



5 December 2018

Dear Sir/Madam

A meeting of the Finance and Resources Committee will be held on Thursday 13 December 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

A G E N D A

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 11 October 2018.

4. REFERENCES

- 4.1 Community Safety Committee PAGE 8
15 November 2018
Dog Control Policy

The Committee considered the extension of the administration fee from instances where dogs are taken into kennels to all instances, including those where dogs have strayed and are returned directly to their owners. The fee was set at £35 and a copy of the report considered by the Community Safety Committee on 15 November 2018 is attached.

RECOMMENDED to the Finance and Resources Committee that the charging of a fee where dogs are collected as strays and returned to owners without the involvement of kennels be approved.

- 4.2 Leisure and Environment Committee PAGES 9 - 12
14 November 2018
Garden Waste Subscription Charges for 2019/20

Approval was sought from Committee for the 2019/20 garden waste subscription fees as set out in the appendix to the report.

Members debated whether or not the charges should be increased for 2019/20 and it was stated that a gentle, incremental increase in charges was considered to be preferable to maintaining the status quo and then opting to introduce a more substantial increase in future years.

RESOLVED that:

- 1. The price for the first bin for 2019/20 be increased to £33.**
- 2. The price for additional bins for 2019/20 be increased to £16.**
- 3. The resolution be recommended to the Finance and Resources Committee for approval.**

5. MEDIUM TERM FINANCIAL STRATEGY PAGES 13 - 21
2019/20 – 2021/22

To present an update of the Council's three-year Medium Term Financial Strategy from to 2019/20 to 2021/22.

6. CAPITAL PROGRAMME 2018/19 UPDATE PAGES 22 - 35

To report upon capital expenditure incurred in 2018/19 up to 31 October 2018 along with the planned financing of the 2018/19 capital programme and to seek approval for a number of capital budget variations in the current financial year.

7. REVENUE BUDGET AMENDMENTS 2018/19 PAGES 36 - 37

To seek approval for a number of amendments to the General Fund and HRA revenue budget for 2018/19.

8. TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS 2018/19 – MID-YEAR REPORT TO 30 SEPTEMBER 2018 PAGES 38 - 53
- To inform the Committee of treasury management activity and the actual prudential indicators for 2018/19 up to 30 September 2018.
9. CAPITAL GRANTS TO VOLUNTARY ORGANISATIONS PAGES 54 - 56
- To consider a request for capital grant aid in accordance with the provisions of the Council's grant aid policy.
10. DISCRETIONARY HOUSING PAYMENTS SCHEME PAGES 57 - 65
- To request approval to implement the revised Discretionary Housing Payment scheme and provide an update on the current awards.
11. PERFORMANCE MANAGEMENT – REVIEW OF BUSINESS PLAN PROGRESS – SUPPORT SERVICE AREAS PAGES 66 - 80
- 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 therein.
12. WORK PROGRAMME PAGE 81
- To consider items for inclusion in the Work Programme for future meetings.
13. 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 paragraph 3 of Schedule 12A of the Act.**
14. CAVENDISH LODGE, BEESTON – DISPOSAL PAGES 82 - 84
15. BRAMCOTE LEISURE CENTRE CONDITION SURVEY – AWARD OF CONTRACT PAGES 85 - 86

FINANCE AND RESOURCES COMMITTEE

11 OCTOBER 2018

Present: Councillor P D Simpson, Chair

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

24. **DECLARATIONS OF INTEREST**

Councillor E Cubley declared a non pecuniary interest in item 9, as he was member of Greasley Parish Council, minute number 31 refers.

25. **MINUTES**

The minutes of the meeting held on 12 July 2018 were confirmed and signed.

26. **REFERENCES**

26.1 Leisure and Environment Committee 26 September 2018 **Clean and Green**

Members were informed that the creation of a new 'Clean and Green' initiative would complement the 'Pride in Parks' project. 'Clean and Green' would demonstrate the Council's commitment to improving aspects of the Environment for all residents of the Borough.

There was a discussion regarding dumping hotspots, such as on Newmanleys Road, Eastwood.

RESOLVED that revenue and capital funding be provided for these activities in 2018/19 as set out in appendix 4.

26.2 Leisure and Environment Committee
26 September 2018
Bowling Greens

In January 2017, as part of a review of the Parks revenue budgets, Cabinet took the decision, in line with users' experiences, to remove the automatic irrigation systems at the bowling greens and take out the granular fertiliser application programme. The decision was seen as a 'win win' with a cost saving of £13,800 and faster bowling greens. In summer 2017 the revised programme, with manual watering when necessary and liquid fertiliser, worked and the greens performed well.

In summer 2018, however, with the prolonged hot and dry weather, the manual watering systems were not effective and following advice from Severn Trent to minimise the use of water, the greens became very dry with extensive wear.

RESOLVED that the restoration works be funded from outside existing budgets.

26.3 Leisure and Environment Committee
26 September 2018
Hall Park Eastwood – Access Improvements

A contribution of £7,000 had been received Futures Homescape Ltd in respect of the housing scheme at Great Northern Road, Eastwood. The section 106 agreement stated that this has to be used at Hall Park, Eastwood for works to the footpaths, steps and car park. This work will help improve access around the park in areas where the surfaces have deteriorated over time.

RESOLVED that a further £7,000 be added to the 2018/19 capital programme for access improvement works to Hall Park at Great Northern Road, Eastwood funded from section 106 Parks and Open Spaces contributions.

26.4 Policy and Performance Committee Committee
3 October 2018
Open Water Education Network Trust

Members considered a payment of £3,000 per year being made to Liberty Leisure to enable water safety education in schools to be undertaken in support of the Open Water Network Trust (OWEN Trust) and to note the use of Council resources to provide equipment and other support to the OWEN Trust.

RESOLVED that a contribution of £3,000 be made to Liberty Leisure in 2018/19 for work in support of the OWEN Trust and funded from revenue contingencies.

27. GENERAL FUND REVENUE BUDGET AMENDMENTS 2018/19

Detailed monitoring had identified a number of General Fund 2018/19 revenue budgets that needed to be amended. Most of these budget variations were reported to the Policy and Performance Committee on 3 October 2018. There were also a number of other service priorities that required amendments to the General Fund 2018/19 revenue budget, including provision for the 'Clean and Green' initiative and the restoration works at bowling greens. There were also a number of measures to improve performance in the collation of rents.

The Committee considered the impact of the rollout of Universal Credit on the collection of rents.

RESOLVED that:

1. **The amendments to the General Fund 2018/19 revenue budget as set out in appendix 1 of the report be approved.**
2. **An exemption from Section 5.3 of the Council's Financial Regulations (Contracts) to allow the purchase of the Rentsense software from Mobysoft without the requirement to obtain at least three quotations be approved.**

28. CAPITAL PROGRAMME UPDATE 2018/19

The Committee noted the capital expenditure incurred in 2018/19 up to 31 August 2018 along with the planned financing of the 2018/19 capital programme and to seek approval for a number of capital budget variations in the current financial year.

There was a discussion about the purchase of land at Redwood Crescent. The sensitive nature of the purchase was discussed along with other confidentiality and legal considerations.

The debate progressed on the 'Clean and Green' initiative and it was noted that adjustments to the budget were routinely made in response to emerging service requirements.

RESOLVED that the capital budget variations for 2018/19 as set out in appendix 3 be approved.

29. MEDIUM TERM FINANCIAL STRATEGY UPDATE AND BUSINESS STRATEGY 2019/20 TO 2021/22

Members considered an update on issues likely to affect the Council's medium term financial strategy (MTFS), and reports which recommended participation in the Nottinghamshire business rate retention pilot bid for 2019/20 and sought approval for an updated Business Strategy from 2019/20 to 2021/22.

Members considered the New Homes Bonus and concerns about how it had been allocation. It was asked that the housing delivery test would be and it was agreed that a written answer would be provided to the Committee.

Debate moved on to the Revenue Support Grant and the gap between outgoings and income.

RESOLVED that:

1. **The Council participates in the Nottinghamshire bid to become a business rates retention pilot in 2019/20.**
2. **The Business Strategy 2019/20 to 2021/22 as set out in appendix 3 of the report be approved.**

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

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

RESOLVED that the application be dealt with as follows:

	£
Dig-In Community Allotment	515

31. GRANT AID REQUEST FROM GREASLEY PARISH COUNCIL

The Committee considered a request for grant aid assistance from Greasley Parish Council in accordance with the protocol for the consideration of grant aid to parish and town councils. The grant was to fund the purchase of a life – sized sculpture to commemorate the end of the first world war.

RESOLVED that £625 be granted to Greasley Parish Council for the purchase of a commemorative sculpture.

32. BENNERLEY VIADUCT

The Committee noted the progress on the restoration and opening to the public of the Bennerley Viaduct.

The size of the scheme was discussed and it was considered that the Council's commitment of funds could draw other similar investments.

RESOLVED that a budget of £20,000 be allocation in the 2018/19 capital programme to support the restoration works at Bennerley Viaduct to be funded by £14,450 from ITPS monies and £5,550 from capital contingencies.

33. ELECTRIC VEHICLE CHARGING POINTS

The Committee considered a government and user funded scheme to install electric vehicle charging points in a number of Council owned car parks.

It was noted that all capital and revenue costs were to be borne by the project with no costs or risks transferred to the Council.

RESOLVED that the proposed electric vehicle charge point project in Broxtowe-owned car parks be approved and the completion of the associated legal agreements and details be delegated to the Interim Deputy Chief Executive.

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

The Committee noted the progress outcome targets identified in the Business Plans for support services areas, linked to Corporate Plan priorities and objectives.

Consideration was given to tram compensation and the percentage of tenants of industrial units with rent arrears. There was also a discussion about the data that had been collated, whether the Council was benchmarking performance and the manner in which data was presented.

35. MEMBER'S ALLOWANCES – AD HOC COMMITTEE

Consideration was given to the level of allowances payable to the Ad Hoc Committee following the recommendations of the Independent Remuneration Panel.

The Independent Remuneration Panel considered the remits of the two new committees that were formed at the Council meeting held on 1 March 2017. It was recommended that the Chair of the Ad Hoc Committee be paid in line with the Licensing and Appeals Committee (£2,712 p.a.) as this was the closest comparable payment for a Committee Chair with quasi-judicial responsibilities over disciplinary issues. It was further recommended that each Committee member who was not a Chair receive a payment in line with members of the Alcohol and Entertainments Committee (£678 p.a.). These payments were to be triggered when the Committee met. It was suggested that payments be received allowing for the Ad Hoc Committee's work over a

12 month period. Should this be the case, a total of £10,848 would be allocated from the members' allowances budget.

RECOMMENDED to Council that:

1. the Chair of the Ad Hoc Committee be paid £2,712 per annum
2. the members of the Ad Hoc Committee be paid £678 per annum
3. these payments be triggered when the Committee met. It was suggested that payments be received allowing for the Ad Hoc Committee's work over a 12 month period.
4. a total of £10,848 would be allocated from the members' allowances budget.

36. BUDGET TIMETABLE AND BUDGET CONSULTATION 2019/20

The Committee considered the budget consultation process for 2019/20 and the proposed timetable and budget scrutiny process with particular regard to the budget consultation questions. It was stated that the questionnaire could be shorter and that the questions should be reviewed.

RESOLVED that the budget-setting process for 2019/20 be approved pending consultation between the Interim Deputy Chief Executive and group leaders regarding the questions on the budget consultation.

37. WORK PROGRAMME

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

38. EXCLUSION OF PUBLIC AND PRESS

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

39. IRRECOVERABLE ARREARS

RESOLVED that the arrears in excess of £1,200 on national non-domestic rates, council tax, rents, housing/council tax benefit overpayment and sundry debtors as set out in the report be written off and to note the exercise of the Interim Deputy Chief Executive's delegated authority under financial regulation 5.9 be noted.

40. HOUSING SYSTEM UPGRADE - FINANCIAL WAIVER

RESOLVED that a waiver from 5.5 Contract Standing Order to allow the purchase of further project management support for the implementation of the housing system utilising the existing provision be approved.

Report of the Chief Executive

DOG CONTROL POLICY

1. Purpose of report

To advise of, and seek approval for, the Dog Control Policy.

2. Detail

There are a number of pieces of legislation which relate to the control of dogs. These include controls on dog fouling, micro chipping, strays, dogs on leads, statutory nuisances, and dangerous dogs. Many of these pieces of legislation are the responsibility of district councils to administer.

The purpose of this report is to bring together all the relevant dog control measures (but not including licensing provisions for pet shops, dog boarding establishments and dog breeders) in one document and so define Broxtowe's policy on dog control.

A copy of the proposed policy is attached at appendix 1, and a table of current fees and charges at appendix 2. Details of the number of strays collected in the current and previous two financial years are shown in appendix 3. An equality impact assessment is included in the report at appendix 4.

The Committee is also asked to consider the following:

- Extending the administration fee (£35) which is currently charged in respect of dogs taken to the kennels, to include cases where dogs are picked up as strays and taken back to their owners by the Neighbourhood Wardens.

3. Financial implications

There are no additional costs associated with the report. It is anticipated that, based upon an assumed 60 dogs returned, the proposed fees would result in an additional income of £2,100 per year. Revenue budgets would then be amended to reflect this additional income.

Recommendation

The Committee is asked to RESOLVE to:

- 1. APPROVE the Dog Control Policy included in appendix 1.**
- 2. RECOMMEND to the Finance and Resources Committee approval of the charging of a fee where dogs are collected as strays and returned to owners without the involvement of the kennels.**

Background papers

Nil

Report of the Interim Strategic Director

GARDEN WASTE SUBSCRIPTION CHARGES FOR 2019/20

1. Purpose of report

To seek approval for the 2019/20 garden waste subscription fees.

2. Background

An income target of £645,000 was set for the 2018/19 subscription period. 19,572 properties have currently subscribed to the 2018/19 service (as of October 2018), so far generating an income of £659,000.

The Council increased the subscription fee for 2018/19 by £1 on the main subscription fee and £2 for each additional bin. The number of subscribers in 2018/19 has increased from those in 2017/18 suggesting that the service presents good value for money.

Outlined in the appendix are options relating to the charges for the garden waste collection service for 2019/20.

3. Financial implications

The financial implications of each option are shown in the appendix.

