



Monday, 30 January 2023

Dear Sir/Madam

A meeting of the Cabinet will be held on Tuesday, 7 February 2023 in the Council Offices, Foster Avenue, Beeston, NG9 1AB, commencing at 6.00 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: M Radulovic MBE
S A Bagshaw
S J Carr
B C Carr
T Hallam

R D MacRae
G Marshall
J W McGrath
H E Skinner
E Williamson

A G E N D A

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 - 12)

The Committee is asked to confirm as a correct record the minutes of the meeting held on 17 January 2023.

4. SCRUTINY REVIEWS (Pages 13 - 16)

The purpose of this report is to make Members aware of matters proposed for and undergoing scrutiny. This is in accordance with all of the Council's priorities

5. RESOURCES AND PERSONNEL POLICY

5.1 BUDGET PROPOSALS AND ASSOCIATED STRATEGIES (Pages 17 - 98)

To recommend to Council the capital and revenue budget proposals together with the Capital Strategy, Prudential Indicators, Treasury Management Strategy, Investment Strategy and General Fund Medium Term Financial Strategy and to approve the Business Plans.

5.2 HOUSING BENEFIT- WAR PENSION DISREGARD (Pages 99 - 100)

To seek approval for the continuation of the War Pension Disregard in respect of Housing Benefit claims in 2023/24.

5.3 COUNCIL TAX SUPPORT FUND 2023/24 (Pages 101 - 102)

To seek approval for the delegation of authority to the Leader of the Council, Deputy Leader and Portfolio Holder for Resources and Personnel Policy to develop a Discretionary Scheme, in addition to the Mandatory Scheme, to support Council Tax Support recipients in 2023/24.

5.4 PAY POLICY (Pages 103 - 130)

To enable Cabinet to see a copy of the Pay Policy for 2023/24 before it goes to Full Council in March 2023.

5.5 RESIDENTS' NEWSLETTER (Pages 131 - 140)

To outline potential options for producing the Council's residents' newsletter in the future.

6. LEISURE AND HEALTH

6.1 EVENTS PROGRAMME 2023/24 (Pages 141 - 154)

To put forward proposals for the Council's Event Programme for 2023/24.

7. HOUSING

7.1 DAMP AND MOULD (Pages 155 - 162)

To update Cabinet on the work being undertaken to address concerns about damp and mould, both in Council owned properties and the private sector, and outline further action to be taken.

7.2 AGREEMENT WITH EAST MIDLANDS HOUSING GROUP / QUANTUM PARTNERSHIPS TO SECURE HOMES ENGLAND FUNDING (Pages 163 - 164)

To seek approval for the Council to enter into contract with Quantum partnership and Homes England to secure grant funding to deliver new Council homes on several sites in the borough.

8. ECONOMIC DEVELOPMENT AND ASSET MANAGEMENT

8.1 TOTON AND CHETWYND BARRACKS STRATEGIC MASTERPLAN SUPPLEMENTARY PLANNING DOCUMENT (Pages 165 - 188)

To seek the resolution of Cabinet to adopt the amended Toton and Chetwynd Barracks Strategic Masterplan Supplementary Planning Document (SPD).

8.2 GOVERNMENT CONSULTATION ON REFORMS TO NATIONAL PLANNING POLICY (Pages 189 - 208)

To decide the Council's response to the Government's current consultation on reforms to national planning policy.

8.3 LAND SALE ADJACENT TO THE CREMATORIUM SITE (Pages 209 - 214)

To update Members following the recent advertising of the proposed sale of 11 acres of land previously declared surplus by the Bramcote Bereavement Services Joint Committee in 2020 as per the Council's land disposal policy.

9. CABINET WORK PROGRAMME (Pages 215 - 216)

Cabinet is asked to approve its Work Programme, including potential key decisions that will help to achieve the Council's key priorities and associated objectives.

10. 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 items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2, and 3 of Schedule 12A of the Act.

11. ECONOMIC DEVELOPMENT AND ASSET MANAGEMENT

11.1 LAND SALE ADJACENT TO THE CREMATORIUM SITE - APPENDIX 2 AND 3 (Pages 217 - 222)

12. HOUSING

12.1 AGREEMENT WITH EAST MIDLANDS HOUSING GROUP/QUANTUM PARTNERSHIPS TO SECURE HOMES ENGLAND FUNDING APPENDIX (Pages 223 - 224)

13. RESOURCES AND PERSONNEL POLICY

13.1 IRRECOVERABLE ARREARS (Pages 225 - 232)

14. LEISURE AND HEALTH

14.1 BRAMCOTE LEISURE CENTRE STUDY -UPDATE (Pages 233 - 242)

CABINET

TUESDAY, 17 JANUARY 2023

Present: Councillor M Radulovic MBE, Chair

Councillors: S A Bagshaw
J W McGrath
T Hallam
R D MacRae
G Marshall
H E Skinner
E Williamson

Apologies for absence were received from Councillors S J Carr and B C Carr.

95 DECLARATIONS OF INTEREST

Councillor R D MacRae declared a registerable interest in item 5.2 with regards to the Helpful Bureau, and a non-registerable interest with regards to Support Through Sport Youth CIC, minute item 99 refers.

Councillors S A Bagshaw and J McGrath declared non-registerable interests in agenda item 5.2 in relation to the Helpful Bureau, minute number 99 refers

96 MINUTES

The minutes of the meetings held on 8 December 2022 and 20 December 2022 were confirmed and signed as correct records.

97 SCRUTINY REVIEWS

Members were updated with the work of the Overview and Scrutiny Committee. The work programme was noted accordingly. Members discussed the governance arrangements for the Shared Prosperity Fund Programme and suggested the Overview and Scrutiny Committee consider the governance arrangements.

RESOLVED that Overview and Scrutiny Committee be requested to consider the governance arrangements on the Shared Prosperity Fund Programme agenda item 7.1, minute number 100.1 refers.

98 PORTFOLIO FOR RESOURCES AND PERSONNEL POLICY

98.1 CAPITAL GRANT AID REQUEST-THE ROYAL BRITISH LEGION (BEESTON) SOCIAL CLUB

Members considered a request for Capital grant aid from the Royal British Legion (Beeston) Social Club. The social club had requested a capital grant of up to £5,200 to enable it to complete the installation of new flooring on the dance floor, stage and toilet area. The grant award was in line with the Grant Aid Policy.

RESOLVED that the grant aid request of £5,200 from the Royal British Legion (Beeston) Social Club be approved.

Reason

The Council was empowered to make grants to voluntary organisations by virtue of Section 48 Local Government Act 1985.

98.2 GRANTS TO VOLUNTARY AND COMMUNITY ORGANISATIONS, CHARITABLE BODIES AND INDIVIDUALS INVOLVED IN SPORTS, THE ARTS AND DISABILITY MATTERS 2022/23

Cabinet considered requests for grant aid in accordance with the provisions of the Grant Aid Policy. The Dig-In Community Allotment scheme was established in 2004 and was based at the Albany Allotments on Pasture Road, Stapleford. Dig-In provided a facility for local groups and residents to grow fruit and vegetables, explore biodiversity and horticulture through running a sustainable community allotment, organised workshops, organic food growing, and was a local community outreach. Support Through Sport Youth CIC had requested two revenue grant requests in support of their proposed programme to be delivered in Eastwood and Chilwell. The services provided by the Support Through Sport Youth CIC would benefit Broxtowe residents and was complementary to the services provided by the Council. The 2nd Kimberley Scout Group had requested a grant of £7,000 to cover the market rental of Kettlebrook Lodge. This grant would be a period of one year and was matched by allowances within the premises income budget. The services provided by the 2nd Kimberley Scout Group activities would provide educational and curricular benefits to local children and young people. The Stapleford Community Association had requested a grant of £3,000 to cover the rental of the Community Centre on Cliffe Hill Avenue, Stapleford. The grant would be for a period of one year. The services provided by Stapleford Community Association would benefit the residents of the Borough, in particular helping to combat loneliness and social exclusion. The Helpful Bureau provided services that supported and encouraged older and/or disabled residents to live safely and independently, in their own homes this included befriending, practical services, social activities, transport schemes and support services. The total grant request was for £9,000, £6000 was requested as direct assistance with the Community Transport Scheme and £3,000 as a contribution towards general running costs. The requests from 2nd Kimberley Scout Group and Stapleford Community Association for £7,000 and £3,000 respectively was covered within the provision for rent awards.

RESOLVED that the grant aid requests be approved accordingly.

	£
1. Dig-In Community Allotment	913
2. Support Through Sport Youth CIC	8,132
3. 2 nd Kimberley Scout Group	7,000
4. Stapleford Community Association	3,000
5. The Helpful Bureau	9,000

(Having declared interests as stated above, Councillors S A Bagshaw, R D MacRae and J W McGrath left the meeting without discussion or voting thereon in their specific items of interest.)

Reason

Consideration for not awarding the grant may have a negative impact for the users and individuals relying on the service. The Council is empowered to make grants to voluntary organisations by virtue of Section 48 Local Government Act 1985 (as well as other Legislation). Having an approved process in accordance with legislation and the Council's Grant Aid Policy would ensure the Council's compliance with its legal duties.

98.3 CREATION OF A CLIMATE CHANGE OFFICER ROLE WITHIN THE ENVIRONMENTAL SERVICES DEPARTMENT

Members considered the creation of a Climate Change Officer role within the Environmental Services Department. In 2019, the Council made a commitment to become carbon neutral by 2027. The Council created its Climate Change Strategy and Green Futures Programme in 2020 to provide strategic direction to support the target. It had been identified that additional resources were required to deliver the day to day actions within the overarching Green Futures Programme.

RESOLVED that the creation of a Climate Change Officer post (Grade 10) at £49,450 per annum including on costs to be funded from General Fund Reserves be approved.

Reason

The United Kingdom had a legally binding target to become net zero carbon by 2050. Section 111 of the Local Government Act 1972 enabled the Council to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of their functions. Furthermore, section 2(1) of the Local Government Act 2000 introduced a power that permits local authorities to do anything that they consider likely to promote or improve the economic, social and environmental well-being of their area. The Council had a commitment to be carbon neutral by 2027 and this post would support initiatives to reduce carbon emissions and improve awareness and access funding opportunities.

98.4 REQUEST FOR APPROVAL OF INCREASED BUDGET FOR THE ALTERATION OF THE GROUND FLOOR RECEPTION AREA OF THE COUNCIL OFFICES

Members considered the ground floor refurbishment work that was required to the reception area at the Council offices and upgrades to the disabled toilet facilities on all floor within the Council offices. The refurbishment was required to improve front of

house experience and meet the needs of the customer, create space for additional meeting rooms and by repositioning the reception desk allowed for a better visual to support the customer needs on entering the building. Security issues including being able to accommodate screens in the event of another pandemic situation had been considered. Flooring would be replaced with a more suitable finish to accommodate the high traffic area and the suitability for cleaning. Additional works was required to the disabled toilets to meet the needs identified by the Council's Aids and Adaptations Officer.

RESOLVED that:

- 1. The proposed alterations to the Council Offices Reception alterations, including a revised total budget of £150,000, be approved in principle, subject to final scheme design and tender costs. The additional budget of £51,550 required in the 2022/23 capital programme is to be funded from prudential borrowing.**
- 2. The alterations to the disabled facilities at the Council Offices at a capital cost of £10,000 is approved, to be funded from General Fund Capital Contingencies 2022/23.**

Reason

The Council's aims for Business Growth included investing in our towns and our people. By making the improvements to the reception area provided opportunity to hire the meeting rooms to the community and voluntary groups and provided a clear vision to the customer direction to support them with their query on entering the building. The carpets had become beyond repairing and the area required modernising to support opportunities for the Council including managing the overspill of Committee meetings from the Council Chamber.

98.5 COMMUNICATIONS AND ENGAGEMENT STRATEGY

Members welcomed the Council's Communications and Engagement Strategy for 2023-2026. The Strategy outlined the direction of the Council's communications activity over the next three years. There was a need to respond to the changing needs of both local people and the Council as an organisation. The Strategy would be reviewed and adapted regularly. Members outlined that the Communication during COVID-19 was fantastic and that the Communications team underpinned everything the Council does. Assurance to be provided to ensure that residents who were not online were kept informed.

RESOLVED that the Communications and Engagement Strategy 2023-2026 be approved.

Reason

The Communications and Engagement Strategy supported the Council's Vision and Corporate Plan by telling the story of what we do, why we do it and how we need to adapt to the challenges we face. The Council's GREAT values included always improving, continuous improvement and delivering value for money. The Council followed the Recommended Code of Practice for Local Authority Publicity. The Code provided guidance on the content, style, distribution and cost of local authority publicity.

98.6 TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS 2022/23 MID - YEAR REPORT

Members noted the mid-year update on the treasury management activity and the prudential indicators for 2022/23. Details of all borrowing and investment transactions undertaken in 2022/23 up to 30 November 2022 had been provided. There had been no issues of non-compliance with the current practices that required reporting. Cabinet wished to be kept informed over loans to other Authorities on short term borrowing and long term lending. It was confirmed that decisions taken had not exposed the Council to risk and we should continue in that vein.

Reason

Regulations issued under the Local Government Act 2003 require the Council to fulfil the requirements of the Chartered Institute of Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities when undertaking its treasury management activities

98.7 BUDGET CONSULTATION 2023/24

Cabinet noted the results of the 2023/24 budget consultation exercise that took place during October and November 2022. Local people had been asked for their preferred approach to balancing the Council's budget and to provide an indication as to which service they thought should have their funding increased, decreased, or remain the same. A total of 1,210 responded to the survey This was a significant increase from previous years. Members suggested we send out messages with what the Council has achieved including you said we did information. The figures for responding could still be improved with further engagement including video communication.

Reason

The budget consultation with local residents provided useful feedback to inform the budget setting process that would culminate in the overall budget report being recommended to Council for approval on 1 March 2023. Section 65 of the Local Government Finance Act 1992 places a duty upon local authorities to consult representatives of non-domestic ratepayers before setting the budget. Whilst there is no specific statutory requirement to consult with residents, local authorities were placed under a general duty to 'inform, consult and involve' representatives of local people when exercising their functions by the Local Democracy, Economic Development and Construction Act 2009. This was repealed and replaced by more prescriptive forms of involvement by the Localism Act 2011.

99 PORTFOLIO FOR LEISURE AND HEALTH

99.1 ARMED FORCES ACTION PLAN 2023 - 2026

The Armed Forces Action Plan 2023-2026 supported the Boroughs Military Covenant or Armed Forces Covenant. The Covenant was introduced in 2000 and referred to the

mutual obligations between the nation and its Armed Forces. Organisations that signed up to the Covenant pledged that they acknowledged and understood that those who serve or who had served in the Armed Forces, and their families should be treated with fairness and respect in the communities, economy and society they served with their lives. Some of The Action Plan initiatives included supporting veterans in the community by promoting and publishing armed forces events, involve Forces in the community in appropriate multi-agency task groups and promoting the armed forces employer recognition scheme.

RESOLVED that the Armed Forces Action plan 2023-2026 be approved.

Reason

As part of the Council's Corporate Plan, Community Safety aimed to provide a safe place for everyone. Our values of a strong caring focus on the needs of all communities helped to achieve this vision.

100 PORTFOLIO FOR ECONOMIC DEVELOPMENT AND ASSET MANAGEMENT

100.1 2022/23 PROGRAMME AND GOVERNANCE FOR BROXTOWE BOROUGH'S SHARED PROSPERITY FUND, (SPF) ALLOCATION

Members considered an outline investment plan and proposed activity in year one of the Council's £2.56 million Shared Prosperity Fund Programme. It had been requested, in principle to the plan and Interim Governance Arrangements to oversee the spending of the resources in the current year to enable speed of decision making and maximum spend in the current year. The governance arrangements were amended slightly by the Chair to have a delegation to vary the membership to include all political groups. It was proposed that there be a revision in the new Council year to ensure they remained appropriate, transparent and to ensure fairness.

Cabinet was to be informed of the outcomes on the final grant awards and noted the exercise of the Chief Executive's Emergency Powers to use the government's allocated capacity funding to commit £20,000 to jointly employ capacity with Rushcliffe Borough Council to deliver the programme in both areas.

RESOLVED that:

- 1. The proposed Broxtowe Borough Council Shared Prosperity Fund Investment plan, attached at in the appendix, be approved as a working document.**
- 2. The determination of the final grant awards for businesses, partner organisations and community and voluntary organisations who have supplied expressions of interest or made an application in respect of any of the projects listed for spend in 2022/23 be delegated for decision to the Deputy Chief Executive and Section 151 Officer, in consultation with a UKSPF Members Advisory Panel. Delegations to be given to the Chair to vary the Membership to include other Political Groups with an Officer to minute actions, a senior Economic and Regeneration Officer (if available), and the S151 Officer in attendance.**

Reason

The need for a robust governance and risk framework in these matters was vital to protect the Council and its officers and Members. Approval of this framework should enable the scheme to be delivered quickly and efficiently, but still to have the necessary levels of check and challenge in place, similar to the arrangement applied to administer the emergency COVID-19 grants. The Council already had clear purchasing arrangements in place that would provide assurance about the compliance of awards made to demonstrate value for money, procurement to deliver the range of projects if funding was secured, which would be considered per project in accordance with the grant, the Council's Contract Procedure Rules and the Public Contract Regulations 2015. Under the new Subsidy regime, public authorities would be required to self-assess whether the financial assistance they grant was consistent with key principles and would be required to publish information about subsidies. Further governance, legal and procurement advice would be provided as the investment plan develops to ensure robust governance, lawful decision making, management and monitoring requirements in line with the Council's Constitution and relevant statutory requirements.

101 CABINET WORK PROGRAMME

Cabinet resolved that the work programme, including key decisions be approved.

RESOLVED that the work programme, including key decisions be approved.

102 EXCLUSION OF PUBLIC AND PRESS

Cabinet RESOLVED that, under Section 100A of the Local Government Act, 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2, and 3 of Schedule 12A of the Act.

103 PORTFOLIO FOR RESOURCES AND PERSONNEL POLICY

103.1 CREATION OF A CLIMATE CHANGE OFFICER ROLE WITHIN THE ENVIRONMENTAL SERVICES DEPARTMENT APPENDIX 3

Cabinet noted the appendix from agenda item 5.3

103.2 HOUSING REPAIRS RESTRUCTURE PHASE 2

RESOLVED that Phase 2 of the Housing Restructure be approved at a cost of £157,450 funded by the Housing Revenue Account.

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Report of the Overview and Scrutiny Committee

SCRUTINY WORK PROGRAMME

1. Purpose of report

The purpose of this report is to make Members aware of matters proposed for and undergoing scrutiny. This is in accordance with all of the Council's priorities.

2. Recommendation

Cabinet is asked to NOTE the report

3. Detail

Cabinet is asked to give consideration to the future programme and decision-making with knowledge of the forthcoming scrutiny agenda. It also enables Cabinet to suggest topics for future scrutiny. Further information is included in the appendix.

The Overview and Scrutiny Committee (OSC) and the Overview and Scrutiny Committee Working Groups (OSCWG) are considering their respective topics as follows:

- OSC – Service and Financial Plans
- OSCWG – Missed Bins
- OSCWG – Cost of Living

The work programme for the next four meetings is as follows:

30 January 2023	<ul style="list-style-type: none"> • Service and Financial Plans
31 January 2023	<ul style="list-style-type: none"> • Service and Financial Plans
23 February 2023	<ul style="list-style-type: none"> • Consideration of a future work programme

4. Legal Implications

The terms of reference are set out in the Council's constitution. It is good practice to include a work programme to help the Council manage the portfolios.

Background papers

Nil

APPENDIX

1. Topics under review:

Topic	Committee/Group	Start date	Proposed Cabinet submission
Cost of Living	Overview and Scrutiny Committee	10/11/22	TBC
Missed Bins	Overview and Scrutiny Working Group	16/12/22	TBC

2. Topics reserved for future consideration:

	Topic	Topic suggested by	Link to corporate priorities/values
1.	Broxtowe Lotto	Councillor S J Carr	A strong caring focus on the needs of all communities
2.	Disabled Facilities Grants	Councillor B C Carr	The Housing aim of a good quality home for everyone
3.	Kimberley Leisure Centre	Councillor S Easom	Continuous improvement and delivering value for money
4.	Environment Strategy	Overview and Scrutiny Committee	This links to all of the Council's Corporate Priorities.
5.	Child Poverty	Overview and Scrutiny Committee	A strong caring focus on the needs of all communities
6.	Budget Consultation	Overview and Scrutiny Committee	Continuous improvement and delivering value for money
7.	Houses In Multiple Occupation	Overview and Scrutiny Committee	The Housing aim of a good quality home for everyone
8.	Service Provided by the Duty Planning Team and Acknowledgment of Calls	Overview and Scrutiny Committee	Continuous improvement and delivering value for money

	Topic	Topic suggested by	Link to corporate priorities/values
9.	Agile Working	This topic was resolved at the Overview and Scrutiny Committee 12 January 2023 to go back to the Work programme for consideration again at a future meeting of the Overview and Scrutiny Committee	Continuous improvement and delivering value for money

3. Topics deferred:

	Topic	Topic suggested by	Notes	Link to corporate priorities/values
1.	Housing Repairs Review	Councillor P J Owen	This topic has been deferred to allow for services to be reviewed. Committee to be updated at a future meeting from Head of Housing.	Continuous improvement and delivering value for money

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Report of the Portfolio Holder for Resources and Personnel Policy

BUDGET PROPOSALS AND ASSOCIATED STRATEGIES1. 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. Recommendation

Cabinet is asked to RESOLVE that the business plans for the Council's corporate priorities and support service functions, subject to amendment as a result of any budget decisions still to be taken by Council, and as recommended by the Overview and Scrutiny Committee, be approved.

Cabinet is asked to RECOMMEND to Council that:

1. **The Housing Revenue Account budget as submitted be approved (appendix 2).**
2. **The General Fund revenue budgets as submitted be approved (appendix 3).**
3. **The capital submissions and priorities within them be approved and that the Deputy Chief Executive be authorised to arrange the financing of the capital programme as necessary (appendix 4).**
4. **An amount of £25,000 be provided for a General Contingency in 2023/24 (appendix 3).**
5. **The Council Tax Requirement for 2023/24 including special expenses (but excluding local precepting requirements) be £6,372,250 (appendix 3).**
6. **An amount of £938,181 be withdrawn from the General Fund reserve in 2023/24 (appendix 3).**
7. **An amount of £252,561 be taken from the General Fund earmarked reserves in 2023/24 (appendix 3).**
8. **The Capital Strategy 2023/24 to 2025/26 be approved (appendix 5)**
9. **The Minimum Revenue Provision policy as set out be approved (appendix 6).**
10. **The Treasury Management Strategy Statement 2023/24 to 2025/26 be approved (appendix 6).**
11. **The Investments Strategy 2023/24 to 2025/26 be approved (appendix 7).**
12. **The General Fund Medium Term Financial Strategy to 2026/27 be approved (appendix 8).**

3. Detail

The following appendices are included and recommended for approval:

Appendix 1	Impact Analysis
Appendix 2	Housing Revenue Account (HRA) Budget and Council House Rents 2023/24
Appendix 3	Resources Allocation – General Fund Revenue Budget 2023/24
Appendix 4	Resources Allocation – Capital Programme 2023/24 to 2025/26
Appendix 5	Capital Strategy 2023/24 to 2025/26
Appendix 6	Treasury Management Strategy 2023/24 to 2025/26
Appendix 7	Investments Strategy 2023/24 to 2025/26
Appendix 8	General Fund Medium Term Financial Strategy

A budget consultation exercise was undertaken during October and November 2022, the results of which were considered by Cabinet on 17 January 2023.

The matters referred to in these reports are inter-related and, as such, need to be considered together. An additional report on the HRA 30-Year Business Plan model update is imminent and will be presented to Cabinet later in spring 2023.

The service and financial plans were considered as an integral part of the budget setting process by the Overview and Scrutiny Committee on 30/31 January 2023. Subject to any consequent amendments necessary as a result of any budget changes approved by Council, Cabinet is asked to approve these documents.

After consulting with the Leader of the Council, the Deputy Leader and the Portfolio Holder for Resources and Personnel Policy, the figures included within the recommendations below and in the Medium Term Financial Strategy (appendix 8) reflect the fact that Cabinet may choose to recommend to Council that the basic amount of Council Tax in 2023/24 is increased by 2.94% from £176.85 to £182.06 and by a 2% increase in 2024/25 and 2025/26. This is set out in detail in appendix 3.

4. Financial Implications

The comments of the Head of Finance Services were as follows:

The detailed financial implications are considered in the report and appendices.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

There are no specific legal implications that arise from this report, as the suggested proposals are in accordance with relevant legislation, Council policy

and procedures. The recommendation is within the Council's statutory and fiduciary powers.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Unison comments in relation to this report.

8. Data Protection Compliance Implications

This report does not contain any OFFICIAL Sensitive information and there are no Data Protection issues in relation to this report.

9. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

10. Background Papers

Nil

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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 to all residents across the whole Borough. 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

A refreshed Housing Business Plan was presented to the Overview and Scrutiny Committee on 30/31 January 2023, in a report which included the Housing Revenue Account (HRA) 2023/24 budget estimates (included in this report).

With effect from April 2020, local authorities are able to set their own rent levels, though Government Guidance recommends that rent increases should be not more than the Consumer Price Index (CPI) plus 1% from 2020/21 for the following five years. On 2 February 2021, the Housing Committee approved the Council's Rent Setting Policy which in summary stated Housing Rents are to increase by September CPI plus 1%. This was reflected in the annual update of the financial model that accompanies the HRA 30-year Business Plan.

In view of current economic conditions with high inflation, the Government has announced a social housing rent cap of 7% for 2023/24, following consultation. The proposals presented for consideration by Cabinet in this report include the HRA rent income budgets prepared with a 7% rent increase as recommended by the Deputy Chief Executive and Section 151 Officer.

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. Around two-thirds of tenants get Housing Benefit or the rent element of Universal Credit, although not all will get the full amount. An increase of 7% increase would equate to an average weekly rent of £83.15. This increase is below inflation and will provide vital in additional revenues to help manage the cost of staffing and further investment in service delivery, repairs and maintenance and capital investment.

The Government's Universal Credit programme continues to be rolled out, which sees Universal Credit replacing a variety 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. The Council is working with tenants and other agencies to ensure a smooth transition.

The budget proposals also include estimates for a freeze in Garage Rents and other charges which have been taken into account in the budget figures considered by Overview and Scrutiny Committee on 30/31 January 2023.

Whilst 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 earlier budget setting exercises. This indicated that there are no recognised groups within the Equalities Act that would be adversely affected by any changes. No further changes would affect this conclusion.

3. Liberty Leisure Limited

Liberty Leisure Limited (LLL) was established on 1 October 2016 and is a wholly owned company of the Council which delivers leisure and associated services.

The budget proposals include a provision for a reduced annual management fee of £519,000 for Liberty Leisure Limited (LLL) in 2022/23 (£845,000 in 2022/23).

This reduction includes the financial impact of the transfer of the D H Lawrence Birthplace Museum and Arts and Events back to the Council from 1 November 2022 and a further £100,000 saving identified as part of the Business Strategy.

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 annual management fee.

As LLL is a wholly-owned company, the Council retains overall control. Any changes to service provision must be agreed by the Council. The Council will continue to meet with LLL on a regular basis to review the company's cash-flow position and to provide adequate support to mitigate any risk of insolvency.

4. Other Establishment Changes

The budget proposals include estimates for the existing staffing establishment in 2023/24. 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 an increase in entitlement based on an actual week's pay rather than the capped statutory entitlement. This policy is considered as part of the Pay Policy which is approved annually at full Council.

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.

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APPENDIX 2

HOUSING REVENUE ACCOUNT BUDGET AND COUNCIL HOUSE RENTS 2023/24

1. Housing Revenue Account Budget

The Housing Revenue Account (HRA) budgets for the 2022/23 revised estimate and the 2023/24 base budget are presented below. This shows a projected surplus balance in hand of £2.657m at 31 March 2024.

