

**ASHFIELD DISTRICT COUNCIL**



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

## Agenda

### Cabinet

Date: **Tuesday, 23rd March, 2021**

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Time: **9.00 am**

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

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For any further information please contact:

**Lynn Cain**

[l.cain@ashfield.gov.uk](mailto:l.cain@ashfield.gov.uk)

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**

This meeting may be subject to filming or audio recording. If you have any queries regarding this, please contact Members' Services on 01623 457317.

## **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 23 February 2021. 5 - 10
4. Policy on Employing Reservists. 11 - 22  
**Non-Key Decision**  
  
Portfolio Holder  
Councillor Jason Zadrozny – Leader of the Council
5. **2020/21 Forecast Outturn for the General Fund, Housing Revenue Account (HRA) and Capital Programme as at January 2021.** 23 - 38  
**Key Decision**  
  
Portfolio Holder  
Councillor Rachel Madden – Portfolio Holder for Finance
6. **Leisure Transformation Programme.** 39 - 42  
**Non-Key Decision**  
  
Portfolio Holder  
Councillor Kier Barsby – Portfolio Holder for Health and Wellbeing
7. **Community Facilities Investment.** 43 - 48  
**Non-Key Decision**  
  
Portfolio Holder  
Councillor David Martin – Portfolio Holder for Streets, Parks and Town Centres



## CABINET

### Virtual Meeting held on Tuesday, 23rd February, 2021 at 1.00 pm

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

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

**Apology for Absence:** Carol Cooper-Smith.

**Officers Present:** Craig Bonar, Lynn Cain, Ruth Dennis,  
Joanne Froggatt, Katherine Green,  
Theresa Hodgkinson, Peter Hudson, Mike Joy,  
Paul Parkinson and Shane Wright.

**In Attendance:** Councillor Lee Waters.

#### **CA.61 Declarations of Disclosable Pecuniary or Personal Interests and Non Disclosable Pecuniary/Other Interests**

All Members and officers present at the meeting declared a general Non Pecuniary/Other Interest in respect of items related to the setting of the Council Tax for 2021/2022.

#### **CA.62 Minutes**

RESOLVED

that the minutes of the meeting of the Cabinet held on 26 January 2021 be received and approved as a correct record.

#### **CA.63 Annual Budget and Council Tax 2021/22 and Medium Term Financial Strategy (MTFS) Update**

Cabinet were presented with the Council's Annual Budget, the Council Tax proposals for 2021/22 and a Medium Term Financial Strategy (MTFS) update.

Members considered the alternative option of applying an inflationary increase to mitigate against the estimated funding gap in future years, but recognised the severe adverse impact the Coronavirus pandemic has had on many residents and the need and desire of the Council to be as supportive to residents as possible.

## RESOLVED

that Council be recommended to approve the following:

- a) a freeze (no increase) in the level of the District's own Council Tax for 2021/22, setting the Band D equivalent at £190.46, the same as in 2020/21;
- b) the proposed 2021/22 Revenue (General Fund) and HRA Budgets as set out in the report (Sections 3 and 4);
- c) the proposed Capital Programme and associated borrowing 2020/21 to 2024/25 as set out in the report (Section 5 and Appendix 1);
- d) the 2020/21 Revised HRA and Capital Budgets as set out in this report (Sections 4 and 5);
- e) the precept figures from Nottinghamshire County Council, Nottinghamshire Fire and Rescue Authority, Police and Crime Commissioner and the two Parish Council's within the District be incorporated, when known, into the Council Tax recommendation to Council on 4 March 2021;
- f) to note the estimated financial challenge in the Medium Term Financial Strategy (MTFS) for 2022/2023 to 2025/26 and the planned approach to address the challenge (Section 6);
- g) to bring a detailed, refreshed Medium Term Financial Strategy back to Cabinet after the 2020/21 Accounts have been closed and audited and the 3 year Spending Round figures are confirmed;
- h) the proposed use of reserves as set out in the report (Table 5 (General Fund) and Table 9 (HRA)), and the proposed changes to reserves as set out in Section 3.8;
- i) to note and accept the comments and advice of the Corporate Finance Manager (Section 151 Officer), provided in compliance with Section 25 of the Local Government Act 2003, as to the robustness of the estimates included in the 2021/22 Budget and the adequacy of the reserves for which this budget provides. (Section 7);
- j) to note that the proposed 2021/22 budgets reflect the agreed changes to Fees and Charges approved by Cabinet on 26 January 2021;
- k) the use of in-year Capital Receipts up to 2021/22 to maximise capitalisation opportunities arising from service transformation to deliver efficiencies and improved services to residents and clients, and thereby minimise the impact of costs on the revenue budget as included in the Flexible Use of Capital Receipts Strategy 2018/19 approved by Council on 11 October 2018.

### Reason:

To recommend to Council approval of a freeze (no increase) in the District Council's Council Tax for a Band D equivalent property, approval of the HRA and Capital Budget Revisions for 2020/21 and approval of the proposed

2021/22 Revenue and HRA Budgets and the Capital Programme 2020/21 to 2024/25. In accordance with the Local Government Finance Act 1992 the Council must set its annual budget by 10th March in the preceding financial year.

#### **CA.64 Capital Strategy**

Cabinet considered the Council's proposed Capital Strategy prepared in accordance with the Chartered Institute Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities.

As it is a requirement of the CIPFA Prudential Code for all Local Authorities to have a Capital Strategy and a requirement of MHCLG Statutory Guidance on Local Government Investments to have an Investment Strategy covering non treasury management investments, Members did not have any alternative options to consider.

RESOLVED that

- a) the content of the Capital Strategy (CS) for 2021/22 including Annexes 1 to 3, as appended to the report, be received and noted;
- b) Council be recommended to approve the following:-
  - Capital Strategy
  - Commercial Property Investment Strategy
  - Commercial Property Indicators.

Reasons:

1. It is a requirement of the CIPFA Prudential Code for all Local Authorities to have a Capital Strategy approved by Council.
2. MHCLG Statutory Guidance on Local Government Investments require that the Council has an Investment Strategy that covers non-treasury management investments and includes quantitative indicators approved by Full Council.

#### **CA.65 Treasury Management Strategy (TMS)**

Members were requested to consider the Council's Treasury Management Strategy for the financial year 2021/22 comprising the following:-

Treasury Management Policy  
Treasury Management Strategy Statement (TMSS)  
Borrowing Strategy  
Annual Investment Strategy  
Minimum Revenue Provision Policy  
Prudential Indicators and Treasury Management Indicators  
Treasury Management Practices: Risk Management.

As it is a requirement of the CIPFA Treasury Management Code for all Local Authorities to have a Treasury Management Strategy (TMS) and a requirement of MHCLG Statutory Guidance on Local Government Investments to have an Investment Strategy, Members had no alternative options to consider.

RESOLVED that

- a) the content of the Treasury Management Strategy (TMS) for 2021/22, be received and noted;
- b) Council be recommended to approve the Treasury Management Policy Statement incorporating the following:
  - Treasury Management Strategy Statement (TMSS)
  - Borrowing Strategy
  - Annual Investment Strategy
  - Minimum Revenue Provision (MRP) Policy
  - Prudential Indicators and Treasury Management Indicators
  - Treasury Management Practices: Risk Management.

Reason:

In accordance with Financial Regulation C.31, the Audit Committee is responsible for providing effective scrutiny of the Treasury Management Strategy and policies and recommending approval to Cabinet and Council.

#### **CA.66 Corporate Risk Update**

Cabinet were requested to review the Corporate Risk Register and the analysis of movement in risk and mitigating actions including consideration and approval of the updated Corporate Risk Strategy and new Risk Appetite Framework.

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

RESOLVED that

- a) the current significant items on the Register and any immediate actions deemed necessary to mitigate against those risks, be received and noted;
- b) the updated Corporate Risk Strategy and new Risk Appetite Framework, as appended to the report, be approved.

Reasons:

1. To prioritise and manage the mitigation of Risk in order that the Council can achieve its objectives.
2. Updates have been made to the Corporate Risk Strategy 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 also highlighted as an improvement action in the Annual Governance Statement.



