



Wednesday, 3 July 2019

Dear Sir/Madam

A meeting of the Finance and Resources Committee will be held on Thursday, 11 July 2019 in the New Council Chamber, Town Hall, Foster Avenue, Beeston NG9 1AB, commencing at 7.00 pm.

Should you require advice on declaring an interest in any item on the agenda, please contact the Monitoring Officer at your earliest convenience.

Yours faithfully

Chief Executive

To Councillors: S A Bagshaw (Vice-Chair)  
S J Carr  
E Cubley  
S Easom  
D A Elliott (Chair)  
R I Jackson

H Land  
G Marshall  
P J Owen  
P D Simpson  
P M Roberts-Thomson

## A G E N D A

1. APOLOGIES

2. MINUTES

PAGES 1 - 6

To approve the minutes of the previous meeting held on 14 February 2019.

3. DECLARATIONS OF INTEREST

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest in any item on the agenda.

#### 4. REFERENCES

##### 4.1 Housing Committee

PAGES 7 - 20

5 June 2019

##### Housing Delivery Plan

In December 2018 Housing Committee approved the recommendations of the Social and Affordable Housing Need report. It was agreed that a phased delivery plan would be brought to a future meeting.

Members considered a phased potential delivery plan for the next ten years, a potential new build delivery plan for phase 1 and the process by which this could be achieved, and were informed that any relevant decisions would be reported to the Committee.

**RECOMMENDED to the Finance and Resources Committee to include £1,000,000 in the 2019/20 Capital Programme for the acquisition of properties for the Housing Revenue Account.**

##### 4.2 Leisure and Environment

PAGES 21 - 26

12 June 2019

##### Bramcote Leisure Centre Condition Survey

The Bramcote Leisure Centre Survey was noted, and the members were asked to consider their response to the report alongside the need for a long term leisure facilities strategy. There was particular reference to exploring the possibility of building a new leisure centre rather than investing further funds in repairs to an ageing asset. The timescales for providing a new leisure centre were discussed and it was considered that between three and five years presented a realistic timescale for getting the relevant planning permissions, consultation and building of such a facility.

**RECOMMENDED to Finance and Resources Committee that £30,000 be allocated in the capital programme for the employment of external consultants to prepare a Leisure Facilities Strategy and that the Council continue to provide Leisure Services within the Borough.**

4.3 Jobs and Economy Committee PAGES 27 - 30

4 July 2019

Houses in Multiple Occupation in Beeston Update

Due to the despatch of the Finance and Resources Committee agenda being on 3 July and the Jobs and Economy Committee being held on 4 July members will be updated at the meeting on the outcome of this item.

5. STATEMENT OF ACCOUNTS UPDATE AND OUTTURN POSITION 2018/19 PAGES 31 - 52

To report on the revenue and capital outturn position for 2018/19, provide an update on progress with the preparation of the draft annual statement of accounts for 2018/19, approve the revenue and capital carry-forward requests to the 2019/20 year and inform the Committee that the Policy and Performance Committee will be tasked with considering significant variances in the financial outturn against revised revenue estimates for 2018/19.

6. TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS - ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019 PAGES 53 - 68

To inform the Committee of treasury management activity and the actual prudential indicators for 2018/19.

7. GENERAL FUND REVENUE BUDGET AMENDMENTS PAGES 69 - 70

To seek approval for a number of amendments to the General Fund revenue budget for 2019/20 and for additional one-off budget allocations to address particular issues.

8. CAPITAL BUDGET VARIATIONS PAGES 71 - 76

To seek approval for a number of capital budget variations in respect of the 2019/20 financial year.

9. GRANTS TO VOLUNTARY AND COMMUNITY ORGANISATIONS, CHARITABLE BODIES AND INDIVIDUALS INVOLVED IN SPORTS, THE ARTS AND DISABILITY MATTERS 2019/20 PAGES 77 - 92

To consider requests for grant aid in accordance with the provisions of the Council's Grant Aid Policy.

10. GRANT AID - BROXTOWE TWINNING ASSOCIATION 2019/20 PAGES 93 - 94

To consider a request for grant aid towards a twinning visit from Gütersloh as arranged by the Broxtowe Twinning Association for August 2019.

11. CITIZENS ADVICE BROXTOWE - GRANT AID 2019/20 PAGES 95 - 106

To consider the outturn position in respect of the Service Level Agreement with Citizens Advice Broxtowe following the commitment of a three-year grant funding settlement from 2018/19 in accordance with the provisions of the Council's Grant Aid Policy.

12. GRANT AID REQUEST FROM NUTHALL PARISH COUNCIL PAGES 107 - 110

To consider a request for grant assistance in accordance with the protocol for the consideration of grant aid to parish and town councils.

13. PERFORMANCE MANAGEMENT REVIEW OF BUSINESS PLAN - SUPPORT SERVICE AREAS - OUTTURN REPORT PAGES 111 - 124

To report progress against outcome targets identified in the Business Plans for support services areas, linked to Corporate Plan priorities and objectives, and to provide an update as to the latest key performance indicators therein.

14. WORK PROGRAMME PAGES 125 - 126

To consider items for inclusion in the Work Programme for future meetings.

15. EXCLUSION OF PUBLIC AND PRESS

**The Committee is asked to RESOLVE that, under Section 100A of the Local Government Act, 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 3, 5 and 7 of Schedule 12A of the Act.**

16. BEESTON SQUARE PHASE 1 - ANNUAL REPORT 2018/19 PAGES 127 - 130
17. IRRECOVERABLE ARREARS PAGES 131 - 136
18. EXERCISE OF THE CHIEF EXECUTIVE'S URGENCY POWERS - CONTRACT FOR THE PROVISION OF CASH COLLECTION AND CASH IN TRANSIT SERVICES PAGES 137 - 140

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## **FINANCE AND RESOURCES COMMITTEE**

**14 FEBRUARY 2019**

Present: Councillor P D Simpson, Chair

Councillors: S A Bagshaw  
S J Carr  
T P Brindley  
E Cubley  
S Easom  
L Fletcher (substitute)  
R I Jackson  
P Lally  
G Marshall  
M Radulovic MBE  
A W G A Stockwell

An apology for absence was received from Councillor P J Owen.

### 66. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 67. MINUTES

The minutes of the meeting on 8 January 2018 were confirmed and signed.

### 68. REFERENCES

#### 68.1 HOUSING COMMITTEE

16 January 2019

#### House in Multiple Occupation Licence Fees

The Committee considered the proposed change to the fees charged for Houses in Multiple Occupation (HMO) licences. An internal audit of the HMO licensing process had recommended that the fee for licensing be re-assessed. It was noted that the application or renewal for a full license be increased from £475 to £560. Additionally, if the landlord was a member of a recognised landlords' association or was making an application in respect of a second or subsequent HMO the fee was to be increased from £415 to £449.

**RESOLVED that the fees for HMO licence applications be approved for introduction on 1 April 2019.**

## 68.2 LICENSING AND APPEALS COMMITTEE

28 January 2019

Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018

The Committee received an updated on the changes in the licensing of animal activities legislation. The legislation introduced an updated licensing system in England for activities including the sale of animals as pets, providing or arranging boarding for cats and dogs (including home dog sitting), hiring out horses, dog breeding and keeping or training animals for exhibition. The legislation gave updated powers to ensure high standards of animal welfare and provided the mechanism for local authorities to effectively recover the cost of administering the licences.

**RESOLVED that the proposed fees and charges in respect of animal activities licensing be approved and thereafter be subject to the regular review in accordance with other fees and charges.**

## 68.3 LEISURE AND ENVIRONMENT COMMITTEE

23 January 2019

Hickings Lane Recreation Ground

The Committee received a report on the success in securing additional funding for work at the Hickings Lane Recreation Ground play area in Stapleford.

Following consultation on site the replacement of the out-dated multi use games area (MUGA) was identified as a high priority together with the play area. The proposed £50,000 bid to WREN was therefore increased to £93,500 to fund the replacement of this MUGA.

**RESOLVED that:**

- 1. A scheme costing £165,500 be included in the 2019/20 capital programme for the provision of new play and sports facilities at Hickings Lane Recreation Ground, Stapleford with funding as set out in the appendix be approved.**
- 2. An allocation of £8,550 be made in 2018/19 from revenue contingencies to meet the cost of the contributing third party payment to WREN.**

## 68.4 INDEPENDENT REMUNERATION PANEL

24 January 2019

Pay Award and Review of Allowances

The Committee considered the recommendation of the Independent Remuneration Panel to adopt a 2% pay award for 2019/20 on allowances to be paid to members. It was proposed that no increase to members' allowances be made. On being put to the meeting the motion was carried.

**RECOMMENDED to Council that there be no increase in allowances for members.**



## 68.5 INDEPENDENT REMUNERATION PANEL

24 January 2019

### Member Allowances

The Committee considered the level of allowance to be recommended to Council. It was proposed that no change to the existing remuneration policy or remuneration levels be. On being put to the meeting the motion was carried.

**RECOMMENDED to Council that no changes to the existing remuneration policy be approved.**

## 69. BUDGET PROPOSALS AND ASSOCIATED STRATEGIES

The Committee considered the budget proposals and associated strategies with particular reference to notional capital charges and the amounts being drawn from reserves. The following comments were amongst those made:

- Regarding the consultation, the Committee was informed that no changes had been made to the budget as a result of the submissions. It was suggested that the number of respondents was disappointing but it was not a priority to spend heavily on the consultation as it could be predicted that the number of responses would be low.
- There was concern of the number of rough sleepers across Nottinghamshire. It was stated that further resource would be designated through the committee process in relation to Universal Credit if necessary.
- The budget proposals had been signed off by the Section 151 Officer, which verified its considered nature.
- Employee savings would have to be reconsidered but it was not planned that redundancies would be made during the course of this budget.

**RESOLVED that the business plans for the Council's corporate priorities and support functions, subject to amendment as a result of any budget decisions still to be taken by Council recommended by the relevant policy committees.**

### **RECOMMENDED to Council that:**

1. The Housing Revenue Account budget as submitted be approved (appendix 3).
2. The General Fund revenue budgets as submitted be approved (appendix 4).
3. The capital submissions and priorities within them be approved (appendix 5).
4. The Interim Deputy Chief Executive be authorised to arrange the financing of the capital programme as necessary (appendix 5).
5. An amount of £25,000 be provided for a General Contingency in 2019/20 (appendix 5).
6. The council tax requirement for 2019/20 including special expenses (but excluding local precepting requirements) be £5,475,252 (appendix 4).
7. An amount of £350,720 be withdrawn from the General Fund reserve in 2019/20 (appendix 4).
8. An amount of £264,325 be withdrawn from General Fund non-earmarked reserves in 2019/20 (appendix 4).
9. The Capital Strategy be approved (appendix 6)

10. The Minimum Revenue Provision policy as set out be approved (appendix 7).
11. The treasury management strategy statement be approved (appendix 7).
12. The investments strategy be approved (appendix 8).
13. The General Fund Medium Term Financial Strategy be approved (appendix 9).

70. CAPITAL PROGRAMME 2018/19 UPDATE

The Committee noted the expenditure on the 2018/19 capital programme to 31 December 2018 and the planned financing of the 2018/19 capital programme.

**RESOLVED** that the capital budget variations for 2018/19 as set out in appendix 3 of the report be approved.

71. BUSINESS PLANS AND FINANCIAL ESTIMATES 2019/20 – 2021/22

As part of the Council's performance management framework, the delivery and financial plans for the five corporate priority areas identified within the Corporate Plan 2016-20 were brought together in one report in order for the links between service priorities, spending proposals and targets to be clear.

Members considered the proposals for business plans, detailed revenue budget estimates for 2019/20, capital programme for 2019/20 to 2021/22 and proposed fees and charges for 2019/20 in respect of the Council's priority areas.

**RESOLVED** that the Business Plans be approved.

**RECOMMENDED** to Council that the following be approved:

- a) The detailed revenue budget estimates for 2019/20 (base) including any revenue development submissions.
- b) The capital programme for 2019/20 to 2021/22
- c) The fees and charges for 2019/20.

72. GRANTS TO VOLUNTARY AND COMMUNITY ORGANISATIONS, CHARITABLE BODIES AND INDIVIDUALS INVOLVED IN SPORTS, THE ARTS AND DISABILITY MATTERS 2018/19

The Committee considered a request for grant aid in accordance with the provisions of the Council's Grant Aid Policy and noted the grants awarded under delegated authority.

**RESOLVED** that:

1. The request for £7,000 from Voluntary Action Broxtowe be deferred in order to obtain further information regarding the purpose of the request.
2. The applications be dealt with as follows:

	£
Age Concern Eastwood	9,000
Broxtowe Women's Project	6,000
Eastwood People's Initiative	2,500
Bramcote Cricket Club	865

	£
Kimberley Institute Cricket Club	750
Phoenix Football Club	1,000
Chilwell Community Association	3,150
Stapleford Community Association	3,000
Toton Coronation Hall Community Association	7,000
Beeston Shopmobility	8,500
2 <sup>nd</sup> Beeston Sea Scouts	1,750
2 <sup>nd</sup> Kimberley Scout Group	6,500
5 <sup>th</sup> Stapleford Scout Group	4,500
Broxtowe Play Forum	5,500
Greasley Gathering, The	1,000

73. GRANT AID REQUEST FROM TROWELL PARISH COUNCIL

The Committee considered a request for capital grant funding from Trowell Parish Council towards the cost of refurbishment works to the car park at the Parish Hall on Stapleford Road in Trowell. The Parish Council had asked the Council to contribute up to £3,500 towards the quoted cost of £12,368.

**RESOLVED that the request be deferred to allow for further information regarding the Parish Council's reserves.**

74. APPROVAL FOR PROCUREMENT OF ELECTRICITY CONTRACT

The Council was currently using an Eastern Shires Purchasing Organisation (ESPO) framework for the supply of electricity. This contract was due to end on 30 September 2020, however, ESPO required confirmation by 1 April 2019 of whether or not the contract was to be renewed. Before this decision could be taken, research into the market offer needed to be undertaken. As this timeframe fell with the Purdah period for the local elections in May 2019, delegation of approval was being sought.

Members requested that a report be submitted to a future meeting which provided an update on the purchase of Green Energy.

**RESOLVED that the delegation of approval for a broker for electricity procurement to the Interim Deputy Chief Executive in consultation with the Chair of Finance and Resources Committee be approved.**

75. WORK PROGRAMME

The Committee considered the Work Programme. It was agreed that a report on GDPR statement issued over the telephone to customers be added to the work programme in addition to a report on the purchase of Green Energy.

**RESOLVED that the Work Programme, as amended, be approved.**

76. EXCLUSION OF PUBLIC AND PRESS

**RESOLVED** that, under Section 100A of the Local Government Act, 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2 and 3 of Schedule 12A of the Act.

77. IRRECOVERABLE ARREARS

**RESOLVED** that the arrears in excess of £1,200 on national non-domestic rates, council tax, rents, housing/council tax benefit overpayment and sundry debtors as set out in the report be written off and to note the exercise of the Interim Deputy Chief Executive's delegated authority under financial regulation 5.9 be noted.

78. REVENUES AND BENEFITS SOFTWARE

**RESOLVED** that the re-appointment of Civica (OpenRevenues) as the Council's software supplier of Revenues and Benefits for the period 1 April 2019 to 31 March 2020, be approved.

## Report of the Chief Executive

### HOUSING DELIVERY PLAN

1. Purpose of report

To seek approval for a Housing Delivery Plan to meet social and affordable housing need.

2. Background

In December 2018 Housing Committee approved the recommendations of the Social and Affordable Housing Need report. It was agreed that a phased delivery plan would be brought to a future meeting. Appendix 2 is confidential because it contains financial information.

3. Detail

Housing Committee resolved that the proposal for a phased delivery plan be based on:

- Land the Council currently owns
- Purchase of already built properties
- A buy-back policy
- Remodelling of existing under-used accommodation
- Judicious use of partnerships where there is a proven business case to use this route to deliver dwellings faster or where additionality can be achieved.

A phased potential delivery plan for the next ten years which addresses all of the above is included in appendix 1. A potential new build delivery plan for phase 1 is included in appendix 2. The process through which this could be achieved is set out in appendix 3.

4. Financial implications

Housing Capital receipts available at 31 March 2019 to support the housing delivery plan totalled £3,831,225. These will be supplemented by receipts from future right to buy sales. Borrowing remains a potential source of funding and the flexibility has been enhanced by the abolition of the debt cap.

#### **Recommendation**

**The Committee is asked to RESOLVE:**

- 1) TO APPROVE the approach to development outlined in the phased Housing Delivery Plan to deliver 230 homes over 10 years.**
- 2) TO AGREE to embark on the process set out in appendix 3 through which the land identified in the Phase 1 Delivery Plan may in future be used for development of housing**
- 3) TO RECOMMEND to Finance and Resources Committee to include £1,000,000 in the 2019/20 Capital Programme for the acquisition of properties for the Housing Revenue Account**
- 4) TO RECOMMEND TO COUNCIL that the Chief Executive be delegated the power to approve property acquisitions within the budget identified and land acquisitions up to £500,000 in consultation with the Chair of the Housing Committee.**

#### **Background papers**

Nil

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# Housing Delivery Plan

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## Why a Housing Delivery Plan is needed

The Social and Affordable Housing Need Study commissioned in 2018 and undertaken by GL Hearn, concluded that ‘overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the Borough.’ The report stressed that ‘the amount of affordable housing delivered will be limited to the amount that can viably be provided’ and ‘suggest that affordable housing delivery should be maximised where opportunities arise.’

*Need for social and affordable rented properties per annum:*

	Per annum	2018-28
Current need	42	419
Newly forming households	384	3,840
Existing households falling into need	152	1,516
Total Gross Need	577	5,775
Re-let Supply	309	3,090
Net Need	268	2,685

Source: Census (2011)/CoRe/Projection Modelling and affordability analysis (figures may not sum due to rounding)

*Social and affordable rented need by sub-area:*

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Beeston	20	190	72	281	144	137
Eastwood	8	67	31	106	63	43
Kimberley	6	71	20	96	44	53
Stapleford	8	57	29	94	58	36
Total	42	384	152	577	309	268

Source: CoRe/Census (2011) (figures may not sum due to rounding)

*Need for affordable home ownership products (intermediate housing):*

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Beeston	112	126	18	256	29	227
Eastwood	19	34	6	59	10	49
Kimberley	23	49	6	78	16	62
Stapleford	17	25	5	47	16	31
Total	170	234	36	439	71	368

Source: CoRe/Census (2011) (figures may not sum due to rounding)



## How housing need will be met

It is recognised that the affordable housing needs of the residents of the borough can only be met through the use of a combination of the following delivery mechanisms:

- 1) Acquisition of existing properties
- 2) Remodelling of existing under-used accommodation
- 3) Partnership work with local registered providers
- 4) New build development

### *1) Acquisition of existing properties*

Acquisition of existing properties will predominately focus on 'buying back' ex-Council properties located in areas of current social housing, particularly in the early years of the plan.

In June 2018, Housing Committee approved a Right of First Refusal and Discount Repayment Policy which outlined the approach which would be taken to determine if a property should be purchased when offered to the Council as a right of first refusal of a property previously sold under right to buy. Acquisition of properties for the purpose of meeting the need identified in the Social and Affordable Housing Need report would follow a similar appraisal process including:

- Undertaking a financial assessment including the purchase price and any repair costs to meet the lettable standard
- Establishing demand for the property
- Establishing the suitability of the property

A new Acquisitions Policy to confirm the approach and process will be brought to Housing Committee for approval.

In addition to the acquisition of existing properties, there will also be occasions where the Council wish to purchase land to supplement the Council's existing portfolio, particularly the purchase of land next to sites for development already owned by the Council. The new Acquisitions Policy to be brought to Committee will also confirm the approach and process for land acquisition.

Although any properties purchased would be subject to the right to buy the amount spent to acquire a property and to bring it up to a good standard would be included in the 'cost floor' calculation. This means that if a tenant made a right to buy application they would get very little, if any, discount. This would not guarantee that the acquired properties would not be sold, but it would be very unlikely as the incentive of a large discount would not be there.

There are many benefits to the vendor, including achieving full market value for their property and no estate agents fees. To increase the number of acquisitions the Council will also consider incentives that may be offered to vendors. A full appraisal of the options available and legal implications will be undertaken during phase 1 of the plan.

The Council will undertake a marketing campaign to encourage direct approaches to the Council to purchase ex-Council properties. Where appropriate the Council will also contact vendors advertising properties for sale to discuss the option of Council acquisition.

Average property values of properties sold November 2017 – November 2018:

Property type	Post code	No.	Average sale price	80% of average
Flats	NG9	84	£144,761	£115,809
Flats	NG16	19	£116,569	£93,255
Terraced Houses	NG9	196	£144,176	£115,341
Terraced Houses	NG16	201	£110,034	£88,027
Semi-detached	NG9	437	£190,235	£152,188
Semi-detached	NG16	329	£143,708	£114,966
Total/Average	NG9	717	£172,317	£137,853
Total/Average	NG16	549	£130,440	£104,352

Source: Zoopla, 2018

\*Flats in NG16 are based on estimated values

The 80% of average sales prices has been added to account for outliers where design and location might be beyond that which would provide value for money for the Council. On this basis, property acquisitions appear to be a cost effective route to provide additional social housing in the NG16 area whilst in the NG9 area, the difference between acquisition costs and development costs is likely to be less significant.

## 2) Remodelling of existing under-used accommodation

Remodelling unpopular or low demand housing can provide opportunities to increase the density of homes on particular sites whilst providing good quality homes that people want to live in.

The cost effectiveness of remodelling compared to new build will depend on the scope of the renovations and size of the development. Remodelling existing accommodation can lead to an increase in the number of units provided or can change the use of the accommodation to one that meets an identified housing need.

In March 2018, Housing Committee approved the recommendations of the Independent Review of the Retirement Living Service this included the recommendation that: 'Given the issues of low demand compared to supply, and the unsuitability of some of the current retirement living stock for most older people, it is recommended that some of the retirement living stock be de-designated. De-designated stock should then be assessed for the most appropriate future role, including being let as general needs accommodation.'

Building upon the recommendations of the Independent Review of the Retirement Living Service schemes for remodelling will be identified during phase 1 of the plan. The process of exploring potential options for remodelling and consultation with tenants will also be completed during phase 1.

Remodelling existing independent living accommodation needs to be done sensitively in recognition of the vulnerability of existing tenants. Existing tenants will

be offered alternative accommodation and consideration will be given to the availability of any new build properties for this purpose.

### 3) *Partnerships with registered providers*

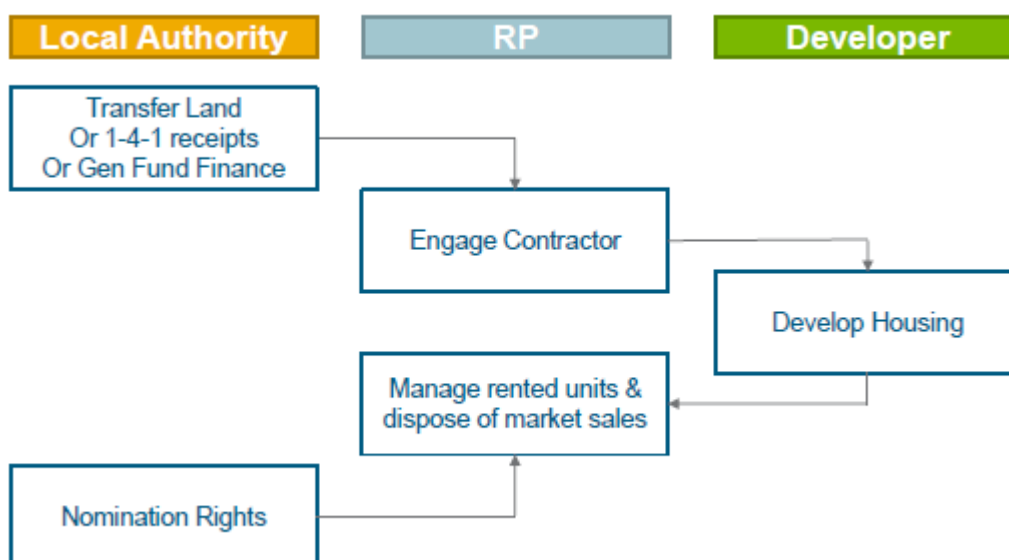
The plan is ambitious and to achieve it we will need to build strong strategic partnerships. The Council has already established good working relationships with a number of registered providers, who have built affordable housing within the Borough. Initial meetings have been held with a number of prospective partners to discuss future partnership working.

The Council already provides support to registered providers through providing support for applications for Homes England funding. In addition to this where there is a proven business case to use this route to deliver dwellings faster or where additionality can be achieved, the Council may also support registered providers financially through the provision of land or use of right to buy receipts.

If support was provided through the provision of land then the Land Disposals Policy will be followed to ensure that the requirements of the Local Government Act 1972 and Localism Act 2011 are met.

When properties are developed by a registered provider the asset is owned by the registered provider. Therefore they are responsible for the ongoing management and maintenance of the property. The Council will secure nomination rights for the properties, which means that properties will be let to applicants from the Council's waiting list. It is usual practice for Council's to obtain 100% nominations on the first let of the property and 50% nominations on any subsequent lets. Although many registered providers do not hold their own waiting list for the borough so the level of nominations provided is often much higher.

