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**Our reference:**  
**Your reference:**  
**Date:** 28 August 2015

To all Members of the Council

Dear Councillor

A meeting of the CABINET will be held on Tuesday 8 September 2015 at 7.00 pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford to consider the following items of business.

Yours sincerely

Service Manager - Operations and Corporate Governance

### ***AGENDA***

1. Apologies for absence.
2. Declarations of Interest.
3. Minutes of the Meeting held on Tuesday 21 July 2015 (previously circulated).

#### **Key Decisions**

4. Land Acquisition and Disposal Bingham  
The report of the Executive Manager - Transformation is attached (pages 1 - 6).
5. Establishment of YouNG as a Community Interest Company  
The report of the Chief Executive is attached (pages 7 - 20).

#### **Non Key Decisions**

6. Loan to Nottinghamshire County Cricket Club  
The report of the Interim Executive Manager – Finance and Commercial is attached (pages 21 - 24).

7. Cotgrave Regeneration

The report of the Executive Manager - Transformation is attached (pages 25 - 30).

**Budget and Policy Framework Items**

8. Revenue and Capital Budget Monitoring 2015/16 – Quarter 1 Update

The report of the Interim Executive Manager – Finance and Commercial is attached (pages 31 - 37).

**Matters referred from Scrutiny**

None

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

<b>Meeting Room Guidance</b>
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**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.

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**MINUTES  
OF THE MEETING OF THE  
CABINET  
TUESDAY 21 JULY 2015**

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

**PRESENT:**

Councillors J N Clarke (Chairman), R L Butler, J E Cottee, N C Lawrence, D J Mason, S J Robinson

**ALSO IN ATTENDANCE:**

Councillors H A Chewings, R M Jones, A MacInnes, G R Mallender.

**OFFICERS PRESENT:**

R Caddy	Interim Service Manager – Finance and Commercial
N Carter	Service Manager - Corporate Governance
A Graham	Chief Executive
D Mitchell	Executive Manager - Communities
V Nightingale	Senior Member Support Officer
C Taylor	Interim Service Manager - Transformation

**APOLOGIES FOR ABSENCE:**

There were no apologies for absence

7. **Declarations of Interest**

There were none declared.

8. **Minutes**

The minutes of the meeting held on Tuesday 9 June 2015 were approved as a correct record and signed by the Chairman.

9. **YouNG Project**

Members were informed that this item had been deferred until the meeting to be held on 8 September 2015.

10. **Asset Investment Strategy 2015 - 2020**

Councillor Robinson presented the report of the Interim Executive Manager – Finance and Commercial which outlined the Council's Asset Investment Strategy. He stated that, through the budget workshops, £10,000,000 had been allocated to this Strategy to enable it to support the Capital Programme. It was envisaged that any investments would give rise to revenue returns which in turn would support the revenue budget. Members recognised that presently there were additional pressures on the revenue budget due to low interest rates and central government support.

Councillor Robinson highlighted the various activities that could be considered as part of the Investment Strategy, including industrial units, incubator units and loans to local businesses. He stated that there had been consensus at the workshops that there should be a balanced approach taken with a variety of projects across the whole of the Borough.

Members were informed of the governance arrangements for the Investment Strategy and how it would be scrutinised by the Corporate Governance Group and Cabinet.

Finally, he said he was pleased to recommend the approval of the Strategy as this was the conclusion of many discussions over the past twelve months.

Councillor Lawrence supported the proposal but queried if the Council would need to take out a loan to finance the investments, as this option had been approved at the workshops. The Chief Executive stated that it had been acknowledged that the Council would not be able to stay debt free in the future. However, funding would need input from the Section 151 Officer and could include use of the New Homes Bonus, Public Works Board Loans or prudential borrowing. He stated that the appraisal of any investment was an important part of the process when all costs would need to be taken into account. He informed Members that many local authorities took this approach.

RESOLVED that Cabinet approves the Asset Investment Strategy 2015 - 2020 as shown at Appendix 1 to the report.

#### **11. Growth Deal Funding Governance Arrangements**

Councillor Robinson presented the report of the Executive Manager - Transformation which outlined the governance arrangements in respect of the £6.3 million funding the Council had been allocated from the Local Enterprise Partnership. This funding would be used to bring forward development of 2,070 new homes, 2,747 new jobs and 26.5 hectares of employment land at sites in Cotgrave, Bingham and RAF Newton. He reminded Members that the Council had constituted the Rushcliffe Strategic Growth Board, which with three Local Boards, would oversee the allocation of the funding. The Cotgrave Board was already in operation and was chaired by the Chief Executive and had been working towards the regeneration of the Town Centre.

Councillor Robinson said that this governance would provide a reporting mechanism for the Local Enterprise Partnership and for Cabinet, although at present there was no clarity on the frequency or the depth of information required for reporting to the Partnership.

Councillor Mason supported the proposal and Councillor Clarke stated that this was a straightforward approach.

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

## 12. **Off Street Car Parking Civic Centre**

Councillor Cottee presented the report of the Executive Manager - Transformation which proposed the introduction of a Parking Places Order to make the visitors' car park at the Civic Centre a temporary public off-street parking place. He explained that this would restrict parking to 30 minutes which would be compatible with the on-street parking restrictions on Pavilion Road. This proposal would be subject to a six week consultation period. It was felt that this was a necessary step as, with the introduction of the Rushcliffe Technical and Enterprise Centre at the Civic Centre there had been an increase in the number of visitors to the building thereby putting pressure on the existing spaces. The Order would be in place until 31 January 2017 which would be in line with the Council's move to new offices.

Councillor Cottee said that he had received some comments that the length of time should be increased to 60 minutes, however these comments would be considered as part of the consultation responses.

In support of the proposals Councillor Lawrence stated that this was a sensible approach.

Councillor Clarke believed that all responses, including those regarding timing, should be considered as part of the consultation exercise.

RESOLVED 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.

## 13. **Financial Outturn 2014/15**

Councillor Robinson presented the outturn report for 2014/15. He congratulated the finance section on the work undertaken to produce the draft Statement of Accounts prior to the 30 June deadline. He was pleased to say that there was an underspend on both the revenue account and the Capital Programme. This underspend would enable the Council to meet the financial challenges it would face in the future. The £1.67 million underspend on the revenue account mainly related to £0.56 million extra planning income, £0.2 million additional grant income

and £0.15 million reduced contributions to capital in respect of the A453 improvements.

With regard to the Capital Programme the actual spend was £3.3 million. This was a significant underspend but this related mainly to timing issues, including the £2 million loan to the Nottinghamshire County Cricket Club which had not yet been requested, the A453 improvements, the leisure and Civic relocation project and improvements to Bridgford Hall. It was noted that these were largely outside of the Council's control.

Councillor Mason agreed that there were good reasons for the large underspend on the Capital Programme, however the timing of spending should be considered more in the future.

In conclusion, Councillor Clarke stated that, in the future when budgeting, more realistic timescales should be used. Although it was recognised that the reasons were outside of the Council's control and whilst justifiable the underspend could be seen negatively.

RESOLVED 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.

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

RESOLVED 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.

**15. Civic Centre Options**

Members considered the report of the Chief Executive regarding options for the Civic Centre following the Cabinet's decision on 9 June 2015 to build new Civic offices as part of the redevelopment of the Arena site.

RESOLVED that Cabinet confirms its preference to dispose of the Civic Centre and requests the Chief Executive:

- a) makes the necessary arrangements to market the Civic Centre for future disposal (on a freehold basis), and
- b) brings a future report to Cabinet on the results of the marketing of the Civic Centre so that Cabinet can consider offers received.

The meeting closed at 7.25 pm.

CHAIRMAN

## Report of the Executive Manager - Transformation

### Cabinet Portfolio Holder Councillor S J Robinson

#### 1. Summary

- 1.1. The Council has identified, as part of its commitment to supporting economic prosperity in the Borough, an opportunity to acquire a piece of land that makes up part of the s106 agreement for the Land North of Bingham planning permission (10/01962/OUT). This land is owned by the Crown and managed by the Crown Estate.
- 1.2. This acquisition would be made in advance of the development of the associated site, and would enable the Council to market and dispose of the site to support local businesses looking for employment land.
- 1.3. Cabinet is asked to consider this proposal and its merits with regards supporting the local economy.

#### 2. Recommendation

It is RECOMMENDED that

- a) Cabinet approves the acquisition of the land identified by the red line area in **Appendix 1** for the amount of £1
- b) Cabinet approves the marketing of the land for disposal at market rate
- c) The matter is referred to the Bingham and Radcliffe on Trent Growth Board for its input
- d) Cabinet receives a further report with the results of the marketing exercise and feedback from the Bingham and Radcliffe on Trent Growth Board.

#### 3. Reasons for Recommendation

- 3.1. A need has been identified by local businesses for employment land in Bingham. Whilst there is planning permission in place for 15.6 hectares employment land owned by the Crown Estates at the land North of Bingham (10/01962/OUT), the scheme has not developed to the point where it is available for sale to businesses wishing to expand in Bingham.
- 3.2. However, there is a parcel of land (1.2 hectares) which has been allocated to be transferred to the Council as part of the S106 agreement for the land north of Bingham.

- 3.3. The Crown Estates have been approached to ascertain whether they would be agreeable to transferring the identified land to the Council in advance of the development to enable the Council to market it and dispose to local businesses looking to expand. The Crown has confirmed that it is agreeable to this proposal providing that its interests are protected as detailed further in the report.
- 3.4. There appear to be two competing priorities for the land – its use for providing leisure or wellbeing facilities, or its use as employment land to support local businesses (for which it currently has outline planning permission). However, by disposing of the land and ringfencing the proceeds for future investment in leisure, the Council is able to meet both priorities.

#### **4. Supporting Information**

- 4.1 The planning permission granted for the wider site is for up to 1,050 residential dwellings (C3); 15.6 hectares of employment development (B1, B2 and B8); local centre comprising up to 300m sq of retail floor space (A1); primary school (D1); and community centre (D2); a 1.6 hectare mixed use site (B1, B2, B8 and car parking); allotments and open space (including play areas and community park); flood management and drainage works; transport and access works; and ancillary works, Land East & West of Chapel Lane, Bingham, Nottinghamshire.
- 4.2 The Section 106 agreement included a contribution strategy for the provision of leisure facilities. This was effectively in two parts, a financial contribution and provision of land, referred to in the Section 106 as ‘Leisure and Wellbeing Land’. The agreement provides that the Leisure and Wellbeing Land shall be used for leisure and wellbeing purposes, i.e. the provision of physical facilities, or that the land may be sold and the proceeds from the sale used for the provision of new or improved community leisure facilities within Bingham. The agreement also includes provisions that if the land is not used for the identified purpose or not sold, it shall be transferred back to the owner. The agreement provides that the Council has a right of pre-emption over the Leisure and Wellbeing Land, which may be exercised by the service of a notice, the Leisure and Wellbeing Land Notice, not earlier than the occupation of the first dwelling on the development.
- 4.3 The application site, which incorporates the Leisure and Wellbeing Land is owned by the Crown and managed by the Crown Estate. Development has not yet commenced on site and, therefore, the trigger for service of the Leisure and Wellbeing Notice has not yet been reached. However, there is an opportunity for the Authority to acquire the land in advance of the commencement of development on site. The Crown Estate has confirmed it is willing to sell the land to the Council in advance of the commencement of development, with the intention that the Council would then dispose of the land for the purposes of development for uses falling within class B of the Town and Country Planning Use Classes Order, in accordance with clause 4.8.2 of the Section 106 agreement. The Council would retain the proceeds from the sale of the land to invest at a later date in improvements to leisure facilities in or around Bingham. Should development of the land north of Bingham not proceed, the Council would be required to pay to the Crown



Estate a sum of money equivalent to the proceeds from the sale of the land together with interest accrued thereon.

