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Chairman: Councillor R.V. Blaney
Vice-Chairman: Councillor D.J. Lloyd

Members of the Committee:

Councillor Mrs T. Gurney
Councillor R.B. Laughton
Councillor A.C. Roberts
Councillor D. Staples
Councillor Mrs A.A. Truswell (Opposition Spokesperson)

Substitute Members

Councillor R.J. Jackson
Councillor D. Jones
Councillor D.P. Logue
Councillor Mrs Y. Woodhead

MEETING: Policy and Finance Committee

DATE: Tuesday, 26th March 2015 at 5.30pm

VENUE: Carriage Court, Kelham Hall

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

If you have any queries please contact Nigel Hill on 01636 655243.

AGENDA

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Confidential and Exempt Items

None

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of the **POLICY & FINANCE COMMITTEE** held in the Carriage Court, Kelham Hall, Newark on Wednesday 25 February 2015 at 5.30pm.

PRESENT: Councillor R.V. Blaney (Chairman)
Councillor D.J. Lloyd (Vice- Chairman)

Councillors: Mrs T. Gurney, R.B. Laughton, A.C. Roberts, D. Staples and Mrs A.A. Truswell.

ALSO IN ATTENDANCE: Councillors: T.S. Bickley, J. Bradbury, R.J. Jackson, D.R. Payne, R. Shillito, B. Wells and Mrs Y. Woodhead.

68. APOLOGIES FOR ABSENCE

Apologies for the late arrival of Councillor Mrs T. Gurney were given

69. DECLARATIONS OF INTERESTS BY MEMBERS AND OFFICERS AND AS TO THE PARTY WHIP

Councillor D.R. Payne declared a personal interest in respect of the exempt Agenda Item No. 13 – Former Municipal Buildings, 20 Balderton Gate, Newark.

70. DECLARATIONS OF INTENTIONS TO RECORD THE MEETING

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

71. MINUTES FROM THE MEETING HELD ON 29TH JANUARY 2015

The minutes from the meeting held on Thursday, 29th January 2015 were agreed as a correct record and signed by the Chairman.

72. COMMISSIONING PROGRAMME

The Business Manager – Policy and Commissioning presented a report concerning the future commissioning programme. In June 2013, the Policy Committee agreed an indicative five year programme. A number of issues had since affected the original programme such as the collaboration agreement, devolution, and service changes. Current projects, approved by the Policy Committee in September 2014, were researching options for the future delivery of back office services, the implementation of the new arrangements for leisure management and support to the devolution of services including those to Newark Town Council.

Looking ahead, there were a range of pressures likely to affect local government and some specific to the Council. The Chancellor's Autumn Statement 2014 signalled continued reductions in public sector spending and it was considered that policies and priorities may shift following the national and local elections. In addition, capacity across the Council would continue to be constrained by financial, service demand and change management pressures such as major capital schemes. Whilst future

commissioning projects would be a matter for the new Council from May 2015, the Committee considered the potential areas of focus. These were set out in the report and included a review of the Revenues and Benefits Business Unit, a project focusing on future electronic service delivery, potential management approaches for the National Civil War Centre and commissioning support to develop any collaboration agreements concerning various services.

AGREED AGREED (unanimously) that:

- (a) the Council's approach to future commissioning be approved;
- (b) the potential areas of focus as identified in paragraph 4 of the report should form the basis of the programme; and
- (c) the detailed programme be agreed by the new Council after May 2015.

Reason for Decision

To progress the Council's Commissioning Programme.

73. PROPOSALS FOR THE TRANSFER OF DISTRICT COUNCIL ASSETS TO LOCAL COUNCILS

The Director – Community presented a report which informed Members of a range of proposals for devolving the ownership and responsibility for the operation and maintenance of a number of District Council assets and amenities located around the District, including public conveniences, cemeteries and Community Centres.

In parallel with the devolution proposals and discussions with Newark Town Council, officers had been having similar discussions with other relevant Parish and Town Councils with a view to securing agreement for the transfer of assets and amenities to the respective local councils. The Director – Communities advised that future reports would be brought to the Committee in respect of ongoing discussions with Ollerton and Boughton and Southwell Town Councils.

Specific proposals, as detailed in the report, were for the freehold of the public conveniences sites in Edwinstowe and Lowdham to be transferred to the relevant parish councils together with one-off payments in recognition of future liabilities and planned maintenance; for the freehold of the sites of Lowdham and Walesby cemeteries to be transferred to the relevant parish councils with a one-off payment in recognition of future liabilities and planned maintenance/improvements; to give notice to the owners of the public conveniences in Farndon to break the current lease; and for the public conveniences in Laxton it was proposed that the current lease, which was due to expire on 31st July 2015, be allowed to expire through effluxion of time and that an annual grant of £900 per annum be paid to the Visitor Centre Trust to enable the toilets to remain open as part of the Laxton Visitor Centre.

The report also set out proposals in respect of Coddington Community Centre following an in principle agreement having been reached with Coddington Parish Council to transfer the freehold of the centre.

(Councillor Mrs T. Gurney arrived during consideration of this item).

AGREED AGREED (unanimously) that:

- (a) the proposals for public conveniences and cemeteries as outlined in the report be approved with the Chief Executive/Director – Communities being given delegated authority to take all necessary steps to implement the proposals;
- (b) the proposed transfer of the freehold for Coddington Community Centre to Coddington Parish Council, together with a grant of £5,878 from the localism budget as outlined in the report be approved; and
- (c) the position regarding Southwell Town Council and Ollerton Car Park as outlined in the report be noted.

Reason for Decision

To devolve local amenities and facilities to the local communities that they serve.

74. REVENUE BUDGET - PROPOSED BUDGET 2015/16

The Director- Resources presented a report which enabled Members to consider spending proposals and recommendations to the Council for the budget in 2015/2016 and preliminary projections for 2016/2017 to 2019/2020.

The report set out the details of the proposed budget for the Council in 2015/2016. The budget proposals had been formulated in accordance with the framework set out in the Council's Constitution with the initial report having been presented to the Policy Committee on 18th September 2014. The report also included indicative overall budgets for the following four years to 2019/2020. It was noted that the level of discretionary fees and charges for services provided by the Council were considered as part of the budget process rather than being implemented piecemeal throughout the year. The proposed fees and charges for 2015 were detailed in the report and would be included in the budget book which forms part of the agenda for the full Council Meeting.

