

Finance and Major Contracts Management Committee

Monday, 08 February 2021 at 14:00

Virtual meeting

AGENDA

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| 1 | Minutes of the last meeting held on 18 January 2021 | 1 - 2 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | Budget Report | 3 - 24 |
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| 8 | Work Programme | 55 - 58 |

Notes

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

Customer Services Centre 0300 500 80 80

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

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

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

minutes

Meeting FINANCE AND MAJOR CONTRACTS MANAGEMENT COMMITTEE
– VIRTUAL MEETING

Date 18 January 2021 (commencing at 2.00pm)

Membership

Persons absent are marked with an 'A'

COUNCILLORS

Richard Jackson (Chair)
Roger Jackson (Vice Chair) - **A**
John Ogle (Vice Chair)

Chris Barnfather	Diana Meale
John Clarke	Mike Pringle
Keith Girling	Alan Rhodes
Tom Hollis	Gordon Wheeler
Eric Kerry	

SUBSTITUTE MEMBERS

Chris Barnfather for Roger Jackson.

OFFICERS IN ATTENDANCE

Mick Allen	Group Manager, Place Commissioning
Pete Barker	Democratic Services Officer
Lynn Brammer	Category Manager
Kaj Ghattaora	Group Manager, Procurement
Derek Higon	Service Director, Place & Communities
Anne Lobley	Placement Review Officer
Nigel Stevenson	Service Director, Finance, Infrastructure & Improvement

1. MINUTES OF THE LAST MEETING

The minutes of the last meeting held on 30 November, having been circulated to all Members, were taken as read and were confirmed, and were signed by the Chair.

2. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Roger Jackson.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. FINANCIAL MONITORING REPORT PERIOD 8 2020-21

RESOLVED: 2021/001

That the additional contingency requests, as detailed in the report, be approved.

5. LATEST ESTIMATED COST – INVESTING IN NOTTINGHAMSHIRE – MAKING BEST USE OF COUNCIL PREMISES

RESOLVED: 2021/002

That approval be given for the projects to proceed to the construction phase based on the estimated costs detailed in the report.

6. CHILDREN IN CARE FRAMEWORK FOR RESIDENTIAL AND FOSTER CARE PLACEMENTS

RESOLVED: 2021/003

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

7. WORK PROGRAMME

RESOLVED: 2021/004

That the report on Domestic Abuse Support Services, originally scheduled for the meeting on 19 April 2021, be brought to an earlier meeting of the Committee if possible.

The meeting closed at 3.12pm

CHAIR

**REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND
IMPROVEMENT****REVENUE BUDGET PROPOSALS 2021/22****CAPITAL PROGRAMME PROPOSALS 2021/22 to 2024/25****MEDIUM TERM FINANCIAL STRATEGY 2021/22 to 2024/25****COUNCIL TAX PROPOSALS 2021/22****Purpose of the Report**

1. To consider the contents of the budget report that will be taken to Full Council on 25 February 2021 with specific reference to:
 - the Annual Revenue Budget for 2021/22
 - the Capital Programme for 2021/22 to 2024/25
 - the Medium Term Financial Strategy for 2021/22 to 2024/25
 - the level of the Council Tax Precept for 2021/22

Background

2. The Council continues to operate in an extremely challenging and uncertain financial environment following a period of significant budget reductions and on-going spending pressures, particularly in social care areas. This uncertainty has been exacerbated by the on-going impact of the COVID19 pandemic, the Chancellor of the Exchequers' one-year funding settlement, the further postponement to a new business rates retention scheme and the Fair Funding Review, the stalled Adult Social Care Green Paper, Government funding uncertainty overall and any implications that may arise as a result of the Brexit agreement.
3. The COVID19 crisis has had an unprecedented impact on the County Council's finances. Additional costs and lost income directly associated with the crisis in the current financial year are forecast to be approximately £86m. The Council has managed to deal with this crisis through a combination of Central Government support, expenditure controls and re-prioritisation of discretionary spend. The direct implications of the crisis will continue into the 2021/22 financial year and the impact on the Council's financial position will continue to be monitored through the usual budget monitoring processes.
4. At the same time as the financial impact of COVID19 crisis, many Council services continue to experience increasing demand. Many of these services are those directed at the most vulnerable in society, especially in children's and adult's social care. For example, Demand for Children's Social Care continues to rise nationally with demand for Looked After Children

(LAC) increasing by 2.5% for the year ending 31 March 2020 to 80,080 (year ending 31 March 2019 – increased 4% to 78,140). Nottinghamshire has directly seen increases in demand for Children's Social Care and LAC with an above average rise in LAC of 6%, however it continues to be below national comparators for the LAC average rate per 10,000 of children aged under 18 population (Source – Department for Education - (DfE) Children looked after in England).

5. Despite the challenging financial position that the Council has experienced over recent years, the COVID19 pandemic and the on-going financial challenges it continues to perform well in many areas including the following examples:-
 - Supporting the most vulnerable people in our communities through the COVID19 crisis
 - Four new / replacement schools are / have been built in Bestwood Hawthorne Primary, Orchard Special School, Newark, Hucknall Flying High Academy and Rosecliffe Spencer Academy, Edwalton.
 - Good OFSTED inspection of Children's Services
 - Maintaining vital Social Care services.
 - Increased investment in the Highways Infrastructure across the county.
 - Continued development and improvement to Local Bus Services.
 - Full Library provision maintained with significant investment in buildings, fleet and IT.

Further evidence of major Council successes associated with the capital programme are set out from paragraph 57.

6. The Budget Report submitted to Full Council on 27 February 2020 set out the financial landscape within which the Council is operating and noted the anticipated budget shortfall of £28.3m over the three years to 2023/24.
7. The Period 9 Budget Monitoring Report that is also reported to this Committee meeting showed a net underspend position of £7.4m. This budget position was mainly as a result of a £5.3m underspend in the Adult Social Care and Public Health Committee and an underspend of £1.7m against various Central Items. The in-year position will continue to be reviewed throughout the year via the usual budget monitoring process.
8. As part of the budget setting process the Council has carried out a full review of the budget pressures and underlying assumptions held within the Medium Term Financial Strategy. The Council has also received provisional information on the level of funding it can expect in 2021/22. This report outlines the recommendations that will be submitted for approval to the Annual Budget Meeting on 25 February 2021.

Managing the Future – A Strategic Response

9. The County Council's strategic plan for 2017 - 2021, Your Nottinghamshire, Your Future, is a four-year plan, reviewed annually, that sets out the strategic ambition for the future of Nottinghamshire and the Council. In addition, four detailed departmental strategies have been developed to ensure that each Department is designed to offer the best possible services whilst making best use of the Council's resources.

10. The Peer Review conducted in June 2019, identified Nottinghamshire County Council as an effective Council delivering good quality, citizen focused services to its residents. It has a good track record for delivering savings whilst protecting front line services. There are a range of projects that are delivering innovation and developing cutting-edge practice in service delivery. There is financial stability in the organisation and the Council has a proven track record in delivering savings while maintaining front-line services over a long period of time - this is impressive.
11. As reported to Policy Committee in October 2019, given the context of ongoing financial pressures, increased and complex demand and changing resident expectations, a new model for transformation is proposed to support the organisation to move forward and build on our strong foundations. The following three tier approach is proposed to reposition the Council and help achieve future transformation objectives :-
 - Tier 1 – Strategic Review of Outcomes (Achieve)
 - Tier 2 – Targeted Cross Cutting Transformation Reviews (Transform)
 - Tier 3 – Ongoing efficiency as part of continuous improvement (Save)
12. This new approach to transformation will lay the foundations for a review of the Council Plan in 2021. A key part of this work is in cementing the County's position as a leading authority recognised by Government, partners and communities for providing excellent services, future proofed for a changing world.
13. An update on progress made against the Council Plan and the impact caused by the COVID19 pandemic was reported to the Improvement and Change Sub-Committee on 23 November 2020.
14. 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 Strategic Plan.

Environmental Strategy

15. The Council continues to take its environmental responsibilities seriously. As such, in March 2020 Policy Committee approved the new Corporate Environmental Policy as well as thirteen key strategic ambitions for the environmental strategy. In December 2020, a report was submitted to Policy Committee which provided an update on progress with the delivery of the Corporate Environment Strategy as well as establishing a new post of Environment Strategy Manager. The report also sought additional funding to take the Strategy forward and enable the Council to achieve its environmental ambitions.
16. To emphasise the Council's commitment to the environment, the policy and strategy will:-
 - Demonstrate the Council's commitment to managing the effects of its operations on the environment.

- Provide a strategic framework that will bring corporate coherence to the Council's existing environmental improvement activities and offer a chance to showcase good practice.
 - Strengthen procurement requirements for suppliers of goods and services to demonstrate management and improvement of their own environmental impacts.
 - Contribute to furthering the efficient use of resources thereby helping to make the best use of the Council's finances.
 - Contribute to reducing the likelihood of breaching environmental regulations and suffering financial penalties and reputational damage.
 - Improve integration between policy objectives and decisions in all aspects of County Council business to maximise environmental benefits.
17. The Council's thirteen strategic environmental ambitions have been broken down into a fifty-nine point Action Plan. Progress against this Action Plan can be seen as part of the report that went to Policy Committee in December 2020.
18. Environmental factors have been taken into account when constructing this budget and a number of green initiatives, including the establishment of new £0.5m Green Investment Fund are set out within the Council's capital programme.

Continuing COVID19 Pandemic

19. As set out above, the COVID19 crisis has had an unprecedented impact on the County Council's finances. Additional costs and lost income directly associated with the crisis in the current financial year are forecast to be approximately £86m. It is important to note that the Council continues to respond to the consequences of the COVID19 pandemic. A large number of services, resources, functions, plans and programmes have been re- and de-prioritised as the Council has had to respond to a rapidly changing and fluid situation that has included the regular provision of new guidance and legislation.
20. It is not possible to forecast with any certainty the true impact that the COVID19 pandemic will have on the Authority in 2021/22. The COVID19 risks will continue to be monitored closely through the usual budget monitoring processes with a particular focus on the known risk areas of Adult Social Care, Looked After Children, Home to School Transport, Schools Catering, Vulnerable Families and Personal Protective Equipment. Central Government have announced that the Authority will receive a further COVID19 grant totalling £16.1m in 2021/22. This will be used to offset those COVID19 costs incurred by the Authority.

