



22 November 2017

Dear Sir/Madam

A meeting of the Finance and Resources Committee will be held on Thursday 30 November 2017 in the New Council Chamber, Town Hall, Beeston commencing at 7.00pm.

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

Yours faithfully

Chief Executive

To Councillors:	S A Bagshaw	P Lally
	T P Brindley (Vice Chair)	G Marshall
	S J Carr	P J Owen
	E Cubley	P D Simpson (Chair)
	S Easom	A W G A Stockwell

AGENDA

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

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

3. MINUTES

PAGES 1 - 6

The Committee is asked to confirm as a correct record the minutes of the meeting held on 12 October 2017.

4. PERFORMANCE MANAGEMENT – REVIEW OF BUSINESS PLAN PROGRESS – SUPPORT SERVICE AREAS PAGES 7 - 20

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

5. TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS 2017/18 – MID YEAR REPORT TO 30 SEPTEMBER 2017 PAGES 21 - 35

To inform the Committee of treasury management activity and the actual prudential indicators for 2017/18 up to 30 September 2017.

6. GENERAL FUND REVENUE BUDGET AMENDMENTS 2017/2018 PAGE 36

To seek approval for a number of amendments to the General Fund revenue budget for 2017/18.

7. CAPITAL PROGRAMME 2017/18 UPDATE PAGES 37 - 44

To report upon capital expenditure incurred in 2017/18 up to 31 October 2017 along with the planned financing of the 2017/18 capital programme and to seek approval for a number of capital budget variations in the current financial year.

8. BROADGATE PARK – PLAY AREA REFURBISHMENT PAGE 45

To advise the Committee of success in receiving external funding towards the cost of refurbishing the play area at Broadgate Park and to approve the allocation of Council resources towards the proposed scheme.

9. SECTION 106 FUNDS PAGES 46 - 48

To provide the Committee with details of section 106 funds that are presently available and their intended use.

10. GRANT AID TO PARISH/TOWN COUNCILS
AND BEESTON SPECIAL EXPENSES AREA
REGARDING THE LOCAL COUNCIL TAX
SUPPORT SCHEME PAGES 49 - 51

To consider and approve the level of any grant aid to be paid to each of the parish and town councils and to the Beeston Special Expenses Area as a consequence of the methodology introduced to account for the Local Council Tax Support Scheme.

11. ATTENDANCE MANAGEMENT PAGES 52 - 54

To provide members with a progress update in relation to the analysis of absence in line with the Council's values of valuing employees.

12. CIVIC EVENT – FREEMAN/ALDERMAN
OF THE BOROUGH PAGES 55 - 56

To seek approval to host a ceremony where the status of Freeman or Alderman is conferred on those who have rendered eminent services to the Borough

13. WORK PROGRAMME PAGE 57

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

14. EXCLUSION OF PUBLIC AND PRESS

The Committee is asked to RESOLVE that, under Section 100A of the Local Government Act, 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1 and 2 of Schedule 12A of the Act.

15. EMPLOYMENT MATTERS PAGE 58

FINANCE AND RESOURCES COMMITTEE

12 OCTOBER 2017

Present: Councillor P D Simpson, Chair

Councillors: S J Carr
E Cubley
S Easom
D A Elliott
R Jackson
P Lally
G Marshall
P J Owen
J M Owen (substitute)
J C Patrick (substitute)
A W G A Stockwell

Apologies for absence were received from Councillors S A Bagshaw, T P Brindley and M Radulovic MBE.

15. DECLARATIONS OF INTEREST

Councillor E Cubley declared a non pecuniary interest in item 7 as he is a member of Greasley Parish Council. Councillors J M and P J Owen declared a non pecuniary interest in item 7 as they are members of Nuthall Parish Council.

16. MINUTES

The minutes of the meeting held on 13 July 2017 were confirmed and signed.

17. REFERENCES

17.1 Housing Committee 20 September 2017 FUTURE OF THE RETIREMENT LIVING SCHEME

The Committee considered the proposal that an options study be commissioned to identify how to develop a more robust service for tenants and staff.

RESOLVED that a sum of £20,000 be allocated from HRA reserves to fund an Options study for the future of the Retirement Living Service.

17.2 Housing Committee
20 September 2017
WARM HOMES ON PRESCRIPTION SCHEME

The Committee was informed of the proposed Warm Homes on Prescription Scheme. It was proposed that a capital budget could be established for the scheme utilising £20,000 from the 2017/18 Disabilities Facilities Grants budget along with an unspent £46,500 from the 2016/17 Disabled Facilities Grants budget for assistive technology.

RESOLVED that a budget of £66,500 be allocated to the scheme in the 2017/18 capital programme to be funded from the Better Care Fund.

18. PERFORMANCE MANAGEMENT – REVIEW OF BUSINESS PLAN
PROGRESS – SUPPORT SERVICE AREAS

The Committee noted key performance indicators for support service areas. There was particular concern at the number of working days lost to staff sickness and a full report to the Committee on this matter was requested.

Comments were made on data pertaining to Freedom of Information and complaints requests. Further information was requested on the number of Freedom of Information requests dealt with in Q2 in the last two years. It was also asked why the Authority was failing to acknowledge 100% of complaints within three days of them being made. It was noted that these were acknowledged by Heads of Service and reported to Governance, Audit and Standards Committee.

It was also considered that the introduction of electronic payroll forms should include members' travel expenses. The competency framework was discussed as the due date had been revised. It was noted that the framework was a formal name for a system of appraising staff. All performance appraisals would have to be completed by March 2018.

It was noted that there were a number of projects running behind schedule, for example the implementation of the Committee Management System.

A discussion followed about the implementation of Universal Credit. Broxtowe was due to make the transition to Universal Credit in July 2018 and the Committee was informed that the recent transition of Erewash had been an opportunity to learn about the practicalities of the process. It was noted that the Housing restructure had included the creation of two Financial Inclusion Officer roles and that the discretionary housing assistance budget would be increased. Preparations for transition had also included the creation of a list of agencies such as charities and food banks.

It was noted that there had been a significant drop in rents collection in the first quarter. However, collection rates were now back up to 95%. It was

noted that Counter Fraud activities were now being undertaken as part of the shared services agreement with Erewash.

Concern was voiced about the call abandonment rate and members reflected on personal experiences about not being able to get through to Council extensions, particularly at Kimberley Depot, and it was requested that a report be brought back to the Committee.

RESOLVED that reports be submitted to a future meeting of the Committee on sickness levels and call abandonment rates.

19. CAPITAL PROGRAMME 2017/18 UPDATE

The Committee noted expenditure incurred on capital schemes up to 31 August 2017 and the planned financing of the 2017/18 programme. The Committee was informed that schemes totalling £718,400 were on the reserve list and would be brought forward for approval when a source of funding was identified. There were also a number of changes to the programme for example, the withdrawal of the Department of Work and Pensions from a scheme which would have seen them move in to the Council Offices in Beeston.

Discussion progressed on to the Disabled Facilities Grant, only 14% of which had been spent. It was noted that a greater amount of money was coming through the Better Care Fund for adaptations and that the Council had done all of the statutory and many discretionary adaptations using this funding. In spite of this on 14% had been spent. £20,000 was being redirected from this funding stream to the Warm Homes on Prescription scheme as approved by the Committee, minute no. 17 refers.

It was noted that the report stated "Policy and Performance Committee on 4 July agreed to establish a project team to oversee the move of staff and facilities from the Town Hall to the Council Offices in Beeston to enable the Town Hall to be redeveloped." The Committee formally objected to the wording as it seemed to predetermine that the Town Hall would be sold when the matter was still under consultation.

It was noted that the assistive solutions lending scheme had not proceeded because the business case had not been strong enough.

The implementation of video conferencing at Kimberley Depot was discussed, with particular reference to the possibility of using free video conferencing services. It was asked that the item be deferred so that a business case and technical appraisal could be prepared.

The funding allocated to the Walker Street, Eastwood transport feasibility study was discussed. It was noted that the £20,000 for the scheme would be met in full by funding from a bid placed by Broxtowe Borough Council on behalf of Nottinghamshire County Council.

RESOLVED that the capital budget variations for 2017/18 be approved with the exception of £6,000 for the implementation of video conferencing at Kimberley Depot, which was deferred for further consideration.

20. GRANT AID REQUESTS FROM PARISH COUNCILS

The Committee considered requests for grant assistance from Nuthall and Greasley Parish Councils.

Consideration was given to the reserves of each of the parish councils and it was noted that Greasley Parish Council was obliged to have large reserves because it operated a leisure centre.

It was noted that Nuthall Parish Council's request related to the upkeep of the cemetery, a function that the Borough Council would have a statutory obligation to take over should the Parish Council become unable or unwilling to do so.

It was suggested that grant aid requests from parish councils should move to a system like the one for grant aid requests from organisations and individuals where they are considered twice a year.

RESOLVED that:

1. **£1,000 be awarded to Greasley Parish Council for their Christmas lights switch-on event.**
2. **£3,395 be awarded to Nuthall Parish Council to reimburse them for the net cost of the operation of the cemetery.**
3. **grant aid requests from parish councils be submitted to the Committee twice a year in future.**
4. **a statement on the parish councils' financial position be included in future reports.**

21. SECTION 106 ITPS ALLOCATIONS

The Committee considered an update on the outstanding Integrated Transport (ITPS) Schemes approved by Cabinet on 15 March 2016. An additional scheme was proposed to undertake improvements to the access to platform 2 at Beeston railway station.

RESOLVED that £5,000 be awarded from ITPS funding to improve access to platform 2 at Beeston railway station.

22. BUDGET TIMETABLE AND BUDGET CONSULTATION 2018/19

The Committee was informed of the budget timetable and consultation process. It was noted that the consultation survey had been published on the Council's website before the meeting and approved by the Committee.

A proposal was put to the meeting by Councillor G Marshall and seconded by Councillor D A Elliott that the consultation be retrospectively altered to include an additional option of using reserves as a means of balancing the budget. It was noted, however, that around 300 responses had already been received. On being put to the meeting the amendment was lost.

RESOLVED that the budget-setting process for 2018/19 be approved.

23. WORK PROGRAMME

The Committee considered items for inclusion in its future Work Programme.

RESOLVED that the Work Programme be approved.

24. EXCLUSION OF PUBLIC AND PRESS

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

25. BEESTON SQUARE – ANNUAL REPORT 2017

The report was noted.

26. BRAMCOTE LEISURE CENTRE HEALTH SUITE – BUDGET OVERSPEND

RESOLVED that a supplementary capital estimate of £43,000 for the Bramcote Leisure Centre health suite scheme funded from additional borrowing (£40,000) and a contribution from Liberty Leisure (£3,000) be approved.

