

Finance and Major Contracts Management Committee

Monday, 20 May 2019 at 14:00

County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

- | | | |
|---|--|---------|
| 1 | Minutes of the last meeting held on 29 April 2019 | 3 - 4 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | CIPFA Financial Management Code | 5 - 14 |
| 5 | Better Care Fund Pooled Budget - Q4 2018-19 Reconciliation | 15 - 18 |
| 6 | Latest Estimated Cost Schools Building Improvement Programme 2018-19 and 2019-20 | 19 - 28 |
| 7 | Latest Estimated Cost for new school, Watnall Road, Hucknall and replacement of Hawthorne Primary School, Bestwood | 29 - 34 |
| 8 | Work Programme | 35 - 40 |

Notes

- (1) Councillors are advised to contact their Research Officer for details of any

Group Meetings which are planned for this meeting.

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

Customer Services Centre 0300 500 80 80

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

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

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

Meeting FINANCE AND MAJOR CONTRACTS MANAGEMENT COMMITTEE

Date 29th April 2019 (commencing at 2.00pm)

Membership

Persons absent are marked with an 'A'

COUNCILLORS

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

John Clarke	Diana Meale
Keith Girling	Mike Pringle
A - Tom Hollis	Mike Quigley MBE
Eric Kerry	Alan Rhodes

OFFICERS IN ATTENDANCE

Pete Barker	Democratic Services Officer
Jane Cashmore	Commissioning Manager - Adult Social Care & Health
Michael Fowler	Category Manager - ASCHPP Procurement
Nigel Stevenson	Service Director - Finance, Infrastructure & Improvement

1. MINUTES OF THE LAST MEETING

The minutes of the last meeting held on 18th March 2019, having been circulated to all Members, were taken as read and were confirmed, and were signed by the Chair.

2. APOLOGIES FOR ABSENCE

No apologies for absence were received.

3. DECLARATIONS OF INTEREST

No declarations of interest were made.

4. FINANCIAL MONITORING REPORT: PERIOD 11 2018/19

RESOLVED: 2019/021

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

5. RISK AND INSURANCE UPDATE

RESOLVED: 2019/022

That further update reports be brought to Committee on a six-monthly basis.

6. PROCESS FOR ACCESSING FUNDING HELD BY THE D2N2 LEP FOR HS2 DEVELOPMENTS AT TOTON

RESOLVED: 2019/023

That the process for the award of contracts in relation to HS2 on behalf of the D2N2 LEP, in relation to elements of the work for which NCC have been authorised to lead by the Toton Delivery Board or other authorised bodies holding such funding, be approved.

7. PROGRESS REPORT ON PUBLIC HEALTH COMMISSIONING AND PROCUREMENT

RESOLVED: 2019/024

That a report on progress be brought to the September meeting of the Committee.

8. UPDATE ON THE IMPLEMENTATION OF THE NEW HOME BASED CARE AND SUPPORT SERVICES

RESOLVED: 2019/025

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

9. CIPFA CONFERENCE

RESOLVED: 2019/026

That 2 nights' hotel accommodation in Birmingham on 8th and 9th July 2019 be approved to allow attendance at the CIPFA annual conference by the Vice Chair of the Committee.

10. WORK PROGRAMME

RESOLVED: 2019/027

That the Work Programme be updated in line with Committee's recommendations.

The meeting closed at 2.20pm

20 May 2019

Agenda Item: 4

REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT

CIPFA FINANCIAL MANAGEMENT CODE

Purpose of the Report

1. To update Members on the latest guidance on best practice in Financial Management from the Chartered Institute of Public Finance & Accountancy (CIPFA), and to provide an assessment of Nottinghamshire County Council's performance against the guidance.

Background

2. Much of local government finance is governed by primary legislation, regulation and professional standards, however the general financial management of local government has up to now not been subject to a professional code.
3. CIPFA are now proposing that a Financial Management Code (CIPFA FM Code) should be issued to support best practice and to ensure local authorities are able to demonstrate their financial sustainability.
4. A draft code has been developed and was circulated to local authorities in March 2019.
5. As part of the review of the draft code Nottinghamshire County Council (NCC) has undertaken a self-assessment against the standards proposed to ensure that the authority meets the expected level of financial control.