Spending Round 2020 and Local Government Settlement 2021/22

21. On 25 November 2020, the Chancellor of the Exchequer delivered the Spending Round 2020. On 17 December 2020, the provisional Local Government Settlement 2021/22 was announced by the Secretary of State for Housing, Communities and Local Government, Rt Hon Robert Jenrick MP. The Settlement confirmed many of the announcements made in the Spending Round 2020. The key announcements that will affect the Council are as follows:-

- Confirmation that Core Spending Power increases by an average of 4.5% - assuming all authorities levy the maximum precept allowed in 2021/22 – with most of the increase in power coming from greater council tax flexibilities.
- The £1.410bn of Social Care Grants in 2020-21 will be rolled forward and now includes an additional £300m – although this is heavily equalised against the Adult Social Care Precept.
- All additional grant for Adult and Children's Social Care including Winter Pressures and Adult Social Care grant will continue.
- Council Tax threshold will remain at 1.99% but there will be further flexibility for Adult Social Care Precept of 3% of which part may be deferred to 2022/23.
- £1.55bn for additional COVID19 related expenditure pressures in 2021/22.
- A scheme to compensate Councils for 75% of irrecoverable loss of Council Tax and Business Rates revenues in 2020/21.
- Sales, fees and charges compensation will be extended into the first three months of 2021/22.
- Confirmation of continuation of £165m Troubled Families Programme.
- New Homes Bonus will continue for a further year with no new legacy payments.
- A £670m Local Council Tax Support Grant to be allocated to authorities in recognition of the increased costs of providing local council tax support following the COVID19 pandemic.
- A fundamental review of the Business Rates Retention System will be reported in Spring 2021.
- A further £1.7bn for pothole repairs and roads maintenance in 2021/22.

22. The 2021/22 Settlement is a further one year settlement and, as such, considerable uncertainty beyond 2021/22 will remain until future announcements are made.

Movements in the Medium Term Financial Strategy (MTFS)

23. The Budget report to the February Council in 2019 forecast a budget gap of £28.3m for the three years to 2023/24. As part of the budget setting process, the MTFS has been rolled forward a year to reflect the four year term to 2024/25 and a rigorous review of the Council's MTFS assumptions has taken place. The impact of these is set out in the paragraphs below.

24. The provisional local government settlement has provided allocation details for 2021/22 only. As a result, there continues to be much uncertainty surrounding the future of local government funding particularly with regard to the Fair Funding Review and the revised Business Rates methodology. Other areas of uncertainty exist throughout the term of the MTFS such as the continuing impact of the COVID19 pandemic, the outcome of the Social Care Green Paper and the implications of the new Brexit deal. 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

25. When the 2020/21 budget was approved in February 2020, specific pressures and non-pay inflationary pressures totalling £100.1m were identified for the period 2020/21 to 2023/24 of which £36.8m relates to 2020/21.
26. A review has been undertaken whereby Departments were asked to both justify existing pressures and identify any new pressures faced over the medium term. These bids have continued to be revised and total specific pressures and non-pay inflationary pressures to 2024/25 now total £106.6m. Table 1 below tracks the movement in pressures and inflation that has occurred since February 2020 with details of the revised figures in Appendix A.
27. Appendix A identifies that the Council's main pressures relate to Demographic changes together with growth in External Placements for Looked After Children, increases to the National Living Wage and Special Educational Needs and Disabilities (SEND) Transport Growth.
28. 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	2021/22 to 2023/24			Add Year 2024/25	Current Total 2021/22 to 2024/25
	Original Demand Pressures	Original Inflation	Net Movement		
Children & Young People	14.1	0.5	14.6	9.0	38.3
Adult Social Care & Public Health	0.4	0.2	0.5	14.1	53.6
Policy	0.4	-	0.4	0.1	0.8
Communities & Place	0.2	0.5	0.8	3.4	13.6
Personnel	0.3	-	0.3	-	0.3
Total	15.4	1.2	16.6	26.7	106.6

Pay Award Inflation

29. The County Council continues to be part of nationally determined local government pay bargaining arrangements. These are negotiated by the National Joint Council made up from the national employers and the recognised trade unions. Based upon previous rises of an average of 2%, this has been assumed across the MTFS.

Savings / Efficiencies

30. The MTFS includes previously approved savings options totalling £1.9m from 2020/21. In addition to this, the Council has approved a number of efficiencies and base budget reviews through appropriate Committees that total £0.5m.

MTFS Assumptions and Projections

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

Interest and Borrowing

32. 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.
33. The Council's position is monitored regularly in relation to these two variables and the latest budget monitoring report forecasts a breakeven position for the current year. The 2021/22 budget for interest and debt repayments has been adjusted to meet expected costs in 2021/22. This budget will continue to be closely monitored to ensure interest and debt payments are adequately provided for in future years.

Contingency

34. 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 and impacts of continuing to respond to the Covid-19 pandemic.
35. As part of the budget construction process, the base level for the 2021/22 contingency budget has been set at £4.1m. However, an estimated pay award budget of £3.5m has also been added for future allocation to Departments once any pay award has been agreed.

Tax Base

36. 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.
37. The District and Borough Councils have provided tax base estimates for 2021/22 which equate to growth of 0.70%. A forecast tax base growth assumption of 1.20% per annum has been factored into the MTFS based on the latest trend of base growth.

Table 2 – Council Tax base 2021/22

	Taxbase 2020/21	Assumed growth of 1.2%	Band D Precept £1534.95	Confirmed % Change	Confirmed Taxbase	Band D Precept £1534.95
Ashfield	33,695.30	34,099.64	£52,341,242	0.11%	33,731.70	£51,776,473
Bassetlaw	35,373.06	35,797.54	£54,947,434	1.13%	35,771.49	£54,907,449
Browtove	34,039.14	34,447.61	£52,875,359	0.52%	34,217.46	£52,522,090
Gedling	37,387.44	37,836.09	£58,076,506	0.01%	37,389.96	£57,391,719
Mansfield	29,407.70	29,760.59	£45,681,018	0.36%	29,512.20	£45,299,751
Newark	39,229.76	39,700.52	£60,938,313	1.97%	40,002.05	£61,401,147
Rushcliffe	43,987.70	44,515.55	£68,329,143	0.62%	44,259.60	£67,936,273
Total	253,120.10	256,157.54	£393,189,016	0.70%	254,884.46	£391,234,902
Additional / (Reduction) of funding in MTFS from confirmed figures						(£1,954,114)

Council Tax Surplus/Deficit

38. 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. As a result of pressures associated with the Coronavirus pandemic, billing authorities are likely to estimate a larger-than-normal deficit on the 2020-21 Collection Fund and Government has therefore mandated for the estimated deficit to be spread over the three years 2021-22 to 2023-24. After application of this phasing arrangement, the figures confirmed from the District and Borough Councils equates to a net deficit of £1,107,764 for 2021/22 and £1,175,089 to be applied in both 2022/23 and 2023/24. This liability has been factored into the MTFS as per the Government legislation.

Government Grants

39. As announced in the 2021/22 provisional finance settlement the following government grants will be received in 2021/22:-
- £24.3m - Social Care Grant (£1.9m of which is temporary funding)
 - £30.0m - Improved Better Care Fund
 - £7.1m – Revenue Support Grant
40. Also, for Nottinghamshire, the 2021/22 New Homes Bonus funding has been confirmed at £1.2m.
41. All of the above government grants have been reflected in the MTFS.

Funding Transformation

42. 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.
43. As part of the Provisional Local Government Finance Settlement announced in December 2017 this flexibility was extended to the end of the 2021/22 financial year. The one year provisional settlement in December 2020 made no indication of further extensions.
44. It is proposed that capital receipts received in 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 2021/22

45. The 2021/22 Provisional Local Government Settlement announced by the Government in December 2020 set out funding plans for councils in England to help them to deliver the services that their residents need. It was confirmed that the 2021/22 referendum threshold has been set in line with inflation, and so setting the core Council Tax referendum principle at 1.99%.
46. Also in the announcement, it was confirmed that there will be further flexibility to levy an Adult Social Care Precept of 3%, part of which may be deferred to 2022/23.
47. 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 overall Council Tax by 4.99%.
48. In determining the local government settlement, the Government has assumed that the Council would take the maximum Adult Social Care Precept of 3% and increase the Council Tax to the maximum level in 2021/22. It is proposed, therefore, that the Council fixes any increase to local taxes in-line with that expected by the Government. However, at present there is anticipated sufficient funding in 2021/22 to defer 2% of the increase allowed in the Adult Social Care Precept to 2022/23. Therefore, for 2021/22, it is proposed that Council Tax is increased by 1.99% and the Adult Social Care Precept is implemented at 1%. Future Council Tax increases of 1.99% per annum have also been factored into the MTFS together with the deferment of 2% of the Adult Social Care Precept into 2022/23.
49. 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 £0.62 per week. The average increase for all households across the county will be £0.75.

