



Wednesday, 2 February 2022

Dear Sir/Madam

A meeting of the Finance and Resources Committee will be held on Thursday, 10 February 2022 in the Council Chamber, Council Offices, Foster Avenue, Beeston NG9 1AB, 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:	G Marshall (Chair)	P J Owen
	S J Carr (Vice-Chair)	S Paterson
	B C Carr	M Radulovic MBE
	E Cubley	P D Simpson
	S Easom	P Roberts-Thomson
	E Kerry	E Williamson
	P Lally	

AGENDA

1. APOLOGIES

To receive apologies and to be notified of the attendance of substitutes.

2. 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.

3. MINUTES

(Pages 5 - 8)

The Committee is asked to confirm as a correct record the minutes of the meeting held on 6 January 2022.

4. BUSINESS PLANS AND FINANCIAL ESTIMATES 2022/23 - 2024/25 (Pages 9 - 48)

To consider proposals for business plans, detailed revenue budget estimates for 2022/23; capital programme for 2022/23 to 2024/25; and proposed fees and charges for 2022/23 in respect of the Council's priority areas.

5. BUDGET PROPOSALS AND ASSOCIATED STRATEGIES (Pages 49 - 118)

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.

6. CAPITAL PROGRAMME AMENDMENTS 2021/22 (Pages 119 - 120)

To seek approval for a budget variation in the Capital Programme for 2021/22.

7. GRANTS TO VOLUNTARY AND COMMUNITY ORGANISATIONS, CHARITABLE BODIES AND INDIVIDUALS INVOLVED IN SPORTS, THE ARTS AND DISABILITY MATTERS 2021/22 (Pages 121 - 136)

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

8. CIVIC EVENT-FREEMAN/ALDERMAN OF THE BOROUGH (Pages 137 - 140)

To seek approval to host a ceremony where the status of Freeman or Alderman is conferred on those who have rendered eminent services to the Borough.

9. HOUSING BENEFIT - WAR PENSION DISREGARD (Pages 141 - 142)

To seek approval for the continuation of the War Pension Disregard in respect of Housing Benefit claims in 2022/23.

10. BUDGET CONSULTATION 2022/23 (Pages 143 - 150)

To report the results of the 2022/23 budget consultation exercise that took place during October, November and December 2021.

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 3, 5, 7 and 12 of Schedule 12A of the Act.

12. IRRECOVERABLE ARREARS (Pages 151 - 156)

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FINANCE AND RESOURCES COMMITTEE

THURSDAY, 6 JANUARY 2022

Present: Councillor G Marshall, Chair

Councillors: S J Carr (Vice-Chair)
B C Carr
E Cubley
S Easom
E Kerry
P Lally
J M Owen (substitute)
P J Owen
S Paterson
J C Patrick (substitute)
P D Simpson
E Williamson

Apologies for absence were received from Councillors M Radulovic MBE and P Roberts-Thomson.

57 DECLARATIONS OF INTEREST

There were no declarations of interest.

58 MINUTES

The minutes of the meeting held on 9 December 2021 were confirmed and signed as a correct record.

59 GRANT AID REQUESTS FROM KIMBERLEY TOWN COUNCIL

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

The requests for funding towards the remembrance event and festive activities are being considered retrospectively having been received too late for the consideration of the Finance and Resources Committee.

RESOLVED that:

- 1. The grant aid request for £1,200 in respect of the Remembrance Sundry event be approved.**
- 2. The remaining three grant aid requests be deferred pending receipt of further assurances from Kimberley Town Council as to how it proposes to fund these schemes in the event of the Council only providing a partial**

- contribution and further information about its intentions for use of its reserve balances.
3. A review of the protocol for grants to parishes and town councils be undertaken by the appropriate Committee.

60 COUNCIL TAX BASE 2022/23

The Committee consider the Council Tax Base for the year 2022/23. The 2022/23 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 2022/23 as follows:

1. For the whole of its area 34,530.00.
2. In respect of Parish Precepts and Special Expenses for those parts of its area mentioned in the table below, the amounts specified therein –

Part of Council's Area Area Council Tax Base

Awsorth	606.78
Brinsley	695.96
Cossall	216.56
Eastwood	3,017.84
Greasley	3,727.31
Kimberley	1,855.54
Nuthall	2,266.30
Stapleford	4,178.70
Strelley	179.15
Trowell	832.42

Special Expenses Area

Beeston Area	16,953.44
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61 LOCAL COUNCIL TAX SUPPORT SCHEME 2022/23

The Committee considered the arrangements to operate in 2022/23 in respect of the Local Council Tax Support Scheme.

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 2022/23.

62 WORK PROGRAMME

Members consider the Work Programme.

RESOLVED that the Work Programme be approved.

63 URGENT ITEM

Members considered a method to determine applications made under the discretionary elements of the Government's latest COVID-19 support packages to local businesses. The fund would be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates.

RESOLVED that the establishment of an appropriate policy and decision making framework for the discretionary elements of the above schemes be delegated to the Deputy Chief Executive, in consultation with the Leader of the Council, the Deputy Leader, Chair of the Finance and Resources Committee and Leader of opposition or their representative.

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

BUSINESS PLANS AND FINANCIAL ESTIMATES 2022/23 - 2024/25

1. Purpose of report

To consider proposals for business plans, detailed revenue budget estimates for 2022/23; capital programme for 2022/23 to 2024/25; and proposed fees and charges for 2022/23 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.

Under the Constitution, financial and business planning is 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 appendices 2a to 2c.

Following consideration by the respective Committees, a summary of the estimates, including any changes recommended, will be presented to the Finance and Resources Committee on 10 February 2022 for consideration and recommendation to Full Council on 2 March 2022.

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) **The detailed revenue budget estimates for 2022/23 (base) including any revenue development submissions.**
 - b) **The capital programme for 2022/23 to 2024/25**
 - c) **The fees and charges for 2022/23.**

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 2022/23 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 Resources; Revenues, Benefits and Customer Services; and ICT and Business Transformation Business Plans and the associated budgets covering these services.

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 2021/22 revised estimate as of December 2021 and the 2022/23 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 2022/23 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 2022-25 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, which shows the following types 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

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 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 2022–2025Introduction

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 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 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2021/22	Future Years	Indicator Owner and Comments (incl. benchmarking)
Invoices paid within 30 Days % (BVPI 8)	99.3%	97.2%	98.6%	99%	99%	99%	Head of Finance Services
Working days (per FTE) lost due to sickness absence (BVPI12a)	8.69	10.88	7.89	7.50	7.50	7.50	Payroll and Job Evaluation Manager In 2018/19 the average working days lost due to sickness was 9.80. The lowest recorded from one local authority was 7.10 with the highest reported as 13.90
Working days (per FTE) lost due to short term absence (HRLocal_17)	3.22	3.34	2.33	2.50	2.50	2.50	
Working days (per FTE) lost due to longer term absence (HRLocal_18)	5.47	7.54	5.56	5.00	5.00	5.00	

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 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
Invoices paid within 20 days (FPLocal_09)	97.6%	92.6%	96.5%	98%	98%	98%	Head of Finance Services
Sundry debtors raised in any one financial year paid in that year (FPLocal_02)	83.5%	83.4%	75.2%	90%	90%	90%	Head of Revenues, Benefits and Customer Services
Internal Audit: Planned audits completed in year (FPLocal_03)	97%	86%	89%	90%	90%	90%	Chief Audit and Control Officer
Procurement compliant contracts as identified in the Contracts Register (FPLocal_11)	90%	90%	90%	95%	95%	95%	Chief Audit and Control Officer Procurement and Contracts Officer Due to the pandemic, strategic decisions were taken to roll-on some existing low value contracts, instead of retendering. Focus was on carrying out robust procurement exercises on the high value strategically critical contracts.
Cases issued at magistrates' court which were successful and a sentence was imposed (LALocal_13)	100%	100%	100%	90%	100%	100%	Head of Legal Services and Deputy Monitoring Officer

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
Full registration of unregistered deed packets with Land Registry (LSLocal_01)	-	-	-	-	64	64	A total of 613 Deed packets still need to be registered as of 19 October 2021. With the current resource available Legal services can currently to register 16 Deed packets a month. Land Registry target is for all public sector owned land to be registered by 2025.
First draft of Section 106 Agreement completed within 10 working days from receipt of full instruction (LSLocal_02)	-	-	-	-	80%	90%	Head of Legal Services New Performance Indicator 2022/23 Links with Business Growth Objective
First draft of contract completed within 10 working days from receipt of full instruction (LSLocal_03)	-	-	-	-	80%	90%	Head of Legal Services New Performance Indicator 2022/23 Links with Business Growth Objective
First draft of commercial lease completed within 10 working days from receipt of full instruction (LSLocal_04)	-	-	-	-	80%	90%	Head of Legal Services New Performance Indicator 2022/23 Links with Business Growth Objective
Individually registered electors in the borough (LALocal_08)	84,788	87,126	85,744	87,500	87,500	87,500	Head of Administrative Services 84,226 registered electors on 1 December 2021.
Freedom of Information requests replied to within 20 working days % (LALocal_12)	96.5%	96.0%	96.3%	85% (Revised)	85%	85%	Head of Governance and Deputy Monitoring Officer National target set by the Information Commissioners' Office is 85%.
Subject Access Requests responded to within one month GSLocal_001	N/A	N/A	N/A	100%	100%	100%	Head of Governance and Deputy Monitoring Officer

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
LALocal_04 The % of complaints acknowledged within the specified time (LALocal_04)	94%	97%	97.5%	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>
Councillors with an Annual Training Plan (GSLocal_02)	N/A	N/A	N/A	25%	100%	100%	Head of Governance and Deputy Monitoring Officer
Publish Cabinet Minutes within 3 working days of the meeting (GSLocal_006)	-	-	-	-	100%	100%	Head of Governance and Deputy Monitoring Officer New performance indicator 2022/23 Legislative requirement for (proposed) Cabinet Model
Number of call-ins following Cabinet decisions responded to in full within legislative timescale (GSLocal_007)	-	-	-	-	100%	100%	Head of Governance and Deputy Monitoring Officer New Performance indicator 2022/23 Legislative requirement for (proposed) Cabinet Model
Level of Equality Framework for Local Government to which the Council conforms (BVPI 21)	Ach.	Ach.	Ach.	Ach.	Ach.	Exc.	Ach = Achieving Exc = Excellent
Employees declaring that they meet the Equality Act 2010 disability definition (BVPI 16a)	6.90%	6.25%	6.92%	8%	8.5%	9%	Improvement on the previous year despite recruitment slowing down during pandemic. Increase in initiatives such as mental health awareness and disability confident status may encourage declarations within new starters. Not all employees declare a disability

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
Ethnic minority representation in the workplace (BVPI 17a)	6.44%	7.24%	8.24%	8%	9%	10%	The latest census data shows that 7.8% of individuals within the borough are from a BAME background.
Annual employee turnover (HRLocal_06)	13.98%	10.32%	5.06%	12%	12%	12%	Human Resources Manager 13% for local authorities in England 2018/19
Employees qualified to NVQ Level 2 and above (HRLocal_07)	85%	87%	86%	88%	88%	88%	Positive increase on previous year Overall skills levels remain stable, as nearly all new starters now come with level 2 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%	1.7%	0%	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)	1.6%	5%	1.98%	5%	5%	5%	Estates Manager
Beeston Square Shops vacant for more than 3 months % (CPLocal_05)	7.69%	0%	19%	5%	6%	6%	Estates Manager Two units vacant out of 11 shops. From 2022/23 indicator will include Phase 2 (a further 5 units) Refurbishment of part of the square is planned.

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
Occupancy of Business Hub Units (CPLocal_07) (New)	-	-	-	-	85%	85%	Head of Asset Management and Development New Performance Indicator 2022/23. A percentage void is desirable to offer space to newly developed businesses whilst other growing businesses move out.

KEY TASKS AND PRIORITIES FOR IMPROVEMENT 2022/23 – 2024/25 INCLUDING COMMERCIAL ACTIVITIES

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Review and update the Financial Regulations for approval by Members FP2023_01	The Council's updated Financial Regulations to be adopted by the Council.	None	Deputy Chief Executive Head of Finance Services December 2022	Approval required at Full Council
Produce draft statement of accounts in accordance with statutory deadlines FP2023_07	Final draft accounts to be produced for external auditors to scrutinise by end of July	None	Head of Finance Services July 2022	Additional interim support agreed by Finance and Resources Committee on 10 October 2019.

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Implementation of Intelligent Scanning ensuring automated matching of valid purchase orders to invoices FP1922_03	Ensure compliance with Financial Regulations in respect of raising purchase orders. Reduction in time taken to process invoices received. Effective internal control and reduction of paper invoices	Civica	Head of Finance Services Chief Accountant June 2022	Efficiency expected with improved speed and accuracy of processing
Review the Civica Pay/ ICON Finance System FP2023_02	Resolve technical issues in respect of the Civica Pay / ICON system and bank reconciliation modules. Procurement exercise to be planned in advance of new contract in 2024	Civica	Head of Finance Chief Accountant March 2023	Resourcing of service
Determine the Council's procurement approach to ensure that it meets needs and objectives FP1922_05	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 September 2022	May require additional resources – Impact to be determined.
Implement and further develop the new contract management framework across the Council FP2023_05	Establishing a corporate contract management framework to include performance management arrangements / reporting.	None	Chief Audit and Control Officer Procurement and Contracts Officer June 2022	Opportunities for savings and efficiencies may be achieved through effective contract management.

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Further develop the existing Internal Audit collaboration with Erewash Borough Council FP2023_06	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 June 2022	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.
Progressing the completion of First Registration of Council owned land LA1821_02	Achieve 100% registration of unregistered Council land	Land Registry Planning and Regeneration Team Legal Officers	Head of Legal and Deputy Monitoring Officer December 2025	Additional resource recruited Land Registry backlog may affect timescales
Draft constitution to a Leader/Cabinet Governance Model LS2225_01 (New)	Roll out relevant training to allow the new Cabinet Governance Model to commence from May 2022	Senior Officers Democratic Services Officers Members Monitoring Officer Deputy Monitoring Officers	Monitoring Officer Deputy Monitoring Officers Head of Governance May 2022	External support may be required to complete task to achieve the tight deadline
To undertake a service review and develop Service Level Agreements for internal clients of Legal Services LS2225_02 (New)	Aligning service delivery to service needs and expectations. To support with corporate plan delivery	Client departments Head of Services and Officers	Head of Legal & Deputy Monitoring Officers Senior Officers April 2022	To ensure client department needs are met appropriately and efficiently to improve service resilience.

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Investigation of Iken Software to improve case management and reporting of Legal services workflow LS2225_03 (New)	Workflow Module to streamline the process and efficiency when dealing with instructions. Management Information module will produce reports that will help manage and develop the team's performance and provide necessary case reports for the client departments.	ICT Iken Legal Officers Finance	Head of Legal May 2022	Budget to be estimated costs £5,000 with annual fee of £1000. Budget pending GMT approval
To collate and evaluate data and findings of the service review against the data from the new Iken modules to consider whether a legal service structure review is required LS2225_04 (New)	To establish whether we have sufficient resource and necessary skills within the team to deliver the required service.	Heads of Services Officers Finance	Head of Legal September 2022	Possible budgetary requirements, if it is found that we need more legal resource. Although, there is also a potential for efficiencies to be identified.
Transfer of land charges function to Land Registry DEM1518_02	Fully electronic register and successful transfer to Land Registry		Head of Administrative Services March 2023	The Council will receive New Burdens Funding for the ongoing maintenance of the Land Charges Register. The level of funding is unknown at this stage. Income from CON29 enquiries will continue.
Community Governance Review DEM1518_01	Revision of all parish boundaries so that existing anomalies are removed wherever possible		Head of Administrative Services June 2022	Work commenced in June 2021 and will be concluded to enable any changes to boundaries to be effective for the elections in May 2023.

