



**NEWARK &  
SHERWOOD**  
DISTRICT COUNCIL

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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, 9<sup>th</sup> July 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 4 June 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 I. Brown, Mrs G.E. Dawn, P.C. Duncan, B. Wells and T. Wendels.

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

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

There were no declarations of interest.

3. DECLARATIONS OF INTENTIONS TO RECORD THE MEETING

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

4. MINUTES FROM THE MEETING HELD ON 26 MARCH 2015

The minutes from the meeting held on 26<sup>th</sup> March 2015 were agreed as a correct record and signed by the Chairman.

5. RECONSTITUTION OF WORKING PARTIES AND TASK AND FINISH GROUPS

The Committee considered the report of the Chief Executive which sought to reconvene the Working Parties / Task and Finish Groups established by the Policy and Finance Committee. Details of the groups which were still operational were detailed in the appendix to the report.

In respect of the Future Council Accommodation Task and Finish Group the Committee agreed that this be disbanded with any issues being considered by way of informal meetings of the Policy and Finance Committee.

The Committee were also invited to appoint a member to the Local Development Task and Finish Group in anticipation that the Group would be reconvened by the Economic Development Committee.

AGREED (unanimously) that:

- (a) the Working Parties / Task & Finish Groups, as set out in the appendix to these minutes, be reconvened, with the memberships as detailed; and

- (b) Councillor R.V. Blaney be appointed as the Committee's representative on the Local Development Framework Task Group.

Reason for Decision

To reconvene the appropriate Working Parties/Task & Finish Groups in 2015/16.

6. CORPORATE ENFORCEMENT POLICY

The Business Manager – Environmental Health presented a report which sought adoption of the Council's Corporate Enforcement Policy for 2015. The Council adopted its current Corporate Enforcement Policy in 2007. Whilst this had been subject to minor reviews and updating since its adoption it had never been subject to a full review and update.

The revised policy had been developed within the Council by a small working group of representatives from Business Units that undertake regulatory activity. It had been designed to provide a framework within which each Business Unit could make informed choices about appropriate enforcement based on the circumstances of each case and within the legislative framework available. A copy of the draft policy was attached as an appendix to the report.

AGREED (unanimously) that:

- (a) the Corporate Enforcement Policy be adopted; and
- (b) the policy be reviewed in three years' time, or sooner if there is significant change in any regulatory provisions impacting on the policy.

Reason for Decision

To provide a reviewed and updated Corporate Enforcement Policy for the Council.

7. NEWARK WOMEN'S REFUGE FUNDING

The Business Manager – Community Safety presented a report concerning a successful grant application from the Nottinghamshire Borough and District Councils for refuge funding. In November 2014 the Department for Communities and Local Government announced that it would be offering funding to all housing authorities to support existing Domestic Violence Refuges. All seven districts / boroughs and the refuge providers were invited to discuss a county wide funding bid and the decision was that this would be taken forward. A final bid was submitted with a total countywide funding bid for £680,000. This was collated and submitted by Gedling Borough Council on behalf of the other local authorities.

As the bid was co-ordinated and managed by Gedling Borough Council, it was proposed that all the funding was initially held by Gedling Borough Council and then 'passported' out to the refuges as per the funding bids. This would make the process quicker and prevent those districts/boroughs without refuge provision having to make several agreements with refuges outside their area.

Newark Women's Aid would receive £100,000 which would assist in sustaining the current bed space, increasing the bed space by 1 unit (two bed spaces) and also increasing staffing levels. The refuge would also receive £25,000 which would be used to assist women to move on from the refuge, either by funding necessary household goods such as fridges or paying deposits for alternative housing.

To allow this funding proposal to be taken forward, the Council needed to agree to the funding arrangements being managed by Gedling Borough Council on its behalf. Gedling Borough Council had provided a draft legal agreement, and in partnership with them, we had also drafted a Service Level Agreement to be signed by the refuge.

AGREED (unanimously) that:

- (a) the administrative arrangements, by which Gedling Borough Council will be the fund holder for the funding to support the Newark Women's Aid Refuge, as set out in the report be approved; and
- (b) the Director - Safety be given delegated authority to sign the necessary legal documents to facilitate the funding arrangements.

Reason for Decision

To allow the funding to be distributed effectively and efficiently.

8. NEWARK AND SHERWOOD HOMES - PROPOSED CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

The Director – Safety presented a report which set out recommendations received from the Board of Newark and Sherwood Homes for changes to the Company's Articles of Association.

The Company's Board had now concluded its governance review and, after having taken into account the views of the Committee from its meeting in September, had made the following recommendations to the Council as the sole shareholder for changes to the Company's articles of association:

- A reduction of the Board size to 12 members with the ratio of the constituent parts and all other aspects remaining the same;
- The quorum for board meetings to be 1 person present from each of the three constituent parts of the Board;
- The provision of an honorarium payment, as approved by the Board from time to time, to the Chairman of the Board in recognition of the skills, knowledge and time commitment required of the role; and
- The Chairman to be recruited through a process which enables the consideration of external candidates where necessary.

A copy of the proposed new Articles of Association, amended to take into account the above changes, was attached as an appendix to the report. In respect of the provision of an honorarium payment for the Chairman of the Board, the Committee specified that this should be up to an amount of £6,500 and be subject to the approval of the Council.

AGREED (unanimously) that:

- (a) the Committee consider and resolve that the Council, as the sole shareholder of the Company, make the changes to the Company's Articles of Association as detailed and as attached in the appendix to the report; and
- (b) the Chief Executive be given delegated authority, as the Council's representative, to give effect to the special resolution required to adopt the amended Articles of Association.

Reason for Decision

To enable the Committee to consider recommendations received from the Board of Newark and Sherwood Homes for changes to the Company's Articles of Association.

9. HOUSING GROWTH - BOWBRIDGE ROAD

The Business Manager – Strategic Housing presented a report which updated the Committee on the proposal for residential housing development on the Council owned land at Bowbridge Road, Newark. Discussions had been ongoing with the County Council on the proposal to utilise a proportion of the land at Bowbridge Road to develop 16 apartments of supported living accommodation for younger adults, together with an extra care housing scheme of 60 apartments. Unfortunately, the supported living scheme for younger adults would no longer form part of the Homes and Communities Agency (HCA) bid submission as detailed in the later Urgency Item (Minute No.10 refers). However the Committee noted that there still may be other opportunities to develop such a scheme in the future.

Subject to a successful HCA bid and the Committee formally approving the arrangement to fund its element of the capital contributions for the scheme, work was also required to formalise the co-operation agreement between the District and County Council. This would cover the 40 units and the County Council would have direct nominations to sitting outside of the Council's allocation scheme, consideration will also have to be given to any tenancy issues that may arise. Such a co-operation agreement is normally in place for a 30 year period, with the County Council covering lost rental income for the nominated extra care units during void periods after an agreed period of time and registering an interest in the land to protect its capital contribution.

Newark & Sherwood Homes had assisted the Council to submit the bid to the HCA through engaging an architect and quantity surveyor to draw up the scheme design and appraising the total scheme costs. The Company had also collated and input all the necessary information onto the HCA's Investment Management Submission to enable submission of the bid. Dependant on the notification of a successful bid to the HCA and each partner's formal commitment to its capital contribution a decision was required on who would undertake the project management of the build programme. It was proposed that Newark and Sherwood Homes be appointed to undertake the project management of the complete build programme.

The report also provided the Committee with an update on the development activities it was currently undertaking or supporting to deliver the Council's housing growth strategy across all areas of the district. In addition it was noted that the Council was continuing to explore further housing growth opportunities in both its urban and particularly in smaller rural localities across the district, be it through direct delivery or in partnership with other providers.

AGREED (unanimously) that:

- (a) the report be noted; and
- (b) approval be given, in principle, to Newark and Sherwood Homes being appointed to undertake the project management of the complete extra care build scheme on the basis as set out in paragraph 3.13 of the report.

Reason for Decision

The housing growth strategy will contribute to the wider strategic priorities of the Council, meet the evidenced housing need across the district for all tenures and maintain a viable Housing Revenue Account Business Plan.

10. URGENCY ITEM - FUNDING BID SUBMISSION - HOMES AND COMMUNITIES AGENCY, CARE AND SUPPORTED SPECIALISED HOUSING FUND

The Committee noted the decision to submit a funding bid in partnership with Nottinghamshire County Council and Newark and Sherwood Homes to the HCA's Care and Specialised Housing Fund (Phase 2) based on the delivery of a 60 apartment Extra Care Housing Scheme.

AGREED (unanimously) that the decision be noted.

Reason for Decision

To submit the bid by the requisite deadline of 29 May 2015. The scheme offers a unique opportunity to greatly improve the lives of older persons living in the District.

11. MINUTES FROM THE MEETING OF THE STRATEGIC HOUSING LIAISON PANEL HELD ON 9 MARCH 2015

The Committee considered the minutes from the meeting of the Strategic Housing Liaison Panel held on 9 March 2015.

AGREED (unanimously) that the minutes be noted.

Reason for Decision

To ensure Members of the Policy and Finance Committee remain up to date and aware of issues considered by the Strategic Housing Liaison Panel.

12. URGENCY ITEM - ACTIVE4TODAY LIMITED

The Committee noted the decision for the Director – Safety to be authorised to act as the Council’s representative of the Company and to amend the Company’s Memorandum and Articles of Association.

AGREED (unanimously) that the decision be noted.

Reason for Decision

To enable the necessary changes to the Memorandum and Articles of Association.

13. URGENCY ITEM - COUNCIL TAX AND BUSINESS RATES SUMMONS COSTS 2015

The Committee noted the decision taken to reduce the level of summons costs to £80 (council tax) and £100 (business rates) following a review of the charges incurred.

AGREED (unanimously) that the decision be noted.

Reason for Decision

To exclude certain elements of the calculation which could no longer be taken into account when assessing the level of costs.

Meeting closed at 6.42pm.

