



**NEWARK &  
SHERWOOD**  
DISTRICT COUNCIL

*Castle House  
Great North Road  
Newark  
NG24 1BY*

*Tel: 01636 650000*

[www.newark-sherwooddc.gov.uk](http://www.newark-sherwooddc.gov.uk)

**Wednesday, 13 January 2021**

**Chairman: Councillor D Lloyd  
Vice-Chairman: Councillor K Girling**

**Members of the Committee:**

**Councillor B Clarke-Smith  
Councillor R Jackson  
Councillor P Peacock  
Councillor T Wendels  
Councillor R White**

**Substitute Members:**

**Councillor R Blaney  
Councillor N Mison  
Councillor N Mitchell**

**MEETING: Policy & Finance Committee**

**DATE: Thursday, 21 January 2021 at 6.00 pm**

**VENUE: Broadcast from Castle House, Great North Road, Newark, Notts. NG24 1BY**

**You are hereby requested to attend the above Meeting  
for the purpose of transacting the business on the Agenda as overleaf.**

**Attendance at this meeting and public access will be by remote means due to the Covid-19 Pandemic.  
Further details to enable remote access will be forwarded to all parties prior to the  
commencement of the meeting.**

**If you have any queries please contact Nigel Hill on [nigel.hill@newark-sherwooddc.gov.uk](mailto:nigel.hill@newark-sherwooddc.gov.uk).**



## **AGENDA**

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### **Remote Meeting Details**

This meeting will be held in a remote manner in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

The meeting will be live streamed on the Council's social media platforms to enable access for the Press and Public.

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### **Policy Items for Information**

None

### **Finance Items for Information**

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## Confidential and Exempt Items

### 14. Exclusion of the Press and Public

To consider resolving that, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.

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## NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Policy & Finance Committee** broadcast from the Civic Suite, Castle House, Great North Road, Newark, Notts NG24 1BY on Thursday, 26 November 2020 at 6.00 pm.

PRESENT: Councillor D Lloyd (Chairman)  
Councillor K Girling (Vice-Chairman)

Councillor B Clarke-Smith, Councillor R Jackson, Councillor P Peacock,  
Councillor T Wendels and Councillor R White

ALSO IN ATTENDANCE: Councillor R Blaney, Councillor Mrs B Brooks, Councillor Mrs R  
Holloway and Councillor M Skinner

The meeting was held remotely, in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

### 153 DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS AND AS TO THE PARTY WHIP

There were no declarations of interest.

### 154 DECLARATIONS OF INTENTION TO RECORD THE MEETING

The Chairman advised that the proceedings were being audio recorded and live streamed on social media by the Council.

### 155 MINUTES OF THE MEETING HELD ON 24 SEPTEMBER 2020

The minutes from the meeting held on 24 September 2020 were agreed as a correct record and signed by the Chairman.

### 156 FORWARD PLAN OF POLICY & FINANCE ITEMS

The Committee noted the Forward Plan items to be considered by the Committee over the next 12 months.

### 157 GROUNDS MAINTENANCE OF HRA LAND

The Director - Housing, Health & Wellbeing presented a report which set out a business case for Newark & Sherwood District Council's Street Scene Service to deliver the grounds maintenance of Housing Revenue Account (HRA) or housing service land rather than contracting the service to a third party. The Director - Housing, Health & Wellbeing reported that the both the Homes & Communities and Leisure & Environment Committees had supported the proposal to bring the existing contract to an end and bring the service in-house and were recommending approval to the Policy & Finance Committee.

The report detailed the review of the current service which had been subject to consultation through a tenant survey. Three options were set out in the report: A- no change to the current contract specification; B - changes to the current specification to deliver a higher specification service in line with tenant requests for improvement; and C - adaptation of the current specification to deliver a higher specification service. In respect of staffing all three options required an increase in the current Street Scene staffing levels. The existing contractor, ID Verde, were likely to have a number of staff working on the contract for the whole time, therefore TUPE regulations would apply if the contract was to be awarded to the District Council.

The report set out the estimated 2021/22 revenue costs of extending the current contract and of the three options proposed if the Council were to deliver the service in-house. General fund revenue costs were for the purchase of small grounds maintenance equipment with the purchase of vehicles and larger equipment would be capital expenditure.

AGREED (unanimously) that:

- (a) the termination of the existing grounds maintenance contract be approved with the grounds maintenance service for the Housing Revenue Account to be in sourced and provided through Newark & Sherwood District Council's Street Scene; and
- (b) a one off revenue cost to the General Fund of £14,420 (to be funded from reserves) and a capital outlay of £133,600 (funded by borrowing) for Option A be approved.

#### Reason for Decision

Providing greater efficiencies through the synergies between the existing in-house provision and the requirements for maintaining HRA land; to improve accountability to tenants on the quality and responsive of the grounds maintenance and street scene, giving a consistent service to tenants; and to strengthen our in-house team and secure additional contracts that enable the Council to improve and maintain a 'Cleaner Safer Greener' District.

#### 158 PARTNERSHIP FOR THE EAST MIDLANDS BUILDING CONSULTANCY

The Director - Planning & Growth presented a report which provided an update on the outcomes of the Practitioner Led Service Review of the service which included the financial position for the East Midlands Building Consultancy (EMBC) and the Council, and the recommended next steps for the partnership and extension of the contract.

The service review was undertaken by Capita with the aim to analyse the current service provision and provide suggested solutions to improve the service in the short, medium and long terms. Three service improvements were suggested: option 1 – business as usual with service improvements; option 2 – joint ventures – larger informal partnership with other councils / partners; and option 3 – a joint authority wholly owned trading company.

The outcome of the review was option 1 - to continue with the existing partnership with South Kesteven District Council and Rushcliffe Borough Council with service improvements which would still allow for services to be provided to other local authorities on a consultancy basis rather than a formal partnership.

The report provided full details of the EMBC financial position which took into account the impact of Covid-19 on income and furloughing staff. Based on income to date the forecast position was that there could be a trading deficit of £8,256 and general fund contribution of £74,167 per partner. If accurate this would comprise an increase of £474 on the budgeted contribution per partner.

AGREED (unanimously) that:

- a) the existing contract with East Midlands Building Consultancy for Building Control Services in partnership with Rushcliffe Borough Council and South Kesteven District Council be extended until April 2023, subject to annual review; and
- b) the financial position of the East Midlands Building Consultancy be noted.

Reason for Decision

To provide a sustainable Building Control service in partnership with neighbouring authorities.

159 REVISED CUSTOMER FEEDBACK POLICY

The Business Manager – Customer Services presented a report which sought approval for a revised Customer Feedback Policy. The Policy had been revised following the re-integration of housing services back into the Council from Newark and Sherwood Homes. The Policy had also been updated to incorporate the latest best practice from the Local Government and Social Care Ombudsman and the Housing Ombudsman to ensure it was compliant with the relevant codes of practice. It was reported that the Homes & Communities had recommended approval of the revised Policy.

AGREED (unanimously) that the revised Customer Feedback Policy be approved.

Reason for Decision

To ensure the Customer Feedback Policy is fit for purpose and adheres to both of the Ombudsman's Code of Practices.

160 NEWARK TOWNS FUND

The Director - Planning & Growth presented a report which provided an update on the Newark Town Investment Plan (TIP) and sought approval for the appropriate budget to progress with feasibility work for the Council owned Great North Road Gateway Site.

In accordance with the Towns Fund guidance, the Newark TIP was formally submitted to the Government on 31 July 2020 which was the deadline for the first cohort. To date seven places within this first cohort had been announced. Following the submission of the TIP a number of qualifications had been provided to the Government who have been assessing the proposals. The Government were still to announce if the TIP was to be supported but it was hoped that the Council would secure significant investment.

The Director – Planning & Growth referred to the report considered by the Economic Development Committee at their meeting held on 18 November which provided an update on a number of TIP projects. The report to this Committee focused on the Great North Road ‘Gateway Site’ which was in the Council’s ownership.

In relation to the existing livestock market it was noted that a third party had confirmed they wished to progress with a new livestock market but not at the current site. The current site remained vacant and redundant. In the interests of reducing holding costs for the Council and preparing the site for redevelopment it was recommended that funds were made available to tender for the demolition and secure holding of the existing cattle market site.

In relation to the lorry park, if the Council were to consider any relocation, it will be necessary for feasibility work to be undertaken in order to understand the acceptability and costs of its relocation. This feasibility work would need to be progressed alongside feasibility work for the technical ability and capacity of the Gateway Site to accommodate a range of aspirations including the International Air and Space Training Institute. The projected costs for demolition of the existing cattle market and the feasibility works were detailed in a separate exempt report.

AGREED (unanimously) that:

- a) the ongoing negotiations with Government to secure a capital contribution from the Towns Fund of up to £25mbe noted;
- b) the allocation of budget outlined in the exempt report to secure the demolition and secure holding of the existing Cattle Market site be approved;
- c) the allocation of budget outlined in the exempt report to undertake feasibility work on the relocation of the Cattle Market and Lorry Park to Newark Showground or other identified site(s) be approved; and
- d) the allocation of budget outlined in the exempt report to undertake feasibility work on developing the Newark Gateway Site (the exiting Cattle Market and lorry park), including the delivery of the Newark Town Investment Plan aspirations be approved.

#### Reason for Decision

To continue the development the Newark Towns Strategy and Investment Plan.



161 INFRASTRUCTURE FUNDING STATEMENT

The Business Manager - Planning Policy & Infrastructure presented a report which provided the Committee with the first iteration of the Council's Infrastructure Funding Statement (IFS). This comprised of a report relating to the previous financial year on Community Infrastructure Levy (CIL) and Section 106 planning obligations, and a report on the infrastructure projects or types of infrastructure that the Council intended to fund wholly or partly by the levy, excluding the neighbourhood portion. It was noted that the IFS was a requirement of amended CIL legislation.

AGREED (unanimously) that the Infrastructure Funding Statement, attached as an Appendix to the report, be approved for publication before the end of the calendar year.

Reason for Decision

To ensure that the District Council was operating in accordance with the requirements of the Community Infrastructure Regulations.

162 FLOWSERVE SITE UPDATE

The Director - Planning & Growth presented a report which provided an update relating to changes in ownership of the Flowserve site, the resulting likely impacts on the Flowserve Sports and Social Club's occupation of sporting land on the site, and a proposition for the Council to enter into a financial relationship to provide a new landowner with an ongoing rental guarantee.

The landlord, CB Collier NK (SSC) Ltd, had informed the Council that, based on an appraisal of the financial standing of the Sports and Social club, it could only support retaining the Sports and Social Club (SSC) or other current sporting and community groups on the site if the Council were to step in to assist. Therefore, a request was made that the Council enter into an arrangement with the landlord to cover, via guarantee, up to £45,000 per annum in year 1, £55,000 per annum in year 2, and £75,000 per annum thereafter. The landlord confirmed that lease expectations were informed by advice from a firm of surveyors. It was considered that such rent levels were unsustainable and the Sports and Social Club, in conjunction with Newark Town Football Club, stated that an affordable lease was £10,000 per annum for the site.

It was considered disappointing that the Sports and Social Club and the landlord were unable to reach a mutually acceptable agreement. Ending the tenancy of the Sports and Social Club would lead to the loss of the sporting and community organisation facilities. However, the Council could act as honest broker for both parties to conclude a mutually acceptable arrangement, albeit that would require a significant reduction in lease expectations. The Council could also assist with work to find new accommodation for any club or organisation displaced if the lease was brought to an end and the Sports and Social Club or individual groups were required to vacate the site. It was noted that the site would remain as protected sports and recreational land irrespective of tenancy.

AGREED (unanimously) that:

- a) CB Collier NK (SSC) Limited be informed that its proposal as detailed in paragraph 2.8 of the report is declined; and
- b) the Council offers to act as a broker between CB Collier NK (SSC) Limited and the Sports and Social Club to assist the parties in reaching a mutually acceptable lease arrangement, and if necessary assist the affected clubs and associations in finding alternative accommodation.

Reason for Decision

To update Members on recent developments and to make clear the Council's position.

163 RECRUITMENT OF ADDITIONAL COMMUNITY RELATIONS OFFICERS

In accordance with Section 100(B)(4)(b) of the Local Government Act 1972, the Chairman agreed to take this item as a late item of business in order to facilitate the recruitment of the proposed Community Relations Officer posts as soon as possible.

The Director - Housing, Health & Wellbeing presented a report which sought approval for the recruitment of two additional full time permanent Community Relations Officers. This proposal would increase the capacity and resilience within the Health Improvement & Community Relations (HART) Team as part of the restructure proposals within the wider Housing, Health & Wellbeing Directorate. It was considered that there was some urgency to recruit the posts in order to respond in a timely manner to the ongoing impacts of Covid-19 and the associated challenges of winter in terms of increased risk of adverse weather conditions and potential flooding which would require a community relations / HART response.

The additional cost for the two Community Relations Officers for a three month period from January through to March 2021 was £17,500 including on-costs. For 2021/22, the additional budget requirement was £75,125 including on costs for the two posts. These figures had been included as part of the draft budget setting process for the Council's overall General Fund.

AGREED (unanimously) that:

- a) the proposal to recruit two additional Community Relations Officers to the existing Health Improvement and Community Relations / HART Team be approved; and
- b) budget provision of £75,125 be made within the General Fund budget for Housing, Health & Wellbeing for the 2021/22 financial year and future years.

### Reason for Decision

To ensure the Health Improvement & Community Relations / HART Team structure is able to deliver Business Plan and Community Plan objectives and appropriate emergency response requirement.

#### 164 GENERAL FUND, HOUSING REVENUE ACCOUNT (HRA) AND CAPITAL PROJECTED OUTTURN REPORT TO 31 MARCH 2021 AS AT 30 SEPTEMBER 2020

The Deputy Chief Executive, Director - Resources and Section 151 Officer presented a report which compared the Revised Budgets with the Projected Outturn forecast for the period ending 31 March 2021. The forecast was based on six months performance on the Council's revenue and capital budgets including the General Fund Revenue, Housing Revenue Account (HRA) and Capital Programme. The accounts showed a projected unfavourable variance of against the revised budget of £0.953m on service budgets, with an overall unfavourable variance of £1.094m. Appendix A to the report detailed the variances in service areas and other budgets.

It was noted that the main reason for the projected unfavourable variance of £0.953m was because of the predicted £1.643m less in fee income than budgeted for. However it was estimated that the Council would be able to claim between £0.300m and £0.500m from the Government in compensation for such loss of income from fees and charges. Appendix B to the report showed the areas that were predicting falls in income. It was also noted that the Nottinghamshire Business Rates Pool may return some funding for the Council in 2020/21.

The HRA budget showed a projected favourable variance against the approved budget of £1.955m. In respect of the Capital Programme, the additions and amendments which required approval were detailed in Appendix C to the report. If these variations were approved the revised budget would be reduced to £56.998m.

AGREED (unanimously) that:

- a) the General Fund projected unfavourable outturn variance of between £0.594m and £0.794m be noted;
- b) the Housing Revenue Account projected favourable outturn variance of £1.955m be noted;
- c) the variations to the Capital Programme at Appendix C to the report be approved; and
- d) the Capital Programme projected outturn and financing of £56.505m be noted.

### Reason for the Decision

To update Members with the forecast outturn position for the 2020/21 financial year.

165 NEWARK CASTLE ELECTRICAL UPGRADE AND FIRE ALARM INSTALLATION

The Business Manager – Heritage, Culture & Visitors presented a report advising Members of health and safety works identified at Newark Castle and requesting that budget was allocated from the Change Management reserve to complete this work in-year.

In 2019, a health and safety review of Newark Castle was undertaken which included a refresh of the site's fire risk assessment and assessment of the wiring and electrical systems. Following the review, EP Consultants were appointed and commenced work in January 2020 to design a fire alarm system, electrics and emergency lighting system as identified in the review. Work was put on hold due to the pandemic, however the works were now urgently required to ensure the Castle could deliver events during 2021.

AGREED (unanimously) that a capital budget be created in 2020/21 for £85,000, financed from the Change Management and Management Carry Forwards Reserve for the required Newark Castle works.

Reason for Decision

To complete works urgently as identified in the health and safety risk review.

166 OLLERTON LOCAL HOUSING OFFICE - REFURBISHMENT AND RE-PURPOSE

The Business Manager – Customer Services presented a report which sought approval to refurbish the Ollerton local office and refocus the purpose for it to become a multi-use facility. It was reported that it was not possible with the current layouts, to make either the Town Hall or the Council local housing office, Covid-19 secure. Consequently customer facing services could not be delivered from those locations. It was therefore being proposed to refurbish the local housing office to provide space for Customer Services to provide all Council services including a digital area for customers to self-serve, thereby supporting the Council's digital agenda.

Discussions would also take place with other potential partners regarding the possibility of delivering services from this location. However, it was noted that space at this location was limited. The proposed refurbishment was seen as an interim solution whilst the regeneration of Ollerton town centre and the development of a public sector hub came to fruition. Current estimates for costs of the refurbishment were £50,000. The Business Manager – Customer Services reported that the proposal had been supported by the Homes & Communities Committee at their meeting held on 23 November 2020.

AGREED (unanimously) that the proposal to refurbish and re-purpose the local housing office in Ollerton, as detailed in the report be approved and the project be added to the HRA Capital Programme for 2020/21.

Reason for Decision

To enable the Council to deliver a face-to-face service to its customers in the Sherwood area and to have a fit for purpose office facility for officers to access when working in that area of the District.

167 QUARTER 2 (Q2) 2020/21 PERFORMANCE REPORT

The Assistant Director – Transformation & Communications presented a report which gave Members an overview of Quarter 2 performance against the objectives and actions within the Council’s refreshed Community Plan for 2019-2023 and a range of other performance information. The report provided a commentary on progress against the eleven Community Plan objectives, reported on customer contacts, customer feedback and details of staff sickness absence rates.

AGREED (unanimously) that the report be noted.

Reason for Decision

To enable the Committee to proactively monitor and manage achievement of the Council’s objectives as set out in the Community Plan.

168 COVID-19 REVENUE SUPPORT - BUSINESS GRANTS AND ASSURANCE, COUNCIL TAX HARDSHIP FUND, TEST AND TRACE SUPPORT PAYMENTS

The Business Manager – Revenues & Benefits presented a report which provided Members with an update on the administration of a number of revenue support schemes including the business rate grant fund(s), the council tax hardship fund and test and trace support payments, all in light of the Covid-19 pandemic. The report also provided assurances over the pre and post checks that had been conducted so far.

AGREED (unanimously) that:

- (a) the progress made with the administration of the Business Grant Schemes, Council Tax Hardship Fund and the Test and Trace Support Payments be noted; and
- (b) the pre and post assurance checks conducted so far be noted.

Reason for Decision

To provide Members with an update on the administration of a number of Covid-19 revenue support schemes and to provide assurance of those schemes.

169 EXCLUSION OF THE PRESS AND PUBLIC

AGREED (unanimously) that, under Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.

170 URGENCY ITEM - NEXT STEPS ACCOMMODATION PROGRAMME

The Committee noted the exempt urgency item.

(Summary provided in accordance with Section 100C (2) of the Local Government Act 1972).

171 NEWARK TOWNS FUND

The Committee considered the exempt report regarding Newark Towns Fund.

(Summary provided in accordance with Section 100C(2) of the Local Government Act 1972).

172 DEVELOPMENT OF THE FORMER ROBIN HOOD HOTEL

The Committee considered the exempt report regarding the development of the former Robin Hood Hotel.

(Summary provided in accordance with Section 100C(2) of the Local Government Act 1972).

173 OLLERTON HALL

The Committee received an exempt update regarding Ollerton Hall.

(Summary provided in accordance with Section 100C(2) of the Local Government Act 1972).

Meeting closed at 8.23 pm.

Chairman

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

**Forward Plan of Policy & Finance Committee Decisions from 1 February 2021 to 31 January 2021**

This document records some of the items that will be submitted to the Policy & Finance Committee over the course of the next twelve months.

These committee meetings are open to the press and public.

Agenda papers for Policy & Finance Committee meetings are published on the Council's website 5 days before the meeting <https://democracy.newark-sherwooddc.gov.uk/mgCalendarMonthView.aspx?GL=1&bcr=1>. Any items marked confidential or exempt will not be available for public inspection.

Meeting Date	Subject for Decision and Brief Description	Contact Officer Details
TBC	Environmental Services Strategy	<a href="mailto:matt.finch@newark-sherwooddc.gov.uk">matt.finch@newark-sherwooddc.gov.uk</a> <a href="mailto:Andrew.kirk@newark-sherwooddc.gov.uk">Andrew.kirk@newark-sherwooddc.gov.uk</a>
18.02.21	Medium Term Financial Plan 2021-25	<a href="mailto:nick.wilson@newark-sherwooddc.gov.uk">nick.wilson@newark-sherwooddc.gov.uk</a>
18.02.21	Capital Programme Budget 2021-25	<a href="mailto:nick.wilson@newark-sherwooddc.gov.uk">nick.wilson@newark-sherwooddc.gov.uk</a>
18.02.21	Pay Policy Statement 2021/22	<a href="mailto:Caroline.glass@newark-sherwooddc.gov.uk">Caroline.glass@newark-sherwooddc.gov.uk</a>
18.02.21	Community Plan Performance Report Q3	<a href="mailto:natalie.cook@newark-sherwooddc.gov.uk">natalie.cook@newark-sherwooddc.gov.uk</a>
18.02.21	Stodman Street Delivery Vehicle (Exempt)	<a href="mailto:Neil.cuttell@newark-sherwooddc.gov.uk">Neil.cuttell@newark-sherwooddc.gov.uk</a>
01.04.21	Customer Insights	<a href="mailto:Ella.brady@newark-sherwooddc.gov.uk">Ella.brady@newark-sherwooddc.gov.uk</a>
01.04.21	Armed Forces Action Plan	<a href="mailto:natalie.cook@newark-sherwooddc.gov.uk">natalie.cook@newark-sherwooddc.gov.uk</a>
24.06.21	Community Plan Performance Report Q4 / YE	<a href="mailto:natalie.cook@newark-sherwooddc.gov.uk">natalie.cook@newark-sherwooddc.gov.uk</a>
24.06.21	London Road Car Park Extension Options Appraisal (Exempt)	<a href="mailto:matt.lamb@newark-sherwooddc.gov.uk">matt.lamb@newark-sherwooddc.gov.uk</a>
23.09.21	Community Plan Performance Report Q1	<a href="mailto:natalie.cook@newark-sherwooddc.gov.uk">natalie.cook@newark-sherwooddc.gov.uk</a>
25.11.21	Community Plan Performance Report Q2	<a href="mailto:natalie.cook@newark-sherwooddc.gov.uk">natalie.cook@newark-sherwooddc.gov.uk</a>
21.02.22	Community Plan Performance Report Q3	<a href="mailto:natalie.cook@newark-sherwooddc.gov.uk">natalie.cook@newark-sherwooddc.gov.uk</a>



## POLICY & FINANCE COMMITTEE

21 JANUARY 2021

### EQUALITY & DIVERSITY STRATEGY 2021-23

#### **1.0 Purpose of Report**

1.1 To propose a light touch review of the Council's Equality & Diversity Strategy.

#### **2.0 Background Information**

2.1 Under the duties of the Equality Act 2010 and the Public Sector Equality Duty, a local authority is required to set at least one equality objective for the organisation every four years.

2.2 In 2016, following consultation with our local communities we developed an Equality and Diversity Strategy (**Appendix 1**) which set out our public commitment to meet the duties placed upon us by the equality legislation. In doing so we adopted four Equality Objectives;

**Objective 1:** In delivering the Council's priorities and themes we will have due regard to equalities implications through leadership, partnership and organisational commitment.

**Objective 2:** To improve our services by better understanding our communities through the collection and analysis of information, and engaging with partners to share as appropriate.

**Objective 3:** To ensure services are accessible to meet the needs of our citizens.

**Objective 4:** As an employer promote an inclusive working environment to maintain and develop a modern and diverse workforce.

2.3 The Strategy was due for review during 2020 but given the challenges faced by the District, initially by the floods in February swiftly followed by the coronavirus pandemic which remains very much to the forefront of peoples' priorities it was not deemed appropriate to go out to consultation.

2.4 Having looked at the document it was noted that the statistical information contained within it relates to the 2011 Census and with a further Census being due in March this year it does not feel appropriate to undertake a full review at this time.

#### **3.0 Proposal**

3.1 It is therefore proposed felt that a light touch review be undertaken now to ensure the Council continues to have an up to date document and that a full review be undertaken once the results of the 2021 Census are published, by which time the District will have recovered sufficiently from the effects of the coronavirus to engage with a consultation exercise.

3.2 The revised Strategy reaffirms our Equality objectives and reinforces our commitment to promoting and valuing fairness, equality and diversity in all that we do. However, to reflect the Council's adoption of the recently revised Community Plan the wording of each Objective has been amended as follows:

**Objective 1:** In delivering the Council's purpose, values and objectives we will have due regard to equalities implications through leadership, partnership and organisational commitment.

**Objective 2:** We will improve our services by better understanding our communities through the collection and analysis of information, and engaging with partners to share as appropriate.

**Objective 3:** We will ensure services are accessible to meet the needs of our citizens.

**Objective 4:** As an employer we will promote an inclusive working environment to maintain and develop a modern and diverse workforce.

3.3 Other amends include changes to roles and responsibilities, general tidy up of grammar etc, relocation of statistical data to the end of the document and greater links to the Community Plan.

#### **4.0 RECOMMENDATION**

**That Members review the content of the revised Equality & Diversity Strategy for 2021/23 and subject to any amendments, approve the revised strategy.**

#### **Reasons for Recommendation**

**To ensure the Council can continue to fulfil its obligations under Equality Act 2010 and the Public Sector Equality Duty.**

#### **Background Papers**

Nil.

