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Direct dial 0115 914 8481
Email memberservices@rushliffe.gov.uk

Our reference:
Your reference:
Date: 13 July 2015

To all Members of the Council

Dear Councillor

A meeting of the CABINET will be held on Tuesday 21 July 2015 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 9 June 2015 (previously circulated).

Key Decisions

4. YouNG Project

The report of the Chief Executive will follow.

5. Asset Investment Strategy 2015 - 2020

The report of the Interim Executive Manager – Finance and Commercial is attached (pages 1 - 10).

Non Key Decisions

6. Growth Deal Funding Governance Arrangements

The report of the Executive Manager - Transformation is attached (pages 11 - 14).

7. Off Street Car Parking Civic Centre

The report of the Executive Manager - Transformation is attached (pages 15 - 18).

Budget and Policy Framework Items

8. Financial Outturn 2014/15

The report of the Interim Executive Manager – Finance and Commercial is attached (pages 19 - 30).

Matters referred from Scrutiny

None

9. **Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012**

It is RECOMMENDED that the public be excluded from the meeting for consideration of the following item of business pursuant to Regulation 4 (2) of the above Regulations on the grounds that it is likely that exempt information may be disclosed as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

10. Civic Centre Options

The report of the Chief Executive is attached (pages 31 - 52).

Membership

Chairman: Councillor J N Clarke

Vice-Chairman: Councillor S J Robinson

Councillors R L Butler, J E Cottee, N C Lawrence, D J Mason

Meeting Room Guidance

Fire Alarm Evacuation: in the event of an alarm sounding please evacuate the building using the nearest fire exit, normally through the Council Chamber. You should assemble in the Nottingham Forest car park adjacent to the main gates.

Toilets are located opposite Committee Room 2.

Mobile Phones: For the benefit of others please ensure that your mobile phone is switched off whilst you are in the meeting.

Microphones: When you are invited to speak please press the button on your microphone, a red light will appear on the stem. Please ensure that you switch this off after you have spoken.

Report of the Interim Executive Manager – Finance and Commercial

Cabinet Portfolio Holder Councillor S J Robinson

1. Summary

- 1.1. The Investment Strategy supports the Capital Programme, with £10m currently allocated, with an expectation that the investment will give rise to revenue returns which will in turn support the revenue budget. The Strategy also deals with the issue of risks and balancing these against benefits; and the governance arrangements necessary to ensure decisions are taken in the best interest of taxpayers.
- 1.2. The Council's Asset Investment Strategy is intended to provide a framework in relation to investment limits, types of investments and assessment processes. The strategy is also written to facilitate a mixed utilisation of the fund to maximise both economic and social benefits, whilst also enabling future growth across the Borough.

2. Recommendation

It is RECOMMENDED that Cabinet approve the Asset Investment Strategy 2015 - 2020 (**Appendix 1**).

3. Reasons for Recommendation

- 3.1. To accord with good financial governance and the Council's Medium Term Financial Strategy.

4. Supporting Information

- 4.1 **Appendix 1** details the Asset Investment Strategy and highlights the following key issues:
 - How the Strategy links to the Corporate Plan and the Medium Term Financial Strategy;
 - The main risks and benefits associated with different investment decisions;
 - By balancing risk and reward this lends decision making towards both different outcomes and financial limits for different asset classes and the options are depicted within the Appendix;
 - The Strategy details the robust governance arrangements that need to be in place; and
 - The main risks associated with capital investment.

4.2 Good asset investment decisions will ensure Council corporate objectives are met and that the Council can achieve its Medium Term Financial Strategy aims including the need to balance the budget going forward and delivering the Capital Programme.

5. Other Options Considered

5.1. The investment strategy has been written following the decision to allocate £10 million as part of the 2015/16 capital programme. The budget process was subject to a comprehensive options appraisal.

6. Risk and Uncertainties

6.1. The risks are highlighted in Appendix 1 (Section 5).

7. Implications

7.1. Finance

These are contained within both the report and the supporting **Appendix**. Each decision taken in terms of asset investment will have its own financial implication and will be subject to a separate business case appraisal.

7.2. Legal

There are no direct legal implications.

7.3. Corporate Priorities

Securing a balanced budget is critical to the delivery of the Medium Term Financial Strategy, maximising the income opportunities and delivering the Council's future Corporate Priorities.

7.4. Other Implications

None

For more information contact:	Peter Linfield Interim Executive Manager – Finance and Commercial 0115 914 8439 email plinfield@rushcliffe.gov.uk
Background papers Available for Inspection:	Council Budget Report
List of appendices (if any):	Appendix 1 – Asset Investment Strategy 2015-2020

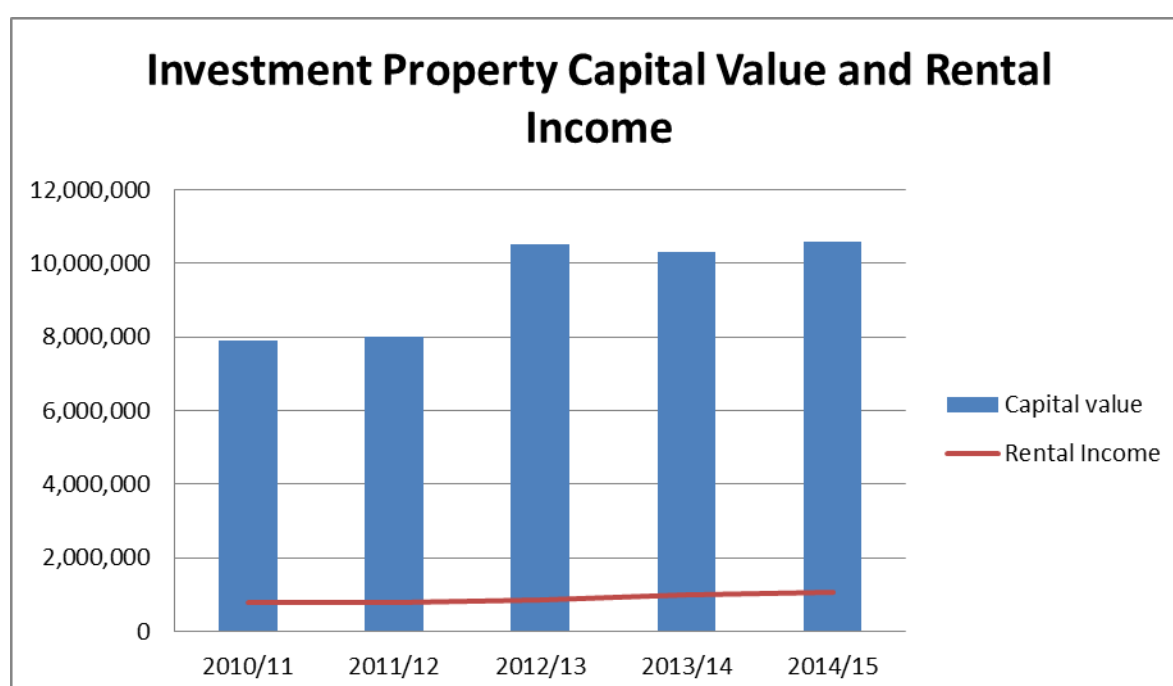
Rushcliffe Borough Council – Asset Investment Strategy 2015-2020

1. Background

- 1.1 Asset investment contributes towards the aims of the medium term financial strategy and the following strategic goals, contained with the Council's Corporate Strategy 2012-2016:
- (a) Supporting economic growth to ensure a sustainable, prosperous and thriving local economy
 - (b) Maintaining and enhancing our residents' quality of life
 - (c) Transforming the Council to enable the delivery of efficient, high quality services.
- 1.2 The Council's Medium Term Financial Strategy included within the Capital programme £10m over the 5 year Strategy, to be invested in assets. This Strategy covers the rationale for such investments and the necessary governance arrangements. The expectation is that such investments will contribute positively towards balancing the medium term financial strategy, stimulate business growth and provide a range of economic and social benefits to the Borough.
- 1.3 Furthermore since the recession in 2008 and the drop in interest rates there has been further pressure on the Council's revenue budget. Whilst investment in property does present risks there are also potentially higher returns. This Strategy adds flexibility to enable the Council to maximise its investment returns through a 'mixed basket' approach.