Chairman



WORKING PARTIES AND TASK & FINISH GROUPS

APPENDIX

Working Party/Task & Finish Group	Date First Established	Date of Last Meeting/ (Next Scheduled Meeting)	Previous Membership	Remit
Member Development and Training Working Party <b>Kirsty Cole</b>	18 <sup>th</sup> December 2006 (Policy Overview and Scrutiny Committee)  4 <sup>th</sup> June 2015 (Policy and Finance reconvened)	16 <sup>th</sup> March 2015 (To be arranged)	<ul style="list-style-type: none"> <li>• Leaders of the three political groups on the Council</li> <li>• Additional 3 Members from the Conservative Group</li> <li>• Additional 2 Members from the Labour Group</li> </ul>	<ul style="list-style-type: none"> <li>• To review the Member Induction Programme</li> <li>• To produce a Member Training &amp; Development Strategy for the life of the current Council</li> <li>• To consider the feasibility of pursuing the Member Development Charter</li> </ul>
Non Domestic Discretionary Rate Relief Review Panel <b>David Dickinson</b>	7 <sup>th</sup> June 2007 (Cabinet)  4 <sup>th</sup> June 2015 (Policy and Finance reconvened)	30 <sup>th</sup> October 2012 (when required)	<ul style="list-style-type: none"> <li>• Panel of three Members drawn from Policy Committee</li> </ul> <p>Note: Local Ward Members to be invited to attend if considered appropriate</p>	<ul style="list-style-type: none"> <li>• To hear appeals in respect of applications for Discretionary NNDR Relief</li> </ul>
Strategic Housing Liaison Panel <b>Karen White</b>	4 <sup>th</sup> July 2013 (Policy Committee)  4 <sup>th</sup> June 2015 (Policy and Finance reconvened)	9 <sup>th</sup> March 2015 (To be arranged)	<ul style="list-style-type: none"> <li>• Chairman, Vice-Chairman and Opposition Spokesman (Policy Committee)</li> <li>• Chairman &amp; Opposition Spokesman (Homes &amp; Communities Committee)</li> </ul>	<ul style="list-style-type: none"> <li>• To strengthen the relationship, joint working and common purpose and understanding between the Council and its housing Company</li> <li>• To discuss the Council's longer term strategic view and direction for the Company;</li> <li>• To develop the forward Delivery Plan; Key Performance Indicators and outcomes;</li> <li>• To review progress against the Delivery Plan at a strategic level.</li> </ul>

**NEWARK & SHERWOOD DISTRICT COUNCIL'S STRATEGIC PRIORITIES**

**1.0 Purpose of Report**

1.1 The report outlines the proposed process for consideration of the Council's strategic priorities for the next four years.

**2.0 Background Information**

2.1 Following the District Council elections in 2011, a series of discussions and debates took place formally and informally between Members of the Council to explore and establish strategic priorities to guide the Council up to 2015. These priorities are set out in a report approved by the Council in March 2012.

2.2 Following the elections in May 2015, these strategic priorities need to be reviewed and new or refreshed priorities agreed to guide the work of the Council over the next four years.

**3.0 Proposals**

3.1 It is proposed that the establishment of new priorities is achieved through the following process:

- a. Informal briefings to political groups over the summer to explore the challenges that the district faces;
- b. A report to the Policy & Finance Committee meeting on 10<sup>th</sup> September which identifies key challenges;
- c. A workshop session for all members in October; and
- d. A report to Policy & Finance Committee on 5<sup>th</sup> November 2015 to consider the workshop outcomes and make recommendations to the Council.

3.2 Members may wish to read the report approved by Council in March 2012 which is included as an Appendix to this report.

**4.0 Equalities Implications**

4.1 Proposals which are developed as a consequence of establishing strategic priorities will be subject to equalities impact assessments where appropriate.

**5.0 Impact on Budget/Policy Framework**

5.1 The Council's strategic priorities will guide the development of its policies and budgets over the next four years.

**6.0 RECOMMENDATION**

**That the proposals for establishing strategic priorities are approved.**

**Reason for Recommendation**

**To ensure that the Council's strategic priorities are refreshed.**

**Background Papers**

None

For further information please contact Andrew Muter on Ext 5200.

Andrew Muter  
Chief Executive

**COUNCIL'S STRATEGIC PRIORITIES 2012-2016**

**1.0 Purpose of Report**

1.1 To agree the Council's strategic priorities for the next four years.

**2.0 Background Information**

2.1 The Council's current strategic plan was adopted by Council on 11<sup>th</sup> September 2007. The vision below was approved:

We want Newark and Sherwood's urban and rural communities to take pride in being vibrant, sustainable and having a high quality of life. To achieve this we want to deliver excellent, appropriate services and value for money.

2.2 Along with the following strategic priorities:

- Clean and Green
- Safe and Strong Communities
- Economically Vibrant
- Good Health and Homes
- Culturally Active

2.3 The five strategic priorities in 2.2 above were underpinned by the following supporting priorities:

- Value for Money
- Raising Aspirations
- Accessible and Responsive

2.4 The formation of a new four year administration after the May 2011 elections provided the Council with an appropriate point to review its strategic priorities. The Council has made significant progress in delivering its priorities but the environment has changed significantly since 2007 including factors such as:

- The financial landscape has changed – more savings will be required
- The Council is a leaner organization and has less capacity
- The Localism Act 2011 and Open Public Services White Paper 2011 which signal a shift towards a more varied mix of service delivery and devolution
- The current financial position provides more scope for capital investment than revenue growth
- The challenge of economic recovery.

2.5 Whilst this environment may be challenging and volatile it has created new opportunities and freedoms for the Council to lead, innovate and drive changes in the quality of life of its communities.

### **3.0 Introduction**

- 3.1 Following political group meetings over summer 2011, a series of Member events have taken place to reshape the Council's strategic priorities. These workshops have considered the economic and policy pressures that are impacting upon the Council and the local community, explored the balance and approach to service delivery for our range of mandatory and discretionary services and developed new strategic priorities.
- 3.2 The first workshop identified the key challenges and opportunities facing the Council and revealed four potential strategic priorities which in broad terms are:

#### Prosperity

##### The challenge of building prosperity in our community at a time of:

- Global economic uncertainty
- A squeeze on credit
- A changing industrial structure
- Existing strengths in manufacturing, distribution, tourism
- Opportunities in national communications links, the council's growth strategy and our natural environment and heritage.

#### People

##### The challenge of securing the best opportunities for people in our community where:

- We have a the highest older population in the county
- We need to achieve better skill and education outcomes
- Our communities have significant disparities in health outcomes and life expectancy
- Concerns about crime and anti-social behaviour continue despite falling levels
- Child poverty is a significant and concerning challenge
- Some problem families and individuals are a significant call on public resources

#### Place

##### The challenge of maintaining the strengths and character of the district including:

- Managing growth in a sustainable way
- Keeping our communities clean and tidy
- Ensuring that there is a sufficient supply of affordable housing
- Addressing the specific needs of rural communities
- Making the most of strong national road and rail links
- Recognising the strength of the districts diverse assets and characteristics including our natural environment, market towns, coal mining past, buildings heritage ranging from Newark's Georgian townscape to Southwell Minster, and cultural and historical assets such as Robin Hood and the Civil War.

## Public Service

### The challenge of maintaining good standards of public service and ensuring the Council meets its statutory responsibilities including

- Understanding and responding to public expectations
- Engaging with and listening to the public and local communities
- Advocating on behalf of the community
- Prioritising public money and resources
- Doing the things we're required to do by law
- Embracing localism

3.3 The workshops recognised that there is some overlap between these broad priorities and that there is scope to combine them in different ways.

3.4 Previously, the strategic priorities have had equal weight. However, given the scale of challenge and to help drive innovation, the workshops prioritised the four strategic priorities to help realign resources. The order of importance is (1 is the most important):

- 1 Prosperity
- 2 People
- 3 Place
- 4 Public Service

3.5 Given the increased scope for capital investment relative to revenue growth, discussions over potential capital projects suggested an appetite for investment in the following areas:

- National Civil War Centre/museum Old Magnus Buildings
- Physical regeneration
- Newark Leisure Centre
- Income generating facilities
- New council homes
- Workspace
- Plans for investment in the Dukeries Leisure Centre
- New office accommodation
- Renewable Energy
- Loans for local businesses
- Open spaces and parks

3.6 Consideration was given to the balance of and approach to service delivery of the Council's range of mandatory and discretionary services. The outcome of the workshops indicated that:

- The Council is prepared to facilitate the delivery of services by parish and town councils, social enterprises and the private sector.
- The Council should develop a commissioning process and schedule to help make decisions on service devolution.
- The Council should take into account the impact on cost when making decisions to devolve services but this will be balanced alongside other considerations.

- The Council should set and monitor service standards where services are being devolved and performance against standards will determine whether a service continues to be devolved.

3.7 The later workshops helped shape the broad content of each of the 4 proposed priorities. These have been further refined following consultation with political groups during February 2012. This content is summarised in **Appendix A** and will be further defined through implementation plans.

#### **4.0 RECOMMENDATION**

**That the Council approves the proposed priorities as set out in Appendix A of the report.**

#### Background Papers

Nil.

For further information please contact Ged Greaves on ext 5231.

Andrew Muter  
Chief Executive

**STRATEGIC PRIORITIES 2012-2016**

**PROSPERITY**

Theme	Strategic Objective
Inward investment	Creating a core inward investment offer to enable a credible range of partnership activity to be supported including the development of local private sector ambassadors to advocate on behalf of the local area and encourage new investment.
	Developing and marketing the area as a destination and a place to invest.
Business growth	Developing a loan and equity scheme for local businesses to improve the availability of investment in the form of loan finance or equity finance and help encourage local business growth.
Employability	Developing interventions that will help to connect those in need of work with the economic opportunities that arise e.g. recruitment schemes, apprenticeships, graduate trainees and placements.
Infrastructure	Coordinating and developing the management of infrastructure investment through a re-focussed economic development function.
Key sectors	Developing an understanding of key sectors that are likely to bring faster economic growth and sustainable job opportunities to the area.

**PEOPLE**

Theme	Strategic Objective
Older People	Refocusing the housing strategy on supported housing for older people reflecting the needs of different customer groups.
	Increasing support for activities which engage isolated older people in their community.
	Extending First Contact work and improved energy efficiency standards for new supported housing.
Young People	Supporting dependent families to become wage-earning through measures to address child poverty.
	Working with the private sector to provide apprenticeships and opportunities for 16-24 year olds not in education, employment or training.
Vulnerable Families	Extending Family Intervention work to try and prevent the most serious and long term impacts on children.

