



The Arc
High Street
Clowne
Derbyshire
S43 4JY

Date: 24 January 2014

Dear Sir or Madam,

You are hereby summoned to attend a meeting of the Executive of Bolsover District Council to be held in Chamber Suites 1 and 2, The Arc, Clowne, on Monday 3 February 2014 at 1000 hours.

Register of Members' Interests - Members are reminded that a Member must within 28 days of becoming aware of any changes to their Disclosable Pecuniary Interests provide written notification to the Authority's Monitoring Officer.


You will find the contents of the agenda itemised on pages 2 to 3.

Yours faithfully,

Chief Executive Officer
To: Chairman & Members of the Executive

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The Arc, High Street, Clowne, Derbyshire, S43 4JY

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EXECUTIVE AGENDA

Monday 3 February 2014 at 1000 hours
Council Chamber Suites 1 & 2, The Arc, Clowne

Item No.		Page No.(s)
	PART 1 – OPEN ITEMS	
1	Apologies for absence	
2	Urgent Items of Business To note any urgent items of business which the Chairman has consented to being considered under the provisions of Section 100(B) 4(b) of the Local Government Act 1972.	
3	Declarations of Interest Members should declare the existence and nature of any Disclosable Pecuniary Interest and Non Statutory Interest as defined by the Members' Code of Conduct in respect of: a) any business on the agenda b) any urgent additional items to be considered c) any matters arising out of those items and if appropriate, withdraw from the meeting at the relevant time.	
4	Minutes To approve the minutes of a meeting of the Executive held on 14 January 2014	Previously circulated
5	Recommended Items From Other Standing Committees None	
6*	Medium Term Financial Plan 2014/15 to 2016/17 <i>Recommendations on pages 9-11</i>	4-67
7*	Advertising and Sponsorship Policy <i>Recommendation on page 69</i>	68-79
8	Development Fund <i>Recommendations on pages 83-84</i>	80-86

9	Idox Uniform Estates Management System <i>Recommendation on page 89</i>	87-89
10	Child Protection Update <i>Recommendation on page 92</i>	90-92
11	HCA Land at Southfield Lane, Whitwell <i>Options given on page 96</i>	93-96

* Denotes Key Decision

Committee:	Executive	Agenda Item No.:	6
Date:	3 rd February 2014	Status	Open
Category	3. Part of the Budget and Policy Framework		
Subject:	Medium Term Financial Plan 2014/15 to 2016/17		
Report by:	Assistant Director Accountancy and IT / Chief Accountant / Director of Corporate Resources		
Other Officers Involved			
Director	Director Of Corporate Resources		
Relevant Portfolio Holder	Councillor E. Watts, Leader of the Council		

RELEVANT CORPORATE AIMS

STRATEGIC ORGANISATIONAL DEVELOPMENT – to continually improve the efficiency and effectiveness of all Council Services by maximising the potential use of Council resources.

TARGETS

The operation of policy led budgeting will help to inform future spending plans and ensure that resources are efficiently utilised in the promotion of Council priorities.

VALUE FOR MONEY

The budget process enables existing expenditure patterns to be challenged and where necessary redirected to ensure that resources are used effectively and directed towards the delivery of the Corporate Aims.

Introduction

1. This report presents the following budgets and financial plans for Executive to consider:
 - General Fund Revenue account which is attached as **Appendix 1** to this report.
 - Housing Revenue Account (HRA) account which is attached as **Appendix 2** to this report.
 - Capital Programme which is attached as **Appendix 3** to this report.

Once Executive has considered the position as set out within this report and the associated appendices then any recommendations made by Executive will be referred to the Council meeting of 12th February 2014 in order to secure agreement to the Council's budget in respect of the 2014/15 financial year.

2. While all of the above accounts are detailed separately within the report it is important that Executive gives appropriate consideration to the Council's overall financial position which encompasses all the three separate accounts as outlined within this report and to the range of services that it is planned to deliver to local residents.
3. Within the reports which follow in respect of each of the Council's main accounts there are a number of common features. In particular financial projections are provided with regard to the following:
 - 2013/14 Estimated Outturn Position
This is the current year budget revised to reflect changes which have taken place or which it is anticipated will take place during the remainder of this financial year. It will therefore provide a more accurate indication of the likely outturn position than the original budget.
 - 2014/15 Original Budget
This is the proposed budget for the next financial year commencing 1st April 2014 which Council will need to consider for approval at its meeting on 12th February 2014.
 - 2015/16 and 2016/17 Financial Plan
In accordance with good practice the Council agrees its annual budgets within the context of a Medium Term Financial Plan (MTFP) which includes financial projections in respect of the next three financial years. This approach provides the Council with a longer planning horizon over which to develop service plans and to ensure that its underlying level of expenditure remains in line with its underlying level of resources. Effective multi-year planning is particularly important in the current climate given that the Comprehensive Spending Review and other Central Government announcements are based upon plans which incorporate significant year on year expenditure reductions for local government.

Robustness of the Estimates

- 4 Under the provisions of the Local Government Act 2003 the Council's Section 151 Officer is required to comment on the robustness of the estimates made and also on the adequacy of the proposed financial reserves. The Council's S151 Officer (the Director of Corporate Resources) is satisfied that the methodology adopted to calculate the estimates is robust, and provides Members with reliable information on which to base their decisions. Likewise, the S151 Officer is satisfied that the proposed level of reserves, which although at a relatively low level, are adequate to cover the issues and potential risks which face the Council. The adequacy of the current level of reserves is considered in Appendix 1 in relation to the General Fund, in Appendix 2 in relation to the HRA, and in Appendix 3 in relation to the Capital Programme.
- 5 In arriving at the assessment that the methodology adopted is robust the Chief Financial Officer is satisfied that the policies upon which the estimates are based

are reasonable, and that these policies have been applied consistently across the Council's activities. The approach that has been adopted has taken account of the following:

- The Council's actual expenditure and income both in the previous financial year (2012/13) and to date in the current financial year as at the end of September 2013. The views of cost centre managers concerning the level of expenditure which will be incurred during the remainder of the 2013/14 financial year have also been taken into account. Where necessary these figures have been validated by considering the incidence of income and expenditure up to the end of December 2013. This process has enabled a robust Estimated Outturn to be prepared in respect of the current financial year (2013/14), which has formed the basis for the 2014/15 Budget and the financial forecasts in respect of 2015/16 and 2016/17.
- With regard to estimates included within this report these have been developed with and agreed by the responsible cost centre managers who will have the primary responsibility for managing them during the course of the financial year. This process has helped to ensure that agreed service developments, potential cost increases and changes in the level of demand for services, etc. have been taken into account. While the Chief Financial Officer is satisfied that the budgets which have been agreed are robust it does need to be recognised that non-employee related expenditure heads have been minimised and will need to be carefully managed if the Council is to operate within its approved budgets. This approach reflects the fact that a policy decision has been taken to minimise all non employee budgets. This increases the risk of an overspend developing during the year as there is now little room to manage unforeseen items of expenditure. This increased level of financial risk is taken into account in the Financial Risk Register which has been developed in respect of each of the three main accounts of the Council.
- The Accountancy Section have co-ordinated the preparation of the budget, and have ensured that all estimates are reasonable and have been developed in a consistent fashion. While the budgets that have been agreed are challenging and will need to be reviewed in the light of changing circumstances and priorities over the three year period of the Medium Term Financial Plan the Chief Financial Officer is satisfied that they constitute a firm foundation on which to base the Council's financial management.

6 **Financial Implications**

These may be summarised as follows:

General Fund

Estimated Outturn 2013/14

With respect to the General Fund the Council is currently anticipating that an in year surplus will be achieved which will mean no call on general fund balances in respect of 2013/14. The forecast surplus will be dependent upon the use of the £1.064m of Efficiency Grant provided by Central Government in order to fund the

costs of rationalisation, restructuring and Invest to Save measures. In order to deliver a surplus the Council has secured the majority of the planned £0.884m of financial savings during 2013/14 and identified other savings/increased income during the revised budget process which generates the forecast surplus position. This is a significant achievement for the Council and puts the Council in a sound financial position with which to address the 2014/15 budget.

Original Budget 2014/15

The total savings required for 2014/15 are £0.447m. A range of savings proposals totalling £0.430m have been proposed which will mean that the unidentified savings target for 2014/15 is £0.017m. While the Council has continued to drive its savings agenda it will still be necessary to achieve the financial savings targets of £0.430m during the 2014/15 financial year together with the £0.017m which remains to be identified. While this total target of £0.447m is relatively low against previous targets (£1.259m 2011/12, £0.975m 2012/13 £0.884m 2013/14) it needs to be recognised that the easier options for achieving savings have already been taken. With respect to the 2014/15 position a number of measures have already been implemented which have reduced the impact of the formula grant reduction of £0.862m to a budget shortfall of £0.447m.

Budgets 2015/16 and 2016/17

On the basis that the full £0.447m is achieved in respect of 2014/15 there will be a further £0.973m to be achieved in respect of 2015/16 and an estimated figure of £0.800m for 2016/17. Given the Government's spending plans it is expected that further reductions will be required in future financial years and it is therefore important that the Council maintains its momentum in achieving ongoing financial savings. While clearly these ongoing expenditure reductions will continue to have an impact on services it should be noted that the Council's current approach if continued will enable changes to budgets and service plans to be appropriately considered, planned and managed. This gradual ongoing planned approach is considered to be the most appropriate method for minimising the impact upon local residents.

Housing Revenue Account (HRA)

Estimated Outturn 2013/14

The Estimated Outturn figures shown within the appendix are the same as those reported to the Executive in December 2013. It is therefore not proposed to repeat all the detail behind the estimated outturn figures again in this report. However, to summarise the overall position for the HRA in 2013/14 is that there is a forecast surplus of £0.086m in the current year which if realised will increase the HRA balances to £1.861m.

Original Budget 2014/15

The key issues for 2014/15 are that the average rent increase required to comply with Government rent convergence requirements is one of 6.24% which results in the average rent for a Council house increasing to £83.61 per week (on a 48 week basis).

Executive will be aware that the Government's reform of the operation of all local authority Housing Revenue Accounts has now been in place since April 2012. This reform places considerably greater emphasis upon local management of the HRA based upon a framework established by the HRA Business Plan. While HRA reform has given local authorities significant financial freedoms - including the ability to undertake additional borrowing - it needs to be recognised that these financial freedoms need to be exercised within the context of the requirement to maintain the Council's properties at a decent standard. The outcome of the full stock condition survey is not yet known so the proposed budgets may need to be revisited again as the full implications of the survey are understood. One development within the 2014/15 HRA budget is the requirement to increase the debt repayment sum in line with the long term business plan to repay the settlement debt over a 30 year period. The principal repayment figure will increase by £1.5m to £3.5m for 2014/15.

Budgets 2015/16 and 2016/17

The Governments new proposals for rent increases are not yet finalised but have been included within our budget forecasts from 2015/16. The full debt repayment level is also incorporated over the 30 year business plan. The position shows that the HRA remains in a stable position over the period of the MTFP. It also demonstrates that the plans and financial projections set out within the HRA Business Plan which underpins the MTFP in respect of the HRA secure financial sustainability and enables the provision of a high quality housing service to our tenants to remain the key focus.

Capital Programme

Finally, with respect to the capital programme the majority of expenditure will continue to be in respect of the HRA Programme which is funded by capital resources ring fenced to the Council's HRA. The financial provision to fund the ongoing programme of housing refurbishment work is planned to continue at a level between £3m and £4m per annum. That level of spend will be reviewed in the light of the HRA stock condition survey which it is anticipated will be available in early 2014. Once that information has been considered then it is anticipated that a further report will be brought back to Council seeking approval for a revised Capital Programme in respect of the HRA. During 2013/14 capital expenditure of £2m will be incurred in respect of HRA new build properties at New Houghton with a further sum of £0.680m expenditure being paid in 2014/15. With regard to the General Fund a stock condition survey is again nearing completion and the Council is working to secure Lottery Funding for the Mill complex at Pleasley Vale. Once the work in respect of stock condition and Pleasley Vale has been completed and the Council has secured its outstanding Capital Receipts then again it is anticipated that a further report will be brought back to Council concerning expenditure priorities on the Capital Programme. While the Council has already secured one of the two major outstanding capital receipts the majority of the funding secured from these receipts is required to repay prudential borrowing taken out in previous financial years to cover costs such as those incurred in the purchase and refurbishment of the Arc at Clowne. While these two sales will generate capital receipts of £10.5m these need to be

offset by the £7.865m of capital costs incurred in anticipation of these receipts being received.

7. **Other Considerations (eg Environmental, Crime and Disorder, Design and Community Safety)**

These are covered in the Service Plans which are based upon the resources allocated by the budgets recommended for approval within the Medium Term Financial Plan.

8. **Equalities Issues**

These are covered in the Service Plans which are based upon the resources allocated by the budgets recommended for approval within the Medium Term Financial Plan.

9 **Risk Management and Policy and Performance Issues**

A Financial Risk Register has been developed in respect of each of the main accounts and is provided at **Appendix 1 Table 2, Appendix 2 Table 3, and Appendix 3 Table 2.**

Policy and Performance Issues are covered in the Service Plans which based upon the resources allocated by the Budgets recommended for approval within this Medium Term Financial Plan.

ISSUES FOR CONSIDERATION

Executive is requested to consider the report together with the draft recommendations before considering whether to endorse these recommendations to full Council at the budget setting meeting of 12th February 2014.

IMPLICATIONS

- Financial: These are covered throughout the body of the main report.
- Legal: The Council is legally obliged to approve a budget prior to the commencement of the new financial year in April 2014. This report together with the associated budget timetable has been prepared in order to comply with our legal obligations.
- Human Resources: These are covered in the main report where appropriate.

RECOMMENDATIONS

11. That all recommendations below are referred to the meeting of full Council on the 12th February 2014.

The following recommendations to Council are made:

- a) That the view of the Chief Financial Officer that the estimates included in the Medium Term Financial Plan 2013/14 to 2016/17 are robust and that the level of financial reserves whilst at minimum levels are adequate, be accepted.
- b) That officers be required to report back to Executive and to the Audit Committee on at least a quarterly basis regarding the overall position in respect of the Council's budgets, these reports to include updates on progress in achieving the range of identified efficiencies necessary to achieve a balanced budget by the end of the 2014/15 financial year.

In addition to the above the following recommendations are made in respect of each of the main accounts of the Council.

12 GENERAL FUND

- a) No Council Tax increase is levied for the financial year 2014/15 and the Council accept the proposed Government grant compensation arrangements and this recommendation is submitted for approval by the Council at its meeting on 5th March 2014.
- b) The Executive recommends to Council (at its meeting on 12 February 2014) the Medium Term Financial Plan in respect of the General Fund as set out in **Appendix 1** of this report and agrees the Estimated Outturn Budget 2013/14 with a spending requirement of £12,389,845 together with the original budget for 2014/15 with a spending requirement of £11,868,004 as detailed in **Appendix 1 Table 1**.
- c) Officers continue to progress the implementation of measures designed to secure the forecast surplus in respect of 2013/14 and a balanced budget in respect of 2014/15 with progress to be reported back to both Executive and Audit Committee on a quarterly basis.
- d) *That Executive agrees to recommend the proposed Fees and Charges as set out in **Appendix 1 Table 3** to Council for adoption with effect from 1st April 2014. **NOTE : The Final Version of This Appendix is to follow.***
- e) That Council agree an allocation of Efficiency Grant of up to £20,000 in 2014/15 in order to fund a joint Empty Homes Property Officer with North East Derbyshire District Council.
- f) That Executive agrees to recommend that any surplus generated in the financial year 2013/14 is used to increase General Fund balances.
- g) That officers continue with the programme of work to secure the agreed savings required of £0.447m in order to balance the 25014/15 budget at the earliest opportunity.

13 HOUSING REVENUE ACCOUNT

- a) That Council agrees to introduce rent increases in line with the Government's convergence policy with effect from 1 April 2014. The recommended increase will bring about an average increase in rents of 6.24%. However, the actual percentages will vary depending on the type of property.
- b) That the increases in respect of other charges as outlined in **Appendix 2 Table 2** be implemented with effect from 1 April 2014.
- c) That the Housing Revenue Account as set out in **Appendix 2 Table 1** be approved as the Estimated Outturn Budget in respect of 2013/14 and as the Original Budget in respect of 2014/15.
- d) That Executive recommends to Council that the HRA target level of balances remains at a level of £2m.

14 CAPITAL PROGRAMME

- (a) That the Capital Programme for 2013/14 to 2016/17 as set out in **Appendix 3 Table 1** be approved.
- (b) That Executive notes the requirement to repay some £7.865m of prudential borrowing at the end of the 2013/14 financial year which was incurred in order to fund expenditure incurred during 2012/13 and 2013/14, and that this expenditure is funded by capital receipts which it is currently anticipated will be received before the end of the current financial year. The utilisation of these receipts to repay borrowing has been previously agreed by Council and will be approved both within this report and as part of the Treasury Management Strategy.
- (c) That further reports concerning the Capital Programme be brought back to Council once expenditure programmes based upon priorities as identified by the stock condition survey of both General Fund and HRA have been developed.

ATTACHMENTS: Y
FILE REFERENCE: None
SOURCE DOCUMENT: Background papers held in Financial Service

Committee:	Executive	Agenda Item No.:	8. Appendix 1
Date:	3 rd February 2014	Status	Open
Category	3. Part of the Budget and Policy Framework		
Subject:	Medium Term Financial Plan – General Fund		
Report by:	Director of Corporate Resources		
Other Officers Involved	Assistant Director Accountancy and IT / Chief Accountant / Director Of Corporate Resources		
Director	Director Of Corporate Resources		
Relevant Portfolio Holder	Councillor E. Watts, Leader of the Council		

RELEVANT CORPORATE AIMS

STRATEGIC ORGANISATIONAL DEVELOPMENT – to continually improve the efficiency and effectiveness of all Council Services by maximising the potential use of Council resources.

TARGETS

The operation of policy led budgeting will help to inform future spending plans and ensure that resources are efficiently utilised in the promotion of Council priorities.

VALUE FOR MONEY

The budget process enables existing expenditure patterns to be challenged and where necessary redirected to ensure that resources are used effectively and directed towards the delivery of the Corporate Aims.

General Fund Revenue Account

Introduction

1. This report considers the element of the Medium Term Financial Plan relating to the Council's General Fund Revenue Account budgets. As such it covers all of the Council's revenue expenditure other than those elements which relate to the provision of Council Housing which are accounted for within the Housing Revenue Account (HRA). While this report is predominantly concerned with financial issues it needs to be recognised that the Council's financial plans are part of a wider service planning framework which incorporates both service plans together with the range of related Council strategies and policies.

2. The General Fund Budget report will form part of the Council's Medium Term Financial Plan.
3. The main areas covered by this report are as follows:

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2013/14 Estimated Outturn	2
2014/15 Original Budget	4
• Level of Government Grant	4
• Expenditure, income Levels and efficiencies	7
Medium Term Financial Plan 2015/16 to 2016/17	11
Options for Council Tax Levels	12
Financial Reserves	13
Consultation	14
Risk Register	14
Recommendations	15
Summary Medium Term Financial Plan	Table 1
General Fund Risk Register	Table 2
Proposed Fees and Charges	Table 3

4. The provisional budgets for both 2013/14 (Estimated Outturn) and 2014/15 (Original Budget) are shown in Table 1 to this report. The Table also details the projected position – on the basis of current patterns of income and expenditure – for both 2015/16 and 2016/17. The provisional budget as set out in this report has been considered by the Budget Scrutiny at its meeting on 14th January 2014 and will be considered by the Audit Committee at its meeting on 4th February 2014. As part of this report Executive will consider whether to recommend this budget for approval by Council on 12th February 2014.

2013/14 Estimated Outturn

5. In February 2013 Members agreed a budget in respect of the current financial year 2013/14. Given that the Council was faced with achieving a challenging level of savings in respect of the current financial year it has been necessary to actively manage budgets throughout the year and to remove savings from the budget once they have been agreed. Given that the budget has been under a process of ongoing revision the Revised Budget (the latest version considered by Executive at its meeting on the 9 December 2013) has moved significantly from the Original Budget which was approved in February 2013. For the purposes of this report, the comparison in Table 1 shows the movement between the Original Budget the Revised Budget and the Estimated Outturn position. Given the extent of the work which has been undertaken during the year there is relatively little change between the Revised Budget and Estimated Outturn position. As part of the budget process it is recommended that Members formally approve the Estimated Outturn position as set out within Table 1. The main reason for the variation between the Original Budget and the current position is that the savings of £0.884m which were necessary to balance the budget have now been moved from the savings to be achieved line where they were shown as a credit, into reductions

in service expenditure which reflects the allocation of identified savings to service cost centres.