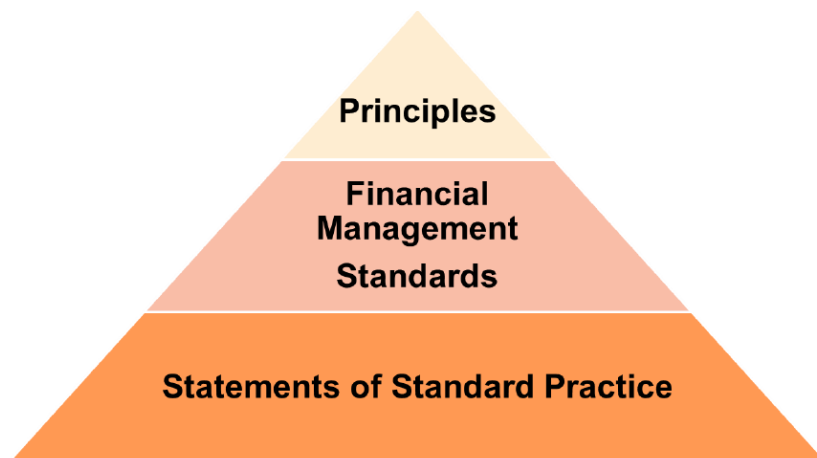
CIPFA FM Code

6. The code builds on the success of the CIPFA Prudential Code, which requires local authorities to demonstrate the long-term financial sustainability of their capital expenditure and associated borrowing. It is consistent with other CIPFA codes and is based on principles rather than prescription.
7. The code will be applicable from 1 April 2020 which means that, in order to ensure the 2020/21 budget has been prepared in compliance with the code, elements will need to be adopted earlier.
8. It should be noted that reference in the code to 'leadership team' covers both elected members and officers and will include key committees of the authority.
9. The key principles underlying the code are set out below

- Organisational leadership - demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture
- Accountability - based on medium term financial planning which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs
- Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making
- Adherence to professional Standards is promoted by the leadership team and is evidenced.
- Sources of assurance are recognised as an effective tool mainstreamed into financial management and includes political scrutiny and the results of both external audit, internal audit and inspection.
- The long-term sustainability of local services is at the heart of all financial management process and is evidenced by prudent use of public resources.

There is a clear hierarchy from Principles to Financial Management Standards to Statements of Standard Practice as shown in figure 1 below. All principles are required to be applied and the statements of standard practice set the minimum requirement to demonstrate adherence to the code.

Figure 1



Nottinghamshire County Council Performance

10. Appendix A sets out the current self- assessment of NCC processes and procedures against the 21 standards in the draft code. The assessment considers if NCC exceeds, meets or is working towards each standard.
11. Overall the assessment is that NCC meets 18 of the 21 standards, exceeds the requirements in 2 and is working towards 1.

12. The Working Towards assessment is against standard G relating to Long Term Financial Strategy. This is due to the current £34m shortfall in the Medium Term Financial Strategy (MTFS) and the uncertainty in central government funding for 2020/21 and beyond.
13. Overall it is felt that NCC can demonstrate good compliance with the draft CIPFA FM Code and will be in a strong position when the code is introduced for the 2020/21 financial year.

Statutory and Policy Implications

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

RECOMMENDATION/S

That Members

- 1) Review and comment on the self-assessment against the draft standards in the CIPFA FM Code.
- 2) Identify any additional information they require.

NIGEL STEVENSON

SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT

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

Constitutional Comments (SSR 10/5/2019)

The recommendations fall within the scope of matters which may be determined by the Finance and Major Contracts Management Committee.

Financial Comments (GB 10/5/2019)

There are no direct financial implications arising from the contents of the report.

Background Papers and Published Documents

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

- CIPFA Financial Management Code - Draft

Electoral Division(s) and Member(s) Affected

All

	CIPFA FM Code – Self Assessment		APPENDIX A
FM Ref.	Statement of Standard Practice	Assessment of NCC performance	Evidence to support assessment
	Section 1 The Responsibilities of the Chief Finance Officer and Leadership Team		
A	The leadership team demonstrates that the services provided by the authority provide value for money.	Meets	Delivering value for money (vfm) services is a key element of the overarching council plan 'Your Nottinghamshire, Your Future'. This states:- <i>As a Council, our duty is to provide a diverse range of services, to protect and shape the environment in which we live, and to create the right conditions for a strong local economy. We must also make sure that all of these aims are delivered in a way that provides the best possible value for our taxpayers.</i> Good progress is being made with transformation and change projects and NCC has received an unqualified vfm opinion from External Audit.
B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government	Meets	The S151 Officer is the Service Director Finance Infrastructure & Improvement, reporting directly to the Chief Executive. The S151 officer is a member of the Corporate Leadership Team (CLT) meeting which considers all material business decisions. The S151 Officer is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and align with the organisation's financial strategy. The S151 Officer has access to and provides comments on all reports in advance of Committee report publication in accordance with the Council's constitution. The S151 Officer is a qualified accountant (CPFA) with over 30 years of post-qualification experience and partakes in the Cipfa CPD scheme.
	Section 2 Governance and Financial Management Style		
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	Page 9 of 40 Meets	The S151 and CLT all demonstrate their adherence to the 'Seven Principles of Public Life'.