For further information please contact Caroline Glass on extension 5308.

Caroline Glass  
Business Manager – HR and Training

## **NEWARK & SHERWOOD DISTRICT COUNCIL**

### **EQUALITY & DIVERSITY STRATEGY**

**2021 - 2023**

#### **FOREWORD**

The duties for the Council, contained within the Equality Act 2010, require us to continually examine our policies and practices to ensure that all our residents and customers are treated fairly and equally. We constantly strive to be more aware and knowledgeable about how age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion/belief, sex, and sexual orientation affect the experiences of our local communities, both individually and collectively. We also make every effort to raise the profile of equality and diversity issues both internally within the Council and across the District.

We recognise the importance of fair treatment and equal access to our services and employment opportunities and believe that all equality issues should be included within one document so that they can be embedded into policy formation and service delivery.

We have had regard to the Equalities Framework for Local Government (published in September 2015) when refreshing this Equality and Diversity Strategy. The Equalities Framework has been used to assist us in delivering our public sector equality duty with particular emphasis on the five key performance areas within the Framework, namely:

- Knowing our communities;
- Leadership, partnership and organisational commitment;
- Involving our communities;
- Responsive services and customer care; and
- A skilled and committed workforce.

The Framework has three levels of achievement:

'Developing'

'Achieving'

'Excellent'.

This document outlines how we will continue to deliver accessible and focused services consistently and fairly to all sections of the community we serve. It reaffirms our commitment to making this happen and in doing so to progress from our current achievement status of "Developing" through to "Excellent".

Councillor David Lloyd  
**Leader of the Council and  
Chairman of Policy & Finance Committee**

John Robinson  
**Chief Executive**

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## 1.0 INTRODUCTION

This Strategy is Newark and Sherwood District Council's public commitment to meet the duties placed upon it by the equality legislation.

Under the duties of the Equality Act 2010 and the Public Sector Equality Duty, a local authority is required to set at least one equality objective for the organisation every four years. In 2016 the Council adopted four Equality Objectives;

**Objective 1:** *In delivering the Council's priorities and themes we will have due regard to equalities implications through leadership, partnership and organisational commitment.*

**Objective 2:** *To improve our services by better understanding our communities through the collection and analysis of information, and engaging with partners to share as appropriate.*

**Objective 3:** *To ensure services are accessible to meet the needs of our citizens.*

**Objective 4:** *As an employer promote an inclusive working environment to maintain and develop a modern and diverse workforce.*

This strategy reaffirms those objectives and reinforces our commitment to promoting and valuing fairness, equality and diversity in all that we do. However, to reflect the Council's adoption of the revised Community Plan the wording of each Objective has been revised as follows:

**Objective 1:** *In delivering the Council's **purpose, values and objectives** we will have due regard to equalities implications through leadership, partnership and organisational commitment.*

**Objective 2:** ***We will** improve our services by better understanding our communities through the collection and analysis of information, and engaging with partners to share as appropriate.*

**Objective 3:** ***We will** ensure services are accessible to meet the needs of our citizens.*

**Objective 4:** *As an employer **we will** promote an inclusive working environment to maintain and develop a modern and diverse workforce.*

These objectives will underpin all our services, activities and equality related work for the next two years.

As a public authority, Newark & Sherwood District Council is required to have due regard to the need to:

- **Eliminate unlawful discrimination**, harassment and victimisation;
- **Advance equality of opportunity** between persons who share a relevant protected characteristic and persons who do not share it; and
- **Foster good relations** between persons who share a relevant protected characteristic and persons who do not share it.

The Equality Duty covers the following protected characteristics:

- Age
- Disability
- Gender re-assignment
- Pregnancy and Maternity

- Race – this includes ethnic or national origins, colour or nationality
- Religion or Belief – this includes lack of belief
- Sex
- Sexual orientation

It also applies to marriage and civil partnership, but only in respect of the requirement to have due regard to the need to eliminate discrimination.

Having **due regard** means consciously thinking about the three aims of the Equality Duty as part of the process of decision-making. This means that consideration of equality issues must influence the decisions reached such as in:

- how we act as an employer;
- how we develop, evaluate and review policy;
- how we design, deliver and evaluate services; and
- how we commission and procure from others.

Having due regard to the need to **advance equality of opportunity** involves considering the need to:

- Remove or minimise disadvantages suffered by people due to their protected characteristics;
- Meet the needs of people with protected characteristics; and
- Encourage people with protected characteristics to participate in public life or in other activities where their participation is low.

**Fostering good relations** involves tackling prejudice and promoting understanding between people who share a protected characteristic and those who do not.

## 2.0 **ABOUT NEWARK & SHERWOOD**

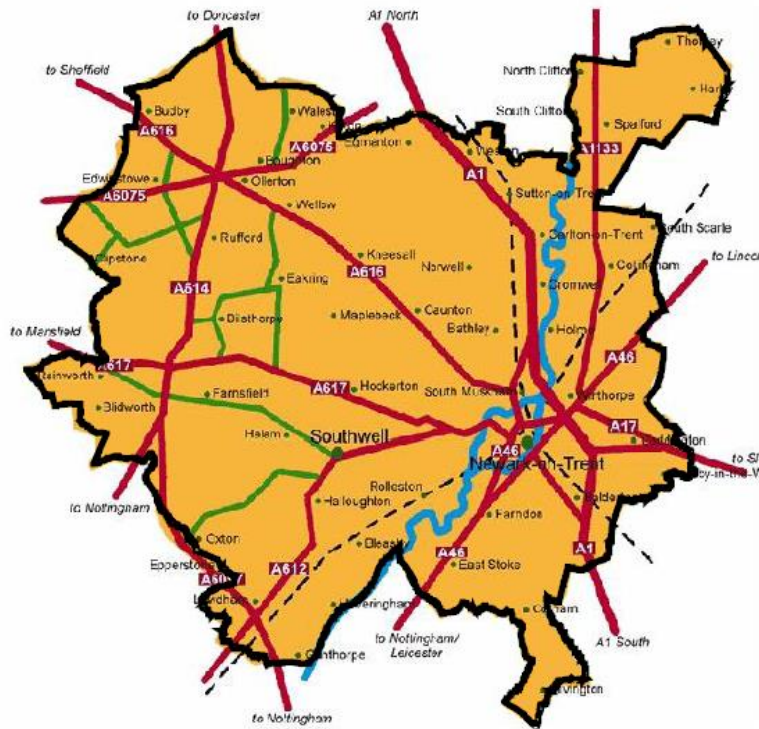
### 2.1 Demographic Picture of the District

#### **DISTRICT PROFILE – The Geography of Newark & and Sherwood**

The District of Newark and Sherwood, at over 65,000 ha, is the largest in Nottinghamshire, covering nearly one third of the County. The District comprises much of the central and eastern parts of rural Nottinghamshire, with the more urbanised parts of the County, including the Nottingham and Mansfield conurbations, lying to the west. Lincolnshire adjoins the eastern boundary of the District, with Lincoln to the north-east and Grantham to the southeast.

The District is home to approximately 121,566 people. There is a dispersed pattern of settlement. Newark is the largest town but most of the settlements are small. Most of the District is open countryside in agricultural use.





Key data tables are shown in Appendix 1, 2 and 3. Please note that this information relates to the 2011 census. It will be updated following publication of the results of the March 2021 census. Should this information change significantly this Strategy will be reviewed to ensure it remains fit for purpose and continues to meet the needs and aspirations of our community.

## 2.2 The Council’s Vision, Purpose, Values and Objectives

We reviewed our Community Plan in September 2020. <https://www.newark-sherwooddc.gov.uk/councilpriorities/>

**Our Vision** is: *Newark and Sherwood already has much to be proud of. With its captivating history, beautiful countryside, characterful market towns, world renowned businesses and an enviable location at the crossroads of the country’s transport network. We want to do all we can to enable local residents and businesses to flourish and fulfil their potential as well as encouraging more visitors to enjoy all that Newark and Sherwood has to offer. In order to achieve these, we will be locally focused and nationally connected - driven by what matters most to the people we serve and with a perspective and relationships stretching well beyond our boundaries.*

**Our Purpose and Values** are: *We want to serve our local community the best way we possibly can. As public servants we place a great emphasis on adopting a public sector ethos and seek to embody this in the way that we interact with you and with each other. The Council’s purpose and values make it clear what we are here to do and how we will go about it.*

‘Serving People, Improving Lives’

**Ambitious and Forward Thinking** Focused on achieving the very best and always looking to improve and innovate.

**Caring and Compassionate** Sensitive to the different needs and circumstances of others; seeks to empower people to fulfil their potential.

**Commercial and Business-like** Careful and creative with resources; securing value for money. **Professional and Trustworthy** Consistently delivering on promises; providing good quality and demonstrating integrity.

**Welcoming and Responsive** Approachable, open to feedback and challenge and swift to act.

### **Our Objectives are to:**

- Create vibrant and self-sufficient local communities where residents look out for each other and actively contribute to the local area
- Create more and better quality homes through our roles as landlord, developer and planning authority
- Deliver inclusive and sustainable economic growth
- Continue to maintain the high standard of cleanliness and appearance of the local environment
- Enhance and protect the district’s natural environment
- Reduce crime and anti-social behaviour, and increase feelings of safety in our communities
- Improve the health and wellbeing of local residents

## **3.0 OUR EQUALITY OBJECTIVES**

3.1 The following Equality Objectives were chosen to help us meet our Equality Duties and to bring about positive change. The Objectives were identified from an analysis of our services and they will continue to be the focus of our equality related work for the next two years.

**Objective 1:** *In delivering the Council’s purpose, values and objectives we will have due regard to equalities implications through leadership, partnership and organisational commitment.*

**How we will deliver this:** Strategic leadership – both political and managerial – is key to establishing our vision for equality and improving equality outcomes. Councillors and senior managers in particular have a central role to play in ensuring that equality issues are integral to the local authority’s performance and strategic aims, and that there is a strong vision and public commitment to equality across our services.

Partnership working with health, police, fire and rescue services, and the voluntary and community sector is key to our work. We can better address local inequalities and improve the life chances of different groups by pooling information, resources and action planning.



Our approach to equalities is embedded in how we allocate resources, comply with our public duties, engage with our communities, plan and monitor services and in procurement.

***Objective 2: We will improve our services by better understanding our communities through the collection and analysis of information, and engaging with partners to share as appropriate.***

**How we will deliver this:** Services can be improved by informing policies, procedures and other actions through sound evidence and research around the needs of our communities. This principle also applies to our work to promote equality and diversity. Good equality analysis enables the Council to understand differences and identify where there are gaps in outcomes and opportunities for different communities, including those sharing the protected characteristics, in key areas of life.

We will endeavour to make use of national as well as local data and share evidence with other public sector bodies, where possible. Measuring the gaps in outcomes and opportunities is a foundation of identifying local priorities and provides an evidence base both for decisions about service policy and delivery and for monitoring the effects of these decisions on local communities. The proportionate and needs-based collection and analysis of equality-related data ensures that our work is factually informed rather than based on assumptions or stereotypes. To enable us to know our communities, we will endeavour to collect, analyse and use information and share information between partners including where council services are provided through different delivery vehicles such as partnership working and services delivered by other organisations.

***Equality Objective 3: To ensure services are accessible to meet the needs of our citizens.***

**How we will deliver this:** Our services must meet the needs of a diverse range of local communities and individuals. The Census 2011 and other data show that the social and economic characteristics of our communities varies across the district and over-time. Our understanding of our communities together with our collaborative working enables us to proactively target resources to where they will be most effective, for example in meeting the needs of vulnerable people or communities and delivering good equality outcomes.

We are modernising our services through new and more appropriate facilities, digitizing services to improve our processes for our customers and co-locating with key partners.

Users of our services are treated with dignity and respect. Access and Human Rights considerations lie at the heart of our approach to customers and communities.

***Objective 4: As an employer we will promote an inclusive working environment to maintain and develop a modern and diverse workforce.***

**How we will deliver this:** Our work to promote equality and diversity also extends within our organisation through our role as an employer. We aim to ensure that our human resources (HR) policies and procedures reflect notable practice in equality and diversity, and that anyone who applies to the Council or who works for it feels confident that they are treated fairly.

Our approach to ensuring a modern, committed and diverse workforce includes:

- Workforce diversity
- Workforce strategy
- Workforce monitoring
- Equality analysis/impact assessment
- Staff engagement
- Promoting an inclusive working environment
- Equal pay
- Harassment and bullying
- Appraisal
- Learning and development
- Agile working.

#### **4.0 RESPONSIBILITY, MONITORING & IMPLEMENTATION**

##### **4.1 Responsibilities**

Elected Members have central roles to play in ensuring that equality issues are integral to the Council's activities.

The Council's Senior Leadership Team (SLT) has responsibility for corporate policy on equality and diversity issues and monitoring performance against agreed targets.

Individual Business Units are responsible for undertaking Equality Impact Assessments (EQIAs) for areas of policy and service delivery (where they are appropriate and necessary) and collecting and monitoring feedback from customers. Business Managers are responsible for ensuring their Business Units meet the Council's commitments under this Strategy.

All Committee and SLT reports contain reference to equalities and where it is appropriate or relevant to do so EQIAs will be carried out and their findings captured in the reports.

Council Members are expected to consider the equality implications associated with any relevant decisions that they take. Examples of relevant decisions include but are not restricted to introducing new services, stopping services or changing Council policies that has an impact on service users.

The Council's Equalities Working Group will meet quarterly to promote equality issues and an annual report on the group's activities together with our progress our achievement of "Excellent" status will be made to the relevant Council committee. This document will be available to the public.

The Council's employees are expected to conduct their duties with the highest standards of integrity and with due regard for their responsibilities under the Equality legislation.

This standard of behaviour is also expected from any relief workers, agency workers, contractors and consultants working or performing a service on the Council's behalf.

The Chief Executive, Deputy Chief Executive, Directors and Business Managers will have responsibility for ensuring that:

- this Equality & Diversity Strategy is implemented and embedded at all levels within the organisation;
- due regard is given to our equality objectives and they are included in Business Plans and service reviews where appropriate and relevant;
- EQIAs are completed (where appropriate) in a timely manner and equality implications are set out within reports (e.g. Committee/Council/SLT reports) to ensure that decision makers are fully informed;
- all employees are trained appropriately to raise and update their awareness of equality and diversity issues thus enabling them to tailor services to the needs of all their customers;
- regular monitoring and evaluation of services is provided to customers;
- information and publicity materials aimed at the public are clear and understandable, non-offensive in their use of language and images and available in other formats and whenever appropriate in other languages, including British Sign Language;
- all contractors and organisations providing services on behalf of the Council have equality policies covering both service delivery and employment;
- as far as is reasonably practicable that the Council's public buildings are accessible to disabled people.

#### 4.2 Use of Equality Impact Assessments and showing due regard to Equalities matters

Equality Impact Assessments (EQIA) are tools which public bodies may use to make sure their policies and the way services are delivered are intended to and do meet the needs of everybody. They provide a systematic way of assessing the effects of policies and practices in respect of persons who share relevant protected characteristics.

They may not be necessary in all cases however, and where relevant confirmation that equalities matters have due consideration will suffice.

Where an EQIA is used it will assist in determining whether any mitigating action is necessary and will be taken. There are three possible outcomes which can arise from undertaking an EQIA:

- |                               |   |
|-------------------------------|---|
| 1. Adjust the policy          | The EQIA has identified potential problems or missed opportunities. Adjust the policy to remove barriers or promote better equality of opportunity.   |
| 2. Continue with the policy   | The EQIA identifies the potential for adverse impact or missed opportunities to promote equality. It clearly sets out the justification for continuing with it and this must be recorded in the EQIA in line with the duty to have due regard. For the most important policies, compelling reasons must be given. |
| 3. Stop and remove the policy | The policy shows actual or potential unlawful discrimination. It must be stopped, removed or changed.   |

Reference to equality implications should be made in each report submitted to a Committee or meeting of the Council (including SLT) to ensure that decision makers are appropriately informed of any such implications in advance of taking decisions.

Council Members will have regard to equality implications as part of their decision making processes.

#### 4.3 Customer Comments

If any customers consider they have been the subjects of unequal treatment, they may make complaints using the Council's Customer Comments Procedure. <https://www.newark-sherwooddc.gov.uk/customerfeedback/>

We will monitor customer comments (compliments, complaints and suggestions) to identify if they relate to equality issues. If they do, then the concerns will be reported to the Council's Equalities Working Group.

The Council recognises that excellent customer services is at the heart of our business and is committed to providing this.

**POPULATION TABLES**

Total population and age groups of Newark and Sherwood and comparator areas are shown in the following tables:

Table: Census 2011 population summary				
	Newark and Sherwood	Notts	East Midlands	England
<a href="#">All people (2011)</a>	114,817.0	785,802.0	4,533,222.0	53,012,456.0
Percentage change from 2001	8.0	5.0	8.7	7.9
<a href="#">Household residents (census) (2011)</a>	112,526.0	774,338.0	4,442,192.0	52,059,931.0
Percentage change from 2001	7.4	4.9	8.5	7.9
<a href="#">All Males (2011)</a>	56,556.0	386,722.0	2,234,493.0	26,069,148.0
Percentage change from 2001	9.1	5.6	9.1	9.0
<a href="#">All Females (2011)</a>	58,261.0	399,080.0	2,298,729.0	26,943,308.0
Percentage change from 2001	7.0	4.4	8.3	6.9

Source: ONS, Census 2011

The table below shows the population by five year age bands. Figures are taken from the 2011 census. Data is shown as a percentage of total population. (Numbers are shown in brackets).

Table: Census 2011 population summary				
	Newark and Sherwood	Notts	East Midlands	England
<a href="#">People aged 0-4 (2011)</a>	5.5 (6,317)	5.8	6.0	6.3
<a href="#">People aged 5-9 (2011)</a>	5.5 (6,267)	5.3	5.5	5.6
<a href="#">People aged 10-14 (2011)</a>	6.0 (6,872)	5.8	5.8	5.8
<a href="#">People aged 15-19 (2011)</a>	6.1 (7,004)	6.1	6.5	6.3
<a href="#">People aged 20-24 (2011)</a>	5.3 (6,061)	5.7	6.8	6.8
<a href="#">People aged 25-29 (2011)</a>	5.2 (5,971)	5.6	6.2	6.9
<a href="#">People aged 30-34 (2011)</a>	5.0 (5,785)	5.7	5.9	6.6
<a href="#">People aged 35-39 (2011)</a>	6.3 (7,216)	6.4	6.4	6.7
<a href="#">People aged 40-44 (2011)</a>	7.7 (8,857)	7.6	7.4	7.3
<a href="#">People aged 45-49 (2011)</a>	7.8 (8,974)	7.9	7.5	7.3
<a href="#">People aged 50-54 (2011)</a>	7.1 (8,143)	7.0	6.6	6.4
<a href="#">People aged 55-59 (2011)</a>	6.4 (7,351)	6.3	6.0	5.7
<a href="#">People aged 60-64 (2011)</a>	7.2 (8,214)	6.8	6.4	6.0
<a href="#">People aged 65-69 (2011)</a>	5.9 (6,722)	5.5	5.1	4.7
<a href="#">People aged 70-74 (2011)</a>	4.6 (5,251)	4.3	4.0	3.9
<a href="#">People aged 75-79 (2011)</a>	3.5 (4,069)	3.5	3.2	3.2
<a href="#">People aged 80-84 (2011)</a>	2.6 (3,014)	2.5	2.4	2.4

Table: Census 2011 population summary				
	Newark and Sherwood	Notts	East Midlands	England
<a href="#">People aged 85-89 (2011)</a>	1.6 (1,804)	1.6	1.5	1.5
<a href="#">People aged 90 and over (2011)</a>	0.8 (925)	0.8	0.8	0.8

Source: ONS, Census 2011

**STATISTICAL INFORMATION**Information Sources

2011 Census Key Statistics for Newark and Sherwood District, including reference tables and accompanying interactive data visualisations detailed below, can be found at: <https://www.newark-sherwooddc.gov.uk/census2011/>

Particular Equality Groups

Demographic information from the 2011 Census provided a breakdown of the district's population within particular equality groups. This included, for example:

- Usual resident population – Newark and Sherwood has a usual resident population of approximately 121,566 people, of which 49.3% are male and 50.7% are female
- Age structure – 19% of the population are aged 65 or over and 20.6% are under 18
- Marital and civil partnership status – 51.7% of the districts population are married or in a registered same-sex civil partnership
- Dependent children, adults not in employment, those with disability and/or long-term health problems – 27.5% of households having one person with a long-term health problem or disability.
- A range of tables on ethnicity, national identity, country of birth, passports held, the percentage of households with English as a main language.
- Religion – 66.1% of local residents describe themselves as Christian and 25.6% state they have no religion.
- Health and provision of unpaid care
- A range of tables on economic activity, hours worked, industry and occupational characteristics each broken down by gender
- A range of tables on socio-economic classification, ethnic diversity, country of birth, year and age of arrival, length of residence in the UK, detailed religion.

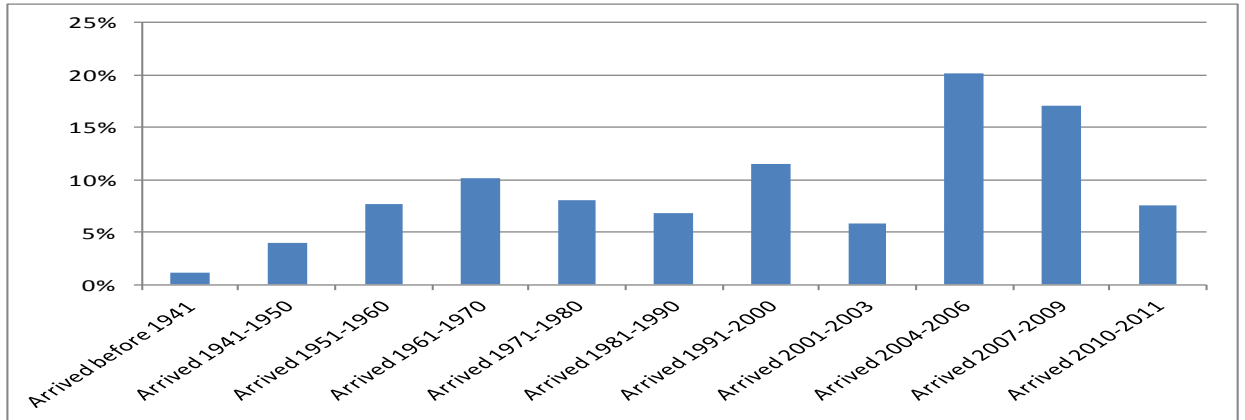
While there are concerns about how the district would cope with a growing population and changing demographic, there is also the need to recognise that increased population can also bring with it a more diverse community and more opportunities.

In considering the ethnicity of Newark and Sherwood's population, the 2011 census showed that just over 5.8% of the population originated from outside of the UK, a comparatively low level when compared to the East Midlands (14.6%) and England (20.2%) averages.

Since the 2001 Census there has been a 50% increase in the number of residents born outside of the UK, bringing the total number in Newark and Sherwood to 5,650 (5% of the population of Newark and Sherwood). Figure 1 shows the number of people born outside of the UK living in Newark and Sherwood as a percentage of the total people born outside of the UK by the year they arrived in the country (earlier years will be an underestimate of the number arriving due to a number of people born outside of the UK no longer being resident in Newark and Sherwood). There was an increase in immigration to Newark and Sherwood between 2004 and 2009. Twenty percent of those born outside the UK arrived in the country between 2004 and 2006, with a further 17% arriving between 2007 and 2009.

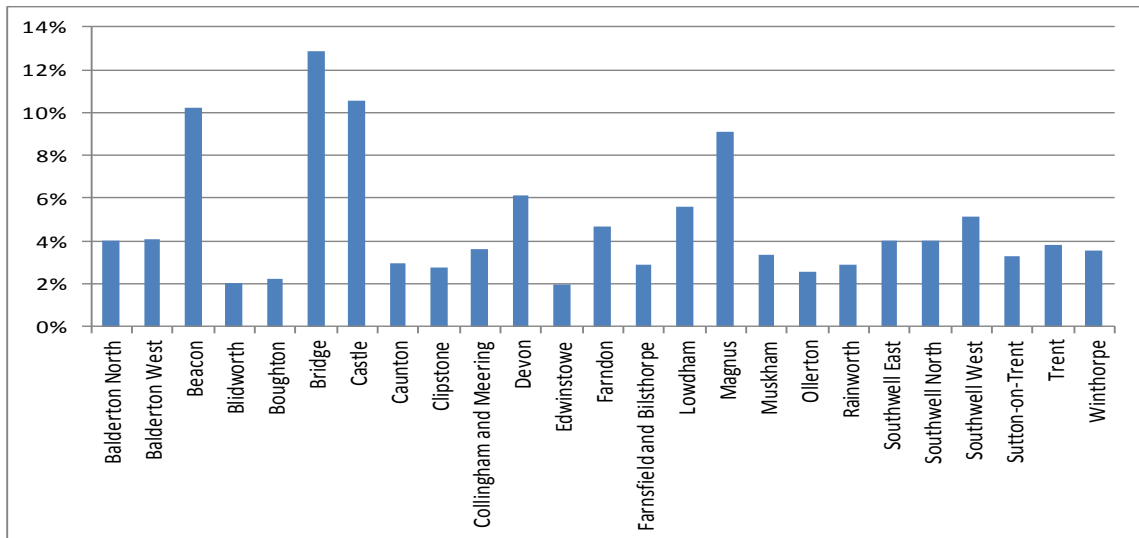


Figure 1



At a ward level, the percentage of the population born outside of the UK exceeds 10% in Beacon, Bridge and Castle wards (Figure 2).