6. The key feature that has driven the Council's financial position during 2013/14 has been the reduction in the level of Central Government grant arising from the Government's Comprehensive Spending Review of Autumn 2010. Bolsover was one of the 10 English local authorities which suffered the maximum reduction in spending power of 8.8%, and this level of grant loss was one of the key factors which lay behind Central Government's decision to provide Transition Grant in respect of 2011/12 (£2.311m) and 2012/13 (£1.930m), with Efficiency Grant of £1.064m in 2013/14. Against this background Bolsover District Council clearly needed to take significant steps in order to bring its underlying level of expenditure back into line with its underlying level of resources. The budget agreed with respect to 2011/12 set the Council a savings target of £1.979m (£1.259m after the use of £0.720m of transitional grant), that in respect of 2012/13 sought savings targets of £1.496m, (£0.975m after the use of £0.520m of Transition Grant), while that of the current year required £0.884m with no direct allocation from the Efficiency Grant to meet the budget shortfall.
7. The majority of the measures that have secured savings in previous and the current financial year will continue to provide ongoing savings for the Council into 2014/15 and beyond. As such they have made an important contribution to the financial sustainability of the Council. If these savings had not been secured then the financial challenge which would have faced the Council during 2014/15 would have been one in excess of £1.5m rather than the £0.447m which is the current savings target.
8. As previously outlined within the report in recognition of the severity of the grant cuts that Bolsover District Council has faced it has been awarded £1.064m of Efficiency Grant in both 2013/14 and 2014/15m. The Efficiency Grant funding is designed to be invested in measures which reduce the underlying level of expenditure and Central Government will only make payment where it is satisfied that the grant is being appropriately used. Members should note that with respect to 2013/14 the Department for Communities and Local Government are satisfied that the plans outlined by the Council meet the criteria for the use of Efficiency Grant and have awarded the Council a further 25% of Efficiency Grant (£0.266m) as a 'reward' for progress to date.
9. While budgets have been adjusted to minimal levels in order to maximise the level of financial savings secured officers have continued to operate a policy of restricting expenditure wherever possible. While this management action may be offset by upward cost pressures, officers are currently of the view that it should be possible to achieve an outturn position with an under spend in 2013/14. The forecast Estimated Outturn position shown on Table 1 is a surplus of £0.248m which is a small decrease on the Revised Budget position reported in December. Should the outturn position be realised at this level it is recommended that any saving achieved is used as a contribution to General Fund balances. The position in respect of General Fund balances is set out more fully in section 33 and 34 of this report. Given that the Council is facing an increased level of financial risk it is

considered that an increase in General Fund balances would represent an appropriate way forward for the authority.

Original Budget 2014/15

10. One of the key purposes of this report is for the Council to agree its detailed income and spending proposals in respect of the next financial year which commences on the 1st April 2014. The provisional budget which is recommended for consideration by Members is detailed in Table 1 of this report.
11. In developing the proposed budget the main elements which have been taken into account are as follows:
 - Grants from Government
 - Expenditure, income levels and efficiencies
 - Options for the level of Council Tax in respect of 2014/15
 - Use of Reserves in the short term to fund any shortfall in income over expenditure provided that the level of reserves remains adequate in the light of the risks facing the organisation.
 - The need to ensure that the Council is taking appropriate steps to ensure that its underlying level of expenditure remains in line with the forecast level of resources that will be available to the Council in the light of the ongoing reductions in the level of government grant available to the Council.

Each of the above themes is now considered in greater detail in the sections below:

Level of Government Grant

12. On 18th December 2013 the Government provided an update of the level of Grant that would be available to local authorities for the two year period covering the 2014/15 and the 2015/16 financial years. The figures given in this report in respect of 2014/15 and 2015/16 are based upon the Government announcement whilst the 2016/17 figure is a projection based upon the general principle that this final year of the current MTFP will see grant reductions of a further 20%. While the Government has provided details regarding the grant settlement Members should note that – in part arising from the philosophy of localism – there is now less certainty regarding the future level of financial resources. In particular Non Domestic Rating Income, Localisation of Council Tax Benefit and New Homes Bonus all bring significant uncertainties into the financial planning process. In respect of the Efficiency Grant the Government retains an element of discretion over whether this grant should be paid. While the details concerning the level of grant are sufficiently firm to provide a robust base for the Council's budget it does need to be appreciated that there remains a considerably greater degree of uncertainty concerning Government grant than was previously the case.

13 The full details of the Government grant settlement is set out in the table below.

	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's
Revenue Support Grant (now includes Council Tax Support) (2016/17 is estimated)	(5,531)	(3,843)	(2,905)	(1,987)	(1,000)
Council Tax Support Limitation Grant	0	(28)	0	0	0
Council Tax Support to Parishes	0	434	381	343	309
Retained Non Domestic Rates baseline (2016/17 is estimated)	0	(2,556)	(2,606)	(2,678)	(2,789)
New Homes Bonus – 1 (2011/12)	(117)	(117)	(117)	(117)	(117)
New Homes Bonus – 2 (2012/13)	(193)	(193)	(193)	(193)	(193)
New Homes Bonus – 3 (2013/14)	0	(191)	(170)	(170)	(170)
New Homes Bonus – 4 (2014/15)	0	0	(292)	(292)	(292)
New Homes Bonus – 5 (2015/16) (Estimated)	0	0	0	(200)	(200)
New Homes Bonus – 6 (2016/17) (Estimated)	0	0	0	0	(225)
Transition Grant	(1,930)	0	0	0	0
Council Tax Freeze Grant 2011/12	(90)	0	0	0	0
Council Tax Freeze Grant 2012/13	(90)	0	0	0	0
Council Tax Freeze Grant 2013/14	0	(36)	(36)	0	0
Council Tax Freeze Grant 2014/15 to 2016/17	0	0	0	0	0
Community Right to Bid and Challenge Grants (2016/17 is estimated)	(13)	(16)	(16)	(16)	(16)
New Burdens Grant	0	(60)	(78)	0	0
Housing Benefit Admin Grants (2015/16 and 2016/17 are estimated)	(586)	(551)	(485)	(436)	(392)
Total Government Funding within base budget	(8,550)	(7,157)	(6,517)	(5,746)	(5,085)
Efficiency Grant – not available to finance base budget	0	(1,064)	(1,064)	0	0
Total Government Grant	(8,550)	(8,221)	(7,581)	(5,746)	(5,085)

14 In headline terms the 2014/15 grant settlement of funding which can be incorporated within the Council's base budget has reduced by a net £0.640m (£7.157m in 13/14 to £6.517m in 14/15). The main reductions can be seen within the Revenue Support Grant figures where a reduction of £0.938m is shown (-24.4%). This reduction is offset by a small increase in the baseline figure for the retained NNDR allocation of £0.50m and the year four New Homes Bonus Allocation of £0.292m. Officers have assumed at this stage that the Council will

either implement a 1% Council Tax rise each year or continue with the 1% Government Council Tax Freeze arrangements. These options are considered in further detail later within the report. The details of the grants as outlined in the above table have been incorporated within the outline budgets provided as Table 1 to this report. With regard to 2016/17 while it is clear that further reductions in the level of public expenditure are planned at this stage no departmental spending plans have been released by the Government. Accordingly in the above table we have assumed a further loss in net government funding which translates into a £0.661m reduction in Government Grant.

- 15 In 2013/14 and 2014/15 the Council will receive an allocation of £1.064m in Efficiency Grant. This grant is not eligible to be used to support the base budget directly but must be used to finance the measures undertaken by the Council to reduce its underlying base budget, i.e. the costs of rationalisation, restructuring and Invest to Save measures. This grant is in effect the replacement for Transition Grant and reflects the fact that Bolsover is one of the seven Councils across England most adversely affected by grant reductions which restricts the grant loss to 8.8% of "spending power". The main change between Transition Grant and Efficiency Grant is that the latter is seen by the Government as having a reward element. On the basis of the Council's plans for the utilisation of Efficiency Grant in respect of 2013/14 the Government has awarded the Council the reward element of 25% (£0.266m). The reward or performance element of the grant is based upon the fact that the Government is looking to Councils to adopt a strategic approach to efficiency savings by implementing measures such as shared services, outsourcing, a shared Chief Executive and property rationalisation.
- 16 One of the issues for Bolsover District Council is that it had already made significant steps towards achieving this agenda prior to the announcement of the Efficiency Grant. During 2013/14 the Council has developed a number of themes including the agreement to what amounts to a second phase of the Strategic Alliance with the Transformation Agenda. Bolsover District Council has utilised the grant to fund restructuring costs, to rationalise our asset base, to invest in the development of more efficient services and to progress the Strategic Alliance and the shared services agenda. The securing of the reward element of the Efficiency Grant supports the view that the Council is adopting best practice in the pursuit of efficiency measures to protect services to local residents at a time when Government funding to local authorities is being significantly reduced. Given that Efficiency Grant is effectively a one off it is recommended that Council continues to use the grant in its intended manner namely to fund the restructuring costs and efficiency measures that are necessary to bring expenditure into line with the underlying level of resources in the post Autumn 2010 CSR period.
- 17 In terms of the financial support provided by Central Government National Non Domestic rates is becoming more significant than Revenue Support Grant. Council will be aware that the nature of Non Domestic Rates is also changing in that the Government is now offering local authorities an incentive to grow NNDR locally given that they will now be able to keep 20% of the growth in NNDR levels against the current baseline figure. Whilst all local authorities are provided with an incentive in that they will retain a proportion of any growth in Business Rates there

is a safety net which will protect those local authorities which suffer from a reduction in their local Non Domestic Rating Base. There is therefore now a clear direct financial incentive for local authorities to promote economic growth in their area, although local authorities would take the view that they have already been active in promoting such growth in order to protect and promote local employment. For Bolsover there are a number of schemes currently in the pipeline which should enhance the Non Domestic Rate Base over the next two to three years. There is, however, the clear risk that these may be offset by decline in other sectors of the local economy, or by the impact of revaluation. Council should also note that the ability to attract companies into the District may be adversely affected by the close proximity of the Enterprise Zone at Junction 29A. More generally whilst local authorities can facilitate and promote growth it does need to be recognised that there are other factors outside the influence of local authorities which are arguably of greater significance in promoting economic growth (the national economic position, geographical location, land availability). The localisation of business rates is, however, clearly intended to provide local authorities with an incentive to promote local economic development. The Council has included a retained NNDR sum of £0.155m in its base budget for 2013/14 which represented the growth element achieved to date in 2013/14. Officers have estimated for further growth in 2014/15 with the inclusion of a sum of £0.050m. This sum will become an actual figure very shortly and will be updated as the Council completes and submits its NNDR 1 return to the Government at the end of January 2014. Growth targets for 2015/16 (£0.75m) and 2016/17 £0.100m) have been included within the savings proposals section of the MTFP.

- 18 With regard to the New Homes Bonus this is included in the 2014/15 base budget at £0.772m and by the end of 2016/17 is anticipated to reach £1.2m. Every new home built, or empty property brought back into use (offset by demolitions and those properties falling out of use) will provide the local authority with an increased income of £1,000 p.a. for 6 years for a Band A property. This reward, which is top sliced from the overall Government Grant pot – is intended to reward those authorities who allow and facilitate additional housing in their areas. Members will note that there has been a significant increase in the level of income from New Homes Bonus in 2014/15 which reflects a significantly larger than anticipated number of empty properties being brought back into use. Officers are of the view that the most likely cause of the change in the number of empty properties coming back into use arises from the fact that with effect from April 2013 the Council has removed the 50% council tax discount which previously applied to empty properties. From April 2013 all empty properties were required to pay 100% of the Council Tax charge.
- 19 Given the opportunities to raise income from New Homes Bonus it should be noted that Officers are recommending that the Council moves to appoint to a joint position across both Bolsover and North East Derbyshire in order to enable empty properties being brought back into use. In addition to raising additional income for the Council this proposal would improve the availability of housing for local people whilst increasing private sector housing investment thus promoting local employment. The current proposal is that the post would be hosted at North East

Derbyshire and that Bolsover would initially fund its contribution of up to £20,000 from Efficiency grant until the post became self funding.

Expenditure, income levels and efficiencies

- 20 A key element of the Government's approach to local government is that it should seek to secure local sources of funding rather than being heavily dependent upon central funding. In part the Government see this objective being realised by local authorities maximising their local development potential by way of Non Domestic Rates (growing the level of business activity) or by way of New Homes Bonus (increasing housing numbers). In addition authorities have been encouraged to look at raising other local sources of income. As part of this report Council will consider the opportunities that are available to increase fees and charges. The proposals, which will need to be considered and approved by Members, are set out in Table 3 to this report. During the course of 2013/14 the Council has undertaken a strategic review of its fees and charges policy and it is anticipated that this will make a further contribution to our savings target in respect of 2014/15.
- 21 While the Council will continue with efforts to identify and secure additional income with which to support services it is clear that locally the key opportunity for the Council to balance its budget arises in respect of managing expenditure levels and securing efficiencies.
- 22 In response to the requirement to identify the £0.447m of savings required to balance the budget a number of options have been identified which potentially will contribute to achieving the required level of savings. Officers are of the view that these options could be implemented in the first half of the financial year and given the availability of Efficiency Grant to cover implementation costs they would make an immediate contribution to the savings target in 2014/15 whilst reducing the Council's underlying level of revenue expenditure. The savings that are proposed for consideration in order to secure a balanced budget are as follows:
- Vacancy Allowance £50,000.
All vacancies – including maternity leave, requests for additional annual leave, etc - will continue to be subject to review by Senior Alliance Management Team and will be controlled in order to secure financial savings. Where appropriate reports will be brought forward for Members to consider the disestablishment of posts which it is not considered appropriate to fill. While the target of £0.050m is in line with savings achieved in the current and previous financial years it does need to be recognised that the reductions in staffing numbers over recent years make these savings increasingly hard to achieve given the requirement to maintain service levels.
 - Transformation, Secondments and Joint Working £200,000
As part of the decision made in the autumn of 2013 to progress the Strategic Alliance as a vehicle for securing further savings Council accepted a recommendation that officers progress a transformation agenda. As a result of this decision this Council in conjunction with North East Derbyshire – its Strategic Alliance partner – has agreed investments in Firmstep (Customer Relationship Management Software) and in a refreshed Financial

Management System and Planning / Environmental Health system. These investments should start to secure financial savings during 2014/15 and in particular should enable both Councils to continue to operate at existing service levels more efficiently.

Further secondments and joint working arrangements with North East Derbyshire District Council are targeted to secure savings to Bolsover District Council. Given that these measures generally arise as a result of natural wastage they tend to involve minimal costs in terms of redundancy, etc whilst minimising the impact on the workforce of shrinking the size of the organisation.

- **Property Rationalisation Savings £75,000**
Officers are in the process of considering the opportunities for savings that will arise from property rationalisation. In particular the budget has needed to be adjusted to recognise that Chesterfield College will be vacating the Arc in the summer of 2014. Replacement tenants will therefore provide additional income to the Council. Officers are also exploring the option to use a range of properties more efficiently, or where appropriate to dispose of properties in order to secure further savings from property rationalisation.
- **Income Generation £25,000**
A target of an additional £0.025m of income has been determined that shall be generated by the Council in 2014/15. This sum is on top of the existing level of income and will represent an increased take up of services rather than through fees and charges increases to service users.
- **Financial Outturn Review £30,000**
Officers are of the view that a review of the 2013/14 outturn position should enable us to identify further potential budget reductions with minimal impact upon services.

23 The table below summarises the savings options that are proposed in order to address the 2014/15 position together with their impact on 2015/16 and 2016/17:

Summary of Proposed Savings

	2014/15 £000's	2015/16 £000's	2016/17 £000's
Budget Gap	447	1,420	2,220
Savings Proposals			
NNDR Growth Target 2014/15	(50)	(50)	(50)
NNDR Growth Target 2015/16	0	(75)	(75)
NNDR Growth Target 2016/17	0	0	(100)
Vacancy Management	(50)	(50)	(50)
Transformation, Secondments & Joint Working	(200)	(300)	(400)
Property Rationalisation Savings	(75)	(125)	(175)
Fees and Charges Review / Income Generation	(25)	(50)	(75)
2013/14 financial outturn review	(30)	(30)	(30)
Total Savings Proposals	(430)	(680)	(955)
Unidentified Savings Target 2014/15	(17)	(17)	(17)
Unidentified Savings Target 2015/16	0	(723)	(723)
Unidentified Savings Target 2016/17	0	0	(525)
Call on General Fund Balances	0	0	0

Given the importance of securing the above savings to the financial stability of the Council, progress will be reported on a regular basis to Executive. It should also be noted that it is proposed that the Council should approve that actual budgets are amended to take account of identified savings as soon as those savings are formally approved. This will help to ensure that cost centre managers are fully aware of the budgets that they are working to, and that those savings which are identified are fully achieved during the initial year.

- 23 In addition to the savings measures which are proposed above the budget has been based on the assumption that a 1% Council Tax increase will be implemented or the Government Freeze Grant at 1% will be accepted.

Medium Term Financial Plan 2015/16 to 2016/17

- 24 While the main focus of this report is on the Revised Outturn position in respect of the current financial year (2013/14) and upon securing approval for the original Budget in respect of 2014/15, it is important that decisions are taken in the context of the financial position of the Council over the period of its Medium Term Financial Plan which covers the 3 year period up to the end of March 2017. The key feature of the Council's financial position over this period of time is the requirement to make ongoing revenue savings. The level of financial savings previously achieved and projected as being required – both on an annual basis and cumulative - are as follows:

Summary of Required Level of Financial Savings

	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Annual Savings Required	975	884	447	973	800
Cumulative Savings Required	975	1,859	2,306	3,279	4,079

- 25 While the level of savings required is based upon a number of assumptions - which are outlined below – it is clear that under any scenario the Council faces a significant reduction in its spending power. This is consistent with the plans set out within the Government’s Comprehensive Spending Reviews of Autumn 2010 and 2013. Given the scale of the financial savings which are required over the period of the current Medium Term Financial Plan it is crucial that the Council acts to manage its financial position effectively, and in particular that it manages the financial position in such a way as to protect the level of services which are provided to local residents.
- 26 While the gross level of savings required is £0.447m in respect of next financial year (2014/15), officers are of the view that on the basis these can be achieved then the Council will be in a relatively good financial position given the extent of the reductions in Government grant which have been experienced. The Council’s financial position reflects the fact that it has put in plans over the last three financial years which have led to longer term savings rather than only addressing the in year financial position. Given the ongoing nature of the expenditure reductions which the Council is facing; in particular the shortfall of a further £0.973m in respect of 2015/16 it would seem to be appropriate to continue this policy which has both secured the necessary savings while minimising the impact on local residents.
- 27 One of the key issues facing the Council is that a key element for achieving efficiency savings over the past 3 financial years has been that of the Strategic Alliance. Over the period to March 2014 the two Councils have achieved savings of over £1.5m. The budget now has in place further savings targets from Joint Working and Secondments and the Transformation Agenda for 2014/15 onwards.
- 28 In developing the financial projections in respect of 2014/15 to 2016/17 which are included within Appendix 1 to this report, officers have made a number of assumptions. The major assumptions which have been made are as follows:
- Pay increases of 1% in respect of 2014/15, 2015/16 and 2016/17.
 - Increased employer superannuation contributions of 1% from April 2014 offset by a reduction in the lump sum deficit recovery.
 - No allowance has been made in respect of general inflation although specific budget heads such as energy costs and business rates have been increased to reflect anticipated price increases.
 - A Council Tax increase of 1% or Council Tax Freeze Grant at 1% in respect of each year 2014/15, 2015/16 and 2016/17.

- Government Grant reductions of £0.661m in 2016/17. (Central Government have only provided grant details in respect of 2014/15 and 2015/16).
- Fees and Charges – service specific increases

Options for Council Tax Levels

- 29 Members will recall that since 2011/12 the Council has decided on a nil Council tax increase enabling the authority to take advantage of successive Government schemes which provided grant to partially compensate for the income lost as a result of a decision to freeze council tax. These compensatory grant payments to those Councils who did not increase Council Tax are, however, generally limited in the period in which they are receivable and unlike Council Tax increases do not result in an increase in the underlying revenue base of the Council.
- 30 Central Government has made strong requests to local authorities not to increase Council Tax in respect of the 2014/15 financial year. This request however, is not as yet backed up with a clear detailed offer of any grant compensation arrangements. At present we are awaiting details of the 2014/15 freeze grant i.e. the level to be received, how long the grant will be received (one, two or more years) and the Council Tax increase level at which a referendum will be triggered.

At this point officers assume that the Freeze Grant offer will be comparable with that in 2013/14 which was grant equivalent to a 1% rise in Council Tax which will be paid in both 2014/15 and 2015/16. There is likely to be a two year benefit only, and those local authorities that accept the Government's offer need to do so on the understanding that the decision will have an ongoing financial impact. With regard to 2014/15 the additional grant would amount to £0.030m. If the Council chose to increase Council Tax by a figure of up to 1.9% (less than the previous 2% threshold - which is the maximum possible before the Council would be required to incur the costs of holding a referendum) then it would receive additional funding of up to £0.060m which would continue to be available to it in future financial years. Overall if the Council chooses to accept the additional Government Grant then it will not benefit from the positive impact to its Tax base in future years that would have been secured by a Council Tax increase in 2014/15. This will require that in future years expenditure will need to be £0.060m below what it otherwise would have been, or higher council tax rises will be necessary in subsequent years.

- 31 In reaching a decision regarding the appropriate level of Council Tax in respect of 2014/15 Members need therefore to give consideration to the Council's financial position in respect of both 2014/15 which is covered in section 10 to 18 of this report and in respect of the remainder of the period covered by this MTFP. In summary officers are currently forecasting that over the period April 2014 to March 2017 expenditure reductions (or increased income) of £2.200m (£0.447m 14/15, £0.973m 15/16, £0.800m 16/17) will be necessary.
- 32 While there are significant financial reasons for opting to increase the level of Council Tax in 2014/15 in order to strengthen the Council's underlying financial position and to reduce the reliance on expenditure reductions as a means of balancing the budget, this needs to be balanced against the detrimental impact

which the current economic situation and the high level of inflation are having on local residents. It may be considered that the Council needs to take all appropriate steps in order to minimise the burden on local residents, and that to secure an – albeit smaller - increase in funding from national resources rather than local residents is the appropriate action at this point in time.

