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Chairman: Councillor R.V. Blaney
Vice-Chairman: Councillor D.J. Lloyd

Members of the Committee:

Councillor R.J. Jackson
Councillor R.B. Laughton
Councillor A.C. Roberts
Councillor D. Staples
Councillor Mrs A.A. Truswell (Opposition Spokesperson)

Substitute Members

Councillor Mrs C. Brooks
Councillor P.C. Duncan
Councillor T. Wendels
Councillor Mrs Y. Woodhead

MEETING: Policy and Finance Committee

DATE: Thursday, 5th November 2015 at 6.00pm

VENUE: Room G21, Kelham Hall

**You are hereby requested to attend the above Meeting to be held at the time/place
and on the date mentioned above for the purpose of transacting the
business on the Agenda as overleaf.**

If you have any queries please contact Nigel Hill on 01636 655243.

AGENDA

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NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of the **POLICY & FINANCE COMMITTEE** held in Room G21, Kelham Hall, Newark on Thursday 10th September 2015 at 6.00pm.

PRESENT: Councillor R.V. Blaney (Chairman)
Councillor D.J. Lloyd (Vice- Chairman)

Councillors: R.J. Jackson, R.B. Laughton, A.C. Roberts, D. Staples and Mrs A.A. Truswell.

ALSO IN ATTENDANCE: Councillors: Mrs C. Brooks, P.C. Duncan, D.R. Payne and B. Wells.

35. APOLOGIES FOR ABSENCE

There were no apologies for absence.

36. DECLARATIONS OF INTERESTS BY MEMBERS AND OFFICERS AND AS TO THE PARTY WHIP

There were no declarations of interest.

37. DECLARATIONS OF INTENTIONS TO RECORD THE MEETING

The Chairman advised that the proceedings were being audio recorded by the Council.

38. MINUTES FROM THE MEETING HELD ON 28TH JULY 2015

The minutes from the meeting held on 28th July 2015 were agreed as a correct record and signed by the Chairman subject to amending Minute No. 34 to confirm that it was 'up to' an additional £750,000 being added to the Capital Programme.

39. REVISION OF POLICIES - ANTI FRAUD AND CORRUPTION STRATEGY AND GUIDANCE FOR DEALING WITH IRREGULARITIES

The Director- Resources presented a report which set out revised Anti-Fraud and Corruption Strategy and the Guidance for Dealing with Irregularities. The Director – Resources advised that the Audit & Accounts Committee had considered the revised policies at their meeting held on 9th September and had recommended both to the Policy & Finance Committee for approval.

AGREED (unanimously) that the revised policies for the Anti-Fraud and Corruption Strategy and the Guidance for Dealing with Irregularities be adopted.

Reason for Decision

To maintain up to date and appropriate policies.

40. ENTERPRISE ZONE STATUS PROPOSAL

The Business Manager – Economic Growth and Tourism presented the report which was considered by the Economic Development Committee on 9th September 2015. The report provided information regarding the proposal to submit an application for Enterprise Zone status which included the Thoresby Colliery Site and a possible extension to the Sherwood Energy Village in New Ollerton. It was noted that the proposal was being co-ordinated through Nottinghamshire County Council and the Local Enterprise Partnership Board would make a decision on which proposals were submitted for further development by 18th September.

Four sites had been identified as part of the proposed Robin Hood Line Enterprise Zone; Summit Park, Ashfield; Berry Hill, Mansfield; Former Thoresby Colliery; and extension to the Sherwood Energy Village, Ollerton.

As Chairman of the Economic Development Committee, Councillor D.J. Lloyd advised that when supporting the proposal certain reservations were expressed by the Committee and as such an informal meeting to look at issues and impacts arising from the proposal was to be arranged.

AGREED (unanimously) that the Committee support the proposal to submit an Enterprise Zone proposal as identified in the report.

Reason for Decision

To provide support for growing business in the District and to create jobs in an area of the District where there is higher unemployment.

41. COUNCIL'S ANNUAL BUDGET 2016/17- OVERALL STRATEGY

The Director - Resources presented a report which introduced the Annual Budget Strategy. The Council's Constitution required that the Council's Section 151 Officer present a report on the overall Budget Strategy to the Policy & Finance Committee. This report was to cover the form of budget presentation, levels of inflation for pay and prices and average level for increases in fees and charges. The report also considered the financial policies previously approved by the Cabinet.

The budget process would result in the setting of the budget and the Council Tax for 2016/17, together with the Medium Term Financial plan covering the next four years.

The report provided an update on the 2015/16 Revenue Budget, gave details of the updated Council's financial policies and gave some context in terms of the financial environment. The report also set out proposals for the 2016/17 budget including details of the amount of savings likely to be required, provision for inflation and increases in fees and charges.

In addition the Director – Resources invited the Committee to note the position in respect of the use surplus funds within the Business Rate pool. In accordance with the Memorandum of Understanding it had been agreed that half of the surplus from last year be used for setting up the Combined Authority with the other half going back to individual local authorities for their own use.

AGREED (unanimously) that:

- (a) the overall budget strategy be approved;
- (b) the position in respect of the use of surplus funds from the Business Rate pool be noted; and
- (b) budget officers continue work on the assessment of various budget proposals affecting services for consideration in setting the Council's budget.

Reason for Decision

To enable the Councils budget process to proceed encompassing agreed inflation and salaries and wages rates for 2016/17 to 2020/21.

42. CAPITAL PROGRAMME MONITORING TO 31ST JULY 2015

The Director – Resources presented a report which monitored the progress of the overall capital programme since the last progress report to the Committee on 9th July 2015. The report appendices listed all the current schemes with expenditure to date, variations to the programme since the last report and the overall financing position. The report provided an update in respect of housing services and general fund schemes.

In presenting the report the Director – Resources highlighted the large refuse vehicle replacement programme.

AGREED (unanimously) that the variations listed in Appendix B to the report be approved and the Programme shown in Appendix C to the report be accepted as the lasted approved Capital Programme.

Reason for Decision

To enable the Capital Programme to be amended to reflect changes to resources available and better clarity of the cost and phasing of projects.

43. FINANCIAL REGULATIONS

The Director- Resources presented a report which sought approval for the adoption of revised Financial Regulations. The Council adopted its current Financial Regulations in 2013. The draft Financial Regulations, which were attached as an appendix to the report, had been fully reviewed and updated to cover new ways of working and other minor changes. The amendments made were highlighted in the report.

AGREED (unanimously) that:

- (a) the revised Financial Regulations be adopted; and

- (b) the Financial Regulations be revised in two years' time, or sooner if there are any significant changes in the way the Council manages its finances.

Reason for Decision

To provide a reviewed and updated set of Financial Regulations for the Council.

44. COMBINED AUTHORITY AND DEVOLUTION DEAL

The Chief Executive presented a report which updated the Committee on the Combined Authority proposals and Devolution Deal. The Combined Authority submission would be the subject of a statutory consultation by the Secretary of State for Communities and Local Government before Parliamentary Orders were laid. It was anticipated that a new Combined Authority could be in place by April 2016.

In parallel to the Combined Authority proposals, a devolution prospectus was produced in March 2015. Following the election, a series of conversations had now taken place with Government Ministers to explore the potential for a major devolution deal. A deal would apply to the whole of Nottinghamshire and Derbyshire (the D2N2 area). It was clear from discussions with Government that there would be around 6 to 8 major devolution deals which would focus on most of the core cities around England. Nottingham's status as a core city enabled the D2N2 area to be considered for a major devolution deal. However, such a deal would require new governance arrangements to be put in place. This would include a single D2N2 Combined Authority and a directly elected mayor who would hold the powers devolved from central government.

AGREED (unanimously) that the progress with the Combined Authority submission and the devolution deal be noted and that further reports are brought to the Committee as the details are resolved.

Reason for Decision

To keep Members informed of the progress with the Combined Authority and any devolution deal.

45. EXCLUSION OF THE PRESS AND PUBLIC

AGREED (unanimously) that under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting during discussion of the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

46. FORMER MUNICIPAL BUILDINGS, 20 BALDERTONGATE, NEWARK

The Committee considered the exempt report presented by the Director – Resources in relation to the current position in respect of the disposal of the former Municipal Buildings. The report contained recommendations as to how the property should now be disposed of.

(Summary provided in accordance with 100C(2) of the Local Government Act 1972).

Meeting closed at 6.49pm.

Chairman

MEMBER TRAINING AND DEVELOPMENT

1.0 Purpose of Report

- 1.1 To provide an overview of the arrangements for Member training and development and to agree a mechanism for approving funding requests to attend training and events.

2.0 Background

- 2.1 The Member Training and Development Task & Finish Group at its meeting on Wednesday, 9th September 2015 considered a report regarding current arrangements for training and development and made recommendations as to the arrangements for approving funding for future training and development.

3.0 Introduction

- 3.1 Members of the Task & Finish Group were asked to consider:-

1. Making recommendations to the Policy & Finance Committee as to the list of approved courses/conferences for 2015/16 and beyond.
2. To consider a mechanism for approval of Member requests for attendance at one-off training events.
3. To encourage all Members to attend the East Midlands knowledge based events.

- 3.2 The Member training budget is currently set at £5,500 for 2015/16.

- 3.3 The budget has been provided for Member attendance at approved conferences and events and to include the cost of external training provision.

- 3.4 £500 of the allocation has been used for subscription to the East Midlands Councils Regional Training Programmes, which provide a series of events for Councillors at which the Council is allocated two places. Further places are available to purchase.

- 3.5 The Member Training and Development Task & Finish Group strongly endorsed the East Midlands Councils Regional Training Programme and discussed ways in which Members could be encouraged to attend future events, including the relevant information on training events being sent with relevant Committee agendas.

- 3.6 Members of the Member Training and Development Task & Finish Group also considered the approved list of courses and conferences and felt that the LGA Conference should be the only approved conference/course for 2015/16.

- 3.7 In respect of a mechanism for the approval of one-off requests to attend training and events it was agreed that the following procedure be adopted:-

1. A written request be submitted to the Business Manager - Human Resources & Legal.

2. The request be considered by the Business Manager – Human Resources & Legal, together with the Director - Safety or Deputy Chief Executive in consultation with Leader of the Council and be evaluated against the following criteria:-

- a. Has the Member adequately demonstrated that attendance at the event will assist in carrying out the role as a Councillor? or
- b. Does the Member sit on a Committee to which the subject matter of the training is particularly relevant? or
- c. Does the relevant Group Leader support the request? or
- d. Is the training relevant to the Councils visions and priorities? or
- e. Can the Member demonstrate how the training will assist them in developing their role?