	Revised Estimate 2022/23 £	Base Budget 2023/24 £
Repairs & Maintenance	3,989,630	4,562,250
Supervision & Management	2,920,390	3,425,430
Special Services	2,183,100	2,290,870
Rents, Rates, Taxes & Other Charges	146,270	160,350
Depreciation & Impairment of Fixed Assets	4,332,000	4,617,000
Increase/Decrease in Impairment of Debtors	110,000	80,000
Total Expenditure	13,681,390	15,135,900
Dwelling Rents (Gross)	(15,683,650)	(16,972,400)
Non-dwelling Rents (Gross)	(273,500)	(289,000)
Tenants' Charges for Services & Facilities	(823,450)	(856,700)
Leaseholders' Charges for Services & Facilities	(67,650)	(94,300)
Other Charges for Services & Facilities	(14,780)	(4,000)
Total Income	(16,863,030)	(18,216,400)
Net Cost of Services	(3,181,640)	(3,100,500)
HRA services' share of Corporate/Democratic Core	415,690	442,540
HRA share of interest payable and similar charges including amortisation of premiums and discounts	2,669,790	2,674,500
HRA Investment Income	(92,240)	(84,700)
(Surplus)/Deficit for the Year on the HRA Income and Expenditure Statement	(188,400)	(48,160)
Capital expenditure funded by the HRA	1,786,300	1,719,104

	Revised Estimate 2022/23 £	Base Budget 2023/24 £
(Increase)/Decrease in the HRA Balance	1,597,900	1,670,944
HRA Opening Balance	(5,925,810)	(4,327,910)
HRA Closing Balance	(4,327,910)	(2,656,966)

2. Budget Changes

The following have been taken into account in the production of the overall budget position for 2023/24. The 2023/24 base budget shows an increase in expenditure of £1.538m compared to the 2022/23 revised budget, whilst income has increased by £1.465m:

Service Area – Expenses	Change (£)
Changes in employee related costs including:	
<ul style="list-style-type: none"> The impact of the pay award in 2022/23 and anticipated 2023/24, currently estimated at 5%, salary increments and various small structure changes agreed in 2022/23. There is also a 1% increase in Pension Fund primary contributions in 2023/24. 	585,000
<ul style="list-style-type: none"> Changes following phase 1 of the Housing Repairs restructure that was recently agreed at Cabinet. 	146,000
A net increase in premises costs linked to price inflation	19,000
Increases in Transport related expenditure is due to an increase in transport running costs (e.g. Mechanics pay, materials, fuel), a proportion of which is recharged to the HRA. This is partially offset by a reduction in travelling expenses (mileage) based on previous year expenditure.	25,000
Third party payments relating to an increase in grounds maintenance recharges from the General Fund. These include maintaining HRA non-residential land, land at Independent Living accommodation sites and maintaining elderly residents' gardens.	85,000

Service Area – Expenses	Change (£)
A net increase in Supplies and Services costs:	
<ul style="list-style-type: none"> • An increase in sub-contractor costs based on forecast demand and an expected increase in fees 	284,000
<ul style="list-style-type: none"> • Material costs are expected to rise by up to 15% due to the current economic climate 	42,000
<ul style="list-style-type: none"> • Waste disposal costs for void properties have been increased based on current year expenditure 	20,000
<ul style="list-style-type: none"> • An increase in Leaseholder spending due to fees related to the registration of leases with the Land Registry 	32,000
<ul style="list-style-type: none"> • New Home Release scheme budget approved at Cabinet 	20,000
<ul style="list-style-type: none"> • The development budget of £100k for the EPC programme in 2022/23 was a one-off budget and is not required in 2023/24. 	(100,000)
A net increase in recharges for services from the General Fund to the HRA for costs including ICT Services, Finance, Legal, Human Resources, Health and Safety, Property Administration, Asset Management, Mechanics. Payroll, Creditors, Debtors, Support Services and Internal Audit.	110,000
An increase in capital charges due to an increase in HRA property values and the HRA share of vehicle purchases. This is partially offset by a reduction in capital expenditure to be financed by HRA revenue contributions when compared to 2022/23.	223,000
Increase in Democratic Core and Corporate Administration Costs	27,000

Service Area – Income	Change (£)
An increase in Housing Rents (Dwelling) income based upon:	
<ul style="list-style-type: none"> • An opening stock of 4,367 properties; plus 20 acquisitions; less 52 estimated Right to Buy sales across 2022/23 and 2023/24 equals projected closing stock 4,335 properties. • Impact of rent increase at 7% (capped by legislation). • Less projected void loss of £331,000. • Less income relating to General Fund properties. 	(1,289,000)
See narrative after this table for further information	

Service Area – Income	Change (£)
<p>An increase in garage rent income (non-dwelling) based upon:</p> <ul style="list-style-type: none"> Opening stock 828 garages (692 units to let) less 37 demolitions in 2023/34 (a reduction in forecast demolitions compared to 2022/23) equals the projected closing stock of 655 units available to let. No increase in fees in 2023/24. <p>See narrative after this table for further information.</p>	(15,500)
<p>An increase in Support Charges (tenants' charges for services):</p> <ul style="list-style-type: none"> No changes to Support Charges or scheme re-designations anticipated. A projected void loss of £25,000, a reduction of £22,000 when compared to the 2022/23 budget due to previous re-designations and anticipated demand for 2023/24. 	(44,000)
<p>Other notable changes in HRA Income include:</p> <ul style="list-style-type: none"> Salaries recharged to the capital programme in 2022/23. A reduction in the Bad Debt Provision for Housing Repairs charges to tenants based on previous years' actual costs. An increase in the amount charged by the HRA to the General Fund for GF related activities carried out by employees paid by the HRA. Various smaller variances. 	(46,000) (26,000) (19,000) (25,000)
Overall increase/(decrease) in net expenditure compared to 2022/23 revised estimate	73,000

3. Rents and charges proposals

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 than the Consumer Price Index (CPI) plus 1% from 2020/21 for the following five years. On 2 February 2021, the Housing Committee approved the Council's Rent Setting Policy which in summary stated Housing Rents are to increase by September CPI plus 1%. This policy has been reflected in the financial model that accompanies the HRA 30-year Business Plan.

In view of current economic conditions and high inflation, the Government has announced a social housing rent cap of 7% for 2023/24, following consultation.

The proposals presented for consideration and approval by Cabinet, on this agenda, include the HRA rent income budgets prepared with a 7% rent increase as recommended by the Council's Section 151 Officer.

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.

About two-thirds of tenants receive Housing Benefit or the rent element of Universal Credit, although not all will get the full amount. An increase of 7% increase would equate to an average weekly rent of £83.15. This increase is below inflation and will provide vital in additional revenues to help manage the cost of staffing and further investment in repairs and maintenance.

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 a freeze in Garage Rents and other charges which have been taken into account in the updated Housing Business Plan and budget figures considered by Overview and Scrutiny Committee on 31 January 2023.

Whilst 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 earlier budget setting exercises. This indicated that there are no recognised groups within the Equalities Act that would be adversely affected by any changes. No further changes would affect this conclusion.

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 £2.674m in 2023/24. Additional borrowing of £7.941m will be required for 2023/24 to finance the proposed new build housing and housing acquisitions programme and to contribute towards the investment and improvements of HRA dwellings included in the capital programme. A HRA revenue contribution of £1.719m to the Capital Programme is anticipated in 2023/24.

In order to fund the Capital Programme in 2023/24 it is anticipated that £2.498m will be required from HRA capital receipts.

It is recommended that a HRA 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 capital investment commitments.

A review of the HRA 30-Year Business Plan is underway and will be reported to Cabinet in spring 2023.

APPENDIX 3

**RESOURCES ALLOCATION – GENERAL FUND REVENUE BUDGET
2023/24**1. Summary of Proposals

The Overview and Scrutiny Committee has considered the revised budgets for 2022/23 and the base budgets for 2023/24 for each corporate priority and the support services areas. Any changes arising from this process are set out below along with a summary of the proposed General Fund budget for 2023/24.

2. Key Assumptions and Other Changes

During the consideration of the revised estimates for 2022/23 and the base budgets for 2023/24 by the Overview and Scrutiny Committee, there has been a continuing focus on delivering the Council's vision in its Corporate Plan 2020 - 2024 for "a greener, safer, healthier Broxtowe where everyone prospers" and the corporate priorities.

The outcome of the latest budget consultation exercise that took place during October and November 2022 was noted by Cabinet on 17 January 2023. The web-based survey, which was publicised through social media, generated 1,210 responses which was significantly higher than previous years. The Council has responded to its residents with the following proposals being included in budgets:

- Community Safety is a big priority for our residents, which is highlighted in the investment in surveillance cameras and the continuation of safer streets funding.
- Greater investment in climate change and environmental services with the Climate Change and Green Futures Delivery Programme, including the employment of new Climate Change Officer and a contribution towards a local area energy planning study, and continued investment in parks and open spaces.
- Large investment in Economic Development and Business Growth is also important for local residents, and the budgets includes the successful Stapleford Towns Fund bid (£21m investment plan), allocations from the UK Shared Prosperity Fund. Further budget proposals on the recent successful Levelling Up Fund bid for Kimberley will be submitted to Cabinet in due course. There is also further regeneration and development associated with Beeston Square with the Phase 2 development generating additional rental income streams.

- Extra investment in Housing (considered within the Housing Revenue Accounts at appendix 2), including the existing housing stock through Capital Works and Housing Repairs services and the Housing Delivery Plan new housebuilding programme, which will also lever in grant funding from Homes England bids in addition to investing the Council's own funds.
- Continued support of the community and voluntary sector, including the Citizens Advice Broxtowe.
- Revenue developments, including £181k for the Borough Elections in May 2023 (funded by an earmarked reserve) and a one-off £10k budget to fund a variety of events in celebration of the King's Coronation in 2023.

The base budgets for 2023/24 include estimates for inflation on certain headings such as utilities, fuel and energy costs and other contractual commitments. The pay budget includes an anticipated rise in Pension Fund primary contributions, a reversal of the earlier increase in the rate of employers' national insurance contributions (offset by reduced grant), increments and job evaluation regrades, market supplements for posts that have been difficult to recruit and an estimated 5% pay award for 2023/24.

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 additional prudential borrowing of £7.941m in 2023/24 in relation to the Housing Revenue Account (HRA) and borrowing of £1.669m 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 2023/24.

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 previous years, a General Fund Contingency of £25,000 has been established for 2023/24.

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

Any proposed staffing changes during 2023/24, above delegated limits, will be reported to Cabinet for consideration and, if approved, incorporated within the revised 2023/24 budgets.

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 2023/24 the non-domestic rates budget based on the NNDR1 for the year has been set at £3.796m, which includes estimates for losses on appeals and the recovery of deficits 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 £2.815m) and by payments to or receipts from the Nottinghamshire Business Rates Pool.

The provisional Local Government Finance Settlement for 2023/24 was announced by the Secretary of State for Department for Levelling Up, Housing and Communities (DLUHC) on 19 December 2022. This included details of the Council's Settlement Funding Assessment (SFA) for 2023/24 and the Central Government grant funding to be received as part of the settlement.

Grant funding includes £120k Revenue Support Grant (£nil in 2022/23) and Services Grant of £113k (£200k in 2022/23). Whilst the methodology for the Services Grant distribution remains unchanged through the SFA formula, the grant has been reduced due to the cancellation of the earlier increase in National Insurance contributions.

The settlement also included details of the New Homes Bonus (NHB) allocations to Councils. The overall 2023/24 allocation for NHB has reduced significantly due to the scheme now being a single year retrospective allocation which does not include any prior year legacy payments. The provisional NHB allocation to Broxtowe for 2023/24 has reduced to £132k (£352k in 2022/23).

The Lower Tier Services Grant, worth £130k to Broxtowe, has been abolished and replaced by the Minimum Funding Guarantee of 3% for 2023/24. This new grant is intended to provide a funding floor for all local authorities, so that no local authority would see an increase in Core Spending Power (CSP) that is lower than 3% (before assumptions on council tax rate increases). The provisional allocation to Broxtowe in 2023/24 is £367k.

As set out in section 3 below, the recommendations are based upon withdrawing £758k from the General Fund Reserve in 2022/23 (a total of £1.681m including earmarked reserves) and withdrawing £938k from General Fund Reserves in 2023/24 (£1.191m including earmarked reserves).

The General Fund Reserve is expected to reduce by £785k in 2022/23 from £7.425m at 1 April 2022 to £6.640m at 31 March 2023. A further withdrawal of £938k from balances in 2023/24 will see the projected General Fund Reserve at 31 March 2024 to be £5.702m.

3. Collection Fund Income

Income received from Council Tax and Business Rates goes into the Collection Fund. This will then have implications for the General Fund but the exact timing 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 continue to have an impact upon Collection Fund accounting and hence upon the General Fund for 2022/23 and subsequent years. Further details are set out below:

(i) Expanded Retail Discount and Nursery Relief

In January 2022 the Government announced an extension to the retail, hospitality and leisure relief that eligible businesses receive towards their business rates bills would be expanded and cover 2022/23. This meant that the Net Rates Receivable by local authorities for 2022/23 as set out on their NNDR1 2022/23 returns would not be collected.

Broxtowe's NNDR1 for 2022/23 indicated that business rates of more than £30m would be collected in the year. However, the expanded rental, hospitality and leisure 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.

(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 and 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.

The Council also received significant Section 31 grants into its General Fund in 2021/22 relating to Business Rates. These grants were due to the exceptional circumstances and the additional reliefs awarded during and beyond the pandemic. In order to address the timing issue, a Collection Fund Equalisation Reserve was established to meet the cost of anticipated NNDR deficits and to ensure that the impact of this issue does not distort the position on the General Fund Reserve.

This earmarked reserve will be used to meet the projected NNDR Collection Fund net deficit position for the General Fund in 2022/23, after the expected clawback of overestimated Section 31 grants required in year for the extended Retail, Hospitality and Leisure Reliefs. The remaining balance on the Collection Fund Equalisation Reserve will be reconciled again at outturn, following completion of the NNDR3 return, and will be cleared at an appropriate time.

(iii) Nottinghamshire Business Rates Pool

There are positive benefits of the Council being a collective part of the Nottinghamshire Business Rates Pool. Broxtowe are committed to remaining within the Pool, along with the County Council and all the other Nottinghamshire districts. Having declared this commitment, the Secretary of State has retained the Nottinghamshire Business Rates Pool for 2023/24.

The Councils in Nottingham and Nottinghamshire are exploring the potential of a devolution deal and greater joint working. The ambition is to deliver better services and make a demonstrable difference to the lives of local residents. The City of Nottingham and Nottinghamshire Economic Prosperity Committee (of which Broxtowe Borough Council is represented) recently agreed to support local economic regeneration with a budget to include costs associated with a devolution bid. This bid, if confirmed by government, will result in additional funding which will benefit the Borough of Broxtowe in various ways.

The cost of the resourcing requirements needed to deliver at pace on this programme of work the programme is around £450k. Whilst this cost is to be funded by all authorities, including Broxtowe, the first year cost is expected to be picked up within a Volatility Fund established as part of the Nottinghamshire Business Rates Pool. A request for a further £450k allocation in 2023/24 to fund the team and a small programme budget, would be shared across the Council's with districts picking up 60% split (circa £38k for Broxtowe) via the Business Rates Pool.

4. General Fund Revenue Budget

The table below shows the 2022/23 revised budget for each corporate priority along with the base budget figures for 2023/24. It also shows the impact that this would have upon the Council's available balances.

	Revised Estimate 2022/23 £	Base Budget 2023/24 £
<u>Corporate Priority / Committee</u>		
Community Safety	1,473,520	1,667,500
Environment and Climate Change	4,880,320	5,783,880
Finance and Resources	3,484,753	3,778,760
Housing – General Fund	501,950	661,500
Business Growth (Jobs and Economy)	1,234,140	1,101,250
Health (Leisure and Health)	1,528,730	1,336,150
Sub-Total	13,103,413	14,329,040
Add: Beeston Special Expenses	25,000	25,300
Total Net Expenditure	13,128,413	14,354,340
<u>Funding</u>		
Revenue Support Grant	-	(120,545)
Lower Tier Services Grant	(129,972)	-
Services Grant	(199,745)	(112,553)
New Homes Bonus	(351,950)	(131,500)
Core Spending Power Funding Guarantee	-	(367,129)
NNDR (Business Rates after Tariff)	(1,846,975)	(3,796,308)
NNDR (Surplus)/Deficit (*Note)	(12,850)	-*
Est. Safety Net/Levy Payment to/(from) Pool	886,183	1,302,963
Estimated S31 Grant (per NNDR1)	(4,265,012)	(2,814,768)
Returned Funding from Business Rates Pool	(300,000)	(800,000)
Council Tax	(6,106,631)	(6,346,950)
Council Tax (Surplus)/Deficit	(21,190)	48,492
Precept – Beeston Special Expenses	(25,000)	(25,300)
Total Funding	(12,373,142)	(13,163,598)
Allocation to/from Earmarked Reserves (below)	30,000	(252,561)
Withdrawal from General Fund balances	785,272	938,181

*Note: NNDR Collection Fund Surplus/Deficit

	2023/24 £'000
Projected NNDR Surplus 2022/23 (NNDR1 Revised Estimate)	(1,340)
Overestimated position in respect of Section 31 Grants required for extended Retail, Hospitality and Leisure Reliefs expected to be clawed back after final outturn (NNDR3)	2,200
Allocation from remaining balance of exceptional Section 31 Grants to compensate for additional reliefs awarded in year (Collection Fund NNDR Equalisation Reserve).	(860)
NNDR (surplus)/deficit after additional S31 grant	-

The budget increase for total net expenditure in 2022/23 between the original budget and revised estimate is a consequence of the following items:

Revenue Budget 2022/23	£'000
Opening estimated withdrawal from balances in 2022/23	351
Add: General Fund Revenue items carried forward from 2021/22 approved by Cabinet on 19 July 2022	268
Add: General Fund Revenue Budget Amendments approved by Finance and Resources Committee on 10 February 2022 (Freeman/Alderman Civic Event)	5
Add: General Fund Revenue Budget Amendments approved by Council on 2 March 2022 (Members Allowances)	6
Add: General Fund Revenue Budget Amendments approved by Cabinet on 24 May 2022 (Decarbonisation of Fleet £42k and Levelling Up Fund Bid Consultancy £48k)	90
Add: General Fund Revenue Budget Amendments approved by Cabinet on 21 June 2022 (Leisure Centre Feasibility Study)	10
Add: General Fund Revenue Budget Amendments approved by Cabinet on 4 October 2022 (Discretionary Housing Payments)	36
Add: Net other budget changes	19
Current estimated withdrawal from balances in 2022/23	785*

The increase for total net expenditure in the 2023/24 base budget compared with the 2022/23 revised estimate is primarily a consequence of the following items:

Revenue Budget 2023/24	£'000
Employee Related Expenses – A net increase in pay related costs including the following: <ul style="list-style-type: none"> • The impact of pay awards for 2022/23 (fixed uplift of £1,925 across all pay points, averaging over 6%) and 2023/24 currently estimated at 5%; • An increase of 1% in Pension Fund primary contributions to 19.0%, partially offset by a reduction in secondary back-funding contributions. • A reversal of the increase in employers' National Insurance contributions rate, which is offset by a reduction in the Services Grant received from Central Government; • The full-year effect of agreed market supplements (where necessary to recruit and retain key staff), job evaluation grade changes, minor structural changes and other due increments within pay scales. 	1,445
A net increase in Premises Related Expenses and Transport costs due to the impact of inflation with higher prices for fuel and energy, materials and external contractor fees.	558
Additional minimum revenue provision (MRP)	96
Removal of 2021/22 Budgets Carried Forward to 2022/23	(268)
Net reduction in Leisure Management Fee as per Business Strategy – in addition to the reduction to reflect the cost of the transfer of the Arts and Events service and D H Lawrence Museum from Liberty Leisure Limited back to the Council.	(100)
Other net changes in expenditure and income across the various budget across the General Fund.	62
Increase in Planning Fee Income	(50)
Increase in Garden Waste Income (from 2022/23 original)	(30)
Increase in Trade Waste Income (from 2022/23 original)	(37)
Increase in Beeston Square Phase 2 Income	(100)
Increase in Investment Income	(115)
Increase in the value of employee costs that are to be recharged to the Capital Programme (i.e. capital salaries), particularly within the Economic Development and Capital Works teams.	(235)
Total Increase in Net Expenditure	1,226

The increase in funding of £790k from the 2022/23 revised estimate to the base budget 2023/24 figure is mainly due to the following:

Financing 2022/23 to 2023/24	£'000
Increase in Revenue Support Grant	(121)
Reduction in Lower Tier Services Grant	130
Reduction in Services Grant	87
Reduction in New Homes Bonus	220
New CSP Funding Guarantee Grant	(367)
Net increase in Business Rates including return funding from Pool	(569)
Increase in Council Tax Income	(240)
Reduction in Council Tax Surplus/Deficit	70
Total Increase	(790)

The anticipated withdrawals from balances in 2022/23 and 2023/24 shown above would affect the Council's reserves as follows:

Change in Balances 2022/23	Actual Balance at 1 April 2022 £	Projected Withdrawal / (Addition) £	Estimated Balance at 31 March 2023 £
General Fund Reserve	(7,425,182)	785,271	(6,639,911)
Elections Reserve	(200,920)	(30,000)	(230,920)
Homelessness Grant Reserve	(212,064)	-	(212,064)
Stapleford Town Fund Reserve	(71,561)	-	(71,561)
Planning Reserve	(31,071)	-	(31,071)
Noise Monitoring Equipment Res	(15,000)	-	(15,000)
Council Tax Equalisation Reserve	(65,610)	65,610	0
NNDR Equalisation Reserve	(2,976,000)	860,000	(2,116,000)
Total Balances	(10,997,408)	1,680,881	(9,316,527)

The Collection Fund Equalisation Reserve comprises the remaining balance of exceptional Section 31 grants received in 2021/22 for additional reliefs awarded during and beyond the pandemic. This reserve will be used to meet the projected NNDR net deficit position, with the expected clawback of over-estimated Section 31 grants required for extended Retail, Hospitality and Leisure Reliefs in 2022/23. The remaining balance on the Collection Fund Equalisation Reserve will be reconciled again at outturn following completion of the NNDR3 return and cleared when appropriate.

Change in Balances 2023/24	Actual Balance at 1 April 2023 £	Projected Withdrawal / (Addition) £	Estimated Balance at 31 March 2024 £
General Fund Reserve	(6,639,911)	938,181	(5,701,730)
Elections Reserve	(230,920)	181,000	(49,920)
Homelessness Grant Reserve	(212,064)	0	(212,064)
Stapleford Town Fund Reserve	(71,561)	71,561	0
Planning Reserve	(31,071)	0	(31,071)
Noise Monitoring Equipment Res	(15,000)	0	(15,000)
Council Tax Equalisation Reserve	0	0	0
NNDR Equalisation Reserve	(2,116,000)	0	(2,116,000)
Total Balances	(9,316,527)	1,190,742	(8,125,785)

The recommendations are based on withdrawing £938k from the General Fund reserve in 2023/24; withdrawing £181k from the Elections Earmarked Reserve to meet the cost of the Borough Council elections in May 2023; and withdrawing £72k from the Stapleford Town Fund Earmarked Reserve, linked to initial funding received from the Towns Fund, to support Economic Development activity.

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

5. Business Strategy and Budget Savings

A range of potential efficiencies and additional income has been identified and included in the Business Strategy agreed by Cabinet on 4 October 2022 at <https://democracy.broxtowe.gov.uk/documents/s19563/3.0%20MTFS%20and%20Business%20Strategy%204%20Oct%202022%20v3.pdf>.

Savings and additional income totalling £675k have been built into the 2023/24 base budget, as follows:

Proposal and Business Impact	Financial Impact on Budgets
Growth in Business Rates – A reasonable target based on the information available to date, although income growth is impacted by the pace of the economic growth.	£170k additional funding from Business Rates included in budget
Council Tax increase – A change to the government's referendum limits provides the ability to increase Council Tax by up to 3%, compared to the current MTFS which included a 2% rise for 2023/24.	£60k additional funding income over MTFS assumptions included in budget

Proposal and Business Impact	Financial Impact on Budgets
Staffing efficiencies in leveraging new technology, taking advantage of vacancies to restructure to save money, manage vacancies and reduce administration.	£140k increase in the Employee Savings Target included
Garden Waste income with expected increase in subscriptions (both volume and price) in 2023/24.	£30k additional income included in budget
Beeston Phase 2 development income to include new operators.	£100k additional income included in budget
Planning Income – Additional income expected following the approval of the Local Plan Part 2.	£50k additional income included in budget
Housing Lifeline Income – Slight increase in sales volume from the additional marketing of the scheme.	£5k additional income included in budget
Lower Mileage Costs from agile working has resulted in lower employee mileage claims around 35%.	£10k savings included in budget
Surveillance – Rationalise and ensure cameras are targeted effectively – with greater use of mobile cameras and potential revenue cost savings.	£10k income from shared service arrangements (one-year) included in budget
Reshaping the Leisure offer following the outcome of strategic reviews of leisure facilities and efficiency reviews of leisure services.	£100k reduction in the Management Fee included in budget

It is proposed to set an employee savings target of £500k in 2023/24 to be met from vacancies, flexible retirements and redundancies. The Business Strategy included a proposal to increase this target in view of the inflationary increases in the overall salaries budget. Any further approvals by Cabinet of voluntary redundancy/flexible retirement requests will help to achieve this saving.

The budgets have been prepared with the best information available at the time of production. It is fair and reasonable to highlight potential developments, not sufficiently certain at present to include in the estimates, but matters which may reduce the proposed draw on the Council's General Fund Reserve in both 2022/23 and 2023/24. This will include the recent amendment in the law to allow public sector organisations within the scope of businesses entitled to receive energy grant support, which will support with the rising cost of energy in the Council's premises.

Furthermore, there is no historical evidence of the Council overspending against its service budgets, with recent year-end balances providing an underspend which can then be returned to general balances.

Given the ongoing financial impact of developing economic circumstances and the medium term financial position, a further refresh of the Business Strategy will be required in the Summer 2023 to identify other potential efficiencies. This work will be led by the General Management Team and a updated and refreshed Business Strategy will be presented to Cabinet in October 2023 for approval.

6. Beeston Special Expenses

Beeston and its 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, then sufficient monies will remain on the account such that a precept of £25,300 per annum should be capable of being maintained for 2023/24.

In the Beeston Special Expenses Area, it is proposed to maintain the precept at £25,300 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 2.94% 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% (or more than 2%) 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 Policy Statement accompanying the 2023/24 provisional local government finance settlement announcement, confirms that for Council Tax, shire district councils will have a referendum principle of 3% or £5, whichever is higher.

The Leader of the Council, the Deputy Leader and the Portfolio Holder for Resources and Personnel Policy have been consulted, and it is proposed that the basic Council Tax amount for a band D equivalent property be increased by 2.94% from £176.85 in 2022/23 to £182.06 in 2023/24.

The authority's share of the estimated deficit on the Council Tax element of the Collection Fund at 31 March 2023 is £48,482. After taking this into account, and the increase in the Council Tax Base for 2023/24 as approved by Cabinet on 20 December 2022, then a 2.94% increase in the basic Council Tax (for a Band D property) amount equates to a Council Tax requirement (excluding the special expenses area) of £6,346,950 in 2023/24 and would require an overall withdrawal from balances totalling £1,190,742 (including the contributions from Earmarked Reserves).

APPENDIX 4

RESOURCES ALLOCATION – CAPITAL PROGRAMME 2023/24 to 2025/26
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1. Summary of Proposals

The Overview and Scrutiny Committee considered the proposed Capital Programme submissions for the three years from 2023/24 to 2025/26, of which some are recommended to proceed immediately since funding resources are in place whilst others are awaiting confirmation of receipt of funding. Details were given in the reports to the Committee as to which schemes are to proceed immediately and which are on hold until the funding is received or Cabinet 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 2023/24 programme are summarised below.

	General Fund £	HRA £
Capital Programme 2023/24		
Housing	800,000	19,185,000
Community Safety	-	-
Business Growth	11,868,000	-
Leisure and Health	2,405,000	-
Environment and Climate Change	1,580,000	-
Finance and Resources	406,000	-
TOTAL	17,059,000	19,185,000
Anticipated Financing:		
HRA Depreciation (Major Repairs Reserve)	-	4,617,000
Better Care Fund (Disabled Facilities Grants)	800,000	-
Usable Capital Receipts (Estimated)	-	2,498,000
Prudential Borrowing	1,669,000	7,941,000
Revenue Contributions	-	1,717,000
Section 106 Contributions	-	-
Other Grants	11,328,000	2,412,000
Shortfall/(surplus)	3,262,000	-
TOTAL	17,059,000	19,185,000

Capital Contingencies of £60,000 for General Fund and £28,000 for the Housing Revenue Account (HRA) are included 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 2023/24 through to 2025/26 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 2023/24 to 2025/26 is assumed to be £800k per annum pending confirmation from Nottinghamshire County Council of the actual amount to be received. As disabled adaptations work is demand-led, further capital commitments may be required. Requests for these will be brought forward to Cabinet 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 £21.1m across five financial years 2021/22 to 2025/26 as part of the Stapleford Town Deal. This award from the Department for Levelling Up, Housing and Communities (DLUHC) 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 2021/22 to 2025/26 includes £14.6m of the overall Stapleford Towns Fund schemes, including £10.7m in 2023/24 – all funded by grant.

In 2023/24, the Capital Programme also includes capital schemes of £627k as part of the £2.56m revenue and capital funding allocation from the Government's UK Shared Prosperity Fund for the three financial years 2022/23 to 2024/25.

For the HRA, the Council has been awarded £1.5m from Homes England to part-fund various schemes within the Housing Delivery Programme, with the potential for further funding for future schemes. In addition, BEIS has made an award of £900k to part finance the decarbonisation of the Council's Housing Stock.

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 in 2011/12. As at 31 December 2022, accumulated usable HRA capital receipts of around £4.6m were calculated as being available after deducting the share of 2022/23 receipts due to the Treasury in April 2023. 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 2023/24 the only proposed revenue contribution 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 £1.717m and a contribution of £4.617m from the Major Repairs Reserve along with HRA capital receipts of £2.498m are proposed in 2023/24 to finance the HRA Capital Programme. Furthermore, there is planned borrowing of £7.941m for the development of the proposed new build housing programme and acquisitions of former right to buy properties 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, when including prudential borrowing of £1.669m, there is a financing shortfall of £3.262m in 2023/24 as shown in section 1 above. This is largely made up of works at Bramcote Leisure Centre. 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)
- Further 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 2023/24 to 2025/26 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.

It is proposed to meet part of the programme by prudential borrowing and to place the remaining schemes on a reserve list. The following schemes are proposed to be financed from borrowing in 2023/24:

Scheme	£
Replacement Vehicles and Plant	928,000
Technical Infrastructure Architecture	196,000
Pride in Parks (approved as part of 2022/23 programme)	105,000
Replacement/Development Programme	112,000
Coronation Park – Path improvement	63,000
High Hazels Re-roofing	40,000
Leyton Crescent – Path improvement	38,000
Eastwood Cemetery – Path Improvements	36,750
Vehicle Wash Refurbishment	32,500
Quarry Maintenance and Remedial Works	25,000
The Square, Beeston Refurbishment	25,000
CMS Upgrade	7,750
Contingency	60,000
Total	1,669,000

The level of cash reserves available to the Council indicates that the borrowing can potentially be financed from internal sources, at least in part, (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 may have a part-year impact in 2023/24 and a full year impact from 2024/25 onwards.

