



4 July 2018

Dear Sir/Madam

A meeting of the Finance and Resources Committee will be held on Thursday 12 July 2018 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 - 7

The Committee is asked to confirm as a correct record the minutes of the meeting held on 26 April 2018.

4. RECOMMENDATIONS

- 4.1 Leisure and Environment Committee PAGES 8 - 9
17 April 2018
St Helens Church Gates – Repair and Refurbishment

The Committee considered the works required to repair and refurbish the main entrance gates at St Helens Church, Stapleford. The churchyard at St Helens was classed as a closed churchyard and the grounds together with the boundary are maintained by the Council under Section 215 of the Local Government Act. It was noted that the work required would cost £15,000.

RECOMMENDED to the Finance and Resources Committee that £15,000 be allocated within the 2018/19 capital programme for the works to repair and refurbish the gates at St Helens Church, Stapleford to be funded from capital contingencies.

- 4.2 Policy and Performance Committee PAGES 10 - 14
4 July 2018
Care Leavers' Council Tax Reduction Scheme

The Council has the discretion to reduce the council tax liability for individuals or prescribed groups as it thinks fit. This discretion is exercised in accordance with section 13A(1)(c) of the Local Government Finance Act 1992. The proposed scheme is in addition to the Council's Local Council Tax Support Scheme and would provide assistance to people living within the borough that had previously been in care and meet the appropriate qualifying criteria.

Due to the meeting being held on the same date as the despatch of this agenda the decision will be reported at the meeting. The recommendation considered by the Policy and Performance Committee is shown below.

The Committee is asked to RECOMMEND to the Finance and Resources Committee that a supplementary capital estimate of £5,700 for software to administer the Care Leavers' Council Tax Reduction Scheme be approved with funding from 2018/19 capital contingencies

5. REVIEW OF COUNCIL FINANCES PAGES 15 - 20

To provide responses to suggestions made by the Local Government Association following a review of the Council's financial position.

6. STATEMENT OF ACCOUNTS UPDATE AND OUTTURN POSITION 2017/18 PAGES 21 - 39

To report on the revenue and capital outturn position for 2017/18, provide an update on progress with the preparation of the draft annual statement of accounts for 2017/18, approve the revenue and capital carry-forward requests to the 2018/19 year and inform the Committee that the Policy and Performance Committee will be tasked with considering variances to the revenue estimates.

7. TREASURY MANAGEMENT PAGES 40 - 57
- To inform the Committee of treasury management activity and the actual prudential indicators for 2017/18.
8. GENERAL FUND REVENUE BUDGET AMENDMENTS 2018/19 PAGES 58 - 59
- To seek approval for a number of amendments to the General Fund revenue budget for 2018/19 and for additional one-off budget allocations to address particular issues.
9. CAPITAL BUDGET VARIATIONS 2018/19 PAGES 60 - 65
- To seek approval for a number of capital budget variations in respect of the 2018/19 financial year.
10. GRANTS TO VOLUNTARY AND COMMUNITY ORGANISATIONS, CHARITABLE BODIES AND INDIVIDUALS INVOLVED IN SPORTS, THE ARTS AND DISABILITY MATTERS 2018/19 PAGES 66 - 69
- To consider requests for grant aid in accordance with the provisions of the Council's Grant Aid Policy.
11. CAPITAL GRANTS TO VOLUNTARY ORGANISATIONS 2018/19 PAGES 70 - 72
- To consider capital requests for grant aid in accordance with the provisions of the Council's Grant Aid Policy.
12. CITIZENS ADVICE BROXTOWE – GRANT AID 2018/19 PAGES 73 - 86
- To consider a request for grant aid in accordance with the provisions of the Council's Grant Aid Policy.
13. UNIVERSAL CREDIT PAGES 87 - 88
- To inform the committee of the current position with regard to Universal Credit roll out in Broxtowe.
14. CAVENDISH LODGE, BEESTON – OPTIONS FOR DISPOSAL PAGE 89
- To recommend an option for the disposal of Cavendish Lodge, Beeston.

15. COMMITTEE MANAGEMENT SYSTEM PAGES 90 - 92
- To inform members of the current position with regard the implementation of a committee management system and highlight the capabilities of the system for Councillors and members of the public.
17. PERFORMANCE MANAGEMENT REVIEW OF BUSINESS PLAN PROGRESS – SUPPORT SERVICE AREAS PAGES 93 - 107
- 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.
18. FEES FOR CANVASS DUITES PAGES 108-109
- To seek approval to the proposed fees to be paid for canvass duties.
19. BEESTON SQUARE STREET ART PAGES 110-112
- To recommend to Committee that the remaining Henry Boot artwork contribution from The Square Phase 1 in Beeston be allocated to street art.
20. DISABLED FACILITIES GRANTS – GRANTS CASEWORKER PAGE 113
- To seek approval to appoint a temporary part-time Grants Caseworker to assist with the Disabled Facilities Grants process.
21. WORK PROGRAMME PAGE 114
- To consider items for inclusion in the Work Programme for future meetings.
22. 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 items 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.**
23. BEESTON SQUARE PHASE 1 – ANNUAL REPORT 2017/18 PAGES 115-117
24. IRRECOVERABLE ARREARS PAGES 118-126

25. CAVENDISH LODGE, BEESTON – OPTIONS
FOR DISPOSAL - APPENDICES

PAGES 127-130

FINANCE AND RESOURCES COMMITTEE

26 APRIL 2018

Present: Councillor P D Simpson, Chair

Councillors: S A Bagshaw
T P Brindley
E Cubley
S Easom
R I Jackson
P Lally
G Marshall
P J Owen
M Radulovic MBE
A W G A Stockwell

76. **DECLARATIONS OF INTEREST**

Councillor R I Jackson declared a non-pecuniary interest in agenda item 7, minute number 81 refers, as he had made a small contribution towards Chilwell Memorial Institute Tennis Club from his Nottinghamshire County Councillor fund.

77. **MINUTES**

The minutes of the meeting held on 15 February 2018 were confirmed and signed.

78. **REFERENCES**

78.1 Policy and Performance Committee 17 April 2018 **Grant Aid Request**

Members had previously discussed at Full Council that a local boy, Owen Jenkins drowned in 2017 in the River Trent, whilst saving some friends who had got into trouble having entered the water. This event has resulted in not just local water safety measures but initiatives throughout Nottinghamshire to improve water safety. Owen's family had set up a charity, called the OWEN network, which is now promoting open water safety amongst schools in Nottinghamshire.

The Committee considered recommending to the Finance and Resources Committee that the Council make a financial contribution towards a memorial to Owen Jenkins.

RESOLVED that £1,500 be approved from the grants budget in 2018/19 as a contribution towards a memorial for Owen Jenkins.

78.2 Policy and Performance Committee
17 April 2018
World War 1 Memorial Contribution

In order to honour and commemorate all those who gave their lives for King and Country a project had been devised to create a new memorial to be located in the Memorial Gardens on Victoria Embankment, for the entire County and City with a definitive roll of honour listing the names of all those from the County and City who lost their lives fighting throughout the First World War. The names listed on the Memorial would include those who died in the Chilwell shell filling factory disaster.

Funds had been committed by the City and County Councils while district councils were invited to commit £10,000 each. The remaining £30,000 would be raised through public subscription, from local businesses and military organisations.

RESOLVED that £10,000 be approved to the Great War Memorial project funded from a carry-over of underspend from the 2017/18 grants budget.

79. REVIEW OF COUNCIL FINANCES

The report set out the findings of a review of the Council's financial position, including areas identified for further potential examination as a response to the reduction in government grants.

The overall position since the reduction in Government Funding had managed to retain good levels of service, limit redundancy and maintain good levels of reserves. Should a decision be made to freeze council tax for another financial year it was noted that further savings would have to be made. The report made seven suggestions for consideration that would guide the Council in its decision making to create a sustainable financial future.

It was noted that of the 201 District and Borough Councils, Broxtowe was one of only 13 which did not raise council tax in this financial year. A discussion about the possibility of a council tax rise for the financial year 2019/20 took place.

Debate progressed on to the practicalities of the investigation that led to the report. It was established that the author of the report had been a desktop exercise and that although the writer was an expert in the field of local government finances he had not spent significant amounts of time on site. It was noted that this was a service offered by the Local Government

Association to give a snapshot of the Council's finances and to inform local decision making.

RESOLVED that the report be accepted and that the recommendations be acted upon with a review on progress to be brought to Committee in July 2018.

80. GRANTS TO VOLUNTARY AND COMMUNITY ORGANISATIONS, CHARITABLE BODIES AND INDIVIDUALS INVOLVED IN SPORTS, THE ARTS AND DISABILITY MATTERS

The Committee considered requests for grant aid in accordance with the provisions of the Council's Grant Aid Policy and noted the grants awarded under delegated authority.

It was noted that the grants regarding rents for 2nd Kimberley Scout Group and New Stapleford Community Association were notional, as they gave an estimate of rents that could be charged should buildings owned by Broxtowe Borough Council be hired out commercially.

In respect of the Helpful Bureau, Stapleford there was concern that granting the full £10,000 that had been requested would lead to an unsustainable reliance on the Council. There was a suggestion that it would be more useful for the Council to help the Helpful Bureau to find more sustainable funding streams whilst granting them a lesser amount. The importance of the service provided by the Helpful Bureau was noted.

It was proposed by Councillor P D Simpson and seconded by Councillor R I Jackson that a grant of £2,000 be made to the Helpful Bureau Stapleford. An amendment to this motion was proposed by Councillor S A Bagshaw and seconded by Councillor G Marshall that a grant of £3,000 be made. On being put to the meeting the amendment fell and the original motion was then carried.

RESOLVED that the applications be dealt with as follows:

| | (£) |
|---|----------------|
| 2nd Kimberley Scout Group | 6,500 |
| Helpful Bureau, Stapleford | 2,000 |
| New Stapleford Community Association | 4,000 |
| Beeston and District Local History Society | 1,000 |
| Greasley Gathering | 1,000 |
| | 14,5000 |

81. CAPITAL GRANTS TO VOLUNTARY ORGANISATIONS 2018/19

The Committee considered requests for capital grants in accordance with the provisions of the Council's Grant Aid Policy.

The Committee considered a grant request from 2nd Kimberley Scout Group for a replacement boiler at Kettlebrook Lodge, a premises owned by the Council.

A request from the Chilwell Memorial Institute Tennis Club had also been received for a financial contribution towards schemes to renovate the veranda and the construct a rebowall. The Committee debated the merits of the application with reference to the small number of members and the wider community benefits of the organisation.

RESOLVED that:

1. **A grant be made to 2nd Kimberley Scouts of up to £5,000 for a boiler with help and expertise from Broxtowe Borough Council.**
2. **A grant be made to Chilwell Memorial Institute Tennis Club of £1,000 towards schemes to renovate the veranda and the construct a rebowall.**

82. GRANT AID REQUESTS FROM NUTHALL PARISH COUNCIL

The Committee considered the requests for grant aid that had been made by Nuthall Parish Council for the maintenance of roadway and pathways at the New Farm Lane cemetery and the provision of a summer youth club on Basil Russell Playing Field.

It was noted that if the parish council were to pass on responsibility for their cemetery it would pass a significant financial burden on to the Council.

There followed a discussion about the provision of play days across the borough. It was noted that the areas which benefitted from paly days were rotated each year to ensure that distribution of participation was as fair as possible.

RESOLVED that the following be granted to Nuthall Parish Council:

1. **A capital grant of £12,000 for Cemetery Maintenance.**
2. **A revenue grant of £2,000 for play day to be allocated from the leisure budget.**

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

The Committee noted the progress made in achieving the respective Business Plans for Resources Revenues, Benefits and Customer Services; and ICT and Business transformation in addition to the current Key Performance Indicators for 2017/18.

There was particular concern regarding the number of working days lost to sickness, which was up by a third from 2016/17. It was noted that there had been specific issues in the Housing department that had led to an increase in sickness absence, which were being addressed. It was also stated that the Environment Department was experiencing the impact of having an ageing workforce, with the number of manual workers off with long term sicknesses increasing.

The Committee was informed that a significant sum of money had been received in respect of tram compensation, with the claim continuing through the lands tribunal.

Debate progressed on to the sundry debtors backlog and it was requested that figures for the current number of debtors and the amount of debt owed to the Council be circulated to the Committee.

There was concern about the level of rent arrears. It was noted that arrears were down from around £310,000 for the same time last year to £230,000. In addition to the continued efforts of the Rents Team, an Interim Rents Recovery manager had been appointed, the Capita system was being implemented and rents was being taken back in to the Housing Department. A discussion followed regarding the use of discretionary housing payments in tackling rent arrears. It was noted that the Council had a duty to allocate discretionary housing payments to any resident who qualified.

It was noted that virus protection was at 96.7% and it was requested that further information be provided to the Committee regarding this figure.

84. PROPERTY MATTERS – CAVENDISH LODGE, BEESTON AND EASTWOOD CEMETERY CHAPEL

The Committee was asked to consider the disposal of Cavendish Lodge and the letting of Eastwood Cemetery Chapel. In order to get the best possible price for Cavendish Lodge the Committee requested that a number of options be considered, with the assistance of a Chartered Surveyor, including the inclusion of further land and making renovations to the interior.

It was further noted that the Cemetery Chapel would not be left untenanted and that housing staff would continue to be based there whilst a commercial tenant was sought.

RESOLVED that:

1. In principle, Cavendish Lodge be sold, but consideration be given to whether renovation work should be carried out to the building before sale.
2. The rental of Eastwood Cemetery Chapel be approved, with use by Housing to continue until a tenant is found.
3. The appointment of an external agent to market the properties be approved.

85. TOUR OF BRITAIN UPDATE – NOTTINGHAMSHIRE LEG SEPTEMBER 2018

The Committee received a revision to the route proposed by the organisers of the Tour of Britain to which the Council had agreed to make a financial contribution. Having allocated £5,000 with a view to the race coming through the centre of Eastwood and Brinsley, there had be a change to the route which would take it instead through the Engine Lane Business Park.

The Committee noted it's disappointment at the revised route. The none monetised benefits such as increased participation in cycling were discussed, but there was also concern that it was difficult to justify making a financial contribution to the event, which was barely coming to the Borough.

RESOLVED that officers advise the organisers that the proposed arrangements were not supported.

86. INTELLIGENT SCANNING – FINANCIAL EXEMPTION

The Committee was asked to approve an exemption from Section 5.3 of the Council's Financial Regulations (contracts) to allow the purchase of the intelligent scanning module from Civica without the requirement to obtain at least three quotes.

There were concerns that the system did not represent value for money and that market testing should take place before the financial regulations be dispensed with.

RESOLVED that quotations be sought for the purchase of the software as necessary and an update provided to the July meeting.

87. CAPITAL BUDGET VARIATIONS 2018/19

The Committee considered the approved capital programme for 2018/19 with variations pertaining to the a programme of replacements for vehicles and plant, the Bennerley Viaduct renovation scheme, additional bus shelters in Nuthall and a pedestrian crossing on Hickings Lane, Stapleford.

The debate focussed on the Committees disappointment that Sustrans were not expected to proceed with the renovation of the Bennerley Viaduct. It was noted that although this funding was being removed from the budget, the Committee would, in principle, be supportive of future schemes to renovate this important landmark.

RESOLVED that the capital budget variations for 2018/19 as set out above and in appendices 1 and 2 be approved.

88. WORK PROGRAMME

The Committee considered the Work Programme. It was agreed that that a report on Intelligent scanning, an Update on Council Finances and an update on Universal Credit update be added to the work programme for the July meeting. It was also requested that further options for Cavendish Lodge also come back to the Committee for consideration.

RESOLVED that the Work Programme, as amended, be approved.

Report of the Interim Strategic Director

ST HELENS CHURCH GATES – REPAIR AND REFURBISHMENT1. Purpose of report

To consider works to repair and refurbish the main entrance gates at St Helens Church, Stapleford.

2. Background

The churchyard at St Helens is classed as a closed churchyard and the grounds together with the boundary are maintained by the Borough Council under Section 215 of the Local Government Act. A report to the Leisure, Parks and Cemeteries Committee on 22 November 2016 updated members as to the Council's responsibility in relation to closed churchyards. Historically there was no formal inspection regime for the boundaries at the Closed Churchyards maintained by the Borough Council. This has now been addressed and an annual inspection is undertaken by the Senior Public Buildings Maintenance Officer. All Closed Churchyards have now been inspected and a series of repairs undertaken with the work contained within the revenue budget for Cemeteries and Closed Churchyards. At this site however, concerns about the condition of the gates have been identified. Given the gates listed status and concerns relating to their safety, assessments have been undertaken by specialist contractors experienced in restoration and repair of such structures. Estimates have been obtained for their renovation and repair with the lowest price being £15,000. The historic background to the gates and the issues identified by the contractors are detailed in the appendix.

3. Financial Implications

There is presently no provision within the 2018/19 capital programme for the estimated £15,000 cost of the proposed works. An allocation could be made from capital contingencies of which £38,000 is currently available.

Recommendation

The Committee is asked to RECOMMEND to the Finance and Resources Committee that £15,000 be allocated within the 2018/19 capital programme for the works to repair and refurbish the gates at St Helens Church, Stapleford to be funded from capital contingencies.

Background papers

Nil

APPENDIXBackground details relating to the gates

The gates provide the main entrance to the church at the top of Church Lane and are a focal point as you exit Stapleford on Church Street. The ornate gates are grade 2 listed and have significant stone piers with matching panels of fencing either side of the gates.

The gates, whilst not original to the site, were located in their present position in 1922. Unfortunately they are now in a very poor condition and attention is required to prevent the loss of this significant feature in Stapleford. Many gates and railings around churchyards and cemeteries were removed during the Second World War. Nearby Stapleford Cemetery is an example of this which no longer has feature gates or railings on the frontage of the cemetery.

The gates are suffering from extensive corrosion with weathering to such an extent that sections have been lost. There have been “well intentioned” but inadequate repairs with weld and mild steel in the past.

Failure to undertaken maintenance could result in the gates having to be removed on the grounds of safety. There is also the possibility that the council could be served notice to undertake the works given their grade 2 listed status. This is something that the Council should look to avoid given the potential bad publicity this could generate.

Having consulted specialist contractors the proposal would be for the gates and all associated metal works to be temporarily removed from site to allow the missing features to be re-cast and replaced. The gates would then be repainted and refitted in position. The existing stone pillars would be repaired as part of the restoration works.

The Church of England have been made aware of the condition of the gates and asked for their views. In response they confirmed that it was a matter for the Borough Council but there would need to be discussions with the Parochial Church Council (PCC) as faculty permission would be required for the works. This faculty application would need to be made by the PCC.

In terms of external funding various options have been explored but there seems little scope, with most funding providers for works to Churchyards restricted to either:

- Grade 1 listed sites
- Funding for charities
- Funding for community groups
- Work to churches in sparsely populated villages

The WREN (Waste Recycling Environmental) Heritage Fund no longer operates. Advice from WREN is that repairs and restoration to gates would not be eligible from their Community Action Fund.

Report of the Deputy Chief Executive

CARE LEAVERS' COUNCIL TAX REDUCTION SCHEME1. Purpose of report

To request approval to implement a Council Tax Reduction Scheme to assist care leavers, as set out in the appendix.

2. Background

The Council has the discretion to reduce the council tax liability for individuals or prescribed groups as it thinks fit. This discretion is exercised in accordance with section 13A(1)(c) of the Local Government Finance Act 1992.

The proposed scheme is in addition to the Council's Local Council Tax Support Scheme (LCTSS) and will provide assistance to people living within the borough who have previously been in care and meet the appropriate qualifying criteria, as detailed in the appendix.

The proposed Care Leave Reduction Scheme will only be applied after all other relevant discounts and exemptions. It is anticipated that most care leavers will already be receiving assistance through the Council's LCTSS, which grants a reduction to council tax payers based on an assessment of their means to pay. Where the qualifying criteria is met and all discounts and exemptions, including LCTSS, do not cover the full Council Tax charge, then under the proposed scheme the Council Tax payer could receive assistance up to 100% of their charge. Guidelines are provided in the appendix of the report.

3. Financial implications

The financial implications of the Care Leavers' reduction scheme can be found in appendix 2 of the report.

Recommendations

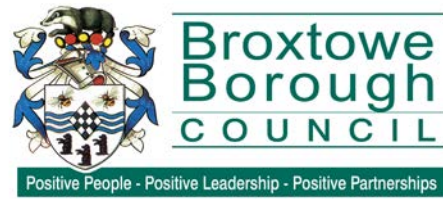
The Committee is asked to:

- 1. RESOLVE that the implementation of the Care Leavers Council Tax Reduction Scheme be adopted.**
- 2. RESOLVE that the Head of Revenues and Benefits be delegated the authority to decide upon the award of Care Leavers' Council Tax Reduction Scheme.**
- 3. RECOMMEND to the Finance and Resources Committee that a supplementary capital estimate of £5,700 for software to administer the Care Leavers' Council Tax Reduction Scheme be approved with funding from 2018/19 capital contingencies**

Background papers

Nil

APPENDIX



**Policy Guidelines
Council Tax
Care Leavers' Reduction
Scheme**

Date: May 2018

Prepared by: Phil Sudlow - Head of Revenues and Benefits Managed Service

1. Introduction

Broxtowe Borough has the discretion to reduce the council tax of any such persons as it sees fit. This discretion is allowed by section 13A(1)(c) of the Local Government Finance Act 1992.

The Council has determined that it will provide a reduction in council tax to those persons liable to pay council tax within the Borough who are defined as care leavers. Providing this support will help care leavers manage the social and financial transition from local authority care to independent living.

2. Delegation

The authority to determine applications for council tax reduction for care leavers is delegated to the Head of Revenues and Benefits.

Each request for relief will be considered on its own merits.

3. Who is eligible for council tax reduction?

For the purposes of this guidance, a care leaver is defined as a person aged between 16 and 25, who is resident in the Borough with a council tax liability and:

- i. has been in the care of a local authority for a period, or cumulative periods equalling at least 13 weeks since the age of 14 and which ended on or after their 16th birthday, or;
- ii. is aged between 16 and 21 and with respect to whom a guardianship order is in force (or was in force on their 18th birthday) and was looked after immediately before the making of that order, or;
- iii. at any time after their 16th birthday but before their 18th birthday, was, but no longer is, looked after, accommodated or fostered.

This definition incorporates the statutory definitions of “former relevant child” and “qualifying care leaver” as defined in the Children Act 1989.

4. How will council tax reduction be applied?

The council tax reduction will take effect from 1st April 2018. Care leavers who become responsible for council tax after this date will be granted a reduction from the date their council tax liability begins.

Care leavers who are liable for council tax on 1st April 2018 will be granted a reduction from 1st April 2018.

The reduction will be awarded after all other relevant discounts, reductions and exemptions to the council tax liability have been awarded.

Where the reduction is awarded, it will remain in place until the care leaver reaches the age of 25 years (the care leaver's 25th birthday) or ceases to be liable for the council tax, whichever date occurs first. In these circumstances, the bill will be apportioned.