Recommendation

The Committee is asked to RESOLVE that:

- 1. The price for the first bin for 2019/20 be increased to £33.**
- 2. The price for additional bins for 2019/20 be increased to £16.**
- 3. The resolution be recommended to the Finance and Resources Committee for approval.**

Background papers

Nil

APPENDIX

Charges for 2018/191. Comparison of charges

The table below shows the charges for the kerbside garden waste collection service for all district councils within Nottinghamshire.

Local Authority	Initial bin price (2018/19)	Additional bin price (2018/19)	Service Provision
Broxtowe Borough Council	£32	£14	Fortnightly March to November, monthly December through to February
Gedling Borough Council	£36	£18	Fortnightly March to December – no service January and February
Rushcliffe Borough Council	£35	£20	No collections over the Christmas period
Newark and Sherwood	£35	£35	Fortnightly March to November, monthly December through to February
Mansfield District Council	£30	£15	Fortnightly March to November, monthly December through to February
Ashfield District Council	£34	£17	Fortnightly March to November
Bassetlaw District Council	£30	£30	Fortnightly March to November - no service December to February

The current fee of £32 for the first bin is below the average price (£33) across the Nottinghamshire districts. There are significant differences in the prices charged for the use of additional bins. The current charge of £14 is the lowest in Nottinghamshire. The average price for an additional bin is £21.

By October 2018, 2,104 subscribers have paid for the use of additional bins.

2. Charging mechanism

Residents can currently subscribe to the service in three ways:

- Online
- By telephone
- By using the kiosk (located in Beeston Council Offices)

Approximately 72.5% of Broxtowe subscribers use the online payment system. Online subscription is by far the cheapest and easiest payment method and equates to a cost of £0.09 per transaction.

3. Options for charges

Different proposed charges for 2019/20 are shown in the tables below. The figures used in the tables are based on 19,572 subscribers (the number as at October 2018).

The different options illustrate the projected income based on different prices for the first and additional bins.

Number of bins	Number of subscribers	£32 (Current price)	Projected income from first bins			
			£33 (Increase £1)	£34 (Increase £2)	£35 (Increase £3)	£36 (Increase £4)
1	19,572	£626,304	£645,876	£665,448	£685,020	£704,592
Potential Income	Additional	0	£19,572	£39,144	£58,716	£78,288

Number of additional bins	Number of subscribers	£14 (current price)	Projected income from additional bins			
			£15 (Increase £1)	£16 (Increase £2)	£17 (Increase £3)	£18 (Increase £4)
1	1867	£26,138	£28,005	£29,872	£31,739	£33,606
2	168	£4,704	£5,040	£5,376	£5,712	£6,048
3	55	£2,310	£2,475	£2,640	£2,805	£2,970
4	6	£336	£360	£384	£408	£432
5	3	£210	£225	£240	£255	£270
6	2	£168	£180	£192	£204	£216
7	2	£196	£210	£224	£238	£252
9	1	£126	£135	£144	£153	£162
Total		£34,188	£36,630	£39,072	£41,514	£43,956
Potential Income	Additional		£2,442	£4,884	£7,326	£9,768

4. Risks

Increasing the price may increase the risk that customers do not re-subscribe. However, the overall number of subscribers has increased by 361 (October 2018) from the previous year suggesting the service represents good value for money.

5. Recommendations

The following charges are proposed:

- The price for the first bin is increased to £33.
- The price for additional bins is increased to £16.

It is envisaged that the price increase on the first bin will generate additional income in the region of £19,572.

It is envisaged that the price increase for the additional bin will generate additional income in the region of £4,884.

Based on the current year's subscription numbers it is predicted that these changes will not have any major effect on the customer base or the Council's recycling rate.

The price increases will ensure that the provision of the garden waste collection service is in line with neighbouring authorities.

Report of the Interim Deputy Chief Executive

MEDIUM TERM FINANCIAL STRATEGY 2019/20 TO 2021/221. Purpose of report

To present an update of the Council's three-year Medium Term Financial Strategy from to 2019/20 to 2021/22.

2. Background

The Medium Term Financial Strategy (MTFS) is the Council's key financial planning document. In detailing the financial implications of the Corporate Plan over a three-year period, the MTFS provides a reference point for corporate decision-making and helps to ensure that the Council can optimise the balance between its financial resources and the delivery of its priorities.

The MTFS informs the annual budget-setting process, ensuring that each year's budget is considered within the context of the Council's on-going sustainability over the entirety of the planning period.

In order to forecast the Council's future financial position, the MTFS contains a number of assumptions. However, the bases of these assumptions are subject to regular review and change as necessary. In order to gain some further assurance around the assumptions made for business rates income projections, the Council has utilised external financial advice from LG Futures. An update of the MTFS as at 21 November 2018 is set out in appendix 3.

A further update of the MTFS, taking account of the Chancellor's budget presented on 29 October 2018 (see Appendix 1) and the local government settlement, expected on 6 December 2018, will be presented to the Finance and Resources Committee on 14 February 2019 as part of the 2019/20 Budget Proposals and Associated Strategies report.

In order to address the financial challenge facing the Council, a Business Strategy has been developed setting out initiatives that will be pursued to either reduce costs or generate additional income. A number of these initiatives are already being developed and will be taken account of in the production of the 2019/20 budget.

The latest version of the Business Strategy was presented to the Finance and Resources committee on 11 October 2018. This is undergoing a further review at present and the results of this will be presented to the Finance and Resources Committee on the 14 February 2019.

Recommendations

The Committee is asked to RESOLVE that the updated Medium Term Financial Strategy in appendix 2 be approved.

Background papers

Nil

APPENDIX 1

1. General Fund Revenue BudgetRevenue Support Grant

In order to aid financial planning for local authorities, in December 2015 the Secretary of State announced that 2016/17 would be the first year of a four-year funding settlement for local authorities. Councils were offered the opportunity to accept the four year settlement and the Finance and Resources Committee agreed to accept this on 19 September 2016.

This provides the Council with a clear funding path up to 31 March 2020 for Revenue Support Grant (RSG). The RSG to be received by the Council in 2018/19 is £422,789 and will fall to zero in 2019/20.

New Homes Bonus

As part of the budget settlement for 2017/18, New Homes Bonus (NHB) was considerably reduced through the introduction of a minimum build threshold below which no NHB would be payable. This was set at 0.4% of the council tax base. In addition, the period for which NHB was payable was also reduced from six years to five years. This was reduced again in 2018/19 to four years. The reduced income has been incorporated into the Medium Term Financial Strategy (MTFS).

A significant degree of caution needs to be exercised in relying on NHB as a main income stream due to the reliance on house building numbers and the changes in the calculation of the sum due. The projections within the MTFS allow for this risk. Broxtowe Borough Council's New Home Bonus for 2019/20 is due be announced as part of the local government settlement on 6 December 2018.

National Non Domestic Rates

National non domestic rates (NNDR) is more commonly referred to as "business rates". The removal of RSG and the reduction in NHB in association with the rules limiting increases in council tax mean that business rates will become an increasingly significant funding stream for the Council. The need to develop the business rates base across the borough will become more important for the Council.

Central Government has continued to fulfil its commitment to reimburse local authorities for any loss of business rates income incurred as a result of tax changes. This is through what are known as Section 31 grants.

The current business rates retention scheme sees 50% of the business rates collected retained by the precepting bodies and 50% returned to Central Government. There are proposed plans to move towards 75% local retention of business rates from 2020/21.

The Nottinghamshire local authorities have collectively submitted a bid to participate in a pilot for the introduction of 75% retention of business rates from 2019/20. This would be one year head of the proposed implementation date of 2020/21. It is anticipated that the outcome of this bid will be announced on the same date as the provisional 2019/20 Local Government Finance Settlement.

Business rates income in 2019/20 will be primarily determined by the NNDR1 2019/20 return which needs to be completed by 31 January 2019. As well as the estimated income from business ratepayers in 2019/20, account will need to be taken of the impact of bad debts and appeals.

Spending and Fair Funding Reviews 2019

Central Government has reaffirmed its intention to undertake a “fair funding” review to accompany the move towards 75% business rates retention during 2019, and carry out a government wide Spending Review during 2019. It is not possible at this stage to profile what, if any, impact this may have upon the Council. However, it would appear that priority in any redistribution exercise is likely to go to those authorities with social care responsibilities.

Council Tax Base

The council tax base for 2019/20 will be presented to the Finance and Resources Committee on 8 January 2019. Based on the latest estimates, the MTFs assumes that the 2019/20 council tax base will be approximately 1.8% greater than in 2018/19.

2. Housing Revenue Account (HRA)

The Chancellor’s announcement in July 2015 of a 1% annual reduction in rents for four years commenced from April 2016. It was recently announced that rents can be increased by CPI plus 1 per cent each year from 2020/21 for the following five years although the present arrangements will remain in place until that date. This will be reflected in the next annual update of the financial model that accompanies the 30 year HRA Business Plan.

The Chancellor’s budget on 29 October 2018 confirmed that the Housing Revenue Account cap that controls local authority borrowing for house building was to be abolished from 29 October 2018 in England. Broxtowe Borough Council has commissioned external consultants to help develop a proposed house-building plan and this was reported to the Housing Committee on 4 December 2018.

In order to maintain a sufficient balance on the HRA it is necessary to reduce costs or increase income and alternative strategies have been developed, including changes in other sources of income, such as garage rents and leaseholder charges, reduction in management costs through, for example, returning to in-house provision of voids works and electrical testing, and re-phasing planned capital expenditure over the lifetime of the plan.

The financial model makes assumptions about the levels of housing stock but these have tended to assume a level of Right to Buys in single figures. The numbers of RTB sales increased to 26 in 2014/15 and 27 in 2015/16 before falling back to 20 in 2016/17 and increasing to 39 in 2017/18.

The Homelessness Reduction Act received royal assent on 27 April 2017. Whilst homelessness is a strategic housing issue and the primary implications are likely to fall on the General Fund, there may also be implications for the HRA. New burdens funding for the Council to accompany the Act totalling £58,357 from 2017/18 to 2019/20 was announced on 16 October 2017.

As stated above, the financial model which supports the 30 year HRA Business Plan will be modelled to assess the potential impact of these changes once clarity over the arrangements has been provided. An updated version of the model will be presented to the Finance and Resources Committee on 14 February 2019.

3. Capital Programme

An update on the 2018/19 capital programme is on this agenda. As set out in the report, the lack of capital resources in terms of receipts or grants is limiting progress with schemes totalling £978,650 in the 2018/19 capital programme that are unable to proceed at present due to the lack of a source of funds.

The proposed three year capital programme from 2019/20 to 2021/22 will be presented to Finance and Resources Committee on 14 February 2019 along with the anticipated funding of the programme. In addition, a Capital Strategy as required by the updated Prudential Code for Capital Finance in Local Authorities will also be represented to this committee. The Council already has a Capital Strategy 2015/16 to 2019/20 approved by Cabinet on 23 June 2015 and then by Council on 22 July 2015 but this will be revised to ensure that it fully complies with the requirements of the updated Prudential Code

4. Chancellor's Budget - 29 October 2018

The Chancellor's Budget on 29 October 2018 included the following four proposals that will impact upon Broxtowe Borough Council:

a. Disabled Facilities Grants 2018/19

An additional £55m will be provided nationally in 2018/19 for Disabled Facilities Grants to provide home aids and adaptations for disabled children and adults on low incomes. It is expected that Broxtowe will receive some of these additional resources, via Nottinghamshire County Council, during 2018/19. Officers are developing proposals, including a report on this agenda, to utilise part of the Council's existing Disabled Facilities Grant allocation resources for the delivery of two new dementia friendly bungalows in Beeston.

b. Business rates

A number of changes to business rates were announced, including:

- (i) providing upfront support to the business rates system through reducing bills by one-third for retail properties with a rateable value below £51,000, benefiting up to 90% of retail properties, for 2 years from April 2019, subject to state aid limits;
- (ii) The introduction of 100% business rates relief for all public lavatories with the aim of helping keep these amenities open; and
- (iii) Continuing with the £1,500 business rates discount for office space occupied by local newspapers in 2019/20.

The Council will be fully compensated for the loss of income as a result of these business rates measures through section 31 grants.

c. Universal Credit

The following two major further reforms to Universal Credit were announced:

- (i) That the amount that households with children and people with disabilities can earn before their Universal Credit award begins to be withdrawn (the Work Allowance) will be increased by £1,000 from April 2019; and
- (ii) A package of additional support for transition worth approximately £1bn over 6 years.

d. Housing

As set out above, the Chancellor confirmed that the Housing Revenue Account cap that controls local authority borrowing for house building was to be abolished from 29 October 2018 in England.

5. Provisional Local Government Finance Settlement 2019/20 - 6 December 2018

The provisional Local Government Finance Settlement for 2019/20 was due to be announced on 6 December 2018. This will be the final year of the agreed four-year settlement and, as set out in 1 above, Broxtowe will not be receiving any Revenue Support Grant. There are two key financial announcements for the Council were anticipated:

1. The outcome of the Nottinghamshire local authorities bid to become a business rates retention pilot from 2019/20. If the Nottinghamshire bid is successful, it would result in approximately an additional £200,000 income for the Council in 2019/20 with another £200,000 transferred to the Economic Prosperity Committee.
2. The level of New Homes Bonus (NHB) awarded for newly built homes. The increased council tax base from 2017 to 2018 suggests that we should receive some NHB income but this will be dependent upon the allocation methodology used by Central Government.

The outcome of the provisional Local Government Finance Settlement if announced as scheduled on 6 December 2018 will be verbally reported to this meeting and included among the Budget Proposals and Associated Strategies report to Finance and Resources Committee on 14 February 2019.

6. 2019/20 General Fund Budget Process and Assumptions

Good progress is being made by departments in preparing their 2019/20 General Fund budget estimates, and given the current financial environment, no new growth items for 2019/20 have been proposed at this stage.

The Council's budget consultation has closed on 30 November 2018. The survey results will be reported back to the Finance and Resources Committee on 8 January 2019.

The Council's 2019/20 General Fund budget workings are based on the following key assumptions:

- A Nil Council Tax increase in 2019/20 (this will be decided by Full Council on 6 March 2019)
- An increase in council tax base of 1.8% (this will be reported to Finance and Resources Committee on 8 January 2019)
- Allowances for the April 2019 pay award and non price inflation for 2019/20
- No additional New Homes Bonus income .This will be revisited after the announcement of the provisional Local Government Finance Settlement 2019/20 due on 6 December 2018.
- Any revenue implications (including borrowing costs) arising from the proposed capital programme
- Delivery of the Council's Business Strategy as presented to Finance and Resources Committee on 11 October 2018 which identified cost savings and additional income totalling approximately £600,000 in 2019/20.

