



*Kelham Hall
Newark
Nottinghamshire
NG23 5QX*

Tel: 01636 650000

www.newark-sherwooddc.gov.uk

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

Members of the Committee:

Councillor P.C. Duncan
Councillor R.J. Jackson
Councillor R.B. Laughton
Councillor P. Peacock
Councillor D. Staples (Opposition Spokesperson)

Substitute Members

Councillor Mrs C. Brooks
Councillor A.C. Roberts
Councillor Mrs L.J. Tift
Councillor T. Wendels

MEETING: Policy and Finance Committee

DATE: Thursday 1 December 2016 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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None.	
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None.	
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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, 22 September 2016 at 6.00pm.

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

Councillors: P.C. Duncan, R.J. Jackson, R.B. Laughton and D. Staples.

SUBSTITUTE: Councillor P. Peacock for Mrs A.A. Truswell.

ALSO IN Councillor: T. Wendels.

ATTENDANCE:

24. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Mrs A.A. Truswell.

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

Councillor R.J. Jackson declared a personal interest in Agenda Item No. 14b – Newark Livestock Market Assistance.

26. DECLARATIONS OF INTENTIONS TO RECORD THE MEETING

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

27. MINUTES FROM THE MEETING HELD ON 30 JUNE 2016

The minutes from the meeting held on 30 June 2016 were agreed as a correct record and signed by the Chairman.

28. EQUALITIES CONSULTATION UPDATE AND DRAFT EQUALITY AND DIVERSITY STRATEGY 2016 - 2020

The Director - Safety presented a report which provided an update on the outcomes from the consultation undertaken on the draft Equalities and Diversity Strategy for 2016 - 2020 and sought approval of the final strategy.

The strategy was attached as Appendix A to the report and the consultation findings were summarised in Appendix B to the report. It was reported that 35 responses had been received from local residents and stakeholders and 21 responses from employees and that the majority of all respondents agreed or strongly agreed with the proposed equality objectives.

Officers were asked to consider what action could be taken in order to achieve an employment base more representative of ethnic minorities.

AGREED (unanimously) that:

- (a) the consultation responses are noted;
- (b) the proposed Equality and Diversity Strategy for the period 2016 - 2020, as set out in Appendix A of the report, be approved; and
- (c) officers be asked to consider what action could be taken in order to achieve a more representative employment base.

Reason for Decision

To keep Members informed of progress with the Council's equalities obligations and to finalise and adopt the Equality and Diversity Strategy for the period 2016 - 2020.

29. RESPONSE TO GOVERNMENT CONSULTATION ON 100% BUSINESS RATES RETENTION

The Business Manager and Chief Financial Officer- Financial Services presented a report which set out a proposed response to the government consultation which sought views on how a system of 100% business rates retention might work. The closing date for responses was 26 September 2016. A proposed response was set out at Appendix A to the report.

In considering the proposed response the Committee identified specific points which required amendment and requested additional points be added to the response in respect of questions three and four. Points to be included within these areas were in relation to comments that it should not just be Combined Authorities that have the option to pool budgets, all budgets could be pooled from County Councils with the exception of social care and issues around discretionary and mandatory relief.

AGREED (unanimously) that:

- (a) the Members comments on the 100% Business Rates Retention consultation be incorporated into the proposed response; and
- (b) subject to those comments being added, the consultation response be approved for submission to the Department of Communities and Local Government by the Business Manager and Chief Financial Officer - Financial Services.

Reason for Decision

To ensure that the Council's opinion on the matters set out in the consultation document are submitted to the Department for Communities and Local Government.

30. CONTRACT PROCEDURE RULES

The Director- Safety presented a report which advised of the review and updating of the Council's Contract Procedure Rules (CPRs). The Council adopted its current CPRs in October 2013 and only minor amendments had been made in the interim. The CPRs had been fully reviewed and updated to cover changes introduced by the Public Contracts Regulations 2015 and to address recommendations made by Internal Audit following recent procurement audits. Furthermore, as the Council moves towards being more risk aware than adverse, consideration had been given to making the CPRs less restrictive by introducing an element of flexibility whilst maintaining adequate checks and balances. The key amendments to the CPRs were highlighted in the report.

The Committee welcomed the revisions which would be of particular benefit to smaller local businesses seeking to supply the Council, but considered that appropriate mechanisms needed to be put in place to ensure that local businesses were aware of potential opportunities.

AGREED (unanimously) that:

- (a) the revised Contract Procedure Rules be recommended to Full Council for adoption; and
- (b) the Contract Procedure Rules be reviewed in two years' time, or earlier, if there were any significant changes in the way the Council manages its procurement and contracting activities resulting from legislative changes.

Reason for Decision

To provide a reviewed and updated set of Contract Procedure Rules for the Council.

31. COUNCIL'S ANNUAL BUDGET 2017/18 OVERALL STRATEGY

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

The budget process would result in the setting of the budget and the Council Tax for 2017/18, together with the Medium Term Financial plan covering the next four years.

The report gave details of the updated Council's financial policies and gave some context in terms of the financial environment. The report also set out proposals for the 2017/18 budget including details of the amount of savings likely to be required, provision for inflation and increases in fees and charges.

The Committee considered the estimates of savings required over four years which totalled £840,000. This estimate was based on estimates of government grant and retained business rates and assumed an annual 2% increase in Council Tax. The Committee felt that opportunities for future savings should be explored straight away in order to reduce the estimated financial burdens in later years.

AGREED (with 5 votes for and 2 abstentions) that:

- (a) the overall budget strategy be approved;
- (b) budget officers continue work on the assessment of various budget proposals affecting services for consideration in setting the Council's budget;
- (c) in respect of the Corporate Charging Policy any future increase in charges be rounded to the nearest 5p; and
- (d) the functional Committees be requested to look at opportunities for savings in 2017/18, and also any investment potentials which would increase and support revenue income levels, in order to reduce the projected burdens in future years.

Reason for Decision

To enable the Council's budget process to proceed encompassing agreed inflation and salaries and wages rates for 2017/18 to 2021/22.

32. CAPITAL MONITORING PROGRAMME TO 31 JULY 2016

The Financial Services Accountant presented a report which monitored the progress of the overall capital programme since the last progress report to the Committee on 30 June 2016. Appendices A and B to the report provided details of the capital projects over their whole life to illustrate total budget, expenditure, progress and explanations for any amendments. Appendix C to the report listed any proposed amendments to the capital programmes since it was last approved on 30 June 2016. Appendix D to the report listed all the current schemes with expenditure to date against the latest budget approved by the Policy & Finance Committee on 30 June 2016 and the consequent overall financing position was shown at Appendix E to the report.

The Financial Services Accountant advised that final figures for the CCTV works programme were still unknown, therefore delegated authority was sought to allocate capital programme funding to this project once final figures had been agreed.

AGREED (unanimously) that:

- (a) the variations listed in Appendix C to the report be approved and the Programme shown in Appendix D to the report be accepted as the latest Capital Programme; and

- (b) in respect of the CCTV works programme delegated authority be given to the Director – Safety following consultation with the Chairman, Vice – Chairman and Opposition Spokesperson of the Policy & Finance Committee and the Chairman of the Homes & Communities Committee, to allocate capital funding of up to £500,000 following the final evaluation of the tender.

Reason for Decision

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

33. MOVING AHEAD UPDATE - SOUTHWELL AND OLLERTON

The Moving Ahead Programme Manager presented a report which provided an update on the developments of providing council services in Southwell and Ollerton. In Southwell it had been agreed with the County Council that the Council could deliver a service from the library in Southwell. The Council service will be open Tuesday and Thursday mornings with the exact opening times currently being agreed. The service was on target to commence late September 2016.

In respect of provision of services in Ollerton it was reported that due to resource changes within the CCG there had been a delay with the progression of the project. However, in the last couple of months there had been momentum, primarily due to the One Public Estate (OPE) initiative. OPE provided practical support and funding to councils to deliver property focused programmes in collaboration with central government and other public sector partners. A bid had been submitted to the OPE for funding for the feasibility stage of the public sector hub on the Ollerton triangle site. An announcement of the successful bids was still awaited, however discussions were continuing on a regular basis with the CCG and other partners on the project.

In addition it was understood that the aspiration to develop the old Courtaulds site into a public sector hub/health facility was a long term project and if the scheme was approved it was likely to be a number of years before it was operational.

AGREED (unanimously) that the report be noted with further updates being presented to the Committee.

Reason for Decision

To keep Members informed of the latest development in the delivery of services in Ollerton and Southwell.

34. CORPORATE PEER CHALLENGE UPDATE

The Deputy Chief Executive presented a report which informed Members of initial findings of the Corporate Peer Challenge for the Council which took place in July 2016. At the end of the review, initial feedback was provided ahead of a more detailed feedback report which will be circulated to all Members of the Council when received. Overall the messages and observations which were fed back to the Council at the end of the Peer Challenge in July 2016 were extremely positive.

AGREED (unanimously) that a report be brought to the next meeting of the Committee with recommended action notes arising from the Peer Challenge.

Reason for Decision

To advise Members of the findings of the Corporate Peer Challenge in July 2016.

35. EXCLUSION OF THE PRESS AND PUBLIC

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

36. KEEPERS COTTAGE - OPTIONS APPRAISAL

The Committee considered the exempt report presented by the Deputy Chief Executive relating to the future of the Keepers Cottage building.

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

37. URGENCY ITEM - FORMER MUNICIPAL BUILDINGS, 20 BALDERTONGATE

The Committee noted the urgency item in relation to 20 Baldertongate, Newark.

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

38. SPORTS HUB, BOWBRIDGE ROAD, NEWARK

The Committee considered the exempt report presented by the Deputy Chief Executive in relation to the Sports Hub at Bowbridge Road, Newark.

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

39. DISCRETIONARY BUSINESS RATES RELIEF POLICY (WHERE THE LOCALISM ACT APPLIES)

The Committee considered the late exempt report presented by the Business Manager – Economic Growth and Tourism in relation to discretionary business rates relief.

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

40. NEWARK LIVESTOCK MARKET ASSISTANCE

The Committee considered the late exempt report presented by the Director- Safety in relation to the Newark Livestock Market.

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

Meeting closed at 8.35 pm.

Chairman

CORPORATE PEER CHALLENGE

1. Purpose of Report

- 1.1 To advise Members of the conclusions of the corporate peer challenge of Newark & Sherwood District Council which took place from 19 – 21 July 2016.

2. Background

- 2.1 As Members are aware, a corporate peer challenge was undertaken from 19 – 21 July 2016.
- 2.2 A report was presented to the 22 September Policy & Finance Committee meeting giving the headline conclusions of the peer review team, but at that time the detailed report was still awaited.

3. Introduction

- 3.1 A full copy of the corporate peer challenge feedback report has now been received and has been placed on the Council's website. Copies of the report have also been sent to all Members.
- 3.2 Overall, the report is extremely positive, recognising that there is strong leadership of the Council, with the Leader and Chief Executive well regarded locally and regionally.
- 3.3 It also notes that the Chief Executive has enabled and is continuing to drive a positive culture in the workforce, with staff feeling strongly empowered to explore different ways of working.
- 3.4 The Council is well regarded by external stakeholders and has a reputation for being forward thinking and ambitious, making the most of opportunities that arise.
- 3.5 The Council has clear priorities, but the peer team felt that more could be done to clarify the vision for the Council. Moreover, communications needed greater depth and breadth internally and externally and engagement needed to become more systematic with more involvement of customers and residents.
- 3.6 The peer review team recommended that the impact of governance arrangements needed to be reviewed to maximise the effectiveness and efficiency of the way the Council operated. They found that some members felt more actively involved in the current committee system than under the previous Leader and Cabinet model, but others felt that there were limitations. Moreover, they questioned whether the Council should look at streamlining the existing committee system and questioned whether the current arrangements offered adequate scrutiny of decision making.

- 3.7 The report made a number of key recommendations as follows:-
- 3.7.1 Undertake a review of the impact of your governance arrangements and consider how effective the Council's political decision-making machinery is.
 - 3.7.2 Improve communications with, and involvement of, backbench Councillors.
 - 3.7.3 Take steps towards achieving greater influence over other decision-makers and service providers in the area.
 - 3.7.4 Embed the changes to operational culture to make the move to the new office a success. Maximise the benefits of the 'my themes' groups, which staff value, to help establish a collaborative and inclusive working culture across business units.
 - 3.7.5 Consider how to future-proof the organisation with succession planning, building on the investment in staff development.
 - 3.7.6 Refine your strategy for joint working and shared services to make it more focused. Develop a more coherent approach with nearby districts and other agencies to improve resilience and reduce costs.
 - 3.7.7 Develop coordinated engagement strategy – with staff, residents, external stakeholders and members, enabling all parties to influence service changes into the future.
 - 3.7.8 The Council has achieved a lot and is looking to do a lot more for the benefit of its community so those successes should be celebrated.
- 3.8 The Council will now need to develop an action plan as to how it intends to move forward with those recommendations and a proposed action plan is appended to this report. It is suggested that a further report be brought to the Policy & Finance Committee in six month's time to look at what steps have been taken to address the issues identified by the peer review team.
- 3.9 The LGA peer challenge process also includes a follow up visit which is a lighter touch version of the original visit and normally takes place within 12 to 24 months of the corporate peer challenge taking place. A future report will address the appropriate timing for such a review.

4.0 Comments of Business Manager & Chief Financial Officer – Financial Services

- 4.1 There are no financial implications arising from the report. However, as the action plan develops, funding will need to be identified for any future initiatives to address the findings of the peer review.

5. RECOMMENDATION

That the feedback report of the corporate peer challenge which took place from 19 – 21 July 2016 be noted and the proposed action plan be approved with a report being brought back to a future meeting as to progress on addressing the peer challenge team's key recommendations.

Reason for Recommendation

To consider the findings of the corporate peer challenge and produce an appropriate action plan to address the findings of the report.

Background Papers

Newark & Sherwood Corporate Peer Challenge 2016 Report

For further information please contact Kirsty Cole on Extension 5210.

Kirsty Cole
Deputy Chief Executive

CORPORATE PEER CHALLENGE – ACTION PLAN

RECOMMENDATION 1

Undertake a review of the impact of your governance arrangements and consider how effective the Council's political decision-making machinery is.

AGREED ACTIONS	ACTION BY	DATE
1. Consider C21 century public servant, C21 Councillor and future issues facing Council and determine what governance system presents the 'best fit' – report to be considered by Councillors Commission.	KHC	31/12/2016
2. Look at areas of duplication in current committee structure. Can existing system be streamlined? Can overview and scrutiny be strengthened?	CMT	31/3/2017
3. Consider the Council's experience of the Committee system since its reintroduction and assess options for retaining or adapting the current arrangements or changing to a Cabinet and Scrutiny system – to be considered by Councillors Commission and Council.		

CORPORATE PEER CHALLENGE – ACTION PLAN

RECOMMENDATION 2

Improve communications with and involvement of back bench Councillors.

AGREED ACTIONS	ACTION BY	DATE
1. Can overview and scrutiny role be strengthened?	CMT	
2. Further develop Member extranet to i) Develop the range of information available ii) Improve the interface for users iii) Support councillors in their ward/community leadership roles	Nigel Hill/Sharon Parkinson	
3. Continuing consultation with and involve all Councillors so that their views on future communications and the extranet are taken into account.		

CORPORATE PEER CHALLENGE – ACTION PLAN

RECOMMENDATION 3

Take steps towards achieving greater influence over other decision-makers and service providers in the area.

AGREED ACTIONS	ACTION BY	DATE
1. Set out the Council's partnership/collaboration agenda and how we intend to develop it in the future.	CMT	
2. Engage actively outside bodies/partnerships where they are relevant to the Council's objectives and cease involvement where the Council does not actively engage at present.	CMT	
3. Review membership of / attendance by officers on outside bodies to determine relevance and review member representation on outside bodies.	CMT Nigel Hill	

CORPORATE PEER CHALLENGE – ACTION PLAN

RECOMMENDATION 4

Embed the changes to operational culture to make the move to the new office a success. Maximise the benefits of the 'my themes' groups, which staff value, to help establish a collaborative and inclusive working culture across business units.

AGREED ACTIONS	ACTION BY	DATE
1. Draw on the experience of the Moving Ahead project and consider whether a 'Transformation Team' is required for future changes following the move to the new offices.	CMT	September 2017

CORPORATE PEER CHALLENGE – ACTION PLAN

RECOMMENDATION 5

Consider how to future-proof the organisation with succession planning, building on the investment in staff development.

AGREED ACTIONS	ACTION BY	DATE
1. Continue to encourage and support development through the MPA programme and use of development programmes such as the NGDP.	HR	On going
2. Identify and nurture ‘future stars’ and talent throughout the organisation through the CNSR Talent Development Framework.	CMT/HR	
3. Update competency framework for NSDC (and wider GNSR if possible) to reflect skills/attributes of the 21 st Century Public Servant	CMT/HR	On going
4. Ensure that any skills/knowledge gaps are addressed through personal appraisals/training and development plans.	CMT/HR	On going
5. Facilitate formal mentoring/shadowing/secondments involvement in projects where appropriate in line with the Talent Development Framework.	HR	On going

CORPORATE PEER CHALLENGE – ACTION PLAN

RECOMMENDATION 6

Refine your strategy for joint working and shared services to make it more focused. Develop a more coherent approach with nearby districts and other agencies to improve resilience and reduce costs.