Where a reduction has been awarded, a council tax bill will be issued showing the detail of the reduction. If a request for reduction is refused, a letter will be issued detailing the reasons for the refusal.

5. How much council tax reduction will be applied?

Where a care leaver has a liability for council tax, the reduction in that liability will be up to 100%.

The amount of reduction awarded will be the relevant amount (after all other discounts, reductions and exemptions) required to reduce the care leaver's council tax liability amount to zero.

If, subsequent to an award, the care leaver's liability for council tax reduces during the period of the award, for example if the care leaver becomes entitled to a single person discount, the care leaver's reduction will be amended to ensure the award does not exceed the care leaver's council tax liability for the period.

Where there is a shared liability for council tax, the reduction will only be paid to cover the share for which the care leaver would be liable.

6. Right of appeal

Under section 16 of the Local Government Finance Act 1992, a person applying for a reduction in council tax but disagrees with the decision of the Council may appeal the decision.

This appeal in the first instance should be made to the Council's Revenues Team. If after this the person making the request for reduction is still not satisfied, they may then make an appeal to the Valuation Tribunal for England (VTE).

The VTE is an independent body which adjudicates between taxpayers and the Council. Appeals to the VTE must be made directly to the VTE.

APPENDIX 2**Financial Implications**

The Council does not currently have the software to administer such a reduction in Council Tax. The additional software is £5,700 plus on-going maintenance of £1,100 per annum. The cost of the additional software can be met from 2018/19 capital contingencies of which £38,000 is presently available. The on-going maintenance costs will be met from the ICT software maintenance revenue budget.

Although the Council is aware that there are currently 43 care leavers living within the borough, it is not fully aware of the demographic of these individuals and how many of these are currently receiving Council Tax Support. Based on a situation where all 43 required additional support through the care leavers' reduction scheme, then there would be a reduction of approximately £50,000 per annum in collection of Council Tax. Based upon the 2018/19 precepts, the Broxtowe Borough Council share of this would be approximately £4,350 (or 8.7%) with the other precepting authorities (Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner and Nottinghamshire Fire Authority) meeting approximately £45,650 (or 91.3%)

Report of the Interim Deputy Chief Executive

REVIEW OF COUNCIL FINANCES1. Purpose of report

To provide responses to suggestions made by the Local Government Association (LGA) following a review of the Council's financial position.

2. Background

The Finance and Resources Committee on 26 April 2018 received a report undertaken by the LGA following a brief desktop review of the Council's financial position. The report assessed the Council's financial situation and suggested areas for further review to assist the Council in addressing the challenging financial environment that it faces. The review focused upon the General Fund as the Housing Revenue is considered to be in a reasonably healthy position.

The LGA's report identified seven specific areas that the Council could examine further in an attempt to strengthen its financial position by reducing its net expenditure, in either the short term or long term, through making savings on expenditure or increasing income. The LGA report emphasised that in all cases the Council should satisfy itself of the legality of any actions taken and seek agreement with their external auditor where appropriate.

The appendix sets out in full the seven suggested areas for review in the LGA report along with responses setting out steps that the Council has already taken in response to these and additional measures that the Council will be looking to take. Further details in respect of each of these areas will be reported to the Committee in due course.

One established measure implemented by the Council to help address its financial challenge is the development of a Business Strategy setting out initiatives that will be pursued to either reduce costs or generate additional income. Many of these initiatives were incorporated within the 2018/19 General Fund revenue budget approved by the Finance and Resources Committee on 15 February 2018. An updated Business Strategy along with a revised Medium Term Financial Strategy will be presented to the Finance and Resources Committee on the 11 October 2018.

Recommendation

The Committee is asked to NOTE the responses to the LGA review of the Council's financial position as set out in the appendix.

Background papers

Nil

Suggested Areas for review:**1. Minimum Revenue Provision (MRP)**LGA Suggestion

The Council has opted for a 4% MRP charge in respect of pre 2007/08 debt. This was implemented in 2008/09. The Council could now consider reviewing their MRP policy and adopt an asset life based annuity approach which whilst not affecting the total amount of MRP charged over the life of the assets, should generate annual savings for a number of years to come. One of the main arguments in favour of an annuity based approach is that the annual charge to the accounts takes account of inflation and may be considered therefore to be more appropriate.

Furthermore, the Council could consider backdating this approach to commence in 2008/09. By calculating what would have been charged from 2008/09 compared to what the actual charge has been, an overprovision can be established. This overprovision can then be brought back into the accounts over a period of time to be determined, and may be a material amount. It should be noted however that Government have issued new guidelines which prevents this backdating approach from the 2018/19 financial year and therefore should the Council wish to consider it, it would need to be effected in the 2017/18 accounts.

The Council has already taken steps to consult with their external advisers in order to look at different options, to evaluate the impact and consider a way forward. As referred to above, it is also recommended that the Council consults with their external auditor on this matter.

Council Response

MRP is the means by which capital expenditure which is financed by borrowing is paid for by council tax payers. Local Authorities are required each year to set aside some of their revenues as provision for this debt. The MRP Policy is approved annually by this Committee and subsequently endorsed by full Council.

The Council engaged its treasury management advisors (Arlingclose) in March 2018 to undertake a review of its MRP Policy to ensure it was aligned with the Council's objectives and to determine if there were any opportunities for savings and other benefits from by adopting alternative approaches.

The Arlingclose analysis found that a significant overprovision of £0.934m for MRP had been made from 2008/09 to 2016/17 in respect of borrowing for capital expenditure incurred prior to the introduction of new regulations from 2008/09 due to not applying a reducing balance approach to 4% MRP charge in respect of pre 2007/08 borrowing. The correction of this has contributed to a significant underspend on the MRP budget in 2017/18 of £1.085m.

The Arlingclose analysis also supported the suggestion by the LGA that the Council adopt an annuity based as opposed to equal instalment approach under the asset life method of calculating MRP in respect of borrowing undertaken since April 2008. The Council has implemented this in its 2017/18 accounts to more accurately reflect the time value of money and this has produced a lower MRP charge than would have been the case under the previous approach.

The measures taken by the Council in response to the Arlingclose analysis have been shared with the external auditors. They have confirmed that they were familiar with the approach recommended by both the LGA and Arlingclose and that a number of other authorities, including Nottinghamshire County Council, Nottinghamshire Police and various local authorities in the West Midlands, have adopted similar approaches. The external auditors had no initial concerns with the approach taken by Broxtowe in 2017/18 and will formally seek to confirm as part of their audit of the Council's 2017/18 accounts.

2. HRA/General Fund review

LGA Suggestion

It is good practice to regularly review the split of costs between the Housing Revenue Account and General Fund, making sure that apportionments are at an appropriate level and recover full costs. In addition, there are some activities which may be suitable to charge to the HRA, e.g. anti-social behaviour services, housing advice, environmental cleaning and grass cutting, etc. It is recommended that the Council undertakes a full review of the split of costs between HRA and the General Fund. Any changes could be effected from 2018/19.

Council Response

The Council is continually reviewing the split of costs between the Housing Revenue Account (HRA) and the General Fund to ensure that they are appropriate and fully in accordance with both statutory and regulatory requirements.

The production of the 2017/18 saw such a review undertaken based upon analysis of activities provided by departments. This resulted in a greater share of costs being allocated to the HRA in 2017/18 in respect of activities such as grounds maintenance and CCTV than in previous years. This was partly offset by additional income attributed to the HRA for interest earned on the Council's investments in accordance with the application of the latest guidance received from CIPFA.

This is an area that will be kept under regular review in 2018/19 with particular attention paid during the production of the 2018/19 accounts and preparation of the 2019/20 budget.

3. Review of charges/new charges

LGA Suggestion

The Council should be reviewing fees and charges on a regular basis, at least annually. Broxtowe should satisfy itself that fees and charges are set at levels which recover full cost, unless there are good reasons not to do so. In which case the Council should look to ensure that publicly funded subsidies are transparently set at an appropriate level to reflect the outcomes which the Council is seeking.

In this review the Council should also consider any areas where it may be appropriate to introduce a charge for services where one does not exist currently. As a matter of principle Council Tax should fund services which are provided to the community as a whole rather than confer individual benefit. Where services give individual benefit these may be suitable for charging.

Council Response

The levels of fees and charges set by the Council are reviewed and approved by Members on an annual basis as part of the budget setting process to ensure that they are consistent with the Council's priorities as set out in the Corporate Plan..

In recent years the Council has introduced charges for the provision of services such as car parking, garden waste collection pre planning application advice.

The Council has commissioned LG Futures to undertake a review of the Council's charging activity, particularly in relation to other local authorities, and the results will be reported to Members in due course.

4. Capital Receipts

LGA Suggestion

The Council has little opportunity to generate significant capital receipts, but where receipts are generated the Council could consider a more flexible use of receipts than simply using to fund new capital expenditure. There are two main ways in which capital receipts can be used more flexibly. Firstly, Government have given authorities the discretion to use capital receipts to fund "transformation" expenditure which lead to savings; and secondly there is a legitimate way in which capital receipts may be used to fund MRP. In either case these are only short term measures and do not remove the need for longer term sustainable savings.

Council Response

The Council has always been aware of the potential to seek Government approval to use capital receipts to fund “transformation” projects that may lead to savings at a future date. However, as the LGA have stated, this depends upon both the availability of such capital receipts and having suitable projects that the Council wishes to progress. The potential offered by this discretion will continue to be considered, particularly in view of the development of the Business Strategy.

The Council may, as suggested, use capital receipts to fund MRP. However, this depends not only on the availability of such receipts but the other alternative uses to which capital receipts may be put. The Council will keep this possibility under review, particularly in light of the work undertaken on MRP referred to above.

5. Council Tax

LGA Suggestion

The Council has chosen to freeze its Council Tax for the past eight years; this is a political decision which the Council is entitled to make. However, the Council should be aware that the continuation of this approach has a detrimental effect on the Council’s income base which is now falling well behind its spending needs. In 2018/19 Shire Districts in England as a whole increased their Council Tax by an average of 2.8% and Broxtowe is one of only 13 district councils out of 201 who did not increase their Council Tax at all. A 2.8% increase for Broxtowe would generate income annually of approximately £150k for the Council.

The Council are planning to freeze their Council Tax once again in 2019/20. Given the difficult financial position that Broxtowe faces in that year it may be appropriate for the Council to review this decision.

Council Response

Any decision with regards to the level of Council Tax in 2019/20 and subsequent years will be made by Members and will take account of all available information concerning factors such as the Council’s financial position, the demands for Council services and the impact upon Council Tax payers.

6. Collaboration

LGA Suggestion

The Council has shown a willingness to collaborate with other councils in the area with a number of good examples already in place, for example sharing ICT services and Revenues and Benefits. This should be encouraged and where possible further opportunities should be identified and explored. In particular Broxtowe should consider services which are largely regulatory and/

or administrative which might reasonably be undertaken by one authority on behalf of others.

Council Response

The Council has a Shared Services Board chaired by the Chief Executive that keeps its shared service activities under review to ensure that they are continuing to meet their objectives.

The will investigate further any opportunities for collaborative working that may arise and will actively seek to promote these where possible.

7. Benchmarking

LGA Suggestion

In order to ensure that it is operating efficiently there would be merit in the Council undertaking some benchmarking making comparisons with other district councils to satisfy itself that it is not missing opportunities. For example, the Council might look at income from fees and charges as a percentage of gross expenditure, or look at full time equivalent staff numbers per £100k of net or gross expenditure. This benchmarking work could be done locally initially using existing county wide finance networks.

Council Response

The Council participates in a number of benchmarking groups designed to identify where cost reductions or service improvements can be achieved by following best practice.

The Housing Department participate in the annual Housemark benchmarking exercise and both the Environment Department and Liberty Leisure are active within such activity led by the Association of Public Service Excellence (APSE).

The Council's treasury management activity is benchmarked against its peers on a quarterly basis by our treasury management advisors. This can help to identify, for example, investment opportunities or measures to mitigate against risk.

Where opportunities are presented for further benchmarking then, assuming the expected benefits of participating exceed the costs incurred, the Council will active seek to progress these further.

Report of the Interim Deputy Chief Executive

STATEMENT OF ACCOUNTS UPDATE AND OUTTURN POSITION 2017/181. Purpose of report

To report on the revenue and capital outturn position for 2017/18, provide an update on progress with the preparation of the draft annual statement of accounts for 2017/18, approve the revenue and capital carry-forward requests to the 2018/19 year and inform the Committee that the Policy and Performance Committee will be tasked with considering variances to the revenue estimates. This is in accordance with the Council's objective to deliver value for money.

2. Background

The accounts for 2017/18 have been finalised, subject to audit, and show an underspending on the General Fund revenue account of £2,158,870 and an overspending on the Housing Revenue Account (HRA) of £283,950 when compared to the revised estimates. A summary of the revenue accounts is provided in appendix 1 whilst appendix 2 summarises the position on capital. Policy and Performance Committee considered any variances in excess of the delegated revenue virement limit of £5,000 and also in excess of 1% of the revised estimate at their meeting of 4 July 2018.

The Accounts and Audit (England) Regulations 2015 require that the responsible financial officer certifies the presentation of the annual accounts before 31 May in readiness for the audit. An update on progress in producing the statement will be given at the Committee. The audited statement of accounts, together with the external auditor's Annual Governance report, will be presented to the Governance, Audit and Standards Committee on 23 July 2018.

Recommendation

The Committee is asked to RESOLVE that:

- 1. The accounts summary for the financial year ended 31 March 2018 subject to audit, be approved.**
- 2. The revenue carry forward requests outlined in section 2 of appendix 1 be approved and included as supplementary revenue estimates in the 2018/19 budget.**
- 3. The capital carry forward requests outlined in appendix 2b be approved and included as supplementary capital estimates in the 2018/19 budget.**

Background papers

Nil

REVENUE ACCOUNTS OUTTURN SUMMARY 2017/181. Summary of General Fund and Housing Revenue Account Expenditure

1.1 The following table summarises the position for 2017/18:

| <u>GENERAL FUND</u> | <u>Revised</u> | <u>Actual</u> | <u>Variation</u> | |
|--|--------------------|--------------------|--------------------|----------------|
| | <u>Estimate</u> | <u>2017/18</u> | <u>£</u> | <u>%</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>%</u> |
| <u>Net expenditure</u> | | | | |
| Housing | 678,200 | 231,169 | (447,031) | (65.9) |
| Environment | 4,383,900 | 3,767,185 | (616,715) | (14.1) |
| Business Growth | 1,294,500 | 525,968 | (768,532) | (59.4) |
| Community Safety | 1,550,583 | 1,863,091 | 312,508 | 20.2 |
| Health | 2,696,950 | 2,242,946 | (454,004) | (16.8) |
| Revenues, Benefits and Customer Services | 464,000 | 858,820 | 394,820 | 85.1 |
| Resources | (427,133) | (971,699) | (544,566) | 127.5 |
| ICT and Business Transformation | 35,350 | 0 | (35,350) | 0.0 |
| Sub-total | 10,676,350 | 8,517,480 | (2,158,870) | (20.2) |
| Contingency/Policy Reserve | | 0 | 0 | 0.0 |
| TOTAL GENERAL FUND | 10,676,350 | 8,517,480 | (2,158,870) | (20.2) |
| <u>Financed by:</u> | | | | |
| Council Tax | (5,361,570) | (5,361,570) | 0 | 0.0 |
| Share of previous year council tax collection fund surplus | (85,097) | (85,097) | 0 | 0.0 |
| Revenue Support Grant | (802,336) | (802,336) | 0 | 0.0 |
| RSG transitional Grant | 0 | (5,509) | (5,509) | N/A |
| Non Domestic Rates (NDR) | (3,412,265) | (3,395,459) | 16,806 | (0.5) |
| Share of previous year NDR collection fund deficit | 690,000 | 690,263 | 263 | N/A |
| NDR – Section 31 Grant | (600,423) | (653,093) | (52,670) | 8.8 |
| NDR Growth Levied by NCC - Returned | 0 | (153,937) | (153,937) | N/A |
| Growth Levy / (Safety Net) to/(from) Notts NDR Pool | 543,373 | 500,055 | (43,318) | (8.0) |
| Net (surplus)/deficit | 1,648,032 | (749,203) | (2,397,235) | (145.5) |
| General Reserves B/F | (4,746,481) | (4,746,481) | 0 | 0.0 |
| Transfer to/(from) other reserves | (570,273) | (557,839) | 12,434 | (2.2) |
| General Reserves balance C/F | (3,668,722) | (6,053,523) | (2,384,801) | 65.0 |

| <u>HOUSING REVENUE</u> <u>ACCOUNT</u> | <u>Revised</u> <u>Estimate</u> <u>2017/18</u> | <u>Actual</u> <u>2017/18</u> | <u>Variation</u> | |
|--|---|---------------------------------|------------------|--------|
| | £ | £ | £ | % |
| Expenditure | 10,883,265 | 11,996,330 | 1,113,065 | 10.2 |
| Income | (16,359,000) | (16,408,814) | (49,814) | 0.3 |
| Appropriations | 3,804,150 | 3,024,849 | (779,301) | (20.5) |
| Deficit/(Surplus) | (1,671,585) | (1,387,635) | 283,950 | |
| Working balance B/F | (2,474,791) | (2,474,791) | 0 | |
| Deficit/(Surplus) | (1,671,585) | (1,387,635) | 283,950 | |
| Working balance C/F | (4,146,376) | (3,862,426) | 283,950 | |

Note: Figures in brackets in the revised estimate and actual columns indicate a net income amount. Figures in brackets in the variation column indicate a net saving or underspend.

| <u>Reserve</u> | <u>Balance B/F</u> £ | <u>Transfer</u> <u>to/(from) General</u> <u>Fund in year</u> £ | <u>Balance C/F</u> £ |
|------------------|-------------------------|---|-------------------------|
| Vehicle Renewals | (587,839) | 587,839 | 0 |
| Land Charges | (136,891) | 0 | (136,891) |
| Elections | (30,000) | (30,000) | (60,000) |
| Mortgage Scheme | (37,434) | 0 | (37,434) |
| TOTAL | (792,164) | 557,839 | (234,325) |

- General Reserves have now been combined such that the General Fund Reserve now encompasses the former Vehicle Renewals Reserve. There is no restriction on how these reserves may be used so long as it is for General Fund purposes.

- a reserve was created in 2010/11 in respect of land searches. At a national level legal challenges are still being mounted in respect of fees previously charged for personal searches. New legislation introduced in 2010/11 declared that such charges should not be made in future and the authority has complied with this ruling. Whilst no transactions went through this reserve in 2017/18, further compensation may be payable in future years and it is intended that the reserve will be used to meet this cost.

- a reserve was created in 2011/12 in respect of elections into which it is intended to make a contribution each year thereby avoiding the need to find large funding in the year that the borough council elections take place. A contribution of £30,000 was made to the reserve in 2017/18.

- a reserve was created in 2013/14 in respect of the Local Authority Mortgage Scheme (LAMS), which was approved by Council on 18 December 2013. As part of the approval process it was agreed that a reserve be created into which any additional premium interest earned on the deposit with Lloyds Bank would be placed and that this would be used to offset the cost of any mortgage defaults, should any occur. No such defaults have occurred to date.

1.2 Reasons for Variations

a) General Fund

The overall General Fund underspending of £2,158,870 resulted in a net increase in the General Fund Reserve of £2,384,801 as against a budgeted reduction of £1,077,759 after taking account of the movement in other reserves. The main variations from the revised estimate are as follows:

| Item | Variation: Overspend/ (Underspend) | Comments |
|-------------|---|--|
| 1 | (296,300) | Net revenue carry forward requests which are detailed in paragraph 2.1. |
| 2 | 41,400 | Income received from hostel accommodation was lower than anticipated due to occupancy levels being below expectations |
| 3 | (84,400) | There was an underspend on salaries within Planning caused by time taken to fill newly created posts following the restructure agreed by Policy and Performance Committee on 4 July 2017 as well as a number of other vacancies |
| 4 | (58,950) | Planning fee income exceeded the budget of £440,000. Following the finalisation of site allocations as part of Part 2 of the Local Plan, there have been a number of major applications received. |
| 5 | (65,150) | Additional new burden payments relating to Planning were received in 2017/18 concerning custom and self-build housing and the preparation of a brownfield register that were not anticipated when the budget was set. |
| 6 | (31,450) | Pay and display income in the Council's car parks exceeded the budget of £145,000 due to additional usage and two additional car parks coming into operation. |
| 7 | (25,500) | Income from penalty charge notices exceeded the budget of £70,000 following the increased usage of the Council's car parks. |
| 8 | (68,600) | The cost of providing verge maintenance on behalf of Nottinghamshire County Council was significantly lower than the income received. |
| 9 | 38,600 | There was an overspend on employee costs within Refuse Collection as additional agency staff were required, primarily as a consequence of a need to cover for staff sickness absence. These costs are partially offset by employee underspends in grounds maintenance and street cleaning. |

| Item | Variation: Overspend/ (Underspend) | Comments |
|-------------|---|---|
| 10 | (32,400) | There was an over-recovery of income from garden waste collection service due to a greater demand for the service than been anticipated. |
| 11 | (26,150) | Greater income was received from trade refuse collections was anticipated due to an increase in the customer base. |
| 12 | (24,750) | Waste disposal costs in 2017/18 were at a similar level to those in 2016/17 and significantly lower than the budget. The 2018/19 budget will be reduced accordingly. |
| 13 | (30,250) | Additional grounds maintenance income has been received in response to requests from customers for further works to be undertaken on their behalf. This partly accounts for additional expenditure on sub-contractors. |
| 14 | (43,800) | There was an underspend on employee expenses within Capital Works primarily as a result of the move to the new structure approved at Policy and Performance Committee on 4 July 2017. |
| 15 | (36,000) | A review of recharges made to the HRA in 2017/18 identified that CCTV costs in respect of council housing properties should be recharged to the HRA accordingly. This practice will now continue in future years. |
| 16 | (107,450) | An Individual Electoral Registration grant of £87,850 was received in 2016/17 and carried forward into 2017/18 with an additional £19,600 was received in 2017/18. No budget was set up in respect of this income |
| 17 | (51,850) | The 2017/18 management fee paid to Liberty Leisure of £1,160,500 was lower than had been expected when the budget for the year was set. |
| 18 | (57,700) | A higher than anticipated number of vacancies within Customer Services during 2017/18 resulted in an underspend. |
| 19 | (35,600) | A higher than anticipated number of vacancies within Revenues during 2017/18 resulted in an underspend. |
| 20 | 79,550 | There was an overspend on employee costs within Legal Services due to a requirement for additional agency staff to cover for maternity absence, more staff being members of the Local Government Pension Scheme than had been anticipated and costs incurred regarding the former Director of Legal and Planning Services |
| 21 | (48,550) | There was an underspend on employee costs within the Audit and Control team due primarily to the vacancy that arose after the departure of the Procurement Officer on 30 June 2017. The post remained vacant for the remainder of the financial year. |