It is very important to note at this stage that, as Central Government will be carrying out a Spending Review as well as a Fair Funding Review in 2019, budget estimates for 2020/21 and 2021/22 will be tentative and revised following the receipt of further information.

7. Business Strategy

A Business Strategy has been developed which is designed to ensure that the Council will be:

- Lean and fit in its assets, systems and processes
- Customer focused in all its activities
- Commercially-minded and financially viable
- Making best use of technology.

The exercise generated a wide range of suggestions leading to potential savings or increased income over the lifetime of the MTFS. The latest version of the Business Strategy was presented to the Finance and Resources Committee on 11 October 2018. This is under review and a further update will be presented to the Finance and Resources Committee on 14 February 2019. Approved savings and income have been included in the MTFS model.

Progress has been made in implementing the Commercial Strategy 2017-2020 approved by the Policy and Performance Committee on 3 October 2017. This includes the new incubator units at Beeston Square and the redevelopment of Beeston Square Phase 2.

Progress on the Employee Savings Programme (including the 3% vacancy rate target built into employee budgets) is reported to the Policy and Performance Committee on a quarterly basis. A significant risk is that the staff savings targets are becoming increasingly difficult to achieve and that continued pay restraint is making it increasingly difficult to recruit some specialist skills (eg. accountants and ICT professionals) which increases the need for expenditure on agency staff. Given these concerns, the 2019/20 budget includes a 2% rather than a 3% vacancy factor.

The MTFS includes assumptions about the future distributions from Bramcote Crematorium based upon the Crematorium's own MTFS.

As set out above, a revised MTFS model has been produced based upon the latest financial estimates. More detail is set out on Appendix 2. However, this is a high level summary and will need further revision as the forecast outturn for 2018/19 and base budgets figures for 2019/20 are being produced over the next few weeks.

	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000
Surplus/(Deficit to be funded)	(1,133)	0	(979)	(1,419)
Planned (use of)/addition to reserves				
- General	(989)	90	(1,009)	(1,449)
- Earmarked	(144)	(90)	30	30
TOTAL	0	0	(979)	(1,419)

If these projections were achieved, the Council's General Fund reserves would be £2.696m at 31 March 2022. The anticipated movements in reserves are shown in appendix 3.

GENERAL FUND FINANCIAL PROJECTIONS TO 2021/22

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Base Expenditure	8,517	9,899	9,632	9,522	10,185
Revenue Developments	0	0	0	50	50
Revenue Effects of Cap. Prog.	0	0	0	0	0
Increase in fees and charges	0	0	(40)	(40)	(10)
Inflation Allowance - Pay	0	0	218	222	226
Inflation Allowance - Prices	0	0	132	134	137
MRP and Borrowing Costs	0	0	121	100	100
General Contingency	0	0	25	25	25
Beeston Special Expenses	25	25	25	25	25
Business Strategy Savings	0	0	(590)	0	0
Gross Budget Requirement	8,542	9,924	9,523	10,038	10,738
Financed by:					
Beeston Special Expenses Precept	25	25	25	25	25
Revenue Support Grant (RSG)	802	423	0	0	0
RSG Transitional Grant	5	0	0	0	0
Non Domestic Rates (NNDR)	3,395	0	0	0	0
Non Domestic Rates (per NNDR1)	0	11,198	11,446	11,679	11,912
Non Domestic Rates (Tariff)	0	(7,713)	(7,884)	(8,772)	(8,947)
Collection Fund Deficit (NDR)	(690)	(721)	204	200	200
NDR – Section 31 Grants	653	841	892	914	937
NDR Growth Levied - Returned	154	0	0	0	0
NDR Growth Levy to/from Pool	(500)	(719)	(741)	(763)	(786)
Collection Fund Surplus (CTax)	85	43	60	60	60
Council tax	5,362	5,414	5,521	5,716	5,918
Total resources	9,291	8,791	9,523	9,059	9,319
Surplus/(Deficit) to be funded	749	(1,133)	0	(979)	(1,419)
Planned (use of)/addition to reserves					
- General	1,307	(989)	90	(1,009)	(1,449)
- Earmarked	(558)	(144)	(90)	30	30
TOTAL	0	0	0	0	0
Basic Council Tax (Band D)	£161.85	£161.85	£161.85	£165.09	£168.39
Increase/(decrease) on previous year	0.0%	0.0%	0.0%	2.0%	2.0%

Anticipated movements in reserves

	<u>2017/18</u> <u>£'000</u>	<u>2018/19</u> <u>£'000</u>	<u>2019/20</u> <u>£'000</u>	<u>2021/21</u> <u>£'000</u>	<u>2021/22</u> <u>£'000</u>
Balances @ 1 April:					
General Fund	4,746	6,053	5,064	5,154	4,145
Land charges	137	137	0	0	0
Elections	30	60	90	0	30
Local Authority Mortgage Scheme	37	37	0	0	0
Vehicle renewals reserve	588	0	0	0	0
TOTAL	5,538	6,287	5,154	5,154	4,175
Planned usage in year:					
General Fund		(989)	90	(1,009)	(1,449)
Land charges		(137)			
Elections			(120)		
Local Authority Mortgage Scheme		(37)			
Vehicle renewals reserve	(588)				
TOTAL	(588)	(1,163)	(30)	(1,009)	(1,449)
Planned additions in year					
General Fund	1,307				
Land charges					
Elections	30	30	30	30	30
Local Authority Mortgage Scheme					
Vehicle renewals reserve					
TOTAL	1,337	30	30	30	30
Net Movement in Reserves	749	(1,133)	0	(979)	(1,419)
Balances @ 31 March:					
General Fund	6,053	5,064	5,154	4,145	2,696
Land charges	137	0	0	0	0
Elections	60	90	0	30	60
Local Authority Mortgage Scheme	37	0	0	0	0
Vehicle renewals reserve	0	0	0	0	0
TOTAL	6,287	5,154	5,154	4,175	2,756

Report of the Interim Deputy Chief Executive

CAPITAL PROGRAMME 2018/19 UPDATE1. Purpose of report

To report upon capital expenditure incurred in 2018/19 up to 31 October 2018 along with the planned financing of the 2018/19 capital programme and to seek approval for a number of capital budget variations in the current financial year.

2. Background

Appendix 1 sets out the 2018/19 capital programme on a scheme by scheme basis and shows expenditure incurred on all capital schemes up to 31 October 2018. The 2018/19 capital programme includes schemes totalling £1,552,850 that were carried forward from 2017/18.

Appendix 1 shows that capital expenditure totalling £4,309,856 (or 40% of the planned 2018/19 capital programme) had been incurred by 31 October 2018

Included in the 2018/19 capital programme are schemes totalling £978,650 that are on a “reserve list” and will be brought forward for formal approval to proceed once a source of funding is identified.

Appendix 2 sets out how it is anticipated that the 2018/19 capital programme is to be financed along with details of the capital receipts that are likely to be available for capital financing.

Examination of progress against the approved capital programme for 2018/19 along with the receipt of additional information has identified a number of schemes where the budget needs to be amended. There is also a scheme for which only one quotation has been obtained but which aligns with the Council’s Financial Standing Orders. Further details are set out in appendix 3.

Recommendation**The Committee is asked to:**

1. **NOTE** the expenditure on the 2018/19 capital programme to 31 October 2018 and the planned financing of the 2018/19 capital programme in appendices 1 and 2.
2. **RESOLVE** that the capital budget variations for 2018/19 as set out in appendix 3 be approved.

Background papers

Nil

APPENDIX 1

	Total Budget	Actual to	
	2018/19	31/10/2018	Expenditure
	£	£	%
<u>CAPITAL EXPENDITURE SUMMARY</u>			
JOBS AND ECONOMY	90,000	38,324	43
LEISURE AND ENVIRONMENT	1,164,850	526,664	45
FINANCE AND RESOURCES	1,500,500	438,558	29
HOUSING	7,011,050	3,306,310	47
RESERVE LIST	978,650	0	0
<u>TOTAL</u>	10,745,050	4,309,856	40
<u>DETAILED SCHEMES</u>			
<u>LEISURE AND ENVIRONMENT</u>			
<u>ENVIRONMENT</u>			
Eastwood Town Council - Community Room Upgrade	5,000	0	0
Brinsley Parish Council - Play Area Repairs	4,000	0	0
Purchase and Installation of CCTV Cameras	20,000	0	0
Fly Tipping Prevention Infrastructure	13,000	0	0
Hall Park (Eastwood) - Access Improvements (S106 Parks and Open Spaces)	7,000	0	0
Broadgate Park (Beeston) - Play Area Imp	5,600	1,833	33
Leyton Crescent Rec'n Gr'd - Play Area	41,100	36,750	89
Millfield Road Open Space - Improvement	22,200	2,200	10
Redbridge Drive Open Space - Play Area	52,800	53,605	102
Cleaning/Surfacing of Play Equipment	3,300	2,025	61
Awsworth P.C. - Play Area and Parks	16,450	0	0
Brinsley P.C. - Play Area and Parks	18,000	0	0
Greasley P.C. - Play Area and Parks	28,550	0	0
Kimberley T.C. - Play Area and Parks	25,400	0	0
Nuthall P.C. - Play Area and Parks	29,700	940	3
Trowell P.C. - Play Area and Parks	6,900	0	0
Mansfield Road Rec Ground (Eastwood)	26,900	1,900	7
2nd Kim Scout Group- Replacement Boiler	5,000	4,755	95
Nuthall PC - Cemetery Roadway Resurface	12,000	12,000	100
Additional Bus Shelters (Nuthall) (S106	5,000	5,000	100
Pedestrian Crossing - Hickings Lane	40,000	0	0
Beeston Weir - Life Saving Equipment	8,000	1,265	16
Water Safety Measures	33,700	2,795	8
Leyton Cres Rec'n Gr'd- New Play Equipment	49,500	51,750	105
Colliers Wood- Activity Space	13,000	13,817	106

Hall Om Wong Footpath Improvements	13,250	0	0
Real Time Bus Information (17/18)	50,800	50,800	100
Town Centre Wi-Fi	60,000	0	0
St Helen`s Church Gates (Stapleford)	15,000	0	0
St Helen`s Church- Multipurpose Courtyard	5,000	0	0
Replacement Vehicles & Plant	223,000	228,743	103
Beeston Shopmobility (S106 ITPS)	2,500	305	12
St Catherines Churchyard, Cossall-Imprmts	6,000	2,922	49
Brinsley Headstocks-Create pond & wetland scrapes	1,600	158	10
Victoria Street Car Park-Eastwood-Resurface	18,150	1,650	9
Victoria Embankment Memorial Garden	10,000	10,000	100
Bennerley Viaduct	20,000	0	0

	Total Budget 2018/19 £	Actual to 31/10/2018 £	Expenditure %
HEALTH			
BLC – Emergency Concrete Repairs	10,000	7,763	78
BLC – Health Suite Refurbishment	0	(3,816)	0
CO - Replacement of Flat Roof	44,000	4,000	9
BLC – Replacement Hot Water Cylinders	15,000	14,000	93
BLC - Combined Heat and Power Unit	140,000	0	0
BLC - Property Condition Survey	30,000	0	0
KLC – Replacement Air Conditioning Units	8,450	0	0
FINANCE AND RESOURCES			
RESOURCES			
Former Beeston Bus Station - Interim Uses	11,800	750	6
Town Hall Migration (New Ways of Working)	98,650	11,724	12
Commercial Strategy- Invest to Save	53,000	46,614	88
Beeston Square - Phase 2 (Net Compensation)	111,300	248,810	224
Beeston Square - Phase 2	428,500	0	0
Capital Contingency	53,000	0	0
ICT SERVICES			
IT Replacement Programme	173,300	56,462	33
E Facilities	40,000	45,293	113
Replacement of MFD Photocopier Estate	63,000	0	0
VoIP Telephony	50,000	0	0
Committee Administration System	15,000	3,375	23

Technical Infrastructure	356,500	9,928	3
Replacement CRM System	20,600	11,003	53
Legal Case Management System	20,150	0	0
Care Leavers Council Tax Reduction Scheme Software	5,700	0	0

	Total Budget 2018/19 £	Actual to 31/10/2018 £	Expenditure %
<u>HOUSING</u>			
Disabled Facilities Grant	1,052,550	284,580	27
Warm Homes on Prescription	62,550	31,766	51
HRA Contingency	27,900	800	4
Central Heating Replacement	1,267,200	858,227	68
Modernisation Programme	1,984,700	923,212	47
Major Relets	150,000	131,137	87
Disabled Adaptations	417,250	268,155	64
Bexhill Ct - Scooter Storage	17,200	0	0
External Works- Paths Pavings	135,000	33,542	25
Fire Safety Assessment & Remedial Work	359,000	138,938	39
Window & Door Replacement	289,150	258,124	89
External Decoration & Pre Paint Repairs	643,750	265,104	41
Electrical Periodic Improvements	154,500	30,893	20
Housing System & DMS Replacement	213,400	45,500	21
Garage Refurbishment	236,900	31,217	13
Redwood Crescent - Purchase of Open Space Land	5,100	5,117	100
<u>JOBS AND ECONOMY</u>			
Walker Street (Eastwood) - Transport Feasibility Study	20,000	0	0
Chewton Street (Eastwood) - Contamination Surveys (Notts Pre-Development Fund)	70,000	38,324	55
<u>SCHEMES AWAITING 2018/19 FUNDING</u>			
BLC - Replacement of Flat Roofs	154,000	0	0
BLC - Replacement of Main Pool Windows	80,000	0	0
BLC - Replacement of Teaching Pool Windows	20,000	0	0
BLC - Replacement Intruder Alarm	25,000	0	0
BLC - Replacement of Dance Studio Windows	10,000	0	0
BLC - Replacement of High Voltage Transformer	40,000	0	0
BLC - Refurbishment of Pool Surrounds	50,000	0	0
BLC - Refurbishment of Fitness Gym Changing	33,000	0	0

Rooms			
BLC - Replacement Carpet (Reception Area)	7,000	0	0
KLC - Replacement Youth Fitness Gym Equipment	60,000	0	0
KLC - Extension of swimming facilities	330,000	0	0
KLC - Transfer of documents to digital storage	5,500	0	0
KLC - Replacement Pool Circulation & Shower Pumps	12,000	0	0
KLC - Renewal of Entrance Doors	8,000	0	0
KLC - Installation of Fast Track Entry System	11,000	0	0
KLC - Invest to Save - Replacement Lighting	8,000	0	0
KLC - Replacement of Suspended Ceilings & Floorings	18,000	0	0
KLC - Re-Paint Car Park Lines and Customer Walkways	6,000	0	0
Cemeteries/Closed Churchyards-Footpath Impts	30,000	0	0
Asset Management - Programmed Maintenance	44000	0	0
Energy Management Database Equipment	7950	0	0
Invest to Save (Carbon Management Plan)	19,200	0	0

APPENDIX 2

Planned Financing of 2018/19 Capital Programme

Source of Financing	Value (£)
Major Repairs Reserve	3,889,200
Direct Revenue Financing – Housing Revenue Account	2,006,750
Direct Revenue Financing – General Fund	141,650
Better Care Fund	1,115,100
Usable Capital Receipts – Awaited (GF Schemes)	978,650
Borrowing – General Fund	1,509,900
Usable Capital Receipts – General Fund	789,800
Section 106 Receipts – Parks and Open Spaces	47,150
Section 106 Receipts – ITPS	112,750
Notts Pre-Development Fund	70,000
6C's Growth Point	1,600
WREN	49,500
Homes England	20,000
Colliers Wood Friends	13,000
Total	10,745,050

Capital Receipts

(i) General Fund

General Fund capital receipts available at 31 October 2018 for the financing of capital expenditure were approximately £935,550. This includes £650,000 NET compensation received on 16 March 2018.