3. Updates have also been made to the Corporate Risk Strategy to incorporate new approaches to understanding risk appetite, as defined in the new Corporate Risk Appetite Framework. The Corporate Risk Strategy has recently been reviewed following the outcome of audit recommendations summarised within the report.
4. On 1 February 2021, Audit Committee endorsed the revisions to the Corporate Risk Strategy and new Risk Appetite Framework, prior to presentation to Cabinet for approval.

The meeting closed at 2.18 pm

Chairman.

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<b>Report To:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>23 March 2021</b>
<b>Heading:</b>	<b>POLICY ON EMPLOYING RESERVISTS</b>		
<b>Portfolio Holder:</b>	<b>LEADER, CLLR JASON ZADROZNY</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**

The purpose of this Cabinet Report is to present a new ADC policy about Employing Reservists, which outlines the Council's commitment to support for the Armed Forces and employment.

## **Recommendation(s)**

**That Cabinet confirms its support for the new Policy on Employing Reservists.**

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

There has been no previous policy in place at Ashfield District Council. This new Policy therefore demonstrates the Council's commitment that those employees who serve in the armed forces as reservists, are afforded the protection of specific HR policies.

## **Alternative Options Considered**

*(with reasons why not adopted)*

Not to adopt a new Policy about Employing Reservists. Ashfield District Council is a strong supporter of the UK's armed forces and is also fully supportive of any employees who are (or who wish to be) members of the Reserve Forces. **Not recommended**

## **Detailed Information**

There is no current policy in place. This new policy (attached) has been developed with the involvement of the Leadership, Management and the Trade Unions at ADC and ensures that ADC is meeting the criteria for the Armed Forces Employer Recognition Scheme. It has been drafted in line with Employment legislation, ACAS and Armed Forces guidance.

Although the governance route for this new Policy is approval through an Officer Decision Record, Cabinet is asked to confirm its support.

The Policy attached covers rights and responsibilities of both employees and the Council. For example, the Council has an obligation to provide support for training events, mobilisation and benefits accrued during mobilisation and return to work following deployment. The employee has an obligation to provide ADC with notification of their status as reservist.

ADC has pledged its commitment to the Armed Forces Covenant, has designated a lead Member for the Armed Forces and is a forces friendly Council.

### **Implications**

#### **Corporate Plan:**

Fully supports the objective of Future Workforce and Employer of Choice: valuing people, developing our people and transforming our organisation.

#### **Legal:**

There are no direct legal implications arising from this report

#### **Finance:**

There are no direct financial implications arising from this report.

<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>
Risk of mobilisation and loss of key staff.	Staff who are reservists are encouraged to notify their employer in order that plans can be made for staff coverage in the event of the employee being called up.

#### **Human Resources:**

The Policy has been authored by HR, in consultation with the Trade Unions.

**Environmental/Sustainability**

No implications

**Equalities:**

Provides full HR support for employees who are reservists.

**Other Implications:**

A press release will be issued through Comms.

**Reason(s) for Urgency**

N/A

**Reason(s) for Exemption**

N/A

**Background Papers**

Appendix: Employing Reservists' Policy

**Report Author and Contact Officer**

**Carol Cooper-Smith**

**Chief Executive**

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# **Employing Reservists Policy**

**January 2021**

# Employing Reservists Policy

## 1. Introduction

- 1.1 The Council is fully supportive of employees who are members of, or who wish to join, the Reserve Forces (RF) and recognises the knowledge, skills and experience this can bring to the workplace.
- 1.2 As an Organisation, the Council is proud to support defence and the armed forces community, and have aligned our values with the Armed Forces Covenant.

## 2. Purpose

- 2.1 The purpose of this policy is to outline the support available to employees who are members of RF. In addition, the policy outlines the processes to be followed in circumstances where RF members are called into a period of prolonged service within the Regular Forces in support of military operations.
- 2.2 Furthermore this policy also demonstrates our commitment to those who serve, have served, and their families by proactively demonstrating our commitment to the Armed Forces Covenant by ensuring that members of the armed forces community should face no disadvantage compared to other citizens.

## 3. Scope

- 3.1 The policy applies to all employees of the Council covered by the terms of the National Joint Council for Local Government Services; employees covered by the Craft agreement and employees covered by the Joint Negotiating Committees for Chief Officers and Chief Executives. This includes full-time, part-time and temporary employees who are members of the RF.
- 3.2 In line with the Reserve Forces Act 1996, a RF member who has been offered and has accepted a post with the Council, but has yet to start the post, will be regarded as an employee for the purposes of this policy.

## 4. What is a Reservist?

- 4.1 There are two main types of Reservist:
  - Volunteer Reservists - civilians recruited into the Royal Naval Reserves, Royal Marines Reserves, Army Reserve and Royal Auxiliary Air Force.
  - Regular Reservists - ex-regular servicemen/servicewomen who may retain a liability to be mobilised depending on how long they have served in the Armed Forces.
- 4.2 Reservists are civilians from a wide range of business and industries and their collective skills are used to reinforce the regular armed forces. They may therefore be called upon during times of increased operational demands.



4.3 High Readiness Reservists (HRRs) have specific skills which the Armed Forces may occasionally need but at short notice and may be required to serve for up to 12 months on call out. The High Readiness Reserve (HRR) is made up of special Volunteer Reservists who should be available to report for service at a minimum of 7 days' notice however, for a major disaster or emerging crisis there is no minimum notice. Any employees who are Reservists and work for more than 2 days per week require written consent from the Council before they can hold HRR status. It is the employee's responsibility to notify the Council if they are applying to hold HRR status.

## **5. Notification of Reservists**

5.1 Anyone who joins the RF will provide the Ministry of Defence (MoD) with their permission to contact their employer directly. However, employees are encouraged to notify their manager when they initially join, or re-new their commitment to, the RF.

## **6. Supporting training**

6.1 All members of the RF undergo rigorous training to develop key skills and Reservists are typically committed to 35 to 40 days training per year. Training tends to take place over 1 evening per week and over various weekends throughout the year. Reservists also complete an annual training period, which is usually known as the 'annual camp' which is a 15 day period.

6.2 Three months before the start of the Reservists training year, employees should be aware of key training events that they are expected to attend and should inform their manager.

6.3 The Council grants up to a 10 working days (in any leave year, pro rata for part time employees) paid leave of absence for employees who are serving members of RF to attend training. Employees must discuss this with their manager as soon as possible once they have been notified of the date of the camp to ensure that their absence can be covered and to ensure no adverse effects on service delivery.

6.4 A signed Certificate of Attendance from the Unit Commanding Officer on return following the period of absence should be forwarded to Human Resources. Failure of the employee to provide this will result in payment for the absence not being made.

## **7. Mobilisation**

7.1 Mobilisation occurs when a Reservist is called up into full time military service on military operations. The maximum period of mobilisation will depend on the scale and nature of the operation and is typically no less than 3 months and no longer than 12 months. Reservists will be sent a 'call-out notice' if they're needed for full-time service.

7.2 The mobilisation papers are either sent by post to the Council by the Reservist's unit, or may be delivered in person by the employee to their manager. Wherever possible, the Ministry of Defence (MoD) aims to provide at least 28 days' notice of the date the employee is required to report for mobilisation, although there is no statutory requirement for notice to be provided and in certain emergency situations the MoD may give less notice. As a result, if an employee receives mobilisation papers they are

responsible for notifying their manager immediately and provide them with the pack of information from the MoD, which includes the date and anticipated duration of the mobilisation.

- 7.3 On receipt of these papers, the manager is required to forward them to Human Resources, confirming whether they support the mobilisation or that they wish to apply for an exemption or deferral of mobilisation for the employee (see section 7.4). Where mobilisation is supported, the line manager will write to the employee to confirm the details of benefits and salary during mobilisation using the template letter. A copy of this letter to be sent to HR and retained on their personal file.
- 7.4 The Council can apply for an exemption from, or deferral of, mobilisation but this will only be agreed in exceptional circumstances where it would cause the business obvious and significant harm. The regulations outline that for an exemption to be considered the Council needs to demonstrate one of the following:-
- Serious loss of sales, markets, reputation, goodwill or other financial harm
  - The serious impairment of the employer's ability to produce goods or provide services
  - Demonstrable harm to research and development of new products, services or processes, provided that the harm could not have been prevented by the employer being given financial assistance under the mobilisation regulations (refer to section 10 for more information on financial assistance)
- 7.5 Applications for exemption need to be made within 7 days of the Reservist being served with mobilisation papers, therefore if a manager feels that they want to apply for exemption from mobilisation they should seek further advice from Human Resources immediately.
- 7.6 On receiving notification of mobilisation, the line manager will meet with the employee to ensure all relevant paperwork is completed in accordance with the advice in the MoD call-out pack, a copy of the completed paperwork will also be checked by a member of the HR team. The line manager will also discuss any handover of work with the Reservist and arrangements for keeping in touch during the mobilisation period.

## **8. Benefits during mobilisation**

### **Salary**

- 8.1 The Council does not continue to pay an employee when they are mobilised, they will instead be classed as on unpaid leave. However, the Council can claim costs to minimise any disruption caused by the mobilisation of an employee, please refer to section 10 for more information on financial assistance.

### **Pension Scheme**

- 8.2 Employees who are mobilised are entitled to remain a member of the pension scheme. Providing that the employee continues to pay their contributions towards the scheme, the MoD will pay the employer contributions the Council would have made. It is the responsibility of the employee to notify the Payroll team whether or not they wish to pay pension contributions to cover their period of mobilisation before it commences by completing a Pension Contributions Options Forms (RESERV 1 Form). If an

employee wishes to pay pension contributions following a period of mobilisation, they should then complete a Pension Contributions Repayment Form (RESERV 2 form) within 30 days of their return to work. All forms are available on the intranet

### **Annual Leave**

- 8.3 Employees should ensure that, wherever possible, they take any annual leave they have accrued prior to commencing their period of mobilisation if they expect that they will not return within the leave year. Reservists will not accrue annual leave or bank holiday entitlements during the mobilisation. Reservists accrue annual leave with the MoD whilst they are in full time service. When they demobilise, Reservists are entitled to a period of post-operational leave (POL). During this period they will continue to be paid by the MoD.

Upon returning to work the Council annual leave accrual will restart. This annual leave should be taken before the end of the holiday year in which the employee returns from mobilisation. Where the employee has not been able to take the holidays within the current leave year they may be carried over at the discretion of the Director and will be required to be used within the new leave year of returning to work from mobilisation.

### **Continuous Service**

- 8.4 Employees will continue to accrue continuous service, regardless of the duration of the mobilisation.

### **Essential Car User Allowance**

- 8.5 If the employee is designated as an essential car user the payment will cease whilst the employee is deployed.

## **9. Returning to work following mobilisation**

### **Dismissal/Redundancy**

- 9.1 A Reservist's employment cannot be terminated on the grounds of their military duties or their liability to be mobilised. To do so would be a criminal offence under s.17 of The Reserve Forces (Safeguarding of Employment) Act 1985.
- 9.2 Reservists can be included in the redundancy pool if this is necessary due to a downturn in business or closure of a service. However, all employees should be treated consistently, and redundancy criteria should not discriminate against Reservists on the grounds of their Reserve service or call-up liability.
- 9.3 However, the Council has a legal obligation to reinstate an employee following a period of mobilisation into the same post in which they were last employed or if this is not practically possible (for instance due to restructuring) into a mutually acceptable alternative post on terms and conditions no less favourable to them than previously.
- 9.4 When dealing with potential redundancy situations, managers need to ensure that all employees, including those who may be absent from work due to mobilisation, are where possible consulted and kept informed and every appropriate effort should be made to contact absent employees to make them aware of the procedure. Preferred

contact methods must be arranged by mutual agreement before the employee is deployed.

### **Return to Work**

- 9.5 Following their period of active duty, Reservists are entitled to a period of leave (funded by the MoD) of up to one month. During this period, the employee is responsible for contacting their manager to agree a date for their return to work. If a Reservist wishes to return to work before the end of their leave and their line manager/head of service is in agreement, they must get permission from either their commanding officer or the demobilisation centre.
- 9.6 To exercise the right to be reinstated, the reservist must write to the Council no later than the third Monday after demobilisation confirming their intention to return to work within 6 weeks. A return to work date will be mutually agreed with the Service Manager within 6 weeks of their last day of full-time service as a Reservist, whereby this is not possible a Service Manager may extend this period up to 13 weeks. The initial 13-week period may be renewed for a further 13 weeks if circumstances such as illness or injury prevent the reservist's return during the initial period. However, the reservist forfeits their right to return to work with the Authority if they fail to do so within 26 weeks of demobilisation.
- 9.7 On receipt of the letter from the employee, the manager must make contact with them and arrange a start date and agree the post that they will be returning to.
- 9.8 Managers should also ensure that any essential training should be planned to take place as soon as possible after the employee returns to work. Where the job role or duties have changed during mobilisation (or the employee has been reinstated to an alternative post) a period of skills training and support may be required in order to assist the employee with any new or amended aspects of their role.
- 9.9 Due to injuries they have sustained during mobilisation, some employees may require support or reasonable adjustments to enable them to return to their post. Any required medical assessments to determine what support mechanisms may be required will be completed through the usual Council procedures and as detailed in the Attendance Management Policy.

## **10. Financial assistance from the Ministry of Defence**

- 10.1 The Council can claim financial assistance to cover the cost of replacing an employee who is mobilised over and above the salary that the employee would earn.
- 10.2 The costs that can be claimed include:-
- Overtime for using other employees to cover the work of the Reservist
  - Costs of hiring a temporary replacement
  - Agency fees if a recruitment agency or employment agency is used to find a temporary replacement
  - Advertising costs to place an advert to find a temporary replacement

- 10.3 In addition, the Council can claim costs associated with additional training the Reservist needs to carry out their duties properly on their return to work. In order to claim for this, the manager would need to demonstrate that the training required is as a result of the Reservist being mobilised. The MoD will not cover the cost of training that would have been completed anyway, regardless of whether or not the employee was mobilised.
- 10.4 Information on making a claim for costs are included in the mobilisation pack supplied by the MoD. Where managers wish to make a claim for financial assistance, they need to contact Human Resources.

## **11.0 Armed Forces Covenant**

- 11.1 The partnership with the Armed Forces Covenant supports employees in their role as a Reservist, helping them to balance their civilian work with being part of the armed forces. As an employer the Council is dedicated in assisting employees in maintaining this balance by signing the Covenant. In doing this the Council have assured specific measures to make it easier for employees to meet their reserve service commitments, such as offering extra paid leave to attend annual training.
- 11.2 Ashfield District Council has pledged our commitment to the Covenant and has an Armed Forces Champion. The role of a 'champion' includes making sure that the Local Authority achieves its commitments to the armed forces community.
- 11.3 The Armed Forces Covenant is an agreement between the armed forces community, the nation and the government. It encapsulates the moral obligation to those who serve, have served, their families and the bereaved, ensuring that members of the armed forces community should face no disadvantage compared to other citizens.
- 11.5 The Council is a forces friendly organisation and works with partner agencies including Career Transition Partnerships (CTP) who offer recruitment services and help find quality applicants for apprenticeships, full time and vocational work opportunities.
- 11.6 Our commitment to the Armed Forces Covenant recognises the unique challenges that come with being a family member of a serving person and actively work in partnership with Forces Family Jobs (FFJ). FFJ is the go-to place for training and employment for family members of currently serving UK military personnel. We support our armed forces community and want them to achieve their aspirations.

## **12.0 Additional information**

Policies and information which support this document are listed below and are all available on the intranet:-

- Leave Policy
- Recruitment and Selection
- RESERV 1 - Pension Contributions Option Form
- RESERV 2 - Pension Contributions Repayment Form



# Agenda Item 5



<b>Report To:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>23<sup>rd</sup> March 2021</b>
<b>Heading:</b>	<b>2020/21 Forecast Outturn for General Fund, Housing Revenue Account (HRA) and Capital Programme as at January 2021</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 January 2021 and forecast costs and income from 1 February 2021 to 31 March 2021.