2. Potential areas of activity and associated risks and benefits

- 2.1 The Council has a recent history of investing in assets the most recent example being The Point. The graph below shows the additional value to the investment portfolio. Investment income has also been increasing from £769k to £1.1m over 5 years.



2.2 Examples of activity where the Council could invest are depicted in the table below, along with their respective risks and benefits, however this is not an exhaustive list and should be reviewed through investment opportunity and experience.

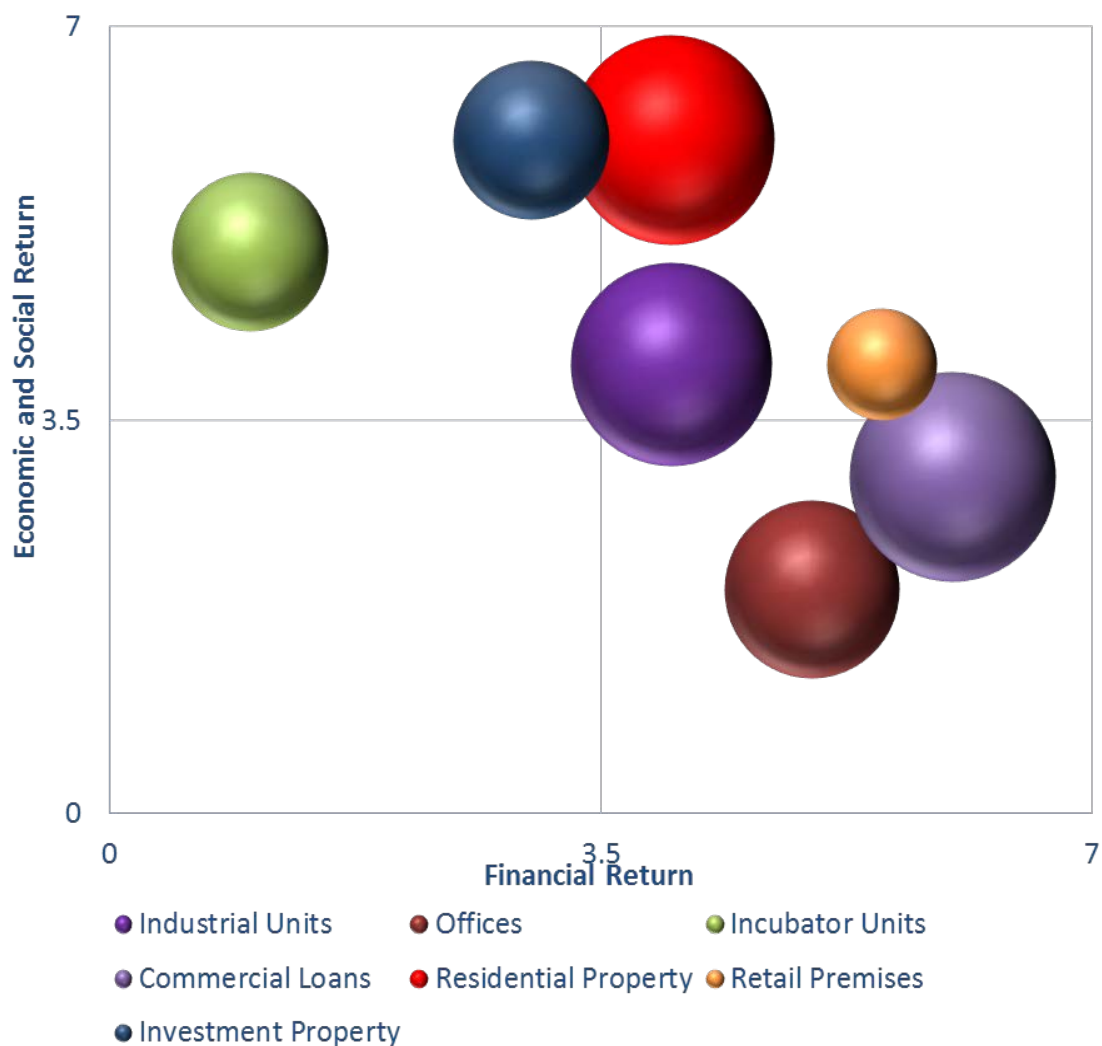
Category	Basis of investment	Risks	Benefits
<i>Industrial units eg Hollygate Lane £2.5m</i>	Industrial Units are provided to enable local SME businesses to operate in a positive environment. Businesses can provide positive financial returns and contribute to the development of a vibrant local business community. This meets a gap in the market as the private sector will not build speculatively and the Council may access funding to do so.	<ol style="list-style-type: none"> 1. Bad debt. 2. Business failure. 3. Changing nature of provision making units unsuitable for future needs. 	<ol style="list-style-type: none"> 1. Unit rental income exceeding financing and operating costs. 2. Low turnover and high occupancy leading to income certainty. 3. Potential external funding via Growth Deal and SUDs 4. Enhanced number of successful business start-ups and SMEs.
<i>Offices eg The Point £2.3m</i>	The provision of office accommodation enables local SME businesses to operate in a positive environment that supports them as they develop and grow and provides a mechanism to attract other new or established businesses into Rushcliffe. The Point and RTec demonstrate that there are opportunities for the provision of a range of office accommodation suiting the needs of different businesses who wish to locate outside of Nottingham. Also the Council can provide more flexibility in its arrangements (for example short term leases) than commercial providers	<ol style="list-style-type: none"> 1. Bad debt. 2. Business failure. 3. Failure to let dependent on market 	<ol style="list-style-type: none"> 1. Unit rental income exceeding financing and operating costs. 2. Long term returns linked to occupancy. 3. Enhanced number of successful business start-ups and SMEs. 4. Development of Rushcliffe as an alternate business hub for Nottingham. 5. Long term leases
<i>Incubator Units</i>	Incubator Units are provided to enable new	<ol style="list-style-type: none"> 1. Bad debt. 2. Business failure. 	<ol style="list-style-type: none"> 1. Unit rental income