The Local Government Finance Settlement provided key figures for Government Grant that formed a major part of the Council's budget. The draft settlement was announced on 18th December 2014 with the final settlement being received on 4th February 2015. It was noted that the Council were part of the business rates pool with other Nottinghamshire Authorities. A projection of available resources under Business Rates Retention had been completed. At this stage, the Medium Term Financial Plan had been prepared using these forecasts assuming NDR growth at a similar level to that achieved in 2014/14 but with an adjustment for business rates lost through the closure of Thoresby colliery in 2015. This would be reviewed as more information became available.

The report had been prepared by the Resources Directorate in conjunction with the appropriate Committee Members and relevant budget holders. In accordance with the Constitution, all Members, Directors and Business Unit Managers had been involved with the preparation of the budget.

AGREED (unanimously) that it be recommended to Council on 10th March 2015 that:

- (a) the Employee Plan shown in Appendix C to the report be noted;
- (b) the following amounts be now calculated by the Council for the year 2015/2016 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011:-
 - (i) £82,675,170 being the aggregate of the amounts which the Council estimates for items set out in Section 31A(2)(a) to (f) of the Act;
 - (ii) £70,183,360 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act; and
 - (iii) £12,491,810 being the amount by which the aggregate at (a)(i) above exceeds the aggregate at (a)(ii) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax Requirement for the year;
- (c) the figures shown as (b)(i) and (a)(iii) above to be increased only by the amount of Parish Precepts for 2015/2016; and
- (d) the budget figures included in the report be the Council's budget for 2015/2016 and Medium Term Financial Plan for 2015/2016 to 2019/2020.

Reason for Decision

To enable the Policy & Finance Committee to make recommendations to full Council of the amounts to be calculated in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011 for the purposes of setting Council Tax levels for the year 2015/2016.

75. NEWARK SIGNAGE STRATEGY

The Business Manager – Economic Growth presented a report concerning the proposed delivery for a new Signage Strategy for Newark and sought approval of capital expenditure in order to upgrade road and pedestrian signage in Newark.

The report set out the rationale for the Signage Strategy, giving specific details on the findings in relation to road and pedestrian signs including issues relating to incorrect signage, out of date signage and the need to ensure effective signage for the National Civil War Centre. It also provided a summary of the key themes arising from the consultation events held in October 2014. More in depth information was also provided on highway signage; pedestrian signage; and overall capital expenditure costs.

The Economic Development Committee, at their meeting held on 21st January 2015, agreed the following recommendations:

- (a) the signage strategy is agreed and discussions with relevant agencies and any tender exercise that is required is commenced;
- (b) options to gain financial support via Nottinghamshire County Council and any other sources are undertaken;
- (c) that Newark is described as an Historic Civil War Town;
- (d) that the battlefield symbol is utilised for the promotion of the National Civil War Centre;
- (e) the Newark Attractions car parks are identified as those near to Newark Castle Station with signs identifying these as Attractions Car Parks;
- (f) the pedestrian signs are updated and replaced with similar looking signs that are easier to maintain and replace by section if needed;
- (g) the twinning signs are retained, although there may be some inconsistencies which will be reviewed; and
- (h) that the replacement should be undertaken prior to the opening of the National Civil War Centre.

The total estimated costs of the signs which would be capital expenditure, was £86,500. It was confirmed that if progressed, Nottinghamshire County Council would be approached to discuss contributions to the required funding. In addition it was noted that Highways Agency costs would also be incurred which could range between £10,000 and £20,000.

AGREED (unanimously) that:

- (a) the Capital Expenditure as outlined in paragraph 3.10 of the report be approved; and
- (b) the ongoing discussions regarding additional contributions to the funding which may reduce the capital expenditure for Newark & Sherwood District Council be noted.

Reason for Decision

The opening of the National Civil War Centre in May 2015 will significantly increase visitor numbers into the town so ensuring correct and effective traffic management and also pedestrian directional information was crucial to the development of the Centre and the reputation of Newark as a thriving town.

76. CAPITAL PROGRAMME - 2015/16 TO 2019/20

The Director- Resources presented a report which detailed the available capital resources, the Council's existing committed Programme and the priority schemes identified. The current Capital Programme included an estimate of the amount available from useable capital receipts over the period 2015/16 – 2019/20 of £7.6 million after allocating the receipt from the sale of the Potterdyke car park to the Leisure Centre project. The remaining receipts were made up from accumulated Right to Buy council house sales, the sale of Kelham Hall and other sundry items.

In previous years the Council had budgeted for revenue support for external borrowing for capital schemes under the Prudential regime. However, in line with the Council's current Treasury Strategy, wherever possible expenditure had been financed by temporarily 'borrowing' from internal reserves and balances. On reviewing finance available from this source it had been possible to identify further internal resources which could be used temporarily to finance capital expenditure. A number of projects within the capital programme benefit from external funding which was earmarked for these projects. The projects within the programme were 25 supported dwellings in Bilsthorpe, 2015 – 2018 affordable housing developments, the Newark Leisure Centre, the National Civil War Centre/Town Trail, Ollerton Hall acquisition and works and the southern link road (Growth Point).

Proposals for the General Fund Capital Programme were set out in Appendix A to the report. The Housing Revenue Account property investment programme was attached as Appendix B to the report for approval and was financed through the 30 year HRA business plan. A schedule of the vehicle, plant and equipment assets, together with their planned replacement dates was shown as Appendix C to the report. The current proposals for financing were given in Appendix D to the report.

AGREED (unanimously) that it be recommended to Council on 10th March 2015 that:

- (a) the General Fund schemes shown in Appendix A, the housing services programme in Appendix B and the vehicles, plant and equipment replacement programme in Appendix C be approved as committed expenditure in the Capital Programme;
- (b) the Capital Programme be managed in accordance with Financial Regulation 6.2.3;
- (c) in accordance with the delegation to the Section 151 Officer in the Council's Constitution to arrange financing of the Council's Capital Programme, the Capital Programme for the financial years 2015/16 to 2019/20 be financed so as to maximise the resources available, having regard to the provisions of the Local Government and Housing Act 1989 and subsequent legislation;
- (d) with effect from 11th March 2015, the appropriate Directors be authorised to incur expenditure in respect of all schemes included in the committed Capital Programme; and
- (e) any changes above the limit delegated to the Section 151 Officer (i.e. £10,000), either in funding or the total cost of the capital scheme, be reported to Policy Committee for consideration.