The following schemes are contained within the Capital Programme 2023/24 but are awaiting financing:

Proposed Scheme	£
BLC - Replacement Hot Water Pipework	750,000
BLC - Rewire of Facility	550,000
Employment Space (Economic Development)	350,000
Hickings Lane Skate Park	253,000
Replacement/Repair Flat roofs	220,000

Proposed Scheme	£
BLC - Replacement Building Management System	220,000
Sustainable Travel to Work (Economic Development)	150,000
BLC - Main Pool Window Replacement	150,000
BLC - Main Pool Surrounds	100,000
BLC - Replacement HV Transformer	90,000
BLC - Main Pool Filter Replacement 2	80,000
Asset Management Plan	44,000
BLC - Replacement Circulation Pumps Main Pool	40,000
BLC - Teaching Pool Window Replacement	40,000
Cemeteries - Footpath and Roadway Improvements	30,000
BLC - Replacement Teaching Pool Water Filter	30,000
Car Parks Resurfacing	25,000
BLC - Replacement Heating Valves	25,000
BLC - Main Pool Filter Media Replacement 1	25,000
BLC - Replacement Intruder Alarm	25,000
BLC - Replacement Hot Water Storage Unit	22,000
BLC - Replacement Tiles	20,000
BLC - Replacement CCTV System	18,000
IKEN additions	5,000
Total	3,262,000

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APPENDIX 5

CAPITAL STRATEGY 2023/24 – 2025/261. 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 in appendix 6 and the Investments Strategy at 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 Deputy Chief Executive and 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 which 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 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 along with the intended financing:

	2021/22 Actual £000	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
Capital Expenditure					
General Fund	4,310	13,696	17,059	7,630	8,054
Housing Revenue Account	9,868	12,789	19,185	13,551	11,959
Total	14,178	26,485	36,244	21,181	20,013
Financed by:					
Borrowing – GF	3,063	4,802	1,669	922	1,040
Borrowing – HRA	2,521	4,373	7,941	5,871	5,258
Major Repairs Reserve	4,348	4,211	4,617	4,617	4,617
Capital Receipts – GF	271	15	0	0	0
Capital Receipts – HRA	929	1,549	2,498	2,088	1,588
Direct Revenue Financing GF	19	7	0	0	0
Direct Revenue Financing HRA	2,069	2,656	1,717	975	496
Better Care Fund	724	1,425	800	800	800
Section 106 Receipts	0	246	0	0	0
Levelling Up (Towns Fund)	105	5,902	10,701	1,002	2,952
UK Shared Prosperity Fund (DLUHC) – <i>capital funding</i>	0	0	627	1,644	0
Other Bodies	129	596	2,412	0	0
Total	14,178	25,782	32,982	17,919	16,751
Reserve items (unfinanced) #	0	703	3,262	3,262	3,262

Items roll forward each year they are not undertaken, hence 2023/24, 2024/25 and 2025/26 figures are the same.

Further budget proposals on the successful Levelling Up Fund bid for Kimberley will be submitted to Cabinet in due course.

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 2023/24 includes £1.400m per annum for the acquisition 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.

Based on the current three year rolling capital programme, it is anticipated that borrowing of £1.669m will be required to finance General Fund capital expenditure in 2023/24 with further borrowing of £922k in 2024/25 and £1.040m in 2025/26. 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 2023/24 is forecast at £7.941m with additional borrowing of £5.871m anticipated in 2024/25 and £5.258m in 2025/26.

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 cheaper short-term loans and long-term fixed rate loans where the future cost is known but slightly higher.

The tight revenue situation is such that it has been assumed that the capital programme from 2023/24 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.

	2022/23 Revised Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
Capital Financing Requirement				
CFR – General Fund	30,428	30,677	29,927	29,236
CFR – HRA	87,158	95,099	100,970	106,228
Total CFR – 31 March	117,586	125,776	130,897	135,464
Movement in CFR represented by:				
Borrowing need for the year	8,170	9,610	6,793	6,298
MRP/VRP/other financing movements	(1,166)	(1,420)	(1,672)	(1,731)
Movement in CFR	7,004	8,190	5,121	4,567

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 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 and long-term fixed rate loans where the future cost is known but slightly higher.

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

	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
Gross Borrowing				
- PWLB and Market Loans	85,396	94,596	93,946	92,446
- Bramcote Crematorium	505	400	400	400
Gross Borrowing – 31 March	85,901	94,996	94,346	92,846
Capital Financing Requirement				
CFR – General Fund	30,428	30,677	29,927	29,236
CFR – HRA	87,158	95,099	100,970	106,228
Total CFR – 31 March	117,586	125,776	130,897	135,464

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.

In order to provide some context, the Council's fixed assets, as at the latest Balance Sheet valuation date (31 March 2022) were valued as below:

Asset Class	Valuation £'000
Council Dwellings	217,499
Other Land & Buildings	30,413
Furniture & Equipment (including vehicles)	2,399
Infrastructure Assets	3,278
Community Assets	247
Assets Under Construction	424
Intangible Assets (e.g. software)	245
Total Assets	254,505

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.

	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
Authorised Limit for Borrowing	109,600	121,000	120,200	118,300
Operational Boundary for External Debt	87,700	96,800	96,185	94,600

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 and funds 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.

Total Investment Exposure	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
Investments at 1 April	24,546	13,844	19,344	15,000
Expected Change in Investments	(10,702)	5,500	(4,344)	0
Investments at 31 March	13,844	19,344	15,000	15,000

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 Cabinet. Reports on treasury management activity are also presented to Cabinet (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).

	2022/23 Revised	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
General Fund	9.0%	15.2%	16.9%	17.5%
HRA	15.9%	17.0%	17.2%	17.0%

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 2023/24 to reflect the increase in MRP following the additional borrowing to finance capital expenditure in 2022/23 and an increase in borrowing costs (interest) due to rising interest rates. Similarly, for the HRA, an expected increase in borrowing costs has led to a noticeable increase from 2022/23 to 2023/24. This additional HRA borrowing is however necessary to finance the New Build Housing 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 (ACCA)
- Principal Accountant (ACCA)

The Council also pays for employees 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 due to expire on 31 March 2023. An exercise is to be undertaken to establish the service provider from 1 April 2023.

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.

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APPENDIX 6

TREASURY MANAGEMENT STRATEGY STATEMENT 2023/24 to 2025/26
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 as set out in appendix 7 of this report.

For the purpose of setting the 2023/24 budget, it has been assumed that new treasury management investments will be made at an average rate of 3.00%, and that new borrowing will be long-term loans at an average rate of 4.00%.

2. Current Debt and Investment Position

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

	Actual at 31 Dec 2022 £000	Estimate at 31 Mar 2023 £000
Fixed Rate Debt		
PWLB/Market	85,396	79,596
Variable Rate Debt		
PWLB/Market	6,500	5,800
Crematorium	540	505
Total Debt	92,436	85,901
Total Investments	(34,139)	(13,844)
Net Borrowing	58,297	72,057

The fixed rate debt shown consists of fixed rate loans totalling £76.5m from the PWLB that are due to be repaid in at least one years' time and a loan of £3.0m from Barclays Bank that is due to mature on 4 February 2073.

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

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

The Council's existing debt portfolio (including Bramcote Crematorium) is estimated to total £85.9m at 31 March 2023. The optimum debt level for the Council as defined by the CFR is estimated at £117.5m at 31 March 2023 and therefore the estimated level of borrowing is below the optimum level.

As set out in section 4, the Council is permitted to borrow in advance of need given that certain criteria are met. The Council has loans totalling £5.8m 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. Capital expenditure which has not been financed from available internal resources or from grants or third party contributions will increase the CFR.

	2022/23 Revised Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
Capital Financing Requirement				
CFR – General Fund	30,428	30,677	29,927	29,236
CFR – HRA	87,158	95,099	100,970	106,228
Total CFR – 31 March	117,586	125,776	130,897	135,464
Movement in CFR represented by:				
Borrowing need for the year	8,170	9,610	6,793	6,298
MRP/VRP/other financing movements	(1,166)	(1,420)	(1,672)	(1,731)
Movement in CFR	7,004	8,190	5,121	4,567

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 2021/22 and is also expected to comply with this requirement in the following three years.

	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
Gross Borrowing				
- PWLB and Market	85,396	94,596	93,946	92,446
- Bramcote Crematorium	505	400	400	400
Gross Borrowing – 31 March	85,901	94,996	94,346	92,846
Capital Financing Requirement				
CFR – General Fund	30,428	30,677	29,927	29,236
CFR – HRA	87,158	95,099	100,970	106,228
Total CFR – 31 March	117,586	125,776	130,897	135,464

4. Borrowing Strategy

As per the forecast, by 31 March 2023, the Council is expected to hold £85.9m of loans, a decrease of £9.8m when compared to 31 March 2022 as part of the strategy for funding previous years' capital programmes.

During 2022/23, three short-term loans totalling £5.0m have been repaid, whilst one long-term PWLB loan totalling £4.5m will be repaid, along with reduction in borrowing from the Bramcote Crematorium.

The Council is due to repay £7.4m of PWLB loans in 2023/24. It is forecast that it may be necessary to secure additional borrowing of up to £9.3m in additional debt in 2023/24. The majority of this, around £6m, is to finance the Capital Programme, particularly the Housing Delivery Programme (new builds) and decarbonisation works. A further £3.3m of potential borrowing is to temporarily refinance the existing PWLB loans if required. On the advice of the Treasury Management consultants, Arlingclose, it is expected that these will be short-term loans as a preference rather than locking the Council into long-term loans at the present time due to high interest rates.

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 continued into 2022/23. This shift was due to the increasingly competitive Certainty Rates offered by the PWLB and a desire to match loan length to asset life in order to match the benefits from the assets to the payment of loan interest.

The economic disruption that has occurred in the current financial year has caused the Council to once again reevaluate its borrowing strategy. Interest rates have risen sharply in the past 12 months and are forecast to remain high for the next 12 to 18 months before gradually returning to previous levels. Due to this, Arlingclose are advising against entering into long-term borrowing, if possible, in order to avoid being locked into high interest debt over the long-term. Instead, it is proposed to utilise short-term loans until such a time when long-term rates return to more acceptable levels.

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. Interest rates are relatively high at the moment, in comparison to recent years, and it is expected that this will remain the case throughout 2023 and potentially into future years.

Arlingclose has advised of the impact of locking into long-term borrowing at high rates and therefore is suggesting that any borrowing that is required should be taken as short-term borrowing (typically between six and 24 months). Interest rates will be monitored throughout the year in order to ensure that this strategy remains the best option for the Council.

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.

The Council does have the option of arranging 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. However, given the current high interest rates it may not be the ideal time to arrange this type of borrowing.

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 Cabinet.

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 2022, the Council's investment balance has ranged between £10m and £25m 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 Portfolio Holder for Resources and Personnel Policy (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 Portfolio Holder for Resources and Personnel Policy and/or Cabinet.

ii) Negative Interest Rates

If the UK 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

The current high interest economic climate (when compared to recent years) has led to a significant increase in short-term investment yields. Due to this and the low-risk and highly liquid nature of Money Market Funds and unsecured bank deposits, the Council continues to use these as its primary investment class for day-to-day treasury management activities. In addition, the Council continues to diversify into more long-term assets classes. These typically offer a high degree of security and often higher yields than shorter-term classes but do not offer the same degree of liquidity, usually requiring a notice period for withdrawal or the sale of shares on to the market. This is especially the case for the £8.0 million that is available for longer-term investment. This diversification of investments is to continue into 2023/24. The Council, along with its treasury management advisors, will also be monitoring the markets closely to ensure it can address any risks or take advantage of new opportunities appropriately.

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. As at the date this report was submitted, a statutory override for IFRS 9 is in place that allows the Council to recognise gain/losses in the value of its investment in an unusable reserve instead of gain/losses impacting revenue (via the Comprehensive Income and Expenditure Statement and Revenue budgets). This is a positive for the Council as it means revenue budgets (and year-end outturn) are not negatively impacted by temporary reduction in the value of investments and revenue budget in particular are not artificially immolated by temporary and unrealised increases in the value of investments, that will have to be written off as a loss in future years' budgets. Arlingclose, advise us that this statutory override is expected to be extended for at least two financial years.

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
- 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 £5.0m. 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 an in-house developed Excel cash flow forecasting tool 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/fall in interest rates is:

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 then 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 2023/24. 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 was 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 average balances for the HRA and General Fund for the year. For example, if the average General Fund balance is £3m and the average HRA balance is £1m, the HRA will receive 25% of the investment income as this is its proportion of the total average balance.

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 2023/24 is £365k and includes both short and long-term investments. The budget for debt interest paid in 2023/24 is £2.915m 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 Portfolio Holder for Resources and Personnel Policy, 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

Alternative	Impact on income and expenditure	Impact on risk management
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

DLUHC 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 2023/24 is set out below:

i. MRP Policy 2023/24

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). At present 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. However, the Council intends to perform a review of its current MRP policy during 2023/24 in order to ensure the current method is the best option for the Council. Any proposed changes to the MRP policy will be separately presented to Cabinet for review and approval.

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 2023/24. It is anticipated that the updated 30 year HRA Business Plan to be presented to Cabinet later in 2023 will allow the £66.4m 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 above the SONIA (Sterling Overnight Index Average) 1-day interest rate and the 1-month LIBOR (London Interbank Offered Rate) average rate over the period 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 07 February 2023 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

The Council currently takes advantage of the various online banking functions offered by its banking provided, Barclays. The Council will monitor developments in digital banking and treasury management technology and will take advantage of developments that will support it in its strategy.

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 Portfolio Holder for Resources and Personnel Policy (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 Portfolio Holder for Resources and Personnel Policy.

APPENDIX 6b

LIST OF CURRENTLY APPROVED COUNTERPARTIES FOR LENDING (as at 30 December 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 A1	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	(P)P-1 A+	P-1 P-1	A1 A1	A-1 A-2	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+u	AA-u		Aa3	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 2023/24 to 2025/261. Introduction

The Council invests its money for three broad purposes, to:

- Invest 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');
- Support local public services by lending to or buying shares in other organisations ('service investments'); and
- Earn investment income (known as 'commercial investments' where this is the main purpose).

This Investment Strategy meets the requirements of statutory guidance issued by central 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 anticipated to fluctuate between £10m and £25m during 2023/24.

The contribution that treasury management investments make to the Council's priorities is to support effective treasury management activities. The approach to treasury management investments is set out in the Treasury Investments Strategy that forms part of the Capital Strategy 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 its car loan scheme. The balance outstanding on these at 31 March 2022 was £68,160 and the annual interest paid totals £1,260. 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 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 Cabinet (and/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 this will be £519,000 in 2023/24.

The Council also owns Bramcote Crematorium jointly 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. This will be £400,000 to both Broxtowe and Erewash Borough Councils in 2023/24, fixed for the year. Any failure by the Crematorium to meet its targets for 2023/24 will be reflected in the distribution for 2024/25.

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 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 The Square in Beeston 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 2022 and a similar position is anticipated as at 31 March 2023 and 2024.

(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 requirement of the investment guidance issued by the former MHCLG (now DLUHC) 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.

If the Council decides to make commercial investments in property designed to generate revenue income and finance 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) Ration	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)

Indicator	Definition
Commercial Income to NSE Ration	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	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
Investments at 1 April	24,546	13,844	19,344	15,000
Expected Change in Investments	(10,702)	5,500	(4,344)	0
Investments at 31 March	13,844	19,344	15,000	15,000

(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	2021/22 Actual £000	2022/23 Revised £000	2023/24 Forecast £000
Average Total Investments	19,362	19,195	16,594
Total Interest (less costs)	222	484	332
Rate of Return	1.15%	2.52%	2.00%

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APPENDIX 8

GENERAL FUND – MEDIUM TERM FINANCIAL STRATEGY1. 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 (MTFS). The key changes around proposed savings and additional income identified within the Business Strategy have all been taken into account.

A key element of the Code of Corporate Governance is the existence of a periodically-reviewed MTFS. 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 and Section 151 Officer that the estimates for 2023/24 and future years that have been used to produce the budget and 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 2022/23 position and 2023/24 assumptions

The purpose of the MTFS is to:

- provide indicative financial projections through to 2026/27 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
- provide a solid basis for the stabilisation of the Council's financial position such that it is not overly dependent upon using reserves to achieve a balanced budget or to restrict Council Tax increases at or below government guidelines.

The MTFS is based on the revised budget assumptions for 2022/23. In 2023/24 there were three areas of major potential risk to estimates which need to be taken account of in future financial years:

- The impact of the economic environment, with rising inflation and supply issues resulting in higher costs pressures and an impact on income.
- Localisation of business rates
- Efficiencies, employee savings and income proposals.

Economic Environment

In view of the current economic climate with high inflation, with pay awards and fuel and energy prices, and supply chain issues, particularly with construction, suitable allowances have been made in the budgets and medium term forecasts of cost pressures. These are considered further below.

The financial risks associated with an economic downturn could also impact upon potential impact on income growth, with lower receipts from Council Tax, Business Rates, planning fees, car parking and other fees and charges.

Localisation of Business Rates

The largest area of uncertainty over 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 date back a number of years) 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 2023.

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 Business Rates Pool will continue in 2023/24.

The current business rates retention scheme sees 50% of the business rates collected retained by the precepting bodies with the remainder 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.

In terms of local government funding reform, the Fair Funding Review has not yet been completed. The latest government policy statement indicated that the Review of Relative Needs and Resources (the 'Fair Funding Review') and a reset of Business Rates growth will not be implemented in the next two years and is now expected in 2025/26.

The Fair Funding Review will consider a potential 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 2023/24.

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 Cabinet on 4 October 2022. 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 2026/27

The projections for the financial years 2022/23 through to 2026/27 are summarised at Schedule 1. In formulating the projections, a number of assumptions have been made. The risks and assumptions which have a material impact on the MTFs are described in more detail below and at Schedule 2.

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 2.94% in 2023/24 and thereafter will increase at a rate of 2% 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 2024/25 are very tentative and will be dependent upon the outcome of the Fair Funding Review.
- Continuation of the New Homes Bonus scheme but as a single year retrospective allocation without any prior year legacy payments.
- Continuation of the Revenue Support Grant, the Services Grant and the new Funding Guarantee Grant allocations into the medium-term.
- A pay award of 5% is included for all employees in 2023/24, which reverts back to an assumed 2% for 2024/25 onwards.
- An allowance for price inflation relating to the cost of fuel and energy is included in the base budget for 2023/24 and further allocations have been added at up to 3% for 2024/25 and beyond.
- Efficiency schemes and income set out in the Business Strategy will be realised during 2023/24.
- Further ongoing efficiencies will need to be realised in each subsequent year to 2026/27.

Government Grants including New Homes Bonus

The amount of New Homes Bonus (NHB) to be received in 2023/24 is £132k which represents a significant reduction on the £352k received in 2022/23. The sum received is heavily influenced by the imposition of a baseline 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 a similar level of NHB being received in future years. This may be considered a prudent assumption based upon the targets set out in the Core Strategy and the Part 2 Local Plan.

Other government grants within the local government financial settlement, include Revenue Support Grant (£121k); Services Grant (£113k); and the new Funding Guarantee Grant allocation (£367k) which are all assumed to continue into the medium-term, albeit with limited or no growth.

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 Fund reserves (excluding earmarked reserves) at 31 March 2023 is £6.640m. 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 the Council, the advice from the Deputy Chief Executive and Section 151 Officer 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 MTFS arise then overall reserve levels will have reduced to £2.408m by the end of 2026/27.

SCHEDULE 1

GENERAL FUND FINANCIAL PROJECTIONS 2022/23 TO 2026/27

	Revised Estimate 2022/23 £'000	Estimate 2023/24 £'000	Estimate 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000
BASE BUDGET (NET EXPENDITURE)	13,103	14,329	14,329	14,536	14,929
CHANGES TO BASE					
Revenue Developments (One-off changes within prior year not required going forward)	Included	Included	(357)	-	-
Pay Inflation: Pay Award	Included	Included	259	265	270
Pay Inflation: Pensions/NI Contributions	Included	Included	-	-	-
Other Pay Factors (Supplements/Efficiency)	Included	Included	-	-	-
Price Inflation (including fuel and energy)	Included	Included	74	84	86
Increased Fees and Charges	Included	Included	(55)	(55)	(59)
Revenue Effects of Capital Programme	Included	Included	-	-	-
Borrowing Costs - MRP and Interest	Included	Included	286	98	186
BUDGET REQUIREMENT BEFORE SPECIAL EXPENSES	13,103	14,329	14,536	14,929	15,411
Beeston Special Expenses	25	25	25	25	25
BUDGET REQUIREMENT	13,128	14,354	14,561	14,954	15,436
FINANCED BY:					
Government Grants (Revenue Support Grant)	-	121	127	127	127
Government Grants (Lower Tier Grant)	130	-	-	-	-
Government Grants (Services Grant)	200	113	113	113	113
Government Grants (New Homes Bonus)	352	131	131	131	131
Government Grants (Funding Guarantee)	-	367	374	382	389
NNDR Business Rates	1,847	3,796	3,957	3,997	4,037
NNDR Share of Collection Fund Deficit	12	-	-	-	-
NNDR Section 31 Grants	4,265	2,815	2,960	2,990	3,019
NNDR Growth Levy/Safety Net to/from Pool	(886)	(1,303)	(1,373)	(1,387)	(1,401)
NNDR Returned Funding from Pool	300	800	800	800	800
Council Tax Precept	6,107	6,347	6,539	6,736	6,940
CT Share of Collection Fund Surplus/(Deficit)	21	(49)	-	-	-
Beeston Special Expenses	25	25	25	25	25
TOTAL RESOURCES	12,373	13,163	13,653	13,913	14,181
DEFICIT/(SURPLUS) TO BE MET BEFORE MOVEMENT IN RESERVES	755	1,191	908	1,040	1,255

	Revised Estimate <u>2022/23</u> £'000	Estimate <u>2023/24</u> £'000	Estimate <u>2024/25</u> £'000	Estimate <u>2025/26</u> £'000	Estimate <u>2026/27</u> £'000
MOVEMENT IN RESERVES					
Movement into Earmarked Reserves	30	-	30	30	30
Movement from Earmarked Reserves	-	(253)	-	-	-
PLANNED (SURPLUS)/DEFICIT AFTER MOVEMENT IN RESERVES TO BE FUNDED FROM GENERAL FUND BALANCE	785	938	938	1,070	1,285
FORECAST BALANCES - 31 MARCH					
General Fund Opening Balances	7,425	6,640	5,702	4,764	3,693
In-year Net Movement in Reserves	(785)	(938)	(938)	(1,070)	(1,285)
General Fund Closing Balances	6,640	5,702	4,764	3,693	2,408
BALANCE OF RESERVES					
Minimum Balance	1,500	1,500	1,500	1,500	1,500
Available Reserves	5,140	4,202	3,264	2,193	908
Earmarked Reserves Opening Balance	3,573	2,677	2,424	2,454	2,484
In-year Net Movement in Reserves	(896)	(253)	30	30	30
Earmarked Reserves Closing Balance	2,677	2,424	2,454	2,484	2,514
Council Tax Base	34,530	34,862	35,210	35,563	35,918
Basic Council Tax	£176.85	£182.06	£185.70	£189.42	£193.2
Change on previous year	2.9%	2.9%	2.0%	2.0%	2.0%

SCHEDULE 2

RISK ASSESSMENT – REVENUE BUDGET 2023/24

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 anticipated pay award of 5% in 2023/24 for all employees, with a 2% pay award assumed thereafter.

A suitable provision has also been made for Pension Fund contributions. The actuarial valuation of the pension fund as at March 2022 set out fixed increases in employer's pension contribution rates for 2023/24 to 2025/26. The fund is performing well and the Broxtowe element now fully funded at 105%. The employer's primary contributions will increase from 18.0% to 19.0% of salary per annum. There is no back-funding element, with the Broxtowe element being fully funded, so secondary contributions fall to £nil, a saving of £283k per annum over the next three years.

The base budget also takes account of the reversal of the earlier 1.25% increase in employers' National Insurance contributions.

Provision has also been made within base budgets for the approved establishment after taking account of any market supplements applied relating to recruitment challenges for particular roles.

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 MTFS is continued. General Management Team (GMT) will regularly monitor the situation and Members will also be kept regularly informed of progress through the Cabinet and the Members Matters bulletin.

Risk assessment: 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 2023/24 new prudential borrowing of £1.669m 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.

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

Risk assessment: Reduced to MEDIUM RISK

3. Reserves

Based upon the budget proposals, the overall level of available General Fund reserves as at 31 March 2024 (excluding Earmarked Reserves) is estimated at £5.702m. There is no historical evidence of overspending against service budgets.

Professional advice from CIPFA indicates that reserves should be held for three main purposes, as a:

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

Earlier 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. For Broxtowe this would equate to £500k. The Deputy Chief Executive and Section 151 Officer 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 and Section 151 Officer advises that, in his opinion, general reserves should remain at or above £1.5 million.

This does not pose an immediate problem but the MTFS highlights the pressure 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 £100k change in reserves has the effect of increasing or decreasing net expenditure by around £4k per annum.

Risk assessment: MEDIUM RISK

4. Government Support

Going forward there is uncertainty around Government grant related support on the Council, residents and businesses.

There is clearly a risk associated with single year funding settlements. The award of New Homes Bonus for 2023/24 has only been confirmed for one year. Whilst indicative support from Business 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.

Delays experienced in dealing with rates appeals by the Valuation Office remains a source of uncertainty. Whilst the Council has a list of outstanding appeals, including appeals from businesses, it is difficult 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 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 provides a client-side focus for managing the Council's relationship with the company and exploring 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 its Leisure Facilities Strategy, in order develop a way forward for leisure services provision across Broxtowe.

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, a number of fees and charges across various services have been increased although projections assume similar demand levels to 2022/23.

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 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 fuel and energy, repairs and maintenance, vehicle operating costs, purchase of supplies and services, printing, postages and ICT. These cost areas are tightly controlled and where possible central contracts are put in place. Limited inflation provision has been made in previous years.

This has changed in 2022/23 and there are additional risks relating to high inflationary pressures for energy and fuel, materials and supply costs relating to construction costs which are expected to continue into 2023/24.

As regards to other running costs, although there are clearly cost pressures, it is anticipated that costs can be contained within overall available budgets given the general rules about virement.

Risk assessment: Increased to MEDIUM RISK

8. Housing Benefit Expenditure

Housing Benefit expenditure accounts for around 40% of the Council's gross expenditure. Spending is demand led and the housing benefit aspects are mainly governed by national benefit schemes.

The 2023/24 Housing Benefit budgets have been prepared assuming a small reduction to claimant numbers compared to those for the current year. 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.

Risk assessment: LOW RISK

9. Investment income

Investment levels have remained healthy in 2022/23 as a result of continuing good cash flow performance, with grant funding linked to the Government's energy rebate scheme and significant capital funding being received in advance of application. 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 rising interest rates has been reflected in the base budget for 2023/24, but is anticipated to remain relatively stable in future years.

Risk assessment: LOW RISK

Report of the Portfolio Holder for Resources and Personnel Policy

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 2023/24.

2. Recommendation

Cabinet is asked to RESOLVE that the continuation of the current Local Scheme, disregarding War Pensions for Housing Benefit Applications in 2023/24 be approved

3. Detail

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, Broxtowe BC 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.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

The table below shows the amount awarded and the total cost to the Council, noting that the 2022/23 figures are not available until the end of the financial year:

Year	Amount Awarded	Total cost to BBC (25% of award)
2021/22	£14,828	£3,707
2020/21	£15,411	£3,853
2019/20	£17,789	£4,447
2018/19	£16,561	£4,140
2017/18	£8,664	£2,166

5. Legal Implications

The comments from the Head of Legal Services were as follows:

The Regulations providing for this are the Housing Benefit Regulations 2006 paragraph 40(2) and schedule 5, and Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 paragraph 33(9). Sections 134 and 139 of the Social Security Administration Act 1992 provide the Council with the discretion to modify the Housing Benefit scheme by disregarding a further amount, or all, of specified war disablement pensions and payments.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Unison comments in relation to this report.

8. Data Protection Compliance Implications

This report does not contain any OFFICIAL Sensitive information and there are no Data Protection issues in relation to this report.

9. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

10. Background Papers

Nil

Report of the Portfolio Holder for Resources and Personnel Policy

COUNCIL TAX SUPPORT FUND 2023/241. Purpose of Report

To seek approval to develop the Council Tax Support Discretionary Scheme, in addition to the Mandatory Scheme, to support Council Tax Support recipients in 2023/24.

2. Recommendation

Cabinet is asked to RESOLVE that the Deputy Chief Executive, in consultation with the Leader, the Deputy Leader, Leaders of other groups and Portfolio Holder for Resources and Personnel Policy, be given delegated authority to develop a Discretionary Council Tax Support Fund Scheme.

3. Detail

The Government has introduced additional funding of £100m to support Council Tax Support recipients with the potential increase in Council Tax charges.

Funding has been allocated to each authority based on their share of Council Tax Support claimants at the latest submitted data. The Government's Mandatory Scheme will see each Council Tax Support recipient having their Council Tax account reduced by up to a further £25, in addition to the Council Tax Support award, in the 2023/24 financial year. Where the remaining Council Tax charge is under £25 the eligible Hardship payment will only reduce the balance to zero.

In December 2022, Cabinet approved the continuation of the current Council Tax Support Scheme. This scheme allows for Council Tax recipients to receive maximum support and reduce their Council Tax charge to zero. This aspect of the scheme will mean that the number of people to be supported will be reduced but allow a more significant remaining funding allocation for the Discretionary Scheme.

