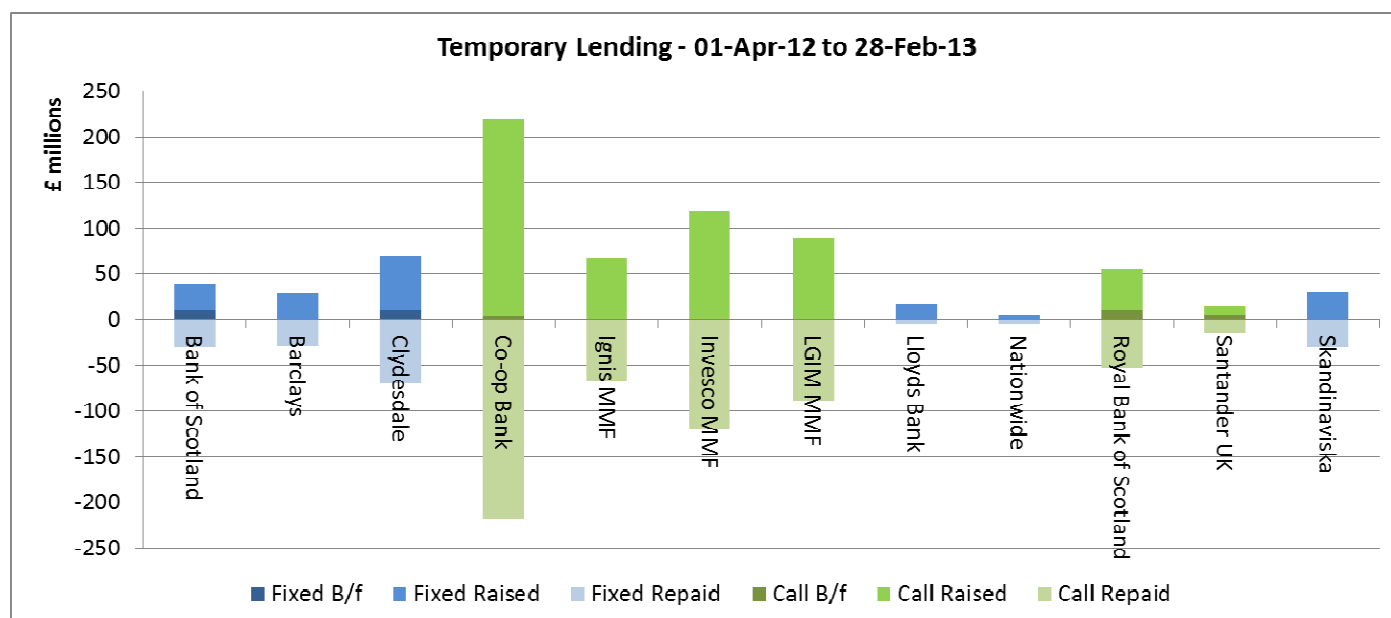
- 7.8 The maturity profile of the Council's debt portfolio is shown in the table below. The PWLB loans are reasonably well distributed and have a maximum duration of 23 years. Longer-term borrowing (maturities up to 56 years) was obtained from the market some years ago in the form of 'Lender's Options, Borrower's Options' loans (LOBOs). The 'other' loans denote the recent borrowing from the money markets where the main objective was to minimise interest costs. These loans will be refinanced in the coming years for terms of up to 2 years, provided short-term rates continue to look favourable.



## Investments

- 7.9 The Council's TM policy includes criteria for assessing counterparties for investment. Treasury Management Group approves a lending list based on these criteria and also market availability of institutions. The investment activity for 2012/13 to the end of February 2013 is shown in the table and chart below. A large proportion of the investments have been in call accounts or short-term fixed investments of up to 364 days. The call account with the Co-operative Bank is the most easily accessible and so is mainly used to maintain liquidity. As part of the local authority mortgage scheme the Council placed a £2m 5 year deal with Lloyds in February.

<b>Nottinghamshire County Council</b>								
<b>Temporary Lending:</b>	01-Apr-12	to	28-Feb-13					
	<b>Fixed Term Deals</b>			<b>Call Accounts &amp; Money Market Funds</b>			<b>Outstanding</b>	<b>Outstanding</b>
	<b>Fixed B/f</b>	<b>Fixed Raised</b>	<b>Fixed Repaid</b>	<b>Call B/f</b>	<b>Call Raised</b>	<b>Call Repaid</b>	<b>31-Mar-12</b>	<b>28-Feb-13</b>
Bank of Scotland	10,000,000	30,000,000	-30,000,000	0	0	0	10,000,000	10,000,000
Barclays	0	29,100,000	-29,100,000	0	0	0	0	0
Clydesdale	10,000,000	60,000,000	-70,000,000	0	0	0	10,000,000	0
Co-op Bank	0	0	0	3,500,000	215,100,000	-217,000,000	3,500,000	1,600,000
Ignis MMF	0	0	0	0	67,500,000	-67,500,000	0	0
Invesco MMF	0	0	0	0	119,200,000	-119,200,000	0	0
LGIM MMF	0	0	0	0	89,100,000	-89,100,000	0	0
Lloyds Bank	0	17,000,000	-5,000,000	0	0	0	0	12,000,000
Nationwide	0	5,000,000	-5,000,000	0	0	0	0	0
Royal Bank of Scotland	0	0	0	10,000,000	44,750,000	-52,850,000	10,000,000	1,900,000
Santander UK	0	0	0	5,000,000	10,000,000	-15,000,000	5,000,000	0
Skandinaviska	0	30,000,000	-30,000,000	0	0	0	0	0
	<b>20,000,000</b>	<b>171,100,000</b>	<b>-169,100,000</b>	<b>18,500,000</b>	<b>545,650,000</b>	<b>-560,650,000</b>	<b>38,500,000</b>	<b>25,500,000</b>



7.10 The approved lending list for 2013/14 is attached as Appendix B. The list currently has no Eurozone institutions but has had two additional money market funds added.

### Debtors and Creditors

7.11 The Business Support Centre has recently taken responsibility for the accounts payable function and is reviewing performance data and management information with several projects planned over the coming months. Already underway is a project to review the end to end business processes for the recovery of non-statutory debt. The objectives 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. Key comparative data will be available from the start of the new financial year, on an on-going basis.

## **8. Future developments & strategic issues**

- 8.1 A number of major initiatives to improve financial awareness and accountability across the Authority are also progressing. The March meeting of this Committee approved the revised finance structure and the enabling process for the remaining levels of the new structure has commenced. 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 through the Leadership Development Programme.

## **Statutory and Policy Implications**

- 9.1 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**

- 10.1 To note the current position regarding monitoring of revenue expenditure.  
10.2 To note the income received from Health Partners in the form of Section 256 agreements(as reported at section 4.9)  
10.3 To note the current position regarding monitoring of capital expenditure.  
10.4 To note that the current level of borrowing is expected to remain within the Council's prudential limits.  
10.5 To note the Treasury Management update.

**Paul Simpson**  
**Service Director – Finance & Procurement**

**For any enquiries about this report please contact:**  
**Pauline Moore - Senior Accountant, Financial Strategy & Accounting**  
**Glen Bicknell - Senior Finance Business Partner, Capital & External Funding**

### **Constitutional Comments (KK 10/04/13)**

The recommendations in this report are for noting only, however they do fall within the remit of the Finance and Property Committee.

### **Financial Comments (PM 27/03/13)**

The financial implications are stated in the report.

### **Background Papers**

Nil

### **Electoral Division(s) and Member(s) Affected**

All

## Contingency Summary

## Appendix A

2012/13

	£000	£000	£000
Redundancy Contingency Budget	10,000		
General Contingency Budget	4,893		
Non-delivery of savings (net of horizontal savings) Budget	1,573		
Net Contingency Budget		<b>16,466</b>	
Add on departmental transfers:			
ASCH	8,000		
CFCS	4,000		
E&R	1,000		
T&H	-750		
Procurement	-3,000		
<b>Subtotal additional transfers</b>		<b>9,250</b>	
<b>Total contingency budget</b>			<b>25,716</b>
Less approved requests:			
CFCS pressure materialised - contingency returned	-4,000		
Multi Agency Safeguarding Hub – part year effect	-312		
Increase contribution to Experience Nottinghamshire	-100		
Procurement Team funding	-440		
Consultancy-End to End review of the Debt Recovery Process	-42		
Dilapidations at Riverside Way	-300		
Contribution to the Royal Visit to Nottingham	-24		
Olympic & Paralympic Legacy Fund	-1,000		
Care Home Refurbishment	-300		
Economic Growth & Tourism	-34		
Rufford County Park	-140		
County Hall mosaic	-30		
<b>Subtotal contingency schemes approved in year</b>			<b>-6,722</b>
<b>Redundancy</b>			
Expenditure to date	-6,000		
Further entries expected before 31 March 2013	-500		
<b>Total spend</b>		<b>-6,500</b>	
Previous year provision	5,200		
Next year provision estimated for known S188	-4,000		
<b>Subtotal adjustments</b>		<b>1,200</b>	
<b>Net redundancy requirement from contingency *</b>			<b>-5,300</b>
<b>Reported underspend on contingency</b>			<b>13,694</b>

\* Note – the estimated £4.7m underspend on redundancy contingency is expected to be transferred to the Redundancy Reserve, once final figures are known. This effectively reduces the overall underspend to £8.994m.

## Nottinghamshire County Council - Approved Lending List 2013-14

Banks	Sovereign	FITCH			MOODY'S		S & P	
		long	short	support	long	short	long	short
Bank of Montreal	CAN	AA-	F1+	1	Aa3	P-1	A+	A-1
Bank of Nova Scotia	CAN	AA-	F1+	1	Aa2	P-1	A+	A-1
Bank of Scotland	UK	A	F1	1	A2	P-1	A	A-1
Barclays Bank	UK	A	F1	1	A2	P-1	A+	A-1
Canadian Imperial Bank	CAN	AA-	F1+	1	Aa3	P-1	A+	A-1
Citibank NA	USA	A	F1	1	A3	P-2	A	A-1
Clydesdale Bank	UK	A	F1	1	A2	P-1	BBB+	A-2
Co-operative Bank Plc	UK	BBB+	F2	3	A3	P-2		
Credit Suisse Ag	SWZ	A	F1	1	A1	P-1	A+	A-1
HSBC Plc	UK	AA-	F1+	1	Aa3	P-1	AA-	A-1+
JP Morgan Chase Bank NA	USA	A+	F1	1	Aa3	P-1	A+	A-1
Lloyds TSB Bank	UK	A	F1	1	A2	P-1	A	A-1
National Westminster Bank	UK	A	F1	1	A3	P-2	A	A-1
Nationwide	UK	A+	F1	1	A2	P-1	A+	A-1
Royal Bank of Canada	CAN	AA	F1+	1	Aa3	P-1	AA-	A-1+
Royal Bank of Scotland	UK	A	F1	1	A3	P-2	A	A-1
Santander UK Plc	UK	A	F1	1	A2	P-1	A	A-1
Svenska Handelsbanken	SWE	AA-	F1+	1	Aa3	P-1	AA-	A-1+
Toronto-Dominion Bank	CAN	AA-	F1+	1	Aa1	P-1	AA-	A-1+
UBS Ag	SWZ	A	F1	1	A2	P-1	A	A-1

### AAA Rated Money Market Funds

Ignis Sterling Liquidity Fund  
 LGIM Sterling Liquidity Fund  
 Insight Liquidity Fund-GBP  
 BlackRock ICS-Instit GBP Liq Fund

### Others

UK Government  
 UK Local Authorities  
 Pension Fund Custodian (for Pension Fund balances only)

### Minimum Rating Criteria

Minimum ratings from at least 2 rating agencies together with Fitch support rating of 1

#### Lending up to and including 364 days

	Long Term	Short Term	Support	Money Market Funds
Fitch	A-	F1	1	AAAmmf
Moodys	A3	P-1	N/a	Aaamf
Standard & Poors	A-	A-1	N/a	AAAm

Sovereign Rating	AA
------------------	----

**Lending over 364 days**

	Long-Term	Short-Term	Support
Fitch	<b>A</b>	<b>F1</b>	1
Moodys	<b>A2</b>	<b>P-1</b>	N/a
Standard & Poors	<b>A</b>	<b>A-1</b>	N/a

Sovereign Rating	<b>AA</b>
------------------	-----------

Exceptions to these ratings will be made in respect of the following institutions:

- 1) the Council's banker (currently the Co-Operative Bank)
- 2) the Pension Fund custodian (currently State Street)
- 3) UK banks with significant shareholding by the government (currently RBS and Lloyds TSB Group)
- 4) UK government



**22 April 2013****Agenda Item:7(a)****REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &  
ENVIRONMENT****UPLIFT PAYMENT – WHATTON LODGE FARM, WHATTON****Purpose of the Report**

1. To inform the Finance & Property Committee of the overage payment in respect of Whatton Lodge Farm, Whatton as detailed in the exempt appendix.

**Information and Advice**

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.
3. Whatton Lodge Farm (c. 120 acre farm with house and outbuildings) was sold by the Authority at auction in 2011.
4. Under the terms of the sale, if planning consent is obtained for change of use of any part then an uplift payment will be due to the Authority.
5. The property owners have recently obtained planning consent for the conversion of a barn at the site (shown hatched on the attached plan) to residential use and so a payment is now due.
6. Following negotiations, a settlement on the value of the uplift has been agreed and the detail of this is contained in the exempt appendix which is annexed to the report.

**Other Options Considered**

7. None, if the parties cannot agree an overage figure then an independent valuer can be appointed which may result in the County Council incurring costs.

**Reason for Recommendation**

8. The transaction will provide a capital receipt to the Authority.

## **Statutory and Policy Implications**

9. 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**

1. That the Finance & Property Committee notes the acceptance of the overage payment in respect of Whatton Lodge Farm, Whatton as detailed in the exempt appendix to this report.

**Jas Hundal**

**Service Director, Transport, Property and Environment**

**For any enquiries about this report please contact: Tim Slater 0115 9772076**

## **Constitutional Comments**

10. The report is for noting purposes only.

## **Financial Comments (TR 22-3-13)**

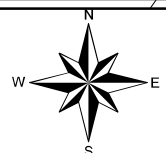
11. The uplift payment will be used to help fund the Capital Programme.

## **Background Papers and Published Documents**

12. None.

## **Electoral Division(s) and Member(s) Affected**

13. Ward(s): Bingham  
Member(s): Councillor Martin Suthers OBE



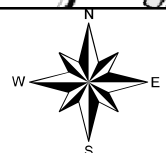
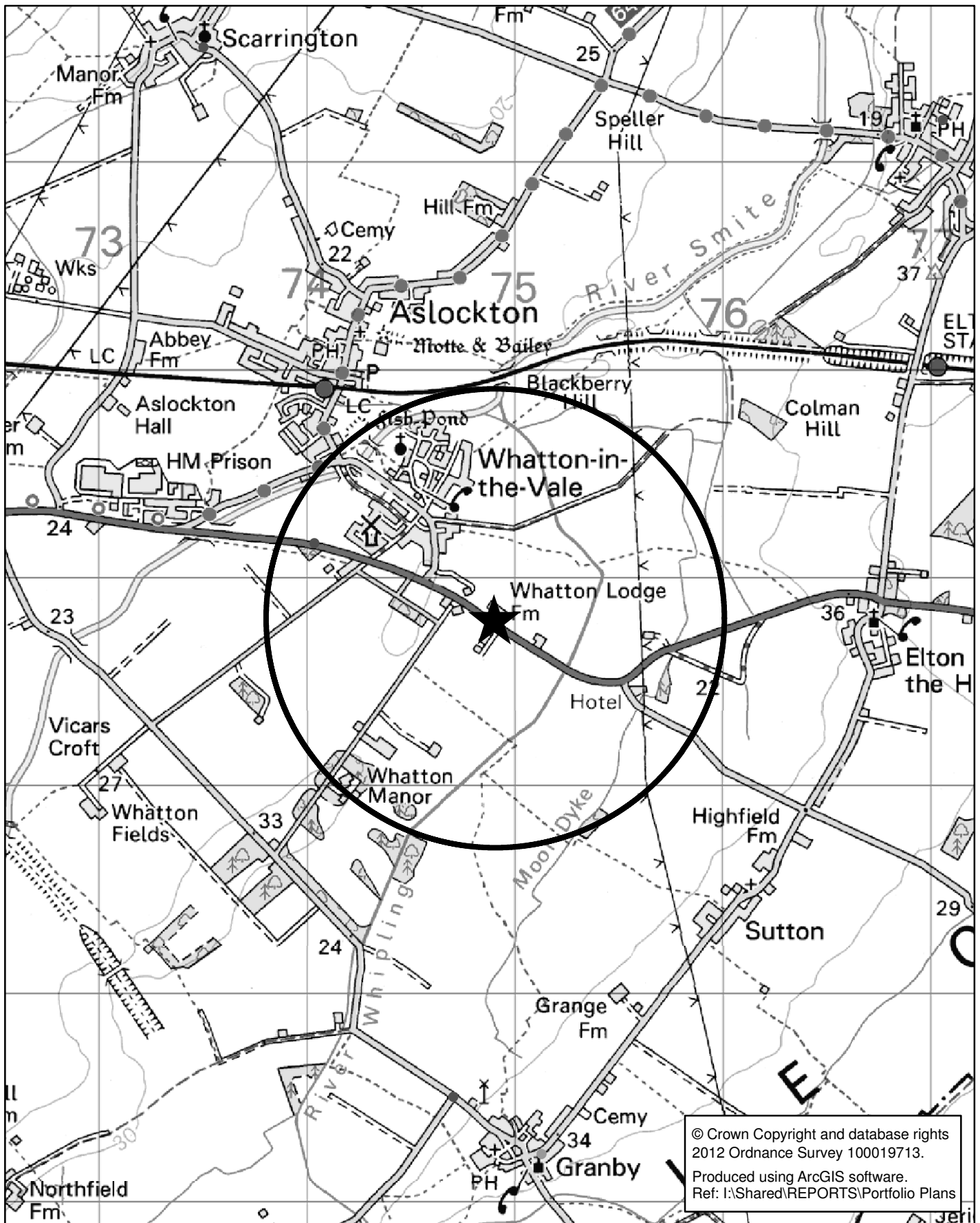




Nottinghamshire  
County Council

## Whatton Lodge - Location Plan SP2413

Plan provided by: EW





**22 April 2013****Agenda Item: 7(b)****REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY AND  
ENVIRONMENT****HUCKNALL TOWN CENTRE IMPROVEMENT SCHEME (HTCIS)  
PROPERTY ACQUISITION – 28 TITCHFIELD STREET****Purpose of the Report**

1. To seek approval to the acquisition of number 28 Titchfield Street Hucknall for the HTCIS on terms set out in the exempt appendix.

