

Finance and Property Committee

Monday, 23 February 2015 at 10:30

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

AGENDA

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9 EXCLUSION OF THE PUBLIC

The Committee will be invited to resolve:-

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

Note

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

10 EXEMPT INFORMATION ITEMS

10a Disposal of Land at Sandy Lane, Mansfield - EXEMPT

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

10b Ollerton Primary School - Licence to Ollerton Out of School Care (CIC) - EXEMPT

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

10c Top Wighay Farm, Hucknall - Surrender of Tenancy & Grant of NFB Tenancies EXEMPT

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

10d Top Wighay Farm Urban Expansion Area - Progress Update EXEMPT

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

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 Paul Davies (Tel. 0115 977 3299) 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>

Meeting FINANCE AND PROPERTY COMMITTEE

Date 9 February 2015 (commencing at 2.00 pm)

Membership

Persons absent are marked with an 'A'

COUNCILLORS

Councillor David Kirkham (Chair)
Councillor Darren Langton (Vice-Chair)

Reg Adair
Richard Butler
Kay Cutts
Stephen Garner
Diana Meale

Liz Plant
Mike Pringle
Darrel Pulk
Ken Rigby

A Ex-Officio: Alan Rhodes

OFFICERS IN ATTENDANCE

Pete Barker, Democratic Services
Tim Gregory, Corporate Director, Environment and Resources
Rob Shirley, Communications
Nigel Stevenson, Service Director, Finance and Procurement

MINUTES OF THE LAST MEETING

The minutes of the meeting held on 19 January 2015 were confirmed and signed by the Chair.

DECLARATIONS OF INTEREST

None

APOLOGIES FOR ABSENCE

None

REVENUE BUDGET PROPOSALS 2015/16
CAPITAL PROGRAMME PROPOSALS 2015/16 to 2018/19
MEDIUM TERM FINANCIAL STRATEGY 2015/16 to 2018/19
COUNCIL TAX PROPOSALS 2015/16
RESOLVED: 2015/011

That a report be prepared for County Council on 26 February 2015 based on the budget proposals as set out in this report including the proposed council tax increase.

WORK PROGRAMME

RESOLVED: 2015/012

That the Committee's work programme be noted.

The meeting closed at 2.10pm.

CHAIR

23 February 2015**Agenda Item: 4****REPORT OF THE SERVICE DIRECTOR – FINANCE AND PROCUREMENT****FINANCIAL MONITORING REPORT: PERIOD 9 2014/2015****Purpose of the Report**

1. To provide a summary of the revenue position of the County Council for the year to date with year-end forecasts.
2. To inform Members of progress against savings.
3. To provide a summary of Capital Programme expenditure to date and year-end forecasts.
4. To inform Members of the Council's Balance Sheet transactions.
5. To provide Members with an update from the Accounts Payable and Accounts Receivable teams.

Information and Advice**Background**

6. The Council approved the 2014/15 budget at its meeting on 27 February 2014. As with previous financial years, progress updates will be closely monitored and reported to both management and Committee on a monthly basis.

Summary Revenue Position

7. Table 1 below summarises the revenue budgets and forecast outturn for each Committee. An underspend of £3.3m is currently predicted. In light of the Council's continuing financial challenges, the key message to effectively manage budgets and wherever possible deliver in-year savings is being reinforced.

Table 1 – Revenue Expenditure and Forecasts as at Period 9

Forecast Variance as at Period 8 £'000	Committee	Annual Budget £'000	Actual to Period 9 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
171	Children & Young People	148,320	95,077	148,342	22
(2,910)	Adult Social Care & Health	216,319	167,873	213,206	(3,113)
(1,017)	Transport & Highways	61,143	43,720	59,891	(1,252)
(93)	Environment & Sustainability	31,075	21,362	30,900	(175)
52	Community Safety	3,039	1,847	3,201	162
133	Culture	13,377	10,676	13,452	75
(2,389)	Policy	27,099	19,618	24,259	(2,840)
(692)	Finance & Property	33,506	36,367	32,562	(944)
(183)	Personnel	3,051	860	2,803	(248)
-	Economic Development	1,357	894	1,340	(17)
(1,423)	Public Health	1,687	(4,129)	(1,015)	(2,702)
(8,351)	Net Committee (under)/overspend	539,973	394,165	528,941	(11,032)
109	Central items	(10,676)	(36,494)	(8,403)	2,273
-	- Schools Expenditure	289	289	289	-
51	Contribution to/(from) Traders	(314)	2,491	(314)	-
(8,191)	Forecast prior to use of reserves	529,272	360,451	520,513	(8,759)
4,403	Transfer to / (from) Corporate Reserves	(10,332)	(1,991)	(6,960)	3,372
672	Transfer to / (from) Departmental Reserves	(9,494)	(260)	(7,375)	2,119
-	- Transfer to / (from) General Fund	(5,184)	-	(5,184)	-
(3,116)	Net County Council Budget Requirement	504,262	358,200	500,994	(3,268)

Committee and Central Items

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

Adult Social Care & Health (forecast £3.1m underspend)

9. The Deputy Director division is currently reporting a net underspend of £2.8m which is comprised of the following:
- Deputy Director is forecasting an underspend of £0.1m. This relates to the unallocated budget offset by the recharge income of £0.1m from Public Health. As no usage has been identified, both are now forecast as unspent / unachieved.
 - Strategic Commissioning are forecasting an underspend of £1.2m. This is due to the continued reduction in contracts throughout Early Intervention and Prevention services of £0.9m and an underspend on Assistive Technology equipment of £0.1m which is partly offset by unbudgeted contract payments against the Emergency Night Service of £0.3m.
 - Day Services and Employment are forecasting an underspend of £1.1m of which £1.0m relates to underspends across staffing lines within day services. County Enterprise Foods are still showing a £0.3m underspend due partly to staffing vacancies, but also to additional unbudgeted income from Nottingham City Council and Sweden. This is mitigated by the £0.6m known transport overspend.

- Residential Services are forecasting an underspend of £1.3m. This primarily relates to staffing vacancies and under-utilisation of absence cover within the Care & Support Centres of £0.9m, plus additional Health Income of £0.2m. Additional budget for 1:1 care has resulted in the Short Breaks Units now forecasting an underspend of £0.3m.
 - Use of reserves across the service is £0.9m less than budget due to the reduced contract spend throughout Strategic Commissioning.
10. The Access & Public Protection Division is currently forecasting a net overspend of £0.7m against the base budget. This is an increase of £0.2m due to agency spend within Business support and the Data input team and is comprised of the following:
- There remains an overspend of £0.1m on salaries within the Safeguarding Adults Team.
 - Client Contribution income is still forecasting a shortfall of £1.4m. This is due to reduced income following a large switch from Homecare to Direct Payments and the loss of some Self Funders.
 - These overspends are partially offset by underspends on software within the Framework Team of £0.1m, the Market Development Team of £0.1m and the Business Support function of £0.6m,
 - Use of reserves across the service is £0.1m less than budget due to vacant posts.
11. The North and South Divisions are currently forecasting a combined underspend of £1.3m. The major variances across the divisions are as follows:
- Older Adults across the County are currently reporting an underspend of £1.6m.
 - Younger Adults across the County are currently reporting a breakeven position.
 - Expenditure under the remit of Service Directors, Principal Social Worker and the Care Act Team costs are reporting an overspend of £1.9m of which £1.6m relates to S.256 expenditure funded from reserve.
12. The above forecast currently includes £0.9m for anticipated Transitions and Predicted needs. This is a £0.2m reduction on what was reported at period 8, and is expected to reduce month on month until year end.
13. The forecast also includes an estimate of £1.5m for assessments that are in the system but have not yet been completed. There is therefore some uncertainty over this forecast and efforts are being made to complete the backlog of assessments as soon as possible.
14. In January the Department for Health (DH) announced a total of £24.945m in extra funding for 65 authorities to help address the current pressures on acute hospitals, as a result of delayed discharges to social care. This was based on an analysis of delayed transfers of care attributed to social care for acute and general beds in hospitals serving each local authority. Councils receiving funding were selected if delayed days, as a proportion of available general and acute hospital beds serving the authority, equated to more than 0.5%.
15. On this basis, delayed transfer of care in Nottinghamshire did not breach this limit and the Council was therefore not allocated any additional funding. However, the argument that all authorities are under intense pressure and should receive additional funding was made to Central Government and after intense discussions, further support has been agreed, of which the Council has been allocated £230,000. The additional funding is intended to provide

support for extra re-ablement and intermediate social care packages, in order to reduce pressures on acute hospitals.

Transport & Highways (forecast £1.3m underspend)

16. This forecast underspend is due mainly to:

- A forecast net underspend on Highways of £0.3m due to underspends on salaries (£0.5m), additional S38 / S278 Income (£0.2m) and Street Lighting Energy (£0.3m). In addition, a shortage of sub-contractors is limiting expenditure on carriageway and footway patching (£0.2m). These are offset by overspends on Trees and Hedges (£0.3m); Verges (£0.2m) and Road Studs and Markings (£0.1m). It is proposed to use underspends from revenue budgets to offset demand led overspends rather than using reserves. Compensation payments estimated at £0.3m are due to businesses affected by tram works and this is now factored into the Highways forecast.
- An underspend of £0.6m on Concessionary Fares due to a delay in the introduction of new tram lines and agreements with Operators, showing a saving due to a slight downturn in passenger trips and tight control of scheme management costs.
- A £0.2m saving on Local Bus Services due to a part year effect of August re-tendering. Some services are being re-instated from January following a review of services and are incorporated in these figures.
- There is an underspend on Salaries and Service Development of £0.1m due to the OBC savings being achieved in 2014/15, rather than over two years, and through reduced consultancy fees. In addition there is a reduction in the costs associated with Smartcard ticketing (£0.1m).

Policy (forecast £2.8m underspend)

17. This underspending is mainly due (£1.9m) to a reduction in the use of external agencies in legal services as a consequence of the digital working and efficiency programme and staff vacancies across the division, together with savings in Members and Civic Services relating to hospitality, running costs and income.

18. A further £0.9m of this net underspending is due to slippage on the Ways of Working Programme, particularly in the area of ICT, together with an underspending against the Transformation Programme which will be offset by a reduced use of the Corporate Reserve in 2014/15.

Finance & Property (forecast £0.9m underspend)

19. This forecast underspend is due to:

- The net underspending within Finance and Procurement of £0.2m relating to staff vacancies partially offset by the cost of agency staff and a reduction in purchasing rebates.
- Property is forecasting an underspending of £0.4m due to achievement of savings and over-recovery of Estates income.
- A County Offices and Facilities Management underspend of £0.3m is due to early achievement of 2015/16 savings from the closure of buildings and efficiency savings.

Public Health (forecast £2.7m underspend)

20. This forecast underspend is due mainly to:

- There is an overall underspend of £0.4m in Obesity and Physical activity due to the retendering exercise not proceeding in October, with the consequent extensions of current contracts until the end of the financial year. £0.2m of the underspending relates to low activity to date within the health check programmes.
- The Health Check Programmes budget is forecast to underspend by £0.2m due to low activity to date.
- The Smoking and Tobacco programme is forecasting an underspend of £0.9m due to savings relating to GP and Pharmacy providers for Stop Smoking Services, together with an overstated adjustment in the current year's accounts for expenditure relating to Prescribing in 2013/14.
- With regard to Substance Misuse a saving of £1.2m has arisen following a full review of contractual commitments in period 9 that identified the double-counting of a contract for the second six months of the financial year following the retendering process in September 2014.

21. The overall County Council forecast assumes that this net underspend will be transferred to the Public Health reserve.

22. Members will recall that a net transfer of £1,085,330 is required from the Public Health grant to CCGs to cover the budget setting anomalies for 2014/15. The anticipated change to the Public Health grant as a result of these funding miscalculations by NHS England is likely to affect the planned delivery of budget reductions for Public Health. Discussions are being held with the Public Health Committee on all aspects of the Public Health Outcomes programme.

23. The Department of Health is undertaking a data collection to identify all funding transfers in response to baseline errors in the PH grant. This review will confirm the current position and agree a long-term solution that avoids the need for recurrent transfers between partners. This may result in the recalculation of the local Public Health grant to exclude the excess funding.

Central Items (Forecast £2.7m overspend)

24. Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and movements on reserves.

25. Interest payments fluctuate depending on expectations of future rates and anticipated slippage on the capital programme. Current forecasts suggest a net overspend on interest of £1.9m, further information is included in the Treasury Management update later in this report. The capital programme spending profile has been refreshed as part of the budget process. As such the current year's Minimum Revenue Provision and depreciation charged to the general fund is expected to be £1.3m higher than initial estimates.

26. At the time of setting the 2014/15 budget, several funding allocations had not been announced and therefore assumptions about certain grants were made, based on the best information available at the time. Throughout the year confirmations are received, and current forecasts suggest a net increase of £0.4m will be received in 2014/15.

27. The Council's budget includes a contingency of £4.1m to cover redundancy costs, slippage of savings and unforeseen events. Several schemes have been approved in the year to date and there is currently £2.3m remaining in the contingency budget. Table 1 assumes that this will be used before year end as further new requests are likely to emerge.

Transfer to / (from) reserves

28. As previously reported work is ongoing to identify surplus departmental reserves that may be released to support the budget. There is still a possibility that the levels assumed when the budget was set may not be achieved and this position is reflected in Table 1 above.

29. As reported under Policy Committee, there is slippage in the transformation programme and Ways of Working which are funded by Corporate Reserves. To match the slippage there is an corresponding reduction in the use of reserves.

Progress with savings

30. Given the continued financial challenge that the Council is facing, savings schemes were approved as part of the 2014/15 budget process with further proposals currently being considered for 2015/16 onwards.

31. As at period 9, current year slippage of £0.8m has been identified across 3 of the high governance savings projects, although across the three year timeframe, the savings are expected to be delivered in full. A number of actions are being taken to address this and officers will continue to monitor the deliverability of individual targets as part of the budget monitoring process. Achievability will be reflected in the forecast outturn. A full list of savings with current status is provided at Appendix A.

Capital Programme

32. Table 2 summarises changes in the gross Capital Programme for 2014/15 since approval of the original programme in the Budget Report (Council 27/02/14):

Table 2 – Revised Capital Programme for 2014/15

	2014/15	
	£'000	£'000
Approved per Council (Budget Report 2014/15)		112,593
Variations funded from County Council Allocations :		
Net slippage from 2013/14 and financing adjustments	17,761	
Approved variations to January F&P Committee	(11,897)	
		5,864
Variations funded from other sources :		
Net slippage from 2013/14 and financing adjustments	6,800	
Approved variations to January F&P Committee	1,314	
		8,114
Revised Gross Capital Programme		126,571

33. 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	54,303	26,091	38,629	(15,674)
Adult Social Care & Health	2,087	18	1,765	(322)
Transport & Highways	41,990	22,940	35,756	(6,234)
Environment & Sustainability	2,499	1,322	2,419	(80)
Community Safety	4	(1)	4	-
Culture	4,602	2,901	4,098	(504)
Policy	2,994	1,764	3,396	402
Finance & Property	10,799	5,348	11,405	606
Personnel	1,973	1,671	1,903	(70)
Economic Development	5,320	2,091	5,336	16
Contingency	-	-	-	-
Total	126,571	64,145	104,711	(21,860)

34. In the Children and Young People's Committee, there is a total forecast underspend of £15.7m. This is mainly as a result of slippage against the following schemes:
35. Forecast slippage totalling £12.0m has been identified against the School Capital Refurbishment Programme (SCRPR). This is as a result of a number of projects being placed on hold as the Council awaits the outcome of the Priority School Building Programme 2 bidding process (£3.9m), a number of Academy projects slipping hence delays in the Council's contributions to these schemes (£0.6m), savings made against completed SCRPR projects (£1.7m), access and other issues that have delayed elements of the SCRPR4 programme.
36. Forecast slippage totalling £2.9m has also been identified against the School Places programme. This is mainly as a result of savings made against completed projects (£1.1m) and delayed contributions to Academy projects (£0.5m). Any remaining slippage relates to the 2015 School Places programme where associated expenditure will be incurred in 2015/16.
37. It is proposed that the Children and Young People's Capital Programme is adjusted as part of the 2015/16 Budget Report to Full Council to reflect that identified slippage will be fully utilised to fund recognised priority school capital projects.
38. Also, in the Children and Young People's Committee, a forecast underspend of £0.4m has been identified against the Short Breaks Capital Programme. This is mainly as a result of an identified contribution to the Edwinstowe Respite Centre project which will not now be required until 2015/16.
39. In the Adult Social Care and Health Committee, a forecast underspend of £0.3m has been identified as a result of minor slippage on the Living at Home programme.

40. In the Transport and Highways Committee, there is a total forecast underspend of £6.2m. This is mainly as a result of slippage on a number of projects as described below:
41. The Hucknall Rolls Royce Development is forecast to incur only minimal preparatory costs in 2014/15. Slippage totalling £3.1m has been identified as the project will now be on site during 2015/16.
42. Work is on-going to secure the Department for Transport funding in support of the Hucknall Town Centre Improvement Scheme. Although progress is being made, only minimal expenditure is forecast to be incurred in this financial resulting in slippage of £3.3m into 2015/16.
43. Also in the Transport and Highways capital programme a forecast slippage totalling £0.3m has been identified against the Street Lighting Renewal programme as a result of technical design issues.
44. The slippage identified in the Transport and Highways Committee is offset by over-programming of £0.9m in the Local Transport Plan and Road Maintenance and Renewal programmes. Work is on-going to drive these forecast overspends down and to manage within approved budgets.
45. In the Culture Committee, a forecast underspend totalling £0.5m has been identified which mainly relates to minor slippage on a small number of library projects as well as a forecast underspend (£0.1m) against the Nottinghamshire Archives Extension project.
46. In the Policy Committee, a forecast 2014/15 overspend totalling £0.4m has been identified against the Ways of Working programme. This is as a result of an error in the Period 8 forecast calculations.
47. In the Finance and Property Committee, a forecast overspend totalling £0.6m has been identified which mainly relates to additional forecast expenditure (£1.2m) against the Planned Maintenance programme relating to urgent works at Sir John Robinson House. This is partially offset by forecast underspends against the Business Management System (£0.2m), the Boiler Replacement Programme (£0.1m) and the Stapleford Boundary Wall (£0.2m).
48. Also, in the Finance and Property Committee, there is an opportunity to agree revised tenancy arrangements at Top Wighay Farm. Further details of these arrangements are detailed in a separate report to this meeting.

It is proposed that the Finance and Property capital programme is varied by £0.265m, funded from capital contingency, to reflect the revised tenancy arrangements as described above.

49. The capital programme will be re-aligned as part of the Budget Report to Full Council in February 2015 to fully reflect the current forecast expenditure profile.

Financing the Approved Capital Programme

50. Table 4 summarises the financing of the overall approved Capital Programme for 2014/15.

Table 4 – Financing of the Approved Capital Programme for 2014/15

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People	19,071	21,344	-	13,888	54,303
Adult Social Care & Health	2,029	13	45	-	2,087
Transport & Highways	13,466	25,727	-	2,797	41,990
Environment & Sustainability	1,236	763	500	-	2,499
Community Safety	4	-	-	-	4
Culture	3,129	530	-	943	4,602
Policy	1,494	-	-	1,500	2,994
Finance & Property	8,337	50	1,900	512	10,799
Personnel	-	1,801	-	172	1,973
Economic Development	527	4,793	-	-	5,320
Contingency	-	-	-	-	-
Total	49,293	55,021	2,445	19,812	126,571

51. It is anticipated that borrowing for capital purposes in 2014/15 will decrease by £12.4m from the forecast in the Budget Report 2014/15 (Council 27/02/2014). This decrease is primarily a consequence of:

- £17.8m of net slippage from 2013/14 to 2014/15 and financing adjustments funded by capital allocations.
- Variations to the 2014/15 capital programme funded from capital allocations totalling £11.9m as approved to the January Finance and Property Committee.
- Net slippage in 2014/15 of £18.3 of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

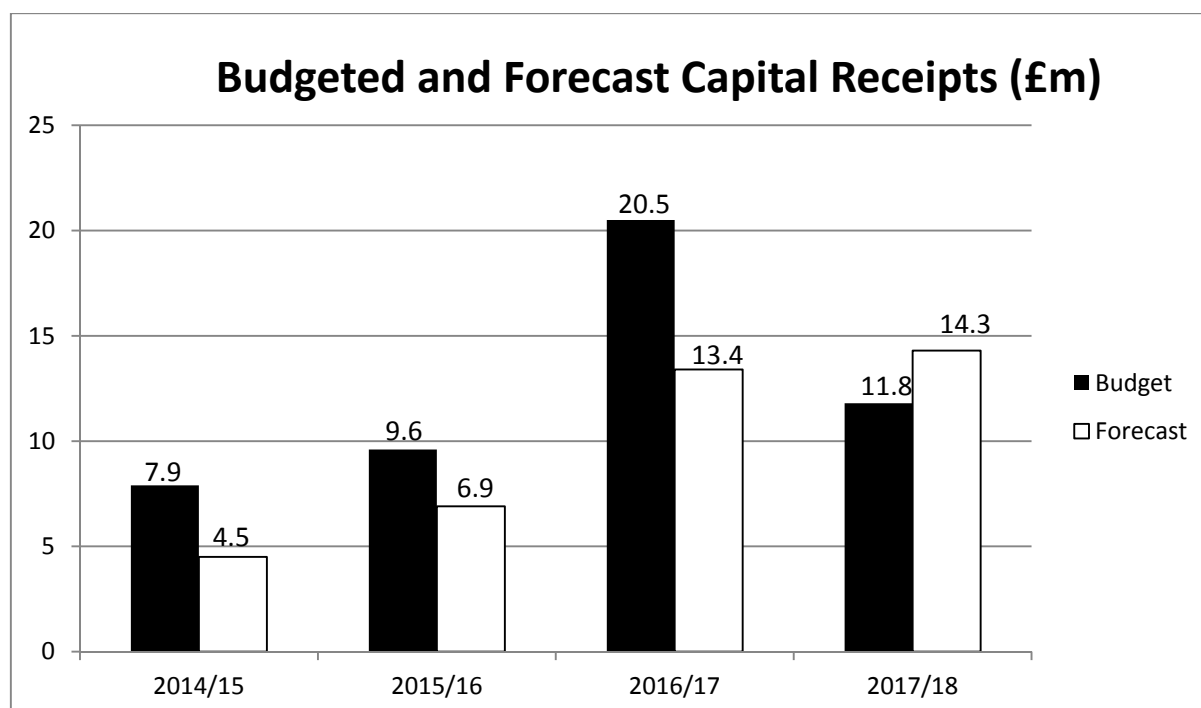
Prudential Indicator Monitoring

52. 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

53. Anticipated capital receipts are regularly reviewed. Forecasts are currently based on estimated sales values of identified properties and prudently assume a slippage factor based upon a review of risk associated with each property. They also include an estimated £50,000 of vehicle receipts.