Figure 2



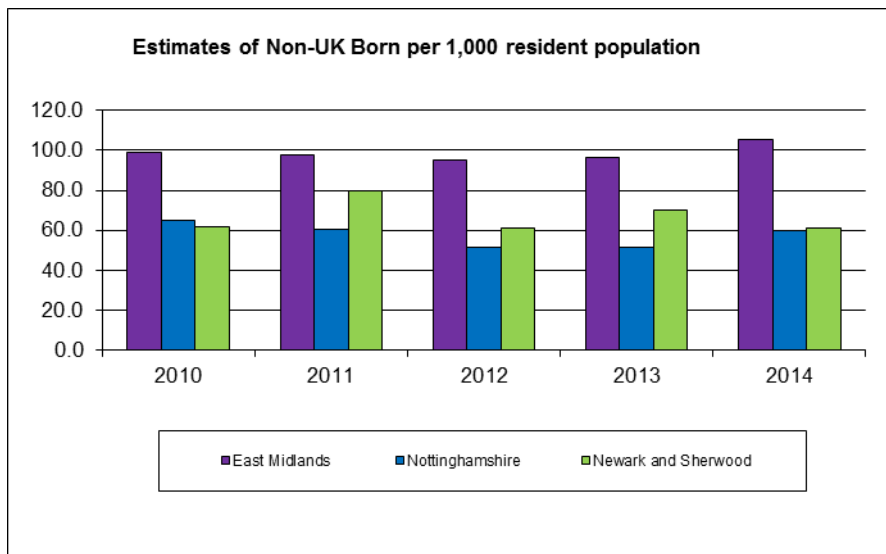
Although ethnic minority groups still remain relatively small in the district there have been some recent noticeable trends of international migration into the area that need to be measured and monitored in order to understand the impact on the local population and to address any change in the needs of local communities.

Although currently there is no single data source that provides comprehensive information on migration at national, regional and local levels, there are some sources that provide valuable insight into the situation.

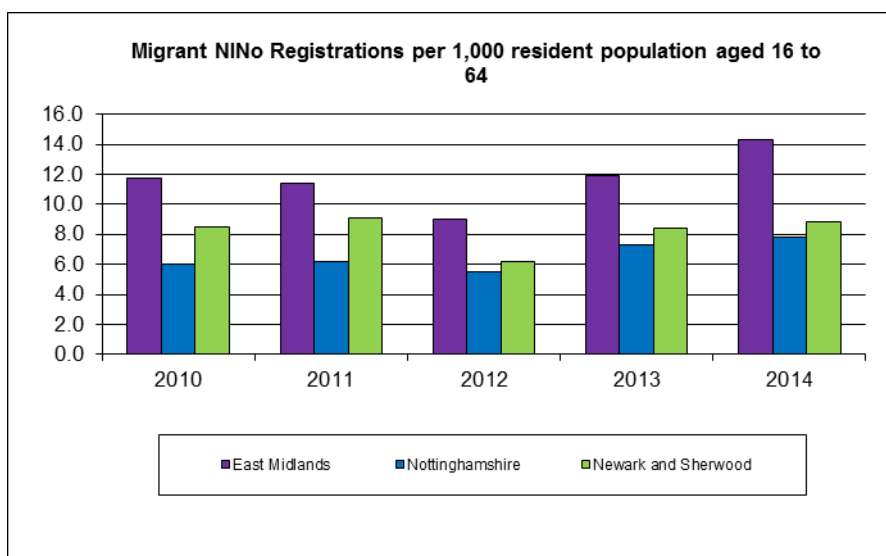
The Migration Indicators Tool enables comparison of data published by the Office for National Statistics (ONS), National Records of Scotland (NRS), Northern Ireland Statistics and Research Agency (NISRA), the Department for Work and Pensions (DWP) and Patient Register Data Services (PRDS) to gain an indication of migration at a local level. Appendix 4 lists data for the following four measures of migration:

### Estimates of Non-UK Born per 1,000 resident population

Non-UK Born Population: Figures presented show the estimated non-UK born population living in the UK per 1,000 (APS) resident population by calendar year.



Migrant National Insurance Number (NINo) Registrations: Figures presented show the number of NINo allocations to adult overseas nationals entering the UK per 1,000 resident population aged 16 to 64 by calendar year.



The following are some of the benefits of this in-migration:

- Newark and Sherwood's population is getting older, meaning that more working age people are needed to support the growing local economy.
- There is a current shortage of highly-skilled people in key sectors such as the NHS, public services and the IT industry which is partly being met by new migrant workers.
- As Newark and Sherwood's population becomes more highly skilled, educated and elderly there may be more jobs that people choose not to do because they are viewed as less attractive. Migrant labour is meeting some of this demand.

As Newark and Sherwood's population size and composition continues to change there is a need to be aware that community identity and cohesion can be challenged by more diversity in the population if new residents are not effectively welcomed into the area and become part of the new fabric of the community. There is a need to encourage social inclusion by enabling different groups of people to feel valued, have equality of opportunity and ensure they get on well together. An aspect of this process of inclusion is providing the necessary infrastructure and services needed by new residents for a good quality of life.

Overall there is the need to monitor the impacts of population growth that has already occurred in order to prevent some of the negative effects of future growth. Emphasis should be placed on holistic planning with local communities in Newark and Sherwood in order to efficiently and effectively address the social, economic, environmental and infrastructure needs of the present and future population.

Sexual orientation and Transgender data is often difficult to obtain at both national and district level. Obtaining detailed information and statistics on the transgender population is very difficult to collect as this has never been systematically done before and also because people are reluctant to identify as transgender for fear of discrimination. Further information may be available from national organisations that work on transgender issues including Stonewall, [www.stonewall.org.uk](http://www.stonewall.org.uk) The Gender Trust, [www.gendertrust.org.uk](http://www.gendertrust.org.uk) and GIRES [www.gires.org.uk/](http://www.gires.org.uk/)

#### Regular Consultees/Groups who Inform Service Delivery

The Council will use consultation with its customers, service users, and representative groups where appropriate to inform its service delivery and policy reviews and formulation.

#### How did we Consult over the Development of our Equality and Diversity Strategy?

Our current Equality Objectives were placed on our website for consultation. They were also made available in other reasonable formats for those who preferred not to complete responses online. Specific groups representing people with protected characteristics who the Council engages with were also consulted

**ETHNICITY TABLES**

<b>Table: Census 2011 Ethnic Group</b>				
	<b>Newark and Sherwood</b>	<b>Notts</b>	<b>East Midlands</b>	<b>England</b>
<a href="#"><u>White: English/Welsh/Scottish/Northern Irish/British</u></a>	94.2 (108,208)	92.6	85.4	79.8
<a href="#"><u>White: Irish</u></a>	0.6 (641)	0.5	0.6	1.0
<a href="#"><u>White: Gypsy or Irish Traveller</u></a>	0.2 (253)	0.1	0.1	0.1
<a href="#"><u>White: Other White</u></a>	2.5 (2,856)	2.3	3.2	4.6
<a href="#"><u>Mixed/multiple ethnic group: White and Black Caribbean</u></a>	0.4 (491)	0.7	0.9	0.8
<a href="#"><u>Mixed/multiple ethnic group: White and Black African</u></a>	0.1 (133)	0.1	0.2	0.3
<a href="#"><u>Mixed/multiple ethnic group: White and Asian</u></a>	0.3 (308)	0.4	0.5	0.6
<a href="#"><u>Mixed/multiple ethnic group: Other Mixed</u></a>	0.2 (228)	0.2	0.3	0.5
<a href="#"><u>Asian/Asian British: Indian</u></a>	0.3 (366)	0.9	3.7	2.6
<a href="#"><u>Asian/Asian British: Pakistani</u></a>	0.1 (145)	0.4	1.1	2.1
<a href="#"><u>Asian/Asian British: Bangladeshi</u></a>	0.1 (73)	0.1	0.3	0.8
<a href="#"><u>Asian/Asian British: Chinese</u></a>	0.2 (220)	0.4	0.5	0.7
<a href="#"><u>Asian/Asian British: Other Asian</u></a>	0.2 (232)	0.4	0.8	1.6
<a href="#"><u>Black/African/Caribbean/Black British: African</u></a>	0.2 (166)	0.2	0.9	1.8

<b>Table: Census 2011 Ethnic Group</b>				
	Newark and Sherwood	Notts	East Midlands	England
<a href="#"><u>Black/African/Caribbean/Black British: Caribbean</u></a>	0.2 (270)	0.4	0.6	1.1
<a href="#"><u>Black/African/Caribbean/Black British: Other Black</u></a>	0.1 (63)	0.1	0.2	0.5
<a href="#"><u>Other ethnic group: Arab</u></a>	0.0 (39)	0.1	0.2	0.4
<a href="#"><u>Other ethnic group: Any other ethnic group</u></a>	0.1 (125)	0.2	0.4	0.6

Source: ONS, Census 2011

**MIGRATION TABLES**

<b>Geography</b>	<b>Indicator</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>East Midlands</b>	Estimates of Non-UK Born per 1,000 resident population	98.7	97.8	94.9	96.2	105.3
<b>Nottinghamshire</b>	Estimates of Non-UK Born per 1,000 resident population	64.7	60.6	51.3	51.2	59.9
<b>Newark and Sherwood</b>	Estimates of Non-UK Born per 1,000 resident population	61.9	79.6	61.4	70.2	60.9

<b>Geography</b>	<b>Indicator</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>East Midlands</b>	Migrant NI No Registrations per 1,000 resident population aged 16 to 64	11.7	11.4	9.0	11.9	14.3
<b>Nottinghamshire</b>	Migrant NI No Registrations per 1,000 resident population aged 16 to 64	6.0	6.2	5.5	7.3	7.8
<b>Newark and Sherwood</b>	Migrant NI No Registrations per 1,000 resident population aged 16 to 64	8.5	9.1	6.2	8.4	8.8

## POLICY & FINANCE COMMITTEE

21 JANUARY 2021

### E-NEWSLETTERS

#### **1.0 Purpose of Report**

- 1.1 To propose a move from twice yearly printed versions of the Voice, the Council's newsletter, to an E Newsletter format.
- 1.2 To incorporate within this move an alternative provision for tenants (previously a quarterly printed publication provided by the Council's former housing management provider, Newark and Sherwood Homes).

#### **2.0 Background Information**

- 2.1 The most recent edition of the Voice was the [winter 2019](#) publication and was 20 pages in length. It was distributed by The National Leaflet Company to 53,075 Newark & Sherwood District Council addresses. In previous years the Council has published Voice magazine twice per year: a summer and a winter edition.
- 2.2 The summer 2020 edition was cancelled, following agreement by SLT. Clearly the most relevant information would relate to Covid-19 and due to the changing landscape and guidance on the outbreak it would have been inevitable that any content would have been out of date before it was published and distributed to residents. This is still the case and therefore no plans have been made to produce a winter edition.
- 2.3 The Voice has previously offered the opportunity for NCC and NHS to take space within the magazine which made an occasional contribution to the cost of production. For a period the CCG also took a number of pages which offset the costs of the printing and distribution, however they indicated early in 2019 that they would not wish to continue with this.
- 2.4 Newark and Sherwood Homes had historically published the 'Home from Homes' tenant magazine four times per year: spring, summer, autumn and winter editions. It was usually between 8 to 12 pages in length. The last edition published was in [winter 2019](#) and was 12 pages in length. It is distributed by Royal Mail 2<sup>nd</sup> Class using a targeted address list, this included 5,404 tenant and leaseholder addresses.
- 2.5 Following the move of housing management services back in house in February of this year no further editions of Homes from Homes were produced. This was not only due to the outbreak of COVID-19, but also as the publication was seen as a company publication and a review was required to determine if the residents magazine could be amalgamated with the council publication or if there was merit in keeping all or some communications separate. In order for the District Council to ensure important housing messages were being seen by its tenants, an A4 leaflet insert was included in the quarterly rent statements during June and September.

### **3.0 The Proposal – A move to E-Newsletters**

The proposal is to not return to a primary printed publication (either for residents or for tenants) but replace this with an e-newsletter format that will be equally useable for both purposes, as well as a range of additional functionality.

#### The Resident's Perspective

- 3.1 The current pandemic has shown we need to communicate with our residents in a timely manner and the natural long lead in time for a printed publication are not conducive to reacting at speed. An average lead in time for copy, design, print and distribution is 10 weeks. This has meant that we have not been able to use the council's magazine as a method of communicating with our residents during the pandemic. Whilst we have used social media there is a limit to the detail that can be included when communicating by this method and the council website has been the only place where the more detailed guidance can be accessed.
- 3.2 Our residents are, on the whole, IT savvy and will be used to receiving email correspondence; this is now the norm for anything from buying services, to online billing and banking. It represents a faster, more efficient and less resource intensive way of communicating with residents.
- 3.3 Due to the nature of printed materials of this size and cost it was not available in other formats (eg for partially sighted) or in other languages. This meant that a proportion of our residents could not access this information. An e-newsletter can include any key messages in alternative languages if appropriate, as an electronic format automatic 'google translate' can be used by anyone to translate the content to suit an individual's requirements. Often for those for whom English is not their first language, the ability to speak English is far easier than to read material in their second language. For those residents who are partially sighted it offers the opportunity for text enlargement or read aloud software to be utilised which are common functions for the visually impaired.
- 3.4 There are of course a proportion of our residents who do not use emails, this is estimated to be between 12%-14% (Office of National Statistics 2019). Whilst some of these residents do not read the current printed version and would not want to receive information from the council, a solution for these residents that do would be required, it is anticipated that a print by request version could be accommodated.
- 3.5 The council has always struggled to connect to younger people and the response to our residents survey in 2018 indicated that responses were heavily skewed towards residents over 55 and working age residents (25-54) were significantly underrepresented.
- 3.6 We do not know how many of our residents receive the publication but do not read it and simply dispose of it. Whenever the publication is distributed there are a number of social media comments about the perceived waste of money in printing something for every household.



- 3.7 Not all of our residents want to receive communications from us, whilst some only have interest in a specific service, for example; local businesses may wish to receive tailored information on help for businesses, a resident may have a specific interest in recycling or the green agenda. An e-newsletter would allow for choice on whether to receive any information or only to receive information tailored to their interest.

#### The Tenant's Perspective

- 3.8 Of course our tenants are also residents and would have the option to receive any communication we sent to all of our residents. All of the issues mentioned for residents are equally applicable to tenants including the ability to access emails and the issues of language and formats.
- 3.9 The previous publication specifically for tenants had a significant amount of material which was generic, for example items about home security. Articles such as this would be able to be carried within the council's e-newsletter.
- 3.10 There are specific items which are required to be shared with tenants as part of the regulatory requirements. A default approach of an e-newsletter format would be able to accommodate this, with a set of publications specifically for tenants, with hard copies by exception.
- 3.11 Following bringing the housing management service back in house there has been a keen focus on tenant engagement and a publication which is fresh in approach and style would be able to support this move. Registered providers are required to demonstrate how they respond to tenants' needs in the way they provide services and communicate with tenants, this will be accommodated through an e-newsletter format.
- 3.12 As a minimum, the council are required to provide timely and relevant performance information to support effective scrutiny by tenants of their landlord's performance in a form which registered providers seek to agree with their tenants.
- How tenants can access services
  - The standards of housing services their tenants can expect
  - How we are performing against those standards
  - The service choices available to tenants, including any additional costs that are relevant to specific choices
  - Progress of any repairs work
  - How tenants can communicate with us and provide feedback
  - The responsibilities of the tenant and provider
  - Arrangements for tenant involvement and scrutiny.
  - Offer a range of ways for tenants to express a complaint and set out clear service standards for responding to complaints, including complaints about performance against the standards, and details of what to do if they are unhappy with the outcome of a complaint. An annual report that contains

- 3.13 Such provision must include the publication of an annual report which should include information on repair and maintenance budgets. The council also needs to inform tenants how they use complaints to improve their services. Registered providers shall publish information about complaints each year, including their number and nature, and the outcome of the complaints.

#### Resource Reduction

- 3.14 There is a carbon footprint of printing and delivering publications to the door. In 2019 the council declared a climate emergency and this move would make a positive impact on the council's aim to be carbon neutral by 2035. The implementation of E-newsletters as an alternative to traditional print is a small contribution but an important visible step by the council in delivering their carbon neutral aims.
- 3.15 Measurement of the Carbon Footprint associated with producing both the council wide and tenant publications been considered and is a contributing factor in the proposal to move towards online publications. This analysis is based on the production of the paper, printing and the delivery of the newsletters, by producing online versions instead of paper publications Newark and Sherwood District Council could save up to 7.1tCO<sub>2</sub>e. Newark and Sherwood District Council is committed to reducing the environmental impact of activities and exploring carbon reducing options in order to achieve the carbon neutral target of 2035. To assist Newark and Sherwood District Council on this journey the council is required to commit to the implementation of more sustainable practices such as this within the organisation.
- 3.16 The budget for twice yearly editions of the voice is around £29,000 the budget for quarterly editions of homes to homes is around £31,000. The move to e-newsletters would mean we could send as many editions as is required, of any length for a known fixed cost. There will be initial set up costs for e-newsletters but even with these there will be a significant saving for both the General Fund and the HRA, these are detailed later in this report

### **4.0 Methodology**

- 4.1 This is not new, and most other councils already have an E-Newsletter and therefore the technology is sound and proven and the process is well documented. The most popular is a govDelivery solution by Granicus (which is used by Nottinghamshire County, Nottingham City, Gedling, Broxtowe, Bassetlaw and Rushcliffe, North Kesteven and West Lindsey. Other formats and platforms are available.

#### How it Works

- 4.2 E-newsletter platforms require recipients to sign up to receive information from a particular council. Some considerable work would need to be undertaken to ensure a good level of take up. There are a number of ways in which the take up would be maximised:-
- a) some providers include services to increase take up, any other local public body (eg NHS) who use this service would facilitate asking its current recipients if they wish to receive updates from ourselves (within the relevant geographical area).

- b) a website pop up would ask all visitors to our website if they wanted to sign up to receiving information from the Council.
  - c) We would proactively communicate this as a reliable way to receive information, we would utilise social media and other advertising methods to promote take up.
  - d) E-newsletters could be promoted via quarterly paper rent statements that are sent to all tenants and leaseholders.
  - f) the service would be promoted to those who have signed up too be part of our residents' panel.
- 4.3 Template(s) would be created along a number of themes, for example one for local businesses, one for tenants, one for those interested in climate and the environment etc. Residents can chose to sign up for subjects where they have a genuine interest, and would receive information only on areas they have indicated. Further development work would be undertaken once the main brands were developed.
- 4.4 It is important to understand that there has been a movement away from traditional PC's and laptops and the most people regularly receive communications on their mobile devices. All the proposals and templates will be equally useable on mobile devices as well as traditional laptops and PCs.
- 4.5 A communications plan would be developed to ensure that the most benefit was sought from the e-newsletter platform. The scope reaches well beyond a direct replacement for the Voice and Homes from Homes. The platform has the ability to send targeted emails directly to specific residents by location (useful for missed bin collection rounds for example), or by interest (residents can opt into receiving just 'general' updates from the Council as well as key information about service area's that interest them (e.g. the environment, recycling, parks, events). It could be used to send out messages to specific residents in time of emergency (ie. Flooding). The platforms also offer an email automation service so that messages arrive at a time that suits a particular audience.
- 4.6 The system would be used for not just resident communication, but developed to be used for internal communication, member communication and other key stakeholder communication. Regular newsletters, with the ability to provide for 'one off' pieces, as required would be in place. There will need to be a balance between remaining in touch with our residents and tenants without bombarding them with information.
- 4.7 The nature of templates and targeted communications will enable us to utilise the e-newsletter as a marketing tool, using it to target sell some of the council's services. The analytic features of such a platform allow for targets to be set on all electronic communication and will let us know how well particular subjects are received.
- 4.8 The council periodically undertakes consultations, for example recently we held a parking consultation. Maximising the number of responses in consultations gives a more robust set of data on which to base decisions. The E-Newsletter format would include the ability to link to additional surveys, the uptake of a direct link rather than a 'find the link on the website' approach should increase the number of responses to consultations and these can be programmed in.

## 5.0 Next Steps

- 5.1 Subject to approval by members a procurement exercise will be undertaken in accordance with council's procurement rules.
- 5.2 Consultation would be required with tenants regarding the options, costs and potential savings associated with the choices available as well as any decision to move to an e-newsletter so they can "opt in" to a paper version.

## 6.0 Financial Implications (FIN20-21/7036)

- 6.1 The current budget is set out below and it shows the cost per household per year.

### 2020/21 Budget

Production costs*	Design	Print	Direct delivery	Total per edition	Total cost per year	Cost per household per edition	Cost per household per year
Voice	£1,650 (20 pages)	£6,750 (53,500 copies)	£5,305 (53,075 households)	£13,705	£27,410	26p	52p
Home from Homes	£650 (12 pages)	£2,120 (5,500 copies)	£4,769 (5,404 households)	£7,539	£30,156	£1.40	£5.60

- 6.2 Whilst the exact cost is yet to be understood, as this will only be finalised once the procurement exercise has been completed it will provide savings on the current budget, which hasn't been spent in 2020/21. Soft market testing has indicated that ongoing costs of the system and associated activities to be less than £20,000 per annum, therefore saving in excess of £40,000k per annum. The initial set up which would be split across the General Fund and the HRA, can be funded from the current years savings from not producing the printed newsletters. The details of how the future running costs of the e-newsletter would be split would be worked out once further details are available, but would represent significant savings to both.

## 7.0 Digital Implications

- 7.1 This report supports the digital declaration and aims to provide a modern digital way to further communicate, provides better value for money and best meets the needs of the resident.
- 7.2 All GDPR and email security concerns will be investigated throughout the project and procurement exercise.

## 8.0 Equalities Implications

- 8.1 There are a range of equalities implications both positive and negative in moving from universal traditional print to a 'opt in' e-newsletter. A full Equalities Impact Assessment has been completed and this is available as a background paper.

8.2 The assessment determines that there are predominately positive implications for the younger age group, for those with visual impairments and for those for whom English is not their first language. It identifies a potential negative implications noted for those in the older age group, for which mitigation is provided with the opportunity to request a printed copy.

**9.0 RECOMMENDATIONS that:**

- (a) the proposed move to electronic E-Newsletters to replace the current printed versions of the Voice and the development of an E-newsletter platform as set out in paragraph 4 of the report, be approved; and**
- (b) the proposal to move to electronic E-Newsletters, as an alternative provision for Council tenants to replace the printed publications they previously received, be approved in principle, subject to the outcome of the consultation referred to in paragraph 5.2 of the report.**

**Reason for Recommendations**

**To move forward with a modern digital way to communicate with our residents, provides better value for money and best meets the needs of the resident and tenant.**

**Background Papers**

Full Equalities Impact Assessment.

For further information please contact Deborah Johnson on Ext. 5800.

Deborah Johnson  
Assistant Director - Transformation and Communications

## POLICY & FINANCE COMMITTEE

21 JANUARY 2021

### GENERAL FUND, HOUSING REVENUE ACCOUNT (HRA) AND CAPITAL PROJECTED OUTTURN REPORT TO 31 MARCH 2021 AS AT 30 NOVEMBER 2020

#### **1.0 Purpose of Report**

1.1 This report compares the Revised Budgets for the period ending 31 March 2021 with the Projected Outturn forecast for the period, based on meetings with Financial Services staff and the appropriate Business Manager. These are based on eight months' performance information on the Council's revenue and capital budgets, including:-

- General Fund (GF) Revenue
- Housing Revenue Account (HRA)
- Capital Programme

#### **2.0 Background Information**

2.1 The Council's Constitution states that the Section 151 Officer shall present to the Policy & Finance Committee, at least twice in each financial year, budgetary control statements showing performance against the approved estimates of revenue expenditure and income. The appropriate Chief Officer will report on any major variances from planned budget performance.

2.2 Where it appears that the amount included under any head of the approved budget is likely to be exceeded or the budgeted amount of income under any head is unlikely to be reached then Business Managers are required to find savings elsewhere in their budget. In circumstances where savings cannot be identified it will be necessary to consult with the Section 151 Officer and ultimately take a report to the Policy & Finance Committee.

#### **3.0 Proposals**

##### **Overview of General Fund Revenue Projected Outturn for 2020/21**

3.1 The accounts show a projected unfavourable variance against the revised budget of £0.942m on Service budgets, with an overall unfavourable variance of £0.478m as shown in the table below. This is based on meetings which took place with Business Managers in mid-December, therefore does not account for changes in expenditure/income resulting from Newark and Sherwood being in the Very High (tier 3) Local COVID Alert Level (LCAL) between 02/12/2020 – 30/12/2020, nor the Stay at Home (tier 4) LCAL from 31/12/2020.

	<b>Original Budget £'m</b>	<b>Revised Budget £'m</b>	<b>Projected Outturn £'m</b>	<b>Variance £'m</b>
Economic Development	1.724	2.261	2.894	0.632
Homes & Communities	2.418	2.501	2.452	(0.049)
Leisure & Environment	3.759	3.587	3.829	0.242
Policy & Finance	4.280	6.406	6.524	0.117
<b>Net Cost of Services</b>	<b>12.182</b>	<b>14.756</b>	<b>15.698</b>	<b>0.942</b>

Other Operating Expenditure	3.904	29.105	29.005	(0.100)
Finance & Investment Income/Expenditure	(0.009)	(0.264)	(0.144)	0.120
Taxation & Non-Specific Grant Income	(19.714)	(46.469)	(47.160)	(0.691)
<b>Net Cost of Council Expenditure</b>	<b>(3.638)</b>	<b>(2.872)</b>	<b>(2.601)</b>	<b>0.271</b>
Transfer to/(from) Usable Reserves	3.082	2.316	2.523	0.207
Transfer to/(from) Unusable Reserves	0.556	0.556	0.556	0.000
Transfer to/(from) General Reserves	0.000	0.000	(0.478)	(0.478)

3.2 As can be seen from the table above there are variances projected in service areas and other budgets. Looking at the underlying trends, the detailed variances by Committee can be further summarised and these are shown at **Appendix A**.