| Item | Variation: Overspend/ (Underspend) | Comments |
|------|--|--|
| 22 | 36,850 | No budget provision was made in 2017/18 for the Apprenticeship Levy that came into effect on 1 April 2017. This has been reflected in the 2018/19 budget |
| 23 | 36,450 | This expenditure relates to the General Fund share of the costs incurred in 2017/18 on the external investigation for which no specific budget provision was made. |
| 24 | 59,550 | These costs relate to payments made to Rushcliffe B.C. for the secondment of an Interim Strategic Director as reported to Policy and Performance Committee on 3 October 2017. No specific budget provision was made for this. |
| 25 | (1,085,100) | A review of the Council's minimum revenue provision (MRP) arrangements identified an overprovision of £934,100 in respect of MRP charged from 2008/09 to 2016/17 in respect of capital expenditure incurred prior April 2008. This, in addition to a move to an annuity based as opposed to equal life approach to MRP in accordance with the Council's MRP Policy, has resulted in a significant underspend in 2017/18. |
| 26 | (46,800) | Other income received under the Resources priority was significantly more than was expected when the budget for 2017/18 was set. This included a one-off £23,600 credit in respect of the charge made to Beeston Allotments in respect of the outstanding debt relating to the 2010 works at the Borehole. |
| 27 | 41,400 | The management fee recharge for Beeston Square was smaller than anticipated due to a combination of vacant units for part of the year and adjustments to the accounting arrangements for the service charge payments from tenants following the purchase of the Beeston Square lease in May 2016. This has been reflected in the 2018/19 budget. |
| 28 | (31,450) | There was an over-recovery of rental income from General Land and Property due primarily to the additional income of £35,000 in respect of the annual rent from the beautician occupying Durban House in Eastwood. |
| 29 | (41,300) | A higher than anticipated number of vacancies in the Information and Communications team during 2017/18 resulted in a budget underspend. This includes expenditure of £54,250 on agency staff. |

| Item | Variation: Overspend/ (Underspend) | Comments |
|------|--|---|
| 30 | (30,200) | Hardware maintenance costs of £16,000 that will relate to future years were charged to 2018/19 to align with when these services will be required. There was also a significant reduction of approximately £14,000 in the requirement for responsive maintenance than had been initially anticipated. |
| | (2,025,900) | |

b) Housing Revenue Account

The overspending of £283,950 on the HRA is mainly due to the following factors:

| Item | Variation: Overspend/ (Underspend) | Comments |
|-------------|---|---|
| 1 | (181,850) | Revenue carry forward requests which are detailed in paragraph 2.2. |
| 2 | (40,350) | A review of the charging methodology for insurance premiums to produce a more appropriate allocation of costs has resulted in an underspend within the HRA. |
| 3 | (32,800) | The budgets for choice based lettings service were previously split over various other housing service areas. The costs have now been brought together and the budget will reflect this in 2018/19 |
| 4 | 123,400 | A review of the work carried out by the grounds maintenance team has resulted in a more appropriate charge to the HRA for this activity. |
| 5 | 387,200 | The depreciation charge for 2017/18 exceeded the budget following upward revaluation of the housing stock at 31 March 2017 arising from the change in the Social Housing Factor from 34% to 42%. |
| 6 | (203,900) | A statutory amendment to the calculation of the loan charge to the HRA has resulted in the charge being lower than anticipated |
| 7 | (364,650) | Although the HRA capital programme in 2017/18 was 93% spent there was an underspend which meant that a reduced revenue contribution was required to finance the 2017/18 HRA capital expenditure. |
| 8 | 81,650 | A substantial number of repairs invoices deemed unrecoverable, dating back over a number of years, were written off in 2017/18 |
| 9 | 109,300 | This expenditure relates to the HRA share of the costs incurred in 2017/18 on the external investigation for which no specific budget provision was made. |
| 10 | 156,650 | The HRA is charged a proportion of the Corporate and Democratic costs incurred. The methodology for calculating this charge had not been reviewed for a number of years and a more appropriate basis has now been established. |
| 11 | 214,400 | Central Support Recharges represents the cost of employees directly providing the service (including overheads) who are recharged from the directorate budget plus the cost of support departments. This overspend was due to the difference between budgeted and actual time worked and differences in directorate expenditure totals. |
| | 249,050 | |

2 Revenue items to be carried forward

2.1 General Fund - total amount £296300

| Item | Carry Forward Amount | Comments |
|------|----------------------|--|
| 1 | 50,000 | <p>Housing Strategy</p> <p>The Housing Committee on 19 July 2016 approved that this sum be allocated for work to set up a Housing Delivery Company. This work did not progress as intended. Housing Committee agreed on 14 March 2018 to use this budget to produce a draft house building delivery plan. It is requested this budget is carried forward into 2018/19 to enable the work to be undertaken.</p> |
| 2 | 33,000 | <p>Neighbourhood Planning Support</p> <p>This budget was established to support town and parish councils undertake work to produce Neighbourhood Plans. Due to work on the Core Strategy and Part 2 Local Plan, limited expenditure was incurred in 2017/18. A carry forward into 2018/19 to allow the work to continue as intended is now requested.</p> |
| 3 | 79,700 | <p>Local Plan Examination</p> <p>Due to delays the majority of this project has slipped into 2018/19. A carry forward into 2018/19 to meet the expected costs is requested.</p> |
| 4 | 16,000 | <p>Assistance to Local Businesses</p> <p>Expenditure incurred in 2017/18 was less than had been anticipated. Given the significance of this work, a carry forward of the underspend into 2018/19 is requested.</p> |
| 5 | 14,200 | <p>Town Centre Management</p> <p>This budget is the remaining sum from the £120,000 received from the Governments High Street Innovation Fund to encourage businesses back into town centres. It is requested the carry forward of the underspend into 2018/19 be approved to allow the work to target new businesses into empty units who currently have a strong online presence and who would be supplemented by high street representation, to be undertaken in 2018/19.</p> |
| 6 | 10,000 | <p>Partnership Development</p> <p>As part of restructure to the Economic Development team in 2015/16, an annual budget was established to enable the Council to access external funding directed to joined up and partnership working. No expenditure was incurred in 2017/18 and it is requested that this budget be carried forward to 2018/19 to enable the planned work to be undertaken.</p> |

| Item | Carry Forward Amount | Comments |
|------|----------------------|--|
| 7 | 3,400 | <p>Stapleford Town Centre</p> <p>This relates to an initial sum of £20,000 originally allocated in 2013/14 to promote the setting up of a town centre group and other initiatives in Stapleford. A total of £16,600 has been spent up to 2017/18. A carry forward of the remaining £3,400 into 2018/19 to allow further work to be undertaken is requested.</p> |
| 8 | 7,000 | <p>Energy Efficiency</p> <p>Activity undertaken has been less than planned due to the availability of limited staff resources. A carry forward into 2018/19 is requested to meet the cost of a new utilities monitoring database.</p> |
| 9 | 5,000 | <p>Cemeteries Repairs</p> <p>This underspend has arisen due to delays in the extended monitoring of groundwater at Chilwell Cemetery. A carry forward into 2018/19 is requested to allow this work to be concluded.</p> |
| 10 | 8,000 | <p>CCTV Maintenance</p> <p>Due to resourcing constraints, it was not possible to undertake certain projects that had been planned for 2017/18. A carry forward into 2018/19 to undertake wireless transmission links works which should result in cost savings in future years is requested.</p> |
| 11 | 2,500 | <p>Noise Monitoring Equipment</p> <p>As no noise monitoring equipment was purchased in 2017/18, it is requested the underspend be carried forward into 2018/19 to allow this to be combined with the 2018/19 budget to allow suitable noise monitoring equipment to be purchased.</p> |
| 12 | 10,000 | <p>Grants</p> <p>There was a lower demand for grants to voluntary organisations in 2017/18 than had been anticipated. As agreed by Policy and Performance Committee on 17 April 2018, a request is now made to carry forward part of the underspend into 2018/19 to contribute to work on a World War 1 memorial on Victoria Embankment in Nottingham.</p> |
| 13 | 14,650 | <p>Beeston Square Phase 2 Development</p> <p>The Finance and Resources Committee on 13 July 2017 agreed to allocate £50,000 to procure project management support for the Beeston Square Phase 2 development. This was not utilised in full during 2017/18 and a carry forward of the remaining £14,650 into 2018/19 to fund the continuation of this work is requested.</p> |

| Item | Carry Forward Amount | Comments |
|------|----------------------|---|
| 14 | 17,850 | General Land and Properties No invoice was received for the 2017/18 NNDR charge for Durban House in Eastwood. It is anticipated that this will be received in 2018/19. A carry forward is requested into 2018/19 to meet the cost of any outstanding NNDR charges. |
| 15 | 25,000 | ICT Software Maintenance Cabinet on 15 December 2015 approved the delivery of the Building Control Service through Erewash Borough Council. Whilst these arrangements have been live for some time, there is still a remaining requirement for the key ICT systems of each authority to exchange information electronically and a budget of £25,000 was allocated for this. This work was delayed for reasons outside the control of the Broxtowe ICT service but has now commenced. A carry forward into 2018/19 to meet the cost of completing this work is requested. |
| | 296,300 | |

2.2 Housing Revenue Account - total amount £181850

| Item | Carry Forward Amount | Comments |
|-------------|-----------------------------|---|
| 1 | 9,800 | The Finance and Resources Committee agreed on 12 October 2017 to allocate £20,000 from HRA reserves to fund an options study for the future of the Retirement Living service. This was in progress at 31 March 2018 and the Finance and Resources Committee will be completed during 2018/19 |
| 2 | 172,050 | Lower than expected expenditure on the HRA capital programme in 2017/18 meant that a reduced revenue contribution was required to finance the 2017/18 HRA capital expenditure. A carry forward of £172,050 into 2018/19 to meet the cost of work in the 2017/18 capital programme that will now be undertaken in 2018/19 is requested |
| | 181,850 | |

CAPITAL OUTTURN SUMMARY 2017/18

Details of the individual schemes are given in appendix 2a whilst appendix 2b lists the requested sums totalling £1,232,850 to be carried forward for inclusion in the 2018/19 capital programme. Details of how the expenditure in 2017/18 has been financed are given below. At the end of 2017/18, all capital receipts remaining are earmarked towards part funding schemes carried forward to 2018/19. This is line with the assumptions made when the budget for 2017/18 was approved. All housing right to buy receipts that have been accumulated up to the end of 2017/18 will be utilised to part fund the Council's housing new build programme.

Capital expenditure in 2017/18 totalled £6,503,310 which equates to a performance of 84% capital spend against the programme. The overall financing, as compared with that previously planned, is as follows:

| | <u>Budget</u> <u>2017/18</u> <u>(£)</u> | <u>Actual</u> <u>2017/18</u> <u>(£)</u> | <u>Difference</u> <u>(£)</u> |
|--|--|--|---|
| Expenditure | 7,700,050 | 6,503,310 | (1,196,740) |
| Financed by: | | | |
| Better Care Fund | 906,450 | 549,890 | (356,560) |
| Rushcliffe Borough Council | 5,900 | (5,811) | (11,711) |
| Nottinghamshire County Council | 25,200 | 25,200 | 0 |
| Liberty Leisure | 3,000 | 3,000 | 0 |
| Waste Recycling Environmental Ltd (WREN) | 110,100 | 52,194 | (57,906) |
| Nottinghamshire Pre-Development Fund | 70,000 | 0 | (70,000) |
| Tesco | 14,000 | 14,200 | 200 |
| Homes & Community Agency | 20,000 | 0 | (20,000) |
| Additional Tram Compensation | 187,650 | 0 | (187,650) |
| United Living | 8,000 | 8,000 | 0 |
| 6C's Growth Point | 28,000 | 26,393 | (1,607) |
| Colliers Wood Friends | 3,700 | 0 | (3,700) |
| Other Bodies | 6,000 | 5,726 | (274) |
| Section 106 Receipts | 159,950 | 61,059 | (98,891) |
| Direct revenue financing – General Fund | 233,200 | 190,086 | (43,114) |
| Direct revenue financing – HRA | 989,900 | 753,196 | (236,704) |
| Usable capital receipts – General Fund | 153,850 | 168,417 | 14,567 |
| Usable capital receipts - HRA | 250,450 | (11,432) | (261,882) |
| Borrowing | 714,000 | 443,658 | (270,342) |
| Major Repairs Reserve - HRA | 3,483,700 | 3,899,885 | 416,185 |
| Vehicle Renewals Reserve | 327,000 | 319,649 | (7,351) |

CAPITAL OUTTURN SUMMARY 2017/18 cont'd

The main reasons for the variations to the financing are caused by general underspending on capital schemes. As regards the capital carry forward requests totalling £1,232,850 as set out at appendix 2b, the proposed financing of these schemes is as follows:

| Source | Value (£) |
|--|------------------|
| Better Care Fund | 356,550 |
| Borrowing | 338,400 |
| S106 Monies | 93,450 |
| 6C's Growth Point | 1,600 |
| Nottingham Pre-Development Fund | 70,000 |
| Homes England | 20,000 |
| Other Bodies | 62,500 |
| DRF General Fund | 101,650 |
| DRF HRA | 27,600 |
| Usable Capital Receipts - General Fund | 161,100 |
| TOTAL | 1,232,850 |

| | Total Budget £ | Actual 2017/18 £ | Expenditure % |
|---|----------------------|------------------------|------------------|
| <u>CAPITAL EXPENDITURE SUMMARY</u> | | | |
| BUSINESS GROWTH | 417,000 | 319,649 | 77 |
| ENVIRONMENT | 431,950 | 256,341 | 59 |
| HEALTH | 300,600 | 319,901 | 106 |
| COMMUNITY SAFETY | 10,000 | 1,993 | 20 |
| RESOURCES | 377,450 | 159,041 | 42 |
| CORPORATE SERVICES | 552,550 | 254,847 | 46 |
| HOUSING | 5,610,500 | 5,191,539 | 93 |
| <u>TOTAL</u> | 7,700,050 | 6,503,310 | 84 |
| <u>DETAILED SCHEMES</u> | | | |
| <u>BUSINESS GROWTH</u> | | | |
| Replacement Vehicles and Plant | 327,000 | 319,649 | 98 |
| Chewton Street (Eastwood)- Contamination Surveys | 70,000 | 0 | 0 |
| Walker Street (Eastwood)- Transport Feasibility Study | 20,000 | 0 | 0 |
| <u>ENVIRONMENT</u> | | | |
| Judson Avenue Play Area | 5,000 | 5,351 | 107 |
| Judson Avenue Fencing and Gate Works | 9,200 | 9,923 | 108 |
| Leyton Crescent Rec'n Gr'd - New Play Equipment | 67,000 | 17,506 | 26 |
| Colliers Wood - Activity Space | 13,800 | 788 | 6 |
| Beeston Shopmobility (S106 ITPS) | 15,000 | 6,075 | 41 |
| Eastwood Town Council-Comm Room Upgrade/Loan | 5,000 | 0 | 0 |
| Brinsley P.C. - Play Area Repairs and Replacement | 4,000 | 0 | 0 |
| St Michael's Church - Access Improvements | 4,400 | 4,278 | 97 |
| CCTV Installation - Beeston Interchange | 10,000 | 11,465 | 115 |
| Wollaton Road Allotments Irrigation Supply | 16,000 | 14,151 | 88 |
| Mansfield Road Rec Ground (Eastwood) | 27,800 | 867 | 3 |
| Real Time Bus Information (17/18) | 50,800 | 0 | 0 |
| Beeston Train Station - Access Improvements | 5,000 | 4,010 | 80 |
| Kimberley Depot Roadway Repairs | 10,000 | 10,978 | 110 |
| Rushcliffe B.C. - Pay and Display Machines | 5,900 | -5,811 | -98 |
| St Catherine's Churchyard (Cossall) Improvement W | 6,000 | 0 | 0 |
| Banks Road Open Space Improvements | 10,000 | 10,726 | 107 |
| Smithurst Road Play Area Upgrade | 36,500 | 37,044 | 101 |
| Broadgate Park Play Area Refurbishment | 87,000 | 95,370 | 110 |
| Toton Fields Open Space -Path Surface and Wetland Scrapes | 13,000 | 15,678 | 121 |
| Hall on Wong Open Space - Path and Pond Works | 11,000 | 13,250 | 120 |
| Brinsley Headstocks-Creation of Pond & Wetland Scrapes | 4,000 | 2,393 | 60 |
| Hall on Wong Footpath Improvements | 15,550 | 2,298 | |

| | Total Budget £ | Actual 2017/18 £ | Expenditure % |
|--|-------------------------------|---------------------------------|--------------------------|
| HEALTH | | | |
| BLC - Health Suite Refurbishment | 240850 | 268286.2 | 111 |
| BLC - Replacement Fitness Gym Equipment | 8600 | 9000 | 105 |
| BLC - Replacement Hot Water Cylinders | 15000 | 0 | 0 |
| KLC - Replacement Pool Chassis etc. | 950 | 1187.5 | 125 |
| KLC - Replacement Swimming Pool Cover | 5000 | 4997.22 | 100 |
| KLC - Replacement Fitness Gym Equip | 0 | 6170 | 0 |
| CO - Replacement Fitness Gym Equipment | 0 | 233.2 | 0 |
| Leisure Centres - Internet Connectn cost | 0 | 281 | 0 |
| KLC - Water Leak | 17500 | 15046.25 | 0 |
| BLC & KLC - Replacement Pool Hoists | 12700 | 14700 | 116 |

| | Total Budget £ | Actual 2017/18 £ | Expenditure % |
|---|-------------------------------|---------------------------------|--------------------------|
| <u>COMMUNITY SAFETY</u> | | | |
| Beeston Weir - Life Saving Equipment | 10,000 | 1,993 | 20 |
| <u>RESOURCES</u> | | | |
| Durban House - Minor Works | 28,750 | 29,670 | 103 |
| Former Beeston Bus Station - Interim Uses | 15,000 | 3,195 | 21 |
| Town Hall Migration (New Ways of Working) | 100,000 | 1,343 | 1 |
| Beeston Square - Phase 2 (Net Compensation) | 236,150 | 124,833 | 53 |
| Contingency | (2,450) | 0 | 0 |
| <u>CORPORATE SERVICES</u> | | | |
| Replacement/Development Programme | 176350 | 43037.2 | 24 |
| Technical Infrastructure Architecture | 91150 | 34628.63 | 38 |
| Replacement of MFD Photocopier Estate | 63000 | 0 | 0 |
| E-Facilities Initiatives | 24900 | 29200.3 | 117 |
| VoIP Telephony | 50000 | 0 | 0 |
| Committee Administration System | 15000 | 0 | 0 |
| CRM System | 0 | -7320 | 0 |
| Fleet Management System | 21550 | 22505.35 | 104 |
| Income Management System | 40000 | 40000 | 100 |
| Replacement CRM System | 20600 | 0 | 0 |
| CCTV Control Room | 0 | 47554 | 0 |
| Commercial Strategy - Invest to Save | 50000 | 45241.07 | 90 |
| <u>HOUSING</u> | | | |
| Disabled Facilities Grants | 839,950 | 545,954 | 65 |
| Gas Central Heating Replacement | 1,061,950 | 1,119,778 | 105 |
| Notts Warm Homes on Prescription Project | 66,500 | 3,936 | 6 |
| Modernisation Programme | 1,984,850 | 2,050,173 | 103 |
| Major Relets | 144,100 | 130,903 | 91 |
| Disabled Adaptations | 362,450 | 360,993 | 100 |
| Bexhill Ct – Scooter Storage | 20,000 | 2,756 | 14 |
| Lift Replacement Programme | 23,000 | 26,162 | 114 |
| Window & Door Replacement | 301,800 | 323,144 | 107 |
| External Decoration & Pre Paint Repairs | 588,600 | 603,233 | 102 |
| New Build – Bexhill Court | 0 | (11,432) | 0 |
| HRA Contingency | 27,900 | 0 | 0 |
| Housing System & DMS Replacement | 189,400 | 35,939 | 19 |

CAPITAL EXPENDITURE 2017/18
PROPOSED CAPITAL ITEMS TO BE CARRIED FORWARD INTO 2018/19

| <u>Scheme</u> | <u>Amount (£)</u> | <u>Comments</u> |
|---|--------------------------|-------------------------------|
| <u>Environment</u> | | |
| Leyton Crescent Rec'n Gr'd - New Play Equipment | 49,500 | Funds already committed |
| Colliers Wood - Activity Space | 13,000 | Funds already committed |
| Beeston Shopmobility (S106 ITPS) | 2,500 | Funds already committed |
| Eastwood Town Council - Comm Room Upgrade/Loan | 5,000 | Works in progress at year end |
| Brinsley P.C. - Play Area Repairs and Replacement | 4,000 | Funds already committed |
| Mansfield Road Rec Ground (Eastwood) | 26,900 | Funds already committed |
| Real Time Bus Information (17/18) | 50,800 | Funds already committed |
| St Catherine's Churchyard (Cossall) - Improvement Works | 6,000 | Funds already committed |
| Brinsley Headstocks-Creation of Pond & Wetland Scrapes | 1,600 | Funds already committed |
| Hall on Wong Footpath Improvements | 13,250 | Funds already committed |
| <u>Health</u> | | |
| BLC - Replacement Hot Water Cylinders | 15,000 | Funds already committed |
| <u>Resources</u> | | |
| Former Beeston Bus Station - Interim Uses | 11,800 | Works in progress at year end |
| Town Hall Migration (New Ways of Working) | 98,650 | Funds already committed |
| Beeston Square - Phase 2 (Net Compensation) | 111,300 | Works in progress at year end |

| <u>Scheme</u> | <u>Amount (£)</u> | <u>Comments</u> |
|--|-------------------|--|
| <u>Corporate Services</u> | | |
| Replacement/Development Programme | 133,300 | Funds already committed |
| Technical Infrastructure Architecture | 56,500 | Funds already committed |
| Replacement of MFD Photocopier Estate | 63,000 | Funds already committed |
| VoIP Telephony | 50,000 | Funds already committed |
| Committee Administration System | 15,000 | Funds already committed |
| Replacement CRM System | 20,600 | Funds already committed |
| Commercial Strategy - Invest to Save | 3,000 | Funds already committed |
| <u>Business Growth</u> | | |
| Chewton Street (Eastwood) - Contamination Surveys | 70,000 | Funds already committed |
| Walker Street (Eastwood) - Transport Feasibility Study | 20,000 | Funds already committed |
| <u>Community Safety</u> | | |
| Beeston Weir - Life Saving Equipment | 8,000 | Funds already committed |
| <u>Housing</u> | | |
| Disabled Facilities Grants | 294,000 | Funds already committed |
| Warm Homes on Prescription | 62,550 | Funds already committed |
| Heating Replacements/Energy Efficiency Works | (57,800) | Overspend to be offset against 2018/19 schemes |
| Housing Modernisation Programme | (65,300) | Overspend to be offset against 2018/19 schemes |
| Aids and Adaptations | 1,450 | Funds already committed |
| Bexhill Court - Scooter Storage | 17,200 | Funds already committed |
| Window and Door Replacement | (21,350) | Overspend to be offset against 2018/19 schemes |
| Housing System and DMS Replacement | 153,400 | Works in progress at year end |
| TOTAL | 1,232,850 | |

Report of the Interim Deputy Chief Executive

**TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS –
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018**1. Purpose of report

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

2. Detail

This report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. Both Codes were revised in December 2017 and further details of the changes are set out in appendix 1.