D	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)	Meets	The NCC Local Code of Corporate Governance sets out the governance framework for the authority. This confirms that NCC has adopted the CIPFA / SOLACE framework.
E	The Financial Management Style of the authority supports financial sustainability	Meets	The Council's constitution clearly sets out the responsibility for financial management across the Council. The Council's Planning & Performance Framework sets out the process for aligning the Council's Plan, Departmental Strategies and Performance with that of the Council's Budget and monitoring regime. The Finance & Major Contracts Management Committee has clear responsibility for the management of the Council's finances and financial performance. The Improvement & Change Committee's responsibilities include the management of the Council's performance and transformation programmes (including savings programmes). The Council's Medium Term Financial Strategy sets out the Council's plans and the financial challenges faced by the Council.
Section 3 Long to Medium Term Financial Management			
F	The authority has carried out a credible and transparent Financial Resilience Assessment	Meets	The Council does benchmark all its services and is reviewing the output from the Cipfa Resilience Index work. A successful LGR Peer Review of the Council's Finances was undertaken in 2018/19 and no issues were identified in its long-term planning processes or finances. A risk assessment of the Council's financial risk and reserve strategy is undertaken and set out in the Council's Budget Report.
G	The authority has a Long Term Financial Strategy for financial sustainability.	Working Towards	An external assessment was undertaken of the Council's reserves strategy in 2016/17. The Council has a variety of plans, including the annual Budget, the MTFS and a capital strategy. The MTFS identifies a shortfall in funding over the MTFS of £34m. Work is ongoing to identify savings options and the use of reserves to enable more longer term sustainable transformation to be achieved.

H	The authority has a capital strategy aligned to its long term financial strategy	Meets	The Authority has a capital strategy that sets out a framework for the management of capital finance over the medium to long term and is based around the strategic ambition for the future of the Council.
I	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities	Meets	The Authority takes capital and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.
J	The authority has a rolling multi-year Medium Term Financial Plan	Exceeds	The Authority has a Medium Term Financial Plan which forms an integral part of the Council's corporate planning processes. The MTFP provides a comprehensive review of the Council's overall financial position for the current year and an overview of the position for the following three years, on a rolling basis. This is a live strategy and updated and reported to CLT/Members as changes and risks emerge.
K	The authority has sustainable service plans that are consistent with its long term financial strategy and the medium term financial plan	Meets	The authority has four detailed departmental strategies which have been designed to ensure the Council offers the best possible services whilst making the most efficient use of the Council's resources. They outline the priorities and programmes of activity that will be pursued in the coming year to achieve delivery of the overall Council Plan.
Section 4 The Annual Budget			
L	The authority complies with its statutory obligations in respect of the budget setting process.	Meets	The annual budget report which sets out the proposed budget for the coming year is a key document for the Authority and flows consistently and clearly from the MTFP. It also demonstrates compliance with the Prudential Code.
M	The budget report includes an assessment of its consistency with the current medium term financial plan and long term financial strategy.	Meets	To ensure consistency, the budget report includes document tracking which shows how the previous reported financial plan has been revised to arrive at the current plan. This informs elected Members and senior management of the realism of the plans. The reasons for any changes can be challenged and lessons learned can be identified.
N	The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves.	Meets	The annual budget report includes a detailed statement by the Service Director – Finance Infrastructure & Improvement. See 2019/20 Budget Report to Full Council on 28

			February 2019, page 19.
	Section 5 Stakeholder Engagement and Business Plans		
O	The authority has engaged with key stakeholders in developing its long term financial strategy, medium term financial plan and annual budget.	Meets	The Council consults with all appropriate stakeholders in developing changes to its MTFS and annual budget.
P	The authority uses a documented option appraisal methodology to demonstrate the VFM of its decisions	Meets	The Council's Planning & Performance Framework sets out the Council's approach to transformation and change. All savings options are managed/documentated using Prince 2 principles. All reports to Committee set out why the decision is required, the options considered, consultations undertaken and all aspects of governance and financial assessments applied to the decision. Savings options complete outline and full business cases and reviewed/approved by CLT and the Administration prior to consultation and requirements for decision reports. Where relevant Equality Impact Assessments are undertaken and reported.
Q	The authority applies the principles contained in the CIPFA Service Reporting Code of Practice and utilises appropriate costing techniques in the development of business cases.	Meets	The Council's financial accounts demonstrate adherence to the principles contained in the CIPFA Service Reporting Code of Practice.
	Section 6 Monitoring Financial Performance		
R	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	Exceeds	Departmental and Corporate leadership teams receive monthly reports setting out budget, spend to date and forecast, along with a detailed commentary based on comments and observations from individual budget managers and the advice of the relevant finance team. Variances are highlighted and commented on and action is taken to address any areas of overspending.
S	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability.	Meets	The key elements of the balance sheet are reported to the corporate leadership team on a regular basis. The General Fund Balance and planned utilisation is reported to the Corporate Leadership Team on a monthly basis. The usable reserves are reported to CLT on a regular

			basis and the management accounts set out a detailed level of balance sheet information.
	Section 7 External Financial Reporting		
T	The Chief Finance Officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom.	Meets	The Service Director – Finance Infrastructure & Improvement has personal responsibility as set out in the standard and certifies the annual statement of accounts accordingly.
U	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.	Meets	As well as the statutory accounts and an annual management accounts report, a detailed analysis of variations from budget, assessing if these are temporary or permanent, is prepared each year and presented to CLT for them to review and take decisions. This information is reviewed and assessment of implications upon the MTFS is undertaken.

Basis of Assessment

The assessment has been undertaken on the basis that NCC Exceeds, Meets, or is Working Towards compliance with the relevant standard, and provides evidence to support this view.

20 May 2019

Agenda Item: 5

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

BETTER CARE FUND POOLED BUDGET – Q4 2018/19 RECONCILIATION.

Purpose of the Report

1. This report sets out progress in 2018/19 against the Nottinghamshire Better Care Fund (BCF) financial plan. The Finance and Major Contracts Management Committee are invited to:
 - Consider and comment on the findings of the reconciliation of the BCF Pooled Fund for Q4 2018/19.

Information

2. Nottinghamshire County Council and the six Nottinghamshire Clinical Commissioning Groups (CCGs) contributing to the pooled fund undertook a reconciliation exercise of Quarter 4 2018/19 income and expenditure.
3. Tables 1 and 2 show the difference between funding available and spend to month 12.

Table 1: Quarter 4 2018/19			
Contributing partner	Nottinghamshire Clinical Commissioning Groups (CCGs)	Nottinghamshire County Council	Total
Funding within the pooled budget	£52,516,100	£28,031,808	£80,547,908
Payments received from pooled budget to NCC	£32,129,147	£48,418,761	£80,547,908
Total spend to period 12	£32,129,147	£48,467,758	£80,596,905
Under/(over) spend to period 12	£0	£48,997	-£48,997

4. The Nottinghamshire County Council allocation is shown in Table 2. This table shows the difference between planned spend and actual spend to month 12. The Improved Better Care Fund and Care Act Implementation funding for 2018/19 has been spent in full.

5. Within the Disabled Facilities Grant allocation, the Handy Person Adaptation Service (HPAS) has overspent showing in Table 2. This overspend has been met by the main Adult Social Care Department budget. Underspends from 2017/18 were returned to district councils upon their request.

Table 2: Quarter 4 2018/19 Nottinghamshire County Council

£'000s	Planned Spend	Spend	Variance
Protecting Social Care	£17,057,413	£17,057,413	£0
Support for Carers	£1,268,544	£1,268,544	£0
Care Act Implementation	£2,060,996	£2,060,996	£0
Improved Better Care Fund	£21,590,371	£21,590,371	£0
Disabled Facilities Grant (District and Borough Councils)	£6,441,437	£6,490,434	-£48,997

Other Options Considered

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

Reason/s for Recommendation/s

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

Statutory and Policy Implications

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

Financial Implications

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

RECOMMENDATION/S

That the Committee:

- 1) Consider and comment on the findings of the reconciliation of the BCF Pooled Fund for Q4

2018/19.

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

For any enquiries about this report please contact:
Paul Brandreth, BCF Programme Coordinator
T: 0115 977 3856 E: paul.brandreth@nottsc.gov.uk

Constitutional Comments (KK 07/05/2019)

10. The proposal in this report is within the remit of the Finance and Major Contracts Management Committee.

Financial Comments (OC 02/05/2019)

11. The financial implications are contained within the body of the report. They are summarized in the tables below.

Q4 Pooled Budget 2018/19 £'000s	Planned Spend	Actual Spend	Variance
Nottinghamshire Clinical Commissioning Groups	£32,129,147	£32,129,147	
Protecting Social Care	£17,057,413	£17,057,413	£0
Carers	£1,268,544	£1,268,544	£0
Care Act Implementation	£2,060,996	£2,060,996	£0
Improved Better Care Fund	£21,590,371	£21,590,371	£0
Disabled Facilities Grant (District and Borough Councils)	£6,441,437	£6,490,434	£-48,997
Total	£80,547,909	£80,596,905	£-48,997

Background Papers and Published Documents

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

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

Electoral Division(s) and Member(s) Affected

- All

20 May 2019

Agenda Item: 6

REPORT OF THE SERVICE DIRECTOR, PLACE AND COMMUNITIES

LATEST ESTIMATED COST: SCHOOLS BUILDING IMPROVEMENT PROGRAMME 2018/19 and 2019/20

Purpose of the Report

1. To seek approval from Committee for the Latest Estimated Costs of the 2018/19 and 2019/20 Schools Building Improvement Programmes (SBIP)

Information

Schools Building Improvement Programme (SBIP)

2. The SBIP forms part of the Schools Capital Programme and is funded by School Condition Grant allocations received from the Department for Education (DfE). This grant is awarded annually and should be used to improve and maintain the condition of the school estate.
3. In 2016 the Council devised a programme consisting of distinct work streams to deliver the SBIP programme. The programme focuses on Health & Safety and maintenance issues which are most likely to result in a school closure. The projects to be included in the 2018/19 and 2019/20 programmes were approved at Children's and Young Peoples Committee in November 2018 and February 2019 respectively.

2018-19 Programme

4. The County Council has received a 2018/19 School Condition Grant allocation from the DfE of £5.2m.
5. From within the overall allocation, £0.5m has been set aside to fund the Schools Access Initiative programme. This programme is identified as a separate line in the capital programme and provides for adaptations to mainstream schools to ensure access to education for those pupils under the Equality Act 2010.
6. From the remaining £4.7m of the allocation, 32 projects have been commissioned to ARC Partnership. The estimated costs contained within this report are compiled following the feasibility and design stages of the projects. A full list of the projects can be seen in **Appendix A**.

7. At the previous Committee, Arc provided a supplemental paper at Appendix A which clarified the detail contained within that Report, and identified the following:
 - NCC figures were high level and did not show the detailed picture on how the costs had changed from initial budget through to projected Final Account.
 - Following individual feasibilities of the individual projects it became evident that the whole programme would not be achieved within budget. In response Arc and NCC revisited individual projects to value engineer/ reduce scope of works whilst still mitigating/managing all inherent risks associated with the works. As a result, the value engineering / reduction exercise delivered £707,260 on the works element therefore enabling more projects to proceed.
 - In the majority of cases, the Arc fee remained the same as the original fee which was based on the agreed fee matrix. The fee remained the same as the original designs had been completed, and Arc did not charge for any redesign / rescoping.

The new format of reporting is followed in this report and gives the projections of outturn costs in relation to budget.

2019-20 Programme

8. The County Council has received a 2019/20 School Condition Grant allocation from the DfE of £5.0m.
9. In addition, the programme will be supplemented by an additional £2m of previous underspend from the 2016/17, 2017/18 and 2018/19 SBIP programmes.
10. This gives a total programme funding of £7m which will be spread across some 48 projects. The current position of the allocation of proposed schemes is identified in **Appendix B**.

Latest Estimated Costs

11. The latest estimated costs are below. Please note that professional fees include all feasibility costs including site surveys and associated statutory fees, as well as Arc Partnership Fees.
12. The Professions Involved in these projects are:-
 - Architect
 - Mechanical Engineer
 - Electrical Engineer
 - Quantity Surveyor
 - Structural Engineer
 - CDM Co-ordinator
 - Project Manager

13. The latest estimated cost and cash flow, set out below;

SBIP Programme 2018/2019

Latest Estimated Cost

	(Outturn Prices)
	£
Building Works	3,919,994
Professional fees (including feasibility costs)	670,614
Total	4,590,608

Anticipated cash flow

	2018/19 £	2019/20 £	2020/21 £	Total £
Building Works	961,068	2,763,825	195,101	3,919,994
Professional fees (including feasibility costs)	496,188	139,996	34,430	670,614
Totals	1,457,256	2,903,821	229,531	4,590,608

SBIP Programme 2019/2020

Latest Estimated Cost

	(Outturn Prices)
	£
Building Works	5,984,884
Professional fees (including feasibility costs)	1,015,116
Total	7,000,000

Anticipated cash flow

	2018/19 £	2019/20 £	2020/21 £	Total £
Building Works	2,428	4,763,565	1,190,891	5,956,884
Professional fees (including feasibility costs)	118,251	834,493	90,372	1,043,116
Totals	120,679	5,598,058	1,281,263	7,000,000

Capital Budget Implications

14. This LEC represents a saving of £109,392 against the £4.7m allocation allocated in 2018/19. This funding is already accounted for within the £2M underspend allocated to the 2019/20 SBIP Programme.

Revenue Budget Implications

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

Other Options Considered

16. None, the Council has a statutory duty to provide safe and compliant school places.
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, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

19. These are set out in the report.

Implications for Sustainability and the Environment

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

RECOMMENDATION/S

It is recommended that:

Committee comments upon the contents of the report and approves the Latest Estimated Costs for the 2018/19 and 2019/20 Schools Building Improvement Programmes.

Derek Higton
Service Director, Place and Communities

For any enquiries about this report please contact:

Phil Berrill on Tel: 0115 977 4641

Constitutional Comments (KK 25/04/19)

21. The proposal in this report is within the remit of the Finance and Major Contracts Management Committee.

Financial Comments (GB 26/4/19)

22. The School Building Improvement Programme is incorporated in the approved capital programme and progress will continue to be monitored through the monthly capital forecasting process.

Background Papers

- Latest Estimated Cost – Schools Building Improvement Programme 2018-19 – report to Finance and Major Contracts Management Committee 11 February 2019
- Schools Building Improvement Programme – report to Children and Young Peoples Committee 11 February 2019
- Schools Capital Programme progress report – report to Children and Young People’s Committee on 19 November 2018.

Electoral Division(s) and Member(s) Affected

- All



20 May 2019

Agenda Item: 7

REPORT OF THE SERVICE DIRECTOR, PLACE AND COMMUNITIES

LATEST ESTIMATED COST REPORT FOR THE NEW SCHOOL, WATNALL ROAD SITE, HUCKNALL AND THE REPLACEMENT OF HAWTHORNE PRIMARY SCHOOL BESTWOOD

Purpose of the Report

1. To seek approval for the Latest Estimated Cost (LEC) for the works to provide the new schools in Hucknall and Bestwood and to vary the capital programme to reflect the increased cost of the projects

Information

Bestwood Hawthorne

2. The school replacement project is to provide a 210 place primary school with a 39 place Nursery with the ability to further expand to a 420 place primary at a future date. Construction commenced on site 28 August 2018 with an expected completion date of 30 August 2019.
3. Approval to proceed to construction phase was granted 20th December 2017 by Policy Committee based on the LEC at the time of **£5,792,465**.

Hucknall, Watnall Road Site

4. The new school project is to provide a 210 place primary school with a 26 place Nursery with the ability to further expand to a 315 place primary at a future date. Construction commenced on site 15 October 2018 with an expected completion date of 30 August 2019.
5. Approval to proceed to construction phase was granted 16th July 2018 by Finance & Major Contracts Management Committee based on the LEC at the time of **£3,731,049**.

Capital Budget implications

6. The Latest Estimated Costs are below. Please note that professional fees include all feasibility costs including site surveys and associated statutory fees, as well as Arc Partnership fees.

7. The Professional Services provided by Arc Partnership within these projects are: -

- Architectural
- Mechanical
- Electrical
- Quantity Surveying
- Structural
- CDM
- Project Management

8. The project now incorporates the mothballing of the existing Hawthorne School upon vacation. It is estimated that the cost of this will be £50,000 which will be met by NCC estate management budgets.

9. Latest Estimated Cost – Bestwood Hawthorne School

	<u>Outturn Prices</u>
Building Works	£5,591,248
Professional Fees (including Viability and Feasibility Costs)	£556,670
Furniture and Equipment	£100,000
Mothballing of existing Hawthorne School	£50,000
Total	£6,297,918

<u>Anticipated Cash flow</u>				
	2017/18	2018/19	2019/20	Total
	£	£	£	£
Building Works	33,370	2,620,659	2,937,219	5,591,248
Professional Fees (including Viability and Feasibility Costs)	296,155	130,514	130,001	556,670
Furniture and Equipment	0	0	100,000	100,000
Mothballing of existing Hawthorne School	0	0	50,000	50,000
	£329,525	£2,751,173	£3,217,220	£6,297,918

10. Latest Estimated Cost – Hucknall, Watnall Road Site

	<u>Outturn Prices</u>
Building Works	£3,557,117
Professional Fees (including Viability and Feasibility Costs)	£372,099
Furniture and Equipment	£300,000
Total	£4,229,216

<u>Anticipated Cash flow</u>				
	2017/18	2018/19	2019/20	Total
	£	£	£	£
Building Works	0	1,550,981	2,006,136	3,557,117
Professional Fees	24,998	234,769	112,332	372,099
Furniture and Equipment	0	0	300,000	300,000
	£24,998	£1,785,750	£2,418,468	£4,229,216

Changes to the Latest Estimated Costs

11. Bestwood Hawthorne LEC increase of **£505,453**.

<u>Comparison of Costs</u>			
	Original LEC	Current Forecast	Variance
	£	£	£
Building Works (including changes to drainage)	5,161,948	5,591,248	429,300
Professional Fees (including Viability and Feasibility Costs)	501,217	556,670	55,453
Furniture and Equipment	129,300	100,000	(29,300)
Mothballing of existing Hawthorne School	0	50,000	50,000
Total	£5,792,465	£6,297,918	£505,453

12. The school site is located within a proposed housing development. Unfortunately, that development was showing no indication of progressing due to Green Belt issues. The design for the school could, therefore, not rely on any service infrastructure that the housing development would ultimately provide. It should be noted that the extent of the site slopes 9m. This requires that it be engineered into plateaus to accommodate the building and sports pitches, each of which must be adequately drained to mitigate surface water run-off. The LEC reported to committee 20 December 2017 allowed for an on-site soakaway solution for surface water drainage, the design for which was supported by early site investigation results.

13. Subsequent design development and further site investigation found the soakaway solution unviable and an alternative connection to the existing village infrastructure was investigated but refused by Severn Trent due to capacity issues in the immediate area.

14. The final design solution for the surface water follows negotiation with the housing developer, who has now commenced his infrastructure works, and involves an extensive surface water drainage network to the entire site which ultimately discharges to their system. This design is significantly more expensive than the original soakaway solution and has extended the contractor's programme by six weeks. This delay does not impact on the school's ability to open in September.

15. Arc Partnership is committed to continually challenging all contractual claims.

16. Hucknall, Watnall Road Site LEC increase of **£498,167**

<u>Comparison of Costs</u>			
	Original LEC	Current Forecast	Variance
	£	£	£
Building Works	3,407,117	3,557,117	150,000
Professional Fees (including Feasibility Costs)	323,932	372,099	48,167
Furniture and Equipment	0	300,000	300,000
Total	£3,731,049	£4,229,216	£498,167

17. It was noted in the LEC report to committee 16 July 2018 that a further Basic Need capital allocation would need to be set aside for Furniture and Equipment. This has now been assessed at a cost of £300,000.

18. The school was designed with a barrel roof to meet a planning requirement to reflect the historical context of the site. When the LEC was submitted this design was thought to be cost neutral to a standard design. Subsequent design development has identified significant detailed design implications in respect of service installations and internal wall configuration. Unfortunately, some of the detailed design issues have been identified through the construction process and have resulted in delay to the construction programme (Arc equate this to circa £100K of construction cost which they are not seeking to recover from the client).

19. The increase in Fee is only attributable to actual Viability and Feasibility costs, together with the standard matrix fee allowance for the additional FF&E (Arc Partnership are currently claiming no additional fee on the increase in building works costs). Arc Partnership is committed to continually challenging all contractual claims.

Capital Budgets

20. £3.7M has been agreed for the new Hucknall School within the capital programme, this is forward funding for the Section 106 contributions which have yet to be received. S106 contribution of £3.5 million, plus indexation, expected to be at least £425K have been agreed for the Hucknall, Watnall road school. £5.8M Council Capital funding has been approved for the replacement Hawthorne Primary within the Capital Programme.

21. It is requested that the Bestwood Hawthorne capital budget is varied to reflect the increased cost of £0.505m, funded from Basic Need grant. It is also requested that the Watnall Road capital budget is varied to reflect the increased cost of £0.498m, funded by £0.194m S106 contributions and £0.304m Basic Need grant.

Revenue Budget implications

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

Other Options Considered

23. None. Both schools are vital for providing school places in the respective local areas.

24. Hawthorne school serves a discreet community in which there are no other schools. The existing site cannot be further expanded. The existing buildings do not reflect the needs of the 21st century learning environment and the split site presents significant operational challenges for the school.

25. The Hucknall Planning area is one which has witnessed housing growth over the last five years. 420 additional school places have already been created in existing schools to meet the demand from population growth, funded through basic need and/or section 106 contributions. The building of a new school is now essential to meet the project demand from the new housing development on the Watnall road site.

Reason/s for Recommendation/s

26. 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

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

Crime and Disorder Implications

28. There are no direct crime and disorder implications within the report. Both sites incorporate Security boundaries, as a result risk of crime from theft or vandalism is minimised.

Financial Implications

29. These are set out in the report

Public Sector Equality Duty implications

30. In accordance with County Council Policy the design of the buildings will incorporate access and facilities for people with disabilities.

Implications for Sustainability and the Environment

31. Environmental and sustainability requirements will be incorporated into the detailed design process of the buildings

RECOMMENDATION/S

32. That members consider the Latest Estimated Cost for these Schools builds and approval be given to vary the capital programme to accommodate the cost increases identified.

Derek Higton

Service Director, Place and Communities

For any enquiries about this report please contact: Phil Berrill, Team Manager, Departmental Services Tel: 0115 9774641

Constitutional Comments (KK 24/05/19)

33. The proposal in this report is within the remit of the Finance and Major Contracts Management Committee

Financial Comments (GB 10/05/19)

34. The initial capital budgets for these projects are already approved in the Children and Young People's (CYP) Committee capital programme (£5.8m for the Bestwood School and £3.7m for the Watnall School). Also, within the approved CYP Committee capital programme is a 2019/20 School Places Programme budget which totals £19.0m. The increased costs identified in this report will be funded from the School Places Budget (£0.8m) and by an additional Section 106 contribution (£0.2m).

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.

- Update report on the replacement of Hawthorne Primary School, Bestwood – Report to Policy Committee 20-12-2017 - Published
- Latest Estimated Cost – New School, Watnall Road Site, Hucknall – Report to Finance and Major Contracts Management Committee 16-07-2018 - Published

Electoral Division(s) and Member(s) Affected

Wards: Newstead
 Hucknall West
Members: Councillor Chris Barnfather
 Councillor Kevin Rostance

20 May 2019

Agenda Item: 8

**REPORT OF THE SERVICE DIRECTOR - CUSTOMERS, GOVERNANCE AND
EMPLOYEES**

WORK PROGRAMME

Purpose of the Report

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

Information

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

Other Options Considered

5. None.

Reason/s for Recommendation/s

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

Statutory and Policy Implications

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

RECOMMENDATION/S

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

Marjorie Toward
Customers, Governance and Employees

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

Constitutional Comments (HD)

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

Financial Comments (NS)

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

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All

FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>Lead Officer</u>	<u>Report Author</u>
17 June 2019			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Draft Management Accounts 2018/19	Outturn report.	Nigel Stevenson	Glen Bicknell
'Your Nottinghamshire Your Future' Departmental Strategy, Six Month Review of Progress (Oct – March 2019)	Progress report	Nigel Stevenson	Rob Disney / Matthew Garrard
Fair Price for Care Project (older adults)	Outcome of consultancy work and how this is going to inform the approach to the market.	Michael Fowler	Kaj Ghattora
Contract Management – A Framework Approach for NCC		Kaj Ghattora	Kaj Ghattora
Full Contracts List	Update on full list of major contracts	Kaj Ghattora	Kaj Ghattora
15 July 2019			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
MyNotts Application	Update on MyNotts App procurement	Lorraine Dennis	Kaj Ghattora
HS2 Procurement	Update on various commissions for HS2 procurement	Lorraine Dennis	Kaj Ghattora

FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

16 September 2019			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
BCF 6 Monthly Reconciliation		Joanna Cooper	Joanna Cooper
Staff Agency Contract	Update on Staff Agency re-procurement	Lorraine Dennis	Kaj Ghattaora
Public Health Competitive Dialogue	Outcome on the procurement for the public health competitive dialogue process	Michael Fowler	Kaj Ghattaora
Wide Area Network (WAN) Tender	Outcome / Update on the procurement of the WAN tender	Lorraine Dennis	Kaj Ghattaora
14 October 2019			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
DN2 Partnership Children's Services Intervention Programme	6 Monthly Update	Lynn Brammer / Jon Hawketts	Kaj Ghattaora
18 November 2019			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
Risk and Insurance	Update report	Nigel Stevenson	Rob Disney
DN2 SIB Update	Update on Social Impact Bond (Children's)	Lynn Brammer / Jon Hawketts	Kaj Ghattaora

FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

TO BE PLACED			
Commercial Development Unit	Report on progress.	Mark Knight	Nigel Stevenson
The provision of new schools and school places	Details of the Authority's approach	Derek Higton	Derek Higton
Gedling Access Road (GAR)	Report on progress	Neil Hodgson	Neil Hodgson