3.3 Service Budgets managed by the Business Managers is currently predicting an unfavourable variance of £0.942m and represents 6.4% of the total service budgets.

3.4 The main reason for a projected unfavourable variance of £0.942m against service budgets is because the council predicts to receive £1.719m less income from sales, fees and charges (SFC) than budgeted for. The council estimates that it will be able to claim between £0.400m and £0.500m from the government in compensation for lost SFC income. This would reduce the projected overall unfavourable variance of £0.478m to between £0.078m and a favourable variance of £0.022m.

Projected overall unfavourable variance (before compensation)	£0.478m
Estimated compensation for lost sales, fees and charges income	£(0.400)m - £(0.500)m
<b>Projected overall variance (after compensation)</b>	<b>£0.078m - £(0.022)m</b>

3.5 As the premise of the Income Support Scheme is based on net losses to the Council, this means that the Council must seek to reduce spend where appropriate in order to mitigate losses. Three claims must be made, each based on four-month tranches. £0.384m was claimed for in total as part of the first two tranches, based on £0.647m of total lost income being declared. The £0.183m claimed for as part of tranche 1 (April 2020 – July 2020) was received in December 2020. There will be a reconciliation process at year-end as part of the final tranche 3 claim.

3.6 The Nottinghamshire Business Rates Pool may also return some funding to the council for 2020/21, though it cannot currently be quantified how much this may be, as it is based on the non-domestic rates (NDR, or 'business rates') income received by all authorities within the pool. Officers across Nottinghamshire are working to review the position, albeit this will be difficult to predict as the landscape for businesses is currently so volatile. Nottinghamshire S151 officers keep this under review during the year to assess the latest information collated across the County. This will then be fed into future forecast outturn reports.

3.7 Non-Service expenditure is expected to have a favourable variance against the revised budget of £0.671m. The £0.120m unfavourable variance against Finance & Investment Income/Expenditure primarily relates to the reduction in forecast investment interest income being more than the reduction in forecast interest spend.

- 3.8 The £0.791m variance across the Other Operating Expenditure and Taxation & Non-Specific Grant Income lines relates to the following additional grant income that the council has received that was not budgeted for and/or is not expected to be fully spent:

<b>Grant</b>	<b>£'m</b>
COVID-19: emergency funding for local government tranche 4 allocation	0.338
Administration of the Small Business Grant Fund; Retail, Hospitality and Leisure Grant Fund; and Local Authority Discretionary Grant Fund (£0.170m + £0.077m)	0.247
Allocation of Additional Restrictions Grant towards Business Support	0.100
Local Authority Compliance and Enforcement Grant	0.056
Administration of the COVID-19 Test and Trace Support Payments	0.026
Administration of the Council Tax Hardship Fund	0.023
	<b>0.791</b>

- 3.9 In the report to this Committee on 26/11/2020, the overall unfavourable variance of £1.094m assumed that the tranche 4 COVID allocation of £0.338m from Ministry of Housing, Communities and Local Government (MHCLG) would be transferred to reserves, and that the £0.170m funding to administer the Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund would be used on the costs of administering these grants. It is now proposed that, in addition to the £0.170m, to use the £0.338m tranche 4 allocation and £0.077m funding received to administer the Local Authority Discretionary Grant Fund to mitigate the overall unfavourable variance on the General Fund in 2020/21. It is anticipated that the use of these grants (£0.585m), together with the Income Support Scheme funding, will result in the GF being balanced at year-end.
- 3.10 The variance in relation to the remaining grants (£0.207m) is currently forecasted to be transferred to reserves, as per the 'Variance' on the 'Transfer to/(from) Usable Reserves' line. The £0.100m allocation of the Additional Restrictions Grant towards business support relates to a business resilience initiative proposed by the Business Manager – Economic Growth, and is being transferred to reserves in order to be spent during 2021/22. Where the remaining funds are needed throughout the year for additional spend, they will be allocated and a reduced amount forecasted to be transferred to reserves.
- 3.11 The council is also aware that it will receive further funding, such as for COVID compliance and contact tracing from Nottinghamshire County Council, based on defrayed expenditure. The allocation of this is £0.248m and Finance officers are currently working with other BM's in order to allocate this funding.
- 3.12 It should be noted that the projected outturn variances are still somewhat indicative, and that these will become more accurate in subsequent months, as officers continue to refine budgets and forecasts in light of the latest information available.
- 3.13 The council has received £1.821m grant funding from MHCLG for additional COVID-19 related cost pressures over four tranches. Additional costs the Council has incurred due to COVID have been borne centrally rather than by individual services for transparency/clarity, and so as to not overstate 2020/21 spend on mainstream services.



- 3.14 Each year, the government announces which reliefs that business rate payers will be eligible for, and how much grant it will compensate councils with for income councils can no longer directly receive from businesses (because of the aforementioned business rate reliefs). Prior to 2020/21, the council has typically received around £2m annually in compensation grant. In 2020/21, because of the Expanded Retail Discount, the council will receive more than £18m in compensation grant. Though the grant relates to the Collection Fund, accounting regulations require it to be paid into the General Fund. There will therefore be a large deficit in the council's Collection Fund at year-end, and, conversely, a large surplus in its General Fund which will need to be transferred to reserves to pay for the Collection Fund deficit. MHCLG are developing guidance for local authorities on the appropriate accounting arrangements.

### Overview of Projected Housing Revenue Account (HRA) Outturn for 2020/21

- 3.15 With reference to the 'Variance' column in the table below, the HRA accounts show a projected favourable variance against the revised budget of £2.042m as follows:

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Expenditure	17.508	17.354	15.683	(1.670)
Income	(24.255)	(24.100)	(24.467)	(0.367)
<b>Net Cost of HRA Services</b>	<b>(6.746)</b>	<b>(6.746)</b>	<b>(8.796)</b>	<b>(2.037)</b>
Other Operating Expenditure	0.489	0.033	0.033	0.000
Finance & Investment Income/Expenditure	3.789	3.789	3.783	(0.006)
Taxation & Non Specific Grant Income	(0.520)	(0.520)	(0.520)	0.000
<b>(Surplus)/Deficit on HRA Services</b>	<b>(2.989)</b>	<b>(3.445)</b>	<b>(5.487)</b>	<b>(2.042)</b>
<b>Movements in Reserves</b>				
Transfer to/(from) Usable Reserves	1.628	1.628	2.233	0.605
Transfer to/(from) Unusable Reserves	(6.581)	(6.581)	(6.546)	0.035
Transfer to Major Repairs Reserve	7.942	8.398	9.801	1.402
<b>Total</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

- 3.16 This is the first full financial year in which the budget integrates all expenditure and income that Newark and Sherwood Homes Ltd used to formally manage on the council's behalf.
- 3.17 Since February 2020, officers have been working with budget holders in the Housing, Health and Wellbeing directorate to assess the resources required to manage the council's social housing stock.
- 3.18 A report by Savills in 2018/19 identified the potential for the council to realise £0.950m in savings from reintegrating social housing management services back in-house. Officers have currently identified £1.053m in savings through the deletion of vacant posts and surplus resources within services. £0.362m of this has been reinvested, largely in new posts such as the Director of Housing, Health and Wellbeing's post and the Business Manager posts to be appointed to.

- 3.19 An annual £0.691m is therefore available from savings generated by the reintegration that can be reinvested into the council’s social housing management services. It is currently assumed that another £0.051m will be used during the remainder of this financial year.
- 3.20 Due to the current pandemic, the plans identified within the report tabled at the Policy & Finance Committee during April 2020 have not yet been realised and hence the £0.691m above remains unallocated. Proposals to reinvest the efficiencies will be put forward to the Homes and Communities Committee for consideration and approval. These proposals will be a mixture between reoccurring investment and one-off initiatives. Once agreed these will be built into the base HRA financial Business Plan.
- 3.21 The projected outturn for the year is a net transfer to reserves of £2.042m. The prudent level of reserve set on the HRA working balance is still £2m which would remain constant. As proposed in the table above, the favourable variance identified from the efficiencies generated as a result of reintegrating the housing service would be allocated into a strategic revenue reserve (£0.640m), with the balance of the surplus (£1.402m) then to be transferred into the Major Repairs Reserve to finance future capital expenditure.
- 3.22 The main reasons for the projected favourable outturn variance of £2.042m are:

Services: a significant number of posts temporarily vacant	(0.725)
Efficiencies: net efficiencies generated from bringing housing management services back into the council	(0.640)
Anticipated additional rental income	(0.441)
Favourable variances on utilities, postage, telephones and training	(0.202)
Other variances	(0.034)
<b>Total</b>	<b>(2.042)</b>

#### Overview of Projected Capital Outturn 2020/21

- 3.23 The table below summarises the position for the Capital Programme to the end of November 2020 and is split between General Fund and Housing Revenue Account.

	Revised Approved Budget £'m	Revised budget updated for Approval £'m	Actual Spend to November 2020 £'m	Forecast Outturn £'m
General Fund	33.816	14.382	2.962	14.382
HRA	24.429	21.524	7.823	21.039
<b>Total</b>	<b>58.245</b>	<b>35.906</b>	<b>10.785</b>	<b>35.421</b>

- 3.24 Actual spend to date has been significantly lower than previous years as a proportion of the budget, mainly due to COVID-19 and the subsequent lockdown period. However, much of the spend has started to catch up. As per below a large amount of budget is being profiled to next financial year, though this isn’t only due to delays caused by COVID. The HRA investment programme is expecting a favourable variance of **-£0.485m** at this point in time.

3.25 As projects are developed and spending commitments are made, budget requirements can change. It is a requirement that Policy & Finance Committee approve all variations to the Capital Programme. Following the meeting of 26 November 2020, the total approved budget was £58.245m. The additions and amendments that now require approval are detailed in **Appendix C** and summarised as follows:

Additions/Reductions	£0.137m
Reprofiles	-£22.477m
<b>Total</b>	<b>-£22.340m</b>

3.26 If these variations are approved, then the revised budget will be reduced to £35.906m. A more detailed breakdown at scheme level, including some comments on projects progress, can be found at **Appendices D** (General Fund) and **E** (HRA).

### Capital Programme Resources

3.27 The Capital resources available to the Council are not static. Capital receipts are generated throughout the year, additional grants and contributions are paid to the Council, and borrowing may be increased to fund some projects.

3.28 In summary, the revised budget of £35.906m will be financed as follows, with every attempt to minimise the impact on the Council's revenue budget:

	General Fund £'m	HRA £'m	Total £'m
Borrowing	5.869	6.572	12.441
External Grants & Contributions	3.539	0.830	4.369
Capital Receipts	0.897	4.079	4.976
Community Infrastructure Levy	0.620	0.000	0.620
Revenue Contributions	3.457	10.043	13.500
<b>Total</b>	<b>14.382</b>	<b>21.524</b>	<b>35.906</b>

### Capital Receipts

3.29 The Council has been successful in securing a number of capital receipts for both general fund and HRA in previous years, and continues to do so. The current level of capital receipts is detailed in the table below:

	General Fund £'m	HRA Receipts £'m	HRA 1-4-1 Receipts £'m	Total £'m
<b>Balance at 1st April 2020</b>	<b>1.209</b>	<b>2.440</b>	<b>1.805</b>	<b>5.454</b>
Received up to end of November 2020	0.000	0.708	0.472	<b>1.180</b>
Estimated receipts for remainder of the financial year	0.102	0.500	0.215	<b>0.817</b>
Approved for financing	0.897	1.989	2.090	<b>4.976</b>
<b>Available Capital receipts balance at 31 March 2021</b>	<b>0.202</b>	<b>1.659</b>	<b>0.402</b>	<b>2.263</b>

Estimated Receipts 2021/22 - 2023/24	2.472	1.000	2.437	<b>5.909</b>
Approved for Financing 2021/22 - 2023/24	2.875	1.924	1.761	<b>6.560</b>
<b>Estimated Uncommitted Balance</b>	<b>0.011</b>	<b>0.735</b>	<b>1.078</b>	<b>1.824</b>

3.30 The RTB receipts for Replacement Homes (known as 1-4-1 Receipts) are retained through a RTB agreement. Under the terms of that agreement, the RTB receipts have to be spent on new supply of affordable housing within three years of arising, or have to be returned to the government with penalty interest payable. In light of the impact of COVID-19 on the construction industry, MHCLG has temporarily extended the deadline by which certain RTB receipts must be spent by. The original deadline to spend these receipts by 30 June 2020 has twice been extended: first to 31 December 2020, and now to 31 March 2021.

#### **4.0 Financial Implications (FIN20-21/6996)**

4.1 All of the financial implications are set out in the body of the report.

4.2 As per paragraph 3.21 the HRA is currently predicting an additional transfer of £1.402m to the Major Repairs Reserve.

4.3 With regard to the General Fund revenue outturn, the variance of between £0.078m (unfavourable) and £(0.022)m (favourable) represents a variance of less than 1% of the overall General Fund budget.

4.4 With regard to capital, any savings on projects will be assessed and used to meet additional demands, or to fund the Council's Capital Programme in future years.

#### **5.0 RECOMMENDATIONS that:**

**(a) the General Fund projected unfavourable outturn variance of between £0.078m (unfavourable) and £(0.022)m (favourable) be noted;**

**(b) the Housing Revenue Account projected favourable outturn variance of £2.042m be noted;**

**(c) the variations to the Capital Programme at Appendix C be approved; and**

**(d) the Capital Programme revised budget and financing of £35.906m be approved.**

#### **Reason for Recommendations**

**To update Members with the forecast outturn position for the 2020/21 financial year.**

#### **Background Papers**

General Fund Monitoring Reports to 30 November 2020

Capital Financing Monitoring Reports to 30 November 2020

For further information please contact: Nick Wilson, Business Manager - Financial Services on Ext. 5317; Mohammed Sarodia, Assistant Business Manager - Financial Services on Ext. 5537; or Jenna Norton, Accountant on Ext. 5327

Sanjiv Kohli  
Deputy Chief Executive, Director - Resources and Section 151 Officer

**General Fund (GF) Revenue Outturn Variance Analysis by Committee as at 30 September 2020**

Favourable variances are bracketed and in red - £(0.123)m. Unfavourable variances are in black - £0.123m.

<b>Economic Development - £0.632m</b>	<b>£'m</b>
Heritage & Culture: reduced income, largely offset by reduced expenditure and additional grant income	0.032
Land Charges: reduced income, due to increase use of Environmental Information Regulations (EIR) requests for free search information, partly offset by increasing number of customers	0.026
Promotion of Tourism: less spend on market research, video production and search engine optimisation	(0.017)
Growth/Technical Support: vacant post	(0.014)
Development Management: vacant posts and increased income, largely from a large solar farm application	(0.209)
Planning Policy: reduced staffing spend due to a restructure not being implemented	(0.011)
Building Control: furloughed staff	(0.016)
Newark Beacon: reduced income, largely from workshop rents, catering and hire charges, and small increases in repairs and maintenance spend, partly offset by less supplies and services and NDR spend	0.132
Buttermarket: reduced income, largely because of rent reductions for existing tenants and first floor currently unoccupied	0.032
Former M&S Building: non-domestic rates (NDR) payable for the year due to change in budgeted assumptions	0.081
Surface Car Parks Newark: reduced income, slightly offset by reduced costs of rent and security services	0.607
Newark Lorry Park: reduced income, largely from rent allowances and change in budgeted assumptions, partly offset by over-budgeting of NDR payable.	0.021
Other small variances	(0.032)
<b>Total</b>	<b>0.632</b>
<b>Homes &amp; Communities - £(0.049)m</b>	<b>£'m</b>
Private Sector Speech Call: increased income because of an increase in customer demand	(0.023)
Strategic Housing: vacant posts slightly offset by unbudgeted housing needs assessment spend	(0.052)
Customer Services: vacant posts	(0.028)
Licensing: reduced income, largely from temporary event notices and vehicle licensing	0.013
CCTV: reduced income due to invoice dispute	0.011
Other small variances	0.030
<b>Total</b>	<b>(0.049)</b>
<b>Leisure &amp; Environment - £0.242m</b>	<b>£'m</b>
Waste & Recycling: greater than expected increase in number of garden waste collection customers, partly offset by increase in purchase of garden waste bins; reduced income from waste disposal, partly offset by reduced payment to Nottinghamshire County Council; and reduced income from trade refuse, partly offset by increased income from recycling	(0.010)
Street Scene Street Cleansing: budgeted cost of restructured service more than required	(0.030)
Environmental Health: vacant posts and reduced spend on mileage, partly offset by reduced income such as from licence and registration fees	(0.067)
Newark Livestock Market: largely due to reduced income, because financial performance of 2019-20 tenant worse than expected and no rent expected for 2020-21 or to be recovered related to previous years	0.378
Vehicle Pool and Workshop: reduced fuel and tyre costs largely offset by increased materials costs on older vehicles; and reduced income such as from MOT's	(0.001)
Other small variances	(0.028)
<b>Total</b>	<b>0.242</b>
<b>Policy &amp; Finance - £0.117m</b>	<b>£'m</b>
Elections and Democratic Services: mainly reduced spend on canvasser salaries, mileage and chauffeur services	(0.025)
Senior Leadership Team: vacant corporate projects manager and capital projects manager posts	(0.043)
Transformation & Communications: vacant posts	(0.045)
Administration Services: vacant posts	(0.049)
Rent Allowances/Rent Rebates: based on mid-year submission to Department for Work and Pensions (DWP)	0.129
Revenues & Benefits: additional unbudgeted grant income	(0.072)
Castle House: reduced income, largely from partners for cost of desk hire, partly offset by reduced spend on security, refreshments and catering	0.092
Corporate Property: vacant posts, and surveyors appointed at lower rates than budgeted	(0.130)
Coronavirus Costs: because budget for Housing Revenue Account (HRA) bad debt not expected to be required and less than budgeted spend for working from home (WFH) audits - see Appendix B	(0.130)
£400,000 saving budgeted for in-year vacancies council-wide (3.5% of total salaries plus oncosts budget)	0.400
Income Section: delayed recruitment to sundry debtor officer post	(0.011)
Risk Management: vacant post filled by temporary worker	0.012
Non-Distributed Costs: higher than anticipated one-off pension strain costs for employees who retired	0.015
Other small variances	(0.026)
<b>Total</b>	<b>0.117</b>
	<b>0.942</b>

**Comparison of budgeted and forecasted 2020/21 use of £1.483m Coronavirus-related government grants**

Service	Budgeted use of £1.483m (£m)	Forecasted use of £1.483m (£m)	Variance (£m)
Contribution towards Lorry Park Showers	0.035	0.037	0.002
Additional costs for Waste Management	0.155	0.148	(0.007)
Additional costs for Revenues and Benefits	0.012	0.014	0.002
Rough sleepers	0.010	0.012	0.001
ICT upgrades	0.010	0.010	0.000
Various safety checks	0.011	0.011	0.000
Hand wash & wipes	0.021	0.012	(0.009)
Face masks	0.001	0.003	0.002
Signs	0.004	0.006	0.002
Miscellaneous	0.011	0.022	0.011
Additional cleaning	0.062	0.034	(0.027)
Reintegration to Castle House for officers' information pack	0.001	0.001	0.000
Additional lanyards	0.000	0.000	0.000
Letter to residents within the District that were shielding	0.008	0.008	(0.000)
Queue barriers	0.001	0.001	0.000
Sneeze screens	0.019	0.017	(0.002)
Movement of urinals and boiler	0.000	0.000	0.000
Blidworth Leisure Centre safety shutdown	0.000	0.000	0.000
Additional security	0.017	0.029	0.012
Additional risk assessments	0.014	0.014	0.000
Void Housing Revenue Account (HRA) properties	0.012	0.000	(0.012)
Beacon drop-in centre	0.005	0.005	0.000
Hire of vehicles	0.018	0.015	(0.003)
Temperature equipment	0.004	0.004	0.000
Humanitarian Assistance Response Team (HART)	0.025	0.017	(0.008)
Reopening High Streets Safely Fund	0.025	0.025	0.000
Working from home (WFH) audits	0.075	0.030	(0.045)
Contribution to Active4Today	0.490	0.490	0.000
Buying back annual leave from employees	0.050	0.050	0.000
Air handling unit	0.002	0.005	0.003
Banners/communications materials	0.007	0.007	0.000
Post-payment assurance work re: Business Grants	0.004	0.004	0.000
Allocation towards GF bad debt provision	0.100	0.100	0.000
Allocation towards HRA bad debt provision	0.100	0.000	(0.100)
Contribution towards service unfavourable variance	0.160	0.160	0.000
Listening Line (Check & Chat)	0.013	0.013	0.000
Spend to be reallocated to services above	0.000	0.045	0.045
<b>Total</b>	<b>1.483</b>	<b>1.348</b>	<b>(0.134)</b>

**General Fund Additions**

Project	Capital Description	Additions / Reductions 20-21 £m	Comments
TB2253	Vehicles & Plant	0.111	£46k due to a change in one of the vehicles in the fleet, but 100% financed by part exchange. £65k due to one of the vehicles (which was due for replacement and budgeted to buy second hand) originally being used very infrequently, however, since the launch of the "Not in Newark & Sherwood" campaign the vehicle is now being used constantly and a newer vehicle is required. This additional budget is over 85% financed by sales of old vehicles recently disposed of.
TF6809	Fairholme Park Conversion to Mains Gas	0.026	Funding increase approved due to more full heating replacements than originally estimated.
<b>Total General Fund Additions/Reductions</b>		<b>0.137</b>	

**HRA Additions/Reductions**

Project	Capital Description	Additions / Reductions 20-21 £m	Comments
SA1061	Phase 3 Cluster 1 Stand Alone	0.056	Revise budgets within existing approvals for Phase 3 to fit in with agreed construction costs.
SA1062	Phase 3 Cluster 2 Various	0.040	
SA1063	Phase 3 Cluster 3	0.171	
SA1064	Phase 3 Cluster 4	-0.267	
SA1070	Phase 4	-0.700	Set up 1st cluster of phase 4
SA1071	Phase 4 Cluster 1 Fire Station	0.700	
<b>Total HRA Additions/Reductions</b>		<b>0.000</b>	
<b>Total Additional/Reductions</b>		<b>0.137</b>	

**General Fund - Reprofiting**

Project	Capital Description	Additions / Reductions 20-21 £m	Comments
TA1216	Dukeries New Pool	(0.742)	Following review of the cash flow and the date for Practical Completion, move budget to 2021/21.
TA1217	Southwell Leisure Centre Improvements	(1.500)	Scheme won't be ready in 2020/21, re-profile to 2021/22.
TA3053	Museum Improvements	(0.212)	Impacted by Tudor Hall work and COVID. Delivery due in 21/22.
TB3154	Castle Gatehouse Project	(4.025)	Waiting on the outcome of the Towns Fund announcement.



