

ASHFIELD DISTRICT COUNCIL



Council Offices,
Urban Road,
Kirkby in Ashfield
Nottingham
NG17 8DA

Agenda

Cabinet

Date: **Monday, 20th February, 2017**

Time: **6.30 pm**

Venue: **Council Chamber, Council Offices, Urban Road,
Kirkby-in-Ashfield**

For any further information please contact:

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01623 457318

CABINET

Membership

Chair:

Councillor Cheryl Butler

Councillors:

Jim Aspinall
Don Davis
Keir Morrison

Tim Brown
Jackie James
Nicolle Ndiweni

FILMING/AUDIO RECORDING NOTICE

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SUMMONS

You are hereby requested to attend a meeting of the Cabinet to be held at the time/place and on the date mentioned above for the purpose of transacting the business set out below.



R. Mitchell
Chief Executive

AGENDA

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1. **To receive apologies for absence, if any**
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Chair of the Committee: Cllr Lee Anderson
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Portfolio Holder: Cllr Cheryl Butler
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- Key Decision included in the Forward Plan of Executive Decisions**
Portfolio Holder: Cllr Jackie James
11. **The Council's Medium Term Financial Strategy 2018/19 to 2022/23** 167 - 174
- Key Decision included in the Forward Plan of Executive Decisions**
Portfolio Holder: Cllr Jackie James
12. **Approval to Accept £375k Local Growth Fund Contribution from D2N2 Local Economic Partnership (LEP) for Idlewells Indoor Market** 175 - 178
- Decision included in the Forward Plan of Executive Decisions.**
Portfolio Holder: Cllr Don Davis

Exempt Information

A Member of Cabinet is asked to move:-

“That in accordance with the provisions of Section 100A of the Local Government Act 1972, the press and public be now excluded from the meeting during the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 Part 1 of Schedule 12A of the Act and in respect of which the Proper Officer considers the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

13. **Council House Investment** 179 - 192
- Exempt Decision included in the Forward Plan of Executive Decisions**
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14. **Write-off of amounts over £5,000 for Non-Domestic Rates** 193 - 198
- Key and Exempt Decision included in the Forward Plan of Executive Decisions**
Portfolio Holder: Cllr Jackie James

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CABINET

**Meeting held in the Council Chamber, Council Offices, Urban Road, Kirkby-in-Ashfield,
on Thursday, 19th January, 2017 at 6.30 pm**

Present: Councillor Cheryl Butler in the Chair;

Councillors Jim Aspinall, Tim Brown, Don Davis,
Jackie James, Keir Morrison and
Nicolle Ndiweni.

Officers Present: Craig Bonar, Carol Cooper-Smith,
Edd deCoverly, Ruth Dennis, David Greenwood,
Alan Maher, Robert Mitchell and Carys Turner
Jones

In Attendance: Councillor Christine Quinn Wilcox

CA.53 Declarations of Disclosable Pecuniary and Non Disclosable Pecuniary / Other Interests

There were no Declarations of Interest.

CA.54 Minutes

RESOLVED

That the minutes of the meeting held on 24 November 2016 be approved as a true record.

CA.55 Corporate Scorecard: Quarter 2 Performance

Members were reminded that Cabinet had agreed in March of last year to adopt a 'Balanced Scorecard' methodology for measuring how well the Council was performing. This methodology placed greater emphasis on customer satisfaction and service quality and so should provide a more rounded way of measuring how the Council's new Corporate Priorities are being delivered.

The report to Cabinet set out the Balanced Scorecard information for the period April to September 2016. Members heard that 78% of the measures had improved compared to the same period of 2015 and that 83% of the measures had been achieved or exceeded their targets. These included the amount of waste recycled in the District, which had recorded improvements over the three summer months. Cabinet welcomed this.

Members discussed the report and the specific performance measures set out in the Scorecard. As part of this discussion they reviewed the significant improvements in performance that had been achieved and the areas where further action was still required. In particular, they were pleased with the positive views about the Council's staff. Local residents saw them as helpful and friendly. Cabinet noted the work which had taken place to find out the views of service users and looked forward to this being developed further.

RESOLVED

- a) That Cabinet approves the proposed Corporate Scorecard;
- b) That Cabinet notes the Quarter 2 Performance Levels.

Reasons

To monitor and manage performance outturn information for the Corporate Scorecard.

CA.56 Feasibility Studies

Cabinet then considered a report on the funding of Feasibility Studies to deliver priority projects linked to the Corporate Plan. The report explained that grant applications had been submitted to the Nottinghamshire Economic Prosperity Committee in late 2016 to fund six specific studies. The Committee had now considered these applications and had decided to approve them. As a consequence, the Council had been offered £156k of grant aid.

Cabinet welcomed the Economic Prosperity Committee's decision and made it clear that it wished to accept the grant aid. Members discussed briefly the priority projects that this grant aid would help to progress. These ranged from the remodelling of the Council's own leisure service through to important regeneration projects, such as the redevelopment of the Fox Street site in Sutton.

Cabinet noted that the Council would not have been able to make progress on these studies without this support. Members felt that the Council would have to increasingly seek out grants and funds from other organisations in this way if it was to continue to achieve its corporate priorities and objectives.

RESOLVED

- a) That Cabinet approves acceptance of the £156k grant offer from the Nottinghamshire Economic Prosperity Committee for the procurement of feasibility studies and evidence based work to support delivery of Ashfield District Council's priority projects;
- b) That Cabinet approves an increase in the Council's budget to accommodate match funding requirements, of up to £17,250;

- c) That Cabinet authorises the Chief Executive and the relevant Portfolio Holder to enter into funding agreements with the Accountable Body, Nottinghamshire County Council (NCC);
- d) That Cabinet authorises the Chief Executive and the relevant Portfolio Holder to vary funding agreements, where necessary.

Reasons

To help take forward 6 priority projects linked to the Corporate Plan.

CA.57 Update of the Ashfield Local Development Scheme

Members were informed that the Council was legally required to maintain an up to date Local Development Scheme. An updated scheme had been produced, which was attached to the report.

Cabinet considered and discussed the updated Local Development Scheme. Cabinet heard that whether the Council had produced and agreed a Local Development Scheme would be one of the tests of legal compliance investigated at any formal examination of the Local Plan.

At the conclusion of the discussion Cabinet endorsed the updated scheme.

RESOLVED

That Cabinet approves the Ashfield Local Development Scheme, as appended to the report and that it is brought into effect from 1 February 2017.

Reasons

To adhere to the legal requirement to maintain an up to date Local Development Scheme under the Planning and Compulsory Purchase Act 2004.

CA.58 Fees and Charges Review

The report to Cabinet explained that a review of the Council's Fees and Charges had taken place. The purpose of this review had been to make sure that the Council recovers fully the cost of its services rather than to run them at a loss. Members recognised how important it was to do this, given the need to make substantial financial savings.

Cabinet reviewed the specific changes that had been proposed. Members noted the proposed increase in cemetery charges. They were pleased to hear that this would be in line with the increases proposed by other Nottinghamshire councils.

RESOLVED

- a) That Cabinet agrees to increase cemetery charges in line with neighbouring authorities. This is expected to generate additional income of £10k;
- b) That Cabinet agrees to increase allotment fees by 2% for 2017/18, which is expected to generate additional income of £1,000;
- c) That Cabinet agrees the revised Fees & Charges booklet for 2017/18, with all the applicable increases taking effect as soon as practically possible after 1 April 2017.

Reasons

Additional income raised will contribute towards the Council's savings targets and continue to support the financing of a range of services.

CA.59 Consideration of the Future of Cash Collection Following Budget Consultation

Cabinet was asked to agree a new, more modern, approach to how the Council collects money. This new approach would involve a move away from collecting cash at local offices towards greater use of electronic methods, such as Direct Debit, online and telephone payments or payments made at 'Pay-Points' in shops and post offices across the District.

Cabinet was told that many other organisations – including most utility companies and a significant number of other local authorities now handle their transactions in this way. The proposed changes would bring the Council into line with what has increasingly become best practice. The new approach would also be less expensive to run and so allow the Council to make an annual saving.

Members discussed and welcomed the proposals, which they felt would improve the service by providing more payment options and help to meet the financial shortfall facing the Council. However, there was a clear consensus that the move away from collecting cash at the Council's own premises should be handled sensitively. Cabinet made it clear that it wanted those residents who still pay their bills in cash to be supported, so that their transition to more modern payment methods causes them as little confusion and inconvenience as possible.

RESOLVED

- a) That Cabinet agrees that cash collection should be modernised, to make full use of the most efficient channels, including Direct Debit, cash payments via Pay Point, electronic and telephone payments;
- b) That Cabinet agrees that a timetable be developed for the ending of direct cash collection through Council offices;

- c) That Cabinet agrees that the Project Team set up to implement this project ensures that residents are supported through the process, so that the transition is easy to manage for residents who have been used to paying cash at Council offices.

Reasons

This initiative is forecast to save £64k annually from the General Fund, with an additional saving of £28k per year from the Housing Revenue Account.

CA.60 Review of Community Engagement

The report to Cabinet proposed that an independent review take place of how the Council engages with the community. The aim of this review would be to find out what ways of engaging people work best and which of them offer the best value for money. In this context, the meeting was told only 9% of residents had attended Members Surgeries and that only 7% had attended Area Committee meetings.

Members discussed the report. They were especially interested in the role which social media could play in engaging local people. Specific mention was made of Twitter and how it had been successfully used to engage people during Overview & Scrutiny Committee and other meetings. Cabinet hoped that greater use could be made of social media in the future as a practical way of getting people involved in the work of the Council.

- a) That Cabinet agrees to an independent review of community engagement methodologies, to include Member Surgeries and Area Committees;
- b) That a report be brought to a future Cabinet meeting setting out recommendations for revised engagement methods.

Reasons

Ashfield Council is engaged in an ongoing programme of service reviews in the light of the need for continuing efficiency savings due to budget cuts and Community Engagement forms a key part of the ongoing review.

CA.61 Support Team Progress and Financial Update Report

Members received an update on the work and progress made by the multi-agency Support Teams for the New Cross and Broomhill areas of the District. They were reminded that the purpose of the Teams was to bring together the Council and its partners, so that they could integrate their activities and address more effectively the often complicated and interrelated problems affecting people in these areas.

Members discussed the report. They welcomed the success of the teams and the way in which they had worked with residents to address their complicated problems as a whole – rather than just focusing on the immediate, pressing,

issues facing them. This approach had not only been cost effective it had also helped to provide real support to those individuals and families in overcoming their difficulties.

Members felt that the work of the teams had been greatly beneficial and should continue to be supported. They hoped that the partner agencies, who had made a significant contribution to the work of the teams to date, would continue to do so.

RESOLVED

- a) That Cabinet acknowledges the progress made through Support Team working and recognises that the principles underpinning it are now being mirrored as part of the Integrated Service Hub review;
- b) That Cabinet acknowledges the leadership Ashfield District Council is showing as part of the public sector reform debate and in informing the county-wide integrated locality working project;
- c) That Cabinet confirms Council funding arrangements to fund the New Cross and Broomhill Support Teams in 2017/18 and beyond recognising the potential this creates to deliver further efficiencies through the integrated service hub review and wider public sector reform;
- d) That Cabinet agrees to continue to pursue funding arrangements with partner agencies;
- e) That Cabinet delegates authority to the Service Director – Place and Communities, in consultation with the Portfolio Holder for Community Safety and Engagement to vary resource levels and structures in both teams once partner contributions for 2017/18 have been confirmed.

Reasons

In establishing the Support Team approach, Ashfield District Council has positioned itself at the forefront of public sector reform in Nottinghamshire. The service, and the learning from working in this inter disciplinary way is helping inform service reform and integration at a County-wide level. The initiative has been judged to be 'Highly Commended' at the prestigious Municipal Journal Awards for reinventing Public Services 2016.

CA.62 Ashfield Community Partnership (Formerly Known as Ashfield Community Safety Partnership) Strategic Plan 2014-17 (Annual Refresh 2016)

Cabinet considered the Annual Refresh of the Ashfield Community Partnership Strategic Plan. The meeting was told that the Council has a legal duty to develop and keep up to date a strategy with its partners setting out how they will work together to tackle crime and disorder issues and to improve the quality of life for local residents.

Cabinet considered and welcomed the Annual Refresh of the Strategic Plan. In particular, Members welcomed the continued focus on improving the quality of life for local residents. They also welcomed the closer working relationship between the Council and the Police and the commitment in the Strategic Plan for even greater co-operation, especially on tackling Anti-Social Behaviour.

RESOLVED

That Cabinet recommends approval of the annual refresh (2016) of the Ashfield Community Partnership Strategic Plan 2014-2017 to Council.

Reasons

Approval of the annual refresh of the Ashfield Community Partnership Strategic Plan will ensure that legislative requirements have been met.

CA.63 Leisure Review - Huthwaite

The report to Cabinet provided an update on the Council's Leisure Facilities Review. It explained that there had been extensive public consultation about the review. This had shown public support for the strategy of concentrating resources on the three main leisure centres in the District – Lammas, Hucknall and Kirkby – rather than on the smaller facilities.

Members were told that the Huthwaite Leisure Centre was quite small and comparatively few people used it. As a consequence, the Centre was far more expensive to run per user than the other leisure centres. This was no longer financially sustainable.

The report proposed that the Council cease to operate the Centre. Instead, it should be offered to community groups or other third parties to see if they would like to run the Centre. The report recommended that if no one was prepared to do this then the Centre should close.

Members also heard that the public consultation had shown clear community support for retaining swimming facilities in Hucknall. For this reason it was now proposed that a review into swimming provision in Hucknall as a whole should take place, which would cover the Edgewood Leisure Centre. The Centre would continue to operate as normal while the review was carried out.

Cabinet discussed the report. There was a consensus that the closure of Huthwaite Leisure Centre would be a regrettable decision, but that the Council could no longer afford to run it. Members hoped that others would be prepared to take over the facility and felt that any group which came forward should be given advice and access to expertise in order to help them make a success of it.

RESOLVED

- a) That Cabinet agrees that bids should be invited from the Community or other interested parties for a sustainable future use of the Huthwaite

Leisure Centre site. That whilst exploring these alternative options, the operator Sport Leisure Management Ltd (SLM) be given six-months' notice;

- b) That Cabinet agrees to review the provision of swimming in Hucknall and that operations at the Edgewood Leisure Centre will remain the same whilst the review takes place and that a further report be brought to Cabinet in due course.

Reasons

To update Cabinet on a key Project from the Leisure Review within the Council's Corporate Plan (2016-2019).

CA.64 Consideration of Glass Collection Proposals Following Budget Consultation

The report to Council set out proposals for the Council's glass collection service. These involved a move from a four weekly collection of the small 55 litre boxes to an eight weekly collection of 140 litre bins. The change had been supported by the Council's Cross Party Waste Group. The report made it clear that the new approach would have many benefits. In particular, it would be easier and less messy for people to use than the existing box. It was also hoped that it would increase greatly glass recycling rates in the District.

Cabinet was told that the new approach would require a significant, once only, capital investment, but that this would be offset by an ongoing annual revenue savings of £50k per annum.

Members discussed the proposed changes. They noted that there had been extensive public consultation about the proposal to use bins to collect glass and that this had been strongly supported. Cabinet welcomed this. Cabinet also welcomed the continued use of special arrangements to collect glass from those who did not have the space to store the bins.

RESOLVED

- a) That Cabinet agrees that the method of collection be changed for glass bottles and jars from 44 to 55 litre blue boxes to 140 litre wheeled bins (multi-dwelling premises will continue to receive bespoke provision as necessary);
- b) That Cabinet agrees that the glass collection cycle for each property be changed from 4 weeks to 8 weeks;
- c) That Cabinet acknowledges that residents will be advised to retain their existing blue boxes;
- d) That Cabinet recommends to Council that a 2017/18 capital budget of £750k be created for the purchase and distribution of new 140 litre bins for glass (£710k) and associated management and communication costs (40k). £40k will be contributed from the Corporate Improvement

Fund towards funding the scheme;

- e) That Cabinet agrees that revenue budgets should be adjusted and reduced accordingly to enable a net annual saving of £50k to be realised;
- f) That Cabinet agrees to reduce the employee structure by 1 crew comprising 1 Waste Collection / Relief Driver and 2 Waste Collectors, and the vehicle fleet by 1 vehicle in order to deliver the required saving;
- g) That Cabinet acknowledges and approves the project approach, including risks and mitigations, as set out within the report;
- h) That to ensure timely and effective decision making Cabinet delegates authority to the Service Director – Places and Communities, in consultation with the Portfolio Holder – Environment, to vary the implementation timetable in line with the practical and logistical requirements of the project;
- i) That Cabinet delegates authority to the Service Director – Place and Communities, in consultation with the Portfolio Holder – Environment to finalise the policy regarding opting out and sharing bins with neighbours.

Reasons

The proposal will deliver a number of environmental, operational and financial benefits to the Council.

CA.65 Consideration of Selston Golf Course Following Budget Consultation

The report to Cabinet explained that the Council could no longer meet the operating cost of Selston Golf Course. It set out two options for the future. Either a community or other group could take over the golf course, or if this did not happen then it should close and be converted into a community park.

Members discussed the report. This was seen as another difficult decision that the Council would have to take. Cabinet welcomed the co-operation with Selston Parish Council to try and find an alternative operator. Members also supported the proposal that the site should be converted into a community park if no other operator came forward to run the golf course.

RESOLVED

- a) That Cabinet formally advises Nottinghamshire County Council that Ashfield District Council would be prepared to surrender its lease for the site should an alternate provider be found who would like to enter into a new lease with the County Council, or purchase the site outright;
- b) That Nottinghamshire County Council be supported in identifying any alternate interested parties in the site and assisting in the development of

any new agreement as required;

- c) That Cabinet authorises that should it be necessary to facilitate recommendation a) and b) above, the lease for the site known as Selston Golf Course be surrendered;
- d) That Cabinet confirms that should insufficient progress in both identifying and reaching agreement with the new provider have been made by 31 March 2017 that the golf course and café will be closed and the site turned into a community park;
- e) That Cabinet acknowledges the human resources and financial implications of this decision;
- f) That to ensure timely and effective decision making Cabinet delegates authority to the Service Director, Place and Communities, in consultation with the Portfolio Holder – Environment, to determine whether the threshold for ‘sufficient progress’ has been met and to decide at which point recommendation d) above should be enacted. This also includes a decision about whether the building and porta cabin should be removed from the site.

Reasons

To provide positive options for addressing the future of the Selston Golf Course site.

CA.66 Exclusion of Public and Press

RESOLVED

That in accordance with the provisions of Section 100A of the Local Government Act 1972, the press and public be now excluded from the meeting during the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act and in respect of which the Proper Officer considers the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

CA.67 Sale of Land - Plot 2 Butlers Hill Industrial Development Site, Hucknall

The report to Cabinet asked Members to agree the sale of Plot 2 of the Butlers Hill Industrial Development Site in Hucknall.

RESOLVED

- a) That Cabinet approves the sale of Plot 2 (approximately 1.7 acres) at Butlers Hill Industrial Estate;
- b) That Cabinet delegates authority to the Interim Service Director

Planning & Economic Development or the Chief Executive to conclude negotiations relating to the heads of terms of sale in conjunction with the Assistant Chief Executive (Governance);

- c) That Legal Services be instructed to draft the necessary legal documentation;
- d) That Legal Services sign and seal any documents required to finalise the transaction.

Reasons

The sale will provide a capital receipt, employment in the District and enable the development of part of the Butlers Hill site.

CA.68 Sale of Land - Plot 3 Butlers Hill Industrial Development Site, Hucknall

Cabinet was asked to agree the sale of Plot 3 of the Butlers Hill Industrial Development Site in Hucknall

RESOLVED

- a) That Cabinet approves the sale of Plot 3 (approximately 0.84 acres) at Butlers Hill Industrial Estate;
- b) That Cabinet delegates authority to the Interim Service Director Planning & Economic Development or the Chief Executive to conclude negotiations relating to the heads of terms of sale in conjunction with the Assistant Chief Executive (Governance);
- c) That Legal Services be instructed to draft the necessary legal documentation;
- d) That Legal Services sign and seal any documents required to finalise the transaction.

Reasons

The sale will provide a capital receipt, employment in the District and enable the development of part of the Butlers Hill site.

CA.69 Sale of Land Plot 5 Butlers Hill Industrial Development Site Hucknall - Sale of Land - Revision of Sale Terms

Cabinet was asked to agree the sale of Plot 3 of the Butlers Hill Industrial Development Site in Hucknall

- a) That Cabinet approves the revised sale price of Plot 5 (approximately 0.86 acres) at Butlers Hill Industrial Estate;

- b) That Cabinet delegates authority to the Interim Service Director Planning & Economic Development or the Chief Executive to conclude negotiations relating to the heads of terms of sale in conjunction with the Assistant Chief Executive (Governance);
- c) That Legal Services be instructed to draft the necessary legal documentation;
- d) That Legal Services sign and seal any documents required to finalise the transaction.

Reason

The sale will provide a capital receipt, employment in the District and enable the development of part of the Butlers Hill site.

The meeting closed at 7.35 pm

Chair.

Report To:	CABINET	Date:	20 FEBRUARY 2016
Heading:	SCRUTINY REVIEW OF HOME-MADE KERB SETS (CEMETERIES)		
Portfolio Holder:	CLLR TIM BROWN - ENVIRONMENT		
Ward/s:	ALL		
Key Decision:	NO		
Subject To Call-In:	NO		

Purpose Of Report

Home-made kerb sets was added to the Scrutiny workplan in October 2016. The reason for its addition relates to the potential impacts that home-made kerb sets have in reducing the Council's ability to maintain cemeteries to a high standard, thus increasing the number of complaints and potential health and safety risks.

This report provides Cabinet with the findings of Scrutiny Panel A in its review of the topic, which was undertaken over 2 meetings between November 2016 and January 2017. As part of the Panel's considerations, Members discussed the issue with the Council's Service Lead for Waste and Environment and the Cemetery Development Officer, who were in attendance at both meetings of this issue. Furthermore, a site visit to Sutton Cemetery took place on the 6 January 2017, to allow Members to see the issues being discussed first hand.

The Panel made 7 recommendations for Cabinet's consideration. In addition and in accordance with the Budget and Policy Framework Procedure Rules 10(B), Councillors Tony Brewer and Helen-Ann Smith submitted 2 minority recommendations. All recommendations are detailed below.

Recommendation(s)

Scrutiny Panel A resolved that the following recommendations be submitted to Cabinet for consideration:-

- 1. the current Cemetery Rules and Regulations regarding the prevention of erection of home-made kerb sets within the Council's cemeteries, be upheld;**
- 2. prior to any strict enforcement of the Council's cemetery regulations (in relation to the removal of home-made kerb sets), a targeted campaign be developed and undertaken by the Council's Communications Team to gradually raise the profile and awareness of the issue through recognised media outlets;**
- 3. it be reiterated by the Council that the issue of enforcement action in relation to the removal of home-made kerb sets be dealt with sensitively and**

compassionately whilst liaising with grieving relatives and friends of deceased loved ones;

4. to investigate the possibility of including a variety of photos of home-made kerb sets within information packs given to purchasers of burial plots to highlight the problems associated with their deterioration and subsequent blight on the surroundings, their encroachment onto adjacent plots and the difficulties being experienced by staff endeavouring to maintain the site around them;
5. the current procedures undertaken by the Council to assist purchasers of burial plots and the support offered to funeral directors, be strengthened to ensure that guidance is clear regarding the prohibited erection of home-made kerb sets;
6. the development of a cemetery guide (small pamphlet size) to assist burial plot owners and grieving relatives/friends to understand the rules and restrictions as applied to Ashfield cemetery sites and to circulate as widely as possible to appropriate venues (i.e. funeral directors, churches, libraries, bereavement charities, community venues etc.);
7. consideration be given to working with community groups to explore the options available in providing a memorial/reflection area or community garden within each of the Council's cemeteries to enable grieving relatives, friends and visitors to place items of remembrance for their loved ones.

In accordance with the Budget and Policy Framework Procedure Rules 10(B), Councillors Tony Brewer and Helen-Ann Smith submitted the following minority recommendations;

1. the current Cemetery Rules and Regulations regarding the prevention of erection of home-made kerb sets within the Council's cemeteries, be amended to allow for the installation of home-made kerb sets in accordance with agreed criteria to be specified at a later date;
2. the Regulations be amended to include a condition that should a home-made kerb set fall into disrepair, the Council have permission to remove it should all attempts to contact the owner of the burial plot to repair/reinstate the kerb set prove unsuccessful.

Reasons For Recommendation(s)

Panel Members agreed that upholding the Cemetery Rules and Regulations regarding the prevention of erection of home-made kerb sets within the Council's cemeteries would help alleviate some of the current issues relating to health and safety, general maintenance and consistency of rules for all. Furthermore, it was agreed that this is a sensitive and emotive issue and should be dealt with accordingly.

Furthermore, 2 minority recommendations were also submitted. These recommendations were supported by 2 Members of the Panel who concluded that due to the topic being highly emotive, grave owners should be able to place small items of remembrance around their plots.

Alternative Options Considered (With Reasons Why Not Adopted)

During the review, Members of the Panel considered a number of alternative options including reducing the size of equipment used for cutting grass (allowing easier access), the Council upskilling or employing workers to build (industry approved) kerb sets and adopting the status quo i.e. little to no enforcement due to sensitivities.

These options were withdrawn either due to cost implications or the issue increasing causing further difficulties in maintenance, health and safety and an increase in complaints.

Detailed Information

A review of cemeteries and their maintenance was first placed on the Scrutiny Workplan in July 2016. The scope of this review was amended in September 2016 following ongoing concerns regarding the installation of home-made kerb sets (adjoining gravestones/plots) which have become increasingly popular in recent years.

Aim of the Review

The aim of the review was to examine the impact that home-made kerb sets were having on the Maintenance, upkeep and appearance of the District's cemeteries and consider whether there were any changes required to the Cemetery Rules and Regulations booklet.

Terms of Reference

The terms of reference for the review were as follows:-

- to examine the impact that home-made kerb sets have on maintenance, upkeep and appearance of the District's cemeteries;
- to consider whether any amendments were required to the Council's current Cemetery Rules and Regulations booklet;
- to consider the impact of home-made kerb sets and the current regulations in place for residents and staff;

Methods of Investigation

The following methods of investigation were used for the review:

- Desktop Research
- Evidence from relevant Council officers;
- Visit to Sutton Cemetery

Findings

At the first meeting of the Panel, Members were introduced to the topic and received information from the Council's Service Lead for Waste and Environment and the Cemetery Development Officer. The Panel agreed that as cemeteries are and always will be an emotive area, any changes or options considered must be done with extreme care and sensitivity.

Members were informed that options relating to cemeteries and home-made kerb sets must be considered in order to improve maintenance and modernise processes where necessary. For the past few years there has been a noticeable increase in the appearance of home-made kerb sets within Ashfield Cemeteries. These often consist of stone, wire or plastic fencing with chippings and decorations.

Although there has been a ban on home-made kerb sets since April 2007, highlighted within the Cemetery Rules and Regulations booklet given out with every deeds (3.1.23: *No kerb sets, bell glasses, ornaments, wind chimes nor decorations of any kind will be permitted from April 2007*), enforcement of this was proving difficult.

The Council currently try to enforce the regulations by;

- speaking sensitively to relatives/friends in person at the cemetery site and ask for the kerb set(s) to be removed within one calendar month;
- sending a letter to relatives/owners of the burial plot(s) requesting removal of the kerb set(s) within one calendar month.

However, removal of the kerb sets was not currently undertaken by Council staff and they had been advised to leave a gap around the decorations and not attempt to maintain them following previous injuries being sustained due to hidden ornaments, glass, fences and decorations becoming caught up in the machinery and the risk of future incidents.

Current Levels

Within Ashfield's five working cemeteries, the number of grave plots with home-made kerb sets and additional decorations has increased dramatically, creating issues for both staff and public. The kerb sets often encroach on land beyond their allocated burial plots and cause ongoing difficulties for staff trying to maintain the cemetery grounds to an acceptable standard.

Site	Number of Home-Made Kerb Sets
Sutton	450
Kingsway New	115
Huthwaite	20
Hucknall	80

Issues Arising From Home-Made Kerb Sets

As part of the initial discussions, Members were made aware of the many different implications home-made kerb sets were having in terms of health and safety, maintenance, complaints and the funeral process.

Maintenance and Appearance

The presence of home-made kerb sets reduce the ability to maintain sites to a high standard thus increasing the number of complaints and even on occasion featuring in the press. The Council's grass cutting machinery is having difficulty manoeuvring around kerb sets between graves, resulting in the cemetery appearing to be unkempt.

In addition to this there have also been a number of complaints from members of public who feel that the over decoration of plots is encroaching on their relation's or friend's plot and making the cemetery look distasteful and messy. This is especially prevalent within the children's areas where kerb sets have been erected but then the grave is sometimes left unvisited and subsequently deteriorate.

Health and Safety

Health and safety is an issue for both visitors to the cemetery and staff maintaining the site. In the past cemetery staff have been injured whilst carrying out maintenance tasks due to hidden ornaments, glass, fences and decorations getting caught by machinery.

As such staff are now instructed to leave a gap around these decorations, where visible, in order to try avoid incident. However this not only leaves the plots looking untidy but also increases the amount of time needed to maintain the site, impacting on its overall appearance.

The Panel were informed during the review that this was not an issue that was exclusive to Ashfield, other Councils were experiencing similar problems. Injuries have been sustained within other councils caused by homemade kerb sets. In West Dunbartonshire Council a cemetery worker suffered broken bones due to prohibited decorations. Currently it has become a major task in minimising risk which has resulted in areas being untouched.

Funeral Operations

The presence of home-made kerb sets also has an impact of the running of funerals, neighbouring kerb sets often mean that staff are unable to gain access for machinery to dig graves and are unable to erect a spoil board thus creating a hazardous working environment.

There is also a knock on impact for the public who are often left unable to stand in proximity to the grave site throughout funerals, which is often distressing for the family and friends. In a month's period cemetery keepers were forced to remove homemade kerb sets for burials to take place. In these instances attempts were made to contact the family, sometimes without success, in order to notify them that the kerb sets needed to be removed. Due to the nature of the requirement the removals had to happen quickly thus families were at times unable to get there themselves forcing staff to remove instead.

Once again, Panel Members were informed of similar incidents occurring at other Council's cemetery sites. An incident earlier this year in Kilwinning cemetery, North Ayrshire, highlights the need for proactive action. The Council were forced to move kerb set decorations from a neighbouring grave in order to carry out burials, this resulted in the family being upset and the involvement of the press.

Options Considered

In considering actions that could be taken to alleviate the issue, Panel Members first discussed what viable options had been considered and the impact of each option. Members were informed that in order to consider this topic fully a wide variety of methods had already been considered.

These involved a range of techniques and actions undertaken including;

- Staff and stakeholder meetings,
- Consultations with specialists
- Peer reviews of other councils.

This have enabled all stakeholders in relation to cemeteries to be consulted and a range of priorities and objectives to be considered.

All of the ideas generated were considered and the core three have been scored against the following SMART objectives:

- To reduce the number of home-made kerb sets on all council cemetery sites.
- To reduce the amount of time it takes to maintain the grass in cemetery sites.
- To minimise accident and hazardous risks within cemetery sites

- To reduce the number of complaints received from members of the public regarding the maintenance of the grass on the cemetery sites.

Panel Members also tasked officers with consideration of further viable options including the Council offering the service of installing kerb-sets, procuring smaller grass cutting equipment (allowing easier access between plots to maintain the site) and options for receiving feedback/views from visitors. The responses to which are all detailed in this report.

Option One

To allow grave deed holders to have an area of one foot in front of the headstone to erect kerb sets and have ornaments.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Less time taken to remove • Mowers will be able to go between the rows 	<ul style="list-style-type: none"> • Hard to measure the allowances • Cemetery staff would still be unable to mow near the headstones • Cemetery staff would still be unable to trim near to the fences • High health and safety risk regarding hidden ornaments. • May still impact operational processes for funerals • Stonemasons will still have difficulty in accessing headstones and will continue to be a safety risk to them. • Still increase the time needed to mow the sites
Opportunities	Threats
<ul style="list-style-type: none"> • Grave owners with kerb sets may be more willing to remove a portion of the kerb set rather than the whole. 	<ul style="list-style-type: none"> • In other comparable cases members of the public have reacted negatively to having to remove elements of their decorations. • Issues may still arise when people start to take more space than allowed. • Still can be classed as an eye sore and impact of neighbours' graves.

Through evaluating the option of allowing grave deed holders an area of one foot in front of the headstone to erect kerb sets and have ornaments it is clear that although it would be a feasible option it would not be viable.

The financial impact of this option would be the cost of sending the letters and the staff time required to manage the changes. However the results would not benefit the health and safety and maintenance of the sites. As such it would fail to meet the majority of the objectives.

Option two

To enforce current regulations and organise the removal of current homemade kerb sets.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Mowers will be able to go between the rows • Cemetery staff will be able to trim near to the headstones • A minimised health and safety risk regarding hidden ornaments. • Operational processes will no longer be impacted • Stonemasons will be able to carry out work without impediment or risk • Reduce the amount of time needed to maintain the sites 	<ul style="list-style-type: none"> • Staff will face confrontation from members of the public unhappy with the decision. • Letter send outs will have an initial time and financial cost.
Opportunities	Threats
<ul style="list-style-type: none"> • The public will be happier with the level of maintenance being attained on the sites. • A clear consistent approach will be easier to enforce. 	<ul style="list-style-type: none"> • In other comparable cases grave owners with kerb sets have reacted negatively to having to remove elements of their decorations.

Through evaluating the option of enforcing current regulations and organising the removal of current homemade kerb sets it is clear that it would be both a feasible and viable option. The financial impact of this option would be the cost of sending the letters and the staff time required to manage and enforce the changes, however the results would meet the majority of the objectives.

The only risk and possible negative outcome from this approach would be negative feedback from grave owners with home-made kerb sets. This has been seen within other districts who have also enforced the regulation strictly however so far no authority has gone back on their decision.

Option three

To take no action and allow current kerb sets to remain and new to be erected.