- 4.4 One option to facilitate the acquisition of the land is to deal with it by way of an amendment to the Section 106 agreement. External legal advice has been sought on the appropriateness of this approach and the suggested wording of an amended agreement. Clearly the Council would wish to ensure that the interests of both parties are protected and that any resultant agreement is free from challenge or that the risk from any such challenge is minimised.

## 5. Other Options Considered

- 5.1. Do nothing – there is no obligation on the Council to request the early transfer of the Leisure and Wellbeing land. The driver for doing so would be to bring the land to market to enable local businesses to purchase the land to expand their businesses.
- 5.2. Retain the land for the purposes of leisure or wellbeing rather than disposing of the site – as detailed above in paragraph 4.2, the Council can either use the land for the provision of leisure or wellbeing services, sell the land and use the receipt elsewhere for the provision leisure or wellbeing services in Bingham, or return the land to the Crown Estate. There is a well-used joint use leisure centre on the site of Toot Hill School and the Council's Leisure Facilities Strategy identifies Bingham as a priority for future investment in leisure provision.
- 5.3. Whilst the buildings at Bingham Leisure Centre may benefit from investment, there are additional advantages to the current site which include extensive outdoor facilities shared with the school, a more central location than that of the Leisure and Wellbeing land as is identified in the map in **Appendix 2**, and good public transport links. By disposing of the Leisure and Wellbeing land, the Council will be able to generate a capital receipt that may be invested in the Bingham Leisure Centre in the future.

## 6. Risk and Uncertainties

- 6.1. The development of the land does not go ahead – the Council understands that the Crown Estates has marketed the land to developers and proposes to appoint a preferred developer later this year with a view to exchanging contracts in Spring 2016. Previous issues relating to viability with the site due to the requirements of the Carr Dyke flood mitigation scheme and other infrastructure issues are being addressed through the Growth Deal funding secured by the Council. Of the £6.3m Growth Deal allocation secured by the Council, £2.5m is allocated to works on the Carr Dyke flood mitigation scheme and electricity servicing on the site. This substantially reduces the risk of the wider scheme not materialising.
- 6.2. The Council will be obligated to repay any proceeds from the sale of the land if the development authorised by planning permission 10/01962/OUT does not go ahead within a certain timescale.
- 6.3. If there are no offers for the land at market value, the Council is under no obligation to dispose of the land.

## 7. Implications

### 7.1. Finance

7.1.1. Any proceeds from the sale of the land need to be ringfenced and allocated towards Leisure and Wellbeing purposes. The land will be marketed at market value for an unserviced site with outline planning permission for employment use. Around 3 acres are available.

7.1.2. Should the Crown Estate development not go ahead then the Council would be liable to repay any proceeds from the sale of the land to the Crown Estate.

### 7.2. Legal

7.2.1. Legal advice has been sought on the matter and the S106 amendments will be carefully considered by both the Council's and the Crown Estate's legal advisors to ensure that both parties are appropriately protected.

### 7.3. Corporate Priorities

7.3.1. The Council has a corporate priority to support economic growth to ensure a sustainable, prosperous and thriving local economy. By enabling this land to be marketed in advance of the development of the Land North of Bingham, the Council is responding to an identified need for employment land for sale to enable small and medium sized businesses to expand.

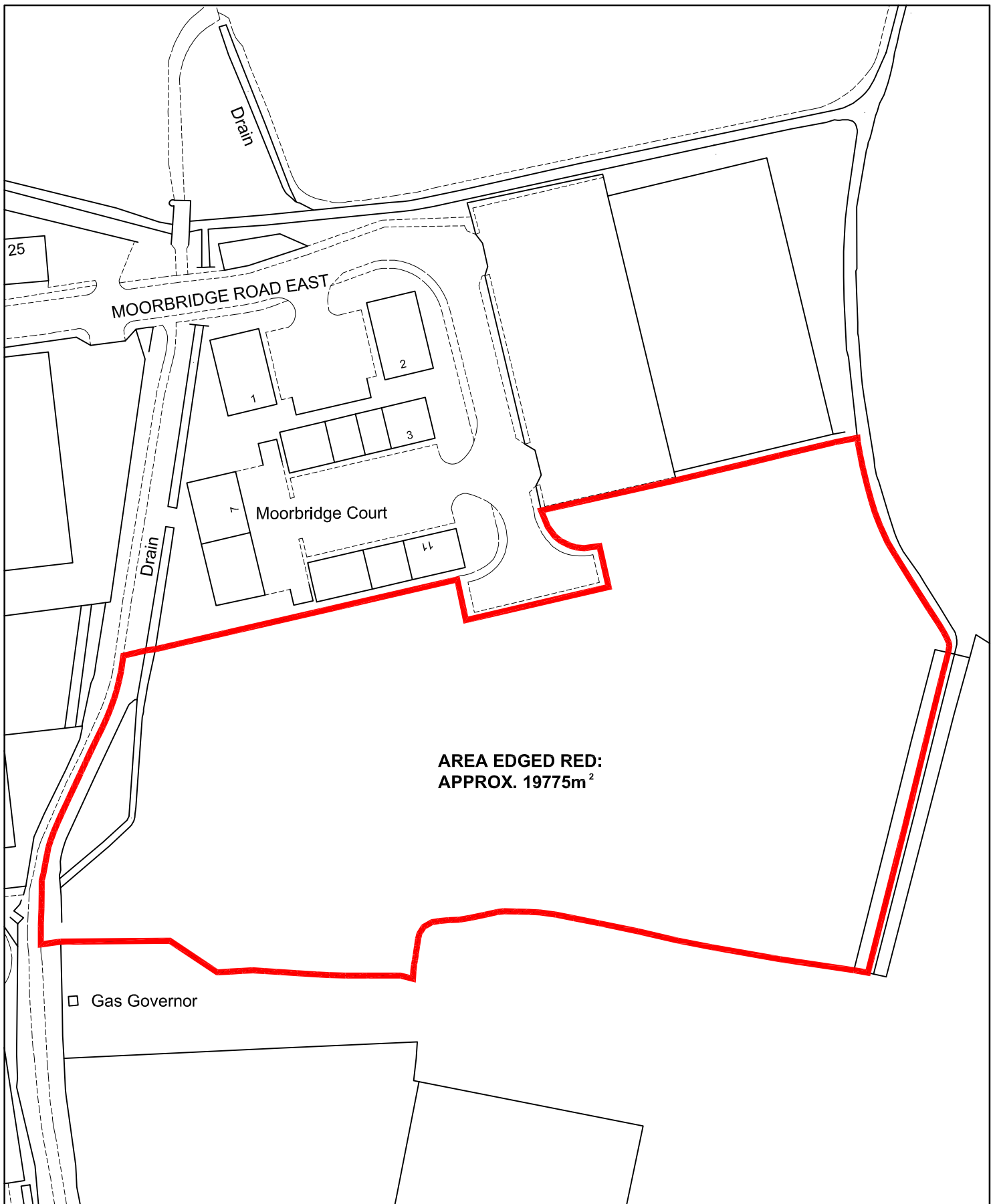
7.3.2. Maintaining and enhancing our residents' quality of life. By securing a capital receipt for the leisure and wellbeing land, the Council will be able to use this allocation to enhance the leisure offer in Bingham.



### 7.4. Other Implications

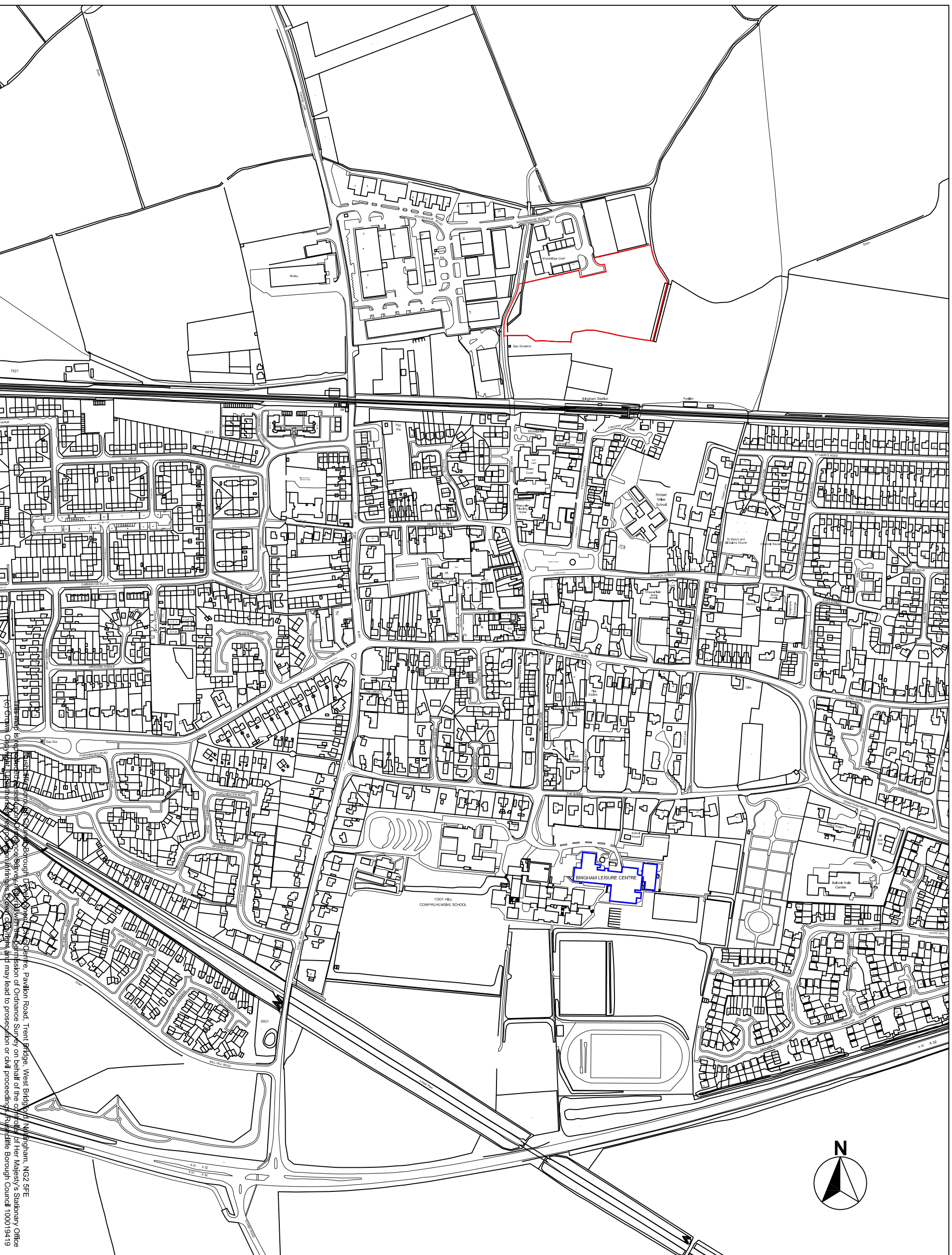
7.4.1 The Council has recently set up its Strategic Growth Board and subsidiary Bingham and Radcliffe on Trent Growth Board. Following Cabinet's recommendations, the Bingham and Radcliffe on Trent Growth Board will be updated on this matter at its next meeting, and its representations will be reported back to Cabinet with the results of the marketing exercise.