Registered provider model of housing delivery:



#### *4) New Build Developments*

Using the information provided in the recent Social and Affordable Housing Need report will ensure that we are building the right homes in the right places. We need to provide the right mix of properties to meet local need, both now and in the future.

The financial environment for HRA new build has improved significantly recently. Following four successive years of rent reductions housing rents are set to rise by CPI + 1% from 2020/21. Also, with the proposals to improve the use of right to buy receipts, backed up by the potential availability of grant funding and, of most significance, the removal of the HRA debt cap the capacity for HRA new build has improved considerably.

The Social and Affordable Housing Need report stated: 'The extent to which the council may be able to access grant is not clear at this stage. Taking a pessimistic view we can see that the council would still, without any grant, be able to embark on a programme delivering up to 230 new social rented homes over the next 10 years.'

This is based on an indicative weekly affordable rent of £118.40 at 2018/19 price levels. A significantly larger programme could be funded from the HRA. This is because the net rent income, after deducting operating costs, including voids and bad debts, management costs and repairs and maintenance is greater than the cost of the debt charges on the required borrowing.

The Council will also consider building properties for shared ownership. The recent Social and Affordable Housing Need report identified a need for affordable home ownership products in all parts of the borough. Further work is required to gauge the interest for shared ownership properties, which will be completed during Phase 1 of the plan.

The Council will apply for Investment Partner qualification with Homes England which will allow the Council to bid for funding under the Shared Ownership and Affordable Homes Programme. Assessment of applications for Investment Partner status includes financial due diligence which considers an applicant's financial and technical capacity to undertake an agreed programme of new supply. The Council can submit an application for qualification in its own right or join with an existing, qualified Investment Partner. Both options will be considered.

The Council will explore all viable options to deliver new build housing, including building larger scheme and selling some of the properties on the open market to fund affordable housing on the same scheme. Alternative delivery methods, such as modular housing will be considered where appropriate, especially on sites which may be otherwise unsuitable for redevelopment.

Irrespective of the method of construction used, the Council will provide a sustainable home for future residents, which is built to provide good levels of energy efficiency and reduced utility cost for the occupants. The Council will aim to achieve the equivalent of level 4 in the Code for Sustainable Homes.

In February 2019, Policy and Performance Committee approved an Interim Housing Delivery Manager. The cost will be met from the HRA Revenue budget.

The Interim Housing Delivery Manager's appointment will kick-start the house delivery programme. Subsequently, the programme would be handed over to a permanent Broxtowe employee. Their employment and remuneration would be subject to job evaluation and committee approval. The specialist employee would form part of the Capital Works team in Property Services.

### **How housing delivery will be financed**

Housing Capital receipts available at 31<sup>st</sup> March 2019 to support the housing delivery plan totalled £3,831,225. These will be supplemented by receipts from future right to buy sales.

Like most local authorities with their own housing stock, the Council entered into an agreement with the Government in 2012 to retain receipts from the sale of council houses, in excess of those that are required to be made to MHCLG, to fund the replacement of stock that is sold. Under the terms of the agreement, local authorities are required to spend receipts within three years and the receipts should fund no more than 30% of the cost of a replacement unit.

Borrowing remains a positive source of funding for housing delivery and the flexibility has been enhanced by the abolition of the debt cap. Any borrowing will be assessed to determine its affordability and potential impact on Housing Revenue Account (HRA) budgets.

Revenue contributions from the HRA are a potential source of funding. The balance at 31<sup>st</sup> March 2019 was £4,002,975 (subject to external audit). However a minimum working balance needs to be maintained for the HRA and this has been set at £1,000,000.

The Council will also seek to optimise potential grant funding that may be available from organisations such as Homes England. Any proposals that come forward in respect of the Housing Delivery Plan will be based upon a sound business case with recommendations to amend revenue and capital budgets as necessary.

### **Phased housing delivery**

The delivery plan is divided into three phases which each use of combination of the above delivery mechanisms:

Phase 1 – Years 1 and 2 (2019 – 2021)

Phase 2 – Years 3 to 5 (2021 – 2024)

Phase 3 – Year 5 onwards (2024 onwards)

The tables on the following pages summarise the approach to be taken in each phase.

## Housing Delivery Plan – Phase 1 – Years 1 and 2 (2019 - 2021)

<b>Strategy</b>	<p>Consider potential sites for all phases and categorise in terms of complexity to develop</p> <p>Plan for phase 1 sites:</p> <ul style="list-style-type: none"> <li>• All within current social housing areas</li> <li>• Vacant/underutilised land</li> <li>• No obvious obstacles, for example Tree Preservation Orders</li> <li>• Select best sites to deliver 20-30 units</li> </ul> <p>Agree unit type based on housing need survey and identified housing need</p> <p>Develop cost database to inform future delivery methods</p> <p>Develop high level plan for development sites in phase 2</p> <p>Option appraisal of alternative delivery vehicles for later phases</p> <p>Consider alternative interim vehicles for acquiring properties on a short term lease</p> <p>Identify potential interest in shared ownership properties</p> <p>Utilise current right to buy receipts</p> <p>Identify existing accommodation for remodelling</p>
<b>Delivery</b>	<p>Acquisitions of existing properties, particularly in the North of the borough</p> <p>Capital Works and United Living to refurbish acquired properties to achieve the Lettable Standard</p> <p>Use framework architects</p> <p>Use local tender, potentially in lots, below OJEU threshold</p> <p>Develop partnerships with Registered Providers, where appropriate</p> <p>Deliver housing to meet the needs of ex-service personnel as a priority</p> <p>Deliver dementia friendly bungalows, where funding has already been approved</p>
<b>Resources</b>	<p>Appoint Interim Housing Delivery Manager</p> <p>Establish a working group including Housing, Planning, Economic Development, Property Services and Finance.</p> <p>Supplement with external support when required</p>

## Housing Delivery Plan – Phase 2 – Years 3 to 5 (2021 - 2024)

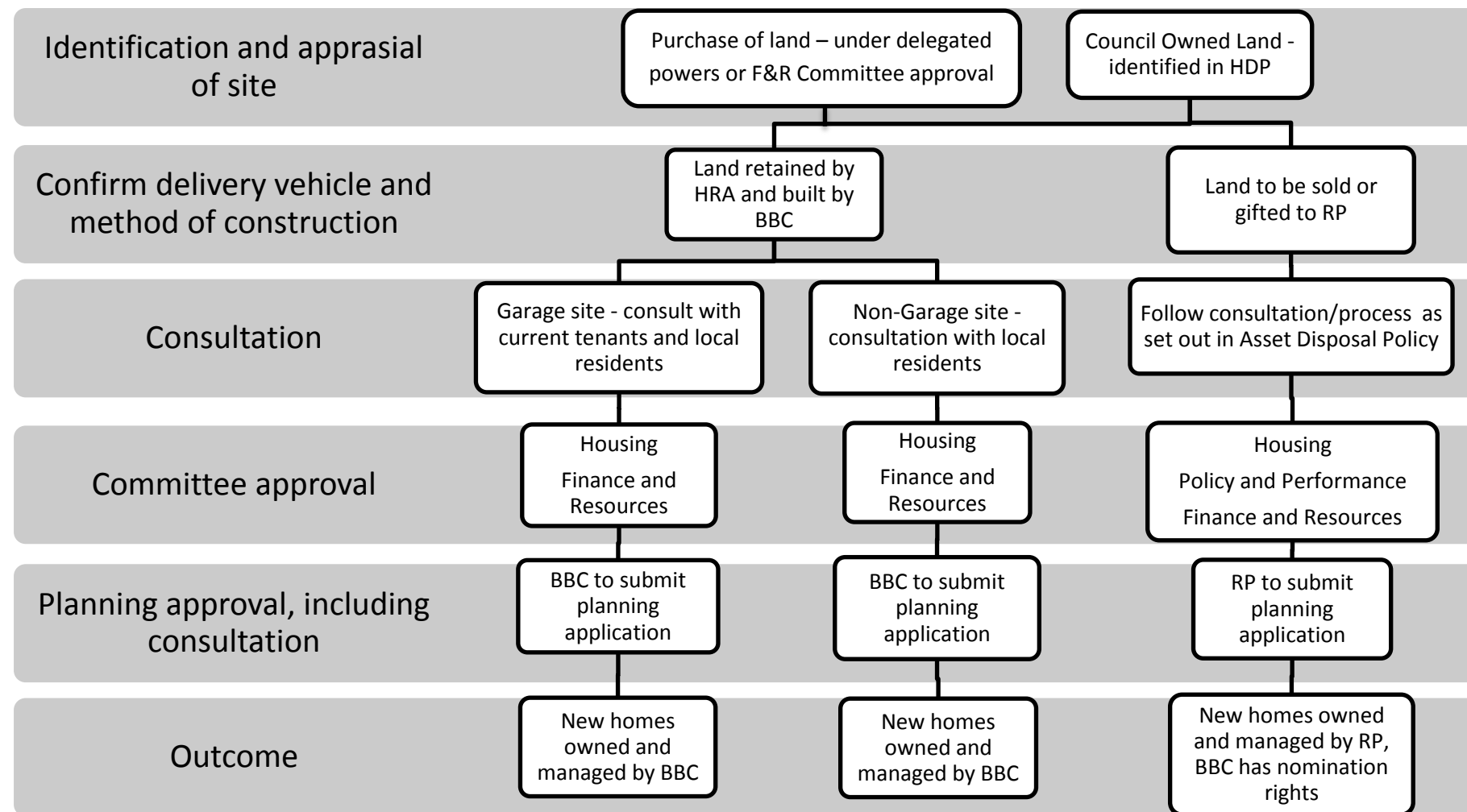
<b>Strategy</b>	<p>Review priority needs</p> <p>Bring forward phase 2 sites:</p> <ul style="list-style-type: none"> <li>• May have planning complications</li> <li>• May need 3<sup>rd</sup> party access</li> <li>• May be politically sensitive</li> </ul> <p>Review cost performance database to inform delivery vehicle decisions</p> <p>Consider selective disposal to cross-subsidise new development</p> <p>Consider exit plan for interim acquisitions</p> <p>Prepare a Development Strategy, based on insight from phase 1 and including a site acquisition strategy</p>
<b>Delivery</b>	<p>Formalise long-term delivery vehicle procurement exercise</p> <p>Consider leverage from s106 obligations on future large-scale developments</p> <p>Build market profile and publicise requirements among agents and developers</p> <p>Remodelling of existing accommodation</p>
<b>Resources</b>	<p>Interim Housing Delivery Manager to hand over to in-house resources to sustain and operate the programme</p> <p>Working group established in phase 1 to continue to progress delivery plan</p>

## Housing Delivery Plan – Phase 3 – Year 5 onwards (2024 onwards)

<b>Strategy</b>	<p>Review priority needs</p> <p>Implement Development Strategy</p> <p>Bring forward phase 3 sites:</p> <ul style="list-style-type: none"> <li>• No current planning allocation</li> <li>• Existing use requires displacement</li> <li>• Complex 3<sup>rd</sup> party involvement</li> <li>• High political sensitivity</li> </ul> <p>Nurture long term strategic alliances (non-contractual)</p> <p>Consider disposal/future use plan for undevelopable sites</p>
<b>Delivery</b>	<p>Review delivery vehicles</p> <p>Re-tender as appropriate</p> <p>Exit interim solutions</p>
<b>Resources</b>	<p>Possible need for planning consultants on more complex sites</p> <p>Possible need for agent to identify opportunities</p>



## Process for delivery of social and affordable new build housing



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## Report of the Deputy Chief Executive

### BRAMCOTE LEISURE CENTRE CONDITION SURVEY

#### 1. Purpose of report

To note the recently received Bramcote Leisure Centre condition survey and to recommend the next steps.

#### 2. Background and detail

Finance & Resources Committee on 12 July 2018 approved the commissioning of a condition survey of the Council's Bramcote Leisure Centre (which is available in the Members' Room). After an extensive tendering process the work was undertaken by an external consultant, Sanderson Weatherall, in February 2019. The report itself cost £27,875 against an approved budget of £40,000. The top level summary is given below, and a fuller summary is given in appendix 2. The full report is 336 pages long.

#### 3. Summary of Consultant's overall conclusions

- "In its current form and condition the existing leisure centre is providing a valuable community service to a wide range of people and from a building fabric perspective is just about fit for purpose.
- There are a significant number of issues that require addressing to prevent the leisure centre falling below an acceptable standard both in terms of customer facilities and acceptable maintenance costs over the short to medium term.
- From a construction and building services perspective the existing leisure centre is tired and dated in many respects and will become increasingly costly to maintain and operate over the next circa 10 years compared to a modern facility."

#### 4. Financial implications

According to the report:

- The estimated cost of maintenance repairs over the next ten years is £1.8million plus capital salaries. Approximately £1million of this is required over the next three years.
- The estimated cost of suggested improvements beyond the required repairs is £3.355million plus capital salaries.
- The estimated cost of providing a new leisure centre on the existing site (i.e. no land costs) is £13.750million.

Given the scale of the maintenance and improvement backlog identified, members will need to consider their response to this report alongside the need for a longer term leisure facilities strategy. For example, it may be prudent now to consider the nature and location of future leisure service provision by this council and whether this might require or benefit from the construction of new facilities.

Further financial implications and comments are given in appendix 1.

#### **RECOMMENDATION**

**The Committee is asked to NOTE the condition survey report and to RECOMMEND to Finance and Resources Committee that £30,000 be allocated in the 2019/20 capital programme for the employment of external consultants to prepare a Leisure Facilities Strategy to be funded from capital contingencies.**

**Further Financial Comments**

The Council has already made provision in the 2019/20 capital programme for the replacement of the CHP unit at Bramcote at a cost of £140,000 and also for concrete repairs. In addition, the list below shows the schemes on the approved 2019/20 Capital Programme Reserve List:

<b>Scheme</b>	<b>Budget</b>	<b>Capital Salaries</b>	<b>Total</b>
Main Pool Filter Media Replacement	13,000	-	13,000
Refurbishment Fitness Changing Rooms	30,000	3,000	33,000
Replacement of Teaching Pool filter	22,000	-	22,000
Condition Survey Remedial Work	50,000	-	50,000
Replacement of Flat Roofs	140,000	14,000	154,000
Replacement of Teaching Pool windows	20,000	-	20,000
Replacement of Main Pool windows	80,000	-	80,000
Replacement Intruder Alarm	25,000	-	25,000
Replacement of Dance Studio windows	10,000	-	10,000
Replacement of Pool Surrounds	50,000	-	50,000
Replacement of High Voltage Transformer	40,000	-	40,000
Reserve List	£480,000	£17,000	£497,000

These proposals will be carefully considered and prioritised taking into account both the level of funding made available and the recommendations in the Sanderson Weatherall report. It should be noted that the delivery of a substantial investment programme may require the employment of additional staff resources and/or external consultants to deliver.

The completion of the Bramcote Leisure Centre Condition Survey is also a reminder that it cannot be considered in isolation from the development of a Leisure Facilities Strategy. This Strategy will need to determine the long term future of Bramcote (and the other leisure centres) by asking questions such as:

- Does the Council wish to provide leisure services?
- If so, which services, and how and where will it provide them?
- If through its own buildings then should these be new buildings, and at which locations, or should there be significant investment in the existing buildings?

If it is decided, for example, to build new leisure centres, then the amount of capital investment required at the existing centres would be reduced. That said, it would take 3-5 years from now to complete new facilities and so some of the planned maintenance identified in the condition survey will be required regardless.

The estimated cost of commissioning a leisure facilities strategy is £30,000 and it is recommended that this Committee approve a request to Finance and Resources Committee for such an amount in the 2019/20 capital programme. This cost can be met from 2019/20 capital contingencies of which £38,500 is presently available.

It is vital that the Council considers its long term position on the current leisure centres before allocating significant funds to their planned maintenance and improvement.

**Executive summary of the main report**

*(It should be noted that issues highlighted as requiring immediate attention on safety grounds in the report (and in this summary) have now been attended to or were already in the process of being attended to at the time of the survey.)*

**Summary of Maintenance Expenditure required for Bramcote Leisure Centre**

Taking into consideration the elements contained within the planned maintenance programme, the calculated expenditure over the next 10 years is as follows:

<b>Element</b>	<b>Years 1-3</b>	<b>Years 4-7</b>	<b>Years 8-10</b>	<b>Totals</b>
Roofs	550,150.00	17,000.00	17,000.00	<b>584,150.00</b>
Elevations	225,840.00	42,985.00	35,645.00	304,470.00
Hardstandings	11,500.00	6,000.00	6,000.00	23,500.00
Internal Elements	75,690.00	38,970.00	40,420.00	155,080.00
Mechanical and Electrical	95,833.75	587,740.34	500.00	684,074.09
Drainage	33,000.00	9,500.00	4,500.00	47,000.00
<b>Totals</b>	<b>992,013.75</b>	<b>702,195.34</b>	<b>104,065.00</b>	<b>1,798,274.09</b>

**Grand Total £1,798,274.09** All costs are exclusive of VAT (and do not include staff/external consultant design and contract management costs).

The above figures are built up of specific repair, refurbishment and replacement costs but exclude routine maintenance works except where a health and safety risk would occur if the maintenance was not undertaken.

**Comments on Main Defects (requiring attention over the next 10 years)**

The following are the principal observations and comments arising from the inspection of the property.

**Externally**

- Roof coverings vary from area to area, however, overall they are considered to be in a poor state of repair with some roof areas requiring immediate replacement;
- There are several concrete issues with the pool hall frame, some of which require urgent repair to prevent weakening of the pool hall structure;
- The original external timber windows are largely life expired and require replacing;
- Most of the external previously painted surfaces require re-decoration including some isolated timber repairs;
- There is a significant condensation issue with the woodwool flat roof structure above the functional gym area which has weakened the roof structure and is causing water damage to the ceiling finish below;
- The Mechanical and electrical systems are generally in a poor state of repair and require a substantial scheme of repairs and replacement, including some urgent works to address health and safety issues;
- The underground drainage system is largely in a poor state of repair with numerous, blockages, root damage and displaced sections of pipework;

### Internally

- A number of wall tiles in the pool hall are loose and may fall on to persons below which is a serious health and safety issue;
- The swimming pool areas in particular the original tiling is in need of substantial repair / refurbishment which will likely necessitate temporary closure and draining down of the pool;
- Sections of the spray applied ceiling finish in the pool hall and teaching pool hall are loose and require repairing to prevent small sections of the finish from falling;
- A section of concrete to the ceiling adjacent to the former dumb-waiter lift shaft within the confectionary store is damaged and requires repairing;
- Internal finishes are generally aged, tired and worn, however, in accordance with our instructions we have not included for renewal or repairs to internal finishes and decoration expect where they are related to building fabric failure or a health and safety risk, such as water damaged ceilings as a result of roof leaks / condensation.

### Mechanical and Electrical (M&E) Services

Mechanical and Electrical services were found to require remedial works in order to make the building safe. Much of the buildings M&E services are beyond the typical effective working life and a phased strategy of renewal/replacement is recommended.

#### Key Issues:

- The unsatisfactory condition of the electrical installation – 14 potentially dangerous conditions were recorded;
- Legionella risks identified within documentation on site;
- Asbestos identified on existing calorifier;
- Some major plant items are life expired but still operating including the passenger lift.

The CHP system is to be replaced in the summer of 2019, therefore, costs associated with on-going repair / maintenance of the CHP system are not included within this report.

### Anticipated Cost to Demolish and Reconstruct the Leisure Centre

The cost to demolish the existing leisure centre and reconstruct a new modern facility of equal size but to modern building standards would be in the order of approximately: **£13,750,000.00 (thirteen million, seven hundred and fifty thousand pounds)**

This assessment has been prepared on a 'day one' basis as at March 2019 and on the basis that the existing site will be utilised for the construction and no significant adverse ground conditions are found. We have not made any allowance for business continuity issues or for providing alternative facilities for customers at another location during the demolition and construction phase. We have not allowed for fitting out, so no costs are included for furniture, gymnasium equipment, the outdoor pitches, the water slide and any other non-fixed items that may exist within the existing leisure centre.

Other key exclusions from this assessment are:

- The water slide is excluded;
- External areas including football pitch and car park is excluded;
- Asbestos removal / remediation;
- Chattels / installations;

- Contaminated land remediation.

The anticipated duration of the demolition, site clearance and construction of the new leisure centre at the site is 64 weeks, in addition sufficient time for the development of an employer's requirements document and for planning approval should be factored in.

This is based on the build cost estimate above, design and build procurement and single stage tendering for a public organisation.

No allowance has been made for financing the construction or any borrowing costs that may be incurred in financing such a project.

### Comparison of Anticipated Running Costs of Existing Facility Versus Demolition and Construction of A New Modern Facility

#### **Maintain existing leisure centre**

##### Advantages

- Minimal impact on business continuity
- Minimal impact on customer experience

##### Disadvantages

- High running costs
- Environmentally poor in the long term
- Repairs and upgrade works are likely to cost more as the centre continues to age

#### **Demolish and reconstruct new modern leisure**

##### Advantages

- New centre will provide vastly improved facilities
- Likely to attract more customers and increase turnover
- Incorporate better facilities for disabled people
- Long term environmentally sustainable by way of reduced utility consumption

##### Disadvantages

- High capital cost / funding required
- Huge disruption to business continuity
- Construction risks
- High initial environmental impact of construction

### Conclusions and Recommendations

In its current form and condition the existing leisure centre is providing a valuable community service to a wide range of people and from a building fabric perspective is just about fit for purpose.

There are a significant number of issues that require addressing to prevent the leisure centre falling below an acceptable standard both in terms of customer facilities and acceptable maintenance costs over the short to medium term.

From a construction and building services perspective the existing leisure centre is tired and dated in many respects and will become increasingly costly to maintain and operate over the next circa 10 years compared to a modern facility.

The utilities costs to run the building and the on-going maintenance costs associated with carrying out essential repairs and replacement of failing building fabric and M&E installations will be considerably higher than a modern leisure centre.

This report provides information and costs in respect of the anticipated repair and maintenance costs of the existing centre based on our inspection findings, however, the ultimate decision as to whether the community would benefit more from retaining the existing centre or building a new centre rests with the Council.

A new leisure centre at this site will involve major capital expenditure, long term disruption to customers (unless a temporary alternative centre can be provided) and the risks associated with procuring a contractor to complete a large and relatively complex project.

#### Upgrading the Existing Leisure Centre

If the Council do decide to retain the existing centre we recommend that a programme of repair, refurbishment and modernisation is considered over the short to medium term (next 5 years) which in summary should include the following key items:

Replacement of the roof coverings to all areas using a built-up insulated system	£550,000
Replace the existing external doors and windows with a modern insulated glazing system	£300,000
Over-clad the existing external walls using a suitable insulated cladding system	£450,000
Undertake a programme of repair and replacement of key M&E installations in accordance with consultant M&E engineer's recommendations	£650,000
Swimming pool refurbishment · Reduce maintenance and running costs significantly	£250,000
Scheme of general internal refurbishment works (new fixtures and finishes, decorations, remodelling reception, lighting upgrade)	£1,115,000
Repair of underground drainage system	£30,000
Concrete repairs to structure · Prevent structural failure of the pool hall frame if left to continue to deteriorate	£10,000
<b>Total Anticipated Budget Cost</b>	<b>£3,355,000</b>

At the moment the centre appears to be maintained on a largely reactive basis rather a planned basis meaning that when a building defect or issue is identified a remedy is quickly implemented which in most instances is likely to comprise a poor-quality repair completed at a relatively high cost. A reactive repair may in some instances not adequately address the root cause of the issue.

If maintenance is planned and completed at suitable intervals the works can be completed competitively by tendering packages of works to a pool of contractors and grouping works together to make savings on project preliminary costs. Works can be planned and completed at specific times of the year, for example it would be beneficial to complete external decorations and roof works at warmer times of the year.



**Report of the Chief Executive**

## **HOUSES IN MULTIPLE OCCUPATION (HIMOS) IN BEESTON UPDATE**

1. Purpose of report

To provide members with information on the necessary steps to fully consider the merits of additional policy restrictions regarding Houses in Multiple Occupation (HIMOs). The full details are provided in the appendix.

2. Background

The Government provides for certain 'changes of use' to be undertaken under permitted development. Councils can impose additional restrictions (by way of an Article 4 direction or indeed by other means) to remove permitted development rights, but it is expected that there is clear evidence to justify this approach. Currently a change from a 'family house' to a HIMO does not need planning permission provided the number of residents does not exceed 6. There is a separate licensing regime for HIMOs with five or more residents. The Broxtowe Part 2 Local Plan is also at an advanced stage of examination and it is currently anticipated that the Inspector's report may be received during late summer with the potential to adopt the plan (if found to be sound) in September 2019. The Part 2 Local Plan contains more detailed policy on Borough wide expectations on design, character and amenity which will be applied to all planning applications for HIMOs and other uses on a case by case basis. It is also well understood that there have been a number of concerns raised with Councillors regarding an erosion of the character of parts of Beeston, as a result of what some consider is too many HIMOs already, and a lack of control under the planning system for additional ones coming forward.

3. Financial implications

The financial implications are not currently known. The cost of issuing an Article 4 Direction can be done within existing budgets. What is currently unknown is the extent and risk of compensation payable to individual property owners if an 'immediate' Article 4 is entered into. There will be a report back to the Committee should work to assess this becomes necessary.