**PLACE**

Theme	Strategic Objective
Maintain	Ensuring a clean, green environment.
	Helping to protect the district's character, heritage and natural assets.
Grow	Leading the development of sustainable communities.
	Driving improvements in the district's physical and broadband infrastructure.
	Increasing the amount of affordable housing.



Develop	Exploring options for increasing recycling.
	Consider ways of making better use of the current housing stock.
	Setting standards and developing masterplans to improve places and communities.

## **PUBLIC SERVICE**

Theme	Strategic Objective
Delivering our statutory duties	Re-focussing our priorities where we can meet statutory duties effectively but at a basic level.
	Considering alternative ways of meeting our statutory responsibilities.
Developing our commissioning approach	Implementing a commissioning approach to review and re-set priorities and to enable devolution of services to take place.
	De-commissioning services which are no longer a council priority.
Localism and devolution	Developing clear and supportive policies to enable devolution of services to town and parish councils and to set standards for devolved services.
	Looking at new ways to generate income.
	Enabling neighbourhood planning within the context of the district's Local Development Framework.
Customers	Developing more online transactions and self-service.
	Engaging customers in service design and commissioning.
Openness & transparency	Enabling accessible data and decision-making.
	Implementing a new governance model for the Council.
Community Leadership	Advocating key priorities for the community.
	Supporting community capacity for self-help.

**HOUSING GROWTH**

**1.0 Purpose of Report**

- 1.1 To update Members of the Committee on the progress being made to deliver the housing growth strategy for the Council.

**2.0 Background Information**

- 2.1 The Council's Policy Committee at its meeting on 3<sup>rd</sup> July 2014 resolved to approve the report (*Agenda Item No.15*) that outlined the development of a housing growth strategy for the Council against the background of maintaining a viable Housing Revenue Account Business Plan (HRA BP). The report set out the key strategic context and financial considerations that needed to be taken into account in determining the Council's strategy.
- 2.2 The report also detailed the financing options available and delivery mechanisms that could secure housing growth opportunities over a short, medium and long term development programme, set against an assessment criteria, that would deliver both new affordable and open market homes across the district.

**3.0 Housing Growth Progress**

- 3.1 **Appendix A** identifies the Council's progress in developing new housing across the district in both its urban and rural communities, be this through direct delivery or in partnership with other providers.
- 3.2 As the Committee will note there are a number of opportunities being explored and as the Council develops its housing growth development programme it is imperative that a time frame for delivery is established set against the funding available now and over the term of the 30 year HRA BP. This is in addition to identifying the number of new units that can be delivered each year.
- 3.3 Officers are now undertaking work to formalise the housing growth programme and placing the development opportunities into the short, medium and long term categories, along with considering what return (including social value) and payback period the Council would expect from investing in new build schemes.
- 3.4 One particular activity to inform the housing growth programme is an appraisal of the remaining HRA garage areas/redundant land/infill sites to identify whether these have the potential for development, disposal or retention.
- 3.5 On completion of the appraisal, which is imminent, a capital fund will be necessary to enable those sites identified to be ready for development. This would primarily entail work to complete site investigations, resolve any rights of way/access and submit a full planning application. Such activity will mean the commissioning of the relevant professionals, which include engineers, surveyors and architects.

- 3.6 By taking this strategic approach it will allow the Council to develop a planned housing growth programme with more certainty and less risk to the viability of the HRA BP. It will also ensure a more efficient use of resources and put the Council in a better position to respond to external funding opportunities, for example through the HCA's Affordable Homes Programme.

### **Finance**

- 3.7 The following table provides an updated overview of the resources available to support housing growth directly through the Council and Newark and Sherwood Homes, showing the current borrowing headroom, anticipated resources and current commitments within the HRA BP to 2018/19.

<b>Funding Source</b>	<b>Committed</b>	<b>Available</b>	<b>Notes</b>
<b>Resources available:</b>			
Housing Revenue Account – Borrowing Headroom ( <i>PWLB rates</i> )		£8,350,000	Headroom available
Major Repairs Reserve (MRR) available for New Build		2,540,800	MRR from HRA surplus
HRA RTB Capital Receipts @ 1.4.15		£1,612,478	
Affordable Housing - Non Right to Buy Capital Receipts @ 1.4.15		£1,086,720	Earmarked for Affordable Hsg.
NSH Company Reserves HCA Bid 15-18		£1,509,533	
HCA Grant AHP 15-18		£311,863	
<b>Total available</b>		<b>£15,411,394</b>	
<b>Committed Schemes:</b>			
<b>Affordable Housing Programme 2015/18</b>			
HCA Grant	£311,863		
NSH Company Reserves	£1,509,533		
HRA RTB 1-4-1 Receipts (30% of Coronation street) Scheme cost £728,351	£218,505		
HRA Other	£594,322	<b>£2,634,223</b>	
<b>Registered Provider Affordable Rural Housing Grant</b>	£260,000	<b>£260,000</b>	
<b>Total committed</b>		<b>£2,894,223</b>	
<b>Available Funding for future projects</b>		<b>£12,517,171</b>	

- 3.8 In addition to the above sum the Council has, at this point, collected **£676,706** through Section 106 commuted sum payments designated for the delivery of additional affordable housing within the district and will shortly receive an additional payment of **£769,000** relating to the Cavendish Park development in Clipstone.

#### **4.0 Proposals**

- 4.1 It is proposed that an initial Capital fund of £500,000 is made available from HRA reserves to prepare HRA sites for development, including the securing of planning permission.
- 4.2 As background information for the Committee the most recent Council housing development at Scarborough Road, Bilsthorpe (*25 x 2 bed bungalows*) incurred fees in the region of £90,000 to undertake the necessary site investigations, draw up a scheme design and achieve full planning permission. For the ongoing development of 32 new units, the scheme at Lilac Close, Newark (*6 x 1 bed apartments and 4 x 2 bed apartments*) the site preparation fees were approximately £55,000.

#### **5.0 Equalities Implications**

- 5.1 In taking forward the housing growth strategy, equality implications will be considered and assessed against the delivery of additional housing to ensure the evidenced housing need across all tenures and communities is addressed.

#### **6.0 Impact on Budget/Policy Framework**

- 6.1 Within the contents of the main report all the budgetary and policy framework requirements have been considered.

#### **7.0 Comments of Director - Resources**

- 7.1 In order to progress housing growth it will be necessary to undertake preliminary work to identify suitable sites and prepare these for future development. It is appropriate to identify funding in order to achieve this and that the scheme should be added to the current capital programme.
- 7.2 If the bid to the HCA to support an extra care scheme at Bowbridge Road is successful (as reported to the last meeting of this Committee – minute 10 refers) the available funding will be reduced accordingly.
- 7.3 Members should be aware of the need to spend the 1-4-1 Right to Buy receipts on non grant funded new build within the timetable set by Communities & Local Government. If the deadline for spending this funding is not met all available 1-4-1 resources will have to be returned to central government with an additional interest payment. The identification of suitable scheme will help to progress the use of 1-4-1 funding.

#### **8.0 RECOMMENDATION**

**That approval be given to the proposal as set out at paragraph 4.1 of the report and the scheme, whereby an initial capital fund of £500,000 is made available from HRA reserves to prepare HRA sites for development, should be incorporated into the current capital programme.**

#### **Reason for Recommendation**

**The housing growth strategy will contribute to the wider strategic priorities of the Council, meet the evidenced housing need across the district for all tenures and maintain a viable Housing Revenue Account Business Plan.**

Background Papers

None

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

Karen White  
Director – Safety

David Dickinson  
Director - Resources

<b>Housing Growth Delivery &amp; Opportunities @ 2015</b>	<b>No. of units</b>	<b>Progress</b>	<b>Comments</b>
<b>Delivered</b>			
25 2 bed HRA bungalows at Scarborough Road, Bilsthorpe supported by grant funding through the 1 <sup>st</sup> phase of the HCA's Care and Support Specialised Housing Fund. 9 units have been designated as 'extra care' for direct nomination by the County Council.	25	Delivered	Completed March 2015
<b>In Progression</b>			
32 1 and 2 bed HRA apartments are being developed on a total of 5 HRA sites in Balderton, Newark & Edwinstowe, supported by grant funding through the HCA's Affordable Homes Programme 2015-18.	32	In development	Anticipated completion Qtr1 2016/17
The Council approved a proportion of capital funding to Nottingham Community Housing Association (NHCA), in addition to HCA grant funding, to deliver 15 affordable housing units in Walesby. <i>(These units will be owned and managed by NCHA).</i>	15	In development	Anticipated completion Qtr1 2016/17
Bid submitted to the HCA's 2 <sup>nd</sup> phase Care and Support Specialised Housing Fund to develop a 60 unit supported housing/extra care scheme in partnership with Nottinghamshire County Council at Bowbridge Road, Newark.	60	At HCA bid stage.	Outcome of bid to be announced October 2015.  Committee approval required to commence scheme.
Barratt Homes development of 88 units at Ash Farm, Farnsfield. 26 affordable homes are being delivered on the site, 10 for shared ownership & 16 for rent. Through the S106 agreement the Council is assessing the feasibility of purchasing the 16 units for rent comprising – 8 x 2 bed houses, 4 x 3 bed houses & 4 x 2 bed bungalows.	16	In negotiation	Committee approval required to complete purchase.  Outcome of this activity expected Qtr 3 2015/16.

