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Our reference:
Your reference:
Date: Monday, 3 December 2018



**Rushcliffe Community
Contact Centre**
Rectory Road
West Bridgford
Nottingham
NG2 6BU

To all Members of the Cabinet

Dear Councillor

A Meeting of the Cabinet will be held on Tuesday, 11 December 2018 at 7.00 pm in the Council Chamber Area B, Rushcliffe Arena, Rugby Road, West Bridgford to consider the following items of business.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Sull'.

Sanjit Sull
Monitoring Officer

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes of the Meeting held on Tuesday 13 November 2018 (Pages 1 - 8)
4. Opposition Group Leaders' Questions
To answer questions submitted by Opposition Group Leaders on items on the agenda.
5. Citizens' Questions
To answer questions submitted by citizens on the Council or its services.
6. Environmental Health Trading Standards Collaboration (Pages 9 - 14)
Report of the Executive Manager – Neighbourhoods

In person
Monday to Friday
8.30am - 5pm
First Saturday of
each month
9am - 1pm

By telephone
Monday to Friday
8.30am - 5pm

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7. Revenue and Capital and Budget Monitoring - Q2 2018/19 (Pages 15 - 30)

Report of the Executive Manager – Finance and Corporate Services.

Membership

Chairman: Councillor S J Robinson

Vice-Chairman: Councillor D Mason

Councillors: A Edyvean, G Moore and R Upton

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**MINUTES
OF THE MEETING OF THE
CABINET
TUESDAY, 13 NOVEMBER 2018**

Held at 7.00 pm in the Council Chamber Area B, Rushcliffe Arena, Rugby Road,
West Bridgford

PRESENT:

Councillors S J Robinson (Chairman), D Mason (Vice-Chairman), A Edyvean,
G Moore and R Upton

ALSO IN ATTENDANCE:

Councillors M Buckle, H Chewings, R Jones, A MacInnes, R Mallender,
L Plant

2 members of the public

OFFICERS IN ATTENDANCE:

A Graham
P Linfield

K Marriott

S Sull
L Webb
S Whittaker

Chief Executive
Executive Manager - Finance and
Corporate Services
Executive Manager - Transformation
and Operations
Borough Solicitor
Constitutional Services Officer
Financial Services Manager

APOLOGIES:

There were no apologies.

24 Declarations of Interest

There were no declarations of interest.

25 Minutes of the Meeting held on 9 October 2018

The minutes of the meeting held on Tuesday 9 October 2018 were declared a
true record and were signed by the Chairman.

26 Opposition Group Leaders' Questions

There were no questions.

27 Citizens' Questions

There were no questions.

28 Strategic Land Acquisition for Potential Crematorium

The Portfolio Holder for Strategic and Borough Wide Leadership presented the report of the Executive Manager – Transformation which asked for Cabinet's support for the provision of a new crematorium in Rushcliffe. It was noted that an opportunity had been identified for the Council to assess the feasibility of development and operation of an additional crematorium within Rushcliffe. It was demonstrated that there was a geographical gap in Rushcliffe which was not currently served by a crematorium within a 35 – 40 minute drive time. The Portfolio Holder explained that Mercia Crematoria Ltd, an independent development company identified a site within the Borough at Stragglethorpe, Cotgrave and that they had developed plans for a crematorium scheme to go on the identified site and would submit a planning application in December 2018.

It was noted that if the planning application was approved by the Planning Committee, a business plan would be submitted to Cabinet in mid-2019 for consideration.

In seconding the recommendations Councillor Moore stated that due to significant population growth there was a need for an additional crematorium within the Borough.

Councillor Upton noted that delays at Wilford Hill were causing concerns for residents and so there was a demand for an additional crematorium in Rushcliffe. The Portfolio Holder explained that the development of a new crematorium in Rushcliffe would provide economic growth within the Borough and that the location of Stragglethorpe, Cotgrave was an ideal location for growth.

It was RESOLVED that:

- a) the principle of the provision of a new crematorium in be supported and that officers be authorised to finalise options for the identified site.
- b) the identified location for a new crematorium as identified in Appendix B be supported, subject to consideration of the Planning Committee and all the relevant consultation.
- c) the provision for the purchase of the land and delivery of a crematorium in the 2019/20 capital programme be endorsed, subject to planning and approval by Cabinet via a further detailed business case in mid 2019.
- d) A further report be presented to Cabinet in mid 2019 with an update on the planning outcome, a detailed business case and proposed route to procurement and delivery of the crematorium (which could be either by RBC or by a third party).

Reason for decisions

To allow Rushcliffe Borough Council to facilitate the provision of community infrastructure within the Borough.

29 Potential Reorganisation of Local Government in Nottinghamshire

The Portfolio Holder for Strategic and Borough Wide Leadership presented the report of the Chief Executive which recommended the formation of a cross party working group which would scrutinise and evaluate any recommendations or business case shared by Nottinghamshire County Council and Nottingham City Council in regards to the potential reorganisation of local government in Nottinghamshire. The Portfolio Holder noted that in December 2017 a resolution had been adopted which welcomed full engagement with Upper Tier Authorities on the reorganisation of local government. (Minute No. 37 2017/18) It was noted that in July 2018 Nottinghamshire County Council resolved for officers to develop a business plan to demonstrate the advantages of a of a unitary status for the County and that in response Nottingham City Council had indicated that if a bid was submitted to the Secretary of State they would request consideration to be given to the widening of the City boundaries both of which would have an impact on Rushcliffe Borough Council, its residents and its businesses.

