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Our reference:
Your reference:
Date: 3 March 2014

To all Members of the Council

Dear Councillor

A meeting of the CABINET will be held on Tuesday 11 March 2014 at 7.00 pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford to consider the following items of business.

Yours sincerely

Executive Manager Operations and Corporate Governance

AGENDA

1. Apologies for absence.
2. Declarations of Interest.
3. Minutes of the Meeting held on Tuesday 11 February 2014 (previously circulated).

Key Decisions

4. Building Control Partnership with South Kesteven District Council

The report of the Executive Manager - Communities is attached (pages 1 - 6).

Non Key Decisions

5. Civic Centre Options

The report of the Chief Executive will follow.

Budget and Policy Framework Items

6. Revenue and Capital Budget Monitoring – December 2013

The report of the Executive Manager – Finance and Commercial is attached (pages 7 - 17).

Matters referred from Scrutiny

None

Membership

Chairman: Councillor J N Clarke

Vice-Chairman: Councillor J A Cranswick

Councillors D G Bell, J E Fearon, N C Lawrence, D J Mason

Meeting Room Guidance

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**MINUTES
OF THE MEETING OF THE
CABINET
TUESDAY 11 FEBRUARY 2014**

Held At 7.00pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford

PRESENT:

Councillors J N Clarke (Chairman), D G Bell, J A Cranswick, J E Fearon and N C Lawrence

ALSO IN ATTENDANCE:

Councillors D Boote, S J Boote, R M Jones, A MacInnes and G R Mallender

OFFICERS PRESENT:

A Graham	Chief Executive
P Linfield	Service Manager - Finance and Commercial
V Nightingale	Senior Member Support Officer
P Steed	Executive Manager – Finance and Commercial
D Swaine	Executive Manager - Operations and Corporate Governance

APOLOGY FOR ABSENCE:

Councillor D J Mason

45. Declarations of Interest

There were none declared.

46. Minutes

The minutes of the meeting held on Tuesday 14 January 2014 were approved as a correct record and signed by the Chairman.

47. Community Governance Review Edwalton – Final Recommendation

Councillor Cranswick presented a report which detailed the work undertaken as part of the Community Governance Review for Edwalton. He explained that, following Cabinet's decision on 15 October 2013, a second consultation had been undertaken and 1,800 leaflets had been sent out to the Ward's residents. People from across the Borough had also been able to respond to the consultation via a survey on the Council's website. The consultation asked residents if they agreed with the Council's decision not to form a parish council for Edwalton Village Ward.

Commenting further Councillor Cranswick confirmed that the Community Governance Review Member Group had met on 23 January 2014 to consider responses to the second round of consultation. He stated that of the 399 responses received 297 (74.4%) agreed with the Council's recommendation and 102 (25.6%) disagreed. Taking the electorate as a whole, 9.4% (297) of respondents agreed with the Council's recommendation, 3.2% (102) disagreed and 87.3% (2,746) did not respond. In addition, there were 119 comments received which had been included as an appendix to the report. He informed

Members that the Group had also considered whether a parish council would secure convenient and effective local governance. Having considered this and the responses from the Stage 2 consultation the Group had therefore recommended that the initial decision should be upheld.

Councillor Bell stated that it was clear from the responses that the overwhelming majority were in favour of the Council's recommendation.

Councillor Fearon agreed that this had been a thorough process.

Following a question Councillor Cranswick informed Cabinet that it had been a cross party Member Group that had considered the consultation responses and that both councillors for Edwalton Village Ward had been members.

RESOLVED that Cabinet:

- a) accept the results of Stage 2 of the consultation, which, following Stage 1 of the consultation, asked residents of Edwalton Village Ward to vote on the recommendation of the Member Group **not** to establish a parish council in Edwalton
- b) endorse the recommendation of the Community Governance Review Member Group **not** to establish a parish council in Edwalton, and forwarded to Council for approval.

48. Community Governance Review Shelford and Newton – Draft Proposals for Further Consultation

Councillor Cranswick presented a report which detailed the work undertaken as part of the Community Governance Review for Shelford and Newton. He reminded Members that a valid petition had been presented to Council on 20 June 2013 requesting that the current parish should be split into two parishes, one for each village, and that the current parish council should cease. Following Cabinet's decision on 10 September 2013 the Stage 1 consultation had been undertaken with 400 leaflets being distributed.

Councillor Cranswick informed Members that 48% of the electorate had signed the petition and 31.6% had responded to the consultation exercise. Of the 197 responses 180 had agreed with the proposal, which equated to 28.8% of the electorate, and 17, or 2.7%, disagreed. Shelford and Newton Parish Council had also responded positively.

He stated that the Member Group had considered whether this would ensure that there would be convenient and effective local governance within the area. The Member Group were recommending that the Stage 2 consultation should be undertaken to ascertain if the residents agreed with the Council's proposals. He explained that the proposals were that there should be two parishes established named Shelford parish and Newton parish, that these should not be warded and that there should be 5 and 9 parish councillors respectively. As part of the consultation it was proposed that there should be a map included as the original petition had omitted an area of the present parish. The new boundaries would be within the 2015 boundaries for East Bridgford Ward.