7.4.2 There is a potential to provide access through the site to land owned by Bingham Town Council and this will be explored in conjunction with the Town Council and the Bingham and Radcliffe on Trent Growth Board.

<b>For more information contact:</b>	Name: Katherine Marriott Job title: Executive Manager, Transformation 0115 914 8291 email <a href="mailto:kmarriott@rushcliffe.gov.uk">kmarriott@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	None
<b>List of appendices (if any):</b>	Appendix 1 – Map of site Appendix 2 – Map of the Bingham area



 <b>Rushcliffe</b> Borough Council	Property Services Civic Centre Pavilion Road Trent Bridge West Bridgford Nottingham NG2 5FE Tel. 0115 981 9911 Fax. 0115 914 8452	<b>Project</b>  <b>MOOREBRIDGE, BINGHAM</b>	<b>Date</b> <b>AUG 2015</b>	<b>Project officer</b>	
		<b>Drawing title</b> <b>AREA OF LAND at</b> <b>MOOREBRIDGE in BINGHAM</b> <b>PLAN 1</b>	<b>Scale</b> <b>1:1250 @ A4</b>	<b>Drawn</b> <b>OF</b>	<b>Checked</b>
		<b>Reference</b>	<b>Rev.</b>		



This drawing is the property of Rushcliffe Borough Council and is not to be used for any other purpose without the written permission of the Council. Any use of this drawing for any other purpose may lead to prosecution or civil proceedings. For more information contact the Planning Office, Rushcliffe Borough Council, 100079419.

Notes:

- Land at Moorebridge
- Bingham Leisure Centre



**Rushcliffe**  
Borough Council

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Project  
**MOOREBRIDGE, BINGHAM**

Drawing title  
**AREA OF LAND at  
MOOREBRIDGE in BINGHAM  
PLAN 2**

Date  
**AUG 2015**

Scale  
**1:5000 @ A3**

Reference	Rev.	Checked
	OF	

Project officer

Drawn

Rev.

## Report of the Chief Executive

### Cabinet Portfolio Holder Councillor J N Clarke

#### 1. Summary

- 1.1 The Council's Corporate Strategy key objective of "maintaining and enhancing our resident's quality of life" has a strategic task to "facilitate activities for children and young people to enable them to reach their potential". This report seeks to continue this work by recognising the progress and future potential of YouNG. It also proposes a strategy to strengthen links with key partner groups including, Private Sector Businesses, other providers such as Positive Futures, Nottingham Futures, Channelling Positivity, Rushcliffe schools and other public sector partners commencing with our collaboration partners.
- 1.2 It is recommended that YouNG is formally established as a Community Interest Company to enable the further development of an innovative and creative approach to provide careers support, work experience, entrepreneurial and mentoring/coaching opportunities. The recommendation is that the Community Interest Company should be established in a way that attracts and widens the support of experienced entrepreneurs, private sector business and public sector partners. However it remains a core requirement that ultimately the company should be built and run by YouNG people for YouNG people.
- 1.3 As continually evidenced through the Economic Prosperity Committee, Local Enterprise partnership and Government Departments including Department for Education there continues to be an urgent requirement for a stepped change to be made in respect of the connection between young people, schools and business. The ultimate aim of YouNG is to improve the employability skills and work readiness of YouNG people, whilst improving the experiences and quality of information available to young people at a local and regional level.

#### 2. Recommendation

It is recommended that Cabinet:

- a) Supports the establishment of YouNG as a community interest company (CIC).
- b) Continue to commit the current level of resources to YouNG to further establish and develop the YouNG brand.

- c) Delegates responsibility to establish the details of the future partnership and governance arrangements, required to establish and grow the Community Interest Company, in partnership with the Business and Schools Community to the Chief Executive in consultation with the Leader and Deputy Leader of the Council.
- d) Receives a further report detailing the outcome of discussions and negotiations with potential Partners, and Investors prior to making a decision to formally transfer any required intellectual property, YouNG copyrighted material, assets or resources to an alternative Governance arrangement outside the Council.

### **3. Reasons for Recommendation**

- 3.1. Following the launch of YouNG as part of Rushcliffe Borough Council's Olympic legacy, the programme has consolidated a strong partnership with the seven secondary schools. It has also attracted significant in kind and monetary support and investment from two local businesses whilst also growing its relationships with the Rushcliffe business partnership and national businesses in and around Rushcliffe and Nottinghamshire.
- 3.2. The Community Development Group meeting on 17 March 2015 recommended that YouNG be expanded beyond the Rushcliffe boundary. It has also now become clear that the Government agenda to establish better career guidance within schools provides a timely opportunity to grow the YouNG brand beyond the immediate Rushcliffe area. However this research, consultation and local discussions have indicated this will only be achieved if significant business engagement and investment is secured.
- 3.3. Further information regarding the legal implications of establishing a Community Interest Company is contained in the legal section of the report.

### **4. Supporting Information**

- 4.1. Phase one of the YouNG project has been run by Rushcliffe Borough Council since September 2012 as part of its Olympic legacy commitment. Each year a cohort of 7 young people have been recruited; one young person representing each of the secondary schools in the Borough. Their work has successfully strengthened the engagement between the Council, schools, business and young people. The concept has been embraced and supported by all 7 secondary schools, parents, businesses and most importantly the young people themselves.
- 4.2. The project utilised each YouNG group to engage with and increase the number of followers on social media, but most importantly also establish the brand awareness within their school environment. They also increased presence through the development and delivery of Christmas and summer markets. These have highlighted the opportunity to encourage entrepreneurialism and creative talent.
- 4.3. The market concept and brand has attracted interest from other groups such as Industrial Cadets, Prince's Trust, Young Enterprise and Sninton markets. The latter has been utilised to trial a potential franchise model through a limited period licence agreement.

- 4.4. Phase two of the YouNG project commenced in November 2014. It became clear that to progress a vision of developing a social media environment to provide future careers, advice, work experience and mentoring it would be necessary to develop the technology platform and content on a daily basis. Therefore through the use of existing budgets two YouNG apprentices were recruited. Together with the Executive Support intern they have been engaged in working with a number of local businesses, career providers and educational leaders. As a result and in a very short period of time YouNG has successfully delivered a number of exciting events, work experiences, surveys and career opportunities. In particular through working with the Local Enterprise Partnership they supported the first Venturefest in the East Midlands. Their success has been built upon the utilisation of social media channels and a development of a dedicated website designed to be attractive to young people, parents and businesses. Evidence of progress can be found by visiting the YouNG website: <http://www.weareyoung.org.uk/>.
- 4.5. There has been an increasing realisation that to be successful the concept and brand should be scaled up to fast track a more relevant way to provide careers support alongside the promotion of local work experience and apprenticeship opportunities. To date this phase has been developed on a proof of concept and has been delivered at a relatively small scale with minimal resources, however it is having a significant impact upon the future local workforce. There have been; 230 work experience offered during the summer school holidays, 40 market traders booked for this year's summer market and 3000 web interactions per month and almost one thousand (922) social media followers.
- 4.6. Research and discussions have continually identified that to successfully deliver a scalable and sustainable model it will be essential to demonstrate to the business community, Investors, existing providers and Public Sector partners that this is not merely a Council owned Initiative or project. Therefore to maximise the opportunity and demonstrate a commitment to partnership it is proposed that the YouNG project should now be progressed to operate independently as a Community Interest Company.
- 4.7. Strategic discussions have taken place with Business Leaders, the Local Enterprise Partnership and some principle partnership delivery organisations to establish how a pragmatic and partnership approach could be deployed to develop a fresh approach to careers support. It has been identified through research and the above discussions that the brand of YouNG has a unique strength that resonates with young people, business and parents.
- 4.8. Therefore this innovative proposal is currently based upon a strong recognisable brand. By moving away from a project based initiative towards a commercial social enterprise, the opportunity will be created to develop YouNG's know how and experience, whilst providing the opportunity to develop a social enterprise utilising the skills of both the private and public sector. A social enterprise with a strong brand would, therefore, be developed to trade, innovate and grow outside existing geographical boundaries.
- 4.9. This type of service could be strategically placed to simplify the engagement of schools, business and is now ready to upscale the concept to phase three of the vision and contribute significantly to the regional and national strategic

objectives focused upon skills attainment, work readiness and youth employment.

## **5. Governance Structure**

- 5.1 To establish an entrepreneurial social enterprise company which directly employs young people will require a structure which is supported by business and provides a mixture of work experience, apprenticeships, trainee posts and graduate placements. This will need to be overseen by experienced business mentors, career advisors and educationalists. **Appendix B** illustrates the basic employment model which engages business support whilst also providing career development.
- 5.2 In developing this proposal YouNG has also secured support from local businesses and commerce, higher education, schools and local authorities. A summary of the consultation responses is contained in **Appendix A**.
- 5.3 It has been identified through discussions that it will be important not to duplicate or reinvent governance structures. A sense of independence and collective ownership will also be required to attract investment. Therefore the proposed solution of a Community Interest Company carries with it the potential to gain the confidence of investors, business and other public sector partners. The model would further be strengthened if the Governance could be placed under the direction of another independent trust board or organisation. There are examples of Trust boards which are in existence and which could be well placed to augment the objectives of YouNG with the objectives of other providers and sectors. These boards often have high profile and relevant private sector expertise, Local Enterprise Partnership and Civic representation.
- 5.4 It is therefore proposed, and with Cabinet's approval, that discussions should be extended to actively pursue the creation of a merger with a relevant Trust Board Partnership, which also has the capability, expertise and experience to assist and advise in the formation and expansion of YouNG to service the needs of Rushcliffe and the Local Enterprise Partnership.

## **6. Links to Wider Strategic Plans in the Borough with Young People**

This project will continue to establish links with the existing providers including Futures Nottingham, Positive Futures and other providers of YouNG services which will mean that there is a comprehensive package of support available for all young people within the Borough.

## **7. Other Options Considered**

- 7.1. **Continue with current arrangement** – This option is not recommended as it is believed better value for money can be achieved through collaboration, expansion and strategic realignment of services across Nottinghamshire.
- 7.2. Gedling Borough Council has recently committed to the employment of a Business Intern to support the geographic roll out of phase 1 of the programme into Gedling Borough and therefore it is thought that the current Local Authority management arrangement is unsustainable as the demand for services expands.



7.3. **Decommission service** – This option is not recommended as the withdrawal of support would significantly impact on YouNG people from across the Borough.

## 8. Risk and Uncertainties

8.1. The key risk is that the existing mechanism of delivering the YouNG project as currently constructed is the continuing reduction in resources. The risk of sustainability relies upon expansion, income generation and a business approach.