### **Recommendation**

**The Committee is asked to RECOMMEND to the Finance and Resources Committee that the work outlined in the appendix is undertaken.**

Background papers

Nil

### 1. The process of applying for a HIMO restriction

There are two options (under schedule 3 of the GPDO): one for the direction to have 'immediate effect' and the other for it not to have 'immediate effect'. The procedures are similar in both cases:

- We draft (make) the direction, via a report to Jobs and Economy Committee. This needs to specify the type of PD that's removed (which would be Part 3 Class L regarding HIMO's) and the area that the A4 applies to.
- We put an advert in a local newspaper and put up at least two site notices.
- We serve notice on all owners and occupiers (although, if we're using the 'immediate effect' procedure, we seem to only need to notify owners if there's no occupier – however we'll need ownership information later in the process).
- The notice includes a description of the direction and of the area and it specifies a place where the direction and associated map can be seen
- The notice also states either that the direction comes into force immediately or that it is proposed that it will come into force at a specified date in the future (between 28 days' time and 2 years' time).
- We give people at least 21 days to make representations.
- We notify the Secretary of State (via the Planning Casework Unit). He/she can cancel or modify the direction (or only cancel it in the 'immediate effect' case) "at any time before or after its confirmation".
- We notify the County Council.
- We consider the representations.
- We "confirm" the direction. In the 'immediate effect' case this prevents the direction "expiring" after 6 months. In the non-'immediate effect' case this means that the direction comes into force on the date specified previously.
- We "give notice" of the confirmation in the same way as before, i.e. newspaper advert, site notices, notices to all owners and occupiers.
- We send a copy of the confirmed direction to the Secretary of State.

The choice of whether to use the 'immediate effect' procedures or not will affect the potential for any compensation payments. Compensation is potentially payable for the immediate effect route and it is this aspect that the Council would need to obtain more detailed advice regarding the risks.

### 2. The evidence needed

This is not specified in the legislation. The Secretary of State has the power to cancel any direction, so the more evidence we're able to assemble that justifies our approach, the more likely it will be that the Secretary of State does not intervene. The Planning Practice Guidance (PPG) says that Article 4s should be "limited to situations where this is necessary to protect local amenity or the wellbeing of the area" and that "the potential harm that the direction is intended to address should be clearly identified". The PPG also says that "there should be particularly strong justification" for a direction

relating to “a wide area”. In the view of officers, it is considered to be essential to undertake the Housing Market Characteristics work as part of the Core Strategy review that will give members and ultimately the Secretary of State, the objective evidence regarding the extent of the issue in Beeston and potentially elsewhere. In the absence of the up to date evidence (which Nottingham City had when considering a similar Article 4) there is considered to be an unacceptably high risk that the Secretary of State will intervene leading to abortive costs (whether or not compensation is payable) and work.

### 3. The timescales for Core Strategy Review

There is work to inform a ‘Growth Options Consultation’, anticipated to take place towards the end of 2019. It would be realistic to undertake the Housing Market work described above in tandem with the growth options consultation with a realistic prospect of a report to Jobs and Economy committee before the end of 2019 to fully consider the available evidence, and the merits of otherwise of pursuing an Article 4 Direction.

### 4. Summary of additional work recommended before final decisions are taken

- Greater Nottingham Housing Market characteristics work which will provide information on the different housing sub markets in Nottingham and will be a comprehensive evidential basis for any further steps to take.
- Additional property advice including the risk of compensation. This work will be essential if members are ultimately minded to consider making an Article 4, depending on any risk of compensation which will be better understood after the necessary work streams are completed.

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## Report of the Deputy Chief Executive

### STATEMENT OF ACCOUNTS UPDATE AND OUTTURN POSITION 2018/19

#### 1. Purpose of report

To report on the revenue and capital outturn position for 2018/19, provide an update on progress with the preparation of the draft annual statement of accounts for 2018/19, approve the revenue and capital carry-forward requests to the 2019/20 year and inform the Committee that the Policy and Performance Committee will be tasked with considering significant variances in the financial outturn against revised revenue estimates for 2018/19. This is in accordance with the Council's objective to deliver value for money.

#### 2. Background

The accounts for 2018/19 have been finalised, subject to audit, and show an underspending on the General Fund revenue account of £430,219 and an overspending on the Housing Revenue Account (HRA) of £88,005 when compared to the revised estimates. A summary of the revenue accounts is provided in appendix 1 whilst appendix 2 summarises the position on capital. Policy and Performance Committee considered the most significant any variations at their meeting of 3 July 2019.

The Accounts and Audit (England) Regulations 2015 require that the responsible financial officer certifies the presentation of the annual accounts before 31 May in readiness for the audit. An update on progress in producing the statement will be given at the Committee. The audited statement of accounts, together with the external auditor's Annual Governance report, will be presented to the Governance, Audit and Standards Committee on 22 July 2019.

#### Recommendation

**Committee is asked to RESOLVE that:**

1. The accounts summary for the financial year ended 31 March 2019 subject to audit, be approved.
2. The revenue carry forward requests outlined in section 2 of appendix 1 be approved and included as supplementary revenue estimates in the 2019/20 budget.
3. The capital carry forward requests outlined in appendix 2b be approved and included as supplementary capital estimates in the 2019/20 budget.

#### Background papers

Nil

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**REVENUE ACCOUNTS OUTTURN SUMMARY 2018/19**

<u>GENERAL FUND</u>	<u>Revised Estimate 2018/19</u>	<u>Actual 2018/19</u>	<u>Variation</u>	
	£	£	£	%
<u>Net expenditure</u>				
Housing	321,750	224,866	(96,884)	(30.1)
Environment	4,340,200	4,244,290	(95,910)	(2.2)
Business Growth	1,059,160	751,802	(307,358)	(29.0)
Community Safety	2,451,625	2,298,439	(153,186)	(6.2)
Health	2,270,900	2,098,595	(172,305)	(7.6)
Revenues, Benefits and Customer Services	917,991	819,420	(98,571)	(10.7)
Resources	(1,413,854)	(897,808)	516,046	(36.5)
ICT and Business Transformation	48,050	26,000	(22,050)	0.0
Sub-total	9,995,822	9,565,603	(430,219)	(4.3)
Contingency/Policy Reserve		0	0	0.0
<b>TOTAL GENERAL FUND</b>	<b>9,995,822</b>	<b>9,565,603</b>	<b>(430,219)</b>	<b>(4.3)</b>
<u>Financed by:</u>				
Council Tax	(5,413,606)	(5,413,606)	0	0.0
Share of previous year council tax collection fund surplus	(43,386)	(43,386)	0	(0.0)
Revenue Support Grant	(422,789)	(422,789)	0	0.0
RSG transitional Grant	0	0	0	N/A
Non Domestic Rates (NDR)	(3,396,331)	(3,594,642)	(198,311)	5.8
Share of previous year NDR collection fund deficit	720,744	720,744	0	N/A
NDR – Section 31 Grant	(829,403)	(925,365)	(95,962)	11.6
NDR Returned Levy - MHCLG	(43,740)	(43,740)	0	0.0
NDR Growth Levied by NCC - Returned 17/18	(210,650)	(209,651)	999	N/A
NDR Growth Levied by NCC - Returned 18/19	0	(288,888)	(288,888)	N/A
Growth Levy / (Safety Net) to/(from) Notts NDR Pool	719,291	562,949	(156,342)	(21.7)
Net (surplus)/deficit	1,075,952	(92,770)	(1,168,722)	<b>(108.6)</b>
General Reserves B/F	(6,053,523)	(6,053,523)	0	0.0
Transfer to/(from) other reserves	(70,650)	98,381	169,031	(239.3)
<b>General Reserves balance C/F</b>	<b>(5,048,221)</b>	<b>(6,047,912)</b>	<b>(999,691)</b>	<b>19.8</b>

<u>HOUSING REVENUE ACCOUNT</u>	<u>Revised Estimate 2018/19</u>	<u>Actual 2018/19</u>	<u>Variation</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>%</u>
Expenditure	12,215,600	12,263,975	48,375	0.4
Income	(16,400,850)	(16,065,342)	335,508	(2.0)
Appropriations	3,956,700	3,660,822	(295,878)	(7.5)
Deficit/(Surplus)	(228,550)	(140,545)	88,005	
Working balance B/F	(3,862,429)	(3,862,429)	0	
Deficit/(Surplus)	(228,550)	(140,545)	88,005	
<b>Working balance C/F</b>	<b>(4,090,979)</b>	<b>(4,002,974)</b>	<b>88,005</b>	

Note: Figures in brackets in the revised estimate and actual columns indicate a net income amount. Figures in brackets in the variation column indicate a net saving or underspend.

<u>Reserve</u>	<u>Balance B/F</u>	<u>Transfer to/(from) General Fund in year</u>	<u>Balance C/F</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Land Charges	(136,891)	0	(136,891)
Elections	(60,000)	(30,000)	(90,000)
Mortgage Scheme	(37,434)	0	(37,434)
Homelessness Grant Initiatives	0	(68,381)	(68,381)
<b>TOTAL</b>	<b>(234,325)</b>	<b>(98,381)</b>	<b>(332,706)</b>

- a reserve was created in 2010/11 in respect of land searches. This reserve was created from an allocation of funds received from the government and was earmarked for use in helping to meet any costs that may have been awarded against the Council as a result of legal action regarding historical land charges. The reserve is no longer required and will be brought back into General Fund balances in 2019/20.

- a reserve was created in 2011/12 in respect of elections into which it is intended to make a contribution each year thereby avoiding the need to find large funding in the year that the borough council elections take place. A contribution of £30,000 was made to the reserve in 2018/19.

- a reserve was created in 2013/14 in respect of the Local Authority Mortgage Scheme (LAMS), which was approved by Council on 18 December 2013. As part of the approval process it was agreed that a reserve be created into which any additional premium interest earned on the deposit with Lloyds Bank would be placed and that this would be used to offset the cost of any mortgage defaults, should any occur. No such defaults have occurred to date. As this reserve is also no longer required, this reserve will also be brought back into General Fund balances in 2019/20.

- a reserve was created in 2018/19 in respect of homelessness. The reserve was created from an allocation of funds received from the government and is earmarked to fund specific initiatives to prevent and manage homelessness within the borough.



1.2 Reasons for Variationsa) General Fund

The overall General Fund underspending of £430,219 and how this has actually been financed resulted in a net decrease in the General Fund Reserve of £5,611 as against a budgeted reduction of £1,005,302 after taking account of the movement in other reserves. The main variations from the revised estimate are as follows:

Item	Variation: Overspend/ (Underspend)	Comments
1	(344,350)	Net revenue carry forward requests which are detailed in paragraph 2.1.
2	(90,450)	There was an underspend on homelessness initiatives to be met from Flexible Homelessness Support Grant and new burdens funding in respect of the Homelessness Reduction Act. These initiatives will be progressed in 2019/20 using funding set aside in the Homelessness Grant Initiatives reserve
3	(20,400)	A budget of £50,000 was intended to meet the cost of consultants working on the Housing Delivery Plan. Expenditure on this totalled £29,600. The Housing Delivery Plan was considered by Housing Committee on 5 June 2019.
4	(93,200)	There was an underspend on employee costs in the Planning Policy team as a consequence of costs being less than anticipated when the budget was set.
5	(49,050)	Income on rents from industrial units significantly exceeded the budget due to the vacancy level being more favourable than had been anticipated.
6	(19,750)	This relates to a grant received from the Ministry of Housing, Communities and Local Government in March 2019 for cleaning initiatives in town centres. This income was spent on cleaning projects in all four main town centres.
7	15,850	As the overall refuse collection budget was anticipated to be underspent at the end of the year, additional wheeled bins were purchased.
8	(21,050)	There was an underspend on insurance costs for refuse collection due to lower premiums and a reduced number of claims.

9	20,700	Expenditure on subcontractors with Highways Sweeping was £19,250 greater than anticipated whilst there was an overspend of £12,100 on materials from Stores. These were partly offset by additional income of £10,650.
10	(27,500)	The costs of Grounds Maintenance recharged to Open Spaces, Tree Management, Nottingham Canal and Beeston Parks were lower than had been budgeted.
11	(44,200)	There was an underspend on the CCTV monitoring contract following the introduction of revised arrangements. This has been reflected in the 2019/20 budget.
12	(34,850)	Employee costs in Environmental Health were underspent by £16,450 as a result of vacant posts whilst fee income in this area was £18,400 greater than anticipated.
13	(34,200)	License income from Houses in Multiple Occupation (HMO) increased significantly after new regulations came into effect on 1 October 2018. The 2019/20 budget reflects these new arrangements
14	69,450	Additional expenditure on agency staff in Revenues (primarily in the Rents team) was incurred to address workload issues. This was more than offset by a greater than budgeted recharge to the Housing Revenue Account.
15	(34,650)	The net cost of Rent Allowances and Rent Rebates (payments made less subsidy received) was £113,450 greater than anticipated. This was more than offset by a reduction in the provision for the recovery of housing benefit overpayments (£44,050), additional subsidy for discretionary housing payments (£32,250), further Department for Work and Pensions grants (£19,000) and lower than expected recharges from other service areas (£52,800).
16	382,700	As reported to Finance and Resources Committee on 15 February 2018, savings of £1,743,750 were identified in the 2018/19 budget. A total of £382,700 were not implemented in the year. This has been addressed in the production of the 2019/20 budget.
17	60,400	Outstanding sundry debts totalling £60,400 that were no longer considered recoverable and for which no provision had been made were written off in the year.

18	(13,900)	Other income received exceeded the budget due primarily to additional grants received in March 2019 that had not been anticipated including £8,100 from the Ministry of Housing, Communities and Local Government (MHCLG) in respect of new burdens associated with the Transparency Code.
19	(143,000)	The recharge of external interest costs to the Housing Revenue Account was higher than anticipated due to it having a greater share of the Council's external loans in 2018/19 than had been originally envisaged.
20	(44,900)	Income received on investments exceeded the budget reflecting the increase in the base rate from 0.50% to 0.75% in August 2018 and the opportunity provided by greater stability in financial markets to invest for longer durations.
21	105,850	Rent income from Beeston Square in 2018/19 of £653,750 was higher than the £636,850 received in 2017/18 but less than the 2018/19 budget of £759,600. A report elsewhere on this agenda provides further details on the costs and income associated with Beeston Square following the purchase of the leasehold interest from Henry Boot in May 2016.
22	(98,750)	There was an overspend of £41,000 on telephony costs that was more than offset by underspends of £28,500 and £111,250 on hardware and software maintenance respectively.
	(459,250)	

b) Housing Revenue Account

The overspending of £88,004 on the HRA is mainly due to the following factors:

Item	Variation: Overspend/ (Underspend)	Comments
<b>Employees</b>		
1	(568,000)	There were a number of significant underspends in specific areas due to vacant posts including Housing Repairs (£266,000), Independent Living (£187,000) and Housing Administration (£115,000)
2	(153,000)	Vacant posts in Housing Operations, Estate Caretakers, Allocations and Housing Strategy resulted in an underspend in employee costs across these areas.
3	171,000	The vacant posts referred to above also resulted in a requirement for agency staff in Housing Repairs (£72,000) and Independent Living (£99,000).
4	23,500	There were also additional overtime costs in Housing Repairs (£17,000) and Independent Living (£6,500) respectively.
<b>Premises</b>		
5	(284,000)	Fire safety and external redecoration work for which budget had been provided were instead charged to the capital programme.
6	(44,950)	There was an underspend of £136,200 on internal decoration, furniture and communal areas in Independent Living properties that was partly offset by an overspend on utility (primarily electricity) costs of £79,350 in these properties as well as additional lift maintenance expenditure of £11,900.
7	82,000	There was an overspend of £35,000 on estates related activities including clearance and community based work as well as additional legionella testing work costing £15,650 following a detailed stock review exercise and additional costs for smoke and fire alarms and lifeline equipment totalling £31,350.
8	3,450	Additional grounds maintenance charges of £13,650 were incurred that were partly offset by a reduction of £10,200 in vandalism and general repairs and maintenance costs.
<b>Transport</b>		
9	20,450	There were additional vehicle maintenance and fuel costs.
<b>Supplies and Services</b>		
10	36,300	Additional stores purchases amounted to £216,300 but this was largely offset by a reduction in direct materials purchases of £180,000.

11	151,350	There were additional sub-contractor costs due to the vacant posts in Housing Repairs referred to above.
12	99,700	A review of the work carried out by Grounds Maintenance employees to establish a more appropriate recharge to the Housing Revenue Account for this activity resulted in an additional cost.
13	5,700	There was an overspend of £25,000 on waste disposal costs as well as an increase of £28,500 in the provision for bad debts. These were largely offset by an underspend of £17,800 on consultancy costs associated with the review of Independent Living (most of the work was undertaken in the previous year) and the fact that the £30,000 contingency was not utilised.
14	(13,300)	Whilst additional council tax charges of £36,350 were incurred due to an increase in the periods when properties were unoccupied, this was more than offset by a saving of £49,650 on insurance costs due to lower premiums and a reduction in the number and value of claims received in the year,
15	(26,500)	There were underspends of £15,950 on cleaning costs following a change in contractor and £10,550 on tools and equipment.
<b>Other Expenditure</b>		
16	122,800	A review of the work carried out by Grounds Maintenance employees to establish a more appropriate charge to the Housing Revenue Account for this activity resulted in an additional cost.
<b>Central Support Services</b>		
17	(187,500)	Central support recharges into the Housing Revenue Account were less than had been anticipated. This is also reflected in a reduced amount charged out by the Housing Revenue Account as shown under Income below.
<b>Capital</b>		
18	162,100	The recharge of external interest costs to the Housing Revenue Account was larger than anticipated due to it having a greater share of the Council's external loans in 2018/19 than had been budgeted.
<b>Income</b>		
19	305,550	Housing rent income was less than the budget due to a greater number of properties being sold during the year (37) than had been anticipated and to the loss of revenue arising from empty properties.
20	33,150	Additional VAT was payable to HMRC in respect of garage rent income from non council house tenants.

21	324,000	Recharges out of the Housing Revenue Account were less than anticipated reflecting, in part, the reduction in Central Support Services costs outlined above.
	<b>263,800</b>	

## 2 Revenue items to be carried forward

## 2.1 General Fund - total amount £344,350

Item	Carry Forward Amount	Comments
1	122,300	Individual Elector Registration Grant Income received in 17/18 has yet to be spent. It is anticipated that this expenditure will be incurred in 2019/20 and subsequent years. It is therefore requested that this budget is carried forward into 2019/20 for this purpose.
2	40,300	Local Plan Examination Whilst the Part 2 Local Plan examination took place in 2018/19, the Inspector's report is awaited and it is anticipated that further work will be required. A carry forward into 2019/20 to meet the expected costs is requested.
3	34,500	Town Centre Management This budget includes some of the remaining monies from the £120,000 received from the Government's High Street Innovation Fund to encourage businesses back into town centres. It is requested that the carry forward of the underspend into 2019/20 be approved to allow the work to target new businesses into empty units who currently have a strong online presence and who would be supplemented by high street representation to be undertaken in 2019/20.
4	29,800	Neighbourhood Planning Support This budget was established to support town and parish councils undertake work to produce Neighbourhood Plans. Due to work on the Core Strategy and Part 2 Local Plan, limited expenditure was incurred in both 2017/18 and 2018/19. A carry forward into 2019/20 to allow the work to continue as intended is now requested.
5	22,650	Specialist Legal Advice Policy and Performance Committee on 3 October 2018 agreed to allocate £15,900 in the 2018/19 budget for specialist legal advice. This was supplemented by £15,000 allocated by Finance and Resources Committee on 13 December 2018 for potential legal costs associated with the anticipated employment tribunal of the former Director of Housing, Leisure and Property Services. Expenditure incurred in 2018/19 totalled £25,350 with £17,100 of this recharged to the Housing Revenue Account. The carry forward of the remaining budget into 2019/20 to help meet any future costs is therefore requested.

6	20,000	<p>Joint Planning Advisory Board (JPAB)</p> <p>Finance and Resources Committee on 15 February 2018 agreed to allocate an additional £20,000 in the 2018/19 budget for a contribution to JPAB consultancy costs. The work was not undertaken in 2018/19 and it is requested that this budget be carried forward to 2019/20 to allow it to be used as intended.</p>
7	17,250	<p>Direct Revenue Contribution</p> <p>The 2018/19 capital programme included £40,000 for a property condition survey at Bramcote Leisure Centre to be funded by a revenue contribution from the General Fund. Expenditure to 31 March 2019 totalled £22,750. It is proposed to carry forward £17,250 to meet the remaining cost of the scheme in 2019/20</p>
8	12,950	<p>Clean and Green' Initiative - Waste Days</p> <p>Finance and Resources Committee on 11 October 2018 agreed to include £15,500 in the 2018/19 budget for expenditure on waste days. As expenditure incurred in 2018/19 amounted to only £2,550, it is proposed that the remaining budget be carried forward into 2019/20 to meet the cost of further waste days in the new financial year.</p>
9	10,000	<p>Partnership Development</p> <p>As part of the restructure of the Economic Development team in 2015/16, a budget of £10,000 was established to enable the Council to access external funding directed to joined up and partnership working. No expenditure was incurred in 2016/17, 2017/18 or 2018/19 and it is requested that this budget be carried forward to 2019/20 to enable the planned work to be undertaken.</p>
10	10,000	<p>Grants and Loans to Voluntary Organisations</p> <p>There was a lower demand for grants to voluntary organisations in 2018/19 than had been anticipated. A request is now made to carry forward budgets of £4,000 and £6,000 into 2019/20 to provide additional support to Hope Nottingham and to progress a mental health initiative with the Citizens' Advice Bureau respectively.</p>
11	8,550	<p>Communities Team</p> <p>This budget was used to contribute towards the cost of a social worker employed by the South Notts Community Safety Partnership. This arrangement ended in September 2018 and consideration is presently being given to using outreach workers instead. A carry forward of the resulting underspend from 2018/19 to 2019/20 is requested to assist with meeting the cost once a decision on how to proceed is made.</p>



12	7,500	Noise Monitoring Equipment As no noise monitoring equipment was purchased in 2018/19, it requested the underspend be carried forward into 2019/20 to allow this to be combined with the 2019/20 budget to allow suitable noise monitoring equipment to be purchased.
13	3,400	Stapleford Town Centre This relates to an initial sum of £20,000 originally allocated in 2013/14 to promote the setting up of a town centre group and other initiatives in Stapleford. A total of £16,600 has been spent up to 2018/19. A carry forward of the remaining £3,400 into 2019/20 to allow further work to be undertaken is requested.
14	2,050	Food Safety Grant Income has been received from the Food Standards Agency that has not, as yet, been utilised. It is anticipated that this expenditure will be incurred in 2019/20. It is therefore requested that this budget is carried forward into 2019/20.
15	1,650	Street Art (Beeston) This is the sum remaining in the 2018/19 budget for street art in Beeston. It is proposed that this be carried forward into 2019/20 and, in association with some of the 2019/20 Beeston Square expenditure budget, be used to fund a scheme costing £2,300 for further street art in Beeston.
16	1,450	Public Health Funerals Given the rising cost of funerals and the difficulties this can sometimes present, a carry forward into 2019/20 is requested to supplement the budget for this in the new financial year.
	344,350	

## 2.2 Housing Revenue Account - total amount £197,105

Item	Carry Forward Amount	Comments
1	197,105	Lower than expected expenditure on the HRA capital programme in 2018/19 meant that a reduced revenue contribution was required to finance the 2018/19 capital expenditure. A carry forward of £197,105 into 2019/20 to meet the cost of the work in the 2018/19 capital programme that will now be undertaken in 2019/20 is requested.
	197,105	

**CAPITAL OUTTURN SUMMARY 2018/19**

Details of the individual schemes are given in appendix 2a whilst appendix 2b lists the requested sums totalling £1,805,355 to be carried forward for inclusion in the 2019/20 capital programme. Details of how the expenditure in 2018/19 has been financed are given below. At the end of 2018/19, all capital receipts remaining are earmarked towards part funding schemes carried forward to 2019/20. This is line with the assumptions made when the budget for 2018/19 was approved. All housing right to buy receipts that have been accumulated up to the end of 2018/19 will be utilised to part fund the Council's housing new build programme.