Project	Capital Description	Additions / Reductions 20-21 £m	Comments
TC3131	Extension to London Road Car Park	(0.107)	Update report on January P&F agenda. Re-profile to 2021/22.
TC3135	Works to the Buttermarket	(0.695)	Update report to ED in January 2021. Re-profile to 2021/22.
TF3228	Homeless Hostel	(0.880)	Re-profile to 2021/22 in line with current estimated work programme.
TG1003	Housing Regeneration Loan Facility	(11.410)	Re-profile to 2021/22 in line with Arkwood Developments current estimated work programme.
<b>Total General Fund Re profiling</b>		<b>(19.571)</b>	

#### HRA - Reprofiting

Project	Capital Description	Additions / Reductions 20-21 £m	Comments
S95253	Play Areas	-0.020	HRA investment in Play areas to be re-profiled to 2021/22 to enable upgrade and additional equipment to start in April 2021.
SA1031	HRA Site Acquisition	-1.259	Sites currently on the list for acquisition are unlikely to come into Council ownership prior to April 2021, therefore re-profile to 2021/22.
SA1048	Boughton Extra Care	0.600	Revised the profile of the budget, therefore £600k required from 2021/22 in line with current work programme and Practical Completion of the build.
SA1064	Phase 3 Cluster 4	-1.227	Re-profile budget to 2021/22 in line with expected start on site dates for the final cluster of phase 3.
SA1070	Phase 4	-1.000	Re-profile budget to 2021/22 in line with expected start on site dates for phase 4.
<b>Total HRA Re profiling</b>		<b>-2.906</b>	
<b>Total Re profiling</b>		<b>-22.477</b>	
<b>Total Variations</b>		<b>-22.340</b>	

## General Fund - Spend against budget - Estimated in year

Project	Capital Description	Project Manager	Revised Budget 20-21 (Following P&F 26.11.20)	Revised Budget including Variations for Approval	Actuals to end of November	Current outstanding orders	Additional anticipated spend in year	Total Projected spend in year	Variance	Comments - Spend to date
TA3053	Museum Improvements	C Coulton-Jones	211,808	0	0	62,967	-62,967	0		07.08.20 now have visitor research report - final phase of improvements inc installation into tudor attic. Impacted by Tudor Hall scheme below and all on hold due to COVID. 09.12.20 impacted by Tudor Hall work and COVID. Delivery 21/22. reprofile the budget
TA3056	NCWC Tudor Hall	C Coulton-Jones	200,000	200,000	0	0	200,000	200,000		07.08.20 currently obtaining quotes. 09.12.20 quotes back over budget, conversations taking place with previous contractors to split costs.
TB3144	Play Area Resurfacing	C Coulton-Jones	81,150	81,150	0	0	81,150	81,150		16.10.20 added following capital budget bid process to ensure timing of resurfacing fits in with most suitable time to carry out the work.
TB3154	Castle Gatehouse Project	C Coulton-Jones	4,025,150	0	0	0	0	0		09.12.20 awaiting news on Towns Fund, reprofiled to 2021/22.
TB3160	Castle Electrical Upgrade & Fire Alarm	C Coulton-Jones	85,000	85,000	0	0	85,000	85,000		09.12.20 tenders back in excess of budget. conversations taking place over value engineering.
TB6161	S106 Vicar Water Play Area Improvements	A Kirk	38,296	38,296	38,296	0	0	38,296		07.08.20 scheme nearly complete. 16.10.20 Scheme Complete
TC3130	Lorry Park Shower Upgrade	R Churchill	45,400	45,400	38,000	0	7,400	45,400		07.08.20 urgency item during August to increase the budget in order to provide additional showers to make site COVID-secure. 09.12.20 all in an operational.
TC3131	Extension to London Road Car Park	N Cuttell	107,407	0	0	0	0	0		07.08.20 scheme currently on hold. 09.12.20 Report on same agenda. Reprofile to 2021/22
TC3134	Works to SFACC	R Churchill	23,560	23,560	-31,697	18,461	36,796	23,560	-0	07.08.20 Robert to look into the works that are required for phase 2. 09.12.20 reviewing phase 2 works required.
TC3135	Works to Buttermarket	P Preece	870,053	175,000	158,102	16,373	524	175,000	-0	07.08.20 Ground Floor work to be completed by the end of October. Then revisit First Floor PID. 09.20.12 ED report in Jan with options for 2nd floor.
TC3139	Appletongate Resurfacing	B Rawlinson	27,060	27,060	0	27,057	0	27,057	-3	16.10.20 urgency item to arrange work before winter to avoid damage from cold weather. 09.12.20 works complete. Came in on budget.
	<b>Economic Development Committee</b>		<b>5,714,884</b>	<b>675,466</b>	<b>202,701</b>	<b>124,858</b>	<b>347,903</b>	<b>675,462</b>	<b>-4</b>	
TA2210	Purchase of Alms Houses	L Monger	704,000	704,000	0	0	704,000	704,000	0	09.12.20 purchase underway.
TA3097	Yorke Drive Regeneration and Community Facility	C Clarkson	130,000	130,000	0	0	130,000	130,000	0	10.08.20 Heads of terms and consultants appointment to deliver enabling works agreed. 09.12.20 start on site Jun 2021.
TA3286	Information Technology Investment	D Richardson	576,330	576,330	284,051	67,178	225,102	576,330	0	09.12.20 laptops/desktop replacement complete. Telephony replacement programme underway, going live on 16 Dec. Website project moved to new hosted platform. Awaiting invoices.
TF2000	CCTV Replacement Programme	A Batty	150,500	150,500	0	0	150,500	150,500	0	09.12.20 working with Wellend on tender, will be complete by end of March.
TF3221	Southwell Flood Mitigation	A Batty	453,421	453,421	0	0	453,421	453,421	0	09.12.20 waiting for an invoice from NCC.

Project	Capital Description	Project Manager	Revised Budget 20-21 (Following P&F 26.11.20)	Revised Budget including Variations for Approval	Actuals to end of November	Current outstanding orders	Additional anticipated spend in year	Total Projected spend in year	Variance	Comments - Spend to date
TF3227	Lowdham Flood Alleviation	A Batty	0	0	0	0	0	0	0	16/10/20 Lowdham professional partners update set out the programme for flood alleviation works and our contribution is now required in 2022/23. 09.12.20 reprofile budget - scheme changed so more consultation to be carried out.
TF3228	Homeless Hostel	L Monger	1,000,000	120,000	11,213	90,895	17,893	120,001	1	07.08.20 need to reprofile budget. went our for expression of interest in April and wasn't a great response - so further work to be carried out. start on site could be early 2021. 14.10.20 Feasibility and outline designs with outline planning currently being progressed and procurement for main contract due to commence January 2021. Will review budget profile in Q3.
TF3229	Bicycle Storage - Safer Neighbourhoods	A. Batty	34,000	34,000	0	0	34,000	34,000	0	24.09.20 Safer Neighbourhoods Funding 16.10.20 Discussions taking place around types of storage. 09.12.20 work progressing. Will claim back from grant fund once spent.
TF6011	Private Sector Disabled Facilities Grants	A Batty	761,782	761,782	161,101	13,851	586,830	761,782	-0	16/10/20 26 completions to date and 23 approved, waiting to start on site and 29 referrals being worked on. Unlikely to spend the full year budget, but will review in Q3. 09.12.20 behind on programme due to COVID as rely on referrals which have come through slower to date. Projecteinge to spend > £500k. additional funding recently announced of £137k with agreement to roll forward any unspent.
TF6012	Discretionary Disabled Facilities Grants	A Batty	140,000	140,000	41,785	0	98,215	140,000	-0	14.09.20 Grants offer from DEFRA up to £5k per household for flood mitigation. Expected around 100 households. Will review budget each quarter. 16.10.20 Applications are starting to come through and inspections are taking place. 09.12.20 currently administering grants. made payments to 9 households so far.
TF6020	Flood Grants - 2020 - 2022	A Batty	250,000	250,000	28,819	0	221,181	250,000	-0	12.08.20 since the beginning of the financial year, only emergency work is being carried out until the recovery group approve restarting business as usual. Currently £33k committed for urgent work. Revisit the budget and potential rephasing in Q2.
TF6807	Warm Homes on Prescription	L Monger	179,939	179,939	20,882	23,650	135,407	179,939	0	12.08.20 44 Gas connections completed and home surveys delayed due to COVID but have recommenced in August. Invoices expected following completion of work. 18.12.20 additional funding agreed. Budget increased to reflect. First instalment of funding due any time, to be handed over soon after receipt
TF6809	Fairholme Park (Ollerton) Conversion to Mains Gas	L Monger	97,488	123,130	0	0	123,130	123,130	0	
	<b>Homes &amp; Communities Committee</b>		<b>4,477,461</b>	<b>3,623,103</b>	<b>547,850</b>	<b>195,574</b>	<b>2,879,679</b>	<b>3,623,103</b>	<b>0</b>	
TA1216	Dukeries LC New Pool	A Hardy	2,928,852	2,187,000	323,403	1,724,819	138,779	2,187,000	0	07.08.20 start on site due 1.9.20. 16.10.20 work started and progressing well, with regular site meetings. 09.12.20 scheme progressing well. Expected to finish on time. Looking to draw down SE grant prior to March 21.
TA1217	Southwell Leisure Centre Improvements	A Hardy	1,500,000	0	0	0	0	0	0	07.08.20 conversations are taking place with SLCT with a view to an update report to P&F. Feasibility and business case to do.
TA1219	S106 - Blidworth LC Steam & Sauna Facility	R Churchill	23,754	23,754	20,221	0	3,533	23,754	-0	07.08.20 Scheme is complete, snags to do. 09.12.20 scheme signed off. All invoices paid.
TA1220	Vehicular Access Control at Newark Sports and Fitness Centre	R Churchill	16,680	16,680	0	0	16,680	16,680	0	15.09.20 Installation of security barrier on Lord Hawke Way to control unauthorised access to Newark Sports & Fitness Centre. 09.12.20 all work now complete.
TB2253	Vehicles & Plant (NSDC)	A Kirk	1,079,010	1,190,010	92,197	555,461	542,352	1,190,010	0	07.08.20 most of the vehicles in the replacement programme are on order.

Project	Capital Description	Project Manager	Revised Budget 20-21 (Following P&F 26.11.20)	Revised Budget including Variations for Approval	Actuals to end of November	Current outstanding orders	Additional anticipated spend in year	Total Projected spend in year	Variance	Comments - Spend to date
TB6153	Cricket Facilities Kelham Rd - S106	A Hardy	0	0	0	0	0	0	0	
TB6154	S106 Community Facilities Provision Community & Activity Village	A Hardy	156,183	156,183	0	0	156,183	156,183	0	07.08.20 paybale on commencement of phase due, due October 20. 09.12.20 YMCA waiting on Towns Fund announcement. Commencement imminent.
TB6162	Loan to Newark Academy	A Hardy	240,000	240,000	0	0	240,000	240,000	0	07.08.20 school unable to accept the loan. Need to seek alternative. 09.12.20 alternative arrangement due to be reported to Jan P&F.
TB6163	S106 Community Facilities Provision Clipstone Welfare	A Hardy	66,385	66,385	0	0	66,385	66,385	0	09.12.20 money paid.
TC3136	Climate Change	M Finch/R Churchill	30,000	30,000	0	0	30,000	30,000	0	17.12.20 action plan agreed at Council this week.
TC3137	Brunel Drive Door Entry System	A Kirk	42,227	42,227	30,029	1,395	10,803	42,227	0	07.08.20 fire alarms still to be completed, will be complete by early September. 09.12.20 work complete.
	<b>Leisure &amp; Environment Committee</b>		<b>6,083,091</b>	<b>3,952,239</b>	<b>465,849</b>	<b>2,281,675</b>	<b>1,204,715</b>	<b>3,952,240</b>	<b>0</b>	
TC1000	New Council Offices	R Churchill	286,025	286,025	151,826	15,375	118,824	286,025	0	07.08.20 final retention release due during August. 09.12.20 final retention released to RG, Asset Mgt to check with Gleeds what retention is owed.
TC2000	Land Acquisition	R Churchill	1,090,760	1,090,760	0	0	1,090,760	1,090,760	0	07.08.20 transactions are progressing.
TC3016	Legionella Remedial Works	R Churchill	133,412	133,412	27,707	58,186	47,520	133,413	0	07.08.20 scheme due for completion by 1st October 09.12.20 new legionella compliance company reviewing assessments. 90% of the work is complete, all complete by end of Feb 21.
TC3138	Lord Hawke Way Remedial Work & Bond	R Churchill	384,150	384,150	24	0	384,126	384,150	0	07.08.20 Edward to check remedial work required 09.12.20 bond will be paid once sewers have been adopted - waiting on Severn Trent.
TG1002	Contribution to Robin Hood Hotel	R Churchill	2,591,610	2,591,610	1,559,209	0	1,032,401	2,591,610	0	07.08.20 back on site now following lockdown. Due to reach PC in Feb 2021 09.12.20 scheme on track for completion in Feb.
TG1003	Housing Regeneration Loan Facility	N Wilson	11,409,849	0	0	0	0	0	0	09.12.20 on review of cash flow, Arkwood is unlikely to require any of the loan in the current financial year. Reprofile.
TI1001	Joesph Whittaker School Contribution	M Norton	620,000	620,000	0	0	620,000	620,000	0	09.12.20 received confirmation from NCC in November. Academy now entered into a construction contract.
TT	Towns Fund	M Lamb	1,025,000	1,025,000	9,138	17,327	998,536	1,025,000	0	09.12.20 Stodman Street - architect and design team appointed with a view to submitting a planning application in March. Construction College - contractor appointed and significant progress made on defrayment of exp on build by the end of March. Cycle Infrastructure scheme conversations have started to progress the scheme. Newark Gateway - recently added phased over 2020/21 and 2021/22 - working up scheme to submit outline planning app around Feb.
	<b>Policy &amp; Finance Committee</b>		<b>17,540,806</b>	<b>6,130,957</b>	<b>1,747,904</b>	<b>90,887</b>	<b>4,292,167</b>	<b>6,130,958</b>	<b>1</b>	
<b>TOTALS</b>			<b>33,816,242</b>	<b>14,381,765</b>	<b>2,964,304</b>	<b>2,692,994</b>	<b>8,724,465</b>	<b>14,381,763</b>	<b>-2</b>	

## HRA - Spend against budget - Estimated in year

Project	Capital Description	Project Manager	Revised Budget 2021 (Following P&F 26.11.20)	Revised Budget including Variations for Approval	Actuals to end of November	Current outstanding orders	Additional anticipated spend in year	Total Projected spend in year	Variance	Comments - Spend to date
<b>PROPERTY INVESTMENT PROGRAMME</b>										
S91100	ROOF REPLACEMENTS	A Hayward	0	0	0	0.00	0	0	0	
S91115	Roof Replacement Works	A Hayward	200,000	200,000	-5,143	205,143.03	0	200,000	0	04.08.20 starting work end of Aug complete by Dec 20 15.10.20 work is progressing, started end of Sept. Three sites currently. 09.12.20 one site complete in Farndon, William Bailey will be finished this week and site in bilsthorpe is ongoing.
S91116	Flat Roof Replacement Wrk	A Hayward	200,000	200,000	77,047	122,952.92	0	200,000	0	04.08.20 47 flat roof replacements completed to date. 09.12.20 work will pick up on this scheme in the new year.
S711	<b>ROOF REPLACEMENTS</b>		<b>400,000</b>	<b>400,000</b>	<b>71,904</b>	<b>328,095.95</b>	<b>0</b>	<b>400,000</b>	<b>0</b>	
S91200	KITCHEN & BATHROOM CONVERSIONS	A Tutty	0	0	0	0.00	0	0	0	
S91218	Kit & Bathrooms	A Tutty	1,500,000	1,500,000	489,948	526,001.25	0	1,015,949	-484,051	04.08.20 work restarted in July. Not expecting to spend the full budget due to delay in starting but this is revisited every month.
S712	<b>KITCHEN &amp; BATHROOM CONVERSIONS</b>		<b>1,500,000</b>	<b>1,500,000</b>	<b>489,948</b>	<b>526,001.25</b>	<b>0</b>	<b>1,015,949</b>	<b>-484,051</b>	
S91300	EXTERNAL FABRIC	G Bruce	100,000	100,000	0	0.00	100,000	100,000	0	13.10.20 Plans to spend this on further external works in the latter half of the year.
S91336	External Fabric Works	G Bruce	200,000	200,000	24,341	200,000.00	-24,341	200,000	-1	04.08.20 contract awarded. Start work mid August. 13.10.20 started on site, first valuation received. 09.12.20 one valuation paid to date, others in dispute.
S713	<b>EXTERNAL FABRIC</b>		<b>300,000</b>	<b>300,000</b>	<b>24,341</b>	<b>200,000.00</b>	<b>75,659</b>	<b>300,000</b>	<b>-1</b>	
S91400	DOORS & WINDOWS	D Bamford	0	0	0	0.00	0	0	0	
S91412	Doors & Windows Works	D Bamford	170,000	170,000	25,225	148,009.32	-3,235	170,000	-1	04.08.20 57 properties due to be completed in this year. 13.10.20 105 doors on the list for quotes with the contractor now, but work is currently happening slower than anticipated. 09.12.20 completed 40 jobs. 51 in progress.
S714	<b>DOORS &amp; WINDOWS</b>		<b>170,000</b>	<b>170,000</b>	<b>25,225</b>	<b>148,009.32</b>	<b>-3,235</b>	<b>170,000</b>	<b>-1</b>	
S91500	OTHER STRUCTURAL	G Bruce	50,000	50,000	13,935	16,010.00	20,055	50,000	-0	13.10.20 works being carried out across the district.
S91511	Walls Re-Rendering	M Carman	0	0	0	0.00	0	0	0	
S91534	Gutter Repairs	A Hayward	50,000	50,000	45,276	4,723.92	0	50,000	0	15.10.20 work completed.
S715	<b>OTHER STRUCTURAL</b>		<b>100,000</b>	<b>100,000</b>	<b>59,211</b>	<b>20,733.92</b>	<b>20,055</b>	<b>100,000</b>	<b>-0</b>	
S93100	ELECTRICAL	A Hayward	0	0	0	0.00	0	0	0	
S93115	Rewires	A Hayward	600,000	600,000	218,828	381,171.79	0	600,000	0	04.08.20 8 rewires following start in July. Expected to spend full budget. 15.10.20 74 rewires completed to date. 09.12.20 125 rewires complete to date.
S731	<b>ELECTRICAL</b>		<b>600,000</b>	<b>600,000</b>	<b>218,828</b>	<b>381,171.79</b>	<b>0</b>	<b>600,000</b>	<b>0</b>	
S93500	HEATING	D Bamford	0	0	0	0.00	0	0	0	
S93510	Heating/Boilers	D Bamford	550,000	550,000	164,331	382,999.03	2,670	550,000	-0	04.08.20 147 properties currently with the contractor. 13.10.20 176 ordered and currently 66 completed replacement boilers with 6 on hold. 09.12.20 completed 95 replacements 86 in progress.

Project	Capital Description	Project Manager	Revised Budget 20-21 (Following P&F 26.11.20)	Revised Budget including Variations for Approval	Actuals to end of November	Current outstanding orders	Additional anticipated spend in year	Total Projected spend in year	Variance	Comments - Spend to date
<b>S735</b>	<b>HEATING</b>		<b>550,000</b>	<b>550,000</b>	<b>164,331</b>	<b>382,999.03</b>	<b>2,670</b>	<b>550,000</b>	<b>-0</b>	
S93600	ENERGY EFFICIENCY	D Bamford	0	0	0	0.00	0	0	0	
S93624	EE Boilers	D Bamford	150,000	150,000	16,378	0.00	133,622	150,000	-0	13.10.20 replacements are on programme.
<b>S736</b>	<b>ENERGY EFFICIENCY</b>		<b>150,000</b>	<b>150,000</b>	<b>16,378</b>	<b>0.00</b>	<b>133,622</b>	<b>150,000</b>	<b>-0</b>	
S95100	GARAGE FORECOURTS	A Hayward	0	0	0	0.00	0	0	0	
S95109	Garages	A Hayward	25,000	25,000	0	0.00	25,000	25,000	0	15.10.20 tendered and contractor chosen to replace garage doors (25) 09.12.20 started this week, due for completion before christmas.
S95115	Resurfacing Works	A Hayward	75,000	75,000	74,956	44.34	0	75,000	0	04.08.20 scheme complete
<b>S751</b>	<b>GARAGE FORECOURTS</b>		<b>100,000</b>	<b>100,000</b>	<b>74,956</b>	<b>44.34</b>	<b>25,000</b>	<b>100,000</b>	<b>0</b>	
S95200	ENVIRONMENTAL WORKS	M Carman	150,000	150,000	0	0.00	150,000	150,000	0	13.10.20 Plans to spend this on further external works in the latter half of the year.
S95203	Car Parking Schemes	D Roxburgh	250,000	250,000	0	0.00	250,000	250,000	0	04.08.20 Identified sites as part of the new build programme to satisfy planning conditions - Collingham and Caunton sites..
S95206	Chatham Court Target Hardending - Safer Neighbourhoods	J Davidson/A Batty	50,000	50,000	0	0.00	50,000	50,000	0	24.09.20 Safer Neighbourhoods Funding
S95250	Communal Lighting	M Carman	20,000	20,000	6,497	0.00	13,503	20,000	-0	13.10.20 Three street lights identified for replacements.
S95252	Flood Defence Systems	D Bamford	10,000	10,000	0	0.00	10,000	10,000	0	
S95253	Play Areas	L Powell	20,000	0	0	0.00	0	0	0	04.08.20 Spend due to occur at the back end of the financial year. Agreed to add additional equipment at Cherry Holt. 13.10.20 Current vandalism being dealt with from revenue - reactive repairs. 16.12.20 reprofile budget to 21/22 in order to arrange improvements and additions in the new financial year.
S95254	Estate Remodelling	D Roxburgh	65,000	65,000	9,218	11,381.00	44,401	65,000	0	13.10.20 fencing works across the district.
<b>S752</b>	<b>ENVIRONMENTAL WORKS</b>		<b>565,000</b>	<b>545,000</b>	<b>15,715</b>	<b>11,381.00</b>	<b>517,904</b>	<b>545,000</b>	<b>0</b>	
S97100	ASBESTOS	A Hayward	0	0	0	0.00	0	0	0	
S97115	Asbestos Surveys	A Hayward	30,000	30,000	7,268	23,595.66	-864	30,000	-0	04.08.20 surveys continued through lockdown due to essential services 15.10.20 surveys are progressing. 09.12.20 Due to review with compliance team.
S97116	Asbestos Removal	A Hayward	20,000	20,000	10,004	9,995.80	0	20,000	0	04.08.20 removals started in May. 15.10.20 ongoing.
<b>S771</b>	<b>ASBESTOS</b>		<b>50,000</b>	<b>50,000</b>	<b>17,272</b>	<b>33,591.46</b>	<b>-864</b>	<b>50,000</b>	<b>-0</b>	
S97200	FIRE SAFETY	J Knowles	50,000	50,000	3,341	4,203.00	42,456	50,000	0	
S97218	Fire Risk Assessments	J Knowles	150,000	150,000	0	0.00	150,000	150,000	0	04.08.20 works completed on receipt of risk assessment reports. 13.10.20 out to tender at the moment, due back late Oct.
<b>S772</b>	<b>FIRE SAFETY</b>		<b>200,000</b>	<b>200,000</b>	<b>3,341</b>	<b>4,203.00</b>	<b>192,456</b>	<b>200,000</b>	<b>0</b>	
S97300	DDA IMPROVEMENTS	L Powell	17,531.00	17,531.00	17,531	0.00	0	17,531	0	04.08.20 Completed work at Burton Court. Accessible Kitchens being carried out at Community Centres. All budget will be spent. 13.10.20 works at comm centres finished. Remaining budget is required for a stairlift. 09.12.20 work planned for this year complete.
<b>S773</b>	<b>DDA IMPROVEMENTS</b>		<b>17,531</b>	<b>17,531</b>	<b>17,531</b>	<b>0.00</b>	<b>0</b>	<b>17,531</b>	<b>0</b>	
S97400	DISABLED ADAPTATIONS	L Powell	0	0	0	0.00	0	0	0	

Project	Capital Description	Project Manager	Revised Budget 20-21 (Following P&F 26.11.20)	Revised Budget including Variations for Approval	Actuals to end of November	Current outstanding orders	Additional anticipated spend in year	Total Projected spend in year	Variance	Comments - Spend to date
S97416	Major Adaptations	L Powell	430,000	430,000	205,489	223,580.54	930	430,000	0	04.08.20 only external works carried out due to lockdown. It is expected that this budget will be fully spent due to the level of referrals. 13.10.20 upward trend on referrals. 09.12.20 161 referrals completed 108.
S97417	Minor Adaptations	L Powell	30,000	30,000	10,095	19,905.01	0	30,000	0	04.08.20 until the end July contractor was only carrying our emergency work. Still expect to fully spend budget due to referrals. 13.10.20 spend on target. 09.12.20 179 referrals, completed 157.
S97418	Adaptation Stair Lift/Ho	L Powell	42,469	42,469	29,969	12,499.62	0	42,469	0	04.08.20 committed full budget. 13.10.20 spend increased on anticipated due to some specialist stairlifts being installed where staircase has a turn in it. 09.12.20 11 Stairlifts and 6 Hoists put in so far.
<b>S774</b>	<b>DISABLED ADAPTATIONS</b>		<b>502,469</b>	<b>502,469</b>	<b>245,554</b>	<b>255,985.17</b>	<b>930</b>	<b>502,469</b>	<b>0</b>	
S97500	LEGIONELLA	A Tutty	30,000	30,000	0	0.00	30,000	30,000	0	04.08.20 Surveys due to start again during August. Works will be carried out following reports. 13.10.20 Work started on works following surveys.
<b>S791</b>	<b>UNALLOCATED FUNDING</b>		<b>30,000</b>	<b>30,000</b>	<b>0</b>	<b>0.00</b>	<b>30,000</b>	<b>30,000</b>	<b>0</b>	
S99100	PROPERTY INVESTMENT CONTINGENCY	M Carman	50,000	50,000	0	0.00	50,000	50,000	0	
S99102	Housing Capital Fees	M Carman	378,800	378,800	0	0.00	378,800	378,800	0	
<b>S791</b>	<b>UNALLOCATED FUNDING</b>		<b>428,800</b>	<b>428,800</b>	<b>0</b>	<b>0.00</b>	<b>428,800</b>	<b>428,800</b>	<b>0</b>	
	<b>PROPERTY INVESTMENT</b>		<b>5,663,800</b>	<b>5,643,800</b>	<b>1,444,534</b>	<b>2,292,216</b>	<b>1,422,997</b>	<b>5,159,747</b>	<b>-484,053</b>	
<b>AFFORDABLE HOUSING</b>										
SA1030	HRA Site Development	K Shutt	0	0	0	1,200.00	-1,200	0	0	
SA1031	Site Acquisition (Inc RTB)	K Shutt / J Sanderson	2,038,529	780,000	0	750.00	779,250	780,000	0	10.08.20 Three sites currently being investigated. 13.10.20 hoping to finalise the three sites by the end of the financial year. Also investigating another site. 08.12.20 Northgate site transfer completed on 4.12.20 work to start on hording w/e 11.12.20. other acquisitions to take place in the latter months of the financial year reprofile remaining budget.
SA1032	New Build Programme	K Shutt	0	0	6,775	23,516.98	-30,292	-0	-0	14.10.20 expenditure to be recoded to specific clusters.
SA1033	Estate Regeneration	C Clarkson	1,085,430	1,085,430	289,499	179,845.90	616,085	1,085,430	-0	10.08.20 Heads of terms and consultants appointment to deliver enabling works agreed. Continued work to around funding.
SA1034	Former ASRA Properties	C Clarkson	1,074,579	1,074,579	594,861	0.00	479,718	1,074,579	0	10.08.20 due to delays additional consultation underway with PA tenants with a view to complete Q3.
SA1047	New Build Contingency	K Shutt	109,802	109,802	0	0.00	109,802	109,802	-0	
SA1048	Boughton Extra Care	K Shutt	5,967,605	6,567,605	3,291,147	1,572,896.00	1,703,562	6,567,605	-0	10.08.20 back on site but currently only at 70-80% capacity. PC due March/April 2021, then fit out early June. 13.10.20 still on programme. 08.12.20 will be ready and fit out for being passed to T&E for June.
SA1050	Phase 2 Cluster 1 - Coddington	K Shutt	0	0	-41,885	48,314.41	-6,429	0	0	10.08.20 retention due by February 2021 08.12.20 end of defects inspection in December. Retention due anytime.
SA1051	Phase 2 Cluster 1 - 1-4-1 Coddington	K Shutt	0	0	-26,657	37,156.29	-10,500	-0	-0	10.08.20 retention due February 2021 08.12.20 end of defects inspection in December. Retention due anytime.
SA1052	Phase 2 Cluster 2 - Southwell	K Shutt	0	0	-8,664	8,673.39	-10	-0	-0	10.08.20 retention due November 2020 08.12.20 end of defects inspection in December. Retention claim due anytime.
SA1053	Phase 2 Cluster 3 - Hawtonville	K Shutt	152,307	152,307	84,782	14,722.35	52,803	152,307	0	10.08.20 three sites, retention due in September, final site retention won't be due until 2021/22. 08.12.20 Practical was in reached in June. Retention is being held for 12 months.