8.2. This report has identified how these risks can be mitigated and controlled. Whilst some decisions to pursue expansion are being recommended within this report, it is also recommended that a further report be presented to Cabinet once the outcome of discussions with partners and potential Trust Boards have been concluded and prior to making a decision to formally transfer any required intellectual property, YouNG copyrighted material, assets or resources to an alternative Governance arrangement outside the Council.

## 9. Implications

### 9.1. Finance

9.1.1. The current arrangements to deliver YouNG consist of an annual budget of £133.7k. This budget consists of £82k Staff Costs, £44.5k Support Costs and £7.2k direct costs. There is no additional budget required as the proposals would utilise existing budgets along with the Council receiving a contribution from Gedling Borough Council of £19k.

9.1.2. It is anticipated that the major source of funding in the infancy of the company will be received from emerging grant funds, this will be required to initially launch the brand and enable YouNG to show proof of concept prior to the wider growth plan subscription model and franchising the model to other geographical boundaries, enabling the concept to reach a far wider audience but still retain the unique aspect of locality based interaction, matching local businesses with local young people.

9.1.3. It is also recognised that a business plan including the financial projections for the company is an essential ingredient. This has been drafted and currently includes a number of assumptions, however it is recommended that this document should be developed in partnership with other key partners or entrepreneurs who have experience within both the employment and education sector.

### 9.2. Legal

9.2.1 The CIC model is designed to provide an effective legal form for enterprises which aim to provide benefit to the community or to trade with a “social purpose,” rather than to make a profit. A CIC may be limited by shares or by guarantee.

9.2.2 A CIC must be registered both with Companies House and the CIC Regulator. A CIC can be any type of company although in practice, most are companies limited by guarantee. Further specialist advice on legal governance will be obtained as necessary if members approve the principle of establishing a CIC for YouNG.

### 9.3. Corporate Priorities

9.3.1. Supporting economic growth to ensure a sustainable, prosperous and thriving local economy

9.3.2. Maintaining and enhancing our residents' quality of life

9.3.3. Transforming the Council to enable the delivery of efficient high quality services.

### 9.4. Other Implications

9.4.1. YouNG work actively to promote equal opportunities in all aspects of service delivery.

<b>For more information contact:</b>	Allen Graham Chief Executive 0115 914 8519 email <a href="mailto:agraham@rushcliffe.gov.uk">agraham@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	Report to Community Development Delivery Group 17 March 2015
<b>List of appendices (if any):</b>	A, B.

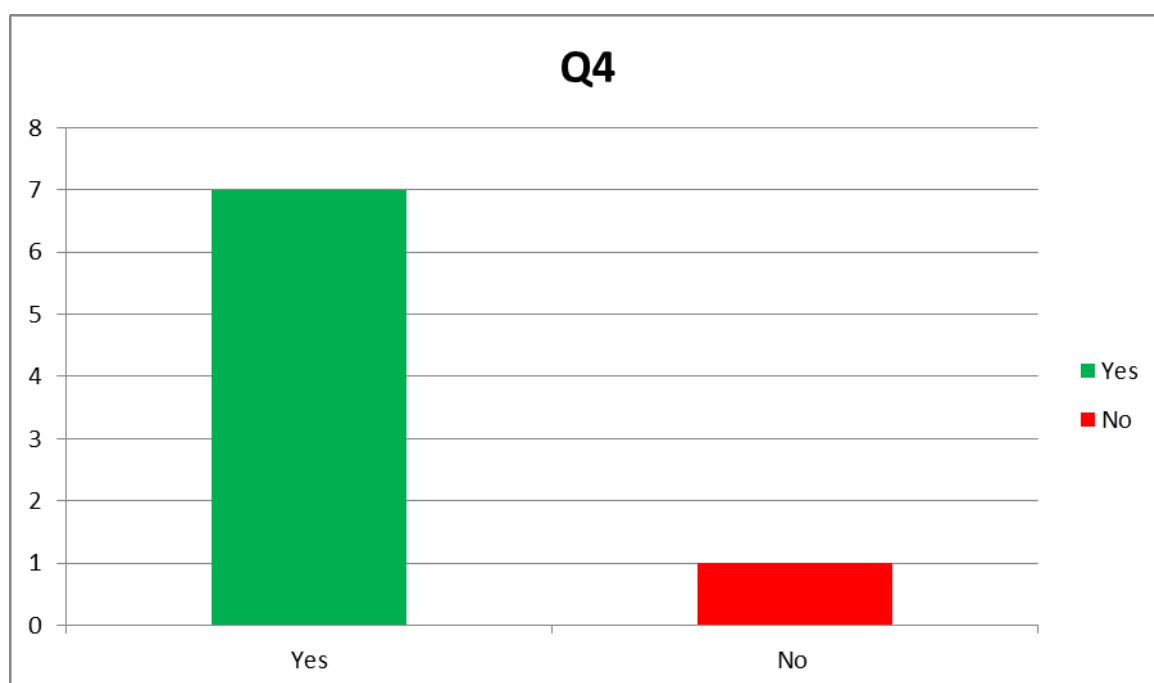
**YouNG Progress and Future Aspiration Consultation – Report 27<sup>th</sup> August 2015**

Currently, we have received a total of 8 responses out of the 22 representatives approached, with some applicants delegating the task to others within their organisation. Bearing this in mind, I believe we can expect a maximum of 19 responses from businesses. The 7 local schools have also been approached, creating a grand total of 26.

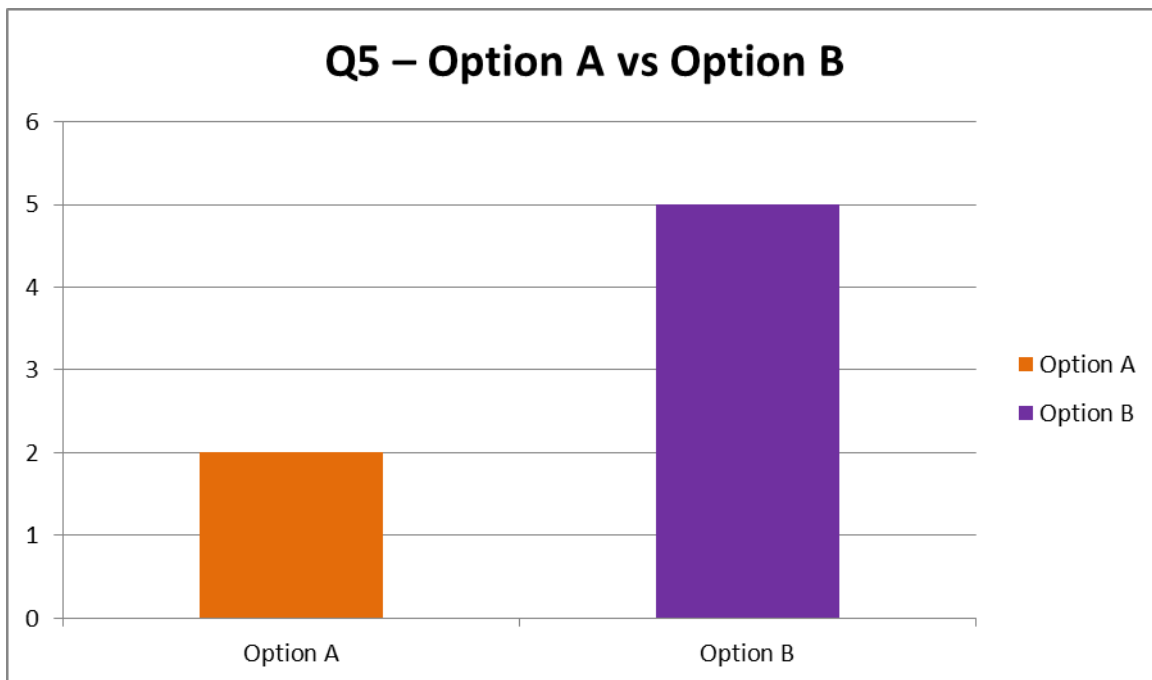
Results:

The first three questions related to the identity of the respondent and have not been included within this report.

Q4 - Does your organisation support YouNG in its aspiration to establish itself as a Community Interest Company?



Paul Thompson of Young Enterprise is currently the only respondent that does not support the proposal. He neglected to answer any further questions.

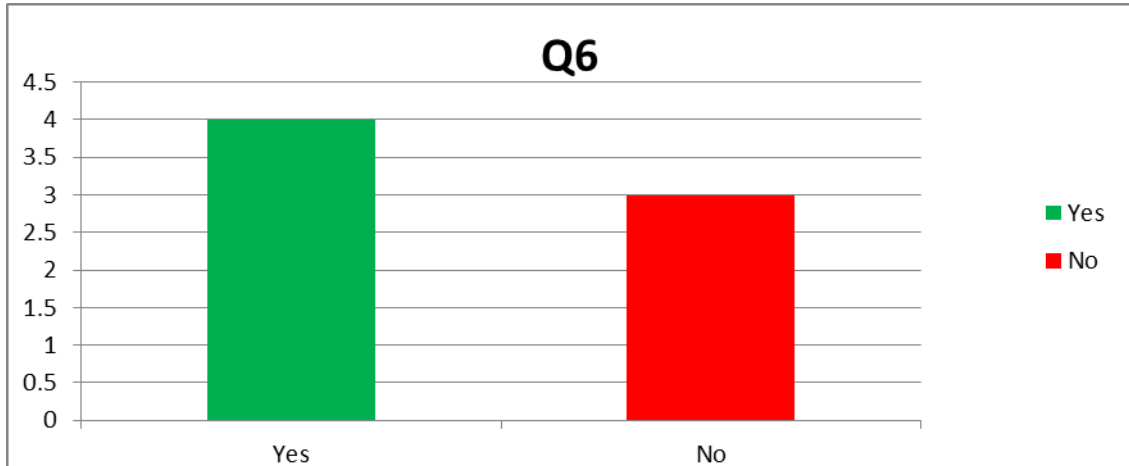


All four respondents supporting Option B cite avoiding duplication of services as their reason for doing so. One issue that was raised was the problem of there being too many agents, making young people unsure as to who they should go to.

Q6 - Do you feel that the delivery team and the support and mentoring arrangements strikes the right balance to drive the delivery “for young people by young people” and is sufficiently supported by experienced professionals to ensure that the appropriate controls are in place to support the young delivery team?