Reason for Decision

To enable the Capital Programme to be considered by the Policy and Finance Committee in accordance with Financial Regulation 6.2.3 prior to its submission to Council.

77. BUSINESS RATES-LOCAL TRANSITION RATE RELIEF SCHEME

The Business Manager – Revenues and Benefits presented a report which sought adoption of a proposed new local transitional rates relief scheme for 2015/16 and 2016/17. The transitional relief scheme was introduced in 2010 to help those ratepayers who were faced with higher bills. The scheme ends on 31st March 2015 and as a result a small number of ratepayers would face a jump to their full rates bill from 1st April 2015.

The government announced in the Autumn Statement that it would extend to March 2017 the current transitional relief scheme for properties with a rateable value up to and including £50,000. The government would fully reimburse local authorities that use their discretionary relief powers under the Local Government Finance Act 1988. It was for individual local billing authorities to adopt a local scheme and decide in each individual case when to grant relief. The proposals for the scheme were detailed in the report.

AGREED (unanimously) that the proposed new local transitional rates relief scheme for 2015/16 and 2016/17 be adopted.

Reason for Decision

To establish a local transitional rates relief scheme for the financial years 2015/16 and 2016/17.

78. URGENCY ITEM - SCHEME ALTERATION - HOMES AND COMMUNITIES AGENCY AFFORDABLE HOUSING PROGRAMME

The Committee noted the decision to alter the schemes submitted to the Homes and Communities Agency Affordable Homes Programme 2015 - 18. The changes were in respect of two sites, Wolfit Avenue and Coronation Street in Balderton.

AGREED (unanimously) that the urgency item be noted.

Reason for Decision

To enable changes to be made to two of the proposed schemes following initial site investigations.

79. DEVOLUTION TO NEWARK TOWN COUNCIL - PROGRESS UPDATE

The Deputy Chief Executive presented a report which updated the Committee in respect of the proposed devolution package to Newark Town Council. At their meeting on 4th December 2014, the Policy & Finance Committee approved the proposed devolution package to Newark Town Council and agreed, that the Chief Executive be given delegated authority to agree the detailed terms of the devolution package subject to the agreement of the Chairman and Opposition Spokesman of the Policy & Finance Committee in line with the principles set out in the report and to take all necessary steps to enable the transfer of services and assets on 1st April 2015.

Unfortunately, the package was initially rejected by Newark Town Council which had a number of concerns about the details of the proposed package although they were generally supportive of the principle of devolving services to a local level. Significantly, the Town Council were concerned about the overall cost of the package and the impact that it would have on the financial strength of the Town Council. In the longer term this could be mitigated by an increase in the Council Tax Base within the parish of Newark but the package as originally proposed would have placed financial pressures on the Town Council in the early years of the agreement.

Accordingly, following further negotiations between the Town and District Councils, an agreement was reached that the Grant Payment from the District Council to the Town Council be re-profiled in order to mitigate the financial pressures on the Town Council. However, over the twenty year period of the agreement, the District Council would still pay a total sum of £3.78 million (or less) to the Town Council as set out in the original agreement. This had been achieved by re-profiling the annual payments to front load them, enabling the Town Council to maintain an acceptable level of General Reserve Fund balance throughout the twenty year period of the financial support, but not increasing the overall sum paid by the District Council to the Town Council. It was still intended that the transfer of responsibility for the package of services and assets would be 1st April 2015.

The report set out the full changes to the original package as agreed by the Committee and it was considered that it remained in line the overall principles agreed in December 2014. It was noted that whilst the Grant Payments from the District to the Town Council had been reprofiled, they remained within the overall financial parameters previously agreed and could potentially reduce in the event of the council tax based growing more quickly than anticipated.

The revised proposals were considered and approved by Newark Town Council at its meeting on 18th February 2015 and it was reported that work was now ongoing to ensure that there was a smooth transition of services and assets on 1st April 2015.

AGREED (unanimously) that the report be noted.

Reason for Decision

To update Members on the devolution package agreed between the District Council and Newark Town Council.

80. EXCLUSION OF PRESS AND PUBLIC

AGREED (unanimously) that under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting during discussion of the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

81. FORMER MUNICIPAL BUILDINGS, 20 BALDERTONGATE, NEWARK

The Committee considered the exempt report presented by the Chief Executive in relation to the proposal to dispose of this property. The report contained a summary of offers received for the property.

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

Meeting closed at 7.10pm.

Chairman

DEVOLUTION PACKAGE TO NEWARK TOWN COUNCIL

1.0 Purpose of Report

- 1.1 To advise Members of responses to public advertisements relating to the disposal of open space in connection with the proposed devolution package to Newark Town Council.

2.0 Introduction

- 2.1 As the devolution package from Newark & Sherwood District Council to Newark Town Council involves the transfer of areas of open space from the District to the Town Council, the District Council is obliged by law to give public notice of the proposed land disposal.
- 2.2 The requirement is that a public advertisement be placed in a local newspaper circulating in the area for two consecutive weeks.
- 2.3 Any objections must be considered by the Council before the transfer is effected.
- 2.4 Following the first advertisement the Council has received a number of enquiries but the correspondents have been reassured when it has been explained that the transfer is from the District to the Town Council and that the proposal is to continue to use the land as open space. The standard notice requires that any objections must be made in writing. No written objection has been received at the date of writing this report but any that are received before the meeting will be reported to Members.
- 2.5 We have set a closing date for responses to the advertisement of 30 March 2015 and the purpose of this report is to seek delegated authority for the Chief Executive in consultation with the Chairman and Opposition Spokesman of the Committee to consider any responses received by that deadline before completing the land transfer.