Capital expenditure in 2018/19 totalled £8,463,148 (£6,503,310 in 2017/18) which equates to a performance of 82% capital spend against the programme. The overall financing, as compared with that previously planned, is as follows:

	<b><u>Budget</u></b> <b><u>2018/19</u></b> <b><u>(£)</u></b>	<b><u>Actual</u></b> <b><u>2018/19</u></b> <b><u>(£)</u></b>	<b><u>Difference</u></b> <b><u>(£)</u></b>
<b>Expenditure</b>	<b>10,312,700</b>	<b>8,463,148</b>	<b>(1,849,552)</b>
Financed by:			
Major Repairs Reserve - HRA	3,889,200	3,904,397	15,197
Direct revenue financing – HRA	2,006,750	1,783,494	(223,256)
Usable capital receipts – General Fund	1,828,700	796,313	(1,032,387)
Better Care Fund	1,209,800	907,320	(302,480)
Borrowing	779,250	387,946	(391,304)
Section 106 Receipts	159,900	89,267	(70,633)
Direct revenue financing – General Fund	151,650	157,194	5,544
Usable capital receipts - HRA	133,350	0	(133,350)
Nottinghamshire Pre-Development Fund	70,000	115,280	45,280
Waste Recycling Environmental Ltd (WREN)	58,800	57,236	(1,564)
Homes & Community Agency	20,000	0	(20,000)
Colliers Wood Friends	3,700	0	(3,700)
6C's Growth Point	1,600	0	(1,600)
Nottinghamshire County Council	0	250,000	250,000
Tesco	0	1,274	1,274
United Living	0	4,627	4,627
Other Bodies	0	8,800	8,800

**CAPITAL OUTTURN SUMMARY 2018/19 cont'd**

The main reasons for the variations to the financing are caused by general underspending on capital schemes. As regards the capital carry forward requests totalling £1,805,355 as set out at appendix 2b, the proposed financing of these schemes is as follows:

<b>Source</b>	<b>Value (£)</b>
Better Care Fund	301,550
Borrowing	230,950
S106 Monies	70,950
Homes England	20,000
DRF General Fund	17,250
DRF HRA	197,105
Usable Capital Receipts - HRA	133,350
Usable Capital Receipts - General Fund	834,200
<b>TOTAL</b>	<b>1,805,355</b>

**FINAL CAPITAL ACCOUNTS 2018/19****APPENDIX 2a**

	<b>Total Budget £</b>	<b>Actual 2018/19 £</b>	<b>Expenditure %</b>
<b><u>CAPITAL EXPENDITURE SUMMARY</u></b>			
BUSINESS GROWTH	287,750	273,506	95
ENVIRONMENT	652,700	414,463	63
HEALTH	167,450	126,099	75
COMMUNITY SAFETY	41,700	34,129	82
RESOURCES	1,185,450	618,812	52
CORPORATE SERVICES	738,550	395,953	54
HOUSING	7,239,100	6,600,187	91
<b><u>TOTAL</u></b>	<b>10,312,700</b>	<b>8,463,148</b>	<b>82</b>
<b><u>DETAILED SCHEMES</u></b>			
<b><u>BUSINESS GROWTH</u></b>			
Replacement Vehicles and Plant	223,000	228,743	103
Chewton Street (Eastwood)- Contamination Surveys	44,750	44,763	100
Walker Street (E'wood)- Transport Feasibility Study	20,000	0	0
<b><u>ENVIRONMENT</u></b>			
Eastwood Town Council - Community Room Upgrade	5,000	0	0
Brinsley Parish Council - Play Area Repairs	4,000	0	0
Purchase and Installation of CCTV Cameras	20,000	0	0
Fly Tipping Prevention Infrastructure	13,000	12,439	96
Hall Park (Eastwood) - Access Improvements	7,000	1,488	21
Broadgate Park (Beeston) - Play Area Imp	5,600	6,353	113
Leyton Crescent Rec'n Gr'd - Play Area	41,100	38,397	93
Millfield Road Open Space - Improvement	22,200	21,354	96
Redbridge Drive Open Space - Play Area	52,800	50,386	95
Cleaning/Surfacing of Play Equipment	3,300	3,512	106
Awsworth P.C. - Play Area and Parks	16,450	16,452	100
Brinsley P.C. - Play Area and Parks	18,000	17,950	100
Greasley P.C. - Play Area and Parks	28,550	0	0
Kimberley T.C. - Play Area and Parks	25,400	25,398	100
Nuthall P.C. - Play Area and Parks	29,700	29,733	100
Trowell P.C. - Play Area and Parks	6,900	0	0
Mansfield Road Rec Ground (Eastwood)	26,900	29,392	109
2nd Kimberley Scout Group - Replacement Boiler	5,000	4,755	95
Nuthall PC - Cemetery Roadway Resurface	12,000	12,000	100
Additional Bus Shelters (Nuthall) (S106	5,000	5,000	100
Pedestrian Crossing - Hickings Lane	40,000	0	0
Leyton Cres Rec'n Gr'd- New Play Equipment	49,500	51,750	105
Colliers Wood- Activity Space	13,000	13,817	106

	<b>Total Budget £</b>	<b>Actual 2018/19 £</b>	<b>Expenditure %</b>
<b>ENVIRONMENT (cont)</b>			
Hall Om Wong Footpath Improvements	13,250	2,266	17
Real Time Bus Information (17/18)	50,800	50,800	100
Town Centre Wi-Fi	60,000	0	0
St Helen`s Church Gates (Stapleford)	15,000	0	0
St Helen`s Church - Multipurpose Courtyard	5,000	5,000	100
Beeston Shopmobility (S106 ITPS)	2,500	321	13
St Catherines Churchyard, Cossall-Imprmts	6,000	4,122	69
Brinsley Headstocks-Create pond & wetland	1,600	1,778	111
Victoria Street Car Park-Ewd-Resurface	18,150	0	0
Victoria Embankment Memorial Garden	10,000	10,000	100
Bennerley Viaduct (S106 ITPS)	20,000	0	0
<b>HEALTH</b>			
BLC- Emergency Concrete Repairs	10,000	11,718	117
BLC - Health Suite Refurbishment	0	585	0
CO - Replacement of Flat Roof	44,000	40,994	93
BLC - Replacement Hot Water Cylinders	15,000	17,424	116
BLC - Combined Heat and Power Unit	0	1,977	0
BLC - Property Condition Survey	40,000	22,750	57
KLC - Replacement Air Conditioning Units	8,450	7,990	95
Leisure Centres/Industrial Units - Planned Mtce	25,000	0	0
KLC- Replacement Water Pipes	25,000	22,662	91
<b>COMMUNITY SAFETY</b>			
Beeston Weir - Life Saving Equipment	8,000	1,620	20
Water Safety Measures	33,700	32,509	96

	<b>Total Budget £</b>	<b>Actual 2018/19 £</b>	<b>Expenditure %</b>
<b>RESOURCES</b>			
Capital Grants to Voluntary Bodies	2,500	0	0
Former Beeston Bus Station - Interim Uses	11,800	835	7
NWOW Town Hall Migration	98,650	124,444	126
NWOW New Civic Suite	300,000	4,476	1
NWOW Data Server re-location	125,000	6,120	5
Commercial Strategy- Invest to Save	53,000	57,731	109
Town Hall Sale - Legal Costs	8,500	3,341	39
Beeston Square - Phase 2	539,800	421,865	78
GF Contingency	46,200	0	0
<b>CORPORATE SERVICES</b>			
IT Replacement Programme	173,300	84,432	49
E Facilities	40,000	55,361	138
Replacement of MFD Photocopier Estate	63,000	0	0
VoIP Telephony	50,000	0	0
Committee Adminsitration System	15,000	3,375	23
Technical Infrastructure	356,500	217,296	61
Replacement CRM System	20,600	14,205	69
Legal Case Management System	20,150	21,283	106
<b>HOUSING</b>			
Disabled Facilities Grant	872,250	841,565	96
Warm Homes on Prescription	62,550	62,875	101
Central Heating Replacement	1,267,200	1,289,113	102
Modernisation Programme	1,984,700	2,011,685	101
Major Relets	150,000	142,828	95
Disabled Adaptations	417,250	422,267	101
Bexhill Ct - Scooter Storage	17,200	1,645	10
External Works- Paths Pavings	135,000	176,630	131
Fire Safety Assessment & Remedial Work	359,000	358,185	100
Window & Door Replacement	289,150	293,704	102
External Decoration & Pre Paint Repairs	643,750	570,908	89
Electrical Periodic Improvements	154,500	173,974	113
Housing System & DMS Replacement	232,550	209,749	90
Garage Refurbishment	236,900	35,769	15
Redwood Crescent - Purchase of Land	5,100	5,117	100
Dementia Friendly Bungalows - Willoughby Street	275,000	4,173	2
Buy Back of Former Right to Buy Properties	133,350	0	0
HRA Contingency	3,650	0	0

## APPENDIX 2b

**CAPITAL EXPENDITURE 2018/19**  
**PROPOSED CAPITAL ITEMS TO BE CARRIED FORWARD INTO 2019/20**

<b><u>Scheme</u></b>	<b><u>Amount (£)</u></b>	<b><u>Comments</u></b>
<b><u>Environment</u></b>		
Eastwood T.C - Community Room Upgrade Grant/Loan	5,000	Funds already committed
Brinsley P.C. - Play Area Repairs and Replacement	4,000	Funds already committed
Purchase and Installation of CCTV Cameras	20,000	Funds already committed
Hall Park (Eastwood) - Access Improvements	5,500	Funds already committed
Greasley P.C. - Play Areas & Parks/Open Space Impts	28,550	Funds already committed
Trowell P.C. - Play Areas & Parks/Open Space Impts	6,900	Funds already committed
Pedestrian Crossing - Hickings Lane (Stapleford)	40,000	Funds already committed
Hall om Wong - Footpath Improvements	11,000	Funds already committed
Town Centre Wi-Fi - Beeston, Kimberley, Eastwood	60,000	Funds already committed
St Helen's Church Gates (Stapleford) - Repair & Refurb	15,000	Funds already committed
Resurface Victoria Street Car Park (Eastwood)	15,650	Works in progress at year end
Bennerley Viaduct	20,000	Funds already committed
<b><u>Health</u></b>		
BLC - Property Condition Survey	17,250	Works in progress at year end
Leisure Centres/Industrial Units - Planned Maintenance	25,000	Funds already committed
<b><u>Resources</u></b>		
Beeston Square - Redevelopment	117,950	Works in progress at year end
Town Hall Sale - Legal Costs	5,150	Works in progress at year end
NWOW - New Civic Suite/Customer Services/Staff Accommoda	295,500	Works in progress at year end
NWOW - Data Server Room Re-Location	92,900	Works in progress at year end
Trent Vale Community Sports Asociation	2,500	Funds already committed



<u>Scheme</u>	<u>Amount (£)</u>	<u>Comments</u>
<b><u>Corporate Services</u></b>		
Replacement/Development Programme	88,850	Works in progress at year end
Replacement of MFD Photocopier Estate	63,000	Funds already committed
VoIP Telephony	50,000	Funds already committed
Committee Administration System	11,650	Works in progress at year end
Technical Infrastructure Architecture	139,200	Works in progress at year end
Replacement CRM System	6,400	Works in progress at year end
<b><u>Business Growth</u></b>		
Walker Street (Eastwood) - Transport Feasibility Study	20,000	Funds already committed
<b><u>Community Safety</u></b>		
Beeston Weir - Life Saving Equipment	6,400	Funds already committed
<b><u>Housing</u></b>		
Disabled Facilities Grants	30,700	Funds already committed
Heating Replacements/Energy Efficiency Works	(21,900)	Overspend to be offset against 2019/20 schemes
Housing Modernisation Programme	(27,000)	Overspend to be offset against 2019/20 schemes
Major Relets	7,150	Works in progress at year end
Aids and Adaptations	(5,000)	Overspend to be offset against 2019/20 schemes
Bexhill Court - Scooter Storage	15,555	Works in progress at year end
External Works - Paths, Pavings and Hard Standings	(41,650)	Overspend to be offset against 2019/20 schemes
Fire Safety Assessment and Remedial Work	800	Funds already committed
Window and Door Replacement	(4,550)	Overspend to be offset against 2019/20 schemes
External Pre-Paint Repairs & Redecoration Programme	72,850	Works in progress at year end
Electrical Periodic Improvement Works	(19,450)	Overspend to be offset against 2019/20 schemes
Housing System and DMS Replacement	19,150	Works in progress at year end
Garage Refurbishment	201,150	Works in progress at year end

**Housing (cont)**

Dementia Friendly Bungalows (Willoughby Street)

270,850 Funds already committed

Buy Back of Former Right to Buy Properties

133,350 Funds already committed

**TOTAL**

**1,805,355**

## Report of the Deputy Chief Executive

### **TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS - ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

#### 1. Purpose of report

To inform the Committee of treasury management activity and the actual prudential indicators for 2018/19.

#### 2. Detail

This report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through regulations issued under the Local Government Act 2003.

During 2018/19 the minimum reporting requirements were that an annual treasury management strategy be approved in advance of the year, a mid year report and finally an annual report be produced following the year describing the activity compared to the strategy. This report fulfils this requirement.

The CIPFA Code of Practice on Treasury Management required the Section 151 Officer to operate the treasury management function in accordance with the treasury management strategy approved at the Council meeting of 7 March 2018. Details of all borrowing and investment transactions for 2018/19 together with the balances at 31 March 2019 and treasury management limits on activity are also provided in appendix 1. All treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice on Treasury Management and the approved treasury management strategy.

Under the CIPFA Prudential Code for Capital Finance in Local Authorities, the Council is required to prepare a number of prudential indicators against which treasury management performance should be measured. Performance against prudential indicators is given in appendix 2.

The CIPFA Prudential Code for Capital Financing in Local Authorities was revised in December 2017 and introduced a requirement for the production of a Capital Strategy. This is considered alongside the Treasury Management Strategy Statement and the Investments Strategy by this Committee as part of the Budget Proposals and Associated Strategies report in February each year before being presented to full Council for approval in March

#### **Recommendation**

**The Committee is asked to NOTE the annual report for the year ended 31 March 2019.**

#### Background papers

Nil

## APPENDIX 1

1. Borrowinga) Debt Outstanding and Transactions during the Year

Loan debt outstanding as at 31 March 2019 together with comparative figures for 31 March 2018 is summarised in the table below:

	Amount Outstanding at 31 March 2019 £	Amount Outstanding at 31 March 2018 £
Short Term Loans	14,521,750	15,696,980
Long Term Loans:		
Public Works Loan Board	79,779,610	79,789,061
Local Authorities	0	0
Barclays Bank	3,000,000	3,000,000
	97,301,360	98,486,041

b) Short Term Loans

The movement in short term loans from other local authorities during the year is set out in the table below:

Lender	Balance at 31 March 2018 (£)	Start Date	End Date	Rate (%)	Balance at 31 March 2019 (£)
Hounslow LBC	2,000,000	29 May 2016	29 May 2018	0.85	-
Vale of Glamorgan	2,000,000	5 February 2017	19 April 2018	0.50	-
South Northamptonshire Council	2,000,000	18 September 2017	18 June 2018	0.36	-
Lancaster City Council	1,000,000	18 September 2017	28 September 2018	0.40	-
Bolsover District Council	2,000,000	29 September 2017	29 June 2018	0.36	-
Tendring District Council	2,000,000	2 October 2017	2 July 2018	0.35	-
Wokingham Borough Council	2,000,000	27 November 2017	8 August 2018	0.35	-
Hyndburn	1,000,000	20	19	0.62	-

Borough Council		December 2017	December 2018		
Tendring District Council	1,000,000	28 February 2018	28 August 2018	0.52	-
Fylde Borough Council (£1,000,000)	-	19 April 2018	19 November 2018	0.60	-
Craven District Council (£1,000,000)	-	19 April 2018	19 November 2018	0.60	-
Wealden District Council (£2,000,000)	-	29 June 2018	2 January 2019	0.65	-
Tendring District Council (£1,000,000)	-	24 September 2018	25 March 2019	0.75	-
Fylde Borough Council	-	19 April 2018	25 September 2019	0.95	2,000,000
Hyndburn Borough Council	-	18 May 2018	17 May 2019	0.87	1,000,000
West Yorkshire Police and Crime Commissioner	-	2 July 2018	17 May 2019	0.80	2,000,000
Tendring District Council	-	31 July 2018	30 July 2019	0.75	2,000,000
Rushcliffe Borough Council	-	28 August 2018	27 August 2019	0.75	1,000,000
Northern Ireland Housing Executive	-	19 November 2018	20 May 2019	0.90	2,000,000
Ryedale District Council	-	19 December 2018	19 December 2019	1.05	1,000,000
Tendring District Council	-	2 January 2019	2 July 2019	0.95	2,000,000
North West Leicestershire District Council	-	1 February 2019	1 August 2019	0.92	1,000,000
TOTAL	15,000,000				14,000,000

Short term loans outstanding at 31 March 2019 included £512,299 invested with the Council by the Bramcote Crematorium Joint Committee at 31 March 2019. The equivalent figure was £688,457 as at 31 March 2018.

Short term loans outstanding at 31 March 2019 also include nominal PWLB annuities totalling £9,451. The equivalent figure at 31 March 2018 was £8,523. A sum of £4,152 was repaid on 13 September 2018 with £4,371 repaid on 13 March 2019.

c) Long Term Loans

The majority of the loans from the PWLB is comprised of the £66.446m borrowed on 28 March 2012 as part of the reform of council housing finance.

No new loan term loans were received from the PWLB in 2018/19. The change in long term PWLB loans over the year reflects the fact some PWLB annuity loans that were regarded as long term at 31 March 2018 were classified as short term at 31 March 2019 as they will be repaid in the next twelve months.

The Council has a loan of £3.0m at 4.19% with Barclays Bank that is due to mature on 4 February 2073.

d) Borrowing Strategy 2018/19

Overall, debt was kept under review in order to match the level of borrowing with the financing requirement for assets, based on analysis of the Council's balance sheet with the aim of maintaining the Council's borrowing at the most efficient level in line with the prudential framework for capital finance.

The approved budget for 2018/19 indicated that further borrowing of £3,438,000 would be required to help fund the 2018/19 capital programme. This additional borrowing was not required, largely as a consequence of slippage of schemes in the 2018/19 capital programme into the following year.

e) Debt Profile

The Council's debt had an average of 9.22 years to maturity at 31 March 2019 (31 March 2018 – 9.97 years). The average interest rate payable at that date was 3.00% (31 March 2018 – 2.91%).

The one-off preferential rates offered by the PWLB for the £66.446m additional loans taken out in March 2012 as part of the reform of council housing finance and the maturity profiles for these loans have a significant impact upon both the average interest rate payable and the debt profile.

f) Debt Restructuring

The Section 151 Officer in association with the Council's treasury management advisors carefully scrutinises the Council's loan portfolio to identify potential opportunities to achieve a reduction in risks and/or savings in interest costs by prematurely repaying loans and refinancing them on similar or different terms.

No suitable debt restructuring opportunities were identified in 2018/19 as the cost associated with the high premiums payable on the premature repayment of loans, ranging from 8% to 80% of the loan principal amount, was not outweighed by lower refinancing rates.

3. Investmentsa) Investment Policy

The Council's investment policy is governed by MHCLG Guidance and was incorporated in the annual investment strategy approved at the Council meeting on 7 March 2018. The investment activity during 2018/19 conformed to the approved strategy with security of capital being the Council's main investment objective.

Counterparty credit quality was assessed and monitored with reference to credit ratings and other available information. The minimum long-term counterparty credit rating determined for the 2018/19 investment strategy was A- (or equivalent) across the Fitch, Standard and Poor and Moody's credit rating agencies.

In keeping with the MHCLG Guidance, the Council sought to maintain a sufficient level of liquidity through the use of money market funds (MMFs) and overnight deposit/call accounts. The Council had no liquidity difficulties in 2018/19.

The Council attempted to optimise returns commensurate with its objectives of security and liquidity.

b) Interest Received

The total interest receivable for the year amounted to £236,820 (2017/18 - £171,703) and included £14,400 in respect of an investment in a Local Authority Mortgage scheme (LAMS). In addition, investment interest of £85,480 was received in 2018/19 from investments totalling £2.0m made in the Local Authorities Property Fund (LAPF) in 2015/16.

A long term investment of £2.0m was made in January 2019 into the CCLA Diversified Income Fund. Investment interest attributable to this was £16,307 to 31 March 2019.

The table in 3 (d) includes details of the changes in the average life of investments during 2018/19.

The average interest rate received on investments was 1.33% in 2018/19 compared to 1.03% in 2017/18. The United Kingdom bank rate increased from 0.50% to 0.75% with effect from August 2018. Short term money market rates also remained at low levels and this had a significant impact upon the level of investment income. The average 3 month LIBID (London Interbank Bid) rate during 2018/19 was 0.67%, the 6 month LIBID rate averaged 0.79% and the 1 year LIBID rate averaged 0.94%. The rates of return on the Council's investments reflect prevailing market conditions and the Council's objective of optimising returns commensurate with the principles of security and yield.

c) Investments Placed

A summary of all investments placed during 2018/19 is set out in the table below.

	Balance at 01/04/2018 £000s	Investments Made £000s	Investments Repaid £000s	Balance at 31/03/2019 £000s	Increase/ Decrease in Investments
<b>UK Banks and Building Societies</b>					
Barclays	275	-	(145)	130	(145)
Santander UK	160	9,000	(9,160)	-	(160)
Lloyds	-	2,000	-	2,000	2,000
Bank of Scotland	-	12,000	(12,000)	-	-
Goldman Sachs	-	2,000	(2,000)	-	-
<b>Other Local Authorities</b>					
Forest of Dean DC	2,000	-	(2,000)	-	(2,000)
Blackpool BC	2,000	-	(2,000)	-	(2,000)
East Dunbartonshire	2,000	-	(2,000)	-	(2,000)
Rhondda Cynon Taff CBC	-	1,000	(1,000)	-	-
<b>Money Market Funds</b>					
Aberdeen MMF	-	16,875	(14,145)	2,730	2,730
Federated MMF	-	15,330	(11,510)	3,820	3,820
LGIM MMF	580	32,630	(33,210)	-	(580)
Insight MMF	2,160	23,205	(25,365)	-	(2,160)
Royal London Cash Plus	2,000	-	-	2,000	-
CCLA Diversified Income Fund	-	2,000	-	2,000	2,000
CCLA Property Fund	2,000	-	-	2,000	-
<b>Total</b>	<b>13,175</b>	<b>116,040</b>	<b>(114,535)</b>	<b>14,680</b>	<b>1,505</b>



Investments with counterparties such as Santander UK and Money Market Funds are set up as individual accounts where funds can be placed short-term (often overnight) and monies withdrawn as and when required. This has a major impact upon the number of investments made with these institutions during the year.

Whilst the Council took advantage of the opportunity to invest with other local authorities during 2018/19, there were no investments with other local authorities at 31 March 2019.

d) Credit Score Analysis

Counterparty credit quality has been maintained during 2018/19 as demonstrated by the quarterly credit score analysis figures shown in the following table:

Date	Value Weighted Average Credit Risk Score	Value Weighted Average Credit Rating	Time Weighted Average Credit Risk Score	Time Weighted Average Credit Rating	Average Life of Investments (Days)
31/03/2018	4.10	AA-	3.64	AA-	27
30/06/2018	4.93	A+	5.16	A+	34
30/09/2018	4.84	A+	4.57	A+	31
31/12/2018	4.78	A+	5.04	A+	33
31/03/2019	4.64	A+	4.66	A+	14

The value weighted average reflects the credit quality of investments according to the size of the deposit. The time weighted average reflects the credit quality of investments according to the maturity of the deposit.

The table below shows how the credit risk scores are related to credit ratings.

Long-Term Credit Rating	Score
AAA	1
AA+	2
AA	3
AA-	4
A+	5
A	6
A-	7
BBB+	8
BBB	9
BBB-	10

The Council aimed to achieve an average score of 5 or lower in order to reflect its overriding priority of maintaining the security of any sums invested. The minimum credit rating threshold of A- for investment counterparties as set out in the 2018/19 investment strategy equates to a score of 7. The tables above show that the Council achieved the targets for the average credit risk score and credit rating throughout 2018/19.

#### 4. Treasury Management Limits on Activity

There are four treasury management indicators that were previously prudential indicators. The indicators are:

- Upper limits on fixed rate exposure – This indicator identifies a maximum limit for fixed interest rates based upon the debt position net of investments.
- Upper limits on variable rate exposure – Similar to the previous indicator this covers a maximum limit on variable interest rates.
- Maturity structures of fixed rate borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.
- Total principal funds invested for periods longer than 364 days – These limits aim to reduce the risk of long-term investments needing to be realised before their natural maturity dates due to cash flow requirements, which could result in the investment being realised when market conditions are unfavourable.

The purpose of these indicators is to contain the activity of the treasury function within certain limits, thereby reducing the risk of an adverse movement in interest rates impacting negatively on the Council's overall financial position.

	<b>2018/19 Planned Upper</b>		<b>2018/19 Actual 31 March 2019</b>	
<b>Limits on fixed interest rates</b>	100%		85%	
<b>Limits on variable interest rates</b>	40%		15%	
<b>Maturity Profile of Borrowings</b>				
	<b>Lower</b>	<b>Upper</b>	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	50%	0%	15%
12 months to 2 years	0%	50%	0%	0%
2 years to 5 years	0%	50%	0%	18%
5 years to 10 years	0%	75%	0%	43%
10 years to 20 years	0%	100%	0%	18%

20 years to 30 years	0%	100%	0%	0%
30 years to 40 years	0%	100%	0%	3%
40 years to 50 years	0%	100%	0%	0%
50 years and above	0%	100%	0%	3%

\* The CIPFA Prudential Code for Capital Finance in Local Authorities requires indicators to be set for the maturity structure of fixed borrowing only. The above limits applied equally to total borrowing (fixed and variable borrowing). As suggested in the CIPFA Code of Practice on Treasury Management, all investments (whether fixed or variable rate) with a period of less than twelve months to maturity are regarded as variable rather than fixed rate investments as they are potentially subject to movements in interest rates when they mature. Likewise, any fixed rate borrowing that is due to mature within twelve months is regarded as being at a variable rate as the rate to be paid on any replacement loan could differ from the rate currently being paid.