Yes: 4

No: 3



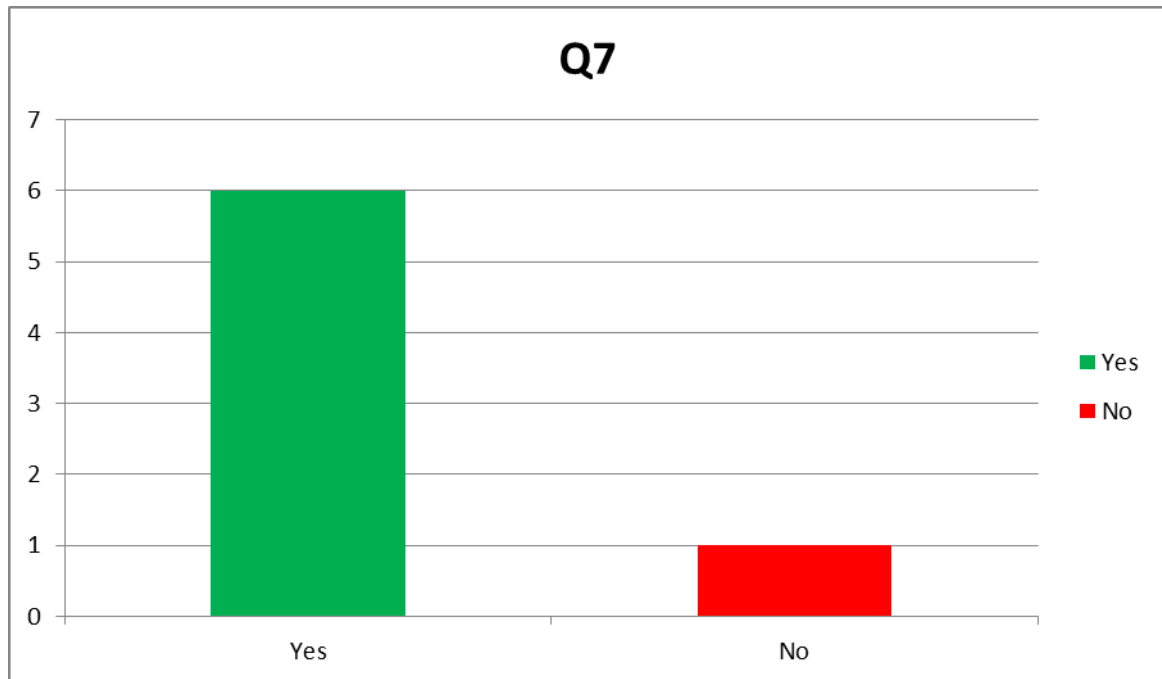
One of the No options was chosen as the respondent in question (John Yarham) requires more information on exactly what services would be provided by YouNG before answering.

3aaa advised an experienced leader be on the team to provide the clout necessary to secure funds at a national level. Boots advises hiring a Business mentor to ensure the end product always has a business focus.

Q7- Do you feel that the vision/innovation board membership is sufficient drive the innovation and challenge the strategic direction of YouNG as a community interest company?

Yes: 6

No: 1

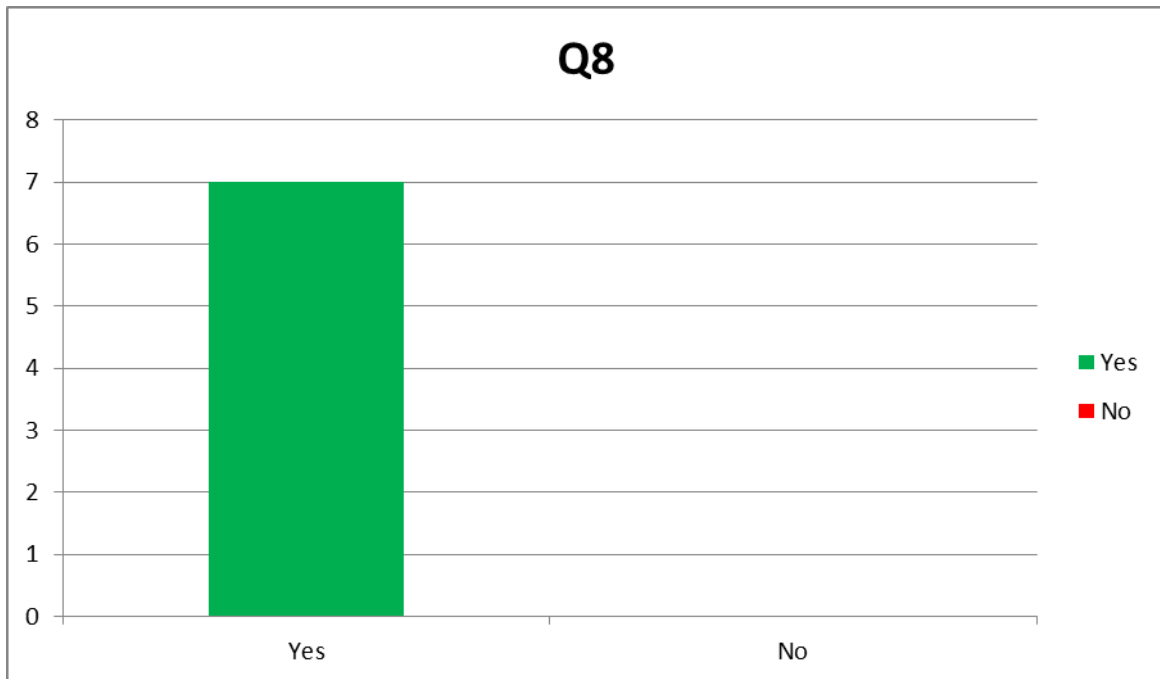


The solitary no response comes from NTU, who believe that the board is weighted too heavily towards public sector/government funded bodies. Futures Advice Skills and Employment has concerns over the selection process for providers and 3aaa has concerns over there being too many different opinions which may distract the firm from its main objectives.

Q8 - Would your organisation consider committing resource to YouNG in the form of secondments, professional expertise or financially contribute to the establishment of YouNG as a Community Interest Company?

Yes: 7

No: 0

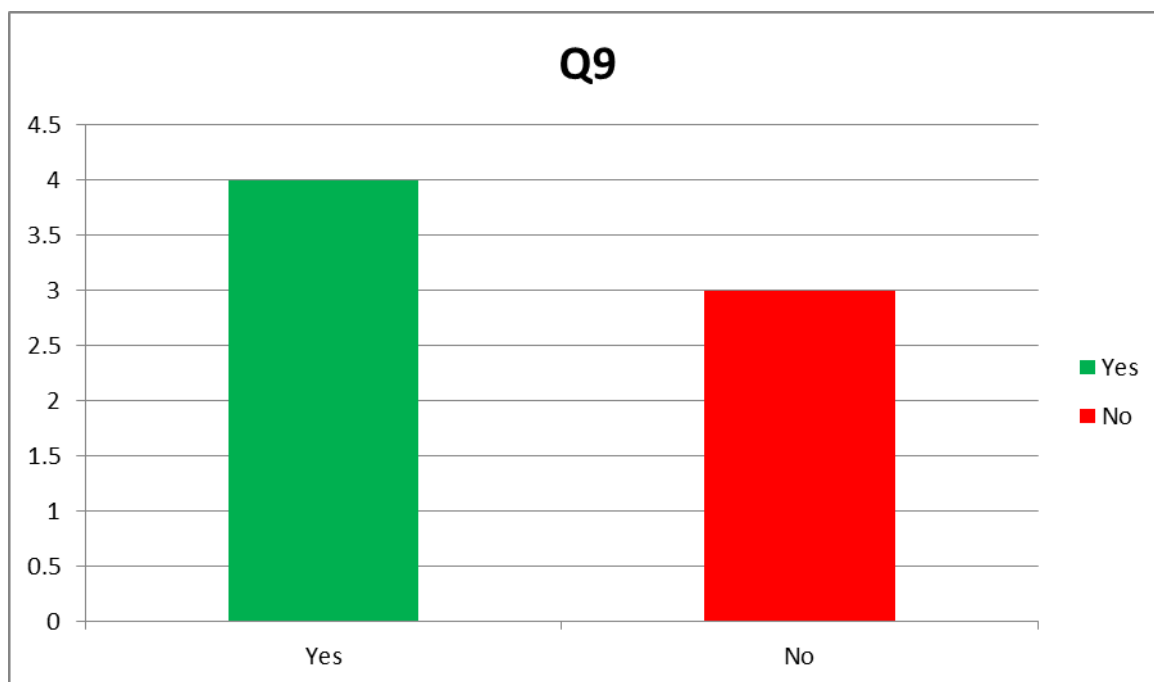


All happy to provide professional expertise. Most happy to provide secondments and 3aaa may provide some financial support via apprenticeships. Instinct Laboratory made no extra comments so unsure as to the exact nature of the support offered. Campbell Cain Wealth Management Ltd willing to support but wished it be noted that the small size of their organisation would limit the resources they could provide.

Q9 - Do you feel that the proposed scope of YouNG as a Community Interest Company provides sufficient room to manoeuvre within the market place and the opportunities to upscale rapidly by collaborating with existing providers?

Yes: 4

No: 3



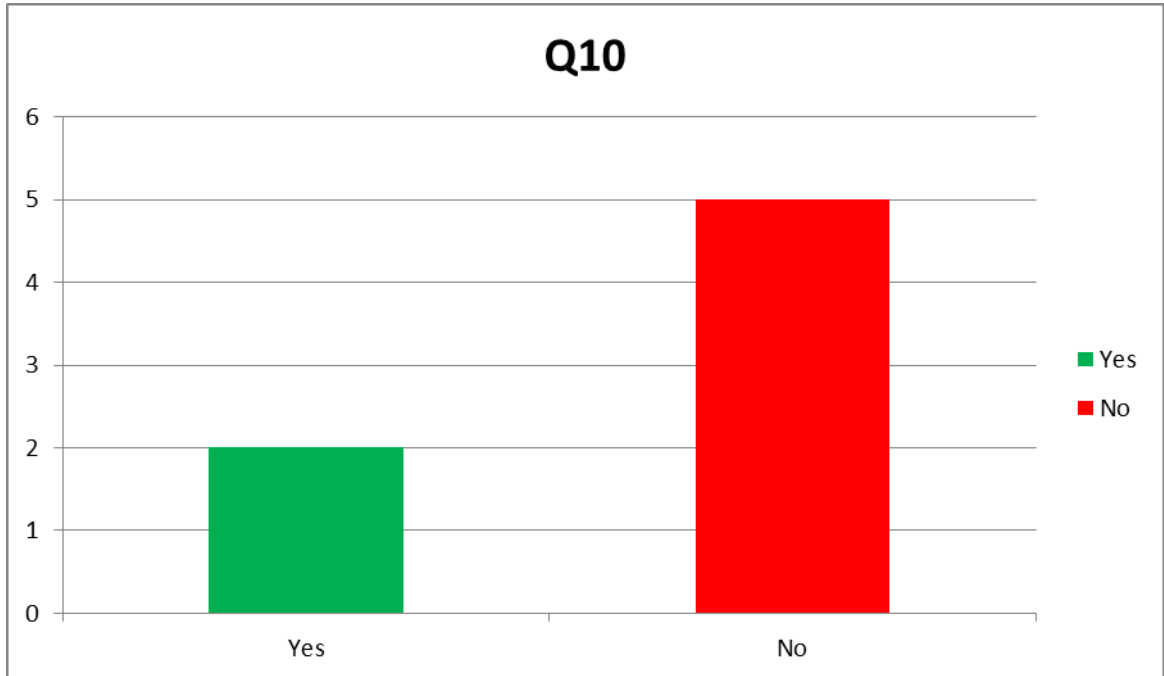
Boots believe that this will depend upon whether the firm is set up independently or with existing organisations. 3aaa are similarly unsure if current resources are enough for success. Futures Advice Skills and Employment would like to know the motivations behind the aspiration before committing to an affirmative answer.



Q10 - Would your organisation support YouNG Network Group introducing a subscription model for some of this service?