54. The chart below shows the budgeted and forecast capital receipts for the four years to 2017/18.



55. The dark bars in the chart show the budgeted capital receipts included in the Budget Report 2014/15 (Council 27/02/2014). These capital receipts budgets prudently incorporated slippage, giving a degree of “protection” from the risk of non-delivery.

56. The capital receipt forecast for 2014/15 is £4.5m which is £3.4m less than the budgeted capital receipts as a result of slippage. To date in 2014/15, capital receipts totalling £1.9m have been received.

57. 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 revised 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.

Current Council policy (Budget Report 2014/15) is to set capital receipts against the principal of previous years’ borrowing. This reduces the amount of Minimum Revenue Provision (MRP) to be set aside each year. It is important to regularly monitor capital receipt forecasts and their effect on the overall revenue impact of the Capital Programme.

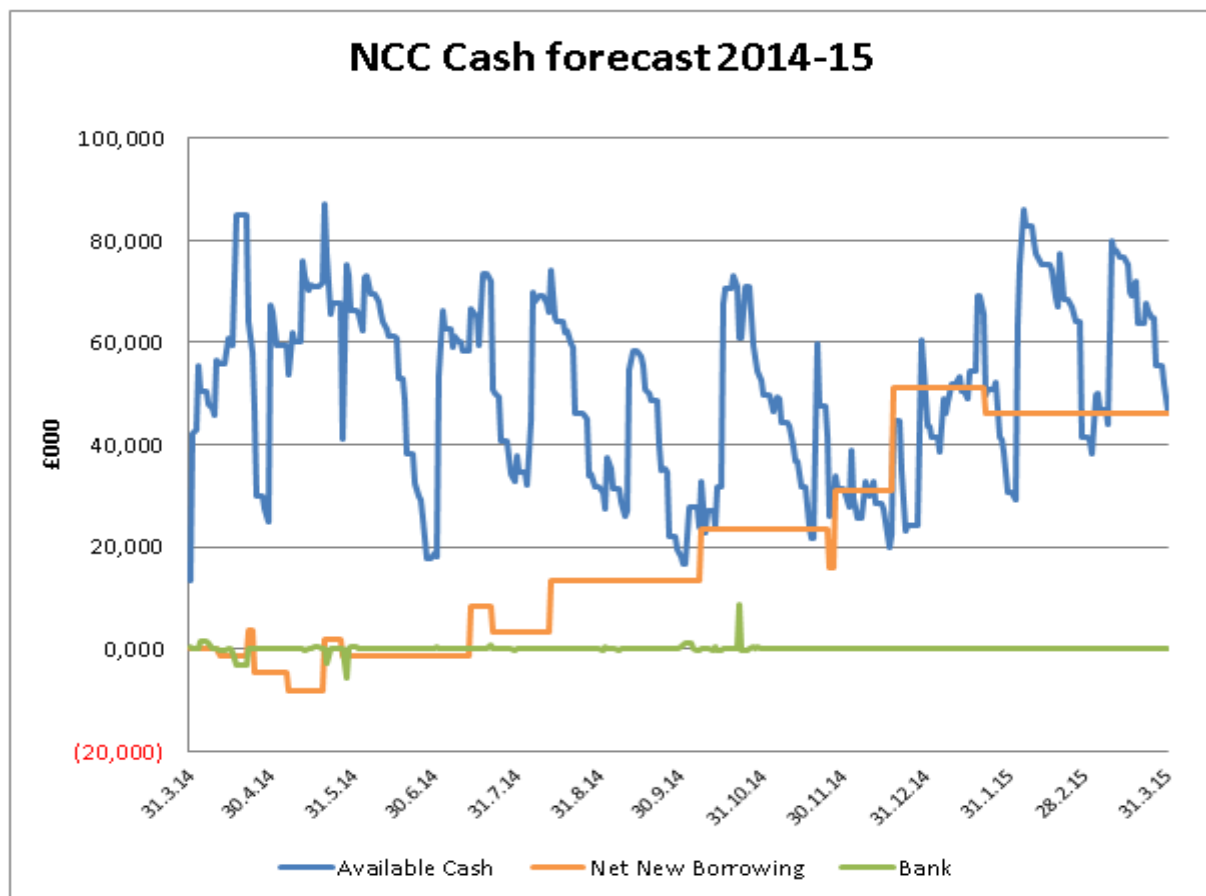
Balance Sheet

General Fund Balance

58. Members approved the 2013/14 closing General Fund Balance of £29.1m at Council 26 June 2014. The 2014/15 budget approves utilisation of £5.2m of balances which will result in a closing balance of £23.9m at the end of the current financial year. This is 4.7% of the budget requirement. Should an underspend result at year end, the required use of reserves will reduce, which will ensure balances are available to fund future years’ expenditure.

Treasury Management

59. Cash flow is monitored by the Senior Accountant (Pensions & Treasury Management) with the overall position reviewed quarterly by the Treasury Management Group. The following chart shows the actual cash flow position to date and forecasts for the remainder of the year. Cash inflows are typically higher at the start of the year due to the front loading receipt of Central Government grants, and the payment profile of precepts. However, cash outflows, in particular capital expenditure, tend to increase later in the year. The higher cash balances towards the end of the year are largely as a result of the net new borrowing.



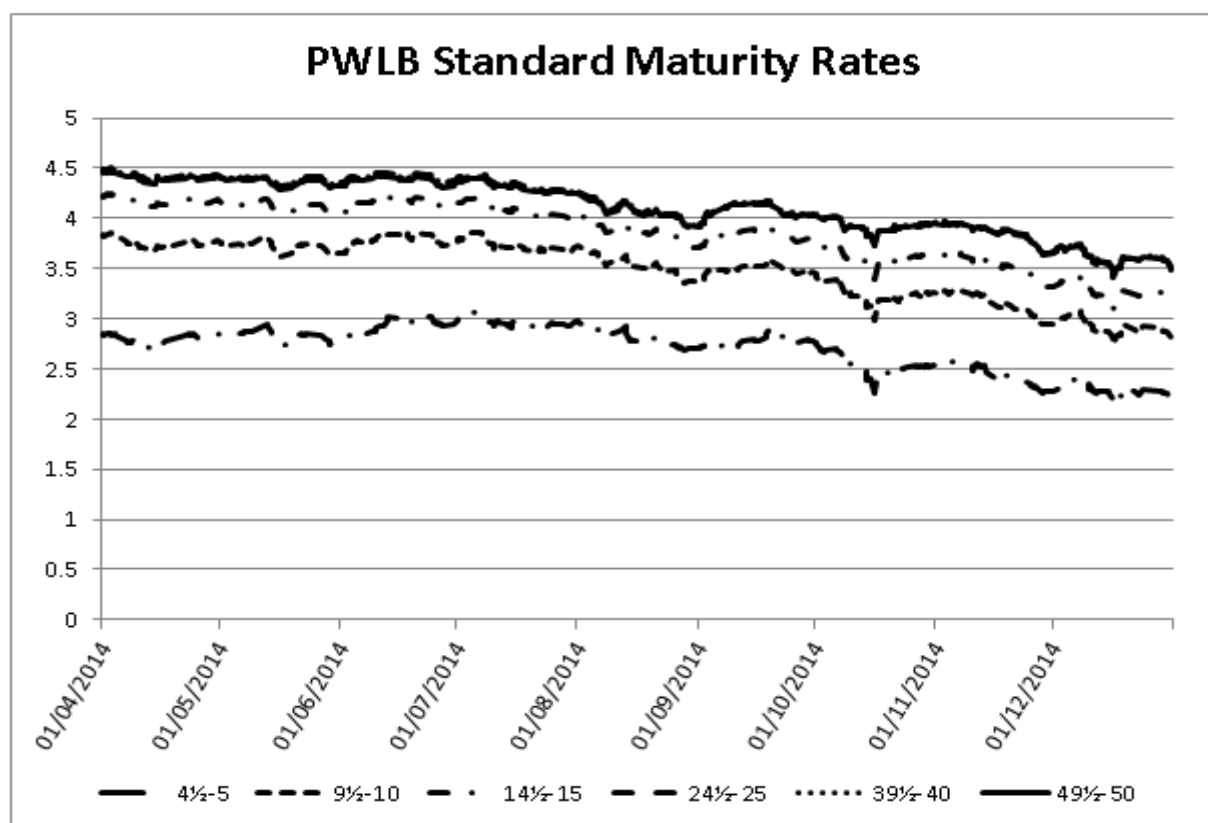
60. The chart above gives the following information:

Bank balance	Daily cleared balance across the pooled bank accounts.
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.

61. Daily cash management aims for a nil balance across the Council's pooled bank accounts with any surplus cash invested in accordance with the approved Treasury Management Policy. The net new borrowing shown above includes new loans from PWLB and another local authority as shown below.

Source	Date	New Borrowing (£ 000's)	Period	Rate
Other LA	April 2014	5,000	4 years	2.08%
PWLB	May 2014	5,000	23 years	4.12%
PWLB	May 2014	5,000	24 years	4.13%
PWLB	July 2014	10,000	25 years	4.14%
PWLB	August 2014	10,000	26 years	3.92%
PWLB	October 2014	10,000	27 years	3.83%
PWLB	November 2014	10,000	27 years	3.59%
PWLB	November 2014	5,000	23 years	3.54%
PWLB	December 2014	10,000	37 years	3.32%
PWLB	December 2014	10,000	38 years	3.32%
		80,000		

62. PWLB rates have been monitored closely during the year and new borrowing has been taken when rates have decreased. As the year has progressed, longer term rates have continued to fall and this has enabled the additional borrowing to be taken to minimise long term interest cost. The chart below shows the movement in standard PWLB maturity rates during 2014/15 (the Council is able to take advantage of the PWLB “certainty rate” which is 0.2% below the standard rates).

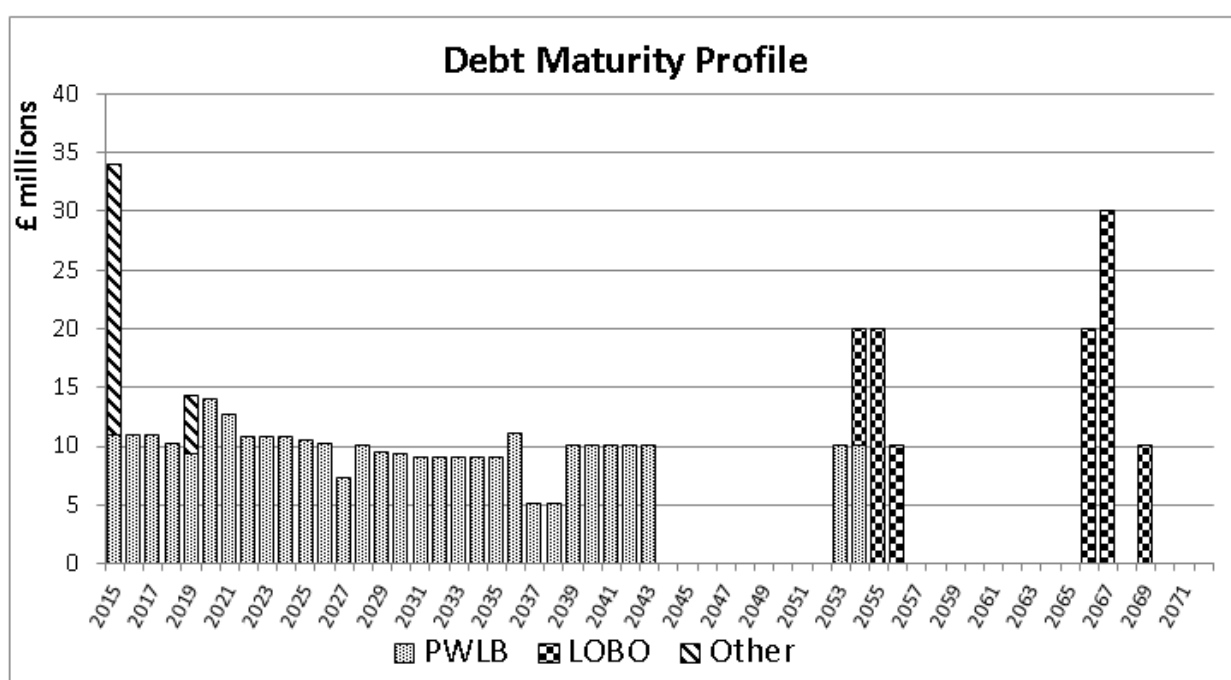


63. The Treasury Management Strategy for 2014/15 identified a need for additional borrowing of £67m to fund the capital programme, replenish internal balances and to replace maturing debt. Short term borrowing was used towards the end of 2013/14 to minimise interest costs and so additional long term borrowing of £21m needs to be factored in to the 2014/15 strategy.

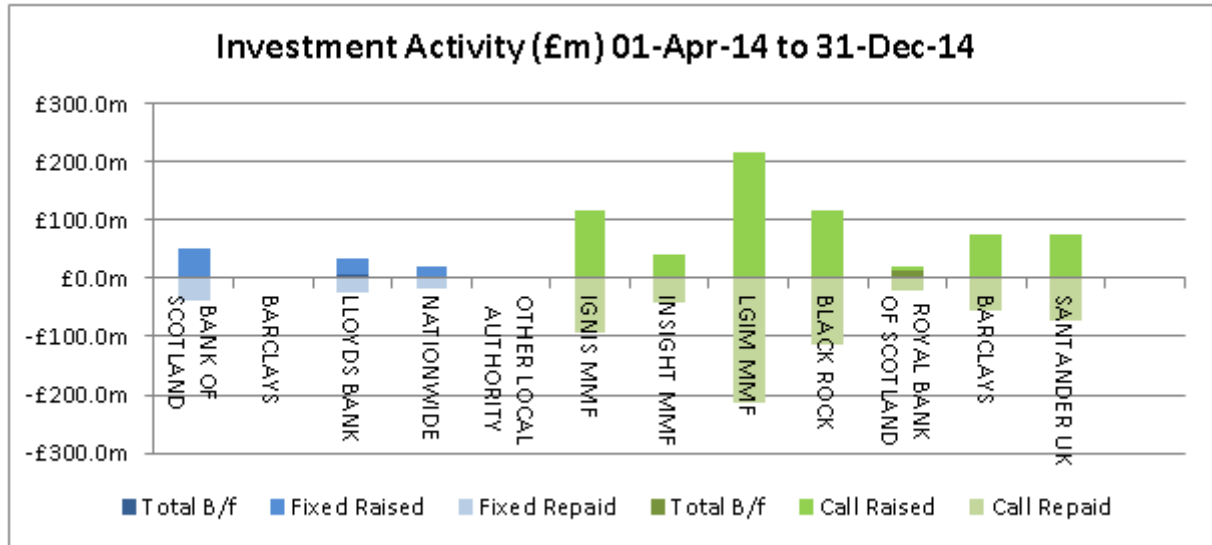
64. Borrowing decisions will take account of a number of factors including:

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

65. Additional borrowing is likely to be undertaken before the year end. 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 38 years. Longer-term borrowing (maturities up to 55 years) was obtained from the market some years ago in the form of 'Lender's Options, Borrower's Options' loans (LOBOs). The 'other' loans denote more recent borrowing from the money markets where the main objective was to minimise interest costs. Refinancing of these loans has been factored into the Treasury Management Strategy



66. The investment activity for 2014/15 to the end of December 2014 is summarised in the chart and table below. Outstanding investment balances totalled £23m at the start of the year and £63.3m at the end of the period. This increase reflects the forecast cash flow profile for the year and the net new borrowing.



	Total B/F	Total Raised	Total Repaid	Outstanding
	£ 000	£ 000	£ 000	£ 000
BANK OF SCOTLAND	-	50,000	-40,000	10,000
BARCLAYS	-	-	-	-
LLOYDS BANK	8,000	25,000	-25,000	8,000
NATIONWIDE	-	19,000	-19,000	-
OTHER LOCAL AUTHORITY	1,500	-	-	1,500
IGNIS MMF	-	116,450	-93,950	22,500
INSIGHT MMF	-	41,850	-41,850	-
LGIM MMF	-	216,050	-214,300	1,750
BLACK ROCK	-	114,810	-114,810	-
ROYAL BANK OF SCOTLAND	13,500	6,500	-20,000	-
BARCLAYS	-	73,950	-54,400	19,550
SANTANDER UK	-	74,450	-74,450	-
	23,000	738,060	-697,760	63,300

67. The new banking arrangements with Barclays Bank went live on 1 October 2014 as a result of the successful tender following the decision by the Co-operative Bank to withdraw from providing banking services to local authorities. All Co-operative Bank accounts are now closed apart for the main General Account. This will be closed shortly once the final fees and charges have been agreed.

Debt Recovery Performance

68. The overall debt has decreased from Period 8 by £4.8M. This is due to a decrease in the Non Statutory debt following an increased level of collection in this sector. The over 6 months debt has decreased by over £48,000 on period 8.

Invoices raised

	Quarter 3	Year to date
Number	48,825	143,069
Value	£47,338,297	£134,733,728

Debt Position

	Statutory	Non- Statutory	Total
Total	£6,978,028	£8,853,396	£15,831,425
Over 6 months	£4,411,080	£967,140	£5,378,221
% over 6 months	63.2%	10.9%	34.0%

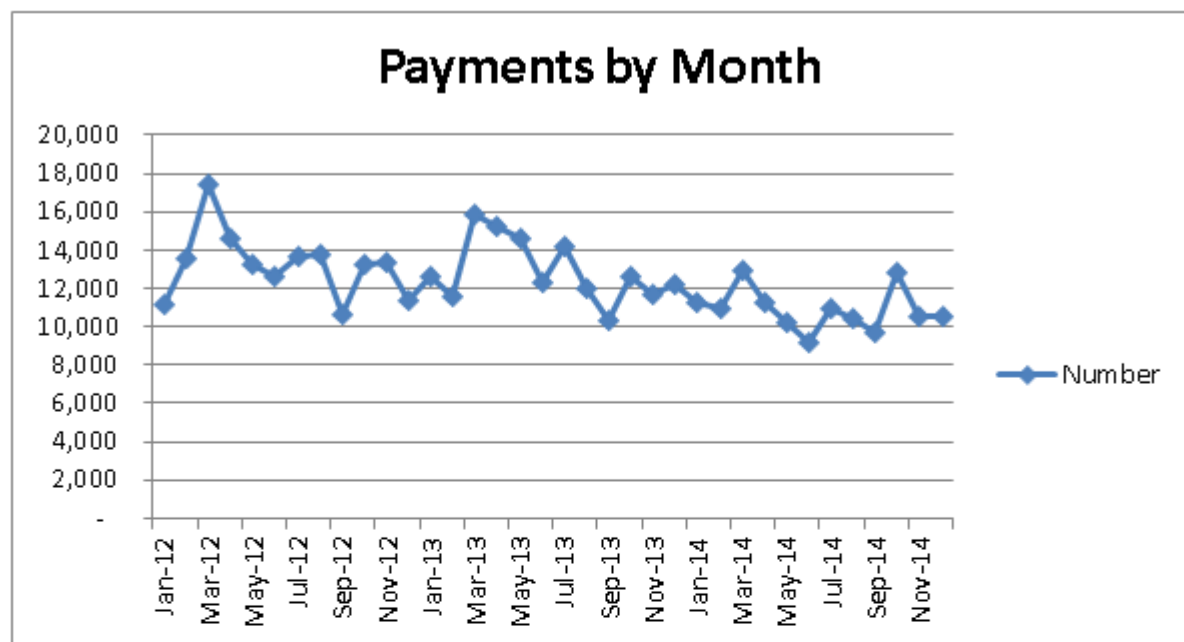
Accounts Payable (AP) Performance

69. The payment within terms figure for December is 77.9% of 10,542 invoices paid. This is a good improvement as payment within terms in previous months had fallen below 70%. Efforts were made to improve the performance in the quarter to December with regular reports of outstanding invoices still with business users being produced. These were circulated and AP and other staff contacted business users to assist with any issues that were delaying approval for payment. This work seems to have been effective with numbers and performance both increasing.

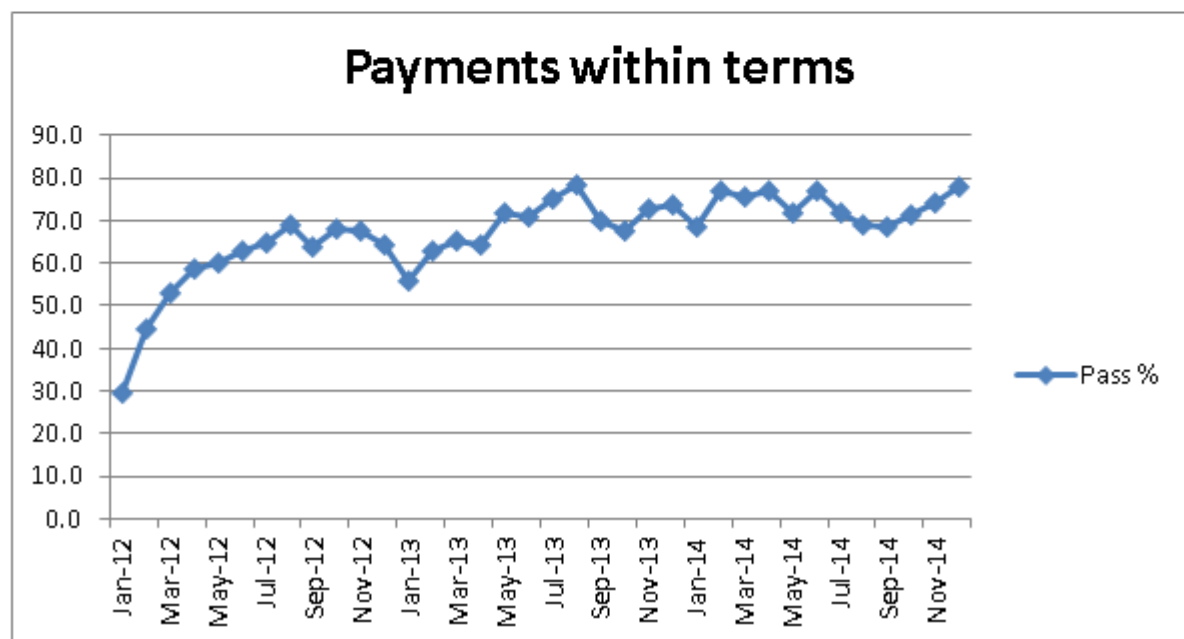
70. As previously reported there are a number of issues which affect payment performance:-

- Ongoing non-compliance with processes and procedures by both business and our suppliers – invoices sent to the business and not direct to AP, failure to comply with the Authority's policy of no purchase order no pay etc. These issues are being addressed as part of the Procure to Pay Project Phase 2 which is now underway. The project team will engage with AP staff, Corporate Procurement, Business Users and Suppliers to simplify and standardise processes and result in an improvement to performance
- The move to engagement of agency staff via Reed Global, the appointed MSP (Managed Service Provider) went live in November 2014 and the phased implementation of revised order, goods receipting and invoicing processes for Agency staff suppliers should radically improve payment within terms for this area of spend. Work is continuing to wind down previous arrangements and clearing old invoices as final accounts are reconciled. This should be completed by the end of January and from this time we should start to see the benefits of a move to the MSP filter through into the payment within term performance.
- Since mid-October the open items report which details outstanding invoices still with departmental business users has been sent out to on a fortnightly basis. In addition AP and other staff will continue to contact business users to assist with any issues that are delaying approval for payment.