Strengths	Weaknesses
<ul style="list-style-type: none"> • No conflict with members of the public 	<ul style="list-style-type: none"> • Cemetery staff would still be unable to mow near the headstones • Cemetery staff would still be unable to trim near to the fences • High health and safety risk regarding hidden ornaments. • Will continue to impact operational processes for funerals

	<ul style="list-style-type: none"> • Stonemasons will continue to have difficulty in accessing headstones and will continue to be a safety risk to them. • Still increase the time and resources needed to mow the sites • Will not be able to maintain a high level of site quality and thus will continue to receive complaints regarding this • The number of kerb sets will no doubt increase thus increase the maintenance time and possibly render some of the current machinery unusable.
Opportunities	Threats
<ul style="list-style-type: none"> • Grave owners with kerb sets will be happy that they get to keep their kerb sets. 	<ul style="list-style-type: none"> • Neighbouring graves will continue to complain regarding the upkeep and encroachment of kerb sets. • Pressures from external stakeholders regarding the issues that kerb sets have will continue.

Through evaluating the option of no action and allowing current kerb sets to remain and new to be erected it is clear that although it would be a feasible option it would not be viable. There would be no direct financial impact of this option, however the results would not benefit health and safety and would increase the cost of maintenance of the sites. As such it would fail to meet the majority of the objectives.

In considering these three options, Members of the Panel discussed whether there were any alternative options available and tasked officers with a number of considerations. These and their responses are detailed below;

- **ascertaining the potential costs for the Council providing a service to install kerb sets within cemetery sites on behalf of plot owners should a decision ever be taken to relax the restrictions currently contained in the Council's Cemetery Rules and Regulations booklet;**

For any kerb set installed on site it would need to meet health and safety and insurance standards, therefore would need to abide by the BRAMM and NAMM accreditation and only use materials approved for this purpose. The average cost of a basic kerb set is £2000-£2500. As such the costs would be as follows:

Fixing Monoliths & Lawn Type Memorials to the NAMM Code of Working Practice (for experienced stone masons only)	£300 + VAT per person
Safety Inspection and Assessment of Memorials in Burial Grounds	£300 + VAT per person
Salary of 1 qualified stonemason	£26,000 av. (annual)
City & Guilds Advanced Diploma in Stonemasonry	£9,000
Branch Registration (NAMM)	£5.00
Fixer Registration (NAMM)	£25.00
Business Registration (NAMM)	£50.00 (annual)
Employee Liability £10 mill	
Public Liability £5 mil	

- **investigating the possibility of equipping cemetery staff with smaller grass trimmers and gardening equipment to enable the grass to be better maintained in-between graves and to provide an estimated cost for providing and maintaining this additional equipment;**

Having spent time researching with Lead Environment Officers the strimmer's currently used are deemed to be the only type suitable. Although there are other smaller models these do not come with the vibration minimising technology required in order to keep HAVs levels low.

In addition to this the bulk of the size around the head is caused by the guard which does not decrease dramatically in size with smaller models.

Any cutting by hand would dramatically increase the time maintenance of plots would take. This would result in either the requiring of additional staff, which would incur high additional costs, or if carried out by staff on site would significantly impact on the site's overall maintenance level and would create issues of unmanaged areas especially during the summer months or at times of high funeral rates.

- **consider options for receiving feedback/views from visitors (local and out of district) to the Council's cemeteries in relation to the increasing presence of homemade kerb sets and their impact, either positive or negative, on the quality of the setting as a place of mourning and remembrance of loved ones.**

There are a number of methods for gathering feedback, letters to grave owners, notices on site etc. however general post outs would be extremely costly and could not guarantee answers. When residents take on ownerships of the Rights of Burial they are clearly made aware of the rules and regulations, including no homemade kerb sets, which apply to our sites. If the current regulations are to be more strictly enforced a more proactive approach through the press to notify would show that the Council is taking every possible opportunity for families to remove any precious items themselves.

However there is feasibility to gather more public views and feedback relating to other cemetery decisions which has recently been demonstrated within the extension consultations. In addition to this there is the potential to consult on other topics such as the possibility of memorial gardens or areas for plaques (which in themselves would provide residents with more affordable memorial options).

Site Visit

A site visit was arranged for Members on the 6 January 2016. The purpose of this visit was to allow Members to see first-hand the impact of some of these kerb sets and consider what possible options were available.

Other Discussions

As part of the review Members discussed and debated a whole range of issues relating to home-made kerb sets. These included;

- the feasibility of concreting in-between the burial plots of children's graves (particularly the paths) to ensure ease of future maintenance and thus relaxing the rules to allow kerb-sets to remain or be installed as appropriate;
- acknowledgement that any enforcement action to remove kerb sets from cemetery sites would need to be handled carefully and sensitively to minimise distress to relatives, friends or owners of burial plots;
- acknowledgement that the installation of kerb sets by the Council would not be cost effective and therefore the possibility for the work to be undertaken professionally (in accordance with strict guidelines) but remain the responsibility of the plot owner;
- recognition of the ongoing difficulties being experienced by cemetery staff to cut the grass satisfactorily in-between graves and the poor impression this ultimately creates in relation to the Council's perceived standards of care and maintenance of its cemetery sites;
- the problems associated with the 'digging out' of graves on plots flanked by graves with kerb sets (new and old) with mechanical digging equipment being unable to access the area safely to undertake the work required;
- the possibility for undertaking selective enforcement to remove kerb sets dependent on their size and level of hindrance to surrounding graves and burial plots;
- the problems associated with untended kerb sets falling into disrepair and decay and their impact on the cemetery site as a place of mourning and remembrance;
- the efforts undertaken by Council staff to contact owners/relatives of graves and kerb sets that have fallen into disrepair to request that the graves be tidied/repared as appropriate;
- the importance of having a clear policy with guidelines that can be easily followed and understood with any enforcement action being robust and consistent for all owners/relatives of graves and burial plots;
- the benefits of reiterating the requirements outlined in the Cemetery Rules and Regulations Booklet to relatives of the deceased, at a suitable time once the initial period of intense grief and mourning has passed, to enable the information to be more readily understood and taken on board as appropriate.

Conclusion

In concluding this review, Members of the Panel agreed that the issue was one that requires a sensitive and considerate solution. However, due to the problems associated with home-

made kerb sets, including health and safety and the inability to maintain sites to an acceptable standard due to personal items from grieving relatives / friends, the Panel concluded that the current restriction on home-made kerb sets as detailed within the Cemetery Rules and Regulations booklet should be upheld.

Furthermore, there are some additional actions that the Panel agreed would assist in increasing awareness of the issue in a sensitive and compassionate manner. These are detailed in the recommendations (alongside 2 minority recommendations).

Finally, in addressing alternative options for a grieving relative / friend, Panel Members would welcome some initial work to be undertaken in exploring options around the future consideration of a memorial/reflection area or community garden.

Implications

Corporate Plan:

Place and Communities and the commitment that we will work with our partners to ensure we deliver services centred on the needs of people and places.

Organisational Improvement and the commitment to show value for money as well as being an employer people want to work for.

Legal:

The Cemetery Rules and Regulations booklet given out with all deeds clearly states that *“No kerb sets, bell glasses, ornaments, wind chimes nor decorations of any kind will be permitted from April 2007”*.

Finance:

Maintenance of cemeteries is currently contained within the revenue budget. There is currently no capacity within this budget for any options relating to the provision of additional services. Any growth in budget will require a separate report to Cabinet.

Budget Area	Implication
General Fund – Revenue Budget	Any growth in budget will require a separate report to Cabinet.
General Fund – Capital Programme	Not applicable
Housing Revenue Account – Revenue Budget	Not applicable
Housing Revenue Account – Capital Programme	Not applicable

Human Resources / Equality and Diversity:

There are no direct HR implications in relations to Terms and Conditions, however it does consider the impact of home-made kerb sets on the working environment and Health and Safety issues for employees working within the cemeteries.

Other Implications:

No further implications have been identified.

Reason(s) for Urgency (if applicable):

None

Background Papers

The Cemetery Rules and Regulations booklet

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Report To:	CABINET	Date:	20 FEBRUARY 2017
Heading:	SCRUTINY REVIEW OF FUEL POVERTY AND AFFORDABLE WARMTH		
Portfolio Holder:	CLLR JIM ASPINALL - HEALTH AND WELL-BEING		
Ward/s:	ALL		
Key Decision:	NO		
Subject To Call-In:	NO		

Purpose Of Report

Fuel Poverty and affordable warmth was added to the 2016/17 Scrutiny workplan to explore and understand the impact of fuel poverty and affordable warmth on households, review existing policies and strategies to alleviate fuel poverty in both the short and long term and consider the opportunities for Ashfield District Council to work in partnership to provide assistance and support to residents in the future.

This report provides Cabinet with the findings of the Overview and Scrutiny Committee in its desktop review of the topic, which was undertaken in January 2017. As part of the Committees considerations, Members discussed the issue with the Portfolio Holder for Health and Well-being and the Council's Business Contingency and Sustainability Manager, who were both in attendance at the January meeting. The Panel made 7 recommendations for Cabinet's consideration.

Recommendation(s)

The Overview and Scrutiny Committee resolved that the following recommendations be submitted to Cabinet for consideration:-

- **members of the Council's Sustainability Team be thanked for their successful efforts to reduce Fuel Poverty and promote Affordable Warmth in the District**
- **Fuel Poverty continues to be recognised as a priority within the Health and Well-being agenda as a major determinate of health and duly considered as part of ongoing Health and Well-being priorities;**
- **the Council formally writes to Ministers recommending that it once again should be a mandatory requirement on energy suppliers to provide smart meters for all of their customers and not just "offer them";**
- **Corporate Communications be asked to prepare an appropriate media release explaining the Committee's concerns;**
- **improved information be provided on the Councils web site and social media explaining what people can do to become more energy efficient;**

- the Committee receives an update following the discussions between Cabinet and Robin Hood Energy;
- the Committee revisits the issue in six months' time.

Reasons For Recommendation(s)

Reducing fuel poverty and improving affordable warmth forms part of the Council's corporate priorities and key activities in relation to health and well-being, housing and place and communities.

Alternative Options Considered (With Reasons Why Not Adopted)

As detailed in the report

Detailed Information

A review of fuel poverty and affordable warmth was first placed on the Scrutiny Workplan in July 2016 following concerns regarding the far reaching effects that this can have on all aspects of life including health, employment and education. Members were interested in considering whether existing policies and strategies had helped to alleviate it and whether there were opportunities for the Council to work in partnership to tackle the problem.

Aim of the Review

The aim of the desktop review was to;

- Gain an understanding of what action is currently being taken;
- Consider the different services involved in delivering improvements in this area;
- Consider the partnership work currently being undertaken with external providers;
- Consider what further action could be taken such as education, advice, support and partnership working;

Terms of Reference

The terms of reference for the desktop review were as follows:-

- to examine the impact of fuel poverty and the detrimental effects it has on health and well-being;
- consider national and local actions / initiatives put in place to improve affordable warmth;
- consider any additional actions that could be undertaken to continue improvements in fuel poverty and affordable warmth.

Methods of Investigation

The following methods of investigation were used for the review:

- Desktop Research;
- Evidence from relevant Council officers and Portfolio Holder.

Findings

In addressing the topic of fuel Poverty, Members of the Committee invited both the Portfolio Holder for Health and Well-being and the Council's Business Contingency and Sustainability Manager to their first meeting to introduce the issue.

The Committee were informed that Ashfield has higher than average levels of Fuel Poverty in some wards in the District and that it is especially prevalent in older private rented housing, which often lack insulation or efficient heating systems. Many of those who live in the least energy efficient properties also have low incomes and often have to buy energy at high costs. This was seen as a specific problem for those who have to use prepaid meter cards, which can prove to be very expensive for them.

Members were also informed of the links between fuel poverty, affordable warmth and health and well-being. The Health and Wellbeing Agenda is seen as being a priority for Ashfield District Council with Cabinet appointing its own Portfolio Holder to lead on this area. The Service Director for Corporate Services has also been appointed as the lead officer to support this agenda.

Health and well-being encompasses many different agendas – it is about physical, mental, social and environmental well-being. By working holistically on all of these aspects, a person's life can be improved. If a person has a home that is warm, safe and affordable, has access to relevant and appropriate health care, has a social network that meets their needs and is able to access services and facilities within their neighbourhood that enables them to remain active and to participate independently for longer – then this reduces the burden on acute services that have to deal with the fall out of actions not having been delivered holistically.

Fuel Poverty

The Annual Fuel Poverty Statistic Report, published in 2016, highlighted that in 2014 the number of households in fuel poverty in England was estimated at 2.38 million, representing approximately 10.6 per cent of all English households. This is an increase from 2.35 million households in 2013 (a change of around 1.4 per cent).

The average fuel poverty gap (the amount needed to meet the fuel poverty threshold), fell by 2.1 per cent between 2013 (£379) and 2014 (£371). The aggregate fuel poverty gap across all fuel poor households also reduced over this period, from £890 million to £882 million (0.9 per cent).

The relative nature of the fuel poverty indicator makes it difficult to isolate accurately absolute reason for change. However, in summary:

- Some households close to the fuel poverty threshold have seen a lower than average increase in disposable income and, therefore, have been pushed into fuel poverty;
- Fuel prices have increased more than energy efficiency gains, leaving households with higher energy costs in 2014 compared to 2013. However, fuel poor households have seen *smaller* increases in energy costs than the overall population, which has reduced the fuel poverty gap.

Definitions

There are two definitions of Fuel Poverty, the low income high cost definition and the 10% definition:

Low Income High Cost Definition

Following the independent review of fuel poverty by Professor Hills, in July 2013 the Government adopted a new definition for Fuel Poverty - This new Low Income High Cost (LIHC) definition finds a household to be fuel poor if:

- their income is below the poverty line (taking into account energy costs); and
- their energy costs are higher than is typical for their household type.

The 'fuel poverty gap' is the difference between a household's modelled energy costs and what their energy costs would need to be (reduce to) for them to no longer be fuel poor. The bigger the gap the more severe the issue. This LIHC definition is the Government's official measurement of fuel poverty, previously fuel poverty was measured using the following definition:

10% Definition

A household is said to be in fuel poverty if it spends more than 10% of its income on fuel to maintain an adequate level of warmth (usually defined as 21°C for the main living area and 18°C for other occupied rooms. This broad definition of fuel costs also includes modelled spending on water heating, lights, appliances and cooking. The new LIHC definition finds fewer households to be in fuel poverty than under the 10% definition.

Fuel poverty is caused by a combination of factors including:

- low household income
- homes with poor energy efficiency
- under occupancy
- fuel prices.

Effects of Fuel Poverty

Fuel poverty can damage people's quality of life and health, as well as impose wider costs on the community. The likelihood of ill health is increased by cold homes, with illnesses such as influenza, heart disease, and strokes all exacerbated by the cold. Cold homes can also promote the growth of fungi and numbers of house dust mites. The latter have been linked to conditions such as asthma. Ill health can lead to enforced absences from work, and certain types of illness, such as respiratory disease, may restrict choices of potential employment for those without work.

The need to spend a large portion of income on fuel means that fuel poor households may have to make difficult decisions about other household essentials. This can lead to poor diets and/or withdrawal from the community. The impact of fuel poverty on different demographics and social groups is wide and varied.

Older People

Householders aged 60 years or more make up a large proportion of the fuel poor. Resistance to respiratory disease falls when temperatures fall below 16°C. Temperatures below 12°C result in raised blood pressure caused by the narrowing of blood vessels, which also lead to an increase in thickness of the blood as fluid is lost from the circulation. This, with raised fibrinogen levels due to respiratory infections in winter, is associated with increased deaths from coronary thrombosis in cold weather. About half of excess winter deaths are circulatory in cause, due to the above factors.

In addition, cold causes other discomfort for older people, for example worsening arthritic pains or contributing to a general feeling of illness. Research indicates that domestic accidents, including fatalities, are more common in cold homes in winter. Periods of prolonged immobility can result, making it even more difficult for older people to keep warm. People may need to go into residential care because of their injuries, or because they can no longer live in their cold home.

Fuel poverty can also exacerbate the social isolation felt by many older households; they cannot afford to go out; or are fearful of going out knowing they will come in, already feeling cold, to a cold home; or are reluctant to invite friends into a cold house. These factors can diminish the social well-being and quality of life of older households.

Children

Families with children account for 15-20% of fuel poor households. Children are particularly vulnerable to respiratory conditions such as asthma, which have been linked to cold and damp homes. Cold homes also increase the time taken to recover from other illnesses so that children may be off school more, affecting their education and development. Homework can also suffer if the family is squeezed into a small part of their home, and there is nowhere for the children to study in quiet. Fuel poverty therefore impairs the opportunities available for children.

People with a disability or Long Term Illness

Fuel poverty may compound the ill health and suffering of those who are disabled or have a long-term illness. It is likely to exacerbate existing problems and lengthen recovery time. Cold homes may make it more difficult for carers to look after acutely or chronically sick people, more of whom will have to go into hospital needlessly – or go permanently into a nursing home.

The cost of cold-related ill health can be counted in more than the misery caused to the individuals affected. Increased illness also adds to the pressures on health and social care services.

Factors Effecting Fuel Poverty

Dwelling characteristics: A combination of features affects the levels of fuel poverty:

- Buildings constructed with solid walls have a higher prevalence of fuel poverty compared to those with cavity walls;
- Both older and larger buildings see higher levels of fuel poverty compared to new builds and smaller dwellings;
- Households with no boiler or a non-condensing boiler have higher levels of fuel poverty compared to those with condensing boilers;
- The level and depth of fuel poverty is also greater for households not connected to the gas grid.

Location: Regional differences affect the level and depth of fuel poverty and are related to the age of the housing stock, climatic conditions and relative income levels across the country.

- The North East, Yorkshire and the Humber, West Midlands and the South West of England have the highest proportion of households in fuel poverty compared to the East and South East;
- Rural areas have a much higher proportion of households that are not connected to the gas grid, and therefore, a higher level and depth of fuel poverty.

Household characteristics: Fuel poverty varies across household characteristics due to differences in income, different energy requirements, or a combination of both.

- Households living in private rented houses have the highest prevalence of fuel poverty whereas owner occupied households have the lowest;
- Single parent households have the highest levels of fuel poverty and households consisting of only those aged 75 and over have the lowest prevalence;
- Unemployed households have higher levels of fuel poverty;
- Households paying for fuel by pre-payment meters have the highest levels of fuel poverty for both gas and electricity; however, they have the lowest fuel poverty gap.

The Governments Position on Fuel Poverty

In December 2014, the Government introduced a new statutory fuel poverty target for England. The target is to ensure that as many fuel poor homes as reasonably practicable achieve a minimum energy efficiency rating of a Band *C1*, by 2030. To support the implementation of this target, the Government published 'Cutting the cost of keeping warm: a fuel poverty strategy for England', in March 2015. The strategy also set out interim milestones to lift as many fuel poor homes in England as is reasonably practicable to Band *E* by 2020; and Band *D* by 2025, alongside a strategic approach to developing policy to make progress towards these targets.

A household is considered to be fuel poor if it has higher than typical energy costs and would be left with a disposable income below the poverty line if it spent the required money to meet those costs. It captures the fact that fuel poverty is distinct from general poverty: not all poor households are fuel poor, and some households would not normally be considered poor but could be pushed into fuel poverty if they have high energy costs. Fuel poverty is therefore an overlapping problem of households having a low income and facing high energy costs.

Benefits of tackling fuel poverty

The following points summarise the wider benefits of tackling fuel poverty in the district;

- Reduced household energy bills and potentially more disposable income to spend locally;
- Reduced number of hospital admissions and reduced hospital stays;
- Increased life expectancy particularly in less prosperous neighbourhoods ;
- Improved respiratory health and mental health of occupants;
- Improvements to general health and fewer visits to the GP;
- Households that are warmer with reduced levels of damp and mould;
- Improvement works generate employment in the local area;
- Reduced reliance on state intervention.

Fuel Poverty in Ashfield

As previously mentioned in this report the measure used to determine fuel poverty that has been adopted states that a household is living in fuel poverty if;

- It has an income below the poverty line (including if meeting the required energy bill would push the household below the poverty line) and
- Has higher than typical energy costs

This low income / high fuel cost indicator enables the Council to measure the extent as well as the depth of the problem by calculating both the number of fuel poor households and gauging to what extent they are affected. This gap between actual income and income

required is utilised to gain a better understanding around fuel poverty and enables government to focus efforts on the nature and causes of the worst levels of fuel poverty.

According to the Annual Fuel Poverty Statistics Report published in June 2016, 9.3% of households in Ashfield are in fuel poverty (Table A).

Table A

% of households in fuel poverty (%) (from 2012 to 2014) for Ashfield & All local authority districts in East Midlands

Period	Fuel poverty			
	%			
	Ashfield	Minimum for All local authority districts in East Midlands	Mean for All local authority districts in East Midlands	Maximum for All local authority districts in East Midlands
2012	12.5	9.6	11.9	15.6
2013	9.5	7.7	9.4	11.9
2014	9.3	7.2	9.7	12.2

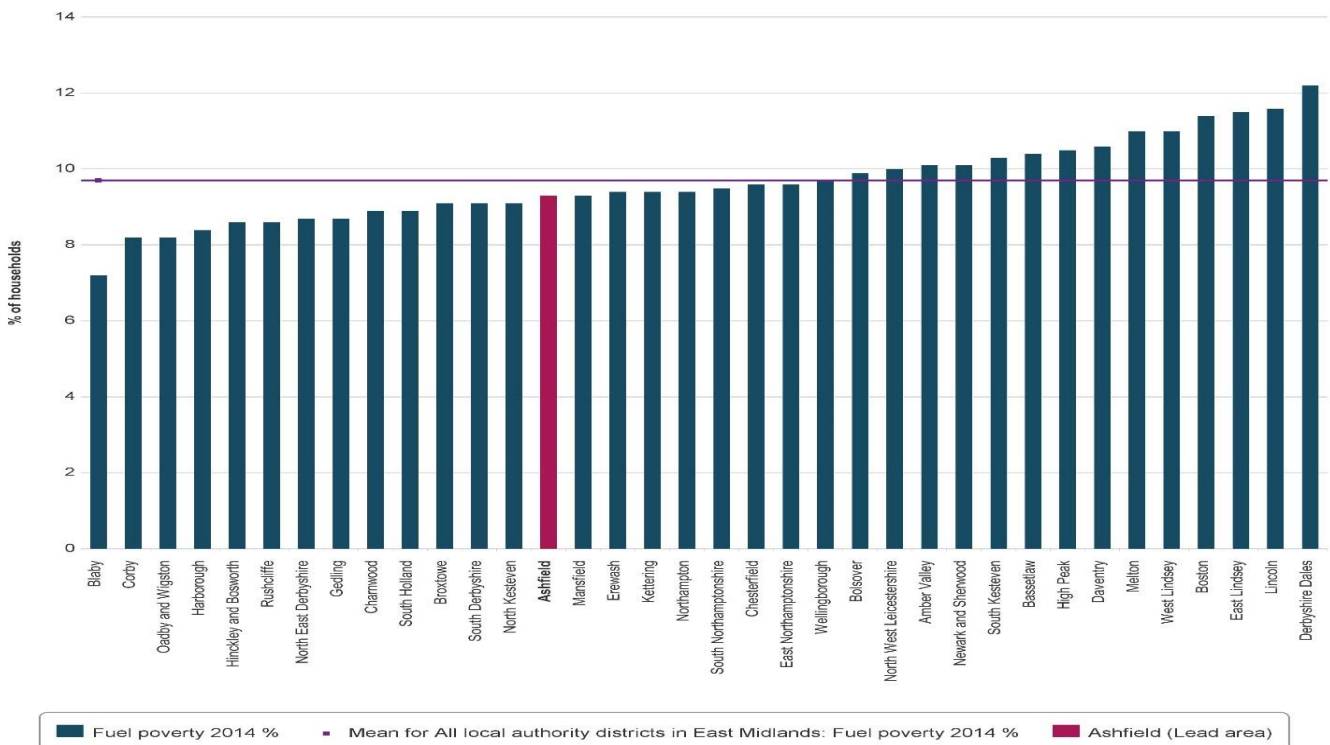
Source:
Department of Energy and Climate Change

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Table B shows the % of households in fuel poverty in comparison to other local authority districts in the east midlands

Table B

% of households in fuel poverty (%) (2014) for Ashfield & All local authority districts in East Midlands



Source:
Department of Energy and Climate Change

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In discussing the action taken in Ashfield, Members were informed that the Council had taken many steps to reduce Fuel Poverty in the District. This consisted of measures to bring down the amount of energy used, through better insulation, installing more fuel efficient boilers etc. It also consisted of support to help people switch to cheaper gas and electricity tariffs.

However, although a lot had been done to help address Fuel Poverty, a substantial number of improvements were still required to bring all homes in the District up to the appropriate levels of energy efficiency and to ensure that everyone had access to Affordable Warmth.

The Committee were also informed that the Council's own housing stock had been maintained to the 'Decent Homes' standard, which meant that nearly all of the properties were properly insulated and energy efficient.

Private housing in Ashfield

In the private sector there are many owner occupied homes that are in a state of disrepair at the last Private sector stock condition survey in 2006, 31% of the homes in the private sector did not meet the decent homes standard.

The Council's Private Sector Enforcement Team has seen a significant increase in requests for assistance from private tenants who are living in homes with chronic disrepair issues. Over the last 4 years case numbers have risen year on year especially in the winter months with many of the problems linked to excess cold, damp and mould due to fuel poverty, and chronic disrepair.

Selective Licensing

Selective Licensing was introduced by the Housing Act 2004; it allows local housing authorities to designate areas experiencing low housing demand and/or significant and persistent anti-social behaviour. A designation can be in force for a maximum of 5 years.

Within a designation area all privately rented properties require a licence to operate. The owner of the rented property will need to make an application to the Council for a licence. The licence is valid for a maximum of 5 years and will contain a series of conditions that the license holder must meet. Breaches of licence conditions are a criminal offence, as is the failure to apply for a licence which could lead to a prosecution and an unlimited fine.

Within the designated areas of Stanton Hill and Sutton Central all privately rented properties now require a license to operate from the 1st February 2017. The owner of the rented property will need to make an application to the Council for a license for each property.

Energy Suppliers and Smart Meters

As part of the discussions with officers and the Portfolio Holder, the Committee felt that one of the easiest ways of making sure people have access to Affordable Warmth is by helping them to switch energy suppliers, so that they pay the lowest possible tariffs. Members were told that the Council has put a lot of effort into helping residents to do this, and especially elderly people who may be worried about changing from suppliers who they may have been with for years. But given that there was only one part time officer available to carry out this work, capacity was restricted.

Members agreed that it would be helpful if more could be done to highlight the support which is available from a variety of sources to improve energy efficiency and about how to change their energy suppliers in order to get the lowest tariffs. This was seen as a practical way of tackling Fuel Poverty and promoting Affordable Warmth, which would require few if any extra resources to implement.

Members also expressed their concern about how the energy supply market operates and especially how difficult it can be for ordinary people to find out what tariffs they are currently paying, so they can compare these to other suppliers and change to them if they are able to offer a lower price.

The Committee was told about the national introduction of 'Smart Meters', which measure exactly how much energy people use and how much they are paying for each unit of energy. Members were disappointed to hear that the Government had changed its policy on them. Instead of requiring that every home should have a Smart Meter installed by 2020, it only now requires that energy companies offer householders one.

Members felt that this would greatly reduce the take-up, including the take-up by people in Fuel Poverty, who might benefit greatly by having a Smart Meter. The Committee felt that Ministers should be urged to once again make the installation of Smart Meters for all customers a mandatory requirement on energy supply companies.

As part of these discussions, the Committee discussed the work that had been carried out by Nottingham City Council through their 'Robin Hood Energy' scheme to provide low tariffs. The scheme had been successful and as a consequence had helped to bring down the prices of other suppliers locally.

Conclusion

In concluding this review, Members of the Committee agreed that the issue was one of great importance and co-ordinated action, work with partners and greater access to information could greatly improve the lives of those living in fuel poverty.

The Committee acknowledged the resource difficulties but welcomed the work that had already been carried out in addressing fuel poverty. Members also agreed that the Selective Licensing Scheme could also be beneficial in improving conditions, including fuel poverty, in the future.

There was a consensus that the Committee revisit this issue again in six months' time and that specific action be taken to help raise awareness of the options for tackling Fuel Poverty by promoting energy awareness and confidence in switching suppliers to access cheaper rates. Furthermore encouraging greater awareness regarding the installation and use of Smart Meters may allow people to understand what they are using and how they are using it.

The recommendations put forward for Cabinet consideration reflect the Committee's acknowledgment of the importance of affordable warmth and working to eradicate fuel poverty through information, education, partnership working and support.

Implications

Corporate Plan:

Reducing fuel poverty and improving affordable warmth forms part of the Council's corporate priorities and key activities in relation to health and well-being, housing and place and communities.

Legal:

There are no legal implications contained in this report.

Finance:

There are no direct financial implications contained in this report. Ongoing improvement aspirations in education, information and partnership working are recognised to be contained within existing allocated resources.

Budget Area	Implication
General Fund – Revenue Budget	None
General Fund – Capital Programme	None
Housing Revenue Account – Revenue Budget	None
Housing Revenue Account – Capital Programme	None

Human Resources / Equality and Diversity:

There are no Human Resources implications contained in this report. The report recognises the impact that fuel poverty can have on those with living with disabilities.

Other Implications:

No further implications have been identified

Reason(s) for Urgency (if applicable):

None

Background Papers

Cutting the cost of keeping warm: a fuel poverty strategy for England
Ashfield District Council Corporate Plan 2016-2019
Housing Strategy for Ashfield 2016-2020

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Ruth Dennis
Assistant Chief Executive, Governance

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Agenda Item 6



Report To:	CABINET	Date:	20 FEBRUARY 2017
Heading:	REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) UPDATE		
Portfolio Holder:	CLLR CHERYL BUTLER - LEADER OF THE COUNCIL		
Ward/s:	N/A		
Key Decision:	NO		
Subject To Call-In:	YES		

Purpose Of Report

The report is to update Cabinet on the use of the Regulation of Investigatory Powers Act (RIPA) policy in the past 12 months and to approve the amendments needed to the policy.

Recommendation(s)

Cabinet to approve and accept the proposed amendments to the Policy;

Cabinet to delegate responsibility to the Assistance Chief Executive for all minor amendments to the Policy;

Cabinet to note that the Council has not authorised any covert surveillance pursuant to the RIPA powers in the past 12 months.

Reasons For Recommendation(s)

The current Code of Practice and Council policy requires that Members are updated on RIPA authorisations on an annual basis. This report complies with that requirement.

The Policy should also be reviewed regularly to ensure it remains up to date and fit for purpose. The proposed amendments to the policy comply with that requirement

Alternative Options Considered (With Reasons Why Not Adopted)

The alternative is not to approve the proposed amendments to the policy which could put the Authority at risk of challenge.

Detailed Information

Regulation Of Investigatory Powers Act 2000 – Annual Update

The Policy:

1. The RIPA policy was amended in 2013 following the inspection by the Office of the Surveillance Commissioners [“OSC”].
2. There are some further amendments necessary to ensure the policy is compliant with legislation and associated guidance.
3. The policy is attached at appendix 1 and the proposed amendments have been tracked for ease of reference.
4. Whilst the Chief Commissioner from the OSC is yet to approve the amended policy, the Inspector has made some comments which have been incorporated into the policy with an indication that he will be praising the Council’s policy in general terms. In light of this it is unlikely a further inspection will be necessary.

Update on the Use of RIPA:

1. In the past 12 months **no** covert surveillance has been authorised.
2. If the Council is required to carry out covert surveillance in the course of its enforcement work, it must comply with the Regulation of Investigatory Powers Act 2000 and related Codes of Practice.
3. The Council has a Policy in place which sets out a process for ensuring covert surveillance activity is carried out in accordance with the law. In accordance with the Policy and the Code of Practice, the Cabinet must receive an annual report.
4. Members are asked to note the update.

Implications

Corporate Plan:

Ashfield District Council is an enabler of local leadership in Ashfield.

Ensuring our people, structures, systems, processes and practices are ‘fit for purpose

Legal:

All legal issues are outlined in the report and detailed in the policy.

Finance:

The recommendations in the report have no direct financial implications

Budget Area	Implication
General Fund – Revenue Budget	None
General Fund – Capital Programme	None
Housing Revenue Account – Revenue Budget	None
Housing Revenue Account – Capital Programme	None

Human Resources / Equality and Diversity:

HR - It is recommended that all officers whose duties are linked to surveillance in any way are provided with adequate training (repeated/refreshed periodically) to ensure they fully understand the RIPA policy and how it applies to their work. Training is carried out on a rolling programme by the Shared Legal Service.

Equality & Diversity - Implications are considered in the body of the policy, in particular in relation to Article 8 of the Human Rights Act.

Other Implications:

None identified

Reason(s) for Urgency (if applicable):

N/A

Background Papers

NONE

Report Author and Contact Officer

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Ruth Dennis
ASSISTANT CHIEF EXECUTIVE (Governance)



ASHFIELD DISTRICT COUNCIL
REGULATION OF INVESTIGATORY POWERS
ACT 2000 (RIPA)
POLICY AND GUIDANCE

Proposed: 03 February 2017

Approved: 20 February 2017

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Deleted: 12 December 2013

CONTENTS

1. Policy
2. Guidance
3. Appendix A – List of Authorising Officers
4. Appendix B – Flowchart
5. Appendix C – Links to Home Office - Forms
6. Appendix D – Links to Home Office - Codes of Practice
7. Appendix E – Links to Home Office – Guidance for Application at the Magistrates' Court.

Approved: ~~XX~~

Cabinet Minute Reference: ~~XX~~

Delegated Decision Reference:

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ASHFIELD DISTRICT COUNCIL
POLICY ON REGULATION OF INVESTIGATORY
POWERS ACT 2000 (RIPA)

Ashfield District Council only carries out covert surveillance where such action is justified and endeavours to keep such surveillance to a minimum. It recognises its obligation to comply with RIPA when such an investigation is for one of the purposes set out in that Act and has produced [this Guidance](#) document to assist officers undertaking this type of work (“Authorising” and “Investigating Officers”).

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Applications for authority

A Chief Officer authorised by the Council (an “Authorising officer”) will consider all applications for authorisation in accordance with RIPA – [See appendix A for a list of Authorising Officers](#).

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Any incomplete or inadequate application forms will be returned to the applicant for amendment.