Project	Capital Description	Project Manager	Revised Budget 20-21 (Following P&F 26.11.20)	Revised Budget including Variations for Approval	Actuals to end of November	Current outstanding orders	Additional anticipated spend in year	Total Projected spend in year	Variance	Comments - Spend to date
SA1054	Phase 2 Cluster 3 - 1-4-1 Hawtonville	K Shutt	-0	-0	-15,554	127,876.73	-112,323	-0	-0	10.08.20 retention due January 2021 08.12.20 end of defects inspection in December. Retention due anytime.
SA1055	Phase 2 Cluster 4 - Sherwood	K Shutt	0	0	-22,053	24,396.78	-2,344	0	0	10.08.20 retention due February 2021 08.12.20 end of defects inspection in December. Retention due anytime.
SA1060	Phase 3	K Shutt	0	0	113,826	147,992.96	-261,819	-0	-0	10.08.20 subject to planning approval, 28 further units being progressed. In qrt 2. Sites are quite complex, causing delays compounded by COVID-19 rephase £1.5m budget into 2021/22. 16.10.20 ready to set up the new final clusters in this phase now, with sites being passed over to contractor. Therefore will need to distribute costs accordingly to SA1061-SA1064.
SA1061	Phase 3 - Cluster 1 Stand Alone	K Shutt	1,013,067	1,069,158	988,240	24,827.75	56,091	1,069,158	0	10.08.20 progressing - 4 sites, 8 units 4 week extension due to lockdown. Due for completion between August and October. 13.10.20 3 sites completed, 4th due end of November.
SA1062	Phase 3 - Cluster 2 Various	K Shutt	1,594,000	1,634,308	1,078,169	470,492.53	85,647	1,634,308	0	10.08.20 progressing - 4 sites, 9 units started on site in May/June. Due for completion between March/April 2021.
SA1063	Phase 3 - Cluster 3	K Shutt	1,699,298	1,870,000	43,217	1,556,782.52	270,000	1,870,000	0	
SA1064	Phase 3 - Cluster 4	K Shutt	2,200,000	706,000	0	0.00	706,000	706,000	0	08.12.20 expecting to Start on the first site in Jan 21.
SA1070	Phase 4	K Shutt	1,700,000	0	2,772	0.00	-2,772	0	0	10.08.20 pre planning work on phase 4 is being carried out now. 13.10.20 subject to planning permission, will be onsite before the end of March.
SA1071	Phase 4 Cluster 1 Fire Station	K Shutt	0	700,000	0	0.00	700,000	700,000	0	08.12.20 First cluster of phase 3 due for start on site in Jan 21.
SA1080	Phase 5	K Shutt	0	0	0	0.00	0	0	0	10.08.20 Land acquisitions will ensure delivery of phase 5.
SA3001	Ollerton Local Office Refurbishment & Repurpos	J Baker	50,000	50,000	0	0.00	50,000	50,000	0	
SC2000	Careline Analogue to Digital	S Hartley-Hill	80,540	80,540	0	0.00	80,540	80,540	0	
	<b>SUB TOTAL AFFORDABLE HOUSING</b>		<b>18,765,157</b>	<b>15,879,729</b>	<b>6,378,475</b>	<b>4,239,445</b>	<b>5,261,809</b>	<b>15,879,728</b>	<b>-0</b>	
	<b>TOTAL HOUSING REVENUE ACCOUNT</b>		<b>24,428,957</b>	<b>21,523,529</b>	<b>7,823,009</b>	<b>6,531,661</b>	<b>6,684,806</b>	<b>21,039,476</b>	<b>-484,053</b>	



## POLICY & FINANCE COMMITTEE

21 JANUARY 2021

### 2021/22 HOUSING REVENUE ACCOUNT (HRA) BUDGET AND RENT SETTING

#### **1.0 Purpose of Report**

1.1 The annual report being presented to the Committee on the Housing Revenue Account (HRA) will:

- a) provide the actual outturn of the HRA for the 2019/20 financial year (1 April 2019 - 31 March 2020) (column 2 of **Appendix A1**);
- b) examine the proposed income and expenditure on the HRA for the 2021/22 financial year (column 4 of **Appendix A1**), in accordance with Section 76 (Duty to prevent debit balance on Housing Revenue Account) of the *Local Government and Housing Act 1989*;
- c) provide indicative amounts of income and expenditure for the 2022/23 to 2024/25 financial years (columns 5 to 7 of **Appendix A1**); and
- d) set rent levels and service charges for 2021/22 (with effect from the first Monday in April 2021).

1.2 The following paragraphs provide the necessary detail for the matters above.

#### **2.0 Background Information**

2.1 The setting of the HRA budget and the approval of rent levels will allow the required time to notify tenants of proposed changes to rents in accordance with legislation.

2.2 The key dates in the budget setting timetable are detailed in the table below:

Council determination of HRA budget and rent setting	9 February 2021
Newark & Sherwood District Council update of rent systems	By end of February 2021
Generation of rent cards and letters to notify tenants of variation of their rent levels (tenants are required to be given one month's notice by law of rent changes).	By end of February 2021

2.3 Any slippage from these key dates would jeopardise the implementation of rent increases from the first Monday in April 2021, and as a consequence, pose a risk to the sustainability of the 30-year HRA Business Plan (BP).

#### Statutory Duty

2.4 Section 76 of the *Local Government and Housing Act 1989* requires local housing authorities to set a budget annually for their HRA, and that implementation of the budget proposals will not result in a debit balance (deficit position) at year-end.

- 2.5 Following housing financing reforms (self-financing) in April 2012 the council's HRA has been operating within a 30-year business plan. The inputs and assumptions in the Business Plan are key to setting the HRA budgets annually for each year of the HRA's four-year medium-term financial plan (MTFP).
- 2.6 Members will be aware that on 8 July 2015, Government announced that registered providers (including social housing stock-owning local authorities) had to reduce social housing rents by 1% each year for four years from 2016/17, in accordance with section 23 (Reduction in social housing rents) of the *Welfare Reform and Work Act 2016*. 2019/20 was the last year of the 1% rent reduction.
- 2.7 The 1% annual rent reductions resulted in the HRA Business Plan losing more than £11m (13%) in rental income over the four years. This was equivalent to more than six months' worth of rental income in 2019-20, or the funds to build more than 100 homes.
- 2.8 Whilst rents were increased by 2.7% this year (2020/21); in real terms this amounted to just 1% after taking account of inflation and is but a fraction of the recovery of lost income. If members still have ambitions to develop funds to build more homes in the future and ensure good quality and safe homes for existing tenants and increase commitment to zero carbon initiatives; then continued small rent increases above inflation will be required to fund this.
- 2.9 Members should note that any surpluses in 2020/21 are unlikely to be repeated and are the result of underspend due to an abnormal year in terms of a pandemic and the restructure of the Housing services resulting in holding a number of senior posts vacant.
- 2.10 Due to Covid-19 pandemic there have been supply problems for a wide range of products in the building and maintenance trade which has already lead to significant increases in costs this year. This is currently masked in the HRA as only essential repairs were carried out during the first lockdown period due to Covid-19. Now teams have caught up with the backlog and we enter the busiest half of the year this impact will become more visible as we restrict our services again. Officers are also predicting that these increases in costs will not reduce post Covid-19. It is also anticipated that current fixed costs in framework agreements will also need to have their prices revised upwards during next year.
- 2.11 Members will also be aware that now that Brexit has been implemented, there will be an even greater impact on the supply chain for building supplies and other materials than as per paragraph 2.10 above. The HRA will need to position itself to be able to absorb cost increases as necessary.

#### Rent Standard 2020

- 2.12 In February 2019, the Secretary of State for Housing, Communities & Local Government published a Direction to the Regulator of Social Housing (RSH) to set a Rent Standard which would apply from 2020. This was published alongside a Policy Statement on Rents for Social Housing 2018 (Rent Policy Statement) for the Regulator to have regard to when setting its Rent Standard.

- 2.13 The Rent Standard 2020 specifies that rents must be set in accordance with the Rent Policy Statement. The government’s Rent Policy Statement now allows annual rent increases to social rent and affordable rent properties for at least five years, up to (and including) the Consumer Price Index (CPI) rate published for September of the preceding financial year plus 1%.
- 2.14 As the CPI for September 2020 was 0.5%, the Rent Policy Statement allows an annual rent increase of 1.5% for 2021/22. This would represent an average weekly social rent increase of £1.16 per week (based on average social rent in 2020/21 of £77.56) and provide around £300,000 of additional income for the HRA next year.
- 2.15 By providing a five-year rent settlement, the Government has recognised:
- “the need for a stable financial environment to support the delivery of new homes”, and that “enabl[ing] registered providers to plan ahead” will allow them “to make the best possible use of their resources”.*
- 2.16 In restricting annual rent increases to CPI + 1%, the Government aims to:
- “strike a fair balance between the need to maintain existing affordable homes and the provision of additional affordable housing; the interests of existing and potential social housing tenants; and the cost to taxpayers through Housing Benefit/Universal Credit”.*
- 2.17 From 1 April 2020, therefore, social housing providers registered with the RSH (‘registered providers’) must now comply with the Rent Standard 2020.
- 2.18 The table below shows that the council’s social housing rents across the main bedroom sizes compare favourably against Local Housing Allowance (LHA) rates for all of the Broad Rental Market Areas (BRMAs) within the district, as well as market rents; and that they are testament to the value for money that they offer.

WEEKLY RENT COMPARISON 2020/2021

		1 Bed	2 Bed	3 Bed	4 Bed
Social Rents	Newark and Sherwood DC	£69.54	£76.63	£82.86	£89.78
Local Housing Allowance Rates	LHA Grantham and Newark BRMA	£86.30	£111.62	£132.33	£182.96
	LHA North Nottingham BRMA	£80.55	£103.56	£109.32	£155.34
	LHA Nottingham BRMA	£108.16	£126.58	£143.84	£184.11
	LHA Lincoln BRMA	£97.81	£117.37	£132.33	£172.60
Market Rates	Newark	£113.08	£128.08	£159.69	£206.31
	Nottingham (NG5 Postcode)	£121.38	£153.69	£181.62	£206.54

Borrowing Cap

- 2.19 As part of the HRA self-financing reforms introduced in April 2012, the government set a maximum amount of housing debt that each local authority could have. In subsequent years, the government awarded some local authorities limited increases to their housing borrowing limits. On 29 October 2018, the Limits on Indebtedness (Revocation) Determination 2018 revoked all previous determinations that specified limits on local authority housing indebtedness.

- 2.20 Though councils are no longer restricted in how much they can borrow in their HRAs, there is still the requirement for councils to make sure that all borrowing is affordable and proportionate within the context of their 30-year HRA business plan (HRA BP). The council has used the expert external advice it obtained on the assumptions in the BP to monitor the affordability of future indebtedness. Anticipated future levels of indebtedness are currently viable within the plan.

#### 30-year HRA Business Plan (BP)

- 2.21 The BP summarises the viability of the council's plans to fulfil its management, maintenance and investment responsibilities to its HRA assets over the next 30-years. Key assumptions are made in the BP based on the council's strategic priorities and policies, detailed stock data and other factors.
- 2.22 The assumptions in the BP are key to setting the HRA budgets annually for each year of the HRA's four-year MTFP. Adverse variations in these assumptions can have significant consequences, as the examples in paragraph 2.7 make clear. Failure therefore for Members to agree the proposals in this report could lead to a material impact on the delivery of housing management services to tenants, as well as the viability and delivery of the council's approved HRA development programme, Yorke Drive regeneration scheme and other investment activities.
- 2.23 The council obtained expert external advice on monitoring the BP's capacity for borrowing (paragraph 2.20). The narrative of the HRA BP and assumptions in the financial model will be reviewed and updated when circumstances allow and presented to the Committee for approval.
- 2.24 Officers monitor relevant government policy announcements and model the implications of these on the HRA BP. The Draft Building Safety Bill was published in July 2020; the Fire Safety Bill 2019-21 is currently with the House of Lords for review; and the Social Housing White Paper was released in November 2020. Officers will model the impacts of these changes on the HRA BP as further details become available. There is an expectation of increased scrutiny on performance, accountability to tenants and an increased expectation of regulation.

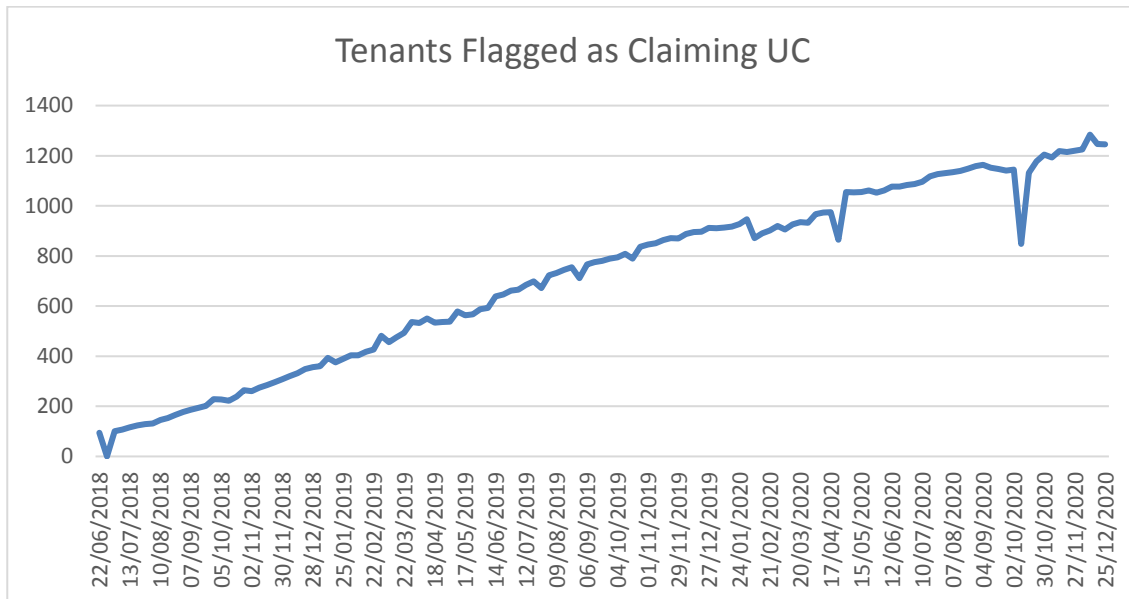
#### Rent Cycle

- 2.25 A member of the Board of Newark and Sherwood Homes Ltd requested in 2018 that the council consider a review of its secure tenancy agreement, to move from a 48 week rent cycle (with 4 rent free weeks) annually to a 52 week rent cycle annually.
- 2.26 A paper was taken to the Board in November 2018 which considered the options and proposed that a working party be set up to investigate further. Officers have not actively progressed this proposal, as other priorities have since taken precedent as a result of the Covid-19 pandemic and transfer of services back into the Council.

#### Universal Credit (UC) and Housing Benefit (HB)

- 2.27 Universal Credit (UC) is the Government's working-age benefit which combines six means-tested ('legacy') benefits, including Housing Benefit (HB), into a single monthly payment. UC was a central feature of the government's *Welfare Reform Act 2012*. The Government started rolling out UC in 2013, with the full service commencing in 2018 across Newark and Sherwood.

2.28 Since 2018, there has been a significant increase in the number of council housing tenants claiming UC. As per the graph below, the number of tenants claiming UC has increased from 95 to 1245 between June 2018 and December 2020. The council expects over 2,000 tenants to be claiming UC once all relevant households have transferred to UC.



2.29 As the number of council housing tenants claiming UC is increasing, the number claiming Housing Benefit (HB) as a standalone ('legacy') benefit is decreasing. Around 2,300 of council households currently have tenant(s) in receipt of legacy HB. This represents around 40% of the housing stock.

2.30 Despite the trends outlined above, a significant number of council housing tenants will continue to receive legacy HB even after all relevant households have transferred to UC. This is because eligible adults of all ages (including older people) can claim legacy HB, whereas only eligible adults of working-age can claim UC. Nearly half of the council's social housing stock is designated for older people.

2.31 Around 1,450 of the 2,300 households, or just under two-thirds, are entitled to the maximum amount of HB, and around 850 households to partial HB.

2.32 Residents claiming HB or UC who need additional help with meeting their housing costs can request a Discretionary Housing Payment (DHP) from their local council. Claimants are supported to make claims for DHP where appropriate with a view to sustain tenancies wherever possible.

2.33 The Committee should note that officers recognise the importance of supporting tenants at an early stage to sustain their tenancies, especially around rent collection, benefit entitlement and arrears management.

2.34 This commitment to a supportive approach is illustrated by two specific projects within the Community Plan, the Healthy Start project and the Targeted Arrears Support Project, which seek to ensure tenancies are sustained wherever possible.

- 2.35 The Healthy Start project will implement a range of initiatives to ensure new tenancies start in a positive way to give the best chance of tenancy success; whilst the Targeted Arrears Support Project will aim to provide targeted support to tenants that have been financially affected by the Coronavirus pandemic.

#### Service Charges

- 2.36 In addition to rent, local authorities can charge for other services they provide (service charges). Section 93 (Power to charge for discretionary services) of the *Local Government Act 2003* requires charges to be set such that taking one financial year with another, the income from charges for a service does not exceed its costs of provision.
- 2.37 The Policy Statement on Rent for Social Housing (February 2019) sets out an expectation that service charge increases remain within the limit of rent charge of CPI + 1% in order to keep service charges affordable. **Appendix C** details the current (2020/21) and proposed (2021/22) service charges, with proposed increases to current charges of 1.5% (CPI + 1%). Subsequent paragraphs provide details about the services that tenants are charged for.

#### ***Housing-Based Support Services***

- 2.38 The main housing-based support service provided is a community alarm service, to help tenants live more independently. Tenants with lifeline units in their properties can raise an alarm call from anywhere in the home if they require this. Around half of the council's social housing properties have these lifeline units.
- 2.39 Tenants in properties with lifeline units currently pay £1.76 per week for the community alarm service and this report proposes to increase that charge by 2 pence a week to a weekly charge of £1.78 per week. This represents an increase of around 1.14% per week. This charge is mandatory, in line with the terms of their tenancy agreement. This charge is not eligible for housing benefit.
- 2.40 As well as a range of other support services, officers also provide intensive housing management (IHM) services for tenants in extra care housing schemes. As tenants in these properties need higher levels of support to sustain their tenancies, the charges for IHM services vary depending on the scheme that tenants live in. The council currently has three extra care housing schemes (Bilthorpe Bungalows, Gladstone House and Vale View), with a fourth in Boughton due for completion in Summer 2021.
- 2.41 Details of the current and proposed service charges are in **Appendix C**.

#### ***Other Housing Based Services***

- 2.42 In addition to charges for IHM services and lifeline units, tenants at Gladstone House are charged for receiving certain meals and a television (TV) licence. As the cost of provision is unchanged, it is proposed that the TV licence charge remains unchanged (£0.21 per week).
- 2.43 Other weekly service charges applied to tenants are for the costs of water and sewerage provided to properties at Vale View (£3.83 per week) and for the costs (where appropriate) of landscaping, lighting and drainage provided to 70 general needs properties (average weekly charge of £5.45 per week).

2.44 Details of the current and proposed service charges are in **Appendix C**.

### ***Non-Housing Based Services***

2.45 Officers manage the garages, garage ports (or car ports/parking spaces) and garage plots (or parking plots) within the council's HRA. Garages and garage ports are structures owned by the council, fully enclosed and partially enclosed respectively, whereas garage plots are pieces of land on which tenants supply their own garage structure. The charges for garages (garage rents) and garage plots are weekly, whilst those for garage ports are annually. All garage-based charges exclude standard rate value-added tax (VAT) if let to council housing tenants, and include VAT if let to non-council housing tenants.

2.46 Whilst it may be possible to increase rents by more than 1.5% (CPI + 1%) for more desirable garages, officers are aware that a large increase in rent may increase the expectations of tenants around improvements to the condition and security of garages. It is therefore proposed not to introduce differential rent levels at the current time.

2.47 Officers continue to identify existing and redundant garage sites which could be suitable for inclusion in the council's approved housing development programme.

2.48 Details of the current and proposed service charges are in **Appendix C**.

### **3.0 Proposals**

3.1 In light of the above, officers are proposing to the Committee that it recommends to Council at its meeting on 9 February 2021:

- a) the HRA budget for 2021/22, as set out in **Appendix A1** to this report;
- b) an increase of 1.5% (CPI + 1%) in the 2021/22 rents of all properties in the HRA as at 31 March 2021;
- c) an increase of 1.5% (CPI + 1%) in all 2021/22 service charges, except for the television (TV) licence costs payable by tenants of Gladstone House; and
- d) that the TV licence costs payable by tenants of Gladstone House in 2021/22 remain at £0.21 per week.

### **4.0 Digital Implications**

4.1 There are no digital implications directly arising from this report.

### **5.0 Equalities Implications**

5.1 The proposed rent increase would apply to all council social housing dwellings, whether or not these are occupied, rather than to the tenants themselves or to tenants in specific properties. The proposed rent increase is therefore not expected to discriminate against any of the characteristics protected under the Equality Act 2010.

- 5.2 Notwithstanding Para 5.1 it is noted that the proposed rent and service charge increases may potentially have a minimal adverse impact on working-age tenants in receipt of benefits. It should be noted however that these tenants are unlikely to fall into one main protected characteristic group. Also, as outlined in paragraph 2.32, working-age council housing tenants claiming benefits in need of help with housing costs can request a DHP from the council. The Government has not yet announced how much DHP it will be giving councils for 2021/22.
- 5.3 Though the proposed rent and service charge increases are not expected to adversely impact tenants in receipt of State Pension (as State Pension will increase by 2.5% for 2021/22), officers recognise the importance of supporting tenants of all ages to sustain their tenancies, as outlined in paragraph 2.33.

## **6.0 Financial Implications (FIN20-21/4185)**

- 6.1 The majority of the financial implications are set out in the body of this report or its **appendices**. The financial implications of tenants' Right to Buy (RTB) are covered in further detail below.

### Right to Buy (RTB)

- 6.2 The council signed a Retention Agreement with the Secretary of State to use 30% of its retained receipts (1-4-1 receipts) from properties sold under the RTB scheme on the provision of replacement social housing. The one-for-one replacement of RTB sales with new affordable rent homes is at the national level.
- 6.3 If the council is unable to spend its retained receipts within three years of receiving them, it must return these to Government with interest of 4% above the base rate (currently 0.75%).
- 6.4 By December 2020, the council managed to spend all of the 1-4-1 receipts received between April 2013 and December 2017; and by December 2023, the council anticipates that it will spend all of the 1-4-1 receipts received between January 2018 and December 2020.
- 6.5 Officers closely monitor spend against the council's approved HRA development programme to ensure that 1-4-1 receipts are used as appropriate.
- 6.6 The number of RTB sales affects how much the council receives in 1-4-1 receipts, and thus how much the council must spend on replacement social housing from its own resources or borrowing, though also affects the number of properties from which the council receives weekly rent.
- 6.7 Officers consider current and prospective local and national trends in RTB sales when setting the HRA budget annually.

## **7.0 Community Plan – Alignment to Objectives**

- 7.1 The implementation of the proposals in this report will directly support the council's HRA to meet multiple objectives of the Community Plan 2020-2023, such as to:



- a) *“Create vibrant and self-sufficient local communities...”*; and
- b) *“Create more and better quality homes...”*.

7.2 Some of the actions the council is taking to achieve the Community Plan objectives are:

- Enhancing the quality of empty homes when let;
- Encourage tenancy success in a home by developing and delivering the first phase of the 'Healthy Start';
- Integrate the management of housing revenue account green spaces within the public realm;
- Support the regeneration of a central estate and improve local amenities through delivering Yorke Drive Regeneration Project;
- Contribute to the offer for digital inclusion for tenants and local communities.

## **8.0 RECOMMENDATIONS**

**That the following recommendations be made to Council at its meeting on 9 February 2021:**

- a) **the HRA budget for 2021/22, as set out in Appendix A1 to this report;**
- b) **an increase of 1.5% (CPI + 1%) in the 2021/22 rents of all properties in the HRA as at 31 March 2021;**
- c) **an increase of 1.5% (CPI + 1%) in all 2021/22 service charges, except for the television (TV) licence costs payable by tenants of Gladstone House; and**
- d) **that the TV licence costs payable by tenants of Gladstone House in 2021/22 remain at £0.21 per week.**

### **Reason for Recommendations**

**To advise Members of the proposed HRA budget and changes in rent and service charge levels for 2021/22 and for these to be recommended to Council at its meeting on 9 February 2021.**

### **Background Papers**

Nil.