Payments Processed



Payment Performance



Statutory and Policy Implications

71. 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.

RECOMMENDATIONS

- 1) To note the revenue budget expenditure to date and year end forecasts
- 2) To note the progress with savings
- 3) To note the Capital Programme expenditure to date and year end forecasts and approve variances to the Capital Programme
- 4) To note the Council's Balance Sheet transactions
- 5) To note the quarter three performance of the Accounts Payable and Accounts Receivable teams.

Nigel Stevenson Service Director – Finance & Procurement

For any enquiries about this report please contact:

Pauline Moore - Senior Accountant, Financial Strategy and Accounting
Glen Bicknell - Senior Finance Business Partner, Capital and External Funding
Simon Cunningham - Senior Accountant, Pensions and Treasury Management

Constitutional Comments

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

Financial Comments (PM 26/01/15)

The financial implications are stated within the report itself and have been used to inform the Council's Medium Term Financial Strategy and Budget report to Council 26 February 2015.

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'

Consultation Ref.	Committee	Dept	Veto Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
TRANSFORMATION PROGRAMME PROJECTS														
N/A	ASCH	ASCH&PP	ASC - 105	Redesign of Home Based Services	A	A	865	0	0	865	500	-500	0	0
B01 / B07	ASCH	ASCH&PP	ASC - 303	Redesign of Assessment and Care Management Functions & Organisational Re-design	G	G	215	1,194	250	1,659	0	0	0	0
A01	ASCH	ASCH&PP	ASC 401	Living at Home Phase II	G	Y	425	555	397	1,377	0	0	0	0
B04	ASCH	ASCH&PP	ASC 405	Reduction in supplier costs - older person's care homes	B	B	0		0	0	0	0	0	0
B05	ASCH	ASCH&PP	ASC 406	Reduction in supplier costs - Younger Adults	B	B	900	100	0	1,000	0	0	0	0
C01	ASCH	ASCH&PP	ASC 408	Reducing Community Care Spend - Older Adults	G	G	902	1,762	0	2,664	0	0	0	0
C02	ASCH	ASCH&PP	ASC 409	Reducing the average community care personal budget - Younger Adults	G	G	925	1,178	701	2,804	0	0	0	0
C03	ASCH	ASCH&PP	ASC 410	Reduction in long term care placements	Y	Y	550	550	423	1,523	150	-150	0	0
C04	ASCH	ASCH&PP	ASC 411	Reduction in cost of transport services	G	G	0	0	0	0	0	0	0	0
C07	ASCH	ASCH&PP	ASC 412	Day Services	G	G	350	220	490	1,060	0	0	0	0
C10	ASCH	ASCH&PP	ASC 413	Savings from the Supporting People budget	G	G	2,030	1,250	1,950	5,230	0	0	0	0
C13	ASCH	ASCH&PP	ASC 415	Targeting Reablement Support	G	G	0	755	755	1,510	0	0	0	0
C06	ASCH	ASCH&PP	ASC 417	Residential Short Breaks Services	G	G	0	250	250	500	0	0	0	0
N/A	ASCH	ASCH&PP	ASC 418	Care Act	A	A	0	0	0	0	0	0	0	0
N/A	Culture	CFCS	CFC - 108	Sherwood Forest Visitor Centre	B	B	0	0	0	0	0	0	0	0
N/A	CYP	CFCS	CFC 302	MASH Lean Review	G	B	0	0	0	0	0	0	0	0
B12	CYP	CFCS	CFC 402	Early Years and Early Intervention	G	G	1,000	0	3,000	4,000	0	0	0	0
B13	Culture	CFCS	CFC 403	Libraries, Archives, Information and Learning	G	G	250	25	375	650	0	0	0	0
B16	CYP	CFCS	CFC 404	Looked After Children Placements	Y	Y	2,320	2,570	1,700	6,590	0	0	0	0
C16	CYP	CFCS	CFC 405	Children’s Disability Service	R	R	0	1,180	1,180	2,360	0	1,180	-1,180	0

Consultation Ref.	Committee	Dept	Veto Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
N/A	F&P	E&R	E&R 301	Highways/Fleet Management JV Project	G	G	0	0	0	0	0	0	0	0
A41	T&H	E&R	E&R 402	Reduce Street Lighting Energy Costs	G	G	300	500	700	1,500	0	0	0	0
B17	T&H	E&R	E&R 403	Efficiencies & Local Bus Service reductions	B	B	800	1,000	0	1,800	0	0	0	0
N/A		Cross Cutting	HOR - 014	Ways of Working	G	Y	0	0	0	0	0	0	0	0
N/A		Cross Cutting	HOR - 303	Channel Shift	B	B	0	0	0	0	0	0	0	0
N/A		Cross Cutting	HOR - 304	Strategic Management Framework	Y	Y	0	0	0	0	0	0	0	0
N/A		Cross Cutting	HOR - 305	One Space	B	B	0	0	0	0	0	0	0	0
A07 & A15	ASCH & CYP	Cross Cutting	HOR - 307	Business Support Services Review (ASCH&PP and CFCS)	A	A	911	2,330	0	3,241	140	2,190	-2,330	0
N/A		Cross Cutting	HOR - 401	Digital First	G	G	0	0	0	0	0	0	0	0
N/A		PPCS	PPC - 201	Broadband	G	G	0	0	0	0	0	0	0	0
OTHER SAVINGS														
A02	ASCH	ASCH&PP		Dementia Quality Mark	G	G	500	0	0	500	0	0	0	0
A03	ASCH	ASCH&PP		Use of Public Health funding	B	B	200	0	0	200	0	0	0	0
A04	ASCH	ASCH&PP		Development of reablement in Physical Disability services	G	G	150	150	0	300	0	0	0	0
A05	ASCH	ASCH&PP		Reduction in staff posts in the Joint Commissioning Unit	B	B	34	0	149	183	0	0	0	0
A06	ASCH	ASCH&PP		Reduction in staff posts in the Performance Improvement Team	G	G	92	0	0	92	0	0	0	0
A08	ASCH	ASCH&PP		Reduction in staffing in the Framework Development Team	G	G	79	0	0	79	0	0	0	0
A09	ASCH	ASCH&PP		Restructure of Adult Care Financial Services (ACFS) and a reduction in posts	G	G	93	121	0	214	0	0	0	0
A12	ASCH	ASCH&PP		Group Manager Restructure	B	B	0	200	0	200	0	0	0	0
B02	ASCH	ASCH&PP		Use of NHS social care funding to offset budget pressures	B	B	1,912	0	0	1,912	0	0	0	0
B03	ASCH	ASCH&PP		Reduce no. of social care staff in hospital settings by 15%	G	G	49	147	0	196	0	0	0	0
B06	ASCH	ASCH&PP		Use of NHS social care funding to offset pressures	B	B	1,912	0	0	1,912	0	0	0	0

Consultation Ref.	Committee	Dept	Veto Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
B08	ASCH	ASCH&PP		Changes to the delivery structure of the Safeguarding Adults Team	G	G	172	0	0	172	0	0	0	0
B09	ASCH	ASCH&PP		Reduction in Benefits Advice staff - withdrawn	G	G	0	0	0	0	0	0	0	0
C05	ASCH	ASCH&PP		Managing Demand in Younger Adults	G	G	175	200	0	375	0	0	0	0
C08	ASCH	ASCH&PP		Employment Services	G	G	160	0	0	160	0	0	0	0
C09	ASCH	ASCH&PP		Various contract changes by the Joint Commissioning Unit	G	G	131	179	190	500	0	0	0	0
C11	ASCH	ASCH&PP		Cease NHS short breaks service (Newlands)	G	G	0	460	0	460	0	0	0	0
C14	ASCH	ASCH&PP		Various options to reduce the cost of the intermediate care service	Y	Y	540	540	0	1,080	0	0	0	0
C15	ASCH	ASCH&PP		Notts Welfare Assistance Fund (NAAF)	B	B	2,130	0	0	2,130	0	0	0	0
A10	Community Safety	ASCH&PP		Reduction in Emergency Planning staffing	G	G	35	0	0	35	0	0	0	0
A11	Community Safety	ASCH&PP		Registration Service Income Generation	Y	Y	47	0	0	47	0	0	0	0
B30	Community Safety	PPCS		Service Restructuring	B	B	367	0	0	367	0	0	0	0
B33	Community Safety	PPCS		Redesign focus of service.	B	B	245	0	0	245	0	0	0	0
C12	Community Safety	ASCH&PP		Reduction in Trading Standards staffing and increased income generation	Y	Y	292	195	0	487	0	0	0	0
A60	Culture	PPCS		Conservation restructuring - staff reductions	G	B	50	0	0	50	0	0	0	0
B14	Culture	CFCS		Cultural and Enrichment Services	G	G	50	130	0	180	0	0	0	0
B15	Culture	CFCS		Country Parks and Green Estates	G	G	150	160	190	500	0	0	0	0
A13	CYP	CFCS		Support to Schools	G	G	1,000	370	0	1,370	0	0	0	0
A14	CYP	CFCS		SEND Hub	G	G	492	0	0	492	0	0	0	0
A16	CYP	CFCS		School Access	G	G	0	50	50	100	0	0	0	0

Consultation Ref.	Committee	Dept	Verbo Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
A17	CYP	CFCS		Targeted Support and Youth Justice	G	G	800	100	100	1,000	0	0	0	0
A18	CYP	CFCS		Children's Social Care Management Review	G	G	120	80	0	200	0	0	0	0
A19	CYP	CFCS		Planning, Performance and Quality Assurance Group	G	G	1,350	150	0	1,500	0	0	0	0
A20	CYP	CFCS		CFCS Management Structure Review	G	G	80	110	185	375	0	0	0	0
B10	CYP	CFCS		Independent Travel Training	G	G	0	200	300	500	0	0	0	0
B11	CYP	CFCS		Young People's Service	G	G	675	675	0	1,350	0	0	0	0
B14	CYP	CFCS		Cultural and Enrichment Services	G	G	150	420	50	620	0	0	0	0
B18	E&S	E&R		Renegotiation of Waste Management Contracts	G	G	800	200	0	1,000	0	0	0	0
B19	E&S	E&R		Introduce a range of measures associated with HWRC's	G	G	205	505	0	710	0	0	0	0
B20	E&S	E&R		Provide financial support to Waste Collection Authorities to introduce kerbside Green Waste Collections	G	G	0	200	0	200	0	0	0	0
B21	E&S	E&R		Increase Energy Contract Rebate Income	G	G	200	0	0	200	0	0	0	0
B26	E&S	PPCS		Planning Policy restructuring - staff reductions. Income generation.	G	G	73	0	0	73	0	0	0	0
B28	Economic Development	PPCS		Development of a shared service delivery model with Borough & District Councils.	B	B	0	0	0	0	0	0	0	0
B29	Economic Development	PPCS		Reducing the NCC contribution to Experience Nottinghamshire	B	B	100	0	0	100	0	0	0	0
A30	F&P	E&R		Reduction in County Offices Maintenance	G	G	300	200	100	600	0	0	0	0
A31	F&P	E&R		Reduction in Property Staffing	G	G	167	100	0	267	0	0	0	0
A32	F&P	E&R		Rationalisation and staffing reductions	G	G	0	50	200	250	0	0	0	0
A33	F&P	E&R		Reduction in Planned Maintenance Budget	G	G	0	0	519	519	0	0	0	0

Consultation Ref.	Committee	Dept	Verbo Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
A49	F&P	E&R		Finance & Procurement Staffing Reductions	G	G	700	250	250	1,200	0	0	0	0
A50	F&P	E&R		Contract Savings	G	G	0	0	350	350	0	0	0	0
A51	F&P	E&R		Savings in provision of online @home service	G	B	250	0	0	250	0	0	0	0
A52	F&P	E&R		Termination of licence agreement	G	B	80	0	0	80	0	0	0	0
A53	F&P	E&R		Reduction in provision of ICT equipment replacement	G	G	0	100	0	100	0	0	0	0
A54	F&P	E&R		Staffing reductions in the Business Support and Development team	G	B	60	0	0	60	0	0	0	0
B34	F&P	PPCS		Reduce Councillors' Divisional Fund	B	B	335	0	0	335	0	0	0	0
A22	Personnel	E&R		Review Human Resources activity & support - increased self service	G	B	500	0	47	547	0	0	0	0
A23	Personnel	E&R		Review Health & Safety service - income generation and sharing of services	G	B	80	0	0	80	0	0	0	0
A24	Personnel	E&R		Deletion of Senior Analyst post - Job Evaluation	G	B	41	0	0	41	0	0	0	0
A25	Personnel	E&R		Cease counselling service and signpost employees to alternative providers	G	B	49	0	0	49	0	0	0	0
A26	Personnel	E&R		Review of integrated Learning & Development activity - to further streamline structures; commission more training externally and with others	G	B	1,000	0	0	1,000	0	0	0	0
B25	Personnel	E&R		Schools meal price changes	G	G	0	0	0	0	0	0	0	0
A21	Policy	E&R		Restructure, efficiencies and cost reductions in the Business Support Centre	G	G	1,000	500	200	1,700	0	0	0	0
A27	Policy	E&R		Customer Service Centre - efficiencies and shift to more cost effective access channels	G	G	45	200	120	365	0	0	0	0

Consultation Ref.	Committee	Dept	Veto Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
A28	Policy	E&R		Customer Service Centre - generation of additional income and sharing of services with other public sector providers	G	G	50	50	0	100	0	0	0	0
A29	Policy	E&R		Review of face to face customer service provision across the county	G	B	100	0	0	100	0	0	0	0
A61	Policy	PPCS		Legal services - redesign staffing structure	B	B	246	408	12	666	0	0	0	0
A62	Policy	PPCS		Cease holding of Member Forum meetings.	B	B	27	0	0	27	0	0	0	0
A63	Policy	PPCS		Reorganise Civic Office support staff and reconfigure support activities.	B	B	87	0	0	87	0	0	0	0
A64	Policy	PPCS		To provide governance & democratic support service to the PCP and PCC.	B	B	81	0	0	81	0	0	0	0
A65	Policy	PPCS		To move to partial electronic only provision of committee papers.	Y	Y	43	0	0	43	0	0	0	0
A66	Policy	PPCS		Streamline corporate complaints	B	B	113	0	0	113	0	0	0	0
A67	Policy	PPCS		Redesign staffing structure	B	B	51	0	0	51	0	0	0	0
A68	Policy	PPCS		Redesign staffing structure	B	B	246	0	0	246	0	0	0	0
A69	Policy	PPCS		Refocus communications and marketing activity	B	B	178	0	0	178	0	0	0	0
A70	Policy	PPCS		Alternative delivery of translation and interpretation services.	B	B	55	0	0	55	0	0	0	0
A71	Policy	PPCS		Income generation	B	B	24	24	24	72	0	0	0	0
A72	Policy	PPCS		Review PPCS management structure	B	B	50	0	0	50	0	0	0	0
B27	Policy	PPCS		Devt Mgmt restructuring - staff reductions. Income generation.	A	A	64	0	3	67	43	0	0	43
B31	Policy	PPCS		Reduce the financial contribution to HealthWatch Nottinghamshire	B	B	95	50	0	145	0	0	0	0

Consultation Ref.	Committee	Dept	Veto Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
B32	Policy	PPCS		To cease awarding grant aid to Nottingham Playhouse in 2014/15	B	B	95	0	0	95	0	0	0	0
A34	T&H	E&R		Highways Contract savings	G	G	1,170	0	0	1,170	0	0	0	0
A35	T&H	E&R		Increased efficiency by Highways Operations Group	G	G	900	0	100	1,000	0	0	0	0
A36	T&H	E&R		Efficiencies through more effective pothole repair & patching service	G	G	0	100	100	200	0	0	0	0
A37	T&H	E&R		Reduce contribution to Highways Safety Shared Service	G	G	200	100	100	400	0	0	0	0
A38	T&H	E&R		Shared Service for Central Processing Unit	G	G	0	25	0	25	0	0	0	0
A39	T&H	E&R		Renegotiation of contribution to the Urban Traffic Control Shared Service	G	G	50	0	0	50	0	0	0	0
A40	T&H	E&R		Removal of Robin Hood Line subsidy	G	G	0	80	0	80	0	0	0	0
A42	T&H	E&R		Increased Highways Income from additional housing development activity	G	G	10	10	13	33	0	0	0	0
A43	T&H	E&R		Increased income from various service areas	G	G	20	30	30	80	0	0	0	0
A44	T&H	E&R		Increased income from providing services to neighbouring local authorities	G	G	13	0	0	13	0	0	0	0
A45	T&H	E&R		Restructuring - staff reductions	G	G	133	217	0	350	0	0	0	0
A46	T&H	E&R		Restructuring - staff reductions	G	G	0	0	0	0	0	0	0	0
A47	T&H	E&R		Restructuring - staff reductions	G	G	175	284	0	459	0	0	0	0
A48	T&H	E&R		Restructuring - staff reductions	G	G	192	311	0	503	0	0	0	0
A55	T&H	E&R		Staffing Reductions in Transport & Travel Services	G	G	150	150	0	300	0	0	0	0
A56	T&H	E&R		Establishment of fund for replacing worn out integrated transport measures	G	G	200	200	200	600	0	0	0	0
A57	T&H	E&R		Reduction of discretionary spend	G	G	100	100	100	300	0	0	0	0

Consultation Ref.	Committee	Dept	Veto Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
A58	T&H	E&R		Use of financial contributions (Commutated Sums) from developers	G	G	250	0	0	250	0	0	0	0
A59	T&H	E&R		Gully cleaning	G	G	50	0	0	50	0	0	0	0
B22	T&H	E&R		Reduction in Rights of Way Service	G	G	100	50	0	150	0	0	0	0
B23	T&H	E&R		Increase charges for Blue Badges	G	G	40	40	56	136	0	0	0	0
B24	T&H	E&R		Deliver Road Safety Education as part of public health commissioning for Nottinghamshire	G	G	0	79	0	79	0	0	0	0
							38,318	24,669	15,909	78,896	833	2,720	-3,510	43

Key for Status

On Target	Successful delivery of the project to time, cost and quality is achievable and there are no major outstanding issues at this stage that threaten delivery
Experiencing Obstacles	Successful delivery is probable, however, there are minor issues which need resolving to ensure they do not materialise into major issues threatening delivery
At Risk	Based on available evidence, successful delivery still appears feasible but significant issues exist with scope, timescales, cost, assumptions and/or benefits. Issues appear resolvable, but action is required
Compromised	Based on available evidence, successful delivery of the project appears to be at significant risk. There are major issues with project scope, timescales, cost, assumptions and/or benefits. Immediate action required to resolve issues.
Completed	Project benefits have been achieved, or there has been an official change to the benefits profile (through change control) so the project is complete or declared undeliverable
No Status	Awaiting major points of clarification / decision-making to enable PID and plan to be completed

Reconciliation to Appendix A to C of Feb 2014 Budget Report

	2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000
Appendix A totals	15,569	7,605	4,646	27,820
Appendix B totals	13,558	11,341	6,516	31,415
Appendix C totals	6,007	8,719	5,939	20,665
Redesign of Home Based Services B/Fwd (ASC - 105)	865	0	0	865
Living At Home B/Fwd (ASC 401)	425	0	0	425
Linkage Service B/Fwd (ASC 408)	148	0	0	148
Supporting People B/Fwd (ASC 413)	2,030	0	0	2,030
ANNUAL BUDGET 2014/15 PROJECTED SAVINGS	38,602	27,665	17,101	83,368
Adjustment to savings profile for A07 & A15	0	600	-600	0

Consultation Ref.	Committee	Dept	Veto Code	Title	Previous Status	Current Status	Cashable Benefits				At Risk			
							2014/15 £000	2015/16 £000	2016/17 £000	TOTAL £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
				Savings determined undeliverable for B04			0	-2,335	0	-2,335				
				Savings determined undeliverable for B05			-284	-661	-592	-1,537				
				Savings determined undeliverable for B13			0	-350	0	-350				
				Savings determined undeliverable for B28			0	-250	0	-250				
				ADJUSTMENTS TO PROJECTED SAVINGS			-284	-2,996	-1,192	-4,472				
				REVISED PROJECTED SAVINGS			38,318	24,669	15,909	78,896				

23 February 2015**Agenda Item: 5****REPORT OF THE SERVICE DIRECTOR, ICT****ICT PROGRAMMES AND PERFORMANCE QUARTER 3 2014-15****Purpose of the Report**

1. To provide the Finance and Property Committee with a 3rd quarter progress update on key projects and performance measures for ICT Services and to outline the major planned activities over the next 6 month period.

Information and Advice**Programmes Update**

2. The ICT Strategy 2014-17 identifies the five ICT strategic themes that will support business transformation across the County Council and these are shaping much of the activity and priorities within ICT Services, covered in the progress and planning sections of the report (paragraphs 3 and 4). The five key themes are:
 - **Workforce mobilisation:** using technology to transform the productivity, efficiency and mobility of the workforce
 - **Customer channel shift:** using technology to support the delivery of effective web based self-serve functions for public service users
 - **Business performance reporting:** using technology to improve how business data is extracted from multiple systems, interrogated and reported through to users
 - **Partnership working:** using technology to support the greater integration of public facing services, including the effective sharing of data, systems and ICT solutions
 - **Reliability and compliance:** maintaining a current and fit for purpose ICT estate that supports improved business continuity and is compliant with Public Services Network (PSN) standards
3. Significant progress has been made in most of the priority ICT projects over the last quarter. A summary of progress is as follows:
 - i. The contract to deliver corporate and school broadband network connectivity and internet services from October 2015 (when the current contract with Capita for 1C1N

expires) has been awarded to Virgin. The new contract takes advantage of new technologies, network design and tariffs and will deliver £800k annual savings across school and corporate sites from 2016-17. The new network will be branded as emCloud (east midlands Cloud) and will be promoted by Virgin to other public sector organisations in the East Midlands region.

- ii. The Corporate Leadership Team have approved phase 1 of the mobilisation project following a successful pilot. The pilot project with social care staff identified productivity savings of 16% through automating their workflows and delivering them through tablet computers, rather than traditional working methods. The pilot benefits included slicker and faster processes for completing assessments and case notes, reduced travel to/from bases, discharge of patients more quickly from hospital and less “dead” time waiting in courts and between appointments. By the end of 2015, phase 1 of the project aims to mobilise over 1,500 users delivering estimated annual productivity benefits of £4.7m. Following the decision to use Windows 8.1 as the platform for mobilisation, the operating system and 8.1-supported version of TotalMobile have been installed. Windows 8.1 tablet devices are being piloted with 50 users prior to the wider phase 1 roll-out commencing.
- iii. As part of the Digital First Programme the new Umbraco content management system (for a new County Council website) has been installed and initial testing completed. Training in the product has been completed ready for the build of a prototype website to begin. The Civica eStore solution has been installed and tested and is ready for use for on-line payments and to improve the website’s transactional capability.
- iv. A new pensions ICT system (Civica pensions system) has been installed in the data centre and is now live. This system replaces the Heywoods AXISE system which went out of support from the end of December 2014.
- v. The Microsoft Lync unified communications tool was introduced into County Hall and Trent Bridge House as part of the Ways of Working modernisation project. The instant messaging and presence awareness components of the system have now been deployed to all users. A separate project will examine extending Lync telephony to other sites.