27. BEESTON SHOPMOBILITY

The report was noted.

28. EMPLOYMENT MATTERS

The Chair had agreed that under S100B(4) of the Local Government Act 1972 the following report be considered on the grounds that the matter needed to be determined urgently for the benefit of the employee and the Council

Following the discussion a recorded vote was requested. The voting was as follows:

<u>For</u>	<u>Against</u>	<u>Abstention</u>
S J Carr		D A Elliott
E Cubley		P Lally
S Easom		G Marshall
R I Jackson		J C Patrick
J M Owen		
P J Owen		
P D Simpson		
AWGA Stockwell		

RESOLVED that the employment contract, as included in the report, be terminated on 13 October 2017 and the related employment contractual payments in paragraph 3 be approved.

Joint report of the Chief Executive, the Interim Deputy Chief Executive and the Interim Strategic Director**PERFORMANCE MANAGEMENT – REVIEW OF BUSINESS PLAN PROGRESS – SUPPORT SERVICE AREAS****1. Purpose of report**

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

2. Background

The Corporate Plan 2016-2020 was approved by Cabinet on 9 February 2016. Business Plans linked to the five corporate priority areas of Housing, Business Growth, Environment, Health and Community Safety are reviewed and refreshed annually. Updated Business Plans for the support service areas of Resources; Revenues, Benefits and Customer Services; and ICT and Business Transformation were also approved by the Finance and Resources Committee on 6 February 2017.

3. Performance management

As part of the Council's performance management framework, each committee receives regular reports during the year which review progress against their respective Business Plans. This will include a detailed annual report where performance management and financial outturns are considered together following the year-end.

This quarterly report is intended to provide this Committee with an overview of progress towards Corporate Plan priorities from the perspective of the Business Plans for the support service areas. It provides a summary of the progress made to date on Critical Success Indicators (CSI), key tasks and priorities for improvement in 2017/18 and the latest data relating to Key Performance Indicators (KPI). A summary for each business plan is detailed in the appendix.

Recommendation

The Committee is asked to NOTE the progress made in achieving the Business Plans for Resources; Revenues, Benefits and Customer Services; and ICT and Business Transformation and the current Key Performance Indicators for 2017/18.

Background papers

Nil

APPENDIX

PERFORMANCE MANAGEMENT

1. Background - Corporate Plan

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

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

2. Business Plans

Business Plans linked to the five corporate priority areas and the support service areas of Resources; Revenues, Benefits and Customer Services; and ICT and Business Transformation were approved by this Committee in February 2017. The support services provide support to the key services to assist them in achieving the priorities and objectives.






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









3. Performance Management

As part of the Council's performance management framework, this Committee receives regular reports of progress against the Business Plans for the support service areas. This report provides the quarterly data relating to Critical Success Indicators (CSI) for each area and a summary of the progress made to date on key tasks and priorities for improvement in 2017/18 (as extracted from the Pentana Performance management system). It also provides the latest data relating to Key Performance Indicators (KPI).

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

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

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


Key Performance Indicator and Trends Key			
	Alert		Improving
	Warning		No Change
	OK		Getting Worse
	Unknown		Data Only








RESOURCES




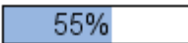

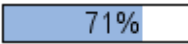

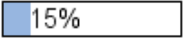



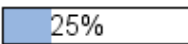


Critical Success Indicators for Resources



Code	Indicator Description	Achieved 2016/17	Target 2017/18	Q2 2017/18	Comments (incl. benchmarking)
BV8	Creditor invoices paid within 30 days of receipt (%)	99.1%	99.0%	99.5%	Target achieved.
BV12	Working Days Lost to Sickness Absence (Rolling Annual Figure)	9.73	7.50	13.01	The high sickness levels are elevated due to an increased number of longer-term absences across the authority. These are being dealt with under the normal procedures – see separate report to the Committee
LALocal_07	Complaints determined by the Local Government/Housing Ombudsman against the Council	6	0	2	Two complaints were referred to the Ombudsman but were found in the Council's favour.
LALocal_12	Freedom of Information requests dealt with within 20 working days	95.25%	100%	94%	In line with ICO guidance a target of 85% of requests sent a response within the appropriate timescales would be acceptable. Currently exceeding the ICO target.

Resources Key Tasks and Priorities for Improvement 2017/18

















Status Icon	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
Finance Services						
	FP1720_02	Participate in a countywide procurement exercise for card processing merchant services (card processing)	Research and source a low cost service for merchant services in accordance with the Council's requirements	<input type="text" value="0%"/>	31-Mar-2018	No progress anticipated until a Procurement Officer is appointed.
Council Property						





























Status Icon	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
	CP1620_01	Pursue tram compensation claim	Pursue tram compensation claim	<div style="width: 25%;"><div style="background-color: #4F81BD; height: 10px;"></div></div> 25%	31-Mar-2018	The Policy and Performance Committee received a report on 21 November 2017.
Council Property (Continued)						
	CP1620_02	Restructure Council Offices reception arrangements at Foster Avenue	Restructure Council Offices reception arrangements at Foster Avenue	<div style="width: 5%;"><div style="background-color: #4F81BD; height: 10px;"></div></div> 5%	30-Sep-2017	This scheme was to have been undertaken in conjunction with the now abandoned co-location with the DWP. It may be undertaken as part of the New Ways of Working project but proposals will be confirmed in due course.
	CP1620_03	Implement the Asset Management Plan 2016-21	Implement the Asset Management Plan 2016-21	<div style="width: 23%;"><div style="background-color: #4F81BD; height: 10px;"></div></div> 23%	31-Mar-2020	Work is ongoing.
Health & Safety						
	H&S1620_02	Completion of 2017/18 Health and Safety Action Plan	Completion of Health and Safety Action Plan	<div style="width: 47%;"><div style="background-color: #4F81BD; height: 10px;"></div></div> 47%	31-Mar-2018	All actions in 2016/17 Health and Safety Action plan were completed by 31 March 2017 and current year's actions are on track to be delivered.
Human Resources						
	HR0912_01	Commence implementation of the competency framework	All managers required to undertake relevant and appropriate training in accordance with new programme	<div style="width: 84%;"><div style="background-color: #4F81BD; height: 10px;"></div></div> 84%	31-Dec-2017	E-learning course on new Performance Appraisals launched February 2017. Seminars organised March-July 2017 to implement Competency Framework.
	HR1417_03	Review of payroll processes to introduce electronic forms	Review of payroll processes to introduce electronic forms	<div style="width: 5%;"><div style="background-color: #4F81BD; height: 10px;"></div></div> 5%	31-Mar-2018	Implementation phase to follow.
	HR1518_01	Member learning and development programme in	Provide comprehensive Member Learning and Development using	<div style="width: 98%;"><div style="background-color: #4F81BD; height: 10px;"></div></div> 98%	30-Mar-2018	Members are advised of new e-learning modules as they are created in Broxtowe

Status Icon	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
		Broxtowe Learning Zone	the Broxtowe Learning Zone			Learning Zone.
	HR1620_01	Review opportunities for shared HR working with other local authorities	Review opportunities for shared HR working with other local authorities		31-Mar-2018	No current opportunities present themselves. However, the section was restructured to save money.
Human Resources (Continued)						
	HR1620_02	Review of People Strategy	Review of People Strategy		30-Dec-2017	A draft 'People Strategy' has been prepared and is being reviewed.
	HR1620_03	Review of Council's apprenticeship programme	Review of Council's apprenticeship programme and the development of a new Apprentice Strategy in preparation of the introduction of Apprenticeship Levy in April 2017		31-Dec-2017	The Apprenticeship Levy is currently under review.
	HR1720_01	Introduce 20 new online Broxtowe Learning opportunities by 2020	Expand the range of opportunities to develop employee skills by adding a further 20 modules to Broxtowe Learning Zone by 2020		31-Mar-2020	In quarter 2 2017/18 two new e-learning modules were introduced.
	HR1720_02	Review the Employee Induction Programme	Ensure staff are equipped with the knowledge they need to perform at a high level		31-Mar-2018	Currently under development – contact being made with other local authorities in relation to training packages.
Legal and Administrative Services						
	DEM1518_01	Implementation of committee management system	Implementation of committee management system		31-May-2018	Business case prepared and procurement imminent.
	DEM1518	Transfer of Land Charges	Transfer of Land Charges function		04-Jun-2019	Discussions on migration of Land Charges

Status Icon	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
	_02	function to Land Registry	to Land Registry			ongoing.
	LA1620_01	Establish legal service partnership with Rushcliffe	Establish legal service partnership with Rushcliffe	<div style="width: 66%;"><div style="background-color: #4f81bd; height: 10px;"></div></div> 66%	30-Nov-2017	The Legal element of the Shared Services will not be continued.
	LA1620_02	Reduce sundry debtors backlog	Reduce sundry debtors backlog	<div style="width: 57%;"><div style="background-color: #4f81bd; height: 10px;"></div></div> 57%	31-Dec-2017	The vacant post has been filled and work is underway to further reduce the backlog.

Resources Key Performance Indicators 2017/18

Status Icon	PI Code & Name	2016/17	Q1 2017/18	Q2 2017/18	Current Target	Short Term Trend	Long Term Trend	Notes
Finance Services								
	FPLocal_01 Percentage of sundry creditors paid by BACS	87.6%	90.0%	89.7%	90%			
	FPLocal_02 Percentage of sundry debtors raised in any one financial year paid in that year	80.5%	75.4%	80.5%	90%			Comparable with previous years at this period.
	FPLocal_03 Percentage of planned audits completed in the year	91.0%	-	-	90%			Data collected annually.
	FPLocal_09 Percentage of invoices paid within 20 days	97.4%	98.2%	98.2%	95%			
Council Property								
	CPLocal_01 % Industrial units vacant for more than 3 months	0.5%	3.3%		5%			



Status Icon	PI Code & Name	2016/17	Q1 2017/18	Q2 2017/18	Current Target	Short Term Trend	Long Term Trend	Notes
	CPLocal_02 Percentage of tenants of industrial units with rent arrears	0.12%	-		3%			Data collected annually.
Human Resources Services								
	BV16a Percentage of Employees with a Disability	7.46%	7.52%	7.62%	10.0%			
	BV17a Ethnic Minority representation in the workforce - employees	7.04%	7.10%	7.16%	7.50%			
	HRLocal_06 Percentage of annual employee turnover	16.31%	2.91%	6.68%	10%			
	HRLocal_07 Percentage of employees qualified to NVQ Level 2 and above	85%	86%	86%	87%			
Legal and Administrative Services								
	LALocal_04 The percentage of complaints acknowledged within 3 working days	82.3%	79%	82.69%	100%			Stage 1 complaints are acknowledged by the respective service departments.
	LALocal_06 Formal Complaints dealt with internally	10	3	5	15			
	LALocal_08 The number of individually registered electors in the borough	84,621	-	-	85,500			2018 register published on 1 December 2017. Revised figure will not be available until that date.
	LALocal_13 The percentage of successful prosecutions in the Magistrates Court	87%	100%	100%	90%			Quarterly data should be achievable.