Financial Reserves

- 33 The Council's main Financial Reserves which relate to its General Fund are the General Fund Balance and within Earmarked Reserves; the Transformation Reserve the Transition Grant (balance from 2012/13) and Efficiency Grant (2013/14). At the end of the 2012/13 financial year the Council increased its General Fund balances to a level of £1.442m. Given the growing level of uncertainty surrounding local authority income and the fact that the Council itself has reduced all budgets to a minimal level thus reducing its financial resilience it is important that the Council continues to review what it would consider to be an acceptable level of General Fund balances. Given that the Council has continued to effectively achieve the in year savings targets and has a range of other balances available £1.5m would appear to be a reasonable minimum level of balances going forward. This position is supported by the General Fund Risk Register as set out in Appendix 1 Table 2 which details the financial risks currently faced by the Council which indicates notional financial risks with a total value of £1.57m. While increasing the level of financial balances above the minimal level of £1.5m would enhance the financial resilience of the Council the Chief Financial Officer would consider such an increase in the level of General Reserves to be desirable but not essential. The forecast surplus in 2013/14 (£0.248m) is proposed to be used to increase the General Fund balances position. Should this sum be realised at the outturn then the General Fund balances would increase to £1.690m which is above the minimum level of balances declared above and the General Fund risk register assessment.
- 34 The opportunity to increase the General Fund balances position in 2013/14 should be seen as sound financial management as it needs to be recognised that the financial environment within which local authorities will be operating during 2014/15 is characterised by a significantly higher level of risk over that which prevailed during previous financial years. Executive is well aware of the importance of managing expenditure reductions in a planned fashion in order to protect the quality of services to local residents, and an increase in the target level of balances which will secure improved financial resilience is an important element of protecting service delivery to local people.

Consultation

- 35 The Council is required to consult with stakeholders on the proposed budget. This consultation which is part of the Council's service planning framework has effectively been taking place throughout the financial year. In addition the budget process has also sought to ensure that the knowledge of Members in their role as Community Champions has been used to inform the service development process. Finally, it should be noted the Council is required to consult with business ratepayer's industrialists and other interested parties in the commercial sector with regard to its expenditure proposals. That meeting will be held on the 4th February

2014 and the outcome will be subject to a verbal report to Council at its meeting on the 12 February 2014.

Risk Register

- 36 A financial Risk Assessment is set out in Table 2, which outlines the risks, the mitigation which is in place, the potential impact and the probability of the event occurring in order to arrive at a notional calculation concerning the potential financial impact of the risks which the Council is currently facing. This indicates that the identified risks which the Council is currently facing amount to £1.57m. This is above the current level of General Fund Balances of £1.442m. The forecast surplus in 2013/14 should bring the level of balances held above the Risk Assessment calculated figure.
- 37 The assessment concerning the level of risk is essentially used for two purposes. In the first place an understanding of the risks which the Council faces is crucial in agreeing an appropriate level of financial reserves which are required. This is covered in section 33 (above). Secondly, the identification of the risks is the first stage in the process of more effectively managing, or of mitigating those risks. By identifying the risks it is possible to avoid them, to insure against them, to transfer the risk, or most likely, actions can be taken to reduce or to mitigate the risk. The Council's Financial Risk Register is closely linked to both the Strategic and Operational Risk Registers. The Council has in place a comprehensive approach to Risk Management which is reported on a regular basis to Executive, and this process will continue to be utilised in order to manage the key financial risks.

Financial Implications

- 38 These are covered throughout the report and associated appendices.

Legal Implications

- 39 The Council is legally obliged to approve a budget prior to the commencement of the new financial year in April 2014. This report together with the associated budget timetable has been prepared in order to comply with our legal obligations.

Other Considerations (e.g. Human Resources, Environmental, Crime and Disorder, Design and Community Safety)

- 40 These are covered in the Service Plans which are based upon the resources allocated by the Budgets recommended for approval within the Medium Term Financial Plan.

Equalities Issues

- 41 These are covered in the Service Plans which are based upon the resources allocated by the Budgets recommended for approval within the Medium Term Financial Plan.

Risk Management and Policy and Performance Issues

- 42 A Financial Risk Register in respect of the General Fund is provided at Table 2 to this report.

- 43 Policy and Performance Issues are covered in the Service Plans which are based upon the resources allocated by the Budgets recommended for approval within this Medium Term Financial Plan.

RECOMMENDATIONS

- a) No Council Tax increase is levied for the financial year 2014/15 and the Council accept the proposed Government grant compensation arrangements and this recommendation is submitted for approval by the Council at its meeting on 5th March 2014.
- b) The Executive recommends to Council (at its meeting on 12 February 2014) the Medium Term Financial Plan in respect of the General Fund as set out in **Appendix 1** of this report and agrees the Estimated Outturn Budget 2013/14 with a spending requirement of £12,389,845 together with the original budget for 2014/15 with a spending requirement of £11,868,004 as detailed in **Appendix 1 Table 1**.
- c) Officers continue to progress the implementation of measures designed to secure the forecast surplus in respect of 2013/14 and a balanced budget in respect of 2014/15 with progress to be reported back to both Executive and Audit Committee on a quarterly basis.
- d) *That Executive agrees to recommend the proposed Fees and Charges as set out in **Appendix 1 Table 3** to Council for adoption with effect from 1st April 2014.* **NOTE : The Final Version of This Appendix is to follow.**
- e) That Council agree an allocation of Efficiency Grant of up to £20,000 in 2014/15 in order to fund a joint Empty Homes Property Officer with North East Derbyshire District Council.
- f) That Executive agrees to recommend that any surplus generated in the financial year 2013/14 is used to increase General Fund balances.
- g) That officers continue with the programme of work to secure the agreed savings required of £0.447m in order to balance the 25014/15 budget at the earliest opportunity.

ATTACHMENTS: **Y**
FILE REFERENCE: None
SOURCE DOCUMENT: Background papers held in Financial Service

**GENERAL FUND
SUMMARY**

APPENDIX 1 Table 1

	Revised Budget 2013/14 £	Estimated Outturn 2013/14 £	Original Budget 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £
Chief Executive	2,138,555	2,139,361	2,069,505	2,105,731	2,065,683
Development	2,128,831	2,197,325	1,661,940	1,679,276	1,629,197
Health and Wellbeing	2,095,212	2,085,412	1,672,529	1,317,852	1,323,551
Neighbourhoods	3,402,141	3,402,141	3,465,558	3,397,868	3,270,433
Corporate Resources	498,778	466,542	320,232	334,926	350,987
Provision for pay award	0	0	80,675	162,450	245,254
Superannuation Changes	0	0	(51,338)	(31,048)	(11,017)
Forecast Surplus - Transfer to Balances	275,677	248,413	0	0	0
Savings Targets (see detail below)	0	0	(447,198)	(1,419,568)	(2,220,237)
Debt Charges	937,395	937,395	771,677	943,398	1,292,470
Investment Interest	(70,902)	(70,902)	(72,861)	(71,878)	(135,148)
	11,405,687	11,405,687	9,470,719	8,419,006	7,811,173
Appropriations:					
Contributions to Reserves:	217,850	217,850	217,850	217,850	217,850
Contribution from Earmarked Reserves:	(899,244)	(899,244)	(155,919)	(48,449)	(28,449)
Contribution (from)/to Holding Accounts	(112,144)	(112,144)	64,841	66,391	66,391
Contribution from S106 Holding A/cs	(801,894)	(801,894)	(255,238)	(3,000)	0
TOTAL EXPENDITURE	9,810,255	9,810,255	9,342,253	8,651,798	8,066,965
Parish Precepts	2,144,612	2,144,612	2,144,612	2,144,612	2,144,612
Council Tax Support Grant – Parish	423,487	423,487	381,139	343,026	308,724
8.5% Grant limitation	11,491	11,491	0	0	0

TOTAL SPENDING REQUIREMENT	12,389,845	12,389,845	11,868,004	11,139,436	10,520,301
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	Revised Budget 2013/14	Estimated Outturn 2013/14	Original Budget 2014/15	Forecast 2015/16	Forecast 2016/17
	£	£	£	£	£
Revenue Support Grant	(3,842,732)	(3,842,732)	(2,905,097)	(1,987,021)	(1,000,000)
Council Tax Grant (13/14)	(36,052)	(36,052)	(36,052)	0	0
Business Rates Retention	(2,556,465)	(2,556,465)	(2,606,266)	(2,678,201)	(2,789,065)
NNDR Growth 13/14	(155,079)	(155,079)	(155,079)	(155,079)	(155,079)
New Homes Bonus 11/12	(117,312)	(117,312)	(117,312)	(117,312)	(117,312)
New Homes Bonus 12/13	(193,346)	(193,346)	(193,346)	(193,346)	(193,346)
New Homes Bonus 13/14	(191,308)	(191,308)	(169,639)	(169,639)	(169,639)
New Homes Bonus 14/15	0	0	(292,058)	(292,058)	(292,058)
New Homes Bonus 15/16	0	0	0	(200,000)	(200,000)
New Homes Bonus 16/17	0	0	0	0	(225,000)
COUNCIL TAX – BDC	(3,064,877)	(3,064,877)	(3,139,072)	(3,139,072)	(3,139,072)
Council Tax Increase/Freeze 14/15	0	0	(31,391)	(31,391)	(31,391)
Council Tax Increase/Freeze 15/16	0	0	0	(31,705)	(31,705)
Council Tax Increase/ Freeze 16/17	0	0	0	0	(32,022)
8.5% Grant limitation	(27,850)	(27,850)	0	0	0
Council tax - Parish element from above	(2,144,612)	(2,144,612)	(2,144,612)	(2,144,612)	(2,144,612)
New Burdens Grant Funding	(60,212)	(60,212)	(78,080)	0	0
TOTAL FUNDING	(12,389,845)	(12,389,845)	(11,868,004)	(11,139,436)	(10,520,301)

BALANCE	(0)	(0)	0	(0)	(0)
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General Fund Balances					
Opening Balance 1 April	(1,442,000)	(1,442,000)	(1,690,413)	(1,690,413)	(1,690,413)
In Year movement	(275,677)	(248,413)	0	0	0
Closing Balance 31 March	(1,717,677)	(1,690,413)	(1,690,413)	(1,690,413)	(1,690,413)

	Revised Budget 2013/14 £	Estimated Outturn 2013/14 £	Original Budget 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £
<u>Savings Programme:</u>					
Vacancy and Other Savings Amber Valley Borough Council one-off	(20,000)	(20,000)	(50,000)	(50,000)	(50,000)
Secondments/Joint working Fees and Charges			(100,000)	(150,000)	(200,000)
Review/Income Generation			(25,000)	(50,000)	(75,000)
NNDR Growth Target 14/15			(50,000)	(50,000)	(50,000)
NNDR Growth Target 15/16				(75,000)	(75,000)
NNDR Growth Target 16/17					(100,000)
Transformation Work			(100,000)	(150,000)	(200,000)
Property Rationalisation			(75,000)	(125,000)	(175,000)
2013/14 Outturn review			(30,000)	(30,000)	(30,000)
Unidentified savings 2014/15			(17,198)	(17,198)	(17,198)
Unidentified savings 2015/16				(722,370)	(722,370)
Unidentified savings 2016/17					(525,669)
Total Savings Programme/Requirements	(120,000)	(120,000)	(447,198)	(1,419,568)	(2,220,237)

	Revised Budget 2013/14 £	Estimated Outturn 2013/14 £	Original Budget 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £
Appropriations					
Cont. to/from Revenue Reserves (G909)	(1,595,432)	(1,595,432)	(128,466)	232,792	255,792
Provision for Repayment of External Loan (G911)	529,357	529,357	445,936	625,272	814,423
Precept Demand from Collection Fund (G913)	(5,237,339)	(5,237,339)	(5,240,138)	(5,271,093)	(5,302,358)
General Government Grants (G914)	(7,152,506)	(7,152,506)	(6,552,929)	(5,792,656)	(5,141,499)
Interest Received (G916)	(63,138)	(63,138)	(82,643)	(79,878)	(150,748)
Interest Paid - Bank (G918)	78	78	0	0	0
Interest Paid - PWLB (G919)	404,739	404,739	324,003	316,971	475,795
Interest Paid - Parish (G920)	1,155	1,155	1,155	1,155	2,252
Interest Received - Other (G924)	(4,223)	(4,223)	0	0	0
Internal Interest Received (G925)	2,106	2,106	583	0	0
Interest Received (G927)	(3,580)	(3,580)	9,782	8,000	15,600
Local Precepts (G928)	2,579,590	2,579,590	2,525,751	2,487,638	2,453,336
T/f of General Fund Balance (G930)	275,677	248,413	(635,708)	(1,588,963)	(2,356,324)
Total for: Appropriations	(10,263,516)	(10,290,780)	(9,332,674)	(9,060,762)	(8,933,731)
Chief Executive					
Reprographics (printing) (G003)	41,344	41,344	42,303	43,306	43,306
Joint Chief Executive Officer (G005)	81,654	81,654	80,904	80,904	80,904
CEPT (G006)	282,921	282,921	245,975	242,956	247,514
Strategy & Performance (G015)	234,462	230,762	227,540	224,208	224,950
Human Resources & Payroll (G052)	334,443	334,443	342,708	343,377	342,708
Electoral Registration (G054)	52,840	52,840	69,160	69,160	69,160
Democratic Representation & Management (G055)	536,825	536,825	537,689	537,824	537,959

	Revised Budget 2013/14	Estimated Outturn 2013/14	Original Budget 2014/15	Forecast 2015/16	Forecast 2016/17
	£	£	£	£	£
Land Charges (G056)	16,996	16,996	5,288	5,765	6,254
District Council Elections (G057)	6,660	6,660	7,000	42,000	0
Democratic Services (G058)	215,249	215,249	227,779	228,599	228,803
Solicitor to the Council (G059)	33,321	33,321	33,341	33,341	33,341
Legal Services (G060)	237,520	237,520	182,049	186,522	183,015
Alliance (G086)	9,250	9,250	9,250	9,250	9,250
Multifunctional Printers (G168)	55,070	59,576	58,519	58,519	58,519
Total for: CEO Directorate	2,138,555	2,139,361	2,069,505	2,105,731	2,065,683

Development

Public Conveniences (G018)	22,078	22,078	21,948	21,948	38
Joint Director of Development (G050)	44,718	44,718	1,165	1,165	1,165
Planning Policy (G073)	227,602	227,602	242,692	201,692	181,692
Planning Development Control (G074)	45,813	53,773	(3,366)	(3,112)	(6,419)
Planning Enforcement (G076)	75,440	67,480	75,864	75,864	75,864
Planning Services Mgmt & Admin (G079)	58,581	58,581	59,310	60,212	61,115
Engineering Services (ESRM) (G080)	66,040	66,040	66,743	67,460	68,191
Drainage Services (G081)	3,300	3,300	3,300	3,300	3,300
Tourism Promotion & Development (G082)	18,093	18,093	18,140	18,140	18,140
Building Control Consortium (G083)	118,550	118,550	120,700	122,890	122,890
Economic Development (G085)	121,424	121,424	29,750	29,750	29,750
Derbyshire Economic Partnership (G088)	15,000	15,000	15,000	15,000	15,000
Premises Development (G089)	(44,379)	(44,379)	(62,343)	(62,209)	(62,072)

	Revised Budget 2013/14 £	Estimated Outturn 2013/14 £	Original Budget 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £
Pleasley Vale Mills (G090)	(196,491)	(123,491)	(123,055)	(116,457)	(113,072)
Pleasley Vale Electricity Trading (G092)	(39,840)	(39,840)	(39,440)	(39,440)	(39,440)
Sherwood Lodge (G093)	62,643	62,643	9,786	0	0
Regeneration Mgmt & Admin (G095)	604,587	604,587	564,903	566,562	567,768
Building Cleaning (General) (G096)	64,052	64,052	71,778	71,757	71,757
Catering (G099)	6,000	6,000	6,000	6,000	6,000
Development Management & Admin (G127)	48,215	48,215	48,579	48,579	48,579
Planning Conservation (G132)	66,684	66,684	66,895	66,895	66,895
The Tangent Business Hub (G133)	10,703	10,703	52,695	34,220	29,511
Sherwood Lodge Development (G138)	40,000	40,000	0	0	0
Housing Strategy (G143)	34,337	34,337	32,611	33,214	33,521
Enabling (Housing) (G144)	19,186	19,186	19,574	19,977	20,180
Street Lighting (G151)	4,500	6,000	3,000	3,000	3,000
The Arc (G156)	266,724	266,724	329,211	402,369	395,344
Facilities Management (G167)	51,386	46,880	20,500	20,500	20,500
Closed Churchyards (G169)	8,500	7,000	10,000	10,000	10,000
S106 Education (G171)	305,385	305,385	0	0	0
Total for: Development Directorate	2,128,831	2,197,325	1,661,940	1,679,276	1,629,197
Health and Wellbeing					
Neighbourhood Management (G010)	113,056	113,056	89,144	81,215	81,215
Private Sector Housing Renewal (G017)	138,343	138,343	126,862	119,500	119,500
Public Health (G020)	(1,600)	(1,600)	(14,000)	(14,000)	(14,000)

	Revised Budget 2013/14 £	Estimated Outturn 2013/14 £	Original Budget 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £
Pollution Reduction (G021)	92,650	92,650	65,639	61,967	62,614
Pest Control (G023)	43,727	43,727	45,680	45,741	46,528
Food Safety (G025)	147,287	147,287	138,081	132,861	133,531
Animal Welfare (G026)	84,552	84,552	90,025	90,738	90,756
Emergency Planning (G027)	15,200	15,200	15,200	15,200	15,200
Environmental Health Mgmt & Admin (G036)	227,940	227,940	199,094	194,543	195,005
Licensing (G053)	(34,450)	(44,250)	(43,115)	(47,589)	(47,589)
Bolsover Wellness Programme (G061)	(49,874)	(49,874)	(47,074)	(48,624)	(48,624)
Extreme Wheels (G062)	(25,331)	(25,331)	(13,897)	(12,870)	(12,870)
Football (G063)	10,204	10,204	10,178	8,628	8,628
Bolsover Sport (G064)	36,011	36,011	35,301	32,206	46,749
Parks, Playgrounds & Open Spaces (G065)	56,045	56,045	55,813	55,813	55,593
Sports Development (G066)	86,836	86,836	86,939	86,939	86,939
Culture & Heritage (G067)	50,015	50,015	26,878	26,878	26,878
Kissingate Leisure Centre (G069)	70,000	70,000	50,000	0	0
Outdoor Sports & Recreation Facilities (G070)	29,280	29,780	28,955	29,131	29,313
Creswell Leisure Centre (G071)	159,330	158,830	156,582	158,718	159,437
Leisure Services Mgmt & Admin (G072)	173,437	173,437	184,838	181,109	183,045
Home Improvement Agency (G107)	4,880	4,880	0	0	0
Frederick Gents School Community Use (G112)	28,287	28,287	37,510	38,352	30,247
S106 Percent for Art (G125)	135,439	135,439	0	3,000	0
S106 Formal and Informal Recreation (G126)	89,784	89,784	187,655	0	0
Director of Health & Wellbeing (G139)	49,060	49,060	49,040	49,040	49,040
Handy Van Service (G145)	10,681	10,681	11,798	12,915	12,915

	41,663	41,663	10,337	10,337	6,935
	Revised	Estimated	Original		
	Budget	Outturn	Budget	Forecast	Forecast
	2013/14	2013/14	2014/15	2015/16	2016/17
	£	£	£	£	£
Pleasley Outdoor Activity Centre	41,663	41,663	10,337	10,337	6,935
Clowne Leisure Centre (G160)	21,449	21,449	(6,470)	(21,470)	(21,470)
S106 Outdoor Sports (G170)	171,635	171,635	7,467	0	0
S106 Affordable Housing (G172)	74,900	74,900	60,116	0	0
Affordable Warmth	28,712	28,712	27,953	27,574	28,036
BLACA	9,432	9,432	0	0	0
Village Games	(986)	(986)	0	0	0
Rounders	245	245	0	0	0
SE Return 2 Sport	373	373	0	0	0
Club Link Makers	3,000	3,000	0	0	0
PL45 Satellite Programme	4,000	4,000	0	0	0
Total for: Health Wellbeing Directorate	2,095,212	2,085,412	1,672,529	1,317,852	1,323,551

Neighbourhood

Community Safety - Crime Reduction (G007)	48,194	48,194	52,271	52,271	51,341
Community Action Network (G013)	226,608	226,608	228,171	226,074	224,284
Street Cleansing (G024)	352,782	352,782	347,130	330,820	323,339
Waste Collection (G028)	895,279	895,279	1,010,415	968,510	864,771
Grounds Maintenance (G032)	536,690	536,690	524,143	515,692	501,146
Vehicle Fleet (G033)	716,153	716,153	722,185	726,844	732,127
Homelessness (G046)	136,728	136,728	137,634	137,634	137,634
Town Centre Housing (G048)	(23,000)	(23,000)	(23,000)	(23,000)	(23,000)
Joint Director of Neighbourhood Services (G094)	51,826	51,826	995	995	995
Groundwork & Drainage Operations (G097)	46,641	46,641	45,585	42,076	42,076
Housing Anti Social Behaviour (G106)	65,600	65,600	65,487	65,487	65,487
Parenting Practitioner (G113)	647	647	40,084	40,084	40,084