3.0 RECOMMENDATION

That delegated authority be given to the Chief Executive, following consultation with the Chairman and Opposition Spokesman of the Policy & Finance Committee, to consider any responses to the public notices regarding the proposed land transfers from Newark and Sherwood District Council to Newark Town Council as part of the devolution package.

Reason for Recommendation

To enable consideration of any responses to the public notices regarding the proposed land transfers from the District Council to the Town Council as part of the devolution package.

Background Papers - Nil

For further information please contact Kirsty Cole on Ext 5210.

Kirsty Cole
Deputy Chief Executive

POTTERDYKE REDEVELOPMENT SCHEME

1.0 Purpose of Report

- 1.1 To consider extending the timescale for completion of the final part of the Potterdyke development.

2.0 Introduction

- 2.1 As Members will be aware, although the Potterdyke Redevelopment Scheme is substantially completed, the element of the scheme comprising the refurbishment of the former Robin Hood Cottages and the construction of retail units along the pedestrian link from the Asda Store to Cartergate remains incomplete.
- 2.2 The developers, Strawsons, have an extant consent for a scheme involving the retention of the facades only of the former Cottages but have failed to secure any commercial interest in the completed scheme.
- 2.3 In the interim period Nottinghamshire Building Preservation Trust have secured £10,000 from Heritage Lottery Funding to explore the feasibility of restoring the former Cottages. It is anticipated that it may take some 3-4 months for the study to be concluded and it may well be that Nottinghamshire Building Preservation Trust will then require a further period of time to apply for funding for the restoration and renovation of the Cottages should it be considered that they can viably be restored.
- 2.4 Under the terms of the original Development Agreement between the Council, Strawson and McLagan Investments Limited (Asda), Strawsons were required to complete this element of the scheme by November 2015 but clearly in the current circumstances will not be able to do so until all funding opportunities for the restoration of the Cottages have been explored.
- 2.5 In those circumstances it is recommended that the Council approve the extension of the timescale for completing the necessary works for a minimum period of 12 months with the Chief Executive being given delegated authority to grant a further extension or extensions having regard to the relevant circumstances.

3.0 RECOMMENDATIONS that:

- (a) **the timescale for completing this element of the development be extended for an initial 12 month period from November 2015 to enable the potential for the Robin Hood Cottages to be refurbished to be fully explored; and**
- (b) **the Chief Executive be given delegated authority to give a further extension or extensions of time having regard to all relevant circumstances.**

Reason for Recommendations

To enable the potential for the Robin Hood Cottages to be restored as part of the redevelopment.

Background Papers

Nil.

For further information please contact Kirsty Cole on Ext 5210.

Kirsty Cole
Deputy Chief Executive

ANNUAL REVIEW OF THE EXEMPT REPORTS CONSIDERED BY THE POLICY & FINANCE COMMITTEE

1.0 Purpose of Report

1.1 To provide the Policy & Finance Committee with a list of the exempt business considered by the Committee in the 2014/15 Municipal Year.

2.0 Background Information

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

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

2.3 The following table provides a summary of the exempt business considered by the Policy & Finance Committee for the period 13th May 2014 to date:

Date of Meeting	Agenda Item	Exempt Paragraph	Opinion of Report Author as to current status of the report
03.07.14	Leisure Centre Management Commissioning	Paragraph 4	Information remains confidential
03.07.14	Negotiations to Purchase Land at G Park, Newark	Paragraph 3	Information remains confidential
03.07.14	Management Roles and Remuneration	Paragraph 4	Information now incorporated into the Pay Policy Statement 2015/16
18.09.14	Feasibility Report into Integration Opportunities at the Palace Theatre, National Civil War Centre – Newark Museum and Tourism Information Centre	Paragraph 3	Information remains confidential

29.01.15	RIBA Stage D Report into Integration Opportunities at the Palace Theatre, National Civil War Centre – Newark Museum and Tourism Information Centre	Paragraph 3	Information remains confidential
29.01.15	Leisure Centre Management Commissioning (Appendix D – Business Plan)	Paragraphs 3 & 4	Information remains confidential
29.01.15	Former Municipal Buildings, 20 Baldertongate, Newark	Paragraph 3	Information remains confidential
25.02.15	Former Municipal Buildings, 20 Baldertongate, Newark	Paragraph 3	Information remains confidential

4.0 RECOMMENDATIONS that:

- (a) the report be noted;**
- (b) the Committee determine if it wishes to release any of the reports which officers have indicated no longer contain exempt information.**

Reason for Recommendations

To advise Members of the exempt business considered by the Policy & Finance Committee for the 2014/15 Municipal Year and to consider if any reports could be released into the public domain.

Background Papers

Nil.

For further information please contact Nigel Hill on Ext 5243.

David Dickinson
Director - Resources

OLLERTON HALL UPDATE

1.0 Purpose of Report

- 1.1 To provide an update on progress regarding exercising the option to repurchase Ollerton Hall.

2.0 Background Information

- 2.1 As Members will be aware, the Council decided to exercise its option to buy back Ollerton Hall in June 2011. Despite attempts to negotiate with the Owner, it was not possible to agree the re-purchase and in April 2012 it was therefore referred to an arbitrator to determine:- whether the Council had correctly exercised the buy-back option (which the Owner contested); if so whether the Owner had failed to meet the milestones within the sale agreement (which was fairly self-evident given the state of repair of the building); and finally the purchase price to be paid for the property. It was noted at the time that the arbitration was likely to be a lengthy process given that the prospect of the Owner cooperating was low.

3.0 Progress Update

- 3.1 The Arbitrator's decision has now been received. He has found in favour of the Council and has stipulated the purchase price for the property. Members are advised that the purchase price should remain confidential, and not be put into the public domain, given the Council's stated intention previously to dispose of the property on the open market once the buy back from the current owner has been accomplished.
- 3.2 Officers are in the process of reviewing the terms of the award and its enforcement and seeking an award against the Owner in respect of costs. A further feasibility report will be submitted to the Committee in due course on the future of the building and the options available to the Council regarding this.

4.0 Equalities Implications

- 4.1 There are no equalities implications arising from the subject matter of this report.

5.0 Impact on Budget/Policy Framework

- 5.1 Funding for the repurchase and repair works to Ollerton Hall has been included in the Capital Programme approved by full Council on 10th March 2015.