AGREED ACTIONS	ACTION BY	DATE
1. Continue to actively explore opportunities for joint working with local partners including: i) seeking to develop agreement to clear goals around shared service development with partners ii) actively promoting and resourcing change programmes to accelerate shared services where agreement can be reached iii) clearly communicating goals around shared services so they are understood throughout the Council	CMT/AS(i)	On going

CORPORATE PEER CHALLENGE – ACTION PLAN

RECOMMENDATION 7

Develop a co-ordinated engagement strategy – with staff, residents, external stakeholders and Members, enabling all parties to influence service changes into the future.

AGREED ACTIONS	ACTION BY	DATE
1. Development an engagement strategy which pulls together the communication, consultation and engagement priorities of the Council into a single approach.	CMT	March 31 2017
2. Review/update of communications strategy to ensure that it remains fit for purpose in accordance with above.	HR/Communications	March 31 2017

CORPORATE PEER CHALLENGE – ACTION PLAN

RECOMMENDATION 8

The Council has achieved a lot and is looking to do a lot more for the benefit of its community so those successes should be celebrated.

AGREED ACTIONS	ACTION BY	DATE
1. Continue to take a pro-active approach to engaging with media and the community in demonstrating the Council's successes.	Communications	On going
2. Pursue recognition through national awards where appropriate.		On going
3. Build the Council's reputation through promotion of our achievements		On going

MOVING AHEAD PROGRAMME

1.0 Purpose of Report

- 1.1 It was requested that a report on the Moving Ahead Programme was brought to each Policy & Finance Committee. At the last two meetings the reports have concentrated on the customer services element of the Moving Ahead Programme and included a report on ceasing the cashier function and the provision of services in both Southwell and Ollerton.
- 1.2 The purpose of this report is to give an update on readiness for the move. It also asks for a decision relating to the name of the new building.

2.0 Background Information

- 2.1 The Moving Ahead Programme was formed to facilitate the build of new council offices and the associated work streams relating to the build. In addition to the development of the new asset, work streams include:- site and facilities management, workforce readiness, storage reduction, ICT readiness, customer services, core processes within the new building and decommissioning Kelham Hall.

3.0 Updates

3.1 Shuffle Up

The move to the new offices is about much more than just a building and the impact on staff of changes to ways of working should not be underestimated. All Business Units at Kelham have taken part in a 'shuffle up'. It has always been the aspiration that when the Council relocates there will be nothing new for staff other than the building itself. With this in mind the shuffle up has meant that staff are now:-

- Working at a 7/10 ratio (there are approximately 7 desks for every 10 staff)
- Staff are working in an agile manner (most staff are working one day per week from home or another site)
- All staff have laptops to facilitate agile working
- All staff have migrated to soft phones to facilitate agile working (soft phones are run from the laptops and use a plug in headset, this allows for calls to be taken in any location either in the office or away from it)
- Clear desk policy in operation as all desks are shared
- Where possible Business Managers located with their teams

The shuffle up has moved teams from smaller offices to larger ones in readiness for the process of moving into open plan shared spaces. It has also facilitated the decommissioning process and storage reduction.

3.2 Decommissioning

Following the 'shuffle up' within Kelham Hall 17 rooms have now been fully decommissioned, including the entire Environmental Health wing and 2 rooms on the Planning corridor. All furniture and ICT equipment has been removed from these rooms and they are currently in the process of being thoroughly cleaned. Once this has taken place the wing can be closed off entirely.

A further 5 rooms are due to be decommissioned and in some cases have already been vacated but still need to be cleared. This process will take place within the next month and meaning that a total of 22 rooms will have been vacated and cleared as a result of the moves that have taken place within the building. In addition to this, work has been underway to clear documentation currently stored in the cellar and half of the cellar is now completely empty.

This exercise will be beneficial in the long term as a reduction in the number of rooms occupied puts the Council in a better position to fully vacate the building and supports ongoing storage reduction plans. It has also proved useful in defining the approach to decommissioning, with a tested process and accompanying documentation now in place ready for the full decommissioning of Kelham Hall following the move to the new office accommodation in 2017.

3.3 Document Management

The process to reduce the level of papers has been ongoing over the last 18 months. At the start of the process a storage audit was undertaken and it was determined that there was 2,660 metres of paper stored within the building. All Business Units were given the target of reducing their storage to one meter per person. To assist Business Units help has been provided and they were tasked with designating documents into one of 3 categories:

- (a) not required – (solution - dispose of it);
- (b) we need to keep the document but do not need to use it regularly – (solution - off site storage); and
- (c) we need access to the document regularly – (solution - scan and retain electronically).

Ongoing bin it days have been held and the most recent storage audit (3 Nov 2016) revealed there is now only 400 meters of documents remaining (excluding ones yet to be sent offsite and ones ready for backscanning).

The staff have worked exceptionally hard and most business units are now at the 1 meter per person storage target and all are confident they will be in this position well before the move into the new offices.

4.0 Name for the New Office Building

- 4.1 The new office buildings will be a customer hub with the Council joined by partners providing services to a wide range of customers. Whilst the building will be owned by the Council and have suitable acknowledgement to this with the Council logo, the building needs to have an identifiable name. The build project is progressing and branding and signage is now being considered, to move this forward the name of the building needs to be decided. The name of the building will form the exterior signage.

- 4.2 To inform members of a range of choices a number of activities have been undertaken:
- (a) the history of the site and locality researched, although this did not provide any suitable suggestions;
 - (b) research of other names locally to ensure no duplicates;
 - (c) consideration of the geographical location of the building and the surrounding environmental features; and
 - (d) consideration of the purpose of the building.

4.3 The following list of names has been put together which reflect the actions above. All names on the list have been checked to ensure there are no buildings of the same name in the vicinity. Should Members choose an alternative name then this will need to be checked prior to confirmation.

- Newark Castle View
- Sherwood Castle View
- Riverside House
- Castle Riverside Centre
- Sherwood Castle Offices
- Castle House
- Riverside Buildings/Offices

4.4 It is considered that Castle House offers the best alternative. The Castle is the most prominent landmark in the area and has been a feature of the Newark skyline for centuries. It is felt appropriate and fitting that such a landmark should feature in the name of the new offices.

4.5 It should be noted that Castle View and Riverside Park are addresses already existing close to the location of the new offices and therefore are not listed here as alternatives.

5.0 Impact on Budget/Policy Framework

5.1 There are no further financial implications arising from this report. All works described above have been undertaken within existing allocated budget.

6.0 RECOMMENDATIONS that:

- (a) the progress with the Moving Ahead Programme be noted; and**
- (b) the new offices are named Castle House, or an alternative name be provided.**

Reason for Recommendations

To ensure Members are kept informed of all work relating to the Moving Ahead Programme and to choose a name so that branding and signage relating to the building to progress.

Background Papers

Nil

For further information please contact Deborah Johnson – Moving Ahead Programme Manager on Ext 5800).

Matthew Finch
Director- Customers

INFORMATION REQUESTS, COMPLAINTS AND RIPA UPDATE

1. Purpose of Report

- 1.1 To inform Members of the activity in relation to requests made to the Council during the 2015/16 financial year under the Data Protection Act 1998, Freedom of Information Act 2000 and Environmental Information Regulations 2004.
- 1.2 To inform Members of the complaints made to the Local Government Ombudsman during 2015/16.
- 1.3 To inform Members of the use by the Council of the Regulation of Investigatory Powers Act 2000 (RIPA) during 2015/16, the outcome of the inspection undertaken by the Office of Surveillance Commissioners, and consider proposed amendments to the Council's policy on RIPA.

2. Background Information

- 2.1 Formal requests for information can be made to the Council in accordance with the following pieces of legislation, Data Protection Act 1998 (DPA), Freedom of Information Act 2000 (FOIA), the Environmental Information Regulations 2004 (EIR) and the Re-Use of Public Sector Information Regulations 2015(RPSI). These legislative areas are all regulated by the information Commissioner who has powers to fine organisations if they breach any of the provisions.
- 2.2 The Local Government Ombudsman (LGO) earlier this year published its annual review statistics for the year ending 31 March 2016. This report is available on the Members' extranet. The LGO is the final stage for complaints - the person affected must have gone through the Council's complaints process before escalating their complaint to the LGO. In some cases it is very clear to the LGO that the customer has not taken their complaint to the Council and will advise the customer that they must do so before the LGO can assess their complaint. The Council is not always notified of such cases.
- 2.3 The Regulation of Investigatory Powers Act 2000 (RIPA) is the law governing the use of covert surveillance techniques by public authorities. Local authorities are only permitted to carry out covert surveillance for the purposes of preventing or detecting crime, or preventing disorder and only where such action is necessary, proportionate, justified and compatible with human rights. The Council endeavours to keep such surveillance to a minimum.
- 2.4 Since 1 November 2012 local authorities have been required to obtain judicial approval prior to using covert techniques. Additionally, since this date local authority use of directed surveillance under RIPA has been limited to the investigation of crimes which attract a six month or more custodial sentence, with the exception of offences relating to the underage sale of alcohol and tobacco.

Under the legislation it is the responsibility of the designated ‘Senior Responsible Officer’ (Director - Safety) to ensure regular reports to Members on the the Council’s use of RIPA powers.

3. Information Governance Activity

3.1 The total number of information requests received during 2015/16 was 1034, representing an increase of 24.88% over the 828 received in the previous financial year. Of these, 599 requests were made under FOIA, 354 under EIR and 81 under DPA.

3.2 Despite the increase in requests, all responses continue to be made within the statutory timescales. FOIA and EIR requests have to be responded to within 20 working days and during the year the average response times were 7.58 days and 7.33 days respectively. Requests made under DPA must be responded to within 40 calendar days and the average response time was 10.5 days.

3.3 Over 65% of requests related to three areas of the Council’s activity – development control, revenues and environmental health issues:

- 363 requests were referred to the Growth Development business unit, the majority of these being property search requests which can be made under EIR.
- 208 requests were referred to revenues and benefits, mainly from a small number of businesses wishing to identify companies and charitable organisations liable for business rates within the district so that they could offer assistance in obtaining reliefs.
- 110 requests were referred to environmental health covering a range of issues from licencing to public health funerals.

4. Ombudsman

4.1 The LGO logged 18 complaints and enquiries against the Council in the financial year 2015/16. The outcomes were as follows:

Referred back for local resolution	7
Closed after initial enquiries	5
Detailed investigations – not upheld	1
Detailed investigations –upheld	6
Total	19

The reason that there are 19 decisions and not 18 is that these are the complaints and enquiries which were decided in 2015/16.

4.2 Upheld Complaints

The upheld complaints were for the following business units:

Development Control	4
Revenues	1
Environmental Health	1
Total	6

4.3 Due to the confidential nature of the complaints Members are requested to contact Officers direct if they require further information regarding the upheld complaints. All decisions are reviewed to identify what lessons can be learnt from them and if required working practices and or policies are amended accordingly.

5.0 Regulation of Investigatory Powers Act

5.1 On 20 April 2016, His Honour Norman Jones QC, the Assistant Surveillance Commissioner visited the Council in order to carry out an inspection of the arrangements made by the Authority for ensuring compliance with the statutory provisions governing the use of covert surveillance. The Office of Surveillance Commissioner normally undertakes an inspection of each local authority every three years and the last inspection for this Council took place in April 2013.

5.2 The Council's usage of RIPA has always been low and it should be noted that there have been **NO** authorisations of covert surveillance by the Council since the last inspection. There are a number of reasons for this, which reflects similar findings with other local authorities, namely:

- The transfer of benefit fraud investigation to the DWP;
- The constraints introduced by the change in the legislation now requiring judicial authorisation for surveillance;
- Reduced resources;
- A concentration on deterrence rather than prosecution;
- Adverse reporting in the national media affecting attitudes of both elected Members and Officers to covert surveillance; and
- A concentration on using overt as opposed to covert surveillance as a means of investigation

5.3 The outcome of the inspection was very positive and the main conclusion of the Inspector's report was that irrespective of the fact that Newark & Sherwood District Council had not engaged in any covert surveillance for four years, *"it was encouraging that the Officers interviewed were alert to the requirements of the legislation in the event that they had to resort to its use. It was particularly encouraging to note, as with other Nottinghamshire authorities, that attention was paid to training."* A full copy of the Inspector's report can be found on the Members' Extranet.

5.4 There were three recommendations arising from the report as follows:

- I. Raise RIPA awareness throughout the Council,
(It is proposed to address this through use of the Council's intranet page, chief's briefing to staff, business management meetings, office posters and the corporate screensaver)
- II. Ensure that elected Members receive regular RIPA reports
(It is proposed to submit an annual report to committee on RIPA and place regular updates on the Members' extranet)
- III. Review the procedure agreed with the police for the use of the Council's CCTV system for covert surveillance and establish closer adherence to them
(This is being actioned through the CCTV team)

5.5 As part of the inspection process the opportunity has been taken to update and review the Council's Regulation of Investigatory Powers Act Policy. Two minor amends are proposed to the Policy to include guidance to Officers on the use of social media sites (new paragraph 7.5 added) and also to omit the Director – Resources from the list of Designated Authorising Officers (in Schedule 1). A copy of the proposed revised Policy is available on the Members' extranet.

6.0 Equalities Implications

6.1 There are no equality implications as a result of the content of this report or from the minor proposed amendments to the RIPA Policy.

7.0 Finance Comments

7.1 There are no financial implications arising from this report.

8.0 RECOMMENDATIONS that:

- (a) the content of the report be noted; and**
- (b) the proposed revisions to the Council's Regulation of Investigatory Powers Act Policy as detailed in the report (para 5.5) and set out in the copy of the reviewed policy available on the Members' Extranet be approved and the revised Policy adopted.**

Background Papers

Ombudsman Annual Review
OSC Inspection Report
Regulation of Investigatory Powers Act Policy

For further information please contact: Karen White regarding RIPA on ext. 5240 and Jill Baker regarding Information Governance and Ombudsman enquiries on ext. 5810.

Karen White
Director - Safety

LOCAL HOUSING DEVELOPMENT COMPANY VEHICLE

1.0 Purpose of Report

- 1.1 To consider the progression of the Council's proposals to establish a housing development company.

2.0 Background Information

- 2.1 At its meeting on 12th July, 2016 the Council reviewed its strategic priorities following a period of consultation with the public and other key stakeholders. The review took into account the strategic context for the District over the coming four years (2016 – 2020) including economic and social factors, the Government's legislative programme and the financial context of the Council.

- 2.2 Under the theme of "Homes", the Council set the following strategic objective:

"Establish a development company to act as a vehicle for new housing development"

- 2.3 The Council has a number of linked strategic objectives to 'Establishing a development company.....' which include:

- *Develop more affordable housing by making maximum use of Section 106 contributions, by acquiring or developing new homes, by reducing the number of empty homes, by bringing forward brownfield land and by recognising that different models and definitions of 'affordable housing' could increase the scope and choice in housing.*
- *Develop a mixed provision of affordable homes which includes starter homes serving the needs of younger people, families with young children and homes for older people.*
- *Increase the availability of supported housing and extra care, ensuring that these choices are extended as widely as possible.*
- *Review the Council's own stock and land to encourage appropriate growth and development*

- 2.4 As Members will be aware, the Committee has recently approved a five year affordable housing development programme to build an estimated 335 social housing units utilising a large number of infill and underused/disused garage sites held within the Housing Revenue Account (HRA). All of the units built will be held within the HRA and let as council properties to persons through the Council's housing allocation scheme. Building is due to commence in April 2017 and is being project managed by Newark and Sherwood Homes Ltd. on the Council's behalf.

- 2.5 The Committee should note that the HRA programme is very much separate to the proposal set out in this report to consider establishing a housing development company, which would provide a more commercial basis for holding assets and be used to facilitate the build of homes for market sale, shared ownership, and/or market rent.

2.6 Newark and Sherwood Homes will be kept informed on the Council's progress in establishing a housing development company through the regular officer meetings held.

3.0 **Proposals**

3.1 As indicated above, there is a clear strategic steer that the Council wishes to progress a housing development company vehicle to develop new market housing within the district. However, there are a number of different models to achieve this including:

a) Direct Delivery via:

- Wholly owned Council Housing Development Company
- Joint venture/minority Company.