With regard to the total principal funds invested, the investment strategy 2018/19 proposed that investments would only be made with those institutions on the counterparty list that were viewed as presenting the least risk. The investment strategy 2018/19 set an upper limit for total principal funds invested over 364 days of £6 million based upon 40% of an estimated in-year average of total investments of £15 million.

At 31 March 2019 the Council's investments over 364 days totalled £4.0m. This consists of £2.0m invested in the Royal London Enhanced Cash Plus Fund and £2.0m in the Local Authorities Property Fund (LAPF).

## 5. Regulatory Framework, Risk and Performance

The Council has complied with all of the relevant statutory and regulatory requirements which require the Council to identify and, where possible, quantify the levels of risk associated with its treasury management activities. In particular, the Council's adoption of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities means that its capital expenditure is prudent, affordable and sustainable and that its treasury management practices demonstrate a low risk approach.

## 6. Money Market Brokers

The Treasury Management Strategy Statement 2019/20 to 2021/22 approved by Finance and Resources Committee on 14 February 2019 and then by Council on 6 March 2019 included details of the external money market brokers to be used by the Council. The Council will now also use the services of the following broker where appropriate:

Imperial Treasury Services  
25 St Andrew Street  
Hertford  
SG14 1HZ

7. Banking Services

Cabinet on 4 November 2014 resolved that a contract for the provision of banking services be awarded to Barclays Bank for four years from 1 April 2015 with the option to extend this for a further two years. As the performance of Barclays Bank is considered to have met expectations as set out in the contract, the Council has taken advantage of this option to extend the contract to 31 March 2021. A tender exercise will be undertaken during 2020/21 to determine the provider of banking services to the Council from 1 April 2021.

## APPENDIX 2

Prudential Indicators1. Introduction

The Local Government Act 2003 requires local authorities to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities when carrying out their capital budgeting and treasury management activities. Fundamental to this is the calculation of a number of prudential indicators, which provide the basis for the management and monitoring of capital expenditure, borrowing and investments. The indicators are based on the Council's planned and actual capital spending.

2. Capital Expenditure and Financing 2018/19

The Council undertakes capital expenditure on assets which have a long term value. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc) which has no resulting impact upon the Council's borrowing need; or
- If insufficient financing is available or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	<b>2017/18 Actual £000s</b>	<b>2018/19 Estimate £000s</b>	<b>2018/19 Actual £000s</b>
General Fund	1,858	4,987	2,767
HRA	4,645	6,304	5,696
<b>Total Capital Expenditure</b>	<b>6,503</b>	<b>11,291</b>	<b>8,463</b>
Financed by:			
Capital Receipts	157	2,941	796
Capital Grants	740	1,523	1,434
Revenue	5,162	6,048	5,845
<b>Unfinanced Capital Expenditure</b>	<b>444</b>	<b>779</b>	<b>388</b>

Further details of capital spending for 2018/19 are reported separately on this agenda.

### 3. The Council's Overall Borrowing Need

The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position and represents net capital expenditure in 2018/19 and prior years that has not yet been paid for by revenue or other resources.

Part of the Council's treasury management activity seeks to address this borrowing need, either through borrowing from external bodies or utilising temporary cash resources within the Council.

Whilst additional borrowing can be undertaken or existing loans repaid at any time within the confines of the treasury management strategy, the Council is required by statute to make an annual revenue charge to reduce the CFR. This charge is effectively a repayment of the General Fund borrowing need and is known as the minimum revenue provision (MRP).

The total CFR can also be reduced by:

- The application of additional capital resources (such as unapplied capital receipts); or
- Charging more than the statutory revenue charge (MRP) each year through a voluntary revenue provision (VRP)

The Council's 2018/19 MRP Policy (as required by MHCLG Guidance) was approved at the Council meeting on 7 March 2018. For expenditure incurred before 1 April 2008, the General Fund MRP was based upon 4% of the CFR at that date utilising a reducing balance approach. For all unsupported borrowing incurred from 1 April 2008, the MRP was based upon the estimated life of the assets that the borrowing was intended to finance using an annuity based as opposed to equal instalment approach to more accurately reflect the time value of money.

There is no statutory requirement to charge MRP to the HRA. However, an authority can charge VRP to the HRA should it wish to do so. The Council meeting on 7 March 2018 determined that no VRP was to be charged to the HRA in 2018/19.

As agreed by Policy and Performance Committee on 12 December 2018 and Finance and Resources Committee on 13 December 2018, the former Beeston Market site on Willoughby Street was appropriated from the General Fund to the HRA at a value of £105,000. This had the effect of increasing the HRA CFR by £105,000 and reducing the General Fund CFR by the same amount. The site is to be used for the construction of two dementia friendly bungalows to be added to the Council's housing stock.

The Council's CFR for 2018/19 represents a key prudential indicator and is shown below.

	<b>General Fund £000s</b>	<b>HRA £000s</b>	<b>Total £000s</b>
<b>Capital Financing Requirement (CFR)</b>			
<b>Opening Balance at 1 April 2018</b>	<b>18,566</b>	<b>81,330</b>	<b>99,896</b>
Add: Unfinanced Capital Expenditure 2018/19 (per above)	388	0	388
Less: MRP/VRP in 2018/19	(664)	0	(664)
Add/Less: Transfer of former Beeston Market	(105)	105	0
<b>Closing Balance at 31 March 2019</b>	<b>18,185</b>	<b>81,435</b>	<b>99,620</b>

#### 4. Treasury Position at 31 March 2019

Whilst the Council's gauge of its underlying need to borrow is the CFR, the Section 151 Officer can manage the Council's actual borrowing position by either:

- Borrowing to the CFR; or
- Choosing to utilise some temporary internal cash flow funds in lieu of borrowing (under borrowing); or
- Borrowing for future increases in the CFR (borrowing in advance of need)

The figures in this report are based upon the principal amounts borrowed and invested and so may differ from those in the final accounts by items such as accrued interest.

The Section 151 Officer managed the debt position in 2018/19 by, on occasions, choosing to utilise some temporary internal cash flow funds in lieu of additional borrowing.

The treasury position at 31 March 2019 compared with the previous year was:

<b>Actual Borrowing Position</b>	<b>31 March 2018</b>		<b>31 March 2019</b>	
	<b>Principal £000s</b>	<b>Average Rate</b>	<b>Principal £000s</b>	<b>Average Rate</b>
Fixed Interest Rate Debt	98,486	2.89%	97,301	2.98%
Variable Interest Rate Debt	0	0.0%	0	0.0%
<b>Total Debt</b>	<b>98,486</b>	<b>2.89%</b>	<b>97,301</b>	<b>2.98%</b>
<b>Capital Financing Requirement</b>				
CFR – General Fund	18,566		18,290	
CFR – HRA	81,330		81,330	
<b>Total Capital Financing Requirement</b>	<b>99,896</b>		<b>99,620</b>	
<b>Over/(Under) Borrowing</b>	<b>(1,410)</b>		<b>(2,319)</b>	

5. Prudential Indicators and Compliance Issues

Some of the prudential indicators provide either an overview or specific limits on treasury management activity. These are as follows:

i) Gross Borrowing and the Capital Financing Requirement (CFR)

In order to ensure that over the medium term gross borrowing will only be for a capital purpose, the Council needs to ensure that its gross borrowing does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional increases to the CFR for the current and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes. The table below highlights the Council's gross borrowing position against the CFR.

	<b>31 March 2018 Actual</b>	<b>31 March 2019 Planned</b>	<b>31 March 2019 Actual</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Gross Borrowing			
- PWLB and Market	97,798	94,789	96,789
- Bramcote Crematorium	688	571	512
<b>Gross Borrowing Position</b>	<b>98,486</b>	<b>95,360</b>	<b>97,301</b>
<b>Capital Financing Requirement (CFR)</b>			
CFR – General Fund	18,566	18,706	18,290
CFR – HRA	81,330	81,330	81,330
<b>Total CFR</b>	<b>99,896</b>	<b>100,036</b>	<b>99,620</b>

The Section 151 Officer can report that gross borrowing was below the CFR at 31 March 2019 as it was at 31 March 2018. Gross borrowing in terms of PWLB loans remained largely unchanged throughout 2018/19 with the only movement being the repayment of some PWLB annuity loans. There was a reduction in market loans during the early part of 2018/19 as maturing loans did not need to be replaced. However, as set out in appendix 1, additional borrowing was undertaken later in 2018/19 to bring greater alignment between the overall borrowing level and the Council's underlying need to borrow as measured by the CFR as well as for cash flow purposes. The decrease in borrowing from Bramcote Crematorium over 2018/19 reflects the reduction in their surplus when compared with the previous year.

The CFR decreased by £0.276m during 2018/19 due to unfinanced capital expenditure of £0.388m in the year less MRP of £0.664m as set out in 3 above.

As stated above, gross borrowing at 31 March 2019 was below the CFR and it is anticipated that gross borrowing will continue to be below the CFR over the current and following two financial years. Any borrowing decisions will take account of the effect upon the total CFR.



ii) Authorised Limit and Operational Boundary for External Debt

The authorised limit is a statutory limit determined under section 3 (1) of the Local Government Act 2003 and represents the limit beyond which borrowing is prohibited. It reflects the level of borrowing which could be afforded in the short term to maximise treasury management opportunities and cover temporary cash flow shortfalls, but is unlikely to be sustainable over the longer term. The table below demonstrates that during 2018/19 the Council has maintained gross borrowing within its authorised limit.

The operational boundary is based on the probable external debt during the course of the year. The operational boundary is not a limit and actual borrowing can vary around the levels shown for short times. The operational boundary should act as an indicator to ensure the authorised limit is not breached and is a key management tool for in year monitoring of treasury management activities by the Section 151 Officer.

Actual external debt is gross borrowing plus other long-term liabilities. As mentioned previously, gross borrowing includes sums invested with the Council by Bramcote Crematorium. Other long-term liabilities are liabilities outstanding (other than borrowing) in relation to the financing of capital expenditure. They relate to, for example, private finance initiative (PFI) credits or finance leases. The Council did not have such long-term liabilities at 31 March 2019 or at any stage during 2018/19.

	<b>Operational Boundary 31 March 2019 £000</b>	<b>Authorised Limit 31 March 2019 £000</b>	<b>Actual External Debt 31 March 2019 £000</b>
<b>Borrowing</b>	<b>96,150</b>	<b>120,200</b>	<b>97,301</b>
<b>Other Long- Term Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>96,150</b>	<b>120,200</b>	<b>97,301</b>

The Section 151 Officer reports that, whilst the operational boundary was exceeded during 2018/19, there were no breaches of the authorised limit during the year. The maximum level of borrowing during 2018/19 was £98.6m.

iii) Total Principal Sums Invested over 364 Days

This limit is intended to contain exposure to the possibility of any loss that may arise as a result of the Council having to seek early repayment of any investments made. If an investment has to be re-paid before its natural maturity date due to cash flow requirements then, if market conditions are unfavourable, there could be an adverse impact upon the Council.

The Council's policy for 2018/19 as set out in the annual investment strategy was to retain the flexibility to invest a proportion of its available balances for a period in excess of 364 days should credit conditions

continue to show signs of stabilisation or improvement. An upper limit of £6.0m for these investments was set based upon 40% of an estimated in-year average of total investments of £15.0m. Details of investments made for a period greater than 364 days are set out in section 3 of appendix 1.

iv) Adoption of the CIPFA Code of Practice on Treasury Management

As per the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities, the Council adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes at the cabinet meeting of 26 February 2002. The CIPFA Code of Practice on Treasury Management was initially revised in 2009 and then revised again in 2011 to reflect recent developments and anticipated regulatory changes relating to the Localism Act 2011 including housing finance reform and the introduction of the General Power of Competence. The Council has incorporated the changes from the latest revised CIPFA Code of Practice on Treasury Management into its treasury management policies, procedures and practices. All treasury management activity complies with relevant statute, guidance and accounting standards.

v) The Ratio of Financing Costs to Net Revenue Stream

This indicator as shown in the table below compares net financing costs (borrowing costs less investment income) to net revenue income from revenue support grant, business rates, council tax and rent income. The purpose of the indicator is to show how the proportion of net income used to pay for financing costs is changing over time.

	<b>2017/18 Actual</b>	<b>2018/19 Revised</b>	<b>2018/19 Actual</b>
General Fund	2.9%	11.3%	10.7%
HRA	14.6%	14.9%	15.1%

The actual ratio of General Fund financing costs to net revenue stream was unusually lower in 2017/18 following the review of the MRP policy by the Council's treasury management advisers (Arlingclose) that found, among other items, a significant overprovision for MRP in previous years in respect of borrowing before the introduction of new regulations in 2008. This was corrected in 2017/18 and resulted in a significant one-off adjustment.

The actual ratios in 2018/19 were broadly similar to those in 2016/17 and previous years.

## Report of the Deputy Chief Executive

### GENERAL FUND REVENUE BUDGET AMENDMENTS 2019/20

#### 1. Purpose of report

To seek approval for a number of amendments to the General Fund revenue budget for 2019/20 and for additional one-off budget allocations to address particular issues.

#### 2. Background

Following the preparation of the 2019/20 budget and the production of the 2018/19 final accounts, a detailed review of all 2019/20 General Fund revenue budgets has been undertaken to determine that they are appropriate and in line with expectations. The following proposals have been identified:

##### (i) Civic Services

- Twinning and friendship visits to Germany (5-8 July 2019) and Poland (expected October 2019) costing an estimated £5,000.
- Provision of a chauffeur at each of the Mayor's official engagements at a cost of £8,000.

##### (ii) Additional Temporary ICT Staffing Resources

Given the importance of implementing two outstanding high-priority ICT infrastructure projects, within a challenging technology refresh programme, and the recruitment challenges faced in recruiting skilled IT staff (also experienced across other professional roles across the Council), there is a requirement for two temporary fixed term additional infrastructure specialists costing £53,000 to be recruited to ensure that the ICT infrastructure programme is delivered within technically critical timescales.

##### (iii) Specialist Legal Advice

As approved by Finance and Resources Committee on 13 December 2018, £25,000 should be included in the 2019/20 budget to cover specialist legal advice relating to an employment tribunal case.

##### (iv) Manor Farm Recreation Ground

As reported to Policy and Performance Committee on 3 July 2019, the Council will receive a one-off £10,000 payment from Western Power for granting them the right to lay an underground electricity cable under Manor Farm Recreation Ground. This will be spent on a range of environmental initiatives such that there is no overall impact upon the General Fund 2019/20 budget.

##### (v) Urgency powers

A report was submitted to Policy and performance on 3 July 2019 noting the use of the Chief Executive's urgency powers. All financial implications were met within existing budgets.

### Recommendation

**The Committee is asked to RESOLVE that the amendments to the General Fund 2019/20 revenue budget as set out in the appendix be approved.**

## APPENDIX

Budget Heading	Current Budget (£)	Proposed Budget (£)	Budget Change (£)	Comment
Civic Services	0	13,000	13,000	One-off funded from General Fund balance
ICT Services - Employees	316,950	369,950	53,000	One-off funded from General Fund balance
Resources Miscellaneous - Specialist Legal Advice	0	25,000	25,000	One-off funded from General Fund balance with approximately 75% charged to HRA
Beeston Parks - Miscellaneous Income	0	(10,000)	(10,000)	Western Power underground electricity cable approval.
Beeston Parks - Miscellaneous Expenditure		10,000	10,000	Various environmental initiatives
<b>Total</b>	<b>316,950</b>	<b>407,950</b>	<b>91,000</b>	

## Report of the Deputy Chief Executive

### CAPITAL BUDGET VARIATIONS 2019/20

#### 1. Purpose of report

To seek approval for a number of capital budget variations in respect of the 2019/20 financial year.

#### 2. Background

Examination of the approved capital programme for 2019/20 has resulted in a number of proposed amendments to the 2019/20 capital programme. Further details are set out in appendix 1 with a financial summary shown in appendix 2.

Included in appendix 1 is an in-depth analysis of the anticipated expenditure and accompanying financing of the Beeston Town Centre Phase 2 Development. This provides details of expenditure incurred in 2018/19 and current projections for the scheme over the following years.

Tender invitations were sent out to a shortlist of 5 contractors on 7 June 2019. The Project Board is due to review responses on 12 August 2019 with a view to selecting a construction partner. Bids will be evaluated on a combination of quality and cost. The Council's Financial Regulations (section 9.3) requires the evaluation of tenders in excess of £25,000 that include a qualitative evaluation to be presented to the appropriate Committee with a recommendation as to the tender that should be accepted and the basis for such a recommendation. The Committee cycle will not allow for this without significant delay (and potential cost) to the project. Accordingly, the Committee is requested to waive this requirement, particularly in view of the Project Board's cross-party representation and delegate authority to the Deputy Chief Executive to award the building contract following the consideration of the tenders by the Project Board.

### Recommendations

The Committee is asked to:

1. **RECOMMEND** to Council on 17 July 2019 that the budget in the 2019/20 capital programme for the Beeston Town Centre Phase 2 Development be increased by £1,000,000 to £3,553,850.
2. **RESOLVE** to delegate to the Deputy Chief Executive, following consultation with the Beeston Town Centre Project Board, authority to award a building contract for the Beeston Town Centre Phase 2 based on qualitative and quantitative analysis of tenders
3. **RESOLVE** that the other capital budget variations for 2019/20 as set out in appendices 1 and 2 be approved.

Background papers

Nil

## APPENDIX 1

1. Beeston Town Centre Phase 2 Development

The Policy and Performance Committee on 21 November 2017 delegated to the Interim Deputy Chief Executive responsibility for the financing of the Beeston Town Centre Development scheme (sometimes referred to as Beeston Square Phase 2)..

The 2018/19 capital programme included £539,800 for the Beeston Town Centre Development scheme. Expenditure for the year totalled £421,865. This included £282,795 paid to Atkins Limited for site investigation, work on the planning application and elements of detailed design. A planning fee of £25,535 was paid to the Council. There were also payments totalling £16,638 to Cartwright Communications for public relations work, £9,500 to Jones Lang LaSalle for valuation work and £7,000 to Grant Thornton for undertaking a financial appraisal of a potential cinema operator. There was also expenditure of £50,675 on the services of the Interim Regeneration Manager.

The expenditure of £421,865 was financed using grant income of £320,000 and borrowing of £101,865. The grant income was comprised of £70,000 received from the Nottinghamshire Pre-Development Fund and £250,000 received from the D2N2 Local Enterprise Partnership (LEP) towards the regeneration of Beeston Town Centre. The LEP grant is to be supplemented with a further £500,000 to be received in 2019/20.

A further report on this agenda seeks approval to carry forward the unspent £117,350 budget in the 2018/19 capital programme into 2019/20.

The capital programme 2019/20 to 2021/22 presently includes a total of £10,436,500 for the scheme spread across each of the three years as follows:

	£
2019/20	2,436,500
2020/21	6,000,000
2021/22	2,000,000

The budget of £2,436,500 in 2019/20 will be increased to £2,553,850 once approval for the carry forward (£117,350) is granted as set out above.

As reported to the Beeston Town Centre Project Board on 3 June 2019, it is proposed that the budget for the scheme be increased by a further £1.0m. This is to reflect a number of factors that were not envisaged at the initial viability assessment stage including a change to the cinema to include an additional screen and more seating, the need to re-locate a sub-station in the public realm and other structural changes designed to reduce the risk of and increase the speed of construction. Whilst approval to increase budget for the scheme is being requested from the Finance and Resources Committee, it is considered appropriate given the scale of the scheme to seek further approval from Full Council.

The originally-approved project budget was £10.856 million, of which £8.6 million was to be funded by borrowing. Although the total capital investment required to deliver the project has risen to an estimated £11.829 million, increased capital receipts from the sale of the part of the site for residential development has reduced the Council's borrowing requirement to £8.1 million. These figures all exclude interest on loans until such time as sufficient rental income has been generated to cover debt service.

Finance and Resources Committee on 8 January 2019 considered bids for the sale of part of the site for residential development and resolved to delegate responsibility for concluding this to the Interim Deputy Chief Executive in consultation with the three party leaders. The resulting capital receipt is to form part of the financing of the scheme. It is now apparent that this receipt will be significantly in excess of that originally envisaged to the extent that it will more than offset the additional cost of the scheme as set out above.

In addition, the resources available to finance the remaining expenditure on the scheme will be enhanced by the receipt of £500,000 in 2019/20 from the D2N2 LEP and by a further £25,250 that has been made available by the Nottinghamshire Pre-Development Fund.

It is presently anticipated that the remaining capital costs over the next three years are met by borrowing, amounting to £8,112,000. The project team will continue to actively pursue grant opportunities to offset this.

Members will note that this regeneration project is intended to be self-financing in the medium term. Over the first 5 years following completion, total rental income is forecast to be sufficient to cover interest payments on the Council's loans. After 5 years, rental income is forecast to exceed both interest and MRP, generating a profit rent of some £134,000 per annum. 5-yearly rent reviews should further improve medium- to long-term viability. This can be shown as follows:

#### **VIABILITY DASHBOARD**

	£000's		
	ORIGINAL BUSINESS CASE	CURRENT FORECAST	REMARKS
<b>Overall project budget</b>	10,865	11,829	Excluding interest / MRP
<b>Borrowing requirement</b>	8,595	8,112	Net of previous years CapEx
<b>Viability tests:</b>			
Initial interest cover %	Target - 100%	0.94	<u>Committed</u> rents / loan interest
FRV interest & MRP cover %	Not reported	1.34	Full rent (2025+) / (loan interest + MRP)
Profit rent on maturity	Not reported	134.95	FRV less interest & MRP

The sensitivity of the project to variations in key development components has been tested and can be summarised as follows:

Increase in costs / decrease in income needed to negate profit rent

Rental value / occupancy	25.46%
Project costs	23.43%
Interest/MRP combined	34.16%

Regular updates on the projected costs and risk profile of the scheme and its financing (including any further external contributions that may be received) will continue to be reviewed by the Project Board and reported to the Policy and Performance and the Finance and Resources Committees as appropriate.

2. Former Stapleford Police Station Redevelopment Project

As reported to the Housing Committee on 5 March 2019 and the Jobs and Economy Committee on 4 July 2019, this project involves the re-development of an under-utilised Council asset on a brownfield site. The former Police Station will be redeveloped for small business and office uses and will be charged at full market rate with an anticipated income of £16,000 rental income. The approximate running costs of the offices will be broadly offset by the additional NNDR income. It is expected that this project will create approximately 15 jobs. The estimated total project cost is £171,000, with £88,135 grant funding from the D2N2 Local Enterprise Partnership (LEP), and match funding from the Council of £82,865. If further grant funding becomes available and is secured, the Council match funding contribution will be reduced.

The additional D2N2 LEP funding has recently become available, and presents an excellent opportunity to leverage capital funding to this project. The business case for this project will be presented to the D2N2 LEP on 12 July 2019.

In order to deliver this project, Council funding of £82,865 is requested. This may be in the form of grants, capital receipts, revenue contributions or borrowing. The exact nature of the financing of the scheme will be determined when the total capital expenditure for 2019/20 is financed as part of the production of the 2019/20 accounts.

3. Disabled Facilities Grants

The 2019/20 capital programme approved at Finance and Resources Committee on 14 February 2019 includes £747,300 for Disabled Facilities Grants (DFGs). These are for the provision of adaptations to the homes of those disabled persons who qualify for the grant. Funding for these is provided initially by the Ministry for Communities, Housing and Local Government (MHCLG) to County Councils who, in two tier areas, then pass this down to District Councils through the Better Care Fund.

MHCLG announced on 9 May 2019 that Broxtowe Borough Council are to receive a DFG allocation for 2019/20 of £796,855 (net of a contribution to the NCC Handy Person Service) to meet its statutory duty to provide home adaptations as set out



above. The Council is permitted to spend part of this on wider social care capital projects should it wish to do so.

The 2019/20 capital budget for DFGs can now be revised from £747,300 to £796,850 accordingly.

## APPENDIX 2

Summary of Proposed Changes to 2019/20 Capital Programme

<b><u>No</u></b>	<b><u>Scheme</u></b>	<b><u>Budget 2019/20 (£)</u></b>	<b><u>Revised Budget 2019/20 (£)</u></b>
1	Beeston Town Centre Phase 2 Development	2,553,850*	3,553,850
2.	Former Stapleford Police Station redevelopment project	0	171,000
3.	Disabled Facilities Grants (2019/20 only)	747,300	796,850
	<b>TOTAL</b>	3,301,150	4,521,700

\*Includes carry forward of £117,350 as set out in another report on this agenda.

### Report of the Deputy Chief Executive

#### **GRANTS TO VOLUNTARY AND COMMUNITY ORGANISATIONS, CHARITABLE BODIES AND INDIVIDUALS INVOLVED IN SPORTS, THE ARTS AND DISABILITY MATTERS 2019/20**

##### 1. Purpose of report

To consider requests for grant aid in accordance with the provisions of the Council's Grant Aid Policy.