6.0 RECOMMENDATIONS That:

- (a) **the progress report be noted, and**
- (b) **a further report be submitted to the Committee for its consideration once officers have had the opportunity to undertake feasibility work around the options to**

secure bringing this important listed building back into a good state of repair and use.

Reason for Recommendations

To keep Members updated on the current situation concerning Ollerton Hall.

Background Papers

Nil.

For further information please contact Karen White on Ext 5240.

Karen White
Director - Safety

GENERAL FUND BUDGET PERFORMANCE REPORT TO 31ST JANUARY 2015

1.0 Purpose of Report

- 1.1 This report compares the General Fund Policy & Finance Committee net expenditure for the period ending 31st January 2015 with the profiled budget for the period.

2.0 Background Information

- 2.1 The Council's Constitution states that the Section 151 Officer shall present to the Policy & Finance Committee, at least twice in each financial year, budgetary control statements showing performance against the approved estimates of revenue expenditure and income. The appropriate Chief Officer will report on any major variances from planned budget performance.
- 2.2 It also states that budget performance monitoring information shall be provided to the appropriate Committee on a quarterly basis.
- 2.3 Where it appears that the amount included under any head of the approved budget is likely to be exceeded or the budgeted amount of income under any head is unlikely to be reached then budget officers are required to find savings elsewhere in their budget. In circumstances where savings cannot be identified it will be necessary to consult with the Section 151 Officer and ultimately take a report to the Policy & Finance Committee.

3.0 Proposals

- 3.1 The attached appendices detail performance against budget for the period to 31st January 2015 for those budgets within the remit of the Policy & Finance Committee. This report considers the costs of providing services rather than 'below the line' costs such as borrowing costs and interest, contributions to and from reserves, government grants and income from Council Tax and retained Non Domestic Rates.
- 3.2 The format of the report identifies direct expenditure, i.e. employee costs and running expenses, both of which can be controlled by the budget officer, however central recharges and capital charges, are not reported as they are largely outside their control. Income is shown separately. The figures do not include recharges for support services (either income or expenditure). A significant number of transactions take place 'below the line', i.e. shown in the General Fund account rather than identified to a particular service. This is in line with the CIPFA Code of Practice and includes such things as transfers to and from reserves.
- 3.3 Under the Accounting Code of Practice Local Authorities are required to show capital charges for the use of their assets based on the current market value. These amounts are included within the estimates to show the true cost of delivering local services however they are reversed 'below the line' in the overall cost of services therefore not impacting on the Council Tax payer. Variations on 'capital charges' are therefore not an area for concern.

- 3.4 The introduction of International Financial Reporting Standards (IFRS) for the financial year 2010/2011 has resulted in a change in the way the Council accounts for grants received from third parties. These changes mean that income and expenditure is charged direct to the service accounts and, at the year end, any under spend is transferred to reserves and any overspend is transferred from reserves.
- 3.5 Support services (e.g. HR, Financial Services, Business Unit management – such as Leisure Centres) are charged to individual budget heads at the end of the financial year and are reported here for noting only. The direct costs of providing those services are scrutinised as part of the relevant Committee.
- 3.6 Capital charges are applied to accounts at the end of the financial year and are reversed 'below the line' so have no impact on the Council Tax payer. These are reported here for noting only.

4.0 Performance Comments

- 4.1 The total for direct service net expenditure shows an under spend of £638,748 against the profiled budget for the period to 31st January 2015. Excluding demand led housing benefit payments which will be offset by grant payment at the end of the financial year the under spend reduces to £353,978. All managers are very aware of the current financial environment and challenges facing local government in the future and are ensuring that only essential expenditure is incurred. Officers from Financial Services are working with service managers to ascertain where any further savings can be achieved across all budgets this year and as any savings are identified they will be vired to a central 'pot' and have been built into the base budget for 2015/16. The detailed performance figures are shown at Appendix A.
- 4.2 Variations from the profiled budget to 31st January 2015 are itemised below:
- 4.2.1 Employee Costs –
- Agency staff continue to be used within Corporate Property so employee costs appear underspent during the first quarter - this offsets spends on agency staff.
 - There are savings in the Revenues & Benefits business unit as a result of flexible retirements.
 - Costs of the Human Resources business unit have increased following the transfer of staff from Newark & Sherwood Homes. The business unit is now undergoing a restructure.
 - A year end saving on employee costs in the region of £90,000 is likely to be achieved.
- 4.2.2 Premises –
- Invoices have not yet been received for budgets set up for £22,100 repairs & renewals funded work.
 - The change management budget is difficult to profile and currently shows a £64,700 underspend. Funds are mostly allocated and it is anticipated that the budget will be spent by the end of the financial year.
- 4.2.3 Supplies and Services –
- The internal training budget is currently showing an under spend however this will be used to fund the MBA training for managers.

5.0 RECOMMENDATIONS that:

- (a) the overall position of the Policy & Finance Committee net expenditure compared to budget at 31st January 2015 be noted; and**
- (b) Officers continue to look for additional savings throughout the financial year.**

Reason for Recommendations

To advise Members of the draft outturn monitored against service budgets for the period ending 31st January 2015.

Background Papers

Nil.

For further information please contact Amanda Wasilewski on Ext 5738.