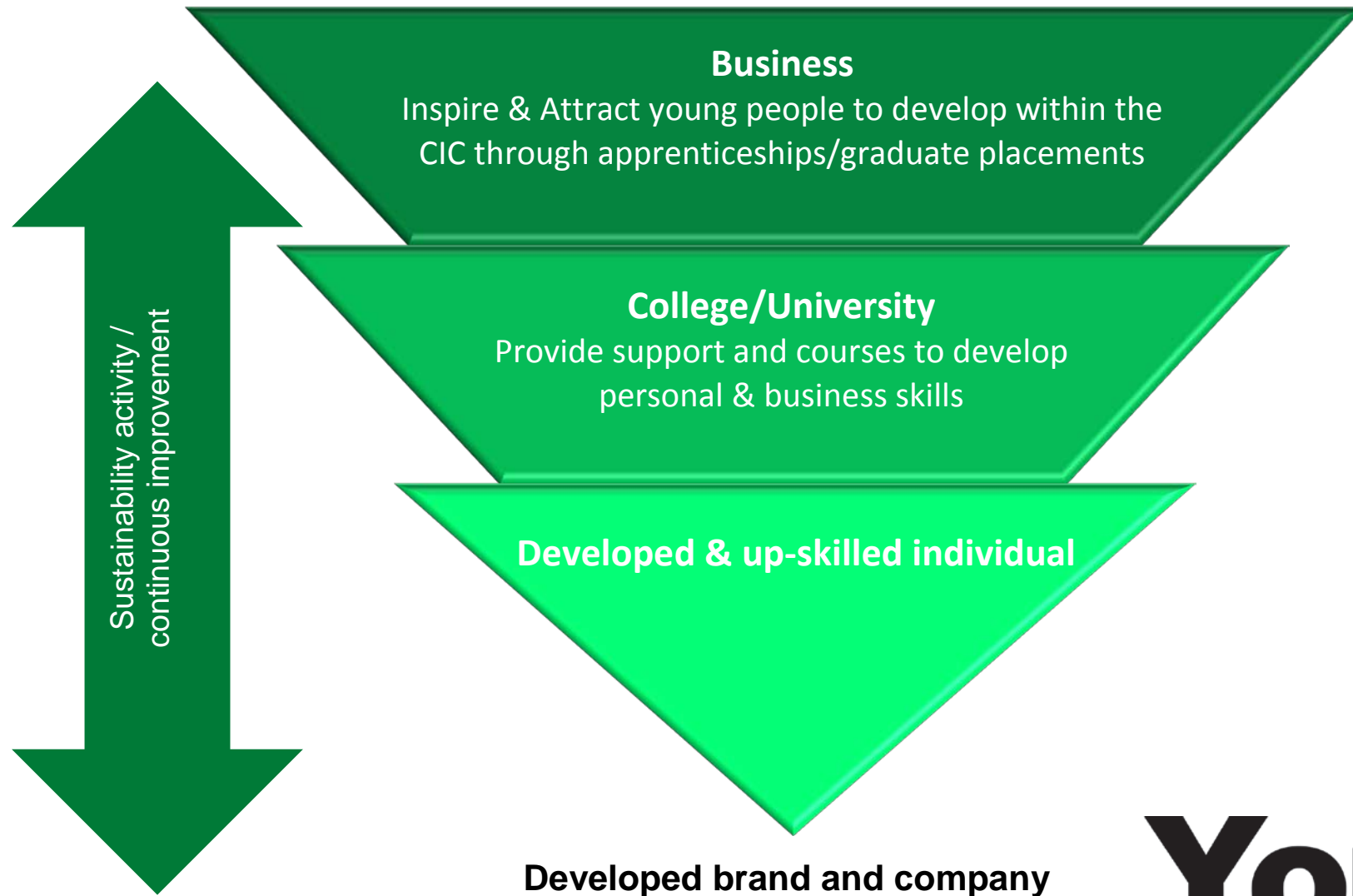
Yes: 2

No: 5



All respondents would benefit from further information, with two of the negative responses coming due to the lack of it. Boots do not believe a subscription based service would be appealing in the current market due to the abundance of free material available. John Robinson of Gedling BC believes that it is those people who cannot afford to pay are those most in need of this service. 3aaa and Instinct Laboratory provided the affirmative answers with the conditions that the process would need to be carefully implemented to be successful. Instinct Laboratory raised the idea of starting the service off free before charging once customers are sure it is worth paying for.

## YouNG Community Interest Company employment model



## Report of the Interim Executive Manager - Finance and Commercial

### Cabinet Portfolio Holder: Councillor S J Robinson

#### 1. Summary

- 1.1 Rushcliffe Borough Council has a history of working in partnership with Nottinghamshire County Cricket Club (NCCC) and other partner local authorities. RBC recognises the benefit the community gains both in terms of reputation and economically of a thriving, world renowned, international cricket venue.
- 1.2 NCCC have requested a further loan of £8.1 million from the three principle partners of Nottinghamshire County Council, Nottingham City Council and Rushcliffe Borough Council to undertake further ground improvements. These ground improvements will enable NCCC to continue to compete in providing international cricket fixtures in Nottinghamshire. It is therefore proposed that the required loan is split equally between the three Authorities. The loan element of £2.7m from RBC will ensure that NCCC can continue with its next phase of ground development; including media and player facilities and improving both ground capacity and hospitality. This request is in compliance with RBC's Asset Investment Strategy.
- 1.3 The loan requested will be over 20 years and at a commercial rate of interest at the equivalent of the prevailing Public Works Loans Board (PWLB) rate (when the agreement is signed) plus 2%. Currently the PWLB equates to 3.06% (note this is indicative as the rate changes daily). Both Nottinghamshire County Council and Nottingham City Council, will be considering this request on the same terms and subject to their own Cabinet/Committee approval. The loan will be secured against NCCC's assets.

#### 2 Recommendation

- 2.1 It is RECOMMENDED that Cabinet support:
  - (a) a loan of £2.7m repayable over 20 years at a rate of interest of the prevailing PWLB rate (the rate at the time the agreement is signed) plus 2%. The investment decision accords with the objectives of the Asset Investment Strategy; and
  - (b) that the Section 151 Officer has delegated authority, in consultation with both the Chief Executive and Monitoring Officer, to agree the final repayment schedule and legal agreement.

### **3 Reasons for Recommendation**

- 3.1 To comply with Council Financial Regulations, the Council's Medium Term Financial Strategy (MTFS) and the Asset Investment Strategy. This supports the Council's Corporate Objective of *Supporting economic growth to ensure a sustainable, prosperous and thriving local economy*. It will also generate a financial return for the Council to support the MTFS.

### **4 Supporting Information**

- 4.1 Members are no doubt aware that Trent Bridge, the home of Nottinghamshire County Cricket Club (NCCC), is a world famous cricketing landmark. It is universally regarded as one of the finest cricket venues across the globe. It has hosted county and test cricket since 1838 and is the world's third oldest Test ground.
- 4.2 NCCC has invested heavily over the last 25 years in order for the Trent Bridge ground to retain test cricket venue status. The most notable developments include the £7.2 million Trent Bridge Cricket Centre, also known as the Radcliffe Road Stand, which opened to huge acclaim in 1998, the Fox Road Stand development costing nearly £2.0 million opened in 2002 and the £8.2 million Bridgford Road Stand development opened in 2008. On-going investment in the ground is seen by the Club as a central plank of its strategy to retain Test match venue status as it competes from other ambitious cricket clubs in the country.
- 4.3 The Council recognises the socio-economic benefits of NCCC continuing to be a major sporting attraction and has over a number of years provided both loans and grant funding.
- 4.4 NCCC are looking to invest £8.1m in a Media facility, refurbishing the Pavilion and enhancing the William Clarke Stand and Lady Bay development (works to be carried out during the winters of 2015 to 2017). This will ensure facilities compete with the very best. NCCC have requested RBC, Nottinghamshire County Council and Nottingham City Council provide a loan equivalent to £2.7m per authority. The initial discussions with NCCC, the respective Chief Executives and Section 151 officers have provisionally agreed the following terms, subject to their respective Cabinet/Committee(s) approval:
- The loan is over 20 years, with no holiday periods for capital repayment;
  - The partnership loan is secured as a charge on the NCCC ground; and
  - The interest rate is fixed at the 20 year annuity PWLB rate at the time of the legal agreement plus 2% (at 19 August 2015 the total rate would be 5.06%).
- 4.5 The loan is therefore on a more 'commercial basis' and accords with the principles of the Council's Asset Investment Strategy. There are also other socio-economic benefits derived from having a modern test ground facility in the Borough.

## **5. Other Options Considered**

- 5.1 There are options to either not progress with the loan or potentially looking at changing any of the parameters for the loan (for example either the rate of interest or the timespan of the loan). NCCC, after negotiation, are comfortable with the loan terms as stated at paragraph 4.4.

## **6 Risk and Uncertainties**

- 6.1 The biggest risk is potential default on the loan. A review of the most recent accounts combined with the fact that there is no history of loan default gives a degree of surety in this regard.

## **7 Implications**

### **7.1 Finance**

Financial implications are largely covered in the body of the report and the report is the financial appraisal consistent with the requirements of the Asset Investment Strategy. Based on the current rates of return on investments the net return would be 4.06%. Using the 5.06% interest rate as an example, the Council would accrue, over the 20 years, £1.6m in interest. There is a technical accounting issue Members should be aware of that as the Council looks to borrow it must finance the principal repayment from revenue. However the loan repayment from NCCC is treated as a capital receipt. The void between capital receipt and revenue cost would be met from the use of reserves which had otherwise been earmarked to fund capital expenditure. The capital receipts derived from the loan would fund capital projects.

In terms of the Capital Programme the £2.7m is the first allocation from the £10m Asset Investment Strategy (AIS) commitment. The AIS allocation is subject to on-going review as part of the budgetary process.

### **7.2 Legal**

The loan agreement is to be finalised, subject to Cabinet approval on the loan terms and would be secured by a legal charge on the ground.

### **7.3 Corporate Priorities**

Enhancing the NCCC ground will ensure the community benefits in terms of leisure provision as well as the obvious economic benefits to the area. This supports the Council's Corporate Objective of *Supporting economic growth to ensure a sustainable, prosperous and thriving local economy.*

### **7.4 Other Implications**

None

<b>For more information contact:</b>	Name; Peter Linfield Interim Executive Manager (Finance and Commercial) 0115 914 8439 email <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	Support to Nottinghamshire County Cricket Club, 4 December 2012, Cabinet Report
<b>List of appendices (if any):</b>	None



Rushcliffe  
Borough Council

**Cabinet**

**8 September 2015**

**Cotgrave Regeneration**

**7**

## **Report of the Executive Manager - Transformation**

### **Cabinet Portfolio Holder Councillor S J Robinson**

#### **1. Summary**

- 1.1. The Cotgrave regeneration project includes the construction of up to 470 new homes and 4 hectares of employment land on the former colliery site as well as the regeneration of Cotgrave town centre. The housing side is progressing well with new homes now under construction.
- 1.2. The town centre element of the scheme is more complex and no planning application has yet been submitted. The Cotgrave Strategic Board is working closely with partners to develop plans for the town centre. These will be shared with the Cotgrave community at a consultation event in September.
- 1.3. This report is to consider the progress of the Cotgrave Regeneration scheme including land assembly and financial implications and to agree arrangements for progressing the appropriate level of support for the town centre regeneration scheme.