The Council is assessing the feasibility of purchasing 6 x 1 bed mews houses in Newark from St. Leonards Trust.	6	In negotiation	Committee approval required to complete purchase.  Outcome of this activity expected Qtr 3 2015/16.
The Council is assessing the feasibility of taking an off-site S106 contribution in the form of land and a monetary sum. The land would then be developed for affordable housing.	12 <i>indicative</i>	In negotiation	Committee approval required to commence scheme.  Outcome of this activity expected Qtr 3 2015/16.
Rural housing programme in partnership with NCHA with sites being looked at in Caunton, North Muskham, Farndon & Lowdham. <i>(All sites/schemes are subject to Parish Council consultation and planning, with the units being owned and managed by NCHA).</i>	<i>TBC</i>	Ongoing programme	Capital contribution may be necessary from the Council to enable the delivery of these rural developments, subject to Committee approval.
Development opportunities on remaining HRA garage sites/redundant land/infill sites.	<i>TBC</i>	Site appraisal assessment to be completed by Qtr 3 2015/16	Capital fund, subject to Committee approval, required to enable sites to undergo site investigations, obtain planning permission, etc to enable a development programme to be established.
Stock acquisition (including Section 106 new build units, Right to Buy buybacks and miscellaneous properties)		Ongoing	Opportunities will be assessed/ reported as and when opportunities arise.
Development of Other facilities (e.g. shops/Community Centre conversions)		Yet to be identified	

<b>Strategic Site Opportunities</b>			
*ADM DPD Allocated Site – GF land at Bowbridge Road, Newark	115 <i>indicative: Market &amp; Affordable</i>	HCA bid submitted for 60 units supported housing/extra care scheme on proportion of site adjacent to the new leisure centre.	Development brief prepared for residue of land at Bowbridge Road to deliver market housing.  Outcome of this activity expected Qtr 3 2015/16.
ADM DPD Allocated Site – HRA Land Boughton (120 units)	120 <i>indicative: Market &amp; Affordable</i>		Neighbourhood Study to be undertaken
ADM DPD Allocated Site – HRA Land Boughton (25 units)	25 <i>indicative: Market &amp; Affordable</i>		Neighbourhood Study to be undertaken
ADM DPD Allocated Site – Yorke Drive Policy Area (HRA and GF land 230 units)	230 <i>indicative: Market &amp; Affordable</i>		Bridge Ward Neighbourhood Study completed.  Revised development brief being prepared.
ADM DPD Allocated Site – Quibells Lane, Newark (HRA & private land – 86 units)	86 <i>indicative: Market &amp; Affordable</i>		Bridge Ward Neighbourhood Study completed
Master Plan – Hawtonville Neighbourhood Study	TBC		Hawtonville Neighbourhood Study will be finalised Qtr. 3 2015.
Strategic Land Acquisition & Development		Ongoing	



**CAPITAL PROGRAMME OUTTURN AND FINANCING 2014/15**

**1.0 Purpose of Report**

1.1 To complete the overall capital programme cycle by linking the actual performance achieved with the Council's Key Objectives. This is in line with the Council's Corporate Capital Strategy that the focus will be on performance monitoring and measurement to see what improvements have been made in the way that the Council manages its assets.

**2.0 Overall Performance 2014/15**

2.1 A review of completed schemes is attached at **Appendix A**.

2.2 A detailed breakdown of the outturn for all the projects undertaken in the course of the year measured against the latest budget approved by Council on 10 March 2015 is attached at **Appendix B**.

2.3 A breakdown of the year-end financing arrangements is attached at **Appendix C**.

**3.0 Further Information**

3.1 In order to comply with the Local Government Act 2003 certain matters have to be determined before 30<sup>th</sup> September 2015 in relation to the financing of the 2014/15 Capital Programme. These concern the use of capital receipts and contributions from third parties and the amount set aside from revenue as a prudent provision for the repayment of debt (the Minimum Revenue Provision or MRP).

3.2 The relevant journals summarising the changes to the Capital Programme since the budget was approved on 10<sup>th</sup> March 2015 are attached at **Appendix D**.

**4.0 RECOMMENDATIONS that:**

- (a) the outturn position as shown in Appendix B to the report be accepted;
- (b) the following determinations be approved in accordance with the Local Government Act 2003:
  - i) £1,154,280 of the Council's useable capital receipts be applied to meet expenditure incurred for capital purposes as shown in Appendix C to the report;
  - ii) £5,103,640 of expenditure for capital purposes be met out of money produced by other persons;
  - iii) a total of £708,645 be set aside from the revenue account to meet credit liabilities, broken down as £697,584 General Fund and £11,061 Transferred Assets/Loan Accounts; and
- (c) the Project Variations as shown in Appendix D to the report be approved.

**Reason for Recommendations**

**To ensure that the Council complies with the Local Government Act 2003 and to complete the overall capital cycle for 2014/15.**

**Background Papers**

Nil

For further information please contact Jenna Norton on extension 5327.

David Dickinson  
Director - Resources

**Review of General Fund Completed Capital Schemes 2014/15**

<b>Scheme</b>	<b>Comments</b>
Private Sector Disabled Facilities Grants Lead Officer: Alan Batty	NSDC received a capital grant £369,307 in 2014/15 which constituted the bulk of the DFG annual spend. Total spend for 2014/15 came to £432,375 and the Authority utilised repaid grant monies to cover the shortfall between grant and final spend. For the current financial year (15/16) the Authority has received its capital allocation for mandatory DFG at £465,000 and for the first year this allocation has been paid via the Better Care Fund. This fund (formally the Integrated Transformation Fund) has seen a fundamental change to the allocation methodology as the County Council has become the fund administrator. The mandatory duty placed on Local Authorities to provide DFG's has not changed.
Vehicles & Plant Lead Officer: Andy Kirk	The vehicle replacement programme is approved as part of the capital programme with decisions on the most advantageous method of financing being delegated to the s151 Officer. After testing the market outright capital purchase proved more beneficial to the Council than a leasing contract on this occasion.

## Review of HRA Completed Capital Schemes 2014/15 (managed by NSH)

Roof Replacements	123 properties had new roofs fitted.
Kitchen & Bathroom Conversions	337 Properties had kitchen and / or Bathroom replacement throughout the district.
External Fabric	606 properties benefitted from external repairs and painting
Doors & Windows	386 Properties benefitted from the installation of Composite doors.
Other Structural	160 solid wall properties had external wall insulation installed.
Electrical	340 rewires were completed across the district.
Smoke Alarms	New smoke alarm systems were installed at 1451 properties
Heating	254 properties benefitted from the installation of new boilers and or full heating distribution systems
Energy Efficiency	Installation of Energy Efficient Boilers at 73 properties LED lights in communal areas at Thoresby Road Rainworth and William Bailey House Collingham. 26 properties received cavity wall and or Loft insulation. 138 properties had energy efficient external doors fitted.
Garage Forecourts	Resurfacing works were carried out in Clipstone, Balderton Ollerton, Farnsfield, Collingham and Newark.
Environmental Works	Examples include Boundary/Retaining Walls Ambleside Ollerton, Fosse Estate Fencing/Winston Drive 82 Millgate Door Entry System, Fencing Various Locations, Burton Court Fencing Gaitskill Crescent Walls.
Asbestos	Asbestos removal work and survey's completed throughout the district.
Fire Safety	Major project to replace fire doors at Delacy Court Ollerton and William Bailey House Collingham.
DDA Improvements	General improvements to disabled access at Abbey Road Edwinstowe and Cambridge Close Rainworth.
Disabled Adaptations	Adaptations needed as a result of care plans and OT1's for residents put forward by Social Services and other agencies. 532 properties benefitted from major or minor adaptation works.

SCHEME		Budget Approved 10/3/15	Year end Actual	Variance
<b>HOUSING REVENUE ACCOUNT</b>				
<b>PROPERTY INVESTMENT PROGRAMME</b>				
S91100	ROOF REPLACEMENTS	0	0	0
S91105	Chatham Court Roof Replacement	199,800	198,696	-1,104
S91106	Roof Replacements 2014/15	340,200	357,460	+17,260
<b>S711</b>	<b>ROOF REPLACEMENTS</b>	<b>540,000</b>	<b>556,156</b>	<b>+16,156</b>
S91200	KITCHEN & BATHROOM CONVERSIONS	0	0	0
S91211	Kitchen and Bathrooms 14/15	1,296,000	1,245,147	-50,853
S91212	Kitchen and Bathrooms 14/15 Materials	324,000	273,183	-50,817
S91213	Kitchen and Bathrooms 15/16			
S91214	Kitchen and Bathrooms 15/16 Materials			
<b>S712</b>	<b>KITCHEN &amp; BATHROOM CONVERSIONS</b>	<b>1,620,000</b>	<b>1,518,330</b>	<b>-101,670</b>
S91300	EXTERNAL FABRIC	102,216	0	-102,216
S91314	External Wall Insulation	324,000	331,396	+7,396
S91318	External Fabric Repairs and Painting	68,040	65,367	-2,673
S91319	Plant room doors	6,160	6,046	-114
S91320	Bakewell House	108,380	113,775	+5,395
S91321	H454 Delacy Court Curtain Walling	6,480	6,451	-29
S91322	Delacy Stairwell Repairs	8,640	9,702	+1,062
S91323	Flat Roof Renewals	6,804	19,872	+13,068
S91324	Major Works 31 Clarke Ave	12,960	11,224	-1,736
S91325	H447 Painting & Repairs	0	10,800	+10,800
S91326	16 Coleman Avenue	0	9,180	+9,180
S91327	Ext Fab & Paint 15/16 Area1			
S91328	Ext Fab & Paint 15/16 Area2			
<b>S713</b>	<b>EXTERNAL FABRIC</b>	<b>643,680</b>	<b>583,813</b>	<b>-59,867</b>
S91400	DOORS & WINDOWS	0	0	0
S91408	Door and Window Replacements Supply 14/15	140,400	140,168	-232
S91409	Door and Window Replacements Install 14/15	43,200	44,698	+1,498
S91410	Doors & Windows 15/16			
<b>S714</b>	<b>DOORS &amp; WINDOWS</b>	<b>183,600</b>	<b>184,866</b>	<b>+1,266</b>
S91500	OTHER STRUCTURAL	0	0	0
S91510	Major Structural Works 14/15	58,320	55,906	-2,414
S91511	Walls Re-Rendering	54,000	0	-54,000
<b>S715</b>	<b>OTHER STRUCTURAL</b>	<b>112,320</b>	<b>55,906</b>	<b>-56,414</b>
S93100	ELECTRICAL	0	0	0
S93106	Rewires 2014/15	594,000	638,164	+44,164
S93107	Disturbance Allowance 2014/15	81,000	89,703	+8,703
S93108	Isolators 2014/15	5,400	3,888	-1,512
S93109	Rewires 15/16			
S93110	Disturbance Allowance 15/16			
<b>S731</b>	<b>ELECTRICAL</b>	<b>680,400</b>	<b>731,754</b>	<b>+51,354</b>
S93200	SMOKE ALARMS	0	0	0
S93204	Smoke Alarm Installations 14/15	162,000	130,508	-31,492
	Carbon Monoxide Detectors			
<b>S732</b>	<b>SMOKE ALARMS</b>	<b>162,000</b>	<b>130,508</b>	<b>-31,492</b>
S93300	PASSENGER LIFTS			
<b>S733</b>	<b>PASSENGER LIFTS</b>	<b>0</b>	<b>0</b>	<b>0</b>
S93500	HEATING	0	0	0
S93506	Heating Replacements 2014/15	594,000	600,250	+6,250
S93507	Heating/Boilers 15/16			
<b>S735</b>	<b>HEATING</b>	<b>594,000</b>	<b>600,250</b>	<b>+6,250</b>
S93600	ENERGY EFFICIENCY	0	0	0
S93606	EE DOORS	102,600	96,769	-5,831
S93608	ENERGY EFFICIENT BOILERS	194,400	194,552	+152
S93609	LED PROJECT WILLIAM BAILEY HSE/THORESBY RD	54,000	45,537	-8,463

<b>S736</b>	<b>ENERGY EFFICIENCY</b>	<b>351,000</b>	<b>336,857</b>	<b>-14,143</b>
S95100	GARAGE FORECOURTS	27,000	0	-27,000
S95108	Resurfacing Work 14-15 Phase 1	70,200	69,769	-431
S95109	Garages	0	1,075	+1,075
S95110	H457 Alexander Rd Car Park	10,800	10,368	-432
<b>S751</b>	<b>GARAGE FORECOURTS</b>	<b>108,000</b>	<b>81,212</b>	<b>-26,788</b>
S95200	ENVIRONMENTAL WORKS	194,360	0	-194,360
S95230	82 Millgate Environmental	2,700	333	-2,367
S95245	Grange Road Individual Access	38,340	25,915	-12,425
S95246	Boundary/Retaining Walls Ollerton	49,680	39,641	-10,039
S95247	Alliance Street Garage Site Impr H436	4,000	3,939	-61
S95248	Potwell Flood defence Scheme	30,240	2,544	-27,696
S95249	Fencing work Fosse Estate	8,320	6,121	-2,199
S95250	Communal Lighting	21,740	21,738	-2
S95251	82 Millgate Flats Door Entry system	2,160	2,160	0
S95252	Flood Defence Systems	32,400	0	-32,400
S95253	Play Areas	27,000	0	-27,000
S95254	Estate Remodelling	0	0	0
S95255	H445 Boundary Wall Fencing	10,800	13,283	+2,483
S95256	Gaitskill Crescent, Ewinstowe Boundary Walls	109,080	109,396	+316
S95257	Fencing - Burton Court, Bilsthorpe	37,800	37,161	-639
S95258	Fencing - Nightingale Close, Bilsthorpe	5,400	4,687	-713
S95259	Kirton Court Fencing	4,320	3,769	-551
S95260	Resurfacing Ph2 2014/15	71,280	68,311	-2,969
S95261	H440 Play Parks	34,560	34,560	0
S95262	Sycamore Close Car Park	1,620	1,507	-113
S95263	Alder Grove	0	4,320	+4,320
S95264	Street lighting Howes/Wellow	0	3,863	+3,863
S95265	H483 Car Parking Corner Croft/Brandon Close	0	43,200	+43,200
S95266	Winston Drive Garages	0	14,040	+14,040
S95267	N Power System Replacements	0	7,259	+7,259
S95268	Boundary Walls Greenfield Cres Ollerton	0	0	0
<b>S752</b>	<b>ENVIRONMENTAL WORKS</b>	<b>685,800</b>	<b>447,747</b>	<b>-238,053</b>
S97100	ASBESTOS	0	0	0
S97107	Asbestos Removal 14/15	75,600	88,484	+12,884
S97108	Asbestos Surveys 14/15	32,400	34,909	+2,509
<b>S771</b>	<b>ASBESTOS</b>	<b>108,000</b>	<b>123,392</b>	<b>+15,392</b>
S97200	FIRE SAFETY	38,560	0	-38,560
S97209	Vale View Fire Risk Assessment	860	758	-102
S97210	FRA Surveys 14/15	14,580	14,580	0
S97211	Fire Doors Delacey Crt & William Bailey House	54,000	43,922	-10,078
<b>S772</b>	<b>FIRE SAFETY</b>	<b>108,000</b>	<b>59,260</b>	<b>-48,740</b>
S97300	DDA IMPROVEMENTS	0	0	0
S97305	H422 DDA Kitchens 14/15	21,600	18,222	-3,378
S97306	DDA 15/16 Rookwood, Eastfield, Wm Bailey			
<b>S773</b>	<b>DDA IMPROVEMENTS</b>	<b>21,600</b>	<b>18,222</b>	<b>-3,378</b>
S97400	DISABLED ADAPTATIONS	0	0	0
S97407	Care Plans 2014/15	399,600	460,982	+61,382
S97408	OT1 minor adaptations 2014/15	32,400	31,308	-1,092
S97409	Care Plans 15/16			
S97410	OT'1s 15/16			
<b>S774</b>	<b>DISABLED ADAPTATIONS</b>	<b>432,000</b>	<b>492,291</b>	<b>+60,291</b>
S97500	LEGIONELLA			0
<b>S791</b>	<b>UNALLOCATED FUNDING</b>	<b>0</b>	<b>0</b>	<b>0</b>
S99100	UNALLOCATED FUNDING	0	0	0
S99101	Grant Income	0	0	0
<b>S791</b>	<b>UNALLOCATED FUNDING</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>SUB TOTAL PROPERTY INVESTMENT</b>	<b>6,350,400</b>	<b>5,920,564.60</b>	<b>-429,835</b>
<b>AFFORDABLE HOUSING</b>				
SA1002	5 dwellings - Newark Road Boughton			
SA1003	3 dwellings - Orchard Close Bleasby			

SA1005	7 dwellings - Norwood Gardens Southwell			
SA1006	5 dwellings - Sycamore Close Newark			
SA1007	5 dwellings - Grange Road Newark			
SA1008	9 dwellings - Stafford Avenue Newark			
SA1011	3 dwellings - Cambridge Close, Rainworth			
SA1012	Buy-back of RTB Council Houses	36,500	0	-36,500
SA1013	25 supported dwellings - Bilsthorpe	2,330,141	2,284,991	-45,150
SA1014	Purchase of land at St Mary's Gardens	60,000	54,320	-5,680
SA1015	Affordable Rural Housing Grant	260,000	0	-260,000
SA1016	Site A - Wolfit Avenue, Balderton	0	8,233	+8,233
SA1017	Site B - Wolfit Avenue, Balderton	0	8,538	+8,538
SA1018	Coronation Street/Grove View Rd, Balderton	3,000	20,399	+17,399
SA1019	Lilac Close	0	14,205	+14,205
SA1020	Second Avenue, Edwinstowe	0	10,360	+10,360
		<b>2,689,641</b>	<b>2,401,045</b>	<b>-288,596</b>
	<b>SUB TOTAL HOUSING REVENUE ACCOUNT</b>	<b>9,040,041</b>	<b>8,321,610</b>	<b>-718,431</b>
	<b>HOUSING GENERAL FUND</b>			
TF6011	Private Sector Disabled Facilities Grants	379,509	400,460	+20,951
		<b>379,509</b>	<b>400,460</b>	<b>+20,951</b>
	<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>9,419,550</b>	<b>8,722,070</b>	<b>-697,480</b>
	<b>GENERAL FUND</b>			
TA1210	Purchase of Land - Bowbridge Road			
TA1211	Newark, New Leisure Centre	905,100	1,224,486	+319,386
TA1212	Bowbridge Road Residential Land	5,000	1,349	-3,651
TA1213	Purchase of Land - Sports Hub	60,046	58,596	-1,450
TA1214	Leisure Centre Access Road Enhancement	197,025	0	-197,025
TA2288	CRM System	0	-7,552	-7,552
TA3050	National Civil War Centre	4,694,032	3,531,153	-1,162,879
TA3051	Newark Civil War Town Trail	211,000	135,107	-75,893
TA3052	Palace Theatre/Museum Integration	50,691	50,691	0
TA3286	Information Technology Investment	179,961	125,550.75	-54,410
	<b>TA CUSTOMERS</b>	<b>6,302,855</b>	<b>5,119,380</b>	<b>-1,183,475</b>
TB1148	St Mark's Place Toilets			
TB2250	Vehicles & Plant (NSH)			
TB2253	Vehicles & Plant (NSDC)	392,140	380,934	-11,206
TB3057	Maun Valley Phase II	2,774	0	-2,774
TB3154	Castle Gatehouse Project			
TB3158	Hawtonville School Playing Field	25,251	2,128	-23,123
TB3159	Humberstone Road Open Space, Southwell	13,514	12,939	-575
TB3252	Newark Castle Essential Works Ph I	11,894	2,762	-9,132
TB3254	Vicar Water Visitor Centre Refurbishment			
TB3263	Sconce & Devon Park Restoration Ph II	30,575	608	-29,967
TB3264	Barnby Road Open Space	0	-629	-629
TB6145	Grant to Farndon Sports Pavilion	32,558	17,730	-14,828
TB6146	Southwell, Nottingham Road Rugby Pitch	35,883	0	-35,883
TB6147	Contribution to Cycle Route Improvements	25,000	25,000	0
TB6268	Castle Station Play Area			
	<b>TB COMMUNITY</b>	<b>569,589</b>	<b>441,471</b>	<b>-128,118</b>
TC1000	New Council Offices	273,600	51,675	-221,925
TC2280	Ollerton Hall acquisition and works	314,635	26,554	-288,081
TC3282	Energy Saving Proposals	7,521	13,585	+6,064
	<b>TC RESOURCES</b>	<b>595,756</b>	<b>91,813</b>	<b>-503,943</b>
TE3110	Newark Signage Strategy			
TE3266	Growth Point (Grant Funded)			
	Growth Point (Internally Funded)			
TE3267	Rural Broadband Provision			
TE3268	Southern Link Road Contribution			
	<b>TE GROWTH</b>	<b>0</b>	<b>0</b>	<b>0</b>
TF3161	Balderton land drainage	9,105	0	-9,105
TF3222	Works to Wellow Green Hostel	150,000	81,944	-68,056
	<b>TF SAFETY</b>	<b>159,105</b>	<b>81,944</b>	<b>-77,161</b>
	<b>TOTAL GENERAL FUND</b>	<b>7,627,305</b>	<b>5,734,608</b>	<b>-1,892,697</b>
	<b>TOTAL PROGRAMME</b>	<b>17,046,855</b>	<b>14,456,678</b>	<b>-2,590,177</b>

**NEWARK & SHERWOOD DISTRICT COUNCIL  
OVERALL CAPITAL PROGRAMME 2014/15 to 2019/20**

	<b>Total</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
<b>COMMITTED SCHEMES EXPENDITURE</b>							
Housing Services	44,450	8,722	9,316	6,976	6,659	6,389	6,388
Other Services	33,289	5,735	17,473	6,430	278	1,240	2,133
<b>TOTAL GROSS COMMITTED CAPITAL PROGRAMME EXPENDITURE</b>	<b>77,739</b>	<b>14,457</b>	<b>26,789</b>	<b>13,406</b>	<b>6,937</b>	<b>7,629</b>	<b>8,521</b>
<b>CAPITAL EXPENDITURE FINANCING</b>							
Net Internal and External Borrowing Approval	9,140	1,225	2,485	3,297	0	0	2,133
Government Grants	7,768	900	5,008	465	465	465	465
Contributions from Third Parties	7,007	4,204	2,803	0	0	0	0
Community Infrastructure Levy	0	0	0	0	0	0	0
Usable Capital Receipts Brought Forward from previous Year	23,279	2,024	2,699	1,807	1,764	8,037	6,948
Usable Capital Receipts in Year	14,244	1,829	5,431	146	6,546	146	146
Usable Capital Receipts Carried Forward to next Year	-28,349	-2,699	-1,807	-1,764	-8,037	-6,948	-7,094
Capital Reserve	8,009	959	3,896	3,136	9	9	0
Revenue Support	36,641	6,015	6,274	6,319	6,190	5,920	5,923
<b>TOTAL RESOURCES AVAILABLE IN YEAR</b>	<b>77,739</b>	<b>14,457</b>	<b>26,789</b>	<b>13,406</b>	<b>6,937</b>	<b>7,629</b>	<b>8,521</b>
<b>NET RESOURCES BEFORE ALLOWING FOR EARMARKED FUNDS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**NEWARK & SHERWOOD DISTRICT COUNCIL  
CAPITAL PROGRAMME VARIATIONS 2013/14 TO 2018/19**

## Journal 1 HOUSING REVENUE ACCOUNT

Scheme No.	Scheme and Reason for Adjustment	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
SA1013	25 supported dwellings - Bilsthorpe	-45,150	+45,150				
SA1016	Site A - Wolfit Avenue, Balderton	+8,233	-108,207	-11,116			
SA1017	Site B - Wolfit Avenue, Balderton	+8,538	-84,047	-8,385			
SA1018	Coronation Street/Grove View Rd, Balderton	+17,399	-551	+1,875			
SA1019	Lilac Close	+14,205	-187,830	-20,246			
SA1020	Second Avenue, Edwinstowe <i>Phasing changed to match latest indicative costs and timetable.</i>	+10,360	-63,260	-5,877			
SA1012	Buy-back of RTB Council Houses <i>Purchase of 21 Chatham Court, agreed at Policy Committee on 30 April 2014.</i>	-36,500	+36,500				
SA1015	Affordable Rural Housing Grant <i>Approved at Policy Committee on 5 December 2013.</i>	-260,000	+260,000				
S91100	ROOF REPLACEMENTS		-7,965				
S91107	Cemetery Cottage Re-Roof		+7,965				
S91200	KITCHEN & BATHROOM CONVERSIONS		-1,620,000				
S91213	Kitchen and Bathrooms 15/16		+1,296,000				
S91214	Kitchen and Bathrooms 15/16 Materials		+324,000				
S91300	EXTERNAL FABRIC		-282,710				
S91327	Ext Fab & Paint 15/16 Area1		+140,400				
S91328	Ext Fab & Paint 15/16 Area2		+140,400				
S91400	DOORS & WINDOWS		-183,600				
S91410	Doors & Windows 15/16		+183,600				
S91500	OTHER STRUCTURAL		-5,400				
S91510	DPM Works 2015/16		+5,400				
S93100	ELECTRICAL		-680,400				
S93109	Rewires 15/16		+594,000				
S93110	Disturbance Allowance 15/16		+86,400				
S93500	HEATING		-594,000				
S93507	Heating/Boilers 15/16		+594,000				
S95109	Garages		+540				
S95200	ENVIRONMENTAL WORKS		-158,890				
S95233	Howes Court		+1,910				
S95268	Boundary Walls Greenfield Cres Ollerton		+37,800				
S95269	H462 Wolfit Avenue Fencing		+4,990				
S95270	Env Imp Harby and Ollerton		+115,560				
S97100	ASBESTOS		-108,000				
S97109	Asbestos Surveys 2015/16		+32,400				
S97110	Asbestos Removal 2015/16		+75,600				
S97300	DDA IMPROVEMENTS		-21,600				
S97306	DDA 15/16 Rookwood, Eastfield, Wm Bailey		+21,600				
S97400	DISABLED ADAPTATIONS		-432,000				
S97409	Care Plans 15/16		+399,600				
S97410	OT's 15/16 <i>Reallocation of existing resources.</i>		+32,400				
	<b>NET ADJUSTMENT TO OVERALL PROGRAMME EXPENDITURE</b>	<b>-282,915</b>	<b>-102,245</b>	<b>-43,749</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Journal 2 GENERAL FUND

Scheme No.	Scheme and Reason for Adjustment	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
TA1211	Newark, New Leisure Centre	+119,386	-45,341	-74,046			
TA1212	Bowbridge Road Residential Land		-3,651				
TA1213	Purchase of Land - Sports Hub		-1,450				
TA1214	Leisure Centre Access Road Enhancement		-197,025	+197,025			
TA3050	National Civil War Centre		-1,173,879	+1,173,879			
TA3051	Newark Civil War Town Trail		-75,893	+75,893			
TA3286	Information Technology Investment		-54,404	+54,404			
TB3057	Maun Valley Phase II		-2,774	+2,774			
TB3158	Hawtonville School Playing Field		-23,123	+23,123			
TB3159	Humberstone Road Open Space, Southwell		-575	+575			
TB3252	Newark Castle Essential Works Ph I		-9,132	+9,132			
TB3263	Sconce & Devon Park Restoration Ph II		-29,967	+29,967			
TB6145	Grant to Farndon Sports Pavillion		-14,828	+14,650			
TC1000	New Council Offices		-221,925	+221,925			
TC2280	Ollerton Hall acquisition and works		-288,081	+288,081			
TF3161	Balderton land drainage		-9,105	+9,105			
TF3222	Works to Wellow Green Hostel <i>Phasing changed to match latest indicative costs and timetable</i>		-68,056	+68,056			
TA1211	Newark, New Leisure Centre <i>Expenditure increased by additional third party contribution</i>	+200,000					
TB6146	Southwell, Nottingham Road Rugby Pitch		-35,883				
TC3282	Energy Saving Proposals		+6,064				
	<b>NET ADJUSTMENT TO OVERALL PROGRAMME EXPENDITURE</b>	<b>-1,884,301</b>	<b>+2,123,248</b>	<b>-74,046</b>	<b>0</b>	<b>0</b>	<b>0</b>

Journal 3 **FINANCING**

	Scheme and Reason for Adjustment	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
	Net Borrowing Approval	-704,038	-1,895,418	+1,513,342	0	0	0
	Government Grants	-53,512	+53,512	0	0	0	0
	Contributions from Third Parties	-1,335,147	+1,131,884	0	0	0	0
	Capital Receipts	-57,300	+506,448	-118,503	0	0	0
	Capital Provision	-47,975	+2,350,346	-1,587,388	0	0	0
	Housing Services Revenue Support	-392,205	-159,367	+74,754	0	0	0
	<b>NET VARIATION TO CAPITAL FINANCING</b>	<b>-2,590,177</b>	<b>+1,987,405</b>	<b>-117,795</b>	<b>0</b>	<b>0</b>	<b>0</b>

**DEVOLUTION PROSPECTUS D2N2**

**1.0 Purpose of Report**

- 1.1 To inform Members about the development of a devolution prospectus for the Derby, Derbyshire, Nottingham and Nottinghamshire area.

**2.0 Background Information**

- 2.1 The nine Councils within Nottinghamshire have submitted proposals for a Combined Authority which will exercise a range of strategic powers around economic development and transportation. Subject to the statutory processes, it is likely that the Combined Authority will be established early in 2016. In parallel with that development, a conversation with Government about the devolution of powers which are currently exercised by central government is taking place. This was initiated in March 2015 and will continue over the coming months.

**3.0 Proposals**

- 3.1 A devolution prospectus has been produced setting out the aspirations for devolution to the Derby, Derbyshire, Nottingham and Nottinghamshire area (the D2N2 area which shares a Local Enterprise Partnership). This prospectus sets out a range of ambitions which the partners across the D2N2 area would like to discuss with Government.
- 3.2 The prospectus key proposals around enterprise, skills employment, the built environment, transport and smart infrastructure to stimulate growth and raise productivity. A copy of the prospectus has been provided to each member of the Policy & Finance Committee and an additional copy has been placed in the Members' Room.
- 3.3 This is a first contribution to a wide-ranging discussion which will take many months to complete. If successful, the deal would bring significant additional resources and powers to be exercised by the Combined Authorities to boost economic growth.

**4.0 Equalities Implications**

- 4.1 Proposals which emerge from the devolution deal process will be subject to assessments of the impact on equalities.

**5.0 Impact on Budget/Policy Framework**

- 5.1 There are no specific implications for the Council's budget identified in the prospectus.

**6.0 RECOMMENDATION**

**That the devolution deal prospectus is welcomed and that the Council plays an active role in ensuring that the benefits of devolved powers impact on Newark & Sherwood's economy.**

**Reason for Recommendation**

**To give support for the devolution proposals.**

Background Papers

Devolution Prospectus D2N2 March 2015

For further information please contact Andrew Muter on Ext 5200

Andrew Muter  
Chief Executive

**GENERAL FUND BUDGET PERFORMANCE REPORT TO 31<sup>ST</sup> MARCH 2015**

**1.0 Purpose of Report**

1.1 This report compares the General Fund Policy & Finance Committee net expenditure for the period ending 31<sup>st</sup> March 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 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 on a quarterly basis.

2.3 Throughout the year 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 31<sup>st</sup> March 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. 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) 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 £952,319 against the profiled budget for the period to 31<sup>st</sup> March 2015. 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. The detailed performance figures are shown at **Appendix A**.

4.2 Variations from the profiled budget to 31<sup>st</sup> March 2015 are itemised below:

##### 4.2.1 Employee Costs –

- Staff vacancies have produced savings in the budgets for HR & Legal, Policy & Performance, Revenues & Benefits, whilst vacant posts in Corporate Property are offset by costs of agency staff. Following the TUPE of Human Resources staff from Newark and Sherwood Homes the budget for HR shows an overspend against the base budget, however this is offset by the charge made to Newark and Sherwood Homes for the HR services. A restructure of the business unit has recently been undertaken and is incorporated into the budget for 2015/16.

##### 4.2.2 Supplies and Services –

- There are no significant variances from the budget overall. A large number of minor savings are netted off by small overspends on other budgets.

##### 4.2.3 Transfer Payments -

- Housing benefit payments are a demand led budget and any variance from budget for amounts of benefit paid out are offset by the amount of government grant receivable.

##### 4.2.4 Income

- The charge for provision of HR services to Newark and Sherwood Homes (£79k) offsets additional staffing costs in 4.2.1
- Refunded VAT and overestimated year end creditors for 2013/14 amount to £75k and are reported to Policy & Finance Committee budgets.
- Where recovery work is undertaken to collect Council Tax arrears the general fund costs are offset by income from court costs debited to individual Council Tax payers accounts – these show an increase above budget of £137K.

- The amount of overpaid benefits reclaimed has increased. Overpayments are recovered through reduced payment of benefit where the claim is still active at an affordable rate. Where there is no continuing entitlement to benefit a debtor invoice is raised.

4.3 The underspent expenditure budgets and over achieved income budgets will be reviewed as part of the budget process for 2016-17 and future years. If it is considered that ongoing savings can be achieved these will be removed for the 2015-16 budget to a central reserve and reflected in future years budgets.

## **5.0 RECOMMENDATION**

**That the overall position of the Policy & Finance Committee net expenditure compared to budget at 31<sup>st</sup> March 2015 be accepted.**

### **Reason for Recommendation**

**To advise Members of the current net expenditure compared to service budgets for the period ending 31<sup>st</sup> March 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 MARCH 2015

	<u>Base Budget 2014/15</u>	<u>Profile Budget 31-Mar-15</u>	<u>Actual Expenditure 31-Mar-15</u>	<u>Variance</u>	<u>Budget Officer Comments</u>
EMPLOYEES	4,310,190	3,977,605	3,842,335	(135,269)	Corporate Property offsets agency costs. Vacant posts in Legal and Performance. Also some flexible retirements in Revenues & Benefits. Offset by additional costs following TUPE across of HR posts from NSH.
PREMISES	520,250	526,739	520,081	(6,658)	
<i>General</i>	401,650	390,139	378,524	(11,615)	A number of small savings across a range of expenditure heads.
<i>Electricity</i>	69,360	69,360	74,158	4,798	
<i>Gas</i>	49,240	67,240	67,400	160	
TRANSPORT	40,110	39,915	37,410	(2,505)	
SUPPLIES AND SERVICES	1,724,110	1,766,109	1,759,712	(6,398)	
TRANSFER PAYMENTS	26,939,440	26,939,440	26,184,905	(754,535)	Housing benefit payments are a demand led budget - rent allowances actually paid out were £603,000 less than anticipated whilst benefits for council tenants are £151,000 below budget.
<b>TOTAL EXPENDITURE</b>	<b>33,534,100</b>	<b>33,249,808</b>	<b>32,344,443</b>	<b>(905,365)</b>	
INCOME	(28,478,280)	(28,495,430)	(28,542,384)	(46,954)	
<i>General</i>	(1,676,570)	(1,693,720)	(2,049,199)	(355,479)	Includes overestimated year end creditors 2013/14 £32k, unbudgeted income from sales of the Register of Electors £17k and a refund of £43k VAT. Land charges income is £19k over budget. HR recharged to NSH £79k offsets staff costs. Council Tax Court Costs show an increase of £137k
<i>Workshop Rents</i>	(90,000)	(90,000)	(90,000)	0	
<i>Markets</i>	0			0	
<i>Culture</i>	0			0	
<i>Housing Benefits</i>	(26,711,710)	(26,711,710)	(26,403,185)	308,525	The amount of overpaid benefits reclaimed has increased. Overpayments are recovered through reduced benefits paid where the claim is still active or by debtor invoice if there is no further entitlement.
<b>TOTAL INCOME</b>	<b>(28,478,280)</b>	<b>(28,495,430)</b>	<b>(28,542,384)</b>	<b>(46,954)</b>	
<b>NET EXPENDITURE</b>	<b>5,055,820</b>	<b>4,754,378</b>	<b>3,802,059</b>	<b>(952,319)</b>	
<b>MEMORANDUM ITEMS</b>					
<i>Support</i>	3,550,640	3,550,640	3,382,306	(168,334)	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>	104,970	104,970	(1,020)	(105,990)	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. At the time of preparing the report capital charges had not yet been applied to the accounts.
<i>Recharged Support Services</i>	(5,278,140)	(5,278,140)	(4,874,812)	403,328	Savings on expenditure within central support services is reflected in a lower recharge to other business units.
<i>Grants &amp; Rechargeable Works</i>		(58,249)	(46,033)	12,216	
<b>TOTAL PER BUDGET BOOK</b>	<b>3,433,290</b>	<b>3,073,599</b>	<b>2,262,499</b>	<b>(811,100)</b>	



**OVERALL GENERAL FUND BUDGET PERFORMANCE REPORT TO 31<sup>ST</sup> MARCH 2015**

**1.0 Purpose of Report**

1.1 The Policy & Finance Committee have already considered the financial position on the budgets which fall within its remit earlier on this agenda. The purpose of this report is to compare the overall General Fund net expenditure for the period ending 31<sup>st</sup> March 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 business manager has been asked to report on any major variances from planned budget performance and these are included in the comments in section 3 of this report.

2.2 **Appendix A** details performance against budget for the period to 31<sup>st</sup> March 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.

2.3 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.

2.4 The process for reporting financial performance to Committee can result in the information being out of date by the time it is reported to Committee; however a verbal update will be given at the meeting where necessary. Performance monitoring is undertaken by officers from Financial Services and business managers immediately after each month end and significant variances are investigated at the time. Steps are also taken to address any income shortfalls where possible or offsetting them against savings elsewhere – e.g. the Leisure Centres business manager will hold casual posts vacant if income levels fall.

2.5 The financial management system prevents orders for goods and services being raised where there is insufficient budget, therefore before such expenditure is committed it is necessary for the business manager to identify savings elsewhere and authorise a budget virement in line with the Council's Financial Regulations.

### **3.0 Performance Comments**

3.1 The total for direct service net expenditure shows an under spend of £2,272,382 against the profiled budget for the period to 31<sup>st</sup> March 2015. Members should be aware that this is the draft outturn on service expenditure and that final figures will be reported to the Audit and Accounts Committee following completion of the annual audit. The figures in this report do not include any of the 'below the line' transactions and therefore the 'saving' shown here relates only to service expenditure and does not show the final position at the end of the financial year. 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 continue to work with service managers to identify where genuine savings can be achieved and removed from future budgets as a first step towards achieving the required savings. The detailed performance figures are shown at **Appendix A**.

3.2 Variations from the profiled budget to 31<sup>st</sup> March 2015 are itemised below:

#### 3.2.1 Employee Costs –

- Savings have been achieved across all Council services – details are included in **Appendix A**.
- It should be noted that a number of staff within the Corporate Property team continue to be employed on an agency basis and the annual expenditure of £93,640 is reported within 'Supplies & Services' in line with CIPFA guidance on classification of expenditure.

#### 3.2.2 Premises –

- Savings have been made on non domestic rates which are payable by the District Council where workshops & industrial units are vacant. Void periods have been lower than anticipated during the year.
- Other savings have been achieved as a result of small under spends on a wide range of budgets – as stated in 3.1 above, officers are currently examining prior years' under spends with a view to removing long term savings from the budget.

#### 3.2.3 Transport –

- Savings of £60,000 have resulted from steady fuel prices and newer vehicles being more efficient. Costs will be reviewed in 2015/16 to assess the savings accruing from the opening on the new waste transfer station on Brunel Drive. The Waste, Litter & Recycling Manager is also considering the impact on refuse rounds of future new build in the District.
- The budgets for car allowances paid to officers are underspent in many areas and these will also be reviewed and built into future budgets where appropriate.

#### 3.2.4 Supplies and Services –

- A significant part of this underspend comprises small savings across a large number of budget areas. Financial Services are currently reviewing these and other similar savings in previous years in order that future year's budgets can be reduced. Where a budget is removed and later found to be needed it will be possible for the service manager to bid for the budget to be returned.
- Set off against all the savings is the additional cost of agency staffing within Corporate Property (referred to in employee costs above.)

### 3.2.5 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 grant payments from the Department for Works and Pensions. Rent Allowances paid to private sector tenants are £603,000 below budget whilst benefits for council tenants are £151,000 less than the budget for the year.
- The transfer from the general fund to the HRA in respect of monitoring the private sector lifelines is also shown as a transfer payment – there is an increase this year due to additional income being received for the service.

### 3.2.6 Income –

- As a result of a lack of information surrounding the numbers of private sector lifelines when the budget was prepared there was an under estimation of £28,000 on the likely income receivable. This information has now been received and should allow for more accurate forecasting in the future. The income is passed to the HRA to offset the costs of monitoring lifelines as this forms part of the management fee to Newark and Sherwood Homes.
- An increased demand for temporary housing has resulted in additional income from the homeless hostel.
- Additional sales of full copies of the electoral register to both credit agencies and political parties have significantly increased the income received by the Electoral Registration service.
- Court costs recovered for non-payment of Council Tax have shown a significant increase above budget. Although the level of court costs which can be applied to individual accounts is being reduced it is anticipated that the income will remain at the budgeted level in the future.
- The customer Services team now undertake work for Nottinghamshire County Council, and this has seen income of £13,000 during 2014/15.
- Car parking income has exceeded budget projections in 2014/15 as a result of additional use of the lorry park cashless payment system and a significant upturn in A46 HGV use (£68,000). Income from Newark car parks shows an increase of £43,000 due to an upturn in Newark footfall following a depressed 3 year period. Illegal parking is patrolled by the Nottinghamshire Central Unit on the District's behalf and where fines are issued for contravention of off street parking rules the income is paid to the District Council. This amounted to £62,000 during the financial year.
- Planning application income exceeds the budget significantly and is to a large part market driven. Whilst fee income is significantly up on target this is not reflective proportionately in application numbers. The greater fee is rather due to more significant applications (such as large scale residential development) and most markedly solar farms.
- Building Control income received in 2014/15 was in line with the budget. However, a year end adjustment for deferred income from 2009/10, where works have not necessarily commenced, moved £205,000 of income into 2015/16. This year end adjustment has not been done in previous years.
- The underachieved income from leisure centres is due to the adult direct debit scheme not starting at the budgeted base at the beginning of the year. It started much lower. In addition dryside income is down However children's membership income is buoyant and wetside activity has seen an increase in sales.

- Palace Theatre Box office income is over-achieved on base budget by £100,000, and by £30,000 on the revised budget (which takes into account the additional expenditure which corresponds to this income). This is reflected in improved attendance figure, with 4,000 more tickets sold for direct promotion performances than in 2013/14, and average attendance up from 49% to 51%.
- The BIC income target is under achieved by £32,000 due to incentives given by the management company, Oxford Innovation. Income from all other workshop rents exceeds the budget by £41,000 due to a higher occupancy rate than anticipated. Rent of non-HRA garages brings an additional £15,000 which was not included in the base budget.

3.2.7 Major income streams - At the meeting of the Budget Working party on 18<sup>th</sup> 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.

#### **4.0 RECOMMENDATION**

**That the overall position of the General Fund net service expenditure compared to budget at 31<sup>st</sup> March 2015 be accepted.**

#### **Reason for Recommendation**

**To advise Members of the current net expenditure compared to service budgets for the period ending 31<sup>st</sup> March 2015.**

#### **Background Papers**

Nil

For further information please contact Amanda Wasilewski on Ext 5331.

David Dickinson  
Director - Resources

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

	<u>Base Budget 2014/15</u>	<u>Profile Budget 31-Mar-15</u>	<u>Actual Expenditure 31-Mar-15</u>	<u>Variance</u>	<u>Budget Officer Comments</u>
EMPLOYEES	13,270,410	12,653,907	12,064,895	(589,012)	Largely due to vacant posts across the authority. Agency staff continue to be used in Corporate Property which offsets savings in direct employee costs. The budget for Agency staff (Supplies & Services) is overspent by £93,640 therefore reducing the overall underspend. Where savings have resulted from restructures rather than temporary vacancies these have been built into the base budget for 2015/16 and future years.
PREMISES	2,124,520	2,039,498	1,946,358	(93,140)	The year end performance report includes all budgets for job codes - i.e. grant funded work and rechargeable works. A sum of £20,400 for habitat works at Vicar Water is rolled forward to 2015/16. There are also savings of £22,000 on non domestic rates, with the majority of the saving resulting from reduced voids on council owned workshops. The remainder of the underspend is made up of small savings across a large number of budgets.
<i>General</i>	1,628,020	1,546,098	1,458,281	(87,817)	
<i>Electricity</i>	294,370	284,770	285,850	1,080	
<i>Gas</i>	202,130	208,630	202,227	(6,403)	
TRANSPORT	1,484,290	1,466,242	1,342,901	(123,341)	A saving of £60,000 is due to fuel prices remaining steady and not increasing as originally estimated. Car allowances across the authority have saved £33,000 against budget. A further saving on fitters costs has been achieved as a vacant post has been covered by an apprentice.
SUPPLIES AND SERVICES	6,059,290	6,888,703	6,635,228	(253,475)	A significant proportion of the 'saving' comprises a number of small underspends across a wide range of budgets, these continue to be reviewed as part of the ongoing process to look for savings in future years. Additional savings have been achieved as part of the corporate printing and clean mail projects. Savings on professional services and contractual services are being closely scrutinised to see where savings can be achieved in future years.
TRANSFER PAYMENTS	26,979,310	26,979,310	26,247,755	(731,555)	Housing benefit payments are a demand led budget - rent allowances actually paid out were £603,000 less than anticipated whilst benefits for council tenants are £151,000 below budget. The surplus of income on private sector lifelines is paid into the Housing Revenue Account and this exceeds the budget for the current year, therefore reducing the overall saving shown here.

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

	<u>Base Budget 2014/15</u>	<u>Profile Budget 31-Mar-15</u>	<u>Actual Expenditure 31-Mar-15</u>	<u>Variance</u>	<u>Budget Officer Comments</u>
<b>TOTAL EXPENDITURE</b>	<b>49,917,820</b>	<b>50,027,660</b>	<b>48,237,137</b>	<b>(1,790,523)</b>	
INCOME	(37,442,800)	(37,894,827)	(38,376,686)	(481,859)	
<i>General</i>	(4,125,420)	(4,268,151)	(4,649,644)	(381,493)	Recovery of Council Tax court costs is significantly over budget (£137,000), although the amount of costs to be applied to individual accounts has now been reduced therefore this level of income is unlikely to be achieved in future years. There is £20,000 one off unbudgeted income for the Provision of CIL advice. Private Sector Speech call income has over achieved by £28,000 this is due to insufficient information being available when the budget was set. The information has now been provided that can allow Strategic Housing to realistically estimate the income in 2015/16. Additional income of £13,000 has been received from Nottinghamshire County Council as Customer Services now deliver a number of face to face enquiries on their behalf. Increased demand and homeless households requiring temporary accommodation provision has resulted in increased rental income of £10,500 from the general fund hostels. Additional unbudgeted income has been received from sales of the electoral register £16,600, a refund of VAT overpayments of £42,500 and unused year end creditors 2013/14 of £32,200. The remaining additional income is made up of a large number of small amounts across a wide range of services.
<i>Planning</i>	(621,250)	(717,526)	(1,122,953)	(405,427)	Planning Application income exceeds the budget significantly and is to a large part market driven. Whilst fee income is significantly up on target this is not reflective proportionately in application numbers. The greater fee is rather due to more significant applications (such as large scale residential development) and most markedly solar farms.
<i>Building Control</i>	(252,000)	(252,000)	(49,762)	202,238	The income received in 2014/15 was in line with the budget. However, a year end adjustment for deferred income from 2009/10, where works have not necessarily commenced, moved £205,000 of income into 2015/16. This year end adjustment has not been done in previous years.
<i>Leisure Centres</i>	(1,866,970)	(1,869,470)	(1,847,165)	22,305	The underachieved income is due to the adult direct debit scheme not starting at the budgeted base at the beginning of the year. It started much lower. In addition dryside income is down However children's membership income is buoyant and wetside activity has seen an increase in sales.
<i>Refuse</i>	(792,790)	(832,790)	(804,978)	27,812	Waste disposal income is down to profile budget because businesses are taking up recycling bins which have a cheaper disposal cost than normal trade waste. However this income is paid over to NCC at the end of the financial year. Garden waste income is down to profile This is a new scheme and income is not as high as anticipated. Budget for 2015-16 has been kept at the same level as the scheme will be rolled out to a wider area attracting new customers. Trade waste income is above profile due to an increase in the number of trade waste bins being emptied Household bulky waste income is up and this is due to an increase in bulky waste clearance for NSH.
<i>Licensing</i>	(160,080)	(160,080)	(169,764)	(9,684)	
<i>Workshop Rents</i>	(931,330)	(936,090)	(969,484)	(33,394)	The BIC income target is under achieved by £32,000 due to incentives given by the management company, Oxford Innovation. Income from all other workshop rents exceeds the budget by £41,000 due to a higher occupancy rate than anticipated. Rent of non-HRA garages brings an additional £15,000 which was not included in the base budget.
<i>Car Parks</i>	(949,070)	(1,029,830)	(1,212,233)	(182,403)	Car parking income has exceeded budget projections in 2014/15 as a result of additional use of the lorry park cashless payment system and a significant upturn in A46 HGV use (£68,000). Income from Newark car parks shows an increase of £43,000 due to an upturn in Newark football following a depressed 3 year period. Illegal parking is patrolled by the Nottinghamshire Central Unit on the District's behalf and where fines are issued for contravention of off street parking rules the income is paid to the District Council. This amounted to £62,000 during the financial year.
<i>Markets</i>	(343,100)	(345,100)	(340,518)	4,582	
<i>Culture</i>	(689,080)	(772,080)	(807,000)	(34,920)	Box office income is over-achieved on base budget by £100,000, and by £30,000 on the revised budget (which takes into account the additional expenditure which corresponds to this income). This is reflected in improved attendance figure, with 4,000 more tickets sold for direct promotion performances than in 2013/14, and average attendance up from 49% to 51%.
<i>Housing Benefits</i>	(26,711,710)	(26,711,710)	(26,403,185)	308,525	The amount of overpaid benefits reclaimed has increased. Overpayments are recovered through reduced benefits paid where the claim is still active or by debtor invoice if there is no further entitlement.
<b>TOTAL INCOME</b>	<b>(37,442,800)</b>	<b>(37,894,827)</b>	<b>(38,376,686)</b>	<b>(481,859)</b>	
<b>NET EXPENDITURE</b>	<b>12,475,020</b>	<b>12,132,833</b>	<b>9,860,451</b>	<b>(2,472,382)</b>	

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

	<u>Base Budget 2014/15</u>	<u>Profile Budget 31-Mar-15</u>	<u>Actual Expenditure 31-Mar-15</u>	<u>Variance</u>	<u>Budget Officer Comments</u>
<b>MEMORANDUM ITEMS</b>					
<i>Support</i>	8,247,810	8,247,810	7,696,296	(551,514)	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>	1,291,150	1,291,150	0	(1,291,150)	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. At the time these reports were produced the capital charges had not been applied.
<i>Recharged Support Services</i>	(8,806,580)	(8,806,580)	(8,270,760)	535,820	Offsets the reduction in support services charged to other business units. NB not 'nil' as recharges also applied to HRA
<i>Grants &amp; Rechargeable Works</i>	0	27,600	28,119	520	
<b>TOTAL PER BUDGET BOOK</b>	<b>13,207,400</b>	<b>12,892,813</b>	<b>9,314,106</b>	<b>(3,578,706)</b>	