During 2017/18 the minimum reporting requirements were that an annual treasury management strategy be approved in advance of the year, a mid year report and finally an annual report be produced following the year describing the activity compared to the strategy. This report fulfils this requirement.

The Council is required to comply with both Codes through regulations issued under the Local Government Act 2003.

The CIPFA Code of Practice on Treasury Management required the Section 151 Officer 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 for 2017/18 together with the balances at 31 March 2018 and treasury management limits on activity are also 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.

Recommendation

The Committee is asked to NOTE the annual report for the year ended 31 March 2018.

Background papers

Nil

APPENDIX 1

1. Local Authority Regulatory Changesa) CIPFA Code Changes

CIPFA published revised versions of the Code of Practice on Treasury Management and the Prudential Code for Capital Financing in Local Authorities in December 2017. The required changes from the previous versions of the Codes published in 2011 will be incorporated within the Treasury Management Strategy Statement and the Investments Strategy from 2018/19.

The revised Code of Practice on Treasury Management has widened the definition of “investments” to include financial assets as well as non financial assets held primarily for financial returns such as investment property. These, along with other investments made for non treasury management purposes (such as loans supporting service outcomes and investments in subsidiaries) must be set out in the Capital Strategy (see below) or Investments Strategy. Additional risks of such investments are to be set out clearly and the impact on financial sustainability is to be identified and reported.

The revised Prudential Code for Capital Financing in Local Authorities introduces a requirement for the production of a Capital Strategy. This is intended to provide a high level overview of the Council’s capital expenditure and investment decisions and their associated risks and rewards along with an overview of how risk is managed in order to ensure future financial sustainability. The Capital Strategy will be presented to a meeting of full Council for approval which, in turn, will allow the Treasury Management Strategy Statement to be approved by the Finance and Resources Committee as part of the Budget Proposals and Associated Strategies in February each year.

b) Investment and Minimum Revenue Provision (MRP) Guidance

In February 2018 the Ministry of Housing, Communities and Local Government (MHCLG) published revised Guidance on Local Government and Investments and Statutory Guidance on Minimum Revenue Provision (MRP).

The most significant changes to the Investment Guidance include a wider definition of “investments” to include non-financial assets held primarily for generating an income return along with a new category called “loans” (eg. the temporary transfer of cash to a third party, joint venture, subsidiary or associate). The Investment Guidance introduces the concept of “proportionality”, proposes additional disclosure for borrowing solely to invest and also specifies additional indicators. The Investment Strategy must now detail the extent to which service delivery

objectives are reliant on investment income and include a contingency plan should yields on investments fall.

The MRP Guidance has changed the definition of prudent MRP to “put aside revenue over time to cover the capital financing requirement (CFR)”. MRP can now not be a negative charge and can only be zero if the CFR is nil or negative. The guidance on asset lives has been updated and applies to any calculation of MRP using the asset life method. Any change in MRP Policy cannot create an overpayment of MRP and the new MRP Policy must only be applied to the outstanding CFR going forward.

c) Second Markets in Financial Instruments Directive (MiFID II)

Following the introduction of the second Markets in Financial Instruments Directive (MiFID II) on 3 January 2018, local authorities were automatically treated as retail clients but could “opt up” to professional client status providing certain criteria were met. These criteria included having an investment balance of at least £10 million and the person(s) authorised to make investment decisions on behalf of the Council having at least one year’s professional experience.

The Council has met the conditions necessary to opt up to professional status and has done so in order to maintain the its erstwhile MiFID II status prior to 3 January 2018. This means that the Council will continue to have access to financial products including money market funds, pooled funds, treasury bills, bonds and shares as well as to financial advice.

2. Borrowing

a) Debt Outstanding and Transactions during the Year

Loan debt outstanding as at 31 March 2018 together with comparative figures for 31 March 2017 are shown below:

| | Amount Outstanding at 31 March 2018 £ | Amount Outstanding at 31 March 2017 £ |
|-------------------------|--|--|
| Short Term Loans | 15,696,980 | 13,557,237 |
| Long Term Loans: | | |
| Public Works Loan Board | 79,789,061 | 79,797,584 |
| Local Authorities | 0 | 2,000,000 |
| Barclays Bank | 3,000,000 | 3,000,000 |
| | 98,486,041 | 98,354,821 |

Short term loans outstanding at 31 March 2018 included £688,456 invested with the Council by the Bramcote Crematorium Joint Committee at 31 March 2018. The equivalent figure was £549,549 as at 31 March 2017.

The short term loans outstanding at 31 March 2018 consists of two loans of £1.0m and £2.0m each from Tendring District Council, loans of £2.0m each from Bolsover District Council, Wokingham Borough Council, South Northamptonshire Council and Vale of Glamorgan Council. There were also two loans for £1.0m each from Lancaster City Council and Hyndburn Borough Council. In addition to the above the £2.0m loan from London Borough of Hounslow Council has now been moved from long term loans to short term loans as it is due to mature on the 29 May 2018. Short term loans outstanding at 31 March 2018 also include nominal PWLB annuities totalling £8,523.

The Council has a loan of £3.0m at 4.19% with Barclays Bank that is due to mature on 4 February 2073. This is now a fixed rate loan.

Overall, debt was 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 the Council's borrowing at the most efficient level in line with the prudential framework for capital finance.

The approved budget for 2017/18 indicated that further borrowing of £3,438,000 would be required to help fund the 2016/17 capital programme. As set out in 2 (b) below, no additional borrowing was undertaken in 2017/18 in an attempt to bring greater alignment between the overall borrowing level and the Council's underlying need to borrow as measured by the capital financing requirement (CFR).

b) Loan Replacements

Short term loans at 31 March 2017 included two £1.0m loans from Hyndburn Borough Council originally taken for 364 days at 0.55% that matured on 12 and 15 May 2017 respectively. These loans were replaced with a £2.0m loan for nine months at 0.42% from Vale of Glamorgan Council that matured on 22 February 2018. This loan was effectively replaced with a £1.0m loan on 20 December 2017 from Hyndburn Borough Council for 364 days at 0.62% that is due to mature on 19 December 2018 and with a further £1.0 loan on 28 February 2018 from Tendring District Council for six months at 0.52% that is due to mature on 28 August 2018.

There were two short term loans for £1.0m at 31 March 2017 that 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%. Neither of these loans were replaced upon maturity.

There was a short term loan for £2.0m at 31 March 2017 for 364 days from Lichfield District Council at 0.45% that matured on 19 February 2018. This was replaced with a further £2.0m from Vale of Glamorgan on 5 February 2018 at 0.50% that matured on 19 April 2018.

Short term loans at 31 March 2017 included a £3.0m loan for six months at 0.44% from Basildon District Council that matured on 29 September 2017. This loan was replaced upon maturity by a £2.0m loan from Bolsover District Council for nine months at 0.36% that matured 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.

There was a short term loan for £2.0m at 31 March 2017 for six months from Tendring District Council at 0.45% that matured on 20 September 2017. This loan was replaced on 2 October 2017 by a £2.0m loan again from Tendring District Council for nine months at 0.35% and which matured on 2 July 2018.

There was also a short term loan for £2.0m at 31 March 2017 for six months from Basildon District Council at 0.45% that matured on 18 September 2017. This loan was replaced upon maturity by a £2.0m loan from South Northamptonshire Council for nine months at 0.36% that matured on 18 June 2018.

Long term loans at 31 March 2017 included a £2.0m loan for 2 years at 0.85% from the London Borough of Hounslow. This is shown as a short term loan at 31 March 2018 and matured on 29 May 2018.

c) New Borrowing 2017/18

No new borrowing was undertaken in 2017/18. As set out above, all borrowing activity concerned the replacement of loans that matured during the year.

d) Debt Profile and Short-Term Borrowing

i) Debt Profile

The Council's debt had an average of 9.97 years to maturity at 31 March 2018 (31 March 2017 – 10.89 years). The average interest rate payable at that date was 2.91% (31 March 2017 – 2.92%).

The one-off preferential rates offered by the PWLB for the £66.446m additional loans taken out in March 2012 as part of the reform of council housing finance and the maturity profiles for these loans have a significant impact upon both the average interest rate payable and the debt profile.

ii) Short Term Borrowing

As set out in 1 (a) and (b) above, the approach to short term borrowing undertaken during 2017/18 was either to replace existing loans upon maturity or to align the overall level of borrowing with the Council's need to borrow as measured by the CFR.

No additional short-term borrowing for cash flow or other purposes was necessary during the financial year.

e) Debt Restructuring

The Section 151 Officer in association with the Council's treasury management advisors carefully scrutinises the Council's loan portfolio to identify potential opportunities to achieve a reduction in risks and/or savings in interest costs by prematurely repaying loans and refinancing them on similar or different terms.

No suitable debt restructuring opportunities were identified in 2017/18 as the cost associated with the high premiums payable on the premature repayment of loans, ranging from 8% to 80% of the loan principal amount, was not outweighed by lower refinancing rates.

3. Investmentsa) Investment Policy

The Council's investment policy is governed by CLG Guidance and was incorporated in the annual investment strategy approved at the Council meeting on 6 February 2017. The investment activity during 2017/18 conformed to the approved strategy with security of capital being the Council's main investment objective.

Counterparty credit quality was assessed and monitored with reference to credit ratings and other available information. The minimum long-term counterparty credit rating determined for the 2017/18 investment strategy was BBB+ (or equivalent) across the Fitch, Standard and Poor and Moody's credit rating agencies.

In keeping with the CLG Guidance, the Council sought to maintain a sufficient level of liquidity through the use of money market funds (MMFs) and overnight deposit/call accounts. The Council had no liquidity difficulties in 2017/18.

The Council attempted to optimise returns commensurate with its objectives of security and liquidity.

b) Interest Received

The total interest receivable for the year amounted to £171,702.83 (2016/17 - £139,224) and included £14,400 in respect of an investment in a Local Authority Mortgage scheme (LAMS). In addition, investment interest of £89,623 was received in 2017/18 from investments totalling £2.0m made in the Local Authorities Property Fund (LAPF) in 2015/16.

The table in 2 (d) includes details of the changes in the average life of investments during 2017/18.

The average interest rate received on investments was 1.03% in 2017/18 compared to 1.33% in 2016/17. The United Kingdom bank rate increased from 0.25% to 0.50% with effect from November 2017. Short term money market rates also remained at very low levels and this had a significant impact upon the level of investment income. The average 3 month LIBID (London Interbank Bid) rate during 2017/18 was 0.27%, the 6 month LIBID rate averaged 0.38% and the 1 year LIBID rate averaged 0.59%. The rates of return on the Council's investments reflect prevailing market conditions and the Council's objective of optimising returns commensurate with the principles of security and yield.

c) Investments Placed

A summary of all investments placed during 2017/18 is set out in the table below.

| | Balance at 01/04/2017 £000s | Investments Made £000s | Investments Repaid £000s | Balance at 31/03/2018 £000s | Increase/Decrease in Investments |
|--|--------------------------------|---------------------------|-----------------------------|--------------------------------|----------------------------------|
| UK Banks and Building Societies | | | | | |
| Barclays | 30 | 245 | - | 275 | 245 |
| Santander UK | 2,000 | 11,000 | (12,840) | 160 | (1,840) |
| Bank of Scotland | - | 7,500 | (7,500) | - | - |
| Local Authorities Property Fund (LAPF) | 2,000 | - | - | 2,000 | - |
| | | | | | |
| Other Local Authorities | | | | | |
| Kingston Upon Hull CC | - | 2,000 | (2,000) | - | - |
| Forest of Dean DC | - | 2,000 | - | 2,000 | 2,000 |
| Blackpool BC | - | 2,000 | - | 2,000 | 2,000 |
| East Dunbartonshire | - | 2,000 | - | 2,000 | 2,000 |
| | | | | | |
| Money Market Funds | | | | | |
| Standard Life MMF | 2,230 | 19,565 | (21,795) | - | (2,230) |
| LGIM MMF | 985 | 8,865 | (9,270) | 580 | (405) |
| Insight MMF | 715 | 23,035 | (21,590) | 2,160 | 1,445 |
| Royal London Cash Plus | 1,000 | 1,000 | - | 2,000 | 1,000 |
| Federated MMF/ Cash Plus | - | 27,050 | (27,050) | - | - |
| Total | 8,960 | 106,260 | (102,045) | 13,175 | 4,215 |

Investments with counterparties such as Santander UK and Money Market Funds 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 year.

The Council took advantage of the opportunity to invest with other local authorities during 2017/18. These investments totalled £6.0m invested at 31 March 2018.

d) Credit Score Analysis

Counterparty credit quality has been maintained during 2017/18 as demonstrated by the quarterly credit score analysis figures shown 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 | Average Life of Investments (Days) |
|------------|--|--------------------------------------|---|-------------------------------------|------------------------------------|
| 31/03/2017 | 4.98 | A+ | 5.29 | A+ | 9 |
| 30/06/2017 | 4.99 | A+ | 5.32 | A+ | 24 |
| 30/09/2017 | 5.14 | A+ | 5.30 | A+ | 41 |
| 31/12/2017 | 4.96 | A+ | 5.02 | A+ | 28 |
| 31/03/2018 | 4.10 | AA- | 3.64 | AA- | 27 |

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 the 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 an average score of 5 or lower in order to reflect its overriding priority of maintaining the security of any sums invested. The minimum credit rating threshold of BBB+ for investment counterparties as set out in the 2017/18 investment strategy equates to a score of 8. The tables above show that the Council achieved the targets for the average credit risk score and credit rating throughout 2017/18.

4. Treasury Management Limits on Activity

There are four treasury management indicators that were previously prudential indicators. The indicators are:

- 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 rate sums falling due for refinancing and are required 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 the 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.

| | 2017/18 Planned Upper | | 2017/18 Actual 31 March 2018 | |
|--|--------------------------------------|--------------|---|--------------|
| Limits on fixed interest rates | 100% | | 84% | |
| Limits on variable interest rates | 40% | | 16% | |
| Maturity Profile of Borrowings | | | | |
| | Lower | Upper | Lower | Upper |
| Under 12 months | 0% | 50% | 0% | 16% |
| 12 months to 2 years | 0% | 50% | 0% | 0% |
| 2 years to 5 years | 0% | 50% | 0% | 10% |
| 5 years to 10 years | 0% | 75% | 0% | 42% |
| 10 years to 20 years | 0% | 100% | 0% | 25% |
| 20 years to 30 years | 0% | 100% | 0% | 0% |
| 30 years to 40 years | 0% | 100% | 0% | 3% |
| 40 years to 50 years | 0% | 100% | 0% | 0% |
| 50 years and above | 0% | 100% | 0% | 3% |

* The CIPFA Prudential Code for Capital Finance in Local Authorities requires indicators to be set for the maturity structure of fixed borrowing only. The above limits applied equally to total borrowing (fixed and variable borrowing).

As suggested in the CIPFA Code of Practice on Treasury Management, all investments (whether fixed or variable rate) with a period of less than twelve months to maturity are regarded as variable rather than fixed rate investments as they are potentially subject to movements in interest rates when they mature. Likewise, any fixed rate borrowing that is due to mature within twelve months is regarded as being at a variable rate as the rate to be paid on any replacement loan could differ from the rate currently being paid.

With regard to the total principal funds invested, the investment strategy 2017/18 proposed that investments would only be made with those institutions on the counterparty list that were viewed as presenting the least risk. The investment strategy 2017/18 set an upper limit for total principal funds invested over 364 days of £4 million.

At 31 March 2018 the Council's investments over 364 days totalled £4.0m. This consists of £2.0m invested in the Royal London Enhanced Cash Plus Fund and £2.0m in the Local Authorities Property Fund (LAPF).

5. Regulatory Framework, Risk and Performance

The Council has complied with all of the relevant statutory and regulatory requirements which require the Council to identify and, where possible, quantify the levels of risk associated with its treasury management activities. In particular, the Council's adoption of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities means that its capital expenditure is prudent, affordable and sustainable and that its treasury management practices demonstrate a low risk approach.

6. Banking Services

Cabinet on 4 November 2014 resolved that a contract for the provision of banking services be awarded to Barclays Bank for four years from 1 April 2015 with the option to extend this for a further two years.

APPENDIX 2

Prudential Indicators1. Introduction

The Local Government Act 2003 requires local authorities to comply with the CIPFA 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.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

| | 2016/17 Actual £000s | 2017/18 Estimate £000s | 2017/18 Actual £000s |
|---------------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|
| General Fund | 9,978 | 2,996 | 1,858 |
| HRA | 7,813 | 4,704 | 4,645 |
| Total Capital Expenditure | 17,791 | 7,700 | 6,503 |
| Financed by: | | | |
| Capital Receipts | 1,526 | 404 | 157 |
| Capital Grants | 827 | 2,538 | 740 |
| Revenue | 6,865 | 4,044 | 5,162 |
| Unfinanced Capital Expenditure | 8,573 | 714 | 444 |

Further details of capital spending for 2017/18 are reported separately on this agenda.

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 in 2017/18 and prior years that has not yet been paid for by revenue or other resources.

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

Whilst additional borrowing can be undertaken or existing loans repaid at any time within the confines of the treasury management strategy, the Council is required by statute to make an annual revenue charge to reduce the CFR. This charge is effectively a repayment of the General Fund borrowing need and is known as the minimum revenue provision (MRP).

The total CFR can also be reduced by:

- The application of additional capital resources (such as unapplied capital receipts); or
- Charging more than the statutory revenue charge (MRP) each year through a voluntary revenue provision (VRP)

The Council's 2017/18 MRP Policy (as required by CLG Guidance) was approved at the Council meeting on 6 February 2017. For expenditure incurred before 1 April 2008, the General Fund MRP was based upon 4% of the CFR at that date. For all unsupported borrowing incurred from 1 April 2008, the MRP was based upon the estimated life of the assets that the borrowing was intended to finance.

There is no statutory requirement to charge MRP to the HRA. However, an authority can charge VRP to the HRA should it wish to do so. The Council meeting on 6 February 2017 determined that no VRP was to be charged to the HRA in 2017/18.

The Council engaged its treasury management advisors (Arlingclose) in March 2018 to undertake a review of its MRP Policy to ensure it was aligned with the Council's objectives and to determine if there were any opportunities for savings and other benefits from by adopting alternative approaches.

The Arlingclose analysis found that a significant overprovision for MRP had been made in previous years in respect of borrowing for capital expenditure incurred prior to the introduction of new regulations in 2008 due to not applying a reducing balance approach. This, in association with a move to an annuity based as opposed to equal instalment approach to more accurately reflect the time value of money for borrowing from April 2008 and an adjustment for an under-provision of MRP in 2011/12 resulted in an MRP credit in 2017/18 of £0.183m as shown in the table below.

| MRP Charge 2017/18 | Total £000s |
|---|------------------------|
| MRP on Pre April 2008 Borrowing | 373 |
| Over Provision of MRP from 2008/09 to 2016/17 | (934) |
| Adjustment for 2011/12 MRP Charge | 99 |
| MRP on Post April 2008 Borrowing (Using Annuity Approach) | 279 |
| Total | (183) |

The adoption of the reducing balance approach on borrowing for capital expenditure incurred prior to the introduction of new regulations in 2008 and the move to an annuity based as opposed to equal instalment approach to more accurately reflect the time value of money for borrowing from April 2008 are consistent with the MRP Policy for 2017/18 approved by the Finance and Resources Committee on 6 February 2017 and by Council on 1 March 2017.

The Council's CFR for 2017/18 represents a key prudential indicator and is shown below.

| | General Fund £000s | HRA £000s | Total £000s |
|--|-----------------------------------|----------------------|------------------------|
| Capital Financing Requirement (CFR) | | | |
| Opening Balance at 1 April 2017 | 17,939 | 81,330 | 99,269 |
| Add: Unfinanced Capital Expenditure 2017/18 (per above) | 444 | 0 | 444 |
| Add: MRP/VRP in 2017/18 | 183 | 0 | 183 |
| Closing Balance at 31 March 2018 | 18,566 | 81,330 | 99,896 |

4. Treasury Position at 31 March 2018

Whilst the Council's gauge of its underlying need to borrow is the CFR, the Section 151 Officer can manage the Council's actual borrowing position by either:

- Borrowing to the CFR; or
- Choosing to utilise some temporary internal cash flow funds in lieu of borrowing (under borrowing); or
- Borrowing for future increases in the CFR (borrowing in advance of need)

The figures in this report are based upon the principal amounts borrowed and invested and so may differ from those in the final accounts by items such as accrued interest.

The Section 151 Officer managed the debt position in 2017/18 by, on occasions, choosing to utilise some temporary internal cash flow funds in lieu of additional borrowing.

The treasury position at 31 March 2018 compared with the previous year was:

| Actual Borrowing Position | 31 March 2017 | | 31 March 2018 | |
|--|--------------------|-----------------|--------------------|-----------------|
| | Principal £000s | Average Rate | Principal £000s | Average Rate |
| Fixed Interest Rate Debt | 98,355 | 3.06% | 98,486 | 2.89% |
| Variable Interest Rate Debt | 0 | 0.0% | 0 | 0.0% |
| Total Debt | 98,355 | 3.06% | 98,486 | 2.89% |
| Capital Financing Requirement | | | | |
| CFR – General Fund | 17,939 | | 18,566 | |
| CFR – HRA | 81,330 | | 81,330 | |
| Total Capital Financing Requirement | 99,269 | | 99,896 | |
| Over/(Under) Borrowing | (914) | | (1,410) | |

5. 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 and the Capital Financing Requirement (CFR)

In order to ensure that over the medium term gross borrowing will only be for a capital purpose, the Council needs to ensure that its gross borrowing does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional increases to the CFR for the current and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes. The table below highlights the Council's gross borrowing position against the CFR.

| | 31 March 2017 Actual | 31 March 2018 Planned | 31 March 2018 Actual |
|--|----------------------------|-----------------------------|----------------------------|
| | £'000 | £'000 | £'000 |
| Gross Borrowing | | | |
| - PWLB and Market | 97,805 | 97,798 | 97,798 |
| - Bramcote Crematorium | 550 | 382 | 688 |
| Gross Borrowing Position | 98,355 | 98,180 | 98,486 |
| Capital Financing Requirement (CFR) | | | |
| CFR – General Fund | 17,939 | 17,775 | 18,566 |
| CFR – HRA | 81,330 | 81,330 | 81,330 |
| Total CFR | 99,269 | 99,105 | 99,896 |

The Section 151 Officer can report that gross borrowing was below the CFR at 31 March 2018 as it was at 31 March 2017. Gross borrowing in terms of

PWLB and market loans remained largely unchanged throughout 2017/18 with the only movement being the repayment of some PWLB annuity loans. The increase in borrowing from Bramcote Crematorium over 2017/18 reflects their healthy financial position.