Councillor Fearon supported the recommendation by stating that the two villages were now very different. He said that there had been new houses built at Newton and that the area would grow due to future developments, whereas Shelford had remained fairly static. He was concerned that the parishes might not be able to recruit sufficient parish councillors. Councillor Cranswick stated that all parishes had that concern, however people could be co-opted or the parish could operate with a vacancy.

RESOLVED that Cabinet

- a) endorse the recommendation of the Community Governance Review Member Group to establish separate parish councils for Shelford and Newton; and
- b) confirm its support for the arrangements for the second stage of the consultation.

49. **2014/15 Budget and Financial Strategy**

Councillor Cranswick presented the report which detailed the 2014/15 budget and the 5 year Medium Term Financial Strategy. He stated that these contained the revenue budget, the proposed capital programme, the Transformation Strategy and the Treasury Management Strategy. He was pleased to announce that the proposal was to freeze the Council Tax for 2014/15 at £117.99 for a Band D property and also for 2015/16 and then it would increase by 2% for the next three years. Included within the document were two further options for increasing the Council Tax by 1.45% and 1.98%. He said that the 1% government grant that would be payable if the Authority chose to freeze the council tax would be included in the Revenue Settlement Grant in future years. The Council would be able to take this decision as there was an increase in the Council Tax base due to the Council's decision regarding the allowances available for empty properties.

With regard to the proposed levels of Council Tax in the Special Expenses areas these had only been increased in Ruddington and this was due to the maintenance expenses incurred during 2013/14. He informed Members that the financial settlement had been reduced from £3.13m to £2.37m and that it was anticipated to reduce to £2.2m by 2018/19.

He stated that the Council's Capital Programme demonstrated the Council's commitment to deliver more efficient services, improve its leisure facilities and facilitate economic development. This would, however, see the Council's capital reserves diminish from £13.1m to £3.8m by 2018/19. To assist with these aims a new Transformation Strategy had been formulated, which set out changes to follow on from the Council's current 4 year Plan. Councillor Cranswick reminded Members that the Chief Executive had presented the Transformation Strategy to all Members at the recent budget workshops.

With reference to the Treasury Management Strategy the Executive Manager – Finance and Commercial explained that this document had been considered, and recommended for approval, by the Corporate Governance Group on 6 February 2014.

Councillor Clarke stated that the Transformation Strategy was a very good example of officers and members of all political parties working together to create proposals that would meet the present and future needs of the Council in these constrained times. The Strategy would allow the Council to meet future challenges whilst operating a value for money service. The Chief Executive concurred with Councillor Clarke regarding the joint working. He also stated that this was the first budget since the appointment of his new Executive Management Team and Service Managers. He thanked Members for endorsing the Transformation Strategy, which was linked to the Council's Corporate Strategy and Medium Term Financial Strategy.

Councillor Fearon, in support of the recommendation, noted that the capital reserves were diminishing over the next four years, however this identified that the Council was using its resources wisely. The Executive Manager – Finance and Commercial explained that if there were no additional capital receipts in future years the Council might have to consider borrowing in the 2020's.

Councillor Lawrence welcomed the freeze to the Council Tax. He also stated that the report clarified the original discussions regarding the Transformation Strategy at the budget workshops. With reference to the projects he was pleased to note that these had commenced.

In conclusion, Councillor Clarke stated that the Council's financial state was stable and that this would allow the Council to consider any future opportunities calmly and rationally. He was confident that the Council had a management team that would continue to consider, wherever possible, any future savings that could be made.

RESOLVED that Cabinet recommends to Council:

- a) the budget setting report and associated financial strategies 2014/15 to 2018/19 (attached Annex) including a Transformation Strategy to deliver efficiencies over the five year period (**Appendix 3**).
- b) the Capital Programme as set out in **Appendix 4**.
- c) Rushcliffe's 2014/15 Council Tax for a Band D property is set at £117.99 (no increase from 2013/14).
- d) the Special Expenses for West Bridgford, Ruddington and Keyworth (as set out in Appendix 1) resulting in the following Band D Council tax levels for the Special Expense Areas:
 - i) West Bridgford £54.41 (£54.68 in 2013/14)
 - ii) Keyworth £1.46 (£1.47 in 2013/14)
 - iii) Ruddington £3.55 (£2.21 in 2013/14)

The meeting closed at 7.40 pm.

