



*Castle House
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Wednesday, 16 June 2021

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

Members of the Committee:

**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, 24 June 2021 at 6.00 pm

**VENUE: Civic Suite, Castle House, Great North Road,
Newark, Notts NG24 1BY**

**You are hereby requested to attend the above Meeting to be held at the time/place
and on the date mentioned above for the purpose of transacting the
business on the Agenda as overleaf.**

If you have any queries please contact Nigel Hill on nigel.hill@newark-sherwooddc.gov.uk.

AGENDA

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Confidential and Exempt Items

23. 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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Agenda Item 4

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, 1 April 2021 at 6.00 pm.

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

Councillor R Jackson, Councillor P Peacock, Councillor T Wendels and Councillor R White

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.

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

Councillor T Wendels declared a Personal Interest in Agenda Item No. 19 - Southwell Leisure Centre - Alternative Management Arrangements, as a Council appointed Trustee.

208 DECLARATIONS OF INTENTION TO RECORD THE MEETING

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

209 MINUTES OF THE MEETING HELD ON 22 FEBRUARY 2021

The minutes from the meeting held on 22 February 2021 were agreed as a correct record and signed by the Chairman.

210 FORWARD PLAN OF POLICY & FINANCE ITEMS

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

211 POTENTIAL ROUTEMAP TO THE ELECTRIFICATION OF THE NSDC FLEET

The Business Manager – Environmental Services presented a report which detailed the provisional roadmap, milestones and strategy towards the electrification of the District Council fleet. The report had been recommended for approval by the Leisure and Environment Committee at their meeting on 16 March 2021. It was proposed that the roadmap commence with a small scale pilot using electric small vans for the Council's Community Protection Officers. The cost of the vans would be more than diesel alternatives, but would benefit the Council by making the first positive step towards a low emission fleet and provide experience and information in relation to

operating, charging and maintaining the vehicles. The vehicles would also be compatible with the existing charge points at Castle House. The Committee welcomed the report and the phased approach towards achieving electrification of the Council's vehicles.

AGREED (unanimously) that:

- a) the phased approach towards electrification that has been set out in the report be approved, starting with small scale pilots, before looking at two possible phases of transition – 2023-26 for small vans and fleet, and post 2026 for larger vehicles, both being subject to appropriate business cases;
- b) the current uncertainties in setting out the long-term route map be noted, but ask the project team to continue working on a masterplan for the development of the depot site, taking into consideration the National Waste and Resources Strategy and future requirements given the Government's 2030 target, this would significantly assist in off-setting costs if government grants become available for shovel ready schemes;
- c) an amendment be made to the Capital Programme to increase the capital replacement programme for small vehicle replacement during 21/22 by £34k, to allow the already scheduled replacement of two suitable ULEV's to be purchased in line with the phased approach being set out in this report; and
- d) the sum of £30,000 be allocated from the Capital Feasibility Reserve, to allow a small working party made up of Director - Communities & Environment, Business Managers - Environmental Services and Assets Facilities and Car Parks to undertake a study into the future requirements of the operational depot at Brunel Drive.

Reason for Decision

To provide the Council with clear direction and focus for the coming years and to allow the strategy to deliver the roll out of Ultra Low Emission Vehicles and the infrastructure to support the use of such a fleet which helps to meet the environmental aims and ambitions of the Council.

212 SAFER STREETS TWO

The Business Manager – Public Protection presented a report which invited the Committee to consider a Safer Streets Two project in partnership with the Police and the Office of the Police & Crime Commissioner, which would build upon the success of the successful implementation of the first Safer Streets initiative which was funded through a successful bid to the Safer Streets fund in 2020/21.

The original project had improved partnership working with Nottinghamshire Police and Nottinghamshire County Council, delivering a number of initiatives across the District. It was hoped that funding for Safer Streets Two project would build on this momentum, and focus on areas within Newark that the Police had identified would

benefit from continued intervention work.

It was proposed that the project was developed covering the lower super output areas of Millgate, Barnby Road and Bowbridge Road. The proposed contribution to the project was £34,000, which was available from the enforcement / cleaner, safer, greener fund.

AGREED (unanimously) that:

a) the following selection of lower super output areas be supported:

E01028311 – Millgate
E01028294 – Barnby Road
E01028334 – Bowbridge Road; and

b) a contribution of £34,000 from Newark & Sherwood District Council towards the scheme be approved.

Reason for Decision

To deliver a Safer Streets Two initiative in Newark and Sherwood.

213 HAWTONVILLE COMMUNITY CENTRE LONG TERM LEASE - REACH LEARNING DISABILITY

The Health Improvement and Community Relations Manager presented a report which sought approval to grant Reach Learning Disability (RLD) a long term lease for the use of Hawtonville Community Centre for a period of 15 years, with 5 year break clauses.

It was reported that RLD had been a tenant of the centre for 34 months, becoming an established part of the community, providing a safe, secure and inviting space for service users. In addition, their tenancy had reduced the impact on Council staffing resources with the centre now running efficiently with little oversight or operational input from officers.

Members considered that the proposed non-commercial long term lease would be an excellent use of the community centre, with benefits for the building and the Council through their tenancy, and in provision of services for the residents in the local area.

AGREED (unanimously) that:

a) Reach Learning Disability be granted a 15 year lease of Hawtonville Community Centre with 5 year break clauses;

b) the Director of Housing, Health and Wellbeing, be given delegated authority to agree the terms of the lease including community access and use of the centre as is currently the situation; and

c) officers work with Reach Learning Disability to explore opportunities to secure

capital investment in the asset for the benefit of all.

Reason for Decision

To ensure that the terms and conditions of the lease are appropriate and that the Council's asset is held in good order and continues to deliver positive community outcomes in accordance with the Council's Community Plan 2020 - 2023.

214 PLACES TO RIDE APPLICATION FUNDING

The Director- Planning and Growth presented a report which provided an update on the Council's application for British Cycling grant funding for a new recreational cycling scheme at Thoresby Vale, Edwinstowe. The bid had been submitted with the Council's partner, Harworth Group PLC for the maximum funding of £150,000.

The proposed scheme complemented the developing Sherwood Forest offer of connecting people with the natural environment and the historic forest landscape, helping to improve the experience for residents and visitors. The Economic Development Committee had previously recommended the project for approval.

It was noted that on 3 March 2021, the Council had received an initial notification from Sport England / British Cycling regarding the funding, but given this was not in the public domain, further information was included in the exempt update report.

AGREED (unanimously) that subject to funding being confirmed, the project be added to the Council's Capital Programme for delivery.

Reason for Decision

To allow Members to note progress towards securing grant funding for the project.

215 NEW FUNDING OPPORTUNITIES

The Director - Planning and Growth presented a report which provided an update on new revenue and capital funding opportunities announced in the March 2021 Budget. These were the Community Renewal Fund (CRF), the Levelling Up Fund (LUF) and the Community Ownership Fund (COF).

Details of these three new funding opportunities were set out in the report. These funds were likely to present significant opportunities for the District and required co-development with Members, residents, businesses and other local authorities. Officers would continue to digest the opportunities with further updates being provided to relevant committees and the use of urgency provisions where required to submit funding bids.

AGREED (unanimously) that Members note the funding opportunities presented by the programmes detailed in the report.

Reason for Decision

To allow the Council to maximise funding opportunities to deliver its Community Plan objectives and to improve lives for residents across the District.

216 URGENCY ITEM - NEWARK TOWNS FUND - HEADS OF TERMS

The Committee noted the decision to sign the Newark Towns Deal Heads of Terms on behalf of the Council and in the event of Capacity Funding not being awarded, to create a budget of £117,000 from the Capital Projects Feasibility Reserve to allow the Council to instruct consultants to support and develop identified Town Investment Plan priority projects.

AGREED (unanimously) that the urgency item be noted.

Reason for Decision

To enable execution of the Heads of Terms within the deadline set to secure the £25m funding for the Newark Towns Fund.

217 URGENCY ITEM - ADDITIONAL STREET SCENE STAFFING REQUIREMENT

The Committee noted the decision to increase the staffing establishment for the Environmental Services Business Unit by an additional 1.7 FTE's, within the Street Scene function.

AGREED (unanimously) that the urgency item be noted.

Reason for Decision

To ensure the Business Unit is able to deliver on all of its commitments.

218 URGENCY ITEM - 2021 WRAP 'BINFRASCTURE' GRANT

The Committee noted the decision to accept the £20,466 in respect of the WRAP 'Binfrastucture' Grant, with the sum being added to the Capital Programme for 2021/22.

AGREED (unanimously) that the urgency item be noted.

Reason for Decision

To provide for the installation of purpose made bin enclosures for mainstream layby's.

219 URGENCY ITEM - EV CHARGE POINTS CAPITAL BUDGET

The Committee noted the decision to establish a Capital Programme budget for £51,000, funded by government through On-Street Residents Charge Point Scheme (ORCS) for provision of EV Charging points.

AGREED (unanimously) that the urgency item be noted.

Reason for Decision

To enable project commencement and extend further the provision of EV Charging points in the District.

220 SOUTHWELL LEISURE CENTRE - ALTERNATIVE MANAGEMENT ARRANGEMENTS

The Committee AGREED (unanimously) that this report be taken as an open item of business given that details were due to be released the following day.

The Director - Housing, Health and Wellbeing presented a report regarding the progress of discussions around transferring the management of Southwell Leisure Centre to Newark and Sherwood District Council, via Active4Today. The Leisure & Environment Committee had approved proceeding with the Lease on the basis of the Heads of Terms, subject to the Policy & Finance Committee approving the financial framework required to facilitate.

The draft Heads of Terms sought to transfer operational management of the Centre to the Council for a period of 25 years. This commitment would ensure the provision of leisure facilities in Southwell area of the District, whilst also protecting the charitable objectives of the Trust, who would retain oversight of operations. The 25 year term reflected the commitment and funding that would be required over the period of the lease by the Council.

AGREED (unanimously) that:

- a) the Committee note the approval, in principle, by the Leisure & Environment Committee on 16 March 2021, to enter into a Lease for Southwell Leisure Centre;
- b) the budgetary provision to facilitate this arrangement be approved; and
- c) the Council establish a budget for £77,600 funded through the Change Management Reserve as highlighted in paragraph 6.5 of the report, to complete actions arising from Fire Risk Assessments.

Reason for Decision

To secure the provision of leisure facilities in Southwell by progressing with the Lease arrangements as soon as practicable.

221 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 Paragraph 3 of Part 1 of Schedule 12A of the Act.

222 PLACES TO RIDE APPLICATION FUNDING

The Committee considered the exempt appendix and update report in relation to the Places to Ride Application Funding.

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

223 STODMAN STREET DELIVERY VEHICLE

The Committee considered the exempt report regarding the Stodman Street Delivery Vehicle.

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

Meeting closed at 7.40 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 July 2021 to 30 June 2022

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
23.09.21	Stodman Street, Next Steps (Exempt)	Neil.cuttell@newark-sherwooddc.gov.uk
23.09.21	Climate Emergency Update	Briony.ashton@newark-sherwooddc.gov.uk
23.09.21	Community Plan Performance Report Q1	natalie.cook@newark-sherwooddc.gov.uk
23.09.21	General Fund, HRA and Capital forecast outturn report at p4	Nick.wilson@newark-sherwooddc.gov.uk
23.09.21	Council Digital Strategy Update Report	Dave.richardson@newark-sherwooddc.gov.uk
23.09.21	Customer Insights & Customer Care Standards	Ella.brady@newark-sherwooddc.gov.uk
23.09.21	Commercial Strategy	Ella.brady@newark-sherwooddc.gov.uk
25.11.21	HRA Business Plan	suzanne.shead@newark-sherwooddc.gov.uk nick.wilson@newark-sherwooddc.gov.uk
25.11.21	General Fund, HRA and Capital forecast outturn report at p6	Nick.wilson@newark-sherwooddc.gov.uk
25.11.21	Community Plan Performance Report Q2	natalie.cook@newark-sherwooddc.gov.uk
27.01.22	General Fund, HRA and Capital forecast outturn report at p8	Nick.wilson@newark-sherwooddc.gov.uk
27.01.22	Community Plan Performance Report Q3	natalie.cook@newark-sherwooddc.gov.uk

POLICY & FINANCE COMMITTEE

24 JUNE 2021

ANNUAL REVIEW OF EXEMPT ITEMS

1.0 Purpose of Report

1.1 To provide the Policy & Finance Committee with a list of the exempt business considered by the Committee for the period May 2020 to date.

2.0 Background Information

2.1 The Councillors' Commission at their meeting held on 25 September 2014 proposed a number of changes in respect of exempt information, one of which being that 'the Committees undertake an annual review of their exempt items at their last meeting prior to the Annual Meeting in May'. This was ratified by the Council on 14 October 2014.

2.2 Members will also be aware that the Council agreed a review mechanism for exempt items which was incorporated into the Access to Information Procedure Rules. Rule 18 provides Members with a mechanism to request a review of exempt information with a view to this being released into the public domain should there be substantive reasons to do so.

3.0 Proposals

3.1 The following table provides the exempt business considered by the Policy & Finance Committee for the period May 2020 to date. Members will note that the view of report authors of the status of all reports considered during this period.

Date of Meeting	Agenda Item	Exempt Paragraph	Opinion of Report Author as to current status of the report
25.06.20	Dukeries Leisure Centre – New Swimming Pool <i>(Andy Hardy/Matthew Finch)</i>	3	Information can be released into public domain
	Urgency Item – Minute of Decision Dukeries Leisure Centre – New Swimming Pool Entrance Block <i>(Matthew Finch)</i>	3	Information can be released into public domain
24.09.20	Litigation Matter <i>(Sue Bearman)</i>	3 & 5	Information remains confidential
	Telephony & Call Centre Solutions <i>(Dave Richardson)</i>	3	Information remains confidential
26.11.20	Development of the Former Robin Hood Hotel <i>(Nick Wilson)</i>	3	Information remain confidential – commercially sensitive
	Newark Towns Fund <i>(Matt Lamb)</i>	3	Information remains confidential – commercially sensitive
	Urgency Item – Minute of Decision Next Steps Accommodation Programme <i>(Suzanne Shead)</i>	3	Information remains confidential
21.01.21	Litigation Matter <i>(Sue Bearman)</i>	5	Information remains confidential

	Former Robin Hood Hotel <i>(Nick Wilson)</i>	3	Information remain exempt – commercially sensitive
	Arkwood Development Ltd. – Loan Agreement <i>(Sue Bearman)</i>	3	Information remains confidential
01.04.21	Southwell Leisure Centre – Alternative Management Arrangements <i>(Suzanne Shead)</i>	3 & 4	Taken in open session at the meeting
	Places to Ride Application Funding <i>(Richard Huthwaite)</i>	3	Information remains confidential
	Stodman Street Delivery Vehicle <i>(Neil Cuttell)</i>	3	Information remains confidential

4.0 RECOMMENDATION

That the report be noted with those items which are no longer considered as exempt being released into the public domain.

Reason for Recommendation

To advise Members of the exempt business considered by the Policy & Finance Committee for the period May 2020 to date and those items which can now be released into the public domain.

Background Papers

Nil

For further information please contact Nigel Hill, Business Manager – Elections & Democratic Services on Ext: 5243.

John Robinson
Chief Executive

POLICY & FINANCE COMMITTEE

24 JUNE 2021

DIGITAL STRATEGY FOR 2021 - 2024

1.0 Purpose of the Report

- 1.1 The report presents the Newark & Sherwood District Council Digital Strategy 2021-2024 (attached as an **appendix** to the report) for approval.

2.0 Background

- 2.1 The previous Digital Strategy ran from a period of 2015 to 2018, which made good progress on a number of areas including the moving ahead programme, improvements to infrastructure and implementing customer relationship management. The strategy embraced digital with the main focus on council and customer, which provided a good foundation to build upon.
- 2.2 Due to technology improvements and digital uptake throughout, the 2015 to 2018 Digital Strategy review has acknowledged that multiple digital themes would have provided a holistic approach, embracing council, customer, community and place. The exclusion of these themes limited the progress of: accessibility and usability of the Newark & Sherwood District Council website and the enhancing of digital awareness across the community.

3.0 Strategy Creation

- 3.1 Throughout 2019 excellent progress was made including enhancing digital awareness through the signing of the Local Digital Declaration, inclusion of digital implications into reports and digital championing within the Council.

Nevertheless, further digital awareness across the community is necessary to reduce the digital divide and digital poverty, evidenced and amplified throughout the COVID-19 pandemic, with an example; the urgent plea for technology within local schools and the great response from your business units, donating laptops to ensure education within the district continues.

- 3.2 During 2020 digital transformation continued and further improvements progressed, therefore by no means “starting from scratch”. These transformation outcomes have help shape the creation of the strategy.

In summary over the past 12 months the following digital achievements have been acknowledged:

- Digital workshops including key business stakeholders, partners, members and tenants. These identified a vision and set of key objectives that the Council evidenced as the need to deliver in become a modern digital council.
- Rapidly shifted productivity tools into the cloud, including telephony, giving boost towards achieving a fully mobile and hybrid workforce.
- Accelerated the adoption of home working, the use of virtual meetings and digital behaviour changes including computing competencies.

- Live Streaming of Council Committees on the internet for residents to view meetings online.
- Ensuring all necessary employees are equipped with digital tools and training.
- Migrated the customer facing digital technologies to the cloud, ensuring availability and scalability meets the increasing customer demand (including telephony and website).

All of which has been achieved during the COVID-19 pandemic, providing us with a huge amount of learning and giving us a solid foundation to build from.

3.3 Therefore, the aim of the Digital Strategy is:

To provide an over-arching document that gives a clear direction of where the Council, working alongside all of our partners, wants to be in the next three years – recognising that we will continually adapt with an eye of evolving digital technologies.

3.4 This is achieved by focus on the following initiatives:

- Digital Council
- Digital Place
- Digital Customer

Embracing the Digital Community that focuses the initiatives and therefore ensures the whole community is at the heart of the strategic thinking.

3.5 It is proposed that the Strategy will be reviewed annually with a focus on the priorities and the action plan. The plan can then be adapted in light of success, refocus, resources or identified need based on evolving digital trends. This approach offers the opportunity for Members to understand what has been successful, what has not and what we can do moving forward.

4.0 Proposals

4.1 The Strategy proposes a set of initiatives that when focused upon will deliver tangible outcomes aligned to the community plan throughout Newark & Sherwood. It is therefore proposed that Members agree to the Strategy and further to agree to bi-annual updates on progress.

5.0 Equalities Implications

5.1 The Digital Strategy does identify beneficial implications to those impacted by the digital divide and digital poverty. All programmes and projects supported and led by the District Council will have to consider equalities implications within the project planning development phase.

6.0 Digital Implications

6.1 Any digital implications within the inception of identified initiatives, programmes and projects which will be considered within business cases and project plans. Further the Digital Strategy will look to adhere to the commitments made in the Local Digital Declaration.

7.0 Financial Implications (FIN21-22/6012)

7.1 All deliverables outlined in the existing action plan for the Digital Strategy 2021-24 have been factored into the revenue and capital budgets for 2021-24, for example:

- Restructured ICT Business Unit to include Cyber Security and Digital Transformation staff
- ICT support to enable working from home among staff to include digital tools and training

7.2 However, where an initiative is identified that requires additional financial investment, a business case will be drafted by the Digital Transformation Board, and submitted for review as required.

8.0 Community Plan – Alignment to Objectives

8.1 The Newark & Sherwood Digital Strategy is a direct intervention in delivering the Community Plan (updated 2020) objective of ‘Our Vision’, ‘Our Purpose’ and ‘Our Values’. The Digital Strategy translates and evidences the delivery of this objective for the next 3 years, identifying the targeted initiatives, the role that the Council has and the way in which it will be delivered.

9.0 RECOMMENDATION

That the Newark & Sherwood Digital Strategy 2021-2024 be adopted.

Reason for Recommendation

To ensure that the Council undertakes an active role in leading and delivering an evolving digital offer.

Background Papers

Nil

For further information please contact Dave Richardson, Business Manager – ICT & Digital Services on Ext 5405.

Sanjiv Kohli
Deputy Chief Executive/Director - Resources/s151 Officer



Digital Strategy 2021-2024

“Digitally serving people and improving lives”

ICT & Digital Solutions

Introduction

Foreword

Cllr David Lloyd



Leader of the Council

The COVID-19 pandemic has accelerated, the already urgent, digital transformation agenda. The need for our customers and staff to effectively and efficiently communicate or transact digitally has never been more important.

This Digital Strategy outlines what we need to achieve now and going forward to ensure that we continue to digitally connect our services to our community in the most simple and time efficient way. While ensuring that no resident is left behind, it is important that for those who want to access District Council services digitally, they can do. We want to ensure services are available at a time when it suits our residents to interact with us.

We want to ensure that our digital offer enhances a residents experience of our services. And we want our employees to have the tools available to them to deliver the very best digital service possible. This strategy will ensure that the customer is at the heart of every digital decision we make as we drive forward our ambitious digital transformation agenda.

Sanjiv Kohli



Deputy Chief Executive
Director of Resources and s151 Officer

The Digital Strategy for Newark and Sherwood District Council sets out how we will be using digital technology to deliver economical, efficient and effective services. As well as business as usual, the strategy includes a number of initiatives to enhance customers' experience of using our services.

Through the application of the principals set out in the strategy, we will ensure we deliver outcomes that are aligned to our Council, Customer, Place and Community; whilst always ensuring that risks are identified and managed, within the overarching objective of achieving value for money.

The Digital Strategy 2021-2024 is a One Council approach that will further assist us to connect our community to our services.

The aim of the Digital Strategy

This strategy is part of the corporate suite of strategies and plans – all of which support delivery of the Community Plan and may have linkages within each. Our vision, purpose and values is set out in the community plan and the digital strategy builds further on that plan.

The strategy is an over-arching document that gives a clear direction of where the Council, working alongside all of our partners, wants to be in the next three years – recognising that we will continually adapt with an eye of evolving digital technologies.



Digital Strategy Vision

The vision is to be a modern digital council, with an objective to provide better services to its customers with the intention of connecting the local community with council services.

'Digitally serving people and improving lives'

What we mean by 'Digital'

Becoming Digital is about applying the culture, practices, processes and technologies of the Internet-era to respond to people's raised expectations. It is far more than Information Technology, it is changing working practices and service redesign, it is Digital leadership and cultural change to both the Council and its customers, embracing and embedding digital in all we do.

To further assist Newark and Sherwood District on the Digital journey, the Digital Strategy has three key initiatives Digital Council, Digital Customer and Digital Place, with Digital Communities at the heart and underpins these three initiatives.



Digital Principles

The Government's transformation strategy 2017 to 2020 sets out how it will use digital to transform the relationship between the citizen and the state. This included the technology code of practice that will be used as a guide to help assist in the delivery of the strategy (Appendix A).

The impact of COVID-19

The COVID-19 pandemic has increased the uptake in digital services globally and the strategy acknowledges the impact on the digital themes.

Pre-Pandemic

- Agile workforce – mixture of limited mobile, home and office based employees
- Meetings took place in physical office space
- Reliance on face-to-face transactions
- Business needs drive technology change
- Dependence on office based technologies

During Pandemic

- Focus on home working employees
- Virtual meeting capability
- Implemented collaborative working solutions
- Customer needs driving technology
- Enabled customer facing technology to become more resilient
- Minimal paper usage

The COVID-19 pandemic has accelerated, the already urgent, digital transformation agenda, including channel shift and increasing digital uptake of Council services. However, this urgency and will to change has shifted, therefore now is the time to focus on action.

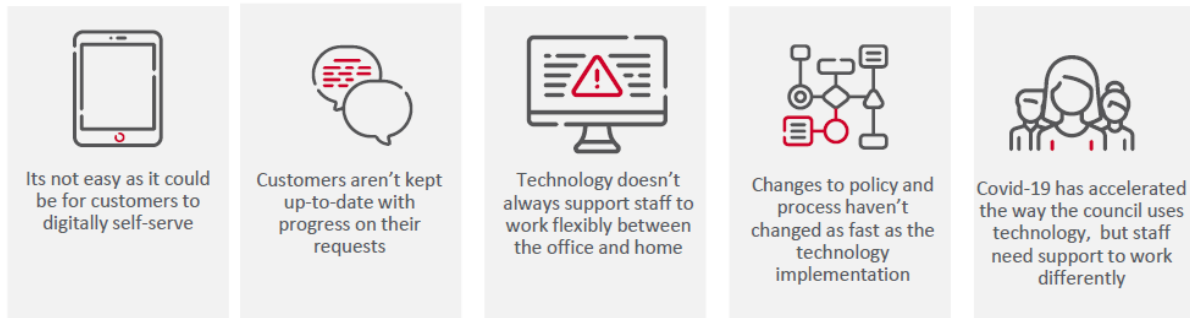
Post pandemic aspirations

Surviving

Striving

Thriving

Digital workshops have discovered common digital themes and challenges faced by employees and customers.



These themes and challenges can be mitigated by our digital aspirations, values and initiatives.

Digital Aspirations

- A Hybrid workforce.
- Carry on the good progress with digital initiatives.
- Employees and members will have the right technology suited to role.
- Customer insight will drive technology change, resulting in an improved customer experience.
- The Council to become more accessible through the use of digital technologies.
- Council services to become more resilient and future proof, availability of services to meet customer demand.
- Connectivity and integration of systems, providing customers with a unified service.
- Improving the quality and accuracy of data, streamlining services.
- Enhancing the digital customer experience, resulting in improved customer satisfaction.
- Ensure future technologies and infrastructure are secure and robust, resulting in confidentiality and integrity of data.
- The Council will provide digital championing across the District, narrowing the digital divide and aim to provide an increased range of digital services.

The Tree to success

Digital Objective Oak



With the foundations developed by internal and external customers

The How

By Our Values

This strategy adheres to the Council's values and supports the delivery of the Community Plan. To delivery this strategy, we will be using our values in the delivery of digital initiatives.

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.

Ambitious and forward thinking

The nature of the authority provides digital awareness and culture change whilst adhering to the Local Digital Declaration, including Digital Implications that feature on senior leadership team and committee reports.

Digital Championing within the authority will be promoted to provide a digital culture, reduce external training costs and provides digital opportunities to employees.

As an authority we will be agile / flexible and challenge the status quo.

New technologies will be researched and investigated based on customer need and where a return on investment is robust.

Caring and Compassionate

The enhancement and development of digital technologies will be investigated when intrinsic to customer needs. This will be centred on feedback from various channels including Customer Insight, Resident Panel and Tenant Panel.

Ensuring that our digital response is sensitive to the customer's needs and circumstances.

Commercial and Business like

The Digital Transformation Board will consider cost benefit and the return on investment of each new digital initiative using a priority matrix and evaluation to ensure return on investment, customer need and value to the authority.

ICT and Digital Services team will lead a standardised agile and flexible approach to internal development and projects, to ensure the very best outcome.

Purchasing through partnerships, frameworks, Government platforms and utilising aggregation exercises to reduce costs and provide value for money.

The digital transformation board and corporate information governance group will provide an assurance platform to evaluate the reduction of duplicate systems, increase value for money and provide return on investment.

Professional and Trustworthy

Our customers will experience a professional digital approach and feel safe and secure when interacting with our digital services.

Digital Leadership and Empowerment will be promoted throughout the authority to ensure a digital culture and to futureproof the workforce.

Corporate Information Governance Group will provide leadership and direction in the delivery of the Council's Information Governance Framework ensuring identification and management of Information Risks.

Welcoming and Responsive

Our digital solutions will be designed and maintained to be welcoming and responsive, giving our customers excellent customer service. This will lead to trust and confidence in repeating digital interactions.

Digital acknowledgements and responses will be aligned to corporate customer care standards.

For our workforce we will design efficient and responsive solutions that assist them in excellent service delivery.

We will take every opportunity to gather feedback, listen and improve our digital service offering.

The How

By Digital Initiatives

Initiative 1.0 - Digital Council

Objectives

1.1 **Digital tools for staff and members**

Identifying areas of improvement that support the delivery of the action plan and provide quality services including enabling Hybrid working for the purpose of improved service delivery for our customers.

1.2 **Secure by design, secure by default**

Confidence that data is managed securely and transparently. Keeping the Digital Council secure and resilient.

1.3 **Value and Rationalisation**

Assessing digital development projects within the Council to ensure value for money and return on investment. Value could see rationalised or streamlined internal systems and processes to deliver operational efficiency and improve quality of work to reduce errors and delays.

1.4 **Ease of use**

Ensuring that our systems, data and processes are lean, convenient, straightforward, connected, accessible and easy to use; whilst using insight to drive our decision making, ensuring the best outcomes and value for our customers.

Initiative 1.2 - Digital Customer

Definition of Council customer:

- Businesses
- Community Groups
- Residents
- Stakeholders
- Tenants
- Leaseholders
- Visitors

Success will see transactional demands being delivered digitally with the potential of supportive automation. These digital transactions maintain our values whilst being efficient and responsive to customer need. This will enable resource to be refocused on serving customers that require one-to-one interactions.

Objectives

1.2.1 **Seamless digital customer experience**

A single customer approach, providing customers with a unified end-to-end service that satisfies needs. We will increase the number of services that the customer can access digitally, including Leisure, Culture, Heritage and Tourism to be an interactive and accessible digital experience.

1.2.2 **Customer led digital design**

Putting the customer at the heart of digital design by using customer insight to understand customer need. Continuously shaping digital services by learning from customer experiences.

1.2.3 **No customer left behind approach**

Maximising customers access to digital services, through assisted digital, to ensure they are not disadvantaged by channel shift. Accepting some services and customers may require other channels or one-to-one interactions.

1.2.4 **Transparent Democracy**

Enabling open and transparent access to democracy (live streaming the decision making process). Enabling all to easily connect with elected representatives.

Initiative 1.3 - Digital Place

Infrastructure, digital innovation and data are promoted within the District to deliver economic growth and potential impactful growth with the local economy, notwithstanding social-economic wellbeing improvements.

Objectives

1.3.1 **Digital Connected Roots**

Connectivity and accessibility in rural communities including a 5G connected forest.

1.3.2 **Digitally Green**

Implement digital technologies that are not only green and low carbon but enable and support other green and low carbon initiatives, activities and working practices. Linkages to the Council's carbon emissions strategy and associated action plans.

1.3.3 **Digital place data**

Implement and establish footfall data within our towns and communities that informs policy, increasing footfall and delivering economic growth and resilience.

1.3.4 **Digital inequality and community**

Supporting and facilitate work across the District to narrow the digital divide.

Measuring Success

How will we measure success?

Ask the customer

- Resident panel
- Tenant engagement framework
- Survey of Tenant and Residents (STAR)
- Mystery shopping
- Customer feedback
- Customer complaint
- Customer compliments
- Internal customer insight
- A place to be proud of (civic pride)
- Visitor and market research

Best Practice

- Bench marking with other local authorities
- Industry standards

Performance Indicators

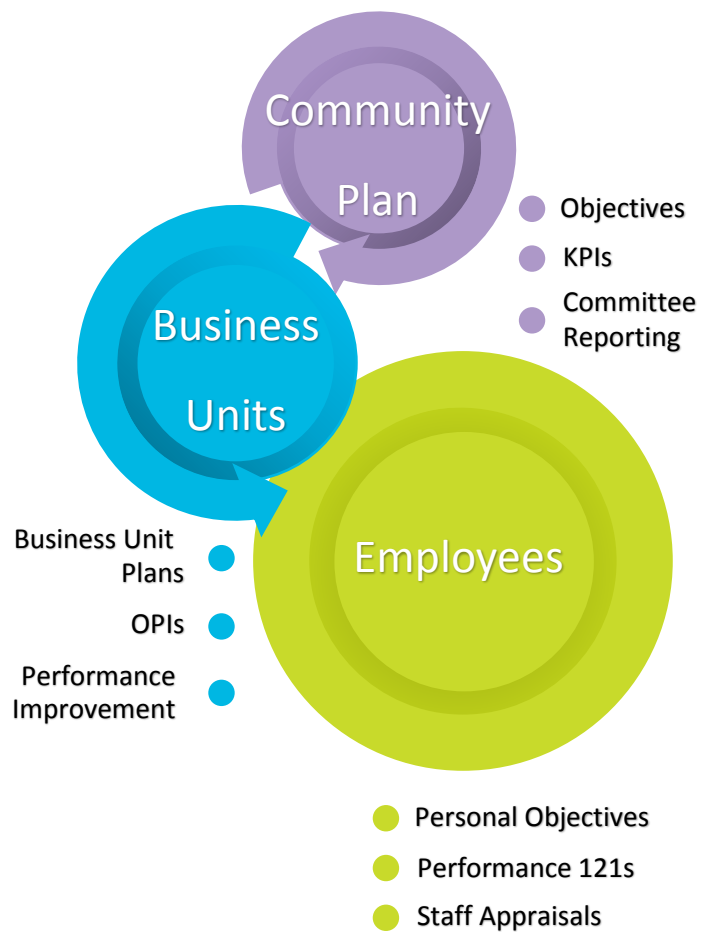
- Number of digital transactions
- Number of online digital services
- Number of visits to the website (bounce rate)
- Signup to e-newsletters and digital services
- Increase number of social media followers
- Customers satisfied they can contact the Council in a way that meets their needs

Tracking Measures *What is happening in the District*

- Tenants - Increase in participation via digital engagement
- % of premises with access to full fibre broadband
- % of residents attending a digital skills course who now feel more confident in using our services online.

Action plan

A detailed action plan, with timelines, is in development to support this strategy; setting out the short (one year) and medium term (one to three years) activities and initiatives.



Digital Principles

The Technology Code of Practice (updated 2019) is a set of criteria to help Government departments (including local authorities) design, build and buy technology. It is used as a cross-Government agreed standard and is part of the [Local Digital Declaration](#).

Digital by default



Design digital services with an aim to prioritise digital over paper. Long term goal to automate and self-serve wherever possible.

Cloud first



Cloud services and solutions should be considered before any alternative. Best value should be shown when cloud is not chosen and future flexibility should be reflected.

User led design



Digital and technology design and spend must demonstrate that it meets user needs based on research with those that use the service.

Ease of use



Digital services will be accessible to the diverse set of users who use them. Assisted digital support will be provided where research identifies need.

Aligned to priorities



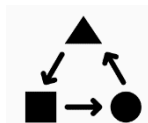
All aspects of service delivery will be aligned with the Council's community plan.

Innovative and agile



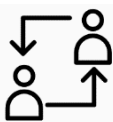
The changing business needs will be supported by digital services that are flexible, agile, iterative and user-centred.

Interoperable



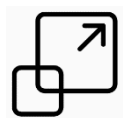
Infrastructure should conform to defined standards that promote interoperability for data, applications and technology. We will use open standards and common government platforms where available.

Partner -up



Procuring new or existing services, we will consider and evaluate potential partnership opportunities – to reduce costs, improve relationships and share information.

Scalable



The technology and infrastructure should be proportionate to our needs. However, this should be scalable in order to provide the ability to respond to changing user needs and demands.

Join it up



Services and solutions should be enabled to integrate with applications and infrastructure components to provide a consistent user experience.

Open



Open industry standards will be used wherever practical. Data will be open and shared where possible, while minimising and securing personal data, or data restricted for security reasons.

Cost effective



We will ensure digital solutions and services will provide value for money. Business cases will include cost benefit and return on investment opportunities.

Secure



Data will be secured to Government best practice. Security controls will be balanced according to business objectives and proportionate to risk.

POLICY & FINANCE COMMITTEE

24 JUNE 2021

REVIEW OF THE CORPORATE HEALTH AND SAFETY POLICY

1.0 Purpose of Report

1.1 For Members to consider the changes to the Corporate Health & Safety Policy and to confirm adoption of the new revised policy.

2.0 Background Information

2.1 All employers with five or more employees are required, by law, to produce and maintain a written Health & Safety Policy.

2.2 In pursuance of the above requirement the current policy has been reviewed and updated to reflect recent organisational changes including the in-house provision of Housing Services.