**Table 3 – Impact of 1.00% Social Care Precept on Local Tax Levels
(County Council Element) 2021/22**

Band	Value as at 1.4.91	No. of Properties	% No. of Properties	Ratio	County Council 2020/21 £	County Council 2021/22 £	Change £
A	Up to £40,000	145,645	39.4%	6/9	89.53	99.76	10.23
B	£40,001 to £52,000	76,295	20.6%	7/9	104.45	116.39	11.94
C	£52,001 to £68,000	63,246	17.1%	8/9	119.37	133.01	13.64
D	£68,001 to £88,000	42,684	11.5%	1	134.29	149.64	15.35
E	£88,001 to £120,000	24,154	6.5%	11/9	164.13	182.89	18.76
F	£120,001 to £160,000	11,664	3.1%	13/9	193.97	216.15	22.18
G	£160,001 to £320,000	6,279	1.7%	15/9	223.82	249.40	25.58
H	Over £320,000	483	0.1%	18/9	268.58	299.28	30.70

**Table 4 – Impact of 1.99% Increase on Local Tax Levels
(County Council Element) 2021/22**

Band	Value as at 1.4.91	No. of Properties	% No. of Properties	Ratio	County Council 2020/21 £	County Council 2021/22 £	Change £
A	Up to £40,000	145,645	39.4%	6/9	933.77	954.14	20.37
B	£40,001 to £52,000	76,295	20.6%	7/9	1,089.40	1,113.16	23.76
C	£52,001 to £68,000	63,246	17.1%	8/9	1,245.03	1,272.19	27.16
D	£68,001 to £88,000	42,684	11.5%	1	1,400.66	1,431.21	30.55
E	£88,001 to £120,000	24,154	6.5%	11/9	1,711.92	1,749.26	37.34
F	£120,001 to £160,000	11,664	3.1%	13/9	2,023.18	2,067.30	44.12
G	£160,001 to £320,000	6,279	1.7%	15/9	2,334.43	2,385.35	50.92
H	Over £320,000	483	0.1%	18/9	2,801.32	2,862.42	61.10

Table 5 – Recommended levels of Council Tax and Social Care Precept 2021/22

Band	Value as at 1.4.91	No. of Properties	% No. of Properties	Ratio	County Council 2020/21 £	County Council 2021/22 £	Change £
A	Up to £40,000	145,645	39.4%	6/9	1,023.30	1,053.90	30.60
B	£40,001 to £52,000	76,295	20.6%	7/9	1,193.85	1,229.55	35.70
C	£52,001 to £68,000	63,246	17.1%	8/9	1,364.40	1,405.20	40.80
D	£68,001 to £88,000	42,684	11.5%	1	1,534.95	1,580.85	45.90
E	£88,001 to £120,000	24,154	6.5%	11/9	1,876.05	1,932.15	56.10
F	£120,001 to £160,000	11,664	3.1%	13/9	2,217.15	2,283.45	66.30
G	£160,001 to £320,000	6,279	1.7%	15/9	2,558.25	2,634.75	76.50
H	Over £320,000	483	0.1%	18/9	3,069.90	3,161.70	91.80

50. The overall impact of all the changes since the February Full Council report are shown in Table 6:

Table 6 – Updated MTFS

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
Year on Year Savings requirement (February 2020 Report)	-	14.9	13.4	-	28.3
Additional Pressures / Inflation	3.3	8.8	4.5	26.7	43.3
Change in Pay / Pension Related Inflation	-	-	-	3.7	3.7
Committee Approved Efficiencies	(0.7)	-	-	-	(0.7)
Adjustments to Base Budgets	2.6	(0.9)	-	-	1.7
Change in Grant Funding	(10.7)	8.7	-	(2.3)	(4.3)
Increase in Council Tax / ASC Precept	(3.9)	(8.3)	(0.4)	(9.0)	(21.6)
Change in Council Tax Base assumptions	3.1	0.2	0.1	(6.3)	(2.9)
Variation in use of Reserves	5.4	(6.4)	(2.7)	2.4	(1.3)
Other Corporate Adjustments	0.9	0.6	(0.3)	0.3	1.5
Revised Gap	0.0	17.6	14.6	15.5	47.7

Financial Risks, Balances and Contingency

51. 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 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.

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

- The on-going financial impact of the COVID19 pandemic and the implications that this may have on the delivery of council services.
- The cost pressures factored into the 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 2021/22 Settlement reflects a one year settlement only. As such, the considerable uncertainty beyond 2021/22 will remain until the outcome of the Comprehensive Spending Review is known.
- The outcome of the Fair Funding Review and the move to a higher retention of business rates has been delayed by one year to 2022/23.
- The implications and uncertainty surrounding the new Brexit deal.

53. 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 2021/22 Budget Report.

54. 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 2020	21.9	119.8	141.7
Approved use in current year	(0.6)	(26.7)	(27.3)
Forecast Variance (Period 9)	-	0.7	0.7
Expected Balance 31 March 2021	21.3	93.8	115.1

Capital Programme and Financing

55. 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.
56. The Council’s capital programme has been reviewed as part of the 2021/22 budget setting process. As reported to Finance and Major Contracts Management Committee in January 2021, significant variations and slippage have been identified through the monthly capital monitoring process. 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 is reported to the Finance and Major Contracts Management Committee.

Major Capital Programme Successes

57. **Roads Maintenance and Renewals** – The Council has identified investment in the highways infrastructure across the county as an important strategic objective. This commitment can clearly be seen as expenditure against the Roads Maintenance and Renewals programme has exceeded £100m since April 2017. This includes over £20m of the Council’s own funding on top of grant funding received from the Department for Transport. A total of 291 schemes are programmed for completion in 2020/21 of which 245 have been completed to date.
58. **Gedling Access Road** – This major transport scheme will enable the realisation of a key strategic development site in Gedling. It will also fulfil the long term ambition to provide a bypass around Gedling Village. The project is to be delivered by key public sector partners working jointly towards achieving common objectives for the future development of the former Gedling Colliery site.
59. **New / Replacement Schools** – The Schools Place programme focuses on the Council’s statutory duty to provide sufficient school places. The Council works closely with academies and the voluntary aided sector to meet this statutory responsibility and function. As part of this programme four new / replacement schools are / have been built in Bestwood Hawthorne Primary, Orchard Special School, Newark, Hucknall Flying High Academy and Rosecliffe Spencer Academy, Edwalton.
60. **Better Broadband for Nottinghamshire** – In just shy of a decade, the Council has taken the superfast digital infrastructure across Nottinghamshire from a baseline of 86% to 98.7% availability. The original contractual expectations were for 20% of homes and businesses to make the switch to the newly installed superfast connection. This target has been far exceeded, with take-up rate standing at 71.86% This has triggered the contractual gainshare mechanism for the next seven years. This gainshare funding will be made available to fund further improvements to the county’s digital infrastructure in the future.

61. **Homes England Projects** – By embracing the ethos of working closely with Government in order to bring forward new housing, the Council has been very successful in securing external funding of £9.0m from Homes England. This funding, along with £4.5m matched funding contributions, will help fund an increase in the supply of new homes by helping to remove the barriers facing local authorities with development on their sites. Sites at Lowmoor Road and Caudwell Road are benefiting from this funding as well as a further major project at Top Wighay Farm near Hucknall.
62. **Investing in Nottinghamshire** – As set out in a report to Policy Committee in December 2020, the Council has established an Investing in Nottinghamshire capital programme that sets out to utilise the Council's property estate to deliver environmental, economic and financial benefits in a post- COVID19 world. This programme funding allows for the delivery of an ambitious programme of projects that will improve, re-furbish or build new offices across multiple sites of the Council's estate which in turn would deliver widespread benefits across our services and the local economy.
63. **New Special School Provision** – Despite the rebuilding and expansion of the Orchard Special School in Newark as well as a number of additional Special School expansions there remains insufficient specialist places to allow parents to express a preference for a local special school. This results in an increased demand for county and out of county specialist placements. To mitigate this issue, the Policy Committee in November 2019 gave approval for a feasibility study to be undertaken and work is continuing to identify a suitable site to build a new special school.
64. **Increased Secondary School Provision in West Bridgford** – At the Policy Committee meeting in September 2019 approval was granted in principle to the construction of a third secondary school within the West Bridgford planning area in the short to medium term which covers the catchment areas of Rushcliffe School and West Bridgford School.

Further reports will be submitted to the appropriate Committee in due course to provide updates on these new and emerging capital projects. Any required variations to the capital programme will be subject to the usual capital approval process.

65. During the course of 2020/21, 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 64 to 72. Schemes will be subject to Latest Estimated Cost (LEC) reports in accordance with the Council's Financial Regulations.

Children and Young People (CYP)

66. **School Building Improvement Programme** – The Department for Education has yet to announce the Schools Capital Maintenance (SCM) grant allocations for 2021/22 onwards. The 2020/21 allocation was confirmed at £6.5m and it is proposed that an estimated SCM grant allocation of £4.5m is reflected in the capital programme from 2021/22 until 2024/25. It is also proposed that this grant is top sliced by £0.3m from 2021/22 to 2024/25 to provide funding to further the School Access Initiative (SAI) programme.

It is proposed that the Children and Young People capital programme is varied to reflect an estimate SCM Grant of £4.5m from 2021/22 to 2024/25. It is also proposed that the SCM budget is top sliced by £0.3m in 2021/22 to 2024/25 to further the SAI programme.

67. **School Places Programme** – An analysis of school places sufficiency across Nottinghamshire is undertaken on a regular basis. The Authority has received a 2021/22 Basic Need grant of £16.4m. Further Basic Need grant announcements are expected in Spring 2021 but until then it is proposed that estimated further School Places Grant of £2.0m per annum are included in 2022/23 to 2024/25 of the Children and Young People's capital programme.

It is proposed that the Children and Young People capital programme is varied to reflect £16.4m 2021/22 grant allocation and the estimated School Places Grant of £2.0m to 2024/25.

Communities and Place

68. **Road Maintenance and Renewals Programme** – It is expected that the Communities and Place Committee will receive an Incentive Grant from the Department for Transport in 2021/22. This grant rewards Councils who demonstrate that they are delivering value for money in carrying out cost effective improvements to the county roads maintenance network. It is proposed that an estimated grant figure of £2.5m is included in the 2021/22 to reflect this capital grant. The capital programme will be reviewed once the actual grant allocation is announced.

It is proposed that the Communities and Place Committee capital programme is increased by £2.5m to reflect the estimated 2021/22 DfT Incentive Fund Grant.

69. **Waste Management** – A review of Waste Management costs associated with the Eastcroft Incinerator has been undertaken. The current approved capital programme includes a revenue contribution from the Communities and Place revenue budget. Following review, these contributions have been amended as follows:-

2021/22	2022/23	2023/24	2024/25
£000	£000	£000	£000
222	877	451	-

It is proposed that the Communities and Place capital programme is varied to reflect the revised estimated contributions from the Communities and Place revenue budget towards costs associated with the Eastcroft Incinerator as shown above.

70. **Green Initiatives** – As part of the Corporate Environment Strategy paper that was reported to Policy Committee on 9 December 2020, it is proposed that the Council establishes a £0.5m Green Investment Fund to provide funding for projects that improve the Council's environmental performance. This will be an internally available fund to which Council services from all departments could apply towards activities in support of the environment and delivery of the Environment Strategy objectives.

It is proposed that the Communities and Place capital programme is varied to reflect the £0.5m Green Investment Fund, funded from borrowing.

