



**NEWARK &  
SHERWOOD**  
DISTRICT COUNCIL

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**Chairman: Councillor R.J. Jackson**

**Vice-Chairman: Councillor N.B. Mison**

**Members of the Committee:**

**Councillor M.G. Cope**

**Councillor G. Dawn**

**Councillor P. Duncan**

**Councillor Mrs L. Hurst**

**Councillor J.D. Lee**

**Councillor D. Staples**

**Councillor Mrs L.M.J. Tift**

**Councillor Mrs A.A. Truswell**

**Councillor K. Walker**

**Councillor Y. Woodhead**

**Substitutes**

**Councillor Mrs I. Brown**

**Councillor Mrs R. Crowe**

**Councillor P. Peacock**

**Councillor D. Thompson**

**Councillor I. Walker**

## **AGENDA**

**MEETING: Leisure & Environment Committee**

**DATE: Tuesday, 14 November 2017 at 6.00pm**

**VENUE: Civic Suite, Castle House, Newark**

**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 Catharine Saxton on 01636 655247.

## **AGENDA**

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| 1. | Apologies for Absence   |       |
| 2. | Declarations of Interest by Members and Officers and as to the Party Whip |       |
| 3. | Declaration of Any Intentions to Record the Meeting                       |       |
| 4. | Minutes of the Meeting held on 19 September 2017                          | 3 – 8 |

### **PART 1 - ITEMS FOR DECISION**

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| 5. | Draft Revenue Budget for 2018/19                                  | 9 – 27   |
| 6. | Active4Today – Draft Business Plan 2018/19 and Performance Update | 28 – 52  |
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| 8. | Public Spaces Protection Orders                                   | 55 – 79  |
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### **PART 2 – ITEMS FOR NOTING**

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| 10. | Mansfield And District Crematorium Joint Committee – Annual Statement Of Account | 102 - 151     |
| 11. | Health and Wellbeing   | Verbal Update |

### **CONFIDENTIAL AND EXEMPT ITEMS**

None

## NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the meeting of the **LEISURE & ENVIRONMENT COMMITTEE** held in the Civic Suite, Castle House, Newark on Tuesday, 19 September 2017 at 6.00 pm.

PRESENT: Councillor R.J. Jackson (Chairman)  
Councillor N.B. Mison (Vice-Chairman)

Councillors: R.V. Blaney (Ex-Officio), Mrs G. Dawn, P.C. Duncan,  
Mrs L. Hurst, J.D. Lee, D.B. Staples, Mrs L.M.J. Tift,  
Mrs A.A. Truswell and K. Walker.

### 11. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors M.G. Cope and Mrs Y. Woodhead.

### 12. DECLARATION OF INTERESTS BY MEMBERS AND OFFICERS

The following Members declared their interests.

<u>Member/Officer</u>	<u>Agenda Item No.</u>
Councillors: R.V. Blaney and Mrs A.A. Truswell	Item No. 5 – Active4Today Update Report. Personal Interests as they were both Directors of Active4Today.

### 13. DECLARATION OF ANY INTENTIONS TO RECORD THE MEETING

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

### 14. MINUTES OF THE MEETING HELD ON 27 JUNE 2017

AGREED that the Minutes of the meeting held on 27 June 2017, be approved as a correct record and signed by the Chairman.

### 15. ORDER OF BUSINESS

The Chairman with the agreement of the Committee changed the order of business on the agenda. Agenda Item No. 7 – Health Scrutiny Group was taken as the first item for decision. The agenda resumed its stated order thereafter.

### 16. HEALTH SCRUTINY GROUP

At the last meeting of the Committee, Members invited County Councillor K Girling to attend the next meeting of the Committee to inform them of the reason why the District Council had been excluded from future meetings of the Health Scrutiny Group.

County Councillor K Girling informed the Committee that he had withdrawn the voting rights for the District Councillors on the Health Scrutiny Group as Health Scrutiny was a

statutory requirement for Nottinghamshire County Council and was not a District Council requirement. The Health Scrutiny Group meeting was an open public meeting and district councillors were welcome to attend however they would not be permitted to speak or vote. Councillors could contact County Councillor Girling with any issues to be submitted before the Health Scrutiny Group at his discretion. The agenda and meeting timetable was provided online, an agenda would also be provided to any interested Members on request.

A Member raised his concerns and disappointment regarding the decision that had been made. He felt that the District Council had made valuable contributions to the Group and had done a good job. The Group had researched the provision of other health services and had secured interesting evidence. The Group also scrutinised the health services Nottinghamshire County Council were providing. It was felt that the independent Members on the Group strengthened that role.

NOTED: the verbal update.

#### 17. ACTIVE4TODAY UPDATE REPORT

The Committee considered the report presented by the Director Customers and the Director - Active4Today.

The Committee were asked to consider two items highlighted by Active4Today in its Management Report. The items included an update on the Dukeries Leisure Centre and the new arrangements with South Forest and to request the closure of one squash court at the Dukeries Leisure Centre due to escalating maintenance costs and low levels of usage and income.

The report also provided a detailed update on the Dukeries Academy; the current position; background information regarding the squash court closure at the Dukeries Leisure Centre and the current position; proposal; budget implications and equality and diversity implications.

Members considered the report and a Member commented on the closure of the swimming pool at the Dukeries Academy. He felt that whilst the Trust had notified him with an explanation as to why the facility was going to be closed; the Council's staff did not see a reason for immediate closure through the grounds of health and safety. There had been a lack of cleaning in the shower area but nothing to warrant immediate closure. There had been no attempt by the Trust to discuss the problem with the District Council to try and find a solution to retain the facility. The closure of the pool had resulted in the loss of a swimming facility for the Dukeries Academy, neighbouring schools and community. Active4Today were congratulated for securing the swimming pool facility at South Forest Swimming Complex in Edwinstowe. It was suggested that a letter be sent on behalf of the Committee expressing their dismay of the loss of the facility for the community of Ollerton and Boughton and that any future decisions be undertaken in consultation with Newark & Sherwood District Council.

A Member suggested that the Committee should undertake legal advice to see if it was appropriate to send the suggested letter. The Trust had been placed on notice, of the intension by the Council and its Company to seek financial redress as detailed at 3.0

within the report.

Clarification was sought regarding the numbers of customers that had transferred to South Forest Leisure Centre. It was confirmed that almost all customers had transferred over. There had been some losses due to transport issues; there had also been some gains from Edwinstowe. It was confirmed that work was on-going with South Forest to add value to the scheme.

A Member commented that it was necessary for the Council to review the leisure facilities in the West of the district, as there was no current Council run wet facility in the West of the district.

Members also discussed the loss of the squash court at the Dukeries Leisure Centre and whilst regretted the loss of that facility, understood the logic and sensible decision to develop it into part of the fitness suite.

AGREED (unanimously) that:

- (a) the issues at the Dukeries Leisure Centre and the new arrangements at South Forest be noted; and
- (b) the change of use of a squash court at the Dukeries Leisure Centre and its development into part of the fitness suite.

#### 18. NEWARK & SHERWOOD PLAYING PITCH STRATEGY

The Committee considered the report presented jointly by the Community Projects Manager and the Business Manager Parks & Amenities, which provided Members with the Newark & Sherwood Playing Pitch Strategy and sought Committee's endorsement of the revised strategy.

It was reported that the main purpose of the review was to go through the Strategy Action Plan and identify progress towards achieving objectives and any key issues that needed to be addressed. In November 2016 a questionnaire was circulated to relevant sporting National Governing Bodies (NGBs), Active4Today, secondary schools and relevant Newark & Sherwood District Council officers. The questionnaire asked recipients to review the short and medium term actions and objectives associated with their sports and to provide an update on progress. The report detailed the review process; the key findings; equalities implications; impact on budget/policy framework; and comments of the Director Community.

Members considered the report and it was commented that the report showed a healthy provision of sport within the district.

A Member raised concern regarding the proposed development on the fields off Lincoln Road and asked that the sports clubs that used the fields for recreational purposes be fully consulted. It was felt that the loss of the fields would have a detrimental impact on health for residents of an area already noted for its deprivation.

The Business Manager Parks & Amenities confirmed that the adult football that had

previously taken place on the fields off Lincoln Road had ceased. Suitable playing fields would be retained to meet the needs of the Bridge Ward and the surrounding area.

A Member confirmed that the capital receipts received from the development on the fields on Lincoln Road would pay for improvement works in the Yorke Drive area. A proportion of the Lincoln Road land would be set aside for development and a proportion for improved sports development.

A Member commented on the decline in adult sports participation and asked if the Sports Development Team would provide a report to a future meeting of the Committee explaining what work had been undertaken to establish sport teams, with an explanation regarding the difficulties they had in engaging the community. It was commented that there were tennis courts at the Dukeries Leisure Centre and football pitches which were not being used. It was considered that both facilities could be provided free of charge. It was further commented that the residents of the deprived estates of Ollerton and Boughton did not use the Dukeries Leisure Centre which was suggested to be due to cost and other issues.

A Member commented on the swimming pool facility at the Wellow House School at Wellow and informed the Committee that Wellow Parish Council had been approached by the School inviting residents to use their facilities. It was suggested that the Council may be able to utilise that facility.

AGREED (unanimously) that:

- (a) the findings of the review of the Newark & Sherwood Playing Pitch Strategy be endorsed; and
- (b) an update report from the Sports Development Team be provided to a future meeting of the Committee, explaining the work achieved to establish sports teams within the district and any difficulties they had in engaging the community.

*(Councillor R.V. Blaney left the meeting at this point).*

## 19. UPDATE ON RECYCLING

The Committee considered the report presented by the Director Community which updated Members on the current information as to what can be recycled via the Councils Silver Recycling Bin and provided information on the current status and challenges for the kerbside recycling of glass and food waste.

A video entitled 'Mansfield Materials Recovery Facility' was presented to the Committee. A leaflet entitled 'Are you bin smart' was also tabled for information.

Members discussed the issues of recycling and raised concern with their own knowledge regarding what could be placed in the silver recycling bin and the inconsistency of recycling of waste within the County. The sticker system was raised and Members asked if a further sticker could be distributed to residents of the district, informing them of what should not be disposed in their recycling bins.

The Director Community confirmed that an article was included in the Newark & Sherwood District Council community newspaper 'Voice' annually in November, which would be supplemented with what can be recycled in the silver bin.

A Member raised concern regarding the amount of fly tipping that was taking place in the district and requested an update report on fly tipping, including the cost the Authority incurred, be provided to a future meeting of the Committee. The Director Community confirmed that an annual report regarding fly tipping would be brought to the spring meeting of the Committee. Members were also informed regarding the increase in tyre dumping within the district over the last few months.

A Member raised an issue regarding the size of the residual bin as a resident had received a new bin which was smaller than that of the previous bin. The Director Community confirmed that this was Council policy; any new residual bins distributed would be smaller to encourage recycling. The Director confirmed that he would clarify when the scheme was introduced and forward the information to Members of the Committee

The Director Community commented that Veolia needed to provide educational information on what should be recycled to all Council's in the County and make a contribution to the distribution of educational stickers to be placed in the inside of bins.

AGREED (unanimously) that:

- (a) the report be noted;
- (b) clarification regarding when the smaller residual bin scheme was introduced be forward to Members of the Committee.

## 20. HEALTH AND WELLBEING

The Leisure & Environment Committee Vice-Chairman informed the Committee that there had been one Health and Wellbeing Board meeting since that last meeting of the Committee, which he was unable to attend due to the clash with the Tour of Britain event.

The Vice-Chairman also informed the Committee of the consultation which was taking place regarding the second Joint Health & Wellbeing Strategy for Nottinghamshire. The consultation would close 29 October 2017. A consultation meeting would be undertaken by the Health & Wellbeing Board in the Civic Suite, Castle House, Newark on Tuesday, 10 October 2017, 2.00pm – 4.00pm. Further consultation would take place at the Parish Conference to be held at the same venue on Tuesday, 17 October 2017.

It was reported that the next meeting of the Health Forum, the Clinical Commissioning Group (CCG) would look at the split in demographics for the east and west of the district.

Members also discussed various schemes they had come across over the summer including 'Happy to share a chair' and the 'Bisto Together' project – spare chair Sunday, both schemes had been put in place to combat loneliness. The Director Community confirmed that he would raise the schemes at the next Public Health meeting and would report back to a future meeting of the Committee.

AGREED (unanimously) that:

- (a) the verbal update be noted; and
- (b) the Director Community report the loneliness schemes to the next Public Health meeting and report any feedback to a future meeting of the Committee.

The meeting closed at 7.45pm.

Chairman



**DRAFT REVENUE BUDGET 2018/19**

**1.0 Purpose of Report**

1.1 To inform the Committee of the progress to date on the budget for 2018/19.

**2.0 Background Information**

2.1 At the meeting of Policy & Finance Committee on 21 September 2017, Members considered the preliminary report on the 2018/19 Budget and agreed the overall strategy including the appropriate basis on which the budget should be developed, including salaries, wages, general inflation, debt charges etc.

2.2 Also at this meeting, Policy & Finance Committee agreed the timetable for consideration of the 2018/19 budget provisions. The budget timetable is dictated by the corporate timetable for Policy & Finance and operational Committees. The essential deadline is that the Council is able to set the level of Council Tax for 2018/2019 at its meeting on 8 March 2018. Working back from this date a timetable has been drawn up and is attached at **Appendix C**. This timetable enables sufficient time for the budget proposals to be considered by operational Committees and Policy & Finance Committee and also sufficient time for the work to be completed within the Financial Services section and Business Units.

2.3 The Council has agreed policies on Budgeting and Council Tax, Reserves and Provisions, Budget Principles, a Charging Policy and Value for Money Strategy which set out the approach to be taken to the budget process. These policies and principles were reviewed and updated by Policy & Finance Committee in September 2017. The Charging Policy is included at **Appendix D**. **It should be noted that Policy & Finance Committee agreed that all charges should be rounded to the nearest 5p with effect from 1 April 2017.**

**3.0 Introduction**

3.1 The Council's Medium Term Financial Plan sets out the estimated service expenditure, net budget requirement and the total settlement funding to arrive at the possible funding gap for 2018/19, (and subsequent years), at three levels of increases in Council Tax, as follows:

	<b>2018/19 £000</b>
Net Service Expenditure	12,796
Net Budget Requirement	12,053
Total Settlement Funding	4,557
<b>Best : Increase Av. Band D Council Tax by £5</b>	<b>706</b>
<b>Forecast: Increase Av Band D Council Tax by 1.94%</b>	<b>774</b>
<b>Worst : Freeze Council Tax at Average Band D</b>	<b>898</b>

- 3.2 The table above identifies a range of scenarios regarding the funding gap from £706K, if Council Tax at average Band D is increased £5, to a gap of £898K if Council Tax at average Band D is frozen at the 2017/18 average Band D level.
- 3.3 The Council will continue to make efficiency savings in order to reduce the funding gap, however (as emphasised in the MTFP), further significant savings will start to impact on future service delivery. The Council will, therefore, introduce a Commercial Plan which will be supported by an Investment Strategy. The measures set out in the Commercialisation Plan will, when implemented, bridge the funding gap.
- 3.4 Further detail can be read in the Commercialisation Strategy and the Investment Plan which were considered by the Policy and Finance Committee at its meeting on the 21<sup>st</sup> September 2017.

#### **4.0 Budget Proposals**

##### **4.1 Budget Presentation**

- 4.1.1 The budget process will result in setting the budget and the Council Tax for 2018/19, and will be approved by Council at its meeting on 8 March 2018.

##### **4.2 Financial Environment and Current Position**

Government support for the economy means that there continues to be severe reductions in funding across the public sector and this looks set to continue for a number of years in order to reduce the level of government debt.

At the time of writing this strategy, the UK economy is in a state of uncertainty following the “leave” decision of the referendum on membership of the European Union and the Prime Minister formally given notice to leave under Article 50. The Prime Minister, following the triggering of Article 50, also announced that there would be a snap general election on the 8 of June 2017. The result of the election and the current negotiations on the terms of the exit from the European Union has added greater uncertainty to the economic and financial market place. The situation will be kept under review with any impact(s) on the budget for 2018/19 will be included before final approval by Council.

##### **4.3 Business Rates**

- 4.3.1 For 2017/18, Newark & Sherwood District Council’s retained business rates have been assessed as £3.435m. This does not include any additional growth or amount generated through the Nottinghamshire Business Rates Pool.
- 4.3.2 Over the three years of the settlement, this is estimated to rise to £3.67m, an increase of £0.24m. In reality, however, it is expected that the actual income the Council achieves from Business Rates will be higher than the baseline over this period. The estimated amount of Business Rates income for 2017/18 shows that of the £42,028m collectable in the Newark and Sherwood area, the Council’s share (after allowing for recovery of deficits) is expected to be £4.588m which includes a forecast growth of £1.153m.

Given the uncertainty of the timing of new development or/and new businesses moving into the District, the financial forecast assumes that growth in business rate income will reflect the Government forecast growth. This suggests that broadly income will rise by 2% per annum. The forecasts for retained business rates are as follows (the figures for 2016/17 have been included for comparison purposes):

	<b>2016/17 (actual) £000s</b>	<b>2017/18 (budget) £000s</b>	<b>2018/19 £000s</b>	<b>2019/20 £000s</b>	<b>2020/21 £000s</b>
Base line	3,366	3,435	3,545	3,671	3,715
Forecast Growth	(110)	1,100	420	420	420
Retained	3,256	4,535	3,965	4,091	4,135

In accordance with the table above, £420,000 will be included in the 2018/19 budget for business rates growth.

#### 4.3.3 Move towards 100% retention of Business Rates

The government has consulted on proposals to allow local government to retain 100% of business rate income locally. In total this Council collects in the order of £42.028m of business rate income net of reliefs and exemptions. Irrespective of the changes that are finally agreed it is envisaged that the existing system of tariffs and safety nets will still be in place in some form and that the level of income retained from business rates will be broadly similar to the current level. Interestingly, the move to 100% business rates retention was not included in the Queen's speech following the result of the general election in May 2017 and it is now widely felt that this change will not happen by 2020/21 as previously suggested.

4.3.4 The table below shows the settlement figures for the years 2016/17 through to 2019/20. The key figure is the "Settlement Funding Assessment" which is part Revenue Support Grant and part retained Business Rates and forms the overall amount of funding receivable by the Council.

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21 (est)</b>	<b>Change since 2016/17</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Revenue Support Grant	1,777	1,049	592	83	0	(1,777)
Retained Business Rates	3,366	3,435	<b>3,545</b>	3,671	3,715	349
Total Settlement Funding Assessment	5,143	4,484	<b>4,137</b>	3,754	3,715	(1,428)

Under the current business rates retention scheme introduced in April 2013, Councils are able to keep a proportion of the business rates revenue as well as a proportion of the growth that is generated in their area. The estimated amounts for retained business rates, excluding growth in the area, are shown in the table above:

The total settlement assessment amount of £4,137,391 will be included in the funding of the 2018/19 budget together with an amount of £420,000 business rates growth.

- 4.3.5 The position with regard to general inflation remains complex. The latest (August 2017) CPI figure for inflation shows an annual increase of 2.9%. The Bank of England forecast is for CPI inflation to remain around 2% by the end of 2017/18.
- 4.3.6 One of the major areas of the budget affected by inflation is the cost of salaries and wages. The 2016 -2018 pay deal comprised a 1% increase per annum with substantial bottom loading of between 10.28% and 2.3% to start towards the introduction of a new National Living Wage (NLW) by 2020. There was agreement to revise the pay spine to meet the requirements of the NLW. This will impact on the Council’s budget and it will be necessary to assess the position on this as further details are announced.
- 4.3.7 The 2018 pay claim asks for a 5% increase on all pay points with the deletion of points 6-9 to ensure that no NJC pay points fall below the Foundation Living Wage of £8.45 per hour. With this in mind it has been decided to include a 2.5% increase in salary costs in 2018/19, with future years’ increases remaining at 1%.

## 5.0 Income from Fees and Charges

The generation of income from fees and charges is an essential element of the Council’s revenue budget. The overall level of fees and charges is substantially affected by legislation with many chargeable services prevented from recovering more than their costs. The objective therefore is where services are chargeable (and the level of charges is determined by the Council) then they should achieve break-even. Opportunities will also be explored for premium pricing for discretionary services where the Council is able to deliver variable levels of service. The total income from fees and charges included in the MTFP projections was as follows:

	<b>2017/18 (budget) £000s</b>	<b>2018/19 (estimate) £000s</b>	<b>2019/20 (estimate) £000s</b>
Statutory Charges	1,201	<b>1,204</b>	1,208
Discretionary Charges	4,530	<b>4,657</b>	4,670

***Castle House income from partners £121,130, full year 2018/19 £242,260***

The estimates for fees and charges for 2018/19 will be updated and included in the budget preparation.

## 6.0 Budget Strategy

- 6.1 Whilst there is always a need to improve efficiency and review existing budgets, the Council’s budget gap in future years means that, as well as further efficiencies, the Council

needs to generate “new” revenue streams. Savings from leisure commissioning (Active4Today), devolution and collaboration and savings following the move to the new offices and associated working practices have been built into the Medium Term Financial Plan and will accordingly be included in the base budget for 2018/19.

6.2 The following underlying assumptions (derived from the Council’s approved MTFP) will be applied in compiling the draft budget for 2018/19:

#### 6.2.1 Base Budget

The base budget for 2018/19 will be derived from the **actual** income and expenditure for 2016/17. This is a change from previous years when the base budget was derived from the original budget for the previous year (in this case this would be the original budget for 2017/18). This change in strategy will produce a “tighter” budget and reduce the levels of year- end underspends reported in previous years.

This base position will be adjusted for known one off items of income and expenditure incurred in 2016/17 and for new on-going growth items included in the 2017/18 original budget, plus any on-going estimates approved, by delegation, after approval by Council of the original 2017/18 budget.

#### 6.2.2 Staff Costs

Figures for salaries and wages will be built up from the detailed base position as set out in 6.2.1 taking into account the numbers and salary of each employee per service unit. It has been assumed that within the Service Unit budgets, the Council will employ 100% of the establishment throughout the year with the exception of known unfilled vacancies where salaries are budgeted to commence on the anticipated starting date.

A prudent increase in wages and salaries of 2.5% will be assumed for 2018/19. This increase in estimate from 1% increase to 2.5% increase is in acknowledgement of the national debate, political pressure, and negotiations by Trade Unions to remove the 1% cap for public service workers and to increase the National Living Wage. This estimate will be kept under constant review during the budget setting process and the final figures included in the budget will be based on financial modelling of the proposed, or agreed, changes.

Increases in the National Living Wage will have a knock on impact on all salary pay grades of the Council. The financial implications of these increases will also be kept under constant review and the budget, if required, will be revised before presentation to Policy & Finance Committee on 22 February 2018.

A vacancy provision of 3.5% of the total salary budget for 2018/19 will be made to allow for natural savings being made from posts remaining vacant before being filled. As it is not possible to predict precisely which business units will experience vacancies in the year, an overall saving will be set aside. The estimated amount of this provision based on the 2016/17 outturn is £320,000.

#### 6.2.3 Employer’s Superannuation

The actuarial review carried out as at 31 March 2016 increased the employer’s superannuation contributions from 12.5% to 14.5% from 2017/18. An average amount of

£1,070,010 per year for 3 years has been provided in 2017/18, 2018/19 and 2019/20 for historical debt. A further provision will be made at 14.5% for 2018/19.

#### 6.2.4 Provision for Inflation

The budget will be prepared by applying forecast RPI increases to non-staff costs in accordance with the estimate used in the MTFP. In May 2017 RPI was 3.6% and is forecast to remain at this level for the remainder of 2017/18, followed by a drop to around 3% by the end of 2017/18. An inflation rate, therefore, of 3% will be applied to non-salary costs, unless a different specific rate is specified in a contract for the supply of goods and services.

#### 6.2.5 Fees and Charges

The increase in fees and charges will be subject to specific, detailed review by Business Managers who will compare the Council's fees for discretionary services to other neighbouring and family group authorities that provide the same services. The Business Managers will also benchmark the fees with other commercial organisations where similar services are provided. Business Managers will also assess and evaluate whether new fees and charges can be introduced for discretionary services that are not currently being charged for.

Where comparative benchmarking information is not available, an increase equivalent to inflation, 3%, will be applied.

### 7.0 **Draft Revenue Budget Proposals**

7.1 Business Managers and service budget officers have been working with officers from Financial Services to determine a first draft General Fund budget and Medium Term Financial Plan. The budgets have been prepared in line with the strategy agreed by Policy & Finance Committee on 21 September 2017.

7.2 A summary of the figures to date for the Leisure & Environment Committee is shown at **Appendix A** to this report. It should, however, be clearly understood that the figures shown are first draft only and that a substantial amount of work has yet to be completed before any conclusions can be drawn. The figures exclude capital charges and recharges for central services. The subjective summary is shown in **Appendix B**.

7.3 It should be noted that this shows only the budget for services falling within the remit of the Leisure & Environment Committee. When the overall budget is considered by the Policy & Finance Committee on 30 November it may refer budgets back where it feels that additional savings need to be made. The Policy & Finance Committee have also instructed the functional Committees be requested to look at opportunities for savings in 2018/19, and also any investment potentials which would increase and support revenue income levels, in order to reduce the projected burdens in future years.

7.4 The current draft budget shows an increase in 2018/19. The increase is due primarily to changes to National Insurance rebates and banding and the 2.5% pay award to employees. It is important that the Committee continues to scrutinise and review its budget in order to achieve additional savings in future years.

- 7.5 Direct service expenditure net of capital charges and internal central services recharges currently shows an overall increase of £395,980 against 2017/18 budget. As noted above, this relates to the 2.5% increase in salary and wages costs overall in 2018/19.
- 7.6 Staffing costs account for approximately 58% of the overall gross service costs excluding housing benefits payments and significant budget savings cannot be achieved without affecting staffing levels.
- 7.7 Major variances between 2017/18 and 2018/19 are shown below:
- 7.7.1 The increase in the budget for refuse collection and street sweeping, over and above the increases in payroll costs is as a result of creating one extra round which is currently split between refuse and street sweeping. This builds the resilience of the service as the number of properties in the district increases. £100,000 will be brought in from reserves to meet an element of this cost in the short term. In future years it is anticipated that the Council Tax recovered from new homes will cover the costs of the additional rounds.
- 7.7.2 The budget for Active4Today includes the management fee (yet to be confirmed) and insurance for the buildings which remain in the ownership of the District Council. There has been an increase in insurance costs across all areas for 2018/19, including the change in insurance tax in June 2017.
- 7.7.3 Agreement is yet to be reached as to the rent to be charged for Newark livestock market.

## **8.0 Revenue Budget Bids 2018/19**

- 8.1 As stated above, Members will be aware that the Council is likely to face severe budgetary challenges over the next four years. It is anticipated that significant savings will need to be identified in the later years of the Medium Term Financial Plan. As other pressures impact on Local Government spending it is anticipated that further cuts may be forced on to Local Government. Consequently, it is not possible for revenue growth bids to be incorporated into the budget for 2018/19 or following years.
- 8.2 At the meeting on 21 September 2017 Policy & Finance Committee agreed that spending Committees should scrutinise their budgets to look for opportunities for further savings and for spend to save schemes where additional expenditure in the short term will bring increased revenue income in the future.

## **9.0 Increases in Fees and Charges**

- 9.1 Members will be aware that a review of charges is considered as part of the budget process each year. With this in mind it is proposed that a **guideline** figure for increases to fees and charges should be set at a minimum of 3% for each year of the medium term financial plan (see paragraph 6.2.5). In preparing income budgets officers should have regard to this guidance and the level of RPI at the time the charges are set. Each type of income should be considered on its own merits and there should be comparative assessment with other local authorities and service providers in the area before final approval of fees and charges by Council. It is important for income levels to be considered **net** of VAT where appropriate, i.e. to consider the level of income ultimately retained by the Council.

Business Managers have been instructed to work with relevant Committee Members prior to making proposals on future levels of fees and charges.

9.2 It is important that fees and charges are considered within the framework set out in the Corporate Charging Policy that is included at **Appendix D**. **It should be noted that Policy & Finance Committee agreed that all charges should be rounded to the nearest 5p with effect from 1 April 2017.**

9.3 Proposals for increases in fees and charges will be brought to the next meeting of the Leisure & Environment Committee on 23 January 2018 for consideration and recommendation to Policy & Finance Committee on 22 February 2018 and Council on 8 March 2018.

## **10.0 Conclusions**

10.1 The figures at this stage in the budget process require a considerable amount of work before they are recommended to Policy & Finance Committee on 22 February 2018.

10.2 It is important that the Committee continues to scrutinise and review its budget in order to achieve additional savings in future years at a time when the Council is facing reducing government grants and other financial pressures.

## **11.0 RECOMMENDATIONS that:**

- (a) the Committee undertakes a review of fees and charges accordance with the Corporate Charging Policy;**
- (b) the current draft Committee budget be incorporated into the overall service budget to be reported to Policy & Finance Committee at its meeting on 30 November 2017; and**
- (c) the Business Manager and Chief Financial Officer – Financial Services, continues to formulate budget proposals for formal consideration at the Leisure & Environment Committee meeting on 23 January 2018 for recommendation to Policy & Finance Committee on 22 February 2018.**

### **Reason for Recommendations**

**To ensure that the preliminary figures for the budget are considered by Policy & Finance Committee and that final budget proposals for 2018/19 are submitted to the Leisure & Environment Committee on 23 January 2018 for recommendation to Policy & Finance Committee on 22 February 2018.**

### **Background Papers**

Draft H&C Budget (included with papers for information purposes)

For further information please contact Nick Wilson on Extension 5317, Amanda Wasilewski on extension 5738 or Dean Rothwell on Extension 5478.

**Nick Wilson**  
**Business Manager – Financial Services**



**BUDGET SUMMARY****APPENDIX  
A****LEISURE & ENVIRONMENT**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>2017/18 BASE BUDGET</b>	<b>2018/19 BASE BUDGET</b>	<b>MORE / (LESS)</b>
A10701	UPKEEP OF DYKES	7,450	6,250	(1,200)
A11002	DOMESTIC REFUSE COLLECTION	1,578,570	1,722,030	143,460
A11101	PUBLIC CONVENIENCES	44,820	33,360	(11,460)
A11103	SEWERAGE WORKS	27,310	28,890	1,580
A11104	STREET SWEEPING	463,040	552,110	89,070
A11107	DOG CONTROL	61,820	44,510	(17,310)
A11110	NATIONAL ASSISTANCE ACT BURIAL	3,600	3,500	(100)
A11135	ENVIRONMENTAL HEALTH	650,900	674,100	23,200
A11137	BRUNEL DRIVE DEPOT ADMIN	51,710	54,210	2,500
A11201	LOWDHAM CEMETERY	(1,960)	0	1,960
A11305	SOUTHWELL LEISURE CENTRE	94,680	95,850	1,170
A11321	NEIGHBOURHOOD CENTRES	28,160	23,010	(5,150)
A11339	NEWARK SPORTS HUB	7,200	7,200	0
A11442	ARTS DEVELOPMENT	41,010	39,630	(1,380)
A11576	ACTIVE 4 TODAY	127,940	138,190	10,250
A11582	LIFE SAVING	0	0	0
A11583	COMMUNITY SPORTS & ARTS DEV	67,590	69,430	1,840
A11731	STREET NAMING	41,990	40,910	(1,080)
A12221	NEWARK LIVESTOCK MARKET	(218,000)	(80,000)	138,000
A15003	BRUNEL DRIVE DEPOT	106,320	110,620	4,300
A26901	VEHICLE POOL WORKSHOP	(80,160)	(63,820)	16,340
A26910	VEHICLE POOL NSH	(1,360)	(1,370)	(10)
	<b>TOTAL</b>	<b>3,102,630</b>	<b>3,498,610</b>	<b>395,980</b>

**BUDGET SUMMARY  
LEISURE & ENVIRONMENT SUBJECTIVE SUMMARY**

APPENDIX B

CODE	DESCRIPTION	2017/18 BASE BUDGET	2018/19 BASE BUDGET	MORE / (LESS)
111	SALARIES AND WAGES	2,406,290	2495030	88740
113	NATIONAL INSURANCE	212,350	226750	14400
114	SUPERANNUATION	292,640	358050	65410
	<b>EMPLOYEE SUB TOTAL</b>	<b>2911280</b>	<b>3079830</b>	<b>168550</b>
211	REPAIRS AND MAINTENANCE	43,100	45970	2870
212	ENERGY COSTS	40,830	39600	-1230
213	RENT	1,200	1200	0
214	RATES	47,560	46540	-1020
215	WATER SERVICES	14,980	16030	1050
217	CLEANING AND DOMESTIC	800	1000	200
219	CONTRIBUTION TO FUNDS	88,890	91530	2640
311	TRANSPORT	860,650	884490	23840
315	CAR ALLOWANCES	28,810	27800	-1010
316	INSURANCE	57,020	64240	7220
411	EQUIPMENT AND FURNITURE	79,780	80570	790
412	MATERIALS	16,920	16320	-600
421	INTERNAL	530	0	-530
431	CLOTHING AND UNIFORMS	15,070	16320	1250
441	GENERAL OFFICE EXPENSES	6,220	4890	-1330
451	CONTRACTUAL	361,290	381840	20550
452	OTHER SERVICES	56,970	56320	-650
461	COMMUNICATIONS AND COMPUTING	13,820	3410	-10410
471	STAFF	1,780	1230	-550
481	GRANTS	17,540	16770	-770
491	INSURANCE	48,820	76400	27580
493	OTHER	363,320	357400	-5920
	<b>RUNNING EXPENSES SUB TOTAL</b>	<b>2165900</b>	<b>2229870</b>	<b>63970</b>
922	Contributions From Other Las	-78790	0	78790
928	Recharge Non Gf Accounts	-297270	-329460	-32190
931	Sales	-78060	-85000	-6940
932	Fees And Charges	-996790	-1018250	-21460
933	Rents	-218000	-80000	138000
938	Fees And Charges	-62200	-63000	-800
939	Other Receipts	-214660	-206570	8090
951	Recharges	-22080	-22520	-440
958	Int Charge For Services	-6700	-6290	410
	<b>INCOME SUB TOTAL</b>	<b>-1974550</b>	<b>-1811090</b>	<b>163460</b>
	<b>COMMITTEE TOTAL</b>	<b>3102630</b>	<b>3498610</b>	<b>395980</b>

2018/19 REVENUE BUDGET TIMETABLE				
Action	Base Budget & General Principles of Budget	Draft Budget	Draft Final Budget	Final Budget Approval & Council Tax Setting
Medium Term Financial Strategy	Policy & Finance 29 June 2017			
Base budget & general principles of budget	Policy & Finance 21 September 2017			
Support services – agree basis for charging		8 September 2017		
Working papers issued to budget officers		31 July 2017		
First draft of treasury estimates based on capital programme reported to September Policy & Finance Committee		6 October 2017		
Draft budgets complete – no support services allocated		22 September 2017		
Budgets uploaded onto eFinancials		25 – 29 September 2017		
Coordination & review of first draft budget and reports prepared		2 – 4 October 2017		
First draft budget presented		Homes & Communities 6 November 2017 (papers 04/10/17)		

First draft budget presented		<p>Leisure &amp; Environment 14 November 2017 (25/10/17)</p> <p>Economic Development 22 November 2017 (papers 25/10/17)</p> <p>Policy &amp; Finance 30 November 2017 (papers 08/11/17)</p>	<p>Policy &amp; Finance 30 November 2017 (papers 08/11/17)</p>	
Final treasury estimates completed based on capital performance reported to December Policy & Finance			29 December 2017	
Support services allocated and uploaded to efinancials			1 December 2017	
Final committee budgets approved for consideration by Policy & Finance Committee on 23 February 2018			<p>Homes &amp; Communities 15 January 2018 (papers 13/12/17)</p> <p>Economic Development 17 January 2018 (papers 13/12/17)</p> <p>Leisure &amp; Environment 23 January 2018 (papers 31/12/17)</p>	

			Policy & Finance 25 January 2018 (papers 03/01/18)	
Housing Revenue Account budget and rent setting report				Policy & Finance 25 January 2018 to refer to Council for approval on 13 February 2018 (papers 03/01/18)
Council Tax Discounts Scheme determined				Council 12 December 2017
Council Tax Base 2017/18				Officer decision – determined between 1 December 2017 and 31 January 2018
Revenue budget setting				Policy & Finance 22 February 2018 (papers 11/01/18)
Parish Council Precept information received			(up to) 28 February 2018	
Council Tax setting				Council 8 March 2018 (papers 28/02/18)

**NEWARK AND SHERWOOD DISTRICT COUNCIL**

**CORPORATE CHARGING POLICY**

**Revised: September 2017**

**Date of next revision: September 2018**

**CONTENTS**

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- 6. Calculation of Charges**
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## **1. Introduction**

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

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

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

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

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

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

## **2. Purpose of the Policy**

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

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

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

## **3. Processes and Frequencies for Reviewing Charges**

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

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

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

#### **4. Factors Relevant to the Annual Review of Charges**

Annual reviews of charges will consider the following factors:

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

#### **5. Processes for Setting Charges for New Sources of Income**

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

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

A business plan must be prepared.

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



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

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

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

## **6. Calculation of Charges**

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

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

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

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

All fees and charges must be calculated in accordance with the current V.A.T. regulations.

## **7. Concessionary Charges**

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

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

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

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

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

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

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

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

## **8. Discounts**

For certain services it will be normal practice to set promotional discounts, Frequent User discounts or group Discounts.

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

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

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

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

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

## **9. The Use of Market Intelligence**

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

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

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

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

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

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

#### **10. Further Guidance**

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

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

All fees/charges must be published on the Councils website.

**ACTIVE4TODAY – DRAFT BUSINESS PLAN, 2018/19 AND PERFORMANCE UPDATE**

**1.0 Purpose of Report**

- 1.1 This purpose of this report is to present the Active4Today Draft Business Plan, 2018/19 for member consideration and update the Committee on the Company's latest quarterly performance.

**2.0 Background Information**

- 2.1 At the meeting of Policy and Finance Committee on 29 January 2015 it was resolved to establish a "not for profit" wholly owned leisure company to provide leisure and sports development services on the Council's behalf. This included the three leisure centres; Blidworth, Dukeries and the Newark Sports and Fitness Centre. The Company, Active4Today, was duly incorporated on 9 March 2015. Active4Today commenced operations on 1 June 2015.
- 2.2 As part of the governance arrangements, Active4Today presents its Draft Business Plan for the following year to the Leisure and Environment Committee for consideration during the Autumn Committee cycle. The Draft Business Plan, 2018/19 and performance reports from Active4Today are appended to this covering report. Following Committee consideration, a final Business Plan will be presented to the Committee in January. As such, this is an opportunity for the Committee to influence the Final Business Plan for 2018/19.

**3.0 Key issues**

**Overview of performance**

- 3.1 Leisure and Environment Committee has overall responsibility for setting the strategic direction of the Company through the annual approval of the Active4Today business plan, which sets out the outcomes the Committee wishes the Company to work towards in return for a management fee. Performance is monitored through a framework agreed by Leisure and Environment Committee.
- 3.2 As members will see, Active4Today is highlighting issues with its reporting software which is currently distorting the data in relation to user visits. The Company says that this will be rectified and the data will be amended accordingly. Nevertheless, there has been further year on year growth in both the adult and children's membership bases with 13% and 18% growth, respectively, in each category.

**Draft Business Plan, 2018/19**

- 3.3 The Active4Today Draft Business Plan, 2018/19 is attached for member consideration. Active4Today has identified a number of actions it is proposing to undertake with the aim of facilitating the delivery of the three outcomes the Committee set the Company up to achieve, namely: Healthy and Active Lifestyles, Accessible Facilities and improved Financial Viability.

- 3.4 The proposed management fee for 2018/19 is £121,220, which, as highlighted to the Committee at its meeting in June, is a slight increase on the current management fee. The savings which were forecast as part of the five-year business plan which established Active4Today are now at an end. There were savings forecast in the first year of operation from moving into the new company structure from VAT and Business Rates whilst the second year of savings was predicated on the move to a new, larger leisure centre.
- 3.5 Within its update report, Active4Today is citing cost pressures it is currently facing from increases in utility, pension and wage costs. Whilst this cites expenditure pressures, it does not give detail on the additional income that the Company is set to generate from the above target performance in both adult and children's memberships. Further, whilst the management fee of £121,220 is cited for Sports Development, the business case does not itemise how that money will be spent and the Committee may wish to ask for a breakdown of that activity before agreeing to the payment of the management fee. Furthermore, it would be prudent for the Committee to follow the steps it took last year in requesting Active4Today to report on its financial performance to date and its forecast for the position at year end in the Committee report in January, 2018.

### **Southwell Leisure Centre Trust**

- 3.6 In addition to paying a management fee to Active4Today to operate leisure and sports development services, the Council also pays a cash sum to the Company to provide strategic management support to Southwell Leisure Centre Trust, as well as 'donating' a number of central services such as human resources and ICT.
- 3.7 At the June meeting of the Leisure and Environment Committee, three members were nominated by the Committee to enter into a dialogue with the Trust and Active4Today about the future arrangements given that the Trust is the recipient of the Active4Today services, which are paid for by the Council.
- 3.8 The management fee payable for Southwell in 2018/19 is £95,850. However, Cllrs Jackson, Mison and Duncan have stated an aspiration to the Trustees that this contribution is reduced to zero by 2020/21, with the arrangements being between the Company and the Trust. A meeting was held with the Trustees in October with agreement that they would consider their response at a meeting of the Trustees in December. As such, it could be the case that the contribution in 18/19 is less than forecast and, potentially, reduced to zero by 2020/21.

### **4.0 Equalities Implications**

- 4.1 The performance framework includes a range of measures that demonstrate work to improve inequalities in sports and leisure participation. An equality impact assessment will be undertaken for the revised business plan.

### **5.0 Financial comments - Impact on Budget**

- 5.1 The proposed management fees to Active4Today for sports development services and support to Southwell Leisure Centre Trust, have been built into the medium-term financial plan. However, any reduction in the requirements would support the Council's medium term financial plan and reduce the need for other savings.

**6.0 RECOMMENDATIONS that:**

- a) the Committee consider the Active4Today Draft Business Plan 2018/19 and make any representations to the Company via the Authorised Officer;
- b) the Quarter 2 performance is noted;
- c) Active4Today provides the January committee meeting with its latest in-year financial position and full year forecast in order that the Committee can form judgements on the appropriateness of the management fee payable in 2018/19;
- d) Active4Today provides the January committee meeting with a breakdown of how it is proposing to spend the management fee in relation to Sports Development; and
- e) Committee approves the proposal to aim to reduce the management fee payable to Southwell Leisure Centre Trust to zero by 2020/21.

**Reason for Recommendations**

To ensure the company is delivering the outcomes required by the Council in the most efficient and effective way.

**Background Papers**

For further information please contact Matthew Finch on Ext 5716

**Matthew Finch  
Director - Customers**

## LEISURE AND ENVIRONMENT COMMITTEE MANAGEMENT REPORT

14 NOVEMBER 2017

### 1.0 REPORT PURPOSE

- 1.1 To provide the Leisure and Environment Committee with a performance report for the first half of the year and an update against the 2017/2018 business plan outcomes.
- 1.2 To provide the Leisure and Environment Committee with an outline draft of proposed themes and outcomes for the 2018/2019 business plan.

### 2.0 Background

- 2.1 Members will be aware that on a regular basis reports are provided to the committee against a set amount of performance indicators which were agreed with the Leisure and Environment Committee during 2016/2017. These are set out at Appendix I and the narrative to support these performance indicators are set out at 3.0 of the report. In addition to the performance indicators, the company also provides a report update on the sports development activities which have taken place. These are set out at appendix II of the report.
- 2.2 Since the previous meeting of the Leisure and Environment Committee, the Company has invested in a new performance management software package. This is 'cloud' based technology and provides daily up to date information regarding our usage, memberships and finance data, as well as linking into wider statistical data, which is held nationally and will in time, allow anonymously for the data of A4T to be compared with those of other organisations, located within the country.
- 2.3 Unique dashboards have been set up for all users, with data available that is appropriate to their areas of work, allowing action to be taken at an earlier stage.

### 3.0 PERFORMANCE

#### **Performance to Period 6, 1<sup>st</sup> April 2017 – 30<sup>th</sup> September 2017:**

- 3.1 There are a number of areas of the business that have performed well during the period and in addition, areas which require further clarification. These are set out below:
  - a) The number of user visits is significantly reduced according to the reports however after investigation it is understood that this is due to the introduction of new software packages within the children's membership scheme, since April 2017. Currently there is an issue with pulling through the data from the Front of House software; however, now this has been identified, discussion with XN Leisure and On Course are taking place to rectify the issue. Once the 'fix' has taken place amendments to the figures will take place to provide a truer picture on usage. Reassuringly income levels and

membership levels remain in line with revised budgets, indicating this is a usage collection issue only.

- b) Across the company, the number of female user visits is higher in comparison to male usage. At the end of Q2, there were almost 13,000 more female user visits to the sites, than males, with totals of 130,132 females, against 117,388 males. This data is in contrast with national statistics, which on average show higher than average male usages as opposed to female usages. As highlighted in previous reports, this higher than average female usage can be attributed to the class programmes and family participation at the sites, as well as the activities available on the outreach programmes, which currently attract more female interest.
- c) Across the company the number of 60 plus user visits remains on target. Many users in this area remain within the fitness suite and swimming; however there are now more group activities on offer including walking football, boccia and chair based exercise classes. Currently work is taking place to identify if there are specific activities which may be required for this group, to support areas of daytime utilisation especially within the Dukeries facility.
- d) The number of under 16 user visits within the company is good with an increase in junior membership which is set out below. In addition the summer holiday activities were extremely popular this year and this has provided an increase in usage. However, usage compared to last year is down and this has been identified as part of the pull through of data which is not taking place currently. It is hoped this will be rectified shortly and an update of figures can be provided to members.
- e) Adult membership continues to perform well across all sites, however, it has been recognised that there is a slowing down of adult members at the Newark Sports and Fitness Centre (NSFC). In addition, cancellations have increased at this site, which is expected and was factored into the business plan. The current adult membership figure stands at 6,369 across the company. This figure is 73 above the target figure of 6,296 for this period and 733 above the same period in 2016/2017, where the data showed an adult membership of 5,636. Currently the impact of the move to South Forest for the junior wetside programme is being monitored to see if this is having an effect on the adult membership, due to the two site operation impacting on the available time of the adult.
- f) Junior membership continues to perform well even in light of the closure of the Dukeries Academy swimming pool and the transfer of the wetside activities to South Forest. Across the company the junior membership stands at 2,730. This figure is 493 above the target figure of 2,237 for this period and 424 above the same period in 2016/2017, where the data showed a junior membership of 2,306. The success of the junior membership is largely down to the additional classes provided at NSFC, which includes, trampolines, gymnastics and beginners swimming and the workforce development which has taken place to support these classes, by up skilling current employees of the company. Although the company was expecting a decrease in junior membership at the Dukeries Leisure Centre, with the introduction of high profile advertising campaigns and positive intervention by the staff of Active4Today, there has



been a slight increase in membership since the re-location to South Forest and this is being closely monitored to see if this trend continues.

- g) The number of user visits for the identified groups continues to be monitored with the seasonality experienced throughout the year. For example the number of user visits from deprived areas has increased in Q2 to 22,099 compared to 19,766 in Q2 in 2016. More work is planned in specific areas to target and increase activity levels. These initiatives include a targeted approach with primary schools, increasing capacity in gymnastics, grassroots trampoline and a FREE swimming initiative, to engage hard to reach groups. As part of the feedback to the committee, user visits by persons with active cards, which are identified as being in areas of deprivation and using the Dukeries Leisure Centre has been undertaken. Areas of deprivation according to Sport England's criteria for the SAFE project (Sport and Activity for Everyone), is classified as Ollerton and Boughton; postcode area of NG22. Out of the 4,635 Active Cards registered to the Dukeries LC, 1,700 are customers who are from the NG22 wards. Of those 1,700 Active Cards, there are 1,137 adult and junior direct debit customer using Dukeries LC.
- h) The sports development team has continued to deliver activities in partnership with other organisations. Officers have found that when introducing new activities and programmes, particularly in deprived areas, it has been beneficial to work with existing and established groups where trust and confidence has already been developed. These include, small group classes for community organisations, fitness opportunities for employees of the Nottinghamshire Carers Hub, local disability groups for swimming, badminton and boccia. More recently an initiative has been introduced 'Catch 22', which is a funded initiative for young people in Newark, providing an individual learning and training experience while enhancing employability skills. In addition to this work, the sports development team have continued to support clubs and organisations within the district.
- i) The number of referrals received from healthcare professionals has experienced a slight decrease over the summer months to 122 for Q2. This has gone against seasonal trends from the previous 2 years, where numbers have been higher; 158 during 2015/2016 and 209 during 2016/2017. As a result, further investigation is taking place with surgeries and the wider CCG to establish if there are issues with the scheme being provided, or there have been fewer opportunities for GPs to refer. This work with GP surgeries will also potentially pick up new GPs who may not be familiar with the A4T offer.

### **Update on 2017/2018 Business Plan**

- 3.2 Members will be aware that each year a business plan is produced by Active4Today, which is considered by the Leisure and Environment Committee and is the strategic document which provides a focus for the company and allows the committee to request areas of work from Active4Today, which feeds into the larger holistic programme of the Council.
- 3.3 Below in table 2 are the agreed outcomes for the 2017/2018 business plan and an update of the progress to date:

<b>AIM</b>	<b>OUTCOME</b>	<b>ACTION</b>	<b>PROGRESS TO PERIOD 6</b>
Healthy and active lifestyles	Improve data capture and insight into users and participation, compare data against national trends	Increase Active card take up - simplify the process and offer free activity on first visit. Target areas where currently take up is low or they are a target market. We will establish this through postcode analysis and using Sport Nottinghamshire data to identify target areas and groups. Distribute a further 10,000 cards during 2017/2018	The number of Active card holders has grown across all sites and within sports development activities, since April 2017. This allows data through a direct debit membership, or on a pay and play basis. The current number of card holders at Q2 stands at 28,143 compared to 14,672 in Q2, 2016.
	Improve skill base and increase the quality and capabilities of staff. Aim for an investment equivalent of up to 1.5% - 2% of contracted staffing expenditure	Develop and increase appropriate staff training opportunities. Develop activities to use the newly acquired qualifications. Develop 5 apprenticeship opportunities within the company	Currently the company has two apprentices. However, two further apprentices have secured permanent roles within the company and moved off their apprenticeship scheme. Training budgets have been set up and the company is on target to invest approximately £20,000 in training within 2017/2018; this includes: coaching courses, financial management, ILM, risk management, health and safety, first aid, pool lifeguard, direct debit regulations, front of house systems, sales and retention, seminars etc.
	Increase number of volunteers supporting sports clubs and leisure provision (Target of 50 new volunteers)	Develop and promote the VISPA scheme in the district. Target market through campaigns within schools, youth centres and clubs. Demonstrate the contribution through number of volunteer hours.	The current number of VISPA volunteers working throughout the district is 62 (37 new to date this year). These volunteers undertake a range of duties which includes work in the leisure centres and local clubs. This has also developed through established better links with Magnus and Newark Academies where a process exists for work experience opportunities. Schools and organisations which are supported through the sports development team includes local sports forums at Southwell, Fernwood, Ollerton and Boughton, and district wide Sports Council.
	Increase usage across all centres, improvement to health of the district population, reduced usage of public health	Market and promote the GP Active scheme to all health professionals working in the district. Develop the range of activities offered to include	Work continues in this area and is well received by the participants on the scheme. Currently there is 7 staff trained to Exercise Referral

	services (Target 400 referrals, with 50% retention beyond 12 week programme)	chair based exercise classes and low impact aerobics, in addition to existing gym sessions. Increase GP referral trained staff, with an aim to have 10 across the District (an increase of 5). Agree numbers of sessions per annum, training opportunities and outcomes through MOT checks.	level 3 who delivers the GP referral scheme. There has been an increase in class delivery and development over the year and currently there are 6 classes operating specifically for GP referral patients throughout the district however they can access weekly 1-2-1's with an instructor.
	Increase participation in sport by 11-18 age group, increased quality and number of volunteers in community settings (Target of 50 new volunteers)	Re-establish partnership working and delivery with all secondary schools. Promote and market the VISPA scheme through schools	To date, partnerships have been set up and agreed with the Newark Academy. Discussions are taking place with the Magnus, Bishop Alexander and the Dukeries Academy to look at possible opportunities within these organisations. As a result of the work with the schools and colleges and providing a heavily subsidised membership, we have seen an increase in junior membership in the 11-15 age group.
	More females engaging in activity (Target 635 females aged 14+)	Continue to develop the SAFE programme to focus on engaging more people into sport with women being a key target. Set target areas, how many groups will we engage with and how many sessions will we run.	The SAFE programme continues to operate throughout the district with specific targeting taking place in Blidworth, Ollerton and Newark. To date, 30 classes and programmes have been facilitated through the programme providing access for over 1500 new customers to positively engage in activity. Activities include chair based exercise, walking football, boccia, badminton and swimming.
	Contribute towards the reduction of childhood obesity (increase concessionary membership take up by 25%)	Continue with children's memberships. Support the memberships from the Inclusion policy, where payment is a barrier to entry; increase coaching provision to offer activities and support outreach work in areas where traditionally activity may not be taking place	The children's membership has grown by over 15%. The largest growth has been seen in the discounted bundle memberships including 2 or more activities. The discounted bundle memberships have increased by over 35%.
Accessible facilities	Increase usage of target groups, particularly under-represented groups and people with a limiting illness or disability	Develop Inclusion policy by June 2017 and concessionary membership rates to support pay and play concessions	As part of the development of discounted and concessionary memberships, a 20% discount is in place for adult and Junior Active Card holders. This has resulted in an increase in Active Cards, which has been shown above. The types of

			activities include disability swimming, boccia, walking football, disability gymnastics and trampolining, 1-2-1 swimming lessons for those most in need. Further work will see the development of disability holiday activities and a FREE swimming initiative.
Financial viability	Increase facility capacity and provision of activities	Develop partnerships with other facilities – The Newark Academy, Newark Sports Hub	As stated within the partnership work above, positive agreement has been reached with the Newark Academy and work is taking place on a trial basis to develop the programmes at this site and increase community activity. Ongoing discussions continue to take place with the YMCA and the Council on the development of the sports hub and the joint working possibilities between A4T and the YMCA
			Adult Concessionary membership has grown by over 30% over the last 2 years with the largest growth being in the over 60's concessionary membership

Table 1, 2017/2018, business plan outcomes update

3.4 Members will note, that progress in all areas is being made, with some categories progressing quicker than others. Work will continue to progress and an update will be provided to the committee in the new year regarding the final outcome of areas of work.

#### **4.0 DRAFT BUSINESS PLAN OUTCOMES FOR THE 2018/2019 BUSINESS PLAN**

4.1 Members will be aware that each year Active4Today provide the Leisure and Environment Committee with a draft business plan, which contains information, on how the Company are seeking to deliver the Council's aspirations for leisure throughout the following year. Contained at appendix III is a first look at the 2018/2019 proposed business plan, which contains a set of proposed outcomes for the year. The Committee will note that currently the plan is based on forecasting and figures as of 1<sup>st</sup> October 2017. Throughout the following months, this information will be updated, to ensure when the plan is next presented to the Committee, it will have the most up to date information contained within it.

4.2 Over previous years the company has focused on specific outcomes around, the delivery of a new leisure centre in Newark, increased membership, improved financial viability and increased sports development activity. For next year the Company is looking across all the 3 aims in a bid to add value to all areas and once again support the Council to deliver its aspirations for leisure. Proposed outcomes include:

- Assisting to develop a business plan for facilities within the West
- Developing opportunities for activity development for specific groups i.e. outreach, over 60's and disability groups
- Provide support for club and community organisations
- Undertake physical audits of the sites to understand the journey of a person with disabilities
- Develop further partnerships with organisations within the district to increase opportunities for customers
- Continue to monitor the progress at South Forest

4.3 In addition to proposing a set of outcomes for the business plan, the Company has also included the in-year management fee for the company, which is based on the original business plan, set and approved in 2015. Currently the Company require further information on the 2017/2018 finances, before it is able to understand if the leisure centre element of the management fee, which is currently 'nil' can be maintained at this level, due to the impacts of increased utilities, increased pension contribution and real living wage increases; all items reported to the committee during their June 2017 meeting. It is expected that further information will be available for the January 2018 meeting of the group.

## **5.0 PROPOSAL**

5.1 It is proposed that Active4Today continue to monitor and action the areas within the 2017/2018 business plan with a view to completing the actions by March 2018. In addition, it is proposed that Active4Today continue to monitor and deliver on the current performance of the company to ensure where possible utilisation is maximised, whilst continuing with the ethos of family friendly facilities and inclusivity for all.

5.2 It is proposed that the draft outcomes contained within appendix III are discussed by the committee and the information from these discussions is fed back to Active4Today. This will ensure that the final 2018/2019 business plan can be presented to the Leisure and Environment Committee in January 2018 for approval.

## **6.0 BUDGET IMPLICATIONS**

6.1 There are no direct budgetary implications contained within the report, however, the activities identified will have financial implications and it is expected these can be contained within the existing agreement between the district council and the company.

## **7.0 EQUALITY & DIVERSITY IMPLICATIONS**

7.1 There are no equality or diversity issues contained within the report. Access requirements for customers and potential customers are in line with the equalities and diversity policy.

*For further information please contact Andy Carolan – Managing Director via email on [andy.carolan@active4today.co.uk](mailto:andy.carolan@active4today.co.uk)*

**ACTIVE4TODAY LTD BOARD REPORT**

**APPENDIX I**

**Performance Management Report to 30<sup>th</sup> September 2017**

<u>Active4Today Performance Indicators (incl SLCT)</u>	<u>ACTIVE4TODAY ONLY</u>			<u>SLCT ONLY</u>			<u>TOTAL</u>		
	Sep-16	Sep-17	Growth (+) Decline (-)	Sep-16	Sep-17	Growth (+) Decline (-)	Sep-16	Sep-17	Growth (+) Decline (-)
No. of User Visits	601,471	438,957	-27.02%	196,423	183,774	-6.44%	797,894	622,731	-21.95%
No. of Leisure Centre user visits (Card Holders) - Female	144,052	130,132	-9.66%	58,501	62,495	+6.83%	202,553	192,627	-4.90%
No. of Leisure Centre user visits - Aged Over 60	30,354	34,639	+14.12%	15,202	16,797	+10.49%	45,556	51,436	+12.91%
No. of Leisure Centre user visits - Children (under 16)	93,020	58,385	-37.23%	45,064	47,067	+4.44%	138,084	105,452	-23.63%
Live Leisure Centre Membership base (adults)	5,636	6,369	+13.01%	1,940	2,108	+8.66%	7,576	8,477	+11.89%
Live Leisure Centre Membership base (children)	2,317	2,742	+18.34%	1,331	1,278	-3.98%	3,648	4,020	+10.20%
No. of Leisure Centre user visits - Deprived areas	Figures not available split per company						19,766	22,099	+11.80%
No. of individuals referred to Active4Today from a health professional - Attended Session	54	55	+1.85%	14	23	+64.29%	68	78	+14.71%
No. of user visits on Sports Development programmes in deprived areas	Figures not available split per company						3,575	3,500	-2.10%

**Performance Management Report to 30<sup>th</sup> September 2017  
Sports Development update**Club and Coach Development

The Sports Development team were involved in the planning and delivery of Stage 4 of the OVO Tour of Britain on 6<sup>th</sup> September. The event provided an opportunity to promote and raise the profile of cycling across the district. Staff were involved in recruiting and briefing the volunteer marshals both for the Newark section and liaised with parish councils to support the communities, ensuring the remote parts of the route were safe and well dressed! Staff also co-ordinated groups, safety barriers and liaison with the public in key areas on the day.

In addition to the main event, Active4Today worked together with key partners including local clubs and British Cycling, to deliver a series of 15 events whereby around 300 riders took part in the Newark and Sherwood Festival of Cycling. Events ranged from mountain bike trails to road based, beginner sessions to competitive races. These took place across the district and it is hoped that this will become an annual festival which will continue to raise the profile of cycling and wider sport in Newark and Sherwood.

The VISPA and work experience programmes have been going from strength to strength; not only providing a valuable tool for staff recruitment but also a valuable arm within the local communities in Newark and Sherwood. This has been further strengthened by partnerships developed with Magnus Academy and Newark Academy, in turn demonstrating Active4Today's commitment to training and employment.

The summer saw the sports development team work with local young volunteers delivering sports and games to the youth club at Clipstone Miners Welfare. The 4 leaders were signed up to the VISPA scheme, and are now an essential part of the local community delivering sports and activity sessions on a weekly basis. Across the Active4Today sites, a sports leader workshop was delivered to inspire the next generation of leaders within the local community. A total of 30 young people learned about the skills required to become a sports leader and are now able to lead small groups of children in sporting activities under supervision from a qualified coach.

Newark and Sherwood Sports Council, Southwell Sports Forum and Ollerton and Boughton Sports Forum continue to have an active voice within their respective communities. Meetings, focussed around key themes such as facilities, volunteer recruitment and funding have been arranged, with local clubs attending.

Active4Today worked alongside other local authorities, namely Bassetlaw, Mansfield and Ashfield, to coordinate a North Nottinghamshire coach education programme. Sports clubs require multiple, trained volunteers in safeguarding and first aid to maintain basic standards of quality across all sports within the community. In recent years, some of these courses have been poorly attended due to a number of reasons, including cost, travel and time, so the collaborative effort has used central venues and publicised dates well in advance to maximise attendance.

## Inclusion

Active4Today staff has begun working in partnership with the SBAP (Schools Behaviour and Attendance Partnership). This is a programme where schools identify children who would most benefit from engagement in positive sport and improve their behaviour and attendance levels. A 6 week programme is delivered within the schools to help those children who are on the brink of juvenile crime, anti-social behaviour and are generally finding school challenging. The concept is to encourage leadership skills, team work and other benefits sport brings including improving their mental health also. This project will expand throughout the next few months in to community settings, engaging these young people in an evening.

A record number of disabled adults attended the Annual Disability Sports Day on Tuesday 29<sup>th</sup> August. Activities on offer were archery, badminton, table tennis, circus skills and our traditional races and welly wanging. This is a fantastic event which builds on the existing activities provided on a weekly basis by A4T for these groups. It is also a social occasion for adults within day services and residential homes to meet friends old and new.

Our 4<sup>th</sup> Annual Boccia Schools League came to a close in May, with Coddington C of E Primary being crowned the Winner, closely followed by Sir Donald Bailey in 2<sup>nd</sup> place and Barnby Road in 3<sup>rd</sup> place. This league gives children with a disability both physical and learning, the opportunity to represent their school in sport which hugely boosts their confidence. This is a great example of providing an inclusive sporting activity in a primary school setting, which was initially instigated many years ago by the inclusive activity officer.

## Active Lifestyles

Active4Today has developed further links new GP surgeries, physiotherapists both at the hospitals and in the community. This has been expanded to GP surgeries in Mansfield and Nottingham. Referrals have also been received from Everyone Health who refers clients to each of your leisure centres. Everyone Health also hold their weight management sessions at the sites, encouraging people through the door and building their confidence in going to a leisure centre, something which they may have found challenging previously.

There have been 116 members who have continued their membership after their initial GP referral 12 weeks programme during the period.

The total numbers of referrals that have signed up to a membership are 108 from April – September 2017.

There has been an increase in members attending the Cardiac Rehab classes across all sites, with referrals now being received from GP's as well as the Specialist Cardiac nurses at Kings Mill and Newark Hospitals.

The active lifestyles officer has been working in partnership with Nottinghamshire County Council to raise awareness of falls prevention work. Events have been held across the district and invited local groups to attend to give them the opportunity in sampling physical activity in a chair based class, showing them exercises for 'staying steady' and to help them regain their confidence after a fall. This work is being explored further with the County Council in developing a training pathway for key staff, bridging the gap between the existing training opportunities available.



The Strokeability sessions continue to grow, which are held at Dukeries and Newark sites. GP's, physios and Specialist Stroke nurses have continued to refer Stroke survivors to regain their mobility and confidence.

# BUSINESS PLAN

## 2018/2019

A banner for Active 4 Today featuring a collage of people exercising in a gym. The word "ACTIVE" is written in large, stylized letters with a purple and orange color scheme. Below it, the text "Leisure Sport Wellbeing" is written in a smaller font. The banner also includes contact information and a membership ID.

**ACTIVE**  
Leisure Sport Wellbeing

0000001

[www.active4today.co.uk](http://www.active4today.co.uk)  
*contact us at*  
[memberships@active4today.co.uk](mailto:memberships@active4today.co.uk)

**Managing Director - Andy Carolan**

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## **THE BUSINESS**

Active4Today Ltd was launched on 1<sup>st</sup> June 2015 and will be entering its fourth financial year of operation on 1<sup>st</sup> April 2018. It is an independent company registered with Companies House, with Newark and Sherwood District Council being the single shareholder.

The business consists of three leisure centres, a sports development section and a headquarters, which collects and manages the finance of the business, including the in-house direct debits. In addition to these services, Active4Today Ltd provides administrative and management support to the Southwell Leisure Centre Trust and operates additional wetside and dryside provision out of South Forest Complex, Newark Academy and Bishop Alexander LEAD Academy, through service level agreements.

The company is estimating a usage to the end of 2017/2018 of 1,500,000 visits, over its whole business. In addition, it has a direct debit membership base on 1<sup>st</sup> October 2017, of 12,497 with an estimated final figure of 12,600 including Southwell (both adult and junior).

The aim of the business is to focus on 3 distinct areas:

- Healthy and active lifestyles
- Accessible facilities
- Financial viability

The company's unique selling point (USP) is that of a fully accessible service, which is family friendly and offers a wide range of activities to attract users from all age groups and all socio-economic backgrounds. The work of the company, although complimentary, is split into three areas. These are:

- Leisure facilities
- Outreach work
- Club development

### **Leisure Facilities**

Within these facilities, the leisure centres provide activities to various groups covering, children, adults, 50 plus, affiliated clubs and schools. These are then split into two categories of pay and play usage and direct debit memberships.

The leisure facilities are provided in Blidworth and Ollerton and also in Newark, with a partnership arrangement with the Southwell Leisure Centre Trust and their facility in Southwell. During 2017/2018, additional partnerships have been formed with South Forest Complex, Newark Academy and Bishop Alexander LEAD Academy Trust in a bid to expand the offer of the company and improve health and fitness of the communities of Newark and Sherwood. The offer is very different at each site, ranging from a new wet and dry facility in Newark and dry only facilities at Blidworth and Ollerton; wetside provision in the west is being provided through an agreement with the South Forest Complex. In addition wet and dryside facilities are provided in partnership with the Southwell Leisure Centre Trust. Finally, additional dryside facilities are provided within Newark in partnership with the Newark Academy and Bishop Alexander LEAD

Academy Trust. These have increased additional resources to the company to provide increased activity opportunities for the community.

### **Outreach Work**

Predominantly, this area of work is provided through the sports development section, either through direct provision or through partners providing the service on our behalf.

The Sports Development Team during 2017 has supported clubs and schools to access Sportivate funding from Sport England via Sport Nottinghamshire. This initiative has provided much needed funding of between £300 and £1000 and has enabled clubs to develop their offer and broaden their activities to provide sessions for young people targeting the age group of 11-25 years old.

The aim for 2018 is to develop the activities to a sustainable level, which will allow the sessions to continue into 2019, when the funding has been used. This will then allow the team to move into other areas of need that are identified within the activity plan.

### **Club Development**

The local sports forums are supported by the Sports Development Team on a quarterly basis throughout the year, providing much need secretariat, advice and support to volunteers and clubs through these meetings. Additional training and workshops are also co-ordinated to both maintain and improve quality of community sports provision.

The VISPA volunteering scheme is a crucial tool to recruit new volunteers into sports activities both in clubs and leisure centres. This is particularly focussed on the 14+ age group, encouraging young people to get involved in volunteering in their community and gaining valuable experience and qualifications to potentially secure a job in the sports and leisure industry. To 1<sup>st</sup> October 2017, there are 62 VISPA volunteers operating within the district and supported by Active4Today Ltd.

The sports development team works closely with national governing bodies and Sport Nottinghamshire to co-ordinate an annual programme of courses and workshops according to the needs of the volunteers and coaches. This has further been developed in 2017 and co-ordinated by working partnership with a number of local authority areas in Nottinghamshire. These courses have included emergency first aid and safeguarding.

The team are also involved in planning for the future, particularly around demonstrating the demand for facility developments, the review of policy documents i.e. Playing Pitch Strategy and linking to the research and insight available from the Sport England Active People Survey.

### **AIMS AND OUTCOMES**

As part of the business plan, outcomes have been identified, which focus on key parts of the business. The outcomes have been identified to support the key aims of the business and form part of the day to day operations.

In addition to the financial aim of the company, which is to maintain a service to the customer at a nil management fee, the company is committed to increasing participation in sections of the community who may not traditionally engage in physical activity.

Finally, the company is committed to the provision of high quality services that provide value for money to the customer. This will be achieved through continuous improvement to the facilities.

The suggested outcomes for the 2018/2019 are set out below and are linked to the overall aims of the company.

<b>DRAFT AIM</b>	<b>DRAFT OUTCOME</b>	<b>DRAFT ACTION</b>
Healthy and active lifestyles	Assist the district to develop options for provision of leisure in the west of the district	Work with the district to develop a business plan for facilities within the West. Assist with the feasibility work which is currently taking place and understand the impact of the South Forest provision.
	Develop the insight software to understand participation in sport and physical activity and grow activity programmes to meet the needs of the customer	Work with XN Leisure and other providers to develop the insight software to identify gaps in provision and develop further opportunities for activity development within the district. Use the software to target specific groups i.e. outreach, over 60's, community development, disability groups,
	Develop a digital marketing strategy to target specific groups increasing participation in sport, identified from Insight data.	Develop a digital marketing strategy which will support the current traditional advertising and marketing campaigns which currently take place. The digitalised strategy which look a new opportunities for advertising and targeting customers and ensure the software which is being developed is being used to its fullest to increase awareness and participation in sport and physical activity.
	Develop a digital communication platform for clubs and community organisations	Develop with the clubs and community organisations a platform for their usage to assist current and prospective customers to understand what is available for them within the district. This will be facilitated by A4T and allow clubs and community organisations to share information and best practice in a bid to develop their offer to ultimately improve participation.
	Develop the outreach programme to deliver more activities in identified areas and ultimately increase user visits to the leisure centres	Develop activities in Clipstone, Ollerton, Blidworth, Hawtonville and Bridge wards of Newark to increase activity to 1 x 30 minutes per week
Accessible facilities	Undertake access audits at each site and priorities the areas identified in order to develop activities to meet requirements.	Undertake physical audits at all sites to understand the journey of a person with disabilities through our facilities. This includes engagement with the website, social media, print etc, before the actual

		engagement with the facility. Look at the audits and develop a list of possible improvements which will improve the journey for a person with a disability. Look at training for staff if this is also required.
	Further develop the activities on offer for key target groups including under 16's, over 60's, disabled groups and females.	Specifically look at developing daytime usage for the 60+ market at both Newark and Dukeries LCs. Continue to build on the successful XP Junior membership schemes and add additional classes within Dukeries LC. Develop a partnership with the Nottinghamshire Learning Disability and Autism Partnership Board, in a bid to replicate the success which has taken place at Newark, in the Dukeries.
Financial viability	Explore other partnership opportunities within the district for increasing provision	Develop further partnerships with organisations within the district (similar to the current arrangement with Newark Academy), to increase opportunities for customers and increase the critical mass of users throughout the district. Develop further leisure card opportunities with these organisations to improve data capture in a bid to understanding the 'customer'
	Continue to work with the Newark Academy to develop the partnership further.	Work with the Academy to increase the opportunities at the site for the customers of district. Look at increasing available time at the site and the type of activity available. This will in turn increase awareness of A4T and the brand across the district.
	To understand the current arrangements with the South Forest complex and look to explore further opportunities for partnership working with them	Continue to monitor the progress at South Forest and understand the usage at the site. Work with the South Forest Complex and the district to understand the provision within the West of the district and how this facility may support this overall offer. Asses the financial viability of the site with the information, which can be assessed since operating from the site in July.

Fig 1: proposed aims/outcomes and actions for 2018/2019

## **CUSTOMERS**

The business is made up of customers who access the services in many ways:

- Free of charge
- Pay and play
- Direct debit
- Club block bookings

Customers are put at the heart of the business and current analysis developed using postcode information plots our customers as set out below. This information is only available however, when customers access the facilities using the Active Card. The aim of the company during 2018/2019 is to continue increase Active Card take up:

### Active Card Customer Map:

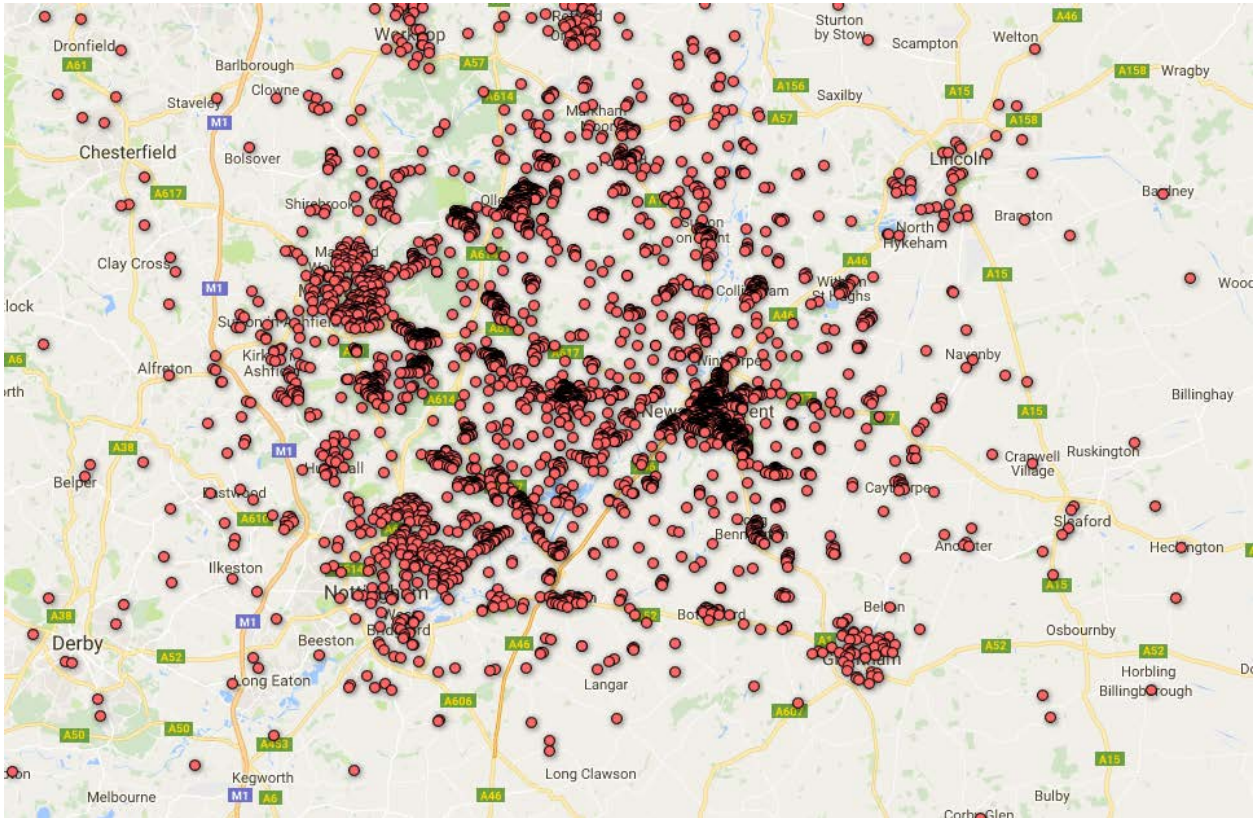


Fig 2: Mapping of customers using NSFC, DLC, BLC and SLC

### SERVICES

The services are split into two areas which are indoor provision; provided by the leisure facilities and external provision; provided by the sports development section of the business. Within the leisure centres, the services are divided up into distinct areas, wetside provision and dryside provision. These are once more sub divided into fitness suites, sports hall hire, squash courts, club bookings and swimming.

In addition to the provision of leisure facilities, the company also sells related saleable goods, which consist of hot/cold drinks, snacks, goggles, towels and other related leisure products. These items are referred to as secondary spend. Prices for both primary and secondary items are determined through either a percentage increase based on the cost of purchase or through an assessment of the competition, affordability and the socio economics of the district and the residents who use the facilities.

Currently prices are being investigated locally and this work is being developed as part of the budget setting process for 2018/2019. Prices of competitors and other Nottinghamshire



authorities are being compared in a bid to understand how the sector is responding. This information is not available at present as other organisations are going through the same process. The final business plan will however, provide a table showing comparison pricing of local competitors and local authorities.

## **KEY COMPETITORS**

The business has many competitors across the whole of the district, either as a direct competitor e.g. a private leisure centre or fitness suite, or one which is a diversionary activity to our customers e.g. cinema, bowling, bars and restaurants.

Whilst in the main the competition affects the leisure centre delivery directly, as this is where the income generation activities take place, the company has to be mindful that although competition for the sports development section may not be direct, it may mean that available funding from organisations is less available and this will affect the work of the sports development section.

The company monitors competitor prices to ensure its pricing remains competitive and continues to provide value for money for the customer. As stated above, currently competitor pricing is not available for comparison as other organisations have not released this information. The final business plan will provide a table of competitor prices and how Active4Today's prices compare.

## **MARKETING**

The 'Active' brand and series of new marketing and promotional material have been developed in order to highlight the different management arrangements in place. To assist with the sustainability and growth of the business, the company currently markets and advertises extensively to attract and retain its customers.



Improvements in retention are provided through targeted advertising for existing customers, reminding them of their original goals and why they joined the facilities, through the newly acquired 'TRP' software package. In addition, A4T needs to ensure the "journey" which the customer experiences, is supportive and that the commitment that was made by A4T, is also delivered on.

A4Ts approach to advertising and marketing has improved significantly. This is due to developments with data capture, market segmentation and target marketing and the media in which customers are reached in the form the customer requests. Currently the technological marketing and advertising for the company consists of:

The company's website is used to promote and market the full range of services and during 2017/2018 the company has linked the website with the front of house leisure bookings system. This will improve accessibility as well as enabling the customer to view and book activities on-line.

The website currently attracts an average of 50,000 hits per month. There are also approximately 5,000 bookings made on our online booking system every month for classes, allowing customers to access our services 24 hours per day, 7 days per week without having to call the centre. This is set to increase during 2018/2019.

The company now has a dedicated Communications Officer in post for Active4Today on a part time basis. This post is tasked with promoting and driving through the digital marketing strategy and support the traditional advertising including newspapers, press releases and editorials.

The sports development team also work extremely closely with Radio Newark and in particular on the Newark and Sherwood Sports Awards. This assists to help raise the profile of the company and add gravitas to the annual events.

## **DEVELOPMENTS**

ICT developments which are currently taking place and will continue throughout 2018/2019 include:

- Insight
- LF Connect
- On Course

The software applications identified above will assist the company to understand and retain its customers through greater knowledge of their usage and trends.

### **Insight:**

This is a 'Cloud' based performance management system, which is used nationally across the sector and understand and extrapolates data from our front of house software. As this is a national system, our data will be able to be mapped to the Office of National Statistics data, in order A4T will be able to understand our customers and their usage and bench mark these against other providers both regionally and nationally to understand how we are performing.

This will be used to develop activities, programmes and courses which meet local need, based on customer profiling.

### **LF Connect:**

This is an 'Open Platform' system, provided by the Company for the customer. Customers will develop their own training profile, which will consist of activities, which take place both inside and outside of our facilities. The software can speak to several other devices including Tom Tom, Garmin, Apple, Strava and will allow all this data to be saved and used from one central point. The data is owned and retained by the customer; however, our fitness staff can use this software to communicate with the customer on new training techniques, special offers and master classes in a bid to provide the customer with an enhanced experience, which will hopefully extend the customer stay.

## **On Course:**

This software has currently been developed to support the junior memberships within the Company. The software allows parents and guardians to monitor the progress of the child and communicate with the instructor through a web based application. The software plots the child's progress against a pre-set national development pathway and allows the parent and guardian to understand how their child is progressing. This includes the awards they have taken and the ones which are coming up. This improved communication allows takes place in real time and can be accessed through devices such as smart phones, PC and iPads.

In addition, they will provide the customer with greater feedback on their training

## **STAFFING**

To undertake the work, the company has a team of dedicated individuals, led by a committed and passionate management team. The team has several years of practical experience within the leisure industry and this is supported by a sound academic base to ensure the practical knowledge is underpinned by professional qualifications. This ethos is carried on through to all levels of the company and in the region of £22,000 is invested annually into training, continuing professional development (CPD) and maintaining staff qualifications.

This is identified through the annual performance review, which all staff members are encouraged to engage with. The investment in training is rewarded through the good retention of staff and ultimately a good experience is received by the customer.

## **PERFORMANCE MANAGEMENT**

The company is committed to ensure the performance of a variety of areas is achieved, aligning our resources, systems and employees to the strategic objectives identified earlier. Outcome based performance monitoring is now widely used and within that is the opportunity to provide narrative based performance evidence.

The performance indicators are linked to the council's strategic outcomes and have been developed with Members of the Leisure and Environment Committee, in order to build a performance framework. As per the company's objectives, the performance framework is split into three areas:

- Healthy and active lifestyles
- Accessible facilities
- Financial viability

## **FINANCE**

As part of the business planning process, the company is undertaking extensive work in producing budgets for the 2018/2019. Detailed work is currently taking place on direct debit income, pay and play income, external funding and club usage.

As set out during previous reports, the company is making provision to develop company reserves of £750K. This level of reserve will ensure resilience for the organisation, which supports the company and council to ensure the company remains in a financially sustainable position.

As members will be aware, the company currently operates on a management fee paid by Newark and Sherwood District Council. Below is the proposed management fee for 2018/2019.

**2018-2019 NSDC –Management Fee Requirements**

NSDC Management Fee	Amount - Full Year
Sports Development Management Fee	£121,220
Southwell Leisure Centre Management Fee	£ 95,850
<b>Total fee to be paid to Active4Today Ltd</b>	<b>£217,070</b>

Fig 3: Financial Arrangements for 2018/2019

DRAFT

**GROUNDS MAINTENANCE SERVICE LEVEL AGREEMENT – NEWARK TOWN COUNCIL**

**1.0 Purpose of Report**

- 1.1 To inform members of the proposed extension of the Service Level Agreement (SLA) with Newark Town Council for grounds maintenance works.

**2.0 Background**

- 2.1 In April 2015 the District Council, as part of the devolution process with Newark Town Council, transferred the ownership of several parks and related public open spaces to the Town Council. Up to the point of transfer the maintenance of these parks and open spaces had been carried out by the District Council's Grounds Maintenance team.
- 2.2 As part of the devolution agreement it was confirmed that, post transfer, the maintenance of these parks and open spaces should continue to be carried out by the District Council's team under the terms of a Service Level Agreement at an agreed annual sum, currently £168,489.00

**3.0 Information**

- 3.1 The Service Level Agreement is due to expire on the 31<sup>st</sup> March 2018 and discussions have been held with the Town Clerk to determine if the Town Council wishes to continue utilising the District Council team for the future maintenance of its sites.
- 3.2 At a recent meeting the Town Council confirmed that it wished to continue using the District Council's ground maintenance team for the upkeep of the devolved parks and open spaces for a further three year period. As a result further discussions have been held to establish the detail of a revised SLA and a draft document has been produced which is currently with the Town Council for approval.
- 3.3 The new SLA will run for a period of three years commencing on the 1<sup>st</sup> April 2018 and will be for the sum of £168,489 plus the percentage CPI as at September this year. The increase in CPI for the period September 2016 to September 2017 was 2.2% and the SLA figure for 2018/19 will thus be £172,196. This sum will be uplifted by the percentage rate of CPI as at September each year, on an annual basis for the remaining period of the SLA. The operational detail and requirements of the new SLA remain the same as the previous agreement.

**4.0 Comments of Deputy Section 151 Officer**

- 4.1 The Council's General Fund revenue budget for 2018/19 is currently in the process of being prepared and current assumptions include this income as being received at the level suggested in 3.3 above.
- 4.2 Should this SLA not be agreed, this would leave the Council looking to make savings of £172,200.

## 5.0 **RECOMMENDATION**

**That Members approve the establishment of a new Service Level Agreement with Newark Town Council for the Grounds Maintenance of its Parks and Open Spaces.**

### **Reason for Recommendations**

To enable a new Service Level Agreement to be agreed and implemented with Newark Town Council.

### **Background Papers**

Nil

For further information please contact Phil Beard – Business Manager Parks and Amenities

**Andy Statham**  
**Director - Community**

**PUBLIC SPACES PROTECTION ORDERS**

**1.0 Purpose of Report**

- 1.1 To report the findings of the District wide review of the 2007 Dog Control Orders.
- 1.2 To seek approval from the Council to revise the schedules created under the Dog Control Orders, and formally publicise and consult on a scheme of revised controls with a view to amending the now Public Space Protection Orders under the new provisions of the Antisocial Behaviour Crime and Policing Act 2014.

**2.0 Background**

- 2.1 Previously the power for Dog Control Orders to be made was contained within the Clean Neighbourhoods and Environment Act 2005. This legislation allowed for up to five kinds of Dog Control Order to be made. They were:
- **Dog Fouling on Land Order** (Fouling of land by dogs and the failure of the person in control of the dog to remove dog faeces).
  - **Dogs on Leads by Direction Orders** (Not putting, or keeping a dog on a lead when directed to do so by an authorised officer).
  - **Dogs on Leads Orders** (Failure to keep a dog on a lead where this is a requirement).
  - **Dogs Exclusion Orders** (Permitting a dog to enter land from which dogs are excluded).
  - **Dogs (Specified Maximum) Orders** (Taking more than a specified number of dogs onto land. It is suggested that, if adopted, the maximum number of dogs any one person can control is six, and is aimed at professional dog walkers).
- 2.2 Newark and Sherwood District Council utilised these powers and adopted a scheme of Dog Controls Orders which were last revised on 30<sup>th</sup> March 2010. The Orders and schedules are shown in App 1.
- 2.3 In 2014 the Antisocial Behaviour Crime and Policing Act introduced a new power, enabling Local Authorities to declare Public Space Protection Orders to promote responsible behaviour and restrict behaviour that is Anti-social, in parks and other public open spaces. Any behaviour can be restricted on any land, which is publically accessible with or without payment. There is no prescribed wording for a Public Space Protection Order allowing a flexible approach to their declaration which must aim to tacking specific antisocial behaviours in a geographically defined area. The Act provided for all Dog Control Orders to automatically convert to Public Space Protection Orders on the 1<sup>st</sup> October 2017, but guidance also required DCO's to be reviewed prior to their conversion to PSPO.

### 3.0 **Introduction**

- 3.1 In advance of any changes being introduced a series of consultations and reviews have been carried out with partner agencies, Town and Parish Councils and local land owners to determine if the restrictions imposed under the existing DCO's are still relevant and scope the options to revise the previously adopted schedules. In February a number of Stakeholders including the Police, Notts County Council, Community Safety, Newark and Sherwood Homes attended a workshop hosted by Environmental Health. Feedback from the workshop showed partners supported the use of PSPO's for dog controls and proposed the addition of an Order to introduce an offense of "Allowing a dog to be so out of control that it cannot be recalled".
- 3.2 On this basis further consultation of the draft PSPO's was carried by placing the draft consultation document on the council's web pages and by sending a consultation document to Parish and Town Councils. The consultation undertaken and the proposals for the timeframe for implementation is set out in the table below.

<b>Date</b>	<b>Consultation</b>
March 2017	Multi Agency Workshop
June 2017	DCO's reviewed and comments invited from Parish and Town Councils Nottingham County Council Consultation
September 2017	Clipstone Disability Action Group.
November 2017	Draft consultation document completed. Report to committee on proposed changes to PSPO Dog Control Conditions. Public Consultation Opens on changes to PSPO's
January 2018	Report on final consultation
January 2018	Declare new PSPO's

- 3.3 The Council has consulted all parish councils on the proposed changes, writing to each parish council in May of this year. The consultation included an evaluation of current dog control arrangements. It included a questionnaire which gave the Parishes the opportunity comment on the proposed changes under PSPO's as well as the opportunity to request additional PSPO controls.
- 3.4 A further correspondence was sent out in early September to all parishes, prompting additional responses. There have been a number of responses that are now summarised in Appendix 2.
- 3.5 The Council also recognised that other land owners have an important role in the consultation, including housing developers. Developers at Fernwood parish are also being consulted as a number of spaces used by the public in the parish are still in the developer's ownership.



- 3.6 The Council has recognised that dog owners are the recipients of any changes and as a result it is important that their views are taken into consideration. Officers have attended a consultation workshop organised by the Kennel Club and National Dog Wardens Association and have respect to the consultation document “Out of Order, The Impact of Access Restrictions on Dogs and Their Owners”. The Kennel Club also employs a specialist dog access advisor to provide advice and guidance to local authorities, landowners and other stakeholders on developing strategies to manage access for dogs to open spaces and balance the needs of all. Officers have also been working closely with the Dogs Trust in establishing the least restrictive measures which allow both dog owners and non-dog owners alike to enjoy the open spaces the District has to offer.
- 3.7 Members of Clipstone Disability Action group also attended a focus group to discuss the impact both the proposed restrictions under PSPO’s as well as general issues and concerns involving both responsible and irresponsible dog walking.

#### **4.0 Proposals**

- 4.1 It is considered appropriate that the following controls are proportionate and could be adopted as Public Spaces Protection Orders.

**Public Space Protection Order 2017, The Fouling of Land by Dogs (Newark and Sherwood District) (Relevant Locations Schedule 1)** – The offence under this order will be failing to immediately remove dog feces from land.

**Public Space Protection Order 2017, Dogs on Leads by Direction (Newark and Sherwood District) (Relevant Locations Schedule 2)** - The offence under this order will be not putting, and keeping, a dog on a lead when directed to do so by an authorized officer, by way of verbal instruction or written request displayed upon the land.

**Public Space Protection Order 2017 Dogs on Leads (Newark and Sherwood District) (Relevant Locations Schedule 3)** - The offence under this order will be exercising a dog off the lead in certain areas (Churchyards, cemeteries and other areas in need of special consideration)

**Public Space Protection Order 2017 Dogs Exclusion Areas (Newark and Sherwood District) (Relevant Locations Schedule 4)** - The offence under this order will be permitting a dog to enter land from which dogs are excluded (Children’s playgrounds)

**Public Space Protection Order 2017 Allowing a dog to be out of control when exercised Newark and Sherwood District) (Relevant Locations Schedule 5)** - The offence under this order will be being unable to control a dog that is exercising off the lead by recalling it.

- 4.2 It is proposed that the attached consultation document is approved as shown in Appendix 3 and a 6 week consultation period is started for the PSPO’s as set out.
- 4.3 It is further proposed that the controls and associated offences, which will be punishable by a Fixed Penalty Notice set at the rate of £75.

4.4 If the FPN is not accepted or not paid a fine not exceeding level three on the standard scale may be awarded by the Court.

4.5 It is also proposed to introduce an exemption scheme where a person with an assistance dog or injured dog can apply to be exempted from some or all of the restrictions of a PSPO.

## **5.0 Equalities Considerations and Exemptions**

5.1 The exemption scheme will allow any person with an assistance dog or injured dog to be exempted from the scheme.

5.2 The following exemptions will also apply to the PSPOs

- Having a reasonable excuse for non-compliance. (Police dogs investigating crime would be a defence but not having a scoop/bag would not).
- Acting with the consent of the owner or occupier of the land, or of any other person or authority, which has control of the land, e.g. a working dog.

5.3 There are certain exemptions for those with disabilities who use assistance dogs.

## **6.0 Financial Considerations**

6.1 The legislation requires that wherever practicable there shall be signs erected to warn the public of the existence of a control.. The Animal Welfare and Control Budget (A11108) has been used to purchase warning signs that have been bought for the previous DCOs. Parish/Town Councils and other landowners which have asked for specific DCOs have been advised that they are expected to provide their own signage.

6.2 Income from fixed-penalty fines are retained by the authority, although this does not generate any significant income.

## **7.0 Comments of Director - Resources**

7.1 All costs will be maintained within the Dog Control budget and there will be no significant impact on the overall budget.

## **8.0 RECOMMENDATIONS that:**

- (a) Members note the automatic conversion of existing Dog Control Orders to Public Spaces Protection Orders from 20 October 2017;**
- (b) Members support the proposed Public Spaces Protection Orders as set out in the consultation document and agree that a formal 6 week consultation period takes place starting on 1 December 2017; and**
- (c) the charge applied to a fixed penalty Notice is £75 reduced to £40.00 if paid within 14 days.**

### **Reason for Recommendations**

**To improve the level of control and enforcement of dog-related problems within the District.**

### **Background Papers**

Clean Neighbourhoods and Environment Act 2005.

Anti-social Behaviour Crime and Policing Act 2014

LGA Public Space Protection Orders Guidance for Councils.

For further information please contact Alan Batty, Environmental Health Business Manager, on 655467.

**Karen White**

**Director - Safety**

NEWARK AND SHERWOOD DISTRICT COUNCIL (“the Council”)

DOG CONTROL ORDERS To Convert to Public Space Protection Orders

The Clean Neighbourhoods and Environment Act 2005

The Dog Control (Prescribed Offences and Penalties etc) Regulations

On 30 March 2010 the Council made the following Dog Control Orders within the administrative District of Newark and Sherwood under section 55 of the Clean Neighbourhood and Environment Act 2005. The orders affect the land listed in the corresponding Schedules below and apply to land to which the public are entitled or permitted to have access (with or without payment);

- 1) The Fouling of Land by Dogs (Newark and Sherwood District) Order 2010 (Schedule 1)
- 2) The Dogs on Leads by Direction (Newark and Sherwood District) Order 2010 (Schedule 1)
- 3) The Dogs (Specified Maximum) Newark and Sherwood District) Order 2010 (Schedule 2)
- 4) The Dogs on Leads (Newark and Sherwood District) Order 2010 (Schedule 3)
- 5) The Dogs Exclusion (Newark and Sherwood District) Order 2010 (Schedule 4)

The following offences, punishable by a fine not exceeding level three on the standard scale are created by the orders;

- 1) Failing to immediately remove dog faeces from land
- 2) Not putting, and keeping, a dog on a lead when directed to do so by an authorised officer
- 3) Taking more than a specified number (6) of dogs onto land
- 4) Not keeping a dog on a lead
- 5) Permitting a dog to enter land from which dogs are excluded

The orders and accompanying maps are available for inspection free of charge between 8.45 and 16.45 weekdays, at Newark and Sherwood District Council, Kelham Hall, Newark on Trent, Nottinghamshire, NG23 5QX.

The orders may also be viewed online at [www.newark-sherwooddc.gov.uk](http://www.newark-sherwooddc.gov.uk)

#### Schedule 1

All land within the administrative district of Newark and Sherwood

#### Schedule 2

Marsh Lane Playing Field, Farndon

Village Green, Main Street, Fiskerton cum Morton

Riverside Footpath, Fiskerton cum Morton

#### Schedule 3

Mount Road Cemetery, Balderton

Lakeside, Balderton

Playground to the rear of 90 to 96 Henton Road, Edwinstowe

Village Green, Main Street, Fiskerton cum Morton

Riverside Footpath, Fiskerton cum Morton

Halam Churchyard, Church Lane, Halam

London Road Cemetery, Newark

Village Hall, Staythorpe Road, Rolleston

Playing Field behind ex Minster School, Church Street, Southwell

#### Schedule 4

Grove Street Play Area, Balderton

Mead Way Play Area, Balderton

Southfields Play Area, Balderton

Worthington Road Play Area, Balderton

Play Area, Coronation Street Playing Field, Balderton

Brewery Playing Field, Kirklington Road, Bilsthorpe

Crompton Road Playing Field, Bilsthorpe

Children's Play Area adjacent to Crompton Road Playing Field, Bilsthorpe

Play Area, Blidworth Community Centre, Mansfield Road, Blidworth

Marriott Lane Playing Field, Blidworth  
Sherwood Avenue (Fenced Skateboard Park & Football/Basketball Court), Blidworth  
Greenwood Crescent Play Area, Boughton  
Village Playing Field, Caunton  
Dodsley Way Play Area Clipstone  
Hilcote Drive Play Area, Clipstone  
Vicar Water Country Park (enclosed play area), Clipstone  
Thorpe Close Playing Field (enclosed play area), Coddington  
Thorpe Oaks Playing Field, (enclosed play area), Coddington  
Swinderby Road Playing Field, Collingham  
Playground to the rear of 38 to 48 Henton Road, Edwinstowe  
Fourth Avenue Play Area, Edwinstowe  
Sherwood Fields, Sixth Avenue, Edwinstowe  
Village Playing Field, Epperstone  
Children's Playground, Marsh Lane, Farndon  
Parfitt Drive Play Area, Farnsfield  
Wilson's Field, Station Lane, Farnsfield  
Station Lane Playground, Farnsfield  
Morton Recreation Ground, Fiskerton cum Morton  
School Playing Field, Halam  
Playing Field, Kneeton View, Hoveringham  
St Michael's Churchyard and Cemetery, Gonalston Lane, Hoveringham  
Playing Field, Main Street, Kirton  
Village Green, Kneesall  
Car Park /Play Area, Kneesall  
Sports Ground and Play Area, The Bar, Laxton

Beckitt's Field, Bathley Lane, Little Carlton

Southwell Road Sports Ground, Lowdham

Playing Field at the rear of Village Hall, Main Street, Lowdham

Old Tannery Drive (enclosed play area), Lowdham

Enclosed Children's Play Area, Main Street, Lowdham

Tolney Lane Playground, Newark

Beaumont Gardens (enclosed Bowling Green), Newark

Sherwood Avenue Bowling Green and Tennis Courts, Newark

Sherwood Avenue (enclosed sunken games area and children's playground), Newark

Sconce Hills and Devon Park Children's Playground, Boundary Road, Newark

Riverside Park (enclosed play area), Tolney Lane, Newark

Cleveland Square Playing Field (enclosed play area), Newark

Lawrence Street Play Area, Newark

Cherry Holt Playing Field (enclosed play area), Newark

Fleming Drive Playing Field (enclosed play area), Newark

Bridge Community Centre Playing Field (enclosed play area), Newark

Linseed Avenue Play Area, Newark

Edgehill Drive Play Area, Newark

Newbury Road Play Area, Newark

Syerston Way (enclosed play area), Newark

Children's Play Area, Stepnall Heights, New Ollerton

Children's Play Area, Central Park, Sherwood Energy Village, New Ollerton

Children's Play Area, rear of 2 to 16 Poplar Street, New Ollerton

Playing Field, Caunton Road, Norwell

The War Memorial, Main Street, Ollerton Village

Children's Play Area, Main Street, Oxton

2 Acre Playing Field, rear of Village Hall, Staythorpe Road, Rolleston

Jubilee Garden, Rolleston

Norwood Gardens Play Area, Southwell

Enclosed Toddler's Play Area, Memorial Park, Southwell

Centenary Playing Fields, Southwell

Playground, Church Lane, South Scarle

Recreation Ground, Grassthorpe Road, Sutton on Trent

Walesby Village Hall Grounds, Walesby

Potter Lane Play Area, Wellow



## Appendix Two Parish Council Responses

Parishes who have responded to PSPO Questionnaire

Parish	Reply received	Changes required?	Details of changes
Averham	21-09-17	no	
Balderton	01-09-17	yes	Dogs on leads by direction Coronation Street Playing Field, Balderton
Bilsthorpe	11-09-17	no	
Bleasby	05-09-17	yes	Something at Jubilee Ponds. AW to discuss workability.
Bulcote	05-09-17	no	
Carlton On Trent	05-09-17	no	
Caunton	05-09-17	no	
Clipstone	01-09-17		
Collingham	07-08-17	Yes in future	New area being bought by PC but not yet finalised
Cromwell	Reissued Qnaire 05-09-17		
Edingley	Reissued Qnaire 05-09-17	no	
Edwinstowe	Reissued Qnaire 05-09-17		
Egmanton	05-09-17	no	
Farndon	30-07-17	no	
Fernwood	Reissued Qnaire 06-09-17		
Grassthorpe	06-09-17	no	
Harby	Reissued Qnaire 07-09-17		
Hoveringham	07-09-17	no	
Kirklington	Reissued Qnaire 08-09-17		
Maplebeck	05-09-17	no	
Newark TC	13-09-17	yes	Dogs on leads. New cemetery extension adjacent to Cavendish Avenue. Beaumont Gardens Market Place St Mary's Church Gardens (NSDC site see Phil Beard) Newark Castle Grounds (NSDC site see Phil Beard)  Dog Exclusion. College Close Play area Wheatsheaf Avenue play Area St Mary's Church War Memorial Gardens (this is owned by NSDC see Phil Beard)
North Muskham	Reissued Qnaire 05-09-17		
Norwell	05-09-17	no	
Oxton	07-08-17	no	
Ollerton	01-09-17	yes	Allotments, Off Tuxford Road, Boughton

**Newark and Sherwood District  
Council Consultation on ~~the~~  
transition of Dog Control Orders  
to  
~~Proposed~~ Public Space  
Protection Orders 2017 (Dog  
Control)**



## **Introduction.**

The way that councils and the police control anti-social behaviour in public places and open spaces is changing, with the introduction of a new power that enables local authorities to create Public Space Protection Orders. In October 2017, Public Space Protection Orders will also replace the Dog Control Orders that give councils their existing powers to control dog fouling and problematic dog behaviour. We believe it is important for Newark and Sherwood District Council to use PSPO's because they can help in the creation and maintenance of a clean, safe and healthy district for all our residents and visitors.

~~The introduction of different PSPOs also provides opportunities to review our existing enforcement arrangements and also to consult our residents, visitors and key stakeholders about proposed changes such as the introduction of new restrictions or controls. The consultation process will be in 2 parts. The first consultation will concentrate on the transition of Dog Control Orders to PSPOs. A second consultation will consider proposals to introduce PSPOs aimed at targeting other types of anti-social behaviour affecting public spaces across our district.~~

## **What are Public Space Protection Orders?**

Public Space Protection Orders (PSPO) are created by a new power granted under the Anti-Social Crime and Policing Act 2014. PSPOs are intended to deal with persistent nuisance behaviour or problems that occur in a defined public open space, e.g. a park. They are designed to ensure that the law-abiding majority can use and enjoy public spaces safely from free from unacceptable behaviour. All local authorities can make a PSPO on any public space within its area. The definition of a "public open space" under the Act is wide and includes any open space to which the public have access, irrespective of ownership.

Public Space Protection Orders put restrictions in place which, if breached, create an offence. When an offence is witnessed an Enforcement Officer can issue a fixed penalty notice of up to £100 and there is a fine of up to £1000 if prosecuted through the courts.

~~The introduction of different PSPOs also provides opportunities to review our existing enforcement arrangements and also to consult our residents, visitors and key stakeholders about proposed changes such as the introduction of new restrictions or controls. The consultation process is in will be in 2 parts. The first consultation will concentrate on the transition of Dog Control Orders to PSPOs. A second consultation will consider proposals to introduce PSPOs aimed at targeting other types of anti-social behaviour affecting public spaces across our district.~~

**Why is it necessary to introduce The transition of Dog Control Orders to Public Space Protection Orders. for Dog Control?**

We welcome dog walkers and dogs to our district. Newark and Sherwood District Council is home to a number of beautiful parks, estates and large areas of countryside that create important wildlife habitats. There are many beautiful places to go walking. We also take pride in keeping our towns and residential areas clean and safe creating attractive places to live work and visit.



However there is increasing public concern over irresponsible dog ownership including complaints about boisterous and aggressive dogs. We are also concerned about dogs being out of control and attacking other animals including pets and wildlife. This is the reason why Newark and Sherwood District Council is consulting widely on both the effectiveness of the original Dog Control Orders and the future needs for controls by using Public Space Protection Orders.

**Which-What are the existing offences will be incorporated into the new PSPO for Dog Control?**

The Council has consulted all the Parish Councils and a number of key stakeholders within the District including the Dog's Trust, Clipstone Disability Action Group and held an officer workshop. They were asked if the existing dog controls shown below were effective and if they were necessary to promote responsible dog walking in the future. The responses are shown in table 1. The council proposes to review the existing DCOs. To establish if the controls are still necessary and appropriate. Based on these findings, the controls that are deemed necessary will be incorporated into the proposed Public Space Protection Orders. Locations where orders are proposed are scheduled below and apply to land to which the public are entitled or permitted to have access (with or without payment);

- 1) The Fouling of Land by Dogs (Newark and Sherwood District) (Schedule 1)
- 2) The Dogs on Leads by Direction (Newark and Sherwood District) (Schedule 1)
- 3) The Dogs on Leads (Newark and Sherwood District) (Schedule 3)



#### 4) The Dogs Exclusion (Newark and Sherwood District) (Schedule 4)

The following offences, punishable by a fine not exceeding level three on the standard scale, are created by the orders;

- 1) Failing to immediately remove dog faeces from land
- 2) Not putting, and keeping, a dog on a lead when directed to do so by an authorised officer
- 3) Exercising a dog off the lead in certain areas (Churchyards, cemeteries and other areas in need of special consideration)
- 4) Permitting a dog to enter land from which dogs are excluded (Children's playgrounds)
- 5) ~~Allowing a dog to be out of control (being unable to recall a dog when it is exercising off the lead)~~

#### **What new controls have been proposed? Proposed Additional Controls (to be determined)**

The following consultation an additional control ~~is also~~ of being unable to control a dog, or recall it when it is being exercised off a lead, has been proposed at Vicar Waters Country Park, Clipstone and Sconce Park, Newark:

- 1) Allowing a dog to be out of control when exercised

The associated offence will be that of:

- 2) Being unable to control a dog that is exercising off the lead by recalling it.



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#### **Exemptions:**

It is also intended to introduce an exemption scheme, for people with assistance dogs or injured dogs. Upon application an owner may apply to be exempted from all or part of the restrictions of a PSPO and it may be granted when it is in the public interest to do so.

**PSPO's for Dog Fouling will not apply to a person who is registered as blind under section 29 of the National Assistance Act 1948**

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PSPO's for Dog Exclusion Areas will not apply to a person who is registered as blind under section 29 of the National Assistance Act 1948 or to a person who has applied for an exemption

### **What do the changes mean?**

The offences would be a breaches ~~off a~~ PSPO rather than a DCO, but the enforcement options would remain the same. ~~We may issue a fixed penalty notice offering the person concerned the opportunity of discharging any liability to conviction for the offence by paying a fixed penalty. This fixed penalty must not be more than £100. We intend to set the fine at £100, in order to maximise the deterrent risk for offenders.~~ If the Fixed Penalty Notice was not paid or if it is refused the council can look to take a prosecution and the courts can impose a fine of up to £1,000. It is intended to keep the FPN charge at £75.00 with an early repayment charge of £40.00 if paid within 7 days

~~It is also intended to introduce an exemption scheme, for people with assistance dogs or injured dogs. Upon application an owner may apply to be exempted from all or part of the restrictions of a PSPO and it may be granted when it is in the public interest to do so.~~

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### **The offences are outlined in more detail here:**

Under Schedule 1, our enforcement officers will continue to be able to require anyone, other than a registered blind person, in charge of a dog to remove their dog's faeces from the land at the time of fouling. The council's authorised officers would be able to enforce this anywhere the public has access. We will not be able to enforce this where the landowner, occupier or other person in charge of a public space has given permission for dog walkers not to pick up faeces.

Under Schedule ~~2~~4 our authorised officers will also be able to require a person in charge of a dog to place the dog on a lead at the request of the officer in all locations to which the public have access. For example, this control would be used to restrict dog from running freely on a park during a special event, or in a wildlife area during the breeding season for ground-nesting birds.



Schedule 3 lists the locations where dogs are required to be placed on a lead at all times, and includes the cemeteries and several riverside walks. If a dog walker is seen by an authorised officer walking a dog off the lead they will be challenged and where appropriate issued a FPN.

The Dog Exclusion powers apply to areas where children’s play facilities are provided and are listed in Schedule 4. Their introduction is believed to be necessary to ensure that children and parents can play in a clean and relaxed environment. Although violent attacks are rare many parents are wary of dogs that they do not know and some are intimidated by over excited dogs that may appear boisterous. For this reason the control is justified for the purpose of ensuring that children and parents feel safe in play areas. It does not apply to all park land.

We welcome your comments:-

~~The proposed orders and accompanying maps are available for inspection free of charge between 8.45 and 16.45 weekdays, at Newark and Sherwood District Council, Kelham Hall, Newark on Trent, Nottinghamshire, NG23 5QX. The proposed orders may also be viewed online at <http://www.newark-sherwooddc.gov.uk/dogcontrolorders/>.~~

~~If you wish to make any representations in respect of the proposed orders these must be received by 27<sup>th</sup> June 2017 – 28<sup>th</sup> April 2017.~~

~~Sheridan Stock, Assistant Business Manager Environmental Health and Licensing at the address below or by email to [Sheridan.stock@nsdc.info](mailto:Sheridan.stock@nsdc.info) quoting reference: PSPO~~

~~Newark and Sherwood District Council, Kelham Hall, Newark on Trent, Nottinghamshire, NG23 5QX.~~

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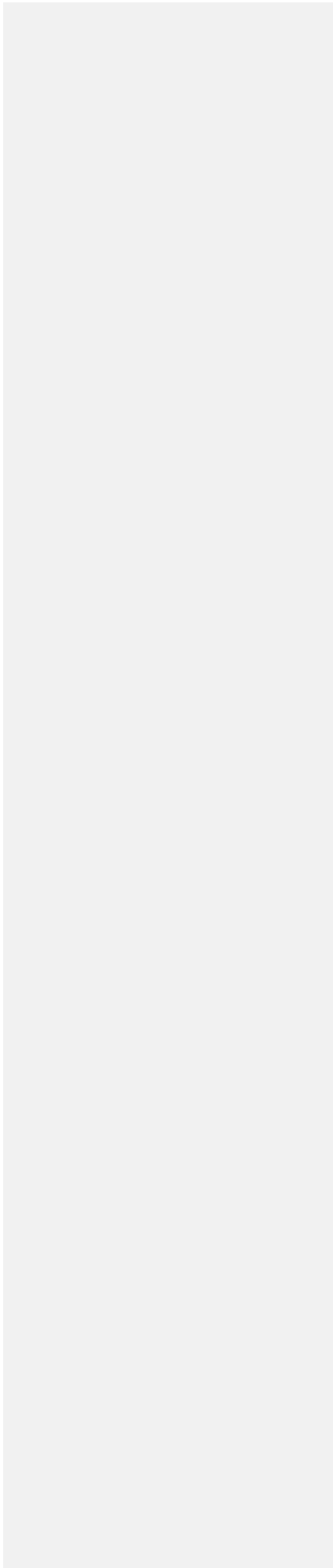
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<u>Parishes who have responded to PSPO Questionnaire Parish</u>	<u>Reply received</u>	<u>Changes required?</u>	<u>Details of changes</u>
<u>Averham</u>	<u>21-09-17</u>		<u>no</u>
<u>Balderton</u>	<u>01-09-17</u>	<u>yes</u>	<u>Dogs on leads by direction Coronation Street Playing Field, Balderton</u>
<u>Bilthorpe</u>	<u>11-09-17</u>		<u>no</u>
<u>Bleasby</u>	<u>05-09-17</u>	<u>yes</u>	<u>Something at Jubilee Ponds. AW to discuss workability.</u>
<u>Bulcote</u>	<u>05-09-17</u>		<u>no</u>
<u>Carlton On Trent</u>	<u>05-09-17</u>		<u>no</u>
<u>Caunton</u>	<u>05-09-17</u>		<u>no</u>
<u>Clipstone</u>		<u>01-09-17</u>	
<u>Collingham</u>	<u>07-08-17</u>	<u>Yes in future</u>	<u>New area being bought by PC but not yet finalised</u>
<u>Cromwell</u>		<u>Reissued Qnaire 05-09-17</u>	
<u>Edingley</u>		<u>Reissued Qnaire 05-09-17</u>	<u>no</u>
<u>Edwinstowe</u>		<u>Reissued Qnaire 05-09-17</u>	
<u>Egmanton</u>	<u>05-09-17</u>		<u>no</u>
<u>Farndon</u>	<u>30-07-17</u>		<u>no</u>
<u>Fernwood</u>		<u>Reissued Qnaire 06-09-17</u>	
<u>Grassthorpe</u>	<u>06-09-17</u>		<u>no</u>
<u>Harby</u>		<u>Reissued Qnaire 07-09-17</u>	
<u>Hoveringham</u>	<u>07-09-17</u>		<u>no</u>
<u>Kirklington</u>		<u>Reissued Qnaire 08-09-17</u>	
<u>Maplebeck</u>	<u>05-09-17</u>		<u>no</u>
<u>Newark TC</u>	<u>13-09-17</u>	<u>yes</u>	<u>Dogs on leads. New cemetery extension adjacent to Cavendish Avenue. Beaumond Gardens Market Place St Mary's Church Gardens (NSDC site see Phil Beard) Newark Castle Grounds (NSDC site see Phil Beard) Dog Exclusion. College Close Play area Wheatsheaf Avenue play Area St Mary's Church War Memorial Gardens (this is owned by NSDC see Phil Beard)</u>

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<u>North Muskham</u>	<u>Reissued Qnaire 05-09-17</u>		
<u>Norwell</u>	<u>05-09-17</u>		<u>no</u>
<u>Oxton</u>	<u>07-08-17</u>		<u>no</u>
<u>Ollerton</u>	<u>01-09-17</u>	<u>yes</u>	<u>Allotments, Off Tuxford Road, Boughton</u>

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Existing Proposed Dog Control Orders Public Space Protection Orders By Parish

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BALDERTON

Dog Exclusion: MGA (Multi-use Games Areas), Coronation Street Playing Field, the meadow, Southfields and Worthington Road play areas.

Dogs on Leads: Lakeside and Mount Road Cemetery.

BILSTHORPE

Dog exclusion: Brewery and Crompton Road playing fields.

BLIDWORTH

Dog exclusion: Play area, Blidworth Community Centre, Marriott lane Playing Field and Sherwood Avenue fenced skateboard park/football/basketball court.

BOUGHTON

Dog exclusion: Greenwood Crescent play area

CAUNTON

Dog exclusion: village playing field.

CLIPSTONE

Dog exclusion: play areas at Dodsley Way, Hilcote Drive, Vicar Water Country park, and the cemetery off First Avenue.

CODDINGTON

Dog exclusion: enclosed play areas at Thorpe Close and Thorpe Oaks playing fields.

#### **COLLINGHAM**

Dog exclusion: Swinderby Road playing field.

#### **EDWINSTOWE**

Dog exclusion: playground to rear of 38-48 Henton Road, Sherwood Fields, Sixth Avenue. Fourth Avenue Play Area.

Dogs on Leads: playground rear of 90-96 Henton Road.

#### **ELSTON**

Dogs on Leads: Old Chapel Field, and Old Chapel Lane pathway, Stokesfield Farm.

#### **EPPERSTONE**

Dog exclusion: Village Playing Field

#### **FARNDON**

Dog exclusion: Children's playground, Marsh Lane

Maximum Number of Dogs on Leads (6): Marsh Lane playing field

#### **FARNSFIELD**

Dog exclusion: Wilson's Field, Station Lane, Station Lane playground and Parfitt Drive play area.

#### **FISKERTON CUM MORTON**

Dog exclusion: Morton Recreation Ground

Dogs on Leads: Village Green, Main Street Fiskerton, and Riverside Footpath, Fiskerton

Maximum number of dogs to be walked at any time (6) – Village Green and Riverside Footpath, Fiskerton

#### **GUNTHORPE**

Dog exclusion: Playpark, David's Lane

Dogs on Leads: Riverside and the Playing Field, David's Lane (other than the play park)

#### **HALAM**

Dog exclusion: School Playing Field

Dogs on Leads: Halam Churchyard

#### **HOVERINGHAM**

**Dog exclusion:** Playing field, Kneeton View, and St Michael's Churchyard and cemetery.

**KIRTON**

**Dog exclusion:** Playing Field, Main Street.

**KNEESALL**

**Dog exclusion:** The Village Green, Kneesall and the Car Park/Play Area, Kneesall.

**LAXTON**

**Dog exclusion:** Sports Ground and Play Area, The Bar.

**LOWDHAM**

**Dog exclusion:** Southwell Road Sports Ground, the playing field at the rear of the Village Hall, Old Tannery Drive enclosed play area, the enclosed children's play area, Main Street.

**NEWARK**

**Dog exclusion:**

Tolney Lane Playground, Newark

Beaumont Gardens (enclosed Bowling Green), Newark

Sherwood Avenue Bowling Green and Tennis Courts, Newark

Sherwood Avenue (enclosed sunken games area and children's playground), Newark

Sconce Hills and Devon Park Children's Playground, Boundary Road, Newark

Riverside Park (enclosed play area), Tolney Lane, Newark

Cleveland Square Playing Field (enclosed play area), Newark

Lawrence Street Play Area, Newark

Cherry Holt Playing Field (enclosed play area), Newark

Fleming Drive Playing Field (enclosed play area), Newark

Bridge Community Centre Playing Field (enclosed play area), Newark

Linseed Avenue Play Area, Newark

Edgehill Drive Play Area, Newark

Newbury Road Play Area, Newark

Syerston Way,(enclosed play area), Newark

**Dogs on Leads:** London Road Cemetery

**NORWELL**

**Dog Exclusion:** Playing Field, Caunton Road, Play Park School Lane

**OXTON**

**Dog exclusion:** Children's Play Area, Main Street

**ROLLESTON**

**Dog exclusion:** Jubilee Garden and 2 Acre Playing Field, rear of the Village Hall

**Dogs on Leads:** The Village Hall

**SOUTHWELL**

**Dog exclusion:** Centenary Playing Fields, Memorial Park enclosed toddlers' play area and Norwood Gardens Play Area.

**Dogs on Leads:** Minster Fields (excluding Harvey's Field), Froggatt's Field, War Memorial Recreation Ground.

**SOUTH MUSKHAM and LITTLE CARLTON**

**Dog exclusion:** Beckitt's Field, Bathley Road, Little Carlton, Forge Close Play Area, South Muskham.

**SOUTH SCARLE**

**Dog exclusion:** Playground, Church Lane.

**SUTTON ON TRENT**

**Dog exclusion:** Recreation Ground, Grassthorpe Road.

**WALESBY**

**Dog exclusion:** Village Hall Grounds

**WELLOW**

**Dog exclusion:** Potter Lane Play Area

**Comments Sheet.**

Behaviour type (Dog Control)	Locality of behaviour	Proposed restriction / requirement	Comments : <u>Agree / Disagree</u>
Dog Fouling ( failing to remove dog fouling forthwith)	Across the district	Same as for the existing DCO. The person in charge must remove the fouling at the time the fouling occurs. (forthwith)	
Failing to put a dog on a lead when instructed to do so.	Across the District	Same as for the existing DCO, a person in charge of a dog must place it on a lead at the request of an Authorised Officer	
Exercising a dog off a lead.	Specified Locations listed in Schedule 3	Same as for the existing DCO,	
Allowing a dog into an area where dogs are excluded. (children’s play areas)	Specified Locations listed in Schedule 4	Same as for the existing DCO, dogs are not allowed into a purpose built children’s play area.	
<u>Allowing a dog to be so out of control that it cannot be recalled when being exercised off a lead</u> <b>Behaviour type (Dog Control)</b>	<u>All parks and open spaces and rights of way to which the public have access.</u> <b>Locality of behaviour</b>	<u>A person in control of a dog that is being exercised off the lead must be able to recall the dog when asked to do so.</u> <b>Proposed restriction/ requirement</b>	<b>Comments</b>
<u>Proposal to introduce an exemption scheme where a person with an assistance dog or injured dog can apply to be exempted from the some or all of the restrictions of a PSPO</u> <u>Allowing a dog to be so out of control that it cannot be recalled. Allowing a dog to be out of control ( being unable to recall a dog when it is off the lead)</u>			

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<p>▲ All parks and open spaces and rights of way to which the public have access.</p>	
<p>▲ A person in control of a dog that is being exercised off the lead must be able to recall the dog when asked to do so.</p>	

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Please return to : Sheridan Stock, Assistant Environmental Health and Licensing Manager. Newark and Sherwood District Council, Castle House, Great North Road, Kelham Hall, Newark on Trent, Nottinghamshire, NG23 5QX.

**THE FUTURE OF FOOD REGULATION**

**1.0 Purpose of the Report**

- 1.1 To provide the Leisure and Environment Committee with details about the plans for the Future of Food Regulation issued by the Food Standards Agency.

**2.0 Background**

- 2.1 Food law policy in England and Wales is governed by the Foods Standards Agency. They are responsible for setting the Food Law code of practice that local authorities are required to work within.

**3.0 Introduction**

- 3.1 In December 2016 the Food Standards Agency (FSA) published a discussion paper entitled 'Regulating our Future' (RoF) which set out an ambition to review the current controls for food safety and regulation and developing new model. The FSA state that *'The Regulating our Future programme will completely change the way food businesses are regulated and inspected across England, Wales and Northern Ireland. We aim to have a new system in place by 2020.'*
- 3.2 Throughout this year the FSA have been holding number of open workshops, Business Forums and publishing newsletters to seek opinions on their proposals and to flesh out how the proposals will work in practice.

**4.0 Regulating Our Future**

- 4.1 In July the FSA published its proposed model for the future. A copy of this is attached as Appendix 1. Set out below is a commentary on the key points contained on the document and the local impact that the changes may have for Newark and Sherwood.

**4.2 Reasons for Change**

In the document they FSA begin by setting out the reasons why they believe that a change to the system is necessary. The main reasons given are:

The Food Standards Agency (FSA) states the existing system of food regulation has not kept pace with technological changes and is not flexible enough to adapt to the changing environment.

The existing 'one size fits all' approach to regulating food businesses is ill-suited to the incredibly diverse nature of the industry.

The current model is financially unsustainable, with taxpayers bearing the cost of food regulation in a way that is incompatible with wider regulatory policy. At the same time, local authorities who deliver most of the current activity are under increasing financial pressure, such that some are struggling to fully discharge their functions.



- 4.3 Whilst these points seem reasonable there has been very little evidence produced in the document to support the reasons for change. Some local authorities do consistently underperform on their food inspection requirements. However, the FSA do already possess powers to audit local authorities. After each audit an action plan is drawn up by the FSA and the common themes here are - lack of internal monitoring, insufficient detail on inspection records, and insufficient numbers of officers. There is no record of any local authority being operated by the FSA following a poor audit or repeated poor audits.
- 4.4 Many local authorities remain unconvinced about the validity of the reasons for change set at in the document.
- 4.5 The FSA Proposals
- 4.6 **Enhanced Registration**  
The FSA proposal is for enhanced registration with the FSA, rather than with the local authority as presently required. The FSA have stated their ideal outcome is a permit to trade requirement. One reason given for this is that food businesses are failing to proactively register. So far this year the Council has received 182 new food registrations for business in Newark and Sherwood.
- 4.7 Another reason for requiring an enhanced central registration is to allow for the FSA to have an overview of all food premises in the Country. However, this will only be as good as the information held in the database and experience has shown that maintaining an accurate and up to date register of food premises is extremely challenging.
- 4.8 **Segmentation**  
This element of the paper looks at the regulation of food business and what model will be used in the future. They state *'The current approach focuses on the nature and scale of activity within the food business. We intend to build on this and use a range of risk indicators based on wider information about the business, including the information gathered at the point of registration and from other sources. For example, we will explore the potential to take into account compliance performance by a business in other regulatory areas beyond food, to judge the behaviour and culture within the business and the impact this may have on food safety compliance.'*
- 4.9 There is some debate amongst local regulators as to whether failure to comply with VAT requirements or employment law is really a good measure of likely compliance with food safety.
- 4.10 There is also a short paragraph in this section that makes a statement that *'We also plan to simplify the delivery model by integrating the food hygiene and food standards elements to provide a more holistic approach to verifying that food businesses are meeting all of their food safety obligations.'* There is no further detail on this however, it should be noted that food safety regulation is undertaken by district council Environmental Health staff and that food standards regulation is undertaken by Trading Standards staff, based at the county level in Nottinghamshire.
- 4.11 **Assurance**  
Many food producers and retailers are members of quality assurance schemes. The FSA see an enhanced role for these schemes as they can form part of the evidence that

businesses are achieving the right standards. There is no detail as to which schemes may be used and it is this detail that will be important to ensure only the assurance schemes with robust quality standards are used.

- 4.12 Of more concern is the suggestion that the focus for multi-site operators will be at national level rather than local. This appears to miss the point that the best systems in the world fail if there is poor local delivery. Many large supermarkets still have food safety problems that are closely linked to failures at a local level to implement the very good national systems and procedures.
- 4.13 A key element within the assurance chapter of the proposals is in effective the suggestion to 'privatise' food safety inspections. It states *'These auditors would be people working in the private sector, who are certified as meeting competency standards set by the FSA. Their evidence of business assurance would be official in nature. Introducing this role would increase assurance capacity, offer choice for food businesses as to where they obtain their assurance from, and could also provide competent resource to assess compliance within more complex and specialist food businesses, where it is becoming more difficult for local authorities to maintain such competencies.'*
- 4.14 It is unclear what route is open to the auditors should they come across serious non-compliance. Would this be referred to the local authority to take the necessary enforcement action, in effect duplicating the work. There has also been concern expressed about the independence of these auditors. The paper also suggests that would be authorised to issue Food Hygiene Ratings. A consistency of approach and the responsibility for 'ownership' of the rating is of serious concern to local regulators.
- 4.15 The HAS repeat their objective that strengthening the robustness and resilience of the Food Hygiene Rating Scheme is a key goal, including ensuring that it is sustainable and that there is mandatory display legislation in England.
- 4.16 Intervening When Things Aren't Right  
This section of proposals raises a number of questions. The assumption that these proposals will allow local authorities to devote more time to business advice is misguided. The Environmental Health department of a local authority is funded on its mandatory programmes of work, i.e. inspections. If these are reduced the staffing levels will be reduced. What incentive will there be for Councils to provide advice, when they do not receive an income for this work? Poor businesses are not likely to seek advice. Local authorities will be expected to take action against non-compliant businesses- but who will fund this work? Enhanced registration will deter more businesses from registering as it will be more onerous. There will be increased cost for Councils to identify these businesses, prove they need to register and ensure they finally do register.
- 4.17 Local authorities need to be resourced to carry out enforcement work and be able to retain their competence to enforce. Will LAs still be entitled to investigate complaints from the public and employees in premises subject to private assurance schemes?
- 4.18 Sustainable Funding  
The FSA state very clearly that business should bear the costs of regulation. It proposes *'a new funding model to ensure the future sustainability of the system. This will involve a transparent charging regime. The businesses that require the most intervention from*

*government will bear the highest costs. The new approach we will take to assurance will allow businesses choice about how they demonstrate compliance (where the law allows this), which will determine the costs involved (and who is paid). However, we will implement measures that mitigate against the risks of any provider, public or private, cutting compliance corners, in the interest of higher margins, or to win and retain business and revenue.'*

- 4.19 There is no great detail as to how the charging regime would work or how the charges would be collected.

## **5.0 Items for Consideration**

- 5.1 The Regulating our Future proposals are a fundamental change to the current way in which food regulation is delivered. The proposals so far at a high level and in places lack the detail to make informed judgements of how successful they may be.
- 5.2 The proposals have been discussed at both county level by local Environmental health Managers and many have concerns about the proposals, both in terms of the level of consultation undertaken prior to publishing the RoF paper but also concerns about the content of the proposals, many of which are set out in the narrative above.
- 5.3 The Charter Institute of Environmental health have recently produced a back ground paper on the proposals. This is attached as appendix 2.
- 5.4 There is no formal consultation exercise for these proposals The process is on-going in what the FSA describe as 'engagement' to obtain views and collate these in to structured reports about current systems and what could possibly change in a new system.

## **6.0 RECOMMENDATION**

**Members are asked to provide comments to enable a formal response to be made to the Food Standards Agency.**

### **Reason for Recommendation**

To make members aware of the potential changes to local food regulation.

### **Background Papers**

Regulating Our Future                      Foods Standards Agency

For further information please contact Alan Batty – Business Manager on 655467

**Karen White**  
**Director - Safety**



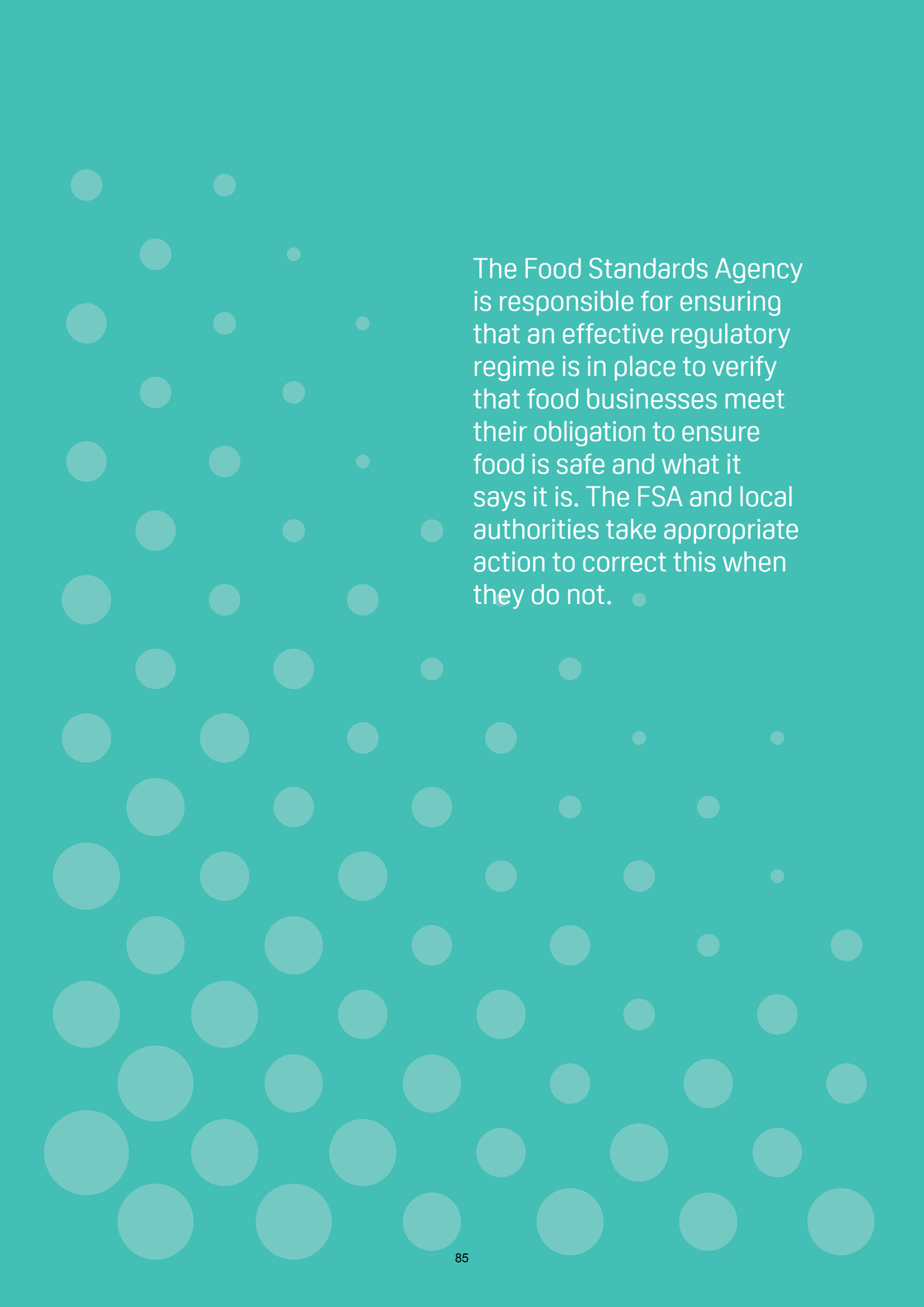
Food  
Standards  
Agency  
food.gov.uk

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# REGULATING OUR FUTURE

.....

Why food regulation needs  
to change and how we  
are going to do it



The Food Standards Agency is responsible for ensuring that an effective regulatory regime is in place to verify that food businesses meet their obligation to ensure food is safe and what it says it is. The FSA and local authorities take appropriate action to correct this when they do not.

**We have concluded that it's time to improve the way we deliver regulatory controls in food. This paper explains the direction we intend to take to create a modern, risk-based, proportionate, robust and resilient system.**

It is important to say that this is about *how* we deliver regulatory assurance; it is *not* about changing the actual regulations that specify what businesses are required to do. We intend to improve delivery of controls across the food chain, including those for animal feed, but we are prioritising improvement where there has been no modernisation of the system in recent years and where it is most needed.

We see many opportunities to do things better. For the UK to continue to be a strong, credible player in the global food economy, the regulatory regime needs to keep pace with rapid changes in that economy. Leaving the EU will change patterns of food production, trade and consumption, emphasising the need for a flexible and responsive regulatory system.

**It is important that we act now, rather than wait for the system to falter, risking damaging consequences for public health and for trust in food.**



Since February 2016 we have been consulting and working with consumers, food businesses, other parts of local and national government,

and food regulators in other countries, to develop our future approach to food regulation in England, Wales and Northern Ireland. We are working closely with our colleagues in Food Standards Scotland; where appropriate we aim to ensure harmonisation of outcomes across the FSA's reforms and the Regulatory Strategy in Scotland.

We aim to ensure a sustainable approach to food safety regulation, one that brings about business behaviour change to benefit consumers. By 2020, we plan to have delivered a new regulatory model for food. It will be an approach that can flex and adapt to future circumstances. This paper describes what we expect that model will look like. We are setting this out now, so that we can take into account further feedback as we get into the detailed design stages.

We are planning fundamental changes to how we regulate. These changes can't all be delivered at once, and not all of them are in the hands of the FSA alone. That means that we need to take interim, progressive steps. Since we began this reform programme, the UK voted to leave the EU. As a result we are prioritising the elements of our new system that will enable us to reassure consumers and support the food industry from day one of being outside the EU. But that is only a staging post in implementing the full reforms we have identified to deliver a modern, robust, sustainable system.

**We call on all involved in food and feed to join us on this ambitious journey.**



# REASONS FOR CHANGE

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We are changing the existing approach to regulating the food industry because we believe it is outdated and becoming increasingly unsustainable.

It has been in place for more than 30 years and has served consumers well, but has not kept pace with technological change in the food industry, and is not flexible enough to adapt to the changing environment.

The existing 'one size fits all' approach to regulating food businesses is ill-suited to the incredibly diverse nature of the industry. In recent years, we have witnessed large numbers of new players enter the global food and food safety landscape; for example, online retailers, food delivery services, private auditors, independent food safety certification schemes. These and many other developments have reduced risks, created different risks, increased risks. But the current regulatory approach doesn't allow us easily to focus our effort on changing risks. It's clunky, rather than flexible and agile.

There is a fundamental weakness in the current model as the FSA doesn't know in real time how many food businesses actually exist or, who is operating them. We aren't able to draw a complete picture, whether in a food incident or crisis, or just to make the best decisions. We need to address this by ensuring that have an overview of all food businesses rather than this important data just being held by individual local authorities as at present.

The regulatory environment is also going to change, with the UK preparing to leave the EU.

It will be critical for the FSA, as the Central Competent Authority for food safety, to demonstrate that a robust and effective regulatory model is in place.

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This applies to all food businesses but control of food imports and businesses that export food will be critical. We need to be sure that all elements of our system inspire confidence in those who are deciding whether we provide adequate control of the feed and food chains.

Finally, the model is financially unsustainable, with taxpayers bearing the cost of food regulation in a way that is incompatible with wider regulatory policy. At the same time, local authorities who deliver most of the current activity are under increasing financial pressure, such that some are struggling to fully discharge their functions.



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**WE NEED TO BE SURE THAT ALL ELEMENTS OF OUR SYSTEM INSPIRE CONFIDENCE**

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<sup>1</sup> Cabinet Office Regulatory Futures Review <https://www.gov.uk/government/publications/regulatory-futures-review>

## OUR APPROACH

**At the outset, we consulted widely on the basis for a future regulatory system. There was widespread agreement about five principles.**

Since then, we developed a blueprint to describe our ambition and ideas, at a very high level. We have been testing this blueprint, and the more detailed design of our overall approach, using an open policy making approach. This has involved everyone working in food – from consumer groups to private assurance scheme owners, local authorities to food businesses (of all sizes), food regulators in other countries to non-food regulators in the UK. We have identified best practice and lessons learned by others to enable us to develop the best possible regulatory model for food. We have undertaken some feasibility studies to test ideas and approaches, and learned from them; we will continue to do this and to trial ideas in real time through pathfinding as we get into more and more detailed development of the new regime.

This is not a one-off exercise. Our plan is to build a delivery model that will be dynamic and flexible to adapt as circumstances change and technology develops in the future.

Food risks, business behaviours, consumer expectations, economic drivers (to name but a few) are changing constantly so keeping the system under review will be essential.

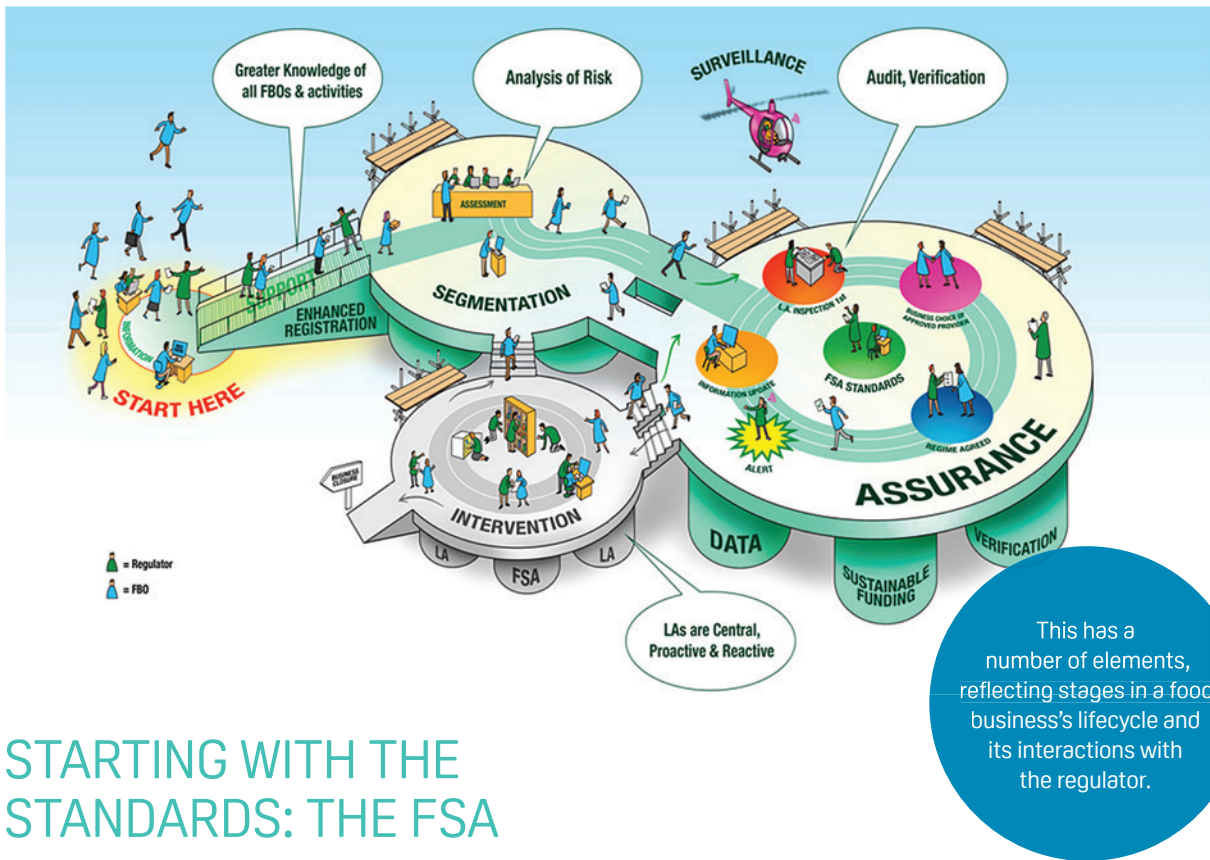
## FIVE PRINCIPLES

- .....
- Businesses are responsible for producing food that is safe and what it says it is, and should be able to demonstrate that they do so. Consumers have a right to information to help them make informed choices about the food they buy – businesses have a responsibility to be transparent and honest in their provision of that information.
- .....
- FSA and regulatory partners' decisions should be tailored, proportionate and based on a clear picture of UK food businesses.
- .....
- The regulator should take into account all available sources of information.
- .....
- Businesses doing the right thing for consumers should be recognised; action will be taken against those that do not.
- .....
- Businesses should meet the costs of regulation, which should be no more than they need to be.
- .....



# WHAT WE ARE AIMING FOR

Coming out of all those workshops and consultations, we can now set out our target operating model.



## STARTING WITH THE STANDARDS: THE FSA

We have always been clear that it is the responsibility of food businesses to produce food that is safe and what it says it is. This responsibility is laid down in law.<sup>2</sup> We at the FSA now intend to be more specific about our expectations of food businesses.

Many businesses have a detailed understanding of the risks they face, and are clear about the steps they need to take to mitigate them. Others may not be so clear, and a small number

persistently ignore their responsibilities: we want those businesses to be tackled quickly and effectively.

In the new regime, the *FSA will set standards* so that food businesses of all types understand what is required of them. We hope that this clarity will help the many valuable private standards operating along the food chain to avoid duplication or mixed messages to food businesses about what constitutes good levels of compliance with standards.

<sup>2</sup> Regulation (EC) No 178/2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety

## GETTING IT RIGHT FROM THE START: BUSINESS START-UP/ENHANCED REGISTRATION

**Helping new businesses understand their responsibilities for producing safe food, and how to meet those responsibilities, is a cornerstone of the new approach.**

Businesses need to set up for success, getting things right from the start before bad practice creeps in putting consumers at risk. Under the current registration system many food businesses do not proactively register at start-up or notify the authorities of material changes that may affect the risk associated with their business. We will establish the reasons for this, and address any barriers identified so that it is easier for businesses to register as required by law.

Our ideal outcome is to have a Permit to Trade requirement placed on all food businesses. This would mean we capture everyone before they start producing, selling or serving food, and help them set off on the right foot. This would require new legislation, which could take several years to bring forward. So, in the meantime, we are going to do all we can to get close to the benefits of a Permit to Trade by enhancing the current registration system.

We will introduce a new digitally-enabled approach that will make it easier for food businesses to get information and guidance to help them comply with safety and standards regulations before they start trading.

We will improve the approach to registration, to make it easier for new businesses to understand what is required of them.

We will work with others to incentivise registration, for example by developing strategic alliances with 3<sup>rd</sup> parties (e.g. online food ordering and delivery services, financial institutions and insurance companies) to ensure that new businesses are aware of the requirements. We want to create a hostile environment for those that don't proactively register.

We will maximise the value we derive from the registration information we have, by developing a digital solution for real time access to registration details of all food businesses in England, Wales and Northern Ireland.

**This will enable the FSA in our role as Central Competent Authority<sup>3</sup> to have oversight of all food businesses.**



We'll have better information on which to identify and manage risk across the food chain. It will mean we, our delivery partners in local authorities, and others, can respond more quickly and effectively to food incidents, and improve consumer protection. Knowing more about a food business will enable us to make better judgments about regulating it.

<sup>3</sup> Regulation (EC) No 882/2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules

# SEGMENTATION: FITTING BUSINESS INTO THE REGULATORY MODEL

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## There is enormous variation in the types of business in the food chain.

No single approach to regulation can satisfactorily cover the diversity of size, culture or risk (and any number of other characteristics). We need a system that is more sophisticated in dealing with this reality. We will introduce a new risk management framework that will determine the nature, frequency and intensity of the controls that a food business will be subject to.

The current approach focuses on the nature and scale of activity within the food business. We intend to build on this and use a range of risk indicators based on wider information about the business, including the information gathered at the point of registration and from other sources. For example, we will explore the potential to take into account compliance performance by a business in other regulatory areas beyond food, to judge the behaviour and culture within the business and the impact this may have on food safety compliance.

Using data in this way will for the first time give the FSA the ability to look across the population of food businesses as a whole.



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## WE WILL INTRODUCE NEW RISK MANAGEMENT

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We'll be able to analyse the factors most closely correlated with poor food hygiene outcomes – some of these might not be about food itself, but might indicate poor management culture which is linked to generally low levels of compliance with any regulation or legal requirement. This, combined with available compliance information (including that made available to us by food businesses themselves and third parties), will help us develop a more sophisticated framework to define the intervention frequency and type for each business.

## We intend to better recognise those businesses that can demonstrate sustained compliance, reducing the regulatory burden on them by ensuring that intervention is proportionate.

---

For some businesses, the risk will be so low that they do not merit inspection. For others, inspection could be more intrusive and rigorous than they have experienced until now. To ensure every business continues to be in the right category, we will seek confirmation of any changes in activity, so we can judge whether their risk rating has moved.

We also plan to simplify the delivery model by integrating the food hygiene and food standards elements to provide a more holistic approach to verifying that food businesses are meeting all of their food safety obligations.

# ASSURANCE: GETTING THE EVIDENCE THAT BUSINESS IS DOING THE RIGHT THING

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Knowing that businesses are meeting their food safety responsibilities is the most important part of the new model, and we intend to use a wider range of sources to help us develop that view.

We want to be confident that businesses are doing the right thing: we will introduce more options for the ways they can prove that.

Many businesses invest heavily in internal processes that provide them with assurance that they are managing their food safety and standards-related risks. They do this because of *their* duty to produce and provide safe and authentic food.

Where these processes are robust and where they meet the standards set by the FSA, we intend them to be the starting point in our new model. By allowing businesses to prove the ways in which they comply with the rules and regulations that protect the public, we can reduce the amount of duplication in checks and inspections that many businesses face. Depending on how good the information that businesses share is, including their past performance, we will set the frequency and type of inspection activity they face. This means good, responsible, compliant businesses will face a lower burden from regulation, and free up local authority resources to target the businesses that present the greatest (residual) risk to public health.

We will introduce digitally enabled technologies to enable assurance data to flow into the system, and – as far as possible – to have it in real time. As technology becomes smarter and cheaper, this should be as helpful to small businesses as it is to big firms.

There are already many private assurance schemes in food. These add value to business in several ways: help them keep up with new requirements and good practice; evidence the quality of their food processes, to consumers or the supply chain; evidence their compliance with regulatory standards; and meet other ethical, quality standards or expectations of particular consumer groups. We see an expanded, formal role for the private assurance schemes already operating in food safety and standards, and we want to incorporate the assurance they can provide in a structured way.

These schemes have an important part to play in our new model, because they can be part of the evidence that business is achieving the right standards.

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## We will continue to inspect and assure each scheme to be confident that its standards, independence and trustworthiness meet our expectations, being clear that this use of regulated private assurance is not self-regulation.

We would like to see such schemes operate across the whole food industry, as they help to drive up standards and performance. The bigger the population of businesses who are vested in doing the right thing, and proving they are doing the right thing, the more likely it is that they call out those businesses who undermine public trust and compromise public health.

For multi-site operators, we will put an increased focus on the controls that operate at business level rather than each individual outlet.

### We will do this by enhancing the Primary Authority scheme and the National Inspection Strategy approach.



We are working with the Department for Business, Energy and Industrial Strategy, Primary Authorities and the businesses they work with to develop the criteria for National Inspection Strategies for food and the standards required to ensure that these will be fit for purpose.

In this approach, assurance that the business is meeting its responsibilities will be determined by its Primary Authority. This will give us much better information about the management and performance of a whole business. It should

reduce the level and frequency of intervention required from local authorities at individual outlets, and so reduce the regulatory burden on the business when it has evidenced good robust levels of compliance. But, it also raises the stakes if a business fails to perform. Rather than a single outlet being the focus of extra attention to get things right, it will be the whole business that needs to respond effectively. We believe this will help keep food safety, authenticity and public health at the front of mind with the leaders of bigger, more complex businesses.

Local authorities will continue to undertake a full range of controls at businesses that do not have formal, recognised assurance systems in place, alongside their other responsibilities for enforcement intervention. We hope that freeing up local authority resources through this new approach will also mean they can do even more to support businesses in the food sector, with advice and guidance.

We also see the potential for using Certified Regulatory Auditors (CRA) within our model. These auditors would be people working in the private sector, who are certified as meeting competency standards set by the FSA. Their evidence of business assurance would be official in nature. Introducing this role would increase assurance capacity, offer choice for food businesses as to where they obtain their

assurance from, and could also provide competent resource to assess compliance within more complex and specialist food businesses, where it is becoming more difficult for local authorities to maintain such competencies.

Furthermore, we see a clear role for the consumer in driving better business behaviour. We have evidence for how effective this is from our experience with the FHRS scheme in Wales and Northern Ireland. That is why we will integrate this extended range of assurance sources, including the CRA, into our transparency approaches.

**We hope that freeing up local authority resources through this new approach will also mean they can do even more to support businesses in the food sector, with advice and guidance.**

We understand, and want to harness the power of, consumers and commentators having information on business compliance.

**Strengthening the robustness and resilience of the Food Hygiene Rating Scheme is a key goal, including ensuring that it is sustainable and that there is mandatory display legislation in England.**

A key benefit of this new approach to assurance is that we will have a more complete view of business compliance. We will therefore need a new approach to collecting and reporting performance data to reflect this. This will develop as more information sources that meet our standards become available and we will need to be able to control for this when reporting year-on-year trends in business performance. We will also need a new approach to checking that all parts of the model are operating independently, to the right standards. There is more on what this means in the section “What changes for the FSA”.

# INTERVENING WHEN THINGS AREN'T RIGHT

Having a clearer view of what businesses are doing will make it much easier to spot when problems arise.

Using a wider range of assurance sources will free up capacity within local authorities to support new businesses, take appropriate and timely action against non-compliant businesses, and continue to undertake a full range of controls at businesses that do not have formal, recognised assurance systems in place.

There are other sources of information we can use to help us identify where issues are occurring or – preferably – give us warning of where they are likely to occur. We are developing a new strategic approach to surveillance and horizon scanning, to identify emerging risks and see where we need to intervene to protect consumers.

We are strengthening our relationships with our international partners, and food businesses operating internationally, so we can benefit from their intelligence, reflecting the globalised nature of the food chain.

Our ambition to broaden and deepen the role of the National Food Crime Unit will also make a difference here, if we secure the resources and powers needed to develop that Unit beyond its current, limited scope and scale.

When businesses aren't meeting their responsibilities, we will be firm and quick in dealing with them, whether their non-compliance relates to food safety, authenticity, or in any other area of interest to us. We believe

that additional sanctions could complement our existing enforcement tools, encouraging a quick return to the right behaviour by businesses. For example using, civil sanctions such as fixed penalty notices could incentivise the right behaviour, and reduce the burden on regulatory authorities and the legal system.

We see a greater role for businesses in providing insight or information to us that helps the FSA make the right interventions.

This could be information about their own supply chains if they have concerns, or information from elsewhere about potential fraud or malpractice. We want to build a new relationship with the food industry based on mutual trust. We are realistic that this will take time and for all sides to enter into discussions with an open and collaborative attitude.



WE WANT TO BUILD A NEW RELATIONSHIP WITH THE FOOD INDUSTRY BASED ON MUTUAL TRUST

## BEING OPEN AND RESPECTING DATA

### **The more information that we can draw into our new model, the more effective it will be.**

An effective regulatory regime benefits consumers and good businesses alike. Consumers want to be confident that the food they are buying is safe and what it says it is, and businesses benefit from that consumer confidence – domestically and in international markets. Of course, there is a balance for us to strike between providing consumers with information that gives them confidence about the food they are buying, and respecting business concerns around sharing commercially sensitive data.

We believe that the interests of the consumer will be better served by an effective regulatory regime in which food businesses feel confident to share data with us in confidence, rather than by the routine publication of all and any data we are able to access. Under no circumstances will we share any data without the express permission of its owner, and we will be working closely with food businesses, their lawyers and ours to establish protocols that are compliant with relevant legislation (e.g. on data protection) and will satisfy the needs of everyone involved. We hope that, alongside these steps, food businesses can become more directly open with their own customers about how they ensure that food is safe and trustworthy.

## SUSTAINABLE FUNDING FOR A BETTER REGIME

Many businesses already incur costs for assurance activity, whether it's through government charging for official controls for meat, or for private audits to assure themselves about their food safety performance, or associated with membership of a particular standard or scheme. We will manage the overall cost of regulatory assurance to business and aim to drive positive business behaviour through our funding model.

Successive governments have been clear that business should bear the cost of regulation. This is reflected in our five principles for transforming food regulation. We appreciate that the FSA has an obligation to deliver an efficient and effective regulatory regime, so businesses don't face unwarranted costs or duplication.

Alongside working to make our model financially efficient, we will introduce a new funding model to ensure the future sustainability of the system. This will involve a transparent charging regime. The businesses that require the most intervention from government will bear the highest costs. The new approach we will take to assurance will allow businesses choice about how they demonstrate compliance (where the law allows this), which will determine the costs involved (and who is paid). However, we will implement measures that mitigate against the risks of any provider, public or private, cutting compliance corners, in the interest of higher margins, or to win and retain business and revenue.



# WHAT CHANGES FOR THE FSA?

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This new system for food regulation doesn't just mean change for food businesses, local authorities, and the many others involved today and in the future. It means major changes for the leadership and the roles performed by the FSA. Leaving the EU will also see a changed role for us as we will need to take on a number of tasks currently performed by EU institutions.

We will need new skills to help us deal with the different types of data we expect to receive. We will need to become more commercially astute, to help us manage the contracts that we will be putting in place with the new, extended range of delivery partners we anticipate working with (including local authorities and independent providers of auditors).

**Keeping the system up-to-date and flexible will require us to keep abreast of innovations and developments in the food system, and develop proportionate regulatory responses.**

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This will mean developing and maintaining close relationships with the food industry. Our position outside the EU may make us a more attractive destination for food innovators, so we need the skills and capacity to embrace that and help keep UK food competitive (and safe).

We are clear that a model that takes into account data from a wide range of assurance sources will have to be robustly regulated if it is to protect consumers effectively, and for them to have confidence in it. One of the most important areas of focus will be how we – the FSA – audit, inspect and assure the authorities and organisations that are themselves inspecting, verifying, and assuring the data that our new model depends upon. This will require us to develop and implement new arrangements to verify that all assurance providers, both in the private and public sectors, are meeting the standards that we will set and we will take timely and firm action when the evidence shows that they are not. This is an additional important area for openness and transparency.

## HOW CAN WE MEASURE SUCCESS?

**Our role is to protect public health in relation to food; we want the public to trust that food is safe, and that food is what it says it is.**

Being able clearly to demonstrate the outcomes the regulatory system delivers helps build public confidence.

It also gives our trading partners evidence about the effectiveness of our regulatory system. The FSA will develop a clearer set of long term measures to track the impact that we (and others) have on public trust and confidence in relation to food.

Improving public confidence doesn't happen overnight, so while we track our longer term impact, we will also report on more immediate outcomes that indicate whether we are moving in the right direction. **These will include:**

**Outcomes about protecting public health and preserving food safety and authenticity, such as:**

- Trends in food borne disease, incidents and hospital admissions for food allergies
- Improvements in food businesses compliance with regulations
- Improving standards in more risky food businesses, whether that's because they don't comply with the law or because they involve other food related hazards

**Outcomes about public trust and consumer confidence, such as:**

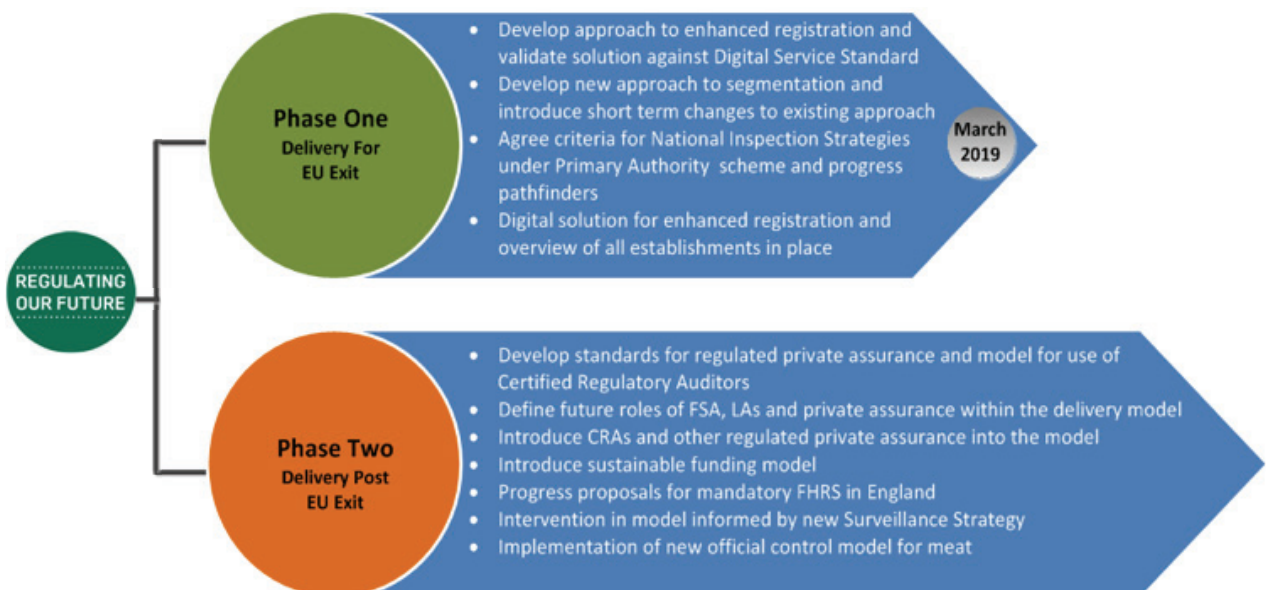
- Public trust in food regulation
- Improvements in the number of businesses that meet minimum compliance levels and in the number evidencing very good standards of compliance
- Enforcement action against food businesses that fail to fulfil their obligations

**Outcomes that show we are becoming a better regulator, such as:**

- Improving business confidence in the FSA, which delivers to us more and better insight and intelligence
- Applying our improved knowledge to anticipate and plan for future changes in business practice, consumer behaviour or food risks
- Increased efficiency and effectiveness in driving regulatory compliance so that the cost to the public purse comes down
- Reducing the administrative burden for businesses who demonstrate they are compliant with food law

## WHAT HAPPENS NEXT?

We are proceeding in two phases around the time line of EU Exit as detailed below.



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## Regulating our Future (RoF)

The FSA's Regulating our Future programme is intended to deliver a completely new regulatory system for food within the UK. All aspects of food regulation – food safety, food standards and feed – are within the scope of the RoF programme. Programme delivery timelines are split into two phases – before (2019) and after Brexit. CIEH acknowledges that the UK has some of the safest food in the world and, while we accept that there is room for improvement, we are not convinced at this stage that the FSA has put forward a sufficiently compelling, evidence-based case of the need for transformational change. An overview of the RoF programme published by FSA in July 2017 can be viewed [here](#).

### Contextualising RoF from both Government's and CIEH's perspective

- The Cabinet Office report – [Regulatory Futures Review](#) published earlier this year, sets the framework for future regulation and RoF is, in turn, following that framework
- One of the key drivers behind the RoF programme is the issue of falling capacity (particularly within English local authorities) to deliver the existing food control system. This has not been quantified and the impact on public health has not been communicated
- It is crucial for CIEH that, at the conclusion of the RoF programme, FSA maintains its position as Central Competent Authority and is seen to be, and acts as, a strong regulator
- CIEH is clear that FSA's primary role is to set standards and to ensure robust systems are in place to make sure that those standards are maintained and delivered
- In respect of RoF, FSA's guiding principle is that businesses should have a choice about how they demonstrate compliance with assurance being an option. CIEH supports this position as long as it does not undermine LAs position as the competent authority for the delivery of official controls and food law enforcement action; however, CIEH also believes that where FSA has evidence that a LA has neither the capacity, nor the capability, to deliver an acceptable service, then FSA should use its current powers and take appropriate action to ensure acceptable delivery.
- The RoF system is largely a mirror image of the New Zealand model of food regulation introduced in their Food Act of 2014; however, a letter sent in January 2017 from the President of the New Zealand Institute of Environmental Health to the NZ Food Minister states that the system in NZ is not without problems in terms of cost to industry, confusion for consumers and business and failure of private sector assurers to report hygiene failures to NZ local authorities. Furthermore, reports from the Netherlands have shown that reducing public sector supervision in meat plants has taken place on the basis of a Government belief that private regulation of food safety would be at least as good. However, it is reported that businesses and assurance companies in the Netherlands

## Regulating our Future (RoF)

are unwilling to confront each other over risky behaviours and it is considered inappropriate for consultancies to inform regulatory authorities about such risky behaviour. This mirrors findings from New Zealand and it is alleged that this has resulted in a blurring of standards.

- A number of political questions involving Conservative political philosophy, an impending re- definition of Better Regulation and the politics of devolution are generating tensions and leading to challenges for the RoF development programme
- CIEH supports the development of a holistic approach to food safety, food standards and feed regulation, as intended by RoF, and wishes to support the development of UK food officers to ensure that they are appropriately skilled and competent to deliver official controls across all areas of food.

**MANSFIELD AND DISTRICT CREMATORIUM JOINT COMMITTEE – ANNUAL STATEMENT OF ACCOUNTS**

**1.0 Purpose of Report**

1.1 To present the Annual Statement of Accounts for the Mansfield and District Crematorium Joint Committee, to the Leisure & Environment Committee.

**2.0 Background Information**

2.1 The Councillors' Commission at their meeting held on 4 March 2014 requested that the Annual Statement of Accounts for the Mansfield and District Crematorium Joint Committee be presented to the Leisure & Environment Committee for consideration.

**3.0 Proposals**

3.1 The Annual Statement of Accounts for the Mansfield and District Crematorium Joint Committee are attached as **Appendix A**. The relevant Minute from the 22 May 2017 meeting of the Mansfield and District Crematorium Joint Committee is also attached as **Appendix B** for information.

**4.0 RECOMMENDATION**

**That the Leisure & Environment Committee notes the Annual Statement of Accounts for the Mansfield and District Crematorium Joint Committee.**

**Reason for Recommendation**

**In accordance with the recommendation of the 4 March 2014 meeting of the Councillors Commission.**

**Background Papers**

Nil.

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

**Kirsty Cole**  
**Deputy Chief Executive**

**MANSFIELD AND DISTRICT  
JOINT CREMATORIUM COMMITTEE**

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**ANNUAL REPORT  
AND  
STATEMENT OF ACCOUNTS  
2016/2017**



**Mansfield**  
District Council



**NEWARK &  
SHERWOOD**  
DISTRICT COUNCIL

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## 1. INTRODUCTION

Mansfield Crematorium was built in the late 1950's as a joint initiative by a group of local authorities who recognised the need for cremation facilities which were easily accessible to the people of the area.

The operation and management of the Crematorium is conducted through a Joint Committee comprising of Mansfield District Council, Ashfield District Council and Newark and Sherwood District Council. The joint use agreement has been revised as circumstances have changed, currently Mansfield and Ashfield District Council's each appoint three executive members to the Joint Committee and Newark and Sherwood District Council appoints three elected members in accordance with the rules on political balance.

Mansfield District Council is the lead authority for the Joint Committee; who holds the contracts of employment for the staff and the legal title to the Crematorium; Its Director of Commerce and Customers acts as Treasurer of the Committee.

The constituent authorities have given delegated authority to the Joint Committee to determine the capital programme, provided the costs can be met through revenue surpluses or the repairs and renewal fund.

The operating surplus of the crematorium is distributed to the constituent authorities on the basis of throughput as would any capital expenditure that could not be financed from the Joint Committees own resources.

The Statement of Accounts for the year ended 31 March 2017 have been prepared in accordance with latest Code of Practice on Local Authority Accounting in order to provide the necessary detail for subsequent consolidation into the accounts of the constituent authorities. The format reflects the requirements of the Code of Practice in Local Authority Accounting in the United Kingdom 2016/2017 and the Service Accounting Code of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA). This is supported by the International Financial Reporting Standards (IFRS).

With effect from the financial year 2015/2016 Joint Committees no longer have a statutory obligation to prepare accounts which will be audited by a firm appointed by the Audit Commission. With effect from 1 April 2015 expenditure and income of the Joint Committee will only be subject to statutory audit as part of the main accounts of the constituent audited bodies.

These accounts will present:

- An explanation of the Financial Statements
- The Annual Report and a summary of the financial performance
- The Accounting Policies which have been applied in preparing these accounts
- The Core Financial Statements
- Supplementary Financial Statements and Notes to support the accounts

### Further Information

If you require any further information concerning the accounts of the Joint Crematorium Committee please contact the Director of Commerce and Customers at Mansfield District Council, The Civic Centre, Chesterfield Road South, Mansfield, Nottinghamshire, NG19 7BH Telephone 01623 463145 or by email: [ASaccountancy@mansfield.gov.uk](mailto:ASaccountancy@mansfield.gov.uk)

## **EXPLANATION OF THE ACCOUNTING STATEMENTS**

The Statement of Accounts sets out the Committee's income and expenditure for the year and its financial position at 31 March 2017. It comprises core and supplementary statements, together with disclosure notes.

### **The Core Financials Statements are:**

**Movement in Reserves Statement (MiRS)** - This is a summary of the changes to the reserves during the course of the year. Reserves are divided into "usable" those which can be invested in capital projects or service improvements and "unusable" which must be set aside for specific purposes.

**The Expenditure and Funding Analysis (EFA)** – This shows how annual expenditure is used and funded from resources in comparison with how those resources are consumed or earned.

**Comprehensive Income and Expenditure Statement (CIES)** - This records all of the Committee's income and expenditure for the year. The top half of the statement provides analysis of income and expenditure. The bottom half of the statement deals with the corporate transactions and funding.

**Balance Sheet** - The Balance Sheet is a "snapshot" of the financial position of the Committee. It shows the assets, liabilities, cash balances and reserves at the year-end date.

**Cash Flow Statement** - This statement shows the reasons for the changes in the Committee's cash balances during the year and whether that change is due to operating activities, new investment or financing activities.

### **The Supplementary Financial Statements are:**

**Annual Governance Statement** - This sets out the Committees' governance structures and its key internal controls.

### **Other Key Sections:**

**Statement of Responsibilities** - This sets out the respective responsibilities of the Committee and the Treasurer.

**Accounting Policies** - These explain the treatment and basis of the figures in the accounts in accordance with proper accounting practices.

**Notes to the Financial Statements** - These expand on important points shown in the core financial statements and provide additional information.

**Glossary of Terms and Abbreviations** - Key terms used throughout this document are explained further within these pages.

## 2. ANNUAL REPORT AND SUMMARY OF FINANCIAL PERFORMANCE

### 2.1 Summary of Financial Performance

The Committee approved the budget for 2016/2017 on 7 December 2015 and was revised during 2016/2017 to include approved budget carry forwards from 2015/2016 and budget realignments for 2016/2017.

The actual performance for the year compared to the budgeted controllable income and expenditure is shown in the table below:

**Table 1 – Financial Performance 2016/2017**

2015/2016		2016/2017		
Actual Outturn £	Income and Expenditure Summary	Revised Budget £	Actual Outturn £	Variance to Budget £
	<b>Income</b>			
-1,549,258	Cremation Fees	-1,732,460	<b>-1,733,981</b>	-1,521
-37,654	Other Income	-33,227	<b>-29,952</b>	3,275
<b>-1,586,912</b>	<b>Gross Income</b>	<b>-1,765,687</b>	<b>-1,763,933</b>	<b>1,754</b>
	<b>Expenditure</b>			
340,838	Employee Costs	352,754	<b>336,328</b>	-16,426
344,278	Premises Costs	428,680	<b>343,373</b>	-85,307
133,808	Supplies and Services	211,803	<b>158,708</b>	-53,095
44,046	Support Services	44,134	<b>43,050</b>	-1,084
4,608	Provisions	0	<b>1,269</b>	1,269
<b>867,578</b>	<b>Gross Expenditure</b>	<b>1,037,371</b>	<b>882,728</b>	<b>-154,643</b>
<b>-719,334</b>	<b>Net Cost of Service</b>	<b>-728,316</b>	<b>-881,205</b>	<b>-152,889</b>
-6,269	Interest Received	-5,000	<b>-4,120</b>	880
0	Transfer to General Reserve	0	<b>29,500</b>	29,500
<b>-725,603</b>	<b>Net Surplus for Distribution</b>	<b>-733,316</b>	<b>-855,825</b>	<b>-122,509</b>

The main reasons for the variances between budgeted and actual income and expenditure is summarised below:

### 3.2 Income

The gross income received during 2016/2017 was £1,763,933 compared to a budget of £1,765,687, a slight reduction of £1,754 (0.1%). Although the outturn position is very close to the budget, there are a number of small variances:

- There was a reduction in the income received from the Crematoria Abatement of Mercury Emissions Organisation (CAMEO), the National burden sharing scheme. The target of 50% of cremations being abated was not met due to maintenance issues early in 2016. This resulted in a reduction in income of £6,165.
- There was a reduction in the number of funerals requiring the services of an organist and inscriptions in the book of remembrance. This resulted in a reduction in income of £9,684.

- An additional £3,028 was received for clerical works relating to cemetery administration and Public Health funerals.
- The estimated number of cremations for 2016/2017 was 2,600; the actual number of cremations undertaken was 2,623 which is an increase of 23 (0.88%). This resulted in an increase in income of £11,067.

### 3.3 Expenditure

The gross expenditure incurred during 2016/2017 was £882,728 compared to the revised budget of £1,037,371, resulting in underspends totalling £154,643 (15%). The main reason for the differences are summarised below:

#### Employee costs - £16,426 lower than budgeted:

- Pay and Overtime expenses are under-spent by £23,014 due to staff vacancies.
- Changes to National Insurance Contributions resulted in over spends of £6,480.

#### Premises costs - £85,307 lower than budgeted:

- Utility costs were lower than estimated resulting in an under spend of £33,043.
- Within the year £25,376 budget was realigned to Cremation Expenses to cover the additional costs under the CAMEO national burden sharing scheme.
- The costs of Cremator repairs have decreased by £34,158 due to less maintenance requirements in year, after the major works undertaken in the previous year.
- Maintenance of Buildings and Grounds includes a carried forward budget of £11,000 from 2015/2016 for works to the catafalque and surrounding area within the Thoresby Chapel. These works have not been undertaken during 2016/2017 and are to be carried forward into 2017/2018.

#### Supplies and Services £53,095 lower than budgeted:

- Cremation expenses; during 2016/2017 a budget realignment of £25,376 was moved from the utilities budget (Premises Costs) to cremation expenses to meet the costs from CAMEO for not meeting the 50% abatement target. Reduced demand for the services of the organists resulted in an under-spend of £5,525.
- Other running costs are showing an under spend of £50,599.

### 3.4 Annual Surplus

£29,500 has been transferred to the General Reserve Account as agreed by the Committee. After this transfer, the net surplus for 2016/2017 to be distributed is £855,825 which represents an increase of £122,509 (16.7%) against the revised budget of £733,316. The reasons for this variance have been highlighted above.

### 3.5 Number of Cremations

The following table shows the number of cremations conducted during the last five years by area of origin:

**Table 2**

Year	Ashfield	Mansfield	Newark & Sherwood	Out of Area	Total	% Change in year
2016/2017	823	964	232	604	<b>2,623</b>	5.2%
2015/2016	863	831	207	592	<b>2,493</b>	-11.3%
2014/2015	915	889	211	797	<b>2,812</b>	8.4%
2013/2014	845	800	199	750	<b>2,594</b>	-1.9%
2012/2013	834	836	216	757	<b>2,643</b>	0.0%

Table 2 above shows that in 2016/2017 there has been;

- a reduction in Ashfield's areas of 40 (5%)
- an increase in Mansfield's area of 133 (16%)
- an increase in Newark & Sherwood's area of 25 (12%) and
- an increase in other areas of 12 (2%)

The reason for these changes is not conclusive, but a recently opened crematoria on the Ashfield border at Swanwick in Derbyshire, could potentially be impacting on the number of Ashfield area cremations.

### 3.6 Surplus Distribution

The annual surplus to be distributed to the three constituent authorities is calculated based on the number of cremations conducted within each area during the year (2016/2017), as shown in the table below:

**Table 3 - 2016/2017 Surplus Distribution**

District	Number of Cremations	%	Surplus
Mansfield	964	47.75%	£408,657
Ashfield	823	40.76%	£348,834
Newark & Sherwood	232	11.49%	£98,334
<b>TOTAL</b>	<b>2,019</b>	<b>100%</b>	<b>£855,825</b>

### 3.7 Balance Sheet Review

The Balance Sheet shows the value of assets and liabilities recognised by the Joint Committee as at the Balance Sheet date. It indicates how much is owed to the Committee and how much the Committee owes to others, together with summarised information on the assets held and the financing of those assets. The net assets of the Committee (assets less liabilities) are matched by the reserves held. During 2016/2017 the net assets of the Committee have reduced by £648,463 this is mainly due to the revaluation of the pension liability. The significant points are summarised below and further details are provided in the Notes to the accounts.

#### 3.7.1 Long Term Assets - Property, Plant and Equipment

##### Revaluation

In accordance with the agreed five yearly revaluation, the Crematorium land, buildings and equipment were re-valued during the course of 2016/2017 (1 April 2016) by the District Valuation Office. The revised valuations and assets lives are shown in table 4 below:

**Table 4 – Revaluation Summary**

Component	Depreciated Replacement Cost £	Remaining Life (Years)
Structure	1,003,800	23
Cremator	944,500	15
Land	2,500	
<b>Total Value</b>	<b>1,950,800</b>	<b>18</b>

This result of the revaluation is an increase in the assets of £109,841. Surpluses/deficits arising on the valuation of non-current assets are credited or debited to the Revaluation Reserve Account.

The latest valuation shows the average life of the assets as being 18 years, this was previously 99 years. At a meeting on 20 February 2017 the Committee agreed to commission Mansfield District Council's Design Services team in conjunction with the Director/Registrar of the Crematorium to undertake a full review of planned preventative maintenance works required to these assets and provide the committee with a schedule of works and estimated costs. This review will identify the future financial commitments required to maintain and replace these assets.

### **Depreciation**

As from 2016/2017 the Comprehensive income and expenditure statement will have an annual capital charge (depreciation) of £106,610 for assets used in the provision of the service. The value of the assets are reduced by the depreciation charge, further details are provided in the Notes to the accounts. The charge for depreciation does not affect the amounts available for distribution under the current policy.

### **Capital Expenditure**

The Total Capital Budget for 2016/2017 was £533,291.

During 2016/2017 £43,194 was spent, of this £35,157 related to the purchase of 0.57 acres of land at Shining Cliff Plantation, Derby Road, Mansfield. This first tranche of land has been purchased to develop additional car parking spaces at the Crematorium. A further £8,037 was spent in relation to car park infrastructure works mainly for design/contract works and Forestry Commission reports. The main contractor works for the car park will take place during 2017/2018.

On 5 December 2016 the Committee approved to carry forward the balance of unspent capital budgets into 2017/2018. The amount of budget to be carried forward is £490,097.

### **VAT Implications**

By buying the first tranche of land it has highlighted that the land which has been earmarked for purchase from Welbeck Estates has been opted to tax by the current owner. This means that VAT is payable on the value of the land purchase. If the capital budget is spent in 2017/2018 this would incur £98,000 in VAT which would impact on Mansfield District Council's (MDC) partial exemption calculation and cause a breach of the 5% limit. This would result in approximately £400,000 in exempt VAT being due to HMRC, for which there is no budget. MDC has been in contact with HMRC and are awaiting a decision as to whether a breach could be allowed on the basis of a 7 year test of insignificance.

### **3.7.2 Current Assets**

**Cash and Investments** - in previous years funds deposited with Mansfield District Council were shown as short term investments. As the money is immediately available to the Committee this is more correctly classified as cash and cash equivalents in line with the accounting Policies. The Committees investment activity is carried out by Mansfield District Council. Any surplus monies are invested and are shown on the balance sheet. Interest is earned on the cash balance and is credited to the Comprehensive Income and Expenditure Statement. The cash balance has increased by £54,970 during the year to £1,972,702.

**Short Term Debtors** have increased by £46,913 in the year, this is mainly due to an increase in the invoices raised in March 2017. Further details are included in the Notes to the Accounts.

### **3.7.3 Current Liabilities**

**Short term creditors** – The amounts the Committee owes to others at 31 March 2017 has increased during the year by £115,577 to £876,901. This is mainly due to the surplus which will be distributed to the three constituent authorities during 2017/2018, being £855,825.

### **3.7.4 Long Term Liabilities**

**Pension Liability** -The Joint Crematorium is a Member of the Nottinghamshire County Council Pension Fund and the assets and liabilities of the fund attributable to the Committee are evaluated on an annual basis by an independent actuary. As assessed by the Actuary the Committee's overall position during 2016/2017 shows an increase in the liability from £635,000 to £1,273,000. A statutory accounting adjustment for £638,000 is therefore reflected in the Accounts and has no impact on the overall surplus. Further information is provided in Note 9 to the Accounts.

### **3.7.5 Reserves**

Reserves are split between those that are usable and those that are accounting reserves and not available to support expenditure. The Committee made an overall gross surplus in 2016/2017 of £885,825 of which £29,500 has been transferred to the General Reserve and £855,825 is to be distributed to the three constituent authorities, this reserve will increase to £187,500. The Capital Fund has reduced by £43,194 to £1,131,515. Further details of the movement and balances held in reserves is provided in the Statement of Accounts.

## THE STATEMENT OF RESPONSIBILITY FOR THE STATEMENT OF ACCOUNTS

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### 1. TREASURERS RESPONSIBILITIES

The Treasurer of the Committee is responsible for the preparation of the Committee's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/2017 (the CODE).

**In preparing this Statement of Accounts, the Treasurer has:**

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the local authority Code.

**The Treasurer has also throughout the year:**

- Maintained proper accounting records which were kept up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

### **CERTIFICATE**

*I certify that the Statement of Accounts 2016/2017 presents a true and fair view of the financial position of Mansfield and District Joint Crematorium Committee and its income and expenditure for the year ended 31 March 2017.*

Signed: ..... Date: .....

**M. Andrews CPFA**

Treasurer to the Joint Crematorium Committee

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### 2. JOINT COMMITTEE'S RESPONSIBILITIES

**The Joint Committee is required to:**

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. The Joint Committee has appointed a Treasurer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

### **CERTIFICATE**

*The Statement of Accounts for the year 1 April 2016 to 31 March 2017 has been prepared and I confirm that these accounts were approved by Mansfield and District Joint Crematorium Committee at the meeting held on 22 May 2017.*

Signed: ..... Date: .....

**Chair of Mansfield and District Crematorium Joint Committee**

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## **STATEMENT OF ACCOUNTING POLICIES**

### **1. General Principles**

The Statement of Accounts summarises the Committees transactions for the 2016/2017 financial year and its position at the year end of 31 March 2017.

The Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/2017, based on International Financial Reporting Standards (IFRS) and the Service Reporting Code of Practice for Local Authorities 2016/2017.

### **2. Accrual of Income and Expenditure**

The accounts of the Joint Committee have been prepared on an accrual of income and expenditure basis in accordance with the Code of Practice on Local Authority Accounting. This ensures activity is accounted for in the year that it takes place, not when cash payments are made or received.

**Creditors** - Payments to creditors are included in the accounts where the payments relate to goods or services received prior to 1 April 2017. Any payments in advance (before 1 April 2017), which relate to the 2017/2018 financial year are shown as prepayments.

One exception to this relates to electricity and similar periodic payments. These are included as at the date of meter readings rather than apportioned between two financial years. This policy is consistently applied each year and therefore does not have a material effect on the accounts.

**Debtors** - Income from debtors is included for amounts where the income relates to goods and services provided by the Crematorium prior to 31 March 2017. Any income received before 1 April 2017, which relates to the 2017/2018 financial year is shown as receipts in advance. This policy is consistently applied each year and therefore does not have a material effect on the accounts.

### **3. Cash and Cash Equivalents**

Balances classified as 'Cash and Cash Equivalents' fit the definition of being short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **4. Property, Plant and Equipment**

Assets that have a physical substance and are held for use in the provision of services on a continuing basis and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Acquisitions of assets which are less than £10,000 (the Committee's de minimus level) are charged straight to the Comprehensive Income and Expenditure Statement.

#### **Recognition**

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis.

Assets included in the Balance Sheet at fair value are revalued on a regular basis to ensure that their carrying amount is not materially different from their fair value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

## 5. Depreciation and Impairment

In accordance with International Accounting Standard 16 depreciation has been provided for on all non-current assets with a finite useful life. Land is not depreciated as this is deemed as having an infinite life.

Where assets, such as buildings have land attached, the values are separated and depreciated accordingly. Where an item of Property, Plant and Equipment has major components, whose cost is significant in relation to the total cost of the item, the components are depreciated separately

Assets are depreciated from the year of acquisition using the straight-line method over the following periods:

Asset	Remaining Useful Life (Years)
Buildings	23
Equipment	15

### Impairment

The values of each category of assets are reviewed at the end of each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against this balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

## 6. Charges to Revenue for Non-Current Assets

The Service has been charged with the following amounts to record the cost of holding non-current assets during the year;

- Depreciation attributable to the assets used by the service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible assets attributable to the service.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve into the Capital Adjustment Account.

The Committee is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation and are therefore removed by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

## **7. Administration and Management Costs**

A charge is made by Mansfield District Council to reflect the appropriate percentage of time spent by employees on Crematorium affairs.

## **8. Employee Benefits**

### **Benefits Payable during Employment**

Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave, paid sick leave and bonuses for current employees. These are recognised as an expense for the service in the year in which employees render service to the Committee.

### **Post-Employment Benefits**

Employees of the Mansfield and District Crematorium are Members of The Local Government Pensions Scheme, administered by Nottinghamshire County Council. The scheme provides defined benefits to Members (retirement lump sums and pensions) earned as employees worked for the Committee.

### **The Local Government Pension Scheme**

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Nottinghamshire County Council pension fund attributable to the Committee are included in the Balance Sheet on an actuarial basis using the projected unit method, that is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate that reflects the time value of money and the characteristics of the liability.
- The assets of the Nottinghamshire County Council Pension Fund attributable to the Committee are included in the Balance Sheet at their fair value:

The change in the net pension liability is analysed into the following components:

### **Service cost comprising:**

- Current Service Cost - The increase in liabilities as a result of years of service earned this year; included in the Comprehensive Income and Expenditure Statement.
- Past Service Cost - The increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years; debited the Comprehensive Income and Expenditure Statement.
- Net interest on the net defined benefit liability/(asset); for example net interest expense for the Committee, the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

**Re-measurement comprising:**

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Contributions paid to the Nottinghamshire County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, the General Reserve is charged with the amount payable by the Committee to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, this means that there are transfers to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

The negative balance that arises on the Pension Reserve thereby measures the beneficial impact to the Committee of being required to account for retirement benefits on the basis of cash flows rather than as the benefits are earned by employees.

**Discretionary Benefits**

The Committee may also make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any Member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

**9. Financial Instruments**

A financial Instrument is any contract that gives rise to a financial asset in one entity and a financial liability in another. These are accounted for in accordance with International Accounting Standards dealing with disclosure, presentation, recognition and measurement.

Financial assets include debtors, payments in advance, investments and cash (either in hand or at the bank). The Committees investment activity is carried out by Mansfield District Council. Any surplus monies are invested and are shown in the balance sheet at 31 March as cash and cash equivalents, but adjusted for any interest earned but not received before the end of the financial year. Interest earned on investments is credited to Financing and Investment Activity in the Comprehensive Income and Expenditure Statement.

Financial liabilities comprise of long term borrowing and creditors.

## 10. Reserves

Reserves are reported in two categories;

- a) **Useable Reserves** – These are reserves which the Joint Committee may use to provide services, subject to the need to provide a prudent level of reserves and any statutory limitations on their use.
- b) **Unusable Reserves** – The Joint Committee is not able to use these reserves to provide services. This category of reserves hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold.

In accordance with the latest Code of Practice on Local Authority Accounting, two capital reserve accounts are to be maintained in the Balance Sheet; both of these accounts are regarded as unusable reserves:

- **Revaluation Reserve** – This principally represents the balance of the surpluses or deficits arising from the periodic revaluation of non-current assets.
- **Capital Adjustment Account** – This represents amounts set aside to finance expenditure on non-current assets.

There is a further unusable reserve account;

- **The Pension Reserve** – This represents the value of the pension fund assets and liabilities.

There are two useable reserves in operation:

- **Capital Fund** – This reserve represents amounts set aside to finance expenditure on non-current assets.
- **General Reserve** – This represents the balance of the undistributed surpluses.

The Committee sets aside specific amounts as reserves for future purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserve Statement so that there is no net charge for the expenditure.

## 11. Value Added Tax

The activities of the Joint Crematorium Committee fall within Mansfield District Councils VAT registration. VAT is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs

## 12. Fundamental Accounting Concepts

This Statement of Accounts has been prepared according with the International Accounting Standards Board (IASB) Framework for the Preparation and Presentation of Financial Statements (the IASB Framework) as interpreted by the Code.

**Relevance** - The objective of the Statement of Accounts is to provide information about the Committee's financial performance and position that is useful for assessing the stewardship of public funds and for making economic decisions.

**Reliability** - The key requirement of this statement is that users are able to rely on the information contained within the Statement of Accounts. A number of fundamental accounting concepts are applied in order to ensure this reliability – The Statement of Accounts:

- Has been prepared to reflect the reality or substance of each transaction rather than their formal legal character;
- Is free from deliberate or systematic bias. The financial analyses contained within the accounts are based on fact and do not support any particular view point;
- Is free from material error, containing no misstatement that would influence the conclusions of any user;
- Has been produced within the bounds of materiality, meaning that nothing has been omitted that may have assisted users in gaining an understanding of the Committee's activities.

Where uncertainty exists, the statements have been prepared prudently and caution has been applied with exercising judgement and making necessary estimates.

**Understandability** - The accounting principles of the Code includes accounting concepts, treatments and terminology which require reasonable knowledge of accounting and local government and reasonable diligence in reading the Statement of Accounts if they are to be properly understood. However all reasonable efforts have been taken in the preparation of the Statement of Accounts to ensure they are as easy to understand as possible.

**Going Concern** - This statement has been prepared on a 'going concern' basis, under the assumption that the Committee will continue to exist and operate on its current basis for the foreseeable future.

**Primacy of Legislative Requirements** - Local authorities derive their powers from statute and their financial and accounting framework is closely controlled by primary and secondary legislation. To the extent that treatments are prescribed by law the accounting concepts outlined above may not apply in all cases. It is a fundamental principle of local authority accounting that, where specific legislative requirements and accounting principles conflict, legislative requirements shall apply.

# **THE CORE FINANCIAL STATEMENTS**

### **Expenditure and Funding Analysis**

The Expenditure and Funding Analysis shows how the annual expenditure is used and funded from the income obtained from charges in comparison with those resources consumed or earned by the Committee in accordance with generally accepted accounting policies.

<b>Expenditure and Funding Analysis (EFA)</b>						
<b>2015/2016</b>				<b>2016/2017</b>		
<b>Net Expenditure Chargeable to the General Fund Balances</b>	<b>Adjustments between Funding and Accounting basis (Table A)</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement</b>		<b>Net Expenditure Chargeable to the General Fund Balances</b>	<b>Adjustments between Funding and Accounting basis (Table A)</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement</b>
£	£	£		£	£	£
-1,586,912	0	<b>-1,586,912</b>	Gross Income	-1,763,932	0	-1,763,932
861,309	49,000	<b>910,309</b>	Gross Expenditure	878,607	190,804	1,069,412
<b>-725,603</b>	<b>49,000</b>	<b>-676,603</b>	<b>Net Cost of Service</b>	<b>-885,325</b>	<b>190,804</b>	<b>-694,521</b>
0	0	<b>0</b>	Other Income and Expenditure	0	0	0
<b>-725,603</b>	<b>49,000</b>	<b>-676,603</b>	<b>(-) Surplus or Deficit</b>	<b>-885,325</b>	<b>190,804</b>	<b>-694,521</b>
725,603	0	<b>725,603</b>	Distribution of Surplus	855,825	0	855,825
<b>0</b>	<b>49,000</b>	<b>-7,000</b>	<b>Net (-) Surplus or Deficit</b>	<b>-29,500</b>	<b>190,804</b>	<b>161,304</b>
-158,000			Opening General Fund Balance	-158,000		
0			(-) Surplus or Deficit in Year	-29,500		
<b>-158,000</b>			<b>Closing General Fund Balance</b>	<b>-187,500</b>		



**Movement in Reserves Statement (MiRS)**

This statement shows how the movement in the year on the Committees reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the adjustments necessary to calculate the amounts available for distribution to constituent authorities.

<b>Movement in Reserves Statement (MiRS)</b>								
<b>2016/2017</b>	<b>General Reserve £</b>	<b>Capital Fund £</b>	<b>Total Usable Reserves £</b>	<b>Pension Reserve £</b>	<b>Revaluation Reserve £</b>	<b>Capital Adjustment £</b>	<b>Unusable Reserves £</b>	<b>Total Reserves £</b>
<b>Balance as at 31 March 2016</b>	<b>158,000</b>	<b>1,174,709</b>	<b>1,332,709</b>	<b>-635,000</b>	<b>0</b>	<b>1,840,959</b>	<b>1,205,959</b>	<b>2,538,668</b>
<b>Movement in reserves during 2016/2017</b>								
Surplus/ (-) Deficit on the Provision of Services	694,521	0	<b>694,521</b>	-597,000	0	0	<b>-597,000</b>	<b>97,521</b>
Less Surplus Distribution	-855,825	0	<b>-855,825</b>	0	0	0	<b>0</b>	<b>-855,825</b>
<b>Total Comprehensive Income and Expenditure</b>	<b>-161,304</b>	<b>0</b>	<b>-161,304</b>	<b>-597,000</b>	<b>0</b>	<b>0</b>	<b>-597,000</b>	<b>-758,304</b>
Adjustment between Accounting basis and funding basis under regulations (Table A.)	190,804	-43,194	<b>147,610</b>	-41,000	103,627	-100,396	<b>-37,769</b>	<b>109,841</b>
Transfers to/(-)from Reserves (see Note 11)	29,500	-43,194	<b>-13,694</b>	-638,000	103,627	-100,396	<b>-634,769</b>	<b>-648,463</b>
<b>Balance at 31 March 2017 carried forward</b>	<b>187,500</b>	<b>1,131,515</b>	<b>1,319,015</b>	<b>-1,273,000</b>	<b>103,627</b>	<b>1,740,563</b>	<b>571,190</b>	<b>1,890,205</b>

The movement in reserves for 2015/2016 for comparison purposes is set out below:

<b>2015/2016</b>	<b>General Reserve</b> £	<b>Capital Fund</b> £	<b>Total Usable Reserves</b> £	<b>Pension Reserve</b> £	<b>Revaluation Reserve</b> £	<b>Capital Adjustment</b> £	<b>Unusable Reserves</b> £	<b>Total Reserves</b> £
<b>Balance at 31 March 2014</b>	<b>158,000</b>	<b>1,191,418</b>	<b>1,349,418</b>	<b>-642,000</b>	<b>0</b>	<b>1,824,250</b>	<b>1,182,250</b>	<b>2,531,668</b>
<b>Movement in reserves during 2015/2016</b>								
Surplus on Provision of Services	676,603	0	<b>732,603</b>	0	0	0	0	732,603
Less Surplus Distribution	-725,603	0	<b>-725,603</b>	0	0	0	0	-725,603
<b>Total Comprehensive Income and Expenditure</b>	<b>-49,000</b>	<b>0</b>	<b>7,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,000</b>
Adjustment between Accounting basis and funding basis under regulations (Table A.)	49,000	-16,709	<b>-23,709</b>	7,000	0	16,709	23,709	0
Increase or Decrease in 2016/2017	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2016 carried forward</b>	<b>158,000</b>	<b>1,174,709</b>	<b>1,332,709</b>	<b>-635,000</b>	<b>0</b>	<b>1,840,959</b>	<b>1,205,959</b>	<b>2,538,668</b>

**TABLE A. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**

This table details the adjustments that are made to the Comprehensive Income and Expenditure Statement (CIES) in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Committee to meet future capital and revenue expenditure.

<b>2016/2017</b>	<b>General Fund Balance</b>	<b>Capital Fund</b>	<b>Pension Reserve</b>	<b>Revaluation Reserve</b>	<b>Capital Adjustment Account</b>	<b>Movement in Unusable Reserve</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Adjustments primarily involving the Capital Adjustment Account:</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Charges for depreciation and impairment of non-current assets	-149,804	0	0	0	100,396	<b>100,396</b>
Revaluation on Property, Plant and Equipment	0	0	0	-103,627	0	<b>-103,627</b>
Financing Capital Expenditure	0	43,194	0	0	0	<b>0</b>
Capital grants and contributions applied	0	0	0	0	0	<b>0</b>
Revenue expenditure funded from capital under statute	0	0	0	0	0	<b>0</b>
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>						
Statutory provision for the financing of capital investment	0	0	0	0	0	0
Voluntary provision for the repayment of debt	0	0	0	0	0	0
Capital expenditure charged against the General Fund and HRA balances	0	0	0	0	0	0
<b>Adjustments primarily involving the Pension Reserve:</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	-91,000	0	91,000	0	0	<b>91,000</b>
Employer's pensions contributions and direct payments to pensioners payable in the year	50,000	0	-50,000	0	0	<b>-50,000</b>
<b>Total Adjustments</b>	<b>-190,804</b>	<b>43,194</b>	<b>41,000</b>	<b>-103,627</b>	<b>100,396</b>	<b>37,769</b>

## **Comprehensive Income and Expenditure Statement (CIES)**

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

### **Comprehensive Income and Expenditure Statement (CIES)**

<b>2015/2016</b> <b>£</b>		<b>Note</b>	<b>2016/2017</b> <b>£</b>
	<b>Income</b>		
-1,549,258	Fees and Charges		-1,733,981
-37,654	Other Income		-29,951
<b>-1,586,912</b>	<b>Gross Income</b>	1	<b>-1,763,932</b>
	<b>Expenditure</b>		
368,838	Employee Expenses	2	354,327
344,278	Premises Related Expenses	3	343,373
133,808	Supplies and Services	4	158,708
4,608	Allowance for Bad Debts	5	1,269
44,046	Central Support Services	6	43,050
0	Depreciation and Impairment	7	149,804
<b>895,578</b>	<b>Gross Expenditure</b>		<b>1,050,532</b>
<b>-691,334</b>	<b>Net Cost of Services</b>		<b>-713,401</b>
0	Other Operating Expenditure		0
14,731	Financing and Investment Income and Expenditure	8	18,880
0	Taxation and Non-Specific Grant Income		0
<b>-676,603</b>	<b>Surplus / Deficit on Provision of Services</b>		<b>-694,521</b>
0	Surplus or Deficit on revaluation of Property, Plant and Equipment Assets	7	-109,841
-56,000	Remeasurement of the net defined benefit liability/(asset)	9	597,000
<b>-56,000</b>	<b>Other Comprehensive Income and Expenditure</b>		<b>487,159</b>
<b>-732,603</b>	<b>Total Comprehensive Income and Expenditure (Prior to Surplus Distribution)</b>		<b>-207,362</b>
317,161	Mansfield District Council		408,657
329,424	Ashfield District Council		348,834
79,018	Newark & Sherwood District Council		98,334
<b>725,603</b>	<b>Distribution of Surplus</b>	T3	<b>855,825</b>
<b>-7,000</b>	<b>Total Comprehensive Income and Expenditure Statement (After Surplus Distribution)</b>		<b>648,463</b>

### **Balance Sheet as at 31 March 2017**

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Committee. The net assets of the Committee (assets less liabilities) are matched by the reserves held by the Committee. Reserves are reported in two categories:

**Usable reserves:** Those reserves that the Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use.

**Unusable reserves:** Those that the Committee is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

The Balance Sheet as at 31 March 2017 is presented below:

<b>Balance Sheet</b>			
2015/2016 £		Note	2016/2017 £
1,840,959	Property, Plant and Equipment	7	1,844,190
<b>1,840,959</b>	<b>Long Term Assets</b>		<b>1,844,190</b>
176,301	Short Term Debtors	5	223,214
1,917,732	Cash and Cash Equivalents	13	1,972,702
<b>2,094,033</b>	<b>Current Assets</b>		<b>2,195,916</b>
-761,324	Short Term Creditors	14	-876,901
<b>-761,324</b>	<b>Current Liabilities</b>		<b>-876,901</b>
-635,000	Net Pension Liability	9	-1,273,000
<b>-635,000</b>	<b>Long Term Liabilities</b>		<b>-1,273,000</b>
<b>2,538,668</b>	<b>Net Assets</b>		<b>1,890,205</b>
	Financed by:		
1,174,709	Capital Fund		1,131,515
158,000	General Reserve		187,500
<b>1,332,709</b>	<b>Usable Reserves</b>	10	<b>1,319,015</b>
0	Revaluation Reserve		103,627
1,840,959	Capital Adjustment Account		1,740,563
-635,000	Pension Reserve		-1,273,000
<b>1,205,959</b>	<b>Unusable Reserves</b>	11	<b>571,190</b>
<b>2,538,668</b>	<b>Total Reserves</b>		<b>1,890,205</b>

### **Cash Flow Statement**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Committee during the reporting period. The statement shows how the Committee generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Committee are funded by way of charges to the recipients of services provided by the Committee.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Committee's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Committee.

<b>Cash Flow Statement</b>		
<b>2015/2016</b> £		<b>2016/2017</b> £
-7,000	Net surplus (-) / deficit on the provision of services	648,463
	<b>Adjustment to net surplus / (-) deficit on the provision of services:</b>	
0	Depreciation & Impairment	3,231
100,559	Increase/ decrease in creditors	-115,577
-10,091	Increase/ decrease in debtors	46,913
7,000	Pension Liability	-638,000
	Adjustments for items in the net surplus / (-) deficit on the provision of services that are investing and financing activities	
6,269		-39,074
<b>96,737</b>	<b>Net Cash flows from operating activities</b>	<b>-94,044</b>
16,709	Investing Activities	43,194
-6,269	Financing Activities	-4,120
<b>107,177</b>	<b>Net increase / (-) decrease in cash and cash equivalents</b>	<b>-54,970</b>
2,024,909	Cash and Cash equivalents at the beginning of the reporting period	1,917,732
1,917,732	Cash and Cash equivalents at the end of the reporting period	1,972,702
<b>107,177</b>	<b>Movement in Cash and Cash Equivalents</b>	<b>-54,970</b>

## **NOTES TO THE ACCOUNTS**

### **1. GROSS INCOME**

The total income received during 2016/2017 was £1,763,932 compared to £1,586,911 in 2015/2016. This represents an increase of £177,021 (11%). This is due to a number of contributory factors:

- The Committee aims to fix fees which are not only competitive with those of surrounding crematoria, but which also covers operating costs. The policy in 2016/2017 was to increase the fee for a standard single adult cremation by £40 (7%) from £565.00 (2015/2016) to £605.00 (this excludes medical referee fees).
- The number of cremations increased by 130 (5%) from 2493 in 2015/2016 to 2623 in 2016/2017.

2015/2016	Gross Income	2016/2017
£		£
-1,403,370	Cremation Fees	-1,579,183
-46,491	Medical Fees	-49,155
-42,114	Memorials	-47,828
-33,283	Organist	-32,600
-24,000	Book of Remembrance Inscriptions	-25,216
<b>-1,549,258</b>	<b>Fees and Charges</b>	<b>-1,733,981</b>
-26,758	Recharge to Cemeteries MDC	-26,375
-1,800	S46 Burial of the Destitute Admin Fees	-2,880
-154	Containers	-361
-8,942	CAMEO	-336
<b>-37,654</b>	<b>Other Income</b>	<b>-29,951</b>
<b>-1,586,911</b>	<b>Gross Income</b>	<b>-1,763,932</b>

### **2. EMPLOYEE COSTS**

Employee expenses are lower than 2015/2016 by £14,511, this is mainly due to staff vacancies.

2015/2016	Employee Expenses	2016/2017
£		£
246,264	Basic Pay	239,005
24,319	Overtime	22,579
15,592	National Insurance	20,749
81,125	IAS19 Pension Adjustments	70,418
1,538	Other Employee Costs	1,576
<b>368,838</b>	<b>Total</b>	<b>354,327</b>

### 3. PREMISES COSTS

2015/2016	Premises Related Expenditure	2016/2017
£		£
108,953	NNDR - Business Rates	109,837
159	Rent	159
12,793	Insurance	14,881
39,426	Electricity	42,237
45,161	Gas	33,112
4,767	Water	5,082
2,812	Cleaning Materials	2,409
105,998	Cremator Repairs and Maintenance	99,273
6,780	Building Repairs and Maintenance	13,910
13,556	Grounds Maintenance	17,056
3,873	Machinery Repairs	5,418
<b>344,278</b>	<b>Total</b>	<b>343,373</b>

### 4. SUPPLIES AND SERVICES

There is an increase in supplies and service costs in 2016/2017 of £24,900 compared to 2015/2016, this is mainly due to the additional costs incurred from CAMEO (26,364).

2015/2016	Supplies and Services	2016/2017
£		£
46,302	Fees - Medical referees	48,895
20,640	Fees - Organist	20,475
10,031	Memorial plaques	11,258
12,423	Book of Remembrance - inscriptions	8,420
3,212	Caskets / Containers	3,496
1,611	Audit Fees to Newark & Sherwood DC	1,576
0	CAMEO Contributions	26,364
8,040	Computer Maintenance and support	8,540
563	Computer Hardware	1,495
7,544	Printing & Stationery	6,377
7,061	Telephones	5,638
1,387	Tools, Equipment & First Aid supplies	2,717
1,568	Furniture / Office Equipment	151
1,926	Uniforms	1,544
2,817	Postages	3,214
2,000	JCC Committee Fees	2,000
2,067	Subscriptions	2,086
767	ICS - Waste Collections	1,280
3,297	Advertising	1,016
225	Contributions	325
0	Valuation Fee	1,400
327	Hire of vending machines	441
<b>133,808</b>	<b>Total</b>	<b>158,708</b>



## 5. DEBTORS AND PROVISION FOR BAD DEBTS

The total debtors outstanding has increased by £48,182 this is due to the increase in the invoices raised during March 2017 as shown in the table below:

### SUMMARY OF THE DEBTORS OUTSTANDING

<b>SHORT TERM DEBTORS</b>	<b>2015/2016</b> £	<b>2016/2017</b> £
Funeral Directors	184,321	231,783
Other Local Authorities	900	1,620
Other Debtors	0	0
<b>Total Debtors at 31 March</b>	<b>185,221</b>	<b>233,403</b>

### AGEING OF DEBTS OUTSTANDING

<b>Debtors Summary</b>	<b>2015/2016</b> £	<b>2016/2017</b> £	<b>Change</b> £
Ageing:			
Over 90 days	4,275	4,204	-71
29 to 89 days	48,576	66,330	17,754
1 to 28 days	132,370	162,869	30,499
	185,221	233,403	48,181

### PROVISION FOR BAD DEBTS

The provision for potential bad debts has increased by £1,269 to £10,189. The provision for bad debts is based on the age of the debts; the older the debt is the higher percentage provision is required.

<b>2015/2016</b> £	<b>Provision for Bad Debts</b>	<b>2016/2017</b> £
185,221	Debtors Outstanding at 31 March	233,403
<b>8,920</b>	<b>Provision required:</b>	<b>10,189</b>
4,312	Provision b/fwd at 1 April	8,920
<b>4,608</b>	<b>Change in Provision</b>	<b>1,269</b>

## 6. CENTRAL SUPPORT SERVICES AND RECHARGES

2015/2016	Central Support Services	2016/2017
£		£
14,059	Information Technology & Financial systems	11,193
8,364	Human Resources & Payroll	8,771
6,503	Trade Waste Service	6,672
5,660	Director of Commerce and Customers	5,090
1,823	Accountancy Services	1,152
2,059	Debtors/Recovery Services/CSU	2,109
1,215	Business Support / Creditors	1,239
2,417	Internal Audit	2,016
409	Design Services & Building Control	2,510
864	Postal / Electricians/ Copiers / Telephones	1,000
673	Risk Management & Environmental Services	1,298
<b>44,046</b>	<b>Total</b>	<b>43,050</b>

## 7. PROPERTY, PLANT AND EQUIPMENT

Movements in Year	2015/2016 £	2016/2017 £
Cost or Valuation at 1 April:	1,824,959	1,840,959
Additions	16,000	43,194
Revaluation increases/ (-) decreases recognised in the Revaluation Reserve	0	109,841
Impairment	0	-43,194
<b>At 31st March</b>	<b>1,840,959</b>	<b>1,950,800</b>
<b>Accumulated Impairment and Depreciation</b>		
At 1 April	0	0
Depreciation Charge	0	-106,610
<b>At 31st March</b>	<b>0</b>	<b>-106,610</b>
<b>Net Book Value at 31st March</b>	<b>1,840,959</b>	<b>1,844,190</b>

## 8. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

The following table contains corporate items of income and expenditure arising from the Committee's involvement in financial instruments and similar transactions involving interest:

	2015/2016 £000	2016/2017 £000
Interest payable and similar charges	0	0
Net interest on the net defined benefit liability / (-) asset	21,000	23,000
Interest receivable and similar income	-6,269	-4,120
<b>Total</b>	<b>14,731</b>	<b>18,880</b>

## **9. RETIREMENT BENEFITS – DEFINED BENEFIT SCHEMES**

### **a. Participation in Pension Schemes**

As part of the terms and conditions of employment of its officers, the Committee makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Committee has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Committee participates in the Local Government Pension Scheme, administered locally by Nottinghamshire County Council in accordance with the Local Government Pension Scheme Regulations 2013. This is a defined benefit statutory scheme and currently provides benefits based on career average revalued earnings. This means that the Committee and the employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

The Actuary, Barnett Waddingham is instructed by Nottinghamshire County Council to undertake pension expense calculations and have prepared their figures in accordance with their understanding of the International Accounting Standard IAS19 (2011).

In General, participating in a defined benefit pension scheme means the employer is exposed to a number of risks:

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

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

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

Further information can be found in the Annual Report of the County Council Pension Fund, which is available upon request from Nottinghamshire County Council, County Hall, West Bridgford, Nottingham NG2 7QP.

The latest available Membership data is shown in the table below:

	Number	Salaries / Pensions £000	Average Age
Active members	12	223	50
Deferred pensioners	6	5	45
Pensioners	5	20	58
Unfunded pensioners	2	0	69

### Scheduled Contributions

The table below summarises the minimum employer contributions due from Mansfield and District Joint Crematorium to the Fund over this inter-valuation period. The calculated cost of accrual of future benefits is 17.7% of payroll per annum.

Minimum employer contributions:	01-Apr-17	01-Apr-18	01-Apr-19
Percentage of payroll	17.7%	17.7%	17.7%
Plus monetary amount (£000)	21	21	22

However, the Crematorium Committee have agreed with the Administering Authority that they will prepay their monetary contributions for the three years to 31 March 2020 by making a single lump sum payment of £59,879 by 30 April 2017. This lump sum payment has received an actuarially equivalent discount to the monetary rates above the Crematorium Committee have been notified separately of this amount. If the lump sum payment is not made by 30 April 2017 the contribution rates set out above will apply as normal.

### Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2017 is estimated to be 23%. The actual return on Fund assets over the year may be different.

The Fund's assets consist of the following categories, by value and proportion of the total assets held by the Fund attributable to the Committee:

Asset Share	31 March 2016		31 March 2017	
	£	%	£	%
Equities	581,000	70	814,000	70
Gilts	26,000	3	36,000	3
Other Bonds	57,000	7	70,000	6
Property	105,000	13	129,000	11
Cash	34,000	4	59,000	5
Inflation - Linked Pooled Fund	24,000	3	29,000	2
Infrastructure	8,000	1	27,000	2
	<b>835,000</b>	<b>100</b>	<b>1,164,000</b>	<b>100</b>

**b. Transactions Relating to Post-Employment Benefits**

The costs of retirement benefits are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against the Committee is based on the cash payable in the year, so the real cost of post-employment benefits is reversed out of the General Reserve via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement via the Movement in Reserves Statement during the year:

<b>Comprehensive Income and Expenditure Statement</b>		
	<b>2015/2016</b>	<b>2016/2017</b>
	<b>£</b>	<b>£</b>
<b>Cost of Services:</b>		
Current Service cost	79,000	68,000
Past Service cost	0	0
Administration expenses	0	0
<b>Financing and Investment Income and Expenditure:</b>		
Net interest on the defined liability / (-) asset	21,000	23,000
<b>Total Post Employment Benefit Charged to the Surplus / Deficit on the Provision of Services</b>	<b>100,000</b>	<b>91,000</b>
<b>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>		
Actuarial gains and (-) losses	56,000	-597,000
<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>156,000</b>	<b>-506,000</b>
<b>Movement in Reserves Statement</b>		
Reversal of net charges made to the Surplus / Deficit for the Provision of Services for post-benefits in accordance with the Code	-100,000	-91,000
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>		
Employers' contribution payable to the Scheme	51,000	50,000

**c. Assets and Liabilities in Relation to Post-Employment Benefits**

The following table provides a reconciliation of present values of the schemes liabilities for the Joint Crematorium Committee during the 2015/2016 and 2016/2017 financial years:

	<b>At 31 March 2016</b>	<b>At 31 March 2017</b>
	£	£
<b>Opening Defined Benefit Obligation</b>	<b>1,492,000</b>	<b>1,470,000</b>
Current service cost	79,000	68,000
Interest cost	51,000	55,000
Change in demographic assumptions	0	39,000
Change in financial assumptions	-93,000	574,000
Experience loss / (-) gain on defined benefit obligation	0	260,000
Liabilities assumed / (-) Extinguished on settlements	0	0
Estimated benefits paid (net of transfer in)	-75,000	-44,000
Past service costs, including curtailments	0	0
Contribution by scheme participants	16,000	15,000
Unfunded pension payments	0	0
<b>Closing Defined Benefit Obligation</b>	<b>1,470,000</b>	<b>2,437,000</b>

The following table provides a reconciliation of fair values of the schemes assets of the Committee during the 2015/2016 and 2016/2017 financial years:

	<b>At 31 March 2016</b>	<b>At 31 March 2017</b>
	£	£
<b>Opening fair value of scheme assets</b>	<b>850,000</b>	<b>835,000</b>
Expected return on scheme assets	0	0
Interest on assets	30,000	32,000
Return on assets less interest	-37,000	162,000
Other actuarial gains / (-) losses	0	114,000
Administration expenses	0	0
Contribution by employer including unfunded benefits	51,000	50,000
Contribution by scheme participants	16,000	15,000
Estimated benefits paid including unfunded benefits	-75,000	-44,000
Settlement prices received / (-) paid	0	0
<b>Closing fair value of scheme assets</b>	<b>835,000</b>	<b>1,164,000</b>

The interest income on scheme assets and interest expense on scheme liabilities is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date (31 March 2017). Expected returns on equity investments reflect long term rates of return experienced in the respective markets.

The total return on the fund for the year to 31 March 2017 was £194,000 (2015/2016 -£7,000).

**d. Scheme History**

	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Present value of liabilities	1,492,000	1,470,000	2,437,000
Fair Value of assets	-850,000	-835,000	-1,164,000
<b>Surplus/ (-) Deficit</b>	<b>642,000</b>	<b>635,000</b>	<b>1,273,000</b>

The liabilities show the underlying commitments that the Committee has in the long run to pay for Post-Employment (retirement) benefits. The total liability of £1,273,000 has a substantial impact on the net worth of the Committee as recorded in the Balance Sheet.

However, statutory arrangements for funding the deficit mean that the financial position of the Committee remains healthy; the deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

The total contributions expected to be made to the Pension Scheme by the Committee in the year to 31 March 2017 are £50,000 (2015/2016 £51,000).

**e. Projected Pension Expenditure**

The projected pension expenses for the year to 31 March 2018 are:

	<b>£</b>
Service Cost	100,000
Interest Cost	35,000
Administration Expenses	0
<b>Total</b>	<b>135,000</b>
Employer Contributions	65,000

These figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2017. These projections are based on the assumptions as at 31 March 2017, as described in the actuary's report.

**f. Basis for Estimating Assets and Liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years is dependent on assumptions about mortality rates and salary levels. The Nottinghamshire County Council Fund liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme at 31 March 2016.

Under the projected unit method, the current service cost will increase as the Members of the scheme approach retirement.

The main assumptions used by the Actuary in their calculations have been:

	<b>2015/2016</b> %	<b>2016/2017</b> %
<b>Mortality assumptions:</b>		
Longevity at 65 for current pensioners:		
Men	22.1	22.5
Women	25.3	25.5
Longevity at 65 for future pensioners:		
Men	24.4	24.7
Women	27.7	27.8
<b>Financial Assumptions:</b>		
Discount Rate	3.8	2.8
Pension Increases	2.5	2.7
Salary Increases	4.3	4.2

**Additional Assumptions**

- Members will exchange half of their commutable pension for cash at retirement.
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age.
- 10% of active Members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits, which came into effect during the 2014/2015 financial year.

The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	<b>Increase in Assumption</b> £000	<b>Decrease in Assumption</b> £000
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	2,381	2,494
Rate of increase in salaries (increase or decrease by 0.1%)	2,448	2,426
Rate of increase in pensions (increase or decrease by 0.1%)	2,483	2,392
Adjustment to mortality age (longevity) (increase or decrease in 1 year)	2,526	2,351



## 10. USABLE RESERVES

This note sets out the amounts set aside to provide financing for future expenditure plans, subject to the need to provide a prudent level of reserves and any statutory limitations on their use.

The table below shows the usable reserves held by the Committee:

<b>USABLE RESERVES</b>	<b>2015/2016 £</b>	<b>2016/2017 £</b>
Capital Fund	1,174,709	1,131,515
General Reserve	158,000	187,500
<b>Balance at 31st March</b>	<b>1,332,709</b>	<b>1,319,015</b>

### Capital Fund

This reserve represents amounts set aside to finance capital expenditure:

<b>CAPITAL FUND</b>	<b>2015/2016 £</b>	<b>2016/2017 £</b>
<b>Balance at 1st April</b>	1,191,418	1,174,709
Financing of Capital Expenditure	-16,709	-43,194
Contributions	0	0
<b>Balance at 31st March</b>	<b>1,174,709</b>	<b>1,131,515</b>

### General Reserve

This reserve represents the balance of the undistributed surpluses:

<b>GENERAL RESERVES</b>	<b>2015/2016 £</b>	<b>2016/2017 £</b>
<b>Balance at 1st April</b>	158,000	158,000
Movement in Year	0	29,500
<b>Balance at 31st March</b>	<b>158,000</b>	<b>187,500</b>

## 11. UNUSABLE RESERVES

This note sets out those reserves which hold unrealised gains and losses which the Committee is not able to use.

The table below shows the unusable reserves held by the Committee:

<b>UNUSABLE RESERVES</b>	<b>2015/2016</b> £	<b>2016/2017</b> £
Revaluation Reserve	0	103,627
Capital Adjustment Account	1,840,959	1,740,563
Pension Reserve	-635,000	-1,273,000
<b>Balance at 31st March</b>	<b>1,205,959</b>	<b>571,190</b>

### Revaluation Reserve

The Revaluation Reserve contains the gains arising from increases in the value of property, plant and equipment and intangible assets. The balance is reduced when assets with accumulated gains are:

- re-valued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

An increase in valuation was recognised during 2016/2017 following a revaluation of the Crematorium non-current assets.

<b>REVALUATION RESERVE</b>	<b>2015/2016</b> £	<b>2016/2017</b> £
<b>Balance at 1st April</b>	0	0
Upwards Revaluation of Assets	0	109,841
Historic Cost Depreciation	0	-6,214
Downward revaluation of assets and impairment losses not charged to the Comprehensive Income and Expenditure Statement	0	0
<b>Balance at 31st March</b>	<b>0</b>	<b>103,627</b>

## Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Capital Adjustment Account is debited with the cost of acquisition, construction or enhancement. Depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Committee as finance for the costs of acquisition, construction and enhancement.

<b>CAPITAL ADJUSTMENT ACCOUNT</b>	<b>2015/2016</b> £	<b>2016/2017</b> £
<b>Balance at 1st April</b>	1,824,250	1,840,959
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement		
Charges for Depreciation and impairment of non current assets	0	-149,804
Historic Cost Depreciation	0	6,214
Revaluation losses on Property Plant and Equipment	0	0
<b>Capital Financing in the Year</b>		
Use of Capital Fund to finance capital expenditure	16,709	43,194
<b>Balance at 31st March</b>	<b>1,840,959</b>	<b>1,740,563</b>

## Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Committee accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed when the Committee makes employer's contributions to the pension funds, or eventually pay any pensions for which it is directly responsible. Therefore, the debit balance on the Pension Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources the Committee has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

<b>PENSIONS RESERVE</b>	<b>2015/2016</b> £	<b>2016/2017</b> £
<b>Balance at 1st April</b>	<b>-642,000</b>	<b>-635,000</b>
Re-measurement of the net defined benefit liability/(asset)	56,000	-597,000
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	2,000	-91,000
Employers Pension contributions and direct payments to pensioners in the year	-51,000	50,000
<b>Balance at 31st March</b>	<b>-635,000</b>	<b>-1,273,000</b>

## 12. CASH AND CASH EQUIVALENTS

The cash and cash equivalents are shown in the below:

<b>CASH AND CASH EQUIVALENTS</b>	<b>2015/2016</b> <b>£</b>	<b>2016/2017</b> <b>£</b>
Petty Cash	100	100
Cash held by Mansfield District Council	1,917,632	1,972,602
<b>Balance at 31st March</b>	<b>1,917,732</b>	<b>1,972,702</b>

## 13. SHORT TERM CREDITORS

The short term creditors are shown in the table below:

<b>SHORT TERM CREDITORS</b>	<b>2015/2016</b> <b>£</b>	<b>2016/2017</b> <b>£</b>
Constituent Authorities	725,603	855,825
Other Bodies	35,721	21,076
<b>Balance at 31st March</b>	<b>761,324</b>	<b>876,901</b>

## 14. MEMBERS ALLOWANCES

No recharges in respect of members' allowances have been made to the Joint Committee by the constituent authorities in 2016/2017 or in 2015/2016

## 15. EXTERNAL AUDIT COSTS

The Committee incurred external audit fees (Audit Lincolnshire) in 2016/2017 of £1,576 (£1,610 in 2015/2016).

## 16. RELATED PARTIES

The transactions with related parties are disclosed in the statement of accounts as follows:

- Transactions with local authorities within the Comprehensive Income and Expenditure Statement as Central Support Services and the distribution of the surplus

The three constituent local authorities maintain a register of members' interests and a record of interests declared at Cabinet and Committee meetings. There were no material transactions with organisations identified in these records.

## 17. AUTHORISATION OF THE ACCOUNTS FOR APPROVAL

The Statement of Accounts for Mansfield Joint Crematorium Committee was signed by the responsible financial officer on the 22 May 2017.

## **ANNUAL GOVERNANCE STATEMENT**

### **2016/2017**

It is a requirement that a separate Governance Statement is produced for any joint *committees for approval by their relevant management body*. The Mansfield & District Joint Crematorium has adopted Mansfield District Council's governance arrangements as detailed below.

#### **1. Scope of Responsibility**

- 1.1 Mansfield District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Mansfield District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised; having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, Mansfield District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.3 Mansfield District Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government 2016 Edition*. A copy of the code is on the Council's website or can be obtained from the Civic Centre, Chesterfield Road South, Mansfield, NG19 7BH. This statement explains how Mansfield District Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6(1) which requires all relevant bodies to prepare an annual governance statement.

#### **2. The Purpose of the Governance Framework**

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Mansfield District Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Mansfield District Council for the year ended 31 March 2017 and up to the date of approval of the statement of accounts.

### 3. The Governance Framework

#### Vision and Priorities

- 3.1 The Council's vision and priorities are contained in its Corporate Plan. All departments have service delivery plans which link to the Corporate Plan and are monitored on a regular basis.

The vision of Mansfield District Council as stated in its Corporate Plan and Annual Performance Report 2016 is to:

“maintain a safe and caring district where everybody can succeed”

The Council's vision will be realised through a set of priority areas around economic prosperity, quality of life and community safety.

The Council's key priorities until 2019 are:

- A thriving, vibrant and sustainable district
- Strong, safe and resilient communities
- Clean and welcoming environment

With cross cutting themes of fairness and equality and facing financial challenges.

- 3.2 The Council's Corporate Values of Excellence, Integrity, Teamwork, Empower and Involve, and Passion and Pride summarise its way of thinking to deliver positive outcomes for its customers.

Underpinning the Corporate Values is its commitment to equality as it aims to treat everyone fairly and strives to achieve equality for its diverse communities.

- 3.3 The Council's Medium Term Financial Strategy (MTFS) for 2017/2018 to 2020/2021 supports the Corporate Plan and identifies its financial implications. It shows the approach the council will take in order to deliver its services and priorities within its financial constraints and in doing so how it will look to provide value for money
- 3.4 The Council is currently undertaking a transformation exercise called the “Change for the Future programme” to ensure that it has the necessary resources to deliver its priorities over the period of the MTFS. This will involve a review of all Council services to determine the best method of delivery and to ensure that processes and procedures are streamlined so that services are delivered efficiently and effectively.

#### Quality of Services

- 3.5 The Council has invested in establishing feedback mechanisms for service users. These take various forms including e-consultation which is used to measure satisfaction. All aspects of customer feedback are used to shape strategy and service delivery including focus groups, customer experience feedback and more formal questionnaires. The Council has an ongoing commitment to community engagement and empowerment and has developed a Community Involvement Strategy during 2016/2017..
- 3.6 The Council has a performance management software package which brings together all the Council's performance data in one place and enables effective monitoring of performance in respect of key indicators.

- 3.7 The Council's "Change for the Future programme" which has the principal objective of supporting, across the whole Council, excellent value for money, customer satisfaction and outcome based performance underpinned by customer focused services.
- 3.8 The Council's revised Procurement Strategy aims to promote effective procurement across the whole organisation and ensures that procurement planning supports the Council's Corporate Plan. The revised Corporate Contracts Register assists in ensuring efficient contract management and contributes to the effective monitoring of Council spending and the delivery of value for money.
- 3.9 The Council has in place a corporate complaints system which ensures effective monitoring and action is taken where appropriate.

#### Constitutional Matters

- 3.10 The Mansfield & District Crematorium Joint Committee has adopted a constitution, which details how the Crematorium operates and its decision making policies and procedures.

#### Codes of Conduct

- 3.11 The Council has adopted codes of conduct for both members and employees and also has a protocol for member/employee/partner relations. The codes include reference to the need to declare any interest which may conflict with the individual's role at the Council, with registers maintained for any such interest to be recorded and monitored.
- 3.12 Compliance with the member and employee codes of conduct is monitored by the Council's Standards and Personnel Committees respectively.
- 3.13 The Council has in place a whistle-blowing code which ensures that any referrals under the code are fully investigated, with findings reported to the Statutory Officers, senior managers and the Audit Committee.

#### Policies, Procedures, Laws and Regulations

- 3.14 The Director of Governance is designated as the Council's Monitoring Officer. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting with the Head of Paid Service and Chief Finance Officer, the Monitoring Officer will report to Full Council if it is considered that any proposal, decision or omission would give rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.
- 3.15 The financial management of the authority is conducted in accordance with the relevant provisions of the Constitution and the Council's Financial Regulations. The Council has designated the Director of Commerce and Customer Services as the Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972.
- 3.16 The Council's Local Code of Corporate Governance fully conforms with the governance requirements of the CIPFA Statement on the *Role of the Chief Financial Officer in Local Government*.
- 3.17 The Council maintains an Internal Audit Service, which operates in accordance with the Accounts and Audit Regulations 2015, the Public Sector Internal Audit Standards (PSIAS)

and CIPFA's Local Government Application Note. The Internal Audit Charter defines the Internal Audit Service's role within the Council with an overall mission to enhance and protect the Council's organisational value by providing risk based and objective assurance, advice and insight.

One of its key objectives is to promote good corporate governance by raising awareness of best practice in respect of internal controls and the requirements of relevant Council strategies and regulations such as financial and contract regulations, anti-fraud strategy and whistle-blowing code.

- 3.18 The Council has robust and effective policies and procedures relating to the use of resources and the corporate governance framework, including revised Corporate Risk and Opportunity Management Strategy, Financial Regulations and Contract Procedure Rules, Scheme of Delegation, IT Strategy and Anti-Fraud and Corruption Strategy. There is a mechanism in place for measuring the effectiveness of the Anti-Fraud Strategy with an annual report being presented to the Audit Committee.

#### Risk and Opportunity Management

- 3.19 The Council recognises that it has a responsibility to identify, evaluate and manage risks whilst still creating a fertile climate for innovation. It therefore supports a structured approach through the implementation of its risk and opportunity management strategy.
- 3.20 The Council is risk aware when making decisions and taking actions to achieve the priorities identified within its Corporate Plan and for providing services in support of this.
- 3.21 The Council has a Corporate Risk and Opportunity Monitoring Group which has clear roles and responsibilities, including monitoring implementation of the effective delivery of the Corporate Risk and Opportunity Management Strategy across the authority. In addition the Council's Audit Committee is responsible for monitoring the effective development and operation of risk and opportunity management.
- 3.22 The significant operational risks identified for the Crematorium are fully mitigated by its Business Continuity Plan which is approved by the Mansfield & District Crematorium Joint Committee.

#### Audit Committee

- 3.23 The Council has an Audit Committee which is fully compliant with the guidance provided in CIPFA's *Audit Committees – Practical Guidance for Local Authorities 2013 edition*.

The Constitution states that:

“The purpose of the Audit Committee as a Sub-Committee of the Council is to provide independent assurance of the adequacy of the risk management framework and the internal control environment. It provides independent review of the authority's financial and non-financial performance to the extent that it affects the authority's governance, risk management and control frameworks, and oversees the financial reporting and annual governance processes. It also oversees internal and external audit, helping to ensure efficient and effective assurance arrangements and reviews the Council's arrangements for achieving value for money”

#### Development and Training Needs



- 3.24 There is an induction programme in place for newly appointed officers and members, with their ongoing training needs being determined by means of one to one discussions with members and annual interviews of employees in accordance with the Council's personal development scheme.
- 3.25 There are opportunities for members and officers to update their knowledge on a regular basis by using the Council's training and development programme, which includes training on corporate governance.
- 3.26 The Council also has a peer coaching and mentoring programme for members and has a management development programme for officers based upon the Council's competency framework.
- 3.27 In accordance with the Member Development Charter for the East Midlands, the Council has a comprehensive member development programme in place.

#### 4. **Review of Effectiveness**

- 4.1 Mansfield District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Audit and Information Assurance Manager's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 4.2 The process that has been applied in reviewing the effectiveness of the Council's governance framework includes:
- The Council has carried out a self-assessment of its compliance with the CIPFA Statement on the *Role of the Head of Internal Audit in Local Government* as part of the annual effectiveness review of the system of internal audit with no areas of non-compliance being identified
  - The Audit and Information Assurance Manager's review of the Council's level of compliance with its adopted Local Code of Corporate Governance, which is to be reported to the Audit Committee in June 2017, identified no significant governance issues relating to the Mansfield and District Joint Crematorium
  - The Audit and Information Assurance Manager has completed a review of the Council's ethical governance arrangements using good practice guidance as a benchmark, with an overall excellent assurance level being achieved
  - The Standards Committee monitors members' compliance with the Code of Conduct and considers any action required from this monitoring. No significant issues have been identified
  - The Council's Procurement Strategy and Contract Procedure Rules have been reviewed during 2016/2017 and a Select Commission 3 Task and Finish group reviewed the effectiveness of the Council's procurement arrangements and made recommendations for improvement
  - The Council's counter fraud and corruption arrangements have been reviewed during 2016/2017 to ensure that they continue to be effective and are fully compliant with both the Local Government Counter Fraud and Corruption strategy 2016-2019 and CIPFA's

Code of Practice on “managing the risk of fraud and corruption”. Minor areas for improvement were identified

- The Council’s Corporate Risk and Opportunity Management Strategy has been revised during 2016/2017 in order to clarify roles and responsibilities and include the new methodology for evaluating the effectiveness of the key mitigating controls and enablers
- The Council has a number of Overview and Scrutiny Committees which provide an overview and scrutiny role. They can “call in” a decision which has been made by the Executive or an officer (where the decision is a key decision) but not yet implemented, to enable them to consider whether they consider the decision is appropriate. They also enquire into issues which are of local concern
- The Audit Committee received a variety of reports during 2016/2017 both from internal assurance providers and from external audit in accordance with its terms of reference as detailed in the Council’s constitution.
- The audit of the Joint Crematorium accounts carried out by Assurance Lincolnshire gave an unqualified opinion
- No areas for improvement were identified from Internal Audit’s systems review of the Joint Crematorium
- Internal Audit is responsible for monitoring the quality and effectiveness of systems of internal control in line with its Charter. It has undertaken planned reviews of internal control procedures across all departments and across a range of functions in the Council. A risk assessment model is used to formulate a three year audit plan from which the annual plan is approved by the Audit Committee. The reporting process for Internal Audit requires the findings and recommendations from each review, along with the agreed action plan to be reported to senior officers and members and to the Audit Committee. The process includes quarterly reviews of the agreed actions to ensure that they have been implemented
- The Audit and Information Assurance Manager’s Annual Report for 2016/2017 concluded that the internal control environment was both robust and effective and therefore an unqualified opinion was given. This opinion was based upon a methodology which assigns assurance levels to individual review findings and standards that need to be achieved by the overall internal control environment. It also concluded that, based upon the results of the approved Quality Assurance and Improvement Programme (QAIP), the Internal Audit Service had conformed to the PSIAS and its Charter
- External Audit’s Annual Governance report, which summarises the findings from their 2015/2016 audit work gave an unqualified opinion on the financial statements and did not identify any material weaknesses in the design or operation of internal control

**5. Significant Governance Issues**

- 5.1 There are no significant governance issues for 2016/2017 in respect of the Mansfield and District Joint Crematorium

Chairman of Joint Committee ..... Date: .....

Treasurer ..... Date:.....

## Glossary of Financial and Accounting Terms

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**PLEASE NOTE:** *This glossary provides an explanation of terms, not precise definitions. It should not be used as a substitute for the more detailed and specific definitions given in statute, codes of practice and technical guidance. It should be used in conjunction with explanations provided within and supporting the accounting statements.*

**ACCOUNTING PERIOD** – the period of time covered by the accounts, which is normally 12 months commencing on 1 April and finishing on 31 March the following year. The end of the accounting period is the Balance Sheet date.

**ACCRUAL** – an amount included in the accounts to cover income or expenditure relating to an accounting period but for which payment has not been received or made. This means that income and expenditure is recognised in the accounts when they are earned or incurred, not when money is exchanged.

**BALANCE SHEET** – a statement of the recorded assets, liabilities and other balances as they stand in monetary terms, at the end of an accounting period.

**BUDGET** – a statement defining the Committee's financial plans over a specified period of time (usually an accounting period 1 April to 31 March).

**CAPITAL ADJUSTMENT ACCOUNT** - this absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

**CAPITAL FUND** – this fund receives contributions from the Comprehensive Income and Expenditure to accumulate funds for capital expenditure.

**CAPITAL EXPENDITURE** – this includes expenditure on the acquisition of, or major enhancement of fixed assets such as land, property and other structures.

**CREDITORS** – an amount owed by the Committee for work done, goods received or services rendered relating to the accounting period, but for which payment has not yet been made.

**CURRENT ASSETS** – an asset held at the balance sheet date, which will be used within the following accounting period; for example, stock, cash and debtors.

**CURRENT LIABILITY** – an amount owing at the balance sheet date, which will be paid in the next accounting period; for example, creditors, cash and loan repayments.

**DEBTORS** – an amount owing to the Committee relating to the accounting period, but for which money has not yet been received.

**DEPRECIATION** – the measure of the reduction in value of a non current asset due to age, consumption or other reduction in useful life during the accounting period.

**GENERAL RESERVE** – amounts put aside, but not allocated to meet, any future spending commitments.

**IMPAIRMENT** – this reflects a REDUCTION in the market value of a non-current asset due to significant changes in the market (i.e. introduction of new technology), obsolescence, or damage, etc.

**NET BOOK VALUE** – the amount at which non-current assets are included (valued) in the balance sheet, i.e. their historic value or current valuation less depreciation.

**NET REALISABLE VALUE** – the open market value of an asset in its existing use.

**PENSION RESERVE** - this absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

**PROVISIONS** – pre-determined amounts put aside in the accounts for liabilities or losses which are certain or very likely to occur, but the amounts involved or the date when they need to be settled are uncertain.

**REVENUE EXPENDITURE** – running costs of services, which include employees, premises, transport, interest, supplies and services.

## Independent auditor's report to the members of Mansfield and District Joint Crematorium Committee



### AUDIT OF MANSFIELD CREMATORIUM FINAL ACCOUNTS 2016/2017

#### Remit

An audit of the Mansfield Crematorium accounts 2016/17 has recently been undertaken by Assurance Lincolnshire.

#### Opinion

In our opinion, the statement of accounts presents fairly the position of the Crematorium as at the 31<sup>st</sup> March 2017 and its income and expenditure for the year there ended.

Auditors: Amanda Hunt and McJory Nkhoma

#### Certification of Mansfield Crematorium Accounts 2016/17

A handwritten signature in black ink, appearing to read "Nicky Lovely".

Nicky Lovely

Section 151 Officer to Newark & Sherwood District Council

Minute extract of the meeting of the Mansfield & District Crematorium Joint Committee held at Ashfield District Council on Monday 22 May 2017 at 2.00pm.

1682 ANNUAL STATEMENT OF ACCOUNTS 2016/17

The Treasurer advised that the format for presentation of the statement of accounts had been changed to follow the format of the 3 constituent authorities and to comply with best practice guidance.

The annual statement of accounts showed the financial position of the Crematorium Joint Committee as at 31.3.17 and audit links as the Joint Committee's internal auditors had produced a statement and certificate confirming that it represented a fair view of the accounts.

The Treasurer commented that the accounts were not subject to the same level of audit assurances as in previous years as they now fell below the relevant threshold.

Also included in the report to members was the annual governance which followed the format adopted by Mansfield District Council. The pension fund actuaries account was also included. This set out the Crematorium Joint Committee's pension liabilities as at 31.3.17.

With regard to the annual statement of accounts this included a summary of contents, an introduction, an explanation of the accounting statements and a series of individual financial statements. Table 1 included in the report showed the income and expenditure summary and the actual out turn for the 2016/17 financial year.

This showed a net surplus of £855,825 to be distributed between the 3 constituent authorities.

Overall the surplus was greater than had been anticipated when the revised budget had been prepared.

Table 2 showed the number of cremations conducted during the last 5 years by area of origin.

This showed that the number from the Mansfield area had increased significantly whereas there had been a reduction in the number of cremations from the Ashfield area.

He suggested that there was a need to look behind the figures to understand future trends.

Table 3 showed the surplus distribution to each of the constituent authorities.

The balance sheet review was due mainly to a re-evaluation of pension liabilities and was detailed in paragraph 3.7 of the report.

Table 4 included a re-evaluation summary of plant and equipment.

The Treasurer also referred to the capital expenditure and noted that monies had been spent on purchasing additional land with further expenditure to be incurred on the provision of a new car park.

It was noted that a general reserve of £187,500 had been set aside for an anticipated expenditure but this figure would be reviewed during the course of the year.

Finally the governance statement set out the governance controls adopted by the Joint Committee.

#### AGREED

- i. That the statement of accounts as presented in Appendix A to the report for the financial year 2016/17 be approved.
- ii. Approval be given to the 2016/17 surplus distribution as detailed in Appendix A page 6 paragraph 3.6 of the report.
- iii. The financial information provided in Appendix D and usage information provided in Appendix E of the report be noted.
- iv. That revenue budgets for £29,500 carried forward for works to be undertaken in 2017/18 as approved at the JCC meeting held on 20.2.17 be noted.
- v. That capital budgets £490,097 carried forward into 2017/18 for car park infrastructure works and further land purchases, as approved at the JCC meeting held at the JCC meeting on 5.12.16 be noted.