David Dickinson
Director - Resources

PERFORMANCE REPORT FOR THE PERIOD ENDING 31st JANUARY 2015

	<u>Base Budget 2014/15</u>	<u>Profile Budget 31-Jan-15</u>	<u>Actual Expenditure 31-Jan-15</u>	<u>Variance</u>	<u>Budget Officer Comments</u>
EMPLOYEES	4,310,190	3,228,137	3,141,779	(86,357)	Corporate Property offsets agency costs. Vacant posts in Legal and Performance. Also some flexible retirements in Revenues & Benefits. Offset by additional costs following TUPE across of HR posts from NSH.
PREMISES	520,250	535,388	425,727	(109,661)	The change management budget is difficult to profile, however currently shows a £64,700 underspend. Funds are mostly earmarked and should be spent by the end of the financial year. Budgets of £22,100 have been set up for repairs and renewals funded works which have not yet been invoiced.
<i>General</i>	401,650	435,674	322,404	(113,270)	
<i>Electricity</i>	69,360	52,097	58,597	6,500	
<i>Gas</i>	49,240	47,618	44,726	(2,892)	
TRANSPORT	40,110	33,412	30,168	(3,244)	
SUPPLIES AND SERVICES	1,724,110	1,475,900	1,385,606	(90,293)	A current underspend of £36,800 on the corporate training budget will be used to fund the MBA training for managers. Printing, stationery & publications currently account for an element of the underspend. Other underspends comprise small savings on a large number of budgets.
TRANSFER PAYMENTS	26,939,440	22,324,400	22,039,630	(284,770)	Housing benefit payments are a demand led budget - at the end of the financial year any variance here will be offset by a similar variance in the amount of grant due to the District Council.
TOTAL EXPENDITURE	33,534,100	27,597,236	27,022,911	(574,325)	
INCOME	(28,478,280)	(1,066,463)	(1,130,886)	(64,423)	Includes overestimated year end creditors 2013/14 £17.5k, unbudgeted income from sales of the Register of Electors £16k and a refund of £19k VAT on car parking overpayments.
<i>General</i>	(1,676,570)	(991,493)	(1,055,886)	(64,393)	
<i>Workshop Rents</i>	(90,000)	(74,970)	(75,000)	(30)	
<i>Markets</i>	0	0	0	0	
<i>Culture</i>	0	0	0	0	
<i>Housing Benefits</i>	(26,711,710)	0	0	0	
TOTAL INCOME	(28,478,280)	(1,066,463)	(1,130,886)	(64,423)	
NET EXPENDITURE	5,055,820	26,530,773	25,892,025	(638,748)	
MEMORANDUM ITEMS					
<i>Support</i>	3,550,640			0	Support services are charged to budget heads at the end of the financial year. The direct costs of providing central services are scrutinised in the relevant portfolio.
<i>Capital</i>	104,970			0	Capital charges are applied to accounts at the end of the financial year and reversed 'below the line' so have no impact on the Council Tax payer.
<i>Recharged Support Services</i>	(5,278,140)			0	
TOTAL PER BUDGET BOOK	3,433,290				

OVERALL GENERAL FUND BUDGET PERFORMANCE REPORT TO 31ST JANUARY 2015

1.0 Purpose of Report

- 1.1 This report compares the overall General Fund net expenditure for the period ending 31st January 2015 with the profiled budget for the period.

2.0 Background Information

- 2.1 The Council's Constitution states that the Section 151 Officer shall present to the Policy & Finance Committee, at least twice in each financial year, budgetary control statements showing performance against the approved estimates of revenue expenditure and income. The appropriate Chief Officer will report on any major variances from planned budget performance.
- 2.2 It also states that budget performance monitoring information shall be provided to the appropriate Committee on a quarterly basis.
- 2.3 Where it appears that the amount included under any head of the approved budget is likely to be exceeded or the budgeted amount of income under any head is unlikely to be reached then budget officers are required to find savings elsewhere in their budget. In circumstances where savings cannot be identified it will be necessary to consult with the Section 151 Officer and ultimately take a report to the Policy & Finance Committee.

3.0 Proposals

- 3.1 The attached appendices detail performance against budget for the period to 31st January 2015 for all General Fund service budgets. This report considers the costs of providing services rather than 'below the line' costs such as borrowing costs and interest, contributions to and from reserves, government grants and income from Council Tax and retained Non Domestic Rates.
- 3.2 The format of the report identifies direct expenditure, i.e. employee costs and running expenses, both of which can be controlled by the budget officer, however central recharges and capital charges, are not reported as they are largely outside their control. Income is shown separately. The figures do not include recharges for support services (either income or expenditure). A significant number of transactions take place 'below the line', i.e. shown in the General Fund account rather than identified to a particular service. This is in line with the CIPFA Code of Practice and includes such things as transfers to and from reserves.
- 3.3 Under the Accounting Code of Practice Local Authorities are required to show capital charges for the use of their assets based on the current market value. These amounts are included within the estimates to show the true cost of delivering local services however they are reversed 'below the line' in the overall cost of services therefore not impacting on the Council Tax payer. Variations on 'capital charges' are therefore not an area for concern.

3.4 The introduction of International Financial Reporting Standards (IFRS) for the financial year 2010/2011 has resulted in a change in the way the Council accounts for grants received from third parties. These changes mean that income and expenditure is charged direct to the service accounts and, at the year end, any under spend is transferred to reserves and any overspend is transferred from reserves.

4.0 Performance Comments

4.1 The total for direct service net expenditure shows an under spend of £2,456,534 against the profiled budget for the period to 31st January 2015. All managers are very aware of the current financial environment and challenges facing local government in the future and are ensuring that only essential expenditure is incurred. Officers from Financial Services are working with service managers to ascertain where any further sustainable underspends can be achieved and ensure that these are built into the base budget for future years. The detailed performance figures are shown at Appendix A.

4.2 Variations from the profiled budget to 31st January 2015 are itemised below:

4.2.1 Employee Costs –

- The savings have accrued largely from vacant posts across the authority.
- Agency staff continue to be used by Corporate Property which offsets savings in direct employee costs.
- It is estimated that savings at the end of the financial year will be in the region of around £300,000 after taking account of agency costs. Where savings have resulted from restructures and deleted posts these have been built into the base budget for 2015/16 and future years.

4.2.2 Premises –

- Budgets have been set up and orders placed for £90,000 works to be funded from the Repairs and Renewals fund, however invoices have not yet been received.
- The Change Management budget currently shows an underspend of £64,000 however officers have advised that the budget is fully committed and will be spent by the end of the financial year.
- It is anticipated that there will be an underspend on this budget head due to the milder Autumn months of 2014 . If the current trend continues for the remainder of the year an under spend of around £14,000 is anticipated. Invoices from the Newark Academy for Gas consumption at the Grove LC are about 4 months in arrears and will be paid in due course and total approximately £15,000.

4.2.3 Transport –

- The budget for fuel was prepared including an allowance for inflation however prices have remained steady during the first quarter of the financial year.
- A number of vehicles have been replaced over the last year resulting in a fleet which is more fuel efficient.
- The employee mileage budget shows savings across a number of business units – partly reflecting vacant posts and restructures.