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Polling District Review AS2225_01 (New)	Revision of Polling District boundaries in light of changes made to parish boundaries through the Community Governance Review and a full review of polling places and polling stations to ensure that they are all still appropriate and accessible		Head of Administrative Services December 2022	Work will commence in July 2022 and will be concluded to enable any changes in either Polling District boundaries and/or polling places to be effective for the elections in May 2023.
Development of Performance Standards for the Electoral Registration Officers function AS2225_02 (New)	A range of performance measures to ensure that the standards set by the Electoral Commission for the electoral registration function and elections are met		Head of Administrative Services May 2022	The standards will be reviewed regularly to ensure that outcomes are still appropriate
Roll out phase 2 of the committee management system DEM1922_01	More efficient and effective production and distribution of agendas and improved website information		Democratic Services Manager April 2022	Programme in development to produce reports internally through the management system Within existing budget
Undertake service review DEM2124_04	Establish and define the functions, procedures and performance standards in Governance Services to ensure legislative and corporate requirements are met, updating policies as required		Head of Governance May 2022	Head of Governance and Deputy Monitoring Officer Within existing budget

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Expand Member Development Programme to include new training to update knowledge / skills DEM2225_01 (New)	Enhance the member training programme to update skills to promote sound decision-making.		Head of Governance June 2023	Head of Governance and Deputy Monitoring Officer Within existing budget
To define the System of Governance for the (proposed) Cabinet model DEM2225_02 (New)	A robust framework to support the decision making work of elected members.	Independent Remuneration Panel Chief Officers	Head of Governance May 2022	Head of Governance and Deputy Monitoring Officer Within existing budget
Implement, Review and adjust the System of Governance for the (proposed) Cabinet model DEM2225_03 (New)	Ensure the (proposed) System of Governance for the Cabinet model is effective and meets the needs to the Council's constitution		Head of Governance July 2022	Head of Governance and Deputy Monitoring Officer Within existing budget
Evaluate the provision of mobile surveillance camera to provide flexibility of the service to meet changing demands DEM2225_04 (New)	To assess funding required to enhance the service		Head of Governance CCTV and Parking Manager September 2022	Cost of mobile surveillance camera – estimated £10K
All Managers at Broxtowe to be offered mental health first aid training (HR2225_01) (New)	Managers become more skilled at supporting employees through mental health challenges	Health and Safety Manager	Human Resources Manager March 2023	Delivered in house within existing resources
75% of Managers at Broxtowe to be offered neurodiversity training (HR2225_02) (New)	Managers are more skilled at managing employees with neurodiverse conditions	A suitable provider will be found within financial standing orders	Human Resources Manager March 2023	Within existing corporate training budget

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Produce and start to implement a new Wellbeing Strategy (HR2225_03) (New)	Support the wellbeing of the workforce and assist in managing stress related absence	None	Human Resources Manager September 2022	Reduced absence will improve productivity
Complete a new Learning and Development action plan and implement it (HR2225_04) (New)	Raise skills of employees, fill skill gaps, producing better outcomes for residents	Any external input to delivering the plan will be done within existing financial standing orders	Human Resources Manager June 2022	Costs within corporate training budget
Refresh, renew and implement the Apprenticeship Strategy and action plan (HR2225_05) (New)	Increase the number of apprentices employed by the council Reduce the average age of the workforce Improve succession planning Fill skill gaps and grow our own workforce	Work with local colleges and universities and other training providers which run suitable training courses for apprentices	Human Resources Manager May 2022	Costs within existing staffing budget
Review, streamline and simplify the application and recruitment process (HR2225_06) (New)	Increase numbers of applications for jobs at Broxtowe	N/A	Human Resources Manager May 2022	Fewer unfilled vacancies will reduce agency costs
Implement a rolling schedule of HR policy reviews (HR2225_07) (New)	Ensure the HR policy suite is up to date and fit for purpose	Policies are amended in consultation with LJCC and Unions	Human Resources Manager March 2023	The aim is to reduce the number of policies and consolidate relevant policies to make the process more efficient and less bureaucratic

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Implement the replacement asset management plan for 2021 to 2026 CP2023_01	Seek to restore income from commercial assets post COVID and maximise efficiency for non-commercial assets	Tenant and Leaseholders	Estates Manager April 2026	Tender process undertaken. Report to Committee in January 2022
Introduce effective management and ICT systems in the Estates Team (CP2124_01)	Readily available information on a day to day basis to enable efficient estate management	Working with legal, ICT, Economic Development, Commercial Manager	Estates Manager September 2022	Cost of any required software upgrades, possible use of external valuers to assist with asset valuations
Maximise commercial revenue from Beeston Square (CP2225_01) (New)	Ensure the development income exceeds borrowing costs and provides a revenue income stream for the Council	Working with legal, Income, Economic Development, Commercial Manager and some external input	Estates Manager March 2023	Income generating but may require some expenditure on external advice

LINK KEY TASKS AND PRIORITIES FOR IMPROVEMENT TO THE FINANCIAL BUDGETS

Priority leaders should ensure that key tasks and priorities (including commercial activities) that have a financial implication are included in the analysis below.

Revenue and Capital Budget Implications/Efficiencies Generated	Pentana Action Code	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £
Budget Implications				
Provision of mobile surveillance camera – subject to evaluation	DEM2225_04	(Est) 10,000	0	0
Progressing the completion of First Registration of Council owned land	LA1821_02	TBC	-	-
Improve IKEN Case Management System - reporting and workflow for Legal Services	LS2225_03	(Est) 5,000	Est 1,000	Est 1,000
Review of Legal Services	LS2225_04	TBC	-	-
Efficiencies Generated				
Improvements in the IKEN Case Management System – Enabling reporting and improved workflow for Legal Services	LS2225_03	-	TBC	TBC
Reduce absence	HR2225_03	(Est) 20,000	30,000	40,000
New business/increased income				
Erewash Internal Audit	FP2023_06	TBC	TBC	TBC
Net Change in Revenue Budgets		Note	Note	Note

Note: Budget implications to be considered and confirmed once project business cases have been finalised.

APPENDIX 1c

**REVENUES, BENEFITS AND CUSTOMER SERVICES BUSINESS
PLAN 2022–2025**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 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
Council Tax collected in year % (BV9)	98.5%	98.3%	97.0%	97.5% (Revised) 98.0% (original)	98.0%	98.0%	Head of Revenues, Benefits and Customer Services 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.
Non-domestic rates collected in the year % (BV10)	99.1%	98.6%	96.6%	97.5% (Revised) 98% (Original)	98.0%	98.2%	Head of Revenues, Benefits and Customer Services 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.
% of DHP contribution compared to DWP grant (FRLocal_15)	95.3%	99.7%	86%	100%	100%	100%	Head of Revenues, Benefits and Customer Services The Council always attempts to ensure that it spends 100% of the government allocation.

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
Number of online payment transactions to the Council (CSLocal_14)	67,541	62,111	53,479	71,000	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 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
Average time (days) to process Benefit claims (BV78a)	11.4	8.6	8.7	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)	3.9	4.4	3.5	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))	29.0%	26.5%	20.7%	20%	25%	25%	Head of Revenues, Benefits and Customer Services This area has been 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.

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
Calls handled (Answered in Contact Centre) (CSData02)	79,800	73,800	69,335	75,000	73,000	71,000	Head of Revenues, Benefits and Customer Services During 2020/21, the Customer Services team experienced system technical issues and a reduced resource capacity.

KEY TASKS AND PRIORITIES FOR IMPROVEMENT 2022/23 – 2024/25 INCLUDING COMMERCIAL ACTIVITIES

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Manage the introduction of Universal Credit (UC) (RBCS1620_01)	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 2024	Roll out of UC continues and will reduce the amount paid out by the Council. This will impact on Subsidy amounts that can be claimed.
Update the Council's face to face customer contact experience (RBCS1620_06)	To create a modern welcoming environment for customers.	Work with partners and other council departments.	Head of Revenues, Benefits and Customer Services April 2022	Implementation is partly dependent on progress of the New Ways of Working Project and the resources to make physical changes to reception
Business Rates Review (BCS2023_01)	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 September 2022	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

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Evaluate and implement Civica OpenChannel RBCS2124_01	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 2022	Promoting online facilities allowing integration with the back office system. Initial quotation is capital cost of £69k with ongoing maintenance of £19k per annum. 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. Discussions continue with Civica around the proposed cost of the software and implementation.
Reduce telephone abandonment RBCS2023_03	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.
Council Tax Single Person Discount Review RBCS202225_01 (New)	To conduct a risk based review of all Single Person Discounts.	Evaluation of potential partners remains ongoing	Head of Revenues, Benefits and Customer Services August 2022	Contract with external organisation will be approximately £15,000. It is to be negotiated with all precepting Authorities that an appropriate contribution will be made from each Council. This would mean Broxtowe pick up approximately 10% of this charge.

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
Email Connect RBCS202225_02 (New)	To implement the Information@work email connect module, providing automatic referencing of emails received.	Working with Information@work	Head of Revenues, Benefits and Customer Services October 2022	Information@work have provided a quote of £13,400

LINK KEY TASKS AND PRIORITIES FOR IMPROVEMENT TO THE FINANCIAL BUDGETS

Priority leaders should ensure that key tasks and priorities (including commercial activities) that have a financial implication are included in the analysis below.

Revenue and Capital Budget Implications/Efficiencies Generated	Pentana Action Code	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £
Budget Implications				
Evaluate and implement Civica OpenChannel	RBCS2124_01	69,000	19,000	19,000
Update the Council's face to face customer contact experience	RBCS1620_06	100,000	-	-
Business Rate Review	RBCS2023_01	20,000	20,000	20,000
Single Person Discount Review	RBCS2225_01	15,000	-	-
Email Connect	RBCS2225_02	13,400	-	-
Efficiencies Generated				
Evaluate and implement Civica OpenChannel	RBCS2124_01	-	(25,000)	(25,000)
Business Rate Review	RBCS2023_01	200,000	100,000	100,000
Single Person Discount Review	RBCS2225_01	100,000	70,000	50,000
Email Connect	RBCS2225_02	10,000	20,000	20,000
New business/increased income				
Net Change in Revenue Budgets		Note	Note	Note

Note: Budget implications to be considered and confirmed once project business cases have been finalised.

APPENDIX 1d

ICT AND BUSINESS TRANSFORMATION BUSINESS PLAN 2022–2025Introduction

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 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
System Availability (ITLocal_01)	99.8%	99.9%	100%	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

OTHER PERFORMANCE INDICATORS

Priority leaders also identified two further 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.

Key Performance Indicators (KPI)

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Target 2021/22	Target 2022/23	Future Years	Indicator Owner and Comments (incl. benchmarking)
Service Desk Satisfaction (ITLocal_02)	100%	96%	97.77%	98%	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 2022/23 – 2024/25 INCLUDING COMMERCIAL ACTIVITIES

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
<p>Telephony: The Council will continue to leverage and look to enhance the benefits of Microsoft Teams</p> <p>IT2225_03</p>	<p>Enhance the current features of the system to introduce voice and contact centre capability for the Council.</p>	<p>Learning from partner sites will inform approach</p>	<p>ICT & Business Transformation Manager</p>	
<p>Digital Strategy Implementation Implementation of the technology and processes required to provide digital services our customers choose as their preferred channel</p> <p>IT2225_01</p>	<p>To enable organisational transformation, creating customer focused online service delivery and gaining maximum business efficiency.</p> <ul style="list-style-type: none"> • Implementation of Planning Portal including consultation functionality. • Implementation of the proprietary Document Management Solution for the Planning System to support flexible working. • Continue delivery of the appropriate technology to support agile working. 	<p>Digital Strategy / Access Strategy with reporting tools implemented</p>	<p>Executive Director ICT and Business Transformation Manager</p>	<p>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 to service meet customer needs from any location.</p> <p>Estimated Costs - Business case and report to Committee will be required in order to obtain capital funding in the following years:</p> <p>2021/22 £40,000 2022/23 £40,000 2023/24 £40,000</p>

Action (Pentana Code)	Targeted Outcome	Partnership / Procurement Arrangement	Officers Responsible / Target Date	Budget Implications / Efficiencies / Other comments
<p>New Ways of Working/Mobile/Agile Working:</p> <p>The Council will continue work to ensure agile working approaches continue to be fit for purpose</p> <p>IT2225_04</p>	<ul style="list-style-type: none"> Review from pandemic and forced agility, identify lessons learned Review access requirements in line with the Technical Infrastructure Architecture and ensure remain fit for purpose to support agile working strategies. 	<p>Learning from other Local Authority sites will inform approach</p>	<p>ICT & Business Transformation Manager</p>	
<p>ICT Security Compliance:</p> <p>PCI-DSS & Government Connect - Maintain compliance with latest Security standards and support annual assessments.</p> <p>IT2125_02</p>	<ul style="list-style-type: none"> 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 	<p>ICT security solutions are researched/ implemented.</p> <p>Shared learning re cyber incidents.</p>	<p>ICT & Business Transformation Manager</p>	

LINK KEY TASKS AND PRIORITIES FOR IMPROVEMENT TO THE FINANCIAL BUDGETS

Priority leaders should ensure that key tasks and priorities (including commercial activities) that have a financial implication are included in the analysis below.

Revenue and Capital Budget Implications/Efficiencies Generated	Pentana Action Code	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £
Budget Implications				
Digital Strategy Implementation	IT2225_01	(Est) 40,000	40,000	40,000
-				
Efficiencies Generated				
-		-	-	-
New business/increased income				
-		-	-	-
Net Change in Revenue Budgets		Note	Note	Note

Note: Budget implications to be considered and confirmed once project business cases have been finalised.

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APPENDIX 2a

FINANCE AND RESOURCES PORTFOLIO – REVENUE BUDGETS

Classification	Revised Estimate 2021/22 £	Base Budget 2022/23 £
Employees	4,857,829	5,189,540
Premises	252,010	275,730
Transport	33,010	32,650
Supplies & Services	2,810,285	2,490,230
Transfer Payments	15,215,150	14,914,910
Third Party Payments	229,500	266,020
Corporate Recharges	(1,493,932)	(1,734,940)
Capital Charges	2,899,700	3,300,753
Income	(6,882,801)	(7,150,400)
Income Benefits	(14,929,570)	(14,587,440)
TOTAL	2,991,181	2,997,053

The changes in the 2022/23 base budget for total net expenditure when compared with the 2021/22 revised estimate is primarily a consequence of the following items:

Classification	Change (£)
Employees – Increase in cost due to anticipated pay awards, anticipated rise in employers' National Insurance contributions and the full-year impact of market supplements. Also included is an increase in the cost of temporary agency staff in Legal Services to cover maternity leave (£70,000). This will be reversed in the following year.	331,700
Premises – This increase is primarily due to an rise in Business Rates (NNDR) costs from land and property acquisitions and a review of NNDR allocation to Council services.	23,700
Supplies and Services – A decrease in net costs which is largely due to the following changes: <ul style="list-style-type: none"> • A carry forward of £381,000 into 2021/22 relating to Track and Trace and Hardship Covid grants will drop out of the 2022/23 base budget. • An expected increase in recovery action for unpaid Council Tax and Business Rates in 2022/23 will see an increase in court costs of £25,000. • A net increase in software maintenance costs of £33,000 across Finance and Resources. 	(320,000)

Classification	Change (£)
<ul style="list-style-type: none"> Also a rise in audit fees of £13,000 is offset by a similar reduction of in the cost of electoral registration. Revenue growth submissions of £10,000 for the Queens Jubilee celebrations and £3,300 for health and Safety equipment have been included here. Additional details can be found below. 	
<p>Transfer Payments – This relates to Rent Allowances, Rent Rebates and Discretionary Housing Payment costs). The 2021/22 revised estimate for transfer payments is largely offset by Government subsidy totalling. The 2022/23 base budget estimate for transfer payments is also expected to be largely offset by Government grants.</p>	(300,250)
<p>Third Party Payments – A budget is included in respect of an agreement with Newark and Sherwood District Council for it to provide ICT development support to Broxtowe for a variety of applications.</p>	36,500
<p>Corporate Recharges – A net reduction in recharges for services within the General Fund and HRA for costs including ICT Services, Finance, Legal, Human Resources, Health and Safety, Payroll, Creditors, Debtors, Support Services and Internal Audit.</p>	(241,000)
<p>Capital Charges – Additional Minimum Revenue Provision (MRP) charged to the General Fund, mainly in respect of the new Cinema development, and an increase in overall external borrowing costs linked to the capital programme (the majority of which will be met by the HRA).</p>	401,000
<p>Income – Additional net income between the 2020/21 revised and 2022/23 base budgets is primarily due to:</p> <ul style="list-style-type: none"> A net increase on Central Support Recharges to the HRA based on actual activity from 2020/21; A £333,000 increase in New Homes Bonus anticipated to be received in 2022/23; A £275,000 increase in the Item 8 charge to the HRA relating to capital financing costs; and The increase is partially offset by a £551,000 decrease in government grants, for Covid related grants that were included in the previous year. 	(267,600)
<p>Income Benefits partly offset the expenditure included in Transfer payments above. As this expenditure is expected to reduce the related grants are also reduced.</p>	342,150

Revenue Developments

In addition to the budget above, a number of revenue developments have been requested by services within the Finance and Resources portfolio. The details below have been extracted from the request documents submitted by the services. **These have been provisionally added to the budgets above, pending approval.**

Events – Queen’s Platinum Jubilee - £10,000

A one-off budget of £10,000 is proposed in 2022/23 to fund a variety of events in celebration of the Queen’s Platinum Jubilee.