##### 2. Applications and financial position

Details of the grant application received are included in appendix 1 for consideration. The amount available for distribution in 2019/20 is as follows:

	£
Revenue Grant Aid Budget	168,800
Less: Estimated requirements for:	
Citizen's Advice Broxtowe	73,750
Rent Awards and Other Commitments	48,850
Less: Grant Awards to Date	550
<b>BALANCE AVAILABLE FOR DISTRIBUTION</b>	<b><u>45,650</u></b>

(#) – 'Rent Awards and Other Commitments' include provision for £4,000 in respect of the application from New Stapleford Community Association.

A summary of the grants awarded under delegated authority since February 2019 is included for information at appendix 2. An update on the Broxtowe Lotto and the Community Fund is provided in appendix 3.

Members are reminded that they will need to suitably constrain grant awards in 2019/20 if the budget is not to be exceeded. The total amounts requested in this report total £26,500. The additional sums requested in this report, when compared to the previous year, would amount to £16,000 if all applications are fully supported.

#### **Recommendation**

**The Committee is asked to:**

- 1. Consider the request in appendix 1 and RESOLVE accordingly; and**
- 2. NOTE the grants awarded under delegated authority in appendix 2 and the progress made relating to Broxtowe Lotto in appendix 3.**

#### **Background papers**

Nil

## APPENDIX 1

**Applications**

The following grant applications have been received for consideration in 2019/20:

<u>Applicant</u>		<u>Grant Award 2018/19</u> £	<u>Grant Request 2019/20</u> £
Nuthall Age Concern Day Centre	1	500	500
Hope Nottingham	2	4,000	10,000
The Helpful Bureau	3	2,000	5,000
New Stapleford Community Association	4	4,000	4,000
Voluntary Action Broxtowe	5	Nil	7,000
		<b>Total</b>	<b>26,500</b>

The total request is made up of £22,500 in 'cash' from the balance available and £4,000 for rents and other commitments (New Stapleford Community Association) which is covered by the outstanding rent awards provision.

**Age Concern Organisations**1. **NUTHALL AGE CONCERN DAY CENTRE**

Nuthall Age Concern Day Centre was established in 1974 and is based at The Spinney on Laurel Crescent in Nuthall. The group generates its membership from the Nuthall area and currently has 21 people using its services.

Nuthall Age Concern Day Centre provides welfare facilities and companionship in a social environment to local elderly residents and those with infirmity. The group meets on a weekly basis, offering a wide variety of activities such as social events and activities, bingo, speakers (including representatives from care homes, health and safety, police and fire services), quizzes, music and singing, keep-fit and festive parties. The group also provides its members with a meal and transport to and from the venue if required.

For the year ended 31 March 2019, income totalling £3,153 was derived from grant aid (from this Council), donations, subscriptions and proceeds from special events. Expenditure of £3,032 mainly related to meals, transport, insurances and the cost of running events and activities. Cash at bank and in hand as at 31 March 2019 was £725.

The Council has supported Nuthall Age Concern Day Centre for many years, with the grants awarded in the past four years being as follows:

2018/19	£500
2017/18	£500
2016/17	£500
2015/16	£500

For 2019/20, Nuthall Age Concern Day Centre has requested a similar grant of £500 towards its transport and insurance costs. The group indicates that its transport costs have increased in recent years because a shortage of volunteer drivers that has resulted in a greater reliance on private taxi firms to provide transport for its members.

### **Caring Organisations Category**

#### **2. HOPE NOTTINGHAM**

Hope Nottingham (also known as Hope Café) is a project that is operated from Hope House at the Boundary Road Community Centre in Beeston. The project has around 200 visitors each week, with 1,200 individuals benefitting from the service each year. Hope House has developed into a holistic community hub providing wide ranging support to help people out of crisis and empower them to contribute positively to their community.

The Hope Café was originally established in 2005 as part of Hope NG9, the Christian church working together to bring 'Hope to the NG9 area through social action, backed by prayer and word'. From 2010, local ministers agreed that Hope NG9 should be merged with Hope Nottingham. The charitable objects of Hope Nottingham are to advance the Christian faith and the relief of poverty, sickness and distress amongst the people of Nottingham and surrounding areas

Hope Nottingham provides a free, one-stop community support café, providing holistic support for homeless and vulnerably housed adults to overcome poverty crisis and entrenched deprivation. The project aims to meet basic needs of food, clothing and furniture, provide a listening ear and offer individual mentoring and support with a view to having a positive transformation on the lives of those in need and to enable the positive social re-integration of socially excluded people.

In addition to providing food and friendship, the project aims to mentor individual service users by providing life skills training and creative activities. The project also acts as a hub to which its users can directly access support from specialists on issues such as housing, debt, benefits, substance and alcohol abuse and health.

Hope Nottingham continues to develop working relationships with the Council, Police, Citizens Advice and support agencies in order to meet the needs of its users and the local community. All the expert delivery partners are expected to source their own funding for their input. The various services are integrated together to enable those with complex needs to address several issues simultaneously, as the most effective way to make progress and to avoid them falling through gaps in service provision.

The facilities at Hope House extend to providing a Job Club to help the long-term unemployed back into work and a Youth Group that provides positive diversionary activities for young people.

The key headlines received from Hope Nottingham in 2018/19 included:

- Improving the health and well-being of local residents
- Providing over 1,500 food parcels in Broxtowe
- Supplying over £10,000 worth of financial assistance to buy specific items such as cookers and washing machines to 100 households
- Providing more accessible independent information, advice and support for the most vulnerable Broxtowe residents
- Providing community based volunteer opportunities for local residents
- Providing employment support and training to around 350 people to enable them to make progress in helping themselves out of poverty relating to welfare, low income, debt, unemployment, dysfunctional lifestyles, mental illness and domestic violence
- Directly supporting individuals in overcoming or avoiding homelessness. Others indirectly supported by referral to mainstream services and partners.
- Currently assisting six people in Broxtowe with obtaining housing, having already supported four other individuals.
- Supporting long-term unemployed local residents through its Employment Pathway scheme. Users are referred to the Hope Job Club by the job centre and receive assistance in completing online job searches and applications and creating positive CVs. This work has assisted 20 long-term unemployed residents into work.
- Establishing two small in-house social enterprises teaching people practical skills and enabling them to begin earning an income.

Hope Nottingham has provided the latest accounts for the year ended 30 June 2018 for scrutiny. The charity separates its accounts between restricted fund and unrestricted funds. Total income generated amounted to £227,955 which mostly related to grants, donations and rental income from use of the church and centre. Significant restricted grants were received from Nottinghamshire County Council (£17,100), Lloyds Bank Foundation (£15,000), Boots Charitable Trust (£10,000) and the URC East Midlands Synod (£10,000). Total expenditure amounted to £206,129 which included salaries and associated employee costs (£159,227 for an average of seven employees with no employee receiving more than £60,000 during the period), premises expenses and other operating costs. Total funds as at 30 June 2018 were £31,341 including unrestricted funds of £10,584. Total cash at bank and in hand had fallen to £33,255.

In 2018/19, grants have been offered and/or received from Nottinghamshire County Council (£11,900), Nottingham and Derby Methodist District Fund (£13,200), Beeston Consolidated Charity (£18,000) and smaller grants from other Trusts. The charity continues to acknowledge the regular financial and volunteer support it receives from individuals, church and community, local businesses, local authorities and grant making organisations, without which it could not continue to operate.

The Council has regularly supported Hope Nottingham, with the grants awarded in the past four years being as follows:

2018/19	£4,000
2017/18	£4,000
2016/17	£4,000
2015/16	£4,000

In July 2018, a grant of £4,000 was approved towards operating costs. Members were appreciative of the work undertaken by Hope Nottingham and did consider awarding a higher sum. It was indicated that the Committee could consider a supplementary application from the charity in February 2019. Although such a request was not received in time, the revenue budget carry forward for grant aid (considered elsewhere on this agenda) includes £4,000 that could be used towards an increased award to Hope Nottingham.

For 2019/20, Hope Nottingham has requested a grant of £4,000 towards the general cost of operating the project, but has also asked for an additional award to be considered for the specific cost of running its Employment Pathway programme.

Members should note that the grant aid policy requires that grant awards of £5,000 or above may be subject to a Service Level Agreement.

### **Caring Organisation**

#### **3. THE HELPFUL BUREAU**

An application for grant aid has been received from The Helpful Bureau, a registered charity and not for profit organisation based at the Carnegie Civic and Community Centre on Warren Avenue in Stapleford. Originally established in 1978, The Helpful Bureau formally registered as a charity from 2001. The charity provides services which support and encourage older and/or disabled residents to live safely and independently in their own homes. The charity has 2,355 clients, most being residents of Broxtowe.

The Helpful Bureau achieves its aims by providing three streams of work, namely practical services; social interaction events; and a volunteer transport scheme. These are considered separately below:

### Practical services

These services, including gardening, decorating, home support and a handyman service, help clients to feel less vulnerable. In providing home security and maintaining gardens, the property is less likely to be targeted for crime and clients have more pride in their surroundings and maintain a sense of dignity. 405 different service users accessed these services in the past year.

The services provide value for money from a trusted and reliable workforce. The charity has been operating this for many years and is experienced in dealing with the client group. The Helpful Bureau is registered with Nottinghamshire County Council and 'Checkatrade'. All employees are DBS checked. Volunteers use their experience and life skills to help with the provision of practical services, keeping themselves active within the community and helping to provide a value for money service.

The gardening service maintained around 90 client's gardens (64 on regular rotation) with 247 jobs completed this year by the gardening team. The handyman service completed 94 jobs. Unfortunately, the Handyman position has been lost due to funding cuts, but the service is still provided when the weather is unfit for gardening or where there is a client need to complete a job immediately. Gardening is charged at £18 per hour. For all odd jobs and decorating an estimate is provided following assessment. The charity supplies its own vehicle, equipment, cleaning materials and will remove garden waste.

The Helpful Bureau has four Home Support Workers (three in the south of Broxtowe, one in the north), each having up to 15 regular clients. The charity has seen an increase in demand for this service and has employed additional workers to help meet demand. Home Support is charged at £14 per hour.

### Social Interaction

The Helpful Bureau provides a variety of social groups on each day that it opens. These include running a weekly resource centre, information and advice, two-course hot lunch and social activities. Social groups include a craft club and older persons group, plus monthly day trips. A 'movement to music' class is run at Awsworth, whilst 'foot care' sessions are offered every fortnight in Stapleford. These activities help to prevent people becoming lonely and isolated and offer information to enable them to make life choices appropriate to their needs. They also keep older people active by providing physical activities to help prevent falls and loss of mobility, empowering positive health and emotional wellbeing.

The charity helps to safeguard older adults by offering support and preventing them from becoming depressed, vulnerable and victims of crime. It regularly promotes the dangers of fraudsters and rogue traders. Other service providers, (i.e. Fire Service, Everyone Health, Victim Support) are invited to come along and share information to help keep clients informed on issues relevant to them.



During the year The Helpful Bureau prepared and cooked 2,267 hot meals to an average of 48 clients per week. The Lunch club is charged at £5 for a hot two-course lunch per person, which covers the cost of food, refreshments and hall hire. Social groups are charged at £1 per person per session, whilst the movement to music classes cost £3.50 per person per session, to cover the cost of hall hire and instructor. There have been 84 sessions of Movement to Music provided in the past year, with an average attendance of 17 at each of the two sessions.

### Volunteer Transport

The charity provides a volunteer transport scheme and wheelchair accessible vehicle for older and/or disabled people who have difficulties in attending support groups and medical appointments. This scheme enables people to be less isolated and access support groups within the community. Clients receive a flexible and personalised door-to-door transport service, provided at low cost. This service is run with the help of 14 volunteer drivers, some using their own vehicles. All drivers are DBS checked and have appropriate training.

Volunteer drivers have the opportunity of using their spare time effectively by helping others in the community and can report any problems or difficulties they observe. This can then be acted upon accordingly to help stop a situation getting worse. The charity can take referrals from Social Services and Health Professionals to offer a more holistic service.

4,804 trips were provided for clients during the year, 4,286 using volunteer's cars and 518 trips in the wheelchair vehicle, with a total of 24,142 journey miles completed. The volunteer driver scheme is charged at 50p/mile plus a 50p booking fee per trip, of which 45p/mile is given to the driver to cover expenses. The Wheelchair Accessible Vehicle is charged at £1/mile plus a 50p booking fee per trip to cover the running costs of the vehicle.

The Helpful Bureau currently has 2,494 registered clients, (1,745 women and 749 men) with 80% having a disability or long term illness. They range in age from 55 to over 100 years old. Referrals come from health professionals, Independent Living, Social Services, faith groups, other support groups, families and self referrals.

The Helpful Bureau has submitted its Annual Report and Financial Statements for the year ended 31 March 2018 for scrutiny. The charity splits its accounts between restricted and unrestricted funds. Total income generated in the year amounted to £108,479, including £70,273 as unrestricted funds, generated from fees and room hire, grants and donations and fundraising. Restricted grants totalling £37,206 were received in 2017/18 from Nottinghamshire County Council. Total expenditure was £138,585, including £100,379 from the unrestricted fund, relating wages (£94,189 split between restricted and unrestricted funds), rent and services and other running costs. Total bank balances as at 31 March 2018 had fallen to £31,340, with Total Funds declared at £29,441 (all unrestricted). The charity's policy on reserves is to retain three months' worth of operating reserves.

The Helpful Bureau successfully applied to the Nottinghamshire County Council Local Improvement Scheme (£35,500), with further grants received from the Charles Haywood Foundation (£7,000); Allen Lane Foundation (£5,000); and Nottinghamshire County Council Transport and Sustainability Fund (£4,500). The charity has recently applied to Boots Charitable Trust for grant monies to take on the Befriending Scheme currently run from Voluntary Action Broxtowe.

This is the second application received from The Helpful Bureau (although the Council previously supported Stapleford Volunteer Bureau) and in 2018/19 a grant of £2,000 was awarded towards running costs. For 2019/20, The Helpful Bureau has requested an increased grant of £5,000 to support its ongoing operations (rent and services).

### **Community Associations**

#### **4. NEW STAPLEFORD COMMUNITY ASSOCIATION**

The New Stapleford Community Association (NSCA) is responsible for the management and operation of the Council owned Community Centre on Washington Drive in Stapleford that was first opened in 1972.

The aim of NSCA is to provide a community meeting place for Stapleford and the surrounding area. A variety of groups utilise the facilities for educational, recreational and sporting activities, including senior citizen's groups, blood donor sessions, dance and fitness classes, community sessions, martial arts clubs and family groups. Around 300 people use the facilities every week, the majority of whom live in the borough.

For the year ended 31 December 2018, NSCA generated income of £19,424 from hall bookings, dances, grant aid, fund raising and membership subscriptions. Total expenditure amounted to £21,195, which included rent, utilities, fixtures, repairs and maintenance, dance and social activities and other running costs. Total bank balances as at 31 December 2018 was £39,169. NSCA has earmarked part of these reserves towards the purchase of new chairs.

The current tenancy agreement for the Washington Drive Community Centre replaced the previous arrangement of charging a peppercorn rent. The annual market rent for the premises was assessed at £4,000 as part of the Council's aim to secure economic rents on its properties. NSCA suggests that it would be unable to sustain an ongoing rental charge of this size.

The Council has supported NSCA for many years with grant aid towards its premises rental. The grants awarded in the past four years were as follows:

2018/19	£4,000
2017/18	£4,000
2016/17	£4,000
2015/16	£4,000

For 2019/20, NSCA has requested a grant of £4,000 to cover the market rent. This grant would be for a period of one year and would be matched by allowances within the premises income budget and therefore leave the Council's overall budget unchanged.

### **Volunteer Bureaux**

#### **5. VOLUNTARY ACTION BROXTOWE**

An application for grant aid from Voluntary Action Broxtowe (VAB) was considered by this Committee on 14 February 2019. Members resolved to defer the request in order to determine the charity's situation with its reserves.

Supplementary information has been provided from the Chair of Trustees and this is provided later in this narrative. Firstly, the request for funding as presented to the previous meeting is reproduced below for information.

#### **Initial Request**

Voluntary Action Broxtowe (VAB) is the voluntary sector infrastructure support provider for the Borough. It provides a wide range of practical and advice services for local voluntary and community groups across the Borough.

VAB effectively fulfils all the functions of a Council for Voluntary Service (CVS) with its mission to "provide high quality infrastructure support to local organisations and through this, help strengthen communities and deliver more appropriate and effective services for the residents of Broxtowe". The stated aims and objectives of the charity are to promote the benefit of local inhabitants by associating together the inhabitants, local authorities, voluntary and other organisations in a common effort to improve the quality of life of said inhabitants and in particular, not exclusively, to:

- advance the education, learning and skills of volunteers through the provision of training, advice, assistance and associated activities so that they are better equipped to carry out their role and provide a valuable contribution to their community
- promote the voluntary sector and volunteering generally, the provision of education, learning and skills and services for the social benefit of the local community and similar charitable activities, and to enhance those services provided by the statutory sector by providing a wide range of infrastructure support services including the setting up of networks and forums to facilitate partnerships.

VAB is a fully accredited Volunteer Centre providing volunteer recruitment, support, training and placement with other organisations. The benefits of volunteering are considerable as it enables people to overcome the challenges they face, to learn skills through specialist training and find solutions that benefit the wider community.

For older people volunteering is a social activity and thus provides a means to counter social isolation and loneliness. Local organisations also benefit from the experience, expertise, capacity and commitment of older people. Volunteering is a recognised route back into paid employment. VAB regularly assists young people, typically students, with volunteer placements to assist them in gaining work experience and new skills.

VAB responds to over 1,000 enquiries for volunteering each year. VAB directly supports specialist volunteer placements, which currently include 80 placements. It has developed specialist volunteering opportunities through an innovative Day Service Framework Agreement. This service offers training and volunteer opportunities with health and social care support for people with disabilities and long-term conditions, such as learning disabilities, mental health, Down's Syndrome, Asperger's etc. This service has recently started and, once established over the next 18 months, it will contribute towards the financial sustainability of VAB.

VAB also delivers a preventative support service to people over-75 who live in Broxtowe who are socially isolated. *Caring Companions* is a staffed by trained volunteers who visit isolated older people in their own homes on a weekly basis to provide company and to monitor their well-being and safety. VAB is currently supporting eight older people and has 12 active volunteers. This service links to the Vintage Cafe providing further support to this cohort of service users.

Over 600 individual residents and volunteers from across the Borough benefit from VAB services each year. These include around 40 people, aged over 75 years, who are isolated and receive befriending services on a weekly basis to provide company and to monitor their well-being and safety.

Another scheme, 'Move It', assists older people when moving into residential and care homes, as well as supporting families who require low cost services to move locally. Around 150 people per annum benefit from this service.

VAB has established ESOL classes, employment workshops and a language café promoting social integration. These interventions enable resettled people such as Syrian refugees to learn English and employment skills to fully integrate into the community. The project promotes social inclusion; contributing to Community Safety by raising awareness of the value cultural differences can bring. Participants speak 35 different languages. A range of partners are involved with the project: Public Protection, Police Fire Service, Sure Start, schools and Broxtowe Celebrations Community Group.

VAB currently supports over 200 voluntary and community sector organisations across the Borough. VAB helps to ensure that these groups are kept well informed, well-funded and are working safely and in line with current charity legislation. VAB has provided essential courses and qualifications in health and safety, first aid, food safety and health awareness to over 200 volunteers and staff from a range of community organisations.

VAB also provides free, dedicated meeting space for small business start-ups and fledgling community organisations to develop and deliver business ideas. These measures contribute to a more vibrant town centre, attracting new visitors and local businesses to Broxtowe. Six local organisations operate from Oban House, namely Age Friendly Nottingham, Barnardo's, Beeston Shopmobility, Chilwell and Toton Neighbourhood Forum, Beeston and District Local History Society and Global Grains. VAB also provides a weekly vintage tea room for older people to meet and socialise.

In 2010, VAB moved into Oban House on Chilwell Road in Beeston, having secured a ten year lease from private owners. The decision to move to Oban House has provided VAB more spacious accommodation and provided the opportunity to diversify and maximise a greater variety of income streams through renting out meetings rooms, training facilities and office space to other community groups and charities.

VAB has provided its annual report and financial statements for the year ended 31 March 2018 for scrutiny. The charity separates its accounts between restricted and unrestricted funds. Total income generated in the year amounted to £208,070, including £92,050 of unrestricted funding from grants and donations, room hire, sales income and a grant of £25,000 from Nottinghamshire County Council to provide infrastructure services. Other sizeable restricted funding was received from the Big Lottery Fund (£78,337), Nottingham City Council (£11,873), Awards for All (£9,840) and Department of Health (£9,583). Total expenditure amounted to £182,186, including £64,320 in respect of core funds. This mainly related to staff costs (£95,526 for an average six employees), rent and services (£35,000), other premises expenses and general operating costs. Total cash/bank balances at 31 March 2018 was £92,440, with £65,285 available as unrestricted funds.

The reserve policy is that VAB carries sufficient free reserves to cover its liabilities should it ever fold. The trustees do not believe in amassing large amounts of reserves and feel that donations and other funding entrusted to VAB should be used for the benefit of those in need of its support in the community. It is suggested that the value of unrestricted fund balances held as at 31 March 2016 was sufficient to meet with this reserves policy.

VAB is applying for grant aid towards the cost of providing volunteer services and network development support. VAB has designed services that are cost effective and innovative. Future sustainability will be achieved through contract income and commissioned services.

The Council has previously supported Voluntary Action Broxtowe (the last award being for £6,500 in 2014/15) although the request considered by this Committee on 13 July 2017 was turned down, largely on the basis of the level of balances held by the charity and the level of employee expenses.

For 2019/20 Voluntary Action Broxtowe has requested a grant of £7,000 towards its general running costs to provide volunteer services and network development support across the Borough.

Members should note that the revised grant aid policy requires that grant awards of £5,000 or above may be subject to a Service Level Agreement.

### Supplementary Information

After the deferral in February, further information was sought from VAB with regards to its plans in terms of the current reserves and what the Council's grant would specifically be used for.

The Chair of Trustees responded with more information about VAB and an update on significant changes in both its functioning and financial position:

“The position regarding salaries and expenses has changed significantly since March 2018. The Chief Executive Officer who previously worked full-time reduced her hours in June 2018 and then left VAB in August 2018. The post was replaced with a part-time Business and Fundraising Manager for three months from October to December 2018.

The full-time Administrator left VAB in August 2018. This role has been incorporated into the Support Worker post or undertaken by volunteers. The Nexus Project also ended in August 2018. All employees under this project, including the self-employed tutors left the organisation. This funding has not been replaced and there was no legacy planning.

As a result, employee expenses have reduced significantly from the position shown in the last accounts. The current paid establishment is limited to a P/T Support Worker (18 hours per week) and a P/T Volunteer Co-ordinator (21 hours). All other work is undertaken by volunteers and trustees. This lack of infrastructure does make it difficult to bid for long-term funding from the major foundations.

The Volunteer Co-ordinator has recently updated the volunteer handbook and the recruitment process for volunteers. VAB has incorporated current good practice and is proud of what it has achieved for its volunteers. In addition, VAB has re-established 'volunteer brokerage' which involves significant partnership working, advice on governance and good volunteer practice as well as the placing and support of new volunteers. VAB continues to run the groups outlined in the earlier application and a befriending project called 'Caring Companions'.

Over the last year, VAB has seen its monthly outgoings exceed income and, as a result, the current account has been depleted. VAB anticipates having to use its reserves over the coming year to maintain its functioning.

VAB believes the importance of volunteering in terms of both individual empowerment and social action for the community has intrinsic value. VAB is actively talking to its partners in an attempt to sustain this in the Beeston area. The grant aid funding would ensure that VAB can continue to build on the work it has done and move forward.”

## APPENDIX 2

**Delegated Awards**

A summary of the grants awarded under delegated authority since February 2019 is included below. The Council's policy in respect of grant aid to voluntary organisations is to award the amount requested by the organisation or the maximum specified whichever is the lower. Additional consideration is given to groups who can demonstrate that they are meeting the particular needs of disadvantaged sections of the community.

All requests under £250 are considered under delegated authority, in conjunction with the Chair of this Committee. This includes applications from individuals involved with sport and the arts.

This Committee determines all requests for grants in excess of the £250 maximum.

**Groups – 2018/19**

Group	Total No. of Members	No. of Broxtowe Residents	Grant Award in 2017/18	Grant Award in 2018/19	Purpose of Grant Award
Toton Lane Bowls Club	21	18	Nil	£100	Replacement tables for the clubhouse
TRW Bowls Club	51	41	Nil	£100	General running costs
Eastwood & District U3A	363	Majority	Nil	£100	Equipment and stationery
Hemlock Stone Probus Bowls Club	10	9	Nil	£100	Purchase of trophies

**Groups – 2019/20**

Group	Total No. of Members	No. of Broxtowe Residents	Grant Award in 2018/19	Grant Award in 2019/20	Purpose of Grant Award
Chilwell Women's Institute	14	14	£100	£100	General running costs.
Beeston Bowling Club	32	10	Nil	£100	Insurances, trophy engraving and a new honours board.
Beauvale Horticultural Show	15	13	£250	£250	Sponsorship of the annual Show on 25 August 2019
Chilwell Road Methodist Church Ladies Circle	20	All	£100	£100	Speakers fees and room hire

Individuals – 2018/19

Name	Grant Award in 2018/19	Purpose of Grant Award
Harry Whyley	£100	Athletics (High Jump) – Contribution towards national competitions, training travel and equipment costs
Izaiah Aduhene	£200	Gymnastics (Tumbler) – Contribution towards training, kit, travel and accommodation costs for the World Championships in Japan in November 2019



## APPENDIX 3

**Broxtowe Lotto****Background**

The establishment of a local lottery for Broxtowe was agreed by this Committee on 15 February 2018. The Broxtowe Lotto was successfully launched in August 2018. Further details relating to its operation is available on the website at <https://www.broxtowe.gov.uk/for-you/community-living/broxtowe-lotto/> and on its own dedicated website at <https://www.broxtowelotto.co.uk/>.