The CFR increased by £0.627m during 2017/18 due to unfinanced capital expenditure of £0.444m in the year plus MRP of £0.183m as set out in 3 above.

As stated above, gross borrowing at 31 March 2018 was below the CFR and it is anticipated that gross borrowing will continue to be below the CFR over the current and following two financial years. Any borrowing decisions will take account of the effect upon the total CFR.

ii) Authorised Limit and Operational Boundary for External Debt

The authorised limit is a 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 that during 2017/18 the Council has maintained gross borrowing within its authorised limit.

The operational boundary 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 Section 151 Officer.

Actual external debt is gross borrowing plus other long-term liabilities. As mentioned previously, gross borrowing includes sums invested with the Council by Bramcote Crematorium. Other long-term liabilities are liabilities outstanding (other than borrowing) in relation to the financing of capital expenditure. They relate to, for example, private finance initiative (PFI) credits or finance leases. The Council did not have such long-term liabilities at 31 March 2018 or at any stage during 2017/18.

| | Operational Boundary 31 March 2018 £000 | Authorised Limit 31 March 2018 £000 | Actual External Debt 31 March 2018 £000 |
|---|--|--|--|
| Borrowing | 98,750 | 123,450 | 98,486 |
| Other Long- Term Liabilities | 0 | 0 | 0 |
| Total | 98,750 | 123,450 | 98,486 |

The Section 151 Officer reports that there were no breaches of the authorised limit during 2017/18. The maximum level of borrowing during 2017/18 was £100.4m.

iv) Total Principal Sums Invested over 364 Days

This limit is intended to contain exposure to the possibility of any loss that may arise as a result of the Council having to seek early repayment of any investments made. If an investment has to be re-paid before its natural maturity date due to cash flow requirements then, if market conditions are unfavourable, there could be an adverse impact upon the Council.

The Council's policy for 2017/18 as set out in the annual investment strategy was to retain the flexibility to invest a proportion of its available balances for a period in excess of 364 days should credit conditions continue to show signs of stabilisation or improvement. An upper limit of £4.0m for these investments was set based upon 40% of an estimated in-year average of total investments of £10.0m. Details of investments made for a period greater than 364 days are set out in section 3 of appendix 1.

v) Adoption of the CIPFA Code of Practice on Treasury Management

As per the requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities, the Council adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes at the cabinet meeting of 26 February 2002. The CIPFA Code of Practice on Treasury Management was initially revised in 2009 and then revised again in 2011 to reflect recent developments and anticipated regulatory changes relating to the Localism Act 2011 including housing finance reform and the introduction of the General Power of Competence. The Council has incorporated the changes from the latest revised CIPFA Code of Practice on Treasury Management into its treasury management policies, procedures and practices. All treasury management activity complies with relevant statute, guidance and accounting standards.

vi) The Ratio of Financing Costs to Net Revenue Stream

This indicator as shown in the table below compares net financing costs (borrowing costs less investment income) to net revenue income from revenue support grant, business rates, 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.

| | 2016/17 Actual | 2017/18 Revised | 2017/18 Actual |
|--------------|---------------------------|----------------------------|---------------------------|
| General Fund | 8.8% | 14.6% | 2.9% |
| HRA | 15.5% | 14.5% | 14.6% |

The actual ratio of General Fund financing costs to net revenue stream was significantly lower than had been anticipated due to the MRP charge for 2017/18 as set out in section 3. This followed the review of the MRP policy by the Council's treasury management advisers (Arlingclose) that found,

among other items, a significant overprovision for MRP in previous years in respect of borrowing before the introduction of new regulations in 2008.

vii) Incremental Impact of Capital Investment Decisions

This is an indicator of affordability that shows the incremental impact of capital investment decisions on council tax and housing weekly rent levels. The indicator identifies the revenue costs associated with the capital programme for a particular year.

| | 2017/18 Estimate (£) | 2017/18 Actual (£) |
|----------------------------------|---------------------------------|-------------------------------|
| Increase in Council Tax – Band D | 0.75 | 0.80 |
| Increase in Weekly Rent Levels | 0.00 | 0.00 |

The estimates for 2017/18 were based upon assumptions of borrowing £283,000 to fund the General Fund capital programme. No borrowing was required for the HRA schemes within the capital programme for the year.

The borrowing required to fund the actual capital expenditure in 2017/18 amounted to £443,658 for the General Fund and nil for the HRA. The majority of this was in respect of a scheme to refurbishment of the health suite at Bramcote Leisure Centre.

vii) HRA Limit on Indebtedness

The Council is required to report the level of the limit imposed at the time of implementation of HRA self-financing by the Department for Communities and Local Government. This has to be compared with the HRA capital financing requirement.

| HRA Limit on Indebtedness | 2017/18 Approved | 2017/18 Revised | 2017/18 Actual |
|---|-----------------------------|----------------------------|---------------------------|
| | £'000 | £'000 | £'000 |
| HRA CFR | 81,330 | 81,330 | 81,330 |
| HRA Debt Cap (as prescribed by DCLG) | 84,475 | 84,475 | 84,475 |
| Difference | (3,145) | (3,145) | (3,145) |

Report of the Interim Deputy Chief Executive

GENERAL FUND REVENUE BUDGET AMENDMENTS 2018/191. Purpose of report

To seek approval for a number of amendments to the General Fund revenue budget for 2018/19 and for additional one-off budget allocations to address particular issues.

2. Background

Following the preparation of the 2018/19 budget and the production of the 2017/18 final accounts, a detailed review of all 2018/19 General Fund revenue budgets has been undertaken to determine that they are appropriate and in line with expectations. This has been led by the Chief Executive and Interim Deputy Chief Executive and saw them meet all budget holders individually to review their respective areas. This has identified a number of areas where amendments to the General Fund revenue budget are required. These are set out in the appendix with an accompanying narrative.

As set out in the Statement of Accounts Update and Outturn Position 2017/18 report on this agenda, a carry forward of £338,400 from 2017/18 into 2018/19 is requested with regards to ICT schemes in the 2017/18 capital programme that had either not commenced in 2017/18, or were in progress at 31 March 2018. There are already ICT schemes totalling £380,000 in the 2018/19 capital programme.

In order to progress these ICT schemes promptly whilst ensuring that regular on-going work is maintained, it is proposed that a one-off allocation of £30,000 be made to ICT Services in 2018/19 for interim staff to assist with the delivery of capital schemes.

The Accounts and Audit Regulations (2015) require the Council to produce its draft Statement of Accounts by 31 May with the external auditors issuing their audit opinion by 31 July with effect from the 2017/18 financial year. With effective planning and the assistance of an interim Chief Accountant, the Council met the 31 May 2018 deadline as required. In order to help ensure that the 31 May 2019 deadline for the 2018/19 financial year is met, it is proposed that a one-off allocation of £28,000 be made to Finance Services in 2018/19 for specialist interim accounts staff to assist with final accounts work.

The total effect of these amendments will be to reduce the anticipated withdrawal in 2018/19 from the Council's General Fund balance by £432,450.

Recommendation

The Committee is asked to RESOLVE that:

- 1. The amendments to the General Fund 2018/19 revenue budget as set out in the appendix be approved.**
- 2. An additional 2018/19 budget allocation of £30,000 to ICT Services for interim staff to assist delivery of capital schemes be approved.**
- 3. An additional 2018/19 budget allocation of £28,000 to Finance Services for interim staff to assist with final accounts work be approved.**

Background papers

Nil

APPENDIX

| Budget Heading | Current Budget (£) | Proposed Budget (£) | Budget Change (£) | Comment |
|--|--------------------|---------------------|-------------------|--|
| Minimum Revenue Provision (MRP) | 961,650 | 664,050 | (297,600) | Following Arlingclose review – move to annuity basis |
| Revenues and Benefits – DWP Grants | (2,500) | (54,300) | (51,800) | Grants received in 2018/19 |
| Benefits and Quality Control - Employees | 489,850 | 450,250 | (39,600) | Corporate Fraud and Performance Officer (F157) – Budget included but post previously deleted |
| Car Parking – Pay and Display Income | (148,000) | (176,450) | (28,450) | Aligning 2018/19 budget to 2017/18 outturn |
| Cost of Collection – Recovered Court Costs | (200,000) | (226,100) | (26,100) | Aligning 2018/19 budget to 2017/18 outturn |
| Car Parking - Off Street PCN Income | (70,000) | (95,500) | (25,500) | Aligning 2018/19 budget to 2017/18 outturn |
| Licensing - Employees | 122,250 | 97,200 | (25,050) | Licensing Clerk (L28) – Budget for post duplicated |
| Individual Electoral Registration – Government Grant | 0 | (15,650) | (15,650) | Per Cabinet Office Notification – 19 June 2018 |
| Sale of Wheeled Bins | (16,000) | (29,750) | (13,750) | Aligning 2018/19 budget to 2017/18 outturn |
| Members Allowances | 263,500 | 250,550 | (12,950) | Aligning 2018/19 budget to 2017/18 outturn |
| Cashiers - Employees | 10,750 | 0 | (10,750) | Budget no longer required |
| Chauffeur Services | 25,000 | 14,600 | (10,400) | Aligning 2018/19 budget to 2017/18 outturn |
| Economic Development - Partnerships | 10,000 | 0 | (10,000) | Will utilise £10,000 carried forward from 2017/18 |
| Car Parking – Permit Income | (3,000) | (12,550) | (9,550) | Aligning 2018/19 budget to 2017/18 outturn |
| Replacement of Wheeled Bins | 67,000 | 88,850 | 21,350 | Aligning 2018/19 budget to 2017/18 outturn |
| Apprenticeship Levy | 16,000 | 37,000 | 21,000 | Aligning 2018/19 budget to 2017/18 outturn |
| Cost of Collection – Court Costs | 50,000 | 70,800 | 20,800 | Aligning 2018/19 budget to 2017/18 outturn |
| Individual Electoral Registration | 0 | 15,650 | 15,650 | Utilising Government grant as above |
| Land Charges – Fees (No VAT) | (38,000) | (30,100) | 7,900 | Aligning 2018/19 budget to 2017/18 outturn |
| | | | | |
| Total | 1,538,500 | 1,048,050 | (490,450) | |

Report of the Interim Deputy Chief Executive

CAPITAL BUDGET VARIATIONS 2018/191. Purpose of report

To seek approval for a number of capital budget variations in respect of the 2018/19 financial year.

2. Background

Examination of the approved capital programme for 2018/19 and confirmation of external funding from the Better Care Fund, along with the identification of certain initiatives that are considered to be short-term priorities and the review of existing schemes, has resulted in a number of proposed amendments to the 2018/19 capital programme. Further details are set out in appendix 1 with a financial summary shown in appendix 2.

The Finance and Resources Committee on 26 April 2018 received details of the intelligent scanning module for which there is provision within the £40,000 allocated in the 2018/19 capital programme for E-Facilities initiatives. The Committee was asked to grant an exemption from Financial Regulations to allow the purchase of the module from Civica without obtaining 3 quotes on the grounds of value for money.

Further correspondence with Civica has indicated that the cost of the intelligent scanning module is significantly less than had been anticipated and there is no requirement for the exemption as originally envisaged. The scheme is therefore proceeding as intended. Further details are set out in section b of appendix 1.

Recommendation

The Committee is asked to RESOLVE that the capital budget variations for 2018/19 as set out and in appendices 1 and 2 be approved.

Background papers

Nil

APPENDIX 1

1. Disabled Facilities Grants

The 2018/19 capital programme approved at Finance and Resources Committee on 15 February 2018 includes £652,750 for Disabled Facilities Grants (DFGs). These are for the provision of adaptations to the homes of those disabled persons who qualify for the grant. Funding for these is provided initially by the Ministry for Communities, Housing and Local Government (MHCLG) to County Councils who, in two tier areas, then pass this down to District Councils through the Better Care Fund.

MHCLG announced on 16 May 2018 that Broxtowe Borough Council are to receive a DFG allocation for 2018/19 of £803,661 to meet its statutory duty to provide home adaptations as set out above. The Council is permitted to spend part of this on wider social care capital projects should it wish to do so.

As in 2017/18, Broxtowe Borough Council's DFG allocation through the Better Care Fund includes £56,373 for a Handy Person Adaptation Service (HPAS) that is operated on a countywide basis by Nottinghamshire County Council (NCC). This funding is retained by NCC and reflected in their accounts as opposed to those of the Borough Council although the resulting expenditure is incurred in the Broxtowe area. There was an £11,250 underspend by NCC on their 2017/18 HPAS allocation and this will be returned to the Borough Council to spend on DFGs in 2018/19.

The 2018/19 capital budget for DFG expenditure incurred by the Borough Council can now be revised from £652,750 to £758,550 accordingly.

2. Housing Management System Upgrade

A budget of £300,000 was established in the 2015/16 capital programme for a Housing System and Document Management System (DMS) replacement within the Housing Department to be funded by a revenue contribution from the Housing Revenue Account. This budget is now being directed solely towards the upgrade of the Capita Open Housing Management System.

A update on progress was provided to the Housing Committee on 6 June 2018. Expenditure of £9,350 was incurred in 2015/16 with further expenditure of £101,250 and £35,950 incurred in 2016/17 and 2017/18 respectively. It is proposed in a separate report on today's agenda that the remaining budget of £153,450 for this scheme is carried forward for inclusion in the 2018/19 capital programme.

In order to ensure that progress on the upgrade of the Capita Open Housing Management System can be accelerated and the project brought to a satisfactory conclusion, it is proposed that an additional £60,000 be allocated to the scheme for the provision of further project management support and the software enhancements required to enable the collection of rent by direct debt. This additional cost would, as with the other capital costs for this scheme, be met from a revenue contribution from the Housing Revenue Account.

The on-going annual maintenance costs of the upgrade system are estimated to be approximately £23,200 per annum. These will be met from the ICT software maintenance budget initially and then recharged along with other relevant software maintenance costs to the Housing Revenue Account as appropriate.

3. Bramcote Leisure Centre – Replacement of Combined Heat and Power (CHP) Unit

The capital programme from 2018/19 to 2020/21 approved at Finance and Resources Committee on 15 February 2018 included an allocation of £140,000 in 2020/21 for the replacement of the combined heat and power (CHP) unit at Bramcote Leisure Centre. This was one of the schemes for which funding would be sought and brought forward for approval to proceed once a suitable source of funding had been identified.

The CHP unit generates heat which is used throughout the centre to heat the domestic hot water, provide space heating and heat the swimming pool. It also produces electricity which is used throughout the centre.

The present CHP unit has been in operation for almost 15 years and is operating in excess of its estimated useful life. The consequences of delaying the replacement of the unit until 2020/21 are considerable in terms of both the impact on the centre's net running costs and customer expectations should the present unit fail.

It is therefore proposed that the replacement of the CHP unit be brought forward to 2018/19 and approval be given to proceed with this scheme. A tender exercise would be undertaken and should the cost vary significantly from the figure of £140,000 then details will be brought to the Committee in due course.

It is proposed that the cost of the replacement CHP unit be met from prudential borrowing. The level of financial reserves available to the Council indicates that the borrowing can potentially be financed from internal sources (subject to cash flow considerations). As returns on investments are currently lower than external borrowing rates, internal borrowing will be more cost effective than external borrowing at this point in time.

4. Bramcote Leisure Centre – Property Condition Survey

As Bramcote Leisure Centre is the only such facility directly owned by the Council, it is considered appropriate to assess the present and expected future maintenance needs to ensure that the site continues to meet the needs of users, the Council and other stakeholders. This would then inform the production of a Leisure Facilities Strategy at a future date.

A detailed property condition survey is estimated to cost £30,000. Three surveyors will be contacted to determine likely costs and their availability and the one considered most appropriate will be engaged to conduct the survey.

Due to the lack of available capital receipts to meet the cost and the reluctance to add further to the Council's existing borrowing levels, it is proposed that the cost be met from the Council's General Fund reserves. These amounted to over £6.050m at 31 March 2018.

5. Legal Case Management System

Most local authorities have a legal case management system that allows them to automate a significant amount of work and generate efficiencies as a result. It is proposed to implement such a system at Broxtowe. It would remove a lot of the administrative burden current placed on the Legal Services team and enable them to focus on their legal work.

Research has been undertaken and a suitable alternative has been identified. The cost of the software modules and licenses would be £7,150 with an additional ten days of consultancy required as part of the implementation costing £8,000. There would also be a requirement for a Project Manager at an estimated cost of £5,000. In addition, there would also be on going license costs of £2,150 per annum.

There is presently no allowance in the 2018/19 capital programme for the anticipated cost of £20,150. This can be met from 2018/19 capital contingencies of which £38,000 is presently available (subject to other reports on this agenda).

The on-going license costs would be met from the ICT software maintenance revenue budget.

6. Intelligent Scanning

The Finance and Resources Committee on 26 April 2018 received details of the intelligent scanning module for which there is budget provision within the £40,000 in the 2018/19 capital programme for E-Facilities initiatives. Intelligent scanning allows for an invoice to be scanned (or a digital copy placed on the Council's server) and the visual data to be then converted into the appropriate entries in the creditors system. This is then reviewed by the user with any changes entered using an interface identical to that used to enter the invoice manually. It therefore offers the potential to significantly reduce the administrative burden of processing creditor invoices.

The Finance and Resources Committee were asked on 26 April 2018 to provide an exemption from the Council's Financial Regulations (Contracts) to allow the purchase of the intelligent scanning module from Civica without the requirement to obtain at least three quotations. Civica already provide the financial management software that underpins the Council's general ledger, creditor, debtor and purchasing functions. Whilst there are other providers of intelligent scanning in addition to Civica, the use of one of these alternative suppliers would necessitate changing the provider of the entire creditors software and require major changes to existing procedures. This is not considered to be an effective use of resources in the present circumstances.

An exemption from Financial Regulations (Section 5.3) was requested due to the anticipated cost of the intelligent scanning being between £35,720 and £40,220 (dependant on invoice volumes) and the requirement that at least three quotations should be obtained for goods, materials or services with a contract value between £25,000 and £60,000. The Finance and Resources Committee on 26 April 2018 agreed to defer making a decision on the financial exemption until further information had been provided.

Further correspondence with Civica has shown that the cost of the intelligent scanning module will not be as shown above but will be £18,800. The confusion arose due to the price that they were quoting including £17,000 for the next upgrade of the general ledger, creditor and debtor systems to web-based versions which will form part of a separate work stream and for which there is already provision within the budget for E-Facilities initiatives in the 2018/19 capital programme.

As the cost of the intelligent scanning module is below £25,000, there is no requirement to seek three quotations or to obtain the exemption that was being requested. However, the module should provide significant value for money through the operational benefits as set out above.

The implementation of the intelligent scanning module is therefore proceeding as intended. Upon completion of the required testing, it should be rolled out to departments later in the year. This will then align with the upgrade of the general ledger, creditor and debtor systems to web-based versions which should ensure that these systems are fully supported moving forwards.

APPENDIX 2

Summary of Proposed Changes to 2018/19 Capital Programme

| <u>No</u> | <u>Scheme</u> | <u>Budget 2018/19 (£)</u> | <u>Revised Budget 2018/19 (£)</u> |
|------------------|--|--|--|
| 1 | Disabled Facilities Grants | 652,750 | 758,550 |
| 2 | Housing Management System Upgrade | 153,450 | 213,450 |
| 3 | BLC – Replacement Combined Heat and Power Unit | 0 | 140,000 |
| 4 | BLC – Property Condition Survey | 0 | 30,000 |
| 5 | Legal Case Management System | 0 | 20,150 |
| | | | |
| | | | |
| | TOTAL | 806,200 | 1,162,150 |

Report of the Interim Deputy Chief Executive

**GRANTS TO VOLUNTARY AND COMMUNITY ORGANISATIONS,
CHARITABLE BODIES AND INDIVIDUALS INVOLVED IN SPORTS,
THE ARTS AND DISABILITY MATTERS 2018/19**

1. Purpose of report

To consider requests for grant aid in accordance with the provisions of the Council's Grant Aid Policy.

2. Applications and financial position

Details of the grant applications received are included in the appendix for consideration. The amount available for distribution in 2018/19 is as follows:

| | <u>£</u> |
|---|---------------|
| Revenue Grant Aid Budget | 168,800 |
| Less: Estimated requirements for: | |
| Citizen's Advice Broxtowe (see agenda) | 73,750 |
| Outstanding Rent Awards/Others | 44,850 |
| Less: Grant Awards to Date | 11,250 |
| BALANCE AVAILABLE FOR DISTRIBUTION | 38,950 |

Members are reminded that they will need to suitably constrain grant awards in 2018/19 if the budget is not to be exceeded. The total amounts requested in this report for 2018/19 total £10,500. The additional sums requested in this report, when compared to the previous year, would amount to £6,000 if all applications are fully supported.

Recommendation

The Committee is asked to CONSIDER the requests and RESOLVE accordingly.

Background papers

Nil

APPENDIX

Applications

The following grant applications have been received for consideration in 2018/19:

| <u>Applicant</u> | <u>App'n Ref</u> | <u>Grant Award 2017/18</u> £ | <u>Grant Request 2018/19</u> £ |
|--------------------------------|----------------------|---|---|
| Nuthall Age Concern Day Centre | 1 | 500 | 500 |
| Hope Nottingham | 2 | 4,000 | 10,000 |
| | | Total | 10,500 |

Age Concern Organisations1. NUTHALL AGE CONCERN DAY CENTRE

Nuthall Age Concern Day Centre was established in 1974 and is based at The Spinney on Laurel Crescent in Nuthall. The group generates its membership from the Nuthall area and currently has 30 people using its services.

Nuthall Age Concern Day Centre provides welfare facilities and companionship in a social environment to local elderly residents and those with infirmity. The group meets on a weekly basis, offering a wide variety of activities such as social events and activities, bingo, speakers (including representatives from care homes, health and safety, police and fire services), quizzes, music and singing, keep-fit and festive parties. The group will provide its members with transport to and from the venue if required.

For the year ended 31 March 2018, income totalling £3,829 was derived from grant aid (from this Council), donations, subscriptions and proceeds from special events. Expenditure of £3,947 mainly related to transport, insurances and the cost of running events and activities. Cash at bank and in hand as at 31 March 2018 had reduced to £702.

The Council has supported Nuthall Age Concern Day Centre for many years, with the grants awarded in the past four years being as follows:

| | |
|---------|------|
| 2017/18 | £500 |
| 2016/17 | £500 |
| 2015/16 | £500 |
| 2014/15 | £325 |

For 2018/19, Nuthall Age Concern Day Centre has requested a similar grant of £500 towards its transport and insurance costs. The group indicates that its transport costs have increased in recent years because a shortage of volunteer drivers that has resulted in a greater reliance on private taxi firms to provide transport for its members.

Caring Organisations Category

2. HOPE NOTTINGHAM

Hope Nottingham (also known as the Hope Café) is operated from Hope House at the Boundary Road Community Centre in Beeston. The project has around 200 visitors per week, with around 1,200 individuals benefitting from the service each year. Hope House has developed from a basic drop-in café to being a holistic community hub providing wide ranging support to help people out of crisis and empower them to contribute positively to their community.