2.3 Significant changes within this revision include:

- a) Changes to job titles/positions (Section B).
- b) A revised senior management structure chart (Section B).
- c) A number of modifications within the specific arrangements section (Section C). These amendments are mainly as a direct result of the housing function returning to the Council. Specific alterations include:
 - Asbestos management – Expanded to identify specific responsibilities
 - Electricity – Expanded to identify specific responsibilities
 - Fire Safety – Expanded to identify specific responsibilities
 - Gas safety – New section identifying requirements and responsibilities of those responsible for managing gas systems.
 - Use of latex gloves – Removed.

2.4 The revised policy is available as a background paper but was considered in full by the Homes & Communities Committee at their meeting held on 7 June 2021. They recommended adoption of the revised policy.

2.5 It should be noted that the Health & Safety Policy is the framework for the Council's Health & Safety response and that there are many other supporting documents such as risk assessments, safe systems of work and operational procedure.

2.5 The report has been presented to the Council's Joint Consultative Committee to seek the views of the Trade Unions. The comments made have been noted and incorporated into the report, or if more appropriate, into the supporting documents of the policy.

3.0 Proposals

3.1 The Corporate Health & Safety Policy is agreed by the Policy & Finance Committee.

3.2 A brief employee summary will be produced and shared with all staff once the policy has been approved.

4.0 Financial Implications (FIN21-22/481)

4.1 There are no financial implications arising from this report.

5.0 Digital Implications

5.1 There are no digital implications arising from this report.

6.0 Equalities Implications

6.1 There are no equalities implications arising from this report.

7.0 RECOMMENDATION

That the revised Health & Safety Policy be adopted.

Reason for Recommendation

To ensure the Council's Health & Safety Policy remains updated and reflects recent organisational changes.

Background Papers

Revised Health & Safety Policy
Health & Safety at Work Act 1974

For further information, please contact Richard Bates on Ext 5593 or Alan Batty on 5467.

Matthew Finch
Director – Communities & Environment

POLICY & FINANCE COMMITTEE

24 JUNE 2021

NEWARK TOWNS FUND UPDATE

1.0 Purpose of Report

1.1 To present the proposed Assurance framework for the Newark Towns Fund to assist the delivery of supported projects in the Newark Town Investment Plan (TIP) and associated Heads of Terms.

2.0 Background

Newark Towns Fund

2.1 Members will recall the welcomed announcement in the March 2021 budget that Newark had been successful in its bid for £25m of grant funding for a raft of transformative and long—term projects for the Town, all contained within the Newark Town Investment Plan (TIP). Following this announcement Heads of Terms were executed with the government for the Newark Town Deal on 20 April 2021. The Towns Board, in alignment with this Council, have confirmed that the following TIP supported projects will be progressed through to Outline and Full Business Case stage.

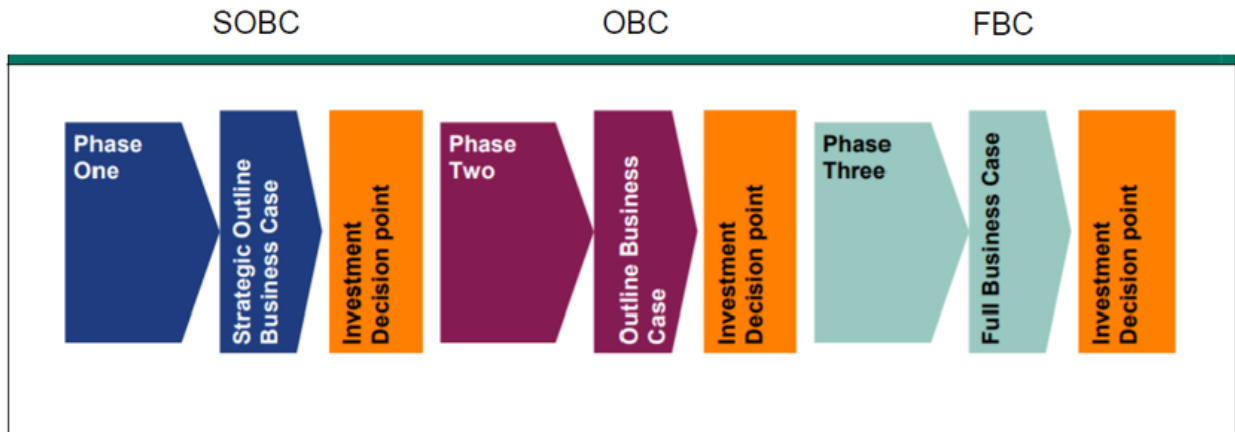
Project	Project Sponsor
IASTI	Lincoln College Group
SiScLog (Newark Gateway site)	University of Lincoln/NSDC
32 Stodman Street	NSDC
Castle Gatehouse	NSDC
YMCA Community & Activity Village	YMCA
Construction College Expansion	Lincoln College Group
Cultural Heart of Newark	NSDC
Police Station Relocation	Nottinghamshire Police/NSDC
20 Minute Town	NSDC

2.2 The Newark Southern Link Road (SLR), the final TIP supported project is subject to a separate funding bid by this Council, in partnership with Nottinghamshire County Council and the developer (Urban&Civic). It is not therefore proposed at this time that this project be progressed with the support of SLR funding.

Assurance Framework

2.3 Members will note the March update which detailed the need of the Council to perform an accountable body and assurance role for the Towns Fund and the Newark Towns Fund Board. This includes a requirement to adopt a Newark Towns Fund Assurance Framework (AF) to confirm the process for release of funds for agreed projects, including various decision-points and submission requirements from project sponsors. A proposed version of this AF is provided at **Appendix A** for adoption.

- 2.4 The AF has been drafted in consultation with internal legal and finance colleagues, in addition to the S151 officer. Externally, colleagues at the D2N2 LEP, MCHLG, and independent consultants Hatch and Quod (who Members will recall which assist in Business Case preparation and assurance respectively) have all contributed to the recommended AF.
- 2.5 The process for sign-off of grant funding, as captured in the AF, is as follows.



- 2.6 The Newark Town Investment Plan (TIP) effectively provides the SOBC in the context of each of the Towns Fund supported projects.
- 2.7 OBC's will be provided in the majority of cases in advance of any FBC. This is not likely to be the case, subject to Towns Board approval, for projects which are further advanced. This will likely include the YMCA, IASTI, and 32 Stodman Street, all of which are sufficiently mature to advance straight to an FBC.
- 2.8 Any OBC and FBC must be approved by this Council (acting as the accountable body) and Newark Towns Board, acting upon the advice and recommendations of the Council's s151 Officer (themselves supported by Quod consulting).

Monitoring & Evaluation

- 2.9 The Newark Towns Fund program has a range of expected outputs and activities associated with each project, which is confirmed upon approval of a Full Business Case and associated Funding Agreement with the project sponsor. In addition all projects, as part of their Business Case submissions are required to embed and address the Public Sector Equality Duty (PSED), Subsidy Control, Clean Growth Principles, and Stakeholder Engagement (through the production of a Stakeholder Engagement Plan, within which will sit a Private Sector Engagement Plan).
- 2.10 Save for formal amendments throughout delivery (which must be approved by the Council and Newark Towns Board) all outputs will be formally captured and monitored. Qualitative evaluation will also take place, including where relevant with interviews with students and workers who have progressed as a result of each of the initiatives.

- 2.11 NSDC will be required to report formally to MHCLG twice a year (or more regularly, if agreed with the Towns Hub), and provide regular feedback to MHCLG on with a comprehensive set of data relating to each Town Investment Project including both total and forecast spend and output metrics. The approach will be mirrored for this Committee. The Towns Hub will also conduct an annual review, assessing progress, understanding issues and agreeing any actions to be taken forward by each town. Continued funding is linked to the effective delivery of the deal.

Full Business Case Assessment – YMCA Community and Activity Village

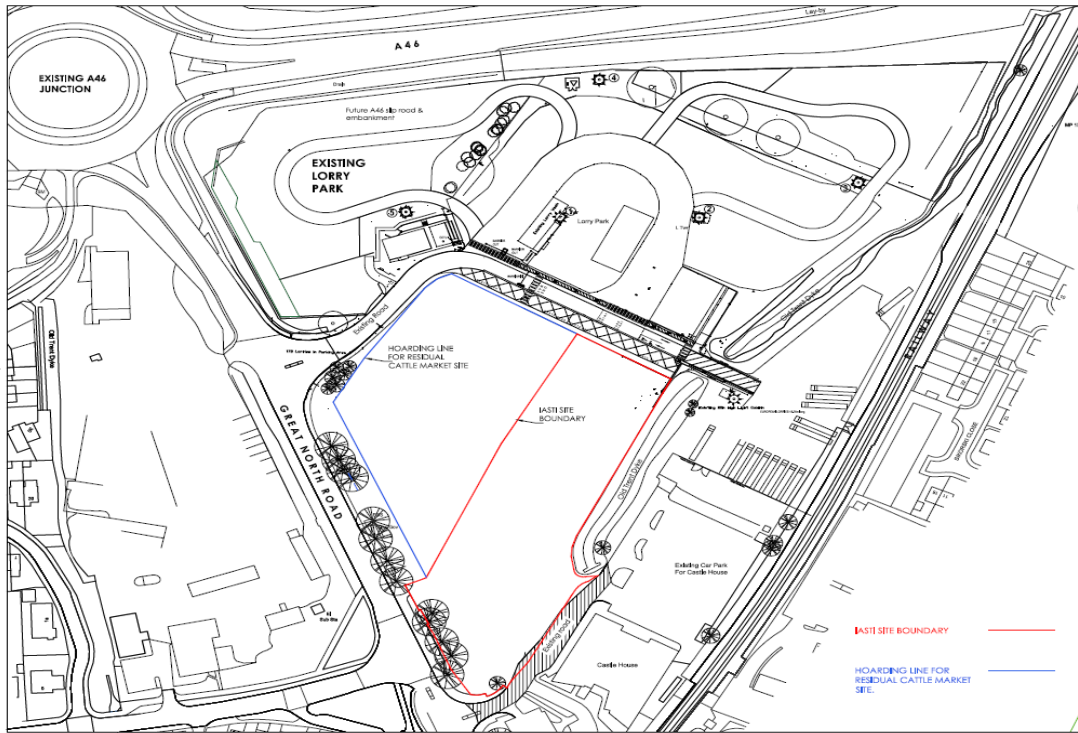
- 2.12 As Members will be aware all of the projects are at a different stage of development and maturity. Three projects are identified as being able to be accelerated, the IAST, 32 Stodman Street, and the YMCA Community & Activity Village. In the case of the latter a Full Business Case have been received (**Appendix 2**) and has been appraised by Quod Consulting and the Council's S151 Officer. A number of qualifications have been sought, which it is expected will be received on or around the Committee date. A verbal update will be presented.

Newark Gateway Site (the former Cattle Market and current Lorry Park)

- 2.13 Members will be aware that following the decisions of this Committee and that of the Economic Development Committee in November 2020 and January 2021 works are progressing for the demolition and safe holding of the vacant cattle market site. Demolition consents have been issued and tenders via an open market procurement process must be submitted by the end of June. Subject to a successful award, it is expected that demolition will commence in July 2021, completing by the autumn. The site will then be securely held pending the first development, the International Air & Space Training Institute (IASTI® Newark).

IASTI® Newark

- 2.14 Members will recall this project, and its innovative approach to training across military and civil industries to create pre 16, post 16, and post 18 education pathways for pilots, ground crews, and engineers. IASTI® Newark is the first to be announced in the UK. A second at IASTI® London City has also now been [announced](#).
- 2.15 IASTI® Newark will welcome its first intake of students to temporary facilities at Newark College from September 2021 with a view to the new permanent IASTI facility opening from September 2023 on the Newark Gateway site. The proposed site of the IASTI is detailed below and follows feasibility work by the Council and College to progress a scheme. Members will see that the intention, subject to further detail and agreement by this Council as both landowner and planning authority, is for the IASTI to be serviced off the exiting access to Castle House.



- 2.16 It is expected that the IASTI® Newark will be phase 1 of the Newark Gateway development, subject to Member approval on terms for a land lease which will be subject to an exempt update report to follow. Further phases, included the relocation of the lorry park and its redevelopment continue to be subject to feasibility work, including negotiations with Highways England giving the scope and timings of works associated with the A46 Newark Northern Bypass. A decision of the redevelopment of the lorry park does not need to be made in order to accommodate the IASTI® Newark development with the Lincoln College Group understanding that the IASTI will be operational alongside the lorry park, albeit in the knowledge that the Council retains its desire to ultimately relocate and redevelop the lorry park, subject to conclusion of necessary feasibility work and business cases.
- 2.17 The IASTI® and Newark Gateway delivery programs have scheduled a likely planning application for the IASTI® in late summer 2021. Members are asked to support, subject to realising best value land considerations, a land deal for the siting of the IASTI® Newark and consent to a planning application being submitted by the Lincoln College Group on Council land in summer 2021.

Replacement Livestock Market

- 2.18 The Council continues to negotiate with a third party who remain interested in progressing a new Livestock Market for Newark. This interested party already invested in purchasing various items of cattle market furniture and pennage from the old cattle market site, and continues to keep Officers informed of ongoing discussions. Further detail will be provided as this scheme is developed.

3.0 Equalities Implications

- 3.1 Each of the projects detailed above will be required, if and when they proceed to have regarding to equalities and access implications.

4.0 Financial Implications (FIN21-22/182)

- 4.1 Assurance consultancy support from Quod (on the assessor side) and Hatch (on the development side) detailed above is already addressed within existing towns fund revenue budget, covering support until March 2022.
- 4.2 Additional programme and delivery management resource is requested within the Exempt Regeneration Resources report elsewhere on this agenda.
- 4.3 From the table at 2.1, a Capital budget available for 32 Stodman Street. Once the other schemes reach the relevant points, a Capital budget will be proposed through a relevant report to Policy and Finance Committee.
- 4.4 As per paragraph 2.12 above and the recommendations below, £2m will need to be added to the Council's Capital Programme in order to pass the Towns Fund Grant to the YMCA, subject to the Full Business Case (FBC) and relevant approvals. This budget will be financed by the Towns Fund Grant.
- 4.5 The Towns Fund Grant will be applied for in funding batches and released by MHCLG upon receipt of a summary of the FBC. This is linked to the Assurance Framework at Appendix A which will ensure our role as Accountable Body of the funding is effectively undertaken.

5.0 Digital Implications

- 5.1 There are digital implications within many of the TIP plans and projects identified, with the need to ensure appropriate digital infrastructure, skills and future innovative and creative employment opportunities being key to many objectives. Each project will be required to identify this as they progress.

6.0 RECOMMENDATIONS that Members:

- (a) Adopt the Newark Towns Fund Assurance Framework (June 2021) as provided at Appendix A;**
- (b) approve, subject to the recommendation(s) of the Council's sS151 Officer and Quod Consulting, the Full Business Case for the YMCA Community & Activity Village which seeks £2m of Towns Fund grant,**
- (c) subject to (b) above to confirm to the Newark Towns Fund Board that the Full Business Case for the YMCA Community and Activity Village (Newark) meets the requirements of the Newark Towns Fund Assurance Framework (June 2021);**
- (d) subject to (b) above, a budget of £2m be added to the Council's Capital Programme in order for the payment to be made, financed by Towns Fund Grant; and**
- (e) subject to (b) and (c) above give delegated authority to the Director – Planning & Growth, in consultation with the Business Manager – Law & Information Governance, to enter into a Grant Funding Contract with the YMCA to deliver the Community and Activity Village (Newark), including its associated outputs, outcomes, and monitoring and evaluation as detailed in the Full Business Plan.**

Background Papers

Draft Local Assurance Framework – Version 1 (June 2021)

<https://www.newark-sherwooddc.gov.uk/newarktownsfund/>

For further information please contact Matt Lamb at matt.lamb@newark-sherwooddc.gov.uk

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

Matt Lamb
Director – Planning & Growth



**Newark Towns Fund
Local Assurance Framework**

June 2021
DRAFT

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1 Introduction

Town Investment Plan

In September 2019, it was announced that Newark-on-Trent had been chosen as one of 100 towns in the UK to potentially receive up to £25 million worth of investment, as part of the Government's 'Town Deal' initiative.

For Newark to have the best chance in being awarded the maximum funding, the Newark Towns Fund Board invited residents and visitors of Newark to take part in a survey to have a say the Towns challenges and opportunities. Local children were also asked to share their ideas on the future of Newark in the form of a writing competition. This work informed the shaping of projects and proposals to enable the strongest 'Deal' possible to be presented to Government.

This was captured in the Newark's 'Town Investment Plan', which was submitted to the Government at the end of July 2020.

The ambition is to 'reimagine' the town by addressing its visible and unseen challenges whilst maximising the positives. Learning and earning constraints continue to stifle social mobility and opportunity for residents and businesses. Retail vacancies and unemployment remain unacceptable high.

Four pillars of intervention were identified:

- Skills, Education, and Business
- Connectivity (digital, physical, people, and services)
- Town Centre Regeneration and Culture
- Town Centre Residential

It was announced in March 2021 that Newark had been successful in its bid for the £25 million of investment.

Newark Towns Fund Board

The Newark Towns Fund Board comprises c.40 private and public businesses and bodies and is the vehicle through which the vision and strategy for the town is defined.

The primary role of the Newark Towns Fund Board is to provide strong and visible leadership for Newark, challenging partners to increase their ambition of what can be achieved collectively and acting as advocates for the town.

Since inception in early 2020, the Newark Towns Fund Board has agreed a vision for Newark and sought to maximise the opportunities for growth; including, the development of a well evidenced Town Investment Plan which sets out a clear understanding of the area, focusing on its assets, opportunities and challenges.

As the Newark Towns Fund Board enters its next phase in the Towns Fund process, its purpose changes to a strategic and delivery focus. As such, the structure of the Board has been updated to reflect the change in focus to include a Main Towns Fund Board and a smaller Executive Towns Board (see Section 4 for details).

Local Assurance Framework

This Local Assurance Framework (LAF) sets out how the Newark Towns Fund Board will effectively undertake its role in relation to good governance and allocation of public funds it is responsible for. It identifies the roles to be taken by Newark Towns Fund Board and its constituent Boards, by the Accountable Body and by the promoters of projects. This includes the process of ensuring value for money, prioritisation, appraisal, business case development and risk management.

It also sets out the process to be followed in selecting priorities for the Towns Fund.

Newark Towns Fund Board is fully committed to ensuring the highest standards of governance, accountability and transparency across all aspects of its activities and will review the LAF annually and make any changes in line with changes made to the Local Growth Assurance Framework to ensure consistency and full compliance. The Local Growth Assurance Framework has been used as a guide for the development of this Framework in the absence of an overarching assurance framework for the Towns Fund programme.

Newark and Sherwood District Council is the Accountable Body, and therefore has responsibility for ensuring this LAF is in place, meets the standards set out by Government and that all funding decisions are made in accordance with it. The Section 151 Officer will provide assurance of proper use of Government Funds and Governance Procedures within the Newark Towns Fund Board activities.

Newark and Sherwood District Council and the Newark Towns Fund Board will notify the Ministry of Housing, Communities and Local Government (MHCLG) of any significant changes made to the LAF.

2 Governance

The Newark Towns Fund Board have clear systems, rules and practices and processes in place to ensure that decisions are made on a transparent basis, by the appropriate persons or groups and based on appropriate skills and capability.

Members of the Newark Towns Fund Board and other subgroups will work within the agreed governance structures and will always demonstrate the highest standards of conduct. Any third party involved with the Newark Towns Fund Board or who is providing a service to the Newark Towns Fund Board will be made aware they are expected to act within the governance system and that their conduct is expected to be consistent with the standards applicable to members of the Newark Towns Fund Board.

As per the Towns Fund Prospectus, the Government expect that Town Deal Boards align with governance and policies of the Lead Council (Newark and Sherwood District Council). This includes whistle blowing, conflicts of interest and complaints.

Newark and Sherwood District Council expects employees and its members to adhere to the seven Nolan Principles of public life. Therefore, Members of the Newark Towns Fund Board, Executive Board and Sub Boards are expected to adhere to those same principles of:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Each Board Member and Substitute Board Member is required to submit a signed version of the Register of Interest, Terms of Reference, and Code of Conduct before formal membership is given. A copy of the Register of Interest, Terms of Reference, and Codes of Conduct are included within Appendix 1 and Appendix 2 of this document. Completed forms are submitted on the Newark and Sherwood District Council Website, as Accountable Body, under the list of Board representatives.

In light of the Covid-19 pandemic, Newark Towns Fund Meetings may be held in person or virtually, as required. The same governance rules apply to meetings that are held virtually.

An agenda, including reports presented to the Newark Towns Fund Main Board and Newark Towns Executive Board, are required to be circulated to all Board Members 5 working days prior to a Main Board or Executive Board Meeting and will be published on the Newark and Sherwood District's website.

An item of business not included in the agenda for a meeting may be considered by the meeting for reasons of urgency, if the person presiding at the meeting considers it appropriate and necessary to do so. Only in the most exceptional circumstances might it be considered necessary and appropriate for a matter of strategic importance to be dealt with in this manner.

Any urgent decision that needs to be made by the Newark Towns Fund Main Board or Newark Towns Fund Executive Board that does not fit within the timeframe of the scheduled meetings may be decided through the written procedure set out in Section 5, Scheme of Delegation, where the Co-Chairs consider it appropriate and necessary to do so.

Minutes and actions from Main Board and Executive Board Meetings are required to be published and circulated to Board Members no more than 10 working days following a Main Board and Executive Board Meeting.

Additional governance information such as future board meeting dates are also made available on Newark and Sherwood District Council's website.

3 Board Representatives

The Newark Towns Fund Board comprises c.40 private and public businesses and bodies (including local government, education providers, charities, local business groups, public limited companies and private organisations).

The Newark Towns Fund Board comprises of the following representatives:

- **Chair and Co-Chair** - The posts will lead and facilitate the Board providing strategic direction. Each role will be independent in its own right and at least one role will be held by a private sector representative. To enable the Board to proceed at least one of the two Chairs must be in attendance at the Main Board meetings and the Executive Board meetings. The Chair and Co-Chair will be voted in on an annual basis.
- **Board Members** - Representatives from the public and private sector including local business, Higher Education, Further Education, community voluntary services, emergency services, media and the District Council. Board Membership will be reviewed annually. Any decision made by the Chair must be formally ratified by the rest of the Board Members. There may be one vote per organisation.
- **Substitute Board Members** - Substitute members from organisations will be entitled to attend Board meetings and vote when a Board Member is not available. Substitute members are required to follow the governance process.
- **Advisors** - Advisors are invited by Board Members and participate in the meetings but have no voting rights or ability to make decisions on behalf of the Board.
- **S151 Officer** – Newark and Sherwood District Council is the Accountable Body for the Town Board. The Council's S151 Officer will ensure compliance with all necessary financial regulations, in order to protect the accountable body (NSDC) and ensure proper administration of all financial affairs.

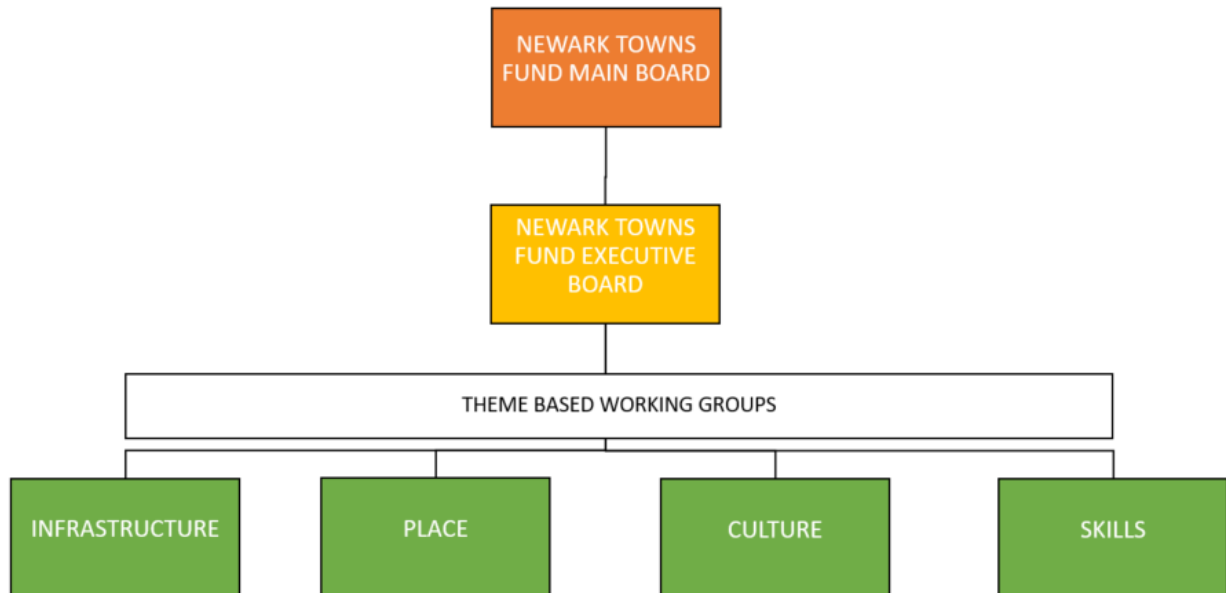
Process for New Membership

The Newark Towns Fund Board keeps a register of all Board and Substitute Members. Membership is reviewed on an annual basis. Board Members are notified with six months of their term left and given the option to reapply for a one term extension. Should the Board Member choose not to reapply the position is advertised via adverts online, in the local press and journals. Following the advertisement, the chairs will agree the shortlist for a vote into the Executive Towns Fund Board.

Part of the Main Board's responsibility is to ensure that that the Board Membership reflects the Newark Towns Fund Board area including age, gender, ethnicity, public and private sector, geography, and skills. Newark Towns Fund Board remains committed to diversity on its Board based on all protected characteristics and will encourage engagement and representation from across all communities from across the region.

4 Structure

The governance structure of the Newark Towns Fund Board is as follows:



The **Newark Towns Fund Main Board** is made up of the c.40 Board Members and Substitute Members as detailed in Board Representatives. The Main Board is to meet once every 6 months and its purpose is to oversee strategic decisions.

The **Newark Towns Fund Executive Board** is made up of a maximum of eight Board Members of which at least two are from Newark and Sherwood District Council, being the Chief Executive and S151 Officer, and at least four are from the private sector. The Executive Board representatives are approved annually by the Main Board and includes one of the Co-Chairs. The purpose of the Executive Board is to drive operational and delivery decisions as delegated by the Main Board. Advisors can be invited into Executive Board meetings and decision making.

Theme Based Working Groups are set up under the subjects of Skills Education & Business; Connectivity; Town Centre Regeneration & Culture; and Town Centre Residential. The Working Groups are made up of individual themed project groups. These groups are formulated and meet as required. The purpose of these groups are to deliver the projects identified in the Town Investment Plan and report any additional initiatives to the Executive Board. Theme Based Working Groups will be activated and inactivated based on the programme of projects within the Working Group. Each Theme Based Working Group will have a Working Group Champion whose role will be to call projects in under the group and organise meetings as required. A Newark and Sherwood District Council Officer will be included in each Theme Based Working Group who will be responsible for taking minutes and actions for the meetings.

5 Scheme of Delegation

The current scheme of delegation is for all strategic decisions to be made by the Newark Towns Fund Main Board. The Newark Towns Fund Board may delegate decisions to its Executive Board.

Any financial decision must be signed off by the S151 Officer from Newark and Sherwood District Council as the Accountable Body. The Council's S151 Officer will ensure compliance with all necessary financial regulations, in order to protect the accountable body (NSDC) and ensure proper administration of all financial affairs.

A decision which is made in contravention of the process will be invalid based on non-compliance unless the Newark Towns Fund Main Board has given prior approval for variation in the decision-making process.

Any decision that needs to be made by the Newark Towns Fund Main Board or Newark Towns Fund Executive Board that does not fit within the timeframe of the scheduled meetings can be decided through the written procedure below.

Only in the most exceptional circumstances might it be considered necessary and appropriate for a matter of strategic importance usually reserved to the Main Board to be decided through this procedure.

Written Procedure:

- A report in the usual meeting format and including reasons for urgency, will be circulated to the Co-Chairs to consider whether, due to the urgent nature of the decision to be made, it is necessary and appropriate for the decision to be made before the next meeting.
- Where practicable, the Co-Chairs will consult with other Executive Board Members prior to taking the required decision.
- The Co-Chairs will take the required decision, if at all possible within 5 working days of the report being presented. If the Co-Chairs are unable to reach agreement the decision of the Chair will be final.
- For transparency the report, reasons for urgency, and decision will be presented to the next appropriate meeting.

6 Code of Conduct

As per the Towns Fund Prospectus, the Government expect that Town Deal Boards align with governance and policies of the Lead Council (Newark and Sherwood District Council). This includes whistle blowing, conflicts of interest, complaints, acceptance of the Nolan Principles, declaration of interests, gifts or hospitality and agreement of the latest Communications and Engagement Statement.

Where members of the Newark Towns Fund Board are not employed by Newark and Sherwood District Council, elements relating to pay or leave would not apply as membership of the Board is not a paid role.

Copies of Newark and Sherwood District Council's applicable policies, within its own Code of Conduct can be obtained via the website www.newark-sherwooddc.gov.uk/

Failure to adhere to the Newark Town Deal Board Code of Conduct could result in removal from the Board.

A copy of the Code of Conduct that Board Members are required to sign is included in Annex 1 of Appendix 1. All signed Codes of Conduct from Board Members are included on the Newark and Sherwood District Council website.

7 Publications of Reports and Information

Newark Towns Fund Board papers for the Main Board and Executive Board are published on the Newark and Sherwood District Council website.

These are published in line with the Best Guidance Practice Guidance in accordance with the Local Government Act 1972, meeting agendas and papers are published 5 clear working days before the meeting takes place and draft minutes of the meeting are published within 10 clear working days of the meeting taking place.

Any declaration of interest made at the meeting will be included in the minutes.

The Newark Towns Fund Board follow the Accountable Body - Newark and Sherwood District Council's document classification policy in terms of how documents are classified as public, controlled, or restricted.

Information which is not to be placed in the public domain is treated under The Local Authorities-Executive Arrangements Meetings and Access to Information Regulations 2012 using one of following 7 exemptions:

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any person (including the Authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultation or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes:
 - a. To give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - b. To make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation, or prosecution of crime.

Newark and Sherwood District Council have in place appropriate data protection arrangements in line with the General Data Protection Regulations (GDPR) and the Data Protection Act 2018. The Council is the Data Controller for the Board in its capacity as Accountable Body.

8 The Accountable Body

Newark and Sherwood District Council was appointed as the Newark Towns Fund Board's single Accountable Body in January 2020 as a requirement of the Towns Fund guidance.

The Accountable Body, through the Section 151 Officer, is accountable for the proper use and administration of funding, all of which falls under the annual audit of the Newark and Sherwood District Council's accounts, and for ensuring that decisions are made in accordance with this LAF or any other framework which may instead apply.

These responsibilities include:

- Ensuring the decisions and activities of the Newark Towns Fund Board conform with legal requirements with regard to equalities, social value, environment, Subsidy Control, procurement etc.
- Ensuring that funds are used in accordance with the conditions placed on each grant or loan.
- Ensuring (through the Section 151 Officer) that the funds are used appropriately.
- Ensuring that this Assurance Framework (or any other which may instead apply) is implemented and adhered to.
- Maintaining the official record of Newark Towns Fund Board proceedings and holding copies of all relevant Newark Towns Fund Board documents relating to any funding streams the Accountable Body is responsible for.
- Ensuring Newark Towns Fund Board decisions at formal meeting are recorded by way of minutes, and the minutes of each meeting are reported to the subsequent meeting to ensure accuracy. Minutes, agendas, and reports are published on the Newark and Sherwood District Council website.
- Responsibility for the decisions of the Newark Towns Fund Board in approving projects (for example if subjected to legal challenge).
- An independent annual audit will take place as instructed by Newark and Sherwood District Council as the Accountable Body.

The use of resources is subject to the usual local authority checks and balances – including the financial duties and rules which require councils to act prudently in spending; these are overseen and monitored by the Section 151 Officer.

While it may put in place procedures and promote proper practice, and monitor and report on the effectiveness of these, the Accountable Body is not responsible for any deficiencies in the administration of public monies among funding recipients and partner bodies. In the event of any shortcomings coming to light it will seek to safeguard, and recover where appropriate, the relevant monies through either the Newark Towns Fund Board mechanisms or its own channels as it considers most suitable in the circumstances.

The Accountable Body would only normally refuse a decision of the Newark Towns Fund Board if it were:

- Not procedurally valid, or
- Illegal, or
- Would lead to the available budget being exceeded.

If a situation did occur whereby the Accountable Body had significant concerns about a decision the Newark Towns Fund Board had taken, or proposed to take, then an urgent meeting within 5 working days would be convened by the Section 151 Officer of the Accountable Body with key stakeholders from both the Newark Towns Fund Board and the Accountable Body. The Council's S151 Officer will ensure compliance with all necessary financial regulations, in order to protect the accountable body (NSDC) and ensure proper administration of all financial affairs.

There will be a clear separation between scheme promoters (i.e. Newark and Sherwood District Council led schemes) and those advising on decision-making (the Accountable Body role), to ensure the Newark Towns Fund Board is acting on impartial advice on the merits of potentially competing business cases.

Where Newark and Sherwood District Council is the project lead and the Accountable Body, an independent business case assessor will review the project documents and provide an appraisal to the Newark Towns Fund Board on compliance to the Towns Fund programme. This should allow impartiality between different project leads and the Accountable Body.

Awards of funding by the Newark Towns Fund Board will be accompanied by a written grant offer agreement between the Accountable Body on behalf of the Newark Towns Fund Board and the promoter setting out the split of responsibilities and specifying provisions for the protection of public funds, such as arrangements to suspend or claw back funding in the event of non-delivery or mismanagement.

An equivalent agreement will be entered into where Newark and Sherwood District Council are both the Project Lead and Accountable Body.

As a minimum, these agreements will include:

- Details of the project and outputs to be delivered in a specified timescale
- Arrangements for payment (up front or in arrears, quarterly or other)
- Arrangements to suspend or claw back funding in the event of non-delivery or mismanagement
- Monitoring requirements, including the metrics and frequency of reporting
- Publicity obligations and arrangements

The agreement will be signed by the Section 151 Officer (or equivalent) of the promoting organisation and by the Section 151 Officer of the Accountable Body on behalf of the Newark Towns Fund Board, who has the final sign off on funding decisions.

The Accountable Body require Project Sponsors to provide evidence that subsidy control is adhered to. It will also satisfy itself of any subsidy control requirements in discharging its Accountable Body functions.

9 Section 151 Officer

Newark and Sherwood District Council is the Accountable Body for the Newark Towns Fund Board. The Council's S151 officer will ensure compliance with all necessary financial regulations.

The Newark Towns Fund Board and Accountable Body will ensure they address the five principles of the CIPFA guidance:

- Embed a corporate position for the Section 151 officer in Newark Town Board assurance
- Create a formal/structured mandate for the Section 151 officer
- Embed good governance onto decision making
- Ensure effective review of governance
- Ensure appropriate skills and resourcing

All Newark Towns Fund Board and any sub board documents which have a financial implication will be provided to the Section 151 officer/delegate, and where decisions are being made the Section 151/delegate will have the opportunity to comment. The Section 151 officer or delegate will also attend the Towns Fund Full Board and Executive Board.

Assurance will be provided by the submission by the Project Lead of a signed monitoring return to the Section 151 officer.

The Section 151 officer will provide the required level of assurance that is requested from MHCLG, which is to be confirmed.

10 Contracts

The Newark Towns Fund Board terms a 'contract' as a grant offer agreement for its Town Investment Projects.

As part of the grant offer agreement, the organisation responsible for the project will be required to fill in a project monitoring form to ensure compliance to achieve the desired outputs/outcomes as stated in the contract and the Town Investment Plan.

A regular programme overview is given at every Newark Towns Fund Executive Board and Newark Towns Fund Main Board meeting to update the Board on the performance, any issues and risks and mitigations of each project.

A Public Sector Equality Duty (PSED) assessment will be required as part of the contract with each individual project.

On a bi-annual basis the Newark Towns Fund Main Board is updated on outputs with each project RAG rated to highlight any projects which are an area of concern to the Newark Towns Fund Board's delivery targets. Any formal requests of changes over 25% to change grant profiles (for the avoidance of doubt, this does not relate to the overall level of grant, just the grant profile) or output profiles are taken to the Main Board for approval.