} Alone or in
collaboration
(LA consortium)

b) Financial investment/special purpose vehicle – e.g. pension fund investment

c) Contractual – development agreement

3.2 In establishing any of the new structures listed above there are various issues for the Council to address, namely:

- Objectives and aims
- Control
(An important factor both in terms of the vehicle established and the actual development to be delivered)
- Tax/financial implications
- Managing conflict of interests

3.3 There are various aims and objectives that the Council could seek to deliver through establishing a housing delivery vehicle, and some suggestions as to the range of issues that could be considered by the Committee are set out below in no particular order of priority:

- Address the housing need for different housing types and tenures across the District;
- Develop private market sale/rent products, which are in an affordable range.
(Opportunity to add to and strengthen the private rented sector in the District);
- Intervene in the housing market to fill the gap not being met by private developers, e.g. provision of smaller units (1/2 bed), including bungalows;
- Opportunity to intervene on strategic sites allocated in the local plan where private developers will not;
- Assist in meeting the Government's 'home ownership' agenda;
- Potential to play a role in delivery against the Local Plans annual housing target;
- Potential to provide an income stream to the General Fund;
- Potential to meet a wider agenda, e.g. exemplar developer, sustainable developments, regeneration, lifetime homes, commercial units, local employment, economic priorities/prosperity;
- Potential to develop a long term Business Plan beyond the initial land supply (sites in the Council's ownership), including site acquisition.

3.4 Through establishing a housing delivery vehicle the Council could also look to address the housing need of residents identified in the Housing Register as ‘Band 4 – Other Applicants’. Such applicants are rarely allocated a property through the register due to their position on it and lack of available Council and Registered Provider rented housing, but their housing need could be addressed through delivery of shared ownership or market rented products.

3.5 The Council has a number of key strategic housing sites in its ownership, as set out in the table below. Consideration of how best to deliver development on these sites must be factored into the decision about which is the most appropriate development vehicle:

Strategic Sites – Council Ownership (allocated for housing in the Local Plan)

Location	Local Plan – Allocated Site	Ownership	Indicative units	Notes
Bowbridge Road, Newark	✓ Policy NUA/MU/4	General Fund	115	Site of Sports & Fitness Centre, extra care scheme in development, work progressing on the sports hub and potential for a new GP surgery. Key infrastructure in place and so viable development potential.
Yorke Drive/Lincoln Road Playing fields, Newark	✓ Policy NUA/Ho/4	General fund (<i>playing fields</i>) HRA (<i>Yorke Drive</i>)	230	The Policy includes regeneration/redevelopment of units on Yorke Drive. Small parcel of land on the playing fields in the ownership of the Town Council. Master Plan completed as part of Bridge Ward Neighbourhood Study.
Quibells Lane, Newark	✓ Policy NUA/Ho/2	HRA (site of seven hills & redundant garage site) Severn Trent Water	86	Need to acquire land from Severn Trent and develop new homeless hostel elsewhere. Potential for part of site to be included within the HRA development programme.
Hollies Close, Ollerton & Boughton	✓ OB/Ho/2	HRA	25	Potential site to be included within the HRA development programme.
Kirk Drive, Stepnall Heights & Hallam Road, Ollerton & Boughton	✓ Policy OB/MU/2	HRA	120	Master Plan to be created as part of live Neighbourhood Study.

- 3.6 In order to ensure due diligence it is proposed that the Committee undertake a detailed analysis of the options to set up a housing development company, (together with other delivery vehicles) in the context of both: the aims and objectives that the Council wish to be achieved; and the strategic sites that the Council has currently available to it.
- 3.7 It is suggested that the most effective way of undertaking this work would be to set up a working party consisting of all Committee members, (the Committee may wish to nominate other Members to attend the workshop), in order to hold a facilitated workshop to review the main objectives/aims that need to be addressed through establishing a housing delivery vehicle, and then to appraise the various delivery options against these objectives taking into account the Council owned strategic sites. The working party will then submit its recommendations to the Committee for consideration.
- 3.8 The workshop would need to be facilitated by external specialist legal advice, and it is proposed that an external legal firm with known experience and expertise in advising local authorities on establishing housing delivery models be commissioned to undertake this work. It is estimated that the cost of the external legal advice (to include preparation and leading the workshop and then written advice on the recommended model) can be contained within £20,000.

4.0 Equalities Implications

- 4.1 In taking forward proposals for housing development through the options for different models of delivery in accordance with the Council's growth agenda, 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.

5.0 Impact on Budget/Policy Framework

- 5.1 All the budgetary and policy framework requirements will need to be considered as part of the option appraisal when considering the various options for different models of delivery of housing development.
- 5.2 Funding for the cost of expert external legal advice to facilitate assessment of different delivery options, can be found from within existing budgets.

6.0 Comments of the Business Manager and Chief Financial Officer – Financial Services

- 6.1 Once the Committee has determined which delivery methods are to be considered, cost/benefit analysis of the different options will be undertaken, taking into account both financial and qualitative aspects.

7.0 RECOMMENDATIONS that:

- (a) a working party be established to undertake a detailed analysis of the Council's aims and objectives in setting up a housing delivery vehicle, assess these against the Authority's strategic housing sites and the different housing delivery models available and report back to the Committee with its recommendations as to progressing the establishment of the most appropriate vehicle; and**

- (b) budget provision of £20k be allocated to cover the cost of external expert legal advice to facilitate the work referred to in recommendation (a) above.

Reason for Recommendations

To progress Council's strategic priority of establishing a development company to act as a vehicle for new housing development.

Background Papers

Nil.

For further information please contact Karen White on Ext 5240.

Karen White
Director - Safety

HOUSING GROWTH – HRA DEVELOPMENT PROGRAMME

1.0 Purpose of Report

- 1.1 For Members to consider the capital fund of £500,000 made available from the Housing Revenue Account (HRA) reserves in order to prepare HRA sites for development and the designation of HRA finance to enable the acquisition of additional sites.
- 1.2 In addition consideration is given to the naming of the Council's extra care scheme currently being developed in Newark and the access road leading to it.

2.0 Background Information

- 2.1 At its meeting on 9 July 2015, the Policy & Finance Committee approved an initial capital fund of £500,000 to be made available from HRA reserves to prepare HRA sites for development. This specifically included the securing of planning permission. Following this decision, the fund was incorporated into the current capital programme.
- 2.2 Members will be aware that work has progressed on appraising all of the smaller HRA sites; including garage areas, redundant land and infill sites to identify whether these have the potential for development, disposal or retention. Based upon this work a 5 year programme of Council housing development has been approved, which will deliver approximately 335 units.
- 2.3 Work is now underway to complete site investigations, resolve any rights of way/access and submit full planning applications. Much of this activity involves the commissioning of relevant professionals, which include engineers, surveyors and architects. The cost of this work is treated as part of the capital costs of the programme, and can therefore be drawn from the capital fund.
- 2.4 In order to assist with the pre-application stage of the planning process and ensure that the housing development programme is delivered in a timely manner it is proposed to utilise dedicated 'in-house' planning resource to work on the planning applications – whilst putting in place the necessary controls to separate this pre-application advice from the regulatory decision making process. Legal work is also required as part of this preparatory stage; such as investigating title, easements, rights of way etc. Both the planning preparation and legal work will involve a recharge to the HRA and this must be treated as revenue rather than capital cost.
- 2.5 As the costs outlined in 2.4 cannot be drawn from the initial capital fund of £500,000 an adjustment is now required to reallocate a proportion of this, £100,000, as a revenue budget.

3.0 Site Acquisition

- 3.1 Whilst the Council and Company progress with the current HRA development programme, opportunities may arise to acquire sites on the market that bring additionality to the current programme, for example where a site is located close to existing HRA sites and is earmarked for development, or where it increases the HRA land portfolio for future programmes. The acquisition of such sites may also have the potential to meet wider objectives of the Council, for example to intervene where a site is attracting anti-social behaviour.
- 3.2 It is recognised that any site identified would need to be fully appraised prior to acquisition. This would include financial modelling (*capturing the cost of site acquisition, associated works, e.g. demolition, and development of the site*), risk and liability assessments, legal and planning review, market intervention/competition, consideration of site location and housing need.
- 3.3 It should also be acknowledged that the overriding imperative in allocating finance specifically for site acquisition is the need to deliver the approved 5 year HRA development programme on time and in budget, at the same time as maintaining a viable HRA 30 year Business Plan.
- 3.4 In this respect work is being progressed between the Council and Company to determine what current capacity the HRA Business Plan has to allocate finance for site acquisitions, should members support this in principle. Any designated finance would need to be split between capital and revenue, reflecting the comments made in Section 2 of this report.

4.0 Bowbridge Road – Extra Care Scheme

- 4.1 The development of the extra care scheme off Bowbridge Road, Newark is progressing well and in line with the project timetable.
- 4.2 To avoid delays in the development programme it is necessary to name both the access road, off Bowbridge Road, and the Scheme in order to provide the relevant utility companies with a full postal address to enable the timely installation of these.
- 4.3 Considering the historical and present context of the area the suggested names below have local significance:

Access Road	Extra Care Scheme	Context
Prince Rupert Way	Prince Rupert House	English Civil War – ‘Relief of Newark’ battle.
Gladstone Way	Gladstone House	William Gladstone - Former Prime Minister and Member of Parliament for Newark.
Pulford Way	Pulford House	Current Air Chief Marshal Sir Andrew Douglas Pulford, GCB, CBE, ADC – educated at Magnus Grammar School, Newark.

- 4.4 To reflect the varied historic importance of the locality it proposed that the access road is called Prince Rupert Way and the extra care scheme is named Gladstone House.

4.5 Initial consultation has been held with the Council's Leisure Company on the naming of the access road, this is because the present postal address for the new Sports and Fitness Centre is Bowbridge Road. It has been acknowledged that some costs may be incurred by the Leisure Company to amend literature/publications, etc. to reflect a change in the postal address.

4.6 Newark Town Council will be consulted on the chosen name of the access road as part of the street naming procedure.

5.0 Proposal

5.1 In considering the detail contained within the above paragraphs it is proposed that:

- a) the Capital fund of £500,000 be adjusted, and that £100,000 of this sum be reallocated as a revenue budget;
- b) if Members support the principle of site acquisition as detailed in paragraph 3 above, a further report be submitted to the Committee to consider designating finance for a site acquisition fund on conclusion of the work to appraise the available capacity within the Housing Revenue Account financial model; and
- c) the access road leading off Bowbridge Road be called Prince Rupert Way and new build Extra Care Scheme on the site be named Gladstone House.

6.0 Equalities Implications

6.1 There are no equality implications arising from this report.

7.0 Impact on Budget/Policy Framework

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

7.2 There will be no impact on general fund costs to NSDC, the original proposed capital works of £500k were to be funded from HRA reserves. £500k will still be funded from the same source – but will now be split between revenue and capital

8.0 Comments of Business Manager & Chief Financial Officer – Financial Services

8.1 The revenue budget will be held in the Housing Revenue Account and may be accessed over a period of more than one financial year provided that the full sum of £100,000 is not exceeded.

9.0 RECOMMENDATION that;

- a) **£100,000 of the capital fund of £500,000 be reallocated as a revenue budget to be utilised in preparing Housing Revenue Account sites for development;**

- b) support be given to the principle of site acquisition as detailed in paragraph 3 of the report and a further report be submitted to the Committee to consider designating finance for a site acquisition fund on conclusion of the work by officers to appraise the available capacity within the Housing Revenue Account financial model; and**
- c) The access road leading off Bowbridge Road onto the Council owned land is called Prince Rupert Way and new build Extra Care Scheme on the site is named Gladstone House.**

Reason for Recommendations

To ensure that the appropriate level and split of funding is available to deliver the HRA housing development programme.

Background Papers

None

For further information please contact Karen White (5240).

Karen White
Director - Safety

NEWARK & SHERWOOD HOMES – MANAGEMENT FEE 2017/18

1.0 Purpose of Report

1.1 For the Committee to consider and approve the base fee to be paid to the Council’s housing management company, Newark and Sherwood Homes, for the financial year commencing 2017/18, along with agreeing the efficiency target for the following two financial years.

2.0 Background Information

2.1 The Management Agreement is the overarching contractual agreement between the Council and Newark and Sherwood Homes. From 31 March 2014 a new Management Agreement was entered into. This provides for the management fee to be set on a three year rolling period. In year one (2014/15) the baseline for the management fee was set and then in years’ 2 and 3 inflationary factors and efficiency targets applied. In year 4 (2017/18) there is a ‘rebasings’ of the management fee and in years 5 and 6 inflation and efficiency targets applied etc.

2.2 The **core management service fee** is broken down by the following activities:

- Service Fees - Core Housing Management Services - Tenancy Sustainment and Income Recovery
- Service Fees - Core Housing Management Services - Repairs and Maintenance
- Service Fees - Core Housing Management Services - Core Service Support
- Service Fees - Core Housing Management Services - Company

2.3 In addition to the **core management fee** the Company receives an annual **works fee** to deliver the Asset Management Programme to the Council’s housing stock. The fee is set at 8% of the total annual programme.

2.4 The Company receives additional **fee income** from services it provides to third parties and through investment activities, such as the income received from the photovoltaic solar panels installed on a number of Council properties. A further fee is paid to the Company for **‘Non HRA Core Services’** such as the management and maintenance of the Council’s homeless hostels, Right to Buy administration costs, local offices service provision and recovery of allowances granted to tenants where they have remained in the property whilst works are carried out – e.g. rewiring.

2.5 The Company also receives a **project management fee** to deliver the Council’s housing development programme, which to date has seen the delivery of an additional 111 new build Council houses.

2.6 In accordance with the Management Agreement an agreed **efficiency target** of 3% was applied to the **service fee** for the financial years 2015/16 and 2016/17, (being years two and three of the three year rolling period).

2.7 The Management Agreement also allows for budget to be adjusted annually taking into account any external factors and other aspects that are out of the control of the Company and which impact upon costs. A price index is applied to the Management Fee based on all other things impacting on costs being equal.

2.8 The below table provides a breakdown of all fees received by the Company from 1 April 2014:

Financial Year	2014/15 (Base year)	2015/16 (Efficiency target of 3% applied at Year 2)	2016/17 (Efficiency target of 3% applied at Year 3)
Service Fee	£7,637,600	£7,705,041	£7,796,900*
Works Fee	£459,614	£446,200	No Data until year end
Project Management Fee (New build)	£110,538	£99,387	No Data until year end
Fee Income (investment) including third party income	£262,974	£322,042	No Data until year end
Income from Feed In Tariff passported from NSDC HRA	£459,376	£438,722	No Data until year end
Other NSH work – Non HRA Core Services	£242,008	£250,382	No Data until year end
Total NSDC related Company Income (excl. feed in tariff) :	£8,449,760	£8,501,010	No Data until year end

(* The original service fee 2016/17 was £7,707,400, variances were then approved covering an annual increase of £35,500 for staffing to deal with welfare reform, a one off cost for implementing the revised Allocation Scheme and costs associated to the Hawtonville Community Development Worker which totalled £54,000.)

2.9 In considering the above paragraphs and the table at 2.8 the Committee will note the **service fee** has increased over the 3 year period due to approved adjustments (for example, unavoidable increases in the costs of legionella management, gas maintenance contract and pension/NI contributions) and therefore variances were applied.

2.10 All the financial components of the HRA Business Plan are listed below, with the Company fee in 2016/17 representing **36%** of its total value:

- Company Fee
- Other Company Work – Entrepreneurial
- Debt repayment/ Growth
- Council Services attributed as a cost to the HRA
- Capital and Financing Costs

2.11 Separate to the above are the income and costs incurred by the Company through its own activities in acquiring and developing new affordable housing. At present the Company has a portfolio of 17 properties.

3.0 Re-Basing of the Service Fee

3.1 The **service fee** for the fourth Financial Year (*being 2017/18 and the start of the new 3 year rolling period*) is prescribed in 'Schedule 5 – Fee Principles' of the Management Agreement, being described as the **base fee**. Schedule 5 states:

1.1.1 *Prior to the fourth Financial Year, the parties shall agree (having regard to the principles set out in this Schedule):*

- (a) *a new base fee which will be the Services Fee for the fourth Financial Year (the **Base Fee**); and*
- (b) *the Efficiency Targets for the fifth and sixth Financial Years.*

3.2 Set against the above, Officers of the Council and Company have held discussions to formulate the **base fee** for 2017/18, in accordance with the principles detailed in the Management Agreement.

3.3 In taking forward these discussions the imperative for both the Council and Company has been to ensure that the HRA Business Plan remains viable and sustainable over a 30 year period.

3.4 Emphasis has also been placed on the 'shorter arm' that now exists between the Council and Company, with a clear direction now set for the Company to both contribute to and deliver the Council's strategic objectives. This can be seen, for example, in the alignment of activities between the Council and Company to deliver the transformational change of agile working across both organisations.

3.5 The Company acknowledges the need to achieve more for less in the current operating environment, along with continuing to deliver excellent management and maintenance services. In this respect benchmarking data has been provided by the Company, which shows that it compares favourably against comparable organisations in achieving good performance at a low cost.