REVENUES, BENEFITS AND CUSTOMER SERVICES


Critical Success Indicators for Revenues and Benefits

Pentana Code	Indicator Description	Achieved 2016/17	Current Target	Q2 2017/18	Comments (incl. benchmarking)
BV9	Council Tax collected	98.5%	49.6%	57.8%	Performance in this area continues to be in line with the profile. The use of Direct Debit payment method continues to be encouraged.
BV10	Non-domestic Rates collected	98.7%	49.3%	57.1%	Above quarter 2 Target. Overall performance is equivalent to previous years.
BV66a	Housing Rent collected as a proportion of the rent owed	98.3%	99.0%	95.8%	The Council has an Interim Housing Manager who will be working closely with the Head of Revenues and Benefits to target this area and improve rent collection performance.










Revenues and Benefits and Customer Services Key Tasks and Priorities for Improvement 2017/18







Status Icon	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
	RBCS1620_01	Manage the introduction of Universal Credit (UC)	Manage the introduction of Universal Credit (UC)	<div style="width: 50%;"><div style="background-color: #4F81BD; height: 10px; width: 50%;"></div></div> 50%	31-Mar-2020	Universal Credit is scheduled for roll out to Broxtowe residents in July 2018. The Revenues and Benefits and Housing teams have convened a joint welfare reform group that will engage with voluntary agencies that will be directly impacted by UC customers.
	RBCS1620_03	Replace the current CRM system (Meritec)	Replace the current CRM system (Meritec)	<div style="width: 10%;"><div style="background-color: #4F81BD; height: 10px; width: 10%;"></div></div> 10%	30-Apr-2018	Business case awaiting approval from ICT. Current supplier has issued notice that the current application will not be supported from 31 March 2018. Discussions have taken place with users to establish required functionality of any replacement system.

Status Icon	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
Revenues and Benefits (Continued)						
	RBCS1620_04	Introduce a new report scheduling system	Introduce a new report scheduling system	<div style="width: 100%;"><div style="width: 100%; background-color: #ADD8E6;">100%</div></div>	30-Jun-2016	Revenues and Benefits team have evaluated the potential purchase of PTC scheduler from Civica. However, it has been decided to postpone the purchase of this until further information is known of the potential savings that can be made through a joint purchase between Broxtowe and Erewash.
	RBCS1620_05	Widen the use of e-forms	Widen the use of e-forms	<div style="width: 33%;"><div style="width: 33%; background-color: #ADD8E6;">33%</div></div>	30-Sep-2017	The roll out of further e-forms will fall in line with the closer working relationship with Erewash BC in respect of the Shared Services.
	RBCS1620_07	Develop a counter-fraud strategy and function as part of shared service	Develop a counter-fraud strategy and function as part of shared service	<div style="width: 50%;"><div style="width: 50%; background-color: #ADD8E6;">50%</div></div>	31-Dec-2018	A Fraud and Corruption Prevention Policy was approved by Governance, Audit and Standards Committee in March 2017. Internal Audit is taking a more prominent role in leading and co-ordinating anti-fraud and corruption activities (including developing a fraud hub for the Council). Internal Audit will be supported in this by procuring specialist fraud investigation services as required from local partners, including Erewash BC.
	RBCS1620_08	Implement the pre-eviction protocol for rent arrears and the actions arising from the KPMG report	Implement the pre-eviction protocol for rent areas and the actions arising from the KPMG report	<div style="width: 60%;"><div style="width: 60%; background-color: #ADD8E6;">60%</div></div>	30-Apr-2017	A new policy will be presented to the January Housing Committee.

Status Icon	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
Revenues and Benefits (Continued)						
	RBCS1720_01	Develop a greater integrated Revenues and Benefits Department with Erewash BC	Integrated service where the Revenues and Benefits service, between the two Councils, is working together	<div style="border: 1px solid black; width: 50px; height: 15px; background-color: #ccc; display: flex; align-items: center; justify-content: center;">10%</div>	31-Oct-2017	On 3 October 2017 the Policy and Performance Committee approved the investigation of further integration between the two councils. This work will be carried out over the coming months.

Revenues and Benefits and Customer Services Key Performance Indicators 2017/18

Status Icon	PI Code & Short Name	2016/17	Q1 2017/18	Q2 2017/18	Current Target	Short Term Trend	Long Term Trend	Notes
	BV78a Average speed of processing new HB/CTB claims (calendar days)	14.1	13.2	14.2	17.0			Performance in this area remains above target.
	BV78b Average speed of processing changes of circumstances for HB/CTB claims (calendar days)	5.9	7.0	7.3	6.0			Although slightly behind target, this is expected to achieve target by the end of the financial year.
	BV79b(ii) HB overpayments recovered as % of the total amount of HB overpayment debt outstanding	27.82%	16.93%	8.67%	30.0%			The profiling of this indicator has been changed for future quarter returns. The profile now reflects the performance in each quarter rather than an annual target as this was not reflective. Quarter 2 target would have been a target of 10.60% with an actual outturn of 8.67%. This indicator is a challenging target due to the nature of recovering overpayments from those that have been in receipt of Housing Benefit.


Status Icon	PI Code & Short Name	2016/17	Q1 2017/18	Q2 2017/18	Current Target	Short Term Trend	Long Term Trend	Notes
	CSDData_02 Calls Handled	81,809	20,950	20,513	85,000			Data now recorded being quarterly from April 2017.
	CSDData_03a % of calls abandoned of those offered to the Council	21.8	21.2	19.1	15			Data now recorded being quarterly from April 2017.


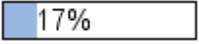




ICT AND BUSINESS TRANSFORMATION

Critical Success Indicators for ICT and Business Transformation







Pentana Code	Indicator Description	Achieved 2016/17	Current Target	Q2 2017/18	Comments (incl. benchmarking)
ITLocal_01	System Availability	98.9%	99.5%	99.3%	
ITLocal_05	Virus Protection	100%	100%	98.9%	Virus Protection was below target but all viruses were blocked with no business impact.

ICT and Business Transformation Key Tasks and Priorities for Improvement 2017/18

Status Icon	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
	IT1718_01	Digital Strategy Implementation	Implementation of the technology and processes required to enable effective integration between front and back office systems on a	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #4f81bd; display: flex; align-items: center; justify-content: center;">50%</div>	31-Mar-2018	Web Content Management system replacement and redesign of intranet completed.

Status Icon	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
			principle of Digital by Default			
	IT1718_14	ICT Security Compliance	PCI-DSS & Government Connect - Maintain compliance with latest Security standards and support annual assessments		31-Dec-2018	Broxtowe Borough Council is compliant with the PSN and PCI-DSS requirements and maintains a strong security posture. The figure shown reflects the resource used against the resource estimated for the year.
	IT1718_20	Open Housing System Upgrade	This project will provide the necessary resource to assist the upgrade of the Capita Open Housing system and implement the Total Mobile working solution		31-Mar-2018	Initial project review complete. Timetable for test system refresh anticipated December 2017. Revised project plan being developed. Configuration employee training and system testing to follow.
ICT and Business Transformation (Continued)						
	IT1718_17	E-Facilities	<p>Purchase and implement the necessary hardware and software to enable the development of the Council's Mobile Working approach and facilities. Will include the initiation of pilot projects to trial available mobile working functions. IN subsequent years to enable the continued development if the Council's e-facilities.</p> <ol style="list-style-type: none"> 1. IDOX Public Access / Consultee Access 2. Housing trial of mobile devices. 		31-Mar-2018	Includes: Civica Icon upgrade E-Store Mobile Oracle upgrade

ICT and Business Transformation Key Performance Indicators 2017/18

Status Icon	PI Code & Short Name	2016/17	Q1 2017/18	Q2 2017/18	Current Target	Short Term Trend	Long Term Trend	Notes
	ITLocal_02 Service Desk Satisfaction	98%	100%	100%	99%			
	ITLocal_04 BBSi Programme Completion	86%	14%	36%	100%			BBSi Portfolio Project Achievement for Transformation Programmes is below target at quarter 2 due to vacant posts being unfilled.

Report of the Deputy Chief Executive

**TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS
2017/18 – MID YEAR REPORT TO 30 SEPTEMBER 2017**1. Purpose of report

To inform the Committee of treasury management activity and the actual prudential indicators for 2017/18 up to 30 September 2017.

2. Detail

Regulations issued under the Local Government Act 2003 require the Council to fulfil the requirements of the Chartered Institute of Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities when undertaking its treasury management activities.

As well as the Treasury Management and Prudential Indicators annual report that is presented to this Committee in June each year, there is a regulatory requirement for members to receive a mid-year review. This is intended to enhance the level of member scrutiny in these areas.

The CIPFA Code of Practice on Treasury Management requires the Deputy Chief Executive to operate the Treasury Management function in accordance with the Treasury Management Strategy approved at the Council meeting of 6 February 2017. Details of all borrowing and investment transactions undertaken in 2017/18 up to 30 September 2017, together with the balances at this date and treasury management limits on activity, are provided in appendix 1. There are no issues of non-compliance with these practices that need to be reported to the Committee.

Under the CIPFA Prudential Code for Capital Finance in Local Authorities, the Council is required to prepare a number of prudential indicators against which treasury management performance should be measured. Performance against prudential indicators is given in appendix 2. The Council has complied with its 2017/18 prudential indicators to 30 September 2017.

Recommendation

The Committee is asked to NOTE the 2017/18 mid-year report to 30 September 2017.