The Newark Towns Fund Main Board also receives regular updates on performance from the Newark Towns Fund Executive Board.

11 Government Branding

The Newark Towns Fund Board will meet any branding requirements set by MHCLG including the HM Government Identity Guidelines. Any additional branding changes or requests by HM Government will automatically be adopted by the Newark Towns Fund Board and will apply to all communication produced afterwards

Newark Towns Fund Board Brand

Each project is given the Newark Towns Fund Board branding guidance document which includes details for press and publicity and marketing and branding materials. This guidance adheres to the standards issued by the MHCLG.

Each project is contractually obliged to conform to the branding guidance.

This is followed up as part of the monitoring returns from each project, with projects required to provide details of forthcoming milestones linked to publicity opportunities to enable Newark Towns Fund Board to co-ordinate an appropriate marketing approach including engagement with MHCLG.

12 Engagement with Stakeholders

Newark Towns Fund Board is committed to effective engagement and collaboration with all its partners and stakeholders to effectively undertake its role as an advocate for its area and communicate key information relating to the Town Investment Projects

Examples of Newark Towns Fund Board's engagement activities include:

- Consultation of partners and stakeholders in the region for the Town Investment Projects
- Regular engagement with the local media on the Newark Towns Fund Board's work.
- Regular social media updates, website and video coverage of Town Investment Plan activity

The Chair and Co-Chair of the Newark Towns Fund Board regularly engage with local leaders, local Councillors, residents, and key business leaders.

Within Newark Towns Fund Board this engagement is being used to inform key decisions and future strategy development.

The Town Investment Plan, together with local economic development plans and capital programmes of Newark and Sherwood District Council provide the context, rationale and up to date evidence base for project and programme development.

Where there needs to be a change to the Town Investment Plan, this will be presented and agreed at Newark Town Fund Main Board before being communicated to the public. The decision will have been scrutinised appropriately by the Section 151 officer to ensure the change is fair and robust.

The Newark Towns Fund Board will remain in regular communication with MHCLG and the Towns Fund Delivery Partner and other towns who have received investment from the Towns Fund to ensure a collaborative approach to sharing ideas and support on any challenges.

13 Inclusion and Sustainability

The Newark Towns Fund Board looks to enable inclusivity and sustainability in to all its decision-making processes and strategic development. In order to be able to do this the Newark Towns Fund Board has a nominated inclusion representative and each Working Group must have at least one named inclusion representative at all times.

The Newark Towns Fund Board will consider how projects will improve the economic, social, and environmental well-being of the Newark-on-Trent area, how equality issues are considered, and how such improvements can be secured in the Town Investment Projects.

The Newark Towns Fund Board is committed to securing social value within the project designs.

All of the Newark Towns Fund Board strategies set out the inclusive ambitions and all decisions for capital funding must take into consideration the relevant charter which requires all projects to align their construction and development projects to a set of principles which create sustainable Economic, Environmental and Social impacts.

Each project as part of the Green Book Business Case should include details of how it meets the governments clean growth principles and Public Sector Equality Duty (PSED).

14 Town Investment Projects and Assurance Process

Town Investment Projects

In July 2020 the Newark Towns Fund Board submitted the Newark 'Town Investment Plan' which outlines thirty projects to span the next 30 years, including plans to regenerate the town centre, boost business and improve infrastructure. The government has announced that this plan has been accepted.

The priority projects identified to Newark are:

- **Lincoln College Group Construction College** – To provide additional courses in traditional trades (plumbing, bricklaying, joinery and stonemasonry), to over 600 new students over the next 5 years.
- **International Air and Space Training Institute** – To develop an International Air and Space Training Facility which blends education with practical experience.
- **YMCA Newark & Sherwood Community and Activity Village** – To redevelop 98.95 hectares of derelict space in the heart of Newark, with a mixture of physical and creative activities, education and health to ensure the village is a catalyst for broader social change/
- **Newark Cycle Town** – Deliver a new cycle scheme and facilities in partnership with Brompton Bike Hire.
- **Newark Castle Gatehouse** – To restore the structure of an iconic building to be used as a flexible facility for education, research and interpretation from our past and shared community space.
- **Former M&S Development** – The purchased M&S will be redeveloped, retaining a smaller, commercially attractive retail high street offer at ground floor and introducing a significant number of high-quality apartments at upper levels.
- **Newark Southern Link Road** – The completion of the Middlebeck Sustainable Urban Extension including the Newark Southern Link Road, connecting the A1 to the A46 is central to delivering the Council's Local Plan growth strategy/
- **Newark's Cultural Heart** – The project aims to build a cultural offer that will have a positive impact for the community of Newark. All who live, work and visit there, and build a sense of place for the town, balancing design with commercial reality.
- **Smart Innovation, Supply Chain & Logistics Enterprise Zone** – The creation of a new Smart Innovation, Supply Chain & Logistics Enterprise Zone, which will blend local skills, innovation and inspiration from the best examples of high-tech zones in Europe.
- **Police Station Relocation** – Project to relocate the town Police station to a Public Services Hub (expansion of Council offices).

Business Cases

Newark Towns Fund Executive Board are required to approve Business Cases for each project identified in the Town Investment Plan. It is the responsibility for each Project Lead to develop and submit the Business Cases for assessment.

The Business Case is a document setting out the case for investment used to justify the use of public spending and will set out the Case for Change, demonstrate that the investment is good value for money, affordable and deliverable. The Business Cases should be developed in accordance with the following government guidance documents; HM Treasury Green Book, HM Treasury Guide to developing a Business Case, Ministry of Housing, Communities and Local Government (MHCLG) Appraisal Guidance, DfT Transport Appraisal Guidance, DfT Appraisal and Modelling Strategy.

The Business Case Process will be delivered in three stages with each stage providing more detailed analysis to justify the investment until a project is procured and delivered. The stages are the Town 'Strategic Outline Business Case' (SOBC), which in this case is the Towns Investment Plan (TIP) and is therefore complete, 'Outline Business Case' (OBC), and 'Full Business Case' (FBC).

In the case of NSDC the Towns Investment Plan is the Strategic Outline Business Case and is therefore complete.

A checklist is included in Appendix 3 which details the project milestones required for projects to progress through the Outline and Full Business Cases and includes the process for approval.

The Newark Towns Fund Executive Board and the Accountable Body will carry out an assessment of the Outline Business Case in line with the MHCLG guidance and report back to the Project Lead with confirmation on whether the project can progress to Full Business Case or whether there are any further requirements. Once the Outline Business Case is approved by the Newark Towns Fund Executive Board and the Accountable Body then the Executive Board will inform the Main Board of the approval and allow the Project Lead to progress the Full Business Case.

In circumstances, where a project has already been significantly progressed, the Project Lead may make a request to the Towns Fund Executive Board, that the Project is fast tracked straight to a Full Business Case. Full details on the project and reasoning behind the request must be presented to the Executive Board by the Project Lead in order for a decision to be made.

The Business Cases should be structured on 5 key dimensions, as referred to in the HM Treasury Green Book and referred to as the '5 Case ?'.

The Strategic Case should cover;

- Baseline analysis of the study area identifying key challenges to be addressed
- Review of relevant local, regional and national strategic policies
- Develop and agree a clear vision and objectives with stakeholders
- Analyse the need for intervention
- Project prioritisation to identify option for investment
- Develop a clear theory of change for the investment
- Assess how the investment fits in with other investments including consideration of dependencies.

The Economic Case should cover:

- Identify key benefits based on the theory of change
- Identify ways of modelling and monetarising benefits based on departmental guidance and considering the risk of double counting
- Determine costs, setting out clearly what they include and apply relevant adjustment factors
- Value for money assessment over the appraisal period including sensitivity tests
- Consideration of non-monetary benefits including social value.

The Financial Case should cover;

- Identify project costs including capital and operating costs and risks over time
- Ensure funding and financing are both covered
- Assess funding sources, project cash flows over time and the funding ask in a financial model

- Assess overall affordability of schemes
- Consider wider financial implications such as balance sheet treatment and tax issues
- Provide information on due diligence that has been undertaken to ensure the project costs are robust and sensitivity testing to understand a range of possible outcomes.

The Commercial Case should cover;

- Identify who the scheme/promoter is.
- Develop the procurement strategy
- Set the commercial strategy and set out contract arrangements including implications
- Consider social value in procurement
- Demonstrate market testing or other evidence that there is a market to deliver the project
- Determine the allocation of risks

The Management Case should cover;

- Identify governance including roles and responsibilities
- Develop a programme for investment with key milestones and decision points clearly identified
- Develop a stakeholder engagement and communications strategy
- Assess project risks and dependencies
- Develop a benefit realisation plan and monitoring & evaluation strategy

A Business Case must be developed for each of the selected projects in line with the conditions set in the Heads of Terms document. If a project consists of a package of smaller interventions these can be grouped into one Business Case as long as the strategic case is put forward demonstrating how the separate interventions link together to deliver a coherent vision. The value for money assessment must cover the project as a whole but each intervention must be costed in the financial case.

A Public Sector Equality Duty (PSED) should be fulfilled through a programme-level impact assessment; a relevant project-level impact assessment should also be undertaken. The Supplier assigned to develop the Business Case should work with the Accountable Body to produce a Summary Document for submission to MHCLG within 12 months of signing the Heads of Terms document. Environmental Impact Assessments should also be undertaken when required.

Green Book compliant Business Cases should be developed for each project. Business Cases should include:

- The evidence for the intervention using rigorous analysis of quality data and the application of best practice.
- An assessment of value for money. Attention should be given to how different types of projects will be compared and assessed. Typically, this would include the following considerations at a level proportionate to the scale of funding required for the proposal:
 - A clear economic rationale that justifies the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives
 - Clearly defined inputs, activities, outputs and anticipated outcomes, ensuring that factors such as displacement and deadweight have been considered
 - Benefits that exceed the costs of intervention using appropriate value for money metrics
 - Appropriate consideration of deliverability and risk along with appropriate mitigating action (the costs of which must be clearly understood).

Recognising the diversity of market conditions and the acute nature of the Covid-19 impact in some localities, no minimum value for money threshold is set for Towns Fund projects. However, to follow best practice, all Business Cases must contain robust value for money assessments. If value for money values are low, then additional justification should be provided. A variety of measures can be used to summarise value for money, this includes estimates for:

- Net Present Social Value - defined as the present value of benefits less the present value of costs. It provides a measure of the overall impact of an option.
- Benefit-Cost Ratios - defined as the ratio of the present value of benefits to the present value of costs. It provides a measure of the benefits relative to costs

Net present social value and benefit-cost ratios should not be treated as a full representation of value for money. Rather, they should be used to summarise the benefits and costs that can be readily monetised or quantified. There may be wider strategic or social value to an intervention which may not be easily assimilated into calculations.

Business Cases should address, in a proportionate manner, the five cases set out in the HM Treasury Green Book. The Green Book has recently been updated to ensure the methodology supports the delivery of Government's levelling up ambitions and other policy priorities. These updates include a much stronger emphasis on the strategic case backed up by rigorous theory of change analysis, and renewed clarity on what constitutes value for money.

Business Cases should be developed to meet the assurance requirements of the Accountable Body. In addition to the Green Book, other appraisal guidance should be followed for specific thematic interventions where available.

All Full Business Cases must be signed off by the Newark Town Fund Executive Board to be considered a complete and final document. A Summary Document of the Full Business Case must be produced for each project. This should be submitted to MHCLG within 12 months of signing the Heads of Terms for the Town Investment Plan in order for funds to be released, save for any revenue or capitalised funding received in advance.

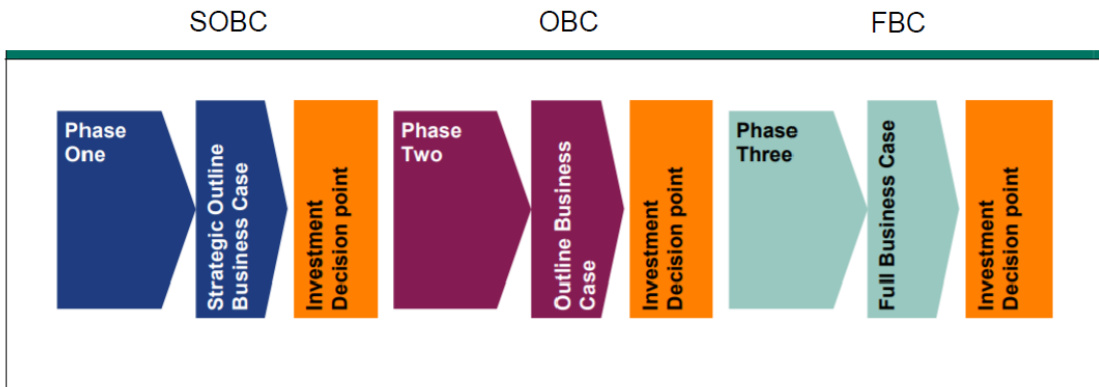
It may be permitted by MHCLG that all or a proportion of project funding can be released at an earlier date (fast tracked) before a Full Business Case has been developed where there is a clear case for funding being needed to enable/support project progression. Release of funding will be conditional on the submission of Summary Documents, appropriate monitoring & evaluation agreements made between NTB and the project lead and completed within 12 months of the Heads of Terms Agreement. Therefore Full Business Case's will still need to be worked up for all projects. Should the project not progress during the development of FBC the accountable body may seek to claw back funds from a project lead organisation.

It is possible that some projects may have to submit 'Conditional Business Cases' for Board approval at the 12 month stage. Conditional Business Cases may be necessary where progress is dependent on procedures and permissions beyond the control of the project sponsors (e.g. the granting of full planning permission or other third party processes). In these cases, the qualification must be clearly stated, and an appropriate risk analysis included.

The Assurance Process

Independent Assurers will be appointed to assure, appraise and evaluate business cases submitted to ensure they comply with the following:

- They have been developed as per the sequence below or have agreed the fast track approach stated:



- They adhere to the guidance provided by Government and meet the 5 case model
- They have been developed and completed as per the information set out in the specification document

Upon submission of the Full Business Cases, the appointed Assurer will be required to evaluate the documents in line with the required structures and methodologies set out in the Green Book to ensure compliance with the Town Board requirements and governance needs.

The appointed Assurer is expected to meet the deadlines outlined and led by Newark & Sherwood District Council and show commitment and integrity in delivering to a fast pace, changeable agenda.

Any changes to deadlines and timescales must be agreed with and approved in writing by the Authorities representative.

Following completion of the assurance process, the appointed Assurer shall send their feedback to the Newark Town Board for review and sign off.

All Full Business Cases must be signed off by the Newark Town Fund Executive Board to be considered a complete and final document.

Where there is a change in personnel within the team developing the Business Case, this must be managed by the appointed Assurer in a reasonable manner to ensure that the service is not affected.

All information included in the Business Case(s) should be kept private and confidential by the appointed Assurer and must not be shared with third parties, unless agreed with Newark & Sherwood District Council as the Accountable Body.

15 Value for Money

The Newark Towns Fund Board and the Accountable Body will need to assure themselves that projects are deliverable and represent good value for money. It is the promoter's responsibility to provide sufficient independent evidence that the project delivers the required value for money score in line with HM Treasury Green Book principles. The Newark Towns Fund Board and the Accountable Body will use appropriate external consultants working on the Business Case development to consider the VFM and make recommendations to the Newark Towns Fund Executive and Main Board.

The evidence and information provided will vary from project to project due to the nature and priorities of the project.

The Newark Towns Fund Board will be responsible for ensuring value for money for all Town Investment Projects. The consultants secured for developing the business cases will include this assessment within the business case development, which will be scrutinised by the independent assurer. All business cases will be signed off by the Accountable Body and the Newark Towns Fund Board.

16 Risk

A risk register is maintained of all projects and this is updated on a regular basis and shared with the Newark Towns Fund Executive Board. The risks of each project are rated using a scoring matrix based on likelihood and impact that each risk presents. A set of mitigations is also included.

Based on the risk register and as part of the programme overview report, high risks within projects are highlighted to the Newark Towns Fund Executive Board by the project leads and mitigations are set out.

Where a project as a whole is seen as High Risk the Newark Towns Fund Executive Board will seek a full risk report including how the risks will be mitigated. If the Executive Board are not satisfied with the response they will seek a decision from the Newark Towns Fund Main Board to remove the project from the programme.

In the event that a project has, in the opinion of the Newark Towns Fund Executive Board, significantly changed (by 25% or more) from what was originally proposed (i.e.: spend profile, outputs and outcomes, or delivery) the Newark Towns Fund Executive Board will write to the project lead requesting a written response detailing why the project has changed.

Following receipt of the response the Newark Towns Fund Executive Board may decide to proceed with the amended project, may request that the project revert back to what was originally approved, release only part of the funding or delete the project from the programme.

The Newark Towns Fund Executive Board will be provided with monthly performance reports by the project lead. If it is reported that a project is delayed (commencement / completion / outputs / outcomes) by 3 months or more then the project will be reported as a High-Risk project. In this instance the Newark Towns Fund Executive Board will write to the project lead requesting a written response detailing why the project was delayed.

If the Newark Towns Fund Executive Board are not satisfied with the response, they can invite the project lead to present additional information, including at the Executive Board meeting. If the Executive Board remain dissatisfied, then they can request to the Newark Towns Fund Main Board to remove the project from the programme.

17 Monitoring and Evaluation

The Newark Towns Fund Board will manage the strategic programme and the Newark Towns Fund Executive Board will seek monthly updates from Project Leads on progress for each project.

Programme management will be through the monitoring process, the terms of this will be defined in each project's grant offer agreement and will be in line with the Monitoring and Evaluation Framework as set out by MHCLG.

Monitoring and Evaluation within the Newark Towns Fund Board

The Newark Towns Fund Board will be required to monitor the Town Investment Projects according to the milestones and outputs in the business case. This will be set out in the grant offer agreements.

The principles of programme management will be for Newark Towns Fund Executive Board to manage the key programme risks, through proactive engagement with the project leads and developing a system of regular reporting. A programme overview including high risk projects will be presented at every Newark Towns Fund Executive Board meeting.

Newark Towns Fund Board has the right, in conjunction with the Accountable Body, to withhold funding if the project delivery expectations, aligned to business cases, defined at inception are not met within the agreed funding period.

Projects will be required to submit either monthly or quarterly monitoring reports (financial, output and narrative) explaining their progress to spend and delivery targets and noting specific changes to the project and challenges in delivery. The Project Lead will check monitoring reports are correct prior to submitting an approved return and that records are retained for the duration of the reporting period. Spot checks for verification purposes will be undertaken by the Accountable Body.

A variance of 25% or more on grant profile and delivery targets will trigger a review by Newark Towns Fund Executive Board, who will request a written response detailing why the project has changed from the project lead.

Newark Towns Fund Main Board and Newark and Sherwood District Council, as Accountable Body, reserves the right to recover or withhold all or part of the funding supplied for a project in these circumstances:

- The project is not delivered within agreed dates
- The project delivered differs from that specified
- The outcomes demonstrated through post-delivery evaluation fall short of those on which the value for money assessment and business case were based
- The outputs identified in the Business Case are not delivered.

Monitoring reports will be summarised for consideration at the Newark Towns Fund Main Board meetings, using a RAG rating system. In line with good practice and to support effective and robust decision making, monitoring reports to the Newark Towns Fund Main Board will typically summarise good progress and areas of good practice. The report will also highlight risks to the delivery of the programme.

If the Newark Towns Fund Executive Board considers it appropriate, project leads will be invited to the Newark Towns Fund Main Board meeting to explain the slippage. The Newark Towns

Fund Executive Board will take local circumstances into account in taking decisions over whether funding should be withheld or recovered.

All projects will be subject to a post-project evaluation completion report; this will ensure Newark Towns Fund Board follows best practice using recognised project and programme management techniques to ensure sound decisions have been made.

Each projects monitoring reports will be defined by the outputs, outcomes, and interrelationships to the wider programme.

Furthermore, an annual monitoring report for all projects will be required to ensure overall progress on the Town Investment Plan.

Monitoring and Evaluation Reporting to MHCLG

A condition of receiving Towns Fund funding will be providing regular feedback to MHCLG on progress of the Town Investment projects, to allow for monitoring and evaluation.

At least every six months (or more regularly, if agreed with the Towns Hub) Newark and Sherwood District Council will be required to provide MHCLG with a comprehensive set of data relating to each Town Investment Project, including both total and forecast spend, and output metrics. These returns will be scrutinised and signed off by the Accountable Body's Section 151 Officer.

The specific data requirements are set out in the Monitoring and Evaluation Framework.

The Towns Hub will also conduct an annual review, assessing progress, understanding issues and agreeing any actions to be taken forward by each town. Continued funding is linked to the effective delivery of the deal.

Appendix 1 Newark Towns Fund Board Terms of Reference

Last Reviewed April 2021

1 STATEMENT OF PURPOSE

1.1 The Newark Towns Fund Board is the vehicle through which the vision and strategy for the town is defined. In July 2020, the Newark Towns Fund Board submitted a Town Investment Plan, which was approved in March 2021 by the Ministry of Housing, Communities and Local Government for £25m of Towns Fund investment.

1.2 The primary role of the Newark Towns Fund Board is to provide strong, transparent and visible leadership for Newark, challenging partners to increase their ambition of what can be achieved collectively and acting as advocates for the town.

1.3 The Board will seek to maximise the opportunities for growth through the Town Investment Plan; overseeing the vision for the town and the development of the projects, focusing on its assets, opportunities and challenges.

2 MEMBERSHIP AND VOTING RIGHTS

2.1 The Newark Towns Fund Board comprises c.40 private and public businesses and bodies and is the vehicle through which the vision and strategy for the town is defined. The Newark Towns Fund Board comprises of the following representatives:

2.2 **Chair and Co-Chair** - The posts will lead and facilitate the Board providing strategic direction. Each role will be independent in its own right and at least one role will be held by a private sector representative. To enable the Board to proceed at least one of the two Chairs must be in attendance at the Main Board meetings and the Executive Board meetings. The Chair and Co-Chair will be voted in on an annual basis.

2.3 **Board Members** - Representatives from the public and private sector including local business, Higher Education, Further Education, community voluntary services, emergency services, media and the District Council. Board Membership will be reviewed annually. Any decision made by the Chair must be formally ratified by the rest of the Board Members. There may be one vote per organisation.

2.4 **Substitute Board Members** - Substitute members from organisations will be entitled to attend Board meetings and vote when a Board Member is not available. Substitute members are required to follow the governance process.

2.5 **Advisors** - Advisors are invited by Board Members and participate in the meetings but have no voting rights or ability to make decisions on behalf of the Board.

2.6 **S151 Officer** – Newark and Sherwood District Council is the Accountable Body for the Town Board. The Council's S151 Officer will ensure compliance with all necessary financial regulations.

3 BOARD REPRESENTATIVES

3.1 Board Members

Name	Company	Email
Alan Mellor	Newark Town Council	alan.mellor@newark.gov.uk
Andrew Fox	Timico	andrew.fox@timico.co.uk
Ben Sumner	University of Nottingham	ben.sumner@nottingham.ac.uk
Craig Berens	YMCA	Craig.berens@nottsymca.org
Darren Burke	Masdings of Newark	darren@masdings.com
Darren Scott	National Careers Service	darren.scott@futuresforyou.com
David Lloyd – Joint Chairman	NSDC	David.Lloyd@newark-sherwooddc.gov.uk
Fiona Anderson	Nottingham Trent University	fiona.anderson02@ntu.ac.uk
Gary Headland	Lincoln College Group	gheadland@lincolncollege.ac.uk
Henry Price	Abbott & Co (Newark) Ltd	henry@air-receivers.co.uk
Ian Dagley	Hoval	ian.dagley@hoval.co.uk
Jackie Insley	Newark and Sherwood Citizens Advice Bureau	jackieinsley@sn-ca.org.uk
Johanne Thomas	Urban and Civic	johanne.thomas@urbanandcivic.com
John Coles	Evenbrook	john.c@evenbrook.co.uk
Kevin Guthrie	Newark Business Club	k.guthrie@guthrietherapy.com
Linny Beaumont	Canal and River Trust	Linny.Beaumont@canalrivertrust.org.uk
Jerry Hague	Newark and Sherwood Community and Voluntary Services	JerryHague@nandscvs.org
Matt Colbourne	East Midlands Digital Media	matt@eastmidlandsdigitalmedia.co.uk
Matthew Ellis-Mather	Ellis Mather Group	mellis@magnetexpert.com
Mick Baker	Farndon Parish Council	mickbaker038@btinternet.com
Nikki Burley	Newark Emmaus Trust	nikki@newarkemmaustrust.co.uk
Paul Holmes	Wirtgen Group	paul.holmes@wirtgen-group.com
Richard Gelsthorpe	Pratt & Gelsthorpe	richard.gelsthorpe@peugeotmail.co.uk
Ronnie White	Balderton Parish Council	Ronnie.White@newark-sherwooddc.gov.uk
Steff Wright	Gusto UK	steffwright@gusto-uk.com
Timothy Calvert	Dixons	timothy.calvert@dixonscarphone.com
Tom Cartledge – Joint Chairman	Benoy Ltd	tom.cartledge@handley-house.com
Tony Aspbury	Newark and Nottinghamshire Agricultural Society	tony@aspburyplanning.co.uk

3.2 Substitute Board Members

Name	Company	Email
Alan Leather	Canal and River Trust	

David Jones	Timico	david.jones@timico.co.uk
Jayne Saunders	Farndon Parish Council	clerk.farndon.pc@btconnect.com
Jo Bradley	Wirtgen Group	jo.bradley@nottsymca.org
Keith Girling	NSDC	Keith.Girling@newark-sherwooddc.gov.uk
Michael Durban	University of Nottingham	michael.durban@nottingham.ac.uk
Richard Coppell	Urban and Civic	richard.coppell@urbanandcivic.com
Ross Halley	Hoval	Ross.halley@hoval.com
Simon Shaw	Newark Business Club	simon.shaw@duntop.co.uk
Stuart Ellis-Mather	Ellis Mather Group	smather@magnetexpert.com
Tom Marsden	Lincoln College Group	tmarsden@lincolncollege.ac.uk

3.3 Advisors

Name	Company	Email
Andrew Ruff	Network Rail	andrew.ruff@networkrail.co.uk
Clive Fletcher	Historic England	clive.Fletcher@HistoricEngland.org.uk
David Wright	BEIS	david.wright@beis.gov.uk
Frank Horsley	D2N2 Local Enterprise Partnership	frank.horsley@d2n2lep.org
Jane Hutchinson	NSDC	Jane.Hutchinson@newark-sherwooddc.gov.uk
John Latham	University of Lincoln	jlatham@lincoln.ac.uk
John Robinson	NSDC	John.Robinson@newark-sherwooddc.gov.uk
Karen McCarthy	Benoy Ltd	Karen.McCarthy@handley-house.com
Karl Tupling	Homes England	karl.tupling@homesengland.gov.uk
Kerry Jackson	Department for Work and Pensions	kerry.jackson@dwp.gov.uk
Lesley Owen-Jones	National Heritage Lottery Fund	lesley.owen-jones@heritagefund.org.uk
Matt Hall	Department for Work and Pensions	matthew.hall1@dwp.gov.uk
Matt Lamb	NSDC	Matt.Lamb@newark-sherwooddc.gov.uk
Neil Cuttell	NSDC	Neil.Cuttell@newark-sherwooddc.gov.uk
	Nottinghamshire County Council	
Paul Gascoine	Homes England	paul.gascoine@homesengland.gov.uk
Robert Churchill	NSDC	robert.churchill@newark-sherwooddc.gov.uk
Sarah V Forgione	NSDC	Sarah.Forgione@newark-sherwooddc.gov.uk
Sandhya Ward	Homes England	sandhya.ward@homesengland.gov.uk
Sanjiv Kohli	NSDC	Sanjiv.Kohli@newark-sherwooddc.gov.uk
Simon Witts	Aviation 360	simon.witts@aviation360.co.uk
Tim Brown	Department for Work and Pensions	tim.c.brown@dwp.gov.uk

4 TERMS OF REFERENCE

4.1 The key functions of the Newark Towns Fund Board are to:

- i. Provide leadership and accountability for the Town Investment Plan; defining vision, shared priorities and set challenges.
- ii. Oversee development of a programme of interventions and individual business cases in a transparent, robust and ordered way to negotiate a Town Deal with the Government
- iii. Maximise visibility and promote the priorities of Newark at local, regionally, national and international levels and develop a voice for Newark with the Government
- iv. Challenge partners to increase their ambition of what can be achieved collectively, acting as advocates for the town
- v. Make decisions in terms of the Town Investment Plan and Town Deal, however Newark and Sherwood District Council as the Accountable Body will need to give approval through its own decision-making processes
- vi. Engage stakeholders through consultation programmes in the development and delivery of programmes and projects.
- vii. Ensure equality and diversity is represented on the Board to reflect the local community diversity.

5 CONDUCT

5.1 The Newark Towns Fund Board will be based on collaboration and business will be conducted in the spirit of partnership working and abide by Nolan principles. All Board Members are required to sign up to the Code of Conduct set out at Annex 1 below. All decisions will be made in accordance with the following principles:

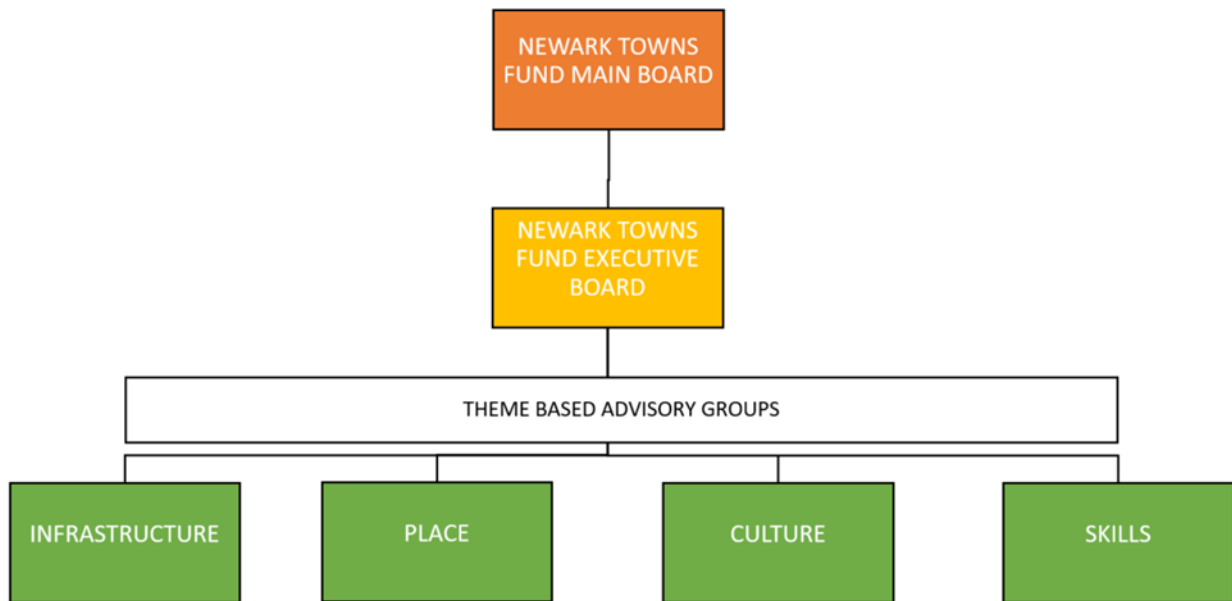
- Due consultation will be carried out where appropriate (including taking relevant professional advice from officers);
- There will be a presumption in favour of open and transparent decision making;
- There will be a clarity of aims and desired outcomes;
- All decisions will be taken as members of the Newark Town Board and not on behalf of specific organisations or areas.

5.2 Members and Substitute Members of the Newark Towns Fund Board are required to declare any interests, gifts or hospitality which they have or receive which could influence any decisions they may make as board members.

5.3 Where a Members declares an interest they will be required to leave the meeting during discussion and voting on the item, in the same circumstances that a Member of Newark & Sherwood District Council would be required to leave a meeting.

6 STRUCTURE

6.1 The structure of the Newark Towns Fund Board is as follows:



6.2 The Newark Towns Fund Main Board is made up of the Board Members and Substitute Members as detailed in Board Representatives. The Main Board is to meet once every 6 months and its purpose is to oversee strategic decisions.

6.3 The Newark Towns Fund Executive Board is made up of a maximum of eight Board Members of which at least one is from Newark and Sherwood District Council, and at least four are from the private sector. The Executive Board representatives are approved annually by the Main Board and includes one of the Co-Chairs. The purpose of the Executive Board is to drive operational and delivery decisions as delegated by the Main Board. Advisors can be invited into Executive Board meetings and decision making.

6.4 Theme Based Working Groups are made up of individual themed project groups. These groups are formulated and meet as required. The purpose of these groups are to deliver the projects identified in the Town Investment Plan and report any additional initiatives to the Executive Board.

7 MEETINGS

7.1 Newark Towns Fund Main Board

- The Board will meet on a bi-annual basis
- Meetings will include detailed discussions of matters that are of strategic importance
- Meetings will be quorate when 10 members are in attendance
- Agenda for meetings will be published on the NSDC website in advance of the meeting (allowing 5 clear working days)
- Final minutes once approved by the Board will be published on the NSDC website within 10 clear working days of the meeting
- All declarations of interest will be included in the published minutes

7.2 Newark Towns Fund Executive Board

- The Board will meet on a monthly basis
- Meetings will include detailed discussions of matters that are of operational and delivery importance
- Meetings will be quorate when 4 members are in attendance
- Agenda for meetings will be published on the NSDC website in advance of the meeting (allowing 5 clear working days)
- Final minutes once approved by the Board will be published on the NSDC website within 10 clear working days of the meeting
- All declarations of interest will be included in the published minutes

8 ACCOUNTABLE BODY

8.1 Newark and Sherwood District Council is the Accountable Body for the Town Board. The Council's S151 Officer will ensure compliance with all necessary financial regulations.

8.2 The Board Terms of Reference will be reviewed and updated annually in March each year. This is in order to review the structure of the Board as the Newark Towns Fund Board moves into the next phases of development.

ANNEX 1

Newark Town Deal Boards - Code of Conduct

As per the Towns Fund Prospectus, the Government expect that Town Deal Boards align with governance and policies of the Lead Council (Newark and Sherwood District Council). This includes whistle blowing, conflicts of interest and complaints.

Newark and Sherwood District Council expects employees and its members to adhere to the Nolan Principles of public life. Therefore, members of the Newark Towns Board, Executive Committee and Sub Boards ('The Boards') are expected to adhere to those same principles of:

1. Selflessness
2. Integrity
3. Objectivity
4. Accountability
5. Openness
6. Honesty
7. Leadership

Although the Government expects that 'The Boards' Code of Conduct must align with that of the Lead Council, there may be elements of the Lead Council's Code of Conduct that are not applicable to board members, in relation to the Newark Town board and its function.

For example, members of 'The Boards' may not necessarily be employed by the Lead Council, therefore elements from the Lead Council's Code of Conduct relating to agreed pay would not apply, as membership of the board is not a paid role. A further example would be that there is no leave allowance associated with board membership, therefore the Lead Council's leave policy would also not apply.

Members of the Newark Town Board are required to declare any interests, gifts or hospitality which they have or receive which could influence any decisions they may make as Board members.

Members of 'The Boards' are expected adhere to the latest version of the agreed 'Communications and Engagement Statement'.

If a complaint is received by 'The Boards', the matter will be referred to the Lead Council and dealt with under the Lead Council's complaints policy.

Copies of the Lead Council's applicable policies, within its own Code of Conduct can be obtained via the website www.newark-sherwooddc.gov.uk/

Failure to adhere to the Newark Town Deal Board Code of Conduct could result in removal from the Board.