4. Over the next 6 months the major focus of activity will include the following:

- i. As part of the project to implement emCloud (the new corporate and school broadband network connectivity and internet services), site surveys will be completed for school and corporate sites and the core network infrastructure will be built. Tenders will also be invited for use of a secondary data centre (currently provided by Capita from Node 4) for business continuity purposes.
- ii. The mobilisation ICT platform (TotalMobile and Windows 8.1) will go-live ready for the roll-out of devices, the pilot of Windows 8.1 tablets will be completed and the phase 1 deployment to front line workers will commence and be progressed. Additional workflows will be automated (e.g. occupational therapy assessments) to support the roll-out. Scheduling/rostering solutions will also be assessed in order to support more automated resource planning and deployment of work packages to staff.

Replacement projects for iPads and smartphones will be assessed, planned and commenced.

- iii. A project has been initiated for the further deployment of the Lync unified communications solution for telephony and video conferencing use. The scope, infrastructure design, approach and timetable for roll-out will be finalised. Lync will also be deployed to Windows 8.1 mobile devices as part of the mobilisation project.
- iv. Scope and agree the ICT delivery strands supporting the Digital First and Customer Access Programmes. This will include web activities to improve the prioritised “user journeys” to encourage the public to channel shift to on-line services. There will also be activity on the use of social media tools, Microsites and the Intranet. A new concessionary bus pass renewal process will be made live on the public website, plus the provision of information and self-assessment processes to support the delivery of the Care Act. The new content management system (Umbraco) will be moved into the live environment. Webchat activity will also be piloted with the Customer Services Centre and the solution will be deployed on the Windows 8.1 tablets as part of the mobilisation project.
- v. The deployment of a fax server solution will support the digital switch over of faxing which will help save up to £300k per annum. It will enable faxes to be received as e-mails and sent as PDF documents.
- vi. Support the introduction of a new electronic monitoring system (CM2000) to support the charging process for home based care services. The new arrangements will enable social care workers to complete assessments, for the information to be accessed by suppliers that design care packages within prescribed budgets and to monitor actual service delivery. Managing the provision of home care services based on actuals rather than commissioned packages is estimated to save £2 million per annum.
- vii. Implementation of a new externally hosted redeployment and eRecruitment solution.
- viii. Shaping the ICT requirements in response to the Corporate Performance Reporting Project.
- ix. Public Wi-Fi extension into an additional 31 Libraries and supporting the implementation of the externally hosted Library Management System.
- x. Support the ICT requirements for a number of office moves including the relocation of the MASH (Multi Agency Safeguarding Hub) and the Adult Access team.
- xi. Undertake the annual PSN accreditation audit.

Performance Update

- 5. To provide a balanced assessment of performance ICT Services measures four groups of indicators that cover business activities, customers, staff and finance. Performance for the first 9 months of 2014-15 is attached as an Appendix.

Business Activity Indicator

6. The business activity indicators measure some of the key day to day operational performance areas, with the two most significant being systems availability and incident resolution. The focus is to ensure that business critical systems are operational during business hours and that any incidents are resolved speedily and within service level agreement (SLA). Systems availability continues to remain at very high levels with 99.92% achieved in the quarter. The target has also been raised for the fourth year running, to 99.6%.
7. Incident resolution continues to improve with 88.1% achieved within SLA during this quarter. Performance is consistent with the same period last year and is expected to continue to improve as the new operating model and staffing structure beds in.
8. The County Council is increasingly reliant on its ICT provision and so disruptions to services need to be avoided wherever possible. During the quarter there were disruptions to the power supply at both County Hall and Sir John Robinson Way that resulted in local ICT outages. ICT Services are working with Property Services colleagues to establish if further risk mitigations can be taken in future. During the power outages the data centre continued to operate as normal enabling staff to relocate to other sites should they have needed to, as part of their own business continuity planning.
9. Within the period there were also 2 incidents that impacted on the MASH. One was a software issue with the secure portal system (resolved by the supplier – Corelogic) and the other an access issue to the secure e-mail system (resolved by the supplier – Vodafone).
10. The business activity indicators also show two project performance indicators that are used by CIPFA (Chartered Institute of Public Finance and Accountancy). The project delivery index is used to measure conformance to good project management standards e.g. adoption of PRINCE 2 methodology, business case produced, delivery to timelines, business benefits achieved etc. Performance against this indicator remains good. The second indicator is related to project milestones, and measures the overall percentage of milestones delivered by the planned timelines. As part of the new operating model, ICT Services has introduced a Programme/Project Management Office function (PMO). This is to provide more focus on planning, organising, co-ordinating and reporting on ICT projects which is essential to effectively manage a large business change agenda. One of the outcomes of the PMO work has been to better define and monitor progress on project milestones with 71% achieved this quarter. The main areas of slippage are delays to project scoping/planning due to competing priorities (Lync telephony, web chat, customer access), delaying the appointment of an MS partner to support enterprise level business reporting to quarter 4 (better meets customer needs and readiness) and slippage to some infrastructure upgrade projects due to a shortage of network engineer resources (firewall upgrade, Node 4 core switch replacement, site switch replacements). The key areas of progress are reflected in the update outlined in paragraph 3 above.

Customer Indicator

11. The access channel into ICT Services is the Service Desk which receives and handles the incidents, service requests and enquiries. The efficiency and effectiveness of this function is crucial for the user perception of the whole range of services provided. Daily customer

satisfaction feedback is collected from corporate and school users of the Service Desk and is being measured against a target score of 4.5 (score 1-poor, 5-excellent). This is the first year of target setting in this area and performance has remained strong for both corporate and school users.

Staff Indicator

12. The average number of sick days per staff member within ICT Services has been at levels within the County Council target and remains so. Training activity for ICT Services staff is crucial to ensuring that the relevant and required skills are available and this is even more so with the substantial change to responsibilities following the recent reorganisation of the service. Given the new technologies being deployed through the new ICT strategy it is important that skills and knowledge are continually refreshed and updated and we are currently showing higher training activity this year which is in line with expectations.

Financial Indicator

13. Revenue and capital spending is currently in line with budget plans for the year. ICT Services also continues to provide very favourable cost comparisons with other public sector bodies with each of the financial indicators within the best and lowest cost quartile of the 2013 annual CIPFA benchmarking.

Reason for Recommendation

14. To raise awareness of progress on the key ICT programmes and performance indicators for 2014-15.

Statutory and Policy Implications

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

RECOMMENDATION

To note the progress against the key programme and performance measures for ICT Services and the priorities for the next 6 month period.

Ivor Nicholson
Service Director - ICT

For any enquiries about this report please contact: Ivor Nicholson on 0115 9774006

Constitutional Comments:

This report is for noting only so no constitutional comments are required.

Financial Comments: (SEM 06/02/15)

The financial implications are set out in the report.

Background Papers








None



Electoral Division(s) and Member(s) Affected









All



ICT Services Overall Performance: Quarter 3 2014-15



Key symbols table:







Status	Indicators	Trend	Base this on change from same period last year
	Below target by more than 10%		Improving trend
	Below target by up to 10%		Deteriorating trend
	On or above target		No change
	No reported data or no target		





Business Activity Indicator	Performance 2014-15						Comments
	Q1 Actual	Q2 Actual	Q3 Actual	Target	Status	Trend	
Average availability to users of NCC's business critical services during business hours	99.96%	99.94%	99.92%	99.6%			<p>There are now 41 services identified as Business Critical to the County Council e.g. e-mail, internet, Framework, BMS, Capita ONE etc.</p> <p>Contributory factors to this high level of availability are the investment in the ICT infrastructure (such as the network, servers and cabling, the refurbished data centre and use of Node 4), a proactive approach to infrastructure alerts and monitoring (taking pre-emptive action where necessary) and the rapid response of technical teams should issues occur.</p> <p>The target has been increased in 2014-15 from 99.5% to 99.6%.</p>













Business Activity Indicator	Performance 2014-15						Comments
	Q1 Actual	Q2 Actual	Q3 Actual	Target	Status	Trend	
% Incidents resolved within agreed service levels	85.5%	87.2%	88.1%	92%			This indicator assesses the performance of the ICT function in restoring service and responding to incidents within our Service Level Agreement (SLA). The trend throughout 2013-14 was one of continuous performance improvement with 90.8% achieved in Q4. Although performance remains below target it has improved each quarter and should further improve following the recent transition to a new operating model and staffing structure. In this quarter there were 8,411 incidents reported (8,041 last quarter).
% incident SLA breaches	15%	13%	10.8%	8%			This is a new performance measure for 2014-15 to highlight the proportion of incidents reported to the Service Desk that are not resolved within SLA. Performance is improving following the recent transition to a new operating model and staffing structure.
% of ICT changes successfully completed	99.22%	93.75%	96.15%	98%			The ICT change management process aims to ensure that upgrades and new services are implemented without any negative impact on service provision and ensure that all changes to business critical services have been comprehensively planned, tested and authorised before being carried out. In this quarter there were 354 changes (338 last quarter). The target was 97% in 2013-14.
Compliance to CIPFA project delivery index	8.0	7.6	8.0	7.5			This indicator assesses the effectiveness of ICT project management and delivery by assessing approved projects completed in the quarter against a set of 9 defined criteria established by CIPFA and based around PRINCE 2.

Business Activity Indicator		Performance 2014-15					Comments
	Q1 Actual	Q2 Actual	Q3 Actual	Target	Status	Trend	
% of project milestones delivered	78%	90%	71%	85%			Each project incorporates a series of milestones (both for ICT Services and the business) that are the basis for assessing progress. As part of the new staffing structure a project management office function (PMO) has been established to better organise, co-ordinate and report on projects. This has included establishing a more rigorous approach to setting and measuring milestones and has been adopted for the first time this quarter. The main areas of slippage are delays to scoping/planning (Lync telephony, web chat, customer access), delaying the appointment of an MS partner to support enterprise reporting to Q4 (better meets customer needs) and slippage to infrastructure projects due to a shortage of network engineer resources (firewall upgrade, Node 4 core switch replacement, site switches replacements, VPN upgrade).

Customer Indicator		Performance 2014-15					Comments
	Q1 Actual	Q2 Actual	Q3 Actual	Target	Status	Trend	
Customer satisfaction score: Corporate/school users	4.68/4.55	4.75/4.6	4.74/4.5	4.5			The access channel into ICT Services is the Service Desk which receives and handles the incidents, service requests and enquiries. The efficiency and effectiveness of this function is crucial for the user perception of the whole range of services provided. ICT Services collects information regarding customer's satisfaction (score 1-poor, 5-excellent) of the ICT incident management process for both corporate and school users (weekly sample sizes are approximately 30 corporate users and 20 school users).

Customer Indicator		Performance 2014-15					Comments
	Q1 Actual	Q2 Actual	Q3 Actual	Target	Status	Trend	
Service Desk 1 st call resolution	63.3%	61%	63%	58%			First call resolution measures the effectiveness of the Service Desk at first point of call. The 58% target is a balance of being able to manage the call volumes through the desk and maintaining a high % success rate within the allocated call period (5 minutes).
Average Service Desk call duration	4.4 min	5.1 min	5.2 min	5 mins			In order to manage call volumes and achieve a lower call abandonment rate a target of 5 minutes (ICT industry practice) is allocated to each call to the first line Service Desk.
% dropped calls on Service Desk	13%	11%	12%	12%			This measures the proportion of calls unanswered by the Service Desk (including calls that are terminated by the user having heard recorded incident updates).

Staff Indicator		Performance 2014-15					Comments
	Q1 Actual	Q2 Actual	Q3 Actual	Target	Status	Trend	
Average Number of sick days per staff member	1.65	2.99	4.85	5.6			This average level of staff sickness is within the profile of the annual county council target of 7.4 days per member of staff.
Average number of professional training days per member of staff	0.72	2.07	3.41	2.25			The annual target is 3 days per member of staff. We now undertake significant levels of computer based training activities, rather than traditional classroom courses, covering more activity in less time. The actual figures are based on completed timesheets. Staff development has included Windows 8.1 tablets, Umbraco content management system (for new website), eForms (for use on the web) and various Microsoft technologies.

Financial Indicator	Performance 2014-15				Comments
	Actual	Target	Status	Trend	
Expenditure against revenue	75%	75%			Planned budget reductions of £330k have been delivered for 2014-15 (£3 million of annual savings over the last 4 years).
Expenditure against capital	81%	70%			Capital spending is broadly in line with plans for the infrastructure replacement programme, strategy programmes and Microsoft licensing.
Cost of ICT support per user	£171	£192			Our current cost of £171 per user puts the county council in the lowest cost quartile of CIPFA 2013 benchmarking. The target of £192 is based on remaining within the top quartile.
Cost of ICT support per workstation	£180	£224			Our current cost of £180 per workstation puts the county council in the lowest cost quartile of CIPFA 2013 benchmarking. The target of £224 is based on remaining within the top quartile.
Acquisition cost of desktop PC	£398	£445			This includes the cost of procurement and installation as well as the cost of the device and software. We currently perform at the lowest cost quartile of CIPFA 2013 benchmarking.
Acquisition cost of laptop	£567	£634			This includes the cost of procurement and installation as well as the cost of the device and software. We currently perform at the lowest cost quartile of CIPFA 2013 benchmarking.

23 February 2015

Agenda Item: 6

REPORT OF CORPORATE DIRECTOR, POLICY, PLANNING AND CORPORATE SERVICES

WAYS OF WORKING CONSTRUCTION & REFURBISHMENT PROGRAMME: PROGRESS UPDATE

Purpose of the Report

1. The purpose of this report is to provide the Finance & Property Committee with a progress update on the Council's Ways of Working Construction and Refurbishment Programme.

Information and Advice

Background

2. On the 9th December 2010 the original Ways of Working business case was approved with the purpose "to rationalise the Council's office accommodation and provide a flexible, cost effective and efficient workplace that will facilitate improved service delivery and new working practices and maximise the benefit to service users and tax payers."
3. Following preliminary survey work on buildings and staffing levels, a revision to the original business case was approved by Council on the 3rd November 2011. This made the following changes to the original proposals:
 - Increase in the identified office portfolio from 23 buildings to 30 buildings
 - Number of sites to be disposed of increased from 18 to 22
 - Number of sites to be retained increased from 5 to 8
 - Demand for workstations increased from 2,569 to 3,161
 - Investment increase from £11.7m to £15.2m

Progress to Date

4. The Ways of Working (WoW) Programme is continuing to progress well and refurbishment works at Trent Bridge House were completed at the end of 2013. The refurbishment, building reconfiguration and move to flexible working arrangements have facilitated an initial occupancy increase of 54% (from 518 in 2011 to 802 based on an average desk to person ratio of 7:10).

The team are intending to undertake a post occupancy review on the building to assess desk ratios and accommodation requirements, with a view to releasing surplus space for further teams to relocate into; it is envisaged this surplus space will be available due to ongoing restructuring of the teams currently accommodated.

County Hall Programme

5. Refurbishment works are continuing at County Hall in H Block. Environment & Resources (E & R) and Adults Social Care (ASC) employees totalling 165 have been in situ on floor 4 since July 2013. ASC teams agreed that the new office environment has the potential to enable them to work more effectively (65%) with both teams agreeing that team neighbourhoods have the potential to improve communications and team working (ASC: 86%; E&R: 59%).
6. Floor 3 has been occupied since May 2014, with 330 staff from across ASC, Public Health and Children, Families and Cultural Services (CFCS) being relocated in the first instance onto 264 desks. A further 19 staff have since moved onto the floor, creating a 6.8:10 occupation ratio. Comments received about the move and the new environment include: *'It has been a well planned and supported project. The office environment is very much improved compared to the CLASP block, and enhances the potential for joint working within the team and with other teams. Overall, my team overwhelmingly feel the move to Floor 3 has been a positive one'*.
7. Works to the Ground Floor have also been completed; as of October 2014 ICT are occupying Bridgford North wing with 66 staff working to 51 desks, creating a ratio of 7.7:10.
8. Works to Bridgford South wing were completed in November. The area is being prepared for reoccupation; it is intended in the long term that this will accommodate Facilities Management and provide an additional suite of publicly accessible meeting rooms.
9. Corporate Complaints took occupation of the northern end of the central wing in September; Registrars have been well established in the public-facing areas near Reception since March 2014. Feedback on their move included *'As a wheelchair user I am finding it much better being located on the ground floor especially as I no longer have to work from another office...'*.
10. Refurbishment of floor 1 was completed in September 2014, with Communications and Marketing reoccupying their former location in Riverside North wing in October. Due to the nature of their work they decided to adopt a lower person to desk ratio of 6.8:10 which has allowed them to incorporate some interactive, team working areas within their floor layout. This has been supported by the inclusion of ICT equipment and audio visual technology which will allow the team to monitor media and social networking information more readily. The layout also includes some standing height touchdown facilities designed for use with tablet or mobile devices, in preparation for the mobilisation strategy.
11. As of November 2014, Planning Group returned to their previous location in Bridgford North wing, enabling the release of Rushcliffe Civic Centre from the property portfolio.
12. Democratic Services have now been relocated to Riverside North wing from their

temporary position on floor 3, to enable them to support the Councillors more efficiently.

13. Refurbishment of the Chamber and Assembly Rooms was completed in December 2014 and these are fully operational once again. Increased revenue is anticipated from external room hire of the public areas following limited aesthetic improvements. Audio visual equipment is to be installed within the Assembly Rooms and Chamber to improve sound and vision during Council and Committee meetings.
14. Demolition work has commenced on floor 2; asbestos removal started on 24th November and was due to continue until the end of February 2015; however the further identification of asbestos within the floor void has resulted in this phase being extended by 10 weeks until Easter. The current programme demonstrates that the refurbishment will continue throughout summer and the contractor is due to complete at the end of September, with reoccupation anticipated during October 2015. Future occupants of this floor will be CLT and the office of the Chief Executive (Riverside North wing); Legal Services (Bridgford North wing); the Corporate Strategy Group, including Policy, Performance & Research and Economic Development; and the Transformation Team.
15. The asbestos contractors on site are highly diligent and during the longevity of the programme there have been no incidents whereby any occupant of the building has been put at risk due to the asbestos removal works. A safe method of working is agreed prior to any piece of removals works being implemented and control measures are checked before any works commence. The enclosures erected to facilitate safe removal of contaminated materials, and the air around them, are periodically tested on a daily basis to ensure there is no risk of exposure to persons in the building.

Supplementary Works

16. A light- touch refurbishment has been carried out to the Riverside block during the summer of 2014 in order to increase the accommodation on floor 1 for ICT staff, now totalling 42. The ground floor, whilst not suitable for permanent accommodation, has been reconfigured in order to provide a project space for ICT where they can hold meetings, workshops, design and build sessions and have an interactive area to encourage innovation.
17. Reconfiguration and light-touch refurbishment is being progressed until early February in order to accommodate Solutions for Data and the central mail room in to the lower ground floor. A new kitchenette has been installed which is Equalities Act compliant in order to accommodate supported employment teams.
18. A small work package has been scoped out for the Data Centre to transform it into flexible office space; surveying is currently under way to establish the feasibility of progressing with this work. It is anticipated that a decision will be made by the end of February as to whether this will proceed. If the works take place, there is likely to be a subsequent piece of work undertaken by Property to upgrade the heating and cooling in the property.
19. The drainage soil stack replacement programme is progressing with stacks 2, 7 and 8 completed. A redesign of stacks 3 and 6 is currently in progress to take into account amended routings identified following asbestos strip-out on floor 2, plus existing drainage issues that require resolution. Drainage works will recommence at night once asbestos

removal is completed on floor 2 in Easter and will be complete prior to the H block refurbishment finishing.

20. The Health & Safety Executive visited site in December 2014 with no major items identified for action. Several minor items were identified to be addressed, such as a section of hoarding that required disassembly, and rubber coverings to electrics that had started to perish. All items identified were promptly addressed by the contractor and no issues are currently outstanding.

Financial Status

21. Thoroton Road was vacated as of January 2015 and handed over to Property for sale. Revenue savings from its vacation are estimated at £47K per annum. The property was auctioned on 29th January 2015, realising a sum of £384k.
22. Centenary House has been vacant since July 2013 and is being marketed; anticipated capital receipts are £1.3M.
23. The temporary floor space in Rushcliffe Civic Centre has been vacated and the lease ceased; the revenue savings from release are £33K per annum.
24. Baldertongate was returned to Newark & Sherwood District Council in December 2014; revenue savings made from vacating this property are £168K per annum.
25. The financial status of the programme remains within the anticipated £15.2M window at this time; this includes an estimated £215K increase due to the discovery of additional asbestos on floor 2.

CONCLUSION

26. In summary, the Ways of Working Programme is progressing in the same manner that it has continued to do so over the course of the last three years: the programme is well defined and the end product meets the quality expected. Local variations are being made to the scope of the works as discrete work packages are undertaken, however this is to be expected in a programme of this nature, scale and complexity. The volume of asbestos found in the properties being refurbished remains the primary issue, and is the sole reason for the overall programme slippage.

RECOMMENDATION/S

27. That Finance & Property Committee notes the content of the report

Jayne Francis-Ward

Corporate Director, Policy, Planning and Corporate Services

For any enquiries about this report please contact: Jayne Francis-Ward Corporate Director for Policy, Planning & Corporate Services (0115 977 3478)

Financial Comments (GB 26/01/15)

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

Background Papers and Published Documents

None

Electoral Divisions and Members affected

All

23 February 2015

Agenda Item: 7a

REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY & ENVIRONMENT

DUKERIES LEISURE CENTRE, NEW OLLERTON - SITE TRANSFER

Purpose of the Report

1. To seek approval to the transfer of the site of The Dukeries Leisure Centre, New Ollerton to Newark and Sherwood District Council on terms detailed in this report.

Information and Advice

2. The Dukeries Leisure Centre at New Ollerton is located in the middle of The Dukeries Complex. It is surrounded by The Dukeries Academy but, as it does not form part of the school, was excluded from the recent Academy Conversion transfer.
3. The Leisure Centre is operated and funded by Newark and Sherwood District Council (NSDC). It is not, nor has it ever been, the subject of any "joint use" arrangements. The building does, however, sit on land owned by the County Council.
4. Several years ago, the Leisure Centre was comprehensively redeveloped using funding entirely supplied by NSDC. Operation of the Leisure Centre has, throughout, been entirely at the cost of NSDC.
5. NSDC propose to place the Leisure Centre in to the control of a leisure Trust to safeguard the long term operational future of the Leisure Centre. This proposal has highlighted the anomaly which exists whereby the Centre (funded and operated by NSDC) sits on land which is owned by the County Council. This anomaly would prevent the proper transfer of the Centre's operation to the Trust.
6. It is proposed to resolve that anomaly by transferring the freehold interest of the Leisure Centre to NSDC for the nominal consideration of £1. The proposed transfer would contain a Right of Pre-Emption allowing the County Council to re-acquire the site (also for a nominal consideration of £1) in the event that the property ceased to be used as a leisure centre (or similar public recreational facility), or for cultural uses (for example, dance or arts use) and ancillary and retail uses which are entirely ancillary to the main uses of recreational and cultural purposes (e.g. vending machines, café etc.). In that event the County Council would have the right to acquire the leisure centre from the District Council for the sum of £1 after first giving the District Council 6 months' notice in writing that it wished to exercise the Right of Pre-Emption.
7. The transfer at £1 represents a sale at less than best value, as defined by s123 Local Government Act 1972. The full value of the site, having regard to its location is

assessed as being in the region of £35,000. Paragraph 20.3.6.1 of the Council's Financial Regulations provide that, where only one party is interested or is to be invited to submit a signed contract, the Service Director, Transport, Property and Environment, in consultation with the Chairman of Finance and Property Committee shall take a decision after discussing the circumstances with the Group Manager for Legal Services and the Section 151 Officer.