3.8 It was emphasised by the Members of the Member Training and Development Task & Finish Group that if a Member met one of the above criteria only, their request to attend the training would still be considered. It was also felt that Members should endeavour to share their learning with others.

3.9 Whilst it was noted that the Council only received two places for each training event as a result of its subscription to the East Midlands Councils Regional Training Programme, it was agreed that requests by more than two Members to attend a particular event under the Knowledge Based Programme or to attend other training hosted by East Midlands Councils, which did not form part of the Knowledge Based Programme would be considered using the same criteria as set out above.

4.0 **RECOMMENDATIONS** that:

- (a) the only approved conference/course for 2015/16 be the LGA Conference (one Member only);**
- (b) the mechanism set out in the body of the report for considering Member training requests be formally adopted;**
- (c) Members be proactively encouraged to attend the East Midlands Councils Regional Training events under their Knowledge Based Programme;**
- (d) if more than two Members wish to attend a particular event under the Knowledge Based Programme, the same approval mechanism be adopted as that for approval of one-off requests to attend training events; and**
- (e) if Members wish to attend training hosted by East Midlands Councils which does not form part of the Knowledge Based Programme, the request would be considered using the same mechanism as for approval of one-off events.**

Reason for Recommendations

To agree an approval mechanism for Members who wish to attend training and events and to determine any approved conferences to support 2015/16.

Background Papers

Reports and minutes of the Member Training and Development Task & Finish Group held on Wednesday, 9th September 2015.

For further information please contact Kirsty Cole on x 5201

Kirstin H Cole
Deputy Chief Executive

PROPOSAL TO EXPAND THE CURRENT GARDEN WASTE SCHEME

1.0 Purpose of Report

1.1 To inform the Committee of proposals to expand the Garden Waste Collection Service.

2.0 Background Information

2.1 Existing Service

2.1.1 Over the last 2 years Newark & Sherwood District Council have introduced a Garden Waste Collection Service throughout much of the District. This has been conducted within existing resources; working in partnership with Rushcliffe and Mansfield District Councils to provide a service to the south and west of the District whilst using efficiency savings to grow our own offering in Balderton, Fernwood and parts of Newark.

2.1.2 At this time Mansfield service over 4,000 customers, Rushcliffe 1,400 and Newark & Sherwood over 1000. Our partner authorities have expressed no desire to expand their existing coverage, preferring instead to focus on growing the customer numbers in the areas they already cover. The areas that are not yet covered by any scheme are predominately rural; the increased traveling time and the much lower number of customers that can be serviced as a result means that they are financially unattractive.

2.1.3 Using the map attached and the local authority gazetteer a reasonable estimation of the number of properties covered by the scheme can be made.

Table 1

Authority Covering Area	Properties in Area	Residential	Customers	Uptake
<i>MDC</i>	24857	20967	4000	19%
<i>RBC</i>	6889	5286	1400	26%
<i>N&SDC</i>	10137	9376	1246	13%
<i>None</i>	26238	19551		

2.1.4 Rushcliffe Borough Council administers the Garden Waste Service provided by Newark & Sherwood for which they charge an administration fee of £6.84 per household. As a result the Council receives an income of £23.16 from each garden bin from the £30 charged to the householder.

2.1.5 Nottinghamshire County Council have recently released a draft of their Waste Reduction, Reuse, Recycling and Composting Plan 2015/16. This plan highlights that if the County is to reach the National 50 percent recycling target by 2020 then one of the actions that will be required is the instigation of a district wide Garden Waste Service throughout Newark & Sherwood. This is in keeping with the spirit of our own Waste Strategy (2006).

2.2 Future Expansion

2.2.1 It is difficult to accurately predict the true financial impact of expanding the service to cover the rest of the District but we can use existing information as a guide. As mentioned above there is little capacity left within existing services for expansion and pressure on existing refuse services is growing as more houses are built. Therefore, without considering drastic changes such as the move to a 3 weekly residual waste collection, the only realistic method of expanding the Garden Waste Scheme is to provide an additional vehicle and crew. Based on current figures, this would cost about £114,250 per annum.

Table 2

Vehicle Costs -	£69,400
Lease	£30,000
Fuel	£22,000
Tyres	£5,000
Oil	£200
Materials	£4,000
Maintenance Costs	£6,000
Insurance	£1,500
Licence & MOT	£700
Employment Costs -	£44,850
Driver	£23,400
Loader	£21,450
Total	£114,250

2.2.2 Based on the figures in Table 1 above and adjusting for a reasonable number of 'mixed hereditaments' a working figure of 20,000 targetable properties is sensible. Founded on the recent promotional costs for the expansion into the Fernwood estate an average of £1.40 per household could be assumed (economies of scale may reduce this). In total marketing costs of £28,000 should be accounted for.

2.2.3 An estimate of the income can be simply calculated:

- 20000 customers @ 12% uptake = 2400 customers
- 2400 properties @ £23.16 = £55,584 per annum
- Add existing customer base = 3400 customers per year = £78,744

2.2.4 This results in a balance of £63,506 for the first year of the service which includes the one off marketing costs. For subsequent years the cost of the service would be £114,250 per annum as indicated above, this figure being reduced by the increasing number of new customers joining the scheme as has been the experience of Mansfield and Rushcliffe.

Table 3

Vehicle Costs	£69,400
Employment Costs	£44,850
Promotion	£28,000
Income	-£78,744
Balance	£63,506

- 2.2.5 The promotion work would not be expected to continue beyond the initial period unless uptake is very low. Based on these calculations (and assuming the charge for the service rises in line with the overhead costs), once uptake reaches 18 percent the service would become cost neutral.
- 2.2.6 If the expanded service is to launch in April 2016 then a decision on the scheme will need to be made by early November 2015. This is to allow enough time for the vehicle to be ordered and delivered by April.
- 2.2.7 Once the publicity for the new service has gone out and customer responses/service requests can be analysed it may be necessary to discuss with Mansfield some amendments to the area they currently collect garden waste from to maximise the efficiency of our service provision. Initial discussions have already been entered into and Mansfield are receptive to this matter.

3.0 Equalities Implications

- 3.1 There are no predicted equalities implications at this time. The Garden Waste Service will be an expansion of the existing service and will offer assisted collections to residents who require them.

4.0 Impact on Budget/Policy Framework

- 4.1 A budget commitment of £142,250, including marketing, would be required in the first year of the service this *may* be partially offset by an income of around £78,000 from service users around £55,000 of which would be new income.
- 4.2 Nottinghamshire County Council have confirmed in writing that they are prepared to make a revenue contribution of £30,000 as part of their partnership/incentivisation policy to assist the Council in the introduction of the proposed expansion of the garden waste scheme. This is to be welcomed and it will help offset some of the revenue cost of introducing the scheme particularly in the purchase of additional brown wheeled bins.
- 4.3 If the customer uptake is high then the service may become cost neutral in the medium term and could possibly become a future revenue source.

5.0 Comments of Director - Communities

- 5.1 Newark & Sherwood District Council can expand its Garden Waste Service district wide but it will require a medium to long term financial commitment. Based on the experience of the Mansfield and Rushcliffe schemes operating in our District the service should become cost neutral in the medium to long term but predicting when cost neutrality will actually occur is dependent upon the pace of uptake of the service.
- 5.2 If an expanded service is required to launch in April 2016 a decision will be required by November 2015.
- 5.3 This report was presented to the Leisure & Environment Committee on 27th October recommending that the Committee support the proposals to expand the Garden Waste service and recommend to Policy & Finance Committee that the proposals be approved.

6.0 Comments of Director - Resources

- 6.1 The Council's general fund revenue budget for 2016/17 is currently being prepared and the first draft budgets will be presented to all Committees in the next cycle. If this scheme is approved by Policy & Finance Committee it will be necessary to include the estimated costs and income in the base budget for 2016/17 and future years.
- 6.2 The cost of purchasing additional brown wheeled bins is not quantified in the report, but the grant of £30,000 from Nottinghamshire County Council could be used to fund this and contribute to some of the one off promotional costs.
- 6.3 In the first year the additional revenue costs are likely to be in the region of £142,250 and it is anticipated that additional income of £55,000 will be received if 12% of the residents take up the additional bin. This adds just under £90,000 to the revenue budget which will have to be met by savings elsewhere. In future years the annual cost of the new scheme will be around £60,000 and this will reduce further as new customers join the scheme.
- 6.4 The costs include the acquisition of an additional vehicle. This will need to be added to the Capital Programme and the Policy & Finance Committee are asked to consider this. The method of financing of the additional vehicle will be decided when the capital programme is financed and this will determine whether the revenue effects of financing the vehicle impact on this budget.

7.0 RECOMMENDATION

That the proposal for the expansion of the District Council's Garden Waste Service be approved.

Reason for Recommendation

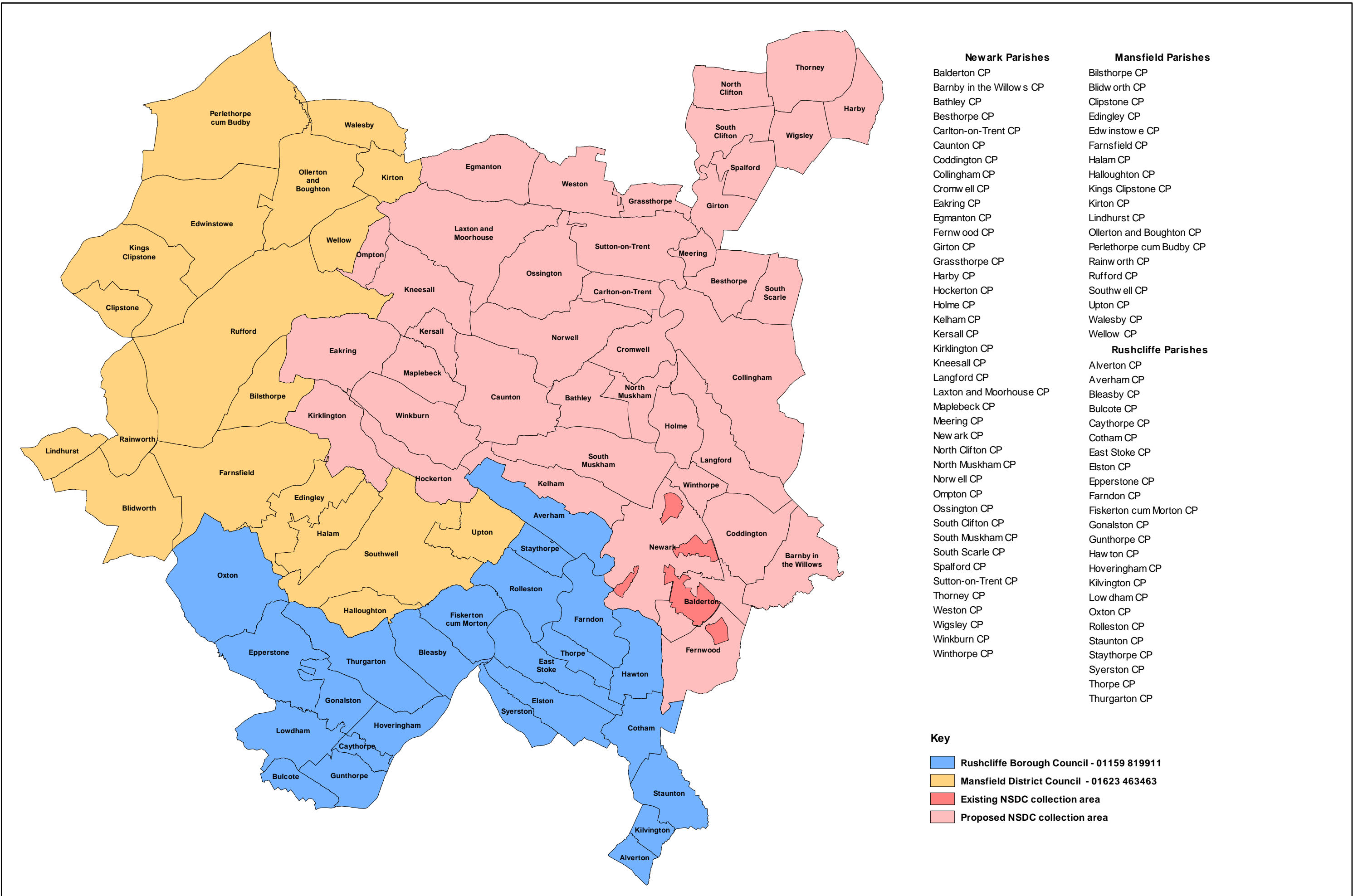
To provide a consistent service to all residents across the District.