Signed:

Date:

Name:

Organisation:

Appendix 2 Register of Interest

Board Member Register of Interest

To be completed by all Board Members

This Register of Interest will be published and made public on Newark and Sherwood District Council's Town Board website

BOARD MEMBER	
Full Name	
DESCRIPTION	DETAILS
Any body of which the Board Member is a director or officer of:	
Any firm of which the Board Member is a partner:	
Any firm or organisation of which the Board Member is an employee:	
Any public body of which the Board Member is an official or elected shareholder:	
Any company whose shares are publicly quoted in which the Board Member owns or controls more than 2% of the shares:	
Any company whose shares are not publicly quoted in which the Board Member owns or controls more than 10% of the shares:	
Any property owned by the Company or any shareholder in which the Board Member has an interest or which the Board Member occupies:	
Any other interest which is significant or material including any direct or indirect financial interest which may influence the Board Member's judgement on matters being considered or to be considered by the Board:	

Appendix 3 Checklist

Outline Business Case

If required, an Outline Business Case must demonstrate the following:

1. Land required to deliver the Project is demonstrably secured or there is a process to bring all the land required under the control of the Project Lead(s), including any letters of intent with relevant landowner(s).
2. Any other sources of funding, other than Towns funding, required to deliver the project have been identified and evidenced.
3. Confirmation that the project remains in accordance with the Newark Town Investment Plan with respect to overall grant and match contribution'
4. Outputs, timings and objectives for the project, which are in accordance with the Newark Town Investment Plan (July 2020) have been identified.
5. The project has a detailed risk register which includes:
 - a. The Project Lead responsible for the project
 - b. Scored risks
 - c. Mitigations to address the risk
 - d. A new score taking mitigations into account
6. Confirmation that the project is Subsidy Control compliant.

If a project has not reached these milestones but the Project Lead wishes for the Business Case to be progressed, then it must be agreed with the Executive Board.

The Newark Towns Fund Executive Board and the Accountable Body will carry out an assessment of the Outline Business Case in line with the MHCLG guidance and report back to the Project Lead with confirmation on whether the project can progress to Full Business Case or whether there are any further requirements. Once the Outline Business Case is approved by the Newark Towns Fund Executive Board and the Accountable Body then the Executive Board will inform the Main Board of the approval and allow the Project Lead to progress the Full Business Case.

In some circumstances, where the project has already been significantly progressed, the Project Lead may make a request to the Towns Fund Executive Board that the project is fast tracked straight to a Full Business Case. Full details on the project and reasoning behind the request must be presented to the Executive Board by the Project Lead in order for a decision to be made.

Full Business Case

Any Full Business Case submitted by the Project Lead(s) must demonstrate the following :

1. Where an OBC has been approved, all milestones from the Outline Business Case have been met or are sufficiently developed.
2. Confirmation of planning permission (or that the development constitutes permitted development) or confirmation that a planning application has been submitted to the local planning authority.
3. A project plan is provided for procurement of a contractor/ developer / Management Company has completed.
4. Confirmation from the Project Lead in writing that the project will be completed in line

- with the Full Business Case, including a letter confirming the financial details from their Financial Director, or equivalent.
5. Confirmation that all funding is or will be in place with details of the sources of funding included in the Full Business Case.
 6. Confirmation that all landownership is already secured and/or legal agreements are prepared and agreed in principle for execution.
 7. The project has a detailed programme and phasing plan which identifies the start and completion elements of the project along with costs associated with each phase and outputs / outcomes that will be delivered on a quarterly basis.
 8. The project has a detailed risk register which includes:
 - a. The Project Lead responsible for the project
 - b. Scored risks
 - c. Mitigations to address the risk
 - d. A new score taking mitigations into account
 9. Confirmation that the project is Subsidy Control compliant.

The Project Leads are required to address all the points above in order to progress the Business Cases. Failure to supply this information to the Newark Towns Fund Executive Board as requested may delay approvals and recommendations to the Newark Towns Fund Main Board.

It is possible that some projects may have to submit 'Conditional Business Cases' for Board approval at the 12 month stage. Conditional Business Cases may be necessary where progress is dependent on procedures and permissions beyond the control of the project sponsors (e.g. the granting of full planning permission or other third party processes). In these cases, the qualification must be clearly stated, and an appropriate risk analysis included.

Progression of Business Cases

The Newark Towns Fund Executive Board and Accountable Body will progress the Business Cases as follows:

1. The appointed Assurer will review the business cases alongside the Accountable Body
2. The Assurer and Accountable Body will feedback any concerns / shortfalls and request additional information if required
3. Once the Business Case has been approved by the Assurer and the Accountable Body, the Accountable Body will report to the Executive Board with a recommendation on whether the Business Case can be approved, including any conditions which may be set.
4. Project Leads must be available, if invited, to attend the Executive Board and present their Business case.
5. The Executive Board will approve, reject or request additional information.
6. Following approval from the Executive Board, the Summary Document must be developed and submitted to MHCLG to release funding.
7. The Accountable Body will issue a grant offer agreement detailing the conditions of the funding and the timing of payments.
8. The Accountable Body and the Newark Towns Fund Executive Board will monitor the project as set out in the Monitoring and Evaluation Section.
9. Recovery of funds may be required when a project is not fully delivered in line with the Full Business Case.

Privacy Notice
How We Will Use Your Data

The personal information you provide will only be used by Newark and Sherwood District Council, the Data Controller, in accordance with UK Data Protection Act 2018 to undertake a statutory function. The basis for processing this information is to enable the council to undertake a public task.

Some of your personal information will be included in a public register in accordance with our statutory responsibility and this will be published on the council's website.

Your personal data will be kept in accordance with the Council's retention policy and schedule.

For further details about how your information may be used or about your rights under this legislation and any subsequent data protection legislation please read our full privacy notice on our website: <https://www.newark-sherwooddc.gov.uk/yourcouncil/privacy/> or contact the Council's Information Governance Officer on 01636 655216 or via email on freedom@nsdc.info

POLICY & FINANCE COMMITTEE

24 JUNE 2021

SEVEN HILLS REGENERATION PROJECT UPDATE

1.0 Purpose of Report

- 1.1 This report is to provide the Policy & Finance Committee with a project update including information in relation to the procurement exercise to secure a developer to regenerate the Council's temporary accommodation facility at Seven Hills.
- 1.2 The report also requests that the Committee approve the recommendation, (supported by SLT) to increase the existing approved budget by a further £350,000 to ensure sufficient funds are in place to deliver the proposed project to the satisfaction of the Council.

2.0 Background Information

- 2.1 In a report to Homes & Communities Committee (HCC) on 11 March 2018 the Committee were asked to consider the possible options for the Seven Hills site as it has previously been identified as a strategic site for planning. In addition, the temporary accommodation provision was no longer considered to be fit for purpose.
- 2.2 Further to that report and others that have been to both HCC meetings and SLT since, it was identified that the redevelopment of the site including the re-provision of replacement temporary accommodation would make the best use of this site and consequently the appropriate capital funding, to the value of £3m has been set aside to bring this to fruition.
- 2.3 Subsequent to having the funding agreed there have been several exercises undertaken to create plans for the replacement temporary accommodation and the best type of construction to use. These exercises have on occasion caused delays and debate with reports presented to SLT and HCC over the period.
- 2.4 The initial market testing did not bring forward the level of response or innovation hoped for and so in 2019/20 the scheme support changed and market testing recommenced.
- 2.5 With support from Asset colleagues, Welland Procurement and WPT this latest exercise led to six potential organisations expressing an interest in our project. The procurement process identified is that there were a number of factors from that original agreed capital spend that had not been considered.

3.0 Proposals

- 3.1 As you will see from the attached **Appendix A**, the site evaluations, inspections, general costs and build costs can all be achieved from within the existing £3m capital budget. It should also be noted that appropriate planning approval has also now been received.
- 3.2 However, what is also evident in Appendix A break-down of costs is that in achieving the build, to this point, leaves no spare monies for general site/construction contingencies and no funds for fitting out any of the accommodation, facilities or office space once built.

- 3.3 The development of our tenancy support service has given us a much stronger understanding of our customers' needs and the reliance they have on support when they first arrive. It is for this reason that we are still wanting to provide a 'community hub' where our own support team and any other relevant agencies can deliver the necessary skills, knowledge and support to residents. Keeping things like laundry and kitchen facilities are key elements to creating and assisting residents in sustaining 'homes'. We would like to increase the digital support offer available to residents and hub users with the installation of pcs/tablets to support with children's school work, and parents digital commitments and development. It is hoped in time that this facility can be opened up to the wider community and contribute to supporting service delivery in other areas of the Council in the form of educational, tenancy sustainment and activities aimed at reducing the digital divide.
- 3.4 Learning from our existing accommodation provision there has been much debate about whether or not to furnish any or all of the accommodation units once built. There are pros and cons to both of these and the current operational team agree that in the accommodation that will be over two storeys we consider including minimal furniture such as beds in these upstairs rooms, not least to prevent staff from having to carry them.
- 3.5 In addition to items such as beds we currently provide fridges and cookers, it is difficult to know exactly at this time what our kitchens will look like in the replacement accommodation however the project team again agree that these two items are key provisions for all of the units.
- 3.6 The operational group has also been working hard on identifying an alternative accommodation solution that will have the least impact on service users, staff and the general public whilst this scheme is being built out. It is our intention in the first instance to maximise the use of Wellow Green but it is acknowledged that for some, this placement will be completely impractical.
- 3.7 It has therefore also been agreed that we will use any and all of our empty homes across the district. If having exhausted both of these measures there could be an increased use of B&B, however we are aware this could create knock on delays for those on the waiting list and could in itself increase homelessness approaches as a result.
- 3.8 Other considerations are also still being worked out such as location of staff during the demolition and rebuild phases that makes them accessible to those we have placed in order to maintain our support and undertake their daily tasks. In addition, where we will store essential items such as our basic household set up (pots, pans, plates etc.) when applicants arrive with nothing. We have strengthened our agreement with the furniture project but again they can only provide what they have and this comes at a cost.
- 3.9 It is evident that there are a number of factors to consider that would not have been obvious from the onset of this project. Therefore, it is proposed that the final budget be increase by a further £350,000 to cover the additional build and site contingencies at £300,000 and allows for £50,000 (Appendix A) to be used for alternative temporary accommodation provision and B&B contingencies to facilitate project delivery. When it comes to alternative temporary accommodation and storage we will wherever possible be seeking services free of charge or with minimal associated costs.

4.0 Equalities Implications

- 4.1 The Council has for the last three years considered this accommodation to be unsuitable. It has had several attempts previously at improving the accommodation standards but ultimately the client group, some of our most vulnerable and at risk individuals and families are still living in unsatisfactory circumstances.
- 4.2 Investment in this new build will provide excellent modern facilities that will provide a safe place and springboard for residents, together with a highly efficient building with lower running costs.

5.0 Digital Implications

- 5.1 The digital implications for this project are two-fold, the first will be when staff initially pull out of the site and relocate. Support will be required by ICT colleagues to work up solutions to enable the staff to continue working, remotely from another location (once identified).
- 5.2 In addition to that there will be the support required from ICT when the build is taking place/nearing completion to ensure that there is sufficient internet connection, line speed and any equipment identified as appropriate for the Hub.
- 5.3 Knowing that support from ICT will be key to delivering several elements of this project, at the beginning of the year the scheme was added to the programme of upcoming works so ICT are able to support the project as required.

6.0 Financial Implications (FIN21-22/8232)

- 6.1 There is an existing budget in the capital programme of £3,000,000, which is financed 100% by borrowing. The result of this borrowing is a charge to the general fund of £60,000 in Minimum Revenue Provision (MRP) per year for 50 years, which has been included in the medium term financial plan.
- 6.2 As at 31 May 2021, spend against the scheme was £77,000, all relating to professional fees for the project and are included in the commitments listed in appendix A.
- 6.3 The recommendation below is that the overall budget is increased to £3,350,000. It is proposed that the additional £350,000 be transferred from the Homelessness Reserve as a revenue contribution to Capital, in order that the impact on the general fund is kept to a minimum.
- 6.4 The homelessness Reserve balance following the 2021/22 allocation from the Ministry of Housing Communities and Local Government (MHCLG) will be in excess of £595,000. After the transfer to Capital of £350,000, there will be a remaining uncommitted balance of £245,000.
- 6.5 The additional £50,000 included the proposal as per paragraph 3.9 for alternative homelessness accommodation is anticipated to be sufficient to cover the 12 month build period.

7.0 Community Plan – Alignment to Objectives

7.1 This project directly contributes to “creating more and better quality homes through our roles as landlord, developer and planning authority” through providing suitable and cost effective accommodation that meets our statutory duties by undertaking a comprehensive review of temporary accommodation in the district.

7.2 As part of the outcomes of this project, our temporary accommodation will commence with our “Healthy Start” project to encourage tenancy success in our homes.

8.0 Comments of Director

8.1 This is a really exciting project that will lift the area and provide great accommodation from which to provide support services to help people get on their feet and into settled accommodation. The additional funding will ensure we have the resources to make the new service delivery model a reality.

9.0 RECOMMENDATIONS that:

- a) the report and Appendix A be noted; and**
- b) an increase to the capital budget to £3,350,000, which is essential for this project to be completed successfully, be approved.**

Reason for Recommendations

To ensure the redevelopment of Seven Hills temporary accommodation can be achieved.

Background Papers

Nil.

For further information please contact Maria Cook on Ext 5456

Suzanne Shead
Director - Housing, Health & Wellbeing

Seven Hills Regeneration Project Update

Budget Implications

This is an extract from a recent update report from the Projects Asset Lead.

The project has a budget approved of £3,000,000, the budget was set in 2017/18 financial period and was approved by Homes and Communities Committee.

Due to the current market and the recent procurement exercise which has tested the market, it is recommended that the budget be increased by 10% to ensure sufficient funds are in place to deliver the project to the satisfaction of the council.

The proposed breakdown of expenditure is listed in the table below:

Item	Budget
Pre-construction Design	£65,000 (committed)
Professional Fees (engineers, client's agent, CDM principle designer, party wall, surveys.)	£80,000 (committed)
Main Construction Costs	£2,646,200 (confirmed costs)
Efficient heating Solution option	£150,000 (estimated costs)
Internal Fit out of accommodation units and communal areas including community hub, offices, laundry, and storage area.	£200,000 (estimated costs)
Contingency Sum 5%	£157,060
Alternative Accommodation	£50,000 (estimated costs)
Total recommended Budget	£3,348,260

The original budget did not have provision for the internal fit out of the units or for a contingency sum. It is recommended that both are including in the project budget to ensure that sufficient funds are in place to deliver the project to the required standards.

POLICY & FINANCE COMMITTEE

24 JUNE 2021

TRANSFER OF COMMUNITY FACILITY - CONTRIBUTION TO SUTTON ON TRENT PARISH COUNCIL

1.0 Purpose of Report

1.1 To seek approval to transfer the community facility contribution of £239,619.63 received from Section 106 Agreement AG1108 for 'the provision and maintenance of a village hall on the community facilities land' at a development site in Sutton on Trent to the Parish Council in order to enable the proposed building to be developed.

2.0 Background Information

- 2.1 At its meeting of 22 February 2017 the Councillors' Commission agreed that the remit of the Policy & Finance Committee should be amended to make clear that the determination of how S106 monies should be applied or obligations fulfilled, falls within the remit of that Committee rather than the Planning Committee.
- 2.2 The Commission further agreed that the scheme of officer delegation be extended to give the Chief Executive and all Chief Officers delegated powers to determine how S106 monies should be applied or obligations fulfilled where the terms of the S106 Agreement are sufficiently precise or where the amount of the proposed expenditure does not exceed £50,000. However, in cases where the amount of money in question is significant it was agreed that there should be some Member input into this process.
- 2.3 Persimmon Homes was granted planning approval to develop a residential scheme of 50 dwellings and associated infrastructure contributions through a Section 106 agreement. Specifically within the agreement there was an obligation to provide an area of land within the curtilage of the development site which would provide the site for a new community building.
- 2.4 The S106 agreement required the land to be transferred to either the District or Parish Council as deemed appropriate and based on which party would take the lead on the delivery of the new facility. Following discussions between District and Parish Council officers and the developers it was agreed that it would be expedient to transfer the land directly to the Parish Council and this is now subject to processing with HM Land Registry.
- 2.5 In addition to the land transfer offer a community facility contribution of £239,619.63 was agreed and subsequently received by the Council on 31 July 2020. The contribution was specifically towards 'the provision and maintenance of a village hall on the community facilities land'. On the basis that the land has now been transferred to the Parish Council, Policy and Finance approval is now being sought to agree the transfer payment of the community facilities contribution to the Parish Council and its Village Hall project team to enable it to develop its plans to deliver the project.

3.0 Proposals

3.1 To seek approval to transfer the community facility contribution of £239,619.63 received from Section 106 Agreement AG1108 for the provision and maintenance of a village hall on the community facilities land at a development site in Sutton on Trent to the Parish Council in order to enable the proposed building to be developed.

3.2 That appropriate provision be made in the Council's capital programme for this scheme.

4.0 Equalities Implications

4.1 There are no equality implications in respect of the various protected characteristic groups in connection with this proposal. The transfer of the community facility contribution will enable further accessible community infrastructure improvements to be delivered for the benefit of all residents of Sutton on Trent. The new hall, when delivered, will be fully DDA compliant and offer a wide range of community activities.

5.0 Digital Implications

5.1 There are no adverse digital implications associated with this report.

6.0 Financial Implications FIN21-22/3667

6.1 The Council is holding the S106 receipt of £236,619.63 for the 'provision and maintenance of a village hall on the community facilities land' specific to the development site and once approved will be transferred to Sutton on Trent Parish Council on request and a signed legal agreement.

6.2 A budget needs to be set up within the Capital Programme and will be financed by the S106 receipt.

7.0 Community Plan – Alignment to Objectives

7.1 The proposal will primarily contribute to the Council's Community Plan objectives of 'create vibrant and self-sufficient local communities where residents look out for each other and actively contribute to their area' and 'Improve the health and wellbeing of local residents' through taking a local lead on developing the best use of community facilities with support from the District Council as and where appropriate.

8.0 RECOMMENDATIONS that:

- a) **the community facility sum of £239,619.63 secured through S106 AG1108 currently held by the Council be transferred to Sutton on Trent Parish Council under a side agreement: and**
- b) **appropriate provision be made in the Council's capital programme for this scheme.**

Reason for Recommendations

To enable Sutton on Trent Parish Council to progress with the development of the village hall facility with its appointed project team.

Background Papers

Nil.

For further information please contact Andy Hardy on Extension 5708.

Susanne Shead
Director – Housing, Health & Wellbeing

POLICY & FINANCE COMMITTEE

24 JUNE 2021

FINANCIAL OUTTURN REPORT TO 31 MARCH 2021

1.0 Purpose of Report

1.1 To present to Members the 2020/21 financial outturn position on the Council's revenue and capital budgets, including:-

- General Fund Revenue
- Housing Revenue Account
- Capital Programme
- Provisions and Impaired Estimates on Debtors
- Usable Reserves
- Collection Fund
- Balance Sheet
- Treasury Management

1.2 This report provides Members with a summary of actual income and expenditure compared to the revised budget and how any surpluses/deficits have been allocated to/from reserves.

1.3 To seek Committee approval for the capital financing arrangements for 2020/21.

1.4 To seek Committee approval for the proposed capital programme.

1.5 To seek Committee approval for the 2020/21 carry forwards into 2021/22.

1.6 To seek Committee approval for the movement in Provisions and Impaired Estimates on Debtors, and the creation of additional Usable Reserves.

1.7 To seek Committee approval for the individual contributions to, and withdrawals from, Usable Reserves.

1.8 To present Members with the Annual Report on Treasury Management Activity for 2020/21 and to demonstrate how the Treasury Management activity links to the Treasury Management Strategy.

2.0 Background Information

Overview of General Fund Revenue Outturn for 2020/21

2.1 The accounts show an unfavourable variance of £0.082m on service budgets, with a total favourable variance of £10.413m as follows:-

	Budget £'m	Outturn £'m	Variance £'m
Economic Development Committee	5.194	5.398	0.204
Homes & Communities Committee	2.206	2.138	(0.068)
Leisure & Environment Committee	6.703	6.803	0.100
Policy & Finance Committee	7.179	7.025	(0.154)
Net Cost of Services	21.282	21.364	0.082
Other Operating Expenditure	4.098	4.098	(0.000)
Finance & Investment Income & Expenditure	0.421	0.398	(0.023)
Taxation & Non Specific Grant Inc	(14.346)	(24.818)	(10.472)
Net Cost of Council Expenditure	11.455	1.042	(10.413)
Transfer to/(from) Unusable Reserves	(12.838)	(12.846)	(0.008)
Transfer to/(from) Usable Reserves	1.383	11.804	10.421
Transfer to/(from) General Balance	0.000	0.000	0.000

- 2.2 The actual outturn for the year (the 'Outturn' column in the table above) is £0.000m, which keeps the balance at £1.500m at 31 March 2021. This is in accordance with the Medium Term Financial Plan approved on 9th March 2021.
- 2.3 The table above shows that the Net Cost of Council Expenditure out turned as a transfer to reserves totalling **£10.413m**. This is broken down as follows:-

Variance	Value
Unfavourable variances on services	£0.082m
Net variance on interest mainly due to anticipated in-year borrowing not required	£(0.017)m
Additional grant income through New Burdens/Sales, Fees and Charges and the tranche 4 of Covid Delivery Grant	£(1.357)m
Additional Business Rates income (mainly through s31)	£(9.115)m
Other small variances	£(0.006)m
Total	£(10.413)m

- 2.4 The level of unfavourable variance on Service Budgets managed by the Business Managers of £0.082m represents 0.39% of the total service budgets. Within this unfavourable variance of £0.082m (**Appendix B**), the services in Policy & Finance Committee have a favourable variance of £0.154m. **Appendix A** details the services this favourable variance of £0.154m relates to.
- 2.5 The additional income from business rates relates to £0.954m in unbudgeted growth from the Nottinghamshire business rates pool together with £8.161m in additional Government funding due to their policy decisions around business rates relief. As the funding is distributed to local authorities as a s31 Grant (*Local Government Act 2003* relating to the power to pay grant) it must be receipted into the District Council's general fund rather than the collection fund. Therefore the additional s31 grant that has been received is not an in year surplus, but must be earmarked in order to fund the deficit that has arisen in the collection fund as a result of the policy decision by Government. The budget for the 2021/22 financial year was built on this basis. This figure also includes funding support through the local tax income guarantee scheme which is similar to the above, in that an expectation of the amount was included in the budget for 2021/22 and hence the amount in the table above must be earmarked in order to fund the budget for the 2021/22 financial year.

Carry Forwards

- 2.6 Previous years have seen officers requesting carry forwards of underspends that relate to the timing of payments that have extended past the year-end date of 31st March in year. This year, the s151 Officer has approved £0.261m to be carried forward into 2021/22.
- 2.7 Any unspent conditional grants are dealt with separately, and are transferred to the balance sheet for either repayment or expenditure in the following year dependent upon its terms and conditions.

Overview of Housing Revenue Account Outturn for 2020/21

- 2.8 The financial outturn position to 31 March 2021 for the HRA before appropriations to reserves is a favourable variance of £2.175m. The main reasons for this variance are below.

Main reasons for variances	2020/21 (£m)
A number of posts remaining vacant throughout the financial year	(0.716)
Net efficiencies generated from bringing housing management services back into the council	(0.691)
Additional rental income compared with budget	(0.522)
Lower than anticipated recharge to General Fund in relation to vacant posts	(0.143)
Favourable variance on utilities, postage, telephones and training	(0.099)
Reduced spend on responsive repairs due to Covid-19	(0.057)
Other variances	(0.051)
Total: Services	(2.279)
Additional interest expenditure compared with budget	0.119
Other variances	(0.015)
Total: Overall (before appropriations to reserves)	(2.175)

- 2.9 The £2.175m shown in the table above has been appropriated into HRA reserves with £0.705m being transferred into Earmarked Reserves (this includes the £0.691m generated through the efficiencies generated in year and £0.014m received in year through a community donation by EEM). The remaining £1.470m has been transferred into the Major Repairs Reserve to fund future capital expenditure.

Overview of Capital Outturn 2020/21

- 2.10 Policy and Finance Committee approves all variations to the Capital Programme. At its meeting on 21st January 2021, it approved the revised budget of £35.906m. Since that meeting, there have been changes made to the budget. These are summarised below:

Cost centre	Cost centre name	Budget £'m
TC3135	Works to the Buttermarket	0.006
TC3149	Onstreet Residential Chargepoint Scheme	0.038
TA2210	Purchase of Alms Houses	0.005
TF2000	CCTV Replacement Programme	0.006
Total	General Fund (Appendix C)	0.055

Cost centre	Cost centre name	Budget £'m
SA1035	Land at 17 Northgate – Donated Asset	0.178
Total	Housing Revenue Account (Appendix D)	0.178

2.11 The accounts show lower levels of expenditure of £23.449m or 65% of the revised capital programme budget. As with all financial programmes, there will always be an element of slippage on capital schemes at the end of the financial year. 2020/21 has seen an increased amount of slippage against budget due to COVID-19, either directly because works were paused due to lockdowns or indirectly because business units' priorities have been diverted to COVID related work. It is proposed that the Committee approve the re-profiling of capital schemes totalling £10.965m (£5.263m GF and £5.702m HRA) as detailed in **Appendices C and D**. This is because the majority of the schemes are already committed. For clarity, where a scheme has been completed, any remaining budgets will not be carried forward.

	Budget Approved as per P&F 21.01.2021	Revised Post P&F	Outturn	Variance
	£m	£m	£m	£m
General Fund	11.487	11.542	6.922	(4.620)
General Fund REFCUS*	2.895	2.895	1.316	(1.579)
Total	14.382	14.437	8.238	(6.199)

	Budget Approved as per P&F 21.01.2021	Revised Post P&F	Outturn	Variance
	£m	£m	£m	£m
HRA	21.419	21.597	15.106	(6.491)
HRA REFCUS*	0.105	0.105	0.105	0.000
Total	21.524	21.702	15.211	(6.491)

Grand Total	35.906	36.139	23.449	(12.690)
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*REFCUS relates to Revenue Expenditure funded from Capital under Statute i.e. expenditure on non-Council-owned assets e.g. disabled facilities grants.

2.12 Capital spending in the year totalled £23.449m, and this expenditure has been funded by a combination of borrowing, external grants and contributions, receipts, major repairs reserve and revenue contributions. It is proposed that the Committee approve the revised capital financing proposals as summarised below:

	General Fund Programme £m	HRA Programme £m	Total £m
Borrowing	2.800	6.411	9.211
External Grants & Contributions	2.366	0.580	2.946

Capital Receipts	0.767	2.367	3.134
Revenue Contributions	2.305	5.853	8.158
Total	8.238	15.211	23.449

Provisions for future liabilities

- 2.13 Provisions are made when an event has taken place that gives the Council an obligation that probably requires settlement, can be reasonably estimated, but where the timing of the payment is uncertain. Good practice requires that any movements in a Provision should be approved separately by Committee. The above provisions relate to appeals against Rateable Values allocated against properties liable for National Non-Domestic Rates (NNDR). The amounts shown in the Statement of Accounts (and hence in the table above) relate to this Council's element for the provision for appeals. During the year £1.456m was charged against the provision in relation to settled claims and £1.679m was released from the provision of which 40% is applicable to NSDC. The provisions provided for below are the Council's 40% share, which are as follows:

Description	Balance B/Fwd 01/04/2020 £m	Movement in Year £m	Actual Balance 31/03/2021 £m
General Fund – Provisions			
Provision for Appeals – NNDR settled within 12 months	(0.391)	0.162	(0.229)
Provision for Appeals – NNDR settled after 12 months	(1.288)	(0.250)	(1.538)
Total:	(1.679)	(0.088)	(1.767)

- 2.14 The Council receive external advice (from Analyse Local) relating to the level of provision that should be held. The Advisors suggest that there is a risk of £0.576m which relates to the Rateable Value list which began in 2010. From the revaluation of the 2010 ratings list which occurred in 2017, there has been limited information relating to the levels of appeals due to the Government's new "Check, Challenge, Appeal" process. Due to this, it is difficult to forecast the level of provision needed for the 2017 ratings list. As issues with appeals have been a national problem for councils, the Government made an allowance of 4.7% within the NNDR multiplier to compensate Council's for the potential loss in Business Rates. Analyse Local have used their knowledge and understanding from a national perspective to estimate the total liability for the 2017 list which amounts to £3.844m. This gives a total provision at Collection Fund level of £4.420m of which this Council recognises 40% (£1.767m) due to its share of the overall NNDR income.

Impaired Estimates on Debtors

- 2.15 Impaired Estimates on Debtors is an estimation of the amount that will remain uncollectable after a certain time period and will require write off in the future accounts of the Council. The calculation is on the age and amounts of debt owed to the Council based on a hierarchical percentage i.e. the older the debt, the greater likelihood of non-collection. Good practice requires that movements in the Impaired Estimates on Debtors should be approved separately by Committee, and these are as follows:

Description	Balance B/Fwd 01/04/2020 £m	Movement in Year £m	Actual Balance 31/03/2021 £m
General Fund - Impaired Estimates on Debtors			
Sundry Debts	(0.391)	(0.020)	(0.411)
Housing Benefit	(0.557)	(0.105)	(0.662)
Council Tax Debts	(0.207)	(0.117)	(0.324)
Business Rates Debts	(0.262)	(0.151)	(0.413)
Total:	(1.417)	(0.393)	(1.810)
HRA - Impaired Estimates on Debtors			
Sundry and Other Debts	(0.261)	(0.046)	(0.307)
Former Tenants	(0.266)	0.033	(0.233)
Current Tenants	(0.489)	0.045	(0.444)
Total:	(1.016)	(0.032)	(0.984)

Usable Capital Reserves

- 2.16 A Reserve is created for a specific future purpose or to cover contingencies. In accordance with the Code; these Usable Reserves must be separately identified between those that are retained for Capital purposes and those that are retained for Revenue purposes. Again, good practice dictates that any movements in existing reserves, or the creation of any new reserves, be approved by Committee.
- 2.17 Capital reserves are used to fund the approved capital programme within year, and the position as at 31 March 2021 is as follows:

Description	Balance B/Fwd 01/04/2020 £m	Cont'n in Year £m	Use in Year £m	Actual Balance 31/03/2021 £m	Anticipated balance at 31/03/2025 £m
Capital - General Fund					
Usable Capital Receipts	1.209	0.108	0.768	0.549	0.189
Capital Grants Unapplied	8.198	0.548	0.000	8.746	1.045
Capital – HRA					
Usable Capital Receipts – HRA	2.440	0.916	0.572	2.784	0.277
Usable Capital Receipts - RTB's	1.805	0.696	1.794	0.707	2.730
Capital Grants Unapplied	0.259	0.034	0.259	0.034	0.000
Major Repairs Reserve (MRR)	11.698	9.868	9.880	11.686	15.459
Total:	23.852	12.170	13.273	24.506	19.700

Usable Revenue Reserves

- 2.18 Revenue reserves are used to fund anything that is not capital in nature. They cover such areas as donations, external grants and contributions for future service provision, or specific sums of money held for a specific purpose. The movement on earmarked General Fund Reserves is as follows:

	Balance brought forward	Used in year	Added to in year	Balance at 31 Mar 2021
	£	£	£	£
General Fund Reserves				
Statutory Ring Fenced Reserves				
Building Control Surplus	(33,305)	0	(24,038)	(57,343)
Museum Purchases Fund	(22,524)	0	(9,675)	(32,199)
Community Safety Fund	(166,163)	24,949	0	(141,214)
Homelessness Fund	(576,018)	357,948	(185,412)	(403,482)
Energy & Home Support Reserve	(103,171)	0	0	(103,171)
Revenue Grants Unapplied	(430,526)	63,381	(172,450)	(539,594)
New Burdens Reserve	(25,774)	0	0	(25,774)
Mansfield Crematorium	(138,584)	0	(11,364)	(149,948)
Statutory Ring Fenced Total	(1,496,065)	446,279	(402,939)	(1,452,724)
Earmarked for known pressures Reserves				
Emergency Planning Reserve	(50,000)	7,349	0	(42,651)
Investment Realisation Fund	(90,935)	0	0	(90,935)
Election Expenses Fund	(33,440)	0	(39,809)	(73,249)
Insurance Fund	(305,395)	36,489	0	(268,906)
Repairs And Renewals Fund	(2,362,467)	444,302	(316,760)	(2,234,925)
Training Provision	(127,132)	0	(31,620)	(158,792)
Restructuring And Pay	(214,927)	61,869	0	(153,058)
Court Costs	(58,959)	0	0	(58,959)
Planning Costs Fund	(201,140)	0	0	(201,140)
Fuel And Energy Reserve	(70,142)	8,000	0	(62,142)
Refuse Bin Purchase	(15,000)	0	0	(15,000)
Growth And Prosperity Fund	(127,366)	0	0	(127,366)
CSG/Enforcement Reserve	(95,200)	14,340	(3,350)	(84,210)
Management Carry Forwards	(675,823)	272,988	(260,837)	(663,672)
Flood Defence Reserve	(250,000)	0	0	(250,000)
NNDR Volatility Reserve	(793,348)	0	0	(793,348)
Community Initiative Fund	(200,000)	4,508	0	(195,452)
MTFP Reserve	(1,359,784)	0	(2,683,660)	(4,043,444)
Asset Maintenance Fund	(250,000)	14,000	(264,000)	(500,000)
Capital Project Feasibility Fund	(250,000)	49,184	(200,000)	(400,816)
Community Engagement Fund	(300,000)	13,896	0	(286,104)
COVID Pressures	0	0	(200,000)	(200,000)
Collection Fund Budget	0	0	(8,570,638)	(8,570,638)
COVID Compliance Reserve	0	0	(281,411)	(281,411)
Capital Financing Provision	(1,376,480)	0	(143,165)	(1,519,645)
Earmarked for known pressures Reserves Total	(9,207,540)	926,926	(12,995,250)	(21,275,864)
General Reserves				
Change/Capital Fund	(13,333,541)	1,231,672	(1,011,145)	(13,113,015)

General Fund Balance B/Fwd	(1,500,000)	0	0	(1,500,000)
General Reserves Total	(14,833,541)	1,231,672	(1,011,145)	(14,613,015)
Total General Fund	(25,537,145)	2,604,876	(14,409,334)	(37,341,603)
Revenue - HRA				
Newark and Sherwood Homes (NSH) Transfer	(3,966,911)	0	0	(3,966,911)
Insurance Fund	(50,000)	0	0	(50,000)
Development & ICT Reserve	(281,000)	0	0	(281,000)
Staffing & Pay Reserve	(100,000)	0	0	(100,000)
Earmarked Reserve	(32,133)	0	(704,840)	(736,973)
HRA Future Rents Bad Debt	(325,878)	0	0	(325,878)
HRA - Working Balance	(2,000,000)	0	0	(2,000,000)
Total HRA	(6,755,923)	0	(704,840)	(7,460,763)

2.19 During the year three new General Fund reserves have been set up:

Reserve name	Balance as at 31 Mar 2021 £	Purpose
COVID Pressures	(200,000)	For unforeseen COVID-related costs the council may be required to fund
Collection Fund Budget	(8,570,638)	To fund the Collection Fund deficit which has arisen because of General Fund grant being given to compensate councils for statutory NDR reliefs paid by councils in-year
COVID Compliance Reserve	(281,411)	To fund the costs of COVID-related compliance, enforcement and managing outbreaks

The Collection Fund 2020/21

- 2.20 The Collection Fund accounts for the income from the collection of Council Taxes and Business Rates, and the subsequent disbursement to local authority preceptors and central government.
- 2.21 The in-year surplus on the Council Tax account was £0.254m, which increased the overall balance from a surplus of £3.874m at 1 April 2020 to a surplus of £4.128m at 31 March 2021. This was due to collection of council tax exceeding estimated collection rates.
- 2.22 The Code prescribes that the Statement of Accounts only show the element of Council Tax that relates to Newark & Sherwood District Council. In this regard, the share of the Council Tax surplus of £4.128m that relates to Newark & Sherwood District Council as at 31 March 2021 is £0.503m. This balance can be released to the General Fund in future years in order to mitigate any shortfalls in funding.
- 2.23 During the year, the Business Rates collection fund surplus has decreased from £5.122m as at 1 April 2020 to a deficit of £17.417m. The amount set aside in paragraph 2.5 will contribute to the council's 40% share of this deficit.