Background papers

Nil

APPENDIX 1

1. Borrowinga) Debt activity during 2017/18

The loan debt outstanding as at 30 September 2017 compared to the opening position at 31 March 2017 is shown below:

	Amount Outstanding at 31/03/2017 £	Amount Outstanding at 30/09/2017 £
Short Term Loans		
Bramcote Crematorium	549,549	684,180
Money Market Loans	13,000,000	13,000,000
Public Works Loan Board	7,687	3,943
Long Term Loans:		
Money Market Loans	5,000,000	3,000,000
Public Works Loan Board	79,797,584	79,797,584
	98,354,820	96,485,707

Short term loans at 31 March 2017 included:

- Two £1.0m loans from Hyndburn Borough Council, originally taken for 364 days at 0.55%, matured on 12 and 15 May 2017 respectively. These loans were replaced with a £2.0m loan for nine months from Vale of Glamorgan Council at 0.42% that is due to mature on 22 February 2018.
- Two further loans for £1.0m matured on 31 July 2017. The first loan was for 364 days from Tendring District Council at 0.38% and the second loan was from Hartlepool Borough Council for nine months at 0.33%. Both these loans were not replaced.
- A £2.0m loan for 364 days at 0.45% from Lichfield District Council is due to mature on 19 February 2018.
- A £3.0m loan for six months at 0.44% from Basildon District Council matured on 29 September 2017. This loan was subsequently replaced by a £2.0m loan from Bolsover District Council for nine months at 0.36% that is due to mature on 29 June 2018 and a £1.0m loan from Lancaster City Council for 364 days at 0.40% that is due to mature on 28 September 2018.
- A £2.0m loan for six months at 0.45% from Tendring District Council matured on 20 September 2017. This loan was replaced on the 2 October 2017 by a £2.0m loan again with Tendring District Council for nine months at 0.35%. This will mature on 2 July 2018.

- A £2.0m loan for six months at 0.45% from Basildon District Council matured on 18 September 2017. This loan was replaced by a £2.0m loan from South Northamptonshire Council for nine months at 0.36% that will mature on 18 June 2018.
- Short-term loans at 31 March 2017 included PWLB annuities of £7,687. A sum of £3,744 was repaid on 13 September 2017 and the remaining £3,943 is due for repayment on 13 March 2018.
- Short-term loans at 31 March 2017 also included £549,549 that had been invested with the Council by Bramcote Crematorium. At 30 September 2017 Bramcote Crematorium had invested £684,180 with the Council, most of which will be used to pay the 50% of the amount to be distributed to each of the constituent authorities.

Long-term loans at 31 March 2017 included a loan of £3.0m at 4.19% with Barclays Bank that is due to mature on 4 February 2073. There was also a £2.0m loan at 0.85% from the London Borough of Hounslow that is due to mature on 29 May 2018. The latter loan is now included among short-term loans at 30 September 2017.

The major element of the long-term loans from the PWLB is the loans totalling £66.446m taken out on 28 March 2012 to make the payment to the Department for Communities and Local Government (DCLG). This enabled the Council to exit the Housing Revenue Account (HRA) subsidy system and move to self-financing arrangements that allow local authorities to support their housing stock from their own HRA income. These loans were for maturity periods between 10 and 20 years and were at special one-off preferential rates made available by the PWLB for this exercise of 13 basis points above the equivalent gilt yield at the date on which the loans were taken out.

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

The planned financing of the 2017/18 capital programme as at 30 September 2017 indicates that further borrowing of £674,000 would be required to help fund the General Fund part of the programme. This borrowing has not, as yet, been undertaken as the availability of large investment balances has meant that there has been no specific need to undertake this borrowing thus far.

The Council will continue to adopt a cautious and considered approach to any borrowing that it may undertake. The Council's treasury advisors, Arlingclose, actively consult with investors, investment banks, and capital markets to establish the attraction of different sources of borrowing and their related trade-off between risk and reward. The Council will liaise with their advisors before making any borrowing decisions and then report these to members.

Arlingclose expects short-dated borrowing from the money markets to remain cheaper than long-term borrowing from the PWLB over the next 12-month period.

b) Debt rescheduling

In conjunction with the treasury management advisors, the Council continues to seek opportunities for the rescheduling of debt that could reduce its overall borrowing costs. No debt rescheduling has taken place from April to September 2017. Recent falls in PWLB repayment rates have enlarged the premium on the premature repayment of the Council's loans and limited the opportunity for the rescheduling of debt.

Whilst the possibility of achieving savings by repaying a loan may initially appear attractive, if a replacement loan is taken out to facilitate this then the replacement loan will have to be replaced at some stage. There is a risk that, as interest rates rise, future loans could be more expensive and the initial decision to pursue the repayment of the original loan could turn out to be costly in the long term.

There may be opportunities in the future to achieve discounts by repaying loans using funds that are currently invested but the Council's primary concern will be to ensure that it has sufficient liquidity available to meet its liabilities and this represents a significant barrier to debt repayment activity.

Currently all of the Council's PWLB loans would attract a premium, i.e. a penalty, on premature repayment of between 8% and 69%. Those which have a higher probability of attracting a discount in the future were interest rates to rise (i.e. where the current premium is between 0% and 10%) are some loans that were taken out on 28 March 2012 at preferential rates as part of the move to exit the HRA subsidy system as referred to in 1(a) above.

The Council and its treasury management advisors will continue to monitor the situation and evaluate potential opportunities where appropriate. Debt rescheduling activity will only be undertaken when annual revenue savings can be achieved and both a stable debt maturity profile and suitable interest rate structure can be maintained.

c) Cost of borrowing and debt profile

i. Long term debt

The Council's long term debt had an average of 10.54 years to maturity at 30 September 2017 (31 March 2017 was 10.89 years). The average interest payable at that date was 2.94% (31 March 2017 was 2.92%).

ii Short term borrowing

Short-term borrowing comprises the continuing loan from the Bramcote Crematorium Joint Committee and the loans outlined in 1(a) above.

The Council has taken advantage of exceptionally low interest rates for short term loans that have been available from other local authorities and public sector bodies.

2. Investments

a) Investment Policy

The Council's Investment Policy is governed by CLG guidance, which was implemented in the Annual Investment Strategy approved at the Council meeting on 6 February 2017. This gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.

The Council only places investments with banks and building societies which are UK domiciled and have, as a minimum, the following rating from the Fitch, Moody's and Standard and Poors credit rating agencies:

- (i) Long Term BBB+ (or equivalent)

The Council is also able to invest in Money Market Funds (MMF) that are AAA rated and with the UK government, as well as with other local authorities. The maximum permitted duration of investments is two years.

The investment activity during the first six months of 2017/18 conformed to the approved strategy and the Council had no security or liquidity difficulties.

b) Interest received

The total interest receivable for the period to 30 September 2017 amounted to £63,500 (2016/17 equivalent was £61,500). The Local Authority Property Fund (LAPF) investment remained at £2.0m and generated average income totalling approximately £22,000 per quarter.

The UK Bank Rate was increased to 0.50% on 2 November 2017 by the Bank of England's Monetary Policy Committee. However, short-term money market rates for the first half of this year have remained at relatively low levels, typically around 0.20% overnight due to the Bank Rate being at the lower level of 0.25% for this period.

The average interest rate earned for the period up to 30 September 2017 was 1.02%, compared to 1.46% for the equivalent period in 2016/17. This decrease is mainly attributable to a reduction in the interest rates on both MMF and notice accounts.

c) Investments placed

A summary of all investments made and repaid from 1 April to 30 September 2017 is set out in the following table:

	Balance at 01/04/2017 £000s	Investments Made £000s	Investments Repaid £000s	Balance at 30/09/2017 £000s	Increase/ Decrease in Investments
UK Banks/ Building Societies					
Santander UK	2,000	6,000	(3,000)	5,000	3,000
Bank of Scotland	-	1,000	-	1,000	1,000
Money Market Funds					
Insight MMF	715	17,585	(16,085)	2,215	1,500
LGIM MMF	985	4,855	(5,050)	790	(195)
Standard Life MMF	2,230	14,015	(16,245)	-	(2,230)
Federated MMF	-	12,230	(12,230)	-	-
LA Property Fund	2,000	-	-	2,000	-
Royal London Enhanced Cash Plus	1,000	1,000	-	2,000	1,000
Total	8,930	56,685	(52,610)	13,005	4,075

The Money Market Funds (MMF) are set up as individual accounts where funds can be placed short-term, often overnight, and monies withdrawn as and when required. This has a major impact upon the number of investments made with these institutions during the period above.

Increasing use continues to be made of MMF due to their ability to provide a secure and highly liquid place in which to invest and the reduced number of other potential counterparties available as outlined in 2(g) below.

A total of £2.0m is now invested in the Local Authorities' Property Fund (LAPF). This is intended to be a long-term investment with dividends paid quarterly. The dividend yield was 4.46% at 30 September 2017.

The Council has invested £2.0m in the Royal London Enhanced Cash Plus Fund, which is intended to be a long-term investment.

d) Credit risk

Security of capital has remained the Council's main investment objective. Counterparty credit quality has been maintained at an appropriate level during 2017/18 as shown by the credit score analysis in the following table:

Date	Value Weighted Average – Credit Risk Score	Value Weighted Average – Credit Rating	Time Weighted Average – Credit Risk Score	Time Weighted Average – Credit Rating
31/03/2017	4.98	A+	5.29	A+
30/06/2017	4.99	A+	5.32	A+
30/09/2017	5.14	A+	5.30	A+

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

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

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

The Council aimed to achieve a score of 8 or lower in order to reflect its overriding priority of maintaining the security of any sums invested. This equates to the minimum credit rating threshold of BBB+ for investment counterparties as set out in the 2017/18 Investment Strategy. The tables above show that the Council achieved the minimum credit risk scores and credit ratings from April to September 2017.

e) Risk benchmarking

The Investment Strategy 2016/17 to 2018/19 contained a number of security, liquidity and risk benchmarks to allow officers to monitor the current and trend positions and incorporate these within investment decisions. The benchmarks have been met in full from April to September 2017 such that:

- the Council's maximum average credit risk score has been less than 8 (as set out in 2d above)
- a bank overdraft limit of £1m has been maintained
- liquid short-term deposits of at least £0.5m have been available within one week

- the average weighted life of investments has been below a maximum of six months
- returns on investment have been above the 7 day London Interbank Bid rate (LIBID).

f) Counterparty update

The Deputy Chief Executive maintains a counterparty list based upon criteria set out in the Investment Strategy. Any proposed revisions to the criteria will be submitted to Finance and Resources Committee for formal approval as set out in 2(g) below.

The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For example, if an institution is rated by two agencies and one meets the Council's criteria and the other does not, the institution will fall outside the lending criteria.

Creditworthiness information is provided by the treasury management advisors, Arlingclose, on all counterparties that comply with the criteria set out in the Investments Strategy. Any counterparty failing to meet the criteria is removed from the counterparty list.

g) Changes to the Investments Strategy

Due to the level of uncertainty in financial markets, it is important that there is sufficient flexibility to enable changes to be made to the Investments Strategy at short notice should they be considered necessary by the Deputy Chief Executive.