71. The Communities and Place Committee approved capital programme also includes a number of additional green initiatives as follows:-
- **Carbon Management Programme and the Energy Saving Scheme** - These programmes of work identify and undertake projects that enable energy savings to be made and carbon emissions to be reduced. They also enable investment in spend to save energy and water efficiency measures to supplement the current capital programme and maintenance budgets. All savings are recycled to fund further energy savings projects. The total budget included in the capital programme for these green initiatives is £3.4m.
 - **Street Lighting** – This programme of work is aimed at replacing the lanterns in street lights for lower energy options to realise an energy saving. The total budget included in the capital programme to fund street light replacements is £6.3m.
 - **Flood Mitigation Projects** – The 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 Council's Flood Alleviation and Drainage programme, will fund two schemes that are scheduled for completion by September 2021 and will benefit approximately 240 properties and 60 businesses. The Council has secured a further £0.6m of external funding to fund works at eight risk sites across the county. In addition, the Council has used its own resources to enable the delivery a £1.0m Property Flood Resilience programme to properties vulnerable to flooding across the county.

Policy

72. **Getting Building Fund** – The Council has been successful in securing a £0.6m Getting Building Fund grant. As reported to Policy Committee on 30 September 2020, it is proposed that this funding will be used to establish a 5G Innovation Hub in North Nottinghamshire acting as a catalyst for skills and innovation development and also as a showcase for ground-breaking 5G related technological developments.

It is proposed that the Policy Committee capital programme is varied to reflect the secured £0.6m Getting Building Fund grant allocation.

Capital Programme Contingency

73. 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.

74. A number of capital bids described above are proposed to be funded from uncommitted contingency. The levels of contingency funding remaining in the capital programme are as follows:-

2021/22	£2.8m
2022/23	£2.8m
2023/24	£2.8m
2024/25	£2.9m

Revised Capital Programme

75. 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 2024/25 are set out in Table 8.

Table 8 – Summary Capital Programme

	Revised 2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	£m	£m	£m	£m	£m	£m
Committee:						
Children & Young People*	29.553	24.135	13.777	11.301	11.301	90.067
Adult Social Care & Public Health	1.266	0.241	0.000	0.000	0.000	1.507
Communities & Place	67.033	43.635	23.249	20.893	20.390	175.200
Policy	26.109	37.332	15.794	5.016	4.430	88.681
Finance & MCM	0.180	0.180	0.180	0.180	0.180	0.900
Personnel	0.354	0.000	0.000	0.000	0.000	0.354
Contingency	0.000	2.800	2.800	2.800	2.854	11.254
Capital Expenditure	124.495	108.323	55.800	40.190	39.155	367.963
Financed By:						
Borrowing	42.924	62.474	26.309	12.016	11.432	155.155
Capital Grants	78.465	45.086	28.114	27.223	27.223	206.111
Revenue / Reserves	3.106	0.763	1.377	0.951	0.500	6.697
Total Funding	124.495	108.323	55.800	40.190	39.155	367.963

* These figures exclude Devolved Formula Capital allocations to schools.

Capital Receipts

76. 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 2021/22 to 2024/25. 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

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	TOTAL £m
Forecast Capital Receipts	7.4	12.9	10.7	13.6	10.1	54.7

77. As set out above, 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.

Statutory and Policy Implications

78. 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 a report be prepared for County Council on 25 February 2021 based on the budget proposals as set out in this report, including the proposed Council Tax and Adult Social Care Precept increases that are in line with the Central Government funding model.

NIGEL STEVENSON

SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT

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

Constitutional Comments (CH 26/01/2021)

The 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 and precept on billing authorities. The recommendation therefore falls within the remit of this Committee.

Financial Comments (NS 31/01/2021)

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.

None.

Electoral Division(s) and Member(s) Affected

All.

Appendix A

Summary of Departmental Cost Pressures

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£000	£000	£000	£000	£000
Children & Young People					
Non Looked After Children Placements	135	148	148	148	579
Demographic Pressures - Edn, Health & Care Plans (ICDS)	127	127	127	127	508
Growth in External Placements for LAC	7,010	7,500	7,500	7,500	29,510
Social work assessments of 16/17 year olds presenting as homeless	100	(100)	-	-	-
Early Help/Family Services	-	1200	(600)	(600)	-
School Improvement Traded Service	120	-	51	-	171
Education Psychology Service	114	403	323	323	1,163
Supported accommodation for young people	-	350	-	-	350
Personal Care budget pressure	100	-	-	-	100
Social Work Staffing - Apprenticeships	150	10	10	-	170
Looked After Children's Services	326	(12)	-	-	314
Subtotal Children & Young People Pressures	8,182	9,626	7,559	7,498	32,865
Adult Social Care & Public Health					
Care Package Demand for Adults Aged 18-64 Years	3,078	1435	1,346	1,346	7,205
Care Package Demand for Adults Aged 65 and Over	1,100	1,110	1,270	1,270	4,750
Increased Approved Mental Health Practitioner (AMHP)	272	-	-	-	272
Subtotal Adult Social Care & Public Health Pressures	4,450	2,545	2,616	2,616	12,227
Communities & Place					
SEND Transport Growth	850	950	950	950	3,700
Waste PFI Contract Growth	500	75	75	75	725
COVID related SEND Transport costs	100	-	(100)	-	-
COVID related Hts and Post 16 Transport costs	500	-	(500)	-	-
Loss of Income within Highways and Transport Division	325	-	(325)	-	-
Subtotal Communities & Place Pressures	2,275	1,025	100	1,025	4,425
Policy					
Vacant and Surplus Property	350	-	-	-	350
Subtotal Policy Pressures	350	-	-	-	350
Personnel					
CSC - Resourcing of ongoing COVID-19 work	300	-	-	-	300
Subtotal Personnel Pressures	300	-	-	-	300
Total Pressures	15,557	13,196	10,275	11,139	50,167
Children & Young People					
National Living Wage - External	35	100	100	87	322
Basic Fostering Allowance	65	70	72	72	279
Contract Cost Inflation	850	1,300	1,339	1,352	4,841
Subtotal Children & Young People Inflation	950	1,470	1,511	1,511	5,442
Adult Social Care & Public Health					
Fair Price for Care	2,162	1,000	1,000	1,000	5,162
National Living Wage - External	3,964	11,226	10,524	10,524	36,238
Subtotal Adult Social Care & Public Health Inflation	6,126	12,226	11,524	11,524	41,400
Policy					
Schools PFI Inflation	115	115	115	115	460
Subtotal Policy Inflation	115	115	115	115	460
Communities & Place					
Concessionary Travel	-	100	200	200	500
Local Bus & Home to School Contracts	50	50	50	50	200
SEND Transport Inflation	100	100	100	100	400
Highways Energy	-	248	248	248	744
Waste PFI Contract Inflation	1,330	1,130	1,130	1,130	4,720
Contract Cost Inflation	644	648	650	657	2,599
Subtotal Communities & Place Inflation	2,124	2,276	2,378	2,385	9,163
Total Inflation	9,315	16,087	15,528	15,535	56,465
Total Pressures & Inflation	24,872	29,283	25,803	26,674	106,632

8 February 2021

Agenda Item: 5

REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT

FINANCIAL MONITORING REPORT: PERIOD 9 2020/21

Purpose of the Report

1. To provide a summary of the Committee revenue budgets for 2020/21.
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 Background

4. The Council approved the 2020/21 budget at its meeting on 27 February 2020. As with previous financial years, progress updates will be closely monitored and reported to management and Committee each month.
5. It is important to note that this Financial Monitoring report has been put together at a time when the Council is continuing to respond to the consequences of COVID19. A large number of services, resources, functions, plans and programmes have been re- and de-prioritised as the Council has had to respond to a rapidly changing and fluid situation that has included the regular provision of new guidance and legislation.

Implications of the COVID19 Crisis

6. A summary of the COVID19 related grants received by the Authority to date are set out in the table below:-

Grant	County Council Allocation (£m)	Conditions	Use
COVID19 Funding (1)	22.3	None	Reduce financial deficit
COVID19 Funding (2)	14.7	None	Reduce financial deficit
COVID19 Funding (3)	5.1	None	Reduce financial deficit
COVID19 Funding (4)	5.0	None	Reduce financial deficit
Infection Control (1)	11.5	Yes + clawback	Pass to providers for transmission reduction measures and support workforce resilience.
Infection Control (2)	9.6	Yes + clawback	Pass to providers for transmission reduction measures and support workforce resilience.
Test and Trace	3.8	Yes + clawback	Mitigation against and management of local outbreaks of COVID19
Contain Management Funding	6.6	Yes + Clawback	Mitigation against and management of local outbreaks of COVID19
Additional Contain Management Funding	0.7	Yes + clawback	Mitigation against and management of local outbreaks of COVID19
Emergency Assistance Grant	0.9	Subject to monitoring & evaluation	Support to those struggling to afford food and other essentials
COVID Winter Grant	2.3	None	To support vulnerable households throughout the winter period.
Sales, Fees and Charges	1.2	None	To mitigate against lost net income to July 2020
COVID Bus Services Support Grant	1.0	None	
Additional Home to School Transport	1.0	Subject to retrospective claim	New funding for additional dedicated school transport capacity.

The receipt of these grants are factored into the forecast financial position as set out in this report. COVID19 related Government Grants continue to be announced and any further allocations to this Council will be reported to future Committees.

7. All Local Authorities are required by the Ministry for Housing, Communities and Local Government to report their forecast financial impact of the COVID19 emergency on a monthly

basis. The most recent DELTA8 submission from Nottinghamshire County Council was submitted on 11 December 2020 and identified a total gross forecast financial impact of £85.9m in the current financial year. The deadline for the DELTA9 submission is 29 January 2021.

8. All Authorities received a letter from the Department of Health and Social Care (DHSC) on 4 September 2020 which explained revised arrangements for the distribution of PPE. It set out that the DHSC had procured sufficient PPE to meet national demand and would be able to supply Authorities directly with PPE for all COVID19 use, over and above any Business as Usual use, until 31 March 2021. This supply is being made available free of charge and is now expected to be extended into the 2021/22 financial year.
9. The Government have also announced a scheme that will help those Local Authorities that have lost income during the pandemic and boost cash flow. The first lost income return to the MHCLG was submitted on 30 September 2020. The value of funding allocated to Nottinghamshire totals £1.2m and relates to lost income up to the end of July 2020. The second lost income return to the MHCLG was submitted in December 2020. It is expected that the second tranche of funding received will total approximately £1.0m. It has been announced that this scheme will continue into the first quarter of 2021/22.
10. It is important to note that considerable uncertainty remains regarding the longer-term implications of responding to the emergency. For instance, there has been an emergence of a further COVID19 wave and a more infectious variation of the virus which may continue through the Winter period. In addition, information continues to be developed regarding significant areas of the Authority's budget including Home to School Transport, Looked After Children (LAC) and Adult Social Care and Health services.