It was noted that although no official governance arrangements had been made, it was expected that the progress and further recommendations would be presented to Nottinghamshire County Council's Policy Committee and Full Council in November and December 2018. The Portfolio Holder explained that it was essential for the Council to be engaged, informed and responsive to any future dialogue about the reorganisation of local government. He suggested that a cross party task and finish group be formed in order to investigate the impact upon the Borough and its residents and any financial implications which may occur. It was noted that the findings and the recommendations would be presented to Cabinet before consideration at Full Council. The Portfolio Holder advised that the formation of a working group was pragmatic and timely.

In seconding the recommendations Councillor Mason explained that the formation of a task and finish working group would enable all aspects of an outcome of reorganisation of local government in Nottinghamshire to be investigated.

Councillor Moore noted that the impact of Brexit and the local government elections in May 2019 could affect the outcomes and recommendations of the task and finish working group and so asked officers to consider the time scale of when the findings and recommendations would be presented to Cabinet and Full Council.

It was RESOLVED that:

- a) A Cabinet-led cross-party task and finish working group be formed to consider the potential reorganisation of Local Government in Nottinghamshire in line with the Terms of Reference as set out in Appendix 1.
- b) the task and finish working group report its progress and findings back to Cabinet by April 2019.

30 **Exclusion of the Public**

It was RESOLVED that under Regulation 21 (1)(b) of the Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2000, the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 3 of Part 1 of Schedule 12A to the Local Government Act 1972 –on the grounds that they contained information relating to consultations or negotiations in connection with any labour relations matter arising between the authority and employees of the authority and information regarding financial or business affairs.

31 **Cotgrave Marketing Outcomes**

The Portfolio Holder for Economic Growth and Business presented the report of the Executive Manager – Transformation which provided Cabinet with an update on the Cotgrave Regeneration Project and recommended that phase 2 of the scheme proceed which would complete the successful delivery of the regeneration of Cotgrave Town Centre. The Portfolio Holder was pleased to note the recent opening of the Cotgrave Hub, the multi-service centre which housed the health centre, a police station, a library and a contact centre for Rushcliffe Borough Council.

It was noted that the recommendation of the implementation of four new units in Cotgrave Town Centre would provide the Council with the best financial outcome in the shortest time as it would generate £103,000 if all units were fully let. The Portfolio Holder also noted that he had recently attended an innovation seminar with Bill Grimsey as a guest speaker who encouraged the regeneration of community facilities and the diversification of the High Street in his publication 'The Grimsey Report 2' The Portfolio Holder concluded that it was essential for phase 2 of the regeneration of Cotgrave Town Centre to proceed which would ultimately complete the project and provide an opportunity for a revenue return to the Council which would support the Council's continued investment in Cotgrave.

In seconding the recommendations Councillor Upton praised the investment undertaken to regenerate Cotgrave Town Centre and was pleased that 470 new homes had been built with 30% affordable housing.

Councillor Robinson also praised the milestone of the opening of the Cotgrave Hub and was pleased that there had already been significant interest in the refurbished units during phase one of the regeneration project.

It was RESOLVED that

- a) an investment in Phase 2 of the Cotgrave town centre regeneration scheme, in order to deliver four new units of approximately 4000 sq ft, 1200 sq ft, 1500 sq ft and 1600 sq ft be approved subject to a pre-let being agreed for the largest unit at a market rate price and minimum length of ten years.

- b) Provision be made in the 2019/20 capital programme to support the delivery of phase 2 to be funded in accordance with the S151 officer's recommendation.

Reason for decisions

The delivery of Phase 2 of the Cotgrave town centre regeneration scheme will complete the successful delivery of the project and will provide an opportunity for a revenue return to the Council which supports the Council's continued investment in Cotgrave.

32 Fairham Pastures Growth Deal Funding and Employment Units

The Portfolio Holder for Economic Growth and Business presented the report of the Executive Manager – Transformation which provided the Cabinet with an update on the business case to the Local Enterprise Partnership to secure £2.5 million of growth deal funding to bring forward the development of industrial units at the Fairham Pastures development and to seek the approval for the allocation of Council resources to accelerate the delivery of housing on this key strategic site.

It was noted that in 2015 the Council had secured £6.25m of Local Growth Funding from the D2N2 Local Enterprise Partnership and that although £3.25 million had been allocated to Land North of Bingham and RAF Newton, funding was no longer required for these sites. The Portfolio Holder explained that in November 2017 it was reported to Cabinet that £2.5 million of the £3.25 million would be allocated to the Fairham Pastures development as this site met the requirements for LEP funding. It was also noted that an additional £3.65 million would be provided by Rushcliffe Borough Council made up of a 2.5 million loan which would be repaid by CWC over two years and a £1.15 million investment.

The Portfolio Holder noted that the loan, investment and the LEP Growth Deal Funding would accelerate the delivery of housing and employment land on the Fairham Pastures development and would aid the Council to meet its 5 year housing supply.