**Information and Advice**

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt annex.
3. Transport & Highways Committee at the meeting on 18<sup>th</sup> October 2012 confirmed endorsement to continue to develop the HTCIS project including the acquisition of land by negotiation.
4. The subject property (an end terraced house) lies on the line of the proposed Inner Relief Road and terms have been agreed for its acquisition as detailed in the exempt appendix attached to the report.

**Other Options Considered**

5. To leave the remaining acquisitions until a Compulsory Purchase Order is announced. This would be a more costly route as extra payments such as disturbance and severance would be payable in addition to the cost of the land.

**Reason/s for Recommendation/s**

6. To secure the land necessary for the proposed inner relief road which forms part of the scheme.

## **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 approval is given to the acquisition of number 28 Titchfield Street Hucknall for the Hucknall Town Centre Improvement Scheme on terms set out in the exempt appendix.

**Jas Hundal**

**Service Director - Transport, Property & Environment**

**For any enquiries about this report please contact: Tim Slater 0115 977 2076**

### **Constitutional Comments (CEH 22-3-13)**

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

### **Financial Comments (TR 22-3-13)**

9. The financial implications are set out in the report and in the exempt appendix.

### **Background Papers**

10. Transport & Highways Committee report 18 October 2012 - Hucknall Town Centre Improvement Scheme – Update Report

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.

### **Electoral Division(s) and Member(s) Affected**

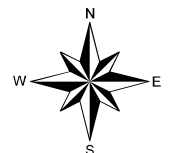
11. Ward(s): Hucknall  
Member(s): Councillor Mick Murphy, Councillor Reverend Tom Irvine,  
Councillor Kevin Rostance

File ref.: /TS/SL/62214

SP: 2419

Properties affected: 62214 - Hucknall Inner Relief Road







**22 April 2013****Agenda Item: 7(c)****REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY AND  
ENVIRONMENT****HUCKNALL TOWN CENTRE IMPROVEMENT SCHEME (HTCIS)  
LAND ACQUISITION****Purpose of the Report**

1. To seek approval to the acquisition of land at Baker Street Hucknall for the Hucknall Town Centre Improvement Scheme (HTCIS) on terms set out in the exempt appendix.

**Information and Advice**

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.
3. Transport & Highways Committee at the meeting on 18 October 2012 confirmed endorsement to continue to develop the HTCIS project including the acquisition of land by negotiation.
4. The subject land (541.33 sq m or thereabouts) lies on the line of the proposed Inner Relief Road and terms have been agreed for its acquisition as detailed in the exempt appendix attached to the report.

**Other Options Considered**

5. To leave the remaining acquisitions until a Compulsory Purchase Order is announced. This would be a more costly route as extra payments such as disturbance and severance would be payable in addition to the cost of the land.

**Reason/s for Recommendation/s**

6. To secure the land necessary for the proposed inner relief road which forms part of the scheme.

## **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 approval to the acquisition of land at Baker Street Hucknall for the Hucknall Town Centre Improvement Scheme (HTCIS) on the terms set out in the exempt appendix.

**Jas Hundal**

**Service Director, Transport, Property and Environment**

**For any enquiries about this report please contact: Tim Slater 0115 9772076**

### **Constitutional Comments (CEH 22-3-13)**

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

### **Financial Comments (TR 22-3-13)**

9. The financial implications are set out in the report and the exempt appendix.

### **Background Papers and Published Documents**

10. Transport & Highways Committee report 18 October 2012 - Hucknall Town Centre Improvement Scheme – Update Report

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.

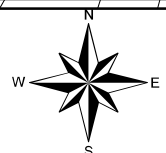
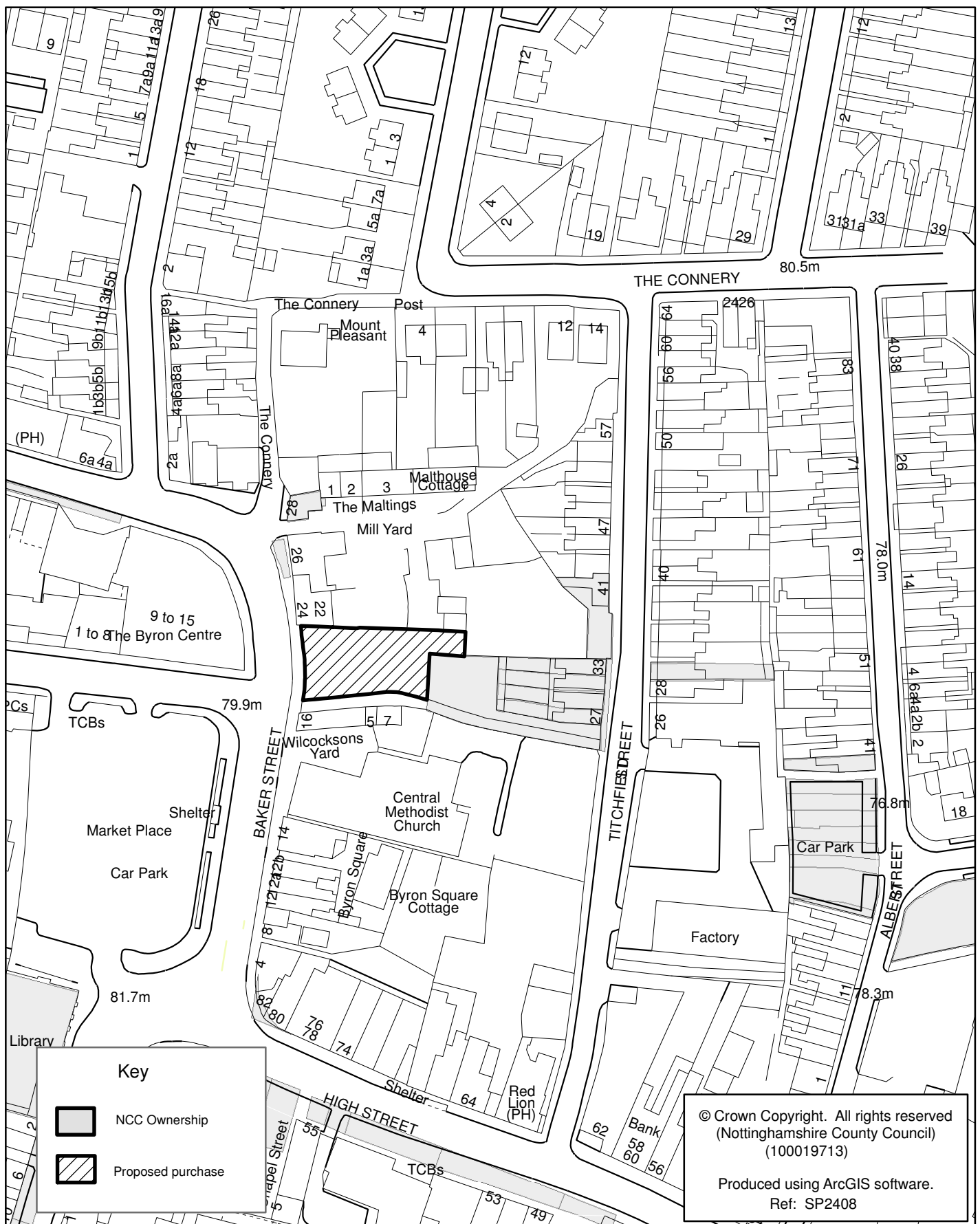
### **Electoral Division(s) and Member(s) Affected**

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

File ref.: /TS/SB/62214

SP: 2408

Properties affected: 62214 - Hucknall Inner Relief Road







**22 April 2013**

**Agenda Item: 7(d)**

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

**DISPOSAL – FORMER CARETAKERS DWELLING: EDGEWOOD  
PRIMARY SCHOOL, 27 EDWARD CLOSE, HUCKNALL, NOTTS NG15  
6SP**

**Purpose of the Report**

1. To seek approval to the sale of the former caretakers dwelling, known as 27 Edward Close, Hucknall, Nottingham.
2. The reserve price being approved by the Service Director, Property & Environment, in consultation with the Chair (or Vice Chair in his absence) of the Finance and Property Committee in consultation with the nominated agent prior to the auction.

**Information and Advice**

3. 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 annex.
4. The property comprises a former caretaker's 3 bedroom end terraced house located opposite the school with a garage. The premises were declared surplus to requirements in February 2013 as there is no further operational requirement for the property.
5. The authority has no strategic requirement for the property and approval is therefore sought to dispose of it to produce a capital receipt.
6. The property to be disposed of is shown hatched outlined in black on the attached plan.
7. Disposal by auction is considered the most appropriate option and method of sale. Similar properties have been sold by this approach in the past with encouraging results. Based on the above, approval is sought to appoint Savills who have acted on behalf of NCC previously. They are a well established, experienced and respected auctioneer who have achieved much success selling former caretaker dwellings and are therefore considered to be the most appropriate to maximise the sale value of the site. A reserve however will be agreed in consultation with the agent prior to the auction once interest has been gauged (see exempt appendix).

8. Purchasers are to be made aware of a 2% buyers premium will be charged plus auctioneers costs will be collected on completion. This should cover the Auctioneer's fee and our legal expenses.

### **Other Options Considered**

9. Consideration has been given to sell by private treaty – it is thought as previously, that sale by auction with a longer than normal marketing time to the auction date will produce greater interest and a higher capital receipt. A sale by private treaty would also take considerable time delaying the capital receipt and the County Council would incur costs for maintenance, empty Council Tax and security whilst the property remains vacant.

### **Reason/s for Recommendation/s**

10. The Authority has no strategic requirement for the property.

### **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/S**

That approval is given to: -

1. the sale by auction via Savills for the former caretakers dwelling, known as 27 Edward Close, Hucknall, Nottingham on terms set out in the report; and
2. to grant authority for the Service Director, Transport, Property & Environment, in consultation with the Chair (or Vice Chair in his absence) of the Finance and Property Committee, also in consultation with the Auctioneers shortly to the auction date, to set the reserve price.

**Jas Hundal**

**Service Director - Transport, Property & Environment**

**For any enquiries about this report please contact: Marie Glaister 0115 977 2158**

### **Constitutional Comments (CEH 22-3-13)**

12. The recommendations fall within the remit of the Finance and Property Committee. When disposing of land the Council is required to obtain the best price reasonably obtainable on the open market and the Committee will need to satisfy itself of this.



### **Financial Comments (TR 22-3-13)**

13. The sale will generate a capital receipt which will be used to help fund the Capital Programme. The auctioneers costs and legal costs will be funded by the purchasers.

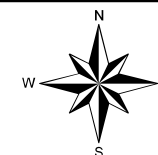
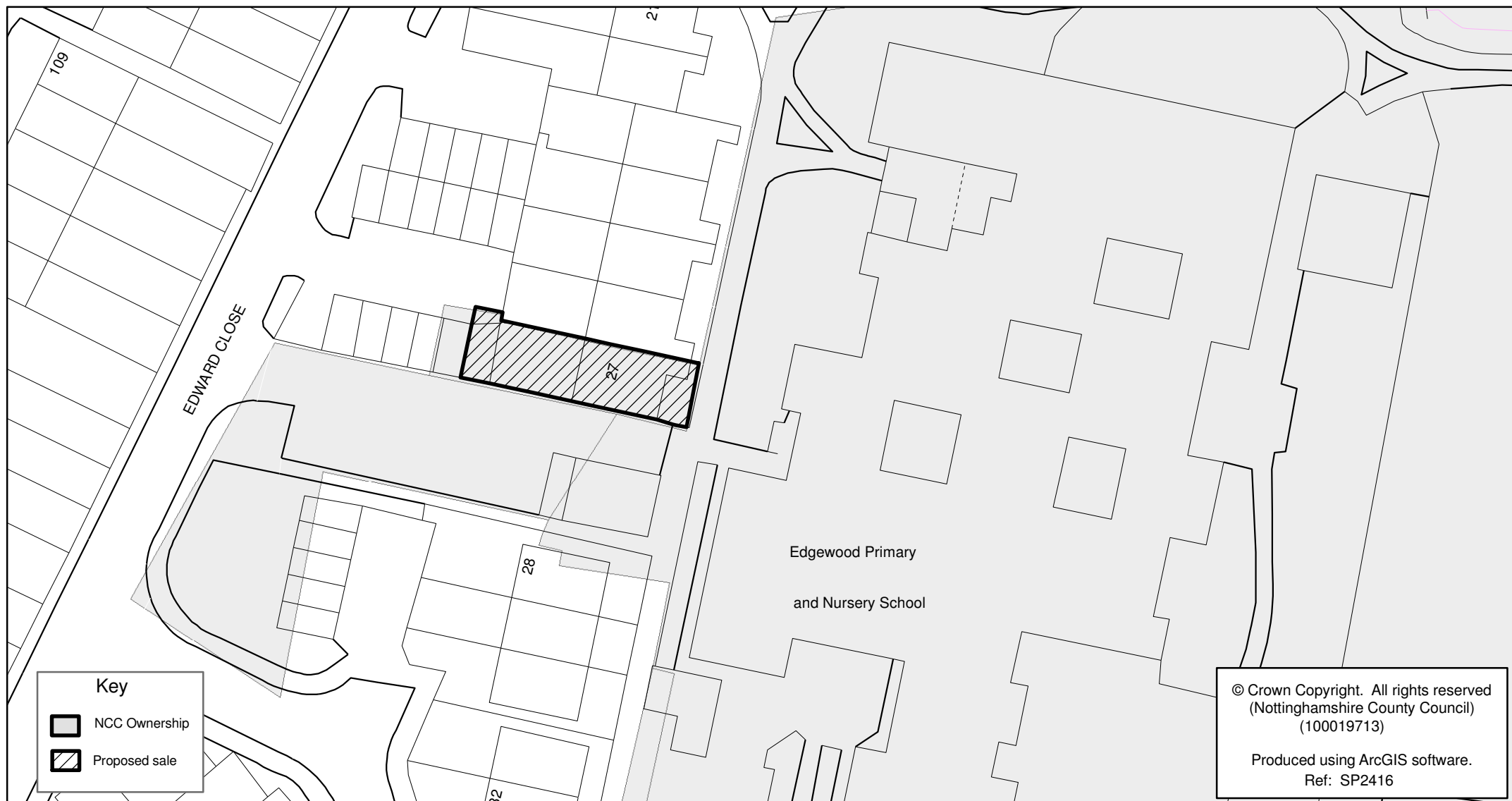
### **Background Papers**

14. None.

### **Electoral Division(s) and Member(s) Affected**

15. Ward(s): Ward(s): Hucknall  
Member(s): Councillor Reverend Tom Irvine, Councillor Kevin Rostance, Councillor Mick Murphy





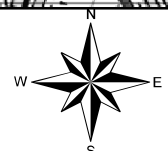
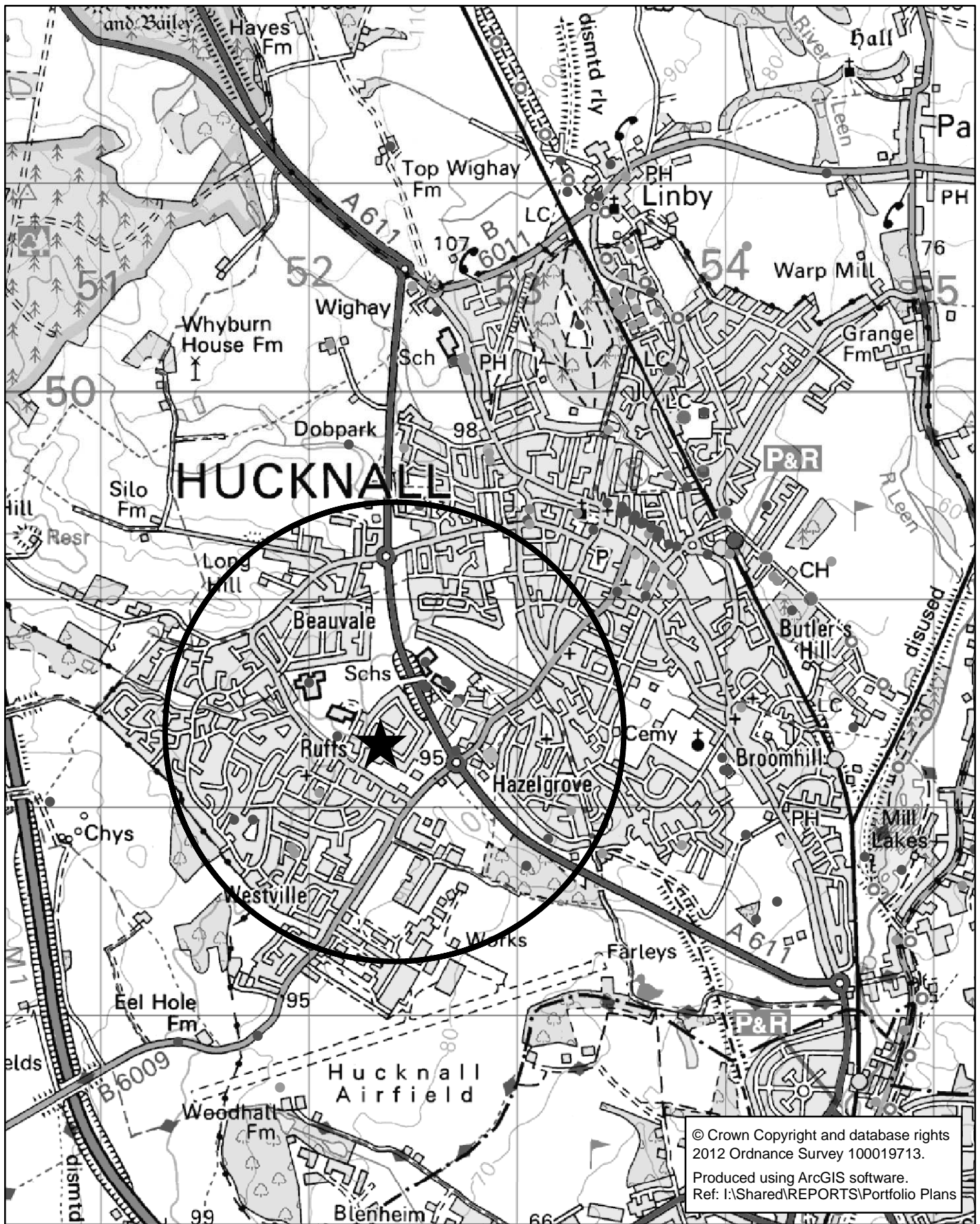




Nottinghamshire  
County Council

## Hucknall - Location Plan SP2416 & SP2426

Plan provided by: EW







**22 April 2013**

**Agenda Item: 7(e)**

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

**LAND OFF HIGHFIELD ROAD, CLIPSTONE – GRANT OF EASEMENT**

**Purpose of the Report**

1. To seek approval to the granting of an easement to Severn Trent Water on terms set out in the exempt appendix to this report.

**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.
  - a. In 2006 under the Water Industry Act 1991 Notice of entry was served by Severn Trent to enter land owned by the County Council, the actual date of entry was then in January 2007.
  - b. This Notice enabled Severn Trent to construct an underground holding tank which operates sporadically when there are large surges of water in the mains drainage system, water is temporarily stored in the tank but then pumped back into the mains system when water levels subside
  - c. The area affected by this tank is situated at the edge of the playing field site and as a result this area cannot be built on but can still be used as open space. The total sterilized area is approx 0.3 acres and is outlined and hatched black on the attached plan.
  - d. As a result of these works the County Council are entitled to claim compensation in respect of loss or damage attributable to the works.
  - e. Negotiations have taken place and instead of the County Council receiving compensation it is proposed that Severn Trent are granted an easement and the County Council receive a consideration for granting this. The brief terms for the easement are contained within the exempt appendix attached to this report.



- f. The claim for compensation must be settled within 6 years from the date of entry, the 6 years have now passed and in order to protect the position of the County Council an application has been made to the Lands Tribunal.

### **Other Options Considered**

3. The County Council could proceed with just agreeing to receive compensation and not enter into an easement however the amount received is less than that would be received by the authority for the granting of the easement.

### **Reason/s for Recommendation/s**

4. To receive a greater payment following the works undertaken by Severn Trent and avoid the County Council incurring substantial fees if the matter proceeded to Lands Tribunal which would not be in the best interest of the authority.

### **Statutory and Policy Implications**

5. 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 the County Council grant an easement to Severn Trent on the brief terms set out within the exempt appendix to this report.

**Jas Hundal**

**Service Director - Transport, Property & Environment**

**For any enquiries about this report please contact: Luke Smith 0115 9772082**

### **Constitutional Comments (CEH 22-3-13)**

6. The Finance and Property Committee has authority to consider the matters set out in the report by virtue of their terms of reference.

### **Financial Comments (TR 22-3-13)**

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



## **Background Papers and Published Documents**

8. Background papers are contained within the exempt appendix attached to this report.

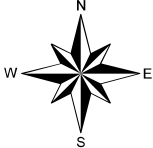
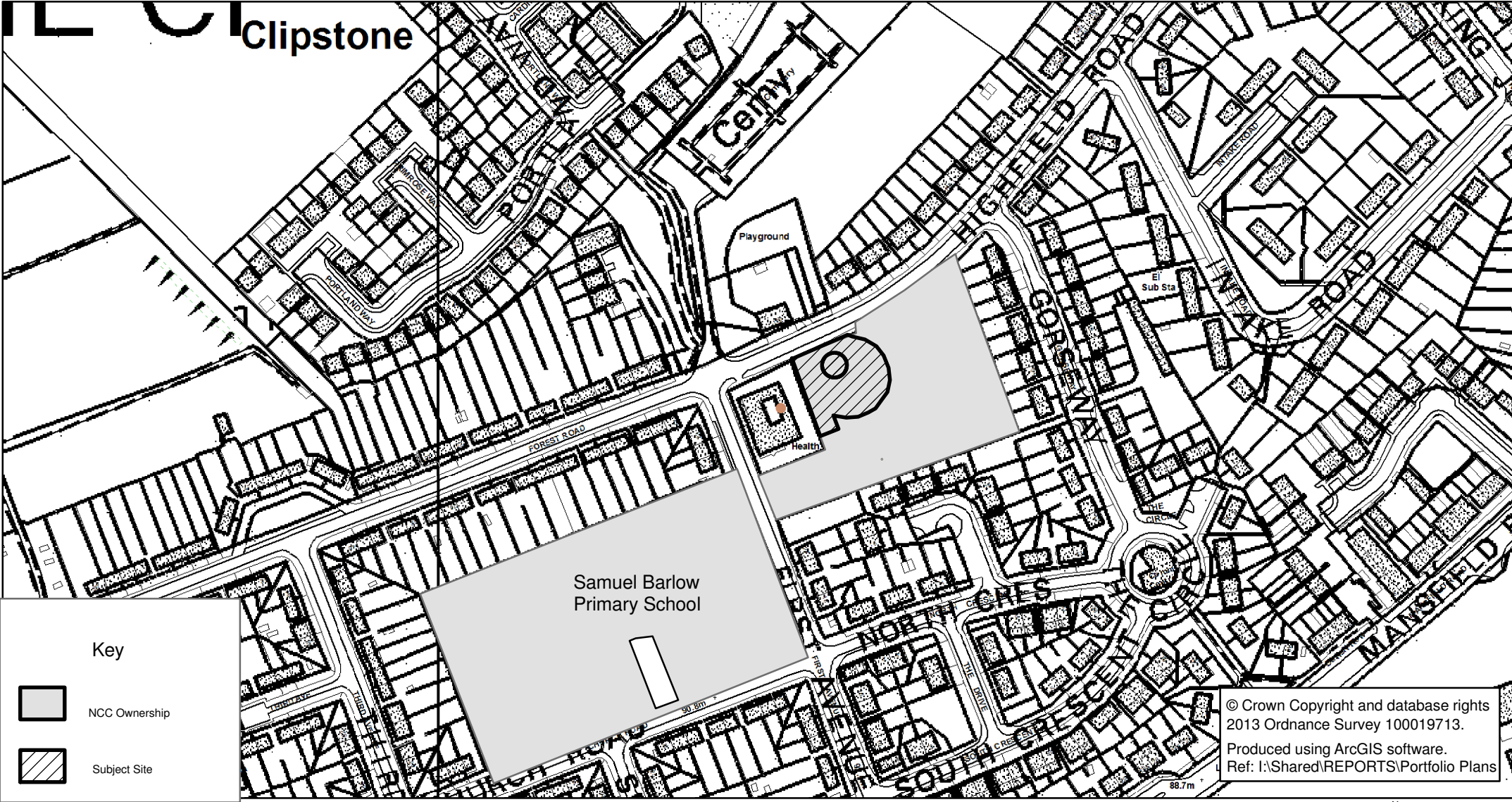
## **Electoral Division(s) and Member(s) Affected**

9. Ward(s): Rufford  
Member(s): Councillor John Peck

File ref.: /LS/SL/  
SP: 2414  
Properties affected: 90030 - Playing Fields



Plan provided by: EW





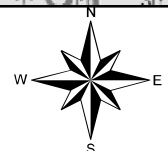
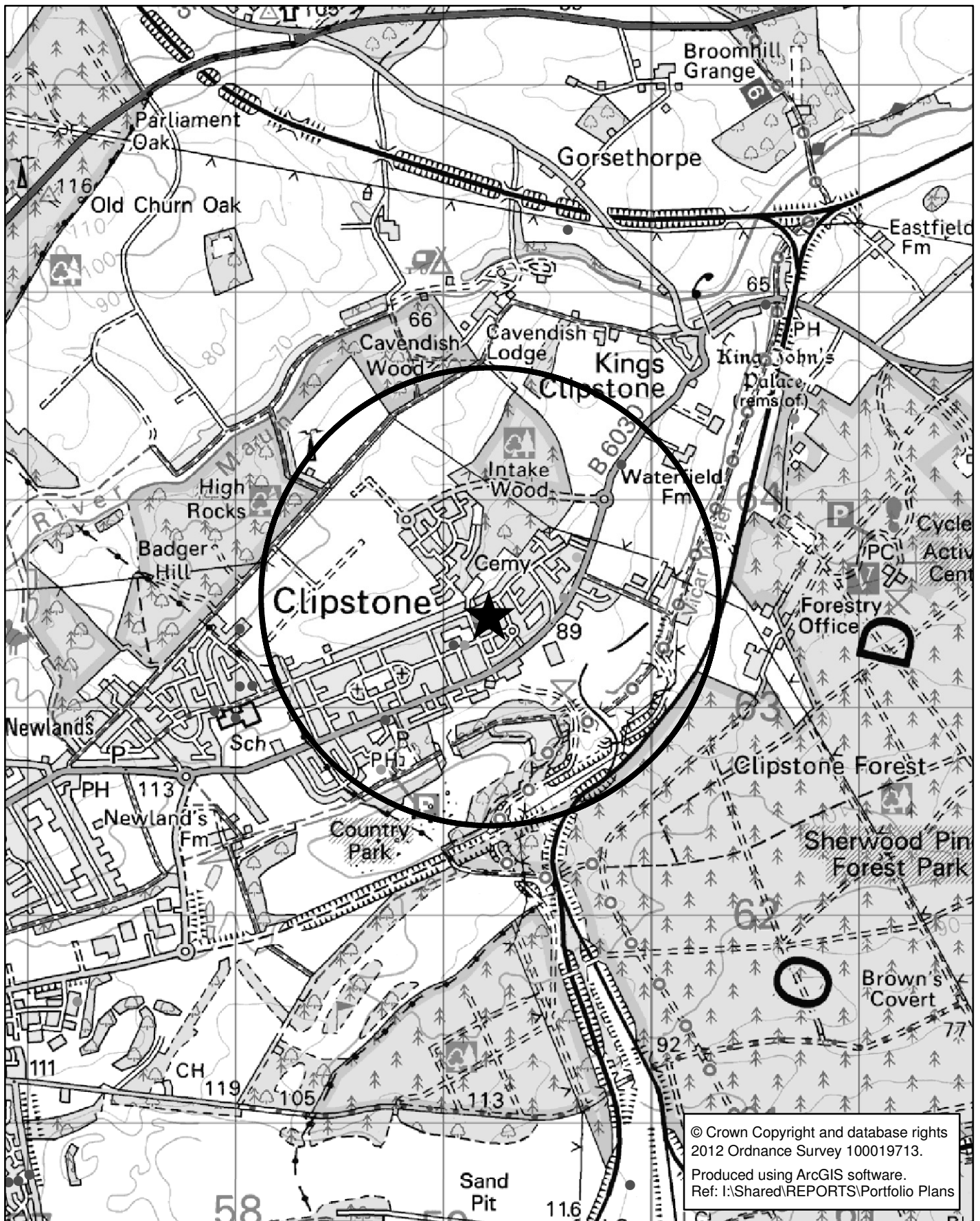




Nottinghamshire  
County Council

## Land off Highfield Road - Location Plan SP2414

Plan provided by: EW





22 April 2013

Agenda Item: 7(f)

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

### **DISPOSAL OF LAND AT HALAM C OF E PRIMARY SCHOOL**

#### **Purpose of the Report**

1. To seek approval of the Finance & Property Committee to:
  - a. dispose of land at Halam C of E Primary School
  - b. the terms of the disposal

#### **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 (NCC) is proposing to sell a small parcel of land of approximately 2m<sup>2</sup>.
  - b. The proposed purchasers, who own the property adjacent to Halam School contacted NCC and the school in 2012 with a formal offer to purchase the land.
  - c. Terms were agreed with the purchaser subject to consultation with Halam School and formal NCC approval.
  - d. The school did not raise any objection to the disposal subject to the purchaser being required to reinstate the boundary fence using the County Council's fencing contractor in order to deal with any safeguarding issues and to ensure that the required works meet the appropriate standard.
4. The terms of the proposed disposal, which are commercially sensitive, are detailed in the exempt appendix.
5. The sale of this area of land is subject to approval from the Department of Education under Section 77 School Standards and Framework Act 1998. An application will be made after Committee Approval has been given.

## **Other Options Considered**

6. No other options were considered.

## **Reason/s for Recommendation/s**

7. No objections have been raised by the school with regard to the disposal and the disposal will gain a capital receipt for NCC.

## **Statutory and Policy Implications**

8. 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 approval is given to dispose of land at Halam C of E Primary School on the terms set out in the exempt appendix.

**Jas Hundal**

**Service Director - Transport, Property & Environment**

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

## **Constitutional Comments (CEH 22-3-13)**

9. The recommendation falls within the remit of the Finance and Property Committee. When disposing of land the Council is required to obtain the best price reasonably obtainable on the open market and therefore the Committee should satisfy themselves of this. The sale will also be subject to obtaining s77 consent to sell and cannot proceed if this consent is not forthcoming.

## **Financial Comments (TR 22-3-13)**

10. Any sale will generate a capital receipt which will be used to help fund the Capital Programme. The legal costs will be funded by the purchasers.

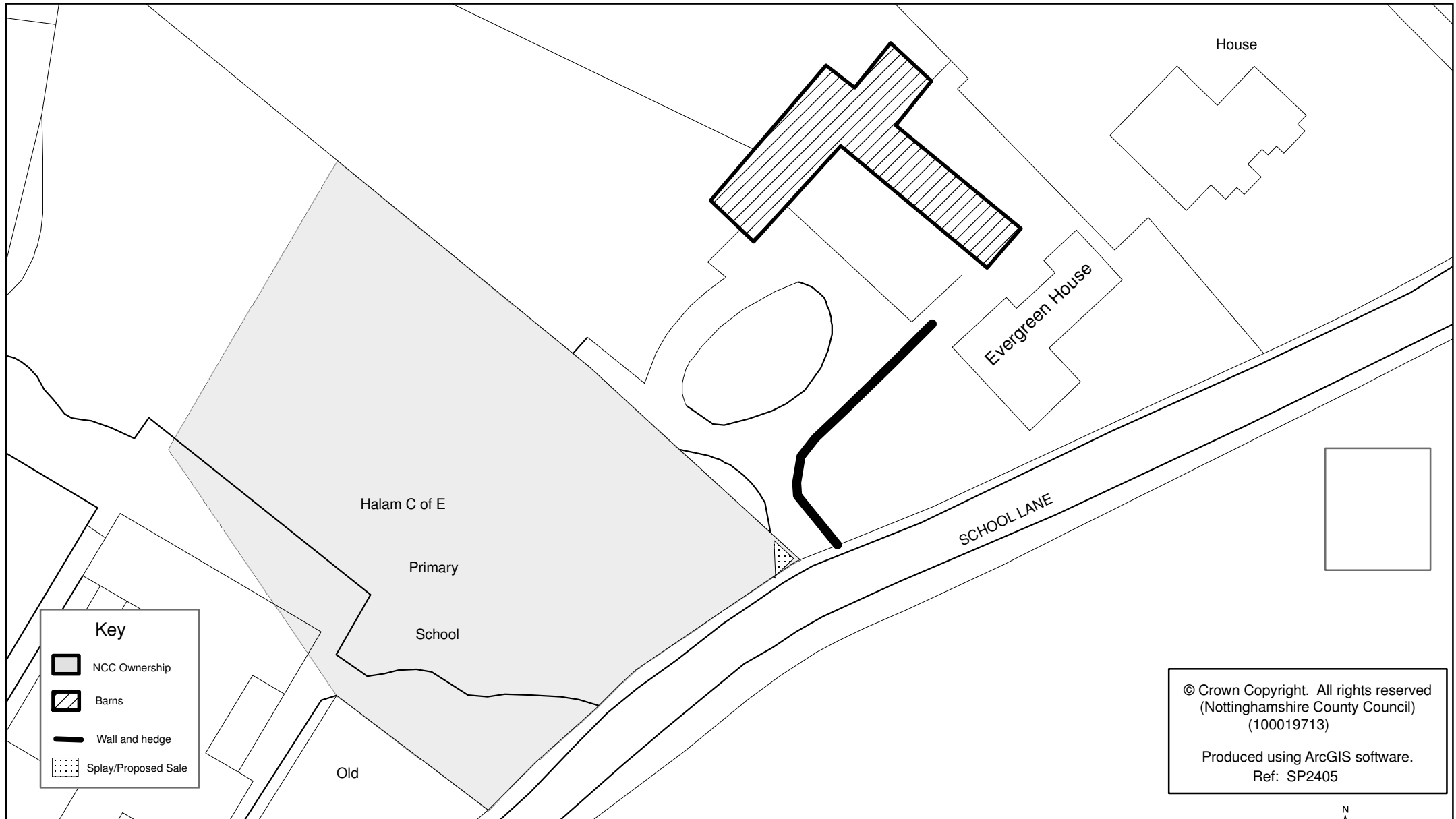
## **Background Papers**

11. None

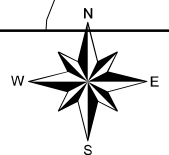
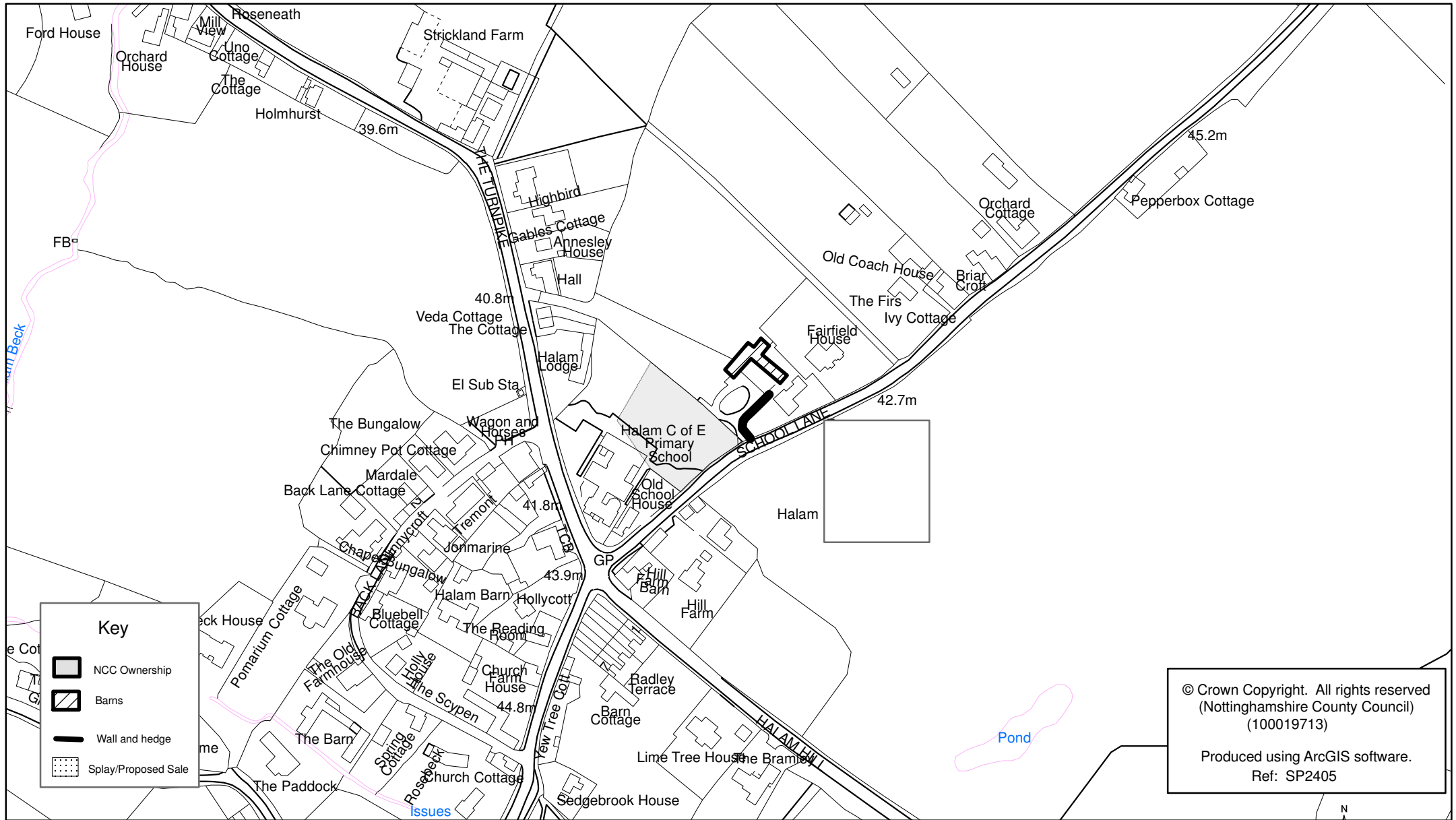
## **Electoral Division(s) and Member(s) Affected**

12. Ward(s): Newark and Sherwood - Farnsfield and Lowdham  
Member(s): Councillor Andy Stewart









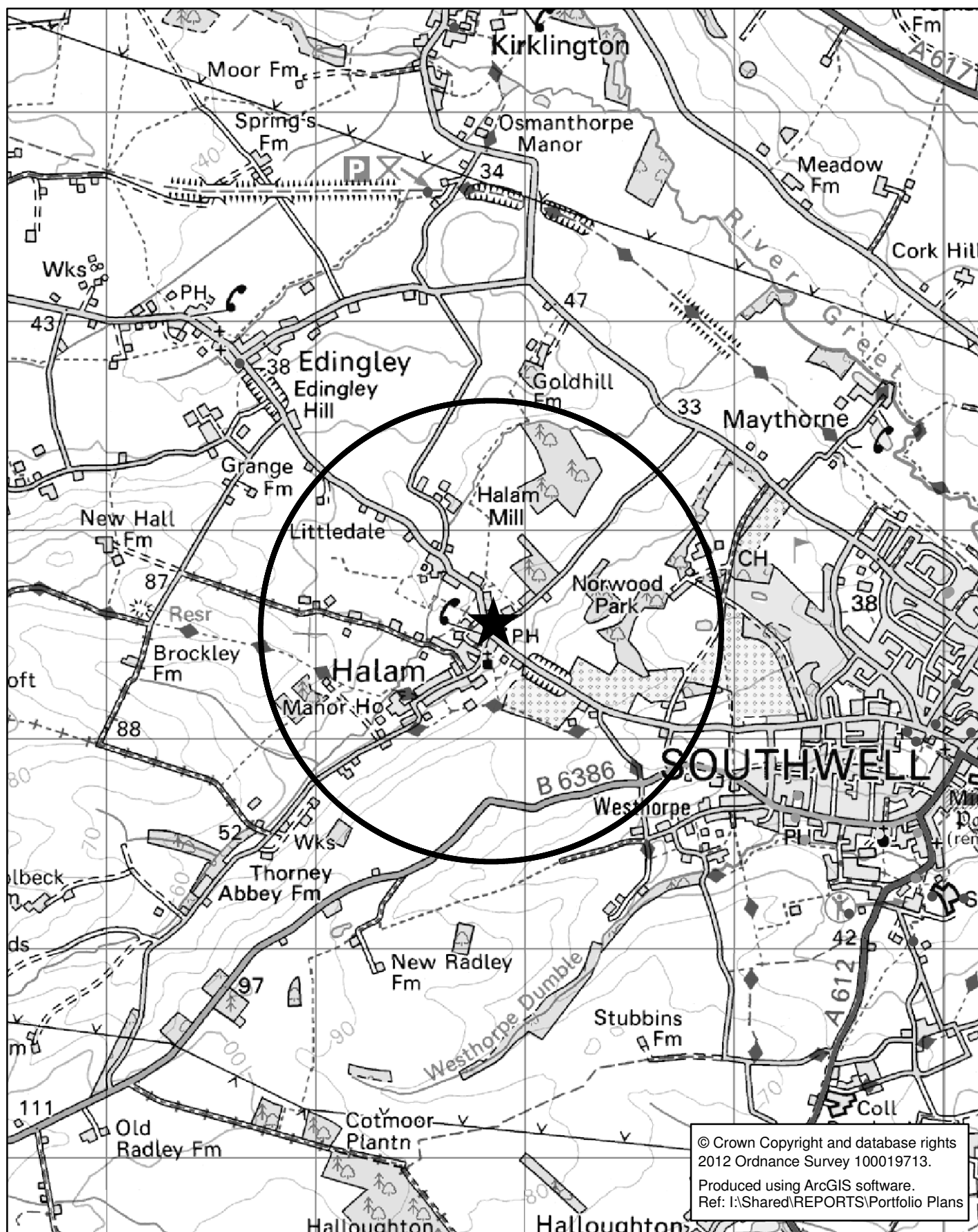




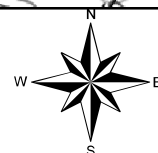
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## Halam C of E - Location Plan SP2405

Plan provided by: EW



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**22 April 2013**

**Agenda Item: 7(g)**

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

**DEWBERRY HILL, RADCLIFFE ON TRENT**

**Purpose of the Report**

1. The purpose of this report is to seek approval to a 50 year lease to Radcliffe on Trent Parish Council of Dewberry Hill, Radcliffe on Trent on terms as set out in this report.

**Information and Advice**

2. Nottinghamshire County Council acquired 61 Cropwell Road, Radcliffe on Trent from Ethel Kettleby in 1974 and the land behind Radcliffe on Trent Golf Club in 1971 along with adjacent land for a future by-pass scheme. The Department for Transport [DFT] have advised that they have no future requirement for the land.
3. The site comprises 7.8 hectares (19.32 acres) it is unlikely to have any development potential due to its topography and the ecological considerations.
4. The following apply to the site:
  - Conservation Area
  - Biological SINC (Site of Interest for Nature Conservation)
  - Registered footpath around the perimeter of the site together with a number of informal footpaths.
  - The land is mainly scrub so contains a wealth of natural wildlife etc
5. Radcliffe on Trent Parish Council have requested a 50 year lease of the above land to safeguard the valuable bio-diversity of the site.
6. The Land is as shown on the attached plan.

**GRANT OF 50 YEAR LEASE**

<b>Parties</b>	The parties to this agreement are Nottinghamshire County Council and Radcliffe on Trent Parish Council.
----------------	---

<b>Property</b>	Nottinghamshire County Council is the freehold owner of approximately 19.32 acres of land known as Dewberry Hill, Radcliffe on Trent as outlined in red on the attached plan.
<b>Term</b>	The County Council will grant a lease of the land to the Parish Council for a term of 50 years.
<b>Rent</b>	Peppercorn per annum (if requested).
<b>Tenure</b>	The lease will not be contracted out of the 1954 Landlord and Tenant Act.
<b>Use</b>	The site is to be used for the purposes of a Community Nature Reserve. The use of the site for any other purpose will require the consent of the Landlord.
<b>Alienation</b>	No assignment.
<b>Maintenance</b>	The Parish Council to keep the whole of the premises in good condition throughout the term of the lease.
<b>Costs</b>	Each party will bear their own legal costs for the preparation of the lease.
<b>Nuisance</b>	The Parish Council shall not cause any nuisance, inconvenience, interference or disturbance to any neighbouring or adjoining property.
<b>Right of Way</b>	The Rights of Ways section will be allowed access through the large 5 bar wooden gate on Cropwell Road for clearance duties of the circular registered perimeter footpath.
<b>Special Conditions</b>	1. Secure fencing, gate and stile on Cropwell Road will need to be maintained by the tenant to prevent unlawful access e.g. motorcycles. 2. Day to day management of the Nature Reserve should include appropriate professional advice from either a woodland management company or a wildlife trust, although volunteers are encouraged to assist in the work.

### Other Options Considered

7. A sale of the land was not considered as the land has no development potential and is unlikely to produce a Capital Receipt.

### Reason/s for Recommendation/s

8. The Lease enables Radcliffe on Trent Parish Council to preserve the valuable biodiversity of the site.

### Statutory and Policy Implications

9. 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 Radcliffe on Trent Parish Council of Dewberry Hill, Radcliffe on Trent on terms as set out in this report.

**Jas Hundal**

**Service Director - Transport, Property & Environment**

**For any enquiries about this report please contact: Gael Gamble 0115 977 2083**

## **Constitutional Comments (CEH 22-3-13)**

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

## **Financial Comments (TR 26-3-13)**

11. The land is of little financial value and has no development potential so the financial implications are minimal.

## **Background Papers and Published Documents**

12. None.

## **Electoral Division(s) and Member(s) Affected**

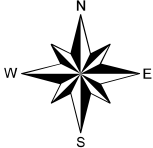
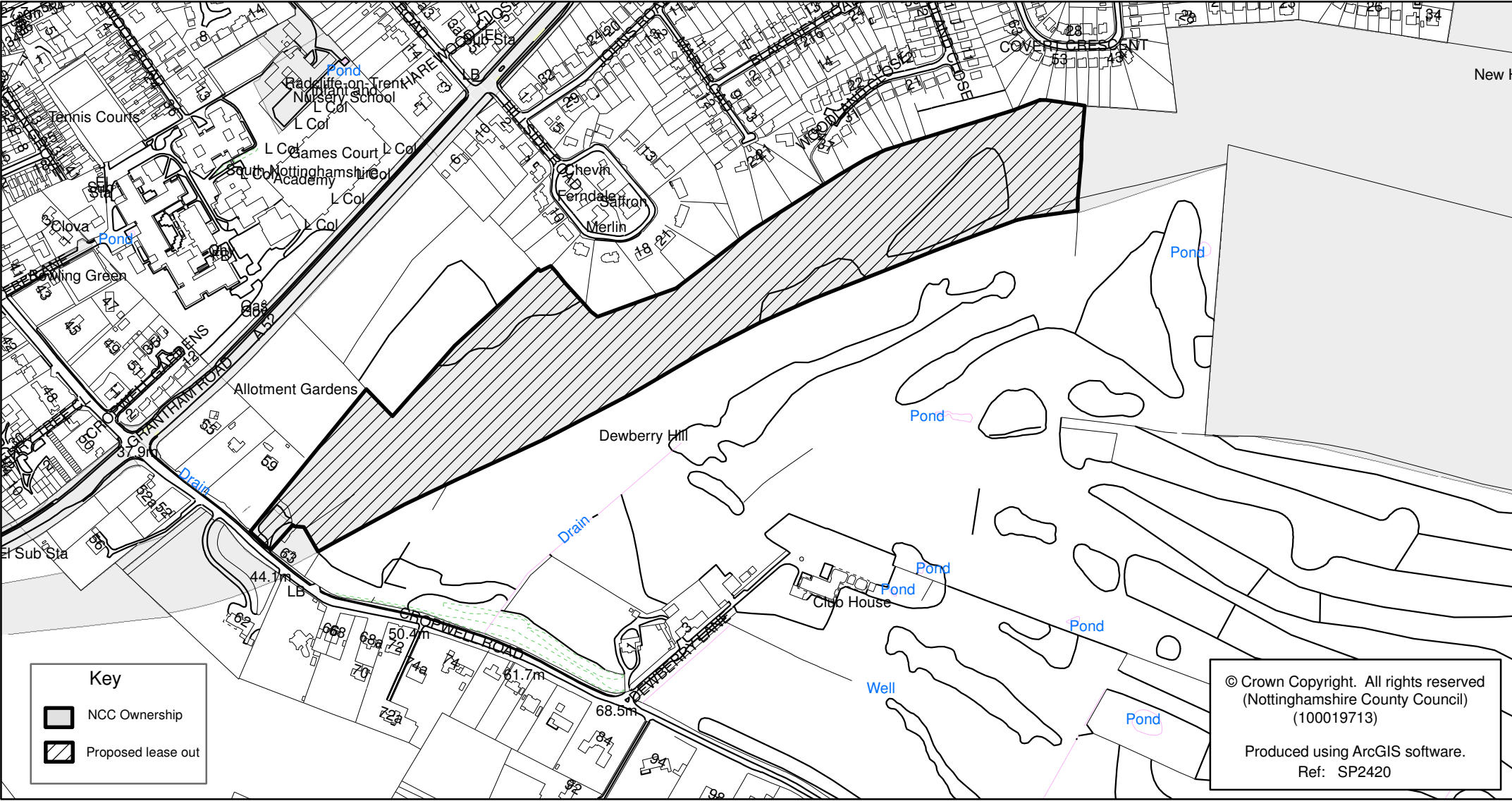
13. Ward(s): ): Radcliffe on Trent  
Member(s): Councillor Mrs Kay Cutts

File ref.: /GG/SL/70025

SP: 2420

Properties affected: 70025 - Land to South of A52 Grantham Road





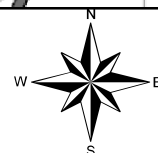
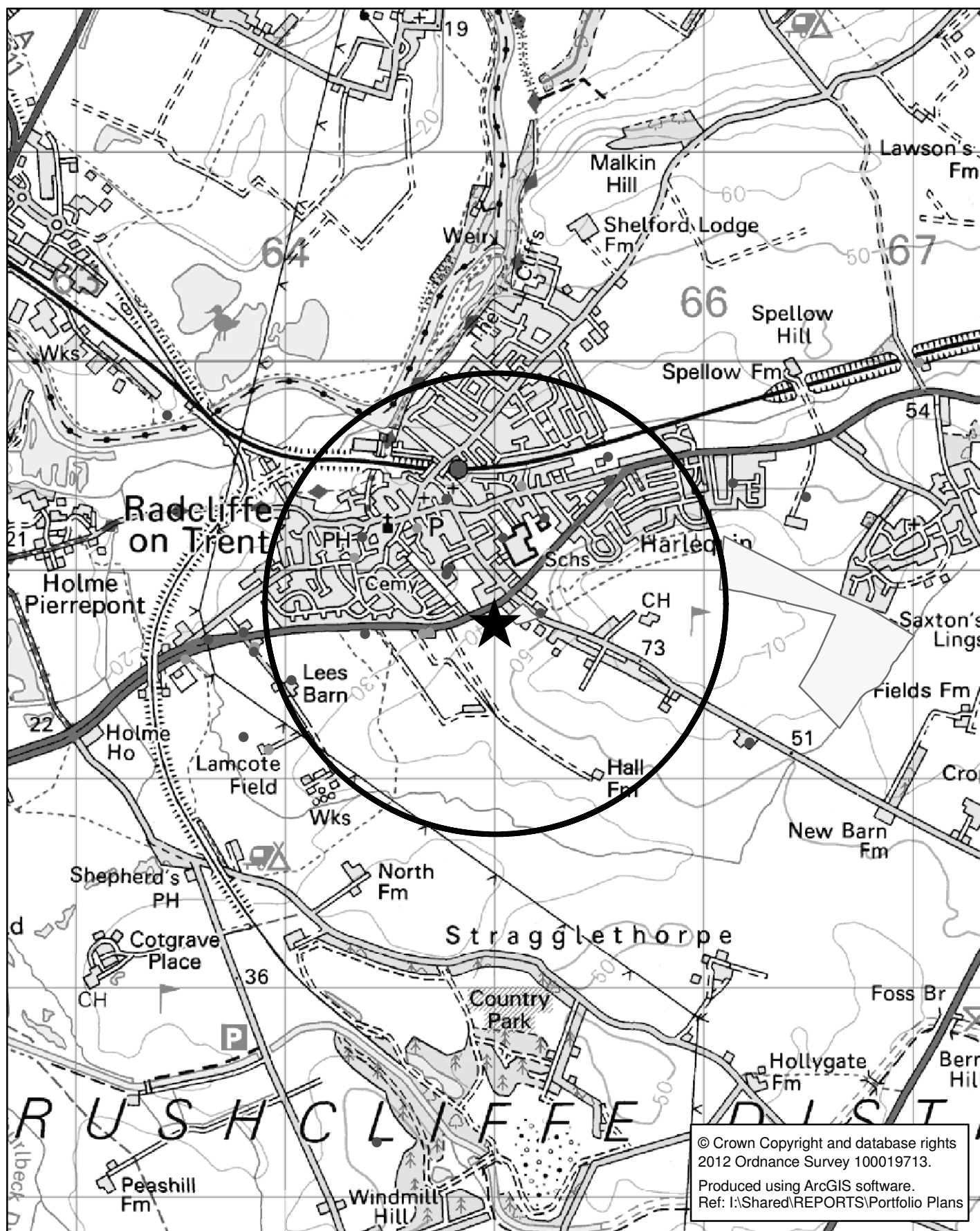




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## Dewberry Hill - Location Plan SP2420

Plan provided by: EW





**22 April 2013****Agenda Item: 7(h)****REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &  
ENVIRONMENT****MANSFIELD LIBRARY, FOUR SEASONS SHOPPING CENTRE –  
GRANT OF SUB-LEASE****Purpose of the Report**

1. To seek approval to the granting of a sub-lease on the terms outlined in the exempt appendix.

**Information and Advice**

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.
3. Following the recent refurbishment of the Mansfield library there is a café refreshment area situated on the mezzanine together with a kitchen and serving area situated on the second floor.
4. The Libraries Service have been looking for a solution to allow the café to open with the objectives of finding an operation which improves customer service, improves the visitor experience, has a positive impact on library footfall and offers opportunities to improve income generation for the Council through the use of the Library.
5. The Group Manager for Libraries and Information has sought potential operators for the café, the same operator will provide a service for the County Council's clients who use meeting/event spaces together with appropriate events in the library programme.
6. The Group Manager Libraries Archives and Information is satisfied that the letting represents best value to the Council, having regard to the objectives of bringing an income stream to the Council, improving the café offer to users of the library.
7. The selection of the café operator has been made through the County Council's procurement process, the proposed operator are on the ESPO framework.



8. Heads of Terms have been agreed for the granting of the sub-lease and are set out in the exempt appendix attached to this report.
9. Mansfield library is not owned by the County Council therefore consent for the granting of this sub-lease is required from the Freeholder, the County Council are currently in the process of seeking this.

### **Other Options Considered**

10. None – If a sub-lease was not granted the area would remain vacant and refreshment facilities required to support library users would not be provided which would not be in the best interest of the County Council.

### **Reason/s for Recommendation/s**

11. The proposed sub-lease will bring improved revenue streams to the Council, whilst delivering a significantly enhanced customer / visitor experience within the Library. It is believed that the introduction of the successful operator creates a significant opportunity for the Council to improve income streams from the hire of room facilities at the Library, and as a venue for the staging of events. Both of these functions operate under capacity at present, and one of the reasons identified for this situation has been the lack of good quality catering and café facilities.

### **Statutory and Policy Implications**

12. 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 the County Council grant a sub-lease on the terms as set out in the exempt appendix attached to this report.

**Jas Hundal**

**Service Director, Transport, Property and Environment**

**For any enquiries about this report please contact: Luke Smith 0115 9772082**

### **Constitutional Comments (CEH 2-4-2013)**

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

### **Financial Comments (TB 09-04-13)**

14. The financial implications are set out in the exempt appendix.



## **Background Papers and Published Documents**

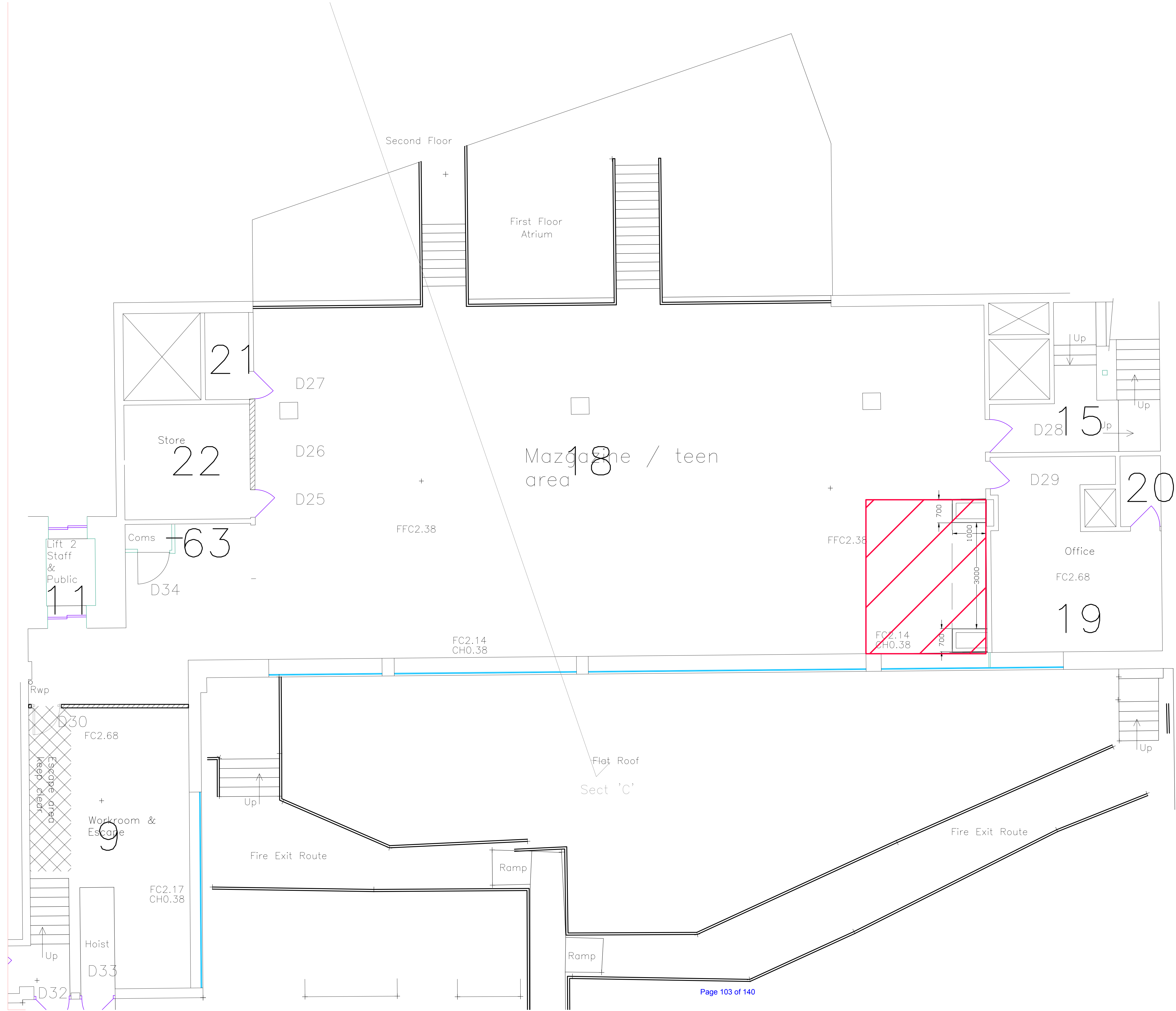
15. None.

## **Electoral Division(s) and Member(s) Affected**

16. Ward(s): Mansfield North  
Member(s): Councillor Joyce Bosnjak, Councillor Parry Tsimbiridis

File ref.: /LS/SL/  
SP: 2415  
Properties affected: 03009 - Mansfield Central Library





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

This drawing should be read in conjunction with all other design information, drawings and documents including all other design consultants 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 issued on the condition that it is not copied, reproduced, retained or 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	Ch' kd	Auth	Date
b	pipe boxing and cross ref notes added	de			11/2/11
a	Comms cupboard remains	de			4/10/10

Project		Mansfield Library	
Property No.		Four Seasons Centre, Westgate	
Title		Mansfield, Notts	
Project No.		NG18 1NH	
Property No.		19258	
Title		Mezzanine proposed layout	

Scale for A1 drawing	Drawn	de	Date	April 10
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@A3	Auth		Traced	
Drawing No.				Rev.
A 12				b
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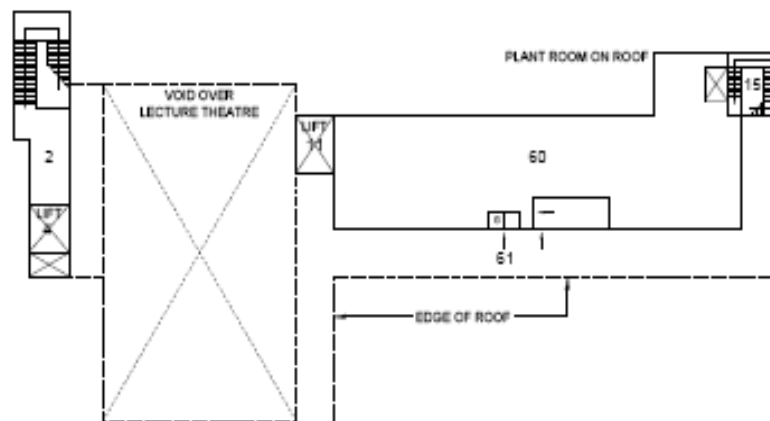


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Corporate Services

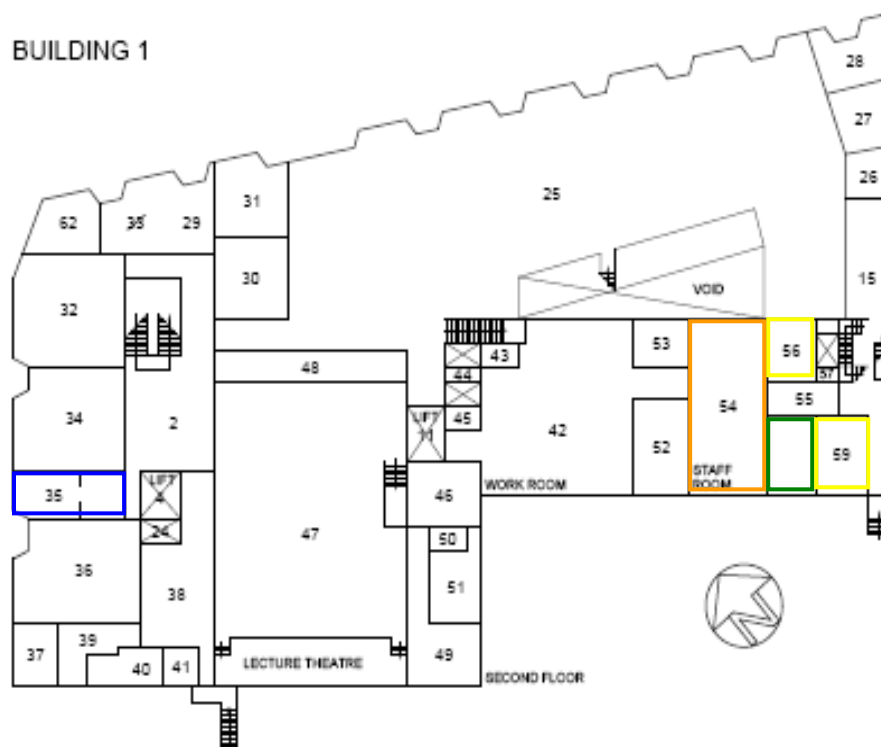
Trent Bridge House, West Bridgford,  
Nottingham, NG2 6BJ  
Tel: 0115 977 3262

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BUILDING 1



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Trent Bridge House, Fox Road,  
West Bridgford, Nottingham, NG2 6BU  
Tel: 0115 9773252

Project		Drawn	Date
MANSFIELD CENTRAL LIBRARY		EH	NOV'11
Property No.	Project No.	Checked	Date
3009			
Title			Scale
ROOM PLAN			NTS

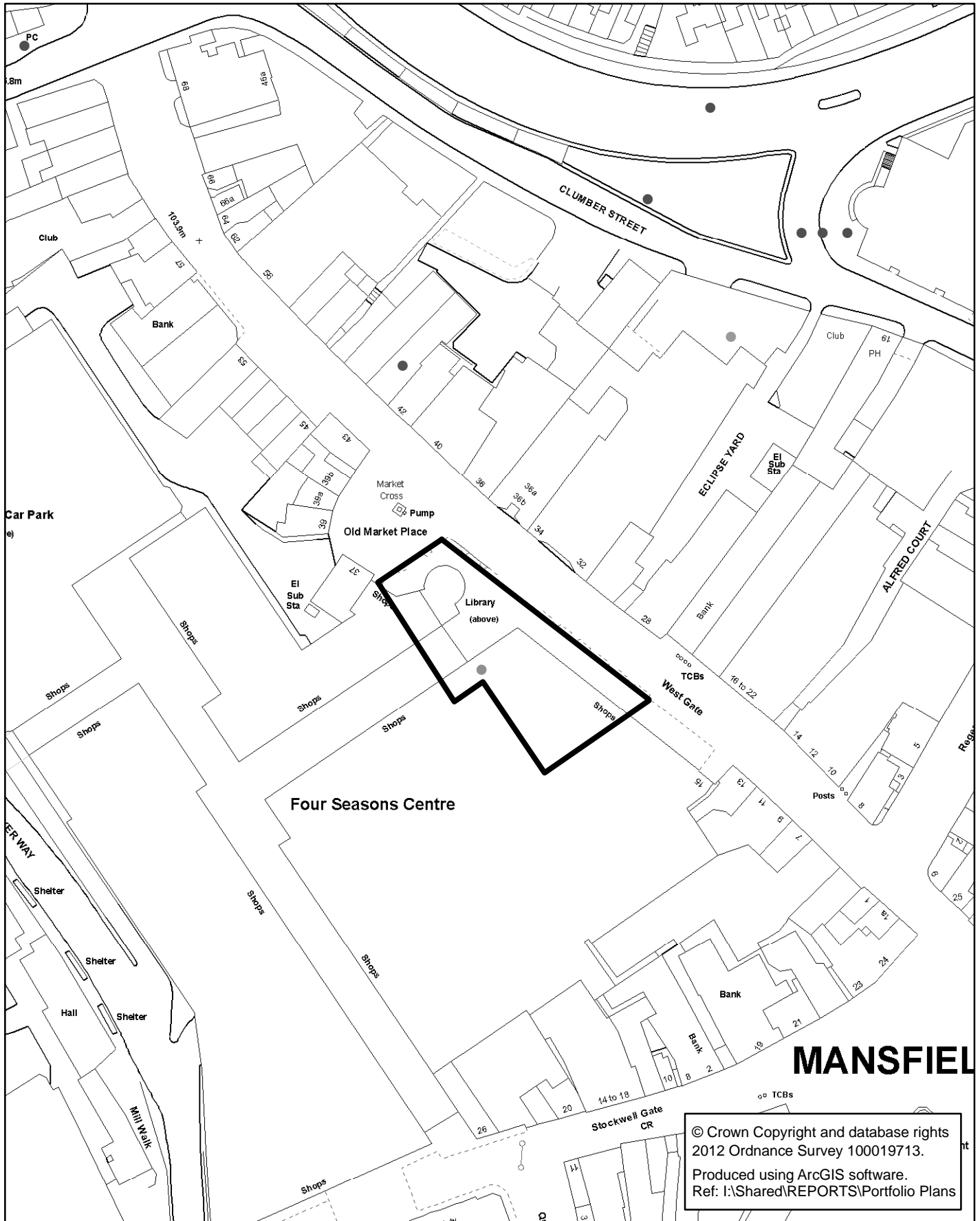




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County Council

## Mansfield Library SP2415

Plan provided by: EW



# MANSFIELD

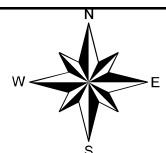
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Jas Hundal  
Service Director  
Environment, Transport & Property  
Environment & Resources Department

Page 107 of 140

Scale 1:1,250

0 15 30 60 Metres





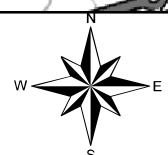
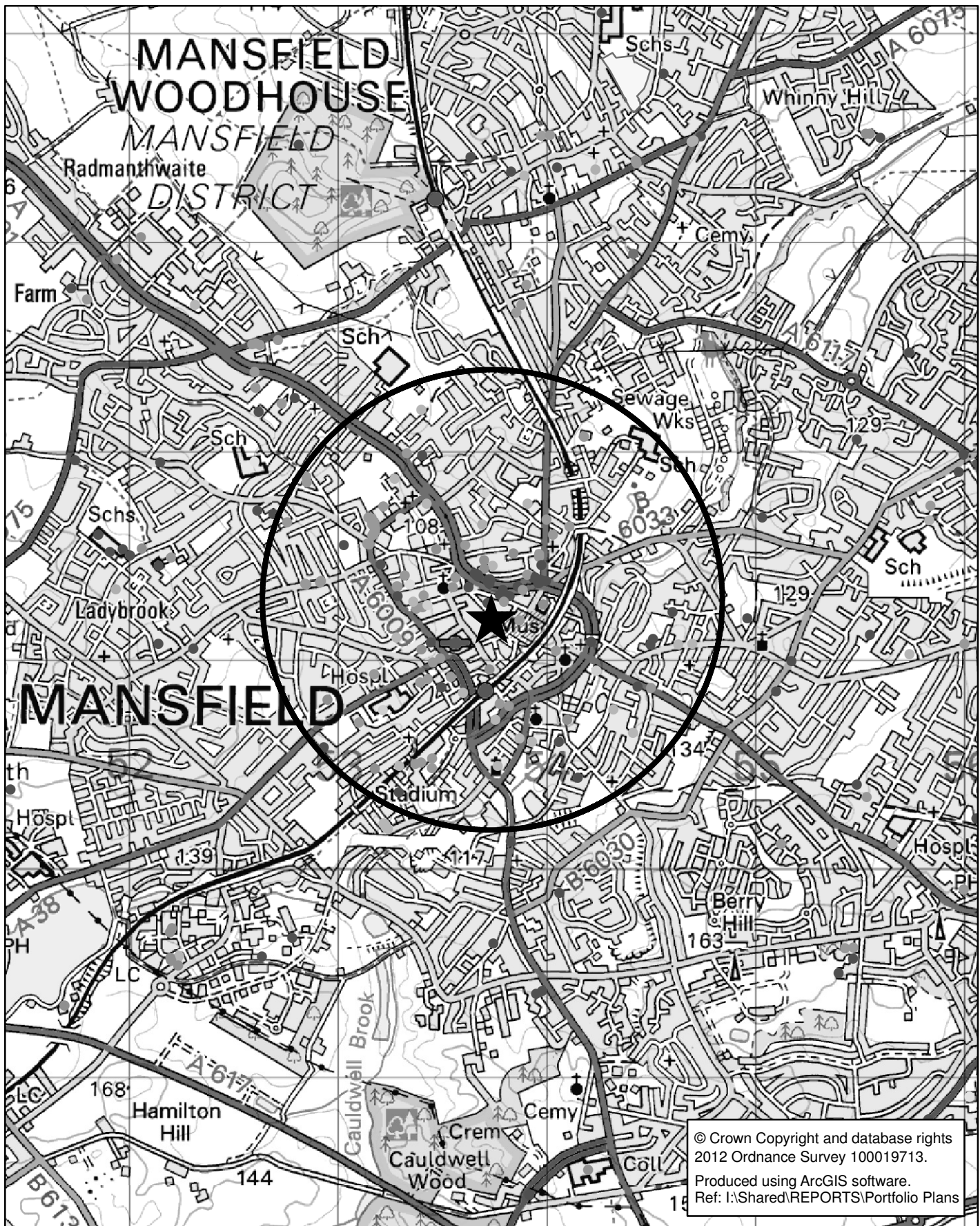




Nottinghamshire  
County Council

## Mansfield Library - Location Plan SP2415

Plan provided by: EW





**22 April 2013****Agenda Item: 7(i)****REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &  
ENVIRONMENT****EARLY SURRENDER OF LEASE TO BRITISH CANOE UNION AT JOHN  
DUDDERIDGE HOUSE, NATIONAL WATER SPORTS CENTRE****Purpose of the Report**

1.
  - a. To seek approval to pay a premium to the British Canoe Union (BCU) in consideration for BCU agreeing to an early surrender of its lease of John Dudderidge House at the National Water Sports Centre.
  - b. To seek approval to jointly sign a letter of comfort with the British Canoe Union in order to document the terms of the surrender which are subject to conditions.

**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 has awarded a Public Private Partnership contract for the redevelopment and management of The National Water Sports Centre (NWSC) to the Holme Pierrepont Leisure Trust (HPPL), working in partnership with SERCO.
  - b. HPPL's current redevelopment masterplan for the site includes a proposal for John Dudderidge House to be redeveloped in order to provide family leisure facilities, and therefore vacant possession of the property is required. John Dudderidge House is currently occupied under a lease by the British Canoe Union (BCU).
  - c. Negotiations have taken place with BCU to secure its agreement to surrender its lease to allow John Dudderidge House to be included in the redevelopment masterplan.
4. The terms and conditions of the proposed surrender, 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 John Dudderidge House to be included in the masterplan for the redevelopment of the National Water Sports Centre.

## **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.
  - a. That the terms for the surrender of the lease by British Canoe Union at John Dudderidge House, as detailed in the exempt appendix, are approved.
  - b. That approval is given to jointly sign a letter of comfort with the British Canoe Union in order to document the terms of the surrender which are subject to conditions

**Jas Hundal**

**Service Director, Transport, Property and Environment**

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

## **Constitutional Comments (CEH 22-3-13)**

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

## **Financial Comments (TR 22-3-13)**

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

## **Background Papers**

11. Report to Cabinet 14 September 2011: Future Management Arrangements for the National Water Sports Centre.
12. Report to Culture Committee 26 June 2012: National Water Sports Centre – Future Management Arrangements.

## **Electoral Division(s) and Member(s) Affected**

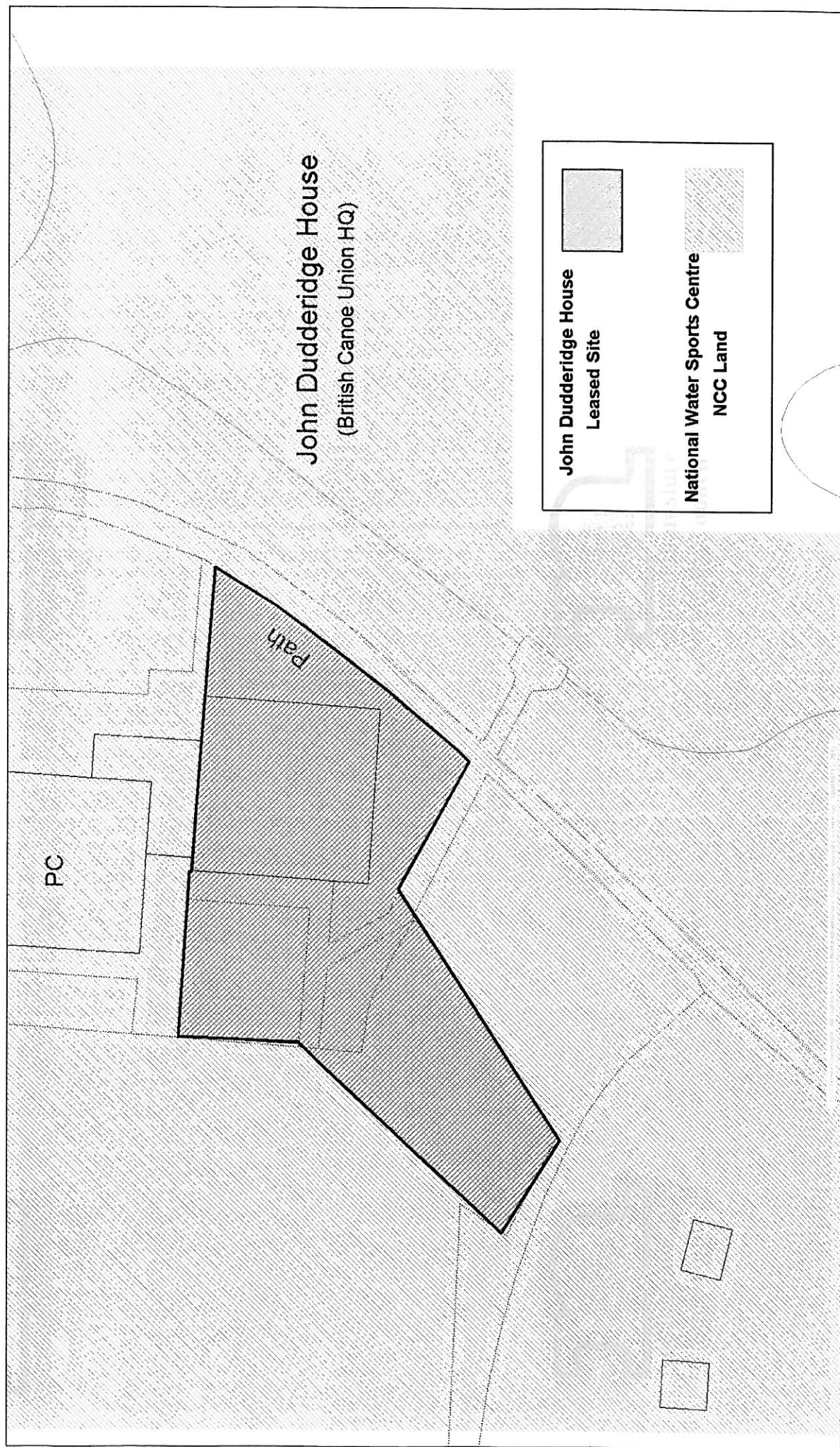
13. Ward(s): Radcliffe on Trent  
Member(s): Councillor Mrs Kay Cutts

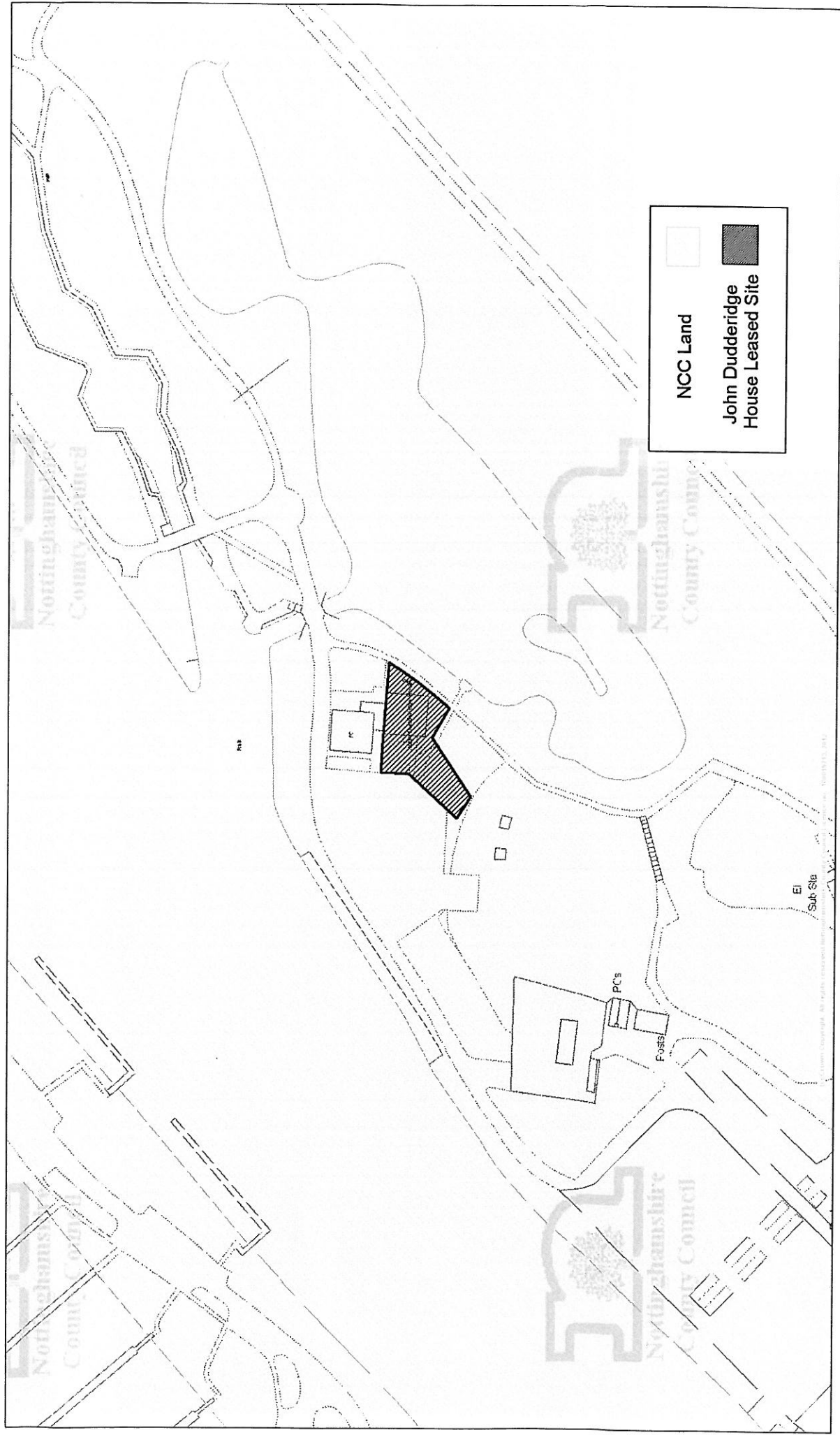
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SP: 2417

Properties affected: 03168 - National Water Sports Centre (NWSC)







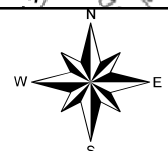
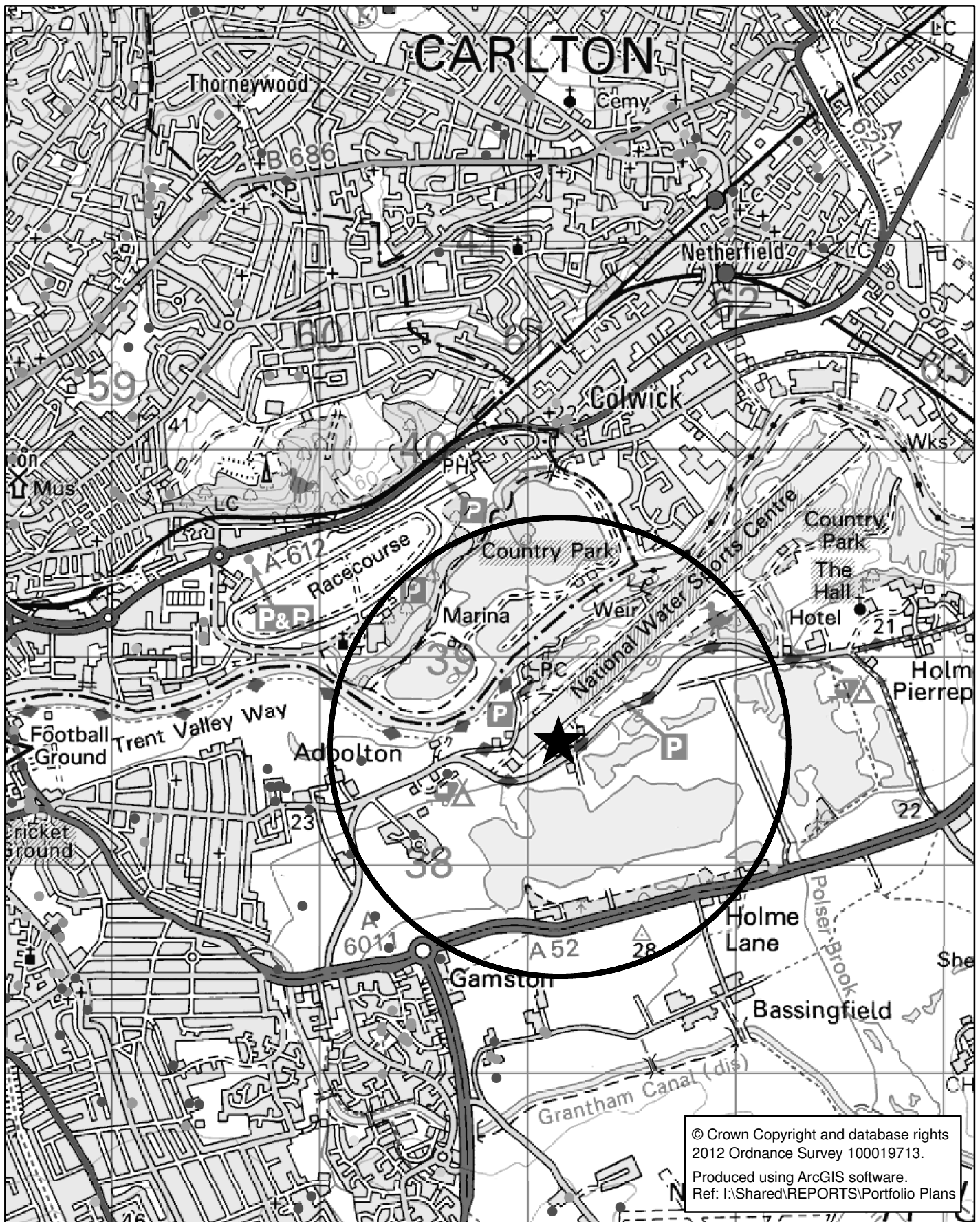




Nottinghamshire  
County Council

# National Water Sports Centre - Location Plan SP2405

Plan provided by: EW





22 April 2013

Agenda Item: 7(j)

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

### **PROPOSED LICENCE OF LAND AT BROOMHILL FARM, NOTTINGHAM ROAD, HUCKNALL.**

#### **Purpose of the Report**

1. To seek approval to enter in to a temporary licence agreement with the developer of Broomhill Farm Phase 1 to allow the creation of Public Open Space (POS) connected to the entire site development.

#### **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 annex.
3. At its meeting on 12<sup>th</sup> November 2012, Finance and Property Committee approved the sale of Phase 1 of the Broomhill Farm residential development site to Bellway Homes Limited. The Phase 1 site is 5.1 Ha (12.5 acres) and shown shaded in light grey on the plan attached to the report. Bellway propose the development of approximately 142 housing units on the site.
4. The allocated residential land at Broomhill Farm totals c.12.5 Ha (31 acres) and the marketing of the Phase 2 land (shown shaded in dark grey on the plan) is anticipated to take place during the 2014/15 financial year. The site is scheduled for disposal in two phases with the objective of producing developable parcels of a size most conducive to the maximisation of sale proceeds. Phase 2 will be brought forward once the Phase 1 infrastructure is created.
5. Residential development of the site is supported in policy terms by the local planning authority (Ashfield District Council). The Planning Authority Development Brief for the site requires the provision of 10% Public Open Space (POS) in the overall development of the site.

6. The Planning Authority consider that, in this case, developers be directed to supply the POS requirement in the form of playing fields / sports pitches. Despite lengthy negotiation with the Planning Authority by the Developer, the Authority is insistent that these must be located adjacent to an existing Ashfield owned playing field off Lime Tree Road. This prevents the Developer from creating the 10% requirement within the Phase 1 site.
7. The “allocated” POS land (10% of the gross developable area) is the land labelled “a” and “b” on the plan.
8. The Planning Authority further requires that the POS provision is made on a *pro rata* basis between the first and second phase applications, rather than allowing the provision to be provided in full as part of the future Phase 2 application. This means that the land annotated “b” will need to be allocated as part of the Phase 1 planning application, whilst the anticipated POS allocation sufficient to serve Phase 2 is shown annotated “a” on the plan.
9. The freehold of the land annotated “b” will be retained by the County Council in the short term, with the developer (Bellway) being allowed occupation under licence to create the POS following grant of planning permission. Bellway will be responsible for this area until such time as the land is vested in Ashfield District Council.
10. The approved Heads of Terms for the Phase 1 sale allow the Developer to make deductions from the agreed sale price for abnormal costs. Examples of abnormal costs are found in the addendum below. In order to mitigate the effect of these on the net sale price, agreement has been reached on a minimum land price. This is detailed in the exempt appendix to the report. Any deduction will be subject to approval by the NCC appointed engineers BWB Consulting.

### **Other Options Considered**

11. Given the stance on the local planning authority to the provision of POS, there are realistically no other options available if planning consent is to be secured. The possibility of the developer making a commuted cash sum payment in lieu of the POS works was explored, but rejected by the local planning authority.

### **Reason/s for Recommendation/s**

12. To accord with the Authority’s approved Capital Receipts Programme.

### **Statutory and Policy Implications**

13. 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**

That Committee approves

1. The grant of a temporary licence agreement to the developer of Broomhill Farm Phase 1 to allow the creation of Public Open Space (POS) connected to the entire site development.
2. The minimum land price as detailed in the exempt appendix.

**Jas Hundal**

**Service Director, Transport, Property and Environment**

**For any enquiries about this report please contact: Tim Slater 0115 9772076**

### **Constitutional Comments (SSR 10.4.2013)**

14. This decision falls within the scope of decisions that may be approved by the Finance & Property Committee. Under S123 of the Local Government Act, 1972 the Council is required to obtain the best price reasonably obtainable for the disposal of its land, failing which it must comply with the General Disposal Consent Order.

### **Financial Comments (TR 11.4.2013)**

15. The financial implications are set out in the report and in the exempt appendix.

### **Background Papers**

16. Finance and Property Report 12 November 2012.

### **Electoral Division(s) and Member(s) Affected**

Ward(s): Hucknall

Member(s): Councillor Mick Murphy, Councillor Reverend Tom Irvine, Councillor Kevin Rostance

## **Addendum – Abnormal Costs**

Abnormal costs are sometimes incurred by a developer due to unforeseen circumstances during development. Being unforeseen, they are not quantifiable at the time the initial offer for the land is made.

Offers made by developers are on the assumption that no abnormal costs will arise. It is however necessary to build a mechanism into the sale contract so that abnormal costs may be deducted from the final sale figure should they arise.

Examples of abnormal costs include:

- **Archaeology**

Intrusive archaeological investigations may be imposed if significant archaeological features are discovered.

- **Flood defence works**

This generally involves raising floor levels above flood level, if required.

- **Vehicle access works**

The proposed new road junction and s278 works are already allowed for in this case, however, if other major off-site highway works are imposed then these will be abnormal costs.

- **Land contamination**

If land is found to be contaminated then additional costs will be incurred in the remediation, or removal from site, of isolated areas of contaminated spoil.

- **Ground stability**

Offers made assume that buildings will require standard foundations. However, if it is found, for example, that raft foundations or piling are necessary then there will be additional abnormal costs.

- **Utilities networks**

The majority of sites connect into existing utilities within the adjacent public highway. If these existing utilities require reinforcement or upgrading then there will be additional abnormal costs for this work.

- **Other abnormal costs**

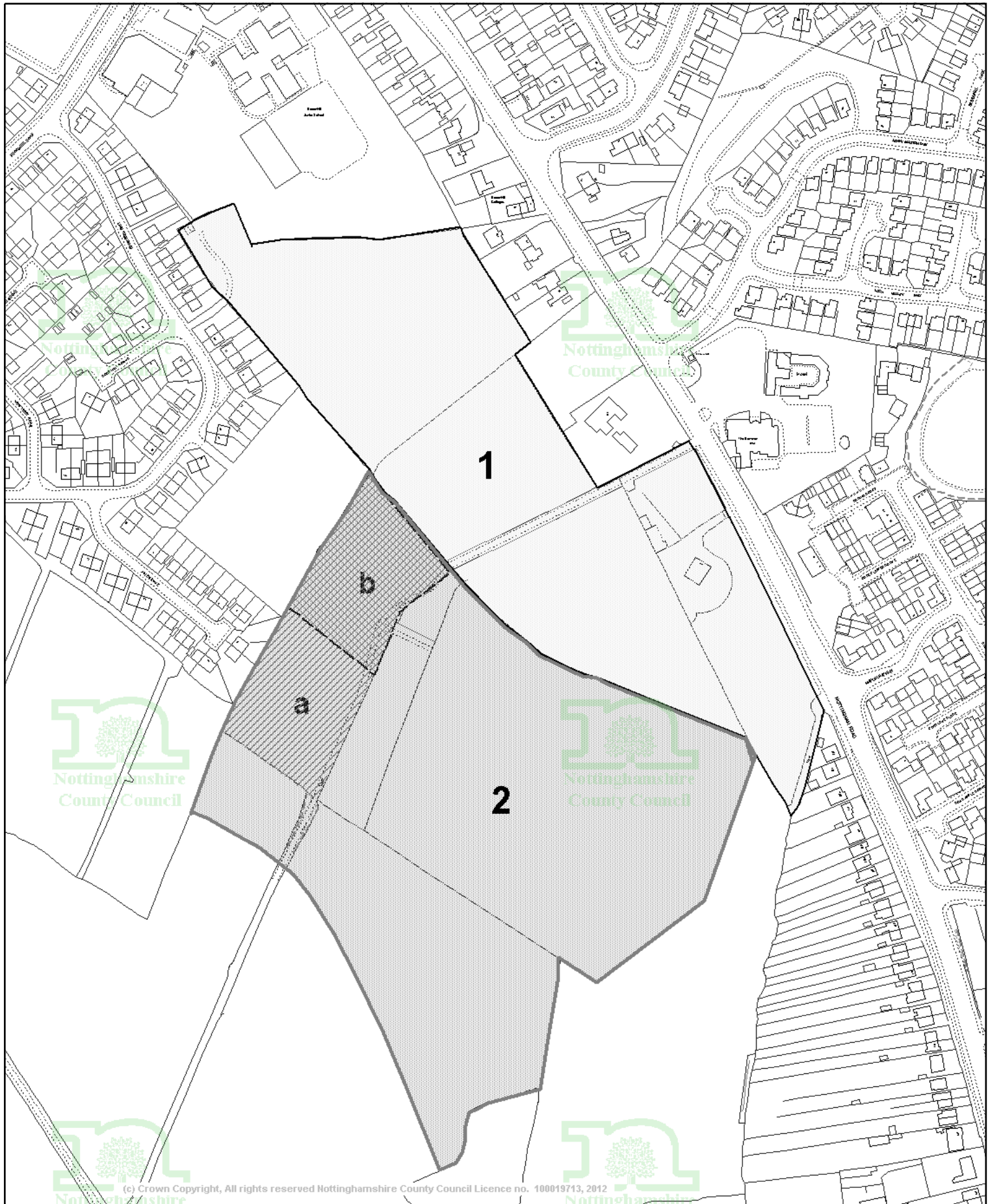
Environmental works or ecology e.g relocation or protection of rare species.

Following negotiation with Bellway Homes, a minimum value has been tentatively agreed. This is on the basis that all abnormal costs are “open book”, i.e. reasonable, necessary, priced competitively and able to withstand scrutiny by our appointed Engineers BWB failing which they may be declined. The examples above are typically occurring and this is not an exhaustive list.









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Scale 1/3000

Date 4/4/2013

Centre = 454160 E 347842 N

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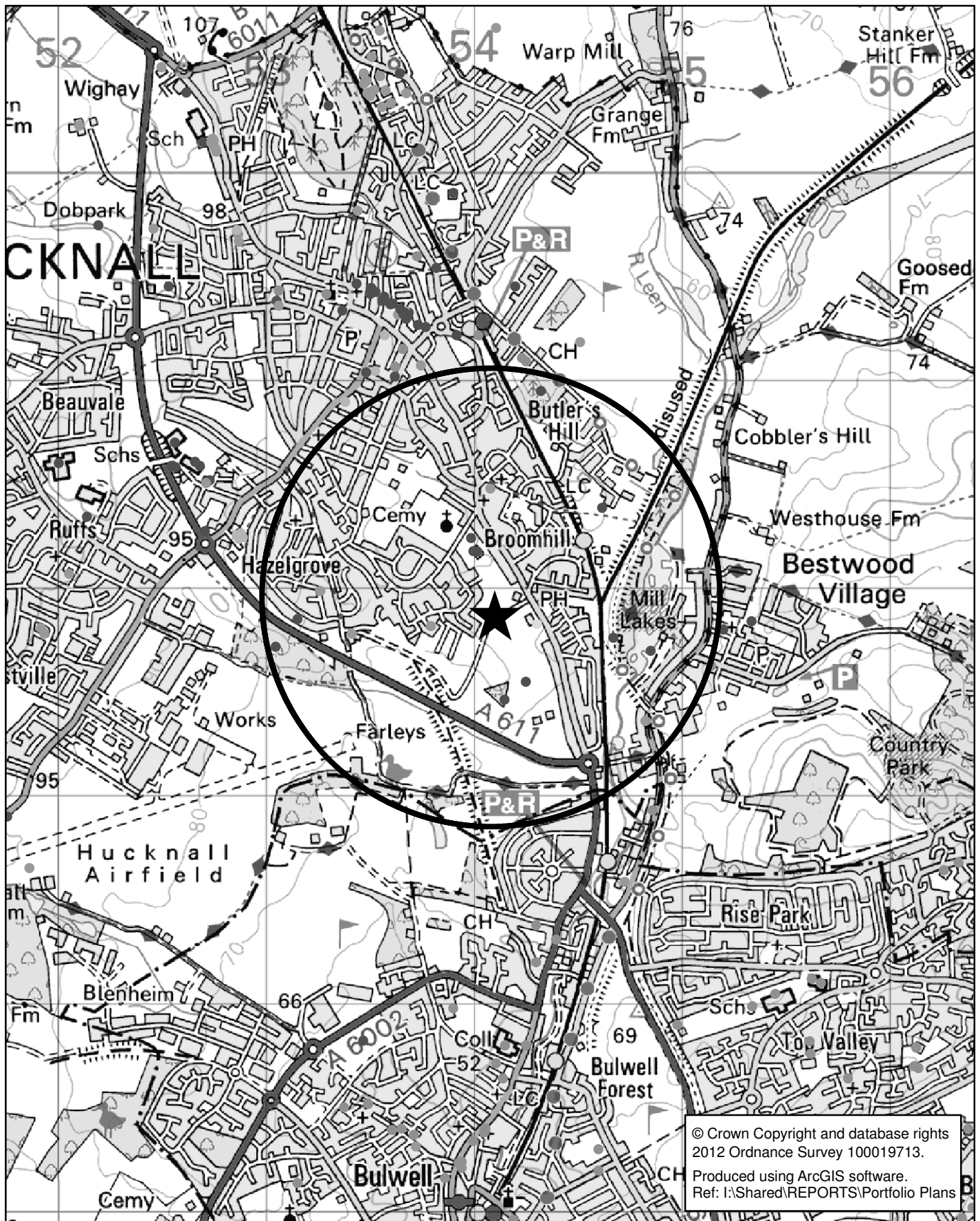




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County Council

## Broomhill Farm - Location Plan SP2426

Plan provided by: EW



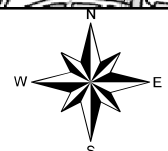
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Jas Hundal  
Service Director  
Environment, Transport & Property  
Environment & Resources Department

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**22 April 2013****Agenda Item: 7(k)****REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY AND  
ENVIRONMENT****MANSFIELD CHILDRENS COMMUNITY CENTRE, SOMERSALL STREET,  
MANSFIELD****Purpose of the Report**

1. To seek approval of the County Council to accept a surrender of the lease to Mansfield Children's Community Centre (MCCC) and take ownership of the building which will ensure the delivery of a full Children's Centre Service from the site.

**Information and Advice**

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.
3. The County Council granted a 20 year lease with effect from 24 January 2004 of 0.16 ha (0.4 acre) of land, on the Rosebrook Primary School site to Mansfield Children's Community (a local charity) MCC to enable them to bid for funding and construct a building which would become known as the Mansfield Children's Community Centre (MCCC). The original rent was £4,900 pa subject to 5 yearly reviews. (There is a clause in the lease which makes MCCC responsible for removing the building and reinstating the site to its former condition).
4. Funding is detailed in the exempt appendix

**Current position**

5. Due to the financial position of MCC, the existing lease terms have been subsequently varied in order to let other partner agencies use the building. In March 2012 the terms were varied again to reduce the ground rent to £2,450 per annum.
6. NCC (Nottinghamshire County Council) business support officer and the Pre-School Learning Alliance (PSLA) development worker met with MCC's in September 2012 at which point it was made clear that the MCCC business was no longer viable. On 16 October the nursery closed. This has left a gap in childcare provision for the

area.

7. With the extension of the two year entitlement from September 2013, there is a need to ensure that there are sufficient local childcare places to meet demand as NCC has a statutory responsibility to manage the childcare market.
8. Since closure, other local childcare providers have expressed an interest in using the space.
9. A Place to Call Our Own (APTCOO), a local charity for families with disabled children, have also expressed an interest in using the space on a sessional basis.
10. Family Action has agreed that from January 2013, they will run some limited Children's Centre services from the building.
11. It should be noted that from April 2013 the provider of Children's Centre services in Mansfield is as yet undecided following the process of re-commissioning the County Wide service. Any new arrangements would need to be considered alongside this process.

### **Proposal**

12. In view of MCC's financial position and inability to continue managing the building and the service it would be appropriate for the County Council to accept a surrender of the lease, waive the reinstatement clause, and to take ownership of the building. The trustees of MCC are in agreement with this as a way forward.
13. Under the terms of the grant funding to MCC there are claw back provisions as mentioned above. However, informal conversations with New Opportunities Fund (NOF) and DfE indications are that they would not instigate the claw back provisions if the building continues to be used to provide Children's services.
14. The current cost of running the building is £17,763 per annum. In future arrangements (post April 2013) all property costs will be met from within the Children's Centre Service existing budget or recharged to the new service provider as appropriate.
15. Although the building is only a few years old a survey will need to be carried out to assess the condition of the building prior to accepting a surrender of the lease.

### **Other Options Considered**

16. Two options have been considered

#### **Option 1:**

Retain the status quo whereby MCC continues with the ground lease from the County Council. However, MCC would not be able to meet the liabilities of running and maintaining the building.

#### **Option 2:**

The County Council accepts a surrender of the lease and takes ownership of the building together with the responsibility for operating and maintaining it.



17. Option 2 is the only viable option and will enable the County Council
  - a. to deliver a full Children's Centre Service which will include sub-letting part of the premises to an appropriate child care provider using the appropriate procurement/leasing routes open to us.
  - b. allow the County Council potentially more freedom regarding the future redevelopment of the Primary School site under the Priority Building Programme for Schools.
  - c. enhance the Services for the Children's Centre to reach the families most in need.
  - d. enable the County Council to meet its statutory responsibilities around the sufficiency of childcare places.
  - e. minimise the negative impact of the closure of MCC on any part of NCC, FA and MCC.

## **RISKS**

18. Detail explained in the exempt appendix.

## **Statutory and Policy Implications**

19. 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**

1. It is recommended that the County Council accept a surrender of the lease to MCC and take ownership of the building which will ensure the delivery of a full Children's Centre Service from the site.

**Jas Hundal**

**Service Director, Transport, Property and Environment**

**For any enquiries about this report please contact: Elizabeth Sanders 0115 9772080**

## **Constitutional Comments (EP 9-Apr-2013)**

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

## **Financial Comments (TR 11-Apr-13)**

9. The financial implications are set out in the report and the exempt appendix.

## **Background Papers and Published Documents**

10. None

## **Electoral Division(s) and Member(s) Affected**

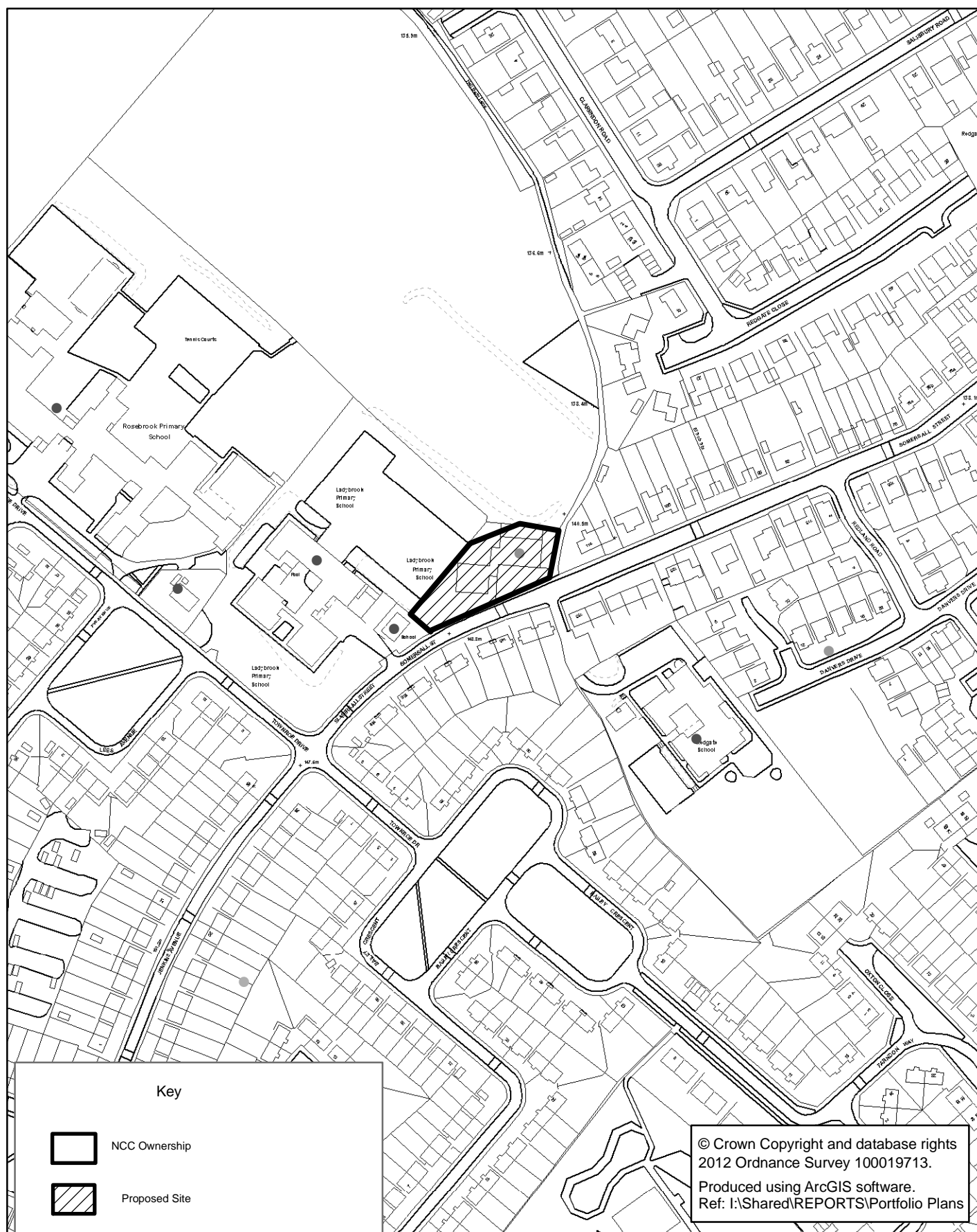
11. Ward(s): Mansfield West  
Member(s): Councillor Victor Bebo, Councillor June Stendall

File ref.: /SL/SL/

SP: 2425

Properties affected: 06004 - Somersall Street







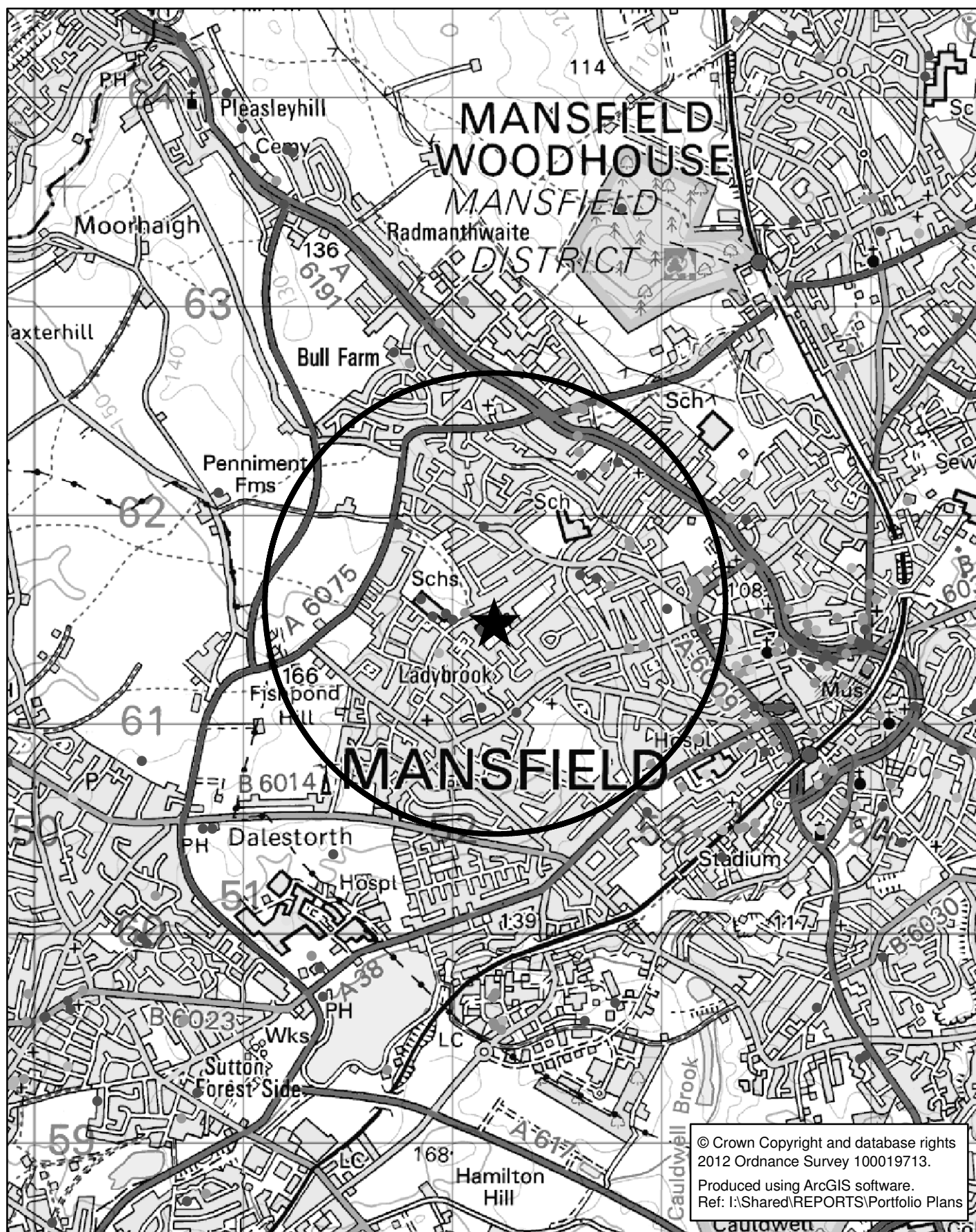




Nottinghamshire  
County Council

## Mansfield Children's Centre - Location Plan SP2425

Plan provided by: EW





**22 April 2013****Agenda Item: 8****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**

<b><u>Report Title</u></b>	<b><u>Brief summary of agenda item</u></b>	<b><u>For Decision or Information ?</u></b>	<b><u>Lead Officer</u></b>	<b><u>Report Author</u></b>
<b>22<sup>nd</sup> April 2013</b>				
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 Strategy	Overview of Property Strategy and Performance	Info.	Jas Hundal	Various
Property Transactions	Various	Decision	Jas Hundal	Various
<b>May 2013</b>				
Property Transactions	Various	Decision	Jas Hundal	Various
<b>June 2013</b>				
Draft Management Accounts 2012/13		Decision	Paul Simpson	Pauline Moore
Monthly Budget & Capital Monitoring Report 2013/14	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Paul Simpson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various
<b>July 2013</b>				
Property Transactions	Various	Decision	Jas Hundal	Various
Monthly Budget & Capital Monitoring Report 2013/14	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Paul Simpson	Pauline Moore
<b>September 2013</b>				
Local Authority Mortgage Scheme	Progress report after first 6 months	Info	Paul Simpson	Nigel Stevenson



<b><u>Report Title</u></b>	<b><u>Brief summary of agenda item</u></b>	<b><u>For Decision or Information ?</u></b>	<b><u>Lead Officer</u></b>	<b><u>Report Author</u></b>
Monthly Budget & Capital Monitoring Report 2013/14	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Paul Simpson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various