The planned financing of the 2018/19 capital programme shown in the table above assumes that General Fund capital receipts of £671,950 will be utilised. As the available capital receipts exceed the planned use as set out above, consideration will be given as to whether some of the schemes presently totalling £978,650 that are on the reserve list awaiting funding can be brought forward and given approval to proceed.

Council on 17 October 2018 agreed that the Town Hall in Beeston be sold to the Redeemer/Cornerstone Church for the sum of £425,000. The resulting capital receipt can be used to finance capital expenditure on schemes such as the migration of services out of the Town Hall and the implementation of the New Ways of Working Project. Further details are set out in appendix 3.

The Finance and Resources Committee on 12 July 2018 resolved to dispose of Cavendish Lodge in Beeston. Bids have been invited and these are set out in a further report on this agenda. The subsequent capital receipt will, when realised, be available to support the financing of capital expenditure.

Housing Committee on 4 December 2018 and Policy and Performance Committee on 12 December 2018 received reports on a proposed scheme to build two dementia

friendly bungalows on the former Beeston Market site on Willoughby Street. The two new properties would form part of the Housing Revenue Account and, as the former Beeston Market site is presently within the General Fund, there would need to be an appropriation between the HRA and General Fund to reflect the value of site, estimated to be £105,000.

(ii) Housing Revenue Account

Housing Revenue Account (HRA) capital receipts available at 31 October 2018 for the financing of capital expenditure were over £2,673,750. This was arrived at as follows:

	£
Balance at 1 April 2018 (brought forward from 2017/18)	2,129,550
Plus: Receipts from 1 April 2018 to 31 October 2018	1,225,000
Less: Payment to MHCLG	<u>(238,900)</u>
Balance at 31 October 2018	3,115,650

Overall, the HRA has the following resources available for capital investment, including the construction of new build properties:

- Borrowing “Headroom” of £3,145,000
- Capital Receipts of £3,115,650
- HRA revenue contributions (NB. Balance at 31 March 2018 was £3,862,450)

The payments that are required to be made to MHCLG are comprised of the following elements:

- (i) An assumed level of receipts under right to buy (RTB) based upon a baseline forecast in the self-financing settlement of March 2012
- (ii) Any receipts that are required to be returned in line with the agreement on the one for one replacement of the housing stock

Like most local authorities with their own housing stock, the Council entered into an agreement with the Government in 2012 to retain receipts from the sale of council houses in excess of those in (i) above to fund the replacement of stock that is sold. Under the terms of this agreement, local authorities are required to spend RTB receipts within three years and the receipts should fund no more than 30% of the cost of a replacement unit. Where a local authority is unable to spend receipts within three years they have to be returned to MHCLG, together with interest of 4% above base rate, to be spent on affordable housing through Homes England.

The table below confirms that the Council has spent a sufficient amount on new build expenditure to be at low risk in the short term of having to return capital receipts from the sale of council houses to MHCLG under the one for one replacement agreement. At 30 September 2018 the Council’s cumulative new build expenditure of £2,464,771 comfortably exceeded the required new build sum of £1,464,101 at that date. The Council’s required new build expenditure over the next three years is as set out in the table below.

Cumulative New Build Expenditure Required (£)	Date New Build Expenditure Required By:
1,464,101.13	30 September 2018
1,556,097.72	31 December 2018
1,983,192.69	31 March 2019
1,983,192.69	30 June 2019
1,983,192.69	30 September 2019
1,983,192.69	31 December 2019
1,983,192.69	31 March 2020
1,983,192.69	30 June 2020
2,265,536.26	30 September 2020
2,725,476.12	31 December 2020
3,801,825.21	31 March 2021
4,145,814.33	30 June 2021

Given that the Council's cumulative new build expenditure presently stands at £2,464,771 there is not presently a requirement to incur further new build expenditure until the third quarter of 2020/21. This expenditure needs to have been incurred on a scheme that has been completed rather than in progress at that date to fulfil the conditions of the agreement.

APPENDIX 3**1. Beeston Town Centre Redevelopment**

The 2018/19 capital programme includes a total of £539,800 for work on the redevelopment of Beeston town centre. This is anticipated to be incurred on consultants fees in respect of legal, property and procurement advice along with site investigation costs and statutory fees.

Further costs in respect of construction and other work are expected from 2019/20 through to 2021/22 and these will be set out in the draft capital programme 2019/20 – 2021/22 to be presented to this Committee on 14 February 2019. It is presently anticipated that most of the cost of the scheme will be met from a combination of borrowing and a capital receipt from the disposal of part of the site for residential use.

Additional information has been provided to the D2N2 Local Enterprise Partnership in support of a bid for funding towards the cost of this scheme. The outcome is presently awaited and will be reported to this committee at the earliest opportunity.

2. Town Hall Migration and New Ways of Working

The Finance and Resources Committee on 12 October 2017 agreed to establish an initial capital budget of £100,000 in 2017/18 for building and other work to modernise the Council Offices and enable the move of staff and facilities from the Town Hall to the Council Offices in Beeston whilst the future of the Town Hall was determined. The cost was to be met from the Council's General Fund reserves.

This scheme formed part of the "New Ways of Working" initiative intended to introduce more modern working practices as well as result in a reduction in office space. This initiative is being overseen by a project team comprising of representatives from various departments and chaired by the Chief Executive.

Expenditure of £1,350 was incurred in 2017/18 and the remaining £98,650 was carried forward for inclusion in the 2018/19 capital programme. The initial budget of £100,000 has seen allocations of £10,000 for works to the doors at the Council Offices' Main Reception that have now been completed and £65,000 for the refurbishment of the area presently occupied by the Legal and Admin team on the second floor of the building. The remaining £25,000 will be utilised for works in other areas in due course.

Following the decision by Council on 17 October 2018 to sell the Town Hall, measures need to be taken to re-locate the ICT server room in the Council Offices and to establish a Council Chamber and accompanying facilities in the Council Offices whilst continuing with the programme of office modernisation. It is proposed that sums of £125,000 and £300,000 are allocated to these combined work streams initially with the cost met from the expected capital receipt of £425,000 from the sale of the Town Hall. Both projects will be subjected to tender exercises which, it is anticipated, will reduce the cost of the figures quoted. The results of the tenders will be reported to the Finance and Resources Committee in due course.

3. Town Hall Sale – Legal Costs

Following the decision by Council on 17 October 2018 to sell the Town Hall, there will be a requirement to incur legal costs in association with the disposal. Freeths are providing legal support to the Council with regards to the sale and their costs are estimated to be approximately £8,500. This cost can be met from available capital receipts.

4. Bramcote Leisure Centre – Replacement of Combined Heat and Power Unit

The Finance and Resources Committee on 12 July 2018 approved the inclusion in the 2018/19 capital programme of a scheme to replace the combined heat and power (CHP) unit at Bramcote Leisure Centre at an estimated cost of £140,000 with the cost to be met from prudential borrowing.

A tender exercise has commenced and the bids received will be evaluated and a contract awarded in due course. However, as it is not possible to undertake the work during the winter months due to the impact on the other boilers required to keep the centre functioning, the scheme will be undertaken in the summer of 2019. It is therefore proposed that the funding for this scheme be carried forward for inclusion in the 2019/20 capital programme.

5. Bramcote Leisure Centre – Property Condition Survey

The Finance and Resources Committee on 12 July 2018 approved the inclusion of £30,000 in the 2018/19 capital programme for a detailed property condition survey at Bramcote Leisure Centre to assess the present and future expected 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. The cost of the property condition survey was to be met from the Council's General Fund reserves.

A total of 13 tenders were received from those interested in undertaking the property condition survey. Although the cost of the core element of the survey will be less than the budget of £30,000 it is proposed to increase the budget to £40,000 to allow additional related work to be undertaken such as a CCTV drain survey, an underwater pool survey and concrete testing. This additional cost would also be met from the Council's General Fund reserves.

6. Leisure Centres/Industrial Units – Planned Maintenance

Concerns have been raised with regards to the level of planned maintenance at the three leisure centres and at the Council's industrial units.

Whilst a detailed property condition survey is underway at Bramcote Leisure Centre to assess present and future expected maintenance needs to ensure that the site meets the requirements of users, the Council and other stakeholders, there are some repair and maintenance issues at this and the other leisure centres that need to be addressed as a priority.

Although the tenants at the industrial units are responsible for internal repairs such as lighting, the Council needs to ensure that when it rents out a unit to tenants that it is in a reasonable and safe condition and record this in the lease documentation.

It is proposed that £40,000 be included in the 2018/19 capital programme to undertake a series of priority maintenance works at the leisure centres and industrial units. This can be funded from capital receipts such as that from the forthcoming sale of Cavendish Lodge. Any budget not spent in 2018/19 will be carried forward into 2019/20 to enable the proposed works to be completed.

The Head of Property Services and his team will assess the required works and produce a programme to enable a number of the priority tasks to be undertaken.

7. Dementia Friendly Bungalows – Willoughby Street, Beeston

The Housing Committee on 4 December 2018 and Policy and Performance Committee on 12 December 2018 received reports on a proposed scheme to build two dementia friendly bungalows on the former Beeston Market site on Willoughby Street. The two new properties would form part of the Housing Revenue Account.

Whilst the land is already in the ownership of the Council and will be appropriated from the General Fund to the HRA at a value of £105,000 the estimated cost of the construction of the two new properties of £275,000 will be met from the Council's capital allocation from the Better Care Fund for Disabled Facilities Grants. A procurement process will be undertaken to identify a suitable developer to construct the bungalows and any material change to the estimated cost will be reported to this committee before the construction commences. The scheme now requires formal approval for inclusion in the 2018/19 capital programme.

8. Care Leavers Council Tax Reduction Software

The Finance and Resources Committee on 12 July 2018 approved an allocation of £5,700 in the 2018/19 capital programme for software to administer the Care Leavers Council Tax Reduction Scheme approved at Policy and Performance Committee on 4 July 2018 with funding from capital contingencies.

Information has now been received from Nottinghamshire County Council indicating that only one individual is presently entitled to the additional discount allowed by the scheme. Therefore it is proposed that the additional software no longer be purchased and the budget returned to capital contingencies.

9. Technical Infrastructure

Broxtowe Borough Council are partners in an ICT Shared Service in association with Rushcliffe Borough Council and Newark and Sherwood District Council. This allows common methods of operating to be established, the use of the similar systems (where applicable) and other efficiencies to be established.

Broxtowe's 2018/19 capital programme includes £356,500 for technical infrastructure that includes a wireless solution. The required platform is only offered directly by a company named Aerohive or by Dell as part of an original equipment manufacturer

(OEM) agreement with Aerohive. Therefore it is only possible to obtain one supplier quote for this solution. Alternative solutions have been considered within the ICT Shared Service but a procurement process undertaken at Rushcliffe Borough Council has shown the Dell/Aerohive solution to be the most cost effective.

Obtaining only one supplier in these circumstances is consistent with section 2.3 of the Council's Financial Standing Orders which states that "Any contract entered into through collaboration with other local authorities or other public bodies, where a competitive process has been followed that complies with the contract procedure rules and standing orders of the leading organisation, will be deemed to comply with these standing orders and no exemption is required."

In addition, section 5.3 of the Council's Financial Standing Orders reaffirms this by stating that "For contracts in value between £25,000 and £60,000, where it is not possible to obtain three quotations due to lack of suitable firms prepared to quote or for some other valid reason, the Chief Officer shall report such reason together with details of the quotations received to the appropriate Committee."

The proposed solution meets the ICT Shared Service strategic objective of systems and infrastructure alignment having been implemented by both Rushcliffe Borough Council (as part of the Fit for the Future programme) and Newark and Sherwood District Council (as part of the Moving Ahead programme). It also aligns with the New Ways of Working initiative currently being rolled out at Broxtowe Borough Council.

The cost of the solution for Broxtowe Borough Council is £20,700.56 for Phase 1 and £22,047.33 for Phase 2. These costs are within the sum allocated for the wireless solution.

10. Storage Access Network (SAN)

The storage access network (SAN) units are due for replacement 2018/19. The Council therefore submitted an 'invitation to quote' on the Crown Commercial Services Framework specifying that the replacement infrastructure hardware must meet our strategic needs for the next five years and the quote must include five years' maintenance and support.

Three Responses to the 'invitation to quote' were received and a detailed evaluation of each response undertaken against the defined cost and quality criteria. The quality criteria resulted in the Council awarding the contract to the second cheapest option provided by Axess Systems Limited who are proposing to replace the current environment with a NetApp SAN. The primary reasons for this are as follows:

- The Council are currently using this provider for our SAN solution. The change costs, effort and risks associated with this solution are considered to be much easier to manage compared to introducing a new solution into the current environment.
- The current technology has proven itself to be reliable and stable over the previous five years. This provides a high degree of confidence that the replacement SAN will perform in a similar manner. The other two solutions are relatively new to market and are not proven to the same degree.

