



Wednesday, 3 February 2021

Dear Sir/Madam

A meeting of the Finance and Resources Committee will be held on Thursday, 11 February 2021 via Microsoft Teams, commencing at 7.00 pm.

Should you require advice on declaring an interest in any item on the agenda, please contact the Monitoring Officer at your earliest convenience.

Yours faithfully

Chief Executive

To Councillors: S J Carr (Vice-Chair)
E Cubley
S Easom
G Marshall (Chair)
P J Owen
P D Simpson
P Roberts-Thomson

M Radulovic MBE
P Lally
E Kerry
B C Carr
E Williamson
S A Bagshaw

A G E N D A

1. APOLOGIES

To receive any apologies and notification of substitutes.

2. MINUTES

(Pages 1 - 4)

To approve the minutes of the previous meeting held on 7 January 2021.

3. DECLARATIONS OF INTEREST

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest in any item on the agenda.

4. BUDGET PROPOSALS AND ASSOCIATED STRATEGIES (Pages 5 - 74)

To recommend to Council the capital and revenue budget proposals together with the capital strategy, prudential indicators, treasury management strategy, investment strategy and general fund medium term financial strategy and to approve the business plans.

5. BUSINESS PLANS AND FINANCIAL ESTIMATES 2021/22 - 2023/24 (Pages 75 - 108)

To consider the proposals for business plans, detailed revenue budget estimates for 2021/22, capital programme for 2021/22 to 2023/24 and proposed fees and charges for 2021/22 in respect of the Council's priority areas.

6. BUSINESS GROWTH - BUSINESS PLANS AND FINANCIAL ESTIMATES 2021/22 - 2023/24 (Pages 109 - 128)

To consider proposals for business plans, detailed revenue budget estimates for 2021/22; capital programme for 2021/22 to 2023/24; and proposed fees and charges for 2021/22 in respect of the Council's priority areas.

7. GRANTS TO VOLUNTARY AND COMMUNITY ORGANISATIONS, CHARITABLE BODIES AND INDIVIDUALS INVOLVED IN SPORTS, THE ARTS AND DISABILITY MATTERS 2019/20 (Pages 129 - 144)

To consider requests for grant aid in accordance with the provisions of the Council's Grant Aid Policy.

8. PAY AWARD AND REVIEW OF ALLOWANCES (Pages 145 - 148)

To advise the Committee of the recommendation of the Independent Remuneration Panel regarding the application of a potential pay award for 2021/22 to allowance rates for members.

9. WORK PROGRAMME (Pages 149 - 150)

To consider items for inclusion in the Work Programme for future meetings.

10. BEESTON TOWN CENTRE REDEVELOPMENT
ADDITIONAL FUNDING (Pages 151 - 152)

To request additional capital funding for The Square Phase 2 redevelopment in Beeston.

11. EXCLUSION OF PUBLIC AND PRESS

The Committee is asked to RESOLVE that, under Section 100A of the Local Government Act, 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1, 3, 5 and 7 of Schedule 12A of the Act.

12. BEESTON TOWN CENTRE REDEVELOPMENT
ADDITIONAL FUNDING-APPENDIX (Pages 153 - 158)

13. POTENTIAL LETTINGS FOR A SCHOOL -DURBAN
HOUSE EASTWOOD (Pages 159 - 162)

14. IRRECOVERABLE ARREARS (Pages 163 - 166)

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FINANCE AND RESOURCES COMMITTEE

THURSDAY, 7 JANUARY 2021

Present: Councillor G Marshall, Chair

Councillors: S J Carr (Vice-Chair)
E Cubley
T A Cullen (substitute)
S Easom
P J Owen
P D Simpson
P Roberts-Thomson
M Radulovic MBE
P Lally
E Kerry
B C Carr
E Williamson

An apology for absence was received from Councillors S A Bagshaw.

44 **MINUTES**

The minutes of the meeting held on 10 December 2020 were confirmed as a correct record.

45 **DECLARATIONS OF INTEREST**

Councillors S J Carr and G Marshall declared a non-pecuniary interest in agenda item 6 due to being members of Beeston Town Centre board, minute number 48 refers.

46 **COUNCIL TAX BASE 2021/22**

The Committee considered the Council Tax Base for 2021/22.

It was noted that the 2021/22 Council Tax Base had been calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

RESOLVED that based on the number of band D equivalent properties and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, Broxtowe Borough Council calculates its Council Tax Base for the year 2021/22 as follows:

- 1. For the whole of its area 34,217.46.***
- 2. In respect of Parish Precepts and Special Expenses for those parts of its area mentioned in the table below, the amounts specified therein –***

<u>Part of Council's Area</u>	<u>Area Council Tax Base</u>
<i>Awsworth</i>	<i>611.38</i>
<i>Brinsley</i>	<i>690.26</i>
<i>Cossall</i>	<i>212.88</i>
<i>Eastwood</i>	<i>2,932.81</i>
<i>Greasley</i>	<i>3,693.75</i>
<i>Kimberley</i>	<i>1,845.06</i>
<i>Nuthall</i>	<i>2,267.65</i>
<i>Stapleford</i>	<i>4,133.03</i>
<i>Strelley</i>	<i>173.92</i>
<i>Trowell</i>	<i>824.48</i>

Special Expenses Area

<i>Beeston Area</i>	<i>16,832.24</i>
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47 **LOCAL COUNCIL TAX SUPPORT SCHEME 2021/22**

The Committee considered the Local Council Tax Support Scheme 2021/22. It was noted that The current scheme allows for up to 100% of the council tax liability to be paid in council tax support.

RECOMMENDED to Council that the current LCTSS remains in place for 2021/22.

48 **CAPITAL PROGRAMME 2020/21 UPDATE**

The Committee noted the expenditure on the 2020/21 capital programme to 30 November 2020 and the planned financing of the 2020/21 capital programme.

RESOLVED that the capital budget variations for 2020/21 as set out in appendix 3 be approved.

49 **GRANT AID REQUEST FROM KIMBERLEY TOWN COUNCIL**

The Committee noted the request for grant assistance in accordance with the protocol for the consideration of grant aid to parish and town councils.

It was noted that Kimberley Town Council had requested funding of up to £1,200 towards the purchase of a new defibrillator to be installed in a reconditioned former telephone kiosk and located in the Kimberley area.

RESOLVED that £1,200 be awarded from the revenue contingencies budget.

50 BUDGET CONSULTATION 2021/22

The Committee noted the Budget Consultation 2021/22 results.

A total of 277 responses were received. The number of responses received compared was 130 less than the 407 responses received for the budget consultation 2020/21.

RESOLVED that the consultation responses be used to form the 2021/22 budget.

51 PERFORMANCE MANAGEMENT-REVIEW OF BUSINESS PLAN PROGRESS - SUPPORT SERVICE AREAS

The Committee noted a report on the progress against outcome targets identified in the Business Plans for Support Service areas, linked to Corporate Plan priorities and objectives.

52 WORK PROGRAMME

The Committee consider the Work Programme.

RESOLVED that items included on the agenda for the next meeting and subsequent extra meeting be delegated to the Deputy Chief Executive in consultation with the Chair of the Committee.

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Joint Report of the Chief Executive, the Deputy Chief Executive and the Strategic Director

BUDGET PROPOSALS AND ASSOCIATED STRATEGIES

1. Purpose of report

To recommend to Council the capital and revenue budget proposals together with the capital strategy, prudential indicators, treasury management strategy, investment strategy and general fund medium term financial strategy and to approve the business plans.

2. Detail

The following reports are given in the attached appendices and are recommended for approval:

Appendix 1	Impact Analysis
Appendix 2	Housing Revenue Account (HRA) Budget and Council House Rents 2021/22
Appendix 3	General Fund Revenue Budget 2021/22
Appendix 4	Capital Programme 2021/22 to 2023/24
Appendix 5	Capital Strategy 2021/22 to 2023/24
Appendix 6	Treasury Management Strategy 2021/22 to 2023/2024
Appendix 7	Investments Strategy 2021/22 to 2023/24
Appendix 8	General Fund Medium Term Financial Strategy to 2024/25

A budget consultation exercise was undertaken during October and November 2020. The results of this consultation were presented to this Committee on 7 January 2021 as included as part of the agenda (item 8) at <https://democracy.broxtowe.gov.uk/ieListDocuments.aspx?CId=143&MId=505>

The matters referred to in the reports are inter-related and, as such, need to be considered together. An additional report on the HRA Business Plan model update will be presented to the Housing Committee on 26 May 2021.

The service and financial plans were considered as an integral part of the budget setting process by the respective committees of the Council during January and February 2021. Subject to any consequent amendments necessary as a result of any budget changes approved by Council, the Committee is asked to approve these documents.

After consulting with the Leader of the Council and the Chair of the Finance and Resources Committee, the figures included within the recommendations below and in the medium term financial strategy (appendix 8) reflect the fact that the Committee may choose to recommend to Council that the basic amount of Council Tax in 2021/22 is increased by £5 from £166.85 to £171.85 (Band D), and by a 2% increase in 2022/23 and 2023/24. This is set out in detail in appendix 3.

Recommendations

The Committee is asked to RESOLVE to approve:

1. The business plans for the Council's corporate priorities and support functions, subject to amendment as a result of any budget decisions still to be taken by Council recommended by the relevant policy committees.

and to RECOMMEND to Council that:

2. The Housing Revenue Account budget as submitted be approved (appendix 2).
3. The General Fund revenue budgets as submitted be approved (appendix 3).
4. The capital submissions and priorities within them be approved (appendix 4).
5. The Deputy Chief Executive be authorised to arrange the financing of the capital programme as necessary (appendix 4).
6. An amount of £25,000 be provided for a General Contingency in 2020/21 (appendix 3).
7. The council tax requirement for 2021/22 including special expenses (but excluding local precepting requirements) be £5,905,271 (appendix 3).
8. An amount of £764,522 be withdrawn from the General Fund reserve in 2021/22 (appendix 3).
9. An amount of £30,000 be added to the General Fund earmarked reserves in 2021/22 (appendix 3).
10. The Capital Strategy 2021/22 to 2023/24 be approved (appendix 5)
11. The Minimum Revenue Provision policy as set out be approved (appendix 6).
12. The Treasury Management Strategy Statement 2021/22 to 2023/24 be approved (appendix 6).
13. The Investments Strategy 2021/22 to 2023/23 be approved (appendix 7).
14. The General Fund Medium Term Financial Strategy 2021/22 to 2024/25 be approved (appendix 8).

Background papers

Nil

APPENDIX 1

IMPACT ANALYSIS1. Introduction

A detailed impact analysis (taking account of the Council's duty under section 149 of the Equality Act 2010) is undertaken for all key executive decisions which involve changes in service delivery in year.

These changes inform the budget for the following year. However, most decisions that specifically relate to budget-setting reflect changes that are not linked to specific groups of people but apply equally across the whole borough to all residents. The following are felt to be the main areas where particular groups within the population may be affected.

2. Changes in housing rents and housing-related charges

With effect from 1st April 2020, local authorities are able to set their own rent levels, though Government Guidance recommends that rent increases should be not more CPI plus 1%.

On 2nd February 2021 the Housing Committee approved the Council's new Rent Setting Policy which in summary stated Housing Rents are to increase by September Consumer Price Index (CPI) plus 1%. For 2021/22 this will equate to an increase of 1.5%.

The increase in rents will impact on all tenants and will also have an impact on the welfare bill as it is anticipated that Housing Benefit payments will increase in proportion to the increase in rental income.

A refreshed Housing Revenue Account (HRA) Business Plan, was presented to the Housing Committee on the 2nd February 2021, includes the latest 2021/22 budget estimates.

The Government's Universal Credit programme is to continue to be rolled out across the Borough. Universal Credit replaces a number of benefits with one. The amount due is paid direct to the claimant which is a substantial change for some claimants where housing benefits is paid directly to the landlord such as the Council. The Council is working with tenants and other agencies to ensure a smooth transition.

The budget proposals also include estimates for increases in garage rents which have been taken into account in the budget figures approved by the Housing Committee on 2 February 2021.

It has been previously agreed that garage rents will increase by CPI plus 1%. This results in an increase of 1.5% for 2021/22.

The changes in rent levels will affect all tenants while the changes to garage rents will only affect those specific tenancy types. An Equality Impact Assessment was undertaken for the proposed changes in policy during the 2021/22 budget setting exercise. This indicated that there are no recognised groups within the Equalities Act that would be adversely affected by the change. No further changes would affect this conclusion.

3. Liberty Leisure

The budget proposals include a provision for an annual management fee of £845,000 for Liberty Leisure in 2021/22. This is a wholly owned company of the Council which delivers leisure services and events and is responsible sports and arts development and management of the D H Lawrence Birthplace Museum.

The Company was established on 1 October 2016. The cost of borrowing and provision for repayment of debt relating to property and other capital assets remain with the Council which retains ownership of the capital assets of the company. All other costs are included within the management fee payable annually.

As Liberty Leisure is a wholly-owned company, the Council retains overall control. Any changes to service provision must be agreed by the Council. Given the very challenging operational and financial environment due to the Covid-19 pandemic, the 2021/22 management fee has been retained at £845,000 in 2021/22. The Council will be meeting with Liberty Leisure on a regular basis to review the company's cash-flow position, and provide adequate support to mitigate any risk of insolvency. The Council has also applied for financial support from the Government's National Leisure Relief Fund, and will passport these resources on to the company.

4. Other changes to the establishment

The budget proposals include estimates for the existing staffing establishment in 2021/22. Any proposed changes to the Council's staffing structures will be reported to the Personnel Committee, before implementation. The Council's policy is to reduce workforce costs in a controlled manner and to avoid compulsory redundancies if at all possible. The Council's voluntary redundancy policy currently includes a temporary increase in entitlement based on an actual week's pay rather than the capped statutory entitlement. On 18 May 2016, the Policy and Performance Committee resolved to extend this temporary policy to the date of new regulations that are not yet implemented.

Any proposed staffing reductions would be drawn from different service areas across the Council, and none of the recognised groups under the Equalities Act should be affected disproportionately.

APPENDIX 2

HOUSING REVENUE ACCOUNT BUDGET AND COUNCIL HOUSE RENTS 2021/22**1. Introduction**

The Housing Revenue Account (HRA) shows a projected surplus balance in hand at 31 March 2022 of £2,332,298.

2. Budget Changes

The following have been taken into account in the production of the overall budget position for 2021/22:

- An estimated pay award of 2% from April 2021 for those employees earning less than £24,000 per annum as per the Chancellor of the Exchequer's announcement in the Spending Review 2020 (an increase of £36,750).
- An allowance for increments and the full year impact of a number of restructures that took place in 2020/21 including in Independent Living, Housing Allocations and Options and Housing Strategy and Performance (an increase of £64,600).
- A reduction in premises costs of £90,950 including the re-phasing of some budgets into subsequent years.
- A reduction of £23,350 in the Repairs and Maintenance budget due to an expectation of lower direct materials, Stores and sub-contractor costs.
- An increase of £30,750 in other supplies and services costs.
- Increase in Grounds Maintenance charges for maintaining HRA non-residential land, Independent Living Accommodation and maintaining elderly residents' gardens (£40,050).
- A re-assessment of support services provided by the Council has led to an increase in charges to the HRA of £190,000. These relate mainly to ICT Services Legal Services, Property Administration and Governance Services.
- An increase of £44,800 in estimated Depreciation and Impairment of Fixed Assets reflecting the 31 March 2020 valuation of the Council's housing stock.
- A reduction of £93,800 in the HRA share of interest payable and similar charges.
- A decrease of £43,950 in the HRA share of investment income received by the Council.
- An increase of £70,750 in HRA capital expenditure to be financed by HRA revenue contributions.

3. Rent and charges proposals

With effect from 1 April 2020, local authorities were able to set their own rent levels, though Government Guidance recommends that rent increases should be not more CPI plus 1%.

On 18 September 2019 the Housing Committee approved the Council's new Rent Setting Policy which in summary stated Housing Rents are to:-

- Increase by September Consumer Price Index (CPI) plus 1%. For 2021/22 this will equate to an increase of 1.5%.
- Where a property becomes vacant the rent chargeable for the next tenancy will be at *Formula Rent*. Formula Rent is based upon a 'formula set by the Government and is based upon:-
 - 30% of a property's rent is based on relative property values.
 - 70% of the property's rent is based on relative local earning.
 - A bedroom factor is applied so that, other things being equal, smaller properties have lower rents.
- New build properties and property acquired (buy-back properties) will be charged at Formula Rent.
- If the Council is in receipt of grant from Homes England to develop Council Housing for Rent, it is a requirement of the grant that rent is set at *Affordable Rent* level. This is equivalent to 80% of market rent.

In determining the budget, Right to Buy sales (reducing the rent income budget) have been estimated using the HRA Business Plan. The budget also has assumed a level of 'buy back properties' and 'new build properties' based upon developments likely to be completed during 2021/22 (increasing the rent income budget as well as a projected loss due to void properties. The net increase in rental income due between 2020/21 and 2021/22 is £42,100.

There has been a major overall to the Council Garages which has including renovating some but also demolishing others to increase available sites for new build housing. It is proposed that garage rents also increase by 1.5%. However, the reduction in the number of garages available in 2021/22 has reduced the income due for the year by £29,550.

4. Summary

The minimum working balance recommended on this account in 2021/22 is £1 million. To the extent that the predicted balance exceeds this, it is proposed to use any surplus resources to increase the revenue contribution towards financing the capital programme, thereby reducing the potential need for prudential borrowing by a similar amount.

The interest cost arising from any prudential borrowing to help finance the capital programme falls on the revenue account and is estimated at £2,394,890 in 2021/22. Additional borrowing of £1,400,000 is required for 2021/22 to fund proposed housing acquisitions in the the Housing capital programme.. A

revenue contribution of £2,158,300 to the Capital Programme is anticipated in 2021/22.

2

In order to fund the capital programme in 2021/22 it is anticipated that £2,218,000 will be required from HRA capital receipts.

It is recommended that a working balance of at least £1 million is maintained in future years to ensure that sufficient provision exists to meet unexpected needs. This is will be increasingly significant in terms of, for example, having sufficient funds available to meet the cost of potential new build properties and other commitments.

A re-visit of the HRA Business Plan is underway as a result of the material increases in expenditure to the 2021/22 budget.

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APPENDIX 3

**RESOURCES ALLOCATION – GENERAL FUND REVENUE BUDGET
2021/22****1. Summary of Proposals**

The policy committees of the Council have considered the revised budgets for 2020/21 and the base budgets for 2021/22 for their respective areas. Any changes arising from this process are set out below along with a summary of the proposed General Fund budget for 2021/22.

2. Key Assumptions and Other Changes

During the consideration of the revised budgets for 2020/21 and the base budgets for 2021/22 by the various service committees, there has been a strong focus on the Council's post Covid economic, health and community recovery strategies. The following proposals have been included in budgets:

- The Environmental Services budget proposals include continued investment in parks and open spaces.
- The Economic development budget proposals includes a previously approved new markets officer and continued support to the Stapleford Towns bid (£25m investment plan).
- Revenue budgets associated with the Beeston Square Phase 2 development
- Continued support to community and voluntary groups including the CAB, who support a range of Mental Health initiatives, to support the improvement of mental health of staff and residents.

The base budgets for 2021/22 include estimates for inflation on certain headings such as utilities costs and software maintenance agreements. Following the government's announcement, and in accordance with the expected national agreements, which are not yet agreed, a pay freeze has been assumed for all staff earning over the median pay c £24,000. Any staff earning below this level, a 2% annual pay award has been assumed.

No allowance has yet been made for an increase in Member's allowances. On 13 January 2021 the Council's Independent Remuneration Panel recommended freezing the member allowance rates in line with the expected employee pay freeze.

Under the prudential framework for capital finance, prudential borrowing has to be considered in overall terms and taking account of the effect on revenue budgets and general affordability in the short and medium term. Appendix 5 to this report proposes total additional prudential borrowing of £1,400,000 in 2021/22 in relation to the Housing Revenue Account and borrowing of £1,061,000 in relation to the General Fund. Based on external borrowing rates, an estimate for additional borrowing costs has been included in the base budget for 2021/2022.

It is prudent to provide a sum of money within the budget to cover unforeseen items of expenditure which may arise during the year. As in 2020/21, a General Contingency of £25,000 has been established for 2021/22.

All known revenue developments have been incorporated into base budgets. No further revenue developments are expected but other items may be brought forward to committees during the course of the year as and when need arises.

During 2021/22, any proposed staffing changes will be reported to the Personnel Committee, for consideration, and if approved incorporated within the revised 2021/22 revenue budget, and reported to the next Finance and Resources Committee.

The Non Domestic Rates income is primarily based on a calculation taking into account the local non-domestic rates tax base and the Government's calculations of each authority's spending requirements. For budgeting purposes the Council completes an assessment at the beginning of each year and uses this to determine the amount of rates to be collected (the NNDR1). The budget is then set on the basis of this assessment. For 2021/22 the non-domestic rates budget based on the NNDR1 for the year has been set at £3,755,389, which includes estimates for losses on appeal and non-collection.

Each year the Council must forecast a surplus or deficit position for both the business rates and council tax account. The balance is collected from (deficit) or distributed to (surplus) preceptors dependent upon their relative share in the following year. There is added complexity when undertaking this calculation this year due to COVID and various reliefs awarded (see section 3 overleaf).

Non Domestic Rates income is also affected by Section 31 grants received from Central Government and by payments to or receipts from the Nottinghamshire Business Rates Pool.

The provisional funding settlement for 2021/22 announced by the Ministry of Housing, Communities and Local Government Department (MHCLG) on 17 December 2020 included details of the New Homes Bonus (NHB) allocations to Councils. The provisional NHB allocation to Broxtowe for 2021/22 of £19,400 represents a reduction of £90,950 (82%) on the £110,350 received in 2020/21.

As set out in section 3 below, the recommendations are based upon adding a net £5,797,988 to balances in 2020/21 and withdrawing a net £7,556,782 from balances in 2021/22.

The General Fund Reserve is expected to fall by £1,278,576 in 2020/21 from £5,452,538 at 1 April 2020 to £4,173,962 at 31 March 2021 but by a reduced sum of £764,522 in 2021/22 such that the General Fund Reserve at 31 March 2022 is projected to be £3,409,440.

The Government has announced a series of financial measures to assist Council's with managing the impact of Covid in 2021/22. The financial impact of

these measures on the revenue budgets has been factored into the 21/22 revenue estimates.

- i. The provisional settlement announced Tranche 5 of the Governments financial support to Councils, which totalled £551,420 for Broxtowe Borough Council.
- ii. A continuation from 2020/21 into 21/22 of the financial support to retail, hospitality and leisure businesses. Business grants provided by the government, linked to the various restriction tiers and national lockdowns, have been rapidly paid to businesses across Broxtowe, and to date 800 businesses have received c£8m.
- iii. The compensation scheme for the loss of sales, fees, and charges income, is expected to continue until the end of June 2021. This scheme excludes commercial income and loss of leisure income suffered by Liberty Leisure Limited. In 2020/21 the Council has applied to the National Leisure Relief Fund for financial support to compensate for the loss of income at Liberty Leisure, and it is expected that c£200,000 will be received and passported to Liberty Leisure limited.
- iv. The Government has awarded the Council £816,716 from its Hardship Fund to fund additional payments made through the Local Council Tax support scheme. For those that qualify this reduces the amount residents need to pay in respect of Council Tax.
- v. Due to the exceptional circumstances Local Authorities are able to spread any predicted Business Rates and Council Tax in-year deficit over 3 years. Ordinarily any deficit is payable in the following year from when it occurs.
- vi. To assist in the funding of Council Tax and Business Rate losses (including the deficit) the Government is compensating local authorities for 75% of the income lost.

3. Collection Fund Income 2020/21 and 2021/22

The Collection Fund is a fund maintained by the billing authority into which amounts are paid in respect of Council Tax and Business Rates. Expenditure on the fund consists of payments to Broxtowe and its Parishes and other preceptors (County Council, Police Authority, Fire Authority in the case of Council Tax and the Central Government, County Council and Fire Authorities in respect of Business Rates). The Council's proportion is paid to the General Fund and forms part of financing section of the Broxtowe's budget. These amounts are agreed at the beginning of the financial year and will not change despite performance of the fund. Any shortfall or additional amount raised is usually collected in the following year as a surplus or deficit as previously discussed.

There has been a significant impact upon the net rates payable for Council Tax and Business Rates as explained below:-

(i) Expanded Retail Discount and Nursery Relief

In March 2020 the Government announced that the retail discount and nursery relief that eligible businesses receive towards their business rates bills would be

expanded and cover 2020/21. This meant that the Net Rates charged by local authorities for 2020/21 as set out on their NNDR1 2020/21 returns would be substantially lower.