#### **2. Recommendation**

It is **RECOMMENDED** that Cabinet receives a further report following the September public communication event, detailing the business case for maximising the finance secured for the scheme and potential investment opportunities.

#### **3. Reasons for Recommendation**

- 3.1. There has been a significant amount of work already undertaken on the town centre scheme by the Council and its partners. The economic climate has changed significantly since the project began and this has presented new challenges. The recent recession followed by the boost in construction costs over the last couple of years has resulted in a difficult environment to progress town centre and retail regeneration schemes. When the scheme was first put together in 2009 a number of assumptions were made that have varied due to market conditions. These include:
  - i. The involvement of a major supermarket partner to bring a capital receipt
  - ii. The financing of the public sector building via a rental income sold onto a commercial investor.

- 3.2. Due to changes in the supermarket market and reductions in central government funding these assumptions are less valid.
- 3.3. However there is real commitment from all partners to the regeneration project and despite the challenging economic climate, and due to the hard work of all the partners, funding has been secured to help enable the project to happen. It is important that the final scheme really maximises the offer provided by the town centre for new and existing residents.
- 3.4. The viability of the options being looked at is being scrutinised by a sub-group of the Cotgrave Strategic Board, which include the Deputy Leader of Rushcliffe Borough Council, the Chairman of the Town Council and a Director from Metropolitan Housing.
- 3.5. Despite the external funding secured there remains a challenge in how to best finance the scheme. Options are being explored and will be presented to Cabinet in a future report. In September a public event will be held to update residents on progress to date and seek views on options.

## **4. Supporting Information**

### **4.1. Background and housing**

- 4.1.1. The Cotgrave masterplan project started in July 2009 and includes the building of up to 470 new homes on the former colliery site, 4.7 hectares of employment land and the regeneration of the town centre. Following a tendering process Barratt Developments PLC were appointed in July 2012.
- 4.1.2. The Cotgrave Strategic Board was established in 2012 and includes all of the projects key partners. The project has four key strands of work; town centre, colliery site, housing and employment/economic benefit. Sub groups to the Strategic Board were set up to support these themes of work and provide progress updates to the strategic board which meets every other month.
- 4.1.3. Work commenced on the colliery site in August 2014. The housing element of the project has a 5 to 10 year build timescale. To date 50 properties have been started and a new roundabout and roads have been built. The show homes are now complete and opened to the public at the beginning of August 2015.

### **4.2. Employment/economic benefit**

- 4.2.1. The 4.7 hectares of employment land is located at the top of the site adjacent to the existing units. There are two parcels of land to be developed. £1.8m of Growth Deal funding has been allocated to bring forward development on this land. Plans are being drawn up for new commercial units on the land to managed by Rushcliffe Borough Council.
- 4.2.2. An outline masterplan for the employment land has been developed by Wilson Bowden (the commercial arm of Barratt Developments PLC). This includes a number of small industrial units that could service a



demand that has been identified by the Council whose 35 industrial units are fully let. The Council currently has a waiting list for industrial units so there is a clear demand for additional units, funded by Growth Deal.

4.2.3. As part of the employment/economic benefit theme of work Barratt Developments PLC have signed up to an employment and skills plan to deliver a number of training and employment opportunities during the construction phases of the project. Including:

- 40 apprenticeships
- 48 work placements
- 30 locally advertised jobs
- 1,200 young people with a vocational construction award

4.2.4. An employment partnership has been set up to support them with the delivery of these. Through the partnership the intention is to target these opportunities to local residents. There has already been some outputs achieved including; five young people have been offered an apprenticeship, 240 have completed the Crest programme and 4 have started NVQ's with sub-contractors.

### 4.3. Funding

4.3.1. A significant amount of funding has been secured and allocated towards the project. This includes:

<b>Funding</b>	<b>Amount</b>	<b>Allocated for</b>
HCA	£2m	Town centre
Growth Point	£650,000	Town centre
RBC	£1m (including £300,000 in current capital programme)	Town centre
Growth Deal	£1.2m	Town centre
	£1.8m	Employment land
<i>NCC (pending decision)</i>	£250,000	<i>Town Centre</i>
Total for town centre	£5.1m	
Total for employment land	£1.8m	
<b>Total</b>	<b>£6.9m</b>	

4.3.2. The funding that has been allocated so far has been used for the purchase of the shopping centre, the purchase of houses on Scotland Bank and some professional fees for survey, legals etc. on the town centre.

4.3.3. A separate Cabinet report was presented in July about the governance arrangements for the Growth Deal funding (£3m highlighted above). It was agreed that Cabinet delegates responsibility for securing and overseeing the Growth Deal funding to the Rushcliffe Strategic Growth Board with updates to Cabinet as required.

#### 4.4. Town centre

4.4.1. At the outset of the masterplan project a number of aims were set out for the regeneration of the town centre. These included:

- A more visible town centre with a safer feel
- Improvements to the public realm, green space and parking
- Attracting a food anchor store
- Provide a multi-service centre to house the health centre, library, police station and Council staff all in one building.

4.4.2. A significant amount of work and funding (as outlined at 4.3.1) has already gone towards the regeneration of the town centre and all partners are committed to developing a scheme that maximises the funding and offer available.

4.4.3. One opportunity that is being reviewed is to create some incubator office space above the refurbished/rebuilt retail units. This would provide the chance to support local business with new office space, bring new businesses into the area, create job opportunities for local people and increase footfall in the town centre.

4.4.4. The GP Practice has submitted a business case to NHS England to secure revenue funding for the health centre element of the multi-service centre and it is anticipated that a decision will be made by autumn 2015.

4.4.5. Unfortunately the supermarket interest has not been as anticipated when the original plans and aims were established for the town centre scheme. The Council is still committed to creating a positive scheme and is exploring options with a commercial agent. This does however present a challenge in the short term. It reduces the amount of money coming into the scheme and there is now the need to identify what to do with the existing area of the precinct that had been identified as suitable for the supermarket development.

4.4.6. Due to these new constraints options are being reviewed for the remaining retail element of the scheme. This includes either a refurbishment of existing units or a complete rebuild. In both instances there are a number of factors that need to be considered including impacts on viability, timescale, existing traders and the eventual retail offer.

4.4.7. It was agreed at the Cotgrave Strategic Board meeting in July that a sub group would be set up to interrogate the cost plans and options for the town centre and present this information back to the Strategic Board in September. This group will identify the funding gaps, timescales and other issues of the various options.

4.4.8. The Board is committed to regular community updates and a public event will be held on Wednesday 23 and Thursday 24 September. This will be attended by members of the Cotgrave Strategic Board and will include display boards with visuals, outline plans and draft timescales.

There will also be the opportunity for residents to ask questions or make comments, either in person or via feedback forms.

4.4.9. Once the community event has taken place and further work is carried out on the cost plans and business case another report will be brought back to Cabinet for consideration. Key areas being considered are around how to best maximise the benefit of the Growth deal funding, and attracting interest from potential investors into the town centre scheme.

## **5. Risk and Uncertainties**

5.1. There is a viability gap for all of the options for the scheme. It has always been known that this is a long term project though. We need to ensure that we continue to keep the community informed and that we are realistic about what can and will be achieved.

5.2. The Council does not have control over the whole site (there are three long leaseholders, a couple of freehold units and other partners involved). In addition the approval of the GP's business case by NHS England is outside the Council's control.

5.3. The Council has to operate within market conditions, the supermarket market is much less buoyant than it was 3 – 5 years ago and this is likely to influence the shape of the scheme as it progresses.

## **6. Implications**

### **6.1. Finance**

6.1.1. The Council has secured significant external funding to the Cotgrave scheme as well as committing over £1m of Council funding to date.

6.1.2. Work has been commissioned on a detailed business case exploring how best to maximise the return on the Growth Deal funding secured, and attract investment to the scheme. It is proposed to report these findings back to Cabinet for consideration in November 2015.

### **6.2. Corporate Priorities**

6.2.1. Supporting economic growth to ensure a sustainable, prosperous and thriving local economy is identified as a corporate priority within the Corporate Strategy 2012 - 2016. One of the strategic tasks within that is to support the regeneration of Cotgrave including new housing, employment opportunities and a vibrant town centre.

6.2.2. The community outcome identified from this strategic task is that the quality of life for residents of Cotgrave is improved through increased local employment opportunities, an enhanced local environment and excellent local shopping and social facilities. This wider community benefit also links to the corporate priority to maintain and enhance our residents' quality of life.

<b>For more information contact:</b>	Name: Kath Marriott Job title: Executive Manager - Transformation Tel: 0115 914 8552 email <a href="mailto:kmarriott@rushcliffe.gov.uk">kmarriott@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	N/A
<b>List of appendices (if any):</b>	None

## Report of the Executive Manager - Finance and Commercial

### Cabinet Portfolio Holder – Councillor S J Robinson

#### 1. Summary

- 1.1 This report presents the budget position for revenue and capital as at 30 June 2015. Given the current financial climate it is imperative that the Council maintains due diligence with regards to its finances and ensures necessary action is taken to maintain a robust financial position. This report has already been considered by the Corporate Governance Group on 3 September 2015.

#### 2 Recommendation

- 2.1 It is RECOMMENDED that Cabinet:
- a) note the projected revenue and capital underspend positions for the year of £415k and £1,735k respectively; and
  - b) note the use of £30k revenue underspend in relation to the first approved Funding Circle loan which is revenue in nature. This is reflected in the £415K figure quoted above.

#### 3 Reasons for Recommendation

- 3.1 To demonstrate good governance in terms of scrutinising the Council's on-going financial position and compliance with Council Financial Regulations.

#### 4 Supporting Information

##### *Revenue Monitoring*

- 4.1 The revenue monitoring statement by service area is attached at **Appendix A** with detailed variance analysis as at 30 June 2015 attached at **Appendix B**. This shows an underspend against profiled budget to date of £227,000 and a projected underspend for the year of £415,000. It is anticipated that this will continue to improve throughout the remainder of the year as managers continue to drive cost savings, and raise income, against existing budgets.
- 4.2 As documented at **Appendix B** the underspend to date reflects a number of positive variances including projected increased income from planning fees arising from a number of major applications; better income returns through more proactive management of council investments; the lack of current calls made on the contingency budget; and on-going rental income from the lease of the garage to Nottinghamshire County Council.

- 4.3 One loan of £30,000 has been made via Funding Circle to support local businesses but is revenue in nature. This advance can be met from the projected revenue underspend for the year.

### Capital Monitoring

- 4.4 The updated Capital Programme monitoring statement as at June 2015 is attached at **Appendix C**. A summary of the projected outturn and funding position is shown in the table below:-

<b>CAPITAL PROGRAMME MONITORING - JUNE 2015</b>			
<b>EXPENDITURE SUMMARY</b>	<b>Current Budget</b>	<b>Projected Actual</b>	<b>Projected Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Transformation	2,113	1,114	(999)
Neighbourhoods	1,925	1,955	30
Communities	314	198	(116)
Corporate Governance	550	550	0
Finance & Commercial	8,596	8,096	(500)
Contingency	150	0	(150)
	<b>13,648</b>	<b>11,913</b>	<b>(1,735)</b>
<b>FINANCING ANALYSIS</b>			
Capital Receipts	(3,989)	(2,960)	1,029
Government Grants	(297)	(297)	0
Other Grants/Contributions	(1,067)	(406)	661
Use of Reserves	(5,009)	(4,964)	45
Internal Borrowing	(3,286)	(3,286)	0
	<b>(13,648)</b>	<b>(11,913)</b>	<b>1,735</b>
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 4.5 The projected outturn on the capital programme remains lower than the budget, with a £1.735m underspend for a number of reasons as detailed below. The programme is ambitious and will see the commencement of the building works for the Arena Site and Bridgford Hall.