CHAIRMAN



Cabinet

11 March 2014

Building Control Partnership with South Kesteven District Council

4

Report of the Executive Manager - Communities

Cabinet Portfolio Holder – Councillor D G Bell

Summary

1. On 14 May 2013 Cabinet agreed to investigate the development of a partnership with South Kesteven District Council for the provision of a shared Building Control service including the proposed route, timescales and principles in accordance with the following recommendations:
 - a) The development of a service improvement plan to be implemented at both authorities and the establishment of a Joint Reciprocal Working Agreement effective from July 2013
 - b) Finalisation of the business case for the establishment of a full partnership arrangement between South Kesteven District Council and Rushcliffe Borough Council to be effective from 1 April 2014.
2. This report presents the basis of the proposed partnership and a recommendation for the future delivery of the Building Control service with South Kesteven District Council.
3. This partnership with South Kesteven District Council will not only provide savings to both councils but more importantly will provide resilience in service delivery. It is still intended as detailed in the May 2013 Cabinet report that this new partnership will be based at South Kesteven offices in Grantham. It will also provide additional potential for further savings which would be shared between the two councils if more partners join.
4. The proposed partnership, therefore, includes a phased approach to providing a joint service, initially with Rushcliffe Borough Council and South Kesteven District Council, with the aim of inviting other local authorities to join later.
5. Cabinet is requested to consider and approve the partnership proposal.

Recommendation

It is RECOMMENDED that Cabinet

- a) accept South Kesteven District Council (SKDC) being the lead authority for the delivery of Building Control services for the joint authorities in partnership with Rushcliffe Borough Council (RBC) in accordance with the terms set out in this report and;

- b) delegate authority to the Executive Manager - Communities in consultation with the Portfolio Holder for Sustainability to enter into the legal Agreement setting out the terms of the partnership shared service with SKDC prior to the commencement of the partnership arrangement on 1 April 2014.

Background

6. Since 2010 SKDC and Rushcliffe Borough Council have shared a Building Control Manager which helped to reduce management costs in the service.
7. The Building Control service is essentially split into three service delivery channels.
 - Building Regulations “chargeable activities” for which customers can be charged a fee (Note: the current powers to make charges are very prescriptive, and only empower councils to set charges at a level to cover actual costs. (councils cannot budget to generate a surplus)
 - Building Regulations “non-chargeable activities”, which need to be funded through Council Tax as the legislation specifically states they cannot be charged for e.g. dealing with applications relating to works for disabled facilities, advice generally to the public, inspections to identify unauthorised building work, etc.
 - Other Building Control services – dealing with dangerous buildings, street naming and numbering etc.
8. Rushcliffe Borough Council’s Building Control service has, due to the downturn in the construction industry and competition from approved Building Control inspectors, struggled to keep within budget resulting in a charge to the general fund. There has also been a reduction in staffing levels in order to minimise costs however this is now impacting on the resilience of the team.
9. In accordance with the Cabinet’s recommendation a reciprocal agreement covering the sharing of services in anticipation of a formal partnership was signed in September 2013 with SKDC.

Advantages of a service delivered in partnership with RBC

10. The partnership with SKDC will provide a single Building Control service which will deliver the following advantages:
 - Reduced costs through economies of scale.
 - A consistent level of service delivery to improve customer satisfaction;
 - A more attractive prospect for recruitment and retention of professional staff, and areas of expertise and excellence can be shared;
 - Improved ability of the service to compete with 'Approved Inspectors'; over a larger geographical area.

- Enhanced flexibility of the service to cope with future pressures better;
- Opportunity of extending the shared service across the East Midlands as opportunities arise.

Legal / Governance

11. It is proposed to set up a Partnership Board consisting of officers from each council. The Board will oversee the operations of the service and to ensure that the interests of each individual council are upheld. The new Building Control Business Manager will report to the board regularly on all matters, including financial, operational and performance. All decisions will be subject to South Kesteven District Council's financial and contract procedures as lead authority.
12. Subject to Cabinet's approval of the partnership, the legal agreement will be completed for signing as stated in the recommendation.
13. SKDC will have considered this partnership at their Cabinet meeting on 10 March 2014. An update on that decision will be given at this meeting.
14. The following are the comments of the Legal and Democratic Services, SKDC in relation to the establishment of the partnership:
 - S.101 of the Local Government Act 1972 permits a local authority to discharge the functions of any other local authority. This legislation also permits two local authorities to discharge their functions jointly. This can be done by officers of one of those authorities. The proposals in this report anticipate a partnership arrangement between two authorities whereby the building control service is provided by this Council for this authority and for Rushcliffe Borough Council.
 - The Partnership agreement must establish the process for delivery of the service. It will set out the rights and obligations of the authority delivering the service and the authority receiving the service. Funding arrangements will be established and provision will be made for the arrangement to be terminated.

Financial appraisal

15. The Partnership Board will oversee the financial plan and would be responsible for relevant financial decisions such as fee setting, service investment and potential cost/ surplus distribution between the councils. All decisions would be subject to SKDC's Financial Procedures, Standing orders and delegations.
16. Although both partners objectives are slightly different, RBC wish to improve the customer offer and make the service resilient going forward to ensure that all of the services statutory responsibilities continue to be managed appropriately. Sharing of a building control officer and manager resource would enable RBC to achieve this. Whilst SKDC are looking for improvements in these areas a major focus is to balance the trading account in the short term

and to reduce the impact on the Council's general fund. Again sharing of resources and reducing overheads will be key to achieving this objective.