In seconding the recommendations Councillor Mason stated that if the delivery of the development was not accelerated in order for the Council to meet its five year housing supply then developments in unallocated areas could continue to occur which were contrary to the Council's policy and would not be welcome.

Councillor Robinson stated that it was the Council's responsibility to provide assistance to developers so that appropriate and affordable housing could be built.

It was RESOLVED that:

- a) A loan facility up to a value of £2.5 million be created if required by the developer (CWC) at Fairham Pastures to accelerate the delivery of the development and that delegated authority be granted for the S151 Officer to negotiate the final terms of any loan, in consultation with the Portfolio Holder for Finance.
- b) £1.15m be invested from the Asset Investment Strategy, alongside 2.5m

of LEP Growth Deal funding to bring forward the development of the industrial units at Fairham Pastures which will be owned and managed by Rushcliffe Borough Council.

- c) Financial implications be included within the 2019/20 Medium Term Financial Strategy (both revenue and capital implications.)

Reason for decisions

The loan of up to £2.5 million of Council resources will accelerate delivery of housing and employment land allowing for delivery across the whole site rather than in phases. The allocation of 1.15m funding from the Asset Investment Strategy will unlock a further 2.5 million of LEP Local Growth Funding. The Fairham Pastures development will deliver 3000 homes and 20 ha of employment land and therefore will play a critical role in working towards meeting the Council's 5 year housing supply.

33 Depot Relocation

The Portfolio Holder for Housing, Planning and Waste Management presented the report of the Executive Manager – Neighbourhoods which proposed to relocate all Recycling2Go services to Nottingham City Council's Eastcroft Depot. The Portfolio Holder explained that following Cabinet's approval for the land at Chapel Lane, Bingham in February 2018 to be leased to Streetwise Environmental and part of R2Go as their new depot site (Minute No. 47 2017/18), Streetwise advised that it was no longer an ideal location for them as property and operating costs would increase and that there would be a loss in productivity due to the distance from their main client and staff base. It was therefore, recommended that the whole of the Council's Recycling2Go service be relocated to Nottingham City Council's Eastcroft depot site while Streetwise be provided with further time to source an alternative operating base.

The Portfolio Holder noted that the Council had secured £300,000 of Homes England Land Release Funding for the Abbey Road site which could only be granted if the land was available to release for housing by March 2020. The Portfolio Holder stated that it was therefore, essential that the Abbey Road depot site be vacated by November 2019 in order for the Council to secure the funding to develop housing on the site. It was noted that Streetwise Environmental Ltd had stated that they were committed to find an alternative location to operate from and that they have expressed that the depot should be based within the greater West Bridgford area in order to minimise loss of productivity arising from travel times to their main client base which the Council acknowledged and supported.

It seconding the recommendations Councillor Edyvean noted that the Council already worked successfully in partnership with Nottingham City Council as they maintained both the Council's fleet and vehicles owned by Streetwise Environmental Ltd under a cooperation agreement.

Councillor Robinson noted that this agreement would provide an excellent example of partnerships between public sectors and that if the Recycling2Go facilities were moved to the East Croft depot it would aid the achievement of the Corporate Strategic Task of to relocate the Council's depot by March 2020 to enable the site to be used for residential housing.

It was RESOLVED that:

- a) The relocation of the whole Recycling2Go service to operate from Nottingham City Eastcroft depot for an initial license term of five years be approved.
- b) The Executive Manager – Neighbourhoods be authorised to negotiate the final details of the license agreement with Nottingham City Council.
- c) The payment of the workplace parking levy for staff affected by the move be approved.
- d) Streetwise Environmental Ltd remain on the Abbey Road Site until October 2019 in order to support their endeavours to find an alternative site of which an outcome will be reported back to Cabinet.
- e) The Council's continued support to Streetwise Environmental Ltd to find an alternative operated base be endorsed.
- f) The cost pressures identified within the report be noted and be included within the Council's Medium Term Financial Strategy.

Reason for decisions

Entering into a licence agreement with Nottingham City Council for use of land and facilities at Eastcroft represents the only viable option currently available for relocation of the whole Recycling2go service. A decision not to move to Eastcroft would compromise making a significant step towards achieving the Corporate strategic task to relocate the Council Depot by March 2020.

The meeting closed at 7.36 am.

CHAIRMAN

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Cabinet

Tuesday, 11 December 2018

Environmental Health and Trading Standards Primary Authority and Assured Business Advice Collaboration

Non Key Decision No. 33

Report of the Executive Manager – Neighbourhoods

Portfolio Holder for Community and Leisure Councillor D Mason

1. Purpose of report

- 1.1. The Government has a scheme whereby businesses can enter into a Primary Authority Partnership (PAP) with a local authority. This relationship involves the provision of assured advice to assist the way in which business comply with legislation. PAPs are especially attractive for businesses that trade across multiple local authority areas as the PAP creates a single point of contact.
- 1.2. Both the Council through its Environmental Health service and Nottinghamshire County Council through Trading Standards have a number of PAPs and there is an opportunity to respond to the needs of business and collaborate via a memorandum of understanding to offer a seamless 'one stop shop' for assured advice and other associated business advice to current and future PAPs.
- 1.3. The purpose of this report is to seek approval from Cabinet to form a collaborative partnership with Nottinghamshire County Council Trading Standards, in accordance with a memorandum of understanding, to offer PAP's to businesses both regionally and nationally.