3.6 In formulating the **base fee** a range of matters have been considered including the **service fee** paid to the Company for the last 3 years and **efficiency target** achieved, the reduction in the Asset Management Programme from 2017/18 (reduced by £750,000), the Company's Annual Delivery Plan for 2017/18, the existing operational service standards, performance levels, progression of the approved 5 year development programme within the HRA and risks identified by the Company that have the potential to impact on service delivery and performance.

- 3.7 Key issues that have been acknowledged as impacting on future costs to the Company, and therefore the **service fee**, primarily involve the pending implementation of regulation through the Housing & Planning Act 2016 (e.g. fixed term tenancies and Pay to Stay), introduction of Universal Credit and the community development activities in Hawtonville following completion of the Neighbourhood Study.
- 3.8 The Company has also made the Council aware that variations may be requested during 2017/18 if service costs escalate, impacting on current service delivery. The areas identified cover; potential increases in the Building Cost Indices, implementation of cashless systems, management of the Bowbridge Road extra care scheme and the allocation/management of new properties resulting from the 5 year development programme. Further discussions and approvals would be required on such variations.
- 3.9 The Committee should note that information on the process followed to inform and formulate the **base fee** has been presented to the Strategic Housing Liaison Panel (SHLP). This included discussion around service standards, the Asset Management Programme, financial modelling (inputs and assumptions) of HRA Business Plan and delivery of the 5 year HRA development programme.
- 3.10 Further to the discussions and consideration of the above points the Company has now presented to the Council its proposed **base fee** for 2017/18, being the start of the new 3 year rolling period, as detailed below:

Elements of the Service Fee	Proposed Fee 2017/18	Comparative Service Fee breakdown 2015/16
Tenancy Sustainment and Income Recovery	£1,910,185	£1,782,362
Repairs and Maintenance	£3,938,873	£3,920,578
Core Service Support	£2,019,389	£1,937,878
Company	£91,066	£64,223
Proposed Base Fee	£7,959,513	£7,705,041
Reserve Adjustment – IT Reserve £100k missed from calculation in 2015/16 and 2016/17 – adjustment needed to recoup lost income by 2023/24	£139,000	
Proposed total Service Fee	£8,098,513	

- 3.12 As set out in paragraph 2.8 the Company receives annual income in addition to the **service fee**. **Works fee**
- 3.13 The indicative total value of Asset Management Programme to be delivered in 2017/18 is £5,167,800, which includes a **works fee** of £413,242.

Project Management Fee

- 3.14 The Company is project managing the extra care new build development at Bowbridge Road, Newark and a one off fixed fee of £60,000 was originally approved by the Committee at its meeting 4 June 2015. Due to the passage of time it has taken to commence the development and further due diligence work undertaken to review the scope of the project management role, e.g. additional activities have now been added such as managing the interior design of the scheme, a revised **project management fee** of 1.22% of the total build programme costs, equating to approximately £97,556, has now been put forward by the Company for Council consideration.
- 3.15 The Council and Company are currently in negotiation to agree a **project management fee** to deliver the Council's 5 year housing development programme providing an indicative 335 new Council homes, estimated to be a £30m programme.
- 3.16 In this respect the Company have put forward a standard **project management fee** of 5% for the total 5 year HRA build programme and identified a number of variables where this fee could be discounted. As already stated negotiations are ongoing with the Company to agree the fee, which will be benchmarked against the wider sector and scope of the project management role.

Efficiency Target

- 3.17 At the SHLP meeting on 26th July 2016 the Panel recommended that a continued **efficiency target** of 3% for Year two (2018/19) and Year three (2019/20) was appropriate, balanced against service delivery, costs of the current services and the ability of the Company to take incoming generating opportunities as they arise.

Indices

- 3.18 The following inflation **indices** will also be applied in Year two (2018/19) and Year three (2019/20):
- Employee costs – Local Government pay award
 - Repairs & maintenance costs – Building Costs Indices (BCI)
 - Other elements – Retail Price Index (RPI)

Reserves

- 3.19 For the Committee's information the Company's reserves are listed below and accord with the Management Agreement:

Reserves	Outturn 2015/16 (£)	Estimate 2016/17 (£)
Minimum Reserve	431,000	431,000
Core Service Reserve	100,000	100,000
Bad Debt Reserve	50,000	50,000
Development and IT reserve	29,000	29,000
Staffing and Pay Reserve	100,000	100,000
Growth Reserve (<i>Contribution of £625,000 made to Bowbridge Road Extra Care Scheme in 2016/17</i>)	1,652,000	537,000

3.20 The Company, subject to specific clauses in the Management Agreement, must use any available surpluses or reserves, following discussion with the Council, in furtherance of the Council's strategic housing objectives/aims

4.0 Proposal

4.1 In considering the detail contained within the above paragraphs the following proposals are put forward for the Committee's consideration and approval:

- a) the **base fee** of £7,959,513 plus IT reserve adjustment of £139,000, which equates to a total **service fee** of £8,098,513 be agreed to be paid to Newark and Sherwood Homes for the Management Fee for 2017/18 (details of which are set out in table at paragraph 3.10);
- b) an **efficiency target** of 3% be set for 2018/19 and 2019/20 of the three year rolling period between 2017 - 2020;
- c) the **project management fee** to be paid to Newark and Sherwood Homes for the Bowbridge Road extra care scheme development be revised to 1.22% of the total costs; and
- d) delegated authority be given to the Director – Safety after consultation with the Chair and Vice Chair of the Policy & Finance Committee and Opposition Spokesperson to agree the **project management fee** for the 5 year HRA development programme on conclusion of the negotiation process with Newark and Sherwood Homes.

5.0 Equalities Implications

5.1 There are no equality implications arising from this report.

6.0 Impact on Budget/Policy Framework

6.1 All budgetary and policy matters are captured in the main body of the report.

7.0 Comments of Business Manager & Chief Financial Officer – Financial Services

7.1 Officers from Financial Services have been involved in the process of rebasing the management fee and confirm the figure of £8,098,513 (including the IT reserve adjustment of £139,000) as the fee for 2017/18. This amount will be built into the Housing Revenue Account budget which will be brought to Policy & Finance Committee on 26 January 2017.

8.0 RECOMMENDATIONS that:

- a) **in accordance with the Management Agreement the Committee consider and approve the Base Fee of £7,959,513 and IT reserve adjustment of £139,000, giving a total Service Fee of £8,098,513 to be paid to Newark and Sherwood Homes for 2017/18, as detailed within the table at paragraph 3.10 of the report;**
- b) **an efficiency target of 3% be set for 2018/19 and 2019/20 (years two and three of the three year rolling period);**

- c) the project management fee to be paid to Newark and Sherwood Homes for the Bowbridge Road extra care scheme development be revised to a maximum of 1.22% of the total build costs; and
- d) delegated authority be given to the Director – Safety in consultation with the Chair and Vice Chair of the Policy & Finance Committee and Opposition Spokesperson to set the project management fee for the 5 year HRA development programme on conclusion of the negotiation process with Newark and Sherwood Homes.

Reason for Recommendations

To fulfil the requirements of the Management Agreement between the Council and its Housing Management Company, Newark and Sherwood Homes.

Background Papers

Management Agreement

For further information please contact Karen White (5240) or Rob Main (5930).

Karen White
Director – Safety

POLICY & FINANCE COMMITTEE DRAFT REVENUE BUDGET 2017/18 - 2021/22

1.0 Purpose of Report

- 1.1 To inform the Committee of the progress to date on the budget for 2017/18 and future years.

2.0 Background Information

- 2.1 At the meeting of Policy & Finance Committee on 22 September 2016, Members considered the preliminary report on the 2017/18 Budget and agreed the overall strategy including the appropriate basis on which the budget should be developed, including salaries, wages, general inflation, debt charges etc.
- 2.2 Also at this meeting, Policy & Finance Committee agreed the timetable for consideration of the 2017/18 budget provisions. The budget timetable is dictated by the corporate timetable for Policy & Finance and operational Committees. The essential deadline is that the Council is able to set the level of Council Tax for 2017/2018 at its meeting on 9 March 2017. Working back from this date a timetable has been drawn up and is attached at **Appendix C**. This timetable enables sufficient time for the budget proposals to be considered by operational Committees and Policy & Finance Committee and also sufficient time for the work to be completed within the Financial Services section and Business Units.
- 2.3 The Council has agreed policies on Budgeting and Council Tax, Reserves and Provisions, Budget Principles, a Charging Policy and Value for Money Strategy which set out the approach to be taken to the budget process. These policies and principles were reviewed and updated by Policy & Finance Committee in September 2016. The Charging Policy is included at **Appendix D**. It should be noted that Policy & Finance Committee agreed that all charges should be rounded to the nearest 5p with effect from 1 April 2017.
- 2.4 The detail budget sheets are available on the Members' Extranet.

3.0 Introduction

3.1 Financial Environment

- 3.1.1 As part of the 2016/17 Local Government Finance Settlement the Government offered Councils the ability to take up a 4 year funding settlement to 2019/20 to provide funding certainty and stability to enable more proactive planning of service delivery and support strategic collaboration with local partners. Councils who wished to accept this offer were required to produce an Efficiency Plan. Details of the Council's Efficiency Plan were submitted to government prior to the deadline of 14 October 2016, and it is available on the Council's website. <http://www.newark-sherwooddc.gov.uk/budgets/> It should be noted however, that for this Council, the certainty of funding only applies to Revenue Support Grant and Rural Services Delivery Grant, which in 2019/20 will only amount to £113k. Confirmation of the 4 year funding was received from CLG on 16th November 2016. In practice, the final determination of the local government finance settlement for any given year cannot be made until calculations are completed taking account of the business rates multiplier, which is based on the September RPI figure.

- 3.1.2 The result of the EU Referendum has added much more uncertainty to future local government finance settlements. Alongside this a change to leadership of central government including ministers responsible for local government and housing injects a further element of uncertainty. It is expected that the Chancellor will announce a reset of national finances in the Autumn Statement. Until this is published on 23 November 2016 we do not know if there will be any impact on local government funding, but would forecast a reduction. There will be a verbal update to Committee on the Autumn Statement.
- 3.1.3 Changes have also been proposed to Business Rates with local government being able to retain 100% of business rate income by 2019/20. A consultation to consider how this might work closed on 26 September 2016, alongside a consultation on needs and how these might be assessed. Government proposals suggest that the 80%/20% tier split currently in favour of billing authorities could be reversed, with the majority of funding going to upper tier authorities to support new responsibilities that will be devolved. Although it is possible that a system of damping will be put in place, this could lead to a funding reduction – central government will still set the level of need and the quantum of business rates income to be retained by individual authorities.
- 3.1.4 It is not known whether the change to 100% Business Rate Retention in 2019/20 will replace the reset that was due to take place in that year. Any reset could potentially rebase all growth achieved since 2013/14 and move this into the baseline. Currently no income from business rates growth is included in the medium term financial plan.
- 3.1.5 To add further uncertainty, there is a business rate revaluation coming into effect in April 2017. The draft revaluation list has been published and will be under constant review until 1 April. Revaluations lead to an increase in the number of appeals, and these would begin to be paid out in 2018. Our current provision for this is £3.5m and this will need to increase in the 2016/17 year end process to cover further appeals already in the system, and any new appeals that are lodged and granted as a result of the revaluation exercise. The increase to the provision comes from business rates income in year, thus reducing the amount of growth that can be included in the budget. The consultation on 100% Business Rates Retention, asked whether appeals should be funded nationally, or across a wider area than single authorities. This could change the level of provision needed.
- 3.1.6 Until the draft Local Government Finance Settlement is announced in December, all figures for Government Grant are based on internal estimates. Reductions in Government grant are expected to continue. The current estimates in the approved Medium Term Financial Plan are:

	2016/17	2017/18	2018/19	2019/20	2020/21
	£	£	£	£	£
Formula Grant	1,776,670	1,048,590	592,370	82,780	0

However, due to the uncertainties set out above these figures are all subject to change depending on government announcements over the next few months.

3.1.7 Under the current business rates retention scheme introduced in April 2013, Councils are able to keep a proportion of the business rates revenue as well as a proportion of the growth that is generated in their area. The estimated amounts for retained business rates, excluding growth in the area, are shown in the table below:

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£	£
Retained Business Rates	3,365,800	3,432,000	3,533,250	3,646,180	3,714,820	3,789,116

However, it should be noted that the uncertainties detailed above could lead to all of these figures changing.

3.1.8 Members will be aware that the level of Council Tax was increased by 1.94% in 2016/17. This followed a Council Tax freeze over a number of years. The Government ceased Council Tax freeze grants after 2015/16 and it is assumed that these will not be announced in the future.

3.1.9 The position with regard to general inflation remains complex. The latest (September 2016) CPI figure for inflation shows an annual increase of 1.0%. The Bank of England forecast is for CPI inflation to remain around 2% by the end of 2016/17.

3.1.10 One of the major areas of the budget affected by inflation is the cost of salaries and wages. In the Chancellor's summer budget in July 2015, it was announced that public sector pay increases would be restricted to 1% per annum for the next 4 years. The medium term financial plan already included a 1% increase for pay, increments and other salary costs for each financial year. It should be noted, however, that the budget also announced an intention to introduce a National Living Wage. This will impact on the Council's budget and it will be necessary to assess the position on this as further details are announced.

4.0 Budget Pressures

4.1 There will undoubtedly be budget pressures in certain areas of the budget that will lead to unavoidable increases in the budget in specific areas. The Council's budget has become more reliant on income and so may on occasions be vulnerable to reductions in the level of income, and would also potentially be vulnerable to a rise in inflation or interest rates.

4.2 The Council will also have to consider demand management in areas such as homelessness, community safety and supporting people, and potentially in the following areas where budget pressures are likely to arise:

- Welfare Reform
- Increased house building in the District gives pressure on services such as refuse collection
- The triennial revaluation of the pension fund which is likely to impact on the lump sum paid annually

4.3 Although there has been a clear focus on the need to deliver savings, the Council has also set priorities to develop services in certain areas. This has been through a combination of the development of facilities and assets, and identifying funds for the delivery of specific policies.

4.4 With respect to assets, the Council has developed a National Civil War Centre and the new Newark Sports & Fitness Centre, and is in the process of building new shared headquarters in Newark town centre. The sale of Kelham Hall has been agreed. These are included in the Medium Term Financial Plan and efficiencies in the running costs of these assets against the current asset base have been identified that will support budgets in future years.

5.0 Budget Strategy

5.1 Whilst there is always a need to improve efficiency and review existing budgets, the Council's budget gap in future years was already significant without the uncertainties detailed above, and should principally be addressed through strategic measures. Savings from leisure commissioning (Active4Today), devolution and collaboration and savings following the move to the new offices and associated working practices have already been built into the Medium Term Financial Plan.

5.2 The uncertainties detailed above lead to the necessity to identify significant savings potentially for 2018/19 and for future years.

5.3 Each year an efficiency review is undertaken to consider the potential for budget savings and for additional income to be incorporated into the budget. This review identifies sustainable savings that can continue to be delivered in future years. For 2015/16 savings of £340,000 were identified and are in the process of being delivered for 2016/17.

5.4 Capital financing is regularly reviewed to ensure that borrowing is not undertaken unless it is necessary. The latest review has shown that no borrowing is necessary for the current approved general fund capital programme. This includes the relocation of the Council's headquarters and the vehicle replacement programme. It should be noted that any borrowing will add approximately £60,000 per year to the revenue budget for every £1million borrowed.

5.5 It will not be possible to finalise funding in the budget strategy until government announcements on future funding levels are published later in the year. Members are asked to approve the budget strategy as set out in this report, subject to future announcements.

6.0 Draft Revenue Budget Proposals

6.1 Business Managers and service budget officers have been working with officers from Financial Services to determine a first draft general fund budget and medium term financial plan. The budgets have been prepared in line with the strategy agreed by Policy & Finance Committee on 22 September 2016.

6.2 A summary of the figures to date for the Policy & Finance Committee is shown at **Appendix A** to this report. It should, however, be clearly understood that the figures shown are first draft only and that a substantial amount of work has yet to be completed before any conclusions can be drawn. The figures also exclude capital charges and recharges for central services. The subjective summary is shown in **Appendix B**.