Whilst further analysis is conducted on the levels of support that can be offered, it is important that the scheme is approved prior to the Council Tax Team undertaking the Annual Billing process. If approved after the Annual Billing process the Council will have to incur the additional cost that is attributed to rebilling up to 6,000 new households and potential additional contact to the Council.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

Central Government has allocated a total fund of £100m across all local authorities to support the Council Tax Support Fund in 2023/24. Of this, Broxtowe will receive a total of £171,201 to fund both the Mandatory and Discretionary Schemes. An initial analysis has identified that the Mandatory Scheme will cost approximately £50,000 leaving the remaining balance to support the Discretionary Scheme.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

The scheme is consistent with relevant public law principles, in particular it is lawful, fair and rational. The Council can support this type of local welfare provision under the “Local authority’s general power of competence”, as set out in S.1 of the Localism Act 2011. Further, Local authorities’ have the ability to act in this area under powers contained in other legislation, such as, section 2 of the Local Government Act 2000 enables local authorities to provide financial assistance to any individual and Section 13A (1) (c) of the Local Government Finance Act 1992 allows local authorities to have discretion to apply further reduction in council tax bills.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Unison comments in relation to this report.

8. Data Protection Compliance Implications

This report does not contain any OFFICIAL Sensitive information and there are no Data Protection issues in relation to this report.

9. Equality Impact Assessment

Any new scheme which is approved will have an Equality Impact Assessment, which will inform the decision maker and Councillors of the impact of the scheme.

10. Background Papers

Nil

Report of the Portfolio Holder for Resources and Personnel Policy

PAY POLICY STATEMENT-2023/241. Purpose of Report

To enable Cabinet to see a copy of the Pay Policy for 2023/24 before it goes to Full Council in March 2023.

2. Recommendation

Cabinet is asked to NOTE the Pay Policy Statement for 2023/24 which is submitted to Full Council.

3. Detail

The Pay Policy Statement for 2023/24 sets out, among other items, the Council's policies relating to the remuneration of its senior officers (those at Head of Service level and above), the remuneration of its lowest paid employees and the relationship between the remuneration of its senior officers and the remuneration of its employees who are not senior officers.

The Pay Policy Statement must be approved by a resolution of the full Council before 31 March immediately before the financial year to which it relates. The Pay Policy Statement may be amended by resolution during the year and must be published on the Council's website as soon as possible after approval. Publishing the Pay Policy Statement also meets requirements under the Code of Recommended Practice for Local Authorities on Data Transparency.

Each local authority has a statutory obligation to publish an annual Pay Policy Statement. The purpose of the statement is to increase accountability in relation to payments made to senior local authority employees by enabling public scrutiny.

The Pay Policy is attached as appendix 2 and a change table is attached as appendix 3.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

The details in this report, including the current pay grades with an allowance for the 2023/24 pay award, have been reflected in the budget proposals report considered elsewhere on this agenda.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

The legal implications are set out in the policy, as stated it is a statutory duty that arises from the Localism Act 2011, specifically Chapter 8 that sets out all the information which a pay policy must contain and Section 38 that requires the Council to prepare a pay policy statement for each financial year. The report complies with the legislative requirement, failure to provide this information could result in the Council being subject to court orders and fines

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no union comments.

8. Data Protection Compliance Implications

There are no Data Protection Compliance Implications.

9. Equality Impact Assessment

As this is a change to policy/a new policy an equality impact assessment is included in the appendix 1 to this report.

10. Background Papers

Nil

Equality Impact Assessment**APPENDIX 1**

The Equality Act 2010 replaces the previous anti-discrimination laws with a single Act. It simplifies the law, removing inconsistencies and making it easier for people to understand and comply with it. It also strengthens the law in important ways, to help tackle discrimination and equality. The majority of the Act came into force on 1 October 2010.

The general equality duty applies to all of the decisions made in the course of exercising public functions, not just to policy development and high-level decision-making. The functions of a public authority include all of its powers and duties. Examples of this include: policy decisions, strategies, individual decision-making, budgetary decisions, public appointments, service provision, statutory discretion, employment of staff and procurement of goods and services.

Public bodies are required in it to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited under the Act
- advance equality of opportunity between people who share a protected characteristic and people who do not share it, and
- foster good relations between people who share a protected characteristic and people who do not share it.

The public sector Equality Duty came into force on 5 April 2011. The duty ensures that all public bodies play their part in making society fairer by tackling discrimination and providing equality of opportunity for all. It ensures that public bodies consider the needs of all individuals in their day to day work – in shaping policy, delivering services and in relation to their own employees.

The Equality Duty encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people's needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people's opportunities, public bodies are better placed to deliver policies and services that are efficient and effective.

The new equality duty replaces the three previous public sector equality duties, for race, disability and gender. The new equality duty covers the following protected characteristics:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race – this includes ethnic or national origins, colour or nationality
- religion or belief – including lack of belief
- sex
- sexual orientation.

It also applies to marriage and civil partnership, but only in respect of the requirement to have due regard to the need to eliminate discrimination.

Having due regard means consciously thinking about the three aims of the equality duty as part of the process of decision-making. This means that consideration of equality issues must influence the decisions reached by public bodies, including how they act as employers, how they develop, evaluate and review policies, how they design, deliver and evaluate services, and how they commission and procure from others.

Having due regard to the need to advance equality of opportunity involves considering the need to:

- remove or minimise disadvantages suffered by people due to their protected characteristics
- meet the needs of people with protected characteristics, and
- encourage people with protected characteristics to participate in public life or in other activities where their participation is low.

Fostering good relations involves tackling prejudice and promoting understanding between people who share a protected characteristic and others.

Complying with the equality duty may involve treating some people better than others, as far as this is allowed by discrimination law. For example, it may involve making use of an exception or the positive action provisions in order to provide a service in a way which is appropriate for people who share a protected characteristic.

The Equality Duty also explicitly recognises that disabled people's needs may be different from those of non-disabled people. Public bodies should therefore take account of disabled people's impairments when making decisions about policies or services. This might mean making reasonable adjustments or treating disabled people better than non-disabled people in order to meet their needs.

There is no explicit requirement to refer to the Equality Duty in recording the process of consideration but it is good practice to do so. Keeping a record of how decisions were reached will help public bodies demonstrate that they considered the aims of the Equality Duty. Keeping a record of how decisions were reached will help public bodies show how they considered the Equality Duty. Producing an Equality Impact Assessment after a decision has been reached will not achieve compliance with the Equality Duty.

It is recommended that assessments are carried out in respect of new or revised policies and that a copy of the assessment is included as an appendix to the report provided to the decision makers at the relevant Cabinet, Committee or Scrutiny meeting.

Where it is clear from initial consideration that a policy will not have any effect on equality for any of the protected characteristics, no further analysis or action is necessary.

Public bodies should take a proportionate approach when complying with the Equality Duty. In practice, this means giving greater consideration to the Equality Duty where a policy or function has the potential to have a discriminatory effect or impact on equality of opportunity, and less consideration where the potential effect on equality is slight. The Equality Duty requires public bodies to think about people's different needs and how these can be met.

EQUALITY IMPACT ASSESSMENT (EIA)

Directorate:	Executive	Lead officer responsible for EIA	Craig Stevens
Name of the policy or function to be assessed:	Pay Policy 2023/24		
Names of the officers undertaking the assessment:	Craig Stevens		
Is this a new or an existing policy or function?	Existing (Amended for new financial year)		
<p>1. What are the aims and objectives of the policy or function?</p> <p>The set out the pay conditions for the 2023/24 financial year for all Council employees, in particular senior officers. The Pay Policy is published on the Council's website as part of our statutory obligation but also to provide transparency in payments to senior officers.</p>			
<p>2. What outcomes do you want to achieve from the policy or function?</p> <p>To meet the statutory obligations of having a Pay Policy approved by Council for the coming financial year. To provide transparency to the public in payments which are made to Council employees.</p>			
<p>3. Who is intended to benefit from the policy or function?</p> <p>The policy will benefit the Council by meeting statutory obligations. It will benefit the public by providing details of payments made to employees. It will also benefit Council employees as they will be aware of the pay they can expect.</p>			
<p>4. Who are the main stakeholders in relation to the policy or function?</p> <p>Council employees (in particular senior officers)</p>			

Directorate:	Executive	Lead officer responsible for EIA	Craig Stevens
<p>5. What baseline quantitative data do you have about the policy or function relating to the different equality strands?</p> <ul style="list-style-type: none"> - Workforce Profile - Declared equality information from the HR payroll & HR system 			
<p>6. What baseline qualitative data do you have about the policy or function relating to the different equality strands?</p> <ul style="list-style-type: none"> - Employee Survey 			

<p>7. What has stakeholder consultation, if carried out, revealed about the nature of the impact?</p> <p>N/A</p>
<p>8. From the evidence available does the policy or function affect or have the potential to affect different equality groups in different ways? In assessing whether the policy or function adversely affects any particular group or presents an opportunity for promoting equality, consider the questions below in relation to each equality group:</p>
<p><input type="checkbox"/> Does the policy or function target or exclude a specific equality group or community? Does it affect some equality groups or communities differently? If yes, can this be justified?</p> <p>No</p>
<p><input type="checkbox"/> Is the policy or function likely to be equally accessed by all equality groups or communities? If no, can this be justified?</p> <p>Yes</p>
<p><input type="checkbox"/> Are there barriers that might make access difficult or stop different equality groups or communities accessing the policy or function?</p> <p>No</p>
<p><input type="checkbox"/> Could the policy or function promote or contribute to equality and good relations between different groups? If so, how?</p> <p>No</p>
<p><input type="checkbox"/> What further evidence is needed to understand the impact on equality?</p> <p>N/A</p>

9. On the basis of the analysis above what actions, if any, will you need to take in respect of each of the equality strands?
Age: N/A
Disability: Ensure document is made accessible.
Gender: N/A
Gender Reassignment: N/A
Marriage and Civil Partnership: N/A
Pregnancy and Maternity: N/A
Race: N/A
Religion and Belief: N/A
Sexual Orientation: N/A

Executive Director:

I am satisfied with the results of this EIA. I undertake to review and monitor progress against the actions proposed in response to this impact assessment.

Signature: C Stevens

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Broxtowe
Borough
COUNCIL

APPENDIX 2

Pay Policy

2023 - 2024

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PAY POLICY 2023 – 2024

1. Introduction

The Council is required to publish a Pay Policy Statement by 31 March each year in accordance with Section 38 of the Localism Act 2011. The purpose of this Statement is to set out the Council's guiding principles of its current reward system and increase accountability in relation to the total remuneration of its Chief Officers and Head of Service posts by enabling public scrutiny of that remuneration.

2. Main Principles

This policy statement confirms the Council's on-going commitment to operate transparent pay systems, whilst recognising that its reward system must be affordable and at the same time support the requirement to provide excellent customer service in accordance with its corporate objectives.

The importance of managing pay fairly will mean that the Council will be able to:

- attract, motivate and retain appropriately talented people who make a positive contribution to improve the Council's performance and meet future challenges;
- reflect the market for comparable jobs, with skills and competencies required to meet agreed delivery and performance outcomes;
- appropriately reward and value employees for their work;
- operate within the provisions of Chief Officers' pay and conditions as set out in the Joint Negotiating Committee for Chief Executives and Chief Officers of Local Authorities;
- Operate within the provisions of the national agreement on pay and conditions of service as set out in the National Joint Council for Local Government Services.

3. Scope of the Policy

Whilst this policy specifically covers those employees defined as a Chief Officer within the Local Government and Housing Act 1989, it also makes reference to other levels of employees within the organisation.

The term 'Chief Officer' and 'Deputy Chief Officer' referred to in this policy (and for the purposes of this pay policy statement only) includes:

- a. the Head of Paid service designated under Section 4 (1) of the Local Government and Housing Act 1989 (the Chief Executive);
- b. the Monitoring Officer designated under Section 5 (1) of that Act.
- c. a statutory Chief Officer mentioned in Section 2 (6) (d) of that Act (Section 151 Officer also Deputy Chief Executive);

- d. a non-statutory Chief Officer mentioned in Section 2 (7) of that Act (one Director by virtue of reporting directly to the head of paid service);
- e. a Deputy Chief Officer mentioned in Section 2 (8) of that Act (all Heads of Service)

The Council has decided for completeness and transparency to publish information which includes all posts at Heads of Service / Deputy Chief Officer level. These roles are identified in the Chief Officers and Head of Service Remuneration Table at appendix 3.

4. Evaluation of Roles at Broxtowe Borough Council

In accordance with the national requirement for all local authorities to review their pay and grading frameworks to ensure fair and consistent practice, all job roles within the Council's structure up to but not including Head of Service level were taken through a comprehensive job evaluation process using the Greater London Provincial Council (GLPC) scheme with implementation of changes to pay and grading taking place on 1 March 2011.

The Council's pay framework for its Chief Executive, Chief Officers and Heads of Service was also considered and revised with changes implemented on 1 March 2011, with the grade for each role being determined by a consistent job evaluation process using the Hay scheme.

The job evaluation process is now embedded within the Council's pay and grading systems and all Chief Officer and Head of Service roles continue to be evaluated using the Hay scheme for Chief Officers and Heads of Service or the Greater London Provincial Council (GLPC) scheme for all other posts to ensure that pay rates are equitable and non-discriminatory. All posts are re-evaluated where significant changes occur.

5. Broxtowe Local Pay Scale for Chief Officers and Heads of Service

The Broxtowe Local Pay Scale for Chief Officers and Heads of Service contains seven pay grades. The scale is increased in line with the annual national Joint Negotiating Committee pay award for Chief Officers.

6. Broxtowe Local Pay Scale for all Posts below Head of Service Level

The Council also adopted a local pay scale (BLPS) for all posts below Head of Service level and this is shown, together with the relevant job evaluation points score for each grade, at appendix 2. Whilst the Council has adopted a local pay scale for this group of employees, it continues to recognise the National Joint Council annual pay award for the Broxtowe Local Pay Scale appendix 2 and Scale of Local Allowances appendix 2a. The Council will apply the agreed National Joint Council annual pay award for 2023/24 with effect from 1 April 2023 once it is known.

7. Terms and Conditions of Employment for Chief Officers and Heads of Service

The terms and conditions of employment for Chief Officers and Heads of Service are subject to collective agreements negotiated with the trade unions recognised by the

Council. Agreements reached nationally are set out in the Scheme of Conditions of Service of the Joint Negotiating Committee for Chief Officers. In addition, the Council makes local agreements which are included within the Conditions of Service for Broxtowe employees.

i) Working Hours

Working arrangements for Chief Officers and Heads of Service are nominally one of 37 hours (for full time positions), however the seniority and nature of the posts will necessitate the working of additional hours for which there is no additional payment. The grading of the post takes account of the requirement to work outside of the normal working week.

ii) Whole-Time Service

Chief Officers and Heads of Service are required to devote their whole-time service to the work of the Council and should not engage in any other business or take up any other additional appointment without the express consent of the Council.

iii) Allowances

Chief Officers and Heads of Service are entitled to the reimbursement of one professional fee and one legal practising certificate (if appropriate). All Chief Officer and Head of Service posts hold designated car user status.

iv) Leave Entitlement

Annual leave entitlement for Chief Officers and Heads of Service is 33 days increasing to 35 after 5 years local government service and 37 days after 10 years Broxtowe Borough Council service, plus 8 statutory days.

v) Sickness Entitlement

Sickness entitlement for Chief Officers and Head of Services is in accordance with the provisions of the local government sickness scheme.

vi) Pension

All Chief Officers and Heads of Service are entitled to participate in the Local Government Pension Scheme.

8. Performance Related Pay/Bonus Scheme

Broxtowe Borough Council does not operate a performance related pay or bonus scheme for Chief Officers and Heads of Service.

Exceptional effort from employees can be rewarded by accelerating increments within the grade band they occupy. The costs of accelerated increments have to be met from existing budgets.

9. Honoraria and Ex-Gratia Payments

The Council operates an Honoraria and Acting Up Payments Policy, the application of which for Chief Officers requires prior Cabinet approval. Cabinet approval for Heads of Services will also be required if not within the Head of Paid Services' delegated financial limits.

10. Expenses

In accordance with nationally agreed terms, the Council pays reasonable out-of-pocket expenses actually incurred.

11. Market Related Pay

The grading structures that were introduced for all employees in 2011 were aimed at meeting the current and/or market position for most jobs. The Council introduced a Market Supplement Policy on 29 June 2021 to replace the scarcity rating system. The Market Supplement Policy allows the Council flexibility in meeting the current market value for different job roles, ensuring any issues with the retention or recruitment of employees are minimised.

12. Recruitment of Chief Officers

In accordance with Chapter 2 Parts 1&2 within the Council's Constitution, where any vacancy occurs in the post of Chief Executive, Monitoring Officer, Chief Financial Officer (Section 151), Chief Officer, the Council will determine the appointment. In accordance with Chapter 2 Part 13 the Senior Officer Employment Committee will shortlist and interview candidates for the post of Head of Paid Service and Chief Officers including Monitoring Officer, Section 151 Officer and any other Chief Officers.

13. Remuneration of Officers on Recruitment

Recruitment to the Council will normally be to the first point of the relevant scale designated to the Officer post or will reflect a level commensurate with a candidate's existing skills and experience in the job. This practice applies to all new employees at the Council.

14. Levels and Elements of Remuneration for each Chief Officer and Head of Service

The table at appendix 3 provides a breakdown of the elements of remuneration for each Chief Officer and Head of Service at the Council.

15. Chief Officers and Heads of Service Leaving Service

i) Redundancy payments:

The Council's Redundancy and Re-organisation Policy applies equally to all employees across the organisation, including Chief Officers. The Council's policy operates in accordance with section 220 of the Employment Rights Act 1996. A week's pay is therefore calculated in accordance with the statutory maximum redundancy amount. Approval for any Chief Officer post under the Redundancy Policy must be given by Cabinet.

In a report approved by Cabinet on 23 September 2014, a temporary enhancement of the Council's Voluntary Redundancy (VR) Scheme was again extended for the period 1 October 2014 and 30 September 2015 and further extended to March 2016. A report to Committee in May 2016 confirmed these arrangements would remain in place until changes in governing exit packages has been agreed.

The temporary enhancement allows for successful VR applications to be based on actual week's pay rather than statutory entitlement at all levels of employee up to and including Chief Executive. However, the payback of any pension strain and redundancy costs must be covered by savings within three years. The enhancement is aimed at providing employees with greater flexibility and give the Council the opportunity to restructure the workforce around the VR application providing additional opportunities for career development.

The £95,000 cap on exit payments came into effect on 4 November 2020. On 12 February 2021 HMRC announced the regulations regarding exit payments would be revoked. If the cap on exit payments is reinstated, the enhanced VR Scheme will be reviewed.

ii) Severance Payments – Regulation 6 of the Local Government (Early Termination of Employment/Discretionary Compensation) (England and Wales) Regulations 2006.

The Council may apply discretion on the use of severance payments for employees leaving the Council where criteria such as ill-health retirement or early retirement cannot be met, for example termination on the grounds of efficiency, or where employees have long service and there is a financial and organisational benefit to the Council. Posts at Chief Officer level would need to be determined by the Senior Officers Employment Committee whilst posts at Head of Service level will be determined by Cabinet.

iii) Flexible Retirement (Regulation 18, of The Local Government Pension Scheme) (Benefits, Membership and Contributions) Regulations 2007

The Council operates a flexible retirement scheme which is available for all employees to apply for, including Chief Officers, subject to the appropriate criteria being met. Under this policy Cabinet is required to provide approval for posts at Chief Officer level.

iv) Early Retirement – Members of the Local Government Pension Scheme

Employees, including Chief Officers, may apply to the Council for consideration of early retirement if they are over the age of 55. Any pension and lump sum which may be payable has to be reduced by percentages decided by an actuary.

If, in the Council's opinion, there are grounds of compassion which are fair and justifiable. Any request by an employee (at any level) for the discretion to be exercised must clearly establish real and ongoing reasons to substantiate why the discretion should be allowed. The cost of approval must be given proper weight and all applications would be considered by Cabinet.

v) Augmentation of Scheme Membership on Termination of Employment (Regulation 12, of The Local Government Pension Scheme) (Benefits, Membership and Contributions) Regulations 2007

Applications from Officers at all levels (including Chief Officers) will only be considered under this discretion in circumstances that are exceptional or specifically determined by Cabinet.

16. Additional Payments Made to Chief Officers and Heads of Service – Election Duties

The Chief Executive is nominated as the Returning Officer. In accordance with the national agreement, the Chief Executive is entitled to receive and retain the personal fees arising from performing the duties of Returning Officer, Acting Returning Officer, Deputy Returning Officer or Deputy Acting Returning Officer and similar positions which he or she performs subject to the payment of pension contributions thereon, where appropriate.

The role of Deputy Returning Officer will be assigned to the required Officers working on the election. Deputy Returning Officers will receive payment in accordance with appendix 4.

Payments to the Returning Officer are governed as follows:

- for national elections, fees are prescribed by legislation;
- for local elections, fees are determined within a local framework used by other district councils within the county. This framework is applied consistently and is reviewed periodically by lead Electoral Services Officers within Nottinghamshire.

As these fees are related to performance and delivery of specific elections duties, they are distinct from the process for the determination of pay for Chief Officers and Heads of Service

17. Payments made in connection with Electoral Services Functions

Fees for all employees employed in connection with the electoral services function are reviewed and approved by Cabinet or full Council as and when appropriate. The proposed employee fees for electoral services is shown in appendix 4.

18. Publication of and Access to Information Relating to Remuneration of Chief Officers and Heads of Service

The Council publishes information relating to the remuneration of its Chief Officers and Heads of Service on its website and which it updates annually. The Council also publishes each year within its annual Statement of Accounts, the salary and fees of all Chief Officers and Heads of Service whose earnings exceed £50,000.

19. Definition of Lowest Paid Employee

In April 2020 grade 2 and grade 3 were reduced to one spinal point within the grade. This provided balance to both grades 2 and 3. The lowest evaluated score in accordance with the GLPC job evaluation scheme remains the post of cleaner with 202 points and this falls within grade 2 of the Broxtowe Local Pay Scale.

On 31 March 2023 the salary difference between the lowest paid employee and the highest paid employee will be £98,170.

20. Ratio of Pay

The ratio of the pay of the Council's top earner (Chief Executive) to that of its median earner is currently 5.01:1. This calculation of the pay multiple is based on base salary as at 30 November 2022.

21. Relationship Between Remuneration of Chief Officers and Heads of Service compared with all other employees

The Council implemented Single Status for all employees of the Council on 1 March 2011 following Cabinet approval of a new pay and grading structure for Chief Officers and Heads of Service on 10 March 2009 and all other employees on 29 June 2010.

The continuing evaluation of posts at all levels demonstrates non-discriminatory pay practices and that the Council pays equally for work of equal value.

22. Gender pay Gap

Although Broxtowe Borough Council has produced Gender Pay Gap information for a number of years, from April 2017 this is now a mandatory requirement. The rate is now expressed as the difference by hourly rate of pay rather than full time equivalent annual pay as produced previously.

The gender pay gap is calculated as the average difference between male and female earnings as a percentage of male earnings.

Note: The mean is an average. It is the grand total divided by the number of data points. The median is the middle value in a sample sorted into ascending order. If the sample contains an even number of values, the median is defined as the mean of the middle two.

The Gender Pay Gap for 2021-2022 as published on GOV.UK and the Council's website by hourly rate is as follows:

All Employees		All Employees	
Mean male hourly rate	13.9634	Median male hourly rate	12.4945
Mean female hourly rate	13.1165	Median female hourly rate	11.5597
Gender Pay Gap	6.06%	Gender Pay Gap	7.48%
Full Time Employees		Full Time All Employees	
Mean male hourly rate	14.1788	Median male hourly rate	12.5243
Mean female hourly rate	14.4341	Median female hourly rate	12.5243
Gender Pay Gap	-1.80%	Gender Pay Gap	0.00%
Part Time Employees		Part Time All Employees	
Mean male hourly rate	11.8876	Median male hourly rate	11.0839
Mean female hourly rate	11.7072	Median female hourly rate	11.5597
Gender Pay Gap	1.52%	Gender Pay Gap	-4.29%

23. Real Living Wage

The Real Living Wage provides an hourly rate of pay based on the cost of living for employers inside and outside of London. This Real Living Wage can be paid voluntarily by organisations to show their commitment to meeting the 'real living wage' as it is referred to by the Living Wage Foundation.

The Real Living Wage for 2022/23 was £9.90 for employers outside of London and £11.05 for employers in London. The Broxtowe Local Pay Scales for 2022/23 show that Broxtowe Borough Council paid above the Real Living Wage as the lowest hourly rate in 2022/23 was £10.79. The Real Living Wage for 2023/24 was announced in November 2022 as £10.90 for employees outside of London and £11.95 for employers in London. The pay award for Local Government has not yet been announced for 2023/24. A pay award of 1% for 2023/24 would result in the Council continuing to pay above the Real Living Wage.

24. Pension Discretions Policy

The Local Government Pension Scheme (LGPS) regulations require employers who participate in the LGPS to draw up and publish a discretions policy. This policy should then be kept under review by the Council. Discretions are powers that enable employers to choose how to apply the scheme in respect of certain provisions. The Pension Discretions Policy is the Council's policy statement detailing all mandatory employer discretions. This policy was brought into effect in September 2020.

APPENDIX 1 – BROXTOWE LOCAL PAY STRUCTURE – FOR CHIEF OFFICER AND HEAD OF SERVICE POSTS EVALUATED USING HAY SCHEME.

From April 2022

Grade	SCP	2022/23	Hourly Rate
15 0-499	-	-	
	71	£47,870	24.8123
	72	£48,494	25.1357
	73	£49,113	25.4566
	74	£49,589	25.7033
CO1 HoS 500-629	75	£48,785	25.2866
	76	£49,958	25.8946
	77	£51,123	26.4984
	78	£52,300	27.1085
	79	£53,467	27.7134
CO2 HoS 630-759	80	£55,079	28.5489
	81	£56,408	29.2378
	82	£57,738	29.9271
	83	£59,069	30.6170
	84	£60,393	31.3033
CO3 Dir 760-939	85	£71,865	37.2495
	86	£73,610	38.1540
	87	£75,367	39.0647
	88	£77,114	39.9702
	89	£78,859	40.8747
CO3a Dir. 901-939	85a	£81,073	42.0223
	86b	£83,286	43.1694
	87c	£85,500	44.3169
	88d	£87,714	45.4645
	89e	£89,929	46.6126
CO4 DCEO 940-1119	90	£91,459	47.4056
	91	£93,697	48.5656
	92	£95,936	49.7262
	93	£98,174	50.8862
	94	£100,407	52.0436
CO5 CEO 1120+	95	£105,186	54.5207
	96	£109,221	56.6121
	97	£113,250	58.7005
	98	£115,026	59.6210
	99	£118,983	61.6721

Subject to the National Joint Council Chief Officer & Chief Executive Pay Award for 2023/24

APPENDIX 2 – BROXTOWE LOCAL PAY STRUCTURE – FOR POSTS EVALUATED USING THE GLPC SCHEME.

From April 2022

JE Score [points]	Grade	SCP	April 2022	Rate
184-240	Grade 2	12	£20,813	10.7879
		-	-	
241-285	Grade 3	15	£21,221	10.9994
		-	-	
286-324	Grade 4	16	£21,501	11.1445
		17	£21,968	11.3866
		18	£22,330	11.5742
		19	£22,675	11.7531
325-365	Grade 5	21	£22,850	11.8438
		22	£23,309	12.0817
		23	£23,768	12.3196
		24	£24,227	12.5575
366-401	Grade 6	26	£24,744	12.8255
		27	£25,192	13.0577
		28	£25,641	13.2904
		29	£26,088	13.5221
402-439	Grade 7	31	£26,710	13.8445
		32	£27,222	14.1099
		33	£27,734	14.3753
		34	£28,245	14.6401
		-	-	

JE Score [points]	Grade	SCP	April 2022	Rate
440-469	Grade 8	36	£28,926	14.9931
		37	£29,456	15.2678
		38	£29,984	15.5415
		39	£30,512	15.8152
470-500	Grade 9	41	£31,456	16.3045
		42	£32,032	16.6030
		43	£32,609	16.9021
		44	£33,186	17.2012
501-533	Grade 10	46	£34,425	17.8434
		47	£35,064	18.1746
		48	£35,699	18.5037
		49	£36,336	18.8339
534-563	Grade 11	51	£37,241	19.3030
		52	£37,849	19.6181
		53	£38,456	19.9328
		54	£39,064	20.2479
564-593	Grade 12	56	£39,866	20.6636
		57	£40,516	21.0005
		58	£41,167	21.3380
		59	£41,818	21.6754
594-622	Grade 13	61	£42,734	22.1502
		62	£43,337	22.4627
		63	£43,941	22.7758
		64	£44,544	23.0883
623-653	Grade 14	66	£45,234	23.4460
		67	£45,717	23.6963
		68	£46,197	23.9451
		69	£46,680	24.1955
654+	Grade 15	71	£47,870	24.8123
		72	£48,494	25.1357
		73	£49,113	25.4566
		74	£49,589	25.7033
		-	-	

Subject to the National Joint Council Pay Award for 2023/24

APPENDIX 2a – BROXTOWE LOCAL PAY STRUCTURE – SCALE OF LOCAL ALLOWANCES

Broxtove Borough Council Local Allowances (Subject to the National Joint Council Pay Award for 2023/24)

	2023/24
Relocation	
Lodging Allowance - per week	78.68
Settling in Allowance	402.19
Mileage Allowances	
Car Mileage Allowance (per mile) - (HMRC Rate)	0.45
Car PSV Rate (Training and Out of County Mileage over 50 miles)	0.22
Motor cycles - per mile	
not exceeding 500cc - (HMRC Rate)	0.24
Exceeding 500cc - (HMRC Rate)	0.24
Pedal cycles - per mile (HMRC Rate)	0.20
Voluntary Reliable Call Out	
Calls initiated between 11.00 pm and 6.0 am	16.76
Calls initiated at other times	12.09
Standby	
Per weekday session	13.09
Per day at weekend or bank holiday	39.27
First Aid - per month	14.36
First Aid (Mental Health) - per month	14.36
Travel and Subsistence Allowances	
Breakfast	6.68
Lunch	9.17
Tea	3.66
Evening Meal	11.31

Out of pocket expenses (Residential Courses)	
per night	5.28
per week	21.07
Long Service / Retirement Awards	
25 Years	474.43
Additional Years	20.52

APPENDIX 3 - CHIEF OFFICERS AND HEAD OF SERVICE REMUNERATION TABLE

Post	Salary Grade	Designated Car User Allowance	Professional Fees	BBC Pension Contribution
Chief Executive	CO5	Y	Y	18.0%
Deputy Chief Executive and Section 151 Officer	CO4	Y	Y	18.0%
Executive Director	CO3a	Y	Y	18.0%
Director of Legal and Democratic Services (Monitoring Officer)	CO3	Y	Y	18.0%
Head of Housing	CO2	Y	Y	18.0%
Head of Finance	CO2	Y	Y	18.0%
Head of Environment	CO2	Y	Y	18.0%
Head of Asset Management & Development	CO2	Y	Y	18.0%
Head of Planning & Economic Development	CO2	Y	Y	18.0%
Head of Revenues, Benefits and Customer Services	CO2	Y	Y	18.0%
Head of Legal Services (Deputy Monitoring Officer)	CO1	Y	Y	18.0%

Head of Democratic Services (Deputy Monitoring Officer)	CO1	Y	Y	18.0%
Head of Administration	15	Y	Y	18.0%

APPENDIX 4 – SCALE OF FEES FOR ELECTORAL FUNCTIONS

1. Elections

All fees listed below are with effect from 1 April 2023. The Council may make additional payments for roles and tasks undertaken which are not listed below. These additional payments will be funded solely by the Council.