2. Recommendation

It is RECOMMENDED that Cabinet

- a) Approves the principle of working in collaboration with Nottinghamshire County Council Trading Standards to deliver Primary Authority Partnerships and associated business advice, and
- b) The Executive Manager for Neighbourhoods have delegated authority to finalise and sign a Memorandum of Understanding which will capture the operational arrangements for the collaboration.

3. Reasons for Recommendation

- 3.1. There is an opportunity for the Council to maximise its PAP offer by working in collaboration with Nottinghamshire County Council Trading Standards which will create a seamless one stop shop for businesses to receive high quality assured advice on regulatory compliance.
- 3.2. In order to formalise the relationship this will be delivered through an agreed memorandum of understanding.

4. Supporting Information

- 4.1. The national approach to regulatory activity continues to develop so that it is increasingly defined less by a set number of inspections and more according to collaboration between regulators and regulated communities.
- 4.2. Where appropriate regulatory compliance systems are in place the Council recognises that businesses should be entitled to recognition of this and that assessments of risk and regulatory oversight should be adjusted accordingly. It is important that businesses are entitled to earn this recognition provided that they demonstrate an ongoing achievement of high standards of compliance but without prejudice to the ability of local authorities to use the law to address serious cases of non-compliance when necessary.
- 4.3. The PAP scheme, established by the Regulatory Enforcement and Sanctions Act 2008, allows businesses to form a partnership on a statutory basis with a local authority. The scheme allows businesses to access assured advice on compliance, that must be respected by local authorities, thus addressing business concerns about consistency and giving them confidence in regulatory functions. It additionally permits the co-ordination of UK-wide proactive inspection activities, thereby improving the effectiveness of local activities and reducing duplication of effort.
- 4.4. PAPs are a key element of the Government's commitment to improve the delivery of regulation in line with the statutory principles of good regulation. The Council's delivery of the PAP scheme demonstrates our willingness to work constructively with businesses to improve compliance. In 2013, the scope of the Primary Authority principle was extended by The Enterprise and Regulatory Reform Act 2013 to businesses having a shared approach to compliance (commonly through a body such as a trade association) who can now enter into what are known as co-ordinated partnerships with a Primary Authority. The added value of a Co-ordinated Partnership is that it allows many businesses who may not be eligible for a direct partnership (particularly small businesses) to join together to benefit from a PAP. Therefore, there is a real opportunity to actively explore this additional ability to forge relationships with organisations as well as individual companies.
- 4.5. In addition to the clear benefits of supporting businesses to successfully grow which links to the Council's priority of delivering economic prosperity, the development of PAP's has a further and direct benefit to the Council by

making a contribution to the fixed overheads of statutory services such as environmental health and supporting staff development through the need to maintain competencies in key business sectors.

4.6. Both the Council and Nottinghamshire County Council have a strong track record in developing successful PAPs in the county and beyond with collectively over 40 such partnerships including national household names such as Boots and Jury's Inn. In terms of the Boots PAP there is already a good working relationship with Nottinghamshire County Council Trading Standards and Nott's Fire and Rescue. However, from discussions with businesses, the Office of Product Safety and Standards, and best practice from elsewhere in the country it clearly demonstrates that businesses prefer a seamless, one-stop shop that offers a comprehensive suite of regulatory advice covering product safety, labelling, food safety, health and safety and other business compliance advice. Therefore, the formation of a collaborative partnership with Nottinghamshire County Council will allow the collective partnership to maximise its PAP offer to both local and national businesses.

4.7. In order to manage the future collaboration a memorandum of understanding will be required which will be based around the following principles:

- Maximise existing primary authority partnerships and advice provision in accordance with legislative provision, guidelines and best practice, ensuring a high quality, responsive service to PAP businesses and local regulators
- Identify, secure and successfully develop new PAP's and advice provision, including inspection plans where relevant, ensuring information about new partnerships is promptly communicated in line with established national guidance and sufficient time is allocated to establish and grow each new business agreement
- Maintain shared records of interactions and chargeable time to enable accurate charging, ensuring businesses are invoiced on time
- Develop and promote both Council's approach to the primary authority and business growth agendas by fostering and maintaining a good working relationships with national regulators, government departments and stakeholders.
- Identify, create and offer traded services to organisations, businesses and individuals including existing PAP's resulting in beneficial outcomes to those that procure the services and income generation
- Have regard to the guidance issued by the Secretary of State on the delivery of the PAP scheme which requires that
 - suitable staffing resource is available to support partnerships
 - ensuring that staff have the required technical skills and knowledge and are competent in the delivery of primary authority services
 - arrangements are in place to effectively manage and deliver partnerships
 - maintaining transparency, accountability and compliance with relevant legislation such as GDPR

- Adoption of a full cost recovery approach for PAP related advice (with regard to the guidance issued by HM Treasury in Managing Public Money). In doing so clear and transparent information explaining charges, and the basis on which they are calculated, will be provided prior to each PAP being agreed. Services for which the PAP partners are likely to be charged for include;
 - establishing partnership arrangements
 - familiarising primary authority staff with the business
 - raising awareness and understanding of the partnership amongst enforcing authorities
 - developing, providing and reviewing PAP advice
 - developing, managing and evaluating an inspection plan
 - responding to queries and notifications from enforcing authorities
 - collating and analysing data and other information
 - training staff of the business
 - conducting audits or other checks on compliance at the request of the business
- Where formal business advice is offered outside a formal PAP scheme the collaboration partners reserve the right to make appropriate charges for such advice.