- 6.3 It should be noted that this shows only the budget for services falling within the remit of the Policy & Finance Committee. Overall, across all services and taking account of 'below the line' costs and income, it is still necessary to find savings for 2017/18 and future years. The Policy & Finance Committee have instructed that the functional Committees be requested to look at opportunities for savings in 2017/18, and also any investment potentials which would increase and support revenue income levels, in order to reduce the projected burdens in future years.
- 6.4 The current draft budget shows reduction in 2017/18 and 2018/19 with budgets remaining fairly constant throughout the remainder of the medium term financial plan. This is at a time when the Council is facing reducing government grants and other financial pressures. It is important that the Committee continues to scrutinise and review its budget in order to achieve additional savings in future years.
- 6.5 Direct service expenditure net of capital charges and internal central services recharges currently shows an overall decrease of £28,810 against 2016/17 budget. This figure assumes a 1% increase in salary and wages costs overall in 2017/18 and future years. An average of 2% inflation on expenditure and income, as approved by the Policy & Finance Committee at its meeting on 22nd September 2016 is included; however budget officers and business managers have been instructed to look for additional savings so that the new budget comes in at or below the 2016/17 budget.
- 6.6 Staffing costs account for approximately 58% of the overall gross service budget (excluding housing benefits) (63% on the Policy & Finance Committee budget) and significant budget savings cannot be achieved without affecting staffing levels.
- 6.7 Major variances between 2016/17 and 2017/18 are shown below:
- 6.7.1 The rates charged for National Insurance changed with effect from 1 April 2016 and a total amount was included in the 16/17 budget 'below the line' therefore there appears to be an increase in NI budgets in the subjective summary (Appendix B line 113) however the profiled budget for 16/17 has been increased by a virement from 'below the line'.
- 6.7.2 The budget has been prepared on the basis of the move to the new offices being completed by September 2017, although a contingency has been built into the Kelham Hall budget to allow additional resources for de-commissioning if required.
- 6.7.3 Financial Services budget includes the cost of upgrading the financial management system and additional licence fees. Reduced recharges to Active4Today are included following the TUPE of a former member of staff to the company.

7.0 Revenue Budget Bids 2017/18

- 7.1 As stated above, Members will be aware that the Council is likely to face severe budgetary challenges over the next four years. It is anticipated that significant savings will need to be identified in the later years of the Medium Term Financial Plan. As other pressures impact on Local Government spending it is anticipated that further cuts may be forced on to Local Government. Consequently, it is not possible for revenue growth bids to be incorporated into the budget for 2017/18 or following years.

8.0 Increases in Fees and Charges

- 8.1 Members will be aware that a review of charges is considered as part of the budget process each year. With this in mind it is proposed that a **guideline** figure for increases to fees and charges should be set at a minimum of 2% for each year of the medium term financial plan. In preparing income budgets officers should have regard to this guidance and the level of RPI at the time the charges are set. Each type of income should be considered on its own merits and there should be comparative assessment with other local authorities and service providers in the area before final approval of fees and charges by Council. It is important for income levels to be considered **net** of VAT where appropriate, i.e. to consider the level of income ultimately received by the Council. Business managers have been instructed to work with relevant Committee Members prior to making proposals on future levels of fees and charges.
- 8.2 It is important that fees and charges are considered within the framework set out in the Corporate Charging Policy that is included at Appendix D. It should be noted that Policy & Finance Committee agreed that all charges should be rounded to the nearest 5p with effect from 1 April 2017.
- 8.3 Proposals for increases in fees and charges will be brought to the next meeting of the Policy & Finance Committee on 26 January 2017 for consideration and recommendation to Policy & Finance Committee on 23 February 2017 and Council on 9 March 2017.

9.0 Conclusions

- 9.1 The figures at this stage in the budget process require a considerable amount of work before they are recommended to Policy & Finance Committee on 23 February 2017.
- 9.2 It is important that the Committee continues to scrutinise and review its budget in order to achieve additional savings in future years at a time when the Council is facing reducing government grants and other financial pressures.
- 9.3 To allow further scrutiny of the Policy & Finance Committee budget an informal meeting of the Committee has been arranged for Monday 12th December at 5pm.

10.0 RECOMMENDATIONS that:

- (a) the Committee undertakes a review of fees and charges accordance with the Corporate Charging Policy;**
- (b) the current draft Committee budget be incorporated into the overall service budget to be reported to Policy & Finance Committee at its meeting on 1 December 2016; and**
- (c) the Business Manager and Chief Financial Officer – Financial Services, continues to formulate budget proposals for formal consideration at the Policy & Finance Committee meeting on 26 January 2017 for recommendation to Policy & Finance Committee on 23 February 2017.**

Reason for Recommendations

To ensure that the preliminary figures for the budget are considered by Policy & Finance Committee and that final budget proposals for 2017/18 to 2021/22 are submitted to the Policy & Finance Committee on 26 January 2017 for recommendation to Policy & Finance Committee on 23 February 2017.

Background Papers

Detail budgets are available on the Members' Extranet

For further information please contact Nicky Lovely on Extension 5317 or Amanda Wasilewski on Extension 5738.

Nicky Lovely
Business Manager and Chief Financial Officer – Financial Services

**BUDGET SUMMARY
POLICY & FINANCE**

CODE	DESCRIPTION	2016/17	2017/18	MORE /(LESS)	2018/19	2019/20	2020/21	2021/22
		INITIAL BUDGET	INITIAL BUDGET		INITIAL BUDGET	INITIAL BUDGET	INITIAL BUDGET	INITIAL BUDGET
A10601	ELECTORAL REGISTRATION	93,080	93,980	900	93,980	93,980	93,980	93,980
A10803	INTERNAL AUDIT	76,380	83,050	6,670	83,050	83,050	83,050	83,050
A10805	INCOME SECTION	25,610	28,020	2,410	28,430	28,880	29,310	29,750
A10806	BANK CHARGES	93,100	73,370	(19,730)	92,050	92,050	92,050	92,050
A10807	MORTGAGE ADMINISTRATION	(2,090)	(2,040)	50	(2,040)	(2,040)	(2,040)	(2,040)
A10812	HUMAN RESOURCES	168,960	178,370	9,410	180,550	182,750	184,950	187,170
A10815	POLICY & COMMISSIONING	145,700	149,310	3,610	150,800	152,300	153,800	155,330
A10818	COMMITTEE SECTION	195,090	200,960	5,870	203,030	205,130	207,230	209,370
A10819	LEGAL SECTION	167,040	179,150	12,110	182,060	184,270	186,490	188,720
A10821	KELHAM HALL	170,230	113,320	(56,910)	0	0	0	0
A10827	BUILDING SERVICES	151,350	113,950	(37,400)	0	0	0	0
A10832	CENTRAL TELEPHONES	48,170	58,630	10,460	59,870	61,140	62,430	63,750
A10833	CENTRAL POSTAGES	48,720	47,640	(1,080)	48,520	49,420	50,340	51,290
A10841	CENTRAL PERSONNEL EXPENSES	111,140	111,140	0	111,140	111,140	111,140	111,140
A10842	OTHER EMPLOYEE EXPENSES	14,690	17,000	2,310	17,000	17,000	17,000	17,000
A10845	INFORMATION GOVERNANCE	61,470	65,120	3,650	65,770	66,440	67,090	67,770
A10864	CORPORATE MANAGEMENT TEAM	664,540	698,120	33,580	705,630	713,200	720,810	728,500
A10895	FINANCIAL SERVICES	421,450	475,150	53,700	445,950	452,980	458,700	464,490
A10896	PERFORMANCE	79,910	82,270	2,360	83,060	83,870	84,670	85,470
A10897	PROCUREMENT	40,000	41,170	1,170	41,640	44,630	45,150	45,680
A10898	ADMINISTRATION SERVICES	324,840	339,510	14,670	343,120	346,720	350,340	353,970
A10904	COUNCIL TAX	31,470	(25,380)	(56,850)	(19,590)	(14,600)	(9,600)	(4,520)
A10905	RENT ALLOWANCES	(18,090)	(16,950)	1,140	(16,950)	(16,950)	(16,950)	(16,950)
A10907	RENT REBATES	20,010	20,070	60	20,070	20,070	20,070	20,070
A10908	HOUSING BENEFIT ADMIN	89,500	71,040	(18,460)	76,680	82,390	88,110	94,480
A10910	DISCRETIONARY HOUSING PAYMENTS	0	0	0	0	0	0	0
A11122	RISK MANAGEMENT	65,760	67,380	1,620	68,180	68,950	69,740	70,530
A11332	KELHAM HALL GROUNDS	(2,350)	(1,650)	700	0	0	0	0
A11831	NEW OFFICES	0	47,020	47,020	187,900	194,810	201,520	208,340
A11841	CORPORATE PROPERTY	211,240	222,150	10,910	227,900	233,740	239,670	242,000
A11901	MEMBERS EXPENSES	249,620	281,520	31,900	284,370	287,260	290,180	293,110
A11902	CIVIC EXPENSES	27,060	27,380	320	27,380	27,380	27,380	27,380
A11911	OTHER FINANCIAL TRANSACTIONS	(100,000)	(100,000)	0	(100,000)	(100,000)	(100,000)	(100,000)
A11912	MISCELLANEOUS LOANS	(1,670)	0	1,670	0	0	0	0
A12301	ELECTION EXPENSES	40,810	37,030	(3,780)	37,690	38,360	39,040	39,740
A12505	TRANSFERRED ASSETS	(990)	0	990	0	0	0	0
A12507	MOVING AHEAD	179,560	122,110	(57,450)	0	0	0	0
A12510	DEMOCRATIC REPRESENTATION	13,870	5,000	(8,870)	5,000	5,000	5,000	5,000
A12512	ETHICAL GOVERNANCE & STANDARDS	500	500	0	500	500	500	500
A12520	CORPORATE MANAGEMENT	236,520	225,370	(11,150)	217,560	219,080	220,600	222,170
A12530	NON DISTRIBUTED COSTS	0	0	0	0	0	0	0
A15028	COMBINED SERVICE COSTS	146,440	133,930	(12,510)	136,300	138,720	141,190	143,700
A15029	CORPORATE PRINTERS	50,620	37,460	(13,160)	48,210	58,590	58,590	58,590
A15030	KELHAM HALL EVENTS	(45,790)	(36,510)	9,280	0	0	0	0
	TOTAL	4,293,470	4,264,660	(28,810)	4,134,810	4,210,210	4,271,530	4,330,580

**BUDGET SUMMARY
POLICY & FINANCE SUBJECTIVE SUMMARY**

CODE	DESCRIPTION	2016/17	2017/18	More(Less)	2018/19	2019/20	2020/21	2021/22
		INITIAL BUDGET	INITIAL BUDGET		INITIAL BUDGET	INITIAL BUDGET	INITIAL BUDGET	INITIAL BUDGET
111	SALARIES AND WAGES	3,301,940	3,214,140	(87,800)	3,097,370	3,130,680	3,163,260	3,193,180
112	OTHER SALARIES/WAGES PAYMENTS	31,390	31,390	0	31,390	31,390	31,390	31,390
113	NATIONAL INSURANCE	253,440	324,970	71,530	313,950	317,320	320,620	324,150
114	SUPERANNUATION	406,530	400,350	(6,180)	385,130	389,180	393,150	396,840
115	OTHER EMPLOYERS CONTRIBUTIONS	23,190	24,500	1,310	24,500	24,500	24,500	24,500
	EMPLOYEE SUB TOTAL	4,016,490	3,995,350	(21,140)	3,852,340	3,893,070	3,932,920	3,970,060
211	REPAIRS AND MAINTENANCE	58,440	61,740	3,300	30,350	30,960	31,580	32,210
212	ENERGY COSTS	133,680	127,350	(6,330)	51,560	52,590	53,640	54,710
214	RATES	125,590	152,080	26,490	114,240	116,520	118,850	121,230
215	WATER SERVICES	9,820	17,020	7,200	19,380	19,770	20,170	20,570
217	CLEANING AND DOMESTIC	4,000	4,660	660	3,320	3,390	3,460	3,530
219	CONTRIBUTION TO FUNDS	147,250	151,530	4,280	207,250	207,250	207,250	207,250
315	CAR ALLOWANCES	35,310	35,140	(170)	35,560	36,000	36,450	36,900
411	EQUIPMENT AND FURNITURE	11,860	7,420	(4,440)	7,250	7,270	7,290	7,310
412	MATERIALS	200	200	0	200	200	200	200
421	INTERNAL	290	550	260	550	550	550	550
431	CLOTHING AND UNIFORMS	1,050	1,280	230	920	940	960	980
441	GENERAL OFFICE EXPENSES	89,370	84,350	(5,020)	85,750	85,850	85,950	86,050
451	CONTRACTUAL	406,220	346,820	(59,400)	322,150	334,080	337,460	340,890
452	OTHER SERVICES	217,310	194,730	(22,580)	196,380	197,240	198,110	199,000
461	COMMUNICATIONS AND COMPUTING	526,680	534,920	8,240	545,560	558,830	568,060	577,480
471	STAFF	15,830	15,760	(70)	15,830	15,840	15,850	15,860
472	MEMBERS	221,600	253,310	31,710	255,840	258,400	260,980	263,590
473	CHAIRMAN	10,180	10,180	0	10,180	10,180	10,180	10,180
482	SUBSCRIPTIONS	39,570	38,740	(830)	39,400	40,070	40,760	41,470
491	INSURANCE	89,440	85,900	(3,540)	86,090	88,420	90,010	91,660
493	OTHER	195,890	132,430	(63,460)	133,090	133,760	134,440	135,140
496	CAPITAL	500	0	(500)	0	0	0	0
611	HOUSING BENEFITS	25,131,390	25,262,000	130,610	25,262,000	25,262,000	25,262,000	25,262,000
	RUNNING EXPENSES SUB TOTAL	27,471,470	27,518,110	46,640	27,422,850	27,460,110	27,484,200	27,508,760
911	Government Grants	(25,311,370)	(25,440,880)	(129,510)	(25,440,880)	(25,440,880)	(25,440,880)	(25,440,880)
922	Contributions From Other Las	(204,410)	(182,860)	21,550	(164,290)	(164,290)	(164,290)	(164,290)
928	Recharge Non Gf Accounts	(913,510)	(763,890)	149,620	(667,000)	(669,590)	(672,210)	(674,860)
931	Sales	(1,500)	(1,500)	0	(1,500)	(1,500)	(1,500)	(1,500)
932	Fees And Charges	(377,000)	(373,000)	4,000	(373,000)	(373,000)	(373,000)	(373,000)
933	Rents	(134,870)	(235,220)	(100,350)	(242,260)	(242,260)	(242,260)	(242,260)
939	Other Receipts	(251,830)	(251,450)	380	(251,450)	(251,450)	(251,450)	(251,450)
	INCOME SUB TOTAL	(27,194,490)	(27,248,800)	(54,310)	(27,140,380)	(27,142,970)	(27,145,590)	(27,148,240)
	COMMITTEE TOTAL	4,293,470	4,264,660	(28,810)	4,134,810	4,210,210	4,271,530	4,330,580

2017/18 REVENUE BUDGET TIMETABLE				
Action	Base Budget & General Principles of Budget	Draft Budget	Draft Final Budget	Final Budget Approval & Council Tax Setting
Base budget & general principles of budget	Policy & Finance 22 September 2016			
Support services – agree basis for charging		9 September 2016		
Working papers issued to budget officers		22 July 2016		
First draft of treasury estimates based on capital programme reported to September Policy & Finance Committee		7 October 2016		
Draft budgets complete – no support services allocated		30 September 2016		
Budgets uploaded onto eFinancials		5 – 7 October 2016		
Coordination & review of first draft budget and reports prepared		10 – 14 October 2016		
First draft budget presented		Homes & Communities 7 November 2016 (papers 06/10/16 – possibly table on 12/10/16) Leisure & Environment 15 November 2016 (26/10/16)		

		Economic Development 23 November 2016 (papers 26/10/16) Policy & Finance 1 December 2016 (papers 09/11/16)	Policy & Finance 1 December 2016 (papers 09/11/16)	
Final treasury estimates completed based on capital performance reported to December Policy & Finance			30 December 2016	
Support services allocated and uploaded to efinancials				
Final committee budgets approved for consideration by Policy & Finance Committee on 23 rd February 2017			Homes & Communities 16 January 2017 (papers 14/12/16) Economic Development 18 January 2017 (papers 14/12/16) Leisure & Environment 24 January 2017 (papers 30/12/16) Policy & Finance 26 January 2017 (papers 04/01/17)	
Housing Revenue Account budget and rent setting report				Policy & Finance 26 January 2017 to refer to Council for approval on 14 February 2017 (papers 04/01/17)

Council Tax Discounts Scheme determined				Council 13 December 2016
Council Tax Base 2017/18				Officer decision – determined between 1 December 2016 and 31 January 2017
Revenue budget setting				Policy & Finance 23 February 2017 (papers 01/02/17)
Parish Council Precept information received			(up to) 28 February 2017	
Council Tax setting				Council 9 March 2017 (papers 01/03/17)

NEWARK AND SHERWOOD DISTRICT COUNCIL

CORPORATE CHARGING POLICY

Revised: July 2016

Date of next revision: July 2017

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1. **Introduction**

This Policy applies to external fees and charges other than those prescribed by the government. It provides a guide to internal charging arrangements but is subject to CIPFA's 'Best Value Accounting Code of Practice' and has regard to the Audit Commission's publication "*Positively Charged*".

It is not intended to apply to the disposal of Council assets, rents, internal charges or rechargeable works, nor will it apply where charges are governed by statutory regulation or guidance.

The Policy does apply if we have discretion, but not if there is a prescribed fixed charge.

Over the period of the Medium Term Financial Plan services will align their charges and processes with this policy.

This policy must be read in conjunction with the other related Council policies and strategies, including Financial Regulations, Equalities Policy, VFM Strategy, Corporate Plan.