The authorising officer shall in particular ensure that:-

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- There is a satisfactory reason for carrying out the surveillance
- The serious crime threshold is met
- The covert nature of the investigation is necessary
- Proper consideration has been given to collateral intrusion
- The proposed length and extent of the surveillance is proportionate to the information being sought
- [Authorisation from the Head of Paid Service \(Chief Executive\)](#) is sought where confidential legal/journalistic/medical/spiritual welfare issues are involved
- The authorisations are reviewed and cancelled
- Records of all authorisations are sent to the [Principal Solicitor](#) for entry on the Central Register

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Once authorisation has been obtained from the Authorising officer, the Authorising Officer or his/her nominee ([e.g. investigating officer](#)) will attend the Magistrates' Court in order to obtain Judicial approval for the authorisation. [See flowchart at appendix B](#).

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Training

Each Authorising Officer shall be responsible for ensuring that relevant members of staff within their Directorate are aware of the Act's requirements.

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The Shared Legal Service will provide advice and regular updates as well as specific training upon request.

Central register and records

The Principal Solicitor shall retain the Central Register of all authorisations issued by Ashfield District Council.

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The Assistant Chief Executive (Governance) & Monitoring Officer, in conjunction with the Principal Solicitor, will monitor the content of the application forms and authorisations to ensure that they comply with the Act.

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Senior Responsible Officer ("SRO")

The SRO is a role required by the Office of the Surveillance Commissioner ("OSC") with oversight of the Council's use of RIPA powers. The SRO is the Assistant Chief Executive (Governance) & Monitoring Officer who will only act as an Authorising Officer for the Council in exceptional circumstances to avoid any conflicts with the SRO role.

RIPA Coordinating Officer

The RIPA Co-ordinating Officer has the responsibility for the day-to-day RIPA management and administrative processes observed in obtaining an authorisation and advice thereon and this role is performed by the Principal Solicitor.

REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

GUIDANCE

DIRECTED SURVEILLANCE AND COVERT HUMAN INTELLIGENCE SOURCE

1. Purpose

The purpose of this guidance is to explain

- the scope of RIPA – Part II;
- the circumstances where it applies; and
- the authorisation procedures to be followed

2. Introduction

2.1 This Act, which came into force in 2000, is intended to regulate the use of investigatory powers exercised by various bodies including local authorities, and ensure that they are used in accordance with human rights. This is achieved by requiring certain investigations to be authorised by an appropriate officer and approved by the judiciary before they are carried out.

2.2 The investigatory powers, which are relevant to a local authority, are directed covert surveillance in respect of specific operations involving criminal offences that are either punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months imprisonment or are related to the underage sale of alcohol and tobacco and the use of covert human intelligence sources (CHIS). The Act makes it clear for which purposes they may be used, to what extent, and who may authorise their use. There are also Codes of Practice in relation to the use of these powers and the Home Office web site link for these is at **Appendix C and D.**

2.3 Consideration must be given, prior to authorisation as to whether or not the acquisition of private information is necessary and proportionate, i.e. whether a potential breach of a human right is justified in the interests of the community as a whole, or whether the information could be obtained in other ways.

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3. Scrutiny and Tribunal

3.1 External

3.1.1 As of 01 November 2012, the Council must obtain an order from a Justice of the Peace approving the grant or renewal of any authorisation for the use of directed surveillance or CHIS before the authorisation can take effect and the activity is carried out. The Council can only appeal a decision of the Justice of the Peace on a point of law by judicial review.

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3.1.2 The Office of Surveillance Commissioners (OSC) was set up to monitor compliance with RIPA. The OSC has “a duty to keep under review the exercise and performance by the relevant persons of the powers and duties under Part II of RIPA”, and the Surveillance Commissioner will from time to time inspect the Council’s records and procedures for this purpose.

3.1.3 In order to ensure that investigating authorities are using the powers properly, the Act also establishes a Tribunal to hear complaints from persons aggrieved by conduct, e.g. directed surveillance. Applications will be heard on a judicial review basis. Such claims must be brought no later than one year after the taking place of the conduct to which it relates, unless it is just and equitable to extend this period.

3.1.4 The Tribunal can order:

- Quashing or cancellation of any warrant or authorisation;
- Destruction of any records or information obtained by using a warrant or authorisation;
- Destruction of records or information held by a public authority in relation to any person.

3.1.5 The Council has a duty to disclose to the tribunal all documents they require if any Council officer has:

- Engaged in any conduct as a result of such authorisation;
- Any authorisation under RIPA.

3.2 **Internal Scrutiny**

3.2.1 The Council will ensure that ~~the~~ Senior Responsible Officer ~~is~~ responsible for:

- The integrity of the process in place within the public authority to authorise directed surveillance;
- Compliance with part II of the 2000 Act, Part III of the 1997 Act and with the accompanying Codes of Practice;
- Engagement with the Commissioners and Inspectors when they conduct their inspections; and
- Where necessary, overseeing the implementation of any post-inspection action plans recommended or approved by a Commissioner.

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3.2.2 The Elected Members of the Council (“Cabinet”) will ~~receive updates on the~~ use of the Act ~~at least once a year~~ and ~~set/review~~ the Council’s policy and guidance documents ~~where necessary~~. They will also consider internal reports on use of the Act ~~where necessary~~ to ensure that it is being used consistently with the Council’s policy and that the policy remains fit for purpose. They should not, however, be involved in making decisions on specific authorisations.

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3.3 Unauthorised Activities

3.3.1 If an Officer is concerned that surveillance/CHIS activity is taking place and there is no authorisation under RIPA, he/she should notify the Assistant Chief Executive (Governance) & Monitoring Officer immediately.

3.3.2 If any activity is deemed to be unauthorised, it will be reported to the OSC.

4. Benefits of RIPA authorisations

- 4.1 The Act states that if authorisation confers entitlement to engage in a certain conduct and the conduct is in accordance with the authorisation, then it will be lawful for all purposes. Consequently, RIPA provides a statutory framework under which covert surveillance activity can be authorised and conducted compatibly with Article 8 of the Human Rights Act 1998 – a person's right to respect for their private and family life, home and correspondence.
- 4.2 Material obtained through properly authorised covert surveillance is admissible evidence in criminal proceedings.

5. Definitions

- 5.1 'Covert' is defined as surveillance carried out in such a manner that is calculated to ensure that the person subject to it is unaware that it is or may be taking place. (s.26 (9)(a))
- 5.2 'Covert human intelligence source' (CHIS) is defined as a person who establishes or maintains a personal or other relationship with a person for the covert purpose of obtaining/providing access to/ disclosing, information obtained through that relationship or as a consequence of the relationship. (s.26 (8))
- 5.3 'Directed surveillance' is defined as covert but not intrusive and undertaken:
- for a specific investigation or operations;
 - in such a way that is likely to result in the obtaining of private information about any person;
 - other than by way of an immediate response (s.26 (2)).
- 5.4 'Private information' includes information relating to a person's private or family life but has a wide meaning, not excluding business or professional activities.
- 5.5 'Intrusive' surveillance is covert surveillance that is carried out in relation to anything taking place on any residential premises or in any private vehicle and involves the presence of an individual on the premises or in the vehicle or using a surveillance device. **Ashfield District Council may not authorise such surveillance.**

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5.6 'Authorising officer' in the case of local authorities these are specified as Assistant Chief Officers (and more senior officers), Assistant Heads of Service, Service Managers or equivalent, responsible for the management of an investigation (see Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 (SI 2010/521)). Ashfield District Council has appointed the Chief Executive, Deputy Chief Executive, and Service Directors as "authorising officers". Please refer to appendix A for a list of Authorising Officers for Ashfield District Council.

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6. When does RIPA apply?

6.1 Where the directed covert surveillance of an individual or group of individuals, or the use of a CHIS, **is necessary for the purpose of preventing or detecting crime or of preventing disorder.**

6.2 The Council can only authorise **Directed Surveillance** to prevent and detect conduct which constitutes one or more criminal offences. The criminal offences must be punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months imprisonment or be an offence under:

- a) S.146 of the Licensing Act 2003 (sale of alcohol to children);
- b) S.147 of the Licensing Act 2003 (allowing the sale of alcohol to children);
- c) S.147A of the Licensing Act 2003 (persistently selling alcohol to children);
- d) S.7 of the Children and Young Persons Act 1933 (sale of tobacco, etc, to persons under eighteen).

6.3 CCTV

The normal use of CCTV is not usually covert because members of the public are informed by signs that such equipment is in operation. However, authorisation should be sought where it is intended to use CCTV covertly and in a pre-planned manner as part of a specific investigation or operation to target a specific individual or group of individuals. Equally a request, say by the police, to track particular individuals via CCTV recordings may require authorisation (from the police).

The Council's CCTV is managed by Newark and Sherwood District Council.

6.4 Online Covert Activity

Reviewing open source sites do not require authorisation unless the review is carried out with some regularity, usually when creating a profile, in which case directed surveillance authorisation will be required. If it becomes necessary to breach the privacy controls and become, for example, a “friend” on the Facebook site, with the investigating officer utilising a false account concealing his/her identity as a Council Officer for the purposes of gleaning intelligence, this is a covert operation intended to obtain private information and should be authorised, at a minimum, as directed surveillance. If the investigator engages in any form of relationship with the account operator then the investigator becomes a CHIS requiring authorisation as such and management by a Controller and Handler with a record being kept and a risk assessment created.

Where the serious crime threshold is not met in relation to an investigation, surveillance of social media sites could amount to a breach of an individual's Article 8 rights for which there is no protection offered by RIPA. Officers using social media sites as part of an investigation should seek advice from the Shared Legal Team as to when an authorisation for directed surveillance or CHIS would be required.

7. **Covert Human Intelligence Source**

7.1 Put simply, this means the use of members of the public, undercover officers or professional witnesses to obtain information and evidence.

7.2 The RIPA definition (section 26) is anyone who:

- a) establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraphs b) or c);
- b) covertly uses such a relationship to obtain information or provide access to any information to another person; or
- c) covertly discloses information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.

Any reference to the conduct of a CHIS includes the conduct of a source which falls within a) to c) or is incidental to it.

References to the use of a CHIS are references to inducing, asking or assisting a person to engage in such conduct.

7.3 Section 26(9) of RIPA goes on to define:

- a) a purpose is covert, in relation to the establishment or maintenance of a personal or other relationship, if, and only if, the relationship is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of that purpose; and
- b) a relationship is used covertly, and information obtained as mentioned in s 26(8) (c) above and is disclosed covertly, if, and only if it is used or as the case may be, disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the use or disclosure in question.

7.4 With any authorized use of a CHIS, the Council must ensure that arrangements are in place for the proper oversight and management of the CHIS, this includes appointing individual officers as Handlers and Controllers in relation to the CHIS (s.29(5)(a) and (b)).

7.5 There is a risk that an informant who is providing information to the Council voluntarily may in reality be a CHIS even if not tasked to obtain information covertly. It is the activity of the CHIS in exploiting a relationship for a covert purpose which is ultimately authorised in the 2000 Act, not whether or not the CHIS is asked to do so by the Council. When an informant gives repeat information about a suspect or about a family and it becomes apparent that the informant may be obtaining the information in the course of a neighbourhood or family relationship, it may mean that the informant is in fact a CHIS. Legal advice should always be sought in such instances before acting on any information from such an informant.

7.6 Detailed advice regarding applications for use of a CHIS are set out at paragraph 8.1.6 below. In the event that the use of CHIS is considered, the Principal Solicitor must be consulted before any steps are taken to engage the CHIS.

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7.7 Juvenile Sources

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Special safeguards apply to the use or conduct of juvenile sources; that is sources under the age of 18 years. On no occasion should the use or conduct of a source under the age of 16 years be authorised to give information against his parents or any person who has parental responsibility for him. The duration of a juvenile CHIS is **one** month. The Regulation of Investigatory Powers (Juveniles) Order 2000 SI No. 2793 contains special provisions which must be adhered to in respect of juvenile sources. Any authorisation of a juvenile CHIS must be made by the Head of Paid Service (Chief Executive) or an Officer authorised on his behalf.

7.8. **Vulnerable Individuals**

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A vulnerable individual is a person who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of himself, or unable to protect himself against significant harm or exploitation. Any individual of this description should only be authorised to act as a source in the most exceptional circumstances. Any authorisation of a juvenile CHIS must be made by the Head of Paid Service (Chief Executive) or an Officer authorised on his behalf.

8. **Authorisations (see flowchart at Appendix A)**

8.1 **Applications for directed surveillance**

8.1.1 All application forms must be completed fully with all the required details to enable the authorising officer to make an informed decision.

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An authorisation provides for one period of Directed Surveillance lasting three months. If a proposed operation is expected to be completed in a shorter timeframe, the authorisation will still last for three months but an appropriately early review should be carried out and, if the operation is no longer necessary or proportionate the authorisation should be cancelled.

Officers should ensure they are using the most up-to-date forms for RIPA Authorisations. Application forms are available on the Home Office website:

<https://www.gov.uk/government/collections/ripa-forms--2>

No authorisation shall be granted unless the authorising officer is satisfied that the investigation is:

- Necessary for the purpose of preventing or detecting crime. It must be a criminal offence punishable whether summarily or on indictment by a maximum sentence of at least 6 months imprisonment or related to the underage sale of alcohol or tobacco (see para 6);
- Proportionate to the ultimate objective. This has 3 elements, namely, (1) that the method of surveillance proposed is not excessive to the seriousness of the matter under investigation, (2) the method used must be the least invasive of the target's privacy, (3) the privacy of innocent members of the public must be respected and collateral intrusion minimised (see 8.1.2).
- Collateral Intrusion i.e. intrusion on, or interference with, the privacy of persons other than the subject of the investigation and consider/assess the risk;
- No other form of investigation would be appropriate.

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Necessity: Covert surveillance cannot be said to be necessary if the desired information can reasonably be obtained by overt means. It must also be necessary for the purpose of preventing or detecting conduct which constitutes one or more criminal offences as set out in paragraph 6 above.

Proportionality: The method of surveillance proposed must not be excessive in relation to the seriousness of the matter under investigation. It must be the method which is the least invasive of the target's privacy.

Collateral intrusion, which affects the privacy rights of innocent members of the public, must be minimised and use of the product of the surveillance carefully controlled so as to respect those rights.

The grant of authorisation should indicate that consideration has been given to the above points. Advice should be obtained from the Shared Legal Service where necessary.

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- 8.1.2 The authorising officer must also take into account the risk of '**collateral intrusion**'. The application must include an **assessment** of any risk of collateral intrusion for this purpose.

Steps must be taken to avoid unnecessary collateral intrusion and minimise any necessary intrusion.

Those carrying out the investigation must inform the authorising officer of any unexpected interference with the privacy of individuals who are not covered by the authorisation, as soon as these become apparent.

Where such collateral intrusion is unavoidable, the activities may still be authorised, provided this intrusion is considered proportionate to what is sought to be achieved.

The Authorising Officer should also fully understand the capabilities and sensitivity levels of any equipment being used to carry out directed surveillance so as to properly assess the risk of collateral intrusion in surveillance techniques.

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8.1.3 **Special consideration in respect of confidential information**

Particular attention is drawn to areas where the subject of surveillance may reasonably expect a high degree of privacy, e.g. where confidential information is involved.

Confidential information consists of matters subject to legal privilege, communication between members of Parliament and another person on constituency matters, confidential personal information or confidential journalistic material. (ss 98-100 Police Act 1997).

Legal privilege

Generally, this applies to communications between an individual and his/her legal adviser in connection with the giving of legal advice in connection with or in contemplation of legal proceedings. Such information is unlikely ever to be admissible as evidence in criminal proceedings.

If in doubt, the advice of the Assistant Chief Executive (Governance) or the Principal Solicitor should be sought in respect of any issues in this area.

Confidential personal information

This is oral or written information held in (express or implied) confidence, relating to the physical or mental health or spiritual counselling concerning an individual (alive or dead) who can be identified from it. Specific examples provided in the codes of practice are consultations between a health professional and a patient, discussions between a minister of religion and an individual relating to the latter's **spiritual welfare** or matters of **medical or journalistic confidentiality**.

Confidential journalistic material

This is material acquired or created for the purposes of journalism and held subject to an undertaking to hold it in confidence.

It should be noted that matters considered to be confidential under RIPA may not necessarily be properly regarded as confidential under section 41 Freedom of Information Act 2000.

In such cases, where it is likely that knowledge of confidential information will be acquired, the use of covert surveillance is subject to a higher level of authorisation and therefore may only be authorised by the Head of Paid Service (Chief Executive) or an officer authorised by him for this purpose. Authorisation can only be granted where there are exceptional and compelling circumstances that make the authorisation necessary.

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8.1.4 Notifications to Inspector/Commissioner

The following situations must be brought to the Inspector/Commissioner's attention at the next inspection:

- Where an officer has had to authorise surveillance in respect of an investigation in which he/she is directly involved;
- Where a lawyer is the subject of an investigation or operation;
- Where confidential personal information or confidential journalistic information has been acquired and retained.

8.1.5 Applications for CHIS

Applications for CHIS are made in the same way as for directed surveillance except that the serious crime threshold of investigating criminal offences with a sentence of at least 6 months in imprisonment does not apply. The authorisation must specify the activities of the CHIS and that the authorised conduct is carried out for the purposes of, or in connection with, the investigation or operation so specified.

The ~~Authorising Officer must be satisfied that the~~ use of a CHIS ~~has been risk assessed and is proportionate to what is sought to be achieved b that use and it must be necessary for the prevention and/or detection of crime.~~

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A record must be kept of the matters mentioned in s29(5) and the Source Records Regulations (SI 2000/2725). The Magistrate must be satisfied that the provisions of section 29(5) have been complied with.

Section 29(5) requires:

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- “(a) ___ that there will at all times be a person holding an office, rank or position with the relevant investigating authority who will have day-to-day responsibility for dealing with the source on behalf of that authority, and for the source's security and welfare;*
- (b) ___ that there will at all times be another person holding an office, rank or position with the relevant investigating authority who will have general oversight of the use made of the source;*
- (c) ___ that there will at all times be a person holding an office, rank or position with the relevant investigating authority who will have responsibility for maintaining a record of the use made of the source;*

(d) that the records relating to the source that are maintained by the relevant investigating authority will always contain particulars of all such matters (if any) as may be specified for the purposes of this paragraph in regulations made by the Secretary of State; and

(e) that records maintained by the relevant investigating authority that disclose the identity of the source will not be available to persons except to the extent that there is a need for access to them to be made available to those persons.”

All application forms must be fully completed with the required details with a risk assessment to enable the authorising officer to make an informed decision.

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8.1.7 **Judicial Approval of Authorisations**

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Once the authorising officer has authorised the Directed Surveillance or CHIS, the Authorising Officer (or his/her nominee) who completed the application form should contact the Magistrates' Court to arrange a hearing for the authorisation to be approved by a Justice of the Peace.

The Authorising Officer (or his/her nominee) will provide the Justice of the Peace with a copy of the original authorisation and the supporting documents setting out the case. This forms the basis of the application to the Justice of the Peace and should contain all information that is relied upon.

In addition the Authorising Officer (or his/her nominee) will provide the Justice of the Peace with a partially completed judicial application/order form.

The hearing will be in private and the Authorising officer will be sworn in and present evidence as required by the Justice of the Peace. Any such evidence should be limited to the information in the authorisation.

The Justice of the Peace will consider whether he/she is satisfied that at the time the authorisation was given there were reasonable grounds for believing that the authorisation or notice was necessary and proportionate and whether that continues to be the case. They will also consider whether the authorisation was given by the appropriate designated person at the correct level within the Council and whether (in the case of directed surveillance) the crime threshold has been met.

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The Justice of the Peace can:

- a) **Approve the grant of the authorization**, which means the authorisation will then take effect;

- b) **Refuse to approve the grant of the authorisation**, which means the authorisation will not take effect but the Council could look at the reasons for refusal, make any amendments and reapply for judicial approval.
- c) **Refuse to approve the grant of the authorisation and quash the original authorisation**. The court cannot exercise its power to quash the authorisation unless the applicant has at least 2 business days from the date of the refusal in which to make representations.

8.1.8 **Working in partnership with the Police**

Authorisation can be granted in situations where the police rather than the Council require the surveillance to take action, as long as the behaviour complained of, meets all criteria to grant and in addition is also of concern to the Council. Authorisation cannot be granted for surveillance requested by the police for a purely police issue.

The Police may authorise RIPA without Magistrates' Court approval; if an urgent situation arises and RIPA authorisation would be required urgently the Council should contact the Police.

9. **Duration and Cancellation**

- An authorisation for **directed surveillance** shall cease to have effect (if not renewed) **3 months** from the date the Justice of the Peace approves the grant
- If renewed the authorisation shall cease to have effect 3 months from the expiry date of the original authorisation.
- An authorisation for **CHIS** shall cease to have effect (unless renewed) **12 months** from the date the Justice of the Peace approves the grant or renewal.

This does not mean that the authorisation should necessarily be permitted to last for the whole period so that it lapses at the end of this time. The authorising officer, in accordance with s.45 of the Act, must cancel each authorisation as soon as that officer decides that the surveillance should be discontinued.

Authorisations continue to exist even if they have ceased to have effect. Authorisations, therefore, must be cancelled if the directed surveillance as a whole no longer meets the criteria upon which it was authorised.

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The date the authorisation was cancelled should be centrally recorded and documentation of any instruction to cease surveillance should be retained and kept with the cancellation form.

The cancellation form should detail what surveillance took place, if there was any collateral intrusion, what evidence was obtained and how it is to be managed, any risks to a CHIS. Details relating to the retention of records is set out in paragraph 13 below.

10. Reviews

The authorising officer should review all authorisations at intervals determined by him/herself. This should be as often as necessary and practicable. The reviews should be recorded.

If the directed surveillance authorisation provides for the surveillance of unidentified individuals whose identity is later established, the terms of the authorisation should be refined at review to include the identity of these individuals. A review would be appropriate specifically for this purpose.

Particular attention should be paid to the possibility of obtaining confidential information.

11. Renewals

Any authorised officer may renew an existing authorisation on the same terms as the original at any time before the original ceases to have effect.

The renewal must then be approved by the Justice of the Peace, before the expiry of the original authorisation, in the same way the original authorisation was approved.

The process outlined in paragraph 8.1.7 should be followed for renewals.

A CHIS authorisation must be thoroughly reviewed at regular intervals before it is renewed.

12. Central Register of authorisations

12.1 All authorities must maintain the following documents:

- Copy of the application and a copy of the authorisation and Order made by the Magistrates' Court together with any supplementary documentation and notification of the approval given by the authorising officer;
- A record of the period over which the surveillance has taken place;

- The frequency of reviews prescribed by the authorising officer;
- A record of the result of each review of the authorisation;
- A copy of any renewal of an authorisation and Order made by the Magistrates Court and supporting documentation submitted when the renewal was requested;
- The date and time when any instruction to cease surveillance was given;
- The date and time when any other instruction was given by the authorising officer.

12.2 To comply with 12.1 the Principal Solicitor holds the central register of all authorisations issued by officers of Ashfield District Council. The original copy of every authorisation, renewal and cancellation issued should be lodged immediately with the Principal Solicitor in an envelope marked 'Private and Confidential'. Any original authorisations and renewals taken to the Magistrates' Court should be retained by the Council, the Court must only keep copies of the authorisations or renewals.

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12.3 The Council must also maintain a centrally retrievable record of the following information:

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- type of authorisation
- date the authorisation was given
- date the approval Order was given by the Magistrates Court
- name and rank/grade of the authorising officer
- unique reference number of the investigation/operation
- title (including brief description and names of the subjects) of the investigation/operation;
- details of renewal
- dates of any approval Order for renewal given by the Justice of the Peace

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- whether the investigation/operation is likely to result in obtaining confidential information
- date of cancellation
- whether the authorisation was granted by an individual directly involved in the investigation
- Magistrates Court Information

These records will be retained for at least 3 years and will be available for inspection by the Office of Surveillance Commissioners.

13. **Retention of records**

The Council must ensure that arrangements are in place for the secure handling, storage and destruction of material obtained through the use of directed surveillance or CHIS.

Authorising Officers, through their relevant Data Controller, must ensure compliance with the appropriate data protection requirements under the Data Protection Act 1998 and any relevant codes of practice relating to the handling and storage of material.

14. **Complaints procedure**

14.1 The Council will maintain the standards set out in this guidance and the Codes of Practice (**See Appendix C and D**). The Chief Surveillance Commissioner has responsibility for monitoring and reviewing the way the Council exercises the powers and duties conferred by RIPA.

14.2 Contravention of the Data Protection Act 1998 may be reported to the Information Commissioner. Before making such a reference, a complaint concerning a breach of this guidance should be made using the Council's own internal complaints procedure. To request a complaints form, please contact the Council at Council Offices, Urban Road, Kirkby-in-Ashfield, Nottinghamshire, NG17 8DA, or telephone 01623 450000, or e-mail to customerservices@ashfield-dc.gov.uk

14.3 The 2000 Act establishes an independent Tribunal. The Tribunal has full powers to investigate and decide any case within its jurisdiction. Details of the relevant complaints procedure can be obtained from the following address:

Investigatory Powers Tribunal

PO Box 33220

London

SW1H 9ZQ

020 7035 3711

Appendix A – Authorising Officers

	<u>Name</u>	<u>Job Title</u>	<u>Contact No.</u>
1.	<u>Robert Mitchell</u>	<u>Chief Executive</u>	<u>01623 450000</u> <u>Ext: 4250</u>
2.	<u>Dave Greenwood</u>	<u>Deputy Chief Executive (Resources)</u>	<u>01623 450000</u> <u>Ext: 4200</u>
3.	<u>Craig Bonar</u>	<u>Service Director – Corporate Services & Transformation</u>	<u>01623 450000</u> <u>Ext: 4203</u>
4.	<u>Edd De Coverely</u>	<u>Service Director – Place & Communities</u>	<u>01623 450000</u> <u>Ext: 4365 / 3864</u>
5.	<u>Paul Parkinson</u>	<u>Service Director - Housing</u>	<u>01623 450000</u> <u>Ext. 2891</u>
6.	<u>Carol Cooper-Smith (interim)</u>	<u>Service Director – Planning & Economic Development</u>	<u>01623 450000</u> <u>Ext. 4374</u>

For authorisations relating to Juveniles (para 7.7), Vulnerable CHIS (para 7.8) or Journalistic/Confidential Material (Para 8.1.3):

	<u>Rob Mitchell</u>	<u>Assistant Chief Executive (Governance) & Monitoring Officer & RIPA Senior Responsible Officer</u>	<u>01623 450000</u> <u>Ext: 4009</u>
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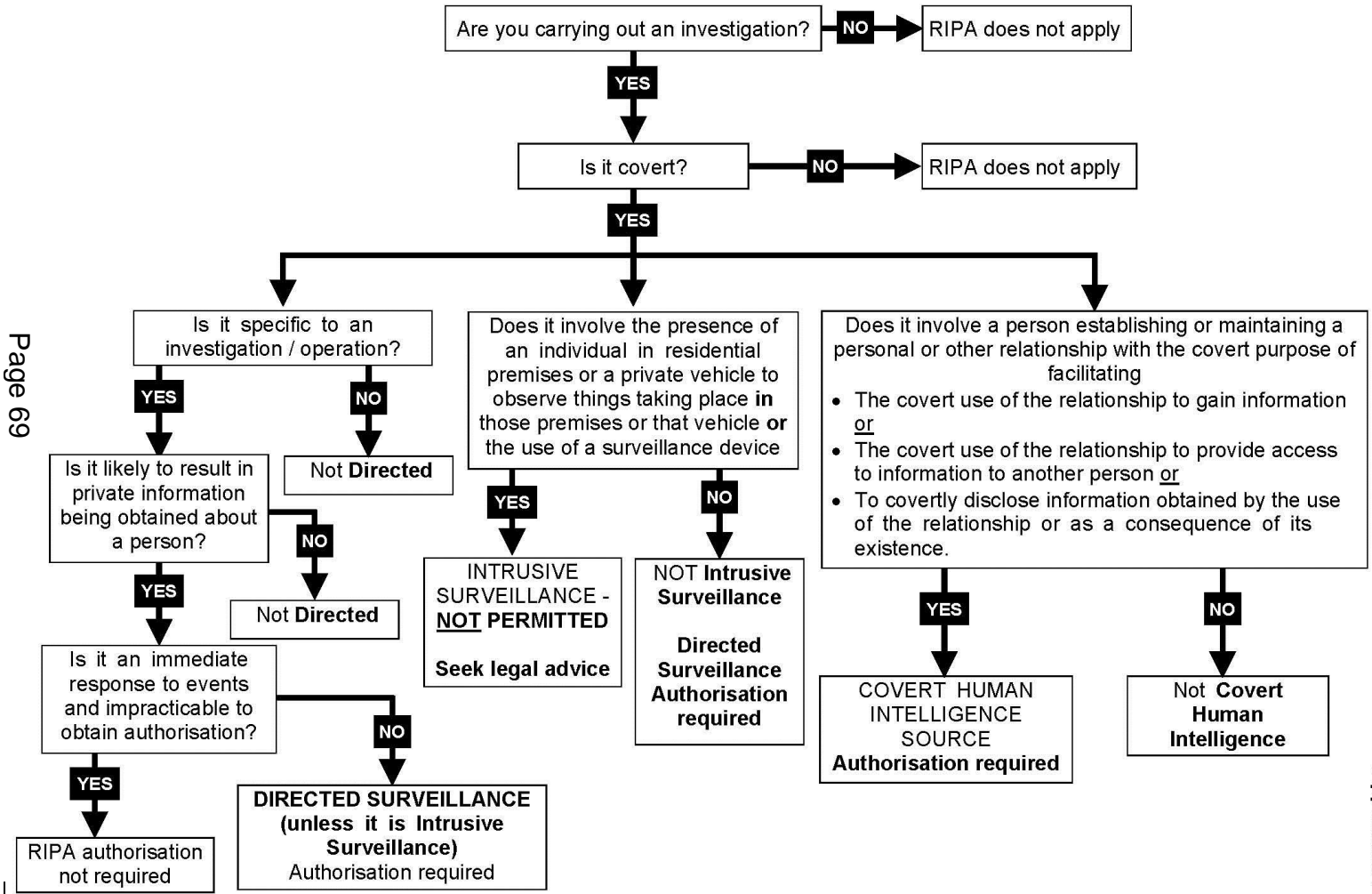
In exceptional circumstances:

	<u>Ruth Dennis</u>	<u>Assistant Chief Executive (Governance) & Monitoring Officer & RIPA Senior Responsible Officer</u>	<u>01623 450000</u> <u>Ext: 4009</u>
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DIRECTED SURVEILLANCE

Regulation of Investigatory Powers Act 2000 - Do you need Authorisation?

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Appendix A

APPENDIX C

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Forms

See Home Office website:

<https://www.gov.uk/government/collections/ripa-forms--2>

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APPENDIX D

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Codes of Practice

See Home Office website:

<https://www.gov.uk/government/collections/ripa-codes>

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APPENDIX E

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Guidance for Applications at the Magistrates' Court

See Home Office website:

<https://www.gov.uk/government/publications/changes-to-local-authority-use-of-ripa>

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Agenda Item 7



Report To:	CABINET	Date:	20 FEBRUARY 2017
Heading:	THE COUNCIL'S CAPITAL STRATEGY		
Portfolio Holder:	CLLR JACKIE JAMES - CORPORATE SERVICES		
Ward/s:	ALL		
Key Decision:	YES		
Subject To Call-In:	YES		

Purpose Of Report

To update the Council's Capital Strategy, to reflect current priorities, and the need for investment which will benefit the Council's Medium Term Financial Strategy (MTFS).

Recommendation(s)

- **That Cabinet agree the principles of the new Capital Strategy, and note that**
- **The revised policy on Minimum Revenue Provision will be formally considered as part of the Treasury Management Strategy, by Cabinet in March, and**
- **A report will brought forward, also for Cabinet in March, detailing the matrix which will be used to select appropriate potential investment properties, and proposing the governance arrangements which would enable such purchases**

Reasons For Recommendation(s)

In order to use the Council's resources to enhance the infrastructure which is used to provide services, and provide funding for those services to be continued.

Alternative Options Considered (With Reasons Why Not Adopted)

The Council could retain the more traditional model of a Capital Strategy. However given the changed financial climate in which local government operates, many councils are now looking more widely at commercial opportunities. This Strategy gives the Council a wider range of

options.

Detailed Information

The Council's Future Plans, and Capital Expenditure

Table 3 below sets out a detailed consideration of the links between the Council's Corporate Plan, Efficiency Plan and this proposed Capital Strategy. All three recognise the importance of being able to use all the tools available to the Council to reduce its net cost and therefore protect public services. This report explores some new potential avenues which may assist in that aim.

Reasons for a Capital Strategy

Capital Expenditure is expensive and time-consuming, and the resources which local government can call on are reducing each year. Councils need a rational mechanism to select and invest in the schemes which are best qualified to meet their strategic aims.

In Ashfield, Capital Expenditure fulfils four key purposes:

- Maintenance and Improvement of Assets
- Improving Services through Technology
- Improving the District's Infrastructure and supporting the local economy
- Strategic Investments to provide income streams

A Capital Strategy should assist an organisation to select the most appropriate schemes for investment, and it should also set out a plan for funding that investment, planning ahead for its receipt and use of Government Grants, Section 106 Contributions, Capital Receipts, and crucially its future Prudential Borrowing requirements from the Public Works Loans Board.

Principles of a Capital Strategy

Each one of the purposes above is set in the context of the Council's MTFs, which identifies the need for £3.8 million of savings over the period 2018/19 to 2022/23. The decline in the flow of external funding flowing to councils (typically for districts, 50% over ten years), means that many councils have looked towards their borrowing powers to assist them to invest in assets which can generate profits for them, and take pressure off the need to make expenditure savings.

Ashfield has adopted a Commercial Enterprise Strategy, and this impacts on the need for capital investment in two important ways:

- The need to equip Council services which are planning to offer their services over a wider range of customers with the plant and equipment needed to be competitive, and
- The need to invest in assets, both commercial and residential, which a number of councils have demonstrated, can be used to create income streams to the General Fund

Use of the Weighted Benefit Model

The Council has developed a Weighted Benefit Model, designed to assess the long term contribution that a proposed capital scheme can make to both the Corporate Plan and the MTFs. This method assess proposed schemes to build or acquire capital assets on a consistent basis, so that their relative contributions to the MTFs and the Council's corporate objectives can be compared. This is particularly useful if not all of the proposed schemes can be afforded. The use of Council capital needs to be seen as an investment model delivering a return on investment preferably both financially and social.