Any such changes to the Investments Strategy will be made by the Chief Executive exercising Standing Order 32 powers following consultation with the Chair of the Finance and Resources Committee. A report setting out the detail behind these changes would then be presented to this Committee at the next available opportunity.

h) Regulatory update

Local authorities are currently treated by regulated financial services firms as professional clients who can "opt down" to be treated as retail clients instead. However, as a result of the second Markets in Financial Instruments Directive (MiFID II) that becomes effective from 3 January 2018, local authorities will be treated as retail clients who can "opt up" to be professional clients, providing that they meet certain criteria.

Regulated financial services firms include banks, brokers, advisers, fund managers and custodians, but only where they are selling, arranging, advising or managing designated investments. In order to opt up to professional client status, the authority must have an investment balance of at least £10 million and the person authorised to make investment decisions on behalf of the authority must have at least one year's relevant professional experience. In addition, the organisation must assess that the person has the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The main additional protection for retail clients is a duty on the firm to ensure that the investment is "suitable" for the client. However, local authorities are not protected by the Financial Services Compensation Scheme nor are they eligible to complain to the Financial Ombudsman Service whether they are retail or professional clients. It is also likely that retail clients will face an increased cost and potentially restricted access to certain products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice. The Council has declined to opt down to retail client status in the past as the costs were thought to outweigh the benefits.

The Council meets the conditions to opt up to professional status and intends to do so in order to maintain its current MiFID status.

i) CIPFA consultation on Prudential and Treasury Management Codes

In February 2017, CIPFA canvassed views on the relevance, adoption and practical application of the Treasury Management and Prudential Codes. After reviewing the responses, CIPFA launched a further consultation on changes to the codes in August 2017 with a deadline for responses of 30 September 2017.

The proposed changes to the Prudential Code include the production of a new high-level Capital Strategy report to full Council which will cover the basics of the capital programme and treasury management. The prudential indicators for capital expenditure and the authorised borrowing limit would be included in this report but other indicators may be delegated to another committee. There are also plans to drop certain prudential indicators. However, local indicators are recommended for ring fenced funds (including the HRA) and for group accounts. Other proposed changes include applying the principles of the Prudential Code to subsidiaries.

The proposed changes to the Treasury Management Code include the potential for non-treasury investments such as commercial investments in properties to be included in the definition of "investments" as well as loans made or shares brought for service purposes.

Another proposed change is the inclusion of financial guarantees as instruments requiring risk management and addressed within the Treasury Management Strategy. Approval of the technical detail of the Treasury Management Strategy may be delegated to a committee rather than needing approval of full Council. There are also plans to drop or alter some of the current treasury management indicators.

CIPFA intends to publish the two revised Codes towards the end of 2017 for implementation in 2018/19. However, CIPFA plans to put transitional arrangements in place for reports that are required to be approved before the start of the 2018/19 financial year. The Department of Communities and Local Government (DCLG) and CIPFA wish to have a more rigorous framework in place for the treatment of commercial investments as soon as is practical. It is understood that DCLG will be revising its Investment Guidance (and its MRP guidance) for local authorities in England and this presently awaited.

3. Treasury management limits on activity

There are four treasury management indicators that were previously prudential indicators, being:

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

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

a) Upper limits on fixed and variable rate exposures

The upper limits on fixed and variable rate exposure based upon the debt position (net of investments) are set out in the table below:

Interest Rate Exposures	Actual 31/03/2017 %	2017/18 Approved %	Actual 30/09/2017 %	Compliance with Limits
Fixed				
Upper Limit for Fixed Interest Rate Exposure on Debt	87	100	86	Yes
Upper Limit for Fixed Interest Rate Exposure on Investments	(0)	(25)	(0)	Yes
Net Fixed Exposure	87	75	86	See below
Variable				
Upper Limit for Variable Interest Rate Exposure on Debt	13	40	14	Yes
Upper Limit for Variable Interest Rate Exposure on Investments	(100)	(100)	(100)	Yes
Net Variable Exposure	(87)	(60)	(86)	Yes

b) Maturity structure of fixed rate borrowing

This indicator is intended to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Lower Limit %	Upper Limit %	Actual Fixed Rate Borrowing at 30/09/2017 (£000s)	Fixed Rate Borrowing at 30/09/2017 (%)	Compliance with Set Limits
Under 12 months	0	50	13,004	14	Yes
12 months to 2 years	0	50	9	0	Yes
2 years to 5 years	0	50	5,632	6	Yes
5 years to 10 years	0	75	38,430	40	Yes
10 years to 20 years	0	100	32,727	34	Yes
20 years to 30 years	0	100	0	0	Yes
30 years to 40 years	0	100	3,000	3	Yes
40 years to 50 years	0	100	0	0	Yes
50 years and above	0	100	3,000	3	Yes

Investments are limited to a maximum of two years as set out earlier. As suggested in the CIPFA Code, fixed rate investments of less than 12 months and fixed rate borrowing with less than 12 months to maturity are regarded as variable rather than fixed rate investments and borrowings as their replacement could be subject to movements in interest rates. This principle has been applied in calculating the fixed and variable interest rate exposures on debt and investments. However, the borrowing with less than 12 months to maturity at 30 September 2017 is shown as fixed rate borrowing in the maturity structure.

c) Principal sums invested for periods longer than 364 days

With regard to the total principal funds invested, £2.0m is invested in the Local Authorities' Property Fund (LAPF). Although the Council can theoretically redeem part or all of its holding in the fund on the last working day of each month, this investment is intended to be a long-term investment.

A sum of £2.0m is also invested in the Royal London Enhanced Cash Plus Fund. It is intended that this is a long-term investment but should the Council require the funds they can be redeemed with one day's notice.

The upper limit for this Prudential Indicator has been set at 40% of the estimated in-year average of total investments of £10.0m. The Council has complied with the limit set.

4. Local Authority Mortgage Scheme

A meeting of the Council on 18 December 2013 approved Broxtowe Borough Council, in association with Nottinghamshire County Council, joining a Local Authority Mortgage Guarantee Scheme (LAMS) with Lloyds Bank. Both local authorities contributed £500,000 to the scheme which is intended to help first time buyers looking to acquire other than new properties who can afford mortgage payments, but not the initial deposit, to get on to the property ladder.

If a potential buyer meets the strict credit criteria applied by the lender and meets the criteria set by the Council to qualify for a mortgage under the scheme, the Council will provide an indemnity to the value of the difference between 75% of the value of the property and the amount borrowed. The potential buyer would therefore obtain a mortgage for up to 95% on similar terms to one for 75% of the property value if they meet the other lending criteria.

The scheme commenced on 4 February 2014 and 10 loans with a total value of £978,050 had been made by 30 September 2017. The amount of the indemnity with respect to these loans totalled £177,328. No defaults with regards to loans made have been reported.

The LAMS with Lloyds Bank closed to new applications with effect from 31 July 2016. The number of applications had been declining, largely due to the introduction of similar schemes by the Chancellor of the Exchequer. Some applications submitted before July 2016 may yet progress to completion stage but it is unlikely that the number of loans made as stated above will change.

The £500,000 contributed to the LAMS by both local authorities will remain on deposit with Lloyds Bank until the full five year term of the LAMS is reached in January 2019 and will continue to earn a commercial deposit rate plus an accompanying premium.

APPENDIX 2

Prudential Indicators1. Introduction

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

2. Capital Expenditure and Financing 2017/18

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

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

Actual capital expenditure forms one of the required prudential indicators. The following table shows the 2017/18 capital programme as at 30 September 2017 compared with the original estimate for the year across each corporate priority area.

	2017/18 Original Estimate £000s	2017/18 Estimate at 30/09/2017 £000s
Housing	5,207	5,803
Community Safety	0	0
Jobs & Economy	18	18
Leisure & Environment	1,050	1,479
Finance & Resources	348	1,146
Total	6,623	8,446

The change to the original estimate is largely accounted for by the carry forward of unspent capital budgets totalling £1,790,400 from 2016/17. Included in the 2017/18 capital programme are schemes totalling £718,400 that are on a "reserve list" and will be brought forward for formal approval to proceed once a source of funding is identified.

The table below shows the planned capital expenditure up to 30 September 2017 and how this will be financed.

	2017/18 Original Estimate £000s	2017/18 Estimate at 30/09/2017 £000s
General Fund	2,069	3,442
HRA	4,554	5,004
Total Capital Expenditure	6,623	8,446
Financed by:		
Capital Receipts	758	1,123
Capital Grants	681	1,544
Revenue	4,901	5,105
Unfinanced Capital Expenditure	283	674

It is anticipated that the increase in planned capital expenditure will be met largely from capital receipts from Right to Buy sales and from capital grants. Unfinanced capital expenditure will be met from additional borrowing as set out above.

3. The Council's Overall Borrowing Need

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

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

As set out in 1(a) in appendix 1, the Council has not as yet taken out the anticipated borrowing of £674,000 in respect of the planned capital expenditure for 2017/18 shown as unfinanced above. It is presently anticipated that this borrowing will be undertaken later in 2017/18 and that this will align the Council's overall borrowing level with the CFR. The Council at 30 September 2017 has seven short-term loans totalling £13.0 million with other local authorities that are due to mature before 30 September 2018 as set out in 1(a) in appendix 1. Three of these short-term loans will mature before 31 March 2018. It is presently anticipated that all seven short-term loans will be replaced with similar loans upon maturity.

The Council's CFR will next be calculated as at 31 March 2018 when the financing of actual capital expenditure incurred in 2017/18 will be undertaken. This will be reported to this Committee in June 2018.

4. Prudential Indicators and Compliance Issues

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

i) Gross Borrowing Compared to the Capital Financing Requirement (CFR)

In order to ensure that borrowing levels are prudent over the medium term, the Council's external borrowing must only be for a capital purpose. Gross borrowing should not therefore, except in the short-term, exceed the CFR. This indicator will be calculated at the end of 2017/18 and the result reported to this Committee in June 2018. It is presently anticipated that the Council will comply with this indicator.

ii) The Authorised Limit

This is the statutory limit determined under section 3(1) of the Local Government Act 2003 and represents the limit beyond which borrowing is prohibited. It reflects the level of borrowing which could be afforded in the short-term to maximise treasury management opportunities and cover temporary cash flow shortfalls, but is unlikely to be sustainable over the longer term. The table below demonstrates up to 30 September 2017, the Council has maintained gross borrowing within its authorised limit.

iii) The Operational Boundary

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

	Amount £000's
Authorised Limit 2017/18	115,000
Operational Boundary 2017/18	92,000
Maximum Gross Borrowing (April – September 2017)	100,382

The maximum external debt in the period from April to September 2017 represents the gross borrowing figures as set out in 1(a) and includes the maximum amount received from Bramcote Crematorium during this period. The table above demonstrates up to 30 September 2017, the Council has maintained gross borrowing within its operational boundary.

iv) Ratio of Financing Costs to Net Revenue Stream

This indicator compares net financing costs (borrowing costs less investment income) to net revenue income from revenue support grant, business rates, housing revenue account subsidy, council tax and rent income. The purpose of the indicator is to show how the proportion of net income used to pay for financing costs is changing over time. The indicator will be calculated for 2017/18 at the end of the financial year and reported to this Committee in June 2018.