- The NetApp SAN is also in use at Rushcliffe Borough Council and has proven itself equally reliable and stable in that environment. Choosing NetApp over the other solutions aligns better with Broxtowe's strategic intention to harmonise infrastructure technologies wherever possible. It also means that Broxtowe has access to a broad range and depth of internal ICT expertise across the ICT Partnership to help manage the SAN once installed.

The total cost of the Axess Systems Limited solution is £149,639.46 and will be met from the £356,500 in the 2018/19 capital programme for technical infrastructure.

Summary of Proposed Changes in Appendix 3 to 2018/19 Capital Programme

<u>Scheme</u>	<u>Present Budget (£)</u>	<u>Proposed Budget (£)</u>	<u>Funding Source (£)</u>
Town Hall Migration and New Ways of Working	98,650	523,650	GF Capital Receipts
Town Hall Sale – Legal Costs	0	8,500	GF Capital Receipts
Bramcote Leisure Centre – Replacement of CHP Unit	140,000	0	Prudential Borrowing
Bramcote Leisure Centre – Property Condition Survey	30,000	40,000	GF Reserves
Leisure Centres/Industrial Units – Planned Maintenance	0	40,000	GF Capital Receipts
Dementia Friendly Bungalows – Willoughby Street, Beeston	0	275,000	Better Care Fund
Care Leavers Council Tax Reduction Scheme Software	5,700	0	GF Capital Contingencies
TOTAL	274,350	912,150	

Report of the Interim Deputy Chief Executive

REVENUE BUDGET AMENDMENTS 2018/191. Purpose of report

To seek approval for a number of amendments to the General Fund and HRA revenue budget for 2018/19.

2. Background

Detailed monitoring has identified a number of General Fund and HRA 2018/19 revenue budgets that need to be amended. Most of these budget variations were reported to the Policy and Performance Committee on 12 December 2018 and are set out in the appendix.

There is a requirement to set aside funds for the potential legal costs associated with the anticipated employment tribunal of the former Director of Housing, Leisure and Property Services. Whilst it is difficult to determine a precise figure at this stage, discussions with Brown Jacobson have suggested a cost of £40,000 with approximately £15,000 in the final quarter of 2018/19 and £25,000 in 2019/20.

The appendix includes the estimated cost of £15,000 in 2018/19 and the budget for 2019/20 will include £25,000 for the expected cost in that year. As most of the duties of the post are related to the HRA, it is expected that approximately 75% of these costs will be recharged to the HRA as part of the year end accounting procedures.

Excluding the effect of any recharges between the General Fund and the HRA, the effect of the amendments set out in the appendix will be to increase the anticipated withdrawal in 2018/19 from the Council's General Fund balance by £94,850 and to reduce the anticipated HRA balance at the end of the year by £43,600.

Recommendation

The Committee is asked to RESOLVE that the amendments to the General Fund and Housing Revenue Account 2018/19 revenue budgets as set out in the appendix be approved.

Background papers

Nil

APPENDIX

Budget Heading	Current Budget (£)	Proposed Budget (£)	Budget Change (£)	Comment
General Fund				
Register of Electors- IER Grant	15,650	123,500	107,850	To be funded from grant received in 2017/18 that should have been carried forward to 2018/19
Specialist Legal Advice	15,900	30,900	15,000	Approximately 75% to be recharged to HRA at year end
Sale of Wheeled Bins	(29,750)	(18,450)	11,300	As per Policy and Performance Committee 12 December 2018
Garden Waste Income	(672,500)	(662,000)	10,500	As per Policy and Performance Committee 12 December 2018
Post Room- Business Reply Service	(5,000)	5,000	10,000	Budget entered as a negative but should have been a positive
Beeston Square Rent	(729,800)	(759,600)	(29,800)	As per Policy and Performance Committee 12 December 2018
Trade Refuse Income	(555,000)	(585,000)	(30,000)	As per Policy and Performance Committee 12 December 2018
General Fund Total	(1,960,500)	(1,865,650)	94,850	
Housing Revenue Account				
Choice Based Lettings – Contribution to Other Local Authorities	28,500	71,900	43,400	As per Policy and Performance Committee 12 December 2018
Choice Based Lettings – Recharge of Software Maintenance to Other Local Authorities	(24,000)	0	24,000	As per Policy and Performance Committee 12 December 2018
Independent Living Service – TV Licences	0	11,600	11,600	As per Policy and Performance Committee 12 December 2018
Choice Based Lettings – Recharge of Software Maintenance to Housing Associations	(42,000)	(54,400)	(12,400)	As per Policy and Performance Committee 12 December 2018
Choice Based Lettings – Software Maintenance	36,000	13,000	(23,000)	As per Policy and Performance Committee 12 December 2018
Housing Revenue Account Total	(1,500)	42,100	43,600	

Report of the Deputy Chief Executive

**TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS
2018/19 – MID YEAR REPORT TO 30 SEPTEMBER 2018**1. Purpose of report

To inform the Committee of treasury management activity and the actual prudential indicators for 2018/19 up to 30 September 2018.

2. Detail

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

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

Following consultation in 2017, CIPFA published new versions of the Code of Practice on Treasury Management and the Prudential Code for Capital Finance in Local Authorities. The local authority specific Guidance Notes to the former Code were issued in October 2018. The Ministry of Housing, Communities and Local Government (MHCLG) has also publishes its revised Investment Guidance and this came into effect from April 2018.

The CIPFA Code of Practice on Treasury Management requires the Deputy Chief Executive to operate the Treasury Management function in accordance with the Treasury Management Strategy approved at the Council meeting of 15 February 2018. Details of all borrowing and investment transactions undertaken in 2018/19 up to 30 September 2018, together with the balances at this date and treasury management limits on activity, are provided in appendix 1. There are no issues of non-compliance with these practices that need to be reported to the Committee.

Under the CIPFA Prudential Code for Capital Finance in Local Authorities, the Council is required to prepare a number of prudential indicators against which treasury management performance should be measured. Performance against prudential indicators is given in appendix 2. The Council has complied with its 2018/19 prudential indicators to 30 September 2018.

Recommendation

The Committee is asked to NOTE the 2018/19 mid-year report to 30 September 2018.

Background papers

Nil

APPENDIX 1

1. Borrowinga) Debt activity during 2018/19

The loan debt outstanding as at 30 September 2018 compared to the opening position at 31 March 2018 is shown below:

	Amount Outstanding at 31/03/2018 £	Amount Outstanding at 30/09/2018 £
Short Term Loans		
Bramcote Crematorium	688,456	910,411
Money Market Loans	15,000,000	12,000,000
Public Works Loan Board	8,523	4,372
Long Term Loans:		
Money Market Loans	3,000,000	3,000,000
Public Works Loan Board	79,789,422	79,789,060
	98,486,401	95,703,843

Short term loans at 31 March 2018 included:

- A £2.0m loan from London Borough of Hounslow, taken for 2 years at 0.85%, matured on 29 May 2018. This loan was replaced by a £1.0m loan from Hyndburn Borough Council for 1 year at 0.87% that is due to mature on 17 May 2019. It was decided not to replace the other £1.0m but instead to reduce the level of investments.
- A £2.0m loan from South Northamptonshire Council, taken for 273 days at 0.36%, matured on 18 June 2018. Given the level of investments, it was decided not to replace this particular loan.
- A £2.0m loan from Bolsover District Council, also for 273 days at 0.36%, matured on 29 June 2018. This loan was subsequently replaced by a £2.0m loan from Wealden District Council for 6 months at 0.65% that is due to mature on 2 January 2019.
- A £1.0m loan for 364 days at 0.62% from Hyndburn Borough Council that is due to mature on 19 December 2018.
- A £1.0m loan from Lancaster City Council, for 1 year at 0.40%, matured on 28 September 2018. This loan was replaced on 24 September 2018 by a £1.0m loan from Tendring District Council for 182 days at 0.75%. This new loan will mature on 25 March 2019.
- A £2.0m loan from Wokingham Borough Council, for 254 days at 0.35%, matured on 8 August 2018. This loan was replaced on 31 July 2018 by a £2.0m loan from Tendring District Council for 1 year at 0.75%. This new loan will mature on 30 July 2019.

- A £2.0m loan from Tendring District Council, for 273 days at 0.35%, matured on 2 July 2018. This loan was replaced by a £2.0m loan from West Yorkshire Police and Crime Commissioners for 319 days at 0.80% that will mature on 17 May 2019.
- A £2.0m loan from Vale of Glamorgan Council, for 73 days at 0.50%, matured on 19 April 2018. This loan was subsequently replaced by two loans for £1.0m each from Fylde Borough Council and Craven District Council. Both loans are for 214 days at 0.60% and they are due to mature on 19 November 2018.
- A £1.0m loan from Tendring District Council, for 181 days at 0.52%, matured on 28 August 2018. This loan was replaced by a £1.0m loan from Rushcliffe Borough Council for 1 year at 0.75%. This new loan will mature on 27 August 2019.
- Short-term loans at 31 March 2018 included PWLB annuities of £8,523. A sum of £4,152 was repaid on 13 September 2018 and the remaining £4,371 is due for repayment on 13 March 2019.
- Short-term loans at 31 March 2018 also included £688,456 that had been invested with the Council by Bramcote Crematorium. At 30 September 2018 Bramcote Crematorium had invested £910,411 with the Council, most of which will be used to pay the 50% of the amount to be distributed to each of the constituent authorities.

Long-term loans at 31 March 2018 included a loan of £3.0m at 4.19% with Barclays Bank that is due to mature on 4 February 2073.

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

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

The planned financing of the 2018/19 capital programme as at 30 September 2018 indicates that further borrowing of £1,509,900 would be required to help fund the General Fund part of the programme. This borrowing has not, as yet, been undertaken as the availability of large

investment balances has meant that there has been no specific need to undertake this borrowing thus far.

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

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

b) Debt rescheduling

In conjunction with the treasury management advisors, the Council continues to seek opportunities for the rescheduling of debt that could reduce its overall borrowing costs. No debt rescheduling has taken place from April to September 2018. Falls in PWLB repayment rates have enlarged the premium on the premature repayment of the Council's loans and limited the opportunity for the rescheduling of debt.

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

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

Currently all of the Council's PWLB loans would attract a premium, i.e. a penalty, on premature repayment of between 5% and 67%. Those which have a higher probability of attracting a discount in the future were interest rates to rise (i.e. where the current premium is between 0% and 10%) are some loans that were taken out on 28 March 2012 at preferential rates as part of the move to exit the HRA subsidy system as referred to in 1(a) above.

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

c) Cost of borrowing and debt profile

i. Long term debt

The Council's long term debt had an average of 9.87 years to maturity at 30 September 2018 (31 March 2018 was 9.97 years). The average interest payable at that date was 3.02% (31 March 2018 was 2.91%).

i Short term borrowing

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

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

2. Investments

a) Investment Policy

The Council's investment policy is governed by CLG guidance, which was implemented in the annual investment strategy approved at the Council meeting on 15 February 2018. This gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.

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

(i) Long Term A- (or equivalent)

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

The investment activity during the first six months of 2018/19 conformed to the approved strategy and the Council had no security or liquidity difficulties.

b) Interest Received

The total interest receivable for the period to 30 September 2018 amounted to £104,064 (2017/18 equivalent was £63,500). The Local Authority Property Fund (LAPF) investment remained at £2.0m and generated average income totalling approximately £22,000 per quarter.

The UK Bank Rate was increased to 0.75% on 2 August 2018 by the Bank of England's Monetary Policy Committee. This increase in Bank Rate resulted in higher money market rates with the. 1 month, 3 month

and 12 month LIBID rates averaging 0.56%, 0.70% and 0.95% respectively over the period from 1 April to 30 September 2018.

The average interest rate earned for the period up to 30 September 2018 was 1.15%, compared to 1.02% for the equivalent period in 2017/18. This decrease is mainly attributable to a reduction in the interest rates on both MMF and notice accounts.

c) Investments Placed

A summary of all investments made and repaid from 1 April 2018 to 30 September 2018 is set out in the following table:

	Balance at 01/04/2018 £000s	Investments Made £000s	Investments Repaid £000s	Balance at 30/09/2018 £000s	Increase/ Decrease in Investments
UK Banks and Building Societies					
Barclays	275		(85)	190	(85)
Santander UK	160	4,000	(2,160)	2,000	1,840
Bank of Scotland	-	6,000	(4,000)	2,000	2,000
Goldman Sachs	-	2,000	-	2,000	2,000
Other Local Authorities					
Blackpool BC	2,000	-	(2,000)	-	(2,000)
Forest of Dean DC	2,000	-	(2,000)	-	(2,000)
East Dunbartonshire	2,000	-	(2,000)	-	(2,000)
Rhondda Cynon Taff CBC	-	1,000	-	1,000	1,000
Money Market Funds					
Insight MMF	2,160	12,380	(14,060)	480	(1,680)
LGIM MMF	580	23,815	(20,745)	3,650	3,070
Standard Life MMF	-	8,735	(8,735)	-	-
LA Property Fund	2,000	-	-	2,000	-
Royal London Enhanced Cash Plus	2,000	-	-	2,000	-
Total	13,175	57,930	(55,785)	15,320	2,145

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

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

A total of £2.0m is now invested in the Local Authorities' Property Fund (LAPF). This is intended to be a long-term investment with dividends paid quarterly. The dividend yield was 4.27% at 30 September 2018.

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

d) Credit Risk

Security of capital has remained the Council's main investment objective. Counterparty credit quality has been maintained at an appropriate level during 2018/19 as shown by the credit score analysis in the following table:

Date	Value Weighted Average – Credit Risk Score	Value Weighted Average – Credit Rating	Time Weighted Average – Credit Risk Score	Time Weighted Average – Credit Rating
31/03/2018	4.10	AA-	3.64	AA-
30/06/2018	5.16	A+	4.93	A+
30/09/2018	4.57	A+	4.84	A+

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

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

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

The Council aimed to achieve a score of 7 or lower in order to reflect its overriding priority of maintaining the security of any sums invested. This equates to the minimum credit rating threshold of A– for investment counterparties as set out in the 2018/19 investment strategy. The tables above show that the Council achieved the minimum credit risk scores and credit ratings from April to September 2018.

e) Risk Benchmarking

The Investment Strategy 2018/19 to 2020/21 contained a number of security, liquidity and risk benchmarks to allow officers to monitor the current and trend positions and incorporate these within investment decisions. The benchmarks have been met in full from April to September 2018 such that:

- the Council's maximum average credit risk score has been less than 8 (as set out in 2d above)
- a bank overdraft limit of £1m has been maintained
- liquid short-term deposits of at least £0.5m have been available within one week
- the average weighted life of investments has been below a maximum of six months
- returns on investment have been above the 7 day London Interbank Bid rate (LIBID).

f) Counterparty Update

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

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

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

g) Changes to the Investments Strategy

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

Any such changes to the Investments Strategy will be made by the Chief Executive exercising Standing Order 32 powers following consultation with the Chair of the Finance and Resources Committee. A report setting

out the detail behind these changes would then be presented to this Committee at the next available opportunity.

h) Regulatory Update

The MHCLG consulted in July 2018 on statutory overrides relating to the introduction of the IFRS 9 Financial Instruments accounting standard from 2018/19. It has now decided to introduce a statutory override for fair value movements in pooled funds for at least five years until 31 March 2023.