Health and Safety - Hand Arm Vibration Monitoring – £3,300

A hand arm vibration (HAV) meter is needed on an annual basis to test the vibration magnitude emitted by each piece of equipment. These figures are needed to prevent employees from being exposed to damaging levels of vibration. There is also a statutory requirement to manage employee’s exposure to vibration.

In the past this equipment has been borrowed from another local authority or hired from an equipment provider. As such, the Council only has access to the equipment when it is available; it restricts the time allowed to carry out the testing; it can be restricted by weather (testing cannot be done when it is inclement); and faulty machinery is not immediately retested after repair as it would be impracticable to hire a device to test one machine.

The purchase of a unit would alleviate all of these issues. The initial cost to purchase in 2022/23 is £3,300 with £400 maintenance required per annum thereafter.

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RESOURCES CAPITAL PROGRAMME

No.	Scheme	Start	Finish	Estimated Total Cost	2022/23	2023/24	2024/25	Net Revenue Costs in 2022/23	Full Year Revenue Effect of (6)	Net Effect of (5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	ICT AND BUSINESS TRANSFORMATION									
1.	Replacement & Development Programme	Ongoing		230,000	100,000	40,000	90,000	0	0	0
2.	Technical Infrastructure Architecture	Apr 22	Mar 25	250,000	50,000	50,000	150,000	0	0	0
3.	E-Facilities Initiatives	Apr 22	Mar 25	120,000	40,000	40,000	40,000	2,150	2,150	2,150
				600,000	190,000	130,000	280,000	2,150	2,150	2,150
4.	CAPITAL CONTINGENCY	Ongoing		165,000	55,000	55,000	55,000	0	0	0
	TOTAL – FINANCE AND RESOURCES			765,000	245,000	185,000	335,000	2,150	2,150	2,150

RESOURCES CAPITAL PROGRAMME 2022/23Scheme
Number1. ICT Replacement Programme (£100,000)

This budget provides for the replacement of PC's, 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. Capital Contingency (£55,000)

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

APPENDIX 2c

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:

	Present 2021/22 £	Proposed 2022/23 £
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 2022/23 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 2022/23.

3. Use of Council Accommodation

	Present 2021/22 £	Proposed 2022/23 £
Council Chamber		
Weekdays per hour (up to 5pm)	38.50	40.00
Weekdays per hour (after 5pm)	43.00	44.50
Saturday per hour	43.00	n/a
Sunday per hour	43.00	n/a
Daily Rate Weekdays Only (up to 5pm)	92.50	96.00
Half Day Rate Weekdays Only	56.50	58.00
Reception Meeting Room		
Half Day Rate Weekdays Only	n/a	10.00

The rates above apply to the hire of the room to a commercial organisation. A 50% reduction will be applied for non-profit making organisations.

Rooms will not be hired to any organisation for political or religious purposes unless the use relates to Council business or the primary purpose is for the benefit of the community as a whole.

Rooms will only be available Monday - Friday.

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Joint Report of the Chief Executive, Deputy Chief Executive and Executive 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 2022/23
Appendix 3	General Fund Revenue Budget 2022/23
Appendix 4	Capital Programme 2022/23 to 2024/25
Appendix 5	Capital Strategy 2022/23 to 2024/25
Appendix 6	Treasury Management Strategy 2022/23 to 2024/25
Appendix 7	Investments Strategy 2022/23 to 2024/25
Appendix 8	General Fund Medium Term Financial Strategy to 2025/26

An extended budget consultation exercise was undertaken during October, November and December 2021. The results of this consultation are considered elsewhere on this agenda.

The matters referred to in these 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 Cabinet during the summer 2022.

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 2022. 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 2022/23 is increased by £5 from £171.85 to £176.85 (Band D), and by a 2% increase in 2023/24 and 2024/25. 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 2022/23 (appendix 3).
7. The Council Tax Requirement for 2022/23 including special expenses (but excluding local precepting requirements) be £6,131,631 (appendix 3).
8. An amount of £350,871 be withdrawn from the General Fund reserve in 2022/23 (appendix 3).
9. An amount of £30,000 be added to the General Fund earmarked reserves in 2022/23 (appendix 3).
10. The Capital Strategy 2022/23 to 2024/25 be approved (appendix 5)
11. The Minimum Revenue Provision policy as set out be approved (appendix 6).
12. The Treasury Management Strategy Statement 2022/23 to 2024/25 be approved (appendix 6).
13. The Investments Strategy 2022/23 to 2024/25 be approved (appendix 7).
14. The General Fund Medium Term Financial Strategy to 2025/26 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 1 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 2 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%. On 9 December 2021, the Finance and Resources Committee approved the 2022/23 rent increase of 4.1%.

The increase in rents will impact on all tenants. It 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 Business Plan was presented to the Housing Committee on 9 February 2022, in a report which included the Housing Revenue Account (HRA) 2022/23 budget estimates.

The Government's Universal Credit programme continues to be rolled out across the Borough, which sees Universal Credit replacing a number of benefits with one. The amount due is paid directly to the claimant which is a substantial change for some claimants where housing benefits were previously paid 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 9 February 2022. It has been previously agreed that garage rents will increase by CPI plus 1%. This results in an increase of 4.1% for 2022/23.

The changes in Housing 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 2022/23 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 Limited

The budget proposals include a provision for an annual management fee of £845,000 for Liberty Leisure Limited (LLL) in 2022/23. LLL is a wholly owned company of the Council which delivers leisure services and events and is also responsible for 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 LLL 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 pandemic, the current management fee has been retained at £845,000 in 2022/23. The Council will be meeting with LLL on a regular basis to review the company's cash-flow position, and provide adequate support to mitigate any risk of insolvency.

4. Other Establishment Changes

The budget proposals include estimates for the existing staffing establishment in 2022/23. Any proposed changes to the Council's staffing structures will be reported to Cabinet 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 2022/231. Introduction

The Housing Revenue Account (HRA) shows a projected surplus balance in hand at 31 March 2022 of £2,963,272.

2. Budget Changes

The following have been taken into account in the production of the overall budget position for 2022/23:

- An increase of £198,800 in employee related costs, which includes the impact of the anticipated pay award, currently estimated at 2%; a planned increase in the rate of employers' National Insurance contributions from April 2022; and the full-year impact of salary increments within pay scales.
- A net reduction in premises costs of £9,100 including a saving on the Council's decoration scheme. A new scheme was introduced based upon contract and painting packs being provided rather than issuing decoration vouchers. The budget reduction reflects the current levels of spending in this area.
- A net increase of £204,500 the Repairs and Maintenance budgets (including direct materials, stores and sub-contractor costs) due to a 15% inflationary uplift in prices and an increased use of sub-contractors pending an examination of an in-house solution for void properties.
- An increase of £34,200 in other supplies and services costs.
- A change to the provision of the tenant's contents insurance scheme which will be provided directly by the insurer from April 2022. The reduction in premiums paid and collected are offset and are now shown at nil.
- An increase of £30,950 in grounds maintenance charges for maintaining HRA non-residential land, Independent Living Accommodation and elderly residents' gardens.
- A re-assessment of support services provided by the Council has led to a net increase in charges to the HRA of £69,900. These services include ICT Services, Governance, Finance, Legal, Human Resources, Health and Safety, Property Administration, Asset Management, Vehicle Mechanics, Payroll, Creditors, Debtors, Support Services and Internal Audit.
- An increase of £121,000 in estimated depreciation and impairment of fixed assets reflecting the 31 March 2021 valuation of the Council's housing stock.

- An increase of £274,900 in the HRA share of interest payable and similar charges.
- A decrease of £33,480 in the HRA share of investment income received by the Council.
- A decrease of £2,065,200 in HRA capital expenditure to be financed by HRA revenue contributions when compared to the revised estimate for 2021/22 (although noting that the 2021/22 revised estimate includes £1,693,200 of 'direct revenue financing' for the schemes carried forward from the 2020/21 Capital Programme).

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 2022/23 this will equate to an increase of 4.1%.
- 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, the 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' (acquisitions) and 'new build properties' based upon developments likely to be completed during 2022/23 (increasing the rent income budget as well as a projected loss due to void properties). The net increase in rental income due between 2021/22 and 2022/23 is £415,360.

There has been changes to the Council garages provision which has included renovating some units but also demolishing others to increase available sites for new build housing. It is proposed that garage rents will increase by 4.1%.

However, the reduction in the number of garages available for letting in 2022/23 will see income received at similar levels to the current year.

4. Summary

The minimum working balance recommended on this account 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 HRA and is estimated at £2,669,790 in 2022/23. Additional borrowing of £3,292,000 is required for 2022/23 to fund the proposed new build housing programme and housing acquisitions in the Housing Capital Programme. A revenue contribution of £1,786,300 to the Capital Programme is anticipated in 2022/23.

In order to fund the Capital Programme in 2022/23 it is anticipated that £748,000 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 will be increasingly significant in terms of having sufficient funds available to meet the cost of potential new build properties and other commitments.

A re-visit of the HRA 30 Year Business Plan will be undertaken in 2022/23.

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APPENDIX 3

**RESOURCES ALLOCATION – GENERAL FUND REVENUE BUDGET
2022/23**1. Summary of Proposals

The policy committees of the Council have considered the revised budgets for 2021/22 and the base budgets for 2022/23 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 2022/23.

2. Key Assumptions and Other Changes

During the consideration of the revised budgets for 2021/22 and the base budgets for 2022/23 by the various service committees, there has been a continuing 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 includes continued investment in parks and open spaces.
- The Economic Development budget proposals includes the successful Stapleford Towns Fund bid (£21m investment plan), and support to the Levelling-up bids for Eastwood and Kimberley.
- Revenue income budgets associated with the Beeston Square Phase 2 development.
- Continued support to community and voluntary groups including the Citizens Advice Broxtowe, who support a range of mental health initiatives, to support the improvement of mental health of staff and residents.
- A number of revenue developments, including a one-off £10,000 budget to fund a variety of events in celebration of the Queen's Platinum Jubilee.

The base budgets for 2022/23 include estimates for inflation on certain headings such as utilities costs and software maintenance agreements. The pay budget includes an anticipated rise in employers' national insurance contributions, market supplements for posts that have been difficult to recruit reported to the Personnel Committee and an estimated 2% pay award for 2022/23.

On 12 January 2022, the Independent Remuneration Panel considered and agreed Member's allowances under the new Cabinet model. It recommended increasing the 2022/23 Members Allowance rates by 2% in line with the expected employee pay award.

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 £3,292,000 in

2022/23 in relation to the Housing Revenue Account and borrowing of £1,044,400 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 2022/203.

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 2021/22, a General Contingency of £25,000 has been established for 2022/23.

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 2022/23, any proposed staffing changes will be reported to the Cabinet, for consideration, and if approved incorporated within the revised 2022/23 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 2022/23 the non-domestic rates budget based on the NNDR1 for the year has been set at £1,846,975, which includes estimates for losses on appeals and the recovery of deficit arising from prior year transactions on the Collection Fund. Any difference between budgeted income and actual income receivable will be recovered in the following year. Non domestic rates income is also affected by Section 31 grants received from Central Government (estimated at £4,265,012) and by payments to or receipts from the Nottinghamshire Business Rates Pool.

The provisional funding settlement for 2022/23 announced by the Secretary of State for Department for Levelling Up, Housing and Communities (DLUHC) on 16 December 2021 included details of the New Homes Bonus (NHB) allocations to Councils. The provisional NHB allocation to Broxtowe for 2022/23 of £351,944 represents a significant increase on the £19,395 received in 2021/22.

As set out in section 3 below, the recommendations are based upon withdrawing a net £6,390,633 from balances in 2021/22 and withdrawing a net £3,296,872 from balances in 2022/23.

The General Fund Reserve is expected to fall by £1,985,789 in 2021/22 from £6,872,756 as at 1 April 2021 to £4,886,967 at 31 March 2022 but by a reduced sum of £350,872 in 2022/23 such that the General Fund Reserve at 31 March 2023 is projected to be £4,536,095.

3. Collection Fund Income 2021/22 and 2022/23

Income received from council tax and business rates goes into the Collection Fund. This then has implications for the General Fund but the exact timing of

this is dependent upon the Collection Fund accounting regulations. There were a number of specific actions taken by the Government in response to the Covid-19 pandemic concerning council tax and business rates income that will have a subsequent impact upon Collection Fund accounting and hence upon the General Fund for 2021/22 and subsequent years. Further details are set out below:

(i) Expanded Retail Discount and Nursery Relief

In March 2021 the Government announced an extension to the retail discount and nursery relief that eligible businesses receive towards their business rates bills would be expanded and cover 2021/22. This meant that the Net Rates Receivable by local authorities for 2021/22 as set out on their NNDR1 2021/22 returns would not be collected.

Broxtowe's NNDR1 2021/22 indicated that business rates of more than £29m would be collected in the year. However, the expanded rental retail discount and nursery relief granted by the Council amounted to in excess of £6m.

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 provided compensation through Section 31 grants. However, these grants must, in accordance with the regulations, be paid into the General Fund as opposed to the Collection Fund.

Broxtowe's share of such Section 31 grants in 2021/22 amounts to £2,976,000. This will be used to meet the cost of Broxtowe's 2022/23 anticipated NNDR deficit of £2,963,150 due largely to these reliefs in 2021/22. In order to address this timing issue, a Collection Fund Equalisation Reserve has been established so that the impact of this issue does not distort the position on the General Fund Reserve.

(ii) Collection Fund Deficits

One of the key features of the Collection Fund accounting arrangement is that an attempt to recover a projected deficit on either council tax or business rates in a particular year needs to be made when setting the budget for the following year. The Government recognised that 2020/21 was an extraordinary year due to the Covid-19 pandemic and allowed deficits in 2020/21 due to the pandemic to be recovered from the precepting bodies over the three years from 2021/22 to 2023/24 rather than solely in 2021/22.