#### 4.6 Transformation

The projected actual of £1.1million is just over 50% of the current budget primarily due to the uncertainty of projecting expenditure levels for strategic acquisitions in Cotgrave and contract costs for Bridgford Hall Refurbishment at this early stage. Approval of the second stage bid from the Heritage Lottery Fund is anticipated for late September. The programme contains a provision of £100,000 to address any necessary health and safety enhancement work on the Civic Centre, there are no commitments against this to date.

#### 4.7 **Neighbourhoods**

A variance of £30,000 is currently projected primarily made up of an underspend of £409,000 on Support for Registered Housing Providers and an acceleration of £479,000 on the Vehicle Replacement Programme. Discussions are currently underway with Metropolitan and Waterloo Housing to explore future development options including a further programme of garage site developments. It is unlikely to be spent this year and the unspent balance will be carried forward to support new schemes in future years. In relation to the Vehicle Replacement Programme, it is planned to accelerate the purchase of 4 Refuse Freighters as they are now beyond their useful economic lives. The impact of this will be met by bringing forward the provision contained in the 2016/17 Capital Programme. The Vehicle Replacement Programme will be revisited later this year with corresponding adjustments made to future years' provisions. Expenditure on Disabled Facilities Grants continues to be steady and regularly monitored.

#### 4.8 **Communities**

This programme continues to deliver Partnership Grants but it is difficult to predict the level of spend due to the timing of grant awards and completion of works carried out by third parties. The projected actual for Capital Grant Funding is based on likely grant payments in the year but claims continue to be assessed during the year and new grants could still be approved. It should be noted that discussions have previously taken place to reduce the in-year provision down from £60,000 to £48,000 and this means that the sum of £12,000 can be returned to Capital Contingency. Fencing and landscaping works have been carried out at Alford Road Play Area leaving an uncommitted provision of £45,000. This can only be used for works to Special Expense Play Areas. No schemes have been identified at this stage. If there are no commitments by December, £45,000 can be given up as a saving.

#### 4.9 **Corporate Governance**

The in-year provision of £369,000 has been supplemented by a brought forward of £181,000 from 2014/15 to support infrastructure, Superfast Broadband, Channel shift web enhancement commitments together with technologies arising from the Leisure Strategy capital project. Expenditure to date includes ICT replacement kit.

#### 4.10 **Finance & Commercial**

A variance of £500,000 is showing and arises from the uncertainty with regard to the level of Funding Circle loan approvals. No capital loans have been agreed at this stage, but a revenue loan of £30,000 has been granted (see paragraph 4.3). This means that there is a potential £30,000 available to support other capital projects in 2015/16. The contract has been awarded for the Arena Development project and works have now commenced. Minor enhancement works are to be undertaken at Rushcliffe and Bingham Leisure Centres. A request for £29,300 has been made from Capital Contingency to create extra letting space on level 4 of the Civic Centre; this should generate additional revenue income and create more jobs. A return of £12,000 to Capital Contingency is also to be processed to reflect the reduction to Partnership Grants as detailed in the Communities paragraph above.

#### 4.11 **Summary**

The report overall projects underspends for both revenue and capital. It should be noted it is early in the financial year and opportunities and

challenges can arise which may impact on the projected year-end position. There remain external financial pressures from developing issues such as the impact of 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 over its expenditure, identifies any impact from income streams and maintains progress against its Transformation Strategy.

## 5 Risk and Uncertainties

- 5.1 Failure to comply with Financial Regulations in terms of reporting on both revenue and capital budgets could result in criticism from stakeholders, including both members and the Council's external auditors.
- 5.2 Areas such as income can be volatile according to external pressures such as the general economic climate. For example Planning income is variable according to the number and size of planning applications received.

## 6 Implications

### 6.1 Finance

Financial implications are covered in the body of the report.

### 6.2 Legal

None

### 6.3 Corporate Priorities

Changes to the budget enable the Council to achieve its corporate priorities.

### 6.4 Other Implications

None

<b>For more information contact:</b>	Name; Peter Linfield Interim Executive Manager - Finance and Commercial 0115 914 8439 email <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	Nil
<b>List of appendices (if any):</b>	Appendix A –Revenue Outturn Position 2015/16 – Quarter 1 Appendix B – Revenue Variance Analysis Explanations Appendix C – Capital Programme 2015/16 – Quarter 1 Position



## Revenue Outturn Position 2015/16 – Quarter 1

	Q1 Position - excl recharges			Total Costs				Variation Explanation
	Budget YTD £'000	Actual YTD £'000	Total Variation £'000	Budget £'000	Projected Outturn £'000	Total Variation £'000	Variation %	
Communities	110	(35)	(145)	2,567	2,299	(268)	(10)	Agency £38k, Sals (£22k), Planning Income (£250k), Land Charges Tinkler claims (£38K)
Corporate Governance and Operations	942	1,066	124	1,368	1,368	0	0	CIO position - costs £70k, OLA contribn (£60k), Legal sals (£10k)
Finance and Commercial	1,103	1,022	(81)	3,143	2,976	(167)	(5)	Unused contingency (£82k), investment income (£53k), vacancies (£52k), Funding circle loan £30k
Neighbourhoods	240	110	(130)	4,322	4,359	37	1	Staff costs (£55), Agency £79k, Tanker £10k
Transformation	257	262	5	217	217	0	0	
<b>Net Service Expenditure</b>	<b>2,652</b>	<b>2,425</b>	<b>(227)</b>	<b>11,617</b>	<b>11,219</b>	<b>(398)</b>	<b>(0)</b>	
Shelford & Newton Budget				20	20			
Capital Accounting Adjustments				(1,503)	(1,503)	0	0	
Revenue contribution to capital				159	159	0	0	
Transfer to/from (-) Reserves				898	1,313	415	0	Projected revenue underspend (£428k), specific grants (£17k); £30k NHB for Funding Circle loan
<b>Total Net Service Expenditure</b>				<b>11,191</b>	<b>11,208</b>	<b>17</b>	<b>(0)</b>	
Central Government Grant				(1,679)	(1,679)	0		
Localised Business Rates				(1,521)	(1,521)	0		
Collection Fund Surplus				(84)	(84)	0		
Council Tax Income				(5,428)	(5,428)	0		
Specific Grants (including NHB & SBRR)				(2,420)	(2,437)	(17)		Additional S31 grants (net £17k)
Council Tax Freeze Grant				(59)	(59)	0		
<b>Total Funding</b>				<b>(11,191)</b>	<b>(11,208)</b>	<b>(17)</b>		
<b>Gross Budget Deficit</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Revenue Variance Explanations

<b>ADVERSE VARIANCES</b>	<b>Projected Outturn Variance £'000</b>
<b>Corporate Governance</b>	
IT - New position of CIO to be partially offset by partner contributions	10
<b>Neighbourhoods</b>	
Licensing - Agency cover for vacancies and taxi licensing review costs	13
Fleet & Garage – Underspent as awaiting June invoice from Nottm CC. Projected additional costs of ageing tanker.	10
<b>Total Adverse Variances</b>	<b>33</b>
<b>FAVOURABLE VARIANCES</b>	<b>Projected Outturn Variance £'000</b>
<b>Communities</b>	
Development Control - Increased Application Fees	(250)
Land Charges - Return of over-provision for Tinkler claims due to receipt of grant	(38)
<b>Corporate Governance</b>	
Legal services - Partial retirement of Chief Legal Officer	(11)
<b>Finance &amp; Commercial</b>	
Finance – Agency and redundancy costs less savings on vacancies	(52)
Contingencies - Contingency dependant on risks identified	(82)
Investment Interest - increase in income due to more creative investment strategies	(53)
Insurances - budget savings due to increase in excesses	(6)
<b>Neighbourhoods</b>	
Depot -NCC Additional lease of garage space	(62)
<b>Total Favourable Variances</b>	<b>(554)</b>
<b>Sum of Minor Variances</b>	<b>123</b>
<b>TOTAL VARIANCE</b>	<b>(398)</b>

## Capital Programme 2015/16 – Quarter 1 Position

CAPITAL PROGRAMME MONITORING - JUNE 2015						
	Original Budget	Current Budget	Budget YTD	Actual YTD	Projected Actual	Variance
		£000	£000	£000	£000	£'000
<b>TRANSFORMATION</b>						
Cotgrave Masterplan	0	572	25	23	272	(300)
The Point Enhancements	0	80	0	0	80	0
Colliers Way Industrial Units	20	20	0	0	20	0
Bingham Market Place Improvements	0	80	42	34	80	0
Bridgford Hall Refurbishment	500	1,099	110	60	500	(599)
Civic Centre Enhancements - General	0	100	0	0	0	(100)
Nottinghamshire Broadband	162	162	0	0	162	0
	<b>682</b>	<b>2,113</b>	<b>177</b>	<b>117</b>	<b>1,114</b>	<b>(999)</b>
<b>NEIGHBOURHOODS</b>						
Support for Registered Housing Providers	369	409	2	6	0	(409)
Hound Lodge Enhancements	60	60	0	0	60	0
Wheeled Bins Acquisition	60	60	41	50	60	0
Disabled Facilities Grants	375	403	101	92	403	0
Discretionary Top Ups	0	60	0	0	20	(40)
Vehicle Replacement	877	933	365	365	1,412	479
	<b>1,741</b>	<b>1,925</b>	<b>509</b>	<b>513</b>	<b>1,955</b>	<b>30</b>
<b>COMMUNITIES</b>						
Community Partnership Reward Grants	0	25	0	0	25	0
Nottinghamshire Cricket Club - Grant	90	90	0	0	90	0
Capital Grant Funding	60	109	0	0	38	(71)
Alford Road Play Area	50	90	45	0	45	(45)
	<b>200</b>	<b>314</b>	<b>45</b>	<b>0</b>	<b>198</b>	<b>(116)</b>
<b>CORPORATE GOVERNANCE</b>						
IS Strategy	369	550	13	13	550	0
	<b>369</b>	<b>550</b>	<b>13</b>	<b>13</b>	<b>550</b>	<b>0</b>
<b>FINANCE &amp; COMMERCIAL</b>						
BLC Floodlights	50	50	0	0	50	0
RLC - Gym Centre Enhancements	0	47	27	16	47	0
Arena Development	6,405	7,965	82	66	7,965	0
BLC Enhancements	0	34	0	0	34	0
Funding Circle Loans	0	500	0	0	0	(500)
	<b>6,455</b>	<b>8,596</b>	<b>109</b>	<b>82</b>	<b>8,096</b>	<b>(500)</b>
<b>CONTINGENCY</b>						
Contingency	150	150	0	0	0	(150)
	<b>150</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(150)</b>
<b>TOTAL</b>	<b>9,597</b>	<b>13,648</b>	<b>853</b>	<b>725</b>	<b>11,913</b>	<b>(1,735)</b>