MHCLG accepted arguments made by many respondents to the consultation that the unamended adoption of IFRS 9 could result in unwarranted volatility for the General Fund and impact unnecessarily upon council tax or service expenditure. It will therefore a statutory override that, while requiring IFRS 9 to be adopted in full, requires fair value movements in pooled investment funds to be taken to a separate unusable reserve instead of to the General Fund.

MHCLG accepted that the three year statutory override suggested in the consultation was too short a period and committed to keeping the override in place for five years. It will keep under review whether permitting the override to lapse in March 2023 will have a detrimental impact on balanced budget calculations in subsequent years.

The override will apply to all collective investment schemes and not just to pooled property funds as suggested in the consultation. As set out above, in order to promote transparency MHCLG will require a separate unusable reserve to be used to hold the fair value movements rather than the Financial Instruments Adjustment Account.

i) Prudential and Treasury Management Code Changes

The new version of the Prudential Code requires the production of a new high-level Capital Strategy report to full Council which will cover the basics of the capital programme and treasury management. The prudential indicators for capital expenditure and the authorised borrowing limit would be included in this report but other indicators may be delegated to another committee. Certain other prudential indicators have been dropped. However, local indicators are recommended for ring fenced funds (including the HRA) and for group accounts.

The definition of investments in the new version of the Treasury Management Code now covers all of the Council's financial assets as well as other non-financial assets that are held primarily for a financial return. This is replicated in MHCLG's Investment Guidance in which the definition of investments is further broadened to include all such assets held partially for financial return. The Council has no such assets at present.

3. Treasury Management Limits on Activity

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

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

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

a) Upper Limits on Fixed and Variable Rate Exposures

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

Interest Rate Exposures	Actual 31/03/2018 %	2018/19 Approved %	Actual 30/09/2018 %	Compliance with Limits
Fixed				
Upper Limit for Fixed Interest Rate Exposure on Debt	84	100	87	Yes
Upper Limit for Fixed Interest Rate Exposure on Investments	(0)	(25)	(0)	Yes
Net Fixed Exposure	84	75	87	See below
Variable				
Upper Limit for Variable Interest Rate Exposure on Debt	16	40	13	Yes
Upper Limit for Variable Interest Rate Exposure on Investments	(100)	(100)	(100)	Yes
Net Variable Exposure	(84)	(60)	(87)	Yes

b) Maturity Structure of Fixed Rate Borrowing

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

Maturity Structure of Fixed Rate Borrowing	Lower Limit %	Upper Limit %	Actual Fixed Rate Borrowing at 30/09/2018 (£000s)	Fixed Rate Borrowing at 30/09/2018 (%)	Compliance with Set Limits
Under 12 months	0	50	12,004	13	Yes
12 months to 2 years	0	50	9	0	Yes
2 years to 5 years	0	50	10,135	11	Yes
5 years to 10 years	0	75	41,639	44	Yes
10 years to 20 years	0	100	25,006	26	Yes
20 years to 30 years	0	100	0	0	Yes
30 years to 40 years	0	100	3,000	3	Yes
40 years to 50 years	0	100	0	0	Yes
50 years and above	0	100	3,000	3	Yes

Investments are limited to a maximum of two years as set out earlier. As suggested in the CIPFA Code, fixed rate investments of less than 12 months and fixed rate borrowing with less than 12 months to maturity are regarded as variable rather than fixed rate investments and borrowings as their replacement could be subject to movements in interest rates. This principle has been applied in calculating the fixed and variable interest rate exposures on debt and investments. However, the borrowing with less than 12 months to maturity at 30 September 2018 is shown as fixed rate borrowing in the maturity structure.

c) Principal Sums Invested for Periods Longer than 364 days

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

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

The upper limit for this Prudential Indicator has been set at 40% of the estimated in-year average of total investments of £15.0m. The Council has complied with the limit set.

4. Local Authority Mortgage Scheme

A meeting of the Council on 18 December 2013 approved Broxtowe Borough Council, in association with Nottinghamshire County Council, joining a Local Authority Mortgage Guarantee Scheme (LAMS) with Lloyds Bank. Both local authorities contributed £500,000 to the scheme which is intended to help first

time buyers looking to acquire other than new properties who can afford mortgage payments, but not the initial deposit, to get on to the property ladder.

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

The scheme commenced on 4 February 2014 and 10 loans with a total value of £978,050 had been made by 30 September 2018. The amount of the indemnity with respect to these loans totalled £177,328. No defaults with regards to loans made have been reported.

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

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

The Council's £500,000 contribution to the LAMS was made on 31 January 2014 and was required to be classed as capital expenditure. The Council will be reimbursed with this sum on 31 January 2019 on the fifth anniversary of the payment and the reimbursement will be categorised as a capital receipt.

APPENDIX 2

Prudential Indicators1. Introduction

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

2. Capital Expenditure and Financing 2018/19

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

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

Actual capital expenditure forms one of the required prudential indicators. The following table shows the 2018/19 capital programme as at 30 September 2018 compared with the original estimate for the year across each corporate priority area.

	2018/19 Original Estimate £000s	2018/19 Estimate at 30/09/2018 £000s
Housing	6,161	7,011
Community Safety	0	8
Jobs & Economy	78	168
Leisure & Environment	1,466	1,962
Finance & Resources	3,384	1,596
Total	11,089	10,745

The change to the original estimate is largely accounted for by the carry forward of unspent capital budgets totalling £1,552,850 from 2017/18 less £2,436,500 that has already been carried forward to 2019/20 in respect of the scheme to redevelop Beeston Town Centre. Included in the 2018/19 capital programme at 30 September 2018 are schemes totalling £978,650 that are on a "reserve list" and will be brought forward for formal approval to proceed once a source of funding is identified.

The table below shows the planned capital expenditure up to 30 September 2018 and how this will be financed.

	2018/19 Original Estimate £000s	2018/19 Estimate at 30/09/2018 £000s
General Fund	5,581	4,849
HRA	5,508	5,896
Total Capital Expenditure	11,089	10,745
Financed by:		
Capital Receipts	1,490	1,768
Capital Grants	653	1,429
Revenue	5,508	6,038
Unfinanced Capital Expenditure	3,438	1,510

It is anticipated that the schemes on the “reserve list” will be financed from capital receipts received at a future date. Unfinanced capital expenditure will be met from additional borrowing as set out above.

2. The Council’s Overall Borrowing Need

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

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

As set out in 1(a) in appendix 1, the Council has not as yet taken out the anticipated borrowing of £1,509,900 in respect of the planned capital expenditure for 2018/19 shown as unfinanced above. It is presently anticipated that this borrowing will be undertaken later in 2018/19 and that this will align the Council’s overall borrowing level with the CFR. The Council at 30 September 2018 has nine short term loans totalling £12.0 million with other local authorities that are due to mature before 30 September 2019 as set out in 1(a) in appendix 1. Three of these short-term loans will mature before 31 March 2019. It is presently anticipated that all seven short term loans will be replaced with similar loans upon maturity.

The Council’s CFR will next be calculated as at 31 March 2019 when the financing of actual capital expenditure incurred in 2018/19 will be undertaken. This will be reported to this Committee in June 2019.

3. Prudential Indicators and Compliance Issues

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

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

In order to ensure that borrowing levels are prudent over the medium term, the Council's external borrowing must only be for a capital purpose. Gross borrowing should not therefore, except in the short term, exceed the CFR. This indicator will be calculated at the end of 2018/19 and the result reported to this Committee in June 2019. It is presently anticipated that the Council will comply with this indicator.

ii) The Authorised Limit

This is the statutory limit determined under section 3(1) of the Local Government Act 2003 and represents the limit beyond which borrowing is prohibited. It reflects the level of borrowing which could be afforded in the short term to maximise treasury management opportunities and cover temporary cash flow shortfalls, but is unlikely to be sustainable over the longer term. The table below demonstrates up to 30 September 2018, the Council has maintained gross borrowing within its authorised limit.

iii) The Operational Boundary

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

	Amount £000's
Authorised Limit 2018/19	127,950
Operational Boundary 2018/19	102,350
Maximum Gross Borrowing (April – September 2018)	99,570

The maximum external debt in the period from April to September 2018 represents the gross borrowing figures as set out in 1(a) and includes the maximum amount received from Bramcote Crematorium during this period. The table above demonstrates up to 30 September 2018, the Council has maintained gross borrowing within its operational boundary.

iv) Ratio of Financing Costs to Net Revenue Stream

This indicator compares net financing costs (borrowing costs less investment income) to net revenue income from revenue support grant, business rates, housing revenue account subsidy, council tax and rent income. The purpose of the indicator is to show how the proportion of net

income used to pay for financing costs is changing over time. The indicator will be calculated for 2018/19 at the end of the financial year and reported to this Committee in June 2019.

Report of the Interim Deputy Chief Executive

CAPITAL GRANTS TO VOLUNTARY ORGANISATIONS1. Purpose of report

To consider a request for capital 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 the Trent Vale Community Sports Association (TVCSA). TVCSA is planning to undertake an ambitious project to renovate its site in Beeston Rylands and provide a multi-sport facility with full disabled access and community function room. With support and financial assistance from Sport England and the Football Foundation, the scheme will cost in the region of £700,000.

TVCSA has requested grant aid from the Council of up to £10,000 towards the cost of new perimeter fencing and secure access doors for the storage facility as part of the wider redevelopment scheme. Details of the application are included in the appendix.

Given the nature of these capital 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.

Whilst the request is within this limit when considered in context of the wider scheme, given that the perimeter fencing and storage doors have been identified as necessary regardless of the wider scheme coming to fruition, Members may wish to consider awarding a reduced grant in the first instance (up to the 25% level), with further monies only released pending evidence of financial commitment from the major funding partners or when significant funds are received.

3. Financial Position

No budgetary provision exists for capital grants to voluntary organisations. If Members were minded to approve the request from TVCSA, then an allocation from the Council's capital contingencies would be required from the anticipated 2018/19 budget within which £53,000 remains uncommitted.

Recommendation

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

Background papers

Nil

APPENDIX

1. TRENT VALE COMMUNITY SPORTS ASSOCIATION

An application for grant aid has been received from the Trent Vale Community Sports Association (TVCSA) for funding towards new perimeter fencing and improved security of storage facilities as part of a larger project to redevelop the sports and community facilities in Beeston Rylands.

TVCSA is a Charitable Incorporated Organisation (CIO) first registered with the Charity Commission on 19 August 2014. Beeston Football Club and Trent Vale Squash Club each contributed £4,000 to meet the initial set-up costs including the forming of the CIO. The charity is managed by five Trustees from both founding clubs. TVCSA was established for the provision of community participation in healthy recreation, in particular facilities for the playing of ball and racquet sports. Its current sporting activities include children's football (provided through Beeston Football Club) and squash (via the Trent Vale Squash Club). Beeston Football Club is a volunteer run club with over 200 children playing football every week. The club was recently runner-up in the Football Association community awards for its 16-week 'Wildcats' girls football course. The success of this course has led to four girls teams being established to play alongside the boys teams and weekly soccer school for younger children.

TVCSA holds a 99-year lease on the nine-acre sports site in Beeston Rylands. The site was formally a sports and social club for a large company and has been the home of Beeston Football Club for many years. The site has overgrown tennis and netball courts and a dilapidated clubhouse with no electricity or hot water. TVCSA believe that there is a need for better community and sports facilities in the area. Improved facilities would enable the football club to greatly increase the number of children involved (with the benefit of improving their physical and mental health through regular exercise and being part of club), with an emphasis on girls football and increasing participation of disabled players. Residents would also benefit from using community facilities for toddler groups, exercise classes, senior citizens group etc. The local athletics and cycling clubs have also expressed an interest in using the site as their base and have an outline plan to build a running track around the outside of the football pitches and to install indoor spinning bikes.

TVCSA has an ambitious scheme to renovate the whole site to provide a multi-sport facility with full disabled access and community function room. With support and financial assistance from Sport England and the Football Foundation, the scheme will cost in the region of £700,000.

TVCSA are currently completing the planning permission process, although the scheme has in essence been agreed before. Earlier plans for the development of the whole Beeston Business Park, including a new build pavilion were shelved when the landowner suddenly sold the site.

TVCSA has since agreed a long-term lease with the new landowner and has recommenced its funding applications to various charities and funding bodies.

The latest plans have been drawn up in consultation with the Football Foundation and Sport England. The local community have been considered in the decision not to install flood lights. The project could begin as early as spring 2019, although many ancillary aspects can start immediately such as reconnecting the electricity or replacing the perimeter fencing and access door to the outside equipment store - both of which are currently insecure.

The decisions relating to significant funding from the Football Foundation and Sport England are pending, although both organisations have been closely involved with the planning process and are committed to the project. TVCSA needs to raise around £70,000 and has so far received around £10,000 from fundraising events, merchandise sales and being awarded a selection of small grants including East Midlands Airport (£1,000) and Aviva (£500). Other bids from local companies and the Nottinghamshire County Council Local Improvement Scheme have been unsuccessful. All money raised to date has largely been spent on professional fees.

TVCSA has requested a capital grant of £10,000 from the Council towards the replacement of the perimeter fencing (£7,000) and a new access door to the external storage (£3,000). The fencing is insecure and, regardless of the larger development, will need to be rectified to ensure the safety and security of the site and its users. TVCSA currently stores over £10,000 worth of equipment onsite (goal posts etc.) and they are at risk of theft or vandalism until the fencing and storage unit are secured.

TVCSA state that this large scale, long-term project will be of direct benefit to the people of Broxtowe, provide a much needed facility and be a lasting legacy for generations to come.