Background Papers

Garden Waste Collection Scheme Coverage Map.

For further information please contact Matt Adey on Ext. 5253.

Andy Statham
Director - Community



PAY TO STAY: FAIRER RENTS IN SOCIAL HOUSING

1.0 Purpose of Report

1.1 To inform the Committee of the recently published 'Pay to Stay' consultation and to prepare the Council's response to this.

2.0 Background Information

2.1 On 9th October 2015 the Department for Communities & Local Government (DCLG) published the consultation document - 'Pay to Stay: Fairer Rents in Social Housing'.

2.2 The proposed regulations to implement this Policy now feature in Chapter 4 ('High Income Social Tenants: Mandatory Rents') of the Housing and Planning Bill, published on 13th October 2015, as detailed at **Appendix A**.

2.3 The following paragraphs will summarise the consultation document and proposed responses to this.

2.4 The Committee should also note that further to the publication of the Housing & Planning Bill officers are in the process of assessing the impact of all policy changes (*selling of high value Council houses, ending of lifetime tenancies*), in addition to the 4 year 1% rent reduction detailed within the Welfare Reform & Work Bill due for implementation in 2016. This is set against the requirement to sustain a viable Housing Revenue Account Business Plan (HRA BP).

2.5 In this respect the report intended for this Committee meeting covering the Housing Growth agenda and exploration of options to establish a development Company are being reappraised and will now be presented to the December Committee meeting.

3.0 Pay to Stay

Policy Detail

3.1 The Government's view is that tenants in social housing should not always benefit automatically from subsidised rents, identifying that there needs to be a better deal in the social housing sector with housing at subsidised rents going to those people who genuinely need it.

3.2 On that basis, the Government has decided that social housing tenants with household incomes of £40,000 and above in London, and £30,000 and above in the rest of England, will be required to pay an increased level of rent for their accommodation if their rent is currently being subsidised below market rent levels, i.e. at a social or affordable rent. It is expected that the increased level of rent would be at market or near market rent.

3.3 The Government wants to ensure that social housing rents are more closely linked to the income of social tenants and the Policy will apply to both Local Authorities (HRA) and Registered Providers (Housing Associations).

- 3.4 Money raised by local authorities through increased rents will be returned to the exchequer to contribute to the deficit reduction, whereas Housing Associations will be able to use the additional income to reinvest in new housing.
- 3.5 A household means the tenant or joint tenants named on the tenancy agreement, and any tenant's spouse, civil partner or partner where they reside in the rental accommodation. Where several people live in the property the highest two incomes should be taken into account for household income.
- 3.6 Income means taxable income in the tax year ending in the financial year prior to the financial (i.e. rent) year in question.
- 3.7 Where a property is vacated it is expected that this would be re-let in line with the previous lower rent (*social or affordable rent*) to a household in need, i.e. with an income below the 'Pay to Stay' threshold.
- 3.8 Data from HMRC may be provided to social landlords for the purposes of determining 'high income' tenants. The regulations within the Housing and Planning Bill are not clear on whether HMRC will be required to provide income details and the responsibility will remain with the local authority to establish each tenant's household income.
- 3.9 No exemptions as yet have been applied to this Policy, e.g. tenants of pensionable age, in supported housing.
- 3.10 The consultation documents states that submitted views will be considered in the design and implementation of the Policy, but this will also be guided by the overall level of savings set out in the budget to ensure the Policy is able to deliver these.

Consultation Questions

- 3.11 The consultation document is focusing on the implementation rather than the detail of the Policy, with views being sought on two areas:

- How the scheme can support incentives to work
- Evidence of administrative costs

- 3.12 The questions being posed are:

Q1: Views are invited on:

- *How income thresholds should operate beyond the minimum threshold set at Budget, for example through the use of a simple taper / multiple thresholds that increase the amount of rent as income increases.*
- *Whether the starting threshold should be set in relation to eligibility for Housing Benefit.*

Q2: Based on the current systems and powers that Local Authorities have, what is your estimate of the administrative costs and what are the factors that drive these costs?

- 3.13 Responses to the consultation close on 20th November 2015.

- 3.14 The Government will use primary legislation to bring forward powers to implement the Policy, with the intention to implement this from April 2017 onwards.

Setting the Local Scene

- 3.15 In order to provide the Committee with some local context to the ‘Pay to Stay’ Policy the following paragraphs provide data around the Council housing’s stock, rent and income levels.
- 3.16 The Council’s housing stock presently stands at 5439 properties and the unit types are as follows:

Unit Type	Total	Total - Supported Housing	Total - General Housing
1 bed units	21.47%	19.2%	2.1%
2 Bed Units	36.63%	25.9%	11.6%
3 Bed Units	39.74%	0.2%	39.5%
4 Bed Units	2%	-	2%
5 Bed Units	0.2%	-	.02%
TOTAL	100%	45%	55%

- 3.17 14.4% of all housing in the district is social rented, which includes both Council and Registered Provider housing.
- 3.18 The table below provides a comparison between lower quartile private sector and social rents in the district. The Committee should note that there are local variations in rent levels across the district and not all localities have a significant private rented sector presence.

Dwelling Type	Private Rents PM (Lower Quartile 2014)	Social Rents PM (2013/14)
Room Only	£282	-
Studio	-	-
1 Bedroom	£350	£307
2 Bedrooms	£450	£335
3 bedrooms	£495	£344 (includes 3+ bedrooms)
4+ bedrooms	£695	See above
All dwellings	£440	£309

SHMA 2015

- 3.19 To illustrate the variation in private rent levels across the district the table below provides a comparison of mean rent levels for Newark and Ollerton.

Location	1 bed	2 bed	3 bed
Newark	£430	£540	£595
Ollerton	£450	£480	£535

Rightmove 2015

- 3.20 The average salary in the district is £23,390 (2014) and following table provides an indication of household income levels, which again are subject to local variation across the district.

Annual Income	All Households %	Cum %
None	6.1	6.1
Below £10,000	10.1	16.2
£10,000-£20,000	19.8	36.0
£20,001-£27,000	16.8	52.8
£27,501-£45,000	19.4	72.2
£45,001-£60,000	10.9	83.1
£60,001-£75,000	5.7	88.8
£75,001-£100,000	5.0	93.8
Above £100,000	6.2	100.0

Housing Market & Needs Assessment 2014

- 3.21 The only relevant income information currently held by Newark & Sherwood Homes around tenant's income details is that 63% of general needs tenants are in receipt of housing benefit and 50% of tenants are over 60 years of age.

4.0 Consultation Response

- 4.1 Crucial in providing an informed response to the consultation and to effectively appraise the impact of this Policy knowledge on each tenant's household income is required.
- 4.2 Unfortunately as there is no current requirement or duty to collect a tenant's household income the Council's overall response to the consultation will be limited, based on broad assumptions and with the requirement to have further clarity on the Policy. A key point in the consultation response will need to emphasise that the Policy requires greater clarification to properly inform the Council's consultation response.
- 4.3 In terms of question one; views are sought on how the scheme can support incentives to work whilst ensuring tenants pay a fair rent. It is suggested that a taper could be introduced where household earnings in excess of the minimum income thresholds would pay an increasing amount of rent as their income increases.

Response

- 4.4 In principle a tapering system would seem a 'fairer' approach in the implementation of this Policy; however any benefit to the introduction of a taper could be offset by an increase in the costs to administer such a system.
- 4.5 In addition general views are also sought on '*how income thresholds should operate beyond the minimum threshold set at Budget*' a proposed response would be that they should reflect local circumstances and the local housing market set against the costs of administering such a proposal.
- 4.6 The consultation also states that Government do not expect rents will be adjusted frequently, though social landlords will have to make choices over how to respond to changes in tenant circumstances.

4.7 Views are then sought on *'whether the starting threshold should be set in relation to eligibility for Housing Benefit.'*

Response

4.8 Due to complexity of housing benefit (HB) eligibility as set out at **Appendix B**, which also takes into account capital, starting thresholds should not be set in relation to this criterion.

4.9 In addition, the consultation states that where several people live in the property the highest two incomes should be taken into account. This suggests that there could be a scenario where the tenant(s), the claimant and partner, are on a passported benefit (guaranteeing HB) but have two non-dependants with a combined income that exceeds £30,000 they would then be subject to an increase in rent. Therefore, if the rent increases it would follow that HB will increase as well if current HB regulations are applied. An additional question is what happens if/when the non-dependants move out.

4.10 The second consultation question looks at the administrative costs of implementing and operating the Policy.

4.11 It is proposed that local authorities will be allowed to recover any reasonable administrative costs prior to returning the additional rental income to the exchequer. The consultation makes the assumption that local authorities already have systems and processes in place that could be modified to operate this Policy, with the additional administrative resource being in staff time to operate the scheme.