	Revised Budget 2013/14 £	Estimated Outturn 2013/14 £	Original Budget 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £
Riverside Depot (G123)	168,321	168,321	170,464	171,555	173,433
Street Services Mgmt & Admin (G124)	53,327	53,327	54,874	55,174	55,477
Neighbourhoods Management & Admin (G128)	94,629	94,629	95,423	95,423	95,423
Domestic Violence Worker (G135)	38,029	38,029	33,548	33,548	33,548
Community Safety - CCTV (G142)	71,270	71,270	33,370	33,370	33,370
Trade Waste (G148)	(71,411)	(71,411)	(65,186)	(67,749)	(74,260)
Recycling (G149)	(14,831)	(14,831)	(16,737)	(15,642)	(15,544)
Waste Minimisation (G150)	500	500	500	500	500
Housing Advice (G153)	8,159	8,159	8,202	8,202	8,202
Total for: Neighbourhoods Directorate	3,402,141	3,402,141	3,465,558	3,397,868	3,270,433

Corporate Resources

Audit Services (G001)	122,200	122,200	123,510	124,710	124,710
I.C.T. (G002)	684,815	684,815	679,245	683,775	690,295
Customer Contact Service (G014)	756,924	756,924	713,144	713,349	715,686
Concessionary Fares & TV Licenses (G038)	(6,924)	(6,924)	(7,000)	(7,000)	(7,000)
Corporate Management (G040)	133,705	133,455	125,430	125,730	125,430
Contingency for pay award	0	0	80,675	162,450	245,254
Pension Changes	0	0	(51,338)	(31,048)	(11,017)
Non Distributed Costs (G041)	1,253,800	1,253,800	1,253,800	1,253,800	1,253,800
Joint Director of Corporate Resources (G043)	48,880	48,880	48,820	48,820	48,820
Financial Services (G044)	375,610	375,610	325,889	331,133	331,750
Benefits (G100)	229,867	230,117	293,352	350,139	400,421
Council Tax / NNDR (G103)	258,910	258,910	262,432	265,417	267,974
Sundry Debtors (G104)	79,732	79,732	81,008	81,071	81,133

Shared Procurement Unit (G111)	68,141	35,905	36,000	36,000	36,000
	Revised	Estimated	Original		
	Budget	Outturn	Budget	Forecast	Forecast
	2013/14	2013/14	2014/15	2015/16	2016/17
	£	£	£	£	£
Customer Services (G155)	121,617	121,617	59,696	59,696	59,696
Council Tax Benefit Reform (G159)	800	800	0	0	0
Rent Rebates (G161)	(55,504)	(55,504)	(58,834)	(62,364)	(66,107)
Rent Allowances (G162)	(131,575)	(131,575)	(138,704)	(146,188)	(154,049)
Support Recharges (G164)	(3,442,220)	(3,442,220)	(3,475,950)	(3,510,020)	(3,544,430)
Bolsover Mini Hub (G188)	0	0	(1,606)	(13,142)	(13,142)
Total for: Corporate Resources Directorate	498,778	466,542	349,569	466,328	585,224
Total for: General Fund	0	0	0	0	0

Appendix 1 : Table 2

BOLSOVER DISTRICT COUNCIL: GENERAL FUND RISK REGISTER

Risk and Mitigation in Place	Gross Value of Risk £000's	Probability	Potential Impact £000's
<p>1. Overspend on challenging revenue budgets.</p> <ul style="list-style-type: none"> • The financial information system and budget monitoring arrangements are robust and have been further strengthened during 2013/14. The Council has a good record of managing spending against budgets. • Regular monitoring reports will be taken to Executive, Council and Audit Committee. • Elected Members have a good awareness of the Council's budget position. • The development of the current budgets has been based upon the active engagement of cost centre managers. 	1,000	30%	300
<p>2. Reduction in Government Grant or loss of other income above the budgeted level incorporated within the MTFP</p> <ul style="list-style-type: none"> • Income Budgets have been established on a prudent basis. • The position on income levels will be monitored as part of the Council's routine monitoring procedures. 	1,000	25%	250
<p>3. Inability to achieve assumed level of efficiencies.</p> <ul style="list-style-type: none"> • Regular reports will be taken to Executive, Council and Audit Committee. • Most of the necessary savings for 2014/15 have been established within the MTFP report. • The Council has a good record of achieving savings over the last three financial years 	600	25%	150

Risk and Mitigation in Place	Gross Value of Risk £'s	Probability	Potential Impact £'s
<p>4 Overspend on Capital Programme or underachievement of capital receipts leads to a charge against the Revenue Position</p> <ul style="list-style-type: none"> The revenue framework outlined above will also govern the position in respect of the Capital Programme. The Council has agreed a general principle of not entering into capital commitments unless the resource required to finance those commitments has been secured. 	2,000	25%	500
<p>5. A major Business Continuity Issue arises.</p> <ul style="list-style-type: none"> The Council has in place Business Continuity Plans and Insurance Arrangements which are intended to address these risks. Previously in exceptional circumstances Central Government has provided financial support to authorities in these circumstances. 	2,000	7%	140
<p>6. Increased cost of Council Tax Benefit as a result of increasing costs not being fully covered by additional government grant, or from the proposed reforms of the service.</p> <ul style="list-style-type: none"> Budgets have been established on a prudent basis. 	500	26%	130
<p>7. An increase in employee costs associated with a national pay award or with changes in local terms and conditions.</p> <ul style="list-style-type: none"> The Council is of the view that its budget includes appropriate provision for any pay award or other increase in employee costs. 	250	40%	100
<p>Notional Potential Financial Impact of Identified Risks</p>			1,570

APPENDIX 2

Committee:	Executive	Agenda Item No.:	8. Appendix 2
Date:	3rd February 2014	Status	Open
Category	3. Part of the Budget and Policy Framework		
Subject:	Medium Term Financial Plan – Housing Revenue Account		
Report by:	Director of Corporate Resources		
Other Officers Involved	Assistant Director Accountancy and IT / Chief Accountant/Principal Accountant Director Of Corporate Resources		
Relevant Portfolio Holder	Councillor E. Watts, Leader of the Council		

RELEVANT CORPORATE AIMS

STRATEGIC ORGANISATIONAL DEVELOPMENT – to continually improve the efficiency and effectiveness of all Council Services by maximising the potential use of Council resources.

TARGETS

The operation of policy led budgeting will help to inform future spending plans and ensure that resources are efficiently utilised in the promotion of Council priorities.

VALUE FOR MONEY

The budget process enables existing expenditure patterns to be challenged and where necessary redirected to ensure that resources are used effectively and directed towards the delivery of the Corporate Aims.

Housing Revenue Account

Introduction

1. This report considers the elements of the Medium Term Financial Plan relating to the Council's Housing Revenue Account (HRA) budgets. As such it covers the Council's revenue expenditure relating to the provision of Council Housing. While this report is predominantly concerned with financial issues it needs to be recognised that the Council's financial plans are part of a wider service planning framework which incorporates both service plans together with the range of related Council strategies and policies. This financial and service planning

framework clearly has a direct impact upon the quality of the housing provided by the Council to our tenants.

2. The Housing Revenue Account Budget report will form part of the Council's Medium Term Financial Plan.
3. The main areas covered by this report are as follows:

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2013/14 Estimated Outturn Budget	2
Planning Budgets 2014/15 to 2016/17	5
Level of Council House Rents	6
Fees and Charges	7
Level of HRA Balances	8
HRA Risk Register	8
Recommendations	10
Housing Revenue Account Budget	Table 1
Proposed Service Charges	Table 2
Housing Revenue Account – Risk Register	Table 3

4. The proposed budgets for both 2013/14 (Estimated Outturn) and 2014/15 (Original Budget) are detailed in Appendix 1 to this report. The Appendix also details the projected position, on the basis of current patterns of income and expenditure, for both 2015/16 and 2016/17. The provisional HRA Budget as set out in this report will be considered by Audit Committee at its meeting on 4th February 2014 and by the Budget Scrutiny Committee on 14th January 2014. As part of this report Executive is requested to consider whether to recommend this budget for approval by Council on 12th February 2014.

2013/14 Estimated Outturn Budget

5. In February of 2013 Members agreed a budget in respect of the current financial year 2013/14. That original budget is set out in detail in Table 1 of this report, where it can be compared against the Estimated Outturn Budget for 2013/14 which it will be recommended that Members approve as part of the current budget setting process. The Estimated Outturn budgets for the HRA have only had very minor changes to the Revised Budget figures reported and approved by the Executive in December 2013.
6. The key points of change in arriving at the Estimated Outturn position are listed below:
 - Rental income is £0.312m above the original budget which is partly due to the level of void properties being lower than anticipated and an increase in Garage

Rental income. The Council has also seen an increase in the money received from Derbyshire County Council in respect of supporting people arrangements.

- Supervision and Management costs. The net increase is £0.242m which reflects an increase in employee costs, the review of the charges between the General Fund, capital and the HRA and additional Council tax costs arising from the changes in empty property exemptions and property numbers affected within the HRA.
 - Precautionary increase in Doubtful Debt provision by £0.050m.
 - The large favourable variance within the HRA is a reduction in interest costs (-£0.149m). This is as a result of the continued low interest rates currently in place for the Council's borrowing, the earlier than planned repayment of HRA settlement debt and the fact that no prudential borrowing is expected to be incurred by the HRA this year.
 - The forecast position on the account will allow the introduction of a vehicle replacement reserve with the contribution set at £0.200m in the current year. This approach is as a result of the Council moving away from leasing its housing vehicles to purchasing them. The introduction of the reserve will mean there will be sufficient funds available to finance the vehicle purchases from the reserve without the need for prudential borrowing.
7. After all the proposed budget changes detailed above the HRA is anticipated to deliver a surplus in the current financial year of £0.086m. This is £0.062m above the original budget for 2013/14 and if realised will increase the level of HRA balances to £1.861m.
8. While the HRA has been through a period of significant reform it should be noted that the impact upon the Council's tenants has been minimal. This was always the intended outcome although it needs to be recognised that there is now a significantly greater level of responsibility which needs to be exercised locally. While local authorities have considerably more freedom to operate the HRA on a local basis it needs to be recognised that this greater freedom needs to be exercised within the context of the financial settlement of March 2012 which was intended to ensure that local authorities had sufficient funding to operate the localised HRA provided that they continued to manage the service in an effective fashion and operated within the context of the rent convergence policies established by Central Government.
9. While the new arrangements should prove to be affordable and sustainable the revised financial governance framework does place significantly more responsibility upon individual local authorities. While rent levels will in effect continue to be established by Central Government under the convergence requirement or the new proposals currently under consultation, individual local authorities will be responsible for the development and operation of a HRA business plan. Within the context of the Business Plan it will be necessary to ensure adequate financial provision to maintain and refurbish the stock to an appropriate standard and to meet the service expectations of our tenants.

10. During the course of the 2013/14 financial year the Council has updated its HRA Business Plan, and the work in respect of undertaking a full stock survey is now largely complete. The data from that survey will be used to better inform the 30 Year Business Plan concerning the underlying need for investment in the Housing Stock. To date the Council has utilised the freedom and flexibilities offered by the new HRA regime to replace existing non traditional stock with new housing where appropriate. Under the reformed HRA arrangements one of the key issues will be the ability of local authorities to ensure that their housing stock remains sustainable and continues to meet a decent homes standard. Poor housing management, not securing value for money, and failure to raise rents in lines with that of other social housing providers – as required by the Governments rent policy – will result in the Council not having sufficient funding to maintain the homes of our tenants at an acceptable standard which over the 30 year period of the business plan would result in the stock becoming increasingly unsustainable.

Housing Revenue Account Budget 2014/15

11. The proposed HRA budget in respect of 2014/15 is presented in Table 1 to this report. The forecast net position for the HRA in the 2014/15 year is that a small surplus will be generated of £0.020m. This surplus will be utilised to increase the level of HRA General Reserves which will take them to an estimated level of £1.881m at the end of March 2015.
12. As mentioned in the section above the importance of maintaining the Government rent convergence requirements becomes evident as the level of debt repayments are increased in the budget in order to repay the settlement debt (£94.386m) over the 30 year business plan period. In 2014/15 it is proposed to set aside £3.5m to repay HRA debt (£1m in 2012/13, £2m in 2013/14). On average an annual principal repayment of £3.13m is required each year to repay the settlement loan over the 30 years of the Business Plan. In the early years of the new HRA arrangements it was always forecast that the account would not be able to meet the full repayment requirements. Therefore the budget proposed now achieves the required debt repayment level and allows for an element of “catch up” (£0.326m) for the years 2012/13 and 2013/14.
13. In addition to decisions concerning the level of principal repayment of the HRA loan the Council also now needs to give active consideration to the level of HRA capital expenditure which it is able to fund. Under the previous HRA arrangements the level of capital investment was determined by the Government setting the Major Repairs Allowance, from the government providing additional funding such as grant or borrowing approvals, or by the Council agreeing additional contributions from the HRA revenue account. Under the new regime the Council will be able to determine the level of capital expenditure, but this will be restricted by the affordability to the revenue position of making capital contributions and by the Government’s HRA debt ceiling which

controls the amount of borrowing that may be undertaken. The budget for 2014/15 proposes a contribution from the HRA to the Major Repairs account of £3.330m (Depreciation £2.127m plus Transfer to Major Repairs Account £1.202m). Details of the capital expenditure plans of the HRA are outlined within the capital programme section of this report. Further consideration of this allocation may be required when the full financial implications of the Stock Condition Survey is determined.

14. The HRA budget for 2014/15 proposes to continue the contributions to a Development Reserve to enable the Council to finance major schemes as well as maintaining the stock through the Major Repairs Account. The contribution amount planned in 2014/15 is £1.150m. In 2012/13 and 2013/14 the reserve was utilised to finance the New Houghton housing scheme. Officers are developing the plans for the proposed 2014/15 allocation and will seek Member approval in due course. This method of financing major schemes extinguishes or minimises the need for HRA prudential borrowing.
15. The remainder of the HRA expenditure budgets for 2014/15 are essentially a roll forward one. It is planned that tenants will see a continuation of existing levels of service over the period of the current Medium Term Financial Plan. The expectation that tenants will broadly benefit from a continuation of existing services is a key objective of HRA reform.

Planning Budgets 2015/16 to 2016/17

16. In line with established good practice the MTFP sets out the Council's projected financial position over a 3 year period. The forecasts in respect of the latter two years are largely based upon a roll forward of the budgets in respect of next financial year. With respect to debt repayments these will be maintained at the at the £3.5m level, while where affordable the contribution to the Development Reserve will be increased to finance schemes that would otherwise require prudential borrowing.
17. Once the work currently underway concerned with undertaking a survey of all the Councils housing stock is complete then the Council will be in a better position to plan and to project the cost of maintaining our homes to a decency standard over the next 30 years. While the Business Plan will have a significant influence upon the HRA budgets over the MTFP planning period, current levels of income and expenditure and performance will in turn need to inform and update the projections which are set out in the Business Plan.
18. Within the budgets in respect of these latter two years the key assumptions that are made are as follows :
 - The Council continues with the Government rents setting policy. The Government is currently considering moving away from the existing policy of rent convergence and the proposal is that rent is increased by the

Consumer Price Index (CPI) plus 1% from April 2015/16. This proposal means that rents convergence would take much longer to be achieved by the Council and in future the rent increases would be lower than envisaged within the original 30 year business plan. The estimated rent increases in 2015/16 and 2016/17 under this new arrangement have been calculated at 3.5% (where CPI is estimated at 2.5%). The Governments proposed move away from the current rent convergence policy, although good for our tenants (lower rent increases) adversely impacts upon the financial sustainability of the HRA Business Plan that was developed following the HRA subsidy/debt settlement of March 2012.

- Interest rates remain fairly low and stable with a rise in Bank Rate – which determines short term borrowing and investment costs – in the region of 1%.
- That salary costs rise by 1% in both 2015/16 and 2016/17.
- That Employer Pension costs increase by 1% for the period 1 April 2014 to 31 March 2017.
- No general figure has been assumed for inflation but allowance has been made for specific items where that is considered to be appropriate.

Level of Council House Rents

19. Since 2002/03 Central Government has required local authorities to comply with the Rent Restructuring requirement. These arrangements were established to remove the large discrepancies between the rent charged for similar properties by Councils and by Registered Social Landlords (RSL's) in the same area. While rent restructuring has required that rent levels for council housing have been and continue to increase above the rate of inflation the policy is intended to close this discrepancy while maintain rents for socially rented properties at affordable levels and below those in the private sector.
20. For 2014/15 the calculation set out within the rent convergence formula requires an average rent increase for the tenants of Bolsover District Council of 6.24% or £4.92 per week over the 48 week rent period. As a result the average rent for a council house in Bolsover District Council will amount to £83.61 in 2014/15 (£78.69 in 2013/14). This increase is a significant increase for tenants. The two main factors at work in the Government's calculation are the RPI rate of inflation as at September 2013 (3.2%), together with the principle of rent convergence under which Council rents need to be in line with those of other providers. Under the rent convergence principles there is a further 0.5% plus £2 a week increase. Given that there is a significant gap locally between Council House rents and those of Housing Associations the full convergence calculation is applied. This situation applies across our region as a number of other neighbouring local authorities are proposing a similar increase in rent levels.
21. While the Council has continued to apply the policy of rent convergence it should be noted that recent announcements from central government have indicated a weakening commitment to the principle. The Government has made

it clear in a number of recent announcements that the setting of rents is now a local decision and that Council's are no longer obliged to follow the rules established to implement the principles of convergence. While central government's commitment to the principles may have weakened it needs to be recognised that the HRA debt settlement was based upon the principle. If Councils do not increase rents then on the basis of the Government's Localisation of the HRA model they may struggle to find an appropriate balance between maintaining the quality of our tenants homes and services, repaying debt and rental levels. Members also need to recognise that while – as the Government states – a majority of Councils have already reached target rents this is not the case in Bolsover where as a Council we started at a lower level of rents than other authorities. As a result Bolsover and similar authorities would be in a financially difficult position if they did not continue to raise rents for 2014/15 in line with the convergence policy. Accordingly in light of the need to continue to provide good quality houses and housing services this report recommends that rents be raised in line with the convergence principle.

22. Members should also note that the Government has currently issued a consultation paper which would apply with respect to the 2015/16 financial year onwards. Under the proposals set out in this consultation paper the convergence policy would be based upon using CPI (Consumer Price Index) plus 1%. The CPI basis of inflation rather than the current RPI (Retail Price Index) generally results in a lower calculation of the rate of inflation. Again the issue for local authorities is that the debt they were required to fund at the time of the HRA settlement was based upon the assumption that rents convergence would increase rents in line with RPI plus 0.5% plus £2. The substitution of a lower calculation factor for rents convergence will over time impact upon the HRA rental streams.

Fees and Charges

23. While the main source of income for the HRA arises from the rents charged in respect of the housing stock the HRA is also dependent for its financial sustainability upon a range of other charges. These charges are now set in the light of an agreed principle that wherever possible the Council should seek to move as quickly as possible to a position where charges for the service reflect the cost of providing that service.
24. While the Council has adopted the general principle that charges to tenants should reflect the cost of providing the services, in many cases the historical charge was a notional one. Accordingly Members have recognised that the move to full charging should be phased in over a number of years. The pricing that is proposed in respect of 2014/15 reflects this continued approach.
25. A schedule of the proposed charges – is set out within Table 3 to this report.

26. With respect to the services provided one of the key services provided to HRA tenants is the warden service. The majority of the warden's service is funded through a contract with the Supporting People Team at Derbyshire County Council. Current indications are that this contract will have no uplift for inflation in respect of 2014/15, and more generally the Supporting People Programme continues to operate against the background of some significant uncertainties. This will continue to be monitored and if appropriate further reports will be brought back to Council.

Level of HRA Balances

27. Given the greater level of uncertainty around the localised HRA Council has accepted that a minimum level of balances of some £2m is necessary to provide an appropriate level of financial resilience to the account. The financial projections given in Appendix 1 (summarised below) show that the level of HRA balances is projected to increase to £1.861m with respect to 31st March 2014 with the recommended budget for 2014/15 seeing a small increase of £0.020m to an estimated level of £1.881m. The financial projections given in respect of future financial years show that on the basis of our current plans that the Council will continue to move towards carrying the minimum level of balances of £2m.

Actual / Projected HRA Balances

31/03/12	31/03/13	31/03/14	31/03/15	31/03/16	31/03/17
£m's	£m's	£m's	£m's	£m's	£m's
1.024	1.776	1.861	1.881	1.929	1.987

28. In the light of the HRA Risk Register which is provided as Table 3 to this report a level of working balances in the region of £2m would appear to be adequate and provide a sound base for the medium term financial management of the HRA.

HRA Risk Register

29. A financial Risk Assessment is set out in Table 3, which outlines the risks, the mitigation which is in place, the potential impact and the probability of the event occurring in order to arrive at a notional calculation concerning the potential financial impact of the risks which the Council is currently facing. This indicates that the identified risks which the Council is currently facing amount to some £1.8m. This report recommends that during the course of this MTFP that the HRA move towards holding a balance of £2m.
30. The assessment concerning the level of risk is essentially used for two purposes. In the first place an understanding of the risks which the Council faces is crucial in agreeing an appropriate level of financial reserves which are required. This is covered in section 29 (above). Secondly, the identification of the risks is the first stage in the process of more effectively managing, or of

mitigating those risks. By identifying the risks it is possible to avoid them, to insure against them, to transfer the risk, or most likely actions can be taken to reduce or to mitigate the risk. The Council's Financial Risk Register is closely linked to both the Strategic and Operational Risk Registers. The Council has in place a comprehensive approach to Risk Management which is reported on a regular basis to Executive, and this process will continue to be utilised in order to manage the key financial risks.