**Progress**

There are currently 27 'good causes' participating in the scheme. The good causes received 50p of every £1 ticket sold, with the anticipated money raised for these good causes in the first 12 months likely to be around £18,700. This is estimated as the number of ticket sales can change on a weekly basis.

A further 10p of each ticket sold is returned to the Council for distribution through a 'Community Fund'. So far, the actual monies generated for the Community Fund is £3,625. These monies include those collected in 2018/19 and rolled forward into 2019/20 for this Committee to have opportunity to distribute sums in accordance with the principles of the grant aid policy.

The Lotto has seen 480 winners, most of whom received free tickets, with some lucky players winning cash prizes of £25 (42 winners), £250 (4) and £2,000 (1).

The Council continues to look for more good causes to support through the Lotto.

**Community Fund Awards**

A summary of the grant awarded from the Community Fund since February 2019 is included below. All requests under £250 are considered under delegated authority, in conjunction with the Chair of this Committee. This Committee determines all requests for grants in excess of £250.

Name	Community Fund Award in 2019/20	Purpose of Grant Award
South West Nottinghamshire District Scout Council <i>(received via 1<sup>st</sup> Chilwell and Attenborough Scouts)</i>	£160	Purchase of play equipment for community outreach events

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## Report of the Deputy Chief Executive

### GRANT AID – BROXTOWE TWINNING ASSOCIATION 2019/20

#### 1. Purpose of report

To consider a request for grant aid towards a twinning visit from Gütersloh as arranged by the Broxtowe Twinning Association for August 2019.

#### 2. Background

The Council's Constitution stipulates that it is a duty of this Committee to make grants to individuals and bodies, including those undertaking twinning visits and exchanges, in accordance with the Council's approved policy.

The Borough of Broxtowe has an open-ended twinning and friendship agreement with Gütersloh since its inception in 1978.

The Broxtowe Twinning Association recently celebrated its 40th anniversary, having begun as a table tennis club in 1978. Every year the respective groups meet up for a few days in Germany and England - alternating each year. In 2018, the visit to Gütersloh included a walking tour; visit to Dusseldorf Parliament; civic reception; music in the park; family meals and gatherings; and ended with a final night party and presentation evening.

Plans are well underway for the visit of German friends to Broxtowe in 2019 and the Broxtowe Twinning Association will be hosting around 20 guests from Gütersloh in August 2019. The group has requested a grant of £500 to support this visit, including the costs of days-out.

#### 3. Financial implications

The Council has previously supported a number of twinning visits organised by sports clubs and groups within Broxtowe. The criteria provides for grant aid for twinning activities at a rate of between £20 to £40 per adult and £30 to £60 per child. The grant requested at £500 would be within the permitted range.

No specific twinning budget currently exists with previous visits having been met from general provisions. The proposed award could be met from the grant aid budget, of which £45,650 remains available subject to awards made elsewhere on this agenda.

#### Recommendation

**The Committee is asked to CONSIDER the request and RESOLVE accordingly.**

#### Background papers

Nil

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## Report of the Deputy Chief Executive

### CITIZENS ADVICE BROXTOWE – GRANT AID 2019/20

#### 1. Purpose of Report

To consider the outturn position in respect of the Service Level Agreement with Citizens Advice Broxtowe following the commitment of a three-year grant funding settlement from 2018/19 in accordance with the provisions of the Council's Grant Aid Policy.

#### 2. Grant Aid Application

On 12 July 2018 this Committee approved grant aid of £73,750 to Citizens Advice Broxtowe, including £10,000 towards the annual rental of accommodation in the Council Offices. The resolution included a commitment to award grant aid at this level in both 2019/20 and 2020/21, subject to a suitable Service Level Agreement being in place. This three-year funding settlement was seen to provide some much-needed stability for Citizens Advice Broxtowe and give it a platform to lever in additional funds from other sources.

Citizens Advice Broxtowe has now provided an outturn position in respect of the Service Level Agreement to 31 March 2019. This is provided in the appendix.

#### 3. Financial Position

The committed award of £73,750 (including £10,000 rental) to Citizens Advice Broxtowe in 2019/20 will be the second year of this three-year funding agreement. The overall budget for grants to voluntary organisations includes provision for this committed award.

### Recommendation

**The Committee is asked to CONSIDER the outturn report from Citizens Advice Broxtowe and RESOLVE that the second year of the three-year funding settlement be released as agreed in 2018/19.**

#### Background papers

Nil

## APPENDIX

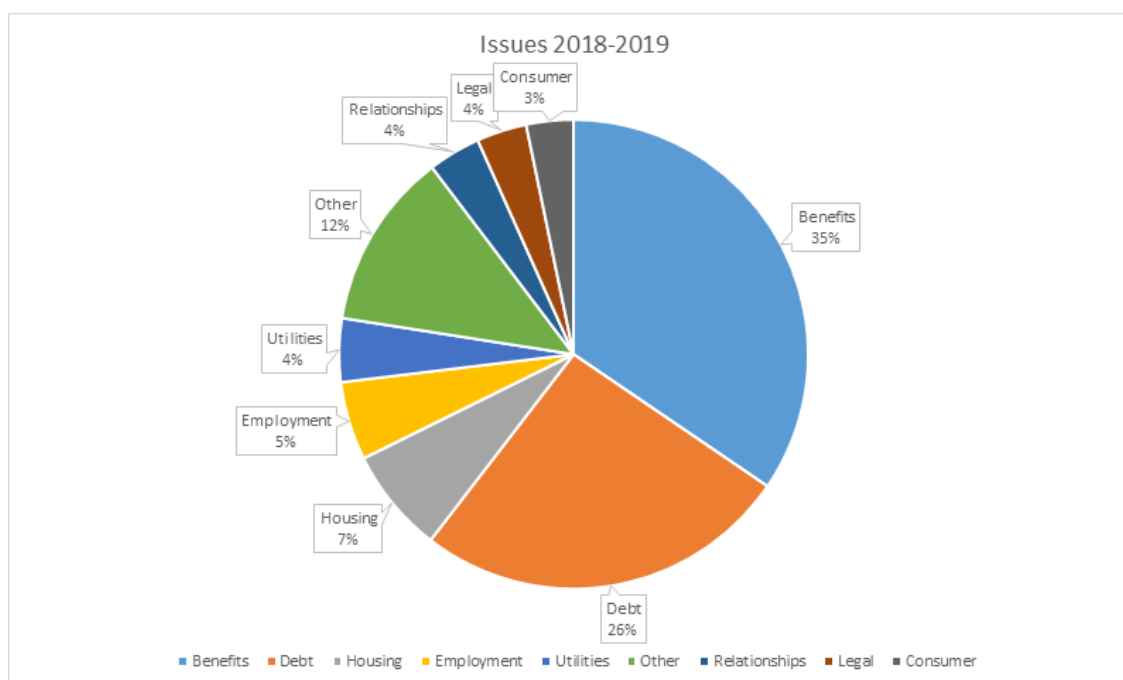
## CITIZENS ADVICE BROXTOWE

1. Background

Citizens Advice Broxtowe (CAB) provides advice and support to the public on a variety of issues including debt, housing, welfare rights, employment and legal matters. CAB was established in 2004 following the merger of the former Beeston and Eastwood bureaux to create a district-based structure with operations that are based at the Council Offices in Beeston and the Library in Eastwood, with some funded outreach sessions also being provided at the Stapleford Care Centre.

2. Summary Achievements 2018/19

In 2018/19, CAB has assisted 7,179 clients on a wide range of enquiries. CAB has provided a summary analysis of the 13,503 enquiries that were handled between April 2018 and March 2019. The majority of these contacts related to debt and benefits matters with the remaining enquiries being classified as housing, employment, signposting, legal, relationships, financial, consumer, utilities, health, tax, travel, immigration, education and other. CAB has also assisted clients in accessing £2.63m of additional benefits, which makes a huge difference to their wellbeing as well as supporting the local economy.



In September 2019, CAB underwent a triennial inspection visit from Citizens Advice. This audit was passed, with CAB being awarded the Advice Quality Standard (AQS) Certification for a further three years.

### 3. Staffing

CAB currently employs 20 paid staff in 22 different roles. During the last 12 months it recruited 13 new volunteers to its establishment and is currently grateful to the support of 50 volunteers who give their time freely in providing over 17,000 volunteer hours in the year at an estimated value of £311,000.

Due to new funding from the Department of Work and Pensions (DWP) for the 'Help to Claim' (Universal Credit) service, CAB was able to offer employment to five of its current volunteers.

Although CAB is run by trustees who serve on the management committee, the day-to-day operation is overseen by the Chief Executive who is assisted by part-time staff including a Development Manager, Operations Manager and Session Supervisors at both Beeston and Eastwood. Other paid officers include administrative support at each location; a training and quality officer; an outreach worker; a part-time specialist housing worker and part-time debt workers. It should be noted that CAB is legally required to provide a recognised Session Supervisor for each session run at any location.

In 2017/18 CAB reported on the appointment of a Development Manager to help sustain the charity in the long-term as obtaining funding gets increasingly difficult and competitive. Although this position has brought in additional income streams, CAB is still has challenges in maintaining a balanced budget and not having to use substantial reserves in order to retain its current service.

Total staff costs in 2018/19 are forecast as £290,900. Total employee costs in 2017/18 were £254,329, an increase of 14% on the previous year.

### 4. Accommodation

In January 2009, CAB moved its Beeston operation into the Council Offices. Lease terms were agreed for the accommodation at a market rental of £10,000 per annum. CAB previously paid a nominal rental for their former premises and the extra rental cost of accommodation in the Council Offices significantly increased their premises costs. Having only limited financial resources, CAB is unlikely to be able to sustain this charge.

### 5. Financial Position

CAB has provided its Financial Statements (draft) for the year ended 31 March 2019 for scrutiny. CAB separates its accounts between a restricted fund and an unrestricted fund. For the year ended 31 March 2019, total income generated amounted to £320,764 which mostly related to grants with £118,640 being in respect of unrestricted funds. The majority of unrestricted funding was provided by this Council and Nottinghamshire County Council (£34,000). Significant restricted funding was also received from the Financial Inclusion Fund (£70,528, Citizen's Advice (£61,130) and the Henry Smith Charity (£30,800).

Total expenditure amounted to £359,631, including £172,781 charged to the restricted fund. A breakdown of costs for the year is included in appendix 2.

Total funds decreased to £323,475 (before the pension liability) with cash at bank and in hand amounting to £325,406. The CAB reserves policy is to maintain a minimum level of general reserves equivalent to around three months operating costs plus any closure costs should this become necessary. A General Fund Reserve of £87,000 has been set aside for this purpose.

6. Previous Grant Awards

The Council has supported CAB for many years with the grants awarded in the past four years being as follows:

	Grant Awarded £
2018/19 (including £10,000 rent)	73,750
2017/18 (including £10,000 rent)	73,750
2016/17 (including £10,000 rent)	73,750
2015/16 (including £10,000 rent)	73,750

The grant of £73,750 awarded to CAB in 2018/19 represented 44% of the Council's overall grant aid budget.

7. Request for Grant Aid

This Committee, on 12 July 2018, approved grant aid of £73,750 to CAB, including £10,000 towards the annual rental of accommodation in the Council Offices. The resolution included a commitment to award grant aid at this level in both 2019/20 and 2020/21, subject to a suitable Service Level Agreement being in place.

CAB has provided an outturn position in respect of the Service Level Agreement to 31 March 2019 (appendix 2) and has requested the release of the second year funding of £73,750 in 2019/20 (being £63,750 towards general expenses and £10,000 towards the annual rental of accommodation in the Council Offices).

8. Consideration

Members are asked to consider the outturn report from CAB and resolve that the second year of the three-year funding settlement (£73,750 per annum) as agreed in 2018/19 can be released. A provision for this commitment is earmarked within the overall grant aid budget.



## APPENDIX 2

**SERVICE LEVEL AGREEMENT 2018/19**

Citizens Advice Broxtowe has provided the following information in accordance with the terms of the grant previously awarded by Finance and Resources Committee on 12 July 2018 and the Service Level Agreement for 2018/19.

**SCHEDULE A – OUTPUT MEASURES** (*Figures for 2017/18 are given in italics*)

Ref	Outcome Area	Total (Apr-Mar)
6.1	Number of new issues (problems) dealt with	13,503 (12,397)
6.2	Number of clients receiving support during the year	7,179 (6,544)
6.3	Average amount of debt handled per client seeking debt advice	£8,731 (£8,895)
6.4	Estimated amount of benefits gained for clients seeking benefit advice	£2.63m (£2.25m)
6.5	Please list the top five advice needs and the number of new social policy issues recorded for each (in brackets) <ul style="list-style-type: none"> <li>• Benefits</li> <li>• Debt</li> <li>• Housing</li> <li>• Employment</li> <li>• Relationships</li> </ul>	4,736 (27) 3,558 (5) 993 (8) 743 (7) 601 (0)
6.6	Number of staff employed as at 31 March 2019	20
6.7	Number of volunteers available as at 31 March 2019	50
6.8	Number of new volunteers recruited in 2018/19	13
6.9	Number of new social policy issues dealt in 2018/19	61
6.10	Number and value of volunteer hours worked in 2018/19	+17,000 £311,000

6.11 Breakdown of service users and volunteers by gender, age, ethnicity and disability for 2018/19:

Description	Service Users		Volunteers	
<u>Gender</u>				
Male	3,087	43%	20	33%
Female	4,092	57%	30	67%
<u>Age</u>				
19 and under	33	1%	-	-
20-49	1,063	15%	5	10%
50-64	925	13%	24	48%
65 and over	509	6%	21	42%
Not stated	4,649	65%	-	-
<u>Ethnicity</u> (No. of people who consider themselves to be):				
White British	2,403	34%	45	90%
Black British	113	1%	1	2%
White Other	249	4%	1	2%
Black Other	0	0%	1	2%
Asian	113	1%	2	4%
Chinese	9	0%	-	-
Other ethnic group	263	4%	-	-
Not stated	4,029	56%	-	-
<u>Disability</u> (No. of people who consider themselves to be):	994	14%	1	2%

6.12 Please provide a summary analysis to indicate the extent to which the services of CAB have benefited clients.

The Citizens Advice service is independent and provides free, confidential and impartial advice to everybody regardless of race, sex, disability sexuality or nationality. CAB is not simply an advice agency, it is an organisation that helps people to resolve their problems. CAB does this in two ways, through advice and through bringing about policy change. Citizens Advice recognise that people often have many problems which impact on one another and they help people to tackle them.

In 2018/19 CAB handled over 13,500 enquiries on a wide range of subjects including debt, housing and homelessness, family problems and employment issues. Debt and welfare benefits accounted for around 60% of all enquiries.

The service makes a real contribution to the most deprived individuals and communities and CAB makes a real difference to people's lives. In 2018/19 CAB helped clients gain £2.63 million of additional benefits which makes a huge difference to the client's well-being but it also adds real value by supporting the local economy as in turn there is more money available to be spent locally.

CAB works in partnership with local service providers in the voluntary and statutory sectors and provides outreach advice services within the community targeting our service towards people most likely to be socially excluded.

- 6.13 Please provide a summary analysis of client surveys, to indicate the level of satisfaction with the services of CAB. Also tell us about any changes you have made/plan to make as a result of feedback received.

Each year CAB carries out surveys with its clients which give an indication of how satisfied they are with the service. The survey has changed during the year to fall in line with national membership of Citizens Advice. CAB is well above the national average on all the questions. The results of the latest survey are as follows:

Question	Positive Response	National average
Rate your overall experience of the service	93%	87%
How easy did you find it to access the service?	88%	82%
To what extent did the service help you find a way forward?	90%	85%
To what extent is your problem now resolved?	77%	77%
How likely would you to be recommend the service?	93%	88%

- 6.14 Please provide feedback from volunteers around the level of satisfaction with the training and support they have received, and any specific outcomes achieved e.g. moving into paid work:

In the last year CAB has recruited 13 new volunteer advisers. As a result of the training provided and the skills and confidence gained whilst working with CAB, eight volunteers have gone onto paid work or further education, both externally and within the CAB service.

- 6.15 Please tell us about some of your work around improving the policies and practices that affect people's lives. Tell us about any changes which have been made both locally and nationally in relation to the top five advice needs:

The top five advice needs are benefits; debt; housing; employment; and relationships. Campaigning aims to improve the policies and practices that affect people's lives and is one of the aims of the service. As a charity and being part of the national network CAB has a huge amount of insight and data about the problems its clients and their wider communities face. Through research and campaigns, CAB uses this insight to:

- help us research issues further
- gathering evidence of problems that need resolving
- campaign to get decision makers to change policies and practices.
- prevent issues from recurring.

#### Universal Credit – New Help to Claim Service in Broxtowe

The 'Help to Claim' service offers support for people from starting a Universal Credit (UC) claim through to receiving their first full payment, via face-to-face, the dedicated UC free-phone line, web chat with trained advisers or by accessing CAB public access computers in reception or the public site web pages. As well as self-referring or following on from previous phone advice and web chat, people can be referred to CAB from the other LCA's, Jobcentre, local authority housing officers and/or voluntary and community sector partners. CAB also has advisers located in Beeston and Heanor Jobcentres as it works in partnership to meet client needs.

CAB continues to actively participate in the Broxtowe Welfare Reform Working Group and is now delivering these additional services to support UC claimants with greater partnership working with the Council and DWP.

Part of the funding was used for the creation of 31 Best Practice Leads (BPL) across England and Wales. Each BPL is matched to a Jobcentre Plus district and Broxtowe was successful in obtaining the BPL one year contract for the Lincolnshire, Nottinghamshire and Rutland district. The role of the BPL is to gather and share information about the performance of UC and the Help to Claim service, build and support relationships with relevant stakeholders, support local Citizens Advice, and develop and share ideas and best practice.

The BPL will be gathering intelligence and insight on how UC and Help to Claim is working across the Jobcentre Plus district and will share this intelligence with relevant partners including Jobcentres, local Citizens Advice and national Citizens Advice. Through this the BPL will help local Citizens Advice across the district to understand UC and how best to support clients. Highly effective relationships will be developed with relevant district stakeholders including local Citizens Advice and DWP.

Where appropriate, support will be given to local Citizens Advice with their relationships at a local level with Jobcentres, councils and other voluntary sector organisations.

#### CAB Campaign Work 2019/20

Research and campaigns remains a core part of the work of Citizens Advice, delivered by dedicated staff and committed volunteers. This work helps ensure CAB can resolve more issues for clients, and address the underlying causes so that the issues do not continue to affect clients.

Research and campaigns is one of the twin aims of our service. It aims to improve the policies and practices that affect people's lives.

As a service CAB has a huge amount of insight and data about the problems our clients and their wider communities face. Through research and campaigns, CAB uses this insight to:

- help us research issues further
- influence decision makers to change policies and practices
- campaign to get decision makers to change policies and practices.

Research and campaigns gives CAB the opportunity to widen its impact, allowing it to help those who may not be able to access advice services, prevent issues from recurring and therefore help with demand and capacity issues.

The Research and Campaigns team work with other local Citizens Advice and advice agencies to collect this evidence and contribute to policy discussions about how to improve the lives of Broxtowe residents.

CAB has continued to participate in the Nottinghamshire Research and Campaigns Cluster Group that includes all local Citizens Advice offices across the county. CAB also feeds into national campaigns such as the UC improvements that have been made over the last year as a direct result of the evidence gathered across the Country.

The CAB Research and Campaign team in Broxtowe is headed up by a Trustee and an Action Plan produced for each financial year. During 19/20 CAB will continue to look at evidence around how UC is affecting Broxtowe residents as well as disability issues, income security and homelessness.

- 6.18 Please provide case studies to indicate some of the outcomes achieved for clients to evidence the top advice needs:

*\* Please note that names have been changed to protect confidentiality.*

### Case Study 1 – Employment Advice

David\* suffered a head injury. David returned to work after a period of recuperation but found that he had suffered some memory loss and was finding it difficult to complete work tasks. He was still receiving treatment from doctors, counsellors and physiotherapists. His employer was unsympathetic and tried to dismiss David on ill-health grounds (although the letters David received indicated that he was actually being made redundant).

CAB contacted the employer and through negotiation arranged for David to receive a redundancy settlement that he was happy with. Following support with benefits and after two appeals, CAB managed to obtain Employment and Support Allowance payments (support group). This means that David will work with the Job Centre to find suitable employment that will allow for his health issues.

### Case Study 2 – Housing Advice

Philip\* had lived in a housing association property for 14 years with his mother. Unfortunately she passed away and left Philip in a vulnerable housing position. The housing association told Philip that he could not succeed the tenancy and was therefore being evicted. Philip suffers from mental health disabilities and alcohol misuse and is very vulnerable, especially since his mother died.

The CAB Housing Adviser worked intensively with Philip to prove that the existing tenancy agreement had clauses within it that meant he could stay in the property and take out a new tenancy agreement in his name. CAB raised a complaint with the housing association which was upheld.

Working with the CAB Welfare Benefits Adviser, Philip obtained Housing Benefit, Council Tax Support and Personal Independence Payments. This was a significant step as it meant that Philip could afford the tenancy on his own and would not become homeless.

This case demonstrates the essential ongoing need for technical housing advice in Broxtowe and the intensive work needed to prevent homelessness. In total CAB gained an additional £12,800 per year in benefits, enabling Philip to remain in the home he loves and where he feels safe.

### Case Study 3 – Benefits Advice

Sandra\* had worked all her adult life and was working as a Cleaner when she was diagnosed with cancer. During her year-long treatment Sandra was signed off sick from work and was barely managing on statutory sick pay. The side effects of the cancer meant that Sandra could no longer bend her back sufficiently to return to her manual job role. Sandra came to CAB to discuss her way forward and the options available.

The cancer diagnosis and continued ill-health was causing Sandra emotional stress. On top of this Sandra was worrying about money and how to pay the bills including her rent.

CAB carried out a benefits check and looked in detail at the household situation. Sandra's partner had already retired and was claiming his state pension. CAB established that Sandra could claim Pension Credit, Housing Benefit and Council Tax Support. CAB also advised Sandra to look into using the Big Difference Scheme via Severn Trent to reduce her water bill.

Overall CAB helped Sandra to claim £5,106 in additional income per year. Her stress levels have since been reduced and Sandra can now concentrate on recovery and future health and well-being.

#### Case Study 4 – Money Advice

June\* was referred to CAB by one of its partners, Broxtowe Women's Project. Her partner had recently left following domestic and financial abuse issues. June had been left with significant debts all run up by her ex-partner and he had also taken all the money out of their joint accounts. June was left with nothing to live on. The debts were a mixture of priority and non-priority debts including rent arrears, overdrafts, council tax arrears and credit card debts.

With June now being single, CAB helped her to apply for benefits in her own name. CAB made offers of payments to all her creditors to get her finances back on track. CAB also issued vouchers for the food bank to ensure she could eat whilst her benefits were sorted.

When CAB first met June she was emotional, suicidal and desperate. Following advice and assistance from CAB and with the help of the Broxtowe Women's Project, June now says she can look forward to the future. She has started to apply for work and is optimistic that she can turn her life around.

**SCHEDULE B – FINANCIAL MONITORING INFORMATION**

In accordance with the Service Level Agreement, Citizens Advice Broxtowe has provided the Council with financial monitoring information. The final outturn for the year ended 31 March 2019 is as follows:

	Budget 2018/19 £	Actual 2018/19 £	Variance £	<i>Actual 2017/18 £</i>
<u>Income</u>				
Income	192,678	320,764	(128,086)	261,558
<b>Total Income</b>	192,678	320,764	(128,086)	261,558
<u>Expenditure</u>				
Salaries and Pensions	271,423	290,888	19,465	254,329
Volunteers/Staff Expenses	13,018	13,834	816	4,595
Office Costs	26,142	33,717	7,575	38,483
Premises Costs	12,585	14,541	1,956	13,652
Governance/Audit costs	1,200	5,515	4,315	1,392
Depreciation	0	1,136	1,136	0
Payment to Partners	10,000	0	(10,000)	7,585
<b>Total Expenditure</b>	334,368	359,631	25,263	320,036
Deficit/(Surplus)	(141,690)	(38,867)	102,823	58,478

Variances can be explained as follows:

- Additional income from NCC for generalist advice service (3 year agreement)
- Additional income from BBC to prevent homelessness
- Increased donations – combined from trust funds, general donations from the public, fundraising and successful capital bids.
- Additional income to run the UC Help To Claim Service across Broxtowe
- Additional staff costs as we continue to grow the service to cope with demand.
- Additional capital costs for new staff (additional phone lines/computers etc.)

CAB continues to have a small predicted deficit budget in 2019/20.