4. General Fund Revenue Budget 2022/23

The table below shows the 2021/22 revised budget for each committee along with the base budget figures for 2022/23. It also shows the impact that this would have upon the Council's available balances.

	Revised Estimate 2021/22 £	Base Budget 2022/23 £
Committee		
Community Safety	1,536,007	1,567,930
Environment and Climate Change	4,420,818	4,703,160
Finance and Resources	2,991,181	2,997,053
Housing – General Fund	465,295	501,950
Jobs and Economy	1,200,823	1,058,240
Leisure and Health	1,547,678	1,518,730
Committee Net Expenditure	12,161,802	12,347,063
Add: Beeston Special Expenses	25,000	25,000
Total Net Expenditure	12,186,802	12,372,063
Funding		
Lower Tier Services Grant	(123,995)	(129,972)
Services Grant (One-Off)	-	(199,745)
NNDR (i.e. Business Rates)	(3,755,389)	(1,846,975)
NNDR (Surplus)/Deficit (* see note)	25,622	(12,850)
Estimated Safety Net or Levy Payment to/(from) Pool	813,000	886,183
Estimated S31 Grant (per NNDR1)	(1,118,346)	(4,265,012)
Returned Funding from Pool	(180,000)	(300,000)
Council Tax	(5,880,271)	(6,106,631)
Council Tax (Surplus)/Deficit	43,366	(21,190)
Beeston Special Expenses Precept	(25,000)	(25,000)
Total Funding	(10,201,013)	(12,021,192)
Addition (to)/withdrawal from balances	1,985,789	350,871

Estimated additional Section 31 Grants received to compensate for additional reliefs awarded in 2021/22. This grant has been received in 2021/22 but will be applied to fund the projected NNDR deficit in 2022/23	(2,976,000)	
Projected NNDR deficit		2,963,150
NNDR (surplus)/deficit after additional S31 grant		(12,850)

The budget increase for total net expenditure in 2021/22 between the base budget and revised estimate is a consequence of the following items:

Revenue Budget 2021/22	£000s
Opening estimated withdrawal from balances in 2021/22	775
Add: General Fund Revenue items carried forward from 2020/21 approved by Finance and Resources Committee on 8 July 2021	564*
Add: General Fund Revenue Budget Amendments 2021/22 approved by Finance and Resources Committee on 8 July 2021	306
Add: General Fund Revenue Budget Amendments 2021/22 approved by Finance and Resources Committee on 7 October 2021	199
Add: Allowance for pay award yet to be agreed	140
Add: Net other budget changes	2
Current estimated withdrawal from balances in 2021/22	1,986*

* Note: The current estimated withdrawal from balances in 2021/22 includes £564,200 of revenue items carried forward underspends from 2020/21 approved by Finance and Resources Committee on 8 July 2021. From this carry forward it is anticipated the Covid-19 Hardship grant of up to £269,500 will be transferred to a general reserve balance in 2021/22 and up to £101,500 for Covid-19 Track and Trace grant will be rolled forward for utilisation during 2022/23.

The net increase in the 2022/23 base budget for total net expenditure when compared with the 2021/22 revised estimate is primarily a consequence of the following items:

Revenue Budget 2022/23	£000s
Employee Related Expenses – A net increase in salaries related costs included the impact of the 2022/23 pay award (currently estimated at 2%); an anticipated planned increase in employers' National Insurance contributions rate from April 2022; full-year effect of agreed market supplements and other due increments within pay scales.	625
Employee Related Expenses – An increase in the anticipated cost of agency staff particularly within Legal Services (maternity cover) and Refuse Collection (market supplement).	97
Additional minimum revenue provision (MRP)	310
Anticipated reduction in government Covid-19 related grants that were included in the revised estimate.	551

Net Other Changes (including price inflation, contracts etc.)	241
Increase in Item 8 Interest Charge to HRA	(308)
Increase in New Homes Bonus	(333)
Increase in Planning Fee Income	(50)
Increase in Garden Waste Income (from 2021/22 original)	(136)
Increase in Trade Waste Income (from 2021/22 original)	(128)
Increase in Beeston Square Phase 2 Income	(120)
Removal of 2020/21 Underspends Carried Forward to 2021/22	(564)
Total Increase	185

The increase in funding of £1,820,179 from the 2021/22 revised estimate to the base budget 2022/23 figure is mainly due to the following:

Financing 2021/22 to 2022/23	£000s
Lower Tier Services Grant	(6)
Services Grant (One-Off)	(199)
Net increase in NNDR (i.e. Business Rates)	(1,204)
Increase in Returned Funding from Business Rates Pool	(120)
Increase in Council Tax Income	(226)
Increase in Council Tax Surplus	(65)
Total Increase	(1,820)

The anticipated withdrawals from balances in 2021/22 and 2022/23 shown above would affect the Council's reserves as follows:

Change in Balances 2021/22	Actual Balance at 1 April 2021 £	Projected Withdrawal / (Addition) £	Estimated Balance at 31 March 2022 £
General Fund Reserve	(6,872,756)	1,985,789	(4,886,967)
Homelessness Grant Reserve	(142,400)	0	(142,400)
Elections Reserve	(170,920)	(30,000)	(200,920)
Stapleford Town Fund Reserve	(71,561)	0	(71,561)
Planning Reserve	(17,446)	0	(17,446)
Noise Monitoring Equipment Res	(15,000)	0	(15,000)
Council Tax Equalisation Reserve	(65,610)	65,610	0
NNDR Equalisation Reserve	(7,345,234)	4,369,234	(2,976,000)
Total Balances	(14,700,927)	6,390,633	(8,310,294)

The balance on the Collection Fund Equalisation Reserve at 31 March 2022 is comprised of the Section 31 grant of £2,976,000 received in 2021/22 in respect of the additional discretionary reliefs awarded in 2021/22. This will be used to meet the projected NNDR deficit of £2,963,150 in 2022/23.

Change in Balances 2022/23	Actual Balance at 1 April 2022 £	Projected Withdrawal / (Addition) £	Estimated Balance at 31 March 2023 £
General Fund Reserve	(4,886,967)	350,871	(4,536,096)
Homelessness Grant Reserve	(142,400)	0	(142,400)
Elections Reserve	(200,920)	(30,000)	(230,920)
Stapleford Town Fund Reserve	(71,561)	0	(71,561)
Planning Reserve	(17,446)	0	(17,446)
Noise Monitoring Equipment Res	(15,000)	0	(15,000)
Council Tax Equalisation Reserve	0	0	0
NNDR Equalisation Reserve	(2,976,000)	2,976,000	0
Total Balances	(8,310,294)	3,296,871	(5,013,423)

The recommendations are based upon withdrawing £350,871 from the General Fund reserve in 2022/23 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 £360,000 in 2022/23 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 (or equivalent) 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 7 October 2021. The majority of these savings and additional income have been built into the 2022/23 budget.

Given the ongoing financial impact of Covid-19 and the medium term financial position, a further refresh of the Business Strategy will be required later in 2022 to identify other potential efficiencies. This work will be led by the General Management Team.

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 2021/22 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 £171.85 in 2021/22 to £176.85 in 2022/23.

The authority's share of the estimated surplus on the Council Tax element of the Collection Fund as at the end of 2021/22 is £21,190. After taking this into account, and the increase in the Council Tax Base for 2022/23 as approved by the Committee on 6 January 2022, 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 £6,106,631 in 2022/23 and would require an overall withdrawal from balances totalling £3,296,871 (including the contribution from the NNDR Equalisation Reserve).

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APPENDIX 4

RESOURCES ALLOCATION – CAPITAL PROGRAMME 2022/23 TO 2024/251. Summary of Proposals

The Council's policy committees considered capital submissions for the three years 2022/23 to 2024/25, 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 (or equivalent) 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 2022/23 programme are summarised below.

	General Fund £	HRA £
Capital Programme 2022/23		
Housing	797,850	11,035,300
Community Safety	0	
Jobs and Economy	5,720,000	
Leisure and Health	604,000	
Environment and Climate Change	1,048,400	
Finance and Resources	245,000	
TOTAL	8,415,250	11,035,300
Anticipated Funding:		
HRA Depreciation (Major Repairs Reserve)		4,211,000
Better Care Fund (Disabled Facilities Grants)	797,850	
Usable Capital Receipts (Estimated)		748,000
Prudential Borrowing	1,144,400	3,292,000
Revenue Contributions		1,786,300
Section 106 Contributions		188,000
Other Grants	5,770,000	810,000
Shortfall/(surplus)	703,000	
TOTAL	8,415,250	11,035,300

Capital Contingencies of £55,000 (General Fund) and £27,900 (Housing Revenue Account – 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

A proposed capital scheme for 2022/23 through to 2024/25 that is likely to be funded from capital grants is Disabled Facilities Grants (DFG). Government allocations towards this scheme are channelled through the Better Care Fund, which is administered by Nottinghamshire County Council. The funding for 2022/23 to 2024/25 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 (or equivalent) for consideration along with details as to how these can be funded if and when they arise.

The Council will also receive funding of up to £21.1 million across five financial years 2021/22 to 2025/26 as part of the Stapleford Town Deal. This award was agreed by the Department for Levelling Up, Housing and Communities (DLUHC) and is based upon Heads of Terms issued on 8 June 2021 and the subsequent completion of the conditions and satisfactory summary documents. Payments in future years will only be made subject to satisfactory spend and progress against agreed project milestones, outputs and outcomes. The three-year Capital Programme 2022/23 to 2024/25 includes £17.0 million of the overall Stapleford Towns Fund schemes, including £5.7m in 2022/23 – all funded by grant.

The Capital Programme 2022/23 also includes contributions from the FCC Communities Foundation (formerly known as WREN) to fund improvement works at parks and recreation grounds.

The Council are also considering the potential to access to Homes England funding towards the Housing Delivery Plan new build programme, although the outcome of these enquiries has not been confirmed at this stage.

4. Capital Receipts

In 2012/13 the Council committed to using any capital receipts from housing right to buy sales towards a new build programme. Government restrictions are such that these monies have to be used within five-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 31 December 2021 accumulated usable HRA capital receipts of around £4,917,000 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.

4. Revenue Contributions

Revenue contributions can be used to finance capital expenditure. In 2022/23 the only revenue contribution that is proposed relates to the HRA, which is in line with proposals contained within the HRA revenue budget and the HRA 30-year Business Plan model. No General Fund revenue contributions are proposed.

5. Borrowing

A revenue contribution from the HRA of £1,786,300 and a contribution of £4,211,00 from the Major Repairs Reserve along with HRA capital receipts of £748,000 are proposed in 2022/23 to finance the HRA Capital Programme. Furthermore, there is planned borrowing of £3,292,000 for the development of the proposed new build housing programme and acquisitions of former right to buy and other properties on the open market.

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 2022/23 of £703,000 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)
- 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 2022/23 – 2024/25 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). 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 General Fund reserves to around £1.9m by 2025/26. 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 2022/23:

Scheme	£
Replacement Vehicles & Plant	637,000
Beeston Fields Path	24,200
Kimberley Depot Garage Cladding Replacement	25,000
Kimberley Depot Electrical Upgrades	50,000
Kimberley Depot LED lighting	14,650
Kimberley Depot Oil Storage Base	4,450
New Changing Room Floor - Kimberley Depot	3,850
Pride in Parks	140,250
Replacement/Development Programme	100,000
Technical Infrastructure Architecture	50,000
E-Facilities Initiatives	40,000
Contingency	55,000
Total	1,144,400

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 interest rates on borrowing, internal borrowing may be more cost-effective than external borrowing at this point in time. This will be kept under review.

Depending on the date at which the loans are raised this will have a part-year impact in 2022/23 and a full year impact from 2023/24 onwards.

The following schemes are contained within the Capital Programme 2022/23 but are awaiting funding:

Proposed Scheme	£
Asset Management Plan	44,000
Car Parks Resurfacing	25,000
Cemeteries - Footpath and Roadway Impts	30,000
BLC - Refurbishment of Pool Surrounds	80,000
BLC - Replacement Heating Valves	22,500
BLC - Replacement Hot Water Calorifier	20,000
BLC - Replacement Intruder Alarm	20,000
BLC - Replacement of Flat Roofs	120,000
BLC - Replacement of High Voltage Transformer	57,000
BLC - Replacement of Main Pool Windows	93,500
BLC - Replacement of Teaching Pool Windows	33,000
BLC - Main Pool Filter Media Replacement	15,000
BLC - Refurbishment Fitness Changing Rooms	38,500
BLC - Replacement of Teaching Pool Filter	25,000
CO - Refurbishment of Male Changing Rooms	79,500
Total	703,000

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APPENDIX 5

CAPITAL STRATEGY 2022/23 – 2024/251. 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 Treasury Management Strategy Statement 2022/23 - 2024/25 (appendix 6) and Investments Strategy 2022/23 - 2024/25 (appendix 7).

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. As such, they are 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 10 February 2022 along with the intended financing:

	2020/21 Actual £000	2021/22 Revised £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Capital Expenditure					
General Fund	10,358	10,051	8,415	12,807	2,592
Housing Revenue Account	6,367	13,678	11,035	13,949	9,817
Total	16,725	23,729	19,450	26,756	12,409
Financed by:					
Borrowing – GF	6,061	5,929	1,144	1,479	812
Borrowing – HRA	0	1,614	3,292	6,848	2,475
Major Repairs Reserve	4,227	4,211	4,211	4,211	4,073
Capital Receipts – GF	2,578	1,026	0	0	0
Capital Receipts – HRA	1,499	3,447	748	1,052	1,613
Direct Revenue Financing GF	15	15	0	0	0
Direct Revenue Financing HRA	365	3,852	1,786	1,650	1,656
Better Care Fund	784	1,401	798	798	798
Section 106 Receipts	540	346	0	188	0
Department for Levelling-Up, Housing and Communities	449	52	5,695*	10,376*	927*
D2N2 LEP	207	0	0	0	0
FCC (previously WREN)	0	0	75	0	0
Other Bodies	0	753	998	0	0
Total	16,725	22,646	18,747	26,602	12,354
Shortfall still to be funded	0	1,083	703	154	55

*Stapleford Towns Fund

Note: This table does not include any capital amendments being considered elsewhere as part of this agenda. These will be added accordingly once approved. The overall impact is not considered to be significant.

One of the key risks to the capital expenditure plans above is the level of resources available within the Housing Revenue Account (HRA) to support capital expenditure. The current version of the HRA Business Plan model demonstrated 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.

No assumptions have been made with regards to either the value or timing of any further capital 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 £1,144,000 will be undertaken to finance General Fund capital expenditure in 2022/23 with further borrowing of £1,479,000 in 2023/24 and £812,000 in 2024/25. HRA borrowing is expected to increase substantially when compared to recent year due to the extensive house building programme that is planned. HRA borrowing in 2022/23 is forecast at £3,292,000 with additional borrowing of £6,848,000 anticipated in 2023/24 and £2,475,000 in 2024/25.

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 1.00%) and long-term fixed rate loans where the future cost is known but slightly higher (currently 1.60% to 2.00%).

The tight revenue situation is such that it has been assumed that the capital programme from 2022/23 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.

	2021/22 Revised £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Capital Financing Requirement				
CFR – General Fund	29,660	29,480	29,539	28,743
CFR – HRA	82,881	86,174	93,022	95,497
Total CFR – 31 March	112,541	115,654	122,561	124,240
Movement in CFR represented by:				
Borrowing need for the year	7,543	4,437	8,327	3,287
MRP/VRP/other financing movements	(1,125)	(1,324)	(1,420)	(1,608)
Movement in CFR	6,418	3,113	6,907	1,679

As debt is only a temporary source of finance, since loans and leases must be repaid, this is therefore repaid over time by other financing, usually from revenue which is known as the Minimum Revenue Provision (MRP).