- 2.24 The Code prescribes that the Statement of Accounts only show the element of business rates that relates to Newark & Sherwood District Council. In this regard, the share of the business rates deficit that relates to Newark & Sherwood District Council as at 31 March 2021 is £6.967m. The Council declared an estimated deficit as at 31st March 2021 of £15.868m during January and hence £6.347m of the £6.967m has been included within the 2021/22 budget. The additional £0.640m will be released within the 2022/23 budget process.

Pensions

- 2.25 The details regarding the Council's share of the Nottinghamshire County Council Pension Fund are provided for Members consideration at **Appendix E**.
- 2.26 Barnett Waddingham are the Pension Fund's appointed Actuary and their report sets out the assumptions used to prepare the IAS19 pension figures reported in the Council's accounts. It is best practice to consider these assumptions prior to agreeing their use and inclusion in the Statement of Accounts for 2020/21. The Accounts & Audit Committee were unable to consider these in April 2021, though will do so at their meeting in July 2021.

The Balance Sheet at 31 March 2021

- 2.27 Consideration of the Council's Balance Sheet does not feature significantly in budget setting and monitoring and yet, if not managed and reviewed correctly, a number of balances may be hidden that could have a major impact on the revenue outturn in any one year. Balance Sheet valuation and management is at the heart of the changes being driven by the International Financial Reporting Standards, and it is therefore important that in reviewing the Final Accounts, due consideration is given to the main features of the Balance Sheet and year to year changes as follows:
- 2.28 The significant movements (increase or **(decrease)**) on the Balance Sheet that are worthy of note are:

Property, Plant and Equipment (PPE)	£15.294m	The majority relates to the net effect of additions to the capital programme and reductions in the value of using existing assets.
Long-term debtors	£1.600m	The majority relates to the sale of land to Arkwood Developments Ltd on deferred payment terms.
Finance Lease Liability and Receivable	£0.587m	Long-term lease of Travelodge at Beaumont Cross.
Short-term debtors	£5.099m	The majority relates to the return of the council's investment in the Robin Hood Hotel joint venture.
Short-term and long-term borrowing	£2.771m	The majority relates to loans taken out in-year to finance capital expenditure in previous years, as well as the repayment of loans which matured.

Short-term creditors	£8.288m	The majority relates to cash received from central government in relation to COVID-related business grant schemes and the business rates system which have not yet been distributed.
Short-term grants receipts in advance	£1.383m	The majority relates to a grant from the Local Enterprise Partnership where conditions have not yet been met.
Long-term creditors	£1.357m	Additional cash received from housing developers for community infrastructure obligations yet to be utilised.
Other long-term liabilities	£23.757m	The majority relates to the net effect of the council's future pension fund liabilities.

Treasury Management Outturn Report

- 2.32 Under the Treasury management Code of Practice, an annual outturn report is required to be presented to Council to explain activities in the year. The report is presented here for information at **Appendix F**, and it includes the Prudential Indicators that the Council is required to report and monitor.
- 2.33 The report confirms that the Council complied with its Prudential Indicators for the financial year 2020/21, as set within the Treasury Management Strategy approved at Council on 9 March 2020.

3.0 Options, Risks and Reasons for Recommendations

3.1 Statement of Accounts 2020/21

The unaudited Statement of Accounts for 2020/21 has been sent to the Accounts and Audit Committee for consideration and to the external auditor (Mazars) for audit and certification. Ordinarily, the Council must publish its unaudited Statement of Accounts on its website by 31 May, and its audited Statement of Accounts must then be approved by 31 July. In light of COVID, these deadlines for 2020/21 have been revised to 30 June and 30 September respectively. The adoption of the accounts will be completed once a date for the next Audit and Accounts Committee is set. There would be a serious impact on the council's accountability, reputation and standing nationally and locally if it were to miss these deadlines.

3.2 Revenue Expenditure 2020/21

There are no options for Members to consider as the outturn represents the final position at the end of the financial year. Due consideration needs to be given to the ongoing effects of any reported in-year service overspends on the 2021/22 budgets, and early action is essential to mitigate further impacts on General Fund balances.

3.3 Capital Expenditure and Financing 2020/21

There are no options for Members to consider as the financing is in accordance with approvals already obtained. The re-profiling on the Capital Programme may present a challenge to the Council's capacity to deliver the full programme of planned works in 2021/22.

3.4 **Treasury Management 2020/21**

There are no options for Members to consider at this stage since past performance is being reported. Treasury Management is an important Council function since it deals with large value money transactions. The potential risk in this area is very high, however the Council has in place sound systems of financial control to minimise these risks. These controls are reviewed on an annual basis in order to provide the assurance that risk is being minimised. Additionally, by monitoring the Prudential Indicators, this also serves to minimise the risk in this area.

4.0 **RECOMMENDATIONS that:**

- (a) **the final outturn of revenue and capital spending for 2020/21 be approved;**
- (b) **the capital financing proposals as set out in Appendix C, that will be passed to the external auditors as part of the 2020/21 Statement of Accounts, be approved;**
- (c) **the net variations of £10.965m not spent in 2020/21 on the Capital Programme, be re-profiled and carried forward into 2021/22;**
- (d) **the movement in Provisions and Impaired Estimates on Debtors be approved;**
- (e) **the creations of the new reserves, as outlined in paragraph 2.19 to the report, be approved;**
- (f) **the individual contributions to, and withdrawals from, the revenue and capital Usable Reserves be approved;**
- (g) **the contents of the Pension Fund Actuary report and the proposed assumptions to be used in the IAS19 pensions report for inclusion in the 2020/21 Statement of Accounts be approved;**
- (h) **the Policy & Finance Committee receives the Annual Report on Treasury Management Activity and comments as appropriate for referral onto the Council for information, as required by the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management; and**
- (i) **the Committee note that the Treasury Management activities are consistent with the objectives identified in the Treasury Management Strategy for 2020/21.**

Reasons for Recommendations

To approve the Financial Outturn for the Council for the 2020/21 financial year.

Background Papers

Statement of Accounts files & working papers 2020/21

Capital Finance Account's 2020/21 files

Housing Revenue Account's 2020/21 files

Treasury Management Strategy and 2020/21 files

For further information please contact Nick Wilson - Business Manager – Financial Services on Ext. 5317

Sanjiv Kohli
Director - Resources and Deputy Chief Executive

General Fund (GF) Revenue Outturn Variance Analysis: Policy & Finance Committee - as at 31st March 2021 (2020/21)

Favourable variances are bracketed and in red - (1,234). Unfavourable variances are in black - 1,234. All amounts in £.

Cost Centre	Cost Centre Name	2020-21 Revised Budget	2020-21 Outturn	2020-21 Variance	Comments
A10601	ELECTORAL REGISTRATION	77,100	53,176	(23,924)	Elections and Democratic Services: reduced spend due to COVID-19
A10802	ICT	976,813	933,690	(43,123)	ICT: lower than anticipated in-year charges
A10803	INTERNAL AUDIT	80,905	78,645	(2,260)	Other small variances
A10805	INCOME SECTION	75,514	74,511	(1,004)	Other small variances
A10806	BANK CHARGES	117,730	129,300	11,570	Bank Charges: increased number of transactions due to COVID-19
A10812	HUMAN RESOURCES	183,008	222,622	39,614	Human Resources: reduced recharge costs
A10818	COMMITTEE SECTION	292,237	298,165	5,928	Other small variances
A10819	LEGAL SECTION	464,183	454,861	(9,323)	Other small variances
A10827	BUILDING SERVICES	0	(50)	(50)	Other small variances
A10832	CENTRAL TELEPHONES	76,523	45,563	(30,960)	Other small variances
A10833	CENTRAL POSTAGES	41,430	38,932	(2,498)	Other small variances
A10841	CENTRAL PERSONNEL EXPENSES	68,122	66,962	(1,160)	Other small variances
A10842	OTHER EMPLOYEE EXPENSES	19,010	17,102	(1,908)	Other small variances
A10845	INFORMATION GOVERNANCE	90,943	98,468	7,526	Other small variances
A10864	SENIOR LEADERSHIP TEAM	810,436	836,341	25,905	Other small variances
A10895	FINANCIAL SERVICES	835,640	837,168	1,528	Other small variances
A10896	TRANSFORMATION	459,623	465,652	6,029	Other small variances
A10897	PROCUREMENT	35,890	39,441	3,551	Other small variances
A10898	ADMINISTRATION SERVICES	435,003	384,307	(50,697)	Administration Services: vacant posts
A10899	INSURANCE CLAIMS	13,719	13,719	0	
A10904	COUNCIL TAX	78,965	80,242	1,276	Other small variances
A10905	RENT ALLOWANCES	(78,930)	(150,526)	(71,596)	Rent Allowances/Rent Rebates: additional payments made in-year
A10906	COUNCIL TAX BENEFITS	0	714	714	Other small variances
A10907	RENT REBATES	(61,270)	64,304	125,574	Rent Allowances/Rent Rebates: additional payments made in-year
A10908	HOUSING BENEFIT ADMIN	205,377	126,414	(78,963)	Housing Benefit Admin: vacant posts and additional grant income
A10911	BUSINESS RATES PROPERTY UNIT	25,628	11,721	(13,907)	Other small variances
A11122	RISK MANAGEMENT	27,559	44,973	17,414	Other small variances
A11831	CASTLE HOUSE	341,267	337,350	(3,918)	Other small variances
A11832	OLLERTON HALL	7,500	1,114	(6,386)	Other small variances
A11833	HAYSIDE COTTAGE LOWFIELD LANE	9,083	2,258	(6,825)	Other small variances
A11834	REPAIRS & MAINT - A4T	0	(0)	(0)	Other small variances
A11838	BEAUMOND CROSS	11,000	9,340	(1,660)	Other small variances
A11841	CORPORATE PROPERTY	570,732	415,353	(155,379)	Corporate Property: vacant posts, and officers appointed at lower rates than budgeted
A11901	MEMBERS EXPENSES	290,517	264,811	(25,706)	Elections and Democratic Services: reduced spend due to COVID-19
A11902	CIVIC EXPENSES	60,365	45,479	(14,886)	Elections and Democratic Services: reduced spend due to COVID-19
A11911	OTHER FINANCIAL TRANSACTIONS	(501,980)	1,550	503,530	Budgeted saving from council-wide in-year vacancies
A11930	CORONAVIRUS COSTS - FPC	538,706	178,433	(360,273)	Coronavirus Costs: timing of usage of grant not aligned with receipt of cash
A11933	TEST & TRACE SUPPORT ADMIN	(41,615)	(41,615)	0	
A12510	DEMOCRATIC REPRESENTATION	500	208	(292)	Other small variances
A12512	ETHICAL GOVERNANCE & STANDARDS	300	213	(88)	Other small variances
A12520	CORPORATE MANAGEMENT	93,744	89,803	(3,941)	Other small variances
A12530	NON DISTRIBUTED COSTS	412,806	423,515	10,709	Other small variances
A15028	COMBINED SERVICE COSTS	139,840	143,835	3,995	Other small variances
A15029	CORPORATE PRINTERS	25,620	17,570	(8,050)	Other small variances
C54032	NEW BURDEN COUNCIL TAX REFORM	(25,273)	(25,273)	0	
C54637	COVID COMPLIANCE TIER 3	(3,787)	(3,787)	0	
C54638	COUNCIL TAX HARDSHIP	(95,927)	(95,927)	0	
C54939	DISTRICT/PARISH ELECTIONS	(5,369)	(5,369)	0	
Total	POLICY & FINANCE	7,179,189	7,025,277	(153,912)	

General Fund (GF) Revenue Outturn Variance Analysis by Committee - as at 31st March 2021 (2020/21)

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

Economic Development - £0.204m	£'m
Car parks: reduced income due to COVID-19	0.602
Development Management: vacant posts and increased income	(0.228)
Council properties: reduced income due to COVID-19	0.083
Former M&S Building: non-domestic rates (NDR) payable for the year due to change in budgeted assumptions	0.080
Newark Lorry Park: increased income	(0.071)
Growth/Technical Support; Planning Policy and Economic Growth: vacant posts	(0.067)
Heritage and Culture: additional grant and furlough income	(0.051)
Promotion of Tourism: events cancelled due to COVID-19	(0.038)
Local Development Framework: change in budgeted assumptions	(0.031)
Community Infrastructure Levy: development-related administration fee income	(0.010)
Other small variances	(0.065)
Committee Total	0.204
Homes & Communities - £(0.068)m	£'m
Housing Options: reduced recharge costs and additional grant income	(0.053)
Licensing Admin: reduced income due to COVID-19	0.038
Strategic Housing and Customer Services: vacant posts	(0.032)
Other small variances	(0.021)
Committee Total	(0.068)
Leisure & Environment - £0.100m	£'m
Newark Livestock Market: income not received post-termination of tenant's occupancy	0.370
Street Scene Street Cleansing: vacant posts and budgeted cost of restructured service more than required	(0.102)
Waste & Recycling: increased net garden waste and recycling income; reduced net waste disposal and trade refuse income	(0.071)
Environmental Health: grant-funded employee costs	(0.055)
Health & Community Relations: vacant posts	(0.047)
Vehicle Pool and Workshop: reduced recharge income	0.038
Brunel Drive Depot: reduced premises-related costs (such as utilities)	(0.014)
Arts & Community Development: reduced spend due to COVID-19	(0.014)
Other small variances	(0.005)
Committee Total	0.100
Policy & Finance - £(0.154)m	£'m
Budgeted saving from council-wide in-year vacancies	0.504
Coronavirus Costs: savings on anticipated uses of grant income	(0.363)
Corporate Property: vacant posts, and officers appointed at lower rates than budgeted	(0.155)
Housing Benefit Admin: vacant posts and additional grant income	(0.079)
Elections and Democratic Services: reduced spend due to COVID-19	(0.065)
Rent Allowances/Rent Rebates: additional payments made in-year	0.054
Administration Services: vacant posts	(0.051)
ICT: lower than anticipated in-year charges	(0.043)
Human Resources: reduced recharge costs	0.040
Bank Charges: increased number of transactions due to COVID-19	0.012
Other small variances	(0.008)
Committee Total	(0.154)
Total	0.082

General Fund - Spend against budget - Estimated in year

Project	Capital Description	Project Manager	Revised Budget 20-21 (Following P&F 21.01.21)	Revised Budget including Variations for Approval	Outturn	Variance	Scheme Complete / Reprofile Budget	Comments - Spend to date
TA3056	NCWC Tudor Hall	C Coulton-Jones	200,000	200,000	0	-200,000	Reprofile £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	A Kirk	81,150	81,150	81,011	-139	complete	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	0	0	0	0	already reprofiled	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	-85,000	Reprofile £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	complete	07.08.20 scheme nearly complete. 16.10.20 Scheme Complete
TC3130	Lorry Park Shower Upgrade	R Churchill	45,400	45,400	44,975	-425	complete	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.
TC3134	Works to SFACC	R Churchill	23,560	23,560	0	-23,560	Reprofile £23,560	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	175,000	180,760	176,482	-4,278	Reprofile £4,278	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	27,057	-3	complete	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.
TC3149	Onstreet Residential Chargepoint Scheme	B Rawlinson	0	38,250	25,491	-12,759	Reprofile £12,759	
	Economic Development Committee		675,466	719,476	393,312	-326,164	325,597	
TA2210	Purchase of Alms Houses	M Cook	704,000	709,000	708,710	-290	Complete	09.12.20 purchase underway. 31.03.21 purchase complete and works carried out. additional spend required re Stamp Duty Land Tax.
TA3097	Yorke Drive Regeneration and Community Facility	C Clarkson	130,000	130,000	0	-130,000	Reprofile £130,000	10.08.20 Heads of terms and consultants appointment to deliver enabling works agreed. 09.12.20 start on site Jun 2021. 31.03.21 Enabling works have taken longer than expected.

Project	Capital Description	Project Manager	Revised Budget 20-21 (Following P&F 21.01.21)	Revised Budget including Variations for Approval	Outturn	Variance	Scheme Complete / Reprofile Budget	Comments - Spend to date
TA3286	Information Technology Investment	D Richardson	576,330	576,330	395,830	-180,500	Reprofile £180,500	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	157,000	16,500	-140,500	Reprofile £140,500	09.12.20 working with Wellend on tender, will be complete by end of March. 31.03.21 additional camera purchased following additional grant received from the Safer Neighbourhoods grant. Full original budget of £140,500 needs to be rolled forward to allow exiting units to be replaced as planned.
TF3221	Southwell Flood Mitigation	A Batty	453,421	453,421	0	-453,421	Reprofile £453,421	09.12.20 waiting for an invoice from NCC.
TF3228	Homeless Hostel	K Shutt / M Cook	120,000	120,000	46,410	-73,590	Reprofile £73,590	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	20,318	-13,682	Complete	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. 31.03.21 This scheme has been completed. The original budget included some spent at Chatham Court and as this is our asset and sits in the HRA, the spend has been reallocated to the correct code (S95206).
TF6011	Private Sector Disabled Facilities Grants	A Batty	761,782	761,782	341,762	-420,021	21/22 budget already set up	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. Projecting to spend > £500k. additional funding recently announced of £137k with agreement to roll forward any unspent grant. 31.03.21 grant remaining from 20/21 is available to use in 21/22. budget doesnt require roll forward as original budget 21/22 is already set up. If more grant is received in 21/22 than expected, may look to increase the budget later in the year if practical.
TF6012	Discretionary Disabled Facilities Grants	A Batty	140,000	140,000	58,670	-81,330	21/22 budget already set up	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	70,099	-179,901	Reprofile £179,901	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	H Richmond	179,939	179,939	58,220	-121,720	21/22 budget already set up	

Project	Capital Description	Project Manager	Revised Budget 20-21 (Following P&F 21.01.21)	Revised Budget including Variations for Approval	Outturn	Variance	Scheme Complete / Reprofile Budget	Comments - Spend to date
TF6809	Fairholme Park (Ollerton) Conversion to Mains Gas	H Richmond	123,130	123,130	113,841	-9,289	Reprofile £9,289	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
Homes & Communities Committee			3,623,103	3,634,603	1,830,359	-1,804,244	1,167,201	
TA1216	Dukeries LC New Pool	A Hardy	2,187,000	2,187,000	1,347,496	-839,504	Reprofile £839,504	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. 31.03.21 Initial drawdown from SE received. still expecting to finish in June, but due to late start cash flow projections were a bit higher than expected.
TA1219	S106 - Blidworth LC Steam & Sauna Facility	R Churchill	23,754	23,754	20,847	-2,907	Complete	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	15,167	-1,513	Complete	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	1,190,010	1,190,010	1,027,694	-162,316	Reprofile £162,316	07.08.20 most of the vehicles in the replacement programme are on order. 31.03.21 lead time was longer on orders than initially expected.
TB6154	S106 Community Facilities Provision Community & Activity Village	A Hardy	156,183	156,183	100,000	-56,183	Reprofile £56,183	07.08.20 payable on commencement of phase due, due October 20. 09.12.20 YMCA waiting on Towns Fund announcement. Commencement imminent. 31.03.21 Final £56k will be paid upon completion of the hub building.
TB6162	Loan to Newark Academy	A Hardy	240,000	240,000	0	-240,000	Reprofile £240,000	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	66,385	0	Complete	09.12.20 money paid.
TC3136	Climate Change	M Finch/R Churchill	30,000	30,000	0	-30,000	Reprofile £30,000	17.12.20 action plan agreed at Council this week.
TC3137	Brunel Drive Door Entry System	A Kirk	42,227	42,227	31,628	-10,599	Complete	07.08.20 fire alarms still to be completed, will be complete by early September. 09.12.20 work complete.
Leisure & Environment Committee			3,952,239	3,952,239	2,609,217	-1,343,022	1,328,003	

Project	Capital Description	Project Manager	Revised Budget 20-21 (Following P&F 21.01.21)	Revised Budget including Variations for Approval	Outturn	Variance	Scheme Complete / Reprofile Budget	Comments - Spend to date
TC1000	New Council Offices	R Churchill	286,025	286,025	155,322	-130,703	complete	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	0	0	0	Reprofile £1,090,760	07.08.20 transactions are progressing.
TC3016	Legionella Remedial Works	R Churchill	133,412	133,412	112,437	-20,975	Reprofile £20,975	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	0	-384,150	Reprofile £384,150	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	2,438,709	-152,901	Complete	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.
TI1001	Joesph Whittaker School Contribution	M Norton	620,000	620,000	0	-620,000	Reprofile £620,000	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	699,111	-325,889	Reprofile £325,889	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.
	Policy & Finance Committee		6,130,957	6,130,957	3,405,579	-2,725,378	2,441,774	

TOTALS	14,381,764	14,437,274	8,238,467	-6,198,807	5,262,575
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HRA - Spend against budget - Estimated in year

Project	Capital Description	Project Manager	Revised Budget 2021 as per P&F 21.01.21	Revised Budget including Variations for Approval	Outturn to date	Variance	Scheme Complete / Reprofile Budget	Comments - Spend to date
PROPERTY INVESTMENT PROGRAMME								
S91100	ROOF REPLACEMENTS	A Hayward	0	0	0	0		
S91115	Roof Replacement Works	A Hayward	200,000	263,830	304,160	40,330	complete	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. 31.03.21 Overall roofing works spend within budget.
S91116	Flat Roof Replacement Wrk	A Hayward	200,000	200,000	94,954	-105,046	Reprofile £64,710	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	ROOF REPLACEMENTS		400,000	463,830	399,114	-64,716		
S91200	KITCHEN & BATHROOM CONVERSIONS	A Tutty	0	0	0	0		
S91218	Kit & Bathrooms	A Tutty	1,500,000	1,436,170	720,834	-715,336	Reprofile £715,330	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. 31.03.21 full budget was not required, but commitments outstanding from 20/21 to be carried out in new year.
S712	KITCHEN & BATHROOM CONVERSIONS		1,500,000	1,436,170	720,834	-715,336		
S91300	EXTERNAL FABRIC	G Bruce	100,000	100,000	0	-100,000	complete	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	198,502	-1,498	complete	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	EXTERNAL FABRIC		300,000	300,000	198,502	-101,498		
S91400	DOORS & WINDOWS	D Bamford	0	0	0	0		
S91412	Doors & Windows Works	D Bamford	170,000	170,000	75,246	-94,754	Reprofile £94,000	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. 31.03.21 works had to be stalled due to lockdowns resulting in problems obtaining materials.
S714	DOORS & WINDOWS		170,000	170,000	75,246	-94,754		
S91500	OTHER STRUCTURAL	G Bruce	41,000	41,000	5,424	-35,576	Reprofile £9,000	13.10.20 works being carried out across the district.
S91511	Walls Re-Rendering	G Bruce	0	0	9,179	9,179	complete	
S91534	Gutter Repairs	A Hayward	50,000	50,000	45,276	-4,724	complete	15.10.20 work completed.
S715	OTHER STRUCTURAL		91,000	91,000	59,879	-31,121		
S93100	ELECTRICAL	A Hayward	0	0	0	0		

Project	Capital Description	Project Manager	Revised Budget 2021 as per P&F 21.01.21	Revised Budget including Variations for Approval	Outturn to date	Variance	Scheme Complete / Reprofile Budget	Comments - Spend to date
S93115	Rewires	A Hayward	600,000	600,000	295,404	-304,596	Reprofile £300,000	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. 31.03.21 Contractors couldn't follow normal work methods to work safely with tenants in the property. Works on voids were able to continue.
S731	ELECTRICAL		600,000	600,000	295,404	-304,596		
S93500	HEATING	D Bamford	0	0	0	0		
S93510	Heating/Boilers	D Bamford	550,000	550,000	357,259	-192,741	Reprofile £138,000	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. 31.03.21 Contractors couldn't follow normal work methods to work safely with tenants in the property. emergency works continued.
S735	HEATING		550,000	550,000	357,259	-192,741		
S93600	ENERGY EFFICIENCY	D Bamford	0	0	0	0		
S93624	EE Boilers	D Bamford	150,000	150,000	16,378	-133,622	complete	13.10.20 replacements are on programme. 31.03.21 Contractors couldn't follow normal work methods to work safely with tenants in the property. emergency works continued.
S736	ENERGY EFFICIENCY		150,000	150,000	16,378	-133,622		
S95100	GARAGE FORECOURTS	A Hayward	0	0	0	0		
S95109	Garages	A Hayward	34,000	34,000	33,773	-227	complete	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	complete	04.08.20 scheme complete
S751	GARAGE FORECOURTS		109,000	109,000	108,729	-271		
S95200	ENVIRONMENTAL WORKS	M Carman	116,099	116,099	0	-116,099	Reprofile £116,090	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	191,084	-58,916	Complete	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 Neigh	J Davidson/A Batty	68,901	68,901	66,639	-2,262	Reprofile £2,260	24.09.20 Safer Neighbourhoods Funding 31.03.21 additional spend here is covered by additional grant. Equivalent reduction on general fund bicycle storage scheme due to some costs relating to Chatham Court.
S95207	Vineway Gated Access	M Carman	5,000	5,000	0	-5,000	moved to revenue	31.03.21 outturn was below the £15k deminimis limit
S95208	Roewood Lane Sewerage Treatment Station	M Carman	10,000	10,000	0	-10,000	Reprofile £10,000	31.03.21 outturn was below the £15k deminimis limit
S95250	Communal Lighting	M Carman	20,000	20,000	0	-20,000	moved to revenue	13.10.20 Three street lights identified for replacements. 31.03.21 outturn was below the £15k deminimis limit

Project	Capital Description	Project Manager	Revised Budget 2021 as per P&F 21.01.21	Revised Budget including Variations for Approval	Outturn to date	Variance	Scheme Complete / Reprofile Budget	Comments - Spend to date
S95252	Flood Defence Systems	D Bamford	10,000	10,000	0	-10,000	budget available in 21/22	31.03.21 there is an annual budget allocation for flood defence, no commitments in 20/21 requiring a budget reprofile.
S95253	Play Areas	L Powell	0	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	G Bruce	65,000	65,000	17,824	-47,176	Complete	13.10.20 fencing works across the district.
S752	ENVIRONMENTAL WORKS		545,000	545,000	275,546	-269,454		
S97100	ASBESTOS	A Hayward	0	0	0	0		
S97115	Asbestos Surveys	A Hayward	30,000	30,000	0	-30,000	Reprofile £13,000	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	0	-20,000	Reprofile £8,000	04.08.20 removals started in May. 15.10.20 ongoing.
S771	ASBESTOS		50,000	50,000	0	-50,000		
S97200	FIRE SAFETY	J Knowles	50,000	50,000	0	-50,000	Reprofile £36,870	
S97218	Fire Risk Assessments	J Knowles	150,000	150,000	0	-150,000	Reprofile £150,000	04.08.20 works completed on receipt of risk assessment reports. 13.10.20 out to tender at the moment, due back late Oct. 31.03.21 Risk assessments have been carried out, spend will occur in the new year and expect to spend more than next years budget.
S772	FIRE SAFETY		200,000	200,000	0	-200,000		
S97300	DDA IMPROVEMENTS	L Powell	17,531	17,531	17,531	0	complete	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.
S773	DDA IMPROVEMENTS		17,531	17,531	17,531	0		
S97400	DISABLED ADAPTATIONS	L Powell	0	0	0	0		
S97416	Major Adaptations	L Powell	425,000	425,000	382,856	-42,144	Reprofile £42,000	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. 31.03.21 commitments made within 20/21 will occur in 21/22.
S97417	Minor Adaptations	L Powell	30,000	30,000	26,975	-3,025	Reprofile £3,000	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. 31.03.21 commitments made within 20/21 will occur in 21/22.

Project	Capital Description	Project Manager	Revised Budget 2021 as per P&F 21.01.21	Revised Budget including Variations for Approval	Outturn to date	Variance	Scheme Complete / Reprofile Budget	Comments - Spend to date
S97418	Adaptation Stair Lift/Ho	L Powell	47,469	47,469	44,263	-3,206	Reprofile £3,000	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. 31.03.21 commitments made within 20/21 will occur in 21/22.
S774	DISABLED ADAPTATIONS		502,469	502,469	454,094	-48,375		
S97500	LEGIONELLA	D Bamford	30,000	30,000	0	-30,000	moved to revenue	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. 31.03.21 spend on surveys only and under deminis limit.
S791	UNALLOCATED FUNDING		30,000	30,000	0	-30,000		
S99100	PROPERTY INVESTMENT CONTINGENCY	M Carman	50,000	50,000	0	-50,000	budget available in 21/22	31.03.21 Contingency budgeted for every year.
S99102	Housing Capital Fees	M Carman	378,800	378,800	214,564	-164,236	complete	31.03.21 fees dependant on spend incurred to manage the investment programme within the revenue budget.
S791	UNALLOCATED FUNDING		428,800	428,800	214,564	-214,236		
	PROPERTY INVESTMENT		5,643,800	5,643,800	3,193,081	-2,450,719	1,705,260	
AFFORDABLE HOUSING								
SA1031	Site Acquisition (Inc RTB)	K Shutt / J Sanderson	780,000	780,000	221,400	-558,600	Reprofile £558,600	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. 31.03.21 other sites did not progress in time to aquire before the year end.
SA1033	Estate Regeneration	C Clarkson	1,085,430	1,085,430	394,102	-691,328	Reprofile £691,328	10.08.20 Heads of terms and consultants appointment to deliver enabling works agreed. Continued work to around funding. 31.03.21 some delays in enabling works to be progressed in 21/22.
SA1034	Former ASRA Properties	C Clarkson	1,074,579	1,074,579	1,080,469	5,890	complete	10.08.20 due to delays additional consultation underway with PA tenants with a view to complete Q3.
SA1035	Land at 17 Northgate S106 donated asset	K Shutt	0	178,121	178,121	0	complete	31.03.21 donated asset, under S106 agreement. Cost shown represents market valuation at time of agreement and is only to correctly account for the transfer.
SA1047	New Build Contingency	K Shutt	109,802	109,802	0	-109,802	Reprofile £109,800	31.03.21 contingency for the full build programme, and will be added to or moved from as required for phase 4 and 5.

Project	Capital Description	Project Manager	Revised Budget 2021 as per P&F 21.01.21	Revised Budget including Variations for Approval	Outturn to date	Variance	Scheme Complete / Reprofile Budget	Comments - Spend to date
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Newark & Sherwood District Council

Nottinghamshire Pension Fund

Pension accounting disclosure as at 31 March 2021
Prepared in accordance with IAS19

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Introduction

We have been instructed by Nottinghamshire County Council, the administering authority to the Nottinghamshire Pension Fund (the Fund), to undertake pension expense calculations in respect of pension benefits provided by the Local Government Pension Scheme (the LGPS) to employees of Newark & Sherwood District Council (the Employer) as at 31 March 2021. We have taken account of current LGPS Regulations, as amended, as at the date of this report.

This report is addressed to the Employer and its advisers; in particular, this report is likely to be of relevance to the Employer's auditor.

This report is a revision of the report dated 19 April 2021 allowing for updated whole fund asset and cashflow information for the year to 31 March 2021. The previous report was based on whole fund asset and cashflow information for the period to 31 December 2020.

These figures are prepared in accordance with our understanding of International Accounting Standard 19 (IAS19).

This advice complies with Technical Actuarial Standard 100: Principles for Technical Actuarial Work (TAS 100).

The figures quoted will form the basis of the balance sheet and funding status disclosures to be made by the Employer as at 31 March 2021 in respect of its pension obligations under the LGPS. The projected pension expense calculations for the year to 31 March 2022 may be used for the purpose of any interim financial reporting during the year to 31 March 2022. However, it may subsequently be necessary to adjust these projections following the occurrence of any material events such as curtailments, settlements or the discontinuance of the Employer's participation in the Fund.

Further information relating to our treatment of GMP is included on page 12 of this disclosure.

The results in this report include an allowance to reflect the Court of Appeal judgement in respect of the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Fire Pension schemes, respectively. This allowance was described in the previous accounting report and incorporated into the accounting results as at 31 March 2019. These results, including the allowance, have been rolled forward and remeasured to obtain the accounting results as at 31 March 2021.

On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. The consultation closed on 8 October 2020 and the final remedy will only be known after the consultation responses have been reviewed and a final set of remedial Regulations are published. We do not believe there are any material differences between the approach underlying our estimated allowance and the proposed remedy. A more detailed analysis at this stage would require a significant volume of member data which is not yet available. Therefore we have not included any further adjustment in light of the ongoing consultation in this report.

Please note we have not made any allowance for IFRIC14 in our calculations. We would be happy to speak to the Employer or their auditor if more information is required.

IAS19 also requires the disclosure of any other employer provided pension benefits which are not paid from the Fund itself: examples include additional pensions paid on retirement under the Discretionary Payment Regulations. We have only valued such additional liabilities, which would not be covered in the formal LGPS valuation, to the extent that they have been notified to us and are as disclosed in the Valuation data section of this report.

Amendments to the IAS19 standard now requires that, when determining any past service cost or gain or loss on settlement, the net defined benefit liability is remeasured using current assumptions and the fair value of plan assets at the time of the event. The amendment does, however, note that the extra remeasurement does not need to be applied where the application of that remeasurement is immaterial. We have treated 3 events, which occurred over the accounting period, as material 'special events'.

Characteristics of defined benefit plans and associated risks

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations as amended and summarised on the LGPS website and the Fund's membership booklet. There are currently uncertainties in relation to LGPS benefits due to the McCloud and Sargeant judgement and the 2016 cost cap process. The Government has published its consultation on a remedy for the McCloud and Sargeant judgement and at the same time announced the unpausing of the 2016 cost cap process which will take into account the remedy for the McCloud and Sargeant judgement. These are yet to be finalised and therefore it remains uncertain what changes may be made to LGPS benefits as a result.

The administering authority for the Fund is Nottinghamshire County Council. The Pension Fund Committee oversees the management of the Fund whilst the day to day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers.

As administering authority to the Fund, Nottinghamshire County Council, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund's performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2022 and will set contributions for the period from 1 April 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

On the Employer's withdrawal from the Fund, a cessation valuation will be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which will determine the termination contribution due by the Employer, on a set of assumptions deemed appropriate by the Fund Actuary.

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way;
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the Nottinghamshire Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

Valuation data

Data sources

In completing our calculations for pension accounting purposes we have used the following items of data, which we received from Nottinghamshire County Council:

- The results of the valuation as at 31 March 2019 which was carried out for funding purposes and the results of the 31 March 2020 IAS19 report which was prepared for accounting purposes;
- Estimated whole Fund income and expenditure items for the period to 31 March 2021;
- Estimated Fund returns based on Fund asset statements provided (or estimated where necessary) as at 31 March 2019, 31 March 2020 and 31 March 2021 and Fund income and expenditure as noted above;
- Estimated Fund income and expenditure in respect of the Employer for the period to 31 March 2021;
- Details of any new early retirements for the period to 31 March 2021 that have been paid out on an unreduced basis, which are not anticipated in the normal employer service cost; and
- Details of any settlements for the period to 31 March 2021.

Although some of these data items have been estimated, we do not believe that they are likely to have a material effect on the results of this report. Further, we are not aware of any material changes or events since we received the data. The data has been checked for reasonableness and we are happy that the data is sufficient for the purposes of this advice.

Employer membership statistics

The table below summarises the membership data, as at 31 March 2019 for members receiving funded benefits.

Member data summary	Number	Salaries/Pensions £000s	Average age
Actives	522	12,671	45
Deferred pensioners	773	1,662	47
Pensioners	700	3,930	71
Unfunded pensioners	100	197	80

The service cost for the year ending 31 March 2021 is calculated using an estimate of the total pensionable payroll during the year. The estimated total pensionable payroll during the year is £13,499,000, as advised by the Employer. The projected service cost for the year ending 31 March 2022 has been calculated using an estimated payroll of £13,833,000, as advised by the Employer.

Scheduled contributions

The table below summarises the minimum employer contributions due from Newark & Sherwood District Council to the Fund over this inter-valuation period. The calculated cost of accrual of future benefits is 17.5% of payroll p.a.