Proposed changes to the policy for Minimum Revenue Provision

Minimum Revenue Provision is the amount which councils set aside to provide a fund for the repayment of loans. The Council's current MRP Policy Statement adopts the following methods as outlined in the Local Government Act 2003:-

Option 1 - The regulatory method, is used for calculating MRP in respect of all capital expenditure incurred up to and including 31 March 2008.

.Option 3, the Asset Life Method, is used for calculating MRP in respect of all capital expenditure incurred on and after 1 April 2008. An equal instalment approach is adopted.

To enable the Capital Strategy to be effective a further method of determining MRP is also being considered, Option 4 the Depreciation Method. The MRP for each asset acquired through unsupported borrowing is calculated using the following formulae:

$$\frac{A - B - D}{C}$$

Where:

A = Capital expenditure (unsupported borrowing) on asset

B = Total MRP already made against the asset

C = Remaining useful life of the asset

D = Residual Value of the Asset

It is proposed that the Treasury Management Strategy Statement be updated to reflect the option to use the Depreciation Method where it is prudent to do so.

An illustration of the adoption if this policy is outlined below.

The recycling bins in the example below will cost £750k, have a residual value of nil, and have been financed over 20 years, which is their expected life. Therefore, to allow for the eventual repayment of the loan, £37,500 would be charged each year to the Revenue Account, under MRP.

However the hotel, with a value in 20 years' time of at least its value when purchased, incurs no depreciation and therefore no MRP is charged. The principle is that, if the loan needed to be repaid, the asset could be disposed of after 20 years with no loss of value.

Another benefit which other organisations have found is that, although the loan payments remain constant every year, regular rent reviews mean that the asset will make increasing contributions to the revenue account over time.

The table below shows examples of two schemes; the first is the purchase of new bins for enhanced glass recycling (the actual scheme which appears in the Capital programme), and the second is the hypothetical purchase of a hotel in a capital city with a high number of tourist visitors, which is similar to a purchase made by another council. It should be regarded as illustrative only, to demonstrate a principle.

Table 1 below is an extract from the Council's WBM, which will be used to assess the benefits of different schemes. A key consideration is the contribution that these schemes can make to reducing the Council's net annual General Fund expenditure.

	Purchase of new bins for glass recycling	Purchase of a hotel with a full repairing lease in place	Notes
Capital cost	750,000	8,000,000	
Expected life of asset	20		Asset is over 100 years old and likely to be maintained at high standard for many years
Expected residual value of asset	0	8,000,000	
MRP period	20	20	
MRP per year	37,500	0	Because the expected residual value of the asset is forecast to be at least its current value, MRP would not be charged
Interest Rate	2.85%	2.24%	
Borrowing cost in year 1	21,375	179,200	
Additional expenditure - running costs of asset	0	0	No additional expenditure because the asset is let to a company with a full repairing lease in place
TOTAL ADDITIONAL EXPENDITURE	58,875	179,200	
Savings made by this asset	(109,000)	0	
Income generated by this asset	0	(500,000)	
TOTAL ADDITIONAL INCOME	(109,000)	(500,000)	
NET EXPENDITURE (INCOME)	(50,125)	(320,800)	

Summary of the Capital Strategy

The previous Capital Strategy was calculated on the basis of expected commitments to the maintenance or replacement of existing assets, having taken into account Capital Grants and the use of Capital Receipts. This calculated an annual requirement to borrow of £1.74m, or £6.96m over four years. Because of increased capital commitments which are to be funded by loan (principally the refurbishment of the Idlewells Market Hall and the purchase of replacement vehicles for the Council's fleet), this figure has been revised to £7.6m, and the budget and MTFs have been prepared on this basis.

The principles above suggest that if borrowing is used to finance commercial assets, then significant contributions can be made towards the Council's MTFs, which, in generating savings, can be a far more palatable strategy than cutting back essential Council services, to save money. Therefore the table below proposes a revised overarching Capital Strategy

amount.

In agreeing the principle of a sum of £10 million to give scope for the purchase of capital assets with the potential to generate income or make savings, this is the first stage of the process to actually acquire such assets.

A report will be brought forward in the near future to set out a matrix for the investment in commercial assets, to set a methodology for how appropriate assets might be selected. This will take account of current good practice being employed by other councils. It will also set out the governance mechanisms needed and the delegations required in order to be able to complete a transaction quickly, once the potential investment has been assessed.

Table 2 – Summary of proposed Revised Capital Strategy 2016/17 to 2019/20

	Existing schemes in the Capital Programme (£m)	New provision for Commercial Investment and large scale Invest To Save projects (£m)	Total Prudential Borrowing Planned (£m)
Planned Prudential Borrowing	7.6	10.0	17.6

This new strategy will provide for borrowing which is within the Council's Prudential Limits, which are discussed in more detail in the annual Treasury Management Strategy, due to Cabinet in March 2017.

Future proposals for commercial capital schemes will be assessed using the WBM, and the implications for both expenditure and income will be assessed at that point.

The above sum of £10m will be revised and updated, depending on the success of the initial projects invested in under this strategy.

Table 3 - Themes of the Corporate Plan

The table below sets out the key themes of the Corporate Plan, and also explains how each theme will contribute to the Efficiency Plan which was agreed in September 2016.

Corporate Plan Theme	Contribution to the Efficiency Plan	Contribution to the Capital Strategy
<p>Health and Well Being – the Council will promote healthy life styles, provide high quality leisure facilities and use its influence among partners to improve the health and well being of the people of Ashfield.</p>	<ul style="list-style-type: none"> • A review of leisure provision will ensure that the Council’s future indoor leisure provision consist of centres which are modern, well-maintained and economically viable. • The promotion of work place health is contributing to a significant reduction in days lost to sickness within the Council. 	<ul style="list-style-type: none"> • The proposals emerging from the leisure review will be evaluated using the WBM in order to establish which proposals can contribute to a long term reduction in the costs of this service. External funding, commercial potential and sustainability will be key factors in the evaluation of any proposed new or improved centres
<p>Housing – the Council will invest to meet the housing needs of the district, enhancing its own stock and working with partners to support the availability of housing stock of the right size, type and quality.</p>	<ul style="list-style-type: none"> • The closure of the Arms Length Management Organisation (ALMO) and the return of its functions to the Council is a significant efficiency for the Housing Revenue Account and the General Fund. This will further streamline management, eliminate duplication, and reduce the Council’s spend on office accommodation. • The Council will review its Local Council Tax Support Scheme in 2017. 	<p>The Capital Strategy will tackle investment in housing from two perspectives:</p> <ul style="list-style-type: none"> • The long term plan for maintaining and improving the Council’s own housing stock (6,800 units) will be further developed to ensure that the stock remains viable in a self-financing context over a 30-year trajectory. • The Council will explore commercial routes to investing in private housing – high quality new builds to buy or rent – in order to play a more pro-active and commercial role in meeting the district’s housing needs.
<p>Economic Regeneration – the Council will work with its partners to attract new and expanded businesses to the</p>	<ul style="list-style-type: none"> • The Council is making good progress with its Local Plan, which it expects to be adopted in 2017. This will 	<ul style="list-style-type: none"> • The Capital Strategy will evaluate potential investment projects using

<p>Ashfield area, and will contribute to wider initiatives through the Local Enterprise Partnership.</p>	<p>set out a blueprint for physical development over the next five years.</p> <ul style="list-style-type: none"> Increased development and other economic activity results in an increase in the Business Rates yield and increased Council Tax and New Homes Bonus, all of which underpin the Efficiency Plan. Ashfield worked closely with Nottinghamshire County Council and the other districts in the County in 2012 to set up the Business Rates Pool. By retaining the levy payments within the County, £3 million has been generated to support regeneration initiatives within the County. 	<p>the WBM. Investment in new office, commercial or industrial sites can improve the district's infrastructure, and bring jobs to the area. However there must be a long term financial benefit to the Council so, as with leisure facilities, external funding and commercial potential will be key factors.</p>
<p>Place and Communities – the Council will work with its partners to ensure a clean and attractive environment and continuing to reduce levels of crime and disorder. It will look to enhance a district which has both an attractive environment and economic advantages.</p>	<ul style="list-style-type: none"> The Council is currently enhancing its office space to enable the Council Community protection, Environmental Health and Private Sector Enforcement teams to work alongside the Nottinghamshire Police. This Integrated Service Hub will both save money and result in a more effective service to residents. Working closely with Nottinghamshire County Council, Ashfield has improved its recycling rate from 35% to 50% in 2016. It has achieved this by introducing a free garden waste service in conjunction with a smaller residual waste bin. This improved recycling rate produces cashable savings for the County Council, with whom the Council is now exploring ways to enhance the recycling of glass, which could lead to further savings, and environmental benefits. 	<ul style="list-style-type: none"> Opportunities have been identified where investment in recycling facilities can produce long term environmental benefits and cost savings. Again, each potential scheme will be evaluated using the WBM. The Capital Strategy will consider options for the long term maintenance and improvement of our parks and open spaces

	<ul style="list-style-type: none"> • Ashfield and its partners have pioneered the highly successful Multi-Agency Service Model, in a deprived urban area of the district with a high volume of poor quality private sector housing. 	
<p>Organisational Improvement – the Council will continue to develop as an innovative, values led, pioneering organisation. This theme offers significant opportunities to reduce the Council’s net General Fund budget, without reducing the service to residents.</p>	<ul style="list-style-type: none"> • The Council is investing in a Commercial Enterprise Strategy which aims to build on the Council’s strengths by offering services to a wider range of customers on a more commercial basis. The Council’s headquarters are being re-modelled to facilitate co-location with two public sector partners (Police and DWP) at a commercial rent, with the capital work funded by those partners. • Work is underway to develop a range of commercial offers, where existing teams and assets, with the appropriate skills and equipment, can offer services more widely and generate income. Pest Control and Trade Waste have successfully begun to operate in this way, with a range of other commercial initiatives at the planning stage. • The Commercial Enterprise Strategy also encompasses strategic investments, where capital investment can support the Council’s priorities, and also make a financial return. • The Council will further develop its existing programme of service reviews, ensuring that services are designed around customer needs, and are easy to use and 	<ul style="list-style-type: none"> • Capital investment will be needed to complete the Council’s work on the rationalisation and sharing of office facilities • The Capital Strategy will address all aspects of the Council’s commercial agenda, from the investment in plant and equipment needed to offer a wider range of services to more customers, to the evaluation of strategic out-of-area investment proposals, which can generate income to the Council over a long period. • Digital transformation will only be possible with significant investment in the IT tools which make services more accessible and can underpin a more commercial approach. The Capital Strategy will need to assess how improved IT can result in cost reductions and efficiency gains in the future. • Receipts from the sale of surplus assets will contribute towards the funding of the overall Capital Programme, so the Capital Strategy

accessible for residents. Savings will be generated by eliminating waste and duplication.

- A programme of **digital transformation** is underway, which will improve access to the Council's services for residents, and reduce paper-based clerical systems in the back office. The ability to receive and pay Council Tax bills on line, an electronic Case Management System for the Legal Shared Service, and the introduction of Modern.Gov for agenda management are examples of these initiatives.
- A thorough review of the **Council's assets**, linked to the identification of sites for the Local Plan, is being undertaken. The Council is also engaged in the One Public Estate programme. Under-used assets will be considered for sale or alternative, more efficient uses.
- The way in which the Council works when **engaging** with local communities will also be reviewed, to ensure that we are effective when involving local people in Council decisions.
- Members have agreed the findings of an Independent Review Panel which has reduced specific **Members' Allowances**, and has built in a performance element to Members' remuneration.
- The Council's **shared services** programme continues to develop. Four services are shared with Mansfield District Council, and most recently the

needs to include a realistic projection of the likely value of these sales over the medium term.

	Council has joined the Central Midlands Audit Partnership for Internal Audit services, which is hosted by Derby City Council.	
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Implications

Corporate Plan:

The links to the Corporate Plan are set out above.

Legal:

The purchase of commercial capital assets to generate income will be carried out within the Council's existing powers set out in legislation.

Legal Services will contribute to the due diligence carried out on each occasion that an investment opportunity is explored.

Finance:

This report is effective from 1 March 2017 and has the following financial implications:

Budget Area	Implication
General Fund – Revenue Budget	The provisions of this report are designed to provide savings for the Council's MTFS
General Fund – Capital Programme	This report sets new guidelines for the future selection of capital projects.
Housing Revenue Account – Revenue Budget	The principles of this report have relevance to the HRA, although at this stage MRP is not a consideration for the HRA
Housing Revenue Account – Capital Programme	The principles of this report have relevance to the HRA, although at this stage MRP is not a consideration for the HRA

Human Resources / Equality and Diversity:

None relevant to this report

Other Implications:

None

Reason(s) for Urgency (if applicable):

N/A

Background Papers

Financial Ledger and previous capital strategies and programmes

Report Author and Contact Officer

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Sharon Lynch, Corporate Finance Manager

Rob Mitchell
CHIEF EXECUTIVE

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Agenda Item 8



Report To:	CABINET	Date:	20th FEBRUARY 2017
Heading:	CAPITAL PROGRAMME 2016/17– 2019/20		
Portfolio Holder:	CLLR JACKIE JAMES - CORPORATE SERVICES		
Ward/s:			
Key Decision:	YES		
Subject To Call-In:	YES		

Purpose Of Report

The Capital Programme sets the detailed plans for capital investment by the Council for the period 2016/17 to 2019/20 based on the February 2017 Capital Strategy which is on the same agenda as this report.

In summary Capital Programme expenditure will increase by £152k over the life of the programme for the General Fund, decrease by £2.3m for the Housing Revenue Account (HRA) and increase by £94k for Area Committee Schemes all of which will be funded from S106 and other grants.

The total amount of external funding is £8.7m of which £2.0m is S106 monies.

Recommendation(s)

- 1) It is recommended that the revised capital programme be approved and recommended to Council.
- 2) All Capital projects including the S106 and grant funded projects should follow the Council Corporate Project Management Framework.
- 3) Note that projects will be assessed for their contribution to the Corporate Plan and impact on the Councils budget with those that contributed positively to our priorities and impact positively on our Medium Term Financial Strategy (MTFS) given priority.

Reasons For Recommendation(s)

The recommendations are to agree projects to allow capital investment for the period 2016/17 to 2019/20.

Alternative Options Considered (With Reasons Why Not Adopted)

No alternative projects have been submitted. The capital programme has been updated based upon information supplied regarding the status of projects and an update in terms of funding available.

Detailed Information

Summary Capital Programme

The proposed Capital Programme and funding is summarised as follows. Appendix 1 shows a detailed breakdown of all the schemes below.

The three areas of the Capital Programme are discussed in more detail within the report.

Table 1 – Capital Programme (2016/17 to 2019/20)

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Capital Expenditure					
Area Committees	1,163	898	70	0	2,131
General Fund	4,419	5,649	3,087	1,882	15,037
Housing Revenue Account	9,417	9,036	10,889	9,409	38,751
Grand Total	14,999	15,583	14,046	11,291	55,919
Capital Financing					
Developers Contributions - Area Committees	848	803	70	0	1,721
Direct Revenue Financing	108	0	0	0	108
Other Capital Grants and Contributions - Area Committees	207	95	0	0	302
Sub Total - Area Committees	1,163	898	70	0	2,131
Prudential Borrowing - General Fund	1,341	3,887	1,158	1,185	7,571
Capital Receipts - General Fund	75	0	0	0	75
Direct Revenue Financing - General Fund	133	404	113	56	706
Developers Contributions - General Fund	295	0	0	0	295
Other Capital Grants and Contributions - General Fund	2,575	1,358	1,816	641	6,390
Sub Total - General Fund	4,419	5,649	3,087	1,882	15,037
Funded from HRA Reserves	8,114	7,920	10,100	8,620	34,754
Future 1-4-1 Capital Receipts Funding Recently Built and New Schemes	514	327	0	0	841
Non 1-4-1 Capital Receipts	789	789	789	789	3,156
Sub Total - HRA	9,417	9,036	10,889	9,409	38,751
Grand Total	14,999	15,583	14,046	11,291	55,919

Area Committee Capital Programme

These consist of self-financed schemes which enhance the local environment. These are mainly financed by developers' contributions (known as Section 106 funding) but additional

grant funding is sought wherever possible to maximise the benefit to local communities. Area Committee schemes are included in the table below.

Table 2 – Area Committee Schemes (2016/17 to 2019/20)

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Area Committees					
Hucknall Area Committee	313	208	0	0	521
Kirkby Area Committee	487	500	10	0	997
Sutton Area Committee	243	172	60	0	475
Rural Area Committee	120	18	0	0	138
Total	1,163	898	70	0	2,131
Funded by					
Nottinghamshire County Council (NCC)	85	20	0	0	105
Waste Recycling and Environment (WREN)	100	50	0	0	150
Donations	5	2	0	0	7
Hucknall & Linby Collieries Joint History & Heritage Committee	3	0	0	0	3
Network Rail	12	8	0	0	20
Direct Revenue Financing	108	0	0	0	108
Rural Payments Agency	2	0	0	0	2
Skanska	0	15	0	0	15
Sustainable Transport S106	421	30	5	0	456
Section 106	427	773	65	0	1,265
Total	1,163	898	70	0	2,131

Table 3 below shows where changes to capital schemes by Area Committee have been made from the previous approved Capital Programme.

Table 3 – Area Committee Schemes (changes in proposed expenditure)

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Expenditure Approved	1,140	877	20	0	2,037
Changes to Hucknall Area Committee Schemes	7	14	0	0	21
Changes to Sutton Area Committee Schemes	3	-38	40	0	5
Changes to Kirkby Area Committee Schemes	13	45	10	0	68
Changes to Rural Area Committee Schemes	0	0	0	0	0
Total Proposed Expenditure to be Approved	1,163	898	70	0	2,131

2.1 Changes to Existing Area Committee Projects

Table 5 overleaf shows the changes in budget scheme by scheme. The actual allocation to each project is shown at Appendix 1. There are several schemes where there have been significant change in budget allocation:

Butlers Hill Allotment - Road Access – Scheme not expected to be completed until 2017/18.

Jenny Burton Way – Scheme not expected to be completed until 2017/18.

Combine Nabbs Lane Cycle Track & West Hucknall Young Peoples Provision

– Scheme not expected to be completed until 2017/18.

Papplewick Green Public Art Work - There have been minor changes to the profiling of this scheme but is expected that the overall expenditure will remain unchanged.

Titchfield Park and Hucknall Cemetery: implementation of Park Masterplan

– Additional increase in expenditure for this Scheme which is funded by NCC.

Butlers Hill Recreation Ground - There have been changes to the profiling of this scheme but is expected that the overall expenditure will remain unchanged.

Brierley Forest Park Management Plan – Additional increase in expenditure for this Scheme which is funded by Donations.

Roundhill Recreation Ground – The start and completion of this scheme has been deferred for one year.

Taylor Crescent Recreation Ground – The start and completion of this scheme has been deferred for one year.

Annesley Art Project – There have been several changes to the profiling of this scheme but is expected that the overall expenditure will remain unchanged.

Beacon Drive/ Coniston Road - Scheme not expected to start or be completed until 2017/18.

Forest Road Nature Area – Changes to capital expenditure profiling for this scheme. The overall cost of the scheme is expected to be unchanged.

Kirkby Footpath and Cycleways - The start and completion of this scheme has been deferred for one year.

Kirkby Regeneration and Civic Centre – The scheme is not expected to be completed until 2018/19. The total expenditure for this project is expected to be £13k less than estimated in the November 2016 Capital Programme.

Portland Park Management Plan: General Improvements - Additional increase in expenditure for this Scheme which is funded by NCC.

Table 4 – Area Committee Scheme (changes in budget – by scheme)

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Hucknall Area Committee					
Butlers Hill Allotment - Road Access	-8	8	0	0	0
Jenny Burton Way	-2	2	0	0	0
Combine Nabbs Lane Cycle Track & West					
Hucknall Young Peoples Provision	1	-1	0	0	0
Papplewick Green Public Art Work	-7	7	0	0	0
Titchfield Park and Hucknall Cemetery: implementation of park masterplan	21	0	0	0	21
Butlers Hill Recreation Ground	2	-2	0	0	0
Sub Total	7	14	0	0	21
Sutton Area Committee					
Brierley Forest Park Management Plan	3	2	0	0	5
Roundhill Recreation Ground	0	-30	30	0	0
Taylor Crescent Recreation Ground	0	-10	10	0	0
Sub Total	3	-38	40	0	5
Kirkby Area Committee					
Annesley Art Project	-6	1	5	0	0
Beacon Drive/ Coniston Road	-11	11	0	0	0
Forest Road Nature Area	-10	10	0	0	0
Kirkby footpaths/cycle ways	-15	15	0	0	0
Kirkby Regeneration and Civic Centre	-23	5	5	0	-13
Portland Park Management Plan: General Improvements	16	3	0	0	19
Sub Total	-49	45	10	0	6
Grand Total	-39	21	50	0	32

2.2 New Area Committee Schemes

Annesley Traffic Lights – The Authority is contributing £62k to Nottinghamshire County Council for changes to Traffic Lights at the Derby Road / Forest Road Junction in Annesley.

Table 5 – New Area Committee Scheme

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Hucknall Area Committee					
Annesley Traffic Lights	62	0	0	0	62
Grand Total	62	0	0	0	62

General Fund Capital Programme

There is an increase of £152k in the overall cost of General Fund schemes compared to those previously agreed by Cabinet.

All the changes are explained below and summarised in the tables overleaf.

3.1 Changes to Existing General Fund Projects.

The Council profiles its capital programme but inevitably there will be some slippage to project timetables. The Council will endeavour to ensure that costs are projected accurately however in some projects costs will vary from the budget due to market forces or unexpected circumstances. The main movements in budget are outlined below:-

Idlewells Market Hall Asbestos Removal and Refurbishment – The award of a £375k Local Growth Fund Grant has allowed for innovative added value work to be included in the project and has therefore increased the cost of the project to £1.8m.

Kings Mill Reservoir (The King and Miller to Kingfisher) – There has been a small change to the expenditure profiling of this scheme, however, there is not expected to be an increase in its overall cost.

Kirkby Town Centre Shops – The remaining balance of grant monies available is proposed to be transferred to the Retail Improvement Scheme.

Market Stalls – The existing stalls at Hucknall are not now planned to be replaced but refurbished resulting in a reduction in cost of £48k.

Retail Improvement Scheme – See above – proposed grant transfer from Kirkby Town Centre Shops to this scheme.

Office Accommodation Works to Accommodate DWP at Central Offices - There has been a change to the expenditure profiling of this scheme, however, there is not expected to be an increase in its overall cost.

Cemeteries - The start and completion of this scheme has been deferred for one year.

The table below shows the changes in budget. The actual allocation to each project is shown in the Appendix to this report.

Table 6 – General Fund Projects (changes in budget – by scheme)

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Changes to Current Projects					
Economy					
Kings Mill Reservoir (The King and Miller to Kingfisher)	-20	20	0	0	0
Kirkby Town Centre Shops	-13	0	0	0	-13
Market Stalls	-48	0	0	0	-48
Retail Improvement Scheme	13	0	0	0	13
Sub Total	-68	20	0	0	-48
Corporate Services					
Idlewells Market Hall Asbestos Removal and Refurbishment	-393	593	0	0	200
Office Accommodation Works to Accommodate DWP at Central Offices	-428	428	0	0	0
Sub Total	-821	1,021	0	0	200
Environment					
Cemeteries	-96	96	0	0	0
Sub Total	-96	96	0	0	0
Grand Total	-985	1,137	0	0	152

3.2 General Fund Capital Programme Funding

The tables below show the changes in financing required to move from the existing Capital Programme to that now proposed. This table now includes £75k of capital receipts from the sale of land at the Butlers Hill Site.

Table 7 – General Fund – financing of the Capital Programme

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
November 2016 Capital Programme	5,404	4,512	3,087	1,882	14,885
Capital Grants	-73	448	0	0	375
Prudential Borrowing	-987	689	0	0	-298
Capital Receipts	75	0	0	0	75
Direct Revenue Financing	0	0	0	0	0
October 2016 Capital Programme	4,419	5,649	3,087	1,882	15,037

3.3 Capital Strategy

The Capital Strategy which is on the same agenda as this report this recommends that the average annual General Fund capital borrowing requirement shall not exceed £7.6m plus £366k unused borrowing requirement carried forward from 2015/16 for years 2016/17 to 2019/20.

The table below compares the proposed borrowing to the existing Capital Strategy. The table indicates that the overall Capital Expenditure is currently within the total agreed in the Capital Strategy.

Table 8 – General Fund – Capital Strategy

	2016/17 Proposed £'000	2017/18 Proposed £'000	2018/19 Proposed £'000	2019/20 Proposed £'000	Total £'000
Borrowing	1,341	3,887	1,158	1,185	7,571
Less Unused Borrowing Funding 2016/17	-366	0	0	0	-366
Total Borrowing	975	3,887	1,158	1,185	7,205
Capital Strategy	1,900	1,900	1,900	1,900	7,600
Diff	925	-1,987	742	715	395
Cumulative Diff	925	-1,062	-320	395	

HRA Capital Programme

The Capital Programme includes £675k for the investment in new dwellings in Hucknall. The Cabinet Report for this scheme is on the same agenda as this report. In addition the Council plans to spend £26k to purchase the capital assets of Ashfield Homes Limited.

There have been changes to the profiling and mix of Decent Homes Schemes. This has resulted in an overall capital expenditure reduction of £2.3m for these schemes. There will be an update to the 30 year investment model which may result in variations to the proposed schemes. Any future changes to these schemes will continue to be agreed by Cabinet.

The expected 1-4-1 and Non 1-4-1 Housing Capital Receipts is based on receipts received in the 2016/17 financial year to December 2016. These have been extrapolated to provide full year estimates for 2016/17 and future years. If future Right to Buy receipts are more or less than the estimate then this will impact on HRA balances.

Table 9 – Housing Revenue Account (changes to budget)

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Expenditure Approved	9,816	11,007	10,877	8,673	40,373
Changes to Current Projects					
Catch up and Major Repairs	-245	-2,374	-123	402	-2,340
Service Improvements	-224	48	-220	339	-57
Contingent Major Repairs	-26	-5	5	-5	-31
Exceptional Extensive Works	55	-315	350	0	90
Disabled Adaptations	15	0	0	0	15
Sub Total	9,391	8,361	10,889	9,409	38,050
New Schemes					
Purchase of Former AHL Assets	26	0	0	0	26
Investment in Additional Council Dwellings	0	675	0	0	675
Sub Total	26	675	0	0	701
Grand Total	9,417	9,036	10,889	9,409	38,751
Capital Funding					
Funded from HRA Reserves	8,114	7,920	10,100	8,620	34,754
Future 1-4-1 Capital Receipts Funding					
Recently Built and New Schemes	514	327	0	0	841
Non 1-4-1 Capital Receipts	789	789	789	789	3,156
Total Capital Funding	9,417	9,036	10,889	9,409	38,751

Implications**Corporate Plan:**

The Capital Programme reflects the priorities in the Corporate Plan.

Legal:

If approved by Cabinet, this report will require approval by Council.

Finance:

This report is effective from 20/02/2017 and has the following financial implications:

Budget Area	Implication
General Fund – Revenue Budget	There will be a reduction in the Minimum Revenue Provision (MRP) of approximately £26.4k per annum as a result of the reduction in the Market Stalls expenditure, use of capital receipts to fund vehicle purchases and reduction in borrowing requirement for the Idlewells Market Hall Asbestos and Removal scheme.
General Fund – Capital Programme	There will be an overall £152k increase in Capital Expenditure.
Housing Revenue Account – Revenue Budget	See below. There is a reduction in the HRA Capital Programme which will mean that the amount required from the HRA reserves will reduce by £2.3m.
Housing Revenue Account – Capital Programme	The latest HRA Capital Programme is expected to reduce by £2.3m from the previous November 2016 Capital Programme.

Human Resources / Equality and Diversity:

No direct HR implications arising from the report.

Other Implications:

None

Reason(s) for Urgency (if applicable):

N/A

Background Papers

None

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Rob Mitchell

CHIEF EXECUTIVE

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Total Corporate Services			0	2,754	2,486	810	641	6,691	1,708	154	4,800	0	0	29	6,691
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	Start Date	Completion Date	Lead Officer	2016/17	2017/18	2018/19	2019/20	Total	Loan	Section 106	Grant	Grant Funder	Capital Receipts	Reserves	Total
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	e.g. Lottery	£'000	£'000	£'000
Environment															
Brierley Business Park - Roads/Sewers			Edd de Coverly	1	0	0	0	1	1	0	0		0	0	1
Broomhill Road - (New Cross Project)			Edd de Coverly	27	3	0	0	30	30	0	0		0	0	30
Cemeteries			Edd de Coverly	0	96	0	0	96	96	0	0		0	0	96
Vehicle Tracking Scheme			Edd de Coverly	135	0	0	0	135	135	0	0		0	0	135
New Cross Support Scheme			Edd de Coverly	1	0	0	0	1	0	0	1	RHB	0	0	1
Purchase of Vehicles for Garden Waste Collection			Edd de Coverly	2	0	0	0	2	2	0	0		0	0	2
Purchase of Vehicles			Edd de Coverly	706	2,051	896	1,185	4,838	4,463	0	0		75	300	4,838
Garden Waste Bins			Edd de Coverly	462	0	0	0	462	0	0	462	NCC	0	0	462
Northern Depot Office Rationalisation and Wireless CCTV Infrastructure			Edd de Coverly	3	0	0	0	3	3	0	0		0	0	3
Glass Recycling Project			Edd de Coverly	0	750	0	0	750	710	0	0		0	40	750
															0
															0
Total Environment				1,337	2,900	896	1,185	6,318	5,440	0	463		75	340	6,318
TOTAL GENERAL FUND				4,419	5,649	3,087	1,882	15,037	7,571	295	6,390	0	75	706	15,037
Housing Revenue Account															
	Start Date	Completion Date	Lead Officer	2016/17	2017/18	2018/19	2019/20	Total							
				£'000	£'000	£'000	£'000	£'000							
HOUSING REVENUE ACCOUNT															
Decent Homes Schemes															
Management Fee			Paul Parkinson	638	638	638	638	2,552							
Catch up and Major Repairs			Paul Parkinson	5,801	4,557	6,038	5,684	22,080							
Service Improvements			Paul Parkinson	256	638	1,588	1,892	4,374							
Contingent Major Repairs			Paul Parkinson	84	195	205	206	690							
Exceptional Extensive Works			Paul Parkinson	1,036	1,515	1,556	150	4,257							
Disabled Adaptations			Paul Parkinson	445	450	450	450	1,795							
Grand Total				8,260	7,993	10,475	9,020	35,748							
Other Housing Revenue Account Schemes															
New Build on the Site of Sutton Town Social Club			Paul Parkinson	0	0	0	0	0							
Bin Stores (Brand and Mill Close)			Paul Parkinson	25	0	0	0	25							
Empty Homes			Paul Parkinson	23	0	0	0	23							
Gas Heating Boiler Mill House Community Centre			Paul Parkinson	0	0	0	0	0							
Investment in Additional Council Dwellings in Hucknall			Paul Parkinson	0	675	0	0	675							
Major Repairs Temporary Accommodation			Paul Parkinson	78	40	40	0	158							
Purchase of Former AHL Assets			Paul Parkinson	26	0	0	0	26							
Darlison Court (New Builds)			Paul Parkinson	366	105	0	0	471							
Brook Street Development			Paul Parkinson	66	0	0	0	66							
Vehicle Tracking Scheme			Edd de Coverly	35	0	0	0	35							
Warwick Close Refurbishment			Paul Parkinson	430	0	0	0	430							
Housing Vehicles			Edd de Coverly	108	223	374	389	1,094							
Grand Total				1,157	1,043	414	389	3,003							
Total Housing Revenue Account				9,417	9,036	10,889	9,409	38,751							

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	Start Date	Completion Date	Funding										
			2016/17	2017/18	2018/19	2019/20	Total	Loan	Section 106	Grant	Grant Funder	Reserves	Total Funding
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	e.g. Lottery	£'000
Hucknall Area Committee													
Albert Street Recreation Ground: Replace Existing Play Area	18/12/16	31/03/17	4	0	0	0	4	0	4	0		0	4
Butlers Hill Allotment - Road Access	14/11/16	21/12/16	12	8	0	0	20	0	0	20	Network Rail	0	20
Hucknall Mining Memorial			3	0	0	0	3	0	0	3	Hucknall and Linby Committee	0	3
Lime Tree Recreation Ground	01/09/16	30/09/18	0	38	0	0	38	0	38	0		0	38
Milton Rise Play area	01/06/16	05/08/16	41	0	0	0	41	0	41	0		0	41
Combine Nabbs Lane Cycle Track & West Hucknall Young Peoples Provision	21/12/17	31/03/17	1	0	0	0	1	0	1	0		0	1
Titchfield Park and Hucknall Cemetery: implementation of park masterplan	01/09/17	30/03/18	118	0	0	0	118	0	97	21	NCC	0	118
Washdyke Lane Rec Grd; General Improvements	27/07/17	23/11/16	35	1	0	0	36	0	36	0		0	36
Butlers Hill Recreation Ground	15/08/16	31/03/17	76	2	0	0	78	0	8	70	WREN £50K NCC SLC £20K	0	78
Common Farm	01/09/17	30/09/18	0	10	0	0	10	0	10	0		0	10
Papplewick Green Public Art Work	06/03/17	30/09/18	15	147	0	0	162	0	162	0		0	162
Jenny Burton Way	14/11/16	24/06/17	8	2	0	0	10	0	10	0		0	10
Total Hucknall Area Committee			313	208	0	0	521	0	407	114		0	521
Sutton Area Committee													
	Start Date	Completion Date	2016/17	2017/18	2018/19	2019/20	Total	Loan	Section 106	Grant	Grant Funder	Reserves	Total Funding
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	e.g. Lottery	£'000	£'000
Brierley Forest Park footpaths	18/04/16	10/06/16	62	0	0	0	62	0	62	0		0	62
Brierley Forest Park Management Plan	06/04/16	31/03/19	13	21	20	0	54	0	47	7	Donations	0	54
Huthwaite Welfare Park Management Plan: General Improvements	28/09/15	31/03/18	1	41	0	0	42	0	42	0		0	42
Kingsmill Reservoir footpath links		31/03/18	69	0	0	0	69	0	69	0		0	69
Kingsmill Reservoir management plan: Implementation Works	Ongoing	Ongoing	11	17	0	0	28	0	13	15	Skanska	0	28
Stoneyford Road Recreation Ground play area	01/09/14	10/05/16	1	0	0	0	1	0	1	0		0	1
Sutton Trails Network		31/03/18	43	0	0	0	43	0	43	0		0	43
Sutton Lawn Play Area		31/03/18	23	0	0	0	23	0	4	19	NCC- LIS	0	23
Sutton Lawn management Plan		31/03/18	20	0	0	0	20	0	20	0		0	20
Taylor Crescent Recreation Ground	01/09/18	31/03/19	0	0	10	0	10	0	10	0		0	10
Roundhill Recreation Ground	01/09/18	31/03/19	0	0	30	0	30	0	30	0		0	30
Football Changing Rooms	01/09/16	31/03/18	0	69	0	0	69	0	69	0		0	69
Oval Play Area	01/04/17	31/03/18	0	14	0	0	14	0	14	0		0	14
Ashfield Estate Play Area	01/04/17	31/03/18	0	10	0	0	10	0	10	0		0	10
Total Sutton Area Committee			243	172	60	0	475	0	434	41		0	475

	Start Date	Completion Date	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000	Loan £'000	Section 106 £'000	Grant £'000	Grant Funder e.g. Lottery	Reserves £'000	Total Funding £'000
Kirkby Area Committee													
Acacia Avenue Rec - General Improvements	18/04/16	14/01/18	150	113	0	0	263	0	85	70	SLC £20k, WREN £50k and £108k S106 Revenue Grant Reserves	108	263
Annesley Art Project	06/06/16	15/04/18	15	151	5	0	171	0	171	0		0	171
Annesley Traffic Lights	TBD	TBD	62	0	0	0	62	0	62	0		0	62
Beacon Drive/ Coniston Road	TBD	TBD	0	11	0	0	11	0	11	0		0	11
Ellis Street Redevelopment	Complete	Complete	25	0	0	0	25	0	25	0		0	25
Forest Road Nature Area	Ongoing	Ongoing	25	33	0	0	58	0	58	0		0	58
Kingsway Park: implementation of management plan	Ongoing	Ongoing	40	17	0	0	57	0	57	0		0	57
Kirkby footpaths/cycle ways	TBD	TBD	0	15	0	0	15	0	15	0		0	15
Kirkby Regeneration and Civic Centre	07/08/16	27/01/18	145	5	5	0	155	0	155	0		0	155
Lindleys Lane Play/Youth Area	TBD	TBD	0	101	0	0	101	0	101	0		0	101
Portland Park Management Plan: General Improvements	Ongoing	Ongoing	25	5	0	0	30	0	9	21	RPA £2k + NCC £19k	0	30
Sports pavilion, Titchfield Park	TBD	TBD	0	39	0	0	39	0	39	0		0	39
Warwick Close	TBD	TBD	0	10	0	0	10	0	10	0		0	10
Total Kirkby Area Committee			487	500	10	0	997	0	798	91		108	997
Rural Area Committee													
	Start Date	Completion Date	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000	Loan £'000	Section 106 £'000	Grant £'000	Grant Funder e.g. Lottery	Reserves £'000	Total Funding £'000
Holly Hill	01/10/17	31/03/18	0	8	0	0	8	0	8	0		0	8
Affordable Homes in Jacksdale			48	0	0	0	48	0	48	0		0	48
Nottingham Road Recreation Ground	Complete	Complete	71	0	0	0	71	0	15	56	NCC £6k & WREN £50k	0	71
Selston War Memorial	Complete	Complete	0	0	0	0	0	0	0	0		0	0
Westwood Recreation Ground	Complete	Complete	1	0	0	0	1	0	1	0		0	1
Jacksdale Bridge Links	TBD	TBD	0	10	0	0	10	0	10	0		0	10
Total Rural Area Committee			120	18	0	0	138	0	82	56		0	138
Total Area Committee			1,163	898	70	0	2,131	0	1,721	302		108	2,131

Report To:	CABINET	Date:	20 FEBRUARY 2017
Heading:	GENERAL FUND REVENUE BUDGET 2016/17 AND 2017/18		
Portfolio Holder:	CLLR JACKIE JAMES - CORPORATE SERVICES		
Ward/s:	ALL		
Key Decision:	YES		
Subject To Call-In:	YES		

Purpose Of Report

- To agree the General Fund Revenue Estimates for 2016/17 (Revised) and 2017/18.
- To agree the continuation of the Council's Local Council Tax Support Scheme.
- To agree the use of the Corporate Improvement Fund (£30k) for investment in Trade Waste recycling bins (recommendation 3 below).
- To agree policy changes relating to a number of operational areas (see recommendations 4 to 8 below and information within the report).

Recommendation(s)

1. that the General Fund Revenue Estimates for 2016/17 (Revised) and 2017/18 are recommended to Council for approval
2. that the Council's Local Council Tax Support Scheme continues in its current form for 2017/18
3. that the Council invests £30k from the Corporate Improvement Fund for the investment in the new bins required for the Trade Waste recycling project
4. that Area Committee Environmental budgets are revised as set out in the report
5. that the Council seeks sponsorship to reduce the overall cost of providing Christmas trees, lights and events
6. that the Council ceases the provision of a bespoke Equality advice service from Mansfield DC as part of the HR Shared Service, and provides formal notice to Mansfield DC, in accordance with the Service Level Agreement, to cease this provision from the Shared HR Service.

7. that the Council uses agency workers (rather than fixed term contracts) to provide staffing for seasonal environmental work
8. that the principle be agreed, pending a more detailed report, of a reduction in the size of the Council's Corporate Leadership Team, with a target saving of £100k

Reasons For Recommendation(s)

In order to set a balanced budget for 2017/18 which reduces the net cost of the Council's General Fund Revenue services, in line with future predictions of reductions in resources.

Alternative Options Considered (With Reasons Why Not Adopted)

None appropriate. Because the gap between the Council's resources and its expenditure needs is predicted to remain at a significant level until at least 2022/23, it is important that net savings continue to be made each year.

Detailed Information

Section 1 -The Council's Medium Term Financial Strategy

The Council's previous Medium Term Financial Strategy (MTFS) was agreed by Cabinet in February 2016. It set out details of the continuing necessity to make savings (£670k per year) to the Council's net expenditure.

The updated MTFS on this agenda will set out an updated savings strategy based upon the Provisional Local Government Financial Settlement (December 2016) which removes more external funding from the Council than had been expected. The Government has announced another major change in policy which has had a negative effect on the settlement figures which had been previously forecast. This is the further reduction in the New Homes Bonus, which had already been reduced from a six to a four year award, and has now been reduced by a threshold, whereby the Council is not rewarded at all for the first 0.4% of new houses built in the district. This has a cumulative reducing effect, which reduces the Council's NHB payments from £2.6m in 2017/18 to £1.2m in 2022/23.

The Local Government Financial Settlement (details at Appendix A) has resulted in a decline in the resources provided by Government of £1.158m (12%) between 2016/17 and 2017/18. This decline is mainly due to a reduction in Revenue Support Grant. The Council's overall resources are predicted to fall by a total of £2.734m between 2016/17 and 2020/21, or a further 29%.

The reduction in Government resources between 2010/11 and 2020/21 is now forecast to be 51% (see Appendix A)

In response to this reducing resource position, a General Fund savings package of £1.005m is proposed in 2017/18. These savings will reduce the 2017/18 budget by £820k and will have a full year effect (reduction to the 18/19 budget) of £185k. Future savings targets will be agreed in the forthcoming MTFS report. The savings proposals which are summarised at Table 1 represent a balance between commercial income generation and improved efficiency.

If the revised savings proposals are agreed, the Council will present a balanced budget in line with the MTFs projections. Implementing these reductions will allow the Council to plan for the next five year period, during which the gap between the Council's need to spend, and the resources available will continue to be significant.

The aim of the Council's MTFs is that the balance in the General Fund Reserve remains above £1.35m over a five year period. The budget presented in this report results in the reduction of the General Fund Balance from £3.9m to £3.8m over the two year period, which is in line with the use of reserves anticipated in the MTFs. Section 5 assesses the level of the Council's reserves.

Section 2- The Council's Savings Strategy for 2017/18

Table 1 below sets out the proposals to make savings from the Council's budget in 2016/17. The General Fund proposals total £1.005m. Because of the lead in times required to make some of the major changes which are planned, an allowance has been made in the first year for a reduced saving of £820k.

Details of the Council's revised budget for 2016/17 and its estimates for 2017/18 are set out at appendices B,C,D and E.

Table 1 – Summary of the Council’s Savings Proposals, 2017/18

A full listing of these savings proposals is given in the table below. For completeness, savings to the Housing Revenue Account (HRA) are also shown. Some of the savings, such as the closure of Ashfield Homes Limited and the modernisation of cash collection provide savings to both funds.

Proposed Savings 2017/18 and 2018/19	General Fund		GF Total saving (£ 000s)	HRA		HRA Total saving (£ 000s)
	17/18 (£ 000s)	18/19 (£ 000s)		17/18 (£ 000s)	18/19 (£ 000s)	
Further Development of the Commercial Enterprise Strategy, and other Income Generation						
Rental of office space to DWP	28	27	55	0	0	0
Rental of office space to Notts Police	3	0	3	0	0	0
Installation of solar PVs at depot	2	0	2	0	0	0
Fees and Charges Review	11	0	11	0	0	0
Legal Services - potential charge for EIR requests	20	0	20	0	0	0
Trade Waste Recycling proposal - margin release	50	0	50	0	0	0
Building Control - Range of new charges	13	0	13	0	0	0
Environmental Health - pre-inspection visits	5	0	5	0	0	0
Pest Control - further income growth / cost reduction	10	0	10	0	0	0
SUB-TOTAL	142	27	169	0	0	0
Service Efficiencies						
Review of Members' Allowances	25	0	25	0	0	0
Savings from closure of AHL	200	0	200	300	0	300
Council Tax and Business Rates E Billing	20	0	20	0	0	0
Cash Collection	32	32	64	14	14	28
Leisure Review - Huthwaite Leisure Centre	53	27	80	0	0	0
Glass Collection proposal	24	26	50	0	0	0
Review of Selston Golf Course	35	35	70	0	0	0
Service Reviews	128	0	128	0	0	0
Reduction in Area Committee Environmental budgets	14	0	14	0	0	0
Review of Christmas Lights and events - initiative to increase sponsorship	10	31	41	0	0	0
Cessation of Equalities service provision from MDC	6	7	13	0	0	0
Environment Seasonal Working - Use of Agency staff rather than fixed term contracts	41	0	41	0	0	0
Corporate Structure Review	90	0	90	10	0	10
SUB-TOTAL	678	158	836	324	14	338
TOTAL SAVINGS	820	185	1,005	324	14	338

Section 3 - Specific Changes and Recommendations

Recommendation 2 - that the Council's Local Council Tax Support Scheme continues in its current form for 2017/18

Members will recall that this scheme was introduced in 2013/14, following extensive consultation with residents, who were very supportive of the Council's proposals.

The scheme allows the Council to reduce the Council Tax of those residents who would have qualified for Council Tax benefit under the old scheme, under a set of rules which is very similar to the old scheme. This scheme is now fully funded by the Council, Government support having ceased in 2014/15, and will be reviewed in the future to determine whether it is still fit for purpose.

It is proposed to continue the scheme unchanged in 2017/18.

Recommendation 3 - That the Council allocates £30k from the Corporate Improvement Fund for investment into new bins required to reconfigure the Trade Waste service into an integrated recycling service whilst also releasing a saving.

Trade waste customers have repeatedly said that they want to recycle more, so the Council is developing proposals which will seek to reorganise how trade waste is collected, with a view to creating a fully integrated recycling service. The operational details of this are being finalised and will be subject to a further delegated decision but to facilitate this change and realise a saving of up to £50k, an initial investment in new recycling bins is required. This will be met by an allocation of £30k from the Corporate Improvement Fund.

As part of this, the Council will be launching the 'Ashfield Green Business' scheme, as a thank you to our customers. The scheme means that businesses using Council waste and recycling services automatically receive bronze accreditation and if they also use other Council services like pest control, or become environmental volunteers, they could receive silver or gold accreditation.

In order to make this change, investment of £30k in new recycling bins for businesses to use, will be required. It is appropriate to use the Corporate Improvement Fund for this purpose, as it represents a "Spend To Save" project, for which the Fund is intended.

Appendix D summarises the movement in this reserve and Appendix E lists the changes in detail.

Recommendation 4 - that Area Committee Environmental budgets are revised as set out in the report

The Council currently provides each member with £750 a year to fund floral displays, replace bins and improve street furniture (signs and benches); managed through the Area Committees. It is proposed that the Council continue to fund floral displays whilst retaining a reduced allowance for other maintenance items. This would provide a saving of £12.5K.

The area budget will continue to be allocated on a pro rata basis according to the number of elected members per area. The new area budgets are set out below:

- Sutton £4,550
- Kirkby £2,800
- Hucknall £3,500
- Rurals £1,400

Recognising the importance of town centres and high profile sites within the district, the bulk of the budget will be ring-fenced to provide floral displays and planters in these high profile areas.

Officers will recommend costed floral displays to the Area Committee for approval. It should be noted that due to the timings involved, orders for the 2017 display have already been placed and the Area Committees will be advised accordingly at the next meeting. Any residual funding after the floral displays have been purchased can be used for any incidental maintenance and replacement requests e.g. for litter bins, or street name plates. These will need to be prioritised to ensure the best use of the available funding.

The Council will continue to use innovative approaches to fund wider regeneration projects and will look to lever in additional capital resources to fund more fundamental street furniture replacement programmes.

Recommendation 5 - that the Council seeks sponsorship to reduce the overall cost of providing Christmas trees, lights and events

It is proposed to save £41k from this £66k budget by seeking sponsorship with local businesses for the Christmas lights and events which are currently funded by the Council. The Council will work with “Mansfield and Ashfield 2020” to progress these negotiations.

If this initiative is not successful in significantly reducing overall costs, the size and coverage of future Christmas events will need to be reviewed during 2017/18.

Recommendation 6 - Cessation of the provision of a bespoke Equality advice service from Mansfield DC as part of the HR Shared Service

In 2016, both the Council and Ashfield Homes self-assessed as meeting the ‘Achieving’ level of the Local Government/Social Housing Equalities Frameworks confirming that policies, practices and procedures relating to equalities and diversity practice are now sufficiently embedded across the organisation.

Now this has been achieved, it is believed that having a specific role via the shared HR service provided by Mansfield District Council (MDC) is no longer required. The Council will still comply with Equality Act 2010 and the Public Sector Duty that necessitates provision of specific policy, practice and publishing of annual data e.g. equality objectives and annual workforce profile which will be undertaken by Council services and managers. This would offer a budget saving of £13k.

In accordance with the service level agreement, the Council will be required to provide MDC with a minimum 6 months formal notice to cease the provision of the equalities service via the shared HR service.

Recommendation 7 - that the Council uses agency workers (rather than fixed term contracts) to provide staffing for seasonal environmental work

To support the environmental requirements of the district the Council requires an additional 15 FTEs during the growing season – e.g. for grass cutting etc, both for its own operations and for supporting the highways contract.

Agency staff were originally used because this was found to be helpful in terms of flexibility and productivity and reduced the amount of time required in terms of recruitment and management. The Council changed its policy in around 2014 and has since been using short term contracts, which was seen as good practice in employment. This is understandable but an unintended consequence of this is it has increased cost and created additional burdens for the team, both in terms of setting up the recruitment process, as well as then managing employees if they are either poorly performing or have issues with attendance. Within a fixed term contract there is little the Council can do to resolve this given people are only employed for a short time. With agency the Council can address issues more quickly and maximise productivity.

By returning to agency a saving of £41k could be delivered.

Recommendation 8 - that the principle be agreed, pending a more detailed report, of a reduction in the size of the Council's Corporate Leadership Team, with a target saving of £100k

The Chief Executive is developing proposals to restructure the Corporate Leadership Team, and will be bringing a detailed report to Cabinet in the near future. It is important that all areas of the Council are considered in service reviews, given that the resourcing position has changed since many teams were last reviewed.

Section 4 - Council Tax Options

District Councils are limited to a maximum increase of £5 at Band D. Any proposal to increase Council Tax by more than this would trigger a referendum.

This increase would be equivalent to £3.33 at Band A, or around 6 pence per week.

A £5 increase at Band D (2.85% overall) would generate the Council £163k additional income, as opposed to no increase. The MTFS assumes this level of increase from 2017/18 to 2019/20.

The figures used in this report assume a £5 at Band D, for illustrative purposes.

Section 5 - The Council's Reserves

All Councils are facing a period of financial uncertainty. Although the Council secured a four year package of funding with the submission of its Efficiency Plan in October 2016, this agreement only covered Revenue Support Grant, which will reduce to nil by 2020/21.

Less than two months after this agreement, Government reduced without prior notice another funding source, New Homes Bonus. This will eventually settle at a level which is £1m lower than in previous assumptions.

The greatest future uncertainty is the revised scheme for Business Rates Retention, which the Government has stated will be implemented in 2019/20, but for which there are as yet no details available. The MTFs assumes a steady growth in Retained Business Rates, based upon inflationary increases to the multiplier (the tax rate). However, district councils are considered to be vulnerable in any future re-allocation of resources, for a number of reasons:

- They do not provide social care, which has become a focus for national policy
- They collect Business Rates for many large hospitals. The NHS is financing a national campaign to argue that hospital trusts and foundation trusts are in fact charities, which would be eligible for 80% charitable relief on their business rates. Nationally, an unfavourable outcome would divert many millions of pounds from local government to the NHS.
- They bear a disproportionate share of the losses to appeals against valuations, for which there is a national backlog (administered by the Valuation Office Agency), creating a deal of uncertainty

At times of financial uncertainty councils need to ensure that they have enough funds in reserve to deal with the impact of resourcing changes in the medium term, to give the organisation chance to amend its plans to meet the available financial envelope.

If these budget plans are approved, the Council will hold £3.8m in its General Fund Reserve and £3.4m in its General Fund Earmarked Reserves at 31 March 2018. Within these Earmarked Reserves, an NNDR Equalisation Reserve has been created (value £398k at 31 March 2018). This is considered necessary because of the calculation of budget figures for Business Rates are dependent upon several estimates, especially around appeals, which are considered to be volatile.

The minimum allowable balance in its General Fund Reserve, in accordance with previous Cabinet decisions, is £1.35m. There is no prescribed minimum for Earmarked Reserves, as each one is managed in accordance with the specific need identified.

The MTFs targets, discussed elsewhere on this agenda, identifies savings targets which by using a proportion of the Reserve each year, reduce the balance to just above £1.35m by 31 March 2023.

The Council has a good record of meeting the targets set in its MTFs, having made more than £7m of savings since 2010, and has set out in this report further savings for 2017/18, which it has robust action plans to deliver. It can therefore be concluded that the current level of reserves is adequate in the context of this budget, the Council's MTFs and the future financial uncertainty.

This position will be thoroughly reviewed during financial year 2017/18.

Section 6 - Budget Consultation

The Council undertook an extensive consultation seeking views on its overall budget strategy and on a number of individual initiatives. Residents were supportive of the options which have been progressed, and some of the proposals (for example to make changes at Edgewood Leisure Centre) have not been progressed due to residents' expressing views in opposition to the proposal.

A report on the results of the survey is available at

<http://www.ashfield.gov.uk/your-council/public-data/spending/budget-2017-consultation/>

Implications

Corporate Plan:

The Revenue Budget underpins all of the Corporate Plan's objectives

Legal:

The Council must set a legal budget by 11 March 2017.

Finance:

This report is effective from 1 April 2017 and has the following financial implications:

Budget Area	Implication
General Fund – Revenue Budget	As set out in the report
General Fund – Capital Programme	Further reports on this agenda will cover other budget areas
Housing Revenue Account – Revenue Budget	Further reports on this agenda will cover other budget areas
Housing Revenue Account – Capital Programme	Further reports on this agenda will cover other budget areas

Human Resources / Equality and Diversity:

Many of the initiatives summarised in this report will have Human Resource implications. Each of these will be dealt with in accordance with the Council's policies on organisational change.

The provision of the equalities service is provided by an Equalities Officer (EO) on a basis of 2 days/week each to ADC and MDC. MDC have advised that should ADC serve notice to cease this service that the EO will be placed at risk of redundancy and if unable to secure suitable alternative employment in accordance with the redeployment policies at both Council's, will be made redundant and a redundancy cost will be incurred.

Other Implications:

Trade Union comments:

Trade Union colleagues were consulted on 25 January and their comments are as follows:
The Trade Unions have been fully consulted and are clearly aware of the difficulties facing the Authority.

Reason(s) for Urgency (if applicable):

None

Background Papers

Settlement data from the Government web site

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CHIEF EXECUTIVE

APPENDIX A - The Provisional Local Government Financial Settlement

The Provisional Settlement was announced on 15 December 2016. The main points are discussed above at Section 1. The District Councils Network and the Local Government Association has made representations to the Government, expressing the sector's specific concerns about the unexpected and disappointing changes to the New Homes Bonus rules.

At the time of writing this report, the Final Settlement (the Government's opportunity to make any changes) had not been published. Media information suggests that the Parliamentary debate on the Final Settlement will take place after 20 February, but it is not known when the Final Settlement will be announced.

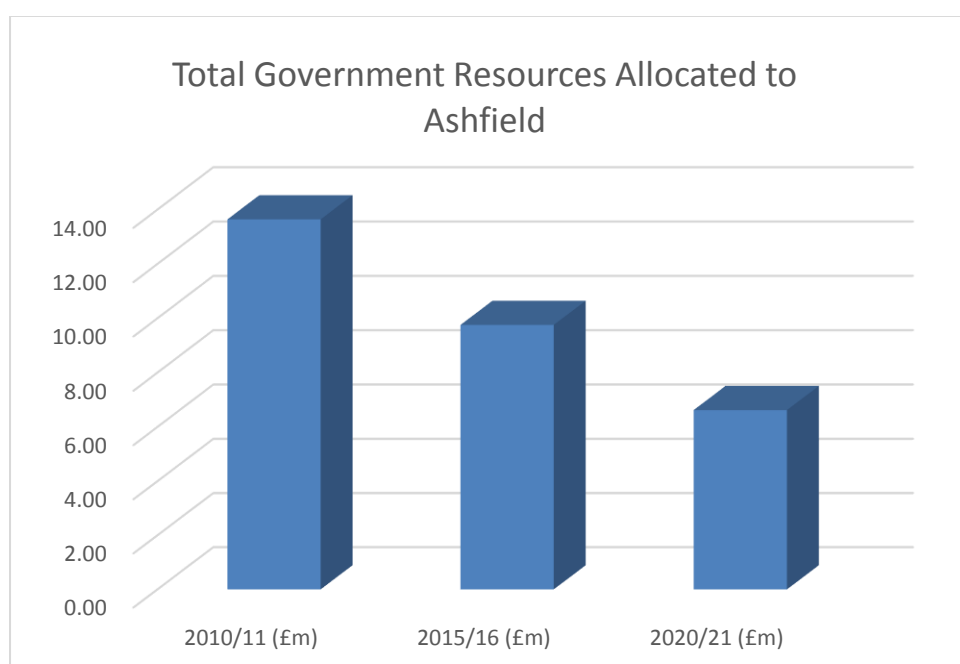
The key changes in the Provisional Settlement are summarised in Table 2 below:

Table 2: The 2017/18 Local Government Financial Settlement

	2016/17 (£ 000s) Final Settlement	2017/18 (£ 000s) Final Settlement	2018/19 (£ 000s) Projected amounts	2019/20 (£ 000s) Projected amounts	2020/21 (£ 000s) Projected amounts
Revenue Support Grant	1,859	1,148	697	194	0
Retained Business Rates	4,360	4,924	5,002	5,161	5,294
New Homes Bonus	3,088	2,578	1,976	1,604	1,323
Total Government Allocated Funding	9,351	8,193	7,675	6,959	6,617
Percentage reduction on 2016/17		12%	18%	26%	29%
Percentage reduction on 2010/11	31%	40%	44%	49%	51%

The chart below shows the overall picture of Government Funding to Ashfield over the period from 2010/11 to 2020/21.

Over this ten year period, Government funding to Ashfield is expected to reduce overall by 51%. There is still a great deal of uncertainty over the future regime for distributing Retained Business Rates, from 2019/20.



APPENDIX B - Summary of Budgets, 2016/17 and 2017/18

<u>General Fund Revenue Account</u>	Original Estimate 2016/17 (Post AHL transfer) £ 000s	Revised Estimate 2016/17 £ 000s	Budget increases or (Reductions) £ 000s	Proposed Budget 2017/18 £ 000s	Increases or (reductions) over Revised Estimate 2016/17 £ 000s
Service Expenditure	13,597	13,622	25	13,824	202
Capital Financing Charges	1,425	1,560	135	1,975	415
Other Interest Payable/Receivable	(34)	(34)	0	20	54
TOTAL EXPENDITURE	14,988	15,148	160	15,819	671
Revenue Support Grant	(1,859)	(1,859)	0	(1,148)	711
Retained Business Rates	(4,213)	(4,360)	(147)	(4,924)	(564)
New Homes Bonus	(3,088)	(3,088)	0	(2,578)	510
Council Tax	(5,604)	(5,603)	1	(5,873)	(270)
Council Tax Collection Fund Adjustment	(100)	(100)	0	(28)	72
Business Rates Collection Fund Adjustment	(44)	(44)	0	457	501
Other Funding	0	(248)	(248)	0	248
TOTAL FUNDING	(14,908)	(15,302)	(394)	(14,094)	1,208
DEFICIT or (SURPLUS) before transfers to / from earmarked reserves	80	(154)	(234)	1,725	1,879
Transfers to earmarked reserves	248	486	238	48	(438)
Transfers from earmarked reserves	(514)	(821)	(307)	(1,147)	(326)
NET DEFICIT (or SURPLUS) to be funded from (or transferred to) the General Fund Reserve	(186)	(489)	(303)	626	1,115
<u>General Fund Reserve</u>	Original Estimate 2016/17 (adjusted for agreed changes) £ 000s	Revised Estimate 2016/17 £ 000s	Budget increases or (Reductions) £ 000s	Proposed Budget 2017/18 £ 000s	Increases or (reductions) over Revised Estimate 2016/17 £ 000s
Balance brought forward 1 st April	(3,895)	(3,895)	0	(4,384)	(489)
Transfer to (from) General Fund	(186)	(489)	(303)	626	1,115
Balance carried forward 31st March	(4,081)	(4,384)	(303)	(3,758)	626

APPENDIX C - Budget Changes 2016/17 to 2017/18

		Sub-total (£ 000s)	Budgeted Use or (Contribution to) of General Reserve at each stage
ORIGINAL ESTIMATE 2016/17			(226)
<u>Changes approved by Council during 2016/17</u>			
Changes to service expenditure		190	
Changes to contingencies		(150)	40
ADJUSTED ORIGINAL ESTIMATE 2016/17 (Post AHL Transfer)			(186)
<u>Changes between Adjusted Original and Revised Estimate 2016/17</u>			
<u>Service Expenditure</u>			
Minor net in year changes	25	25	
<u>Capital Financing</u>			
Capital Financing Expenditure	135		
Other interest paid / received	0	135	
<u>Funding</u>			
Retained Business Rates	(147)		
Council Tax	1		
Other Funding (NDR refunded from preceptors)	(248)	(394)	
<u>Transfers to/from Earmarked Reserves</u>			
Transfers to Earmarked Reserves	238		
Transfers from Earmarked Reserves	(307)	(69)	(303)
REVISED ESTIMATE 2016/17			(489)
<u>Changes between Revised Estimate 2016/17 and Original Estimate 2017/18</u>			
<u>Service expenditure</u>			
Budget reductions as per Table 1	(820)		
Increases in contributions to the Superannuation Fund	545		
Agreement of 1% Pay Award for 2017/18	150		
Net cost of the New Cross and Broomhill Support Teams	10		
Payment of the Apprenticeship Levy	48		
Creation of a Commercial Investment Budget (funded from a specific reserve)	50		
Inclusion of a budget for costs of organisational change (funded from a specific reserve)	150		
Other minor changes	69	202	
<u>Capital Financing</u>			
Capital Financing Expenditure	415		
Other interest paid / received	54	469	
<u>Funding</u>			
Revenue Support Grant	711		
Retained Business Rates	(564)		
New Homes Bonus	510		
Council Tax	(270)		
Council Tax Collection Fund Adjustment	72		
NDR Collection Fund Adjustment	501		
Other Funding (NDR refunded from preceptors)	248	1,208	
<u>Transfers to/from Earmarked Reserves</u>			
Transfers to Earmarked Reserves	(438)		
Transfers from Earmarked Reserves	(326)	(764)	1,115
ORIGINAL ESTIMATE 2017/18			626

APPENDIX D - The Council's Earmarked Reserves

The table below sets out the estimated changes in the Council's Earmarked Reserves up to the end of 2017/18.

Earmarked Reserve	Balance at 31.3.16	Forecast contributions in 16/17	Forecast withdrawals in 16/17	Forecast balance at 31.3.17	Forecast contributions in 17/18	Forecast withdrawals in 17/18	Forecast balance at 31.3.18	See note
	(£ 000s)	(£ 000s)	(£ 000s)	(£ 000s)	(£ 000s)	(£ 000s)	(£ 000s)	
Corporate Change and Renewal	(1,482)		50	(1,432)		250	(1,182)	a
Revenue Grant Reserve	(1,265)		443	(822)		282	(540)	b
Joint Crematorium Reserve	(647)			(647)			(647)	c
Corporate Improvement Fund	(807)		167	(640)		244	(396)	d
Business Rates Equalisation Reserve	(150)	(248)		(398)			(398)	m
Insurance Related Funds	(280)			(280)			(280)	e
Asset Renewal Reserve	(429)	(200)	48	(581)		300	(281)	f
District Planning Enquiry	(151)		79	(72)		70	(2)	g
Elections	0	(38)		(38)	(38)		(76)	h
Joint Use Maintenance Fund	(218)		32	(186)	(10)		(196)	j
Harold Farr Bequest	(11)		1	(10)		1	(9)	k
LAMS Reserve	(32)			(32)			(32)	l
TOTAL of all Earmarked Reserves	(5,472)	(486)	820	(5,138)	(48)	1,147	(4,039)	
TOTAL excluding Joint Crematorium Committee	(4,825)	(486)	820	(4,491)	(48)	1,147	(3,392)	

Notes

(a) This fund pays for the ongoing costs of organisational change (redundancy and pension strain costs). £50k has also been set aside to support the funding of commercial initiatives. This is referred to in the Council report of 16 February on Changes to Financial Regulations.

(b) Revenue schemes for which the Council has received grant money, but which will be spent in future years.

(c) This reserve shows in the Council's accounts but the money is actually held by Mansfield DC as custodians of the Joint Crematorium. Ashfield's "share" of this reserve would be approximately 42%, if the facility was ever disposed of.

(d) This fund has typically been used for improvement projects over the last four years. It is currently funding the IT Transformation Projects, part of the New Cross Support Team, and the Nottinghamshire-wide Broadband projects, among others.

(e) Money which the Council has set aside to pay for excess amounts relating to insurance claims. The adequacy of this fund is assessed annually.

(f) This fund contributes to the cost of capital investments, and could be called on in an emergency to repair or renew assets. It is planned to use £300k of this reserve to fund capital projects in 2017/18 (see Capital Strategy, February 2016).

(g) Funds set aside for the cost of the enquiry relating to the Council's Local Plan.

(h) Funds set aside to equalise the Council's contribution to the District Elections every four years.

(j) Funds set aside for future repair liabilities at the Council's joint use facilities.

(k) Funds bequeathed to the Council which are granted to residents for projects on an annual basis.

(l) The surplus on interest generated from the Council's assistance with the Local Authority Mortgage Scheme. This money must be held in case of potential defaults on mortgages. None have occurred to date.

(m) Funds transferred to reserves to deal with the volatility of forecast Retained Business Rates Receipts. This is referred to in Section 5.

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Appendix E

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget £	2017/18 Original Budget £
Summary Budget for General Fund				
Division				
CEO	581,849	466,298	466,298	584,743
DCEO	1,083,770	1,100,804	917,454	1,301,070
ACEO	932,576	974,001	988,808	1,009,089
Place & Communities	7,959,087	8,288,468	8,303,468	8,549,126
Planning & Economic Development	4,154,549	3,178,279	3,218,319	3,130,995
Corporate Services	1,382,525	1,957,420	2,034,260	2,096,466
Housing	0	319,151	379,151	397,360
Total	16,094,356	16,284,421	16,307,758	17,068,849
Subjective Analysis				
Employee Expenses	15,578,483	16,063,353	16,132,823	17,143,076
Premises Expenses	1,401,555	1,401,935	1,401,935	1,399,573
Transport Related Expenses	2,189,522	2,197,712	2,197,712	2,395,592
Supplies & Services	5,763,613	5,817,793	5,889,479	5,816,648
Transfer Payments	705,900	705,900	713,460	693,045
Income	-9,007,300	-8,767,223	-8,892,602	-8,327,875
Sub Total Excluding Capital Financing Costs & Central Recharges	16,631,773	17,419,470	17,442,807	19,120,059
Capital Financing Costs	2,687,153	2,687,153	2,687,153	3,244,532
Central & Dept Recharges In	9,116,880	9,145,390	9,145,390	9,284,713
Central & Dept Recharges Out	-12,341,450	-12,967,592	-12,967,592	-14,580,455
Total	16,094,356	16,284,421	16,307,758	17,068,849
Net Operating Expenditure	16,094,356	16,284,421	16,307,758	17,068,849
Less Adjusting Capital Entries	2,687,153	2,687,153	2,687,153	3,244,532
Total Net Operating Expenditure after Adjusting Capital Entries	13,407,203	13,597,268	13,620,605	13,824,317
Contingencies				
Pay Award	150,000	0	0	0
Single Status	0	0	0	0
Total Contingencies	150,000	0	0	0
Borrowing and Capital Financing Costs				
Interest Payable and Other Charges	3,357,060	3,357,060	3,357,060	3,356,140
Minimum Revenue Provision	1,506,604	1,506,604	1,525,778	1,757,780
Item 8 Contribution	-3,563,600	-3,563,600	-3,563,600	-3,542,530
Direct Revenue Financing	125,270	125,270	241,000	404,000
Total Borrowing and Capital Financing Costs	1,425,334	1,425,334	1,560,238	1,975,390
Other Interest Payable and Receivable				
Interest Paid	70,990	70,990	70,990	70,990
Interest Received	-105,000	-105,000	-105,000	-51,690
Total Other Interest Payable and Receivable	-34,010	-34,010	-34,010	19,300
Net Expenditure to be Financed from Council Tax and Grants	14,948,527	14,988,592	15,146,833	15,819,007
Funded By:-				
Collection Fund Adjustment - Council Tax	-99,701	-99,701	-99,701	-28,329
Collection Fund Adjustment - Business Rates	-43,431	-43,431	-43,431	457,503
Revenue Support Grant	-1,859,392	-1,859,392	-1,859,392	-1,148,206
Retained Business Rates	-3,732,427	-3,732,427	-3,878,766	-4,278,011
Small Business & Empty Rate Relief -Section 31 Grant	-481,205	-481,205	-481,205	-645,903
New Homes Bonus Grant	-3,088,448	-3,088,448	-3,088,448	-2,577,363
Returned funding from preceptors 13-14 to 15-16	0	0	-247,944	0
Council Tax Payers	-5,603,543	-5,603,543	-5,603,543	-5,873,287
	-14,908,147	-14,908,147	-15,302,430	-14,093,596
Net Deficit/ (Surplus) before movement to Reserves	40,380	80,445	-155,597	1,725,411
Net contribution from/(to) Reserves				
Earmarked Reserves	266,660	266,660	334,676	1,099,491
General Reserve	-226,280	-186,215	-490,273	625,920
	40,380	80,445	-155,597	1,725,411

Statement of Movement on Reserves

	Balance at 1st April 2016	Revised Budget 2016/17		Balance at 31 March 2017	Budget 2017/18		Balance at 31st March 2018
	£	Contributions £	Withdrawals £	£	Contributions £	Withdrawals £	£
Earmarked Reserves							
Corporate Improvement fund	806,898	0	167,050	639,848	0	244,000	395,848
District Planning Enquiry	150,839	0	78,900	71,939	0	70,000	1,939
Elections	0	38,000	0	38,000	38,000	0	76,000
Harold Farr Bequest	11,044	50	1,500	9,594	50	1,500	8,144
Joint Use Maintenance Fund	218,265	0	32,545	185,720	10,000	0	195,720
Asset Renewal Reserve	429,243	200,000	48,000	581,243	0	300,000	281,243
Corporate Change and Renewal	1,482,361	0	50,000	1,432,361	0	250,000	1,182,361
*Insurance Related Funds (inc Risk Mangt)	280,517	0	0	280,517	0	0	280,517
Revenue Grant Reserve (net movement)	1,264,655	0	442,671	821,984	0	282,041	539,943
Local Authority Mortgage Scheme (LAMS)	32,029	0	0	32,029	0	0	32,029
NNDR Equalisation Reserve	150,000	247,940	0	397,940	0	0	397,940
Total Earmarked Reserves	4,825,849	485,990	820,666	4,491,173	48,050	1,147,541	3,391,682
General Reserve	3,893,829		-490,273	4,384,102		625,920	3,758,182

*Funds will be part-utilised dependant on outcome of claims

Analysis of Withdrawals from Reserves

Corporate Improvement Fund

Contribution from Corporate Change & Renewal	0	0	0	0
Broadband contribution to NCC (Capital Project)	0	24,000	0	0
IT Transformation Project	0	30,000	0	0
Affordable Warmth Team / Selective Licensing	0	15,000	0	34,000
Funding of the Commercial Strategy Team	0	60,000	0	140,000
Legal Services Case Management System	0	17,850	0	0
Trade Waste Recycling Project	0	0	0	30,000
Glass Recycling Project (project management & comms)	0	0	0	40,000
Community Engagement Review	0	10,000	0	0
Service Reviews - External Support	0	10,200	0	0
	0	167,050	0	244,000

District Planning Enquiry

Local Plan preparation	0	78,900	0	70,000
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Elections

In Year Contribution	38,000	0	38,000	0
Funding of in-year Election	0	0	0	0
	38,000	0	38,000	0

Harold Farr Bequest

In Year Contribution (Interest)	50	0	50	0
Payments	0	1,500	0	1,500
	50	1,500	50	1,500

Joint Use - Asset Maintenance

Maintenance Expenditure (net contribution)	0	32,545	10,000	0
	0	32,545	10,000	0

Asset Renewal Reserve

Contribution	200,000	0	0	0
Direct Revenue Financing	0	48,000	0	300,000
	200,000	48,000	0	300,000

Corporate Change and Renewal Fund

Withdrawal to Corporate Improvement Fund	0	0	0	0
Restructure estimated costs	0	50,000	0	200,000
Commercial Investment	0	0	0	50,000
	0	50,000	0	250,000

Internal Insurance Fund

Contribution to Insurance Reserve	0	0	0	0
	0	0	0	0

Revenue Grant Reserve

Contribution to Reserve based on range of projects	0	0	0	0
Contribution from Reserve based on range of projects	0	442,671	0	282,041
	0	442,671	0	282,041

NNDR Equalisation Reserve

Contribution to NNDR Equalisation Reserve	247,940	0	0	0
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485,990 **820,666** **48,050** **1,147,541**

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Summary Budget for Chief Executive Officer				
Service				
CEO	431,827	466,298	466,298	584,743
Communications	24,396	0	0	0
Performance Improvement	125,626	0	0	0
TOTAL	581,849	466,298	466,298	584,743
Subjective Analysis				
Employee Expenses	409,459	-3,492	-3,492	192,539
Premises Expenses	0	0	0	0
Transport Related Expenses	4,950	3,350	3,350	5,850
Supplies & Services	197,330	94,110	94,110	90,410
Transfer Payments	0	0	0	0
Income	-193,100	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	418,639	93,968	93,968	288,799
Capital Financing Costs	1,540	1,540	1,540	2,010
Central & Dept Recharges In	681,420	623,080	623,080	554,794
Central & Dept Recharges Out	-519,750	-252,290	-252,290	-260,860
Total	581,849	466,298	466,298	584,743

CEO Division

Purpose of budget: This budget includes costs associated with the Chief Executive Officer as well as costs for civic support and administration support for Service Directors.

Budget Holder: R Mitchell

Employee Expenses	103,477	-3,492	-3,492	192,539
Premises Expenses	0	0	0	0
Transport Related Expenses	3,350	3,350	3,350	5,850
Supplies & Services	94,110	94,110	94,110	90,410
Transfer Payments	0	0	0	0
Income	-154,000	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	46,937	93,968	93,968	288,799
Capital Financing Costs	1,540	1,540	1,540	2,010
Central & Dept Recharges In	635,640	623,080	623,080	554,794
Central & Dept Recharges Out	-252,290	-252,290	-252,290	-260,860
Total	431,827	466,298	466,298	584,743

2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges

93,968 **93,968**

Reconciliation to 2016/17 Post AHL Budget

Council Restructure Savings				-139,000
Increase in Pension Costs				332,810
Other				1,021
Total: CEO Division			93,968	288,799

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Communications				
Purpose of budget: To engage with residents and employees and inform them of council activity.				
Budget Holder: C Turner-Jones				
Employee Expenses	77,716	0	0	0
Premises Expenses	0	0	0	0
Transport Related Expenses	600	0	0	0
Supplies & Services	55,530	0	0	0
Transfer Payments	0	0	0	0
Income	-27,000	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	106,846	0	0	0
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	-82,450	0	0	0
Total: Communications	24,396	0	0	0
SERVICE MOVED TO CORPORATE SERVICES DIRECTORATE DURING 2016/17				

Planning, Performance and Improvement Unit

Purpose of budget: Determination & delivery of the Council's Improvement Programme, performance management framework and strategic planning.

Budget Holder: J Froggatt

Employee Expenses	228,266	0	0	0
Premises Expenses	0	0	0	0
Transport Related Expenses	1,000	0	0	0
Supplies & Services	47,690	0	0	0
Transfer Payments	0	0	0	0
Income	-12,100	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	264,856	0	0	0
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	45,780	0	0	0
Central & Dept Recharges Out	-185,010	0	0	0
Total: Planning, Performance and Improvement Unit	125,626	0	0	0

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Summary Budget for Deputy Chief Executive Officer (Resources)				
Service				
DCEO	-323,526	-322,260	-284,550	-294,996
Financial Management	52,302	55,866	60,866	200,007
Internal Audit	0	0	0	0
Revenues & Customer Services	1,354,994	1,367,198	1,141,138	1,396,059
Housing Finance	0	0	0	0
TOTAL	1,083,770	1,100,804	917,454	1,301,070
Subjective Analysis				
Employee Expenses	2,405,185	2,504,609	2,509,609	2,614,971
Premises Expenses	0	0	0	0
Transport Related Expenses	10,010	10,360	10,360	9,530
Supplies & Services	707,710	712,290	712,290	633,490
Transfer Payments	705,900	705,900	713,460	693,045
Income	-2,330,220	-2,330,220	-2,526,130	-2,107,413
Sub Total Excluding Capital Financing Costs & Central Recharges	1,498,585	1,602,939	1,419,589	1,843,623
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	718,375	718,375	718,375	645,672
Central & Dept Recharges Out	-1,133,190	-1,220,510	-1,220,510	-1,188,225
TOTAL	1,083,770	1,100,804	917,454	1,301,070

DCEO

Purpose of budget: To provide for the role of Deputy Chief Executive (whose role also includes that of Chief Financial Officer) and secretariat support. Income from Joint Crematorium is included here.

Budget Holder: Deputy Chief Executive Officer (Resources): D. Greenwood

Employee Expenses	141,924	143,190	143,190	146,304
Premises Expenses	0	0	0	0
Transport Related Expenses	580	580	580	400
Supplies & Services	14,340	14,340	14,340	13,930
Transfer Payments	0	0	0	0
Income	-333,530	-333,530	-295,820	-305,000
Sub Total Excluding Capital Financing Costs & Central Recharges	-176,686	-175,420	-137,710	-144,366
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	-146,840	-146,840	-146,840	-150,630
Total	-323,526	-322,260	-284,550	-294,996
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges	-176,686	-176,686	-175,420	-175,420
Reconciliation to 2016/17 Post AHL Budget				
Reduction in Crematorium Surplus			37,710	28,530
Employee Expenses				2,524
Total: DCEO			-137,710	-144,366

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Financial Management				
Purpose of budget: The provision of a finance function providing direction and support to the Council in the use of financial resources. The service also includes payments to suppliers and the insurance function, and has an overview of procurement.				
Budget Holder: S. Lynch				
Employee Expenses	444,112	447,676	452,676	611,537
Premises Expenses	0	0	0	0
Transport Related Expenses	750	750	750	750
Supplies & Services	126,350	126,350	126,350	119,500
Transfer Payments	0	0	0	0
Income	-5,200	-5,200	-5,200	-5,000
Sub Total Excluding Capital Financing Costs & Central Recharges	566,012	569,576	574,576	726,787
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	-513,710	-513,710	-513,710	-526,780
Total	52,302	55,866	60,866	200,007
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			569,576	569,576
Reconciliation to 2016/17 Post AHL Budget				
Employee Expenses			5,000	13,861
Increase in Restructuring Costs				150,000
Reduction in Liabilities Insurance				-8,280
Additional External Audit Fees				3,000
Changes in Shared Service Fees				-2,220
Other Minor Changes				850
Total: Financial Management			574,576	726,787
Internal Audit				
Purpose of budget: Provision of the Internal Audit Service to Ashfield District Council. Internal Audit occupies a critical position in the Council, helping it to achieve its objectives by giving assurance on its internal control arrangements and playing a key role in promoting good governance. This service is delivered by the Central Midlands Audit Partnership.				
Budget Holder: D.Greenwood				
Employee Expenses	0	0	0	0
Premises Expenses	0	0	0	0
Transport Related Expenses	0	0	0	0
Supplies & Services	100,530	100,530	100,530	75,200
Transfer Payments	0	0	0	0
Income	-24,800	-24,800	-24,800	0
Sub Total Excluding Capital Financing Costs & Central Recharges	75,730	75,730	75,730	75,200
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	-75,730	-75,730	-75,730	-75,200
Total	0	0	0	0
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			75,730	75,730
Reconciliation to 2016/17 Post AHL Budget				
Other Minor Variances				-530
Total: Internal Audit			75,730	75,200

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Revenues & Customer Services				
Purpose of budget: Revenues provide for the administration and collection of Council Tax, Business Rates and Sundry Debts. The service also administers Council Tax Benefit and Housing Benefits. The Customer Services Team, including cash offices, provide the initial point of contact for members of the public. The budget covers the costs of the Telephone, Payment Collection and Customer Relationship Management systems as well as direct employee costs.				
Budget Holder: C.Scott				
Employee Expenses	1,819,149	1,831,353	1,831,353	1,751,015
Premises Expenses	0	0	0	0
Transport Related Expenses	8,680	8,680	8,680	7,680
Supplies & Services	466,490	466,490	466,490	409,960
Transfer Payments	705,900	705,900	713,460	693,045
Income	-1,966,690	-1,966,690	-2,200,310	-1,797,413
Sub Total Excluding Capital Financing Costs & Central Recharges	1,033,529	1,045,733	819,673	1,064,287
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	718,375	718,375	718,375	645,672
Central & Dept Recharges Out	-396,910	-396,910	-396,910	-313,900
TOTAL	1,354,994	1,367,198	1,141,138	1,396,059
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			1,045,733	1,045,733
Reconciliation to 2016/17 Post AHL Budget				
Reduction in Rent Allowance Expenditure			-1,175,410	-1,648,800
Reduction in Rent Allowance Grant Income			1,163,950	1,624,935
Reduction in Rent Rebate Expenditure			-596,720	-1,095,800
Reduction in Rent Rebate Grant Income			615,740	1,106,810
Changes in Council Tax Admin Grant			-29,950	-17,460
Changes to IBS Debtors Raised - Rent Allowances			-225,060	112,270
Changes to IBS Debtors Raised - Rent Rebates			21,390	29,487
Changes to DHP Expenditure				-44,542
Changes to DHP Income				44,542
Increase in Bank and Credit/Debit Card Charges				14,020
Reduction in Legal Charges Recovered				5,000
Increase in Liabilities Insurance Charges to Service				-12,070
Reduction in Printing & Stationery				-3,000
Reduction in Postage from E-Billing				-20,000
Reduction in Internet Charges				-5,230
Reduction in Housing Benefit Admin Grant				39,282
Reduction in Employee Expenses - Revenues				-96,832
Universal credit new grant (now in L45000)				-16,660
Increase in Employee Expenses - Customer Services				16,489
Reduction in Telephones - Customer Services				-5,340
Reduction in Security costs				-8,000
Other Minor Variances				-547
Total: Revenues and Customer Services	0	0	819,673	1,064,287

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Summary Budget for Assistant Chief Executive Officer				
Service				
ACEO	58,803	72,227	72,227	34,943
Democratic Services	668,613	675,187	675,187	707,029
Legal Services	-28,831	-24,614	-6,764	-20,004
Electoral Services	183,115	199,913	196,870	217,752
Overview & Scrutiny	50,876	51,288	51,288	69,369
TOTAL	932,576	974,001	988,808	1,009,089
Subjective Analysis				
Employee Expenses	1,592,476	1,621,341	1,625,181	1,661,588
Premises Expenses	750	750	750	10,750
Transport Related Expenses	6,450	6,450	6,450	17,700
Supplies & Services	358,660	358,660	417,996	323,890
Transfer Payments	0	0	0	0
Income	-563,500	-563,500	-611,869	-623,830
Sub Total Excluding Capital Financing Costs & Central Recharges	1,394,836	1,423,701	1,438,508	1,390,098
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	67,450	80,010	80,010	165,791
Central & Dept Recharges Out	-529,710	-529,710	-529,710	-546,800
Total	932,576	974,001	988,808	1,009,089

Assistant Chief Executive Officer

Purpose of budget: This budget supports the work of the Council's Head of Legal Service, who also acts as the Authority's Monitoring Officer.

Budget Holder: Assistant Chief Executive (Governance); R Dennis

Employee Expenses	99,563	100,427	100,427	102,593
Premises Expenses	0	0	0	0
Transport Related Expenses	350	350	350	400
Supplies & Services	30,550	30,550	30,550	27,820
Transfer Payments	0	0	0	0
Income	-500	-500	-500	-500
Sub Total Excluding Capital Financing Costs & Central Recharges	129,963	130,827	130,827	130,313
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	26,050	38,610	38,610	4,940
Central & Dept Recharges Out	-97,210	-97,210	-97,210	-100,310
Total	58,803	72,227	72,227	34,943

2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges

130,827 **130,827**

Reconciliation to 2016/17 Post AHL Budget

Employee Expenses				2,166
Professional & Consultancy Fees				-2,500
Other				-180
Total: Assistant Chief Executive Officer			130,827	130,313

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Democratic Services				
Purpose of budget: To support the democratic decision making process.				
Budget Holder: Vacant				
Employee Expenses	692,573	699,147	699,147	676,082
Premises Expenses	750	750	750	750
Transport Related Expenses	1,900	1,900	1,900	1,900
Supplies & Services	59,040	59,040	59,040	52,620
Transfer Payments	0	0	0	0
Income	0	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	754,263	760,837	760,837	731,352
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	10,020	10,020	10,020	79,767
Central & Dept Recharges Out	-95,670	-95,670	-95,670	-104,090
Total	668,613	675,187	675,187	707,029
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			760,837	760,837
Reconciliation to 2016/17 Post AHL Budget				
Members' Allowances (Inc Ers NI)				-25,000
Review of Members' Allowances				-10,000
Postages				7,000
Other				-1,485
Total: Democratic Services			760,837	731,352

Electoral Services

Purpose of budget: To plan and organise Elections within the District and Parishes of Ashfield.

Budget Holder: I Dobson

Employee Expenses	99,485	116,283	120,123	117,025
Premises Expenses	0	0	0	10,000
Transport Related Expenses	700	700	700	10,400
Supplies & Services	243,340	243,340	264,040	221,210
Transfer Payments	0	0	0	0
Income	-188,000	-188,000	-215,583	-201,000
Sub Total Excluding Capital Financing Costs & Central Recharges	155,525	172,323	169,280	157,635
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	27,590	27,590	27,590	60,117
Central & Dept Recharges Out	0	0	0	0
Total	183,115	199,913	196,870	217,752
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			172,323	172,323
Reconciliation to 2016/17 Post AHL Budget				
Employee Expenses			3,840	0
Rent of rooms for polling stations (NCC Elections)				10,000
Transport costs (NCC Elections)				10,000
Equipment Purchase (NCC Elections)				5,000
Printing & Stationery (NCC Elections)				25,000
Printing & Stationery - Elections				4,000
Contractors (NCC Elections)				100,000
Contractors (PCC Election)				-186,000
Contractors				-5,000
Postages (NCC Elections)				30,000
Postages			20,700	5,000
IER Grant			-27,583	-20,000
Contributions to Elections				6,000
Other				1,312
Total: Electoral Services			169,280	157,635

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Legal Services				
Purpose of budget: To provide Legal support to the Authority.				
Budget Holder: Legal Services: R Dennis				
Employee Expenses	654,059	658,276	658,276	717,576
Premises Expenses	0	0	0	0
Transport Related Expenses	3,500	3,500	3,500	5,000
Supplies & Services	25,440	25,440	64,076	22,150
Transfer Payments	0	0	0	0
Income	-375,000	-375,000	-395,786	-422,330
Sub Total Excluding Capital Financing Costs & Central Recharges	307,999	312,216	330,066	322,396
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	-336,830	-336,830	-336,830	-342,400
Total	-28,831	-24,614	-6,764	-20,004
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			312,216	312,216
Reconciliation to 2016/17 Post AHL Budget				
Case Management System			38,636	0
Contribution from MDC towards Case Management System			-20,786	0
Employee Expenses				59,300
Income from Shared Service				-37,330
EIR requests				-20,000
S106 agreements				10,000
Other				-1,790
Total: Legal Services			330,066	322,396
Overview & Scrutiny				
Purpose of budget: To support the role of non cabinet members in reviewing policy, performance, and decisions made by Cabinet, and issues raised by the Community.				
Budget Holder: M Joy				
Employee Expenses	46,796	47,208	47,208	48,312
Premises Expenses	0	0	0	0
Transport Related Expenses	0	0	0	0
Supplies & Services	290	290	290	90
Transfer Payments	0	0	0	0
Income	0	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	47,086	47,498	47,498	48,402
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	3,790	3,790	3,790	20,967
Central & Dept Recharges Out	0	0	0	0
Total	50,876	51,288	51,288	69,369
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			47,498	47,498
Reconciliation to 2016/17 Post AHL Budget				
Employee Expenses				1,104
Supplies & Services				-200
Total: Overview & Scrutiny			47,498	48,402

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Summary Budget for Place & Communities Directorate				
Service				
Place & Communities Director	3	867	867	50,003
Community Protection	909,852	912,040	917,040	1,089,122
Environmental Health	770,546	1,057,415	1,057,415	1,044,363
Environmental Services	3,917,030	3,936,826	3,936,826	3,889,037
Waste	2,219,079	2,234,616	2,234,616	2,286,059
Transport & Depot	477	4,604	14,604	38,181
Support Teams	142,100	142,100	142,100	152,360
Total	7,959,087	8,288,468	8,303,468	8,549,126
Subjective Analysis				
Employee Expenses	6,925,787	7,138,308	7,138,308	7,507,210
Premises Expenses	312,430	314,505	314,505	318,225
Transport Related Expenses	2,091,489	2,096,019	2,096,019	2,269,782
Supplies & Services	1,585,258	1,587,358	1,602,358	1,537,988
Transfer Payments	0	0	0	0
Income	-3,254,300	-3,034,483	-3,034,483	-2,940,157
Sub Total Excluding Capital Financing Costs & Central Recharges	7,660,664	8,101,707	8,116,707	8,693,048
Capital Financing Costs	1,322,923	1,315,983	1,315,983	1,488,922
Central & Dept Recharges In	4,688,135	4,809,605	4,809,605	5,092,564
Central & Dept Recharges Out	-5,712,635	-5,938,827	-5,938,827	-6,725,408
Total	7,959,087	8,288,468	8,303,468	8,549,126

Place & Communities Director

Purpose of budget: This budget supports the overall direction and management of the Place & Communities Directorate. Included within it are the direct costs associated with employing the Service Director.

Budget Holder: E De Coverly

Employee Expenses	96,153	97,017	97,017	124,263
Premises Expenses	0	0	0	0
Transport Related Expenses	850	850	850	850
Supplies & Services	9,140	9,140	9,140	34,170
Transfer Payments	0	0	0	0
Income	0	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	106,143	107,007	107,007	159,283
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	-106,140	-106,140	-106,140	-109,280
Reconciliation to 2016/17 Original Budget	3	867	867	50,003

2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges

107,007 **107,007**

Reconciliation to 2016/17 Post AHL Budget

Employee Expenses				2,246
Other Minor Variances				30
Commercialism Investment				50,000
Total: Place & Communities Director			107,007	159,283

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Community Protection				
Purpose of budget: To prevent and tackle environmental crime & low-level antisocial behaviour by providing a flexible and high visibility patrolling service, taking robust enforcement action as necessary.				
Budget Holder: M. Manley				
Employee Expenses	914,081	919,644	919,644	976,594
Premises Expenses	600	600	600	600
Transport Related Expenses	30,791	30,791	30,791	31,980
Supplies & Services	160,600	160,600	165,600	157,660
Transfer Payments	0	0	0	0
Income	-43,950	-31,450	-31,450	-18,500
Sub Total Excluding Capital Financing Costs & Central Recharges	1,062,122	1,080,185	1,085,185	1,148,334
Capital Financing Costs	290	290	290	0
Central & Dept Recharges In	182,470	182,470	182,470	291,818
Central & Dept Recharges Out	-335,030	-350,905	-350,905	-351,030
Total	909,852	912,040	917,040	1,089,122
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			1,080,185	1,080,185
Reconciliation to 2016/17 Post AHL Budget				
Employee Expenses previously in Env Health and Private Sector Enforcement, now in Community Protection Admin Support				42,261
Other Employee Expenses				14,689
Community Safety Partnership			5,000	0
Transport costs				1,189
CCTV costs				15,200
Ecins (paid directly by PCC)				-6,950
Reduction in CSP contributions (CCG)				6,000
Contribution towards Ecins (paid directly by PCC)				6,950
Works in Default				-10,000
Other				-1,190
Total: Community Protection			1,085,185	1,148,334

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
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Environmental Health

Purpose of budget: Environmental Health is a largely enforcement function which deals with Food Safety enforcement, Infectious diseases, Food Poisoning investigations, Health and Safety enforcement, all aspects of Licensing, all aspects of Environmental Protection including contaminated land, air quality, water quality, nuisances, anti-social behaviour; Dog Control and Pest Control.

Budget Holder: C. Booth

Employee Expenses	728,448	894,562	894,562	924,670
Premises Expenses	925	3,000	3,000	3,000
Transport Related Expenses	38,757	43,807	43,807	42,199
Supplies & Services	123,960	126,060	126,060	141,615
Transfer Payments	0	0	0	0
Income	-366,254	-369,254	-369,254	-419,227
Sub Total Excluding Capital Financing Costs & Central Recharges	525,836	698,175	698,175	692,257
Capital Financing Costs	19,860	12,920	12,920	6,090
Central & Dept Recharges In	299,680	421,150	421,150	666,463
Central & Dept Recharges Out	-74,830	-74,830	-74,830	-320,447
Total	770,546	1,057,415	1,057,415	1,044,363

2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges

698,175 698,175

Reconciliation to 2016/17 Post AHL Budget

Employee Expenses previously in Env Health and Private Sector Enforcement, now in Community Protection Admin Support				-42,261
Selective Licencing Employee Expenses				63,830
Employee Expenses - secondment				40,023
Employee Expenses - Pest Control				-22,254
Other Employee Expenses				-9,230
Payments to Contractors - Dog Control				30,000
Professional & Consultancy Fees - Environmental Protection				-6,000
Liability Insurance				-3,160
Selective Licencing Fees				-30,190
Other Licences				-12,492
Pre inspection visits				-5,000
Transport Costs				-1,608
Other				-7,576
Total: Environmental Health			698,175	692,257

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Environmental Services				
Purpose of budget: To provide a district-wide cleansing & maintenance service which seeks to provide a high quality local environment for our residents. The Service also includes activities relating to cemeteries, allotments and outdoor recreation.				
Budget Holder: S. Dennis				
Employee Expenses	2,795,857	2,816,173	2,816,173	2,794,710
Premises Expenses	124,245	124,245	124,245	115,895
Transport Related Expenses	615,903	615,383	615,383	673,223
Supplies & Services	403,930	403,930	403,930	477,305
Transfer Payments	0	0	0	0
Income	-592,715	-592,715	-592,715	-558,429
Sub Total Excluding Capital Financing Costs & Central Recharges	3,347,220	3,367,016	3,367,016	3,502,704
Capital Financing Costs	563,740	563,740	563,740	578,330
Central & Dept Recharges In	771,130	771,130	771,130	541,356
Central & Dept Recharges Out	-765,060	-765,060	-765,060	-733,353
Total	3,917,030	3,936,826	3,936,826	3,889,037
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			3,367,016	3,367,016
Reconciliation to 2016/17 Post AHL Budget				
Employee Expenses - Environmental Services				-136,740
Employee Expenses - Cemeteries				-34,210
Agency - Environmental Services				104,000
Agency - Cemeteries				26,000
Employee Expenses - Selston Golf				-29,774
Other Employee Expenses				49,261
Utilities				-2,795
Repairs				-3,900
Other Premises Expenses				-1,655
Vehicle Maintenance				10,415
Fuel				37,294
Contract Hire				18,106
Other Transport Costs				-7,975
Payments to Contractors				-13,140
Waste Station costs - Street Ceansing, previously charged to Waste				36,000
Liability Insurance				52,180
Income from AHL now internal recharge				50,905
Cemetery Fees				-10,000
Other Income				-6,619
Other				-1,665
Total: Environmental Services			3,367,016	3,502,704

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Waste				
Purpose of budget: To provide an efficient service, highly valued by our customers, which delivers an increase in recycling levels while reducing residual waste to landfill.				
Budget Holder: S. Dennis				
Employee Expenses	1,800,983	1,816,520	1,816,520	1,947,140
Premises Expenses	5,540	5,540	5,540	5,740
Transport Related Expenses	1,035,065	1,035,065	1,035,065	1,160,094
Supplies & Services	446,125	446,125	446,125	331,600
Transfer Payments	0	0	0	0
Income	-1,506,704	-1,506,704	-1,506,704	-1,620,501
Sub Total Excluding Capital Financing Costs & Central Recharges	1,781,009	1,796,546	1,796,546	1,824,073
Capital Financing Costs	5,240	5,240	5,240	58,850
Central & Dept Recharges In	3,209,337	3,209,337	3,209,337	3,344,412
Central & Dept Recharges Out	-2,776,507	-2,776,507	-2,776,507	-2,941,276
Total	2,219,079	2,234,616	2,234,616	2,286,059
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			1,796,546	1,796,546
Reconciliation to 2016/17 Post AHL Budget				
Employee Expenses - Glass Collection				-51,765
Transport Costs - Glass Collection				-15,000
Employee Expenses				182,385
Vehicle Repairs & Maintenance				-33,040
Fuel				53,821
Contract Hire				99,808
Transport Insurance				19,000
Trade Waste Bins for Recycling				30,000
Purchase of 'Twin Bins'				-15,000
Equipment Purchase				-2,000
Contractors - Garden Waste				-57,400
Other Payments to Contractors				-10,000
Trade Refuse Disposal - Trade Waste Recycling project				-50,000
Environment Agency Licence				-6,125
Other Supplies & Services				-4,000
Contribution to Free Garden Waste Scheme				-34,797
Trade Waste Collection & Disposal Charges				-65,000
Bulky Collections Charges				-10,000
Other				-3,360
Total: Waste			1,796,546	1,824,073

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Transport & Depot				
Purpose of budget: To ensure the Council's vehicle fleet & drivers remain compliant with statutory transport legislation. To ensure the Council's vehicles and plant plus Northern Depot are maintained to the required standard and to ensure that they are safe for use.				
Budget Holder: D. White				
Employee Expenses	450,265	454,392	454,392	476,193
Premises Expenses	175,200	175,200	175,200	181,030
Transport Related Expenses	370,123	370,123	370,123	356,235
Supplies & Services	347,323	347,323	357,323	349,078
Transfer Payments	0	0	0	0
Income	-686,677	-476,360	-476,360	-188,500
Sub Total Excluding Capital Financing Costs & Central Recharges	656,234	870,678	880,678	1,174,036
Capital Financing Costs	733,793	733,793	733,793	845,652
Central & Dept Recharges In	225,518	225,518	225,518	248,515
Central & Dept Recharges Out	-1,615,068	-1,825,385	-1,825,385	-2,230,022
Total	477	4,604	14,604	38,181
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			870,678	870,678
Reconciliation to 2016/17 Post AHL Budget				
Repairs to Rolling Road			10,000	0
Employee Expenses				21,801
NNDR				14,320
Property Insurance				-5,460
Building Cleaning				3,060
Utilities				-4,500
Parts - Glass Recycling project				-10,000
Parts				-10,000
Tyres - Glass Recycling project				-10,000
Road Fund Licences				6,727
Supplies & Services				1,755
Income from AHL now classed as internal recharges				284,540
Other Income				3,320
Other				7,795
Total: Transport & Depot			880,678	1,174,036

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Support Teams				
Purpose of budget: A multi agency support team leading initiatives in wards with significant deprivation. The first full year of the team being fully established, and the project extending to Broomhill will be 2017/18.				
Budget Holder: A. Wilson				
Employee Expenses	140,000	140,000	140,000	263,640
Premises Expenses	5,920	5,920	5,920	11,960
Transport Related Expenses	0	0	0	5,200
Supplies & Services	94,180	94,180	94,180	46,560
Transfer Payments	0	0	0	0
Income	-58,000	-58,000	-58,000	-135,000
Sub Total Excluding Capital Financing Costs & Central Recharges	182,100	182,100	182,100	192,360
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	-40,000	-40,000	-40,000	-40,000
Total	142,100	142,100	142,100	152,360
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			182,100	182,100
Reconciliation to 2016/17 Post AHL Budget				
Employee Expenses (Funded from Grants)				123,640
Building Cleaning				2,260
NNDR				1,030
Utilities				2,500
Car Mileage				4,000
Car Park Permits				1,200
Payments to Contractors				-88,000
Secondment from MDC				34,000
Increased Grants and Contributions				-77,000
Other				6,630
Total: New Cross Support Team			182,100	192,360

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget £	2017/18 Original Budget £
Summary Budget for Planning & Economic Development Directorate				
Service				
SD Planning & Economic Development	20,003	20,867	44,867	0
Locality and Community Empowerment	2,306,653	2,308,551	2,287,551	2,335,945
Markets	92,917	94,609	176,509	190,620
Planning	848,184	857,968	802,968	723,838
Town Centres	0	0	10,140	0
Regeneration	265,980	245,980	245,980	251,980
Property Management	0	-349,696	-349,696	-371,387
Strategic Housing	620,812	0	0	0
Total	4,154,549	3,178,279	3,218,319	3,130,995
Subjective Analysis				
Employee Expenses	2,498,186	2,136,416	2,160,416	2,023,452
Premises Expenses	154,480	247,930	247,930	251,748
Transport Related Expenses	50,563	44,713	44,713	45,850
Supplies & Services	1,916,280	1,825,645	1,759,785	1,778,530
Transfer Payments	0	0	0	0
Income	-1,229,800	-2,025,990	-1,944,090	-1,975,895
Sub Total Excluding Capital Financing Costs & Central Recharges	3,389,709	2,228,714	2,268,754	2,123,685
Capital Financing Costs	569,100	660,010	660,010	735,140
Central & Dept Recharges In	2,164,270	2,156,100	2,156,100	2,117,740
Central & Dept Recharges Out	-1,968,530	-1,866,545	-1,866,545	-1,845,570
Total	4,154,549	3,178,279	3,218,319	3,130,995

SD Planning & Economic Development

Purpose of budget: To lead the delivery of corporate objectives within the scope of the Economy Directorate.

Budget Holder: C. Cooper-Smith

Employee Expenses	116,253	117,117	141,117	0
Premises Expenses	0	0	0	0
Transport Related Expenses	1,300	1,300	1,300	0
Supplies & Services	1,240	1,240	1,240	0
Transfer Payments	0	0	0	0
Income	0	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	118,793	119,657	143,657	0
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	-98,790	-98,790	-98,790	0
Total	20,003	20,867	44,867	0

2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges

119,657 **119,657**

Reconciliation to 2016/17 Post AHL Budget

Employee Expenses - Increased Agency Costs			24,000	
Budget Reduction for Service Director				-119,657
Total: Economy			143,657	0

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget £	2017/18 Original Budget £
Locality and Community Empowerment				
Purpose of budget: To facilitate community empowerment in line with "Big Society" and support sustainability for the VCS. To deliver and promote leisure and wellbeing directly or in partnership including the contract management of SLM.				
Budget Holder: T. Hodgkinson				
Employee Expenses	669,083	674,421	674,421	689,617
Premises Expenses	34,140	34,140	34,140	38,200
Transport Related Expenses	6,010	6,010	6,010	6,950
Supplies & Services	1,063,190	1,059,750	1,038,750	952,180
Transfer Payments	0	0	0	0
Income	-60,000	-60,000	-60,000	-81,750
Sub Total Excluding Capital Financing Costs & Central Recharges	1,712,423	1,714,321	1,693,321	1,605,197
Capital Financing Costs	551,810	551,810	551,810	645,490
Central & Dept Recharges In	132,420	132,420	132,420	145,258
Central & Dept Recharges Out	-90,000	-90,000	-90,000	-60,000
Total	2,306,653	2,308,551	2,287,551	2,335,945
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			1,714,321	1,714,321
Reconciliation to 2016/17 Post AHL Budget				
Community Engagement Review			10,000	
Reduction in Leisure Centre Expenditure (Joint Use Maintenance Fund)			-31,000	-66,000
Reduction in Corporate Grants				-12,000
Reduction in Leisure Centre Costs				-45,734
Leisure Centre Feasibility Study				7,250
Increase in Liabilities insurance				2,190
Increase in Property Insurance				2,840
Christmas Festivities sponsorship				-10,000
Increase in Employee Expenses				15,146
Other Minor Variances				-2,816
Total: Locality and Community Empowerment			1,693,321	1,605,197

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget £	2017/18 Original Budget £
Markets				
Purpose of budget: To facilitate the operation of three outdoor town centre general markets in Hucknall, Kirkby and Sutton and the Indoor Market Hall in the Idlewells Shopping Centre.				
Budget Holder: T Hodgkinson				
Employee Expenses	197,504	199,196	199,196	203,651
Premises Expenses	117,210	117,210	117,210	109,572
Transport Related Expenses	11,383	11,383	11,383	12,880
Supplies & Services	67,060	67,060	67,060	84,600
Transfer Payments	0	0	0	0
Income	-357,800	-357,800	-275,900	-267,100
Sub Total Excluding Capital Financing Costs & Central Recharges	35,357	37,049	118,949	143,603
Capital Financing Costs	17,290	17,290	17,290	13,410
Central & Dept Recharges In	40,270	40,270	40,270	33,607
Central & Dept Recharges Out	0	0	0	0
Total	92,917	94,609	176,509	190,620
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			37,049	37,049
Reconciliation to 2016/17 Post AHL Budget				
Reduction in Rent Income during works to Indoor Market			81,900	72,000
Indoor Market Business Rates (vacant units)				7,140
Increase in Employee Expenses				4,500
14/15 Savings Target				18,700
Other Minor Variances				4,214
Total: Markets			118,949	143,603
Planning				
Purpose of budget: To determine all applications received under the planning and building regulation related applications. Produce the Local Development Framework and related policy guidance for the District. Deal with customer enquiries across the planning and building control spectrum.				
Budget Holder: C. Sarris				
Employee Expenses	1,068,224	1,078,008	1,078,008	1,060,910
Premises Expenses	130	130	130	0
Transport Related Expenses	25,720	25,720	25,720	25,720
Supplies & Services	278,400	278,400	223,400	199,080
Transfer Payments	0	0	0	0
Income	-809,000	-809,000	-809,000	-814,000
Sub Total Excluding Capital Financing Costs & Central Recharges	563,474	573,258	518,258	471,710
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	1,741,850	1,741,850	1,741,850	1,706,618
Central & Dept Recharges Out	-1,457,140	-1,457,140	-1,457,140	-1,454,490
Total	848,184	857,968	802,968	723,838
Planning (Continued)				
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			573,258	573,258
Reconciliation to 2016/17 Post AHL Budget				
Reduction in Local Plan Expenditure			-70,000	-71,000
One off increase to Payments to Contractors			15,000	
Increase in Income for Building Control				-6,000
Reduction in Employee Expenses				-17,098
Other Minor Variances				-7,450
Total: Planning			518,258	471,710

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget £	2017/18 Original Budget £
Town Centres				
Purpose of budget: To work with partners to facilitate an attractive environment for flourishing Town Centres. New budget established on commencement of Regeneration shared service.				
Budget Holder: T. Hodgkinson				
Employee Expenses	0	0	0	0
Premises Expenses	0	0	0	0
Transport Related Expenses	0	0	0	0
Supplies & Services	0	0	10,140	0
Transfer Payments	0	0	0	0
Income	0	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	0	0	10,140	0
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	0	0	0	0
Total	0	0	10,140	0
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			0	0
Reconciliation to 2016/17 Post AHL Budget				
One off expenditure for Empty Shops (Grant Funded)			2,640	
One off expenditure for High Street Innovation (Grant Funded)			7,500	
Total: Town Centres			10,140	0
Regeneration				
Purpose of budget: Shared Service - To work with partners to facilitate an attractive environment for business growth, including suitable premises & land, an appropriately skilled workforce, assistance for new and existing businesses and flourishing Town Centres.				
Budget Holder: P. Thomas				
Employee Expenses	0	0	0	0
Premises Expenses	0	0	0	0
Transport Related Expenses	0	0	0	0
Supplies & Services	265,980	245,980	245,980	364,230
Transfer Payments	0	0	0	0
Income	0	0	0	-112,250
Sub Total Excluding Capital Financing Costs & Central Recharges	265,980	245,980	245,980	251,980
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	0	0	0	0
Total	265,980	245,980	245,980	251,980
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			245,980	245,980
Reconciliation to 2016/17 Post AHL Budget				
Expenditure for Feasibility Studies				112,250
Income for Feasibility Studies (Notts County Council)				-112,250
Increase in Shared Service Costs				5,300
Other Minor Variances				700
Total: Regeneration			245,980	251,980

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget £	2017/18 Original Budget £
Property Management				
Purpose of budget:				
Budget Holder: M. Kirk				
Employee Expenses	0	67,674	67,674	69,274
Premises Expenses	0	96,450	96,450	103,977
Transport Related Expenses	0	300	300	300
Supplies & Services	0	173,215	173,215	178,440
Transfer Payments	0	0	0	0
Income	0	-799,190	-799,190	-700,795
Sub Total Excluding Capital Financing Costs & Central Recharges	0	-461,551	-461,551	-348,804
Capital Financing Costs	0	90,910	90,910	76,240
Central & Dept Recharges In	0	241,560	241,560	232,257
Central & Dept Recharges Out	0	-220,615	-220,615	-331,080
Total	0	-349,696	-349,696	-371,387
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			-461,551	-461,551
Reconciliation to 2016/17 Post AHL Budget				
Changes to Rental Income				8,000
Brook Street Rent to AHL moved to Internal Recharges				105,525
Other Minor Variances				-778
Total: Property Management			-461,551	-348,804

SERVICE MOVED FROM CORPORATE SERVICES DIRECTORATE DURING 2016/17

Strategic Housing

Purpose of budget:

Budget Holder:

Employee Expenses	447,122	0	0	0
Premises Expenses	3,000	0	0	0
Transport Related Expenses	6,150	0	0	0
Supplies & Services	240,410	0	0	0
Transfer Payments	0	0	0	0
Income	-3,000	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	693,682	0	0	0
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	249,730	0	0	0
Central & Dept Recharges Out	-322,600	0	0	0
Total: Strategic Housing	620,812	0	0	0

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Summary Budget for Corporate Services Directorate				
Service				
Corporate Service Director	3	867	867	3
Business Contingency & Sustainability	713,905	716,495	711,125	980,204
IT	34,870	37,657	72,657	14,953
Human Resources	54,100	54,100	54,100	-6,000
Corporate Performance & Improvement Unit	0	188,125	198,335	266,797
Communications Unit	0	25,093	25,093	27,937
Asset Management	937,827	935,083	972,083	812,571
Housing HR	0	0	0	0
Housing Policy & Comms	0	0	0	0
Housing IT	0	0	0	1
Property Management	-358,180	0	0	0
TOTAL	1,382,525	1,957,420	2,034,260	2,096,466
Subjective Analysis				
Employee Expenses	1,859,690	2,157,050	2,167,680	2,380,982
Premises Expenses	933,895	838,370	838,370	817,440
Transport Related Expenses	27,530	29,350	29,350	32,300
Supplies & Services	1,035,295	973,040	1,002,250	1,100,750
Transfer Payments	0	0	0	0
Income	-1,436,380	-676,290	-639,290	-323,670
Sub Total Excluding Capital Financing Costs & Central Recharges	2,420,030	3,321,520	3,398,360	4,007,802
Capital Financing Costs	793,590	709,620	709,620	1,018,460
Central & Dept Recharges In	797,230	601,450	601,450	558,785
Central & Dept Recharges Out	-2,628,325	-2,675,170	-2,675,170	-3,488,581
TOTAL	1,382,525	1,957,420	2,034,260	2,096,466

Corporate Service Director

Purpose of budget: This budget supports the overall direction and management of the Corporate Services Directorate.

Budget Holder: Corporate Services Director; C Bonar

Employee Expenses	96,153	97,017	97,017	99,263
Premises Expenses	0	0	0	0
Transport Related Expenses	800	800	800	800
Supplies & Services	200	200	200	240
Transfer Payments	0	0	0	0
Income	0	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	97,153	98,017	98,017	100,303
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	-97,150	-97,150	-97,150	-100,300
Reconciliation to 2015/16 Original Budget	3	867	867	3

2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges

98,017 **98,017**

Reconciliation to 2016/17 Post AHL Budget

Salary And Salary Oncost changes				2,246
Other Minor Variances				40
Total: Corporate Service Director			98,017	100,303

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Human Resources				
Purpose of budget: Shared Service with Mansfield DC to provide a service that supports the employment of Council staff.				
Budget Holder: M.Amos				
Employee Expenses	134,720	134,720	134,720	201,250
Premises Expenses	0	0	0	0
Transport Related Expenses	0	0	0	0
Supplies & Services	402,600	402,600	402,600	481,800
Transfer Payments	0	0	0	0
Income	0	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	537,320	537,320	537,320	683,050
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	-483,220	-483,220	-483,220	-689,050
TOTAL	54,100	54,100	54,100	-6,000

2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges

537,320 **537,320**

Reconciliation to 2016/17 Post AHL Budget

Cost of Staff TUPE'd From AHL				80,000
Apprenticeship Levy				66,530
Other Minor Variances				-800
Total: Human Resources			537,320	683,050

Planning, Performance and Improvement Unit

Purpose of budget: Determination & delivery of the Council's Improvement Programme, performance management framework and strategic planning.

Budget Holder: J Froggatt

Employee Expenses	0	282,505	282,505	402,491
Premises Expenses	0	0	0	0
Transport Related Expenses	0	1,520	1,520	2,040
Supplies & Services	0	55,430	65,640	38,670
Transfer Payments	0	0	0	0
Income	0	-12,100	-12,100	-9,000
Sub Total Excluding Capital Financing Costs & Central Recharges	0	327,355	337,565	434,201
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	45,780	45,780	26,227
Central & Dept Recharges Out	0	-185,010	-185,010	-193,631
Total	0	188,125	198,335	266,797

2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges

327,355 **327,355**

Reconciliation to 2016/17 Post AHL Budget

Commercial Enterprise Team Employee Costs				86,444
Staff Transferred to Planning, Performance and Improvement Unit				71,727
Other Salary And Salary Oncost changes				6,565
Service Review Savings - Employees				-44,750
Service Review Savings - Supplies and Services				-2,400
Service Reviews (West Lindsey Council)			10,210	0
Professional and Consultancy Savings				-20,000
Additional Application Software Charges				11,670
Other Supplies and Services Changes				-6,030
Reduction in GIS income				2,500
Other Minor Variances				1,120
Total: Planning, Performance and Improvement Unit			337,565	434,201

SERVICE MOVED FROM CHIEF EXECUTIVE DIRECTORATE IN 2016/17

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Communications				
Purpose of budget: To engage with residents and employees and inform them of council activity.				
Budget Holder: C Turner-Jones				
Employee Expenses	0	78,413	78,413	84,152
Premises Expenses	0	0	0	0
Transport Related Expenses	0	600	600	600
Supplies & Services	0	55,530	55,530	35,130
Transfer Payments	0	0	0	0
Income	0	-27,000	-27,000	-4,000
Sub Total Excluding Capital Financing Costs & Central Recharges	0	107,543	107,543	115,882
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	0	-82,450	-82,450	-87,945
Total	0	25,093	25,093	27,937
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			107,543	107,543
Reconciliation to 2016/17 Post AHL Budget				
Salary And Salary Oncost changes				6,416
Reduction in Publicity (Part of reduction to be charged to Place and Communities)				-19,470
Reduction in Advertisement Income				23,000
Other Minor Variances				-1,607
Total: Communications			107,543	115,882
SERVICE MOVED FROM CHIEF EXECUTIVE DIRECTORATE IN 2016/17				

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Asset Management				
Purpose of budget: The management of the building maintenance programme and construction projects within the Capital programme. Operation and Facilities Management including Caretaking for central office accommodation. The operation and management of Community Centres Operation.				
Budget Holder: E.P.Saxton				
Employee Expenses	817,257	814,513	814,513	844,760
Premises Expenses	838,370	838,370	838,370	817,440
Transport Related Expenses	15,600	15,600	15,600	15,950
Supplies & Services	90,820	90,820	90,820	90,600
Transfer Payments	0	0	0	0
Income	-303,670	-303,670	-266,670	-288,150
Sub Total Excluding Capital Financing Costs & Central Recharges	1,458,377	1,455,633	1,492,633	1,480,600
Capital Financing Costs	157,620	157,620	157,620	175,460
Central & Dept Recharges In	535,620	535,620	535,620	490,601
Central & Dept Recharges Out	-1,213,790	-1,213,790	-1,213,790	-1,334,090
TOTAL	937,827	935,083	972,083	812,571
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges			1,455,633	1,455,633
Reconciliation to 2016/17 Post AHL Budget				
Salary And Salary Oncost changes				37,656
Reduction in NNDR				-26,110
Reduction in Car Parking Income				10,000
Reduction in AHL Rent (Now Showing as a Recharge)				20,790
Change in income from Police and DWP			37,000	-15,690
Other Minor Variances				-1,679
Total: Asset Management			1,492,633	1,480,600

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Summary Budget for Housing Directorate				
Service				
Service Director Housing	0	0	26,000	3
Strategic Housing	0	319,151	353,151	357,226
Housing (Ashfield Homes)	0	0	0	3
Supported Housing (Ashfield Homes)	0	0	0	40,128
Total	0	319,151	379,151	397,360
Subjective Analysis				
Employee Expenses	0	509,121	535,121	762,334
Premises Expenses	0	380	380	1,410
Transport Related Expenses	0	7,470	7,470	14,580
Supplies & Services	0	266,690	300,690	351,590
Transfer Payments	0	0	0	0
Income	0	-136,740	-136,740	-356,910
Sub Total Excluding Capital Financing Costs & Central Recharges	0	646,921	706,921	773,004
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	156,770	156,770	149,367
Central & Dept Recharges Out	0	-484,540	-484,540	-525,011
Total	0	319,151	379,151	397,360

SD Housing

Purpose of budget:

Budget Holder: P. Parkinson

Employee Expenses	0	0	26,000	99,313
Premises Expenses	0	0	0	0
Transport Related Expenses	0	0	0	700
Supplies & Services	0	0	0	390
Transfer Payments	0	0	0	0
Income	0	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	0	0	26,000	100,403
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	0	0	0	-100,400
Total	0	0	26,000	3
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges	0	0	0	0
Reconciliation to 2016/17 Post AHL Budget				
New Service Director costs			26,000	100,403

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Total: SD Housing	0	0	26,000	100,403
Strategic Housing				
Purpose of budget:				
Budget Holder:				
Employee Expenses	0	274,081	274,081	109,125
Premises Expenses	0	0	0	0
Transport Related Expenses	0	1,100	1,100	1,100
Supplies & Services	0	249,870	283,870	278,030
Transfer Payments	0	0	0	0
Income	0	0	0	-10,000
Sub Total Excluding Capital Financing Costs & Central Recharges	0	525,051	559,051	378,255
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	128,260	128,260	56,627
Central & Dept Recharges Out	0	-334,160	-334,160	-77,656
Total	0	319,151	353,151	357,226
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges	0	0	525,051	525,051
Reconciliation to 2016/17 Post AHL Budget				
Employee Savings due to Restructure & transfer of one post to Performance Team				-164,956
Housing Site Feasability Study			25,000	20,000
Homelessness Shared Service costs			9,000	19,520
Subscriptions				-11,560
Insurance				-3,410
Telephones				-390
Payment to external contractors				-6,000
Total: Strategic Housing	0	0	559,051	378,255
SERVICE MOVED FROM PLANNING & ECONOMIC DEVELOPMENT DIRECTORATE IN 2016/17				

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Housing (Ashfield Homes)				
Purpose of budget:				
Budget Holder:				
Employee Expenses	0	111,250	111,250	238,008
Premises Expenses	0	0	0	0
Transport Related Expenses	0	3,060	3,060	5,720
Supplies & Services	0	2,180	2,180	4,250
Transfer Payments	0	0	0	0
Income	0	0	0	0
Sub Total Excluding Capital Financing Costs & Central Recharges	0	116,490	116,490	247,978
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	0	0	0
Central & Dept Recharges Out	0	-116,490	-116,490	-247,975
Total	0	0	0	3
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges	0	0	116,490	116,490
Reconciliation to 2016/17 Post AHL Budget				
Changes to salary budgets (support services transferred to General Fund but recharged back to HRA)				126,758
Transport budgets				2,660
Supplies & services				2,070
Total: Housing (Ashfield Homes)	0	0	116,490	247,978

	2016/17 Original Budget £	2016/17 Original Budget post AHL transfer £	2016/17 Revised Budget	2017/18 Original Budget £
Supported Housing (Ashfield Homes)				
Purpose of budget:				
Budget Holder:				
Employee Expenses	0	123,790	123,790	315,888
Premises Expenses	0	380	380	1,410
Transport Related Expenses	0	3,310	3,310	7,060
Supplies & Services	0	14,640	14,640	68,920
Transfer Payments	0	0	0	0
Income	0	-136,740	-136,740	-346,910
Sub Total Excluding Capital Financing Costs & Central Recharges	0	5,380	5,380	46,368
Capital Financing Costs	0	0	0	0
Central & Dept Recharges In	0	28,510	28,510	92,740
Central & Dept Recharges Out	0	-33,890	-33,890	-98,980
Total	0	0	0	40,128
2016/17 Original Budget Excluding Capital Financing Costs & Central Recharges	0	0	5,380	5,380
Reconciliation to 2016/17 Post AHL Budget				
Changes to salary budget				192,098
Private Payers & Protected Rights Users				-210,170
Telephones				4,020
Equipment maint				11,000
Car allowance/mileage				3,600
Equipment purchase				37,750
other				2,690
Total: Supported Housing (Ashfield Homes)	0	0	5,380	46,368

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Agenda Item 10



Report To:	CABINET	Date:	20 TH FEBRUARY 2017
Heading:	HOUSING REVENUE ACCOUNT (HRA) BUDGETS (REVISED 2016/17 AND 2017/18)		
Portfolio Holder:	CLLR JACKIE JAMES – CORPORATE SERVICES		
Ward/s:			
Key Decision:	YES		
Subject To Call-In:	YES		

Purpose Of Report

To present for consideration the Housing Revenue Account (HRA) Revised Estimate for 2016/17 and Original Estimate for 2017/18.

Recommendation(s)

To agree the budgets for the HRA for 2016/17 (Revised) and 2017/18.

That Members note that due to the Housing and Planning Act, the budget may require an amendment during 2017/18 once an implementation date has been set for requirements of the Act in respect of 'Sale of Higher Value Council Stock'.

To set an average rent decrease of 1% for all council house rents for 2017/18.

To set a garage rent increase of 2% for 2017/18.

To leave communal heating charges at the current rate for 2017/18.

To approve a policy of moving to formula rent at the point of re-let following vacancy from 3rd April 2017.

To approve the addition to the core rent of the estate based service charges on new build properties.

Reasons For Recommendation(s)

To approve the budgets for the HRA for 2016/17 (Revised) and 2017/18 to allow operation of the service within financial limits.

To set a 1% rent decrease as detailed in Section 23 – 33 of the Welfare Reform and Work Act 2016.

Alternative Options Considered (With Reasons Why Not Adopted)

To not approve the budgets and refer for further consideration.

There are no other options with regards to rent setting, to not set the rents as per the prescribed reduction would be contrary to legislation.

Detailed Information

Local housing authorities are required by Section 74 of the Local Government and Housing Act 1989 (the 1989 Act) to keep a Housing Revenue Account (HRA). The HRA reflects a statutory obligation to account separately for local authority housing provision. It identifies the major elements of housing revenue expenditure such as maintenance, administration, and contributions to capital costs and how these are funded, mainly being by housing rent.

2016/17 Revised Budget

The original budget for 2016/17 had a net expenditure of £1.837m, this was revised by £48k to £1.885m as a result of transferring budgets back from AHL. The post AHL transfer budget was reported to Cabinet on 24th November 2016. There has been a significant change to the composition of the HRA budgets following the decision to bring the management of the housing stock back into the Council from 1st October 2016. The management fee that had previously been paid to Ashfield Homes Ltd (AHL) is now reflected in more detailed service budgets contained in the overall HRA budget.

Thereafter there has not been a full revision of the budget for 2016/17, however there have been some changes after November 2016 as follows:

- Changes to the Capital Programme which has reduced the value to be contributed from the revenue account by £1.971m. There was a net reduction of £269k to the HRA contribution to Capital in October 2016 when the Capital Programme was refreshed. The February revision to the Capital Programme has resulted in a further reduction in the HRA contribution by £1.702m. This includes a reduction in expenditure of £399k and an increase in the use of Capital Receipts of £1.303m of which, £514k is for the use of 1-4-1 receipts that can be applied to the Capital Programme retrospectively to account for new build expenditure previously incurred for Brook Street, Darlison Court and the Empty Homes Project. There is also an increase of £789k for non 1-4-1 receipts that can be used to fund Decent Homes work (the Major Repairs Reserve). There will be a new stock condition survey in 2017/18 which, once complete, will inform the future requirements of the Major Repairs Reserve.
- Additional temporary resources for Financial Management Team reporting post Company
- Additional temporary resources for Performance Improvement Team to support for Service Reviews.

These now need to be reflected in the HRA budgets and result in a revised net income position of £65k for 2016/17.

2017/18 Original Budget

From 1st April 2017, the HRA now contains full year budgets for the new housing management services within the Council. The overall HRA budget for 2017/18 has reduced from a net income of £65k to a net income of £380k, a reduction of £315k. A reconciliation of the variances are shown in Appendix 1. The main variances are as follows:

- Employee Expenses have increased by £113k, this is mainly due to changes in superannuation back funding and superannuation employer contribution rates. The employer superannuation contributions have increased by £155k, AHL had a contribution rate of 10.5% until October 2016/17 when it increased to the Council rate of 12.3% (as the staff were all now employees of the Council), which has now increased to 14.4% in 2017/18. The rate has increased due to the outcome of the Actuary Triennial Review, not as a consequence of bringing the Company back in-house. The overall superannuation backfunding direct to services has increased by £49k. This also includes the 1% pay award, net of the 3% vacancy factor for the new housing management services, which has a net reduction of £91k.
- Budgets totalling circa £430k have not been created in 2017/18. This is mainly due to no longer requiring budgets for the AHL Management Team. Budgets have not been required for some support services however where this is the case, budgets have transferred to the General Fund as part of amalgamating teams and then recharged back to the HRA albeit at a lower level.
- As part of the Stock Options Review, the Council forecast £300k savings to the HRA upon transfer. In addition to pay reductions as discussed above, further budgets (over and above those identified in the initial review) have also been identified which are no longer required. Examples include subscriptions, employee conference, board member costs and software costs totalling £118k.
- The Supported Housing function from AHL has been included in the transfer of housing management to the Council but it has been moved from the HRA to the General Fund. This is because there is now a higher proportion of private customers using the service than ADC tenants. There is no change in the position regarding the service being self-funding and any surpluses or losses will be supported by an Earmarked Reserve which will transfer from AHL when the Company ceases to be.
- The budget for rental income from tenants is reduced by £537k in 2017/18, this is as a result of the 1% rent reduction, as well as loss of properties through Right to Buy. The Council had sold 36 properties as the 31st January 2017, against an average of 46 per year. Included within the rental income change is an increase of £91k for rebasing the rents on re-let (see further details in this report).
- Recharges from the General Fund include an increase of £164k. This is from the Corporate Leadership Team to reflect the increase in responsibility for the HRA following the return of the housing management function as well as recharges from support functions who have been amalgamated into the existing Council Functions.
- The Capital Programme has reduced from the revised budget by £194k which reflects a reduction of £381k in the programme of works and a £187k reduction in the use of Capital Receipts.
- The remaining budget reduction of £267k comprises of several smaller variances with the main changes as follows:

- £24k increase in income for Renewable Heat Incentives (RHI).
- £43k increase in income from District Heating (inclusion of Darlison Court).
- £35k reduction in Council Tax due to the previous budget being too high.
- £17k reduction in employee expenses to correct the budget for a Caretaker.
- £45k reduction in one off expenditure in 2016/17 for Environmental Improvements and Welfare Reform.
- £21k reduction in Item 8 debit interest, due to the refinancing of a loan, at a lower interest rate.
- £18k reduction in Supported Housing contribution for protected credits due to a reduction in users.
- £49k reduction overall in insurance costs.
- £20k increase for the Stock Condition Survey.
- £22k increase in Bank Charges.
- £10k increase for Agency Staff for the closedown of the Accounts.
- £20k reduction for depreciation of former AHL Assets.
- £25k reduction for Legionella Testing.
- £22k reduction for Temporary Accommodation voids works.

Rent Setting

Under the self-financing regime, operational since 1 April 2012, landlord services are funded almost entirely from rents collected. The amount to be collected in rents has been impacted upon by the new legislation introduced under the Welfare Reform and Work Act 2016. With effect from April 2016 Sections 23-33 of the Act requires social housing rents to be reduced by 1% a year for 4 years from a frozen 2015/16 base line, 2017/18 will be the 2nd year of the reduction, which includes both social rents and affordable rents.

The future of rent increases is uncertain when the current policy comes to an end in 2019/20. There is no indication as to whether rents will be allowed to rise, be frozen or continue to be reduced. The impact of a further 1% rent reduction in 2020/21 would be approximately £230k per year or notionally £690k per year if rents could be increased by 2% in that year. If rent reduction continues ways of increasing income need to be explored. One way to mitigate against this uncertainty is to move (or 'rebase') the rent charged to formula rent (also known as target rent) on re-let following vacancy. This is a system currently used by other authorities and is transparent to potential tenants.

When a property becomes vacant the rent will move from the current level charged up to the Government defined formula rent (these have also been reduced by 1% as per Government legislation). This will result in an uplift of approximately £3.50 per week and will generate an additional £91k per annum for the Council, based on around 500 properties being re-let each year.

This will not affect any existing tenants who stay in their current homes, and any new tenants will still benefit from the remainder of the 1% rent reduction for the duration of the policy.

It is important to note that even with the additional uplift in rent, the uplift remains fully eligible for housing benefit as rents across the district remain comfortably under the Local Housing Allowance (LHA) rate. Approximately 70% of Council tenants are in receipt of some form of assistance from housing benefit.

The process is transparent to new tenants as they will be aware of the rent being charged before they take on the property. It is progressive in that it will take around 10 to 15 years to implement the increase across the stock based on the current turn-over of properties.

Service Charge on New Build Properties

It is now common on new build estates for each property to attract a small service charge in order to maintain various aspects of the estate which exist outside of private curtilage. Commonly these would be areas of open land or various requirements of planning such as balancing ponds to off-set rain water run off or flood risk.

It is likely that the Council will, over the course of time, acquire additional new build properties from the HRA Reserves or expending various Right to Buy, capital receipts and/or commuted sums.

The Council does not have a policy on what to do in circumstances where such service charges are levied and current custom and practice would show that service charges have not always been applied.

The HRA should seek to maximise its income rather than try to absorb the additional costs being placed upon it by Developers; and also as raised previously the principle of passing on the service charge is common practice within Social Housing and is transparent to the customer as the costs are known before the tenancy is signed.

An example of this is the Persimmon Properties in Hucknall, for these properties the cost is £5.20 per week (£250 per year over 48 weeks). Such is the demand for properties in Hucknall this will not affect the ability to rent the properties. Equally there is a question around the overall viability of the scheme should the rents effectively be lowered by £5.20 per week in order to 'absorb' the charge.

Garage Rents

Occupancy in garages has remained stable over the last year. There is little demand for those garages that are currently empty. The garages that are currently occupied have a higher demand, with some areas operating a waiting list. It is recommended that the garage rents are increased by 2% for 2017/18 (September 2016 CPI 1% plus 1%) which will generate an additional income of £3.1k. The new rents will be as shown in the table below.

	Rents 2016/17 £	Rents 2017/18 £	Increase £
Garages			
Band A	5.83	5.95	0.12
Band B	6.52	6.65	0.13
Band C	7.22	7.37	0.14
Plots			
Band A	0.85	0.85	0.00
Band B	1.00	1.00	0.00

Communal Heating Charges (District Heating)

The charges for communal heating were increased in 2015/16 to reflect increases in costs. A review of the communal heating charges in 2016/17 has been carried out and it is recommended that the charge for 2017/18 be held at the same level as 2015/16. Users of communal heating pay a weekly charge designed to cover the cost to the Council for providing this heating.

A further review will be carried out at the end of the year and if there is a material over recovery either this will be refunded to tenants or future charges will be reduced.

Rent Rebate Subsidy Limitation (RRSL)

RRSL is the charge to the HRA for rent rebates where the actual rent is higher than the limit rent set by the Department of Communities and Local Government (DCLG) for housing benefit purposes. This charge compensates for the reduction to the housing benefit subsidy in the General Fund.

The data for 2017/18 limit rents has now been released by DCLG. This forecasts that the actual rent will not exceed the limit rent in 2017/18 so no charge to the HRA has been forecast. However, the 2017/18 average rent figure of £67.35 is getting closer to the rate for 2017/18 at £68.78. This will continue to be monitored and there may be a cost to the HRA in future years.

Major Repairs to the Housing Stock

The Major Repairs Reserve (MRR) is utilised to fund the capital expenditure required to maintain the Council's housing stock. The cost of this investment is derived from a 30 year stock condition survey which was completed in 2015/16.

The MRR receives a contribution from the depreciation provision and allowable capital grants/receipts are also utilised. Any shortfall in funding is then made up from the HRA.

The original estimate for 2016/17 forecast a contribution from the HRA of £6.2m which has been rescheduled to £5.9m then reduced in 2017/18 to £4.6m. There has been an increase in the depreciation charge from 2017/18 onwards due to a change in the adjustment factor from 34% to 42%, which results in a higher value per property, and in turn a higher charge for depreciation.

Social Housing Developments

The Council in its role as landlord has been continuing new build developments in 2016/17.

Darlison Court in Hucknall is now complete providing 39 1 and 2 bedroom apartments for the over 60's, occupancy began in June 2016. The direct revenue contribution from the HRA towards this scheme as at 31st March 2016 was £6.537m with a further budget in 2016/17 and 2017/18 of £471k for slippage and retention payments.

The Council is continuing to explore new ways to invest in Council Houses. This is outlined in an exempt report on Council House Investment (also on this agenda).

There have been revisions to the Capital Programme to be funded from the HRA, which is discussed in the Cabinet Report on this agenda.

Capital Financing Costs

The interest cost for the HRA is calculated by applying the Item 8 Determination as prescribed by DCLG in the Self Financing Determination issued in 2012. The consolidated rate of interest is applied to the debt attributed to the HRA to arrive at an interest cost.

Welfare Reform and Work Act

The Council has a housing stock of 6,763 properties plus 20 at affordable rent levels. The budget for rental income 2017/18 has reduced by £628k as a result of the 1% rent reduction and the loss of properties under the Right to Buy Scheme (36 have been sold since 1st April 2016).

The benefit cap for 2016/17 was reduced from £26k down to £20k in November 2016 as part of the Welfare Reform and Work Act. There are now approximately 120 people across the district who have been affected by the benefit cap overall.

The implementation of Universal Credit is now underway in Ashfield with 104 claimants as at 1st January 2017. 75 of these are Council tenants and 56 are in some level of rent arrears, however 44 of these were already in arrears before claiming Universal Credit. The bad debt provision for 2017/18 has only increased by £2k for 2017/18 due to increased collection rates in 2016/17 as a result of tightening up of rent collection procedures. However, the bad debt provision will continue to be monitored closely further to the expansion of Universal Credit.

Housing and Planning Act

There were originally 2 elements of the Housing and Planning Act that would impact on the HRA .The key areas were:

- Extension of the Right to Buy Scheme and the sale of high value Council homes.
- High income social tenants (also known as 'Pay to Stay').

In November 2016 it was announced that the Government would no longer make it compulsory for an increase in rents for high income social tenants (income over £31k). Also, another part of the Act will end the right of social housing tenants to have a lifetime (secure) tenancy. These will be phased out gradually and all new tenants from Autumn 2017 will be offered fixed term tenancies of up to 5 years (there will be some exceptions for vulnerable tenants or those with children). These new tenancies will need to be reviewed at the end of the tenancy period and may or may not be renewed for another 5 year period. One aim of the review will be to assess whether the tenant is now able to leave social housing as their circumstances have improved. The policy change could have implication on the HRA in future years as it could cause a higher turnover of void properties.

There has also been a delay in the implementation of the sale of high value council homes and the associated levy that will be imposed. As reported last year, the Council will be required to consider the sale of high value council properties when they become vacant to fund the discounts given to the housing association tenants as part of the extension of Right to Buy scheme to Housing Associations. Further information on the levy to be imposed has been delayed until Autumn 2017 due to some difficulties with the scheme that have arisen from 5 pilots that have been ongoing in London. It is understood that the levy will not be imposed until 2017/18 at the earliest, the value of this levy remains unknown and will require a further report to revise the 2017/18 budget when any costs are identified.

Earmarked Reserves

The HRA has three earmarked Reserves as shown below.

Movement on Earmarked Reserves	Balance as at 1st April 2016/17	Revised Budget 2016/17	Balance as at 31st March 2017	Original Budget 2017/18	Balance as at 31st March 2018
	£	£	£	£	£
Revenue Grants Reserve	24,830	0	24,830	0	24,830
Eco Funding Reserve	224,565	0	224,565	0	224,565
Insurance Reserve	50,000	50,000	100,000	50,000	150,000
Total	299,395	50,000	349,395	50,000	399,395

The HRA revenue grant reserve comprises of £19k towards the costs of Welfare Reform and the remaining £6k for work undertaken in completing additional housing returns.

In 2015/16 the Council received £225k of Eco-Funding (Energy Company Obligation funding) as a result of completing carbon saving works to Sherwood Court (the Biomass Boiler and External Wall Insulation). This has been put in an earmarked reserve to help fund future carbon saving or renewable energy works. This value approximately offset the extra cost of installing renewable heat over conventional gas boilers. As a result of these works, the HRA also receives Renewable Heat Incentive (RHI) funding over the next 20 years which has been added to the budget from 2017/18.

The HRA insurance reserve was established to fund any damage to the Council's housing stock. The Council currently only externally insures Council dwellings if they are in blocks of five or above. Any claims for damage to dwellings which are not externally insured are funded from the Council's self-insurance fund. The self-insurance fund has previously been funded from the General Fund contributions only. All new claims for housing stock damages will be made against the new HRA insurance reserve which will be topped up by £50k per annum for the financial years 2016/17 through to 2020/21.

Housing Revenue Account 2016/17 Revised Estimate and 2017 Original Budget

The main elements of the HRA have been discussed within this report and reflected in the Summary HRA Budget proposed for approval.

	2016/17 Original Budget	2016/17 Original Budget post AHL transfer	2016/17 Revised Budget	2017/18 Original Budget
	£	£	£	£
<u>Summary Budget for Housing Revenue Account</u>				
Division				
Housing Revenue Account - Ashfield				
Homes Directorate	0	4,091,478	4,091,478	10,188,958
Courts Costs	0	462,152	462,152	986,670
Tenancy Services and Housing Management	0	494,165	494,165	1,274,180
Lettings	0	192,455	192,455	664,696
Technical Services Management	0	-396,740	-396,740	-729,270
Technical Services Responsive and Void Management	0	1,778,515	1,778,515	3,702,500
Technical Services Support Services	0	363,690	363,690	1,022,364
Technical Services Planned and Cyclical Procurement	0	1,369,760	1,369,760	3,065,654
DLO	0	10,065	10,065	50,051
Rent Accounting	0	7,148	7,148	152,109
Brook Street Office	0	15,769	15,769	4
	0	-205,501	-205,501	0
Housing Revenue Account - Other				
Income and Expenditure	1,837,254	-2,205,599	-4,156,399	-10,569,365
Dwelling Rents	-23,993,150	-23,987,900	-23,987,900	-23,456,310
Other Income	-448,710	-330,830	-330,830	-415,430
Internal Interest	-67,880	-67,880	-67,880	-58,680
Capital Costs	13,648,600	13,648,600	11,677,600	11,462,530
Management Fee	10,373,799	5,272,971	5,272,971	0
Other Expenditure (inc Recharges)	2,171,485	3,133,830	3,154,030	1,772,162
Temporary Accommodation	41,620	14,120	14,120	-11,920
Community Centres	111,490	111,490	111,490	138,283
Total	1,837,254	1,885,879	-64,921	-380,407
Subjective Analysis				
Employee Expenses	375,330	3,769,835	3,779,835	7,003,807
Premises Expenses	850,840	3,777,132	3,777,132	7,048,289
Transport Related Expenses	5,040	232,410	232,410	470,256
Supplies & Services	10,582,964	6,571,127	6,581,327	1,817,640
Transfer Payments	0	0	0	0
Income	-24,500,560	-27,365,470	-27,365,470	-29,944,190
Sub Total Excluding Capital Financing Costs & Central Recharges				
	-12,686,386	-13,014,966	-12,994,766	-13,604,198
Capital Financing Costs	13,652,660	13,652,660	11,681,660	11,467,170
Central & Dept Recharges In	870,980	2,028,655	2,028,655	4,340,361
Central & Dept Recharges Out	0	-780,470	-780,470	-2,583,740
Total	1,837,254	1,885,879	-64,921	-380,407
		0		
Net Operating Expenditure				
Less Adjusting Capital Entries	-13,648,600	-13,648,600	-11,677,600	-11,462,530
Total Net Operating Expenditure after Adjusting Capital Entries	-11,811,346	-11,762,721	-11,742,521	-11,842,937
Borrowing and Capital Financing Costs				
Interest Payable and Other Charges	0	0	0	0
Item 8 Contribution	3,563,600	3,563,600	3,563,600	3,542,530
Depreciation	2,360,260	2,360,260	2,360,260	3,397,130
Direct Revenue Financing of Capital	7,724,740	7,724,740	5,753,740	4,522,870
Total Borrowing and Capital Financing Costs	13,648,600	13,648,600	11,677,600	11,462,530
Net Expenditure to be Financed from Housing Revenue Account				
	1,837,254	1,885,879	-64,921	-380,407
Net Deficit/ (Surplus) before movement from/(to) Reserves				
	1,837,254	1,885,879	-64,921	-380,407
Housing Revenue Account				
Balance Brought Forward	-21,967,700	-21,967,700	-21,967,700	-22,482,621
AHL Reserves Transferring Back to HRA	0	0	-500,000	0
In year (Surplus)/Deficit	1,837,254	1,885,879	-64,921	-380,407
Transfer to/(from) Earmarked Reserves	50,000	50,000	50,000	50,000
Balance Carried Forward	-20,080,446	-20,031,821	-22,482,621	-22,813,028

HRA Business Plan 2016/17 to 2020/21

The HRA Business Plan for the next five years shown below has been updated to include the revised estimate for 2016/17 and original budget 2017/18. The average expenditure for the 5 year period is £1.6m, however the 30 year business plan shows that this increases to an average expenditure of £2.2m from 2021/22.

An estimation has also been made of the reserves to be returned from Ashfield Homes Ltd of £500k. This cannot be finalised until the Company is wound up.

Summary Budget for Housing Revenue Account	2016/17	2017/18	2018/19	2019/20	2020/21
	£	£	£	£	£
Division					
Housing Revenue Account - Ashfield					
Homes Directorate	4,091,478	10,188,958	10,290,848	10,393,756	10,601,631
Courts Costs	462,152	986,670	996,537	1,006,502	1,026,632
Tenancy Services and Housing Management	494,165	1,274,180	1,286,922	1,299,791	1,325,787
Lettings	192,455	664,696	671,343	678,056	691,618
Technical Services Management	-396,740	-729,270	-736,563	-743,928	-758,807
Technical Services Responsive and Void Management	1,778,515	3,702,500	3,739,525	3,776,920	3,852,459
Technical Services Support Services	363,690	1,022,364	1,032,588	1,042,914	1,063,772
Technical Services Planned and Cyclical Procurement	1,369,760	3,065,654	3,096,311	3,127,274	3,189,819
DLO	10,065	50,051	50,552	51,057	52,078
Rent Accounting	7,148	152,109	153,630	155,166	158,270
Brook Street Office	15,769	4	4	4	4
	-205,501	0	0	0	0
Housing Revenue Account - Other					
Income and Expenditure	-4,156,399	-10,569,365	-7,912,584	-8,987,425	-9,618,616
Dwelling Rents	-23,987,900	-23,456,310	-23,133,970	-22,748,600	-23,046,460
Other Income	-330,830	-415,430	-469,827	-472,928	-484,048
Internal Interest	-67,880	-58,680	-44,570	-40,580	-38,010
Capital Costs	11,677,600	11,462,530	13,646,631	12,166,672	11,802,754
Management Fee	5,272,971	0	0	0	0
Bad Debt Provision	159,670	162,100	205,660	210,120	214,680
Other Expenditure (inc Recharges)	3,154,030	1,772,162	1,712,177	1,728,488	1,763,058
Temporary Accommodation	14,120	-11,920	14,141	15,092	15,394
Community Centres	111,490	138,283	112,605	113,731	116,006
Total	-64,921	-380,407	2,378,264	1,406,331	983,015
Net Operating Expenditure					
Less Adjusting Capital Entries	-11,677,600	-11,462,530	-13,642,530	-12,162,530	-11,798,530
Total Net Operating Expenditure after Adjusting Capital Entries	-11,742,521	-11,842,937	-11,264,266	-10,756,199	-10,815,515
Borrowing and Capital Financing Costs					
Interest Payable and Other Charges	0	0	0	0	0
Item 8 Contribution	3,563,600	3,542,530	3,542,530	3,542,530	3,542,530
Depreciation	2,360,260	3,397,130	3,371,835	3,346,540	3,321,245
Direct Revenue Financing of Capital	5,753,740	4,522,870	6,728,165	5,273,460	4,934,755
Total Borrowing and Capital Financing Costs	11,677,600	11,462,530	13,642,530	12,162,530	11,798,530
Net Expenditure to be Financed from Housing Revenue Account	-64,921	-380,407	2,378,264	1,406,331	983,015
Net Deficit/ (Surplus) before movement from/(to) Reserves	-64,921	-380,407	2,378,264	1,406,331	983,015
Housing Revenue Account Reserve					
Balance Brought Forward	-21,967,700	-22,482,621	-22,813,028	-20,384,764	-18,928,433
AHL Reserves Transferring Back to HRA	-500,000	0	0	0	0
In year (Surplus)/Deficit	-64,921	-380,407	2,378,264	1,406,331	983,015
Transfer to/(from) Earmarked Reserves	50,000	50,000	50,000	50,000	0
Balance Carried Forward	-22,482,621	-22,813,028	-20,384,764	-18,928,433	-17,945,418
HRA Earmarked Reserves					
Balance Brought Forward	-299,395	-349,395	-399,395	-449,395	-499,395
Transfer to/(from) Earmarked Reserves	-50,000	-50,000	-50,000	-50,000	0
Balance Carried Forward	-349,395	-399,395	-449,395	-499,395	-499,395
TOTAL RESERVES	-22,832,016	-23,212,423	-20,834,159	-19,427,828	-18,444,813

Corporate Plan:

The financial position of the HRA has a direct impact on the Corporate Plan. Sustainability of the HRA will assist in maintaining existing homes and increase the supply of affordable homes in the district in the future.

Legal:

The Council is required by the LGHA 1989 to have a separate Housing Revenue Account.

The information contained in this report details how the Council complies with the Welfare Reform and Work Act 2016 and the Housing and Planning Act 2016.

Finance:

This report is effective from 20/02/2017 and has the following financial implications:

Budget Area	Implication
General Fund – Revenue Budget	Contained within the report.
General Fund – Capital Programme	None
Housing Revenue Account – Revenue Budget	Contained within the report.
Housing Revenue Account – Capital Programme	Contained within the report.

Human Resources / Equality and Diversity:

No direct implications have been identified in this report.

Other Implications:

No other implications have been identified in this report.

Reason(s) for Urgency (if applicable):

None

Background Papers

Cabinet Report – Update on the Council's Budget Post Transfer of AHL, 24th November 2017 (already available on the Council's website).

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APPENDIX 1

Budget Changes 2016/17 to 2017/18	Amount (£'000s)	Subtotal (£'000s)	Budget Use of HRA Reserve (£'000s)
Original Budget 2016/17			1,837
<u>Changes Approved by Council during 2016/17</u>			
Minor Net Changes to Service Expenditure	48	48	
Original Budget Post AHL Transfer 2016/17			1,885
<u>Service Expenditure</u>			
Minor Net Changes to Service Expenditure	21	21	
<u>Capital Financing</u>			
Capital Programme Changes agreed October 2016	(269)		
Increase in Use of Capital Receipts	(1,303)		
Reduction in Capital Programme February 2017	(399)	(1,971)	
Revised Budget 2016/17			(65)
<u>Service Expenditure</u>			
Employer Superannuation Increases	155		
Superannuation Backfunding Increases	49		
1% Pay Award, net of 3% Vacancy Factor	(91)		
Management & Support Service Budgets not Created in the HRA	(432)		
Other Budgets not required in the HRA	(118)		
Increase in Recharges	164		
Reduction in Rental Income	537		
Specific Budget Changes	(267)		
Other Variances	(118)	(121)	
<u>Capital Financing</u>			
Reduction in Capital Receipts	187		
Reduction in Capital Programme	(381)	(194)	
Original Budget 2017/18			(380)

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Report To:	CABINET	Date:	20 FEBRUARY 2017
Heading:	THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY 2018/19 TO 2022/23		
Portfolio Holder:	CLLR JACKIE JAMES - CORPORATE SERVICES		
Ward/s:	ALL		
Key Decision:	YES		
Subject To Call-In:	YES		

Purpose Of Report

To consider the Council's Medium Term Financial Strategy for 2018/19 to 2022/23, and to agree a savings target for the financial year 2018/19.

Recommendation(s)

That Cabinet note the continuing forecast budget "gaps" over the next five financial years, and agree that a savings target of £1 million should be set for 2018/19.

Reasons For Recommendation(s)

In order to address the ongoing gap between the Council's need to spend and its available funding, which will require net budget reductions of around £3.8 million between 2018/19 and 2022/23.

Alternative Options Considered (With Reasons Why Not Adopted)

Different alignments of savings could be agreed. The more that the Council saves in the earlier years, the less it will have to save overall.

Detailed Information

Section 1 - General Fund – Budget Savings Targets

The proposed General Fund Revenue Budget for 2017/18 appears elsewhere on this agenda. The continued theme is the need to make new savings annually, to meet the challenges of rising costs and reduced external funding.

Detailed work has been undertaken to forecast the Council's need to spend on its General Fund services, and its likely income, over the further five year period 2018/19 to 2022/23. In order to retain a balance of £1.35m in the General Fund Reserve in 2021/22, the current forecast suggests that a savings package of £3.8m will be required over this five year period.

It is envisaged that these savings will be met by a range of initiatives, including

- The further development of a Commercial Enterprise Strategy
- Improved efficiency through IT development and digital channels
- More efficient use of assets
- Service reviews and shared services

Section 2 - Factors used to update the General Fund MTFS

- a) Prudent financial management over the last seven years has realised significant savings for the Council, and has resulted in the Council being able to continue to provide the vast majority of the services which residents value. The recent Local Government Financial Settlement was very disappointing for the Council, as it outlined a further reduction in Government funding, which, over the period 2010/11 to 2020/21, will amount to a 51% reduction.
- b) The Council last updated its MTFS in February 2016. This report updates for some of the actual and anticipated changes in expenditure and funding, and takes account of the 2017/18 budget which is also being considered on this agenda.
- c) **Employee expenditure** – The future forecasting of the costs of the workforce is affected by a number of factors. These are listed below, with the appropriate assumptions:
 - Inflation (pay awards) – Following the announcement on public sector pay in the July 2015 budget, pay awards have been assumed at 1% per annum from 2016/17 to 2019/20, and at 2% from 2020/21 to 2022/23, in line with the forecast increased inflation for this period.
 - Future changes to National Insurance contributions – this increased significantly in 2016 but no further significant increases are forecast.
 - Future changes to superannuation contributions - notification has been received that these will increase steeply, following the Triennial Valuation of the Nottinghamshire Superannuation Scheme. The increased contributions will add £1.7m to the Council's costs over the next five years.
- d) **Price inflation** – As inflation is currently historically low, an estimate for the increase in prices has only been allowed on energy and the SLM contract, on the basis that the impact is low elsewhere in the budget, and should be absorbed.
- e) **Capital Financing Charges** – these have been recalculated to reflect the latest Capital Programme which is also being considered on this agenda.
- f) **Revenue Support Grant** – following the submission of the Council's Efficiency Plan in October 2016, it has now been confirmed that the Council will receive £697k in 2018/19 and £194k in 2019/20. These will be the final payments of RSG which the Council will receive.

- g) **Retained Business Rates** – This MTFSS assumes that Retained Business Rates will grow from £4.924m in 2017/18 to £5.575m in 2022/23.

This is the area of resources which is most difficult to predict. The Government has said that it will undertake a “re-basing” of the system in 2019/20 when it implements “Fair Funding” and “100% Business Rates Retention”. However no details of these new regimes are yet available.

Even before these potentially significant changes occur, forecasting under the current regime is made difficult by the volume of appeals by businesses to the Valuation Office Agency against their premises’ valuations, and also the campaign being undertaken by the NHS nationally to claim charitable relief for hospitals. If the NHS is successful, many councils would struggle financially if required to reimburse the NHS 80% of several year’s business rates.

For this report, the current methodology has been forecast forward, as there is as yet no indication of how Retained Business Rates might be calculated under a new regime.

- h) **New Homes Bonus (NHB)** – The Government has announced another major policy change, which is a further change from the proposals which were consulted on in 2016.

As well as reducing the award from six years to four, the Government will not in the future pay any NHB on the first 0.4% of any increase in the housing stock. This means that Ashfield loses the New Homes Bonus which it would have received on the first (approximately) 220 houses in each year. This reduction in award will be phased in over each year’s new award, reaching its minimum value in 2022/23.

The forward profile for New Homes Bonus is expected to be a decline, from £2.578m in 2017/18 to £1.172m in 2022/23.

- i) **Council Tax** – the amount of Council Tax which the Council receives is affected by the change in the Council Tax Base, a measure of the number of “Band D equivalent dwellings”, which is adjusted to reflect discounts and Council Tax Support.

Based upon recent trends, where house building has been buoyant in the district, the Council Tax Base is predicted to rise steadily over the next five years, and the forecast Council Tax base will increase from its present value of 32,546.2 to an estimated 34,466.4 in 2022/23.

Council Tax receipts are expected to increase from £5.873m in 2017/18 to £7.081m in 2022/23. This assumes that the current regime (a maximum increase of £5 at Band D) will be retained throughout this period.

- j) **Council Tax Support** – In 2012/13 the Council adopted its Localised Council Tax Support Scheme. Because of the ongoing slight reduction in the number of residents claiming this support (which has the impact of increasing the Council Tax Base), and also the continued high performance on Council Tax collection, the scheme is giving the Council a marginal benefit each year based upon its 2013/14 starting point.

Close attention is being paid to the changes as a result of various aspects of Welfare Reform and the figures will continue to be monitored over the next few months, because of the introduction of a national Living Wage, the further roll out of Universal Credit, and the reduction in benefits to some families as a result of changes to the Benefit Cap.. Each of these changes will have an impact on the number of residents claiming Council Tax Support, which is funded entirely by the Council and its preceptors.

- k) **Reserves** – this Strategy maintains the Council policy of retaining a balance of at least £1.35m in the General Fund Reserve. The Council’s Earmarked Reserves are set out in the budget report on this agenda.

All of the assumptions listed above are continually reviewed, in order to ensure that the MTFS remains fit for purpose, and can be relied upon

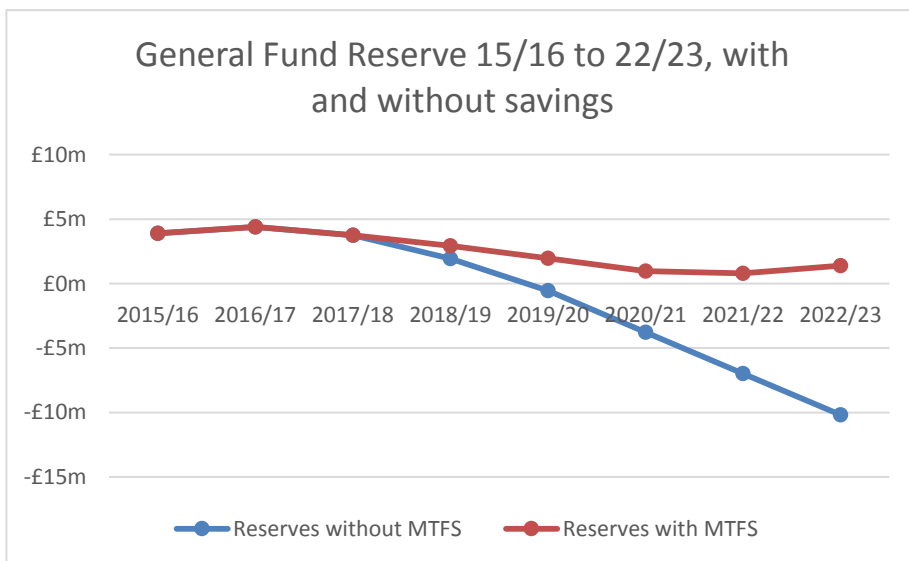
I) Conclusions – General Fund Savings Required

Having identified a savings package of £1m in the current budget round, the Council will need to find £3.8m of further savings between 2018/19 and 2022/23.

It is prudent to consider these savings as early into the period as possible, and to this end a savings target of £1m is proposed for 2018/19. Work will begin immediately to identify savings towards this figure, and it may well be that some initiatives will be implemented in 2017/18, thus contributing extra savings.

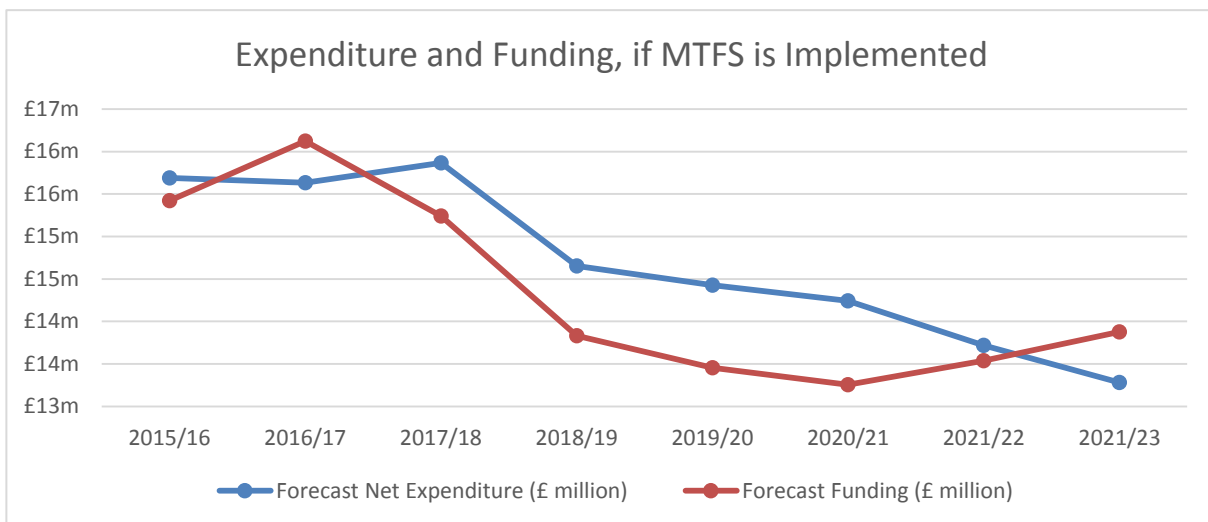
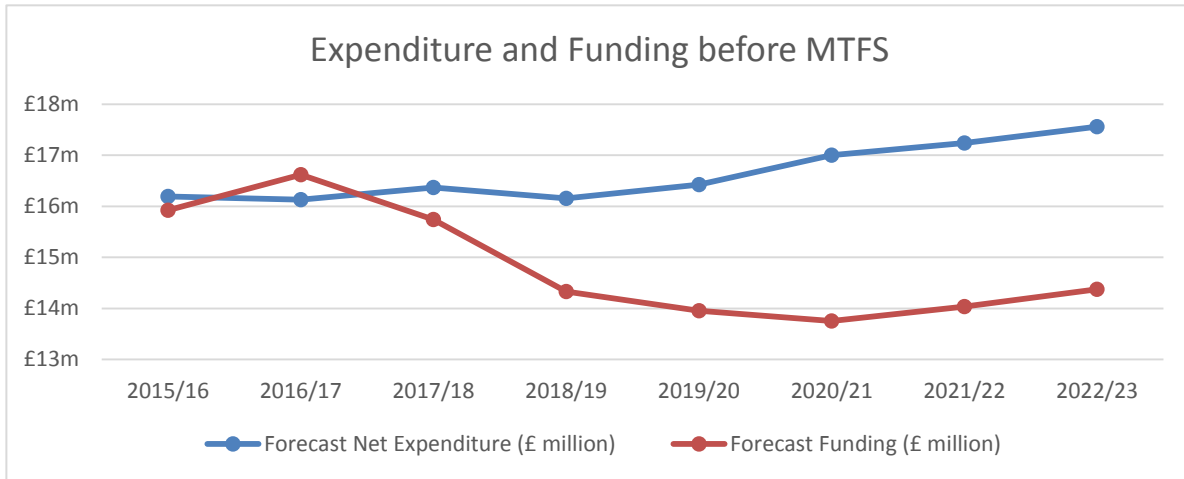
The graph below demonstrates the impact on the Council’s General Reserve of making the reductions, and the (hypothetical) negative balance if the reductions are not made. Table 1 below also reflects this hypothetical deficit in the General Fund Reserve.

If the Council can successfully reduce its budgets by £3.8m over this period, the balance in the General Fund Reserve will be retained at £1.35 million at the end of 2022/23.



m)The impact of making the savings

The impact of the savings of the Council’s forward expenditure profile can be seen in the two tables below. The first reflects the position if no savings are made, demonstrating the budget gap would widen each year. In the second, it is assumed that the savings have been made, and it can be seen that expenditure and resources are much more closely aligned.



Section 3 – Tables showing forecasts to 2022/23

Table 1 – Summary of Expenditure and Income, before savings targets applied

	2018/19 (£ 000s)	2019/20 (£ 000s)	2020/21 (£ 000s)	2021/22 (£ 000s)	2022/23 (£ 000s)
Service Expenditure (at 2017/18 prices)	13,673	13,708	13,790	13,796	13,802
Contingencies	174	351	687	1,025	1,363
Borrowing & financing costs	1,750	1,848	1,966	1,861	1,837
Interest payable and receivable	20	20	20	20	20
Transfers to earmarked reserves	38	0	38	38	38
Total Expenditure	15,655	15,927	16,501	16,740	17,060
Revenue Support Grant	(697)	(194)	0	0	0
Retained Business Rates	(5,002)	(5,161)	(5,294)	(5,429)	(5,575)
New Homes Bonus	(1,976)	(1,604)	(1,323)	(1,226)	(1,172)
Minor Grants	0	0	0	0	0
Council Tax	(6,106)	(6,344)	(6,586)	(6,831)	(7,081)
Council Tax Collection Fund Adjustment	0	0	0	0	0
Retained Business Rates Collection Fund Adjustment	0	0	0	0	0
Transfers from earmarked reserves	(50)	(150)	(50)	(50)	(50)
Total Funding	(13,831)	(13,453)	(13,253)	(13,536)	(13,878)
Net Deficit or (Surplus) in the Year	1,824	2,474	3,248	3,204	3,182

General Fund Reserve

Balance Brought Forward 1 st April	(3,758)	(1,934)	540	3,788	6,992
Deficit or (surplus) in the Year	1,824	2,474	3,248	3,204	3,182
Balance Carried Forward 31st March	(1,934)	540	3,788	6,992	10,174

Implications

Corporate Plan: The MTFS underpins all of the Corporate Plan priorities.

Legal: This report sets out a framework within which balanced budgets can be achieved over the next five years.

Finance:

This report covers the period 2018/19 to 2022/23 and has the following financial implications:

Budget Area	Implication
General Fund – Revenue Budget	The report sets out the targets required to continue to ensure that its General Fund services can be delivered. Annual savings targets will be considered during each year’s budget process.
General Fund – Capital Programme	No implications
Housing Revenue Account – Revenue Budget	No implications
Housing Revenue Account – Capital Programme	No implications

Human Resources / Equality and Diversity: No direct implications

Other Implications:

None

Reason(s) for Urgency (if applicable):

None

Background Papers

None

Report Author and Contact Officer

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Report To:	Cabinet	Date:	20 February 2017
Heading:	APPROVAL TO ACCEPT £375K LOCAL GROWTH FUND CONTRIBUTION FROM D2N2 LEP FOR IDLEWELLS INDOOR MARKET		
Portfolio Holder:	CLLR DON DAVIS – DEPUTY LEADER AND ECONOMIC GROWTH		
Ward/s:	CENTRAL AND NEW CROSS (SUTTON)		
Key Decision:	No		
Subject To Call-In:	Yes		

Purpose Of Report

Cabinet approval is required to accept £375k Local Growth Fund contribution from D2N2 LEP, which has been offered to ADC as a contribution towards the £1.6m redevelopment of the Idlewells Indoor Market.

Recommendation(s)

- 1. Cabinet approves acceptance of the funding contribution of £375k from D2N2 LEP;**
- 2. Cabinet authorises the Chief Executive or the Deputy Chief Executive to enter into a Funding Agreement with the Accountable Body;**
- 3. The Capital Programme is updated accordingly with funding being utilised in 2016/17. This along with other changes to the programme be recommended for approval by Council.**

Reasons For Recommendation(s)

Up to £1.6m has been allocated from ADC's Capital Programme for the redevelopment of the Idlewells Indoor Market. The project was approved by Cabinet at its meeting on 28 April 2016.

This project originally formed part of a much larger bid to the LEP, submitted in mid-2016 under a regional Town Centre theme and was accepted for funding under Local Growth Fund Round 3. However, funding for LGF 3 has not yet been approved by the Department for Business Enterprise and Skills and there is no guarantee therefore that this project would be supported within the timescales needed by ADC.

In November 2016, ADC was advised that an underspend on LGF Round 2 had become available on condition that the LEP funding could be defrayed by the end of this Financial Year 2016/17. Cabinet will remember that the LEP had earlier supported Ada Lovelace House from this underspend funding (Cabinet 22 September 2017) and ADC therefore offered to advance the Idlewells project from the LGF 3 pre-approved list in order to expedite the funding into the project.

Following submission of a full business case and a presentation to the LEP's Investment and Infrastructure Board on Friday 27th January 2017, an offer of £375k has been made to ADC, subject to value for money confirmation by the LEP's independent consultants Regeneris.

This is excellent news for ADC and demonstrates full confidence by D2N2 LEP in the Council's ability to deliver.

Alternative Options Considered (With Reasons Why Not Adopted)

1. Not to accept an offer of £375k Local Growth Funding from D2N2 LEP: this project fully meets the objectives of the ADC Corporate Plan and the LEP Town Centres' objective and delivers economic outcomes. **Not recommended**
2. Accept the offer of £375k Local Growth Funding from D2N2 LEP as a contribution to the Idlewells Indoor Market project. **Recommended.**

Detailed Information

The redevelopment of the Idlewells Indoor Market is currently on a critical path for the beginning November 2017 completion. Members will be aware that there is an urgent need for essential works to be carried out to bring the market up to date, meet health and safety requirements and to make it a more modern and attractive offer. The project will deliver 19,500 sq ft of high quality floor space and create up to 57 new jobs.

However, ADC aspiration is to go much further than a standard renovation, in order to provide a number of important added value elements, which will create much more of a destination. In this respect, ADC has been advised by Quarterbridge Project Management Ltd, national experts in the retail field. ADC has taken their advice on the design and build quality of the new market hall and the need for a new food-led offer to shoppers and visitors.

The project will enhance the vitality of Sutton town centre and increase footfall and wider investor confidence in the area and in Ashfield as a whole.

Traders have been consulted throughout the development stage and are supportive of ADC's approach.

The added value created by this £375k LEP funding will provide:

- New market entrance to complement the main existing entrance. There is currently no natural light in the hall and the new design therefore includes a glass aspect to improve the internal/external permeability.
- Installation of a new ramp to greatly improve accessibility for people with disabilities or mobility issues and those with mobility scooters or buggies.
- Installation of a new feature glass roof light to provide natural light throughout the hall. In the scheme this installation will cascade natural light over the middle aspect of a new seating/café area.

- New trader stall counters will provide a set standard and uniformed approach for the new stalls and create a more professional approach.
- Bespoke roof lighting and bespoke suspended ceiling.
- Ceiling baffle for aisle and acoustic canopy for the new seating area.

The contractor ASHE has been procured from the Scape Framework and the essential health and safety works commenced at the end of January.

The grant has allowed innovative work outlined above to be completed and has therefore increased the cost of the project to £1.8m. The Capital Programme has been updated to reflect the change in overall expenditure and funding contributions and if approved will be recommended to Council

Implications

Corporate Plan:

Fully meets the objectives of the Corporate Plan. Implementation of the Sutton Indoor Market project is a priority within the Economic Regeneration theme. As well as this, this project fully meets the aspirations of ADC's new Place work and the enhancement of Sutton as a Destination.

Legal:

The Legal Service will provide advice and assistance in relation to the Funding Agreement with the Accountable Body to ensure its terms are acceptable to the Council.

Finance:

This report has the following financial implications:

Budget Area	Implication
General Fund – Revenue Budget	
General Fund – Capital Programme	The £375k funding will contribute towards the innovative work being completed as part of the Idlewells Market Hall project. The capital programme will be updated accordingly to reflect this change and shall be recommended to Council.
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

Human Resources / Equality and Diversity:

There are no implications on HR.

The redevelopment will greatly enhance access and DDA standards. An Equalities Impact Assessment (EIA) has been carried out which considers all the equality implications within the report. An example of one of the improvements is the installation of a ramped access into the building. The equalities impact of this development will be kept under continuous review by the Project Manager.

Other Implications:

Communications: This item contains positive news which will be of interest to the public. A news release will be prepared about this item by the Corporate Communications Team to coincide with the report. The release will also contain comment from the LEP's Communications team.

Trade Unions: The Trade Unions are encouraged by the redevelopment of local amenities and the potential for jobs and support this project. UNISON & GMB

Reason(s) for Urgency (if applicable):

N/A

Background Papers**Report Author and Contact Officer**

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CHIEF EXECUTIVE

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