

**ASHFIELD DISTRICT COUNCIL**



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

## Agenda

### Cabinet

Date: **Tuesday, 15th September, 2020**

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Time: **6.00 pm**

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Venue: **[Ashfield District Council's YouTube Channel](#)**

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For any further information please contact:

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01623 457317

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# **CABINET**

## **Membership**

**Chairman:**

Councillor Jason Zadrozny

**Councillors:**

Kier Barsby  
Tom Hollis  
David Martin  
Helen-Ann Smith  
John Wilmott

Samantha Deakin  
Rachel Madden  
Matthew Relf  
Daniel Williamson

## **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 and on the date mentioned above for the purpose of transacting the business set out below.



**Carol Cooper-Smith**  
**Chief Executive**

## AGENDA

Page

1. To receive apologies for absence, if any.
2. Declarations of Disclosable Pecuniary or Personal Interests and Non Disclosable Pecuniary/Other Interests.
3. To receive and approve as a correct record the minutes of the meeting of the Cabinet held on 21 July 2020. 5 - 12
4. COVID-19 Response and Recovery Scrutiny Panel - Verbal Update.  
  
Scrutiny Panel Chairman  
Councillor David Hennigan
5. Modern Day Slavery - Annual Update. 13 - 26  
  
Key Decision  
Councillor Helen-Ann Smith – Deputy Leader and Portfolio Holder for Community Safety
6. Hucknall Infill Sites - Affordable Housing Development. 27 - 42  
  
Key Decision  
Councillor Tom Hollis – Deputy Leader and Portfolio Holder for Housing
7. 2020/21 Forecast Outturn for General Fund, Housing Revenue Account (HRA) and Capital Programme as at July 2020. 43 - 66  
  
Key Decision  
Councillor Rachel Madden – Portfolio Holder for Finance
8. Treasury Management - Annual Report 2019/20. 67 - 76  
  
Non-Key Decision  
Councillor Rachel Madden – Portfolio Holder for Finance
9. Leisure Transformation Programme. 77 - 82  
  
Key Decision  
Councillor Kier Barsby – Portfolio Holder for Health and Leisure

- 10. Digital Services and Transformation Programme Update. 83 - 90**

**Key Decision**

Councillor Samantha Deakin – Portfolio Holder for Customer Services and IT

- 11. Big Ashfield Spring Clean 2020 Performance Report. 91 - 96**

**Non-Key Decision**

Councillor David Martin – Portfolio Holder for Streets, Parks and Town Centres

## CABINET

### Meeting held on Tuesday, 21st July, 2020 at 10.00 am

**Present:** Councillor Jason Zadrozny in the Chair;

Councillors Samantha Deakin, Tom Hollis,  
Rachel Madden, Matthew Relf, Helen-Ann Smith,  
Daniel Williamson and John Wilmott.

**Apologies for Absence:** Councillors Kier Barsby and David Martin.

**Officers Present:** Craig Bonar, Lynn Cain, Carol Cooper-Smith,  
Ruth Dennis, Joanne Froggatt,  
Theresa Hodgkinson, Peter Hudson, Mike Joy  
and Paul Parkinson.

#### **CA.8 Declarations of Disclosable Pecuniary or Personal Interests and Non Disclosable Pecuniary/Other Interests**

No declaration of interests were made.

#### **CA.9 Minutes**

RESOLVED

that the minutes of the meeting of the Cabinet held on 30 June 2020 be received and approved as a correct record.

#### **CA.10 Corporate Plan and Year End Decision**

Cabinet received the year end out-turn position and considered the proposed refresh of the Council's Corporate Plan.

Members considered the alternative option of declining to accept the changes to the Corporate Plan but this was not recommended as the refreshed Plan aligned with the Council's future ambitions and Corporate Priorities for the four year period of the plan (2019-2023).

RESOLVED that

- a) the successful delivery of the Corporate Plan to date and the levels of performance achieved against the Corporate Scorecard as at year-end 2019/20, be noted;
- b) the Corporate Plan refresh, as appended to the report, be approved;

- c) delegated authority be granted to the Chief Executive, in consultation with the Leader, to review and revise the Corporate Scorecard, aligned to the Corporate Plan.

Reasons:

1. The Council's ambitions for the period 2019 – 2023 are clearly identified in a set of revised and updated Corporate Priorities which are presented in the Corporate Plan. These were developed by Cabinet last year and have since been reviewed and updated, with particular consideration of the impact of the pandemic and the Council's intended recovery activity.
2. The Council's priorities for the future and the key projects and initiatives are intended to be delivered and then translated and cascaded, through the Performance and Strategic Planning Framework, into specific Service Plans to facilitate focussed delivery.
3. The Corporate Plan sits above a wider strategic context which includes the Corporate Project Management Framework, Corporate Performance Indicators and a range of strategic documents relating to the organisation and its services.

#### **CA.11 LGA Peer Challenge 2020**

Cabinet Members considered the progress made in respect of the LGA Peer Challenge key recommendations following their visit in January 2020.

As the report item was for information only, there were not alternative options for Members to consider.

RESOLVED that

- a) the actions arising and progress made in respect of the LGA Peer Challenge key recommendations to date, be received and endorsed;
- b) approval be given for the Overview and Scrutiny Committee to monitor the implementation of the key recommendations and supporting action plan.

Reason:

In April 2020 the Council endorsed the findings of the Local Government Association Peer Challenge. The Peer Challenge Review undertaken by the Local Government Association in January 2020 was designed to support Councils and is part of a sector led improvement programme. There was an expectation from the LGA and Government that the findings would be used to support improvements and Cabinet sanctioned all actions arising from the LGA report.

#### **CA.12 Review of Street Naming and Numbering Policy**

Cabinet were requested to review and approve the proposed updates to the Council's Street Naming and Numbering Policy.

Members considered the alternative option of adopting an alternative street naming and numbering policy but it was acknowledged that this would not align with national guidance.

**RESOLVED**

that the revised Street Naming and Numbering Policy, as appended to the report, be approved.

**Reason:**

The Street Naming and Numbering Policy was approved by Cabinet in 2017 and was due to be reviewed, as required, following a three year period. The updated policy facilitates a consistent and logical approach to the naming and numbering of addresses across the District.

**CA.13 Policy for Discharging the Homelessness Duty into the Private Rented Sector**

Cabinet were asked to approve a Policy to enable the Housing Options Team to discharge duties owed under the homelessness legislation into the Private Rented Sector (PRS).

Members considered the alternative option of declining to approve the Policy however, it was accepted that it would enable the Housing Options Team to discharge the homelessness duty into the PRS whilst increasing the tools available to officers to resolve cases of homelessness.

**RESOLVED**

that the Policy on Discharging the Homelessness Duty into the Private Rented Sector (PRS), as presented, be approved.

**Reasons:**

Homelessness legislation and regulation puts the onus on local Councils to assist residents who are homeless or threatened with homelessness to find a solution to their needs. It is important that a range of options are considered beyond its own stock of housing. This includes accommodation in the PRS. The Council needs to have published a policy on discharging into the PRS in order to utilise this option.

**CA.14 Affordable Housing Development - Sutton in Ashfield**

Cabinet were advised about an opportunity to develop a small number of Council owned sites within Sutton in Ashfield, for the purpose of affordable housing, and approval was sought for the development proposals.

Members considered the alternative options of keeping the sites as they are or selling them. These options were not recommended as both sites were under-utilised and could be re-purposed for much needed affordable housing with the viability of the sites for sale to outside parties remaining low given the likely capital receipt.

## RESOLVED

that the following be approved subject to the necessary planning consent and confirmation of Homes England funding:

- a) to approve the demolition of two community centres, namely The Beeches and The Poplars, for the purpose of redeveloping the land for much needed adapted housing let on an affordable rent basis;
- b) to declare that the Stoney Street car park is no longer required for the purposes of car parking and to approve its future use as family housing let on an affordable rent basis;
- c) to grant delegated authority to the Director of Housing and Assets, in conjunction with the Director of Legal and Governance and the Corporate Finance Manager (and Section 151 Officer), to agree the appropriation of the Stoney Street site from the General fund to the Housing Revenue Account based upon best consideration of the land value, lost car park revenue and the parameters of the social housing viability model;
- d) to recommend that Council approves the use of Housing Revenue Account reserves to fund the site clearances and the development of circa 9 new Council Homes, and if approved, the project be added to the Capital Programme;
- e) to grant delegated authority to the Director of Housing and Assets, in conjunction with the Director of Legal and Governance and the Corporate Finance Manager (and Section 151 Officer), to negotiate and formalise fees, scheme costs, specification, delivery and any other aspects of the proposed development;
- f) to grant delegated authority to the Director of Housing and Assets, in conjunction with the Director of Legal and Governance and the Corporate Finance Manager (and Section 151 Officer), to procure and appoint a contractor to develop the three sites as a single package;
- g) to grant delegated authority to the Director of Housing and Assets to contract, on behalf of the Council with Homes England, for the purposes of receiving subsidy to ensure that developments are viable and fall within the Council's 30 year business plan model.

### Reasons:

To enable a project that will increase Ashfield District Council's housing stock in order to meet significant levels of demand for affordable rented properties within the District, and to provide much needed adapted homes for the District's elderly and vulnerable residents.

## **CA.15 Corporate Risk - Year End 2019/20 Position**

Cabinet was requested to review the Corporate Risk Register, analyse the movement in risk and mitigating actions in respect of those risks and approve the updated Corporate Risk Strategy.



Members considered the alternative option of declining to approve the Corporate Risk Strategy but this was not recommended following suggestions made by Internal Audit.

RESOLVED that

- a) the current significant items on the Register and the actions being taken to mitigate those risks, be received and noted with the establishment of the COVID-19 Response and Recovery Panel being added to the list of mitigating actions for the Council's response to the risk associated with the COVID-19 pandemic;
- b) the updated Corporate Risk Strategy, as presented, be approved.

Reasons:

1. To prioritise and manage the mitigation of Risk in order that the Council can achieve its objectives.
2. Updates to the Corporate Risk Strategy in 2018 were considered appropriate in order to facilitate greater understanding of risk maturity and improved organisational performance against the Alarm national performance model for risk management in public services, as suggested by Internal Audit. This is highlighted as an improvement action in the Annual Governance Statement and the Council are continuing to develop its approaches to understanding risk appetite.
3. The Corporate Risk Strategy has recently been reviewed following the outcome of audit recommendations.

#### **CA.16 Draft Out-turn 2019/20 Accounts**

Cabinet considered details of income and expenditure incurred in 2019/20 in respect of the General Fund, the Housing Revenue Account (HRA) and the Capital Programme and how this compared to the latest approved budgets including explanations for significant variances.

Due to the fact that the financial outturn position was as reported within the 2019/20 draft Statement of Accounts, there were no alternative options for Members to consider.

In relation to the proposed carry-forward of unutilised 2019/20 earmarked reserves, not approving the funding carry-forwards would prevent some projects from progressing or might require for them to be funded from the General Fund balance which was not recommended.

RESOLVED that

- a) the 2019/20 draft Revenue Outturn for the General Fund, the HRA Outturn and the Capital Programme Outturn, be noted;
- b) approval be given to the proposed in-year movements to and from reserves (Section 1.11);

- c) approval be also given for the 2020/21 revenue budgets being adjusted to reflect carry-forward of 2019/20 'approved but not utilised' project funding from earmarked reserves (Section 4);
- d) Council be recommended to approve the carry-forward of the £10.4m underspend on the Capital Programme to 2020/21 due to slippage (delays to schemes) included within the Programme (Section 3).

Reason:

To report to those charged with governance, the Council's financial Outturn for 2019/20 and to comply with the Council's Financial Regulations.

#### **CA.17 Council's Insurance Arrangements 2019/20**

Members were presented with the latest position concerning insurance funds and premiums paid during 2019/20.

As this report item was for information only, there were no alternative options for Members to consider.

RESOLVED

that the contents of the 2019/20 Annual Insurance Report, as presented, be received and noted.

Reason:

To meet the requirements of the Council's Financial Regulations (C.37).

#### **CA.18 Contract for Procurement Services**

Cabinet were asked to consider and approve the Contract for Procurement Services supplied by Nottingham City Council.

Members considered the alternative option of insourcing the function or procuring a different partner for procurement services. However neither option was recommended as the cost of insourcing the function would outweigh the cost of the good levels of service and significant, achieved benefits currently being provided by Nottinghamshire City Council.

RESOLVED that

- a) approval be given to the costs and scope of service for the Contract for Procurement Services to be supplied by Nottingham City Council;
- b) delegated authority be granted to the Director of Resources and Business Transformation, to negotiate and agree a Service Level Agreement (SLA) with representatives of Nottingham City Council for the provision of procurement services to Ashfield in line with the details contained in the report;
- c) delegated authority be also granted to the Director of Legal and Governance to finalise the legal elements of the contract.

Reason:

Nottingham City Council (NCC) currently provide procurement services to Ashfield District Council; a decision taken by Cabinet on 15 March 2018. The scope of the service requiring approval is a formalisation of that service in contract, currently delivered under a Memorandum of Understanding. Further, changes to the cost of the service have increased by £13,250 per annum and the gain share element previously agreed has been eliminated.

#### **CA.19 Community Engagement Strategy**

Cabinet considered the progress made on the draft Community Engagement Strategy and agreed timescales for completion.

Members considered the alternative option of engaging an external consultant to complete the strategy but this was not taken forward due to the potential financial costs to the Council.

RESOLVED that

- a) the draft Community Engagement Strategy, as appended to the report, be approved;
- b) further consultation (internal and external) be undertaken to finalise the Strategy with delegated authority being granted to the Director of Place and Communities, in consultation with the Portfolio Holder for Health and Leisure and the Deputy Leader and Portfolio Holder for Housing, to complete the document as required;
- c) a toolkit for staff be developed, alongside a training module to ensure competency when implementing the Strategy across the Council.

Reasons:

1. The Community Engagement Strategy is an outstanding action on the audit list and a priority within the Health and Happiness section of the Corporate Plan. It also has a fundamental role to play in ensuring we can demonstrate our values.
2. The recommendations will enable the Council to produce and implement an effective community engagement strategy in a timely fashion, ensuring that staff and key stakeholders are consulted and involved in its development, and that appropriate training is given so staff are able to maximise community engagement within their work at an appropriate level to the task at hand.

#### **CA.20 Urgent Item of Business: Towns Fund Accelerated Projects**

In accordance with Council Procedure Rule 5 (Urgent Items), the Chairman decided to consider the report as an urgent items of business.

Members were advised about a funding opportunity which had become available for Kirkby and Sutton and delegated authority was sought to develop and deliver a number of projects by 31 March 2021.

Members considered the alternative option of declining to accept the funding but acknowledged that this was an opportunity to immediately invest in Kirkby and Sutton to support economic recovery from the impacts of Covid-19.

RESOLVED that

- a) the £750k funding for both Kirkby and Sutton from the Government's Towns Fund, to deliver a number of capital projects within this financial year, be accepted;
- b) delegated authority be granted to the Director of Place and Communities, in consultation with the Leader and the Portfolio Holder for Place, Planning and Regeneration, to:
  - select the projects for each town;
  - commission specialist advisors for the development and delivery of the projects;
  - develop and deliver the projects.

Reason:

To facilitate investment into Kirkby and Sutton and to enable projects to be developed and delivered by the end of March 2021.

The meeting closed at 11.50 am

Chairman.

# Agenda Item 5



<b>Report To:</b>	<b>CABINET</b>	<b>Date:</b>	<b>15 SEPTEMBER 2020</b>
<b>Heading:</b>	<b>MODERN DAY SLAVERY ANNUAL UPDATE</b>		
<b>Portfolio Holder:</b>	<b>CLLR HELEN-ANN SMITH - DEPUTY LEADER/PORTFOLIO HOLDER FOR COMMUNITY SAFETY</b>		
<b>Ward/s:</b>	<b>ALL</b>		
<b>Key Decision:</b>	<b>YES</b>		
<b>Subject to Call-In:</b>	<b>YES</b>		

## **Purpose of Report**

To reaffirm the Council's commitment to tackling Modern Slavery and approve the refreshed Modern Slavery and Human Trafficking Policy Statement and Transparency Statement 2020/21.

## **Recommendation(s)**

**For Cabinet to approve the Modern Slavery and Human Trafficking Policy Statement and Transparency Statement 2020/21 attached to this report.**

## **Reasons for Recommendation(s)**

To meet the Council's legal, moral and safeguarding obligations and to take a proactive approach in tackling this type of crime.

It is a legislative requirement on commercial organisations with an annual turnover of £36 million, to have a Modern Slavery Transparency Statement. The Council's annual turnover is above this threshold. Whilst the Act does not state that Local Authorities specifically are included in those organisations legally required to publish a statement, ADC has elected to do so as a matter of good practice and social responsibility.

## **Alternative Options Considered**

Members could choose not to approve the Modern Slavery and Human Trafficking Policy Statement and Transparency Statement or approve a different version. However, the documents have been prepared in order to set out the current and ongoing action the Council intends to take to demonstrate its commitment to tackling this issue in a clear and concise way. Not recommended.

Whilst the Council could take a less proactive approach than set out in the documents, this would not demonstrate the Council's commitment to tackle and prevent Modern Slavery issues in the District, the County and in its own supply chains.

## **Detailed Information**

### **Definition:**

Across the UK, modern slavery has increased significantly in recent years and is a growing safeguarding concern for all local authorities due to its seriousness and impact on the people who are exploited. This position remains unchanged.

Today slavery refers to someone being exploited and completely controlled by someone else, without being able to leave. Traffickers and slave masters use whatever means they have at their disposal to coerce, deceive and force individuals into a life of abuse, servitude and inhumane treatment. This can also include sexual and criminal exploitation.

To be a victim of human trafficking, the person needs to be subjected to the act of either:

- recruitment
- transportation
- transfer
- harbouring
- receipt

Someone is in slavery if they are:

- forced to work through coercion, or mental or physical threat;
- owned or controlled by an 'employer', through mental or physical abuse or the threat of abuse;
- dehumanised, treated as a commodity or bought and sold as 'property';
- physically constrained or have restrictions placed on their freedom of movement.

Victims may be unwilling to come forward to law enforcement or public protection agencies, indeed, not seeing themselves as victims, or fearing further reprisals from their abusers. Modern Slavery victims may also not always be recognised by others who come into contact with them which is why recognising the signs and reporting concerns is so important.

### **The scale of the issue:**

The most robust estimate to date of the scale of modern slavery in the UK was produced by the Home Office which suggested that there were between 10,000 and 13,000 potential victims of modern slavery in 2013.

The National Crime Agency (NCA) assesses that the actual scale of modern slavery in the UK is gradually increasing and, if drivers remain at their current levels, will continue to do so over the next three years.

The three main sources of data available on the potential scale of modern slavery in the UK come from:

- Referrals of potential victims to the National Referral Mechanism (NRM), the UK's identification and support system for victims of modern slavery.

In 2017, there were 5,143 potential victims referred to the NRM (a 35% increase from 2016), of whom 41% (2,121) were children.

- Referrals of potential victims under the 'duty to notify' provision of the Modern Slavery Act 2015 which applies to England and Wales by submitting the MS1 document, (Notification of a. Potential Victim of Modern Slavery form) Specified public bodies have a duty to notify the Government if they encounter an adult victim of modern slavery.

In 2017, 1,694 potential adult victims were referred via duty to notify, bringing the total number of potential victims identified in 2017 to 6,837.

- The number of modern slavery crimes recorded by the Police. In the year to March 2018, police in England and Wales recorded 3,337 modern slavery offences, a 49% increase on the previous year. The Police in Scotland recorded 60 offences and the Police Service of Northern Ireland (PSNI) recorded 31 offences.

### **The Modern Slavery Act 2015:**

The Modern Slavery Act 2015 was enacted in March 2015 which;

- makes prosecuting the traffickers easier by consolidating the existing slavery offences
- increases sentences for slavery offences
- bans prosecuting victims of slavery for crimes they were forced to commit by their traffickers, such as drug production or petty thefts
- introduces child trafficking advocates to better protect trafficked children
- makes big UK businesses publically report on how they tackle slavery in their global supply chains
- established an independent Anti-Slavery Commissioner to oversee the UK's policies to tackle slavery.

The Act includes a number of provisions for local authorities including:

1. A duty to identify and refer modern slavery child victims (once safeguarded) and consenting adults through the National Referral Mechanism (NRM).
2. A duty to notify the Home Secretary of adults who do not consent to enter the NRM.
3. A duty to cooperate with the Independent Anti-Slavery Commissioner.

Commercial organisations, with a turnover in excess of £36 million annually, are required to report their efforts to identify, prevent and mitigate the risk of modern slavery in their commercial operations by publishing an annual Slavery and Human Trafficking Statement.

Whilst there is uncertainty as to whether the legal requirement to produce 'Transparency Statements' applies to local authorities, in April 2017, Parliament's Joint Committee on Human Rights recommended that "If the Government expects business to take human rights issues in their supply chains seriously, it must demonstrate at least the same level of commitment in its own procurement supply chains". The same can be said of local authorities i.e. that they have a responsibility to ensure that the risks of modern slavery within their supply chains are understood and that they are demonstrating community leadership in promoting a human rights approach towards procurement.

Beyond ensuring that supply chains are free from modern slavery, local authorities have three key roles to play; firstly the identification and referral of victims; secondly supporting victims, for example, through safeguarding children and adults with care and support needs and through housing/homelessness services; and thirdly through community safety, disruption and enforcement activities.

## **The Council's Response to Modern Day Slavery**

Modern slavery is within our communities and Ashfield District Council is actively involved in tackling modern slavery in a number of ways.

### **1. Identification and referral of victims;**

Members of staff in Housing and Community Safety have been trained by the external organisation Hope for Justice. A refresh of this training is being explored. All members of the Private Sector Enforcement team have attended modern slavery training enabling them to recognise the signs and take appropriate action. E-learning training has also been prepared and will be rolled out during autumn to ensure all Council employees can identify signs of Modern Slavery and make appropriate referrals.

Information is on the Council's Safeguarding intranet webpage regarding reporting Modern Day Slavery concerns and the Council's Community Safety team provides guidance for all employees on how to report any suspicions of modern slavery through the National Referral Mechanism.

### **2. Supporting victims, for example, through safeguarding children and adults with care and support needs and through housing/homelessness services; and**

The Complex Case team will work with residents who require support and navigation through Council and partners services.

### **3. Through community safety, disruption and enforcement activities.**

The Council works with the Gangmaster and Labour Abuse Authority (GLAA) based upon specific intelligence and organised operations. In particular, the Private Sector Enforcement Team have worked on numerous cases with the GLAA, Police and forced labour teams identifying high risk properties such as houses of multiple occupation.

The Private Sector Enforcement (PSE) and Community Safety team report into the Council's Corporate Safeguarding Group on matters relating to forced labour and modern slavery. PSE are also starting a new piece of work to look at the traveller's communities and any connections to forced labour with the Fire Service and GLAA.

The Council's website has been updated to ensure residents can access information on Modern Slavery. This has been updated and information added relating to Modern Slavery and COVID-19 produced by the NHS and Home Office. The Modern Slavery and Human Trafficking Policy Statement and Transparency Statement 2019/20 which was approved at Cabinet on 15 July 2019 is also published on the website.

The Council has signed up to the Co-operative Party's Charter Against Modern Slavery. This Charter goes further than existing law and guidance, committing Councils to proactively vet their own supply chain to ensure no instances of modern slavery are taking place. The decision to sign the Charter was taken as a result of a Motion presented to the 29 November 2018 Council meeting



ensuring that the Council's procurement practices do not support slavery. Contractual clauses requiring suppliers and contractors to comply with requirements under the Modern Slavery Act 2015 are in place.

The Council is also an active partner in the County Modern Slavery Partnership and will be attending Resilience Mapping Workshops during August/September 2020 with the aims of understanding what assets currently exist, what survivor support needs there are, what issues or gaps in service exist. Identify options for improved service. Understanding the picture on child exploitation in Nottinghamshire and gain children's perspectives on County Lines and subsequent support. Consider new information that can update the historic data used to produce the profile and to discuss current system limitations. Understand the impact of Covid, Brexit and any future 'shocks'. The workshops will interrogate the data on labour exploitation further to understand which sectors or methods of exploitation are being employed in Nottinghamshire and include discussion on how to engage with relevant local businesses and get messages into the right sectors. Finally to understand how messages are getting in to relevant communities, including most prevalent in the profile, identifying what vulnerabilities exist, what resources/activities are needed in those communities and training.

To ensure that the Council meets its responsibilities in relation to Modern Slavery and associated practices and policies, the future governance arrangement will continue to be managed by the Council's internal Corporate Vulnerability and Safeguarding Group. The Terms of Reference for the group has been revised to include Modern Slavery.

### **Modern Slavery Statement**

The Council's Modern Slavery Governance Statement sets out the commitment to identify, address and prevent slavery and exploitation within its work; that of contractors that it commissions and services that it procures.

The Statement highlights the Council's responsibilities as an employer and acknowledges and accepts its duty as a Council under Section 52 of the Modern Slavery Act 2015, to notify the Secretary of State of suspected victims of slavery or human trafficking.

This prevention work will be addressed through the Council's policies and procedures relating to Procurement, Recruitment, the overarching Modern Slavery and Human Trafficking Policy, employee and Member safeguarding training, and through proactive work with partners.

The Council's Modern Slavery Statement is attached to this report as appendix 1.

### **Modern Slavery and Human Trafficking Policy**

The aim of this Policy is to provide guidance on how the Council will safeguard potential victims of modern slavery and how it will work in partnership with other local statutory organisations, to help address and prevent slavery and exploitation.

The policy applies to all services within the remit of Ashfield District Council and to all employees including permanent, temporary, casual workers, voluntary workers, Elected Members, work experience students, agency staff, consultants, outside hirers and other contracted persons within the duration of that contract, whatever their position, role, or responsibilities. It also applies to work carried out in all settings, including Council premises or external, privately hired and other venues.

A copy of the Council's Modern Slavery and Human Trafficking Policy is attached to this report as Appendix 2

## **Implications**

### **Corporate Plan:**

Fully meets the vision and objectives in the Corporate Plan as regards employment, business growth and community safety for all of our residents.

### **Legal:**

The Modern Slavery Act 2015 introduced a number of provisions to tackle the issue and included a duty on any local authority to notify the Secretary of State if it has reasonable grounds to believe that a person may be a victim of human trafficking or modern slavery. Under Section 54 of the Modern Slavery Act 2015, certain organisations are required to prepare a slavery and human trafficking statement for each financial year of the organisation. As part of Section 11 Children's Safeguarding Audits and inspection of safeguarding relating to the Care Act 2014, all local authorities are required to have a range of policies in place which relate directly to district level safeguarding. This includes Modern Slavery, as it affects children, young people and adults of all ages and abilities.

### **Finance:**

<b>Budget Area</b>	<b>Implication</b>
General Fund – Revenue Budget	N/A
General Fund – Capital Programme	N/A
Housing Revenue Account – Revenue Budget	N/A
Housing Revenue Account – Capital Programme	N/A

### **Risk:**

<b>Risk</b>	<b>Mitigation</b>
Human trafficking taking place in supply chains and in any part of the councils business.	The co-ordination of training and disseminating further information to staff in respect of Modern Slavery will be dealt with by the Council's Corporate Safeguarding Group. Through staff briefings via the intranet and handouts, staff will be advised of the impact of modern slavery both locally and nationally. They will be advised of the potential signs that slavery or human trafficking may be occurring and where to report their concerns.

**Human Resources:** Organisationally the Council takes its responsibilities for safeguarding extremely seriously. The organisation, through its HR practices and employment checks, will ensure that anyone offered work as an employee will be scrutinised to ensure that they are legally entitled to work in the U.K.

### **Environmental/Sustainability**

*None for this report*

**Equalities:** The aim of this policy is to provide guidance on how the Council will safeguard potential victims of modern slavery and how it will work in partnership with other local statutory organisations, to help address and prevent slavery and exploitation. An equalities impact assessment has been completed, this includes impacts and the mitigating measures being taken.

**Other Implications:**

A communications statement will be issued following approval of this report.

**Reason(s) for Urgency**

*Not applicable*

**Reason(s) for Exemption**

*Not applicable*

**Background Papers**

Enc 1: Modern Slavery & Human Trafficking Policy Statement

Enc 2: Modern Slavery & Human Trafficking Transparency Statement 2020/21

**Report Author and Contact Officers**

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# Ashfield

## DISTRICT COUNCIL

### **Modern Slavery & Human Trafficking Transparency Statement 2020/2021**

This statement sets out the steps Ashfield District Council (“the Council”) has taken during 2019/20 and the steps the Council will be taking in 2020/21 to ensure that slavery and human trafficking is not taking place in any of its supply chains and in any part of its own business.

The Council is committed to ensuring there is transparency in its own business and in its approach to tackling modern slavery throughout its supply chains. The Council expects the same standards from its contractors, suppliers and other partners and as part of its procurement processes. The Council will ensure that when pre-contract questionnaires are distributed to potential contractors, that they include questions in relation to the contractor/supplier’s Modern Slavery and Human Trafficking policies, processes and responsibilities, to ensure the Council only enters into contracts with those organisations who are fulfilling their statutory responsibilities.

In addition the Council has already included anti-slavery clauses in its standard contract terms and conditions and tender documents, to ensure that the Council is only entering into contracts with suppliers who are committed to complying with requirements under the anti-slavery and human trafficking laws, including but not limited to the Modern Slavery Act 2015.

Organisationally the Council takes its responsibilities for safeguarding extremely seriously. The organisation, through its HR practices and employment checks, will ensure that anyone offered work as an employee will be scrutinised to ensure that they are legally entitled to work in the U.K. The Council through its pay policies will adhere to appropriate legislation that determines and prescribes levels of minimum payment for work undertaken as an employee.

The co-ordination of training and disseminating further information to staff in respect of Modern Slavery will be dealt with by the Council’s Corporate Safeguarding Group. Through staff briefings via the intranet and handouts, staff will be advised of the impact of modern slavery both locally and nationally. They will be advised of the potential signs that slavery or human trafficking may be occurring and where to report their concerns. In depth training will be given to staff, in particular those staff working in front facing services who may be more likely to encounter instances of modern slavery, such as Housing and Community Safety.

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# Ashfield

DISTRICT COUNCIL

## **Modern Slavery & Human Trafficking Policy Statement**

## **1. Policy statement**

- 1.1. Modern slavery and human trafficking are crimes and a violation of fundamental human rights. It is widely recognised as increasing in prevalence across the UK and a safeguarding concern for all communities. Modern slavery can take various forms, such as slavery, domestic servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. Ashfield District Council has a zero-tolerance approach to modern slavery and is committed to acting to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.
- 1.2. Ashfield District Council is also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015.
  - 1.2.1. We expect the same high standards from all of our contractors, suppliers and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.
- 1.3. This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners.

## **2. Responsibility for the policy**

- 2.1. The Council's Members and Corporate Leadership Team have overall responsibility for ensuring this policy complies with our legal and ethical obligations.
- 2.2. The Council's Service Managers have primary and day-to-day responsibility for implementing, monitoring its use and effectiveness, dealing with any queries regarding it and auditing internal control systems and procedures to ensure they are effective in countering modern slavery.
- 2.3. All levels of management are responsible for ensuring that those reporting to them understand and comply with this policy and are given appropriate training on the issue of modern slavery in supply chains.

## **3. Compliance with the policy**

- 3.1. All employees must be aware of, read, understand and comply with this policy.



- 3.2. The prevention, detection and reporting of modern slavery in any part of the Council's business or supply chains is the responsibility of all those working for the Council or under its control. Employees are required to avoid any activity that might lead to, or suggest, a breach of this policy. If an employee is unsure about whether a particular act or treatment of workers or working conditions constitutes any of the various forms of modern slavery, the concerns should be raised with their manager.
- 3.3. Employees must notify their manager as soon as possible if they believe or suspect that a conflict with this policy has occurred, or may occur in the future.
- 3.4. Employees are encouraged to raise concerns about any issue or suspicion of modern slavery in any parts of our business or supply chains of any supplier tier at the earliest possible stage.
- 3.5. Employees should note that where appropriate, the Council will give support and guidance to our suppliers to help them address abusive and exploitative work practices in their own business and supply chains.
- 3.6. The Council aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken and no one should suffer any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery is or may be taking place. This includes dismissal, disciplinary action, threats or other unfavourable treatment.

#### **4. Communication and awareness of this policy**

- 4.1. Training on this policy, and on the risk the businesses and the community face from modern slavery in its supply chains, is available and will form part of the induction process for all individuals who work for the Council, and regular refresher training and awareness will be provided as necessary.
- 4.2. The Council's zero-tolerance approach to modern slavery will be communicated to all suppliers, contractors and business partners at the outset of the business.

#### **5. Breaches of this policy**

- 5.1. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.
- 5.2. The Council may terminate its relationship with other individuals and organisations working on our behalf if they breach this policy.

September 2020

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# Agenda Item 6



<b>Report To:</b>	<b>CABINET</b>	<b>Date:</b>	<b>15<sup>th</sup> SEPTEMBER 2020</b>
<b>Heading:</b>	<b>HUCKNALL INFILL SITES – AFFORDABLE HOUSING DEVELOPMENT</b>		
<b>Portfolio Holder:</b>	<b>COUNCILLOR TOM HOLLIS</b>		
<b>Ward/s:</b>	<b>HUCKNALL NORTH, HUCKNALL SOUTH, HUCKNALL CENTRAL</b>		
<b>Key Decision:</b>	<b>YES</b>		
<b>Subject to Call-In:</b>	<b>YES</b>		

## **Purpose of Report**

To advise Members about the opportunity to develop a small number of Council owned sites within Hucknall for the purpose of affordable housing and to seek approval of the development proposals.

The sites in question are as follows;

1. Barbara Square garage site, Barbara Square, Hucknall
2. Hawthorne Avenue garage plot site, Hawthorne Avenue, Hucknall
3. Chestnut Grove garage plot site, Chestnut Grove, Hucknall
4. Chatsworth Drive garage site, Chatsworth Drive, Hucknall

A plan of each site along with site photographs and an indicative site plan are included within the background papers.

### **Recommendation(s)**

The following would be subject to Planning consent and confirmation of Homes England funding.

- 1. To declare that the 4 garage plot sites on Barbara Square, Hawthorne Avenue, Chatsworth Drive and Chestnut Grove are no longer required for this purpose and to approve their future use as sites for family housing let on an affordable rent basis.**
- 2. To recommend that the Council approves the use of Housing Revenue Account reserves to fund the site clearances and the development of circa 15 new Council Homes on the 4 named sites. If approved, the project will be added to the Capital Programme.**
- 3. To grant delegated authority to the Director of Housing and Assets, in conjunction with the Portfolio Holder for Housing, Director of Legal and Governance and the Chief Financial Officer, to negotiate and formalise fees, scheme costs, specification, delivery and any other aspects of the proposed development.**
- 4. To grant delegated authority to the Director of Housing and Assets, in conjunction with the Portfolio Holder for Housing, Director of Legal and Governance and the Chief Financial Officer, to procure and appoint a contractor to develop the four sites as a single package.**
- 5. To grant delegated authority to the Director of Housing and Assets to contract, on behalf of the Council, with Homes England, for the purpose of receiving subsidy to ensure that the developments are viable and fall within the Councils' 30 year business plan model.**

### **Reasons for Recommendation(s)**

To enable a project that will increase Ashfield District Council's housing stock in order to meet a significant demand for affordable rented properties within the District.

### **Alternative Options Considered**

An alternative is to do nothing, i.e keep the garages sites as they are. This is not recommended as they are under-utilised and can be re-purposed for much needed affordable housing. In due course the sites will need capital investment to ensure their long term viability. As well as this, underutilised garage sites are often subjected to anti-social behaviour.

A second option would be to sell the sites for the purpose of affordable housing development. However the viability of the sites as a development opportunity for outside parties is very low given the likely capital receipt. Affordable housing would not be delivered on the sites. Not recommended.

### **Detailed Information**

The Corporate Plan sets out the Council's ambition to ensure there is sufficient good quality, affordable housing for the residents of Ashfield. To achieve this the Council cannot rely upon Registered

Providers and private house builders alone; it is important that the Council looks at the opportunities to develop new affordable housing on sites it owns.

An assessment of sites has been conducted with a view to devising an Affordable Housing Development Programme. These 4 sites constitute the second phase of development. There will be further phases as other under-utilised assets are re-purposed for affordable housing.

The sites include:

**Barbara Square Garages** – The site, consisting of a dozen garages is currently secured and the garages unused. The site was used as an office and storage area by a contractor undertaking decent homes work on Council homes but has remained unused now for a number of years. The site is potentially suitable for circa 5 family homes, 3 two bedroom and 2 four bedroom houses.

**Hawthorne Avenue** – The site is a garage plot site meaning tenants rent a plot of land and erect their own garage. The site has 16 plots of which only 2 are occupied. The site is of a reasonable size and is potentially suitable for 2 three bedroom homes. Alternative garage plot sites are available and discussions will be held with the occupants about other local sites.

**Chestnut Grove** – Like Hawthorne Avenue, this is a garage plot site. The site contains 31 plots of which only 1 is let. The site could accommodate 4 family homes, typically 2 two and 2 three bed homes. Alternative garage plot sites are available and discussions will be held with the occupants about other local sites.

**Chatsworth Drive** – The site, at the end of a residential street currently contains 5 garages. The properties adjacent to the site are maisonettes and there is an option to continue the street scene by developing on the site a block of 4 maisonettes, each containing 2 bedrooms. There is plenty of on street parking available, and as such the loss of a parking amenity would be negligible.

Demand for family homes in the area is high and the supply is low. During the 12 months up to 1<sup>st</sup> August 2020 only 3 two bedroom and 13 three bedroom Council homes in Hucknall became available to applicants on the Housing Register. Each vacancy attracted between 65 and 136 bids from interested applicants. In the current economic climate demand is likely to increase.

The development, in addition to delivering much needed affordable housing would bring in extra Council Tax revenue and may, subject to potential changes to Government funding arrangements, also generate New Homes Bonus funding.

The viability of the development is dependent upon the Council receiving Homes England funding. Should the application for funding be unsuccessful the scheme would not proceed as the payback period, which is the time it would take the Council to recover the financial outlay from the rental income received would be prohibitive.

In keeping with other Council housing, at least some of the units will be eligible for the Right to Buy. However, the Council is entitled to receive the full cost of the building if sold within the first 15 years of completion, thus negating this risk at least in part.

### **Scheme costs**

The development on the 4 sites will be funded through HRA reserves and Homes England (HE) funding. HE funding is not guaranteed, but we are confident the development will be supported. Typically HE funding is circa £40,000 per plot of build costs.

We have obtained provisional costs for 3 of the sites, Chatsworth Drive was a late addition and so costs are pending. Development costs for the 3 sites. Barbara Square, Hawthorne Avenue and Chestnut Grove total £1.75m, this figures falls to £1.41m when HE funding is deducted. Looking at different properties, 2 bed homes will cost in the region of 94k per unit net of HE funding, 3 bed homes will £131k (net) and 4 bed units £151k (net). In respect of the time taken to repay the investment, 2 bed homes are repaid within 24 years, 3 beds in 34 years and 4 beds in 27 years. Each of these acceptable repayment periods.

The development costs for Chatsworth Drive will be scrutinised once received and the same viability criteria will be applied. If the costs do not fall within acceptable parameters the development of this site is unlikely to proceed.

All new homes will be made available on an affordable rent basis (80% of market rent) as this is a requirement of receiving funding from Homes England.

The garage sites sit within the Housing Revenue Account and so costs associated with appropriation of the sites is not applicable.

### **Contract and procurement**

The intention is to work with the Nottingham City Council's Procurement Unit to identify a contractor for the works and other specialist consultants needed to deliver the development.