8. The circumstances which permit the Authority to depart from the requirement to achieve best value are contained in the General Consent Order [The Local Government Act 1972: General Disposal Consent (England 2003)]. The Order lays down no specific process, but simply requires that the following matters are considered:-

- 8.a.i. The local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;

- 8.a.i.1. The promotion or improvement of economic well-being;

- 8.a.i.2. The promotion or improvement of social well-being;

- 8.a.i.3. The promotion or improvement of environmental well-being; and

- 8.a.ii. The difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

9. It is considered that this proposal satisfies Paragraph 8.a.ii above and no concerns have been raised about the transaction out of the consultation referred to at Paragraph 7 above.

10. The proposed freehold transfer would also contain the grant of suitable access/servicing rights through the surrounding Dukeries Complex in order to facilitate proper use of the leisure centre. Suitable rights have been reserved out of the lease to the Academy following conversion, so the County Council are in a position to grant such rights. Each party will bear its own costs in connection with the Transfer.

11. The rationalisation of interests which this transfer will bring will facilitate the incorporation of the Centre in to the leisure Trust proposed by NSDC.

12. This proposal was approved by the Policy and Finance Committee of NSDC at its meeting on 4th December 2014.

Other Options Considered

13. This is the only sensible and realistic rationalisation that would realise the aspiration to have the operation of the Leisure Centre in to a leisure Trust.

Reason/s for Recommendation/s

14. To rationalise the property interests as between the County Council and NSDC in respect of The Dukeries Leisure Centre.

Statutory and Policy Implications

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

RECOMMENDATION/S

1) That the transfer of the freehold interest in the site of The Dukeries Leisure Centre, New Ollerton to Newark and Sherwood District Council be approved, on terms detailed in this report.

Jas Hundal

Service Director – Transport, Property & Environment

For any enquiries about this report please contact: Ian Brearley 0115 9774840

Constitutional Comments (EP 09.01.2015)

16. Provided that the Group Manager for Legal and Democratic Services and the S151 Officer approve this transaction in accordance with the Council's Financial Regulations, the recommendation falls within the remit of the Finance and Property Committee by virtue of its terms of reference.

Financial Comments (TR 20.01.2015)

17. The S151 Officer approves this transaction.

Background Papers and Published Documents

18. None

Electoral Division(s) and Member(s) Affected

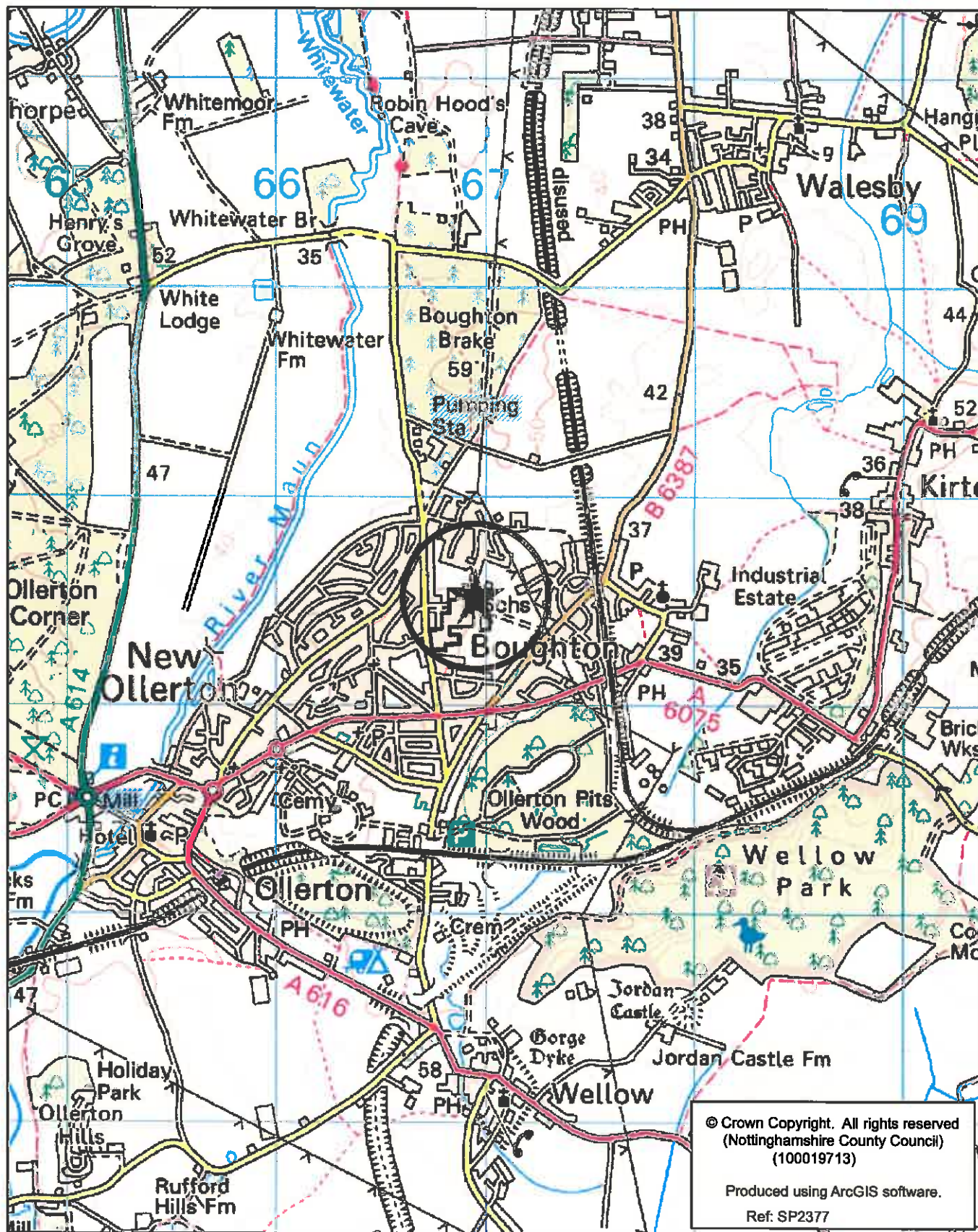
19. Ward(s): Ollerton

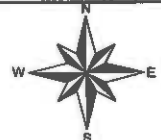
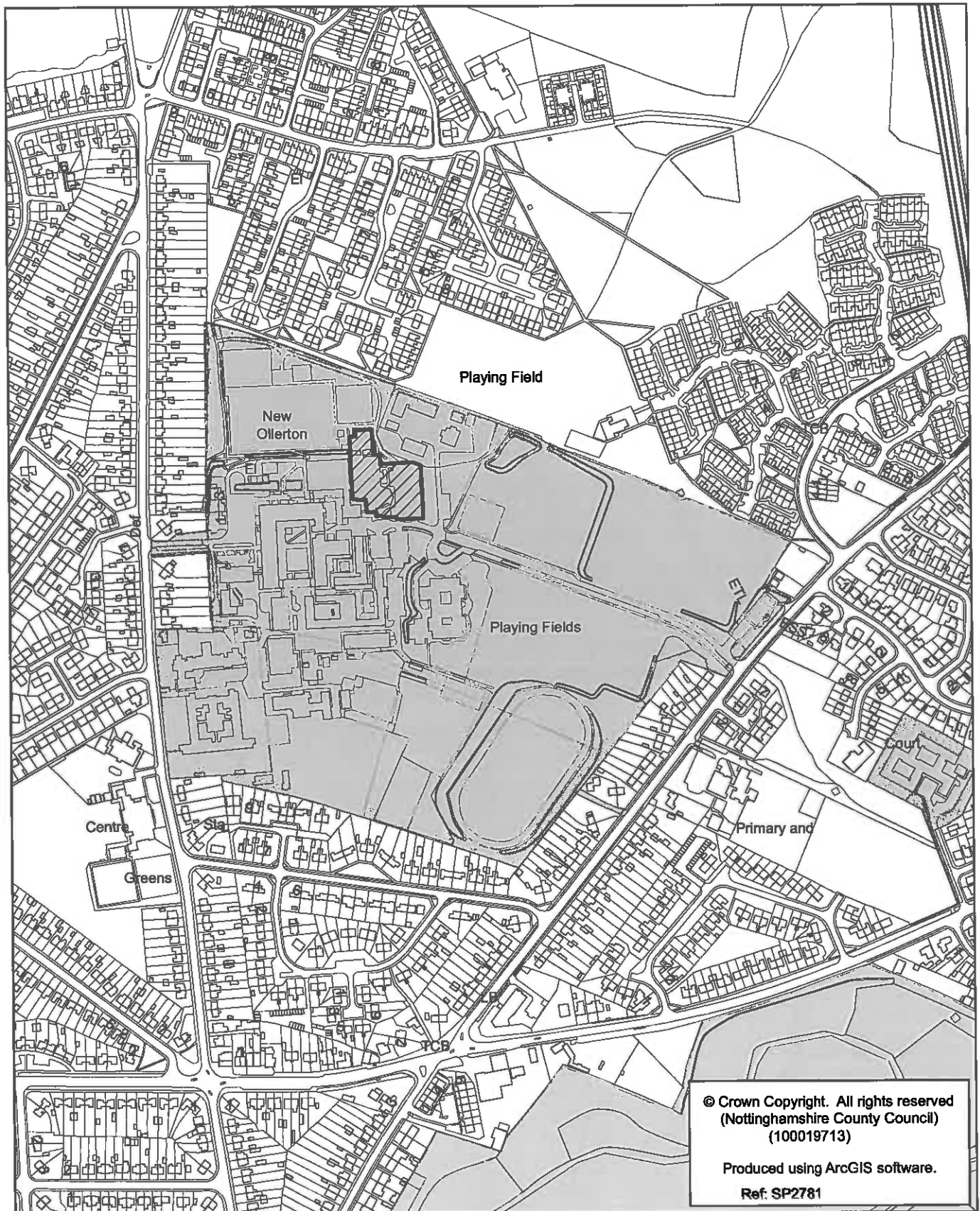
Member(s): Councillor Mike Pringle

File ref.: /IB/SB/02688

SP: 2781

Properties affected: 02688 - Dukeries Leisure Centre







23 February 2015

Agenda Item:7b

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

DISPOSAL OF LAND AT SANDY LANE, MANSFIELD

Purpose of the Report

1. To report on the marketing of the property, and offers received.
2. To seek approval to enter into a contract for the sale of land at Sandy Lane, Mansfield

Information and Advice

3. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in exempt appendix.
4. 3.43 acres of land was originally purchased from the Trustees for the Allotments for the Labouring Poor for the purposes of a new Residential Home with an additional parcel of land (0.17 acres) fronting Sandy Lane purchased from Mansfield District Council (MDC) to provide suitable access into the site for development purposes.
5. The additional land has covenants in MDC favour restricting the use of the land to the provision of a Residential Home for Older People and a number of self-contained residential flats for occupation by the elderly. The covenant also precludes the use of the land for commercial or business activity
6. Negotiations were entered into with MDC for the release of the covenants on the 0.17 acre of land fronting Sandy Lane. However, MDC were not willing to release the restriction as they would prefer to insist any developer will need to provide an adoptable standard road through the NCC site to facilitate opening up their surrounding land for future development.
7. At present the site is allocated as housing in the Mansfield District Council (MDC) local plan but does not benefit from any detailed planning consent.
8. The property has been marketed seeking offers for sale by informal tender. Offers have been received from two parties, on an unconditional contract basis. Each of the bids has been subject to detailed scrutiny by Officers and by the Council's agents. A summary of the offers received is contained in the exempt appendix.

Other Options Considered

9. An alternative to disposal would be the letting of the property, but the letting potential of the site is not considered likely to deliver a significant income stream, with a high risk of significant void (empty) periods.
10. Consideration was given to sale by auction however, at the time of going to market interest in development land in Mansfield was low and a sale by informal tender was felt to be the best way to market the site.
11. To retain the site but this would incur ongoing costs to the County Council i.e. fly tipping etc.

Reason/s for Recommendation/s

12. The Authority has no strategic or operational requirement for the property.

Statutory and Policy Implications

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

RECOMMENDATION/S

- 1) That the bids received for the site as detailed in the exempt appendix are noted.
- 2) That approval be given to the sale of property on terms detailed in the exempt appendix.

Jas Hundal

Service Director – Transport, Property & Environment

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

Constitutional Comments (EP 08.01.2015)

14. The recommendation falls within the remit of the Finance and Property Committee by virtue of its terms of reference.

Financial Comments (TR 20.01.2015)

15. The sale will generate a capital receipt which will be used to help fund the Capital Programme.

Background Papers and Published Documents

16. None.

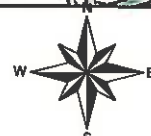
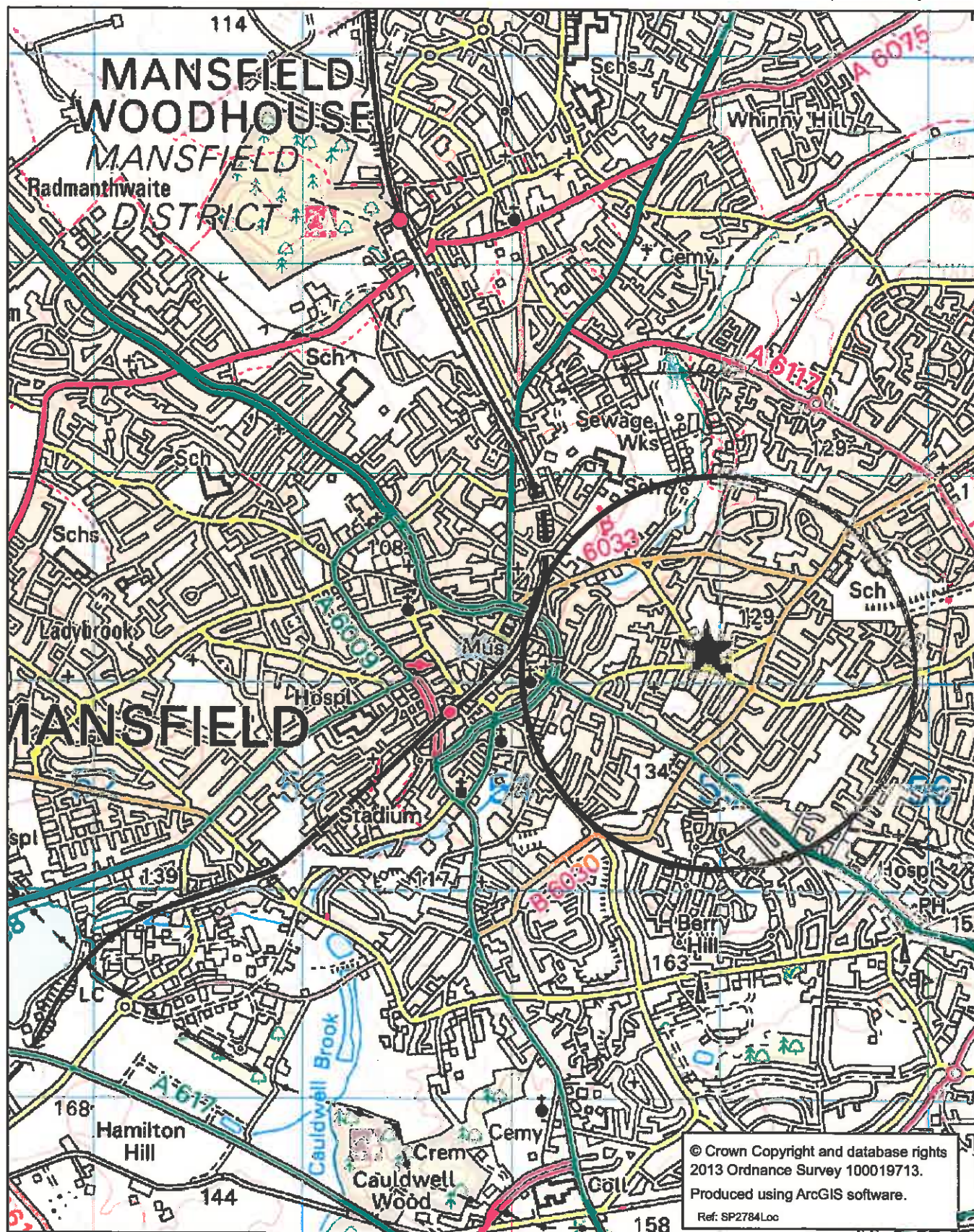
Electoral Division(s) and Member(s) Affected

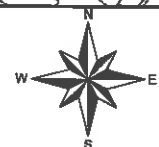
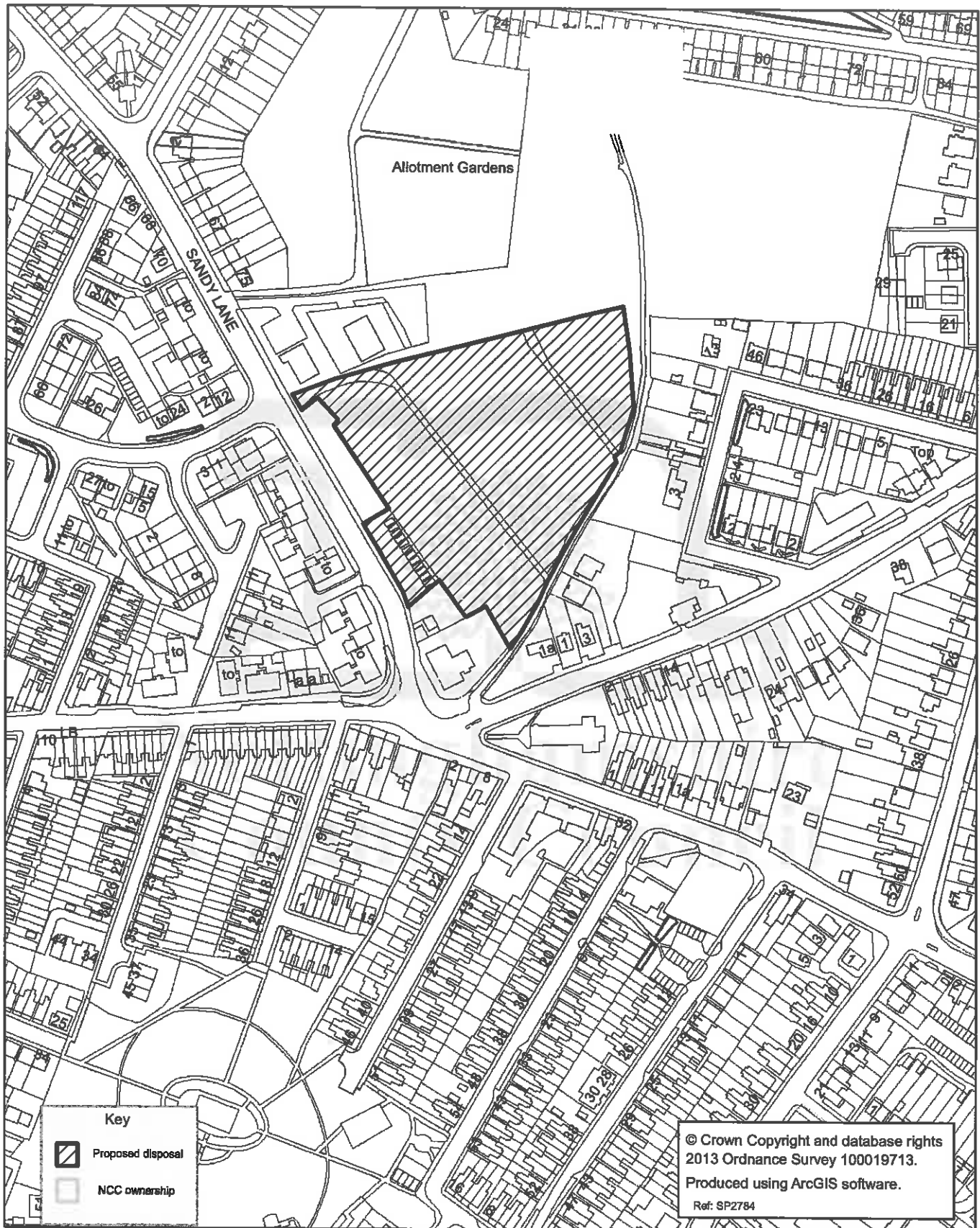
17. Ward: Mansfield South
Member (s): Councillor Andy Sissons, Councillor Stephen Garner

File ref.: /GG/SL/06415

SP: 2784

Properties affected: 06415 - RHOP Sandy Lane





23 February 2015

Agenda Item: 7c

REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY & ENVIRONMENT

MERCURY HOUSE STAFF RELOCATION TO MANSFIELD CIVIC CENTRE

Purpose of the Report

1. To seek in principle approval of the Finance and Property Committee to proposed heads of terms for the occupation of accommodation at Mansfield Civic Centre by the Customer Service Centre, Multi Agency Safeguarding Hub and Adult Access Service, subject to the final outcome of the ongoing feasibility study into the anticipated costs and deliverability of this option.

Information and Advice

Background

2. The Council occupies office space at Mercury House in Ashfield for use by the Multi Agency Safeguarding Hub (MASH) which is the County's first point of contact for new safeguarding concerns and provides an environment for the sharing of information between a number of agencies for public protection. The property is also occupied by the Customer Service Centre (CSC) and the Adult Access Service (AAS) which together assess whether someone is in need of support.
3. Mercury House provides 1190 sq. m of accommodation (12,806 sq. ft.) and is occupied on the basis of a 10 year lease which took effect on 8 May 2007. The original rent agreed was £186,000 per annum and still remains at that level. The total annual running cost of the property, including rent, is approximately £364,000.

Current Situation

4. The departments occupying Mercury House are experiencing an increase in demand for their services and in order to meet this demand there has been an increase in staff numbers.
5. This demand, combined with further staff being required to meet the requirements of the new service delivery models and channel shift means that Mercury House cannot accommodate the further additional staff numbers that will be required over the next 2-3 years. Should another unit within the locality be acquired to meet this need, further rent, outgoings and fit out costs would be incurred in addition to the £364,000 mentioned above.

Identified Requirement

- Over the next three years it is currently estimated that there will be approximately 356 Full Time Equivalents (FTE) that will require co-location to deliver the identified service need.