Report of the Interim Deputy Chief Executive

GENERAL FUND REVENUE BUDGET AMENDMENTS 2017/181. Purpose of report

To seek approval for a number of amendments to the General Fund revenue budget for 2017/18.

2. Background

During 2016/17, the respective committees approved a revised budget 2016/17 for their areas and a 2017/18 base budget. From 2017/18 a revised budget will no longer be prepared and only budget variations (outside of the normal virement rules set out in the Council's Standing Orders) that are approved by the Finance and Resources Committee will be applied.

The detailed monthly monitoring information produced for departments will inevitably highlight significant under and overspends that require amendments to the budget. The 2017/18 budget monitoring to October 2017 has identified a number of areas where amendments to the General Fund revenue budget are required. These are set out in the table below with an accompanying narrative.

Department/Section	Budget Amendment(s) (£)	Narrative
Directorate of Housing, Leisure and Property Services – Employee Costs	13,900	The original budget for Director post was based on grade CO3 whereas the postholder is on grade CO3a.
Council Offices – Rental Income	55,000	The Council will not now be receiving rental income from the DWP from 2017/18 as originally envisaged.
Environment (Open Spaces)	9,000	The assumed S106 developer contributions to open spaces will not be received.

The total effect of these amendments will be an anticipated withdrawal of £77,900 from the Council's General Fund balance.

Recommendation

The Committee is asked to RESOLVE that the amendments to the General Fund 2017/18 revenue budget as set out above be approved.

Background papers

Nil

Report of the Interim Deputy Chief Executive

CAPITAL PROGRAMME 2017/18 UPDATE1. Purpose of report

To report upon capital expenditure incurred in 2017/18 up to 31 October 2017 along with the planned financing of the 2017/18 capital programme and to seek approval for a number of capital budget variations in the current financial year.

2. Background

Appendix 1 sets out the 2017/18 capital programme on a scheme by scheme basis and shows expenditure incurred on all capital schemes up to 31 October 2017. The 2017/18 capital programme includes schemes totalling £1,790,400 that were carried forward from 2016/17.

Appendix 1 shows that capital expenditure totalling £3,638,863 (or 44% of the planned 2017/18 capital programme) had been incurred by 31 October 2017.

Included in the 2017/18 capital programme are schemes totalling £708,400 that are on a “reserve list” and will be brought forward for formal approval to proceed once a source of funding is identified.

Appendix 2 sets out how it is anticipated that the 2017/18 capital programme is to be financed along with details of the capital receipts that are likely to be available for capital financing.

Examination of progress against the approved capital programme for 2017/18 along with the receipt of additional information has identified a number of schemes where the budget needs to be amended. Further details are set out in appendix 3.

Recommendation**The Committee is asked to:**

1. **NOTE** the expenditure on the 2017/18 capital programme to 31 October 2017 and the planned financing of the 2017/18 capital programme in appendices 1 and 2.
2. **RESOLVE** that the capital budget variations for 2017/18 as set out in appendix 3 be approved.

Background papers

Nil

APPENDIX 1

	Total Budget	Actual to	Expenditure
	2017/18	31/10/2017	%
	£	£	%
<u>CAPITAL EXPENDITURE SUMMARY</u>			
JOBS AND ECONOMY	20,000	0	0
LEISURE AND ENVIRONMENT	859,550	306,850	36
FINANCE AND RESOURCES	945,900	428,379	46
HOUSING	5,803,000	2,903,633	50
RESERVE LIST	708,400	0	0
<u>TOTAL</u>	8,336,850	3,638,863	44
<u>DETAILED SCHEMES</u>			
<u>LEISURE AND ENVIRONMENT</u>			
<u>ENVIRONMENT</u>			
Eastwood Town Council – Community Room Upgrade	5,000	0	0
Brinsley Parish Council – Play Area Repairs	4,000	0	0
St Michaels Church – access improvements	4,400	4278	97
Eastwood Cemetery Chapel – Phase 2	0	(8,481)	0
Wollaton Rd Allotments Irrigation Supply	16,000	12,755	80
Beeston Weir- Life Saving Equipment	10,000	0	0
Beeston Train Station Access Improvements	5,000	0	0
Leyton Cres Rec'n Gr'd – New Play Equipment	16,000	0	0
Judson Ave – Fencing & Gate Works	9,200	9,572	104
Judson Ave Play Area - Improvements	5,000	5000	100
CCTV Installn-Beeston Interchg to the Square (S106)	10,000	0	0
Replacement Vehicles & Plant	327,000	234,188	72
Beeston Shopmobility (S106 ITPS)	15,000	0	0
St Catherines Churchyard, Cossall - Imprmts	6,000	0	0
Banks Rd Open Space-Access & Other Works	8,000	0	0
Smithurst Rd Play Area - Upgrade	36,500	35,873	98
Broadgate Park Play Area - Refurbishment	8,000	0	0
Toton Flds Open Space-Path Surface & Wetland Scrape	13,000	0	0
Hall om Wong Open Space – Path & Pond Works	11,000	12,665	115
Hall om Wong Footpath Improvements	15,550	1000	0
Brinsley Headstocks-Create pond & wetland scrapes	4,000	0	0
Bennerley Viaduct (S106 ITPS)	20,000	0	0
Parks & Open Spaces Imprmts (S106)	27,800	0	0

	Total Budget 2017/18 £	Actual to 31/10/2017 £	Expenditure %
HEALTH			
BLC – Health Suite Refurbishment	240,850	215,096	89
BLC – Replacement Fitness Gym Equipment	8,600	9,000	105
BLC – Replacement Hot Water Cylinders	15,000	0	0
KLC – Replacement Swimming Pool Cover	5,000	4,997	100
KLC – Replace Pool Chassis & Pipework	950	1,188	125
KLC – Replacement Fitness Gym Equipment	0	6,170	0
BLC & KLC- Replacement Pool Hoists	12700	0	0
CO – Replacement Fitness Gym Equipment	0	233	0
Leisure Centres – Internet Connection Cost	0	281	0
FINANCE AND RESOURCES			
RESOURCES			
Rushcliffe BC-Pay & Display Machines	5,900	(5,811)	(98)
Former Beeston Bus Station – Interim Uses	15,000	3,195	21
Town Hall Migration (New Ways of Working)	100,000	0	0
Durban House – Minor Works	28,750	29,670	103
Commercial Strategy - Invest to Save Programme	50,000	0	0
Kimberley Depot – Roadway Repairs	10,000	0	0
Beeston Square – Phase 2 (Net Compensation)	236,150	70,224	30
Capital Contingency	(2,450)	0	0
ICT SERVICES			
IT Replacement Programme	130,000	11,570	9
IT Replacement Programme (c/fwd from 2016/17)	46,350	615	1
Income Management System	40,000	0	0
E Facilities (c/fwd from 2016/17)	24,900	1,707	7
Leisure Management System	0	4,111	0
Replacement of MFD Photocopier Estate	63,000	0	0
VoIP Telephony	50,000	0	0
CRM System	0	(7,320)	0
Video Conferencing Capability	0	4,834	0
Committee Administration System	15,000	0	0
Fleet Management System (Chevin)	21,550	21,674	101
Technical Infrastructure	50,000	56,945	114
Technical Infrastructure (c/fwd from 2016/17)	61,750	0	0

	Total Budget 2017/18 £	Actual to 31/10/2017 £	Expenditure %
<u>HOUSING</u>			
Disabled Facilities Grant	732,450	263,567	36
Warm Homes on Prescription	66,500	0	0
Central Heating Replacement	1,361,950	679,127	50
Modernisation Programme	1,984,850	1,248,876	63
Major Relets	144,100	74,118	51
Disabled Adaptations	362,450	94,189	26
Bexhill Ct – Scooter Storage	20,000	0	0
Lift Replacement Programme	23,000	25,207	110
Window & Door Replacement	301,800	135,712	45
External Decoration & Pre Paint Repairs	588,600	387,315	66
Affordable Housing- Giltway, Giltbrook	0	250	0
New Build – Bexhill Court	0	(24,103)	0
HRA Contingency	27,900	0	3
Housing System & DMS Replacement	189,400	19,375	10
<u>JOBS AND ECONOMY</u>			
Walker Street (Eastwood) - Transport Feasibility Study	20,000	0	0
<u>SCHEMES AWAITING 2017/18 FUNDING</u>			
Resurface Victoria St Car Park Eastwood	18,150	0	0
BLC – Replacement of Flat Roofs	132,000	0	0
BLC – Replacement of Main Pool Windows	67,000	0	0
BLC – Replacement of Teaching Pool Windows	10,000	0	0
BLC – Replacement Intruder Alarm	15,000	0	0
B LC – Refurbish Fitness Gym Changing Rooms	27,500	0	0
BLC – Replacement of Dance Studio Windows	7,000	0	0
BLC – Pool Surrounds Refurbishment	40,000	0	0
Bramcote LC – Replace High Voltage Transformer	31,000	0	0
KLC – Replacement Youth Fitness Gym Equipment	60,000	0	0
KLC – Re-paint Car Park Lines & Customer Walkways	5,000	0	0
KLC – Replacement Pool Circulation & Shower Pumps	8,000	0	0
KLC – Replacement of Suspended Ceilings & Flooring	42,000	0	0
KLC – Replacement of External Cladding	39,600	0	0
KLC – Renewal of Stairwell & Spectator Balcony	45,000	0	0
Energy Management Database	7,950	0	0
Invest to Save (Carbon Management Plan)	19,200	0	0
Cemeteries/Closed Churchyards-Footpath Improvements	30,000	0	0
Parks and Open Spaces Improvements	60,000	0	0
Asset Management – Programmed Maintenance	44,000	0	0

APPENDIX 2

Planned Financing of 2017/18 Capital Programme

Source of Financing	Value (£)
Major Repairs Reserve	3,483,700
Direct Revenue Financing – Housing Revenue Account	1,289,900
Better Care Fund	798,950
Usable Capital Receipts – Awaited (GF Schemes)	708,400
Borrowing – General Fund	714,000
Vehicle Renewals Reserve	327,000
Liberty Leisure	3,000
Usable Capital Receipts – Housing Revenue Account	250,450
Tram Compensation	187,650
Usable Capital Receipts – General Fund	153,850
Section 106 Receipts – Parks and Open Spaces	79,150
Section 106 Receipts – ITPS	50,000
6C's Growth Point	28,000
NCC Supporting Local Communities	25,200
Housing Revenue Account Contribution to General Fund	(20,000)
General Fund Receipt from Housing Revenue Account	20,000
Tesco	13,000
Homes & Community Agency	20,000
United Living	8,000
Rushcliffe BC	5,900
Direct Revenue Financing – General Fund	187,700
Wollaton Road Allotment Holders Association	3,000
Total	8,336,850

Capital Receipts

(i) General Fund

General Fund capital receipts available at 31 October 2017 for the financing of capital expenditure were approximately £261,250.

The 2017/18 capital programme includes £236,150 brought forward from 2016/17 from an original budget of £325,000 approved by the Policy and Performance Committee on 18 May 2016 for specialist legal, land and procurement advice for Beeston Square. It is intended that this will be funded using £48,500 from General Fund capital receipts and £187,650 from further NET compensation. Should further NET compensation not be received then the £187,650 will need to be met from General Fund capital receipts.

The planned financing of the 2017/18 capital programme shown in the table above assumes that General Fund capital receipts of £153,850 will be utilised. If the further NET compensation of £187,650 is not forthcoming then a total of £341,500 General Fund capital receipts will be required to finance anticipated capital expenditure in 2017/18. As the total receipts available at 31 October 2017 were £261,250 then additional resources will be required to finance the 2017/18 capital programme should there be no further NET compensation.

As reported to the Policy and Performance Committee on 4 July 2017, a sum of £70,000 has been awarded to the Council from the Nottingham Pre-Development Fund initiative for investigatory and options appraisal work in respect of Beeston Square. This could be used to help meet the cost of the legal, land and procurement advice work.

The Policy and Performance Committee on 8 March 2017 resolved that the sale of the former cash office site at 15, Nottingham Road in Eastwood be approved with the final terms for disposals being delegated to the Director of Housing, Leisure and Property Services in consultation with the Deputy Chief Executive. The site has not yet been sold but any resulting capital receipt will be available for the financing of capital expenditure.

(ii) Housing Revenue Account

Housing Revenue Account (HRA) capital receipts available at 31 October 2017 for the financing of capital expenditure were £1,149,450. This was comprised of capital receipts of £545,900 brought forward from 2016/17 along with receipts of £777,450 arising from the sale of 14 council houses in the period from 1 April to 31 October 2017 less a payment of £173,900 that was required to be made to the Department for Communities and Local Government (DCLG).

Should receipts from the sale of council houses in 2017/18 continue at the same rate in the remainder of the year then, after allowing for payments to be made to the DCLG, there will be sufficient HRA capital receipts available at 31 March 2018 to meet the anticipated requirement for financing 2017/18 capital expenditure of £250,450 as set out in the table above.

APPENDIX 3

1. Chewton Street (Eastwood) – Contamination Surveys

A sum of £70,000 has been awarded to the Council from the Nottinghamshire Pre-Development Fund initiative to undertake a series of contamination surveys at Chewton Street in Eastwood.

The results of the survey work will give the Council a better understanding of the work required to remediate the land for development. This should make redevelopment more viable in the future and more attractive to developers.

The survey work could take up to a year to complete and the results will be presented to a future meeting of the Jobs and Economy Committee.

2. Kimberley Leisure Centre – Water Leak

Investigation of a leak in the water circulation system for the swimming pool at Kimberley Leisure Centre has identified a requirement to undertake significant works to resolve the matter, including the removal of some asbestos.

Quotations for the work have been requested and it is estimated that it will cost approximately £17,500. There is presently no provision for such costs in the 2017/18 capital programme. The lack of availability of capital receipts in association with the unsuitability of borrowing to finance expenditure on an asset that is not owned by the Council means that a revenue contribution is considered to be the most appropriate means of financing the cost of this work.

The work would require the closure of the swimming pool for an estimated three weeks but this would be scheduled for December 2017 in order to minimise the impact upon service users. There would be a loss of income for Liberty Leisure arising from this that the company would need to reflect in its financial projections.

3. Capital Programme 2017/18 - “Reserve List”

As stated previously, included in the 2017/18 capital programme are schemes totalling £718,400 that are on a “reserve list” and which are intended to be brought forward for formal approval to proceed once a source of funding is identified.

As work on preparing the 2018/19 capital programme for consideration by members is underway, it is proposed that the items on the “reserve list” are removed from the 2017/18 capital programme and included with submissions for the 2018/19 capital programme that will be presented to members in January and February 2018.

Summary of Proposed Changes in Appendix 3 to 2017/18 Capital Programme

<u>Scheme</u>	<u>Original Budget (£)</u>	<u>Revised Budget (£)</u>	<u>Funding Source</u>
Chewton Street (Eastwood) – Contamination Surveys	0	70,000	Nottinghamshire Pre-Development Fund
Kimberley Leisure Centre – Water Leak	0	17,500	Revenue Contribution
“Reserve List” Schemes	708,400	0	None Identified
TOTAL	708,400	87,500	

Report of the Interim Strategic Director

BROADGATE PARK - PLAY AREA REFURBISHMENT1. Purpose of report

To advise the Committee of success in receiving external funding towards the cost of refurbishing the play area at Broadgate Park and to approve the allocation of Council resources towards the proposed scheme.

2. Background

As reported to the Leisure and Environment Committee on 6 September 2016, the play area at Broadgate Park was identified as the highest priority for refurbishment. This was subsequently reflected in the Play Strategy 2017 – 2025 approved by the Leisure and Environment Committee on 27 September 2017.

Previous reports to the Leisure and Environment Committee on 14 March and 14 June 2017 detailed consultation that had been undertaken with the Beeston Civic Society, together with the success in obtaining two smaller sums of external funding.

3. Financial implications

An application for further financial support to allow the full play area to be upgraded was made to Waste Recycling Environmental Ltd (WREN). This organisation awards grants up to a maximum £50,000 for community projects from funds donated through the Landfill Communities Fund. The application has been successful and the Council is to receive £50,000 towards the scheme. A condition of the award is that the Council finds 10.75% of this sum (£5,375) as a “contributing third party payment”. This will come from the Beeston Parks revenue budget.

External funds of £9,000 have already been secured towards the scheme with £1,000 from the Tesco ‘Bags of Help’ fund and £8,000 from United Living. A contribution of £28,000 is now required from Council.

As set out in the Capital Strategy 2015/16 to 2019/20 approved by Cabinet on 23 June 2015, one of the specific criteria for bringing a scheme forward for inclusion in the capital programme is if the expenditure is required to match income from external sources that would otherwise be lost. This applies in this case. As the Council has limited capital receipts available, it is proposed that the cost of the scheme to the Council be met by a revenue contribution in 2017/18.

Recommendation

The Committee is asked to RESOLVE that a budget of £87,000 be allocated in the 2017/18 capital programme for the refurbishment of the Broadgate Park play area with funding of £28,000 from the Council and £59,000 from external sources.

Background papers: Nil

Report of the Interim Deputy Chief Executive

SECTION 106 FUNDS1. Purpose of report

To provide the Committee with details of section 106 funds that are presently available and their intended use.

2. Background

Section 106 of the Town and Country Planning Act 1990 provides a mechanism to enable development proposals that would not otherwise be acceptable in planning terms to proceed upon the receipt of contributions from developers in accordance with what are often referred to as section 106 agreements.

Section 106 agreements will vary depending upon the nature of the development and identified local needs. The most common types of developer contributions that the Council has received in recent years are:

- Interim Transport Planning Statement (ITPS)
- Affordable housing
- Open spaces
- Environment
- Education

The negotiation, signing and monitoring of section 106 agreements is frequently an activity that requires input from a number of sections within the Council including Legal Services, Planning Services, Housing, Environment and Finance Services. In order to provide proper oversight of these processes and ensure that they are operating effectively, there is a cross-departmental Section 106 Monitoring Group chaired by the Director of Housing, Leisure and Property Services.

The Council has utilised sums received from section 106 agreements to finance a number of mainly capital schemes in recent years. The balance available on each of the funds as at 1 April 2017, any additional sums received in 2017/18 and the anticipated use of these funds in 2017/18 are set out in the appendix. There are presently no conditions requiring funds received to be spent in 2017/18.

It is presently anticipated that the developer contributions received in respect of education will be passed on to Nottinghamshire County Council.

Recommendation

The Committee is asked to NOTE the report.

Background papers

Nil

APPENDIX

Interim Transport Planning Statement (ITPS)		£
Balance Available at 1 April 2017		119,400
Add:		
Swallow Hill Homes – Eastwood Infant and Junior School		5,000
Less: Anticipated Use 2017/18:		
Capital Programme 2017 /18		
Bennerley Viaduct	(20,000)	
Beeston Train Station – Access Improvements	(5,000)	
CCTV – Beeston Interchange to The Square	(10,000)	
Beeston Shopmobility	<u>(15,000)</u>	(50,000)
Revenue Budget 2017/18		
Cycle Training Centres – Beeston and Stapleford		(2,200)
Balance Presently Available		<u>72,200</u>
Affordable Housing		
Balance Available at 1 April 2017		NIL
Open Spaces		
Balance Available at 1 April 2017		110,417
Add:		
Swallow Hill Homes – Eastwood Infant and Junior School		35,000
Less: Anticipated Use 2017/18:		
Capital Programme 2017 /18		
Parks and Open Space Improvements	(27,800)	
Smithurst Road Play Area Upgrade	(36,500)	
Hall on Wong Footpath Improvements	<u>(14,850)</u>	(79,150)
Balance Presently Available		<u>66,267</u>

Environment	£
Balance Available at 1 April 2017	NIL
Education	
Balance Available at 1 April 2017	127,173
Less: Anticipated Use 2017/18:	0
Balance Presently Available	<u>127,173</u>

Report of the Interim Deputy Chief Executive

GRANT AID TO PARISH/TOWN COUNCILS AND BEESTON SPECIAL EXPENSES AREA REGARDING THE LOCAL COUNCIL TAX SUPPORT SCHEME1. Purpose of report

To consider and approve the level of any grant aid to be paid to each of the parish and town councils and to the Beeston Special Expenses Area as a consequence of the methodology introduced to account for the Local Council Tax Support Scheme (LCTSS).

2. Background

Members will recall that council tax benefit ceased at the end of 2012/13 to be replaced by a Local Council Tax Support Scheme particular to this Authority.