Summary Revenue Position

11. As detailed above, the Authority has received four tranches of main COVID19 grant allocations totalling £47.1m as part of the total grants that have been provided. This amount was not factored into projections when setting the 2020/21 budget in February 2020. A revised budget estimate was therefore set whereby COVID19 grant was allocated across Committee budgets based on the current known financial impact of the COVID19 crisis. The revised budget estimate is reflected in Table 1.

12. The table below summarises the revenue budgets for each Committee for the current financial year. A forecast underspend of £7.4m is currently predicted. However, there are still significant financial challenges facing the Council over the medium-term which require a continuing need to be vigilant. Uncertainty still exists and the key message to effectively manage budgets and, wherever possible, deliver in-year savings continues to be reinforced.

Table 1 – Summary Revenue Position

Forecast Variance as at Period 8 £'000	Committee	Revised Annual Budget £'000	Actual to Period 9 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
(237)	Children & Young People's	150,288	107,611	149,793	(495)
(3,627)	Adult Social Care & Public Health	211,672	124,435	206,411	(5,261)
(257)	Communities & Place	137,282	106,750	137,420	138
476	Policy	38,787	29,397	38,728	(59)
(42)	Finance & Major Contracts Management	4,478	5,525	4,449	(29)
(24)	Governance & Ethics	7,773	5,678	7,839	66
(745)	Personnel	16,317	13,114	15,520	(797)
(4,456)	Net Committee (under)/overspend	566,597	392,510	560,160	(6,437)
(1,379)	Central items	(30,605)	(72,992)	(32,344)	(1,739)
	- Schools Expenditure	319	-	319	-
37	Contribution to/(from) Traders	3,353	1,558	3,464	111
(5,798)	Forecast prior to use of reserves	539,664	321,076	531,599	(8,065)
	- Transfer to / (from) Corporate Reserves	(22,906)	2,979	(22,906)	-
77	Transfer to / (from) Departmental Reserves	(3,579)	374	(2,909)	670
	- Transfer to / (from) General Fund	(631)	-	(631)	-
(5,721)	Net County Council Budget Requirement	512,548	324,429	505,153	(7,395)

Committee and Central Items

Adult Social Care & Public Health (£5.3m underspend, 2.5% of annual budget)

13. The major variances are as follows:

- Strategic Commissioning and Integration is forecasting an overspend of £2.4m. This has arisen due to a reduction in transport income (£0.9m), increased claim costs and PPE (£3.4m) offset by additional BCF Health income (£1.1m) and underspending on staff and other costs and use of reserves (£0.8m).
- Direct and Provider Services are forecasting an underspend of £1.3m across all services with an underspend on Residential Services (£0.3m) and an underspending on Day Services (£1.1m), offset by an overspend due to non-achievement of savings (£0.1m).

- Living Well and Ageing Well are forecasting an underspend of £4.8m. This consists of an overspend in Living Well (£2.4m), offset by an underspend of in Ageing Well (£7.2m). The increase in underspend from last month is mainly due to additional Health income.
- Maximising independence is forecasting an underspend of £1.6m, mainly due to the delayed implementation of the workforce review and additional COVID 19 income offsetting the new EDAASS Home First Response contract.

Personnel (forecast £0.8m underspend, 4.9% of annual budget)

14. The major variances in the Personnel Committee relate to staffing vacancies in the BSC (£0.2m), reduced apprentice costs due to recruitment difficulties in the current circumstances (£0.1m), reduced training costs as training is taking place on-line (£0.1m) and Business Support vacancies (£0.4m).

Central Items (forecast £1.7m underspend)

15. Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and capital charges.
16. As set out above, a revised budget estimate has been set whereby COVID19 grant has been allocated across Committee budget based on current, known financial impact of the COVID19 crisis. Any grant not allocated to Committees at this time has been set aside to fund further in-year COVID related issues and to cover future shortfalls in collection rates of both Council Tax and Business Rates.
17. The reported underspend is made up of a number of variations relating to interest, general government grant income, pension contributions and the Minimum Revenue Provision.

Contingency Budget

18. Central Items includes a base contingency budget of £4.0m to cover redundancy costs, slippage of savings, additional funding requirements for the 2020/21 pay award and other unforeseen events. Also, in 2020/21 a number of demand and inflationary pressures were identified that had a degree of uncertainty with regard to likelihood, value and profiling. As such, an additional provision of £2.6m was added to the contingency to fund these pressures. All funding requirements continue to be reviewed and the Finance and Major Contracts Management Committee or the Section 151 Officer are required to approve the release of contingency funds.
19. As stated above, a provision of £2.6m was set aside in the 2020/21 contingency to fund pressures that had a degree of uncertainty. A number of these pressures have materialised and subsequently been released to Committee budgets (£2.2m). Other contingency requests that have been previously approved and distributed to Committees total £2.8m and Table 1 assumes that the remaining contingency budget will be utilised in full for future requests.

Progress with savings and risks to the forecast

20. Council on 27 February 2020 approved savings proposals of £7.8m for delivery in 2020/21, with further savings identified for the period 2021-24. The progress of the Council's current savings programme is reported to the Improvement and Change Sub-Committee on a regular basis. The latest report to Improvement and Change Sub-Committee on 23 November 2020 highlighted that a number of savings projects required a change to their delivery profile – Social Impact Bond (£0.3m 2020/21), Developing of the Fostering Service (£0.3m 2020/21) and Housing with Care (£0.3m 2021/22). The write-off of savings in relation to Better Practice in Support Planning for Older Adults 65 years+ (£0.2m 2020/21) was reported to this Committee in the Period 5 Monitoring Report. 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.
21. As well as the implications arising from the COVID19 emergency the usual budget monitoring process will continue to take place throughout the year to identify all major variations to budget. Progress updates will be closely monitored and reported to management and to Committee on a monthly basis. It is expected that as well as identifying additional costs, areas of reduced costs will also be identified as the Council adapts service delivery during the crisis.
22. The approved 2020/21 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. In Children's Social Care specifically, significant pressures are continuing to be experienced in relation to the rise in Looked After Children external placements. This is due to sustained high numbers and little evidence that the position has stabilised. In addition, the average weekly cost of placements are rising due to complexity of need, market conditions, inflation and limited capacity within the Authority's own internal residential and foster care provision. 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

23. Members approved the 2019/20 closing General Fund Balance of £22.0m at Council on 23 July 2020. The 2020/21 budget assumes the utilisation of £0.6m of balances which will result in a closing balance of £21.4m at the end of the current financial year. This is 4.4% of the budget requirement.

Capital Programme

24. Table 2 summarises changes in the gross Capital Programme for 2020/21 since approval of the original Programme in the Budget Report (Council 27/02/20):

Table 2 – Revised Capital Programme for 2020/21

	2020/21	
	£'000	£'000
Approved per Council (Budget Report 2020/21)		117,384
Variations funded from County Council Allocations : Net slippage from 2019/20 and financing adjustments	(3,415)	
		(3,415)
Variations funded from other sources : Net variation from 2019/20 and financing adjustments	20,470	
		20,470
Revised Gross Capital Programme		134,439

25. 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	35,813	20,168	29,553	(6,260)
Adult Social Care & Public Health	1,217	951	1,266	49
Communities & Place	67,033	30,520	67,352	319
Policy	29,130	13,217	26,072	(3,058)
Finance & Major Contracts Mngt	180	12	180	-
Personnel	354	203	354	-
Contingency	712	-	712	-
Total	134,439	65,071	125,489	(8,950)

Children & Young People's

26. In the Children and Young People's Committee, an underspend of £6.3m has been identified. This mainly relates to the School Places programme where there are a number of projects at Academy schools where the funding is not now expected to be transferred until future financial years. Also, it is now expected that any expenditure associated with the £1.3m Increasing Residential Capacity for Looked After Children budget will now be incurred in the next financial year.

It is proposed that the Children and Young People's capital programme is varied to reflect the £1.3m re-profiling of the Increasing Residential Capacity for Looked After Children capital budget.

Policy

27. In the Policy Committee an underspend of £3.0m has been identified. This relates mainly to two Homes England funded projects where delays to the external funding agreement have resulted the projects slipping into the next financial year. This slippage will be reflected in the Annual Budget Report to Full Council in February 2021.

Financing the Approved Capital Programme

28. Table 4 summarises the financing of the overall approved Capital Programme for 2020/21.

Table 4 – Financing of the Approved Capital Programme for 2020/21

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People's	21,677	13,497	-	639	35,813
Adult Social Care & Public Health	371	805	-	-	1,176
Communities & Place	12,461	53,084	1,119	320	66,984
Policy	14,414	13,916	-	800	29,130
Finance & Major Contracts Mngt	-	-	-	180	180
Personnel	354	-	-	-	354
Contingency	712	-	-	-	712
Total	49,989	81,302	1,119	1,939	134,349

29. It is anticipated that borrowing in 2020/21 will decrease by £9.1m from the forecast in the Budget Report 2020/21 (Council 27/02/2020). This decrease is primarily a consequence of:

- £3.4m of net slippage from 2019/20 to 2020/21 and financing adjustments funded by capital allocations.
- Net slippage in 2020/21 of £5.7m of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