This comprises:

MASH	86.6 FTE
CSC	193 FTE
ASCH&PP	63.5 FTE
CFCS	13 FTE
<hr/>	
TOTAL	356.1 FTE

- There is limited certainty from Services on exactly the number of posts that will eventually be required. This is understandable given the requirement to predict future service demand however this represents a degree of risk that will require mitigation through a flexible property solution.
- It is anticipated that approximately 41 FTEs from the overall FTE posts will be newly created, the remaining 315 are already accommodated across the Council's office estate (c.206 are located at Mercury House) however it is essential that all 356 are co-located in order to meet identified service needs.
- Assuming all the potential new FTE posts are established, this would equate to a floor space requirement of approximately 2,112sqm – based on 356 staff by 2016/17, at a 1:1 desk to staff ratio.

Proposed Solutions

- It is recognised that the services' staff numbers will increase over the next few years and for this reason, combined with the need to make further revenue savings; it is proposed that the lease for Mercury House will not be renewed when it expires in May 2017. This will entail the payment of an anticipated sum of c. £80,000 for dilapidation of the property, to the landlord, at the end of the lease.
- Various alternative options for accommodating the staff within the Council's existing premises have been considered however, none have been considered suitable due to capacity and locational factors. The preferred option is to relocate all of the 356 FTEs identified, to Mansfield Civic Centre by way of a relocation programme to be completed in two phases.
- Occupancy outgoings are normally payable on any accommodation e.g. heating, lighting etc. If an additional unit had been rented there would have been rent payable for Mercury House plus rent for the additional unit plus refurbishment costs. The move to the Civic Centre will avoid rental payment.
- There are additional benefits in moving to the Civic Centre:-
 - Meets the Government initiative which encourages the Public Sector to share

assets in order to reduce revenue and capital outgoings.

- Brings an extra concentration of employment into Mansfield
- Provides good access to car parking
- Facilitates the joined up delivery of public sector services
- Accommodation can be provided on a phased basis
- Provides an 'end destination' under one roof that meets the expanded needs of the services currently at Mercury House

14. The Civic Centre, shown hatched on the attached plan, provides office accommodation across two floors and is located on the edge of central Mansfield and has generous car parking provision. As a result of the review of office space by MDC, two distinct areas of space on the ground floor are soon to be fully vacated, shown outlined on the attached plan and have been offered to the County Council, as a public sector partner, for its use.
15. The office space will need to be refurbished by the County Council and charges for the space will only be levied once the County Council takes up occupation which will be on a phased basis with MASH taking occupation of Phase 1 as soon as the works are completed. The remaining occupiers, it is proposed, will relocate in 2017 when the lease at Mercury House expires.
16. The refurbishment works will bring the accommodation up to modern standards in line with the flexible working specification recently delivered in County Hall.
17. The Property group is currently working up a feasibility project to determine the cost and timescale required to undertake the refurbishment work.
18. The funding for the project is subject to an existing CAMG bid for £800,000 which is anticipated to be approved in February. It should be noted that the full cost for the refurbishment cannot be finalised until, the condition of the Civic Centre accommodation has been surveyed in detail and the ICT specification known. These are currently being investigated.
19. The original capital bid equating to £1.5 m was based on the anticipated refurbishment costs for a similar unit to Mercury House. The capital bid was subsequently decreased to £800,000 based on MDC proposed costs for the refurbishment of similar space within the Civic Centre. Additional costs for refurbishing the remainder of the space required for phase 2 will be subject to an additional capital bid.
20. The principle terms, currently proposed are set out in the attached appendix. These have been broadly based on the terms agreed for Gedling Borough Council to occupy Sir John Robinson House so the service charge covers operational running costs only, no rent will be charged.
21. Whilst the terms are largely agreed, there is still some ongoing negotiation around certain issues including the cost implications relating to specific hours of opening and the outgoings payable. The length of term has been extended to 20 years subject to break clauses. This provides NCC with a greater period of occupancy to benefit from the capital investment linked to the refurbishment works. However, it should be noted that MDC has the option of seeking possession of the accommodation mid –term(after 10 years)

Immediate temporary relocation

22. Fifteen staff from AAS are to be relocated to Pure Offices, Icon Business Centre, Sherwood Business Park, Ashfield by way of a licence. Terms for which have been approved separately by way of an operational decision. This will allow CSC to accommodate staff that are currently being recruited.
23. Subject to Committee approval once Phase 1 of the accommodation at the Civic Centre is available, these 15 staff will move back into Mercury House before moving into the Civic Centre as part of Phase 2.

Long term permanent relocation

24. In order to provide the necessary alternative accommodation for the 356 staff, space in the Mansfield Civic Centre has been identified for occupation in two phases:
25. Phase 1 staff to be accommodated include MASH and CFCS teams.
26. Phase 2 staff to be accommodated include CSC and ASCH&PP teams. The completion of this phase will be co-terminus with the current lease of Mercury House.

Other Options Considered

27. In view of the factors outlined earlier within this report, four potential alternative options were considered.
 - a) Renew the lease for Mercury House and take a new lease of The Piazza – This option was considered to be too costly.
 - b) Vacate Mercury House and relocate staff to Sherwood Energy Village – This would incur significant staff relocation costs and current occupants cannot be relocated easily. This also would require further relocation of existing staff from Sherwood Energy Village.
 - c) Vacate Mercury House and relocate staff to Meadow House – Appropriate layout and flexibility of space cannot be achieved and would require further relocation of existing staff from Meadow House.
 - d) Vacate Mercury House and relocate staff to Nottinghamshire's Police Authority Headquarters – This accommodation was deemed not be appropriate for the requirement.

Reason/s for Recommendation/s

28. Based on the anticipated costs/benefits for each of the options considered, the proposal to relocate to Mansfield Civic Centre was considered to be the most economically and service orientated advantageous option available to the Council for the provision of the accommodation required.
29. It is important to emphasise that there remains some risk in establishing the true cost of the proposed relocation to the Civic Centre compared to the next preferred option of renting an additional unit similar to Mercury House. These risks relate to the:-

- Refurbishment costs for the accommodation
- Contribution required by MDC for outgoings
- Rental that could be achieved on another industrial unit: the potential loss of a Tenant may assist the Council in securing more favourable lease terms

In view of these risks, it is proposed to continue to work up proposals for the proposed move to the Civic Centre subject to a further report (potentially in March) outlining more detailed financial aspects, once they are known, of the two preferred options.

Statutory and Policy Implications

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

RECOMMENDATION/S

- 1) That Finance and Property Committee approves the in principle relocation to MDC Civic Centre on terms as set out in the attached appendix, subject to a further report demonstrating that the project is deliverable in a cost effective and timely manner.

**Jas Hundal, Service Director
Transport, Property & Environment**

For any enquiries about this report please contact: Alison Warren on 0115 977 2094

Constitutional Comments (CEH 04.02.2015)

31. The recommendation falls within the remit of the Finance and Property Committee. As the subject matter would involve the re-location of staff, HR will need to be consulted and involved.

Financial Comments (TR 04.02.2015)

32. The financial implications of this relocation will be identified in more detail in a future report.

Background Papers and Published Documents

33. Operational decision for Pure Offices.

Electoral Division(s) and Member(s) Affected

34. Ward(s): Kirkby in Ashfield South
Member(s): Councillor Rachel Madden

File ref.: /AJW/SB/00743

SP: 2802

Properties affected: 00743 - Mercury House (Unit B Dakota Academy)

APPENDIX TO REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY & ENVIRONMENT

MERCURY HOUSE STAFF RELOCATION TO MANSFIELD CIVIC CENTRE

Information and Advice

The proposed terms as agreed with MDC are set out below:

Situation and description:	The right to use the area as shown hatched on the attached plan. Other areas will be available to use including ground floor meeting rooms in common with the lessor.
Lessor:	Mansfield District Council.
Lessee:	Nottinghamshire County Council
Length of Term:	20 years – lease to be contracted out of S24-28 of the Landlord and Tenant Act 1954
Break option:	NCC to have break options every 5 yrs, MDC at mid- term i.e. 10yr
Service charge:	The proposed service charge rate is max £161.22/Sq Mtr per annum (subject to ongoing negotiation) for 1 st April 2015 – 31 st March - Year 1. The Lessee shall pay this sum plus a proportionate increase or decrease each year linked to its pro-rata % of the total running costs for the building.

Therefore based on the areas A (889 Sq Mtrs) outlined red, B (716Sq Mtrs) outlined blue and C (610 Sq Mtrs) outlined green totalling 2215 Sq Mtrs. This would equate to £357,102 pa. The amount payable will be phased as the lessee takes occupation of the respective areas. Please treat these areas as indicative only at this stage as there may be slight variances to account for the lessors and lessees final requirements.

This service charge is including:- grounds maintenance, electricity, gas, business rates, water and sewerage, cleaning and refuse collection (including the hatched area), maintenance and repair of the building, insurance of the building, servicing of automatic doors, lifts, fire alarms, air conditioning units, intruder alarms, emergency lighting, fire extinguishers, fire alarms, within communal areas plus Facilities Management Team, Cleaning & Caretaker staff.

Maintenance charge:	The Lessee shall also pay a % of all other charges, assessments and expenses (if any) reasonably incurred or paid by the Landlord or on its behalf in connection with the operation or maintenance or proper and convenient management of the Building providing that this charge will not exceed £10,000 in the relevant year. For the avoidance of doubt this does not apply to costs associated with adapting the premises for the specific use/requirements of the Lessee. The maintenance charge payable shall only be charged against invoices received by the Lessor in the relevant year and will not form part of any sinking fund etc.
Equipment:	Not applicable. The Lessor shall be responsible for the provision, cleaning, maintenance and repair of all furniture and appliances.
Telecommunications:	The Lessee shall be responsible for the cost of installing any separate telephone and data lines and internet lines and thereafter will pay all charges relating to their use. Any installations shall require prior written consent of the Lessor such consent not to be unreasonably withheld or delayed and to be given within 3 weeks of submitting full detailed specifications and any other information.
Use:	<p>(Subject to ongoing negotiations) The Lessee shall use the area hatched on the attached plan as an office during the hours which the building is open except Bank Holidays and other national holidays. But in any event the Lessee will be able to use the premises between the hours of 7.30am-7.00pm* Mon-Fri except Bank Holidays and weekends. In the event of an emergency for the Lessee the Lessor will arrange for the area hatched to be opened so that the Lessor can operate its emergency plan outside of the usual office hours. The operation for such arrangements will be subject to consultation with the caretaker and the Lessee shall meet any call out costs in connection with this. The toilets within the hatched area shall be used in common with other users of the building.</p> <p>*Any times agreed which are outside normal office hours for MDC will be subject to an additional service charge, yet to be calculated.</p> <p>The Lessee will not do or permit any act or thing, which may be or become a nuisance, inconvenience to the Lessor, its users or any neighbouring property. The Lessee shall be fully responsible for all users and visitors to the hatched area.</p>
Repairs and Maintenance:	The Lessee shall keep the interior of the premises in good repair and decoration and shall be responsible for any pipework, electrical cables exclusively serving the hatched area. The lessor shall be responsible for the provision and testing of fire extinguishers within the hatched area. The Tenant will only be responsible for the electrical cables on receipt of a valid electrical test certificate in relation to the hatched area. The Lessee will also be responsible for keeping the area in a clean and tidy condition and shall not cause any damage to the premises in any way. The Lessor shall be responsible for the maintenance and repair of the main structure and

fabric of the building. The Lessee shall be responsible for Portable Appliance testing within the hatched area on an annual basis. The Lessee shall not be obliged to keep the area hatched in any worse condition than evidenced in the Schedule of Condition (to be agreed and prepared by the Lessee).

- Decoration: In the 5th year and in the last 3 months of the term howsoever determined (but not as to require the tenant to carry out such redecoration more than once in any period of 12 months) to redecorate all previously painted surfaces in the premises in such colours approved by the landlord and redecoration works to be undertaken to the satisfaction of the landlord.
- Alterations: The Lessee shall not be permitted to undertake any structural alterations, works or additions to the hatched area. Any works required to the hatched area will be undertaken by District Council contractors, the Lessee shall reimburse the Lessor for the full costs of such works.
- Signage: The Lessee shall not display or permit to be displayed any posters, notices or advertisements of any kind without the prior written consent of the District Council, such consent not to be unreasonably withheld or delayed.
- Alienation: The Lessee shall not be permitted to assign or sub-let their rights conveyed in the Lease to any other party and shall not be permitted to hire the premises in any way.
- Fees: Each party to bear their costs in connection with the preparation of the lease
- Insurance: The Lessee shall procure their own contents insurance and any other insurance deemed reasonably necessary by Landlord through the use of the premises. The Lessor shall insure the main structure and fabric of the building.
- Statutes: The Lessee shall obtain any necessary planning permissions under The Town & Country Planning Acts and obtaining and complying with any necessary statutory or bye-law approvals affecting the proposed use.
- Health & Safety: The Lessee will comply with all relevant Health & Safety legislation together with that reasonably set out by the Lessor. The Lessee shall undertake a Fire Risk Assessment for the hatched areas and provide the Lessor with a copy of this and provide details to the District Council of the nominated fire wardens for the hatched area.
- Reinstatement: Following the determination of this Agreement, the Lessee shall, at its own expense, reinstate and make good the demised area to the reasonable satisfaction of the Lessor. The Lessee shall also remove all of their possessions as requested by the Lessor **(subject to on-going negotiations)**.

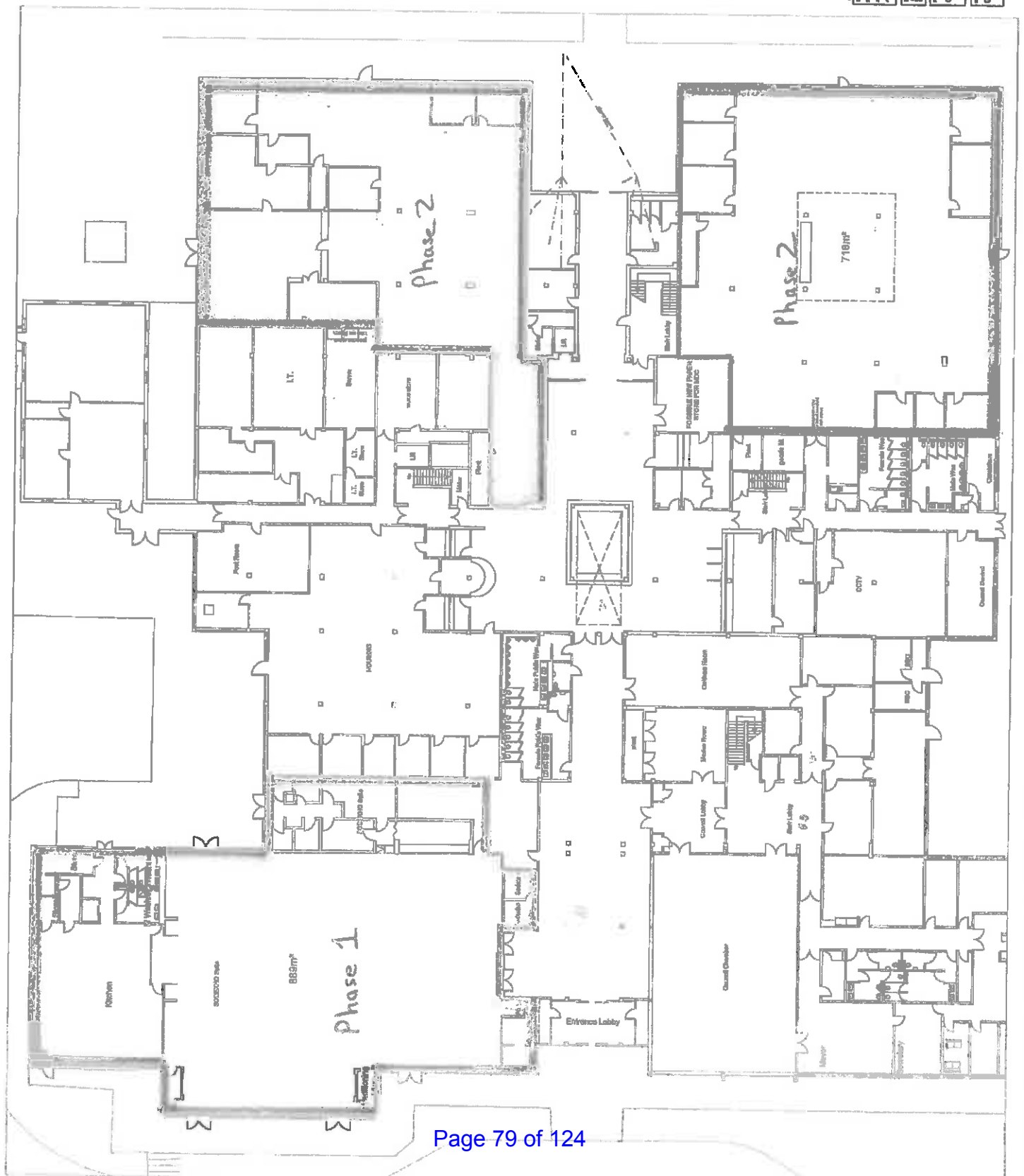
Parking:	The Lessee and its employees shall be permitted to park vehicles and store bicycles in the car park as shown on the attached site plan and such shall be on a first come first service basis and in common with all other users and visitors to the building. The Lessee shall co-operate with the Lessor over any car parking arrangements that may exist on site and provide details to the District Council for the purposes of the on-site car parking database. Visitors to the premises will be able to utilise the designated public parking area only.
Other:	The Lessee shall not be permitted to store anything outside of the premises as hatched on the attached plan.
Settlement of Disputes:	As per typical lease terms.

RECOMMENDATION/S

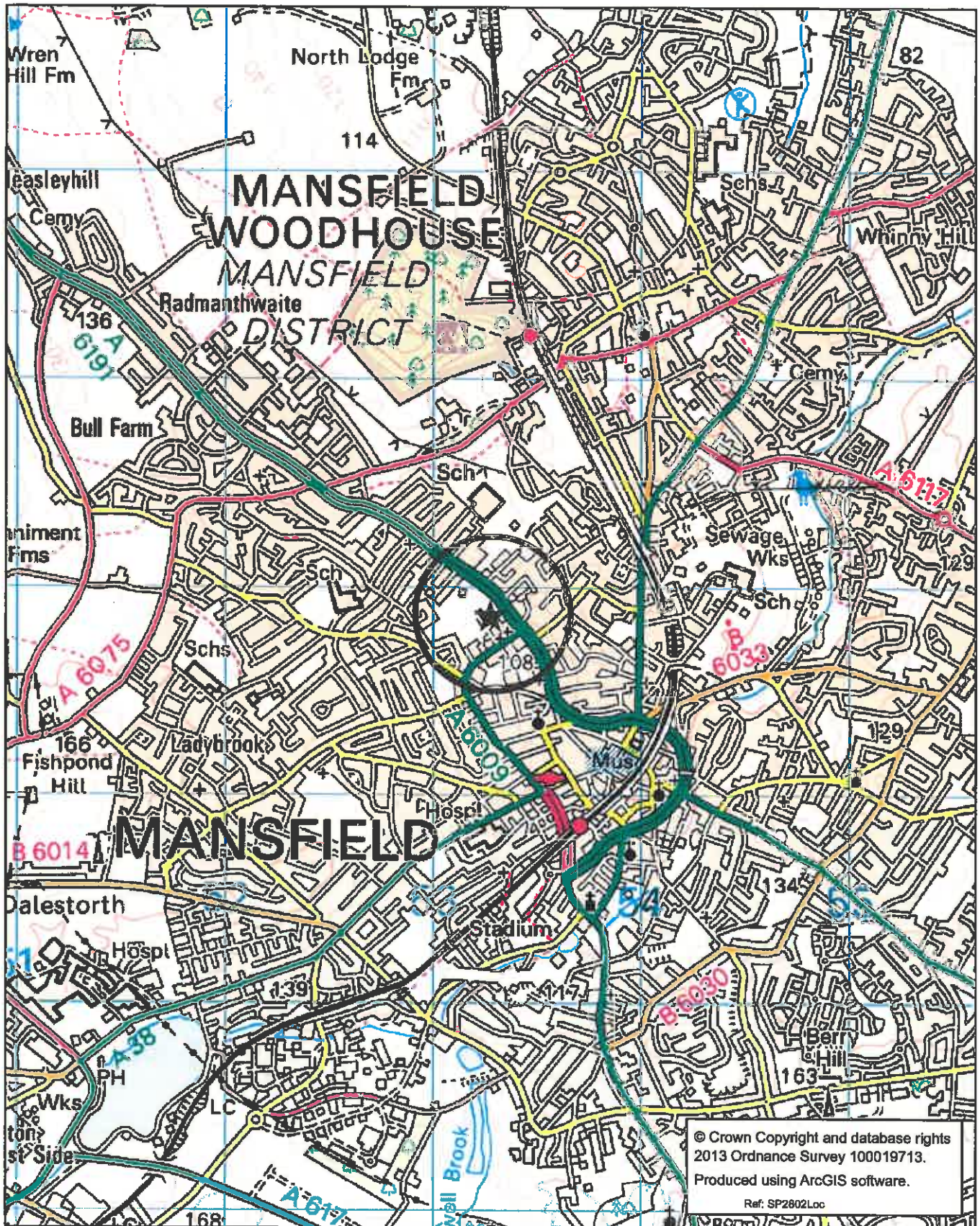
- 1) That the information contained in this appendix is noted.