## **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 approve the budget adjustments outlined in section 3.1, Table 3.

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

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

## **Alternative Options Considered**

None

## **Detailed Information**

- 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<sup>st</sup> January 2021. It sets out the 2020/21 net revenue forecast outturn position based on actual income and expenditure

to 31st January 2021 and forecast income and expenditure for the remainder of the year to 31 March 2021.

- 1.2 The current General Fund forecast is £576k underspend after a forecast £1.659m income is transferred to earmarked reserves, this represents a decrease in the underspend of £1.026m, since the previously reported underspend of £1.602m, which excluded any unbudgeted transfer to earmarked reserve. Details of the significant movement in 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>Previous Forecast Variance</b>	<b>Change</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Directorate</b>					
Chief Executive Officer	540	545	5	(11)	16
Legal and Governance	1,809	1,804	(5)	34	(39)
Resources and Business Transformation	762	(122)	(884)	1,031	(1,915)
Place and Communities	10,338	9,621	(717)	8	(725)
Housing and Assets	2,277	2,303	26	163	(137)
<b>Total Net Directorate Expenditure</b>	<b>15,726</b>	<b>14,151</b>	<b>(1,575)</b>	<b>1,225</b>	<b>(2,800)</b>
Net Recharges	(2,781)	(2,781)	0	0	0
Capital Financing	2,454	2,252	(202)	(202)	0
Net Interest Payable	216	25	(191)	(191)	0
<b>Net Revenue Expenditure</b>	<b>15,615</b>	<b>13,647</b>	<b>(1,968)</b>	<b>832</b>	<b>(2,800)</b>
<b>Funding</b>	<b>(15,213)</b>	<b>(15,856)</b>	<b>(643)</b>	<b>(2,434)</b>	<b>1,791</b>
<b>Net Revenue Expenditure before transfer to(from) earmarked reserve</b>	<b>402</b>	<b>(2,209)</b>	<b>(2,611)</b>	<b>(1,602)</b>	<b>(1,009)</b>
Transfer to(from) earmarked reserve	(376)	1,659	2,035	0	(2,035)
<b>Net Revenue Expenditure after transfer to(from) earmarked reserve</b>	<b>26</b>	<b>(550)</b>	<b>(576)</b>	<b>(1,602)</b>	<b>1,026</b>

Since the previous report as at 30 September 2020, the budget adjustments to recognise the Covid-19 income of £2.327m has been actioned. Revising the funding budget and creating expenditure budgets in the Directorates. This accounts for the significant change in the previous and current forecast, the change in net directorate expenditure excluding the impact of the increase in budget of £2.327m, is a £473k reduction in overspend.

1.3 Legal and Governance (£5k forecast underspend)

The main forecast variance in Legal and Governance are:

- Directorate wide salary costs - £54k forecast underspend due to vacant posts. This also includes an increase of £26k to the budget for the part-year impact of the Political Assistant post since previously reported.



- Legal Services - £41k forecast under achieved income due to reduced charges to MDC for shared legal services, as a result of reduced salaries costs.
- Democratic Services – £8k forecast overspend due to a planned upgrade to mod.gov. system software.

#### 1.4 Resources and Business Transformation (£884k forecast underspend)

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

- ICT – £25k forecast overspend on salaries due to the vacancy factor not being achievable and Honoria being paid. £4k forecast underspend on printing costs due to agile working. £3k of unbudgeted grant income
- Revenues and Benefits – £36k forecast underspend on salaries due to vacancies partially off-set by £22k forecast overspend in agency charges due to Covid-19, £25k underspend on postages and £3k underspend on car mileage as the visiting officer as doing less due to Covid-19 restrictions and £11k overspend on fees and charges. Net uncommitted new burdens grant monies of £132k.
- £138k overspend forecast on Housing Benefits due to reflecting the outcome of the 2019/20 final claim in the forecast for 2020/21 as previously reported.
- £289k forecast loss of income as Housing Benefits Overpayments invoices have reduced due to Covid-19, which means the overpayments are being collected through benefits rather than invoicing as previously reported. Although this appears as a budget pressure there is a corresponding receipt outside of budgeting arrangements to compensate for this.
- £18k increase in income for NNDR cost of collection allowance and £8k forecast underspend on court fees.
- Investment Properties – Forecast loss of income of £398k plus £132k forecast costs, associated with one tenant going onto administration and a new tenant and lease agreement being secured. £39k forecast costs for a re-gear on the Wishaw lease not previously reported. This is being partially off-set by £250k additional rental income for the new investment property purchased in year, this has been increased by £10k due to capitalising purchase costs previously netted off.
- 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 as previously reported.
- Commercial Development - £31k forecast underspend on salaries due to vacancy.
- Director - £5k forecast overspend on salaries as the vacancy factor will not be achieved.
- Finance - £35k forecast overspend on salaries due to the vacancy factor not being achieved, £3k forecast overspend on application software
- Corporate Support - £65k forecast underspend for the Customer Services Manager post and £20k underspend over a variety of codes involving DST.
- £1.392m unutilised Covid-19 provision - this is the net of the initial £2.327m expenditure budget to match the un-ringfenced Covid-19 grant received in year, the £62k grant received in 19/20 moved into 20/21, less the allocation of £997k to specific budgets as detailed in Table 2.

#### Place and Communities (£717k forecast underspend)

The main forecast variances within the Place and Communities Directorate are:

- Community Protection - £183k forecast underspend due to vacancies across the service area.
- Environmental Maintenance – £32k forecast underspend.  
Employee costs are forecast to be £32k above budget, largely due to covering the vacancy for the Service Lead post. Transport costs are expected to be £55k lower than budget, due

to reduced expenditure on vehicle repairs £39k, lower fuel costs £27k, partly offset by further spending on other transport costs £11k. Expenditure on Supplies & Services is forecast to be £45k over budget, largely due to spending in areas where there have been new Developments, such as Papplewick and Annesley, however, Income is expected to be £63k better than budget, largely as a result of increased Developer Contributions to cover these costs. Premises costs across the Service Area are expected to be £9k above budget, due to NNDR costs for a new pavilion in Papplewick.

- Twin Bin Scheme - £21k forecast net overspend on purchases of new bins to meet service demand.
- Waste Services - £105k forecast overspend on pay due to implementation of pay award and overtime, and continued Agency costs as a result of Covid-19, offset by savings on Transport costs as a result of reduced repairs £73k, and lower fuel costs £44k.
- Trade Waste - £19k forecast underspend on cost of disposals due to lower tonnage also reducing forecast income from collections and disposal £9k.
- Reduced income from Garden Waste collections £17k is offset by higher income from Bulky Waste (£19k) and Glass recycling credits £60k.
- Transport and Depot - £27k forecast overspend, largely due to £17k overspend on pay due to Agency costs to cover vacancies, and reduced income from lower MOTs £12k.
- Place & Wellbeing – Employee costs £15k forecast underspend due to staff vacancies. Supplies & Services are forecast to be £35k underspent, mainly as a result of lower than anticipated additional support payments to SLM during Covid-19 lockdown. Income – £13k forecast underachieved income due to effects of Covid-19 on use of outdoor sports facilities.
- Markets - £39k forecast overspend due to reduced income as a result of Covid-19 £37k, and other net over spends totalling £2k.
- Planning and Regulatory Services - £230k forecast increased income due to higher than anticipated Planning fees and £127k forecast underspend on staffing as a result of staff vacancies, both in Planning and Environmental Health. In addition, payments to contractors are forecast to be £21k lower than budget, mainly due to lower payments in respect of dog control.
- Regeneration - £56k forecast underspend due to late implementation of service, after bringing it back 'in house'.
- Directorate wide – Forecast £34k underspend being net of other over and under spends.

#### 1.6 Housing and Assets (£26k forecast overspend)

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

- Car parking - £76k forecast loss of income due to free parking under Covid-19.
- GF Community Centres - £4k forecast loss of income whilst closed under lockdown 3 of Covid-19.
- Asset Management - £9k forecast overspend on central office costs associated with changes required for safe working due to Covid-19
- Full establishment, pay award and agency costs anticipated to overspend by the year end by £14k
- Asset Maintenance – £47k forecast underspend due to the impact Covid-19 has had on completing repairs this year.
- Supported Housing Service - £30k forecast underspend while reviewing analogue to digital equipment switchover this will go forward to a reserve at the year end.
- Homelessness Bed & Breakfast - £8k forecast overspend due to providing accommodation under Covid-19 regulation introduced by the Government

#### 1.7 Capital Financing (£202k forecast underspend)

This is the revenue charges that are a consequence of the historic and existing capital programme. The forecast underspend is £130k on the Minimum Revenue Provision (MRP) charges due to slippage on the capital programme in 2019/20, and £72k underspend on interest due to borrowing being undertaken at the end of the previous year being at lower interest rates than budgeted, both previously reported.

1.8 Net Interest payable (£191k forecast underspend)

This is the net position of the interest earned on investment balances and the interest paid on third party balances that are managed and utilised by the general fund in managing its cash flow, mainly HRA balances, S106 balances and insurance balances. The overall underspend is due to the reduction in interest rates due to Covid-19 pandemic.

1.9 Funding (£643k forecast over achievement)

The revised funding budget now includes the un-ringfenced grants received in year from central government to cover costs and loss of income associated with Covid-19 of £2.327m, as approved by cabinet at the September 2020 report. £197k overachievement of funding against the revised budget is due to funding being expected in relation the sales fees and charges compensation scheme, £107k has been received for the April to July claim and £90k is due to be received shortly for the claim covering August to November. There will also be a further claim for the remainder of the year.

The funding forecast also includes £446k forecast returned surplus from the Nottinghamshire Business Rates pool for 2020/21. This amount is subject to change and it is impacted on by the actual 2020/21 outturn for NNDR for all authorities in the Nottinghamshire Business Rates pool. The position will be finalised as part of the outturn position.

1.10 Transfer to (from) earmarked reserves - (net transfer to reserves £2.035m)

This is the current estimate of unallocated Covid-19 funding to be moved to Covid-19 reserve for use in future years (£1.589m to reserves, see section 2) and the forecast returned surplus from the Nottinghamshire Business Rates pool for 2020/21 to the NNDR equalisation reserve (£446k to reserves).

The actual amount moved to these reserves and/or to other earmarked reserves or the general fund balance will be determined as part of the outturn position. Appendix 1 details the approved and forecast earmarked reserves movements for 2020/21 to date and the impact on earmarked reserve balances.

**2. Covid-19 Grant Funding**

2.1 The Directorate revised budget in Table 1 includes budget allocations for increased costs and reduced income targets as detailed in Table 2, these allocations are met from the un-ringfenced Covid-19 grant and the sales fees and charges compensation. These allocations are prior to the current lockdown, so further additional costs and losses of income relating to Covid-19 are now reflected in the forecast outturn position in Table 1.

**Table 2 – Covid 19 expenditure pressures and use of grant income**

<b>Additional Costs</b>	<b>Description</b>	<b>Amount £'000</b>
Resources and Business Transformation	Digital Services costs to support additional work to expedite work to meet Covid-19 response	90
	Communications - Letters, banners and posters	6
	Additional telephones, IT equipment and support	75

<b>Resources and Business Transformation subtotal</b>		<b>171</b>
Communities and Place	ASBO Case Officers - PPE	3
	Cemetery Grounds Maintenance - Additional Staffing Resource	1
	Community Safety - Additional Vehicles	6
	Environmental Services - Additional Vehicles	28
	Garage Workshop - PPE, hand gel	1
	Leisure Centre support	240
	Markets - Additional staffing resources and PPE	35
	NCC Grass Cutting - Additional staffing resource	5
	Neighbourhood Response - banners and cleaning	1
	Planning - Revisiting strategy and recovery strategy	12
	Waste Collection - Additional Vehicles	61
<b>Communities and Place sub total</b>		<b>393</b>
Housing and Assets	Homelessness Assistance	18
	Asset Management - Acrylic screens, signage	14
	Tenancy Services - Letters to vulnerable and elderly	2
<b>Housing and Assets sub total</b>		<b>34</b>
<b>Total Additional Costs</b>		<b>598</b>
<b><u>Loss of Income</u></b>		
Resources and Business Transformation	NNDR Court Costs	10
	Reduced Council Tax recovery	180
<b>Resources and Business Transformation sub total</b>		<b>190</b>
Communities and Place	Bulky Collections	2
	Licencing	27
	Markets	21
	Park Cafes	3
	Pest Control	6
	Pitch fees	19
	Trade waste	24
<b>Communities and Place sub total</b>		<b>102</b>
Housing and Assets	Community Centre loss of income	22
	Reduction in car parking income due to no charging in lockdown and reduced usage	85
<b>Housing and Assets sub total</b>		<b>107</b>
<b>Loss of Income Total</b>		<b>399</b>
<b>Total use of grant</b>		<b>997</b>

2.2 The table shows £997k has been allocated of the (£2.327m un-ringfenced Covid-19 grant received in year, the £62k grant received in 19/20 moved into 20/21 and the £197k compensation for loss of sales and fee income claimed to date). The forecast in Table 1

includes movement of the unutilised amount £1.589m to the Covid-19 earmarked reserve. As referred to above further Covid-19 spend and income losses have and will continue to materialise, so there will be changes to the amount of unutilised grant transferred to the Covid-19 reserve, and the underspend transferred to General Fund reserve.

There has now been specific central government support directed towards loss of income in relation to NNDR and Council Tax, which is to allow deficit spreading and a 75% compensation scheme on some of the collection fund losses. There will still be impact in the future years on NNDR and Council Tax that may need to be met from the unutilised grant. An allocation may be made to the HRA to contribute towards additional costs and loss of income associated with Covid-19.

### 3. General Fund Budget Adjustments

3.1 Approval is requested for the following budget adjustments to recognise further additional grant and contributions received in year, since the previous report to Cabinet, and to create the corresponding expenditure budgets:

**Table 3 – Budget Adjustments 2020/21**

<b>Description</b>	<b>£'000</b>
Covid-19 Hardship Fund	(1,384)
Covid-19 Hardship Fund expenditure	1,384
Covid-19 Fees and Charges Compensation	(197)
Fees and charges expenditure budgets	197
New burdens funding for the delivery of the Covid-19 business support grant schemes	(59)
New burdens expenditure budget for costs of delivery of the Covid-19 business support grant schemes	59
Winter pressure grant	(68)
Winter pressure payments	68
NCC – Covid-19 Contribution for Voluntary and Community Sector	(20)
NCC – Covid-19 Contribution for Voluntary and Community Sector	20
Community Protection Police and Crime Commissioner Contribution	(44)
Community Protection delivery	44
Nottinghamshire Emergency Assistance Fund Allocations	(24)
Nottinghamshire Emergency Assistance Payments	24
Homeless Rough Sleeper Initiative Contributions	(70)
Homeless Rough Sleeper Initiative expenditure	70

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

4.1 The 2020/21 budget included the proposed savings and efficiencies as detailed in Table 3 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 - General Fund Savings/Efficiencies Monitoring 2020/21**

<u>Saving/Efficiency</u>	<u>Comments on achievement</u>	Budgeted Saving	Forecast Achieved Saving	Forecast Saving Shortfall
		£'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 keep 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 (Updated Proposal)		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	The canteen has been closed due to Covid-19, therefore the income target will not be achieved. However reduced costs are contributing to wards the savings target.	5	2	3
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	2	1
Additional rental income from Police		2	2	0
<b>TOTAL</b>		<b>987</b>	<b>965</b>	<b>22</b>

4.2 There has been an increase of £500 in savings achieved since previously reported, relating to the Kingsmill Reservoir Car Parking income. As outlined in the previous monitoring report the savings position has been included in the forecast outturn reported in section 1 of the report. Where deliverability of the savings have been impacted on by Covid-19, the loss on achieving the full savings is incorporated in the Covid-19 pressures at Table 2 and will be met from the Covid-19 grant funding.

## 5. Summary for Housing Revenue Account (HRA)

5.1 Table 5 sets out the 2020/21 HRA forecast outturn position based on actual income and expenditure to January 2021, compared to the revised budget.

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

**Table 5 - Net Revenue Forecast to 31 March 2021 by Directorate**

Description	2020/21 Revised Budget	2020/21 Forecast Outturn	Current Forecast Variance	Previous Forecast Variance	Change
	£'000	£'000	£'000	£'000	£'000
<b>Income</b>					
Rents, Charges and Contributions	(24,471)	(24,348)	123	36	87
Interest and investment income	(210)	(15)	195	150	45
<b>Total Income</b>	<b>(24,681)</b>	<b>(24,363)</b>	<b>318</b>	<b>186</b>	<b>132</b>
<b>Expenditure</b>					
Repairs and Maintenance	7,799	7,322	(477)	(282)	(195)
Supervision and Management	4,446	4,292	(154)	(13)	(141)
Interest payable and similar charges	3,548	3,548	0	0	0
Rents, Rates, Taxes and other charges	192	187	(5)	(5)	0
Depreciation and impairments of fixed assets	3,736	3,736	0	0	0
Debt Management Costs	45	45	0	0	0
Contribution to the Bad Debt Provision	240	240	0	0	0
Transfer to Major Repairs Reserve	22	0	(22)	0	(22)
Capital expenditure funded by the HRA	2,589	1,598	(991)	0	(991)

<b>Total Expenditure</b>	22,617	20,968	(1,649)	(300)	(1,349)
<b>Net Cost of HRA Services</b>	(2,064)	(3,395)	(1,331)	(114)	(1,217)

### 5.3 Rents, Charges and Contributions

Tenant rental & garage income is forecast to be £29k underachieved due to delayed property sign ups and property moves and community centre income is forecast to be underachieved by £32k, both due to the Covid-19 lockdown and restrictions. Home Improvement and Garden Maintenance income has reduced due to the Covid-19 lockdown and restrictions by £32k but this will be offset by a reduction in expenditure through the Repairs and Maintenance section. No Court cost income as no evictions under Covid-19, this will be offset by a reduction in expenditure in Supervision & Management of £25k.

### 5.4 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 £195k but this is open to fluctuation dependant on the economy.

### 5.5 Repairs and Maintenance

Forecast underspend of £477k 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. This is being reviewed each month taking into account the responsive element of the service.

### 5.6 Supervision and Management

Unable to recruit to Housing Officer posts throughout the year or through agency, vacancy and fixed term contract posts unfilled of £96k. Community Centre running costs expected to be under budget by £15k, Court expenses below budget by £25k as referred to above. Remaining variance made up of several other budget headings.

### 5.7 Transfer to the Major Repairs Reserve

Additional costs of £58k have been incurred due to Covid-19 in terms of a 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 cost are being off-set against the revised budget.

### 5.8. Capital Expenditure funded by the HRA

Delays due to the Covid-19 lockdowns and restrictions will lead to some schemes completing in the new financial year.

## 6. **HRA Savings/Efficiencies Monitoring 2020/21**



- 6.1 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 (green),
  - saving forecast to be achieved but actions are still required to secure the saving (amber),
  - saving will not be achieved (red).

**Table 6 - General Fund Savings/Efficiencies Monitoring 2020/21**

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

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

## 7. Capital Programme Summary 2020/21

- 7.1 The most recent revised 2020/21 Capital Programme budget was considered at Cabinet on 23rd February 2021 and approved by Full Council on 4th March 2021. Table 6 below shows the actuals and commitments as at January 2021 compared to the approved revised budgets, which are aligned to the current forecast outturn. The outturn report will provide details of any variances arising to the end of March 2021.

**Table 7 - Capital Programme Summary 2020/21**

<b>Description</b>	<b>Actual + Commitments to January 2021</b>	<b>Current Approved Capital Programme February 2021</b>	<b>Variance to Proposed February 2021 Capital Programme</b>
<b>Housing Revenue Account</b>			
<i>Decent Homes Schemes</i>			
Management Fee	0	581	581
Catch Up and Future Major Works	2,100	2,455	355
Service Improvements	4	69	65
Contingent Major Repairs	53	55	2
Exceptional Extensive Works	144	140	(4)
Kirkby & Rural	(80)	0	80
Disabled adaptations - Major adaptations	65	110	45
Disabled adaptations - Minor adaptations	156	218	62
Sub Total	2,442	3,628	1,186
<i>Other Housing Revenue Account Schemes</i>			
Affordable Housing developments	81	20	(61)
Investment in New or Existing Dwellings	477	1,144	667

Hucknall Infill Sites	3	3	0
Housing Vehicles	766	700	(66)
Maun View Sutton-in-Ashfield	3	3	0
Officers` IT for Agile Working (HRA)	51	103	52
Other Housing Revenue Account Schemes (less than £100k)	33	76	43
Sub Total	1,414	2,049	635
<b>Total</b>	<b>3,856</b>	<b>5,677</b>	<b>1,821</b>
<b>General Fund</b>			
Health and Safety works for Kirkby Offices	7	215	208
Hucknall Car Parks (Combined)	0	0	0
Hucknall Leisure Centre	12	118	106
Improvement Grants 1996 Act Disabled Facility Grant	643	1,177	534
Investment Properties	3,610	3,305	(305)
Kings Mill Reservoir (The King and Miller to Kingfisher)	492	678	186
Kings Mill Reservoir Car Park Expansion	4	4	0
Kirkby Leisure Centre	1,184	2,563	1,379
Kirkby Park and Play Areas	149	120	(29)
Lindleys Lane Play/Youth Area	170	178	8
Nuncargate Recreation Ground	79	146	67
Officers' IT for Agile Working (General Fund)	65	103	38
Piggins Croft Car Park	6	153	147
Purchase of Vehicles	431	325	(106)
Titchfield Park Brook	19	310	291
Towns Fund Projects	147	1,425	1,278
Other General Fund Schemes (less than £100k)	484	782	298
<b>Total</b>	<b>7,502</b>	<b>11,602</b>	<b>4,100</b>
<b>Grand Total</b>	<b>11,358</b>	<b>17,279</b>	<b>5,921</b>

## **Implications**

### **Corporate Plan:**

The General Fund, HRA and Capital Programme reflect the priorities in the Corporate Plan.

### **Legal:**

If approved by Cabinet, this report will require approval by Council as this forms part of the Council's Budgetary Framework (Financial Regulation B.1 and Article 4 of the Constitution).

### **Finance:**

<b>Budget Area</b>	<b>Implication</b>
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:**

<b>Risk</b>	<b>Mitigation</b>
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

Forecast Outturn for General Fund, HRA and Capital Programme as at Jan 2020 to Council 23rd April 2020

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

2020/21 Forecast outturn for General Fund, Housing Revenue Account (HRA) and Capital Programme as at July 2020 Report to Cabinet 15 September 2020.

2020/21 Forecast outturn for General Fund, Housing Revenue Account (HRA) and Capital Programme as at September 2020 Report to Cabinet 1 December 2020.

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

## Appendix 1

	Balance	Approved		Balance	Forecast		Forecast
	at 1st			at 31			Balance as
	April	Contributions	Withdrawals	January	Contributions	Withdrawals	at 31 March
	2020			2021			2021
	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Earmarked Reserves</b>							
District Planning Enquiry Fund	(375)	0	250	(125)			(125)
Elections	(11)	(54)	0	(65)			(65)
Joint Use Maintenance Fund	(201)	0	0	(201)			(201)
Asset Renewal	(773)	0	30	(743)			(743)
Corporate Change Reserve	(1,384)	(200)	484	(1,100)			(1,100)
Insurance Related Funds (Inc Risk Mngt)	(417)	(75)	0	(492)			(492)
Revenue Grant Reserve	(1,757)	0	459	(1,298)			(1,298)
Brexit Reserve	(51)	0	0	(51)			(51)
Local Authority Mortgage Scheme (LAMS) Reserve	(76)	0	0	(76)			(76)
NNDR Equalisation Reserve	(1,430)	0	0	(1,430)	(446)		(1,876)
Commercial Property Investment Reserve	(2,300)	(600)	0	(2,900)			(2,900)
Economic Development and Place Reserve	(209)	0	30	(178)			(178)
Licensing Reserve	(110)	0	0	(110)			(110)
Covid-19 Grant Reserve	(62)	0	62	0	(1,589)		(1,589)
Joint Crematorium Reserve	(486)	0	0	(486)			(486)
Other Reserves	(29)	(930)	20	(39)			(39)
<b>Total Earmarked Reserves</b>	<b>(9,670)</b>	<b>(959)</b>	<b>1,335</b>	<b>(9,294)</b>	<b>(2,035)</b>	<b>0</b>	<b>(11,329)</b>
<b>General Reserve</b>	<b>(6,675)</b>	<b>(38)*</b>		<b>(6,713)</b>	<b>(550)</b>	<b>0</b>	<b>(7,263)</b>

£38k general fund contribution is an adjustment to final outturn position for 19/20 following the NNDR being completed after the outturn report.