4.8. Subject to Cabinet approval and support from the relevant Committee of the County Council the next steps will be to finalise the memorandum of understanding with a view to actively marketing the new collaborative service early in 2019.

5. Alternative options considered and reasons for rejection

5.1. The Council could continue to maintain and develop single discipline PAP's however it is likely that these will remain of limited interest to businesses and therefore it could stifle the opportunity for the Council to grow its existing PAP portfolio. The recommendation that the Council works in collaboration with Nottinghamshire County Council Trading Standards to create a stronger platform for growth by providing businesses with what they want develops existing and new arrangements for the future.

6. Risks and Uncertainties

6.1. Notwithstanding a PAP, a business may ultimately still be the subject of enforcement action including a prosecution for more serious breaches. A defence could be raised by the business that they were acting in compliance with advice received from the primary authority which may create a reputational risk for the Council and potential conflict. However each decision to prosecute is looked at upon its individual facts and any decision to prosecute is determined in the light of the CPS Code of Guidance for Prosecutors.

6.2. The resources required to operate an effective partnership or group of partnerships will vary, depending on the scope of the partnership, and the

scale of its activities. However due to the full cost recovery principle and the opportunity to generate additional income from traded services outside of PAP sufficient resources will be maintained to ensure that the Council's existing statutory functions e.g. food hygiene inspections will continue to be delivered in accordance with the annual food law enforcement plan.

7. Implications

Financial Implications

7.1.1. Adoption of a Full Cost Recovery model will enable the council to recover any costs associated with provision of the service as well as making a contribution to the fixed costs attributable to the Environmental Health team.

Legal Implications

7.1.2. The Regulatory Enforcement and Sanctions Act 2008 was enacted to support a consistent and seamless approach to regulation. The proposal outlined in this report is therefore in accordance with legislation.

7.1.3. The Local Government Act 2003 widened Local Authority charging powers to support charging for discretionary services. Charging for services as outlined therefore supports the statutory requirements to carry out inspections whilst supporting the Councils approach to commercialism.

7.1.4. As outlined in this report, there is a potential argument that a conflict exists should it be necessary to prosecute. However, the merits of enforcement action (including prosecution) will be considered on the facts of the individual case and in accordance with each Councils enforcement policy and the CPS code of guidance.

Equalities Implications

7.1.5. A full equality impact assessment is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010.

Section 17 of the Crime and Disorder Act 1998 Implications

7.1.6. The recommendations of this report have no direct implications on community safety matters.

Other implications

7.1.7. None.

8. Link to Corporate Priorities

The recommendations of this report and the development of this collaboration will contribute to the Corporate Strategy key themes of:

- Delivering economic growth to ensure a sustainable, prosperous and thriving local economy – *by supporting business compliance and growth*
- Maintaining and enhancing our residents' quality of life – *businesses that are compliant with regulatory requirements will provide greater assurance and bring a range of benefits to employee's, visitors and consumers*
- Transforming the Council to enable the delivery of efficient high quality services – *the development of this collaboration will enhance the opportunity for full service cost recovery and income generation*

9. Recommendations

It is RECOMMENDED that Cabinet

- a) Approves the principle of working in collaboration with Nottinghamshire County Council Trading Standards to deliver Primary Authority Partnerships and associated business advice, and
- b) The Executive Manager for Neighbourhoods have delegated authority to finalise and sign a Memorandum of Understanding which will capture the operational arrangements for the collaboration.

For more information contact:	David Banks Executive Manager – Neighbourhoods 0115 9148438 dbanks@rushcliffe.gov.uk
Background papers available for Inspection:	None.
List of appendices:	None.



Cabinet

Tuesday, 11 December 2018

Revenue and Capital Budget Monitoring – Q2 2018/19

Non Key Decision No. 34

Report of the Executive Manager – Finance and Corporate Services

1. Purpose of report

- 1.1. This report presents the budget position for revenue and capital as at 30 September 2018 along with the appropriate recommendations. The report was considered by the Corporate Governance Group (29 November 2018) with no significant issues raised. 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.
- 1.2. Overall, the financial position is relatively stable with little change since the last report. There are revenue efficiencies and additional grant income of £53k offset by a slightly worse than anticipated business rates position of £133k. The net position of an £80k adverse variance represents a 0.8% variation against the net expenditure budget, in essence a broadly balanced budget position. Positively, £1.17m is expected to be transferred to reserves, so the Council can meet the significant financial challenges and risks going forward.
- 1.3. The capital programme shows a planned underspend of £12.064m due to reasons such as a 'slow down' in asset investment (with there being much property market risk) and the delay in the Depot operations relocating from Abbey Road.

2. Recommendation

- 2.1 It is RECOMMENDED that Cabinet note:
 - a) the projected revenue position for the year with a minor 0.8% variation (£80k) in the revenue position; and
 - b) the capital underspend of £12.064m as a result of capital scheme re-phasing and projected savings.

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 Evidence

Revenue Monitoring

- 4.1 The revenue monitoring statement by service area is attached at **Appendix A** with detailed variance analysis as at 30 September 2018 attached at **Appendix B**. This shows projected net overspend for the year to date of £20k and additional funding of £73k from compensation for Small Business Rates Relief (SBRR) threshold changes and Individual Electoral Registration (IER) grant, more than offset by the reduction in the collection fund surplus against the budgeted position (£133k) due to business rates variation. The overall £80k variation represents 0.8% against the net expenditure budget and we currently anticipate £1.17m to be transferred to reserves, to meet, in particular business rates risk going forward (see paragraph 5.3). This position is likely to change throughout the remainder of the year as managers continue to drive cost savings, and raise income, against existing budgets.
- 4.2 **Appendix A** includes a Minimum Revenue Provision (MRP) of £1m. This is a provision that the Council is required to make each year to cover the internal borrowing costs for the Arena which will be funded by the New Homes Bonus.
- 4.3 As documented at **Appendix B**, the financial position to date reflects a number of positive variances totalling £596k including additional income from planning applications, the Garden Waste Scheme and salary savings. There are several adverse variances totalling £616k including Planning public inquiries, the rising costs of diesel, and an increase in the Streetwise Contract (mainly due to flytipping), and the slowing of asset investments as the Council continues to review its position in light of a volatile property market.

Capital Monitoring

- 4.4 The updated Capital Programme monitoring statement as at 30 September 2018 is attached at **Appendix C**. This provides further details about the progress of the schemes, any necessary re-phasing and highlights savings of £10.252m. A summary of the projected outturn and funding position is shown in the table below:

CAPITAL PROGRAMME MONITORING - SEPTEMBER 2018			
EXPENDITURE SUMMARY	Current Budget	Projected Actual	Projected Variance
	£000	£000	£000
Transformation	9,483	6,548	(2,935)
Neighbourhoods	2,994	2,943	(51)
Communities	864	899	35
Finance & Corporate Services	11,271	2,158	(9,113)
Contingency	87	87	-
	24,699	12,635	(12,064)

FINANCING ANALYSIS			
Capital Receipts	(14,078)	(6,659)	7,419
Government Grants	(1,026)	(1,026)	-
Other Grants/Contributions	(1,966)	(1,966)	-
Use of Reserves	(600)	(600)	-
Internal Borrowing	(7,030)	(2,384)	4,646
	(24,699)	(12,635)	12,064
NET EXPENDITURE	-	-	-

4.5 The original Capital Programme of £11.91m has been supplemented by a net brought forward and in-year adjustments of £12.79m giving a revised total of £24.70m. The net efficiency position of £12.064m is due to the delay in the Depot operations relocating, and a slow down with regards to Asset Investments. This has a corresponding impact on the funding required during the year.

4.6 **Conclusion**

The overall financial position for both revenue and capital is overall positive. It should be noted that opportunities and challenges can arise during the year which may impact on the projected year-end position. There remain external financial pressures from developing issues such as business rates retention, the fair funding review, and continued uncertainty surrounding BREXIT. Against such a background, it is imperative that the Council continues to keep a tight control over its expenditure, identifies any impact from changing 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 Councillors and the Council's external auditors.

5.2 Areas such as income can be volatile responding 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 dependent on factors such as business and housing growth.

5.3 Business rates is subject to specific risk given the volatile nature of the taxbase with a small number of properties accounting for a disproportionate amount of tax revenue, notably in Rushcliffe Ratcliffe-on-Soar power station. Furthermore, changes in central government policy influences business rates received and their timing, for example policy changes on small business rates relief.

5.4 The Council needs to be properly insulated against such risks hence the need to ensure it has a sufficient level of reserves, as well as having the ability to use such reserves to support projects where there is ‘upside risk’.

6 Implications

6.1 Financial Implications

Financial implications are covered in the body of the report.

6.2 Legal Implications

None

6.3 Equalities Implications

None

6.4 Other Implications

None

6.5 Link to Corporate Priorities

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

7. Recommendation

7.1 It is RECOMMENDED that Cabinet note:

- a) the projected revenue position for the year with a minor 0.7% variance (£80k) in the revenue position; and
- b) the capital underspend of £12.064m as a result of capital scheme re-phasing and projected savings.

For more information contact:	Peter Linfield Executive Manager – Finance and Corporate Services 0115 914 8439 plinfield@rushcliffe.gov.uk
Background papers Available for Inspection:	Council 8 March 2018 – 2018-19 Budget and Financial Strategy Cabinet 12 June 2018 – Revenue and Capital Budget Monitoring Outturn 2017-18
List of appendices (if any):	Appendix A – Revenue Outturn Position 2018/19 – September 2018 Appendix B – Revenue Variance Explanations Appendix C – Capital Programme 2018/19 – September 2018 Position

Revenue Outturn Position 2018/19 – September 2018

	Period 6			
	Original Budget £'000	Revised Budget £'000	Projected Actual £'000	Variance £'000
Communities	1,103	1,306	1,261	-45
Finance & Corporate Services	3,470	3,391	3,344	-47
Neighbourhoods	4,611	4,713	4,707	-6
Transformation	2,501	2,798	2,916	118
Sub Total	11,686	12,208	12,228	20
Capital Accounting Reversals	-2,234	-2,234	-2,234	0
Minimum Revenue Provision	1,000	1,000	1,000	0
Total Net Service Expenditure	10,452	10,974	10,994	20
Grant Income (including New Homes Bonus & RSG)	-1,632	-1,632	-1,705	-73
Business Rates (including SBRR)	-2,990	-2,990	-2,990	0
Council Tax	-6,346	-6,346	-6,346	0
Collection Fund Surplus	-1,389	-1,389	-1,256	133
Total Funding	-12,357	-12,357	-12,297	60
Surplus (-)/Deficit on Revenue Budget	-1,905	-1,383	-1,303	80
Capital Expenditure financed from reserves	129	129	129	0
Net Transfer to (-)/from Reserves	-1,776	-1,254	-1,174	80

Revenue Variance Explanations (over £15k)

ADVERSE VARIANCES in excess of £15,000	Projected
	Outturn
	Variance
	£'000
Communities	
Planning - Legal costs from Public Enquiries	30
Finance & Corporate Services	
Performance & Reputation - Printing of lamp post banners and local plan documents. Delivery of Spring Rushcliffe Report in April which were budgeted for in 2017/18	17
Finance - additional staffing costs (covered by vacant posts)	41
Neighbourhoods	
Homelessness - more single priority need homeless cases	15
Streetwise - Additional items in the prime contract – mostly increases in Fly Tipping	37
Fleet & Garage - Diesel price increase	42
Waste & Fleet Holding Account - Overtime to cover increase in volume of green waste service	16
Leisure Management - Electricity costs of the Arena	18
Car Parks - Equipment at Bunny Lane and increase to maintenance contracts	35
Transformation	
IT Services - agency costs for staff vacancies	20
Investment Properties - Asset Investment, hold on investments	142
Property Services - Staffing to meet increased demand from asset investments	30
Human resources - Occupational health counselling for better staff wellbeing	20
Sum of Minor Adverse Variances	153

Total Adverse Variances**616**

FAVOURABLE VARIANCES in excess of £15,000	Projected
	Outturn
	Variance
	£'000
Communities	
Planning Income – fee increase and increased housing development	-75
Finance	
Investment Income - hold on funding Asset Investment Strategy, therefore greater balances being invested	-45
Corporate Governance Service Manager - Vacant post - salary saving	-50
Housing Benefits Admin - Government grants received in excess of budget to cover Universal Credit changes	-22
Neighbourhoods	
Waste Collection and Recycling - Green waste income above target	-36
Leisure Centres - contract payments reduced due to VAT savings on charitable status	-39
Pest Control - more call-outs / demand	-13
Repaid Disabled Facilities Grants	-18
Car Parks - additional income	-43
Transformation	
Economic Development – ERDF Digital Growth Our contribution for digital growth programme was £50k but reduced due to level of support given - workshops business advice etc over the D2N2 area	-17
Investment Properties - additional rental income from Finch Close and Co-op	-36
Sum of Minor Favourable Variances	-202
Total Favourable Variances	-596
TOTAL VARIANCE	20

Capital Programme 2018/19 – September 2018 Position

CAPITAL PROGRAMME MONITORING - SEPTEMBER 2018							Explanation
	Original	Current	Budget	Actual	Projected		
	Budget	Budget	YTD	YTD	Actual	Variance	
		£000	£000	£000	£000	£'000	
TRANSFORMATION							
Cotgrave Regeneration & MSC	-	3,188	1,521	1,131	2,688	(500)	Works have started on site but there has been some slippage. £0.5m to be slipped into 2019-20
Cotgrave Phase 2	-	387	-	3	387	-	As agreed by Cabinet 12 June 2018
Bingham Land off Chapel Lane	438	645	219	8	645	-	Land acquisition completed in 2017-18. Remediation costs still to be incurred.
Manvers Business Park	100	100	-	-	100	-	Roof refurbishment work needed
Property Heating Upgrades		180	-	6	180	-	One provision created to commission priority works more efficiently
The Point	-	19	-	-	19	-	Specification currently being drawn up for works

CAPITAL PROGRAMME MONITORING - SEPTEMBER 2018

	Original	Current	Budget	Actual	Projected		Explanation
	Budget	Budget	YTD	YTD	Actual	Variance	
		£000	£000	£000	£000	£'000	
							to underground carpark lighting
Arena Car Park Enhancements	-	562	233	225	562	-	Work completed
Colliers Way Industrial Units	-	20	-	-	20	-	Interdependent with Barratt's housing development
New Depot	2,500	2,485	-	6	150	(2,335)	Options currently being assessed, projected actual for professional costs
RCCC Enhancements	-	100	-	-	-	(100)	Works on hold
Finch Close	-	50	50	37	50	-	Fees on the acquisition
Trent Boulevard	-	1,450	1,450	1,445	1,450	-	Acquisition and professional fees
Information Systems Strategy	130	297	149	100	297	-	-
	3,168	9,483	3,621	2,962	6,548	(2,935)	
NEIGHBOURHOODS							
Wheeled Bins	80	80	20	18	80	-	Budget to be fully spent by year end
Vehicle Replacement	200	200	167	167	179	(21)	Refuse freighter purchased, Facilities van