In all likelihood the Council would enter into contract with the preferred contractor selected through the Pagabo framework. The contract terms would be agreed between the Council and the contractor. In addition to the main contractor the Council will need to appoint a third party, an employer's agent, to manage the build process, to act as quantity surveyor for payment stages, and sign off the completed works.

The Council will expect the successful contractor to bring added social value to the area in the form of employing local labour or utilising local suppliers.

### **Timescales**

Subject to Members approval the intention would be to move forward with the development at the earliest opportunity. There are a number of pre-development processes to complete, the most obvious being Planning consent and an application for Homes England funding. If Planning approval is achieved in late 2020 there is a strong likelihood that works could start on site in early 2021. The Council should have received the outcome of the Homes England application by then.

### **Implications**

#### **Corporate Plan:**

The Corporate Plan identifies a need to ensure there is sufficient housing available in the district of the right size, type and quality, ensuring an adequate supply of affordable housing.

#### **Legal:**

Legal advice and support will be provided throughout the process.

Contract Procedure Rules allow procurement through framework agreements.

The sites are within the HRA and so there are no legal issues regarding the appropriation of the sites.

**Finance:**

The garage sites as they are can be considered to be relatively cost neutral. Expenditure on each site in the form of repairs, maintenance and general upkeep is low but so too is income received. Zero income is received for the Barbara Square site, very little from the remaining sites. Two of the sites are plot sites whereby the Council receives only £1 per week from each tenant. In due course, without development of the sites, investment will be needed in each of the sites to ensure they remain fit for purpose.

Budget Area	Implication
General Fund – Revenue Budget	Additional Council tax income and potentially, New Homes Bonus income
General Fund – Capital Programme	None
Housing Revenue Account – Revenue Budget	Additional dwelling rent income. Lost garage rent income.
Housing Revenue Account – Capital Programme	Build costs.

**Risk:**

Risk	Mitigation
Homes England Funding is not secured	None. Development will not go ahead.
Planning permission is not granted.	None. Development will not go ahead.
Land proves unsuitable without significant remediation	Topographical and ground surveys produced before contract commitment.
Unexpected costs	Risks to be minimised through robust contractual arrangements
Material and/or building supply delays	Risk sits with contractor, offset through a longstop clause
Potential asbestos removal from garages	Check against specific register, instruct type 2 survey if required.

**Human Resources:**

No implications

**Environmental/Sustainability**

All new properties to be built to current environmental regulations, further enhancements above that level will be considered as the building specifications, types and costs become clearer.

**Equalities:**

An Equalities Impact Assessment Screening Form has been completed. There are no significant equality related issues.

**Other Implications:**

*(if applicable)*

**Reason(s) for Urgency**

*(if applicable)*

**Reason(s) for Exemption**

*(if applicable)*

**Background Papers**

*(if applicable)*

**Report Author and Contact Officer**

**Andrew Kirkland**

**Housing Development Lead Officer**

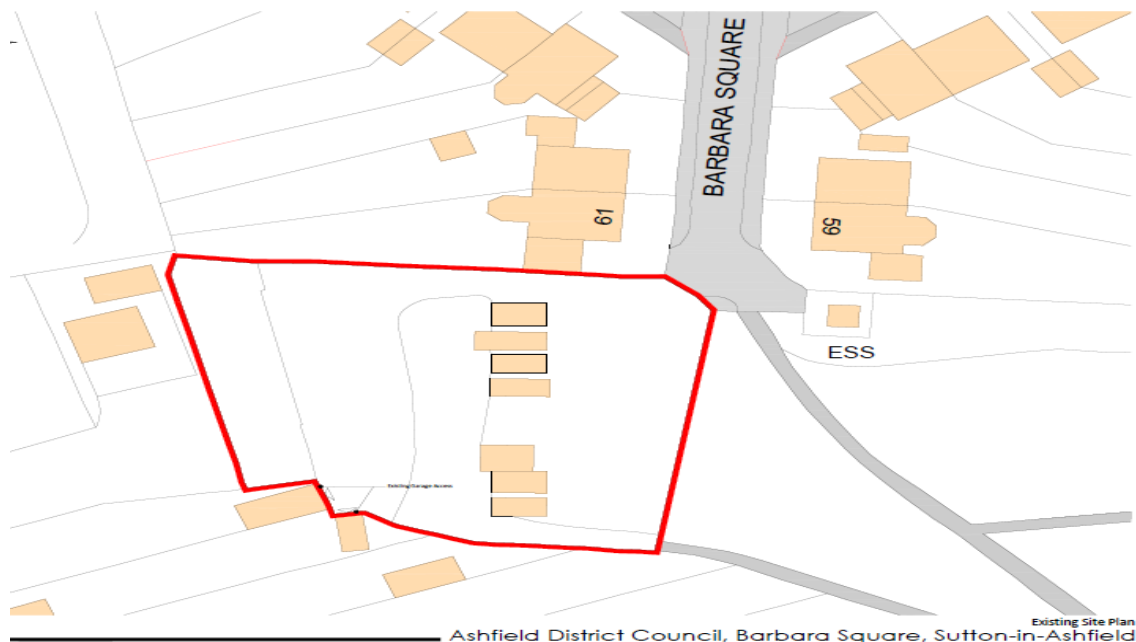
[a.d.kirkland@ashfield.gov.uk](mailto:a.d.kirkland@ashfield.gov.uk)



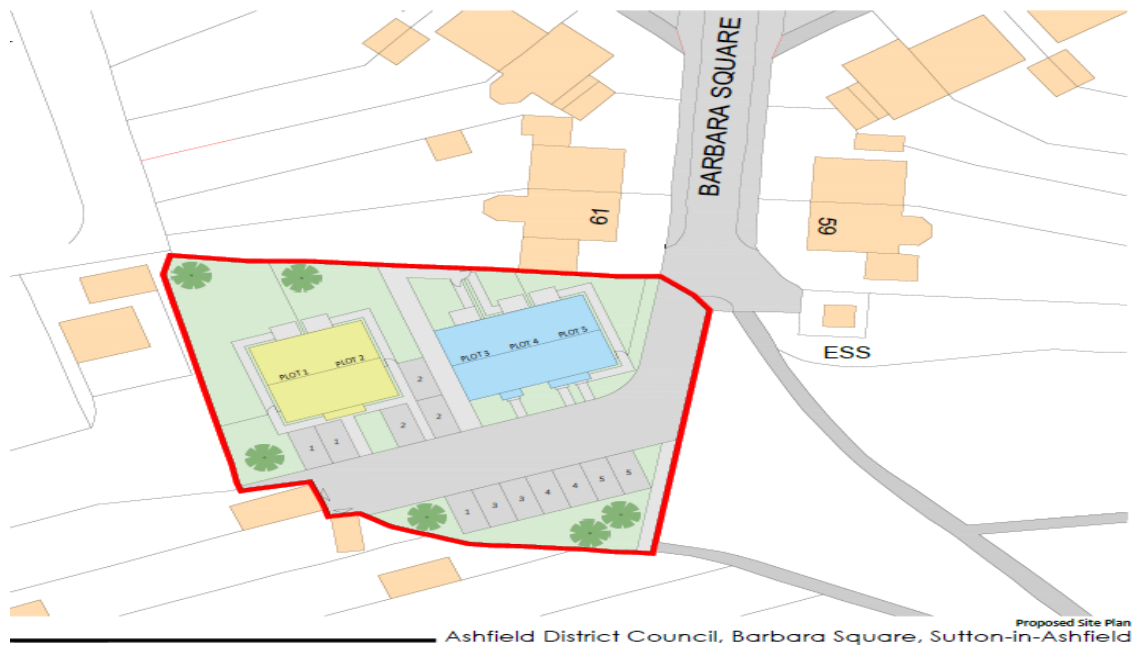
**CABINET REPORT – 15<sup>TH</sup> SEPTEMBER 2020**  
**AFFORDABLE HOUSING DEVELOPMENTS – HUCKNALL**  
**Additional Information**

**SITE 1 – Barbara Square garage site**

Located at the end of Barbara Square, off the Annesley Road, within an established council housing area.

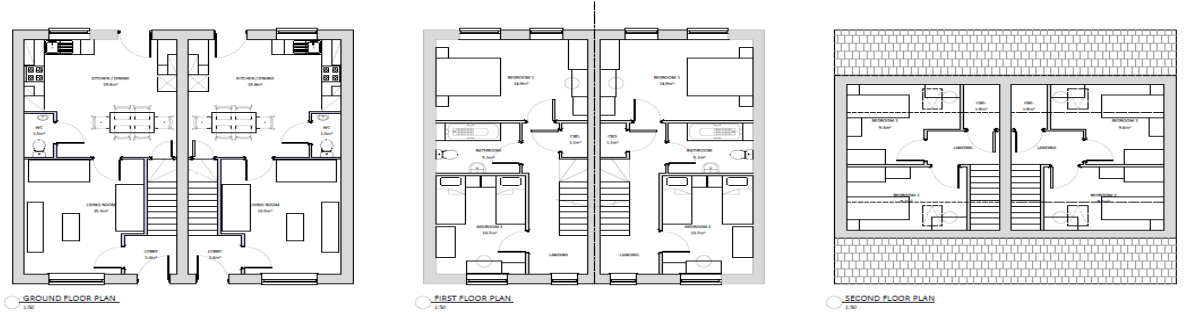


# Proposed site layout



Ashfield District Council, Barbara Square, Sutton-in-Ashfield

# Proposed plans: plots 1 and 2.



Ashfield District Council, Barbara Square, Sutton-in-Ashfield

## Proposed plans: plots 3, 4 and 5

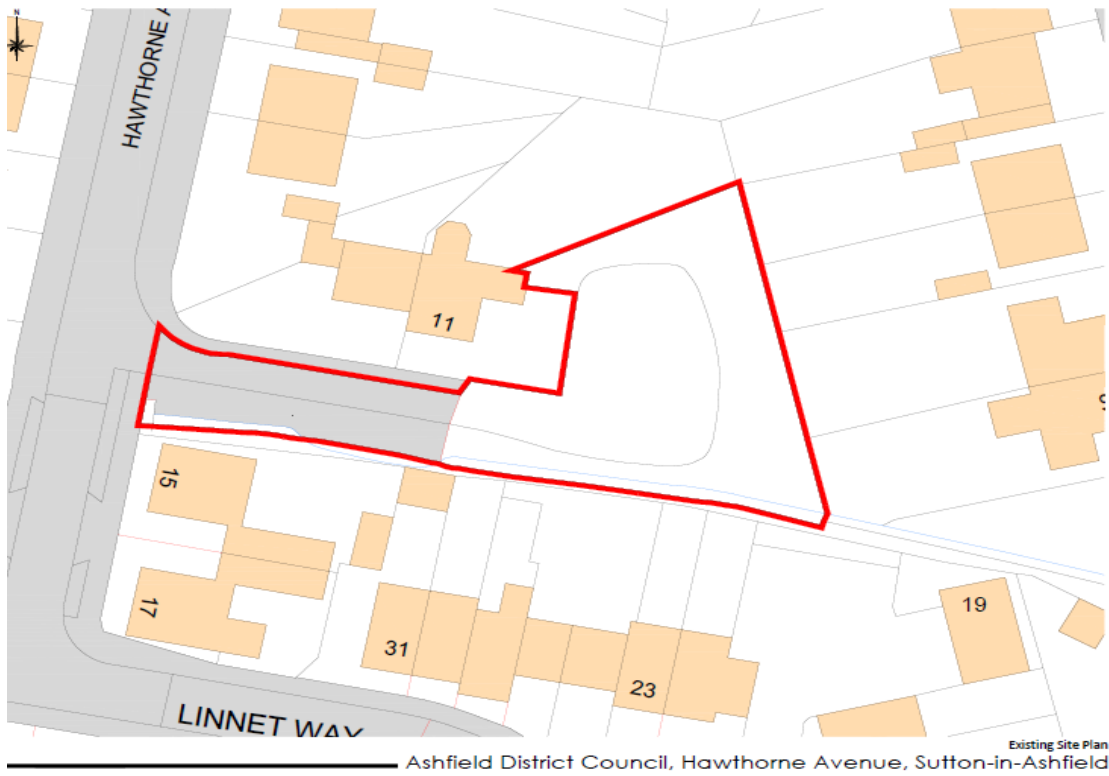


Ashfield District Council, Barbara Square, Hucknall

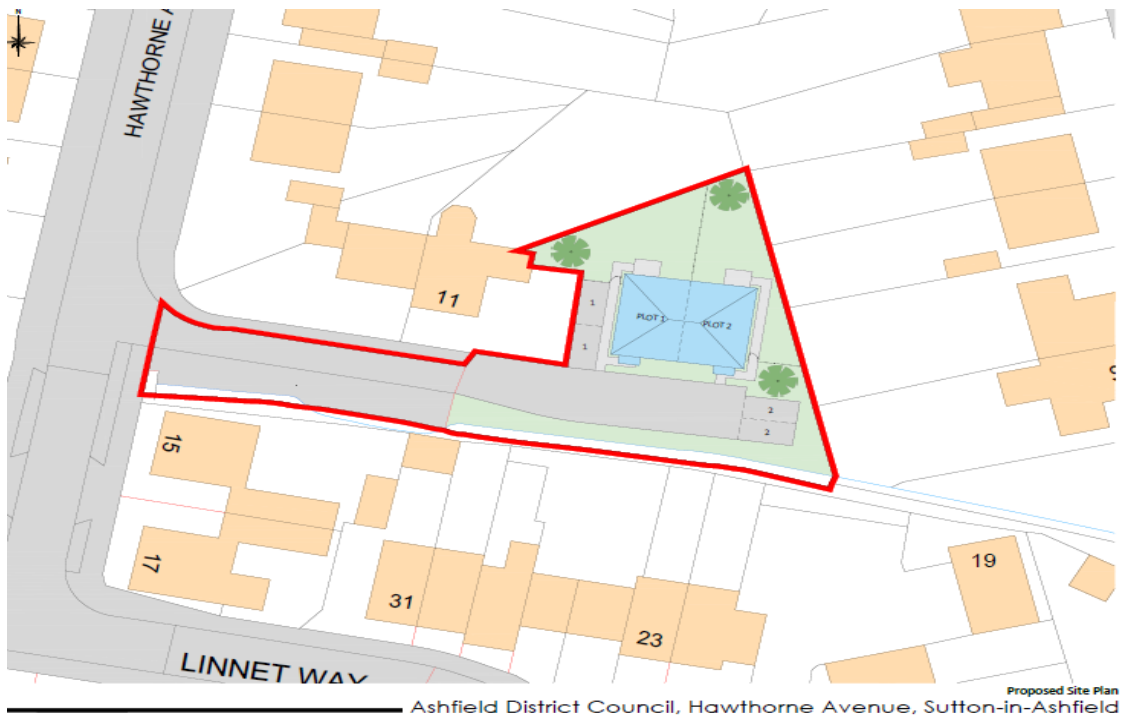
## SITE 2 – Hawthorne Avenue garage plot site

Located close to the junction with Linnet Way. The site is off Garden Road, in an established council house area relatively close to the Town Centre.





Proposed site layout



## Proposed plans: plots 1 and 2

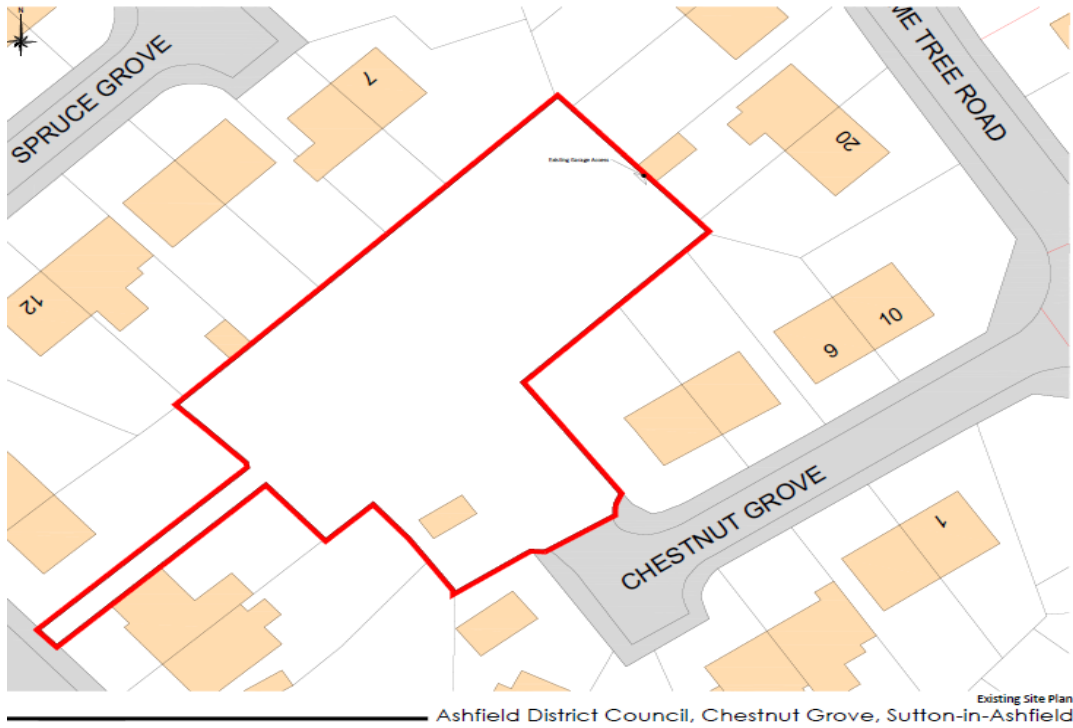


Ashfield District Council, Hawthorne Avenue, Sutton-in-Ashfield

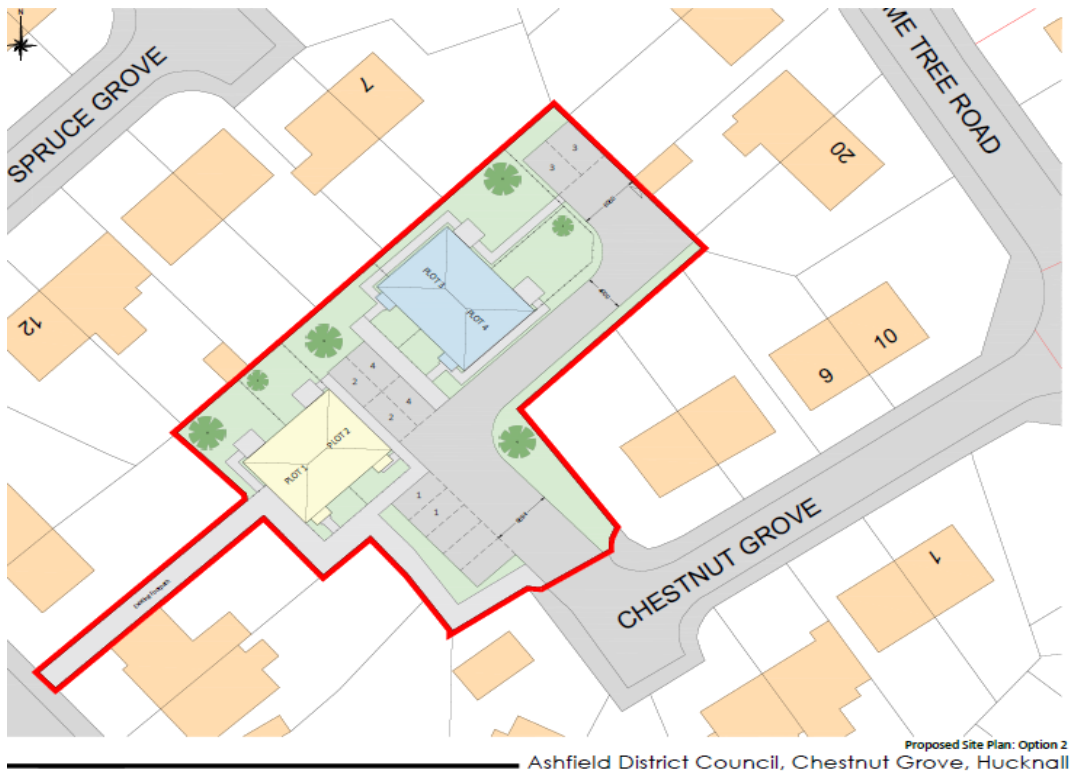
## SITE 3 – Chestnut Grove garage plot site

Located at the end of Chestnut Grove cul-de-sac, off Lime Tree Road in an established council housing area.





Proposed site layout



Proposed plans: plots 1 and 2



Plots 1 & 2 Plans & Elevations

Ashfield District Council, Chestnut Grove, Sutton-in-Ashfield

Proposed plans: plots 3 and 4



Plots 3&4 Option 2

Ashfield District Council, Chestnut Grove, Hucknall

## SITE 4 - CHATSWORTH DRIVE

Located in an established residential area, the adjacent properties being maisonette type accommodation.

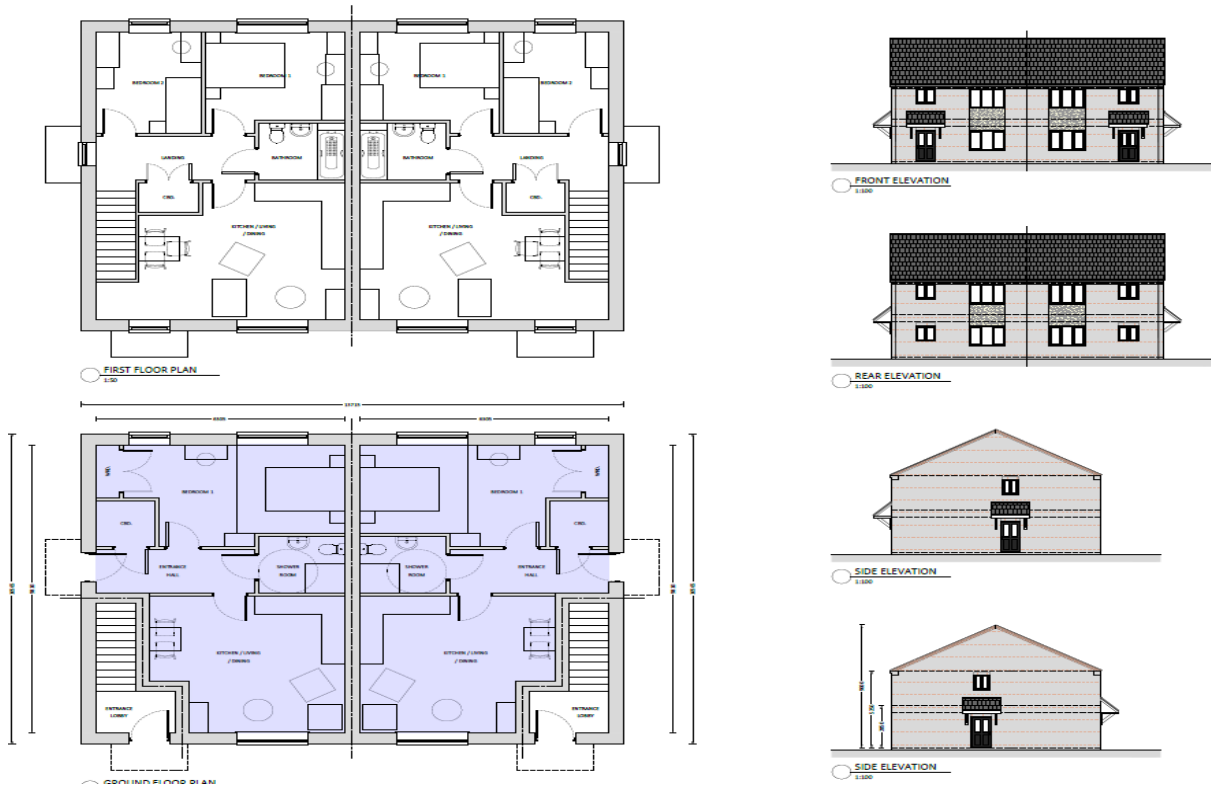




## Proposed site layout



## Proposed plans



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# Agenda Item 7



<b>Report To:</b>	<b>CABINET</b>	<b>Date:</b>	<b>15<sup>th</sup> SEPTEMBER 2020</b>
<b>Heading:</b>	<b>2020/21 FORECAST OUTTURN FOR GENERAL FUND, HOUSING REVENUE ACCOUNT (HRA) AND CAPITAL PROGRAMME AS AT JULY 2020 AND PROPOSED REVISED CAPITAL PROGRAMME 2020/21 TO 2024/25.</b>		
<b>Portfolio Holder:</b>	<b>CABINET MEMBER FOR FINANCE AND RESOURCES – COUNCILLOR RACHEL MADDEN</b>		
<b>Ward/s:</b>	<b>ALL</b>		
<b>Key Decision:</b>	<b>YES</b>		
<b>Subject to Call-In:</b>	<b>YES</b>		

## **Purpose of Report**

To summarise the Council's forecast financial outturn position to 31 March 2021 compared to the latest approved budgets for the General Fund, Housing Revenue Account (HRA) and the Capital Programme. The forecast financial outturn is based on the actual financial activity to the 31 July 2020 and forecast costs and income from 1 August 2020 to 31 March 2021.

This report also outlines the requirements for the Capital Programme over the period 2020/21 to 2024/25. This includes an update on the proposed expenditure for existing approved schemes and outlines new schemes to be added to the Capital Programme 2020/21 to 2024/25. It also identifies the funding implications of these proposed changes and additions.

## **Recommendation(s)**

Cabinet is requested:

- (1) To note the current forecast outturn for the General Fund, Housing Revenue Account (HRA) and Capital Programme 2020/21.
- (2) To recommend to Council the amendments and the addition of new schemes to the Capital Programme 2020/21 to 2024/25 and the funding of the Capital Programme as set out in Section 5 and Appendix 2 of the report.

## **Reasons for Recommendation(s)**

In accordance with the Council's Financial Regulations to report to those charged with Governance the financial position.

In accordance with the Council's Financial Regulations the Capital Programme for 2020/21 to 2024/25 is required to be reported to Cabinet to ensure that the programme meets the corporate priorities. In accordance with Council's Financial Regulations Cabinet is required to consider and recommend to Council the Capital Programme 2020/21 to 2024/25.

### **Alternative Options Considered**

None

### **Detailed Information**

#### **1. General Fund Forecast Outturn position for 2020/21 as at July 2020**

1.1 Table 1 below shows the current revised budget based on original budget approved by Council on the 5<sup>th</sup> March 2020 and Council approved budget adjustments to 31 July 2020. It sets out the 2020/21 net revenue forecast outturn position based on actual income and expenditure to 31 July 2020 and forecast income and expenditure for the remainder of the year to 31 March 2021.

1.2 The current General Fund forecast is £831k underspend, taking into the in-year Covid-19 grant received to date. Details of significant variances are detailed in the commentaries below the table.

**Table 1 - Net Revenue Forecast to 31 March 2021 by Directorate**

<b>General Fund</b>	<b>Revised Budget</b>	<b>Forecast Outturn</b>	<b>Current Forecast Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Directorate</b>			
Chief Executive Officer	540	540	0
Legal and Governance	1,783	1,742	(41)
Resources and Business Transformation	(933)	(465)	468
Place and Communities	9,846	10,110	264
Housing and Assets	2,137	2,258	121
<b>Total Net Directorate Expenditure</b>	<b>13,373</b>	<b>14,185</b>	<b>812</b>
Net Recharges	(2,781)	(2,781)	0
Capital Financing	2,454	2,324	(130)
Net Interest Payable	216	216	0
<b>Net Revenue Expenditure</b>	<b>13,262</b>	<b>13,944</b>	<b>682</b>
<b>Funding</b>	<b>(12,886)</b>	<b>(14,429)</b>	<b>(1,543)</b>
<b>Net Revenue Expenditure before transfer to(from) earmarked reserve</b>	<b>376</b>	<b>(485)</b>	<b>(861)</b>
Transfer to(from) earmarked reserve	(376)	(376)	0

**Net Revenue Expenditure after  
transfer to(from) earmarked reserve**

**0**

**(861)**

**(861)**

**1.3 Legal and Governance (£41k forecast underspend)**

The main forecast variance in the Legal and Governance Directorate is due to vacancies within Legal Services.

**1.4 Resources and Business Transformation (£468k forecast overspend)**

The main forecast variances within the Resources and Business Transformation Directorate are:

- ICT – £61k forecast overspend due to increase in telephone and internet charges due to Covid-19.
- Revenues and Benefits – £10k forecast overspend in overtime charges due to Covid-19 and £7k overspend on fees and charges, being off-set by net currently uncommitted new burdens grant monies of £200k.
- £312k overspend forecast on Housing Benefits due to reflecting the outcome of the 2019/20 final claim in the forecast for 2020/21.
- £17k increase in income for NNDR cost of collection allowance and £85k forecast loss of income due to reduced NNDR and council tax costs raised due to Covid-19.
- £6k additional spend on communications relating to Covid-19.
- Investment Properties – Forecast loss of income of £398k plus £85k forecast costs associated with one tenant going onto administration and a new tenant and lease agreement being secured. This is being partially off-set by £240k additional rental income for the new investment property purchased in year.
- Commercial Properties - Forecast loss of income of £18k due to a rent free period being agreed to secure a 5 year extension to a lease and a £5k overspend on property repairs.
- £62k Covid-19 grant income received in 2019/20 being moved from reserves into 2020/21 budget. This along with the Covid-19 grant funding received in year (see paragraph 1.8) is off-setting the loss of income and additional expenditure relating to Covid-19 across all Directorates.

**1.5 Place and Communities (£264k forecast overspend)**

The main forecast variances within Place and Communities Directorate are:

- Community Protection - £121k forecast underspend due to vacancies across the service area.
- Environmental Maintenance - £14k forecast overachieved income due to additional developer contributions from Persimmon in respect of Annesley. Net £9k forecast overspend on transport expenditure as a result of additional costs of vehicle hire due to the need for operatives to socially distance. £7k forecast overspend on NNDR charges for new buildings on Papplewick open space.
- Twin Bin Scheme - £11k forecast overspend on equipment purchases.
- Waste Services - £12k forecast overspend on overtime largely off-set by £10k forecast underspend on repairs.

- Trade Waste - £19k forecast underspend on cost of disposals due to lower tonnage, reduced forecast income from disposal of £32k, and £10k forecast reduction in income for collections.
- Transport - £9k forecast underachieved income on MOTs.
- Canteen – forecast £12k net overspend due to the closure of the canteen as a result of Covid-19.
- Leisure Centres Payments to Contractors - Forecast overspend of £136k due to additional support to SLM during Covid-19 lockdown for the period of August and September only. Depending on whether government financial support is announced for the leisure sector further financial support from the Council may be necessary.
- Locality income – £18k forecast underachieved income due to effects of Covid-19 on use of outdoor sports facilities.
- Markets - £57k forecast underachieved income due to Covid-19, and £22k overspend on supplies & services expenditure on measures to counter the effects of Covid-19.
- Planning and Regulatory Services - £133k underachieved income due to lower than anticipated planning fees and land charges, partially off-set by additional income of £20k due to delay in transfer of building control to Erewash and £16k forecast underspend on staffing.
- Directorate wide – Forecast £4k underspend being net of other over and under spends.

#### 1.6 Housing and Assets (£121k overspend)

The main forecast variances within the Housing and Assets Directorate are:

- Homelessness Bed & Breakfast - £8k forecast overspend due to providing accommodation under Covid-19 regulation introduced by the Government. The cost of this will be met from the Council's Covid-19 grant funding.
- General Fund Community Centres - £13k forecast loss of income while closed under Covid-19. This will be recoverable through the Government's income compensation scheme.
- Car parking - £93k forecast loss of income (£68k loss of car park income due to free parking under Covid-19 and £25k due to the introduction of 2 hours free parking from September). Some of this will be recoverable through the Government's income compensation scheme.
- Asset Management – £10k forecast overspend on central office costs associated with changes required for safe working due to Covid-19. The cost of this will be met from the Council's Covid-19 grant funding.
- Strategic Housing - £3k forecast underspend due to changes to car allowances.

#### 1.7 Capital Financing (£130k forecast underspend)

This is the revenue charges that are a consequence of the historic and existing capital programme. The forecast underspend is due to slippage on the capital programme in 2019/20, reducing the Minimum Revenue Provision (MRP) charges in year (MRP charges commence the year after the capital expenditure is incurred).

#### 1.8 Funding (£1.543m forecast over achievement)

This is the central government grant received in year to cover costs associated with Covid-19. Some of the costs and loss of income to be covered from the grant include loss of income in relation to NNDR and Council Tax, however this will impact in future years due to the treatment

under collection fund accounting. Therefore the impact of Covid-19 will continue to be updated and excess grant will be moved to reserve to mitigate these future year impacts. An allocation may be made to the HRA to contribute towards additional costs and loss of income associated with Covid-19. Clarification is awaited as to whether the grant funding can be used to meet HRA pressures.

## 1.9 Transfer to (from) earmarked reserves

Appendix 1 details the approved earmarked reserves movements for 2020/21 to date and the impact on earmarked reserve balances.

## 2. General Fund Savings/Efficiencies Monitoring 2020/21

2.1 The 2020/21 budget included the proposed savings and efficiencies as detailed in Table 2 below. The forecast achievement of these savings is identified, on the following basis:

- saving has been achieved in full (green),
- saving forecast to be achieved but not in full, revised forecast savings is detailed in the 'Forecast Saving' column (amber),
- saving will not be achieved (red).

**Table 2 - General Fund Savings/Efficiencies Monitoring 2020/21**

<u>Saving/Efficiency</u>	<u>Comments on achievement</u>	<b>Budgeted Saving</b>	<b>Forecast Achieved Saving</b>	<b>Forecast Saving Shortfall</b>
		£'000	£'000	£'000
Base Budget Review		302	302	0
HRA - reviewed contribution		100	100	0
Increase Vacancy Factor by 0.5%		72	72	0
Cease Trade Waste arrangement with MDC	Some waste is being collected by a third party contractor, forecast saving reduced to £30k, to be kept under review.	35	30	5
Building Control – Outsource	Delay in transfer of service resulting in costs of service being incurred, which has been partially off offset by income generated. Saving forecast to be £66k	75	66	9
Regeneration Service Review		90	90	0
Transport Review - Phase 1&2		49	49	0

Lifeline Service - transfer to Notts City Homes		58	58	0
HR/Payroll structure review		35	35	0
Stationery (including paper) saving (20%)		10	10	0
Pest Control - additional income to break even	Income forecast to be slightly less due to Covid-19 impact – saving forecast to be £9k but needs to be monitored for recovery impact.	13	9	4
Depot Canteen - income target	Unlikely to be achieved.	5	0	5
Democratic Services restructure		14	14	0
Environmental Health restructure		37	37	0
Finance Review		9	9	0
Community Foundation – Grants		5	5	0
Ashfield Business Centre		33	33	0
Reduce revenue ICT budget (capitalisation)		40	40	0
Kingsmill Reservoir Car Parking income	Impacted on by free parking until September given across the district under Covid-19 – saving forecast to be £1.5k.	3	1.5	1.5
Additional rental income from Police	Rent increase not yet confirmed.	2	0	2
<b>TOTAL</b>		<b>987</b>	<b>960.5</b>	<b>26.5</b>

2.2 The position outlined above in respect of forecast achievement of the savings has been included in the forecast outturn reported in section 1 of the report. It is anticipated where deliverability of the savings have been impacted on by Covid-19, the loss on achieving the full savings will be met from the Covid-19 grant.



3. **Housing Revenue Account (HRA) Forecast Outturn position for 2020/21 as at July 2020**

3.1 Table 3 sets out the 2020/21 HRA forecast outturn position based on actual income and expenditure to July 2020, compared to the original budget approved by Full Council on the 5<sup>th</sup> March 2020.

3.2 Details of any significant variances incorporated within the forecast outturn are detailed in the commentaries below the table.

**Table 3 - HRA Forecast Outturn to 31 March 2021**

<b>Description</b>	<b>2020/21 Original Budget £'000</b>	<b>2020/21 Forecast Outturn £'000</b>	<b>2020/21 Forecast Variance £'000</b>
<b>Income</b>			
Rents, Charges and Contributions	(24,471)	(24,441)	30
Interest and investment income	(210)	(110)	100
<b>Total Income</b>	<b>(24,681)</b>	<b>(24,551)</b>	<b>130</b>
<b>Expenditure</b>			
Repairs and Maintenance	7,799	7,686	(113)
Supervision and Management	4,446	4,439	(7)
Interest payable and similar charges	3,548	3,548	0
Rents, Rates, Taxes and other charges	192	191	(1)
Depreciation and impairments of fixed assets	3,736	3,736	0
Debt Management Costs	45	45	0
Contribution to the Bad Debt Provision	240	240	0
Transfer to Major Repairs Reserve	6,734	22	(6,712)
Capital expenditure funded by the HRA	951	2,589	1,638
<b>Total Expenditure</b>	<b>27,691</b>	<b>22,496</b>	<b>(5,195)</b>
<b>Net Cost of HRA Services</b>	<b>3,010</b>	<b>(2,055)</b>	<b>(5,065)</b>

3.3 Rents, Charges and Contributions

Tenant rental income is forecast to be £19k underachieved due to delayed property sign ups and property moves and community centre income is forecast to be underachieved by £11k, both due to the Covid-19 lockdown. It should be noted that this forecast variance excludes any impact of Covid-19 on the level of tenant rent arrears which is increasing.

3.4 Interest and Investment Income

Reduced Interest rates in the banking sector will reduce the average annual interest rate on the HRA balances. Currently forecasting a reduction of £100k but this is open to fluctuation dependant on the performance of the economy for the remainder of the financial year.

### 3.5 Repairs and Maintenance

Forecast underspend of £113k across several budget areas. This includes vacancy savings across the Housing Repair Operatives, Estate Services and the Responsive Maintenance management sections. A reduction in materials and subcontractors used in planned, responsive and void repairs due to Covid-19 lockdown. It is unlikely that subcontractors will be able catch up the lost time on planned works in the remainder of the current financial year as their capacity is limited.

### 3.6 Transfer to the Major Repairs Reserve

The current forecast outturn shows the reduced level of financing required from the HRA for the capital programme for 2020/21. The main reason for the forecast position is due to the Covid-19 restrictions delaying the major works programme team commencing work with a new five-year delivery partner from April. This will push some of the planned programme back into 2021/22. Further work is to be undertaken to assess the 2020/21 capital monitoring programme position as the year progresses.

Additional costs of £58k have been incurred due to Covid-19 in terms of payments to the existing contractor to contribute towards on-going costs during the lockdown to ensure the contract remains live and ensure their ability to resume works upon the easing of lockdown; these costs are being off-set against the underspend detailed above. Clarity is currently being sought with regard to whether the Council's Covid-19 grant allocation can be used to fund this £58k pressure.

### 3.7. Capital Expenditure funded by the HRA

The forecast outturn shows the additional requirement of funding for the HRA capital programme. This is mainly from a new scheme for affordable housing which was approved at 21st July Cabinet, increase in vehicle replacements after a review and slippage from the 2019/20 programme.

## 4. HRA Savings/Efficiencies Monitoring 2020/21

4.1 The 2020/21 HRA budget included the proposed savings and efficiencies as detailed in Table 4 below. The forecast achievement of these savings is identified, on the following basis:

- saving has been achieved in full (green),
- saving forecast to be achieved but not in full, revised forecast savings is detailed in the 'Forecast Saving' column (amber),
- saving will not be achieved (red).

**Table 4 – HRA Savings/Efficiencies Monitoring 2020/21**

<b><u>Saving/Efficiency</u></b>	<b>Budgeted Saving</b>	<b>Forecast Achieved Saving</b>	<b>Forecast Saving Shortfall</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Housing Repairs Review - staffing efficiency	13	13	0
Dynamic Resource Scheduler efficiency - less use of subcontractors	60	60	0
Increase Vacancy Factor by 0.5%	25	25	0
<b>TOTAL</b>	<b>98</b>	<b>98</b>	<b>0</b>

- 4.2 The forecast achievement of these savings is included within the forecast outturn reported in section 3 of the report.

## 5. Capital Programme 2020/21 to 2024/25

5.1 The proposed Capital Programme and funding is summarised in Table 5 below. Appendix 2 shows a detailed breakdown of all the schemes below.

The three areas of the Capital Programme (Area Schemes, General Fund and HRA) are discussed in more detail below.

All the 2020/21 schemes have been amended to include any slippage from 2019/20.

**Table 5 – Capital Programme (2020/21 to 2024/25)**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Capital Expenditure</b>						
Area Schemes	1,042	415	0	0	0	1,457
General Fund	35,590	32,841	1,902	3,263	2,768	76,364
Housing Revenue Account	7,887	16,383	12,620	12,165	12,307	61,363
<b>Grand Total</b>	<b>44,519</b>	<b>49,639</b>	<b>14,522</b>	<b>15,428</b>	<b>15,075</b>	<b>139,184</b>
<b>Capital Financing</b>						
Developers Contributions - Area Schemes	530	187	0	0	0	717
Borrowing	83	228	0	0	0	311
Direct Revenue Financing	0	0	0	0	0	0
Other Capital Grants and Contributions - Area Schemes	429	0	0	0	0	429
<b>Sub Total - Area Schemes</b>	<b>1,042</b>	<b>415</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,457</b>
Prudential Borrowing - General Fund	32,127	28,969	1,054	2,415	1,920	66,485
Direct Revenue Financing - General Fund	223	0	0	0	0	223
Developers Contributions - General Fund	116	0	0	0	0	116
Capital Receipts	0	0	0	0	0	0
Other Capital Grants and Contributions - General Fund	3,124	3,872	848	848	848	9,540
<b>Sub Total - General Fund</b>	<b>35,590</b>	<b>32,841</b>	<b>1,902</b>	<b>3,263</b>	<b>2,768</b>	<b>76,364</b>
Funded from HRA Reserves	6,347	15,023	11,440	10,985	11,127	54,923
Homes England	180	180	0	0	0	360
Future 1-4-1 Capital Receipts						
Funding Recently Built and New Schemes	480	300	300	300	300	1,680
Non 1-4-1 Capital Receipts	880	880	880	880	880	4,400
<b>Sub Total - HRA</b>	<b>7,887</b>	<b>16,383</b>	<b>12,620</b>	<b>12,165</b>	<b>12,307</b>	<b>61,363</b>
<b>Grand Total</b>	<b>44,519</b>	<b>49,639</b>	<b>14,522</b>	<b>15,428</b>	<b>15,075</b>	<b>139,184</b>

## Area Capital Programme

5.2 These consist of mainly self-financed schemes that enhance the local environment. Developers' contributions (known as Section 106 funding) make up the largest funding source. Additional grant funding is sought wherever possible to maximise the benefit to local communities. Area schemes are included in Table 6.

**Table 6 – Area Schemes (2020/21 to 2024/25)**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Area</b>						
Hucknall Area	402	0	0	0	0	402
Kirkby Area	423	282	0	0	0	705
Sutton Area	211	133	0	0	0	344
Rural Area	6	0	0	0	0	6
<b>Total</b>	<b>1,042</b>	<b>415</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,457</b>
<b>Funded by</b>						
TF Accelerator	75	0	0	0	0	75
Borrowing	83	228	0	0	0	311
Friends of Cromford Canal	2	0	0	0	0	2
Nottinghamshire County Council (NCC)	335	0	0	0	0	335
Reserves	0	0	0	0	0	0
Rural Payments Agency	9	0	0	0	0	9
Section 106	505	174	0	0	0	679
Skanska	8	0	0	0	0	8
Sustainable Transport S106	25	13	0	0	0	38
<b>Total</b>	<b>1,042</b>	<b>415</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,457</b>

Table 7 below shows where changes to capital schemes by Area are proposed due to project delays (slippage) or additional project spend.

**Table 7 – Area Schemes (changes in proposed expenditure)**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Approved Area Scheme</b>	<b>1,289</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,289</b>
Changes to Hucknall Schemes	0	0	0	0	0	0
Changes to Sutton Area Schemes	-30	133	0	0	0	103
Changes to Kirkby Area Schemes	-221	282	0	0	0	61
Changes to Rural Area Schemes	4	0	0	0	0	4
<b>Proposed Area Schemes to be Approved</b>	<b>1,042</b>	<b>415</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,457</b>

**Table 8 – Area Schemes (changes to budget – by scheme)**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Sutton Area</b>						
Ashfield Estate Play Area	-3	0	0	0	0	-3
Brand Lane / Wharf Road Open Space Improvements	-1	0	0	0	0	-1
Brierley Forest Park Car Park Extension	26	0	0	0	0	26
Brierley Forest Park Management Plan	11	0	0	0	0	11
Football Changing Rooms	-15	15	0	0	0	0
Play Areas	-108	108	0	0	0	0
Taylor Crescent Recreation Ground	-10	10	0	0	0	0
<b>Sub Total</b>	<b>-100</b>	<b>133</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33</b>
<b>Kirkby Area</b>						
Acacia Avenue Rec - General Improvements	-12	0	0	0	0	-12
Annesley Art Project	1	0	0	0	0	1
Forest Road Nature Area	-30	30	0	0	0	0
Kingsway Park: implementation of management plan	0	0	0	0	0	0
Kirkby footpaths/cycle ways	-13	13	0	0	0	0
Lindleys Lane Play/Youth Area	75	0	0	0	0	75
Morven Park / West Park Play Area	0	0	0	0	0	0
Play Areas	-200	200	0	0	0	0
Sports pavilion, Titchfield Park	-39	39	0	0	0	0
Warwick Close	-3	0	0	0	0	-3
<b>Sub Total</b>	<b>-221</b>	<b>282</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>61</b>
<b>Rurals Area</b>						
Jacksdale Car Park	4	0	0	0	0	4
<b>Sub Total</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>Grand Total</b>	<b>-317</b>	<b>415</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>98</b>

### 5.3 Changes to Existing Area Projects

Table 8 above shows the proposed changes to budget on a scheme by scheme basis. Several of the schemes planned for 2020/21 are not now expected to be completed until 2021/22. The Ashfield Estate Play Area, Brand Lane / Wharf Road Open Space Improvements, Acacia Avenue Rec – General Improvements and Warwick Close are now completed and no further works are required. The actual allocation to each project is shown at Appendix 2. Three schemes have significantly increased in value:

- **Brierley Forest Park Car Park Extension** – Additional £26k required for works to entrances and installation of Sculptures.
- **Lindleys Lane Play / Youth Areas** – Additional £75k is being sought from the Town Funds Accelerator to fund a new play area.
- **Brierley Forest Park Management Plan** – Additional £11k required to complete scheme using remaining Rural Payment Agency grant of £5k and S106 funding of £6k.

**Table 9 – Area Schemes (New Project)**

2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
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**Sutton Area**

Sutton Town Centre Improvements	70	0	0	0	0	70
<b>Grand Total</b>	<b>70</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>70</b>

An additional £70k is required for Public Realm improvements within Sutton town centre. The project will deliver improvements to access and rationalise street furniture across the town centre.

5.4 General Fund Capital Programme

Changes to the General Fund Capital Programme are explained below and summarised in the Tables 11, 12 and 13 below. Details of the full General Fund Capital Programme are shown in Appendix 2.

**Table 10 - General Fund Schemes Summary Reconciliation of Current Capital Programme to Proposed September 2020 Capital Programme**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Current Capital Programme</b>	<b>36,639</b>	<b>22,153</b>	<b>3,289</b>	<b>20</b>	<b>0</b>	<b>62,101</b>
Changes to Current Projects	-2,786	10,688	-1,387	3,243	2,768	<b>12,526</b>
New Projects	1,737	0	0	0	0	<b>1,737</b>
<b>Proposed September 2020 Capital Programme</b>	<b>35,590</b>	<b>32,841</b>	<b>1,902</b>	<b>3,263</b>	<b>2,768</b>	<b>76,364</b>

**Table 11 – General Fund Projects (changes in budget – by scheme)**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Changes to Current Projects</b>						
Cemeteries	12	0	0	0	0	12
Improvement Grants 1996 Act						
Disabled Facility Grant	53	54	54	848	848	1,857
Kirkby Leisure Centre	-1,422	10,656	0	0	0	9,234
Leisure Transformation Programme	-74	0	0	0	0	-74
Purchase of Vehicles	-1,355	-22	-1,441	2,395	1,920	1,497
<b>Grand Total</b>	<b>-2,786</b>	<b>10,688</b>	<b>-1,387</b>	<b>3,243</b>	<b>2,768</b>	<b>12,526</b>

#### 5.5 Key changes to Existing General Fund Projects.

- **Cemeteries** – An additional £12k has been identified as being required to complete this scheme. This is to be funded from the Asset Management Reserve.
- **Improvement Grants 1996 Act** – This scheme has been increased to reflect the additional funding received. Note it has been assumed that funding for 2021/22 onwards will be equal to the Government funding received in 2020/21. The capital programme will be amended if there are any changes to future Government Funding.
- **Kirkby Leisure Centre** – The Council has now received updated cost information with regards to the Kirkby Leisure Centre and this has been updated on the Capital Programme.
- **Leisure Transformation Programme** – This cost has now been absorbed into the Kirkby Leisure Centre Scheme.
- **Purchase of Vehicles** – There have been revisions to the profiling of the vehicle purchases and estimated spend for 2024/25 has now been included.

The actual allocation to each project is shown at Appendix 2.

**Table 12 – General Fund – New Projects**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>New Projects</b>						
External health and safety works required for the Urban Road office	312	0	0	0	0	312
Towns Fund Projects	1,425	0	0	0	0	1,425
<b>Grand Total</b>	<b>1,737</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,737</b>

#### 5.6 Two new schemes have been included on the Capital Programme:



- **External health and safety works required for the Urban Road office** – Works urgently required to the Council’s main office at Urban Road, Kirkby-in-Ashfield.
- **Town Funds Project** – Accelerated Funding has been requested from the Government’s Towns Fund for various sites in Kirkby and Sutton.

Cabinet approved the acceptance of the offer to request £750k Central Government funding for an accelerated Town Fund programme for both Kirkby and Sutton on the 21<sup>st</sup> July 2020, approval is required to add both these schemes to the Capital Programme. The tables above include this funding. Cabinet is requested to recommend to Council the addition of these schemes to the Capital Programme 2020/21.

5.7 The Authority submitted a Full Business Case for funding from the Government’s Future High Street Fund (FHSF) at the end of July 2020. The Capital Programme will be updated once the outcome is known.

**Table 13 – General Fund – Financing of the Capital Programme**

The tables below show the changes in financing required to move from the existing Capital Programme to the proposed 2020/21 – 2024/25 Capital Programme.

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Current Capital Programme</b>	<b>36,639</b>	<b>22,153</b>	<b>3,289</b>	<b>20</b>	<b>0</b>	<b>62,101</b>
Capital Grants	1,454	3,078	54	848	848	<b>6,282</b>
Capital Receipts - General Fund	0	0	0	0	0	<b>0</b>
Prudential Borrowing	-2,518	7,610	-1,441	2,395	1,920	<b>7,966</b>
Developers Contributions - General Fund	3	0	0	0	0	<b>3</b>
Direct Revenue Financing	12	0	0	0	0	<b>12</b>
<b>Proposed November 2019 Capital Programme</b>	<b>35,590</b>	<b>32,841</b>	<b>1,902</b>	<b>3,263</b>	<b>2,768</b>	<b>76,364</b>

5.8 Housing Revenue Account (HRA) Capital Programme

There have been changes to the mix and profiling of HRA capital schemes between 2020/21 and 2023/24 of the Decent Homes Schemes this has resulted in a £1.3m saving for Decent Home Scheme works during this period. £11.2m has been added to the Capital Programme for 2024/25 Decent Home Schemes. These are shown in Table 14 below.

The HRA Vehicle purchases are proposed to increase overall by £148k mainly due to the additional capital expenditure for 2024/25. The capital programme has been increased by £1m for year 2024/25 to fund additional investment via the acquisition of dwellings to supplement the current Housing stock. There has been an increase of £29k for Major Repairs Temporary Accommodation which is mainly due to the inclusion of costs estimates for 2024/25.

Full details of the HRA Capital Programme are shown in Appendix 2.

**Table 14 – Housing Revenue Account (changes to budget)**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Expenditure Approved</b>	<b>14,852</b>	<b>15,225</b>	<b>10,338</b>	<b>9,897</b>	<b>0</b>	<b>50,312</b>
<b>Changes to Current Projects</b>						
Management Fee	0	0	0	0	591	<b>591</b>
Catch up and Major Repairs	-5,628	1,349	1,558	1,548	8,559	<b>7,387</b>
Service Improvements	-1,121	-322	780	780	1,440	<b>1,557</b>
Contingent Major Repairs	-156	-114	-20	-20	125	<b>-185</b>
Exceptional Extensive Works	-483	624	40	0	10	<b>191</b>
Disabled Adaptations	-12	-5	-50	-50	450	<b>333</b>
Housing Vehicles	476	-384	-36	0	92	<b>148</b>
Investment in New or Existing Dwellings	0	0	0	0	1,000	<b>1,000</b>
Major Repairs Temporary Accomodation	-41	10	10	10	40	<b>29</b>
<b>Grand Total</b>	<b>7,887</b>	<b>16,383</b>	<b>12,620</b>	<b>12,165</b>	<b>12,307</b>	<b>61,363</b>
<b>Capital Funding</b>						
Funded from HRA Reserves	6,347	15,023	11,440	10,985	11,127	<b>54,923</b>
Homes England	180	180	0	0	0	<b>360</b>
Future 1-4-1 Capital Receipts						
Funding Recently Built and New Schemes	480	300	300	300	300	<b>1,680</b>
Non 1-4-1 Capital Receipts	880	880	880	880	880	<b>4,400</b>
<b>Total Capital Funding</b>	<b>7,887</b>	<b>16,383</b>	<b>12,620</b>	<b>12,165</b>	<b>12,307</b>	<b>61,363</b>

**Implications**

**Corporate Plan:** The revenue and capital funding included within this report supports delivery of the priorities in the Corporate Plan.

**Legal:** This report ensures compliance with the Council’s approved Financial Regulations.

**Finance:**

Budget Area	Implication
General Fund – Revenue Budget	As set out in the detailed information section of the report.
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

**Risk:**

Risk	Mitigation
Failure to spend within approved budgets could impact on the financial sustainability of the Council.	Financial monitoring reports to CLT and Cabinet. Financial Regulations. Financial Management training of Budget Holders and Managers.

**Human Resources:**

No implications

**Environmental/Sustainability**

No implications

**Equalities:**

No implications

**Other Implications:**

None

**Background Papers**

Annual Budget and Council Tax 2020/21 and Medium Term Financial Strategy Update to Council 5th March 2020

2019/20 Forecast Outturn for General Fund, HRA and Capital Programme as at Jan 2020 to Council 23<sup>rd</sup> April 2020

Draft Outturn 2019/20 Accounts Report to Cabinet 21 July 2020

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**Summary of Reserve Movements 2020/21 (General Fund)**

**Appendix 1**

	<b>Balance at 1st April 2020</b>	<b>Approved</b>		<b>Balance at 31 July 2020</b>
		<b>Contributions</b>	<b>Withdrawals</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Earmarked Reserves</b>				
District Planning Enquiry Fund	(375)	0	250	(125)
Elections	(11)	(54)	0	(65)
Joint Use Maintenance Fund	(201)	0	0	(201)
Asset Renewal	(773)	0	30	(743)
Corporate Change Reserve	(1,384)	(200)	484	(1,100)
Insurance Related Funds (Inc Risk Mngt)	(417)	(75)	0	(492)
Revenue Grant Reserve	(1,757)	0	459	(1,298)
Brexit Reserve	(51)	0	0	(51)
Local Authority Mortgage Scheme (LAMS) Reserve	(76)	0	0	(76)
NNDR Equalisation Reserve	(1,430)	0	0	(1,430)
Commercial Property Investment Reserve	(2,300)	(600)	0	(2,900)
Economic Development and Place Reserve	(209)	0	30	(178)
Licensing Reserve	(110)	0	0	(110)
Covid-19 Grant Reserve	(62)	0	62	(0)
Joint Crematorium Reserve	(486)	0	0	(486)
Other Reserves	(29)	(30)	20	(39)
<b>Total Earmarked Reserves</b>	<b>(9,670)</b>	<b>(959)</b>	<b>1,335</b>	<b>(9,294)</b>
<b>General Reserve</b>	<b>(6,675)</b>			<b>(6,675)</b>

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**Appendix 2 - Capital Programme**

**General Fund Capital Schemes**

	Lead Officer	2020/21 plus 2019/20 Slipback £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000	Funding						
								Loan	Section 106	Grant	Grant Funder	Capital Receipts	Reserves	Total
								£'000	£'000	£'000	e.g. Lottery	£'000	£'000	£'000
<b>General Fund</b>														
Cemeteries	Theresa Hodgkinson	54	0	0	0	0	54	42	0	0		0	12	54
Demolition of Hucknall Toilets	Paul Parkinson	1	0	0	0	0	1	1	0	0		0	0	1
External health and safety works required for the Urban Road office	Paul Parkinson	312	0	0	0	0	312	312	0	0		0	0	312
Firewalls	Craig Bonar	11	0	0	0	0	11	11	0	0		0	0	11
Flood Support Schemes	Craig Bonar	49	0	0	0	0	49	0	0	49	CLG	0	0	49
Hucknall Car Park - Titchfield Street	Theresa Hodgkinson	115	0	0	0	0	115	22	93	0		0	0	115
Hucknall Leisure Centre	Theresa Hodgkinson	118	0	0	0	0	118	68	0	0	Insurance Reserve	0	50	118
Idlewells Market Hall	Theresa Hodgkinson	9	0	0	0	0	9	9	0	0		0	0	9
Improvement Grants 1996 Act Disabled Facility Grant	Paul Parkinson	1,177	848	848	848	848	4,569	0	0	4,569	BCF £4,497k & RHB £72k	0	0	4,569
Investment Properties	Craig Bonar	26,494	20,000	0	0	0	46,494	46,494	0	0		0	0	46,494
Kings Mill Reservoir Car Park Expansion	Theresa Hodgkinson	196	0	0	0	0	196	176	0	20	NCC HLF £251k, Network Rail £15k	0	0	196
Kings Mill Reservoir (The King and Miller to Kingfisher)	Theresa Hodgkinson	650	24	0	0	0	674	62	20	471	NCC £136k, MDC £48k & Development (HLF) £21k Sport England £1.5m LEP £1.5m	0	121	674
Kirkby Leisure Centre	Theresa Hodgkinson	4,200	10,656	0	0	0	14,856	11,853	3	3,000		0	0	14,856
Leisure Transformation Programme	Theresa Hodgkinson	0	0	0	0	0	0	0	0	0		0	0	0
Market Stalls	Theresa Hodgkinson	1	0	0	0	0	1	1	0	0		0	0	1
Members' IT	Craig Bonar	21	0	35	0	0	56	56	0	0		0	0	56
New Cross Support Scheme	Theresa Hodgkinson	1	0	0	0	0	1	0	0	1	RHB	0	0	1
New Servers	Craig Bonar	30	20	20	20	0	90	90	0	0		0	0	90
Northern Depot Office Rationalisation and Wireless CCTV Infrastructure	Theresa Hodgkinson	11	0	0	0	0	11	11	0	0		0	0	11
Office Accommodation Works to Accommodate DWP at Central Offices	Paul Parkinson	2	0	0	0	0	2	2	0	0		0	0	2
Office Accommodation Works to Accommodate Police at Central Offices	Paul Parkinson	5	0	0	0	0	5	0	0	5	Police	0	0	5
Officers' IT for Agile Working (General Fund)	Craig Bonar	103	40	40	0	0	183	183	0	0		0	0	183
Piggins Croft Car Park	Paul Parkinson	153	0	0	0	0	153	153	0	0		0	0	153
Purchase of Vehicles	Theresa Hodgkinson	325	900	959	2,395	1,920	6,499	6,499	0	0		0	0	6,499
Retail Improvement Scheme	Theresa Hodgkinson	40	0	0	0	0	40	0	0	0	S106 Revenue	0	40	40
SAN Hardware	Craig Bonar	2	0	0	0	0	2	2	0	0		0	0	2
Solar Panels - Northern Depot	Paul Parkinson	2	0	0	0	0	2	2	0	0		0	0	2
Switch Network Hardware	Craig Bonar	83	0	0	0	0	83	83	0	0		0	0	83
Towns Fund Projects	Theresa Hodgkinson	1,425	0	0	0	0	1,425	0	0	1,425	TF Accelerator	0	0	1,425
Vehicle Tracking Scheme	Theresa Hodgkinson	0	353	0	0	0	353	353	0	0		0	0	353
<b>Total General Fund</b>		<b>35,590</b>	<b>32,841</b>	<b>1,902</b>	<b>3,263</b>	<b>2,768</b>	<b>76,364</b>	<b>66,485</b>	<b>116</b>	<b>9,540</b>		<b>0</b>	<b>223</b>	<b>76,364</b>

**Appendix 2 - Capital Programme**

**Housing Revenue Account Capital Schemes**

**Housing Revenue Account**

	Lead Officer	2020/21 plus 2019/20 Slippage £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>HOUSING REVENUE ACCOUNT</b>							
<b>Decent Homes Schemes</b>							
Management Fee	Paul Parkinson	581	579	591	591	591	2,933
Catch up and Major Repairs	Paul Parkinson	3,163	8,234	8,569	8,559	8,559	37,085
Service Improvements	Paul Parkinson	72	870	1,390	1,390	1,440	5,162
Contingent Major Repairs	Paul Parkinson	115	125	125	125	125	615
Exceptional Extensive Works	Paul Parkinson	190	1,505	50	10	10	1,765
Disabled Adaptations	Paul Parkinson	517	450	450	450	450	2,317
<b>Grand Total</b>		<b>4,638</b>	<b>11,763</b>	<b>11,175</b>	<b>11,125</b>	<b>11,175</b>	<b>49,877</b>
<b>Other Housing Revenue Account Schemes</b>							
Electronic Document and Records (EDRM) System	Paul Parkinson	24	0	0	0	0	24
Affordable Housing developments	Paul Parkinson	730	730	0	0	0	1,460
Investment in Additional Council Dwellings in Hucknall	Paul Parkinson	4	0	0	0	0	4
Investment in New or Existing Dwellings	Paul Parkinson	1,595	1,000	1,000	1,000	1,000	5,595
Davies Avenue Housing Project	Paul Parkinson	51	2,810	0	0	0	2,861
Major Repairs Temporary Accommodation	Paul Parkinson	10	40	40	40	40	170
Firewalls	Paul Parkinson	4	0	0	0	0	4
SAN Hardware	Paul Parkinson	1	0	0	0	0	1
Switch Network Hardware	Paul Parkinson	27	0	0	0	0	27
Officers' IT for Agile Working (HRA)	Paul Parkinson	103	40	40	0	0	183
Housing Vehicles	Theresa Hodgkinson	700	0	365	0	92	1,157
<b>Grand Total</b>		<b>3,249</b>	<b>4,620</b>	<b>1,445</b>	<b>1,040</b>	<b>1,132</b>	<b>11,486</b>
<b>Total Housing Revenue Account</b>		<b>7,887</b>	<b>16,383</b>	<b>12,620</b>	<b>12,165</b>	<b>12,307</b>	<b>61,363</b>



**Appendix 2 - Capital Programme**

**Area Capital Schemes**

	Lead Officer	2020/21 plus 2019/20 Slippage £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000	Funding					Reserves £'000	Total Funding £'000
								Loan £'000	Section 106 £'000	Grant £'000	Grant Funder e.g. Lottery			
<b>Hucknall Area</b>														
Nabbs Lane	Theresa Hodgkinson	1	0	0	0	0	1	1	0	0		0	1	
Play Areas	Theresa Hodgkinson	78	0	0	0	0	78	78	0	0		0	78	
Titchfield Park Brook	Theresa Hodgkinson	319	0	0	0	0	319	0	0	319	NCC	0	319	
Titchfield Park and Hucknall Cemetery: implementation of park masterplan	Theresa Hodgkinson	4	0	0	0	0	4	0	4	0		0	4	
<b>Total Hucknall Area</b>		<b>402</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>402</b>	<b>79</b>	<b>4</b>	<b>319</b>		<b>0</b>	<b>402</b>	
<b>Sutton Area</b>														
Ashfield Estate Play Area	Theresa Hodgkinson	0	0	0	0	0	0	0	0	0		0	0	
Ashfield Estate Footpaths	Theresa Hodgkinson	6	0	0	0	0	6	0	6	0		0	6	
Brand Lane / Wharf Road Open Space Improvements	Theresa Hodgkinson	0	0	0	0	0	0	0	0	0		0	0	
Brierley Forest Park Management Plan	Theresa Hodgkinson	20	0	0	0	0	20	0	11	9	RPA	0	20	
Brierley Forest Park Car Park Extension and Entrances	Theresa Hodgkinson	81	0	0	0	0	81	0	81	0		0	81	
Football Changing Rooms	Theresa Hodgkinson	0	15	0	0	0	15	0	15	0		0	15	
Kingsmill Reservoir footpath links	Theresa Hodgkinson	1	0	0	0	0	1	0	1	0		0	1	
Kingsmill Reservoir management plan: Implementation Works	Theresa Hodgkinson	8	0	0	0	0	8	0	0	8	Skanska	0	8	
Play Areas	Theresa Hodgkinson	0	108	0	0	0	108	108	0	0		0	108	
Roundhill Recreation Ground	Theresa Hodgkinson	10	0	0	0	0	10	2	0	8	LIS	0	10	
Sutton Lawn management Plan	Theresa Hodgkinson	14	0	0	0	0	14	0	6	8	NCC SLC	0	14	
Sutton Lawn Play Area	Theresa Hodgkinson	1	0	0	0	0	1	0	1	0		0	1	
Sutton Town Centre Improvements	Theresa Hodgkinson	70	0	0	0	0	70	0	70	0		0	70	
Taylor Crescent Recreation Ground	Theresa Hodgkinson	0	10	0	0	0	10	0	10	0		0	10	
<b>Total Sutton Area</b>		<b>211</b>	<b>133</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>344</b>	<b>110</b>	<b>201</b>	<b>33</b>		<b>0</b>	<b>344</b>	

**Appendix 2 - Capital Programme**

**Area Capital Schemes**

	Lead Officer	2020/21 plus 2019/20 Slippage £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000	Loan £'000	Section 106 £'000	Grant £'000	Grant Funder e.g. Lottery	Reserves £'000	Total Funding £'000
<b>Kirkby Area</b>													
Acacia Avenue Rec - General Improvements	Theresa Hodgkinson	0	0	0	0	0	0	0	0	0		0	0
Annesley Art Project	Theresa Hodgkinson	29	0	0	0	0	29	0	29	0		0	29
Forest Road Nature Area	Theresa Hodgkinson	0	30	0	0	0	30	0	30	0		0	30
Kingsway Park: implementation of management plan	Theresa Hodgkinson	32	0	0	0	0	32	0	32	0		0	32
Kirkby footpaths/cycle ways	Theresa Hodgkinson	18	13	0	0	0	31	0	31	0		0	31
Lindleys Lane Play/Youth Area	Theresa Hodgkinson	178	0	0	0	0	178	0	103	75	TF Accelerator	0	178
Morven Park / West Park Play Area	Theresa Hodgkinson	1	0	0	0	0	1	0	1	0		0	1
Kirkby Park and Play Areas	Theresa Hodgkinson	165	200	0	0	0	365	120	245	0		0	365
Sports pavilion, Titchfield Park	Theresa Hodgkinson	0	39	0	0	0	39	0	39	0		0	39
Warwick Close	Theresa Hodgkinson	0	0	0	0	0	0	0	0	0		0	0
<b>Total Kirkby Area</b>		<b>423</b>	<b>282</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>705</b>	<b>120</b>	<b>510</b>	<b>75</b>		<b>0</b>	<b>705</b>
<b>Rural Area</b>													
Friezeland Recreation Ground - Scooter Park	Theresa Hodgkinson	2	0	0	0	0	2	0	2	0		0	2
Jacksdale Car Park	Theresa Hodgkinson	4	0	0	0	0	4	2	0	2	Friends of Cromford Canal	0	4
<b>Total Rural Area</b>		<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>2</b>		<b>0</b>	<b>6</b>
<b>Total Area</b>		<b>1,042</b>	<b>415</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,457</b>	<b>311</b>	<b>717</b>	<b>429</b>		<b>0</b>	<b>1,457</b>

# Agenda Item 8



<b>Report To:</b>	<b>CABINET</b>	<b>Date:</b>	<b>15<sup>TH</sup> SEPTEMBER 2020</b>
<b>Heading:</b>	<b>TREASURY MANAGEMENT - ANNUAL REPORT 2019/20</b>		
<b>Portfolio Holder:</b>	<b>CLLR MADDEN- CABINET MEMBER FOR FINANCE &amp; RESOURCES</b>		
<b>Ward/s:</b>	<b>ALL</b>		
<b>Key Decision:</b>	<b>NO</b>		
<b>Subject to Call-In:</b>	<b>NO</b>		

## **Purpose of Report**

This report provides information on the Council's Treasury Management activities which the Council carries out to manage both its funding and its cash flow, with the aim of minimising the risks to which the Council is exposed when borrowing and lending monies.

It sets out the performance in 2019/20 against the prudential indicators, which were previously approved by Full Council on the 4<sup>th</sup> March 2019, as part of the Treasury Management Strategy. This ensures that borrowing and lending are controlled within reasonable limits, in line with good practice.

## **Recommendation(s)**

Cabinet are requested to:

- i) Note the performance including the compliant prudential indicators, as outlined in the report.

## **Reasons for Recommendation(s)**

In accordance with the requirements of the Council's Financial Regulations (C.31), the Audit Committee is responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies.

In accordance with the requirements of the Council's Financial Regulations (C.30), Cabinet will receive an annual Treasury Management Performance Report.

In accordance with the CIPFA Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code"), Members should approve the annual report for Treasury Management activity in 2019/20 which forms part of this document.

Under CIPFA's Prudential Code for Capital Finance in Local Authorities, Members have a statutory duty to adopt a set of annual indicators relating to capital expenditure and Treasury Management.

### **Alternative Options Considered**

None.

### **Detailed Information**

#### **TREASURY MANAGEMENT - ANNUAL REPORT 2019/20**

##### **1. Introduction**

- 1.1 The Treasury Management Policy Statement includes a requirement for the production of an Annual Report on the Treasury Management activities undertaken during the year. This requirement is also incorporated in the Council's Financial Regulations and is considered as good practice in the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for Treasury Management.

##### **2. The Financial Markets during 2019/20**

- 2.1 Investment returns remained low during 2019/20. The expectation for interest rates within the treasury management strategy for 2019/20 was that Bank Rate would stay at 0.75%, as it was not expected that the Monetary Policy Committee would be able to deliver an increase in Bank Rate until the Brexit issue was finally settled. However, there was an expectation that Bank Rate would rise after that issue was settled, but would only rise to 1.0% during 2020.
- 2.2 Rising concerns over the possibility that the UK could leave the EU at the end of October 2019 caused longer term investment rates to be on a falling trend for most of April to September. They then rose after the end of October deadline was rejected by the Commons but fell back again in January before recovering again after the 31 January departure of the UK from the EU. When the coronavirus outbreak hit the UK in February/March, rates initially plunged but then rose sharply back up again due to a shortage of liquidity in financial markets.
- 2.3 There is likely to be little upward movement in the bank rate and PWLB rates over the next two years as it will take national economies a prolonged period to recover all the momentum they will lose in the sharp recession that will be caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020/21.

##### **3. Borrowing**

3.1 The borrowing activities undertaken during the year are summarised below:

Type of Loan	Amount Outstanding 01/04/19 £'000	Borrowed £'000	Repaid £'000	Amount Outstanding 31/03/20 £'000
Long Term Loans				
- PWLB	41,248	28,300	(7,012)	62,536
- Mortgage Loan	40,500	0	(6,000)	34,500
- Temporary Loan	0	5,000	0	5,000
<b>Total External Debt</b>	<b>81,748</b>	<b>33,300</b>	<b>(13,012)</b>	<b>102,036</b>

3.2 The loans repaid had reached maturity i.e. the loan end date agreed as part of the original loan term were reached and the loans were due for repayment.

3.3 The table represents the actual transactions undertaken and therefore will differ to those shown in the statement of accounts due to the differences between face value and fair value.

#### **4. Prudential Borrowing Limits**

4.1 One of the requirements of the CIPFA Prudential Code is to report performance against a range of indicators to Members. Underpinning the Prudential system for borrowing is the fundamental objective that any investment in assets needs to be both affordable and remain within sustainable limits. The Council sets its own targets, boundaries or limits against which it monitors actual performance. For 2019/20 these were approved by Council on 4th March 2019. The comparison of out-turn to those targets are set out in Appendix 1 to this report.

4.2 There was one occasion where the Annual Treasury Management strategy was not adhered to. This was with regards to our deposit account with Barclays, our main bank, where as a result of all the alternative investment options being at full capacity the £5m limit was exceeded for one working day. This was due to large grant funding being received at short notice from central government in response to Covid-19.

#### **5. Loan Interest Payments**

5.1 There are two measures of performance used for assessing the Council's borrowing activities. These are the total amount of interest paid compared to estimated figures and the average rate of interest paid on external loans. An analysis of interest payments compared to the revised estimates is given below:

	Revised Estimate	Actual	Variance
	£'000	£'000	£'000
PWLB	1,485	1,449	(36)
Mortgage Loans	1,887	1,938	51
Temporary Loan	4	15	11
<b>Total</b>	<b>3,376</b>	<b>3,402</b>	<b>26</b>

5.2 The reason for the variances above are as follows:

- a) PWLB – the main reason for the underspend on the PWLB interest was due to the Council financing part of its borrowing using temporary loans which incur a lower interest payable rate than the PWLB.
- b) Mortgage Loans – there is a variance on the Mortgage loans as the interest paid on the loans was higher than the revised estimate.
- c) Temporary Loan - the Council decided to use temporary borrowing rather than longer-term PWLB borrowing to fund some of its day-to-day activities. Temporary borrowing is the cheapest method of borrowing externally.

## 6. Investments

6.1 Cash flow surpluses are placed in investment accounts or in short-term money market deals. The movement in external investments during the year is given below:

	<b>Temporary Advances</b>
	<b>£000</b>
Balance at 01/04/19	7,432
New Investments	182,754
Repayments	(180,204)
Balance at 31/03/20	9,982
<b>Annual Return</b>	<b>0.65%</b>

6.2 Overall Investment Income achieved compared to the revised budget is as follows:

<b>Revised Estimates</b>	<b>Actual</b>
<b>£000</b>	<b>£000</b>
<b>35</b>	<b>78</b>

6.3 The above figures demonstrate that investments are an important element of the Council's budget. Relatively small movements in interest rates can have a significant impact on the income received. The main reason for the better than expected investment income was due to the Council being able to loan monies on a short-term basis to other Local Authorities and receive a higher return than if the monies were invested in a bank or Money Market Fund.

6.4 During 2019/20, the base rate started at 0.75% and ended the year at 0.10%.

## **Implications**

### **Corporate Plan:**

The reporting of the Council's Treasury Management and Borrowing Activities ensures compliance with the Council's Financial Regulations and the CIPFA best practice. The Council's effective treasury management activities support delivery of the Corporate Plan objectives.

### **Legal:**

The recommendations contained in the report ensure compliance with Financial Regulation C.30 and C.31.

### **Finance:**

<b>Budget Area</b>	<b>Implication</b>
General Fund – Revenue Budget	No direct financial implications arising from this report.
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

### **Risk:**

<b>Risk</b>	<b>Mitigation</b>
None Identified	N/A

### **Human Resources:**

No adverse Human Resources implications identified.

### **Environmental/Sustainability**

No adverse Environmental implications identified.

### **Equalities:**

No adverse Equality implications.

### **Other Implications:**

### **Reason(s) for Urgency**

### **Reason(s) for Exemption**

## Background Papers

### Report Author and Contact Officer

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**Chief Accountant**

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## **APPENDIX 1 PRUDENTIAL INDICATORS OUTTURN 2019/20**

### **1. Prudential Indicators of Affordability**

#### **a) Ratio of financing costs to net revenue stream split between the Housing Revenue Account and the General Fund**

The Council is required to calculate an estimated ratio of its financing costs divided by its net revenue stream for both the General Fund and the Housing Revenue Account.

2019/20	Target %	Actual %
Housing Revenue Account	13.99	13.93
General Fund	12.33	8.58

The variance to target on the General Fund is mainly due to the sale of the Glenrothes Investment Property reducing the Minimum Revenue Provision required in the year.

#### **b) Estimate of the incremental impact of capital investment decisions on the Council Tax and Rent Levels**

Authorities are required to estimate the impact on the Council Tax (General Fund) and Rent levels (Housing Revenue Account) of the capital programme including the non-financing costs.

2019/20	Target £	Actual £
Housing Revenue Account (52 Weeks)	0.00	0.00
General Fund (Band D)	27.42	52.80

The target indicators were approved by Council 4<sup>th</sup> March 2019. After the indicators were set, approval was gained to change the Capital Programme to reflect 2018/19 slippage on investment property purchases and bring forward £20m for investment property purchases to 2019/20 from 2022/23.

#### **c) Net borrowing and the Capital Financing Requirement split between the General Fund and the Housing Revenue Account**

In order to ensure that in the medium term borrowing is only undertaken for capital purposes, local authorities are required to ensure that net external borrowing does not exceed, except in the short term, the total of their capital financing requirement. In broad terms the capital financing requirement reflects an authorities need to borrow for capital purposes and is a measure of the assets contained on the balance sheet which have as yet not been fully financed, i.e. there is still some debt outstanding.

31 <sup>st</sup> March 2020	Target £m	Actual £m
Housing Revenue Account	80	80
General Fund	58	81

The main reason for the variance for the General Fund is due to the movement on the investment property capital programme as discussed in b) above, and lower than expected MRP charges as a result of slippage on the 2018/19 capital outturn.

d) **Estimates of capital expenditure split between the General Fund and the Housing Revenue Account**

2019/20	Target £m	Revised Capital Programme £m	Actual £m
Housing Revenue Account	10.7	7.9	6.5
General Fund	26.9	52.9	43.9

The main reasons for the differences between the Housing Revenue Account (HRA) and the General Fund (GF) are as follows:

- i) HRA - Delays to works on Council dwellings due to planned works being refused by tenants or structural issues being identified which have slowed progress. These works (and funding) will be re-programmed into the 2020/21 and future years works schedules.
- ii) GF – Underspends on Investment Properties, Kings Mill Reservoir and Vehicles. The Council only acquires Investment Properties following full due diligence and when and where they can be purchased at an appropriate price, the Kings Mill Reservoir has been delayed due to Covid-19 and procurement of vehicles purchases have been delayed due to Covid-19 procurement issues.

e) **Authorised Limit of external debt**

The Council is required to set an authorised limit for its total external debt, gross of investments and includes the need to borrow on a short-term basis to cover for temporary shortfalls in cash flow. The Authorised Limit is set at a level which is approximately £10m above the Capital Financing Requirement.

2019/20	Authorised Limit £m	Actual Borrowing £m
Borrowing	150	102

f) **Operational Boundary**

The Operational Boundary is based on the most likely or prudent but not worst-case scenario in relation to cash flow. The reason for the difference between the Operational and Actual Borrowing is due to the Authority using internal reserves e.g. the HRA to fund Capital Expenditure rather than borrowing.

2019/20	Operational Boundary £m	Actual Borrowing £m
Borrowing	140	102

## 2. Prudential Indicators for Prudence

### a) **Interest rate exposure**

This indicator gives the following maximum levels of exposure to fixed and variable interest rate payments. Fixed interest loans charge the same amount of interest from the start of the loan until the loan is repaid. The interest payable for variable rate loans may change from the inception date to the maturity date. The target for fixed rate loans is set at the same level as the Authorised Limit whereas the target for variable rate loans is set at an amount which is 40% of the Authorised Limit.

Principal Outstanding 2019/20	Target £'000	Actual £'000
At Fixed Rates	140,000	82,536
At Variable rates	56,000	19,500

### b) **Maturity Structure of fixed rate borrowing**

The Council has numerous fixed rate loans. It is prudent to ensure that these loans do not mature at the same time. Therefore, the Council has set lower and upper limits for the maturity of its fixed rate loans.

Maturity	Lower Limit £'000	Upper Limit £'000	Actual 31 <sup>st</sup> March 2020 £'000
Less than 12 months	0	20,000	5,000
12 months to 24 months	0	20,000	6,500
24 months to 5 years	0	25,000	8,190
5 years to 10 years	0	50,000	9,046
10 year and over	10	100,000	73,300

### **Principal sums invested for more than 364 days**

The below represents the maximum amount the Authority can invest with any institution. This is to reduce the potential exposure to the Authority should any institution become insolvent.

2019/20	Limit £m	Actual £m
Upper Limit	5	0

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<b>Report To:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>15<sup>th</sup> September 2020</b>
<b>Heading:</b>	<b>LEISURE TRANSFORMATION PROGRAMME</b>		
<b>Portfolio Holder:</b>	<b>PORTFOLIO HOLDER HEALTH AND LEISURE – CLLR KIER BARSBY</b>		
<b>Ward/s:</b>	<b>ALL</b>		
<b>Key Decision:</b>	<b>Yes</b>		
<b>Subject to Call-In:</b>	<b>Yes</b>		

## **Purpose of Report**

To update Cabinet in terms of the progress with the Leisure Transformation Programme including the procurement of a new Operating Contractor and the due diligence progress towards the development of the new Leisure Centre in Kirkby which will replace Festival Hall.

To gain approval from Cabinet to enter into a suitable build contract following the completion of the ongoing tender process.

## **Recommendation(s)**

- 1) That Cabinet notes the progress in appointing a new Leisure Operating Contractor for the period of April 2021 onwards for a duration of 10 years with a Council retained ability to extend for a further 5 years.
- 2) That Cabinet gives Delegated Authority to the Director of Place & Communities in conjunction with the Corporate Finance Manager and The Leader and Deputy Leader (Inward focus) to enter the Council into contract with the successful tenderer for the construction of the new Kirkby Leisure Centre.
- 3) That Cabinet gives Delegated Authority to the Director of Place & Communities in conjunction with the Corporate Finance Manager, the Leader and Deputy Leader (Inward focus) to enter the Council into contract with the successful tender for the enabling works package of initial capital works onsite.

## **Reasons for Recommendation(s)**

Cabinet will recall the previous reports regarding progress with the procurement of the Leisure Operating Contract, including the report from January 2019 which outlined the Delegated Authority to

the Director of Place and Communities to enter into the resultant contract following the conclusion of the procurement process.

Council officers continue to progress with the procurement of the leisure operating contractor and the current programme will see them appointed in good time to achieve contract start in April 2021. The procurement of this is being completed in conjunction with the development of the new leisure centre at Kirkby in Ashfield.

The Leisure Centre development at Kirkby has already achieved Planning Permission and has concluded design to RIBA 4 stage. The works are currently out to tender and we anticipate that works will commence in Q3 of the 2020/21 financial year.

Previous reports for the development of the leisure centre have enabled officers to progress with the appointment of the design team and to commence the procurement process. This report requests further approvals to appoint the successful tenderer to construct and complete the new leisure centre development.

The timing of the tender return (17<sup>th</sup> September) and then completion of the necessary due diligence will fall between applicable governance meetings at the Council and delegated authority to the Director of Place and Communities, Corporate Finance Manager, the Portfolio Holder and the Leader and Deputy Leader (Inward Focus), is sought to ensure continuing momentum with this development.

### **Alternative Options Considered**

#### **Leisure Operating Contract – do not proceed (Not recommended)**

Cabinet can consider whether to continue supporting the procurement of a new Leisure Operating Contractor. This is not recommended.

The existing operating contract with SLM has run for many years. It is due to cease at the end of March 2021 and there is no contractual ability to extend the existing contract.

#### **Leisure Operating Contract – run services in-house (Not recommended)**

Cabinet can consider whether it is appropriate to operate the leisure centres in-house. This is not recommended.

Given the levels of competition within the sector, the lack of expertise and experience within the Council, this is not considered a viable option with which to progress. Additionally this route will not achieve the necessary revenue savings to cross fund the development of the new Leisure Centre.

#### **Kirkby Leisure Centre – do not proceed (Not recommended)**

Cabinet can consider whether it is appropriate to continue with the procurement and stop the planned development of the leisure centre. This is not recommended.

The Council has already achieved Planning Permission for the new leisure centre and the Council is currently looking forwards to the tender return date of the 17<sup>th</sup> September 2020.

The newly developed leisure centre has also been included within the financial parameters of the leisure operating contract. Should this development not continue, the parameters of the operating contract would then need to be reviewed. The existing Festival Hall site runs at a deficit due to its

limited offer; the likely impact on the tender would be an increased management fee, which would decrease the financial returns and lessen the future leisure offer for the residents of Kirkby.

## **Detailed Information**

### **Leisure Operating Contract**

Cabinet will recall that Council officers have been diligently progressing through the procurement process for a new Leisure Operating Contractor. The new contract is due to commence in April 2021.

Initial tender returns were received in May 2020 and the Council team, supported by expert external consultants have now completed their qualitative review of those submissions. Additionally, Council officers supported by external legal advisors and consultants have now met with the remaining four bidders on several occasions.

On each occasion the Council's team has focused on separate elements of the tenders. Several of these have been by way of negotiation meetings. These negotiation meetings have focused on:

- a) General elements of the bidders responses including clarifications on any included assumptions
- b) Financial elements of the bidders' responses. Understanding in detail where bidders were proposing any changes in the delivery of services, how they believed these would impact on users and how these could be adopted into a final submission document.
- c) Legal elements of the bidders' responses. Each of the bidders proposed a number of variances to the standard Sport England contract that we are advocating. Each of these variances have now been reviewed by our external legal support along with ADC Legal and the external consultants. These have helped form the basis of the final submission.

Final submissions will be sought from the bidders during late September 2020 with a return date of the 14<sup>th</sup> October 2020.

The final submissions will include parameters for bidders such as a second swimming facility at Hucknall Leisure Centre which the Council is to bring forward. The proposal for the second swimming facility at Hucknall Leisure Centre has already been discussed with the design team who are leading on the Kirkby Leisure Centre to ensure that the costings and design are within the applicable parameters which the Council has set.

Final submissions will then be reviewed and recommendations made to the Director of Place & Communities who has the delegated authority to enter into the resultant operating contract, in consultation with the Corporate Finance Manager and Portfolio Holder. The appointment is expected to be completed in October 2020 with a start of the contract being April 2021.

### **Kirkby Leisure Centre Development**

The Council has previously received approval to the appointment of a design team to progress with the development of a new leisure centre in Kirkby which will replace Festival Hall. Design has progressed through to RIBA 4 (Detailed Design) and the Council has now received Planning Permission for the development.

Currently at tender stage, responses from bidders are expected on the 17<sup>th</sup> September 2020. Following receipt of the tenders these will be reviewed by the external design team to ensure compliance against the tender requirements as well as a full detailed financial review of the documents to ensure consistency.

Following due diligence, the Council will be in a position to appoint the contractor, provided that the project remains within the agreed financial parameters as agreed by Cabinet in June 2020. This is an overall financial envelope of £15.5m.

The current project plan for the leisure centre identifies initial enabling works to commence on-site in the coming months with the main contractor taking possession of the site on the 1<sup>st</sup> November 2020. Completion of the new leisure centre is identified as being March 2022 with the Festival Hall then demolished and replaced by additional car parking by October 2022. A detailed Communications Plan is in place.

It is intended that as part of the overall budget parameter an element of ‘enabling works’ will be let initially via a compliant tender process, this will include works such as boundary hoardings, the re-alignment of the public sewer across the site by Severn Trent and the levelling of the ground (cut & fill). These works will shorten the overall construction period for the main works whilst enabling the Council to proceed in the most diligent way forward.

**Implications**

**Corporate Plan:**

The development of the Leisure Centre is a key priority within the Corporate Plan and will aid the Council in its long term aspirations regarding the health and wellbeing of the people of Kirkby.

The appointment of a new leisure operating contractor will aid the Council in ensuring long term financial sustainability by reducing the current level of outgoing revenue funds for this provision, whilst also assisting the affordability of the new leisure centre.

**Legal:**

Internal Council legal representatives along with external consultants are involved within the appointment of the new leisure operating contractor.

The appointment of a new Leisure Operating Contractor will ensure ongoing viable service delivery in line with legal processes and avoid the Council from having to review and implement an interim agreement with the existing provider.

**Finance:**

Budget Area	Implication
General Fund – Revenue Budget	Expected saving of revenue funding currently paid to existing operating contractor to achieve a net zero or positive financial position
General Fund – Capital Programme	Capital costs £15.5m for the new leisure centre are included in the Capital Programme, approved by Council on 9 <sup>th</sup> July 2020.
Housing Revenue Account – Revenue Budget	N/A
Housing Revenue Account – Capital Programme	N/A



**Risk:**

Risk	Mitigation
<b>Leisure Operating Contract</b> – that the final submissions from bidders does not deliver the expected revenue returns to support the leisure centre development.	Throughout the procurement process the Council has consistently made it clear that a net zero or positive management fee is required as an output of the tender process. The Council has also taken on board recommendations from the bidders on how to alter the leisure offering to increase turnover.
<b>Leisure Operating Contract</b> – that the final submissions are impacted by the COVID-19 pandemic	The Council has considered and discussed with each of the bidders on how best to mitigate the impacts of the pandemic. The revised timescale will enable the October 2020 membership data from the existing incumbent to be used as the baseline, thus minimising the impact upon the tenders.
<b>Leisure Operating Contract</b> – that the Kirkby Leisure Centre is not completed on time impacting on the operators financial model	The indicative dates are included within the operating contract. The Council will levy Liquidated Damages where possible to offset the costs and these where applicable will be ‘passed through’ to the operating contractor to offset the loss in profit of the new facility.
<b>Kirby Leisure Centre</b> – That the tenders are returned and that these are outside of the financial parameters	The Council team including the external designers have continually reviewed the design and benchmarked the cost plan to date. Where necessary ‘value engineering’ has already been undertaken and should tenders be returned above the anticipated budget further elements of ‘value engineering’ are available to be implemented.

**Human Resources:**

There are no directly applicable human resources implications upon the Council. The Council has adequate management and project management experience in place to oversee both work streams.

**Environmental/Sustainability:**

The agreed design of the new leisure centre has taken into account all necessary environmental standards and the design is above the minimum requirements set by the Approved Documents and Building Control.

Further environmental interventions such as the installation of PV's to the leisure centre have been considered and will be funded outside of the core financial model.

**Equalities:**

An Equality Impact Assessment (EIA) has been carried out to consider all the equality implications within the report. Appropriate concessions will be available for residents and fees and charges will be reviewed for the targeted activity programme Inc. free activities and discounted usage.

**Other Implications:**

There are no further implications as a result of this report.

**Reason(s) for Urgency**

Not applicable

**Reason(s) for Exemption**

Not applicable

**Background Papers**

Cabinet Paper, Leisure Transformational Programme, January 2019  
Cabinet Paper, Leisure Transformation Programme, November 2019  
Cabinet Paper, Leisure Transformation Programme, June 2020

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DIRECTOR OF PLACE AND COMMUNITIES

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<b>Report To:</b>	<b>CABINET</b>	<b>Date:</b>	<b>15<sup>th</sup> SEPTEMBER 2020</b>
<b>Heading:</b>	<b>DIGITAL SERVICES AND TRANSFORMATION PROGRAMME UPDATE</b>		
<b>Portfolio Holder:</b>	<b>COUNCILLOR JASON ZADRONZY, LEADER OF THE COUNCIL</b>		
<b>Ward/s:</b>	<b>ALL</b>		
<b>Key Decision:</b>	<b>YES</b>		
<b>Subject to Call-In:</b>	<b>YES</b>		

## Purpose of Report

The purpose of this report is to present to Cabinet an update on the key areas of progress of the Corporate Digital and Service Transformation (DST) programme.

## Recommendation(s)

- **Note the progress of the current Digital and Service Transformation programme including the work to support residents through the Covid pandemic**

## Reasons for Recommendation(s)

Digital transformation is focussed on changing the way we deliver services to provide enhanced customer service and in a more efficient and effective way. The expectation for digital service accessibility has been accentuated by the COVID 19 pandemic, which has required the Council to quickly implement improved means of enabling effective and accessible access for customers through self-serve and on-line rather than through face-to-face and telephone.

This report summarises key areas of progress made within the DST Programme, particularly in response to the Covid pandemic situation.

## Alternative Options Considered

Not to press ahead with Digital Service Transformation: not recommended for the reasons below.

The rationale and business case for digital transformation is even more important than when reported to Cabinet in July 2019 due to the impact of COVID 19. The Coronavirus pandemic has

had a huge impact on the way people are living their day to day lives and has amplified just how important digital technology is. This requires the need for the Council to quickly change the way it provides services. The focus remains on significantly improving the customer experience and directly supporting the Medium Term Financial Strategy through financial efficiencies.

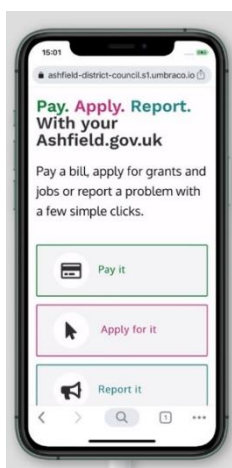
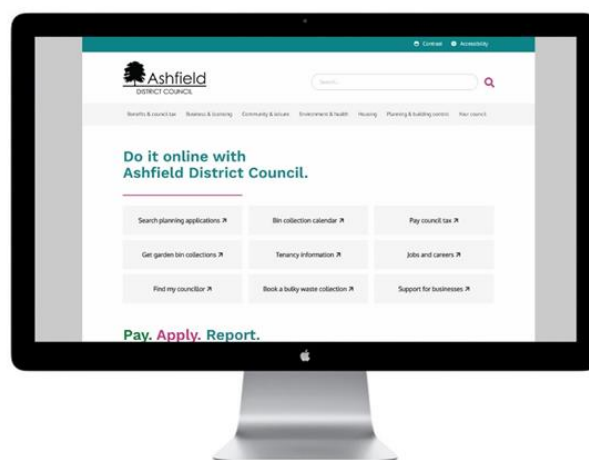
To cease or slow down the transformation programme will not deliver the Council's aspirations as detailed within the Corporate Plan especially Covid Recovery and Customer Experience through direct implementation of timely, high quality, effective and efficient services and projects.

## Status Update on Progress

### 1. Key Project – Delivery of a New Website

The project to deliver a brand new Council website will be delivered in September, 2020. The new website will significantly improve:-

- Information and content which is designed according to customer needs and is task focussed, making navigation easier
- Design and layout - being modern, user friendly and attractive. Content and design will also be consistently laid out with clear branding.
- The user journeys – by prioritising the most common tasks and focussing on what the customer is seeking to do, thereby enabling customers to find what they are looking for more easily.
- Accessibility – not only will the website meet the minimum accessibility standards, required by 23<sup>rd</sup> September, 2020, full accessibility accreditation is also being sought.
- The customer's ability to self-serve on the website - reducing the need for the more costly telephone and face to face transactions.



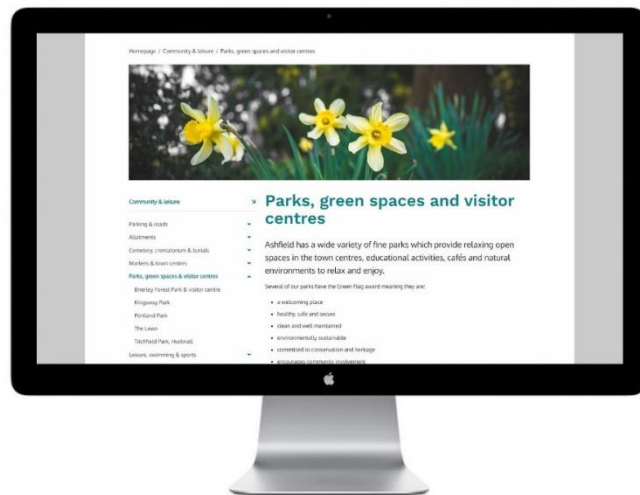
The content of the new website will present itself and work effectively on mobile devices, the most common device used by customers.

The focus for web channel improvement is aligned with our wider transformation programme, and is key to our ability to deliver channel shift and meet our Digital Transformation vision. The website will be the primary digital channel.

The ethos for content and experience is to develop digital services “so good that those that can, choose to use them”, and that we ensure we deliver “the right content, to the right user, at the right time”.

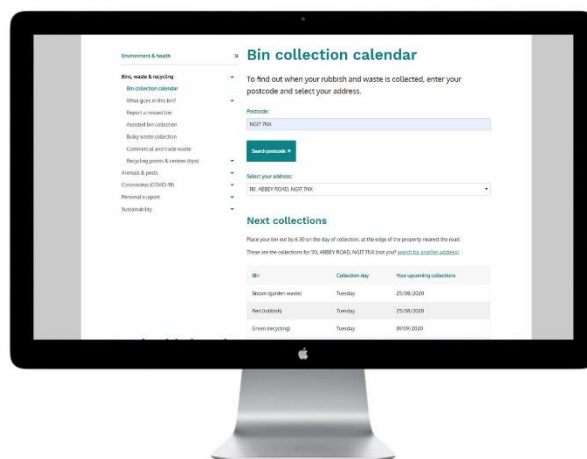
The new website will be:-

- User focused
- Relevant
- Trusted
- Accessible and inclusive
- Authentic
- Engaging
- Joined up



New digital features on the website that will improve the services provided to customers will include:

- Task oriented user journeys
- Improved information structure
- Rapid navigation designed to provide fast access to information
- Clear signposting and support into other third-party systems
- Ease of making an on-line payment
- An improved, simple to use ‘bin calendar’ which allows residents to search by postcode and be presented with their bin collection types over the next four week period.



These are the first in an accelerated programme of improvements to deliver an enhanced customer experience, more efficient internal processes and service improvements.

## 2. Key Successes – Digital Developments Supporting Customers During Covid

Key projects delivered by the Digital Transformation Programme have successfully supported continuing service delivery in the following ways:-

### Online Forms

- Applications can now be made online for Housing Benefit and Council Tax Support, including the ability to provide evidence online too, reducing the need for applicants to visit our offices. Since 17<sup>th</sup> April, 2020 we have received 422 online benefits applications.
- We also have a Council Tax Empty Property Review form and Business Rates Small Business Rates Relief online form on our website. 1,769 business grants forms were received online, enabling the payment of a total value of £18.210m in business grants during the pandemic. This represents 98.13% of the businesses we believe are eligible for these grants.

- In total 209 discretionary business grants applications have been received via a form made available on the Council's website, enabling around £0.5m to be paid to businesses in need as at 21<sup>st</sup> August 2020. Further payments will be made before the end of September 2020.
- The application process for licensing houses in multiple occupation is now much easier through the development of self-serve online application forms. These forms can be quite lengthy, however, the new online form enables the applicant to save a part completed form and return later to complete fully, whilst also having the ability to submit the licence fee payment online. Applicant feedback so far has been very positive as the ability to self-serve online has streamlined and simplified the process. The online form has also reduced operational processing time considerably, enabling resources to be focussed on enforcement activity. 16 new applications and 3 variations have been submitted to date since April.