31. Given that the reformed or localised HRA is now in place and operational there has been a change in the nature of the strategic risks facing the HRA. While the HRA should benefit from greater financial certainty as a result of the ending of annual financial settlements from central government, this will only lead to greater financial stability overall if the Council is able to maintain and deliver a robust 30 year Business Plan. The HRA Business Plan and Treasury Management Strategy are both crucial elements in mitigating the risk of financial instability or un-sustainability for our local HRA housing stock. Both our tenants and the Council have a greater degree of influence under the new system but this increased level of local influence operates within the context of a framework where rent levels will continue to be set nationally, where the housing stock is required, at a minimum, to meet the Decent Homes standard, and where a continued good level of service needs to be delivered to local tenants.
32. While much has been made of the difficulties experienced by local authority housing operations under the previous system as a result of the fact that financial resources are only made available on an annual basis, it needs to be recognised that the previous system also had some important flexibilities built into it. In particular the annual settlement acknowledged issues such as reductions in the level of stock arising from demolition, transfer and right to buy, while it also took account of changes in the costs of operating a housing service. These risks were effectively those of central government and the national housing pool. With the introduction of HRA reform these risks now need to be managed locally, and they emphasise the importance of robust local planning and financial control in the effective management of our Housing stock.

Financial Implications

33. These are covered throughout the report and associated appendices.

Legal Implications

34. The Council is legally obliged to approve the HRA rent level and the HRA budget prior to the commencement of the new financial year in April 2014. This report together with the associated budget timetable has been prepared in order to comply with our legal obligations.

Other Considerations (eg Human Resources, Environmental, Crime and Disorder, Design and Community Safety)

35. These are covered in the Service Plans which are based upon the resources allocated by the Budgets recommended for approval within the Medium Term Financial Plan.

Equalities Issues

36. These are covered in the Service Plans which are based upon the resources allocated by the Budgets recommended for approval within the Medium Term Financial Plan.

Risk Management and Policy and Performance Issues

37. A Financial Risk Register in respect of the Housing Revenue Account is provided at Table 3 to this report.
38. Policy and Performance Issues are covered in the Service Plans which are based upon the resources allocated by the Budgets recommended for approval within this Medium Term Financial Plan.

RECOMMENDATIONS

- a) That Council agrees to continue to operate introduce the Government's convergence policy in respect of rent setting in respect of 2014/15. In line with this policy the recommended increase will bring about an average increase in rents of 6.24%. However, the actual percentages will vary depending on the type of property.
- b) That the increases in respect of other charges as outlined in **Appendix 2 Table 2** be implemented with effect from 1 April 2014.
- c) That the Housing Revenue Account as set out in **Appendix 2 Table 1** be approved as the Estimated Outturn Budget in respect of 2013/14 and as the Original Budget in respect of 2014/15.
- d) That Executive recommends to Council that the HRA target level of balances is set at a level of £2m as at 31 March 2014.

ATTACHMENTS: Y
FILE REFERENCE: None
SOURCE DOCUMENT: Background papers held in Financial Services

APPENDIX 2 TABLE 1

Details of Expenditure	Original Budget 2013/14 £	Estimated Outturn 2013/14 £	Base Budget 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £
HOUSING REVENUE ACCOUNT					
Expenditure					
Repairs and Maintenance	4,422,760	4,407,116	4,451,671	4,411,347	4,386,308
Supervision and Management	4,499,140	4,741,050	4,290,000	4,339,326	4,379,665
Special Services	688,210	688,011	727,591	774,295	826,289
Supporting People	771,240	774,455	776,455	774,985	775,245
Tenants Participation	88,060	87,561	88,807	88,807	88,807
Doubtful Debts Provision	150,000	200,000	200,000	200,000	200,000
Interest	3,452,580	3,303,539	3,368,222	3,362,579	3,198,205
Debt Repayment	2,000,000	2,000,000	3,500,000	3,500,000	3,500,000
Debt Management Expenses	12,000	10,500	10,500	10,500	10,500
Provision for 1% Pay Award	31,830	0	31,900	64,580	98,160
Provision for Pension Increase	0	0	24,378	24,525	27,106
Total Expenditure	16,115,820	16,212,232	17,469,524	17,550,944	17,490,285
Income					
Income	(19,859,500)	(19,918,400)	(21,049,980)	(21,765,770)	(22,522,010)
Repairs and Maintenance	(14,000)	(34,990)	(34,990)	(34,990)	(34,990)
Supervision and Management	(340)	(420)	(410)	(410)	(410)
Special Services	(264,000)	(264,000)	(264,000)	(264,000)	(264,000)
Supporting People	(605,500)	(837,500)	(837,500)	(837,500)	(837,500)
Leased Flats	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Leased Shops	(2,650)	(2,650)	(2,650)	(2,650)	(2,650)
Total Income	(20,755,990)	(21,067,960)	(22,199,530)	(22,915,320)	(23,671,560)
Net Cost of Services	(4,640,170)	(4,855,728)	(4,730,006)	(5,364,376)	(6,181,275)
Appropriations					
Depreciation	2,132,600	2,075,820	2,127,647	2,182,517	2,240,732
T/f to Major Repairs Reserve	1,183,620	1,198,822	1,202,356	1,203,760	1,202,721
Cont to Insurance Reserve	50,000	50,000	50,000	50,000	50,000
Cont to Development Reserve	1,250,000	1,250,000	1,150,000	1,700,000	2,450,000
Cont to Vehicle Replacement Reserve	0	200,000	180,000	180,000	180,000
Use of Revenue Grant	0	(4,590)	0	0	0
Net Operating (Surplus) / Deficit	(23,950)	(85,676)	(20,003)	(48,099)	(57,822)

	Original Budget 2013/14 £	Estimated Outturn 2013/14 £	Base Budget 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £
HRA Balances					
Balance at Beginning of Year	(1,775,649)	(1,775,649)	(1,861,325)	(1,881,328)	(1,929,427)
Contribution to Balances	(23,950)	(85,676)	(20,003)	(48,099)	(57,822)
Balance at End of Year	(1,799,599)	(1,861,325)	(1,881,328)	(1,929,427)	(1,987,249)

APPENDIX 2 - TABLE 2

Section A – Charges made over 48 weeks

Types of charge	Current charge per week (£)	Proposed charge per week (£)	Increase (£ / %)	Cost of provision	2014/15 subsidy (£) - estimated
a. HEATING				Estimate	
Bedsit (sheltered)	9.69	10.26	57p / 5.8%	12.52	2.26
1 bed flat (sheltered)	13.75	14.55	80p / 5.8%	17.75	3.20
Wardens Flat	25.62	27.12	£1.50 / 5.8%	33.09	5.97
1 bed bungalow	15.26	16.16	90p / 5.8%	19.72	3.56
2 bed bungalow *	20.30	21.49	£1.19 / 5.8%	26.22	4.73
2 bed flat *	23.00	24.34	£1.34 / 5.8%	29.70	5.36
					Total subsidy
	Impact of no change			£21,035	£83,617
b. WARDEN SERVICES					
Static (self funded)	12.01	12.58	57p / 4.7%	15.10	2.52
Mobile Warden (self funded)	3.52	3.69	17p / 4.8%	4.43	74p
					Total subsidy
	Impact of no change			£10,771	£33,272
c. WARDEN SERVICES					
Static Warden (SP funded)		13.10	Contract		See notes
Mobile Warden (SP)		5.92	Contract		
Alarm Monitoring (SP)		2.55	Contract		
					Total subsidy
	Impact of no change			n/a	n/a
d. SPECIAL SERVICES					
Special Services	13.62	14.76	£1.14 / 8.4%	21.60	6.84
					Total subsidy
	Impact of no change				£96,533
e. BUGGY PARKING (inc electricity)					
Buggy parking	3.25	3.50	25p / 7.7%	n/a	n/a
					Total subsidy
	Impact of no change			£240	£0
f. GARAGES* (no subsidy)					
Garages (direct debit)	8.00	8.50	50p / 6.25%	8.00 est	n/a
Garages (other)	10.50	11.25	75p / 7.1%	10.50 est	n/a
* note VAT will be charged to non-tenants.					
					Total subsidy
	Impact of no change (est)			£12,000	£0

Section b - Charges made over 52 weeks – not subsidised

Types of charge	Current charge per week (£)	Proposed charge per week (£)	Increase (£ / %)	Cost of provision	2014/15 subsidy (£)
Lifeline – Bronze	4.15	4.35	20p / 4.8%	4.35 est	
Lifeline – Gold	6.40	6.70	30p / 4.7%	6.70 est	
Lifeline – RSL	3.95	4.15	20p / 5.1%	4.15 est	
					Total subsidy
	Impact of no change			£8,020	£0

Section c - Annual Charge – not subsidised

Types of charge	Current charge per year (£)	Proposed charge per year (£)	Increase (£ / %)	Cost of provision	2014/15 subsidy (£)
Garage Plot *	170	180	£10 / 5.9%	£170 est	
* note VAT will be charged to non-tenants.					
					Total subsidy
	Impact of no change			£3,000	£0

Notes –

* - The fees and charges sheet from previous years contained an error where the heating charge for 2 bed flats was shown against 2 bed bungalows, and vice versa. This has now been corrected.

Supporting People – Payment for some services is made directly from Derbyshire County Council as part of a contract which has been awarded to the District Council. This is provided for information only.

APPENDIX 2, Table 3

HOUSING REVENUE ACCOUNT: RISK REGISTER

Risk and Mitigation in Place	Gross Value of Risk £'s	Probability	Potential Impact £'s
<p>1. With effect from April 2012 the Government introduced a new financial regime to manage the HRA. This reform effectively transferred a number of risks from the national HRA pool to individual local authorities.</p> <ul style="list-style-type: none"> • While the new system brings with it uncertainty and associated risks the flexibility incorporated within the system means that risks are more likely to materialise in respect of the longer term sustainability of the HRA. • While the Council will monitor the impact of trends in respect of the HRA through its budgets and the Business Plan it needs to be recognised that many of the risks arise from situations beyond the Council's direct control such as the loss of stock through Right to Buy, or through elements of the housing stock not being economically sustainable. 	£2,000,000	25%	£500,000
<p>2. Rental collections fall as a result of the wider economic position and major changes being introduced to the welfare system.</p> <ul style="list-style-type: none"> • Assumed income levels have been calculated on the basis of previous experience and are based on prudent assumptions with appropriate bad debt provisions in place. • The Council will work with tenants to maximise benefits eligibility and to ensure rent payments are kept up to date. • The Council has recently strengthened its procedures for the recovery of arrears and has established appropriate financial provisions should write offs be required. 	£500,000	50%	£250,000

Risk and Mitigation in Place	Gross Value of Risk £'s	Probability	Potential Impact £'s
<p>3. The level of void property is above the budgeted allowance.</p> <ul style="list-style-type: none"> • Void levels have fluctuated quite significantly as major works and plans are undertaken. A void allowance is built into the main rental budgets to minimise this variance. 	£500,000	20%	£100,000
<p>4. There are unanticipated pressures on demand led budgets such as repairs and maintenance, or costs rise more quickly than anticipated in the budget.</p> <ul style="list-style-type: none"> • All budgets are based on previous experience of expenditure / income and should be sufficiently robust to cope with the expected range of fluctuation. 	£500,000	50%	£250,000
<p>5. A significant Business Continuity issue arises.</p> <ul style="list-style-type: none"> • The Council have developing Business Continuity Plans which should reduce these risks. • Appropriate insurance arrangements are in place. • In exceptional circumstances Central Government has provided an element of financial support. 	£2,000,000	10%	£200,000
<p>6. Capital Expenditure</p> <ul style="list-style-type: none"> • Any significant overspend on the capital programme may require an additional contribution from the HRA to finance. • Regular contract management and capital budget monitoring meetings will manage the HRA capital programme. 	£1,000,000	50%	£500,000
Calculated Potential Financial Impact of Identified Risks			£1,800,000

APPENDIX 3

Committee:	Executive	Agenda Item No.:	8. Appendix 3
Date:	4th February 2014	Status	Open
Category	3. Part of the Budget and Policy Framework		
Subject:	Capital Programme – 2013/14 Estimated Outturn, 2014/15 Original Budget and Financial Plans 2015/16 and 2016/17		
Report by:	Director of Corporate Resources		
Other Officers Involved	Assistant Director Accountancy and IT / Chief Accountant / Principal Accountant		
Director	Director Of Corporate Resources		
Relevant Portfolio Holder	Councillor E. Watts, Leader of the Council		

RELEVANT CORPORATE AIMS

STRATEGIC ORGANISATIONAL DEVELOPMENT – to continually improve the efficiency and effectiveness of all Council Services by maximising the potential use of Council resources.

TARGETS

The operation of policy led budgeting will help to inform future spending plans and ensure that resources are efficiently utilised in the promotion of Council priorities.

VALUE FOR MONEY

The budget process enables existing expenditure patterns to be challenged and where necessary redirected to ensure that resources are used effectively and directed towards the delivery of the Corporate Aims.

Capital Programme

Introduction

1. This report considers the Medium Term Financial Plan as it relates to the Council's capital programme. As such it covers the Council's planned capital investment in areas that support the Corporate Plan. While this report is predominantly concerned with financial issues it needs to be recognised that the Council's financial plans are part of a wider service planning framework which incorporate service and financial plans together with the range of related Council strategies and policies. This framework clearly has a

direct impact upon both the nature and the quality of the services provided to taxpayers and council tenants.

2. The Capital Programme Budget report forms part of the Council's Medium Term Financial Plan.
3. The main areas covered by this report are as follows:

Item	Page
Capital Programme - Revised Programme 2013/14	3
Capital Programme – Original Programme 2014/15	4
Risk Assessment	6
Recommendations	7
Table 1 – Detailed Capital Programme	8
Table 2 – Capital Programme Risk Assessment	12

4. The provisional capital budgets for both 2013/14 (Revised Programme) and 2014/15 (Original Programme) are shown in Table 1 to this report. The table also details the forecast investment planned for both 2015/16 and 2016/17. The provisional Budget as set out in this report will be considered by Audit Committee at its meeting on 4th February 2014 and by a Budget Scrutiny Committee on 14 January 2014. Executive will consider this report and whether to recommend this capital programme for approval by Council on 12th February 2014.
5. It should be noted that there will be a separate report to Council concerning the Council's Treasury Management Strategy. That report includes consideration of issues concerning leasing and borrowing which constitute the capital financing to enable the proposed capital budgets outlined within this report to proceed. Given its links with the budget process the Treasury Management Strategy will be considered by the budget setting Council on 5th March 2014. With regard to both the HRA and the General Fund elements of the Capital Programme asset surveys are currently nearing completion which will be used to inform future investment priorities. In the case of the HRA the Capital Programme is effectively fully funded and the main issue will be the necessity to plan our capital projects so that assets are replaced at the point in time when they are at the end of their useful operational life. This process will be informed by the stock condition survey which is currently nearing completion. A particular issue for the HRA is that its capital investment strategy will need to be shaped by the need to undertake replacement of items such as bathrooms and kitchens once they are due for replacement at the end of their effective life. This is likely to entail that investment needs will be concentrated into certain periods rather than being spread evenly over the 30 life of the Business Plan. Accordingly at certain points in time the HRA via the Major Repairs Reserve will generate balances which will need to be retained to fund the level of investment required in future financial years. A clear consequence of poor financial

planning will be deterioration in the quality of the housing currently enjoyed by our tenants.

6. With regard to the General Fund the longer term refurbishment requirement of the Council's assets are again currently the subject of a stock condition survey, and any major investment decisions need to be delayed until the outcome of that work is available. The requirement to delay any significant investment in the Council's General Fund stock during the current financial year in large part relates to the fact that at the outset of the current financial year the Council was awaiting the capital receipts from two major asset sales. These receipts are required to fund outstanding commitments on the General Capital Programme from 2012/13 and 2013/14 in relation to the purchase and refurbishment of Clowne Campus, the disposal of Sherwood Lodge, vehicle replacements and other capital schemes (total £7.865m). The first of these receipts has been achieved with the second receipt anticipated before the end of January 2014. On the basis of the current approved expenditure once both these receipts have been secured and the prudential borrowing from 2012/13 has been repaid then the Council should have some £2.7m of uncommitted resources available to spend on General Fund capital expenditure during 2013/14 and future financial years. Given that the stock condition survey has not yet been completed and the second – and larger receipt – remains outstanding it is not considered to fund appropriate further work at this stage. Furthermore, given the general understanding of our asset base it is likely that the only area of significant expenditure required is on Pleasley Vale Mills which are currently the subject of a lottery bid which is in the process of being developed. It is, highly unlikely that any significant level of expenditure prior to the 2015/16 financial year will be incurred. In this situation consideration is being given to using these capital receipts to repay General Fund debt at the start of the current financial year thus securing significant revenue savings for the Council which will assist in balancing the budget position. If investment is required in future financial years then this can be funded by way prudential borrowing by generating capital receipts or by utilising an element of the Council's revenue reserves.
7. An overview of the scale of the current approved and proposed capital programme is provided in the table below:

	2013/14 Original £,000	2013/14 Revised £,000	2014/15 Original £,000	2015/16 Original £,000	2016/17 Original £,000
Total	9,439	8,909	6,053	5,291	4,669

Capital Programme – Revised Programme 2013/14

8. The Revised Programme in respect of the current financial year, which is detailed in Appendix 1, shows a net decrease of £0.530m (£9.439m less £8.909m) over the Original Programme. The majority of this decrease in expenditure is in relation to Capital Expenditure within the Housing Revenue Account. This reflects the general

hold on many schemes and projects pending the stock condition survey results. Within the General Fund section there is an increase over the original budget which reflects the brought forward (slippage) of many schemes from 2012/13.

Capital Programme – Original Programme 2014/15

9. One key issue which Members need to consider within the context of the MTFP is the schemes which should be approved for inclusion within the Capital Programme in respect of 2014/15 and future years. At this stage the Capital Programme for 2014/15 is set at £6.052m which takes account of all the known planned schemes for the Authority. Table one shows the details of the basic capital programme for 2014/15.

General Fund Programme 2014/15

10. Within the General Fund table are the capital expenditure plans for 2014/15. The total of £1.905m is made up from the following schemes:
 - The Asset Management sum of £0.500m is a provisional sum which is provided to address the most urgent areas of asset repairs/refurbishment identified from the stock condition survey of General Fund assets. A full report on the stock condition survey results and the financial implications will be brought back to members in due course. No sums will be committed from this budget allocation prior to the stock condition survey report being received by Members. At this stage it is planned that any sums approved from the £0.500m will be financed from prudential borrowing over the life of the relevant asset.
 - The Bolsover public realm and infrastructure project (£0.208m) is the continuation of the scheme that commenced in 2013/14. It is to be financed 100% from external grant.
 - ICT infrastructure - £0.112m. The planned work on the ICT infrastructure for the Council in 2014/15 is estimated to cost £0.112m. The ongoing revenue contribution of £0.075m will fund some of these costs with the remainder to be financed from prudential borrowing (£0.037m).
 - Disabled Facilities Grants – £0.250m. Over the last few years the capital budget sum proposed for DFG's has been in line with the anticipated grant to be received. It is proposed that the continuation of this arrangement should be assumed within the capital programme for the future years of the MTFP. Council should, however, note that the arrangements around the funding of DFG's are changing and this may result in a greater level of need being identified, or a reduction in the level of external funding. The DFG expenditure and associated grant funding arrangements will be monitored carefully with any changes from the expenditure level or funding being reported back to Members.
 - The vehicle replacement programme (£0.835m) is an ongoing programme to replace operational vehicles as they reach the end of their economic life. The

financing of £0.826m is planned to be via prudential borrowing over the life of the assets replaced and the remainder (£0.009m from the Vehicle Reserve).

HRA Capital Expenditure 2014/15

11. The larger element of the Council's Capital Programme is that which relates to work on council dwellings. Under the new HRA self financing arrangements local authorities are required to fund the capital necessary to maintain their houses in line with the decent homes standard either from the revenue generated by the HRA, or by borrowing up to the level of the housing debt cap which has been set by the Government (£112.350m). One of the purposes of developing a 30 year Business Plan is so that local authorities can ensure that they are in a position to maintain their property, and that the necessary level of capital expenditure on the properties can be afforded. The Government's debt settlement is intended to ensure that, providing each Council manages its stock in an appropriate manner, the HRA of each local authority will be sustainable both financially and with respect to providing decent well managed housing.
12. The Council's capital programme for 2014/15 in respect of its Housing Assets amounts to some £4.148m. Of this some £0.680m relates to the completion of the New Houghton housing scheme to purchase replacement bungalows and houses. It is proposed to continue to finance this scheme from the HRA contributions to the Development Reserve which will enable the full cost of the scheme to be financed without the need to undertake any prudential borrowing.
13. The major part of the HRA capital programme (£3.330m) relates to the refurbishment programme funded by the Major Repairs Reserve (MRR). This will enable a continuation of our current programme of upgrading and refurbishing our properties.
14. Given that the Housing Stock Condition survey will be completed towards the end of the current financial year it is anticipated that a further report will be brought back to Council early in the new financial year which will bring forward areas within the HRA where work is required. Given that the Council has continued to manage its HRA budgets effectively including increasing rents in line with the Government's convergence policy the Council will be in a position to fund any work that is necessary.
15. HRA vehicle replacement £0.138m
A number of HRA vehicles are due for replacement in 2014/15 with an estimated cost of £0.138m. These vehicles were previously funded via leasing arrangements but will now be funded from the Vehicle Reserve set up within the HRA accounts.

Capital Programme – Future Years

16. Details of the capital programme estimated for the financial years 2015/16 and 2016/17 are included in **Appendix 3 table 1**. At this stage they are set at a minimal level for each year and contain the following:

	2015/16 £000	2016/17 £000
General Fund		
Vehicle Replacement	915	525
Asset Management	250	250
Disabled Facilities Grants	250	250
ICT Infrastructure	89	75
TOTAL General Fund	1,504	1,100
HRA		
HRA Major Repairs	3,317	3,374
HRA Capital Salaries	69	69
HRA Vehicle Replacement	400	126
TOTAL HRA	3,786	3,569
TOTAL CAPITAL	5,290	4,669

Capital Programme Risk Assessment – 2014/15

- 15 A full Risk Assessment for 2014/15 is set out in **Table 2**, which outlines the risks, the mitigation which is in place, the potential impact and the probability in order to arrive at a notional calculation concerning the potential financial impact of the risks which the Council is facing with regard to the proposed 2014/15 capital programme. This indicates that the identified risks which the Council is facing in respect of its 2014/15 Capital Programme amount to some £0.6m. Should any of these risks arise then all possible financing options will be explored, however, if all these risks materialise then it may be necessary ultimately to charge these costs against General Fund or HRA balances.
- 16 As is the case in respect of both the General Fund and the HRA the assessment concerning the level of risk is essentially used for two purposes. In the first place an understanding of the risks which the Council faces is crucial in agreeing an appropriate level of financial reserves which are required. Secondly, the identification of the risks is the first stage in the process of more effectively managing, or of mitigating those risks. By identifying the risks it is possible to avoid them, to insure against them, to transfer the risk, or most likely actions can be taken to reduce or to mitigate the risk. The Council has in place a comprehensive approach to Risk Management which is reported on a quarterly basis to Cabinet, and this process will be utilised in order to manage the key financial risks.

Recommendations:

17. It is recommended:-

- (a) That the Capital Programme for 2013/14 to 2016/17 as set out in **Appendix 3 Table 1** be approved.
- (b) That Executive notes the requirement to repay some £7.865m of prudential borrowing at the end of the 2013/14 financial year in order to fund expenditure incurred during 2012/13.
- (c) That a further report is brought back to Members at the earliest opportunity concerning the outcome of the stock condition surveys that have been undertaken in respect of both the Council's housing assets and its General Fund assets.

APPENDIX 3, Table 1

CAPITAL PROGRAMME

	Original Estimate 2013/14 £	Estimated Outturn 2013/14 £	Estimate 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £
General Fund					
Assets					
AMP - PV Lodges	0	72,740	0	0	0
AMP - PV Mills	0	11,253	0	0	0
AMP - Prior to Exec Approval	500,000	0	500,000	250,000	250,000
Shirebrook Enterprise Centre (Tangent)	0	59,038	0	0	0
CCTV - Riverside Depot	0	53,733	0	0	0
Bolsover Public Realm and Infrastructure	0	215,910	207,910	0	0
	500,000	412,674	707,910	250,000	250,000
Project Horizon					
ICT infrastructure - Project Horizon	0	64,774	0	0	0
Bolsover Mini Hub	2,433,000	2,433,000	0	0	0
Clowne Campus - Refurbishment	0	311,100	0	0	0
Sherwood Lodge Disposal	0	453,345	0	0	0
	2,433,000	3,262,219	0	0	0
ICT Schemes					
ICT infrastructure	158,000	153,795	111,600	89,480	75,000
Fleet Management System	0	23,560	0	0	0
	158,000	177,355	111,600	89,480	75,000
Leisure Schemes					
Playbuilder	0	13,020	0	0	0
Clune Street Recreation Ground	0	12,626	0	0	0
P Vale Outdoor Education Centre Ph 2	0	53,485	0	0	0
Bols Improv Play Pitches Initiative	0	34,242	0	0	0
	0	113,373	0	0	0

	Original Estimate 2013/14 £	Estimated Outturn 2013/14 £	Estimate 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £
Private Sector Schemes					
Disabled Facility Grants	365,000	250,000	250,000	250,000	250,000
Portland Street Group Repair	0	10,165	0	0	0
Group Repair (WT)	0	5,372	0	0	0
Carr Vale Group Repair	0	2,406	0	0	0
New Houghton Group Repair	0	5,887	0	0	0
Church Drive Energy Project	0	9,579	0	0	0
New Houghton Renewal Area	0	1,529	0	0	0
Pte Sector Decent Homes	0	16,736	0	0	0
Station Road Shirebrook	0	13,111	0	0	0
Verney & Crompton Street	0	250,780	0	0	0
Fuel Poverty Fund	0	78,175	0	0	0
	365,000	643,740	250,000	250,000	250,000

Vehicles and Plant

Vehicle Replacements	0	0	826,000	906,000	516,000
Van (CAN AG05 LYW)	0	12,000	0	0	0
Van (Health FY53 DEU)	0	12,000	0	0	0
Van (Health FL05 JFE)	0	12,000	0	0	0
Refuse Vehicle (VX55 CVA)	0	140,000	0	0	0
Refuse Vehicle (VE07 ENT)	140,000	0	0	0	0
Refuse Vehicle (VE07 ENU)	140,000	0	0	0	0
Van Streetscene (YN56 HFW)	60,000	0	0	0	0
Pick up Streetscene	22,000	22,000	0	0	0
8 x Hedgecutters (GM)	4,000	4,000	4,000	4,000	4,000
10 x Strimmers (GM)	5,000	5,000	5,000	5,000	5,000
1 x Luton Van (Leisure)	0	853	0	0	0
	371,000	207,853	835,000	915,000	525,000

Total General Fund	3,827,000	4,817,214	1,904,510	1,504,480	1,100,000
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Housing Revenue Account

Public Sector Housing (funded by MRA)	0	0	3,260,683	3,316,957	3,374,133
Vehicle Replacements	0	0	138,000	400,000	126,000

Group Dwellings Safety Work	150,000	169,460	0	0	0
Housing Asset Management	1,656,220	38,000	0	0	0
External Wall Insulation	0	44,910	0	0	0
	Original	Estimated			
	Estimate	Outturn	Estimate	Forecast	Forecast
	2013/14	2013/14	2014/15	2015/16	2016/17
	£	£	£	£	£
HRA continued					
Window Replacement	5,000	9,748	0	0	0
Electrical Rewiring Decent Homes	210,000	136,804	0	0	0
Cavity Wall + Loft Insulation	10,000	31,144	0	0	0
External Door Replacements	500,000	500,000	0	0	0
Heating Upgrades	35,000	134,328	0	0	0
Environmental Works	50,000	55,020	0	0	0
Decent Homes - External Kitchen Replacements - Decent Homes	250,000	286,760	0	0	0
Tarran Preliminary Costs	0	18,935	0	0	0
Mobile Working	50,000	61,624	0	0	0
HRA New Build - Lang Junction	0	55,555	0	0	0
Regeneration Mgmt & Admin	200,000	69,320	69,320	69,320	69,320
Choice based lettings IT Scheme	0	2,656	0	0	0
HRA New Build - New Houghton	2,250,000	2,024,683	0	0	0
Sprinkler Systems	20,000	20,000	0	0	0
Sofifit and Facia Replacement	75,000	0	0	0	0
Vehicle Tracking Devices	0	18,525	0	0	0
HRA New Build - New Houghton -Dist Payments	5,000	90,000	680,163	0	0
Ford Fiesta Rent Collector (Housing)	0	10,250	0	0	0
Van (R & M YP56 VFZ)	18,000	18,000	0	0	0
Van (R & M DY56 OFB)	18,000	18,000	0	0	0
Van (R & M YS56 LYG)	10,000	10,000	0	0	0
Van (R & M YP10 KTK)	0	15,000	0	0	0
Total HRA	5,612,220	4,091,384	4,148,166	3,786,277	3,569,453

TOTAL CAPITAL EXPENDITURE	9,439,220	8,908,598	6,052,676	5,290,757	4,669,453
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	Original Estimate 2013/14 £	Estimated Outturn 2013/14 £	Estimate 2014/15 £	Forecast 2015/16 £	Forecast 2016/17 £
Capital Financing					
General Fund					
Specified Capital Grant	(365,000)	(250,000)	(250,000)	(250,000)	(250,000)
Private Sector Contributions	0	(128,047)	0	0	0
Prudential Borrowing	(944,750)	(624,597)	(1,362,350)	(1,170,230)	(766,000)
Section 106	0	(32,262)	0	0	0
Reserves	(84,250)	(122,587)	(84,250)	(84,250)	(84,000)
External Grant	0	(380,260)	(207,910)	0	0
Capital Receipts	(2,433,000)	(3,279,461)	0	0	0
	(3,827,000)	(4,817,214)	(1,904,510)	(1,504,480)	(1,100,000)
HRA					
Major Repairs Allowance	(3,316,220)	(1,905,451)	(3,330,003)	(3,386,277)	(3,443,453)
Reserves	(2,296,000)	(1,861,000)	(818,163)	(400,000)	(126,000)
Prudential Borrowing	0	0	0	0	0
Revenue Financing	0	(10,250)	0	0	0
Capital Receipts	0	(314,683)	0	0	0
	(5,612,220)	(4,091,384)	(4,148,166)	(3,786,277)	(3,569,453)
TOTAL CAPITAL FINANCING	(9,439,220)	(8,908,598)	(6,052,676)	(5,290,757)	(4,669,453)
Checks	0	0	0	0	0

APPENDIX 3 TABLE 2

CAPITAL PROGRAMME RISK REGISTER – 2013/14

Risk and Mitigation in Place	Gross Value of Risk £'s	Probability	Potential Impact £'s
<p>1. Cost Overruns on Approved Projects</p> <ul style="list-style-type: none"> • Financial monitoring including formal reports to Members is undertaken on a regular basis which should enable mitigating action to be taken. • The Council have robust management arrangements in place. • The Financial Risk Registers in respect of both General Fund and HRA include the risk of an unfunded overspend arising on the Capital Programme. 	£500,000	40%	£200,000
<p>2. Reduction in the forecast level of capital receipts.</p> <ul style="list-style-type: none"> • The receipts forecast that has been made in respect of 2013/14 is a realistic one in the light of current property markets. • Schemes funded by General Resources in respect of 2013/14 are being 'held back' pending greater certainty regarding the level of receipts which will be achieved. 	£1,000,000	20%	£200,000
<p>3. An unanticipated capital requirement arises – including issues arising from the Asset Condition Survey - which requires funding as a matter of urgency.</p> <ul style="list-style-type: none"> • Existing approved projects may need to be reprofiled into future years • Additional capital resources may need to be identified • A charge against revenue balances may need to be considered. 	£500,000	40%	£200,000
Calculated Potential Financial Impact of Identified Risks			£600,000

Committee:	Executive	Agenda Item No.:	7
Date:	3rd February 2014	Status	Open
Category	1. Key decision included in Forward Plan 2. Decision within the functions of Executive		
Subject:	Advertising and Sponsorship Policy		
Report by:	Assistant Director – Strategy and Performance		
Other Officers Involved	Communication Team (NEDDC and BDC) Directors/ Assistant Directors		
Director	Chief Executive		
Relevant Portfolio Holder	Leader		

RELEVANT CORPORATE AIMS

STRATEGIC ORGANISATIONAL DEVELOPMENT – Continually improving our organisation.

The Revenue Strategy is contributing to the programme of efficiencies outlined in the Corporate Plan aim of ‘continually improving our organisation’.

TARGETS

The Revenue Strategy is a recent development and is not listed as a target within the Corporate Plan.

VALUE FOR MONEY

The Revenue Strategy identifies opportunities to bring additional income into the Council. The policy sets out the framework for additional income generation.

THE REPORT

Bolsover District Council and North East Derbyshire District Council have developed a joint Revenue Strategy which identifies opportunities to bring additional income into the two Councils. The Revenue Strategy was approved by the North East Derbyshire District Council Cabinet on 5 June 2013 and by Bolsover District Council Executive on 10 June 2013. The strategy agreed the development of an Advertising and Sponsorship Policy for both Councils.

Following consultation with officers, members (including Scrutiny) and partners a joint Advertising and Sponsorship Policy has been drafted (Appendix 1). This has

recently been considered by the Strategic Alliance Joint Committee and is presented to Executive for final approval.

The purpose of the policy is to provide guidance to officers and members on advertising and sponsorship activities which are acceptable whilst also providing clarity to potential clients and terms under which such business will be undertaken. The policy also lists prohibited products and services which would create either competition for our own services or a conflict of interest.

An Equalities Impact Assessment (EIA) has been undertaken upon the Revenue Strategy and the implications of the policy.

IMPLICATIONS

Financial: None

Legal: The policy has taken into consideration the relevant legislation and regulations.

Human Resources: None

RECOMMENDATION(S)

That Executive approves the Joint Advertising and Sponsorship Policy.

REASON FOR DECISION TO BE GIVEN IN ACCORDANCE WITH THE CONSTITUTION

The policy be approved in line with the requirements of the Revenue Strategy previously agreed by Executive on 10 June 2103.

ATTACHMENTS: Yes

FILE REFERENCE: Advertising and Sponsorship Policy

SOURCE DOCUMENT: S&P.JF.



Advertising and Sponsorship Policy

(January 2014)

CONTROL SHEET FOR Advertising and Sponsorship Policy

Policy Details	Comments / Confirmation (To be updated as the document progresses)
Policy title	Advertising and Sponsorship Policy
Current status	Final Draft
Policy author	Joint Assistant Director Customer Service and Improvement
Location of policy	
Member route for approval	Strategic Alliance Joint Committee Scrutiny BDC, Executive NEDDC, Cabinet
Cabinet Member	BDC - Councillor A Tomlinson NEDDC - Councillor N Foster
Equality Impact Assessment approval date	Completed December 2013
Partnership involvement (if applicable)	N/A
Final policy approval route	BDC, Executive NEDDC, Cabinet
Date policy approved	January 2014
Date policy due for review	3 year from approval date
Date policy forwarded to Strategy	tbc

and Performance (to include on Intranet and Internet if applicable to the public)	
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1. Introduction

- 1.1** Bolsover District Council and North East Derbyshire District Council (the Councils) have developed a joint Revenue Strategy which identifies opportunities to bring additional income into the two councils. The Revenue Strategy was approved by the North East Derbyshire District Council Cabinet on 5 June 2013 and by the Bolsover District Council Executive on 10 June 2013.
- 1.2** The Revenue Strategy recognises a range of possible income generation streams, including unlocking potential revenue from external advertising and sponsorship.
- 1.3** The strategy also acknowledges that whilst informal advertising policies are in place within North East Derbyshire District Council covering, for example, 'the NEWS' magazine and council website, a corporate advertising and sponsorship policy which is applicable to all appropriate channels within both organisations is needed.

2. Scope

- 2.1** This policy will apply to all paid-for advertising and sponsorship on all channels (both external and internal) in all services across the Councils including the Bolsover North East Derbyshire LEADER Approach (see 2.5 below for instances that are out of scope).
- 2.2** The policy sets out our definitions of 'advertising' and 'sponsorship', and the terms upon which advertising and sponsorship opportunities will be sought and accepted.
- 2.3** The policy will be published via the Councils' intranets and public facing websites.
- 2.4** The policy will apply to the corporate advertising and sponsorship media pack.
- 2.5** The policy will not apply to advertising and sponsorship at the following partnerships/partner organisations: BCN Building Control Consultancy, Bolsover Community Safety Partnership, Bolsover Local Strategic Partnership, North East Derbyshire Community Safety Partnership or Rykneld Homes Ltd.
- 2.6** Microsites and websites provided by the Councils for voluntary organisations, community groups and parish councils do not fall under the scope of this policy.

3. Principles

- 3.1** The purpose of this policy is to provide guidance to officers and members on advertising and sponsorship activities at the Councils which are deemed acceptable in order to implement the joint Revenue Strategy.
- 3.2** The policy also provides clarity to potential clients regarding the forms of advertising and sponsorship that will be accepted, and the terms under which such business will be undertaken.

4. Statement

4.1 Definitions

The Councils define 'advertising' as "the activity of drawing public attention to a product, service or business by paid announcements on hoardings/notice boards or in printed, broadcast or electronic media". This does not include promotion of events or services on behalf of stakeholders or partner organisation, unless they are paid for as part of a commercial contract.

The Councils define "sponsorship" as "a contractual agreement between Bolsover District Council or North East Derbyshire District Council and the sponsor where the Council receives a payment or an in-kind benefit for a campaign or activity which in turn provides commercial benefit for the sponsor".

4.2 General principles

Our principles are to:

- seek to maximise revenue and permit advertising and sponsorship wherever possible and appropriate
- give priority to local businesses in the Bolsover and North East Derbyshire districts wherever possible and appropriate
- only enter into advertising and sponsorship agreements where they do not conflict with Bolsover and North East Derbyshire District Councils' own policies and priorities and do not fall into the list of prohibited products, services and advertisers (see 4.3 below).

Advertising or sponsorship agreements should not be regarded by an organisation as a means of gaining favourable terms from the Councils or their partners.

4.3 Prohibited products, services and advertisers

The Councils will not accept advertising or sponsorship from any organisation which directly promotes:

- Alcohol
- Gambling
- Pornography, adult content or messages of a sexual nature
- Religion
- Tobacco
- Weaponry
- High cost lending or payday loans
- No win no fee claims

In addition the Councils will not accept advertisements or sponsorships that promote E-Cigarettes or 'health' products which are currently un-regulated.

The Councils will not accept any advertisement or sponsorship from political organisations, or content that is political in nature, or which connects us with any political party, trade union, religious organisation or pressure group.

4.4 Competition and conflict of interests

The Councils will not accept any advertising or sponsorship for services that are in competition with council run services e.g. building control, leisure, pest control or waste services. The Council will also not accept advertising or sponsorship from commercial companies whose sole purpose is to encourage tenants to take up the Right to Buy option.

The Councils will take advice and consider carefully whether to accept advertising or sponsorship from an organisation that is:

- in the process of a planning application with either authority,
- in the process of a tender application with either authority,
- in conflict with residents over a planned development in either district,
- in dispute with the Councils for any reason (legal/financial etc.), or
- where association with the organisation may compromise the work or reputation of the Councils or their partners.

Council officers must declare in advance if they have any personal interests, involvements or conflicts with any potential advertisers/sponsors, and if so they will not be involved in the consideration of that advertisement/sponsorship for approval.

Council members must declare any commercial interests in their Declaration of Disclosable Pecuniary and Other Interests which are held on public record.

4.5 Content of advertisements and sponsorship

All advertisements must comply with Advertising Standards Authority advertising codes. The codes include general rules that state advertising must be responsible, must not mislead, or offend and specific rules that cover advertising to children and ads for specific sectors like alcohol, gambling, motoring, health and financial products.

The codes can be found at: www.cap.org.uk/Advertising-Codes.aspx

The Councils will not allow adverts that contain complete or partial nudity, or that appear to promote illegal or 'inappropriate' behaviour or lifestyles, and will carefully consider 'humorous' adverts in order to ensure that they will not cause offence.

Advertisements and sponsorship must meet equality legislation and the Councils' equality and diversity policies which are published on their websites.

4.6 Co-ordination and approval

The Councils will publicise advertising and sponsorship opportunities on their websites and will provide corporate advertising and sponsorship media packs for interested parties.

The Joint Assistant Director – Strategy and Performance will authorise the acceptance of adverts and sponsorship on behalf of the Councils, in liaison with other senior officers as appropriate.

All adverts will be considered carefully before being accepted and the Councils reserve the right to approve all advertising and sponsorship material.

The Councils also retain the right to decline any advertisement or sponsorship which is deemed to be inappropriate.

The format and layout of advertisements may be limited by the media chosen and may be restricted by the policies of our partner organisations e.g. the size of roundabout signs is governed by Derbyshire County Council Highways policies.

In order to maintain impartiality the Councils may not allow advertising in certain 'sensitive' areas of their websites, intranets, publications and public areas. The Councils will ensure that no one company advertises excessively in any of their advertising channels.

4.7 Cookies and privacy

The Councils do not make use of tracking cookies via their website or intranet software in order to target specific advertising at users.

However, third party tools (such as Google Ad Sense) may employ tracking cookies and this is outside the Council's control.

To mitigate this situation the Councils will publish cookie statements on their websites advising users how to adjust their privacy settings and block cookies within their internet browsers if they so wish.

4.8 Disclaimer notices

Acceptance of advertising or sponsorship does not imply endorsement by the Councils. In order to make this clear, the Councils' websites, intranets and publications should carry a form of disclaimer (example below).

'While every effort has been made to ensure the accuracy of advertisements, Bolsover District Council/North East Derbyshire District Council does not accept any liability for errors or omissions. The Council does not accept

responsibility for claims made in advertisements and their inclusion should not be taken as an endorsement’.

Any advertisement or sponsorship accepted by the Councils must not breach any contract, or infringe or violate any copyright, trademark or any other personal or proprietary right of any person, or render the Councils liable to prosecution or civil proceedings. The advertiser/sponsor must fully and effectually indemnify the Councils from and against all claims, costs or demands arising from the advertiser’s/sponsor’s copy.

4.8 Policy review

This policy will be reviewed every three years.

5. Responsibility for Implementation

This is a corporate policy which will be co-ordinated by the Joint Assistant Director – Customer Service and Improvement.

6. Glossary of terms

Advertiser – company or individual that enters into a contract for paid-for advertising with either council through any of its advertising channels.

Cookies - small files placed on a computer's hard drive that help websites to analyse web traffic or recognise a computer when the user visits a particular page or site.

Electronic media – content which is displayed online either internally or externally, e.g. on either council’s public facing website, intranet or social media site such as Facebook, Twitter, YouTube etc. or on any other website, third party system or web based platform to which either council is affiliated.

‘In Touch’ magazine - a periodical printed publication produced by Bolsover District Council, which is delivered to all households across the district.

In kind benefit - the use of goods or services as payment instead of cash, for example replacement staff uniforms in exchange for company name embroidered on them.

Publications – any printed material produced by either council such as ‘In Touch’ and ‘the NEWS’ magazines, newsletters, flyers, posters or leaflets.

Sponsor – company or individual that enters into a sponsorship contract with the Councils through paid-for or in-kind remuneration.

‘the NEWS’ magazine – a periodical printed publication produced by North East Derbyshire District Council, which is delivered to all households across the district.

Committee:	Executive	Agenda Item No.:	8
Date:	3 February 2014	Status	Open
Category	1. Key decision included in Forward Plan 2. Decision within the functions of Executive 3. Part of the Budget and Policy Framework		
Subject:	Development Fund		
Report by:	Commercial Property and Developments Manager Housing Strategy and Enabling Manager		
Other Officers Involved	Executive Director - Operations Buildings and Contracts Manager		
Director	Executive Director - Operations		
Relevant Portfolio Holder	Councillor A. Tomlinson, Portfolio Holder for Regeneration		

RELEVANT CORPORATE AIMS

CUSTOMER FOCUSED SERVICES – Providing excellent customer focused services

REGENERATION – Developing healthy, prosperous and sustainable communities by ensuring continued use of town centre premises.

REGENERATION – Improve the standard of housing across the district.

SOCIAL INCLUSION – Ensure that housing across the district meets the needs of all residents.

TARGETS

Develop vibrant town centres and flourishing rural communities.

Deliver £100,000 of New Homes Bonus per annum in the district as part of Local Investment Plan

Maximise the supply of affordable housing in the district and deliver an average of 20 units per annum by March 2015.

VALUE FOR MONEY

Small investment in Council owned sites to realise the potential value of the site.

THE REPORT

Background

This report outlines a proposal brought forward by Regeneration and Housing Strategy to help the Council make best use of its land assets, and support the emerging growth agenda.

Although the Council knows what land is in its ownership we are currently unable to quantify the most viable use of our land in terms of 'best value'. This makes it challenging for officers and Members to make informed strategic decisions about the use of our land assets, balancing the need to secure the best financial return against wider strategic objectives, such as meeting housing needs, delivery of new affordable housing, and wider economic development and growth outcomes. As a result, the Council struggles to take advantage of funding opportunities, such as those provided by the Homes and Communities Agency, with timescales to access funding rounds often prohibiting the Council from bidding, as sites must already be identified and proven to be deliverable. Furthermore, with the focus shifting towards Local Enterprise Partnerships and their role as funding bodies, the Council must be in a position to prioritise its land assets having identified which, if any, will be used to support growth.

The proposal set out within this report will allow the Council to fully understand the value, viability and opportunities of sites within its ownership, so that we can make informed strategic decisions about their disposal and future use, supporting the delivery of the Council's forthcoming Growth Strategy.

ISSUES/OPTIONS FOR CONSIDERATION

The proposal set out below has two key objectives:

- to allow the Council to gain a detailed understanding of the value and potential value of our land assets; and
- to allow the Council to understand the opportunities and options associated with our land assets.

This proposal is for the creation of a new development fund to 'bring forward' residential, commercial and mixed use sites through Council owned land. The development fund will be used to gain a detailed understanding of the value of our land assets and will provide us with an understanding of the opportunities and options for our sites. This will allow the Council to identify which pieces of land:

- could be disposed of to generate a capital receipt for the Council;

- could be used to help the Council to meet its corporate growth ambitions and wider corporate priorities, such as the delivery of affordable housing; and
- may have development potential but should be retained by the Council until market conditions improve.

The first two of these will normally involve either obtaining outline planning permission prior to disposal, or a conditional sale for the proposed use (subject to Planning). This will raise the value of the land prior to disposal, allowing the Council to realise the true value of the site. Gaining outline planning permission prior to disposal de-risks this element of development, and as such can help encourage developers to invest in sites, supporting the Council's growth ambitions. In some other cases it may be desirable for the Council to fully develop out a site itself, including construction, rather than disposal. This might be the case where the Council is looking to build new Council housing. In instances such as these a separate business case would be required to ensure best value and properly assess risk to the Council.

The development fund will therefore be used to finance two key elements of work:

Element 1 – this will be a small piece of consultancy work to develop an options appraisal based upon viable uses for the site. This piece of work will include a financial viability assessment based on potential uses and will provide an existing and potential land value, which will be informed by the market. An example of this is included in appendix A. This will form the basis of any recommendation brought forward, which might include: retain; dispose; dispose with planning permission; or use for delivery of affordable housing.

Element 2 – where disposal of a site is the preferred option, funding will be used to realise the full value of the site as assessed under element 1. This will be spent on consultancy fees to obtain outline planning consent and subsequently raise the land value prior to disposal/development. For the Council to proceed onto this second phase of work there would need to be confidence that the investment under of element 2 would generate significant additional land value to cover the cost to the Council. The example in appendix A outlines the potential uplift this level of investment can generate.

In order to cover the associated costs of each of these elements of work, it is proposed that the Council allocate £70,000 to the development fund from the Transformation Fund. Furthermore, it is requested that any receipt generated as a result of this work is used to 'top-up' the development pot back to £70,000, enabling a rolling programme of sites to be brought forward over a number of years.

Governance

A project team made up of relevant Council Officers from the Growth and Resources Directorates will be responsible for establishing a short list of sites, and developing reports with the relevant consultancy support for consideration by a project board. Procurement of consultants will be through a process agreed with the Joint Executive Director – Operations.

The Project Board will be responsible for deciding which sites are prioritised and supported with the development fund, and for making recommendations to Executive where appropriate. Reports produced by consultants will enter the public domain at determination of the Project Board. It is proposed that at Bolsover the Asset Management Group will assume responsibility as Project Board. This existing group includes key Members and senior offices, but will be reviewed to ensure that membership is appropriate to fulfil this strategic role.

Process Overview

Although each site could differ with regards to the scale of development, proposed use and value, a common process is proposed in Appendix B.

IMPLICATIONS

Financial : As outlined in the report

Legal : Input into the appraisal work for any proposed site with regards ownership, covenants, etc.

Human Resources: None

RECOMMENDATION

1. That £70,000 of Transformation Fund be allocated as a development pot as outlined in the report.
2. That Executive agrees to any receipt delivered through this process being used to 'Top up' the development pot back up to £70,000 to allow for future schemes to be brought forward.
3. That the Executive Director - Operations following consultation with the Portfolio Holder for Regeneration review and implement appropriate membership of the Asset Management Group.

- That the Building and Contracts Manager, with agreement of the Executive Director - Operations and following consultation with the Portfolio Holder for Regeneration, be given delegated authority to appoint consultants for works as identified through the Asset Management Group.

REASON FOR DECISION TO BE GIVEN IN ACCORDANCE WITH THE CONSTITUTION

- Develop vibrant town centres and flourishing rural communities.
- Deliver £100,000 of New Homes Bonus per annum in the district as part of Local Investment Plan
- Maximise the supply of affordable housing in the district and deliver an average of 20 units per annum by March 2015.

ATTACHMENTS: Appendix A – Example Project (Not with report, to be circulated at the meeting)

Appendix B – Process Diagram

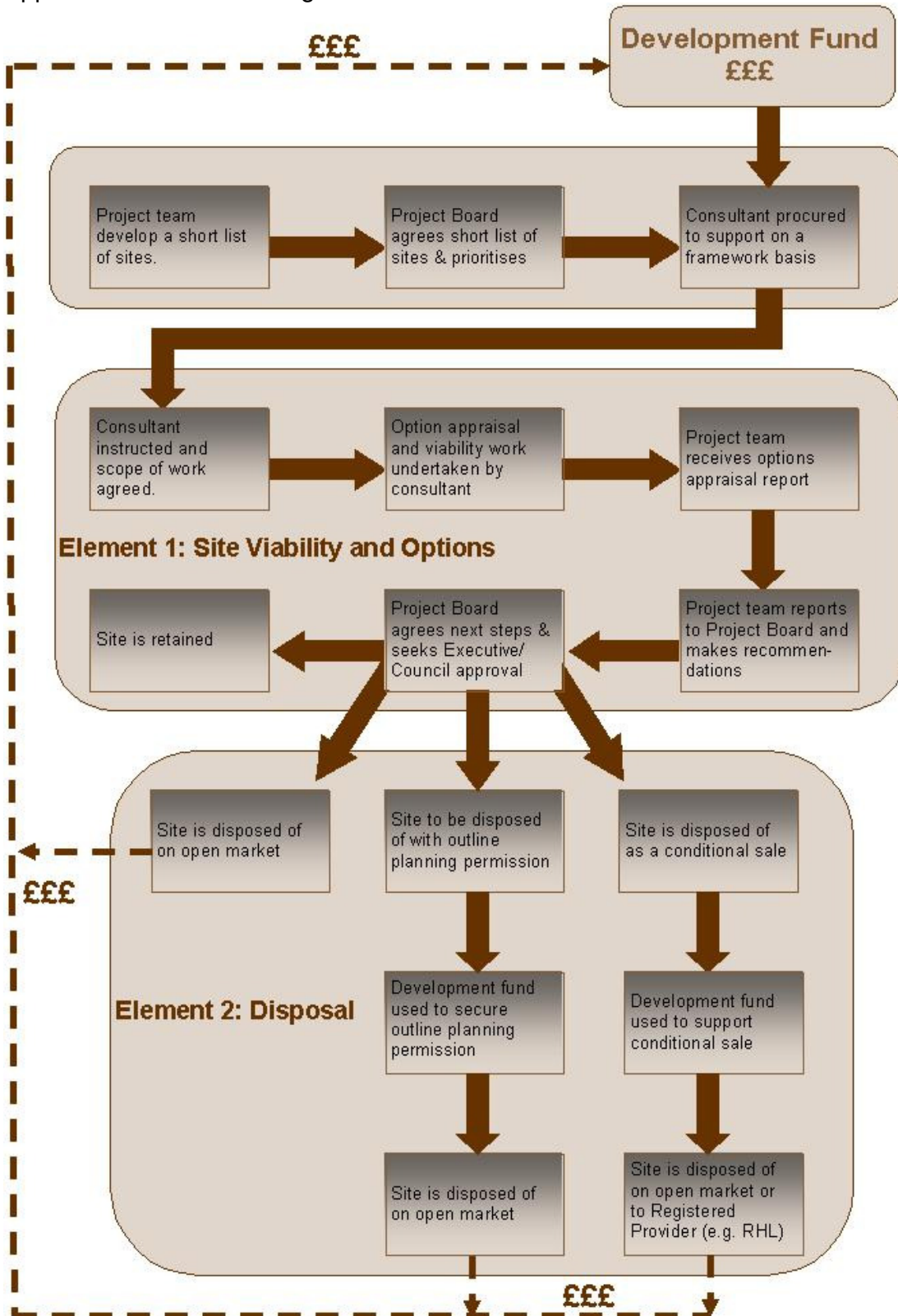
FILE REFERENCE: None

SOURCE DOCUMENT: None

Appendix A: Land Appraisal – Rood Lane

To be circulated at the meeting

Appendix B – Process Diagram



Committee:	Executive	Agenda Item No.:	9
Date:	3 February 2014	Status	Open
Category	2. Decision within the functions of Executive		
Subject:	Idox Uniform Estates Management System		
Report by:	Senior Valuer		
Other Officers Involved	Commercial Property and Development Manager		
Director	Executive Director of Operations		
Relevant Portfolio Holder	Councillor A F Tomlinson, Portfolio Holder for Regeneration		

RELEVANT CORPORATE AIMS

REGENERATION – Developing healthy, prosperous and sustainable communities by effective management of the Council’s property assets

STRATEGIC ORGANISATIONAL DEVELOPMENT – Continually improving our organisation by the acquisition of software to improve the management of the Council’s land and property assets.

TARGETS

By managing the Council’s property assets more efficiently and contributing to corporate savings and efficiencies.

VALUE FOR MONEY

By ensuring that the Council obtains best value from its property assets.

THE REPORT

Background

The Council currently has no up to date central records or management system for its land and property assets.

Currently ownership records known as the ‘terrier’ are shown on small scale Ordnance Survey maps stored in a plan tank in the Legal Section and as a layer on the My Maps digital mapping system in the intranet. The Ordnance Survey plans are old and out of date with many newer developments and properties not shown on the maps. The My Maps system has a link to the Council’s Land Registry registered titles which have been scanned into the

system but this link is often unreliable and the documents frequently cannot be opened. In addition the documents have been scanned in black and white and there are often colours referred to on plans which cannot currently be viewed.

In April 2011 the Council brought back in house the management of Pleasley Vale Business Park from its managing agents.

As a result of this and the construction of the Tangent Business Centre the Council now has to manage a much larger portfolio of leasehold properties. In addition the rationalisation of the Council's operational building has resulted in a number of these being leased out further increasing the levels of property management. The tenancy details for Pleasley and the Tangent are currently held on two access databases. The remainder of the property tenancy details are held on individual paper files within the Regeneration Department.

At present the Council has no automatic diary type system in place to bring up renewals or rent reviews of leased properties and it is up to officers to periodically manually search the current databases to pick up such renewals and reviews. This was raised by the Council's internal audit team.

There is therefore a high risk that these can be missed which has potential impact on the Council losing income from its properties.

Most Local Authorities have some form computer based estate management system to assist with the management of there property assets.

Officers have had a demonstration of the Idox Uniform Estate Management system which forms part of the Uniform suite of software. This system is probably the market leader in estate management and land terrier systems and is widely used across Local Government. The Council currently uses Uniform software within the Planning Department and Environmental Health Departments. In addition North East Derbyshire District Council also has the Idox Uniform Estate Management system however they have yet to fully utilise the system.

As the Council already uses Uniform systems within other sections this allows for the benefits to stretch beyond the Regeneration Section and allow other departments access to more information concerning the Council's property assets.

The system is able to assist in the following functions:-

- Acquisition and disposal of property – by recording details relating to the property and the parties involved, the costs relating to the process, and key dates to monitor the process.
- Record property ownership and valuations –by creating a database of property hierarchies, utilisation, valuations, insurance, surveys and other details to provide a fully auditable record of the Council's property assets.

- Track leases and assignments – by managing lease details, rent reviews and regular payments on a single system.
- Co-ordinate and manage the costs of works and maintenance the costs of works and maintenance – by controlling the schedule of jobs, from user-entered maintenance requests through to task assignment and contractor performance monitoring.
- Record and manage other assets – such as furniture, vehicles, or any other assets owned by the Council.

In addition the Senior Valuer has visited Amber Valley Borough Council who uses the system for their property register, asset register and management of their leases. Amber Valley has advised that the system is generally easy to use and is very reliable. In addition they have all of their Land Registry property titles scanned into the system.

Idox have quoted the Council the sum of £16,100 to provide the system. This figure includes providing and installing the software with licences for up to 5 concurrent users. In addition the quote also provides for training for the users.

Overall the system will provide a more means efficient and reliable means of data management relating to the Council's property assets. This will also give improved customer service and address the issues raised by internal audit.

ISSUES/OPTIONS FOR CONSIDERATION

Whether to purchase the Idox Estate Management system to improve the efficiency of the management of the Council's land and property assets.

IMPLICATIONS

Financial: The cost of the acquisition of the system is £16,100. Given that the purchase of the system will help secure a range of ongoing efficiencies which will assist in minimising future revenue costs whilst offering an improved service it is considered appropriate that these costs are funded by the use of Efficiency Grant.

Legal: None

Human Resources: None

RECOMMENDATION(S)

It is recommended that the Council purchases the Idox Estate Management Module on the terms contained within this report.

REASON FOR DECISION TO BE GIVEN IN ACCORDANCE WITH THE CONSTITUTION

To ensure that the Council is able to manage its property assets in order that it can achieve best value from them.

Committee:	Executive	Agenda Item No.:	10
Date:	3 February 2014	Status	Open
Category	2. Decision within the functions of Executive		
Subject:	Child Protection Update		
Report by:	Housing Enforcement Manager		
Other Officers Involved	None		
Director	Executive Director of Transformation		
Relevant Portfolio Holder	Councillor A Syrett, Portfolio Holder for Social Inclusion		

RELEVANT CORPORATE AIMS

REGENERATION – Developing healthy, prosperous and sustainable communities by effective management of the Council’s property assets

STRATEGIC ORGANISATIONAL DEVELOPMENT – Continually improving our organisation by the acquisition of software to improve the management of the Council’s land and property assets.

TARGETS

By managing the Council’s property assets more efficiently and contributing to corporate savings and efficiencies.

VALUE FOR MONEY

By ensuring that the Council obtains best value from its property assets.

THE REPORT

This paper provides Executive with an update on activity around Child Protection for Bolsover District Council.

In August 2013, Executive approved the Council’s revised Child Protection Policy.

The following Safeguarding Link Officers were agreed as:

- Paul Hackett – SAMT Lead
- Deborah Whallett – Lead Safeguarding Link Officer

- Allison Westray - Chapman
- Lee Hicken
- Jane Lapins
- Janice Barltrop
- Melanie Osborne

As part of the process for publicising this policy, staff were made aware via ERIC and a new dedicated safeguarding page is now available.

It has also been agreed that a staff briefing card (which covers Child and Adult Safeguarding) is developed for all staff outlining signs of abuse, how to refer in an emergency and contact details for all the Safeguarding Link Officers. The card will be used for both NEDDC and Bolsover DC staff. This will be issued in Quarter 1 2014 via payslips

ISSUES FOR CONSIDERATION

There has been no internal child protection training provided in the last 12 months. In previous years the Council benefited from training from Derbyshire County Council's Children's Safeguarding team. This specialised training is no longer available and DCC have urged us to use the multi agency training which is provided on an ongoing basis. Internal delivery options are currently being explored including a 'train the trainer' and e-delivery modules option. This is likely to be more cost effective.

Human Resources are now looking at an audit of staff who will be required to go on both safeguarding children and vulnerable adults training. It should be noted that previous cabinet reports have agreed that this should be mandatory for certain members of staff who come into contact with children. A meeting of the Safeguarding Link Officers was held in December to look at how training and controls around safeguarding could be developed across NEDDC and Bolsover.

Since January 2013 there has been 7 referrals to DCC regarding child protection issues. Three of the referrals were received from the Housing Department, one from the Domestic Violence officer, two from the ASB Case Worker and one from a Repairs operative.

FINANCIAL IMPLICATIONS

All Derbyshire County Council multi agency training on safeguarding is free of charge. Though it should be noted that costs would be incurred for travel and back filling of roles for staff who were attending training.

There will be a cost for producing the briefing cards for all staff and members. This will be met from Leisure Services budgets.

RECOMMENDATIONS

That Executive note the report.

REASONS FOR DECISION

To provide Executive with an update on child protection issues.

Committee:	Executive	Agenda Item No.:	11
Date:	3 rd February 2014	Status	Open
Category	Decision within the functions of Executive		
Subject:	Land at Southfield Lane, Whitwell		
Report by:	Senior Economic Development Officer, NEDDC		
Other Officers Involved	Assistant Director – Economic Growth		
Director	Chief Executive		
Relevant Portfolio Holder	Cllr A Tomlinson, Portfolio Holder for Regeneration		

RELEVANT CORPORATE AIMS

REGENERATION – Developing healthy, prosperous and sustainable communities

Securing this option with the HCA will help facilitate a cohesive redevelopment of this site and adjacent sites in a way that will maximise benefit to local communities

VALUE FOR MONEY

The proposed agreement with the HCA will potentially generate a 5% share of the receipt from the sale of the site, which would represent value for money relative to the investment required to market and maintain the site prior to its disposal. However, it should be noted that there are financial risks, which are set out below.

1. Introduction

1.1 Officers at NEDDC have been in discussion with representatives of the HCA regarding the potential for securing a lease with an option to purchase a site in Clay Cross adjacent to the Coney Green Business Centre. At the same time, it was proposed that a similar arrangement is considered for the Southfield Lane site.

1.2 The site, shown edged red on the attached plan, extends to 5.9 hectares (14.6 acres) and is designated as an Employment Site in the local plan. It is the location of the former Whitwell Colliery and was the subject of a planning application for an anaerobic digestion facility from Alkane, which has now been withdrawn. The proposed application would not have resulted in a net increase of jobs, although business rates would have been payable. The current Alkane site generates just

under £5000 of business rates annually. At this stage it is anticipated that the proposed activity on this site would generate less than this figure.