CAPITAL PROGRAMME MONITORING - SEPTEMBER 2018

	Original	Current	Budget	Actual	Projected		Explanation
	Budget	Budget	YTD	YTD	Actual	Variance	
		£000	£000	£000	£000	£'000	
							to be ordered
Support for Registered Housing Providers	250	1,146	-	-	1,146	-	£896k brought forward from 2017-18, no commitments at this stage, some schemes being scoped
Hound Lodge – Heating	40	-	-	-	-	-	Provision moved to Property Heating Upgrades
Assistive Technology	13	12	6	-	12	-	Agreed Better Care Fund (BCF) allocation
Discretionary Top Ups	57	57	29	4	57	-	Agreed BCF allocation
Disabled Facilities Grants	447	465	233	230	465	-	Agreed BCF allocation
Arena Enhancements	-	140	-	-	140		For identified capital works post completion of the new build
Car Park Resurfacing	220	220	-	-	220	-	West Bridgford Car Parks
Car Park Improvements - Lighting West Park	-	50	-	-	50	-	-
WB Car Park Improvements – Lighting	110	110	-	-	110	-	-
Bowls Floor & Carpet	-	65	60	58	65	-	As agreed by Cabinet 12 June 2018

CAPITAL PROGRAMME MONITORING - SEPTEMBER 2018

	Original	Current	Budget	Actual	Projected		Explanation
	Budget	Budget	YTD	YTD	Actual	Variance	
		£000	£000	£000	£000	£'000	
KLC Dry Change	30	30	-	-		(30)	Scheme slipped to 2019-20
KLC Filter Replacement	30	30	-	-	30	-	-
BLC Improvements	159	267	-	-	267	-	The schedule of works is being drawn up
CLC Pool Handling Ventilation System	100	100	-	-	100	-	-
EGC Fire Alarm System		13	-	-	13	-	Allocation from Contingency
EGC Upgrade Facilities	-	9	5	2	9	-	Improvements largely complete, electrics work still to do
	1,736	2,994	519	479	2,943	(51)	
COMMUNITIES							
Capital Grant Funding	48	94	47	9	94	-	Outstanding commitments from 2017-18 £23k, £65k available for future allocation
Play Areas - Special Expense	50	90	-	-	90	-	£60k for The Hook Skateboard Park
The Hook Skatepark	-	210	-	-	210	-	£100k Skateboard funding secured and £50k Sport England Grant.

CAPITAL PROGRAMME MONITORING - SEPTEMBER 2018

	Original	Current	Budget	Actual	Projected		Explanation
	Budget	Budget	YTD	YTD	Actual	Variance	
		£000	£000	£000	£000	£'000	
West Park Fencing and Drainage	-	11	-	-	11	-	Fencing element complete, drainage work to be commissioned
West Park Car Park Lighting	-	25	-	-	25	-	-
West Park Public Toilet Upgrade	20	20	-	3	20	-	-
West Park Sports Pavilion	40	-	-	-	-	-	Provision moved to Property Heating Upgrades
West Park Julien Cahn Pavilion	40	40	-	-	40	-	Works to be scoped with general Car Park lighting scheme
RCP - Car Park	-	45	41	37	45	-	Works started at the end of the last financial year.
Gresham Pavilion	35	-			-	-	Provision moved to Property Heating Upgrades
Lutterell Hall	35	-			-	-	Provision moved to Property Heating Upgrades
Skateboard Parks	250	250	13	-	285	35	Grant awards to date are £125k Radcliffe on Trent Parish Council, £100k RBC The Hook (as

CAPITAL PROGRAMME MONITORING - SEPTEMBER 2018

	Original	Current	Budget	Actual	Projected		Explanation
	Budget	Budget	YTD	YTD	Actual	Variance	
		£000	£000	£000	£000	£'000	
							above), £60k East Leake Parish Council. Budget Acceleration from 2019-20
Arena Public Art	-	25	-	-	25	-	
Gamston Community Centre – Heating	30	-	-	-	-	-	Provision moved to Property Heating Upgrades
Warm Homes on Prescription	54	54	27	15	54	-	Agreed BCF allocation
	602	864	128	64	899	35	
FINANCE & CORPORATE SERVICES							
NCCC Loan	-	822	-	-	-	(822)	No further tranches of loan to be released, balance to be carried forward to 2019/20
Asset Investment Strategy	6,300	10,449	-	-	2,158	(8,291)	Projected actual covers: 2 acquisitions in the pipeline and staff costs. £8.290m of the underspend is earmarked for 4 schemes included in the provisional capital programme for 19/20 and this sum can be taken out of the 18/19

CAPITAL PROGRAMME MONITORING - SEPTEMBER 2018

	Original	Current	Budget	Actual	Projected		Explanation
	Budget	Budget	YTD	YTD	Actual	Variance	
		£000	£000	£000	£000	£'000	
							programme.
	6,300	11,271			2,158	(9,113)	
CONTINGENCY							
Contingency	100	87	-	-	87	-	Allocation made for Fire Alarm System at EGC
	100	87			87		
TOTAL	11,906	24,699	4,267	3,505	12,635	(12,064)	

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