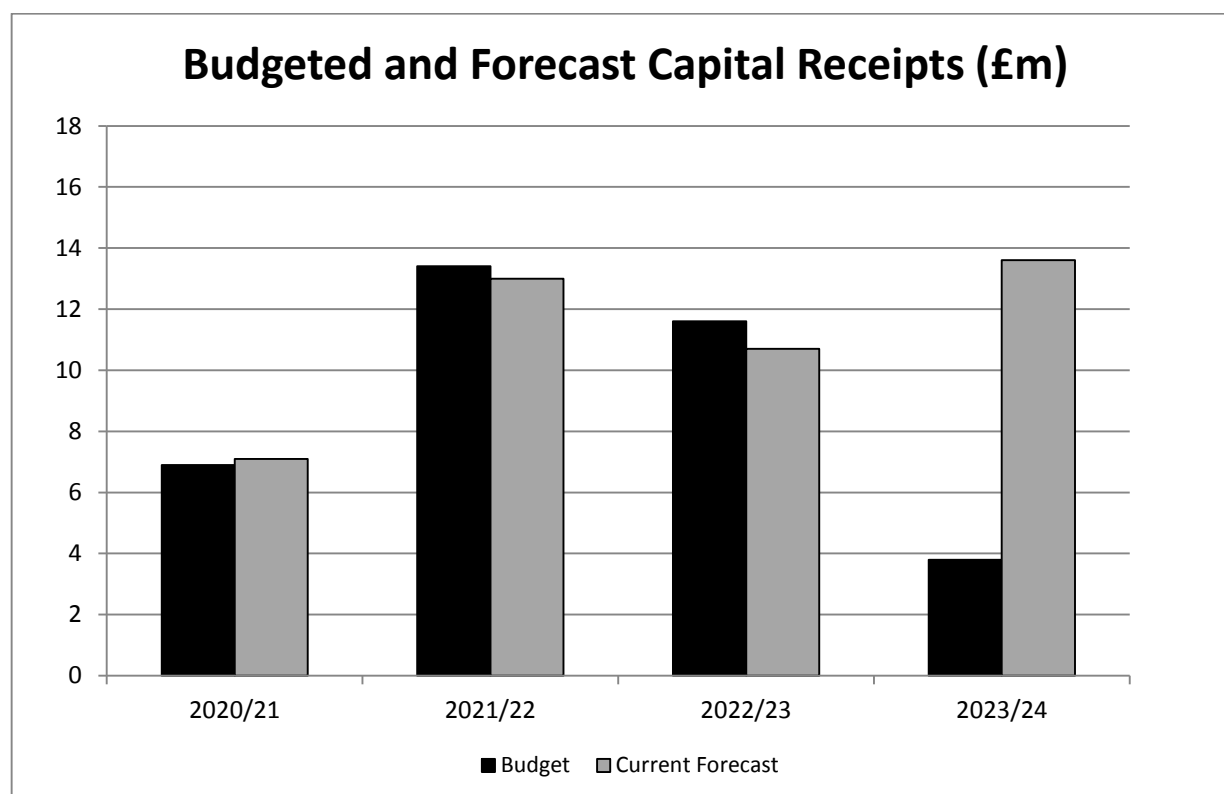
Prudential Indicator Monitoring

30. 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

31. 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.

32. The chart below shows the budgeted and forecast capital receipts for the four years to 2023/24.



33. The dark bars in the chart show the budgeted capital receipts included in the Budget Report 2020/21 (Council 27/02/2020). These capital receipts budgets prudently incorporated slippage, giving a degree of “protection” from the risk of non-delivery.

34. The capital receipt forecast for 2020/21 is £6.9m. To date in 2020/21, £0.5m of capital receipts have been received.

35. 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.

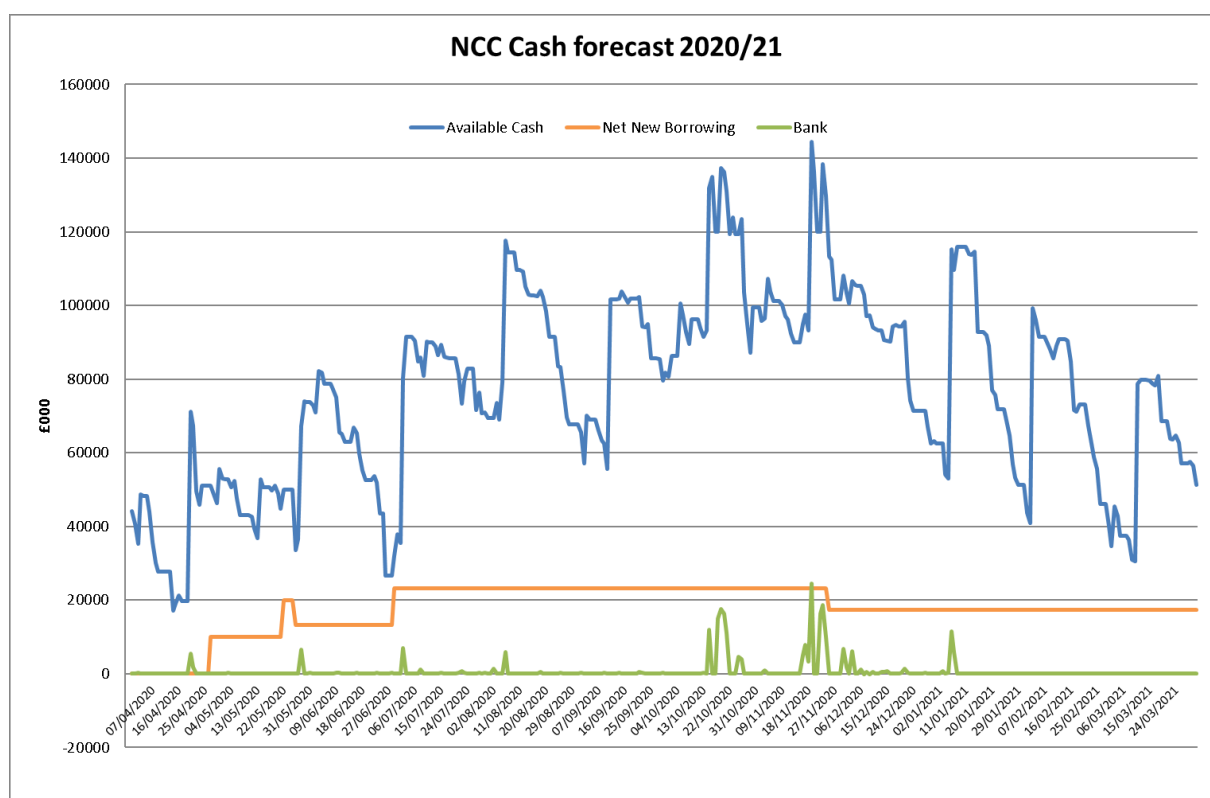
36. Current Council policy (Budget Report 2020/21) is to use the first tranche of capital receipts to fund in-year transformation costs. Any capital receipts in excess of this will be set against the

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

37. 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.

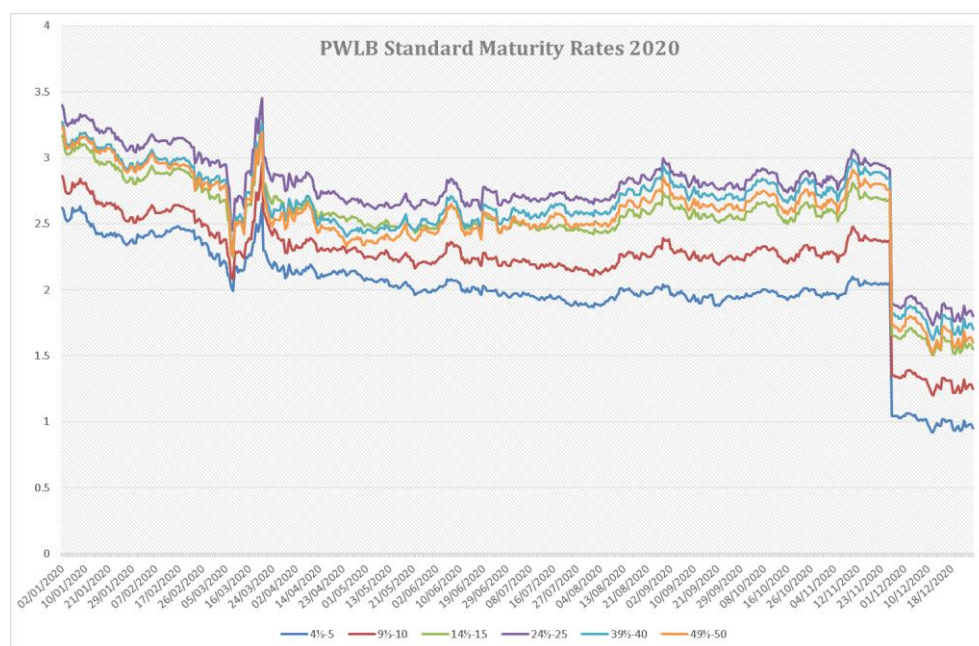
38. The cash forecast chart below shows the current estimated cash flow position for the financial year 2020/21. Cash inflows are typically higher at the start of the year due to the front-loading receipt of Central Government grants, and the payment profile of precepts. Cash outflows, in particular capital expenditure, tend to increase later in the year, and the chart below reflects this. Also, expected borrowing in support of capital expenditure is not included in the forecast. The chart thereby helps highlight the points in the year when such borrowing will be necessary, and it is monitored daily so that treasury management staff can act comfortably in advance of the cash being required, the aim being to maintain adequate but not excessive liquidity.



39. 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.

40. The Treasury Management Strategy for 2020/21 identified a need to borrow approximately £50m over the course of the year to (a) fund the capital programme, (b) replenish internal balances and to (c) replace maturing debt. However, the estimate was revised and increased to £80m after the 2019/20 accounts closure (taking account of slippage). £10m of this was taken in late April, with two further £10m tranches in May and June.
41. After updating the capital programme forecasts in October and re-assessing cashflow to April 2021 it looks like no further borrowing will be required this financial year. Indeed, as can be seen from the above graph, the Council's instant-access cash balance exceeded its normal maximum limit of £140m in November. However, TMG anticipated this a few days in advance and approved a temporary increase in the Barclays Bank limit
42. PWLB interest rates continue to be monitored closely to allow changes - or potential changes - in rates to feed into decisions on new borrowing. The Council remains able to take advantage of the PWLB "certainty rate" which is 0.2% below the standard rates. The chart below shows the movement in standard PWLB maturity rates over the course of 2020 so far. The initial effects of the coronavirus pandemic and the Government's budgetary response can be seen in early March. The effect of the PWLB policy change in November (which effectively reversed the 100bp increase introduced in late 2019) can also be seen.