17. Different options around the split of the costs for the non-fee earning element of the work have been considered; population, existing split, future split if the two teams remained standalone etc. However the more complex the initial arrangements are may well be a barrier for others to join the partnership. It is, therefore, suggested that a straight forward 50:50 split of non-fee earning/other costs would be the best initial way forward. This should be supplemented by a management fee, which will cover extra admin costs etc, payable by RBC (and any other joining partner) to SKDC. Current modelling leads both councils to believe that this will still release a saving for both parties at the outset.
18. There are one-off payments of £105,000 which RBC have or will incur mainly to cover building control fees already received in 2013/14 in advance of work being completed in 2014/15 and also some early retirement costs. The Building Control fee element of this will be finalised at the end of March 2014 and appropriated into a reserve pending the commencement of the partnership. As part of any exit strategy to the partnership an equivalent fee transfer would come back to RBC.
19. This partnership will reduce the costs for the Building Control Service compared to the 2013/14 budget by around £46,000 from £206,000 down to around £160,000. Further savings are anticipated as the partnership establishes itself and if more partners join which links to the Council's transformation strategy and reducing budget pressures.

Human Resource implications

20. The current Building Control Manager will retire at the end of March and the two councils are currently in the process of recruiting a new Building Control Business Manager (BCBM) to be employed by SKDC who would take responsibility for the strategic management of the combined service. The BCBM will focus on providing and maintaining resources against demand for the service, eg. finance, IT systems, human resources, marketing and business development and will report to the Partnership Board on a regular basis.
21. The original proposal was for all current Rushcliffe Building Control staff to transfer under TUPE to SKDC from 1 April 2014 at the beginning of the financial year but in order for the new BCBM to formulate mobilisation plans it is now believed that the staff transfer process should happen on 30 June 2014 at the end of 2014/15 quarter one.
22. The rationale for the transfer to SKDC was based on the outcomes of the joint service review in that Grantham was perceived to be a better geographical location to develop a wider partnership over time.
23. Consultation with the eight RBC staff affected commenced on 10 February 2014 and concluded on 28 February 2014 Under TUPE regulations the current RBC staff will transfer on their existing terms and conditions.

24. The combined staffing structure for the partnership equates to the current staffing levels with no reductions in resource required. This is considered to be a viable unit as opposed to the standalone option for each Council with a very small number of building control officers.
25. Whilst it is anticipated that there will be a status quo period with staff staying in existing offices, the intention is for a central administration and technical team to be based in South Kesteven offices in Grantham with a small officer 'hotdesk' arrangement remaining at Rushcliffe for RBC building control officers to operate from.

ICT

26. The two councils operate different IT systems and it is recognised that it would be more efficient for one computer system to be used by the partnership service. However, until this is achieved two separate systems will operate. The following provides a breakdown of the arrangements for day one of the partnership and a vision for the first 6 to 12 months of the partnership.
27. Day 1 of the partnership
 - Administration officers at RBC will be provided with remote access to SKDC software application (APAS).
 - Joined up telephony. RBC admin staff and officers will be provided with SKDC configured phones. This will work from a broadband line installed by BT at RBC's main office at West Bridgford, NG2 5FE.
 - All RBC Building Control officers will be provided with a SKDC configured mobile phone.
 - Staff using RBC equipment and accessing their IDOX document management system will be locally supported by RBC.
 - RBC admin and BC Officers will have an SKDC email address and access to this remotely and at RBC Office. There will be a link from SKDC to RBC for access to the IDOX system for reporting Partnership issues around the location and management of data by RBC on behalf of partnership.
28. Vision for 6/12 months of the partnership;
 - All the BC Officers and admin team operating from one system with reduction in licence fees.
 - ICT support being delivered by SKDC and all staff operating on SKDC based equipment.
 - More Flexible working for all staff with appropriate devices to access information from various locations whilst in the office and remotely whilst on site.

Risk and mitigation

29. Risk has been considered as part of this report and any specific high risks are included in the table below:

Category Risk	Action / Controls
Partnership operates at loss as income falls below target	Accounts kept under review by Board. Business case is based on a realistic income forecasting. Increase income from higher fees.
Insufficient allowance made for running costs	Current estimate is based on existing budgets and the Manager's experience. Monthly budget monitoring and reports.
Late start to shared partnership service delivery	Project management. Each council absorbs any deficits arising prior to partnership service launch, with income targets reflecting seasonal profiles.
Recruitment of a new Building Control Business Manager fails and TUPE transfer and changes to contracts cause de-motivated staff.	Run process before current manager retires. Have alternate plan in place for management arrangements if recruitment not successful. Early and open TUPE consultation. Listening and flexibility. Trade Union and HR involvement.

Financial Comments

Financial implications are covered in paragraphs 15 – 19.

Section 17 Crime and Disorder Act

There are no Section 17 Crime and Disorder implications associated with this report

Diversity

Any adverse effects on staff who are transferred to South Kesteven District Council as part of TUPE will be discussed and taken into account as part of the consultation process

Background Papers Available for Inspection:

14 May 2013 Cabinet report - Building Control Service Review

Report of the Chief Executive

Cabinet Portfolio Holder – Councillor J N Clarke

Summary

1. At its meeting of 15 October 2013 Cabinet resolved that the Chief Executive should provide a further report in respect of the options for the future use of the current Civic Centre site in support of the proposal to build offices at the Arena site as part of the Leisure Strategy project.
2. The Chief Executive has subsequently commissioned FHP and Gleeds to provide a detailed report of the potential options, indicative values and possible receipts that could be realised from the sale or redevelopment of the Civic Centre Site.
3. This report confirms that that it would be highly likely that the combined income receipt and future revenue savings from the sale or development of the Civic Centre site would support the business case to relocate the current office operations to a modern build at the Arena site.
4. At its meeting of January 2014 when a further update on the Leisure Strategy was received, Cabinet requested work be undertaken to develop the design and cost options to accommodate the bowls and squash components of the scheme. Officers, working in conjunction with the architects and external quantity surveyors, have now undertaken this work and identified a number of options for consideration in the final design.
5. As a result it is now recommended that arrangements be put in place to establish scrutiny and decision making structures to consider the findings of the Chief Executive and any potential variations to the specification for the Arena development.

Recommendation

It is RECOMMENDED that Cabinet

- a) Continues to support the process, resource input and required work to develop the Council's business case for a relocation from the Civic Centre site to the proposed redeveloped Rushcliffe Arena site
- b) Sets up a Member Group, chaired by the Leader of the Council in line with the draft Terms of Reference to be circulated prior to the meeting, to consider issues arising from the proposed redevelopment of the Arena site and the potential relocation from the Civic Centre.

- c) Refers the following issues to the Member Group requiring that their recommendations be reported to Cabinet at its meeting on 13 May:
 - i) To consider the report of the Chief Executive on the potential future of the Civic Centre and the Council's role in such developments.
 - ii) To consider the potential options for the Arena development including the appraisal of potential facilities.

Detail

6. As part of the strategy to address the financial pressures facing the Authority, as detailed in the recent transformation plan and Medium Term Financial Strategy, work is currently being undertaken to realise the vision of relocating our current civic centre offices to the Arena site. This is seen as a necessary step in order to "right size" the Council's office accommodation whilst providing fit for purpose facilities to support future service delivery requirements. This strategy therefore would offer up an opportunity to maximise the potential of the existing Civic Centre as it would become surplus to requirements.
7. Due to the existing commercial and residential letting arrangements, and the iconic status of the building, it was decided to appoint specialist local property consultants to assist with the generation of options and valuation assessments. Their detailed report has now been received and includes a number of options varying from a sale of the freehold of the site to the appointment of a joint venture company to regenerate the building for a mixture of investment uses.
8. All the options presented are accompanied by a detailed financial appraisal. The appraisals clearly indicate that if the Council were minded to move from the Civic Centre to the Arena then the resultant capital receipt, or future revenue generation from the Civic Centre site, means that this would be at worst cost neutral. However due the strong likelihood that there would be a significant reduction in running and maintenance costs on the new site that there would be a reduced revenue cost to the Authority moving forwards.
9. However due to the complex nature of the options identified and the strategic importance of any decisions regarding the Civic Centre, it would not be appropriate to recommend a decision without appropriate scrutiny and input from the Members of the Authority. Therefore it is recommended that Cabinet sets up a Member Group that, due to its strategic importance, would be chaired by the Leader of the Council. This Group would be responsible for the consideration of the options prior to making recommendations to a future Cabinet meeting.
10. In addition, following the report on the Leisure Strategy at the January Cabinet meeting, further work has been undertaken on costing out options and configurations for the leisure centre.
11. Cabinet requested that work was undertaken to develop the design and cost options of the bowls, squash and pool components of the scheme and it is therefore recommended that this Member Group also be asked to consider the developing options with regard to the Arena site and report back its recommendations to a future Cabinet meeting.

Conclusions

- 12. There is value in the current Civic Centre that can be realised by the Council to either top up its capital receipts for use on other projects, or to provide an ongoing revenue return in the form of rental income. The Member Group will be able to consider the various options.

- 13. This work and its financial implications link to both the strategic task of maximising the Council’s assets within the Corporate Strategy, and the Transformation Plan which Cabinet adopted at its February meeting.

Financial Comments

The external report provided on the future uses of the Civic Centre identifies a comprehensive range of options for the future development of the site. These indicate that the sale value of the Civic Centre site will match or exceed the anticipated cost of new offices at the Arena. The report also identifies that if instead of disposal the Council chooses to retain its interest in the site then it will receive additional revenue income streams which will help to address the on-going financial pressures facing the Authority. As such the Section 151 Officer is satisfied that there is sufficient value available from the current Civic Centre site to support a decision, on financial grounds, for the relocation plans to continue.

Members should note that any income and savings accruing from the disposal or development of the Civic Centre are not included in either the Medium Term Financial Strategy or the funding envelope for the Arena development and as such, when realised, will provide an additional financial benefit for the Authority.

Section 17 Crime and Disorder Act

None

Diversity

None

Background Papers Available for Inspection: Nil

Report of the Executive Manager – Finance and Commercial

Cabinet Portfolio Holder – Councillor J A Cranswick

Background

The purpose of this report is to present the budget position for revenue and capital as at 31 December 2013. The details were considered by the Corporate Governance Group on 6 February 2014.

Recommendations

It is RECOMMENDED that Cabinet:

- a) note the financial position for revenue and capital; and
- b) approve the Capital Programme carry forwards (at paragraph 6) for the 2014/15 capital programme:
 - i. NCCC Loan, £2,000,000
 - ii. A453 Contribution, £250,000
 - iii. Cotgrave Masterplan, £584,000
 - iv. Civic Centre Lift, £61,000.

Revenue Monitoring

1. The revenue monitoring statement by service area is attached at **Appendix A** with detailed variance analysis for December 2013 attached at **Appendix B**. This shows an underspend against profiled budget to date of £1,039,700 and a projected underspend, prior to year-end adjustments, for the year of £990,810.
2. As documented at **Appendix B** the underspend to date reflects a number of positive variances including income from planning fees arising from a number of major applications, reduced staffing costs at the depot and savings on corporate management costs.
3. The most significant contributor towards the overall position is the Communities Service Area who is forecast to outturn at £1.04m compared to the allocated budget of £1.48m. However, as noted at Appendix B these figures include adjustments relating to delays in expenditure on the Local Plan and additional Development Control income a proportion of which relates to work that will not be undertaken or finalised until 2014/15. As such it is likely

that adjustments will be required as part of the end of year accounts process to ensure that funding is properly allocated between 2013/14 and 2014/15. If required such adjustments are likely to significantly reduce the level of year end underspend within the Communities Service Area.

4. The main adverse variances relate to the cost additional staffing resource within Finance and Commercial (as a result of changes to both the finance and cash systems) and an increase in the overall cost of IT contracts which in previous years, was funded out of the IT Reserve.

Capital Monitoring

5. The updated Capital Programme monitoring statement for July 2013 is attached at **Appendix C**. A summary of the projected outturn and funding position is shown in the table below: -

CAPITAL PROGRAMME MONITORING - DECEMBER 2013			
EXPENDITURE SUMMARY	Current Budget £000	Projected Actual £000	Projected Variance £000
Transformation & Innovation	2,126	1,363	(763)
Neighbourhoods	2,542	2,219	(323)
Communities	814	470	(344)
Corporate Governance	365	303	(62)
Finance & Commercial	2,448	206	(2,242)
Contingency	2	0	(2)
	8,297	4,561	(3,736)
FINANCING ANALYSIS			
Capital Receipts	(5,967)	(2,509)	3,458
Government Grants	(628)	(598)	30
Other Grants/Contributions	(1,240)	(1,195)	45
Use of Reserves	(462)	(259)	203
	(8,297)	(4,561)	3,736
NET EXPENDITURE	-	-	-

6. The projected outturn on the capital programme is projected to underspend by £3,736k. There are a number of carry forward requests likely in the final outturn report (further explanation is contained in the detail below). Some we already have certainty on and request that the Cotgrave Masterplan £584k, Civic Centre Lift £61k, Nottinghamshire County Cricket Club loan of £2,000k and the A453 contribution of £250k are carried forward.

Transformation

7. The Cotgrave Masterplan is critical for the Council in terms of future housing and economic development. There is an anticipated underspend of £584k recommended to be carried forward to facilitate strategic acquisitions. There is now no anticipated spend regarding the Spokes project, Members are advised £150k is therefore to be returned to Capital Contingency of which £30k is required for enhancements to The Point. £61k is requested to be carried forward in relation to lift repairs at the Civic Centre.

Neighbourhoods

8. The projected underspend of £323k primarily relates to the re-modelling of the vehicle replacement programme due to the on-going service reviews and Streetwise franchise project which has resulted in a projected underspend of £301,000. There is a further £49,000 underspend in relation to the repayment of Decent Homes Grants which are waiting re-allocation once applications have been received and approved. Any expenditure plans will be in line with the current Private Sector Housing Renewal Policy. The support for RHPS minor overspend of £23k relates to an acceleration in provision from the 2014/15 programme.

Communities

9. Communities has a projected underspend of £344k. A significant amount of this is £200k in relation to Alford Road Pavilion redevelopment. The results of a review of the design is awaited which may affect the level of spend in 2013/14 with potential carry forward in 2014/15. Rushcliffe Country Park is also likely to require some carry forward in 2014/15 as further planning permission is required.

Corporate Governance

10. The projected underspend relates to the provision for the new Income Receipting System which has been written off to revenue due to the nature of the spend; and a £50k underspend in relation to the acquisition of Applications.

Finance & Commercial

11. The projected underspend of £2,242k largely relates to the Nottinghamshire County Cricket Club loan (£2,000k) and the A453 Contribution (£250k), both of which are recommended to be carried forward into the 2014/15 Capital Programme. As reported previously there are a number of deferred leisure projects as a result of the Leisure Strategy review. There is an overspend of £28k due to urgent works being required on the Cotgrave Pool lining.

Summary

12. This report continues previous trends of the Authority's managers maintaining expenditure within the funding envelope agreed by the Council and identifies that savings will continue to be delivered on capital and revenue budgets throughout the remainder of the current financial year. There remain external financial pressures from developing issues such as changes in national

funding associated with the localisation of Business Rates, welfare reform and continued financial pressures on individuals, businesses and partners. Against such a background it is imperative that the Council continues to keep a tight control of its expenditure and maintains positive progress against its four year plan.

Financial Comments

Financial comments are included within the body of the report.

Section 17 Crime and Disorder Act

There are no section 17 implications.

Diversity

There are no diversity implications.

Background Papers Available for Inspection: Nil

Appendix A

Revenue Variance Analysis by Service Area April 2013 - December 2013 (9 Months)

	Actual vs Budget to Date			Projected Outturn vs Budget		
	Budget YTD	Actual YTD	Variance (Under)/Over	Current Budget	Projected Outturn	Variance (Under)/Over
Communities	1,115,700	667,096	(448,604)	1,482,210	1,043,880	(438,330)
Corporate Governance	2,440,635	2,411,627	(29,008)	3,294,900	3,252,000	(42,900)
Finance & Commercial	2,622,899	2,524,807	(98,092)	3,003,930	2,881,630	(122,300)
Neighbourhoods	2,288,527	1,984,286	(304,241)	3,238,180	3,044,980	(193,200)
Transformation	495,314	335,536	(159,778)	676,840	576,550	(100,290)
Additional Grants						(93,790)
Total	8,963,075	7,923,352	(1,039,723)	11,696,060	10,799,040	(990,810)
Potential (Call on)/ Contribution to Earmarked Reserves						990,810
Reserves/Contingency						0
Budgeted Use of Balances						0
Net Use of Balances Available						0

Variance Analysis Explanations

ADVERSE VARIANCES	Variance YTD £'000	Projected Outturn £'000
Communities		
Building Control fee earning income below budget.	9	15
Grant to Rushcliffe Community Partnership from Reserve	22	20
Local Development Framework - Severance and PILON.	15	9
Corporate Governance		
IT Rechargeables. Additional costs due to new or replacement contracts.	58	40
IT - Employees costs overspent due to severance pay, offset by vacancies.	14	0
Finance & Commercial		
Finance - additional staff resource for finance and cash system upgrades	58	100
Internal Audit- Charges exceeding plan, offset in previous year, negotiated reduction for year	12	8
Leisure Centres. Prior year utility charges	30	30
Neighbourhoods		
Homelessness. Under-occupancy.	11	16
Housing Strategy - GBC secondment	7	14
Transformation		
Investment Properties - Building works and National Non Domestic Rates at he Point	16	16
Total Adverse Variances	252	268

FAVOURABLE VARIANCES	Variance	Projected
	YTD	Outturn
	£'000	£'000
Communities		
Development Control - Savings from vacant posts.	(68)	(66)
Development Control - Income from Planning Fees up due to a number of major applications.	(210)	(170)
Land Charges income up due to improvement in housing market	(14)	(15)
Outdoor Sports - Maintenance costs down at Gresham	(5)	(16)
Community Park and Open Spaces - RCP catering income and cricket parking at Bridge Field	(16)	(15)
Local Development Framework - Contribution from Nottingham City Council re Growth Grant	(16)	(16)
Local Development Framework - Planning Inspectorate costs likely to be carried forward due to scheme slippage	(59)	(85)
Corporate Governance		
Democratic Representation. Savings on mayor's transport, civic receptions and members' basic allowances.	(38)	(31)
Democratic Representation - Employees: savings on vacancies and maternity	(16)	(23)
EMT - Staff vacancy.	(11)	(17)
Finance & Commercial		
Corporate Management. Bank Commission adjustment re previous year and current charges lower than anticipated	(94)	(62)
Leisure Centres. Underspends on electricity and repairs.	(30)	(40)
Car Parks. Staff vacancy.	(11)	(15)
Car leasing - cessation of scheme	(51)	(70)
Investment Interest.	(5)	(15)
Non Distributed Costs. Savings on superannuation backfunding and pensions increase act payments	(21)	(29)
Neighbourhoods		
Licensing - Application higher than expected	(21)	(20)
Waste Collection. Savings on hire costs and stable fuel price.	(31)	(30)
Waste Collection. Green Waste invoices.	(8)	(12)
Waste Collection. Employee costs.	(80)	(60)
Depot new efficient boiler.	(9)	(12)
Fleet & Garage. Vacancy.	(31)	(33)
Streetwise. 2 vacant posts to be filled from September 2013.	(16)	(20)
Transformation		

Industrial Sites. High occupancy rates to date but future vacancies anticipated.	(29)	(19)
Transformation - Surplus Supplies and Services budget, reduced for next year	(19)	(19)
Estates Open Spaces - Underspend on responsive works to Open Spaces and Cycleways	(13)	(12)
Land Holdings - Void rate offset by vacancy at the Hall	(16)	(13)
Investment Properties - Income up at the Point	(47)	(36)
Office Accomodation - Savings on electricity	(11)	(13)
Customer Services - Staff vacancies	(17)	(15)
Total Favourable Variances	(1,013)	(999)
Sum of Minor Variances	(279)	(260)
TOTAL VARIANCE	(1,040)	(991)

FAVOURABLE VARIANCES	Variance	Projected
	YTD	Outturn
	£'000	£'000
Communities		
- Development Control - Income from Planning Fees up due to a number of major applications.	(82)	0
Corporate Governance		
- Democratic Representation. Savings on mayor's transport and civic receptions.	(20)	(10)
Finance & Commercial		
- Corporate Management. Accrual for MMI levy - invoice not yet received.	(51)	0
- Contingencies. Funding of planned additional expenditure regarding of payments in lieu of notice to be met from this reserve. Virements to be carried out.	0	(151)
- Leisure Centres. Management fees held back due to disputed amounts.	(87)	0
Neighbourhoods		
- Housing Standards. HIMO Licence income prepaid for 5 years and is transferred to the Balance Sheet at the year end.	(25)	0
- Waste Collection supplies and service savings (eg stable fuel prices)	(40)	(13)
- Green Waste income	(65)	0
- Neighbourhoods vacant posts.	(35)	(71)
- Streetwise. Variability activity, expect to spend budget allocation by year end.	(24)	(10)
Transformation		
- Cemeteries - Payment of previous year invoice from City Council was withheld pending further information.	(28)	0
- Investment Properties. Vacancy lapse much lower than budgeted for.	20	0
Total Favourable Variances	(437)	(255)
Sum of Minor Variances	(175)	(8)
TOTAL VARIANCE	(334)	(78)

**2013/14 Capital Programme
April 2013 - December 2013 (9 Months)**

CAPITAL PROGRAMME MONITORING - DECEMBER 2013			
	Current Budget	Projected Actual	Variance
	£000	£000	£'000
TRANSFORMATION & INNOVATION			
Cotgrave Masterplan	858	274	(584)
Rushcliffe Community Contact Centre - Spokes	150	0	(150)
The Point Enhancements		30	30
Carbon Management Plan - Lighting	72	72	0
Bridgford Hall Refurbishment	0	2	2
Civic Centre Enhancements - General Provision	61	0	(61)
Civic Centre Vacant Space Works	120	120	0
Civic Centre Enhancements - External Works	430	430	0
Civic Centre Boiler Replacement	140	140	0
Nottinghamshire Broadband	245	245	0
Footpath Enhancements	50	50	0
	2,126	1,363	(763)
NEIGHBOURHOODS			
Disabled Facilities Grants	600	600	0
Discretionary Support Grants	61	16	(45)
Support for Registered Housing Providers	958	981	23
Wheeled Bins Acquisition	81	81	0
Vehicle Replacement	842	541	(301)
	2,542	2,219	(323)
COMMUNITIES			
Gresham Pavilion Legionella	3	3	0
Gresham Security Works	12	12	0
Community Partnership Reward Grants	54	24	(30)
Nottinghamshire County Cricket Club - Grant	90	90	0
Rushcliffe Country Park - Play Area	120	60	(60)
Capital Grant Funding	92	40	(52)
Alford Road Pavilion Redevelopment	350	150	(200)
Boiler Replacement	53	53	0
The Hook Multi Use Games Area	40	38	(2)
	814	470	(344)

CAPITAL PROGRAMME MONITORING - DECEMBER 2013			
	Current Budget	Projected Actual	Variance
	£000	£000	£'000
CORPORATE GOVERNANCE			
IS Strategy	365	303	(62)
	365	303	(62)
FINANCE & COMMERCIAL			
Rushcliffe Leisure Centre - Changing Room Supply & Extraction Unit	0	0	0
Keyworth Leisure Centre - Pitch Upgrade	0	0	0
Rushcliffe Leisure Centre - Warm Air Unit	0	0	0
Cotgrave Leisure Centre Car Park Resurfacing	3	3	0
Rushcliffe Arena - Bowls Rink Cloth	0	0	0
Bingham Leisure Centre - Roof Replacement	104	104	0
Leisure Strategy Review	91	71	(20)
Cotgrave Pool Lining	0	28	28
Nottinghamshire County Cricket Club - Loan	2,000	0	(2,000)
Dualling of A453 - Contribution	250	0	(250)
	2,448	206	(2,242)
CONTINGENCY			
Contingency	2	0	(2)
	2	0	(2)
TOTAL	8,297	4,561	(3,736)