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 1.00%) and long-term fixed rate loans where the future cost is known but higher (currently 1.60% to 2.0%).

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

	2021/22 Revised £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Gross Borrowing				
- PWLB and Market	98,896	108,896	112,096	122,161
- Bramcote Crematorium	500	400	400	400
Net Borrowing – 31 March	99,396	109,296	112,496	122,561
Capital Financing Requirement				
CFR – General Fund	29,660	29,480	29,539	28,743
CFR – HRA	82,881	86,174	93,022	95,497
Total CFR – 31 March	112,541	115,654	122,561	124,240

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.

	2021/22 Revised £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Authorised Limit for Borrowing	126,500	138,900	142,400	155,500
Operational Boundary for External Debt	101,200	111,100	113,900	124,400

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.

	2021/22 Revised £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Investments at 1 April	18,842	10,533	12,000	10,000
Expected Change in Investments	(8,309)	1,467	(2,000)	0
Investments at 31 March	10,533	12,000	10,000	10,000

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 (or equivalent) 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 (i.e. the amount funded from council tax, business rates and general government grants).

	2021/22 Revised	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
General Fund	13.4%	15.1%	15.8%	17.3%
HRA	14.8%	14.9%	15.2%	16.2%

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 2022/23 to reflect the increase in MRP following the additional borrowing to finance capital expenditure, particularly the Beeston town centre redevelopment. HRA indicators show a large increase between 2023/24 and 2024/25 due to significant planned borrowing to finance the house building programme.

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) or other CCAB (Consultative Committee of Accountancy Bodies) professional accountancy qualifications:

- Deputy Chief Executive and Section 151 Officer (CPFA)
- Head of Finance Services (CPFA)
- Chief Accountant (CPFA)
- Chief Audit and Control Officer
- Principal Accountant

The Council also pays for staff to study towards CIPFA and other relevant qualifications such 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 2022. An exercise is to be undertaken to establish the service provider from 1 April 2022.

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 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 2022/23 TO 2024/25
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 legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments are addressed separately in the Investments Strategy 2022/23 to 2024/25 as set out in appendix 7 of this report.

For the purpose of setting the 2022/23 budget, it has been assumed that new treasury management investments will be made at an average rate of 0.15%, and that new borrowing will be long-term loans at an average rate of 2.00%.

2. Current Debt and Investment Position

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

	Actual at 31 December 2021 £000	Estimate at 31 March 2022 £000
Fixed Rate Debt		
PWLB	80,896	86,396
Market	3,000	3,000
Variable Rate Debt		
PWLB	5,600	4,500
Market	-	5,000
Crematorium	540	500
Total Debt	90,036	99,396
Total Investments	(24,418)	(10,533)
Net Borrowing	65,618	88,863

The fixed rate debt shown above consists of fixed rate loans totalling £86.4 million 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 table also includes the potential need to borrow up to £10 million before 31 March 2022 for the purpose of re-financing internal borrowing previously used to fund the capital programme. If this action is required, it is anticipated that long-term PWLB borrowing will be increased by £5 million with the remainder being taken as short-term loans.

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 £99.4 million at 31 March 2022 as shown above. The optimum debt level for the Council as defined by the CFR is estimated at £112.5 million at 31 March 2022 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 £4.5 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.

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.

	2021/22 Revised £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Capital Financing Requirement				
CFR – General Fund	29,660	29,480	29,539	28,743
CFR – HRA	82,881	86,174	93,022	95,497
Total CFR – 31 March	112,541	115,654	122,561	124,240
Movement in CFR represented by:				
Borrowing need for the year	7,543	4,437	8,327	3,287
MRP/VRP/other financing movements	(1,125)	(1,324)	(1,420)	(1,608)
Movement in CFR	6,418	3,113	6,907	1,679

The Council 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 Council'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 2020/21 and is also expected to comply with this requirement in the following three years.

	2021/22 Revised £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Gross Borrowing				
- PWLB and Market	98,896	108,896	112,096	122,161
- Bramcote Crematorium	500	400	400	400
Net Borrowing – 31 March	99,396	109,296	112,496	122,561
Capital Financing Requirement				
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CFR – HRA	82,881	86,174	93,022	95,497
Total CFR – 31 March	112,541	115,654	122,561	124,240

4. Borrowing Strategy

The Council currently holds £90 million of loans, a decrease of £12 million on the previous year, as part of the strategy for funding previous years' capital programmes. During 2021/22, eight short-term loans totalling £20 million have been repaid, whilst two long-term PWLB loans totalling £7 million have been added to the Council's debt portfolio, along with an increase in borrowing from the Bramcote Crematorium.

The Council plans additional borrowing of up to £20 million during the remainder of 2021/22 and throughout 2022/23, although it is expected that some of this will be repaid before 31 March 2023. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £138.9 million in 2022/23.

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. In recent years the Council has focused on short-term borrowing for its debt financed expenditure. However, a shift towards long-term borrowing, through the PWLB, began in 2021/22 and is set to continue into 2022/23 and beyond. This is primarily due to two factors. Firstly, a large proportion of the Council's capital expenditure is on long-life assets, such as the new build housing developments planned or in progress, and long-term borrowing better aligns to the revenue income generated by these assets. In addition, the PWLB certainly rate is low when compared to previous years, making it more competitive with short-term rates.

Where possible internal resources will be used to fund capital expenditure as this allows the Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. However, given the Council's extensive capital programme, it is inevitable that substantial borrowing will need to take place. The benefits of using long-term borrowing will be monitored regularly and the Council's treasury management advisors will assist the Council with this 'cost of carry' and breakeven analysis. The output may determine whether the Council borrows additional sums at long-term fixed rates in 2022/23 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.

The Council may also 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:

- 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
- 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 (or equivalent).

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 2021, the Council's investment balance has ranged between £10 million and £25 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.

The Council will also consider the environmental, social and governance (ESG) aspects in its investing and banking which have come into prominence over recent years. Counterparties which are highly rated for ESG will be prioritised for investing, subject to the primary objectives of security and liquidity being achieved. Any significant impact on yield when compared to other investment options, equivalent to £5,000 per annum, will require the prior approval of the Deputy Chief Executive and Section 151 Officer, in conjunction with the Chair of the Finance and Resources Committee (or equivalent). All transactions with counterparties that are highly rated for ESG where the yield is lower than the market optimisation will be reported in the treasury management update reports to the Finance and Resources Committee (or equivalent).

ii) Negative Interest Rates

If the United Kingdom was to enter into a recession, 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 has occurred in 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 low returns from short-term unsecured bank investments, the Council continues to diversify into more secure and/or higher yielding asset classes. This is especially the case for the £8.0 million that is available for longer-term investment. The remainder 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 2021/22.

iv) Business Models

Under the 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 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 million 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 General Fund revenue reserves would have to cover any investment losses. 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 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	£10.0m

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	£1.0m
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£1.0m

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	2022/23 £m	2023/24 £m	2024/25 £m
Limit on principal invested beyond year end	£8.0m	£8.0m	£8.0m

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 2022/23. 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 Capital Financing Requirements (CFR).

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 2022/23 is £250,000 and includes both short and long-term investments. The budget for debt interest paid in 2022/23 is £2,885,000 based on a debt portfolio of short and long-term borrowing. If actual levels of investments and borrowing and/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 as follows:

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 2022/23

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 2022/23 is set out below:

MRP Policy 2022/23

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). This will be done on an annuity basis equal to the average relevant PWLB rate for the year of expenditure starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

No voluntary MRP is to be charged to the HRA in 2022/23. It is anticipated that the updated 30 year HRA Business Plan to be presented to Cabinet later in 2022

will allow the £66.4 million debt taken as part of the move to HRA self-financing to be fully 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 – average credit risk score of counterparties with whom interim investments have been placed
- Investments – average days to maturity of investments
- Investments – internal interest returns above the 7-day London Interbank Bid Rate (LIBID) or equivalent.

Further details will be included in monitoring statements presented to the Finance and Resources Committee (or equivalent) 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 10 February 2022 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 and Corporate Governance

In order to ensure that appropriate governance arrangements are in place and followed, along with the increased Member scrutiny of treasury management matters and the need to ensure that officers dealing with treasury management are trained and kept up to date, a suitable training process is required. 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 Appraisal process
- Officer attendance at training events, seminars and workshops
- Support from the Council's treasury management advisors

In addition, to ensure corporate governance arrangements are followed the Council's day-to-day treasury activities are reviewed by appropriately qualified senior officers to ensure correct governance procedures are followed and the decisions taken conform to the relevant frameworks and guidance. Annual and mid-year reports regarding treasury management performance, strategy and the prudential framework are also prepared for review by Members. The relevant officers also meet regularly with the treasury management advisors to gain their input into the Council's activities.

15. Online 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.
6. The Council will also consider the environmental, social and governance (ESG) aspects in its investing. Counterparties which are highly rated for ESG will be prioritised for investing, subject to the primary objectives of security and liquidity being achieved. Any significant impact on yield when compared to other investment options, equivalent to £5,000 per annum, will require the prior approval of the Deputy Chief Executive and Section 151 Officer, in conjunction with the Chair of the Finance and Resources Committee (or equivalent). All transactions with counterparties that are highly rated for ESG where the yield is lower than the market optimisation will be reported in the treasury management update reports to the Finance and Resources Committee (or equivalent).

APPENDIX 6b

LIST OF CURRENTLY APPROVED COUNTERPARTIES FOR LENDING (as at 25 January 2022)

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 (each)	
Money Market Funds (AAA- rated)							£5m (each)	
Variable Net Asset Value (VNAV) pooled funds							£5m (each)	

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APPENDIX 7

INVESTMENTS STRATEGY 2022/23 to 2024/251. 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 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 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, 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 2022/23.

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 2022/23 - 2024/25 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 provide 'soft' loans to some employees through a car loan scheme. The balance outstanding on these at 31 March 2020 was £55,475 and the interest paid by employees totals around £1,100 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 have a wholly owned local authority trading company, Liberty Leisure Limited, that was incorporated on 1 October 2016. Liberty Leisure Limited is a company limited by guarantee and its operations are overseen by a board of directors. Liberty Leisure Limited 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 (or equivalent) 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 and, in 2022/23, this will be £845,000.

The Council also jointly owns Bramcote Crematorium in association with Erewash Borough Council. The operation is overseen by the Bramcote Bereavement Services Joint Committee with the management of all operations 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 2022/23 this will be £400,000 to both Broxtowe and Erewash Borough Councils. This is fixed for the year and any failure by the Crematorium to meet their targets for 2022/23 will be reflected in the distribution for 2023/24.

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, national 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 2022/23 to 2024/25 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 ongoing development of Beeston town centre in The Square 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 2021 and a similar position is anticipated as at 31 March 2022 and 31 March 2023.

(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 the former MHCLG in January 2018 was 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	Total net income from property investments compared to the interest expense
Loan to Value Ratio	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	Income received from the investment portfolio at a gross level and net level (less costs) over time
Operating Costs	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 the government'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.

The guidance also set out a number of indicators the Council should produce to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

(i) Total risk exposure

The first indicator shows the Council's total exposure to potential investment losses. The guidance states that this should include amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third party loans.

The Council has no contractual obligations to lend and none are included in the below table. The entirety of these loan balances are made up of 'treasury

management investments' in that they are made up of usable reserves and income received in advance of expenditure.

Total Investment Exposure	2021/22 Revised £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Investments at 1 April	18,842	10,533	12,000	10,000
Expected Change in Investments	(8,309)	1,467	(2,000)	0
Investments at 31 March	10,533	12,000	10,000	10,000

(ii) How investments are funded

Government guidance is that these indicators should include how investments are funded. As stated above all of the Council's investments are considered 'treasury management investments' and are made up of usable reserves and income received in advance of expenditure. The Council does not presently borrow purely to fund investments.

(iii) Rate of return received

This indicator shows the investment income received (less the associated costs), including the cost of borrowing where appropriate, as a proportion of the sum initially invested. It should be noted that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Rate of Return	2020/21 Actual £000	2021/22 Forecast £000	2022/23 Forecast £000
Average Total Investments	17,237	11,684	11,000
Total Interest Less Costs	242	174	250
Rate of Return	1.40%	1.49%	2.27%

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APPENDIX 8

GENERAL FUND – MEDIUM TERM FINANCIAL STRATEGY TO 2025/261. 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 2022/23 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 2021/22 position and 2022/23 assumptions

The purpose of the MTFS is to:

- provide indicative financial projections through to 2025/26 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 its overall financial standing
- 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 2021/22. In 2022/23 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 2022/23 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, planning, car parking 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. Furthermore, 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 the time lag of 18-months between budgeted and actual income received and the operation of the funding system and the business rates pool. The final outturn will be known after 31 March 2022.

The need to develop the business rates base across the Borough has become more important for the Council. The Nottinghamshire authorities are part of a business rates pool that 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 did not take place. The Fair Funding Review has not yet been completed and is expected in Spring 2022. It

has been confirmed that that the current business rates pool will continue in 2022/23.

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 2022/23. It is expected that any new proposals arising from the fair funding review are expected to be issued and consulted upon during spring 2022.

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 7 October 2021. 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 Council 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 2025/26

The projections for the financial years 2021/22 through to 2025/26 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, any proposed budget changes will be set out in the detailed budget papers to the Cabinet, and have taken due regard of the Council's priorities, the overarching need for cost effectiveness and the expected level of 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 2022/23 and thereafter will increase at a rate of 2.0% per annum
- Estimated income from business rates will be in line with current data about the operation of the Business Rates Pool and allowing for only marginal growth in future years. Business Rates forecast beyond 2022/23 are very tentative and will be dependent upon the outcome of the Fair Funding Review.
- New Homes Bonus will be paid for only legacy payments relating to previous years.
- A pay award of 2% in 2022/23 and onwards is assumed for all employees.
- The efficiency schemes and income set out in the Business Strategy will be realised during 2022/23.
- Further ongoing efficiencies will need to be realised in each subsequent year to 2025/26.

New Homes Bonus

The amount to be received in 2022/23 in respect of New Homes Bonus (NHB) has been confirmed as £351,944 which represents a significant increase on the £19,395 received in 2021/22. 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 2021/22 is £5.314m. 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 £2.236m by the end of 2025/26.