Polling Station Employees Fees

Fee	Scale
Presiding Officer 20% uplift for combination no matter how many polls are combined	*£15.93 per hour
Poll Clerk 20% uplift for combination no matter how many polls are combined	*£10.42 per hour
Polling Station Inspector	*£15.93 per hour
Training fee: face to face and test face to face or test only	*£42.40 *£21.20
Delivery of training, fee per session	£159.00

Count Employees Fees

Fee	Scale
Deputy Returning Officer	*£26.50 per hour
Chief Counting Officer	*£31.80 per hour (up to 10pm) *£47.70 per hour (after 10pm)
Count Manager	*£31.80 per hour (up to 10pm) *£47.70 per hour (after 10pm)
Count Supervisor	*£18.55 per hour (up to 10pm) *£27.83 per hour (after 10pm)
Count Assistant	*£13.25 per hour (up to 10pm) *£19.88 per hour (after 10pm)
Verification of ballot paper accounts	*£13.25 per hour *£19.88 per hour (after 10pm)

Postal Voting Employees Fees

Fees for issue or receipt of Postal Votes	Scale

Deputy Returning Officer	£26.50 per hour
Postal Vote Co-ordinator	£21.20 per hour (up to 10pm) £31.80 per hour (after 10pm)
Postal Voting Supervisor	£15.90 per hour (up to 10pm) £23.85 per hour (after 10pm)
Postal Voting Assistant	£13.25 per hour (up to 10pm) £19.88 per hour (after 10pm)

Returning Officer Fees (District / Borough / City)

Fee	Scale
Returning Officer's fee for the 1st 1,000 local electors within each ward for which an election is held	£108.12
Returning Officer's fee for each additional 1,000 electors or part thereof per ward	£36.04
Returning Officer's fee for an uncontested Election	£43.99
Returning Officer's clerical fee per 1,000 electors	£8.90
Returning Officer's fee for postal voting (issue and receipt)	£174.90

Returning Officer Fees (Parish)

Fee	Scale
Returning Officer's clerical fee per 1,000 electors	£8.90
Returning Officer's fee for postal voting (issue and receipt)	£174.90
For one parish	£132.74
For each additional parish up to 10 in total	£92.77
For each additional parish over 10 in total	£65.82
Additional payment where a parish is divided into wards, payment per ward	£22.05

Returning Officer Fees (Parish when combined with District / Parish)

Fee	Scale
Returning Officer's clerical fee per 1,000 electors	£8.90
Returning Officer's fee for postal voting (issue and receipt)	£174.90
For one parish	£105.80
For each additional parish up to 10 in total	£88.75
For each additional parish over 10 in total	£53.46
Additional payment where a parish is divided into wards, payment per ward	£13.13

Returning Officer Fees (Parish where uncontested)

Fee	Scale
For one parish	£26.39
For each additional parish up to 10 in total	£26.39
For each additional parish over 10 in total	£13.03
Additional payment where a parish is divided into wards, payment per ward	£13.13

Deputy Returning Officer and other Fees

Fee	Scale
Deputy Returning Officer's fee or Acting Deputy Returning Officer's fee for other duties (excluding count), e.g.: processing nominations	£169.60
General clerical staffing per 100 electors	£8.59
Poll card hand delivery per poll card	19p
Mobile Phone Use (Maximum per PO)	£3.00

Notes

- *These fees do not include travelling expenses, which are at the discretion of the Returning Officer. Councils may use casual user mileage rates as laid down by the N.J.C. 45 pence per mile (private vehicle) and 24 pence per mile (motor cycle) or 20 pence per mile (bicycle).
- Payment of additional fees for working overnight, to reflect unsociable hours, is at the discretion of the Returning Officer.
- Additional fees may be paid to cover the actual and necessary costs incurred by the Returning Officer for all purposes including clerical assistance, in connection with the Election not already included in this scale.
- Payment to core Elections Team working additional time, such as overtime rates, is at discretion of the Returning Officer.
- All Fees are increased annually by the previous year's Local Authority Pay Award. The exception to this will be polling station staff. Poll clerks will be paid as a minimum the National Minimum wage. Presiding Officer fees are to be increased by the same percentage increase as poll clerks to ensure the differential between the two fees is retained owing to the difficulty in recruiting Presiding Officers and their differing levels of responsibility.
- Payment for use of personal mobiles phones to any staff member is at the discretion of the Returning Officer.

2. Electoral Registration

Fee	Scale
Canvass	
For each visit	£10.42 per hour
Training – online course only	£10
Training – face to face and online course	£20
Mileage	45p per mile

PAY POLICY CHANGES**APPENDIX 3**

Policy Section	Suggested Change	Reason for Change
Throughout the Policy	Change 2022/23 to 2024/23	To ensure the Pay Policy is updated for 2023/24.
Throughout the Policy	Personnel Committee to Cabinet	Following change in May 2022.
Throughout the Policy	Remove the term Senior Officers and replace with Chief Officer and/or Head of Service as applicable.	Ensure the Pay Policy terminology is consistent.
3. Scope of the Policy	Update sections for Chief Officers to align with the Local Government and Housing Act 1989.	To become factually correct.
12. Recruitment of Chief Officers	Update location of Constitution to 'Chapter 2 Parts 1 & 2'. Identify the role of the Senior Officers Employment Committee.	Constitution has been updated since the previous pay policy.
15. Chief Officers Leaving Service ii) Severance Payments	Identify the role of the Senior Officers Employment Committee.	Align to Constitution.
15. Chief Officers Leaving Service iii) Flexible Retirement	Removal of sentence stating 'the Council will not waive the costs of early release of pension'.	The Flexible Retirement Scheme Policy already covers this in more detail.
19. Definition of Lowest Paid Employee	Updated amount as at 31 March 2023.	To ensure the Pay Policy is updated for 2023/24.
20. Ratio of Pay	Updated amount as at 30 November 2023.	To ensure the Pay Policy is updated for 2023/24.
22. Gender Pay Gap	Gender Pay Gap figures changed.	To ensure the Pay Policy is updated for 2023/24.
22. Gender Pay Gap	Sentence removed stating the previous year's Gender Pay Gap (2020/21).	Detailed analysis provided as part of the Workforce Profile.
23. Foundation Living Wage	Section rewritten to reflect the Council current position in relation to the Foundation Living Wage.	To compare the bottom of the Broxtowe Local Pay Scales with the Foundation Living Wage.
Appendix 3	Update Information	To become factually correct.

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Report of the Portfolio Holder for Resources and Personnel Policy

RESIDENTS' NEWSLETTER1. Purpose of Report

To outline potential options for producing the Council's residents' newsletter in the future.

2. Recommendation

Cabinet is asked to CONSIDER the options and RESOLVE accordingly.

3. Detail

The Council has produced a bi-annual newsletter, Broxtowe Matters, for many years as a way to inform residents, businesses and other stakeholders in the Borough about the work of the Council and its partners. The last review of this approach was completed in 2017.

Each edition is designed and printed externally and delivered to every household and business in the Borough by Royal Mail in the summer and winter. Approximately £6,000 of advertising revenue is generated each year through an external provider which is used to offset the production of the newsletter.

Costs for the production and delivery of the newsletter continue to rise, despite small savings being achieved through procurement. The cost of producing both editions in 2022 was £23,138, compared to £18,500 in 2017.

The Council continues to use a multi-channel approach for its communications and engagement, including more traditional methods of communications like print media. However, more and more is being done online and take up of online channels continues to grow.

Whilst it is difficult to measure the take up of printed publications, the Email Me Service, for example, now has 27,000 subscribers across nine regular email bulletins. In 2021/22, recipients of these bulletins reached a total of 1,698,288 across the multiple topics. The budget consultation has also seen an increase in respondents through the use of this channel from less than 100 to over 1,200 for the most recent consultation, and a joint digital project across all Nottinghamshire Council's communications teams, WestCo and Council Advertising Network (CAN) to increase vaccination uptake won 'Gold' at the Public Service Communications Awards 2021, demonstrating the value of and recognition for digital media approaches.

Many other Councils are reconsidering how they produce a residents' newsletter in terms of being able to assess readership, address rapidly increasing expenditure during the current cost of living crisis and support their climate change commitments. Members may be minded, therefore, to consider the Council's own approach.

The agreed approach will help inform how other communications activities could be delivered, where online facilities are already well established and utilised, such as bin calendars.

A detailed analysis of options is provided in the appendix 1. Benchmarking of local authorities is provided in appendix 2 and appendix 3 contains the Equality Impact Assessment.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

The cost of producing and distributing Broxtowe Matters in 2022 has increased to £23,138, which is 20% higher than in 2017. The current annual budget is £20,000 and is proposed to rise to £24,000 in 2023/24. Any budget savings to be generated through reduced costs and/or increased income would be welcomed.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

Section 6 (4) of the Local Government Act 1986 (the 'Act'), publicity is defined as 'any communication, in whatever form, addressed to the public at large or a section of the public'. The Code of Recommended Practice on Local Authority Publicity (the 'Publicity Code') is issued under the powers conferred by the Act that requires Local Authorities to have regards to the Publicity Code in coming to any decision on publicity. The Code has seven main principles that should be adhered to. The relevant ones here are, Lawfulness - local authorities should ensure that publicity complies with all applicable statutory provisions paid for advertising must comply with the Advertising Standards Authority's Advertising Code. Cost effectiveness, local authorities should be able to confirm that consideration has been given to the value for money that is being achieved and, equality and diversity. Local authorities should consider how any publicity they issue can contribute to the promotion of any duties applicable to them in relation to the elimination of discrimination, the advancement of equality and the fostering of good relations.

6. Equality Impact Assessment

As this is a change to policy / a new policy an equality impact assessment is included in the appendix to this report.

7. Background Papers

Nil

Newsletter Options Appraisal

Notes

- Royal Mail distribution is booked by postcode sector. This means that there is some overlap into postcode areas outside of Broxtowe and therefore the total number printed is 55,000 (increased from 52,000).
- Comments from the Council's existing advertising supplier have suggested that the major unique selling point of advertising in Council publications is their guaranteed distribution to large numbers of people. They do not feel they would be able to offer the same advertising rates or generate commitment from advertisers if the distribution was reduced.
- According to the OfCom Online Nation 2021 Report, 94% of UK homes have internet access and 80% of UK adults use it. In Broxtowe, 100% of homes are able to receive a decent standard of broadband.

Three options are provided in the table below.

Option	Costs per year (Estimated on 2022 costs and price increases)	Advertising revenue	Potential savings	Comments
Option 1 Continue with existing arrangements to produce and distribute a printed copy newsletter to every property in the Borough.	Design (in house) £1,200 Print (55,000 copies) £14,000 Distribution £9,800 TOTAL £25,000	£6,303.00	N/A	Between production of the 2022 summer and winter edition, costs increased by £2,591.86 so it is anticipated that further significant cost rises will be seen during 2023. This is predominantly due to the rapidly rising cost of paper and supply chain issues as a result of the conflict in the Ukraine. An increased number of properties in the Borough has also increased the distribution volume for the post code sectors from 52,000 to 55,000, which has further impacted on cost. It is not possible to determine readership levels, given the nature of this type of publication.

Option	Costs per year (Estimated on 2022 costs and price increases)	Advertising revenue	Potential savings	Comments
<p>Option 2 Continue to produce a printed newsletter but encourage more people to read it online and reduce distribution to 5,000 copies. These would be available on request, made available to community groups and provided in public buildings e.g. libraries, community centres etc.</p>	<p>Design £1,200</p> <p>Print £2,000</p> <p>Distribution £1,000</p> <p>Retained budget for communicating and engaging with harder to reach groups £2,000</p> <p>TOTAL £6,600</p>	<p>Unlikely to be viable if distribution reduced</p>	<p>£18,800</p>	<p>An accessible PDF of the newsletter would be available on the website with the link shared through the Email Me Service and other channels. This will enable the Council to gather more accurate data on readership. Direct engagement will also be undertaken with stakeholders and community groups to help disseminate the information.</p> <p>In conjunction with this, there will be increased promotion of the Email Me Service as the main route to receive Council news and updates, including the information that would normally be presented in the newsletter.</p> <p>A smaller quantity of printed copies will be produced and made available to those who are not online through direct requests, community groups and public buildings.</p> <p>It is proposed to retain some of the budget savings to support alternative communication and engagement work with harder to reach groups who are not online. This will enable more targeted work to take place. The 2021 census identified that there is more than 600 residents who do not speak English.</p>
<p>Option 3 Adopt a digital approach to the newsletter, encouraging</p>	<p>Retained budget for communicating and engaging with harder to reach groups £5,000</p>	<p>N/A</p>	<p>£20,000</p>	<p>The news included in the printed publication would instead be included in our weekly latest news bulletins. This will enable residents to receive much more up to date news and will enable the Council to gather more accurate data on reach.</p>

Option	Costs per year (Estimated on 2022 costs and price increases)	Advertising revenue	Potential savings	Comments
residents to sign up to our weekly email bulletins rather than producing a printed newsletter.				<p>In conjunction with this, there will be increased promotion of the Email Me Service as the main route to receive Council news and updates.</p> <p>The time previously used to produce the newsletter will be reallocated to working with stakeholders, for example partners and community groups, to:</p> <ul style="list-style-type: none"> • utilise the Council's email bulletins to promote their content and reach residents • share Council content through their channels • further increase Email Me sign ups <p>As in option 2, it is proposed to retain some of the budget savings to support alternative communication and engagement work with harder to reach groups who are not online. This would enable more targeted work to take place. An additional £3,000 is proposed in this option to address the reduction in printed material.</p>

APPENDIX 2

Benchmarking

In a survey of local government communications teams, 69 responses were received.

- 39 Councils continue to deliver a printed newsletter to every property in their area.
- 3 Councils produce a digital newsletter but make a small number of printed copies available in public spaces or on request.
- 19 Councils produce a digital only newsletter.
- 6 Councils no longer produce a newsletter.
- 2 Councils continue to deliver a printed newsletter to every property in their area but are looking to reduce the number of publications.

Insight: The data demonstrates that 43% of the local authorities who responded have already adjusted their approach to newsletter production, with over 30% choosing to go digital only.

In a survey of the other Nottinghamshire Councils:

- 2 Councils continue to deliver a printed newsletter to every property in their area and have no plans to change (Mansfield, Rushcliffe).
- 3 Councils continue to deliver a printed newsletter to every property in their area but are looking to reduce the number of publications (Ashfield, Gedling, Nottinghamshire County).
- 1 Council produces a digitally designed newsletter but makes a small number of printed copies available in public spaces and on request (Nottingham City).
- 1 Council produces a monthly e-newsletter in lieu of a printed publication but produces ad hoc printed publications for important issues e.g. cost of living (Newark and Sherwood).
- 1 Council delivers a printed newsletter to housing tenants only (Bassetlaw).

Insight: There are a variety of methods used in Nottinghamshire in relation to newsletter production. Only two are not considering reviewing their approach.

APPENDIX 3

EQUALITY IMPACT ASSESSMENT (EIA)

Directorate:	Communications, Cultural and Civic Services	Lead officer responsible for EIA	Communications, Cultural and Civic Services Manager
Name of the policy or function to be assessed:	Residents' newsletter		
Names of the officers undertaking the assessment:	Sarah Tidy		
Is this a new or an existing policy or function?	Existing		
<p>1. What are the aims and objectives of the policy or function? To inform and engage local residents, businesses, community groups and other stakeholders about Council and other local matters.</p>			
<p>2. What outcomes do you want to achieve from the policy or function? Residents and other stakeholders are more informed about Council matters and other local services. Residents engage with initiatives and services which can result in behaviour change where appropriate.</p>			
<p>3. Who is intended to benefit from the policy or function? All residents in Broxtowe.</p>			
<p>4. Who are the main stakeholders in relation to the policy or function? Residents, businesses, community groups, employees, Members</p>			
<p>5. What baseline quantitative data do you have about the policy or function relating to the different equality strands? The printed format of Broxtowe Matters makes it very difficult to gather any data on readership. Options 2 and 3 of the report would enable more data to be gathered to baseline readership and make improvements for specific groups.</p>			
<p>6. What baseline qualitative data do you have about the policy or function relating to the different equality strands? The printed format of Broxtowe Matters makes it very difficult to gather any data on readership. Options 2 and 3 of the report would enable more data to be gathered to baseline readership and make improvements for specific groups.</p>			
<p>7. What has stakeholder consultation, if carried out, revealed about the nature of the impact? The last resident survey was conducted in 2017 and received less than 30 responses (0.02% of the population).</p>			
<p>8. From the evidence available does the policy or function affect or have the potential to affect different equality groups in different ways? In assessing whether the policy or function adversely affects any particular group or presents an opportunity for promoting equality, consider the questions below in relation to each equality group:</p>			

Directorate:	Communications, Cultural and Civic Services	Lead officer responsible for EIA	Communications, Cultural and Civic Services Manager
<p><input type="checkbox"/> Does the policy or function target or exclude a specific equality group or community? Does it affect some equality groups or communities differently? If yes, can this be justified?</p> <p>Options 2 and 3 of the report propose measures to minimise the impact on groups who may be harder to reach or not online. They would help redirect resources to a more targeted approach to engaging these groups.</p>			
<p><input type="checkbox"/> Is the policy or function likely to be equally accessed by all equality groups or communities? If no, can this be justified?</p> <p>Options 2 and 3 of the report propose measures to minimise the impact on groups who may be harder to reach or not online. They would help redirect resources to a more targeted approach to engaging these groups.</p>			
<p><input type="checkbox"/> Are there barriers that might make access difficult or stop different equality groups or communities accessing the policy or function?</p> <p>Online access is the main barrier but the measures proposed in Options 2 and 3 to minimise this would enable a more targeted approach to engaging these groups.</p>			
<p><input type="checkbox"/> Could the policy or function promote or contribute to equality and good relations between different groups? If so, how?</p> <p>If Options 2 or 3 were approved, redirecting resources to more targeted work with stakeholders and equality groups would help support improved relations between groups.</p>			
<p><input type="checkbox"/> What further evidence is needed to understand the impact on equality?</p> <p>None</p>			

<p>9. On the basis of the analysis above what actions, if any, will you need to take in respect of each of the equality strands?</p>
<p>Age: Work with partners and community groups to support engagement with this group.</p>
<p>Disability: Work with partners and community groups to support engagement with this group.</p>
<p>Gender: Changes proposed are not likely to impact</p>
<p>Gender Reassignment: Changes proposed are not likely to impact</p>

Marriage and Civil Partnership: Changes proposed are not likely to impact

Pregnancy and Maternity: Changes proposed are not likely to impact

Race: Work with partners and community groups to support engagement with this group.

Religion and Belief: Changes proposed are not likely to impact

Sexual Orientation: Changes proposed are not likely to impact

Executive Director:

I am satisfied with the results of this EIA. I undertake to review and monitor progress against the actions proposed in response to this impact assessment.

Signature: Executive Director

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Report of the Portfolio Holder for Leisure and Health

EVENTS PROGRAMME 2023/24**1. Purpose of Report**

To put forward proposals for the Council's Event Programme for 2023/24.

2. Recommendation

Cabinet is asked to RESOLVE that:

- 1. The proposed event programme for 2023/24 be approved.**
- 2. Delegated authority be given to the Executive Director to identify and provide support to cultural and community events in relation to the CCity project.**

3. Detail

Each year, a number of public events are organised as part of the Council's cultural offering. Historically, 12 large events have been organised by the Cultural Services Team and 90+ have been organised by other Council departments to deliver a programme of more than 100 annual events.

The annual budget for the Council's events programme is £99,500. This is supplemented with external contributions from event partners including Town and Parish Councils and County Council Divisional Funds to enhance the events. A dynamic approach to event planning is therefore required depending on any additional funds available.

2022/23 saw the first full year of events since the start of the pandemic. This programme has been reviewed using the data captured, including factors such as turnout, feedback and costs. The analysis has informed the plans for 2023/24 to help outline a programme of popular, existing events, as well as new ones which provide both good value for money and an attractive offering to residents. The 2022/23 event programme analysis is contained in appendix 1. The proposed programme for 2023/24 is shown in appendix 2, with an example of other events organised by the Council shown in appendix 3.

The Council will promote community events organised by its partners and local community groups to enhance the offer to local residents, such as Beeston Film Festival, the D.H. Lawrence Music Festival and sports events as part of the CCity Project.

It is intended that following confirmation of the events programme for 2023/24, a new Cultural Strategy will be developed including a map of the cultural richness and heritage within the Borough.

The objectives for the strategy will include:

- Promoting and enhancing existing activity in the Borough to showcase its cultural richness.

- Engaging and collaborating with community groups and other stakeholders to ensure our cultural programme reflects the varied backgrounds and experiences of local people
- Increasing the reach of our cultural activity and facilities including the D.H. Lawrence Birthplace Museum.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

There are no additional financial implications for the Council with costs being contained within existing budgets. Any significant budget implications in the future, over and above virement limits, would require approval by Cabinet.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

The Landlord and Tenant Act 1985 as amended by the Housing (Fitness for Human Habitation) Act requires a property is fit for human habitation at the beginning of the tenancy and for the duration of the tenancy; and where a landlord fails to do so, the tenant has the right to take action in the courts for against the Council breach of contract on the grounds that the property is unfit for human habitation. To address this duty, the council needs to have a planned maintenance programme with periodic inspections and an effective responsive repairs service. The Council's obligations as landlord to repair and maintain Council properties are set out in the tenancy agreement. In addition, section 11 of the Landlord Tenant Act 1985 sets out statutory obligations to ensure that the structure of homes is repaired and the repairs are carried out within a reasonable time.

6. Human Resources Implications

Not applicable

7. Union Comments

Not applicable

8. Data Protection Implications

Not applicable

9. Equality Impact Assessment

As attached at appendix 4

10. Background Papers

Nil

APPENDIX 1

2022 Events Programme Analysis

This appendix contains the full events programme for 2022 and data linked to attendance and costs.

Notes:

- Where multiple events took place as part of a series e.g. Mini Reel/Reel Outdoors, turnout is the total number who attended the series not each individual event in the series.
- Turnout calculations:
 - Paid events: through ticket sales and gate/ box office check in
 - Free town centre events: Max crowd capacity is measured for the location. An estimation is made based on how full the area is at a given time, less any significant structures. Following best practice, the calculation is 1 person per 0.5m²
 - Free events on parks: As with town centre events, supported by clicker snapshots and flow of vehicles utilising parking provided on site

Event	Date	Corporate priority	Admission type	Turnout	Cost to Leisure/ the Council £	Generated income (admissions and ground rent)	Partner/ Town Council contributions £	Total cost £	Comments
Hemlock Happening	Jun	Health	Free	6,500	11,151	£2,610	£4,750	18,511	Flagship event. The event costs were higher than expected due to cost-of-living increases. The event was enhanced to incorporate Jubilee celebrations.
Stapleford Play Day	Aug	Health	Free	2,000	4,902	£420	£2,000	7,322	
Eastwood Play Day	Aug	Health	Free	2,000	5,352	£400	£4,740	10,492	Additional budget from Eastwood Town Council due to jubilee celebrations.
Chilwell Play Day	Aug	Health	Free	1,500	7,695	£400	£0	8,095	Additional, unplanned event agreed by Leisure and Health Committee.
Kimberley Play Day	Aug	Health	Free	1,000	8,002	£360	£0	8,362	Additional, unplanned event agreed by Leisure and Health Committee.
Mini Reel/Reel	Aug	Health	Admission charge	1,000	20,795	£5453	£0	26,248	12 outdoor cinema screenings. High cost and low turnout. Large number events to

Event	Date	Corporate priority	Admission type	Turnout	Cost to Leisure/ the Council £	Generated income (admissions and ground rent)	Partner/ Town Council contributions £	Total cost £	Comments
Outdoors			Mini Reel £3.50 pp Reel Outdoors £10/£8 conc.						manage in terms of staffing within a short space of time. Proposed to replace with engagement with groups to promote existing events as part of C City programme around the Borough to showcase Broxtowe's cultural richness.
Eastwood Spooktacular	Oct	Health	Admission Charge £3 adult £1 child	0	0	£0	£0	6,400	Halloween/Fireworks event. Event was cancelled as a core partner pulled out.
Stapleford Christmas Lights Switch On	Nov	Health	Free	2600	8,013	£200	£4200	11,000	Stapleford Town Council committed £4k.
Eastwood Christmas Lights Switch On	Nov	Health	Free	2200	9,236	£505	£8260	18,000	Eastwood Town Council committed an extra £2,260 due to Jubilee celebrations. Turnout impacted by World Cup fixture on same date
Beeston Christmas Lights Switch On	Dec	Health	Free	4500	11,640	£790	£0	12,500	
TOTAL				22,300	86,786	£11,138	£23,950	126,930	

APPENDIX 2

Proposed 2023 Events Programme

Members are asked to consider a proposal to replace Mini Reel/Reel Outdoors (cinema in the park) and replace it with events such as CCity and Friday18 to be accommodated within the existing events budget. If Members were minded to agree, additional time would also be spent on engaging with hard to reach groups in line with the wider of work of the Communications, Cultural and Civic Service Team.

A separate budget request has been submitted for £8,000 for activities related to the Coronation. Plans are currently being developed now that formal arrangements have been confirmed by the Palace.

Event	Date	Corporate priority	Admission type	Expected turnout	Cost to Council £	Generated Income (admissions and ground rent)	Partner/ Town Council Contributions	Total cost	Comments
Hemlock Happening	Jun	Health/ Environment	Free	4,500	11,640	3,610	3,750	19,000	Incorporate a dedicated "Green area" to replicate activities from the 2022 Green Festivals as part of an existing event.
Stapleford Play Day	Aug	Health	Free	2,000	4,950	450	2,000	7,400	
Eastwood Play Day	Aug	Health/ Environment	Free	2,000	5,550	450	2,000	8,000	Incorporate a dedicated "Green area" to replicate activities from the 2022 Green Festivals as part of an existing event.
Chilwell Play Day	Aug	Health	Free	2,000	7,050	450	0	7,500	Requires traffic management (£900).
Kimberley Play Day	Aug	Health	Free	1,500	7,850	450	0	8,300	Requires traffic management (£1k).

Event	Date	Corporate priority	Admission type	Expected turnout	Cost to Council £	Generated Income (admissions and ground rent)	Partner/ Town Council Contributions	Total cost	Comments
Beeston Play Day	Aug	Health	Free	2,000	7,050	450	0	7,050	
Stapleford Christmas Lights Switch On	Nov	Business Growth	Free	2600	6,900	150	4,200	11,250	Features two stages, firework display, Santa's Grotto, fairground rides, charity and market stalls, food concessions and street theatre acts. Is organised with support of Stapleford TC and CLSO steering group. Requires traffic management (£1.6k).
Eastwood Christmas Lights Switch On	Nov	Business Growth	Free	3,500	8,250	500	6,000	14,750	Features main stage, Santa's Grotto, firework display, fairground rides, charity and market stalls, food concessions and street theatre acts. Is organised with support of Stapleford TC and CLSO steering group. Requires traffic management (£2.7k).
Beeston Christmas Lights Switch On	Nov/ Dec	Business Growth	Free	4,500	11,640	860	0	12,500	Features main stage, Santa's Grotto, firework display, fairground rides, charity and market stalls, food concessions and street theatre acts. steering group. Requires traffic management (£1.2k).
Friday18 series	June-August	Business Growth, Health, Community Safety	Free	1,000	1,000	0	0	1,000	Live music was performed in Beeston Square for 6 weeks during summer 2022 to encourage local people into the town centre to use local businesses, in a similar way to Music in the Square which used to take place on Saturdays. Local businesses could be approached to put on offers for customers/stay open later.

Event	Date	Corporate priority	Admission type	Expected turnout	Cost to Council £	Generated Income (admissions and ground rent)	Partner/ Town Council Contributions	Total cost	Comments
C City Project	Ongoing	Business Growth, Health, Community Safety	Free	1,000	20,000	0	0	20,000	As part of the C City Project and Community Committee, events happening across the Borough organised by the Council, as well as by external groups and organisations will be promoted as part of the annual events programme on offer to local people. The Community Committee will seek external funds to support activities beyond existing events. The project strands include: <ul style="list-style-type: none"> • Food and lifestyle • History and custom • Music: rock and jazz • Music: classical • Youth Parliament • Cinema • Visual art • Theatre and literature • Sports
TOTAL				26,000	91,880	13,840	17,950	123,670	A contingency of £7,620 is required to cover other costs such as the licences required to play live or recorded music at events, van hire to transport equipment to and from events etc.