4.12 Views are sought on the *'estimate of the administrative costs and what are the factors that drive these costs'*.

Response

4.13 This is an area of significant concern as assumptions are made in the consultation document around the modification of existing systems, in reality the impact on administration is complex and potentially involves significant costs both over the short and long term.

4.14 In partnership with Newark & Sherwood Homes a detailed appraisal is required covering the following key areas in order to consider fully the true administrative costs and resources required. This cannot be completed prior to consultation end date, primarily due to the need for further clarity on the Policy.

Key Areas for Consideration

- a) What current number of tenant households earn above the minimum income threshold?
- b) What will the range of market rent levels be across the district?
- c) Can data on household income levels be held on the current ICT systems and what changes will be required?
- d) How will different rent levels be held on the ICT systems?
- e) What is the process and approach to obtain data from HMRC, e.g. will rent levels be based on the income the tax year before the rent year?

- f) How will information be obtained from tenants on their household income outside of any data from the HMRC? What is the process to do this? Will there be a requirement for tenancy changes?
- g) What is the process to manage changes to household income when a market rent has been applied but a households income is now below the threshold?
- h) What changes will be required to the tenancy agreement?
- i) Consultation will be required on changes to the tenancy agreement.
- j) What changes would be needed to fraud systems, with need to avoid duplication in terms of HMRC work?
- k) A system of market rent assessment will be required; will this include the requirement for independent valuations?
- l) There will be increased rent accounting and potential arrears recovery costs.
- m) How will the Council enforce none supply of income data? Would this be through the possession route and would the courts provide an order?
- n) There will be ongoing costs of requesting and updating information systems.
- o) Will an increase in tenants rent raise expectations on the levels of service they presently receive?
- p) Who and how will the appeals process be administered?
- q) Is there an impact on associated policies? For example with the Allocation Scheme, the consultation implies that on a relet this will be at a lower rent to a household in need. Will an income criteria need to be added to the Allocation scheme. Will this mean checking the income of all housing register applicants?
- r) What exemptions will be applied to the Policy?

4.15 Further consideration is also required by Government to assess the cost of the implementation and ongoing administration of the Policy, set against the additional income expected to be generated especially in areas where market rents are not significantly higher than affordable or social rents.

4.16 The Committee are asked to consider the proposed consultation responses above and whether there any further views are required for inclusion.

4.17 The Committee may want to comment on what exemptions should be applied to the Policy, such as for those tenants in supported accommodation and to address any equality implications, and on the proposal that Housing Associations will be able to retain the rental difference but local authorities will return this to the exchequer, as per paragraph 3.5.

4.18 It is proposed that the Councils response to the consultation is also submitted to the Local Government Association in order to inform them of the Council's position and any wider response to the 'Pay to Stay' Policy.

5.0 Equalities Implications

5.1 As yet the Government have not undertaken an impact assessment on the 'Pay to Stay' Policy and equality implications will need to be appraised locally prior to the implementation of the Policy.

6.0 Impact on Budget/Policy Framework

6.1 As stated in the proposed consultation responses the implementation of this Policy could have a significant financial impact to the HRA Business Plan, due to the administration costs on implementation of the Policy, then the ongoing maintenance costs and loss of rental income to the exchequer. Without greater detail it is difficult to put an accurate figure to this.

6.2 Policy changes will also be required to the Tenancy Agreement and associated documents, such as the Allocation Scheme. A new local 'Pay to Stay' Policy will be required prior to the implementation of national 'Pay to Stay' Policy in April 2017.

7.0 Comments of Director - Resources

7.1 The introduction of this policy could have a significant impact on Councils' HRABP, both through the additional costs of administration, including rent collection and arrears management, and the possibility of increased Right to Buy applications. It appears likely that the amount payable to the Government might be based on notional amounts, rather like the old subsidy system and this could result in an under recovery of amounts paid to DCLG and administration costs.

7.2 A viable HRABP is necessary to support current priorities and housing growth plans, and the impacts of this policy need to be considered along with the 1% reduction in rents from 2016/17, the selling of high value houses and the ending of lifetime tenancies.

8.0 RECOMMENDATIONS that:

- a) **the report be noted; and**
- b) **the proposed responses to the 'Pay to Stay' consultation, set out in section four of the report, be approved along with any additional comments from the Committee.**

Reason for Recommendations

The Council considers the impact of the Housing and Planning Bill (October 2015) and in this instance the implementation of the 'Pay to Stay' Policy.

Background Papers

DCLG Consultation Document – 'Pay To Stay: Fairer Rents in Social Housing'.

For further information please contact Rob Main (5930), Amanda Wasilewski (5331), or Karen White (5240).

Karen White
Director – Safety

David Dickinson
Director - Resources

Housing & Planning Bill (Oct 2015)

CHAPTER 4

HIGH INCOME SOCIAL TENANTS: MANDATORY RENTS

74 Mandatory rents for high income social tenants

- (1) The Secretary of State may by regulations make provision about the levels of rent that a registered provider of social housing must charge a high income tenant of social housing in England.
- (2) The regulations may, in particular, require the rent—
 - (a) to be equal to the market rate,
 - (b) to be a proportion of the market rate, or
 - (c) to be determined by reference to other factors.
- (3) The regulations may, in particular, provide for the rent to be different—
 - (a) for people with different incomes, or
 - (b) for social housing in different areas.
- (4) The regulations may require a registered provider of social housing to have regard to guidance given by the Secretary of State when determining rent in accordance with the regulations.
- (5) Regulations under this section are referred to in this Chapter as “rent regulations”.

75 Meaning of “high income” etc

- (1) Rent regulations must—
 - (a) define what is meant by “high income” for the purposes of this Chapter, and
 - (b) make provision about how a person’s income is to be calculated.
- (2) The regulations may, in particular—
 - (a) define “high income” in different ways for different areas;
 - (b) specify things that are, or are not, to be treated as income;
 - (c) make provision about the period by reference to which a person’s income is to be calculated (which may be a period in the past);
 - (d) make provision about how a person’s income is to be verified;
 - (e) require a person’s household income (as defined by the regulations) to be taken into account;
 - (f) require a registered provider of social housing to have regard to guidance given by the Secretary of State when calculating or verifying a person’s income.

76 Information about income

- (1) Rent regulations may give a registered provider of social housing the power to require a tenant to provide information or evidence for the purpose of determining whether the registered provider is obliged by the regulations to charge a specific level of rent and what that level is.
- (2) Rent regulations may require a registered provider of social housing to charge rent at the market rate to a tenant who has failed to comply with a requirement.
- (3) Regulations made in reliance on subsection (1) may, in particular, make provision about—
 - (a) the kind of information or evidence that may be required;
 - (b) the time within which and the manner and form in which the information or evidence is to be provided.
- (4) In subsection (1) “tenant” includes prospective tenant.

77 HMRC information

(1) HMRC may disclose information for the purpose of enabling a registered provider of social housing to determine whether it is obliged by rent regulations to charge a tenant a specific level of rent and what that level is.

(2) The information may only be disclosed to—

- (a) a registered provider of social housing,
- (b) the Secretary of State for the purposes of passing the information to registered providers,
- (c) a public body that has been given the function of passing information between HMRC and registered providers by regulations under subsection (3), or
- (d) a body with which the Secretary of State has made arrangements for the passing of information between HMRC and registered providers.

(3) The Secretary of State may by regulations—

- (a) give a public body the function mentioned in subsection (2)(c), and
- (b) make provision about the carrying out of that function.

(4) The Secretary of State must obtain HMRC's consent before making—

- (a) arrangements under subsection (2)(d), or
- (b) regulations under subsection (3).

(5) Information disclosed under this section to the Secretary of State or to a body mentioned in subsection (2)(c) or (d) may be passed on to a registered provider for which it is intended.

(6) Information disclosed under this section may not otherwise be further disclosed without authorisation from HMRC.

(7) Where a person contravenes subsection (6) by disclosing any revenue and customs information relating to a person whose identity—

- (a) is specified in the disclosure, or
- (b) can be deduced from it,

section 19 of the Commissioners for Revenue and Customs Act 2005 (wrongful disclosure) applies in relation to that disclosure as it applies in relation to a disclosure of such information in contravention of section 20(9) of that Act.

(8) In this section—

“HMRC” means the Commissioners for Her Majesty's Revenue and Customs;

“revenue and customs information relating to a person” has the meaning given by section 19(2) of the Commissioners for Revenue and Customs Act 2005;

“tenant” includes prospective tenant.

78 Power to increase rents and procedure for changing rents

(1) Rent regulations may give a registered provider of social housing power to increase the rent payable under a tenancy for the purpose of complying with the regulations.

(2) Rent regulations may make provision about the procedure for changing rent to comply with the regulations (whether the change is made using a power given by regulations under subsection (1) or otherwise).

(3) Regulations made in reliance on subsection (2) may, in particular—

- (a) make provision about the review of decisions to increase rent;
- (b) give rights of appeal to the First-tier Tribunal and amend existing rights of appeal.

(4) Regulations under this section may amend any provision made by or under an Act passed before this Act or in the same Session.

79 Payment by local authority of increased income to Secretary of State

(1) Rent regulations may require a local housing authority to make a payment or payments to the Secretary of State in respect of any estimated increase in rental income because of the regulations.

(2) The amount of a payment is to be calculated in accordance with the regulations.

(3) The regulations may provide for deductions to be made to reflect the administrative costs of local authorities in implementing the regulations.

(4) The regulations may provide for interest to be charged in the event of late payment.

(5) The regulations may provide for assumptions to be made in making a calculation, whether or not those assumptions are, or are likely to be, borne out by events.

(6) The regulations may make provision about how and when payments are to be made including, in particular, provision for payments by instalment.

80 Provision of information to Secretary of State

Rent regulations may give the Secretary of State a power to require a local housing authority to provide information in connection with the regulations.

81 Enforcement by Regulator of Social Housing

(1) The Housing and Regeneration Act 2008 is amended as follows.

(2) In section 220 (grounds for giving an enforcement notice to a registered provider), after subsection (11A) insert—

“(11B) Case 12 is where the registered provider has failed to comply with rent regulations under Chapter 4 of Part 4 of the Housing and Planning Act 2015.”

(3) In section 227 (grounds for imposing a penalty on a private registered provider), after subsection (7A) insert—

“(7B) Case 8 is where the registered provider has failed to comply with rent regulations under Chapter 4 of Part 4 of the Housing and Planning Act 2015.”

(4) In section 237 (grounds for requiring a private registered provider to pay compensation), after subsection (4) insert—

“(5) Case 4 is where the registered provider has failed to comply with rent regulations under Chapter 4 of Part 4 of the Housing and Planning Act 2015.”

(5) In section 247 (management tender), in subsection (1), after paragraph (aa) (but before the “or” at the end) insert—

“(ab) a registered provider has failed to comply with rent regulations under Chapter 4 of Part 4 of the Housing and Planning Act 2015,”.

(6) In section 251 (appointment of manager of a private registered provider), in subsection (1), after paragraph (aa) (but before the “or” at the end) insert—

“(ab) a private registered provider has failed to comply with rent regulations under Chapter 4 of Part 4 of the Housing and Planning Act 2015,”.

82 Interaction with other legislation and consequential amendments

(1) The Secretary of State must use the power in section 20(2) of the Welfare Reform and Work Act 2015 to provide that section 19 of that Act does not apply to a high income tenant of social housing to whom rent regulations apply.

(2) In section 24 of the Housing Act 1985 (rent), after subsection (5) insert—

“(5A) See also Chapter 4 of Part 4 of the Housing and Planning Act 2015 (mandatory rents for high income social tenants in England).”

(3) In Part 2 of Schedule 4 to the Local Government and Housing Act 1989 (the keeping of the Housing Revenue Account: debits), after item 10 insert— *“Item 11: payments under section 79 of the Housing and Planning Act 2015*

Any sums payable for the year to the Secretary of State under regulations made in reliance on section 79 of the Housing and Planning Act 2015 (rents for high income social tenants: payment by local authority of increased income to Secretary of State).”

83 Interpretation of Chapter

In this Chapter—

“high income” has the meaning given by regulations under section 75;

“local housing authority” has the meaning given by section 1 of the Housing Act 1985;

“rent” includes payments under a licence to occupy;

“rent regulations” has the meaning given by section 74;

“social housing” has the same meaning as in Part 2 of the Housing and Regeneration Act 2008 (see sections 68 and 72 of that Act);

HOUSING BENEFIT

Housing Benefit is means tested and the amount a claimant receives is based on the rent charged and the income and capital they hold compared to their applicable amount. The applicable amount is determined by Government and is made up of premiums and allowances. These premiums and allowances reflect the circumstances of the claimant, partner and any dependent children. Additional premiums and allowances are awarded if the any of these are in receipt of disability benefits. Grown up children still at home or other adults present in the household are called non dependants and these can reduce the amount of Housing Benefit payable to the claimant. This is called a non-dependant deduction and the claimants Housing Benefits is reduced the more income the non- dependant receives.

Claimants in receipt of pass ported benefits e.g. Jobseekers Allowance Income Based, Employment & Support Allowance Income Based, receive maximum housing benefit less any non-dependant deductions.

Claimants who have more income than there applicable amount have a taper of 65% applied and this reduces their maximum Housing Benefit by this amount. Claimants with capital in excess of £16,000 are not eligible for Housing Benefit unless they are of pensionable age and in receipt of guaranteed credit.

There are different rules for claimants of pensionable and working age.

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the meeting of the **Strategic Housing Liaison Panel** held in Room G21, Kelham Hall on Wednesday, 2nd September 2015 at 4.00pm.

PRESENT: Council Panel Members: R.V. Blaney (Chairman),
Councillors: R.B. Laughton, D.J. Lloyd and Mrs A.A. Truswell

Company Panel Members:
Board Members: Jean Clarke, Mike Frettsome, Paul Handley and
Kenneth Sutton

**Officers
in Attendance:** Karen White (Director – Safety)
David Dickinson (Director – Resources)
Rob Main (Business Manager - Strategic Housing)
Stephen Feast (Director – Newark and Sherwood Homes)
Rebecca Rance (Chief Executive – Newark and Sherwood Homes)
Suzanne Williamson (Asst. Director – Income & Resources Services –
Newark and Sherwood Homes)
Kara Clarkson (Business Planning, Strategy & Policy Officer – Newark
and Sherwood Homes)

Helen Storr (Observer – Lincolnshire Audit)

1. **APOLOGIES FOR ABSENCE**

An apology for absence was received from Lynn Clayton.

2. **DECLARATIONS OF INTERESTS BY MEMBERS AND OFFICERS**

There were no declarations of interest by Members or officers.

3. **MINUTES OF THE MEETING HELD ON MONDAY, 9TH MARCH 2015**

The Panel considered and agreed the minutes of the meeting held on Monday, 9th March 2015 as a correct record.

4. **NEWARK AND SHERWOOD HOMES LTD. – ANNUAL INFORMATION AND PERFORMANCE REPORT**

The Panel considered the joint report presented by the Director – Safety (NSDC) and the Chief Executive (N&SH) in relation to a range of performance and other reporting information submitted to the Council annually by N&SH.

The report provided a brief summary of the reporting obligations and performance overview as per the management agreement, specifically in relation to repairs and satisfaction. The appendices attached to the report provided more detailed information.

Members considered the information and raised a number of queries. In relation to the reported increase in pension liabilities, they were informed that this was due to the different methods of valuation by the actuaries. The liabilities had been scrutinised and were considered to be correct. It was reported that there had been comparable increases experienced by NSDC.

Members commented that the detail of information provided was difficult to fully absorb. Officers commented that they had not wished to edit the information and only report selected statistics. However, if Members wished, the report to the Homes & Communities Committee could be formatted differently, picking out the salient points for Members consideration with the appendices being used as source documents and listed as background papers. Members could then consider these in detail if they wished.

It was noted that although the report provided detail of performance, it appeared to lack some basic information e.g. the number of homes on the books; what the housing bands were; what were the homes in low demand. It was suggested that the comments section be better populated with an overall indication of how the information and performance compared to the Council's strategic housing objectives. It was agreed that future reports be formatted using an executive summary style and that round table discussions be held. It was noted that the Homes & Communities Committee's remit was to scrutinise the detail but the Panel's remit was to look at the issues at a strategic level.

In relation to the increase in reserves, Members were advised that the Auditors had found this to be correctly reported.

AGREED (unanimously) that:

- (a) the performance and other reporting information submitted by the company be noted; and
- (b) future reporting of annual information and performance statistics be amended to reflect the comments as above.

5. HOUSING GROWTH/HOUSING REVENUE ACCOUNT BUSINESS PLAN

The Panel considered the joint report presented by the Director – Safety (NSDC), the Director – Resources (NSDC) and the Chief Executive (N&SH) which provided a contextual overview of the key issues currently facing the Council and the Company in light of the Government proposals announced in the summary budget, the pending Housing bill and through the ongoing programme of welfare reform. The report also provided information as to the potential impacts of the issues on the sustainability of the Housing Revenue Account Business Plan (HRA BP) and the delivery of the Council's housing vision and related strategic outcomes.

In considering the report, Members noted that the proposed changes would prove to be very challenging for both the Council and the Company to implement and raised a number of queries therefrom.

In response to whether the proposed 1% decrease in rents was applicable to all social landlords, Officers confirmed that this was their understanding at present. Members commented that this could be viewed as the Government's attempts to drive through efficiencies.

In relation to the commitment of £500K to kick start a housing growth plan, Members queried who was to undertake this piece of work. They were informed that this was a joint project between the Council and N&SH. A review was to be undertaken of all assets in the housing portfolio with an assessment of the best sites to be put forward being carried out and this would be put to Council for approval.

A Board Member commented that it would be beneficial to have a joined up strategy between the Council and the Company. Information was required as to how many homes were on the books at present, what numbers were required for the future and how long the Council and Company would wish to allocate for a future building plan and the associated costs thereof. It was suggested that this information could then be used to model the strategy accordingly. There was a need for a joined up strategy for growth which would in turn link to the Council's Strategic Housing Growth Strategy. Officers advised that much of the information referred to had previously been reported to the Policy & Finance Committee when the Growth Strategy had been developed, however, this could be reported again together with figures from the HRA BP.

Members queried what the anticipated impact of the welfare reforms would be in relation to tenant's rent arrears. Officers commented that universal credit could adversely impact rent recovery rates and that in an attempt to mitigate the impact, work was ongoing to support and prepare tenants in dealing with this change. It was considered that the most effective method to alleviate the foreseen problems was to promote electronic payment. This had been trialled by an authority in Shropshire to great effect. However, in order to undertake the Shropshire method, a commitment to expenditure would be required without any assurances as to its effectiveness.

It was noted that the impact of the changes were to be collated by the Local Government Association and also that the People and Places Board would be interested in the impact of universal credit.

AGREED (unanimously) that:

- (a) the report be noted; and
- (b) the Council and Company consider the above comments when progressing the ongoing work to consider the various options available in addressing the impact of the Government's proposed changes.

6. ENHANCED TAILORING OF SERVICES FOR VULNERABLE TENANTS

The Panel considered the report presented by the Chief Executive (N&SH) in relation to options to tailor future services for vulnerable tenants.

The report provided the Panel with information as to the current position and also listed the options for the future with a note of the pros and cons.

During consideration of the item, Members noted a particular case in relation to an elderly resident who, having had her property completely rewired, was left distressed due to the damage caused to the decoration in her home. The voucher available to make good damage had proved, in this case, to be inadequate.

It was agreed that a balance needed to be struck between works that were required due to safety concerns and those that were programmed. It was suggested that if the works were those of a scheduled nature and the tenant was considered vulnerable, a decision could be taken as to whether the work could be delayed to a later date.

Members requested that the Company reflect on whether, when dealing with a vulnerable individual, the proposed work to be undertaken could be such that it would result in the tenant becoming more vulnerable.

It was again noted that there was a balance to be found between ensuring the safety of a vulnerable tenant and undertaking a scheduled improvement. It was felt that the Company needed to reflect on the feasibility of it exercising a more flexible approach in these matters.

AGREED (unanimously) that:

- (a) the report be noted; and
- (b) the Company reflect upon the above comments.

7. DATE OF NEXT MEETING

Wednesday, 25th November 2015 at 16:00 hours

The meeting closed at 5:40pm

Chairman

MOVING AHEAD PROGRAMME - UPDATE

1.0 Purpose of Report

- 1.1 To update Members in relation to the Moving Ahead Programme, specifically in the approach taken in relation to staff engagement.

2.0 Background Information

- 2.1 In December 2013 the Policy Committee agreed, in principle, to relocate the Council to new offices to be built on the site adjacent to Newark Castle Station.
- 2.2 The New Office Accommodation Task & Finish Group worked on the solutions put forward. Together with officers they undertook visits to recently built new council offices and brought back ideas to feed into the design and plans. This group also looked at the hub and spoke model and reflecting on customer demand agreed this to be the best way forward.
- 2.3 At the Policy & Finance Committee on 28th July 2015 the Committee approved RIBA Stage D Business Case and a planning application was subsequently submitted.

3.0 Proposals

- 3.1 The task of the Moving Ahead Programme is not just to ensure a fit for purpose building for the Council and its customers, but to ensure that all staff are fully engaged and prepared for the move. The cultural shift from a closed office space such as Kelham Hall to an open plan office environment should not be underestimated. For all staff it will mean changing the way they work, serve customers and interact with colleagues in the new purpose built office.
- 3.2 Whilst a number of practical details on how we will operate in the new building are predicated by the need to move to smaller, more energy efficient offices and the need for staff to work in more agile ways there are many more details which will be influenced by staff in terms of operation.
- 3.3 To facilitate this level of engagement a suite of 'My' themes have been designed and these are covered in more detail in section 4 of this report. They briefly comprise of 'My' Travel; 'My' Work; 'My' Customers; 'My' Office; and 'My' Colleagues. Staff will be given an opportunity to join a small working group for each of these themes to look at the challenges the new ways of working and environment will give us and help to design the solutions to those challenges.
- 3.4 The 'My' themes concept was introduced to staff at the drop in sessions which were held at the end of July 2015. Whilst each theme will only include a small group of officers the working group will be selected to represent a broad a range of interests, service areas, grades and age/gender groups. There will be wider engagement from the organisation as a whole in each of these My Themes, through a range of methods such as intranet information, staff surveys and question and answer sessions. All queries raised by any member of staff in any format are logged and will all be considered as part of the relevant 'My' theme workshop.

3.5 To aid communications the team have set up an intranet page which includes a 24 month 'countdown to the move' calendar and provides links to all the relevant documents. A moving ahead email address has been set up for any queries to be emailed and the office door is always open to any staff who wish to discuss any concerns or suggestions they may have. The Council also continues to have dialogue with Trade Unions and will do so throughout the project.

4.0 My Themes

4.1 There is a clear commitment to involve staff from the outset in developing the 'My' Themes approach. Depending on the level of response for each theme will determine how we engage staff going forward.

4.2 All staff across, all service areas that currently operate out of Kelham Hall ranging from those that are really positive and up for the move and those that are more reluctant because of concerns/uncertainty will have an opportunity to express their opinions and give their suggestions.

4.3 Each theme takes into account a different area of work and the following is a brief description of the 'My' themes and what each of these groups will consider.

4.4 My Travel

4.4.1 A draft travel plan prepared by WSG was submitted as part of the planning application. The introduction to the report made it clear that this plan was a work in progress. Since submission of the plan the Council has undertaken a travel survey which all staff to were asked to complete irrespective of current operational base as the intent is to create a council wide plan. The current Council offices at Kelham make any form of transport other than by car very difficult, moving to the new offices in Newark will make options for walking, cycling and using either buses or trains much more viable. We are mindful that some staff will still need to drive, either due to their home location or because they need a car for work. The travel survey has proved a useful starting point to indicate how staff are intending to travel to the new offices and the 'My' Travel workshops will allow us to explore further issues connected with each form of transport. All of this work will enable us to produce a final travel plan. A very positive first 'My' Travel workshop took place on 30th September and the group will meet again early November. A report and recommendations from this working group will be brought to Policy & Finance Committee early next year.

4.4.2 The group will concentrate on finding solutions to the challenge of parking management, the Council's aspiration for 'green' principles and encouraging as many members of staff as practicable to utilise other forms of transport. The group will also look at managing public and local business expectations to provide a fair solution.

4.5 My Work

4.5.1 An agile working strategy and guidance is already in place and a range of staff are already utilising home working and working from other sites. This theme will review this arrangement to ensure that the Council are on track with the roll out of agile working to meet the 7/10 desk requirement for the new offices. The theme will examine the challenges of new ways of working and look at what solutions and practices need to be in place to maximise the opportunity of staff to work in a more agile manner.

4.5.2 A working group will be set up and meet later this year, it will initially involve participants from the agile working pilot groups to obtain feedback on how it is working. The clear idea that work is something you do not somewhere you go will be examined and the challenges around this. The group will also look at how they work in the new office environment to ensure that all the tools are in place to enable staff to work efficiently and effectively. It will also examine ICT requirements and development of solutions to deliver flexibility for staff.

4.6 My Office

4.6.1 This 'My' theme is about the office environment. What it might look and feel like, how it might operate in practice. Looking at ensuring there are different work areas for different activities, focus areas at desks, areas of collaboration with both informal and formal meeting space, areas of shared resources such as printing and stationery facilities.

4.6.2 This theme will include how sound mitigation will work, building security, office furniture and colour schemes to enhance the working environment. The council will be sharing its space with partners and this theme will include some behaviours within the office for ourselves and our partners. It will also look at protocols for how we work with and around partners and how we deal with confidential matters in an open office environment.

4.7 My Customers

4.7.1 The 'My' Customers theme will ensure that customers for all services within the Council get the best possible experience. From how customers will be welcomed to how they will be served. This is not just about customer services staff but anyone who has a visitor. This will look at building security in terms of visitors and staff safety in how they see customers. It will examine the appropriate use of customer contact booths, discrete interview rooms and ground floor meeting space.

4.7.2 How our customers interact with the Council and its partners will be addressed, which will include exploration with partners as to how we join up delivery of services to facilitate excellent customer service and a more effective and efficient method of service delivery.

4.8 My Colleagues

4.8.1 'My' Colleagues will focus on who we work with and how we can improve our connections with other members of staff and teams to deliver improved customer service. The new office provides an opportunity to create social space to facilitate sharing of ideas which in turn will help to develop interaction between teams.

4.8.2 Many of the areas to be worked on are around operational day to day work with colleagues, how to be respectful of others work and where and how those vital informal opportunities should take place. Understanding who is where and how we talk to our colleagues, do we need to rely on telephones and emails to talk to each other as we have at Kelham Hall, when and how could this be done differently are all challenges for this 'My' theme.

4.8.3 The theme will also explore how we use social spaces, refreshment facilities and interact generally within the office environment.

4.9 My Council

4.9.1 It is also understood that further engagement is required with Members. Whilst regular update reports will be brought to Policy & Finance Committee, as will any areas of the project which require a Member decision, a wider engagement is needed to ensure all Members have the opportunity to engage with the project.

4.9.2 It is therefore suggested that a 'My' Council theme is developed for Members. Current plans for the new building include a civic suite, a Members' room and a Chairman's room. More detail will be required on how these can be fully utilised, what kind of layout and furniture will most suit their variety of functions and what technology can be utilised to ensure they meet Members' requirements. This theme will also encompass security passes, access to the building and how Members can make the most of other areas in the building.

5.0 Timescales

5.1 The 'My' themes will run concurrently over the next 20 months, each theme using a working group of staff meeting approximately 4 times over a 3 month period. Timescales are currently being fully developed to ensure that each theme is addressed to meet the timescales of the programme as a whole.

6.0 Equalities Implications

6.1 The Council will have full regard to the equality implications associated with each of the work themes. Regular engagement will take place with the Access and Equalities Officer to ensure that equalities issues are identified and responded to on an on-going basis.

7.0 Impact on Budget/Policy Framework

7.1 All the 'My' Theme workshops will be held in office hours and on office premises. There is no foreseen budget expenditure in running these workshops. Each workshop will be mindful of costs associated with any solutions and suggestions put forward.

8.0 RECOMMENDATION

That the report be noted and further progress reports on the Moving Ahead Programme be brought to the Committee at regular intervals.

Reason for Recommendation

To ensure that the Policy and Finance Committee are kept fully informed of the Moving Ahead Programme and all work undertaken towards delivering the new Council offices.

Background Papers - Nil

For further information please contact Deborah Johnson on Ext 5800.

Matthew Finch
Director – Customers

GENERAL FUND BUDGET PERFORMANCE REPORT TO 31ST AUGUST 2015

1.0 Purpose of Report

- 1.1 This report compares the General Fund Policy & Finance Committee net expenditure for the period ending 31st August 2015 with the profiled budget for the period.

2.0 Background Information

- 2.1 The Council's Constitution states that the Section 151 Officer shall present to the Policy & Finance Committee, at least twice in each financial year, budgetary control statements showing performance against the approved estimates of revenue expenditure and income. The appropriate Chief Officer will report on any major variances from planned budget performance.
- 2.2 It also states that budget performance monitoring information shall be provided to the appropriate Committee periodically.
- 2.3 Where it appears that the amount included under any head of the approved budget is likely to be exceeded or the budgeted amount of income under any head is unlikely to be reached then budget officers are required to find savings elsewhere in their budget. In circumstances where savings cannot be identified it will be necessary to consult with the Section 151 Officer and ultimately take a report to the Policy & Finance Committee.

3.0 Proposals

- 3.1 The attached appendices detail performance against budget for the period to 31st August 2015 for those budgets within the remit of the Policy & Finance Committee. This report considers the costs of providing services rather than 'below the line' costs such as borrowing costs and interest, contributions to and from reserves, government grants and income from Council Tax and retained Non Domestic Rates.
- 3.2 The format of the report identifies direct expenditure, i.e. employee costs and running expenses, both of which can be controlled by the budget officer, however central recharges and capital charges, are not reported as they are largely outside their control. Income is shown separately. The figures do not include recharges for support services (either income or expenditure). A significant number of transactions take place 'below the line', i.e. shown in the General Fund account rather than identified to a particular service. This is in line with the CIPFA Code of Practice and includes such things as transfers to and from reserves.
- 3.3 Under the Accounting Code of Practice Local Authorities are required to show capital charges for the use of their assets based on the current market value. These amounts are included within the estimates to show the true cost of delivering local services however they are reversed 'below the line' in the overall cost of services therefore not impacting on the Council Tax payer. Variations on 'capital charges' are therefore not an area for concern.

- 3.4 The introduction of International Financial Reporting Standards (IFRS) for the financial year 2010/2011 has resulted in a change in the way the Council accounts for grants received from third parties. These changes mean that income and expenditure is charged direct to the service accounts and, at the year end, any under spend is transferred to reserves and any overspend is transferred from reserves.
- 3.5 Support services (e.g. HR, Financial Services, Business Unit management – such as Leisure Centres) are charged to individual budget heads at the end of the financial year and are reported here for noting only. The direct costs of providing those services are scrutinised as part of the relevant Committee.
- 3.6 Capital charges are applied to accounts at the end of the financial year and are reversed 'below the line' so have no impact on the Council Tax payer. These are reported here for noting only.

4.0 Performance Comments

- 4.1 The total for direct service net expenditure shows an under spend of £1,200,442 against the profiled budget for the period to 31st August 2015. £962k of the apparent underspend relates to demand led budgets for rent allowances and rent rebates and will be offset by reduced government grant at the end of the financial year, therefore the underspend can be reduced to £238,521. All managers are very aware of the current financial environment and challenges facing local government in the future and are ensuring that only essential expenditure is incurred. Officers from Financial Services are working with service managers to ascertain where any further savings can be achieved across all budgets this year and as any savings are identified they will be vired to a central 'pot' and built into the base budget for 2016/17. The detailed performance figures are shown at **Appendix A**.
- 4.2 Variations from the profiled budget to 31st August 2015 are itemised below:
- 4.2.1 Employee Costs –
- Savings from vacant posts on Policy & Commissioning and Performance business units are partly offset by redundancy costs. There will be a long term saving as both units now report to one business manager.
- 4.2.2 Premises –
- Underspends on repairs and utilities at Kelham Hall are offset by reduced recharges to the leaseholder.
- 4.2.3 Supplies and Services –
- The internal training budget is currently showing an under spend of £32,000 but this budget is difficult to profile. As staff appraisals conclude there will be more information on the level of training required during the financial year.
 - There appear to be savings on postage costs, professional services and contractual services however the majority of the apparent saving is made up of small underspends across a large range of budgets.
- 4.2.4 Transfer Payments –
- These are the budgets for Rent allowances and Council Housing benefits. They are demand led and will be met almost in full by subsidy payments from the Department for Works and Pensions. Any reduction in amounts paid out will be offset by reduced grant.

4.2.5 Income –

- The shortfall in general income reflects reduced recharges for utility and repair costs for Kelham Hall.
- Legal costs of £25,000 have been paid to the Council however this offsets costs elsewhere in the budget.
- There was uncertainty about the continued grant for individual electoral registration when the budget was prepared, however an amount of £34,523 was received from the DWP in April 2015.

5.0 **RECOMMENDATION**

That the overall position of the Policy & Finance Committee net expenditure compared to budget at 31st August 2015 be approved and Officers continue to look for additional savings throughout the financial year.

Reason for Recommendation

To advise Members of the draft outturn monitored against service budgets for the period ending 31st August 2015.

Background Papers

Nil.

For further information please contact Amanda Wasilewski on Ext 5738.

David Dickinson
Director - Resources

PERFORMANCE REPORT FOR THE PERIOD ENDING 31st August 2015

	<u>Base Budget 2015/16</u>	<u>Profile Budget 31-Aug-15</u>	<u>Actual Expenditure 31-Aug-15</u>	<u>Variance</u>	<u>Budget Officer Comments</u>
EMPLOYEES	3,933,000	1,619,619	1,568,924	(50,695)	The main savings are as a result of vacant posts in Policy & Commissioning and Performance business units, offset by a redundancy payment. There is an ongoing saving in future years as the 2 units now report to one business manager.
PREMISES	499,670	300,353	237,683	(62,670)	
<i>General</i>	373,960	247,932	197,642	(50,290)	£28k change management budget - the nature of this budget makes it difficult to profile expenditure. £9k relates to orders placed for repairs &
<i>Electricity</i>	77,030	32,122	33,381	1,260	All relate to Kelham Hall & Lodge
<i>Gas</i>	48,680	20,300	6,659	(13,640)	All relate to Kelham Hall & Lodge
TRANSPORT	37,090	15,467	14,388	(1,078)	
SUPPLIES AND SERVICES	1,784,270	875,061	786,604	(88,457)	£10k contractual services. £18k Professional services. £12k postages. Some underspends on postages. Internal training budget is showing a large underspend (£32k) however bids for training will follow from appraisals which were due to finish at the end of July. Other underspends comprise small savings on a large number of budgets.
TRANSFER PAYMENTS	27,919,440	11,584,260	10,622,340	(961,920)	Rent allowances (£680k underspend) and rent rebates (£283k underspend) are both demand led budgets and will be reflected by a reduction in grant income at the end of the financial year.
TOTAL EXPENDITURE	34,173,470	14,394,759	13,229,939	(1,164,821)	
INCOME	(29,566,460)	(391,512)	(427,132)	(35,620)	
<i>General</i>	(1,728,460)	(370,662)	(422,256)	(51,593)	Unbudgeted new burdens grant for electoral registration (£35k) Legal costs recovered (£25k)
<i>Workshop Rents</i>	(50,000)	(20,850)	(4,877)	15,973	Reflects reduced expenditure at Kelham Hall & Lodge
<i>Markets</i>	0			0	
<i>Culture</i>	0			0	
<i>Housing Benefits</i>	(27,788,000)	0	0	0	There will be a reduction in grant income offsetting reduced benefits paid out. The final claim will be completed at the end of the financial year
TOTAL INCOME	(29,566,460)	(391,512)	(427,132)	(35,620)	
NET EXPENDITURE	4,607,010	14,003,247	12,802,806	(1,200,441)	
MEMORANDUM ITEMS					
<i>Support</i>	3,343,650	0	0	0	Support services are charged to budget heads at the end of the financial year. The direct costs of providing central services are scrutinised in the relevant portfolio.
<i>Capital</i>	104,940	0	0	0	Capital charges are applied to accounts at the end of the financial year and reversed 'below the line' so have no impact on the Council Tax payer.
<i>Recharged Support Services</i>	(4,879,120)	0	0	0	
TOTAL PER BUDGET BOOK	3,176,480				

OVERALL GENERAL FUND BUDGET PERFORMANCE REPORT TO 31ST AUGUST 2015

1.0 Purpose of Report

- 1.1 This report compares the overall General Fund net expenditure for the period ending 31st August 2015 with the profiled budget for the period.

2.0 Background Information

- 2.1 The Council's Constitution states that the Section 151 Officer shall present to the Policy & Finance Committee, at least twice in each financial year, budgetary control statements showing performance against the approved estimates of revenue expenditure and income. The appropriate Chief Officer will report on any major variances from planned budget performance.
- 2.2 It also states that budget performance monitoring information shall be provided to the appropriate Committee periodically.
- 2.3 Where it appears that the amount included under any head of the approved budget is likely to be exceeded or the budgeted amount of income under any head is unlikely to be reached then budget officers are required to find savings elsewhere in their budget. In circumstances where savings cannot be identified it will be necessary to consult with the Section 151 Officer and ultimately take a report to the Policy & Finance Committee.

3.0 Proposals

- 3.1 The attached appendices detail performance against budget for the period to 31st August 2015 for all General Fund service budgets. This report considers the costs of providing services rather than 'below the line' costs such as borrowing costs and interest, contributions to and from reserves, government grants and income from Council Tax and retained Non Domestic Rates.
- 3.2 The format of the report identifies direct expenditure, i.e. employee costs and running expenses, both of which can be controlled by the budget officer, however central recharges and capital charges, are not reported as they are largely outside their control. Income is shown separately. The figures do not include recharges for support services (either income or expenditure). A significant number of transactions take place 'below the line', i.e. shown in the General Fund account rather than identified to a particular service. This is in line with the CIPFA Code of Practice and includes such things as transfers to and from reserves.
- 3.3 Under the Accounting Code of Practice Local Authorities are required to show capital charges for the use of their assets based on the current market value. These amounts are included within the estimates to show the true cost of delivering local services however they are reversed 'below the line' in the overall cost of services therefore not impacting on the Council Tax payer. Variations on 'capital charges' are therefore not an area for concern.

3.4 The introduction of International Financial Reporting Standards (IFRS) for the financial year 2010/2011 has resulted in a change in the way the Council accounts for grants received from third parties. These changes mean that income and expenditure is charged direct to the service accounts and, at the year end, any under spend is transferred to reserves and any overspend is transferred from reserves.

4.0 Performance Comments

4.1 The total for direct service net expenditure shows an under spend of £1,856,738 against the profiled budget for the period to 31st August 2015 (£898,418 excluding the underspend on housing benefit payments which will be matched by reduced grant). All managers are very aware of the current financial environment and challenges facing local government in the future and are ensuring that only essential expenditure is incurred. Officers from Financial Services are working with service managers to ascertain where any further savings can be achieved across all budgets this year and as any savings are identified they will be vired to a central 'pot' and built into the base budget for 2016/17. The detailed performance figures are shown at **Appendix A**.

4.2 Variations from the profiled budget to 31st August 2015 are itemised below:

4.2.1 Employee Costs –

- The savings have accrued largely from vacant posts across the authority. In the long term savings will be achieved by efficiencies in the Policy & Commissioning and Performance teams which now report to one business manager.
- Agency staff continue to be used by Corporate Property which offsets savings in direct employee costs.

4.2.2 Premises –

- Budgets have been set up and orders placed for £63,000 works to be funded from the Repairs and Renewals fund, however invoices have not yet been received.
- The Change Management budget is currently showing an underspend of £28,000, but the nature of this budget makes it difficult to profile.
- Outstanding monthly invoices for gas and electricity were being processed for payment at the end of the quarter. Lower than anticipated fuel costs at Kelham Hall and Lodge are reflected in a reduced recharge to Kelham Hall Ltd.

4.2.3 Transport –

- The budget for fuel was prepared including an allowance for inflation however prices have remained steady during the first quarter of the financial year.
- A number of vehicles have been replaced over the last year resulting in a fleet which is more fuel efficient.
- The waste transfer station has now opened in Brunel Drive and will result in savings on fuel and repairs and maintenance. Fuel savings have been taken into account in the preparation of the 2016/17 budget but it is difficult to predict savings on vehicle repairs and tyre replacements for a full year based on a few months usage.
- If fuel prices remain constant it is anticipated that significant savings will be achieved from reduced fuel consumption & price. Overall savings in 2015/16 are anticipated to be in the region of £120,000 and this will be reflected in the 2016/17 to 2020/21 medium term financial plan.

4.2.4 Supplies and Services –

- Flexible resources has a £15k yearend journal creditor from 2014-15 and this will be matched by an invoice in due course.
- The Newark Growth Point budget has an underspend of £18K to period 05 and this will be an anticipated saving in a full year of £44k. This has been offered as a permanent saving in 2016-17.
- Economic Growth employment and skills budget is underspent by £10k due to an activity to support Fork Lift Truck training in the district which took longer to arrange than was anticipated and will now occur in October 2015.
- The Local development framework budget is awaiting a payment of £18K and the invoice will be paid in due course.
- There is an underspend of £32k on the training budget however this is anticipated to be used when all staff appraisals are completed and training needs are identified.
- Invoices are awaited from NSH for management and maintenance of the homeless hostels, which is currently showing an underspend of £42k. The internal training budget is currently showing an under spend of £32,000 but this budget is difficult to profile. As staff appraisals conclude there will be more information on the level of training required during the financial year.
- The remainder of the underspend is due to a number of small underspends across various codes and cost centres.

4.2.5 Transfer Payments –

- These are the budgets for Rent allowances and Council Housing benefits. They are demand led and will be met almost in full by subsidy payments from the Department for Works and Pensions. Any savings in benefits paid will be offset by a reduction in grant payment received.

4.2.6 Income –

- The audit of the cattle market accounts for 2014/15 has not yet been completed and the 2014-15 yearend provision remains outstanding in this report as the NSDC invoice to the Cattle Market has yet to be finalised and raised. This is anticipated to be in the region of £100k.
- The Business Manager, Development welcomes the additional fee income, which continues to be a reflection of major planning application increases. Income for the next financial year has been increased to have regard for the continuing trend and this will continue to be monitored. However this will also need to be off-set against increased salary costs given that additional resource is required to meet the upturn in planning application numbers. The Business Manager, Development is currently looking to introduce more permanent resource in discussion with the Deputy Chief Executive, Human Resources, and Finance.
- Income from trade refuse contracts exceeds the budget (net of the element payable to NCC) by £16k. It is anticipated that unless there any contract cancellations this will be a saving at the end of the financial year.
- Income is above profile due to a higher than required void allowance. Occupancy levels are currently running at 97%. The income budget will be increased to reflect a more realistic occupancy level in this financial year and has been reduced overall in 2016/17 budget. Lower than anticipated fuel costs at Kelham Hall and The Lodge are reflected in a reduced recharge to Kelham Hall Ltd.

- Car park income is over achieved to period 05 by £46k. The Business manager for Car Parks states that the increased usage of the Newark car parks on the back of improved economic activity in the town is resulting in a higher than anticipated income - £18k. The Business Manager for Car Parks does suggest caution as recent trend shows possible reduction of over target income. Income from the cashless transaction arrangement at the lorry park is above target by £28k to period 05 and this increase will be reflected in the 2016-17 budgets. The voluntary car parking charge at Sconce and Devon Park has not yet been implemented.
- As a result of the ongoing building works throughout the summer the number of visitors to the museum has not met the initial projections in the annual budget, resulting in a shortfall in admission fees and sales income. The business manager is currently developing a scheme to include further attractions within the building and a full report will be presented to the next meeting of the Policy & Finance Committee.
- Income at the Palace Theatre is currently close to budget, however the budget was prepared prior to a decision being made on the integration works and there will be a reduction in income whilst the works are undertaken.

4.2.7 Major income streams - At the meeting of the Budget Working party on 18th July 2012, it was agreed that future performance reports should highlight any areas where there were significant differences between anticipated and actual major income streams. Details of all income streams are included above and at this stage in the financial year all major income streams are on target with the exception of planning fee income which is over achieved. The Business Manager – Development continues to monitor overall fee income.

4.2.8 Where significant savings are predicted for the year end it is proposed that these should be vired into a central reserve. If the budget later becomes necessary it will be possible for the funds in the reserve to be accessed following discussions and authorisation by the Council's Section 151 Officer.

4.2.9 The Council's Financial Regulations require approval of virements between Committee areas by the Council's Section 151 Officer and the Policy and Finance Committee. The virements proposed in this report are:

- A11002/A11104 Refuse/Street Sweeping Fuel - £120,000 to central A99902 budget
- A11604 Development Management additional Income - £150,000 to central A99902 budget
- A12011 Newark Car Parks additional Income - £18,000 to central A99902 budget
- A12014 Newark Lorry Park additional Income - £28,000 to central A99902 budget
- A10101 National Civil War Centre reduced Income - £80,000 from central A99902 budget

5.0 **RECOMMENDATION**

That the overall position of the General Fund net service expenditure compared to budget at 31st August 2015 be noted and the virements set out in 4.2.9 be approved. Officers continue to look for additional savings throughout the financial year.

Reason for Recommendation

To advise Members of the current net expenditure compared to service budgets for the period ending 31st August 2015.

Background Papers

Nil

For further information please contact Amanda Wasilewski on Ext 5738

David Dickinson
Director - Resources

OVERALL GENERAL FUND PERFORMANCE REPORT
PERFORMANCE REPORT FOR THE PERIOD ENDING 31st AUGUST 2015

	<u>Base Budget 15/16</u>	<u>Profile Budget 31-Aug-15</u>	<u>Actual Expenditure 31-Aug-15</u>	<u>Variance</u>	<u>Budget Officer Comments</u>
EMPLOYEES	12,331,630	4,773,006	4,695,600	(77,406)	The main savings are as a result of vacant posts in Policy & Commissioning and Performance business units, offset by a redundancy payment. There is an ongoing saving in future years as the 2 units now report to one business manager.
PREMISES	2,164,400	936,433	734,755	(201,678)	
<i>General</i>	1,677,660	779,461	617,128	(162,333)	There are budgets set up for £63k Repairs & Renewals funded works where orders have been placed but work not yet completed or invoiced. The Change Management budget is currently showing a £28k underspend but the nature of this budget makes it difficult to profile.
<i>Electricity</i>	303,960	101,553	92,985	(8,568)	Monthly invoices are currently being processed.
<i>Gas</i>	182,780	55,419	24,642	(30,777)	This variance is due to outstanding monthly invoices for July. Fuel usage is also unpredictable. There are savings on fuel used at Kelham Hall and the lodge which are reflected by lower recharges to Kelham Hall Ltd.
TRANSPORT	1,466,770	624,232	554,357	(69,875)	Mainly due to fuel prices remaining steady and not increasing as originally estimated. Also due to newer vehicle fleet being more fuel efficient. A saving at year end can not be guaranteed as fuel prices may fluctuate. The new waste transfer station is now open in Brunel Drive which will result in an annual saving in fuel costs and repairs. Savings on fuel have been taken into account in the preparation of the 2016/17 budget but it is difficult to predict savings on repairs and tyres for the full year based on a few month's usage.
SUPPLIES AND SERVICES	6,412,340	3,412,823	3,125,161	(287,662)	This relates to underspends in the following areas:- Flexible resources has a £15k year end journal creditor from 2014-15 and this will be matched by an invoice in due course. The Newark Growth Point budget has an underspend of £18k to period 05 and this will be an anticipated saving in a full year of £44k. This has been offered as a permanent saving in 2016-17. Economic Growth employment and skills budget is underspent by £10k due to an activity to support Fork Lift Truck training in the district which took longer to arrange than was anticipated and will now occur in October 2015. The Local development framework budget is awaiting a payment of £18k and the invoice will be paid in due course. The contractual services budget is underspent by £38k. It is anticipated that this will be spent in due course. There is an underspend of £32k on the training budget however this is anticipated to be used when all staff appraisals are completed and training needs are identified. Invoices are awaited from NSH for management and maintenance of the homeless hostels, which is currently showing an underspend of £42k. The remainder of the underspend is due to a number of small underspends across various codes and cost centres.
TRANSFER PAYMENTS	27,979,660	11,584,260	10,622,340	(961,920)	The spend on rent allowances is demand led and is currently below budget - any savings will be offset by reduced grant at the end of the financial year.
TOTAL EXPENDITURE	50,354,800	21,330,754	19,732,213	(1,598,541)	
INCOME	(38,956,430)	(3,996,709)	(4,254,906)	(258,197)	
<i>General</i>	(4,428,430)	(1,464,022)	(1,559,579)	(95,557)	The audit of the cattle market accounts for 2014/15 has not yet been completed and the 2014-15 year end provision remains outstanding in this report as the NSDC invoice to the Cattle Market has yet to be finalised and raised. This is anticipated to be in the region of £100k.
<i>Planning</i>	(655,250)	(283,759)	(408,101)	(124,342)	The Business Manager, Development welcomes the additional fee income, which continues to be a reflection of major planning application increases. Income for the next financial year has been increased to have regard for the continuing trend and this will continue to be monitored. However this will also need to be off-set against increased salary costs given that additional resource is required to meet the upturn in planning application numbers. The Business Manager, Development is currently looking to introduce more permanent resource in discussion with the Deputy Chief Executive, Human Resources, and Finance.
<i>Building Control</i>	(252,000)	(105,084)	(99,180)	5,904	
<i>Leisure Centres</i>	(1,895,830)	(294,952)	(311,079)	(16,127)	
<i>Refuse</i>	(811,860)	(673,690)	(689,883)	(16,193)	Income from trade refuse contracts exceeds the budget (net of the element payable to NCC) by £16k. It is anticipated that unless there any contract cancellations this will be a saving at the end of the financial year.
<i>Licensing</i>	(164,080)	(80,784)	(78,941)	1,843	
<i>Workshop Rents</i>	(906,270)	(245,361)	(260,452)	(15,091)	Income is above profile due to a higher than required void allowance. Occupancy levels are currently running at 97%. The income budget will be increased to reflect a more realistic occupancy level in this financial year and has been reduced overall in 2016/17 budget. Lower than anticipated fuel costs at Kelham Hall and The Lodge are reflected in a reduced recharge to Kelham Hall Ltd
<i>Car Parks</i>	(980,810)	(433,447)	(478,450)	(45,003)	Car park income is over achieved to period 05 by £46k. The Business manager for Car Parks states that the increased usage of the Newark car parks on the back of improved economic activity in the town is resulting in a higher than anticipated income - £18k - The Business Manager for Car Parks does suggest caution as recent trend shows possible reduction of over target income. In addition income from the cashless transaction arrangement at the lorry park is above target by £28k to period 05 and this increase will be reflected in the 2016-17 budgets. The voluntary car parking charge at Sconce and Devon Park has not yet been implemented.
<i>Markets</i>	(347,000)	(12,927)	(17,659)	(4,732)	
<i>Culture</i>	(726,900)	(402,683)	(351,582)	51,101	As a result of the ongoing building works throughout the summer the number of visitors to the museum has not met the initial projections in the annual budget, resulting in a shortfall in admission fees and sales income. The business manager is currently developing a scheme to include further attractions within the building and a full report will be presented to the next meeting of the Policy & Finance Committee.
<i>Housing Benefits</i>	(27,788,000)	0	0	0	
TOTAL INCOME	(38,956,430)	(3,996,709)	(4,254,906)	(258,197)	
NET EXPENDITURE	11,398,370	17,334,045	15,477,307	(1,856,738)	Of which £961,920 relates to housing benefits payments
MEMORANDUM ITEMS					
<i>Support</i>	8,085,040	0	0	0	Support services are charged to budget heads at the end of the financial year. The direct costs of providing central services are scrutinised in the relevant portfolio.
<i>Capital</i>	1,453,250	0	0	0	Capital charges are applied to accounts at the end of the financial year and reversed 'below the line' so have no impact on the Council Tax paver.
<i>Recharged Support Services</i>	(8,637,350)	0	0	0	
TOTAL PER BUDGET BOOK	12,299,310				