The forecast amounts are aligned to the general fund current forecast outturn. The highlighted figures will be finalised at the actual outturn position.

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<b>Report To:</b>	<b>CABINET</b>	<b>Date:</b>	<b>23<sup>rd</sup> MARCH 2021</b>
<b>Heading:</b>	<b>LEISURE TRANSFORMATION PROGRAMME</b>		
<b>Portfolio Holder:</b>	<b>CLLR KIER BARSBY, PORTFOLIO HOLDER FOR HEALTH AND LEISURE</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**

To update Cabinet on the progress with the Leisure Transformation Programme, including progress regarding funding applications to Sport England and the D2N2 Local Enterprise Partnership.

To confirm to Cabinet that the Council has received £265k from the Department for Culture, Media and Sport (DCMS) via Sport England for revenue support regarding the re-opening of the leisure centres in line with government guidance.

To request Delegated Authority to the Director of Place & Communities in conjunction with the Corporate Finance Manager, to enter into the Funding Agreement with Sport England, regarding £3m of funding towards the new Kirkby Leisure Centre once other ongoing due diligence by Sport England and D2N2 is completed and agreed.

## **Recommendations:**

- 1. That Cabinet notes progress with the application to D2N2 Local Enterprise Partnership for £1.5m of funding towards the new Kirkby Leisure Centre development.**
- 2. That Cabinet notes the progress in the application to Sport England for £1.5m of funding towards the new Kirkby Leisure Centre development.**
- 3. That Cabinet notes progress towards the completion of the new Kirkby Leisure Centre.**
- 4. That Cabinet notes that the mobilisation process for the new Leisure Operating Contract is progressing towards successful transition to the newly awarded contract.**
- 5. That Cabinet approves the Delegation to enter into the Sport England and D2N2 Funding Agreements to the Director of Place & Communities in conjunction with the Corporate Finance Manager.**

## **Reasons for Recommendations**

Cabinet will recall previous update reports regarding the Leisure Transformation Programme; that the tender process for the build contract for the Leisure Operating Contract had been awarded to Kier Group and that Everyone Active have been successful in being appointed as the Leisure Operating Contractor.

Council officers have now completed the process of applying to D2N2 LEP for £1.5m funding towards the Kirkby Leisure Centre. The Council has presented the project to the LEP representatives and we await formal confirmation of grant award.

Council officers have now submitted the final grant application to Sport England and this has received positive responses. The Council awaits from Sport England the proposed Funding Agreement which is the last step prior to the monies being awarded.

The Council has recently received £265k of funding from DCMS via Sport England for the re-opening of the leisure centres.

The Council achieved Start on Site with works to the Leisure Centre on the 4<sup>th</sup> November 2020 with the enabling works. Kier who have been appointed as the main works contractor took possession of the site on the 18<sup>th</sup> January 2021 with phase 1 works due to be completed in April 2022.

Everyone Active who have been appointed as the Leisure Operating Contractor are working with Council officers during the mobilisation phase leading to the commencement of the new contract on April 1<sup>st</sup> 2021.

## **Alternative Options Considered**

### **Not to progress with Sport England Funding Application (not recommended)**

The Council could have considered not applying to Sport England for funding towards the leisure centre development.

**Not recommended.** Whilst not progressing with a funding application would have enabled the Council to consider reduced specifications of the build, it would have also reduced the overall available budget by 10% (Overall funding package is £15.5m). It would also have had potential implications for accessing LEP funding for the project.

### **Not Progress with the Local Enterprise Partnership Application (not recommended)**

The Council could have considered not applying to the D2N2 Town Centres programme as part of the LEP.

**Not recommended.** The funding programme is designed to support strategic regional and local regeneration programmes across the Derby and Nottingham areas. Not progressing with an application to the LEP would have seen the overall budget reduce by 10%.

The successful application has proven the Council's aspirations for the Leisure Centre development, as it achieves a number of key outputs linked to the economy and regeneration targets as well as health & wellbeing.



## **Detailed Information**

The Council has been progressing with the replacement of the Festival Hall for several years. Following previously reported feasibility studies the existing site was chosen to be used for the development of the new facility.

As part of the RIBA design development, the overall budget envelope for the development was set at £15.5m. The funding envelope included anticipated funding from Sport England (£1.5m) and D2N2 (£1.5m). The remaining funding would be provided by the Council.

Council officers have engaged with representatives from both Sport England and the LEP throughout the process. Sport England attended design development meetings and more recently the Pre-Start meeting prior to the contractor commencing onsite.

Council officers have kept the LEP updated throughout the process, including attendance as necessary at regional meetings.

The due diligence process undertaken by Council officers through the design development of the Leisure Centre has enabled the project to remain within the identified £15.5m budget envelope. The tender process was concluded in the final quarter of 2020. The successful tenderer, Kier submitted a price within the overall budget envelope resulting in no additional funding being required to support the development. The tender figure being within the pre-tender estimate, is further testament to the design development and thorough development processes undertaken by the Council in ensuring that the project is both affordable and achievable within the set parameters.

The anticipated awards from both Sport England and the LEP confirms that the overall £15.5m budget envelope is now fully funded.

The Council submitted a grant application to Sport England for £265k revenue funding towards the costs associated with re-opening the leisure centres post pandemic. Confirmation of this funding has been received and the funding is awarded by Sport England on behalf of DCMS.

Council officers have been able to secure 100% of the grant value requested and this will support the Council and operator Everyone Active working together as effective Partners in re-opening the leisure centres for our local residents and customers.

## **Implications**

### **Corporate Plan:**

The development of the new Kirkby Leisure Centre is a key corporate objective. Securing the capital funding from the LEP and the expected positive response from Sport England will ensure that the project is fully funded.

### **Legal:**

The agreement with the LEP and anticipated agreement with Sport England will require legal framework agreements to be completed. Legal colleagues will be involved in their respective drafting and agreement.

**Finance:**

Budget Area	Implication
General Fund – Revenue Budget	N/A
General Fund – Capital Programme	£15.5m overall budget envelope for the Leisure Centre. £1.5m secured via the LEP and the expected successful £1.5m from Sport England will see the budget envelope fully funded.
Housing Revenue Account – Revenue Budget	N/A
Housing Revenue Account – Capital Programme	N/A

**Risk:**

Risk	Mitigation
Failure to secure the Sport England funding	Council officers have worked closely with Sport England colleagues throughout the development programme. The project is supported by Sport England and the funding agreement is the final element of the application. This document will be reviewed by Legal, Finance and operational colleagues.

**Human Resources:**

There are no Human Resources implications as a result of this report

**Environmental/Sustainability**

There are no Environmental/Sustainability implications as a result of this report

**Equalities:**

There are no Equalities implications as a result of this report

**Other Implications:**

There are no other implications as a result of this report

**Reason(s) for Urgency**

Not applicable

**Reason(s) for Exemption**

Not applicable

**Background Papers**

Cabinet will recall previous reports submitted regarding progress with both the Leisure Operating Contract and the development of the Kirkby Leisure Centre.