APPENDIX 3

Other annual events organised by the Council which can be promoted as part of our wider events offer.D.H. Lawrence Birthplace Museum

- D.H. Lawrence Festival - Propose to extend the period of the festival to run through the summer to include more D.H. Lawrence workshops outreach activities. Continue to publicise events organised by other groups e.g. D.H. Lawrence society as part of the festival package.
- D.H. Lawrence and social history related events including Gin & Gaslight x 8, Pumpkin Carving x 8, Wreath Making x4, Exhibitions x4
- Monthly Wellbeing Walks in partnership with LLeisure.

Civic Office

- Remembrance (Event support provided by Cultural Services)
- Holocaust Memorial Day
- Civic Service
- Freedom Parade (Event support provided by Cultural Services)
- Merchant Navy Day
- Commonwealth Flag Raising
- Armed Forces Flag Raising
- Mayor's charity events
- Mayor's community events

Environment

- Green Festivals
- Days of action: Combined Housing and Environment events
- Waste Action Days
- Clean and Green Community Litter picks
- School Engagement Events
- Local Community Talks including CAT Meetings
- Dog Fouling Prevention Events
- Bulb/Tree Planting/Play area Events
- Bramcote Crematorium Open Days and Services

Community Safety

- Cultural and community cohesion events
- Anti-social behaviour prevention and engagement events
- Partner events including health and wellbeing and dementia
- Dementia Friends Training events
- Holiday Activities and Food Programme
- White Ribbon Events

Housing

- Community Clean Up
- Older Persons Week Events
- Pop-up stalls

Equality Impact Assessment

The Equality Act 2010 replaces the previous anti-discrimination laws with a single Act. It simplifies the law, removing inconsistencies and making it easier for people to understand and comply with it. It also strengthens the law in important ways, to help tackle discrimination and equality. The majority of the Act came into force on 1 October 2010.

Public bodies are required in it to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited under the Act
- advance equality of opportunity between people who share a protected characteristic and people who do not share it, and
- foster good relations between people who share a protected characteristic and people who do not share it.

The public sector Equality Duty came into force on 5 April 2011. The duty ensures that all public bodies play their part in making society fairer by tackling discrimination and providing equality of opportunity for all. It ensures that public bodies consider the needs of all individuals in their day to day work – in shaping policy, delivering services and in relation to their own employees.

The Equality Duty encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people's needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people's opportunities, public bodies are better placed to deliver policies and services that are efficient and effective.

The new equality duty replaces the three previous public sector equality duties, for race, disability and gender. The new equality duty covers the following protected characteristics:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race – this includes ethnic or national origins, colour or nationality
- religion or belief – including lack of belief
- sex
- sexual orientation.

It also applies to marriage and civil partnership, but only in respect of the requirement to have due regard to the need to eliminate discrimination.

Having due regard means consciously thinking about the three aims of the equality duty as part of the process of decision-making. This means that consideration of equality issues must influence the decisions reached by public bodies, including how they act as employers, how they develop, evaluate and review policies, how they

design, deliver and evaluate services, and how they commission and procure from others.

Having due regard to the need to advance equality of opportunity involves considering the need to:

- remove or minimise disadvantages suffered by people due to their protected characteristics
- meet the needs of people with protected characteristics, and
- encourage people with protected characteristics to participate in public life or in other activities where their participation is low.

Fostering good relations involves tackling prejudice and promoting understanding between people who share a protected characteristic and others.

Complying with the equality duty may involve treating some people better than others, as far as this is allowed by discrimination law. For example, it may involve making use of an exception or the positive action provisions in order to provide a service in a way which is appropriate for people who share a protected characteristic.

The Equality Duty also explicitly recognises that disabled people's needs may be different from those of non-disabled people. Public bodies should therefore take account of disabled people's impairments when making decisions about policies or services. This might mean making reasonable adjustments or treating disabled people better than non-disabled people in order to meet their needs.

There is no explicit requirement to refer to the Equality Duty in recording the process of consideration but it is good practice to do so. Keeping a record of how decisions were reached will help public bodies demonstrate that they considered the aims of the Equality Duty. Keeping a record of how decisions were reached will help public bodies show how they considered the Equality Duty. Producing an Equality Impact Assessment after a decision has been reached will not achieve compliance with the Equality Duty.

It is recommended that assessments are carried out in respect of new or revised policies and that a copy of the assessment is included as an appendix to the report provided to the decision makers at the relevant Cabinet, Committee or Scrutiny meeting.

Where it is clear from initial consideration that a policy will not have any effect on equality for any of the protected characteristics, no further analysis or action is necessary.

Public bodies should take a proportionate approach when complying with the Equality Duty. In practice, this means giving greater consideration to the Equality Duty where a policy or function has the potential to have a discriminatory effect or impact on equality of opportunity, and less consideration where the potential effect

on equality is slight. The Equality Duty requires public bodies to think about people's different needs and how these can be met.

EQUALITY IMPACT ASSESSMENT (EIA)

Directorate:	Communications, Cultural and Civic Services	Lead officer responsible for EIA	Alex Khan
Name of the policy or function to be assessed:		Events Programme 2023-24	
Names of the officers undertaking the assessment:		Alex Khan	
Is this a new or an existing policy or function?		New	
<p>1. What are the aims and objectives of the policy or function?</p> <p>Aim</p> <p>To deliver a programme of events activity.</p> <p>Objectives</p> <ol style="list-style-type: none"> 1. Provide events that are attractive, cost effective and relevant for the residents of the Borough. 2. Provide engagement opportunities for local groups, businesses, artists and creative practitioners to promote their work. 3. Achieve a spread of event activity across the wards within the Borough. 			
<p>2. What outcomes do you want to achieve from the policy or function?</p> <ul style="list-style-type: none"> • Bringing people together. • Social cohesion. • Promoting pride of place for residents. 			
<p>3. Who is intended to benefit from the policy or function?</p> <ul style="list-style-type: none"> • Residents • Employees • Volunteers • Partner bodies and organisations • Business community • Local groups 			
<p>4. Who are the main stakeholders in relation to the policy or function?</p> <ul style="list-style-type: none"> • Residents and service users • Employees 			

Directorate:	Communications, Cultural and Civic Services	Lead officer responsible for EIA	Alex Khan
<ul style="list-style-type: none"> • Elected Members • MPs • Partner bodies and organisations • Business community • Potential investors • Local groups and forums • Civic Dignitaries 			
<p>5. What baseline quantitative data do you have about the policy or function relating to the different equality strands?</p> <p>Turnout figures</p>			
<p>6. What baseline qualitative data do you have about the policy or function relating to the different equality strands?</p> <ul style="list-style-type: none"> • Ward profiles • Electoral data 			
<p>7. What has stakeholder consultation, if carried out, revealed about the nature of the impact?</p> <p>Resident, steering group and town council partner feedback is utilised to make positive changes to each event within the programme.</p>			
<p>8. From the evidence available does the policy or function affect or have the potential to affect different equality groups in different ways? In assessing whether the policy or function adversely affects any particular group or presents an opportunity for promoting equality, consider the questions below in relation to each equality group:</p> <p>The events programme does not adversely impact on any particular group and is able to be accessed by as many different groups as is possible.</p> <p>The programming of activity contained within the events encourages the promotion of diversity through the inclusion of performers, artists, local charities and interest groups from diverse backgrounds and interests.</p>			
<p><input type="checkbox"/> Does the policy or function target or exclude a specific equality group or community? Does it affect some equality groups or communities differently? If yes, can this be justified?</p> <p>No</p>			

Is the policy or function likely to be equally accessed by all equality groups or communities? If no, can this be justified?

Yes

Are there barriers that might make access difficult or stop different equality groups or communities accessing the policy or function?

Where barriers are identified, reasonable adjustments are made to ensure that these can be removed or the impact lessened.

Could the policy or function promote or contribute to equality and good relations between different groups? If so, how?

Yes. The events encourage residents from different backgrounds to come together to celebrate cultural life in the Borough. Residents are introduced to a range of different cultures through the programming of acts and activities.

What further evidence is needed to understand the impact on equality?

Further consultation with specific groups to ensure that potential barriers are understood so that positive outcomes can be identified.

9. On the basis of the analysis above what actions, if any, will you need to take in respect of each of the equality strands?

Age: Listening and responding to feedback to ensure that this group is engaged. Proactive engagement with appropriate groups and stakeholders who have a special interest in this area.

Disability: Listening and responding to feedback to ensure that this group is engaged. Proactive engagement with appropriate groups and stakeholders who have a special interest in this area.

Gender: Listening and responding to feedback to ensure that this group is engaged. Proactive engagement with appropriate groups and stakeholders who have a special interest in this area.

Gender Reassignment: Listening and responding to feedback to ensure that this group is engaged. Proactive engagement with appropriate groups and stakeholders who have a special interest in this area.

Marriage and Civil Partnership: Listening and responding to feedback to ensure that this group is engaged. Proactive engagement with appropriate groups and stakeholders who have a special interest in this area.

Pregnancy and Maternity: Listening and responding to feedback to ensure that this group is engaged. Proactive engagement with appropriate groups and stakeholders who have a special interest in this area.

Race: Listening and responding to feedback to ensure that this group is engaged. Proactive engagement with appropriate groups and stakeholders who have a special interest in this area.

Religion and Belief: Listening and responding to feedback to ensure that this group is engaged. Proactive engagement with appropriate groups and stakeholders who have a special interest in this area.

Sexual Orientation: Listening and responding to feedback to ensure that this group is engaged. Proactive engagement with appropriate groups and stakeholders who have a special interest in this area.

Executive Director:

I am satisfied with the results of this EIA. I undertake to review and monitor progress against the actions proposed in response to this impact assessment.

Signature:

Report of the Housing Portfolio Holder

DAMP AND MOULD1. Purpose of Report

To update Cabinet on the work being undertaken to address concerns about damp and mould, both in Council owned properties and the private sector, and outline further action to be taken.

2. Recommendation

Cabinet is asked to RESOLVE that the proposed action plan be approved

3. Detail

In light of the tragic case of Awaab Ishak, and in response to requests from the Secretary of State and the Regulator of Social Housing, the Council is completing a full review of our response to the issue of damp and mould within properties, both in Council owned and in the private sector.

It is clear that the Council must be proactive in our approach, and work to identify the scale of the issue. It is not acceptable to expect that people who are experiencing damp and mould in their home will have reported it to the Council to investigate. For this reason, work has already begun to contact residents. In our own Council housing, we have reviewed all reports made to the Council regarding damp and mould in the last five years and have begun to contact tenants to confirm that the problem has been fully dealt with and is not reoccurring. We will also be contacting tenants that we have not visited recently to check if there are any damp or mould concerns. In regards to the private sector, we recently launched a survey to encourage those with damp and mould concerns to report these to the private sector housing team. The team will then contact tenants to discuss further, and see what action is required.

The Council has had a robust procedure to deal with reports of damp and mould in Council homes for a number of years, and have a zero tolerance approach to dealing with the matter. Last year the Repairs service reviewed the contents of the Housing Ombudsman report, *Spotlight on Damp and Mould, it's not Lifestyle*, to ensure that our approach meets the expectations of the Housing Ombudsman. To support this work the Council has purchased protimeters, calcium carbide testing and hygrometer salt analysis equipment. Our Senior Maintenance Officers are fully trained to complete tests and understand the findings. Where damp is evident, or cases are more complex, the Council works with a specialist external contractor.

The Council has a history of taking damp and mould matters seriously. When issues have been identified a programme of remediation works has been arranged and completed, by our Capital Works team. For example, at Princes Street and Wellington Street in Eastwood. Budget for this work was approved in 2019 and the support of a specialist contractor has been procured. Although

there have been some delays in the works being completed due to the COVID-19 pandemic. 82 surveys have been completed, and 42 properties have had damp proofing work completed. All work is due to be completed by Spring 2023.

Collaborative working between a number of teams and departments is required to fully address this matter. An action plan is included in the appendix which highlights the work in progress and currently planned.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

There are no additional financial implications for the Council with costs being contained within existing budgets. Any significant budget implications in the future, over and above virement limits, would require approval by Cabinet.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

The Landlord and Tenant Act 1985 as amended by the Housing (Fitness for Human Habitation) Act requires a property is fit for human habitation at the beginning of the tenancy and for the duration of the tenancy; and where a landlord fails to do so, the tenant has the right to take action in the courts for against the Council breach of contract on the grounds that the property is unfit for human habitation. To address this duty, the council needs to have a planned maintenance programme with periodic inspections and an effective responsive repairs service. The Council's obligations as landlord to repair and maintain Council properties are set out in the tenancy agreement. In addition, section 11 of the Landlord Tenant Act 1985 sets out statutory obligations to ensure that the structure of homes is repaired and the repairs are carried out within a reasonable time.

6. Human Resources Implications

Not applicable

7. Union Comments

Not applicable

8. Data Protection Implications

Not applicable

9. Equality Impact Assessment

Not applicable

10. Background Papers

Nil

APPENDIX

Damp and Mould – Action Plan

Action	Responsible Person	Target date	Update – as at 27 January 2023
Information Returns			
Initial response to Secretary of State request on how the Council is prioritising this work	Chief Executive	30 November 2022	Completed
Respond to Regulator of Social Housing survey	Head of Housing	19 December 2022	Completed
Full response to Secretary of State request	Chief Executive	27 January 2023	Completed
Council Housing			
Review procedure for dealing with damp and mould reports in Council properties	Head of Housing	28 February 2023	Meetings held between Housing and Capital Works. Comments made on existing procedure and how it can be improved, new approaches being trialled.
Review equipment used to test damp, consider other alternatives if identified	Assistant Housing Repairs Manager	28 February 2023	Council already uses protimeters, calcium carbide testing and hygrometer salt analysis equipment. At this time this appears to be appropriate, however external advice will be taken.
Review forms used to capture information during damp and mould surveys, update as required	Assistant Housing Repairs Manager	28 February 2023	Some updates have been made in the interim, and are being trialled. Final version to be agreed and updated for use on tablets by inspectors.
Consider changes to record keeping	Head of Housing	28 February 2023	Initial investigations have shown that

Action	Responsible Person	Target date	Update – as at 27 January 2023
within housing management system			record keeping could be improved, changes in use of system required
Implement changes to how records are kept on housing management system	Senior Work Planner	31 March 2023	New SOR software, already agreed by Cabinet, will allow better record keeping. Additional records held on spreadsheets in the interim.
Agree protocols for referral of damp and mould issues from Repairs to Capital Works	Head of Housing	31 January 2023	Meetings held between Repairs and Capital Works, agreed protocols will be reflected in new procedure
Review information held on housing management system to identify reports of damp and mould made in the last 5 years	Housing Services and Strategy Manager	6 January 2023	Completed
Proactively contact all tenants that have reported damp and mould in the last 5 years to ask if the issue is resolved or ongoing	Senior Work Planner	28 February 2023	Work has begun to contact tenants
Proactively contact tenants who live in properties that have not been visited within the last year, to ask if experiencing any damp and mould issues	Senior Work Planner	30 April 2023	To begin once previous action completed
Identify any patterns in type of stock affected or type of issue	Housing Services and Strategy Manager	31 March 2023	Work has begun to identify patterns and issues
Review process for void inspections to ensure that all damp and mould issues are identified prior to new tenant moving in	Head of Housing	31 March 2023	Informal changes have been implemented, need to review and make changes to formal process
Consider if any changes are required to Allocations Policy to reflect the circumstances of those living in	Head of Housing	31 March 2023	

Action	Responsible Person	Target date	Update – as at 27 January 2023
properties with damp and mould			
Review information on website about damp and mould	Housing Services and Strategy Manager	28 February 2023	Initial review of information has been completed and some minor amendments made. Full review to be completed
Update information leaflet on damp and mould	Housing Services and Strategy Manager	28 February 2023	Initial review of information has been completed and some minor amendments made. Full review to be completed
Review capacity to deal promptly with all damp and mould issues	Head of Housing	31 March 2023	To be completed as part of the Repairs Review
Complete damp and mould remediation project at Princes Street and Wellington Street	Head of Asset Management	31 May 2023	42 properties completed
Private Sector			
Promote survey for private tenants to inform the Council of issues in their property	Chief Environmental Health Officer	31 January 2023	Online Survey launched 2 January 2023
Respond to all reports made through survey	Chief Environmental Health Officer and Senior Private Sector Housing Officer	28 February 2023	Where identifiable, contact to private rented tenants has begun.
Identify and implement changes to record keeping, using dedicated system.	Chief Environmental Health Officer and Senior Private Sector Housing Officer	30 April 2023	This information is currently hard to extract (done by individually reviewing each case file) so will explore enhanced record keeping and system reports to enable easier retrieval of information.

Action	Responsible Person	Target date	Update – as at 27 January 2023
Review capacity of private sector housing team to ensure adequate response, including enforcement where appropriate to issues of damp and mould	Chief Environmental Health Officer and Senior Private Sector Housing Officer	31 March 2023	
Training			
Provide training to members on the issue of damp and mould	Head of Asset Management	31 January 2023	
Arrange refresher training for inspectors on the identification of the reasons for damp and mould	Head of Housing	28 February 2023	In-house discussions have ensured that inspections are being completed correctly. Formal refresher training will ensure that knowledge remains up to date
Arrange refresher training for private sector housing officers on the enforcement expectations of damp and mould in private rented dwellings, particularly in relation to the Housing, Health and Safety Rating System	Chief Environmental Health Officer and Senior Private Sector Housing Officer	31 March 2023	In house discussions have already taken place but to ensure knowledge remains up to date.
Arrange training for all visiting officers on the identification of damp and mould issues	Head of Housing	31 March 2023	Information, advice and guidance has been shared with employees through briefings and team meeting. Formal training will ensure that all employees can identify issues and know how to report them.
Consider producing BLZ course for all officer, to increase understanding of	Head of Housing	30 April 2023	

Action	Responsible Person	Target date	Update – as at 27 January 2023
issue			
Review information and scripts used by the Contact Centre, so that calls are dealt with appropriately	Senior Work Planner	28 February 2023	
Other			
Report to GMT on progress of action plan	Head of Housing	30 April 2023	

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Report of the Portfolio Holder for Housing and Resources and Personnel Policy**AGREEMENT WITH EAST MIDLANDS HOUSING GROUP / QUANTUM PARTNERSHIPS TO SECURE HOMES ENGLAND FUNDING****1. Purpose of Report**

To seek approval for the Council to enter into contract with Quantum partnership and Homes England to secure grant funding to deliver new Council homes on several sites in the borough.

2. Recommendation

Cabinet is to RESOLVE that;

- 1) The Council enters into contract with Homes England, East Midlands Housing Group and the Quantum partnership to secure subsidy for new schemes provided through the Housing Delivery Plan and;**
- 2) a delegation be made to Broxtowe's Deputy Chief Executive and Section 151 officer, in consultation with the portfolio holders for Housing and Resources and Personnel Policy to progress all key approvals relating to the contract.**

3. Detail

Housing Committee approved a report in November 2020 for Broxtowe to reapply to Homes England for investment partner status in order to access grant funding from the Affordable Homes Programme (2021-2026), to deliver the Council's new build housing programme as per the approved Housing Delivery Plan. Following consultation with Homes England in 2021 it was agreed that Broxtowe would be better placed to join an existing consortium headed up by a housing association which is an investment partner of Homes England in order to access the grant funding.

In 2021 the Council tendered for a local Housing Association with Homes England Investment partner status, to assist the Council in securing Homes England funding. Two Housing associations submitted bids, and East Midlands Housing group were the successful tenderer.

In November 2022 a bid was made through East Midlands Housing group for the first 4 sites to access Homes England funding (see confidential appendix, agenda item 12.1). The bid was approved and will allow Broxtowe to access over an initial pot of £1.5 in grant funding for the schemes

In order to receive the grant funding, the Council is required to enter into an agreement with the East Midlands Quantum Consortium and Homes England.

By joining the consortium and entering into the relevant agreements, the Council can access grant funding and charge affordable rents on grant funded schemes

and non-grant funded section 106 sites (as per the Council's approved rent setting policy).

4. Financial Implications

The comments from the Head of Finance Services were as follows:

The Capital Programme for 2023/24 to 2025/26, as considered elsewhere on this agenda, includes provision for £1.5m of Homes England grant funding towards the Housing Delivery Plan new build programme. The business cases for the respective sites also assumes, where applicable, the ability to charge affordable rents on grant funded schemes and non-grant funded section 106 sites as per the Council's approved Rent Setting Policy.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

The Council can enter into the grant funding arrangements with East Midland Quantum Consortium and Homes England using its general power of competence under the Localism Act 2011. Legal Services will provide advice on the detail of the contract.

All works, goods and services required to deliver the schemes must be procured by the Council in strict compliance with the Public regulations 2015 and the Council's financial regulations.

Full title reports have already been provided by Legal services to ensure there are no covenants or issues affecting the development of the schemes.

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

Not applicable

7. Union Comments

The Union comments were as follows.

Not applicable

8. Data Protection Compliance Implications

Not applicable.

9. Equality Impact Assessment

Not required as this is not a change to policy.

10. Background Papers

Nil

Report of The Portfolio Holder for Economic Development and Asset Management**TOTON AND CHETWYND BARRACKS STRATEGIC MASTERPLAN SUPPLEMENTARY PLANNING DOCUMENT**1. Purpose of Report

To seek the resolution of Cabinet to adopt the amended Toton and Chetwynd Barracks Strategic Masterplan Supplementary Planning Document (SPD).

2. Recommendation

Cabinet is asked to RESOLVE that the Toton and Chetwynd Barracks Strategic Masterplan Supplementary Planning Document, as amended, be adopted.

3. Detail

The Council, in conjunction with the emerging East Midlands Development Corporation (EM DevCo CLG) has prepared a SPD for the Toton and Chetwynd Barracks sites. There are several stages in preparing an SPD. These are set out in the Town and Country Planning (Local Planning) (England) Regulations 2012 and include consulting the local community for a period of not less than four weeks.

This document was published, alongside a Consultation Statement (as required by the legislation), for public consultation between 1 November 2021 and 14 January 2022 (to comply with Regulations 12 and 13 of the Town and Country Planning (Local Planning) (England) Regulations 2012. The public consultation period was extended as the government's Integrated Rail Plan (IRP) was published during this time (on 18 November 2021).

The Toton and Chetwynd Barracks Strategic Masterplan SPD was considered by members at a meeting of the Council's Policy Advisory Working Group on Thursday 28 July 2022 and then subsequently at a further meeting with Members. The document has been amended as proposed, agreed by Members at these meetings and is appended to this report (see appendix 4 circulated separately with this agenda).

Supplementary Planning Documents set out further information and guidance in relation to Local Plan policies. They are not 'policy' and do not form a part of the development plan. However, once adopted, the SPD will be a 'material consideration' in the determination of planning applications.

The Environment Agency, Historic England and Natural England have been consulted on whether the SPD is likely to have significant environmental effects such that it would require Strategic Environmental Assessment (SEA) or Habitats Regulations Assessment (HRA) and a Screening Determination (see appendix 2) made in light of their responses (see Annex to appendix 2). None of the consultees considered that SEA or HRA would be required and officers concur. The consultation can be found at Appendix 3 circulated separately with this agenda.

A report recommending adoption of this SPD has previously been before Cabinet in October 2022, where it was resolved to defer until publication of the Inspector's comments from the examination of the Toton and Chetwynd Neighbourhood Plan, which covers a similar geographical area.

The Inspector's initial comments required modification of the Neighbourhood Plan and it was resolved to establish an Officers and Member group to bring the SPD and Neighbourhood Plan into alignment and to allow for consultation between the relevant stakeholders for that purpose.

Discussions have since taken place between Officers and Members and, whilst discussions are ongoing with Toton and Chetwynd Neighbourhood Forum, in order to modify the Neighbourhood Plan, it is considered that no further amendment of the SPD is required, not least due to its supplementary status.

Whereas the Neighbourhood Plan would be part of the overall Development Plan (in accordance with which decisions must be made unless material considerations indicate otherwise), the SPD would be a material consideration and thus capable of much more flexible interpretation. The SPD is nonetheless significant as it is a requirement of strategic policies of the existing Development Plan (Policy 2 of the Aligned Core Strategy and Policies 3.1 and 3.2 of the Part 2 Local Plan).

4. Financial Implications

The comments from the Head of Finance were as follows:

There are no financial implications at this stage, although a failure to adopt the Supplementary Planning Document may affect future funding applications in respect of the subject area. Any significant budget implications in the future, over and above virement limits, would require approval by Cabinet.

5. Legal Implications

The comments from the Head of Legal were as follows:

Legislation in relation to the preparation of Supplementary Planning Documents is set out within the Town and Country Planning (Local Planning) (England) Regulations 2012.

Regulation 11 provides that any person with sufficient interest in the decision to adopt a Supplementary Planning Document may apply to the High Court for permission to apply for judicial review of that decision; any such application must be made promptly and in any event not later than 3 months after the date on which the Supplementary Planning Document was adopted.

The Environmental Assessment of Plans and Programmes Regulations 2004 (as amended) prohibit the adoption of plans, programmes or modifications before a determination has been made as to whether it is likely to have significant environmental effects. Furthermore, the regulations require that the Environment Agency, Historic England and Natural England are consulted on this.

6. Human Resources Implications

There are no HR implications.

7. Union Comments

N/A.

8. Data Protection Compliance Implications

N/A.

9. Equality Impact Assessment

The Equality Impact Assessment can be found at Appendix 1.

10. Background Papers

Nil

APPENDIX 1

Equality Impact Assessment

The Equality Act 2010 replaces previous anti-discrimination laws with a single Act. It simplifies the law, removing inconsistencies and making it easier for people to understand and comply with. It also strengthens the law in important ways, to help tackle discrimination and promote equality. The majority of the Act came into force on 1 October 2010.

Public bodies are required in it to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited under the Act
- advance equality of opportunity between people who share a protected characteristic and people who do not share it, and
- foster good relations between people who share a protected characteristic and people who do not share it.

The public sector Equality Duty came into force on 5 April 2011. The duty ensures that all public bodies play their part in making society fairer by tackling discrimination and providing equality of opportunity for all. It ensures that public bodies consider the needs of all individuals in their day to day work – in shaping policy, delivering services and in relation to their own employees.

The Equality Duty encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people's needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people's opportunities, public bodies are better placed to deliver policies and services that are efficient and effective.

The new equality duty replaces the three previous public sector equality duties, for race, disability and gender. The new equality duty covers the following protected characteristics:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race – this includes ethnic or national origins, colour or nationality
- religion or belief – including lack of belief
- sex
- sexual orientation.

It also applies to marriage and civil partnership, but only in respect of the requirement to have due regard to the need to eliminate discrimination.

Having due regard means consciously thinking about the three aims of the equality duty as part of the process of decision-making. This means that consideration of equality issues must influence the decisions reached by public bodies, including how they act as

employers, how they develop, evaluate and review policies, how they design, deliver and evaluate services, and how they commission and procure from others.

Having due regard to the need to advance equality of opportunity involves considering the need to:

- remove or minimise disadvantages suffered by people due to their protected characteristics
- meet the needs of people with protected characteristics, and
- encourage people with protected characteristics to participate in public life or in other activities where their participation is low.

Fostering good relations involves tackling prejudice and promoting understanding between people who share a protected characteristic and others.

Complying with the equality duty may involve treating some people better than others, as far as this is allowed by discrimination law. For example, it may involve making use of an exception or the positive action provisions in order to provide a service in a way which is appropriate for people who share a protected characteristic.

The Equality Duty also explicitly recognises that disabled people's needs may be different from those of non-disabled people. Public bodies should therefore take account of disabled people's impairments when making decisions about policies or services. This might mean making reasonable adjustments or treating disabled people better than non-disabled people in order to meet their needs.

There is no explicit requirement to refer to the Equality Duty in recording the process of consideration but it is good practice to do so. Keeping a record of how decisions were reached will help public bodies demonstrate that they considered the aims of the Equality Duty. Keeping a record of how decisions were reached will help public bodies show how they considered the Equality Duty. Producing an Equality Impact Assessment after a decision has been reached will not achieve compliance with the Equality Duty.

It is recommended that assessments are carried out in respect of new or revised policies and that a copy of the assessment is included as an appendix to the report provided to the decision makers at the relevant Cabinet, Committee or Scrutiny meeting.

Where it is clear from initial consideration that a policy will not have any effect on equality for any of the protected characteristics, no further analysis or action is necessary.

Public bodies should take a proportionate approach when complying with the Equality Duty. In practice, this means giving greater consideration to the Equality Duty where a policy or function has the potential to have a discriminatory effect or impact on equality of opportunity, and less consideration where the potential effect on equality is slight. The Equality Duty requires public bodies to think about people's different needs and how these can be met.

EQUALITY IMPACT ASSESSMENT (EIA)

Directorate:	Chief Executive	Lead officer responsible for EIA	Steve Simms
Name of the policy or function to be assessed:	Toton and Chetwynd Barracks Strategic Masterplan Supplementary Planning Document (SPD)		
Names of the officers undertaking the assessment:	Steve Simms		
Is this a new or an existing policy or function?	New		
<p style="text-align: center;">1. What are the aims and objectives of the policy or function?</p> <p>Provide a Strategic Masterplan as a high-level overarching framework to co-ordinate the delivery of the Toton (land in the vicinity of the proposed station) and Chetwynd Barracks site allocations, including up to 4,500 homes, thousands of jobs, and the community facilities, services and infrastructure to support them.</p>			
<p style="text-align: center;">2. What outcomes do you want to achieve from the policy or function?</p> <p>Comprehensive and co-ordinated development across Chetwynd Barracks and the land in the vicinity of the station at Toton and high-quality design outcomes.</p>			
<p style="text-align: center;">3. Who is intended to benefit from the policy or function?</p> <p>The whole existing and future community and the wider regional economy.</p>			
<p style="text-align: center;">4. Who are the main stakeholders in relation to the policy or function?</p> <p>The whole existing and future community and the wider regional economy.</p>			
<p style="text-align: center;">5. What baseline quantitative data do you have about the policy or function relating to the different equality strands?</p> <p>Equality impact assessment for the Aligned Core Strategy and Part 2 Local Plan.</p>			
<p style="text-align: center;">6. What baseline qualitative data do you have about the policy or function relating to the different equality strands?</p> <p>Consultation responses to the draft SPD.</p>			
<p style="text-align: center;">7. What has stakeholder consultation, if carried out, revealed about the nature of the impact?</p>			

Concerns about risk of road traffic accidents involving people travelling to local schools, gradients complying with standards, encouragement of walking, cycling and public transport links.