4.2.4 Supplies and Services –

- There have been significant delays in receiving invoices from the County Council for the Business Innovation Centre for 2013/14 however this has recently been finalised, although no agreement has been reached on 2014/15 invoices. It is anticipated that by the end of the financial year all outstanding issues will be resolved reducing this apparent underspend by around £190,000. Flexible resources on Economic Development budgets are showing an under spend of £47,000 however these are committed for temporary staffing contracts to the year end.
- Underspends of £50,000 in ICT relate to disputed invoices from a major supplier regarding un-agreed increases in charges.
- Other major underspends have been reported to individual Committees and all Business Managers have been asked to comment on the likely year end outturn. The remaining 'saving' comprises a number of small underspends across a wide range of budgets and it is not possible at this stage to identify whether savings will be achieved at the end of the financial year.

4.2.5 Transfer Payments – Housing Benefits

- Housing Benefit payments are a demand led budget. At the end of the financial year any variance from budget of payments of housing benefits will be offset by a similar variance in grant income. There will be no net saving at the end of the financial year.

4.2.6 Income –

- The audit of the cattle market accounts for 13/14 has not yet been completed so no invoice has been raised. This is anticipated to be in the region of £100k.
- Land Charges income is £30,000 over target as the service continues to successfully compete with external competition; however as this is a ringfenced budget the savings will not accrue to the general fund.
- £20,000 of unbudgeted income has been received for sale of advice to other local authorities on the Community Infrastructure Levy.
- Private sector speech-call income exceeds the budget by £22,000.
- Additional unbudgeted income has been received from sales of the electoral register and a refund of VAT on car parking overpayments.
- Planning application income is significantly above budget. This reflects not only a higher number of applications but also increased complexity. Some of the additional income has been used to fund additional temporary posts to meet the additional workload, however at its meeting on 12th November 2014 the Economic Development Committee resolved to ring-fence additional income for future one-off development spend. The Section 151 officer will consider the position of the overall general fund at the end of the Financial year to determine how much can be transferred to a ring-fenced reserve. The business manager continues to monitor income and workloads.
- Trade refuse income is slightly below budget as businesses have taken up the recycling option which is charged with a cheaper disposal element. This will be offset by a reduction in disposal charges payable to the County Council at the end of the financial year.
- Car Park income exceeds the budget as a result of increased usage of the Lorry Park (£58,000) following the introduction of the cashless payment system. Other general income from car parking in Newark and Southwell exceeds the budget by £27,000

- Palace Theatre income continues to show an overachievement, primarily on box office income and the theatre expects this to continue to year end. This means that corresponding expenditure will also be overspent by year end, but the theatre is forecasting profit margins of 25% on box office income as targeted and will be within the budgeted subsidy level at year end.

5.0 RECOMMENDATIONS that:

- (a) **the overall position of the General Fund net service expenditure compared to budget at 31st January 2015 be noted; and**
- (b) **officers continue to look for additional sustainable savings which may be built into future years' budgets.**

Reason for Recommendations

To advise Members of the current net expenditure compared to service budgets for the period ending 31st January 2015.

Background Papers

Nil.

For further information please contact Amanda Wasilewski on Ext 5738.

David Dickinson
Director - Resources

OVERALL GENERAL FUND PERFORMANCE REPORT
PERFORMANCE REPORT FOR THE PERIOD ENDING 31st January 2015

	Base Budget 2014/15	Profile Budget 31-Jan-15	Actual Expenditure 31-Jan-15	Variance	Budget Officer Comments
EMPLOYEES	13,270,410	10,264,090	9,824,870	(439,220)	Largely due to vacant posts across the authority. Agency staff continue to be used in Corporate Property which offsets savings in direct employee costs. It is estimated that savings at the end of the financial year will be in the region of £300,000 after taking account of agency staff costs. Where savings have resulted from restructures rather than vacancies these have been built into the base budget for 2015/16 and future years.
PREMISES <i>General</i>	2,124,520 1,628,020	1,806,109 1,444,127	1,483,540 1,154,943	(322,569) (289,184)	There is currently an underspend of £90,000 in respect of Repairs & Renewals funded works where orders have been placed but work not yet completed or invoiced. The change management budget currently shows an underspend of £64,000 however it is likely to be fully committed by the end of the financial year. The remainder of the underspend is made up of small savings across a large number of budgets.
<i>Electricity</i>	294,370	214,401	209,772	(4,629)	
<i>Gas</i>	202,130	147,581	118,825	(28,756)	A new profile for gas usage has been applied to this budget area and it can be seen that it is anticipated that there will be an underspend on this budget head due to the milder Autumn months of 2014. If the current trend continues for the remainder of the year an underspend of approx. £14,000 will be anticipated. Invoices from the Newark Academy for Gas consumption at the Grove LC are about 4 months in arrears and will paid in due course and total approximately £15,000.
TRANSPORT	1,484,290	1,254,907	1,178,124	(76,783)	Mainly due to fuel prices remaining steady and not increasing as originally estimated. The new vehicle fleet is more fuel efficient. The tyre budget for refuse vehicles is underspent by £8,000. The employee mileage budget shows savings across a number of service areas - partly reflecting vacant posts & restructures.
SUPPLIES AND SERVICES	6,059,290	5,704,250	4,820,137	(884,113)	There have been significant delays in receiving invoices from the County Council for the Business Innovation Centre for 2013/14 however this has recently been finalised, although no agreement has been reached on 2014/15. It is anticipated that by the end of the financial year all outstanding issues will be resolved reducing this apparent underspend by around £190,000. Flexible resources on Economic Development budgets are showing an underspend of £47,000 however these are committed for temporary staffing contracts to the year end. Underspends of £50,000 in ICT relate to disputed invoices from a major supplier regarding unagreed increases in charges. Other major underspends have been reported to individual Committees and all Business Managers have been asked to comment on the likely year end outcome. The remaining 'saving' comprises a number of small underspends across a wide range of budgets.
TRANSFER PAYMENTS	26,979,310	22,324,400	22,039,630	(284,770)	Housing Benefit payments are a demand led budget. At the end of the financial year any variance from budget of payments of housing benefits will be offset by a similar variance in grant income.
TOTAL EXPENDITURE	49,917,820	41,353,756	39,346,301	(2,007,455)	
INCOME	(37,442,800)	(8,455,937)	(8,905,016)	(449,079)	