2. Issues for Consideration

- 2.1 Discussions with the HCA over BDC securing a lease with an option to purchase the site have resulted in a draft Heads of Terms being agreed. The main elements of the agreement are:
- BDC will be granted a peppercorn lease for 10 years with an option to purchase the site, or identify a third party purchaser/developer.
 - BDC will carry out all maintenance and marketing of the site during the period of this option.
 - If BDC purchases the site, or secures a third party purchaser, they will receive a 5% share of any receipt generated.
 - If the HCA secures a purchaser, the lease/option to purchase will be terminated unless BDC can demonstrate serious intent of developing or acquiring the site.

Potential Benefits

- 2.2 Having a ten year lease gives BDC a level of control over the site; it presents an opportunity to influence the type of development and end-use through targeted marketing of the site; if resources permit, BDC would in effect receive a 5% discount if it exercised the option; if BDC secures a third party developer to purchase the site it will receive a 5% share of the receipt.
- 2.3 To place the 5% share of the receipt into some financial context, BDC's Senior Valuer carried out a valuation of an 8 acre section of the site and, based on employment and amenity use, arrived at a value of £265,000 for employment use and £32,000 for amenity use. As there was no detailed scheme with appropriate costings to deal with the potential levels of contamination these figures should only be regarded as approximate. If a detailed scheme were commissioned to deal with the remediation then these figures could change significantly.
- 2.4 In addition to the potential financial benefits set out above, there may also be strategic planning and regeneration advantages to be gained from this proposed agreement. BDC planners have been in discussion for some time with an adjacent landowner, Welbeck Estates, over the potential for a development masterplan for land in their ownership. Securing this lease on the HCA land would enable BDC to widen the discussions with Welbeck Estates to incorporate the Southfield Lane site into the masterplanning exercise. This would help ensure a co-ordinated and coherent redevelopment of the area to the south of the railway line.

Potential Risks

Financial

- 2.5 There is some financial risk associated with this proposal. BDC would adopt all responsibilities for the management and maintenance of the site. Discussions with the HCA and the Streetscene Manager has resulted in a recommendation that £3000-£4000 per annum should be allocated to the maintenance of this site. This is a reflection of the size of the site, and the nature of the mature vegetation that covers its majority. This cost will be monitored and reported on an annual basis and adjusted as necessary. However, the cost may be offset by revenue generating opportunities, such as open storage. It has also been agreed that income secured from revenue generating activity will be paid into the grounds maintenance budget to cover these costs.
- 2.6 In addition to revenue raising opportunities, the Heads of Terms provides for BDC to be reimbursed for costs incurred and states:

in the event that the HCA dispose of the site, BDC are to be reimbursed reasonable costs incurred in maintenance of the site, less any income received on letting/use of the site during the period of the option (or lease).

Contamination

- 2.7 The largest single unknown risk is potential contamination. The site remediation costs referred to in paragraph 2.3 relate to the potential for site contamination from previous activity on the site, which was identified in a report prepared by consulting engineers Joynes Pike in 2007. This presents a further potential financial risk, in that prior to a lease being agreed with the HCA, it is strongly recommended that site investigation work is carried out to fully determine the levels of contamination on site. This would be a two stage process, with a desk study followed by work on site. It is estimated that this would cost in the region of £10,000 to £15,000. The HCA have been approached to see if they would be prepared to fund this work, but they have declined. They have also stated that these costs would not be recoverable if BDC entered into a lease agreement. However, they have said they would co-operate wherever possible and make available any information relating to ground conditions that they are aware of.

Public Liability

- 2.8 By entering into a lease agreement with the HCA (as opposed to an option/licence) BDC will have increased risk and will potentially be liable for any injuries suffered by people entering the site. It is therefore recommended that a thorough risk assessment is carried out to identify potential risks. The public liability insurance premium

payable will not increase, but the excess payable on any successful claim is £20,000. It should be noted that since the site was inherited by the HCA (and English Partnerships previously) there have been no reports of injuries or claims.

- 2.9 The HCA now want to bring the discussions over the site to a conclusion, and have set a deadline of 28th February 2014 for a lease to be signed. If that deadline is missed (assuming BDC decides to enter into a lease) then the site will be disposed of at auction by 31st March 2014. This presents an additional risk as BDC will have no influence over who purchases the site, other than in its role as planning authority in the event of a planning application being submitted.

3. IMPLICATIONS

- 3.1 Financial: As set out in paragraphs 2.5 to 2.7 above.

4. OPTIONS

- 4.1 That prior to further lease negotiations with the HCA, a desk stop study is commissioned and site investigations are carried out to fully determine the level of contamination on the site. It is estimated that a budget of £10,000 to £15,000 would be required for this, and to date a budget has not been allocated or identified. A thorough risk assessment would also be required to identify risks that BDC may be exposed to as leaseholder on the site.
- 4.2 That BDC purchase the site outright. Again, no budget has been allocated for this, and it is unlikely that a developer would be identified to unlock the value in the short to medium term, leaving BDC with a long term maintenance and management liability.
- 4.3 That a third party, e.g. the affected Parish Council(s) or Welbeck Estates, purchase the site. Neither the Parish(es) nor Welbeck Estates have been approached to discuss this, so this remains an unclear option.
- 4.4 That all discussions with the HCA are suspended and that they take the site forward to auction to dispose by 31st March 2014.

ATTACHMENTS: **Site Plan**



The Arc
High Street
Clowne
Derbyshire
S43 4JY

EXECUTIVE

3 FEBRUARY 2014

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Notice of Intention to Conduct Business in Private

Notice is hereby given in accordance with Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that there are no items likely to be considered in private at the above meeting.

W. Lumley BSc. FCCA.
Chief Executive

Date: 24 January 2014

EXECUTIVE

Minutes of a meeting of the Executive held in the Chamber Suites, The Arc, Clowne, on Tuesday, 14 January 2014 at 1000 hours.

PRESENT:-

Councillor E Watts in the Chair

Members:-

Councillor R Bowler, D Kelly, B R Murray-Carr, K Reid and A Tomlinson

Also Present:-

T Witts (Groundwork Creswell, Ashfield and Mansfield)

Officers:-

W Lumley (Chief Executive Officer), B Mason (Director of Corporate Resources), P Hackett (Director of Health and Well Being), P Campbell (Head of Housing), S Brunt, (Streetscene Manager), M Kane (Governance Manager), J Fieldsend (Senior Principal Solicitor) and T Garrod (Projects Officer – Tourism).

0716. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillor A Syrett.

0717. URGENT ITEMS OF BUSINESS

There were no urgent items of business considered at the meeting.

0718. DECLARATIONS OF INTEREST

Councillor A F Tomlinson declared a significant other interest in item six on the agenda, Grants for Voluntary Organisations Programme – Groundwork Creswell, Ashfield and Mansfield, arising from his membership of the Groundwork Creswell, Ashfield and Mansfield Board. Councillor Tomlinson would remain in the meeting room for the presentation to Members but would leave prior to the debate and vote.

0719. MINUTES OF EXECUTIVE HELD ON 9 DECEMBER 2013

Moved by Councillor B R Murray-Carr and seconded by Councillor E Watts.

RESOLVED that the minutes of the meeting of Executive held on 9 December 2013 be approved as a correct record and signed by the Chair.

EXECUTIVE

0720. RECOMMENDED ITEMS FROM OTHER STANDING COMMITTEES

Improvement Scrutiny Committee – 21 October 2013 – Minute No 949 – Choice Based Lettings (CBL) – Update and Information relating to properties to let in the areas of Clowne, Creswell and South Normanton.

Executive considered a recommendation from the Improvement Scrutiny Committee on 21 October 2013 in connection with their scrutiny review of Choice Based Lettings.

A review into Choice Based Lettings was undertaken by the Improvement Scrutiny Committee in November 2012. Amongst the recommendations was that a Community Rural Lettings Plan be considered and, if appropriate, developed to assist those applicants who were already living in a parish and wanted to be housed in a property in that same parish within Bolsover District.

Work on this recommendation had been undertaken by the Committee and although they noted that evidence suggested no real need for a rural lettings policy they asked that allocation to some groups of local people and other issues be investigated by the Housing Working Group when they undertook work into the Council's Allocations Policy.

Moved by Councillor K Reid and seconded by Councillor E Watts.

RESOLVED that Executive notes that evidence shows no real need for a rural lettings policy but allocation to some groups of local people and other issues needed to be considered through the proposed Housing Working Group, which would look at the Allocations Policy.

(Head of Housing/Governance Officer)

0721. GRANTS FOR VOLUNTARY ORGANISATIONS PROGRAMME – GROUNDWORK CRESWELL, ASHFIELD AND MANSFIELD

Executive considered a report and presentation on the work being undertaken by Groundwork Creswell, Ashfield and Mansfield and sought agreement to allocate a Council grant of some £13,600 subject to satisfactory progress being made against key performance indicators. Trevor Wits, from Groundwork Creswell, Ashfield and Mansfield, attended the meeting to give the presentation and answer any members' questions.

The presentation focused on the key educational, environmental and construction projects Groundwork had completed throughout the year. In addition, the programme had resulted in 28 new jobs and 200 people gaining additional qualifications. At the end of the presentation Executive were asked what further work Groundwork could do for Bolsover.

The following ideas were proposed:-

- Solid wall insulation;
- Dealing with vandalism on Brooke Park;

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- Assistance with facilitating house building;
- Addressing issues relating to empty properties with a particular focus on the Council's Growth Agenda.

Following the presentation and prior to the debate, Councillor A F Tomlinson withdrew from the meeting room having declared a significant other interest.

Moved by Councillor D Kelly and duly seconded

RESOLVED that:-

- (1) The report and presentation from Groundwork Creswell, Ashfield and Mansfield be received.
- (2) Executive agree to the grant for 2013/14 of £13,600 being released.

REASON FOR DECISION:

Delivery of the Programme has contributed to the priorities and aims of the Sustainable Community Strategy and Corporate Plan.

OTHER OPTIONS CONSIDERED:

None.

(Chief Executive)

0722. BOLSOVER TOWN ERDF PUBLIC REALM AND INFRASTRUCTURE PROJECT AND THE MARKETING AND PROMOTION TENDER

Executive considered a report of the Projects Officer - Tourism which sought commitment to the delivery of the Bolsover Town ERDF Public Realm and Infrastructure Project and award a tender to deliver the Bolsover Town Marketing and Promotion Tender as part of that initiative.

Executive was advised that the Council had bid for funding in December 2013 for a total project value of £749,732 split between £423,820 on capital infrastructure works and £325,912 on revenue (to include a marketing and events programme). This money accounted for 62.72% of the total project cost with the rest being committed by the District Council, Section 106 monies and Old Bolsover Town Council.

The public realm improvements would focus on public realm and infrastructure improvements around the Cenotaph area and Castle Street and would aim to improve the link between the Castle and the rest of the town. The project would aim to create five new businesses and attract £279,500 in public or private sector investment.

One element of the project was the delivery of a robust marketing and promotions campaign which would aim to change the image and perception of the town, showcase the town and project nationally and communicate the stages of development with stakeholders.

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The tender for the marketing and promotion aspect of the project saw six companies bid with the weighting set at 40% Price and 60% Quality. The panel recommended Ruby Slippers as the winning submission for providing a clear and concise tender that showed a passion for delivering the project.

Moved by Councillor A Tomlinson and seconded by Councillor E Watts.

RESOLVED that:-

- (1) The Council's commitment to the delivery to the ERDF Project be noted.
- (2) Ruby Slippers be awarded the tender to deliver the Bolsover Town Marketing and Promotion Tender as part of the Bolsover Economic Infrastructure ERDF Project.

REASON FOR DECISION:

To advise Executive of the Bolsover Town ERDF Public Realm and Infrastructure Project and to award the Marketing and Promotion Tender.

OTHER OPTIONS CONSIDERED:

Details of the alternative tenderers were provided in the report.

(Projects Officer - Tourism)

0723. PARTNERSHIP PROPOSALS FOR COMMISSIONING

Executive considered a report of the Partnership Consultant and Programme Manager which sought to allocate up to £100,000 to support a number of partnership initiatives.

A review of the Sustainable Community Strategy had been undertaken in April 2013 which resulted in the Derbyshire Partnership identifying a series of future priorities for action. These included:-

- A Bolsover traineeship and apprenticeship programme;
- Volunteering in Bolsover District;
- A financial inclusion pilot project;
- An evaluation of the outcomes for the voluntary and community sector;
- Disability issues.

Funding in the region of £100,000 was required to secure the implementation of these initiatives which, if approved, by Executive had the potential to lever in an estimated £250,460 in additional resources.

The proposals were as follows:-

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Activity	Target Communities	Total Cost	Funding Required	Match Funding	Contribution to Corporate Plan Aims
Apprenticeships (3 year project)	District wide	£256,860	£45,000	Residual WNF £211,860	CP: Promote the development of skills and learning SCS: Support activity that will create opportunities for individuals to gain employment
Volunteering (18 months delivery)	District wide	£27,000	£15,000	Residual WNF £4,500 Limestone Journeys £7,500 Volunteer time as leverage – each voluntary hour represents £7.35. Estimate 1,000 voluntary hours over 18 months = £7,350	CP: Promote the development of skills and learning SCS: Support activity that will create opportunities for individuals to gain employment
Financial Inclusion (12 month pilot)	Clowne and South Normanton	£13,650	£8,650	£5,000 partnership funding for health priorities Estimate 1,008 voluntary hours over 42 weeks = £7,408	CP: Reduce poverty CP: Contribute to improving the health of the district SCS: Enhance access to transport, infrastructure, accommodation and finance for residents and businesses
CVP Evaluation of Outcomes (one-off piece of work)	District wide	£8,000	£8,000		CP: Provide services that are fair, equitable and open SCS: Build healthy communities
Disability (2 year project)	District wide	£43,200	£21,600	£21,600 match funding for second year delivery will be sought from CCG/partnership funding if priorities are co-terminus	CP: Contribute to improving the health of the district SCS: Build healthy communities
		£348,710	£98,250	£250,460	

EXECUTIVE

Moved by Councillor K Reid and seconded by Councillor B R Murray-Carr.

RESOLVED that:-

- (1) The report be received.
- (2) Up to £100,000 be approved in principle to support the initiatives detailed above.
- (3) The Chief Executive, following consultation with the Leader of the Council, be granted delegated powers to agree final activity and resulting spend.

REASON FOR DECISION: Council underspend should be tailored to meet the needs of local communities and respond to the priorities of the Sustainable Community Strategy and Corporate Plan.

OTHER OPTIONS CONSIDERED: None.
(Partnership Consultant and Programme Manager)

0724. HOUSING DEPARTMENT – QUARTERLY UPDATE

Executive considered a report of the Head of Housing which gave quantitative and qualitative data on the progress of the housing service during the second quarter of 2013/14.

The update contained information regarding the Council's position in respect of rent arrears, allocations, repairs, gas servicing, stock condition, capital work, rent setting, central control/monitoring and mutual exchange software. Executive was advised that a new online system would allow mutual exchanges electronically and this system was being used.

Moved by Councillor K Reid and seconded by Councillor E Watts

RESOLVED that the report detailing the Housing Department's quarterly update for the second quarter of 2013/14 be noted.

REASON FOR DECISION: To provide Members with an update on performance within the Housing Service.

OTHER OPTIONS CONSIDERED: None.
(Head of Housing)

0725. ARREARS – IRRECOVERABLE ITEMS OVER £1,000

Executive considered a report of the Billing and Recovery Manager which requested the write-off of irrecoverable items, including costs amounting to some £4,931.63 as itemised in the report.

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Members were advised that where debtors left properties without forwarding addresses extensive efforts were made to trace them. In addition to departmental checks, statutory undertakers and other agencies were contacted and enquiries were made of neighbours and family or employers where known. Where it was known that a person had moved to another area contact was made with the relevant local authority to alert them and request reciprocal information.

Moved by Councillor R Bowler and seconded by Councillor E Watts.

RESOLVED that the write-off of irrecoverable items including costs amounting to £4,931.63 be approved, with the proviso that should any of the debts become collectable the amounts be re-debited.

REASON FOR DECISION: In order that outstanding debts can be written off.

OTHER OPTIONS CONSIDERED: None.
(Director of Corporate Resources)

0726. THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Moved by Councillor A. Tomlinson and seconded by Councillor D. Kelly

RESOLVED that under Section 100(A)(4) of the Local Government Act 1972 (as amended), 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 the stated Paragraph 1, 3 and 4 of Part 1 of Schedule 12A of the Act and it is not in the public interest for that to be revealed.

0727. EXEMPT – PARAGRAPH 1 ARREARS – IRRECOVERABLE ITEMS OVER £1,000

Executive considered a report of the Billing and Recovery Manager which requested the write-off of irrecoverable items, including costs amounting to some £1,051.83 as itemised in the report.

Members were advised that where debtors left properties without forwarding addresses extensive efforts were made to trace them. In addition to departmental checks, statutory undertakers and other agencies were contacted and enquiries were made of neighbours and family or employers where known. Where it was known that a person had moved to another area contact was made with the relevant local authority to alert them and request reciprocal information.

Moved by Councillor R Bowler and seconded by Councillor E Watts

RESOLVED that the write-off of irrecoverable items including costs amounting to £1,051.83 be approved, with the proviso that should any of the debts become collectable the amounts be re-debited.

EXECUTIVE

REASON FOR DECISION: In order that outstanding debts can be written off.

OTHER OPTIONS CONSIDERED: None.
(Director of Corporate Resources)

0728. EXEMPT – PARAGRAPH 3 PHOTOVOLTAIC SYSTEM OF THE ARC

Executive considered a report of the Director of Health and Wellbeing which sought approval for a 50kWh photovoltaic system to be installed at the Council's headquarters.

Such a system would be installed on the roof of The Arc and generate electricity for use at the building, protecting the authority from future rises in energy costs and generating income from the national feed-in tariff.

A desktop study of The Arc had been undertaken with an installer who had recommended the type of system that could be installed and provided a quote for the work. The recommendation was that a 50kWh system was the most appropriate for the building.

The system would generate an income of around £184,414 under the national feed-in tariff scheme over a 20 year period. When combined with the savings made from not having to pay for electricity from the grid, coupled with the deemed export tariff, a further figure of around £500,000 was available. The indicative cost of the project was £64,648.00 subject to a full detailed survey being undertaken.

A company known as Nationwide Solar were initially approached to advise on a suitable system and provide an initial quote. This company was selected as they were on Efficiency East Midlands Framework as a provider for solar electricity systems. The company had installed a number of systems locally for councils and housing providers. The authority could benefit from the Efficiency East Midlands Framework and due to the cost of the works it would be necessary to procure the works by mini tender competition.

Moved by Councillor D Kelly and seconded by Councillor B R Murray-Carr

RESOLVED that:-

- (1) A 50kWh photovoltaic system be installed at The Arc.
- (2) A mini competition procurement process is undertaken using the Efficiency East Midlands Framework to appoint a suitable contractor.
- (3) Appropriate funding for the project be allocated from the Efficiency Grant.

EXECUTIVE

- (4) Resolutions (1) – (3) be made subject to a satisfactory structural survey being carried out.

REASON FOR DECISION: In the interests of environmental efficiency and cost effectiveness.

OTHER OPTIONS CONSIDERED: Not progressing the option outlined in the report would leave the Council open to future energy price rises and carbon footprint increase.

(Director of Health and Well Being)

0729. EXEMPT – PARAGRAPH 3 AND 4 TANKER SERVICE CESSATION

Executive considered a report of the Streetscene Services Manager which proposed changes to the direct provision of septic tanks and cesspool emptying from the end of March 2014.

The Council provided a chargeable cesspool and septic tank emptying service to households who were not connected to the main drains and/or sewers. It was found that resources employed in undertaking the tanker service were not fully utilised to the extent the Council subsidised it. The operational tanker vehicle employed in the service fell due for replacement in February 2014 and if replaced would need to be financed over a seven year period.

The service had previously met a demand from 151 customers but this had fallen to 113 customers, the equivalent of a 25% reduction. The vehicle was able to operate on 207 effective annual days in 2012/13 but only operated on 65 days, yielding effective utilisation of 31%. Utilisation at the time the vehicle was replaced in 2006 stood at 50%.

Arising from the ongoing reduced demand for the service, it was proposed not to replace the tanker vehicle and cease direct service provision from the end of March 2014 prior to which customers would need to arrange alternative service provision. Subject to cessation of the service delivery ending March 2014 being agreed, the tanker vehicle's lease would be extended to the end of March 2014.

Existing staff working on the tanker service would be redeployed to other streetscene services.

Moved by Councillor D Kelly and seconded by Councillor B R Murray-Carr.

RESOLVED that the Council:-

- (1) Ceases in direct provision of a septic tanks and cesspool emptying service at ending March 2014.

EXECUTIVE

- (2) The current tanker vehicles not be replaced on falling due at February 2014; rather, its finance lease be extended up to ending March 2014, after which its lease would be permanently terminated.
- (3) The Council's septic tank and cesspool customers be advised of the decision to cease in direct service provision and the Waste Services Team arrange customer service needs via other external providers.

REASON FOR DECISION:

Reducing demand and trading viability resulting in subsidy from the General Fund.

OTHER OPTIONS CONSIDERED:

Consideration was given to promoting this service to North East Derbyshire to increase resource utilisation and income. However, due to households having their own arrangements in place and the Council not having a definitive list of households with cesspool or septic tanks no increased demand had been established. Increasing service rates by 44% to meet the true cost of operating the service was considered. However, such an increase would influence customers to seek other service providers and accelerate already reducing demand and viability of the service.

(Streetscene Manager)

The meeting concluded at 1115 hours.