TVCSA has provided its Charity Commission Annual Return for scrutiny. The financial statements as at 31 December 2017 show limited expenditure of £2,179 mainly relating to legal fees and insurance and no recognised income (the respective sports club's undertake ground maintenance, pay their own fees and collect income from their respective membership). Spending and grant funding to date in respect of the scheme have been received in 2018. As at 31 December 2017, TVCSA had £1,161 available in its bank account.

This is the first application that the Council has received from TVCSA and for 2018/19 it has requested a grant of £10,000 towards the cost of new perimeter fencing and a secure access door for the storage facility.

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. Any approved grant would normally be given on the basis of 25% of actual costs incurred (given that it relates to a non-Council asset). Whilst the request is within this limit when considered as part of the wider scheme, given that the perimeter fencing and storage doors are deemed necessary regardless of the wider scheme coming to fruition, then Members may wish to consider awarding a reduced grant (at the 25% level) in the first instance, with further monies only released pending evidence of financial commitment from the major funding partners or when significant funds are received.

Report of the Deputy Chief Executive

DISCRETIONARY HOUSING PAYMENTS SCHEME1. Purpose of report

To request approval to implement the revised Discretionary Housing Payment (DHP) scheme and provide an update on the current awards.

2. Background

The Council currently operates a DHP scheme in line with Government Policy. The Scheme has been running for a number of years. The proposed revised scheme will bring it in line with recent changes to Universal Credit and the increased budget available.

DHP is an additional fund that is available for claimants of Housing Benefit and Universal Credit to assist with Housing costs that are not currently being met through the usual benefits.

The scheme is designed to help those that might be experiencing additional hardship and are experiencing difficulties meeting their rental obligations. The Council require claimants to make an application. They will also be required to provide details of their income and expenditure to establish any potential entitlement.

DHP is funded by the Department for Works and Pensions (DWP), with Broxtowe Borough Council receiving £133,511 for the year 2018/19.

Appendix 1 highlights the current levels of awards and the areas in which they relate. Over recent years the level of DHP has increased to accommodate additional support for claimants facing hardship through Welfare Reform changes.

Appendix 2 details a revised DHP scheme to allow for the implementation of Universal Credit. The revised scheme still allows for claimants to appeal a decision, which will be dealt with by a panel of Elected Members.

3. Financial implications

The Council received funding of £133,511 from the DWP for 2018/19. Although The DHP guidelines state that the Council can contribute funding above this figure up to a maximum of £333,778, there is currently no provision for any amount above the DWP contributions. If the Council does not utilise the DWP contributions, then it is required to refund this at the end of each year.

Recommendation

The Committee is asked to:

- 1. NOTE the contents of appendix 1.**
- 2. RESOLVE that the implementation of the revised DHP scheme in appendix 2 be approved.**

Background papers: Nil

APPENDIX 1

1.0 Discretionary Housing Payments

- 1.1 Discretionary Housing Payment (DHP) is currently administered within the Council's Quality and Control Team. This team is responsible for dealing with the applications, awarding DHP's, liaising with Elected Members and completing government returns. The Department for Works and Pensions fund DHP's through a contribution on an annual basis to all relevant Local Authorities. Since 2012, Broxtowe Borough Council have seen this funding increase by 186%. In 2018/19, the funding stands at £133,511, Although this is a slight reduction on the £141,614 granted in 2017/18
- 1.2 The significant increase in funding is due to the implementation of several Welfare Reform changes. This in turn has resulted in a significant increase in the number of applications that the Council receives. The Quality and Control Team manage this process and ensure those entitled receive payments timely and efficiently. The average length of time a claimant waits for a decision to be made is 12 days, which includes time where the team has had to request further information.
- 1.3 In line with government requirements, the team monitor the expenditure to ensure DHP is maximised for the people of the borough, with clarity on the areas receiving funding. During 2017/18 the Council spent over 95% of the DWP contributions and anticipate to spend more in 2018/19.
- 1.4 Details of the award are highlighted in the tables below.

Applications Received

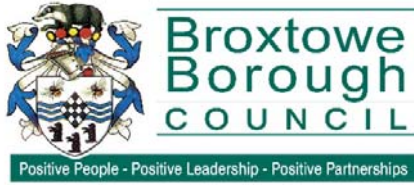
Applications Received		
Breakdown	2017/18	2018/19 (April to October)
Applications Awarded	274	130
Applications Withdrawn	67	37
Applications Refused	45	23
Applications Awaiting Further Information	16	13
Awaiting Authorisation	3	7
Total Applications received April-March	405	210

Area of Award 2017/18

Type of Applications	Awarded	Amount of award
Under Occupancy	141	51,390.55
Benefit Cap	17	12,383.54
Local Housing Allowance Reforms	13	14,912.16
Other Reason (Including Rent in Advance)	96	52,313.88
Combination of above	7	3,140.20
Totals	274	134,140.33

Area of Award 2018/19 (April to October)

Type of Applications	Awarded	Amount of award
Under Occupancy	84	28,139.28
Benefit Cap	9	4,143.86
Local Housing Allowance Reforms	9	5,530.26
Other Reason (Including Rent in Advance)	53	27,166.68
Combination of above	0	1,977.11
Totals	155	66,957.19



**Discretionary Housing
Payments Scheme**

Date: January 2019

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

Discretionary Housing Payments (DHP) Policy Guidelines

The Discretionary Housing Payments (DHP) scheme exists to deal with situations where statutory awards of Housing Benefit (HB) or Universal Credit with the Housing Element (UC) do not cover all the rent that is due.

Awards of DHP can cover the shortfalls between rental liability and payments of these benefits. To qualify for consideration for assistance from a DHP an applicant must already qualify for some HB or UC.

This document sets out Broxtowe's approach to the assessment and award of DHP and should be read in conjunction with the DWP DHP Guidance Manual.

1. Purpose of the Policy

The purpose of this Policy is to specify how the Council will operate the scheme and to indicate some of the factors that will be considered when deciding if a DHP can be made. The basic principles which apply to the scheme are:

- Each case will be treated strictly on its merits
- All claimants will be treated equally and fairly when the scheme is administered
- Where it is apparent that a claimant is not claiming another state benefit they maybe entitled to, they will be advised to make a claim in order to maximise their income.

2. Statement of objectives

The DHP scheme was initially conceived as providing short term emergency support covering HB shortfalls. However the scheme is changing, due to the changing face of statutory welfare provision. Since its inception the Social Sector Size Restriction and Benefits Cap legislations have been introduced as well as the changes to Local Housing Allowance rules. Plus, Universal Credit claimants can also apply for this type of payment if they are in receipt of the Housing Element.

These changes have brought with them an increase in DHP funding and, in exceptional circumstances, longer term awards maybe necessary and appropriate; However, DHPs do not exist to provide additional support to enable tenants to live in unsuitable properties.

The Council will seek, through the operation of these Policy Guidelines, to:

- Help tenants live in sustainable tenancies
- Have due regard for the operation of the HB and UC systems
- Target help to those who demonstrate a clear financial need

Objectives, which may be considered as part of any award, can include;

- Alleviating poverty
- Encouraging and sustaining people in employment
- Homelessness prevention
- Safeguarding residents in their own homes
- Helping those who are trying to help themselves
- Keeping families together
- Supporting domestic violence victims who are trying to move to a place of safety
- Supporting the vulnerable or the elderly in the local community
- Helping customers through personal and difficult events
- Supporting young people in the transition to adult life, or
- Promoting good educational outcomes for children and young people

3. Main Features of DHP Scheme

The main features of the scheme are:

- DHPs are discretionary
- Claimants do not have a statutory right to a payment
- It is a cash limited fund
- DHPs are not a payment of HB or UC
- The Council decides how the scheme is administered in its area
- Claims for DHP will be made using the Council's DHP application form
- Broxtowe will examine all income and expenditure of DHP applicants as part of considering any award
- HB or UC must be in payment for the benefit week that a DHP is awarded

DHPs can cover certain housing costs including:

- Rent in advance
- Deposits (although the Council does administer a deposit guarantee scheme to which claimants may be referred)
- Other costs associated with housing costs, such as removals

DHPs cannot cover:

- Service charges that are ineligible for HB or UC
- Rent increases due to arrears
- Certain sanctions and reductions in benefit

4. Claiming a DHP

A claim for a DHP must be made in writing using the Council's DHP application form. This can be made either on-line using the DHP application form, or by requesting a form by telephone, letter or email.

On request the Council will issue the claimant with a DHP application form. The claimant will be required to return the form to the Council within one month of its issue together with any relevant supporting evidence.

The Council may request evidence in support of an application. The Council reserves the right to verify any information or evidence provided by the claimant.

5. Period of award

The duration of the award is at the discretion of the Council who will decide upon the length of time for which a DHP will be awarded, this will be based upon the evidence supplied and the facts known. The duration of the award will usually not exceed 12 months and the start date will usually be the Monday after the DHP application form has been received.

Any request for an award to be renewed or extended beyond the period of the original award should be made in the same manner as the original claim.

6. Backdated award requests

Any reasonable request for backdating an award should be made at the time of application and reasons for requesting the backdate should also be provided. The Council will only backdate for a maximum of 12 months from the point of the DHP application.

7. DHP Decisions

The Council's Quality and Control (Q&C) section will be responsible for making the initial decision in respect of an award the period and the amount. When making this decision, the following will be taken into account:

- The suitability of the tenancy in relation to the needs of the claimant
- The actions of the claimant in requiring a DHP
- The shortfall between HB or UC and the rent liability
- Any steps taken by the claimant to reduce their rent liability
- The medical circumstances (including ill health and disabilities) of the claimant, their partner and any dependants and any other occupants of the claimant's household.
- The total income and total expenditure of the claimant, their partner and any dependant's or other occupants of the claimant's household.
- Any savings or capital that might be held by the claimant or their family.
- The level of and reasons for any indebtedness of the claimant and their family.
- The exceptional nature of the claimant and their family's circumstances, if any.
- The length of time they have lived in the property.
- The amount available in the DHP budget at the time of the application.
- The sustainability of the tenancy.
- The extent to which an award of DHP can help to sustain the tenancy

An award of a DHP does not guarantee that a further award will be made at a later date, even if the claimant's circumstances have not changed.

The amount of any DHP award is at the discretion of the Council and may be less than the difference between the liability and the amount of HB or UC being paid.

8. Notification of Decision

The Council will inform the claimant in writing of the outcome of their application as soon as possible and within 28 days of receipt of the application and supporting information being received.

Where the application is unsuccessful, the applicant will be advised of the reasons for the decision along with an explanation of the right of review.

Where the application is successful, the Council will advise on:

- The weekly amount of DHP awarded
- Whether it is paid in advance or in arrears
- The period of the award
- How, when and to whom the award will be paid
- The requirement to report a change in circumstances
- Any further action required of the applicant

9. The right to seek a review and Appeal

DHPs are not payments of HB or UC and are therefore not subject to statutory appeals process.

A claimant (or their appointee or agent) who disagrees with a DHP decision may request a review. This should be delivered in writing to the Council within one calendar month of the written decision about the DHP.

The Head of Revenues and Benefits Managed Service will review all the evidence held and make a decision as soon as practicable. If the decision is not revised, the applicant will be notified in writing, setting out the reasons for the decision as soon as reasonably practical.

Where the review is refused, the claimant will have the opportunity to request an appeal. All appeals must be made in writing within one calendar month of the review decision and will need to detail the reasons for the appeal. All appeals will be dealt with by a panel of Elected Members.

10. Method of Payment

The Council will decide the most appropriate person to pay based upon the circumstances of each case. This could include paying:

- The claimant
- Their partner
- An appointee

- Their landlord (or an agent of the landlord) or
- Any third party to whom it might be most appropriate to make payment

An award of DHP will be paid by the most appropriate means available in each case. this could include payment to a bank account or by crediting the claimant's rent account. The payment frequency will be in line with how HB or UC is paid.

11. Changes of Circumstances

The Council may revise an award of a DHP where the claimant's circumstances have materially changed.

12. Overpayments

Claimants should notify the Benefits section immediately of any change in their circumstances which may impact on their award of DHP.

The Council will seek to recover any overpaid DHP which arose from incorrect disclosure or omission of information by the applicant. An invoice will be issued to the claimant or the person to whom the award was paid.

13.Fraud

The Council is committed to the fight against fraud in all its forms. A claimant who tries to fraudulently claim a DHP by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under the Fraud Act 2006 or the Theft Act 1968.

Where the Council suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.

14.Publicity

The Council will publicise the scheme and will work with all interested parties to achieve this. A copy of this policy statement will be made available for inspection and will be posted on Broxtowe's web site. Information about the amount spent will be regularly reported to members.

15.Legislation

The legislation governing DHPs can be found in the Discretionary Financial Assistance Regulations 2001 (S1 2001/1167).

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 therein.

2. Background

The Corporate Plan 2016-2020 was approved by Cabinet on 9 February 2016. Business Plans linked to the five corporate priority areas of Housing, Business Growth, Environment, Health and Community Safety are subsequently approved by the respective Committees each year.

The updated Business Plans for the support service areas of Resources; Revenues, Benefits and Customer Services; and ICT and Business Transformation were approved by Full Council on 7 March 2018.

3. Performance management

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

This quarterly report is intended to provide this Committee with an overview of progress towards Corporate Plan priorities from the perspective of the Business Plans for the support service areas. It provides a summary of the progress made to date on Critical Success Indicators (CSI), key tasks and priorities for improvement in 2018/19 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 2018/19.

Background papers

Nil

APPENDIX

PERFORMANCE MANAGEMENT

1. Background - Corporate Plan

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

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

2. Business Plans

Business Plans linked to the five corporate priority areas and the support service areas of Resources; Revenues, Benefits and Customer Services; and ICT and Business Transformation were approved by respective Committees at meetings held in January/February 2018. The support services provide support to the key services to assist them in achieving the priorities and objectives.