8. From the evidence available does the policy or function affect or have the potential to affect different equality groups in different ways? In assessing whether the policy or function adversely affects any particular group or presents an opportunity for promoting equality, consider the questions below in relation to each equality group:

People travelling to schools are mostly younger, gradients affect people with limited mobility or who use pushchairs to a greater extent, and walking, cycling and public transport are used more by older people, women and people with caring responsibilities for children or older people.

Does the policy or function target or exclude a specific equality group or community? Does it affect some equality groups or communities differently? If yes, can this be justified?

No.

Is the policy or function likely to be equally accessed by all equality groups or communities? If no, can this be justified?

Yes.

Are there barriers that might make access difficult or stop different equality groups or communities accessing the policy or function?

Young people travelling to school often have no choice and must use the footways or paths serving the school. Steep gradients may exclude people with limited mobility or who use pushchairs. Poor walking, cycling and public transport may exclude older people, women and people with caring responsibilities.

Could the policy or function promote or contribute to equality and good relations between different groups? If so, how?

Yes, by creating shared social and sporting spaces and by facilitating a choice of modes of transport suitable for as wider a range of people as possible.

What further evidence is needed to understand the impact on equality?

Further information on transport and facilities will be submitted with the planning applications, in respect of which the SPD will be a material consideration.

9. On the basis of the analysis above what actions, if any, will you need to take in respect of each of the equality strands?

Age: Have regard to pedestrian safety standards and public transport accessibility.

Disability: Have regard to gradients and accessibility.

Gender: Have regard to community safety and public transport accessibility.

Gender Reassignment: None.

Marriage and Civil Partnership: None.

Pregnancy and Maternity: None.

Race: None.

Religion and Belief: Consider accessibility to places of worship.

Sexual Orientation: None.

Executive Director:

I am satisfied with the results of this EIA. I undertake to review and monitor progress against the actions proposed in response to this impact assessment.

Signature:

**Strategic Environmental Assessment
(SEA) / Habitats Regulations
Assessment (HRA) Screening Report
prepared in relation to the Toton and
Chetwynd Barracks Strategic
Masterplan Supplementary Planning
Document**

**Prepared by Broxtowe Borough Council
September 2022**

1.0 Introduction

- 1.1 This Screening Report has been prepared by Broxtowe Borough Council (BBC) in relation to the final version of the Toton and Chetwynd Barracks Strategic Masterplan Supplementary Planning Document (SPD).
- 1.2 This SPD was published, alongside a Consultation Statement, for public consultation between 1 November 2021 and 14 January 2022 (to comply with Regulations 12 and 13 of the Town and Country Planning (Local Planning) (England) Regulations 2012. The public consultation period was extended as the government's Integrated Rail Plan (IRP) was published during this time (on 18 November 2021).
- 1.3 The requirement for a Strategic Environment Assessment (SEA) is set out in the Environmental Assessment of Plans and Programmes Regulations 2004 (as amended, including through EU Exit legislation) which implements the requirements of the European Directive 2001/42/EC. Regulation 5 of the Directive sets out the types of plans that require an environmental assessment, which includes those that set the framework for future development consent. Regulation 5 (6) provides an exemption and states that an environmental assessment need not be carried out: (a) for a plan or programme which determines the use of a small area at local level; or (b) for a minor modification to a plan or programme, unless it has been determined that the plan, programme or modification, as the case may be, is likely to have significant environmental effects.
- 1.4 Section 39 of the Planning and Compulsory Purchase Act 2004 requires local authorities to undertake a Sustainability Appraisal (SA) for Development Plan Documents and SPDs. However, the Town and Country Planning (Local Development) (England) (Amendment) Regulations 2009 removes the automatic need for an SA of SPDs. This is because SPDs do not normally introduce new policies or proposals or modify planning documents which have already been subject to Sustainability Appraisal. National Planning Practice Guidance confirms that SPDs do not require a sustainability appraisal but may in exceptional circumstances require a strategic environmental assessment if they are likely to have significant environmental effects that have not already been assessed during the preparation of the Local Plan.
- 1.5 SEA/SAs are undertaken during preparation of plans or programmes and their purpose is to assess the sustainability of emerging plans or programmes. EU Directive 2001/42/EC requires the Strategic Environment Assessment (SEA) of the environmental effects of certain plans and programmes on the environment.
- 1.6 The SEA Directive '*seeks to provide a high level of protection of the environment by integrating environmental considerations into the process of preparing plans and programmes.*' The SEA Directive is transposed into UK law through the Environmental Assessment of Plans and Programmes Regulations (the 'SEA Regulations') and it is these regulations that the SPD will need to be compatible with.

- 1.7 EU law has ceased to apply in the United Kingdom under the terms of the Withdrawal Agreement and EU Treaties. The European Union (Withdrawal) Act 2018 (EUWA) has established a new body of domestic law known as retained EU law. Beyond the transition period, the SEA Regulations, which previously implemented the requirements of the SEA Directive in England, will continue to apply as before, unless and until new legislation is introduced.
- 1.8 Further guidance on applying European Directive 2001/42/EC ‘on the assessment on the effects of certain plans and programmes on the environment’ is set out within a [‘Practical Guide’](#), published by the former Office of the Deputy Prime Minister in 2006.

2.0 Screening Process

- 2.1 There are three steps to the screening process. These are:
1. Prepare a screening report
 2. Request a screening opinion from the consultation bodies in light of this report
 3. In light of their responses, determine whether the SPD is likely to have significant effects on the environment (and therefore requires an SEA).
- 2.2 When determining whether an SPD requires an SEA, the SEA Regulations require that the criteria set out in Schedule 1 of the SEA Regulations be considered.
- 2.3 These are the criteria *‘for determining the likely significance of effects on the environment’*.
- 2.4 These criteria are split into two categories:
- those relating to the characteristics of the plan; and
 - those relating to the characteristics of the effects and area likely to be affected.

Plan Characteristics

- the degree to which the plan or programme sets a framework for projects and other activities, either with regard to the location, nature, size and operating conditions or by allocating resources
- the degree to which the plan or programme influences other plans and programmes including those in a hierarchy
- the relevance of the plan or programme for the integration of environmental considerations in particular with a view to promoting sustainable development
- environmental problems relevant to the plan or programme
- the relevance of the plan or programme for the implementation of [European] Community legislation on the environment (for example, plans and programmes linked to waste management or water protection).

Effects and Area Characteristics

- the probability, duration, frequency and reversibility of the effects
- the cumulative nature of the effects
- the transboundary nature of the effects
- the risks to human health or the environment (for example, due to accidents)
- the magnitude and spatial extent of the effects (geographical area and size of the population likely to be affected)
- the value and vulnerability of the area likely to be affected due to:
 - o special natural characteristics or cultural heritage
 - o exceeded environmental quality standards or limit values
 - o intensive land-use
- the effects on areas or landscapes which have a recognised national, community or international protection status.

2.5 The assessment of effects should be undertaken in a proportionate way and it is acknowledged that at this stage there may be gaps in data. That should only be a problem if the gaps or uncertainties are such that it is not possible to reasonably assess the likely significant effects of a Plan. Enough information needs to be included so that the consultation bodies can take a view on the likely significant effects of implementing the plan. The SEA Regulations set out a range of issues that could be addressed in the environmental report if SEA is required.

3.0 Key Information on the Toton and Chetwynd Barracks Strategic Masterplan SPD

3.1 The Toton and Chetwynd Barracks Strategic Masterplan SPD sets out additional planning guidance for the development of the Toton and Chetwynd Barracks sites, but does not include additional policy requirements over and above those contained within the strategic policies of the development plan for the area, which comprises the [Broxtowe Aligned Core Strategy \(ACS\)](#), which was subject to SEA ([Sustainability Appraisal](#)) during its preparation, and the adopted [Broxtowe Part 2 Local Plan](#), which was also subjected to a full process of [Sustainability Appraisal](#).

3.2 Policies 3.1 and 3.2 of the Broxtowe Part 2 Local Plan (LP), adopted in October 2019, are of particular relevance to this SPD, as these set out the main policy requirements for the Toton and Chetwynd Barracks sites, which this SPD provides additional guidance in relation to.

3.3 The final version of the Toton and Chetwynd Barracks Strategic Masterplan SPD was produced by Broxtowe Borough Council in September 2022. Additional supporting information, including the Consultation Statement, and other background documents can be viewed on Broxtowe Borough Council's website at the following link: <https://www.broxtowe.gov.uk/for-you/planning/planning-policy/toton-and-chetwynd-barracks-strategic-masterplan-supplementary-planning-document-spd/>.

4.0 SEA Screening Assessment

4.1 Broxtowe Borough Council, as the 'responsible authority', considers that the Toton and Chetwynd Barracks Strategic Masterplan SPD is within the scope of the SEA Regulations since it is a plan that:

- is subject to preparation or adoption by an authority at national, regional or local level (Regulation 2)
- is prepared for town and country planning or land use and it is a plan that sets the framework for future development consent of projects generally (Regulation 5, para. 4)

4.2 A determination under Regulation 9 is therefore required as to whether the Toton and Chetwynd Barracks Strategic Masterplan SPD is likely to have significant effects on the environment.

4.3 The screening requirements set out in Regulation 9 and Schedule 1 of the SEA Regulations include two sets of characteristics for determining the likely significance of effects on the environment:

- the characteristics of the plan itself, and,
- the characteristics of the effects and of the area likely to be affected by the plan

4.4 This screening assessment is structured in the following table according to the criteria specified in Schedule 1 of the Regulations:

Criteria (Schedule 1 SEA Regulations)	Are significant environmental effects likely? Yes/ No Justification and evidence	
1.The characteristics of plans, having regard, in particular, to:		
(a) the degree to which the plan sets a framework for projects and other activities, either with regard to the location, nature, size and operating conditions or by allocating resources	No	The SPD does not allocate any sites for development or introduce additional policy requirements over and other those set out within the development plan. It provides additional guidance to development plan policies, including Part 2 LP Policies 3.1 and 3.2, both of which were subjected to extensive processes of Sustainability Appraisal and were tested through the LP Examination stage; additional significant environmental effects are therefore considered to be unlikely. Any additional growth at the Toton and Chetwynd Barracks sites, over and above that allocated within the Broxtowe Aligned Core Strategy (ACS) and Part 2 LP will only be allocated within a review of the Local Plan (for example as a part of the review of the ACS, the Greater Nottingham Strategic Plan) and not through this SPD.
(b) the degree to which the plan influences other plans and programmes including those in a hierarchy	No	This SPD is a lower tier document which provides additional guidance to LP policies. It does not seek to influence other plans, such as those at a higher level, including the Broxtowe ACS and Broxtowe Part 2 LP.
(c) the relevance of the plan for the integration of environmental considerations in particular with a view to promoting sustainable development	No	The SPD seeks to promote the objectives of sustainable development. It is not specifically relevant as a plan for integrating environmental considerations. Any development proposed must also be in accordance with the environmental protection policies in the adopted Broxtowe ACS, adopted Broxtowe Part 2 LP and the NPPF.
(d) environmental problems relevant to the plan	No	There are no existing specific environmental problems relevant to this SPD that have not been identified and assessed through the higher-level ACS and the adopted Broxtowe Part 2 LP and their accompanying processes of SA/SEA.
(e) the relevance of the plan for the implementation of Community legislation on the environment (for example, plans and programmes linked to waste management or water protection).	No	This SPD is not relevant as a plan for implementing community legislation on the environment. It does not relate to waste management or water protection.

Criteria (Schedule 1 SEA Regulations)	Are significant environmental effects likely? Yes/ No Justification and evidence	
2. Characteristics of the effects and of the area likely to be affected, having regard, in particular, to:		
(a) the probability, duration, frequency and reversibility of the effects	No	Additional development is not proposed by the SPD. The guidance within the SPD applies to the main built-up urban area and is consistent with the higher level policies of the Broxtowe ACS and Part 2 LP, which were subjected to processes of SA. Additional significant environmental effects are therefore considered unlikely.
(b) the cumulative nature of the effects	No	Cumulative effects are unlikely as new policies are not proposed.
(c) the transboundary nature of the effects	No	There will be no trans-boundary effects as a result of the guidance set out within the SPD.
(d) the risks to human health or the environment (for example, due to accidents)	No	<p>Significant risks to human health or the environment are considered to be very unlikely, due to the nature of the area, which is largely greenfield. The Chetwynd Barracks site is currently in use as a Ministry of Defence (MOD) base, but this will be released from the MOD estate within the next few years. Large parts of the original (larger) MOD base (to the south) have already been released from the MOD estate and are now in residential and office uses. Large parts of the Chetwynd Barracks sites are effectively greenfield in nature and large parts of the site are in residential use (for MOD staff). Other parts of the site are used for storage by the MOD. The development allocated by the development plan and to be guided by the SPD includes housing, and buildings for employment, retail and community uses, all of which would be low risk to both human health and the environment.</p> <p>Parts of the Toton site (primarily within the railway corridor) are within Flood Zones 2 or 3. The majority of the Toton and Chetwynd Barracks sites is located outside of these zones.</p> <p>Electricity lines cross parts of the Toton site, but neither major gas pipelines nor trunk water mains cross the sites.</p> <p>In conclusion, the risk of accidents is therefore considered to be very low.</p>

Criteria (Schedule 1 SEA Regulations)	Are significant environmental effects likely? Yes/ No Justification and evidence	
2 (continued). Characteristics of the effects and of the area likely to be affected, having regard, in particular, to:		
(e) the magnitude and spatial extent of the effects (geographical area and size of the population likely to be affected)	No	The SPD applies only to the Toton and Chetwynd Barracks sites, rather than the wider borough and so the magnitude and spatial extent of any effects is likely to be very limited.
(f) the value and vulnerability of the area likely to be affected due to— (i) special natural characteristics or cultural heritage; (ii) exceeded environmental quality standards or limit values; or (iii) intensive land-use;	No	There is a Conservation Area (Sandiacre Lock), which is located to the north west of the Toton site, largely outside of the site. It is considered that guidance within the SPD will provide additional protection to this area. Part of the area is within or adjacent to the Nottingham Urban Area Agglomeration Zone, but is not within or adjacent to any Air Quality Management Areas. The SPD contains guidance to provide additional protection to the natural and built environment of the area and to facilitate the development of public transport infrastructure. The sites, in common with the entire southern part of the Borough, are within a 'Smoke Control Area'. In summary, no significant environmental effects are considered likely.
(g) the effects on areas or landscapes which have a recognised national, Community or international protection status.	No	No parts of the area are within or adjacent to any internationally or nationally designated areas. There is no AONB (Area of Outstanding Natural Beauty) nearby. A small part of the Toton Fields Local Nature Reserve is located within the Toton site, along its southern and eastern boundary. However, the guidance within the SPD should facilitate the protection of this area. There are Local Wildlife Sites within and adjacent to the western part of the Toton site and a smaller (1.27 hectare) Local Wildlife Site adjacent to the eastern boundary of the Chetwynd Barracks site. Guidance within the SPD will facilitate the protection of these Sites. There are no Local Geological Sites or Sites of Special Scientific Interest (SSSIs) within the boundaries of the sites.

		<p>There is a Conservation Area (Sandiacre Lock), which is located to the north west of the Toton site, largely outside of the site. It is considered that guidance within the SPD will provide additional protection to this area.</p> <p>The 'Memorial to workers of the National Filling Factory No.6, Chilwell', located within the Chetwynd Barracks site, is Grade II listed. The SPD also identifies a number of Non-Designated Heritage Assets within the Chetwynd Barracks site. These assets will be afforded further protection by guidance within the SPD.</p>
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5.0 SEA Screening Decision

5.1 Regulation 9 of the SEA Regulations requires that the responsible authority shall determine whether or not a plan is likely to have significant environmental effects.

5.2 The responsible authority shall:

- (a) take into account the criteria specified in Schedule 1 to these Regulations, and:
- (b) consult the consultation bodies.

5.3 Where the responsible authority determines that the plan is unlikely to have significant environmental effects (and, accordingly, does not require an environmental assessment), it shall prepare a statement of its reasons for the determination.

5.4 Having taken into account the views of the consultation bodies (see Annex), Broxtowe Borough Council considers that the Toton and Chetwynd Barracks Strategic Masterplan SPD is unlikely to have significant environmental effects and thus does not require a Strategic Environmental Assessment (SEA).

5.5 This decision (as confirmed following by the consultation bodies: the Environment Agency, Historic England and Natural England) has been made for the following key reasons:

- The Toton and Chetwynd Barracks Strategic Masterplan SPD does not allocate any sites for development or introduce new policy requirements. As an SPD, it is a lower tier document which provides additional guidance to adopted Local Plan policies, which were subjected to rigorous processes of Sustainability Appraisal.
- The guidance set out within the document is considered to be unlikely to influence development in ways which would be harmful to the environment.
- The emphasis of the guidance within the SPD is generally towards the conservation, protection and enhancement of the environment and protection of the heritage of the area and to facilitating sustainable development. There is also considerable emphasis on the transition to 'Net-Zero Carbon' development.

6.0 Habitats Regulations Assessment (HRA) Screening

6.1 The Borough Council has also 'screened' to assess whether the SPD requires an 'appropriate assessment' under the Habitats Regulations in accordance with Regulation 105 of the [Conservation of Habitats and Species Regulations 2017](#), as amended by the [Conservation of Habitats and Species \(Amendment\) \(EU Exit\) Regulations 2019](#).

- 6.2 Regulation 105 requires that where a land use plan:
- (a) is likely to have a significant effect on a European site or a European offshore marine site (either alone or in combination with other plans or projects), and
 - (b) is not directly connected with or necessary to the management of the site,
- the plan-making authority for that plan must, before the plan is given effect, make an appropriate assessment of the implications for the site in view of that site's conservation objectives.
- 6.3 In determining whether an 'appropriate assessment' is required, the Local Planning Authority has taken a number of factors into consideration. These are considered below.
- 6.4 There are no Special Protection Areas (SPAs), Special Areas of Conservation (SACs) or Ramsar sites within the boundary of the SPD area.
- 6.5 The Toton and Chetwynd Barracks Strategic Masterplan SPD only applies to a small geographical area and provides additional guidance to adopted Local Plan policies, rather than new policy.
- 6.6 A [Habitats Regulations Assessment \(HRA\)](#) accompanied the Broxtowe Borough Aligned Core Strategy, for the period until 2028. An updated [HRA](#) was undertaken and published in November 2018, in relation to the Submission Version of the Broxtowe Part 2 Local Plan. This was produced following the European Court of Justice ruling on the 'People Over Wind' case (Case C-323/17 People Over Wind & Peter Sweetman v Coillte Teoranta), which provided a new interpretation of when and how mitigation measures should be considered. The judgment clarified that when making screening decisions for the purposes of deciding whether an appropriate assessment is required, competent authorities cannot take into account any mitigation measures.
- 6.7 The HRA that accompanied the Broxtowe Borough Part 2 Local Plan for the period until 2028, concluded that the development proposed in the Part 2 Local Plan will not lead to likely significant effects either alone or in-combination with other plans or programmes.
- 6.8 The HRA took a precautionary approach and assessed the prospective Special Protection Area (SPA) of Sherwood Forest (which does not represent a formal European site (defined by Regulation 8 of the Habitats Regulations)) as though fully classified. The SPA extends across a wide expanse of land to the north of the borough (located within the Gedling Borough and Ashfield District Council administrative areas).
- 6.9 This HRA (for the Part 2 Local Plan) assessed the impact of the allocations for 7,249 new homes (across the entire Borough) over the plan period and whilst this increased to 7,512 overall (including a 300 dwelling windfall allowance) following the Main Modifications, the broad locations and distribution for new

housing remain unaltered from those in the Aligned Core Strategy. There has been an increase in the urban south of the Borough (Main Built up Area of Nottingham) and a decrease of dwellings proposed for the Key Settlements in the north of the Borough.

- 6.10 This HRA update concluded that the conclusions in the HRA remain valid and were further strengthened through the Main Modifications to the Part 2 Local Plan, including from the fact that numbers for the three (Part 2 Local Plan) allocations within 5km of the only vulnerable site, Sherwood Forest prospective SPA, had actually fallen. Toton and Chetwynd Barracks are located further away from this site.
- 6.11 Broxtowe Borough Council is satisfied, (subject to any representations which may be received by Natural England in relation to this Screening Report), that the Toton and Chetwynd Barracks Strategic Masterplan SPD will have no likely significant effect on sites applicable to HRA.

Conclusions

- 6.12 In consideration of the small geographical area affected by the Toton and Chetwynd Barracks Strategic Masterplan SPD, the fact that this document provides guidance to adopted Local Plan policies rather than additional policy requirements, and the significant distance from the one (unconfirmed) European site well outside the SPD boundary, the HRA screening concludes that the Toton and Chetwynd Barracks Strategic Masterplan SPD is not likely to have significant effects on any EU designated sites, either alone or in combination with other plans and projects.
- 6.13 It has therefore been concluded, taking into account representations received from Natural England, that the Toton and Chetwynd Barracks Strategic Masterplan SPD will have no likely significant effect on sites applicable to HRA, and so an 'appropriate assessment' would not be required.

Broxtowe Borough Council
September 2022

Annex: Opinions of the Consultation Bodies

Date: 16 September 2022
Our ref: 405992
Your ref: None



Steve Simms
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Crewe Business Park
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CW1 6GJ

T 0300 060 3900

BY EMAIL ONLY

Dear Mr Simms,

**Planning consultation: Broxtowe Local Plan - Toton & Chetwynd Barracks Masterplan
Supplementary Planning Document (SPD): SEA & HRA Screening Consultation**

Thank you for your consultation on the above dated 01 September 2022 which was received by Natural England on the same date.

Natural England is a non-departmental public body. Our statutory purpose is to ensure that the natural environment is conserved, enhanced, and managed for the benefit of present and future generations, thereby contributing to sustainable development.

Natural England welcomes the Screening Report which assesses the requirement for Strategic Environmental Assessment (SEA) and Habitat Regulations Assessment (HRA) for the Toton & Chetwynd Barracks Masterplan Supplementary Planning Document (SPD).

We can confirm that it is considered unlikely that any significant environmental effects will result from the implementation of SPD that were not identified and assessed through the adopted Aligned Nottinghamshire Core Strategy and Broxtowe Part 2 Local Plan and their accompanying SA/SEA. As the SPD is unlikely to have significant environmental effects it would not require further Strategic Environmental Assessment (SEA).

Natural England also agrees with the report's conclusions that the Toton & Chetwynd Barracks Masterplan SPD would not be likely to result in a significant effect on any European Site either alone or in combination and therefore no further assessment work under the Habitats Regulations would be required.

If you have any queries relating to the advice in this letter please contact me on [REDACTED]

Yours sincerely

[REDACTED]
Senior Planning Adviser – Strategic Plans for Places
East Midlands Area

Steve Simms

From: [REDACTED]
Sent: 22 September 2022 15:54
To: Steve Simms
Cc: Midlands ePlanning
Subject: RE: SEA/HRA Screening Consultation: Toton and Chetwynd Barracks Strategic Masterplan SPD

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Mr Simms,
Thank you for your message consulting Historic England on the SEA screening for Toton and Chetwynd Barracks Strategic Masterplan SPD.

On the basis of the submitted information, Historic England advise that SEA should not be required for historic environment reasons. We note however that buildings taller than the 6 storey upper end of the range are cited as a possibility around the station, but that this isn't quantified. This brings with it the potential for impacts that will be dependent on the height of such development, and we advise that separate assessments for any such proposals may be necessary in future.

We welcome the commitment to maintaining and revealing the significance of the site's heritage assets in the plan, and advise that in order to deliver this ongoing historic environment curatorial advice will be needed.

Yours sincerely,

[REDACTED]

[REDACTED]

Work with us to champion heritage and improve lives. Read our Future Strategy and get involved at historicengland.org.uk/strategy.

Follow us: [Facebook](#) | [Twitter](#) | [Instagram](#) Sign up to our [newsletter](#)

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Mr Steve Simms - Planning Manager
Broxtowe Borough Council
Planning Policy
Town Hall Foster Avenue
Beeston
Nottingham
NG9 1AB

Our ref: LT/2011/113450/SE-02/SC1-L01

Your ref:

Date: 23 September 2022

Dear Mr Simms

SEA/HRA Screening Consultation: Toton and Chetwynd Barracks Strategic Masterplan SPD

Thank you for giving us the opportunity to comment on the SEA/HRA screening consultation and please find our comments detailed below.

Environment Agency position

Please note that we gave our feedback on the draft Toton and Chetwynd Barracks Strategic Masterplan SPD in December 2021. It appears that our comments have been taken on board in the latest iteration published in September 2022.

The SEA/HRA Screening Report published September 2022 confirms that the SPD does not include any additional policy requirements over and above those contained within the relevant strategic documents.

The Broxtowe Aligned Core Strategy (ACS) was subject to SEA and the adopted Broxtowe Part 2 Local Plan was subject to the full process of Sustainability Appraisal.

The gov.uk website within the Strategic environmental assessment and sustainability appraisal guidance in paragraph 008 states:

Supplementary planning documents do not require a sustainability appraisal but may in exceptional circumstances require a strategic environmental assessment if they are likely to have significant environmental effects that have not already been assessed during the preparation of the relevant strategic policies.

Bearing this in mind and having read the information presented within the SPD we do not believe that there is likely to be any significant environmental impacts that have not already been addressed through the relevant strategic documents as highlighted above.

Yours sincerely

Environment Agency
Trent Side North, West Bridgford, Nottingham, NG2 5FA.
Customer services line: 03708 506 506
www.gov.uk/environment-agency
Cont/d..

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Report of the Portfolio Holder for Economic Development and Asset Management

GOVERNMENT CONSULTATION ON REFORMS TO NATIONAL PLANNING POLICY

1. Purpose of Report

To decide the Council's response to the Government's current consultation on reforms to national planning policy.

2. Recommendation

Cabinet is asked to RESOLVE that the proposed responses in Appendix 2 of this report of the Council's responses to the Government's consultation be approved.

3. Detail

The Government is consulting on potential reforms to national planning policy, involving proposed changes to the National Planning Policy Framework (NPPF). The Government states that it is "also seeking views on our proposed approach to preparing National Development Management Policies, how we might develop policy to support levelling up, and how national planning policy is currently accessed by users". The Government also states that a "fuller review of the framework will be required in due course, and its content will depend on the implementation of the government's proposals for wider changes to the planning system, including the Levelling-up and Regeneration Bill".

As well as National Development Management Policies, subjects referred to in the consultation include: housing need and green belt boundaries; the tests of 'soundness' for Local Plans; the 'uplift' to housing requirements for large cities such as Nottingham; the 'Duty to Co-operate'; five-year housing land supply; the use of 'buffers' in housing land supply calculations; the Housing Delivery Test; 'irresponsible planning behaviour' by applicants; onshore wind; Supplementary Planning Documents; and 'social rent' homes.

A fuller summary of the consultation is included as a 'Briefing Note' at Appendix 1 of this report and Appendix 2 gives proposed responses to the consultation questions. The consultation document itself is available at <https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy> and the proposed changes to the NPPF are at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1126647/NPPF_July_2021_-_showing_proposed_changes.pdf.

The consultation runs between 22 December 2022 and 2 March 2023.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

There are no financial implications to consider at this consultation stage.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

Whilst there are no direct legal implications arising from this report, the proposed revisions represent a clear steer from the Government to align the NPPF with the Levelling Up and Regeneration Bill. Further consultation is scheduled to take place on the rest of the NPPF and National Development Management Policies (once the Bill has been passed) from Spring 2023, with further updates to the NPPF to arrive later this year

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

Not applicable.

7. Union Comments

The Union comments were as follows:

Not applicable.

8. Data Protection Compliance Implications

No implications.

9. Equality Impact Assessment

Not applicable.

10. Background Papers

Nil

APPENDIX 1

Briefing Note**Background**

The [Levelling Up and Regeneration Bill](#) is currently before Parliament. The Bill makes a number of changes to existing local government, planning, and compulsory purchase legislation.

Alongside the proposals in the Bill, on 22 December 2022 the government launched a [consultation on reforms to national planning policy](#). This Briefing Note focuses on this consultation and the changes proposed.

The consultation is open until 2 March 2023.

Extent of the Consultation

The consultation includes:

1. Specific changes that are proposed to be made immediately to the National Planning Policy Framework (NPPF). These are set out in a [tracked changes document](#). The government has indicated that they intend to introduce these changes by spring 2023.
2. Alongside these specific changes, the consultation seeks views on a wider range of proposals which will be considered in the context of a wider review of the National Planning Policy Framework and will follow Royal Assent of the Levelling Up and Regeneration Bill. The government will consult on the detail of these wider changes next year, reflecting responses to this consultation.
3. The consultation sets out the envisaged role for National Development Management Policies (NDMPs) and asks for views on how NDMPs are implemented. The government states they will consult on the detail later.

1. Changes proposed to the NPPF (Spring 2023)

- Local authorities will be expected to continue to use local housing need, assessed through the standard method, to inform the preparation of their plans; although the ability to use an alternative approach where there are exceptional circumstances that can be justified will be retained. The government states that it will make clearer in the NPPF that the outcome of the standard method is an advisory starting-point to inform plan-making and proposes to give more explicit indications in planning guidance of the types of local characteristics which may justify the use of an alternative method.
- Housing need would not need to be met in full if it would mean building at densities significantly out of character with the existing area or if there is clear evidence of past over-delivery.
- There would not be a requirement to review and alter Green Belt boundaries if this would be the only means of meeting the objectively assessed need for housing over the plan period.

- Plans would not be required to be ‘justified’. Instead, the examination would assess whether the local planning authority’s proposed target meets need so far as possible, takes into account other policies in the Framework, and will be effective and deliverable.
- The government intends to retain the uplift of 35 per cent to the assessed housing need for the 20 largest towns and cities in England (which includes Nottingham). The draft NPPF revisions would require that this uplift is, “so far as possible”, met by the towns and cities concerned rather than exported to surrounding areas, except where there is voluntary cross-boundary agreement to do so.
- Councils would no longer have to apply buffers to the five-year housing land supply.
- Additional references to building ‘beautiful’ places and recognition that mansard roofs are an appropriate form of upward extension.
- Changes to enable the re-powering of renewable and low carbon energy (replacing old wind turbines with newer models), provided that the impacts of any development proposal are or can be made acceptable in planning terms.
- Additional text to state that significant weight should be given to the need to support energy efficiency improvements through the adaptation of existing buildings, particularly large non-domestic buildings.
- The government is considering suspension or amendment of the usual consequences of failure of the 2022 Housing Delivery Test.

2. Proposed Future Changes to National Policy (Expected 2024)

- The government says it will review the implications for the standard method of new household projections data based on the 2021 Census, which is due to be published in 2024. But it is not proposing any changes to the standard method formula itself through this consultation.
- The duty to co-operate is to be replaced with an “alignment policy”. The duty will remain in place until those provisions come into effect. Further consultation on what should constitute the alignment policy will be undertaken.
- For the purposes of decision making, where emerging local plans have been submitted for examination or where they have been subject to a Regulation 18 or 19 consultation which included both a policies map and proposed allocations towards meeting housing need, those authorities will benefit from only having to demonstrate a four-year supply of land for housing, instead of the usual five.
- Past “irresponsible planning behaviour” by applicants could be taken into account when applications are being determined. Primary legislation would be needed to enact such measures.
- Government data will be published on developers of sites over a certain size who fail to build out according to their commitments. Delivery will also become a material consideration in planning applications.

- Developers will be required to explain how they propose to increase the diversity of housing tenures to maximise a development scheme's absorption rate (which is the rate at which homes are sold or occupied).
- A financial penalty for developers that are building out too slowly will be consulted on separately.
- There will be a review of the current degradation provisions for Biodiversity Net Gain "to reduce the risk of habitat clearances prior to the submission of planning applications, and before the creation of off-site biodiversity enhancements". The government will also consider how "the threat to wildlife created by the use of artificial grass by developers in new development" can be halted.
- Views are sought on effective and proportionate ways of deploying a broad carbon assessment of new developments, including what they should measure, what evidence could underpin them such as Local Area Energy Plans, and how they may be used in a plan-making context or as a tool for assessing individual developments.
- Policy and guidance in relation to the production of Strategic Flood Risk Assessments will be reviewed.

3. National Development Management Policies (NDMPs)

- These would be given the same weight in certain planning decisions as policies in local plans, neighbourhood plans and other statutory plans. They would cover planning considerations that apply regularly in decision-making such as general policies for conserving heritage assets, and preventing inappropriate development in the Green Belt and areas of high flood risk.
- The government states that the existing National Planning Policy Framework already contains development management policies of this type that can be significant 'material considerations' but these do not have any statutory status. The NDMPs would include these as policies and would also cover other national priorities, "for example net zero policies that it would be difficult to develop evidence to support at a district level, but which are nationally important."
- The intention is that National Development Management Policies, once introduced, would be set out in a separate document to the rest of the National Planning Policy Framework. The latter would be re-focused on principles for plan-making.
- Further consultation will follow on our proposals for the draft National Development Management Policies themselves following passage of the Bill.

4. Transition Arrangements

- Councils will have until 30 June 2025 to submit their local plans for independent examination under the existing legal framework. This will mean that existing legal requirements and duties, for example the Duty to Cooperate, will still apply. Plans must then be adopted by 31 December 2026.

- Under the reformed system, which is expected to go live in late 2024, there will be a requirement for local planning authorities to start work on new plans by, at the latest, 5 years after adoption of their previous plan, and to adopt that new plan within 30 months. Authorities that have prepared a local plan which is less than 5 years old when the new system goes live will not be required to begin preparing a new-style plan until their existing plan is 5 years old.
- In the reformed planning system, authorities will no longer be able to prepare supplementary planning documents (SPDs). Instead, they will be able to prepare Supplementary Plans, which will be afforded the same weight as a local plan or minerals and waste plan. When the new system comes into force (expected late 2024), existing SPDs will remain in force for a time-bound period, until the local planning authority is required to adopt a new-style plan. Current SPDs will automatically cease to have effect at the point at which authorities are required to have a new-style plan in place.

APPENDIX 2

Proposed responses to the consultation questions

Question Number	Question Wording	Proposed Response
1	Do you agree that local planning authorities should not have to continually demonstrate a deliverable 5-year housing land supply (5YHLS) as long as the housing requirement set out in its strategic policies is less than 5 years old?	<p>Agree that this provides a strong incentive for local authorities to have an up-to-date plan in place and reduces the risk of speculative development when a recently adopted plan is in place.</p> <p>There is a case for saying that 5YHLS requirements should be removed in all cases, as they are heavily based on estimates/speculation and the penalties for failing to meet them are unduly harsh.</p>
2	Do you agree that buffers should not be required as part of 5YHLS calculations (this includes the 20% buffer as applied by the Housing Delivery Test)?	Agree that buffers should not be required as this adds complexity and increases uncertainty. The logic behind the various buffer percentages is not clear. It is more important to ensure that a robust 5-year housing land supply is in place.
3	Should an oversupply of homes early in a plan period be taken into consideration when calculating a 5YHLS later on or is there an alternative approach that is preferable?	Agree that an oversupply of homes early in the plan period should be taken into consideration. This prevents local authorities, who are successfully delivering houses, being punished by having to find additional housing sites later in the plan period. This currently acts as a disincentive to trying to bring forward some sites earlier in the plan period.
4	What should any planning guidance dealing with oversupply and undersupply	See above.

Question Number	Question Wording	Proposed Response
	say?	
5	Do you have any views about the potential changes to paragraph 14 of the existing Framework and increasing the protection given to neighbourhood plans?	Broadly supportive of this amendment.
6	Do you agree that the opening chapters of the Framework should be revised to be clearer about the importance of planning for the homes and other development our communities need?	Broadly supportive of the recognition of the importance of preparing and maintaining up-to-date plans and the importance of infrastructure to support the provision of homes.
7	What are your views on the implications these changes may have on plan-making and housing supply?	Please see the responses to other questions above and below.
8	Do you agree that policy and guidance should be clearer on what may constitute an exceptional circumstance for the use of an alternative approach for assessing local housing needs? Are there other issues we should consider alongside those set out above?	Agree that policy needs to be clear on what may constitute an exceptional circumstance. A lack of clarity will create more uncertainty and further delay. It may also provide false expectations for local communities regarding how far housing numbers can be reduced. Other issues which may be considered would be significant infrastructure constraints which cannot be overcome within the plan period.
9	Do you agree that national policy should make clear that Green Belt does not need to be reviewed or altered when making plans, that building at densities significantly out of character with an existing area may be considered in assessing whether housing need can be met, and that past over-supply may be taken into account?	Agree that national policy should make this clear. However, there may be implications if local authorities which adjoin urban areas have to meet any of the unmet need created by the urban uplift (question 15). This approach will also prevent any potential strategic review of Green Belt boundaries which may still be important. There is a potential for different interpretations regarding the

Question Number	Question Wording	Proposed Response
		<p>appropriate density for building, particularly in light of references elsewhere to gentle increases in density.</p> <p>There may be a case for reviewing, at national level, the weight that is given to Green Belt issues relative to all other planning issues, bearing in mind that some Green Belt boundaries may have been established several decades ago and it may not necessarily be entirely appropriate that they should remain completely unchanged into the indefinite future.</p> <p>The detailed wording may also benefit from review as, taken literally, it could be taken as implying that Green Belt boundaries would be required to be reviewed and altered if this was one of two or more means of meeting 'objectively assessed need' (rather than 'the only means').</p>
10	Do you have views on what evidence local planning authorities should be expected to provide when making the case that need could only be met by building at densities significantly out of character with the existing area?	This may be dependent on the success of design codes. It may well be appropriate for expectations regarding densities to be set out in local design codes/guides. It may be difficult to provide evidence as density will vary significantly across most council areas.
11	Do you agree with removing the explicit requirement for plans to be 'justified', on the basis of delivering a more proportionate approach to examination?	<p>Difficult to know how significantly this would change the examination process in practice.</p> <p>It seems somewhat odd to remove the requirement for plans to be 'justified', given that 'justified' means that the strategy should be 'appropriate'</p>

Question Number	Question Wording	Proposed Response
		and that the plan should be based on 'proportionate' evidence. However, the consultation document says that the change is in order to ensure 'proportionate' assessment, which would be welcome.
12	Do you agree with our proposal to not apply revised tests of soundness to plans at more advanced stages of preparation? If no, which if any, plans should the revised tests apply to?	No comment to make.
13	Do you agree that we should make a change to the Framework on the application of the urban uplift?	The 35% 'uplift' does not appear to be based on evidence or analysis, and the choice of areas to which it applies appears to be somewhat arbitrary. There seems to be a contradiction between the emphasis that the standard method is an advisory starting point and the application of an arbitrary 35% uplift which is not evidence led.
14	What, if any, additional policy or guidance could the department provide which could help support authorities plan for more homes in urban areas where the uplift applies?	Guidance regarding what the implications are if the uplift cannot be met.
15	How, if at all, should neighbouring authorities consider the urban uplift applying, where part of those neighbouring authorities also functions as part of the wider economic, transport or housing market for the core town/city?	It should not be expected that neighbouring authorities have to meet any unmet need and it should be for the urban authorities to meet it as far as they possibly can. The uplift is not based on evidenced need. Neighbouring authorities, such as Broxtowe, would be required to review Green Belt boundaries if they were expected to meet any of the need created by the urban uplift. In Greater Nottingham, there is currently good co-

Question Number	Question Wording	Proposed Response
		operation between authorities on a range of strategic planning issues. However, if neighbouring authorities have to also consider the uplift, this may act as a deterrent for continuing close cooperation.
16	Do you agree with the proposed 4-year rolling land supply requirement for emerging plans, where work is needed to revise the plan to take account of revised national policy on addressing constraints and reflecting any past over-supply? If no, what approach should be taken, if any?	Agree that there should be incentives in place to continue plan-making in the interim.
17	Do you consider that the additional guidance on constraints should apply to plans continuing to be prepared under the transitional arrangements set out in the existing Framework paragraph 220?	No comment to make.
18	Do you support adding an additional permissions-based test that will 'switch off' the application of the presumption in favour of sustainable development where an authority can demonstrate sufficient permissions to meet its housing requirement?	Agree in principle with this approach, particularly because it acknowledges that authorities cannot ensure that permissions are implemented. However, there needs to be clear guidance on how these planning permissions should be recorded (using existing recording methods) to reduce the potential for the figures to be challenged, which would add further complexity, uncertainty and delay into the system.
19	Do you consider that the 115% 'switch-off' figure (required to turn off the presumption in favour of sustainable development Housing Delivery Test consequence) is appropriate?	Difficult to comment on this without seeing evidence for the 15% contingency.

Question Number	Question Wording	Proposed Response
20	Do you have views on a robust method for counting deliverable homes permissioned for these purposes?	No comment to make.
21	What are your views on the right approach to applying Housing Delivery Test consequences pending the 2022 results?	Due to the uncertainty, the consequences should be suspended until a new approach has been finalised.
22	Do you agree that the government should revise national planning policy to attach more weight to Social Rent in planning policies and decisions? If yes, do you have any specific suggestions on the best mechanisms for doing this?	<p>Agree that securing social rent is a priority and that this should be reflected within national planning policy, so as to give authorities greater ability to insist on the provision of social rented homes.</p> <p>Mechanisms could be similar to, or preferably in place of, those that currently apply to 'first homes'.</p>
23	Do you agree that we should amend existing paragraph 62 of the Framework to support the supply of specialist older people's housing?	Do not disagree with the inclusion of the text referring to specialist older people's housing, however arguably this was already included in the current paragraph with the reference to 'older people'.
24	Do you have views on the effectiveness of the existing small sites policy in the National Planning Policy Framework (set out in paragraph 69 of the existing Framework)?	No comment to make.
25	How, if at all, do you think the policy could be strengthened to encourage greater use of small sites, especially those that will deliver high levels of affordable housing?	No comment to make.
26	Should the definition of "affordable housing for rent" in the Framework glossary be amended to make it easier for organisations that are not Registered Providers – in particular, community-led	No comment to make.

Question Number	Question Wording	Proposed Response
	developers and almshouses – to develop new affordable homes?	
27	Are there any changes that could be made to exception site policy that would make it easier for community groups to bring forward affordable housing?	No comment to make.
28	Is there anything else that you think would help community groups in delivering affordable housing on exception sites?	No comment to make.
29	Is there anything else national planning policy could do to support community-led developments?	No comment to make.
30	Do you agree in principle that an applicant's past behaviour should be taken into account into decision making?	<p>It would be very difficult to apply in practice and there would be a significant risk of legal challenge. As noted in the consultation document, it is a long-standing principle that planning decisions should be based on the planning merits of the proposed development, and any attempt to assess whether applicants or developers were "bad" or "irresponsible" would involve a very high degree of subjectivity.</p> <p>So as to encourage 'responsible behaviour', it may be appropriate to require that, in order for sites to be included in the Strategic Housing Land Availability Assessment (SHLAA), landowners/developers enter into a simple s106 Agreement with the Local Planning Authority which would commit them to using 'best endeavours' to bring the site forward for development.</p>

Question Number	Question Wording	Proposed Response
31	Of the two options above, what would be the most effective mechanism? Are there any alternative mechanisms?	Option two would be the preference as it sets a clear distinction between material planning considerations and assessing an applicant's behaviour. This prevents questions regarding how much 'weight' would need to be applied.
32	Do you agree that the 3 build out policy measures that we propose to introduce through policy will help incentivise developers to build out more quickly? Do you have any comments on the design of these policy measures?	<p>They may help to make developers more accountable but it is questionable whether it will result in quicker build out rates. (They could be seen as something of a 'token gesture' towards addressing the issue.)</p> <p>Developers in relation to part c are likely to only submit optimistic trajectories. It may also act as a disincentive for some developers to develop 'difficult' sites where the build out rate may be slow.</p> <p>It would be difficult to decide on what constituted a build-out rate that was too slow, and it would be very difficult to control or enforce compliance with the submitted trajectories.</p>
33	Do you agree with making changes to emphasise the role of beauty and placemaking in strategic policies and to further encourage well-designed and beautiful development?	No fundamental disagreement with this emphasis (although it may have little impact in practice).
34	Do you agree to the proposed changes to the title of Chapter 12, existing paragraphs 84a and 124c to include the word 'beautiful' when referring to 'well-designed places', to further encourage well-designed and beautiful development?	No fundamental disagreement with the changes (although they may have little impact in practice).
35	Do you agree greater visual clarity on design requirements set out in planning conditions should be encouraged to	It is difficult to see how this will be different to the current situation, as conditions referring to the drawings and

Question Number	Question Wording	Proposed Response
	support effective enforcement action?	materials are already included. However, this would be welcome as it would give authorities more back up if developments are of poor design.
36	Do you agree that a specific reference to mansard roofs in relation to upward extensions in Chapter 11, paragraph 122e of the existing framework is helpful in encouraging LPAs to consider these as a means of increasing densification/creation of new homes? If no, how else might we achieve this objective?	<p>No specific comments to make other than that local authorities will generally be in the best position to consider applications based on their own individual merits.</p> <p>The emphasis given to mansard roofs, relative to other issues in the NPPF, appears excessive.</p>
37	How do you think national policy on small scale nature interventions could be strengthened? For example, in relation to the use of artificial grass by developers in new development?	<p>Supportive of small scale nature interventions but no specific comments to make.</p> <p>(It may be worth noting that the use of artificial grass may in some circumstances have advantages over hard surfacing, and that the biodiversity benefits of closely-mown grass may be limited.)</p>
38	Do you agree that this is the right approach to making sure that the food production value of high value farm land is adequately weighted in the planning process, in addition to current references in the Framework on best most versatile agricultural land?	No comment to make.
39	What method or measure could provide a proportionate and effective means of undertaking a carbon impact assessment that would incorporate all measurable carbon demand created from plan-making and planning decisions?	No comment to make.

Question Number	Question Wording	Proposed Response
40	Do you have any views on how planning policy could support climate change adaptation further, specifically through the use of nature-based solutions that provide multi-functional benefits?	No comment to make.
41	Do you agree with the changes proposed to Paragraph 155 of the existing National Planning Policy Framework?	No objection to the proposed change.
42	Do you agree with the changes proposed to Paragraph 158 of the existing National Planning Policy Framework?	No objection to the proposed change.
43	Do you agree with the changes proposed to footnote 54 of the existing National Planning Policy Framework? Do you have any views on specific wording for new footnote 62?	<p>This still makes it very difficult to bring forward new wind development due to uncertainty regarding planning impacts 'identified by local communities' compared to other ('standard') material planning considerations. Also it is difficult to measure 'local support'. It is not clear why the government considers that proposals for wind energy development should not be considered on the same basis as all other forms of development, i.e. based on the development plan and taking account of all other material considerations.</p> <p>Incidentally, here and elsewhere, it would be strongly preferable for all significant elements of the NPPF to be incorporated in the main body of the document, rather than in footnotes.</p>
44	Do you agree with our proposed Paragraph 161 in the National Planning Policy Framework to give significant weight to proposals which allow the adaptation of existing buildings	This is welcome, as it would give authorities more leverage to insist on better energy efficiency.

Question Number	Question Wording	Proposed Response
	to improve their energy performance?	
45	Do you agree with the proposed timeline for finalising local plans, minerals and waste plans and spatial development strategies being prepared under the current system? If no, what alternative timeline would you propose?	No objection to the timescale proposed but there is uncertainty what the timescales mean for areas with two-part plans, such as Broxtowe. For example, there is uncertainty about whether, in order to update the Part 2 Plan, we would need to start preparing a new style plan; and whether the Part 1 Strategic Plan would need to be reviewed so as to be a spatial development strategy.
46	Do you agree with the proposed transitional arrangements for plans under the future system? If no, what alternative arrangements would you propose?	Same comments as above.
47	Do you agree with the proposed timeline for preparing neighbourhood plans under the future system? If no, what alternative timeline would you propose?	No comment to make.
48	Do you agree with the proposed transitional arrangements for supplementary planning documents? If no, what alternative arrangements would you propose?	It may be very challenging to prepare Supplementary Plans within the timescales proposed, particularly if Local Plans are having to be prepared under the same timescales. There is significant uncertainty regarding the process of preparing the Supplementary Plans.
49	Do you agree with the suggested scope and principles for guiding National Development Management Policies?	There would be an advantage in having national policies, provided that they focused on issues for which national consistency is genuinely important, so that Local Plans can focus on specific issues.

Question Number	Question Wording	Proposed Response
		<p>This may help to speed up plan-making. Together with the proposals for Supplementary Plans, it may also help to clarify the relative status of various kinds of planning policy documents. However, this is removing local control in setting policies and arguably making the planning system less democratic. There will also still generally be a local dimension to most issues.</p> <p>There would be a case for NDMPs being presented as a suite of options for authorities to choose from, for potential inclusion in development plans, perhaps with local variations, and with development plans remaining as the principal basis for development management decision-making.</p>
50	What other principles, if any, do you believe should inform the scope of National Development Management Policies?	No comment to make.
51	Do you agree that selective additions should be considered for proposals to complement existing national policies for guiding decisions?	These issues could arguably be picked up within Local Plans if they are relevant to the local area. However, a national policy on carbon measurement and reduction may be beneficial due to the technical complexity in preparing such a policy and there would be advantages of having consistency across areas.
52	Are there other issues which apply across all or most of England that you think should be considered as possible options for National Development Management Policies?	No comment to make.

Question Number	Question Wording	Proposed Response
53	What, if any, planning policies do you think could be included in a new Framework to help achieve the 12 levelling up missions in the Levelling Up White Paper?	No comment to make.
54	How do you think that the Framework could better support development that will drive economic growth and productivity in every part of the country, in support of the levelling up agenda?	Providing greater certainty within the planning system may assist. Uncertainty generated through multiple proposed reforms does not assist with supporting economic growth.
55	Do you think that the government could go further in national policy, to increase development on brownfield land within city and town centres, with a view to facilitating gentle densification of our urban cores?	Additional funding in relation to masterplanning and on site (including funding for appropriate compulsory purchase) would help to increase development on challenging sites.
56	Do you think that the government should bring forward proposals to update the Framework as part of next year's wider review to place more emphasis on making sure that women, girls and other vulnerable groups in society feel safe in our public spaces, including for example policies on lighting/street lighting?	Supportive of this change.
57	Are there any specific approaches or examples of best practice which you think we should consider to improve the way that national planning policy is presented and accessed?	No comment to make.
58	We continue to keep the impacts of these proposals under review and would be grateful for your comments on any potential impacts that might arise under the Public Sector Equality Duty as a result of the proposals in this document.	No comment to make.

Report of the Portfolio Holder for Resources and Personnel Policy

LAND SALE ADJACENT TO THE CREMATORIUM SITE1. Purpose of Report

To update Members following the recent advertising of the proposed sale of 11 acres of land previously declared surplus by the Bramcote Bereavement Services Joint Committee in 2020 as per the Council's land disposal policy.

2. Recommendation

Cabinet is asked to;

- 1) **Consider any interest in the land made by third parties (contained in confidential appendix 2) and;**
- 2) **to confirm the previous resolution made by full Council on the 13 October 2021, that:**
 - a) **The surplus land at the Crematorium (as per Appendix 1) be sold to the developer of the neighbouring Coventry lane development site in line with the Council's land disposal policy and,**
 - b) **a delegation be made to Broxtowe's Deputy Chief Executive and s.151 officer, in consultation with the Chair and Vice Chair of the Bramcote Bereavement Services Joint Committee and the leader of the Council, to progress all key approvals relating to the subsequent sale of the land,**

3. Detail

In October 2021 Full Council approved the sale of surplus land at the Crematorium by private negotiation to a local housing developer. The surplus land is allocated in the adopted local Plan as part of a larger residential development site accessed off Coventry lane. The Council's owned land is landlocked and access is controlled by the developer of the neighbouring land.

The Council's 2017 approved land disposal policy requires that the potential sale of land or property be brought to the public attention for a period of not less than 21 days before progressing to realisation. This is intended to allow any interested party to register their interest in acquiring the land or to make any other relevant representations. The formal advertisement process has recently been undertaken and ended on the 25 January 2023. Further information about the advertisement replies and the land disposal process can be found in confidential appendices 2 & 3.

The developer secured outline planning approval for the wider site (including the surplus Council owned land) in 2022 and submitted a reserved matters application for 179 new homes in July 2022. This application will be considered by planning committee in February 2023.

The Council has also negotiated the purchase of 51 affordable homes on the site which will contribute significantly to the Council's Housing Delivery plan to build 200 new homes by 2029.

The proposed sale of the surplus land will generate a substantial capital receipt (see confidential appendix 2) which has been assessed by an independent valuer as representing the market value of the site. The proceeds (net of fees) accrued from the land sale are to be divided evenly between Erewash and Broxtowe Councils general funds.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

The equal share of the proposed sale of the surplus land owned by Bramcote Crematorium would generate a substantial one-off capital receipt for the Council's General Fund. It is prudent to not recognise this provisional capital receipt as part of financing of the Capital Programme for 2023/24 to 2025/26 at this stage.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

As this land is considered surplus land it needs to be disposed in accordance with the Council's Land Disposal Policy and adhere to the requirements of the policy as well legal requirements.

Unlike private and commercial landowners, a local authority is in the position of a trustee in relation to the land that it holds on behalf of the community and has a statutory duty to sell land at the best price reasonably obtainable. The Council will only be able to demonstrate that it achieved the best consideration by obtaining an independent valuation of the land.

As the land is not classed as Public Open Space Section 123 Local Government Act 1972 does not apply.

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

Not applicable

7. Union Comments

The Union comments were as follows.

Not applicable

8. Data Protection Compliance Implications

Not applicable,

9. Equality Impact Assessment

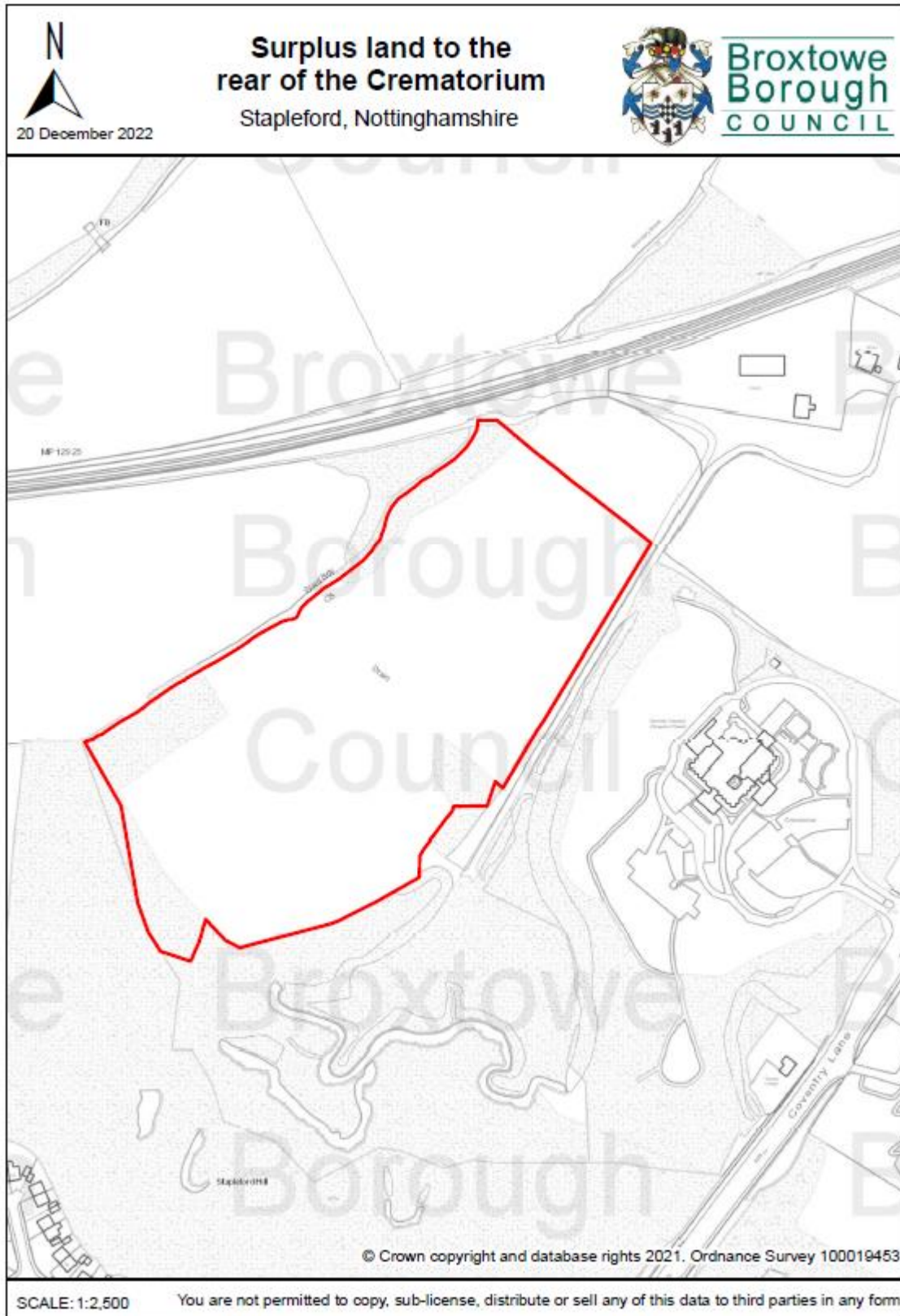
Not required as this is not a change to policy,

10. Background Papers

Nil

APPENDIX 1

Surplus land to be sold



Reserved matters application



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Report of the Leader of the Council

CABINET WORK PROGRAMME

1. Purpose of Report

Cabinet is asked to approve its Work Programme, including potential key decisions that will help to achieve the Council's key priorities and associated objectives.

2. Recommendation

Cabinet is asked, that the Work Programme, including key decisions, be approved.

3. Detail

The Work Programme for future meetings is set out below. Key decisions are marked with an asterisk*.

14 March 2023	<p><u>Resources and Personnel Policy</u></p> <ul style="list-style-type: none"> • Grants to Voluntary and Community Organisations • Equality and Diversity Annual report. • Additional Capital Programme funding for new build sites. • Peer Review <p><u>Community Safety</u></p> <ul style="list-style-type: none"> • Broxtowe Crime Reduction Action Plan 2023-2024 • Hate Crime Pledge • Serious Organised Crime Strategy. • PSPO Renewals <p><u>Housing</u></p> <ul style="list-style-type: none"> • Revisions to Rent Policy for Section 106 Schemes • Housing Management of Communal Areas Policy <p><u>Environment and Climate Change</u></p> <ul style="list-style-type: none"> • Trees • Electric Vehicle Charging Points <p><u>Economic Development and Asset Management</u></p> <ul style="list-style-type: none"> • Beeston Square Phase 2 Lettings
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4. Legal Implications

The terms of reference are set out in the Council's constitution. It is good practice to include a work programme to help the Council manage the portfolios.

5. Background Papers

Nil.

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