In January 2013 Cabinet agreed to distribute to the parish and town councils and the Beeston Special Expenses Area a sum of £89,418 in grant assistance for the 2013/14 year to effectively compensate parish and town councils for the reduction in council tax that they would experience as a result of the new methodology adopted to account for LCTSS. The sum was indicated by the government as being within this Council's grant award towards the cost of the LCTSS.

In 2014/15 the government chose not to give a grant figure specifically in respect of the LCTSS but instead to include this within the mainstream grant funding for local authorities. Consequently individual billing authorities were left to take their own decisions as to what grant, if any, that they wished to award to parish and town councils.

Since 2014/15, mainstream funding through the Revenue Support Grant (RSG) has continued to be withdrawn by the Department for Communities and Local Government and is set to reduce to zero by 2019/20.

3. Financial implications

These are shown in the appendix.

Recommendation

The Finance and Resources Committee is asked to RESOLVE that the grant assistance to parish and town councils and the special expenses area in respect of the Local Council Tax Support Scheme for 2018/19 be as set out in the appendix be approved.

Background papers

Nil

APPENDIX

1. Background

In 2013/14 the overall mainstream grant for LCTSS was separately identifiable and was also contained within each authority's start-up funding assessment as supplied by the government. The total for Broxtowe was £754,026. The government also identified that, within their calculations, a sum of £89,418 within this total related to parish and town councils. Cabinet, on 8 January 2013, resolved to pass on this grant in its entirety to the parish and town councils and the special expenses area in proportion to the loss of potential income each body would experience from the reduction in their council tax base arising from the methodology to be used for accounting for LCTSS.

In 2014/15 the LCTSS funding was merged into Settlement funding and not identified separately. In that year, overall government funding to Broxtowe as measured through the funding assessment (and including LCTSS grant) reduced by 14.3% as compared with 2013/14. This included that element of any LCTSS support in respect of parish/town councils.

Cabinet agreed on 7 January 2014 that the grant assistance to parish and town councils and the special expenses area in respect of the Local Council Tax Support Scheme be calculated annually in line with changes to this Authority's funding assessment. Therefore the grant to parish and town councils in 2014/15 was reduced by £12,787 (14.3%) from £89,418 to £76,631.

Cabinet on 4 November 2014 reiterated the resolution of 7 January 2014 and agreed that parish and town councils be informed of this Council's intention as from 2015/16 to amend the grant payable to them in line with changes to this Council's funding assessment. However, following the Local Government Settlement announcement in December 2014, Cabinet resolved on 4 January 2015 to reduce the grant to parishes by only a proportion of the reduction in settlement funding. The grant awarded for 2015/16 was £71,266.

For 2016/17 the Council determined to make no change in the level of grant payable to parish and town councils for the reduction in LCTSS funding, despite a 32% reduction in RSG.

In December 2015 the government announced the 2016/17 Local Government Finance Settlement and invited authorities to accept proposed settlements for the following three years to 2019/20. On 19 September 2016 the Finance and Resources Committee resolved to accept the four-year settlement in full. The four-year settlement sees Broxtowe's RSG fall by 43% in 2017/18, by 47% in 2018/19 and to zero by 2019/20.

On 9 January 2017 the Finance and Resources Committee determined that the grant payable to parish and town councils in 2017/18 for the reduction in LCTSS funding be reduced by 43% to reflect the reduction in RSG.

2. Proposals for 2018/19

Whilst this Council's budget for 2018/19 has still to be approved, parish and town councils need to know of any grant assistance in order to set their own budgets.

Following the principle established for 2017/18, the grant to parish and town councils will fall by 47% between 2017/18 and 2018/19 to reflect the reduction in RSG. The table below shows the provisional allocation of grant for 2018/19 based on this reduction.

<u>Area concerned</u>	<u>Grant award 2017/18 (£)</u>	<u>Provisional grant award 2018/19 (£)</u>
Awsorth	2,877	1,525
Brinsley	3,791	2,009
Cossall	304	161
Eastwood	9,095	4,820
Greasley	7,543	3,998
Kimberley	5,572	2,953
Nuthall	3,133	1,660
Stapleford	5,155	2,732
Trowell	1,518	805
Beeston Special Expenses Area	1,633	865
TOTAL/AVERAGE	40,621	21,528

The figures above may change slightly once the final settlement figures for 2018/19 are announced. This is likely to be in early February 2018.

Report of the Chief Executive

ATTENDANCE MANAGEMENT1. Purpose of the report

To provide members with a progress update in relation to the analysis of absence in line with the Council's value of valuing employees.

2. Background

Members will recall that at the meeting of Finance and Resources Committee on 12 October 2017 the Committee requested a report on KPI BV12 Number of Working Days Lost to Sickness be submitted to this Committee as the projected year end position was 12 days absence per FTE, which is significantly in excess of the 8 day target.

A high level analysis of current absence (see appendix 1) highlights the issues are localised to two main areas – Environment Operations and Housing.

An increase in stress related absence has been reported to the Policy and Performance Committee as part of the Annual Health and Safety report. However, a new Stress Management Policy has already been adopted by the Policy and Performance Committee and is now being implemented.

Reviews have taken place in both Environment and Housing to consider the current Attendance Management Policy and its application. It is recognised that some adjustment may be required in relation to the timing of triggers within the Attendance Management Policy and the clarity of application of these trigger across the three current stages identified within the policy (see Appendix 2). Proposals for amendment to the policy will be presented after consultation with the LJCC.

Recommendation

The Committee is asked to NOTE the report.

Background papers

Nil

APPENDIX 1

(6 months position as at end Sept 2017)

	YTD FTE days per EE	Comments
Human Resources	5.88	Overall no significant issues when unavoidable events have been taken account of (e.g. medical operations)
ICT	0.29	
Corporate Comms	2.23	
Public Protection	6.01	
Chief Executives Overall	4.61	
Operations (street cleansing, grounds maintenance, refuse)	9.84	Absence mainly linked to muscular-skeletal factors in an ageing workforce. Further measures under investigation include review of Attendance Management policy (see appendix 2).
Business and Projects	1.74	No significant issues
Finance	0.92	
Regulatory	1.93	
Deputy Chief Executive's overall	14.43	
Housing	13.24	Measures taken include: <ul style="list-style-type: none"> • Referrals to OHP and individual visits to all those on long term absence with individual action plans • Approval of Housing restructure. • Review of Retirement Living Service approved • New Stress Management policy approved 17 October 2017 • Resilience training under consideration
Property	5.09	
Housing Leisure and Property overall	18.31	
Neighbourhoods and Prosperity	1.33	No significant issues
Administration	2.02	
Legal	0.24	

APPENDIX 2

Broxtowe's Attendance Policy and Procedures

Broxtowe Borough Council currently has a comprehensive policy in place which not only outlines the roles of the manager, HR and employees but also identifies the trigger points at which action must be taken.

The trigger points for action are defined as:

- four separate instances of absence within the previous twelve months
- one period of absence of more than two weeks
- any pattern of absence which gives rise for concern

If any trigger points are reached, a Stage One Management meeting is held to discuss the issue. If appropriate, a first Notification of Concern may be issued which remains live for six months. If there are no further instances of sickness absence, then the Notification lapses.

Should there be further sickness absence, the procedure could move into Stage Two, with the possibility that a Second Notification of Concern could be issued. Should sickness remain above a trigger level, then the procedure can move to Stage Three where a Head of Service or the Chief Officer holds a hearing with the appropriate decision being taken regarding redeployment, modification of working methods or environment or dismissal.

The policy is wide ranging and is clear about what is required from each person. The policy requires some slight tweaking in certain areas to make it clearer about what is required and when. For example, the explanation around trigger points could appear as they only relate to Stage One, when they are meant to be utilised on a rolling basis throughout the whole process.

The Attendance Management Policy clearly states that "The primary responsibility for the management of attendance lies with managers" with the HR Division providing advice and support. All managers would benefit from updated training on when and how to implement the Attendance Management Policy and procedures to ensure the application of the policy is consistent across the organisation.

Report of the Interim Strategic Director

CIVIC EVENT – FREEMAN/ALDERMAN OF THE BOROUGH1. Purpose of report

To request funding to host a ceremony at which the status of Freeman or Alderman is conferred on those who have rendered eminent services to the Borough, prior to a request to Full Council to approve that the meeting is held.

2. Background

It is customary during the final year of an administration to recognise individuals who have contributed significantly to the community by conferring on them the award of Honorary Freeman of the Borough or Honorary Alderman. Details of costs and a timeline of the proposed event are contained in the appendix.

Should Full Council approve the meeting, the Mayor and the Leaders of the three political groups would meet to consider the award and the nominations received for the office of Honorary Freeman or Honorary Alderman of the Borough of Broxtowe.

Section 249(5) of the Local Government Act 1972 states that: "The Council of a London Borough or a district having the status of city, borough or royal borough may, by a resolution passed by not less than two thirds of the members voting thereon at a meeting of the Council specially convened for the purpose with notice of the object, admit to be Honorary Freeman of the city, borough or royal borough persons of distinction and persons who have, in the opinion of the Council, rendered eminent services to the city, borough or royal borough."

Further, section 249(1) of the same Act states that: "A principal Council may, by a resolution passed by not less than two thirds of the members voting thereon at a meeting of the Council specially convened for the purpose with notice of the object, confer the title of Honorary Alderman on persons who have, in the opinion of the Council, rendered eminent services to the Council as past members of that Council, but who are not then Councillors of the Council."

3. Financial implications

The anticipated costs are shown in the appendix. This will require appropriate provision in the 2018/19 budget.

Recommendation

The Committee is asked to RESOLVE that funding be approved prior to a request to Full Council for the official admittance to the office of Honorary Freeman or Alderman of the Borough to take place at a special meeting of the Council to be held at a date to be confirmed in November 2018.

Background papers

Nil

APPENDIX

Financial implications

Freeman and Alderman costs	£
Silver Badge of Office (up to 8 badges)	2,600
Print & photography	350
Certificates	250
New Honours Board	500
Hospitality	800
TOTAL	4,500

Timetable

January 2018	Nominations process/publicity.
March 2018	Cross party meeting to discuss and determine who will be selected.
April – October 2018	Preparations (invitations and acceptances of the honour, interviewing for profiles, organising the event etc.)
November 2018	Freeman and Alderman event

Report of the Interim Strategic Director

WORK PROGRAMME1. Purpose of report

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

2. Background

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

08 January 2018	<ul style="list-style-type: none">• Council tax base• Budget Consultation
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3. Dates of future meetings

The following additional dates for future meetings have been agreed:

- 15 February 2018
- 26 April 2018

(All meetings to start at 7.00 pm)

Recommendation

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

Background papers

Nil