Minimum employer contributions due for the period beginning	1 Apr 2020	1 Apr 2021	1 Apr 2022
Percent of payroll	17.5%	17.5%	17.5%
plus monetary amount (£000s)	771	800	829

However, Newark & Sherwood District Council have agreed with the administering authority that they will prepay their monetary contributions for the three years to 31 March 2023 by making a single lump sum payment of £2,235,000 by 30 April 2020. This lump sum payment has received an actuarially equivalent discount to the monetary rates above and Newark & Sherwood District Council have been notified separately of this amount. If they don't make this lump sum payments by 30 April 2020, the contribution rates set out above will apply as normal.

Newark & Sherwood District Council may pay further amounts at any time and future periodic contributions, or the timing of contributions may be adjusted on a basis approved by us.

Early retirements

We requested data on any early retirements in respect of the Employer from the administering authority for the year ending 31 March 2021.

We have been notified of three new early retirements during the year which were not allowed for at the previous accounting date. The total annual pension that came into payment was £48,500.

Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2021 is estimated to be 21.57%. The actual return on Fund assets over the year may be different.

The estimated asset allocation for Newark & Sherwood District Council as at 31 March 2021 is as follows:

Asset breakdown	31 Mar 2021		31 Mar 2020	
	£000s	%	£000s	%
Equities	78,518	65%	57,623	58%
Gilts	4,073	3%	4,149	4%
Other bonds	8,308	7%	9,174	9%
Property	12,383	10%	14,887	15%
Cash	5,512	5%	4,069	4%
Inflation-linked pooled fund	5,865	5%	3,730	4%
Infrastructure	6,556	5%	6,212	6%
Total	121,215	100%	99,844	100%

We have estimated the bid values where necessary. Please note that the individual percentages shown are to the nearest percentage point for each asset class and may not sum to 100%. The final asset allocation of the Fund assets as at 31 March 2021 may be different from that shown due to estimation techniques.

Based on the above, the Employer's share of the assets of the Fund is approximately 1.99%.

We received the following information from the administering authority regarding the detail of their assets as at 31 March 2021, representing the percentages of the total Fund held in each asset class (split by those that have a quoted market price in an active market, and those that do not).

Asset breakdown	31 Mar 2021	
	% Quoted	% Unquoted
Fixed Interest Government Securities		
UK	3.4%	-
Overseas	-	-
Corporate Bonds		
UK	1.7%	-
Overseas	5.2%	-
Equities		
UK	24.6%	0.0%
Overseas	36.2%	-
Property		
All	-	10.2%
Others		
Private Equity	-	3.0%
Infrastructure	-	5.4%
Unit trust	-	1.0%
Inflation-linked pooled fund	-	4.8%
Credit	-	1.1%
Cash/Temporary Investments	-	3.4%
Total	71.0%	29.0%

We do not have any further detail on the current asset allocation of the Fund; we suggest that if further information is required the administering authority is contacted in the first instance. Please note that as above, no adjustments for presentational purposes have been made to the percentages shown.

Actuarial methods and assumptions

Valuation approach

Valuation of the Employer's liabilities

To assess the value of the Employer's liabilities at 31 March 2021, we have rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2019, using financial assumptions that comply with IAS19.

The full actuarial valuation involved projecting future cashflows to be paid from the Fund and placing a value on them. These cashflows include pensions currently being paid to members of the Fund as well as pensions (and lump sums) that may be payable in future to members of the Fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated value of liabilities as at 31 March 2021 without completing a full valuation. However, we are satisfied that the approach of rolling forward the previous valuation data to 31 March 2021 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information we have received there appears to be no evidence that this approach is inappropriate.

As required under the IAS19 accounting standard, we have used the projected unit credit method of valuation.

Valuation of the Employer's assets

To calculate the asset share we have rolled forward the assets allocated to the Employer at 31 March 2019 allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

The Employer currently participates in the Newark & Sherwood District Council pool with other employers in order to share experience of risks they are exposed to in the Fund. At the 2019 valuation, the deficit for the whole pool was calculated and allocated to each employer in proportion to their value of liabilities. The next reallocation will be carried out at the 2022 valuation, should the Employer remain in the pool. Each employer within the pool pays a contribution rate based on the cost of benefits of the combined membership of the pool.

Experience items allowed for since the previous accounting date

Experience items arise due to differences between the assumptions made as part of the roll forward approach and actual experience. This includes (but is not limited to) assumptions made in respect of salary increases, pension increases, mortality, and member transfers. We have allowed for actual pension increase experience for the period from 2019-2021. This assumes that pension increases are in line with the annual pension increases set by HM Treasury Revaluation Order.

As a result of allowing for actual experience, an experience item is observed in the reconciliation to 31 March 2021, as shown in Appendix 3 and Appendix 5.

Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. It is our understanding that HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes". More information on the current method of equalisation of public service pension schemes can be found [here](#).

On 23 March 2021, the Government published the outcome to its Guaranteed Minimum Pension Indexation consultation, concluding that all public service pension schemes, including the LGPS, will be directed to provide full indexation to members with a GMP reaching State Pension Age (SPA) beyond 5 April 2021. This is a permanent extension of the existing 'interim solution' that has applied to members with a GMP reaching SPA on or after 6 April 2016. Details of the consultation outcome can be found [here](#).

Our valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, we have assumed that the Fund will be required to pay the entire inflationary increase. Therefore we do not believe we need to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Demographic/Statistical assumptions

We have adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2019, except for the CMI projection model. The post retirement mortality tables adopted are the S3PA tables with a multiplier of 110% for males and 105% for females. These base tables are then projected using the CMI_2020 Model, allowing for a long-term rate of improvement of 1.25% p.a., smoothing parameter of 7.5, an initial addition parameter of 0.5% p.a. and a 2020 weighting of 25%.

Although the post retirement mortality tables adopted are consistent with the previous accounting date, the mortality improvement projection has been updated to use the latest version of the Continuous Mortality Investigation's model, CMI_2020, which was released in March 2021. This update has been made in light of the coronavirus pandemic and reflects the latest information available from the CMI. The new CMI_2020 Model introduces a "2020 weight parameter" for the mortality data in 2020 so that the exceptional mortality experienced due to the coronavirus pandemic can be incorporated without having a disproportionate impact on results. Our view is that placing too much weight on the 2020 mortality experience would not be appropriate given the abnormality of the 2020 data, however, the overall outlook for best-estimate future mortality improvements looks more negative than before as a result of the pandemic. Therefore, we have updated to use the CMI_2020 Model with a 2020 weight parameter of 25%. At the last accounting date, the CMI_2018 Model was adopted. The effect on the Employer's liabilities of updating to the most recent model is reflected in the Change in demographic assumptions figure in Appendix 3 and Appendix 5, and the effect on the assumed life expectancies is demonstrated in the table below.

The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)	31 Mar 2021 (after CMI_2020 update)	31 Mar 2021 (before CMI_2020 update)	31 Mar 2020
Retiring today			
Males	21.6	21.9	21.8
Females	24.3	24.5	24.4
Retiring in 20 years			
Males	22.9	23.3	23.2
Females	25.7	25.9	25.8

We have also assumed that:

- Members will exchange pension to get 50% of the maximum available cash on retirement. For every £1 of pension that members commute, they will receive a cash payment of £12 as set out in the Regulations;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

Financial assumptions

The financial assumptions used to calculate the results are as follows:

Assumptions as at	31 Mar 2021	31 Mar 2020	31 Mar 2019
	% p.a.	% p.a.	% p.a.
Discount rate	2.00%	2.35%	2.40%
Pension increases	2.80%	1.90%	2.40%
Salary increases	3.80%	2.90%	3.90%

These assumptions are set with reference to market conditions at 31 March 2021.

Our estimate of the Employer's past service liability duration is 20 years.

An estimate of the Employer's future cashflows is made using notional cashflows based on the estimated duration above. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point). This is consistent with the approach used at the previous accounting date.

Similar to the approach used to derive the discount rate, the Retail Prices Index (RPI) increase assumption is set using a Single Equivalent Inflation Rate (SEIR) approach, using the notional cashflows described above. The single inflation rate derived is that which gives the same net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the BoE implied inflation curve. As above, the Merrill Lynch AA rated corporate bond yield spot curve is assumed to be flat beyond the 30 year point and the BoE implied inflation spot curve is assumed to be flat beyond the 40 year point. This is consistent with the approach used at the previous accounting date.

The BoE implied inflation curve may suggest a higher rate of inflation, over longer terms, than actually expected by market participants due to a willingness to accept a lower return on investments to ensure inflation linked returns. To reflect this, we include an Inflation Risk Premium (IRP) adjustment such that our assumed level of future annual RPI increase is 0.25% p.a. lower than the SEIR calculated using the BoE inflation curve alone. This differs from the previous accounting date. The impact of this change in derivation on the liability value is shown in Appendix 3.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI, we have made a further assumption about CPI which is that it will be 0.40% p.a. below RPI i.e. 2.80% p.a. We believe that this is a reasonable estimate for the future differences in the indices, based on the different calculation methods, recent independent forecasts and the duration of the Employer's liabilities. The difference between RPI and CPI is less than assumed at the previous accounting date. This reflects the anticipated reform of RPI inflation following the UK Statistics Authority's proposal to change how RPI is calculated and subsequent announcements from the Chancellor suggesting this reform is now likely to take effect from 2030. The impact of this change in derivation on the liability value is shown in Appendix 3.

Salaries are assumed to increase at 1.0% p.a. above CPI This is consistent with the approach at the previous accounting date.

Special events dates

As mentioned above, we have allowed for a number of 'special events' over the accounting period. The net defined benefit liability has been remeasured at each of these event dates using market statistics and the fair value of plan assets at the time of the event.

The below table sets out the dates of these 'special events' and the financial assumptions adopted for each period of remeasurement. The assumptions at special event dates have been derived consistently with the previous accounting date.

Event date	Discount rate	Pension increases
31 Mar 2020	2.35%	1.90%
30 Jun 2020	1.45%	2.25%
31 Jul 2020	1.35%	2.25%
31 Mar 2021	2.00%	2.80%

Past service costs/gains

Past service costs/gains arise as a result of introduction or withdrawal of, or changes to, member benefits. For example, an award of additional discretionary benefits to a member such as added years by a member would be considered a past service cost.

We are not aware of any additional benefits which were granted over the year ending 31 March 2021.

Curtailments

We have calculated the cost of curtailments arising as a result of the payment of unreduced pensions on early retirement. The Employer may also have to account for non-pension related costs (e.g. lump sum payments on redundancy) but for the avoidance of doubt, we have only calculated the cost of curtailments which affect the Employer's LGPS pension liabilities.

We calculate the cost of curtailments at the point of exit, with interest applied to the accounting date accounted for separately.

Over the year, we understand that three former employees became entitled to unreduced early retirement benefits. The capitalised cost of the additional benefits on IAS19 compliant assumptions is calculated at £204,000. This figure has been included within the service cost in the statement of profit and loss.

Unless confirmed to us by the Employer as not material, the cost of each curtailment is calculated using assumptions derived based on market conditions at the date of exit. If not material, then the cost is calculated based on the assumptions applicable at the previous material 'special event' date (or at the previous accounting date if there are no previous material 'special events'). Details of the financial assumptions adopted at each 'special event' date are set out above in the Financial assumptions section. A breakdown of the capitalised cost of each of the curtailment events allowed for and the financial assumptions used to calculate this cost is provided in the Pension Curtailment Costs spreadsheet issued alongside this report.

Settlements

We are not aware of any liabilities being settled at a cost materially different to the accounting reserve during the year.

Results and disclosures

We estimate that the value of the net liability as at 31 March 2021 is a liability of £95,085,000.

The results of our calculations for the year ended 31 March 2021 are set out in the appendices below:

- Appendix 1 sets out the Statement of financial position as at 31 March 2021;
- Appendix 2 sets out the Statement of profit and loss for the year ended 31 March 2021;
- Appendix 3 details a reconciliation of assets and liabilities during the year;
- Appendix 4 shows a sensitivity analysis on the major assumptions;
- Appendix 5 shows the Remeasurements in other comprehensive income for the year; and
- Appendix 6 contains our estimates of the projected profit and loss account costs for the year ending 31 March 2022. Please note that no allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the value of liabilities. It is only an estimate so actual experience over the year is likely to differ. We have not provided balance sheet projections on the basis that they will depend upon market conditions and the asset value of the Fund at the end of the following year.

The figures presented in this report are prepared only for the purposes of IAS19. In particular, they are not relevant for calculations undertaken for funding purposes or for other statutory purposes under UK pensions legislation.

We would be pleased to answer any questions arising from this report.



Julie Baillie FFA
Actuary

Appendix 1 Statement of financial position as at 31 March 2021

Net pension asset as at	31 Mar 2021	31 Mar 2020	31 Mar 2019
	£000s	£000s	£000s
Present value of the defined benefit obligation	213,871	168,822	147,283
Fair value of Fund assets (bid value)	121,215	99,844	84,358
Deficit / (Surplus)	92,656	68,978	62,925
Present value of unfunded obligation	2,429	2,379	2,874
Unrecognised past service cost	-	-	-
Impact of asset ceiling	-	-	-
Net defined benefit liability / (asset)	95,085	71,357	65,799

Appendix 2 Statement of profit and loss for the year to 31 March 2021

The amounts recognised in the profit and loss statement are:	Year to	Year to
	31 Mar 2021	31 Mar 2020
	£000s	£000s
Service cost	6,528	17,471
Net interest on the defined liability (asset)	1,627	1,566
Administration expenses	48	34
Total loss (profit)	8,203	19,071

Appendix 3 Asset and benefit obligation reconciliation for the year to 31 March 2021

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year to 31 Mar 2021	Year to 31 Mar 2020
	£000s	£000s
Opening defined benefit obligation	171,201	150,157
Current service cost	6,324	3,914
Interest cost	3,244	3,536
Change in financial assumptions	44,510	(21,053)
Change in demographic assumptions	(1,904)	(2,858)
Experience loss/(gain) on defined benefit obligation	(2,225)	2,134
Liabilities assumed / (extinguished) on settlements	-	38,849
Estimated benefits paid net of transfers in	(5,760)	(4,125)
Past service costs, including curtailments	204	167
Contributions by Scheme participants and other employers	874	650
Unfunded pension payments	(168)	(170)
Closing defined benefit obligation	216,300	171,201

The change in financial assumptions item includes the impact of the change in derivation of future assumed RPI and CPI inflation as noted on page 14. These changes have resulted in a loss of £5,952,000 on the defined benefit obligation; comprising a gain of £9,567,000 from the change in assumed IRP and a loss of £15,519,000 from the change in the assumed gap between RPI and CPI inflation.

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to	Year to
	31 Mar 2021	31 Mar 2020
	£000s	£000s
Opening fair value of Fund assets	99,844	84,358
Interest on assets	1,617	1,970
Return on assets less interest	19,994	(11,316)
Other actuarial gains/(losses)	-	(270)
Administration expenses	(48)	(34)
Contributions by employer including unfunded	4,862	3,322
Contributions by Scheme participants and other employers	874	650
Estimated benefits paid plus unfunded net of transfers in	(5,928)	(4,295)
Settlement prices received / (paid)	-	25,459
Closing Fair value of Fund assets	121,215	99,844

The total return on the fund assets for the year to 31 March 2021 is £21,611,000.

The employer contribution includes a single lump sum payment of £2,235,000 which was agreed to be paid by 30 April 2020.

Appendix 4 Sensitivity analysis

Sensitivity analysis	£000s	£000s	£000s
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	212,060	216,300	220,629
Projected service cost	6,488	6,676	6,869
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	216,691	216,300	215,912
Projected service cost	6,679	6,676	6,672
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	220,199	216,300	212,477
Projected service cost	6,867	6,676	6,490
Adjustment to life expectancy assumptions	+ 1 Year	None	- 1 Year
Present value of total obligation	226,394	216,300	206,671
Projected service cost	6,979	6,676	6,384

Appendix 5 Remeasurements in other comprehensive income

Remeasurement of the net assets / (defined liability)	Year to	Year to
	31 Mar 2021	31 Mar 2020
	£000s	£000s
Return on Fund assets in excess of interest	19,994	(11,316)
Other actuarial gains/(losses) on assets	-	(270)
Change in financial assumptions	(44,510)	21,053
Change in demographic assumptions	1,904	2,858
Experience gain/(loss) on defined benefit obligation	2,225	(2,134)
Changes in effect of asset ceiling	-	-
Remeasurement of the net assets / (defined liability)	(20,387)	10,191

Appendix 6 Projected pension expense for the year to 31 March 2022

	Year to
	31 Mar 2022
	£000s
Projections for the year to 31 March 2022	
Service cost	6,676
Net interest on the defined liability (asset)	1,876
Administration expenses	59
Total loss (profit)	8,611
Employer contributions	2,421

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2021. These projections are based on the assumptions as at 31 March 2021, as described in the main body of this report.

ANNUAL TREASURY REPORT 2020/21

1. Background

- 1.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
- 1.2 Treasury management is defined as: ‘The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.’
- 1.3 Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council’s treasury management strategy.

2 Economic Background

- 2.1 **UK. Coronavirus.** The financial year 2020/21 will go down in history as being the year of the pandemic. The first national lockdown in late March 2020 did huge damage to an economy that was unprepared for such an eventuality. This caused an economic downturn that exceeded the one caused by the financial crisis of 2008/09. A short second lockdown in November did relatively little damage but by the time of the third lockdown in January 2021, businesses and individuals had become more resilient in adapting to working in new ways during a three month lockdown so much less damage than was caused than in the first one. The advent of vaccines starting in November 2020, were a game changer. The way in which the UK and US have led the world in implementing a fast programme of vaccination which promises to lead to a return to something approaching normal life during the second half of 2021, has been instrumental in speeding economic recovery and the reopening of the economy. In addition, the household saving rate has been exceptionally high since the first lockdown in March 2020 and so there is plenty of pent-up demand and purchasing power stored up for services in the still-depressed sectors like restaurants, travel and hotels as soon as they reopen. It is therefore expected that the UK economy could recover its pre-pandemic level of economic activity during quarter 1 of 2022.
- 2.2 Both the Government and the Bank of England took rapid action in March 2020 at the height of the crisis to provide support to financial markets to ensure their proper functioning, and to support the economy and to protect jobs.
- 2.3 The **Monetary Policy Committee** cut Bank Rate from 0.75% to 0.25% and then to 0.10% in March 2020 and embarked on a £200bn programme of quantitative easing QE (purchase of gilts so as to reduce borrowing costs throughout the economy by lowering gilt yields). The MPC increased then QE by £100bn in June and by £150bn in November to a total of £895bn. While Bank Rate remained unchanged for the rest of the year, financial markets were concerned that the MPC could cut Bank Rate to a negative rate; this was firmly discounted at

the February 2021 MPC meeting when it was established that commercial banks would be unable to implement negative rates for at least six months – by which time the economy was expected to be making a strong recovery and negative rates would no longer be needed.

- 2.4 **Average inflation targeting.** This was the major change adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and *achieving the 2% target sustainably*". That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. This sets a high bar for raising Bank Rate and no increase is expected by March 2024, and possibly for as long as five years. Inflation has been well under 2% during 2020/21; it is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor and so not a concern to the MPC.
- 2.5 **Government support.** The Chancellor has implemented repeated rounds of support to businesses by way of cheap loans and other measures, and has protected jobs by paying for workers to be placed on furlough. This support has come at a huge cost in terms of the Government's budget deficit ballooning in 20/21 and 21/22 so that the Debt to GDP ratio reaches around 100%. The Budget on 3rd March 2021 increased fiscal support to the economy and employment during 2021 and 2022 followed by substantial tax rises in the following three years to help to pay the cost for the pandemic. This will help further to strengthen the economic recovery from the pandemic and to return the government's finances to a balanced budget on a current expenditure and income basis in 2025/26. This will stop the Debt to GDP ratio rising further from 100%. An area of concern, though, is that the government's debt is now twice as sensitive to interest rate rises as before the pandemic due to QE operations substituting fixed long-term debt for floating rate debt; there is, therefore, much incentive for the Government to promote Bank Rate staying low e.g. by using fiscal policy in conjunction with the monetary policy action by the Bank of England to keep inflation from rising too high, and / or by amending the Bank's policy mandate to allow for a higher target for inflation.
- 2.6 **BREXIT.** The final agreement on 24th December 2020 eliminated a significant downside risk for the UK economy. The initial agreement only covered trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. There was much disruption to trade in January as form filling has proved to be a formidable barrier to trade. This appears to have eased somewhat since then but is an area that needs further work to ease difficulties, which are still acute in some areas.
- 2.7 **World growth.** World growth was in recession in 2020. Inflation is unlikely to be a problem in most countries for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

Local Context

- 3.1 During 2020/21, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.
- 3.2 A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.
- 3.3 The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 3.4 The Council's Capital Financing Requirement (CFR) at 31 March 2021 was £138m, while usable reserves and working capital which are the underlying resources available for investment were £62.85m.
- 3.5 The Council has an increasing CFR over the next 2 years of £35m, due to the borrowing requirement of £48.3m (GF £24.7m / HRA £23.6m) for financing the capital programme over the forecast period, if reserve levels permit internal borrowing will be considered. The CFR reduces when Minimum Revenue Provision (MRP) are made and the repayment of debt, over the forecast period there are two loans due for repayment with a combined total value of £6.3m.

3 Borrowing Strategy

3.1 Borrowing Activity in 2020/21

	Balance 1/4/20 £m	New Borrowing £m	Debt Maturing £m	Balance 31/3/21 £m
CFR	132.900			138.162
Short Term Borrowing	8.597	1.697	2.386	10.211
Long Term Borrowing	83.830	7.500	4.026	85.000
Total Borrowing	92.427	9.197	6.412	95.212
Other Long Term Liabilities	0.224	0	0	0.224
Total External Debt	92.651	9.197	6.412	95.436
Increase/(Decrease) in Borrowing £000				(2.785)

- 3.2 The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

- 3.3 The Council has an increasing CFR due to the capital programme and an estimated borrowing requirement as determined by the Liability Benchmark, which also takes into account usable reserves and working capital. Having considered the appropriate duration and structure of the Council's borrowing need based on realistic projections, it was decided to take a combination of medium-term borrowing maturity loan during the year, details of which are below.

Long-dated Loans borrowed	Amount £m	Rate %	Term
PWLB	3.000	1.46	17 Years 11 Months
PWLB	4.500	1.55	24 Years 11 Months

- 3.4 **LOBOs:** The Council holds £3.5m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of the £3.5m of LOBOs had options during the year, none of which were exercised by the lender.
- 3.5 **Debt Rescheduling:** The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Council's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

4 Investment Activity

- 4.1 The Council's investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 9 March 2020. The policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.). During 2020/21 the Council's investment balances have ranged between £45.9 and £75.1 million.

	Balance 1/4/20 £m	New Investments £m	Investments Redeemed £m	Balance 31/3/21 £m
Short Term Investments	30.459	204.943	196.132	39.770
Long Term Investments	7.500	0	0	7.500
Total Investments	38.459	204.943	196.132	47.270
Increase/(Decrease) in Investments £000				(8.811)

- 4.2 Security of capital remained the Council's main objective. This was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2020/21.
- 4.3 Counterparty credit quality is assessed and monitored by Link, the Council's treasury advisors, with reference to credit ratings; credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. Link provide recommendations for suitable counterparties and maximum investment periods.

5 Compliance with Prudential Indicators

5.1 The Council can confirm that it has complied with its Prudential Indicators for 2020/21, which were set on 9 March 2020 as part of the Council's Treasury Management Strategy Statement.

5.2 **Interest Rate Exposure:** These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates for both borrowing and investments. The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	Approved Limit for 2020/21 %	Maximum during 2020/21 £m
<u>Fixed Rate</u>		
Borrowing	100%	99.6%
Investments	75%	35.96%
<i>Compliance with Limit</i>		Yes
<u>Variable Rate</u>		
Borrowing	20%	0.40%
Investments	100%	64.04%
<i>Compliance with Limit</i>		Yes

5.3 **Maturity Structure of Fixed Rate Borrowing.** This indicator is to limit large concentrations of fixed rate debt and control the Council's exposure to refinancing risk.

	Upper Limit %	Fixed Rate Borrowing 31/03/21 £m	Fixed Rate Borrowing 31/3/21 %	Compliance?
Under 12 months	15%	9.800	10%	Yes
12 months to 2 years	15%	6.500	7%	Yes
2 years to 5 years	30%	13.500	14%	Yes
5 years to 10 years	100%	19.177	20%	Yes
10 years and above	100%	45.853	48%	Yes

5.4 **Principal Sums Invested for over 364 Days.** All investments were made on a short-term basis and there were no investments for more than 364 days.

5.5 **Authorised Limit and Operational Boundary for External Debt.** The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached. The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit. The s151 Officer confirms that there were no breaches to the Authorised Limit and the Operational Boundary during 2020/21; borrowing at its peak was £98.8m.

	Approved Operational Boundary 2020/21 £m	Authorised Limit 2020/21 £m	Actual External Debt 31/03/21 £m
Borrowing	161.491	168.491	95.212
Other Long Term Liabilities	0.400	0.600	0.244
Total	161.891	169.091	95.456

- 5.6 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary of the treasury management activity during 2020/21. A prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.
- 5.7 The Council also confirms that during 2020/21 it complied with its Treasury Management Policy Statement and Treasury Management Practices.

POLICY & FINANCE COMMITTEE

24 JUNE 2021

COUNCIL'S ANNUAL BUDGET 2022/23 – OVERALL CORPORATE BUDGET STRATEGY

1.0 Purpose of Report

1.1 To set out the General Fund & HRA Budget Strategy for 2022/23 for consideration by Members before detailed work commences.

2.0 Introduction

2.1 The Council's Constitution sets out the process for developing the Council's Annual Budget.

2.2 The process requires that, each year, the Council's Section 151 Officer presents a report on the overall budget strategy for the forthcoming financial year, to the Policy & Finance Committee.

2.3 The Policy & Finance Committee is then required to consider the report of the S151 Officer and to approve the budget strategy for the forthcoming financial year.

3.0 Budget Proposals

Budget Presentation

3.1.1 The budget process will result in setting the budget and the Council Tax for 2022/23 and will be approved by Council at its meeting on 8 March 2022.

Financial Policies

3.2.1 The Council has agreed policies on Budgeting and Council Tax, Reserves and Provisions, Charging, Value for Money and also a set of Budget Principles which set out the approach to be taken to the budget process. These policies were reviewed by the Policy & Finance Committee in June 2020. The policies and principles have been reviewed and updated where necessary and are attached as **Appendices C(i) to C(v)**.

4.0 Budget Strategy

General Fund

4.1 The current Medium Term Financial Plan (MTFP) was approved on 9 March 2021.

4.2 The table below sets out the summary of the financial forecast, identified within the current MTFP, assuming that Council Tax at average Band D will increase by the same rate as in the 2021/22 financial year, i.e. 1.94%:

	2021/22 (£m)	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)
Net Service Expenditure (less capital charges)	14.839	13.425	13.668	14.138
Total Other Expenditure	1.079	1.513	2.256	2.526
Total Expenditure	15.918	14.938	15.924	16.664
Funded by:				
Total Business Rates	(7.566)	(5.742)	(5.840)	(5.938)
Council Tax	(7.694)	(7.516)	(7.757)	(8.007)
Other Grants	(1.117)	0.000	0.000	0.000
Total Funding	(16.377)	(13.258)	(13.597)	(13.945)
Contribution (to) or from Reserves to balance the budget	(0.459)	1.680	2.327	2.719

- 4.3 Whilst there is always a need to improve efficiency and review existing budgets, the Council's budget gap in future years means that, as well as further efficiencies, the Council needs to generate "new" revenue streams. This is the task of the Transformation Business Unit. The business unit is working across the authority to identify where business processes can be made more efficient and to identify opportunities to increase income. Any opportunities that are identified and where approval is granted, will be fed into the MTFP and will accordingly be included in the base budget for all years going forward. Wider than the terms of reference of this group, it is important for budget managers to continue to scrutinise their budgets to ensure that services are delivered as efficiently as possible.
- 4.4 The national context around future local government funding is uncertain. It is expected that a consultation paper will be published during July 2021 (prior to the Summer Recess) on the Fair Funding Review which will seek to rebalance the funding formula used to assess resource needs for local authorities. There is pressure from within Whitehall for these reforms together with the baseline reset in the Business Rates system, to be implemented from 2022/23 albeit the timeline is challenging.
- 4.5 The Comprehensive Spending Review is anticipated in the Autumn and will provide control totals for Government departments for the next three years. This Comprehensive Spending Review has been postponed for the past two financial years in light of Brexit and the global pandemic. The Council has benefitted from these decisions as it has been able to retain the business rates growth it has generated since the inception of the current system.
- 4.6 Once further information is released regarding the impacts of the issues described at 4.4 and 4.5 above, finance officers will model this into the Medium Term Financial Plan and provide Members with an updated version of this. It is currently anticipated that an update to the MTFP will be presented to Council in November 2021.

Housing Revenue Account

- 4.7 A review of the Housing Revenue Account Narrative Business Plan is currently underway with a view to reporting back to Members in November 2021. Although the financial Business Plan is refreshed each year as part of the revenue budget process, the overarching narrative and direction setting part of the document has not been refreshed for a number of years.

4.8 There have been a number of significant changes in the service since the last time it was refreshed and hence it is now appropriate to review and update this.

4.9 This report will set out the key assumptions in the setting of the expenditure budgets for the HRA, albeit the refresh of the Business Plan will go into further depth on assumptions such as the number of Right to Buys and the proposed changes in rent charge.

Budgeting Assumptions

4.10 The following underlying assumptions will be applied in compiling the draft budget for 2022/23:

4.10.1 Base Budget

The base budget for 2022/23 will be derived from the original 2022/23 notional budget as compiled in the preparation of the MTFP for 2021/22 to 2024/25 and approved by Council on 9 March 2021 (ref. 4.2 above). This will aid in the transparency of the change in assumptions process, and will also ensure that changes in resource allocations are captured and reported accordingly.

4.10.2 Staff Costs

The actual establishment, reconciled to the HR records, will be used to generate the starting point for employees' expenditure. It has been assumed that within the Service Unit budgets, the Council will employ 100% of the establishment throughout the year with the exception of known unfilled vacancies where salaries are budgeted to commence on the anticipated starting date.

A 3% increase in wages and salaries will be assumed for 2022/23. On the 14th May 2021 the National Employers have made an offer of 1.50% on all NJC pay points for the 2021/22 financial year to the trade unions. This is a one year offer only, and as the 2020/21 financial year had a 2.75% pay award, it is felt that 3% is a reasonable assumption to make at this stage.

The financial implications of these changes and those for the National Living Wage will be kept under constant review and the budget, if required, will be revised before presentation to Policy & Finance Committee on 21 February 2021.

A vacancy provision of 3.5% of the total salary budget for 2022/23 will be made to allow for natural savings being made from posts remaining vacant before being filled. As it is not possible to predict precisely which business units will experience vacancies in the year, an overall saving will be set aside. This provision will be determined once the total salary budget for 2022/23 has been calculated.

4.10.3 Employer's Superannuation

A triennial valuation of the Nottinghamshire County Council pension scheme took place as at 31 March 2019. This determined the council's pension contribution rates for 2020/21, 2021/22 and 2022/23. The council will budget for pension contributions of 17.5% of each post's 2021/22 basic salary, and a 2022/23 notional cash deficit payment of £745,000. As the council prepaid for the three year deficit payment, it received a discounted rate, and hence the one year remaining will be held on the Balance Sheet until the timing of when to release to the General Fund (hence being a notional payment).

4.10.4 Provision for Inflation

Beyond the first couple of years of the Consumer Price Index (CPI) forecast, the Office for National Statistics (ONS) typically forecasts over the medium-term that inflation returns to the 2% target. The May 2021 comparison of independent forecasts for the UK economy has an average CPI rate of 2.1% for 2021 and 2% for 2022. An inflation rate, therefore, of 2% will be applied to non-salary costs, unless a different specific rate is specified in a contract for the supply of goods and services. For non-contractual supplies and services there will be a freeze on inflation.

4.10.5 Fees and Charges

Changes in fees and charges will be subject to specific, detailed review by business managers who will compare the Council's fees for discretionary services to other neighbouring and family group authorities that provide the same services. The business managers will also benchmark the fees with other commercial organisations where similar services are provided. Business managers will also assess and evaluate whether new fees and charges can be introduced for discretionary services that are not currently being charged for. The Council's charging policy is included in Appendix C(iv).

Where comparative benchmarking information is not available, an increase equivalent to inflation, **2%**, will be applied. For clarity, this figure is used for uplifts in fees and charges, but will not be used to forecast changes in rental income for dwellings within the HRA. The assumptions around that figure will be included within the refresh of the HRA Business Plan.

4.10.6 Interest Rate

The Council is proposing to borrow money in order to support its cash flow position. During previous financial years, decisions regarding capital expenditure have been taken to utilise internal resources and maintain an under borrowed position against its Capital Financing Requirement. This is not uncommon across the Local Government sector, at a time when budgets have been squeezed, but reserves have existed. The Council is proposing to utilise elements of its reserves to fund various capital projects going forward. This has meant that cash backed by these reserves has been utilised, hence there is a need to borrow money to ensure that the Council has cash at hand to service its day to day costs. The timing of borrowing funds will be dictated by the Council's cash flow which forecasts daily expected income and expenditure over the next 3 years. Treasury Advisors Link Group will be consulted with prior to borrowing to ensure that the Council takes the most economic route, be that either a fixed or variable rate borrowing, ensuring compliance with the approved Treasury Management Strategy. Rates will be monitored over the coming months until such time that the borrowing is secured.

5.0 Risks in Preparation of the Budget

- 5.1 The basis of the budget strategy will ensure that the Council delivers a balanced budget in March 2022; however, there are risks that may cause expenditure to increase or income to reduce. Consequently income and expenditure levels will be kept under review throughout the budget process.

- 5.2 It is essential to ensure that the strategic budget efficiencies and additional income are delivered as this is central to ensuring that the Council has a balanced budget. The delivery of the efficiencies and additional income will be kept under continuous review throughout the budget process.
- 5.3 It will not be possible to finalise funding in the budget until government announcements on future funding levels are published later in the year. Members are asked to approve the budget strategy as set out in this report, in order for the main provisions of the budget to be built. The impacts of the changes through the Comprehensive Spending Review will be reported to Members once this has been announced and officers have understood the implications on the Council.

6.0 Timetable

- 6.1 The Budget Timetable is dictated by the corporate timetable for Policy & Finance and operational Committees. The essential deadline is that the Council is able to set the level of Council Tax for 2022/23 at its meeting on 8 March 2022. Working back from this date a timetable has been drawn up and is attached at **Appendix A**. This timetable enables sufficient time for the budget proposals to be considered by operational Committees, in the January cycle, and Policy & Finance Committee and also sufficient time for the work to be completed within the Financial Services and other Business Units.

7.0 Consultation

- 7.1 As the production of the budget will be predicated on the priorities within the Community Plan, it is anticipated that resource allocation will be linked to spending priorities. An early liaison with Members in September 2021 through the Chairs and Vice Chairs of Committees will ensure that Members are involved at the initial planning stage of the budget
- 7.2 Once the first draft of the budget has been prepared, this will be reviewed by the Senior Leadership Team to ensure budget is aligned to the Community Plan priorities during November 2021.
- 7.3 Chairs and Vice Chairs will be presented with service budgets during December 2021. This will enable a review of service budgets prior to presentation to the service committees during the January cycle of meetings.
- 7.4 The operational committees will then have the opportunity during the budget process to make suggestions to Policy & Finance Committee prior to final budget approval by the Council. The date on which the draft budget proposals will be presented to the operational committees is set out in the timetable at **Appendix A**.
- 7.5 As part of the previous district wide consultation event that was completed during 2018 a Residents Panel was formed who would be consulted with more regularly to understand the views and experiences of residents. This comprises of almost 650 residents across Newark and Sherwood. During 2021 the panel were asked a 12 question survey of which 367 responses were received. These results will be fed into the production of the budget by budget officers responsible for building their service budgets.

7.6 As in previous years, consultation on the budget will take place with Commercial Business Ratepayers. This will be advertised on the Council's website between the Policy and Finance meeting in February and the Council meeting in March.