Broxtowe's NNDR1 2020/21 indicated that business rates of more than £27m would be chargeable in the year. However, the expanded rental retail discount and nursery relief granted by the Council amounted to in excess of £17m reducing this to just over £10m

In order that local authorities should not lose out financially as a result of the expanded retail discount, nursery relief and related schemes, the Government have funded the additional relief through Section 31 (usually referred to as S31) grants. However, these grants must, in accordance with the current regulations, be paid into the General Fund as opposed to the Collection Fund.

Broxtowe's share of the additional S31 grants in 2020/21 amounts to £6,782,260. This will be used to meet the cost of Broxtowe's 2020/21 anticipated NNDR deficit of £6,807,882 in 2021/22.

The additional S31 grant has been received in year but will not be required until next year to meet the predicted deficit. To address this timing issue a Collection Fund Equalisation Reserve has been established. This in turn will also ensure that the impact of this issue does not distort the position on the General Fund Reserve.

As mentioned at 2 vi) the in-year deficit for 2020/21 has been spread over 3 years. For business rates, the Council's proportion of the deficit will be £25,622 in 2021/22 and £92.5k in both 2022/23 and 2023/24. These pressures have been reflected in the Medium Term Financial Strategy.

ii) Extension of the Local Council Tax Scheme.

As mentioned at 2v) the Council has extended its Local Council Tax Support Scheme. The net collectable council tax has reduced but mainly the Council has been compensated through funding from the Government's Hardship Scheme. There is still an in-year deficit with Broxtowe's share being £43,366 in 2021/22 followed by further £6,200 in 2022/23 and 2023/24. These pressures have been reflected in the Medium Term Financial Strategy.

iii) Collection Fund Irrecoverable Losses 2020/21

In order to alleviate some of the impact of the pandemic upon local authorities, the Chancellor of the Exchequer announced in the Spending Review 2020 on 25 November 2020 that the Government would compensate local authorities for 75% of the irrecoverable loss on council tax and business rates revenues in 2020/21 in a similar manner to the sales, fees and charges income compensation scheme.

It is presently anticipated that this compensation will amount to £56,104 in respect of council tax and £208,200. Although this will relate to the 2020/21

financial year, it is proposed that this income be placed in the Collection Fund Equalisation Reserve at 31 March 2021 to reflect the fact that this will be used to offset council tax and business rates deficits in future years.

4. General Fund Revenue Budget 2021/22

The table below shows the 2020/2 revised budget for each committee along with the base budget figures for 2021/22. It also shows the impact that this would have upon the Council's available balances.

	2020/21 Revised Estimate £	2021/22 Base Budget £
<u>Committee</u>		
Community Safety	1,465,213	1,536,007
Environment and Climate Change	4,078,108	3,990,316
Finance and Resources	1,673,177	2,169,096
General Fund Housing	431,420	465,295
Jobs and Economy	834,247	1,067,323
Leisure and Health	2,143,340	1,722,498
 Committee Net Expenditure	 10,625,505	 10,950,534
 Beeston Special Expenses	 25,000	 25,000
 Total Net Expenditure	 10,650,505	 10,975,534
<u>Funding</u>		
Lower Tier Services Grant	0	(123,995)
NNDR (ie. Business Rates)	(3,258,506)	(3,755,389)
NNDR (Surplus)/Deficit	215,260	25,622*
Estimated Safety Net or Levy Payment to/(from) Pool	647,826	813,000
Estimated S31 Grant (per NNDR1)	(1,217,092)	(1,118,346)
NNDR Covid-19 Compensation Relief	(208,200)	0
Returned Funding from Pool 2020/21	(20,000)	(180,000)
Council Tax	(5,679,431)	(5,880,271)
Council Tax (Surplus)/Deficit	(64,986)	43,366
Council Tax Covid-19 Compensation Relief	(56,104)	0
Beeston Special Expenses Precept	(25,000)	(25,000)
 Total Funding	 (9,666,233)	 (10,201,013)
 (Addition to)/withdrawal from balances	 984,272	 774,522

* Impact of Additional Discretionary Reliefs

Estimated additional S31 Grant received to compensate for additional discretionary reliefs awarded in 2020/21. This grant has been received in 2020/21 but will be applied to fund the projected NNDR deficit of £6,708,882 in 2021/22

(6,782,260)

Projected NNDR deficit 6,807,882

Net NNDR deficit after additional S31 Grant 25,622

The increase in the 2021/22 base budget for total net expenditure when compared with the 2020/21 revised estimate of £325,029 is primarily a consequence of the following items:

	£000s
Net Other Chnges (including increments, inflation etc)	243
Additional minimum revenue provision (MRP)	187
Net Additional Transfer Payments	185
East Midlands Development Corporation Contribution	100
Reduction in Item 8 Interest Charge to HRA	94
Reduction in New Homes Bonus	91
Reduction in Planning Fee Income	44
Removal of Review of Core Strategy Budget (2020/21 only)	(80)
Removal of 2019/20 Underspends Carried Forward to 2020/21	(88)
Increase in Distribution from Bramcote Crematorium	(100)
Reduction in Liberty Leisure Management Fee to £845,000 in 2021/22	(351)
TOTAL	325

The increase in funding of £534,780 from the 2020/21 revised estimate total of £9,666,233 to the base budget 2021/22 figure of £10,201,013 is mainly due to the following:

	£000s
Lower Tier Services Grant	(124)
Increase in NNDR (ie. Business Rates)	(497)
Decrease in NNDR Deficit	(189)
Increase in Safety Net or Levy Payment to/(from) Pool	165
Decrease in NNDR S31 Grant	99
Decrease in NNDR Covid-19 Compensation Relief	208
Increase in Returned Funding from Business Rates Pool	(160)
Increase in Council Tax Income	(201)
Decrease in Council Tax Surplus	108
Decrease in Council Tax Covid-19 Compensation Relief	56

TOTAL (535)

The anticipated withdrawals from balances in 2020/21 and 2021/22 shown above would affect the Council's reserves as follows:

Change in Balances 2020/21

	Actual Balance at 1 April 2020	Projected Withdrawal (Addition)	Estimated Balance at 31 March 2021
General Fund Reserve	(5,452,538)	1,278,576	(4,173,962)
Homelessness Grant Reserve	(108,912)	0	(108,912)
Elections Reserve	(135,300)	(30,000)	(165,300)
Stapleford Town Fund Reserve	(25,567)	0	(25,567)
Planning Reserve	(17,446)	0	(17,446)
Noise Monitoring Eqt. Reserve	(15,000)	0	(15,000)
Collection Fund Equalisation Reserve	0	(7,046,564)	(7,046,564)
Total Balances	(5,754,763)	(5,797,988)	(11,552,751)

The balance on the Collection Fund Equalisation Reserve at 31 March 2021 is comprised of the S31 grant of £6,782,260 received in 2020/21 in respect of the additional discretionary reliefs awarded in 2020/21 plus the compensation of £56,014 and £208,200 for irrecoverable council tax and business rates losses in 2020/21 respectively. This will be used to meet the projected NNDR deficit of £6,822,260 in 2021/22.

Change in Balances 2021/22

	Actual Balance at 1 April 2021	Projected Withdrawal (Addition)	Estimated Balance at 31 March 2022
General Fund Reserve	(4,173,962)	764,522	(3,409,440)
Homelessness Grant Reserve	(108,912)		(108,912)
Elections Reserve	(165,300)	(30,000)	(195,300)
Stapleford Town Fund Reserve	(25,567)	0	(25,567)
Planning Reserve	(17,446)	0	(17,446)
Noise Monitoring Eqt. Reserve	(15,000)	0	(15,000)
Collection Fund Equalisation Reserve	(7,046,564)	6,822,260	(224,304)
Total Balances	(11,552,751)	7,556,782	(3,995,969)

The recommendations are based upon withdrawing £764,522 from the General Fund reserve in 2021/22 as well as adding £30,000 to the Elections reserve to meet the cost of the Borough Council elections in May 2023.

No legislative restriction applies as to how the Council's reserves may be used. The minimum acceptable total of General Reserves to meet revenue expenditure and capital financing commitments is considered to be £1.5 million.

5. Budget Savings

It is proposed to set an employee savings target of £300,000 in 2021/22 to be met from vacancies, flexible retirements and redundancies. This is in line with the previous year's salary savings target. Any further approvals by the Personnel Committee of voluntary redundancy or flexible retirement requests will help to achieve this saving.

A range of potential efficiencies and additional income has been identified and included in the Business Strategy which was presented to the Finance and Resources Committee on 8 October 2020. The majority of these savings and additional income have been built into the 2021/22 budget.

Given the financial impact of Covid, and the medium term financial position, a further refresh of the Business Strategy will be required later in 2021 to identify further potential efficiencies and this work will be led by the General Management Team, during 2021.

6. Beeston Special Expenses

Beeston and the surrounding area is a special expense area purely in relation to the cost of maintaining allotments. It is anticipated that, assuming no unforeseen and significant events occur of a size similar to those experienced with water leaks a few years ago, then sufficient monies will remain on the account such that a precept of £25,000 per annum should be capable of being maintained for several years.

In the Beeston Special Expenses Area it is proposed to retain the precept at £25,000 as in 2020/21 and hence the council tax charge. In reality this would mean that, within the Beeston Special Expenses Area, the combined effect of the two council tax elements would produce an increase of £5.00 per band D dwelling as per the other parts of the borough.

7. Council Tax

The Local Authorities (Conduct of Referendums) (Council Tax Increases) (England) Regulations 2012, provide that any shire district or borough council proposing an increase of 2.0% (or more than 2.0%) **and** more than £5 their council tax will need to provide the opportunity for local people to approve or veto the increase in a referendum. The Leader of the Council and Chair of the Finance and Resources Committee have been consulted, and it is proposed that the band D basic council tax amount be increased by £5 from £166.85 in 2020/21 to £171.85 in 2021/22.

The authority's share of the estimated deficit on the Council Tax element of the Collection Fund as at the end of 2020/21 is £43,336. After taking this into account, and the increase in the council tax base for 2021/22 as approved by the Committee on 7 January 2021, then a £5 increase in the basic council tax (per Band D property) amount equates to a council tax requirement (excluding the special expenses area) of £5,880,271 in 2021/22 and would require an overall withdrawal from balances totalling £7,556,782.

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APPENDIX 4

RESOURCES ALLOCATION - CAPITAL PROGRAMME 2021/22 TO 2023/24
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1. Summary of proposals

The Council's policy committees considered capital submissions for the three years 2021/22 to 2023/24, of which some are recommended to proceed immediately since funding resources are in place whilst others are awaiting confirmation of receipt of funding. Details are given in the reports to the committees as to which schemes are to proceed immediately and which are on hold until the funding is received or the Finance and Resources Committee makes a decision to allow the scheme to start and recommends a reduction in reserves or increase in borrowing.

The capital submissions as recommended by the policy committees and the methods of financing the 2021/22 programme are summarised below.

	General Fund £	HRA £
Draft Capital Programme 2021/22		
Housing	797,850	9,987,300
Community Safety	0	
Jobs and Economy	25,000	
Leisure and Health	1,054,000	
Environment and Climate Change	910,250	
Finance & Resources	360,000	
TOTAL	3,147,100	9,987,300
Anticipated Funding:		
HRA Depreciation (Major Repairs Reserve)		4,211,000
Better Care Fund (Disabled Facilities Grants)	797,850	
Usable Capital Receipts (estimate)	165,250	2,218,000
Prudential Borrowing	1,061,000	1,400,000
Revenue Contributions	0	2,158,300
Other Grants	0	
Shortfall/(surplus)	1,123,000	
TOTAL	3,147,100	9,987,300

Capital contingencies of £55,000 (General Fund) and £27,900 (HRA) have been allowed for in the above table.

2. Capital Programme

The Local Government Act 2003 requires local authorities to comply with the Prudential Code for Capital Finance in Local Authorities published by the Chartered Institute of Public Finance and Accountancy (CIPFA) when carrying out their capital budgeting activities. The objectives of the Prudential Code are to ensure that the capital investment plans are affordable, prudent and sustainable. A fundamental part of the Code is the calculation of a number of 'prudential indicators' that form the framework for capital financing and spending decisions. Further details can be found in Appendix 7.

The Local Authority (Capital Financing and Accounting) (England) (Amendment) regulations 2008 place a duty on local authorities to make a prudent provision for the repayment of debt. This is known as the Minimum Revenue Provision (MRP). Further details can be found in Appendix 8.

3. Capital Grants and Contributions

The only proposed capital schemes for 2021/22 to 2022/24 that are likely to be funded from capital grants are Disabled Facilities Grants (DFG). Government allocations towards is channelled through the Better Care Fund, which is administered by Nottinghamshire County Council. The funding for 2021/22 to 2023/24 is assumed to be £797,850 per annum.

As disabled adaptations work is demand-led, further capital commitments may be required. Requests for these will be brought forward to the Finance and Resources Committee for consideration along with details as to how these can be funded if and when they arise.

The capital programme 2021/22 is also based upon contributions from organisations such as FCC Communities Foundation (formerly known as WREN) to fund improvement works at parks and recreation grounds.

4. Capital Receipts for 2021/22

In 2012/13 the authority committed to using any capital receipts from housing right to buy sales towards a new build programme, with government restrictions such that these monies have to be used within 3 years of their receipt or they will be passed over to the government. The calculation of the value of such receipts that can be used in this way is complicated by a formula which takes into account the assumed level of receipts within the HRA self financing settlement which took place at the end of 2011/12. As at the end of December 2020 accumulated usable capital receipts of approximately £4,346,100 were calculated as being available. These will be used to finance the housing new build programme and acquisition of properties as set out in the Housing Delivery Plan.

A capital receipt of £2,110,100 from the sale for residential development of part of the Council's land in Beeston was received in November 2020 and this will be used to help finance the Beeston Town Centre Redevelopment scheme.

Further capital receipts are anticipated following the acquisition by NET of a number of retail businesses in The Square which are owned by the Council but which were on a long term lease to Henry Boot. No assumptions have been made with regards to either the value or timing of such receipts that may subsequently be received.

4. Revenue Contributions

Revenue contributions can be used to finance capital expenditure. In 2021/22 the only revenue contribution that is proposed relates to the HRA and this is in line with proposals contained within the HRA revenue budget and the HRA business plan model. No General Fund revenue contributions are proposed.

5. Borrowing

A revenue contribution from the HRA of £2,158,300 and a contribution of £4,211,00 from the Major Repairs Reserve along with HRA capital receipts of £2,218,000 are proposed in 2021/22 to finance the HRA capital programme along with planned borrowing of £1,400,000 to meet the cost of acquisitions. The nature of the HRA is that no Minimum Revenue Provision (MRP) has to be provided on borrowing but it has to be affordable. Appendices 6 and 7 outline the MRP policy and various prudential indicators which can be used to help judge the affordability of any such borrowing.

In respect of General Fund capital schemes, there is a funding shortfall in 2021/22 of £1,123,000 as shown in section 1 above. The options for addressing this shortfall are as follows:

- Reducing the size of the programme.
- Using existing reserves (i.e. funding the schemes directly from revenue resources)
- Borrowing
- Creating a reserve list for schemes to be brought forward as and when funding becomes available.

The programme has been compiled in accordance with the Capital Strategy 2021/22 – 2023/24 set out in appendix 5. All of the proposed schemes meet the required criteria and are deemed either essential or beneficial in reducing revenue costs or increasing income (invest to save schemes). Therefore there are no grounds for reducing the size of the programme although some re-phasing may be possible.

The Council has sufficient reserves to meet the costs of the programme in full. However, on the basis of the proposals presented in this report, this would reduce the level of reserves to below the required £1.5m balance on the General Fund by 2024/25. More detail on the reserves position in the medium term is provided in Appendix 8.

It is therefore proposed to meet part of the shortfall by prudential borrowing and to place the remaining schemes on a reserve list. The following schemes are proposed to be financed from borrowing in 2021/22:

Scheme	Proposed borrowing 2021/22 £
Replacement Vehicles and Plant	756,000
Replacement/Development Programme	90,000
Technical Infrastructure Architecture	50,000
E-Facilities Initiatives	40,000
Beeston Town Centre Redevelopment	125,000
Total	1,061,000

The level of financial reserves available to the Council indicates that the borrowing can potentially be financed from internal sources (subject to cash flow considerations). As returns on investment are currently lower than external borrowing rates, internal borrowing will be more cost-effective than external borrowing at this point in time.

Depending on the date at which the loans are raised this will have a part year impact in 2021/22 and a full year impact from 2022/23 onwards.

The following schemes are contained within the Capital Programme 2021/22 but are awaiting funding:

Proposed scheme	£
Car Parks - Resurfacing	25,000
BLC – Main Pool Filter Media Replacement	15,000
BLC – Refurbishment of Fitness Changing Rooms	38,500
BLC – Replacement of Teaching Pool Filter	25,000
BLC – Replacement of Flat Roofs	176,000
BLC – Replacement of Teaching Pool Windows	33,000
BLC – Replacement of Main Pool Windows	93,500
BLC – Replacement Intruder Alarm	20,000
BLC – Refurbishment of Pool Surrounds	80,000
BLC – Replacement of High Voltage Transformer	57,000
BLC – Replacement Heating Valves	22,500
BLC – Replacement Hot Water Calorifier	20,000
KLC – Electrical, Window and Drainage Works	12,500
KLC – Replacement Pool Circulation and Shower Pumps	12,000
KLC – Extension of Gym Changing Facilities	36,000
KLC – Replacement Pool and Plant Filters	20,000
KLC – Renewal of Intruder Alarm Sensors	8,500
KLC – Replace Pipework (Plant Room to Swimming Pool)	275,000
CO – Refurbishment of Male Changing Rooms	79,500
Cemeteries - Footpath and Roadway Impts	30,000
Asset Management - Programmed Maintenance	44,000
Total	1,123,000

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APPENDIX 5

CAPITAL STRATEGY 2021/22 – 2023/24**1. Introduction**

The Capital Strategy is intended to provide a high-level overview of how the Council's capital expenditure, capital financing and treasury management activity contribute to the provision of services to the residents of Broxtowe along with an overview of how associated risk is managed and the implications for future financial sustainability.

The Capital Strategy should be considered in conjunction with the following appendices that form part of this report:

- Treasury Management Strategy Statement 2021/22 – 2023/24 (appendix 6)
- Investments Strategy 2021/22 - 2023/24 (appendix 7)

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and a local policy framework, summarised in this report.

2. Background

The Capital Strategy is intended to ensure that decisions about capital spending are taken in alignment with agreed corporate priorities and make the best use of scarce resources. It has been developed in conjunction with the Council's Corporate Plan, ICT Strategy, Asset Management Strategy and People Strategy and seeks links to other approved strategies and policies.

The Council will have regard to the following in determining its capital expenditure plans:

- Corporate objectives (e.g. strategic planning)
- Stewardship of assets (e.g. asset management planning)
- Value for money (e.g. appraisal of options)
- Prudence and sustainability (e.g. implications for external borrowing and whole life costing)
- Affordability (e.g. implications for long-term resources and ultimately on the level of council tax)
- Practicality (e.g. the achievability of the Corporate Plan)

The production of the capital programme will be based upon the following eight core principles:

- (i) All assets will be periodically reviewed to determine whether they remain fit for purpose
- (ii) Asset management systems will be used to increase the proportion of expenditure on planned as opposed to reactive maintenance and to determine appropriate levels of contingency in each planning period
- (iii) Capital expenditure, particularly in respect of investment in commercial assets, will be undertaken within the context of the Council's defined risk appetite and adopted priorities
- (iv) The decision to procure or build new assets will take into account the full revenue implications of the life cycle of the asset
- (v) Income from asset disposals will be retained centrally for the funding of future capital programmes
- (vi) Capital submissions produced by departments will be included in the third year of the three-year rolling capital programme unless they meet the specific criteria outlined above.
- (vii) Capital submissions will be reviewed by the Council's Section 151 Officer in conjunction with General Management Team (GMT) using a pre-determined scoring matrix set out in the submission template
- (viii) Borrowing will only be pursued as an option for financing capital expenditure after all other potential financing options have been considered

The capital programme is a three-year rolling programme with new submissions, based upon an agreed template, accepted only for year three unless they meet the following criteria:

- The project has health and safety implications which must be addressed as a priority or is a statutory requirement
- The project generates more income over time than the investment required (an "invest to save" project)
- The project is required to match income from external sources that would otherwise be lost

Unforeseen factors may arise will require schemes to be swiftly incorporated within the capital programme. These schemes will be subject to the same appraisal process set out above and will be funding will be assisted by the inclusion of suitable contingencies within the capital programme to avoid disrupting other planned capital schemes.

3. Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets (such as property, vehicles or equipment) that will be used for more than one year. In local government this includes expenditure on assets owned by other bodies and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion as to what to classify as capital expenditure and this is set out in its Accounting Policies.

Capital expenditure can be paid for immediately by applying capital resources, such as capital receipts or capital grants, or by using revenue resources.

However, if these resources are insufficient then any residual expenditure will add to the Council's borrowing need.

The following table summarises the three-year capital programme as presented to the Finance and Resources Committee on 11 February 2021 along with the intended financing:

	2019/20 Actual	2020/21 Revised	2021/22 Estimated	2022/23 Estimated	2023/24 Estimated
Capital Expenditure	£'000	£'000	£'000	£'000	£'000
General Fund	4,808	15,844	3,147	2,124	2,356
Housing Revenue Account	6,013	8,870	9,987	10,904	7,617
Total	10,821	24,714	13,134	13,028	9,973
Financed by:					
Borrowing – GF	1,974	10,221	1,061	755	1,362
Borrowing - HRA	0	0	1,400	1,400	1,400
Major Repairs Reserve	4,191	4,227	4,211	4,211	4,211
Capital Receipts – GF	1,352	2,816	165	140	42
Capital Receipts – HRA	578	2,351	2,218	3,538	388
Direct Revenue Financing - GF	6	30	0	0	0
Direct Revenue Financing - HRA	1,222	2,027	2,158	1,754	1,618
Better Care Fund	755	1,278	798	798	798
Section 106 receipts	41	879	0	0	0
Ministry of Housing, Communities and Local Government	32	501	0	0	0
D2N2 LEP	500	252	0	0	0
FCC (ex WREN)	144	127	0	75	0
Insurance Settlement	0	5	0	0	0
Other Bodies	26	0	0	0	0
Total	10,821	24,714	12,011	12,671	9,819
Shortfall still to be funded	0	0	1,123	357	154

One of the key risks to the capital expenditure plans above is the level of resources available within the HRA to support capital expenditure. The HRA business plan model update to be reported to the Housing Committee on 26 May 2021 demonstrates that this should not be a major risk over the three year period, particularly in view of the availability of capital receipts from right to buy sales and the greater freedom to borrow following the abolition of the “debt cap”.

The three year capital programme from 2021/22 includes £1,400,000 per annum for the purchase of former right to buy and other properties by the HRA as set out in the Housing Delivery Plan. Each acquisition will be subject to an appraisal process before a decision to purchase is made to ensure that the acquisition meets the Council's needs and provides value for money. It is anticipated that the rental income from the properties acquired will meet the accompanying ongoing borrowing costs.

Similarly, a risk to General Fund capital expenditure plans is that some of the estimates for other sources of funding may also be subject to change over this timescale. The table above, for example, assumes there are limited capital receipts available to finance General Fund capital expenditure from 2021/22 to 2023/24.

Further capital receipts are anticipated following the acquisition by NET of a number of retail businesses in The Square which are owned by the Council but which were on a long term lease to Henry Boot. This matter is being progressed in conjunction with the Council's advisors. No assumptions have been made with regards to either the value or timing of any further receipts that may subsequently be received.

The Council's land and property holdings will continue to be reviewed in line with a new Asset Management Strategy to be produced that will, among other things, seek to identify opportunities to bring forward recommendations to dispose of or make alternative use of surplus assets.

It is anticipated that borrowing of £1,061,000 will be undertaken to finance General Fund capital expenditure in 2021/22 with further borrowing of £754,800 in 2022/23 and £1,362,000 in 2023/24

The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives may sometimes be conflicting and the Council therefore seeks to strike a balance between cheap short-term loans (currently available between 0.10% and 0.5%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5% to 2.0%).

The tight revenue situation is such that it has been assumed that the capital programme from 2021/22 will be revisited and re-aligned as far as possible to tie into available capital resources in order to minimise the level of prudential borrowing required.

4. The Capital Financing Requirement

The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow for capital purposes. It is the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. The CFR will change each year in accordance with the value of the approved capital programme and the financing available. The capital expenditure above which has

not been financed from available internal resources or from grants or third party contributions will increase the CFR.