Category	Basis of investment	Risks	Benefits
	and small businesses to operate in a positive environment that supports them as they develop and grow. Due to the nature of such businesses incubator units are unlikely to provide significant financial returns but instead over time contribute to the development of a vibrant local business community.	<ol style="list-style-type: none"> 3. High turnover leading to low rental yield and high refit costs. 4. Short term leases/licences 	<ol style="list-style-type: none"> 1. exceeding financing and operating costs. 2. Enhanced number of successful business start-ups. 3. Potential external funding via Growth Deal and SUDs 4. Businesses retained in Borough feeding into larger units. 5. Enhanced employment opportunities.
<i>Commercial Loans eg Funding Circle £0.5m allocation;, NCCC £2.6m of loans</i>	By providing funding for local businesses the Council will help to develop and maintain the local economy maintaining and enhancing employment choices for residents.	<ol style="list-style-type: none"> 1. Bad Debt, risk heightened where Council is sole / major funder or lender of last resort. 2. Repayments below Council borrowing costs – mitigated through fixing borrowing and lending rates at beginning of loan. 3. Investment maintaining poor quality service providers. 	<ol style="list-style-type: none"> 1. Positive cashflow generated that repayments set above borrowing costs incurred by the Council. 2. Businesses retained in Borough. 3. Increased visitor numbers and spend (NCCC loans). 4. Enhanced employment opportunities.
<i>Residential Property eg Caretakers Bungalow £0.15m</i>	Intervention in the housing market could provide an opportunity to unblock developments, deliver affordable housing or enable the council to diversify its income streams through the direct or indirect letting of property on a commercial basis.	<ol style="list-style-type: none"> 1. Bad debt. 2. Legislative change impacting on ability to operate in market. 3. Requirement to engage development partner 4. Right to buy. 5. Downturn in housing market. 	<ol style="list-style-type: none"> 1. Good capital and revenue returns on right developments. 2. Maximising value of land holdings. 3. Helping to address local housing needs.
<i>Retail Units eg Walkers Yard £0.17m</i>	A balanced retail offer has clear community benefits including the potential to help drive regeneration.	<ol style="list-style-type: none"> 1. High risks of business failure for new and smaller retailers. 2. Lack of potential 	<ol style="list-style-type: none"> 1. Unit rental costs exceeding financing and operating costs. 2. Enhanced retail

Category	Basis of investment	Risks	Benefits
	Purchasing or developing retail units could be a route to influencing the mix of shops in major centres of the Borough and be a way of helping to sustain local independent retailers.	tenants 3. Changing nature of provision making units unsuitable for future needs.	offer in key centres. 3. Enhanced number of successful business start-ups and SMEs.
<i>Development Land (potentially Abbey Road Depot £1m)</i>	The Council could purchase and improve sites prior to their disposal to other developers. This would provide some financial returns and may provide a mechanism through which the needs of more challenging sites could be met. Alternately desirable sites could be purchased and held until market requirements change.	1. Uncertainty of future receipts 2. Reliance on medium term market conditions. 3. Identification of suitable development partners. 4. Identifying an alternative site.	1. Difficult sites released. 2. Medium to long term capital receipts. 3. Potentially high capital receipts for low holding costs.
<i>Other Investments</i> – the Strategy will not be a bar to developing other commercial opportunities that would bring a financial and social value to the borough.			

3. **Balancing Risk and Reward**

- 3.1 Different investments will bring a different range of risks and types of return. There are potentially economic and social returns as well as pure financial returns. Most asset investment decisions will bring in a range of returns and dependent on their risks, this will dictate the prospective levels of investment.
- 3.2 The other ways in which risks will be managed will be by a rigorous and independent appraisal process to ensure there is appropriate diversification, a balanced portfolio and appropriate clarity of objectives. There therefore is an expectation that there will be a spread of investments.
- 3.3 The diagram below depicts potentially how the different classification of investments sit in a spectrum. So for example incubator units give a lower level of financial return, but a perceived higher level of social and economic return. These will be matched against the objectives of the growth objectives of the Borough. Each project will be measured on its own merits and as such may sit beyond the parameters shown in the diagram.



3.4 Taking into account the options available and their respective risks (in particular the financial return) the funding limits are detailed below. This includes a position statement against current investments. Note each scheme when appraised will have different risks and benefits.

Category	Economic Benefit	Financial Benefit	Exposure Limit	Current Investments	Investment Headroom
Industrial Units	Medium	Medium	£5m	£3.12m	£1.88m
Offices	Low	High	£4m	£2.56m	£1.44m
Incubator Units	High	Low	£1m	0	£1m
Commercial Loans	Medium	High	£3.5m	£1.06m	£2.44m
Residential	High	Medium	£3m	£0.19m	£2.81m
Retail	Medium	High	£2m	£0.22m	£1.78m
Development Land	High	Medium	£3m	£1.01m	£1.99m
Unique opportunities / flex			£1m	-	£1m
Total			£22.5m	£8.16m	£14.34m

3.5 The Capital Programme currently allows £10m for asset investment and £0.5m allotted to Funding Circle for business loans. If all limits were met (ie a

further £14.35m) the cap of £10m (plus £0.5m) would be breached. Unless there is further Council approval the overall limit cannot be exceeded. The individual limits are therefore for guidance.

3.6 It should be noted that there is £1m to allow for either exceptional circumstances (ie variation to the above limits could be applied) or for a scheme which does not meet any of the categories of investment hence classified above as 'unique opportunities'.

3.7 Going forward it is anticipated opportunities will be identified from a number of sources including:

- Market intelligence, including working with agents and all officers and members being aware of the intention of the Council to invest;
- Constantly revisiting the current asset base;
- Direct approaches with regards to either loans or property; and
- Commission business cases - dependent on strategic need identified and sanctioned by members of the Executive Management team, the Strategic Growth Board or formally by Cabinet.

4. Business Case Approval and Governance

4.1 Any Business case in terms of the financial case will assume PWLB borrowing and the costs of this to be assimilated within the business case itself. The appraisal should follow a similar format to that specified by the Council's Financial Regulations which currently applies to Capital schemes. This includes:

- How the project contributes to the Council's aims and objectives;
- Anticipated outcomes; and
- Capital and revenue costs, including the impact of funding.

4.2 The Governance process is detailed at Appendix A. The 2015/16-2020/21 Capital Programme has been approved with access to £10m. The Strategy strikes a balance so that 'fleet of foot' decisions can be taken with regards to committing the £10m to various projects (via a business appraisal process); and that there is necessary accountability through either individual cabinet reports on the project or retrospective Cabinet endorsement via the normal budget monitoring process. The Council's standard governance processes prevail. The reporting to both Cabinet and the Corporate Governance Group, and ultimately changes to the Capital programme to full Council, ensures there are checks and balances in the decision making process.

5. Risk Management

5.1 As discussed at Section 2.2 there are a number of risks associated with capital investment. In broad terms the main risks are as follows:

- Capital and rental values can fall as well as rise;
- Tenants can default;
- Financing costs can rise (and fall);
- The Council's position on reserves needs to be monitored, so they are adequate to manage any potential downturn in the property market or other adverse financial risks.

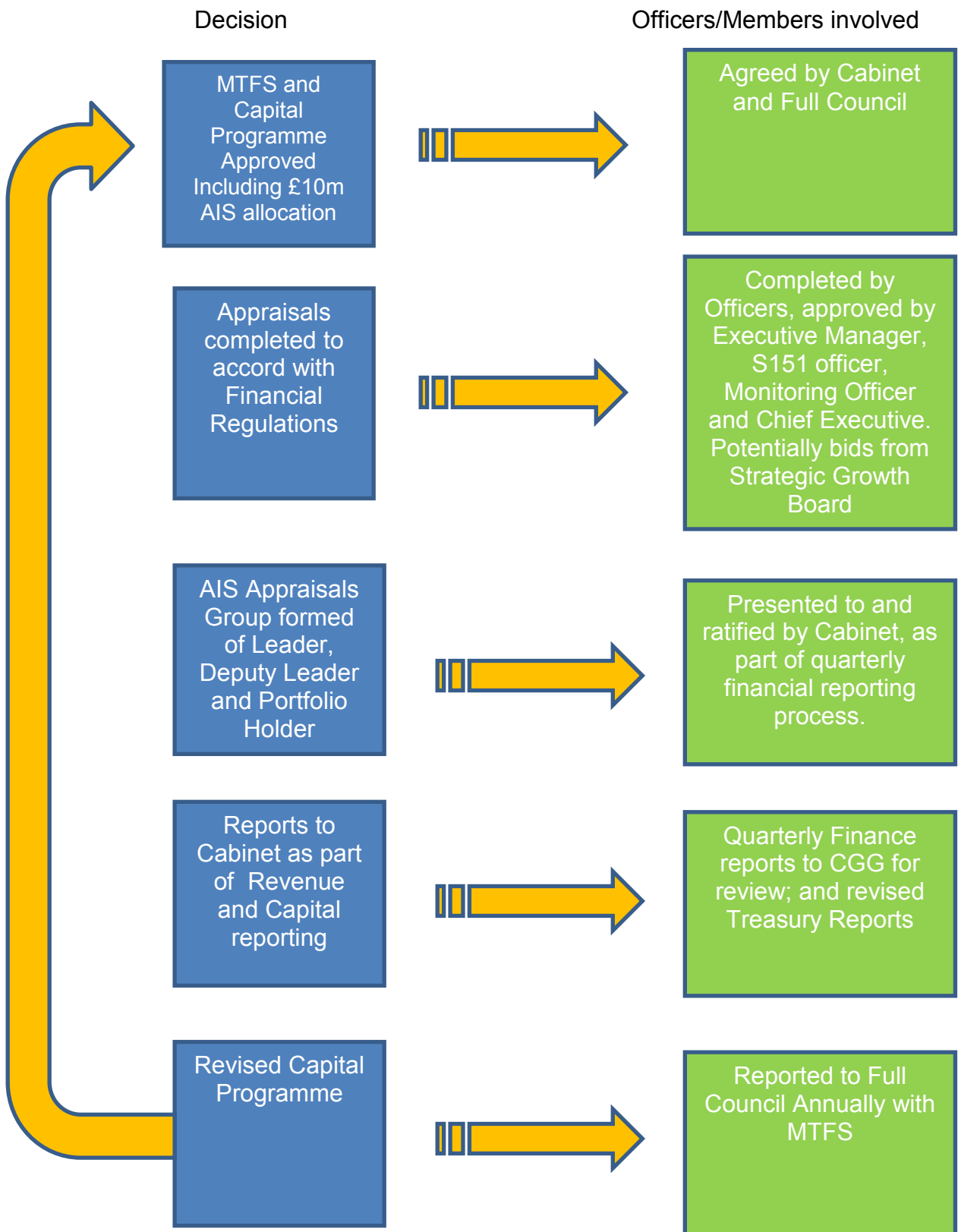
- The business appraisal process should ensure the risk of inappropriate projects being supported are minimised, and the project meets council corporate objectives; and
- A poor investment decision could lead to an increase in overheads and impact on the Council's reputation.

5.2 Risks will be balanced by portfolio diversification and balancing the security of property investments against financial return.

6. Conclusion

6.1 The strategy details the criteria required for future asset investment and the necessary supporting governance arrangements. Taking the correct property procurement decisions will help grow the Borough and ensure Corporate Objectives are met. It forms an important strand of the Council's Transformation agenda and enables a balanced budget to accord with the Council's Medium Term Financial Strategy.

Governance Arrangements for Asset Investment Strategy (AIS)



Report of the Executive Manager - Transformation

Cabinet Portfolio Holder Councillor S J Robinson

1. Summary

- 1.1. The Council has been successful in securing a Growth Deal funding allocation from the Local Enterprise Partnership of £6.3 million. This funding will be used to bring forward development of employment land at three key strategic sites along the A46 corridor; Cotgrave, Bingham and RAF Newton.
- 1.2. This report covers the internal governance arrangements for completing the due diligence stages to secure the funding from 2016/17 and 2017/18 as well as the management and monitoring of the funding once it is secured.

2. Recommendation

It is RECOMMENDED that Cabinet delegates responsibility for securing and overseeing the Growth Deal funding to the Strategic Growth Board with updates to Cabinet as required.

3. Reasons for Recommendation

- 3.1. The Strategic Growth Board has been established to lead, support and deliver the strategic growth agenda for the Borough in line with the key themes of:
 - Major infrastructure
 - Business growth
 - Employment/skills growth
 - Housing growth
- 3.2. The Growth Deal funding will assist in the delivery of housing and employment land development on three strategic sites in the Borough. It is therefore a key project for the delivery of the Growth Board's objectives in line with the four key themes.

4. Supporting Information

- 4.1. The D2N2 Local Enterprise Partnership (LEP) operates across Derbyshire and Nottinghamshire. LEPs are private sector led organisations responsible for supporting and encouraging economic growth across the area. The D2N2 LEP was formed in 2010.
- 4.2. Following a government review of local economic growth by Lord Heseltine in 2012, the Government created a £12 billion local growth fund. All 39 LEPs

across the country bid for a share of the funding, by developing strategic economic plans (SEP) showcasing how they would deliver growth. The D2N2 LEP received £174.4million in its growth deal.

- 4.3. As a part of the D2N2 LEP's SEP development projects from across the county were put forward that would contribute to the achievement of the LEP's target to deliver 55,000 new private sector jobs by 2023.
- 4.4. The Borough Council put forward the A46 corridor package, it was identified that this would maximise the economic return from the government's investment in the widening of the A46 by bringing forward employment land development on three key strategic sites along the route: Cotgrave, Bingham and RAF Newton. All three sites have planning permission and developers in place but development has stalled due to the upfront infrastructure costs. The funding requested would therefore be used to contribute towards the infrastructure costs.
- 4.5. In January 2015 the Council was awarded £6.3 million for the three projects. The funding will be available in 2016/17 and 2017/18 and breaks down across the three sites as:
 - Cotgrave – £3m (£1.8m for the employment land, £1.2m for the town centre)
 - Bingham - £2.5m
 - RAF Newton - £750,000
- 4.6. Across the three sites the funding will help to unlock 2,070 new homes, 2,747 new jobs, 26.5 hectares of employment land as well as the facilitation of the regeneration of Cotgrave town centre.
- 4.7. The funding has been secured however we now need to go through the due diligence processes and further information for each site needs to be produced to be presented to the LEP. This is a two stage process with the initial information going to the Chief Executive and Programme Manager at the LEP. Following successful completion of that stage further information is gathered to be presented to the Infrastructure and Investment Board of the LEP.
- 4.8. All organisations seeking funding from the LEP must identify a Single Responsible Officer (SRO) to be accountable for delivery of the project. For local authorities this is the Section 151 Officer (Executive Manager - Finance and Commercial). The due diligence is in place to provide assurance to all parties that the project has progressed adequately to be deliverable and to achieve its stated objectives. The type of information required includes the match funding identified, planning application submitted, public consultation events held and internal approvals met.
- 4.9. The Executive Manager - Transformation and the Economic Growth Manager will work with internal colleagues and partners to ensure that the relevant information is collated. Some of this work will be done through the Bingham and Radcliffe on Trent and Cotgrave Local Growth Boards and reported up to the Strategic Growth Board.

- 4.10. It is the intention that each of the three projects will be presented individually to the LEP as they are at different stages; this approach has been approved by the LEP.
- 4.11. The Strategic Growth Board will set a clear plan to ensure that the required information is ready for presentation by an agreed date. An update on the outcome at each stage will be provided to Cabinet.
- 4.12. A monitoring plan will be agreed between the Strategic Growth Board and the LEP for the funding once it is allocated. The frequency of reporting and depth of information required by the LEP is not yet known as it is agreed on a project by project basis. As a minimum though it will be quarterly. Clear monitoring and reporting requirements will be conditional to the funding agreement and linked to the drawdown of funds.
- 4.13. Once the due diligence work and monitoring plan is complete and agreed the funding will be allocated in 2016/17 (£5m) and 2017/18 (£1.3m). As detailed above the funding is for specific agreed projects and it will be the responsibility of the Strategic Growth Board to monitor spend and the achievement of the stated objectives and outputs and report back to the LEP as agreed in the monitoring plan. Reports will be brought back to Cabinet as appropriate.

5. Risk and Uncertainties

- 5.1. Each of the projects is at different stages and is dependent on a number of contributing factors some of which are currently uncertain. There is therefore a risk that an element of one of the projects changes and puts the rest of the project at risk. The due diligence stages will resolve these issues though and will provide an open and transparent process with the LEP.
- 5.2. Use of New Homes Bonus is dependent upon the Government's current system of funding. This would need revisiting if this changed in the future.

6. Implications

6.1. Finance

- 6.1.1. There is a commitment to match Growth Deal funding. The majority of this across the three sites is accounted for with the Developer costs and investment, which includes S106 contributions, this equates to approx. £450m across the three sites.
- 6.1.2. In addition £2m of New Homes Bonus (NHB) will be required to be allocated across the sites. This is a key infrastructure project for the Borough and therefore is an allocation in line with Cabinet's previous recommendation for the use of NHB funding. The funding relates to 2016/17 onwards and will be integrated within the confines of the Council's Medium Term Financial Strategy, to be presented to Full Council in March 2016, covering 2016/17 to 2020/21.

6.2. Legal

6.2.1. One of the key elements of the due diligence will be to satisfy the LEP that funding the projects does not constitute State Aid. State Aid is defined as using taxpayer-funded resources to provide assistance to one or more organisations in a way that gives an advantage over others.

6.2.2. As the funding secured is for development sites and therefore could be seen to benefit the appointed developers on those sites State Aid will need to be considered. A robust process will be followed, which will be independently checked by legal experts to ensure that the Council is acting within the appropriate parameters.

6.3. Corporate Priorities

6.3.1. Supporting economic growth to ensure a sustainable, prosperous and thriving local economy is identified as a corporate priority within the Corporate Strategy 2012 - 2016. This project will support the achievement of this corporate priority as well the identified strategic task to support the regeneration of Cotgrave.

For more information contact:	Name Catherine Evans Job title Economic Growth Manager 0115 914 8552 email cevans@rushcliffe.gov.uk
Background papers Available for Inspection:	None
List of appendices (if any):	None

Report of the Executive Manager – Transformation

Cabinet Portfolio Holder Councillor J E Cottee

1. Summary

- 1.1. This report outlines the proposal to adapt the visitors' car park at Rushcliffe Civic Centre, Pavilion Road, NG2 5FE for use as a temporary public off-street parking place and to introduce a Parking Places Order to regulate its use.
- 1.2. The visitors' car park is provided for short visits to the Civic Centre and surrounding businesses rather than longer stays or all-day parking. This is currently difficult to enforce and instances of all-day parking prevents the access of the car park by genuine short stay visitors. In addition there is a need for off-street parking in this area of West Bridgford as there is limited on-street parking available on Pavilion Road. The report recommends that Cabinet agrees to a consultation to inform a decision whether or not to proceed with the designation of the visitors' car park as a temporary public off-street parking place as well as suggested terms of an Order to regulate its use if the decision is taken to make it an off-street parking place.
- 1.3. The consultation exercise will include advertising proposed changes in the area affected and writing to local businesses to seek their views on the proposed changes. The consultation exercise lasts for six weeks.

2. Recommendation

It is RECOMMENDED that

- a) The Council undertakes a consultation exercise on the proposed use of the visitors' car park as a temporary public off-street parking place up until 31 January 2017 and the making of a Parking Places Order to regulate its use:

To introduce public off-street parking within the visitors' car park at the Civic Centre, Monday to Sunday (inclusive) 24 hours a day until 31 January 2017, with parking limited to 30 minutes Monday to Friday between the hours of 8.30am and 5pm and No Return within 1 hour; and unlimited parking at other times, except for match days/evenings when Nottingham Forest Football Club has use of the car park for season ticket holders.

- b) Decisions on the use of the visitors' car park as an off-street parking place and implementation of the Parking Places Order resulting from the consultation be delegated to the Portfolio Holder – Communities

and Leisure in consultation with the Executive Manager – Transformation.

3. Reasons for Recommendation

- 3.1. The visitors' car park as identified in **Appendix A** was previously for short stay visitors to the Civic Centre. There are also however a number of local businesses in the Pavilion Road area that will benefit from the introduction of short stay parking at the Civic Centre that will be available to the public. Since the Rushcliffe Technology and Enterprise (RTEC) Centre opened at the Civic, 27 small businesses have moved to the building and this has increased the footfall of visitors and deliveries to the building.
- 3.2. There is a limited amount of short stay parking provided on street on Pavilion Road so there is a requirement for parking to be allocated for visitors to the Civic Centre (Rushcliffe Borough Council) or local businesses. However, to avoid long stay parking it is recommended that a Parking Places Order is passed to prevent motorists parking in these spaces for long periods of time during the working week preventing the use of the spaces by genuine short stay visitors.
- 3.3. Alternative visitors' parking provision is provided by agreement with Nottingham Forest at the Brian Clough car park on Scarrington Road.
- 3.4. All elected Members, eligible Council staff and eligible Civic Centre tenants have been issued with parking permits enabling them to park behind the barrier in the main car park.

4. Supporting Information

- 4.1. A redline plan of the area covered by this report is attached at **Appendix A**.
- 4.2. The parking enforcement of this area would be undertaken by the Council's existing contractor, NSL. Fixed penalty notices for parking contraventions would be consistent with other Council owned car parks.

5. Other Options Considered

- 5.1. The Council could appoint a private parking management firm to monitor the visitors' car park but charges for parking contraventions would not be consistent with other Council owned car parks (they would be higher). The preferred option is to keep the charges consistent across the Council owned car parks.

6. Risk and Uncertainties

- 6.1. Introducing restrictions to previously unrestricted parking areas may consequently displace a number of motorists who have regularly parked for longer periods of time than any new limit. The displacement may lead to more use of other Council car parks or to parking in unrestricted areas of the highway.

6.2. The future use of the Civic Centre once the Council vacates in January 2017 has yet to be determined. It is therefore recommended that that Parking Places Order expires in January 2017.

7. Implications

7.1. Finance

7.1.1 There are costs associated with introducing a Parking Places Order and providing any new signage that may be required. These will be finalised once the extent of any changes are established and be met from existing resources.

7.1.2 Changes to current parking arrangements will result in a requirement to include enforcement visits to the site concerned which will be managed as part of the Council's ability to vary Enforcement Officer rounds on an on-going basis.

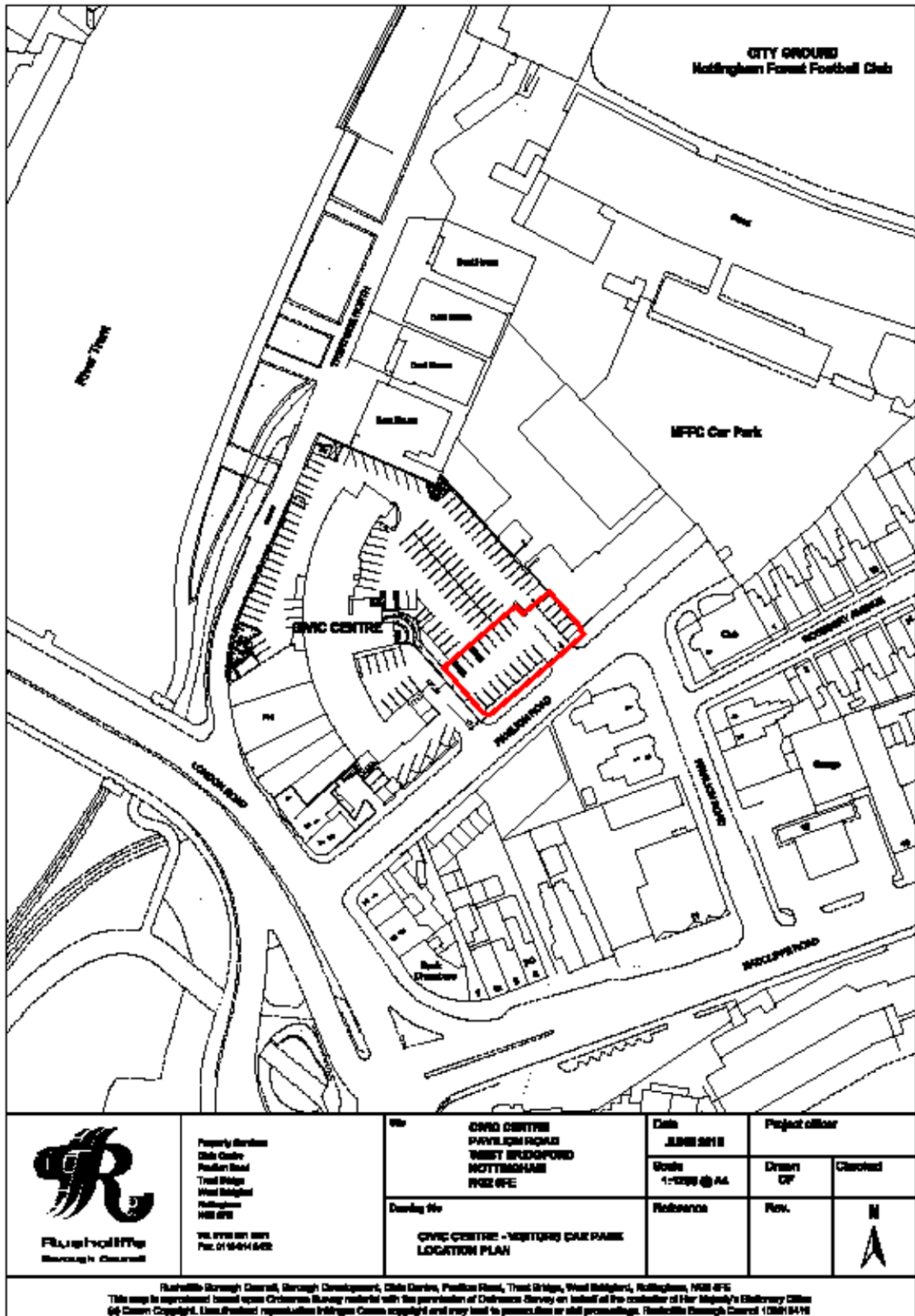
7.2. Legal


There are no legal implications arising from the proposed consultation exercise. Notice of any proposed Parking Places Order will need to be given in accordance with any applicable statutory provisions.

7.3. Corporate Priorities

- Supporting economic growth to ensure a prosperous and thriving local economy - Our economy

For more information contact:	Name Katherine Marriott Executive Manager, Transformation 0115 914 8291 email kmarriott@rushcliffe.gov.uk
Background papers Available for Inspection:	None
List of appendices (if any):	Appendix A map of the visitors' car park, Civic Centre, Pavilion Road, NG2 5FE.



 <p>Rushcliffe Borough Council</p>	<p>Property Address Site Code Position Road Tread Bridge West Bridge Nottingham NG8 6FE</p> <p>0115 954 6111 Fax: 0115 954 6422</p>	<p>No. CIVIC CENTRE PAVILION ROAD WEST BRIDGEFORD NOTTINGHAM NG8 6FE</p>	<p>Date JUNE 2011</p>	<p>Project officer</p>	
		<p>Drawing No. CIVIC CENTRE - NOTTINGHAM CAR PARK LOCATION PLAN</p>	<p>Scale 1:1250 @ A4</p>	<p>Drawn CP</p>	<p>Checked</p>
			<p>Reference</p>	<p>Rev.</p>	<p>N ↑</p>
<p><small>Rushcliffe Borough Council, Borough Development, Site Services, Position Road, Tread Bridge, West Bridge, Nottingham, NG8 6FE This map is reproduced based upon Ordnance Survey material with the permission of Ordnance Survey on behalf of Her Majesty's Stationery Office © Crown Copyright. User must not reproduce in any form or by any means without the express written permission of Ordnance Survey. Rushcliffe Borough Council (10/01/04)</small></p>					

Report of the Interim Executive Manager - Finance and Commercial

Cabinet Portfolio Holder - Councillor S J Robinson

1. Summary

- 1.1. The purpose of this report is to outline the year end financial outturn position for 2014/15, linked to the closure of accounts process and previous financial update reports. The draft Statement of Accounts has been prepared in good time. These were approved by the Interim Executive Manager – Finance and Commercial prior to the 30 June deadline, enabling a timely start to the formal audit process.
- 1.2. The Council is required to categorise its income and expenditure as either revenue or capital. Revenue income and expenditure is included in the General Fund, with Capital included in the capital programme. The Financial Outturn, for both Revenue and Capital, is presented below.
- 1.3. In total Reserves have increased by £1.23m with a Revenue Underspend of £1.67m. The previous Cabinet Report projected an underspend of around £1.2m. The underspend puts the Council in a better position to meet the future financial challenges it faces, as it looks to improve services, enhance assets and grow the Borough; despite the difficult economic climate and on-going central government funding reductions.

2. Recommendation

It is RECOMMENDED that Cabinet

- a) Notes the 2014/15 revenue underspend position (**Appendix B**) and approves the associated changes to the earmarked reserves (**Appendix C**)
- b) Notes the Capital underspend position and approves the Capital carry forwards outlined in section 4.7 and **Appendix D**.

3. Reasons for Recommendation

- 3.1. To accord with good financial governance and the Council's Financial Regulations.

4. Supporting Information

General Fund – Revenue Outturn Position

- 4.1. The General Fund account deals with the Council's revenue income and expenditure, where spend is incurred on day to day expenditure or on items used within the year.
- 4.2. The projected outturn position for the General Fund has been reported to the Corporate Governance Group and Cabinet regularly during 2014/15. The year end Financial Statements are subject to audit by KPMG and will be considered by Council on 24 September.
- 4.3. The overall position on the General Fund budget gives a £1.67m underspend for the year. The underspend relates in the main to £0.56m of additional planning income, £0.2m additional grant income and £0.15m on reduced contributions to capital (largely because the A453 £125,000 contribution was not required). **Appendix A** details other variances over £50,000 which account for the remainder of the underspend. A summary of the revenue position is given at **Appendix B**.

Table 1: Revenue Outturn Position

	Budget £'000	Actual Outturn £'000	Total Variation £'000	Variation
Communities	2,719	2,110	(609)	-22%
Corporate Governance and Operations	1,490	1,483	(7)	0%
Finance and Commercial	3,354	2,634	(720)	-21%
Neighbourhoods (includes capital grant payments)*	4,383	5,074	691	16%
Transformation	32	16	(16)	-50%
Sub-total	11,978	11,317	(661)	-6%
Capital and Technical Accounting Adjustments (includes pension and capital charge reversals)	(1,514)	(2,130)	(616)	41%
Grant Income (including New Homes Bonus)	(1,981)	(2,215)	(234)	12%
Transfer to/from (-) reserves	1,279	2,944	1,665	130%
Revenue contribution to capital	277	123	(154)	-56%
Total	10,039	10,039	0	0%

*Excluding capital grants, the overspend for Neighbourhoods amounted to £16k.

Reserves

4.4 There are a number of movements in Reserves largely agreed as part of the budget setting process for 2014/15. **Appendix C** highlights the movement in reserves. Some key points to note:

- There are a number of 'transfer out' or use of reserves for capital schemes, for example £461,000 on the Leisure Strategy;
- Both the New Homes Bonus (£2.576m) and the Organisation Stabilisation (£3.908m) Reserves ensure the Council has some resilience with regards to its Medium Term Financial Strategy (MTFS);
- Due to lower than expected Business Rate values in 2013/14 and the resulting deficit accounted for in 2014/15; there is a shortfall in Business Rate funding of £890k. This reduces the overall General Fund in-year surplus position and reduces the balance on the Organisation Stabilisation Reserve.

4.5 Overall the level of Reserves at £11.457m remains healthy, though there are risks going forward in terms of further reductions in central government funding; and internally significant projects such as the Leisure Strategy and Civic Centre developments. That said the Council is committed to growing the Borough, ensuring it maximises available opportunities.

Capital

4.6 The year-end Capital Programme provision totalled £10,097,000 (see Table 2 and **Appendix D**). Actual expenditure in relation to this provision totalled £3,332,000 (33%). This is a significant underspend but arises from elements largely outside the Council's control: £2,000,000 loan to Nottinghamshire Country Cricket Club not taken up within the agreed time frame and £375,000 agreed contribution to the dualling of the A453 not sought. These two items, together with other minor underspends, and the unused balance in Capital Contingency give rise to £2,714,000 total savings in the 2014/15 Capital Programme

Table 2: Summary of Capital Expenditure 2014/15

CAPITAL PROGRAMME OUTTURN 2014/15				
EXPENDITURE SUMMARY	Current Budget	Actual	Variance	Variance %
	£000	£000	£000	
Transformation	1,860	376	(1,484)	(79.78)
Neighbourhoods	1,442	1,255	(187)	(12.97)
Communities	724	585	(139)	(19.20)
Corporate Governance	339	158	(181)	(53.39)
Finance & Commercial	5,523	958	(4,565)	(82.65)
Contingency	209	0	(209)	(100.00)
	10,097	3,332	(6,765)	(67.00)
FINANCING ANALYSIS				
Capital Receipts	(5,993)	(1,503)	4,490	(74.92)
Government Grants	(529)	(559)	(30)	5.67
Other Grants/Contributions	(680)	(451)	229	(33.68)
Use of Reserves	(2,895)	(819)	2,076	(71.71)
	(10,097)	(3,332)	6,765	(67.00)
NET EXPENDITURE	-	-	-	

- 4.7 **Appendix D** shows a large carry forward of £4,051,000 is required to meet the Council's commitments and ambitions for future investment in the Borough. Officers have worked diligently towards securing the necessary funding and delivery programmes for two major redevelopment schemes: the Arena Development and Bridgford Hall and planned expenditure has been re-phased. Details of these and other carry forwards are given below.

Transformation

- 4.8 A further strategic property acquisition was made in Cotgrave during 2014/15 working towards the delivery of an improved town centre environment under the Cotgrave Masterplan. Enhancement work was also carried out on vacant space within the Civic Centre to provide serviced office space in order to generate future rental income streams. There was an underspend of £1,484,000 primarily made up of carry forward requirements of £1,431,000. The main elements of this are: £599,000 to commence the major refurbishment of Bridgford Hall and £572,000 to continue the land assembly work for Cotgrave Masterplan. Other carry forwards are: £100,000 to support any necessary health and safety enhancements to the Civic Centre, £80,000 to upgrade the roof at The Point, and £80,000 for Bingham Market Place improvements.

Neighbourhoods

- 4.9 This year's Capital Programme saw continued investment in social housing units across the Borough including the conversion of Leys Court, Ruddington into 21 general needs flats and 30 affordable homes by re-developing 8 garage sites. Mandatory Disabled Facilities grants totalling £380,000 were processed and investment in the Council's vehicle fleet continued with £244,000 spent; the largest item bought being a 32t refuse freighter. Of the £187,000 underspend, £184,000 needs to be carried forward to support the on-going requirements of the schemes detailed above.

Communities

- 4.10 Alford Road Pavilion Redevelopment was the largest scheme carried out in the Communities Capital Programme costing £342,000. There was investment of just over £100,000 for the play area at Rushcliffe Country Park and to carry out resurfacing works at other parks in West Bridgford. Partnership working continued with the release of grants to Nottinghamshire Cricket Club and miscellaneous sports clubs. Carry forwards totalling £114,000 are required to continue to support Partnership Grants (£74,000), the remaining £40,000 will be used to support the fencing/infrastructure enhancement work planned for Alford Road in 2015/16.

Corporate Governance

- 4.11 Expenditure in the year comprises ICT replacement equipment, infrastructure enhancements and applications which will be on-going. The underspend totals £181,000 all of which is requested to be carried forward to meet kit replacement, future technical infrastructure commitments, channel shift web

enhancement, 4G/Superfast Broadband, and to support technologies arising from the Leisure Strategy capital project.

Finance & Commercial

- 4.12 £958,000 was spent on Finance and Commercial capital projects in 2015/16. Just under half of this was investment by way of a loan to the newly created Streetwise Social Enterprise to assist them in the acquisition of a fleet of vehicles. £461,000 was spent on advance legal and professional fees, surveys, and project management costs in advance of the Arena redevelopment scheme. This will form the most significant part of the 2015/16 Capital Programme and future years and will give rise to refurbished and extended leisure facilities at the Arena as well as providing enhanced civic and office accommodation. Carry forwards totalling £2,141,000 are required, the main one being £1,560,000 for the Arena Development. £500,000 will be used in 2015/16 (and potentially future years) for Funding Circle loans facilitating the support of future small investment schemes. £81,000 is requested to finish enhancement works to Rushcliffe Leisure Centre gym pits and improvements to the fixed wiring and Fire Alarm System at Bingham Leisure Centre.
- 4.13 **Conclusion** – The Council continues to face many significant financial challenges. The 2014/15 financial outturn position demonstrates how the Council manages to balance a shrinking budget with a culture of prudence, and through the capital programme focuses on investment and growth in the borough.

5. Other Options Considered

- 5.1. There are no other options identified, subject to the views of Cabinet.

6. Risk and Uncertainties

- 6.1. The underspend position present an upside risk in terms of providing further funding to ensure the Council delivers its corporate priorities.

7. Implications

7.1. Finance

These are contained within the body of the report on with commentary on revenue (Section 4.1 to 4.3), reserves (section 4.4 to 4.5) and capital (sections 4.6 to 4.12).

7.2. Legal

There are no direct legal implications.

7.3. Corporate Priorities

Securing a balanced budget is critical in delivering the Council's Corporate Priorities.

7.4. Other Implications

None

For more information contact:	Peter Linfield Interim Executive Manager – Finance and Commercial 0115 914 8439 email plinfield@rushcliffe.gov.uk
Background papers Available for Inspection:	Previous Revenue and Capital monitoring reports throughout the year
List of appendices (if any):	Appendix A – Revenue Budget 2014/15 – Main Variances Over £50,000 Appendix B – Revenue Outturn Position 2014/15 Appendix C – Movement in Reserves Appendix D – Capital Programme 2014/15 Outturn

Appendix A

Revenue Budget 2014/15 – Main Variances over £50,000

Service Area	Description	Under () / Overspends
Communities		
Development Control	Increase in volume and value of applications	(£563,000)
Finance & Commercial		
Investment Interest	The level of interest earned has improved due to the return on the CCLA property fund, the longer term local authority investment	(£83,000)
Housing Benefits	Net effect of Housing Benefit caseload higher than budgeted for and the recovery of more overpayments	(£117,000)
Contingencies	Balance of contingency not drawn upon	(£221,000)
Leisure Centres	Leisure Trust NNDR relief reducing payments to contractors	(£90,000)
Car Parks	Surplus on on-street car parking	(£59,000)
Transformation		
Investment Properties	Additional income from RTEC offices	(£54,000)

Revenue Outturn Position 2014/15

Revenue Outturn Position 2014/15									
Q4 Position - excl recharges									
Performance Clinic Info					Total Costs				Variation Explanation
Budget YTD £'000	Actual YTD £'000	Total Variation £'000	Variation	Budget £'000	Actual Outturn £'000	Total Variation £'000	Variation		
Communities	1,046	437	(609)	-58%	2,719	2,110	(609)	-22%	Due to additional Planning income and revaluation of Lutterell Hall
Corporate Governance and Operations	2,959	2,979	20	1%	1,490	1,483	(7)	0%	
Finance and Commercial	2,431	2,006	(425)	-17%	3,354	2,634	(720)	-21%	Underspend due to no call on contingency, pensions year end transactions, leisure trust NNDR relief reducing payments to contractors and surplus on on-street car parking and revaluation of Edwalton Golf Courses. Also reductions in HB subsidy and HB overpayments; and better interest returns.
Neighbourhoods	3,349	3,365	16	0%	4,383	5,074	691	16%	Due to year end Refcus transactions (Support for RSLs and Public Sector Housing Renewal)
Transformation	770	648	(122)	-16%	32	16	(16)	-50%	Additional income from partners at RCCC, investment properties and staff savings.
Sub-total	10,555	9,435	(1,120)	-11%	11,978	11,317	(661)	-6%	
Capital and Technical Accounting Adjustments					(1,514)	(2,130)	(616)	41%	Accounting treatment for Refcus (capital grants) and fixed assets impairment at year end. Expenditure is reflected in the Services
Grant Income (including NHB)					(1,981)	(2,215)	(234)	12%	Additional £100k SBRR, £65k IER (Electoral Registration), £14k Welfare Reform, Business Rates New Burden £11k.
Transfer to/from (-) reserves					1,279	2,944	1,665	130%	£1.1m revenue underspend (incorporating £0.56m Planning income); £0.23m s31 grants and £0.15m reduced revenue contribution to capital
Revenue contribution to capital					277	123	(154)	-56%	Reduced contribution for A453
Total					10,039	10,039	0	0%	

		Movement in Reserves			Appendix C	
Reserves 2014/15	Balance at 1st April 2014	Transfers In	Transfers Out	Balance 31st March 2015	'Transfer In' Notes	'Transfer Out' Notes
	£000	£000	£000	£000		
Investment Reserves						
Regeneration & Community Projects	2,111	197	(123)	2,185	£18k The Point, £50k Rev Contrib'n Special expenses, £102k Special expenses annuity, £27k Business Rates Growth payment	Special Expenses Alford Road £100k, £23k WB Play Areas resurfacing
Cotgrave Regeneration Project	172	73		245	Cotgrave surplus	
Council Assets & Service Delivery	684	148		832	s31 grant income eg welfare reform	
Local Area Agreement	294			294		
New Homes Bonus	1,337	1,474	(235)	2,576	NHB receipt	Affordable Housing funding
Invest to Save	661		(461)	200		Leisure Strategy
Corporate Reserves						
Organisational Stabilisation Reserve (with Business Rates adjustment)	3,809	580	(481)	3,908	Residual G Fund surplus, SBRR £500k, £17k Comm Safety Partnership, BC Surplus £63k	Member Community Grants (25k); Business Rates deficit
Risk & Insurance	100			100		
Planning Appeals	349			349		
Elections	200	65		265	Elections s31 grant	
Operating Reserves						
Planning	203		(16)	187		Neighbourhood Planning
Leisure Centre Maintenance	147	29	(15)	161	Leisure centre NCC contribution	LC maintenance, Bingham and Keyworth
Lottery	55			55		
Planned Maintenance	100			100		
Total	10,222	2,566	(1,331)	11,457		

Capital Programme 2014/15 – Outturn

CAPITAL PROGRAMME OUTTURN 2014/15						
	Budget YTD	Actual YTD	Variance	Carry Forward	(Saving)/ Overspend	TOTAL
	£000	£000	£000	£000		£'000
TRANSFORMATION						
Cotgrave Masterplan	729	157	(572)	(572)		(572)
The Point Enhancements	80	0	(80)	(80)		(80)
Civic Centre Vacant Space Works	120	120	0			0
Civic Centre Enhancements - External Works	41	24	(17)	(15)	(2)	(17)
Cotgrave Precinct Enhancements	50	0	(50)		(50)	(50)
Bingham Market Place Improvements	80	0	(80)	(80)		(80)
Bridgford Hall Refurbishment	650	51	(599)	(599)		(599)
Civic Centre Enhancements - General	85	0	(85)	(85)		(85)
Footpath Enhancements	25	24	(1)		(1)	(1)
	1,860	376	(1,484)	(1,431)	(53)	(1,484)
NEIGHBOURHOODS						
Discretionary Support Grants	60	0	(60)	(60)		(60)
Support for Registered Housing Providers	599	559	(40)	(40)		(40)
Wheeled Bins Acquisition	75	72	(3)		(3)	(3)
Disabled Facilities Grants	408	380	(28)	(28)		(28)
Vehicle Replacement	300	244	(56)	(56)		(56)

CAPITAL PROGRAMME OUTTURN 2014/15

COMMUNITIES	1,442	1,255	(187)	(184)	(3)	(187)
Community Partnership Reward Grants	28	3	(25)	(25)		(25)
Nottinghamshire Cricket Club - Grant	90	90	0			0
Alford Road Pavilion Redevelopment	350	342	(8)		(8)	(8)
Rushcliffe Country Park - Play Area	86	85	(1)		(1)	(1)
Capital Grant Funding	105	42	(63)	(49)	(14)	(63)
WB Play Areas Resurface	27	23	(4)	(4)		(4)
Play Areas - Special Expense	35	0	(35)	(35)		(35)
The Hook M.U.G.A.	3	0	(3)	(1)	(2)	(3)
	724	585	(139)	(114)	(25)	(139)
CORPORATE GOVERNANCE						
IS Strategy	339	158	(181)	(181)		(181)
	339	158	(181)	(181)	0	(181)
FINANCE & COMMERCIAL						
RLC - Gym Centre Enhancements	47	0	(47)	(47)		(47)
KLC - Pitch Upgrade	25	25	0			0
Leisure Strategy/Office Accommodation	2,020	461	(1,559)	(1,560)	1	(1,559)
BLC Enhancements	40	6	(34)	(34)		(34)
Nottinghamshire Cricket Club - Loan	2,000	0	(2,000)		(2,000)	(2,000)
Funding Circle Loans	500	0	(500)	(500)		(500)
Streetwise Loan	516	466	(50)		(50)	(50)
Dualling of A453 - Contribution	375	0	(375)		(375)	(375)
	5,523	958	(4,565)	(2,141)	(2,424)	(4,565)

CAPITAL PROGRAMME OUTTURN 2014/15

CONTINGENCY						
Contingency	209		(209)	0	(209)	(209)
	209	0	(209)	0	(209)	(209)
TOTAL	10,097	3,332	(6,765)	(4,051)	(2,714)	(6,765)