8.0 Capital Programme 2022/23 – 2025/26

8.1 Prioritisation for the General Fund Schemes

- (a) When business cases for new schemes are brought to Committee, financing implications of capital expenditure are included in order to assess the viability of the scheme and to enable members to make informed decisions. Once the capital expenditure has been incurred, the financing of the Capital Programme as a whole is arranged by the Section 151 Officer, in line with the Council's Constitution. This may include use of internal resources, borrowing from internal resources or external borrowing. An appraisal of the most appropriate funding source will be included within the business case.
- (b) Capital projects for the new financial year will initially be commissioned by the Senior Leadership Team. These projects will then be assessed against the prioritisation criteria (see **Appendix D**) and will be ranked accordingly. Based on this assessment a report will be prepared for submission to Policy and Finance Committee in February 2022, before final approval by Council on 8 March 2022.

8.2 Prioritisation for the Housing Revenue Account Schemes

The Council's HRA investment programme is delivered by officers within the Housing Management service. The current programme reflects the latest available information agreed by officers within the Housing, Health and Wellbeing directorate. It comprises capital investment in the existing Council housing stock and the continuation of a five phase new build programme commenced in 2017/18. Resources for future years will reflect the ability of the HRA to support any necessary borrowing, and other funding opportunities which may arise.

9.0 RECOMMENDATIONS that:

- (a) the overall General Fund & HRA budget strategy be approved;**
- (b) the consultation process with Members be noted;**
- (c) budget officers continue work on the assessment of various budget proposals affecting services for consideration in setting the Council's budget; and**
- (c) budget managers work with finance officers in identifying further efficiency savings, increasing income from fees and charges and in identifying new sources of income.**

Reason for Recommendations

To enable the Council's budget process to proceed encompassing agreed assumptions.

Background Papers

Nil.

For further information please contact Nick Wilson, Business Manager – Financial Services on Ext 5317 or Sanjiv Kohli on Ext 5303.

Sanjiv Kohli
Director – Resources / Deputy Chief Executive

2022/23 REVENUE BUDGET-SETTING TIMETABLE				
Action	Base Budget & General Principles of Budget	Draft Budget	Draft Final Budget	Final Budget Approval & Council Tax Setting
Base budget & general principles of budget	P&F 24.06.21			
Support services – agree basis for charging		30.07.21		
Working papers issued to budget officers		05.07.21		
Early budget consultation with elected members	September 2021			
Budgets uploaded onto eFinancials		15.10.21		
Coordination & internal review of first draft budget		01.11.21		
Support services allocated and uploaded to efinancials			31.10.21	
Draft budget to be reported to SLT		16.11.21		
Follow up consultation with elected members		December 2021		
Final committee budgets approved for consideration by Policy & Finance Committee on 18 February 2021			H&C 24.01.22 L&E 25.01.22 ED 17.01.22 P&F 27.01.22	
Housing Revenue Account budget and rent setting report				P&F 27.01.22 to refer to Council for approval on 08.02.22
Council Tax Discounts Scheme determined				Council 14.12.21
Council Tax Base 2022/23				Officer decision – determined between 01.12.21 and 31.01.22
Revenue budget setting				P&F 21.02.22

Parish Council Precept information received			(up to) 28.02.22	
Council Tax setting				Council 08.03.22

CAPITAL PROGRAMME TIMETABLE 2022-2026

Date	Corporate	Council/Policy & Finance Committee/ Operational Committees
Continuous	Possible asset disposals are identified; the likely level of receipts and the revenue implications are estimated.	Approval by Policy & Finance Committee.
By 30 June	Issue the Capital Appraisal Form to all Business Managers to populate their Capital Bid requirement in consultation with relevant Director.	
By 30 September	Appraisal forms completed and returned to Finance.	
By 15 October	SLT review and score all submitted bids using the prioritisation scheme for recommendation on to Policy & Finance Committee.	Consultation with Policy & Finance Committee and operational Committees where relevant.
By 31 October	Revenue implications of bids included in draft budget.	
By 31 October	Existing schemes are revised for timing and, where relevant, whether they can now proceed e.g. if failed to get external finance allocation is lost.	Report submitted to Policy & Finance Committee in December on changes to existing programme (if necessary).
December	Chairs and Vice Chairs scrutinise draft Capital Budget.	All Chairs and Vice Chairs.
By 28 January 2022	Revised estimates of resources available completed including levels of Borrowing, Revenue Contribution and Capital Receipts.	
By 28 January 2022	Final report produced for Policy & Finance Committee including comments from operational Committees.	
21 February 2022		Policy & Finance Committee consider revenue and capital budgets and financial implications and recommend programme to Council.
8 March 2022		Council tax setting meeting.

Policy on Budgeting and Council Tax

Introduction

Each year the Council is required to set a Council Tax in accordance with the provisions of the Local Government Finance Act 1992. It is a requirement of the Act that the Council Tax must be set by 11 March each year.

The Council sets its Annual Revenue Budget in March each year in accordance with the provisions of the Budget Process, which forms part of the Council's Constitution.

The District Council is also responsible for collecting the Council Tax requirement (precepts) for Nottinghamshire County Council, Nottinghamshire Police & Crime Commissioner and Nottinghamshire Fire and Rescue Service and any precepts set by the Parish and Town Councils or Parish meetings within the District. All of these Councils are required to notify the District Council of their requirements before 1 March each year.

The District Council has no control over the level of Council Tax or precept set by the precepting bodies. This policy covers the District Council element of the Council Tax only. Nevertheless, it is recognised that public perception is influenced by the overall level of Council Tax and it can be difficult to appreciate that the requirements of the District Council form only a part of this. In fact, the District Council's spending requirements account for around 7% of the total Council Tax bill.

The Government has powers to require local authorities setting "excessive Council Tax increases" to hold a local referendum on the level of Council Tax. The level of excessiveness is set at 2% or £5 increase but may be different in subsequent years.

The District Council's spending requirement includes an amount levied upon it by other bodies. For this Council an annual levy is made by the Trent Valley and Upper Witham Internal Drainage Boards. Since 2014/15, if the levies set by the drainage boards cause the Council to have an excessive increase in Council Tax this would trigger a local referendum.

Current Level of District Council Tax

The District Council's level of Council Tax for 2021/22 is £182.03 for a Band D property. This represents a 1.94% increase in council tax on 2019/20. The total bill, including all major precepts, is £2,024.21 plus average Parish Precepts of £80.93. In order to arrive at this level of Council Tax, the Council assessed its needs over the medium term and resolved to approve an increase at the minimal level possible whilst ensuring it remains cognisant of the challenges it faces ahead.

Consultation

The Council carried out a district wide public consultation during October to December 2018. This consultation consisted of three strands:

- Parish and Town Councils of which 27 completed
- 14 Stakeholders responded representing several key partnerships
- 11,224 residents completed a survey equating to an 11.3% response rate.

The results of this consultation was used to shape Council services and inform the strategic direction of the Council with the adoption of the Community Plan the culmination of this work.

On the back of this consultation a Residents Panel was formed in order to understand the views and experiences of residents of the district and use this understanding to ensure that Council services are the best they can be.

This panel is asked to complete approximately three surveys a year and consists of approximately 650 residents.

During 2021 the panel were asked a 12 question survey of which 367 responses were received. This survey will shape the way that the budget will be produced for the 2022/23 financial year.

It is anticipated that a full district wide consultation will take place again during 2022 when the views of all residents and wider stakeholders and partners will be used to inform the next Community Plan.

Proposals

The absolute level of Council Tax, and any annual increase, will depend on the demands facing the District Council, external funding available, and the Council's assessment of the appropriate level of Council Tax. Whilst these factors will vary from year to year, the following criteria will be taken into account when considering the level of Council Tax:

- The Priorities and Objectives of the Council as set out within the Community Plan
- Inflation
- Consultation Responses
- The level of Council Tax considered to be acceptable to the public
- Government views on grant levels and referendum criteria
- Service demands

Newark and Sherwood District Council aims to set the minimum level of Council Tax acceptable consistent with the achievement of its Priorities and Objectives and other financial and service demands.

General Fund Balances and Reserves Policy

Section 25 (Budget calculations: report on robustness of estimates etc) of the *Local Government Act 2003* requires local authority chief finance officers (Section 151 officers) to report on the adequacy of financial reserves in the council's proposed budget and robustness of estimates made.

The council will review the adequacy of its useable financial reserves to ensure that these are neither too low (imprudent) or too high (overprudent) based on their purpose and likely use.

Council's generally hold useable reserves for three purposes:

- as a working balance, to mitigate the impact of uneven cash flows;
- as a contingency, to mitigate the impact of unexpected events or emergencies; and
- as earmarked reserves, to pay for known or predicted future requirements.

On 07 March 2019, Council approved a recommendation to change how the authority determines its level of General Fund balance. The council now has a fixed General Fund balance of £1.500m, rather than a variable amount based on 15% of the council's net budget requirement).

The £1.500m General Fund balance has been set aside to pay for exceptional items. Officers consistently review the appropriateness (prudence) of this amount in light of internal and external risks identified. For the council to maintain its current General Fund balance of £1.500m, it is intended that the General Fund balance will only be used to fund expenditure once other appropriate/earmarked reserves have been fully utilised.

One of the most important principles used to prepare the MTFP is that council reserves and other one-off resources are not used to balance ongoing, base budget pressures: that all other mitigating actions are used before the use of one-off resources. Over the years, the council's reserves have been used, for reasons such as to: cover the cost of one-off events not budgeted for; support and improve service delivery; and offset declining levels of income.

Members and officers are required to ensure the council operates as a going concern: that the council will continue to fulfil its functions for the foreseeable future. If this were not the case, for example, because of an imprudent use of council reserves, the council's external auditors would be required to express a going concern opinion (GCO). A GCO would be the external auditor's way of expressing significant doubt on the council's ability to operate longer-term.

It is recommended that:

- a) Reserves should be subject to an annual review by the Section 151 officer;**
- b) Reserves should not be over-provided;**
- c) Reserves should be used for the purpose for which they are provided (subject to a and b above)**
- d) Reserves should not be used to support ongoing general fund expenditure (subject to recommendations a and b, above)**

Budgeting Principles

The Council will prepare its budget in accordance with the following principles:

Council Objectives:

The purpose of the budget is to enable the Council to achieve its objectives, as set out in the Community Plan, and meet its statutory duties. In setting the budget and Council Tax, the Council will also have regard to Government requirements, including the Local Government Finance Settlement and the latest Comprehensive Spending Review.

Balanced Budget:

The Council is required to set a “balanced budget” with sources of funding identified to cover all expenditure proposed.

Affordable Budget:

In setting the budget, the Council will consider the affordability of proposals and their impact on the level of Council Tax.

Inflation:

The Council will have regard to the level of inflation when considering budget proposals. It may consider different indices of inflation for different purposes. For example, the retail prices index (RPI) and the consumer prices index (CPI) do not always reflect the rate of inflation faced by the Council and this may be better measured by specific indices such as those widely available for construction costs or energy.

Sustainable Budget:

The Council will set a budget to be sustainable over time. This will be reflected in the Council’s Medium Term Financial Plan and Capital Programme. The budget will include an overall risk assessment and will incorporate appropriate sensitivity analysis in order to ensure a robust final budget.

Budget Demands:

Any developments in the Council’s revenue and capital budgets will be required to go through the Council’s formal bidding process. Only those items approved as part of this will be included in the final budget.

Use of 3rd Party Funding:

Where third party funding is used to contribute towards the Council’s budgets, a plan is required to ensure that this element of the budget is sustainable if and when the 3rd party funding ceases. Where appropriate, an exit strategy is required.

Adequate Reserves and Provisions:

The Council aims to have adequate, but not excessive, reserves to cover unforeseen expenditure. Specific provisions are also in place to cover items of expenditure that are certain but where their timing is not known. Further details are set out in the policy on balances and reserves.

Asset Management:

The Council aims to manage its assets efficiently in accordance with best practice. Full details are set out in the approved Asset Management Plan.

Council Tax Levels:

In accordance with this policy, the Council aims to set the minimum level of Council Tax possible consistent with the achievement of its Aim and Priorities and other financial and service demands.

Value for Money:

The Council aims to achieve value for money in the provision of all of its services. This is set out in the Council's Value for Money Strategy.

Risk Assessment:

In accordance with section 25 of the Local Government Act 2104, the s151 officer will conduct an annual risk assessment of the robustness of the estimates made in the Council's budget.

Sensitivity Analysis:

The s151 officer will carry out a review of the impact of variations to key elements of the proposed budget (a "sensitivity analysis") on an annual basis.

NEWARK AND SHERWOOD DISTRICT COUNCIL

CORPORATE CHARGING POLICY

Revised: June 2021

Date of next revision: June 2022

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- 2. Purpose of the Policy**
- 3. Processes and Frequencies for Reviewing Charges**
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- 6. Calculation of Charges**
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- 8. Discounts**
- 9. Use of Market Intelligence**
- 10. Further Guidance**

1. Introduction

This Policy applies to external fees and charges other than those prescribed by the government. It provides a guide to internal charging arrangements but is subject to CIPFA's 'Service Reporting Code of Practice' and has regard to the Audit Commission's publication "*Positively Charged*".

It is not intended to apply to the disposal of Council assets, rents, internal charges or rechargeable works, nor will it apply where charges are governed by statutory regulation or guidance.

The Policy does apply if we have discretion, but not if there is a prescribed fixed charge.

Over the period of the Medium Term Financial Plan services will align their charges and processes with this policy.

This policy must be read in conjunction with the other related Council policies and strategies, including Financial Regulations, Equalities Policy, VFM Strategy, Corporate Plan.

Fees and charges will be in accordance with the toolkit approved by Economic Development Committee on 21 November 2019.

If after reading this Code you require further guidance or clarification, or you are not sure how best to comply with the Policy then please contact your Business Manager or the Deputy Chief Executive and Director of Resources.

2. Purpose of the Policy

To establish a policy within which fee and charge levels will support the Medium Term Financial Strategy and Corporate Plan; and,

To encourage a consistent approach to the setting and reviewing of charges for services provided by Newark and Sherwood District Council by:

- specifying the processes and frequencies for reviewing existing charging levels or introducing new charges for areas of the council's work for which charges could in principle be set;
- providing guidance on the factors that need to be taken into consideration when charges are reviewed on an annual basis;
- establishing parameters for calculating different levels of charges;
- recommending the criteria for applying concessions or discounted charges on a consistent council wide basis;
- requiring more active use of market intelligence relating to different services.

3. Processes and Frequencies for Reviewing Charges

The following arrangements for reviewing charges will be applied throughout all areas of the Council where charges for services already exist or could in principle be set:

- all discretionary charges will be considered and approved by Council as part of the Budget and Council Tax setting process in March of each year.

- a major review of each business unit's charging strategy will take place at least once every three years to ensure consistency with the council's priorities, policy framework, service aims, market sensitivity, customer preferences, and income generation needs, and the justification for any subsidy that the council as a whole makes to the service.
- annual reviews will be carried out for all of these services as part of the budget process, and shall have regard for the budget strategy approved in June each year.
- where fees are not to be increased or are proposed to be increased below inflation, this must be reported to SLT by the budget officer clearly stating the financial implications and budget shortfall before the deadline for completion of the revenue budget.
- these formal reviews will be overseen by the appropriate Director.
- where decisions on fees and charges, including any concessions or discounts, are taken outside the budget process approved by SLT and Policy and Finance Committee, any proposals must have due regard to the Medium Term Financial Plan.

4. Factors Relevant to the Annual Review of Charges

Annual reviews of charges will consider the following factors:

- a. inflationary pressures generally and input costs specific to the service;
- b. any statutory framework relating to the service
- c. the actual or potential impact of any competition in terms of price or quality;
- d. trends in user demand and the forecast effect of price changes;
- e. equality and access to services;
- f. customer survey results;
- g. benchmarking results;
- h. council wide and service budget targets;
- i. cost structure implications arising from developments such as investments made in the service;
- j. consistency with other charges;
- k. alternative charging structures that could be more effective;
- l. validity of continuing any concessions;
- m. proposals for targeted promotions during the year, and evaluation of any that took place in the previous year;
- n. where less than the full cost is being recovered (including nil charges), the justification for the decision is reviewed and documented to ensure that this decision remains valid and that significant income is not being lost.

5. Processes for Setting Charges for New Sources of Income

All Business Managers should explore new business opportunities with a view to generating additional income.

All guidance in this Policy must be considered when setting new fees and charges.

A business plan must be prepared.

Any potential new income streams will need to be approved by SLT and Policy and Finance Committee.

The setting of the fees and charges must be made in accordance with the current VAT regulations.

The proposed billing and recovery administrative process must be agreed with the S151 officer prior to the charges being implemented.

A central record will be maintained by the relevant Business Manager of any decisions made not to charge for a service where a charge could be made.

6. Calculation of Charges

Charges will apply to all users, and will be set at a level to maximise take-up and income targets and wherever possible covering or exceeding the full cost of providing the service in question.

It is the responsibility of the relevant Business Manager to ensure that the proposals comply with the appropriate legal framework and any legal restrictions. Advice should be taken from the Council's Legal Business Unit before any proposal is finalised.

This calculation of full cost should be based on the direct cost of service provision including staff, supplies and services, equipment, premise costs. Overheads and capital asset depreciation charges should be included but consideration may be given to a less than full cost recovery of these elements where inclusion would distort competition.

Where less than the full cost is being recovered, the justification for the decision must be documented and retained by the appropriate Business Manager and clearly state the financial implications and budget shortfall.

All fees and charges must be calculated in accordance with the current VAT regulations.

7. Concessionary Charges

In some circumstances the Council will offer subsidies to all users or concessions to specific user groups where this is consistent with achieving its priorities.

Entitlement to concessionary charges must have regard to equalities legislation and is designed to reduce barriers to participation arising from:

- Age;
- Level of income;
- Family circumstances;
- Health
- Educational circumstances.

Concessions will not apply to retail sales from shops or cafes.

Concessionary charges may also be made available to organisations whose purpose is to assist the Council in meeting specific objectives in its priorities and policy framework, or which contribute to the aims of key local partnerships in which the Council has a leading role.

Concessionary charges should not normally apply to peak times or in situations that would result in the loss of income from customers paying standard charges. Neither would they normally be available to organisations that are based outside of the Council's area other than on a reciprocal basis.

Only one concession can be applied to the standard charge at any given time.

Services wishing to adopt a concessionary charging scheme must demonstrate the scheme is practicable in terms of assessment, collection and evidencing for audit purposes.

8. Discounts

For certain services it will be normal practice to set promotional discounts, frequent user discounts or group discounts.

Promotional discounts are defined as short-term charges that are targeted to increase take-up or awareness of the services that are available.

Frequent user discounts are to be used only for commercial reasons such as generating customer loyalty where alternative provision from competitors exists, and where market analysis shows a real risk of reduced income if they are not offered.

Group discounts are to be used to encourage take up by organisations able to block book and family discounts to encourage parents and children's take up.

Discounts can be applied to both the standard charge and the concessionary charge.

Discounts can only be applied where the Service has received prior approval of the principle to apply a discount to the charge for this service.

9. The Use of Market Intelligence

All managers of discretionary services for which a charge is made should take steps to identify competitors offering similar or related services, and make use of comprehensive and dynamic market intelligence in evaluating:

- their charging strategy;
- the range of services provided;
- the quality of services provided;
- their cost structure.

All managers of services for which a charge is made should consult with customers, relevant partners and stakeholders on the range, quality and cost of services provided prior to the triennial review.

Consultation should also take place with potential customers and target groups to determine improvements needed to encourage participation at least every five years.

Comprehensive and accurate usage statistics will be maintained for all services and at all facilities where charges are made, to enable analysis of usage, justification of any subsidy given by the Council, and accurate forecasting of the effect of price changes on usage.

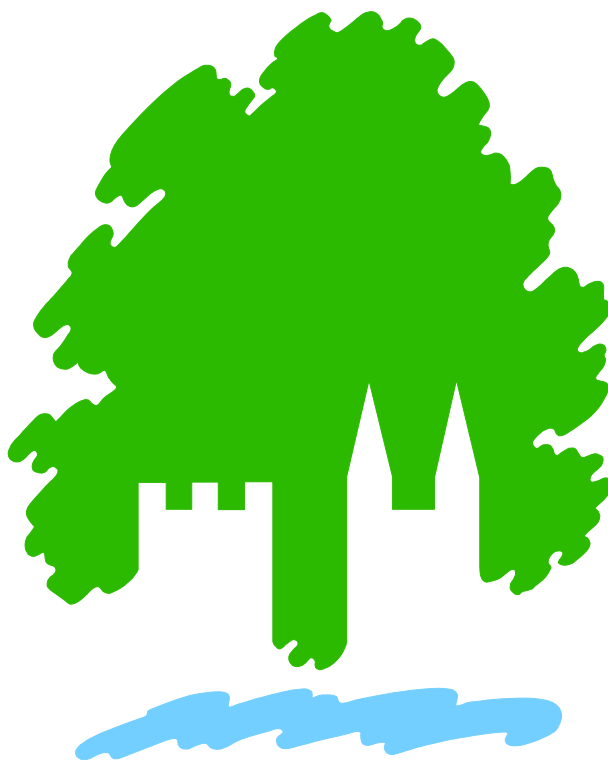
Benchmarking should be undertaken at least annually with other Councils in the local area and with relevant national groupings of authorities, to ensure that charges are at comparable levels and that significant differences are understood and justified.

10. Further Guidance

Charges should be payable in advance wherever possible or collected by direct debit or through the corporate income system.

All fees/charges must be reported annually to the Financial Services Business Unit as part of the budget process for publishing in the annual budget book.

All fees/charges must be published on the Council's website.



**NEWARK &
SHERWOOD
*DISTRICT COUNCIL***

Value for Money Strategy

Revised: June 2021

Next revision due: June 2022

Introduction

Newark & Sherwood District Council recognises its responsibility to achieve value for money from all its activities, however they may be funded.

The council is committed to the pursuit of economy, efficiency and effectiveness as part of its corporate strategy. It will seek to achieve value for money in the pursuit of its objectives and in the delivery of all services.

The council has a neutral position on service delivery methodologies. It will consider all service delivery options, including in-house provision, partnerships with other public sector organisations (including shared services), partnerships with private sector organisations, and bought in services as appropriate for individual services or groups of services.

In light of the current COVID-19 pandemic, it is inevitable that the annual revenue and capital budget setting will be challenging each year. The council has a range of methodologies in place to ensure that its aims and priorities are delivered within an acceptable level of council tax. The Value for Money Strategy is a key element of this process.

Value for Money Principles

The principles involved in achieving value for money are:

- Efficiency: Considering the relationship between the amount of resources used (inputs) and the level of performance.
- Effectiveness: The ability to achieve stated goals or objectives, judged in terms of both output and impact.
- Economy: The acquisition or use of resources of an appropriate quality at minimum cost.

There are several aspects to be considered:

- Balancing effectiveness with efficiency
- Balancing efficiency with economy
- Sustaining the funding arrangement (where this is desirable)
- Demonstrating the most appropriate use of resources

Value for money can be defined as: **the use of available resources in an efficient and economical way to deliver effective services or achieve desired outcomes.**

The council is accountable for using resources efficiently to avoid wasting public funds, but this does not mean always seeking the lowest short-term cost. Waste occurs when a service – no matter how cheap or expensive – is ineffective. Effectiveness and efficiency needs to be balanced to achieve value for money.

The costs and benefits of each arrangement must be evaluated in terms of what the council seeks to achieve.

The council will manage any risks to its own interests, and use arrangements and processes such as monitoring, review and evaluation to demonstrate effectiveness and value for money.

At the planning stage, the council should be able to justify how it intends to apply its resources. After implementation it should be able to demonstrate that the policy is having the desired effects, and that the money is not going to waste. If there are unintended outcomes from its policies the council needs to adapt its funding arrangements to take them into account.

Objectives

To achieve value for money, the council will:

- target resources towards achieving the council's objectives and meeting the needs of local people;
- integrate VFM principles within existing planning, management and review processes;
- adopt recognised good practice as appropriate;
- analyse potential budget issues for the following financial year at an early stage and take a corporate approach to developing solutions;
- ensure that VFM principles are taken into account during the commissioning process;
- benchmark activities against other similar activities and organisations where appropriate;
- respond to opportunities to enhance the economy, efficiency and effectiveness of activities;
- promote a culture of continuous improvement;
- demonstrate actively to both internal and external stakeholders that the achievement of VFM is sought in all activities undertaken;
- ensure that all staff recognise their continuing obligation to seek VFM for the council as part of their activities;
- seek external funding where appropriate to support the council's services if the external funding assists the achievement of the council's objectives.

Methodologies for achieving VFM

The council has a number of different methodologies that contribute to the achievement of VFM.

These include:

- An annual refresh of the Community Plan focus' on the key objectives based on local need;
- development of Business Unit business plans which are referenced to the Community Plan objectives;
- resources are aligned, through the budget process including the refresh of the Medium Term Financial Plan, with the key objectives as set out in the Community Plan;
- effective use of ICT (supported by the ICT Digital Strategy);
- service reviews;
- scrutiny by service Committees;
- scrutiny by the Audit & Accounts Committee;
- corporate procurement mechanisms (supported by the Contract Procedure Rules);
- partnership working including consideration of shared services and public/private partnerships;
- customer feedback.

How the Council monitors the achievement of VFM

The Council sets a range of performance indicators for key activities in order to monitor the effectiveness of those functions. Each of these are built into Business Unit business plans and are referenced to objectives set within the Community Plan. These are reported through the Senior Leadership Team and on to Members for their scrutiny.

Responsibility for delivering VFM

The council is required to satisfy itself that VFM is being sought, and achieved from the use of public funds.

The responsibility for achieving VFM lies with all Members and staff and is not restricted to those with resource or financial responsibilities. All Members and staff should endeavour to seek and achieve VFM in all activities and to bring to management's attention any opportunities for improvement.

Business Managers have the responsibility to maintain an awareness of good practices in their own area of operation and ensure that these are followed appropriately.

The Senior Leadership Team will provide a corporate overview of VFM to ensure that initiatives are not restricted to individual service areas.

The council has an expectation that bodies with which the Council has partnership arrangements and organisations in receipt of grant aid from the council will follow VFM guidelines.

NEWARK & SHERWOOD DISTRICT COUNCIL
CAPITAL PROGRAMME 2021/22 – 2025/2026 PRIORITISATION SCHEME

	STAGE 1 FACTOR	Comments	STAGE 2 DETAILED PRIORITISATION	STAGE 2 WEIGHTING
1	<p>Key Priorities Scheme must link to at least one of the Council’s priorities and be an objective contained within a Service Plan.</p>	<p>If a scheme does not clearly relate to these areas it will not be considered further.</p>	<p>Each scheme to be marked as to how well it fits with the following-</p> <ul style="list-style-type: none"> • Prosperity • People • Place • Public Service 	<p>35%</p>
2	<p>Evidence of Need Service Strategy National Strategy or Guidelines Statutory Obligation</p>	<p>In some cases local demands are in excess of national guidelines and strategies and this tries to acknowledge that the two must be balanced. This will cover Health and Safety related schemes.</p>	<p>The following factors will receive equal weighting :-</p> <ul style="list-style-type: none"> • Statutory Obligation • National Strategy • Validity of consultation in relation to project. e.g. How specific to this project? Who was consulted, was this comprehensive? • Quality of evidence of need for project .e.g. size of sample base, date of evidence, format of evidence 	<p>10%</p>
3	<p>Partnership Eligibility under existing criteria can be demonstrated.</p>	<p>Show that work has been done to ensure that the obtaining of external finance is realistic. The degree to which the partnership will add value to the project.</p>	<p>The proportion of finance which will be met by third party. The likelihood of receiving support. Assessment of the value the partner will add to the project.</p>	<p>15%</p>

	STAGE 1 FACTOR	Comments	STAGE 2 DETAILED PRIORITISATION	STAGE 2 WEIGHTING
4	<p>Outputs and Outcomes</p> <p>These have been clearly identified and can be justified from supporting evidence.</p> <p>Specific comments should be made as to how the scheme represents value for money when compared to other options</p>	<p>This will enable the council to improve the way it reports its work and clearly show what is being achieved. The comments should refer to any performance indicators which the proposal is addressing specifying what the improvement target is.</p>	<p>Assessment then made on what the scheme will achieve.</p>	<p>15%</p> <p>Assessment of all factors or group of factors</p>
5	<p>Financial</p> <p>Capital costs have been based on internal or external professional advice</p> <p>Revenue implications have been properly developed</p>	<p>Capital costs include both works and land purchase and cover all associated costs.</p> <p>Try and avoid “guesstimates” which result in schemes requiring increased finance or having to be reduced to meet finance available.</p>	<p><u>Capital</u> will be based on the quality of work which has been put into estimate. e.g. costed feasibility studies.</p> <p><u>Revenue</u> will be based on whether the effect is positive, neutral or negative on the revenue budget.</p> <p>Positive effect scores 10 Neutral effect scores 3 Negative effect scores 0</p>	<p>15%</p> <p>Capital marked 1 to 5</p> <p>Revenue marked 0 to 10</p>
6	<p>Risk Assessment</p> <p>Identify the level of risk in a project not being able to proceed. For example planning appeals, listed building consent. Over subscription of partnership funds</p>	<p>Try and ensure that not all schemes selected are high risk with the danger that there will be delays in delivery or no-delivery.</p>	<p>The following will all need to be considered:-</p> <ul style="list-style-type: none"> Technical Issues Financial Uncertainty Partnership uncertainty Planning Issues Legal issues Timescale 	<p>10%</p>

POLICY & FINANCE COMMITTEE

24 JUNE 2021

NEW FUNDING OPPORTUNITIES

1.0 Purpose of Report

1.1 To update Members on new revenue and capital funding opportunities.

2.0 Background Information

2.1 Members will recall from the March meeting that a raft of new funding grants, both capital and revenue, have recently been announced. Since that time Officers have worked with relevant Members, partners, and colleague authorities (notably Nottinghamshire County Council, Mansfield District Council and Bassetlaw District Council) to progress each opportunity. As Members will see from the urgency items elsewhere on this agenda the timeline for funding submissions has dictated agile decision-making in order to prepare strong, evidence-based bids.

Community Renewal Fund (CRF)

2.2 Members will recall that the CRF is a £220m national largely (expected c90%) revenue grant aimed at programs and interventions which can drive innovation and transformative change. Areas to address include removing barriers that people face in accessing skills and local labour market opportunities, business support, and place support. It is also noted that funding can be utilised to build evidence base(s) for future interventions via the UK Shared Prosperity Fund due to launch in 2023.

2.3 Members will be aware that Bassetlaw, Mansfield, and Newark & Sherwood fall within 100 local authority areas have been identified as Category 1 priority places for investment based on an index of economic resilience across Great Britain which measures productivity, household income, unemployment, skills and population density.

2.4 NCC are the identified accountable body for the Fund, who are responsible for assessing bids (up to a maximum of £3 million per place/LA area) for a final submission to Government by Friday 18th June 2021. NCC have engaged with colleagues at Bassetlaw, Mansfield, and this Council throughout the process. It has been made clear that bids will be expected to address one or more of the following key priorities:

- **Employment and skills** – Enabling people in targeted age groups, who have been disproportionately affected by the pandemic, to be supported back into work.
- **Enterprise** – Supporting small businesses and encouraging new businesses.
- **Market towns** – Supporting local market towns to improve footfall and increase businesses and residents' satisfaction.
- **Visitor economy** – Encouraging visitors in order to support local tourism and hospitality businesses.
- **Low carbon** – Support for businesses to improve their 'green' credentials.
- **Digital enablement** – Support for manufacturers to upskill the workforce to meet the increasing challenges of advanced technology and automation

2.5 A total of 37 bids were received across Nottinghamshire. At the time of writing NCC are appraising the submissions, with a likely final position on the number and value of bids being published by Nottinghamshire County Council after this agenda. A full verbal update on supported bids will be provided at the meeting.

Levelling Up Fund (LUF)

2.6 Members will recall that this is a £4.86 billion capital fund to invite proposals from local authorities areas for individual projects or a package bid (similar to the Towns Fund) consisting of multiple projects. District Councils within two-tier areas are eligible to submit bids for each constituency area which lies wholly or partly within their boundary. – in our case ‘Newark’ and ‘Sherwood’. County Council’s with transport powers are eligible, in addition, to submit one transport bid.

2.7 There is a £20m maximum per constituency area, albeit any NCC bid can be between £20m and £50m. All bids should have the approval of the relevant authority responsible for delivering them. For example, transport bids submitted by district councils should have the approval of their relevant transport authority.

2.8 Funds are eligible to support a range of interventions, covering for round one: 1) smaller transport projects; 2) town centre and high street regeneration; or 3) cultural and heritage assets.

2.9 Local authorities can only have one successful bid for each constituency area over the lifecycle of the Fund. Local authorities are therefore encouraged to consider whether bids that they wish to submit for the first round of the Fund reflect their local priorities, or if they should wait until later rounds so that they have more time to consider and develop their proposals.

Round One Bid

2.10 Round one bids must be submitted by **Friday, 18 June 2021**. It is expected that round one proposals will be sufficiently mature such that demonstrable investment or delivery ‘on the ground’ is capable in the 2021-22 financial year. Funding is expected to be spent by 31 March 2024 (exceptionally, into 2024-25 for larger schemes).

2.11 Members will recall the unanimous support for the Council to submit a Round One LUF bid for the Newark Southern Link Road (SLR) as the Newark constituency area proposal. The bid, whilst made by this Council, is also supported by the developer (Urban&Civic) and Nottinghamshire County Council. The bid has also been endorsed by the Newark Towns Board, Newark Town Council, and Newark Business Club.

2.12 As Members will note from the urgency item elsewhere on this agenda all three partners have equally shared costs of bid preparation as a show of collective support and willingness to deliver the projects and its well-reported significant benefits. Members will also note from the urgency item that additional grant release from already committed funds has been agreed to conclude design work for the roundabout at the A1-end of the SLR.

2.13 Following the agreement to release grant for the A1 SLR design works Highways England have identified some additional design works required due to some changes to overall design standards. Such works will require some further consultancy support with a view to amending the current full technical highways approval for the SLR. In order to conclude this work, which will remain within the overall capital ceiling, it is recommended that an additional £387,500 of grant funds be made available to conclude this work.

2.14 A copy of the final bid (including any necessary redaction) will be circulated to Members upon submission.

Round Two Bid

2.15 Members will note the previous resolution that the Council focus efforts on a round two submission for Sherwood. This would be supported by £125,000 of capacity funding to all eligible local authorities to cover feasibility and preparatory activity, allowing proposals to be developed and submitted. At the time of writing it remains unclear when the £125,000 capacity grant will be received, nor when round two will be 'live'. It is recommended that mobilisation takes place in advance of capacity funding. This will require that Members agree to 'forward funding' this grant, alongside securing additional officer capacity, as detailed elsewhere on the agenda.

One Public Estate (OPE) Brownfield Land Release Fund (BLRF)

2.16 The BLRF is offering up to £75 million (of which £25m will be allocated for self and custom-build projects) to unlock and accelerate the release of Brownfield sites. Applications will only be considered if the following 'gateway' criteria are satisfied:

- the land to which the application relates is brownfield land, fully owned by the local authority.
- the project must be undertaking capital works on local authority-owned land only
- funding must enable the release of the land for housing by end March 2024 or earlier, and must address market failure
- the works for which funding is sought are deliverable and within a timeframe that will enable the land to be released in time
- A threshold of 1.5 for Benefits Cost Ratio (BCR) + non-monetised benefits must be reached

2.17 Funding will provide upfront capital to address viability issues arising from abnormal costs of the proposed development. The types of abnormal costs requiring funding may include:

- site levelling, groundworks, demolition
- provision of small-scale infrastructure
- highways works or other access challenges
- addressing environmental constraints.

2.18 The BLRF was launched on 19 April 2021, with an initial call for sites to be concluded by 10 May via the North Midlands OPE Partnership. It was considered that only the proposal of sufficient maturity for this Council was the redevelopment at 32 Stodman Street, Newark. Members will be aware that this project is also identified for Towns Funding via the MCHLG approved Newark Town Investment Plan. 10 expressions of interest were received by the NM Partnership, 5 were in the N2 area - 3 from Nottingham City, 1 from NCC, and the Stodman Street project.

2.19 The Stodman Street bid has been submitted in accordance with the urgency decision detailed elsewhere on this agenda.