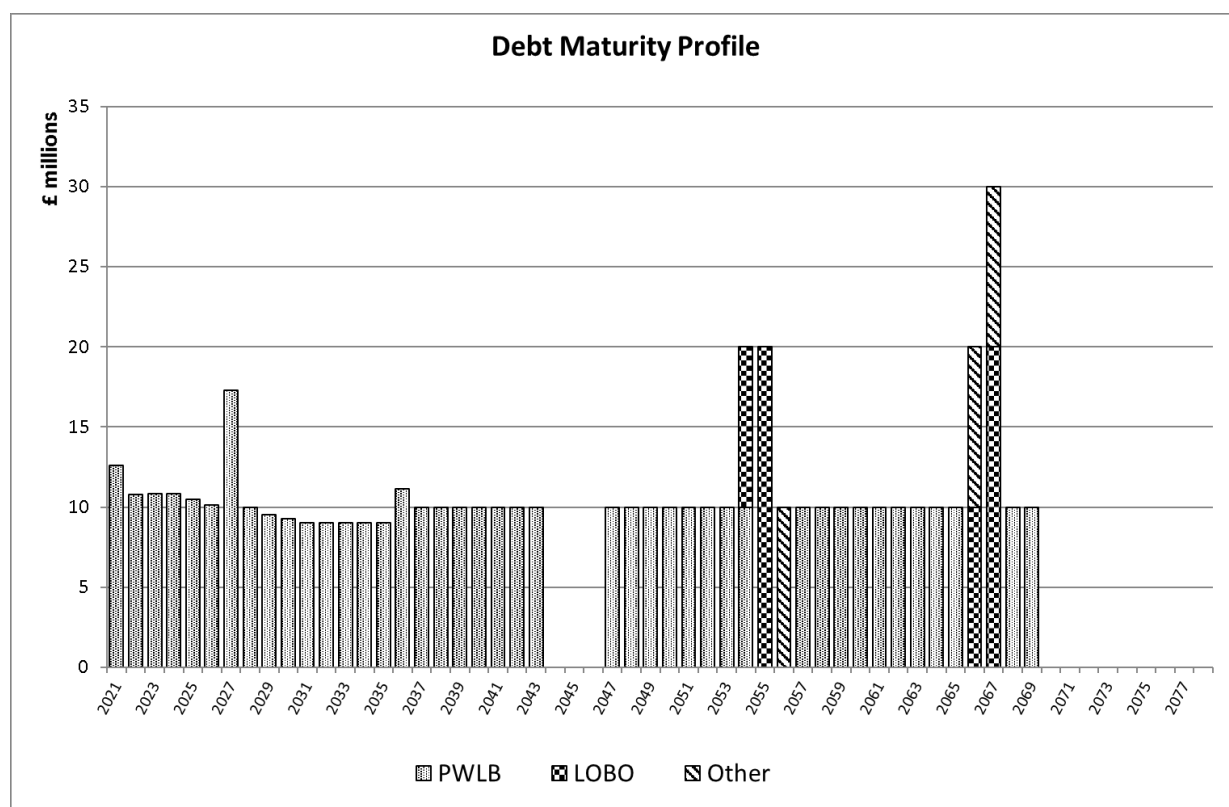
43. Borrowing decisions will take account of a number of factors including:
- expected movements in interest rates

- current maturity profile
- the impact on revenue budgets and the medium- term financial strategy
- the treasury management prudential indicators.

44. 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.

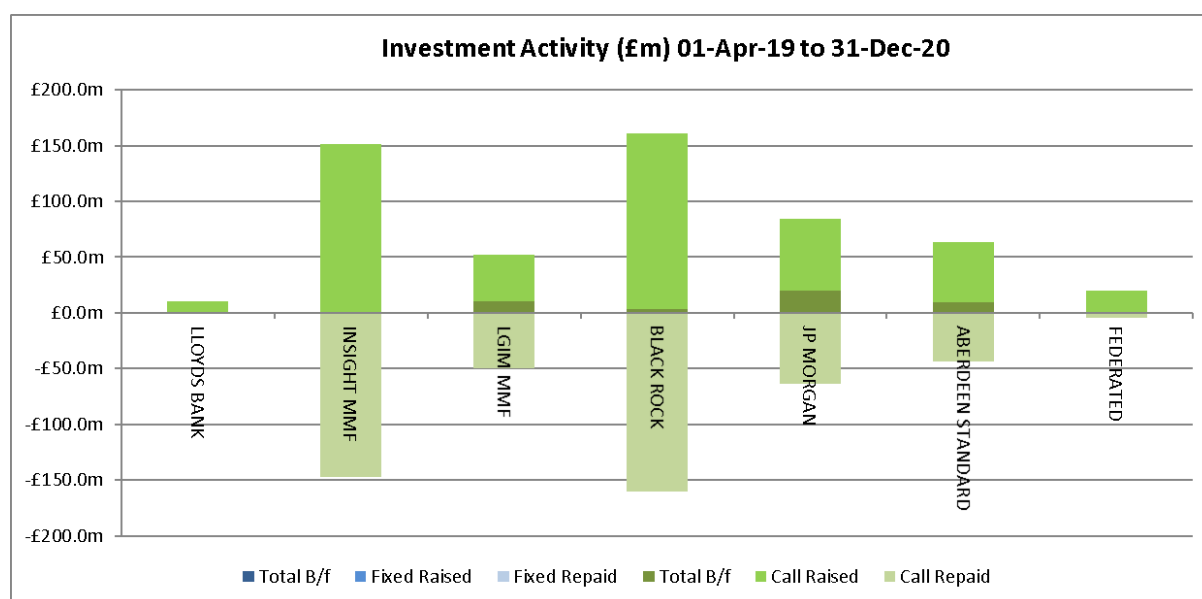
45. Long-term borrowing was also obtained from the market some years ago in the form of 'Lender's Options, Borrower's Options' loans (LOBOs). These loans are treated as fixed rate loans (on the basis that, if the lender ever opts to increase the rate, the Council will repay the loan) and were all taken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

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



47. The investment activity for 2020/21 to date is summarised in the chart and table below. Outstanding investment balances totalled approximately £44m at the start of the year and approximately £72m at the month-end.

	Total B/F £ 000's	Raised £ 000's	Repaid £ 000's	Outstanding £ 000's
LLOYDS BANK	-	10,000	-	10,000
INSIGHT MMF	750	150,350	(147,200)	3,900
LGIM MMF	10,700	41,500	(49,450)	2,750
BLACK ROCK	3,800	157,050	(160,350)	500
JP MORGAN	19,800	64,200	(64,000)	20,000
ABERDEEN STANDARD	9,150	54,350	(43,600)	19,900
FEDERATED	-	20,000	(4,600)	15,400
Total	44,200	497,450	(469,200)	72,450



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

Statutory and Policy Implications

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

RECOMMENDATIONS

- 1) To comment on the revenue budget expenditure to date and year-end forecasts.
- 2) To comment on the capital programme expenditure to date and year-end forecasts and approve the variation to the capital programme as set out in paragraph 27.
- 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 (CH 27/01/2021)

50. The Finance and Major Contracts Management Committee has the responsibility for the financial management of the Authority and it can approve variations to the capital programme up to £2 million pounds. The recommendations therefore fall within the remit of and can be considered by Committee.

Financial Comments (GB 20/01/2021)

51. 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

8 February 2021

Agenda Item: 6

UPDATE REPORT OF SERVICE DIRECTOR – SERVICE DIRECTOR FOR FINANCE, INFRASTRUCTURE & IMPROVEMENT AND SECTION 151 OFFICER

PROCUREMENT: GREEN PAPER CONSULTATION

Purpose of the Report

1. To provide members with an overview of the newly published Procurement Green Paper.
2. To request that authority be delegated to the Group Manager for Procurement to respond to the consultation on behalf of Nottinghamshire County Council, in consultation with the Chair of the Finance and Major Contracts Management Committee.

Information

3. Public sector procurement is subject to a legal framework and since the 1970s, the EU has adopted legislation to ensure that the EU public procurement market is open and competitive and that suppliers are treated equally and fairly. In the UK we have implemented the Public Contract Regulations 2015 (PCR) for all public sector procurements.
4. With the UK no longer part of the EU, the Government has highlighted the opportunity to transform the regulations for Public Procurement.
5. On 15th December 2020, the Cabinet Office published a Green Paper “Transforming Public Procurement” launching a consultation process on proposals for changes in the legal and operational framework for public procurement.
6. The key aims of the green paper are to:
 - a. Speed up and simplify procurement processes
 - b. Maximise value for money
 - c. Unleash opportunities for small businesses, charities and social enterprises
 - d. Deliver the best commercial outcomes
 - e. Minimise burden on business and public sector
7. The proposal is now subject to a 12-week consultation period ending on 10th March 2021.

8. The proposal includes consolidating what are currently the Public Contracts Regulations 2015, the Utilities Contracts Regulations 2016 and the Concession Contracts Regulations 2016 into a single set of regulations with the aim to simplify and streamline procurement procedures.
9. Going forward instead of the seven different procurement procedures which currently exist, it is proposed that there are three procurement procedures:
 - the open procedure – for simpler, more straight forward procedures
 - a new competitive, flexible procedure – giving contracting authorities the freedom to negotiate and innovate to get the best results
 - the limited tendering procedure – the new name for the negotiated procedure without prior publication (direct awards).
10. The green paper also proposes changes to the conduct of award procedures with further transparency being encouraged. This will be through the introduction of a new centralized platform to gather and publish all information and documents covering all phases of procurement to include planning, award and execution.
11. A new centralized register is also proposed to hold details of suppliers' details, contract performance, procurement pipelines for every authority, complaints and legal challenges. A consideration will be how the proposals impact our local supplier base to be developed and promoted.
12. Further reform is also proposed to the litigation process for procurement with the introduction of a tailored fast track system for challenges to procurement decisions with the aim to be quicker, cheaper and more accessible. It is unclear whether this will lead to an increase in challenges for contracting authorities.
13. The proposals outlined in the Green Paper provides an opportunity for streamlining and consolidation which is helpful and will provide greater flexibility. In addition, the Council has already embraced all aspects of e-tendering as much as possible throughout the tendering process which will enable us to respond to the changes proposed.
14. However, this positive view does come with some reservations. In particular, the proposals for contracting authorities to publish all information and documents will create additional administration and bureaucracy for contracting authorities. The sensitive balance of not sharing suppliers' commercial sensitive data will also need to be considered.
15. Finally, the changes to the procurement processes will have an impact on re-training of all commissioners on the new evaluation processes which will need to be considered during implementation.
16. The above points will be fed into the consultation questions on behalf of Nottinghamshire County Council. It is envisaged the proposals will pass through Parliament with formal proposals to be published later in 2021, and changes to the law to be implemented from 2022.