SCHEDULE 1

GENERAL FUND FINANCIAL PROJECTIONS 2021/22 TO 2025/26

	Revised Estimate <u>2021/22</u> £'000	Estimate <u>2022/23</u> £'000	Estimate <u>2023/24</u> £'000	Estimate <u>2024/25</u> £'000	Estimate <u>2025/26</u> £'000
BASE EXPENDITURE (NET)	12,162	12,347	12,372	13,089	13,025
CHANGES TO BASE					
One-off changes within prior year not required going forward	Included	Included	123	(305)	-
Reduction in New Homes Bonus	-	Included	320	-	30
Increased Fees and Charges	-	Included	(65)	(70)	(70)
Pay Inflation: Pay Award	Included	Included	251	255	260
Pay Inflation: Employers NI increase	-	Included	-	-	-
Pay Inflation: Market Supplements	Included	Included	-	-	-
Price Inflation	-	Included	48	38	33
Revenue effects of capital programme	-	Included	-	-	-
Borrowing Costs - MRP and Interest	-	Included	15	(7)	(89)
BUDGET REQUIREMENT BEFORE SPECIAL EXPENSES	12,162	12,347	13,064	13,000	13,189
Beeston Special Expenses	25	25	25	25	25
BUDGET REQUIREMENT	12,187	12,372	13,089	13,025	13,214
FINANCED BY:					
Government Grants (Lower Tier Grant)	124	130	133	136	139
Government Grants (Services Grant)	-	199	-	-	-
NNDR Business Rates	3,755	1,847	4,729	4,729	4,729
NNDR Share of Collection Fund Deficit	(25)	13	-	-	-
NNDR Section 31 Grants	1,118	4,265	1,413	1,413	1,413
NNDR Growth Levy/Safety Net to/from Pool	(813)	(886)	(886)	(886)	(886)
NNDR Returned Funding from Pool	180	300	300	300	300
Council Tax Precept	5,880	6,107	6,291	6,481	6,677
CT Share of Collection Fund Surplus/(Deficit)	(43)	21	-	-	-
Beeston Special Expenses	25	25	25	25	25
TOTAL RESOURCES	10,201	12,021	12,005	12,198	12,397
DEFICIT/(SURPLUS) TO BE MET BEFORE MOVEMENT IN RESERVES	1,986	351	1,084	827	817

	Revised Estimate 2021/22 £'000	Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000	Estimate 2025/26 £'000
MOVEMENT IN RESERVES					
Movement into Earmarked Reserves	30	30	-	30	30
Movement from Earmarked Reserves	-	-	(130)	(40)	(40)
PLANNED (SURPLUS)/DEFICIT AFTER MOVEMENT IN RESERVES TO BE FUNDED FROM GENERAL FUND BALANCE	2,016	381	954	817	807
FORECAST BALANCES - 31 MARCH					
General Fund Opening Balances	6,873	4,857	4,476	3,522	2,705
In-year Net Movement in Reserves	(2,016)	(381)	(954)	(817)	(807)
General Fund Closing Balances	4,857	4,476	3,522	2,705	1,898
BALANCE OF RESERVES					
Minimum Balance	1,500	1,500	1,500	1,500	1,500
Available Reserves	3,357	2,976	2,022	1,205	398
Earmarked Reserves Opening Balance	7,839	3,434	488	358	348
In-year Net Movement in Reserves	(4,405)	(2,946)	(130)	(10)	(10)
Earmarked Reserves Closing Balance	3,434	488	358	348	338

Council Tax Base	34,218	34,530	34,875	35,224	35,576
Basic Council Tax	£171.85	£176.85	£180.39	£183.99	£187.67
Change on previous year	3.0%	2.9%	2.0%	2.0%	2.0%

SCHEDULE 2

RISK ASSESSMENT - REVENUE BUDGET 2022/23

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 award of 2% in 2022/23 for all staff, going forward from 2022/23 a 2% pay award has been assumed. Provision has also been made for the increase in employers' National Insurance contributions of 1.25% and market supplements relating to recruitment challenges for particular roles.

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 Cabinet

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 2022/23 new prudential borrowing of £1,144,400 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 (PWLB), Municipal Bonds Agency and/or other local authorities. However, financing of capital schemes will also be dependent upon the availability of capital receipts.

Compensation from the NET Consortium/Nottingham 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.

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 as at 31 March 2022 (excluding the Collection Fund Equalisation Reserve) is estimated at around £5.314m. 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 2022/23 has only been confirmed for 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 business 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 Limited 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 Leisure Client Officer 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 previous 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 largely assume similar demand levels to 2021/22.

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.

An additional risk relates to the higher inflationary pressures for energy and fuel costs are expected in 2022/23.

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 2022/23 housing benefit budgets have been prepared assuming a small reduction to claimant numbers compared to those for 2021/22. 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 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 2021/22 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, minimal movement in interest rates has been assumed in 2022/23 or future years.

Risk assessment: LOW RISK

Report of the Deputy Chief Executive

CAPITAL PROGRAMME AMENDMENTS 2021/221. Purpose of report

To seek approval for a budget variation in the Capital Programme for 2021/22.

2. Detail

The approved Capital Programme 2021/22 is around £22.4 million in total and includes identified carry forward budgets of £8.5m from 2020/21. This is split between the General Fund (£9.5m) and the Housing Revenue Account (HRA) (£12.9m). There are a further 20 schemes with an estimated cost of £1.1m on a 'reserve list' which may come forward for approval to proceed once a funding source has been identified.

All projects are being reviewed to ensure revised timescales are identified, phasing of expenditure matches to activity and that all targets can be met. A summary expenditure analysis of progress with all capital schemes and capital financing was previously brought to this Committee in December.

There are additional budget allocations required in respect of the Town Centre Recovery Fund (as part of the Stapleford Towns Fund) and CCTV for surveillance camera rationalisation and upgrade and wireless network relocation. Further details are provided in the appendix which sets out the amendments identified in the Capital Programme together with likely financing that will be confirmed at the end of the current financial year.

Recommendation

The Committee is asked to RESOLVE that the capital budget variations for 2021/22 as set out in the appendix be approved.

Background papers

Nil

APPENDIX

Capital Budget Amendments and Capital Financial

Activity	Spend £	Commentary	Financing
Stapleford Towns Fund – Town Centre Recovery Fund (TCRF)	312,500	<p>The Stapleford Towns Fund project includes the Town Centre Recovery Fund (TCRF) scheme that will provide up to £1m of support to to high street businesses in Stapleford Town Centre over the next 12 months.</p> <p>The TCRF has recently be launched and it is anticipated that some grants will be awarded in 2021/22, with the balance being carried forward at the end of the financial year and added to the remaining TCRF funding allocation for 2022/23.</p> <p>The budget also includes £12,500 of capital salaries to be met from the Fund as agreed.</p>	External grant funded from the Stapleford Towns Fund allocation of up to £21.1 million from the Department for Levelling Up, Housing and Communities (DLUHC) across the financial years 2021/22 to 2025/26.
CCTV Provision – Surveillance camera rationalisation and upgrade and wireless network relocation	95,300	<p>This is to implement the recommendations from the review of the Council's surveillance equipment (Community Safety Committee 16 September 2021 and Members' Task and Finish Group) to rationalise the surveillance equipment to maintain cost efficiencies and effectiveness by introducing better technologies to increase resilience.</p> <p>This will surveillance camera review upgrade (£42,250); wireless relocation from the Town Hall to the cinema (£33,250); street level wireless consolidation (£9,800); and re-deployable surveillance system (£10,000).</p>	<p>Funded by borrowing. While the GF will pick up the borrowing costs over the anticipated asset life, this should be comfortably offset by ongoing revenue savings in fibre cable costs (around £25,000 per annum). These costs/savings will be reflected in the General Fund budgets for subsequent years.</p> <p>The proposed start date is April 2022. Adding to the capital programme now will allow for early start to the project (any underspending in 2021/22 will be considered for carry forward into the new financial year.</p>
TOTAL	£407,800		

Report of the Deputy Chief Executive

**GRANTS TO VOLUNTARY AND COMMUNITY ORGANISATIONS,
CHARITABLE BODIES AND INDIVIDUALS INVOLVED IN SPORTS,
THE ARTS AND DISABILITY MATTERS 2021/22**

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 application received is included in the appendix for consideration. The amount available for distribution in 2021/22 is as follows:

	<u>£</u>
Revenue Grant Aid Budget	168,800
Less: Estimated requirements for:	
Rent Awards and Other Commitments (#)	24,400
Less: Grant Awards to Date	123,429
BALANCE AVAILABLE FOR DISTRIBUTION	20,971

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

Recommendation

The Committee is asked to:

1. **CONSIDER** the requests in appendix 1 and **RESOLVE** accordingly; and
2. **NOTE** the grants awarded under delegated authority in appendix 2.

Background papers

Nil

APPENDIX 1

Applications

The following grant applications have been received for consideration in 2021/22:

<u>Applicant</u>		<u>Grant Award 2020/21</u>	<u>Grant Request 2021/22</u>
		£	£
New Stapleford Community Association	1	4,000	4,000*
Stapleford Community Association	2	3,000	3,000*
Chilwell Community Association	3	3,150	3,150*
2 nd Beeston Sea Scouts	4	2,150	2,150*
Eastwood People's Initiative	5	2,500	2,500*
Broxtowe Women's Project	6	6,000	8,000
Age Concern Eastwood	7	9,000	9,000*
Bramcote Cricket Club	8	1,000	1,000*
Broxtowe Play Forum	9	5,500	5,500*
Dig In Community Allotment	10	700	655
The Greasley Gathering	11	Nil	1,000
		Total	39,955

The total request is made up of £15,555 in 'cash' from the balance available, with £24,400* being covered by a provision for rents and other commitments.

Community Associations1. NEW STAPLEFORD COMMUNITY ASSOCIATION

The New Stapleford Community Association (NCSA) is responsible for the management and operation of the Council owned Community Centre on Washington Drive in Stapleford that was first opened in 1972.

The aim of NCSA is to provide a community meeting place for Stapleford and the surrounding area. A variety of groups utilise the facilities for educational, recreational and sporting activities, including senior citizen's groups, blood donor sessions, dance and fitness classes, community sessions, martial arts clubs and family groups. Around 450 people use the facilities every week, the majority of whom live in the borough.

For the year ended 31 December 2020, NCSA generated income of £7,436 from hall bookings, dances, grant aid, fund raising and membership subscriptions. Total expenditure amounted to £14,643, which included rent, utilities, fixtures, repairs and maintenance, dance and social activities and other running costs. Total bank balances as at 31 December 2020 was £31,307. NCSA has earmarked part of these reserves towards toilet maintenance and decoration.

As the most recent available accounts are for the year ended 31 December 2020, an update from the group has been received to indicate the current

financial position. It has been stated that the balance on the current account has decreased since the 31 December 2020, from £13,730 to £7,275 as at 29 December 2021.

The current tenancy agreement for the Washington Drive Community Centre replaced the previous arrangement of charging a peppercorn rent. The annual market rent for the premises was assessed at £4,000 as part of the Council's aim to secure economic rents on its properties. NCSA suggests that it would be unable to sustain an ongoing rental charge of this size.

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

2020/21	£4,000
2019/20	£4,000
2018/19	£4,000
2017/18	£4,000

For 2021/22, New Stapleford Community Association has requested a grant of £4,000 to cover the market rent. 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.

2. 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 £15,367 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 £11,408 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 £27,464. 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 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:

2020/21	£3,000
2019/20	£3,000
2018/19	£3,000
2017/18	£3,000

For 2021/22, 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.

3. 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 reasonable 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 2021, the Chilwell Community Association generated receipts of £13,088 were generated from grant aid and fees. Payments amounted to £9,468 including rent, wages (£1,820), property maintenance, utilities, insurance and other miscellaneous costs. Cash and bank balances as at 31 March 2021 had increased to £36,832. 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.

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.

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

2020/21	£3,150
2019/20	£3,150
2018/19	£3,150
2017/18	£3,150

For 2021/22, 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.

Uniformed Groups Category

4. 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 Nottinghamshire Scout District, including Attenborough, Beeston South, Beeston Rylands and the west of Nottingham City. It currently has 110 members (including 80 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.

For the year ended 31 December 2020, 2nd Beeston Sea Scouts generated receipts of £64,598 from subscriptions, grants, donations and fundraising activities. Total payments amounted to £37,258 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 2020 increased to £52,247.

As at the date of the application received from 2nd Beeston Sea Scouts (13 December 2021), the cash and bank balances had increased to £153,697, an increase of over £100,000 during the year. This is primarily due to a successful funding drive for the construction of a new headquarters for the group, including one particularly generous one-off donation. Funds raised for the construction of the new headquarters are ring-fenced and not available for general use. Cash available for general purposes at the 13 December 2021 was £17,873, all of

which is earmarked towards replacement boats, essential maintenance and training.

As part of the Council's aim to secure economic rents on its properties, the rental of the Lilac Grove premises was increased to £2,150 for 2020/21, from £1,750 in previous years. 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:

2020/21	£2,150
2019/20	£1,750
2018/19	£1,750
2017/18	£1,750

For 2021/22 the 2nd Beeston Sea Scouts has requested a grant of £2,150 to cover the 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.

Caring Organisations

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.

For the year ended 5 April 2021, Eastwood People's Initiative generated total receipts of £14,103 from grants, room hire, investment receipts and donations. Annual expenditure of £13,447 related to costs for rent, ICT, telephone and utilities costs, professional/legal fees and other operating costs.

The net investments, bank and cash balances as at 5 April 2021 amounted to £97,227. 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 as follows:

2020/21	£2,500
2019/20	£2,500
2018/19	£2,500
2017/18	£2,500

For 2021/22, 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.

6. 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, wellbeing, employability programmes, children's and young people's service, counselling, Freedom Programme training, partnership working, business training and support packages, legal support, and a volunteer programme.

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 2020-21 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.

While full statistics for 2021-22 are not yet available, the report provided by BWP for the six months to September 2021 indicates referrals to have increased by approximately 28% during the year.

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.

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 media campaigns, raising awareness around the impact of domestic and economic issues. BWP also works in partnership with the Council on the White Ribbon Campaign.

BWP has submitted its latest financial statements for the year ended 31 March 2021 for scrutiny. Financial activity is split between restricted and unrestricted funds. In the year, BWP generated total income of £245,585 mainly from grants and donations. The charity considers the majority of this funding to be restricted and significant grants were received from the National Lottery Community Fund (£100,542), Nottinghamshire Police and Crime Commissioner (£41,966), Lloyds Bank Foundation (£32,014), and Children in Need (£20,222). Expenditure for the year amounted to £242,184 and mainly related to employee costs (£170,167), publicity and PR, professional fees, and premises rental and room hire costs. The average number of employees during the year was 8. BWP had overall cash and bank balances of £77,001 as at 31 March 2021, with unrestricted funds amounting to £40,359.

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 received funding from the Nottinghamshire Police and Crime Commissioner Violence Reduction Unit to fund wellbeing activity that enables women to get closer to the labour market and helps young people in their understanding positive relationships and avoiding anti-social behaviour. This funding is due to expire in March 2022. Other funding has been received from Lloyds Invest (part fund an Outreach Worker and Communications Officer) and the Ministry of Justice. Support received from Children in Need (for the Children's and Young People's service) has not yet been secured for future years however an application for a one-year continuation is currently in progress.

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:

2020/21	£6,000
2019/20	£6,000
2018/19	£6,000
2017/18	£6,000

For 2021/22, BWP has requested an increased grant of £8,000 to meet its rental obligations and to contribute towards other core costs. The requested

increase is primarily due to an increase in insurance premiums (£619 per annum) and energy (£1,444 per annum). 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.

Age Concern Organisations

7. 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 60 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 group 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 group were 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, games and a party atmosphere.

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 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.

For the year ended 31 March 2021, income totalling £25,258 was generated from grants and donations (including £9,000 from this Council and £10,500 from the Nottinghamshire County Council Local Improvement Scheme), meals and drinks receipts, transport receipts, fundraising and other activities. Annual expenditure of £10,321 mainly related to equipment, repairs and renewals, meals and catering, rent, utilities, insurance and other general running costs. Cash at bank and in hand as at 31 March 2021 increased to £84,743.

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:

2020/21	£9,000
2019/20	£9,000
2018/19	£9,000
2017/18	£9,000

For 2021/22, 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.

Sports Club Category

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 60 members, the majority of whom live in Broxtowe. In addition, a further 100 juniors regularly attend the club to play and practice, as do other visiting clubs from around the Borough.

Unlike some clubs in the region, Bramcote Cricket Club continues to experience strong participation, particularly amongst juniors who attend for coaching sessions. 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 2021 for scrutiny. These show income totalling £14,921 being mainly generated from subscriptions, match fees, bar sales, grants and other fundraising activities. Annual expenditure of £13,496 included bar expenses, pitch maintenance, playing equipment, pitch hire, rent, insurances and other running costs. Cash and bank balances as at 31 December 2021 are recorded as £21,275.

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 assessed at £1,000 per annum.

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:

2020/21	£1,000
2019/20	£1,000
2018/19	£865
2017/18	£865

For 2021/22, 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 Category

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 Development team.

For the financial year ended 31 March 2021 income totalling £9,051 was generated from grants, membership fees, equipment hire and resource sales. The grant received was from this Council for premises rental. Total expenditure amounted to £9,274 and included rent and utilities, the purchase of resources and equipment and general running costs. Total cash funds as at 31 March 2021 amounted to £18,968.

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:

2020/21	£5,500
2019/20	£5,500
2018/19	£5,500
2017/18	£5,500

For 2021/22, 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.

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 through running a sustainable community allotment, organising workshops events, volunteer gardening sessions, organic food growing, environmental & food education and local community outreach and involvement.

The group aims to improve the mental & physical wellbeing of the local community through these activities. Operating within current Covid regulations, the group also acts as a community hub for outdoor events and workshops which are intended to bring the local community together with a shared purpose of combating social isolation and developing people's skills, knowledge and self-confidence. Training is offered on an informal and occasional basis and is "on the job" during normal gardening sessions.

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. Dig-In is managed by a voluntary management committee made up of local residents, voluntary groups and local agencies/authorities. In 2020 the scheme has delivered:

- 58 volunteer sessions with an average of 9 volunteer attendees per session across the year totalling 812 hours.
- two groups from a local school (Years 1 & 2 - 6 children with 3 adults) and two home schooled children attended the site and helped plant apple trees in the new community orchard.
- Online (due to Covid-19 restrictions, a virtual veg show (34 entries) and a pumpkin competition (32 entries) were held in October. Regular video guides and information sheets were made available throughout the year.
- A giveaway of 90 seed kits to and 47 plants to local schools and groups along with 34 seed and plant kits to local families.

Although the pandemic did impact on the planned events in 2020, Dig-In was still able to maintain 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 28 February 2021, income totalling £700 was derived from grants and donations. Expenditure of £9,457 related to wages (£8,041), 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 2021 amounted to £7,695, a significant reduction from £16,452 as at 29 February 2020. In April 2021 £9,868 was received from the Big Lottery Awards for All scheme, of which £4,093 currently remains. The group states that as at 17 December 2021, the bank balance for the group was £12,420.

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:

2020/21	£700
2019/20	£495
2018/19	£515
2017/18	No application

For 2021/22 the Dig-In Community Allotment has requested a similar grant of £655 towards insurance premium (£271), water charges (£131), web domain renewal and hosting (£26) and other ICT and mobile phone costs (£226).

11. GREASLEY GATHERING

A grant application has been received from the organising committee of the Greasley Gathering for assistance towards the costs of a free family fun-day multi-venue event in the parish of Greasley to be held on 5 June 2022 to celebrate the Bank Holiday Weekend of the Queen's Platinum Jubilee.

The Greasley Gathering event has been taking place since 2012, having been born out of the Queen's Diamond Jubilee celebrations. The event is hugely popular with over 1,000 people attending. At previous Gatherings there have been attractions from all across the parish including local pubs, Colliers' Wood, Beauvale Priory, Greasley Church and Craft Fair, with the main hub being based at the Greasley Sports and Community Centre. The group organises transport (London buses) to enable everyone to get around the other venues.

The aim of the event is to strengthen local identity and mirror the wide cultural appeal of a community event. The project is community driven giving voluntary organisations the perfect opportunity to showcase their work in the local community and hopefully recruit new members. It is also considered to be a platform for agencies to promote their services and plans for the future. The

event has an organising committee, which includes the Chair, Secretary and Treasurer. All committee members reside in the Parish of Greasley.

The programme for the last event in 2019 offered a variety of activities, including rides around the parish on London buses, children's magicians, dog agility displays, brass band, face painting, 'digi-wall', go-kart racing, singers, choir, creation station, classic cars, Beauvale Priory entertainment and beer festival, Moorgreen Residents' Scarecrow Trail, opening of Greasley Church and craft fair, barbeques and various entertainments provided by the 6 local pubs. There were also charity stalls from Marie Curie, Brinsley Animal Rescue, British Legion. Local groups such as the Broxtowe Model Car Club and Archery Club provided hands-on entertainment. There were inflatables and funfair stalls and other stalls selling products, in addition to catering facilities.

No event was held in 2020 or 2021 due to the Covid-19 pandemic. Therefore, the financial statements provided by The Greasley Gathering for scrutiny related to the event held on 27 May 2019. These show generated receipts of £3,390 relating to grants (including this Council and a cash grant from Greasley Parish Council who also provided their facilities for free), donations, stallholders and event day takings. The total spend was £3,544 for entertainment, transport hire, refreshments, printing and advertising and prizes. The small deficit was taken from cash and bank balances which had reduced to £1,672.

Planning is well underway for 2022 to ensure a return to fun-filled events with plenty of new things to do and see, as well as some of the established popular events. The projected total cost is around £4,500. Funding is required to make sure the necessary infrastructure is in place to cover the increased cost of stewards and entertainers as well as matters such as publicity.

The Greasley Gathering has requested financial backing of £1,000 to help with the running costs of the event. The group does raise money through raffles, refreshments sales and seeking sponsorship from local businesses as well as appealing for donations. However, these do not cover the total expense for the day especially when entertainment is bought in to ensure that there is a variety of activities for families, especially children, to enjoy.

The Council have supported the Greasley Gathering for many years with grant aid towards its running costs. The grants awarded in the past four years were as follows:

2020/21	No application
2019/20	Withdrawn*
2018/19	£1,000
2017/18	£1,000

*The application for 2019/20 was withdrawn as the event was cancelled due to the Covid-19 pandemic.

APPENDIX 2

DELEGATED AWARDS

A summary of the grants awarded under delegated authority since August 2021 is included below. The Council's policy in respect of grant aid to voluntary organisations is to award the amount requested by the organisation or the maximum specified whichever is the lower. Additional consideration is given to groups who can demonstrate that they are meeting the particular needs of disadvantaged sections of the community.

All requests under £250 are considered under delegated authority, in consultation with the Chair of this Committee. This includes applications from individuals involved with sport and the arts.

This Committee determines all requests for grants in excess of the £250 maximum.

Groups

Group	Total Members	Total Broxtowe Residents	Grant Award in 2020/21	Grant Award in 2021/22	Purpose of Grant Award
Eastwood Parkinson's Exercise Group	8	8	£nil	£250	Contribution towards rental costs to run weekly classes. Award from the Broxtowe Lotto Community Fund
Nottingham Rehabilitation Gym CIC	105	45	£nil	£100	Contribution towards the purchase of aerobic steps. Award from the Broxtowe Lotto Community Fund
Nuthall and District WI	22	14	£nil	£100	Costs for a speaker at a future meeting of the group. Award from the Broxtowe Lotto Community Fund

Report of the Executive Director

CIVIC EVENT – FREEMAN/ALDERMAN OF THE BOROUGH

1. Purpose of report

To seek approval to host a ceremony where the status of Freeman or Alderman is conferred on those who have rendered eminent services to the Borough.

2. Background

It is customary during the final year of an administration to recognise individuals who have contributed significantly to the community by conferring on them the award of Freeman of the Borough and Honorary Alderman. This is in accordance with the Council’s values of enabling the active involvement of everyone and providing a strong caring focus on the needs of the community by honouring those who have worked tirelessly for the community. Details of costs are contained in appendix 1 and a timeline of the event is contained in appendix 2.

The Mayor and the Leaders of the three political groups will meet to consider the award and the nominations received for the office of Honorary Freeman and Honorary Alderman of the Borough of Broxtowe.

Section 249(5) of the Local Government Act 1972 states that: “The Council of a London Borough or a district having the status of city, borough or royal borough may, by a resolution passed by not less than two thirds of the members voting thereon at a meeting of the Council specially convened for the purpose with notice of the object, admit to be Honorary Freeman of the city, borough or royal borough persons of distinction and persons who have, in the opinion of the Council, rendered eminent services to the city, borough or royal borough.”

Further, section 249(1) of the same Act states that: “A principal Council may, by a resolution passed by not less than two thirds of the members voting thereon at a meeting of the Council specially convened for the purpose with notice of the object, confer the title of Honorary Alderman on persons who have, in the opinion of the Council, rendered eminent services to the Council as past members of that Council, but who are not then Councillors of the Council.”

3. Financial implications

The anticipated costs are shown in appendix 1. This will require appropriate provision in the 2022/23 budget.

Recommendation

The Committee is asked to RESOLVE that the finances be provisionally approved subject to Council’s approval of the establishment of a special meeting for the official admittance to the office of Honorary Freeman/Alderman of the Borough, to be held at a date to be confirmed in November 2022.

Background papers: Nil

APPENDIX 1

Financial implications

Freeman and Alderman costs	£
Silver Badge of Office (up to 8 badges)	2,600.00
Print & photography	350.00
Certificates	250.00
New Honours Board	500.00
Hospitality	800.00
TOTAL	4,500.00

APPENDIX 2

Timetable

February 2022	Nominations process approval and schedule committee reports
March 2022	Cross party meeting to discuss and determine who will be selected.
April – October 2022	Preparations (invitations and acceptances of the honour, interviewing for profiles, organising the event etc.)
November 2022	Freeman and Alderman event

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Report of the Deputy Chief Executive

HOUSING BENEFIT– WAR PENSION DISREGARD

1. Purpose of report

To seek approval for the continuation of the War Pension Disregard in respect of Housing Benefit claims in 2022/23.

2. Background

The Housing Benefit and Council Tax Benefit (War Pensions Disregards) regulations 2007 allow for Local Authorities to develop a Local Scheme that can disregard War Pension income from the calculation of Housing Benefit.

Since the introduction of Housing Benefit, the Council has always disregarded this income when calculating a claim for Housing Benefit. The Department for Works and Pension has recently requested that each Local Authority has their Local Scheme approved each year.

The Local scheme is discretionary and as a result the Council is expected to meet the cost. However, under the Housing Benefit subsidy arrangements, the government reimburses the Council 75% of the expenditure where a Local Scheme is implemented.

The table below shows the number of households supported, the amount awarded and the total cost to the Council. Please note that 2021/22 figures are not available until the end of the financial year.

Year	Amount Awarded	Total cost to BBC (25% of amount awarded)
2020/21	£15,411	£3,853
2019/20	£17,789	£4,447
2018/19	£16,561	£4,140
2017/18	£8,664	£2,166
2016/17	£15,740	£3,935

3. Financial implications

The Council has been accepting this cost each year as part of the annual Housing Benefit Subsidy process so will not be an additional strain on the Council's Budget.

Recommendation

The Committee is asked to RESOLVE that the continuation of the current Local Scheme, disregarding War Pensions for Housing Benefit applicants in 2022/23 be approved.

Background papers

Nil.

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Report of the Deputy Chief Executive

BUDGET CONSULTATION 2022/231. Purpose of report

To report the results of the 2022/23 budget consultation exercise that took place during October, November and December 2021.

2. Background

As with earlier budget consultation exercises, a web-based survey publicised through social media has been used to consult on the 2022/23 budget. This included no reference to any specific policy options but sought views on all Council services and indications of satisfaction, or otherwise, with these as well as the way in which they are provided and with the local area generally.

Local people were asked for their preferred approach to balancing the Council's budget and to provide an indication as to which services they thought should have their funding increased, decreased or remain the same.

Residents were asked how frequently they access Council services and how satisfied they were with the way in which this can be done. They were also asked how they prefer to conduct business with the Council and if they would they would consider accessing services in another way. A new question was added regarding the Council's approach to climate change. Finally, they were asked if they thought that the Council listened to them.

Respondents were also asked to provide demographic data, including which area of the Borough they live in so that any correlation between location and satisfaction levels could be analysed.

A total of 606 responses were received on the extended survey. This was higher than the 277 received in November 2020 and 407 received in 2019. The results are summarised in the appendix along with a summary of the demographic data for the respondents.

Recommendation

The Committee is asked to NOTE the report.

Background papers

Nil

APPENDIX

SUMMARY OF RESPONDENTS

The analysis of ethnicity indicates a bias towards White British respondents (93%). A further 3% of respondents indicated they considered themselves to be White Irish or White Other. Only 22 responses (4%) were received from people who identified as being Asian or Chinese or Black or Mixed race and any other ethnic group categories. The sample of respondents was not considered to be wholly representative of the local communities in Broxtowe.

In terms of gender, 52% of the respondents were male and 45% were female whilst the majority of other respondents preferred not to state their gender.

Over 84% of respondents identified as being over 45 years old with 26% being between 45 and 59 years, 14% between 60 and 64 years and 44% over 65. The number of younger respondents was lower than previously with only 16% of responders being under 45 compared.

Around 22% of responders identified themselves as being disabled or with long term health problems limiting daily activity.

In terms of geographical location, Beeston residents responded the most (24%). Residents in Stapleford accounted for 13% of respondents whilst Chilwell accounted for 11% of respondents. There was at least one respondent from every area.

A total of 581 responders confirmed that they were Council Taxpayers (96%).

A full breakdown of gender, age ranges, ethnicity, disability and location is included later in the appendix. As a proportion of the total population of Broxtowe, the number of respondents means that the results cannot be taken as statistically significant. It is advisable to only consider the results as indications of local views rather than attempt to draw strategic conclusions from the detailed responses.

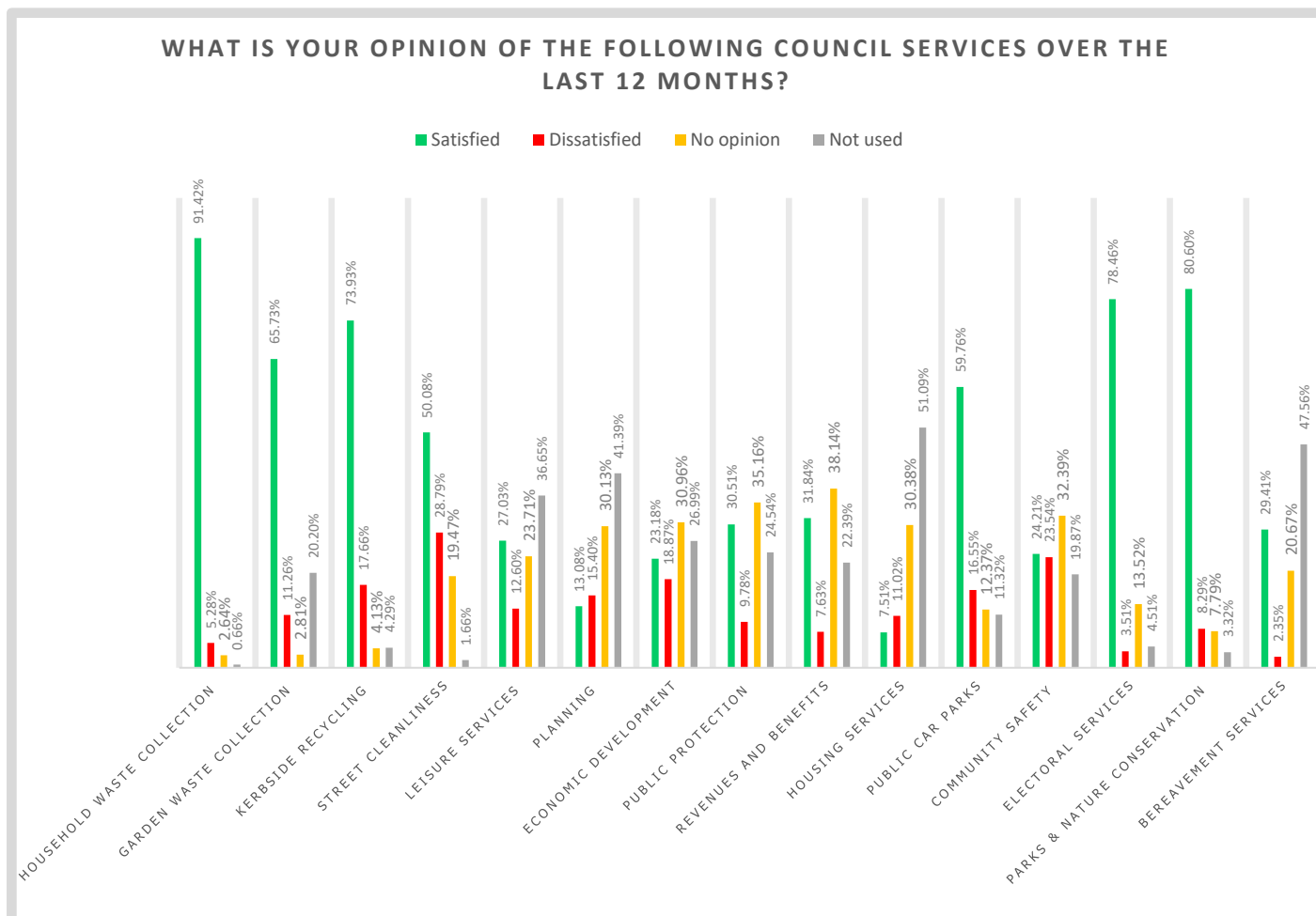
Satisfaction with Services

In overall terms, local people are satisfied with the borough of Broxtowe and the Council's management of it. The results show that 76% of people were either 'satisfied' or 'very satisfied' with the area in which they live which is slightly improved on the 2020/21 positive response. Over 65% are either 'satisfied' or 'very satisfied' with the way that the Council delivers services, again a slight increase on the previous year. A further 25% had a neutral stance. However, 2% of people are 'very dissatisfied' in both categories which is a similar level to last year's consultation.