3.0 Equalities Implications

3.1 Each of the funding bids and/or individual projects consider equalities implications under separate cover.

4.0 Financial Implications (FIN21-22/414)

4.1 Budget associated with progressing bids for the Newark Levelling Up Fund and the Brownfield Land Release Fund are addressed via the relevant urgency decisions detailed elsewhere on this agenda.

4.2 The additional grant funding release of £387,500 requested at paragraph 2.13 in addition to the £600,000 mentioned in the urgency item later on the agenda and can be provided utilising the existing capital budget set up for the Southern Link Road. These costs form part of the £12m scheme and are not in addition.

4.3 As detailed at paragraph 2.15 above, due to the unknown timescale of receipt of the £125,000 capacity fund anticipated to support round two of the LUF bid, an initial £50,000 will be made available from the Change Management Reserve.

5.0 Community Plan – Alignment to Objectives

5.1 The funding streams detailed cut across all Community Plan objectives.

6.0 RECOMMENDATIONS that Members:

- a) **formally support the submission of the Community Renewal Fund bid by Nottinghamshire County Council on or before 18 June 2021;**
- b) **support the submission of the Newark Levelling Up Fund Bid for the Southern Link Road (SLR);**
- c) **the Director – Planning & Growth in consultation with the Business Manager, Law & Information Governance, be given delegated authority to enter into contractual arrangements with Urban & Civic (the Middlebeck master developer) to utilise a further £387,500 from NSDC as part of its overall maximum contribution of £5m towards the delivery of the whole SLR;**
- d) **support the proposals to progress work to develop a Sherwood Levelling Up Fund bid, including the forward-funding of £50,000 in anticipation of future receipt of £125,000 of capacity funding in association with round two of the Levelling Up Fund; and**
- e) **Members note and welcome the submission of the Brownfield Land Release Fund bid for 32 Stodman Street.**

Reason for Recommendation

To allow the Council to maximise funding opportunities to deliver its Community Plan objectives and to improve lives for residents across the District.

Background Papers

Urgency Item – Newark Levelling Up Fund

Urgency Item – Brownfield Land Release Fund

For further information please contact Matt Lamb on Ext 5842.

Matt Lamb

Director - Planning & Growth

POLICY & FINANCE COMMITTEE

24 JUNE 2021

RESOURCES FOR REGENERATION PROJECTS

1.0 Purpose of Report

1.1 To seek support for revised, additional and specifically focussed resources to allow the Council to deliver on its regeneration activities including successful delivery of existing grant-funded programs and projects, in addition to the ability to maximise future funding opportunities to deliver better outcomes for communities across and beyond the District.

2.0 Background

2.1 Members will be aware of the raft of already adopted strategies, programs, and projects focussed on the delivery of the Council's Growth aspirations, including the Community Plan(revised Sept 2020), Covid-19 Economic Recovery Strategy (Oct 2020), NSDC Economic Growth Strategy (Nov 2020), and the Visitor Economy Strategy (Nov 2020). This is in addition to ongoing work associated with implementing activity arising from the neighbourhood studies in Ollerton & Boughton, Hawtonville, and Bridge All this whilst continuing to support our local businesses as they start to open for business.

2.2 As part of the budget setting and business planning process for 2021/22 onwards amendments were made to the overall structure and resources available in a number of areas. This notably included the Housing, Health & Wellbeing Directorate, the Economic Growth and Visitor Economy Business Unit, and the Asset Management Business Unit (now the Corporate Property Business Unit and Corporate Property and Strategy Business Units). Associated revisions to the Council's revenue and capital budgets were made alongside such revisions in the GF Revenue Budget, MTFP, and Capital Program.

2.3 Since budget setting there have been a number of welcome but challenging announcements. First, the District Council and Newark Towns Board have been notified of a successful Towns Fund bid for up to £25m. Heads of Terms have been signed to allow the development of Full Business Cases for each of the 9 priority projects (see table 1 below) over the course of the next 12 months (by March 2022). 7 of the 9 projects involve NSDC, either as project lead, project support, and/or landowner. In addition, a raft of new funding opportunities have been identified including the Community Renewal Fund, Levelling Up Fund, Brownfield Renewal Fund, and the Public Sector Decarbonisation Scheme.

2.4 The Government's direction of travel appears clear with respect to requiring competitive bidding supported by evidence-based critical thinking, often with community consultation and industry/multi-agency backing. It is equally clear that such bidding is being invited at an Authority level, with the LEP's involvement as an accountable body completely lacking, and all but one fund (the CRF) allowing lower-tier submissions. The Government, post BRExit, remain committed to launching the UK Shared Prosperity Fund in 2022¹ which will also likely unlock significant revenue and capital opportunities. Our current commitments are rightly wide-ranging, in many cases ambitious, and focussed on better lives and opportunities for

¹ <https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus/uk-community-renewal-fund-prospectus-2021-22>

businesses, residents, and tenants. Without significant additional resources it is considered that the projects and transformational outcomes already to be supported by grant will be delayed or in some cases undelivered. Equally, without flexibility to work up 'grantable' strategies containing pipeline projects it is likely that we will fail to maximise future opportunities. This is particularly true if programs and projects are not developed in an evidence-based, community and industry supported manner. There are multiple examples now of failed bids from colleague authorities in this regard.

Newark Towns Fund

- 2.5 Below are the Town Investment Plan (TIP) priority projects, all supported by the Towns Deal Heads of Terms now signed by the Government on 20 April 2021. For the avoidance of doubt the Heads of Terms also reference the Newark Southern Link Road (SLR) for which it is proposed to seek funding via the Levelling Up Fund (LUF) rather than the Towns Fund (see LUF section below).
- 2.6 All projects will have the benefit of drawing on separately produced and paid for consultancy support for TM Treasury Green Book Business Case Development, a pre-requisite to securing Towns Funding.

Table 1.

Project	Project Sponsor	Towns Fund Contribution
20 Minute Town	NSDC	£0.2m
32 Stodman Street	NSDC	£2m
Castle Gatehouse	NSDC	£2.6m
Construction College Expansion *Discounted as completed using Accelerated Towns Fund	Lincoln College Group	£0.389m
Cultural Heart of Newark	NSDC	£2.1m
IASTI	Lincoln College Group	£10.6m
Police Station Relocation	Nottinghamshire Police/NSDC (Matt Finch & Robert Churchill)	£1m
SiScLog (Newark Gateway site)	University of Lincoln/NSDC (Matt Lamb & Robert Churchill)	£4m
YMCA Community & Activity Village	YMCA	£2m
TOTAL		£24.5m*
Program Management and Delivery Support	NSDC	£0.5m

- 2.7 Members will note the level of NSDC involvement across the TIP priority projects. It is considered that there is existing capacity and funding support to progress the initial SiScLog project, 32 Stodman Street, Police Station Relocation and the IASTI (as a phase 1 of the Newark Gateway site), with reliance on the Business Manager for Corporate Property.
- 2.8 Additional resource, however, is required to develop and deliver the 20 minute Town, Castle Gatehouse, and Cultural Heart of Newark proposals. Whilst the Green Book Business Case Support described above is helpful in this regard, such cases cannot be developed without

the design, thinking, costing, and associated project management support. This is in addition to the more generic needs to ensure specification writing, contract management, legal, procurement, and financial support.

- 2.9 The Newark Towns Board are mindful of the challenges in managing, providing assurance for, and ultimately delivering a £25m capital program. On this basis the Board have agreed at a meeting on the 22nd April 2021 to top slice no more than 2% of the £25m (£500,000) to cover management and delivery over the lifetime of the fund. This is subject to central Government support, who will take a view on an acceptable revenue 'ask' against the revenue spend of all of the Newark TIP projects and the revenue funding profile of all successful towns nationally. This request has now been submitted to Government and a reply is awaited. For awareness, other partners on the Towns Board are likely to also call upon additional revenue funding within this £500,000 cap over the next 5 years (starting 2021/22).

Levelling Up Fund (LUF)

- 2.10 As Members will recall the LUF permits 2 no. bids across the District for the lifetime of the fund, one for the Newark Constituency area and the other for the Sherwood Constituency area. At the April 2021 Policy and Finance Committee, Members unanimously endorsed the submission of a Newark LUF bid for the Southern Link Road (SLR) in round one (deadline 18th June 2021).
- 2.11 Members also endorsed working up Sherwood LUF proposals in anticipation and readiness for a Sherwood bid. Any Sherwood bid is to be developed alongside negotiations with Mansfield District Council (including Mansfield communities and service centres) and Nottinghamshire County Council given the likely thematic, population, and geographical challenges and synergies but also to be able to persuade NCC colleagues to submit accompanying transport proposals for up to £50m.
- 2.12 Already secured resource (including match from the developer and Nottinghamshire County Council) allows for the Newark LUF bid to be delivered. That is not the case for the Sherwood LUF, notwithstanding there would be some revenue assistance from Government with a confirmation in the LUF prospectus that a one-off £125k revenue funding per place (yet to confirm if this is per constituency area or per District) will be made available for all areas not looking to progress in round one of the fund. This level of funding is likely to be insufficient to cover the level of support required. By way of comparison the Newark Towns Fund was developed utilising £162,000 worth of funding, in addition to a draw on internal resource. Capacity funding will also not cover the associated procuring, management, leading, communications, legal, and public consultation requirements.
- 2.13 For all of the above key activities required to deliver to the various programmes and projects include:
- Developing comprehensive and robust bids for external funding
 - Identifying, growing, and working with private sector leads and advocates locally
 - Commissioning research and data from specialists to enable progress
 - Commissioning activity to deliver the programmes
 - Contract managing activity and programmes including monitoring and evaluation

- Undertaking strategic dialogue with partners including Government, local Government, industry and community stakeholders
- Mobilising contractors for the delivery of projects
- Organising, hosting and chairing project groups and associated sub-groups
- Providing governance and assurance for resources including grants

3.0 Proposals

3.1 With over 100 Towns Fund areas, there is great demand for interim (fixed term or consultancy) individuals with the appropriate regeneration experience. Therefore, the proposal is to recruit to the following posts on a permanent basis as it is anticipated that the services of a suitable person will be required for a considerable number of years.

- 1) 1 x FTE Town Fund Programme and Delivery Manager within the Economic Growth & Visitor Economy Business Unit to lead on ongoing delivery, assurance, coordination, and business case development for the Council-led schemes [**Towns Fund funded NSDC grade NS 15 Subject to JE**]
- 2) 1 x FTE Economic Regeneration Officer within the Economic Growth & Visitor Economy Business Unit to support the delivery of commercial and economic growth activity [**GF funded grade NS 13 Subject to JE**]
- 3) Legal support – either through permanent appointment or external – **GF funded £60,000**

The following interim support will also be required:

- 1) 6 month FTC/Consultancy to support the initial set up of the Sherwood LUF governance, dialogue, evidence-base gathering, and Place meetings. **Estimated GF £50,000** (this is effectively front loading part of the £125k LUF fund which will land, we are advised within the guidance, at a future date); and
- 2) 6 month FTC/Consultancy to support the development of Newark 20 Minute Town, Castle Gatehouse, and Newark Cultural Heart. **Estimated GF £130,000 (of which £80,000 will be for Castle Gatehouse)** (could utilise Towns Fund if signed off by Government which we will not know until late May/June 2021). The £80,000 for the Castle Gatehouse will facilitate a range of costs including a condition survey, a number of design reviews and a consultant to deliver the NHLF application.
- 3) There will be requirements for support from other business units in the council, in particular Corporate Property and Housing Regeneration. The Director of Resources and Deputy Chief Executive and the Director for Housing, Health and Wellbeing are reviewing existing structures to ensure that there is capacity available to support the various regeneration projects. At present, they don't feel that there is a need for additional financial resource. If a need arises then a separate report will be brought to Committee for consideration and approval.

4.0 Equalities Implications

4.1 This proposal, whilst likely negatively affecting one individual financially, will benefit the delivery of the service.

5.0 Digital Implications

5.1 A laptop and ICT equipment to facilitate working from home for the additional Economic Growth Officer post will be required.

6.0 Financial Implications (FIN21-22/3682)

6.1 The interim resource required is estimated to total £180,000 in order for the commencement of the various schemes. There is a potential to utilise external funding to mitigate £100,000 of these costs through the Leveling Up Fund and the Towns Fund, albeit at the point of writing this report, these contributions are not guaranteed.

6.2 The annual cost of the proposed new additions (including on-costs) to the establishment is anticipated to be £104,909 if all posts are filled at the bottom of the scale (excluding any pay award that may be awarded this year). The table below shows the proposed allocation of these additional costs:

Post	Grade	2021/22 Cost FTE	GF /Towns Fund
Towns Fund Programme and Delivery Manager	NS15	£56,372	Towns Fund
Economic Regeneration Officer	NS13	£48,537	GF
Total		£104,909	
GF Total		£48,537	
Towns Fund Total		£56,372	

6.3 Additionally to this, there is a proposed requirement for an additional annual £60,000 of legal support to assist with the contracts and contract management throughout the delivery period which would need to be funded through the general fund. This is an equivalent budget to the top of an NS15 grade including on-costs.

6.4 The table below shows the total additional cost for the general fund during 2021/22 should the posts be filled at the end of September 2021 (6 month in year cost) together with the interim resource requirements. The table does not assume any contributions from the Towns Fund or the Levelling Up Fund:

	Interim Resource	6 month cost of posts from above	6 month cost of legal support	Total Cost
GF	£180,000	£24,269	£30,000	£234,269

6.5 The additional funding of £234,269 required in the general fund could be funded through the year end contribution of £140,650 into the Change Management Reserve, together with the balance of £93,619 being funded through uncommitted balances within the Change Management Reserve.

6.6 The future additional annual requirement of £108,537 within the general fund (subject to pay award and increase in scale point) would then need to be added into the budget for the

2022/23 financial year. The additional cost of £56,372 would also be added to the budget, but this would not lead to an increase in overall budget requirement, as an income budget (funded through the towns fund) would offset.

7.0 RECOMMENDATIONS that:

- (a) the in-year additional budget of £234,269 as set out in in section 5.4 above, to be funded from the Change Management Reserve, be approved; and**
- (b) Members approve the creation of the posts identified in section 5.2 of the report with the net addition of £108,537 (subject to annual pay awards) into the general fund revenue budget from financial year 2022/23 onwards.**

Reason for Recommendations

To ensure that the Council's Economic Growth and Social Mobility agendas are delivered in accordance with the Community Plan, Economic Growth, Tourism and Covid-19 Recovery Strategies.

Background Papers

Nil

For further information please contact Matt Lamb on 01636 655842.

Matt Lamb
Director - Planning & Growth

POLICY & FINANCE COMMITTEE

24 JUNE 2021

ANNUAL STANDARDS REPORT FOR 1 APRIL 2020 – 31 MARCH 2021

1.0 Purpose of the Report

1.1 To consider the Annual Standards Report for the period 1 April 2020 to 31 March 2021.

2.0 Background

2.1 At its meeting on 10 March 2016 the Council deleted the Standards Committee from the committee structure with its remit being incorporated in to the Policy & Finance Committee. It was further agreed that the Annual Report relating to standards issues be brought to the Policy & Finance Committee.

3.0 Code of Conduct Complaints

3.1 The Monitoring Officer received fifteen formal complaints within the period 1 April 2020 to 31 March 2021. Thirteen complaints resulted in no further action being taken: either because they revealed no breach of the Member Code of Conduct (and therefore didn't merit formal investigation); or were resolved through informal resolution being reached. Decisions as to whether a complaint merits formal investigation are only taken after consultation with the Council's Independent Persons. Two complaints are still being considered and these relate to parish rather than district councillors.

4.0 Formal Investigation and Code of Conduct Hearing

4.1 There were no formal investigations or Code of Conduct Hearings required for the period 1 April 2020 to 31 March 2021.

5.0 Register of Members Interests

5.1 Register of Interests Forms for Newark & Sherwood District Council Members were issued to all Members following the District Council elections held on 2 May 2019. These were required to be completed and returned within 28 days of the election. These have been returned from all Members and are published on the Council's website.

5.2 Town and Parish Councillors are also required to complete a Register of Interest form within 28 days of the election which are also published on the Council's website.

6.0 RECOMMENDATION

That the annual report be noted.

Reason for Recommendation

To provide Members with details of the standards issues in 2020/21.

Background Papers

Nil

For further information please contact Nigel Hill, Business Manager – Elections & Democratic Services on Ext 5243.

Karen White

Director - Governance & Organisational Development and Monitoring Officer

POLICY & FINANCE COMMITTEE

24 JUNE 2021

URGENCY ITEMS - MINUTE OF DECISION

Delegation arrangements for dealing with matters of urgency

Paragraph 7.2.1 of the Council's Constitution provides that Chief Officers may take urgent decisions if they are of the opinion that circumstances exist which make it necessary for action to be taken by the Council prior to the time when such action could be approved through normal Council Procedures. They shall, where practicable, first consult with the Leader and Chairman (or in their absence the Vice-Chairman) and the Opposition Spokesperson of the appropriate committee.

Subject: Chief Officers Appointments Panel

Appropriate Committee

Policy & Finance Committee

Background Information

At its meeting on 6 April 2021, the Senior Leadership Team (SLT) agreed changes to its organisational structure having regard to the forthcoming retirement of Karen White (Director – Governance and Organisational Development).

Rather than replace Karen's post on a like for like basis, it was agreed to take the opportunity to re-organise some SLT responsibilities and generate ongoing financial savings. Specifically, it was agreed to delete three posts – (1) Director of Governance and Organisational Development; (2) Assistant Director, Transformation and Communications and (3) Business Manager, Legal Services. In their places, the posts of Director of Customer Services and Organisational Development and Assistant Director, Legal and Democratic Services, have been created.

The post of Director of Customer Services and Organisational Development is subject to a member appointment.

As specified Under Part Two of the Council's Constitution and the Officer Employment Procedure Rules contained in Part Three, the appointment of Chief Officers are to be made by a panel of elected members, the size and composition of which is to be determined by either the Policy & Finance Committee or Full Council.

Following discussion with the Leader, it is proposed that the Panel for this post compromise the following Members, having regard to political and gender balance.

The Leader of the Council (to assume the role of Chairman and hold the casting vote) – Councillor David Lloyd

The Deputy Leader of the Council – Councillor Keith Girling

Main opposition Group Leader – Councillor Paul Peacock
Councillor Rhona Holloway
Councillor Rita Crowe

Decision

To convene the Member Chief Officers Appointment's Panel for the recruitment of the Director – Customer Services and Organisational Development, in accordance with the membership details as set out above.

Reason for Decision


To convene the Panel in order to undergo the recruitment process without delay.

Members Consulted:

Councillor David Lloyd - Chairman of Policy & Finance Committee – 13.05.21

Councillor Paul Peacock - Opposition Spokesperson of Policy & Finance – 13.05.21

Signed:

A handwritten signature in black ink, appearing to read 'J. Robinson', written over a horizontal line.

John Robinson, Chief Executive

Date: 13.05.21

POLICY & FINANCE COMMITTEE

24 JUNE 2021

URGENCY ITEMS - MINUTE OF DECISION

Delegation arrangements for dealing with matters of urgency

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Subject:

One Public Estate Brownfield Land Release Fund (BLRF)

Appropriate Committees:

Economic Development; Policy & Finance

Details of Item (including reason(s) for use of urgency procedure):

Members will be aware of the raft of new funding opportunities emerging which are often accompanied by very quick deadlines and requirements for projects to be sufficiently advanced to allow spend within a relatively short timeframe. One such new fund is the One Public Estate Brownfield Land Release Fund (BLRF).

The BLRF is offering up to £75 million (of which £25m will be allocated for self and custom-build projects) to unlock and accelerate the release of Brownfield sites. Applications will only be considered if the following 'gateway' criteria are satisfied:

- the land to which the application relates is brownfield land, fully owned by the local authority.
- the project must be undertaking capital works on local authority-owned land only
- funding must enable the release of the land for housing by end March 2024 or earlier, and must address market failure
- the works for which funding is sought are deliverable and within a timeframe that will enable the land to be released in time
- A threshold of 1.5 for Benefits Cost Ratio (BCR) + non-monetised benefits must be reached

Funding will provide upfront capital to address viability issues arising from abnormal costs of the proposed development. The types of abnormal costs requiring funding may include:

- site levelling, groundworks, demolition
- provision of small-scale infrastructure
- highways works or other access challenges
- addressing environmental constraints.

The BLRF was launched on 19th April 2021, with an initial call for sites to be concluded by 10th May via the North Midlands OPE Partnership. It was considered that only the proposal of sufficient maturity for this Council was the redevelopment at 32 Stodman Street, Newark. Members will be aware that this project is also identified for Towns Funding via the MCHLG approved Newark Town Investment Plan. 10 expressions of interest were received by the NM Partnership, 5 were in the N2 area - 3 from Nottingham City, 1 from NCC, and the Stodman Street project.

The Stodman Street bid will be formally submitted to the North Midlands OPE Partnership on 26th May 2021. It is hoped the partnership will then make the formal submission to government on 2nd June 2021.

Equalities Implications

As part of planning development process for 32 Stodman Street it is necessary to have regard to equality impacts.

Financial Implications

None.

Decision

That a BLRF bid of £284,000 be formally made to the government via the North Midlands OPE Partnership.

Reason for Decision

To enable preparation and submission of a Brownfield Land Release Fund bid for 32 Stodman Street by the OPE set deadline of 26th May 2021.

Members Consulted:

Councillor David Lloyd	Chairman and Leader of the Council (17/05/21)
Councillor Keith Girling	Chairman, Economic Development Committee and Deputy Leader of the Council (17/05/21)
Councillor Paul Peacock	Opposition Spokesperson (17/05/21)

Signed:



Date: 18th May 2021

Matt Lamb
Director – Planning & Growth

POLICY & FINANCE COMMITTEE

24 JUNE 2021

URGENCY ITEMS - MINUTE OF DECISION

Delegation arrangements for dealing with matters of urgency

Paragraph 7.2.1 of the Council's Constitution provides that Chief Officers may take urgent decisions if they are of the opinion that circumstances exist which make it necessary for action to be taken by the Council prior to the time when such action could be approved through normal Council Procedures. They shall, where practicable, first consult with the Leader and Chairman (or in their absence the Vice-Chairman) and the Opposition Spokesperson of the appropriate committee.

Subject:

Levelling Up Fund - Newark Southern Link Road (SLR).

Appropriate Committees:

Economic Development; Policy & Finance

Details of Item (including reason(s) for use of urgency procedure):

Background

Members will be aware of the intention to deliver the SLR, as captured in the Core Strategy (revised 2019), Community Plan (2020), and Newark Town Investment Plan (2020).

Phase 1 of the SLR is complete, save for the A1 roundabout. Residential development at Middlebeck is currently limited to 599 dwellings (Avant, Bellway, and Countryside who are now building out have consented schemes for 542 dwellings) until such time as the A1 roundabout is provided, and later phases of the SLR are delivered.

Progress on Delivery

As has been previously reported Strategic Urban Extension (SUE) sites by their nature often require considerable, up-front and occasionally disproportionate infrastructure costs compared to smaller sites delivered by volume house-builders. Middlebeck is no exception. Since the provision of phase 1 of the SLR (itself supported by a £11.2m loan from Homes England) the developer and a range of public sector partners have been working to secure a funding package to allow whole SLR delivery. As was detailed and resolved at the June 2020 Policy & Finance Committee meeting there are now funding commitments from NSDC and LEP. Negotiations are ongoing with Homes England which remain positive in terms of new loan facility to support the scheme, albeit it is expected that a significant funding shortfall will remain (c£15-20m).

Proposed Levelling Up Fund (LUF) bid

Members will be aware that NSDC is able to submit 2 LUF bids for the lifetime of the fund, one for the parliamentary constituency area of Newark and the other for the constituency area of Sherwood. Members will also recall that any Round One bid is invited for project(s) which are well advanced,

allowing delivery of capital grant in 2021/22 and full spend by 31st March 2024. Round one bids must be submitted to the government by 18 June 2021.

Homes England, Highways England, the D2N2 LEP, Nottinghamshire County Council, and the developer are all willing to back a Newark Constituency LUF bid for submission to government on or before 18 June 2021. The bid will be developed using highway and economic consultancy support paid for jointly by the developer (Urban & Civic), NCC, and NSDC. The total cost of the consultancy support including both the highway and economic support is anticipated to be £66,000. NCC and U&C have agreed to equally match any NSDC payments therefore sharing the total cost between the three parties. This would mean a budget requirement of £22,000 from NSDC. NSDC will formally commission the work, with the Council then invoicing NCC and U&C for work undertaken.

It is anticipated that the consultancy support identified in the paragraph above will support a bid to the LUF which will close the identified funding gap. Policy & Finance Committee resolved to support the Newark Constituency LUF bid for the SLR, subject to the bid closing the whole financial gap at its meeting in April 2021.

In addition to highway and economic consultancy support there is a need to refine further the outstanding design of the A1 end of the SLR. Based on quotes obtained the developer reports that this will need support of up to £600,000. For the avoidance of doubt this cost will not increase the overall costs of delivering the SLR. Rather, allow further design and cost certainty alongside a very clear statement of intent that there will then be no other barriers to delivery, save for funding. It is accordingly proposed that up to £600,000 be released as part of the Council's contribution to the SLR.

Relationship with the A46 Newark Northern Bypass

Members will be aware that in February this year NSDC submitted a detailed formal response to Highways England's non-statutory period of consultation on design options for the route of the A46 Newark Northern Bypass upgrade scheme. Our submission sought to make clear the importance of traffic management, network co-ordination, and sequencing throughout the construction phase of the approved scheme, highlighting the potential significance of the SLR and its potential role in traffic management. Closing the funding gap, and allowing delivery in advance of the A46 Newark Northern Bypass works commencing will mean an alternative traffic route across the strategic highway network throughout construction.

Equalities Implications

SLR design and operational equality considerations are addressed by the approval processes for each of the highway authorities involved.

Financial Implications (FIN21-22/3972)

Based on fee proposals received it is clear that the overall costs of the consultancy support needed will be up to £66,000. The Council will commission these works on behalf of the two partners involved, Nottinghamshire County Council (NCC) and Urban & Civic (the developer), both of whom have confirmed that they will contribute towards both commissions on an equal 1/3 split basis across all of the partners. Accordingly, the Council's contribution to both commissions will be up to £22,000. Currently there is no budget provision for this value and hence this would need to be funded through the Change Management Fund.

Due to the speed at which the consultancy support needs to take place (i.e. to ensure a bid by 18th June 2021) a Contract Procedure Rules Exemption form is also required, with authorisation agreed by the Chief Executive and s151 Officer.

There is a scheme for the Southern Link Road in the Capital Programme at a total cost of £12m. This is financed by £7m LEP grant and £5m of the Council's own resources (£2.5m specifically set aside from the Change Management Reserve as our additional contribution to the funding gap).

There is currently £11m left of this budget profiled over 2021/22 and 2022/23. This budget can be used to provide the funding of £0.600m required by Urban & Civic to progress the scheme in preparation for the LUF bid and is not additional cost to the overall scheme.

Decision

- a) That funds of up to £22,000 (funded by the Change Management Fund) be made available for NSDC's contribution to procuring consultancy support to prepare and submit a Newark LUF bid to Government on or before 18th June 2021; and
- b) That the Director – Planning & Growth in consultation with the Business Manager, Law & Information Governance be given delegated authority to enter into contractual arrangements with the developer (Urban & Civic) to utilise up to a maximum of £600,000 from NSDC as part of its overall maximum contribution of £5m towards the delivery of the whole SLR.

Reason for Decision

To enable preparation and submission of a Newark Levelling Up Fund bid for Newark by the nationally set deadline of 18th June 2021.

Members Consulted:

Councillor David Lloyd - Chairman and Leader of the Council (17/05/21)

Councillor Keith Girling – Chairman, Economic Development Committee and Deputy Leader of the Council (17/05/21)

Councillor Paul Peacock - Opposition Spokesperson (17/05/21)

Signed: 

Date: 18th May 2021

Matt Lamb
Director – Planning & Growth

POLICY & FINANCE COMMITTEE

24 JUNE 2021

URGENCY ITEMS - MINUTE OF DECISION

Delegation arrangements for dealing with matters of urgency

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Subject: Embankment Repair Work Required at Vicar Water Country Park, Clipstone

Appropriate Committee:

Economic Development Committee
Policy & Finance Committee

Background Information

Vicar Water Country Park, Clipstone is one of the Council's four green flag award winning parks. Lying to the south of Clipstone Village, the 78 hectare park is composed of a series of hills formed from former colliery mounds. The freehold of the north-eastern part of the site is owned by the Welbeck Estates Company Limited and leased to Newark and Sherwood District Council under a 99 year lease which commenced in July 1999.

The main roadway connecting the car park with Vicar Pond is currently restricted vehicle access only to members of the angling club and our Street Scene team, but is the main pedestrian and cycle route down to the lake and the other main areas of the park and so does get very busy.

The onsite park ranger raised concerns about the condition of the retaining wall of the embankment that runs approximately 25m in length, holding back a slope of approximately 80m of banking. The wall is made of 2m timber sleepers placed vertically into the ground leaving 1.4m visible acting as a retaining wall for the bank above. The bank is heavily wooded with a mixture of mature and young trees. A structural engineer has visited the site and has drawn up plans to have a "Criblock" wall installed to contain the embankment, the engineer believes that the current sleeper wall is failing and is no longer fit for purpose, it has now deteriorated well beyond viable repair and should be replaced.

Proposals

To address the problem and make the area safe in the long term the following is proposed:

- The installation of a “Criblock” retaining wall to cover the embankment and prevent any slippage onto the road/footpath. Supporting this there will also be a new larger French drain installed and the connecting road will be resurfaced to a total of 50 meters to tie all the elements of the scheme together.
- In addition, pre works preparation would be needed, including the removal of several tree branches and some shrubbery that sit close to the retaining wall. The ground French drain would need replacing with a long term solution put in its place, this work has been priced within the scheme.
- The same section of road/path is currently badly surfaced and in need of multiple repairs it is proposed that this area is replaced in full (4.5m x 50m) as it would be an ideal time to commence the work whilst the road/path is shut for the required works.
- Accurate costings for the above works have been received totalling £58,288.90 this price includes the installation of the “Criblock” retaining wall, the required works to the connecting road, the resurface (50m) and the installation of the French style drain.

Financial Implications (FIN21-22/2626)

A new budget of £60,000 will need to be added to the Capital Programme to cover the works proposed. This can be financed by the Capital Reserve, which would have no future impacts on the revenue budget.

Decision

An addition of £60,000 into the Capital Programme financed by the Capital Reserve.

Reason for Decision

Urgent decision to enable works to progress on site as soon as possible.

Members Consulted:

Councillor David Lloyd

Chairman of Policy & Finance Committee – 14/05/21

Councillor Paul Peacock

Opposition Spokesperson of Policy & Finance – 14/05/21

Councillor Keith Girling

Chairman of Economic Development Committee – 15/05/21

Councillor Neal Mitchell

Opposition Spokesperson of Economic Development Committee – 18/05/21

Signed:



Matthew Finch

Date: 18 May 2021

POLICY & FINANCE COMMITTEE

24 JUNE 2021

URGENCY ITEMS - MINUTE OF DECISION

Delegation arrangements for dealing with matters of urgency

Paragraph 7.2.1 of the Council's Constitution provides that Chief Officers may take urgent decisions if they are of the opinion that circumstances exist which make it necessary for action to be taken by the Council prior to the time when such action could be approved through normal Council Procedures. They shall, where practicable, first consult with the Leader and Chairman (or in their absence the Vice-Chairman) and the Opposition Spokesperson of the appropriate committee.

Subject: Green Homes Grant Local Authority Delivery Phase 2 (LAD2)

Appropriate Committee:

Homes & Communities Committee
Policy & Finance Committee

Details of Item (including reason(s) for use of urgency procedure):

Due to the tight timescales involved and the need to consider if it the project was feasible and the Council could participate and accept the grant funding there has not been time to report to the relevant committees. To receive funding the Council must sign & return award letter/grant form by 15th April 2021.

Background Information

On 5th March 2021, the Council received an email from the Midlands Energy Hub regarding the government allocation of grant to the Council under the Green Homes Grant Local Authority Delivery Phase 2. Initially it was felt that the timescales were too difficult to achieve and the Council did not have the resources to deliver the programme. However, discussions with our neighbour authority Gedling, raised the prospect of working in partnership with EON to deliver our programmes.

In initial discussions with EON, a draft proposal was put together which meant the Council would now be able to deliver the programme and spend the grant allocation.

EON are consider our preferred partner due to their previous experience in this field; the fact that they are working with at least 2 other local authorities (Gedling & Rushmore) in the region to deliver this programme and the Council has successful worked with them on our Warmer Homes Initiative in 2020/21.

Four key members (listed at the end of the report) were contacted by telephone on 14th April 2021 by Caroline Wagstaff (Business Manager Housing Maintenance & Asset Management) and were happy to proceed with the proposal.

Bid Summary and Proposal

The draft proposal is to work in partnership with EON bring 73 properties up to a C rating EPC as listed below:

- 53 owner occupied properties (with E or D rated EPC's) benefit from a mix of either cladding installation or the installation of solar PVs of which a 100% grant is receivable at a cost of £567,853 and;
- 20 of the councils own stock at D EPC rating have solar PV's installed with 66.66% grant at £91,765 funding and 33.33% (approx. £40,000) from the HRA Energy Efficient budget.

All households will be assessed to ensure they meet the grant's household financial eligibility criteria of earning not more than £30,000 per annum.

Financial Implications (FIN21-22/2872)

The grant awarded of £724,850 will need to be split as follows:

Fund	Value £	Detail
General Fund	65,236.50	9% allowed for managing the project
General Fund	567,853.50	Grant for the works carried out at privately owned properties
Housing Revenue Account	91,760	In order to increase the energy efficiency budget within the Capital Investment Programme
Total	724,850.00	

The £65,236.50 for managing the scheme will require an associated revenue budget within the general fund.

The £567,853.50 will need a corresponding General Fund Capital budget to be added to 2021/22 to pay for the works carried out on the privately owned properties.

The HRA Capital Investment Programme currently has an existing budget of £150,000 for works required in 2021/22. The £91,760 grant will be added to this budget, allowing more properties to be upgraded from an energy rating of EPC D to EPC C. £10,687.50 will be separately identified for survey work and is 100% funded, leaving £81,078 to contribute 66.66% to the cost of the PV's being installed, and the remaining 33.33% coming from the existing £150,000 budget.

There is some flexibility within the conditions of the grant in terms of the above allocation if required, but this grant covers all additional costs to be incurred by the Council.

Risks

1. A reputational risk if the grant is not fully spent and needs to be returned. This will be monitored closely by the Council's Home Energy Officer.

2. That the works are not carried out to satisfactory standard and residents complain. Only eligible contractors will be utilised and it is intended these will come from the Dynamic Purchasing Systems through the Midland Hub run by Nottingham City Council.

Deadlines

- To receive funding the Council must sign & return award letter by 15 April 2021
- Proposals finalised and submitted by no later than 12 noon on the 24 of May 2021
- Majority works completed by end September 2021 and fully completed by 31 December 2021.

Decision

- a) **that the Director - Housing, Health & Wellbeing be given delegated authority to accept the Grant offer from the Midlands Energy Hub;**
- b) **£91,760 of the Grant awarded be initially allocated to the HRA Capital Investment Programme to support the current Energy Efficiency budget and the current budget of £150,000 be increased by the same value to £214,760;**
- c) **a general fund Capital budget be set up for £567,853.50 for the works estimated to be carried out to the Privately owned;**
- d) **to set up a revenue budget of £65,236.50 (9% of £724,850 total costs), of which £2,750 will be an upfront payment for managing and administering the programme; and**
- e) **enter contract procedure rules exemption to enter into a contract with EON for the reasons listed in the report.**

Members Consulted:

Councillor D Lloyd - Leader of the Council

Councillor P Peacock - Opposition Spokesperson of Policy & Finance Committee

Councillor T Wendels - Chairman of Homes & Communities Committee

Councillor Mrs K Arnold - Opposition Spokesperson of Homes & Communities Committee

Signed:



Director – Housing, Health & Wellbeing

Date: 8 June 2021

By virtue of paragraph(s) 2, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted