

## EXECUTIVE AGENDA

Monday 14 July 2014 at 1000 hours in the Chamber Suites, The Arc, Clowne

Item No.		Page No.(s)
	<b>PART 1 – OPEN ITEMS</b>	
1	<b>Apologies for absence</b>	
2	<b>Urgent Items of Business</b>  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	<b>Declarations of Interest</b>  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	<b>Minutes</b>  To approve the minutes of a meeting of the Executive held on 16 June 2014	Previously circulated
5	<b>Recommended Items From Other Standing Committees</b>  None.	
6	Working Neighbourhoods Fund and Work and Skills Plan Update – April 2013 to March 2014 <b><i>Recommendation on page 5, appendix enclosed</i></b>	4-6
7*	Financial Outturn 2013-14 <b><i>Recommendations on page 19</i></b>	7-42

8	Disposals and Acquisitions Policy <b><i>Recommendation on page 44</i></b>	43-65
9	Disposals of Properties <b><i>Recommendations on page 67</i></b>	66-75
10	Request for Leisure Facilities Proposals Consultation Costs to be met from Efficiency Grant <b><i>Recommendations on page 78</i></b>	76-78
11*	Pleasley Vale Potential Funding Claw Back <b><i>Recommendations on page 86</i></b>	79-88
12	Arrears - Irrecoverable Items over £1,000 <b><i>Recommendation on page 90</i></b>	89-96
13	New Bolsover Project – Use of Dwelling <b><i>Recommendation on page 98</i></b>	97-99
14	Strategic Risk Register <b><i>Recommendation on page 103</i></b>	100-107
15	<b>PART 2 – EXEMPT ITEMS</b>  <b><i>The Local Government (Access to Information) Act 1985, Local Government Act 1972, Part 1, Schedule 12a.</i></b>  <u>Paragraph 3</u>	
16	Arrears - Irrecoverable Items over £1,000 <b><i>Recommendation on page 109</i></b>	108-111

\* Denotes Key Decision

**Bolsover District Council**

**Executive**

**14 July 2014**

**Working Neighbourhoods Fund and Work & Skills Plan Update – April 2013  
to March 2014**

**Report of the Chief Executive's & Partnership Manager**  
**(Portfolio Holder: Cllr A Tomlinson)**

This report is public

**Purpose of the Report**

- Executive Members will recall the Authority's award of Working Neighbourhoods Fund in 2008 (Minute No. 886 refers). The Working Neighbourhoods Fund (WNF) was introduced as part of the Local Government Finance Settlement and was paid as one element of the Area Based Grant. It provides resources to local authorities to tackle worklessness and low levels of skills and enterprise in their most deprived areas. The WNF allocation to Bolsover District Council was £7,066,100.
- All WNF has now been received by the Council as it was paid over the 2008-11 period. As the WNF is non-ringfenced it has been carried into future years to enable interventions and their impact to continue in the District.
- The attached report titled 'Working Neighbourhoods Fund and Work & Skills Plan – 2013/14 End of Year Report' provides:
  - An updated spend/financial position for WNF monies allocated to the Council and Bolsover Partnership for the year ending March 2014;
  - An outline of activity currently taking place in relation to WNF planning, commissioning, and future activity in relation to securing additional funding;
  - Details of other initiatives that are currently being worked on that impact on the Work and Skills agenda;
  - An update on unemployment statistics for the district including an analysis of the National Indicator (NI) 153, Job Seekers Allowance claimant counts, the number of 16-18 year olds Not in Employment, Employment or Training (NEET) and employment/economic changes;
  - Case studies of individuals assisted by WNF funded activities during 2012/13, highlighting the support and help that people have received and how it has made a difference to their lives;
  - An updated Work and Skills plan for the period ending March 2014.

## **1 Report Details**

1.1 Please see attached report.

## **2 Conclusions and Reasons for Recommendation**

2.1 To ensure that WNF is targeted to best effect.

## **3 Consultation and Equality Impact**

3.1 The Joint Chief Executive Officer, Leader and Deputy Leader of the Council – Cabinet Member for Regeneration have been consulted.

## **4 Alternative Options and Reasons for Rejection**

4.1 None.

## **5 Implications**

None.

### **5.1 Finance and Risk Implications**

As detailed in the report.

### **5.2 Legal Implications including Data Protection**

None.

### **5.3 Human Resources Implications**

None.

## **6 Recommendations**

6.1 That the report be received.

## **7 Decision Information**

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	Yes
<b>District Wards Affected</b>	All
<b>Links to Corporate Plan priorities or Policy Framework</b>	REGENERATION – Developing healthy, prosperous and sustainable

	communities. The use of Working Neighbourhoods Fund affects the wider determinants of Worklessness by commissioning activity that takes account of the effects upon the wellbeing of residents in local communities in respect of their health, wealth and secure employment; all of which contributes to building sustainable communities in the district.
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## 8 Document Information

Appendix No	Title
	Working Neighbourhoods Fund and Work & Skills Plan 2013/14 End of Year Report
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Laura Khella	01246 242302

Report Reference –

## BDC GENERAL FUND SUMMARY 2013/14

## APPENDIX A

	As per Exec 3/2/14						
	A	B	C	D	E	F	G
	Original Budget 2013/14 £	Revised Budget 2013/14 £	Current Budget 2013/14 £	Grant and Reserve Adjustments 2013/14 £	Adjusted Current Budget 2013/14 £	Actual 2013/14 £	Variance 2013/14 £
<b>Directorate</b>							
Chief Executive	2,138,555	2,139,361	2,357,388	(93,874)	2,263,514	2,208,397	(55,117)
Development	2,128,831	2,197,325	2,346,988	(563,669)	1,783,319	1,436,193	(347,126)
Health and Wellbeing	2,095,212	2,085,412	2,044,990	(513,413)	1,531,577	1,480,070	(51,507)
Neighbourhoods	3,402,141	3,402,141	3,628,052	(13,212)	3,614,840	3,607,992	(6,848)
Corporate Resources	3,940,998	3,908,762	3,840,450	(60,981)	3,779,469	3,852,447	72,978
Recharges to HRA and capital	(3,442,220)	(3,442,220)	(3,442,220)	0	(3,442,220)	(3,442,220)	0
<b>Net Cost of Services</b>	<b>10,263,517</b>	<b>10,290,781</b>	<b>10,775,648</b>	<b>(1,245,149)</b>	<b>9,530,499</b>	<b>9,142,879</b>	<b>(387,620)</b>
<b>Debt Charges</b>	<b>937,396</b>	<b>937,396</b>	<b>937,395</b>	<b>0</b>	<b>937,395</b>	<b>895,204</b>	<b>(42,191)</b>
<b>Investment Interest</b>	<b>(70,902)</b>	<b>(70,902)</b>	<b>(70,901)</b>	<b>0</b>	<b>(70,901)</b>	<b>(135,874)</b>	<b>(64,973)</b>
Transfer to Balances	275,677	248,413	339,139	0	339,139	257,257	(81,882)
	<b>11,405,688</b>	<b>11,405,688</b>	<b>11,981,281</b>	<b>(1,245,149)</b>	<b>10,736,132</b>	<b>10,159,466</b>	<b>(576,666)</b>
<b>Appropriations:</b>							
<b>Contributions to Reserves:</b>							
ICT & Office Equipment	75,250	75,250	75,250	0	75,250	75,250	0
Local Development Scheme	40,000	40,000	40,000	0	40,000	40,000	0
Vehicle Replacement Reserve	12,600	12,600	12,600	0	12,600	12,600	0
GF Insurance Reserve	90,000	90,000	90,000	(21,701)	68,299	68,299	0
IT Reserve	0	0	0	0	0	50,000	50,000
Legal Costs Reserve	0	0	0	0	0	68,237	68,237
General Reserve	0	0	0	0	0	50,000	50,000
Transformation Reserve	0	0	0	0	0	705,358	705,358
Efficiency Grant	0	0	0	1,392,907	1,392,907	1,392,907	0
<b>Sub Total - Contributions to Reserves:</b>	<b>217,850</b>	<b>217,850</b>	<b>217,850</b>	<b>1,371,206</b>	<b>1,589,056</b>	<b>2,462,651</b>	<b>873,595</b>

**BDC GENERAL FUND SUMMARY 2013/14**

**APPENDIX A**

	As per Exec 3/2/14						
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	Original Budget 2013/14 £	Revised Budget 2013/14 £	Current Budget 2013/14 £	Grant and Reserve Adjustments 2013/14 £	Adjusted Current Budget 2013/14 £	Actual 2013/14 £	Variance 2013/14 £
<u>Contribution from Earmarked Reserves:</u>							
Transformation Reserve - 9704	(46,739)	(46,739)	(78,129)	32,365	(45,764)	(45,764)	0
General Reserve - 9706	(139,496)	(139,496)	(139,496)	111,776	(27,720)	(27,720)	0
ICT/ Office Equip. Reserve - 9708	(4,506)	(4,506)	(4,506)	4,506	0	0	0
Legal Cost Reserve - 9710	0	0	(1,325)	0	(1,325)	(1,325)	0
Local Development Fund - 9712	(53,417)	(53,417)	(76,017)	45,730	(30,287)	(30,287)	0
Planning Delivery Grant - 9714	(16,515)	(16,515)	(16,515)	0	(16,515)	(16,515)	0
Efficiency Grant - 9718	(385,479)	(385,479)	(699,475)	(335,548)	(1,035,023)	(1,114,198)	(79,175)
Vehicle, Plant + Equip. Reserve - 9720	(23,000)	(23,000)	(23,000)	3,625	(19,375)	(19,375)	0
Transition Fund - 9722	(230,092)	(230,092)	(380,264)	380,264	0	0	0
<b>Sub Total - Contribn from Earmarked Res</b>	<b>(899,244)</b>	<b>(899,244)</b>	<b>(1,418,727)</b>	<b>242,718</b>	<b>(1,176,009)</b>	<b>(1,255,184)</b>	<b>(79,175)</b>
<u>Contribution (from)/to Holding Accounts</u>	(112,144)	(112,144)	(168,255)	182,561	14,306	14,306	0
<u>Contribution from S106 Holding A/cs</u>	(801,894)	(801,894)	(801,894)	807,349	5,455	5,455	0
<b>TOTAL EXPENDITURE</b>	<b>9,810,256</b>	<b>9,810,256</b>	<b>9,810,255</b>	<b>1,358,685</b>	<b>11,168,940</b>	<b>11,386,694</b>	<b>217,754</b>
Parish Precepts	2,144,612	2,144,612	2,144,612		2,144,612	2,144,612	0
Council Tax Support Grant - Parish	423,487	423,487	423,487		423,487	423,487	0
8.5% Grant limitation	11,491	11,491	11,491		11,491	11,490	(1)
<b>TOTAL SPENDING REQUIREMENT</b>	<b>12,389,846</b>	<b>12,389,846</b>	<b>12,389,845</b>	<b>1,358,685</b>	<b>13,748,530</b>	<b>13,966,283</b>	<b>217,753</b>
<u>Revenue Support Grant</u>	(3,842,732)	(3,842,732)	(3,842,732)		(3,842,732)	(3,865,581)	(22,849)
Council Tax Freeze Grant (13/14)	(36,052)	(36,052)	(36,052)		(36,052)	(36,052)	0
<u>Business Rates Retention</u>	(2,556,465)	(2,556,465)	(2,556,465)		(2,556,465)	(2,556,465)	0
NNDR Growth 13/14	(155,079)	(155,079)	(155,079)		(155,079)	(81,025)	74,054
NNDR Collection Fund Deficit		0	0	0	0	0	0
Small Business Rate Relief S31 grant					0	(232,430)	(232,430)

## BDC GENERAL FUND SUMMARY 2013/14

## APPENDIX A

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	A	B	C	D	E	F	G
	Original Budget 2013/14 £	Revised Budget 2013/14 £	Current Budget 2013/14 £	Grant and Reserve Adjustments 2013/14 £	Adjusted Current Budget 2013/14 £	Actual 2013/14 £	Variance 2013/14 £
New Homes Bonus Grant 11/12	(117,312)	(117,312)	(117,312)		(117,312)	(117,312)	0
New Homes Bonus Grant 12/13	(193,346)	(193,346)	(193,346)		(193,346)	(193,346)	0
New Homes Bonus Grant 13/14	(191,308)	(191,308)	(191,308)		(191,308)	(191,308)	0
COUNCIL TAX - BDC precept	(3,064,877)	(3,064,877)	(3,064,877)		(3,064,877)	(3,064,877)	0
8.5% Grant limitation	(27,850)	(27,850)	(27,850)		(27,850)	(27,850)	0
Council tax - Parish element from above	(2,144,612)	(2,144,612)	(2,144,612)		(2,144,612)	(2,144,612)	0
Council Tax - New Burdens Funding	(60,212)	(60,212)	(60,212)		(60,212)	(60,212)	0
Efficiency Grant + Reward				(1,329,668)	(1,329,668)	(1,329,668)	0
Misc Un-ringfenced grants				(16,402)	(16,402)	(16,402)	0
Recognised Capital Grants and Contributions				(235,600)	(235,600)	(235,600)	0
Financial Instruments Impairment (G953)					0	(36,528)	(36,528)
MIRS Reversals Cap Adj Acc (G954)				0	0	0	0
MIRS Cap Grants Unapplied				222,985	222,985	222,985	0
MIRS Collection Fund Adjust Account				0	0	0	0
<b>TOTAL FUNDING</b>	<b>(12,389,845)</b>	<b>(12,389,845)</b>	<b>(12,389,845)</b>	<b>(1,358,685)</b>	<b>(13,748,530)</b>	<b>(13,966,283)</b>	<b>(217,753)</b>
<b>BALANCE - check</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>
<u>General Fund Balances</u>							
Opening Balance 1 April	(1,442,814)	(1,442,814)	(1,442,814)		(1,442,814)	(1,442,814)	0
Transfer (to)/from balances	(275,677)	(248,413)	(339,139)		(339,139)	(257,257)	81,882
<b>Closing Balance 31 March</b>	<b>(1,718,491)</b>	<b>(1,691,227)</b>	<b>(1,781,953)</b>		<b>(1,781,953)</b>	<b>(1,700,071)</b>	<b>81,882</b>



**Bolsover District Council**

**Executive**

**14 July 2014**

**Financial Outturn 2013-14**

**Report of the Section 151 Officer (Portfolio Holder: Cllr E Watts)**

This report is public

**Purpose of Report**

- To inform Executive of the financial outturn position of the Council in respect of the 2013/14 financial year.

**1 Background Information**

- 1.1 The Council has closed its financial accounts for 2013/14 in line with the required deadline of 30 June 2014. The draft Statement of Accounts 2013/14 is now subject to independent audit from the Council's external auditors, KPMG. Until the accounts have been agreed by our external auditors, which will take place before 30 September 2014, there remains the possibility that they will be subject to amendment.
- 1.2 Members should note that the Council's Draft Statement of Accounts in respect of 2013/14 was signed as complete by the Council's Chief Financial Officer (Executive Director – Operations) at the end of June 2014. The final audited accounts will be reported to and approved by the Audit Committee at its meeting of 24th September 2014.
- 1.3 International Financial Reporting Standards (IFRS) dictates that the main focus of the Statement of Accounts is on reporting to the public in a format which is directly comparable with every country that has adopted IFRS i.e. not just UK or even other local authorities. In contrast the focus of this report is on providing management information to Members and other stakeholders to assist in the financial management of the Council.
- 1.4 The following sections of this report will consider the 2013/14 outturn position in respect of the General Fund Revenue Account, the Housing Revenue Account (HRA), the Council's Capital Investment Programme and Treasury Management activities. Within the report consideration is given to the level of balances at the year end, to any impact on the Council's Medium Term Financial Plan of the outturn position, and an assessment of the impact which the closing position has upon the Council's budgets in respect of the current financial year.

- 1.5. Appendix F provides an outline of the level of usable financial balances as at 31<sup>st</sup> March 2014.

## **2 Issues for Consideration**

### **2.1 General Fund Revenue Account**

The position in respect of the General Fund outturn is detailed in **Appendix A** attached to this report. The appendix shows the Original Budget that was set in February 2013 based on the Management Structure of the Council at that time. This structure has been in place for the majority of the financial year and all budget monitoring during the year has been based on this structure. The Appendix also shows the Revised Budget that was approved in November 2013. During the period between the approval of the Revised Budgets and the end of the financial year budget changes were processed by the Accountancy Section to track where financial savings were identified, budget transfer (virement) requests were agreed and Executive/Council approved items with financial implications. These movements are tracked within the financial management system and monitored within the "Current Budget". This is the budget that all budget officers use to manage their cost centres. It is therefore appropriate to show the Original Budget the Revised Budget and the Current Budget for 2013/14. Within the report the actual outturn position is monitored against the latest Current Budget used in 2013/14.

- 2.2 One further adjustment has been undertaken in the appendix in order to present a clearer outturn position to Members. This adjustment is to the current budget for expenditure that was planned to have been financed from resources held in grant accounts, holding accounts, S106 accounts and certain reserves. The adjustments reflect where this expenditure has not been incurred and therefore the use of the financing was not required. This adjustment does not impact on the bottom line for the Council but if not adjusted would distort the underlying variance position.

- 2.3 In summary it can be seen on **Appendix A** that there has been an under spend in the year on the provision of services of £0.387m (column G). This position has arisen from under spending on budgets, additional income and efficiency savings. With respect to the detailed variances behind the summary figures these are presented at **Appendix B**. Comments have been added in **Appendix B** to show the reasons for the main variances on each cost centre.

- 2.4 The improvement in the Council's financial position was achieved by a combination of factors:

- The availability of Efficiency Grant to support transformation and restructuring costs.
- Budget managers exercising tight management control over their budgets. Expenditure has only been incurred where the services have a genuine need to incur the costs to provide the services required.
- The general upturn in the economy; particularly in relation to planning fees and NNDR business rates retention.

- Good financial management of resources (debt charges and investment interest).

- 2.5 After taking into account the variances on capital financing transactions and treasury management activity (Debt Charges and Investment Interest) the under spend is increased by £0.107m (debt charges £0.042m, Investment interest £0.065) to £0.494m.
- 2.6 In a small number of service areas work that was planned to be undertaken in the 2013/14 financial year has been delayed and there is a request from the cost centre managers to carry forward the approved budgets for this work into 2014/15. The total cost of these carry forward budget requests comes to £0.044m. It is proposed that the carry forward requests are transferred from the "General" earmarked reserve and placed into a carry forward budget reserve so that the approved and committed work can be continued in 2014/15. The reserve will be managed by the Accountancy Section and be drawn down into the 2014/15 budget as the expenditure on these schemes is required by the relevant cost centre manager.
- 2.7 The bottom half of **Appendix A** shows the funding outturn position for the financial year.

#### Revenue Support Grant

The Council received a late notification of additional Revenue Support Grant from the Government (£0.023m).

#### Business Rates Retention - NNDR

The overall position regarding Business Rates retention for the first year of the new NNDR arrangements shows a net gain for the Council of £0.158m above the budgeted sum. While there was a shortfall of £0.074m against the growth projection this was offset by the receipt of a new grant for Small Business Rate relief of £0.232m. It was unclear at the time of setting the NNDR Business Rate Retention budgets of the accounting requirements for the Small Business Rate Relief Grant (i.e. was it within the Collection Fund or General Fund and the mechanism for distribution). The completion of the year end NNDR3 has clarified this position, however, 2013/14 was the first year of the operation of these new arrangements with the Department of Communities and Local Government issuing late notifications on accounting treatment of items and no advice at all on others. Therefore there does remain an element of risk within this area of changes to the final figures as a result of the audit.

#### Financial Instrument Impairment

The Council has completed the sale of its investment in Icelandic Banks during 2013/14. Over the last few years the accounting regulations have required the Council to write down the carrying value of its investment and charges to the General Fund have been put through the accounts each year end. The sale of the investment during the year has enabled the final transaction to be accounted for which results in a small reversal of previous impairment transactions of £0.034m.

The overall funding position for the Council in 2013/14 is therefore better than expected with a net favourable variance of £0.218m.

2.8 The overall net position to the Council is summarised as follows:

<b>Summary General Fund</b>	<b>Comment</b>	<b>£,000</b>
Service Provision	Net under spend	(0.388)
Debt Charges	Reduced borrowing costs	(0.042)
Investment interest	Increased level of investments	(0.065)
Revenue Support Grant	Additional Grant allocation	(0.023)
Business Rates Retention	Net increase in NNDR share	(0.158)
Financial Instruments	Final Adjustment	(0.036)
<b>Total Favourable Variances</b>		<b>(0.712)</b>

The distribution of the £0.712m favourable variance sum is set out below within the Financial Reserves and General Fund Balances Sections of the report.

## 2.9 Financial Reserves

### Use of Reserves

During 2013/14 the Council has approved the use of various earmarked reserves. The use of earmarked reserves in 2013/14 is £1.255m which is £0.079m higher than anticipated due to the increased costs associated with the delayed sale completion of Sherwood Lodge. This additional amount was transferred from the Efficiency Grant Reserve. Full detail of the use of reserves during 2013/14 is shown in **Appendix A**. It can be seen that the Council has made significant use of the Efficiency Grant that it received in 2013/14. This has enabled the Council to finance significant organisational costs that otherwise would have needed to be met by the General Fund.

### Transfer to Reserves

After allowing for the planned use of reserves (£1.589m), the additional drawdown of £0.079m from the Efficiency Grant (detailed above) and the movement on General Fund Balances (see below) the sum available for the Council to distribute is £0.873m (£0.712m + £0.079m + £0.082m). The Section 151 officer has reviewed the level of earmarked reserves and assessed the current risks faced by the Council and has made the following contributions to Earmarked Reserves.

<b>Earmarked Reserve</b>	<b>Comments</b>	<b>Contribution £</b>
ICT Reserve	Expenditure on ICT projects and improvements during 2013/14 has fully used the available balance within the reserve and has resulted in some prudential borrowing requirements. Therefore the proposal is to increase the reserve to meet some of the planned ICT improvements of the Council and minimise the future need for prudential borrowing.	50,000
Legal Costs Reserve	To meet any unforeseen legal costs of the Council.	68,237
General Reserve	The risk associated with the NNDR business rates retention is increased as the Council moves above the safety net threshold. The potential risk also identified with the treatment of some items within the final accounts also poses a potential cost risk to the Council. It is therefore proposed to set aside a sum to mitigate some of this risk.	50,000
Transformation Reserve	The balance of the favourable variances is proposed to be transferred to the Transformation Reserve. This reserve is set aside to meet the costs of the Council's Transformation Programme and will be utilised on an Invest to Save basis.	705,358
<b>Total</b>		<b>873,595</b>

## 2.10 General Fund Balances

The position on the level of the Council's General Fund balances is set out in the table given below:

<b>GENERAL FUND</b>	<b>Current Budget £,000</b>	<b>Outturn 2013/14 £,000</b>	<b>Variance to Current Budget £,000</b>
Opening Balance as at 1/04/13	1,443	1,443	0
Transfer in year	339	257	82
<b>Closing Balance as at 31/03/14</b>	<b>1,782</b>	<b>1,700</b>	<b>82</b>

2.11 The level of General Fund Reserves has improved by £0.257m which clearly represents an improved financial position for the Council. This position is welcome but Members should note that the balances are now considered to be at a more appropriate level for a District Council rather than at a generous level. It needs to be recognised that the current level of balances needs to be set against the background of ongoing reductions in the level of Government funding. Against this

background it is crucial that the Council continues to maintain robust budgetary control whilst securing its ongoing savings targets.

- 2.12 Given the current level of balances should either an over spend or an under achievement of income occur then the Council would have a period of time in which to recover the situation. In a situation in which the Council were operating with the minimum level of balances and an overspend or an under achievement of income occurred which took balances to below minimum level then immediate 'crisis' remedial action would need to be considered. Such a response is not conducive to sound financial management but more importantly would have a significant detrimental impact upon the Council's ability to deliver the planned and agreed level of services to local residents. The continued improvement in the level of balances needs to be welcomed as providing the Council with the financial resilience necessary to safeguard local residents against a background of ongoing reductions in Government grant funding. However, Executive will recognise that given a level of General Fund balances of £1.700m, against a requirement to secure some £0.953m of financial savings for 2015/16 (next year) that there is effectively no other option for the Council other than to continue to tackle the underlying budget deficit that it is facing in future financial years.
- 2.13 While the improvement in our balances and reserves is a welcome position the main feature of the 2013/14 financial year is that the Council successfully achieved in full savings that covered the net savings target of £0.884m which had included the loss of Government Grant of £1.393m. These savings have served to reduce the underlying level of expenditure and will continue to benefit the Council in future financial years.
- 2.14 With regard to the general under spend in service provision in 2013/14 it is proposed to review the budget position as part of the ongoing budget monitoring exercise undertaken each quarter of the financial year. Any budget under spends or additional income levels from 2013/14 that are expected to continue in 2014/15 and future years will be identified and reported back to Executive with the request to approve any proposed budget adjustments.
- 2.15 In addition to the level of General Balances which are held in respect of both the HRA and the General Fund the Council has a range of other earmarked balances / reserves. Full details of both the General Fund and HRA usable balances are set out in Appendix F to this report.
- 2.16 While the Council has some £5.195m of General Fund usable reserves the only element of these reserves which are substantially unallocated and free to utilise are those relating to the Transformation Fund which held £3.158m at the end of the previous financial year. Of this amount, however, some £0.250m relates to the carry forward of Efficiency Grant with this funding relating to contractual commitments. The position will be improved by a further £2m when the capital receipts currently outstanding are received. This funding from capital receipts will, however, only be available for capital purposes. Whilst the amount of almost £3m held in the Transformation Fund – once existing commitments are funded – is a significant financial balance it does need to be recognised that while no use of the funding has been agreed by Members there are a number of issues where funding will need to be agreed. These include measures necessary to secure the savings which are needed to address the Council's projected budget shortfall of some £2.2m over the

next 3 years, to support the Growth and Transformation agenda and potentially to provide the match funding that will be necessary to enable work at the Pleasley Vale Mill complex to proceed.

- 2.17 With respect to the HRA the Council has some £3.9m of usable balances. Effectively this funding is held within the 'general' HRA provision to support services and in the New Build Reserve which is fully committed to funding the approved scheme at New Houghton. Although the current level of balances are fully committed there is headroom in excess of £15m to undertake new borrowing on the basis that such borrowing is financially sustainable within the context of the 30 year HRA Business Plan. In addition there is a balance of some £4.166m on the Major Repairs Reserve.

### **3 Housing Revenue Account (HRA)**

- 3.1 The Housing Revenue Account is set in **Appendix C** to this report and comments are provided against a number of budget lines to explain the main variances within the HRA. The Housing Revenue Account position shows overall expenditure was £0.350m below the revised budget (column C) and income some £0.089m less than anticipated, giving a net cost of services favourable variance of £0.261m for the financial year 2013/14. The favourable variance is reduced by increased interest costs (a net £0.034m) and an increase in depreciation costs (£0.134m) arising from the revaluation of all HRA dwellings as at 1 April 2014 which has increased the stock valuation. This brings the favourable variance down to £0.093m. During the year the HRA has met a number of insurance claim excess sums that has cost the HRA £0.073m (this sum is included in Repairs and Maintenance budget line); an equivalent sum has been drawn down from the HRA insurance reserve to cover this cost. The overall position is therefore a net favourable variance of £0.166m. The favourable variance position takes account of the approved transfer to balances of £0.085m indicating that the overall position would have been a surplus on the account of £0.251m. It is proposed to distribute the £0.251m as follows:

- An increase in the transfer to the Major Repairs Reserve of £0.166m from £1.199m to £1.1365m. With this transfer the Major Repairs reserve will have a balance of £4.161m at 31 March 2014. The transfer is to set aside the additional resources to address repairs and refurbishment requirements that are identified following the full stock condition survey. The balance will effectively enable the Council to address the works required whilst minimising the need to undertake any prudential capital borrowing.
- The remainder will be a transfer to HRA balances of £0.085m as planned within the revised budget for 2013/14.

- 3.2 It should also be noted that the HRA has set aside £1.450m this year towards as a contribution to a Capital Development Reserve. This is to meet any major housing projects that the Council approves and for the replacement of HRA vehicles. The balance on these reserves at the end of the financial year is as follows:

HRA development reserve	£1.838m
HRA vehicle reserve	£0.189m

The development reserve is committed to cover the costs of the New Houghton new build scheme which will mean the project will be delivered without any HRA prudential borrowing.

3.3 While the improving position is welcomed Members should note that the level of balances are considered to be at an adequate level based on the level of financial risks facing the HRA following the HRA reform. The Council is continuing to work on delivering the HRA business plan to assist in the overall management of the Housing Revenue Account. Ensuring that the Council manages the resources within these plans will assist in protecting the underlying financial position in respect of future years.

### 3.4 **Impact on Housing Revenue Account Balance**

The impact on the Housing Revenue Account balance is as follows:-

<b>HRA Balances</b>	<b>Revised Budget £,000</b>	<b>Outturn £,000</b>	<b>Variance £,000</b>
Opening Balance as at 1/04/13	(1,776)	(1,776)	0
Surplus in year	(85)	(85)	0
Closing Balance as at 31/03/14	(1,861)	(1,861)	0

3.5 The level of balances held in respect of the HRA have increased in line with the planned position at Revised Budget time; the Chief Financial Officer remains of the view that they remain in line with the level of balances that is necessary for the financial stability of the HRA in the light of the HRA Financial Risk Register.

## 4 **Capital Investment Programme**

4.1 The capital expenditure incurred by the Council in 2013/14 is detailed on a scheme by scheme basis in **Appendix D**. It can be seen from the appendix that the Council's capital spend in the financial year was £3.095m (£1.030m General Fund and £2.065m HRA).

4.2 Overall expenditure was some £5.614m below the revised budget (£3.707m General Fund and £1.907m HRA).

### 4.3 **General Fund Schemes**

Within the General Fund there is one scheme that accounts for the majority of the under spend in the year. This is Project Horizon where the actual spend is £0.241m which is £3.011m below the revised budget. The delay in the completion of the sale of Sherwood Lodge has subsequently delayed the commencement of the next phase of this project (Bolsover Mini Hub).

The Bolsover Public Realm Infrastructure capital project was approved towards the end of the financial year and shows no spend against the approved sum of £0.216m at 31 March 2014.



Other General Fund schemes show a net under spend of £0.480m.

#### 4.4 HRA Schemes

The expenditure on the new build scheme at New Houghton is £1.357m below the revised budget of £2.025m. This relates to the timing of payments under the contract conditions and also around the profiling of the capital budget forecast to be incurred within the year.

Other HRA projects show a net under spend of £0.551m

- 4.5 The impact of the overall under spend is that many of the schemes are included in the proposed carry forward budget requests which are also detailed on **Appendix D**. The total of these requests is £4.970m. This is for individual schemes that are still in progress, where there are outstanding commitments or where the scheme has been delayed.

#### 4.6 Capital Financing

The Capital Programme was financed as follows:-

	<b>Revised Budget 2013/14 £000's</b>	<b>Actual 2013/14 £000's</b>	<b>Variance £000's</b>
<b>HRA</b>			
Major Repairs Reserve	(1,711)	(1,277)	(434)
Capital Receipts (inc 1-4-1 receipts)	0	(341)	341
Capital Grants	(20)	(13)	(7)
Direct from HRA	(10)	(10)	0
HRA Development Reserve	(2,170)	(413)	(1,757)
HRA Development Reserve - vehicles	(61)	(11)	(50)
Prudential Borrowing	0	0	0
<b>Total</b>	<b>(3,972)</b>	<b>(2,065)</b>	<b>(1,907)</b>
<b>General Fund</b>			
Prudential Borrowing – Gen Fund	(609)	0	(609)
Capital Grants and Contributions	(646)	(330)	(316)
Capital Receipts	(3,255)	(587)	(2,668)
Reserves	(227)	(113)	(114)
<b>Total</b>	<b>(4,737)</b>	<b>(1,030)</b>	<b>(3,707)</b>
<b>Grand Total</b>	<b>(8,709)</b>	<b>(3,095)</b>	<b>(5,614)</b>

#### 4.7 HRA Capital Financing

The spending on the HRA programme was £1.907m below the Revised Budget therefore officers have been able to utilise available Council resources when considering the financing of the programme. One key change is the use of

£0.341m of capital receipts to finance some of the new build scheme at New Houghton. The Council has entered into an agreement with the Government to retain a greater proportion of its capital receipts from the Sale of Council Houses on the condition that they are used to support the financing of new council housing. If the additional amount of retained receipts are not applied to a particular scheme within a certain time period the Council is obliged to repay the receipts plus interest. Therefore the application of these receipts in 2013/14 to this scheme satisfies the relevant conditions. No prudential borrowing for the HRA was undertaken in 2013/14.

#### 4.8 General Fund Capital Financing

Officers have sought to minimise the need to undertake prudential borrowing when completing the capital financing of this element of the capital programme. No prudential borrowing for the General Fund was undertaken in 2013/14.

#### 4.9 Capital Receipts

The table below summarises the capital receipts received and used by the Council in 2013/14:

<b>Capital Receipt</b>	<b>Net Receipts in year £000</b>	<b>Available Capital Receipts £000</b>
Available Receipts 1 April 2013		(19)
<b>2013/14</b>		
Sale of Council Houses (32 sales)	(1,308)	
Mortgage Receipts	(5)	
Land at Shirebrook	(3,550)	
Less - Pooling Costs	370	
Less - Allowable Debt (used to repay HRA debt)	556	
Sub- Total		(3,937)
Used for Capital Financing in 2013/14 (see capital financing table above)		928
Used for Capital Financing in 2013/14 (retention sums)		18
Used to repay General Fund debt		3,010
<b>Total Available Receipts 31 March 2014</b>		<b>0</b>

## 5 Treasury Management

5.1 At **Appendix E** is a brief report on the Treasury Management activity of the Council for 2013/14. In summary the Council operated throughout 2013/14 within the Authorised Limit and Operational Boundary limits approved in the Treasury Management strategy approved by the Council in March 2013.

5.2 The key facts from the report are:

- The overall borrowing requirement of the Council is £109.567m at 31 March 2014.
- The PWLB debt is £105.100m
- The finance lease debt is £0.107m
- Effective internal borrowing is £4.360m
- No new PWLB borrowing was undertaken in 2013/14
- The HRA headroom at 31 March 2014 is £15.400m
- PWLB interest paid in 2013/14 was £3.687m
- Interest received on investments is £0.067m
- The Council had £16.4m invested at 31 March 2014
- The Council completed the sale of the Icelandic Investment claim in January 2014.

## **6 Conclusions and Reasons for Recommendation**

### **6.1 General Fund**

The Council's outturn position has allowed the Council to set aside earmarked reserves to address some of the key issues facing the Council over the period of the current Medium Term Financial Plan. In particular the Transformation reserve will provide resources to be utilised on an Invest to Save basis and to meet the new corporate agenda of Growth and Transformation.

### **6.2 HRA**

The HRA continues to operate within the 30 Year Business Plan and MTFP.

### **6.3 Capital Programme**

The Capital Programme details that a number of schemes are ongoing and therefore the funding for these approved schemes will need to be carried forward to 2014/15.

### **6.4 Capital Financing**

Officers have completed the capital financing with no new prudential borrowing undertaken during 2013/14. Where appropriate capital receipts were utilised to finance expenditure to ensure that the conditions attached to these receipts is met by the Council.

### **6.5 Treasury Management**

The Council's Capital Financing Requirement and external debt management are crucial areas of operation that require careful management. Whilst external borrowing enables some of the Council's key capital investment plans to be financed it is important to ensure that the Council only undertakes prudential borrowing when it is affordable. The careful management of the external debt minimises the cost of borrowing to the Council.

## **7 Consultation and Equality Impact**

7.1 The report has no implications within this section.

## **8 Alternative Options and Reasons for Rejection**

- 8.1 The financial outturn report for 2013/14 is primarily a factual report which details the outcome of previously approved budgets therefore there are no alternative options to consider.
- 8.2 The allocation of resources to earmarked reserve accounts has been determined by the Chief financial Officer based on an assessment of the risks and issues currently facing the Council. If these risks do not materialise or are settled at a lower cost than anticipated then the earmarked reserve will be reassessed and returned to general balances to support approved expenditure.

## **9 Implications**

### **9.1 Financial and Risk Implications**

- 9.2 The financial implications are set out within the body of the report.
- 9.3 Members should note that the budgets against which we have monitored the 2013/14 outturn were those agreed within the Council's Medium Term Financial Plan. The Medium Term Financial Plan gave careful consideration to both the affordability of the budgets that were approved, and to ensuring that the level of balances remained adequate for purposes of enabling sound financial management. The fact that the outturn position for 2013/14 indicates that these financial targets have been achieved, gives the Council a firm foundation from which to achieve the service delivery and financial targets approved within the current Medium Term Financial Plan.
- 9.4 The issue of Financial Risk is covered throughout the report. The risk of not achieving a balanced budget, together with the risk that the Council's level of financial balances will be further eroded are currently key corporate risks identified on the Council's Strategic Risk Register. The outturn report shows that the Council's approach to mitigating these risks during 2013/14 has been successful, with our budgets balanced and the level of financial reserves improved.
- 9.5 While the Council has effectively addressed its Strategic Financial Risks during 2013/14 it needs to be recognised that the Council will need to continue to meet a range of challenging savings targets if it is to operate effectively within the financial environment established by the Comprehensive Spending Review.

## **10 Legal Implications including Data Protection**

- 10.1 The Statement of Accounts is required to be prepared by the 30 June each year. The Council has now completed the accounts and they have been signed off by the Chief Financial Officer as at the 30 June 2014 which secures compliance with the Council's legal obligations. There are no legal issues arising directly from this report.

## **11 Human Resources Implications**

- 11.1 There are no Human Resources issues arising directly from this report.

## **12 Recommendations**

- 12.1 That Members note the report and in particular the Council's financial outturn position in respect of 2013/14.

### General Fund

- 12.2 That the budget carry forward requests totalling £44,470 as detailed on **Appendix B** are agreed as a transfer to an earmarked reserve and be drawn down into the 2014/15 budget by the Accountancy Section as required by the relevant budget manager.
- 12.3 That Members note the use of reserves of £1,255,184 as outlined in **Appendix A** to support approved expenditure of the General Fund in 2013/14.
- 12.4 That Members note transfer to various earmarked reserves of £873,595 as outlined in detail in paragraph 2.9 and within **Appendix A**.
- 12.5 That Members note the level of the General Fund balances as £1,700,071.
- 12.6 That Members request the Accountancy Section to undertake a review of the under spend position of 2013/14 with a review to determine where budget changes may be made to the 2014/15 and future budgets. The review is requested to be reported back to Executive by September 2014.

### Housing Revenue Account

- 12.7 Members note the transfer of £166,159 from the HRA to the Major Repairs Reserve.
- 12.8 That Members note the outturn position of the HRA and the level of balances held at 31 March 2014 of £1,861,325.

### Capital Programme

- 12.9 That Members approve the proposed carry forward of capital budgets detailed in Appendix D and totalling £4,970,386.

### Treasury Management

- 12.10 That Members note the Treasury Management reported position as at 31 March 2014.
- 12.11 Members note the remaining outstanding debt in relation to Project Horizon is repaid during 2014/15 as soon as sufficient capital receipts are available.

### Further Reporting

- 12.12 That this report is forwarded to the Audit Committee for its consideration.

**13 Decision Information**

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	Yes
<b>District Wards Affected</b>	All
<b>Links to Corporate Plan priorities or Policy Framework</b>	Ensure residents have confidence in the Council Provide good value, high performing services

**14 Document Information**

<b>Appendix No</b>	<b>Title</b>
A	General Fund Summary 2013/2014
B	General Fund Account Outturn 2013/2014
C	HRA Income and Expenditure Account 2013/2014
D	Capital Programme 2013/14 – 2014/15
E	Treasury Management
F	Summary of Financial Balances as at 31 <sup>st</sup> March 2014.
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Held in Accountancy – Room 222	
<b>Report Author</b>	<b>Contact Number</b>
Geoff Bagnall	X2214

				APPENDIX B				
Monitoring Report 1/4/13 - 31/3/14			Current Budget	Adjusted Current Budget	Actual	Variance	C/F requests	Comments
			£	£	£	£	£	
Direct.								
APP	G909	Cont. to/from Revenue Reserves (G909)	(2,171,025)	432,809	1,227,228	794,419		
APP	G911	Provision for Repayment of External Loan	529,357	529,357	529,357	0		
APP	G913	Precept Demand from Collection Fund (G913)	(5,237,339)	(5,237,339)	(5,237,339)	0		
APP	G914	General Government Grants (G914)	(7,152,506)	(8,498,576)	(8,679,802)	(181,226)		
APP	G916	Interest Received (G916)	(63,138)	(63,138)	(135,350)	(72,212)		
APP	G918	Interest Paid - Bank (G918)	78	78	116	38		
APP	G919	Interest Paid - PWLB (G919)	404,739	404,739	361,510	(43,229)		
APP	G920	Interest Paid - Parish (G920)	1,155	1,155	1,742	587		
APP	G922	Interest Received - Investments (G922)	0	0	(131,830)	(131,830)		
APP	G924	Interest Received - Other (G924)	(4,223)	(4,223)	153,058	157,281		
APP	G925	Internal Interest Received (G925)	2,106	2,106	2,594	488		
APP	G927	Interest Received (G927)	(3,580)	(3,580)	(21,869)	(18,289)		
APP	G928	Local Precepts (G928)	2,579,590	2,579,590	2,579,589	(1)		
APP	G929	HRA contribution to cost of external inter	0	0	0	0		
APP	G930	T/f of General Fund Balance (G930)	339,134	339,134	257,257	(81,877)		
APP	G933	Temporary Investments (G933)	0	0	0	0		
APP	G940	Recognised Capital Grants and Contributi	0	(235,600)	(235,600)	0		
APP	G953	Financial Instruments Impairment (G953)	0	0	(36,528)	(36,528)		
APP	G954	MIRS Reversals Cap Adj Acc (G954)	0	0	0	0		
APP	G956	MIRS Cap Grants Unapplied	0	222,985	222,985	(0)		
APP	G961	MIRS Collection Fund Adjust Account	0	0	0	0		
APP		<b>Total for: Appropriations</b>	<b>(10,775,652)</b>	<b>(9,530,503)</b>	<b>(9,142,882)</b>	<b>387,621</b>	<b>0</b>	

Monitoring Report 1/4/13 - 31/3/14			Current Budget	Adjusted Current Budget	Actual	Variance	C/F requests	Comments
			£	£	£	£	£	
Direct.								
		<b>Chief Executive Directorate</b>						
CEO	G003	Reprographics (printing) (G003)	41,344	41,344	39,174	(2,170)		
CEO	G005	Joint Chief Executive Officer (G005)	81,654	79,024	76,997	(2,027)		
CEO	G006	CEPT (G006)	278,221	210,249	246,294	36,045		revenue grant not received budgeted amount
CEO	G015	Strategy & Performance (G015)	226,431	226,431	218,056	(8,375)		various h + c budgets
CEO	G052	Human Resources & Payroll (G052)	351,839	351,835	322,093	(29,742)		Training £24k, Health + Safety £2k, Software Rental £3,430
CEO	G054	Electoral Registration (G054)	52,840	52,840	41,955	(10,885)		fees £6k and recovered exp. £3k
CEO	G055	Democratic Representation & Managemen	537,025	537,275	530,948	(6,327)		telephone and superann is o/s. u/s members NI, allowance and training
CEO	G056	Land Charges (G056)	52,671	52,677	44,948	(7,729)		H + C £1.6k, income £6.6k
CEO	G057	District Council Elections (G057)	6,660	6,660	6,403	(257)		
CEO	G058	Democratic Services (G058)	200,659	200,836	202,025	1,189		
CEO	G059	Solicitor to the Council (G059)	27,873	27,873	27,869	(4)		
CEO	G060	Legal Services (G060)	408,160	393,965	390,559	(3,406)		salary and related expenditure
CEO	G086	Alliance (G086)	9,250	9,250	7,639	(1,611)		
CEO	G154	ERDF - Work for Yourself (G154)	0	0	0	0		
CEO	G158	Police Commissioners Elections (G158)	0	0	15	15		
CEO	G168	Multifunctional Printers (G168)	59,576	55,070	36,152	(18,918)		hardware rental paid part by capital this year
CEO	G191	Public Health (G191)	2,000	2,000	2,000	0		
CEO	G195	Assist Dir - Governance + Monitoring (G195)	5,448	5,448	5,448	0		
CEO	G198	CEPT Commissioning (G198)	5,000	0	0	0		
CEO	G200	Assist Dir - Customer Services + Improvem	5,083	5,083	4,961	(122)		
CEO	G201	Assist Dir - HR + Payroll (G201)	5,654	5,654	5,746	92		
CEO	G204	CEPT - BIG Lottery Talent Match (G204)	0	0	(885)	(885)		
CEO		<b>Total for: CEO Directorate</b>	<b>2,357,388</b>	<b>2,263,514</b>	<b>2,208,397</b>	<b>(55,117)</b>	<b>0</b>	



	Monitoring Report 1/4/13 - 31/3/14		Current Budget	Adjusted Current Budget	Actual	Variance	C/F requests	Comments
			£	£	£	£	£	
Direct.								
		<b>Development Directorate</b>						
DEV	G018	Public Conveniences (G018)	22,078	22,078	23,105	1,027		H + C
DEV	G029	Markets (G029)	0	0	484	484		utilities
DEV	G050	Joint Director of Development (G050)	41,407	41,407	37,641	(3,766)		various
DEV	G073	Planning Policy (G073)	226,202	180,469	179,632	(837)		
DEV	G074	Planning Development Control (G074)	71,273	53,215	(248,757)	(301,972)	(9,790)	income £279,418, rent £3,330, adv £5,600, Prof fees £2.5
DEV	G076	Planning Enforcement (G076)	67,480	67,480	66,340	(1,140)		
DEV	G079	Planning Services Mgmt & Admin (G079)	53,215	53,215	52,370	(845)		
DEV	G080	Engineering Services (ESRM) (G080)	66,040	65,904	66,376	472		
DEV	G081	Drainage Services (G081)	3,300	3,300	3,300	0		
DEV	G082	Tourism Promotion & Development (G082)	15,002	15,002	15,459	457		
DEV	G083	Building Control Consortium (G083)	118,550	118,550	86,659	(31,891)		
DEV	G085	Economic Development (G085)	121,424	39,669	(33,724)	(73,393)		Partnerships £8,283
DEV	G088	Derbyshire Economic Partnership (G088)	15,000	15,000	15,000	0		
DEV	G089	Premises Development (G089)	(45,354)	(45,354)	(46,011)	(657)		
DEV	G090	Pleasley Vale Mills (G090)	(106,654)	(120,154)	(95,941)	24,213		PPM £5,030, h + C £5,100 + various
DEV	G092	Pleasley Vale Electricity Trading (G092)	(39,840)	(39,840)	(56,481)	(16,641)		
DEV	G093	Sherwood Lodge (G093)	64,634	64,634	74,089	9,455		Rates
DEV	G095	Regeneration Mgmt & Admin (G095)	625,920	625,200	577,660	(47,540)		CBC secondment £25k, leased car payments £4,200, subs £3,195, sals £12,689
DEV	G096	Building Cleaning (General) (G096)	64,052	64,052	62,665	(1,387)		
DEV	G099	Catering (G099)	6,000	6,000	5,645	(355)		
DEV	G127	Development Management & Admin (G127)	48,215	48,215	47,028	(1,187)		
DEV	G132	Planning Conservation (G132)	66,684	66,684	66,632	(52)		
DEV	G133	The Tangent Business Hub (G133)	11,173	14,568	70,246	55,678		Income low £44,863 and most utilites o/spent
DEV	G138	Sherwood Lodge Development (G138)	42,460	41,313	41,313	0		
DEV	G143	Housing Strategy (G143)	34,337	34,337	32,539	(1,798)		
DEV	G144	Enabling (Housing) (G144)	19,186	19,186	19,154	(32)		
DEV	G151	Street Lighting (G151)	6,000	6,000	4,646	(1,354)		R + M

	Monitoring Report 1/4/13 - 31/3/14		Current Budget	Adjusted Current Budget	Actual	Variance	C/F requests	Comments
			£	£	£	£	£	
Direct.								
DEV	G156	The Arc (G156)	260,009	260,009	313,479	53,470		Income £48,533 low, gas + electric o/spent
DEV	G167	Facilities Management (G167)	47,325	47,325	40,466	(6,859)		
DEV	G169	Closed Churchyards (G169)	7,000	7,000	6,955	(45)		
DEV	G171	S106 Education (G171)	305,385	(24,751)	(24,751)	0		
DEV	G172	S106 Affordable Housing (G172)	74,900	0	0	0		
DEV	G193	Economic Dev. Mgmt + Admin (G193)	23,594	22,615	22,368	(247)		
DEV	G194	Assist Dir - Economic Growth (G194)	5,625	5,625	5,609	(16)		
DEV	G196	Assist Dir - Planning + Env. Health (G196)	5,366	5,366	4,998	(368)		
DEV		<b>Total for: Development Directorate</b>	<b>2,346,988</b>	<b>1,783,319</b>	<b>1,436,193</b>	<b>(347,126)</b>	<b>(9,790)</b>	

	Monitoring Report 1/4/13 - 31/3/14		Current Budget	Adjusted Current Budget	Actual	Variance	C/F requests	Comments
			£	£	£	£	£	
Direct.								
		<b>Health and Wellbeing Directorate</b>						
H + W	G010	Neighbourhood Management (G010)	141,947	132,680	123,974	(8,706)		payment to NE
H + W	G017	Private Sector Housing Renewal (G017)	46,103	46,103	103,066	56,963		contra to the underspends
H + W	G020	Public Health (G020)	(1,600)	(14,000)	(14,000)	0		
H + W	G021	Pollution Reduction (G021)	184,890	175,064	168,217	(6,847)		payment to NE
H + W	G022	Health & Safety (G022)	0	0	(292)	(292)		fees and charges
H + W	G023	Pest Control (G023)	43,727	43,727	44,140	413		payment to NE
H + W	G025	Food Safety (G025)	147,287	147,287	133,327	(13,960)		payment to NE
H + W	G026	Animal Welfare (G026)	84,552	84,552	74,836	(9,716)		payment to NE
H + W	G027	Emergency Planning (G027)	15,200	15,200	15,017	(183)		contribution to DCC
H + W	G030	Street Trading (G030)	0	0	(452)	(452)		fees and charges
H + W	G036	Environmental Health Mgmt & Admin (G036)	231,294	231,544	211,893	(19,651)		payment to NE
H + W	G053	Licensing (G053)	(44,250)	(44,250)	(43,384)	866		extra income + payment to NE
H + W	G061	Bolsover Wellness Programme (G061)	(49,874)	(50,345)	(51,532)	(1,187)		salary saving
H + W	G062	Extreme Wheels (G062)	(9,916)	(9,916)	(8,947)	969		income down + freelance cost saved
H + W	G063	Go Football (G063)	10,204	10,204	11,751	1,547		income down + casual staff over
H + W	G064	Bolsover Community Sports Coach Scheme (G064)	34,761	34,761	38,525	3,764		contra to the underspends on G179
H + W	G065	Parks, Playgrounds & Open Spaces (G065)	56,045	56,045	53,797	(2,248)		various small underspends
H + W	G066	Sports Development (G066)	85,336	66,492	66,492	0		
H + W	G067	Culture & Heritage (G067)	52,845	41,182	41,182	(0)		
H + W	G069	Kissingate Leisure Centre (G069)	70,000	70,000	70,000	0		
H + W	G070	Outdoor Sports & Recreation Facilities (G070)	29,261	29,261	19,508	(9,753)		electricity £4,807, casual staff £2,950
H + W	G071	Creswell Leisure Centre (G071)	145,866	145,866	148,675	2,809		income down + utilities underspent
H + W	G072	Leisure Services Mgmt & Admin (G072)	167,973	169,271	165,855	(3,416)		income down + various underspends
H + W	G107	Home Improvement Agency (G107)	4,880	3,134	3,704	570		payment to NE
H + W	G112	Frederick Gents School Community Use (G112)	20,287	9,468	9,468	0		
H + W	G125	S106 Percent for Art (G125)	135,439	(5,455)	(5,455)	0		

	Monitoring Report 1/4/13 - 31/3/14		Current Budget	Adjusted Current Budget	Actual	Variance	C/F requests	Comments
			£	£	£	£	£	
Direct.								
H + W	G126	S106 Formal and Informal Recreation (G1	113,569	(5,020)	(5,020)	0		
H + W	G139	Director of Health & Wellbeing (G139)	40,883	40,883	40,251	(632)		payment to NE
H + W	G145	Handy Van Service (G145)	10,681	10,681	(9,400)	(20,081)		payment to NE
H + W	G146	Pleasley Vale Outdoor Activity Centre (G1	48,654	45,470	50,024	4,554		income down + various underspends
H + W	G160	Clowne Leisure Centre (G160)	25,929	25,921	12,036	(13,885)		increased income + overtime savings
H + W	G170	S106 Outdoor Sports (G170)	147,850	(19,242)	(19,242)	0		
H + W	G173	SE Community Sports Activation Fund (G1	(250)	(250)	3	253		
H + W	G176	Affordable Warmth	28,712	28,712	19,879	(8,833)		payment to NE
H + W	G179	Street Sports (G179)	3,000	3,000	(1,089)	(4,089)		payment to NE
H + W	G180	Special Events	0	1,111	1,111	0		
H + W	G181	BLACA	9,432	6,049	6,049	0		
H + W	G182	Village Games	14	(8,571)	(8,571)	0		
H + W	G183	Rounders	245	209	209	0		
H + W	G184	SE Return 2 Sport	373	2,946	2,946	0		
H + W	G185	Club Link Makers	0	(1,225)	(1,225)	0		
H + W	G186	PL4S Satellite Programme	0	77	77	0		
H + W	G189	Executive Director - Transformation (G18	8,177	8,177	8,359	182		payment to NE
H + W	G202	Assist Dir - Leisure (G202)	5,464	5,464	4,998	(466)		payment to NE
H + W	G203	Sportivate (G203)	0	(690)	(690)	0		
H + W		<b>Total for: Health + Wellbeing Directorate</b>	<b>2,044,990</b>	<b>1,531,577</b>	<b>1,480,070</b>	<b>(51,507)</b>	<b>0</b>	

Monitoring Report 1/4/13 - 31/3/14			Current Budget	Adjusted Current Budget	Actual	Variance	C/F requests	Comments
			£	£	£	£	£	
Direct.								
		<b>Neighbourhoods Directorate</b>						
NEI	G007	Community Safety - Crime Reduction (G007)	48,194	49,232	48,396	(836)		various
NEI	G013	Community Action Network (G013)	216,793	216,793	214,182	(2,611)		various
NEI	G024	Street Cleansing (G024)	363,366	361,822	364,841	3,019		mainly equipment
NEI	G028	Waste Collection (G028)	1,057,892	1,064,930	1,078,293	13,363		income down + staff overspends
NEI	G032	Grounds Maintenance (G032)	524,874	519,509	536,334	16,825		Income down £8,730, Staff £5,080, equipment £2,660
NEI	G033	Vehicle Fleet (G033)	714,466	718,478	745,011	26,533		Income up £6,480, diesel £10,331 over, H+C £21,930
NEI	G046	Homelessness (G046)	136,728	136,728	129,641	(7,087)		Bed + breakfast underspent
NEI	G048	Town Centre Housing (G048)	(23,000)	(23,000)	(25,687)	(2,687)		Income up
NEI	G094	Joint Director of Neighbourhood Services	128,375	127,712	127,565	(147)		
NEI	G097	Groundwork & Drainage Operations (G097)	46,641	46,641	48,295	1,654		various
NEI	G106	Housing Anti Social Behaviour (G106)	65,600	65,600	65,989	389		various
NEI	G113	Parenting Practitioner (G113)	647	647	647	0		
NEI	G123	Riverside Depot (G123)	161,970	161,970	164,623	2,653		Income up £1,515, Gas + electric £6,139 over
NEI	G124	Street Servs Mgmt & Admin (G124)	59,407	59,407	58,203	(1,204)		stationery
NEI	G128	Neighbourhoods Management & Admin (G128)	78,840	78,840	78,525	(315)		NI
NEI	G135	Domestic Violence Worker (G135)	38,029	38,371	37,525	(846)		mileage
NEI	G142	Community Safety - CCTV (G142)	71,270	53,200	18,518	(34,682)	(34,680)	to carry forward to 14/15
NEI	G147	Waste Disposal (G147)	0	0	0	0		
NEI	G148	Trade Waste (G148)	(72,236)	(72,236)	(72,439)	(203)		Income down £6,626, payment to NE £1,815 over
NEI	G149	Recycling (G149)	(3,352)	(3,352)	(23,395)	(20,043)		income up £40,530, H+C over £20,365
NEI	G150	Waste Minimisation (G150)	500	500	0	(500)		budget reduction for future years
NEI	G153	Housing Advice (G153)	8,159	8,159	8,105	(54)		
NEI	G166	Green Waste (G166)	0	0	0	0		
NEI	G199	Assist Dir - Street Scene (G199)	4,889	4,889	4,820	(69)		
NEI		<b>Total for: Neighbourhoods Directorate</b>	<b>3,628,052</b>	<b>3,614,840</b>	<b>3,607,992</b>	<b>(6,848)</b>	<b>(34,680)</b>	

	Monitoring Report 1/4/13 - 31/3/14		Current Budget	Adjusted Current Budget	Actual	Variance	C/F requests	Comments
			£	£	£	£	£	
Direct.								
		<b>Corporate Resources Directorate</b>						
RES	G001	Audit Services (G001)	122,200	122,200	89,727	(32,473)		payment for service reduced
RES	G002	I.C.T. (G002)	682,230	682,230	610,017	(72,213)		payment for service reduced £14,747, increase in recovered exp £12,087, H+C £11,045, Equipment £5,735, software + hardware £34,328
RES	G014	Customer Contact Service (G014)	736,537	712,631	728,079	15,448		overtime £4,089, PPM £1,000
RES	G038	Concessionary Fares & TV Licenses (G038)	(6,924)	(6,924)	(7,494)	(570)		payment to applicants for TV licences reduced
RES	G040	Corporate Management (G040)	133,455	133,455	123,561	(9,894)		Audit fees refund £9,000 for 12/13 + reduction in year, bank fees over spent
RES	G041	Non Distributed Costs (G041)	1,253,800	1,253,800	1,246,777	(7,023)		Added years invoice less than budget
RES	G043	Joint Director of Corporate Resources (G043)	40,736	40,736	40,257	(479)		payment to NE
RES	G044	Financial Services (G044)	373,025	348,585	342,794	(5,791)		Salary £3,245, software purchase £1,060, income £893
RES	G100	Benefits (G100)	214,517	214,517	259,342	44,825		Increase in bad debt prov £47,110, various net unders.
RES	G103	Council Tax / NNDR (G103)	243,535	244,976	210,498	(34,478)		Income from collection fund costs £30,000 higher, external printing £2,600 under
RES	G104	Sundry Debtors (G104)	77,307	77,307	77,361	54		
RES	G111	Shared Procurement Unit (G111)	35,905	35,903	36,756	853		subscription paid by BDC for credit checks
RES	G155	Customer Services (G155)	115,992	102,042	101,895	(147)		
RES	G159	Council Tax Benefit Reform (G159)	(8,100)	(8,224)	(8,124)	100		
RES	G161	Rent Rebates (G161)	(55,504)	(55,504)	(88,456)	(32,952)		net position on rebates is better than budget
RES	G162	Rent Allowances (G162)	(131,575)	(131,575)	75,561	207,136		net position on rent allowances is worse than budget
RES	G164	Support Recharges (G164)	(3,442,220)	(3,442,220)	(3,442,220)	0		
RES	G177	Discretionary Housing Payments (G177)	0	0	0	0		
RES	G190	Executive Director - Operations (G190)	8,144	8,144	8,448	304		payment to NE
RES	G197	Assist Dir - Finance, Revenues + Benefits (G197)	5,170	5,170	5,448	278		payment to NE
RES		<b>Total for: Resources Directorate</b>	<b>398,230</b>	<b>337,249</b>	<b>410,227</b>	<b>72,978</b>	<b>0</b>	
		<b>Total for: General Fund</b>	<b>(4)</b>	<b>(4)</b>	<b>(3)</b>	<b>1</b>	<b>(44,470)</b>	

## BDC Housing Revenue Account 2013/14

## APPENDIX C

Description	A	B	C	Comments - main variances
	Revised Budget £	Actual £	Variance £	
<b>Expenditure</b>				
Repairs and Maintenance	4,397,116	4,574,597	177,481	Sub contractors +£122k, Insurance claim excess £74k
Supervision and Management	4,741,050	4,426,397	(314,653)	Stock Condition Survey reduced costs - £235k
Special Services	688,011	551,221	(136,790)	reduced utility costs - £98k
Supporting People	784,455	759,661	(24,794)	
Tenants Participation	87,561	76,575	(10,986)	
Provision for Doubtful Debts	200,000	158,765	(41,235)	Year end assessment - reduced provision reqd
Debt Management Expenses	10,500	11,125	625	
<b>Total Expenditure</b>	<b>10,908,693</b>	<b>10,558,342</b>	<b>(350,351)</b>	
<b>Income</b>				
Rents	(19,535,450)	(19,258,729)	276,721	Voids level higher than anticipated/sales of Council Houses
Garage Rents	(366,000)	(388,715)	(22,715)	
Supporting People	(837,500)	(843,670)	(6,170)	
Special Services	(264,000)	(362,901)	(98,901)	Improved Income levels
Leasehold Flats and Shops Income	(12,650)	(17,224)	(4,574)	
Income - Repairs and Maintenance	(34,990)	(87,311)	(52,321)	Recovered costs from insurance claims £53k
Income - Supervision & Management/Rents/Rates/Taxes	(420)	(1,267)	(847)	
Other Income	(1,860)	(4,109)	(2,249)	
<b>Total Income</b>	<b>(21,052,870)</b>	<b>(20,963,925)</b>	<b>88,945</b>	
<b>Net Cost of Services</b>	<b>(10,144,177)</b>	<b>(10,405,582)</b>	<b>(261,405)</b>	

## BDC Housing Revenue Account 2013/14

## APPENDIX C

Description	A	B	C	Comments - main variances
	Revised Budget £	Actual £	Variance £	
<b>Appropriations</b>				
Debt Repayment	2,000,000	2,000,000	0	
Interest Costs	3,303,539	3,345,374	41,835	
Interest Income	(15,090)	(22,618)	(7,528)	
Depreciation	2,075,820	2,210,234	134,414	Full asset revaluation - increase in stock value
Transfer to Major Repairs Reserve	1,198,822	1,364,981	166,159	Use of net underspend in year
Contribution to Insurance Reserve	50,000	50,000	0	
Contribution from Insurance Reserve	0	(73,475)	(73,475)	drawn down to meet excess insurance claim costs
Use of Unapplied Revenue Grant	(4,590)	(4,590)	0	
Contribution to Capital Project Reserve	1,450,000	1,450,000	0	
<b>Net Operating (Surplus) / Deficit</b>	<b>(85,676)</b>	<b>(85,676)</b>	<b>0</b>	

### HRA Balances

Balance brought forward 1 April	(1,775,649)	(1,775,649)
Movement in year	<u>(85,676)</u>	<u>(85,676)</u>
Working Balance at End of Year	(1,861,325)	(1,861,325)



## APPENDIX D

Fund	BDC CAPITAL PROGRAMME SUMMARY	Approved Programme 2013/14 £	Actual Outturn 2013/14 £	Variance 2013/14 £	Carried Forward requests 2014/15. £
<b>General Fund</b>					
<b>Assets</b>					
ASS	AMP - PV Lodges	70,302	48,951	(21,351)	0
ASS	AMP - The Arc	2,438	2,438	0	0
ASS	CCTV - Various Sites	53,733	24,411	(29,322)	29,322
ASS	Pleasley Vale Mills - HLF	25,000	4,040	(20,960)	20,960
ASS	Bolsover Public Realm Infrastructure	215,910	0	(215,910)	215,910
		<b>367,383</b>	<b>79,840</b>	<b>(287,543)</b>	<b>266,192</b>
<b>Project Horizon</b>					
HOR	ICT infrastructure - Project Horizon	64,774	5,566	(59,208)	59,208
HOR	Bolsover Mini Hub	2,433,000	0	(2,433,000)	2,433,000
HOR	Clowne Campus - Refurbishment	301,212	226,010	(75,202)	75,202
HOR	Sherwood Lodge Disposal	453,345	9,849	(443,496)	443,496
		<b>3,252,331</b>	<b>241,425</b>	<b>(3,010,906)</b>	<b>3,010,906</b>
<b>ICT Schemes</b>					
ICT	ICT infrastructure	153,795	146,803	(6,992)	6,992
ICT	Fleet Management System	23,560	12,558	(11,002)	11,002
ICT	Idox Uniform Estates Managemnt System	16,100	0	(16,100)	16,100
		<b>193,455</b>	<b>159,360</b>	<b>(34,095)</b>	<b>34,094</b>
<b>Leisure Schemes</b>					
LEI	Playbuilder	13,020	12,524	(496)	0
LEI	Clune Street Recreation Ground	12,626	5,682	(6,944)	6,944
LEI	Bols Improv Play Pitches Initiative	34,242	34,241	(1)	0
LEI	P Vale Outdoor Education Centre Ph 2	53,485	6,352	(47,134)	47,134
		<b>113,373</b>	<b>58,797</b>	<b>(54,576)</b>	<b>54,078</b>
<b>Private Sector Schemes</b>					
PS	Disabled Facility Grants	250,000	169,617	(80,383)	0
PS	Portland Street Group Repair	0	(20)	(20)	0
PS	Group Repair Carr Vale	0	(169)	(169)	0
PS	New Houghton Renewal Area	0	(1,529)	(1,529)	1,529
PS	Pte Sector Decent Homes	16,736	(1,875)	(18,611)	18,611
PS	Station Road Shirebrook	6,771	1,771	(5,000)	5,000
PS	Verney & Crompton Street	250,780	98,264	(152,516)	154,954
PS	Fuel Poverty Fund	78,175	78,175	(0)	0
		<b>602,462</b>	<b>344,233</b>	<b>(258,229)</b>	<b>180,094</b>
<b>Vehicles and Plant</b>					
VEH	Van (CAN AG05 LYW)	12,000	0	(12,000)	12,000
VEH	Van (Health FY53 DEU)	12,000	0	(12,000)	0
VEH	Van (Health FL05 JFE)	12,000	0	(12,000)	0
VEH	Refuse Vehicle (VX55 CVA)	140,000	139,002	(998)	0
VEH	Pick up Streetscene	22,000	0	(22,000)	22,000
VEH	8 x Hedgecutters (GM)	125	0	(125)	0
VEH	10 x Strimmers (GM)	2,417	0	(2,417)	0
VEH	1 x Luton Van (Leisure)	853	844	(9)	0
VEH	Ransome Mower FJ06 WVS	2,583	2,583	0	0
VEH	Cage Pick-up YP56 VFZ	3,875	3,959	84	0
		<b>207,853</b>	<b>146,388</b>	<b>(61,465)</b>	<b>34,000</b>
<b>Total General Fund</b>		<b>4,736,857</b>	<b>1,030,045</b>	<b>(3,706,812)</b>	<b>3,579,364</b>

## APPENDIX D

Fund	BDC CAPITAL PROGRAMME SUMMARY	Approved Programme 2013/14 £	Actual Outturn 2013/14 £	Variance 2013/14 £	Carried Forward requests 2014/15. £
<b>Housing Revenue Account</b>					
HRA	Group Dwellings Safety Work	169,460	5,015	(164,445)	0
HRA	Housing Asset Management	38,000	30,382	(7,618)	0
HRA	External Wall Insulation	18,038	(6,265)	(24,303)	0
HRA	Window Replacement	9,748	3,125	(6,623)	0
HRA	Electrical Rewiring Decent Homes	136,804	95,050	(41,754)	0
HRA	Cavity Wall + Loft Insulation	26,452	3,637	(22,815)	0
HRA	External Door Replacements	483,821	502,652	18,831	0
HRA	Heating Upgrades	105,126	110,777	5,651	0
HRA	Environmental Works	55,020	44,633	(10,387)	0
HRA	Decent Homes - External	249,507	96,186	(153,321)	0
HRA	Kitchen Replacements - Decent Homes	248,202	304,185	55,983	0
HRA	Tarran Preliminary Costs	18,935	0	(18,935)	0
HRA	Mobile Working	61,624	0	(61,624)	0
HRA	HRA New Build - Lang Junction	55,555	55,554	(1)	0
HRA	Regeneration Mgmt & Admin	69,320	69,320	0	0
HRA	Choice based lettings IT Scheme	2,656	0	(2,656)	0
HRA	HRA New Build - New Houghton	2,024,683	667,662	(1,357,022)	1,345,022
HRA	Sprinkler Systems	20,000	12,000	(8,000)	0
HRA	Vehicle Tracking Devices	18,525	18,467	(58)	0
HRA	HRA New Build - New Houghton -Dist Payments	90,000	30,192	(59,808)	0
HRA	Ford Fiesta Rent Collector (Housing)	10,250	9,924	(326)	0
HRA	Van (R & M YP56 VFZ)	18,000	0	(18,000)	18,000
HRA	Van (R & M DY56 OFB)	18,000	0	(18,000)	18,000
HRA	Van (R & M YS56 LYG)	10,000	0	(10,000)	10,000
HRA	Van (R & M YP10 KTK)	15,000	12,505	(2,495)	0
<b>Total HRA</b>		<b>3,972,726</b>	<b>2,065,002</b>	<b>(1,907,724)</b>	<b>1,391,022</b>
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>8,709,583</b>	<b>3,095,047</b>	<b>(5,614,536)</b>	<b>4,970,386</b>
<b>Capital Financing</b>					
<b>General Fund</b>					
	Specified Capital Grant	(250,000)	(169,617)	80,383	
	Private Sector Contributions	(69,586)	(50,486)	19,100	
	Prudential Borrowing	(608,700)	0	608,700	
	Section 106	(32,262)	(31,766)	496	
	Reserves	(227,455)	(113,167)	114,288	
	External Grant	(294,085)	(78,175)	215,910	
	Capital Receipts	(3,254,769)	(586,835)	2,667,934	
		<b>(4,736,857)</b>	<b>(1,030,045)</b>	<b>3,706,812</b>	
<b>HRA</b>					
	Major Repairs Allowance	(1,711,238)	(1,277,166)	434,072	
	1-4-1 Capital Receipts	0	(341,083)	(341,083)	
	Direct Financing	(10,250)	(9,924)	326	
	External Grant	(20,000)	(13,321)	6,679	
	Development Reserve	(2,170,238)	(412,324)	1,757,914	
	Vehicle Reserve	(61,000)	(11,184)	49,816	
		<b>(3,972,726)</b>	<b>(2,065,002)</b>	<b>1,907,724</b>	
<b>TOTAL CAPITAL FINANCING</b>		<b>(8,709,583)</b>	<b>(3,095,047)</b>	<b>5,614,536</b>	
<b>Checks</b>		<b>0</b>	<b>0</b>	<b>0</b>	

**BDC Treasury Management****Activity 2013/14****Capital Financing Requirement**

The key area of Treasury Management is the measurement and control of the overall debt position of the Council. This is calculated through the Capital Financing Requirement (CFR). The CFR calculates the Council's underlying need to borrow in order to finance its capital expenditure. The revised estimate of the CFR for 2013/14 and the actual outturn CFR are shown in the table below: -

	<b>Revised Budget 2013/14 £000</b>	<b>Actual Outturn 2013/14 £000</b>
Capital Financing Requirement 1 April	115,840	115,840
Prudential Borrowing General Fund	609	0
Prudential Borrowing HRA	0	0
Leasing Repayments	(66)	(66)
Minimum Revenue Provision (MRP)	(529)	(529)
Movement on other debt – retentions	0	(112)
HRA Debt Repayment per business plan	(2,000)	(2,000)
Repayment of Allowable Debt (HRA)	0	(556)
Debt Repayment – General Fund	(4,908)	(3,010)
<b>Capital Financing Requirement 31 March 2014</b>	<b>108,946</b>	<b>109,567</b>

The overall outturn position shows a net reduction of outstanding debt of £6.273m in 2013/14. This is lower than anticipated in the revised budgets due to the lower level of actual capital receipts being available to repay the Project Horizon debt incurred during 2012/13. This debt will now be fully repaid during the 2014/15 financial year.

The capital financing applied in 2013/14 has meant that no new prudential borrowing has been undertaken by the Council in 2013/14.

The repayment of outstanding debt from the Sale of Council House receipts is the Allowable Debt sum of £0.556m. Under the current regulations when a Council dwelling is sold the Council is allowed to retain some of the capital receipts because it is carrying debt on each property following the HRA reforms settlement. It is called the Allowable Debt calculation. It is advisable that the retained receipt element for Allowable Debt is actually utilised to repay the debt outstanding on the sold houses otherwise the Council is carrying debt where it has no asset.

The Capital Financing requirement is split between the HRA and General Fund the balance of each is shown below:

<b>Capital Financing Requirement at 31 March 2014</b>	<b>£000</b>
General Fund	12,617
Housing Revenue Account	96,950
<b>Total CFR</b>	<b>109,567</b>

From the HRA CFR the Council is able to calculate the “headroom” available which is the gap between the HRA debt limit set by the Government when the HRA reforms were introduced. This is shown in the table below:

<b>HRA “Headroom” calculation</b>	<b>£000</b>
Housing Revenue Account – Debt Limit	112,350
Housing Revenue Account CFR 31 March 2014	96,950
<b>Headroom at 31 March 2014 =</b>	<b>15,400</b>

The above table shows that the Council’s HRA has a headroom figure of £15.400m at 31 March 2014.

#### **How the CFR is covered.**

As mentioned above the CFR is the Council’s underlying need to borrow to finance capital expenditure. To finance the CFR the Council has external borrowing, finance leases and the use of its own reserves and balances. The position as at 31 March 2014 is as follows:

	<b>£000</b>
Capital Financing Requirement 31 March 2014	109,567
Financed from:	
External Borrowing via PWLB	105,100
External Borrowing via Leasing arrangements	107
Use of internal balances and reserves	4,360
<b>Total Financing of CFR</b>	<b>109,567</b>

The table above shows that the Council is effectively under borrowing by £4.3m at 31 March 2014. This means that no debt charges are being incurred on £4.3m of borrowing but also means that this sum is not available for investing in the money market. However, the cost of borrowing from the PWLB would incur interest charges that are higher than the investment interest foregone.

#### **PWLB Borrowing**

The Council’s total outstanding PWLB debt amounted to £107,100,000 at 1 April 2013. During 2013/14 £2,000,000 principal repayments were made. No new loans have been taken out with the PWLB during 2013/14. The profile of the outstanding debt is analysed as follows: -

<b>PWLB BORROWING</b>	<b>Maturity Profile 31 March 2013 £</b>	<b>Maturity Profile 31 March 2014 £</b>
<b>Term</b>		
12 Months	2,000,000	1,000,000
1 - 2 years	1,000,000	1,000,000
2 - 5 years	2,000,000	1,000,000
5 - 10 years	12,700,000	16,100,000
Over 10 year	89,400,000	86,000,000
<b>Total PWLB Debt</b>	<b>107,100,000</b>	<b>105,100,000</b>

#### **PWLB Interest**

The interest cost to the Council of the PWLB debt for 2013/14 is £3,687,647.00. The cost is split within the accounts between the HRA and General Fund based on the level of debt outstanding within the CFR.

### Temporary Borrowing

Cash flow monitoring and management serves to identify the need for short term borrowing to cover delays in the receipt of income during the course of the year. During 2013/14 no short term borrowing was undertaken by the Council and therefore no interest charges were incurred.

### Temporary Investments

The table below details the short term investments made at various times during the year of 2013/14. Please note the Iceland investment is not included in the table below:

<b>Bank Name</b>	<b>Amount Invested 2013/14 £000</b>	<b>Amount Returned 2013/14 £000</b>	<b>Balance Invested 31 March 14 £000</b>
Bank of Scotland	4,900	0	4,900
Barclays	5,000	0	5,000
Nat West	4,520	0	4,520
Money Market funds	62,680	(60,690)	1,990
<b>Total</b>	<b>77,100</b>	<b>(60,690)</b>	<b>16,410</b>

From the table above it can be seen that the balance invested by the Council at 31 March 2014 is £16.410m. Interest earned from temporary investments during 2013/14 amounted to £67,487 and is detailed in the table below:

<b>Bank Name</b>	<b>Amount Received</b>
Nat West Bank	(2,472)
Bank of Scotland	(32,634)
Barclays	(12,932)
Money Market Funds	(19,449)
<b>Total</b>	<b>(67,487)</b>

### Iceland Investment update

The Council invested £2m in the Icelandic bank Landsbanki Islands (LBI) on 18 December 2007 and a further £1m in the same bank on 16 May 2008. In October 2008 the Icelandic banking system collapsed and the Landsbanki Islands bank along with other Icelandic financial institutions went into administration. Since then the Local Government Association have co-ordinated action on behalf of the UK Councils to recover the funds for those Councils which had invested in Iceland. The Council qualified as a priority creditor and as such was expected to see the return of the full investment plus interest in due course.

During 2013/14 an analysis of the available options resulted in the Council taking the decision to sell its investment. This action was managed and coordinated in conjunction with the majority of local authorities holding such investments and on 31

January 2014 the Council sold its claim against the insolvent estate of LBI. The claim was sold through a competitive auction process. The price at which the claim was sold was based on a reserve price set by the Council on the basis of legal advice received from Bevan Brittan and the Council's analysis of the financial position. The sale resulted in the Council recovering 96.5% of the amounts that were originally deposited with LBI in 2008. The Council is now no longer a creditor of LBI and has no further claims outstanding.

### **Overnight Balances**

The balance of any daily funds are retained in the Council's general account with the Co-Operative Bank. Following the Treasury Management advice received from Sector, officers aim to minimise the balance retained in this account. No interest is received on the balances held in this account.

### **Compliance with Treasury Limits**

During the financial year the Council continued to operate within the treasury limits set out in the Council's Borrowing and Investment Strategy.

	<b>Actual in year 2013/14 £000</b>	<b>Set Limits in year 2013/14 £000</b>
Authorised Limit (total Council external borrowing limit)	105,430	116,851
Operational Boundary	105,430	111,851

**APPENDIX F**

**SUMMARY OF USABLE BALANCES AS AT 31ST MARCH 2014**

	<b>Balance at 31 March 2013 £'000</b>	<b>Transfers Out 2013/14 £'000</b>	<b>Transfers In 2013/14 £'000</b>	<b>Balance at 31 March 2014 £'000</b>
<b>General Fund</b>				
General Fund Balance	<b>(1,443)</b>	0	(257)	<b>(1,700)</b>
Area Based Grant/Working Neighbourhoods Fund	<b>(890)</b>	305	0	<b>(585)</b>
General	<b>(429)</b>	44	(66)	<b>(451)</b>
Historic Building	<b>(9)</b>	9	0	<b>0</b>
Insurance - GF	<b>(285)</b>	22	(90)	<b>(353)</b>
Invest to Earn	<b>0</b>	0	(50)	<b>(50)</b>
IT and Office Equipment	<b>(44)</b>	102	(125)	<b>(67)</b>
Legal Costs	<b>(33)</b>	1	(68)	<b>(100)</b>
Local Development Scheme	<b>(264)</b>	30	(49)	<b>(283)</b>
Planning Delivery	<b>(132)</b>	16	0	<b>(116)</b>
Transformational Reserve	<b>(341)</b>	1,152	(3,969)	<b>(3,158)</b>
Transition Grant Reserve	<b>(1,934)</b>	1,934	0	<b>0</b>
Vehicle Repair and Renewal	<b>(45)</b>	26	(13)	<b>(32)</b>
<b>General Fund Total</b>	<b>(4,406)</b>	<b>3,641</b>	<b>(4,430)</b>	<b>(5,195)</b>
<b>HRA</b>				
HRA Balance	<b>(1,776)</b>	0	(85)	<b>(1,861)</b>
New Build Reserve - HRA	<b>(1,000)</b>	412	(1,250)	<b>(1,838)</b>
Insurance - HRA	<b>(56)</b>	74	(50)	<b>(32)</b>
Vehicle Repair and Renewal	<b>0</b>	11	(200)	<b>(189)</b>
<b>HRA Total</b>	<b>(2,832)</b>	<b>497</b>	<b>(1,585)</b>	<b>(3,920)</b>
<b>Total Reserves</b>	<b>(7,238)</b>	<b>4,138</b>	<b>(6,015)</b>	<b>(9,115)</b>

The following gives an outline of the purpose of each of the 'above' balances:

## **General Fund**

**General Fund Balance** : This is the level of balances available to support sound financial management. In particular in a situation in which the Council experienced a reduction in income or an unforeseen increase in expenditure General Balances would be used to cushion the impact on services to local residents. Without a reasonable level of General Fund balances the Council would be quickly forced into 'crisis' or unplanned expenditure cuts. Their level is related to the level of financial risk facing the Council.

**Area Based Grant/Working Neighbourhoods Fund:** This supports the activities of the Partnership team.

**General** : The 'General' earmarked balance covers grants received to undertake specific activity and work carried forward from 2013/14 into 2014/15. This reserve therefore reflects a requirement to undertake and to fund certain specified work.

**Insurance** : To meet anticipated future years claims which are not funded by the Insurance Policy. These include excesses and the potential liability associated with the MMI insurance arrangements.

**Invest to Earn** : To fund initiatives on an 'Invest to Save' basis designed to increase the level of the Council's income.

**IT and Office Equipment** : To meet investment needs which have been carried forward from previous financial years.

**Legal Costs:** To meet the anticipated costs of a range of outstanding legal actions against the Council.

**Local Development Scheme:** To cover costs of preparing the Local Plan which cannot be met from 'in year' budgets.

**Planning Delivery** : Residual grant which is 'earmarked' to support the Planning service.

**Transformational Reserve** : At the end of the year increased significant by absorbing carry forward of Efficiency Grant reward, together with Transitional Grant. This will be utilised for Invest to Save projects and Efficiency Grant projects where the expenditure will not be incurred until 2014/15..

**Vehicle Repair and Renewal** : To fund unanticipated vehicle costs which could not be met from within existing budgets.



## **HRA Balances.**

**HRA Balance :** This is the level of balances available to support sound financial management. In particular in a situation in which the Council experienced a reduction in income or an unforeseen increase in expenditure General Balances would be used to cushion the impact on services to local residents. Without a reasonable level of General Fund balances the Council would be quickly forced into 'crisis' or unplanned expenditure cuts. Their level is related to the level of financial risk facing the Council.

**New Build Reserve :** This is to support the building of new Council houses. Effectively the existing balance of £1.8m is contractually committed to the costs of completing the new build project at New Houghton.

**Insurance :** To meet anticipated future years claims which are not funded by the Insurance Policy. These include excesses and the potential liability associated with the MMI insurance arrangements.

**Vehicle Repair and Renewal :** To fund unanticipated vehicle costs which could not be met from within existing budgets.

**Bolsover District Council**

**Executive**

**14<sup>th</sup> July 2014**

**Disposals and Acquisitions Policy**

**Report of Building and Contracts Manager (Portfolio Holder: Cllr A Tomlinson)**

This report is public

**Purpose of the Report**

- The purpose of this report is to seek the approval of Executive to introduce a Disposal and Acquisitions Policy (land and property).
- The purpose of this document is to make the Council's strategy, guidance and procedures transparent and public. It is intended for use by Council officers and to inform developers and members of the public.

**1 Report Details**

- 1.1 Government advice recommends that local authorities have a document describing how they deal with disposals and acquisitions of land and property.
- 1.2 The policy has been produced in accordance with Government advice and details Bolsover District Council's policies and internal guidance relating to disposals of land and property. For the purpose of the document, a disposal of land means any freehold disposal, by sale or exchange, of Council owned land or buildings and any disposal by the granting of a lease for a period greater than 7 years. Leases of 7 years or less are not covered by this document.
- 1.3 The document sets out, in sequence, the procedure to be adopted in connection with the disposal of surplus/under-used property.
- 1.4 The document outlines how the Council's Asset Management Group (AMG), considers and makes recommendations on all Council owned property transactions prior to disposal. This may be either by making recommendations to Council Committees or recommending delivery through existing delegated powers. The group is made up of key departmental heads and appropriate Portfolio Holders.
- 1.5 The policy also deals with the issues raised in the Ombudsman report in relation to the sale of Sherwood Lodge.

## **2 Conclusions and Reasons for Recommendation**

2.1 In order to comply with government guidance and to ensure a consistent and transparent approach is adopted for all land and property transactions.

## **3 Consultation and Equality Impact**

None

## **4 Alternative Options and Reasons for Rejection**

Highlighted within the report

## **5 Implications**

### **5.1 Finance and Risk Implications**

- Duty on the Council, under section 123 of the Local Government Act 1972, to obtain the best consideration that can be reasonably obtained for the disposal of land. This duty is subject to certain exceptions that are set out in the 'Local Government Act 1972: General Disposal Consent (England) 2003'

### **5.2 Legal Implications including Data Protection**

- There are no data protection issues arising out of this report.
- The document has been review by legal and appropriate updates have been included.

### **5.3 Human Resources Implications**

No direct implications

## **6 Recommendations**

6.1 That Executive approve the implementation of the Disposal and Acquisition policy.

## **7 Decision Information**

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
<b>District Wards Affected</b>	All wards
<b>Links to Corporate Plan priorities or Policy Framework</b>	Links to all Corporate Priorities

8 **Document Information**

<b>Appendix No</b>	<b>Title</b>
1	Disposals and Acquisitions Policy.
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
<b>Report Author</b>	<b>Contact Number</b>
Building and Contracts Manager	01246 242223

Report Reference –

# **BOLSOVER DISTRICT COUNCIL**

## ***DISPOSALS & ACQUISITIONS POLICY***

*June 2014*

**This Policy addresses the following Corporate Aims (show those which are appropriate to this policy only):**



COMMUNITY  
SAFETY



CUSTOMER  
FOCUSED SERVICES



ENVIRONMENT



REGENERATION



SOCIAL INCLUSION



STRATEGIC ORGANISATIONAL  
DEVELOPMENT



## **Equalities Policy Statement**

Bolsover District Council is committed to equalities as an employer and in all the services provided to all sections of the community.

The Council believes that no person should be treated unfairly and is committed to eliminate all forms of discrimination in compliance with its Equality Policy.

The Council also has due regard to eliminate discrimination and to proactively promote equality of opportunity and good relations between persons of different groups when performing its functions.

### **Access for all**

If you need help understanding this document or require a larger print or translation, please contact us on the telephone number at the bottom of the page.

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اگر آپ کو یہ دستاویز سمجھنے میں مدد کی ضرورت ہو یا یہ بڑے حروف یا ترجمہ کی شکل میں درکار ہو تو برائے مہربانی اس صفحے کے آخر میں دیے گئے نمبر پر ہم سے رابطہ کریں۔



..... Department: .....

**Minicom:01246 242450 Fax:01246 242423**

**Website:[www.bolsover.gov.uk](http://www.bolsover.gov.uk)**

## CONTROL SHEET

<b>Document Details</b>	<b>Comments / Confirmation (To be updated as the policy progresses)</b>
Title	Disposals and Acquisitions Policy
Document type – i.e. draft or final version	Final
Author of Policy	Building and Contracts Manager
Location of Policy – i.e. L-drive	L drive
Member route for approval	Executive
Cabinet Member (if applicable)	Regeneration
Risk Assessment completed (if applicable)	N/A
Date Equality Impact Assessment approved	
Partnership involvement (if applicable)	N/A
Policy Approval i.e. Executive/ Council Planning Committee	
Date Approved	
Date Policy due for review (maximum three years)	June 2017
Date forwarded to Strategy and Performance (to include on Intranet and Internet if applicable to the public)	

## **BOLSOVER DISTRICT COUNCIL**

### **DISPOSALS & ACQUISITIONS POLICY**

#### **METHOD OF DISPOSAL OF SURPLUS/UNDER-USED COUNCIL OWNED PROPERTY**

##### **Introduction**

- 1.1 Government advice recommends that local authorities have a document describing their strategy, policy and guidance for disposing of land.
- 1.2 This document is in accordance with Government advice and details Bolsover District Council's policies and internal guidance relating to disposals of land and property. For the purpose of this document, a disposal of land means any freehold disposal, by sale or exchange, of Council owned land or buildings and any disposal by the granting of a lease for a period greater than 7 years. Leases of 7 years or less are not covered by this document.
- 1.3 The purpose of this document is to make the Council's strategy, policies, guidance and procedures transparent and public. It is intended for use by Council officers and to inform developers and members of the public.
- 1.4 It is important that each land disposal is treated on its own merits and nothing in this document will bind the Council to a particular course of action in respect of a land disposal. Alternative methods of disposal, not specifically mentioned in this document, may be used where appropriate, subject to obtaining proper authority. The Council's actions in disposing of land are subject to statutory provisions, in particular, to the overriding duty on the Council, under section 123 of the Local Government Act 1972, to obtain the best consideration that can be reasonably obtained for the disposal of land. This duty is subject to certain exceptions that are set out in the 'Local Government Act 1972: General Disposal Consent (England) 2003'
- 1.5 This document sets out, in sequence, the procedure to be adopted in connection with the disposal of surplus/under-used property.
- 1.6 The Council's Asset Management Group (AMG), Chaired by the Building and Contracts Manager and facilitated by Property and Developments will consider and make recommendations on all Council owned property transactions prior to disposal. This may be either by making recommendations to Council Committees or recommending



delivery through through existing delegated powers. The group is made up of key departmental heads and appropriate Portfolio Holders.

### **Definition of Surplus/Under-used property**

- 2.1 A site (or part of the site) is deemed to be surplus to the Council's requirements if:
- (a) it makes no contribution to the delivery of the Council's services nor generates any income, and
  - (b) it has potential for future regeneration/redevelopment purposes and/or surplus to the Councils operational requirements or an alternative site can be identified.
  - (c) an alternative site has been identified which would achieve more cost effective service delivery.
  - (d) It is not required for the development of Council Housing

2.2 A general fund site site (or part of the site) is deemed to be under-used if either:

- (a) the income being generated from the site is below that which could be achieved from:
  - (i) an alternative use
  - (ii) disposing of the site and investing the income
  - (iii) intensifying the exiting use, or
- (b) part of the site is vacant and is likely to remain vacant for the foreseeable future.

A HRA site (or part of the site) is deemed to be under-used if either

- (a) the income and social value being generated from the site is below that which could be achieved from:
  - (i) an alternative use
  - (ii) disposing of the site and investing the income
  - (iii) intensifying the exiting use, or
- (b) part of the site is vacant and is likely to remain vacant for the foreseeable future.

### **Site Identification**

3.1 Sites for possible disposal may be identified in the following ways:

- (a) Through Local Development Framework designation
- (b) Through Service Departments declaring specific sites as being surplus to requirements or uneconomical\*
- (c) Through continually reviewing Council owned assets to ensure the asset is facilitating service delivery or generating an appropriate income.
- (d) Through approaches by third parties

(\*where an **under-used** asset is generating an income, a Cost/Benefit analysis should be carried out, in consultation with SAMT, to establish whether it is in the Councils best interests to dispose of the site)

### **Site investigations**

- 4.1 Once a potential site has been identified, the Property and Development department will consult with AMG, Legal Services, and Planning Services to establish whether there are any development constraints on the site or restrictions to disposal such as designation as Public Open Space.
- 4.2 Ground investigation works, and desk studies into previous land use history, will also be carried out where appropriate.

### **Valuations**

- 5.1 In normal circumstances, the valuation of sites will be undertaken by the Council's Senior Valuer. Where a disposal is in respect of a major or complex site, additional independent valuation advice may also be sought, from, e.g. the District Valuer or from another suitably qualified surveyor.

### **Method of Disposal**

- 6.1 The Commercial Property and Developments Manger will recommend to AMG the most appropriate method of disposal e.g. Auction, Private Treaty etc.
- 6.2 Unless a "special purchaser" has been identified i.e. one who is prepared to pay a premium for the site (over and above market value), all potential purchasers are to be given an opportunity to tender/submit an offer, according to the method of disposal recommended.
- 6.3 Where the disposal is to be by way of a long lease, the Assistant Director of Finance & Revenues and Benefits will be consulted to

assess the implications regarding VAT, Capital Controls and Treasury Management.

6.4 The Council will usually use one of six means to dispose of land. Further guidance upon when it will be appropriate to use any particular means of disposal is contained in Annex 1. The means of disposal are:-

- **Private Sale** – a sale of land negotiated with one or a small number of purchasers. The land may or may not have been marketed as available for sale. A binding legal agreement is created on ‘exchange of contracts’ between the Council and the purchaser.
- **Public Auction** – a sale of land by open auction available to anyone. The sale will be publicly advertised in advance. The auctioneer creates a binding legal agreement upon the acceptance of a bid.
- **Formal Tender** – a sale of land by a process of public advertisement and submission of tenders by a given date in accordance with a strict procedure. The Council creates a binding legal agreement upon the acceptance of a tender.
- **Exchange of Land** – a transaction involving the exchange of Council owned land with another land owner. The land acquired by the Council will meet at least one of its corporate objectives and will be ‘equal’ to the land exchanged.
- **Informal Negotiated Tender** – a sale of land after a public advertisement that requests informal offers or bids that meet a given specification of set of objectives. The Council may then negotiate further or more detailed terms with one or more individuals submitting the most advantageous bid or bids. A binding legal agreement is not created until the exchange of contracts between the authority and the chosen bidder.
- **Development Partner/Agreement** – a private sector partner who have been procured through appropriate means to jointly deliver and benefit from redevelopment/regeneration schemes.

## **Marketing Strategy**

7.1 The Commercial Property and Developments Manager will recommend a marketing strategy to AMG. All staff costs, legal costs, marketing costs, consultants costs etc. associated with any potential disposal of an asset (even where such costs do not lead to an actual disposal) will be re-charged to the cost centre where the Capital Receipt is, or would be, placed.

## Timing

- 8.1 The timing of any marketing/disposals will be considered against the background of the Council's budgetary requirements, together with the current state of the property market. Before recommending that a disposal is to proceed, the following factors are to be taken into consideration:
- Has Senior Management Team advised of an immediate need to raise capital receipts?
  - Current property market conditions
  - Potential for the site value to increase in the future
  - Regional Planning Guidance and the Local Development Framework process (or other such Planning Policy documents) – this will influence decisions on the disposal (and acquisition) of land, as well as the future use of individual sites.

## Executive Approval

- 9.1 The Executive Director of Operations (in conjunction with any other relevant Assistant Director) and following presentation and consideration at AMG, will prepare a report for the next Executive unless the disposal can be dealt with under delegated authority. The report will recommend the most appropriate method for marketing and disposing of the property. If the disposal falls within existing delegations, and it is deemed appropriate **not** to refer the matter to the Executive, the relevant consultations will be carried out, as set out in the delegations.
- 9.2 Prior to the disposal of Open Space the intention needs to be advertised as appropriate to enable comments received to be considered before a decision is made.

## Negotiations

- 10.1 The capital receipt from any disposal is to be maximised unless there are over-riding factors identified in the Corporate Plan or Housing Business Plan that take precedence over the receipt of capital.

10.2 Where Strategic Alliance Management Team consider that a site should be disposed of at a price below open market value, the matter is to be reported to the Executive for approval, prior to the disposal. A disposal of land at a price below open market value may require the consent of the Secretary of State under the provisions of the Local Government Act 1972.

10.3.1 If possible a timescale for the development of any land will be agreed with the prospective purchaser. If the land is not developed in this timescale then the Council will have the opportunity to repurchase the land at the original sale price or the current market value whichever is the lower. This is to prevent purchasers 'land banking' and benefiting from any future increases in land values. This may not be possible on large regeneration schemes where significant upfront investment from the buyer is required to enable development (e.g. Planning consent, Archaeology, etc).

### **Instructions**

11.1 Once a potential purchaser has been identified and all the terms of the disposal have been agreed (or earlier if appropriate), Legal Services will be instructed to prepare the relevant legal documentation.

### **Completion**

12.1 Once the disposal has been completed, Legal Services will advise the Joint Exec Director of Operations, Building and Contracts Manager, Head of Housing (HRA land only) relevant Members and such others as are appropriate.

## **METHOD OF ACQUISITION OF LAND AND PROPERTY**

### **Introduction**

13.1 This part of the strategy sets out, in sequence, the procedure to be adopted in connection with the acquisition of land and property.

### **Reasons for the acquisition of Land or Property**

14.1 Unless there are exceptional circumstances, the Council will only acquire land or property for the following reasons:

- its contribution towards the provision of the Council's services
- economic development
- revenue income generation
- strategic acquisition for regeneration or redevelopment purposes
- To enable the building of new council housing
- For use as Council Housing

## **Market Research**

15.1 Once a need to acquire property has been identified, market research will be carried out by the relevant Assistant Director, in consultation with the Building and Contracts Manager, to establish whether suitable land or property is available on the market to fulfil this need.

15.2 Where a number of potentially suitable properties exist in the marketplace, robust comparisons will be made to establish which is the most suitable for the Council's needs. Criteria against which such decisions will be made include: -

- price
- condition of property
- availability (in terms of timing)
- nature of tenure being offered (freehold or leasehold)
- locational advantages (where a strategic acquisition is under consideration)
- return on investment (where a revenue generating asset is being considered)

## **Financial Appraisal**

16.1 When a suitable property has been identified, a financial appraisal will be carried out to establish the financial/budgetary implications of acquiring the property at the quoted asking price. The advice of the Assistant Director of Finance & Revenues and Benefits will be sought regarding current rates of interest on capital invested, to enable the opportunity cost of the acquisition to be fully assessed. The financial appraisal will take into account the following matters:

- the capital cost of acquisition
- any revenue, or potential revenue, generated from the property, both short and long term
- availability of external funding sources

- possibility of joint ventures
- the cost, in Asset Management terms, of owning the property, including:-
  - immediate maintenance/refurbishment requirements
  - demolition costs, if appropriate
  - ongoing maintenance/life cycle costings
  - national non-domestic rates
  - insurance
- the overall effect of the expenditure on the Council's budgetary position.
- State Aid and Best Value considerations should also be addressed.

### **Independent Valuation**

- 17.1 Valuation advice will be provided by the Council's Valuer, or in cases of a complex nature either from the District Valuer or another suitably qualified surveyor. Where such advice suggests that the true Market Value of the property is below the asking price, (or where the amount of expenditure is likely to exceed that set aside in the Medium Term Financial Plan for strategic land acquisition), and there are overriding factors which justify the purchase, a report shall be prepared for the Executive by the relevant Assistant Director, in consultation with the Executive Director of Operations, seeking approval to continue with the proposed acquisition.
- 17.2 Where the acquisition is to be by way of a long lease, the Assistant Director of Finance & Revenues and will be specifically consulted to assess the implications regarding VAT, Capital Controls and Treasury Management.

### **Negotiation**

- 18.1 Once the principle of an acquisition has been agreed, negotiations will be commenced with the vendor by the Council's Valuer in consultation with the relevant Assistant Director. Where the sale is by auction or tender, bids will be formulated as appropriate

### **Executive Approval**

- 19.1 Any offer to the vendor will be made *"subject to contract, Executive approval and, where appropriate, survey"* and a report will be prepared for the next Executive, by the relevant Assistant Director in consultation

with the Executive Director of Operations, recommending acceptance of the acquisition.

- 19.2 Where circumstances dictate that an urgent decision is required (and where resources have not been set aside and the principle of the acquisition has not already been agreed) the Leader of the Council and the Joint Chief Executive will be consulted as to whether the use of the Chief Executive's delegated powers is possible/appropriate after taking advice on the financial and any legal implications arising. Any decisions made in accordance with this condition will be 'Key Decisions' and must be reported in accordance with the relevant procedures.

### **Instructions**

- 20.1 Once Executive approval has been received, and any surveys satisfactorily carried out (or earlier if appropriate), Legal Services will be instructed to complete the documentation associated with the acquisition.

### **Completion**

- 21.1 Once the disposal has been completed, Legal Services will advise the instructing officer who will in turn advise the Executive Director of Operations, Building and Contracts Manager, Assistant Director of Finance & Revenues and, relevant Members and such others as are appropriate.



## DESCRIPTION OF LAND DISPOSALS

### DISPOSAL BY PRIVATE SALE

- 1.1 A disposal by Private Sale may take place after a period during which the land is put on the market including advertising and generally making known that it is available for sale. In this case, the Council will be able to consider the highest bid as representing the best consideration that can be reasonably obtained.
- 1.2 If land is to be sold by Private Sale without being marketed, then the reasons justifying a private sale must be recorded in writing. In some circumstances the Council may seek an additional independent valuation to verify that 'best consideration' is being obtained.

A private sale without the land being marketed may be justified where:

- (a) the land to be disposed of is relatively small in size and an adjoining or closely located landowner is the only potential or likely purchaser.
  - (b) the nature of the Council's land ownership and that of the surrounding land ownership is such that the land must be sold to adjoining or surrounding landowners if best consideration is to be obtained.
  - (c) the Council's land is part of a larger area of land that is proposed for development, redevelopment or regeneration where the nature and complexity of the proposed development of the overall site is such that the Council's corporate objectives and best consideration can only be achieved by a sale to a purchaser with an existing interest in land in the area.
- 1.3 A legally binding agreement will not be reached until either contracts for the lease or sale of land are exchanged or a development agreement is signed.

### DISPOSAL BY PUBLIC AUCTION

- 2.1 Sale by public auction may be appropriate where there is no obvious potential purchaser and where speed and the best price can be obtained by auction.
- 2.2 The authority from the Council's Executive must record in writing
- (a) the reasons justifying a sale by public auction;

- (b) delegated powers to agree the reserve price, if any, for the auction;
- (c) the authority for a Council officer to attend the auction and to act on behalf of the Council on the sale.

2.3 The contract for sale or lease must be ready for exchange at the auction.

2.4 A binding contract will be made on the acceptance of the highest bid providing it has reached the reserve price. Contracts for the sale or lease will immediately be signed on behalf of the Council and exchanged with the purchaser.

### **DISPOSAL BY FORMAL TENDER**

*NB: Disposal by this method is not straightforward and careful consideration as to why it is necessary to use this method should be recorded. This should only be considered if no other disposal options are available.*

- 3.1 A sale of land by formal tender may be appropriate where the land ownership is not complex and the Council is seeking obligations to be placed on the successful tenderer which are clear and capable of specification in advance. For example; the disposal of land to a developer with an obligation to build industrial units for lease, or the conservation of a listed building. In such instances, a process of formal tender may be appropriate in gaining best consideration.
- 3.2 Formal tenders will not be appropriate where the land ownership position is complex or the development proposals for the land are insufficiently identified or otherwise incapable of detailed specification at the pre-tender stage.
- 3.3 The reasons justifying a sale by formal tender must be recorded in the Executive report. The Council's rules for tender offers contained in the Contract Procedure Rules will be followed.
- 3.4 The nature of the formal tender process is that a legally binding relationship is formed when the Council accepts a tender in writing by exchanging contracts. It is essential therefore, that every aspect of the disposal is specified in the tender documents. The tender documents should include a contract for sale or lease which should be completed with the tenderer's details, the tender price and be signed by the tenderer. It will be released unconditionally to the Council on submission of the tender. If the tender is acceptable the Council will complete and sign contract its contract, date both parts and send its signed contract to the buyer, at which point a binding contract will be created

- 3.5 Sale of land by formal tender will require a detailed specification to be drawn up. This will specify the land to be sold, any requirements to be met by the tenderer and any obligations that must be met.
- 3.6 The Council will place a public advertisement seeking expressions of interest and publicise the selection criteria by which it will assess tenders. Those individuals selected will then be invited to submit their tender bids.
- 3.7 Legal Services will always be consulted before tender the Council seeks to dispose of land by formal tender

#### **DISPOSAL BY EXCHANGE OF LAND**

- 4.1 Disposal by exchange of land will be appropriate when it is advantageous to the Council and other parties to exchange land in their ownerships and will achieve best consideration for the Authority.
- 4.2 A binding legal agreement will be created when a contract is exchanged for the exchange.
- 4.3 The exchange will usually be equal in value. However, an inequality in land value may be compensated for by other means where appropriate. For example, where the Council in exchange for a larger piece of land receives a smaller piece of land but the recipient of the larger plot agrees to build industrial units on the Council's smaller area to equalise the consideration. In such circumstances the Council may seek an independent valuation to verify that 'best consideration' will be obtained.

#### **DISPOSAL BY INFORMAL/NEGOTIATED TENDER**

- 5.1 A disposal by informal/negotiated tender differs from a formal tender in that neither the Council nor the successful bidder is legal obliged to enter into a contract for the disposal of the land. The informal/negotiated tender process allows the Council to identify one preferred bidder with whom it may then negotiate further detailed terms or proposals for the development of the land concerned.
- 5.2 The Council uses a public advertisement to request informal development proposals for land that meet a given specification. This process is particularly useful for large or complex development or regeneration sites requiring development and where the proposals may need to be developed in co-operation with the preferred bidder to meet the Council's corporate objectives and to achieve the best consideration that can be reasonably obtained.
- 5.3 The Council's rules for tender offers contained in the Contract Procedure Rules will be followed in respect of the receipt of tenders.

Any exceptions to that process must be authorised and recorded in accordance with these Rules.

- 5.4 A binding legal agreement is not created until the exchange of contracts for sale or lease or the signing of a development agreement.

### **Development Partner/Agreement**

A private sector partner who have been procured through appropriate means to jointly deliver and benefit from redevelopment/regeneration schemes. Examples of such Public/Private partnerships can be found in the RICS/Local Partnerships Paper 'Local Asset Backed Vehicles - A success story or unproven concept?' which can be found on the link below:

<http://www.localpartnerships.org.uk/images/PDFs/2012/LocalAssetBackedVehicles.pdf>

### **EXCEPTIONS**

- 6.1 Other methods of disposal may be used where circumstances warrant them.

### **LATE BIDS AND OTHER CONSIDERATIONS**

- 7.1 Guidance from the Local Government Ombudsman recognises the problem caused to local authorities by 'late bids'. The Guidance states that difficulties are less likely if Councils ensure that exchange of contracts take place as quickly as possible after the decision to sell (or lease) is made. It suggests that local authorities should be allowed to sell at an agreed price within a reasonable period of reaching a 'subject to contract' agreement.
- 7.2 In the context of the methods of land disposal dealt with in this document, a late bid may occur:-
- (a) in the case of a private sale, after a sale or lease has been agreed, but before exchange of contracts
  - (b) in the case of a public auction, after the auction has been closed, but the reserved price not having been met.
  - (c) in the case of a formal tender, after the closing date for tenders, but before selection of the successful tender.
  - (d) in the case of an informal or negotiated tender, after receipt of bids, but before exchange of contracts or signing of a development agreement.
  - (e) in the case of disposal by exchange after, a sale or lease has been agreed, but before exchange of contracts.

- 7.3 Each 'late bid' must be considered in the context of the individual circumstances at the time. The Council's approach to 'late bids' will vary depending upon the method of land disposal used. In each case, its overriding duty will be to obtain best consideration that it can reasonably obtain (subject to any exceptions in the General Disposal Consent). The Council's approach to late bids is as follows:
- (a) The Council discourages the submission of late bids in all cases when it is disposing of land. It will attempt to minimise problems by aiming for early exchange of contracts.
  - (b) Late bids cannot be considered where land is being disposed of by public auction after a successful bid has been accepted.
  - (c) Except as provided herein, until the Council has entered a legally binding contract or agreement with another person it will consider late bids unless there are good commercial reasons for not doing so. This should be explained to any purchaser when a disposal of land by private sale or negotiated/informal tender is agreed.
  - (d) Consideration of a late bid does not mean that it will necessarily be accepted even if it is the 'highest' bid. The Council will take into account the likelihood of the late bid proceeding to completion in a timely manner and the possibility of late bids used as a spoiling or delaying tactic.
  - (e) Subject to the above, the Council may, in appropriate circumstances, as both the late bidder and the person to whom the land was previously to have been sold, invite both parties to submit their last and final bids in a sealed envelope by a set deadline.
  - (f) A decision on whether to accept a late bid for a private sale, informal tender or by exchange are to be made either by the Executive or delegated powers.
- 7.4 A last minute bid may be rejected for sound commercial reasons. For example, if there is no real certainty of it leading speedily to a contract or is suspected as a spoiling bid.
- 7.5 The Council cannot be concerned with the issue of "gazumping" – the overriding duty, with certain exceptions as mentioned in the General Disposal Consent, is to obtain best consideration.
- 7.6 In considering what amounts to 'monetary value' in terms of best consideration to be obtained, the creation of jobs or desirable social

outcomes, will be considered by the Council as part of its general powers of wellbeing under the Local Government Act 2000

## **GENERAL DISPOSAL CONSENT**

- 8.1 The General Disposal Consent makes provision for the Council to dispose of land at less than full market value, known as an 'under-value'. Specified circumstances must apply as follows:-
- (a) The Council considers that the purpose for which the land is to be disposed of is likely to contribute to the promotion or improvement of the economic, social or environmental wellbeing of the whole or part of its area, or any person resident or present in its area.
  - (b) The difference between the unrestricted or market value of the land to be disposed of and the consideration for the disposal does not exceed £2 million.

For example; land may be sold at an under-value for only affordable housing rather than all residential types, as long as the difference between the consideration obtained for development for affordable housing and the land's unrestricted value for all residential types, is less than £2 million.

- 8.2 The Council must still comply with its duty to obtain best consideration for the restricted value. So, using the above example, the Council must ensure that it achieves the best consideration that may be reasonably obtained for land restricted to development for only affordable housing.
- 8.3 The Council must also comply with normal and prudent commercial practices including obtaining the view of a professionally qualified valuer as to the likely amount of any under-value.

## ANNEX 2

### **Land Disposal Approach – One to One Sales e.g garden land.**

1. Approach from interested party.
2. Send holding reply.
3. Carry out consultation exercise with other departments.
4. Respond to applicant.
5. If sale possible send heads of terms on without prejudice and subject to contract basis. Applicant to confirm acceptance of terms in writing.
6. Consult local members to ensure they have no objections
7. Report to Executive for approval outlining terms provisionally agreed or if below £10,000 report to SAMT under delegated powers.
8. Notify applicant of Executive decision and request details of Solicitor.
9. Instruct Legal.
10. Prior to completion peg out site if necessary.
11. Complete sale and notify the Finance Department and other Departments within the Council and amend the Terrier records.

### **Land Disposal Approach – Open Market Sales e.g Building Plots**

1. Site for disposal identified either internally or from enquiry from member of public.
2. If from member of public advised that the Council cannot deal in isolation and the site will have to be marketed.
3. Through AMG and other relevant parties carry out consultation to see if the site can be sold.
4. If yes value site and prepare for sale details. AMG should consider the benefits of raising the value through obtaining outline planning permission, demolition, etc.
5. Advertise in appropriate manner.
6. Receive offers.
7. Advise successful bidder.
8. Consult local members to ensure they have no objections to the sale.
9. Report to Executive.
10. Advise bidder of outcome of Executive meeting and get details of Solicitors if appropriate. Bidder to be advised at this stage that Council has a duty to consider any other offers it receives prior to exchange of contract.
11. Instruct Legal.
12. Prior to completion set out site if necessary.
13. Complete sale and notify the Finance Department and other Departments within the Council and amend the Terrier records.



**Bolsover District Council**

**Executive**

**14 July 2014**

**Disposal of Properties**

**Report of the Head of Housing (Portfolio Holder: Cllr K Reid)**

This report is public

**Purpose of the Report**

To gain authorisation to dispose of 2 HRA properties that are difficult to let.

**1 Report Details**

- i. 96 and 100 Duke Street are two HRA properties that are difficult to let. They are both three bedroom terrace properties with direct street access and little outside space.
- ii. The Council's allocation policy means that this size of properties can only be allocated to families with at least two children. Any relaxation of this would mean that smaller sized families who were in receipt of Housing Benefit would be subject to the bedroom tax.
- iii. Both properties are in reasonable condition
- iv. The properties have both been advertised on the CBL system and have attracted very few bids. Number 96 has been advertised for over 12 months, and whilst number 100 is only recently empty there is nothing to suggest this would be easier to let.
- v. During the period the property is empty the Council is liable for Council tax, security costs and liable for any further repair as the property deteriorates.
- vi. Both properties have been valued by the Councils Senior Surveyor (report enclosed) with a value of £58,000 per property.

**2 Conclusions and Reasons for Recommendation**

It is proposed to dispose of both properties on the open market and to use the receipt to fund new council housing

Whilst the two properties remain unlet there is a cost to the HRA and a detrimental impact on the area.

Any proceeds from the sale can be used to fund other Council housing to meet the needs of the District.

### **3 Consultation and Equality Impact**

No consultation. There appear to be no equality implications arising from these recommendations.

### **4 Alternative Options and Reasons for Rejection**

The alternative would be to keep the current properties and hope to let them. However has been no real interest over a 12 month period.

### **5 Implications**

#### **5.1 Finance and Risk Implications**

As covered in the body of the report.

#### **5.2 Legal Implications including Data Protection**

None

#### **5.3 Human Resources Implications**

None

### **6 Recommendations**

(1) The Senior Surveyor is asked to dispose of 96 Duke Street and 100 Duke Street using a method that will maximise the income to the Council.

(2) The Head of Housing is able to agree a disposal price within 10% of the valuation, that the Head of Housing in consultation with the Director of Operations and the Portfolio Holder for Housing is able to agree a disposal price within 20% of the valuation.

(3) That the proceeds of the sale is used to provide additional Council Housing

### **7 Decision Information**

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	Yes
<b>District Wards Affected</b>	Clowne

<b>Links to Corporate Plan priorities or Policy Framework</b>	
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**8 Document Information**

<b>Appendix No</b>	<b>Title</b>
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Valuation report – Consultancy Services dated 28 <sup>th</sup> May 2014.	
<b>Report Author</b>	<b>Contact Number</b>
Peter Campbell Head of Housing	Xt 3038

Report Reference –

**Bolsover District Council**

**Executive**

**14 July 2014**

**Request for Leisure Facilities Proposal Consultation Costs to be met from Efficiency Grant**

**Report of the Joint Assistant Director – Leisure (Portfolio Holder: Cllr A Syrett)**

This report is public

**Purpose of the Report**

- To inform Executive of the outcome of the tender process for the Consultation regarding proposals for Creswell Leisure Centre and Clowne Leisure Centre and approve the funds.

**1 Background**

- 1.1 Members will be aware of the recent report to Executive which detailed that a draft 'Facilities Strategy' had been produced by Leisure Services which, amongst other findings, highlights that Creswell Leisure Centre, which was built 90 years ago, needs significant investment (in excess of £300,000 over the next five years) just to maintain its current operations.
- 1.2 The report explained that operating at 95% capacity and with no room for expansion, there is limited opportunity to increase the client base and the income at Creswell Leisure centre, meaning the facility would remain a financial burden on the council and ultimately the tax payer.
- 1.3 Within the report to Executive, priority areas for consideration included a possible alternative facilities option for an enhanced sports facility (with activities such as a swimming pool, smaller teaching pool, enhanced fitness suite, food and beverage offer and children's soft play zone) at Clowne Sports Centre, which is a relatively new facility, has land to expand its range of activities and has some of the infrastructure required already in place.
- 1.4 Executive and later Scrutiny Members approved the proposal to consult with the communities of Clowne, Creswell and wider district when we would ask local people for their views on the proposal to cease our current operation at Creswell Leisure Centre and provide an enhanced sports provision 3 miles away at Clowne Sports Centre.
- 1.5 A consultation questionnaire has been prepared and it is proposed that this will be posted to every household in the District for residents to complete. It is envisaged that the questionnaire will be available to complete in July/August 2014, after which the results will be analysed and then fed back to the relevant council committee for a decision to be made.

- 1.6 BDC does not have sufficient capacity to carry out such a comprehensive consultation (37,000 questionnaires), therefore this work has been put out to tender which resulted in six companies responding. Following a comprehensive evaluation process the preferred bidder has been chosen with a cost for the consultation identified as £16,609 - based on 22% (8,140 returns) response rate, adjustments may be made up and down if the response rate varies significantly. The cost variance is plus/minus £767 per 1,000 returns. We have the option to reduce this cost by £2,104 to £14,505 if the survey was reduced to 4 pages.

## **2 Conclusions and Reasons for Recommendation**

- 2.1 Consultation with every household within the district is comprehensive and will produce the most valid response to the proposals from the community at large.
- 2.2 Undertaking this work externally is the only feasible option open to BDC due to internal capacity constraints. By putting this work out to the market under a competitive tender process has ensured that the company and tender that best meets our needs has been identified.
- 2.3 The proposal as detailed above and the wider draft built facilities strategy are a product of the councils Transformation programme, use of the councils Transition Grant to fund this piece of consultation work is therefore appropriate and necessary.

## **3 Consultation and Equality Impact**

- 3.1 An equality Impact Assessment was carried out initially at the outset of this proposal which accompanied the original report to Executive. This EIA is a dynamic document which will follow the process along to completion flexing and changing as deemed appropriate along the way.
- 3.2 The decision to consult with every household increases the inclusivity of the process.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 To consult with the communities directly affected only i.e. Clowne and Creswell, with consultation with the wider district being carried out via sign posting to request a survey form or download a form from the website etc.
- 4.2 The proposal involves facilities which are whole district facilities, it is felt that this approach would not give everyone an equal opportunity to respond.

## **5 Implications**

### **5.1 Finance and Risk Implications**

As detailed previously, BDC does not have sufficient resource capacity to carry out a comprehensive consultation. Following an open market tender and comprehensive evaluation process the preferred bidder has been chosen with a cost for the consultation identified as **£16,609** - based on 22% response rate, adjustments may be made up and down if the response rate varies significantly. We have the option to reduce this cost by £2,104 to **£14,505** if the survey was reduced to 4 pages.

## 5.2 Legal Implications including Data Protection

None

## 5.3 Human Resources Implications

None

## 6 Recommendations

6.1 That Executive approve the award of contract and expenditure of **£16,609** - based on 22% response rate, accepting that adjustments may be made up and down if the response rate varies significantly as outlined in Section 1.6 of this report.

6.2 That Executive approve the option to reduce this cost by £2,104 to **£14,505** if this proves possible to achieve.

6.3 That Executive approve the use of Efficiency Grant to fund the consultation.

## 7 Decision Information

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
<b>District Wards Affected</b>	All
<b>Links to Corporate Plan priorities or Policy Framework</b>	SOD, SI,

## 8 Document Information

Appendix No	Title
N/A	
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
<b>Leisure Facilities Consultation Tender Evaluation Report</b>	
<b>Report Author</b>	<b>Contact Number</b>
Lee Hickin	01246 217218 01246 242225



**Bolsover District Council**

**Executive**

**14 July 2014**

**Pleasley Vale Potential Funding Claw Back**

**Report of the Commercial Properties & Developments Manager**  
**(Portfolio Holder: Cllr A Tomlinson)**

This report is public

**Purpose of the Report**

- To update Executive following discussions with Public Funding bodies concerning the potential impact of the 'clawback' of external grant upon the future development of the Pleasley Vale complex.

**1 Report Details**

- 1.1 Executive will be aware that the Council is in the process of a programme of work designed to secure a sustainable future for Pleasley Vale Mills. Following the acquisition of the site some 20 years ago the Council has secured with the aid of a range of external funders a refurbishment of what was a dilapidated and deteriorating site. While the site is currently home to a range of business and leisure activities which generate a small cash surplus, significant areas of the site are underutilised and a survey of the site has identified a significant requirement for investment in the buildings if they are to remain in a reasonable condition. A heritage lottery bid has been developed and submitted in order to assist in securing the necessary funding. However, one of the issues which needs to be resolved as part of any options appraisal is that the Mill complex has received in excess of £5m of grant funding in order to enable the previous refurbishment to take place. Such funding could be reclaimed or 'clawed back' if the Council breaches the conditions on which that funding was provided. Clearly if a significant element of that £5m of funding were to be 'clawed back' then it would have a direct impact upon the viability of any proposals in respect of the Pleasley Vale complex.
- 1.2 As part of the Pleasley Vale HLF project as reported to Council on the 16 January 2014 Council discussions have been taking place with funding bodies regarding the potential impact of claw back of existing funding agreements on the Pleasley project. These discussions with the external funders have sought to reach an agreement as to how 'clawback' on grants previously secured may impact on any future development.



1.3 To date, discussions have been focused upon the major funding bodies DCLG (Birmingham) and the HCA who are responsible for ERDF, SRB, EMDA and English Partnerships related funding. Other funding bodies still need to be contacted such as DEFRA, DCLG (Nottingham), and The Big Lottery. The current position following these discussions may be summarised as follows.

1.2 DCLG:

The funding which falls under DCLG (central policy team) remit is identified in the table below:

Name of the fund	Funding Body at the time of the grant	Amount	Date	Accountable Body 2014	Description / Purpose
<b>ERDF : EMROP 2 (Conditions 5 (ii) and (viii))</b>	GOEM	£422,674	22.12.93	DCLG (Central Policy Team)	Creation of up to 500 jobs. Provision of 12,541 m2 floorspace.
<b>ERDF :Objective 2 (Conditions 18(a)(i) and (f))</b>	GOEM	£238,492	22.12.95	DCLG (Central Policy Team)	20 nursery units, 45 permanent jobs, 31,000 sq ft business space created.
<b>ERDF : RETEX II (Conditions 19(a)(i) and (f))</b>	GOEM	£188,400	20.01.97	DCLG (Central Policy Team)	20 nursery units, 45 permanent jobs, 31,000 sq ft business space created.
<b>ERDF : RETEX II (Conditions</b>	GOEM	£253,358	22.12.95	DCLG (Central Policy Team)	20 SME's assisted. 6 business start-ups. 4 hectares improved land. 352 permanent jobs during project lifetime. 21,645 m2 of business space upgraded.
<b>ERDF : RETEX II (Conditions 19(a)(i) and (f))</b>	GOEM	£213,984	19.09.97	DCLG (Central Policy Team)	18 nursery units, 45 permanent jobs, 20,000 sq ft business space created.
<b>ERDF :Objective 2 (Conditions 20(a)(i) and (f))</b>	GOEM	£6,200	07.12.99	DCLG (Central Policy Team)	20 SME's assisted. 30 m2 new/improved business space.
<b>ERDF : RETEX II (Conditions 20(a)(i) and (e)(i))</b>	GOEM	£10,560	14.12.99	DCLG (Central Policy Team)	15 permanent jobs created. 7 upgraded units for SME's. 883 m2 new/improved business space.

<b>ERDF :Objective 2 (Conditions 15, 17, Annex 7(f)(i) and (g))</b>	GOEM	£360,000	23.05.03	DCLG (Central Policy Team)	36 SME's housed. 18 new start businesses. 80% occupancy of premises. 80 new jobs. 7 female owned SME's assisted. 100% development of brownfield site and refurbished premises reaching a higher level of energy efficiency.
<b>ERDF :Objective 2 (Conditions 15, 17, Annex 7(f)(i) and (g))</b>	GOEM	£167,150	01.06.06	DCLG (Central Policy Team)	1285 m2 of premises refurbished. 100% increase in broadband access. 3 SME's assisted from target groups. 1 development of brownfield site. 25 new jobs. 14 new enterprises. 25 additional jobs created employment.
<b>SRB1 Programme (Conditions: 14(f), 15(d), 17</b>	GOEM (Bolsover SRB Partnership)	£780,976	21.08.97	DCLG (Central Policy Team)	531 jobs created. 484 construction jobs (in person weeks). 18 trained people obtaining jobs. 57 new business start-ups. 17.40 hec of improved open space. 3 hec improved/reclaimed land. 38756 m2 of improved floorspace.
<b>SSP SRB Programme (Conditions: 6 [Offer letter], 8.2; 8.4, 9.1(l) and (m) [Funding Agreement]</b>	EMDA	£360,000	15.04.03	DCLG (Central Policy Team)	25 new business start-ups. 1 environmental improvement scheme. 3,477 area of improved floorspace. 1,464 number of jobs.
<b>Total Funding liability</b>		£3,001,794			

The funded projects DCLG (central policy team) are accountable for are broken down into three categories:

SRB Programme – In February 2011, DCLG removed its capital clawback rights from four historic grant programmes:

- Single Regeneration Budget (SRB)

- Urban Programme
- City Challenge
- Inner Area Grants.

Therefore, clawback on SRB schemes are not considered a future liability.

ERDF (Pre – 2000) – DCLG (central policy team) considered the risk of clawback on these schemes to be low due to the age of the scheme and the fact that the programmes have been formally ‘closed’ by the European Commission. To clarify the position, DCLG will write to BDC stating the following:

“For ERDF funding pre 2000-2006, the risk of claw back is significantly reduced due to the age of the schemes and could be deemed low risk. However, in most cases the likely economic life of the project is 20yrs and therefore, until the projects are older than 20 yrs the risk of claw back remains”.

If BDC develop Pleasley Vale it should be acknowledged that this risk all be it low, remains.

ERDF (2000 – 2006) – ERDF schemes from this programme are considered to be ‘live’ and as such BDC had to complete disposal request form for these schemes which detailed what BDC intend to deliver at Pleasley Vale as outlined in the 16 January Council Report. In considering our disposal requests DCLG (central policy team) have proposed the following for BDC’s consideration:

“Further to your request to dispose of Mill 3 and associated car park I can confirm that in principal your request has been agreed on condition that:

- The Mill is sold on the open market (to avoid any state aid issues);
- Any profits are recycled into the refurbishment of Mills 1 and 2 and or other eligible activities;
- That there remains a SME presence on the site in line with the original purpose of the project.

Before I confirm in writing I would be grateful if you could let me know whether or not the above conditions can be adhered to from your perspective. If you do not feel that this is achievable and the sale goes ahead a pro rata request will be made to pay back a proportion of the ERDF grant allocated across the two projects. Based on the length of time each set of units has been in situ compared to the economic life of the project as set out in each of the offer letters, claw back could be in the region of £200k”.

In summary, if BDC adhere to the conditions outlined above and acknowledge DCLG’s ‘low risk’ view on Pre-2000 ERDF programmes the potential £3m DCLG clawback has been reduced to a maximum liability of £200k, which may be further reduced to a position where no clawback is required.

## HCA

The funding which falls under The HCA's remit is identified in the table below:

Name of the fund	Funding Body at the time of the grant	Amount	Date	Accountable Body 2014	Description
English Partnerships Condition: 4(j)	EMDA	£23,750	19.09.94	HCA	Completion of site survey and supply of results
English Partnerships Condition:	EMDA	£310,000	Dec 95	HCA	Appears to have been all environmental and landscaping work - with no hard outputs.
<b>Total Funding Liability</b>		£333,750			

Following a review of the HCA records for EMDA and English Partnership funded schemes at Pleasley Vale the two schemes above are the only schemes which are still open and liable to clawback. There was also a record of a Partnership investment grant which was closed in 2011.

A letter from the HCA (Appendix A), states that under the Derelict Land Grant programme should the site where the land grant is applied be disposed of then an after value payment would be triggered. The after value is the open market value of the land at the time of its disposal, appropriation or bringing into use.

The records we have on these funding streams are limited; however, the land subject to this funding includes Millpond restoration, waste disposal site, sewerage works, demolitions, and miscellaneous works. More work needs to be undertaken to fully establish the specific impact on the proposals for redevelopment at Pleasley.

### 1.4 Other funders

The funding which falls under other funders which have yet to be contacted regarding the Pleasley proposal:

Name of the fund	Funding Body at the time of the grant	Amount	Date	Accountable Body 2014	Description
Coalfield Area Fund	GOEM	£520,913	07.04.93	Not yet identified	Creation of up to 500 jobs. Provision of 12,541 m2 floorspace.

<b>Rural Development Commission Condition: 4</b>	RDC	£26,195	06.01.98	DEFRA	No outputs specified on documentation.
<b>Rural Development Commission Conditions: C(7), D(1), D(8)</b>	RDC	£348,000	13.01.98	DEFRA	89 jobs created. 2,213 m2 high quality units.
<b>Rural Development Commission Condition: 4</b>	RDC	£17,760	09.01.98	DEFRA	No outputs specified on documentation.
<b>Rural Development Commission Condition: 4</b>	RDC	£12,500	02.12.94	DEFRA	Installation of lift
<b>Alliance SSP Conditions</b>	EMDA	£244,500	15.06.06	DCLG (Notts)	15 jobs created/safeguarded. 6 new businesses created/attracted & operational for 12 months. 5 businesses assisted to improve performance. 9 businesses engaged with UK knowledge base. 0.77 hec of brownfield land reclaimed/redeveloped.
<b>CRT (Delegated Grant)</b>		£58,000	2007	CRT	1 no. community facility improved
<b>Big Lottery (New Opportunities Fund PE and Sport)</b>		£150,000	2007	BLF	adaption of existing building
<b>Total Funding Liability</b>		£1,377,868			

The table above outlines the remaining funding bodies (If known) to contact with regards claw back liabilities at Pleasley Vale. Officers will continue with the process of identifying and approaching funding bodies to establish clawback liability.

## **2 Conclusions and Reasons for Recommendation**

- 2.1 In conclusion, Executive is asked to consider a recommendation to agree to the proposal from DCLG (Birmingham) with regards ERDF clawback (Post 2000) and acknowledge the low risk status of Pre 2000 ERDF funding.

The work undertaken to date has indicated that levels of clawback on the Pleasley Vale Complex are likely to be significantly below the amount of external grant of in excess of £5m which has been used to refurbish the Mill's over the last 20 years. Officers have identified a maximum liability of some £200k, although in addition to this there are a range of grant regimes such as Derelict Land Grant where further clawback may be experienced. At this point in time it is not realistic to seek to assess the potential costs of clawback arising from these funding streams given that there is significant less certainty around the original conditions of the grant. While further work is ongoing to assess the Council's potential liability it is unlikely to be able to gain a more accurate picture until the Council has committed to a scheme. Clearly the greater the connection between any future refurbishment and change of use and the purpose for which grant were originally provided will reduce the risk of clawback. The main option which are being pursued as part of the Heritage Lottery Grant submission are broadly in line with the current use of the site and should therefore minimise the risk of clawback.

## **3 Consultation and Equality Impact**

- 3.1 This report is concerned with establishing the potential level of 'clawback' of grant funding previously received which may impact of any future development at Pleasley Vale Mills. Given that this essentially entails a discussion with funding bodies it is not considered necessary to undertake any consultation relating to this work.

- 3.2 There are no equality issues arising directly from this report.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 This report is concerned with identifying potential liabilities from previous grant funding. As such it does not look at options for mitigating such clawback, or at any options for the future development of the site.

## **5 Implications**

### **5.1 Finance and Risk Implications**

- The potential financial clawback of grants previously provided is covered throughout this report.
- While officers are seeking to identify and to negotiate an agreed position around grant previously received it needs to be recognised that many of the funding streams used to refurbish Pleasley over the last 20 years are open to a range of interpretations as to the financial liabilities which currently remain. While officers will work to clarify the position as much as possible given the extent and variety of the grant funding used to renovate the Mills there will remain a possibility that the Council will remain subject to unanticipated clawback as a result of any major refurbishment work or attendant change of use which is undertaken.

## 5.2 Legal Implications including Data Protection

The legal issues around clawback of previously received grant are covered throughout this report.

## 5.3 Human Resources Implications

There are no human resource issues arising directly from this report.

## 6 Recommendations

- 6.1 That Executive notes the work that has been undertaken in respect of the potential clawback of previous grant funding received in respect of Pleasley Vale Mills and continue with further work intended to quantify the potential clawback for those funding streams where a significant level of uncertainty remains. ...
- 6.2 That Officers bring back further reports concerning proposals for the Pleasley Vale site to Executive as appropriate.
- 6.3 As detailed in section 1.2, Executive agree to the proposed terms below which allow BDC to develop Pleasley Vale conditional upon:
- The Mill is sold on the open market (to avoid any state aid issues);
  - Any profits are recycled into the refurbishment of Mills 1 and 2 and or other eligible activities;
  - That there remains a SME presence on the site in line with the original purpose of the project.

If a disposal takes place without the above conditions met a pro rata request will be made to pay back a proportion of the ERDF grant allocated across the two projects currently in the region of £200k.

- 6.4 As detailed in section 1.2, Executive acknowledge DCLG's low risk assessment of Pre-2000 ERDF funding.

## 7 Decision Information

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	Yes
<b>District Wards Affected</b>	
<b>Links to Corporate Plan priorities or Policy Framework</b>	

8 **Document Information**

Appendix No	Title
A	HCA Letter
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Commercial Properties & Developments Manager	X2210

Report Reference –



**Bolsover District Council****Executive****14<sup>th</sup> July 2014****Arrears – Irrecoverable Items over £1000****Report of the Executive Director – Operations (Portfolio Holder: Cllr R Bowler)**

This report is public

**Purpose of the Report**

- Executive is requested to approve the write off of the under-mentioned irrecoverable items including costs amounting to £17,652.05 as itemised on the attached schedules.

**1 Report Details****1.1**

<b>Bankruptcy/ Liquidation</b>		
No of Accounts	Type of Account	
1	Council Tax	£10,564.96
2	Business Rates	£2,650.19
1	Sundry Debts	£1,478.59
	<b>Total</b>	<b>£14,693.74</b>

**1.2**

<b>No Trace</b>		
No of Accounts	Type of Account	
1	Council Tax	£1,397.08
1	Business Rates	£1,561.23
	<b>Total</b>	<b>2,958.31</b>

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

## **2 Conclusions and Reasons for Recommendation**

2.1 Writing off the outstanding debts in respect of persons who are bankrupt or companies in liquidation or unable to trace.

## **3 Consultation and Equality Impact**

Not applicable

## **4 Alternative Options and Reasons for Rejection**

Not applicable

## **5 Implications**

### **5.1 Finance and Risk Implications**

The costs will be met from a provision for doubtful debts that has been agreed as part of the Council's budget.

### **5.2 Legal Implications including Data Protection**

None

### **5.3 Human Resources Implications**

None

## **6 Recommendations**

6.1 That approval is given to write off the irrecoverable items including costs amounting to £17,652.05 with the proviso that should any of the debts become collectable the amounts be re-debited.

## **7 Decision Information**

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
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<b>District Wards Affected</b>	
<b>Links to Corporate Plan priorities or Policy Framework</b>	Strategic Organisational Development - Continually improving our organisation

## 8 Document Information

<b>Appendix No</b>	<b>Title</b>
1	Council Tax: Amounts for Write Off – Bankruptcy
2	Business Rates: Amounts for Write Off – Liquidation
3	Sundry Debts: Amounts for Write Off – Bankruptcy
4	Council Tax: Amounts for Write Off – No Trace
5	Business Rates: Amounts for Write Off – No Trace
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
<b>Report Author</b>	<b>Contact Number</b>
Billing and Recovery Manager	Ext 2432

Report Reference –

**COUNCIL TAX: AMOUNTS FOR WRITE OFF – BANKRUPTCY**

	<u>Account Reference</u>	<u>Lead Liabile Name</u>	<u>Address</u>	<u>Account Balance</u>	<u>Liabile From</u>	<u>Liabile To</u>	<u>Bill Balance</u>
1	900648068	CARLISLE,MR ANTHONY	186 LANGWITH ROAD LANGWITH JUNCTION NG20 9RN	£10,564.96	01/08/2002	01/04/2003	£ 513.50
					01/04/2003	01/04/2004	£1,059.10
					01/04/2004	01/04/2005	£1,118.04
					01/04/2005	01/04/2006	£1,148.13
					01/04/2006	01/04/2007	£1,110.86
					01/04/2007	01/04/2008	£1,161.11
					01/04/2008	01/04/2009	£1,217.89
					01/04/2009	01/04/2010	£1,245.00
					01/04/2010	01/04/2011	£1,291.00
					01/04/2011	11/10/2011	£ 700.33
				<b>£10,564.96</b>			

**BUSINESS RATES: AMOUNTS FOR WRITE OFF: LIQUIDATION**

	<u>Account Reference</u>	<u>Lead Liabile Name</u>	<u>Address</u>	<u>Account Balance</u>	<u>Liabile From</u>	<u>Liabile To</u>	<u>Bill Balance</u>
1	800128254	KYOOB SPACE LTD	22B GANDER LANE BARLBOROUGH	£ 1,455.62	01/04/2013	18/12/2013	£ 1,455.62
2	800153689	KYOOB SPACE LTD	22A GANDER LANE BARLBOROUGH	£ 1,194.57	01/04/2013	18/12/2013	£ 1,194.57
				<u>£ 2,650.19</u>			

**SUNDRY DEBTORS: AMOUNTS FOR WRITE OFF: LIQUIDATION**

<u>Account Reference</u>	<u>Lead Liabile Name</u>	<u>Address</u>	<u>Account Balance</u>	<u>Invoice Number</u>	<u>Bill Balance</u>	<u>Reason for Write Off</u>
1	15215 S COWELL	74 NEW TERRACE PLEASLEY	£ 1,478.59	30201303 30201141 30105755	£ 103.39 £ 57.25 £ 1,317.95	DRO GRANTED 10/02/14
			<u>£ 1,478.59</u>			

**COUNCIL TAX: AMOUNTS FOR WRITE OFF - NO TRACE**

	<u>Account Reference</u>	<u>Lead Liabile Name</u>	<u>Address</u>	<u>Account Balance</u>	<u>Liabile From</u>	<u>Liabile To</u>	<u>Bill Balance</u>
1	901501527	GLMSKI,MR PIOTR	41 BRUNNER AVENUE SHIREBROOK NG20 8RR	£1,397.08	01/03/2012 01/04/2012 01/04/2013	01/04/2012 01/04/2013 01/05/2013	£ 136.93 £1,118.26 £ 141.89
				<b><u>£1,397.08</u></b>			

**BUSINESS RATES: AMOUNTS FOR WRITE OFF: NO TRACE**

	<u>Account Reference</u>	<u>Lead Liabile Name</u>	<u>Address</u>	<u>Account Balance</u>	<u>Liabile From</u>	<u>Liabile To</u>	<u>Bill Balance</u>
1	800173315	MR TOM NEEDHAM	98 - 100 NORTH ROAD CLOWNE	£ 1,561.23	01/04/2012	01/04/2013	£ 1,462.50
					01/04/2013	25/04/2013	£ 98.73
				<u>£ 1,561.23</u>			



**Bolsover District Council**

**Executive**

**14 July 2014**

**New Bolsover Project – Use of Dwelling**

**Report of the Head of Housing (Portfolio Holder: Cllr K Reid)**

This report is public

**Purpose of the Report**

For members to consider using one HRA property at New Bolsover for the HLF funded New Bolsover project

**1 Report Details**

- 1.1 As part of the HLF project at New Bolsover, there is a requirement for an on site presence for the Community Development Worker, other staff and the occasional meeting.
- 1.2 There are a high number of empty HRA properties at New Bolsover.
- 1.3 It is recommended to use one of these empty properties to provide an office base. There will be no rent charge made for the property, but the project will be expected to pick up utility costs and Council Tax.
- 1.4 Initially it is proposed to use 157 New Bolsover for this purpose. This will incur a rent loss of £77.59 per week (based on a 48 week rent year). However, as the project progresses it may be more helpful to refurbish a property and to use this as a office space show house.
- 1.5 It is therefore proposed to permit the use of one HRA property for the use of the New Bolsover project for a period of up to 5 years. Initially this will be 157 New Bolsover, but this may be 'switched' to another property as determined by officers without the need for a further report.

**2 Conclusions and Reasons for Recommendation**

- 2.1 To agree to use one property at New Bolsover as an office base for a period of up to five years.

**3 Consultation and Equality Impact**

- 3.1 None carried out. However the main project will involve a considerable amount of community involvement and an on site presence with help this.

#### **4 Alternative Options and Reasons for Rejection**

4.1 None considered

#### **5 Implications**

##### **5.1 Finance and Risk Implications**

Potential rent loss of £3,724.32 per year, at current rent levels. However as properties are difficult to let in the area this may not be relevant.

##### **5.2 Legal Implications including Data Protection**

None

##### **5.3 Human Resources Implications**

None

#### **6 Recommendations**

6.1 That one HRA property at New Bolsover is used as a Project Office for a period of up to 5 years.

6.2 That there is no charge made for this use.

6.3 That initially the property used will be 157 New Bolsover, but officers are able to 'switch' to another property without the need for a further report.

#### **7 Decision Information**

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
<b>District Wards Affected</b>	Bolsover South
<b>Links to Corporate Plan priorities or Policy Framework</b>	

**8 Document Information**

Appendix No	Title
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number

Report Reference –

**Bolsover District Council**

**Executive**

**14<sup>th</sup> July 2014**

**Strategic Risk Register**

**Report of the Executive Director - Operations**

This report is public

**Purpose of the Report**

- To update Members concerning the current position regarding Risk Management and to seek approval for the revised Strategic Risk Register as at 31 March 2014, as part of the suite of Finance, Performance and Risk reports.
- To update Members regarding the arrangements which are currently in place to manage partnership arrangements including the associated risk.

**1 Report Details**

**Background**

- 1.1. The Council's Strategic Risk Register has been developed by the Risk Management Group to take into account the issues raised within the Master Risk Register which outlines the service or operational risks faced by the Council. The Risk Management Group has also given separate consideration to the Strategic Risks which face the organisation.
- 1.2. In addition to the work undertaken at the Business Risk Group the Council also considers the issue of Risk Management at the Quarterly Directorate meeting. This allows senior managers to have a greater level of input into the shaping of the Strategic Risk Register and into the wider issues of Risk Management. It also allows service Registers to be independently reviewed on a more regular basis than was achieved by periodic review at the Business Risk Group. More recently Strategic Risks were considered as part of a Member Development Day. Finally, this report will also be considered at a meeting of the Council's Audit Committee.
- 1.3. In its approach to Risk Management the Council is seeking to secure a number of objectives and to operate in line with recognised best practice. In order to appreciate the importance of Risk Management it is useful to reiterate these objectives:

- To improve the way in which the Council manages its key risks so as to reduce the likelihood of them happening, and to mitigate their impact or magnitude in those cases where they do materialise. This is a key element in protecting service delivery arrangements, the financial position and the reputation of the Council.
- To strengthen the overall managerial approach of the Council. From a Governance perspective the effective operation of Risk Management is regarded as being a key element of the managerial framework operating within an authority.
- Effective Risk Management is a key component in ensuring that organisations are able to achieve their objectives, and that key projects proceed in line with plan.
- The identification of the risks attached to existing service delivery, or to a project or new initiative is important both to allow a fully informed decision to be made, and to ensure that all appropriate measures to mitigate (or reduce) the risk are in place from the outset.
- Finally, an appreciation of the risk environment within which the Council operates assists in determining an appropriate level of financial reserves for sound financial management, and ensures that the organisation has a good understanding of its overall risk exposure.

## **2. The Strategic Risk Register**

- 2.1. The revised Strategic Risk Register as at 31 March 2014 is set out in **Appendix 1** for consideration and approval by Executive. The intention is that this review of the Register will secure the following objectives:
- Identify any newly emerging risks which need to be added to the Register and removing any risks that have been resolved. An ongoing review of the Strategic Risk Register ensures that a focus is maintained on current risks.
  - Revising the Risk Register ensures that existing risks are reviewed, that appropriate mitigation remains in place, and where necessary risk assessment is revisited.
  - The process also allows appropriate consideration to be given to the success of existing mitigation, and to the issue of whether any further mitigation is required.
  - The Strategic Risk Register as set out in **Appendix 1** is structured so that those risks with the highest risk score are detailed first.
- 2.2. In overall terms a key element which emerges from the Strategic Risk Register is one of an ongoing requirement to maintain our current performance in respect of service delivery, performance and

governance to local residents. The current position, however, needs to be maintained at a time when it will be increasingly necessary to manage the Council's finances in a more pro active way in order to ensure that our expenditure remains in line with the level of our resources at a time of declining financial support from central government. This is likely to entail some significant changes in the manner in which our services to local residents are delivered with the level of change required clearly having the potential to disrupt service provision with the associated risks that such disruption entails.

## **2 Conclusions and Reasons for Recommendation**

- 2.1 The Strategic Risk Register is intended to highlight those areas where the Council needs to manage its risks effectively. One of the key purposes of this report is to set out the risks that have been identified (see Appendix 1) and to encourage both Members and Officers to actively consider whether the Strategic Risk Register and supporting Service Risk Registers actively cover all of the issues facing the Council.

### **Reasons for Recommendation.**

- 2.2 To enable Executive to consider the risks identified within the Strategic Risk Register in order to assist in maintaining effective governance arrangements, service and financial performance.

## **3 Consultation and Equality Impact**

### **Consultation**

- 3.1 There are no issues arising from this report which necessitate a detailed consultation process.

### **Equalities**

- 3.2 There are no equalities issues arising directly out of this report.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 Under the relevant good practice and to facilitate the development of robust managerial arrangements the Council is required to prepare a Strategic Risk Register as part of its risk management framework. This report is in part intended for Members and Officers to consider whether the Council has adopted an appropriate approach to its management of risk.

## **5 Implications**

### **5.1 Finance and Risk Implications**

#### **Financial**

There are no additional financial implications arising out of this report at this stage. While where appropriate additional mitigation measures have been identified and implemented during the course of preparing the Strategic and Operational Risk Registers, the cost of implementing this mitigation will be met from within previously agreed budgets.

## **Risk**

Risk Management Issues are covered throughout the body of the main report.

### **5.2 Legal Implications including Data Protection**

There are no legal or data protection issues arising directly out of this report.

### **5.3 Human Resources Implications**

There are no human resource issues arising directly out of this report.

## **6 Recommendations**

- 6.1 That Executive approves the Strategic Risk Register as at 31<sup>st</sup> March 2014 as set out in Appendix 1 to this report and request that an updated Register as at 30<sup>th</sup> June 2014 be brought back to a subsequent meeting of Executive for approval.

## **7 Decision Information**

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
<b>District Wards Affected</b>	None Directly
<b>Links to Corporate Plan priorities or Policy Framework</b>	Robust Governance (including Risk Management) arrangements underpin the effective operation of the Council and its ability to secure all of the Corporate Plan priorities.

**8 Document Information**

Appendix No	Title
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Master Risk Registers Strategic Risk Register	
Report Author	Contact Number
Executive Director – Operations	2431



## STRATEGIC RISK REGISTER SUMMARY AS AT: 31st MARCH 2014

	<b>Risk</b>	<b>Consequences</b>	<b>Risk Score (Likelihood x Impact)</b>	<b>Risk Score (Likelihood x Impact) Taking into Account Current Controls</b>	<b>Risk Owner / Lead Officer</b>
1	Failure to deliver a balanced budget in line with the MTFP, at a time when the Council's reserves are at relatively low levels.	<ul style="list-style-type: none"> <li>• Impact upon ability to deliver current level of services.</li> <li>• Unable to resource acceptable levels of service.</li> <li>• Significant adverse reputational Impact.</li> </ul>	4,4 <b>16</b>	3,4 <b>12</b>	SAMT / Chief Financial Officer
2	Adverse external economic position / government legislation, welfare reform etc. has an accelerating impact on Council (poor grant settlement), or upon the local economy (employment losses / welfare reform), to which Council is unable to adopt an appropriate change of Strategic direction.	<ul style="list-style-type: none"> <li>• Unable to deliver a package of services that meet changing local needs and aspirations.</li> <li>• Unable to effectively support local communities.</li> <li>• Increased demands on Council services at a time when Council resource base is reducing.</li> </ul>	4,4, <b>16</b>	3,4 <b>12</b>	SAMT / Political Leadership
3	Financial position makes it increasingly difficult to recruit to key posts / replace key staff who leave, or workforce morale is adversely affected by as a result of pace of change, tightening financial circumstances or external circumstances	<ul style="list-style-type: none"> <li>• Deterioration in services to the public.</li> <li>• Increasing inefficiencies in service provision.</li> <li>• Weakening of Internal Control arrangements.</li> <li>• Increased pressure on other members of staff.</li> </ul>	4,4 <b>16</b>	3,4 <b>12</b>	SAMT / Asst Director HR

	<b>Risk</b>	<b>Consequences</b>	<b>Risk Score (Likelihood x Impact)</b>	<b>Risk Score (Likelihood x Impact) Taking into Account Current Controls</b>	<b>Risk Owner / Lead Officer</b>
4	Delivery of the Council's Agenda is dependent upon effective delivery of both a number of major initiatives inc Regeneration Initiatives, HRA reform, Asset Management securing major financial savings and implementing a range of new government reforms whilst maintaining service quality, which may overstretch our reduced organisational capacity.	<ul style="list-style-type: none"> <li>• New initiatives are not delivered in a cost-effective manner.</li> <li>• Failure to maintain / improve services in line with local aspirations.</li> <li>• Failure to generate the savings required to balance the budget.</li> <li>• Financial efficiencies weaken Governance / Internal Control arrangements.</li> <li>• Service deterioration / failure arising from capacity issues.</li> </ul>	4,4 <b>16</b>	3,4 <b>12</b>	SAMT / Chief Executive
5	Emergency Planning and Business Continuity arrangements fail to meet required standards when tested by flu pandemic, natural disaster (flood), etc.	<ul style="list-style-type: none"> <li>• Inability of Council to provide services as a consequence of a severe catastrophic external event (e.g. flooding, major terrorist incident, flu pandemic, fire).</li> <li>• Failure of IT infrastructure, leading to inability to effectively operate services and to safeguard income streams.</li> <li>• Business Continuity Plans prove ineffective in practice.</li> </ul>	3,5 <b>15</b>	2,5 <b>10</b>	SAMT / Director of Health and Well Being
6	Failure to realise the opportunities presented by the Strategic Alliance / Joint Working.	<ul style="list-style-type: none"> <li>• Deterioration in service quality / performance.</li> <li>• Failure to achieve required MTFP savings.</li> <li>• Deterioration in quality of governance and internal control arrangements.</li> </ul>	4,4 <b>16</b>	3,3 <b>9</b>	SAMT / Political Leadership
7	A major operational or failure of data	<ul style="list-style-type: none"> <li>• Deterioration in services to the public, potentially a major</li> </ul>	3,4 <b>12</b>	2,4 <b>8</b>	SAMT / Assistant

	<b>Risk</b>	<b>Consequences</b>	<b>Risk Score (Likelihood x Impact)</b>	<b>Risk Score (Likelihood x Impact) Taking into Account Current Controls</b>	<b>Risk Owner / Lead Officer</b>
	protection risk materialises resulting in a significant impact upon the Council's ability to secure its corporate objectives. Given the efficiency measures that have been introduced to date this is considered to be an increasing issue for the Council.	<p>initial impact upon a local resident or a group of local residents.</p> <ul style="list-style-type: none"> <li>• Significant staff and financial resources required to resolve position, impacting on other services.</li> <li>• A major service has its operating capacity significantly impact and is required to introduce major reform in its approach to service delivery.</li> </ul>			Directors
8	Governance Arrangements including Performance, Finance and Risk Management need to be maintained in order to continue to operate effectively in a rapidly changing environment.	<ul style="list-style-type: none"> <li>• Adverse Impact upon Service Quality.</li> <li>• Failure to deliver high quality services which address national and local priorities.</li> <li>• Significant adverse reputational impact.</li> </ul>	<b>3,4 12</b>	<b>2,4 8</b>	Chief Financial Officer / Monitoring Officer