### Easier Ways to Pay

- Several different payment channels have been introduced to enable customers to have greater flexibility and choice when making payments to the Council:-
  - The process to set up a direct debit for garden waste has been simplified through the launch of online direct debit set up.
  - Availability of an automated telephone payments line which incurs no call costs to the customer
- Improving accessibility for the customer through self-serve and on-line rather than through face-to-face and telephone is a key digital transformation objective, especially significant during the pandemic. There are now even more services that can be paid for through the Council's online e-store, with over 165 services now available. Since lockdown over 1,300 new customers have signed up for an e-store account, nearly 25,000 transactions have been made, enabling customers to pay over £3m for services during that period (end March to mid-August 2020).

## **3. Key Successes – Digital Developments Supporting Services During Covid**

### Support for Agile Working and Connectedness

- The use of Microsoft Office 365 was launched In April 2020, initially through the completion of mailbox migration and roll out of 'MS Teams'. The Teams solution has been key to enabling continuing connectivity of employees whilst working remotely. It is a unified communications and collaboration tool that combines workplace chat, video meetings, and file collaboration and storage.
- Changes to the way the housing repairs service is delivered were implemented in April 2020, incorporating the implementation of a new dynamic resource scheduling solution and a new agile working solution. This now enables front line operatives to receive work directly to a device, resulting in a more productive and agile re-structured housing repairs workforce, this increase in capacity has reduced reliance on sub-contractors at a premium cost.
- The primary link to the Council through our Wide Area Network (WAN) has been upgraded to double capacity, supporting improved agility, as it will enhance remote access into the

Council's systems, in terms of speed. A secondary line is now also being implemented which will ensure remote working is more robust, improving resilience.

#### **4. Customer Centric Approach**

The opportunity to review our customer service approach and function has been initiated through the Digital and Service Transformation Programme, through which we have an agreed vision and objectives:-

##### ***Customer Centric Vision***

'We will take a 'one Council approach' to design and improve our services from a customer perspective, with input from customers and employees, to ensure our services in the future are accessible, easy to use and provide a good customer experience, continually improving standards informed by customer engagement'

Our customer centric aims are:-

- That staff in customer service centres should be able to resolve customer service enquiries where possible, not simply sign-post
- To reduce phone contact, but for those that need or want to talk to a person on the phone it should be simple
- To improve access to customer data which increases our understanding of the customer whilst being able to plan and effectively resource customer services.
- Understanding of all customer activity within a new customer services function will tell us what digital channels people are using, when they are using them, and how we are responding to that demand.
- An improved Customer Services function being the front door to the Council and the new website being the primary channel.

The Council will not go back to business as usual for face to face services as the pandemic restrictions ease, presenting an opportunity to change and improve, ensuring the customer centric aims are most effectively delivered.

Intended benefits of the creation of a new Customer Services function are:-

- Improved customer service - driven by customer needs.
- Consistent and measurable services.
- Greater satisfaction - less complaints.
- Reduced duplication in single access points.
- Efficiencies through digitisation of transactional services - channel shift and systems integration
- Focus of specialist resources to customers with more complex needs.
- Corporate business intelligence drives continuous improvement.

The new Service manager-Customer Services post has been created to lead the new function. The new role will:-

- Work collaboratively with service areas to transform the customer experience and re-design services around the customer.
- Lead the vision for customer service excellence across the Council - making it easy for customers to access services through all channels, encouraging and supporting self-service.
- Manage Customer Service Advisors in the new corporate customer service function creating an environment that is truly customer first.

- Report on all channels and performance, driving channel shift and improved customer experience, having corporate management and analysis of customer data to support services in service redesign
- Own the customer complaints process
- Manage the transition of new digital services into our operations – being the delivery element of transformational ‘design, build, RUN’

Recruitment to the new role will commence in September, 2020. The role will be responsible for building a core team of specialist, skilled Customer and Digital Advisers, being, as far as possible, a single point of contact for the Council.

## **5. Future Digital Transformation Developments**

- Improvements to revenues and benefits online forms which will improve the customer experience as a result of the form being more intuitive to responses, pointing the applicant to only relevant sections of the form, whilst also enabling it to be easier for the applicant to submit evidence online with their application.
- Development of a new online Customer Hub will make it easier for customers to find information and safely interact with the Council, incorporating new intuitive, user-friendly self-serve features such as reporting missed bins. The customer will be able to self-serve 24/7 at a time most suitable to them, and be able to view updates of their requests or engagement with the Council.
- Improvements to the planning portal and solution will enable customers to submit applications digitally.
- A move to hosted telephony will improve the resilience of the Council’s telephone service whilst also enabling staff to make and answer calls from any work location, thereby improving customer access services.
- The new website content will continually be reviewed to align to customer demands, by prioritising the most common tasks and focussing on what the customer is seeking to do, thereby enabling customers to find what they are looking for more easily.
- Developing our data architecture to enable a single view of the customer, improving the customer experience when they interact with the Council.

## **Implications**

### **Corporate Plan:**

We are committed to putting customers at the heart of all we do, delivering high quality customer services across all functions to all local residents and businesses, across all access channels. This is reflected in our drive to provide responsive, high quality and continually improving standards of customer service, informed by customer engagement.

The Council’s Corporate Plan sets out a number of core values with the aim of making a real difference to people’s lives. Our intended digital transformation programme aligns with all of the new corporate values.

### **Legal:**

There are no significant legal issues associated with the recommendations contained in this report. Legal issues will be identified in relation to each specific aspect of the programme and appropriate



advice will be given on an ongoing basis throughout the life of the programme. Any new systems or processes will need to be GDPR compliant.

**Finance:**

Budget Area	Implication
General Fund – Revenue Budget	There are no direct financial implications as a consequence of this report. Full Council in April 2020 approved £400,000 to be set aside for supporting resource and technical costs of the digital transformation programme. Actual spend is determined and approved on a case by case basis through appropriate level of decision, with general fund and HRA implications more specifically determined.
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

**Risk:**

Risk	Mitigation
Inability to meet customer needs and expectations. Customers are attempting to be more digital however we are not set up to respond.	Move towards customer centric ‘digital first’ approaches which provide convenient and accessible services in order to match customer expectations
Outdated technology landscape. Significant additional costs to replace out of date systems, in an ad-hoc, silo-based manner.	Joined-up transformation which is focussed on the customer, delivering value for money, and enabling a slimmer more efficient and productive organisation.

**Human Resources:**

We recognise that the digital and service transformation programme, along with required response to the COVID pandemic, has already resulted in new ways of working and the initial development of new skills for our employees. The change required will continue to be organic as we continually change the way we do things, our focus will be on making sure we have ‘the right tools for the right people at the right time’, both in respect of electronic devices but also timely and accurate information to enable people to work effectively.

Services impacted by the transformation programme and developing customer centric changes, will be involved in the review of the organisational model and specific service re-design. All reviews undertaken will be in line with Council policies and procedures.

Our aim is to facilitate more effective engagement across the workplace providing the opportunity for employees to become ambassadors of the digital transformation journey. We are currently refreshing our digital champion cross organisational working group, in alignment with the rollout of Office 365. We have continued to support our employees through the change, providing opportunity for upskilling, as we recognise that not all employees will find it an easy process.

**Environmental/Sustainability**

Digital transformation will have a positive impact on the environmental sustainability of the Council’s own operations and that of our customers, supporting sustained agile working across the organisation, which is already resulting in a substantial reduction in business mileage.

**Equalities:**

The intention of the Digital and Service Transformation programme is to enable the ability for the organisation to have an enhanced understanding and awareness of customer needs including those within the Protected Characteristics such as disability and age.

Our focus will also be to support our most vulnerable customers, particularly those for where digital channel shift may be difficult given individual circumstances, for example with low levels of literacy or digital skills.

Each individual element or project within the overarching programme considers a full detailed equalities impact assessment as part of service re-design in order to fully consider potential negative impacts and how we can mitigate or remove these. e.g. if we remove channel options such as face to face-consider how this would impact on vulnerable tenants.

Our new website will also be tested and accredited to website accessibility standards.

**Other Implications:**

*(if applicable)*

**Reason(s) for Urgency**

*(if applicable)*

**Reason(s) for Exemption**

*(if applicable)*

**Background Papers**

*(if applicable)*

**Report Author and Contact Officer**

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<b>Report To:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>15 September 2020</b>
<b>Heading:</b>	<b>BIG ASHFIELD SPRING CLEAN 2020 PERFORMANCE REPORT</b>		
<b>Portfolio Holder:</b>	<b>CLLR DAVID MARTIN, PORTFOLIO HOLDER FOR STREETS, PARKS AND TOWN CENTRES</b>		
<b>Ward/s:</b>	<b>ALL WARDS</b>		
<b>Key Decision:</b>	<b>No</b>		
<b>Subject to Call-In:</b>	<b>No</b>		

## **Purpose of Report**

To update Cabinet of the success of the Big Ashfield Spring Clean, Bag it and Skip into Summer campaigns 2020.

## **Recommendation(s)**

Cabinet to note the report detailing performance of the Big Ashfield Spring Clean, Bag it and Skip into Summer campaigns 2020.

## **Reasons for Recommendation(s)**

The Council delivered its first Big Ashfield Spring Clean in 2018; and due to the success of the campaign, which was well received by residents, an annual campaign was included in the refreshed Corporate Plan.

Lessons learned from the first two campaigns enabled a new and refreshed approach which continued the collections of additional waste from all properties in Ashfield, and a supplementary free bulky waste collection service for the duration of the campaign.

Community action and targeted enforcement underpinned the campaign to drive forward plans to create sustainable change in the way waste is managed in Ashfield. This report sets out the successes of the campaign.

## **Alternative Options Considered**

Not to run a Big Ashfield Spring Clean campaign and to revert to normal service delivery. The campaign has achieved high levels of participation by the public and is universally popular. Not recommended.

To revert to the original Big Ashfield Spring Clean approach which utilises static skips. This provided less capacity than subsequent campaigns and was not popular with the public. Not recommended.

## Detailed Information

### Waste Collection approach

The Big Ashfield Spring Clean 2020 commenced on Monday 10<sup>th</sup> February with collections of additional waste presented next to red lidded wheeled bins in Sutton until Friday 14<sup>th</sup> February.

The official launch event took place on Garden Lane, Sutton in Ashfield; a well turned out event, attended by cabinet members, community groups and the local news media. This launch event included a litter pick around the area and collection of some presented waste alongside the bin crews.

To enable fairness across the district, the running order has been changed year on year. This year the campaign in Hucknall took place in the second week; Monday 17<sup>th</sup> February, with collections of bagged general waste alongside residents' usual recycling collection.

The Hucknall launch event took place on Broomhill Road, led by ward Councillors and community groups a community litter pick took place in the area.

The final week of the campaign took place in Kirkby on Monday 24<sup>th</sup> February with residents placing additional waste with their red lidded bin until Friday 28<sup>th</sup> February. This week the UK was hit by two significant adverse weather events. Storms Ciara and Dennis prevented the Council from being able to safely carry out a launch event.

To enhance the campaign and provide even more flexibility to residents, a free bulky waste collection service, of up to three items per property, took place from Monday 10<sup>th</sup> February until Friday 28<sup>th</sup> February. Usually a chargeable service, bulky waste collections are collections of large items such as furniture or white goods.

This element of the campaign enabled residents from 4376 properties to get 9561 items free of charge. This is a 32% increase from the previous year.

### Performance data

In the 2018 Big Ashfield Spring Clean campaign, 82.52 tonnes of waste was collected from static skips and flying skips, with 867 bulky waste collections made to residents.

The 2019 campaign saw a total of 302.38 tonnes of waste collected which is a huge 219.86 more tonnes and 2,378 more bulky waste collections than the previous campaign.

The 2020 campaign saw a total of 249.1 additional tonnes of waste collected; whilst this is a reduction of 53.28 tonnes on the previous campaign, the bulky waste collection scheme increased by 32%, demonstrating a shift in popularity for the large doorstep collection.

The Council's bulky waste collection has significantly improved throughout the campaigns, with target times of 8 weeks for collections to take place in the original campaign being reduced to 5 weeks for the 2020 campaign. This 37.5% improvement in end to end collection times, alongside a significant increase in demand by 32%, was made possible due to the implementation of digital platforms in Waste Services as part of the Council's Digital Transformation Programme.

The campaigns have enabled the service to observe changes in waste management behaviours across the district; this is demonstrated by the performance statistics. Data shows that Ashfield residents are making more use of bulky waste service, which enables them to dispose of large furniture items, than the kerbside bagged waste collections. This means residents are producing less general waste at the kerbside during the campaign weeks.

**A detailed area breakdown in table 1 shows the following information:**

**Table 1 – Additional Tonnes Collected during Campaign**

<b>Campaign Tonnes Collected</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>
82.52	302.38	249.1

Modelling from the data currently available, it is forecast that the 2021 campaign will likely generate around 258 tonnes.

### Community Action

This year Councils and community groups have faced unprecedented challenges through the Coronavirus pandemic. Community groups in Ashfield have come together and collaborated with the Council to provide support to shielding and vulnerable people. Alongside this, community groups have continued to care for their environment by supporting Cleaner and Greener campaigns with litter picks, community clean ups and ongoing environmental maintenance.

In spite of challenges around Coronavirus, adverse weather conditions with two significant storm events (Ciara and Dennis), the community rose to the challenge and delivered more events than ever before during the campaign weeks and beyond with 16 whole community clean up events which included residents, community groups, businesses and elected members.

Workshops, led by the Council, took place in three schools across the District to provide education on littering, fly tipping and the subsequent impacts on the local and wider environment. Multiple litter picks took place across the District with 51 adults and 30 children participating.

This variety of events gained coverage from the Mansfield and Ashfield Chad as well as Nottinghamshire Live to help boost the overall reach of the Spring Clean and its offerings.

ADC was able to establish internal collaborations between:

- Community Engagement.
- Community Safety.
- Corporate Communications.
- Customer Services.
- Waste Crews.
- Environment Crews.
- Place and Wellbeing.
- Assistance from Elected Members.

External partnerships that also collaborated with ADC included:

- Ashfield Unison Branch
- I'm PHAB/Tin Hat
- McDonalds Sutton
- Notts Fire and Rescue

- Papplewick Green/Teversal volunteers and other registered volunteers
- Tuntum Housing
- Watnall Road Baptist Church
- Everyone Active
- Global Brands
- Kirkby Rotary
- McDonalds and Rolls Royce Hucknall
- Mansfield Building Society
- New Life Ministry in Christ Church

To support sustained improvement in environmental quality, Community Protection Officers (CPO)'s engaged with 753 residents during these events (150 in Sutton, 250 Hucknall and 353 in Kirkby); and engaged with to 120 residents in regards to littering and dog fouling. The CPO team also assisted in organising free bulky waste collections from businesses and residential properties across the district.

### Bag It! and Skip into Summer Campaigns

The Coronavirus pandemic presented many challenges for residents, who had to adapt to home schooling and working from home in many cases. The Council recognised that this could lead to additional waste being generated.

Throughout lockdown, Ashfield District Council were the only council in the County to continue to provide a full uninterrupted waste collection service; however, the pandemic did impact the operations of the household waste recycling centres. To provide additional support to residents the Council delivered two further campaigns.

The '**Bag it!**' campaign enabled residents to place additional bagged waste out with their red lidded bins between 18<sup>th</sup> May and 1<sup>st</sup> June during lockdown. This campaign collected 388 tonnes of waste.

In July the Council launched its '**Skip into Summer!**' campaign on 25<sup>th</sup> July; this campaign provided additional support to residents as lock down measures eased and household waste recycling centres began to open up in other parts of Nottinghamshire.

Using the 'flying skip' bin lorry method that supported previous Big Ashfield Spring Clean campaigns, 'Skip into Summer!' provided capacity at various points across the district for residents to dispose of bagged waste or small bulky items.

Stopping at 80 locations over a five week period, the campaign enabled residents to dispose of a total of **154 tonnes** of waste.

Waste campaigns in Ashfield have enabled residents to dispose of additional waste generate prior to, and through the Coronavirus pandemic. The tailored approach to delivery of campaigns has enabled participation from residents in all demographics and in particular, those who do not have the ability to take their waste to recycling centres due to low or no access to car transportation.

**The three combined campaigns collected a total of 791.1 tonnes of waste** at a time when access to waste disposal points were limited due to the pandemic. The following chart, fig 1, shows the breakdown of tonnages collected in the 2020 campaigns:

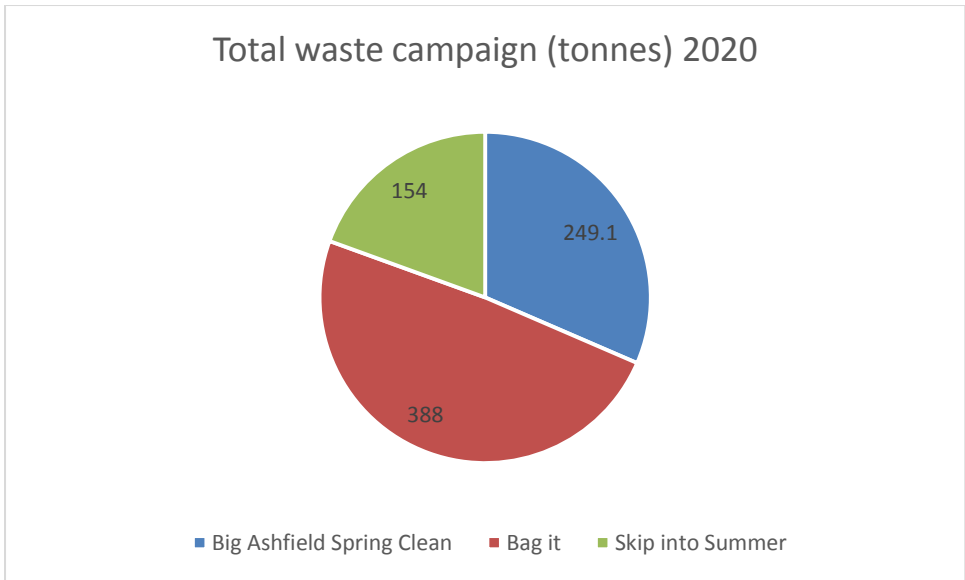


Fig 1, total 2020 campaign tonnage

**Future campaigns**

The Council has committed to deliver One Big Ashfield Spring Clean initiative annually. Next year’s Spring Clean will take place in February. Following the success of the 2020 Spring Clean, which was accessed by more residents than ever before, the 2021 campaign will follow a similar format. Residents will be able to dispose of bagged waste alongside their designated collection and free bulky waste collections for up to three items per property will be provided during the three weeks of the campaign.

The other waste campaigns delivered in 2020 were largely in response to the pandemic and also formed as part of legacy campaigns following on from the Spring Clean. The effectiveness of these campaigns will be reviewed before making a decision on whether they should return in forthcoming years.

**Implications**

**Corporate Plan:**

The Big Ashfield Spring Clean has proved to be an effective way of helping residents dispose of their additional waste and engage in supporting the clean-up effort in their communities. It has enabled businesses to participate in civic events and promoted good environmental behaviours. This along with tackling environmental crime has been established as an ongoing priority in the Council’s Corporate Plan in the Cleaner, Safer, Greener theme.

**Legal:**

There are no legal issues identified in the report.

**Finance:**

Budget Area	Implication
General Fund – Revenue Budget	Cost of the Spring Clean and other campaigns are met from within approved budget.
General Fund – Capital Programme	N/A
Housing Revenue Account – Revenue Budget	N/A

Housing Revenue Account – Capital Programme	N/A
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**Risk:**

Risk	Mitigation
Risk of being unable to carry out collections due to vehicle breakdown	Hire vehicle options prepared but not needed
Risk of no community engagement with the scheme	Community action officers contacted community groups to energise engagement
Risk of unofficial waste disposal points being created in the District in anticipation of flying skips	Communications plan released in stages to manage messages

**Human Resources:**

There are no implications for this report.

**Equalities:**

There are no implications for this report.

**Other Implications:**

A media statement will be made following approval of this report and will form the basis of future press and social media campaigns.

**Reason(s) for Urgency**

*n/a*

**Reason(s) for Exemption**

*n/a*

**Background Papers**

**BIG ASHFIELD SPRING CLEAN 2020 DETAILED PERFORMANCE REPORT**

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