### Report of the Deputy Chief Executive

#### GRANT AID REQUEST FROM NUTHALL PARISH COUNCIL

##### 1. Purpose of report

To consider a request for grant assistance in accordance with the protocol for the consideration of grant aid to parish and town councils.

##### 2. Grant aid application

A grant aid funding request has been received from Nuthall Parish Council towards the cost of traffic management for its Remembrance Sunday Parade.

Members will recall that this Council pledged to support parish council's with one-off grants towards Remembrance Day 2018 parade costs in commemoration of the 100<sup>th</sup> anniversary of the end of the First World War. A single year revenue development budget of £4,000 was established for this purpose (approved as part of the Budget Proposals and Associated Strategies report to this Committee on 15 February 2018) and Nuthall Parish Council claimed grant aid of £1,820 from this budget to meet with the full cost of traffic management for the 2018 event.

Nuthall Parish Council has now requested a grant of around £2,000 towards the cost of traffic management for the 2019 Remembrance Parade. Nuthall is unique in that it has to control traffic flows on the major island 'Nuthall Island' meaning that it has a far greater risk level than other parishes. With the Police unable to offer any level of service, Nuthall has little alternative but to employ specialised contractors for the event. Also, since installing the new War Memorial at the Basil Russell Playing Fields in Maple Drive, the numbers attending the Remembrance events continue to increase. This has created additional risks and responsibilities.

The agreed protocol for assessing grant aid to parish and town councils is provided for information in the appendix. Also provided for information is a list of grants awarded under this scheme.

##### 3. Financial position

No budgetary provision exists for grants to parish councils. If Members were minded to approve the grants, then an allocation from revenue contingencies would be required for which £25,000 remains uncommitted in 2019/20 (subject to further reports being considered by other Committees during this cycle).

#### Recommendation

**The Committee is asked to CONSIDER the request and RESOLVE accordingly.**

#### Background papers

Nil

**APPENDIX****Protocol for consideration of grant aid to parish and town councils**

The protocol for the consideration of grant aid requests from parish and town councils was agreed by Cabinet on 8 June 2010. The key provisions are:

1. Grant aid will only be given in support of specific projects or services and not as a general grant towards the services provided by a parish/town council.
2. Revenue grant aid will only be considered towards services which act as a replacement for services which otherwise Broxtowe Borough Council would have to provide or which supplement services which the borough council provides so as to reduce the costs that Broxtowe would otherwise incur.
3. In applying for grant assistance the parish/town council will need to demonstrate how the service or project in question contributes to Broxtowe's aims and objectives as laid out in the Corporate Plan and the Sustainable Community Strategy.
4. In applying for grant aid assistance the parish/town council will need to provide evidence as to why they do not have the financial resources to provide the services or project in question and what the consequences would be for local residents and businesses if the service was withdrawn or the project not completed. This will include a requirement for the parish/ town council to detail what other funding sources they have secured (or otherwise) and to provide a statement as to any reserves held and their planned use.
5. Preference will be given to support for the provision of mandatory services as compared with discretionary services.
6. Where grant aid is to cover the cost of a specified service, the parish/town council will be responsible at its own cost for providing an audited statement within six months of the end of the financial year concerned to confirm the amount of expenditure incurred and income received against which grant aid may be payable. Any grant payable would then be adjusted retrospectively if necessary following receipt of such an audited statement.
7. Grant aid will only be in respect of additional costs directly incurred by the parish/town council and will not cover the cost of any general overheads which the parish/town council would otherwise incur anyway as a result of their operations.
8. Grant aid will be cash limited in each year and the responsibility for costs increasing beyond the cash limit will normally rest with the parish/town council. Where such cost increases are considered to be unavoidable and beyond the parish/town council's control, then Broxtowe may be approached to seek a further grant award.
9. Where the parish/town council wishes to vary the service provided for which grant aid has been awarded, this should only take place after full consultation and with the agreement of Broxtowe.

10. Preference will be given towards one off capital projects rather than as a regular annual contribution towards the ongoing costs of providing services.
11. The parish/town council shall be required to provide such information as Broxtowe may reasonably request as to the actual outputs and outcomes arising from any service or project where Broxtowe makes a contribution.
12. Any grant contribution that may be awarded by Broxtowe need not be at the rate of 100% of net expenditure incurred but may be at a lesser rate to reflect such as its own corporate priorities, budgetary constraints or the availability of similar services or projects elsewhere.
13. Revenue grant aid will normally only be awarded for one year at a time although an indicative amount for the following year may be given at Broxtowe's discretion. Capital grant aid will be towards the cost of a specific one-off project.
14. Requests for grant aid in respect of a particular financial year should normally be submitted by the end of October of the preceding year at the latest to assist with forward budget planning for both Broxtowe and the parish/town council. Broxtowe will endeavour to make a decision on such requests by the end of December in the year preceding that for which grant aid is requested.

#### **Grant Aid to Parish/Town Councils**

The table below lists the grants awarded under this scheme since 2010/11.

<b>Date</b>	<b>Council</b>	<b>Amount</b>	<b>Purpose</b>
07/09/10	Nuthall Parish Council	£4,650	Cemetery maintenance
08/03/11	Stapleford Town Council	£2,500	Allotment access (Capital)
29/11/11	Nuthall Parish Council	£3,900	Cemetery maintenance
29/11/11	Kimberley Town Council	£600	Play equipment insurance
19/02/13	Greasley Parish Council	£1,000	Community event
15/10/13	Kimberley Town Council	£7,000	War memorial renovation (Capital)
01/04/14	Nuthall Parish Council	£2,000	War memorial construction (Capital))
16/10/14	Nuthall Parish Council	£2,500	Cemetery maintenance
02/06/15	Cossall Parish Council	£350	Memorial plaque
19/04/16	Eastwood Town Council	£5,000	Building refurbishment works (Capital)
04/07/16	Greasley Parish Council	£4,000	Upgraded heating system (Capital)
19/09/16	Awsworth Parish Council	£5,000	Heating system replacement (Capital)
09/01/17	Brinsley Parish Council	£4,000	Play facility repairs/replace (Capital)
03/10/17	Nuthall Parish Council	£1,820	Remembrance parade
12/10/17	Greasley Parish Council	£1,000	Christmas lights event
12/10/17	Nuthall Parish Council	£3,395	Cemetery maintenance
26/04/18	Nuthall Parish Council	£12,000	Cemetery roadway surface (Capital)
26/04/18	Nuthall Parish Council	£2,000	Summer Youth Club
11/10/18	Greasley Parish Council	£647	WW1 commemoration sculpture

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**Joint report of the Chief Executive, the Deputy Chief Executive and the Interim Strategic Director**

**PERFORMANCE MANAGEMENT REVIEW OF BUSINESS PLAN –  
SUPPORT SERVICE AREAS – OUTTURN REPORT**

1. Purpose of report

To report progress against outcome targets identified in the Business Plans for support services areas, linked to Corporate Plan priorities and objectives, and to provide an update as to the latest key performance indicators therein.

2. Background

The Corporate Plan 2016-2020 was approved by Cabinet on 9 February 2016. Business Plans linked to the five corporate priority areas of Housing, Business Growth, Environment, Health and Community Safety, in addition to the support service areas of Resources, Revenues, Benefits and Customer Services and ICT and Business Transformation are approved by the respective Committees each year between January and February.

3. Performance management

As part of the Council's performance management framework, each Committee receives regular reports during the year which review progress against their respective Business Plans. This will include detailed annual reports where performance management is considered following the year-end.

This outturn report is intended to provide this Committee with an overview of progress towards Corporate Plan priorities from the perspective of the Business Plans for the support service areas. It provides a summary of the progress made to date on Critical Success Indicators (CSI), key tasks and priorities for improvement in 2018/19 and the latest data relating to Key Performance Indicators (KPI). A summary for each business plan is detailed in the appendix.

**Recommendation**

**The Committee is asked to NOTE the progress made in achieving the Business Plans for Resources; Revenues, Benefits and Customer Services; and ICT and Business Transformation, in addition to the current Key Performance Indicators for 2018/19.**

Background papers

Nil

## APPENDIX

## PERFORMANCE MANAGEMENT

1. Background - Corporate Plan

The Corporate Plan for 2016-2020 was approved by Cabinet on 9 February 2016. It sets out the Council's priorities to achieve its vision to make "Broxtowe a great place where people enjoy living, working and spending leisure time." Over the period, the Council will focus on the priorities of Housing, Business Growth, Community Safety, Health and Environment.

The Corporate Plan prioritises local community needs and resources are directed toward the things they think are most important. These needs are aligned with other local, regional and national plans to ensure the ambitions set out in our Corporate Plan are realistic and achievable.

2. Business Plans

A series of Business Plans linked to the five corporate priority areas were approved by the respective Committees at meetings held in January and February 2018. In addition the Business Plans for the support service areas of Resources; Revenues, Benefits and Customer Services; and ICT and Business Transformation were also approved.

These support services provide support to the key services to assist them in achieving the priorities and objectives.






The respective Business Plans detail the projects and activities undertaken in support of the Corporate Plan 2016-2020 for each priority area. These cover a three-year period but are revised and updated annually. Detailed monitoring of progress against key tasks and outcome measures in the Business Plans is undertaken regularly by the relevant Committee. This will include a detailed annual report where performance management and financial outturns are considered together following the year-end as part of the Council's commitment to closely align financial and performance management.






3. Performance Management

As part of the Council's performance management framework, this Committee receives regular reports of progress against the Business Plans for the support service areas. This report provides the outturn data relating to Critical Success Indicators (CSI) for each area and a summary of the progress made to date on key tasks and priorities for improvement in 2018/19 (as extracted from the Pentana Risk performance management system). It also provides the latest data relating to Key Performance Indicators (KPI).

The Council monitors its performance using the Pentana Risk performance management system. Members have been provided with access to the system via a generic user name and password, enabling them to interrogate the system on a 'view only' basis. Members will be aware of the red, amber and green traffic light symbols that are utilised to provide an indication of performance at a particular point in time.





The key to the symbols used in the Pentana Risk performance reports is as follows:

Action Status Key		
	Completed	The action/task has been completed
	In Progress	The action/task is in progress and is currently expected to meet the due date
	Warning	The action/task is approaching its due date (and/or one or more milestones is approaching or has passed its due date)
	Overdue	The action/task has passed its due date
	Cancelled	This action/task has been cancelled or postponed


Key Performance Indicator and Trends Key	
	Alert
	Warning
	Satisfactory
	Unknown
	Data Only

## **RESOURCES**







### **Critical Success Indicators for Resources 2018/19**







Status	Code & Short Name	2018/19 Outturn	2018/19 Target	Short Term Trend	Long Term Trend	Notes
	BV8 Creditor invoices paid within 30 days of receipt	99.25%	99.0%	Positive	Positive	Target continues to be achieved.
	BV12 Working Days Lost Due to Sickness Absence (rolling annual figure)	8.7	7.5	Improving	Improving	8.7 days at March 2019 (13.6 days at March 2018)
	LALocal_07 Number of complaints determined by the Local Government/Housing Ombudsman against the Council	5	0	Negative	Negative	The number of complaints determined by the Ombudsman is less than 5 years ago (2 - 2017/18; 6 - 2016/17)
	LALocal_12 Freedom of Information requests dealt with within 20 working days	97%	100%	Improving	Improving	ICO guidance suggests a target of 85% of requests being sent a response within the appropriate timescales is acceptable. Exceeding the ICO target.






### **Resources Key Tasks and Priorities for Improvement 2018/19**

Status	Pentana Code	Action Title	Action Description	Progress	Due Date	Comments
	FP1720_02 (Finance)	Participate in a countywide procurement exercise for merchant services (card processing)	Research and source a low cost service for merchant services in accordance with the Council's requirements	15%	31-Mar-2019	Due to delays in the joint procurement project it is intended that the Council will conduct its own tender exercise for Merchant Services in 2019/20 using cost data already collated.










Status	Pentana Code	Action Title	Action Description	Progress	Due Date	Comments
	FP1821_01	Produce Final Accounts by end of May	Accounts produced quicker than previous in preparation for legislative requirement from 2017/18	100%	31-May-2018	Final Accounts completed in advance of statutory deadlines.
	FP1821_02	Complete migration to the new Bank Account Sort Codes	Communicate the requirement of the change to relevant stakeholders	100%	31-Mar-2020	Completed.
	CP1620_01 (Property)	Pursue tram compensation claim	Pursue tram compensation claim	50%	31-Oct-2019	Compensation payments received have reached over £1.7m with further negotiations ongoing.
	CP1620_03	Implement the Asset Management Plan 2016-21	Implement the Asset Management Plan 2016-21	23%	31-Mar-2020	Work is ongoing.
	HR0912_01 (Human Resources)	Implementation of Core Abilities Framework and Performance Appraisal (PA) system across workforce with Broxtowe Learning Zone (BLZ)	Ensure the Council has highly developed employees who are competent to undertake their role and managers who can lead teams effectively in accordance with service/corporate objectives	100%	31-Dec-2017	Performance Appraisals 2019/20 launched in April 2019.
	HR1417_03 (Human Resources)	Review of payroll processes to introduce electronic forms	Review of payroll processes to introduce electronic forms	100%	31-Mar-2018	E-Forms for Car Mileage Claims went live from 1 April 2018.


Status	Pentana Code	Action Title	Action Description	Progress	Due Date	Comments
	HR1620_01 (Human Resources)	Review opportunities for shared HR working with other local authorities	Review opportunities for shared HR working with other local authorities	100%	31-Mar-2018	Opportunity explored to partner with neighbouring authority to provide training in respect of Apprenticeship Levy. Other partners now approved and engaged.
	HR1620_02 (Human Resources)	Review of People Strategy	Review of People Strategy	100%	03-Oct-2018	People Strategy approved by Policy and Performance Committee on 12 December 2018.
	HR1620_03 (Human Resources)	Development of a new Apprenticeship Strategy	Identify future skills requirements and improve career progression opportunities	100%	30-Jun-2018	Apprenticeship Strategy approved by Policy and Performance Committee on 12 December 2018.
	HR1720_01 (Human Resources)	Introduce 20 new online Broxtowe Learning opportunities by 2020	Expand range of opportunities to develop employee skills. Add 20 modules to Broxtowe Learning Zone by 2020	70%	31-Mar-2020	Target is 20 courses over 4 years. 14 completed to date. On course for completion.
	HR1720_02 (Human Resources)	Review of Employee Induction Programme	Ensure staff are equipped with the knowledge they need to perform at a high level.	100%	31-Jul-2018	New video produced by Corporate Communications now used for new employees.
	H&S1620_02 (Health & Safety)	Completion of Health and Safety Action Plan 2017/18	Completion of Health and Safety Action Plan	100%	31-Mar-2018	Business Continuity exercise was undertaken in April 2018.

Status	Pentana Code	Action Title	Action Description	Progress	Due Date	Comments
	DEM1518_01 (Admin Services)	Community Governance Review	Community Governance Review	0%	31-Dec-2021	The start of this has been deferred until 2020.
	DEM1518_01 (Admin Services)	Implementation of committee management system	Implementation of committee management system	100%	30-Jun-2018	Committee Management System purchased and installed. System Training in Q1 2018/19.
	DEM1518_02 (Admin Services)	Transfer of Land Charges function to Land Registry	Transfer of Land Charges function to Land Registry	5%	01-April-2020	Work is continuing to prepare for data migration. Transfer date has not yet been confirmed.
	LA1620_02 (Legal Services)	Reduce sundry debtors backlog	Reduce sundry debtors backlog	100%	30-Apr-2019	Target to reduce backlog achieved. Reduced £168,177 (April 2018) to at £ 63,891 March 2019. A process to manage debts more effectively has been agreed across services to enable the Council to maintain lower levels of debt. This will be embedded during 2019/20 with regular review meetings.
	LA1821_01 (Legal Services)	Purchase and Implement Case Management System	Improve the management of cases and records	100%	31-Dec-2018	Purchase and installation completed January 2019. Work ongoing to develop reports and templates to assist in management of cases.

## Resources Key Performance Indicators 2018/19




Status	PI Code & Short Name	2017/18 Outturn	Current Target	2018/19 Achieved	Short Term Trend	Long Term Trend	Notes
✓	FPLocal_01 Sundry creditors paid by BACS	89.9%	90%	90.8%	Improving	Improving	
⛔	FPLocal_02 Sundry debtors raised in any one financial year paid in that year	83.2%	90%	83.5%	Improving	Improving	
✓	FPLocal_03 Planned audits completed in the year	89%	90%	97%	Improving	Improving	Target achieved following revision to the plan that was approved by Governance, Audit and Standards Committee on 11 March 2019.
⚠	FPLocal_09 Invoices paid within 20 days	98.5%	98.0%	97.64%	Negative	Negative	Departments to be reminded of the requirement to enter and authorise invoices promptly.
✓	CPLocal_01 % Industrial units vacant for more than 3 months	1.6%	5%	1.6%	Stable	Negative	Industrial units remain close to 100% let with some tenant changes. Replacement tenants can usually be found within the three month period.
✓	CPLocal_02 Tenants of industrial units with rent arrears	6.6%	3%	6.6%	Stable	Improving	Increase attributed to historic debts being chased by Legal Services to recover monies. Property Services actively chase all rents to ensure the minimal number of tenants get into debt.
⛔	BV16a Employees with a Disability	7.1% Head-count 481	10%	6.9% Head-count 472	Negative	Negative	From information declared: 2017/18 – 437 declared 31 with disability 2018/19 – 435 declared 30 with disability

Status	PI Code & Short Name	2017/18 Outturn	Current Target	2018/19 Achieved	Short Term Trend	Long Term Trend	Notes
	BV17a Ethnic Minority representation in the workforce	6.9% Head-count 481	8%	6.4% Head-count 472	Negative	Negative	From information declared: 2017/18 – 437 declared 31 BME 2018/19 – 435 declared 29 BME (with 4 BME colleagues joining the Council and 6 leaving)
	HRLocal_06 Annual employee turnover	13.1%	10%	14.0%	Negative	Improving	2018/19 = 66 Leavers 2017/18 = 63 Leavers Local Government Average in 2016/17 = 13.4%
	HRLocal_07 Employees qualified to NVQ Level 2 and above	85%	88%	85%	Stable	Stable	Narrowly missed target.
	LALocal_04 Complaints acknowledged within 3 working days	91%	100%	94%	Improving	Improving	2016/17 = 82%
	LALocal_06 Complaints concluded under Stage 2 of the Council's Complaints Procedure.	17	15	29	Negative	Negative	The number of stage 2 complaints has increased since 2016/17 (10). The target was last revised following a decrease in complaints in 2015 (20).
	LALocal_13 Successful prosecutions in the Magistrates Court	100%	90%	100%	Positive	Stable	Case Management System introduced December 2018. Data in the system is limited. Reports are currently being developed.
	LALocal_08 Individually registered electors in the Borough	84,617	86,500	84,617	Stable	Stable	Electoral register 2018 published December 2017 with a slight decrease in registered electors as a result of a thorough cleanse of the register and the removal of electors who were no longer eligible.




Status	PI Code & Short Name	2017/18 Outturn	Current Target	2018/19 Achieved	Short Term Trend	Long Term Trend	Notes
	LALocal_14 Statutory Notices issued as a result of requests from Council Services %	-	-	15	n/a	n/a	Case Management System introduced December 2018. Data in the system is limited. Reports are currently being developed.

## **REVENUES, BENEFITS AND CUSTOMER SERVICES**

### **Critical Success Indicators for Revenues, Benefits and Customer Services 2018/19**

Status	Code & Short Name	2018/19 Outturn	2018/19 Target	Short Term Trend	Long Term Trend	Notes
	BV9 Council Tax collected	98.5%	98.4%	Stable	Stable	Council Tax collection rates have continued to improve. Over the last two years the rate of collection has been maintained 98.5% (2018/19), 98.5% (2017/18).
	BV10 Non-domestic Rates Collected	99.1%	98.7%	Improving	Improving	Collection of Non-Domestic Rates is currently at its highest rate ever of 99.1%.
	BV66a Rent Collection: Rent collected as a proportion of the rent owed	99.9%	99.0%	Improving	Improving	Collection rates are within target.

## Revenues and Benefits and Customer Services Key Tasks and Priorities for Improvement 2018/19

Status	Pentana Code	Action Title	Action Description	Progress	Due Date	Comments
	RBCS1620_01	Manage the introduction of Universal Credit (UC)	Manage the introduction of Universal Credit (UC)	50%	31-Mar-2020	Universal Credit full roll took place in November 2018 at Beeston Job Centre. All new claims for benefit after this date will be expected to apply for UC. Existing benefit claimants will remain on their current benefits.
	RBCS1620_03	Replace the current CRM system (Meritec)	Replace the current CRM system (Meritec)	75%	31-Mar-2019	Project developed significantly in recent weeks with a clear definition of roles/responsibilities as well as a project plan. Go live expected in July 2019.
	RBCS1620_05	Widen the use of e-forms	Widen the use of e-forms	98%	31-May-2019	Implementation delayed to July 2019 allowing further testing. E-forms continue to be developed.

### **Revenues and Benefits and Customer Services Key Performance Indicators 2018/19**

Status	PI Code & Short Name	2017/18 Outturn	Current Target	2018/19 Achieved	Short Term Trend	Long Term Trend	Notes
✓	BV78a Average speed of processing new HB/CTB claims (calendar days)	12.6	14.0	11.4	Improving	Improving	Processing of new claims continues to improve with more being completed online.
✓	BV78b Average speed of processing changes of circumstances for HB/CTB claims (calendar days)	5.0	5.0	3.9	Improving	Improving	There has been an increase in the number of changes of circumstances since the introduction of Universal Credit but positive work in this area has maintained the improvement in performance.
✓	BV79b(ii) HB overpayments recovered as percentage of the total amount of HB overpayment debt outstanding	29.3%	28.0%	29.0%	Negative	Improving	Although there is a marginal reduction in comparison to 2017/18, the team continue to surpass the target.





### **ICT AND BUSINESS TRANSFORMATION**

#### **Critical Success Indicators for ICT and Business Transformation 2018/19**



Status	Code & Short Name	2018/19 Outturn	2018/19 Target	Short Term Trend	Long Term Trend	Notes
✓	ITLocal_01 System Availability	99.8%	99.5%	Improving	Improving	The level of availability of systems has been maintained.
✓	ITLoal_05 Virus Protection	100%	100%	Stable	Improving	All viruses were blocked with no business impact.



### **ICT and Business Transformation Key Tasks and Priorities for Improvement 2018/19**

Status	Action Code	Action Title	Action Description	Progress	Due Date	Comments
	IT1819_01	Digital Strategy Implementation	Implementation of the technology and processes required to enable effective integration between front and back office systems on a principle of Digital by Default.	100%	31-Mar-2019	
	IT1819_14	ICT Security Compliance	PCI-DSS & Government Connect - Maintain compliance with latest Security standards and support annual assessments.	100%	31-Mar-2019	
	IT1819_17	E-Facilities	Purchase and implement the necessary hardware and software to develop the Council's Mobile Working facilities. Including pilot projects to trial available mobile working facilities to continue development of the Council's e-facilities.	100%	31-Mar-2019	
	IT1819_20	Housing System - Enhancements	Project to provide necessary resource to assist the upgrade of the Capita Open Housing system and implement the Total Mobile working solution	100%	31-Mar-2019	

### **ICT and Business Transformation Key Performance Indicators 2018/19**

Status	PI Code & Short Name	2017/18 Outturn	Current Target	2018/19 Achieved	Short Term Trend	Long Term Trend	Notes
	ITLocal_02 Service Desk Satisfaction	100%	99%	100%	Stable	Improving	Customer satisfaction for 2018/19 was not recorded for the entire year. The data captured showed 100% satisfaction levels. The new ICT Service Desk arrangement, which has delivered on an ICT Shared Service Partnership strategic outcome, will allow for a complete record to be captured in 2019/20.
	ITLocal_04 BBSi Programme Completion	100%	100%	96.8%	Negative	Improving	The 2018/19 BBSi programme contained projects that will now be delivered in 2019/20. These have not resulted in any business impact.

## Report of the Interim Strategic Director

### WORK PROGRAMME

#### 1. Purpose of report

To consider items for inclusion in the Work Programme for future meetings.

#### 2. Background

Items which have already been suggested for inclusion in the Work Programme of future meetings are given below. Members are asked to consider any additional items that they may wish to see in the Programme.

10 October 2019	<ul style="list-style-type: none"> <li>Medium Term Financial Strategy and Business Strategy</li> <li>Budget Consultation 2020/21</li> <li>Capital Programme Update 2019/20</li> <li>Revenue Budget Variations 2019/20</li> <li>Performance Management – Review of Business Plan Progress – Support Service Areas</li> <li>Grants to Voluntary and Community Organisations</li> <li>GDPR Telephone Statement</li> <li>Green Energy Purchase</li> <li>Section 106 ITPS Schemes</li> </ul>
12 December 2019	<ul style="list-style-type: none"> <li>Performance Management – Review of Business Plan Progress – Support Service Areas</li> <li>Treasury Management/Prudential Indicators 2019/20 mid-year report</li> <li>Capital Programme Update 2019/20</li> <li>Revenue Budget Variations 2019/20</li> </ul>

#### 3. Dates of future meetings

9 January 2020  
13 February 2020

### Recommendation

**The Committee is asked to CONSIDER the Work Programme and RESOLVE accordingly.**

#### Background papers

Nil

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