If after reading this Code you require further guidance or clarification, or you are not sure how best to comply with the Policy then please contact your Business Manager or the Director of Resources.

2. **Purpose of the Policy**

To establish a policy within which fee and charge levels will support the Medium Term Financial Strategy and Corporate Plan; and,

To encourage a consistent approach to the setting and reviewing of charges for services provided by Newark and Sherwood District Council by:

- specifying the processes and frequencies for reviewing existing charging levels or introducing new charges for areas of the council's work for which charges could in principle be set;
- providing guidance on the factors that need to be taken into consideration when charges are reviewed on an annual basis;
- establishing parameters for calculating different levels of charges;
- recommending the criteria for applying concessions or discounted charges on a consistent council wide basis;
- requiring more active use of market intelligence relating to different services.

3. **Processes and Frequencies for Reviewing Charges**

The following arrangements for reviewing charges will be applied throughout all areas of the Council where charges for services already exist or could in principle be set:

- all discretionary charges will be considered and approved by Council as part of the Budget and Council Tax setting process in March of each year.

- a major review of each business unit's charging strategy will take place at least once every three years to ensure consistency with the council's priorities, policy framework, service aims, market sensitivity, customer preferences, and income generation needs, and the justification for any subsidy that the council as a whole makes to the service.
- annual reviews will be carried out for all of these services as part of the budget process, and shall have regard for the budget strategy approved in September each year.
- where fees are not to be increased or are proposed to be increased below inflation, this must be reported to CMT by the budget officer clearly stating the financial implications and budget shortfall before the deadline for completion of the revenue budget.
- these formal reviews will be overseen by the appropriate Director.
- where decisions on fees and charges, including any concessions or discounts, are taken outside the budget process approved by CMT and Policy and Finance Committee, any proposals must have due regard to the Medium Term Financial Plan.

4. Factors Relevant to the Annual Review of Charges

Annual reviews of charges will consider the following factors:

- a. inflationary pressures generally and input costs specific to the service;
- b. any statutory framework relating to the service
- c. the actual or potential impact of any competition in terms of price or quality;
- d. trends in user demand and the forecast effect of price changes;
- e. equality and access to services;
- f. customer survey results;
- g. benchmarking results;
- h. council wide and service budget targets;
- i. cost structure implications arising from developments such as investments made in the service;
- j. consistency with other charges;
- k. alternative charging structures that could be more effective;
- l. validity of continuing any concessions;
- m. proposals for targeted promotions during the year, and evaluation of any that took place in the previous year;
- n. where less than the full cost is being recovered (including nil charges), the justification for the decision is reviewed and documented to ensure that this decision remains valid and that significant income is not being lost.

5. Processes for Setting Charges for New Sources of Income

All Business Managers should explore new business opportunities with a view to generating additional income.

All guidance in this Policy must be considered when setting new fees and charges.

A business plan must be prepared.

Any potential new income streams will need to be approved by CMT and Policy and Finance Committee.

The setting of the fees and charges must be made in accordance with the current VAT regulations.

The proposed billing and recovery administrative process must be agreed with the S151 officer prior to the charges being implemented.

A central record will be maintained by the relevant Business Manager of any decisions made not to charge for a service where a charge could be made.

6. Calculation of Charges

Charges will apply to all users, and will be set at a level to maximise take-up and income targets and wherever possible covering or exceeding the full cost of providing the service in question.

It is the responsibility of the Business Manager to ensure that the proposals comply with the appropriate legal framework and any legal restrictions. Advice should be taken from the Council's Legal section before any proposal is finalised.

This calculation of full cost should be based on the direct cost of service provision including staff, supplies and services, equipment, premise costs. Overheads and capital asset depreciation charges should be included but consideration may be given to a less than full cost recovery of these elements where inclusion would distort competition.

Where less than the full cost is being recovered, the justification for the decision must be documented and retained by the appropriate Business Manager and clearly state the financial implications and budget shortfall.

All fees and charges must be calculated in accordance with the current V.A.T. regulations.

7. Concessionary Charges

In some circumstances the Council will offer subsidies to all users or concessions to specific user groups where this is consistent with achieving its priorities.

Entitlement to concessionary charges must have regard to equalities legislation and is designed to reduce barriers to participation arising from:

- Age;
- Level of income;
- Family circumstances;
- Health
- Educational circumstances.

Concessions will not apply to retail sales from shops or cafes.

Concessionary charges may also be made available to organisations whose purpose is to assist the Council in meeting specific objectives in its priorities and policy framework, or which contribute to the aims of key local partnerships in which the Council has a leading role.

Concessionary charges should not normally apply to peak times or in situations that would result in the loss of income from customers paying standard charges. Neither would they normally be available to organisations that are based outside of the Council's area other than on a reciprocal basis.

Only one concession can be applied to the standard charge at any given time.

Services wishing to adopt a concessionary charging scheme must demonstrate the scheme is practicable in terms of assessment, collection and evidencing for audit purposes.

8. Discounts

For certain services it will be normal practice to set promotional discounts, Frequent User discounts or group Discounts.

Promotional discounts are defined as short-term charges that are targeted to increase take-up or awareness of the services that are available.

Frequent User discounts are to be used only for commercial reasons such as generating customer loyalty where alternative provision from competitors exists, and where market analysis shows a real risk of reduced income if they are not offered.

Group discounts are to be used to encourage take up by organisations able to block book and Family discounts to encourage parents and children's take up.

Discounts can be applied to both the standard charge and the concessionary charge.

Discounts can only be applied where the Service has received prior approval of the principle to apply a discount to the charge for this service.

9. The Use of Market Intelligence

All managers of discretionary services for which a charge is made should take steps to identify competitors offering similar or related services, and make use of comprehensive and dynamic market intelligence in evaluating:

- their charging strategy;
- the range of services provided;
- the quality of services provided;
- their cost structure.

All managers of services for which a charge is made should consult with customers, relevant partners and stakeholders on the range, quality and cost of services provided prior to the triennial review.

Consultation should also take place with potential customers and target groups to determine improvements needed to encourage participation at least every five years.

Comprehensive and accurate usage statistics will be maintained for all services and at all facilities where charges are made, to enable analysis of usage, justification of any subsidy given by the Council, and accurate forecasting of the effect of price changes on usage.

Benchmarking should be undertaken at least annually regularly with other Councils in the local area and with relevant national groupings of authorities, to ensure that charges are at comparable levels and that significant differences are understood and justified.

10. Further Guidance

Charges should be payable in advance wherever possible or collected by direct debit or through the corporate income system.

All fees/charges must be reported annually to the Financial Services Business Unit as part of the budget process for publishing in the annual budget book.

All fees/charges must be published on the Councils website.

COUNCIL'S OVERALL DRAFT REVENUE BUDGET 2017/18 - 2021/22

1.0 Purpose of Report

1.1 To inform the Policy & Finance Committee of the progress to date on the budget for 2017/18 and future years.

2.0 Background Information

2.1 Members will be aware that it is this Council's statutory duty to consider its budget position and the legal precepts made upon it by other precepting bodies (i.e. County, Police and Fire Authorities and Parish Councils) and to set a Council Tax to realise sufficient funds to meet these demands. The Council Tax setting meeting for the Authority is scheduled for 9 March 2017.

2.2 It should be remembered that the part of the overall bill relating directly to Newark and Sherwood District Council is a relatively small proportion of the overall tax payable i.e. in 2016/2017 less than 10%. A typical Band D property being broken down as follows: -

Tax Payable at Band D

	<u>2016/17</u>	
Nottinghamshire County Council	£1,290.66	72.6%
Police Authority	£179.91	10.1%
Fire Authority	£73.85	4.2%
Newark and Sherwood District Council	£163.85	9.2%
Average Parish Council	<u>£68.95</u>	<u>3.9%</u>
	<u>£1,777.22</u>	<u>100%</u>

2.3 This report considers only that part of the overall Tax bill attributable to Newark & Sherwood District Council i.e. the 9.2%.

2.4 At the meeting of Policy & Finance Committee on 22 September 2016, Members considered the preliminary report on the 2017/18 Budget and agreed the overall strategy including the appropriate basis on which the budget should be developed, including salaries, wages, general inflation, debt charges etc.

3.0 Introduction

3.1 Financial Environment

3.1.1 As part of the 2016/17 Local Government Finance Settlement the Government offered Council's the ability to take up a 4 year funding settlement to 2019/20 to provide funding certainty and stability to enable more proactive planning of service delivery and support strategic collaboration with local partners. Councils who wished to accept this offer were required to produce an efficiency plan. Details of the Council's Efficiency Plan were submitted to government prior to the deadline of 14 October 2016, and it is available on the Council's website. <http://www.newark-sherwooddc.gov.uk/budgets/> It should be

noted however, that for this Council, the certainty of funding only applies to Revenue Support Grant and Rural Services Delivery Grant, which in 2019/20 will only amount to £113k. Confirmation of the 4 year funding was received from CLG on 16th November 2016. In practice, the final determination of the local government finance settlement for any given year cannot be made until calculations are completed taking account of the business rates multiplier, which is based on the September RPI figure.

- 3.1.2 The result of the EU Referendum has added much more uncertainty to future local government finance settlements. Alongside this a change to leadership of central government including ministers responsible for local government and housing injects a further element of uncertainty. It is expected that the Chancellor will announce a reset of national finances in the Autumn Statement. Until this is published on 23rd November 2016 we do not know if there will be any impact on local government funding, but would forecast a reduction. There will be a verbal update to Committee on the Autumn Statement.

3.2 Savings Already Identified

- 3.2.1 The 2015/16 outturn position identified sustainable under-spends in service expenditure which will be built into future budgets. These amount to approximately £340,000 per year and have been built into the draft budget figures at **Appendix A**.
- 3.2.2 The budget presented here takes account of the move to the new offices in September 2017, however running costs and some employee costs for Kelham Hall have been included for a further 3 months in order to ensure that the decommissioning work is included in the budget. It may be possible to reduce this further in the budget process.
- 3.2.3 The savings accrued from devolving services to town and parish councils continue to be built into the budget as further devolution of services is undertaken.
- 3.2.4 Savings are being achieved from moving leisure services into Active4Today Ltd., the Council's wholly owned company and these have also been built into the budget.

4.0 Budget Proposals

- 4.1 A summary of the figures to date is shown at **Appendix A** to this report. A subjective summary is attached as **Appendix B**. It should, however, be clearly understood that the figures shown are first draft only and that a substantial amount of work has yet to be completed before any conclusions can be drawn. The Council continues to consider the current level of service provision and there will be little or no room for service development. It is important that savings that can be identified in the current financial year are realised to ensure maximum flexibility in future years. It is also essential not only to consider the budget for 2017/18 but to give some consideration to the need for further savings in the following years as well.

4.2 Committee Expenditure (Line 8)

- 4.2.1 Committee expenditure (excluding recharges for central and service management support services and Deferred and Capital Charges) currently shows an overall decrease of £151,150. This figure assumes a 1% increase in salary and wages costs overall in 2017/18. An average of 2% inflation on expenditure and income, as approved by the Policy & Finance Committee at its meeting on 22 September 2016 is included.

4.3 The Impact of Staffing Costs

Staffing costs account for approximately 58% of the gross service budget (excluding housing benefits) and significant budget savings cannot be achieved without affecting staffing levels.

4.4 Capital Financing and Interest Receivable (Line 9)

Capital Financing is considered together with Interest Receivable. The net cost shows an increase in expenditure for the Council over 2016/17 of around £329,780 however the estimates continue to be reviewed. The Council's treasury advisors have been asked to review the level of 'Minimum Revenue Provision' in the estimates and are due to report back in early December.

4.5 Contributions from Provisions (Line 13)

The level of provisions and balances is now considered annually to ensure that adequate, but not excessive "reserves" are maintained by the Council.

The £264,590 contribution from reserves in line 13 of the budget summary is made up of a number of reserves which have been set up with a specific purpose – for example the Change Management reserve which includes funding for the Moving Ahead Project. It also includes a contribution towards the administration of the Growth Fund.

Members will need to bear in mind that, unless the necessary savings or further income can be found in 2017/18 it will be necessary to use funding from reserves to balance the budget. Use of balances is a risky strategy as it does not resolve the underlying position - contributions from balances to support the revenue budget are not sustainable in the long term. Council Tax increases of 1.94% across future years are already included in the budget and any further increase would trigger the need to hold a referendum, which in itself is an additional cost. A "No" vote would still result in a need to reduce the budget.

4.6 Forecast Additional Costs (Lines 15 to 20)

4.6.1 A number of known pressures were identified as part of the long term budget strategy presented to Policy & Finance Committee on 22 September 2016.

4.6.2 Changes to the State Pension came into force in April 2016. As a result the NI rebate to employers for staff who "contract out" of the state second pension is no longer available from central government. This budget for 2016/17 was shown in Line 17, but has now been incorporated into the service budgets for 2017/18 and future years.

4.6.3 Auto-enrolment is new legislation that requires employees to be automatically enrolled into a pension scheme. The Council took a decision under the legislation to defer the enrolment of some employees until 2017/18. There is a cost to this.

4.6.4 The Apprentice Levy is a new initiative to fund apprenticeship training for all employers with effect from 1 April 2017. The amount of the levy is based on a formula applied to the total payroll costs.

4.6.5 The Actuary has reviewed the position of the Nottinghamshire pension fund as at 31 March 2016. There are 2 elements of employer's contribution rates, a percentage rate for current service (12.5% at the previous valuation) plus an annual cash amount to recover deficits. The annual amount shown at line 19 excludes a payment of £260,000 from the Housing Revenue Account in respect of the deficit contribution for those employees formerly charged to the HRA prior to the transfer to Newark and Sherwood Homes. That element of the deficit remains in the NSDC pension fund. The actuarial review in March 2016 will come into effect in April 2017, therefore the amounts included in the Medium Term Financial Plan for 2017/18 to 2020/21 will be liable to change.

4.7 Additional Retained Business Rates (Line 23)

4.7.1 The localisation of business rates has led to the Council keeping extra business rates income, over and above what the government deem to be necessary to provide services. The amount is subject to change due to businesses failing, to successful appeals and to the amount of rate relief awarded.

4.7.2 The Council is a member of the Nottinghamshire Business Rates Pool, which benefits the local area by retaining all of the growth in business rates achieved by the members. If the individual councils were not members of the pool, they would each have to pay half of the growth over to central government. The Pool Memorandum of Understanding sets out how the extra income is to be used for the benefit of the local area.

4.7.3 Changes have also been proposed to Business Rates with local government being able to retain 100% of business rate income by 2019/20. A consultation to consider how this might work closed on 26 September 2016, alongside a consultation on needs and how these might be assessed. Government proposals suggest that the 80%/20% tier split currently in favour of billing authorities could be reversed, with the majority of funding going to upper tier authorities to support new responsibilities that will be devolved. Although it is possible that a system of damping will be put in place, this could lead to a funding reduction – central government will still set the level of need and the quantum of business rates income to be retained by individual authorities.

4.7.4 It is not known whether the change to 100% Business Rate Retention in 2019/20 will replace the reset that was due to take place in that year. Any reset could potentially rebase all growth achieved since 2013/14 and move this into the baseline. Currently no income from business rates growth is included in the medium term financial plan.

4.7.5 To add further uncertainty, there is a business rate revaluation coming into effect in April 2017. The draft revaluation list has been published and will be under constant review until 1 April. Revaluations lead to an increase in the number of appeals, and these would begin to be paid out in 2018. Our current provision for this is £3.5m, and this will need to increase in the 2016/17 year end process to cover further appeals already in the system, and any new appeals that are lodged and awarded as a result of the revaluation exercise. The increase to the provision comes from business rates income in year, thus reducing the amount of growth that can be included in the budget. The consultation on 100% Business Rates Retention, asked whether appeals should be funded nationally, or across a wider area than single authorities. This could change the level of provision needed.

4.8 Section 31 Grants (Line 24)

4.8.1 Section 31 grants are paid to local authorities to compensate them for lost Non Domestic Rate income where central government changes (e.g. Small Business Rate Relief) impact adversely on the amount of income retained by Councils. It is uncertain what impact the changes to business rates will have on this grant in future. Until more information becomes available, the budget for the annual grant remains level throughout the life of the medium term financial plan.

4.9 Savings Required

4.9.1 The Policy & Finance Committee on 22 September 2016 agreed that officers should continue to develop the budget and deliver strategic savings. The Policy & Finance Committee have also instructed the functional Committees be requested to look at opportunities for savings in 2017/18, and also any investment potentials which would increase and support revenue income levels, in order to reduce the projected burdens in future years.

4.9.2 As yet, no potential savings have been identified for either the current or future financial years therefore we are currently looking at a significant shortfall in the medium term financial plan.

4.9.3 The level of savings required will change if the draft announcement of the Local Government Settlement for 2017/18 does not reflect the estimates in the budget. It is important to have savings proposals developed should the settlement figure be significantly lower than estimated and these can also be fed into future years plans to mitigate any further cuts in funding.