Figure 1 analyses the level of satisfaction with individual Council services over the last twelve months. The services with the highest satisfied responses were Household Waste Collection (*black lidded bin*) with 91%; Parks and Nature Conservation (81%); Electoral Services (78%); Kerbside Recycling (*green lidded bin, glass bag or red lidded glass bin, textiles*) with 74%; and Garden Waste Collection (*brown lidded bin*) with 66% of responders being satisfied.

The services with the highest levels of dissatisfied responses were Street Cleanliness (*litter collection, graffiti removal, fly tipping, neighbourhood wardens*) with 29%; Community Safety (*anti-social behaviour, domestic abuse, alcohol awareness*) with 24%; and Economic Development (*support to businesses, regeneration, Town Centre Management, business growth*) at 19%.

Figure 1:



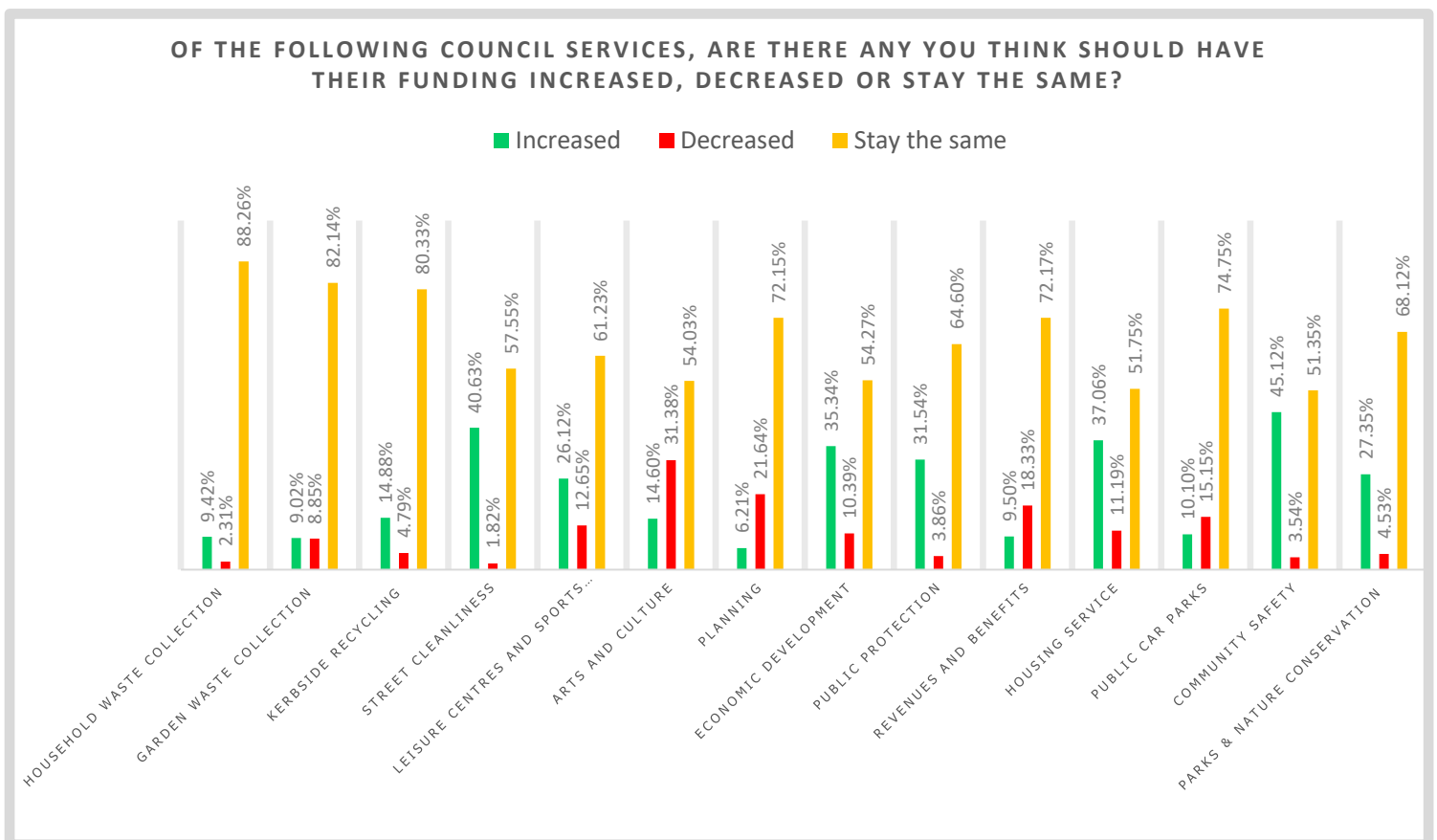
Spending on Services

When asked about whether spending on services should be increased, decreased or stay the same, Community Safety (45%); Street cleanliness (41%); Housing service (*housing options advice, homelessness, provision of affordable housing, tenancies*) (37%); and Economic Development (35%) scored the highest in terms of respondents thinking their funding should be increased. Arts and Culture (31%); Planning (*planning applications and planning policy*) (22%); Revenues and Benefits (*housing benefit and council tax support payments*) (18%) and Public Car Parks (15%) scored the highest in terms of respondents thinking their funding should be decreased.

Household Waste Collection (88%), Garden Waste Collection (82%) and Kerbside Recycling (80%) scored highest in terms of respondents thinking their funding should stay the same. This could be interpreted as indicating a relationship with satisfaction levels as both services secured the highest satisfaction rating. This pattern is reflected in most services with respondents consistently voting more for the funding of services to stay the same.

Figure 2 provides detailed analysis on whether spending on services should be increased, decreased or stay the same across a range of Council activities.

Figure 2:

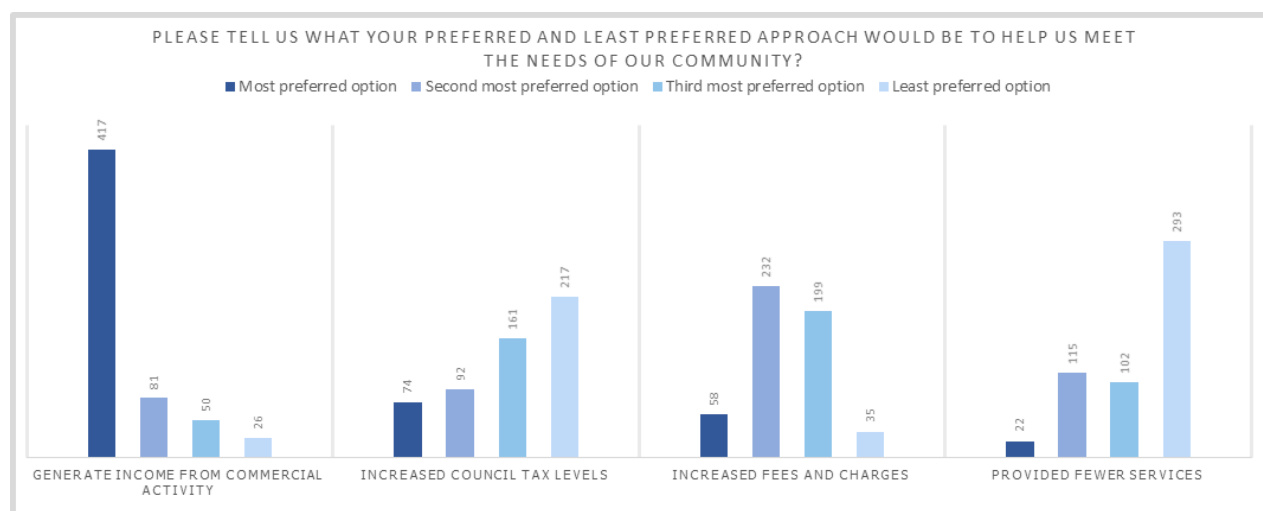


Balancing the Budget

The questionnaire asked that “We work to provide the services that local people need, but providing these services costs money. Please tell us what your preferred and least preferred approach would be to help us meet the needs of our community?”. Respondents were asked to state their preferred and least preferred approach to help the Council balance its budget.

By far the most preferred option for balancing the budget was to “generate income from commercial activity” (73%) with the next most preferred option being “increased council tax levels (14%) and “increased fees and charges” (11%). The least preferred option for balancing the budget was to provide fewer services with 55% of respondents followed by increasing council tax levels with 40%. The responses are provided in Figure 3 below.

Figure 3:



Communicating with the Council

As in previous years, respondents were asked a ‘yes/no’ question as to whether they feel the Council listens to them. The results showed that 50% answered ‘No’ (an improvement on 54% in the 2020/21 responses) with 50% answering ‘Yes’.

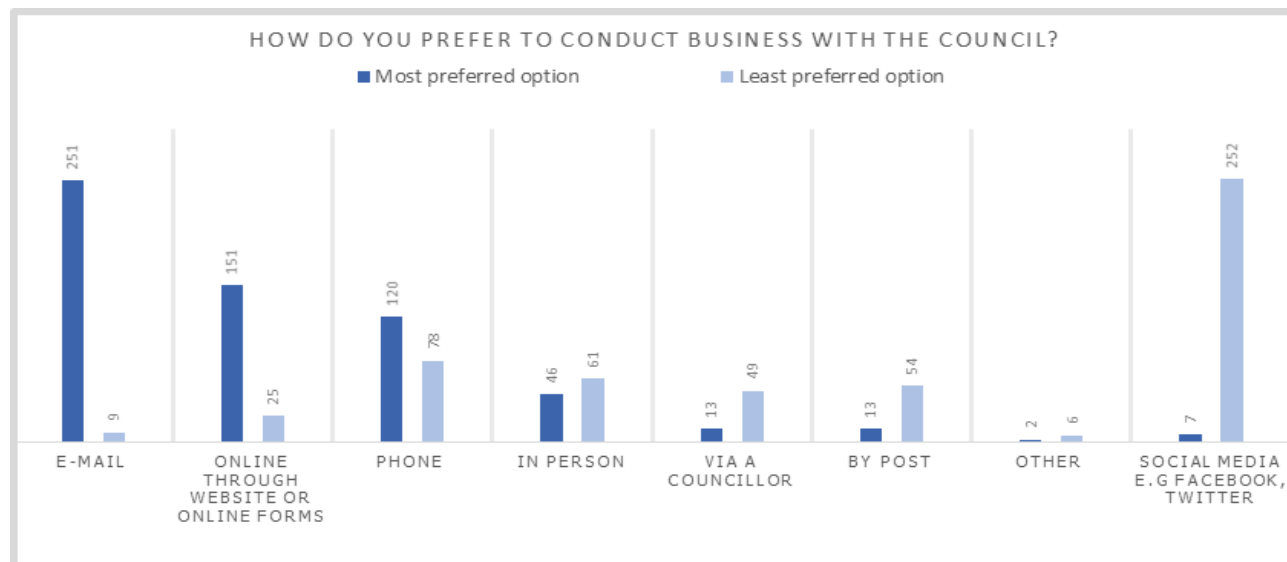
To obtain further information on how to shape services in future, local people were asked about how satisfied they are with the ways they can access Council services and how they prefer to contact the Council to do business. Over 57% of respondents were either very satisfied or satisfied with the way they can access Council services which represents a decrease of 13% on 2020/21. Around 13% of respondents were either very dissatisfied or dissatisfied with the way in which they can access Council services (increased 3% on the previous figure). However, 29% were neither satisfied nor dissatisfied (i.e. neutral) which represents an 8% increase on 2020/21.

The large majority of responders (75%) only contacted the Council ‘a few times a year’. Only 14% of responders contacted the Council more frequently than monthly.

In terms of what methods of communication local people prefer to use, there was clearly a preference in the budget consultation for email contact (251 ‘positive’ responses) and online which reinforced the results from recent years. It must be remembered however that all respondents were already able to access services online by virtue of them completing this survey.

Communicating via social media e.g. Facebook and Twitter was the least preferred method of conducting business with the Council (252 responses) followed by 'phone' (78) and 'in-person' (61). Further details are set out in Figure 4 below.

Figure 4:



Responders were also asked if “the pandemic has changed how people access services and will you continue to access services in new ways once the pandemic is over? Over 38% of responders answered ‘Yes’ with only 18% saying ‘No’. The remaining 44% were not sure.

Climate Change

The questionnaire asked “overall, how satisfied are you with the Council's approach to tackling climate change?” This was the first time that such this question was included on the budget consultation.

Over 29% of responders were either very satisfied or satisfied with the Council's approach, with a further 56% providing a neutral response. The remaining 15% were either very dissatisfied or dissatisfied with the approach.

Demographic Data

Gender	Number of Reponses	%
Male	307	52
Female	269	45
Another Way	1	0
Prefer not to say	15	3
<i>Not stated – 14</i>	592	

Age	Number of Reponses	%
Under 18	-	-
18 – 24	4	1
25 - 29	7	1
30 - 44	86	14
45-59	151	26
60-64	85	14
Over 65	259	44
<i>Not stated – 14</i>	592	

Ethnicity	Number of Reponses	%
White – British	543	92.8
White – Irish	6	1.0
White – Other	11	1.9
Asian or Asian British - Indian	4	0.7
Asian or Asian British - Pakistani	1	0.2
Asian or Asian British - Bangladeshi	-	-
Asian or Asian British – Other Background	5	0.9
British or Black British - Caribbean	5	0.9
British or Black British - African	1	0.2
British or Black British - Other Background	-	-
Mixed - White and Black Caribbean	1	0.2
Mixed - White and Black African	-	-
Mixed - White and Asian	2	0.3
Mixed - Other Background	-	-
Chinese	3	0.5
Any Other Ethnic Group	-	-
<i>Not stated – 21</i>	585	

Disabled or with long term health problems limiting daily activity	Number of Reponses	%
Yes	129	22
No	466	78
<i>Not stated – 11</i>	595	

Residence - Area	Number of Reponses	%
Attenborough	15	2.5
Awsorth	10	1.7
Beeston	141	23.5
Bramcote	57	9.5
Brinsley	17	2.8
Chilwell	69	11.5
Cossall	3	0.5
Eastwood	40	6.7
Greasley	28	4.7
Kimberley	36	6.0
Newthorpe	19	3.2
Nuthall	30	5.0
Stapleford	77	12.9
Strelley	3	0.5
Toton	34	5.7
Trowell	20	3.3
<i>Not stated – 7</i>	599	

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