OVERALL GENERAL FUND PERFORMANCE REPORT
PERFORMANCE REPORT FOR THE PERIOD ENDING 31st January 2015

	Base Budget 2014/15 (4,125,420)	Profile Budget 31-Jan-15 (2,823,154)	Actual Expenditure 31-Jan-15 (2,831,070)	Variance	Budget Officer Comments
General				(7,916)	The audit of the cattle market accounts for 13/14 has not yet been completed so no invoice has been raised. This is anticipated to be in the region of £100k. Land Charges income is £30,000 over target as the service continues to successfully compete with external competition, however as this is a ringfenced budget the savings will not accrue to the general fund. £20,000 of unbudgeted income has been received for sale of advice to other local authorities on the Community Infrastructure Levy. Private sector speechcall income exceeds the budget by £22,000. Additional unbudgeted income has been received from sales of the electoral register and a refund of VAT on
Planning	(621,250)	(534,501)	(901,204)	(366,703)	Planning application income is significantly above budget. This reflects not only a higher number of applications but also increased complexity. Some of the additional income has been used to fund additional temporary posts to meet the additional workload, however at its meeting on 12th November 2014 the Economic Development Committee resolved to ringfence additional income for future one-off development spend. The Section 151 officer will consider the position of the overall general fund at the end of the Financial year to determine how much can be transferred to a ringfenced reserve. The business manager continues to monitor income and workloads.
Building Control Leisure Centres Refuse	(252,000) (1,866,970) (792,790)	(209,916) (1,534,354) (777,179)	(208,234) (1,532,689) (753,510)	1,682 1,665 23,669	Waste disposal income is £22k below the profile budget as businesses are taking up recycling bins which have a cheaper disposal cost than normal trade waste. Garden waste income is down to profile by £23k as this is a new service during the current year. This is partly offset by an increase in household bulky waste collections.
Licensing Workshop Rents	(160,080) (931,330)	(135,493) (755,752)	(148,576) (729,387)	(13,083) 26,365	No income details have been received from the County Council for the BIC for 2014/15. This results in an apparent shortfall of £50,000. Other workshop rents show increased income of £29,000 as a result of reduced voids rates.
Car Parks	(949,070)	(804,826)	(886,790)	(81,964)	Car Park income exceeds the budget as a result of increased usage of the Lorry Park (£58,000) following the introduction of the cashless payment system. Other general income from car parking in Newark and Southwell exceeds the budget by £27,000
Markets Culture	(343,100) (689,080)	(298,292) (582,470)	(292,024) (621,532)	6,268 (39,062)	Income continues to show an overachievement, primarily on box office income and the theatre expects this to continue to year end. This means that corresponding expenditure will also be overspent by year end, but the theatre is forecasting profit margins of 25% on box office income as targeted and will be within the budgeted subsidy level at year end.
Housing Benefits	(26,711,710)	0	0	0	
TOTAL INCOME	(37,442,800)	(8,455,937)	(8,905,016)	(449,079)	
NET EXPENDITURE	12,475,020	32,897,819	30,441,285	(2,456,534)	
MEMORANDUM ITEMS					
Support	8,247,810	0	0	0	Support services are charged to budget heads at the end of the financial year. The direct costs of providing central services are scrutinised in the relevant portfolio.
Capital	1,291,150	0	0	0	Capital charges are applied to accounts at the end of the financial year and reversed 'below the line' so have no impact on the Council Tax payer.
Recharged Support Services	(8,806,580)	0	0	0	
TOTAL PER BUDGET BOOK	13,207,400				

FUTURE COUNCIL ACCOMMODATION UPDATE

1.0 Purpose of Report

- 1.1 To update Members with regard to the feasibility stage of the Council's new office accommodation in Newark town centre.

2.0 Background Information

- 2.1 At the meeting of Policy Committee held on 5th December 2013, approval was given to proceed through RIBA Stages A-D for the Council's new offices, up to a cost of £222,000.
- 2.2 A market test for a design feasibility contest was carried out early in 2014, which resulted in the appointment of William Saunders Partnership (WSP) to progress the design to RIBA Stage D.

3.0 Proposals

- 3.1 The feasibility study is nearing completion. The costs of this phase have been £58,000 and whilst this is well within the limit previously approved by Policy Committee, it has resulted in a minor breach of the Council's Contract Procedure Rules (CPR), which requires a tendering process to be undertaken for contracts in excess of £50,000. At the time of market testing, it was considered that the initial feasibility work would not exceed £50,000, so a full tendering process was not undertaken. The Committee are asked to note this breach.
- 3.2 The design development of the scheme will continue to progress with WSP up to the proposal being adequately detailed to allow an approach to the market with a view to engaging a main contractor to build the new offices. The proposed procurement route is to follow a single stage Design & Build contract with the design team being novated to the main contractor in keeping with the approach adopted for the construction of the new Leisure Centre.
- 3.2 This approach transfers a significant degree of risk to the main contractor. Total design costs are anticipated to fall within the limits approved by Policy Committee Report dated 5th December 2013.

4.0 Equalities Implications

- 4.1 The tender process for the Design and Build contract will be advertised in line with EU procurement rules to ensure that all equality duties are met.

5.0 Impact on Budget/Policy Framework

- 5.1 Funding for the Council's new office accommodation is included within the capital programme approved by full Council on 10th March 2015. The costs detailed above are included within that funding.

6.0 Comments of Director - Resources

6.1 At the meeting on 5th December 2013, Policy Committee approved for costs up to £222,000 to be incurred to progress the Council's new office accommodation to RIBA stages A to D – full design.

6.2 I am happy that the cost of the feasibility study detailed in paragraph 3.1 and progression to RIBA Stage D will be within the approved limit.

7.0 RECOMMENDATION

That the report be noted.

Reason for Recommendation

To keep Members updated in respect of the feasibility stage of the Council's new office accommodation.

Background Papers

Nil.

For further information please contact Matthew Varley on Ext 5527.

David Dickinson
Director - Resources