Finance and Major Contracts Management Committee

Monday, 11 February 2019 at 14:00

County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

Notes

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

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

Customer Services Centre 0300 500 80 80

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

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

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

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

Nottinghamshire County Council

minutes

Meeting	FINANCE AND MAJOR CONTRACTS MANAGEMENT COMMITTEE
Date	14th January 2019 (commencing at 2.00pm)

Membership
Persons absent are marked with an 'A'

COUNCILLORS

Richard Jackson (Chair)
Roger Jackson (Vice Chair)
John Ogle (Vice Chair)

John Clarke	Rachel Madden
Glynn Gilfoyle	Diana Meale
Keith Girling	Mike Pringle
Eric Kerry	Mike Quigley MBE

OFFICERS IN ATTENDANCE

Mick Allen	Group Manager - Place Commissioning
Pete Barker	Democratic Services Officer
Cath Cameron-Jones	Group Manager - Strategic Commissioning
Michael Fowler	Category Manager - Public Health
Derek Higton	Service Director - Place and Communities
Neil Hodgson	VIA EM
Andrew Magyar	Category Manager
Dan Maher	Arc Partnership
Nigel Stevenson	Service Director - Finance, Infrastructure & Improvement
Clare Winter	Group Manager - Procurement

1. MINUTES OF THE LAST MEETING

The minutes of the last meeting held on 17 December 2018, having been circulated to all Members, were taken as read and were confirmed, and were signed by the Chair.

2. APOLOGIES FOR ABSENCE

Councillor Gilfoyle replaced Councillor Rhodes and Councillor Madden replaced Councillor Hollis, both for this meeting only.

3. DECLARATIONS OF INTEREST

Councillor Clarke declared a pecuniary interest in Item 5, ‘Gedling Access Road (GAR) – Progress Report’ and left the chamber prior to consideration of that item and did not return.

Councillor Gilfoyle declared a private interest in Item 8, ’Collaborative Procurement’, because of his involvement with ‘Inspire’, which did not preclude him from speaking or voting on that item.

4. FINANCIAL MONITORING REPORT: PERIOD 8 2018/19

RESOLVED: 2019/001

1. That the variations to the Capital Programme be approved, as detailed in the report.

2. That an additional allocation from the contingency budget be approved, as detailed in the report.

At this point of the meeting Councillor Clarke left the chamber and did not return.

5. GEDLING ACCESS ROAD (GAR) – PROGRESS REPORT

RESOLVED: 2019/002

That update reports on progress made be brought to future meetings of the Committee.

6. ARC PARTNERSHIP FINANCIAL UPDATE FOR HALF YEAR 2018/19

RESOLVED: 2019/003

That an update report on progress made be brought to a future of the meeting of the Committee.

7. GENERAL DATA PROTECTION REGULATION (GDPR) – THIRD PARTY SUPPLIER CONTRACTS

On behalf of the Committee the Chair thanked Clare for all her hard work and wished her all the best for the future.

RESOLVED: 2019/004

That the continuation of the approach to updating supplier contracts and embedding GDPR in all new projects be approved.

8. COLLABORATIVE PROCUREMENT

RESOLVED: 2019/005

That the continuation of the approach to collaborative working with other public bodies be approved.

9. MENTAL HEALTH SUPPORT SERVICE

RESOLVED: 2019/006

That no further actions are required as a direct result of the contents of the report.

10. WORK PROGRAMME

RESOLVED: 2019/007

That no further actions are required as a direct result of the contents of the report.

The meeting closed at 2.41pm

CHAIR

Nottinghamshire County Council

Report to Finance & Major Contracts Management Committee
11 February 2019

Agenda Item: 4

REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT

REVENUE BUDGET PROPOSALS 2019/20
CAPITAL PROGRAMME PROPOSALS 2019/20 to 2022/23
MEDIUM TERM FINANCIAL STRATEGY 2019/20 to 2022/23
COUNCIL TAX PROPOSALS 2019/20

Purpose of the Report

1. To consider the contents of the budget report that will be taken to Full Council on 28 February 2019 with specific reference to:

   - the Annual Revenue Budget for 2019/20
   - the Capital Programme for 2019/20 to 2022/23
   - the Medium Term Financial Strategy for 2019/20 to 2022/23
   - the level of the Council Tax Precept for 2019/20

Information

2. A budget update report was submitted to Policy Committee on 14 November 2018 which set out the financial landscape within which the Council is operating and noted the anticipated budget shortfall of £63.9m over the three years to 2021/22.

3. Since November, the Council has carried out a full review of the budget pressures and underlying assumptions within the Medium Term Financial Strategy. The Council has also received provisional information on the level of funding it can expect in 2019/20. This report outlines the recommendations that will be submitted for approval to the Annual Budget Meeting on 28 February 2019.

Managing the Future – A Strategic Response

4. The County Council has been successful in delivering £26.8m of savings over the previous two financial years. Delivering future savings however will become increasingly more challenging following successive reductions in Government funding and rising demand for services over a number of years. The stark economic and fiscal backdrop for public finances calls for a strategic rather than a piecemeal response as set out in the County Council Plan.

5. Your Nottinghamshire, Your Future, the new County Council Plan sets out the strategic ambition for the future of Nottinghamshire and the Council, structured around four vision statements and supported by twelve commitments.

6. In addition, four detailed departmental strategies have been designed to offer the best possible services whilst making best use of the Council's resources. Each of these strategies were approved at Policy Committee in January 2018. They outline the priorities and programmes of activity that will be pursued in the coming year to achieve delivery of the overall Council Plan. Your Nottinghamshire, Your Future will encourage a more commercial approach across the Council, adopting creative and innovative ways of delivering value for money.

7. This budget report sets out the financial framework around which the County Council will achieve its strategic vision statements and meet the success factors that underpin the County Council's twelve commitments.

Autumn Statement 2018 and Local Government Settlement 2019/20

8. On 29 October 2018, the Chancellor of the Exchequer, the Right Honourable Philip Hammond MP, made his Autumn Budget Statement in the House of Commons. The Office of Budget Responsibility (OBR) also published its Economic and Fiscal Outlook.

9. The following announcements in the Autumn Statement and OBR report were key:

   - Public finances have performed better than expected even though the economy has grown less quickly. This reflects stronger tax revenues and lower than expected spend on welfare and debt interest. The significant improvement in reducing the underlying pace of deficit reduction has been offset by promises of higher spending in the NHS, increased income tax personal allowance and a more generous than expected universal credit agreement.

   - Consumer Price Inflation averaged 2.4% in the second quarter of 2018 and is expected to fall to round 2.0% over the medium term. Unemployment fell to 4.0% in the second quarter of 2018 and is expected to fall to 3.7% at the start of the year before stabilising and edging up to a rate of 4.0%.

   - Continuation of the £240m Winter Pressures Grant for adult social care into 2019/20 was announced alongside a new £410m Social Care Support Grant in 2019/20 for adults and children's social care.

   - Announcement of a new £420m local highways maintenance capital funding in 2018/19.

10. On 13 December 2018, the provisional Local Government Finance Settlement was announced by the Right Honourable James Brokenshire MP, the Secretary of State for Housing, Communities and Local Government. This Settlement reflected the final year of the current Comprehensive Spending Review. As such, considerable uncertainty beyond 2019/20 will remain until the outcome of the 2019/20 Comprehensive Spending Review is known. In acknowledgement of the growing pressures from demand led services such as adult and children's social care, pay award and National Living Wages commitments a number of temporary funding measures have been made available in 2019/20. The main announcements were as follows:-

- In October 2016, the Council accepted the offer of a four year funding settlement to run to 2019/20. The final year of this funding settlement has been provisionally confirmed.

- A confirmed council tax referendum principle of up to 3% for 2019/20. The council tax referendum principle will continue to be reviewed in line with inflation.

- Confirmation of the continuation of the Adult Social Care Precept including the flexibility to raise the precept by up to 2% this year but by no more than 6% over the period 2017/18 to 2019/20.

- Confirmation of the temporary £240m Winter Pressures Grant into 2019/20 and a new temporary £410m Social Care Support Grant in 2019/20 for adults and children's social care, as announced in the Chancellor's 2018 Budget Statement.

- Confirmation of a £420m local highways maintenance capital funding in 2018/19 as announced in the Chancellor's 2018 Budget Statement.

- The current business rates system is working well and, as a result of increased growth in income, the government has announced that it is intending to re-distribute £180m of levy surplus on a one-off basis to all authorities.

- Other announcements included:-

  - No change to the current methodology for calculating New Homes Bonus allocations,
  - Those Authorities selected to pilot the 75% Business Rates Retention scheme were announced,
  - The removal of negative RSG allocations from a number of Authorities,
  - Increase in the Rural Service Delivery Grant for 2019/20 to £81m

- Two consultation papers were published alongside the provisional settlement to address Business Rates Retention Reform and the Fair Funding Review.

Nottinghamshire Residents' Survey

11. As in previous years the 2018 Nottinghamshire Annual Residents' Satisfaction Survey was carried out using face to face interviews with residents who are representative of the Nottinghamshire population.

12. In addition to the questions around levels of satisfaction the 2018 survey included:

- Questions to measure public opinion on the quality of Council Services.
- Questions on areas of Council business and to what extent they should be prioritised in the future.
- Questions on state of the county with regard to the Council Plan's four vision statements that contribute to make Nottinghamshire 'a great place'.

13. The findings of the survey were reported to Policy Committee in February 2019.

Movements in the Medium Term Financial Strategy (MTFS)

14. The Budget report to the February Council in 2018 forecast a budget gap of £54.2m for the three years to 2021/22. The Budget Update report to Policy Committee in November 2018 showed a revised budget shortfall of £63.9m. Since the December report, the MTFS has been rolled forward a year to reflect the four year term to 2022/23 and a rigorous review of the Council's MTFS assumptions has taken place. The impact of these is set out in the paragraphs below.

15. It should be noted that the four year settlement accepted by the Council concludes in 2019/20. Following this, there is much uncertainty surrounding the move to localising 75% of business rates income from 2020/21. Other areas of uncertainty exist throughout the term of the MTFS such as the outcome of the Social Care Green Paper and the implications of Brexit and further political uncertainty. As such, the MTFS will continue to be reviewed regularly to ensure that it reflects the latest information available.

Revised Pressures and Running Cost Inflation

16. When the 2018/19 budget was approved in February 2018, specific pressures and non-pay inflationary pressures totalling £57.8m were identified for the period 2018/19 to 2021/22.

17. A review has been undertaken whereby Departments were asked to both justify existing pressures and identify any new pressures faced over the medium term. The initial results of this exercise were reported to Policy Committee in November 2018. These bids have continued to be revised and total specific pressures and non-pay inflationary pressures to 2022/23 now total £69.8m. Table 1 below tracks the movement in pressures and inflation that has occurred since February 2018 with details of the revised figures in Appendix A.

18. In 2018/19, a Pressures and Inflation Account was established to fund potential pressures that had a high degree of uncertainty with regard to the likelihood of the pressure materialising, the values involved and the likely profile. The funding for these pressures have either not materialised, been allocated to Services or have been rolled up into confirmed Committee pressures.

19. In recent years, no uplift has been provided for inflation on non-pay items, except where a specific business need has been identified. It is proposed that this approach is continued for the duration of the MTFS.

Table 1 – Movement in Pressures and Inflation

Committee	Original Pressures 2019/20-2021/22 £m	Original non-pay inflation 2019/20-2021/22 £m	Net movement £m	Current Total Requirement 2019/20-2022/23 £m
Children & Young People	**0.5**	**0.6**	**11.4**	**12.5**
Adult Social Care & Public Health	**9.3**	**23.1**	**16.6**	**49.0**
Communities & Place	**-**	**4.9**	**1.9**	**6.8**
Policy	**-**	**0.3**	**1.2**	**1.5**
Pressures & Inflation A/c	**0.6**	**-**	**(0.6)**	**-**
Total	**10.4**	**28.9**	**30.5**	**69.8**

Pay Award Inflation

20. In December 2017, local government employers outlined a proposal covering the two years from 1 April 2018. The proposal offered a 2% wage rise from April 2018 and a further 2% in April 2019 with additional increases for the lower paid. As such, the MTFS assumptions have been amended in line with these expectations.

Savings / Efficiencies

21. The MTFS includes previously approved savings options totalling £10.8m from 2018/19. In addition to this, the Council approved a number of efficiencies and base budget reviews through appropriate Committees.

MTFS Assumptions and Projections

22. Similar to previous years a detailed review has been undertaken of the assumptions that underpin the MTFS.

23. By reviewing assumptions and drawing on the 2019/20 temporary funding allocations of £11.2m, the Council is able to deliver a balanced budget for 2019/20. Nonetheless, whilst the Council can set a balanced budget for the next financial year, from 2020/21 onwards, there is a projected budget gap of £33.9m across the duration of the MTFS. Further proposals as to how the budget will be balanced for the following three years will need to be made over the coming months.

Interest and Borrowing

24. The level of borrowing undertaken by the Council is heavily influenced by the capital programme and the associated expenditure profile of approved schemes. Slippage can result in reduced borrowing in the year, although this will still be incurred at a later date when schemes are completed. Interest payments are based on an estimated interest rate which can also fluctuate depending on the market rates at the time the borrowing is undertaken.

The level of external borrowing undertaken will also increase as the Council's level of reserves declines, as this effectively reduces the Council's ability to borrow internally.

25. The Council's position is monitored regularly in relation to these two variables and the latest budget monitoring report forecasts an underspend of £0.8m for the current year. The 2019/20 budget for interest and debt repayments has been adjusted to meet expected costs in 2019/20. This budget will continue to be closely monitored to ensure interest and debt payments are adequately provided for in future years.

Contingency

26. An acceptable minimum level of contingency is needed for unforeseen events, redundancy payments and non-delivery of savings. This is even more critical in an increased risk environment due to uncertainty around budget pressures. Given the in-year budget adjustments, there is a need to replenish the contingency budget and this is reflected in the MTFS assumptions.

27. As part of the budget construction process, the base level for the 2019/20 contingency budget has been set at £4.7m.

Tax Base

28. As new houses are built the council tax base increases. Over the last 5 years the growth rate has fluctuated due, in part, to the challenging economic climate. Each of the District Councils were asked to provide their tax base forecasts for each of the four year review period. These forecasts have been incorporated into the MTFS.

29. The District and Borough Councils have provided tax base estimates for 2019/20 which equate to growth of 1.17%. A forecast tax base growth assumption of 1.20% per annum has been factored into the MTFS, this is based on the latest trend of base growth.

Table 2 – Forecast Council Tax base 2019/20

	Taxbase 2018/19	Assumed growth of 1.31% 2019/20	Band D Precept £1,419.43	Confirmed % Change	Confirmed Taxbase 2019/20	Band D Precept £1,419.43
Ashfield	33,140.50	33,574.78	£47,657,050	1.21%	33,542.50	£47,611,231
Bassetlaw	34,231.95	34,680.54	£49,226,599	1.64%	34,794.99	£49,389,053
Browtowe	33,448.29	33,886.61	£48,099,671	0.68%	33,674.71	£47,798,894
Gedling	36,637.56	37,117.67	£52,685,934	1.01%	37,007.37	£52,529,371
Mansfield	28,905.50	29,284.29	£41,567,000	1.09%	29,219.90	£41,475,603
Newark	38,320.19	38,822.35	£55,105,608	1.18%	38,771.64	£55,033,629
Rushcliffe	42,610.10	43,168.48	£61,274,636	1.33%	43,178.50	£61,288,858
Total	**247,294.09**	**250,534.72**	**£355,616,498**	**1.17%**	**250,189.61**	**£355,126,639**
Additional / (Reduction) of funding in MTFS from confirmed figures						**(£489,859)**

Council Tax Surplus/Deficit

30. Each year an adjustment is made by the District and Borough Councils to reflect the actual collection rate of Council Tax in the previous year. Sometimes this gives rise to a surplus, payable to the County Council, or a deficit which is offset against the future years' tax receipts. A weighted average is factored into the MTFS of £1,000,000 surplus. However, figures confirmed from the District and Borough Councils equate to a surplus of £536,971 for 2019/20, resulting in a shortfall of £463,029 for 2019/20. This reduction has been reflected in the MTFS.

Government Grants

31. Further reductions in Government funding had already been anticipated as part of the four year settlement.

32. As a result of increased growth in business rates income, the government has announced that it is intending to redistribute the levy surplus to all authorities in 2019/20 on a one off basis. Nottinghamshire's share of this surplus is £1.6m.

33. As announced in the 2019/20 provisional settlement the Winter Pressures Grant has continued into 2019/20 and a Social Care Support Grant has also been confirmed for 2019/20. For Nottinghamshire, the sum of both of these temporary grants total £9.6m.

34. Also, for Nottinghamshire, the 2019/20 New Homes Bonus funding has reduced by £0.3m, to £1.7m.

35. All of the above government grants have been reflected in the MTFS.

Funding Transformation

36. The Chancellor announced in the 2015 Autumn Statement changes to the rules for the use of capital receipts. From 1 April 2016, for a three year period, local authorities were able to spend any revenues they generate from selling surplus assets to fund expenditure on projects that:-

    - Generate on-going revenue savings in the delivery of public services,
    - Transform service delivery to reduce costs,
    - Transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.

37. As part of the Provisional Local Government Finance Settlement announced in December 2017 this flexibility was extended for a further three years to 2021/22.

38. It is proposed that capital receipts to 2021/22 are, in the first instance, used to fund transformational costs associated with the Programmes and Projects Team and the implementation of the IT Cloud platform. Any excess capital receipts will be set against previous years' borrowing thereby reducing the impact of the Minimum Revenue Provision on the revenue accounts.

Council Tax and Adult Social Care Precept 2019/20

39. The 2019/20 Provisional Local Government Settlement announced by the Government in December 2018 set out funding plans for councils in England to help them to deliver the services that their residents need. It was confirmed that the 2019/20 referendum threshold has been set in line with inflation, and so setting the core Council Tax referendum principle at 3%. This is in line with the threshold set in 2018/19.

40. The Core Spending Power issued by the Government therefore affirmed the expectation that, in addition to the usual assumptions with regard to tax base growth, Councils would increase their Council Tax by 3%

41. Also in the announcement, it was confirmed that the Adult Social Care Precept will continue including the additional flexibility to raise the precept by 2% this year but by no more than 6% over the period 2017/18 to 2019/20.

42. In determining the local government settlement the Government has assumed that the Council would take the maximum Adult Social Care Precept of 6% over the period 2017/18 to 2019/20 and increase the Council Tax to the maximum level in 2019/20. It is proposed, therefore, that the Council fixes any increase to local taxes to that expected by the Government. So, for 2019/20, it is proposed that Council Tax is increased by 2.99% and the Adult Social Care Precept is implemented at 1% in 2019/20. Future Council Tax increases of 1.99% per annum have also been factored into the MTFS.

43. 60% of properties in Nottinghamshire are in Band A and B. As a consequence, the majority of households across Nottinghamshire will see a Council Tax increase of less than £0.80 per week. The average increase for all households across the county will be £0.97.

Table 3 – Impact of 1.00% Social Care Precept on Local Tax Levels (County Council Element) 2019/20

Band	Value as at 1.4.91	No. of Properties	% No. of Properties	Ratio	County Council 2018/19 £	County Council 2019/20 £	Change £
A	Up to £40,000	143,920	39.6%	6/9	60.39	69.85	**9.46**
B	£40,001 to £52,000	74,930	20.6%	7/9	70.45	81.49	**11.04**
C	£52,001 to £68,000	62,050	17.1%	8/9	80.52	93.13	**12.61**
D	£68,001 to £88,000	41,430	11.4%	1	90.58	104.77	**14.19**
E	£88,001 to £120,000	23,200	6.4%	11/9	110.71	128.05	**17.34**
F	£120,001 to £160,000	11,160	3.1%	13/9	130.84	151.33	**20.49**
G	£160,001 to £320,000	6,080	1.7%	15/9	150.97	174.62	**23.65**
H	Over £320,000	480	0.1%	18/9	181.16	209.54	**28.38**

Table 4 – Impact of 2.99% Increase on Local Tax Levels (County Council Element) 2019/20

Band	Value as at 1.4.91	No. of Properties	% No. of Properties	Ratio	County Council 2018/19 £	County Council 2019/20 £	Change £
A	Up to £40,000	143,920	39.6%	6/9	885.90	914.19	**28.29**
B	£40,001 to £52,000	74,930	20.6%	7/9	1,033.55	1,066.56	**33.01**
C	£52,001 to £68,000	62,050	17.1%	8/9	1,181.20	1,218.92	**37.72**
D	£68,001 to £88,000	41,430	11.4%	1	1,328.85	1,371.29	**42.44**
E	£88,001 to £120,000	23,200	6.4%	11/9	1,624.15	1,676.02	**51.87**
F	£120,001 to £160,000	11,160	3.1%	13/9	1,919.45	1,980.76	**61.31**
G	£160,001 to £320,000	6,080	1.7%	15/9	2,214.75	2,285.48	**70.73**
H	Over £320,000	480	0.1%	18/9	2,657.70	2,742.58	**84.88**

Table 5 – Recommended levels of Council Tax and Social Care Precept 2019/20

Band	Value as at 1.4.91	No. of Properties	% No. of Properties	Ratio	County Council 2018/19 £	County Council 2019/20 £	Change £
A	Up to £40,000	143,920	39.6%	6/9	946.29	984.04	**37.75**
B	£40,001 to £52,000	74,930	20.6%	7/9	1,104.00	1,148.05	**44.05**
C	£52,001 to £68,000	62,050	17.1%	8/9	1,261.72	1,312.05	**50.33**
D	£68,001 to £88,000	41,430	11.4%	1	1,419.43	1,476.06	**56.63**
E	£88,001 to £120,000	23,200	6.4%	11/9	1,734.86	1,804.07	**69.21**
F	£120,001 to £160,000	11,160	3.1%	13/9	2,050.29	2,132.09	**81.80**
G	£160,001 to £320,000	6,080	1.7%	15/9	2,365.72	2,460.10	**94.38**
H	Over £320,000	480	0.1%	18/9	2,838.86	2,952.12	**113.26**

44. The overall impact of all the changes since the November Policy report are shown in Table 6:

Table 6 – Updated MTFS

	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Year on Year Savings requirement (November Report)	**34.4**	**17.1**	**12.4**	**-**	**63.9**
Change in Pay / Pension Related Inflation	-	-	-	4.2	**4.2**
Change in Pressures and Inflation	(1.4)	(0.4)	-	13.8	**12.0**
Changes in Savings / Base Budgets	(5.6)	(1.8)	(0.6)	1.6	**(6.4)**
Change in Government Grants	(11.4)	11.4	-	(2.2)	**(2.2)**
Use of / Contribution to Reserves	(5.9)	(0.1)	6.9	(0.8)	**0.1**
Increase in Council Tax	(10.6)	(7.5)	(7.7)	(8.0)	**(33.8)**
Change in Council Tax Base assumptions	0.5	0.3	(0.2)	(4.7)	**(4.1)**
Other Corporate Adjustments	-	0.6	(0.4)	-	**0.2**
Revised Gap	**0.0**	**19.6**	**10.4**	**3.9**	**33.9**

Financial Risks, Balances and Contingency

45. The County Council is legally obliged to set a balanced budget for each financial year. Additionally, a four year medium term financial strategy is required. As previously reported, there are significant risks and uncertainties associated with the current operational environment that local authorities are operating within, both short and medium term. It is therefore of paramount importance that the County Council takes appropriate measures to mitigate against these risks, whilst acknowledging that, given the level of uncertainty overall, contingency plans may not be sufficient.

46. The main financial risks associated with the initial budget proposals are as follows:

- That, given the scale and extent of the savings proposals and the degree of complexity and change, it is highly likely that there could be a degree of non-delivery and slippage of proposals.
- The cost pressures factored into the budget may not be sufficient to meet the underlying cost and demand pressures that actually arise, particularly with regard to increased demand for Adults and Children's Social Care Services, Transport Services, the impact of the National Living Wage, agreement of the pay award, the impact of the Green Paper on Adult Social Care and any extra burdens identified by Central Government.
- The 2019/20 Settlement reflects the final year of the current Comprehensive Spending Review. As such, the considerable uncertainty beyond 2019/20 will remain until the outcome of the 2019/20 Comprehensive Spending Review is known.

- The move to 75% retention of business rates from 2020/21 after the conclusion of the four year settlement.
- The implications surrounding Brexit and the associated political uncertainty.

47. Adequate levels of balances and contingency need to be maintained in order to provide short-term flexibility to manage unforeseen events, and to allow for the necessary longer term changes to be implemented. Central Government continues to encourage local authorities to use reserves to support their transformation agenda. More detail regarding the need to hold balances will be reported to Full Council as part of the 2019/20 Budget Report.

48. The current level of balances is shown in Table 7. The General Fund Balance is a reserve which is not bound by any specific criteria. Earmarked reserves have to be applied to specific schemes, and a large proportion relates to the reserves that support the PFI schemes in waste and schools. Reserves are "one-off" funds so it is recommended that they are limited to supporting one-off expenditure rather than funding on-going costs.

Table 7 – Current Forecast Level of Reserves and Balances

	General Fund £m	Earmarked Reserves £m	Total £m
Balance as at 1 April 2018	30.9	129.0	**159.9**
Approved use in current year	(1.5)	(18.9)	**(20.4)**
Forecast Overspend (Period 8)	(5.7)	-	**(5.7)**
Expected Balance 31 March 2019	**23.7**	**110.1**	**133.8**

Capital Programme and Financing

49. Local authorities are able to determine their overall levels of borrowing, provided they have regard to the Prudential Code for Capital Finance in Local Authorities published by CIPFA. It is, therefore, possible to increase the capital programme and finance this increase by additional borrowing provided that this is "affordable, prudent and sustainable". This is in addition to capital expenditure funded from other sources such as external grants and contributions, revenue and reserves. The revenue implications of the capital programme are provided for and integrated within the revenue budget.

50. The Council's capital programme has been reviewed as part of the 2019/20 budget setting process. Savings and re-profiling with a total value of £24.0m have been identified in 2018/19 as part of this exercise. These savings, along with capital reserves and contingencies, will be used to fund new inclusions. The capital programme is monitored closely in order that variations to expenditure and receipts can be identified in a timely manner. Any subsequent impact on the revenue budget and associated prudential borrowing indicators will be reported to the Finance and Major Contracts Management Committee.

51. During the course of 2018/19, some variations to the capital programme have been approved by Policy Committee, Finance and Major Contracts Management Committee and by the Section 151 Officer in accordance with the Council's Financial Regulations. Following a

review of the capital programme and its financing, some proposals have been made regarding both new schemes and extensions to existing schemes in the capital programme. These proposals are identified in paragraphs 52 to 66. Schemes will be subject to Latest Estimated Cost (LEC) reports in accordance with the Council's Financial Regulations.

Adult Social Care and Public Health (ASCPH)

52. As part of the 2014/15 Budget Report that was approved by Full Council (February 2014), a £3.0m programme was established, funded by borrowing, to develop good quality, secure accommodation for people with challenging needs. The objectives of this programme have been achieved by using Department of Health grants and other resources. It is therefore proposed that the borrowing element of this programme is re-allocated to fund other capital priorities across the Council.

    It is proposed that the Adult Social Care and Public Health capital programme is varied to reflect the re-prioritisation of capital resources towards key strategic priorities.

Children and Young People (CYP)

53. **School Building Improvement Programme** – The Department for Education has yet to announce the Schools Capital Maintenance (SCM) grant allocations for 2019/20 onwards. As such, it is proposed that an estimated SCM grant allocation of £5.0m is reflected in the capital programme for 2019/20 and then reduced by £0.5m per annum to reflect further school conversions to academy.

    It is proposed that the Children and Young People capital programme is varied to reflect an estimated School Capital Maintenance Grant of £5.0m for 2019/20 with a reduction of £0.5m per annum in each of the future years.

54. **School Places Programme** – An analysis of school places sufficiency across Nottinghamshire is undertaken on a regular basis. The Authority will receive no 2019/20 Basic Need allocation but the Department for Education have announced that the Authority will receive a 2020/21 Basic Need grant of £8.6m. This funding has already been received by the Authority. It is proposed that estimated further School Places Grant of £2.0m per annum are included in both 2021/22 and 2022/23 of the Children and Young People's capital programme.

    It is proposed that the Children and Young People capital programme is varied to reflect the 2020/21 allocation and estimated School Places Grant of £2.0m for 2021/22 and 2022/23.

55. **Special Schools Grant** – The County Council received an allocation of £2.5m (£0.8m per annum for three years commencing 2018/19) from the Specialist Provision Capital Grant fund. This funding has been made available to support local authorities to make capital investments in provision for pupils with special educational needs and disabilities. The outcome of a consultation on the use of this funding was reported to the Children and Young People's Committee in January 2018. Since then, the grant has been topped up by £0.6m as announced in May 2018 and a further indicative grant of £1.1m was announced in December 2018.

It is proposed that the Children and Young People capital programme is varied to incorporate the additional £1.7m Specialist Provision Capital Grant.

56. **Orchard Special School, Newark** – As part of the 2018/19 Annual Budget Report to Full Council, it was approved that the Authority would contribute £7.5m towards the cost of a project to rebuild the Orchard Special School in Newark. A Latest Estimated Cost report was submitted to the Finance and Major Contracts Management Committee in September 2018 setting out the scheme objectives, including the replacement of Newark Day Centre, and total costs. It is proposed that the Children and Young People's capital programme is varied to reflect how this project is to be funded as follows:-

£m	2018/19	2019/20	2020/21	Total
Borrowing	-	7.4	0.1	**7.5**
School Places Programme	1.7	1.2	-	**2.9**
Specialist Provision Capital Grant	-	2.3	0.8	**3.1**
School Building Improvement Programme	-	0.9	-	**0.9**
Priority School Building Programme Grant	0.1	1.0	-	**1.1**
Total	**1.8**	**12.8**	**0.9**	**15.5**

It is proposed that the Children and Young People's capital programme is varied to reflect the total cost of the new Orchard Special School scheme in Newark.

57. **Watnall Road New School** – As reported to Finance and Major Contracts Management Committee in July 2018 a new school is to be constructed at the Watnall Road site in Hucknall. The total cost of the new school will total £3.7m, all of which is funded from Section 106 contributions.

It is proposed that the Children and Young People's capital programme is varied to include the new school at Watnall Road in Hucknall, funded from external funding.

58. **The Mill Adventure Base** - It is proposed that the Children and Young People's capital programme is varied to reflect a £1.0m investment in the Mill Adventure Base. This investment will provide a new high ropes and climbing facility at the Base, including additional family orientated facilities to further develop the well-respected offer Nottinghamshire County Council has within the Kings Mill Reservoir Country Park.

It is proposed that the Children and Young People's capital programme is varied to reflect the investment in the Mill Adventure Base, funded from capital allocation.

Communities and Place

59. **Additional Highways Investment** – In the Communities and Place Committee, the Council has identified investment in the highways infrastructure across the county as an important strategic priority. As part of the 2018/19 Budget Report to Full Council the Authority contributed £20.0m of funding to enhance the Road and Maintenance and Renewals programme. As reported to Policy Committee in November 2018, the Council will be exercising the option of purchasing Corserv's shares in Via East Midlands Limited from

existing budgets. Furthermore, the Department for Transport have recently announced an additional 2018/19 grant of £6.6m to further the investment in highways across the county. It is also estimated the Authority will receive a £2.5m Incentive Grant in 2019/20 and 2020/21 to fund highways improvement works.

It is proposed that the Communities and Place capital programme is varied to reflect the additional £6.6m DfT grant in 2018/19 as well as the indicative Incentive Grant for 2019/20 and 2020/21.

60. **Southwell Flood Mitigation Schemes** – As reported to the Communities and Place Committee in November 2018, the County Council has been successful in securing £4.3m external funding to carry out flood mitigation projects in Southwell. This funding, alongside a £0.7m contribution from the County Council funded Flood Alleviation and Drainage programme, will fund two projects as follows:

£m	External Funding	Borrowing	Total
Slowing the Flow	0.5	0.1	**0.6**
Other Southwell Flood Project	3.8	0.6	**4.4**

The proposed mitigation measures are scheduled to be completed by Spring 2021 and will benefit approximately 240 properties and 60 businesses.

It is proposed that the Communities and Place capital programme is amended to incorporate the £4.3m external funding secured to part fund the Southwell Flood Mitigation Scheme.

61. **Salix Funded Street Lighting** – A spend-to-save initiative to replace lanterns in street lights for lower energy options is already in the approved capital programme. The Council has been awarded additional Salix loans of £1.1m per annum in 2019/20 and 2020/21 to extend this programme.

It is proposed that a £1.1m allocation in 2019/20 and 2020/21, funded from borrowing, is incorporated into the Communities and Place capital programme to further the Salix Street Lighting programme.

62. **Carbon Management** – This energy saving capital programme, which is funded fully from external funding, has been extended and re-phased by the project team. The programme is now forecast to be profiled as follows:

2019/20 – £0.900m
2020/21 – £0.320m
2021/22 – £0.320m
2022/23 – £0.320m

It is proposed that the Communities and Place capital programme is varied to reflect the revised Carbon Management programme.

Policy

63. **Better Broadband for Nottinghamshire (BBfN)** – The Council has been successful in securing £1.0m of European Agricultural Fund for Rural Development funding. This grant will be used to further extend the superfast broadband coverage across Nottinghamshire.

    It is proposed that the Policy Committee capital programme is varied to reflect the £1.0m European grant that will be used to further the BBfN programme.

64. **Site Clearance Programme** – It has been identified that there are a number of surplus properties held by the Authority that are costing a significant amount to guard and secure and are a target for vandalism and anti-social behaviour. As such, it is proposed that a programme is established to fund the clearance of these properties.

    It is proposed that the Policy Committee capital programme is varied to reflect the £4.0m Site Clearance Programme, funded from capital allocations.

Capital Programme Contingency

65. The capital programme requires an element of contingency funding for a variety of purposes, including urgent capital works, schemes which are not sufficiently developed for their immediate inclusion in the capital programme, possible match-funding of grants and possible replacement of reduced grant funding.

66. A number of capital bids described above are proposed to be funded from uncommitted contingency across the period to 2022/23. The levels of contingency funding remaining in the capital programme are as follows:-

2019/20	**£2.2m**
2020/21	**£2.2m**
2021/22	**£2.2m**
2022/23	**£2.2m**

Revised Capital Programme

67. Taking into account schemes already committed from previous years and the additional proposals detailed in this report, the summary capital programme and proposed sources of financing for the years to 2022/23 are set out in Table 8.

Table 8 – Summary Capital Programme

	Revised 2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	TOTAL £m
Committee:						
Children & Young People*	24.705	45.912	20.387	6.000	5.500	102.504
Adult Social Care & Public Health	3.523	2.180	-	-	-	5.703
Communities & Place	54.160	53.549	58.983	28.410	21.042	216.144
Policy	15.100	12.105	4.630	4.400	4.400	40.635
Finance & MCM	0.180	0.180	0.180	0.180	0.180	0.900
Personnel	0.007	0.249	-	-	-	0.256
Contingency	-	2.200	2.200	2.200	2.200	8.800
Capital Expenditure	**97.675**	**116.375**	**86.380**	**41.190**	**33.322**	**374.942**
Financed By:						
Borrowing	41.846	44.939	38.196	15.850	10.800	151.631
Capital Grants	52.496	69.368	46.584	24.240	21.422	214.110
Revenue / Reserves	3.333	2.068	1.600	1.100	1.100	9.201
Total Funding	**97.675**	**116.375**	**86.380**	**41.190**	**33.322**	**374.942**

* These figures exclude Devolved Formula Capital allocations to schools.

Capital Receipts

68. In preparing the capital programme, a full review has been carried out of potential capital receipts. The programme still anticipates significant capital receipts over the period 2019/20 to 2022/23. Any shortfall in capital receipts is likely to result in an increase in prudential borrowing. Forecasts of capital receipts are shown in Table 9.

Table 9 – Forecast Capital Receipts

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	TOTAL £m
Forecast Capital Receipts	**4.5**	**12.6**	**15.0**	**6.5**	**1.0**	**39.6**

69. As set out above however, local authorities have been given the opportunity to use capital receipts to fund one off costs associated with transformation to 2021/22. This approach will be reviewed on an annual basis. It is proposed that capital receipts to 2021/22 are, in the first instance, used to fund transformational costs associated with the Programmes and Projects Team and the implementation of the IT Cloud platform. Any excess capital receipts will be set against previous years' borrowing thereby reducing the impact of the Minimum Revenue Provision on the revenue accounts.

Statistical and Policy Implications

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

RECOMMENDATION/S

1) That a report be prepared for County Council on 28 February 2019 based on the budget proposals as set out in this report, including the proposed Council Tax and Adult Social Care Precept increases as prescribed in the Central Government funding model.

NIGEL STEVENSON
SERVICE DIRECTOR – FINANCE, PROCUREMENT AND IMPROVEMENT

For any enquiries about this report please contact:
Keith Palframan, Group Manager – Financial Services

Constitutional Comments (KK 31/01/2019)

Finance and Major Contracts Management Committee has responsibility for the financial management of the Authority including recommending to Council the financial strategy, annual revenue budget, annual capital budget, asset management plan and precept on billing authorities. The proposal in this report is therefore within the remit of this Committee.

Human Resources Comments (GME 31/01/19)

The human resources implications are implicit in the body of the report. Where there are employment implications arising from any of the identified actions outlined in this report, these will be consulted upon and implemented in line with the agreed employment policies and procedures of the Council.

Financial Comments (NS 15/01/2019)

The financial implications are set out in the report.

Background Papers and Published Documents

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

Electoral Division(s) and Member(s) Affected
All

Appendix A
Summary of Departmental Cost Pressures

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	TOTAL £000
Children & Young People					
Non Looked After Children Placements	159	237	237	237	870
Social Work Staffing and Standards	778	(467)	(120)	-	191
Early Help / Family Services	-	1,200	-	-	1,200
Population Pressure - LAC Placement Costs	277	279	281	283	1,120
Demographic Pressures - Edn, Health & Care Plans (ICDS)	721	114	114	114	1,063
Youth Service & Outdoor Education ASDM	120	-	-	-	120
Market Factor Supplement	144	20	6	-	170
Flexible & Targeted Short Breaks	126	126	-	-	252
Re-basing External Placements Budget	3,848	-	-	-	3,848
Subtotal Children & Young People Pressures	**6,173**	**1,509**	**518**	**634**	**8,834**
Adult Social Care & Public Health					
Younger Adults Aged 18-64 Years	4,606	2,833	2,146	2,146	11,731
Home Care & Direct Payments	3,052	-	-	-	3,052
Older Adults Demand	1,150	970	950	950	4,020
Subtotal Adult Social Care & Public Health Pressures	**8,808**	**3,803**	**3,096**	**3,096**	**18,803**
Communities & Place					
SEND Transport Growth	92	104	104	104	404
Subtotal Communities & Place Pressures	**92**	**104**	**104**	**104**	**404**
Total Pressures	**15,073**	**5,416**	**3,718**	**3,834**	**28,041**
Children & Young People					
National Living Wage - External	118	118	80	80	396
Basic Fostering Allowance	52	53	54	55	214
Contract Cost Inflation	660	680	700	720	2,760
Ex Schools Staff Pension Enhancements	69	80	79	79	307
Subtotal Children & Young People Inflation	**899**	**931**	**913**	**934**	**3,677**
Adult Social Care & Public Health					
Fair Price for Care	1,814	1,000	1,000	1,000	4,814
National Living Wage - External	7,483	7,485	5,211	5,211	25,390
Subtotal Adult Social Care & Public Health Inflation	**9,297**	**8,485**	**6,211**	**6,211**	**30,204**
Policy					
Schools PFI Inflation	115	115	115	1,158	1,503
Subtotal Policy Inflation	**115**	**115**	**115**	**1,158**	**1,503**
Communities & Place					
Concessionary Travel	200	179	179	179	737
Local Bus & Home to School Contracts	40	90	90	90	310
SEND Transport Inflation	70	35	35	35	175
Highways Energy	248	248	248	248	992
Waste PFI Contract Growth	137	137	137	137	548
Waste PFI Contract Inflation	728	978	978	978	3,662
Subtotal Communities & Place Inflation	**1,423**	**1,667**	**1,667**	**1,667**	**6,424**
Total Inflation	**11,734**	**11,198**	**8,906**	**9,970**	**41,808**
Total Pressures & Inflation	**26,807**	**16,614**	**12,624**	**13,804**	**69,849**

Nottinghamshire County Council

Report to Finance and Major Contracts Management Committee

11 February 2019

Agenda Item: 5

REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT

FINANCIAL MONITORING REPORT: PERIOD 9 2018/19

Purpose of the Report

1. To provide a summary of the Committee revenue budgets for 2018/19.
2. To provide a summary of capital programme expenditure to date, year-end forecasts and approve a variation to the capital programme.
3. To inform Members of the Council's Balance Sheet transactions.

Information

4. The Council approved the 2018/19 budget at its meeting on 28 February 2018. As with previous financial years, progress updates will be closely monitored and reported to management and Committee each month.

Summary Revenue Position

5. The table below summarises the revenue budgets for each Committee for the current financial year. A £5.7m net overspend is currently predicted. As a consequence of the in-year overspend and the significant financial challenges facing the Council over the medium term, the key message to effectively manage budgets and, wherever possible, deliver in-year savings is being reinforced.

Table 1 – Summary Revenue Position

Forecast Variance as at Period 08 £'000	Committee	Annual Budget £'000	Actual to Period 09 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
6,397	Children & Young People's	121,546	94,219	127,912	6,366
(448)	Adult Social Care & Public Health	207,761	147,699	207,264	(497)
1,321	Communities & Place	123,593	99,769	124,783	1,190
(553)	Policy	35,355	33,852	34,866	(489)
(334)	Finance & Major Contracts Management	3,172	2,770	2,817	(355)
59	Governance & Ethics	7,285	5,327	7,372	87
50	Personnel	15,053	13,986	14,987	(66)
6,492	**Net Committee (under)/overspend**	**513,765**	**397,622**	**520,001**	**6,236**
(1,921)	Central items	(16,192)	(31,152)	(17,713)	(1,521)
-	Schools Expenditure	200	-	200	-
(200)	Contribution to/(from) Traders	816	1,853	648	(168)
4,371	**Forecast prior to use of reserves**	**498,589**	**368,323**	**503,136**	**4,547**
747	Transfer to / (from) Corporate Reserves	(7,215)	-	(6,468)	747
575	Transfer to / (from) Departmental Reserves	(8,615)	(592)	(8,163)	452
-	Transfer to / (from) General Fund	(1,529)	-	(1,529)	-
5,693	**Net County Council Budget Requirement**	**481,230**	**367,731**	**486,976**	**5,746**

Committee and Central Items

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

Children & Young People's (£6.4m overspend, 5.2% of annual budget)

6. The overspend has been caused primarily by rapidly increased demand for children's care services. Allied with unavoidably high unit costs this has had a large impact on demand led budgets. Child in Need cases have also increased significantly. This increased demand is also being experienced nationally and consequently adds additional market pressures.

7. The major contributing variances are:

- Staffing in Hard to Recruit Teams (including leaving care, looked after children (LAC), emergency duty, etc.) and other Social Work teams is forecast to overspend by £1.9m due to a combination of staffing changes including permanent recruitment to vacancies, temporary staff to respond to workload issues and agency workers. This includes the Assessment and District Child Protection Teams which continue to have high demand and caseloads. The agency challenge panel continues to approve all usage of agency staff.
- External Placements for LAC are forecast to overspend by £5.0m, of which £2.1m is due to the recent and sustained growth in the number of Independent Fostering Agency (IFA) placements which are not expected to significantly reduce over the year, together with £2.9m Residential and £0.9m on semi-independent spot placements. This is partially offset by a contribution from the Troubled Families Reserve of £0.6m, utilisation of £0.1m old remaining balances and a temporary £0.2m reduced recharge from Supported

Accommodation. Over the past 12 months the number of children in care has risen by approximately 12%, from 790 to 884. The average cost of a looked after child is £62,500 with some placements being significantly more. The budget construction for the LAC placement budget was predicated on stability of the LAC numbers at 790 and as a result the budget has overspent. Additional cost is also being incurred as a result of price rises in the care market as demand outstrips supply. Considerable work has been undertaken to better predict future need and to construct appropriate budgets, although the situation will remain volatile.

- There is a forecast underspend of £0.3m in Early Help Services due to increased income generated by outdoor education in accordance with their commercial development, together with underspends in the Family Service.
- A number of further minor variations, totalling a £0.2m underspend, have been identified across the service.

8. A number of budget control measures are in place across the Children and Young People's Committee as follows:

- Instruction to all Group Managers to scrutinise and restrict all non-essential expenditure. This will be followed up with a further "line by line" budget review.
- Ongoing challenge and development of existing block contracts for residential care.
- Proposed increased frequency of Agency Worker Challenge Panels.
- Bringing forward proposals to increase the number of internal foster carers.
- Various measures will be implemented through the department's Remodelling Practice programme (fieldwork staffing arrangements).

Adult Social Care & Public Health (forecast £0.5m underspend, 0.2% of annual budget)

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

- Older Adults across the County are forecasting an overspend of £0.5m, largely in the areas of long term residential and nursing care and homecare.
- Younger Adults across the County are forecast to overspend by £0.5m, largely in the areas of long term residential and nursing care and supported living despite increased Section 28a income from Health.

10. The Strategic Commissioning, Accessing and Safeguarding Division is reporting an underspend of £1.4m due mainly to increased service user contributions (£1.0m) and lower in-year costs relating to the advocacy contract (£0.4m).

11. Public Health is currently forecasting an underspend of £0.1m, due mainly to an underspend on Directorate staffing, the Substance Misuse and Obesity Programmes, partially offset by an overspend against the Sexual Health Programme. The overall County Council forecast assumes that this net underspend will be transferred to the Public Health reserve.

Communities & Place (forecast £1.2m overspend, 1.0% of annual budget)

12. There is currently a forecast overspend of £1.7m against the SEND / home to school transport budget. Following a review of transport provision, efficiency savings of £589,000 have been identified and reported to Improvement and Change Sub-Committee in January. Further savings proposals are expected in the near future to fully address the issue.

13. The budget for concessionary fares is forecast to underspend by £0.5m following favourable contract settlement values with transport operators.

14. The highways retained client budget is forecast to underspend by £0.1m due mainly to additional income on residential parking permits.

15. The waste retained client budget is forecast to overspend by £0.1m due to reduced levels of trade waste income, together with increased costs of recycling credits to the district councils.

Policy (forecast £0.5m underspend, 1.4% of annual budget)

16. The committee is reporting a forecast underspending of £0.5m. This mainly relates to:

- An underspend of £0.3m due predominantly to less use of external legal advisers during the IICSA Inquiry than originally anticipated, whose work was focussed on the public hearing process, rather than the preparation of the corporate witness statement(s), which was led by the Council. The IICSA team budget is funded from a corporate reserve, so there is a corresponding overspend to reflect a reduced drawdown.
- Vacancies savings totalling £0.2m within the ICT Helpdesk and associated with the move to the Cloud Project, in addition to vacancy savings in the property commissioning team.

Trading Services

17. County Supplies are forecasting a deficit of £0.5m, £0.3m is associated with trading losses and £0.2m with their recent relocation to Huthwaite. There is no reserve to cover this overspend.

18. The anticipated draw-down from Cleaning, Catering and Landscapes Services Reserves to fund deficits/savings is £1.1m, from current Reserve balances of £1.1m, meaning any similar losses in 2019/20 would be largely unfunded. This does not include potential redundancy costs resulting from any future restructure.

19. The remaining trading services are predicting a surplus of £0.7m which will be transferred to reserves to fund capital projects or smooth future losses.

Central Items (forecast £1.9m underspend)

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

21. At the time of setting the 2018/19 budget, several funding allocations had not been announced, specifically with regard to the impact of business rates revaluations and, therefore, assumptions about certain grants were made based on the best information available at the time. Throughout the year confirmations are received and current forecasts suggest a net additional grant of £2.8m will be received in 2018/19.

22. Interest payments fluctuate depending on expectations of future rates and anticipated slippage on the capital programme. Current Treasury Management forecasts suggest a net underspend on interest of £0.9m. There is a net £0.2m underspend across the other central items.

23. Employer's pension contributions are currently predicted to over-recover (£0.5m) the amount required by the actuary to fund the deficit. As per previous practice, the final surplus amount will be transferred to the pension's surplus reserve to cover potential under-recoveries in the future.

24. In-year capital expenditure and capital receipt forecasts continue to be monitored and an assessment to agree a prudent Minimum Revenue Provision (MRP) charge will be made as part of the final accounts process.

25. The Council's budget includes a main contingency budget of £5.5m to cover redundancy costs, slippage of savings, additional requirement for the 2018/19 pay award and unforeseen events. Following a half yearly review of the commitments made against this contingency, a forecast underspend of £1.0m has been identified. This will continue to be reviewed throughout the year.

26. Also, in 2018/19 a number of demand and inflationary pressures have been identified that have a high degree of uncertainty with regard to likelihood, value and profiling. As such, an additional provision of £4.1m has been made within contingency to fund these pressures should they arise. Finance and Major Contracts Management Committee or the Section 151 Officer are required to approve the release of contingency funds.

27. To date the Section 151 Officer has approved release of £0.7m to fund pressures that have now materialised, leaving £3.4m left in the additional contingency budget. This will continue to be assessed throughout the year.

Progress with savings and risks to the forecast

28. Council on 28 February 2018 approved savings proposals of £15.6m for delivery over the four year period 2018-22. These proposals are in addition to those approved previously by County Council. Officers will continue to monitor the deliverability of individual schemes and targets as part of the budget monitoring process and reflect achievability in the forecast outturn. The progress of the Council's current savings programme is reported to the Improvement and Change Sub-Committee on a regular basis. This report highlights all projects that are either experiencing obstacles or are at risk, the latest being 7 January 2019.

29. The approved 2018/19 budget was set against a background of assumptions and on-going risks, specifically with regard to the demand for Council services in the areas of Children and Adult Social Care where safeguarding takes priority. These high risk areas will continue to be monitored closely during the year through the robust monthly budget management process and reported back to Committee.

Balance Sheet
General Fund Balance

30. Members approved the 2017/18 closing General Fund Balance of £30.9m at Council on 12 July 2018. The 2018/19 budget approves utilisation of £1.6m of balances which will result in a

closing balance of £29.3m at the end of the current financial year. This is 6.1% of the budget requirement.

Capital Programme

31. Table 2 summarises changes in the gross Capital Programme for 2018/19 since approval of the original Programme in the Budget Report (Council 28/02/18):

Table 2 – Revised Capital Programme for 2018/19

	2018/19 £'000	2018/19 £'000
Approved per Council (Budget Report 2018/19)		112,771
Variations funded from County Council Allocations :		
Net slippage from 2017/18 and financing adjustments	13,007	
		13,007
Variations funded from other sources :		
Net variation from 2017/18 and financing adjustments	(2,995)	
		(2,995)
Revised Gross Capital Programme		**122,783**

32. Table 3 shows actual capital expenditure to date against the forecast outturn at Period 9.

Table 3 – Capital Expenditure and Forecasts as at Period 9

Committee	Revised Capital Programme £'000	Actual Expenditure to Period 9 £'000	Forecast Outturn £'000	Expected Variance £'000
Children & Young People's	40,333	13,917	24,705	(15,628)
Adult Social Care & Public Health	3,523	740	3,523	-
Communities & Place	59,825	30,186	49,160	(10,665)
Policy	18,151	9,454	18,925	774
Finance & Major Contracts Mngt	180	23	180	-
Personnel	256	-	7	(249)
Contingency	515	-	-	(515)
Total	**122,783**	**54,320**	**96,500**	**(26,283)**

Children & Young People's

33. In the Children and Young People's Committee capital programme, a forecast underspend of £15.6m has been identified. This is mainly due to £9.3m forecast slippage against the School Places Programme. The majority of existing commitment is for primary education places. Re-profiling of the budget is required as the remaining provision is to be allocated, in the main, to

Secondary School pressures in 2019/20. These are currently being assessed as to where the allocation is most required.

34. Also in the Children and Young People's Committee, a forecast underspend of £4.7m has been identified against the School Building Improvement Programme. There were initial delays to commissioning the programme as a result of late notification of grant amounts. All schemes are now commissioned and will progress in this financial year but are likely to complete in 2019/20.

35. Also in the Children and Young People's Committee, a forecast underspend of £2.7m has been identified against the Bestwood Hawthorne Replacement School project as the forecast spend is re-profiled to reflect the proposed delivery of the scheme.

36. The re-profiled funding for the above three areas will be approved as part of the 2019/20 Annual Budget Report to Full Council.

Adult Social Care and Public Health

37. In the Adult Social Care and Health Committee, it has been identified that there is a requirement for replacement equipment at County Enterprise Foods. The equipment, totalling £0.2m, includes replacement ovens and oven racks. Funding from within the County Enterprise Foods revenue budget has been identified to fund these costs.

    It is proposed that the Adult Social Care and Public Health capital programme is varied to reflect the £0.2m investment in equipment required at County Enterprise Foods, funded from revenue.

Communities & Place

38. In the Communities and Place Committee capital programme, a forecast underspend of £10.6m has been identified. This mainly relates to a re-profiling of the Gedling Access Road (GAR) project (£10.5m). As reported to Communities and Place Committee on 8 November 2018, the GAR funding has been re-profiled to reflect the complexities of delivering a large infrastructure project. The re-profiled funding that reflects the current delivery programme will be approved as part of the 2019/20 Annual Budget Report to Full Council.

Policy

39. In the Policy Committee capital programme a forecast overspend of £0.8m has been identified. This is mainly due to forecast acceleration against the Smarter Ways of Working Programme (£0.4m) and the IT Replacement programme (£0.4m).

Financing the Approved Capital Programme

40. Table 4 summarises the financing of the overall approved Capital Programme for 2018/19.

Table 4 – Financing of the Approved Capital Programme for 2018/19

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People's	24,306	15,763	125	139	40,333
Adult Social Care & Public Health	2,408	1,115	-	-	3,523
Communities & Place	17,263	40,249	1,501	812	59,825
Policy	17,901	214	-	36	18,151
Finance & Major Contracts Mngt	-	-	-	180	180
Personnel	256	-	-	-	256
Contingency	515	-	-	-	515
Total	**62,649**	**57,341**	**1,626**	**1,167**	**122,783**

41. It is anticipated that borrowing in 2018/19 will decrease by £9.0m from the forecast in the Budget Report 2018/19 (Council 28/02/2018). This increase is primarily a consequence of:

- £13.0m of net slippage from 2017/18 to 2018/19 and financing adjustments funded by capital allocations.
- Net slippage in 2018/19 of £22.0m of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

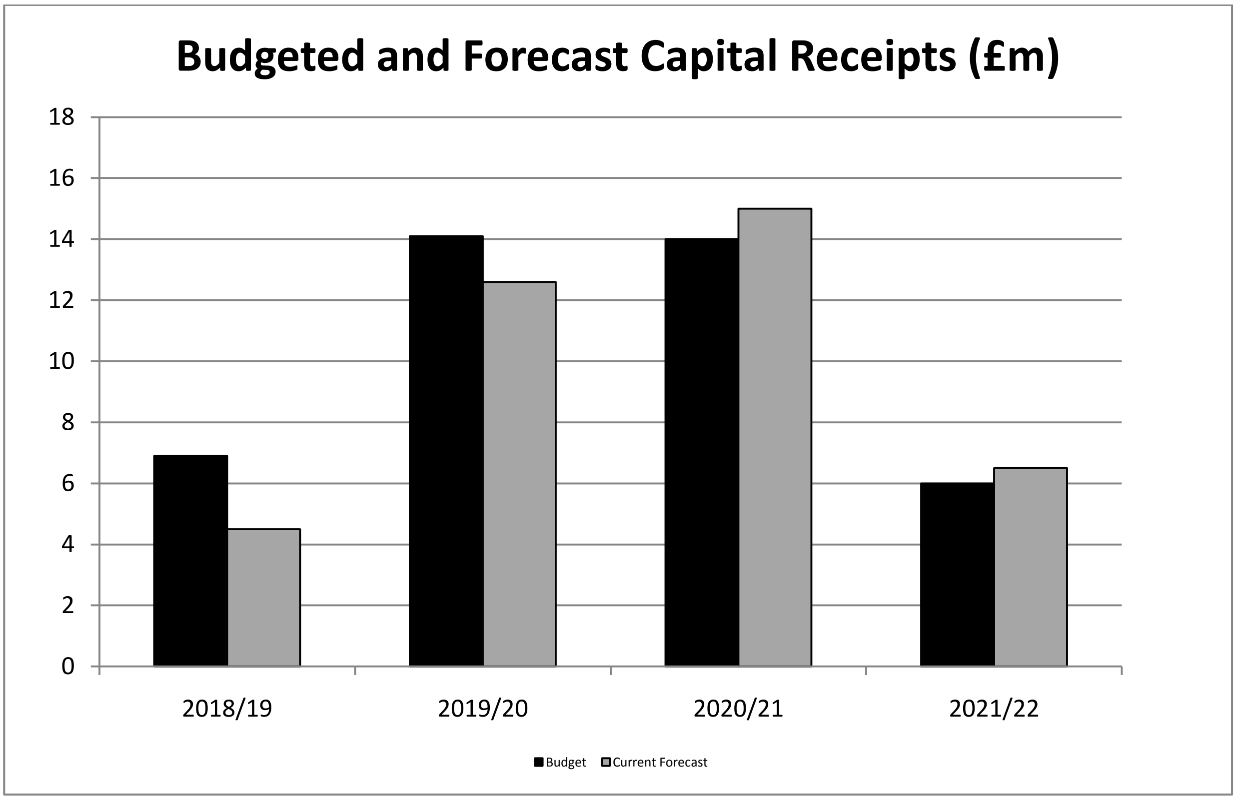
Prudential Indicator Monitoring

42. Performance against the Council's Prudential Indicators is regularly monitored to ensure that external debt remains within both the operational boundary and the authorised limit.

Capital Receipts Monitoring

43. 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.

44. The chart below shows the budgeted and forecast capital receipts for the four years to 2021/22.



45. The dark bars in the chart show the budgeted capital receipts included in the Budget Report 2018/19 (Council 28/02/2018). These capital receipts budgets prudently incorporated slippage, giving a degree of "protection" from the risk of non-delivery.

46. The capital receipt forecast for 2018/19 is £4.5m. To date in 2018/19, capital receipts totalling £4.3m have been received.

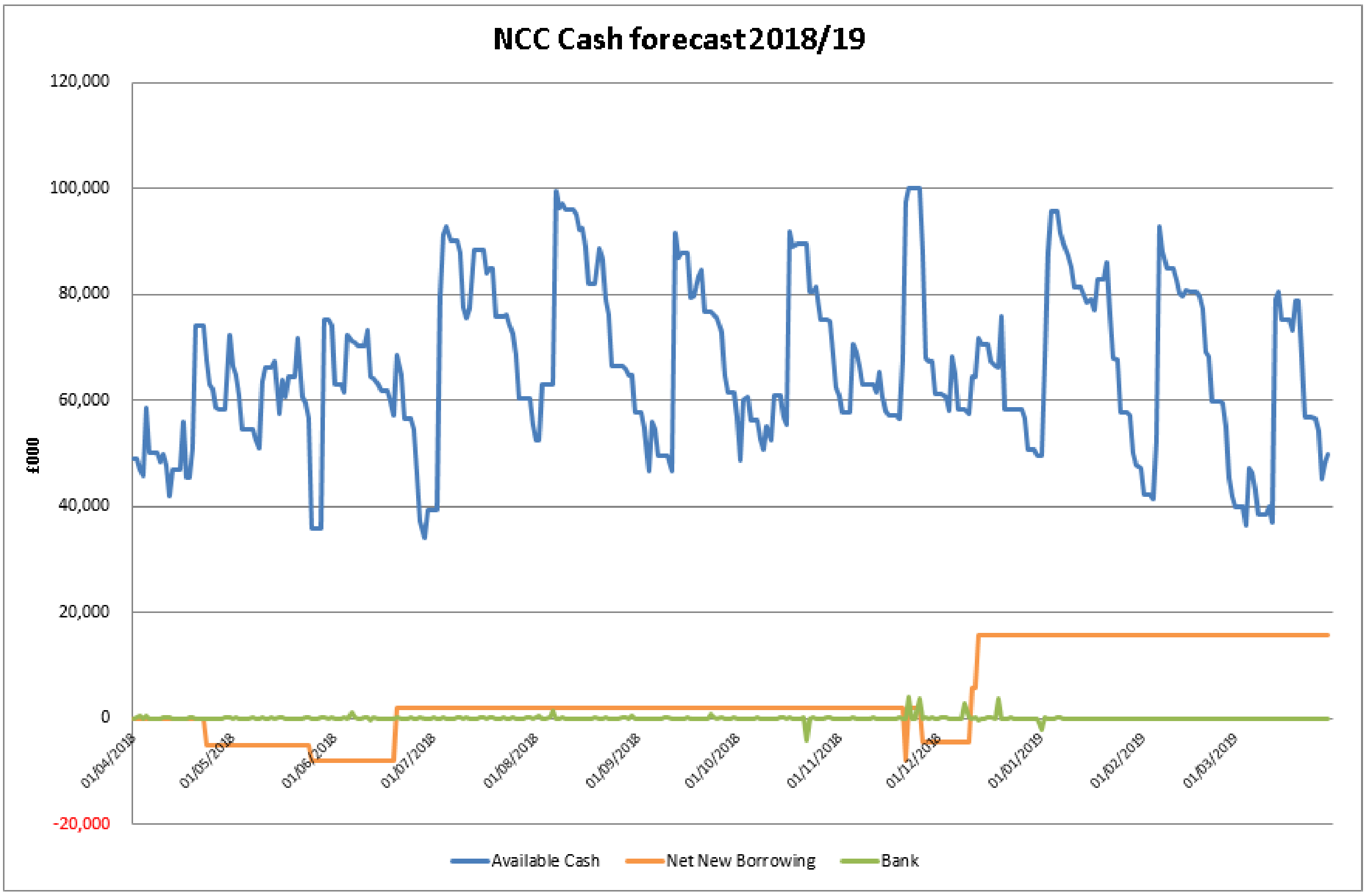
47. The number and size of large anticipated receipts increase the risk that income from property sales will be below the revised forecasts over the next three years. Although the forecasts incorporate an element of slippage, a delay in receiving just two or three large receipts could result in sales being lower than the forecast.

48. Current Council policy (Budget Report 2018/19) is to use the first £3.8m of capital receipts to fund in-year transformation costs. Any capital receipts in excess of this will be set against the principal of previous years' borrowing. This reduces the amount of Minimum Revenue Provision (MRP) to be set aside each year. It is important to regularly monitor capital receipt forecasts and their effect on the overall revenue impact of the Capital Programme.

Treasury Management

49. Daily cash management aims for a closing nil balance across the Council's pooled bank accounts with any surplus cash invested in accordance with the approved Treasury Management Policy. Cash flow is monitored by the Senior Accountant (Pensions & Treasury Management) with the overall position reviewed quarterly by the Treasury Management Group.

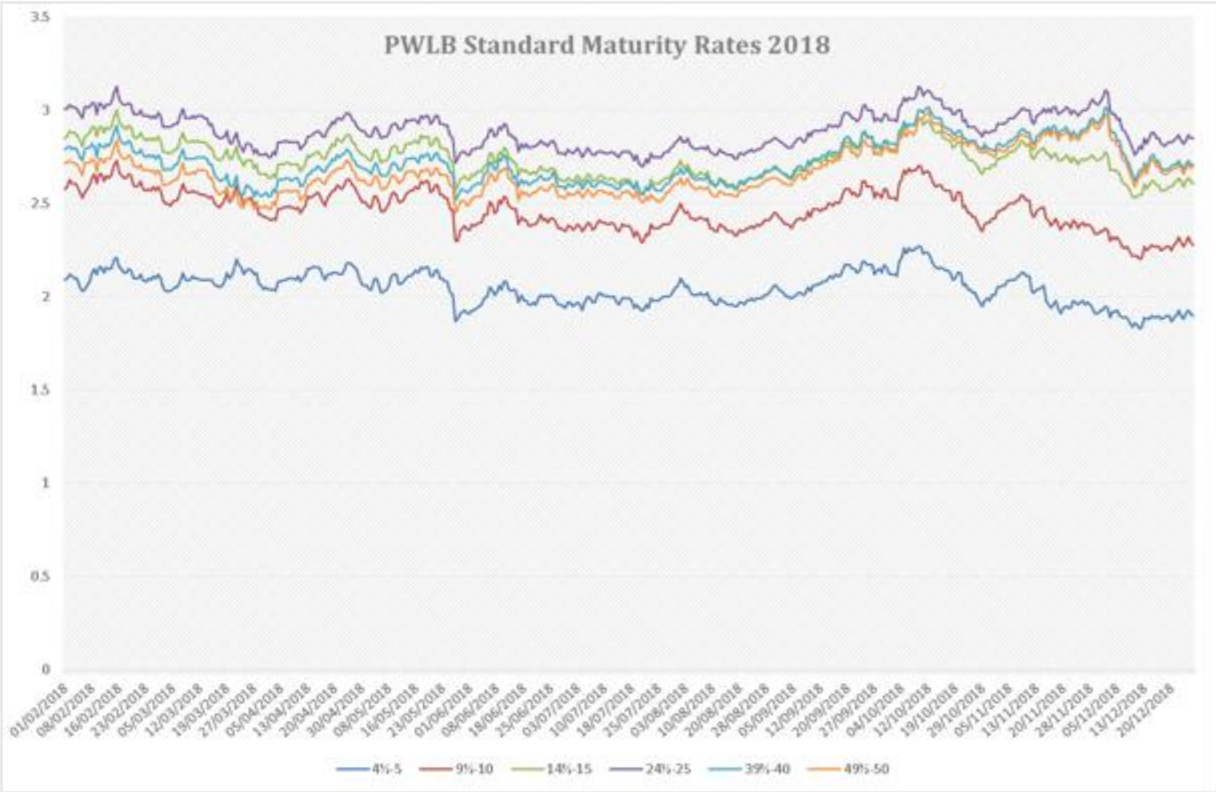
50. The Cash forecast chart below shows the forecast cash flow position for the financial year 2018/19. Cash inflows are typically higher at the start of the year due to the front loading receipt of Central Government grants, and the payment profile of precepts. Cash outflows, in particular capital expenditure, tend to increase later in the year, and the chart below reflects this.



51. The chart above gives the following information:

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

52. The Treasury Management Strategy for 2018/19 identified a need to borrow approximately £45m over the course of the year to (a) fund the capital programme, (b) replenish internal balances and to (c) replace maturing debt. After the 2017/18 accounts closure this forecast was revised to £52m. £10m of this was taken in June, a further £10m in November, and £20m in December. £24.3m of debt has been redeemed over the same period. This includes a £10m ‘Lender’s Options, Borrower’s Options’ loans (LOBOs) from Royal Bank of Scotland (RBS).

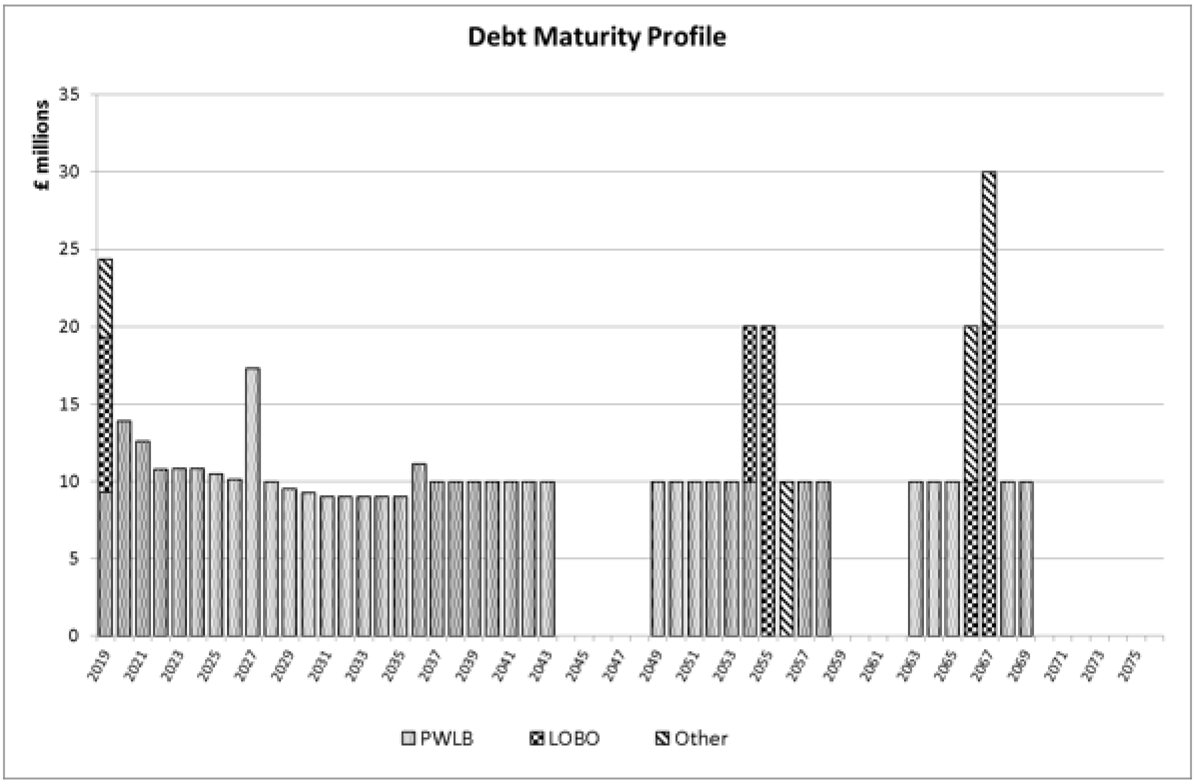


53. Borrowing decisions will take account of a number of factors including:
    - expected movements in interest rates
    - current maturity profile
    - the impact on revenue budgets and the medium term financial strategy
    - the treasury management prudential indicators.

54. The maturity profile of the Council's debt portfolio is shown in the chart below. The PWLB loans are reasonably well distributed and have a maximum duration of 50 years. When deciding on the lengths of future loans the Council will factor in any gaps in its maturity profile, with a view to minimising interest rate risk, but will consider this alongside other financial factors.

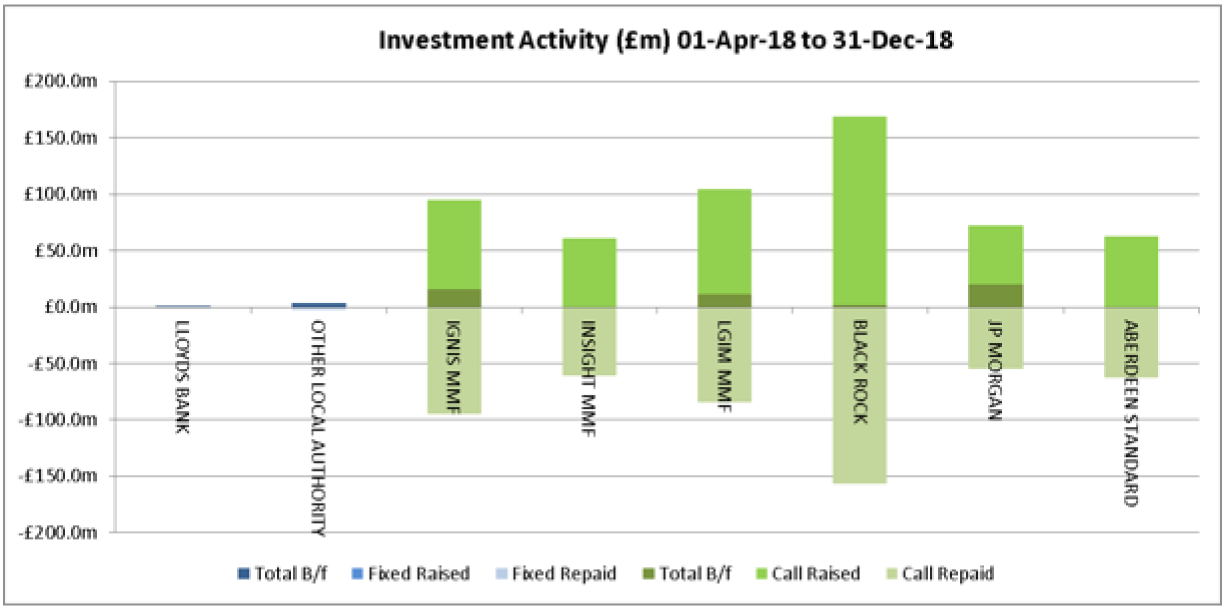
55. Longer-term borrowing (maturities up to 60 years) was obtained from the market some years ago in the form of LOBOs. These loans are treated as fixed rate loans (on the basis that, if the lender ever opts to increase the rate, the Council will repay the loan) and were all taken at rates lower than the prevailing PWLB rate at the time. However, LOBOs could actually mature at various points before then, exposing the Council to some refinancing risk. A £10m LOBO was redeemed in November 2018 following an offer from RBS.

56. The 'other' loans denote borrowing from the money markets where the main objective was to minimise interest costs, and also includes loans from Barclays Bank that were converted from LOBOs to fixed-term loans in 2016.



57. The investment activity for 2018/19 is summarised in the chart and table below. Outstanding investment balances totalled £54m at the start of the year and £52m at the month-end.

	Total B/F £ 000's	Raised £ 000's	Repaid £ 000's	Outstanding £ 000's
Lloyds Bank	1,000	-	-	1,000
Other Local Authority	3,500	-	(2,500)	1,000
IGNIS MMF	15,500	79,150	(94,650)	-
INSIGHT MMF	-	60,950	(60,950)	-
LGIM MMF	11,400	93,470	(84,870)	20,000
Black Rock	2,150	166,800	(156,700)	12,250
JP Morgan	20,000	51,950	(54,700)	17,250
Aberdeen Standard	-	62,650	(62,650)	-
Total	**53,550**	**514,970**	**(517,020)**	**51,500**



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

Statutory and Policy Implications

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

RECOMMENDATIONS

1) To comment on the revenue budget expenditure to date and year-end forecasts.

2) To comment on the capital programme expenditure to date, year-end forecasts and approve the variation to the capital programme.

3) To comment on the Council's Balance Sheet transactions.

Nigel Stevenson Service Director – Finance, Infrastructure and Improvement

For any enquiries about this report please contact:
Keith Palframan - Group Manager, Financial Services
Tamsin Rabbitts - Senior Accountant, Pensions and Treasury Management

Constitutional Comments (KK 31/01/2019)

60. Pursuant to Part 4 section 21 of the Nottinghamshire County Council's Constitution the Finance and Major Contracts Management Committee has the delegated authority for all decisions within the control of the Council including but not limited to responsibility for the financial management of the Authority. The recommendations contained within this report fall within the delegated authority to this Committee

Financial Comments (GB 30/01/2019)

61. The financial implications are stated within the report.

Background Papers and Published Documents

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

- None

Electoral Division(s) and Member(s) Affected

- All

Nottinghamshire County Council

Report to Finance & Major Contracts Management Committee
11 February 2019

Agenda Item: 6

REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT

LOCAL GOVERNMENT FINANCE

Purpose of the Report

1. To update Members on two current Government consultations in respect of Local Government Finance covering Business Rates Retention Reform and Local Authorities' Relative Needs and Resources, to seek comments from Members for inclusion in the County Council's responses to these consultations and to authorise the S151 Officer, in consultation with the Chair of Finance & Major Contracts Management Committee, to send final responses by the deadline of 21 February 2019.

Background

2. The current arrangements for local government funding were last updated in 2013, when the partial business rate localisation was introduced. In October 2015 the government announced their intention to introduce 100% business rate retention at a local level and phase out the main local government grants. To achieve the reforms, it was identified that the whole local government finance system would require to be reviewed and changed. The Ministry of Housing, Communities and Local government (MHCLG) working with the Local Government Association (LGA) set up a number of technical working groups to shape and progress the necessary reforms.

3. MHCLG launched a consultation with councils and stakeholders in July 2016: Self Sufficient Local Government 100% Business Rates Retention and simultaneously published a Call for Evidence on Needs and Redistribution (Fair Funding Review). The County Council's responses to these two consultations were approved at Finance and Property Committee in September 2016. The summary of responses was subsequently published by the MHCLG in February 2017.

4. A subsequent report to Full Council on 23 November 2017 provided a further update and sought approval to an approach to Government to attempt to secure fair funding levels for the residents of Nottinghamshire. Progress since then has been slow and, as noted in the 2019/20 Budget report elsewhere on this agenda, the current 4 year Comprehensive Spending Review is coming to an end with future Fair Funding and Business Rates Retention issues still unresolved.

5. The current 'Four Block' model used to determine the relative needs of each authority is complex. The Four blocks relate to relative needs, relative resources, a central allocation and floor damping. Formula Grant, including Revenue Support Grant (RSG) and share of

business rates redistribution are distributed using this model. The blocks representing services are:

- The Relative Needs Amount (intended to compensate for differences in needs of each local authority area)
- The Relative Resources Amount (intended to compensate for differences in the relative strength of the Council Tax tax-base in different areas)
- The Central Allocation (in effect a common allocation per head to all authorities with the same responsibilities)
- The Grant Floor Adjustment (a net nil re-allocation of grant between local authorities to ensure that every local authority receives a minimum annual increase in funding, regardless of the outcome of the preceding three blocks).

6. It should be noted that the two consultations covered in more detail below are mainly concerned with how local government funding is allocated between authorities, not with the level of local government funding overall.

Business Rates Retention Reform

7. The consultation is seeking views on the Government's objective to introduce 75% business rates retention from 2020 in a fiscally neutral way.

8. As noted in the summary, shown in **Appendix A**, the consultation "focuses on the way the business rates retention system works, not on how further business rates retention will be delivered or the transition to the reformed system."

9. The consultation covers two broad areas:

    - The right balance of risk and reward in the business rates retention system. Local authorities should continue to receive the benefit of growth they achieve in their local areas.
    - Summarises the work undertaken to develop options to mitigate volatility in income and address the impact of appeal losses and valuation change on local authorities.

10. The consultation is mainly technical in nature however one of the key issues is the split of Business Rates between tiers of local government, and views are sought as to whether local areas should be able to set a different split to the national one, and what the fall-back position should be if local agreement cannot be reached.

Local Authorities' Relative Needs and Resources

11. The consultation seeks views on the assessment of local authorities' relative needs, relative resources and transitional arrangements.

12. The summary presentation produced alongside the full consultation is attached as **Appendix B.**

13. The key areas where views are sought are on the proposals to:

- Replace the four block model referred to in the introduction with an allocation based on a per capita Foundation Formula, alongside seven service-specific funding formulas (Appendix B, page 4)

- Continue with an Area Cost Adjustment to reflect differences in labour and business rates costs, and to allow for the impact of ‘Accessibility’ and ‘Remoteness’. (Appendix B, page 5)

- Adjust the relative needs share funding between Authorities by a ‘relative resources adjustment’ to take account of councils’ ability to raise local resources (council tax, sales, fees and charges). (Appendix B, pages 6 – 8)

- Transition, based on a 2019/20 baseline, to new target allocations in a manageable and sustainable way. The process should be clear and understandable and take place over a fixed period of time to enable new allocations to be reached as soon as practicable.

Statutory and Policy Implications

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

RECOMMENDATION/S

That Members

1) Provide comments for inclusion in the response from Nottinghamshire County Council to the consultations detailed in this report.

2) Authorise the S151 Officer, in consultation with the Chair of Finance & Major Contracts Management Committee, to send final responses to the consultations by the deadline of 21 February 2019.

NIGEL STEVENSON
SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT

For any enquiries about this report please contact:
Keith Palframan, Group Manager – Financial Services

Constitutional Comments (GR 01.02.2019)

Pursuant to Nottinghamshire County Councils constitution the Finance & Major Contracts Management Committee has the delegated authority to both receive this report and make the recommendations contained within it.

Financial Comments (KP 01.02.2019)

There are no direct financial implications arising from the contents of the report. The outcome of the consultations, and the final proposals, will be reported to a future meeting.

Background Papers and Published Documents

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

- MHCLG Consultation - Business Rates Retention Reform
- MHCLG Consultation - A review of local authorities' relative needs and resources

Electoral Division(s) and Member(s) Affected

All

Ministry of Housing, Communities & Local Government

Business Rates Retention Reform 2018 Consultation Summary

Objectives for the consultation

The Government is committed to further business rates retention and in 2017 announced it was aiming **to introduce 75% business rates retention from 2020 in a fiscally neutral way.** Alongside increasing business rates retention the Government is also carrying out a review of relative needs and resources. This is subject to a separate consultation.

This consultation focuses on the way the business rates retention system works, not on how further business rates retention will be delivered or the transition to the reformed system. The consultation covers two broad areas:

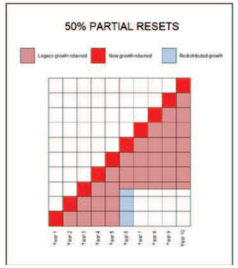
- The **right balance of risk and reward in the business rates retention system.** Local authorities should continue to receive the benefit of growth they achieve in their local areas.
- Summarises the work undertaken to develop options to **mitigate volatility** in income and address the **impact of appeal losses and valuation change** on local authorities.

The consultation brings together previous work and seeks the sector's views on options to reform the business rates retention system from 2020.

Resets

The consultation seeks views on two types of reset to be implemented after 2020:

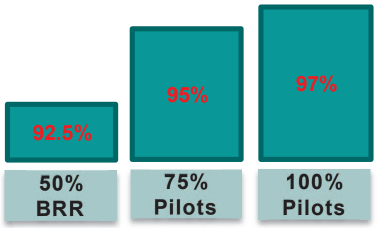
Phased reset or **Partial reset**



The consultation also seeks views on the **length of the reset period** – with the objective of a strong growth incentive, whilst also recognising redistribution for need.

Safety Net

Different safety net levels are being piloted by different areas

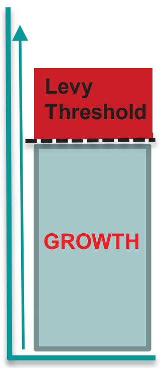


The consultation proposes that the safety net will continue to work as it currently does – stopping income falling **below a certain % of baseline funding level**

What **level** should the safety net be set at?

Levy

The Government wants to ensure that the **growth incentive remains strong** and is therefore looking to reform the levy.



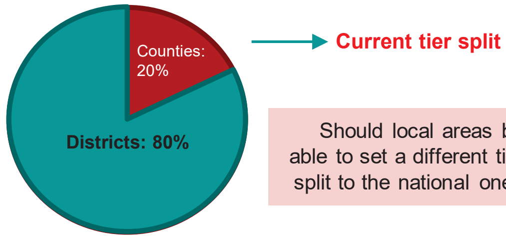
The consultation proposes **increasing the threshold** at which growth is capped so as to capture only **'extraordinary' growth.**

Should the levy act as a **'cap'** on extraordinary growth above a certain level?

Reforming the levy reduces the invective to **pool.** Respondents are invited to propose **fiscally neutral incentives** to pool that continue to support joint strategic decisions.

Tier Splits

The Government will continue to collaborate with the sector to set the right **tier split** between counties and district.



Should local areas be able to set a different tier split to the national one?

The consultation asks the sector to consider an **appropriate balance** between district and counties' risk and reward profile.

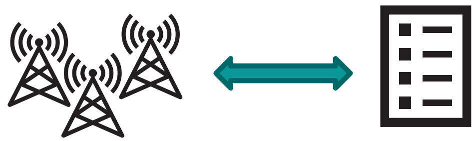
Ministry of Housing, Communities & Local Government

Business Rates Retention Reform 2018 Consultation Summary

Central and Local Lists

When the business rates retention system is reset in 2020 it provides the opportunity to **'tidy up'** the hereditaments that currently sit on the Central list using existing criteria.

The central list should be **RATIONAL**, **TRANSPARENT**, and **UNIFORM.**



The consultation asks the sector and ratepayers to identify any appropriate hereditaments that they feel should be listed differently.

Appeals and valuation change

The consultation summarises the work the Government has been doing to tackle the impact of appeals and valuation change.

To address volatility caused by appeals and valuation change, MHCLG has worked with the sector and CIPFA to address two questions:

- How to measure the compensation due to local authorities, if business rates losses due to valuation change were to be centralised.
- How to mitigate the impact of provisions on authorities' ability to spend on services.

The Government is seeking solutions that don't exacerbate complexity of the business rates retention system. The consultation proposes a **change to the administration of the system** as the best way to mitigate the impact of appeals and provisions for appeals.

Change to the administration of the system

Fixed BRB: Business Rates Baseline
+
Fixed Top-ups and Tariffs

↓

Redistribution baseline | **Growth baseline**

Floating top-ups and tariffs

This change would work by having floating tariffs and top-ups, compared to fixed ones. Local authorities' own estimates of income **- after provisions -** would be used each year (through NNDR1s) to set top-ups and tariffs.

The Government is committed to ensuring **local authorities see the benefit of all their growth. A separate baseline could be used to measure growth from**, based on either gross rates payable or net rates payable. This could be recalibrated annually to take account of backdated appeals.

Such a change to the administration could bring significant benefits such as **providing predictability** of income from business rates, allowing local authorities to **retain all the growth** they achieve and a more **responsive and flexible system**.

How resets, tier splits, the safety net and levy will work from 2020 are all decisions that would still need to be taken regardless.

Implementation

This consultation **will not be testing how we transition into the new system.** We will consult further in 2019.

- ❑ There will be a full reset of the business rates system in 2020/21. This will allow full implementation of both reforms to the business rates retention system and the outcome of the review into relative needs and resources.
- ❑ The outcome of the review into local authorities relative needs and resources the Spending Review will give all local authorities new funding allocations.
- ❑ The consultation does seek views on how we should set business rates baselines.
- ❑ MHCLG will continue to work with the sector on the design of the future business rates retention system through 2019.

Ministry of Housing,
Communities &
Local Government

A review of local authorities' relative needs and resources:

Technical consultation on the assessment of local authorities' relative needs, relative resources and transitional arrangements

Introductory presentation to be read alongside the December 2018 consultation

This consultation closes on 21 February 2019

Ministry of Housing, Communities & Local Government

In order to address concerns that the current formula is unfair, out of date and overly complex, the Government is carrying out a review of local authorities' relative needs and resources

Numbers in brackets refer to paragraphs in the consultation, which contains full explanations

Principles of the Review (1.3)

- Simplicity
- Transparency
- Contemporary
- Sustainability
- Robustness
- Stability

Terms of Reference for the Review (1.2):

- **set new baseline funding allocations** for councils
- deliver an up-to-date assessment of **relative needs**
- examine the **relative resources** of local authorities
- consider appropriate **transitional arrangements**
- be developed through **close collaboration with local government**
- focus initially on **services currently funded through the local government finance settlement,** with a subsequent case-by-case consideration of additional responsibilities

December 2018 Consultation chapters (1.5)

1. Introduction
2. Relative Needs
3. Relative Resources
4. Transitional arrangements
5. Equalities impacts

Ministry of Housing, Communities & Local Government

Councils' relative needs are determined through funding formulas, which incorporate relevant local data, to predict the relative demand councils face when delivering different services (1.2)

Structure of the needs assessment (2.2)	• In order to strike a balance between simplicity, transparency and precision, the Government has taken a number of factors into consideration when **settling the number and type of relative needs formulas** required, and the **cost drivers** included in them
Area Cost Adjustment (2.3)	• The needs assessment separates factors between those which drive **demand for the number of services or interventions required** (e.g. the number of people living in a local authority area), and those which affect the **cost of delivering those services or interventions** (e.g. the cost of employing staff which will vary across the country, or the impact of providing services across congested or sparsely populated areas)
Weighting cost drivers in a formula (2.5)	• To minimise the use of judgement in the needs assessment, **statistical techniques** offer the best available empirical basis for determining which cost drivers are most significant in driving authorities' need to spend on particular services, and the **relative importance (or weighting)** of cost drivers included in a formula
Weighting of funding between services (2.4)	• It will be necessary to decide what **proportion of the overall funding** that is available through the settlement will be **allocated by each formula**
Future proofing the needs assessment (2.6)	• A key consideration is the balance we wish to strike between **future-proofing the formula** in a way that does not undermine funding certainty for authorities

Ministry of Housing,
Communities &
Local Government

The Government is minded to deploy a per capita Foundation Formula for upper and lower tier authorities, alongside seven service-specific funding formulas (2.1)

Relative need formulas by class of authority:

Relative Needs Formulas (Consultation references including overview of relevant cost drivers)		Shire Areas			Metropolitan Areas	London	Other
		Unitaries	Counties	Districts	Metropolitan Districts	London boroughs	Fire authorities
Foundation Formula (2.2.10)	Upper Tier	●	●		●	●	
	Lower tier	●		●	●	●	
Adult Social Care (2.2.27)		●	●		●	●	
Children and Young People’s Services (2.2.36)		●	●		●	●	
Public Health (2.2.41)		●	●		●	●	
Highways Maintenance (2.2.49)		●	●		●	●	
Fire & Rescue (2.2.67)		●	●				●
Legacy Capital Finance (2.2.53)		●	●	●	●	●	●
Flood Defence and Coastal Protection (2.2.57)		●		●	●	●	
Other potential service areas (2.2.75)							

Question 1): Do you have views at this stage, or evidence not previously shared with us, relating to the proposed structure of the relative needs assessment set out in this section?

Question 2): What are your views on the best approach to a Fire funding formula and why?

Question 3): What are your views on the best approach to Home to School Transport and Concessionary Travel?

Ministry of Housing, Communities & Local Government

The proposed Area Cost Adjustment (2.3) continues to adjust for differences in labour and business rates costs, and also considers the impact of 'Accessibility' and 'Remoteness'

- The relative needs assessment distinguishes between **relative needs formulas**, which determine demand for services, and the **Area Cost Adjustment** (ACA), which accounts for factors that affect the costs of services.

- Costs may vary between authorities for multiple reasons e.g. the costs of **employing staff** or **renting non-domestic properties** can vary considerably. Some authorities also face unique **geographic pressures** e.g. the costs associated with conducting business from isolated or peripheral communities (including islands), or providing services to widely dispersed or densely concentrated populations.

The consultation proposes adjusting for

Differences in **labour costs** (2.3.9)

Differences in **premises costs** (2.3.8), including **business rates** (2.3.6)

Sparsity

Density

Accessibility (2.3.11)

Remoteness (2.3.15)

'**Accessibility**' and '**remoteness**' reflect the impact of journey times on labour costs to account for additional costs associated with sparsity, density, market conditions and economies of scale. For example, local authorities with longer journey times (because of congestion, distance or poorer transport links) may have to pay homecare staff, for example, for more hours in order to deliver an equivalent level of service.

Question 4): What are your views on the proposed approach to the Area Cost Adjustment?

Ministry of Housing, Communities & Local Government

The Government believes that it remains important to continue to take account of councils' relative ability to raise resources (3.1)

Local resources:

- From 2020-21, **council tax** (3.2) will account for a greater proportion of the income available to local authorities since the last review of the funding formula. However, the proportion varies at an individual local authority level, and
- **Sales, fees and charges** (3.3) are another source of income for many local authorities, which – like council tax – vary by local authority. Whilst the bulk are raised at cost recovery levels for services delivered, in some areas an authority's income from sales, fees and charges generates a surplus.

Final funding position	=	(relative needs share – relative resources adjustment)
	±	possible transitional arrangements
	+	actual resources income

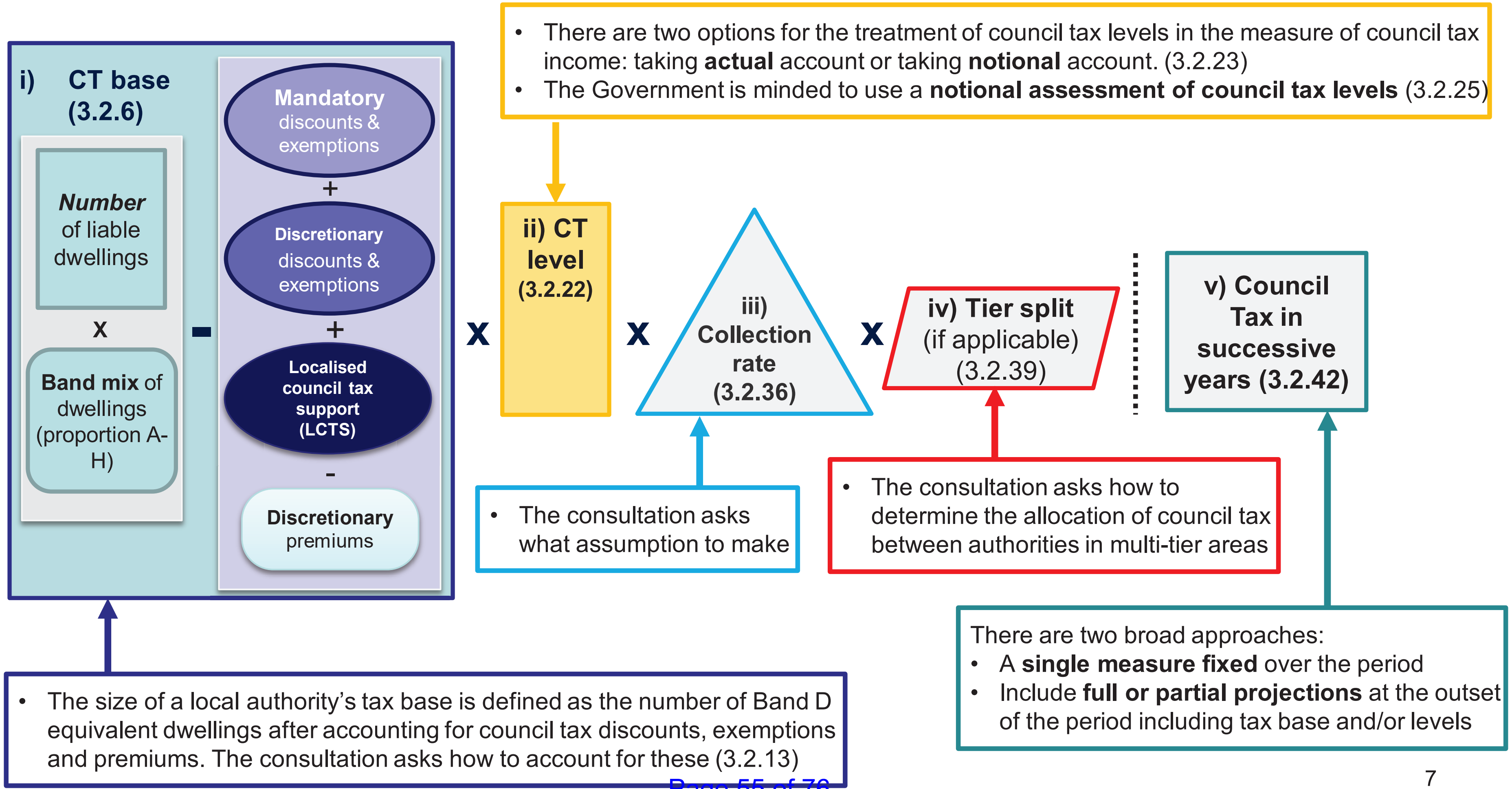
Supporting principles (3.1.4)

- Our approach to assessing relative resources will result in **no redistribution of council tax or sales, fees and charges resources between authorities**
- We **do not intend to reward or penalise authorities for exercising local discretion.**
- Local authorities with a lesser capacity to fund services through locally raised resources will receive a smaller reduction to their relative needs share

Ministry of Housing, Communities & Local Government

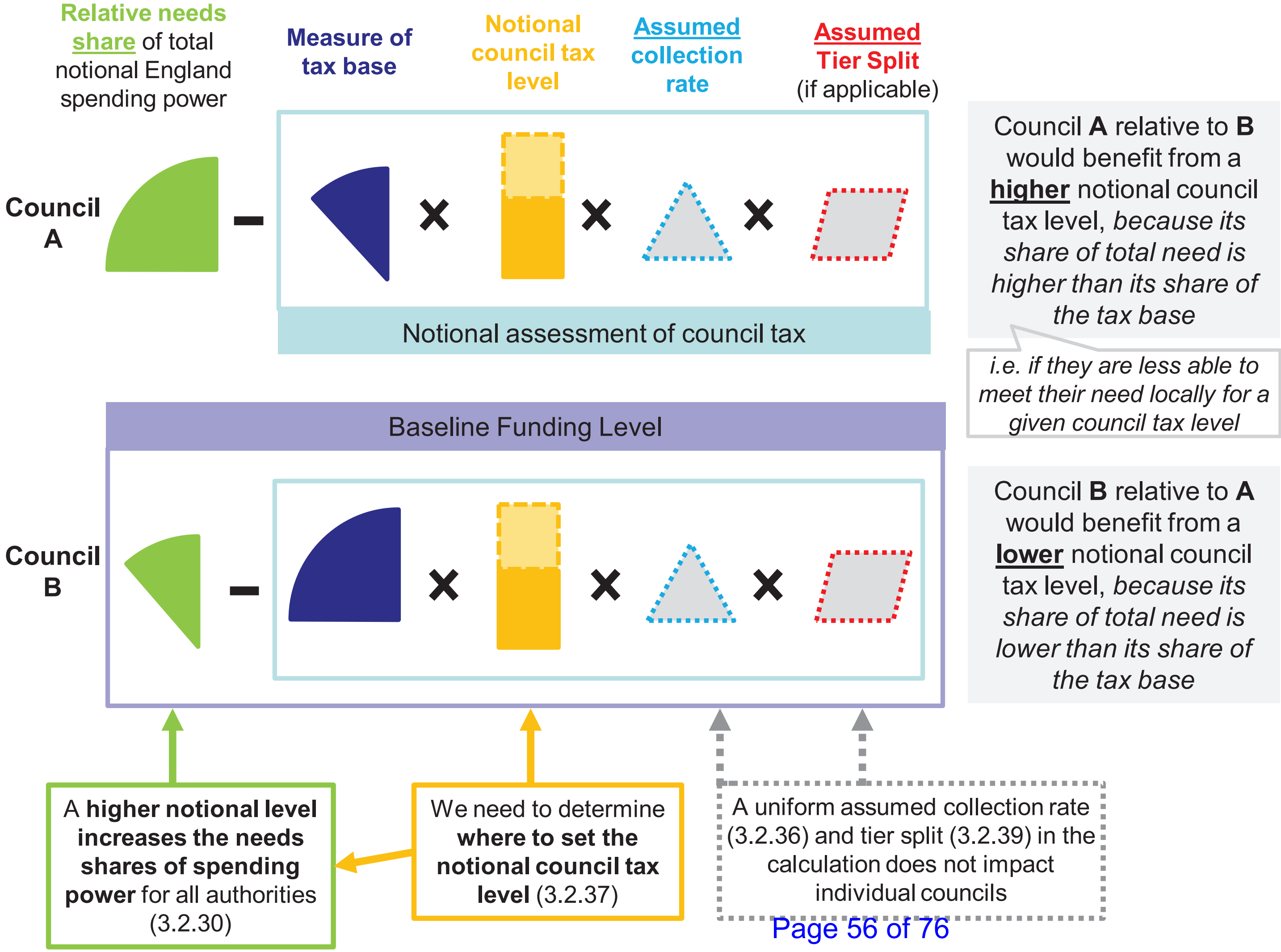
To reflect councils' varying ability to raise local resources, the Government will need to determine a measure of council tax income for the purposes of the relative resources adjustment (3.2)

The measure of council tax resource equals:



Ministry of Housing, Communities & Local Government

The impact of the level at which the notional council tax level is set (3.2.22) will vary depending on the ratio of the local authority's tax base (3.2.9) to its relative needs share (2.1)



- It is misleading to draw conclusions from a comparison of **a council's actual council tax level against the notional council tax level**
- Councils **do not systematically win or lose** from a higher or lower notional amount relative to their actual council tax level
- Final decisions on the notional level will be **subject to the outcome of the Spending Review** and business rates retention reform
- There are **multiple options** for where to set the notional level and the Government is keen to hear wider views before determining a preferred approach. A **discussion of the effects** is at 3.2.37

Consultation questions on council tax (3.0)

Question 5): Do you agree that the Government should continue to take account of non-discretionary council tax discounts and exemptions (e.g. single person discount and student exemption) and the income forgone due to the pensioner-age element of local council tax support, in the measure of the council tax base? If so, how should we do this?

Question 6): Do you agree that an assumptions-based approach to measuring the impact of discretionary discounts and exemptions should be made when measuring the council tax base? If so, how should we do this?

Question 7): Do you agree that the Government should take account of the income forgone due to local council tax support for working age people? What are your views on how this should be determined?

Question 8): Do you agree that the Government should take a notional approach to council tax levels in the resources adjustment? What are your views on how this should be determined?

Question 9): What are your views on how the Government should determine the measure of council tax collection rate in the resources adjustment?

Question 10): Do you have views on how the Government should determine the allocation of council tax between each tier and/or fire and rescue authorities in multi-tier areas?

Question 11): Do you agree that the Government should apply a single measure of council tax resource fixed over the period between resets for the purposes of a resources adjustment in multi-year settlement funding allocations?

Ministry of Housing, Communities & Local Government

Sales, fees and charges are another source of income for many councils, which - like council tax – vary by local authority (3.3)

Considerations taken into account (3.3.3)

Scale

Ability, choice and incentive effects

Volatility

Data availability

- Whilst the majority are raised at **cost recovery** levels for services delivered, in some areas an authority's income from sales, fees and charges generates a surplus, for example parking generated a surplus of £830m in 2017-18 (3.3.1)
- Unlike council tax, sales fees and charges have not previously been taken into account in a relative resources adjustment
- The Government recognises that there are **practical challenges** in taking a direct account of sales, fees and charges income through the resources adjustment and we are therefore broadly minded not to do so (3.3.4)
- However, there may be a case for taking **specific service areas** into account which have generated a significant level of surplus income for some authorities, such as on and off-street parking (3.3.5)

Question 12): Do you agree that surplus sales, fees and charges should not be taken into account when assessing local authorities' relative resources adjustment?

Question 13): If the Government was minded to do so, do you have a view on the basis on which surplus parking income should be taken into account?

Ministry of Housing, Communities & Local Government

Once new funding baselines have been established, the Government intends to introduce transitional arrangements (4.1)

Principles to guide transition (4.2)

Stability	• the transition from the existing funding position in 2019-20 to new target allocations must be **manageable and sustainable** for both the sector and individual local authorities, in the context of wider changes to the local government finance system
Transparency	• the process must be **clear and understandable** to support financial planning and help explain the nature of transition to a wider audience
Time-limited	• support for those authorities with reductions in settlement funding allocations using deferred gains for those authorities that see an increase in allocations should be provided over a **fixed period of time** and enable target allocations to be reached **as soon as practicable**
Flexibility	• the **speed of change could vary** across the sector to achieve greater **efficiency**. Considerations might include local revenue raising capacity, distances from target allocations or relative funding pressures, for example to deliver statutory services

Establishing the baseline (4.3): the scale of transition will depend on the baseline it is measured from, and we propose the starting baseline for the purposes of transition will be a measure of the funding available to each local authority in 2019-20.

Question 14): Do you agree with the proposed transition principles, and should any others be considered by the Government in designing of transitional arrangements?

Question 15): Do you have views on how the baseline should be constructed for the purposes of transition?

Ministry of Housing, Communities & Local Government

Equalities impacts of the proposals in this consultation (5.0)

- The **Public Sector Equality Duty** requires Ministers to have due regard to the need to eliminate discrimination and other conduct prohibited under the Equality Act 2010, advance equality of opportunity, and foster good relations between persons who share protected characteristics and those who do not.

Question 16): Do you have any comments at this stage on the potential impact of the proposals outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.

Nottinghamshire County Council

Report to Finance and Major Contracts Management Committee
11 February 2019

Agenda Item: 7

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

BETTER CARE FUND POOLED BUDGET – Q2 2018/19 RECONCILIATION AND BCF POOLED FUND AGREEMENT FOR 2019/20

Purpose of the Report

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

    a. Consider and comment on the findings of the reconciliation of the BCF Pooled Fund for Q2 2018/19.

    b. Approve the Better Care Fund section 75 pooled budget for 2019/20 subject to amendments proposed by the Governing Bodies of the Clinical Commissioning Groups (CCG).

Information

2. Nottinghamshire County Council and the six Nottinghamshire Clinical Commissioning Groups (CCGs) contributing to the pooled fund undertook a reconciliation exercise of Quarter 2 2018/19 income and expenditure.

3. Reconciliation of Q2 2018/19 spend is complete. Expenditure is broadly on target with some in year slippage. Table 1 shows plan and forecast as at Month 6.

Table 1: 2018/19 spend at month 6

Contributing partner	**Nottinghamshire Clinical Commissioning Groups (CCGs)**	**Nottinghamshire County Council**	**Total**
£'000s			
Payments made into pooled budget	£26,258	£17,237	£43,495
Payments received from pooled budget	£16,065	£27,430	£43,495
Total spend to period 6	£16,065	£27,430	£43,495
Under/(over) spend to period 6	£0	£0	£0

4. The Nottinghamshire County Council allocation is shown in Table 2. This table shows the difference between planned spend and actual spend to period 6. There is in year slippage in the Improved Better Care Fund and Care Act Implementation reserve funding. A full spend at year end is anticipated.

Table 2: Quarter 2 2018/19 Nottinghamshire County Council			
£'000s	**Planned Spend**	**Spend**	**Variance**
Protecting Social Care	£8,529	£8,529	£0
Carers	£634	£634	£0
Care Act Implementation	£1,026	£1,031	£0
Improved Better Care Fund	£10,795	£10,795	£0
Disabled Facilities Grant (District and Borough Councils)	£6,441	£6,441	£0
BCF Care Act reserve	£566	£566	£0

Pooled Fund Agreement

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

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

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

8. The 2018/19 Pooled Fund Agreement remains consistent with the principles agreed for the previous agreements. The 2018/19 agreement has been updated to take into consideration the 2018/19 scheme spending plan.

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

Payments

10. Payment into and out of the pool will take place as in 2016/17:

    a. Payments are made on a monthly basis in accordance with the payment schedule set out in "Schedule 9 – Payment Protocol". CCGs will contribute into the pool on the first of the month an amount equal to one twelfth of the annual sum they have agreed to contribute.

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

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

Risk sharing

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

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

    a. North Notts: Bassetlaw CCG; ·
    b. Mid Notts: Mansfield and Ashfield CCG and Newark and Sherwood CCG;
    c. South Notts: Nottingham North and East CCG, Nottingham West CCG, Rushcliffe CCG.

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

Governance and reporting

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

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

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

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

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

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

Other Options Considered

20. A BCF pooled fund is a national requirement, another partner organisation could become the Host Organisation.

Reason/s for Recommendation/s

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

Statutory and Policy Implications

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

Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

23. The financial implications are detailed in the Nottinghamshire BCF plan. The pooled budget amounts to a minimum of £80.5m in 2018/19. Progress against the plan will be reported to the Health and Wellbeing Board on an ongoing basis as part of the Better Care Fund reporting process.

RECOMMENDATION/S

That the Committee:

1) Consider and comment on the findings of the reconciliation of the BCF Pooled Fund for Q2 2018/19.

2) Approve the Better Care Fund section 75 pooled budget for 2019/20 subject to amendments proposed by the Governing Bodies of the Clinical Commissioning Groups (CCG).

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

For any enquiries about this report please contact:
Joanna Cooper
Joanna.Cooper@nottscc.gov.uk / 0115 9773577

Constitutional Comments (GR 31/01/2019)

24. Pursuant to Nottinghamshire County Council's constitution the Finance and Major Contracts Management Committee has the delegated authority to both receive this report and make the recommendations contained within it.

Financial Comments (OC 31/01/2019)

25. The financial implications are contained within the body of the report. They are summarised in the tables found in paragraphs 3 and 4.

Background Papers and Published Documents

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

- Terms of Reference for BCF Steering Group and Finance, Planning and Performance sub-group.
- Better Care Fund Pooled Budget March 2015
- Section 75 Pooled Fund Agreement 2015/16 variation
- Section 75 Pooled Fund Agreement 2016/17
- Section 75 Pooled Fund Agreement 2017/18
- Section 75 Pooled Fund Agreement 2018/19

Electoral Division(s) and Member(s) Affected

- All

Report to Finance and Major Contracts Management Committee

11 February 2019

Agenda Item: 8

REPORT OF THE SERVICE DIRECTOR, PLACE AND COMMUNITIES

LATEST ESTIMATED COST: SCHOOLS BUILDING IMPROVEMENT PROGRAMME 2018/19

Purpose of the Report

1. To seek approval from Committee for the Latest Estimated Costs of the 2018/19 Schools Building Improvement Programme (SBIP)

Information

Schools Building Improvement Programme (SBIP)

2. The SBIP forms part of the Schools Capital Programme and is funded by School Condition Grant allocations received from the Department for Education (DfE). This grant is awarded annually and should be used to improve and maintain the condition of the school estate.

3. In 2016 the Council devised a programme consisting of distinct work streams to deliver the SBIP programme. The programme focuses on Health & Safety and maintenance issues which are most likely to result in a school closure. The projects to be included in the 2018/19 programme were approved at Children's and Young Peoples Committee in November 2018.

4. The County Council has received a 2018/19 School Condition Grant allocation from the DfE of £5.2m.

5. From within the overall allocation, £0.5m has been set aside to fund the Schools Access Initiative programme. This programme is identified as a separate line in the capital programme and provides for adaptions to mainstream schools to ensure access to education for those pupils under the Equality Act 2010.

6. From the remaining £4.7m of the allocation, 32 projects have been commissioned to ARC Partnership. The estimated costs contained within this report are compiled following the feasibility and design stages of the projects. A full list of the projects can be seen in **Appendix A.**

Latest Estimated Costs

7. The latest estimated cost of the building works are set out below and the fees shown are for all professions involved in the project.

8. The professions involved in this project are:-

- Architect
- Mechanical Engineer
- Electrical Engineer
- Quantity Surveyor
- Structural Engineer
- CDM Co-ordinator
- Project Manager

Capital Budget Implications

9. The latest estimated costs are as follows:

Please note that professional fees take account of all feasibility costs including site surveys and associated statutory fees, as well as Arc Partnership fees.

		Latest Estimated Cost (Outturn Prices)
		£
Building Works		3,924,899
Professional fees		665,705
	Total	**4,590,604**

Anticipated cash flow

	2018/19	2019/20	2020/21	Total
	£	£	£	£
Building Works	1,448,545	2,258,368	195,101	3,902,014
Professional Fees	255,626	398,536	34,430	688,591
Totals	1,704,170	2,656,904	229,531	4,590,604

10. This LEC represents a saving of £109,396 against the £4.7m allocation. This funding will be rolled forward into the 2019/20 SBIP Programme.

Revenue Budget Implications

11. Any additional premises and human resources costs arising from these proposals will be met from the individual school's budget.

Other Options Considered

12. None, the Council has a statutory duty to provide safe and compliant school places.

Reason/s for Recommendation/s

13. Local authorities have a statutory duty to ensure sufficient school places are available for every child in the local area that needs one.

Statutory and Policy Implications

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

Financial Implications

15. These are set out in the report.

Implications for Sustainability and the Environment

16. Environmental and Sustainability requirements will be incorporated into the detailed design process for each of the individual Projects.

RECOMMENDATION/S

It is recommended that:

1) Committee comments upon the contents of the report and approves the Latest Estimated Costs for the 2018/19 Schools Building Improvement Programme.

Derek Higton
Service Director, Place and Communities

For any enquiries about this report please contact: Phil Berrill on Tel: 0115 977 4641

Constitutional Comments [KK 14/01/2019]

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

Financial Comments [GB 11/01/2019]

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

Background Papers

- Schools Capital Programme progress report – report to Children and Young People's Committee on 19 November 2018.

Electoral Division(s) and Member(s) Affected

- All

Appendix A

On average, Professional fees below are around 15% of the overall budget, however this can vary considerably between projects. On a typical Arc construction project fees are circa 11%. The professional fees in the table below includes the feasibility projects for each, which explains the variation in the professional fees, as the cost of the feasibilities is dependent on the nature and complexities of the individual projects.

UPRN	School	Work Stream	Professional Fees	Building Works	Total Budget
01039	Carhill Primary	Boilers & Heating	48,666	474,437	523,103
01501	Carnarvon Primary	Boilers & Heating	18,712	170,050	188,762
01301	John Clifford	Boilers & Heating	34,855	315,145	350,000
01189	Lovers Lane Primary	Boilers & Heating	42,968	360,166	403,134
01465	Priory Junior	Boilers & Heating	34,855	315,145	350,000
01541	West Bridgford Junior	Boilers & Heating	38,790	342,698	381,488
01521	Willow Brook Primary	Boilers & Heating	28,031	246,969	275,000
01200	Lakeview Primary	Drainage	12,707	93,000	105,707
01249	Abbey Hill Primary	Heating Cabinets	45,250	223,750	269,000
01235	Annesley Primary	Heating Cabinets	16,920	36,819	53,739
01339	Banks Road Infant	Heating Cabinets	13,308	19,158	32,466
01340	Bispham Drive Junior	Heating Cabinets	13,641	13,441	27,082
01879	Bracken Hill Special School	Heating Cabinets	44,876	270,124	315,000
01512	Brookside Primary	Heating Cabinets	6,811	11,000	17,811
01143	Chuter Ede Primary	Heating Cabinets	13,281	31,000	44,281
01077	Crescent Primary	Heating Cabinets	14,121	89,631	103,752
01270	Dalestorth Primary	Heating Cabinets	16,063	63,040	79,103
01241	Edgewood Primary	Heating Cabinets	9,032	17,630	26,662
01312	Eskdale Junior	Heating Cabinets	14,488	19,404	33,892
01134	Intake Farm Primary	Heating Cabinets	21,608	47,868	69,476
0115	John Blow Primary	Heating Cabinets	11,082	21,882	32,964
01145	John Hunt Primary	Heating Cabinets	26,556	191,320	217,876

01103	John T Rice Infant	Heating Cabinets	6,758	31,711	38,469
01142	Manners Sutton Primary	Heating Cabinets	10,261	10,218	20,479
0119	Maun Infant	Heating Cabinets	25,106	150,714	175,820
01177	Muskham Primary	Heating Cabinets	14,457	28,756	43,213
01108	Netherfield Infant	Heating Cabinets	27,282	196,328	223,610
01527	Radcliffe-on-Trent Infant	Heating Cabinets	13,077	21,400	34,477
01466	Stanhope Primary	Heating Cabinets	4,045	6,407	10,452
01147	Wyndale Primary	Heating Cabinets	4,352	8,253	12,604
02910	Heatherley Primary	Roofing	8,664	66,336	75,000
01189	Lovers Lane Primary	Roofing	8,678	47,507	56,185

Nottinghamshire County Council

Report to Finance and Major Contracts Management Committee

11 February 2019

Agenda Item: 9

REPORT OF THE SERVICE DIRECTOR - CUSTOMERS, GOVERNANCE AND EMPLOYEES

WORK PROGRAMME

Purpose of the Report

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

Information

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

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

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

Other Options Considered

5. None.

Reason/s for Recommendation/s

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

Statutory and Policy Implications

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

RECOMMENDATION/S

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

Marjorie Toward
Customers, Governance and Employees

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

Constitutional Comments (HD)

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

Financial Comments (NS)

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

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All

FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

Report Title	Brief summary of agenda item	Lead Officer	Report Author
18 March 2019			
Monthly Budget & Capital Monitoring Report 2018/19	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
County Supplies	Future Options	Derek Higton	Derek Higton
Catering & Facilities Management Services	Details of future operating model	Derek Higton	Derek Higton
Approach to Public Health Commissioning and Procurement	Report on progress.	Michael Fowler	Michael Fowler
29 April 2019			
Monthly Budget & Capital Monitoring Report 2018/19	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
LEC – Schools Building Improvement Programme 2018-19	Latest Estimated Costs Report	Derek Higton	Phil Berrill
Home Based Care and Support Services	Update report	Kaj Ghattora	Michael Fowler
Agency Contract	Provision of agency staff as required across the authority.	Lorraine Dennis Category Manager	Kaj Ghattora
20 May 2019			
Monthly Budget & Capital Monitoring Report 2018/19	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
17 June 2019			
Monthly Budget & Capital Monitoring Report 2018/19	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell

Fair Price for Care Project (older adults)	Outcome of consultancy work and how this is going to inform the approach to the market.	Michael Fowler Category Manager	Kaj Ghattora
Contract Management – A Framework Approach for NCC		Kaj Ghattora)	
15 July 2019			
Monthly Budget & Capital Monitoring Report 2018/19	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
September 2019			
BCF 6 Monthly Reconciliation		Joanna Cooper	Joanna Cooper
November 2019			
DN2 Partnership Children's Services Intervention Programme	6 Monthly Update	Lynn Brammer / Jon Hawketts	Kaj Ghattora
TO BE PLACED			
Commercial Development Unit	Report on progress.	Mark Knight	Nigel Stevenson
The provision of new schools and school places	Details of the Authority's approach	Derek Higton	Derek Higton
Gedling Access Road (GAR)	Report on progress	Neil Hodgson	Neil Hodgson