For further information please contact Caroline Wagstaff (Business Manager - Housing Projects) on Extension 5637 or Mohammed Sarodia (Assistant Business Manager - Financial Services) on Extension 5537.

Sanjiv Kohli  
Deputy Chief Executive, Director – Resources and Section 151 Officer

Suzanne Shead  
Director – Housing, Health & Wellbeing

## HOUSING REVENUE ACCOUNT (HRA) - OUTTURN 2019/20, BUDGET 2020/21 and BUDGETS 2021/22 to 2024/25

## Annual rent increases of Consumer Price Index (CPI) + 1% between 2021/22 and 2024/25

CPI + 1%

CPI + 1%  
1.50% estimate 1.5%CPI + 1%  
estimate 1.5%CPI + 1%  
estimate 1.5%

Column 1	Column 2 2019/20 OUTTURN £	Column 3 2020/21 BASE BUDGET £	Column 4 2021/22 BASE BUDGET £	Column 5 2022/23 BASE BUDGET £	Column 6 2023/24 BASE BUDGET £	Column 7 2024/25 BASE BUDGET £
<b>SUMMARY</b>						
<b>INCOME</b>						
Rents: dwellings	(21,878,849)	(21,615,550)	(22,761,110)	(23,104,790)	(23,453,690)	(23,807,900)
Rents: non-dwellings	(183,647)	(291,440)	(169,140)	(169,140)	(169,140)	(169,140)
Charges for services	(1,028,495)	(804,070)	(1,172,560)	(1,193,390)	(1,214,670)	(1,236,360)
Contributions to expenditure	(1,342,427)	(565,550)	(954,750)	(968,070)	(982,250)	(990,490)
<b>Sub Total - Income</b>	<b>(24,433,419)</b>	<b>(23,276,610)</b>	<b>(25,057,560)</b>	<b>(25,435,390)</b>	<b>(25,819,750)</b>	<b>(26,203,890)</b>
<b>EXPENDITURE</b>						
Repairs & maintenance	2,076,559	2,372,360	1,907,910	1,963,090	2,019,890	2,078,420
Supervision & management	7,882,013	7,748,020	8,171,500	8,398,980	8,688,250	8,931,240
Special services	0	266,180	386,500	427,430	436,620	414,080
Rents, rates, taxes & other charges	913,684	623,020	791,020	890,560	908,620	845,220
Depreciation & impairment	4,451,849	5,649,000	5,420,200	5,854,200	6,177,500	6,413,700
Debt management costs	81,613	80,000	80,000	80,000	80,000	80,000
Revenue expenditure funded by capital	38,500	0	0	0	0	0
Revaluation loss or (gain)	18,625,553	0	0	0	0	0
Pension-related one-off costs	4,252,934	0	0	0	0	0
Efficiency savings: prospective revenue initiatives	0	0	0	690,000	690,000	690,000
Efficiency savings: revenue initiatives	0	0	100,000	0	0	0
Efficiency savings: contribution to capital	0	0	590,000	0	0	0
<b>Sub Total - Expenditure</b>	<b>38,322,704</b>	<b>16,738,580</b>	<b>17,447,130</b>	<b>18,304,260</b>	<b>19,000,880</b>	<b>19,452,660</b>
<b>NET COST OF SERVICES</b>	<b>13,889,285</b>	<b>(6,538,030)</b>	<b>(7,610,430)</b>	<b>(7,131,130)</b>	<b>(6,818,870)</b>	<b>(6,751,230)</b>
Interest payable/(receivable)	4,314,785	3,788,690	3,770,030	3,809,390	3,659,930	3,455,750
Increase/(decrease) in provision for bad debt	374,830	456,070	0	0	234,540	238,080
Capital grants & contributions	(2,272,512)	(520,000)	0	0	0	0
(Profit)/loss on sale of non-current assets	507,545	0	0	0	0	0
<b>NET OPERATING EXPENDITURE</b>	<b>16,813,934</b>	<b>(2,813,270)</b>	<b>(3,840,400)</b>	<b>(3,321,740)</b>	<b>(2,924,400)</b>	<b>(3,057,400)</b>
<b>APPROPRIATIONS</b>						
(Profit)/loss on sale of non-current assets	(507,545)	0	0	0	0	0
Financial instrument account	(493)	0	0	0	0	0
Pension-related costs	(4,385,951)	0	0	0	0	0
Revaluation loss or (gain)	(18,625,553)	0	0	0	0	0
Capital grants & contributions	2,272,512	520,000	0	0	0	0
Revenue expenditure funded by capital	(38,500)	0	0	0	0	0
Revenue contribution to/(from) Major Repairs Reserve	4,113,586	2,293,270	3,840,400	3,321,740	2,924,400	3,057,400
Contributions to earmarked reserves	358,011	0	0	0	0	0
<b>HRA (SURPLUS)/DEFICIT FOR YEAR</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
WORKING BALANCE brought forward (b/f)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
WORKING BALANCE carried forward (c/f)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)

## HOUSING REVENUE ACCOUNT (HRA) - BUDGET 2020/21 to 2024/25

## SUBJECTIVE SUMMARY

CODE	SERVICE	2020/21	2021/22	MORE/(LESS)	2022/23	2023/24	2024/25
		BASE BUDGET £	BASE BUDGET £		BASE BUDGET £	BASE BUDGET £	BASE BUDGET £
<b>EMPLOYEES</b>							
111	SALARIES AND WAGES	4,304,190	3,783,170	(521,020)	3,895,830	4,011,860	4,131,390
112	OTHER SALARIES/WAGES PAYMENTS	16,160	0	(16,160)	0	0	0
113	NATIONAL INSURANCE	383,390	346,510	(36,880)	356,910	367,640	378,690
114	SUPERANNUATION	606,320	678,440	72,120	698,790	719,760	741,340
<b>EMPLOYEES SUB-TOTAL</b>		<b>5,310,060</b>	<b>4,808,120</b>	<b>(501,940)</b>	<b>4,951,530</b>	<b>5,099,260</b>	<b>5,251,420</b>
<b>PREMISES-RELATED EXPENDITURE</b>							
211	REPAIRS AND MAINTENANCE	700,420	598,260	(102,160)	713,440	724,940	632,780
212	ENERGY COSTS	217,270	185,170	(32,100)	190,730	196,470	202,360
214	RATES	7,590	8,400	810	8,570	8,740	8,920
215	WATER SERVICES	44,390	48,780	4,390	50,250	51,750	53,310
216	FIXTURES AND FITTING	11,980	14,330	2,350	14,580	14,830	15,100
217	CLEANING AND DOMESTIC	11,080	5,030	(6,050)	5,080	5,130	5,180
<b>TRANSPORT-RELATED EXPENDITURE</b>							
311	TRANSPORT	200	29,340	29,140	30,200	31,080	31,990
312	RECHARGE FROM TRANSPORT POOL	227,950	193,800	(34,150)	199,610	205,590	211,770
315	CAR ALLOWANCES	0	103,660	103,660	104,040	104,430	104,830
<b>SUPPLIES &amp; SERVICES</b>							
411	EQUIPMENT AND FURNITURE	18,650	20,830	2,180	21,210	21,590	21,990
412	MATERIALS	539,250	545,900	6,650	562,280	579,160	596,540
421	CATERING	75,450	123,330	47,880	126,280	129,320	132,450
431	CLOTHING AND UNIFORMS	8,070	6,860	(1,210)	6,940	7,020	7,100
440	NASH PROJECTS	89,820	138,590	48,770	141,850	145,210	148,660
441	GENERAL OFFICE EXPENSES	68,250	18,000	(50,250)	18,540	19,100	19,670
451	CONTRACTUAL	1,223,680	1,062,070	(161,610)	1,093,140	1,125,130	1,158,070
452	OTHER SERVICES	1,648,910	2,475,550	826,640	2,545,240	2,620,160	2,695,770
456	INTEREST PAYABLE	56,890	0	(56,890)	0	0	0
461	COMMUNICATIONS AND COMPUTING	193,300	44,090	(149,210)	45,350	46,640	47,960
471	STAFF	149,010	8,900	(140,110)	9,110	9,320	9,550
482	SUBSCRIPTIONS	34,130	63,920	29,790	65,840	67,820	69,850
491	INSURANCE	394,170	344,670	(49,500)	355,010	365,660	376,630
492	CONTRIBS TO FUNDS AND PROVISNS	8,203,330	9,468,770	1,265,440	9,384,110	9,361,900	9,731,100
493	OTHER	640,180	891,160	250,980	903,070	905,030	897,060
<b>HOLDING ACCOUNTS</b>							
509	HOLDING ACCOUNT	14,970	0	(14,970)	0	0	0
<b>TRANSFER PAYMENTS</b>							
612	OTHER TRANSFER PAYMENTS	423,570	(32,500)	(456,070)	(32,500)	202,040	205,580
613	TAX	23,850	0	(23,850)	0	0	0
<b>RUNNING EXPENSES SUB-TOTAL</b>		<b>15,026,360</b>	<b>16,366,910</b>	<b>1,340,550</b>	<b>16,561,970</b>	<b>16,948,060</b>	<b>17,384,220</b>
<b>CAPITAL FINANCING</b>							
811	LOANS POOL	3,791,690	3,775,030	(16,660)	3,814,390	3,664,930	3,460,750
817	DEBT MANAGEMENT EXPENSES	80,000	80,000	0	80,000	80,000	80,000
821	CAPITAL CHARGE	49,470	32,500	(16,970)	32,500	32,500	32,500
<b>CAPITAL FINANCING SUB-TOTAL</b>		<b>3,921,160</b>	<b>3,887,530</b>	<b>(33,630)</b>	<b>3,926,890</b>	<b>3,777,430</b>	<b>3,573,250</b>
<b>INCOME</b>							
922	CONTRIBUTIONS FROM OTHER LAS	0	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
926	RECEIPTS FROM OTHER FUNDS	0	(33,910)	(33,910)	(34,920)	(35,970)	(37,050)
928	RECHARGE NON GF ACCOUNTS	(48,370)	(5,650)	(54,020)	42,720	(5,730)	(5,910)
931	SALES	(596,260)	(263,820)	(332,440)	(271,130)	(279,260)	(286,420)
932	FEES AND CHARGES	(655,510)	(552,610)	(102,900)	(558,230)	(563,860)	(564,490)
933	RENTS	(22,744,660)	(24,019,350)	(1,274,690)	(24,382,650)	(24,751,580)	(25,126,220)
938	FEES AND CHARGES	(69,640)	(37,000)	(32,640)	(37,000)	(37,000)	(37,000)
939	OTHER RECEIPTS	(135,870)	(143,220)	(7,350)	(143,730)	(144,260)	(144,800)
941	INTEREST	(7,270)	(5,000)	(2,270)	(5,000)	(5,000)	(5,000)
<b>INCOME SUB-TOTAL</b>		<b>(24,257,580)</b>	<b>(25,062,560)</b>	<b>(804,980)</b>	<b>(25,440,390)</b>	<b>(25,824,750)</b>	<b>(26,208,890)</b>
<b>COMMITTEE TOTAL (SURPLUS)/DEFICIT</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
WORKING BALANCE brought forward (b/f)		(2,000,000)	(2,000,000)	0	(2,000,000)	(2,000,000)	(2,000,000)
WORKING BALANCE carried forward (c/f)		(2,000,000)	(2,000,000)	0	(2,000,000)	(2,000,000)	(2,000,000)

**Housing Revenue Account (HRA) Rent Setting Policy**

**1.0 Introduction**

- 1.1 Each year, the Council must set rents for its housing properties and notify each individual tenant of any proposed rent change, in accordance with legislation.
- 1.2 This policy outlines how Newark & Sherwood District Council (NSDC, the Council) will calculate and charge rent for the housing properties that it owns within its Housing Revenue Account (HRA) and has responsibility to manage and maintain.

**2.0 Purpose of Policy**

- 2.1 The purpose of this policy is primarily to ensure that rents are set in accordance with all relevant legislation and obligations; and provide a clear framework for setting and reviewing the rent levels of properties.

**3.0 Background Information**

- 3.1 On 08 July 2015, the Government announced that registered providers (including social housing stock-owning local authorities) had to reduce social housing rents by 1% each year for four years from 2016/17, in accordance with section 23 (Reduction in social housing rents) of the *Welfare Reform and Work Act 2016*. 2019/20 is the last year of the 1% rent reduction.
- 3.2 In February 2019, the Government published a Direction to the Regulator of Social Housing (RSH) to set a Rent Standard which would apply from 2020. This was published alongside a Policy Statement on Rents for Social Housing 2018 (Rent Policy Statement) for the Regulator to have regard to when setting its Rent Standard.
- 3.3 The Rent Standard 2020 specifies that rents must be set in accordance with the Rent Policy Statement. The Government's Rent Policy Statement now allows annual rent increases to social rent and affordable rent properties for at least five years, up to (and including) the CPI rate published for September of the preceding financial year plus 1%.
- 3.4 By providing a five-year rent settlement, the Government has recognised:  
  
*"the need for a stable financial environment to support the delivery of new homes" and that "enabl[ing] registered providers to plan ahead" will allow them "to make the best possible use of their resources".*
- 3.5 In restricting annual rent increases to CPI + 1%, the Government aims to:  
  
*"strike a fair balance between the need to maintain existing affordable homes and the provision of additional affordable housing; the interests of existing and potential social housing tenants; and the cost to taxpayers through Housing Benefit/Universal Credit".*

## 4.0 The Policy

4.1 In accordance with the Rent Policy Statement, the Council will calculate and charge rent for all housing properties that it owns within its HRA and has responsibility to manage and maintain. The paragraphs below summarises the relevant content from this document.

### Social Rent

4.2 Social rent properties here refers to accommodation, as defined by section 69 (Low cost rental) of the *Housing and Regeneration Act 2008*, not classified as:

- a) affordable rent accommodation;
- b) let to social tenants with high incomes;
- c) shared ownership low cost rental accommodation;
- d) intermediate rent accommodation;
- e) specialised supported housing;
- f) relevant local authority accommodation;
- g) student accommodation;
- h) Private Finance Initiative (PFI) social housing;
- i) temporary social housing; or
- j) care homes.

4.3 The Council will set the initial rent on a social rent property at a level no higher than 10% above formula rent for supported housing, and no higher than 5% above formula rent for all other social rent properties.

4.4 Formula rent is based on:

- a) 30% of a property's rent being based on relative property values;
- b) 70% of a property's rent being based on relative local earnings; and
- c) a bedroom factor, so that other things being equal, smaller properties have lower rents.

4.5 Formula rent will increase by the Consumer Price Index (CPI) plus 1% each year, based on the CPI rate for September of the previous financial year.

4.6 Formula rent is subject to a rent cap based on the number of bedrooms in a property. Where formula rent would be higher than the rent cap for a particular property, the rent cap will be used instead.

4.7 The rent cap will increase by CPI plus 1.5% each year.

4.8 The annual change in rent for tenants in a specific property will increase by no more than CPI plus 1% each year.

4.9 The rent for a property which exceeds the rent flexibility level will increase by no more than CPI each year, until the rent for the property is brought within the rent flexibility level.

4.10 The rent for a property which exceeds the rent flexibility level will not exceed formula rent plus the rent flexibility level when the property is re-let.

- 4.11 A social rent property will not be converted to market rent, intermediate rent or affordable rent properties, except for the latter where agreed to by Homes England or the Secretary of State.

#### Affordable Rent

- 4.12 Affordable rent properties here refers to accommodation which Homes England or the Secretary of State have agreed can be let at an affordable rent (including service charges).
- 4.13 Affordable rent will not exceed 80% of gross market rent (including applicable service charges).
- 4.14 Gross market rent is the rent the property would reasonably be expected to be let for in the private sector. Factors including property size, location type and service provision will be taken into account when determining gross market rent.
- 4.15 The council will comply with the terms of any agreements with Homes England or the Secretary of State when setting affordable rents.
- 4.16 The council will also have regard to the local market context, including the Local Housing Allowance (LHA) for the Broad Rental Market Area (BRMA) the property is located in, when setting affordable rents.
- 4.17 Affordable rent will, as a minimum, be the potential formula rent for the property.
- 4.18 Affordable rent properties will not be converted to market rent or intermediate rent.
- 4.19 The annual change in rent for tenants in a specific property will increase by no more than CPI plus 1% each year.
- 4.20 The rent of an affordable rent property let to a new tenant (or licensee) or re-let to an existing tenant (or licensee) will be based on a new valuation, so as to ensure the new rent does not exceed 80% of relevant market rent.
- 4.21 The rent of an affordable rent property re-let to the same tenant because their probationary tenancy has ended will not be re-set.

#### 2020 Limit for Social Rent and Affordable Rent Accommodation

- 4.22 In 2020/21, the maximum rent increase for existing tenants will be calculated using the 2020 limit.
- 4.23 The 2020 limit is the average weekly rent payable by a tenant for accommodation in 2019/20. For properties re-let in 2019/20, the average weekly rent will be calculated based on the period since the property was last re-let.
- 4.24 The average weekly rent will be calculated based on the council's annual rent cycle of 48 weeks in a 52 week financial year, and 49 weeks in a 53 week financial year (four rent free weeks a year).

### Service Charges

- 4.25 The Council is expected to set reasonable and transparent service charges which reflect the service provided to tenants.
- 4.26 The Council is expected to identify service and rent charges separately for social rent properties.
- 4.27 The Council should endeavour to keep service charge increases within the CPI + 1% limit of annual rent changes, so that charges remain affordable.
- 4.28 The Council should consult with tenants where an additional charge may need to be made for new or extended services.

### Garages

- 4.29 The approach to charging for garages, garage ports (or car ports/parking spaces) and garage plots (or parking plots) may differ from the approach to charging for rents and the approach to charging for housing-based support services.
- 4.30 The Council should endeavour to strengthen the relationship between garage-related expenditure and income, and to adopt a more transparent pricing structure which better reflects garage-related demand.
- 4.31 The Council should consider factors including the location, condition and availability or demand when setting garage-related rents.

### Notification of rent changes

- 4.32 Tenants will be given at least four weeks' notice in writing of any changes in rent due and the reasons for the rent change.

**Newark and Sherwood District Council (NSDC) proposed Housing Revenue Account (HRA) charges for 2021/22**

Service charge	2020/21 charge (£)	Proposed 2021/22 charge (£)	Frequency	Other information
<u>CareLine service</u>				
Lifeline alarm monitoring. Advice, contact of next of kin or emergency service if required by tenant	1.76	1.78	per week	All tenants
Lifeline installation fee	25.00	25.37	one-off	General needs tenants only
Sensor rental and monitoring per sensor			per week	All tenants. Lifeline customers only
Sensor rental and monitoring for two to five sensors	1.54	1.56	per week	All tenants. Lifeline customers only
Lifeline plus two to five sensors installation fee	35.00	35.52	one-off	New general needs tenants only
5 x 5 minute calls at times agreed between 6am - 8pm	3.50	3.55	per week	All tenants. Lifeline customers only
Additional Tenancy Assistance (opt-in service)	5.12	5.20	per week	
<u>Gladstone House</u>				
Support Charge	1.77	1.79	per week	
Intensive Housing Management Charge	96.71	98.16	per week	
TV Licence	0.21	0.21	per week	
Meal Charge	37.08	37.64	per week	
<u>Vale View</u>				
Intensive Housing Management Service	78.53	79.71	per week	
Support Charge	1.77	1.79	per week	
Water Charge	3.83	3.88	per week	
<u>Extra Care Bungalows, Bilsthorpe</u>				
Intensive Housing Management Service	101.19	102.70	per week	
Support Charge	1.77	1.79	per week	
<u>Other charges relating to dwellings or tenants</u>				
New build landscaping, lighting and drainage	2.90 - 6.99	2.94 - 7.09	per week	
Insurance	Various	Various	per week	
<u>Garages</u>				
Garage Rent	8.87	9.00	per week	VAT added if let to non-council tenant
Garage Plot	43.92	44.58	annually	VAT added if let to non-council tenant
Garage Port	3.84	3.89	per week	VAT added if let to non-council tenant



**Newark and Sherwood District Council (NSDC) 30-year Housing Revenue Account (HRA) Business Plan (BP): some key assumptions**

<b>Assumption topic</b>	<b>Assumption</b>										
Income: inflation	<p>Increase in 2021/22 rental income by 1.5%, based on the Consumer Price Index (CPI) for September 2020 (0.5%) plus 1%.</p> <p>Changes in rental income for future years (2022/23 to 2024/25) would typically be based on the five-year CPI forecast published by the Office for Budget Responsibility (OBR), but this has not been updated recently.</p> <p>For prudence, therefore, in light of the current pandemic-induced low-inflation environment, 1.5% increases (1% + CPI of 0.5%) have been assumed in each year of the council's 2021/22 to 2024/25 (2021/25 Medium Term Financial Plan (MTFP)).</p> <table border="1"> <thead> <tr> <th></th> <th><b>2021/22</b></th> <th><b>2022/23</b></th> <th><b>2023/24</b></th> <th><b>2024/25</b></th> </tr> </thead> <tbody> <tr> <td><b>CPI + 1%</b></td> <td>1.5%</td> <td>1.5%</td> <td>1.5%</td> <td>1.5%</td> </tr> </tbody> </table>		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>CPI + 1%</b>	1.5%	1.5%	1.5%	1.5%
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>							
<b>CPI + 1%</b>	1.5%	1.5%	1.5%	1.5%							
Income: rent loss from void properties	<p>1% in each year between 2021/22 and 2024/25.</p> <p>The council's target for 2020/21 is 0.6% of rental income lost through voids, though actual rental income lost through voids at the end of 2020/21 Q2 was 1% (an improvement from 2020/21 Q1, though higher than targeted because of the pandemic).</p>										
Expenditure: capital	<p>Capital expenditure between 2021/22 and 2024/25 is updated in line with the reports presented to Policy &amp; Finance Committee as part of the annual budget-setting and quarterly budget monitoring processes.</p>										
Right to Buy (RTB)	<p>25 sales in each year between 2021/22 and 2024/25.</p> <p>The council has had 19 RTB sales in 2020/21 Q1-Q3.</p> <p>Nationally, the number of RTB sales seemed to have peaked towards late 2018/19 and early 2019/20. The current pandemic-induced economic crisis could increase the ability or likelihood of some RTB sales (such as for tenants whose properties become more affordable to purchase, if there are national or regional house price reductions); and decrease the ability or likelihood of other RTB sales (such as for tenants whose financial circumstances have worsened as a result of the pandemic).</p>										

## POLICY & FINANCE COMMITTEE

21 JANUARY 2021

### POLICY & FINANCE COMMITTEE REVENUE BUDGET 2021/22

#### **1.0 Purpose of Report**

- 1.1 To seek feedback from the Policy & Finance Committee on the proposed general fund revenue budget for the 2021/22 financial year (01 April 2021 – 31 March 2022) for those services which fall under its remit.
- 1.2 To seek feedback from the Committee on the scale of proposed fees & charges for 2021/22 for those services which fall under its remit.
- 1.3 To seek approval from the Committee for the 2021/22 base budget in **Appendix A** to be recommended to Policy & Finance Committee at its meeting on 22 February 2021 for inclusion in the overall council budget.
- 1.4 To seek approval from the Committee for the 2021/22 fees & charges in **Appendix D** to be recommended to Policy & Finance Committee at its meeting on 22 February 2021 and Council at its meeting on 09 March 2021.

#### **2.0 Background Information**

- 2.1 Business managers and service budget officers have been working with officers in the Financial Services team to prepare a general fund budget for 2021/22 and medium-term financial plan for between 2021/22 and 2024/25. The general fund budgets have been prepared in line with the strategy agreed by Policy & Finance Committee on 25 June 2020.
- 2.2 The budget and medium-term financial plan have been developed to reflect, in financial form, the corporate priorities of the Council. Where further targeted areas of focus have been identified, additional resources have been directed to these business units.
- 2.3 **Appendices A** and **B** summarise the budgets proposed for the Committee for 2021/22 by service team and subjective level respectively. These **appendices** exclude capital charges and central support recharges, because service officers do not have direct influence over how much they pay for these. The budgets in this report and its **appendices** are for controllable costs: costs which service officers have direct influence over.

#### Revenue Budget

- 2.4 *Table 1* below compares the Committee's 2020/21 initial budget for controllable costs, as approved by Council on 09 March 2020, with its currently proposed 2021/22 budget for controllable costs. The Committee's proposed 2021/22 budget is £490,000 more than its 2020/21 initial budget; an increase of 10%.
- 2.5 The £490,000 increase in the Committee's proposed 2021/22 budget is comprised of a £709,000 increase in employee costs and a £26,000 increase in running costs, partially offset by a £245,000 increase in income.

Table 1: changes in controllable costs between 2020/21 and 2021/22 budgeted for services in Policy & Finance Committee

Expenditure or income?	Expenditure type	2020/21 initial budget (£m)	2021/22 base budget (£m)	Increase or (decrease) in budget (£m)
Expenditure	Employees	4.802	5.511	0.709
Expenditure	Running Expenses	2.101	2.127	0.026
<b>Expenditure</b>	<b>Non-Housing Benefit</b>	<b>6.903</b>	<b>7.638</b>	<b>0.736</b>
Income	Non-Housing Benefit	(1.835)	(2.080)	(0.245)
<b>Net Expenditure</b>	<b>Non-Housing Benefit</b>	<b>5.068</b>	<b>5.558</b>	<b>0.490</b>
Expenditure	Housing Benefit	20.492	20.492	0.000
Income	Housing Benefit	(20.633)	(20.633)	0.000
<b>Net Expenditure</b>	<b>Housing Benefit</b>	<b>(0.140)</b>	<b>(0.140)</b>	<b>0.000</b>
<b>Net Expenditure</b>	<b>Total</b>	<b>4.928</b>	<b>5.418</b>	<b>0.490</b>

2.6 Most of the changes above in budgeted employee costs, running expenses and income relate to a small number of services. Tables 2-4 below show the five services which most account for each of the changes above.

2.7 Five services account for 93%, or £656,000, of the £709,000 increase in budgeted employee costs.

Table 2: the five services in Policy & Finance Committee which most account for changes in budgeted employee costs between 2020/21 and 2021/22

Rank	Service (cost centre)	Increase or (decrease) in employee budget (£m)	Percentage of change in overall employee budget
1	Corporate Asset Development	0.264	37%
2	Non Distributed Costs	0.260	37%
3	ICT	0.175	25%
4	Legal Section	(0.126)	(18)%
5	Other Financial Transactions	0.083	12%
		<b>0.656</b>	<b>93%</b>

2.8 Five services account for -295%, or £-77,000, of the £26,000 increase in budgeted running expenses.

Table 3: the five services in Policy & Finance Committee which most account for changes in budgeted running expenses between 2020/21 and 2021/22

Rank	Service (cost centre)	Increase or (decrease) in running expenses budget (£m)	Percentage of change in overall running expenses budget
1	Corporate Asset Development	(0.140)	(533)%
2	Repairs & Maintenance - A4T	0.130	497%
3	Discretionary Housing Payments	0.081	309%
4	Administration Services	(0.077)	(293)%
5	Financial Services	(0.072)	(275)%
		(0.077)	(295)%

2.9 Five services account for 102%, or £250,000, of the £245,000 increase in budgeted income.

*Table 4: the five services in Policy & Finance Committee which most account for changes in budgeted income between 2020/21 and 2021/22*

Rank	Service (cost centre)	(Increase) or decrease in income budget (£m)	Percentage of change in overall income budget
1	Repairs & Maintenance - A4T	(0.130)	53%
2	Corporate Asset Development	(0.112)	46%
3	Senior Leadership Team	0.095	(39)%
4	Discretionary Housing Payments	(0.081)	33%
5	Castle House	(0.022)	9%
		(0.250)	102%

2.10 **Appendix C** lists the reasons for increases or decreases of over £10,000 between the 2020/21 initial budget and proposed 2021/22 budget for services in Policy & Finance Committee.

#### Fees & Charges

2.11 Officers have considered the Fees and Charges Toolkit approved by Economic Development Committee on 20 November 2019 when setting the level of fees & charges. The proposed fees & charges for 2021/22 are in **Appendix D** for consideration.

### **3.0 Proposals**

3.1 Officers are proposing to the Committee that it recommends to its meeting on 22 February 2021:

- a) the 2021/22 base budget in **Appendix A** for inclusion in the overall council budget;
- b) and to Council on 09 March 2021 the 2021/22 fees & charges in **Appendix D**.

#### **4.0 Equalities Implications**

4.1 Business Managers consider the implications on equalities when assessing how best to deliver the services they are responsible for.

#### **5.0 Financial Implications (FIN20-21/4165)**

5.1 The Committee's proposed 2021/22 budget is £490,000 more than its 2020/21 initial budget; an increase of 10%. Employee budgets of £5.511m account for 72% of controllable non-housing benefit costs. Significant budget savings cannot be achieved without affecting staffing levels.

5.2 The council's medium-term financial plan for between 2021/22 and 2024/25 requires significant savings in future years, as changes to how councils manage their finances and other challenges take effect.

5.3 It is important that the Committee continually scrutinises and reviews its budget in order to identify additional savings which will be achieved in future years.

#### **6.0 Community Plan – Alignment to Objectives**

6.1 The proposals in this report support the council to achieve all of the objectives of the Community Plan 2020-2023.

#### **7.0 RECOMMENDATION**

**That the following recommendations be made to Policy & Finance Committee at its meeting on 22 February 2021:**

- i. the 2021/22 base budget in Appendix A for inclusion in the overall council budget;**
- ii. and to Council on 09 March 2021 the 2021/22 fees & charges in Appendix D.**

#### **Reason for Recommendation**

**To ensure that the budgets and fees & charges finally proposed for 2021/22 are recommended to Policy & Finance Committee on 22 February 2021.**

#### **Background Papers**

Nil

For further information please contact Nick Wilson (Business Manager – Financial Services) on Extension 5317 or Mohammed Sarodia (Assistant Business Manager – Financial Services) on Extension 5537.

Sanjiv Kohli  
Director - Resources and Deputy Chief Executive

## POLICY &amp; FINANCE

COST CENTRE	COST CENTRE NAME	2020/21 INITIAL BUDGET	2021/22 BASE BUDGET	INCREASE OR (DECREASE)
A10601	ELECTORAL REGISTRATION	76,960	82,190	5,230
A10802	ICT	647,920	752,770	104,850
A10803	INTERNAL AUDIT	65,990	82,030	16,040
A10805	INCOME SECTION	31,350	67,990	36,640
A10806	BANK CHARGES	117,730	133,460	15,730
A10812	HUMAN RESOURCES	154,620	191,420	36,800
A10818	COMMITTEE SECTION	231,650	236,190	4,540
A10819	LEGAL SECTION	249,740	397,420	147,680
A10832	CENTRAL TELEPHONES	50,180	93,930	43,750
A10833	CENTRAL POSTAGES	41,430	42,680	1,250
A10841	CENTRAL PERSONNEL EXPENSES	112,440	112,580	140
A10842	OTHER EMPLOYEE EXPENSES	18,860	20,860	2,000
A10845	INFORMATION GOVERNANCE	77,560	70,860	(6,700)
A10864	SENIOR LEADERSHIP TEAM	682,640	695,440	12,800
A10895	FINANCIAL SERVICES	646,820	612,190	(34,630)
A10896	TRANSFORMATION	149,380	344,480	195,100
A10897	PROCUREMENT	35,890	36,770	880
A10898	ADMINISTRATION SERVICES	356,040	318,010	(38,030)
A10904	COUNCIL TAX	4,920	(8,350)	(13,270)
A10905	RENT ALLOWANCES	(78,930)	(78,930)	
A10907	RENT REBATES	(61,270)	(61,270)	
A10908	HOUSING BENEFIT ADMIN	148,810	136,710	(12,100)
A10911	BUSINESS RATES PROPERTY UNIT	19,000	15,450	(3,550)
A11122	RISK MANAGEMENT	26,400	64,430	38,030
A11831	CASTLE HOUSE	147,560	197,800	50,240
A11832	OLLERTON HALL	7,500	6,060	(1,440)
A11833	HAYSIDE COTTAGE LOWFIELD LANE	7,400	7,040	(360)
A11841	CORPORATE PROPERTY	444,960	374,670	(70,290)
A11844	COMMERCIALISATION & M'PROJECTS	187,910		(187,910)
A11901	MEMBERS EXPENSES	291,380	290,600	(780)
A11902	CIVIC EXPENSES	21,500	21,350	(150)
A11911	OTHER FINANCIAL TRANSACTIONS	(389,390)	(526,430)	(137,040)
A12301	ELECTION EXPENSES	34,440	35,470	1,030
A12510	DEMOCRATIC REPRESENTATION	500	500	
A12512	ETHICAL GOVERNANCE & STANDARDS	300	300	
A12520	CORPORATE MANAGEMENT	164,580	173,170	8,590
A12530	NON DISTRIBUTED COSTS		260,100	260,100
A15028	COMBINED SERVICE COSTS	142,340	146,530	4,190
A15029	CORPORATE PRINTERS	25,620	24,340	(1,280)
C54032	NEW BURDEN COUNCIL TAX REFORM	35,000	17,000	(18,000)
A10865	CORPORATE ASSET DEVELOPMENT		12,470	12,470
C54637	COVID COMPLIANCE TIER 3		17,550	17,550
<b>TOTAL</b>		<b>4,927,730</b>	<b>5,417,830</b>	<b>490,100</b>

**BUDGET SUMMARY BY COMMITTEE - SUBJECTIVE (APPENDIX B)**

**POLICY & FINANCE**

02/01/21

<b>CODE</b>	<b>DESCRIPTION</b>	<b>2020/21 INITIAL BUDGET</b>	<b>2021/22 BASE BUDGET</b>	<b>INCREASE OR (DECREASE)</b>
111	SALARIES AND WAGES	3,666,700	4,013,650	346,950
112	OTHER SALARIES/WAGES PAYMENTS	31,390	31,390	
113	NATIONAL INSURANCE	392,970	428,720	35,750
114	SUPERANNUATION	689,010	1,015,710	326,700
115	OTHER EMPLOYERS CONTRIBUTIONS	21,860	21,800	(60)
	<b>EMPLOYEE SUB TOTAL</b>	<b>4,801,930</b>	<b>5,511,270</b>	<b>709,340</b>
211	REPAIRS AND MAINTENANCE	218,370	352,050	133,680
212	ENERGY COSTS	78,530	86,730	8,200
213	RENT	11,500		(11,500)
214	RATES	126,640	124,130	(2,510)
215	WATER SERVICES	27,460	28,490	1,030
217	CLEANING AND DOMESTIC	3,500	14,600	11,100
219	CONTRIBUTION TO FUNDS	117,490	117,150	(340)
315	CAR ALLOWANCES	49,830	36,400	(13,430)
411	EQUIPMENT AND FURNITURE	185,460	197,150	11,690
412	MATERIALS	200	210	10
421	CATERING	11,000	9,340	(1,660)
431	CLOTHING AND UNIFORMS	1,160	1,120	(40)
441	GENERAL OFFICE EXPENSES	75,060	83,500	8,440
451	CONTRACTUAL	415,900	337,470	(78,430)
452	OTHER SERVICES	297,440	277,220	(20,220)
459	NOT USED		63,070	63,070
461	COMMUNICATIONS AND COMPUTING	838,830	991,110	152,280
471	STAFF	22,820	23,120	300
472	MEMBERS	263,150	271,060	7,910
473	CHAIRMAN	8,130	8,200	70
481	GRANTS	2,500	4,200	1,700
482	SUBSCRIPTIONS	51,030	52,120	1,090
491	INSURANCE	196,120	169,870	(26,250)
493	OTHER	138,770	170,200	31,430
928	RECHARGE NON GF ACCOUNTS	(1,180,130)	(1,512,510)	(332,380)
611	HOUSING BENEFITS	20,632,400	20,713,340	80,940
	<b>RUNNING EXPENSES SUB TOTAL</b>	<b>22,593,160</b>	<b>22,619,340</b>	<b>26,180</b>
911	GOVERNMENT GRANTS	(20,885,570)	(20,943,520)	(57,950)
922	CONTRIBUTIONS FROM OTHER LAS	(162,930)	(162,930)	
928	RECHARGE NON GF ACCOUNTS	(565,870)	(707,250)	(141,380)
931	SALES	(2,000)	(2,000)	
932	FEES AND CHARGES	(395,290)	(420,380)	(25,090)
933	RENTS	(193,300)	(214,300)	(21,000)
939	OTHER RECEIPTS	(262,400)	(262,400)	
	<b>INCOME SUB TOTAL</b>	<b>(22,467,360)</b>	<b>(22,712,780)</b>	<b>(245,420)</b>
	<b>COMMITTEE TOTAL</b>	<b>4,927,730</b>	<b>5,417,830</b>	<b>490,100</b>

**Reasons for increases or decreases of over £10,000 between the 2020/21 initial budget and proposed 2021/22 budget for services in Policy & Finance Committee**

<b>Variances between 2020/21 initial budget and proposed 2021/22 budget by service (cost centre)</b>	<b>Increase or (decrease) in budget (£m)</b>
<b>ICT:</b> largely relates to new posts created as part of restructure and updated computer software maintenance budget assumptions.	0.105
<b>Internal Audit:</b> updated budget assumptions in line with most recent years' actuals.	0.016
<b>Income Section:</b> largely relates to new posts created as part of restructure.	0.037
<b>Bank Charges:</b> largely relates to increased spend on processing transactions by card.	0.016
<b>Human Resources:</b> largely relates to transfer of a post from Newark and Sherwood Homes (NSH) and not all associated costs being recharged back to the Housing Revenue Account (HRA), as the employee also supports General Fund (GF) services.	0.037
<b>Legal Section:</b> largely relates to new post created as part of restructure, and a one-off budget in 2021-22 for external legal spend related to Newark Livestock Market.	0.148
<b>Central Telephones:</b> largely relates to new telephony system recently introduced.	0.044
<b>Senior Leadership Team:</b> largely relates to changes in budget assumptions regarding the amount of employee costs recharged, such as to Arkwood and the HRA.	0.013
<b>Financial Services:</b> largely relates to the cost of a new post more than offset by reductions in the budgets for insurance, computer software and agency staff; and a change in budget assumptions related to the recharge of costs to Arkwood.	(0.035)
<b>Transformation and Commercialisation &amp; Major Projects:</b> as part of the creation of the Transformation and Communications directorate, the budgets which were on the Commercialisation & Major Projects cost centre were transferred to the Transformation cost centre.	0.007
<b>Administration Services:</b> largely relates to an increase in the proportion of employee costs recharged to the HRA.	(0.038)
<b>Council Tax:</b> largely relates to a reduction in the budget for professional services.	(0.013)
<b>Housing Benefit Admin:</b> largely relates to a reduction in employee costs as a result of a restructure offset largely by a reduction in government grant income.	(0.012)
<b>Risk Management:</b> largely relates to transfer of a post from NSH and not all associated costs being recharged back to the HRA.	0.038
<b>Castle House:</b> largely relates to a reduction in income for hire/use of desks/rooms and an increase in premises-related spend such as cleaning materials.	0.050
<b>Corporate Property:</b> largely relates to the removal of a £75,000 one-off budget included in 2020/21 for costs associated with restructuring the service.	(0.070)
<b>Other Financial Transactions:</b> increase in the savings which need to be found in 2021/22 from posts being vacant, because of an increase in GF employee costs.	(0.137)
<b>Non Distributed Costs:</b> transfer of pension strain related costs from non-service spend to service spend.	0.260
<b>New Burden Council Tax Reform:</b> reduced spend on this service from related grants which had been underspent in previous years and therefore transferred to reserves.	(0.018)
<b>Corporate Asset Development:</b> majority of employee costs associated with the Corporate Property Strategy & Delivery service are to be recharged to capital and HRA, though a small proportion are to be retained as GF costs.	0.012
<b>Covid Compliance Tier 3:</b> spend currently budgeted to be incurred in 2021-22 from a particular coronavirus-related grant.	0.018



**CASTLE HOUSE - CIVIC SUITE HIRE CHARGES & PARTNERS DESK CHARGES - POLICY & FINANCE COMMITTEE***(Prices are exclusive of VAT)*

<b>No Webcasting</b>			
<b>Room</b>	<b>Duration</b>	<b>2020/21 Charge</b>	<b>2021/22 Charge</b>
G2	Hourly charge	<b>£15.00</b>	TBC
G3	Hourly charge	<b>£15.00</b>	TBC
Civic 1	Hourly charge	<b>£25.00</b>	TBC
Civic 2	Hourly charge	<b>£25.00</b>	TBC
Civic 3	Hourly charge	<b>£15.00</b>	TBC
Civic 4	Hourly charge	<b>£15.00</b>	TBC
Civic 1 + 2	Hourly charge	<b>£40.00</b>	TBC
Civic 3 + 4	Hourly charge	<b>£25.00</b>	TBC
Civic 2+3+4	Hourly charge	<b>£40.00</b>	TBC
Civic 1+2+3+4	Hourly charge	<b>£65.00</b>	TBC
Desk Charge	Per Desk	<b>£4,420</b>	TBC

**NON PAYMENT OF COUNCIL TAX/NNDR - POLICY & FINANCE COMMITTEE**

<b>Council Tax</b>	<b>2020/21 Charge</b>	<b>2021/22 Charge</b>
Summons	<b>£80</b>	<b>£80</b>
Liability Order	With summons	With summons

<b>NNDR</b>	<b>2020/21 Charge</b>	<b>2021/22 Charge</b>
Summons	<b>£100</b>	<b>£100</b>
Liability Order	With summons	With summons

The level of costs to have to be justified to the court and there is case law against raising to a level that is deemed excessive.

## **POLICY & FINANCE COMMITTEE**

**21 JANUARY 2021**

### **BUSINESS RESILIENCE PROGRAMME**

#### **1.0 Purpose of Report**

1.1 To outline the delivery of a Business Resilience Programme focused on key sectors identified in the NSDC Economic Growth Strategy 2021-26.

#### **2.0 Background Information**

2.1 In late September 2020 the Business Manager - Economic Growth received the Economic Recovery Plan from Hatch Regeneris. This plan identified short, medium and long term actions that Newark & Sherwood District Council could undertake to assist the local economy to recover. Further in November 2020 the Economic Development Committee approved the NSDC Economic Growth Strategy 2021-2026 which identified key industry sectors that should be supported and grown. These sectors included; Manufacturing, Construction, Accommodation, Food, Retail, and Health & Social Care.

Alongside this Strategy development, the Council have been providing a series of grants to support local industry through the pandemic in national and tier level offers. Part of this funding has been provided by Government on a discretionary basis and the Council has the opportunity to utilise this funding to support industry in other local and bespoke ways.

#### **3.0 Proposals**

3.1 In discussion with key stakeholders and partners, including the Chamber of Commerce, the Business Club and Retailers the opportunity to use discretionary business funding has identified supporting local industry to become more resilient and enable growth. This can be provided in a number of ways including:

- Specialist Business advice and support from industry experts whom will have a skill set and specialism in the identified sector. This advice and guidance would support the business to adapt, seek new markets, develop a new business plan or marketing plan, modify their ways of working, assist in identifying new market or products, establish new supply chains, or provide brokerage for skills and training.
- Optimising e-commerce solutions, search engine optimisation and implementing modern ways of transaction payment mechanisms within business. This would assist the business to develop new or enhanced online functionalities or presence.
- Mentoring and training programmes with supplier brokering appropriate training and learning packages. The support to develop one on one, bespoke or new training and learning packages with providers could assist the business to adapt.
- Provision of grant funding of £2,000 to each business to grow in a programme enabled and supported by business advice i.e. with the awarded supplier. This would be completed after an appraisal process to ensure that the grant awarded would achieve the desired outcome identified within the business plan.

- 3.2 The split of funding retained for grant provision via the specialist provider would be based on the remaining allocation once a procurement exercise was completed. This model is preferable than providing the specialist provider with an allocation of resource to distribute to the sectors they are engaged in. It therefore gives the flexibility to the council to invest more in one type of industry sector should it be required to do so.
- 3.3 This programme will be complimentary to the existing Retail High Street Diversification Fund created by NSDC in November 2020 which is targeted at independent retailers. The Business Resilience Programme will be focused in two unique ways:
- It will target a wider industry cohort based on the key sectors identified in the Economic Growth Strategy 2021-2026.
  - It will be delivered by the Private Sector and enabled through a procurement exercise to suppliers with specialisms in identified sectors. This should assist in minimizing the reliance on the public sector via solely grant provision and enable long term supported economic growth.
- 3.4 The initial targeted outputs for this programme will be 120 business supported, 100 jobs safeguarded and 50 new jobs created, with the outcomes of business growth, sustainability, increase in commercial sales, increased footfall and increased visitor spend. The identified outputs may be improved upon after a best value procurement exercise and contract management process has been complete. The impact of this programme should be to sustain existing jobs and enable new jobs creating prosperity and increased GVA for Newark & Sherwood.

### **Government Grants**

- 3.5 To date businesses have received £31,998,473 to grant support through all the various different grant schemes. Of this support £1,985,250 relates to the Additional Restrictions Grant for which the Council received an allocation of £2,448,420. This currently leaves a balance of unspent funds on this allocation of £463,170. This is based on the payments from both the first and second rounds of grants distributed through November, December and January.
- 3.6 The terms of the Additional Restrictions Grant state that: *“Local Authorities can use this funding for business support activities. We envisage this will primarily take the form of discretionary grants, but Local Authorities could also use this funding for wider business support activities.”*
- 3.7 The Council was made aware on Tuesday 5<sup>th</sup> January 2021 that further grants will be made available to businesses to support them over the coming weeks. An announcement of £4.6bn nationally was made, which included £594m of top up to the Additional Restrictions Grant. At the time of writing this report, the Council had not received its allocation of these funds.
- 3.8 In order to support the proposed scheme, there are sufficient resources available within the grant funding to contribute £100,000 towards the delivery of this. This would then need to be supplemented by a contribution from the Councils’ 2021/22 budget. The remaining allocation of the first tranche of Additional Restrictions Grant (£363,170) would then be added to the new allocation during January and distributed to businesses as direct grants.

- 3.9 The Council has benefitted over the last two years from the slippage in the Governments multi-year Comprehensive Spending Review (as a result of Brexit and Covid-19), as the anticipated reform of the Business Rates system has yet to be implemented. As such, allocations of business rates funding have been rolled forward, year on year. As this will allow further funding over the anticipated amount for the 2021/22 financial year, it is proposed that £200,000 be contributed to this scheme in order to push funding back into the business community and support their resilience.
- 3.10 It is proposed that £300,000 is allocated to a series of programmes designed with private sector delivery partners to enable business resilience and growth in the identified sectors.
- 3.11 That Officers are instructed to undertake a procurement exercise to select delivery partners to design a programme of activity for a minimum period of 12 months starting in February 2021.

#### **4.0 Equalities Implications**

- 4.1 There are no equality implications for the programme of activity.

#### **5.0 Digital Implications**

- 5.1 There are no digital implications for this programme of activity.

#### **6.0 Financial Implications (FIN20-21/7012)**

- 6.1 The eligibility of the grant is such that the proposed spend would be deemed as eligible. Based on paragraph 3.6, the Council would propose to top-slice the grant by £100,000 to support this. The remaining amount of grant from the first allocation, would then be added to the allocation from the January tranche and distributed to eligible businesses where appropriate.
- 6.2 The proposed £200,000 Council contribution was included within the Proposed Revenue Budget for the Economic Development Committee that was presented to that Committee on the 13<sup>th</sup> January 2021, and can be accommodated within the overall budget proposals for 2021/22.

#### **7.0 RECOMMENDATION**

**That the creation of £300,000 budget be approved, for the delivery of a Newark & Sherwood Business Resilience Programme running through 2021/22, funded through £100,000 use of the Additional Restrictions Grant and a one off contribution from the Council's 2021/22 budget.**

#### **Reason for Recommendation**

**Businesses have endured a difficult year with the pandemic, and whilst survival has been the priority as we move into a national vaccination programme it is important for business and industry are able to adapt and build resilience. This approach will allow our local businesses in the identified key sectors of our economy, to have the necessary support for future economic growth.**

Background Papers

Nil.

For further information please contact Neil Cuttall – Business Manager – Economic Growth on Ext 5853.

Matt Lamb  
Director – Planning & Growth

## **POLICY & FINANCE COMMITTEE**

**21 JANUARY 2021**

### **ARKWOOD DEVELOPMENTS LIMITED – LOAN AGREEMENT**

#### **1.0 Purpose of Report**

1.1 To update Members on progress in relation to the Council's loan arrangements with Arkwood Developments Limited.

#### **2.0 Background Information**

2.1 The Committee was last updated on this matter in April 2020. To re-cap, in June 2019, Policy & Finance Committee approved the sale of the land at Bowbridge Road from the Council to Arkwood Developments, the Council's wholly owned development company. The purpose of this sale, and associated funding arrangements, was to facilitate Arkwood's first housing development.

2.2 A sale price of £2,350,000 was agreed, based on an independent valuation. Release of equity funding of £3,321,276 was also confirmed, (equity funding of up to £4million had been approved when the Arkwood was established) and Committee was advised that further loan funding would be calculated once the final design had been determined.

2.3 On 23 January 2020, Policy & Finance Committee approved the release of additional equity funding of £482,007 to bring the release close to the total £4million figure previously agreed. It was also agreed for the balance remaining of the capital allocation of £196,717 to be released.

2.4 The land transfer has since been completed, planning permission granted, and the development has commenced.

2.5 Work has also progressed in relation to the loan funding for the development. The Council has sought specialist legal advice on the structure of the loan model arrangement to ensure that the Council has adequate security for the loan and to consider the most appropriate mechanisms for both interest and capital repayments.

2.6 The Director of Governance and Organisational Development and the Business Manager Financial Services have already been given delegated authority by Policy & Finance Committee to finalise and enter into the loan agreement on behalf of the Council.

#### **3.0 Proposals**

3.1 The terms are now almost finalised. Once agreed in principle there will be a final review in the context of new state subsidy rules, which replace State Aid rules following Brexit, before the agreement is finalised. A verbal update on this will be provided at Committee if possible. As was always the intention, the loan model will also be used for future developments.

3.2 The Heads of Terms are included as an appendix to the Exempt Report which accompanies this report. The Exempt Report explains the key terms for Committee's information.

#### **4.0 Equalities Implications**

4.1 There are no adverse equalities implications in report. The proposed development scheme as detailed in Arkwood's business case for Bowbridge Road specifically includes provision of residential units for older persons, who are persons with protected characteristics within equalities legislation.

#### **5.0 Digital Implications**

5.1 There are no digital implications arising from this report.

#### **6.0 Financial Implications**

6.1 The financial implications are set out in the exempt report.

#### **7.0 Community Plan – Alignment to Objectives**

7.1 Arkwood Developments is referenced in the Community Plan under the objective of accelerating the supply of new homes by delivering 300 new homes by 2020/27.

#### **8.0 RECOMMENDATION**

**That the report be noted.**

#### **Reason for Recommendation**

**To facilitate the progress of the housing development at Bowbridge Road by Arkwood Developments Ltd, and future developments by Arkwood Ltd.**

#### **Background Papers**

Policy & Finance Committee report dated 2 April 2020.

For further information please contact Sue Bearman on Ext 5935.

Karen White  
Director - Governance & Organisational Development



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