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






3. Performance Management

As part of the Council's performance management framework, this Committee receives regular reports of progress against the Business Plans for the support service areas. This report provides the quarterly data relating to Critical Success Indicators (CSI) for each area and a summary of the progress made to date on key tasks and priorities for improvement in 2018/19 (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
	Warning
	Satisfactory
	Data Only
	Unknown


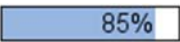

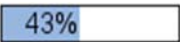



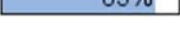




RESOURCES


Critical Success Indicators for Resources

Pentana Code	Indicator Description	Achieved 2016/17	Achieved 2017/18	Q1 2018/19	Q2 2018/19	Current Target	Trend	Comments (incl. benchmarking)
BV8	Creditor invoices paid within 30 days of receipt	99.1%	99.5%	99.5%	99.5%	99.0%	Stable	
BV12	Working Days Lost to Sickness Absence (Rolling Annual Figure)	9.73	13.64	9.80	8.97	7.50	Positive	Latest at 30 September 2018 was 8.97 days.
LALocal_07	Complaints determined by the Local Government/ Housing Ombudsman against the Council	6	2	0	1	0	Negative	No complaints determined against the Council in Q1.
LALocal_12	Freedom of Information requests dealt with within 20 working days	100%	95%	93%	93%	100%	Stable	In line with ICO guidance a target of 85% of requests sent a response within the appropriate timescales would be acceptable. Currently exceeding the ICO target.







Resources Key Tasks and Priorities for Improvement 2018/19

Status	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
Finance Services						
	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="width: 15%;"><div style="background-color: #4f81bd; height: 10px; width: 100%;"></div></div> 15%	31-Mar-2019	Due to the delays in the joint procurement exercise it is intended to conduct a tender exercise for Merchant Services ourselves in 2019/20 using information on our costs that have been collated.
	FP1821_02	Complete migration to the new Bank Account Sort Codes	Communicate the requirement of the change to relevant stakeholders	<div style="width: 80%;"><div style="background-color: #4f81bd; height: 10px; width: 100%;"></div></div> 80%	31-Mar-2020	Accounts in the large volume areas have been migrated during September 2018. Work continues to migrate remaining accounts.
Council Property						
	CP1620_01	Pursue tram compensation claim	Pursue tram compensation claim	<div style="width: 50%;"><div style="background-color: #4f81bd; height: 10px; width: 100%;"></div></div> 50%	31-Dec-2018	Final claim has been submitted and further payments are anticipated imminently.
	CP1620_03	Implement the Asset Management Plan 2016-21	Implement the Asset Management Plan 2016-21	<div style="width: 23%;"><div style="background-color: #4f81bd; height: 10px; width: 100%;"></div></div> 23%	31-Mar-2020	Work is ongoing.
Human Resources						
	HR1417_03	Review of payroll processes to introduce electronic forms	Review of payroll processes to introduce electronic forms	<div style="width: 90%;"><div style="background-color: #4f81bd; height: 10px; width: 100%;"></div></div> 90%	31-Mar-2018	E-Forms for Car Mileage Claims went live in April 2018.
	HR1620_02	Review of People Strategy	Review of People Strategy	<div style="width: 56%;"><div style="background-color: #4f81bd; height: 10px; width: 100%;"></div></div> 56%	03-Oct-2018	Heads of Service consulted. Revised draft to be presented to GMT.







Status	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
Human Resources (Continued)						
	HR1620_03	Development of a new Apprenticeship Strategy	Identify future skills requirements and improve career progression opportunities		31-Dec-2018	Work is ongoing to develop a robust strategy to be presented to Policy and Performance Committee on 14 November 2018.
	HR1720_01	Introduce 20 new online Broxtowe Learning opportunities by 2020	Expand range of opportunities to develop employee skills by adding further 20 modules to Broxtowe Learning Zone		31-Mar-2020	Since April 2018 five new courses were launched. One new course was introduced in quarter 2. Work on updating four courses has been completed.
	HR1720_02	Review the Employee Induction Programme	Ensure staff are equipped with the knowledge they need to perform at a high level		31-Jul-2018	Review of corporate induction programme was started in quarter 2.
Legal and Administrative Services						
	DEM1518_01	Implementation of committee management system	More efficient and effective production and distribution of agendas/improved web info.		31-De-2018	Training sessions completed. Implementation of the new system is to be completed by December 2018.
	DEM1518_02	Transfer of Land Charges function to Land Registry	Transfer of Land Charges function to Land Registry		Jun 2020	Discussions on migration of Land Charges are ongoing. Due date revised from 4 June 2018.
	LA1620_02	Reduce backlog of Legal Services Sundry Debtors caseload	Reducing irrecoverable debts outstanding to enable focus on those with a realistic prospect of recovery.		30-Apr-2019	Legal are working closely with other departments in an effort to reduce the accrual of bad debts in the Council.

Status	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
Legal and Administrative Services (Continued)						
	LA1821_01	Purchase and Implement Case Management System	Improve the management of cases and records	<div style="width: 75%; background-color: #4F81BD; color: white; text-align: center; padding: 2px;">75%</div>	31-Dec-2018	Case Management System purchased. Implementation scheduled for December 2018.



Resources Key Performance Indicators 2018/19

Status	PI Code & Name	2016/17	2017/18	Q1 2018/19	Q2 2018/19	Current Target	Trend	Notes
		Value	Value	Value	Value			
	FPLocal_01 Sundry creditors paid by BACS	87.6%	89.9%	91.5%	91.3%	90%	Positive	Target achieved.
	FPLocal_02 Sundry debtors raised in any one financial year paid in that year	80.5%	83.2%	78.8%	74.0%	90%	Negative	Comparable with previous years at this period.
	FPLocal_09 Invoices paid within 20 days	97.4%	98.5%	98.7%	98.3%	98%	Positive	Target achieved
	CPLocal_01 Industrial units vacant for more than 3 months %	0.5%	1.6%	1.7%	1.7%	5%	Stable	Target achieved
	CPLocal_02 Tenants of industrial units with rent arrears %	0.1%	6.6%	6.6%	6.6%	3%	Stable	Legal Services involved in pursuing rent arrears.
	CPLocal_05 % Beeston Square units vacant for more than 3 months	15.0%	15.0%	7.5%	7.5%	5%	Stable	Target not met. Level of arrears has reduced since 2017/18.

Resources Key Performance Indicators 2018/19 (Continued)

Status	PI Code & Name	2016/17	2017/18	Q1 2018/19	Q2 2018/19	Current Target	Trend	Notes
	BV16a Employees with a Disability %	7.46%	7.09%	7.43%	7.18%	10%	Positive	
	BV17a Ethnic Minority representation in the workforce – employees %	7.04%	6.87%	6.76%	6.50%	8%	Negative	This is the lowest value since 2014/15, however this in line with the borough profile. Prior to 2017/18 the percentage was in the range of 5.96% - 8.06%.
	HRLocal_06 Annual employee turnover %	16.3%	13.1%	5.3%	8.28%	10%	Negative	The data is a cumulative figure through the year. The score of 8.28% was at end of September 2018.
	HRLocal_07 Employees qualified to NVQ Level 2 and above %	85%	85%	85%	85%	88%	Stable	Overall Skill Levels remain constant as most leavers are at skill level 2 or above are replaced with new starters at skill level 2 and above.
	LALocal_04 Complaints acknowledged within 3 working days	82.3%	91%	97%	95%	100%	Positive	Achieved 82% in quarter 2 2017/18
	LALocal_06 Formal Complaints dealt with internally	10	22	4	4	15	Stable	The number of complaints dealt with internally at Q1 is slightly higher than for the same period in the previous two years.

Resources Key Performance Indicators 2018/19 (Continued)

Status	PI Code & Name	2016/17	2017/18	Q1 2018/19	Q2 2018/19	Current Target	Trend	Notes
	LALocal_13 Completed prosecutions in the Magistrates Court %	87%	100%	-	-	90%	Stable	In Q1 2018/19 no prosecutions were presented to the Magistrates Court.
	LALocal_14 Statutory Notices issued as a result of requests from Council Services %	-	-	1	4	-	Positive	New Performance Indicator with 2018/19 being the baseline year.

REVENUES, BENEFITS AND CUSTOMER SERVICES


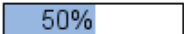

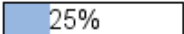



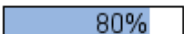


Critical Success Indicators for Revenues and Benefits

Pentana Code	Indicator Description	Achieved 2016/17	Achieved 2017/18	Q1 2018/19	Q2 2018/19	Current Target	Trend	Comments (incl. benchmarking)
BV9	Council Tax collected %	98.5%	98.5%	29.8%	57.6%	49.2%	Positive	Council Tax collection is in line with the profile and is expected to achieve the annual target.
BV10	Non-domestic Rates collected %	98.7%	98.8%	30.7%	57.3%	49.4%	Positive	Business Rates collected is in line with the profile and slightly higher than last year.

Critical Success Indicators for Revenues and Benefits (Continued)

Pentana Code	Indicator Description	Achieved 2016/17	Achieved 2017/18	Q1 2018/19	Q2 2018/19	Current Target	Trend	Comments (incl. benchmarking)
BV66a	Housing Rent collected as a proportion of the rent owed %	98.1%	98.2%	91.9%	93.3%	99.0%	Positive	<p>Work continues in this area with the Interim Rents Manager and additional Recovery Officers focusing attention on the reduction of arrears.</p> <p>Quarter 2 performance has shown further improvement from quarter 1 and remains similar to 2017/18.</p> <p>A new Rents Team structure will be presented to the Policy and Performance Committee on 13 December 2018. The Council is closely monitoring Universal Credit on rent arrears.</p>



Revenues and Benefits and Customer Services Key Tasks and Priorities for Improvement 2018/19

Status	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
	RBCS1620_01	Manage the introduction of Universal Credit (UC)	Transfer of working age HB claims will be administered by the DWP		31-Mar-2020	Universal Credit full roll out takes place on 14 November 2018 at Beeston Job Centre. This will mean that all new claims for benefit after this date will be expected to apply for Universal Credit. Existing benefit claimants will remain on their current benefits.
	RBCS1620_03	Replace the current CRM system (Meritec)	More effective system to record and refer customer contact.		31-Mar-2019	Over recent weeks, the project has developed significantly with a clear definition of roles and responsibilities as well as a project plan. It is expected that the new CRM will be in place May 2019.
	RBCS1620_05	Widen the use of e-forms	Widen the use of e-forms		31-Mar-2019	The expansion of e-forms is linked to the replacement CRM system.
	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-Mar-2019	The service is being reviewed and will be completed by 31 March 2019.
	HS1520_43	Reduce rent arrears whilst planning for the introduction of Universal Credit	Reducing levels of rent arrears		31-Mar-2019	Interim Rents Manager appointed. Additional resources are being sought to reduce arrears.

Revenues and Benefits Key Performance Indicators 2018/19

Status	PI Code & Short Name	2016/17 Value	2017/18 Value	Q1 2018/19 Value	Q2 2018/19 Value	Current Target	Trend	Notes
✓	BV78a Average speed of processing new HB/CTB claims (calendar days)	14.1	12.6	12.4	9.7	16.0	Positive	Performance continues to improve in respect of new claims processing.
✓	BV78b Average speed of processing changes of circumstances for HB/CTB claims (calendar days)	5.9	5.0	4.4	4.6	5.0	Positive	Performance in this area is currently exceeding target.
✓	BV79b(ii) HB overpayments recovered as % of the total amount of HB overpayment debt outstanding	27.8%	29.3%	10.3%	10.7%	29%	Positive	The current target is an annual figure. Quarterly profile is 10.60% for Quarter 2, showing performance is above target. Quarter 2 for 2018/19 was 8.64%.

Customer Services Key Performance Indicators 2018/19


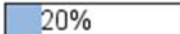

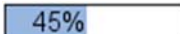




Status	PI Code & Short Name	2016/17 Value	2017/18 Value	Q1 2018/19 Value	Q2 2018/19 Value	Current Target	Short Term Trend	Notes
	CSDData_02 Calls Handled	81,809	84,068	20,463	19,295	84,000	Negative	The number of calls received is in line with profile for the year.
	CSDData_03a Calls abandoned of those offered to the Council %	21.8%	7.1%	27.0%	30.4%	14.0%	Negative	The Contact Centre was faced with a number of long term sickness issues and staff leaving within a short period of time. Work has been ongoing within the team. All those on long term sickness have now returned, and replacements for those leaving the Contact Centre have now started. In line with this, the Contact Centre has adapted its processes to maximise the number of calls being handled rather than being transferred to the back office. This new method of working has seen a reduction of 85% in the number of calls that go in to the back office.

ICT AND BUSINESS TRANSFORMATION



Critical Success Indicators for ICT and Business Transformation

Pentana Code	Indicator Description	Achieved 2016/17	Achieved 2017/18	Q1 2018/19	Q2 2018/19	Current Target	Trend	Comments (incl. benchmarking)
ITLocal_01	System Availability	98.9%	99.6%	99.6%	99.3%	99.5%	Negative	Disruption to internet and inter-council link reduced availability of systems in quarter 2. Steps have been taken to prevent this reoccurring.
ITLocal_05	Virus Protection	100%	100%	100%	100%	100%	Stable	

ICT and Business Transformation Key Tasks and Priorities for Improvement 2018/19

Status	Action Code	Action Title	Action Description	Progress Bar	Due Date	Comments
	IT1819_01	Digital Strategy Implementation	Implementation of action plan for the Digital Strategy.		31-Mar-2019	Resources allocations reviewed resulted in reduced progress on this action.
	IT1819_14	ICT Security Compliance			31-Mar-2019	
	IT1819_17	E-Facilities			31-Mar-2019	
	IT1819_20	Housing System - Enhancements	This project will provide the resource to assist the upgrade of the Capita OpenHousing system and implement the Total Mobile working solution.		31-Mar-2019	

ICT and Business Transformation Key Performance Indicators 2018/19

Status Icon	PI Code & Short Name	2016/17	2017/18	Q1 2018/19	Q2 2018/19	Current Target	Short Term Trend	Notes
		Value	Value	Value	Value			
	ITLocal_02 Service Desk Satisfaction	98%	100%	100%	100%	99%	Stable	
	ITLocal_04 BBSi Programme Completion	86%	100%	20%	59%	50%	Positive	Temporary resource has increased programme delivery.

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.

8 January 2019	<ul style="list-style-type: none"> • ICT Shared Service Annual Report • Council Tax Base 2019/20 • Irrecoverable Arrears • Local Council Tax Support Scheme 2019/20
14 February 2019	<ul style="list-style-type: none"> • Business Plans and Financial Estimates 2018/19 - 2020/21 • Budget Proposals and Associated Strategies • Grants to Voluntary Services and Community Organisations • Arrangements for Elections May 2019

3. Dates of future meetings

The dates for future meetings are to be confirmed.

(All meetings to start at 7.00 pm)

Recommendation

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

Background papers

Nil