The Hope Café was originally established in 2005 as part of Hope NG9, the Christian church working together to bring 'Hope to the NG9 area through social action, backed by prayer and word'. From November 2010, local ministers agreed that Hope NG9 should be merged with Hope Nottingham. The charitable objects of Hope Nottingham are to advance the Christian faith and the relief of poverty, sickness and distress amongst the people of Nottingham and surrounding areas

Hope Nottingham provides a free community support café with holistic support for homeless and vulnerably housed adults to overcome poverty crisis and entrenched deprivation. The project aims to meet basic needs of food, clothing and furniture, provide a listening ear and offer individual mentoring and support with a view to having a positive transformation on the lives of those in need and to enable the positive social re-integration of socially excluded people.

In addition to providing food and friendship, the project aims to mentor its users by providing life skills training and creative activities. The project also acts as a hub to which its users can directly access support from specialists on issues such as housing, debt, benefits, substance and alcohol abuse and health.

Hope Nottingham continues to work with the Council, police, CAB and support agencies in order to meet the needs of its users and the local community. All the expert delivery partners are expected to source their own funding for their input. The various services are integrated together to enable those with complex needs to address several issues simultaneously, as the most effective way to make progress and to avoid falling through gaps in service provision.

The facilities at Hope House also extend to providing a Job Club to help the long-term unemployed back into work and a Youth Club that provides positive diversionary activities for young people.

The key headlines received from Hope Nottingham in 2017/18 included:

- Improving the health and well-being of local residents
- Providing over 1,600 food parcels in Broxtowe
- Supplying over £15,000 worth of financial assistance to buy specific items such as cookers and washing machines to 100 households
- Providing community based volunteer opportunities for local residents
- Providing more accessible independent information, advice and support for the most vulnerable Broxtowe residents

- Providing employment support and training to around 300 people to enable them to make progress in helping themselves out of poverty relating to welfare, low income, debt, unemployment, dysfunctional lifestyles, mental illness and domestic violence
- Directly supporting individuals in overcoming or avoiding homelessness, with others indirectly supported by referral to mainstream services and partners
- Supporting long-term unemployed local residents through the Hope Job Club, referred by the job centre, with assistance in completing online job searches/applications and creating positive CV's. This work has assisted 16 long-term unemployed residents into full and part time work.
- Establishing two small in-house social enterprises teaching people practical skills and enabling them to begin earning an income.

Hope Nottingham has provided the latest accounts for the year ended 30 June 2017 for scrutiny. The charity separates its accounts between restricted fund and unrestricted funds. Total income generated amounted to £231,972 which mostly related to grants, donations and rental income from use of the church and centre. Total expenditure amounted to £239,887 which included salaries and associated employee costs (£178,981 for an average of seven employees with no employee receiving more than £60,000 during the period), premises expenses and other operating costs. Unfortunately, the charity was the victim of an email scam that resulted in £10,060 being paid incorrectly. Procedures have since been reviewed and tightened to reduce the risk in future. Total funds as at 30 June 2017 were £9,515 including unrestricted funds of £7,936. Total cash at bank and in hand had fallen to £11,670.

In 2018, grants have been offered and/or received from Nottinghamshire County Council (£11,900), Nottingham and Derby Methodist District Fund (£13,200), Beeston Consolidated Charity (£18,000) and smaller grants from other Trusts. The charity continues to acknowledge the regular financial and volunteer support it receives from individuals, church and community, local businesses, local authorities and grant making organisations, without which it could not continue to operate.

The Council has regularly supported Hope Nottingham, with the grants awarded in the past four years being as follows:

| | |
|---------|--------|
| 2017/18 | £4,000 |
| 2016/17 | £4,000 |
| 2015/16 | £4,000 |
| 2014/15 | £4,000 |

For 2018/19, Hope Nottingham has requested an increased grant of £10,000 towards the cost of operating the project. Members should note that the grant aid policy requires that grant awards of £5,000 or above may be subject to a Service Level Agreement.

Report of the Interim Deputy Chief Executive

CAPITAL GRANTS TO VOLUNTARY ORGANISATIONS 2018/191. Purpose of report

To consider a capital request for grant aid in accordance with the provisions of the Council's grant aid policy.

2. Grant Aid Application

An application for capital funding has been received from St Helen's Church in Stapleford. The cost of the scheme to construct a Community Annexe at Stapleford Parish Church is estimated at £310,000. The Church has requested a grant of up to £5,000 towards the cost of a multi-purpose courtyard within the new Community Annexe. Details of the application are included in the appendix.

Given the nature of these schemes, any approved grant would normally be given on the basis of 25% of the actual costs incurred (given that it would relate to a non-Council owned asset) with a maximum figure specified in appropriate circumstances. The request is well within this limit.

Members should also note that the largest single grant awarded towards a capital project involving Church owned premises is £5,000.

3. Financial Position

No budgetary provision exists for capital grants to voluntary organisations. If Members were minded to approve the request from St Helen's Church, then an allocation from the Council's capital contingencies would be required from the anticipated 2018/19 budget within which £38,000 remains uncommitted subject to other reports on this agenda.

Recommendation

The Committee is asked to CONSIDER the request and RESOLVE accordingly.

Background papers

Nil

APPENDIX

1. ST HELEN'S CHURCH, STAPLEFORD

An application for grant aid has been received from St Helen's Church in respect of the construction of the Church Community Annexe at Stapleford Parish Church (St Helen's Church) on Frederick Road in Stapleford.

St. Helen's Church, which serves Stapleford and neighbouring communities, dates back to the 12th century and has around 280 members. Regular church activities include weekly services, weddings, baptisms and funerals. There is also more specific support provided for pastoral, bereavement, parental and children/young persons. The church produces a community magazine with 7,200 copies distributed raising the profile and promoting local groups and businesses.

The Church Hall also provides a venue for many local school visits and performances presenting concerts, plays, choirs and drama productions. The Village Venture Scheme and Stapleford Town Council have regularly used the facilities. The complex also provides facilities and a vibrant base for community groups such as parent and toddler group, fortnightly lunches and social meetings for senior citizens, slimming club, craft making group, karate club, local history club, civic services and regular pastoral training courses. The total annual footfall is estimated to be in excess of 20,000 people.

The Church is constructing a new Community Annexe building within the grounds of the ancient churchyard, with all the relevant permissions obtained.

Previously in 2008, the Church was refurbished with new flooring, lighting and electrics, heating, audio-visual system and upholstered chairs (instead of fixed pews). The space created is versatile and can be cleared for use as an exhibition space, rearranged as a cafe or for other social events. At the time it was not possible to include other hospitality features within the existing building, such as toilets, kitchen and meeting room/classroom. As the plans took shape for a connected annexe, it was agreed that the annexe must be able to operate both as providing extra facilities for the Church and as a fully independent facility available for other community groups.

The nearby Church Hall (a much larger space) is fully utilised for activities. The loss of the Maycliffe Hall and the Meeting Place community café has reduced the local provision of medium-sized social spaces and this has increased the demand for these facilities. The local MP has indicated that it would be a good place to hold her surgeries and written support has been provided by many of the local community leaders.

The Community Annexe is beginning to take shape with the piling and foundations now complete.

In this application, the Church has requested grant aid towards a multi-purpose courtyard within the new Community Annexe. The Church sees the courtyard as having great community potential. There would be free access to the courtyard via the Community Annexe allowing for a whole range of

activities to be used by the community and church for social, spiritual and educational purposes. The space will be an area for social interaction for weddings, funerals, events, school activities, nursery group activities and meetings of various community groups. The space would also allow for quiet contemplation.

The overall cost of the scheme is estimated at £310,000. This will be funded from a variety of sources including direct donations, fund raising, grants and loans. The Church has received funding from a variety of grant giving bodies including WREN; Joseph Rank Trust (£20,000); Garfield Weston Foundation (£15,000); Beatrice Laing Trust (£5,000); All Churches Trust (£3,450), Lady Hind Trust (£1,000) Council Councillors Divisional Fund (£1,000) and Stapleford Town Council (£800). Further capital funding is available through loans (including from the Diocese of Southwell), although the Church is keen to limit the reliance on loans.

The financial statements for the Parish of St. Helen, Stapleford for the year to 31 December 2016 have been provided for scrutiny. The Parish accounts consist of St Helen's Church and St Luke's Church. The accounts are separated between unrestricted and a restricted fund (Community Annex project). Total income generated amounted to £223,723, with £79,980 being unrestricted and mostly relating to donations and fundraising. Expenditure of £143,123 mainly related to the Diocesan Parish Share and other payments. Total funds as at 31 December 2016 were £157,711 (represented by cash and bank balances), which included £78,530 in the restricted fund.

The applicant has provided an updated statement of the financial position as at 31 December 2017. In summary the General Fund amounts to £66,600 including allocations for cash-flow (£21,700 based upon two-months expenditure); a youth worker (£21,000); rental of the Church Plant at Montrose Court (£12,000); restricted legacy for existing building repair (£6,000); supplementary allocation for building repair following inspection (£4,000) and a restricted legacy for music provision (£500). This leaves just £1,400 as unallocated.

This is the first application that the Council has received from St Helen's Church, Stapleford and for 2018/19 the Church has requested a grant of £5,000 towards the cost of a multi-purpose courtyard within the new Church Community Annexe at Stapleford Parish Church.

No approved capital budget exists for schemes of this nature and an allocation from capital contingencies would be required if a grant were to be awarded. Members should also note that the largest single grant awarded towards a capital project involving Church owned premises is £5,000.

Report of the Interim Deputy Chief Executive

CITIZENS ADVICE BROXTOWE – GRANT AID 2018/191. Purpose of report

To consider a request for grant aid in accordance with the provisions of the Council's Grant Aid Policy.

2. Grant Aid Application

An application for grant aid has been received from Citizens Advice Broxtowe (CAB) which is detailed in appendix 1 for consideration.

Members have previously resolved that grant aid should continue to be provided to CAB. However, the level of funding should be determined annually by the appropriate Committee on the basis of the CAB's achievement against a set of specified expected activities and outcomes. In 2017/18, CAB was awarded grant aid of £73,750 on this basis, including £10,000 towards the rental of accommodation in the Council Offices. The outturn position in respect of the Service Level Agreement to 31 March 2018 is provided at appendix 2.

This year CAB has requested that the Committee considers awarding the annual grant with an additional commitment to repeat the award in both 2019/20 and 2020/21. This three-year funding settlement would provide some much-needed stability for CAB and give it a platform to lever in much needed additional funds from other sources. The grant aid policy states that the Council would normally only commit to fund an organisation for a single year. Only in exceptional circumstances would funding be granted for longer periods.

3. Financial position

The overall budget for grants to voluntary organisations in 2018/19 is £168,800. An amount of £73,750 has been provisionally earmarked from the overall grant aid budget towards CAB. Any grant awarded in respect of the rental obligation (£10,000) would have no effect on the Council's overall budget, with the award being matched by allowances within the premises income budget.

Members are reminded that they will need to suitably constrain grant awards in 2018/19 if the budget is not to be exceeded. Any additional sums awarded to CAB over and above the amount provisionally earmarked would either require an additional allocation from Revenue Contingencies or for grants to be limited in other areas.

Recommendation

The Committee is asked to CONSIDER the request and RESOLVE accordingly.

Background papers

Nil

APPENDIX 1

CITIZENS ADVICE BROXTOWE

1. Introduction and Background

A request for grant aid has been received from Citizens Advice Broxtowe (CAB). CAB provides advice and support to the public on a variety of issues including debt, housing, welfare rights, employment and legal matters. CAB was established in 2004 following the merger of the former Beeston and Eastwood bureaux to create a district-based structure with operations that are based at the Council Offices in Beeston and the Library in Eastwood, with some funded outreach sessions also being provided at the Stapleford Care Centre.

2. Application

In the last 12 months, CAB has helped 6,544 clients on a wide range of enquiries. CAB has provided a summary analysis of the 12,397 enquiries that were handled in 2017/18. The majority of these contacts related to debt and benefits matters (70%) with the remaining enquiries being classified as housing, employment, signposting, legal, relationships, financial, consumer, utilities, health, tax, other, travel, immigration and education. CAB has also assisted clients in accessing £2.25m of additional benefits, which makes a huge difference to their wellbeing as well as supporting the local economy.

3. Staffing

CAB currently employs 15 paid staff. In 2017/18 CAB recruited seven new volunteers to its establishment and is currently grateful to the support of 56 volunteers who provided over 17,000 volunteer hours in the year at an estimated value of £309,000.

Although CAB is run by trustees who serve on the management committee, the day-to-day operation is overseen by the Chief Executive who is assisted by part-time staff including a Development Manager, Operations Manager and Session Supervisors at both Beeston and Eastwood. Other paid officers include administrative support at each location; a training and quality officer; an outreach worker; a part-time specialist housing worker and part-time debt workers. It should be noted that CAB is legally required to provide a recognised Session Supervisor for each session run at any location.

In 2017/18 CAB reported on the appointment of a Development Manager to help sustain the charity in the long-term as obtaining funding gets increasingly difficult and competitive. Although this position has brought in additional income streams, CAB is still running on a deficit budget and using substantial reserves in order to retain its current service.

Total staff costs in 2018/19 are forecast as £270,000. Total employee costs in 2017/18 were £254,000, a decrease of 11.8% on the previous year.

4. Accommodation

In January 2009, CAB moved its Beeston operation into the Council Offices. The lease terms were agreed for the accommodation at a market rental of £10,000 per annum. CAB previously paid a nominal rental at their former premises and the extra rental cost of their accommodation in the Council Offices would significantly increase their overall premises costs. Having only limited financial resources, CAB is unlikely to be able to sustain this charge.

5. Financial Position

CAB has provided its Financial Statements for the year ended 31 March 2018 for scrutiny. CAB separates its accounts between a restricted fund and an unrestricted fund. For the year ended 31 March 2018, total income generated amounted to £261,558 which mostly related to grants with £127,851 being in respect of unrestricted funds. The majority of unrestricted funding was provided by this Council and Nottinghamshire County Council (£49,000). Significant restricted funding was also received from the Money Advice Service (£66,390), Henry Smith Trust (£39,800), European Commission (£21,642) and Citizens Advice (£4,875). Total expenditure amounted to £320,036, including £211,560 charged to the restricted fund. A breakdown of costs for the year is included in appendix 2.

Total funds decreased to £362,342 with cash at bank and in hand amounting to £364,127. The CAB reserves policy is to maintain a minimum level of general reserves equivalent to around three months operating costs plus any closure costs should this become necessary (this has been reduced from six months). A General Fund Reserve of £87,000 has been set aside for this purpose.

6. Previous Grant Awards

The Council has supported CAB for many years with the grants awarded in the past four years being as follows:

| | Grant Awarded £ |
|----------------------------------|--------------------|
| 2017/18 (including £10,000 rent) | 73,750 |
| 2016/17 (including £10,000 rent) | 73,750 |
| 2015/16 (including £10,000 rent) | 73,750 |
| 2014/15 (including £10,000 rent) | 73,757 |

The grant of £73,750 awarded to CAB in 2017/18 represented 45% of the Council's overall grant aid budget.

7. Request for Grant Aid

CAB has requested a grant of £73,750 in 2017/18, being £63,750 towards general expenses and £10,000 towards the annual rental of accommodation in the Council Offices. CAB has already assumed grant aid at this level in its budgetary projections for the year.

This year CAB has requested that the Committee considers awarding the annual grant with an additional commitment to repeat the award in both 2019/20 and 2020/21. This three-year funding settlement would provide some much-needed stability for CAB and give it a platform to lever in much needed additional funds from other sources.

Additional supporting commentary from CAB

Income for 2018/19 continues to reduce due to a lack of available funding streams as previously reported. CAB is anticipating an overall budget deficit in 2018/19 of around £100,000.

The CAB management team is actively pursuing both new funds and the continuation of some existing streams as a matter of urgency in order to maintain and expand services wherever possible. The Development Manager post is aimed at increasing revenue streams to ensure long term sustainability.

Although most services are provided face-to-face to local residents, the CAB telephone helpline is available on weekdays. This enables people who cannot get into the offices to speak to an adviser. CAB is introducing a web-chat facility from June 2018.

Partnerships

CAB links with many different partners to provide a holistic service for its clients. One of the most important partners is Broxtowe Borough Council. Although it cannot list all of its partners in this report, examples of its networking abilities include the following:

- Central Notts Mind

This new partnership pilot project is filling a much needed gap in service across Broxtowe to deliver mental health support to vulnerable clients. It has proved so successful that extra sessions have been added and Mind is now in the CAB offices for two days per week.

CAB has been successful in obtaining funding from the Henry Smith Trust for three-years from December 2018 for this partnership. Unlike NHS services which are under severe strain, CAB can offer appointments locally with no waiting time, thereby creating an early intervention service, reducing crisis and helping reduce GP/Accident and Emergency costs.

- Voluntary Sector – Broxtowe and Nottinghamshire

CAB is working with Voluntary Action Broxtowe (VAB) to create a visible and strong voluntary sector network across the Borough. CAB has been instrumental in keeping a north Broxtowe voluntary group running and is helping VAB replicate this in the south of the Borough.

As funding streams are harder to find and voluntary sector groups start to struggle, CAB needs to look at a range of issues including sharing resources (staff, premises, expertise and volunteers) to ensure Broxtowe retains the voluntary sector infrastructure to help residents in difficulty. As well as the resources issue, another aim is to ensure the network remains strong to enable us to continue to offer the current wide range of volunteering opportunities for Broxtowe residents.

- Citizens Advice Local Offices across Nottinghamshire

CAB is part of a consortium of five other local Citizens Advice bureaux working across Nottinghamshire and Nottingham City. They collaborate on funding bids, share resources and expertise and work together to gather evidence for campaign work.

Volunteers

Volunteers give their time freely. Last year the value of the volunteer hours was in excess of £309,000. In addition, around 55% of volunteers move onto paid work, partly as a result of the skills and confidence gained as a volunteer. In 2017/18 the volunteers helped clients gain a massive £2.25 million of additional benefits. This not only makes a huge difference to a client's wellbeing but it also adds real value by making more money available to be spent in the local economy.

CAB act as champions and advocates for the local community and can provide a fresh and independent local perspective. CAB is in a strong position within the local area, uniquely placed and already able to call upon a powerful mix of:

- local knowledge/expertise coupled with national presence and profile
- working in the areas of greatest need with the most vulnerable
- supported by volunteers and staff from the local community
- providing evidence based services that demonstrate positive, sustainable outcomes able to adapt and respond to change while retaining trust and independence.

CAB also has the ability to reflect the local circumstances and the diverse communities that it works with and this is a fundamental strength. It is important that local authorities have a sound understanding of the vital role independent advice services have in a democratic society, enabling people to exercise their rights and responsibilities through advice, information, support and representation.

Navigating a complex maze of services and regulations makes access to independent advice essential and can have a negative impact on individuals and communities, in particular those who are already struggling to manage.

In light of the above, it is hoped that the Council will see that the award of grant aid would represent real value for money. As a brief demonstration of value, the Council's grant award of £73,750 has helped deliver:

- Over £2.25 million of additional benefits for clients which also support the local economy of Broxtowe
- Providing volunteer hours valued at £309,000
- Prevention of 162 housing evictions, saving the public purse an estimated £8 million
- Over £4.9 million debt handled on behalf of Broxtowe residents.

CAB is also offering volunteering and work experience opportunities to people on Jobseekers Allowance in partnership with Beeston and Eastwood Jobcentres and Law Students from Nottingham Trent University.

8. Consideration

Members are asked to consider the following when assessing this application:

- An amount of £73,750 (based on previous awards) has been provisionally earmarked towards CAB from the overall grant aid budget for 2018/19.
- CAB has requested grant aid with an additional commitment now to repeat the awards in both 2019/20 and 2020/21. The grant aid policy states that the Council would normally only commit to fund an organisation for a single year and only in exceptional circumstances would funding be granted for longer periods.
- The grant awarded in respect of the rental obligation would have no effect on the Council's overall budget, with the potential award having been matched by allowances within the premises income budget.

In accordance with the recommendations made by Cabinet on 2 June 2009 and in response to the review of grant aid to voluntary organisations completed by the People and Places Examination and Inquiry Group, Members should:

- Determine the level of funding on the basis of the CAB's achievement against a set of specified expected outcomes, after duly considering the CAB's expenditure levels and staffing structures.
- Determine the statement of expected activities and outcomes, which might include, for example, the number of beneficiaries and any links to the Council's corporate objectives.
- Determine that a service level agreement be established between the Council and CAB confirming the grant awarded and the statement of expected activities and outcomes as set out above.

APPENDIX 2

SERVICE LEVEL AGREEMENT 2017/18

Citizens Advice Broxtowe has provided the following information in accordance with the terms of the grant previously awarded by Finance and Resources Committee on 13 July 2017 and the Service Level Agreement for 2017/18.

SCHEDULE A – OUTPUT MEASURES (*Figures for 2016/17 are given in italics*)

| Ref | Outcome Area | Total (Apr-Mar) |
|------|---|-------------------------------------|
| 6.1 | Number of new issues (problems) dealt with | 12,397 <i>(13,003)</i> |
| 6.2 | Number of clients receiving support during the year | 6,544 <i>(6,755)</i> |
| 6.3 | Average amount of debt handled per client seeking debt advice | £8,895 <i>(£10,600)</i> |
| 6.4 | Estimated amount of benefits gained for clients seeking benefit advice | £2.25m <i>(£2.66m)</i> |
| 6.5 | Please list the top five advice needs and the number of new social policy issues recorded for each <ul style="list-style-type: none"> • Benefits • Debt • Housing • Employment • Relationships | 4,365 2,849 962 635 569 |
| 6.6 | Number of staff employed as at 31 March 2018 | 13 |
| 6.7 | Number of volunteers available as at 31 March 2018 | 55 |
| 6.8 | Number of new volunteers recruited in 2017/18 | 8 |
| 6.9 | Number of volunteer hours worked in 2017/18 | 17,212 |
| 6.10 | Value of volunteer hours given 2017/18 | £309,000 |

6.11 Breakdown of service users and volunteers by gender, age, ethnicity and disability for 2017/18:

| Description | Service Users | | Volunteers | |
|---|---------------|-----|------------|-----|
| Gender | | | | |
| Male | 2,879 | 44% | 13 | 33% |
| Female | 3,665 | 56% | 27 | 67% |
| Age | | | | |
| 19 and under | 65 | 1% | - | - |
| 20-49 | 3,468 | 53% | 7 | 18% |
| 50-64 | 1,963 | 30% | 18 | 45% |
| 65 and over | 1,048 | 16% | 15 | 37% |
| Not stated | - | - | - | - |
| Ethnicity (Number of people who consider themselves to be): | | | | |
| White British | 5,366 | 82% | 36 | 91% |
| Black British | 196 | 3% | 1 | 2% |
| White Other | 458 | 7% | 1 | 2% |
| Black Other | 0 | 0% | - | - |
| Asian | 196 | 3% | 2 | 5% |
| Chinese | 65 | 1% | - | - |
| Other ethnic group | 263 | 4% | - | - |
| Disability (Number of people who consider themselves to be): | 2,094 | 32% | 2 | 5% |

6.12 Please provide a summary analysis to indicate the extent to which the services of CAB have benefited clients.

The Citizens Advice service is independent and provides free, confidential and impartial advice to everybody regardless of race, sex, disability sexuality or nationality. CAB is not simply an advice agency. It is an organisation that helps people to resolve their problems. CAB does this in two ways, through advice and through bringing about policy change. Citizens Advice recognise that people often have many problems which impact on one another and they help people to tackle them.