4.9.4 If Members decide to increase or decrease the level of Council Tax, a 1% change equates to approximately £61,300.

5.0 Revenue Budget Bids 2016/17

5.1 As stated above, Members will be aware that the Council is likely to face severe budgetary challenges over the next four years. As changes to Government funding come into effect and other pressures impact on Local Government spending it is anticipated that further cuts may be applied to Local Government. Consequently, it is not possible for revenue growth bids to be incorporated into the budget for 2016/17 or following years without identifying further savings and/or increasing the level of Council Tax.

6.0 Capital Programme

6.1 It will also be necessary for the Council to determine the Capital Programme at its meeting in March.

6.2 The second quarter capital monitoring report showing the latest position on approved schemes is considered elsewhere on this agenda.

6.3 The Capital Programme for 2017/18 to 2021/22 will be considered by Policy & Finance Committee on 23 February 2017 for recommendation to Council on 9 March 2017.

7.0 Conclusions

7.1 The figures at this stage in the Budget process require a considerable amount of work before the final budget and levels of Council Tax can be determined. Savings continue to be required in 2017/18 and future years to balance the Council's budget. To enable the work to be carried out in a structured way and to increase the consultative process on the budget the following recommendations are put to the Policy & Finance Committee.

7.2 In order to brief members on the current budget position and to allow scrutiny of further savings it has been agreed that informal Committee meetings will be arranged during the weeks commencing 5th and 12th of December 2016.

8.0 RECOMMENDATIONS that:

- (a) the overall position on the 2017/18 budget be noted and Members should consider the strategy for achieving a balanced budget in 2017/18 onwards; and**
- (b) the Business Manager and Chief Financial Officer – Financial Services continues to formulate budget proposals for formal consideration at the Policy & Finance Committee Meeting on 23 February 2017.**

Reason for Recommendations

To ensure that the Council's Budget is prepared in accordance with the necessary timescale.

Background Papers

Nil

For further information please contact Nicky Lovely on Extension 5317 or Amanda Wasilewski on Extension 5738.

Nicky Lovely
Business Manager and Chief Financial Officer – Financial Services

SUMMARY OF DISTRICT COUNCIL BUDGET REQUIREMENT

A	B	C	D	E	F	G	H
Committee	Approved Budget 2016/17 £	Estimate 2017/18 £	C-B More (Less) £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021/22 £
*NB the figures below exclude support service recharges and capital charges							
1 Economic Development Committee	791,070	868,280	77,210	913,200	959,220	997,180	1,042,510
2 Homes & Communities Committee	2,018,530	2,069,600	51,070	2,051,070	2,060,000	2,068,690	2,093,030
3 Leisure & Environment Committee	3,343,530	3,092,910	(250,620)	3,156,450	3,212,330	3,263,480	3,315,500
4 Policy & Finance Committee	4,293,470	4,264,660	(28,810)	4,134,810	4,210,210	4,271,530	4,330,580
5 Total Service Budgets	10,446,600	10,295,450	(151,150)	10,255,530	10,441,760	10,600,880	10,781,620
LESS							
Central Reversals							
6 Capital Charges Reversal	0	0	0	0	0	0	0
7 Deferred Charges Reversal	0	0	0	0	0	0	0
8 Sub-Total Service Expenditure	10,446,600	10,295,450	(151,150)	10,255,530	10,441,760	10,600,880	10,781,620
ADD							
Centrally Funded Expenditure							
9 Capital Financing (Net of Res Cap Rec Int)	153,240	483,020	329,780	493,120	440,240	395,830	258,520
10 FRS 17 Pensions Adjustment	200,340	206,390	6,050	210,520	214,730	219,030	223,410
11 Drainage Levy	501,870	511,910	10,040	522,150	532,590	543,240	554,100
12 Sub-Total All Expenditure	11,302,050	11,496,770	194,720	11,481,320	11,629,320	11,758,980	11,817,650
LESS							
Centrally Funded Income							
13 Contributions from/(to) Reserves	654,920	264,590	(390,330)	90,180	90,410	90,640	90,880
14 Sub-Total Expenditure Less Income	10,647,130	11,232,180	585,050	11,391,140	11,538,910	11,668,340	11,726,770
ADD							
Forecast additional costs							
15 Benefit support grant paid to Parishes	64,310	0	(64,310)	0	0	0	0
16 Pensions Auto Enrolment	80,000	33,500	(46,500)	33,500	33,500	33,500	33,500
17 National Insurance changes	230,000	0	(230,000)	0	0	0	0
18 Apprenticeship Levy	0	42,000	42,000	42,000	42,000	42,000	42,000
19 Pensions backfunded element	929,000	938,290	9,290	947,670	957,150	966,720	976,390
20 NSDC BUDGET REQUIREMENT	11,950,440	12,245,970	295,530	12,414,310	12,571,560	12,710,560	12,778,660
21 Formula Grant	1,776,670	1,048,590	(728,080)	592,370	82,780	0	0
22 Retained Business Rates	3,365,800	3,432,000	66,200	3,533,250	3,646,180	3,714,820	3,789,120
23 Business Rate growth	(110,380)	0	110,380	0	0	0	0
24 Section 31 Grants	757,500	757,500	0	757,500	757,500	757,500	757,500
25 NET CALL ON THE COLLECTION FUND	6,160,850	7,007,880	847,030	7,531,190	8,085,100	8,238,240	8,232,040

BUDGET SUMMARY - SUBJECTIVE ANALYSIS OF OVERALL SERVICE EXPENDITURE

CODE	DESCRIPTION	2016/17	2017/18	More (Less)	2018/19	2019/20	2020/21	2021/22
		INITIAL BUDGET	INITIAL BUDGET		INITIAL BUDGET	INITIAL BUDGET	INITIAL BUDGET	INITIAL BUDGET
111	SALARIES AND WAGES	9,537,920	9,301,460	(236,460)	9,243,640	9,337,600	9,433,250	9,525,900
112	OTHER SALARIES/WAGES PAYMENTS	31,390	31,390	0	31,390	31,390	31,390	31,390
113	NATIONAL INSURANCE	666,130	865,590	199,460	861,530	870,950	880,370	890,110
114	SUPERANNUATION	1,142,770	1,104,570	(38,200)	1,096,830	1,108,010	1,119,190	1,130,140
115	OTHER EMPLOYERS CONTRIBUTIONS	23,190	24,500	1,310	24,500	24,500	24,500	24,500
	EMPLOYEE SUB TOTAL	11,401,400	11,327,510	(73,890)	11,257,890	11,372,450	11,488,700	11,602,040
211	REPAIRS AND MAINTENANCE	217,740	218,070	330	186,270	188,630	191,030	193,490
212	ENERGY COSTS	327,710	298,400	(29,310)	221,510	224,960	228,500	232,110
213	RENT	190,290	146,640	(43,650)	141,450	141,570	141,690	141,810
214	RATES	287,730	310,330	22,600	272,360	277,050	281,830	286,710
215	WATER SERVICES	52,980	53,450	470	56,070	56,990	57,930	58,890
216	FIXTURES AND FITTING	200	0	(200)	0	0	0	0
217	CLEANING AND DOMESTIC	6,230	6,850	620	5,290	5,360	5,430	5,500
219	CONTRIBUTION TO FUNDS	444,430	439,640	(4,790)	495,900	496,450	497,010	497,580
311	TRANSPORT	1,070,430	948,780	(121,650)	994,920	1,014,320	1,031,860	1,049,670
313	CONTRACT HIRE OP LEASE	350	0	(350)	0	0	0	0
315	CAR ALLOWANCES	113,850	96,930	(16,920)	98,340	99,310	101,220	102,250
316	INSURANCE	69,640	68,130	(1,510)	69,320	71,160	72,390	73,610
411	EQUIPMENT AND FURNITURE	197,420	202,000	4,580	199,190	199,440	193,580	196,100
412	MATERIALS	48,430	36,420	(12,010)	36,810	37,260	37,730	38,210
421	INTERNAL	77,840	60,260	(17,580)	60,250	60,260	60,270	60,280
431	CLOTHING AND UNIFORMS	24,780	24,270	(510)	24,330	24,770	25,230	25,690
441	GENERAL OFFICE EXPENSES	347,350	283,430	(63,920)	285,570	286,420	287,280	288,160
451	CONTRACTUAL	1,355,930	1,208,950	(146,980)	1,182,530	1,199,190	1,208,830	1,219,370
452	OTHER SERVICES	599,640	581,450	(18,190)	594,320	599,580	604,920	610,420
453	LEASING PREMIUMS	347,490	0	(347,490)	0	0	0	0
461	COMMUNICATIONS AND COMPUTING	787,990	805,900	17,910	824,460	840,600	847,710	860,100
471	STAFF	32,870	31,330	(1,540)	31,490	31,590	31,710	31,820
472	MEMBERS	221,600	253,310	31,710	255,840	258,400	260,980	263,590
473	CHAIRMAN	10,180	10,180	0	10,180	10,180	10,180	10,180
481	GRANTS	410,450	409,070	(1,380)	368,190	358,560	358,940	359,330
482	SUBSCRIPTIONS	51,030	47,510	(3,520)	48,260	49,020	49,800	50,610
491	INSURANCE	250,300	256,460	6,160	260,990	268,020	272,930	278,020
492	CONTRIBS TO FUNDS AND PROVISIONS	304,940	233,890	(71,050)	225,420	229,330	233,320	237,390
493	OTHER	1,221,560	1,133,120	(88,440)	1,164,410	1,184,920	1,195,640	1,206,590
496	CAPITAL	500	0	(500)	0	0	0	0
497	DISCOUNTS	8,360	11,360	3,000	10,160	8,960	7,730	6,490
611	HOUSING BENEFITS	25,131,390	25,262,000	130,610	25,262,000	25,262,000	25,262,000	25,262,000
612	OTHER TRANSFER PAYMENTS	65,550	65,550	0	65,550	65,550	65,550	65,550
	RUNNING EXPENSES SUB TOTAL	34,277,180	33,503,680	(773,500)	33,451,380	33,549,850	33,623,220	33,711,520
911	GOVERNMENT GRANTS	(25,311,370)	(25,440,880)	(129,510)	(25,440,880)	(25,440,880)	(25,440,880)	(25,440,880)
922	CONTRIBUTIONS FROM OTHER LAS	(408,430)	(398,580)	9,850	(381,580)	(383,180)	(384,820)	(386,500)
924	PARISH COUNCIL CONTRIBUTIONS	(8,570)	0	8,570	0	0	0	0
928	RECHARGE NON GF ACCOUNTS	(2,001,660)	(1,892,270)	109,390	(1,811,870)	(1,819,450)	(1,828,350)	(1,831,250)
929	OTHER GRANTS	0	(9,480)	(9,480)	(9,670)	(9,860)	(10,060)	(10,260)
931	SALES	(662,500)	(521,870)	140,630	(519,940)	(520,020)	(522,100)	(520,180)
932	FEES AND CHARGES	(4,351,090)	(3,939,600)	411,490	(3,950,910)	(3,962,430)	(3,974,180)	(3,986,160)
933	RENTS	(1,419,940)	(1,260,980)	158,960	(1,263,210)	(1,265,370)	(1,267,560)	(1,269,800)
938	FEES AND CHARGES	(265,410)	(337,890)	(72,480)	(339,980)	(342,110)	(344,280)	(346,500)
939	OTHER RECEIPTS	(696,360)	(699,780)	(3,420)	(700,710)	(701,660)	(702,630)	(703,620)
941	INTEREST	(630)	(630)	0	(630)	(630)	(630)	(630)
951	RECHARGE GF REV ACCOUNTS	(5,000)	(5,000)	0	(5,000)	(5,000)	(5,000)	(5,000)
958	INT CHARGE FOR SERVICES	(80,410)	(28,780)	51,630	(29,360)	(29,950)	(30,550)	(31,160)
961	REVENUE APPROPRIATION ADJUST	(20,610)	0	20,610	0	0	0	0
	INCOME SUB TOTAL	(35,231,980)	(34,535,740)	696,240	(34,453,740)	(34,480,540)	(34,511,040)	(34,531,940)
	COMMITTEE TOTAL	10,446,600	10,295,450	(151,150)	10,255,530	10,441,760	10,600,880	10,781,620

BUSINESS RATES APPEALS – GP SURGERIES

1.0 Purpose of Report

1.1 This report sets out the risks to Business Rates income in Newark & Sherwood from appeals for a reduced rateable value made on behalf of GP surgeries. It recommends that action is taken to draw the risk to the attention of local surgeries, NHS England and Government.

2.0 Background Information

2.1 The current system of Business Rates collection and redistribution places the risk of losses which might arise through appeals about business rates onto Collection Authorities including Newark & Sherwood District Council. A new rateable value list will apply from 2017 and this in itself will bring new risks in terms of appeals. However, there is still a backlog of Business Rates appeals relating to the current list and many of those appeals will, if successful, require a repayment of part of the Business Rates to the appellant backdated to 2010.

2.2 The appeals risk is born by Collection Authorities and representations have been made to Government through the Local Government Association about the volatility this creates in the current system and the implications posed for the future system of full business rates retention. There are particular concerns for Newark & Sherwood District Council because three of the largest Nottinghamshire business rates payers are in Newark & Sherwood and are the subject of appeals still to be resolved.

2.3 A particular concern has arisen about the number of Business Rates appeals for GP Surgeries. There are currently twelve outstanding appeals in Newark & Sherwood and if all were successful this would result in a loss of £1.1 million of business rates income in order to refund those surgeries back to 2010. The money would not be retained by the surgeries but would be clawed back by NHS England.

2.4 Given that refunds relate to the period from 2010 to the current day, these unresolved appeals relate to income which has already been raised, distributed to the various recipients (ie. central government, Nottinghamshire County Council, Nottinghamshire Fire and Rescue Service and Newark & Sherwood District Council). That money has already been spent by those authorities on the provision of public services.

2.5 Over the same period, the NHS has received funding nationally from taxation. These funds have been based on need and the Health Service's budget (unlike local government) has been protected by the present and previous government. Therefore the taxpayer has paid over to the NHS a sum of money that reflected the original business rate valuation. If a sum is now repaid to the Health Service as a result of business rate appeals, it would represent a windfall additional income to NHS England which was not anticipated in their original funding from government from 2010 to 2016. At the same time it would represent a further cut in local government spending, beyond the level intended by government over the same period.

2.6 The Business Rates appeals risk in relation to GP surgeries is therefore different to other risks in that there is a clear ethical consideration around the distribution of public funding which does not appear to have been fully considered by NHS England.

3.0 Proposals

3.1 It is proposed that Newark and Sherwood District Council undertakes the following actions:

- (i) sends letters to the GP surgeries in the district drawing the ethical issues to their attention and requesting them to withdraw their consent for the current appeals;
- (ii) writes to NHS England and asks them, in the event that the appeals are successful, to return the money to Newark & Sherwood District Council as the Collection Authority;
- (iii) seeks the support of our MP's and writes to the Secretaries of State for Health & Communities and Local Government and requests that, in the event that appeals are successful, they direct NHS England to return the money to Newark & Sherwood District Council; and
- (iv) works with neighbouring authorities and the Local Government Association to draw attention to this problem and support campaigning and lobbying at the national level.

4.0 Equalities Implications

4.1 There are no specific equalities implications which arise from the proposed action.

5.0 Impact on Budget/Policy Framework

5.1 The level of Business Rates appeals risk currently faced by Newark & Sherwood District Council is approximately £7 million so the risk relating to GP surgeries is approximately 1/7th of the total risk. The Council will need to make provision to cover the cost of these risks prior to distributing the business rates income for 2017/18 and this will mean that there is no business rates growth and that business rates income will reduce placing additional pressure on the Council's revenue budget.

6.0 Comments of Business Manager & Chief Financial Officer – Financial Services

6.1 The Council has set aside money to cover the cost of appeals in the last two financial years, and due to the amounts involved will continue to need to do so.

6.2 Under the previous system of Business Rates Retention, business rates were collected locally and pooled by central government and appeals were paid from this central pool. Under the current system, provision to pay appeals has to be made by the collecting authority. This leads to large sums of money being set aside and therefore not being available to spend on services. The uncertainty around whether appeals will be awarded means that it is impossible to plan to spend this money in the future – it is difficult to predict how much of the provision will be paid out or when. In the recent consultation on 100% Business Rates Retention, many suggested that all appeals should be the responsibility of central government, with all Councils making a contribution towards the cost. This would smooth out the risk imposed on any individual authority by the presence of large businesses within their business rates base.

7.0 RECOMMENDATION

That the actions to draw attention to and ameliorate the impact GP surgeries business rate appeals, as set out in paragraph 3.1 of the report, be approved.

Reason for Recommendation

To make Members aware of the risks to business rates income arising from any appeals from GP surgeries and to take appropriate action to address this issue now.

Background Papers

Nil.

For further information please contact Andrew Muter on Ext 5200.