**Jas Hundal, Service Director
Transport, Property & Environment**

For any enquiries about this report please contact: Alison Warren on 0115 977 2094

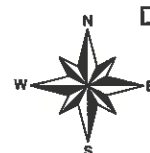
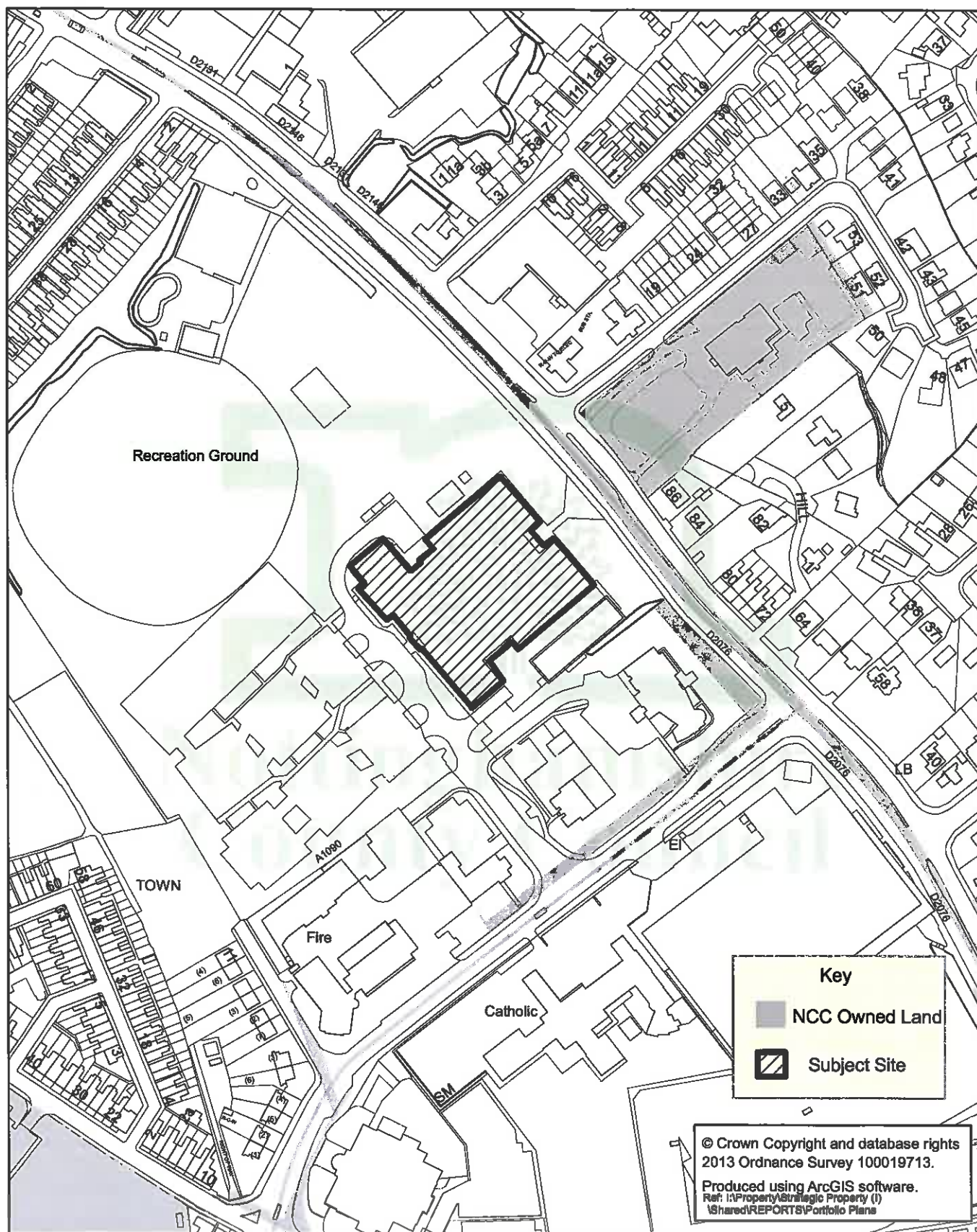


Client	MANCHESTER DISTRICT COUNCIL	Project No.	
Project Name	CIVIC CENTRE REMODELLING	Drawing No.	CIVIC 101
Scale	1:125	Revision	
Author	MANCHESTER DISTRICT COUNCIL	Project No.	
Project Name	CIVIC CENTRE REMODELLING	Drawing No.	CIVIC 101
Scale	1:125	Revision	



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Produced using ArcGIS software.
Ref: SP2802Loc





23 February 2015**Agenda Item: 7d****REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &
ENVIRONMENT****OLLERTON PRIMARY SCHOOL – LICENCE TO OLLERTON OUT OF
SCHOOL CARE (CIC)****Purpose of the Report**

1. To seek approval to granting a licence to the Ollerton Out Of School Care to enable them to provide the wrap around facility from a classroom within the school under a formal arrangement.

Information and Advice

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.
3. The Ollerton Out of School Care (CIC) has been on site for 20 years without the benefit of a formal agreement.
4. This licence seeks to formalise their occupation.
5. The Heads of Terms as follows:

Licensor	Nottinghamshire County Council
Licensee	Ollerton Out of School Care CIC (CIC No. 06466973)
Premises	Shared use of the area shaded grey on the attached Room plan. Shared use of the external area to be agreed with the Head teacher of Ollerton Primary School.
Licence period	10 years Starting from: 1st September 2014
Use	Strictly for the provision of wrap around care and school holiday care.
Hours of Use	7.30am to 9am and 3.30pm to 6pm Monday to Friday Term Time Only.

7.30am to 6pm School holidays (45 days per academic year)
INSET days by prior agreement with the Head teacher.

Licence Fee	See exempt appendix
Review	The licence fee will be reviewed in the Summer Term 2015 based on the pupil numbers attending the facility.
Outgoings	<p>Nottinghamshire County Council will be fully responsible for all internal and external maintenance and repairs.</p> <p>Nottinghamshire County Council will be responsible for buildings insurance and business rates.</p> <p>Nottinghamshire County Council will be responsible for the costs associated with the running and servicing of the access control/burglar alarm and fire alarm.</p> <p>Nottinghamshire County Council will be responsible for Legionella checks & servicing of firefighting equipment.</p> <p>The Licensee will be responsible for any Electrical Portable Appliance Testing of belongings owned by them.</p> <p>The Licensee will be responsible for tidying away their equipment and cleaning the area after each session. Any issues regarding the cleaning should be brought to the attention of either party immediately so that they can be addressed.</p> <p>The Licensee will be responsible for funding any repairs arising from wilful damage to the area occupied. Any school equipment damaged by Ollerton Out of School Care CIC will be replaced and the costs passed to the Licensee.</p>
Car Parking	Staff will have access to the car park if there are spaces available.
Insurance	<p>Nottinghamshire County Council will be responsible for insuring the building however, the Licensee will be responsible for public liability, contents and any other insurance required.</p> <p>Nottinghamshire County Council reserves the right to impose minimum levels of insurance required.</p>
Compensation	No compensation will be payable by Nottinghamshire County Council on termination of the licence.
Lift and Shift	NCC reserves the right to relocate Ollerton OOSC CIC elsewhere in the school site.
Termination	<p>The agreement can be terminated by either party by giving 6 months' notice, for whatever reason.</p> <p>Nottinghamshire County Council will however have the option to break the licence immediately for serious breaches such as inadequate Ofsted outcomes and where there are safeguarding concerns raised by Ofsted, the police or Children's Social Care.</p>
Indemnity	The Licensee agrees to indemnify the Landlord against all claims for loss or damage arising from the licensee's proposed use or occupation of the premises, howsoever arising.

Legal Costs Ollerton OOSC CIC to pay all legal costs and associated fees incurred by Nottinghamshire County Council in granting the licence.

Other Options Considered

6. See exempt paragraph.
7. See exempt paragraph.

Reason/s for Recommendation/s

8. See exempt paragraph.

Statutory and Policy Implications

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

RECOMMENDATION/S

- 1) That approval is given to granting a licence to Ollerton Out of School Care on the terms set out in this report and the exempt appendix to this report.

Jas Hundal

Service Director – Transport, Property & Environment

For any enquiries about this report please contact: Helen Smith 0115 9773655

Constitutional Comments (EP 08.01.2015)

10. The recommendation falls within the remit of the Finance and Property Committee by virtue of its terms of reference.

Financial Comments (TR 20.01.2015)

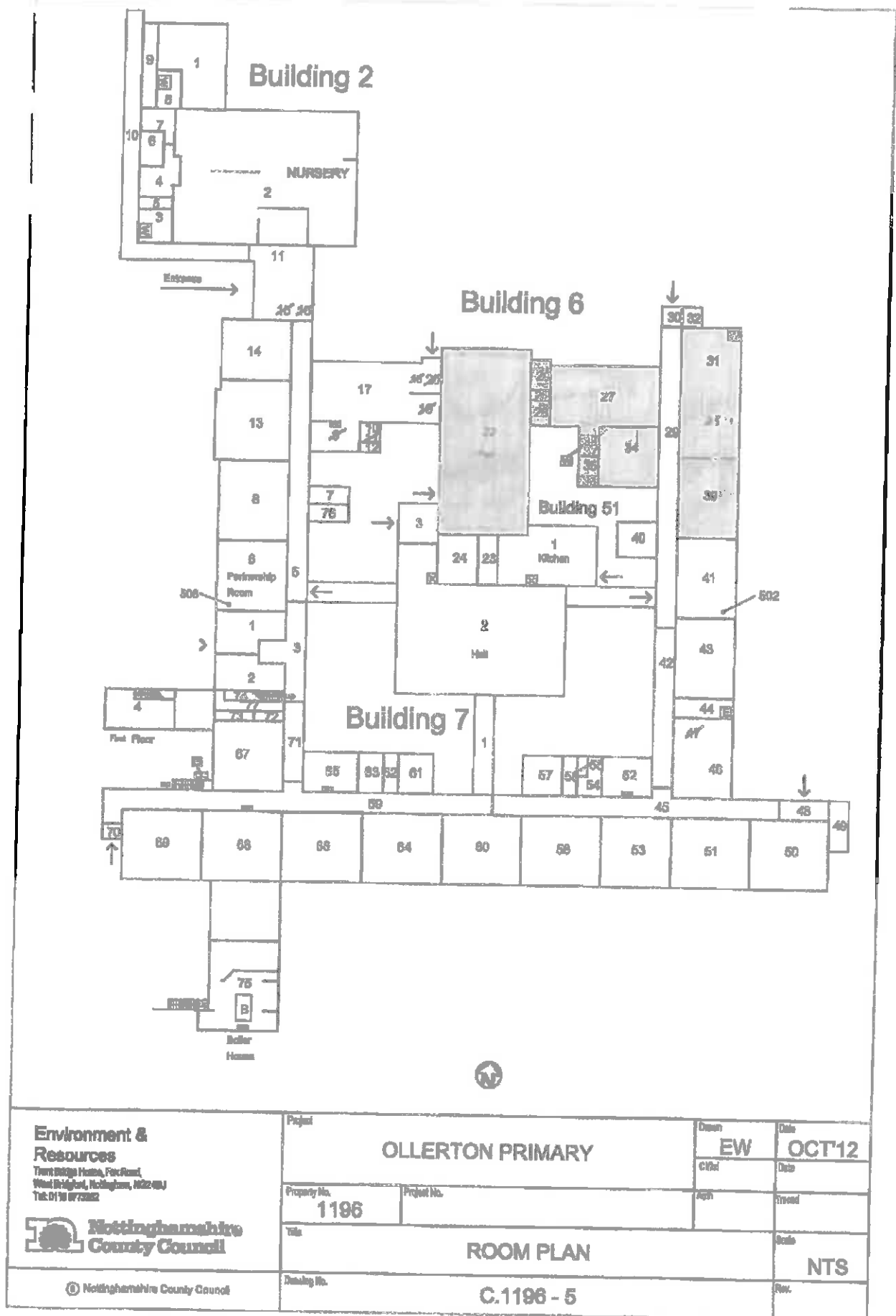
11. The financial implications are set out in the exempt appendix to the report.

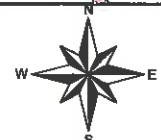
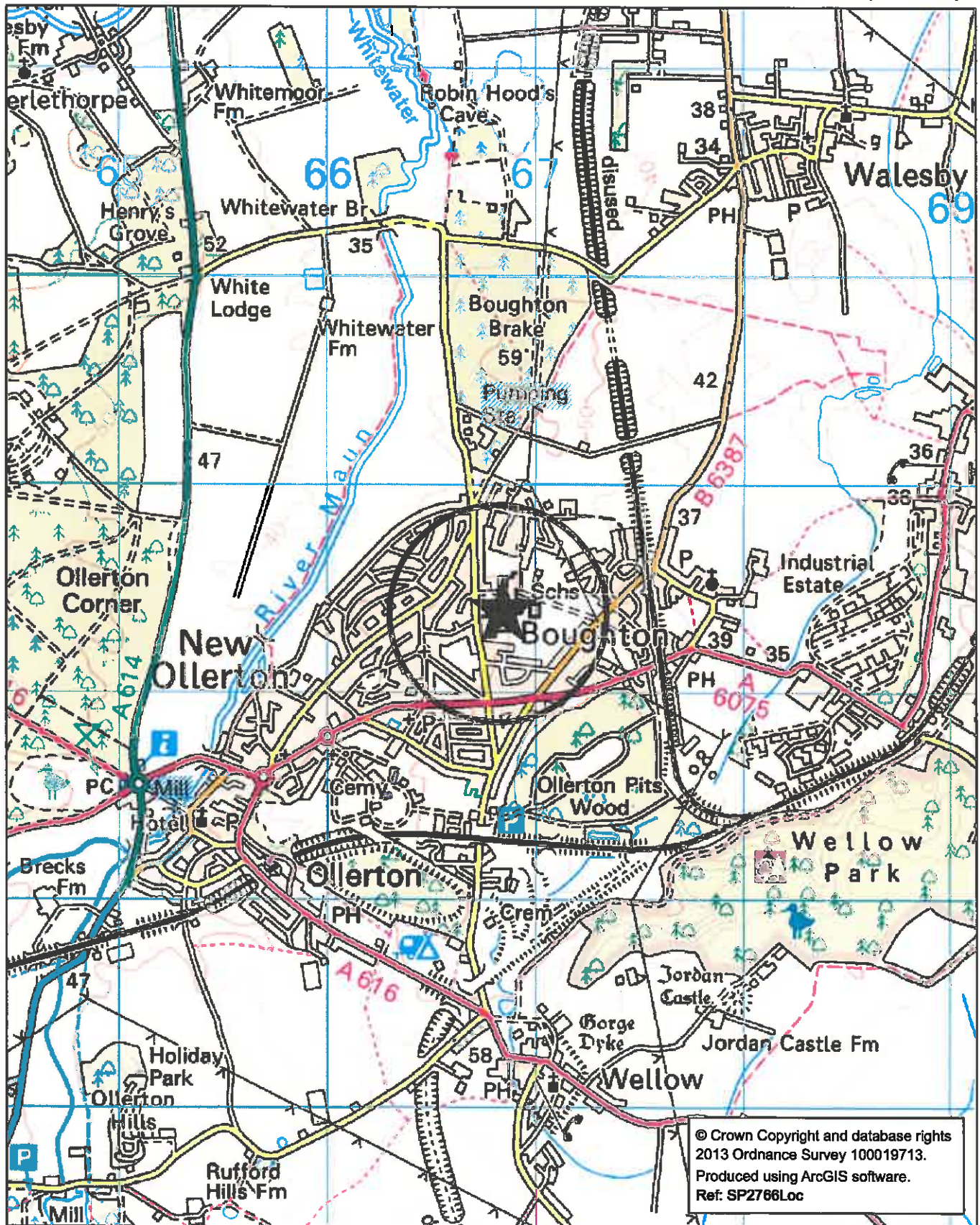
Background Papers and Published Documents

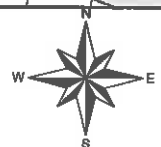
12. None

Electoral Division(s) and Member(s) Affected

13. Ward(s): Ollerton
Member(s): Councillor Mike Pringle







23 February 2015**Agenda Item: 7e****REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &
ENVIRONMENT****TOP WIGHAY FARM, HUCKNALL: SURRENDER OF AGRICULTURAL
TENANCY AND GRANT OF NEW FARM BUSINESS TENANCIES****Purpose of the Report**

1. To seek approval to the terms for the surrender of the existing Agricultural Tenancy as detailed in the Exempt Appendix.
2. To seek approval to the terms of new Farm Business Tenancies as detailed in the Exempt Appendix.

Information and Advice

3. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.
4. The Gedling Aligned Core Strategy has allocated land at Top Wighay Farm, Annesley Road, Hucknall for a major urban expansion area comprising up to 1000 homes and land for employment uses. The County Council owns 63 Ha (156 acres) of land at Top Wighay Farm. The County Council is proposing to bring forward Top Wighay Farm for development (in phases) in accordance with the adopted Core Aligned Strategy. A conditional contract has recently been exchanged in relation to the first housing phase on the site (4.23 Ha / 10.44 acres and known as Phase 1B).
5. The whole of Top Wighay Farm is currently leased to a local farmer under an Agricultural Tenancy dated 16 June 1977.
6. It is proposed to accept a surrender of the existing agricultural tenancy. The terms of the proposed surrender are detailed in the exempt appendix.
7. As part of the surrender arrangements, it is also proposed to create some new short term Farm Business Tenancies. The terms of the proposed Farm Business Tenancies are detailed in the exempt appendix.

Other Options Considered

8. Retain the existing Agricultural Holdings Act Tenancy.

Reason/s for Recommendation/s

9. The replacement of the existing Agricultural Tenancy with shorter Farm Business Tenancies gives greater flexibility both to the Council and the Farmer in the day to day management of Top Wighay Farm in the context of the site development aspiration.

Statutory and Policy Implications

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

RECOMMENDATION/S

- 1) That approval be given to the terms for the surrender of the existing Agricultural Tenancy as detailed in the exempt appendix.
- 2) That approval be given to the terms of new Farm Business Tenancies as detailed in the exempt appendix.

Jas Hundal

Service Director – Transport, Property & Environment

For any enquiries about this report please contact: Ian Brearley 0115 977 4840

Constitutional Comments (CEH 04.02.2015)

11. The recommendations fall within the remit of the Finance and Property Committee.

Financial Comments (TR 04.02.2015)

12. The financial implications are set out in the exempt appendix to the report.

Background Papers and Published Documents

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

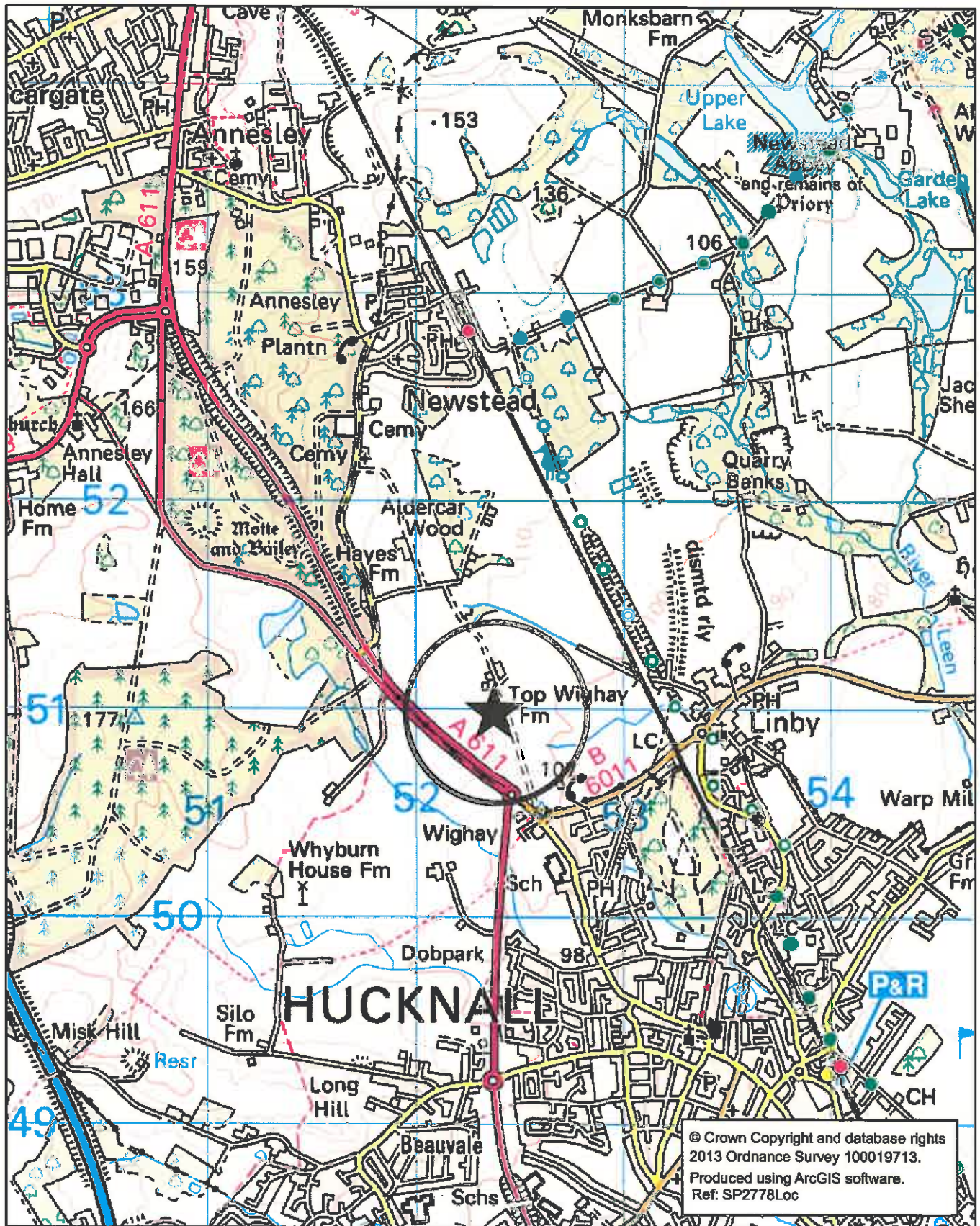
Electoral Division(s) and Member(s) Affected

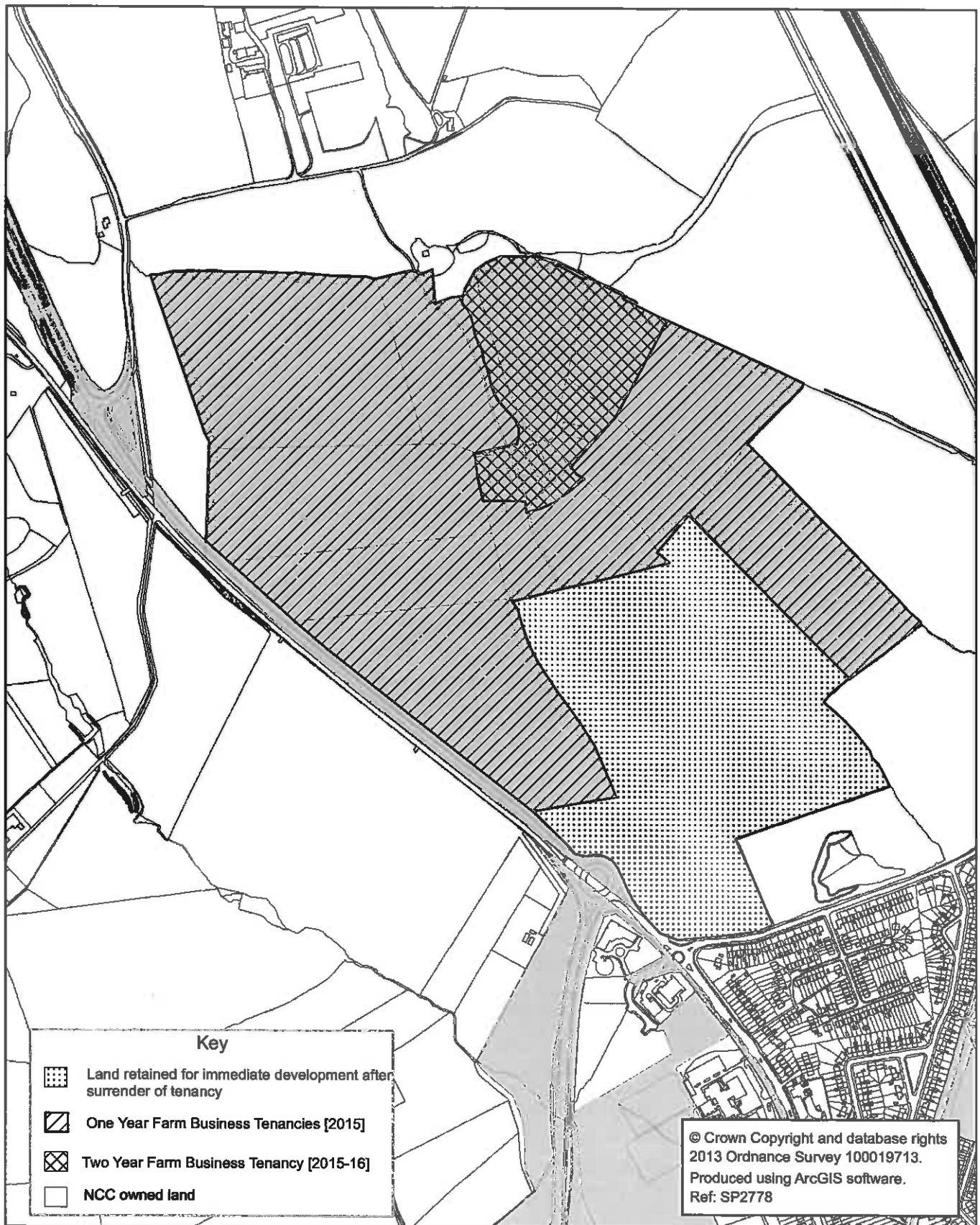
14. Ward(s): Newstead, Hucknall, Kirkby-in-Ashfield South
Member(s): Councillor Chris Barnfather, Councillor Alice Grice, Councillor John Wilmott, Councillor John Wilkinson, Councillor Rachel Madden

File ref.: /IB/SB/00777

SP: 2778

Properties affected: 00077 - Top Wighay Farm





23 February 2015

Agenda Item: 7f

REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY & ENVIRONMENT

LATEST ESTIMATED COST: SCHOOLS PLACES PROGRAMME 2015: COSTOCK CHURCH OF ENGLAND PRIMARY SCHOOL

Purpose of the Report

1. The purpose of this report is to seek approval of the latest estimated cost for the above project.

Information and Advice

Project details

2. There is a statutory provision placed on the County Council to annually identify and provide for any increases in required school places (previously known as Basic Need), throughout the County.
3. The strategy team within Children, Families and Cultural Services (CFCS) complete this annual review through an area by area analysis and projection to evaluate which schools would best fulfil the requirements for the increase in intake numbers to accommodate any forecasted increase in pupil numbers.
4. As a result of this annual review a number of schools have been identified that meet the requirements set by the Department for Education (DfE) and would therefore be best suited to fulfil the schools' places increase through a mixture of space remodelling, classroom extensions and/or new classroom provision.
5. Feasibility studies are being carried out at the identified schools by Property Services to identify the most cost effective provision, whilst ensuring that the proposals are compliant with current legislation, the latest central Government guidance and good practice. The output will be a specific construction proposal for each school.
6. These proposals if converted into actual projects would be required for the commencement of the new school year in September 2015. With respect to Costock C of E primary School it has been identified that the requirement is required for early Summer 2015 (early August) because of the interaction of this proposed project with the start date of a Special Needs pupil. It has therefore become necessary to submit this report to Committee in advance of the other projects in the 2015 School Places programme.

7. The programme of works for the construction project will be managed using best practice project management methodology (Prince 2) including project reviews with key stakeholders and sign-off at key milestones in accordance with the Gateway Review standards. The overall delivery will be monitored and managed by a Programme Board that will ratify all decisions on Scope, Cost and Timescale.
8. The project consists of the provision of a single extra classroom; however in addition, to facilitate the needs of the special needs pupil, the classroom will have an attached staffroom such that the existing staffroom can then be converted into the required toilet facilities (these toilet facilities are subject to a separately funded project). The construction elements for the proposed scheme will be built via a modular solution whereby the classroom block is prepared within a factory and then erected on site. This is to reduce both cost and the on-site element of the works in an effort to minimise disruption to the school and follows on from the successful use of this method of procurement and construction for the 2013 and 2014 programmes. The project will be managed on-site and procured via tender by the Property Service Operations team.
9. This project is also subject to planning application approval and approval via Children and Young People's committee for "Schools requiring expansion by 25% or more pupil places."
10. The latest estimated cost of the building works are set out below and the fees shown are for all professions involved in the project.
11. The professions involved in this project are:-
 - Architect
 - Mechanical Engineer
 - Electrical Engineer
 - Quantity Surveyor
 - Structural Engineer
 - CDM Co-ordinator

Capital budget implications

12. This project is being funded as follows:

	£
Capital Allocation	393,040
School contribution	20,960
Total	<u>414,000</u>
13. The business case has been submitted to the Corporate Asset Management Group and has been approved for submission. These projects were included within the budget proposals presented to full Council in February 2014.
14. The latest estimated costs are as follows:

Please note that Professional fees include all site surveys and associated statutory fees as well as Property Departmental fees.

	<u>Latest Estimated Cost</u> <u>(Outturn Prices)</u> £
Building Works	344,008
Professional fees	62,292
Furniture and Equipment	7,700
Total	414,000

	Anticipated cash flow			
	2014/15	2015/16	2016/17	Total
	£	£	£	£
Building Works	0	344,008	0	344,008
Professional Fees	20,000	42,292	0	62,292
Furniture & Equipment	0	7,700	0	7,700
Totals	20,000	394,000	0	414,000

Revenue budget implications

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

Other Options Considered

16. Because this is a village school no other surrounding schools were available for consideration.

Reason/s for Recommendation/s

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

Statutory and Policy Implications

18. 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.

Implications for Service Users

19. The proposed additional building will provide the extra requirements for the pupil numbers to be increased.

Financial Implications

20. These are set out in the report.

Equalities Implications

21. In accordance with County Council policy the design of the building will incorporate access and facilities for people with disabilities.

Crime and Disorder Implications

22. The proposed sites are within existing school security boundaries and as such are relatively straightforward to secure. As a result, risk of crime from theft or vandalism will be minimised. Additional measures which will be considered to further minimise risk of crime will include the provision of security systems during the construction period.
23. Consultation with local residents and other interested parties will be undertaken as part of the planning process and this should effectively negate risk of disruption through protest or the like.

Implications for Sustainability and the Environment

24. Environmental and Sustainability requirements will be incorporated into the detailed design process for the proposed new building.

RECOMMENDATION/S

- 1) That the latest estimated cost report for the building works programme as set out in the report be approved.

Jas Hundal
Service Director – Transport, Property & Environment

For any enquiries about this report please contact: Chris Higginson on tel: 0115 9772490

Constitutional Comments (EP 08.01.2015)

25. The recommendation falls within the remit of the Finance and Property Committee by virtue of its terms of reference.

Financial Comments (GB 21.01.2015)

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

Background Papers and Published Documents

27.None

Electoral Division(s) and Member(s) Affected

28.Ward(s): Ruddington
Member(s): Councillor Reg Adair

File ref.: /SB/SB/01505

SP: 2775

Properties affected: 01505 - Costock C of E Primary School

23 February 2015

Agenda Item: 7g

REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY & ENVIRONMENT

TOP WIGHAY FARM URBAN EXPANSION AREA - PROGRESS UPDATE

Purpose of the Report

1. To update Members on progress regarding the various phases of the proposed urban expansion area at Top Wighay Farm, Annesley Road, Hucknall.

Information and Advice

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt annex.
3. Background:
 - a. Top Wighay Farm is a Council owned site to the north of the built up area of Hucknall, situated to the east of the A611 Annesley Road and north of Wighay Road. The Council owned land totals some 63 Ha (156 acres) and is currently farmland. Various third party ownerships adjoin the Council's land ownership.
 - b. Top Wighay Farm has a planning designation for an urban expansion area and development is supported by the local planning authority, Gedling Borough Council.
4. Planning/Allocation:
 - a. Following the Report of the Government Planning Inspector (Summer 2014), which found the draft Gedling Aligned Core Strategy to be robust, the planning authority (Gedling Borough Council) have subsequently adopted the Core Alignment Strategy. This adoption confirms the status of Top Wighay Farm in the planning hierarchy as a major site for development for housing and employment uses.
5. Allocated Employment Land:
 - a. An update on progress in bringing forward the allocated Employment land is contained in the exempt appendix.
6. Residential Development Land:

- a. An update on progress in bringing forward the allocated Residential land is contained in the exempt appendix.

7. Agricultural Tenancy:

- a. The land is subject to an existing Agricultural Tenancy. An updated commentary on that position is contained in the exempt appendix.

Other Options Considered

8. As Top Wighay Farm has a planning designation for various forms of development, no other options for the site are being considered at the present time. Top Wighay Farm is identified in the Council's strategic land disposal programme with the opportunity for significant capital receipts over forthcoming years.

Reason/s for Recommendation/s

9. The Report is for noting, to update Members on progress.

Statutory and Policy Implications

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

RECOMMENDATION/S

- 1) That the contents of the report and the contents of the exempt appendix be noted.

Jas Hundal

Service Director – Transport, Property & Environment

For any enquiries about this report please contact: Ian Brearley 0115 977 4840

Constitutional Comments (EP 08.01.2015)

11. The report is for noting only.

Financial Comments (TR 20.01.2015)

12. The report is for noting only.

Background Papers and Published Documents

13. None.

Electoral Division(s) and Member(s) Affected

14. Ward(s): Newstead, Hucknall, Kirkby-in-Ashfield South

Member(s): Councillor Chris Barnfather, Councillor Alice Grice, Councillor John Wilmott, Councillor John Wilkinson, Councillor Rachel Madden

File ref.: /IB/SB/

SP: 2780

Properties affected: 00077 - Top Wighay Farm

23 February 2015**Agenda Item:7h****REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &
ENVIRONMENT****ENERGY COSTS AND PROCUREMENT****Purpose of the Report**

1. The purpose of this report is to:

- update Committee with regard to the procurement of energy for the Council's buildings and street lighting;
- update on projected costs of energy for this financial year and advise on estimated costs for the 2015-16 financial year;
- report on the Council's carbon emissions and costs associated with mandatory participation in the Carbon Reduction Commitment Energy Efficiency Scheme; and
- provide a brief update on current carbon and energy cost saving measures.

Information and Advice**Energy procurement**

2. This report updates information reported to this Committee on 20 January 2014 and relates to energy and carbon management performance reported to Environment and Sustainability Committee on 9 October 2014.
3. Some of the Council's energy supplies, covering about 70% of its consumption for street lighting and buildings, are purchased under a flexible, variable procurement model, whereby energy is purchased in advance of and during the supply period (financial year). The remaining 30% is purchased prior to the supply period. This should be borne in mind when noting the predicted energy costs in the following section.
4. Procurement of gas and electricity takes place through the Council's appointed central purchasing body, Crown Commercial Service, (CCS - formerly known as Government Procurement Service, GPS). The supply contracts for gas and electricity are also made available to state schools in Nottinghamshire through a participation agreement, which virtually all schools take advantage of. The CCS performance review for 2013-14 shows that for the energy baskets from which the Council's supplies are procured, CCS continues to achieve better than average wholesale market prices, with electricity up to 4%, and gas around 0.5% better.

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Energy costs

5. Table 1, below, shows the predicted energy costs (electricity and gas combined) for this and next financial year, compared to actual costs for 2012-13 and 2013-14 for the current contract portfolio. Overall, predictions for next financial year show a slight increase in costs for buildings and traffic signals, with an average increase of around 3% for electricity and a 1% decrease in gas prices. Costs for street lighting are predicted to fall by about 3%, giving an overall predicted reduction to the Council's energy costs of 2%.

Table 1. Summary of predicted electricity and gas costs for 2014-15 and 2015-16

	2012- 13 actual	2013-14 actual	2014-15 predicted	2015-16 predicted	Difference compared to 2014-15 (% change in brackets)
Schools*	£9,084,452	£8,587,281	£8,662,381	£8,772,601	£110,220 (1%)
Traffic signals	£307,621	£373,926	£317,155	£321,027	£3,872 (1%)
Street lighting	£4,125,946	£4,169,074	£4,111,757	£3,976,517	-£135,240 (-3%)
Council buildings	£2,421,981	£2,391,752	£2,359,015	£2,387,510	£28,495 (1%)
Total cost excluding schools	£6,855,549	£6,934,753	£6,787,927	£6,685,054	-£102,873 (-2%)

*Schools meet their own energy costs

6. Members should be aware that these predicted costs are very much best estimate figures based on average consumption over the past three years, predicted prices and the limited amount of energy purchased in advance, with many variable factors that can influence actual costs. Street lighting and traffic signals comprise around 30% of the Council's combined electricity and gas costs, but despite an increase to the electricity prices, the overall cost for street lighting is predicted to fall as a result of energy efficient lighting replacement and part night dimming programmes.
7. It is also important to recognise that about 40% of a typical energy bill is made up of non-energy costs so, regardless of changes to wholesale prices, costs will also be affected by changes to transmission, distribution and other non-commodity elements of electricity and gas bills.

Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES)

8. Reducing emissions of carbon dioxide (the main greenhouse gas), including those from the Council's own estate and operations, is one of the Council's Strategic Plan priorities. Carbon emissions for the financial year 2013-14 arising from the use of energy in Council buildings (including schools), as declared in the Council's annual report under the Government's Carbon Reduction Commitment Energy Efficiency

Scheme (CRCEES), amounted to 68,473 tonnes of carbon dioxide, representing a total cost of £821,676. This is a decrease of 4,927 tonnes (£59,124) compared to the previous year.

9. Table 2 shows reported carbon emissions under the CRCEES, and those associated with street lighting, for the previous 4 years, with figures in brackets showing weather corrected carbon emissions for energy use in buildings. This shows that when the effect of weather is taken into account (which the CRCEES does not do), a year on year decrease in emissions from County Council buildings has been achieved. The gradual reduction in the degree of this decrease does give cause for some concern as to whether this downward trend can be sustained, however the measures outlines in paragraph 12 onwards should sustain the current trajectory.

Table 2. County Council carbon emissions

County Council carbon emissions			
Year	Reported emissions from energy use in buildings (weather corrected figures in brackets)	Emissions from energy use in street lighting, signs and signals	Total (tonnes)
2010-11	78,579 (76,635)	24,619	103,198
2011-12	67,453 (72,404)	24,515	91,968
2012-13	73,400 (70,030)	24,772	98,172
2013-14	68,473 (69,453)	23,981	92,454

10. The Government has made significant changes to Phase 2 of the CRCEES, which started in April 2014. The financial implications for the County Council from these changes are as follows:
- The cost per tonne increased from £12 to £16.40, and is then expected to increase in line with RPI each year. The price for 2015-16 has been set at £16.90
 - Emissions from schools and academies are excluded
 - Emissions from street lighting, signs and signals are included.
11. Phase 2 does make a provision for participants to forward purchase carbon allowances at a reduced price, and the Council has taken advantage of this opportunity to buy its estimated number of allowances for 2014-15 at £15.60 per tonne, which equates to a saving of about £38,000. Table 3 summarises predicted costs of CRCEES up until 2017-18, excluding any saving from forward purchasing and assuming emissions remain at 2013-14 levels.

Table 3. Predicted costs under CRCEES

Predicted CRCEES costs (Based on 2013-14 emissions, assuming these remain constant, and an RPI of 3%)						
	2013-14 emissions (tCO ₂)	Year and cost per tonne				
		2013-14 £12	2014-15 £16.40	2015-16 £16.90	2016-17 £17.40	2017-18 £17.90
Schools	51,808	£621,696	excluded	excluded	excluded	excluded
Corporate buildings	13,839	£166,068	£226,960	£233,879	£240,799	£247,718
Street lighting	23,981	excluded	£393,288	£405,279	£417,269	£429,260
Pensions portfolio	2,826	£33,912	£46,346	£47,759	£49,172	£50,585
Total excluding schools	40,646	£199,980 (actual)	£666,594	£686,917	£707,240	£727,563

Measures to reduce energy costs and carbon emissions

12. The Council has a number of key programmes in place to tackle energy consumption and reduce its carbon emissions. These include:

- (i) A revolving loan fund of £1.3million for investment in energy efficiency measures, of which £0.55million of funding has been provided by the Carbon Trust, via Salix Finance.

Up to the end of October 2014 this fund had invested £2.2million in the Council's schools and other buildings, saving 2,982 tonnes of carbon dioxide and £520,383 in energy costs per year. Measures funded include low energy lighting, energy management systems, improved heating controls and voltage optimisation, with the lifetime savings from investment in such measures amounting to over £6.7million and 37,000 tonnes of carbon dioxide.

- (ii) A substantial street lighting energy saving project approved by Policy Committee in September 2013.

This was initially enhanced by a successful bid to Salix Finance for two interest-free energy efficiency loans, totalling £1.8million, for a county-wide dimming and an LED lighting replacement programme. Once these programmes are completed, expected to be around March 2016, with the loans being fully repaid by Oct 2019, predicted savings amount to approx. £520,000 per year in energy and a further £43,000 p.a. in CRCEES costs. A further £3.6m loan has recently been secured from Salix for street lighting energy schemes. This will be spread over 4 years and will accelerate the conversion of LED lanterns around the County. The loan will be paid back out of savings made on the energy budget as a result of the works.

- (iii) Investment in photovoltaic (PV) panels on the roofs of various Council properties.

By the end of 2013-14 the SunVolt programme was generating an annual income of over £70,000, with additional annual savings from avoided electricity costs worth more than £22,000. To date, the investment of c. £620,000 in arrays on the first 11 buildings covered by the scheme has yielded £180,000 in income for the Council and saved over £55,000 in electricity costs. Another 8 recent installations are expected to generate annually an additional 200,000 kWh of electricity, raise £21,000 in income and save £18,000 in electricity costs. Further installations are under consideration as part of the £1.8million programme.

- (iv) A £2million programme approved in September 2012 to replace remaining ageing coal, oil and LPG boilers in Council properties with modern biomass heating systems.

This programme utilises the Government's Renewable Heat Incentive (RHI) to repay the capital costs and generate an income for the Council to cover boiler maintenance costs and fuel purchase. The programme is well underway with the first few boilers installed and commissioned at a number of schools and the Council now receiving RHI payments based on heat meter readings. This programme follows on from previous activity, which has resulted in over 60 Council sites heated by modern biomass boilers, saving each year over 6,000 tonnes of carbon dioxide, and brings the Council's installed renewable heat capacity to over 10MW, which is approximately equivalent to 3 large scale on-shore wind turbines.

13. Further to these key programmes, the Council is considering as part of its annual budget approval process, an allocation of an additional £3million capital over 3 years for investment in energy saving measures to complement its existing revolving loan fund for quick payback energy efficiency measures, mentioned above. This additional capital has been approved by Corporate Asset Management Group and would provide funding for schemes that don't quite meet the strict criteria applied to the use of the revolving loan fund by Salix Finance.
14. The Council will also be limiting its energy costs and carbon emissions through its programme of property rationalisation and the creation of more energy efficient working environments. This has included the integration of energy efficiency measures into office refurbishments, energy efficient design for new Council buildings, and the use of low carbon technologies, such as ground source heat pumps.
15. All Council new build projects are designed to meet current building regulations and incorporate, where possible, daylight sensitive lighting controls, natural ventilation, sustainable drainage, rainwater harvesting, and other measures that save energy and reduce running costs. Use is increasingly being made of modular construction methods, which reduce time on site, help minimise waste and meet requirements for improved air tightness. Where refurbishments, such as the Schools Capital Refurbishment Programme, are being undertaken, every opportunity is taken to upgrade the buildings and services to meet the current regulations and reduce future energy use.

16. The Council is rolling out performance profiles for each of its property assets. These profiles bring together key information for each building, including running costs and energy performance ratings, and enable an assessment of each property's performance from both a building and service perspective. These profiles have already been actively used to provide information to support decisions regarding which assets to retain or sell, and allow target setting in respect of the performance of retained assets. Furthermore, they assist with more effective prioritisation of spending, including that on energy efficiency measures, thus optimising the use of available funds and supporting the drive towards reducing costs. In addition, high level indicators for the performance of the property portfolio have been developed and were approved by Finance and Property Committee in May 2014. These indicators include general energy performance information. The Council is also progressing with the 'One Property' central government initiative that seeks to promote the shared use of property. One of the direct effects of this is to reduce the carbon footprint of each sharing organisation.

Other Options Considered

17. Not applicable.

Reason/s for Recommendation/s

18. This report is for noting only.

Statutory and Policy Implications

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

Financial Implications

20. Overall energy costs to the Council are predicted to rise slightly in 2015-16. The Council has a number of programmes in place to tackle energy consumption and reduce carbon emissions. These will help militate against expected future price increases and reduce the charges for carbon emissions under CRCEES.

RECOMMENDATIONS

1) Committee is recommended to note the contents of this report.

Jas Hundal

Service Director, Transport, Property and Environment

For any enquiries about this report please contact:

Phil Keynes, Team Manager, Energy & Carbon Management

0115 9774623

Constitutional Comments (EP 09.01.2015)

21. This report is for noting only.

Financial Comments (TR 22.01.2015)

22. This report is for noting only.

Background Papers

23. None

Electoral Division(s) and Member(s) Affected

24. None

File ref.: /SL/SL/
Ward(s): Other
Member(s): n/a Outside Nottinghamshire
SP: 2796
Properties affected: 09998 - Various NCC Properties/non-property item

23 February 2015**Agenda Item: 8****REPORT OF CORPORATE DIRECTOR, POLICY, PLANNING AND
CORPORATE SERVICES****WORK PROGRAMME****Purpose of the Report**

1. To consider the Committee's work programme for 2015.

Information and Advice

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

Other Options Considered

5. None.

Reason/s for Recommendation/s

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

Statutory and Policy Implications

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

RECOMMENDATION/S

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

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

For any enquiries about this report please contact: Pete Barker, x 74416

Constitutional Comments (HD)

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

Financial Comments (NS)

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

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All

FINANCE & PROPERTY COMMITTEE - WORK PROGRAMME

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>For Decision or Information ?</u>	<u>Lead Officer</u>	<u>Report Author</u>
23 March 2015				
Monthly Budget & Capital Monitoring Report 2014/15	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various
Councillors Division Fund	Quarterly report on Councillors Divisional Fund	Information	Jayne Francis-Ward	Paul Davies
27 April 2015				
Monthly Budget & Capital Monitoring Report 2014/15	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various
ICT Programmes and Performance	Update on projects and performance for Q3	Information	Ivor Nicholson	
1 June 2015				
Monthly Budget & Capital Monitoring Report 2014/15	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various
ICT Programmes and Performance	Update on projects and performance for Q4	Information	Ivor Nicholson	
29 June 2015				
Monthly Budget & Capital Monitoring Report 2014/15	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various
Councillors Division Fund	Quarterly report on Councillors Divisional Fund	Information	Jayne Francis-Ward	Paul Davies

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>For Decision or Information ?</u>	<u>Lead Officer</u>	<u>Report Author</u>
20 July 2015				
Monthly Budget & Capital Monitoring Report 2014/15	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Nigel Stevenson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various