In 2017/18 CAB handled over 12,000 enquiries on a wide range of subjects including debt, housing and homelessness, family problems and employment issues. Debt and welfare benefits accounted for around 70% of all enquiries. In the last year CAB has handled £4.9 million of new debt on behalf of clients.

The service makes a real contribution to the most deprived individuals and communities and CAB makes a real difference to people's lives. In 2017/18 CAB helped clients gain £2.25 million of additional benefits which makes a huge difference to the client's well-being but it also adds real value by supporting the local economy as in turn there is more money available to be spent locally.

CAB works in partnership with local service providers in the voluntary and statutory sectors and provides outreach advice services within the community targeting our service towards people most likely to be socially excluded.

- 6.13 Please provide a summary analysis of client surveys, to indicate the level of satisfaction with the services of CAB. Also tell us about any changes you have made/plan to make as a result of feedback received.

Each year CAB carries out surveys with its clients which give an indication of how satisfied they are with the service. The survey has changed during the year to fall in line with national membership of Citizens Advice. CAB is well above the national average on all the questions. The results of the latest survey are as follows:

| Question | Positive Response | National average |
|---|-------------------|------------------|
| Rate your overall experience of the service | 98% | 84% |
| How easy did you find it to access the service? | 89% | 80% |
| To what extent did the service help you find a way forward? | 96% | 79% |
| To what extend is your problem now resolved? | 84% | 72% |
| How likely would you to be recommend the service? | 98% | 84% |

- 6.14 Please provide feedback from volunteers around the level of satisfaction with the training and support they have received, and any specific outcomes achieved e.g. moving into paid work:

In the last year CAB has recruited seven new volunteer advisors. As a result of the training provided and the skills and confidence gained whilst working with the CAB, 55% of volunteers have gone onto paid work, both externally and within the CAB service.

- 6.15 Please tell us about some of your work around improving the policies and practices that affect people's lives. Tell us about any changes which have been made both locally and nationally in relation to the top five advice needs:

The top five advice needs are benefits; debt; housing; employment; and relationships.

Campaigning aims to improve the policies and practices that affect people's lives and is one of the aims of the service. As a charity and being part of the national network CAB has a huge amount of insight and data about the problems its clients and their wider communities face. Through research and campaigns, CAB uses this insight to:

- help us research issues further
- gathering evidence of problems that need resolving
- campaign to get decision makers to change policies and practices.
- prevent issues from recurring.

Universal Credit

A priority has been issues related to Universal Credit (UC). CAB has been actively engaged with the national work on this matter, supplying evidence of issues identified with the national team. CAB is working with the Council to highlight the problems and discuss solutions.

CAB is pleased to see that significant progress has been made in this area, with government announcements of changes to the implementation of UC, including:

- Delaying the rapid rollout of 'Full Service' UC
- Introducing free phone calls for claimants
- Reducing the waiting days before UC starts
- Continuing payments of housing benefit for two weeks before UC starts
- Improving the advances process by extending the repayment period

Disability Benefits

On behalf of the Nottinghamshire Citizens Advice cluster, CAB has produced a report which covers experience across the county in relation to Employment Support Allowance and Personal Independence Payment. This report highlights the evidence that many individuals are initially rejected through the medical assessment process by the DWP, but the decision at tribunal is often reversed when challenged. This report has been shared with local MP's and councillors.

Income and Job Security

The main focus of campaigns activity recently has been in relation to income and job security. This links to a national campaign. Following survey work earlier this year, CAB produced a report ('Good Work in Broxtowe') which links to the Matthew Taylor report for Government. The CAB report specifically highlights the problems facing many Broxtowe residents in a work context, including:

- Employers failure to pay National Minimum Wage
- Incorrect designation as 'self-employed' resulting in failure to meet obligations to workers (e.g. holiday pay)
- Difficulties enforcing payment of tribunal awards

The report has been sent to numerous influencers and Mr Taylor has commended the report.

A local councillor put forward a motion approving the report and urged the Council to support it by writing to the Secretary of State to ask him to work towards implementing the Citizens Advice recommendations. The motion was passed unanimously.

The CAB campaign focus over the coming year will be:

- Universal Credit – UC is planned to be in full service from Heanor Jobcentre from June 2018 and Beeston Jobcentre from November 2018. CAB will closely monitor the impact of the rollout on its clients and liaise with Citizens Advice nationally and the Council.
- Income/Job Insecurity – Following on from the "Good Work in Broxtowe" report, CAB will continue to monitor instances of poor practice in employment and respond to further Government consultations.
- Homelessness – Changes to the legal framework around homelessness were introduced from April 2018. CAB will monitor the impact of these changes on its clients. It will also review what options are available for clients to avoid rough sleeping with the relevant stakeholders.

6.18 Please provide case studies to indicate some of the outcomes achieved for clients to evidence the top advice needs:

** Please note that names have been changed to protect confidentiality.*

Case Study 1 – Employment Advice

Simon* agreed to work for a local business. His typical working shifts were up to 10 hours per day with no rest breaks.

Simon was paid around £160 per week (around £3.50 per hour) being considerably below the National Minimum Wage. Holidays and days off when work was unavailable were unpaid. Deductions were taken from pay for equipment that needed replacing, reducing net pay even further.

Simon was told what to do and where to work. He was part of a team supervised by the business owner. There was no written contract or anything in writing. Simon was told he was self-employed. The circumstances indicated that Simon was more likely to be a 'worker' which would mean that National Minimum Wage and holiday pay was due. When Simon queried this with his boss, this suggestion was immediately laughed off.

After completing the HMRC 'Employment Status Indicator' tool, the conclusion was that Simon was an employee. CAB assisted Simon to pursue the case through an Employment Tribunal to establish whether arrears of pay are due. Fortunately, due to the recent change in respect of Tribunal fees, Simon did not have to pay to pursue his case. A settlement was reached and Simon accepted a substantial sum to be paid by the business in respect of his claim.

CAB is one of the few local organisations that can offer free, confidential, impartial and independent employment advice. This is only possible due to the core funding it receives and the expertise of its valuable volunteers.

Case Study 2 – Housing Advice

Louise* is 50-years-old and lives alone in a housing association property. She suffers from hydrocephalus, a condition that causes confusion, forgetfulness and unsteadiness resulting in many falls.

Louise is unable to respond to letters or phone calls. She finds it difficult to communicate and attend appointments. This has resulted in her benefits being suspended and Louise facing eviction due to rent arrears and other debts. However, Louise can attend the CAB face-to-face local office and relies on this service.

The CAB Housing Advisor has been helping Louise navigate everyday life for a number of years, ensuring that she stays within the benefits system, retains her tenancy and avoids crisis points.

This shows the need for face-to-face advice locally that is holistic, high quality and sustainable for the future, helping people over a long period of time.

Case Study 3 – Benefits Advice

Sharon* suffers from Meniere's disease with poor balance/control and impaired speech and cognitive ability. Sharon attended the CAB advice service at the Stapleford Care Centre when her Disability Living Allowance was migrated to Personal Independence Payments (PIP). CAB helped Sharon complete the claimant questionnaire but she was turned down for the benefit. CAB helped her to appeal the decision and she was awarded PIP.

Two years later Sharon returned for advice on the renewal of the PIP award and CAB assisted with completion of the forms. Unfortunately the benefit was stopped again, although her condition had deteriorated since the last claim. CAB again helped Sharon appeal and at hearing all the benefits were reinstated.

This case study demonstrates peoples trust in the CAB returning for help on numerous occasions knowing CAB will be there to help when it matters.

Case Study 4 – Money Advice

Janet* has accumulated debts following a divorce. She was left to care for her two children and struggled financially as a single mum. Janet then developed breast cancer and had to undertake an operation and endure chemotherapy and radiotherapy. Since her recovery, Janet has struggled on a low income and eventually debts spiralled out of her control.

Janet lost her part-time job and had to claim Universal Credit. Due to the waiting period she fell into arrears with her rent. Janet found work but after 12 weeks the cancer returned. She was due to start treatment again and was incredibly worried about her debts. CAB made an application to a local charity that awarded £2,000 which covered the rent arrears plus a little more to help until the Universal Credit payments started. CAB will be helping Janet to apply for a debt relief order to clear the remaining debts.

Serious illness can strike anyone at any time. The CAB Money Advice service reduces the stress and anxiety of dealing with a sudden change in circumstances, enabling people to concentrate on their treatment, recovery and wellbeing.

SCHEDULE B – FINANCIAL MONITORING INFORMATION

In accordance with the Service Level Agreement, Citizens Advice Broxtowe has provided the Council with financial monitoring information. The final outturn for 2017/18 is as follows:

| | Budget 2017/18 £ | Actual 2017/18 £ | Variance £ | Actual 2016/17 £ |
|--|------------------------|------------------------|-----------------|------------------------|
| Income | | | | |
| Income | 167,946 | 261,558 | (93,612) | 369,571 |
| Total Income | 167,946 | 261,558 | (93,612) | 369,571 |
| Expenditure | | | | |
| Salaries etc. | 241,402 | 254,329 | 12,927 | 288,303 |
| Accountancy | 6,240 | 6,588 | 348 | 5,520 |
| Advertising/Annual Report | 1,279 | 3,250 | 1,971 | 1,445 |
| Business Travel | 5,264 | 2,905 | (2,359) | 5,988 |
| Courses and Training | 3,000 | 1,825 | (1,175) | 7,410 |
| Insurance | 4,599 | 1,417 | (3,182) | 1,432 |
| IT Support/Equipment | 5,000 | 5,215 | 215 | 6,448 |
| Volunteers/Staff Expenses | 7,992 | 4,595 | (3,397) | 5,193 |
| CA Membership | 5,220 | 6,655 | 1,435 | 7,128 |
| Postage | 3,152 | 19 | (3,133) | 4,602 |
| Printing/Stationery | 7,360 | 4,568 | (2,792) | 9,180 |
| Rent/Service Charges | 18,000 | 13,652 | (4,348) | 11,519 |
| Repairs and Maintenance | 2,600 | 0 | (2,600) | 228 |
| Telephone | 4,876 | 5,416 | 540 | 5,195 |
| Depreciation | 0 | 0 | 0 | 1,128 |
| Capital Additions | 0 | 0 | 0 | 0 |
| Recruitment | 1,273 | 625 | (648) | 0 |
| Governance/Audit costs | 1,200 | 1,392 | 192 | 0 |
| Transition Fund - Payment to Partners | 2,397 | 7,585 | 5,188 | 2,622 |
| Total Expenditure | 320,854 | 320,036 | (818) | 347,341 |
| Deficit/(Surplus) | 152,908 | 58,478 | (94,430) | 22,230 |

Report of the Interim Deputy Chief Executive

UNIVERSAL CREDIT1. Purpose of report

To inform the Committee of the current position with regard to Universal Credit roll out in Broxtowe.

2. Background

In February 2018, the Finance and Resources Committee received a detailed report on the roll out of Universal Credit (UC) at that point. This report detailed the significant changes announced in the Autumn Statement to UC. The most notable of these changes was the roll out of UC in Broxtowe would be halted until the Full Service Roll out commences. This means that since the 1 January 2018 there have been no more new claims for UC in the Broxtowe area. Further information is included in the appendix.

3. Financial Implications

The Council receive grants from the Department for Works and Pensions (DWP) to help claimants of Universal Credit that require Personal Budgeting Support and Digital Assistance. The Council has been informed that it is to receive £28,546 for this in 2018/19. The Welfare Reform Group have investigated alternatives for the best use of this grant funding and consider that Citizens Advice Broxtowe (CAB) are best placed to provide the required support for those residents that are not Broxtowe tenants. The CAB will provide this support through a dedicated Welfare Benefits Caseworker working 30 hours per week at a cost of £19,550 per annum with funding from the DWP grant income. It is proposed that the position commences from 1 August 2018 for an initial one year period and that any funding not utilised in 2018/19 is carried forward into 2019/20 for this purpose.

Recommendation

The Committee is asked to RESOLVE that a supplementary revenue estimate of £19,550 in 2018/19 for the provision of Personal Budgeting Support for Universal Credit claimants through the CAB funded by DWP grants be approved.

Background papers

Nil

APPENDIX

Additional information

Due to the fact that there have been no new applications for UC in 2018, there has been a continued reduction in the number of people receiving UC. The Department for Works and Pensions (DWP) have confirmed that there is reduction of approximately 6% per week in the number of people receiving UC in Broxtowe. Although the DWP are not able to specify the exact reason for this, it is likely to be as a result of claimants returning to work or increasing their working hours.

Although the roll out of UC has currently stopped, the Council continues to prepare for the Full Service roll out in the area. The current proposals of Full Service roll out are based on the Job Centre location and not the Local Authority. As a result of this, there will be two roll outs within Broxtowe as those that are expected to attend Heanor Job Centre will go live on 13 June 2018 and have the following postcodes:

- NG16 2
- NG16 3
- NG16 4
- NG16 5
- NG16 6
- NG16 9

Those expected to attend Beeston Job Centre will go live in November 2018.

In preparation of the Full Service roll out, a Welfare Reform Group has been established within the Council. This includes internal officers from Benefits, Rents, Housing and Quality and Control Teams. External stakeholders have also been involved, most notably from the Citizens Advice Broxtowe team. Future meetings will also include the local Job Centre Managers and the DWP UC liaison officer. The group has been established to identify the services within the borough that can assist with the roll out of UC and ensure that residents receive the appropriate support, with a significant emphasis on Personal Budgeting and Assisted digital Support. Due to the close working relationship with Erewash Borough Council, Broxtowe Borough Council will be able to utilise some of the lessons learned in their preparation for Full Service rollout.

The experience of Erewash Borough Council enables Broxtowe to estimate the number of residents that will require Personal Budgeting Support. During 2017/18, Erewash Borough Council assisted 494 residents with support and were able to assist them with claiming additional benefits or making savings of £127,705.

All relevant Broxtowe BC staff have received appropriate training on UC and will be available to support residents that are experiencing difficulty under the new process. Working with the DWP, the council will host a number of stakeholder workshops around UC as we approach the go live date.

A Member specific briefing session will take place on 17 October 2018, prior to the Full Council Meeting.

Report of the Interim Deputy Chief Executive

CAVENDISH LODGE, BEESTON – OPTIONS FOR DISPOSAL1. Purpose of report

To recommend an option for the disposal of Cavendish Lodge, Beeston.

2. Background and proposals

Committee will recall the report of 26 April 2018 which set out the background to the proposed disposal of Cavendish Lodge. Cavendish Lodge was granted a change to residential use by Planning Committee on 21 March 2018, which will help maximise the capital receipt when offered for sale.

The 26 April report proposed a straight sale to the open market based on the current property footprint and the current property condition. However, Committee asked for further valuation work to be undertaken based on a larger footprint and on a refurbished building. The confidential appendices report back on some analysis of these options and recommend accordingly.

3. Financial implications

These are outlined in the confidential appendices. Any capital receipt from the sale of the property for the financing of capital expenditure savings in running costs following disposal would accrue to the General Fund revenue budget.

Recommendation

The Committee is asked to RESOLVE that the disposal of Cavendish Lodge, as detailed in appendix 1, be approved.

Background papers

Nil

Report of the Interim Strategic Director

COMMITTEE MANAGEMENT SYSTEM1. Purpose of report

To inform members of the current position with regard the implementation of a committee management system (CMS) and highlight the capabilities of the system for Councillors and members of the public.

2. Background

The Modern.Gov system, used by over 300 local authorities, is a software solution for meeting management which will be phased-in following the summer recess, starting with an individual committee before being rolled out amongst all committees as appropriate. Councillors will be emailed links to agendas and have the ability to access the information on their portable devices through a Modern.Gov app.

The main objectives of acquiring a CMS are to establish more efficient ways of working, maximise quality and accuracy in terms of data management, reduce printing and circulation costs and utilise new technologies to assist with the Council's New Ways of Working project. Further information on the system's capabilities is included in the appendix.

The Chair of the Finance and Resources Committee has expressed a wish to be involved with the trial of the system following the 'go-live' date in September and further updates will be submitted to the Committee in due course. Members may wish to consider exactly which information may be published, as included in the appendix.

3. Financial implications

The Capital programme has £15,000 set aside for the implementation of the CMS. Further savings will be realised as 'paper-light' systems are implemented through reduced printing, paper and postage costs.

Recommendation

The Committee is asked to NOTE the report.

Back ground papers

Nil

APPENDIX

The CMS has an array of back office functions that will streamline and modernise the method by which the Council manages report and agendas. However, below is a brief list of information that can be held on the intranet or internet through the system.

Members' details that can be published

- Photographs
- Surgery details
- Contact information
- Committee responsibilities
- Committee memberships
- Membership of external bodies
- Biographical information
- Election results
- Attendance records
- Register of interest
- Gifts and hospitalities
- Declaration at meetings.

Democracy

The elections results module displays data for local council, national and parish elections. This includes breakdown by ward and candidate and gives comparisons with previous elections. Results are displayed in both tabular and graphical formats. The results are compatible with the Local Open Data Community standard for election results.

A Decisions web page is available to inform enquirers of all decisions made or to be made. All information pertaining to the decision is linked together and available from this page. Web users can readily drill-down on any item and view its history and any future activity scheduled.

Community engagement

Members of the public, officers and councillors are able to subscribe to a list of topics, committees and wards that they are interested in. Overnight modern.gov compares all of the subscribers' interests with the new items published that day and sends each subscriber a personalised email with details of the items they may be interested in.

App

Additionally, modern.gov offers an app that can be used to provide members with the latest meeting papers for the committees of interest interested. The app is primarily aimed at members but is also available to anyone with an interest in having committee papers on their device.

The app allows users to specify the committees of interest and will then automatically keep itself updated with all the latest meeting papers including the full agenda pack. The app allows users to highlight sections of the pack and make annotations just as with a paper copy. Document navigation is made quick and simple via bookmarking and intuitive controls.

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, in addition to the support service areas of Resources, Revenues, Benefits and Customer Services and ICT and Business Transformation are approved by the respective Committees each year in January/February.

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 detailed annual reports where performance management and financial outturns are considered following the year-end.

This outturn 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, in addition to the current Key Performance Indicators for 2017/18.

Background papers

Nil

APPENDIX

PERFORMANCE MANAGEMENT1. 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

A series of Business Plans linked to the five corporate priority areas were approved by the respective Committees at meetings held in January and February 2017. In addition the Business Plans for the support service areas of Resources; Revenues, Benefits and Customer Services; and ICT and Business Transformation were also approved.

These 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 outturn 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 |
|  | Satisfactory |  | Getting Worse |
|  | Unknown |  | Data Only |






RESOURCES








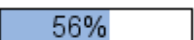

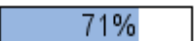

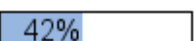

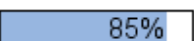
Critical Success Indicators for Resources







| Status | Code & Short Name | 2017/18 Outturn | 2017/18 Target | Short Term Trend Arrow | Long Term Trend Arrow | Notes |
|--|--|-----------------|----------------|---|---|--|
|  | BV8 Creditor invoices paid within 30 days of receipt | 98.5% | 99.0% |  |  | Target Achieved. |
|  | BV12 Working Days Lost Due to Sickness Absence (rolling annual figure) | 13.64 | 7.5 |  |  | 11 days at April 2018 |
|  | LALocal_07 Number of complaints determined by the Local Government/Housing Ombudsman against the Council | 2 | 0 |  |  | 2015/16 = 7; 2016/17 = 6 The number of complaints determined by Ombudsmen continues to decrease. |
|  | LALocal_12 Freedom of Information requests dealt with within 20 working days | 95% | 100% |  |  | ICO guidance suggests a target of 85% of requests being sent a response within the appropriate timescales is acceptable. Exceeding the ICO target. |