**Report Author and Contact Officer**

Theresa Hodgkinson  
 Director of Place & Communities  
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<b>Report To:</b>	<b>CABINET</b>	<b>Date:</b>	<b>23<sup>rd</sup> MARCH 2021</b>
<b>Heading:</b>	<b>COMMUNITY FACILITIES INVESTMENT</b>		
<b>Portfolio Holder:</b>	<b>COUNCILLOR 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>YES</b>		

## **Purpose of Report**

This report recognises the investment already made in Ashfield's Parks and Green spaces and proposes a further, in-principle capital investment. It also proposes a procurement process for operating the café in Selston Country Park.

## **Recommendations:**

- 1. To commence the procurement for the potential reopening of the Café at Selston Country Park.**
- 2. To amend the Council's Capital Programme for 2021/22 to include an additional provisional sum of £30,000.**
- 3. Subject to financial viability, to delegate approval to the Director of Place and Communities, in consultation with the Leader of the Council to make a final stop-go decision once tenders have been returned.**
- 4. Subject to recommendation 3, to delegate approval to the Director of Place and Communities to award contracts for both capital work contracts and service contracts.**

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

During the Council meeting on 4<sup>th</sup> February 2021 a motion was proposed by Councillor David Martin and Seconded by Councillor Andy Gascoyne. This motion was carried and resolved that:

- a) approval be given for officers of the Council to work up costed plans, without delay, to create a new Café hub at Selston Country Park as a multipurpose extension to the current building, allowing it to be run full time for local people to use, in the same way other park cafes in the District are (to be Phase Two of the Country Park Plans);
- b) officers to note and record the medium term plans to work up Phase Three for the park, to provide more things of interest to do at the site with future Section 106 contributions from the Parish being allocated to this plan. The plan could include but is not limited to, formalising path and cycle routes, creating nature trails, extending the car park and installing a variety of play equipment;
- c) approval be given for officers to commence work on the long term lease options of the site with Nottinghamshire County Council and confirm intentions to extend the current lease with any future plans being presented to Cabinet for further approval;
- d) as a result of a) to c) above, officers be requested to develop a business case for consideration by Cabinet and to present to Council for approval, subject to the business case being financially viable and developed within the first quarter of 2021/22.

This report seeks approval for the existing building at Selston Country Park to reopen, subject to financial viability, as a Café, for use by local people and visitors. The precise capital and revenue implications will be determined following the procurement process.

### **Alternative Options Considered**

The former café at Selston Country park is leased to the District Council. Options considered included:

#### **Do Nothing**

This is the default position, but by doing nothing the Council incurs costs. The estimated cost of 'doing nothing' over the duration of the existing lease is estimated to be £85,000. **Not Recommended**

Furthermore, in non-financial terms, doing nothing would be to miss the opportunity of enabling this Café to become a community asset for the residents of Selston and inhibit wider plans to see the greater utilisation of this park and the potential opportunities it presents.

#### **Operate the Café as an in-house operation**

This option was modelled as it would have the benefit of 'activating' Selston Country Park; however it is not the preferred option, given the significant associated costs of running such a facility directly. Furthermore, the Council is not experienced in running such operations and is why contracting with a proven and experienced operator is the preferred option. **Not Recommended**

#### **Outsource the operation of the Café to an experienced contractor**

**This option is recommended to Cabinet.** Not only does this allow the Council to introduce an experienced and previously successful operator which makes the success of this venture more likely, modelling suggests it is also the most viable, cost-effective option. This is consistent with the approach to the commissioning of park café facilities across the District.

## **Detailed Information**

### **Investment in Parks and Green Space**

Investment in Parks and Green Spaces is one of the Council's key corporate priorities. The investment into green spaces across the District has gathered pace with additional funding of £366k committed in the autumn last year, **to create a programme of over £1.5m of investment** this financial year. Investment into new play facilities has focused on Kirkby, following the investments in the Rurals and Hucknall in previous years. Sutton will be the focus in the fourth year of the programme.

#### **Works underway include:**

- Flood alleviation / habitat scheme in Hucknall at Titchfield Park
- In Kirkby at Hornbeam Park, Sorrel Drive, there will be installation of seating, bins, fencing and upgrading the paths, as well as installing new play equipment
- At Skegby Road Recreation Ground – to the play area and entrances
- At Titchfield Park in Kirkby to the play area
- Works to create a new car park at Kingsmill Reservoir
- Improvements to the play area at Riley Recreation Ground in Sutton

#### **Development work and procurement to be undertaken includes:**

- Titchfield Park Play & Youth Area, Hucknall – installation of new equipment following public consultation last summer
- Nuncargate Recreation Ground, Annesley Woodhouse – the upgrading of play and youth equipment and works to upgrade the footpaths
- For the Mill Waters project, a contractor will be appointed for the final phase of footpath works at Kings Mill Reservoir by the end of March
- Installation of youth equipment started on site in March at Healdswood Recreation Ground
- A group of former miners is being supported to reinstate the Silverhill Colliery winding wheels on the Silverhill Wood site
- A draft masterplan is being prepared for public consultation for Huthwaite Welfare Park

### **Selston Country Park**

Councillors have been keen to see a similar approach towards investment and improvement taken at Selston Country Park and this is why recent improvements have been undertaken; such as the creation of three planters to create a community garden alongside a number of improvements, such as tree works, new picnic benches and the cleaning of the park's fence.

The former Selston Country Park Café, managed by the Council, was closed in 2017 and the Council is keen to see the facility put back into use. The building is leased from the County Council and the current lease expires on the 1<sup>st</sup> April 2029.

This proposal would see the existing building turned back into a Café, for use by local people and visitors and whilst the precise capital and revenue implications will be determined following the procurement process, it is envisaged that, subject to financial viability, a refurbished Café will re-open this summer.

A capital budget of £30,000 is proposed, which may be used on any community asset within the District, including possibly Selston Country Park. This would be funded using prudential borrowing.

With regard to the operating of a new Café at Selston Country Park, an options appraisal has been undertaken which recommends awarding a contract to a specialist contractor for the management and operation of this Café. A tender process is currently underway, and the precise structure of any contractual arrangement will be shaped by subsequent dialogue with potential providers.

A delegation is sought to the Director of Place and Communities, in consultation with the Leader of the Council, to award a contract to a successful operator and to authorise any capital works up to £30k that may be required.

Detailed financial modelling has been undertaken to inform this decision and is available as an exempt appendix to this report given the commercial sensitivities. Releasing this information may hinder the procurement process and inhibit the Council securing the best possible commercial arrangement.

## **Implications**

### **Corporate Plan:**

Corporate Plan theme – Economic Growth and Place. Provision and improvement of the District's green spaces is a top corporate priority.

### **Legal:**

There are no significant legal issues associated with the recommendations in the report. The Legal Team will provide ongoing advice and support as part of the tendering process, and any subsequent legal arrangements, as well as in respect of a potential future lease extension.

### **Finance:**

<b>Budget Area</b>	<b>Implication</b>
General Fund – Revenue Budget	It is anticipated that the annual cost of operating the Café will be no greater than the current annual cost whilst it remains closed. Any proposed variation from this will be brought back to Cabinet for further consideration.
General Fund – Capital Programme	Up to £30k funded via Prudential Borrowing.
Housing Revenue Account – Revenue Budget	N/A
Housing Revenue Account – Capital Programme	N/A

### **Risk:**

<b>Risk</b>	<b>Mitigation</b>
Potential applicants do not come forward to operate the proposed Café business.	It is anticipated that there will be interest in operating the Café. However, if no suitable interest (eg due to the pandemic) is shown, the project will be temporarily shelved until such time as potential operators may be found.
The opening of the Café is not financially viable.	Assessment of the financial viability will take into account the £9k costs per annum, however, if after taking this into account the project is not financially viable it will be temporarily shelved.

**Human Resources:**

There are no Human Resources implications as a result of this report

**Environmental/Sustainability**

There are no Environmental/Sustainability implications as a result of this report

**Equalities:**

There are no Equality **implications** as a result of this report

**Other Implications:**

*Not applicable*

**Reason(s) for Urgency**

*Not applicable*

**Reason(s) for Exemption**

*Not applicable*

**Background Papers**

*Not applicable*

**Report Author and Contact Officer**

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