Statutory and Policy Implications

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

RECOMMENDATION/S

- 1) That Members consider whether they require any additional actions arising from the contents of the report.
- 2) That authority be delegated to Group Manager for Procurement to respond to the consultation on behalf of Nottinghamshire County Council, in consultation with Chair of Finance and Major Contracts Management Committee.

Nigel Stevenson

Service Director – Service Director for Finance, Infrastructure & Improvement and Section 151 Officer

For any enquiries about this report please contact:

Kaj Ghattaora, Group Manager - Procurement

Constitutional Comments (CEH 25/01/2021)

16. The recommendations are within the remit of the Finance and Major Contracts Management Committee under its terms of reference.

Financial Comments (SES 26/01/2021)

17. There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

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

- Procurement Green Paper: Transforming Public Procurement
<https://www.gov.uk/government/consultations/green-paper-transforming-public-procurement>

Electoral Division(s) and Member(s) Affected

- All

8 February 2021**Agenda Item: 7****UPDATE REPORT OF SERVICE DIRECTOR – SERVICE DIRECTOR FOR
FINANCE, INFRASTRUCTURE & IMPROVEMENT AND SECTION 151
OFFICER****THE DN2 STARS PROGRAMME-SUPPORTING CHILDREN AND YOUNG
PEOPLE TO ACHIEVE RESILIENCE AND SUCCESS****Purpose of the Report**

1. To provide members with an overview of the DN2 STARS Programme which became operational in September 2020.

Information**Background**

2. This report explains how Derby City Council, Nottingham City Council, and Nottinghamshire County Council (the Commissioners and collectively referred to as DN2) have jointly commissioned evidence-informed services that support children and young people in local authority care, and on the edge of care, to achieve better social outcomes. DN2 has procured an Investor-Provider consortium to deliver this through a Social Impact Bond.
3. This Social Impact Bond (SIB) was an opportunity for DN2 to establish a partnership that would deliver innovation, and help to move young people away from the trajectories that often take shape alongside challenging behaviour born of challenging circumstances. It is an opportunity to create lasting real life changes for these young people by supporting them to live in the best possible environment for each individual. It is also an opportunity to explore innovative approaches to these challenges, to bring together different combinations of experience and expertise, potentially from different sectors and contexts, and to build local capacity to ensure the sustainability of any positive achievements.
4. Through this programme, DN2 aims to support children and young people to achieve stable family type placements (e.g. stepping down from residential care with new types of support) and to remain at home with their families or primary carers where safe to do so. Appendix One shows the cohorts of young people and the numbers to be supported across the whole life of the contract.

5. SIBs are a model in which socially-motivated Investors fund the upfront costs for a Provider to deliver a public service. Payment to the Investor-Provider consortium is then made by DN2 on the basis of achievement of agreed successful outcomes. The Investor funds the Provider to deliver the service regardless of the achievement of these outcomes.
6. The £3m of government funding supplied by the Life Chances Fund will contribute approximately 25% of the payments made in relation to successful outcomes, which correspondingly reduces the financial risk to the Council. The remaining element of the payment will be made from existing budgets, though these payments – based on young people successfully remaining out of care and / or out of high cost residential placements – will be lower than the cost that the Council's would otherwise have incurred in bringing these young people in to care and / or in paying for specialist residential care. Appendix Two shows the payment mechanism for the contract, with payments being made after a certain point of stability for the young person and continuing for up to 2 years.
7. A procurement exercise was undertaken during 2018 to secure an Investor/Provider consortium, with Outcomes for Children(Core Assets Group) being the successful Provider. The initial successful Social Investor chose not to engage in a commercial relationship with DN2 before contract signature took place. This caused us to pause the contract until a new Investor could be found.
8. DN2 and Outcomes for Children began discussions with Nottingham,Nottinghamshire Youth Support Ltd (Futures) during 2019, with an intention to start service delivery in the winter of 2019/spring 2020. Decisions were again paused in the Spring of 2020 due to the impact of COVID 19.

Contract Start

9. Operational delivery began in September 2020, with an intensive mobilisation period taking place from the beginning of 2020, and is still continuing as we learn more about how the programme will work in practise.. Each Council has identified a Single Point of Contact (SPOC) responsible for ensuring appropriate referrals are accepted into the STARS programme.
10. Mobilisation and operation of this programme has been impacted by the COVID 19 pandemic and has meant some changes, for example, in the original delivery programme, STARS staff were to be co located with social care teams in a hot desking arrangement. As this cannot happen currently, meetings between professionals are taking place virtually. There is constant dialogue taking place between the SPOCS and social care colleagues about the programme, with some fine tuning taking place in determining an appropriate referral into the STARS programme, and to how the programme functions.
11. A Contract Lead is in place to support the ongoing management of the programme with a monthly Operational Contract Management meeting and a quarterly Strategic Partnership Board whose attendees include Service Directors from across DN2, the Provider and the Investor. Appendix 3 shows the number of active cases as at December 2020, and the referral pipeline across DN2.

Statutory and Policy Implications

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

RECOMMENDATION/S

That Members consider if any further updates are required and at what frequency.

Nigel Stevenson

Service Director – Service Director for Finance, Infrastructure & Improvement and Section 151 Officer

For any enquiries about this report please contact:

Lynn Brammer, Category Manager, Procurement

Anne Loble, Placements Review Officer, Commissioning and Placements Team

Constitutional Comments (EP 12/01/21)

The Finance and Major Contracts Management Committee is the appropriate body to consider the content of this report.

Financial Comments (SS 18/01/21)

There is an existing saving attached to the SIB for 2021/22 and 2022/23 reflected in the Council's MTFS of £250,000 and £250,000 respectively. The SIB Project delivery is reported via the monthly project monitoring and any budget implications via the monthly financial monitoring process.

Background Papers and Published Documents

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

- None

Electoral Division(s) and Member(s) Affected

- All

Appendix One- The Cohorts and Numbers to be supported across DN2

Cohort A: those children stepping down from residential provision in to specialist fostering placements

Cohort B: those children needing additional support in a fostering placement to maintain placement stability, where the placement is in danger of being disrupted/unplanned ending and to support the move to a new foster placement should this be required

Cohort C: those children reunifying to the family home after a period in care

Cohort D: those children at the edge of care, currently living in the family home where family functioning/conflict is an identified issue. The intervention attempts to avoid the child coming in to care

	No of Referrals	Derby City	Nottingham City	Nottinghamshire County
Year 1	69	17	17	35
Year 2	72	18	17	37
Year 3	67	16	18	33
Year 4	57	15	13	29
TOTAL	265	66	65	134

Appendix Two -Outcome payments mechanism

Cohorts A and B

A - Residential Step Down



B - FC Stability



★ - Indicates the start of the 2 year payment tracking period



Cohorts C and D

C - Reunification



D - Edge of Care



★ - Indicates the start of the 2 year payment tracking period

Outcome payments (per full week)

Cohort A = 523.07

Cohort B = 536.54

Cohort C = 244.71

Cohort D = 176.44

Referrals to the STARS Programme (as at quarter 1)

Council	Referrals	Cohort A (residential stepdown)	Cohort B (Fostering stabilisation)	Cohort C (Reunification)	Cohort D (Diversion/edge of Care)
Derby City	Active	0	0	0	0
	Pipeline	9	6	2	0
	Yr 1 Target	3	6	3	5
Nottingham City	Active	0	0	0	0
	Pipeline	0	0	0	0
	Yr 1 Target	7	5	4	1
Nottinghamshire	Active	0	4	1	1
	Pipeline	6	1	0	1
	Yr 1 Target	10	8	9	8



Active Cases:

Since contract start in September 2020, referrals have been accepted and work commenced. However, 2 cases ceased due to a change in the young persons plan, or due to other services already being engaged. There are 6 active referrals at December 2020.

Pipeline:

Since the December Operational Contract Management Meeting, Derby City have referred 6 Cohort B cases, with work starting in January 2021. Nottingham City are also in the process of referring their first case.

8 February 2021

Agenda Item: 8

REPORT OF THE SERVICE DIRECTOR - CUSTOMERS, GOVERNANCE AND EMPLOYEES

WORK PROGRAMME

Purpose of the Report

1. To consider the Committee's work programme for 2020/21.

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.
5. The meeting dates and agenda items are subject to review in light of the ongoing COVID-19 pandemic.

Other Options Considered

6. None.

Reason/s for Recommendation/s

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

Statutory and Policy Implications

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

RECOMMENDATION/S

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

Marjorie Toward
Customers, Governance and Employees

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

Constitutional Comments (HD)

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

Financial Comments (NS)

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

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All.

FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>Lead Officer</u>	<u>Report Author</u>
15 March 2021			
Monthly Budget & Capital Monitoring Report 2020/21	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Risk & Insurance – Proposed Restructure	Team restructuring	Claire Dyson	Claire Dyson
Risk & Insurance – General Update on Team’s Activities	Update Report	Claire Dyson	Claire Dyson
19 April 2021			
Monthly Budget & Capital Monitoring Report 2020/21	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
LEC 2021/22 Property planned maintenance Programme (PPMP) and Schools Building Improvement Programme (SBIP)	Latest estimated Cost report of the Property Planned Maintenance and School Building improvement programme	Derek Higton	Phil Berrill
Domestic Abuse Support Services	Update report	Kaj Ghattaora	Michael Fowler

FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

July 2021			
LEC New Primary, Chapel Lane Bingham	LEC report for a New Primary at the Chapel Lane development, Bingham	Derek Higton	Phil Berrill
Agency Contract Update	Update report	Kaj Ghattaora	Lorraine Dennis
TO BE PLACED			
Gedling Access Road (GAR) Scheme	Progress report	Adrian Smith	Mike Barnett
Covid 19 Cultural Service Contract Variations	Progress report	Derek Higton	Mick Allen
Children in Care Framework for Residential and Foster Care Placements	Progress report	Kaj Ghattaora	Lynn Brammer