Resources Key Tasks and Priorities for Improvement 2017/18



















| Status | Pentana Code | Action Title | Action Description | Progress Bar | Due Date | Comments |
|--|--------------|--------------------------------------|---|---|-------------|---|
| Finance Services | | | | | | |
|  | FP1720_01 | Produce Final Accounts by end of May | Accounts produced one month quicker than previously in preparation for legislative requirement from 2017/18 |  | 31-May-2017 | Final Accounts completed by 23 June 2017. Plan devised to complete 2017/18 Final Accounts by 31 May 2018. |






















| Status | Pentana Code | Action Title | Action Description | Progress Bar | Due Date | Comments |
|--|--------------|---|---|--|-------------|--|
|  | FP1720_02 | Participate in a countywide procurement exercise for merchant services (card processing) | Research and source a low cost service for merchant services in accordance with the Council's requirements | <div style="border: 1px solid black; width: 100px; height: 15px; background-color: white; display: flex; align-items: center; justify-content: center;">0%</div> | 31-Mar-2018 | No progress anticipated until a Procurement Officer is appointed. |
| Council Property | | | | | | |
|  | CP1620_01 | Pursue tram compensation claim | Pursue tram compensation claim | <div style="border: 1px solid black; width: 100px; height: 15px; background-color: #a0c0ff; display: flex; align-items: center; justify-content: center;">50%</div> | 31-Oct-2018 | Compensation still to be agreed but recent significant progress has been made. Due date extended from 31 December 2017. |
|  | CP1620_02 | Restructure reception arrangements at Foster avenue | Restructure reception arrangements at Foster avenue | <div style="border: 1px solid black; width: 100px; height: 15px; background-color: #a0c0ff; display: flex; align-items: center; justify-content: center;">5%</div> | 30-Mar-2019 | Scheme discontinued following DWP withdrawal. Considerably more modest scheme currently underway. |
|  | CP1620_03 | Implement the Asset Management Plan 2016-21 | Implement the Asset Management Plan 2016-21 | <div style="border: 1px solid black; width: 100px; height: 15px; background-color: #a0c0ff; display: flex; align-items: center; justify-content: center;">23%</div> | 31-Mar-2020 | Work is ongoing. |
| Human Resources | | | | | | |
|  | HR0912_01 | Implementation of Core Abilities Framework and Performance Appraisal (PA) system across workforce with Broxtowe Learning Zone (BLZ) | Ensure the Council has highly developed employees who are competent to undertake their role and managers who can lead teams effectively in accordance with service/corporate objectives | <div style="border: 1px solid black; width: 100px; height: 15px; background-color: #a0c0ff; display: flex; align-items: center; justify-content: center;">100%</div> | 31-Dec-2017 | Rolled out in full - all Performance Appraisal's must be completed by 31 March 2018. Performance Appraisals 2018/19 launched in April 2018. |




| Status | Pentana Code | Action Title | Action Description | Progress Bar | Due Date | Comments |
|--|--------------|--|--|---|-------------|---|
|  | HR1417_03 | Review of payroll processes to introduce electronic forms | Review of payroll processes to introduce electronic forms |  90% | 31-Mar-2018 | E-Forms for Car Mileage Claims planned to be live from 1 April 2018. |
|  | HR1518_01a | Member learning and development programme through Broxtowe Learning Zone | Provide comprehensive Member Learning and Development through the use of the Broxtowe Learning Zone |  100% | 30-Mar-2018 | Task Complete. |
|  | HR1620_01 | Review opportunities for shared HR working with other local authorities | Review opportunities for shared HR working with other local authorities |  100% | 31-Mar-2018 | Review complete. |
|  | HR1620_02 | Review of People Strategy | Review of People Strategy |  56% | 03-Oct-2018 | Final Version to be presented to a future Policy and Performance Committee. Due date revised from 30 June 2018. |
|  | HR1620_03 | Development of a new Apprenticeship Strategy | Identify future skills requirements and improve career progression opportunities |  71% | 30-Jun-2018 | |
|  | HR1720_01 | Introduce 20 new online Broxtowe Learning opportunities by 2020 | Expand range of opportunities to develop employee skills. Add 20 modules to Broxtowe Learning Zone by 2020 |  42% | 31-Mar-2020 | |
|  | HR1720_02 | Review of Employee Induction Programme | Ensure staff are equipped with the knowledge they need to perform at a high level. |  85% | 31-Jul-2018 | |

| Status | Pentana Code | Action Title | Action Description | Progress Bar | Due Date | Comments |
|--|--------------|---|--|--|-------------|---|
| Health & Safety | | | | | | |
|  | H&S1620_02 | Completion of Health and Safety Action Plan 2017/18 | Completion of Health and Safety Action Plan | <div style="width: 100%;"><div style="width: 100%; background-color: #4F81BD; height: 10px;"></div></div> 100% | 31-Mar-2018 | Business Continuity exercise was undertaken in April 2018. |
| Legal and Administrative Services | | | | | | |
|  | DEM1518_01 | Community Governance Review | Community Governance Review | <div style="width: 0%;"><div style="width: 0%; background-color: #4F81BD; height: 10px;"></div></div> 0% | 31-Dec-2021 | Due date revised from 31 December 2018. This has been deferred until 2020. |
|  | DEM1518_01 | Implementation of committee management system | Implementation of committee management system | <div style="width: 60%;"><div style="width: 60%; background-color: #4F81BD; height: 10px;"></div></div> 60% | 30-Jun-2018 | Committee Management System purchased and installed. System Training in Q1 2018/19. |
| Legal and Administrative Services | | | | | | |
|  | DEM1518_02 | Transfer of Land Charges function to Land Registry | Transfer of Land Charges function to Land Registry | <div style="width: 5%;"><div style="width: 5%; background-color: #4F81BD; height: 10px;"></div></div> 5% | 04-Jun-2019 | Confirmed that the Council will be included in Phase 1. Work is continuing to prepare for data migration. |
|  | LA1620_03 | Complete Administration Review | Complete Administration Review | <div style="width: 100%;"><div style="width: 100%; background-color: #4F81BD; height: 10px;"></div></div> 100% | 31-Mar-2017 | Report to Policy and Performance Committee on 4 July 2017. |
| Legal Services | | | | | | |
|  | LA1620_02 | Reduce sundry debtors backlog | Reduce sundry debtors backlog | <div style="width: 60%;"><div style="width: 60%; background-color: #4F81BD; height: 10px;"></div></div> 60% | 31-Dec-2017 | New post holder has further reduced the backlog. Legal Services are working with other teams to reduce the number of new sundry debt cases. |

Resources Key Performance Indicators 2017/18










| Status | PI Code & Short Name | 2016/17 Outturn | Current Target | 2017/18 Achieved | Short Term Trend | Long Term Trend | Notes |
|--|--|-----------------|----------------|------------------|---|---|---|
| Finance Services | | | | | | | |
|  | FPLocal_01 Sundry creditors paid by BACS | 87.6% | 90% | 89.9% |  |  | |
|  | FPLocal_02 Sundry debtors raised in any one financial year paid in that year | 80.5% | 90% | 83.2% |  |  | |
|  | FPLocal_03 Planned audits completed in the year | 91.0% | 90% | 89.0% |  |  | One audit short of exceeding target. All incomplete audits were considered when preparing the Internal Audit Plan for 2018/19. The outstanding audit of Information Governance delayed for effectiveness in order to review compliance with GDPR. |
|  | FPLocal_09 Invoices paid within 20 days | 97.4% | 95% | 98.5% |  |  | Continues to exceed target. |
| Council Property | | | | | | | |
|  | CPLocal_01 % Industrial units vacant for more than 3 months | 0.5% | 5% | 1.6% |  |  | |
|  | CPLocal_02 Tenants of industrial units with rent arrears | 0.1% | 3% | 6.6% |  |  | The increase is attributed to historic debts. These are being chased by Legal Services to recover the monies if possible. Property Services actively chase all rents to |

| Status | PI Code & Short Name | 2016/17 Outturn | Current Target | 2017/18 Achieved | Short Term Trend | Long Term Trend | Notes |
|--|--|-----------------|----------------|------------------|---|---|--|
| | | | | | | | ensure the minimal number of tenants get into debt. |
| Human Resources Services | | | | | | | |
|  | BV16a Employees with a Disability | 7.46% | 10% | 7.09% |  |  | |
|  | BV17a Ethnic Minority representation in the workforce | 7.04% | 7.5% | 6.87% |  |  | |
|  | HRLocal_06 Annual employee turnover | 16.3% | 10% | 16.3% |  |  | |
|  | HRLocal_07 Employees qualified to NVQ Level 2 and above | 85% | 87% | 85% |  |  | Target achieved. |
| Legal and Administrative Services | | | | | | | |
|  | LALocal_04 Complaints acknowledged within 3 working days | 91% | 100% | 86% |  |  | 2015/16 = 89% |
|  | LALocal_06 Complaints concluded under Stage 2 of the Council's Complaints Procedure. | 22 | 15 | 17 |  |  | 2015/16 = 20 The number of stage 2 complaints has increased since 2016/17. The target was revised following a decrease in complaints in 2015. |
|  | LALocal_13 Successful prosecutions in the Magistrates Court | 87% | 90% | 100% |  |  | 2015/16 = 20 cases |


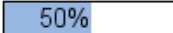

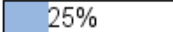

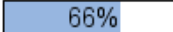


| Status | PI Code & Short Name | 2016/17 Outturn | Current Target | 2017/18 Achieved | Short Term Trend | Long Term Trend | Notes |
|--|--|-----------------|----------------|------------------|---|---|---|
|  | LALocal_08 Individually registered electors in the Borough | 84,621 | 85,500 | 84,617 |  |  | 2018 electoral register published December 2017. There was a slight decrease in the number of registered electors on the 2018 register. This was a result of a thorough cleanse of the register and the removal of electors who were no longer eligible to be registered. |






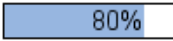
REVENUES, BENEFITS AND CUSTOMER SERVICES

Critical Success Indicators for Revenues, Benefits and Customer Services







| Status | Code & Short Name | 2017/18 Outturn | 2017/18 Target | Short Term Trend Arrow | Long Term Trend Arrow | Notes |
|--|--|-----------------|----------------|---|---|---|
|  | BV9 Council Tax collected | 98.5% | 98.3% |  |  | Council Tax collection rates have continued to improve. Over the last two years an improvement from 98.40% (2015/16) to 98.54% (2017/18) This has been achieved during a period of significant change for the service. |
|  | BV10 Non-domestic Rates Collected | 98.8% | 98.6% |  |  | The collection of Non-Domestic Rates is currently at its highest rate ever of 98.76%. |
|  | BV66a Rent Collection: Rent collected as a proportion of the rent owed | 98.2% | 99.0% |  |  | Collection rates are within target. Alongside this there has been a 13.64% reduction in arrears between April 2017 and April 2018. |




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

| Status | 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) |  | 31-Mar-2020 | Progress continues with regard to the implementation of Universal Credit within Broxtowe. The Welfare Reform Group continues to meet monthly. |
|  | RBCS1620_03 | Replace the current CRM system (Meritec) | Replace the current CRM system (Meritec) |  | 31-Mar-2019 | Work continues on the new CRM implementation with a project group established and ongoing work with Meritec to ensure the system is correctly set up to maximise efficiencies. Due date revised from 30 April 2018 |
|  | RBCS1620_05 | Widen the use of e-forms | Widen the use of e-forms |  | 31-Mar-2019 | This action will be linked with the CRM implementation and will form the overall view of the Customers access to the Council's services. Due date revised from 30 March 2018. |
|  | RBCS1620_06 | Update the council's face to face customer contact | Update the council's face to face customer contact |  | 31-Dec-2018 | Scheme discontinued following DWP withdrawal. Considerably more modest scheme currently underway. |

| Status | Action Code | Action Title | Action Description | Progress Bar | Due Date | Comments |
|--|-------------|---|---|---|-------------|--|
|  | 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 |  | 30-Sep-2017 | Counter Fraud Strategy approved. |
|  | RBCS1620_08 | Implement the pre-eviction protocol for rent areas and the actions arising from the KPMG report | Implement the pre-eviction protocol for rent areas and the actions arising from the KPMG report |  | 30-Apr-2017 | Action is deemed complete. This has now been replaced with the Rent Recovery Policy. |
|  | 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 |  | 31-May-2018 | Efficiencies have been achieved as part of the Shared Services agreement. |







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

| Status | PI Code & Short Name | 2016/17 Outturn | Current Target | 2017/18 Achieved | Short Term Trend | Long Term Trend | Notes |
|--|--|-----------------|----------------|------------------|---|---|-------|
|  | BV78a Average speed of processing new HB/CTB claims (calendar days) | 14.1 | 16.0 | 12.6 |  |  | |
|  | BV78b Average speed of processing changes of circumstances for HB/CTB claims (calendar days) | 5.9 | 5.0 | 5.0 |  |  | |








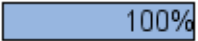
| Status | PI Code & Short Name | 2016/17 Outturn | Current Target | 2017/18 Achieved | Short Term Trend | Long Term Trend | Notes |
|--|--|-----------------|----------------|------------------|---|---|-------|
|  | BV79b(ii) HB overpayments recovered as percentage of the total amount of HB overpayment debt outstanding | 27.8% | 29.0% | 29.3% |  |  | |

ICT AND BUSINESS TRANSFORMATION







Critical Success Indicators for ICT and Business Transformation

| Status | Code & Short Name | 2017/18 Outturn | 2017/18 Target | Short Term Trend Arrow | Long Term Trend Arrow | Notes |
|--|--------------------------------|-----------------|----------------|---|---|--|
|  | ITLocal_01 System Availability | 99.6% | 99.5% |  |  | Reduction in performance was due to the effects of systems downtime not being verified in Q3. Impact not assessed/verified and as such availability impact showing higher than it should do. |
|  | ITLoal_05 Virus Protection | 100% | 100% |  |  | |

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

| Status | 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 principle of Digital by Default. |  100% | 31-Mar-2018 | No further progress will be made on this as no web development officer is in post to undertake these duties. |
|  | IT1718_14 | ICT Security Compliance | PCI-DSS & Government Connect - Maintain compliance with latest Security standards and support annual assessments. |  100% | 31-Dec-2017 | The Council is compliant with the PSN and PCI-DSS requirements, and maintains a strong security posture. |
|  | IT1718_17 | E-Facilities | Purchase and implement the necessary hardware and software to develop the Council's Mobile Working facilities. Including pilot projects to trial available mobile working facilities to continue development of the Council's e-facilities. |  100% | 31-Mar-2018 | |
|  | IT1718_20 | Open Housing System Upgrade | Project to provide necessary resource to assist the upgrade of the Capita Open Housing system and implement the Total Mobile working solution |  100% | 31-Mar-2018 | Project to continue in 2018/19 and due for completion by March 2019. |

ICT and Business Transformation Key Performance Indicators 2017/18

| Status | PI Code & Short Name | 2016/17 Outturn | Current Target | 2017/18 Achieved | Short Term Trend | Long Term Trend | Notes |
|--|--------------------------------------|-----------------|----------------|------------------|---|---|---|
|  | ITLocal_02 Service Desk Satisfaction | 99.2% | 99% | 100% |  |  | |
|  | ITLocal_04 BBSi Programme Completion | 97.9% | 100% | 86% |  |  | Service delivery is currently impacted with reduced resources however additional resources have been commissioned to enable service delivery. |

Report of the Interim Strategic Director

FEES FOR CANVASS DUTIES1. Purpose of report

To seek approval to the proposed fees to be paid for canvass duties.

2. Background

At its meeting on 24 September 2014 Cabinet approved revised fees for the personal canvass to reflect the increased responsibility on canvassers following the introduction of Individual Electoral Registration. Two different amounts are currently paid for both the household and individual canvasses, depending on whether a response is received from a property or not. Since that time the basis for paying canvassers has been discussed with Human Resources and it has been determined that payment should be per form delivered (based on the government's "paid per task or piece of work done") regardless of whether a response is obtained at the time or later.

Payment on the basis of "paid per task or piece of work done" is calculated in general terms by dividing the minimum wage by the number of tasks performed in an hour. It reflects the fact that one task is being performed, in this case, a property is visited for the purpose of obtaining a completed Household Enquiry Form (HEF) or Invitation to Register (ITR). The existing and proposed revised fees are set out in the appendix. It is considered that the training fees and mileage payments should continue as at present, although the rural allowance will no longer be paid as mileage can be claimed.

3. Financial implications

It is difficult to estimate the total cost of the canvass in any year as this depends on the number of forms returned at each stage. However, based on the 2017 canvass and the "paid per task or piece of work done" method of payment it is expected that the cost of the canvass will increase by around £6,000 which can be met from existing budgets.

Recommendation

The Committee is asked to RESOLVE that:

- 1. The revised fees for the personal canvass as set out in the appendix be approved.**
- 2. The canvass fees be included in the Council's Pay Policy when it is next updated.**

Background papers

Nil

APPENDIX

| | Existing | Proposed |
|--|--------------|--------------|
| Household Canvass | | |
| For each successful contact | £1.00 | £1.30 |
| For each unsuccessful contact | 50p | £1.30 |
| Training – online course only | £10 | £10 |
| Training – face to face and online course | £20 | £20 |
| Rural allowance – to be paid to canvassers whose canvass area covers more than 1 polling district where those polling districts are not coterminous (actual amount paid depends on density of canvass area; applies to 4 areas only) | £15-25 | - |
| Mileage | 45p per mile | 45p per mile |
| | | |
| Individual Canvass | | |
| For each successful contact | £1.50 | £1.90 |
| For each unsuccessful contact | 75p | £1.90 |
| Mileage | 45p per mile | 45p per mile |

Report of the Interim Deputy Chief Executive

BEESTON SQUARE STREET ART1. Purpose of report

To recommend to Committee that the remaining Henry Boot artwork contribution from The Square Phase 1 in Beeston be allocated to street art.

2. Background

Committee will recall that as part of the Henry Boot redevelopment of The Square Phase 1 in Beeston in 2013-2015 a sum of £30,000 was set aside for artwork, with the condition that it be spent within 85 metres of the redevelopment (see plan) .

3. Proposal

It is initially proposed to install street art on the Station Road side of The Square Phase 1 in Beeston town centre. An example of what this might look like is given in the appendix along with a recently painted example on the electricity sub-station at the former bus station.

The walls are owned by Broxtowe Borough Council and as they are not on a listed building, and aren't in a conservation area, there is no requirement for planning approval (unless advertising was proposed). Other standard conditions would apply:-

- No political themes
- Nothing likely to cause offence
- Nothing that would promote one particular world view or religion

4. Financial implications

Finance and Resources Committee on 19 September 2016 allocated £24,400 of the £30,000 received from Henry Boot plc. on 24 March 2016 in lieu of art work for Beeston Square to the scheme in the 2016/17 capital programme to up-light Beeston Parish Church with LED lighting. Expenditure incurred totalled £21,852, leaving a sum of £8,179 available. There is presently no allocation for Beeston Square art work in the 2018/19 General Fund revenue budget and it is proposed that the remaining Henry Boot contribution be used of this purpose.

Recommendation

The Committee is asked to RESOLVE that:

- 1. A supplementary revenue estimate of £8,200 be made in 2018/19 for Beeston Square street art funded from the Henry Boot allocation be approved.**
- 2. The approval of the design of the final scheme be delegated to the Interim Deputy Chief Executive.**

Background papers

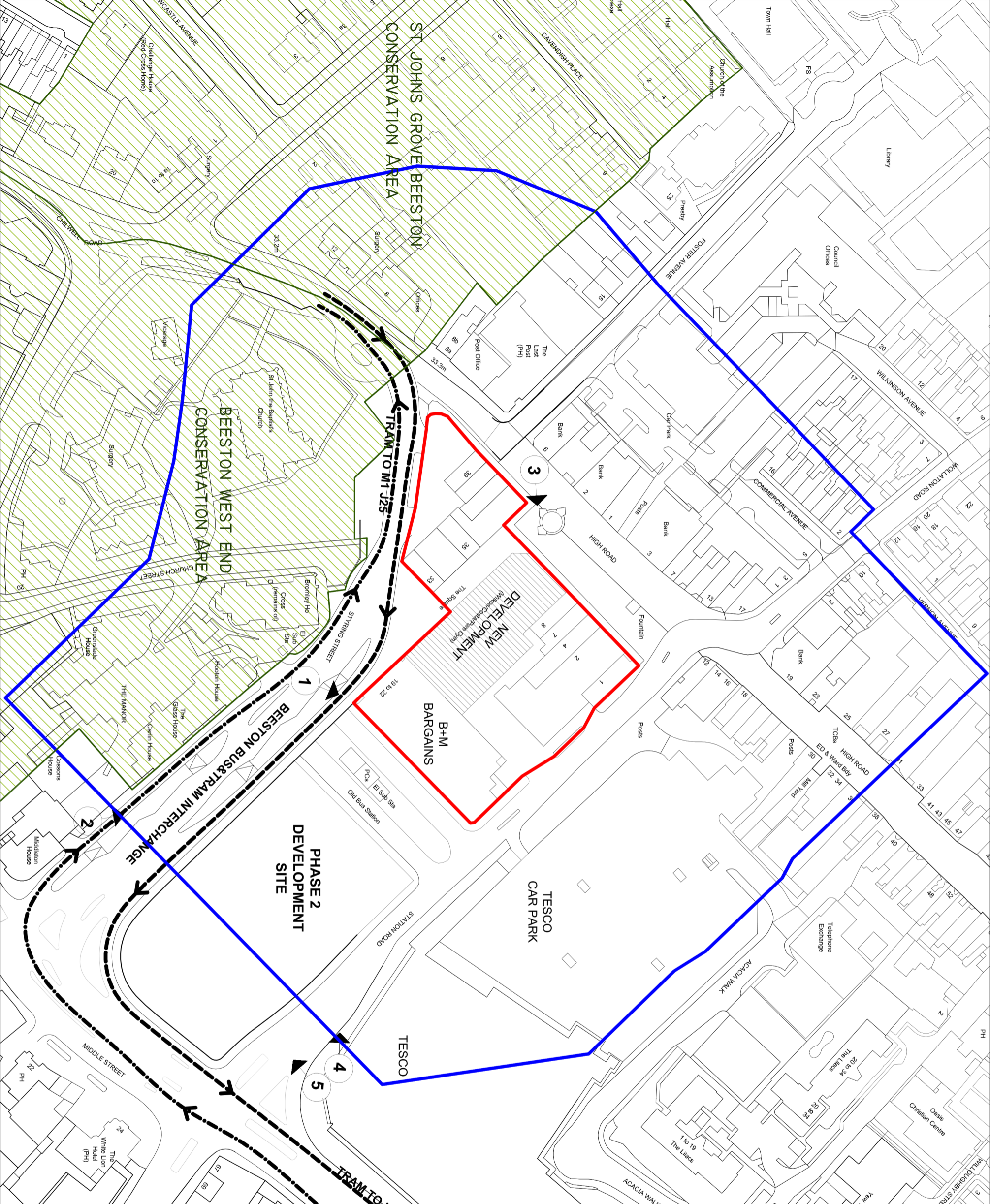
Nil

Mock-ups of possible street art by preferred artist



Actual example of recent work in Beeston by the preferred artist





NOTES:
Do not scale dimensions.
If in doubt, please ask!



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PROJECT: The Square, Beeston
TITLE: Phase 1
SCALE: 1:1250
DATE: 29/03/18

DWG No: CWXXXXXXX
DRAWN: SG
CHECK: XX
CDM CHECK:

Report of the Chief Executive

DISABLED FACILITIES GRANTS – GRANTS CASEWORKER1. Purpose of report

To seek approval to appoint a temporary part-time Grants Caseworker to assist with the Disabled Facilities Grants (DFGs) process.

2. Background

Since DFG allocations became part of the Better Care Fund from 2014/15, there has been a significant increase in the capital allocation awarded to district councils for this purpose with a resulting increase in the number of mandatory DFGs awarded. In addition, in a number of discretionary grant schemes funded from this capital allocation have also been introduced.

Broxtowe's Disabled Facilities Grant policy was approved by Housing Committee on 17 January 2017. Broxtowe has always dealt with DFG applications in a timely fashion to prevent the creation of a waiting list. However, the recent increase in the number of referrals is leading to delays in starting the grant process with a corresponding wait for the adaptations to be completed.

3. Proposal

It is proposed that a Grants Caseworker be appointed to assist with the process. This approach has been adopted in a number of other authorities. The Grants Caseworker would be the primary contact for applicants and thus allow the Private Sector Housing Officer to focus on the technical aspects of the schemes.

The post of Grants Caseworker has been evaluated at Grade 5 and the postholder would work on a part-time (three days per week) with an initial fixed term contract of 12 months. This can then be reviewed in the context of the annual DFG allocations from the Better Care Fund.

4. Financial implications

The Council's DFG capital allocation for 2018-19 is £803,661. The estimated annual cost of the Grants Caseworker of £15,245 will be met from this allocation.

Recommendation

The Committee is asked to RESOLVE that:

- i) A temporary part time Grants Case Worker as set out above be appointed.**
- ii) Authority to extend the contract be delegated to the Chief Executive based on need and the level of DFG capital grant allocations received.**

Background papers

Nil

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.

| | |
|-----------------|--|
| 11 October 2018 | <ul style="list-style-type: none"> • Universal Credit Update • Local Council Tax Support Scheme • Revenues and Benefits Shared Service Annual Report • Capital Programme Update 2018/19 • Treasury Management/Prudential Indicators 2018/19 mid-year report • ICT Shared Service Annual Report • Section 106 Update |
|-----------------|--|

3. Dates of future meetings

The dates for future meetings have been confirmed as follows:

13 December 2018

8 January 2019

14 February 2019

(All meetings to start at 7.00 pm)

Recommendation

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

Background papers

Nil