	2020/21 Revised	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Capital Financing Requirement	£'000	£'000	£'000	£'000
CFR – General Fund	29,016	29,034	28,602	28,707
CFR – HRA	81,267	82,667	84,067	85,467
Total CFR – 31 March	110,283	111,701	112,669	114,174
Movement in CFR represented by:				
Borrowing need for the year	10,221	2,461	2,155	2,762
MRP/VRP and other financing movements	(834)	(1,043)	(1,187)	(1,257)
Movement in CFR	9,387	1,418	968	1,505

5. Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's needs whilst managing the risks involved. Surplus cash is invested until required whilst an anticipated shortage of cash is met by borrowing in order to avoid an overdraft in the Council's bank current account.

The Council usually has surplus cash available in the short-term as revenue income is normally received before it is spent but can have a cash deficit in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

i) Borrowing Strategy

The Council's main objectives when borrowing are to achieve a low but certain cost of finance whilst retaining flexibility should plans change in the future. These objectives are often conflicting and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at 0.10 to 0.50%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5% to 2.0%).

Projected levels of the Council's total borrowing when compared with the capital financing requirement are shown in the table below.

	2019/20 Actual	2020/21 Revised	2021/22 Estimate	2022/23 Estimate
	£'000	£'000	£'000	£'000
Gross Borrowing				

- PWLB and Market	97,780	95,769	98,218	100,360
- Bramcote Crematorium	395	444	391	335
Net Borrowing – 31 March	98,175	96,213	98,609	100,695
Capital Financing Requirement				
CFR – General Fund	19,629	29,016	29,034	28,602
CFR – HRA	81,267	81,267	82,667	84,067
Total CFR – 31 March	100,896	110,283	111,701	112,669

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen in the above table, the Council expects to comply with this in the medium term.

ii) Affordable Borrowing Limit

The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should borrowing approach this limit.

	2020/21 Revised	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
	£'000	£'000	£'000	£'000
Authorised Limit for Borrowing	121,000	124,250	126,900	130,400
Operational Boundary for External Debt	96,800	99,400	101,500	103,300

The authorised limit and operational boundary as set out above assume that the Council will not be entering into any private finance initiatives or leases over the period shown. The Council presently has no plans to enter into such arrangements.

iii) Treasury Investment Strategy

Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to prioritise security and liquidity over yield. In other words, the objective is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the short-term is invested securely with, for example, the government, other local authorities or selected high-quality banks to minimise the risk of loss. Money that will be held for the long-term is invested more widely to balance the risk of loss against the risk of receiving returns below inflation. Both short-term and long-term investments may be held in pooled funds where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

The table below highlights the expected change in investment balances.

	2020/21 Revised	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
	£'000	£'000	£'000	£'000
Investments at 1 April	15,860	15,000	12,250	10,450
Expected Change in Investments	(860)	(2,750)	(1,800)	0
Investments at 31 March	15,000	12,250	10,450	10,450

iv) Risk Management

The effective management and control of risk are prime objectives of the Council's treasury management activities. The Treasury Management Strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

v) Governance

Decisions on treasury management investment and borrowing are made daily and are delegated to the Deputy Chief Executive and Section 151 Officer and colleagues who must act in accordance with the Treasury Management Strategy approved by Finance and Resources Committee. Reports on treasury management activity are also presented to the Finance and Resources Committee whose members are responsible for scrutinising treasury management decisions.

6. Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and minimum revenue provision (MRP) are charged to revenue albeit offset by investment income receivable. The net annual charge is known as financing costs and is compared to the net revenue stream (ie, the amount funded from council tax, business rates and general government grants).

	2019/20 Actual	2020/21 Revised	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
General Fund	10.6%	12.8%	13.3%	14.9%	15.4%
HRA	15.0%	14.4%	14.6%	14.6%	14.7%

The estimates of financing costs reflect current commitments and the proposals in the revenue and capital budget reports elsewhere on the agenda.

The indicators for the General Fund rise significantly from 2021/22 to reflect the increase in MRP following the additional borrowing planned to finance capital expenditure, particularly the Beeston Town Centre Redevelopment scheme.

The indicators for the HRA increase from 2021/22 to 2023/24 to reflect the borrowing of £1,400,000 per annum for the acquisition of properties at a time when will be increased by the consumer price index (CPI) plus 1%.

Overall, the Council intends to undertake a prudent level of borrowing to support the capital programme during the period covered by its medium term financial plans.

7. Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the following individuals all hold the Chartered Institute of Public Finance and Accountancy (CIPFA) professional accountancy qualification:

- Deputy Chief Executive and Section 151 Officer
- Head of Finance Services
- Chief Accountant
- Chief Audit and Control Officer

The Council also pays for staff to study towards this and other relevant qualifications such as those administered by the Association of Accounting Technicians (AAT).

Where Council staff do not have the knowledge and skills required, use is made of external advisors and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisors. The contract with Arlingclose has, in recent years, been extended on a 12 month rolling basis and is currently due to expire on 31 March 2021. An exercise is to be undertaken to establish the service provider from 1 April 2021.

The services currently provided by Arlingclose include:

- technical support on treasury matters and capital finance issues
- economic and interest rate analysis
- debt services (including advice on the timing of borrowing)
- debt rescheduling advice surrounding the existing portfolio
- generic investment advice on interest rates etc.
- credit ratings/market information service comprising the three main credit rating agencies

Whilst the treasury management advisors provide support to the internal treasury function, the current market rules and the CIPFA Treasury Management Code confirms that the final decision on treasury management matters rests with the Council.

APPENDIX 6

TREASURY MANAGEMENT STRATEGY STATEMENT 2021/22 to 2023/24
1. Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments are addressed separately in the Investments Strategy 2021/22 to 2023/24 as set out in appendix 7 of this report.

For the purpose of setting the 2021/22 budget, it has been assumed that new treasury management investments will be made at an average rate of 0.10%, and that new borrowing will be short-term loans at an average rate of 0.25%.

2. Current Debt and Investment Position

The Council's current debt and investment position is as follows:

		Actual at 31 December 20	Estimate at 31 March 21
		£'000	£'000
Fixed Rate Debt	PWLB	79,770	79,757
	Market	3,000	3,000
Variable Rate Debt	PWLB	5	12
	Market	13,000	13,000
	Crematorium	571	444
Total Debt		94,346	96,213
Total Investments		(25,580)	(15,000)
Net Borrowing		68,766	81,213

The fixed rate debt shown above consists of fixed rate loans totalling £79.76m from the PWLB that are due to be re-paid in at least one years' time and a loan of £3.0 million at 4.19% from Barclays Bank that is due to mature on 4 February 2073.

The variable rate debt shown above relates to fixed rate loans from the PWLB, other public sector bodies or other institutions that are due to mature within one year and therefore likely to be replaced by further loans but at a different rate of interest from the current rate.

The crematorium debt relates to surplus cash balances of the Bramcote Crematorium that the Council invests on its behalf to generate a suitable return. This fluctuates in accordance with the Bramcote Crematorium's cash inflows and outflows. There is no other variable rate debt.

The Council's existing debt portfolio (including Bramcote Crematorium) is estimated to total £96.2 million at 31 March 2021 as shown above. The optimum debt level for the Council as defined by the CFR is estimated at £110.3 million at 31 March 2021 and therefore the estimated level of borrowing is below the optimum level.

As set out in section 4 below, the Council is permitted to borrow in advance of need given that certain criteria are met. The Council has loans totalling £13.0 million that are due to mature within the next 12 months. These loans may not necessarily be replaced with loans of a similar value when they mature and whether or not they are replaced will in part depend upon the Council's cashflow position at the time. In addition, the Council has a loan of £3.0 million that will not mature within the next 12 months. This loan is from Barclays Bank at an interest rate of 4.19% and is due to mature on 4 February 2073.

The majority of the investments should be regarded as the investment of the Council's revenue reserves, including the General Fund balance and the HRA balance, provisions and unapplied capital contributions.

3. Capital Financing Requirement

The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow for capital purposes. It is the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. The CFR will change each year in accordance with the value of the approved capital programme and the financing available. The capital expenditure above which has not been financed from available internal resources or from grants or third party contributions will increase the CFR.

	2020/21 Revised	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
	£'000	£'000	£'000	£'000
Capital Financing Requirement				
CFR – General Fund	29,016	29,034	28,602	28,707
CFR – HRA	81,267	82,667	84,067	85,467
Total CFR – 31 March	110,283	111,701	112,669	114,174
Movement in CFR represented by:				
Borrowing need for the year	10,221	2,461	2,155	2,762
MRP/VRP and other financing movements	(834)	(1,043)	(1,187)	(1,257)
Movement in CFR	9,387	1,418	968	1,505

The Authority has an increasing CFR over the period shown due to the capital programme. The Council's current strategy is to maintain borrowing and investments below their underlying levels. This is sometimes referred to as "internal borrowing".

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. The table below shows that the Council met this requirement in 2018/19 and is also expected to comply with this requirement in the following three years.

	2019/20 Actual	2020/21 Revised	2021/22 Estimate	2022/23 Estimate
	£'000	£'000	£'000	£'000
Gross Borrowing				
- PWLB and Market	97,780	95,769	98,218	100,360
- Bramcote Crematorium	395	444	391	335
Net Borrowing – 31 March	98,175	96,213	98,609	100,695
Capital Financing Requirement				
CFR – General Fund	19,629	29,016	29,034	28,602
CFR – HRA	81,267	81,267	82,667	84,067
Total CFR – 31 March	100,896	110,283	111,701	112,669

4. Borrowing Strategy

The Council currently holds £96.2million of loans, a decrease of £2.0 million on the previous year, as part of its strategy for funding previous years' capital programmes. Two loans of £1.0 million each that matured during 2020/21 have not been replaced due to the Council having sufficient cash balances and investments available to meet anticipated cash outflows.

The balance sheet forecast in table 1 shows that the Council plans to borrow £2.5 million in 2021/22. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £124.3 million.

i) Objectives

The Council's primary objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

ii) Strategy

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

Using internal resources or borrowing on a short-term basis allows the Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of using internal resources short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. The Council's treasury management advisors will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2021/22 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield but as the Council does not have such plans then the PWLB should continue to be a potential source of long-term borrowing for the Council.

Alternatively, the Council may arrange forward starting loans where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow further short-term loans to cover unplanned cash flow shortages.

iii) Sources of Borrowing

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

iv) Other Sources of Debt Finance

Capital finance may also be raised by the following methods which, whilst they are not borrowing, may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

v) Municipal Bonds Agency

UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for the following reasons:

- (a) borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason
- (b) there will be a lead time of several months between committing to borrow and knowing the interest rate payable

Any decision to borrow from the Municipal Bonds Agency will therefore be the subject of a separate report to the Finance and Resources Committee.

vi) Short-Term and Variable Rate Loans

These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

vii) Debt Rescheduling

The PWLB allows local authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

5. Investment Strategy

The Council holds significant investments, representing income received in advance of expenditure plus balances and reserves held. Since April 2019, the Council's investment balance has ranged between £13.24million and £25.03 million and similar levels are expected to be maintained in the forthcoming year.

i) Objectives

The CIPFA Code requires the Council to invest its funds prudently and to have regard to the security and liquidity of its investments before seeking the highest rate of return (or yield). The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation in order to maintain the spending power of the sum invested.

ii) Negative Interest Rates

If the United Kingdom enters into a recession in 2020/21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

iii) Strategy

Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2020/21. This is especially the case for the estimated £8.0 million that is available for longer-term investment. The majority of the Council's surplus cash is currently invested in short-term unsecured bank deposits and money market funds. This diversification will represent a continuation of the strategy followed in 2019/20.

iv) Business Models

Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

v) Approved Counterparties

The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Government	N/A	N/A	Unlimited 50 Years	N/A	N/A
AAA	£5m 2 Years	£5m 5 Years	£5m 2 Years	£5m 2 Years	£5m 2 Years
AA+	£5m 2 Years	£5m 5 Years	£5m 2 Years	£5m 2 Years	£5m 2 Years
AA	£5m 2 Years	£5m 5 Years	£5m 2 Years	£5m 2 Years	£5m 2 Years
AA-	£5m 2 Years	£5m 5 Years	£5m 2 Years	£5m 2 Years	£5m 2 Years
A+	£5m 2 Years	£5m 5 Years	£5m 2 Years	£5m 2 Years	£5m 2 Years
A	£5m 13 Months	£5m 2 Years	£5m 5 Years	£5m 2 Years	£5m 5 Years
A-	£5m 6 Months	£5m 13 Months	£5m 13 Months	£5m 13 Months	£5m 13 Months
Unrated (UK Local Authorities)	N/A	N/A	£5m 2 Years	N/A	N/A
Pooled Funds and REITS	£5m per Fund				

vi) Credit Rating

Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings and all other relevant factors, including external advice, will be taken into account.

vii) Counterparty Types

The counterparty types are defined as follows:

a. Banks Unsecured

These are accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies (other than multilateral development banks). These investments are subject to the risk of credit loss via a “bail-in” should the regulator determine that the bank is failing or likely to fail. Arrangements relating to operational bank accounts are set out below.

b. Banks Secured

These are covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank’s assets, which limits the potential losses in the unlikely event of insolvency and means that they are exempt from “bail-in”. Where there is no investment specific credit rating but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

c. Government

This includes loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to “bail-in” arrangements and, whilst there is generally a lower risk of insolvency, they are not “zero risk”. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years. Investments with UK local authorities are limited per authority to £5m and 2 years.

d. Corporates

These are loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to “bail-in” but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk more widely.

e. Registered Providers

These are loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing and, as providers of public services, they retain the likelihood of receiving government support if needed.

f. Pooled Funds

These are shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term money market funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Since these funds have no defined maturity date but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

g. Real Estate Investment Trusts (REITs)

These are shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term but are more volatile, especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

viii) Operational Bank Accounts

The Council may incur operational exposures, for example, through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank "bail-in" and balances will therefore be kept below £10,000,000 per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be "bailed-in" than made insolvent, increasing the chance of the Council maintaining operational continuity.

ix) Risk Assessment and Credit Ratings

Credit ratings are obtained and monitored by the Council's treasury management advisors who will notify the Council if changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made
- any existing investments that can be recalled or sold at no cost will be, and

- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

x) Other Information on the Security of Investments

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council’s treasury management advisor. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills or with other local authorities. This will cause a reduction in the level of investment income earned but will protect the principal sum invested.

xi) Investment Limits

The Council’s revenue reserves available to cover investment losses are forecast to be £4.174 million on 31 March 2021. In order to ensure that available revenue reserves are not put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5.0 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

	Cash limit
Any single organisation, except the UK Central Government	£5.0m each
UK Central Government	Unlimited
Any group of organisations under the same ownership	£5.0m per group
Any group of pooled funds under the same management	£5.0m per manager
Registered providers and registered social landlords	£5.0m in total
Unsecured investments with building societies	£10.0m in total
Money market funds	£20.0m in total
Real estate investment trusts	£5.0m in total

xii) Liquidity Management

The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial strategy and cash flow forecast.

6. Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators:

i) Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit Risk Indicator	Target
Portfolio Average Credit Rating	A-

ii) Liquidity

The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

Liquidity Risk Indicator	Target
Total cash available within 3 months	£10m

iii) Interest Rate Exposures

This indicator is set to control the Council's exposure to interest rate risk. The [upper limits on the one-year revenue impact of a 1% rise or fall in interest rates] will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£1,000,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£1,000,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

iv) Maturity Structure of Borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing Rate Risk Indicator	Upper limit	Lower limit
Under 12 months	50%	0%
12 months to 2 years	50%	0%
2 years to 5 years	50%	0%
5 years to 10 years	75%	0%
10 years to 20 years	100%	0%
20 years to 30 years	100%	0%
30 years to 40 years	100%	0%
40 years to 50 years	100%	0%
Over 50 years	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

v) Principal Sums Invested for Periods Longer than a Year

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price Risk Indicator	2021/22 £000s	2022/23 £000s	2023/24 £000s
Limit on principal invested beyond year end	8,000	8,000	8,000

7. Related Matters

The CIPFA Code requires the Council to include the following in its treasury management strategy.

i) Financial Derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit.

ii) Housing Revenue Account (HRA)

The reforms of the HRA subsidy system mean that the Council has not had to pay an annual subsidy from the HRA to the government since 2011/12. However, the Council is required to recharge interest expenditure and income attributable to the HRA in accordance with Determinations issued by the Department for Communities and Local Government (DCLG).

The Determinations do not set out a methodology for calculating the interest rate to use. The Council is therefore required to adopt a policy that will set out how interest charges attributable to the HRA will be determined. The CIPFA Treasury Management Code recommends that the Council set out their policy in the Treasury Management Strategy Statement.

Whilst there are a number of different approaches for the apportionment of interest expenditure and income between the HRA and General Fund, the Council adopted the 'one pool' approach upon the commencement of HRA self-financing on 1 April 2012 and will continue to follow this approach in 2019/20. This involves having a

single pool for all debt irrespective as to whether it arose pre or post HRA self-financing and whether or not debt can be explicitly attributed to either the HRA or the General Fund.

The 'one pool' approach is considered to be the easiest for the Council to manage from an administrative perspective and enables treasury risk to be managed for the Council as a whole.

Whilst the 'one pool' approach carries an element of interest rate risk as and when maturing debt needs to be replaced, given that HRA debt vastly exceeds General Fund debt and that no major debt replacement is anticipated for the new HRA debt within the first ten years, this risk is not considered to be significant.

Under the 'one pool' approach, interest on loans will be calculated in accordance with proper accounting practice. This will require interest to be apportioned between the HRA and the General Fund by applying the average interest rate on external debt to the relative HRA and General Fund CFRs.

Investment income will be apportioned to the HRA based upon the opening and closing HRA balances for the year and the interest rate used for calculating interest on loans.

iii) Markets in Financial Instruments Directive (MiFID)

The Council has opted up to professional client status with its providers of financial services (including advisors, banks, brokers and fund managers) allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Deputy Chief Executive and Section 151 Officer believes this to be the most appropriate status.

8. Financial Implications

The budget for investment income in 2021/22 is £289,000 and includes both short and long-term investments. The budget for debt interest paid in 2021/22 is £2,841,250 based on a debt portfolio of short and long-term borrowing. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

9. Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Deputy Chief Executive and Section 151 Officer, having consulted the Chair of the Finance and Resources Committee, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed in the following table:

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

10. Minimum Revenue Provision Statement 2021/22

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 place a duty upon local authorities to make a prudent provision for debt repayment. This is known as Minimum Revenue Provision (MRP). The Council is also allowed to undertake additional Voluntary Revenue Provision (VRP) should it wish to do so. There is no requirement to charge MRP in respect of HRA capital expenditure funded from borrowing but the Council may also choose to do this should it wish to.

Guidance on MRP has been issued by the Secretary of State and local authorities are required to “have regard” to this guidance under section 21 (1A) of the Local Government Act 2003.

The four MRP options available are:

- Option 1 – Regulatory Method
- Option 2 – Capital Financing Requirement (CFR) Method
- Option 3 – Asset Life Method

Option 4 – Depreciation Method

MHCLG regulations require full council to approve an MRP Statement in advance of each year. Any subsequent changes in year also require full council approval. The proposed policy for 2021/22 is set out below:

MRP Policy 2021/22

For capital expenditure incurred before 1 April 2008, the General Fund MRP will continue to follow the CFR method (option 2) and be based upon 4% of the CFR at that date.

For all unsupported borrowing incurred from 1 April 2008, the General Fund MRP will be based upon the estimated life of the assets which this borrowing is intended to finance (option 3).

No voluntary MRP is to be charged to the HRA in 2021/22. However, it is anticipated that the updated 30 year HRA business plan to be presented to the Housing Committee on 26 May 2021 will allow the £66.446 million debt taken as part of the move to HRA self-financing to be re-paid by 2049/50.

11. Local Performance Indicators

The CIPFA Treasury Management Code requires the Council to set local indicators to assess the performance of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators which are predominantly forward looking. Indicators should be considered within set risk parameters. Examples of performance indicators often used for the treasury function are:

- Borrowing – average rate of borrowing for the year compared with the average available
- Borrowing – average rate movement year on year
- Investments – Internal returns above the 7 day London Interbank Bid Rate (LIBID)
- Investments – average credit risk score of counterparties with whom interim investments have been placed
- Investments – average days to maturity of investments

Further details will be included in monitoring statements presented to the Finance and Resources Committee and in the mid-year and annual treasury management reports.

12. Conduct of Operations

All treasury management operations will be conducted in accordance with the Council's Treasury Policy Statement, Treasury Management Practice Notices and associated systems documentation. Monitoring reports will be included in the mid-year and annual treasury management reports.

13. Money Market Brokers

In accordance with the Council's Treasury Management Practice Notices, the majority of investments are made primarily via direct dealing with counterparties.

The external money market brokers to be used from 11 February 2021 are:

Tradition (UK) Ltd
Beaufort House
15 St Botolph Street
London
EC3A 7QX

Sterling International Brokers
1 Churchill Place
Canary Wharf
London
E14 5RD

Martins Brokers (UK) Ltd
20th Floor
1 Churchill Place
Canary Wharf
London
E14 5RD

King and Shaxson Ltd
6th Floor
120 Cannon Street
London
EC4N 6AS

Imperial Treasury Services
25 St Andrew Street
Hertford
SG14 1HZ

Whilst the treasury management advisors provide support to the internal treasury function, the current market rules and the CIPFA Treasury Management Code confirms that the final decision on treasury management matters rests with the Council. The service provided by the Council's treasury management advisors is subject to regular review.

14. Member and Officer Training

The increased member consideration of treasury management matters and the need to ensure that officers dealing with treasury management are trained and kept up to date requires a suitable training process for members and officers. The Council will address this important issue by:

- facilitating workshops for members on finance issues as part of the Member Development Programme
- identifying officer training needs on treasury management related issues through the Performance Development and Review (PDR) appraisal process
- officer attendance at training events, seminars and workshops
- support from the Council's treasury management advisors

15. On-Line Banking

As technology advances, the range of facilities available for undertaking financial transactions increases. These facilities include on line banking and other internet based systems. These will continue to be examined carefully to assess whether they would be suitable for some of the Council's banking and treasury management transactions.

APPENDIX 6a

TREASURY MANAGEMENT POLICY STATEMENT

1. This Council defines its treasury management activities as:
“The management of the Council’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
2. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.
3. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
4. The Council will adopt a flexible approach to any borrowing that it may need to undertake in consultation with its treasury management advisors. All borrowing decisions will give appropriate consideration to:
 - affordability
 - maturity profile of existing debt
 - interest rate and refinancing risk
 - source of borrowing
5. All investment decisions made by the Council will seek to ensure that sums invested remain secure and that there is sufficient liquidity of investments to provide the Council with the necessary cash resources to allow the Council to carry out its functions at all times. Only after fulfilling the security and liquidity objectives will the Council seek to achieve the maximum return on these investments.

APPENDIX 6b

LIST OF CURRENTLY APPROVED COUNTERPARTIES FOR LENDING (as at 22 January 2021)

UK BANKS	Short term	Long term	Short term	Long term	Short term	Long term	Individual	Group
BANCO SANTANDER GROUP - Santander UK Plc	F1	A+	P-1	A1	A-1	A	£5m	
HSBC GROUP - HSBC Bank Plc - HSBC UK Bank PLC	F1+ F1+	AA- AA-	P-1 P-1	A1 Aa3	A-1 A-1	A+ A+	£5m	£7.5m
LLOYDS BANKING GROUP - Bank of Scotland Plc - Lloyds Bank	F1 F1	A+ A+	P-1 P-1	A1 A1	A-1 A-1	A+ A+	£5m £5m	£7.5m
Barclays Bank - Barclays Bank Plc - Barclays UK Bank PLC	F1 F1	A+ A+	P-1 P-1	A1 A1	A-1 A-1	A A	£5m	£7.5m
Standard Chartered Bank	F1	A+	P-1	A1	A-1	A	£5m	
RBS GROUP - Royal Bank of Scotland - National Westminster Bank	F1 F1	A+ A+	P-1 P-1	A1 A1	A-1 A-1	A A	£5m £5m	£7.5m
UK BUILDING SOCIETIES								
Coventry Building Society	F1	A-	P-1	A2			£5m	
Leeds Building Society	F1	A-	P-2	A3			£5m	
Nationwide Building Society	F1	A+	P-1	A1	A-1	A	£5m	
OTHERS								
Debt Management Office (UK sovereign ratings)	F1+	AA		Aa2	A-1+u	AAu		
CCLA								£7.5m
Local authorities							£5m per LA	
Money Market Funds (AAA – rated)							£5m per MMF	
Variable Net Asset Value (VNAV) pooled funds							£5m per Fund	

APPENDIX 7

INVESTMENTS STRATEGY 2021/22 to 2023/24**1. Introduction**

The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities. For example, when income is received in advance of expenditure (known as **treasury management investments**)
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

2. Treasury Management Investments

The Council typically receives its income in cash (such as from taxes, grants and fees) before it pays for its expenditure in cash (such as the monthly payroll or the payment of invoices from suppliers). It also holds reserves for future expenditure [and collects local taxes on behalf of other local authorities and central government].

The activities outlined above, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of treasury management investments is expected to fluctuate between £12.0m and £25.0m during the 2021/22 financial year.

The contribution that treasury management investments make to the Council's priorities is to support effective treasury management activities. The Council's approach to treasury management investments is set out in the Treasury Investments Strategy that forms part of the Capital Strategy 2021/22-2023/24 in appendix 5.

3. Service Investments

Service investments can be in either loans or shares. Further details of the approach adopted by the Council are as follows:

(i) Loans

The Council does not lend money to any subsidiaries, suppliers, local businesses, local charities, housing associations or local residents to support local public services or stimulate local economic growth. The Council does, however, provide “soft” loans to some employees through a car loan scheme. The balance outstanding on these at 31 March 2020 was £74,480 and the interest paid by employees totals around £1,500 per annum. Monthly deductions for both principal and interest are made from the salaries of the employees with these loans and any risk of default is considered to be minimal.

(ii) Shares.

The Council does not invest in the shares of subsidiaries, suppliers and businesses to support local public services or stimulate economic growth.

The Council does, however, have a wholly owned Local Authority Trading Company (LATC) named Liberty Leisure that was incorporated on 1 October 2016. Liberty Leisure is a company limited by guarantee and its operations are overseen by a Board of Directors consisting of two Council elected members, two Council officers, an external appointee, a staff representative and the Managing Director of the company. Liberty Leisure was established, amongst other things, to:

- Provide leisure, sports, cultural and heritage services for the benefit of the public
- Ensure sustainability of services by maximising income and seeking all possible avenue of funding for the services
- Promote, maintain and improve access to suitable services, activities and facilities
- Improve health and well-being by promoting increased participation to reduce obesity, anti-social behaviour and the health inequality gap
- Promote jobs and strengthen the local economy

The Council maintains control over the company through retained decision making powers and through the scrutiny of the Leisure and Health Committee which reviews the financial and operational performance of the company. The Council pays the company an annual management fee for the provision of the services outlined above and this will be £845,000 in 2021/22.

The Council also jointly owns Bramcote Crematorium in association with Erewash Borough Council. The operation is overseen by the Bramcote Bereavement Services Joint Committee although the management of all operations is undertaken by this Council. The Joint Committee pays a management fee for this arrangement.

Each year a distribution agreed by the Joint Committee is paid to the respective local authorities. In 2021/22 this will be £400,000 to each authority. This is fixed for the year and any failure by the Crematorium to meet their targets for 2021/22 will be reflected in the distribution for 2022/23.

4. Commercial Investments

Among the most common forms of commercial investments are property and loan commitments/financial guarantees. Further details of the approach adopted by the Council are set out below:

(i) Property

The Council does not presently invest in local, regional, United Kingdom wide or international commercial and residential property with the intention of making a profit that can be spent on the provision of local services. Any decisions to make such investments would be undertaken in accordance with the Capital Strategy 2021/22 to 2023/24 set out in appendix 5.

The purchase by the Council in May 2016 of the long-term lease in respect of an area of Beeston town centre already owned by the Council was for regeneration as opposed to investment purposes.

The development of Beeston town centre presently underway on the former multi storey car park and other land owned by the Council is also considered to be for the regeneration of the area to make it attractive for residents, visitors and businesses and not for single objective generating returns that can help underwrite the cost providing Council services.

The Council had no investment properties on its balance sheet at 31 March 2020 and a similar position is anticipated as at 31 March 2021 and 31 March 2022.

(ii) Loan Commitments and Financial Guarantees

Although they are not strictly regarded by many as investments due to no money changing hands until various conditions are met, loan commitments and financial guarantees carry similar risks to investments in property.

The Council has not made any such commitment and presently has no intentions of doing so. Any proposed changes will be reported to members for their consideration.

5. Investment Indicators

A new requirement of the Investment Guidance issued by MHCLG in January 2018 is the need for local authorities to develop quantitative indicators to allow elected members and the public to assess the total risk exposure resulting from the Council's investment decisions. The indicators for treasury management investments are set out in appendix 7.

If the Council decides to make commercial investments in property designed to generate revenue income and fund this through borrowing then the following indicators will be calculated and reported to members on an annual basis:

Indicator	Definition
Debt to Net Service Expenditure (NSE) Ratio	Gross debt as a percentage of net service expenditure (where net service expenditure is a proxy for the size and financial strength of a local authority)
Commercial Income to NSE Ratio	Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate net service expenditure
Investment Cover Ratio	The total net income from property investments compared to the interest expense
Loan to Value Ratio	The amount of debt compared to the total asset value
Target Income Returns	Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.
Benchmarking of Returns	As a measure against other investments and against other council's property portfolios
Gross and Net Income	The income received from the investment portfolio at a gross level and net level (less costs) over time
Operating Costs	The trend in operating costs of the non-financial investment portfolio over time as the portfolio of non-financial investments expands
Vacancy Levels and Tenancy Exposures for Non-Financial Investments	Monitoring vacancy levels (voids) to ensure the property portfolio is being managed (including marketing and tenant relations) to ensure the portfolio is as productive as possible

These indicators are based on those set out in MHCLG's Investment Guidance. Should the Council make such non-financial investments then suitable target values will be attached to these indicators and progress will be monitored accordingly. Further indicators will be developed, target set and progress reported as necessary.

APPENDIX 8

GENERAL FUND – MEDIUM TERM FINANCIAL STRATEGY TO 2024/25**1. Summary**

This report is aligned with financial reports elsewhere on this agenda covering the Council's revenue and capital budgets, prudential framework indicators, the treasury management strategy and the investment strategy. Figures and assumptions within these other financial reports have been applied to produce this medium term financial strategy. The key changes around proposed savings and additional income, identified within the Business Strategy, and Covid related government financial support have all been taken into account.

A key element of the Code of Corporate Governance is the existence of a periodically-reviewed medium term financial strategy. The proposed strategy for the next four years including the basis of any broad assumptions used to produce the medium term forecasts is set out below.

It is the opinion of the Deputy Chief Executive that the estimates for 2021/22 and future years that have been used to produce the budget and Medium Term Financial Strategy (MTFS) are robust and that, if further initiatives to reduce expenditure or increase income are implemented, there are sufficient retained reserves to meet the Council's needs over the lifetime of the Strategy. Members will be aware that some savings or income proposals are still being developed and finalised and may carry some implementation risk which could have an impact on the savings or income profile. It is therefore essential to maintain a rigorous approach to financial management which will enable the Council to continue to set a balanced budget over time without further depletion of reserves.

2. Revised 2020/21 position and 2021/22 assumptions

The purpose of the MTFS is to:

- provide indicative financial projections through to 2024/25 which can be used to inform the Council's decision making and budget setting process
- provide a document for use by the Council which can assist in the development of policies and planning future initiatives and which integrates with the Council's performance management system and corporate plan priorities
- enable the Council to have a wider appreciation of the overall financial standing of the authority
- post Covid, provide a solid basis for the stabilisation of the Council's financial position such that it is not dependent upon using reserves to

achieve a balanced budget or to restrict council tax increases to at or below government guidelines.

The strategy is based on the revised budget assumptions for 2020/21. In 2021/22 there were three areas of major potential risk to estimates which need to be taken account of in future financial years:

- The financial impact on Covid, especially the loss of commercial income (not compensated) and the significant loss of income at leisure centres.
- Localisation of Business rates
- Efficiencies, employee savings and income proposals.

Financial impact of Covid

Like all local authorities, Broxtowe Borough Council, has suffered from the significant financial impact of Covid, and the various Government Covid support schemes to date has been highlighted in Appendix 3 (section 2). The main financial risks in 2021/22 and ahead, are related to the lack of compensation, for the loss of commercial income and inadequate financial support for the loss of income at leisure centres. There is also a risk, that an economic downturn will result in lower income from Council Tax, Business Rates, Parking, Planning and other fees and charges.

Localisation of business rates

The largest area of uncertainty over the previous years has been the transition to locally retained business rates. Reductions in rates caused by economic downturn or growth in successful valuation appeals (some of which go back to 2010) can increase significantly uncertainty of income. Various government initiatives to help businesses with their non-domestic rates increase this uncertainty. Further-more the operation of the Nottinghamshire Business Rates Pool adds a layer of complexity to the calculation of likely cash flows in each accounting period.

There is an inherent risk in estimating business rates income because of (a) the time lag of 18 months between budgeted and actual income received and (b) the operation of the funding system and the business rates pool. The final outturn will be known after 31 March 2021.

The need to develop the business rates base across the borough will become more important for the Council. The Nottinghamshire authorities are part of a business rates pool. This allows business rates income that would otherwise have been returned to Central Government to be retained within the county and provides a safety net for authorities whose income falls below a defined level.

The current business rates retention scheme sees 50% of the business rates collected retained by the precepting bodies and 50% returned to Central

Government. The Government had announced plans to move towards 75% local retention of business rates from 2020/21, but this will not take place, as the Fair Funding Review has not yet been completed. It has been confirmed that the current business rates pool will continue in 2021/22.

The Government will be undertaking a “fair funding” review to accompany the move towards 75% business rates retention. It is not possible at this stage to profile what, if any, impact this may have upon the Council. However, it would appear that priority in any redistribution exercise is likely to go to those authorities with social care responsibilities. The Fair Funding Review has not been completed, and the current business rates retention will continue in 2021/22. It is not yet clear when any new proposals arising from the fair funding review are expected to be issued and consulted upon.

Efficiencies and employee savings and income proposals

In order to mitigate the effect of the shortfall of resources, the Business Strategy was refreshed and presented to the Finance and Resources Committee on 8 October 2020. The Business Strategy identified a range of efficiencies and additional sources of income.

The refresh of the Business Strategy was undertaken during the budget process, with the aim of identifying sufficient efficiencies and additional income to produce a balanced budget over the lifetime of the strategy.

It is essential for the financial health of the authority over the medium term that these efficiencies and additional income are achieved.

It is important to note that if any future proposed employee savings are developed, this will attract potential redundancy and pension strain costs, and that there will be a lead-in time period for the implementation of service reviews and associated employee savings.

3. Financial projections to 2024/25

The projections for the financial years 2020/21 through to 2024/25 are summarised at Schedule 1. In formulating the projections, a number of assumptions have been made. Those assumptions which have a material impact on the MTFS are described in more detail below.

Assumptions

As with the Council's normal budget-setting process the basic underlying assumption within the MTFS is that current levels of service will be maintained wherever possible. However, a number of budget reductions have taken place during the last year and further changes are proposed which will continue to affect services for the foreseeable future. Any proposed budget changes will

be set out in the detailed budget papers to the policy committees or this Finance and Resources Committee, and have taken due regard of the Council's priorities, the overarching need for cost effectiveness and the expected further reductions in government funding in years to come.

In summary, the assumptions contained in the MTFS are that:

- Council tax levels will increase by £5 (Band D) in 2021/22 and thereafter will increase at a rate of 2.0% per annum
- Estimated income from business rates will increase in line with current data about the operation of the Business Rates Pool and allowing for marginal growth in future years
- New Homes Bonus will continue to be paid for only legacy payments relating to previous years.
- A pay award freeze in 2021/22 for all staff earning more than the median pay c£24,000, and 2% award for staff earning below this level. Pay award is assumed at 2% from 2021/22 onwards. The
- The efficiency schemes and income set out in the Business Strategy will be realised during 2021/22.
- Further ongoing efficiencies will need to be realised in each subsequent year to 2024/25
- Revenue rental income from the Beeston Phase 2 development from 2021/22 is not included within the MTFS projections at this stage.

New Homes Bonus

The amount to be received in 2021/22 in respect of New Homes Bonus (NHB) has been confirmed as £19,395 which represents a reduction of £90,327 on the sum of £109,722 received in 2020/21. The sum received is heavily influenced by the imposition of a threshold of 0.4% on the Council Tax base, under which amount no NHB will be paid for properties brought onto the list, except for the Affordable Homes Premium.

The current projection is based upon the level of NHB received in recent years. This may be considered a prudent assumption based upon the targets set out in the Core Strategy and the Part 2 Local Plan.

Reserves

The Council has been undertaking a planned use of reserves when setting the budget. However, when expenditure levels are finalised the actual use of reserves has often been less than anticipated.

The latest projected level of general reserves (excluding the Collection Fund Equalisation Reserve) at the end of 2020/21 is £4.506m. The Chartered Institute of Public Finance and Accountancy (CIPFA) has published guidance

on factors to be taken into account when assessing the adequacy of reserves. Such factors include:

- pressures arising from inflation and movements in interest rates
- estimates of the level and timing of capital receipts
- potential demand led pressures
- any planned efficiency savings/productivity gains
- financial risks arising from any major partnership arrangements
- availability of other funds to deal with major contingencies and the adequacy of provisions.

After taking into account this advice and reviewing the various factors as they relate to this authority, the advice from the Deputy Chief Executive is that general reserves of at least £1.5 million should be maintained at the present time. This is to reflect the continued risk and uncertainty that the Council now faces with the transition from direct Government funding to locally raised sources of finance. If all the assumptions as set out in this strategy arise then overall reserve levels will have reduced to around £1.413m by the end of 2024/25.

GENERAL FUND FINANCIAL PROJECTIONS TO 2024/25

	REVISED ESTIMATE 2020/21 £'000	ESTIMATE 2021/22 £'000	ESTIMATE 2022/23 £'000	ESTIMATE 2023/24 £'000	ESTIMATE 2024/25 £'000
BASE EXPENDITURE (Base already includes vacancy factor of £300k)	10,625	10,951	10,951	11,147	11,361
Changes to the base One off changes within prior year not required going forward			(74)	0	(200)
Revenue effects of capital programme			20	0	0
Estimated reduction in New Homes Bonus	Reflected in Base Budget	Reflected in Base Budget	2	17	0
Increased fees and charges			(310)	(130)	(125)
Inflation allowance: Pay including pensions back- funding			226	230	233
Inflation allowance: Prices			27	28	28
Minimum Revenue Provision			173	69	207
Interest on Borrowing			32	0	0
Contribution to development company			100	0	0
BUDGET REQUIREMENT BEFORE SPECIAL EXPENSES	10,625	10,951	11,147	11,361	11,504
Beeston Special Expenses net requirement	25	25	25	25	25
GROSS BUDGET REQUIREMENT	10,650	10,976	11,172	11,386	11,529
FINANCED BY:-					
Beeston Special Expenses precept (council tax)	25	25	25	25	25
Non Domestic Rates (NDR - Business Rates)	3,259	3,755	3,830	3,907	3,985
NDR - Share of Previous Years Collection Fund Deficit	(215)	(25)	(92)	(92)	0
NDR - Section 31 Grants	1,217	1,118	1,140	1,163	1,186

Returned Levy from Nottinghamshire Business Rates Pool 2018/19	20	180	100	100	100
NDR Covid 19 Compensation	208	0	0	0	0
Growth Levy/(Safety Net) to/(from) Notts NNDR Pool	(648)	(813)	(829)	(846)	(863)
Council Tax	5,679	5,880	6,033	6,216	6,404
Council Tax Share of Previous Years Collection Fund Surplus	65	(43)	(6)	(6)	0
Council Tax Covid 19 Compensation	56	0	0	0	0
Low Tier Grant	0	124	0	0	0
TOTAL RESOURCES	9,666	10,201	10,201	10,467	10,837
SURPLUS (DEFICIT) TO BE MET BEFORE MOVEMENT IN RESERVES	(984)	(775)	(971)	(919)	(692)
IMPACT OF COVID 19 ON NDR AND COUNCIL TAX	6,782	(6,782)	0	0	0
MOVEMENT IN RESERVES					
Planned Movement into Earmarked Reserves	(7,077)	(30)	(30)	0	(30)
Planned Movement (from) Earmarked Reserves	0	6,822	114	189	0
PLANNED SURPLUS/DEFICIT AFTER MOVEMENT IN RESERVES TO BE FUNDED FROM GENERAL FUND BALANCE	(1,279)	(765)	(887)	(730)	(722)
FORECAST BALANCES AS AT 31ST MARCH					
-General Fund Opening Balance	5,452	4,173	3,408	2,521	1,791
-In-year net movement in reserves	(1,279)	(765)	(887)	(730)	(722)
- General Fund Closing Balance	4,173	3,408	2,521	1,791	1,069
BALANCE OF RESERVES					
Minimum Balance	1,500	1,500	1,500	1,500	1,500
Available Reserves (Figures in bold - below minimum balance)	2,673	1,908	1,021	291	(431)

-Earmarked Reserves Opening Balance	302	7,379	587	503	314
-In-year net movement in reserves	7,077	(6,792)	(84)	(189)	30
- Earmarked Reserves Closing Balance	7,379	587	503	314	344

Council tax base	34,039.20	34,217.46	34,559.63	34,905.23	35,254.28
Basic council tax	167.58	171.85	175.29	178.79	182.37
% change on previous year	3.08	2.55	2.00	2.00	2.00

SCHEDULE 1**RISK ASSESSMENT - REVENUE BUDGET 2021/22****1. Employee Expenses**

Around a quarter of the Council's gross expenditure relates to employees, including pay, national insurance and pensions. The Council operates within an approved establishment and the respective budget headings are based on this establishment. Provision has been included within the budget figures based on an expected pay freeze in 2021/22 for staff earning over the median pay of c £24,000, and an increase of 2% for staff below this level. Going forward from 2022/23 a 2% pay award has been assumed.

A previous government announcement has indicated an intention to move to a National Living Wage by 2020. The Council has made some changes to pay scales from 2013/14, particularly to assist those employees who were on the lower grades and is now in a good position to move towards the living wage. Further work is required to ensure that the Council can meet the costs of implementing the National Living Wage in due course.

The actuarial valuation of the pension fund as at March 2019 set out fixed increases in employer's pension contribution rates for 2020/21 to 2022/23. The fund is well funded at 93%, and the employer's contributions has increased from 14.4% to 18% of salary per annum, with lump sum contributions of £263,512; £273,119 and £283,076 over the next three years. A provision has been made in the budget plans on this basis.

Provision has been made within the base budgets for the costs associated with the approved establishment after taking account of submissions by services.

Progress towards employee savings is dependent on suitable applications for voluntary redundancy, flexible retirement and changes to working hours coming forward from employees or from posts being deleted as a result of changes to services. First year costs from redundancy payments or pension strain may limit the benefit in year one from these sources. Moreover the extent to which establishment reductions can be accommodated without significant impact on services reduces as this strategy is continued. The General Management Team will need to regularly monitor the situation and members will also be kept regularly informed of progress through the Policy and Performance and Finance and Resources Committees.

Risk assessment reduced: MEDIUM RISK

2. Capital financing

Borrowing costs on the Council's current debt are largely known in advance since the Council's long-term borrowing is generally at fixed rates. For 2021/22 new borrowing of £1,061,000 is proposed to help finance the General Fund capital programme. The Council will seek low cost borrowing from other

sources including the Public Works Loan Board, Municipal Bonds Agency or other local authorities.

The Council's reserves position in the MTFS allows for some further borrowing in respect of the Beeston Town Centre Re-Development. However, financing of other capital schemes will be dependent upon the availability of capital receipts.

Works on the tram and the phase one refurbishment of units in The Square in Beeston are complete. Compensation from the NET consortium/City Council arising from the tram works has still to be resolved. No allowance has been made for any such compensation within the detailed figures, since the timing and size of any such receipts cannot be predicted. However, in monetary terms it will be significant.

Should capital receipts or tram compensation not arise the Council will need to fund its infrastructure, including the maintenance and development of ICT systems and key assets, from other sources. This may have a significant impact on the viability of the MTFS.

Risk assessment: HIGH RISK

3. Reserves

Based on the budget proposals, the overall level of available reserves at 31 March 2021 (excluding the Collection Fund Equalisation Reserve) is estimated at around £4.506m. There is no historical evidence of overspending against service budgets.

Advice produced by CIPFA indicates that reserves should be held for three main purposes:

- as a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing - this forms part of general reserves
- as a contingency to cushion the impact of unexpected events or emergencies - this also forms part of general reserves
- as a means of building up funds to meet known or predicted liabilities - referred to as earmarked reserves

Previous guidance from the former Audit Commission indicated that, as part of the comprehensive performance assessment, it would expect to see general reserves at least equal to 5% of a Council's net operating expenditure in a 'good' council. In Broxtowe this would equate to £500,000. The Deputy Chief Executive advises that for district councils, which have relatively high levels of income compared to other classes of authority, the reference to net operating expenditure is not appropriate since any "target" should reflect the risk to income and expenditure levels separately. In the light of this risk assessment and the medium term financial strategy as proposed, the Deputy Chief Executive advises that, in his opinion, general reserves should remain at or above £1.5 million.

This does not pose an immediate problem but this medium term financial strategy highlights the pressure that will be on reserve levels in future years as the public sector spending squeeze continues. Careful monitoring of the situation, advance planning and responding quickly to any changes will be of particular importance moving forward.

Members should also be aware that the level of reserves held also reflects on the investment interest received. Each £100,000 change in reserves has the effect of increasing or decreasing net expenditure by around £1,000 per annum.

Risk assessment: MEDIUM RISK

4. Government support

Going forward there is uncertainty around Government support to mitigate the financial impact of Covid, on the Council, residents and businesses.

The award of New Homes Bonus for 2021/22 has been confirmed for only one year. Whilst indicative support from non-domestic rates is shown as part of the Settlement Funding Assessment, in reality this is mainly to produce indicative positions which can then be used to monitor “spending power” as defined by the government. The rates retention scheme has highlighted the considerable risk and vulnerability that local authorities face for reasons which are outside of their control. Increased understanding of the operation of the pool and the use of local data to monitor expected income during the year has reduced the risks relating to business rates income but this remains significant.

The lack of control and lengthy delays experienced in dealing with rates appeals by the Valuation Office remains a source of uncertainty. Whilst the authority has a list of outstanding appeals, including appeals from businesses impacted by Covid, it is not possible to come up with a meaningful estimate as to the level of rate reductions that may arise from such appeals and therefore predictions as to rates yield are also subject to significant change.

Risk assessment increased: HIGH RISK

5. Fees and Charges

Over 10% of the Council's income arises from fees and charges, of which the largest service areas are planning fees, car parking, garden waste, trade waste, licensing and land charges. Take up for garden waste collection has exceeded original expectations and continues to grow.

The establishment of Liberty Leisure in October 2016 was designed to implement a new delivery model for leisure services. The aim is to create stronger ownership of the function with an increased focus on business management. The Commercial Manager within the Deputy Chief Executive's Department will provide a client-side focus for managing the Council's relationship with the company, and explore commercial opportunities. Further challenges exist, however, as the leisure facilities through which leisure service

operates are reaching the end-of-life stage and are placing increasing pressures on capital budgets. The Council has embarked upon a Leisure Facilities Strategy review, in order develop a way forward for leisure services provision across Broxtowe. The significant loss of leisure income due to Covid restrictions and closures, and the inadequate financial support from the National Leisure Relief Fund, means that the Council will need to monitor very closely the trading position of the Company, and consider appropriate financial support to avoid the Company becoming insolvency.

Most of the other service areas are customer led and close monitoring of these budgets has taken place for several years

Given the economic impact of Covid, a significant number of fees and charges across various functions have been frozen for 2021/22 and these largely assume similar demand levels to 2020/21.

Risk assessment: MEDIUM RISK

6. Insurance

The Council's insurance cover is generally provided through external insurers with varying excess levels, depending upon the nature of any claim. The current insurance policies were retendered and new contracts entered into from April 2017 for a period of up to seven years.

The cost of premiums is only one element of the overall insurance cost with a significant part also relating to policy excesses which the Council meets itself. Budget performance in terms of the nature and value of any successful claims against the Council is also of direct relevance. The Strategic Risk Management Group meets regularly to appraise and monitor strategic issues, some of which can have direct influence on insurance cover and the levels of claims received. No adverse trends have become apparent in the past financial year.

Risk assessment: LOW RISK

7. Other running costs

Almost a quarter of the Council's gross expenditure is in this area, which includes energy, repairs and maintenance, vehicle operating costs, purchase of supplies and services, printing, postages and telephones. The cost areas are tightly controlled and where possible central contracts are put in place. Very limited inflation provision has been made in recent years.

As regards other running costs, no excessive cost pressures are known of and, given the general rules about virement, it is anticipated that running costs can be contained within overall available budgets. The continuing progress of central and joint procurement contracts, coupled with efforts to increase on-line transactions and correspondence and reduce the volume of printing and postage that takes place (as promoted through the Digital Strategy) will also help to alleviate any cost increase pressures in this area.

Risk assessment: LOW RISK

8. Housing Benefit Expenditure

Housing benefit expenditure accounts for around 40% of the Council's gross expenditure. The expenditure is demand led and the housing benefit aspects are mainly governed by national benefit schemes. The number of claimants has been reducing in recent years as the economic situation improves, although the amounts claimed have remained stable.

The 2021/22 housing benefit budgets have been prepared assuming no change to claimant numbers compared to those for 2020/21. Given that effectively the value of housing benefit payments is almost 100% reimbursed through government grant, the overall effect of any changes in caseload is felt not to be significant at this stage.

The proposed rollout of Universal Credit took place from June 2018 for Broxtowe residents who use the Heanor Job Centre and November 2018 for those who use the Beeston Job Centre. A reduction in benefits administration subsidy has been assumed in the MTFS to reflect this.

Risk assessment: LOW RISK

9. Investment income

Investment levels have remained at steady levels in 2020/21 as a result of continuing good cash flow performance, due to the impact of significant Government Covid business grants, and broadly collection rates being maintained. Wherever reasonable to do so investment levels have been reduced rather than taking out any new borrowing to meet capital financing requirements.

The position with regard to the low interest rates and the economy generally, no movement in interest rates has been assumed in 2021/22 or future years.

Risk assessment: LOW RISK

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Joint Report of the Chief Executive, the Deputy Chief Executive and the Strategic Director

BUSINESS PLANS AND FINANCIAL ESTIMATES 2021/22 - 2023/24

1. Purpose of report

To consider the proposals for business plans, detailed revenue budget estimates for 2021/22, capital programme for 2021/22 to 2023/24 and proposed fees and charges for 2021/22 in respect of the Council's priority areas.

2. Detail

As part of the Council's performance management framework, the delivery and financial plans for the five corporate priority areas identified within the Corporate Plan are brought together in one report so that the linkages between service priorities, spending proposals and targets are clear.

Financial and business planning is ordinarily reported to the Committee which has primary responsibility for oversight of the relevant priority area and related services. Although there is no single corporate priority for this Committee, business plans and financial estimates in respect of the support service areas are within the remit of this Committee.

Extracts of the proposed business plans are provided in appendix 1b, 1c and 1d respectively. The extracts include relevant critical success indicators (CSI), key performance indicators (KPI) and key tasks and priorities for improvement (actions) for approval by Members.

The revenue and capital budget proposals for the corporate priority and relevant service areas, together with the proposed fees and charges, are provided in in appendices 2a to 2c.

Following consideration by each respective Committee, a summary of the estimates, including any changes recommended, is presented to this Committee for consideration and recommendation to Full Council on 3 March 2021. This summary report is elsewhere on this agenda.

Recommendations

- 1. The Committee is asked to RESOLVE that the Business Plans relating to the support service areas be approved.**
- 2. The Committee is asked to RECOMMEND to Council that the following be approved:**
 - a) Detailed revenue budget estimates for 2021/22 (base) including any revenue development submissions.**
 - b) Capital programme for 2021/22 to 2023/24**
 - c) Fees and charges for 2021/22.**

Background papers – Nil

APPENDIX 1**Introduction**

The Council's business and financial planning framework is one of identifying key service and spending pressures and prioritising resources accordingly, taking into account national and local priorities.

The targeted outcomes from these key issues and the anticipated impact on service performance are set out in business plans. These plans are combined with financial information, including proposals for reducing business costs and increasing income, to form the business plans for each priority area.

This report considers the detail in respect of the business plans covering Resources; Revenues, Benefits and Customer Services; and ICT and Business Transformation. The financial consequences of the business plans, together with the expenditure and income from maintaining existing services, are set out in the revenue budget proposals, the capital programme and the proposed fees and charges which follow the plans.

Within the business plans attached to this report, there are some key tasks which can be met from existing resources or which relate to policy preparation and are not therefore included in the key spending proposals detailed in the appendices. Any planned activities which will have a financial implication either by increasing costs or reducing income are identified, along with the financial impact in section 5 of the business plans.

There are also several key tasks where it is not appropriate to make financial provision at this stage. These include areas that are subject to external funding bids, partnership arrangements or where insufficient information exists at the present time. In addition, there are a number of capital schemes within the programme which are deemed to be 'awaiting funding' pending receipt of the necessary resources to complete them

All of these items will be the subject of further reports throughout 2021/22 as further information and resources become available, thus ensuring that the service and financial planning framework is a fluid process.

Business plans

As part of the Council's performance management framework, it is the responsibility of each relevant Committee to consider business plans prior to recommendations being made to Council. The purpose of the plans is two-fold. Firstly, they establish the linkage between the Council's high-level objectives and the strategies and aims of the respective services, and secondly, they outline the services' proposals for meeting those aims and objectives.

This report deals with the Resources; Revenues, Benefits and Customer Services; and ICT and Business Transformation Business Plans and the associated budgets covering this priority area.

The Council's corporate objectives and aims, as included in the Corporate Plan, are shown at appendix 1a to provide the framework for consideration of the business plans. The group of functions included within this report support all of the Council's corporate priorities.

Financial background

The revenue and capital budget proposals for the corporate priority, together with proposed fees and charges, are shown in appendices 2a to 2c.

The revenue budgets show the 2020/21 revised estimate as of December 2020 and the 2021/22 base estimate for the areas encompassed by the relevant business plans. The base estimate figures generally reflect the same level of service as in the current year with a few exceptions.

The following are included in the 2021/22 base figures in this report:

- a) Allowance for certain inflationary pressures including the pay award and cost of utilities. These allowances are guided by the best indications available at the time.
- b) Anticipated additional income within the General Fund and the Housing Revenue Account (HRA) arising from the review of fees and charges.
- c) The revenue effects of the 2021-2024 capital programme including the cost of any new borrowing to support the capital programme.
- d) Any revenue developments.

The classification of expenditure shown in the revenue estimates is based on the CIPFA Standard Accounting Classification. The following shows the type of expenditure charged to each heading:

- Employee Expenses – salaries and wages; employer's national insurance and pensions contributions
- Premises Related Expenses – repairs, alterations and maintenance of buildings, fixed plant and grounds; energy costs; rents; national non-domestic rates; water charges; fixtures and fittings; cleaning and domestic supplies.
- Transport Related Expenses – direct transport costs; recharge of pooled transport costs; travelling allowances
- Supplies and Services – equipment, furniture and materials; clothing, uniforms and laundry; printing, stationery and general; office expenses; postages; telephones; insurances; grants and subscriptions; miscellaneous expenses
- Third Party Payments – other local authorities; private contractors; charges from trading services
- Transfer Payments – Housing and Council Tax Benefits

- Central, Departmental and Technical Support Services - administrative buildings expenses; central departmental support; departmental administration
- Capital Financing Costs – operating lease charges; asset register charges

APPENDIX 1a

FRAMEWORK FOR BUSINESS PLANNING

The Council's Corporate Plan is subject to annual review to ensure that it continues to reflect the aims and objectives of the Council.

Vision

The Council's Vision for Broxtowe is “**greener, safer, healthier Broxtowe, where everyone prospers**”.

Priorities

The Council's updated priorities have been updated have been developed within the context of national, regional and countywide plans and priorities with the aim being to align these with our own aspirations wherever possible.

The Council's priorities are **Housing, Business Growth, Environment, Health and, Community Safety**.

Underpinning the above and all of the Council's work is a series of values which the Council has adopted, namely:

Going the extra mile: *a strong, caring focus on the needs of communities*

Ready for change: *innovation and readiness for change*

Employees: *valuing our employees and enabling the active involvement of everyone*

Always improving: *continuous improvement and delivering value for money*

Transparent: *integrity and professional competence*.

Objectives

Each priority area is underpinned by its strategic objectives. Each strategic objective has targeted outcomes against which progress can be monitored.

The Council's priorities and objectives are:

- **Housing** – A good quality home for everyone
- **Business Growth** – Invest in our towns and our people
- **Environment** – Protect the environment for the future
- **Health** – Support people to live well
- **Community Safety** – A safe place for everyone.

Appendix 1b

RESOURCES BUSINESS PLAN 2021–2024Introduction

An extract of the proposed Resources Business Plan is provided below includes the relevant critical success indicators (CSI), key performance indicators (KPI) and the key tasks and priorities for improvement (actions) that are required to be approved by this Committee.

In an attempt to streamline the reporting process, the extract does not include the regular information and data relating to:

- published strategy and policy documents supporting the delivery of priorities and objectives;
- service level objectives;
- contextual baseline service data;
- management performance indicators (MPI); and
- summary of key risks.

This information will be added to the extract below and included in the full Business Plan that will be published on the Council's website in advance of the financial year.

Background

This Business Plan details the projects and activity undertaken in support of the Council's Corporate Plan priorities.

The Corporate Plan prioritises local community needs and resources are directed toward the things they think are most important. These needs are aligned with other local, regional and national plans to ensure the ambitions set out in our Corporate Plan are realistic and achievable.

The Business Plan covers a three-year period but is revised and updated annually. Detailed monitoring of progress against key tasks and outcome measures is undertaken quarterly by the Finance and Resources Committee. The Policy and Performance Committee also receives a high level report of progress against Corporate Plan priorities on a quarterly basis.

Business Plan – Performance Indicators and Key Tasks for Improvement

The critical success indicators (CSI), key performance indicators (KPI) and the key tasks and priorities for improvement (actions) are considered in detail below for approval.

MEASURES OF PERFORMANCE AND SERVICE DATA

CRITICAL SUCCESS INDICATORS (CSI)

Priority leaders should work corporately to **define** the **outcome objective** for each priority area and **identify an outcome indicator** or indicators which will be **Critical Success Indicators**. There will be a maximum of two CSI for each corporate priority.

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Invoices paid within 30 Days % (BVPI 8)	99.5%	99.3%	97.2%	99%	99%	99%	Head of Finance Services
Working days lost due to sickness absence (BVPI12a)	13.64	8.69	10.88	7.5	7.5	7.5	Payroll and Job Evaluation Manager In 2018/19 the average working days lost due to sickness was 9.8 days. The lowest recorded from one local authority was 7.1 with the highest reported as 13.9.
Working days lost due to short term sickness absence (HRLocal_17)	4.23	3.22	3.34	2.5	2.5	2.5	
Working days lost due to longer term sickness absence (HRLocal_18)	9.41	5.47	7.54	5.0	5.0	5.0	

KEY PERFORMANCE INDICATORS (KPI)

Priority leaders should identify two sets of performance indicators namely **Key Performance Indicators (KPI)** for reporting to GMT and Members and **Management Performance Indicators (MPI)** for use in business planning and performance monitoring at a service level.

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Invoices paid within 20 days (FPLocal_09)	98.5%	97.0%	92.6%	98%	98%	98%	Head of Finance Services

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Sundry debtors raised in any one financial year paid in that year (FPLocal_02)	83.2%	83.5%	83.4%	90%	90%	90%	Head of Revenues, Benefits and Customer Services
Internal Audit: Planned audits completed in year (FPLocal_03)	89%	97%	86%	90%	90%	90%	Chief Audit and Control Officer
Procurement compliant contracts as identified in the Contracts Register (FPLocal_11)	90%	95%	75%	95%	95%	95%	Chief Audit and Control Officer; Procurement and Contracts Officer Due to the Covid-19 pandemic, strategic decisions were taken to roll-on a number of existing (low value) contracts, instead of retendering. Focus has been on carrying out robust procurement exercises on the high value strategically critical contracts.
Prosecutions where a sentence is imposed in the Magistrates Court (LALocal_13)	100%	90%	100%	90%	90%	90%	Head of Legal Services and Deputy Monitoring Officer
Individually registered electors in the borough (LALocal_08)	84,167	84,788	87,126	85,744	87,500	87,500	Head of Administrative Services Registered electors on 1 December 2020
Complaints acknowledged within the specified time (LALocal_04)	91%	94%	97%	100%	*100%	*100%	Head of Governance and Deputy Monitoring Officer <i>*Acknowledgements to be made in five working days from May 2021 in accordance with legislation.</i>

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Freedom of Information requests replied to within 20 working days % (LALocal_12)	95%	97%	96%	100%	100%	100%	Head of Governance and Deputy Monitoring Officer
Subject Access Requests responded to within one month (New)	n/a	n/a	n/a	100%	100%	100%	Head of Governance and Deputy Monitoring Officer
Councillors with an Annual Training Plan (New)	n/a	n/a	n/a	n/a	25%	100%	Head of Governance and Deputy Monitoring Officer
Level of Equality Framework for Local Government to which the Council conforms (BVPI 21)	-	Ach.	Ach.	Ach	Ach	Exc	Human Resources Manager Ach = Achieving; Exc = Excellent
Employees declaring that they meet the Equality Act 2010 disability definition (BVPI 16a)	7.09%	6.90%	6.25%	7%	8%	8%	Human Resources Manager Slight decrease. Not all employees declare a disability
Ethnic minority representation in the workplace (BVPI 17a)	6.87%	6.44%	7.24%	8%	8%	8%	Human Resources Manager 2011 census data shows 7.8% of individuals within the borough are from a BAME background.
Annual employee turnover (HRLocal_06)	13.1%	14.0%	10.3%	12%	12%	12%	Human Resources Manager 13% for local authorities in England 2018/19

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Employees qualified to NVQ Level 2 and above (HRLocal_07)	85%	85%	86%	87%	88%	88%	Human Resources Manager Positive increase on previous year. Overall skills levels remain stable, as nearly all new starters have level 2 qualifications or above. If the number of leavers with higher qualifications is higher than the number of new starters this results in a slight overall skill level drop.
Industrial Units vacant for more than 3 months (CPLocal_01)	1.6%	1.6%	1.6%	5%	5%	5%	Estates Manager The industrial units have had some tenant changes but remain fully let.
Industrial Unit tenants with rent arrears (CPLocal_02)	6.6%	1.6%	1.6%	5%	5%	5%	Estates Manager There has been some rent deferrals due to the pandemic. With government guidance, preventing active debt recovery until at least March 2021, the ability of tenants to repay arrears (currently around 10% of the units) will only become clear once recovery action recommences.
Beeston Square Shops vacant for more than 3 months % (CPLocal_05)	15%	8%	0%	5%	20%	5%	Estates Manager This reflects the impact of the Covid-19 pandemic lockdowns on the retail sector.
Net rental income yield from The Square, Beeston shops (CPLocal_06)	£252k	£269k	£321k	£250k	£150k	£250k	Head of Asset Management Head of Finance Services This reflects the impact of the Covid-19 pandemic lockdowns on the retail sector.

KEY TASKS AND PRIORITIES FOR IMPROVEMENT 2021/22 – 2023/24 INCLUDING COMMERCIAL ACTIVITIES

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
FP2023_01	Review and update the Financial Regulations for approval by Members	The Council's updated Financial Regulations to be adopted by the Council.		Deputy Chief Executive June 2021	Approval required at Full Council
FP2023_07	Produce final accounts by end of May	Final Accounts to be produced for external auditors to scrutinise by end of May		Head of Finance Services May 2021	Additional interim support agreed by Finance and Resources Committee on 10 October 2019.
FP1922_03	Implementation of Intelligent Scanning ensuring automated matching of valid purchase orders to invoices	Ensure compliance with Financial Regulations in respect of raising orders. Reduction in time taken to process invoices received. Effective internal control and reduction of paper invoices	Civica	Chief Accountant September 2021	Efficiency expected with improved speed and accuracy of processing
FP2023_02	Review the ICON Finance System	ICON ownership needs to be established. Technical Issues require resolving.	Civica	Deputy Chief Executive June 2021	Resourcing of service
FP1922_05	Determine the Council's procurement approach to ensure that it meets needs and objectives	Review current procurement arrangements to ensure that the Council has sufficient expertise to maintain compliance with regulations.	To be determined	Head of Finance Services Chief Audit and Control Officer June 2021	May require additional resources – Impact to be determined.

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
FP2023_05	Develop the new contract management framework for adoption across the Council.	Establishing a corporate contract management framework to include performance management arrangements/reporting.		Chief Audit and Control Officer Procurement and Contracts Officer June 2021	Opportunities for savings and efficiencies may be achieved through effective contract management.
FP2023_06	Further develop the existing Internal Audit collaboration with Erewash Borough Council	Establishing a more formal arrangement and structure for delivery of resilient internal audit services at the two authorities.	Erewash Borough Council	Chief Audit and Control Officer September 2021	Further resilience, efficiency and opportunity for nominal income generation achieved through collaboration. Aim to be at least budget neutral but may require additional resources – impact to be determined.
LA1821_02	Identify and then progress the completion of First Registration of Council owned Land	Achieve 100% registration of unregistered Council land	Land Registry Planning and Regeneration Team	Head of Legal Services and Deputy Monitoring Officer October 2022	Additional resource recruited in September 2020 on a 2 year fixed contract. Work has commenced to identify how much Council land remains unregistered. Once completed a timeline to achieve 100% registration will be set. Land registration can take up to 9months to process and may result in delays.
LA1922_02	Rewrite and update the Council's Constitution	Update the Council's Constitution to reflect the Council's day to day business	Senior Officers Democratic Services Members	Monitoring Officer Head of Legal Services October 2021	Target date revised to allow time for Senior officers and Members to be consulted before proposed changes are reported to Full Council for approval.

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
LA2023_02	Create instruction Proforma's/Templates/ /guidance notes in the Case Management System	To create templates for internal and external communication to improve efficiency, standardise procedures, support team development and resilience.		Head of Legal Services December 2021	Draft proforma templates currently being circulated to services for comment. Expected to be agreed and in use by March 2021. Work on templates and guidance notes underway. Due to volume of documents needed to be created the deadline has been revised to December 2021.
DEM1518_02	Transfer of land charges function to Land Registry	Fully electronic register and successful transfer to Land Registry		Head of Administrative Services September 2022	Some of the land searches function will remain with the Council but no income will be received. The level of funding from the government to compensate is unknown at this stage
DEM1518_01	Community Governance Review	Revision of all parish boundaries so that existing anomalies are removed wherever possible		Head of Administrative Services June 2022	Work will commence in June 2021 and will be concluded to enable any changes to boundaries, including potential changes to Borough Ward boundaries, to be effective for the elections in May 2023.
DEM1923_01	Implementation of the canvass reform	Successful implementation of the new canvass process in 2020.		Head of Administrative Services December 2020	Canvass completed within existing budgets

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
DEM1922_01	Roll out phase 2 of the committee management system	More efficient and effective production and distribution of agendas and improved website information		Democratic Services Manager May 2021	Phase 1 completed January 2018 resulting in improved efficiencies. Development work on accessible documents complete. Programme in development to produce reports internally through the management system
DEM2124_01 (New)	Replace complaints system	To implement new complaints system and train key users	Support from Newark and Sherwood District Council.	Democratic Services Manager May 2021	Within existing budgets but requires officer training
DEM2124_02 (New)	Hybrid meetings (combined physical/virtual meetings)	To investigate the requirements for facilitating hybrid meetings		Democratic Services Manager July 2021	Within existing resource. Current legislation due to expire May 2021.
DEM2124_03 (New)	Member Development Programme	Develop a bespoke member training programme to update skills to promote sound decision-making.		Head of Governance May 2021	Head of Governance
DEM2124_04 (New)	Undertake service review	To establish and define the functions, procedures and performance standards within Governance Services to ensure legislative and corporate requirements are met, updating policies as required		Head of Governance May 2022	Head of Governance

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
HR2024_01	Introduce six new online Broxtowe Learning opportunities	Expand the range of opportunities to develop employee skills	Learning Pool	Learning and Development Coordinator June 2021	Within existing budgets Currently 50% complete
HR1922_01	Achieve Level 3 (Leader) Status for Disability Confident Employer Scheme	Become a champion within local/business communities in terms of appointing, keeping, and developing disabled employees	Department for Work and Pensions	HR Manager June 2021	Within existing budgets Currently 78% complete
HR2124_01 (New)	Produce a Neuro-Diversity Policy supported by training	Working policy on neuro-diversity issues within the organisation	Internal	HR Manager March 2022	Within existing budgets
HR2124_02 (New)	Implement a Lease Car scheme for employees	Provision of lease cars in line with the Climate Change and Green Futures scheme	Internal/Sodexo	HR Manager June 2021	Within existing budgets
CP2023_01	Introduce a replacement asset management plan for 2021 to 2026.	Seek to restore income from commercial assets post COVID and maximise efficiency for non-commercial assets	Tenant and Leaseholders	Estates Manager June 2021	
H&S2124_01 (New)	Introduce a health and safety management system.	Ensure the Council meets its statutory requirements for managing health and safety.	ICT / Procurement Officer	Health and Safety Manager March 2022	Capital and Revenue costs to be determined (e.g. may or may not involve new software)

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
H&S2124_02 (New)	Complete the health and safety strategy/document review.	Map out what exists, identify gaps, review / introduce all necessary policies in accordance with the required timescales.	Share best practice with other districts	Health and Safety Manager September 2021	
H&S2124_03 (New)	Monitor compliance with H&S strategies and documents.	Introduce and carry out targeted audits on specific topics.	Share best practice with other districts	Health and Safety Manager December 2021	
H&S2124_04 (New)	Develop further training and mentoring for managers.	Ensure managers are competent to manage health and safety within their own sections / departments.	Cross-Council and share best practice with other districts	Health and Safety Manager March 2022	

Appendix 1c

**REVENUES, BENEFITS AND CUSTOMER SERVICES BUSINESS
PLAN 2021–2024**Introduction

An extract of the proposed Revenues, Benefits and Customer Services Business Plan is provided below includes the relevant critical success indicators (CSI), key performance indicators (KPI) and the key tasks and priorities for improvement (actions) that are required to be approved by this Committee.

In an attempt to streamline the reporting process, the extract does not include the regular information and data relating to:

- published strategy and policy documents supporting the delivery of priorities and objectives;
- service level objectives;
- contextual baseline service data;
- management performance indicators (MPI); and
- summary of key risks.

This information will be added to the extract below and included in the full Business Plan that will be published on the Council's website in advance of the financial year.

Background

This Business Plan details the projects and activity undertaken in support of the Council's Corporate Plan priorities.

The Corporate Plan prioritises local community needs and resources are directed toward the things they think are most important. These needs are aligned with other local, regional and national plans to ensure the ambitions set out in our Corporate Plan are realistic and achievable.

The Business Plan covers a three-year period but is revised and updated annually. Detailed monitoring of progress against key tasks and outcome measures is undertaken quarterly by the Finance and Resources Committee. The Policy and Performance Committee also receives a high level report of progress against Corporate Plan priorities on a quarterly basis.

Business Plan – Performance Indicators and Key Tasks for Improvement

The critical success indicators (CSI), key performance indicators (KPI) and the key tasks and priorities for improvement (actions) are considered in detail below for approval.

MEASURES OF PERFORMANCE AND SERVICE DATA

CRITICAL SUCCESS INDICATORS (CSI)

Priority leaders should work corporately to **define** the **outcome objective** for each priority area and **identify an outcome indicator** or indicators which will be **Critical Success Indicators**. There will be a maximum of two CSI for each corporate priority.

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Council Tax collected in year % (BV9)	98.5%	98.5%	98.3%	97.5%	98.0%	98.0%	Head of Revenues, Benefits and Customer Services
Non-domestic rates collected in the year % (BV10)	98.8%	99.1%	98.6%	97.5%	98.0%	98.2%	Head of Revenues, Benefits and Customer Services This performance has been significantly affected by Covid-19 and a lack of recovery options available due to court closures. It is likely that it will take several years to recover to pre-pandemic levels.
Percentage of DHP contribution compared to DWP grant (FRLocal_15)	95.4%	95.3%	99.7%	100%	100%	100%	Head of Revenues, Benefits and Customer Services Council attempts to ensure that it spends 100% of the government allocation.
Online payment transactions to the Council (CSLocal_14)	64,387	67,541	62,111	70,000	71,000	71,000	Head of Revenues, Benefits and Customer Services Online transactions will continue to be promoted as the best method of communicating with the Council.

KEY PERFORMANCE INDICATORS (KPI)

Priority leaders should identify two sets of performance indicators namely **Key Performance Indicators (KPI)** for reporting to GMT and Members and **Management Performance Indicators (MPI)** for use in business planning and performance monitoring at a service level.

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Average time (days) to process Benefit claims (BV78a)	12.6	11.4	8.6	9	9	9	Head of Revenues, Benefits and Customer Services Performance has been affected by Covid-19 and the subsequent increase in the number of people requiring support.
Average time (days) to process Benefit change of circumstances (BV78b)	5.0	3.9	4.4	4	4	4	Head of Revenues, Benefits and Customer Services Performance has been affected by Covid-19 and the subsequent increase in the number of people requiring support.
Housing Benefit Overpayments (HBO) recovered as a percentage of the total amount of HBO outstanding (BV79b(ii))	29.3%	29.0%	26.5%	15%	20%	25%	Head of Revenues, Benefits and Customer Services Area significantly affected as a result of Covid-19. On DWP guidance, most recovery action was placed on hold. It is anticipated that it will take several years to reach pre-pandemic levels.
Calls handled (<i>Answered in Contact Centre</i>) (CSData02)	84,068	79,800	73,880	82,000	75,000	73,000	Head of Revenues, Benefits and Customer Services A significant increase in the number of calls received as a result of Covid-19. This is anticipated to reduce over future years with a greater move to online transactions.

KEY TASKS AND PRIORITIES FOR IMPROVEMENT 2021/22 – 2023/24 INCLUDING COMMERCIAL ACTIVITIES

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
RBCS 1620_01	Manage the introduction of Universal Credit (UC)	Transfer of working age HB claims to UC will be administered by the DWP	Other council departments, system suppliers and DWP	Head of Revenues, Benefits and Customer Services March 2022	The roll out of UC continues and will reduce the amount paid out by the Council. This will impact on the Subsidy amounts that can be claimed.
RBCS 1620_06	Update the Council's face to face customer contact experience	Devise appropriate ways to handle visitors to the new reception in the council offices	Work with partners and other council departments.	Head of Revenues, Benefits and Customer Services July 2021	Implementation is partly dependent on progress of the New Ways of Working Project and the availability of finance to make physical changes to reception
RBCS 2023_01	Business Rates Review	To review the relevant Rateable Value (RV) of Businesses.	Working with Newark and Sherwood District Council (NSDC) and Analyse Local to review the Rateable Values	Head of Revenues, Benefits and Customer Services November 2021	Contract with NSDC will cost £20k per annum. Analyse Local will charge a 10% of any RV that they identify as an increase. Any amounts payable will be linked to an increase in the Business rates collectable. Analyse Local will also provide software that will allow greater analysis of the Business Rates data at a cost of £2k per annum
RBCS 2023_03	Reduce telephone abandonment	Reduce the number of calls that are abandoned in the Contact Centre and in the back Office.	Working with all relevant departments to ensure telephones are answered in a timely manner	Head of Revenues, Benefits and Customer Services March 2022	Identify aspects of unavoidable contact and develop strategies to reduce the number of calls received.

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
RBCS 2124_01	Evaluate and implement Civica OpenChannel	To implement the OpenChannel module provided by Civica giving end to end online functionality for Customers in Council Tax and Benefits	Civica, using the relevant procurement framework	Head of Revenues, Benefits and Customer Services August 2021	<p>Promoting online facilities allowing integration with the back office system. Initial quotation is capital cost of £69k with ongoing maintenance of £19k per annum.</p> <p>Efficiencies to be made through reduction in hours as a result of reduced need for re-keying information and reduced calls made to the Contact Centre. It is anticipated that this could be the equivalent of two FTE's across Revenues, Benefits and Customer Services totalling around £50k per annum efficiency.</p>

Appendix 1d

ICT AND BUSINESS TRANSFORMATION BUSINESS PLAN 2021–2024Introduction

An extract of the proposed ICT and Business Transformation Business Plan is provided below includes the relevant critical success indicators (CSI), key performance indicators (KPI) and the key tasks and priorities for improvement (actions) that are required to be approved by this Committee.

In an attempt to streamline the reporting process, the extract does not include the regular information and data relating to:

- published strategy and policy documents supporting the delivery of priorities and objectives;
- service level objectives;
- contextual baseline service data;
- management performance indicators (MPI); and
- summary of key risks.

This information will be added to the extract below and included in the full Business Plan that will be published on the Council's website in advance of the financial year.

Background

This Business Plan details the projects and activity undertaken in support of the Council's Corporate Plan priorities.

The Corporate Plan prioritises local community needs and resources are directed toward the things they think are most important. These needs are aligned with other local, regional and national plans to ensure the ambitions set out in our Corporate Plan are realistic and achievable.

The Business Plan covers a three-year period but is revised and updated annually. Detailed monitoring of progress against key tasks and outcome measures is undertaken quarterly by the Finance and Resources Committee. The Policy and Performance Committee also receives a high level report of progress against Corporate Plan priorities on a quarterly basis.

Business Plan – Performance Indicators and Key Tasks for Improvement

The critical success indicators (CSI), key performance indicators (KPI) and the key tasks and priorities for improvement (actions) are considered in detail below for approval.

MEASURES OF PERFORMANCE AND SERVICE DATA

CRITICAL SUCCESS INDICATORS (CSI)

Priority leaders should work corporately to **define** the **outcome objective** for each priority area and **identify an outcome indicator** or indicators which will be **Critical Success Indicators**. There will be a maximum of two CSI for each corporate priority.

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
System Availability (ITLocal_01_)	99.6%	99.8%	99.9%	99.5%	99.5%	99.5%	ICT & Business Transformation Manager
Virus Protection / Cyber Security (ITLocal_05)	100%	100%	100%	100%	100%	100%	ICT & Business Transformation Manager

KEY PERFORMANCE INDICATORS (KPI)

Priority leaders should identify two sets of performance indicators namely **Key Performance Indicators (KPI)** for reporting to GMT and Members and **Management Performance Indicators (MPI)** for use in business planning and performance monitoring at a service level.

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Service Desk Satisfaction (ITLocal_02)	100%	100%	91.5%	96%	98%	98%	ICT & Business Transformation Manager
BBSi Programme Completion (ITLocal_04)	100%	96.8%	100%	100%	100%	100%	ICT & Business Transformation Manager

KEY TASKS AND PRIORITIES FOR IMPROVEMENT 2021/22 – 2023/24 INCLUDING COMMERCIAL ACTIVITIES

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
IT2124_01 (NEW)	Digital Strategy Implementation Implementation of the technology and processes required to provide digital services our customers choose as their preferred channel.	Enable organisational transformation, creating customer focused online service delivery and gaining maximum business efficiency. <ul style="list-style-type: none"> • Implementation of Planning Portal including consultation functionality. • Implementation of the proprietary Document Management Solution for the Planning System in order to support greater flexible working. • Continue with the delivery of the appropriate technology to support agile working. 	Digital Strategy / Access Strategy with reporting tools implemented	Strategic Director ICT and Business Transformation Manager	Leveraging further benefits from the Microsoft Teams platform to reduce business mileage and enhance customer service experience. Integrate voice services and contact centre elements to enable employees service customer from any location. Estimated Costs. Business case and report to Committee will be required in order to obtain capital funding in the following years: 2021/22 £40,000 2022/23 £40,000 2023/24 £40,000

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
IT2124_02 (NEW)	ICT Security Compliance: PCI-DSS & Government Connect - Maintain compliance with latest Security standards and support annual assessments.	Compliance with latest Government and Payment Card Industry security standards. Ensure organisation is aware of Cyber Security threat vector and employees and Members are trained accordingly. Renew Cyber Essentials Accreditation	ICT security solutions are researched/ implemented. Shared learning re cyber incidents.	ICT & Business Transformation Manager	Training, Information Management Strategy, Membership of Cyber-Security Information Sharing Partnership (CiSP)/Warning and Reporting Point (WARP), Third Party technical expertise, Portfolio / Project management. The Council will continue to enhance participation in NCSC Active Cyber Defence (ACD) programme including ICT staff completing NCSC training and carrying out simulated attack exercises to test systems and processes and ensure that they are fit for purpose.

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
IT2124_03 (NEW) Strategic Action 7	Telephony: Leverage and look to enhance the benefits of Microsoft Teams	Enhance the current features of the system to introduce voice and contact centre capability for the Council.	Learning from partner sites will inform approach	ICT & Business Transformation Manager	Budget exists within the capital program and will be carried forward from 2020/21. Costs for licenses to support enhanced services available through Microsoft 365 services platform.

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
IT2124_04 (NEW) Strategic Action 8	Core Network: Implement upgrade/ replacement of the Internal Core Network	Upgrade/replace internal core network in line with the Technical Infrastructure programme in order to maintain security and efficiency of network provision.	Learning from other LA sites will inform approach Procurement from CCS.	ICT & Business Transformation Manager	Budget exists within the capital program and will be carried forward from 2020/21

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APPENDIX 2a

The change in the 2021/22 base budget for total net expenditure when compared with the 2020/21 revised estimate is primarily a consequence of the following items:

	Change (£)
The 2020/21 revised estimate for Supplies and Services includes £22,481,000 received in Government grant funding to be used to support local businesses during the Covid-19 pandemic as approved by Finance and Resources Committee on 8 October 2020 and 10 December 2020. This is matched by an equivalent sum included under Income.	0
The 2021/22 base budget for employees is £64,750 higher than the 2020/21 revised estimate to reflect factors such the anticipated April 2021 pay award (yet to be confirmed), increments and other staffing changes.	64,750
The 2021/22 base estimate includes £1,014,400 for Minimum Revenue Provision charge in respect of the Council's General Fund capital expenditure financed by borrowing in accordance with the Council's MRP policy as opposed to £827,450 in the 2020/21 revised estimate.	186,950
New Homes Bonus to be received from central government in 2021/22 of £19,400 is £90,950 lower than the £110,350 received in 2020/21.	90,950
The 2020/21 revised estimate for transfer payments (Rent Allowances, Rent Rebates and Discretionary Housing Payment costs) of £17,625,000 is largely offset by Government subsidy totalling £17,524,450. The 2021/22 base estimate for transfer payments is £15,215,150 offset by Government subsidy of £14,929,570.	185,030
The distribution from the Bramcote Crematorium will increase from £300,000 in 2020/21 to £400,000 in 2021/22.	(100,000)

Finance and Resources Portfolio - Revenue Budgets		
Cost Centre	2020/21 Revised Budget (as at December)	2021/22 Base Budget (as at December)
Employees	4,587,002	4,651,764
Premises	231,900	252,010
Transport	36,990	33,010
Supplies & Services	25,112,090	2,360,265
Transfer Payments	17,625,000	15,215,150
Third Party Payments	98,820	63,500
Central Support Recharges	(975,840)	(1,493,932)
Capital Charges	4,120,270	4,136,300
Income	(31,638,605)	(8,119,401)
Income (Benefits)	(17,524,450)	(14,929,570)
	1,673,177	2,169,096

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FINANCE AND RESOURCES CAPITAL PROGRAMME

No.	Scheme	Start	Finish	Estimated Total Cost				Net Revenue Costs in 2021/22	Full Years Revenue Effect of (6)	Net Effect of (5)
					2021/22	2022/23	2023/24			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
				£	£	£	£	£	£	£
1.	<u>ICT AND BUSINESS TRANSFORMATION</u> Replacement and Development Programme	Ongoing		270,000	90,000	90,000	90,000	0	0	0
2.	Technical Infrastructure Architecture	Apr 21	Mar 24	150,000	50,000	50,000	50,000	0	0	0
3.	E-Facilities Initiatives	Apr 21	Mar 24	120,000	40,000	40,000	40,000	2,150	2,150	2,150
				540,000	180,000	180,000	180,000	2,150	2,150	2,150
4.	<u>OTHER</u> Beeston Square Redevelopment Works	Apr 21	Jun 21	113,000	113,000	0	0	0	0	0
	Capital Salaries			12,000	12,000	0	0	0	0	0
				125,000	125,000	0	0	0	0	0
5.	<u>CAPITAL CONTINGENCY</u> Works	Ongoing		165,000	55,000	55,000	55,000	0	0	0
				165,000	55,000	55,000	55,000	0	0	0
	Finance and Resources Total			830,000	360,000	235,000	235,000	2,150	2,150	2,150

FINANCE AND RESOURCES CAPITAL PROGRAMME 2021/22Scheme
Number1. ICT Replacement programme (£90,000)

This budget provides for the replacement of PCs, laptops, servers, printers and scanners in accordance with the Council's planned ICT replacement programme. It also contains a small contingency to address minor developments such as a PC for a new employee or where there is a business case for providing additional ICT resource.

2. Technical Infrastructure Architecture (£50,000)

This budget provides for the replacement of key elements of the Council's technical infrastructure architecture. As core security and infrastructure technologies approach the end of their useful life they will no longer be supported, unless they are replaced, there is a risk of both equipment failure and the Council's security arrangements being compromised.

3. E-Facilities: Flexible Working Initiatives (£40,000)

This budget is for a range of digital projects intended to enhance efficiency across the Council and promote the New Ways of Working initiative.

4. Beeston Square Redevelopment (£125,000)

This budget is for the final part of the scheme covering a number of years to redevelop Beeston town centre on land commonly referred to as The Square Phase 2. The Council is acting directly as developer for the cinema plus the food and beverage elements of the scheme.

5. Capital Contingency (£55,000)

This budget is intended to meet the cost of unforeseen General Fund capital items that may arise during the year.

RESOURCES – REVIEW OF FEES, CHARGES AND ALLOWANCES

All fees and charges are quoted exclusive of VAT, which will be added where applicable.

1. Fees for Local Land Charges/Enquiries

The existing and proposed fees are as follows:

	<u>Present</u> <u>2020/21</u> £	<u>Proposed</u> <u>2021/22</u> £
Land Charges Search/Standard Enquiries *	107.50	107.50
Additional enquiries (standard)	10.00	10.00
Additional enquiries (other)	15.00	15.00
Additional parcels	12.00	12.00

*The proposed figure for 2021/22 includes £27.25 payable to Nottinghamshire County Council in respect of questions answered by the County Council.

Since April 2017 VAT has been payable on CON29 information.

2. Summons Charges

In line with the majority of Nottinghamshire and Lincolnshire authorities, the Council levies a charge of £44 for a summons and £31 for a liability order.

The increase in charges is anticipated to generate negligible additional income in 2021/22.

3. Use of Council Accommodation

Given the present restrictions in operation as a result of the pandemic, it is proposed that Council accommodation such as the Council Chamber not be let out to members of the public or to voluntary/community groups in 2021/22.

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Joint Report of the Chief Executive and the Deputy Chief Executive

BUSINESS GROWTH – BUSINESS PLANS AND FINANCIAL ESTIMATES 2021/22 - 2023/24

1. Purpose of report

To consider proposals for business plans, detailed revenue budget estimates for 2021/22; capital programme for 2021/22 to 2023/24; and proposed fees and charges for 2021/22 in respect of the Council's priority areas.

2. Detail

As part of the Council's performance management framework, the business and financial plans for the five corporate priority areas identified within the Corporate Plan are brought together in one report so that the linkages between service priorities, spending proposals and targets are clear.

Ordinarily, financial and business planning is reported to the Committee which has primary responsibility for oversight of the relevant corporate priority area and related services. The proposals relating to the Business Growth priority were due to be considered at the Jobs and Economy Committee on 28 January 2021. Due to the necessity to consider the Stapleford Town Investment Plan, this programmed meeting was brought forward to 13 January 2021, which was too early to consider this report. On this occasion it was agreed with the Chair and Vice Chair of the Jobs and Economy Committee, in consultation with the Deputy Chief Executive, that these proposals could be considered by this Committee, just as this Committee approves the business plans of the service areas as evidenced earlier in the agenda. An extract of the proposed Business Growth Business Plan is provided in appendix 1b for approval by Members.

The revenue and capital budget proposals for the corporate priority and relevant service areas, together with the proposed fees and charges, are provided in in appendices 2a to 2c.

Following consideration by each respective Committee, a summary of the estimates, including any changes recommended, is presented to this Committee for consideration and recommendation to Full Council on 3 March 2021. This summary report is elsewhere on this agenda.

Recommendations

1. **The Committee is asked to RESOLVE that the Business Growth Business Plan be approved.**
2. **The Committee is asked to RECOMMENDS to Council that the following be approved:**
 - a) **The detailed revenue budget estimates for 2021/22 (base) including any revenue development submissions.**
 - b) **The capital programme for 2021/22 to 2023/24**
 - c) **The fees and charges for 2021/22.**

Background papers – Nil

APPENDIX 1**Introduction**

The Council's business and financial planning framework is one of identifying key service and spending pressures and prioritising resources accordingly, taking into account national and local priorities.

The targeted outcomes from these key issues and the anticipated impact on service performance are set out in business plans. These plans are combined with financial information, including proposals for reducing business costs and increasing income, to form the Business Plans for each priority area.

This report considers the detail in respect of the Business Plan covering the priority areas of Business Growth. The financial consequences of the business plans, together with the expenditure and income from maintaining existing services, are set out in the revenue budget proposals, the capital programme and the proposed fees and charges which follow the plan.

Within the business plans there are some key tasks which can be met from existing resources or which relate to policy preparation. These are not included in the key spending proposals detailed in the appendices. Any planned activities which will have a financial implication either by increasing costs or reducing income are identified in the budget papers.

There are several key tasks where it is not appropriate to make financial provision at this stage. These include areas that are subject to external funding bids, partnership arrangements or where insufficient information exists at the present time. In addition, there are a number of capital schemes within the programme which are deemed to be 'awaiting funding' pending receipt of the necessary resources to complete them. These schemes will be brought forward for approval once a potential funding source has been identified.

All of these items will be the subject of further reports throughout 2021/22 as further information and resources become available, thus ensuring that the service and financial planning framework is a fluid process.

Business planning

As part of the Council's performance management framework, it is the responsibility of each Committee to consider its business plans prior to recommendations being made to Council. The purpose of the plans is twofold. Firstly, they establish the linkage between the Council's high-level objectives and the strategies and aims of the respective services, and secondly, they outline the services' proposals for meeting those aims and objectives.

This report deals with the Business Growth Business Plan and associated budgets covering this priority area. The Council's corporate objectives and aims, as included in the Corporate Plan, are shown at appendix 1a to provide the framework for consideration of the plans.

Financial background

The revenue and capital budget proposals for the corporate priority, together with proposed fees and charges, are shown in appendices 2a to 2c.

The revenue budgets show the 2020/21 revised estimate as of December 2020 and the 2021/22 base estimate for the areas encompassed by the relevant business plans. The base estimate figures generally reflect the same level of service as in the current year with a few exceptions.

The following are included in the 2021/22 base figures in this report:

- a) Allowance for certain inflationary pressures including the pay award and cost of utilities. These allowances are guided by the best indications available at the time.
- b) Anticipated additional income within the General Fund and the Housing Revenue Account (HRA) arising from the review of fees and charges.
- c) The revenue effects of the 2021-2024 capital programme including the cost of any new borrowing to support the capital programme.
- d) Any revenue developments.

The classification of expenditure shown in the revenue estimates is based on the CIPFA Standard Accounting Classification. The following shows the type of expenditure charged to each heading:

- Employee Expenses – salaries and wages; employer's national insurance and pensions contributions
- Premises Related Expenses – repairs, alterations and maintenance of buildings, fixed plant and grounds; energy costs; rents; national non-domestic rates; water charges; fixtures and fittings; cleaning and domestic supplies.
- Transport Related Expenses – direct transport costs; recharge of pooled transport costs; travelling allowances
- Supplies and Services – equipment, furniture and materials; clothing, uniforms and laundry; printing, stationery and general; office expenses; postages; telephones; insurances; grants and subscriptions; miscellaneous expenses
- Third Party Payments – other local authorities; private contractors; charges from trading services
- Transfer Payments – Housing and Council Tax Benefits
- Central, Departmental and Technical Support Services - administrative buildings expenses; central departmental support; departmental administration
- Capital Financing Costs – operating lease charges; asset register charges

Appendix 1a

FRAMEWORK FOR BUSINESS PLANNING

The Corporate Plan is subject to annual review to ensure that it continues to reflect the aims and objectives of the Council.

Vision

The Council's Vision for Broxtowe is “**greener, safer, healthier Broxtowe, where everyone prospers**”.

Priorities

The Council's updated priorities have been updated have been developed within the context of national, regional and countywide plans and priorities with the aim being to align these with our own aspirations wherever possible.

The Council's priorities are **Housing, Business Growth, Environment, Health and, Community Safety**.

Underpinning the above and all of the Council's work is a series of values which the Council has adopted, namely:

Going the extra mile: *a strong, caring focus on the needs of communities*

Ready for change: *innovation and readiness for change*

Employees: *valuing our employees and enabling the active involvement of everyone*

Always improving: *continuous improvement and delivering value for money*

Transparent: *integrity and professional competence.*

Objectives

Each priority area is underpinned by its strategic objectives. Each strategic objective has targeted outcomes against which progress can be monitored.

The priorities and objectives for **Business Growth** are 'New and growing businesses providing more jobs for people in Broxtowe and improved town centres':

- Complete the redevelopment of Beeston Town centre
- Undertake regeneration schemes in Eastwood, Kimberley and Stapleford
- Support skills development apprenticeships, training opportunities and wellbeing in our workforce.

Appendix 1b

BUSINESS GROWTH BUSINESS PLAN 2021–2024Introduction

An extract of the proposed Business Growth Business Plan is provided below includes the relevant critical success indicators (CSI), key performance indicators (KPI) and the key tasks and priorities for improvement (actions) that are required to be approved by this Committee.

In an attempt to streamline the reporting process, the extract does not include the regular information and data relating to:

- published strategy and policy documents supporting the delivery of priorities and objectives;
- service level objectives;
- contextual baseline service data;
- management performance indicators (MPI); and
- summary of key risks.

This information will be added to the extract below and included in the full Business Plan that will be published on the Council's website in advance of the financial year.

Background

The Business Plan details the projects and activity undertaken in support of the Corporate Plan priority of **Business Growth**.

The Corporate Plan prioritises local community needs and resources are directed toward the things they think are most important. These needs are aligned with other local, regional and national plans to ensure the ambitions set out in the Corporate Plan are realistic and achievable.

The Business Plan covers a three-year period but will be revised and updated annually. Detailed monitoring of progress against key tasks and outcome measures is undertaken quarterly by this Committee. The Policy and Performance Committee also receives a high level report of progress against Corporate Plan priorities on a quarterly basis.

Business Plan – Performance Indicators and Key Tasks for Improvement

The critical success indicators (CSI), key performance indicators (KPI) and the key tasks and priorities for improvement (actions) are considered in detail below for approval.

MEASURES OF PERFORMANCE AND SERVICE DATA

CRITICAL SUCCESS INDICATORS (CSI)

Priority leaders should work corporately to **define** the **outcome objective** for each priority area and **identify an outcome indicator** or indicators which will be **Critical Success Indicators**. There will be a maximum of two CSI for each corporate priority.

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Town Centre occupancy rates: (TCLocal_01)	91%	91%	91%	91%	91%	91%	Business Growth Manager
<ul style="list-style-type: none"> Beeston Kimberley Eastwood Stapleford 	94%	95%	93%	93%	90%	95%	Targets are adjusted for the future due to the severe impact of COVID-19 on the high streets of our towns. Predicting decreased occupancy in 20/21.
	95%	92%	87%	93%	*80%	93%	Kimberley has a lower target due to the lower number of commercial units, resulting in a higher representation per unit.
	91%	89%	91%	93%	85%	93%	
	83%	86%	87%	93%	85%	93%	

KEY PERFORMANCE INDICATORS (KPI)

Priority leaders should identify two sets of performance indicators namely **Key Performance Indicators (KPI)** for reporting to GMT and Members and **Management Performance Indicators (MPI)** for use in business planning and performance monitoring at a service level.

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Supply of ready to develop housing sites (NI150)	78%	78%	100%	100%	100%	100%	Head of Planning and Economic Development
Planning applications approved for employment development (Class B1, B2 or B8) (ERLocal_03)	n/a	8	7	20	10	15	Head of Planning and Economic Development 2018/19 is baseline for this new indicator Figures are realistic to reflect lower economic base following pandemic
Planning applications approved for new retail and commercial floor-space within the town centres (TCLocal_05)	26	2	4	40	10	15	Head of Planning and Economic Development Figures are realistic to reflect lower economic base following pandemic
Major planning applications determined within 13 weeks (NI157a)	88%	92%	100%	92%	92%	92%	Head of Planning and Economic Development Targets are realistic having up to date policy expectations clearly set out in the Part 2 Local Plan thus saving time on negotiations for Section 106 agreements. The government's threshold for performance is 60%

Indicator Description (Pentana Code)	Achieved 2017/18	Achieved 2018/19	Achieved 2019/20	Target 2020/21	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Minor planning applications determined within 8 weeks (NI157b)	92.8%	94.7%	97.4%	94%	94%	94%	Head of Planning and Economic Development Where extensions of time are agreed and decisions are issued within this extended time, they would be reported as within target. The government's threshold for performance is 70%
Other planning applications determined within 8 weeks (NI157c)	96.6%	98.3%	99.6%	98%	98%	98%	Head of Planning and Economic Development Where extensions of time are agreed and decisions are issued within this extended time, they would be reported as within target The government's threshold for performance is 70%
Appeals allowed against refusals (delegated decisions or committee decisions in line with officer recommendation (BV204)	33.3%	33.3%	35.3%	35%	10%	10%	Head of Planning and Economic Development 2017/18 2 of 6 appeals 2018/19 4 of 12 appeals allowed 2019/20 6 of 17 appeals allowed
Appeals allowed against refusals % (Committee overturns). (DSData_18)	33%	33%	20%	30%	10%	10%	Head of Planning and Economic Development In 2018/19, the nine appeals allowed were out of a total of 15 overall decisions. This has been monitored since 2019/20.

KEY TASKS AND PRIORITIES FOR IMPROVEMENT 2021/22 – 2023/24 INCLUDING COMMERCIAL ACTIVITIES

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
BG2023_01	Implement Apprenticeship Strategy	Increase the number of apprentices in the workforce	Job Centre Plus, NAS, NNF, DNCC, FSB, Colleges and Schools	Head of HR and Public Protection Ongoing	Apprenticeship levy is based on a formula percentage of employee costs
BG1620_09	Fully implement the Redevelopment of Beeston Square Phase 2	Mixed use development	Specialist advice and development and construction partners	Head of Asset Management and Maintenance June 2021 (cinema) December 2022 (F&B's)	Within agreed capital allocation
BG2124_01 (New)	Review the Economic Development Strategy in line with recovery response	A new framework for economic development within the Borough aligned to the SEP and LIS. Including specific plans for Stapleford, Eastwood and Kimberley	Stakeholders in the public, private and voluntary sector as well as local people.	Head of Planning and Economic Development July 2021	This is now a COVID-19 recovery strategy and will transition into a new strategy when coming out of response/recover cycle. Predicted Summer 2021
BG2023_05	Bring forward the Core Strategy review	Successfully steer the Core Strategy through its examination process receiving a report recommending adoption from the appointed Planning Inspector	Neighbouring Local Planning Authorities in Greater Nottingham	Head of Planning and Economic Development Adoption is currently anticipated in late 2022.	Town centre studies, employment allocation and identification of policies to undertake as part of the Core Strategy. This will create efficiencies in co-ordinated evidence gathering with the progression of the neighbourhood plans. Local plan examination expected to cost £80,000.

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
JBG1518_06	Assist in the preparation of Neighbourhood Plans	Approve Neighbourhood Plan Area designations for all parish areas where they are wanted and progress to 'adoption' of the Plans. Toton and Chetwynd likely to be first in 2021/22	Town and Parish Councils	Head of Planning and Economic Development Target dates will vary depending on the details of each emerging Plan.	Make a claim for up to £20,000 per plan if progress to referendum
BG2023_06	Policy intervention on HiMO	Reports to Jobs and Economy Committee for appropriate actions in 2021	n/a	Head of Planning and Economic Development Consultation starting January 2021.	Possible compensation claims submitted by residents affected by the scheme. Amount unknown.
BG2023_07	Gypsy and Traveller site allocation	Reports to Jobs and Economy Committee for appropriate actions in 2021	Study of need jointly procured with Greater Notts JPAB	Head of Planning and Economic Development June 2021	Dependant on location and further feasibility work
BG2124_02 (New)	Stapleford Town Deal Bid	Regeneration and Development of Stapleford Town Centre	To be determined to support the bid and regeneration programme	Business Growth Manager Major Projects Officer January 2021	Funding Bid from Towns Deal Fund being prepared for a share of up to £25m
BG2124_03 (New)	Eastwood Regeneration Plan	Regenerations and Development of Eastwood Town Centre	To be determined to support the bid and regeneration programme	Business Growth Manager Major Projects Officer December 2021	Subject to external funding opportunities. Bids for funding will be entered in attempts to secure funding for development projects.

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
BG2124_04 (New)	Kimberley Regeneration Plan	Regenerations and Development of Kimberley Town Centre	To be determined to support the bid and regeneration programme	Business Growth Manager Major Projects Officer September-2022	Subject to external funding opportunities. Bids for funding will be entered in attempts to secure funding for development projects.
BG2124_05 (New)	East Midlands Development Corporation	Progress the creation of the interim vehicle for the EMDevco and create a work programme for year1	Working in partnership with the county councils of Nottinghamshire and Leicestershire and Rushcliffe and North West Leicestershire	Chief Executive March 2022	Funding of up to £500k agreed for 3 years subject to provisos

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APPENDIX 2a

Jobs and Economy Portfolio - Revenue Budgets		
Cost Centre	2020/21 Revised Budget (as at December 2020)	2021/22 Base Budget (as at December 2020)
Directorate of Planning & Development	0	0
Planning - Management	480	(1)
Planning - Central Support	(111,770)	(3)
Planning - Development/Policy	0	0
Development Control	263,657	385,395
Planning Policy	559,810	442,264
Industrial Development	20,120	(21,727)
Craft Centre Complex	50	2,778
Economic Development	309,300	356,447
East Midlands Development Corporation	20,000	120,000
Beeston Square	(227,400)	(217,830)
Beeston Square Service Charge Account	0	0
	834,247	1,067,323
Jobs and Economy Portfolio - Revenue Budgets		
Cost Centre	2020/21 Revised Budget (as at December 2020)	2021/22 Base Budget (as at December 2020)
Employees	1,063,467	1,044,815
Premises	71,540	107,995
Transport	4,550	4,150
Supplies & Services	420,390	304,178
Third Party Payments	13,250	113,599
Central Support Recharges	352,020	633,906
Capital Charges	178,100	183,150
Income (including recharges)	(1,269,070)	(1,324,470)
	834,247	1,067,323

The change in the 2021/22 base budget for total net expenditure when compared with the 2020/21 revised estimate is primarily a consequence of the following items:

	Change (£)
Planning – Central Support <ul style="list-style-type: none"> - Staff and other costs associated with Central Support within Planning will be recharged in full across other service areas from 2021/22 to reflect both structure changes and a more streamlined approach to the Central Support Recharges process to better reflect where costs should be attributed. 	111,750
Development Control <ul style="list-style-type: none"> - The 2021/22 base budget for employees is £40,900 higher than the 2020/21 revised estimate to reflect factors such the anticipated April 2021 pay award (yet to be confirmed), increments and other staffing changes. - The 2020/21 base budget includes an increase of £24,600 in Central Support Recharges to reflect the more streamlined approach set out above. - The 2021/22 base budget for planning fee income of £450,000 is £44,000 lower than the 2020/21 revised estimate of £494,000 to reflect an expectation that it will be some time before the recovery from the Covid-19 pandemic leads to an increase in planning fee income. 	109,500
Planning Policy <ul style="list-style-type: none"> - The 2021/22 base budget for employees is £23,900 lower than the 2020/21 revised estimate due to some staff transferring to other areas. - The 2020/21 revised estimate includes a one-off allocation of £80,000 to meet the costs of the review of the Core Strategy being undertaken in partnership with neighbouring local authorities. Any unspent budget will be carried forward into future years to allow the cost of this review to be met. - The 2020/21 revised estimate includes a carry forward of £37,550 from 2019/20 to meet the cost of work to support parish and town councils to produce Neighbourhood Plans. This is not included in the 2021/22 base budget. - The 2020/21 revised estimate includes a carry forward of £20,000 from 2019/20 for Joint Planning Advisory Board (JPAB) costs. This is not included in the 2021/22 base budget. - The 2021/22 base budget includes an increase of £28,950 in Central Support Recharges to reflect the approach set out above. 	(132,500)
Industrial Development <ul style="list-style-type: none"> - The 2021/22 base budget includes an increase of £17,650 in Central Support Recharges to reflect the approach set out above. - The 2021/22 base budget for rental income from tenants of £177,200 is £60,000 higher than the 2020/21 revised estimate of £117,200 to reflect an expectation of increased demand as the recovery from the Covid-19 pandemic progresses. 	(42,350)

<p>Economic Development</p> <ul style="list-style-type: none">- The 2021/22 base budget for employees is £18,750 higher than the 2020/21 revised estimate to reflect factors such the anticipated April 2021 pay award (yet to be confirmed), increments and other staffing changes including the new post of Markets Officer.- The 2021/22 base budget includes an increase of £17,900 in Central Support Recharges to reflect the approach set out above.	36,650
<p>East Midlands Development Corporation</p> <ul style="list-style-type: none">- The 2021/22 base budget includes a contribution of £100,000 to the East Midlands Development Corporation as agreed by Policy and Performance Committee on 2 December 2020 and then by Finance and Resources Committee on 10 December 2020.	100,000

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APPENDIX 2b

JOBS AND ECONOMY

No.	Scheme	Start	Finish	Estimated Total Cost				Net Revenue Costs in 2021/22	Full Years Revenue Effect of (6)	Net Effect of (5)
(1)	(2)	(3)	(4)	(5)	2021/22	2022/23	2023/24	(9)	(10)	(11)
1.	Car Park Resurfacing Works Provision ACTIVELY SEEKING FUNDING	Apr 21	Mar 24	£	£	£		£	£	£
				75,000	25,000	25,000	25,000	0	0	0
				75,000	25,000	25,000	30,000	0	0	0
Jobs and Economy TOTAL				75,000	25,000	25,000	25,000	0	0	0

JOBS AND ECONOMY CAPITAL PROGRAMME 2021/22Scheme
Number1. Car Park Resurfacing £25,000)

The Council needs to ensure that its car parks are fit for purpose and managed in accordance with best practice and all legislative requirements. The popularity of the car parks has resulted in the surface of some car parks having to be repaired on a regular basis.

This budget is intended to enable a programme of resurfacing works to be undertaken at priority sites to ensure that that they meet both health and safety requirements and the expectations of users.

REVIEW OF FEES, CHARGES AND ALLOWANCES

All fees and charges are quoted exclusive of VAT, which will be added where applicable.

Economic Development

	<u>Present</u> <u>2020/21</u> <u>£</u>	<u>Proposed</u> <u>2021/22</u> <u>£</u>
Beeston, Eastwood and Stapleford Squares:		
Supply of electricity		
General	20.00	20.00
Charitable organisations, schools and community groups	10.00	10.00

There are charges attached to permits granted for the commercial use of town squares, which are based on the information provided in the application but follow no set fee schedule

Beeston Town Centre:

Administration charge for an application for permission to trade within a "consent street" area	26.00	26.00
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If permission is granted, this carries an additional annual charge, which is based on the information provided in the application but follows no set fee schedule

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Report of the Deputy Chief Executive

GRANTS TO VOLUNTARY AND COMMUNITY ORGANISATIONS, CHARITABLE BODIES AND INDIVIDUALS INVOLVED IN SPORTS, THE ARTS AND DISABILITY MATTERS 2020/21

1. Purpose of Report

To consider requests for grant aid in accordance with the provisions of the Council's Grant Aid Policy.

2. Applications and Financial Position

Details of the grant applications received are included in the appendix for consideration. The amount available for distribution in 2020/21 is as follows:

	£
Revenue Grant Aid Budget	168,800
Less: Estimated requirements for:	
Rent awards and other commitments (#)	27,400
Less: Grants awarded to date	127,150
BALANCE AVAILABLE FOR DISTRIBUTION	<u>14,250</u>

(#) This includes provisions in respect of the applications from 2nd Beeston Sea Scouts, Age Concern Eastwood, Beeston Shopmobility, Bramcote Cricket Club, Broxtowe Play Forum, Chilwell Community Association, Eastwood People's Initiative and Stapleford Community Association.

Recommendation

The Committee is asked to consider the requests and RESOLVE accordingly.

Background papers

Nil

APPENDIX**APPLICATIONS**

The following grant applications have been received for consideration in 2020/21:

<u>Applicant</u>		<u>Grant Award 2019/20 £</u>	<u>Grant Request 2020/21 £</u>
Age Concern Eastwood	1	9,000	9,000 #
Chilwell Community Association	2	3,150	3,150 #
Stapleford Community Association	3	3,000	3,000 #
Broxtowe Women's Project	4	6,000	6,000
Eastwood People's Initiative	5	2,500	2,500 #
2 nd Beeston Sea Scouts	6	1,750	2,150 #
Beeston Shopmobility	7	8,500	8,500 #
Bramcote Cricket Club	8	865	1,000 #
Broxtowe Play Forum	9	5,500	5,500 #
Dig-In Community Allotment	10	495	700
		Total	41,500

The total request is made up of £14,100 in 'cash' from the balance available, with £27,400 being for rents and other commitments as covered by the provisions relating to 2nd Beeston Sea Scouts (£2,150), Age Concern Eastwood (£3,850), Beeston Shopmobility (£7,000), Bramcote Cricket Club (£1,000), Broxtowe Play Forum (£5,500), Chilwell Community Association (£3,150), Eastwood People's Initiative (£1,750) and Stapleford Community Association (£3,000).

Age Concern Organisations**1. AGE CONCERN EASTWOOD**

Age Concern Eastwood is a registered charity, established in 1970, that is based at The Colin Dyson Centre on Edward Road in Eastwood (premises owned by the Council). The group generates its membership from Eastwood and the surrounding area. Around 70 clients use its services with the majority being Broxtowe residents aged 60 years or over.

Age Concern Eastwood provides welfare facilities to local elderly residents. Its clientele includes some disabled users, others who are suffering with dementia and Alzheimer's and those who may be isolated. The charity aims to provide a quality meeting place, companionship, socialising, entertainment and advice for its elderly users by offering a wide variety of activities such as a luncheon club (before the pandemic the charity was serving over 100 meals per week, Monday to Thursday), social events and activities, arts and crafts and festive parties. In previous years, a trustee provided a Sunday lunch for up to 18 members on a regular basis and occasionally hosted a 'Friday pie day' to serve meals to those in need. A Christmas party would normally be held to provide a festive meal for those isolated and living alone, including a turkey roast dinner, wrapped gifts, and party games.

The charity provides its own volunteer driver service as transport for its more isolated members. It is seeking funding from other sources to cover the cost of the mini-bus service (Erewash Community Transport Services) as an alternative to the volunteer drivers. The group also works in partnership with the Broxtowe Mental Health team and Nottinghamshire County Social Services who recommend their service to potential new members.

Sadly, due to the Covid-19 pandemic, Age Concern Eastwood closed in March 2020, only re-opening for eight days in October (socially distanced with reduced capacity) before a large rise in cases meant it had no other option but to close again. Although the premises have remained closed since, its members have received regular weekly welfare calls and a Christmas hamper.

For the year ended 31 March 2020, income totalling £77,512 was generated from grants and donations (including a one-off grant of £10,000 in emergency Covid-19 funding from this Council and £14,000 as the final year of funding for the Co-ordinator from the Nottinghamshire County Council Local Improvement Scheme), meals and drinks receipts, transport receipts, fundraising and other activities. Annual expenditure of £64,957 mainly related to employee costs (up by 50% to £28,152), volunteer expenses (mileage), equipment, repairs and renewals, meals and catering, rent, utilities, insurances and other general running costs. Cash at bank and in hand as at 31 March 2020 increased to £69,806. Thankfully, the current financial balances as at 31 December 2020 remain around similar levels thanks to the earlier receipt of grants, furloughing of staff and the reduced level of running expenses and activities in the year.

The Council has supported Age Concern Eastwood for many years with grants towards its premises (including rental) and transport costs. The grants awarded in the past four years were as follows:

2019/20	£9,000
2018/19	£9,000
2017/18	£9,000
2016/17	£9,000

For 2020/21, Age Concern Eastwood has requested a grant of £9,000 towards its running costs, including the rental of the Edward Road premises. Any grant award in respect of the premises rental (£3,850) would be matched by allowances within the premises income budget and therefore leave the Council's overall budget unchanged. Any additional award for other running costs however will have to be funded from the grant aid budget.

Members should note that the grant aid policy would normally require that all 'cash' grant awards of £5,000 or above to be subject to a Service Level Agreement. However, monitoring arrangements that 'measure and celebrate success' should also be tailored specifically to the organisation and can include written reports, feedback from service users and monitoring visits to the funded organisation.

Community Associations

2. CHILWELL COMMUNITY ASSOCIATION

The Chilwell Community Association was set up with its own Constitution in January 2002 and is responsible for the day-to-day management and development of the Council premises at Chilwell Community Centre on Inham Road in Chilwell.

The aim of the Association is to provide facilities at a competitive cost to enable local community groups and individuals to use the premises for a variety of purposes including parent and toddler groups, craft courses and educational classes run by the local college.

The main user of the facility is the Nottinghamshire County Council Library Service and this provides an important resource and meeting place for the community. The library is well used on the week days that it is open although the Covid-19 pandemic has restricted general usage since March 2020.

For the year ended 31 March 2020, the Chilwell Community Association generated receipts of £12,871 were generated from grant aid and fees. Payments amounted to £9,727 including rent, wages (£2,354), property maintenance, utilities, insurance and other miscellaneous costs. Cash and bank balances as at 31 March 2020 had increased to £37,838. These funds are earmarked towards the enhancement of facilities at the Community Centre, including the provision of additional facilities at the Centre, and to provide initial financial support to newly formed groups using the Centre in order for them to become established for long-term use.

The association has invested in improving the facilities and the interior of the Community Centre to make it even more attractive to users. It will continue with this programme in the coming year and has allocated a proportion of its reserves to do this.

As part of the Council's aim to secure economic rents on its properties, the annual rental of Chilwell Community Centre has been assessed at £3,150. The Chilwell Community Association has suggested that with limited financial resources it would be unable to sustain a rental charge of this size.

This is the ninth annual application of this type that the Council has received from Chilwell Community Association and previously a grant of £3,150 was awarded. For 2020/21, the Association has requested a similar grant of £3,150 to cover the market rent of the Chilwell Community Centre. This grant award would be for a period of one year and would have no effect on the Council's overall budget, with the award being matched in the Council's premises income budget.

3. STAPLEFORD COMMUNITY ASSOCIATION

The Stapleford Community Association was formed in 1954 and is responsible for the management and operation of the Council owned Community Centre on Cliffe Hill Avenue in Stapleford.

The aim of the Association is to provide a high quality, low cost centre for a variety of leisure, educational and community activities in Stapleford. A number of groups utilise the facilities for these purposes including playgroups, keep fit clubs, uniform groups, senior citizen's groups, dance classes and family groups. Around 200 people of all ages use the facilities on a weekly basis (pre-Covid-19), with an estimated 80% being residents of the Borough.

For the year ended 31 December 2020, income of £15,016 was generated from hall lettings and grant aid. This included a Covid-19 related business grant of £10,000 linked to the business premises. Annual expenditure amounted to £11,410 and included rent, repairs and renewals, cleaning and sundry expenses, insurances, heating and lighting, water charges and depreciation. Cash and bank balances at 31 December 2020 had increased to £27,272. Stapleford Community Association has indicated that these funds are earmarked towards ongoing maintenance projects and for unexpected emergencies. The funds also provide contingencies for additional costs associated with the ongoing pandemic, such as cleaning, and the reduced hire capacity. The group has indicated that these funds are earmarked towards ongoing maintenance projects and for unexpected emergencies. The funds also provide contingencies for additional costs associated with the ongoing pandemic, such as cleaning, and the reduced hire capacity.

The tenancy agreement for the Community Centre replaced the previous arrangement of charging a peppercorn rent. As part of the Council's aim to secure economic rents on its properties, the rent was assessed at £3,000 per annum. The Stapleford Community Association has suggested that it has only limited financial resources and would be unable to sustain a rental charge of this size.

The Council has previously supported Stapleford Community Association with grants towards its premises rental. The grants awarded in the past four years were as follows:

2019/20	£3,000
2018/19	£3,000
2017/18	£3,000
2016/17	£3,000

For 2020/21, Stapleford Community Association has requested a similar grant of £3,000 to cover the rental of the Community Centre on Cliffe Hill Avenue in Stapleford. This grant award would be for a period of one year and would have no effect on the Council's overall budget, with the award being matched in the Council's premises income budget.

Caring Organisations

4. BROXTOWE WOMEN'S PROJECT

Established in 2001, Broxtowe Women's Project Limited (BWP) is a voluntary organisation that provides a unique, community-led service offering a range of high-quality domestic abuse outreach and awareness services in response to local needs. The BWP vision is that women and their families who are affected by domestic abuse in Broxtowe are empowered to feel safe, to take control of their lives and to lead safer lives. BWP wants everyone in Broxtowe to have more awareness of all types of domestic abuse.

The main aims of BWP are to provide outreach support to women and children who are experiencing or have experienced domestic violence and to provide advice, information, training, publicity and raising awareness for local agencies, individuals and community groups. BWP empower women to regain domestic control and lead independent, fulfilling, safe and positive lives. It nurtures children and young people affected by domestic violence to build resilience and understand healthy relationships and emotions. BWP challenge the stigma associated with domestic violence, advocating women, raising awareness and campaigning for an end to domestic violence.

BWP has grown and developed a range of services that support and empower women and their children to overcome the trauma of experiencing domestic violence and economic abuse. These services include outreach; drop-in support services, helpline; children's and young people's service, counselling, Freedom Programme and Freedom Forever training, befriending, partnership working, business training and support packages, legal surgery, volunteer programme, peer programme and wellbeing projects.

BWP provides an outreach service supported by specialist outreach workers and skilled therapeutic professionals. BWP advocates its service users who are often stigmatised, to navigate around financial or legal issues. The Covid-19 pandemic crisis has exacerbated existing domestic violence issues, with increased needs for BWP services continuing during this time. BWP is keen to ensure that it provides a longer-term exit strategy for vulnerable women and their families, including financial resilience and independence, mentoring and engagement strategies that move these women closer to the employment market.

In 2020 BWP received 200 referrals made through various channels, including self-referral, friends and family, CAB, Women's' Aid, children and young people, health, adult social care and others (these referrals do not include the numbers of women supported by the legal surgery or who contacted the support line). BWP aims to provide a quality service to women and to provide support as quickly as possible for them. The majority of referrals were received support on the day of referral, with the remainder largely being supported by the next day. All referrals were supported within two weeks of the referral.

Outcomes are monitored and the percentage of women that reported an increase in positive outcomes as a direct result of working with BWP during this period included client empowerment (86%), feeling safer (80%), minimised risk of harm (78%), skills increased (more informed) (76%), increased self-esteem (66%), improved mental health (58%), reduced isolation (53%), fled relationship (47%) and gained employment/training/ volunteering (30%). Furthermore, 31% of women were 'support ready' for moving onto well-being/counselling/befriending services after outreach. These outcomes provide a strong indication of the impact the BWP has had upon the lives of survivors with whom it works. It also indicates the importance of continually developing services such as the counselling to increase the positive outcomes for women.

BWP works in partnership with other service providers to help women with personal development and in changing their lives. BWP supports the Stapleford Focus Group and Eastwood South Focus Group action plan aligning with the priorities set and supported by the South Nottinghamshire Community Safety Partnership. Its active involvement in these groups highlights a commitment to working in partnership and dedication to improving the lives of survivors of domestic abuse.

BWP offers a free monthly legal surgery to women living in Broxtowe, providing legal advice on a wide range of civil matters such as child contact. Without this legal surgery, women would need to go into Nottingham to access these services and for many women who are being closely monitored by their perpetrator this is not feasible. The legal advice is offered by a domestic abuse specialist solicitor that understands the complexities involved.

BWP has successfully delivered 'Freedom Programmes' in Eastwood and Stapleford examining the roles, attitudes, beliefs and actions of abusive men in addition to the responses of victims and survivors. The aim was to help them to make sense of and understand what has happened to them. The Freedom Programme also describes in detail how children are affected by being exposed to this kind of abuse and very importantly how their lives are improved when the abuse is removed.

BWP has developed a volunteer programme to extend its support to more women by offering services such as befriending once specialist support has ended. This is an opportunity for women to access excellent volunteer work experience and relevant training that will enable them to gain valuable work experience in the field. BWP has recruited volunteers to a variety of roles including trustee positions, awareness raising, fundraising, helpline and ambassador roles.

BWP is currently developing a training programme that will offer in-house training to its volunteers (as well as meeting training needs for partner organisations) on domestic abuse awareness and safeguarding. The training packages available will include accredited training.

BWP is developing its service for children affected by domestic abuse. This service offers outreach to children and young people including a therapeutic strand offering specialist counselling to those most at need.

As well as direct support, BWP consistently highlights issues of domestic abuse and is committed to improving knowledge and services for women and children to seek help and support. BWP has successfully delivered a number of campaigns, raising awareness around the impact of domestic and economic. BWP has previously worked in partnership with the Council on the White Ribbon Campaign.

BWP has submitted its latest financial statements for the year ended 31 March 2020 for scrutiny. Financial activity is split between restricted and unrestricted funds. In the year, BWP generated total income of £200,742 mainly from grants and donations. The charity considers the majority of this funding to be restricted and significant grants were received from the Big Lottery Fund (£93,037), Children in Need (£38,894), Lloyds Bank Foundation (£25,000), The Coalfields Regeneration Trust (£9,994), QBE (£5,000) and this Council. Expenditure for the year amounted to £185,742 and mainly related to employee costs (£124,052 with £87,524 from restricted funds), activities and premises rental and room hire costs. The average number of employees during the year was six. BWP had overall cash and bank balances of £82,426 as at 31 March 2020, with unrestricted funds amounting to £32,046.

The project continues to apply to a range of funders for all aspects of its services and costs. Most funding is restricted to specific project costs. BWP recently applied to the Nottinghamshire Police and Crime Commissioner Violence Reduction Unit to fund wellbeing activity that enables women to get closer to the labour market and young people understanding positive relationships and avoiding anti-social behaviour (outcome undetermined). The Big Lottery Fund for the Outreach Service, due to end in October 2021, has been extended until March 2022. Other funding has been received from Lloyds Invest (part fund an Outreach Worker), Children in Need (for a Children's Worker and Children's Therapist), Coalfields Regeneration Trust (for wellbeing groups in Eastwood). BWP also secured Covid-19 support funding from the Ministry of Justice, Nottinghamshire County Council and Lloyds Invest Covid-19 Response. This has enabled BWP to provide clinical supervision sessions to Outreach Workers who work with women in crisis and to buy equipment so that our staff are able to work safely from home without losing any service delivery or quality of support.

BWP add that it is difficult to access funding for core costs (rent, utilities etc.) so without the Council's support it is increasingly difficult to develop the service further and meet the needs of the service user.

The Council has supported BWP for many years with funding towards core costs. The grants awarded in the past four years were:

2019/20	£6,000
2018/19	£6,000

2017/18	£6,000
2016/17	£6,000

For 2020/21, BWP has requested a similar grant of £6,000 to meet its rental obligations and to contribute towards other core costs. Members should note that the grant aid policy requires that grant awards of £5,000 or above may be subject to a Service Level Agreement.

5. EASTWOOD PEOPLE'S INITIATIVE

Eastwood People's Initiative is a registered charity that was formed in 1982 that serves Eastwood and the surrounding communities in north Broxtowe.

The objectives of the charity are for the relief of poverty, sickness and distress amongst the unemployed, those with low incomes, the homeless and individuals with a drugs dependency in the surrounding area. The charity also aims to advance the education and promote the benefit of local people.

Eastwood People's Initiative offers practical help and emotional support for any individual, with particular regard to people on low income or unemployed. The charity provides support aimed at improving self-confidence, developing social and practical skills and enhancing employment potential. To achieve this, the charity operates a community facility that provides computer and phone facilities, in addition to giving users with advice on welfare rights, finances and budgeting, employment and training.

The charity offers free weekly sessions for the community from its premises, which are attended by over 25 people. The core component of each session is the use of computer facilities for writing CV's and as an internet access point to online services, job, training and learning opportunities. The charity also has a free phone service for calls regarding jobs, benefits, housing and utilities. The sessions are supported by a team of volunteers, as the charity strives to develop as a community run facility. Over 3,000 people have visited the charity at its premises.

For the year ended 5 April 2020, Eastwood People's Initiative generated total receipts of £5,073 from grant aid, room hire, investment receipts and donations. Annual expenditure of £10,695 related to costs linked to the lottery grant received in an earlier year (£2,990), rent, ICT, telephone and utilities costs, professional/legal fees and other operating costs.

The net investments, bank and cash balances as at 5 April 2020 amounted to £95,311. Investments include the capital receipt from the sale of the bungalow on Seymour Road in 2018/19. The charity considered its options in terms of the capital receipt, with its Finance Committee agreeing to invest £90,000 in an ethical savings account that is estimated to provide a suitable rate of return that will sustain the charities balances for at least 10 years.

The charity state that with this investment and the ongoing support of the Council, its future looks financial sustainable.

Eastwood People's Initiative continues to operate from Council owned premises on Scargill Walk in Eastwood. There is a tenancy agreement in place with the rent assessed at £1,750 per annum as part of the Council's aim to secure economic rents on its properties.

The Council has regularly supported Eastwood People's Initiative with grants towards its operating costs. The grants awarded in the past four years being:

2019/20	£2,500
2018/19	£2,500
2017/18	£2,500
2016/17	£2,500

For 2020/21, Eastwood People's Initiative has requested a similar grant of £2,500 to cover the market rent and buildings insurance (£1,750) and other associated premises costs (£750). Any grant awarded in respect of the rental element would have no effect on the Council's overall budget, with the award being matched in the Council's premises income budget. Members should note that any additional award for the other operating costs will have to be funded from the grant aid budget.

Uniformed Groups

6. 2ND BEESTON SEA SCOUTS

The 2nd Beeston Sea Scouts was established in 1928 and is based at Lilac Grove in Beeston. The group serves the South West Notts Scout District, including Attenborough, Beeston South, Beeston Rylands and the west of Nottingham City. It currently has 95 members (including 70 junior members) with the majority living in Broxtowe.

The aim of the 2nd Beeston Sea Scouts is to provide scouting activities, under the policy and rules of the Scout Association, with the speciality of water based activities such as canoeing, kayaking, rowing and sailing. The main activities of the group attempt to develop young people in life skills in many areas of physical, social and mental development. Water activities are held at the base on the River Trent at Barton Island.

For the year ended 31 December 2019, 2nd Beeston Sea Scouts generated receipts of £34,153 from subscriptions, grants, donations and fundraising activities. Total payments amounted to £34,899 and included premises expenses, such as heating and lighting and repairs and renewals, boat maintenance, youth programme activities (i.e. camps), purchase of equipment and capitation. The cash and bank balances at 31 December 2019 increased to £24,907, of which £15,775 is earmarked towards a headquarters new building fund.

As part of the Council's aim to secure economic rents on its properties, the rental of the Lilac Grove premises was assessed at £1,750 per annum. This has been increased to £2,150 for 2020/21. The 2nd Beeston Sea Scouts

suggests that it has only limited financial resources and would be unable to sustain a rental charge of this size.

The Council has regularly supported the 2nd Beeston Sea Scouts with grant aid towards its rental obligations. The grants awarded in the past four years were as follows:

2019/20	£1,750
2018/19	£1,750
2017/18	£1,750
2016/17	£1,750

For 2020/21 the 2nd Beeston Sea Scouts has requested a grant of £2,150 to cover the increased market rental of the Lilac Grove premises. This grant award would be for a period of one year and would have no effect on the Council's overall budget, with the potential award being matched by allowances within the premises income budget.

Disability Groups

7. BEESTON SHOPMOBILITY

Beeston Shopmobility has been operating since June 2001. It is a registered charity and a company limited by guarantee that is independent of the Council.

The aim of Beeston Shopmobility is to enable people with temporary or permanent mobility difficulties the freedom of movement around Beeston town centre through the loan of disability aids, manual and powered wheel chairs and scooters. The scheme helps people with disabilities to lead more independent lives and often provides a welcome respite for carers. Mobility equipment can be used to access shops and services and enables users to socialise more frequently with friends in and around Beeston.

The charity is run by a team of unpaid volunteers. The scheme is normally open daily from Monday to Saturday each week throughout the year. In 2019 the scheme has 89 registered users and provided benefit to 70 Broxtowe residents. In a typical year there would be around 500 hirings, although numbers had fallen back in the summer 2020 to 54 users and an average of 20 hirings per week – clearly impacted by the coronavirus pandemic. The charity has 15 scooters and wheelchairs which can be hired for a charge of £1 per two hour hiring or £30 per week for a longer-term hiring.

Due to the significant impact of the pandemic, Beeston Shopmobility has been unable to provide its services for several months during the course of 2020. When the lockdown situation ends, and the town gets back to some normality, the group (and its trustees and volunteers) will have a fleet of well-maintained scooters and wheelchairs ready to call upon.

For the year ended 30 September 2020, the charity generated income of £8,732 from grant aid, fees and donations. Expenditure of £9,652 mainly

related to premises costs, insurances and equipment repairs. Cash at bank and in hand at 30 September 2020 was £10,146. It has been indicated that funds are partly earmarked towards the scooter replacement programme (units cost around £1,500 each).

Members will recall that in January 2018 that Beeston Shopmobility relocated from the Council owned Cavendish Lodge to Oban House on Chilwell Road. Oban House is privately owned and was leased in its entirety to Voluntary Action Broxtowe (VAB). Beeston Shopmobility was a sub-tenant at Oban House, paying an all-in rental of around £7,000 per annum.

Following the expiry of the lease at Oban House (through with VAB), Beeston Shopmobility has been looking for alternative accommodation in the town centre. An opportunity has arisen for the charity to take on the tenancy of the Council owned premises at 33-34 The Square, Beeston (previously occupied by Explore Learning).

The lease for this unit is due to be completed shortly (with similar rental terms) and the necessary works undertaken to convert this unit as necessary. These premises will provide the charity with an excellent location for its operations right in the centre of the town centre and next to the transport hub. Beeston Shopmobility has requested grant support towards its rental obligations and states that with only limited financial resources it would be unable to sustain a rental charge of this size.

The Council has supported Beeston Shopmobility for many years with the grants awarded in the past four years being as follows:

2019/20	£8,500
2018/19	£8,500
2017/18	£14,500 (including £6,000 internal rent)
2016/17	£9,650 (including £8,150 internal rent)

For 2020/21, Beeston Shopmobility has requested a grant of £8,500 for the cost of annual rental of premises at The Square (£7,000) and towards insurance cover and scooter servicing costs (£1,500). Any grant awarded in respect of the rental element would have no effect on the Council's overall budget, with the award being matched in the Council's premises income budget. Members should note that any additional award for the other operating costs will have to be funded from the grant aid budget.

Sports Clubs

8. BRAMCOTE CRICKET CLUB

Bramcote Cricket Club was founded in 1858 and is based at Bramcote Hills Park on Ilkeston Road in Bramcote. Bramcote Cricket Club provides an opportunity to play and watch cricket. The club currently runs a number of league cricket teams and has occasionally coached midweek junior teams.

The Club is open to anyone interested in playing or coaching cricket and currently has around 50 adult and 10 junior members, the majority of whom live in Bramcote, Beeston, Chilwell and the surrounding areas. In addition, a further 70 juniors regularly attend the club to play 'kwik-cricket', also supported by parent volunteers, and visiting clubs from Chilwell, Attenborough and Beeston also enjoy use of the Club's facilities.

Unlike some clubs in the region, Bramcote Cricket Club continues to experience strong participation, particularly amongst juniors who attend for coaching sessions. Some of these juniors have joined from larger clubs where, due to the numbers involved, they have been unable to receive one-to-one coaching. The club hopes to continue to provide this opportunity for juniors to participate in cricket.

Bramcote Cricket Club provided its draft financial statements for the year ended 31 December 2020 for scrutiny. These show income totalling £5,256 being mainly generated from subscriptions, match fees, bar sales, grants and sponsorship and other fundraising activities. Annual expenditure of £5,945 included bar expenses, ground equipment maintenance, playing equipment, pitch hire, rent, insurances and other running costs. Cash and bank balances as at 31 December 2020 are recorded as £9,934.

The figures above exclude a £10,000 grant received via the Council in April 2020 as part of the emergency Covid-19 funding in respect of the business premises. The club has confirmed receipt of this grant which had been transferred to a business reserve bank account. The draft accounts will be amended prior to approval and show increased financial reserves of £19,934.

The Council owns the clubhouse used by the Club on Bramcote Hills Park and as part of the Council's aim to secure economic rents on its properties the rent has been reassessed at £1,000 per annum following a rent review.

The Council has supported Bramcote Cricket Club for many years with grants towards its premises costs (including rental) and the occasional capital grant towards facilities and equipment. The grants awarded in the past four years were as follows:

2019/20	£1,000
2018/19	£865
2017/18	£865
2016/17	£865 (plus £2,500 capital grant)

For 2020/21, Bramcote Cricket Club has requested a revenue grant of £1,000 towards the total cost of its annual rent obligations. This award would be for a period of one year and would be matched by allowances within the premises income budget, leaving the Council's overall budget unchanged.

Miscellaneous Groups

9. BROXTOWE PLAY FORUM

Broxtowe Play Forum was established in 1983 and is based in Council owned premises at Montrose Court in Stapleford. Broxtowe Play Forum generates its membership from across the Borough and, in a typical year, around 130 local member groups and families use the facilities provided, supporting over 3,000 children and young people.

The primary aim of Broxtowe Play Forum is to support and encourage play in the borough and the group achieves this by providing play resources for children's groups. Broxtowe Play Forum also organises meetings at its premises, provides office services and craft workshop facilities and offers reasonably priced art and craft materials for sale in its play resource centre.

It is open to the general public on a Wednesday, holding a card making club for adults. Broxtowe Play Forum has also attended local play days and play events in partnership with the Arts and Events team.

For the financial year ended 31 March 2020 income totalling £10,621 was generated from grants, membership fees, equipment hire and resource sales. The grants received were from Nottinghamshire County Council (£3,000) and this Council. Total expenditure amounted to £11,328 and included rent and utilities, the purchase of resources and equipment and general running costs. Total cash funds as at 31 March 2020 amounted to £19,316.

Broxtowe Play Forum has occupied units at Montrose Court in Stapleford since 2014. As part of the Council's aim to secure market rental on its properties, the annual rent for the premises was assessed at £5,500. The group has limited financial resources and would be unable to sustain a rental charge of this size.

The Council has supported Broxtowe Play Forum for many years with grants towards the cost of its rent obligations. The sums awarded in the past four years were as follows:

2019/20	£5,500
2018/19	£5,500
2017/18	£5,500
2016/17	£5,500

For 2020/21, Broxtowe Play Forum has requested a similar grant of £5,500 towards the cost of its rent obligations. This grant would be for a period of one year and would be matched by allowances within the premises income budget and therefore leave the Council's overall budget unchanged.

Miscellaneous Category

10. DIG-IN COMMUNITY ALLOTMENT

The Dig-In Community Allotment scheme ('Dig-In') was established in 2004 and is based at the Albany Allotments on Pasture Road, Stapleford. Dig-In provides a facility for local groups and residents to grow fruit and vegetables and explore biodiversity and horticulture. It is the only community allotment of its kind in the area and through its development has built up trust with local people.

The aim of Dig-In is operating a sustainable community allotment where people of different ages and backgrounds come together to share skills, knowledge and experience of organic food growing in a friendly supportive environment. The scheme encourages its users to learn and develop skills by providing an opportunity to merge arts and horticulture in creative projects, run accredited courses, link with similar projects and encourage an understanding of 'garden to plate' ethos with cooking sessions. The project also holds events to celebrate growing and associated activities to encourage wider involvement.

Dig-In also aims to improve the health and wellbeing through its activities. It acts as a community hub for outdoor events and workshops which bring the local community together with a shared purpose. Combating social isolation, improving mental health and developing skills and knowledge are all integral to Dig-In and the reach it has into the communities around the Stapleford area

All activities are evaluated and this informs action planning for future events, workshops and sessions. The volunteers shape the Dig-In activities and growing sessions are tailored around needs of the group.

Dig-In is free and open to all (the project asks for donations at its events). Community groups and families use the site as a resource. Without this scheme many families would not access green spaces or be encouraged to growing healthy food on their own doorstep. The project welcomes volunteers from across the Borough as this not only strengthens the local community of Stapleford but offers a beneficial geographical diversity.

Dig-In is managed by a voluntary management committee made up of local residents, voluntary groups and local agencies/authorities. In 2019 the scheme has delivered:

- 98 volunteer sessions with an average of 10 volunteer attendees per session across the year (50 different volunteers and 2,056 hours).
- 20 gardening information sessions at the allotment with groups such as Albany Junior School, Wadsworth Fields Primary School, local Beavers,

Rainbows and Brownies groups and college groups, with these visits including 117 adults and 450 children.

- Delivered two annual events – a summer celebration and an autumn events which attracted 94 and 174 people respectively.
- Delivered six community workshops based around its lottery funding theme of “dig in for the future”. These were attended by 39 adults and 35 children with family sessions covering bird-feeders, plants for pollinators, pond-dipping, mini-beasts. bird-box making and insect homes for the winter.

Although the pandemic did impact on the planned events in 2020, Dig-In was still able to maintains a community hub for outdoor events and workshops (operating within Covid regulations) which brought the local community together with a shared purpose of combating social isolation and developing skills, knowledge and self-confidence.

For the year ended 29 February 2020, income totalling £11,439 was derived from grants and donations (including £10,563 in restricted grants – all external funding, including National Lottery Awards for All funding, is project specific). Expenditure of £12,325 related to wages (£8,151), activities and events, materials and other operating expenses. Stapleford Town Council supports the project by donating the three allotment plots for community use and as such no rental is charged. Cash and bank balances at 28 February 2020 amounted to £16,452 (the group state that this has reduced to £6,652 as at 7 December 2020). A limited amount of funding from the Big Lottery Awards for All remains to fund the remaining volunteer sessions until March 2021. The group is applying for new funding to start in April 2021 for its weekly sessions, workshops and public events for 2021/22.

The Council have supported the Dig-In Community Allotment for many years with grant aid towards its running costs. The grants awarded in the past four years were as follows:

2019/20	£495
2018/19	£515
2017/18	No application
2016/17	£515

For 2020/21 the Dig-In Community Allotment has requested an increased grant of £700 towards insurance premium (£271), water charges (£131), membership and affiliation fees (£40), web domain renewal and hosting (£78) and other ICT and mobile phone costs (£180).

Report of the Deputy Chief Executive

PAY AWARD AND REVIEW OF ALLOWANCES

1. Purpose of report

To advise the Committee of the recommendation of the Independent Remuneration Panel regarding the application of a potential pay award for 2021/22 to allowance rates for members.

2. Background

The Panel was advised that at the Council meeting held on 6 March 2020 Councillors resolved to accept the Independent Remuneration Panel's recommendation that members' allowances be increased by 2% in line with the employees' pay award. This was the first acceptance of the increase since 2015/16. In accordance with the Scheme of Members' Allowances approved by the Panel in September 2015, member allowance rates should increase in line with any employee pay award. The Panel considered a potential pay award for 2021/22 and it was noted that, the overall cost to the Council of an increase of 2% to members' allowances would be approximately £5,450, as included in appendix 2.

3. Further information

The Panel was informed of the *Government's Spending Review 2020*, of which there is further detail in appendix 1, which stated that that public sector pay would be "paused" for 2021/22.

During discussions, the national economic situation was considered in addition to unemployment and the freeze to Council employees' pay. There was concern that to recommend an increase in allowances for members at a time when officers were having a pay freeze would be seen as unacceptable. It was noted, however, that Councillors had seen an increase in their workloads due to the pandemic and their continued hard work for their communities was commended.

Recommendation

RECOMMENDED to the Finance and Resources Committee and on to full Council that it be requested that members' allowances be frozen in line with the employees' pay award.

Background papers

Nil

APPENDIX 1

Public sector freeze for 2021/22

On 25 November 2020, the Government published *Spending Review 2020*. As part of the response to the economic impacts of the COVID-19 pandemic, the Chancellor announced that public sector pay will be “paused” for 2021/22. There will be an exemption for NHS staff. In addition, workers earning below £24,000 will receive a pay rise of at least £250.

This policy is only directly binding on the Civil Service and parts of the public sector that are covered by the Pay Review Bodies (PRBs). Public sector pay policy is reflected in the remits that are issued to the PRBs and Government departments.

The Local Government Association, which represents the employer side in the National Joint Council, has said that it is not bound by this pay policy but that pay awards will depend on the funding that local government receives through the financial settlement.

APPENDIX 2

Revised Members' allowances following a 2% increase

	<u>No. applying</u>	<u>Current rate £</u>	<u>Revised rate (£)</u>
Basic Allowance	44	3,816	3,892
<u>Special Responsibility Allowances:</u>			
- Leader	1	13,829	14,106
- Deputy Leader	1	6,223	6,347
<u>Committees</u>			
- Chair	8	4,840	4,937
- Vice chair	8	1,594	1,626
<u>Quasi-Judicial Committees, Board etc.</u>			
- Chair:			
o Planning	1	3,459	3,528
o Licensing & Appeals	1	2,766	2,821
o Housing Payments Committee	1	1,382	1,410
o Governance, Audit and Standards	1	2,074	2,115
- Vice chair:			
o Planning	1	692	706
o Licensing & Appeals	1	553	564
o Housing Payments Committee (prev. Review Board)	1	276	282
o Governance, Audit and Standards	1	276	282
- Members of Alcohol & Entertainments Licensing Committee	12	692	706
- Independent Person	1	1,382	1,410
<u>Political Groups – Additional Allowance</u>			
- Leader of Opposition	1	1,382	1,410
- Business Manager	2	867	884
-			
<u>Civic</u>			
- Mayor	1	4,840	4,937
- Deputy Mayor	1	1,382	1,410
<u>Outside Bodies</u>			
- Health Lead	1	1,125	1,148
- Chair of Broxtowe Partnership Health Task Group	1	1,125	1,148
- Police and Crime Panel	1	692	706

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Report of the Strategic Director

WORK PROGRAMME

1. Purpose of report

To consider items for inclusion in the Work Programme for future meetings.

2. Background

Items which have already been suggested for inclusion in the Work Programme of future meetings are given below. Members are asked to consider any additional items that they may wish to see in the Programme.

30 March 2021	<ul style="list-style-type: none"> • Establishment Changes and Performance Outcomes from May • Cash Payment Facilities • Treasury Management Ethical Investment Policy • Grants to Voluntary and Community Organisations
8 July 2021	<ul style="list-style-type: none"> • Statement of Accounts Update and Outturn Position 2020/21 • Treasury Management Annual Report 2020/21 • Capital Programme Update 2021/22 • Revenue Budget Variations 2021/22 • Grants to Voluntary and Community Organisations • Grant Aid – Citizen's Advice Broxtowe • Performance Management – Review of Business Plan Progress – Support Service Areas

Future meetings

- 7 October 2021
- 9 December 2021
- 6 January 2022
- 10 February 2022

Recommendation

The Committee is asked to CONSIDER the Work Programme and RESOLVE accordingly.

Background papers

Nil

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Report of the Deputy Chief Executive

BEESTON TOWN CENTRE REDEVELOPMENT ADDITIONAL FUNDING

1. Purpose of report

To request additional capital funding for The Square Phase 2 redevelopment in Beeston.

2. Background

Members familiar with the various Policy and Performance Committee papers will recall that Council agreed to directly develop a cinema and food & beverage complex at the northern end of the Beeston town centre redevelopment site, with 132 flats to the south (site now sold to a third party to build out), linked by public realm. The Deputy Chief Executive has delegated authority for all financial aspects of the project within the budget approved by Policy and Performance Committee on 3 July 2019 and endorsed by the Full Council of 17 July 2019.

3. Key Updates

- The residential sale completed on 4th November.
- Despite the challenges of developing a difficult town-centre site whilst maintaining Covid-secure working, Bowmer & Kirkland achieved practical shell completion on budget at the end of January.
- The Arc Cinema remains committed to and confident about the development, has commenced its fit out, and has confirmed its intention to open in June 2021. This is also currently on budget.
- Meanwhile, as detailed in the exempt appendix, the Council has had very significant and positive discussions with several prospective food & beverage operators. As a result of these discussions, an additional requirement for capital expenditure has been identified.

4. Financial implications

- The capital cost of the shell and cinema fit-out project remains within the approved budget.
- However, to secure high quality tenants, and also to develop further work on the ex-Argos block, additional capital funding is required. Further details are contained in the exempt appendix.

Recommendations

The Committee is asked to:

- 1. CONSIDER the exempt appendix and RESOLVE accordingly.**
- 2. RESOLVE to continue to delegate to the Deputy Chief Executive all key approvals, in consultation with the cross-party Project Board, and subject to the overall project cost remaining within the financial limits already set or subsequently changed by this Committee and/or Full Council as appropriate.**

Background papers – Nil

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