Andrew Muter
Chief Executive

CAPITAL PROGRAMME MONITORING TO 30 SEPTEMBER 2016

1.0 Purpose of Report

- 1.1 To enable Members to monitor the progress of the overall capital programme since the last progress report on 22 September 2016. The current five year programme was approved by Council on 10 March 2016 and regular reports on progress and variations are required.

2.0 Issues for Consideration

- 2.1 **Appendix A & B** provide details of the capital projects over their whole life to illustrate total budget, expenditure, progress and explanations for any amendments. **Appendix C** lists any proposed amendments to the capital programmes since it was last approved on the 22 September 2016. **Appendix D** lists the current capital schemes budgets to be approved by Policy Committee on 1 December 2016 and the subsequent overall financing position is shown at **Appendix E**.

3.0 RECOMMENDATION

That the variations listed in Appendix C are approved and the Programme shown in Appendix D be accepted as the latest approved Capital Programme.

Reason for Recommendation

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

Background Papers

Nil

For further information please contact Mike Marriott (Accountant) on extension 5327.

Nicky Lovely
Business Manager and Chief Financial Officer – Financial Services

Project	Capital Description	Project Manager	Original Budget - Whole life	Revised Budget Whole life	Actuals to date	Projected future costs	Projected Total costs - Life of project	Revisions - Whole life	Additions/Reductions since Policy & Finance 22.09.16	Comments - Revisions over project life
TA1211	Newark, New Leisure Centre	Matt Finch	10,122,000	10,321,999	9,171,856	1,150,143	10,321,999	199,999	0	The increase of £199,999 in the capital programme relates to a successful bid from the district council to the CCG to include additional items in the new leisure centre that could be linked to the achievement of CCG health outcomes. Although the project is now complete and we are awaiting a final account, the contract price for completing the whole project was significantly below the £10,122,000 included in the capital programme, or the £10,321,000 when the CCG money is included.
TA1214	Leisure Centre Access Road Enhancement	Matt Finch	197,025	156,916	156,916	0	156,916	-40,109	0	Works completed - Underspend on this project of £40k
TA3050	National Civil War Centre	Andy Carolan	5,488,751	5,649,751	5,455,899	322,612	5,778,511	289,761	128,761	The £289,761 reflects the envisaged additional project costs, currently we are in dispute with contractor over the final bill. The additional £150,000 was built in on the advice of our cost consultants for this project. Funding switch between NCWC other NCC funded expenditure and NCWC trail £11,000. Correction - Funding agreed though RR and HLF of £128,761 but not attributed to budget originally, it has now been actioned.
TA3050A	NCWC other NCC funded Expenditure	Matt Finch	288,313	288,313	288,313	0	288,313	0	0	
TA3051	Newark Civil War Town Trail	Michael Constantine	211,000	199,935	199,935	0	199,935	-11,065	0	Funding switch between NCWC other NCC funded expenditure and NCWC trail £11k. Project now completed, balance of £65 removed from programme.
TA3052	Palace Theatre/Museum Integration	Matt Finch	1,460,846	1,615,620	1,482,806	132,814	1,615,620	154,774	0	The tender returns for completing the integration project were higher than forecast when received in summer 2015. This led to an increase in costs of £145k, the scheme was subsequently approved by Policy and Finance Committee at the increased price. The further addition of £10k which has been contributed from Palace revenue relates to works carried out to fix the roof (not part of original works).
TA3053	Museum Improvements	Michael Constantine	750,000	750,000	134,486	615,514	750,000	0	0	
TA3286	Information Technology Investment	Sharon Parkinson	1,526,841	1,541,541	279,309	1,262,232	1,541,541	14,700	0	£14.7k ICT requirements for members to facilitate paperless vision
TA	CUSTOMERS		20,044,776	20,524,074	17,169,521	3,483,314	20,652,835	608,059	128,761	
TB2253	Vehicles & Plant (NSDC)	Andrew Kirk (Veh) / Matt Finch (Leis Equip)	5,145,526	5,145,526	3,116,625	2,028,901	5,145,526	0	0	
TB3057	Maun Valley Phase II	Phil Beard	60,000	60,000	57,226	2,774	60,000	0	0	
TB3154	Castle Gatehouse Project	Phil Beard	60,000	60,000	0	117,600	117,600	57,600	57,600	Total funding increased to £117,600. This is an addition of £57,600, it is made up of an additional £5,000 from NSDC and £52,600 external funding. NSDC total contribution is now £25,000.
TB3158	Hawtonville School Playing Field	Phil Beard	107,742	107,742	84,619	23,123	107,742	0	0	
TB6145	Grant to Farndon Sports Pavilion	Phil Beard	43,099	43,099	28,449	14,650	43,099	0	0	
TB6148	Lorry Park	Andy Statham	0	0	0	500,000	500,000	500,000	500,000	Lorry park, To be Proposed at P&F 01.12.16
TB	COMMUNITY		5,416,367	5,416,367	3,286,919	2,687,048	5,973,967	557,600	557,600	

Project	Capital Description	Project Manager	Original Budget - Whole life	Revised Budget Whole life	Actuals to date	Projected future costs	Projected Total costs - Life of project	Revisions - Whole life	Additions/Reductions since Policy & Finance 22.09.16	Comments - Revisions over project life
TC1000	New Council Offices	Matt Finch	6,302,000	7,607,628	1,642,596	5,965,032	7,607,628	1,305,628	0	The cost estimate for the office in 2013 was based on an estimated build cost of £157.50 per square foot for the office space. Current proposals are for a cost of £162 per square foot, which is a marginally higher figure reflecting rising construction costs. The current proposals include additional space due to the inclusion of the CAB, CVS and DWP in the new offices. These additional public services will, of course be contributing to the additional costs. The additional costs have been agreed formally through Policy and Finance
TC2280	Ollerton Hall acquisition and works	David Best	350,000	408,664	400,225	8,440	408,664	58,664	0	Additional budget required in respect of purchase of Ollerton Hall and associated legal costs. Actual Legal bill under dispute, if successful costs will reduce
TC3017	Workshop Frontage Improvements	David Best	111,100	111,100	3,024	108,076	111,100	0	0	
TC3132	20 Baldertongate Repairs	Darren Wardale	14,800	14,800	14,538	262	14,800	0	0	
TC	RESOURCES		6,777,900	8,142,192	2,060,382	6,081,810	8,142,192	1,364,292	0	
TE3266	Growth Point (Grant Funded)	Andrew Muter	449,121	449,121	0	449,121	449,121	0	0	Potential contribution to SLR/A1 roundabout
TE3267	Rural Broadband Provision	Andrew Muter	250,000	250,000	250,000	0	250,000	0	0	
TE3268	Southern Link Road Contribution	Andrew Muter	2,500,000	3,500,000	1,019,215	2,480,785	3,500,000	1,000,000	0	Additional grant income received contributing to the project as a whole.
TE	GROWTH		3,199,121	4,199,121	1,269,215	2,929,906	4,199,121	1,000,000	0	
TF3161	Balderton land drainage	Darren Wardale	12,000	12,000	2,895	9,105	12,000	0	0	
TF3220	Major Flood Alleviation	Ben Adams	150,000	150,000	0	150,000	150,000	0	0	
TF3222	Works to Wellow Green Hostel	Dennis Roxburgh	150,000	150,000	92,327	57,673	150,000	0	0	
TF3223	CCTV	Oliver Vale	0	325,000	0	325,000	325,000	325,000	0	New budget for CCTV - Upgrade and Move. Agreed at P&F 30.06.16
TF3224	Seven Hills	Leanne Monger	0	0	0	69,023	69,023	69,023	69,023	New budget for Seven Hills - Meet Health and Safety requirement. To be Proposed at P&F 01.12.16
TF	SAFETY		312,000	637,000	95,222	610,800	706,023	394,023	69,023	
TOTALS			35,750,164	38,918,754	23,881,259	15,792,879	39,674,137	3,923,974	755,383	

Project	Capital Description	Project Manager	Original Budget - Whole life	Revised Budget Whole life	Actuals to date	Projected future costs	Projected Total costs - Life of project	Revisions - Whole life	Additions/Reductions since Policy & Finance 22.09.16	Comments - Revisions over project life
SA1013	25 supported dwellings - Bilsthorpe	Rob Main / Peter Harley	2,330,141	2,386,915	2,287,877	99,038	2,386,915	56,774	0	Tender agreed for works to be completed was at a higher price by £56,774 than originally estimated when project first considered for capital approval.
SA1015	Affordable Rural Housing Grant	Rob Main / Peter Harley	260,000	260,000	150,000	110,000	260,000	0	0	
SA1016	Site A - Wolfit Avenue, Balderton	Rob Main / Peter Harley	424,434	313,344	277,261	36,083	313,344	-111,090	0	Tender agreed for works to be completed was at a lower price of £111,090 than originally estimated when project first considered for capital approval.
SA1017	Site B - Wolfit Avenue, Balderton	Rob Main / Peter Harley	441,846	357,952	322,318	35,634	357,952	-83,894	0	Tender agreed for works to be completed was at a lower price of £83,894 than originally estimated when project first considered for capital approval.
SA1018	Coronation Street/Grove View Rd, Balderton	Rob Main / Peter Harley	709,628	728,351	655,968	72,383	728,351	18,723	0	Tender agreed for works to be completed was at a higher price of £18,723 than originally estimated when project first considered for capital approval.
SA1019	Lilac Close	Rob Main / Peter Harley	941,415	747,544	671,394	76,150	747,544	-193,871	0	Tender agreed for works to be completed was at a lower price of £193,871 than originally estimated when project first considered for capital approval.
SA1020	Second Avenue, Edwinstowe	Rob Main / Peter Harley	545,809	487,032	430,018	57,014	487,032	-58,777	0	Tender agreed for works to be completed was at a lower price of £60,723 than originally estimated when project first considered for capital approval.
SA1021	Ash Farm Farnsfield	Rob Main / Peter Harley	1,176,000	1,176,000	242,521	933,479	1,176,000	0	0	
SA1022	St Leonards Hospital Trust	Rob Main / Peter Harley	330,000	330,000	0	330,000	330,000	0	0	
SA1023	Bowbridge Road	Rob Main / Peter Harley	8,937,121	8,937,121	519,366	8,417,755	8,937,121	0	0	
SA1030	HRA Site Development	Rob Main / Peter Harley	500,000	500,000	3,440	396,560	400,000	-100,000	-100,000	Report to P&F 01.12.16 - Reduce capital programme by £100k and use this reduction in HRA reserve required to fund associated project revenue costs
Total - Affordable Housing			16,596,394	16,224,259	5,560,164	10,564,095	16,124,259	-472,135	-100,000	

General Fund Additions

Project	Capital Description	Additions/Reductions - 16-17	Comments
TB3154	Castle Gatehouse Project	57,600	Total Funding increased to £117,600 - Additional cost to NSDC of £5k, the balance covered by additional external income
TA3050	Newark Civil War Centre	128,761	Additional funding from RR and HLF - Previously agreed at Full Budget Feb 16. Not actioned though
TF3224	Seven Hills	69,023	New project proposed, to be considered at H&C 7th November 2016
TB6148	Lorry Park Extension	500,000	New project proposed, extending of Lorry park to facilitate additional parking to mitigate losses as a result of New Offices
Total additions/Reductions		755,383	

General Fund - Reprofiting

Project	Capital Description	Movements 16-17	Movements 17-18	Movements 18-19	Movements 19-20	Movements 20-21
TB3154	Castle Gatehouse Project	-117,600	117,600	0	0	0
Total General Fund Re profiting		-117,600	117,600	0	0	0

HRA Additions

Project	Capital Description	Additions/Reductions - 16-17	Comments
SA1030	HRA - Site Development	-100,000	Original allocation of £500,000. The reduction of £100,000 is to be moved to revenue to support associated costs of HRA site development
Total additions/Reductions		-100,000	

CAPITAL PROGRAMME SUMMARY															APPENDIX E
	2016/17			2017/18			2018/19			2019/20			2020/21		
	REVISED	Full Council 10.03.16	DIFF.	REVISED	Full Council 10.03.16	DIFF.	REVISED	Full Council 10.03.16	DIFF.	REVISED	Full Council 10.03.16	DIFF.	REVISED	Full Council 10.03.16	DIFF.
COMMITTED SCHEMES EXPENDITURE															
Housing Services	10,559,510	7,115,339	+3,444,171	13,892,474	6,858,800	+7,033,674	6,658,800	6,388,800	+270,000	6,388,800	6,388,800	0	6,156,600	6,156,600	0
Other Services	15,895,488	7,383,938	+8,511,550	2,110,620	1,503,020	+607,600	1,038,800	887,000	+151,800	1,193,595	1,193,595	0	713,000	713,000	0
Total Expenditure	26,454,997	14,499,277	+11,955,720	16,003,094	8,361,820	+7,641,274	7,697,600	7,275,800	+421,800	7,582,395	7,582,395	0	6,869,600	6,869,600	0
CAPITAL EXPENDITURE FINANCING															
Net Internal and External Borrowing Approval	7,002,754	5,783,303	+1,219,451	1,740,020	1,225,020	+515,000	151,800	0	+151,800	1,188,595	1,188,595	0	708,000	708,000	0
Government Grants	4,567,214	465,000	+4,102,214	1,215,000	465,000	+750,000	465,000	465,000	0	465,000	465,000	0	465,000	465,000	0
Contributions from Third Parties	2,336,760	0	+2,336,760	2,056,689	0	+2,056,689	0	0	0	0	0	0	0	0	0
Community Infrastructure Levy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Receipts	768,397	252,539	+515,858	459,953	273,000	+186,953	882,000	882,000	0	0	0	0	0	0	0
Capital Reserve	4,772,961	1,604,135	+3,168,826	8,500	8,500	0	8,500	8,500	0	8,500	8,500	0	8,500	8,500	0
Revenue Support	7,006,910	6,394,300	+612,610	10,522,933	6,390,300	+4,132,633	6,190,300	5,920,300	+270,000	5,920,300	5,920,300	0	5,688,100	5,688,100	0
Total Resources Available	26,454,997	14,499,277	+11,955,720	16,003,094	8,361,820	+7,641,274	7,697,600	7,275,800	+421,800	7,582,395	7,582,395	0	6,869,600	6,869,600	0
Net resources before allowing for Earmarked Funds	0	0	-0	0	0	+0	0	0	0	0	0	0	0	0	0
<i>Note - Other Unallocated Resources</i>															
Community Infrastructure Levy	2,072,221	2,307,720	-235,499	2,795,798	2,899,220	-103,422	3,774,854	3,490,720	+284,134	4,888,927	4,082,220	+806,707	5,660,686	0	+5,660,686
Capital Receipts	2,584,290	2,081,433	+502,857	8,670,588	8,354,683	+315,905	7,934,838	7,265,933	+668,905	8,081,088	7,412,183	+668,905	8,227,338	0	+8,227,338
Available Resources	4,656,511	4,389,153	+267,358	11,466,386	11,253,903	+212,483	11,709,691	10,756,653	+953,038	12,970,014	11,494,403	+1,475,611	13,888,024	0	+13,888,024
GENERAL FUND PROGRAMME SUMMARY															
	2016/17			2017/18			2018/19			2019/20			2020/21		
	REVISED	Issue 1	DIFF.	REVISED	Issue 1	DIFF.	REVISED	Issue 1	DIFF.	REVISED	Issue 1	DIFF.	REVISED	Issue 1	DIFF.
COMMITTED SCHEMES EXPENDITURE															
Housing Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Services	15,895,488	7,383,938	+8,511,550	2,110,620	1,503,020	+607,600	1,038,800	887,000	+151,800	1,193,595	1,193,595	0	713,000	713,000	0
Total Expenditure	15,895,488	7,383,938	+8,511,550	2,110,620	1,503,020	+607,600	1,038,800	887,000	+151,800	1,193,595	1,193,595	0	713,000	713,000	0
CAPITAL EXPENDITURE FINANCING															
Net Internal and External Borrowing Approval	7,002,754	5,783,303	+1,219,451	1,740,020	1,225,020	+515,000	151,800	0	+151,800	1,188,595	1,188,595	0	708,000	708,000	0
Government Grants	3,256,162	0	+3,256,162	0	0	0	0	0	0	0	0	0	0	0	0
Contributions from Third Parties	342,110	0	+342,110	92,600	0	+92,600	0	0	0	0	0	0	0	0	0
Community Infrastructure Levy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Receipts	525,000	0	+525,000	273,000	273,000	0	882,000	882,000	0	0	0	0	0	0	0
Capital Reserve	4,769,461	1,600,635	+3,168,826	5,000	5,000	0	5,000	5,000	0	5,000	5,000	0	5,000	5,000	0
Total Resources Available	15,895,488	7,383,938	+8,511,550	2,110,620	1,503,020	+607,600	1,038,800	887,000	+151,800	1,193,595	1,193,595	0	713,000	713,000	0
Net resources before allowing for Earmarked Funds	0	0	-0	0	0	0	0	0	0	0	0	0	0	0	0